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Market  
Insight

# **Contact Center Buyers Guide, North America, 2019**

**Providers Look to Harness AI to Infuse Intelligence  
in the Customer Experience**

**Executive Summary & Bright Pattern Profile**

**Global Digital Transformation Research Team at Frost & Sullivan**

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# Executive Summary: the Competitive Landscape at a Glance

This buyer's guide examines the North American contact center market. In the past Frost & Sullivan has done separate buyers guides for the contact center on-premise systems and hosted/cloud markets. However, this year the guides are combined.

## Key Trends

In the 2018 Cloud Contact Center Buyers Guide, Frost & Sullivan noted 3 primary trends driving the customer care industry: the adoption of cloud as standard; the continuing move toward omnichannel delivery within the context of digital transformation; and a focus by providers on developing solutions that address the needs of a changing workforce. These trends continue unabated in 2019, with further refinement. Of particular note are the following:

- **Hybrid Cloud.** Cloud is still a given, but hybrid is a hot topic as outlined below. Companies are using the cloud not just to host contact center services but also to get a head start on innovation when rip and elevate isn't yet an option. As such, providers have adapted by:
  - Continuing to bolster on-premise offerings so customers can get additional value out of their existing operations.
  - Creating and stocking app stores for third-party cloud applications to deliver innovation for cloud customers and to supplement on-premise systems.
  - Ensuring tight integration between cloud and on-premise applications.
- **WEM.** Workforce engagement management made its debut as one of the key trends driving the industry in 2018 and 2019. Listen, Free, Motivate, Empower, Protect, and Enable are all descriptors of design considerations for workforce engagement.
- **AI.** The industry has finally reached the edge of the hype cycle for the umbrella term artificial intelligence (AI) and is actively harnessing a set of AI technologies to infuse intelligence across the customer contact landscape. Just as important, key providers in this guide are learning how to properly market and position their AI wares in addition to building professional services and consulting resources to assist customers with strategic AI plans.

Frost & Sullivan found that these trends are continuing to drive deep change in the industry; for buyers, that means the competitive landscape remains as complex and difficult to navigate as ever.



## Introduction

In 2017, hosted and cloud contact center revenue in North America continued on its healthy growth path in all application segments. Total market revenue grew 12.7%. In particular, automatic call distribution sported 23.3% year-over-year growth and agent performance optimization increased 39.2%. Frost & Sullivan forecasts the overall market revenue to increase at a compound annual growth rate of 11.4% through 2022. In addition to the common benefits that the cloud brings, such as scalability, ease of integration, and flexible payment plans, numerous broader industry trends discussed later in this guide are contributing to growth in the market.



## The Study

This study is based on extensive primary and secondary research and is divided into 2 sections.

Section 1 provides analyst commentary on the most important forces affecting the North American hosted/cloud contact center market. A number of key trends, including movement to the cloud, have been gaining steam for a decade. Others, such as creative pricing strategies or the creation of app stores for customers to more easily add new capabilities from third-party suppliers, are growing in strength. Frost & Sullivan expects that these trends will extend well into 2022.

Section 2 highlights and assesses the capabilities of the top-performing North American cloud contact center providers. The list is not all-inclusive. Frost & Sullivan chose vendors based on the strength of vision and ability to execute. Some offer complete contact center solutions while others offer compelling suites focused in areas such as agent performance optimization. Solution providers are listed in alphabetical order.



## Section 1: Market Trends

After decades of focusing on cost-cutting and isolating performance issues in the contact center, the industry turned its attention toward improving the experience of customers, and then to the workforce that serves them. In this decade, the key trends have revolved around the concept of people being facilitated by technology. *Omnichannel customer care* addresses the functional silos and breakpoints in context continuity of the customer journey. *Digital transformation*—the process of using digital technologies, including advanced communications, to remove cumbersome obstacles to growth that have built up in an organization over time—is now at the core of strategic planning. Intriguingly, the use of AI in the contact center has moved front and center as the industry has matured past using AI as point solutions, such as virtual assistants and bots, to infusing AI across the customer contact landscape in a variety of ways and methods. Finally, WEM has emerged as a familiar term and essential concept, and is at the heart of the development and application of solutions geared toward improving EX in the same way as improving the CX.

These and other themes are driving innovation and growth across core technologies in the contact center systems industry, and driving change across areas outside the contact center as well.



### The Competitive Landscape Continues to Shift

There has been an interesting shift in segmentation in the cloud contact center market. Premise-based systems once were king, but cloud has since taken over as the preferred method of deployment. Alternatives to on-premise systems began to emerge 20 years ago with cloud-native suppliers such as LiveOps (now Serenova) and Five9. Telecom and networking providers, such as Verizon, Bell Canada, TTEC, and Vonage, added hosted cloud offerings for enterprises in addition to their own BPO offerings. Starting in 2009, a rapid acceleration in new cloud market entrants occurred with companies such as 8x8, an example of a company which also brought with it a strong UC offering.

The race to the cloud was on, and it forced system providers to answer in turn. Many added cloud solutions, such as interactive intelligence, with a CCaaS offer, which was separate from premise-based equipment with no integration between the two. Other established contact center providers added cloud assets through multiple acquisitions, including Genesys with Soundbite, Utopy, and Echopass; Mitel with Prairiefyre and ShoreTel; Verint with Contact Solutions; and NICE with inContact. Still others added cloud functionality through OEM relationships, such as Aspect utilizing Bright Pattern's technology. A few, such as Noble Systems, added cloud options by developing them off

of the same code base as their systems, enabling customers to more easily move between on-premise and cloud.

The next shifts occurred as the industry reimagined and designed agent desktops to streamline UIs and allow the integration of an increasing array of interaction channels. The concept of omnichannel customer care was born in 2013, promoting the goal of a seamless flow of information along a customer journey. This furthered the acceleration of integrated platforms, and a new generation of cloud platforms emerged either through the deeper integrations of acquired company technologies or the complete rewrite of existing software by providers.

The drive to deliver on the promise of omnichannel service along with the increase in interaction channels and the infusion of new technologies such as process automation, analytics, and AI brought in a wave of third-party application integration and app marketplace offerings, along with a new generation of platform suppliers including Sharpen and Talkdesk. Shortly thereafter CPaaS cloud providers emerged with API-first platforms and a more “build-your-own” mentality, such as those from Amazon with Connect and Twilio with Flex. These providers, which offer a full range of communication services, often are hosting other contact center providers’ solutions, even as they now provide contact center services of their own.

In the meantime, the industry continues to change, most recently with the emergence of new providers that took advantage of all of the above shifts to build platforms that have truly integrated functionality from the contact center and UC to the infusion of AI and third-party applications. Notably, Thrio and Edify formally announced such platforms in the spring of 2018.

This has all made for a very interesting and capability-rich landscape that, for the buyer, can be confusing. Yet, as the massive installed base of contact centers matures and needs to be updated, this also means there is something for everyone.



## Flexible Consumption Models

The complexity of the contact center market is also characterized by some fairly interesting go-to-market strategies that include new license models, packages, and pricing. For instance, Genesys’s Cloud First initiative, as noted in the Genesys profile later in the guide, takes the principles of the cloud, such as pay-as-you-go, and the ability to burst capacity, to provide customers with the flexibility to shift agent seat licenses around as needed. For example, if a customer wants to add chat functionality, which might lessen the use of its voice channels, it can shift license usage from voice to chat, rather than simply adding chat licenses and continuing to pay for unneeded voice channels. Verint provides flexible licensing that takes into account seasonal and random burst usage both on-premise and in the cloud. For example, with its Named

Employee Metric-Based Licensing, a customer can start with any solution and only purchase the capabilities needed for each agent, such as CTI, messaging, email, or knowledge management.

Other suppliers attractively bundle solution options, such as 8x8's X bundles that cost-effectively tie its UC and contact center solutions together.

And then there is consumption-based pricing, which upstarts Twilio and Amazon Connect are offering. This pay-for-what-you-consume model enables companies to more finely tune budgets and make better decisions about what applications to use and when to use them. An interesting example of this model is the one Inference Solutions uses with its intelligent virtual assistants. Inference's virtual agents are paid like human agents, with pricing based on their skill sets: customers pay for the capabilities, not by the number of minutes consumed by the virtual agent. This enables companies to adopt Inference Solutions in a mix-and-match fashion according to their specific needs: if a company wants to simply replace an aging IVR system that greets and routes callers or holds a customer's place in a call queue, the cost to do so is much lower than deploying a virtual assistant that has the full range of capabilities to replace and offload live resources.



## If Cloud is King, Hybrid is Queen

Frost & Sullivan forecasts continued rapid cloud adoption with growth of 11.4% CAGR during the 2017–2022 study period. In particular, the area of APO, which includes WEM capabilities and analytics, is forecast to grow 18.9%, and core routing platforms, 16.8%.

Much to the dismay of many industry pundits, the on-premise market did not show a precipitous decline; instead, it showed modest growth of 2.7% in 2017. In fact, a few providers witnessed a fair increase in on-premise systems sales. Overall, the on-premise market is forecast to have a CAGR of 1.7% during the study period.

However, the on-premise and cloud markets are deeply entwined as the majority of legacy vendors reported that 2017 and 2018 were big years for hybrid deployments across the solution landscape. The rip-and-replace mentality of the early cloud years has become a more measured approach for numerous reasons. One often-repeated example is that of a company moving to the cloud, but for security or other business reasons wanting to keep its call recordings on-premise. Another is that of a company with a contact center that is working fine and is not that old, yet wanting to expand with newer applications and planning an eventual cloud migration; it will start by adding those new solutions in the cloud, integrated with its existing premise-based systems.



## Guiding Customers through the AI Revolution

AI, as it applies to the contact center, is an umbrella term that encompasses AI, ML, NLU, deep learning, and other related technologies to improve the CX. The overarching theme in customer contact this year was the shift from companies talking about AI in a narrow way (focused on point solutions such as speech-enabled IVR or virtual assistants) to the matter of how to effectively plan for and deploy AI-enriched solutions across the customer contact landscape in a way that improves both the CX and the EX.

A few years ago, just a handful of vendors spoke of AI in this way. Aspect, Genesys, NICE, Nuance, TTEC, and Verizon are among solution providers that spoke of AI as an umbrella term, under which fell both solution creation and the development of AI-based best practices and professional services. Key to this idea was the ability to guide customers through what is possible with these technologies and develop solid roadmaps of where they need to be now and in the future with AI.

Now the number of companies doing so has mushroomed. Many have business units that focus solely on AI, and some have developed CoEs with a focus on integrating AI-infused solutions into customer environments. Now we have a vast array of applications including virtual assistants, predictive routing, process automation, voice biometrics, assisted and unassisted RPA, and automated forecasting and QA.

Frost & Sullivan finds that this trend should only gain strength over the next 5 years as companies drive toward improving both the CX and the EX. Developing better self-service tools so that customers only need to reach out to agents for the more complex interactions or those requiring judgement and empathy, and tools that help agents quickly and accurately assist customers, are fertile development areas for taking advantage of the benefits that AI can bring. To reflect some of the work being done in this area, many of the provider profiles in this guide include a section on infusing AI across customer care.



## Conclusion

The contact center is in the midst of the most interesting and promising time in its history. With basic feature development behind us, solution providers are working on what might be termed the more humanistic aspects of customer care so as to differentiate product portfolios. To encompass a broad swath of requirements, providers are also offering a wide array of deployment and pricing options.

Choosing a contact center provider is an important decision that must be based on a robust evaluation methodology that includes a thorough check of customer references. The following provider profiles offer detailed company and solution portfolio information as a way to start this process.

## Bright Pattern

### Company Background and Current Performance

Bright Pattern was founded in 2010 as a provider of SaaS-based contact center solutions. The company name came from the idea of “making customer service brighter, easier, and faster than ever before,” with a focus on enterprise scalability and true omnichannel capabilities and with the goal of offering the greatest simplicity and lowest cost in the industry. Its founders came from within the contact center industry and include some of the original engineers who created enterprise contact center software at Genesys, as well as engineers who developed CRM solutions at FrontRange. The company took an early investment from Aspect to develop on a cloud-based platform, the result of which was Zipwire, Aspect’s entrée into cloud contact centers.

Based in San Bruno, CA, the company has additional offices in California, Australia, Russia, and Japan. The company has 2 data centers in the United States and 1 each in Ireland, Australia, Japan, Singapore, and South Africa.

After a few years as primarily an engineering-driven company, Bright Pattern in 2017 began the expansion of its executive team to focus on building the business more aggressively from a sales and marketing standpoint. Bright Pattern refreshed its executive leadership by naming board member Michael McCloskey, a former president of Kana and Genesys, as CEO. In 2018, two other tenured Genesys executives followed: Ted Hunting after 14 years as senior vice president of marketing, and Brian Hays after 18 years as senior vice president of global sales. Since 2018, Bright Pattern has seen its strongest annual revenue growth to date, with the acquisition of key enterprise accounts such as Daimler Group and Kaiser Permanente; innovative unicorn companies such as Klook and Weebly/Square; many large, global BPOs; and reseller partners in North America, APAC, and EMEA. Bright Pattern today has acquired more than 200 new logos in 26 countries including the United States, Canada, Japan, Singapore, Australia, the United Kingdom, Ireland, Germany, Italy, and South Africa.



## Portfolio Description and Analysis

### Bright Pattern Contact Center

The Bright Pattern Contact Center is a natively built omnichannel, multitenant platform targeted at midsize to very large enterprise customers. Built on microservices architecture, it provides omnichannel customer contact across legacy and emerging interaction channels. The Bright Pattern platform is built on a single unified architecture with all channels native to the platform.

Bright Pattern provides 100% global availability and an active-active topology with 10,000-plus concurrent users in a single instance. It runs its platform in all locations separated in different geographies, and the system chooses which connections to make, providing for solid business continuity and disaster recovery. The system also allows for a company to comply with regional data security regulations by finding a local agent in a specific area to keep data local as well.

The company claims to be the first cloud-agnostic platform allowing customers the option to utilize Amazon, Azure, Oracle, Rackspace, and others, or their own data centers. Bright Pattern runs its own data centers in the United States and mostly uses AWS globally, with other instances being run in partner or customer data centers. The company also boasts measured uptime of 99.998%. Bright Pattern makes upgrades on the fly without any downtime to users.

The platform design combined with best practices has enabled Bright Pattern's customers to be up and running very quickly, with minimal IT support. Typical deployment windows are 1 to 2 weeks for small to medium-sized businesses and 1 to 2 months for large enterprises, including pre-integration with third-party software, such as CRM applications (e.g., SFDC, MS Dynamics, ServiceNow, Zendesk). The administrative interface is designed to let companies change configurations on the fly, such as modifying business rules and journey workflows, without involving excessive time and cost of IT or professional services.

Bright Pattern Contact Center provides a unified omnichannel agent desktop for agents and supervisors, a contact center administrator application for admins, a system management application for service providers, and supporting Web applications for building custom forms, chat widgets, automated scenarios, and wallboards. Features of note:

- **Bright Pattern Journey Engine.** The heart of the platform, it provides business workflows to orchestrate journey flows for inbound, outbound, IVR, video, email, chat, mobile in-app, SMS/text messaging, bots, and messengers. The system does capacity-based routing that works on top of skills-based routing, enabling

customers to define different communication channels and how much capacity an agent can handle to be completely busy. The engine also allows for seamless channel switching and escalation, and a full range of monitoring, reporting, and quality management consistent across channels. Advanced call handling features include callback, conversation continuity for dropped calls, and in-call and standalone SMS messaging between agent and customer.

- **BrightStart Apps.** Preconfigured modules or workflows built in the Bright Pattern Journey Engine using a simple point-and-click workflow. They were designed as instantly deployable solution packs that solve common CX issues for particular use cases, making it easy to quickly address particular customer needs with minimal PS. BrightStart apps include conversational IVR, omnichannel digital starter (getting top 2 channels working as one conversation), proactive priority Web chat, and human and chatbot (seamless escalation from bot to agent with full context). Other BrightStart Apps can be easily configured as part of initial customer setup based on each customer's desired business use case.
- **Bright AI.** Utilizes numerous technologies, including NLU, voice transcription, meaning extraction, and AI and ML, to drive intelligence into applications. The company also has integrations to best-of-breed AI-based products such as IBM, Google, Amazon, and Microsoft. The blending of these technologies enables bots and humans to work as one unit with bots for basic triage and agents added in as needed with context. Bright AI allows a customer to use any commercial bot or build custom bots. The same AI engine helps agents with suggested responses over text, phone, email, chat, and messengers, and supports desktop automation.
- **Conversational IVR.** A natural language, AI-powered IVR solution using best-of-breed AI technology from Google, Microsoft, Amazon, and IBM. By using AI, NLP, and speech analytics on customer calls, it continually learns to improve customer interactions.
- **Omnichannel Quality Management.** A full quality monitoring solution to measure quality across all channels and every interaction. Released in Q2 2019, it provides an intuitive, easy-to-use way of monitoring and coaching agents, and includes call recording, screen recording, transcripts, supervisor coaching, and end-of-interaction surveys. Omnichannel QM can be applied to any channel so that a supervisor can work with the agent in real-time regardless of channel or after the fact by going through scorecards. Call recording is multichannel; it can do speaker separation, and automatic transcription can be turned on and off. It also provides multiscreen recording and full control over where data is going or is stored.

Omnichannel QM is embedded into the desktop; customers can operate in a single desktop interface. Because Bright Pattern has all channels native to the platform,

companies are able to have a view of quality across all channels and are able to see quality management scores such as CSAT and NPS, and sentiment by channel, by journey type (e.g., mortgages vs. credit cards vs. support), or customer segment in simple QM dashboards. Also, using the Journey Manager engine, interactions that fall below given thresholds can be immediately routed to retention specialists or supervisors for real-time follow-up. Bright Pattern claims to be the first in the industry to provide these metrics across all channels and for all interactions.

- **OmniWFM.** An omnichannel WFM solution for all channels and agent skill sets scheduled for release in Q4 2019.
- **Bright Connect APIs.** A set of prebuilt APIs or connectors to all leading CRMs and databases, such as MS Dynamics, SFDC, Zendesk, and ServiceNow.

### Sales and Services

Bright Pattern sells both directly and through partners. Its primary revenue channel has been through partners, though a more even direct/partner mix is expected as the sales and marketing buildout continues in 2019/20. Bright Pattern is expanding on the partner side, and starting in October 2018, the company signed 10 of Genesys's large partners in the United States, Canada, Europe, and Asia. As a testament to the strength of its platform, Bright Pattern also signed a deal with TTEC and expects to have 4,000 seats by the end of 2019; in addition, TTEC is reselling the product.

Bright Pattern's partnership program includes resellers, business process outsourcers, CRM vendors, and technology partners. Bright Pattern's partner direction is to remain open to all key technologies (e.g., CRM, WFO/WFM, AI partners) so that customers can choose their own best-of-breed solutions. Bright Pattern also is available on all cloud infrastructure partners (AWS, Azure, Oracle).

Because of simplicity in the platform (automation in deployment, configuration) Bright Pattern can be implemented with minimal PS. Ongoing changes (e.g., operational changes such as updating or modifying journey workflows or business rules) can typically be made by business users with minimal or no PS support. Bright Pattern PS revenue is less than 5% of total revenue as an indicator of ease and speed of deployment.

Strengths	Concerns
<p>All channels are native to the platform, enabling true omnichannel conversations. Omnichannel quality management with omnichannel WFM is planned for Q4 2019 release.</p>	<p>Bright Pattern offers capabilities through integrations with all leading WFM vendors. It recently launched its own QM offer with WFM being released in Q4 2019. As such, they remain untested in the market.</p>
<p>The ability for customers to choose their own network provides an added layer of flexibility that many cloud providers do not offer.</p>	
<p>Bright Pattern is one of the first providers to offer customer service messaging apps, particularly in an omnichannel environment.</p>	
<p>Due to the simplicity of the platform, Bright Pattern offers low license costs and professional service fees at a fraction of the cost of many other cloud-based vendors (less than 5% of revenue comes from PS).</p>	
<p>A customer and partner-led organization, Bright Pattern's R&amp;D is heavily driven by customer/partner feedback. For instance, its recently launched QM product saw 80 top feature requests from partners.</p>	
<p>Per Capterra and other "not for pay" customer review sites, Bright Pattern customers rank the company higher than virtually every other cloud contact center.</p>	

**Customer Recommendations**

**Best Fit**

- Omnichannel.** Companies that are looking to easily offer true omnichannel capabilities without significant license or PS expense are Bright Pattern target customers. Companies looking at emerging channels such as messengers, or mobile capabilities such as chat, video chat, or document sharing within their app into their customer care organizations would do well to look at Bright Pattern. The company has adopted a mobile-first strategy, and integrated mobile messaging with apps such as WhatsApp and Facebook Messenger into the platform. This provides customers with in-app messaging and "call me now" buttons that carry

context with the call, as well as multimodal in-app capabilities such as chat, video chat, and document and picture sharing.

- **AI in the Contact Center.** For companies that are looking to infuse AI into customer contact, Bright Pattern's Bright AI provides a plethora of choices as to how to do so—from desktop automation (as well as integration with other RPA vendors) to intelligent bots and messaging applications. In fact, the various technologies can easily be combined (e.g., creating a messaging application that provides instant access to a chatbot for assistance).

### Caution

- **Brand Recognition.** Bright Pattern still does not share the same level of brand recognition of many other cloud contact center providers because it was primarily focused on engineering until 2018. But with the recent buildout in sales and marketing and new marketing efforts such as significant investment in SEO, expanded trade show presence, and industry presentations, Bright Pattern saw a strong uptick in prospects and recognition in H2 2018 and H1 2019.

## The Frost & Sullivan Story

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the implementation of powerful growth strategies.

Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from more than 40 offices on 6 continents to clients accelerate growth by:

- Delivering the broadest industry and market coverage of any research and consulting firm worldwide—10 industries, 35 sectors, and 300 markets—ensuring that clients understand their industry challenges and opportunities, growth opportunities in aligned industries and competitive pressures from previously unknown sources;
- Providing a 360-degree perspective, integrating 7 critical research perspectives to significantly enhance decision-making accuracy and lower the risk of implementing growth strategies with poor return;
- Leveraging extensive contacts in the value chain, including manufacturers, distributors, end users, and other industry experts;
- Offering a global perspective of opportunities and threats built on regional expertise;
- Documenting best practices worldwide that overcome tough business challenges; and
- Partnering with the client's team to ensure success.