

Ovum Decision Matrix: Selecting a Multichannel Cloud Contact Center Solution, 2017–18



Excerpt

Summary

Catalyst

The penetration of cloud-based contact center solutions into the contact center market is growing dramatically as enterprises continue to acquire new customer engagement solutions or replace their existing premises-based contact centers. Cloud solutions are growing in popularity and gaining an increasingly significant share of the market as their feature sets and flexibility begin to duplicate or, in some cases, surpass those of legacy premises-based systems. Cloud contact center vendors are spending R&D dollars to further develop their solution capabilities internally while also making strategic acquisitions in the customer engagement market space to enhance and broaden their offerings. It can be difficult for enterprises to effectively navigate the broad array of available cloud contact center offerings in this rapidly evolving marketplace. The choices are many and cloud contact center solutions and vendors are diverse. They include offerings from legacy contact center vendors, cloud-only multitenant players, emerging niche solutions, and large telecoms and outsourcing providers.

This report reviews several of the leading cloud contact center solutions, with particular emphasis on the ability of providers to handle multichannel customer interactions and connect with customer and company data through analytics. This report compares solutions based on the strength of their technology platforms, the views of their customers, and the market impact that each company has in today's very competitive environment. Ovum has compiled a select group of vendors for comparison based on their ability to offer full voice call routing in the cloud, as well as their ability to route at least one interaction channel in addition to the voice channel.

Ovum view

In today's competitive marketplace, it is crucial that contact centers add new and advanced services regularly to ensure that agents are able to respond to customer inquiries from across voice, web, and mobile platforms to make interactions smoother and improve resolution rates. Cloud technology is rapidly gaining traction in the contact center because it enables enterprises to gain access to the latest customer engagement functionality via fast, regular upgrades rather than through complete platform upgrades or total system hardware and/or software change-outs.

Aside from transforming the traditional contact center payment model from a large capital expenditure (capex) to an operational expense (opex), cloud contact centers can typically be deployed much more rapidly than those implemented on the customer's premises. Cloud solutions give organizations more flexibility to expand or contract the number of agents based on the fluctuating requirements of the company, or to switch customer interaction management across a multitude of channels. These advantages, plus ongoing improvement in the scalability and reliability of cloud solutions, means that cloud contact centers are now an option for all sizes of contact centers, as indicated by their rapid growth across a variety of vertical markets and the global market. In addition to single-tenant platforms, newer multitenant solutions are emerging, and contact centers are rapidly adopting these capabilities.

At the same time, many enterprises face challenges in switching to cloud from their legacy premises-based solutions. Many will be restricted by the familiarity of their existing solutions, a desire to fully depreciate existing on-premises systems, or a basic hesitation to switch to an entirely new multitenant offering. As a result, there will continue to be an opportunity for vendors to sell hybrid solutions to larger organizations that want the advantages of someone else managing their platform while retaining some control and knowledge of the location and security of their customer data. Professional services around migration and ensuring that the change-out occurs with minimal downtime will be essential for these contact centers in their transitions to the cloud environment.

The increased acceptance of cloud offerings among enterprises, as well as the addition of many new vendors in the market, means that the competitive landscape for cloud contact center solutions has

become very complex. Enterprises often require assistance in finding and selecting the appropriate platform to meet their needs while considering the size of the contact center required, the optimum speed of deployment, channel requirements, and depth of capabilities that will impact their decision. This Ovum Decision Matrix is intended to provide an in-depth view of several of the leading cloud contact center vendors to assist enterprises in finding the most suitable platform(s) for their needs.

Key findings

- Multitenant cloud solutions are more mature and fully featured than ever before, making them viable for even large contact centers with thousands of seats.
- The move to contact center cloud technology is becoming increasingly common across all vertical markets, and even into the outsourcer market segment of users.
- The next frontier for cloud contact center providers will be global expansion to serve multilocation global clients and to maintain revenue growth rates.
- Legacy vendors offer a choice of deployment methods that will match the needs of those contact centers that want to make a gradual switch from premises-based systems to a hybrid setting and eventually to the cloud, if and when required.
- As larger contact centers make the switch to cloud, they will need assistance to migrate customer data while ensuring minimal disruption to operations.
- The vendor landscape includes companies with four key backgrounds: pure multitenant cloud providers, traditional premises vendors with hybrid and newer cloud offerings, telecoms carriers offering the products of partners, and outsourcers turned technology providers.
- Enterprises must decide whether they will choose a multitenant public cloud solution or host their solution in a private cloud depending on several factors, including data privacy, security, tolerance for risk, and often other vertical market-specific requirements.
- Newer vendors, which tend to be cloud-only providers, are ramping up the competition with advanced multichannel interaction capabilities and other attractive services and capabilities such as artificial intelligence (AI), big data, and Internet of Things interoperability.
- Ovum has placed three vendors in the leader category: Five9, Genesys, and NICE inContact, listed alphabetically. These vendors have a range of cloud approaches; all have a great deal of experience and proven reliability in delivering secure, advanced services. The leaders all have a good base of contact center customers, as well as advanced multichannel offerings and strong corporate strategies.
- 8x8, Bright Pattern, NewVoiceMedia, Serenova, and Talkdesk are all worthy competitors with strong technological capabilities and offerings that may also meet the needs of contact centers having specific functional requirements, feature sets, and unique business-specific needs.

Overall, Ovum believes the differences in technology capabilities between vendors in the leader category and those in designated challengers and followers categories are relatively slight. Ovum therefore recommends that enterprise buyers consider all eight vendors in the report, looking internally to determine the unique characteristics of their requirements in order to best match their needs to a potential service provider.

Vendor solution selection

Inclusion criteria

Ovum selected vendors for comparison based on their ability to offer full voice call routing in the cloud. All the selected vendors provide multichannel customer service, meaning they offer a full voice call routing channel in the cloud with the capacity to route at least one interaction channel beyond voice. Selected vendors have a minimum of 20,000 cloud-based agent seats globally, and a few also

provide hybrid and single-tenant solutions alongside their existing premises-based contact center platforms. The vendors in the Ovum Decision Matrix evaluation own their own technology; offer direct sales to end users; and host their services in their own data centers or in well-established, well-known data center provider facilities, or a combination of the two. They were evaluated not only on their technical strengths but also their market impact and the opinions of their customers across a broad set of evaluation categories.

To better understand the competitive dynamics in the cloud contact center market, Ovum evaluated and profiled the following broad collection of cloud contact center providers:

- 8x8
- Bright Pattern
- Five9
- Genesys
- NewVoiceMedia
- NICE inContact
- Serenova
- Talkdesk

Exclusion criteria

In addition to the eight included vendors, Ovum also examined Aspect, Cisco, and Enghouse, but they were not included in the detailed scoring because they do not meet all of the criteria for the Decision Matrix, could not provide a fully completed application, or chose not to participate in the study. For example, Cisco and Enghouse provide a contact center platform, but customers can deploy it only through partners. Aspect does offer hosted options for its customers, but it is relatively new as a cloud contact center provider with its own product(s). Aspect also sells a solution that is the product of another vendor (Bright Pattern) that was included on a standalone basis in this year's report because the company is now increasingly and successfully selling its product directly to end users.

It should be noted that the list of cloud contact center vendors included in this report is far from exhaustive. Many new and emerging cloud players in the market offer competitive solutions. The report also excludes many of the outsourcers and telecoms organizations that play a prominent role in the contact center services market, leveraging many of the platforms from the above organizations, as well as others, in order to sell contact center services. Leading service providers AT&T, BT, Telefonica, and Verizon all offer a range of contact center cloud services that meet the needs of many different types of enterprises. Unified communications (UC) providers, including the recently merged Mitel and ShoreTel, also offer integrated cloud contact center tools as well as contact center software to their UC customers but do not normally lead with their contact center offerings to their non-UC customers.

Contact centers seeking a cloud solution may also review some of the less-well-known or relatively new cloud contact center players that have unique capabilities and market strengths that may also fit their needs, including

- Amazon Web Services
- CenturyLink
- Content Guru
- Magnetic North
- Noble Systems
- Transera/BroadSoft
- Twilio.

Methodology

This report provides a summary of vendors' cloud contact center capabilities based on a quantitative assessment of their market impact and execution scores, as well as the technology features that they support. Ovum selected vendors that are able to offer full voice call routing (i.e., ACD) in the cloud, can route at least one interaction channel beyond voice, and have at least 20,000 cloud-deployed agent positions worldwide. Although some additional vendors were able to meet these criteria (notably Aspect, Cisco, Enghouse, and Noble Systems), they were unable or unwilling to provide sufficient information for a full evaluation or chose not to participate in the study.

All included vendors were asked to complete an in-depth technical assessment checklist and provide market and revenue data, as well as a list of 20 customers to be surveyed by Ovum regarding their capabilities and effectiveness in serving their clients. Ovum used this data, alongside in-house knowledge, to determine the results of the Decision Matrix. The detailed scores underpinning the Decision Matrix can be found on the included individual vendor radar graphs and in the appendix.

Technology/service assessment

In this assessment measurement, Ovum developed a series of features and functionality that would provide differentiation among the leading solutions in the marketplace. The criteria groups identified for multichannel cloud contact center are as follows:

- **Core capabilities:** The core requirements for call handling and interaction routing, including IVR and workforce optimization
- **Interoperability:** The ability of the platform to support TDM and IP switching, open standards, external IVR applications, and CRM connections
- **Reliability and scalability:** The degree to which the service providers offer outage-abatement tools and assist clients with deployments of various sizes and the flexibility of different hosted configurations and deployment times
- **Administration and monitoring:** The vendors' capabilities in system management, configuration, performance monitoring, and quality management
- **Platform:** The vendors' capabilities in tenant separation, client upgrading, network connectivity, and telephony
- **Services:** The offerings' professional services components, customer support options, SLA provisions, and pricing models
- **Solution maturity:** How long the company has been in the market with a cloud-based offering, how many customers the vendor has acquired, and how deeply the partnership ecosystem is built
- **Security:** The physical integrity of the platform, particularly with regard to data center and agent desktop security and compliance with regimes such as PCI
- **Multichannel:** The capabilities offered by vendors in handling nonvoice interactions, particularly email, web chat, web collaboration, social media, mobile, and cross-channel communications from end-user customers
- **Solution breadth and depth:** How well each part of the vendor works together to deliver a fully functional cloud contact center platform; considers integration with different partners and the availability of various deployment options
- **Vendor strategy:** Includes each market participant's global presence, product/technology road map, go-to-market plans, and brand equity in the cloud contact center space

Execution

In this segment, Ovum analysts reviewed the capability of the solutions in the following key areas (based on a confidential email survey of each vendor's customers). Seven to 10 completed customer survey responses were required for each included vendor.

- **Product quality:** An assessment of customers' views of the overall quality of the platform offerings and the services received
- **Hosting reliability:** An assessment of the vendors' ability to maintain effective service levels over time
- **Features and functionality:** The depth of features and capabilities within the products
- **Multichannel innovation:** An assessment of customer perception of the adequacy of the vendors' nonvoice interaction capabilities and their ability to adapt quickly to new tools
- **Usability of products:** An assessment of whether the agent desktop and supervisor administration tools are user friendly
- **Ease of integration:** An assessment of whether the contact center platform is flexible and easy to integrate with additional systems such as CRM, IVR, and analytics applications
- **Pricing:** An assessment of whether the system provides value and is competitively priced
- **Customization:** An analysis of how readily the vendors work with clients to integrate and customize the offering to each unique deployment
- **Professional services:** An assessment of the ability of a vendor to provide services – for example, to help a customer migrate from a legacy platform or add channels to its system
- **Deployment time:** An assessment of the speed and ease of installation

Market impact

This dimension assesses the global market impact of a solution. Market impact is measured across six categories, each of which has a maximum score of 10.

- **Revenues:** Each vendor's 2016 cloud contact center revenues were calculated as a percentage of those of the market leader.
- **Revenue growth:** Each vendor's revenue growth estimate for the financial years 2015–2016 was calculated as a percentage of the growth rate of the fastest-growing solution in the market.
- **Geographical penetration:** Where possible, Ovum determined each vendor's revenue reach in three regions – the Americas, Europe/Middle East/Africa (EMEA), and Asia-Pacific. These revenues were calculated as a percentage of the market-leading solution's revenues in each region. Substantial penetration of all three regions was given additional weighting. Therefore, companies with substantial penetration across multiple global regions scored highest.
- **Customer size:** Ovum determined the percentage of each vendor's revenues from contact center deployments across four size bands: fewer than 100 agents, 100–499 agents, 500–999 agents, and 1,000 or more agents. These revenues are calculated as a percentage of the revenues of the market leader in each region. The vendor's overall customer size-band score is the average of these values with additional credit for reach into multiple segments.
- **Vertical penetration:** Ovum determined each solution's revenues from the energy and utilities, financial services, healthcare and life sciences, manufacturing, media and entertainment, public sector, retail wholesale and distribution, telecoms, and travel and transportation verticals, along with "other" (primarily BPO) businesses. These revenues are calculated as a percentage of the market leader's revenues in each vertical. The solution's overall vertical penetration score is the average of these values with an emphasis on vendors penetrating the largest numbers of verticals.
- **Recognition:** This is a measure of the portion of the surveyed customers who reported familiarity with the vendors' offerings as a cloud contact center provider.

Ovum ratings

Ovum also provides guidance for enterprises looking to deploy cloud contact center solutions and places vendors into three categories – leader, challenger, and follower – using the aggregated results of the Decision Matrix. Because realizing the value from a hosted contact center deployment is critically dependent upon the solution's fit with the enterprise's overall customer interaction strategy, a

decision to purchase one solution over another should be based on a broad array of factors. These include the degree of alignment between the solution's features and functionality and the specific objectives of the enterprise's customer interaction and contact center strategy. As a result, Ovum's recommendations of "short-list," "consider," and "explore" should be taken only within the context of an enterprise's specific solution requirements.

- **Market leader:** This category represents the leading solutions that we believe are worthy of a place on most cloud contact center technology selection short lists. The vendor has established a commanding market position with a product that is widely accepted as best of breed.
- **Market challenger:** The solutions in this category have good market positioning and are selling and being marketed well. The products offer competitive functionality and a good price-performance proposition, and should be considered as part of the technology selection.
- **Market follower:** Solutions in this category are typically aimed at meeting the requirements of a particular kind of customer. As tier-1 offerings, they should be explored as part of the overall technology selection.

Market and solution analysis

Ovum Decision Matrix: Selecting a Multichannel Cloud Contact Center Solution, 2017–18

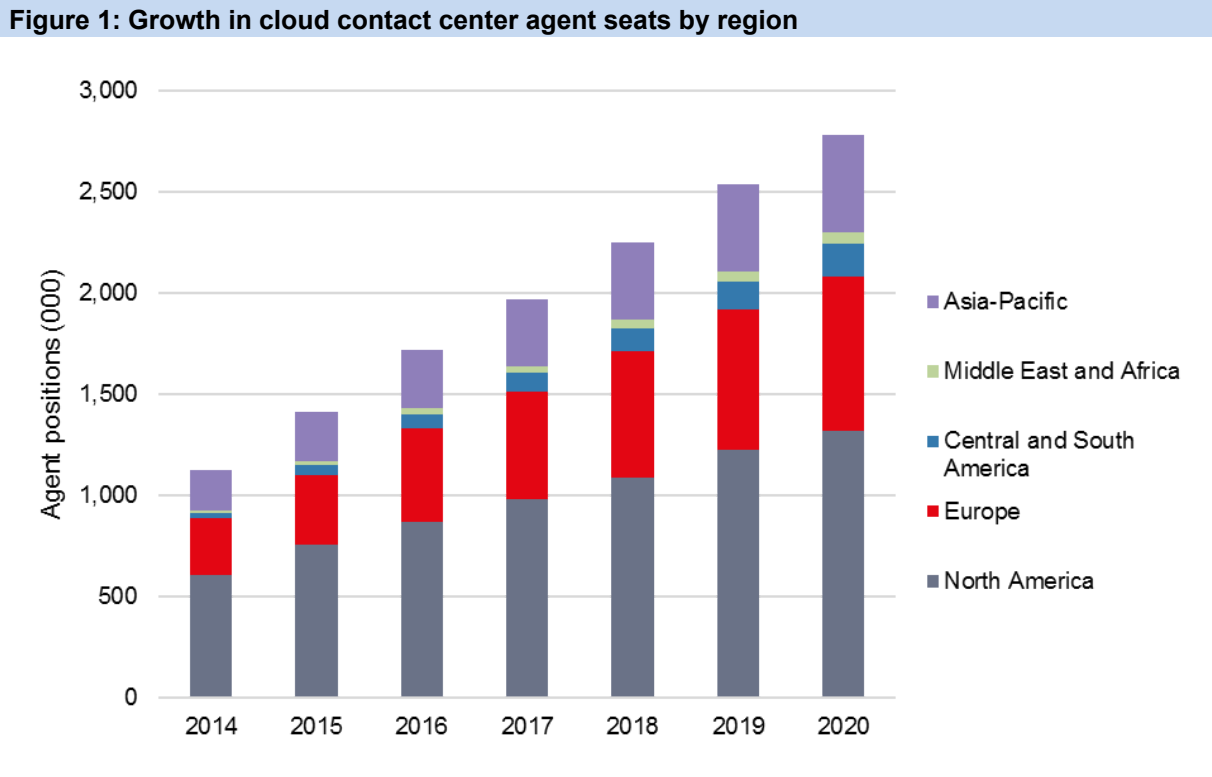
Although cost may be the starting point for enterprises to consider deploying a cloud contact center, they should also consider using technology to differentiate from their competitors. A cloud solution offers a way for enterprises to gain access to the latest multichannel capabilities and tools without having to replace their systems. Using a cloud solution, enterprises can easily adapt to trends and behaviors as customers switch to digital web and mobile channels to find resolutions to their issues. Instead of having to deploy a new tool from scratch, enterprises can regularly add channel modules without needing to overhaul their contact center solutions. In addition, several cloud contact center providers are beginning to implement a microservices approach to their product application enhancements, making the addition of leading-edge features and functionality much faster than in the past and on an ongoing basis as opposed to setting scheduled release dates.

In a cloud environment, if customers are using additional channels such as web chat to communicate, the enterprise will need to reassess those channel capabilities and ensure that customer data can be linked with traditional voice records. Agents need to be prepared to handle queries in those other channels and tailor their responses accordingly. Enterprises may decide to migrate a small number of agents at first to handle new channels and then gradually broaden the number of agents with that channel's capabilities. Cloud-based customer service infrastructure provides more flexibility in adding new channel features and functionality gradually as the customer requires them.

Cloud contact centers are typically faster to deploy and easier to scale than premises-based systems, both upward and downward, with reduced administration and complexity for adding new agents and scaling for changing seasonal demands. Enterprises can plan for a smaller initial outlay, counting on more flexibility to try new channels and capabilities down the road. Migration can be staged with less impact on existing tools and staff.

When selecting a cloud contact center vendor, enterprises should consider how the potential solution can help them add functionality in stages, as needed. Vendor road maps, technology partnerships, and investments in cloud infrastructure and security capabilities should all be reviewed as part of the selection process. This is especially true when considering offerings from legacy premises-based solution vendors that have entered the cloud marketplace through internal development or acquisition. Technology providers offering both premises-based and cloud or hybrid offerings need to explain how their migration and R&D strategies will affect clients going forward.

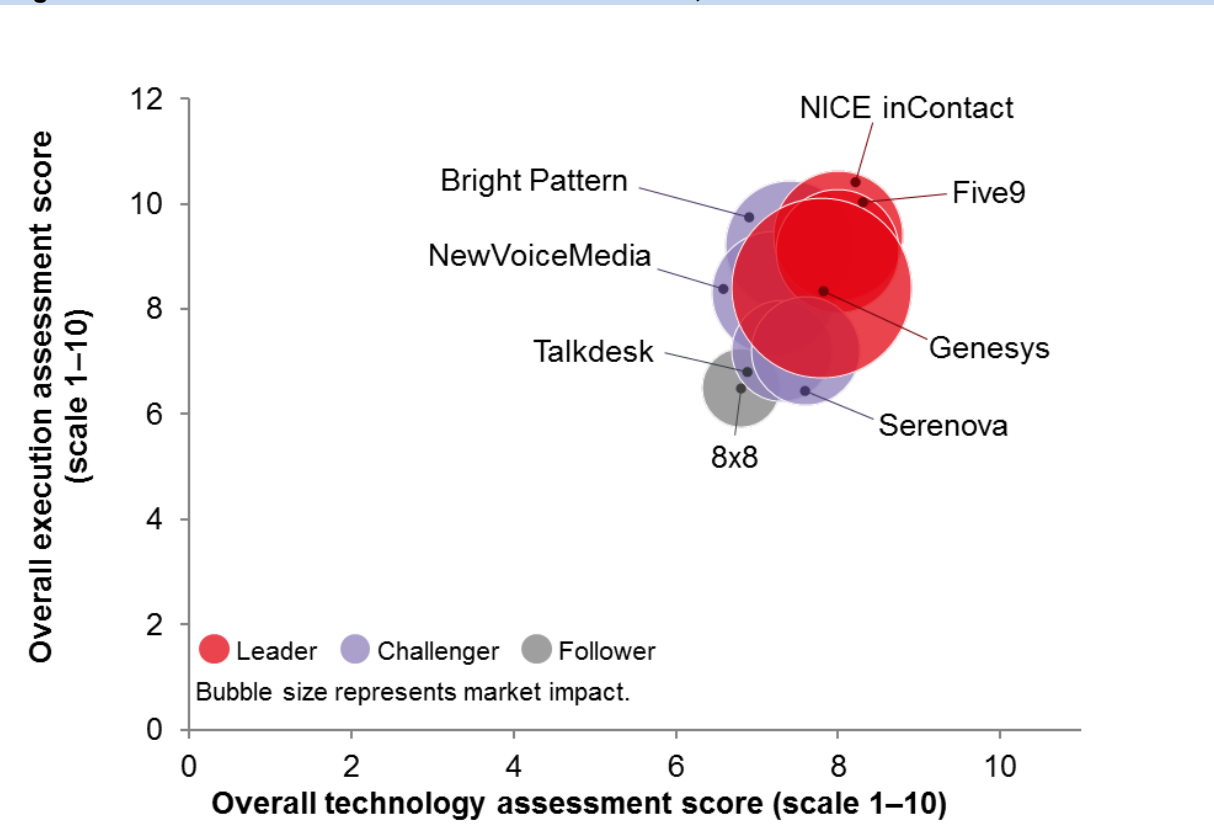
As Figure 1 displays, Ovum forecasts high growth in the number of agent seats being used behind cloud technology worldwide and in all regions of the world through the year 2020. This forecast market growth adds importance to the need for a method to distinguish between vendor solutions going forward.



Source: Ovum

Figure 2 depicts the leading vendors in a bubble chart. The average scores from the technology assessment, execution, and market impact analyses were used to plot the vendor position and size on the graphic.

Figure 2: Ovum Decision Matrix: Cloud Contact Center, 2017–18



Source: Ovum

The closeness of the scores for all the rated vendors indicates an industry where fierce competition has resulted in a series of baseline technical capabilities as table stakes for market entry. Differentiation is increasingly based on the market segment, the companies' target customers, the quality of consultative professional services, effectiveness of channels, and the degree of integration with other related applications and technologies. All the cloud vendors are moving toward feature parity with each other and with their premises-based competitors, for those that offer that option. The size of the bubbles in this and the following chart indicate the relative cloud revenue comparisons of the various companies. It should be noted that the Genesys technology rating used in Figure 2 is a combined average of the company's three products – PureCloud, PureConnect, and PureEngage. A full listing of Genesys technology scores, by individual product, can be found in Table 3 in the appendix of this report.

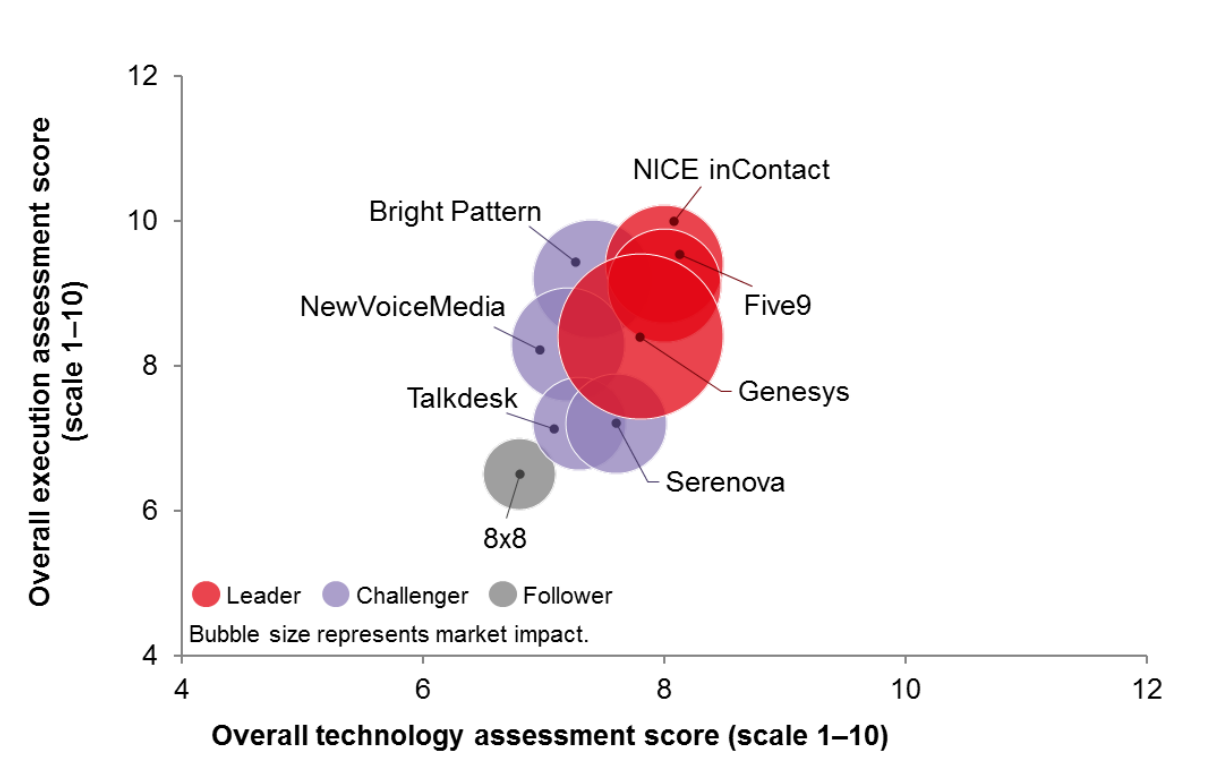
As a result of the close scoring, the leaders were determined by their technical assessments, requiring a mark of 8.0 or higher to be classified in this category. Thus, Ovum rated Five9, Genesys, and NICE inContact as leaders; Bright Pattern, NewVoiceMedia, Serenova, and Talkdesk are close behind with scores between 7.0 and 7.6 in the technical assessment rating. 8x8 is rated a follower because the company scored slightly lower in the technical assessment and has a smaller market impact than the others.

Figure 3 shows the scores in an expanded version of the Decision Matrix in which the market gradations are somewhat more apparent. Of the players with the highest technical scores and market impact rankings, two – NICE inContact and Five9 – offer internally developed cloud solutions, and Genesys, originally a premises-based solution company, now offers both cloud and premises-based solutions.

In 2015, when Ovum issued its previous Decision Matrix on cloud contact center solutions, Genesys and Interactive Intelligence Inc. (I3) were both placed in the leader category. Late in 2016, Genesys acquired I3. Therefore, it should not be a surprise to find that the new, expanded Genesys is a

repeater in the leader category. Both Genesys and I3 have been offering communications and contact center tools for more than 20 years, and the merger of the two companies has only strengthened Genesys by adding two strong cloud offerings to its portfolio and expanding the resulting company's penetration of the small and medium contact center marketplace. Through the previous acquisitions of Utopy, Echopass, and SoundBite in 2013, Genesys has gained a large market share of cloud customers as well as a broad range of customer engagement-related technical strengths. The I3 acquisition added a multitenant solution – PureCloud – in addition to a single-tenant cloud suite – now called PureConnect – to the Genesys-developed cloud solution PureEngage. This gives Genesys customers a broad set of cloud options from which to choose in addition to the Genesys premises-based offerings.

Figure 3: Expanded view of Ovum Decision Matrix: Cloud Contact Center, 2017–18



Source: Ovum

The rest of the vendors in the Decision Matrix offer cloud-only contact center platforms and are worthy of consideration by those looking for a multitenant solution. Among those players, NewVoiceMedia and Serenova are a good deal smaller than the market leaders with annual revenues estimated to be in the \$25m to \$50m range, reflected by the relative size of the bubbles in the figures, and are followed in revenue size by Talkdesk and Bright Pattern, respectively. Finally, 8x8 has the smallest market presence to date. However, the smaller vendors are seeing rapid growth in the number of customers deploying their platforms, as well as revenues, and should not be overlooked.

Table 1: Ovum Decision Matrix: Cloud Contact Center, 2017–18

Market leaders	Market challengers	Market followers
Five9	Bright Pattern	8x8
Genesys	NewVoiceMedia	
Nice inContact	Serenova	

	Talkdesk	
--	----------	--

Source: Ovum

Market challengers: Bright Pattern, NewVoiceMedia, Serenova, Talkdesk

The companies designated as market challengers are vendors that have had success in the market and have strong technical capabilities. Bright Pattern and Talkdesk are included in the Ovum Decision Matrix for the first time. Serenova is a cloud contact center spin-off of LiveOps, which was previously included, and NewVoiceMedia is a UK-based company that was classified as a follower in the last edition of our report in 2015 but was elevated to the challenger level in this report based on its strong feature set, continued success, and growth in the global cloud contact center market.

Bright Pattern, a San Bruno, California-based company, is a vendor with relatively little recognition in the industry, primarily because its cloud product has been sold under a different brand name for several years. Longtime contact center vendor Aspect Software is a strategic investor in Bright Pattern, and Aspect has used the Bright Pattern technology as one of its cloud contact center offerings since 2013 and continues to market it under the Aspect Zipwire brand today. Therefore, Aspect has been the primary channel for Bright Pattern's contact center sales. More recently, Bright Pattern has been selling its cloud contact center product to end users directly and through channel partners under the Bright Pattern name. Bright Pattern's business in terms of agent seats and revenues is still rather small compared to many of the other vendors in this report; however, the company's impressive scores in technology and execution have attracted Ovum's attention and earned it a challenger rating in this recent report, and Ovum believes it is a strong competitor worth watching.

The fast-growing NewVoiceMedia was founded in the UK and is becoming better known globally for its internally developed cloud contact center platform. In the past few years, the company has expanded to the US, opening offices in San Francisco and New York. The vendor has separate platforms for inbound and outbound communications under its ContactWorld branded product line. NewVoiceMedia offers multichannel routing through a single unified queue with real-time prioritization. It uses the native channel-handling capabilities in Salesforce for email, web, and social management capabilities. With a year-over-year annual revenue growth rate of more than 40%, and the company now approaching between \$45m and \$50m in sales, it is gaining more attention in the global marketplace.

Serenova (formerly known as LiveOps Cloud) was split out into a software-as-a-service division within LiveOps in 2009 to sell the contact center-as-a-service product outside LiveOps as a commercial product. LiveOps then completed a divestiture of Serenova to Marlin Equity Partners in 2015, making Serenova a standalone cloud contact center company. Serenova's newest cloud contact center solution, CxEngage, which launched in March 2016, was built from the ground up as an API-first solution leveraging the AWS microservices-based architecture to allow for rapid innovation around more complex international deployments. Today Serenova has, by Ovum estimates, \$40m to \$50m in annual revenues with a 2015–16 year-over-year growth rate of 25%. Our analysis of Serenova's technology revealed company strength on par with or exceeding the competition in the categories of core platform capabilities, interoperability, security, and solution breadth and depth. Serenova gets high scores from its customers in the areas of professional services, deployment time, customization, ease of use, reliability, and feature functionality. Serenova's market impact scores were above average in the categories of vertical and geographical reach, as well as customer size penetration as the company is successfully making inroads into new areas of the marketplace.

A relatively new vendor in the cloud contact center marketplace, having entered the market in 2011, Talkdesk has made a good deal of progress in establishing itself as a serious contender. Headquartered in San Francisco, the company now supports approximately 30,000 global agent seats and has a network operating across six global data centers (in the US, Brazil, Ireland, Japan, Singapore, and Australia), which serve more than 1,200 customers in 50 countries. Competitive

differentiators include a reputation for rapid contact center deployment (two to four weeks), instant user and phone number provisioning, browser-based IVR configurations, and agent training delivered within an hour of installation. The company also prides itself on its ability to integrate its contact center with a broad set of applications through APIs and offers more than 25 one-click installations of applications offered by partners. Despite Talkdesk's short history in the cloud contact center industry, the company had impressive scores in technology ratings. Talkdesk scored highly in the areas of interoperability, administration and monitoring, core platform functionality, capabilities, and security. In the execution area, which was based on customer ratings, Talkdesk scored close to many of the seasoned vendors with relatively consistent and high scores in product quality, hosting reliability, feature and functionality, deployment time, and product usability.

Market leaders

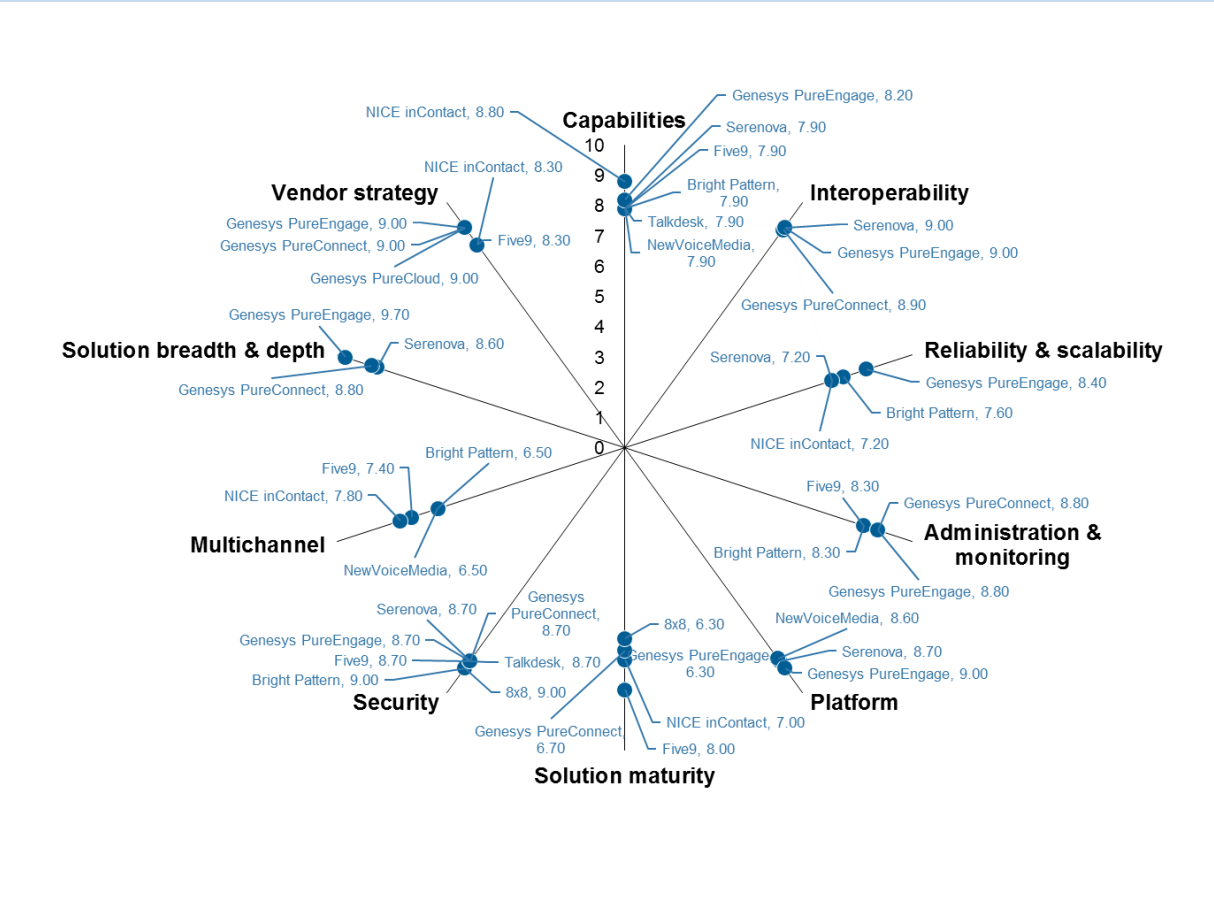
Market leaders: Technology

In the technology area, Ovum has focused on 10 axes that we believe represent the most important features relating to a cloud contact center, as shown in Figure 4. In general, the vendors scored relatively well in the technology assessment across the board, but the results in the figure show the top three leaders with highest scores in each of the categories. Where there were ties, more than three vendors may be shown in a category. So that technology leaders could be rated by specific products, the products of Genesys – the only vendor in this report with multiple rated products, PureCloud, PureConnect and PureEngage – are displayed separately in the Figure 4 technology chart. A complete listing of the technology scores, by category, for each Genesys product offering can be found in Table 3 in the appendix of this report.

It should not be surprising that as the industry matures and technology becomes less of a differentiator between vendor offerings, it is becoming more difficult to discern the technological differences between products. The result is that on the capabilities axis, there is a clustering of vendors with many tied scores. NICE inContact and Genesys PureEngage lead in the category with scores of 8.8 and 8.2, respectively, followed by Bright Pattern, Five9, NewVoiceMedia, Serenova, and Talkdesk all scoring 7.9. The security axis is another area that is distinguished by a cluster effect, with 8x8 and Bright Pattern leading with a score of 9.0, followed by a large group – Five9, Serenova, Talkdesk, Genesys PureConnect, and Genesys PureEngage – scoring 8.7.

Clear winners in other areas include Serenova, Genesys PureEngage, and Genesys PureConnect scoring 9.0, 9.0, and 8.9, respectively, in interoperability. Leaders in the overall platform ratings are Genesys PureEngage with 9.0, Serenova with 8.7, and NewVoiceMedia scoring 8.6. Overall solution breadth and depth scoring is dominated by Genesys PureEngage with a 9.7, followed by Genesys PureConnect with 8.8 and Serenova with 8.6. Reliability and scalability is led by Genesys PureEngage scoring 8.4, followed by Bright Pattern with 7.6 and NICE inContact and Serenova, both with 7.2 ratings.

Figure 4: Ovum Decision Matrix: Cloud Contact Center, 2017–18 – Market leaders, technology



Source: Ovum

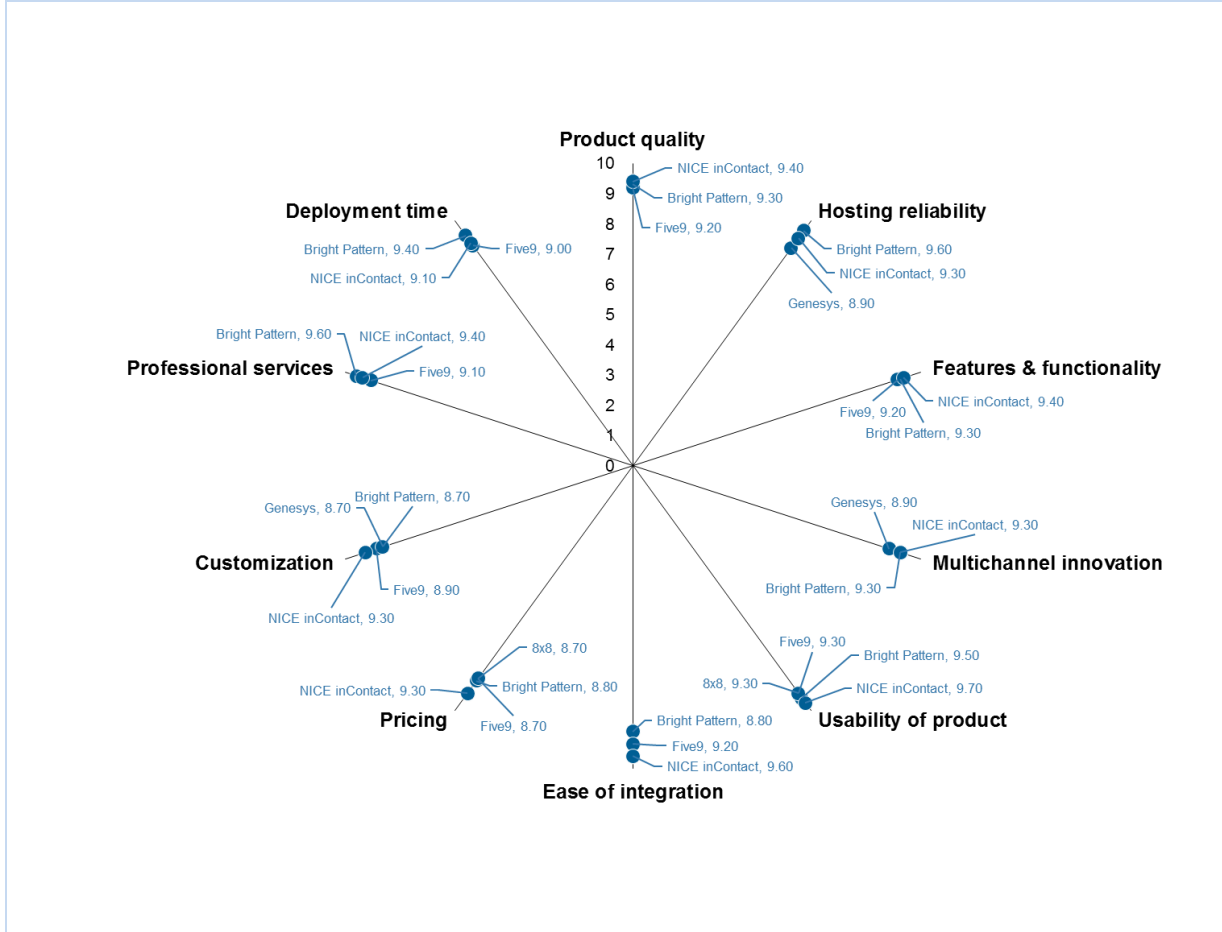
Market leaders: Execution

For the execution portion of the Decision Matrix, Ovum asked a sampling of each vendor's customers to rate their vendor against 10 criteria. The results display the customer's perception of its vendor. Each category is essential to an overall comprehensive cloud solution. In addition to product quality and features and functionality, a vendor's reliability, average deployment time, pricing, ease of integration, product usability, multichannel innovation, customizability, and professional service implementation are all important to customer satisfaction. The top three scoring leaders in each execution category are displayed in Figure 5.

Clearly a leader in the execution area, Bright Pattern, a company that was relatively late to market in 2013, is scored by its customers in the top three of every category. On the product quality axis, NICE inContact, Bright Pattern, and Five9 are rated highest by their customers, receiving scores of 9.4, 9.3, and 9.2, respectively. The hosting reliability scores bring Bright Pattern to the top with 9.6, followed by NICE inContact with 9.3 and Genesys with 8.9. The features and functionality axis rankings are 9.4 for NICE inContact, 9.3 for Bright Pattern, and 9.2 for Five9.

A few other notable leaders on the remaining execution axes are NICE inContact and Bright Pattern, each with a 9.3 in multichannel innovation, followed by Genesys with a score of 8.9. Pricing is led by NICE inContact (9.3), followed by Bright Pattern with 8.8 and a tie for third between 8x8 and Five9, each with an 8.7 score. Bright Pattern takes the lead in deployment time with a score of 9.4, followed by NICE inContact at 9.1 and Five9 with a score of 9.0. Clearly, market leaders Five9, Genesys, and NICE inContact are quite consistent in leading in the execution categories, with contender Bright Pattern showing up regularly in the customer scoring section of this report.

Figure 5: Ovum Decision Matrix: Cloud Contact Center 2017–18 – Market leaders, execution



Source: Ovum

Market leaders: Market impact

Figure 6 gives an indication of the top three companies' standings in the market in terms of cloud-based revenues and growth rates, geographical and vertical market reach of sales, penetration into multiple customer size ranges, and brand recognition by customers and prospects of contact center products and services. The revenues attributed to cloud contact center solutions indicate the weight a vendor has in the market and its success to date in capturing market share. Genesys and Nice inContact are the largest cloud vendors in this Decision Matrix, followed by Five9. Although Genesys has a longtime presence as a leader in the contact center marketplace, the company has more recently boosted its cloud contact center market position through acquisitions of companies such as Echopass and Interactive Intelligence. NICE inContact has grown primarily based on its longevity in the cloud contact center marketplace and by supplying strong products and services over that period.

Revenue growth is another interesting category. Typically vendors with a smaller customer base have much higher revenue growth; that is true of Bright Pattern and Talkdesk in this analysis. Genesys has also displayed high growth for its cloud services and earned a third place in this category despite its overall revenue-leading position in the marketplace. Genesys entered the market with an already well-respected contact center brand and experience in selling premises-based contact center products, and it is rapidly gaining traction as a cloud vendor in addition to holding its strong position as a legacy vendor. The revenue growth category is slightly misleading and should be considered in the overall context of this analysis. Because of the wide variation of revenue sizes of the companies in this analysis, smaller companies, of course, tend to have larger relative growth rates due to their

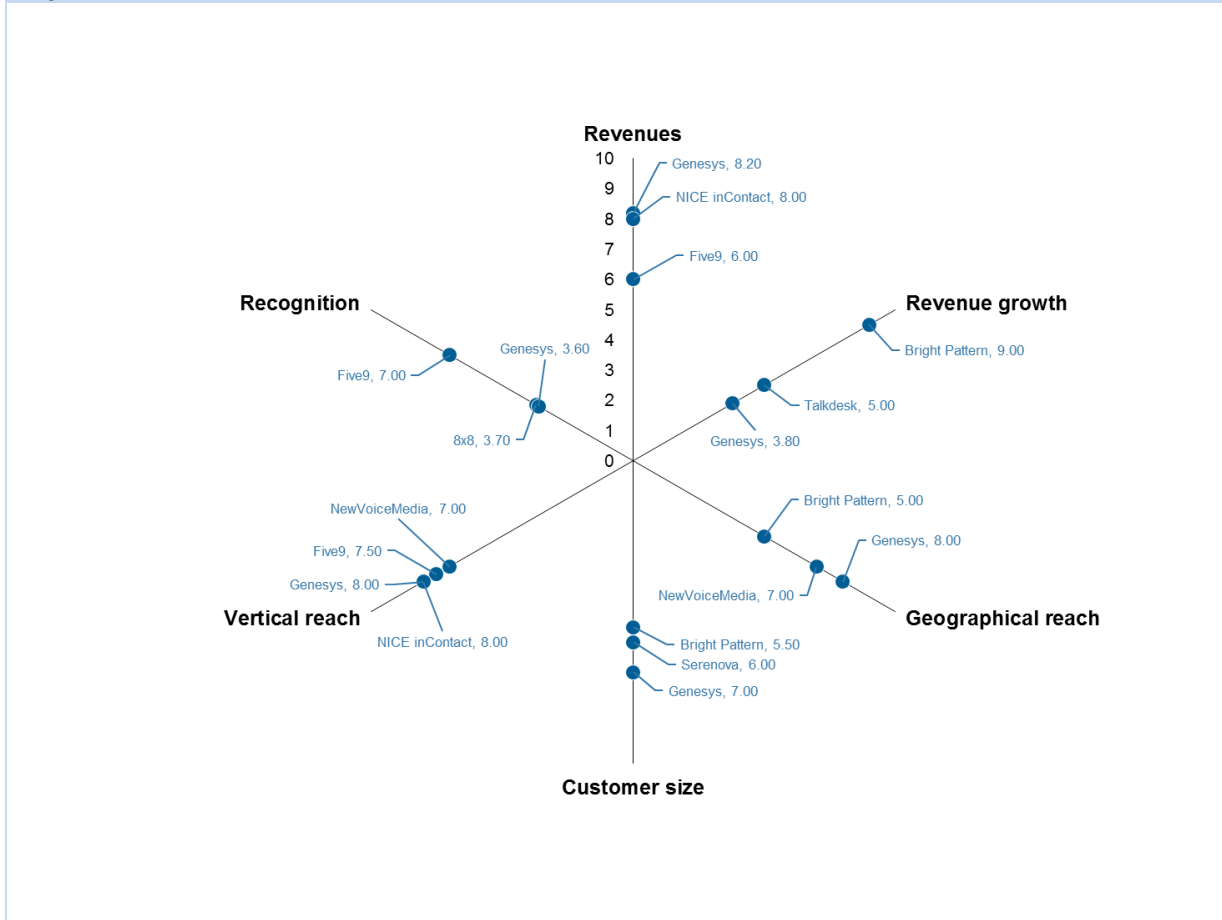
smaller absolute revenue bases. The point to be realized is that the cloud contact center market represents a significant overall opportunity for all vendors.

Geographical reach is a measure of each company's penetration of the markets in North America, Europe, and Asia. While most of the vendors evaluated in this ODM have seen a majority of their success in North America, the top three are an interesting mix of situations. The leader in this area, Genesys, has held a global position for years with its premises contact center business and continues to have the broadest global footprint today. However, the UK-based NewVoiceMedia and Bright Pattern, two relative newcomers to the market, have begun to capitalize on their ability to gain market share and a larger global footprint than several of their competitors.

All of the multitenant vendors covered in this report are vying for market share among larger customers, and even the youngest of the companies have started to gain customers with more than 500 and even 1,000 seats, a market that is still largely unpenetrated by cloud contact center solutions. Many larger enterprises still have legacy installations that have not reached the end-of-life stage, and the larger companies are only beginning to embrace cloud contact center solutions as a viable and reliable option. In this report, Genesys, Serenova, and Bright Pattern are leading the others in customer size diversity. The others are moving in that direction at a rapid pace.

Interestingly, customer brand recognition in the cloud contact center area is quite irregular at this point. Ovum calculated brand recognition in its customer survey by listing the names of 23 companies (cloud contact center providers and others that were not) and asking the customers of all of our eight vendors to identify the names of companies that offer cloud contact center products. Of course, multiple responses were allowed. The clear winner in brand recognition was Five9, selected by 70% of all customer respondents. A distant second, with a little more than half the score of Five9, was 8x8, which was followed closely by Genesys. In fairness, had we combined the recognition scores of NICE inContact with Verizon, a major channel for the NICE inContact cloud offering, NICE inContact would have been one of the leaders in this category also.

Figure 6: Ovum Decision Matrix: Cloud Contact Center, 2017–18 – Market leaders, market impact



Source: Ovum

Vendor analysis

Bright Pattern Cloud Contact Center (Ovum recommendation: Challenger)

Bright Pattern is a relatively new company, headquartered in San Bruno, California, that was founded in 2010 by a group of contact center industry veterans from well-known vendors including Aspect, Genesys, and FrontRange. Its Bright Pattern Cloud Contact Center offering was internally designed and built to meet the specific requirements of the omnichannel customer communication at enterprise scale, which was emerging at the time. Aspect Software is a strategic investor in Bright Pattern and has leveraged the Bright Pattern technology since 2013 to penetrate the cloud contact center market, winning major accounts such as Mercedes and Overstock. Aspect continues to market the Bright Pattern offering under the Aspect Zipwire brand. Because Aspect has been a primary channel for Bright Pattern's contact center sales, the Bright Pattern brand is not well-known across the industry or with end users.

In 2014, Bright Pattern became a true multichannel platform vendor, providing inbound/outbound voice, chat, and email channels with the capability of providing omnichannel routing into a single agent user interface. Now Bright Pattern is selling its product directly to end users through a network of 13 partners. Today, the company has more than 20,000 cloud agent seats in operation globally.

While Bright Pattern's business measured in agent seats and revenues is still rather small compared to many of the other vendors in this report, the company is growing rapidly and has a business that is well distributed across implementation types, geographies, system sizes, and vertical markets. The Bright Pattern Cloud Contact Center solution supports any deployment option desired by customers, including private or public cloud (including AWS), Microsoft Azure and OpenStack-based systems, Bright Pattern's own optimized data centers, and any telecom provider. Other options include multitenant or single-tenant global implementations (when one tenant is distributed across multiple geographies), data centers, and using multiple telecom providers, while being managed and reported on globally. The Bright Pattern Cloud Contact Center can even function in a hybrid environment.

Bright Pattern's Cloud Contact Center offers an interesting set of functionality beyond standard call center software, including support of any voice, video, or digital channels; case management embedded in the platform; and an integrated workflow tool. In addition to those, Bright Pattern offers a rich API set for integration with a broad range of applications, such as CRM or AI, as well as a unified agent desktop able to federate the customer context from multiple CRM and applications while displaying all relevant information based on the interaction context in the visible part of the desktop.

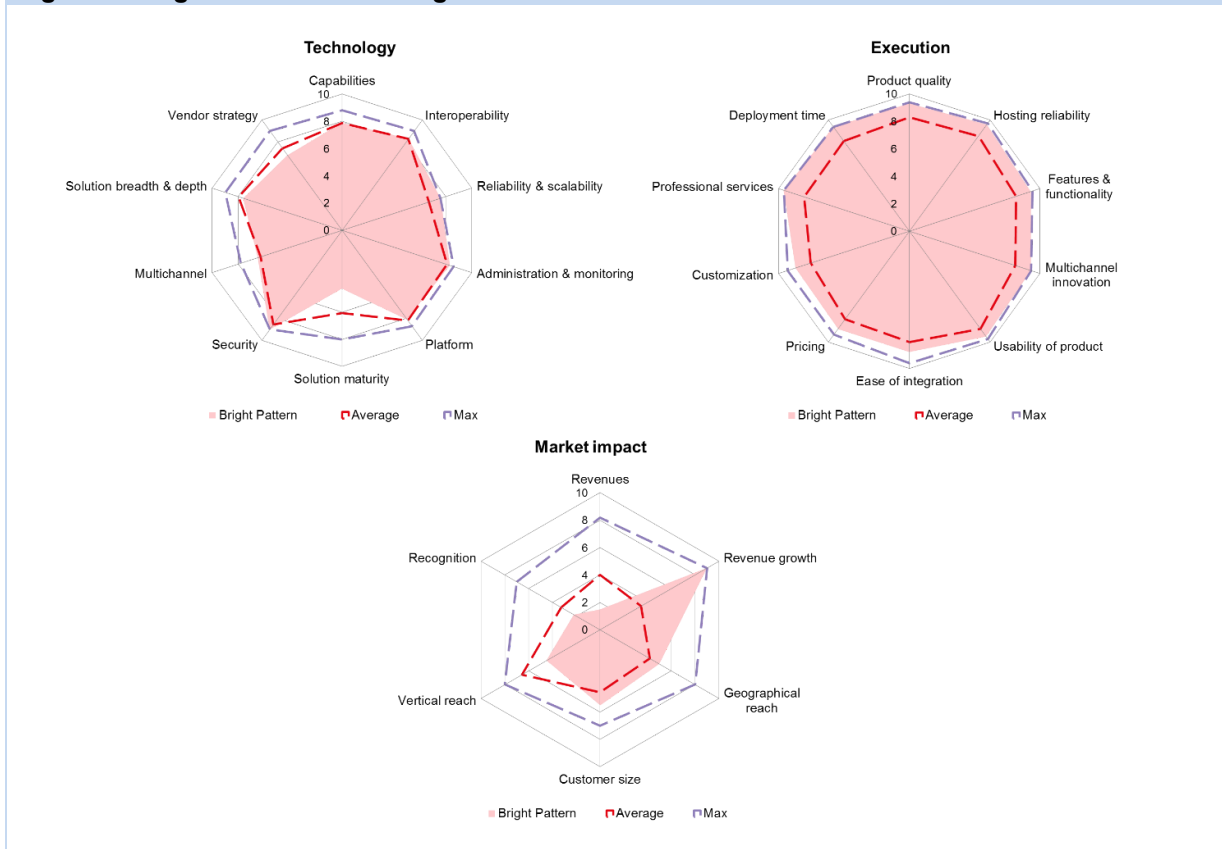
Today the company's revenue streams are geographically spread, with 40% of revenue coming from the Americas, 20% from EMEA, and 40% from Asia. Likewise, in-agent seats are well spread across contact center size bands, with approximately 30% of agent seats in the under-100 range, 30% in the 100-to-499 range, 20% in the 500-to-999 range, and 20% over 1,000 agents. Vertical market spread of agent seats in place are concentrated with 70% in the business process operations (BPO) segment, 10% in healthcare, and 10% in both the public sector and the telecoms marketplace. Albeit from a small revenue base, Bright Pattern's revenue growth rate from 2015 to 2016 was 240%.

The radar charts below illustrate Bright Pattern's performance as a cloud contact center provider in the areas of technology, execution, and market impact. Given the relative newness of Bright Pattern to the cloud contact center industry, the company's technology ratings, as assessed by Ovum, are quite respectable. Measured against major players that have been cloud and/or premises-based industry vendors for a much longer time, the company's results in the technology area are strong. Bright Pattern matched the best vendors in reliability and scalability, administration and monitoring, core platform functionality, and security. The Bright Pattern Cloud Contact Center was at least at, if not slightly above, the average of all products, in the areas of interoperability, solution breadth and depth, and overall capabilities. As can be expected, the company's score in solution maturity was its lowest, given the fact that the product has only been around since 2011.

In the area of execution, which was based on a customer feedback survey, Bright Pattern was the shining star in the ratings. Bright Pattern's customers rated the company and its products at the maximum level achieved by any other vendor in the categories of product quality, hosting reliability, feature functionality, multichannel innovation, usability, professional services, and deployment time. Customers also rated Bright Pattern well above average in the categories of ease of integration, pricing, and customization. More impressive than the customer ratings themselves is the consistency of the company's ratings across all these measured areas. Based on these ratings, Ovum believes Bright Pattern is the challenger to watch as the company and its products mature and reach their peak in the marketplace.

In the market impact area, the company exceeded vendor averages in the categories of revenue growth (which is not surprising given its relatively small revenue base at this time), geographical reach, and customer size. Rated short of the average market were the categories of absolute revenue; vertical reach, reflecting the customer concentration in the BPO market; and recognition by the customers of all the vendors surveyed for this ODM report.

Figure 8: Bright Pattern radar diagrams



Source: Ovum

Further reading

Global Contact Center Technology Spending Forecast: 2017–22, IT0020-000307 (August 2017)

Global Contact Center Market Forecast: 2014–20, IT0020-000220 (July 2016)

Author

Ken Landoline, Principal Analyst, Customer Engagement

ken.landoline@ovum.com

Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

Copyright notice and disclaimer

The contents of this product are protected by international copyright laws, database rights and other intellectual property rights. The owner of these rights is Informa Telecoms and Media Limited, our affiliates or other third party licensors. All product and company names and logos contained within or appearing on this product are the trademarks, service marks or trading names of their respective owners, including Informa Telecoms and Media Limited. This product may not be copied, reproduced,

distributed or transmitted in any form or by any means without the prior permission of Informa Telecoms and Media Limited.

Whilst reasonable efforts have been made to ensure that the information and content of this product was correct as at the date of first publication, neither Informa Telecoms and Media Limited nor any person engaged or employed by Informa Telecoms and Media Limited accepts any liability for any errors, omissions or other inaccuracies. Readers should independently verify any facts and figures as no liability can be accepted in this regard – readers assume full responsibility and risk accordingly for their use of such information and content.

Any views and/or opinions expressed in this product by individual authors or contributors are their personal views and/or opinions and do not necessarily reflect the views and/or opinions of Informa Telecoms and Media Limited.

CONTACT US

www.ovum.com

analystsupport@ovum.com

INTERNATIONAL OFFICES

Beijing

Dubai

Hong Kong

Hyderabad

Johannesburg

London

Melbourne

New York

San Francisco

Sao Paulo

Tokyo