

Mahindra Comviva's acquisition of Emagine is further evidence of market consolidation in the telecoms analytics market

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Ovum view

Summary

Mahindra Comviva, a provider of mobile-based solutions to CSPs, has taken significant steps toward strengthening its customer value management proposition with its recent acquisition of Australia-based context marketing specialist, Emagine International. Emagine provides contextual marketing software and marketing services for CSPs. This acquisition will see Mahindra Comviva, a subsidiary of Tech Mahindra, enhance its capabilities in real-time marketing, while at the same time extend its market coverage in Asia-Pacific and Africa. Mahindra Comviva's takeover of Emagine's operations also highlights the prevalence of market consolidation targeting the telecoms industry within the customer analytics vendor market. As CSPs seek to deliver personalized experiences to their customers, Ovum expects to see similar market movements, as major players ramp-up their analytics capabilities to meet industry demand.

Emagine set to fortify Mahindra Comviva's position in the telecoms customer analytics space

Emagine International has specialist capabilities in helping CSPs deliver real-time contextual marketing capabilities using its Real-time Event Decisioning platform, RED.cloud. With RED.cloud, CSPs can link data relating to each customer's real-time context (activities and behavior), historical profile, and data with offers specific to the customer's needs. Event detection, next best action allocation and campaign workflow execution can all be delivered using RED.cloud. Added to its analytics platform are its marketing services which handle end-to-end campaign activities for CSPs. Emagine's client base includes CSPs in regions such as Asia-Pacific and Africa; both regions in which Mahindra Comviva is well positioned and has been active. In addition, Emagine brings onboard new CSP customers in countries such as Australia where Mahindra Comviva has had little coverage. Examples of Emagine's clients include 9 Mobile (formerly known as Etisalat Nigeria), Optus, Virgin Mobile, Vodacom, and Vodafone Australia.

Following this acquisition, Mahindra Comviva will strengthen its contextual engagement capabilities with respect to both platform capabilities and services offerings. The company has, in the past, been carrying out in-house development to enhance its offer to the CSP space. These efforts have led to the release of its latest mobile analytics platform, MobiLytix.

The MobiLytix suite is a set of analytically driven, real-time products catering to each stage of the customer lifecycle within the telecoms domain. The MobiLytix suite comprises multichannel campaign management systems, intelligent and interactive notifications, and incremental revenue through incremental sales (IRIS), among many other digital marketing modules. The addition of Emagine's real-time decisioning assets, which is backed by the deployment of fast-data technologies, will enhance the company's ability to help CSPs respond to customer needs in real time. The use of fast data technologies allows Emagine's RED.cloud platform to ingest, analyze, decide, and execute operations within a fraction of a second.

Expect further acquisition activities

This announcement highlights the consolidation of the telecoms-specific customer analytics market. Major telecoms industry players are buying out smaller niche players with a view to strengthening their analytics portfolio, as well as enhancing their market reach. In September 2016, Amdocs acquired Israel-based context marketing expert Pontis for an undisclosed sum. The purchase of Pontis has seen the vendor ramp-up its analytics offerings in the customer engagement space, offering an end-to-end solution which includes both products and services. Similarly, in mid-2017, Nokia confirmed the acquisition of CompTel. CompTel provides analytics capabilities that enable real-time prediction and recommendation. These functionalities are used to provide contextual insights that support customer engagement. Evolving Systems, a specialist software provider of real-time lifecycle marketing solutions, recently announced the acquisition of UK-based company Lumata. Lumata's Expression software generates campaign analytics, predictions, and optimization to marketing departments of CSPs.

The key driver for these market movements aligns with CSPs demand to deliver personalized experiences to their customers. Ovum's 2016 ICT Enterprise Insights survey of more than 400 IT executives indicated that delivering personalized customer experience would be the top business challenge for CSPs in 2017. More than 80% of respondents ranked this as their top business challenge followed by the need to deliver digital services. As CSPs deliver new services and transform the operations supporting preexisting and current offerings, they need to also ensure that these services and operations align with the individual needs of their customers. These personalized experiences will drive monetization of services offerings through upsell and cross-sell opportunities and foster customer acquisition and retention.

Given these trends, Ovum expects similar announcements from other telecoms focused players within the next year. Companies such as Oracle and Ericsson, which are seeking to deliver to the digital needs of the telecoms industry, are likely to make similar announcements. However, for companies such as Ericsson, when it decides to make such a move would be dependent on its access to funds, as the vendor is currently faced with challenges regarding revenue performance.

Appendix

Further reading

How can AI support CSPs transformation programs, TE0008-001486 (December 2016)

2017 ICT Enterprise Insights in the Telecoms Industry, IT0012-000185 (December 2016)

A busy September highlights Amdocs' commitment to digital, IT0012-000183 (October 2016)

"Nokia intends to acquire Comptel to bolster its software play," IT0012-000199 (February 2017)

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