Contact Center as a Service - CX

Global 2021

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

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About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of june 2021, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars ($US) unless noted.

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ISG Provider Lens™

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EXECUTIVE SUMMARY

The contact center industry is facing dramatic shifts, from evolving enterprise buying behaviors and technological demands, to newer working models. In the last 16 to 18 months, the industry has experienced a seismic shift. End-user buying patterns have taken a dramatic shift, and in many instances an irreversible change has begun. Adoption of digital customer experience (CX) has significantly grown. In an era where "contactless" has become a new norm, most enterprises are turning to digital in order to sustain businesses. From small vendors to conglomerates, businesses have doubled their digital use when compared to the pre-pandemic days. Retail shopping has gone digital, physical restaurants have gone digital with online or contactless ordering, and healthcare has turned to online consultation. With the changing landscape, customer care relies heavily on digital channels, such as WhatsApp, that are becoming mainstream communication channels for business enablers.

Another trend that is redefining the norms of customer care is the new hybrid working model. With pandemic-led lockdowns still prevailing in many parts of the world, a large part of the contact center workforce continues to work from home. Realizing some of the benefits of the work-from-home model, many companies are looking to adopt, or have already adopted, a hybrid working model. As this becomes the new norm, companies are now looking to adopt cloud contact centers in order to enable work-from-home on an ongoing basis.

The benefits of the cloud contact center are not alien to industries. Over time, the contact center as a service (CCaaS) solution has evolved, and offers much more than just basic channels of communication. Cloud contact centers are designed as full-blown solutions with multiple features and functionalities, including workforce management or optimization, alongside such embedded technologies as AI, automation, and analytics.

As the industry is evolving, so is the contact center as a service solution. The following paragraphs define some of the trends influencing the customer experience industry.

AI is redefining customer experience: Continuous advancements in AI have led to greater confidence in what AI can deliver. With extensive investments in R&D, AI systems can ingest tons of data in order to augment human capabilities. AI has become more critical to the industry than ever. Going beyond level 1 queries, AI plays a much larger role in query resolution, where a bot is able to determine the need for human intervention, and handle skill-based routing, based on customer needs. Cloud contact centers are extensively tapping into AI, and vendors are heavily investing in making contact centers highly AI driven. Recent acquisitions in this industry by some of the cloud contact center vendors indicate that investments are going in this direction, in order to boost the company's portfolio of solutions.

Cloud migration is on the rise: There is no doubt that COVID accelerated the growth of cloud adoption. Cloud-based contact centers are no exception. According to ISG Index Q2 2021, as-a-service market is growing at 20%+ CAGR, with cloud leading the way. SaaS ACV grew by 15% in 1H2021 and stands at ACV $5.7 billion. Cloud strategy is a top priority for

BENEFITS	DESCRIPTION
Easily deployable	These solutions are built with easy to deploy features. Most solutions take considerably less time to deploy and typically between 0-3 months on an average. During COVID, product vendors in this report offered their high-end solutions for free.
Easy Integrations	Most CCaaS vendors offer comprehensive suite of APIs (Application Programming Interface) making it easy to integrate the solutions with other applications and systems. These software offer easy integrations with several industry CRMs available.
Scalability	With cloud contact center applications, scalability is highly efficient and easier. Adding agents or decreasing the number of seats is simple and straightforward. Managing peak season demands with cloud contact centers is not a complicated process any longer
Pricing flexibility & transparency	According to ISG's recent survey on ISVs, most of them offer flexible pricing models and of which **65%** of them quoted they offer modular pricing followed by license-based pricing models. With more pricing models to choose from and pay-as-you go subscription model, enterprises can complete transparency and visibility on application spend, thus lowering the total cost of ownership.
Procurement made easy	Purchasing software applications has never been easier. With one click away, these software vendors have made purchasing of software an easy experience for most enterprises. With multiple options available, enterprises can even perform enough due diligence with publicly available reviews to choose the most suitable software
Workforce Management	These solutions come with embedded workforce management suite that helps supervisors to manage workforce most effectively. Supervisors can coach, manage schedule, listen and guide the agents. At the same time agents can see feedback and opt for courses to improve their service delivery.
Supports multichannel	These applications are highly equipped to support multiple channels of communication. Not only do these applications support basic channels like voice, chat and email, but also include channels like social media, video, latest messengers like whatsapp. With these embedded features, scaling or expanding the number of channels is seamless. Employees can manage multiple channels without shifting screens and seamlessly shift between channels.
AI & Analytics driven solution	With emerging technologies like AI/ machine learning already embedded into these solutions, these solutions are programmed to deliver actionable insights and empower the agents to be more proactive. Enterprises can now benefit by maximizing the value of data to deliver proactive and highly personalized services to its customers
Unified Interfaces	As the need for consolidated solutions are increasing, CCaaS solutions are now a full package of technology and interfaces. While the solutions come with embedded technologies such as AI/ML and analytics dashboard, they also provide an easy interface for agents to switch between channels providing agents with single pane of glass view.
Vertical knowledgebase	Based on the vast amount of data captured, industry specific solutions are built taking into consideration the multiple nuances of each vertical to create more personalization and help enterprises with faster go to market.

most organizations, because the hybrid working model is here to stay. Enabling business continuity and agility is a prime focus, and the industry is witnessing an accelerated growth in cloud migrations and SaaS platforms. This transformation will continue to grow and, according to ISG Index, the as-a-service market is forecasted to grow at more than 24%.

Increased focus on workforce management: As the hybrid working model becomes the industry standard, maintaining ongoing engagement levels is a prime concern for enterprises. As much as customer experience is important, employee experience and management is equally important to ensure higher quality outcomes. Thus, most CCaaS product companies are investing in expanding their product capabilities to include such extensive workforce management capabilities as speech analytics, supervision features, real-time coaching functionality, and gamification. These capabilities enable businesses to virtually maintain engagement levels with their employees.

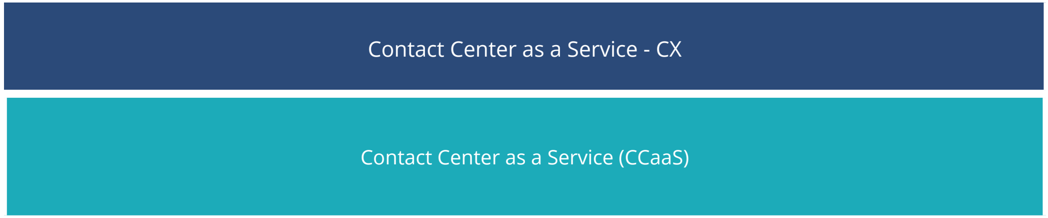
Omnichannel communication regains attention: Omnichannel is not a new concept. However, given the massive increase in the number of channels, omnichannel once again becomes a critical feature of all CCaaS products. Ensuring seamless conversation across channels is a foundation for enhanced customer service.

Agent experience takes center stage: The industry has talked about customer experience, but talked less about agent experience. However, that trend is gradually changing. Agent experience is given the same weight as customer experience. Agent experience is a critical area of focus for these product companies. Investments are going into building comprehensive agent dashboards with built-in analytic functionalities and insights, enabling agents to deliver smarter and better results. From user interface, to training, coaching, and analytics-led insights, these products have come a long way toward ensuring good agent experience.

The importance of the cloud contact center has significantly increased: As the buyer landscape changes, cloud contact center companies are investing in improving the features and functionalities of their products, in order to accommodate evolving enterprise requirements. Companies are actively looking to invest through mergers and acquisitions, and to spending in R&D in order to broaden their portfolios. Mergers and acquisitions are quite active in this space. The following are some of the key M&As in this space and also the capabilities that companies are acquiring through these acquisitions.

Introduction

Simplified illustration



Source: ISG 2021

Definition

The ISG Provider Lens™ quadrant report on contact center as a service (CCaaS) is focused on cloud-based platforms and contact center solutions offered as a service to enterprise. While assessing providers, the study considers their platform capabilities, open architecture, AI and machine learning capabilities, including the speed, reliability, scalability, embedded analytics and overall quality of the solutions offered.

The shift toward remote working and digital communication has accentuated the importance of quick resolution and a highly personalized customer service across channels. Enterprises want to serve their customers through different digital channels while maintaining quality. Thus, CCaaS will play a more critical role in enhancing customer experience.

The study on Contact Center as a Service 2021 is aimed at understanding enterprise requirements to meet their demands, primarily within CCaaS offerings.

Definition (cont.)

The ISG Provider Lens™ study offers IT decision-makers the following:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments
- A perspective on different markets, including global, the U.S., the U.K., and Europe

The study serves as an important decision-making basis for positioning and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current and potential new vendor relationships.

Scope of the Report

The ISG Provider Lens™ study on “Contact Center as a Service 2021” will include the following quadrant:

Given the changing landscape of customer service, service providers in this space are evaluated based on the different offerings they bring to the table to address modern customer experience requirements in each region. The criteria of evaluation used is detailed in the introduction to the quadrant.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US$20 million and US$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Product Challenger

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Market Challenger

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

Contender

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in both products and services and a sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Rising Stars have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not In

The service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

Contact Center as a Service - CX - Quadrant Provider Listing 1 of 1

	Contact Center as a Service (CCaaS)
8x8	Leader
Amazon Connect	Rising Star
Anywhere365	Contender
Aspect	Contender
Avaya	Product Challenger
Content Guru	Rising Star
Evolve IP	Contender
Five9	Leader
Genesys	Leader
Lifesize (Serenova)	Market Challenger
NICE inContact	Leader
Odigo	Leader
Puzzel	Product Challenger
Talkdesk	Leader
Twilio	Product Challenger
Vonage	Market Challenger

Contact Center as a Service - CX Quadrants

ENTERPRISE CONTEXT

Contact Center as a Service (CCaaS)

This report is relevant to enterprises across industries globally that are evaluating providers of Contact Center as a Service (CCaaS). In this quadrant report, ISG highlights the current market positioning of global CCaaS providers delivering exceptional customer experiences and how they address key enterprise challenges.

With the COVID-19 pandemic still ongoing in many parts of the world and remote work being the preferred mode of operation, enterprises globally have increased the adoption of digital channel to deploy services and support. There has been an upsurge in customers' expectations of enhanced customer experience and shortened resolution times. Enterprises have an immediate need to personalize client experience to ensure high customer retention rate and brand loyalty .

ISG has observed that enterprises are adapting to new ways of working, which include acceleration of digital transformation initiative programs into their roadmap involving their customer experience solutions and services. They are seeking centralized contact center solutions that provide omnichannel support and optimize the customer journey across their brands. Cloud-based solutions that have seamless integration capabilities with third-party applications have been the top priority for enterprises seeking contact center software applications.

ISG sees that there has been an increase in the traction of "as-a-service" model offered by the service providers. They are providing solutions with easy-to-deploy features along with initial free trials to ensure that their customers get a real feel and scalability of the product. Service providers are offering a comprehensive suite of APIs and connectors to enable easy integration with multiple CRM systems. They are adopting flexible pricing models, which include pay-per-user and pay-as-you-go options, enabling transparency and visibility on enterprises' spend and lowering the total cost of ownership. Another key aspect is that service providers are embedding capabilities such as workforce management and deep AI and analytics for effective employee management and comprehensive analysis, respectively.

IT and technology leaders should read this report to understand the relative positioning and capabilities of providers that can help them effectively plan and improve the reliability and availability of their contact centers. The report also supports technical and integration capabilities with cloud solution providers and their strategic partnerships.

Digital transformation professionals should read this report to understand a provider's capability to deliver seamless omnichannel solutions, leveraging AI and analytics for superior customer experience. The report will also give an insight on how the providers can be compared with one another.

Business strategy leaders should read this report to gain knowledge on providers’ product portfolio capabilities, which, in turn, will enable streamlined workflow for enterprises and enhanced functionality to agents.

Networking leaders should read this report to get an insight into how the cloud CCaaS platform helps guarantee uptime, network and communication service to meet evolving business needs.

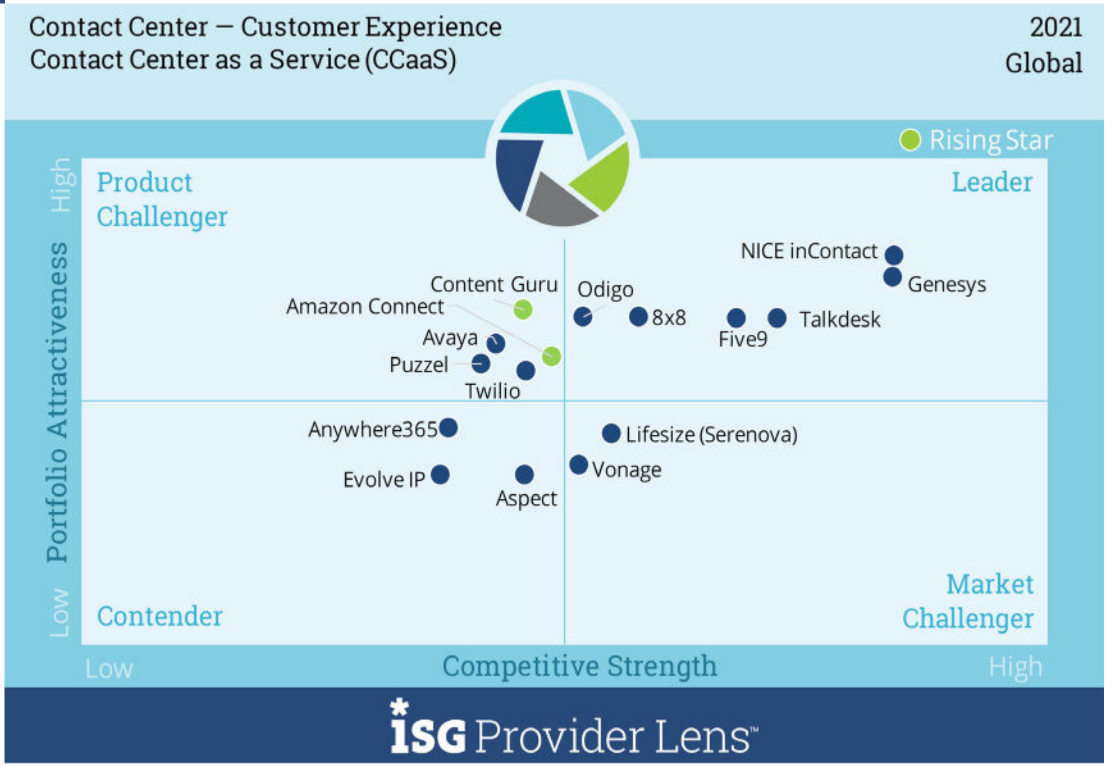
Security and data management leaders should read this report to gain a competitive global overview of data centers that are managed and hosted by providers. The report also gives an outline to operate with strengthened security in the shared infrastructure of public cloud.

CONTACT CENTER AS A SERVICE (CCaaS)

Definition

With the growing prominence of cloud adoption, enterprise business functions are demanding functionality from technology stacks. The contact center as a service (CCaaS) solution enables enterprises to run a virtual contact center, using cloud software to support scalability, flexibility and savings in overhead IT costs. This cloud offering provides the required capabilities for routing inbound customer interactions along with multichannel functionalities that not only simplify business processes but also help to deliver a high-quality customer experience.

This quadrant assesses a service provider's cloud solution that includes omnichannel platforms, customer experience platforms and other cloud solutions for contact centers.



Source: ISG Research 2021

CONTACT CENTER AS A SERVICE (CCaaS)

Eligibility Criteria

- Ability of platform provider to support the integration with various client communication channels and enterprise applications (for example, CRM systems for customer data)
- Offer custom-built solutions with self-service capabilities
- Demonstrate experience in automated call distribution, interactive voice response (IVR) and intelligent call routing (ICR) to deliver an enhanced customer experience
- Offer personalized customer support across web, phone, email, chat and social media
- Exhibit experience in speech/voice analytics, real-time monitoring and workforce management to measure contact center experience and enable smarter decision making
- Capability to connect several call centers at various locations and manage via a centrally managed portal
- Demonstrate out-of-the-box capabilities in cloud deployment, thus helping to reduce costs with better planning and staffing decisions
- Provide subscription-based pay pay-as-you-go (PAYG) model, monthly subscription models and others

CONTACT CENTER AS A SERVICE (CCaaS)

Observations

- **Nice inContact** and **Genesys** continue to dominate this market with strong global footprints, and established product portfolios that offer end-to-end contact center management that address both customer, and employee experience.
- **Five9** and **Talkdesk** are leading the way by acquiring newer capabilities that focus on hyper personalization, and strengthen their product portfolios.
- With new management and renewed focus, **Odigo** is named a Leader in this quadrant for its promising product and strong vision for growth.
- **8x8** continues to top the chart with its unique industry presence that brings collaboration and contact center together.
- **Amazon Connect** is named a Rising Star, with the company's vision to invest and strengthen its product. The company is also aggressively growing and expanding its market presence.
- **Content Guru** has a promising product with mature AI functionalities that act a key differentiator. As the company looks for new avenues and geographies to expand its presence, Content Guru has been named a Rising Star in this quadrant.

ODIGO

Overview

France-based Odigo, founded in 1986, offers cloud contact center platforms enabling enterprises to meet their customer service requirements. Odigo has more than 250 clients located across 100 companies. Odigo has more than 450 employees. More than 3 billion interactions per year are achieved by 400,000 users. Odigo has a strong, defined roadmap for scaling its product to new heights globally.

Caution

Odigo must focus on improving its after sales service including expanding its language and knowledge transfer capabilities. With some of Odigo's recent change management introductions, the company should be able to address knowledge transfer. More focus on seamless integration is required to scale the product.

Strengths

Aggressive growth plans: After Apax Partners acquired Odigo, the company has leveraged this new relationship and has drawn a four-year product development roadmap to scale the product globally. Odigo is looking to scale its investments in sales and marketing, research and development, and technologies to strengthen its portfolio, boost its team and salesforce, and expand globally.

Multi-tiered partner program: Because global rollout continues to be a key strategy for Odigo, the company has made big moves in that direction. Odigo continues its partnership with Capgemini and is now expanding its partnerships with other system integrators, including IBM, with other system integrator partnerships pending; and with Telefonica and other telcos. Odigo also announced its partnership with Salesforce Connector and Bring Your Own Telephony (BYOT), an advanced integration to fully map Odigo into Salesforce. With these partnerships in place, Odigo has positioned itself to present various options to its clients.

A host of new developments: Odigo's recent activities bring new features and developments that are essential for customer adoption of the product. To enable this seamless adoption, Odigo's newly released CX Studio is a good step in the direction of designing the customer experience journey for its clients. Also, the company has added new features like enhanced supervision to alert supervisors that help is needed solve a problem, a qualification center to enable enterprises with easy adoption of bots, and onboarding modules to help enterprises with change management.

2021 ISG Provider Lens™ Leader

Designed to cater to large enterprises, Odigo's cloud platform is highly AI driven. With embedded analytics, the solution addresses both customer and employee experience. Odigo's robust cloud contact center solution, coupled with a strong sales team, will enable Odigo to look at significantly expanding its global presence.

Methodology

METHODOLOGY

The research study “Contact Center as a Service (CCaaS) Global 2021” analyzes the relevant software vendors/service providers in the Global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Contact Center as a Service (CCaaS) Global market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG’s internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements

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Namratha Dharshan brings nearly 17 years of extensive research experience to lead the ISG Provider Lens BPO and Industry vertical program that includes 17 different reports and is designed to deliver research on service provider intelligence. As part of her role she heads a team of analysts and is responsible for delivery of research reports for the Provider LensTM program. Namratha is also a principal analyst and is responsible for authoring thought leadership papers and service provider intelligence report in the areas of BPO focused on customer experience and contact centre services. She has also authored other horizontal service line reports like finance and accounting and vertical focused reports for insurance Contact Center. Her research focuses specifically on the customer experience as it relates to digital transformation, omnichannel, analytics, AI and automation.

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