



Excerpt

IDC ITMarketScape: Worldwide Telecom Service Provider 2015 Vendor Assessment

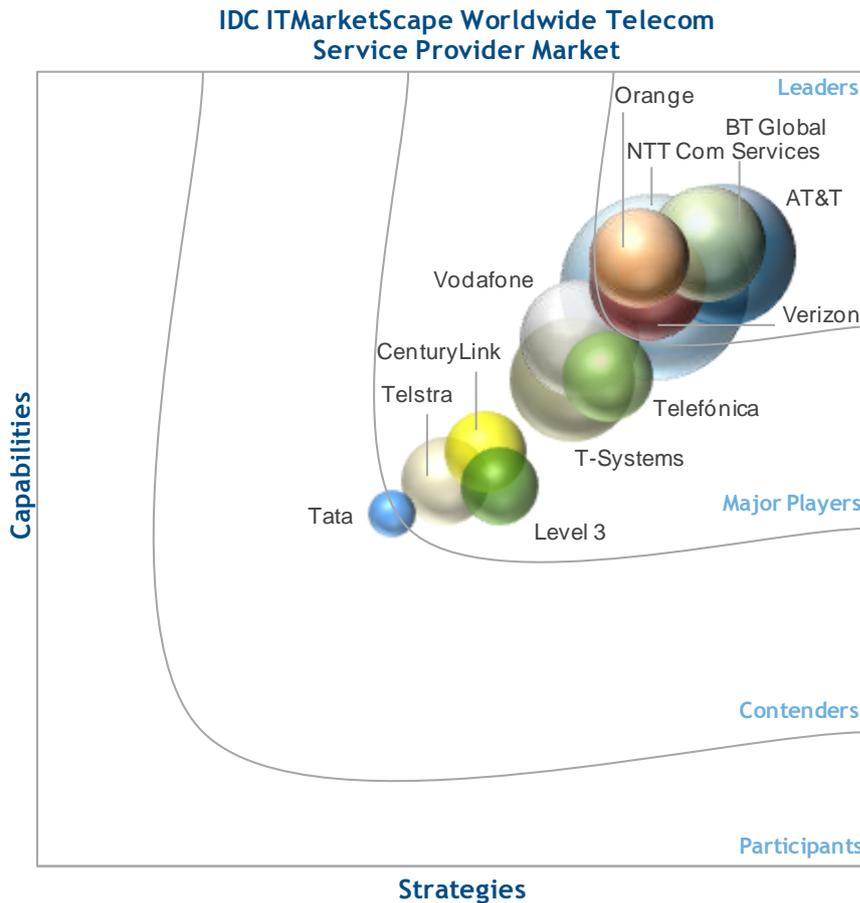
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THIS MARKETSCAPE EXCERPT FEATURES: NTT COMMUNICATIONS

IDC ITMARKETSCAPE FIGURE

FIGURE 1

IDC ITMarketScape Worldwide Telecom Service Provider Vendor Assessment



Source: IDC, 2015

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from *IDC ITMarketScape: Worldwide Telecom Service Provider 2015 Vendor Assessment* (IDC #257339_JP, July 2015). All or parts of the following sections are included in this excerpt: IDC ITMarketScape Figure, IDC Opinion, IDC ITMarketScape Vendor Inclusion Criteria, Essential Buyer Guidance, Vendor Summary Profiles, Appendix and Learn More.

IDC OPINION

This study leverages the IDC ITMarketScape methodology to evaluate the leading global telecommunications service providers (SPs). IDC identified the top 12 providers by scale and scope of

operations, primarily their global coverage and the ability to provide services to global multinational corporations (MNCs). One major qualification was the presence of at least 30% of employees located outside the global service provider's (GSP's) home country, as well as the ability to provide innovative and forward-thinking solutions. The primary focus of this study is the portfolio of global telecom service providers that caters to multinational companies. This requires the ability to provide global network coverage in major metro markets and also covers the following areas:

- Advanced WAN services, such as MPLS and hybrid VPNs, Ethernet access, and secure IP network services, provided on a consistent basis worldwide and backed by a qualified core of supporting personnel
- A strong portfolio of conferencing, collaboration, WAN optimization, and security services that offers a choice of major platforms
- The capability to offer a diverse portfolio of hybrid public and private cloud services as well as access to worldwide datacenter and collocation facilities
- Strong global partnerships via enhanced network-to-network interconnects (NNIs) and channel partners to provide access to countries where the service provider does not have owned network facilities
- Strong mobile connectivity and enterprise application development and management capabilities to facilitate worldwide TEM and secure mobile access to corporate applications

IDC ITMARKETSCAPE VENDOR INCLUSION CRITERIA

Key criteria include the ability to provide a comprehensive global portfolio of services ranging from traditional voice and data networking services to cloud and collaboration services. For the first time in this series, IDC has included the ability to provide mobile services, both connectivity and applications management services.

These service providers must have, at minimum, enhanced global capabilities to offer the following:

- Managed WAN services (IP VPN, security, managed CPE, hosting)
- WAN optimization services
- Cloud services (IaaS, SaaS, etc.)
- Collaboration services (audio, video, and Web-based conferencing)

- Consulting, design, and professional services
- Mobile connectivity and application development and device management

A global organizational sales and support structure was also a key element in the inclusion process. One key criteria was the ability of worldwide telecom service providers to implement a centralized global account and support management team to offer a consistent global experience.

ESSENTIAL BUYER GUIDANCE

Global telecom service providers have progressed steadily over the past two years in their worldwide capabilities. While no one carrier aspires to be the sole enterprise provider, most can certainly provide reasonably excellent regional coverage – and worldwide coverage with enhanced partnership NNIs that have become the norm.

Service providers today are very similar: Most have responded to enterprise requirements for consistent, cost-effective worldwide coverage and have blanketed major metro markets with managed VPN and Ethernet access coverage. They diverge on focus and key strategic capabilities. Some companies like AT&T, T-Systems, and NTT are very focused on following and meeting the A to B end needs of MNCs in their home market. Others like BT and Verizon have become strong players in other regions as well – BT in Asia/Pacific and Verizon in Western Europe. Smaller players like Level 3 and Tata Communications can provide strong coverage in a surprisingly large number of geographical locations. Then there is Orange Business Services, which is the globe-straddling behemoth that has leveraged its French colonial history to deepen its roots in several large emerging markets from Africa to South America.

Selecting a global provider will largely depend on key enterprise requirements:

- **Global coverage:** All of the operators in the Leaders quadrant provide excellent global coverage. Orange Business Services and Vodafone lead with the most local country presence, but BT, Verizon, NTT, and AT&T will provide adequate coverage via enhanced NNIs.
- **Mobile services:** While most enterprises will opt for local-sourced mobile coverage, a centralized TEM for roaming, enterprise application development, and management is becoming increasingly important. Mobile roaming is improving, particularly in intraregional roaming, although it remains fragmented and local. Several communication service providers (CSPs) in this study have strong machine-to-machine (M2M) capabilities, and IoT is gaining ground among the leading players including AT&T, Verizon, Telefónica, Vodafone, and T-Systems.
- **Cloud services:** This has become an area of acute investment by CSPs. Hybrid cloud and networking are the key trends this year, with NTT and Orange leading the way and others such as AT&T, BT, and Verizon providing strong capabilities and dynamic cloud capabilities including hybrid and integrated access to managed/cloud VPN platforms.
- **Collaboration services:** This has also been a strong focus of many CSPs, driven by the need for secure access by mobile devices. Many CSPs have implemented hosted and SIP-based services and also increasingly support diversity including both Cisco and Microsoft platforms.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

NTT Communications

NTT Communications has emerged as a leading global service provider in this IDC ITMarketScape. NTT Com has earned a spot in the leadership quadrant of this IDC ITMarketScape because it has made great strides in executing on its "Vision 2015" strategy. The company is transforming organically and through smart acquisitions. It is well on its way to executing on its mission to be a leading MNC ICT partner. Over the past 18 months, NTT Com has built an appealing portfolio that includes cloud, collaboration, and managed networking services. Most importantly, the company is a leading global tier 1 CSP with an impressive geographical coverage and a strong supporting organization. NTT Communications is a Leader in the 2015 global service provider IDC ITMarketScape.

Strengths

NTT Com has established a strong global presence in several regions extending from the Asia/Pacific to Europe and the Americas. The company has a network presence in key markets in every region and NNI that extends its presence globally. It has built up a strong, diversified portfolio that extends the brand from networking to cloud and collaboration services. The company has established a growth strategy that embraces new technology and has put in place a sales and support team that will allow it to grow beyond its home region. NTT Com has also aggressively embraced transformation both internally and through strategic acquisitions in the cloud and collaboration segments. It has been aggressive in meeting enterprise requirements for new technology such as hybrid cloud IT and secure access but has also developed a strong reputation for customer service.

Challenges

NTT Communications has the global presence to match the other leading global providers. It has the largest business revenue base of the top global companies. However, NTT Communications' greatest strength is also a weakness. NTT Com has one of the most diverse array of companies under its threshold, including many Japanese subsidiaries and the sister companies under NTT such as Dimension Data. As such, NTT Communications may face more integration issues than other competitors with a more streamlined organization. Its brand name is growing and is becoming more familiar to enterprises, but NTT Com still trails the other leading players among some IT personnel.

APPENDIX

Reading an IDC ITMarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC ITMarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC ITMarketScape Methodology

IDC ITMarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC ITMarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The IDC ITMarketScape vendor assessment model is designed to provide an overview of the competitive portfolio and positioning of information and communications technology (ICT) suppliers in a given market.

LEARN MORE

Related Research

- *IDC MarketScape: Asia/Pacific Next-Generation Telcos: Telecom Services 2014-2015 Vendor Assessment* (IDC #AP246115, October 2014)

Synopsis

This IDC study presents a vendor assessment of the 2015 telecommunications ICT services market using the IDC ITMarketScape model. This assessment covers 12 key telecom service providers (SPs) on a worldwide basis. The assessment is based on current and future capabilities with a view of presenting the most comprehensive analysis of enterprise requirements.

"Global telecom service providers continue to evolve with a need to meet the global networking requirements of MNCs. The service providers featured in this study are rising to the challenge of meeting the complex WAN demands for secure networking, cloud, and collaboration capabilities. Most importantly, telecom providers are beginning to leverage innovative new solutions to bring flexibility and agility to this segment." – Courtney Monroe, group vice president, Worldwide Telecommunications

About IDC

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