



IDC MarketScape

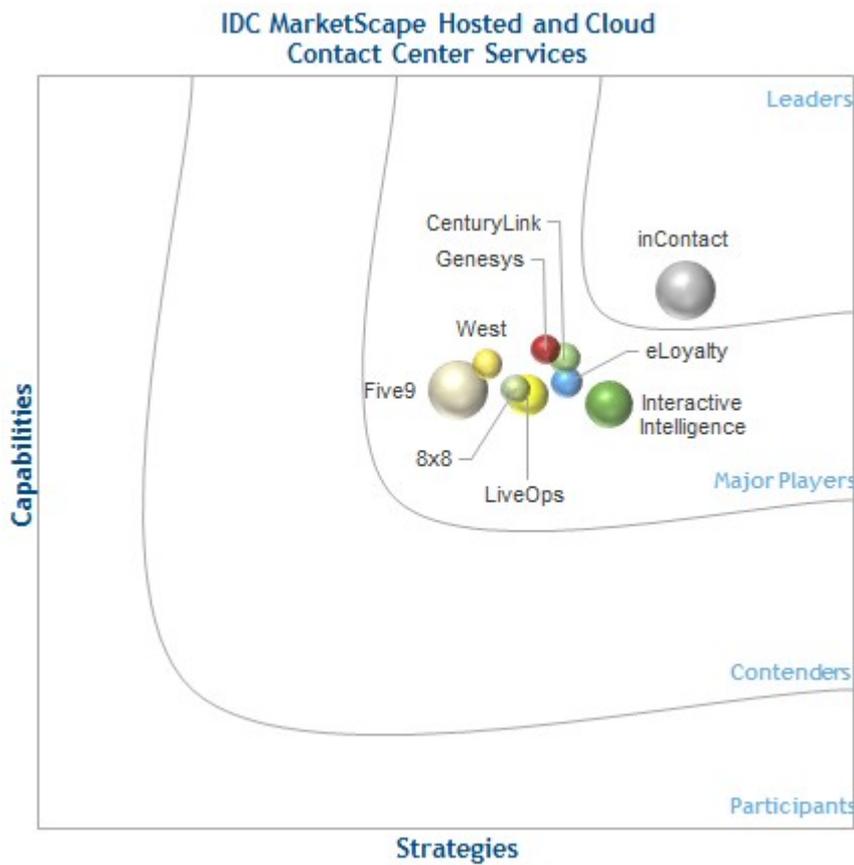
IDC MarketScape: Worldwide Hosted and Cloud Contact Center 2016 Vendor Assessment

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IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Hosted and Cloud Contact Center Vendor Assessment



Source: IDC, 2016

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

IDC OPINION

This IDC study presents a vendor assessment of the hosted and cloud contact center services market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in this market. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and highlights the factors expected to be the most influential for success in the market in both the short term and the long term. The cloud contact center (CCC) services market is growing and maturing quickly. IDC estimates that U.S. spending on hosted contact center (HCC) services will increase at a CAGR of 10.8% until 2019. Consumer communication preferences and demands and contact center buyers' needs for greater efficiency and flexibility are forces driving growth in this market. In summary:

- **Organizations are challenged to deliver a consistent multichannel experience.** In IDC's 2016 *EXPERIENCES Survey*, organizations identified that the key factor in achieving a superior customer experience was delivering a consistent customer experience across multiple communications channels. Unfortunately, this response was also the top challenge in delivering a superior customer experience (see *IDC's 2015 EXPERIENCES Survey: The Challenges and Key Factors in Achieving Superior Customer Experiences*, IDC #US40343915, December 2015).
- **Consumers have a greater breadth of communication channels and higher expectations.** The rise of digital communications – in particular, consumers' desire to interact via social and mobile – is driving hosted and cloud contact center services. As enterprises aim to keep up with rapidly changing customer preferences, hosted and cloud contact center solutions offer quicker access to new channels as customers demand support on these channels. However, IDC consumer survey data shows that the majority of customers are dissatisfied with the breadth of channels available to interact with companies they do business with (see *2014 U.S. Consumer Communication Preferences Study Results*, IDC #253705, January 2015).
- **Cost efficiency and flexibility are driving cloud contact center growth.** Reducing costs consistently comes up at the top of corporate imperatives in IDC demand-side surveys. Companies are looking to do more with less and expecting service providers to be nimble and flexible in delivering services that keep up with the pace of change in business, in particular as it relates to customer interactions (see *2014 U.S. Business Process Outsourcing Buyer Study Results Customer Care BPO Responses*, IDC #250194, July 2014). In addition, according to IDC demand-side data, a majority of companies are "using or evaluating a hosted or cloud solution for their contact center." End-consumer demands combined with a need for speed, flexibility, and cost reduction are all driving companies to evaluate hosted and cloud solutions.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This study includes an analysis of nine worldwide vendors selling hosted and cloud-based contact center services to end users and service providers. In this study, IDC included global vendors active in several countries with direct sales or indirect partner strategies.

Hosted and cloud contact center services automate functions related to customer service and customer experience. These services include a customer service representative (CSR) or an agent desktop interface, management, administration, and analytics. Services in this category are automatic call distribution (ACD), predictive dialing, telephony integration, universal queuing, administration and management applications, and desktop clients. Basic capabilities of the vendor offering should include

automatic lead selection or lead intended to improve efficiency, for both inbound and outbound calls to be directly routed to the appropriate agent for the task, minimizing wait times for people calling in, but they may include other types of customer contact as well, including email, Web chat, and mobile text messaging. The solution also provides the ability to generate historical reports and supervisory capabilities.

The nine worldwide hosted and cloud contact center vendors profiled in this study are:

- 8x8
- CenturyLink
- eLoyalty
- Five9
- Genesys
- inContact
- Interactive Intelligence
- LiveOps
- West

ESSENTIAL BUYER GUIDANCE

IDC research indicates that while the majority of companies are still using on-premise contact center solutions, the majority of companies are also either using or evaluating a hosted or cloud contact center service. According to IDC's 2014 *Customer Care BPO Demand-Side Survey*, 39% of respondents were using a hosted or cloud service and 38% of respondents were evaluating a hosted or cloud service. Only 23% of respondents were using an on-premise system and not evaluating a hosted or cloud model.

Hosted and cloud contact center services can include any number of the following capabilities: ACD, IVR, skills-based routing, speech recognition, reporting and metrics tools, CTI and CRM capabilities and/or integration, workforce management, online recruiting and training platforms, and other capabilities that support contact centers and customer care processes. Often, much of the functionality is optional and/or provided through partnerships. These services are often the platform for supporting communication with end customers on many channels, including phone, email, chat, and social media.

As consumers continue to have greater expectations with communicating with companies and enterprises continue to demand speed, flexibility, and cost reduction, hosted and cloud contact center services must continue to evolve. Customers of hosted and cloud contact center services should evaluate their potential provider with the following in mind:

- **Partner with providers that have appropriate sales force structures and support.** The requirements of consumers of contact center capabilities vary widely depending on whether the company is an SMB, a large organization, or in a specific vertical. Providers are recognizing this fact and are in many instances reorganizing to address the unique needs that these different classes of organizations require. Seek validation through case studies, reference accounts, and the partner ecosystem that your provider has a track record with organizations of your size or classification. In addition, the hosted model affords providers the opportunity to demonstrate their specific capability easily with a sample of your own data.

- **Select providers that study consumer channel trends and prepare for the future.** In the past 10-15 years, contact center providers have covered what has become the basics (voice, email, and chat). However, social and mobile are on the rise. As organizations move to incorporate these capabilities within their environments, they are forced to add the services or functionality on top of existing systems. As the demand for social and mobile as customer care channels becomes increasingly mainstream, it is important for these capabilities to be part of the overall solution set. Understanding and analyzing these trends will be very important for contact center services providers to deliver for the customers of the future.
- **Ensure a value proposition complementary to CRM.** It is essential to creating a seamless customer experience so that information between CRM systems and the contact center works well together. The contact center should be a system of engagement to augment CRM, which is traditionally a system of record. This means that cloud contact center providers must have CRM capabilities and/or easily integrate with leading CRM systems. This will further enable the clarity of contextual information and allow for a more personalized experience.
- **Help customers be able to design journeys for their customers.** As the contact center becomes the primary system of engagement for customers of the enterprise, it plays an important role in the way that customers experience the brands. Cloud contact center services providers must ensure that the features provided are able to help their buyers design how that experience should be for their customers.

VENDOR SUMMARY PROFILES

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

8x8

8x8, incorporated in 1987, offers Internet Protocol (IP) voice, video, and data communication technologies via the software-as-a-service (SaaS) model. The company went public in July 1997 as a maker of videoconferencing chips and videophones and IP-based telecommunications technology, gradually broadening its product line and then shifting toward IP-based software applications. It offered its first contact center product in July 2007. In September 2011, 8x8 acquired Contactual, a provider of cloud-based call center and customer interaction management solutions, and began offering the 8x8 Virtual Contact Center solution to business customers.

Based in San Jose, California, 8x8 (Nasdaq: EGHT) reported on its fiscal year ending March 31, 2015, with revenue growth of 26% compared with that in the previous year. For the first nine months of its fiscal year ending March 31, 2016, 8x8 reported a \$4.0 million loss on sales of \$152.0 million. Sales of services grew 29% compared with that in the same period the previous year.

8x8's cloud services platform was developed from internally owned and managed technologies and is positioned to serve midmarket and enterprise businesses making the shift to cloud-based unified communications (UC). 8x8 offers cloud telephony, contact center services, videoconferencing and Web conferencing, analytics, and reporting. It has more than 40,000 customers distributed in all major global regions.

IDC positioned 8x8 as a Major Player in this IDC MarketScape. The 8x8 Cloud Contact Center platform was evaluated for this IDC MarketScape.

Strengths

Among the strategies criteria, 8x8 rated strongly in:

- **Functionality.** The near-term road map (with some items already completed between the initial interview time and the publication date of this study) includes integration between Virtual Contact Center and Virtual Office, a global contact center that allows global contact centers to be managed as one unit, new business intelligence capabilities, and co-browse that will allow agents and customers to collaborate on a Web page. The road map will also focus on providing omni-channel customer experience without requiring significant professional services or programming, new quality management based on the acquisition of QSC and its Quality Rocket product, and VCC Easy Configure for Salesforce integrations – allowing administrators to define and change the precise function of a CRM integration without services or programming.
- **Delivery model.** 8x8 is planning to boost the level of automation in ordering, onboarding, sales, and support to allow smaller organizations to self-deploy.
- **Portfolio.** The goal is to allow enterprises to stand up and manage the contact center internally using configuration tools that are embedded with best practices for contact center interactions.
- **Innovation.** 8x8 Virtual Contact Center has APIs that make 8x8 solutions extensible and allow customers to customize the platform.

Among the capabilities criteria, 8x8 rated strongly in:

- **Functionality.** 8x8's road map includes skills-based routing/ACD, IVR, integrations, and APIs for custom and external CRMs as well as a native CRM, FAQ/knowledge base, monitor/berge/agent supervisor chat, call recording and management, WFO, reports and real-time analytics and supporting inbound and outbound phone calls, proactive Web chat, email, social media, Web callback, and virtual queueing.
- **Cost competitiveness.** 8x8's pricing is \$100-150 per seat per month.
- **Scalability.** Typical deployments take three to four weeks; upgrades minimize disruption.
- **Sales/distribution structure.** The sales/distribution structure includes a pure cloud services sales model with SMB inside sales using phone and Web, channel partners selling to different sized organizations, midmarket targeted by the field sales group, and referral partners getting a finder's fee when a deal is closed.
- **Customer service.** The security compliance office is led by a security leader with more than 20 years of experience in the security industry. 8x8 is HIPAA, PCI, Safe Harbor, SAS 70, SOC 1/2, ISO 27001, FIPS, SSAE 16, CPNI, and FISMA certified.

Customers gave 8x8 high marks in 5 of 13 categories that involved customer input, and their overall satisfaction averaged 4.5 on a 1-5 scale, with 5 representing greatest satisfaction. The company also achieved strong satisfaction ratings when customers were asked about the breadth of channels, fairness and competitiveness of pricing, scalability, flexibility, and speed of implementation and whether the service helped the customer with regulatory compliance, overcome competitive pressures, improve customer experience, improve agent experience, reduce costs, drive innovation, collect and analyze customer information, manage risk, improve efficiency, leverage talent, and integrate with the CRM system. Customers indicated they were likely to increase spending in the next 6-18 months with 8x8 and would be very likely to recommend it to both internal and external executives.

Among the strengths cited by customers were ease of use for the end user, a unified platform, strong customer service, innovation, and meeting SLAs.

Challenges

8x8 maintains a solid, but middle of the road, product offering as evidenced by customer ratings and IDC's analyst assessment. The company has a solid foundation to build upon but generally rated in the midrange in 8 of 13 strategies categories and in 8 of 13 capabilities categories.

8x8 was in the middle tier of recognition in IDC's 2015 demand-side HCC survey, which asked respondents to name three vendors they are currently using or would consider using. 8x8 was short-listed less often than most of the vendors in this IDC MarketScape by customers we interviewed.

CenturyLink

CenturyLink is a global, publicly traded communications, hosting, cloud, and IT services company. Based in Monroe, Louisiana, CenturyLink (NYSE: CTL) offers network and data systems management, Big Data analytics, and IT consulting and operates more than 55 datacenters in North America, Europe, and Asia. The company provides broadband, voice, video, data, and managed services over a 250,000-route-mile U.S. fiber network and a 300,000-route-mile international transport network.

CenturyLink, targeting midsize contact centers, has more than 700 customers for its hosted contact center offering, representing more than 13,000 users/seats. Its Cloud Contact Center Solutions offering is powered by Genesys and supplemented with additional tools and reporting provided by both CenturyLink and other third-party providers.

IDC positioned CenturyLink as a Major Player in this IDC MarketScape. CenturyLink's Cloud Contact Center Solutions were evaluated for this IDC MarketScape.

Strengths

Among the strategies criteria, CenturyLink rated strongly in:

- **Functionality.** Customer touch point enhancements, mobility, performance and management tools, interaction routing, call recording, and hosted IVR are among CenturyLink's investment targets. The company will continue to focus on a horizontal rather than vertical product approach.
- **Delivery model.** CenturyLink is developing a Web-based tool for codeless development of IVR applications and an ACD migration tool to help customers migrate from older ACD platforms more quickly.
- **Portfolio.** CenturyLink is planning to offer additional managed service options across the portfolio to help customers meet their business goals and improve customer service and is investigating new options for CRM integration and looking for opportunities to leverage CenturyLink's Cognilytics acquisition.
- **Pricing.** CenturyLink can price and offer a full suite of services or standalone services for those customers that wish to have only a portion of their solutions delivered by CenturyLink. It offers basic agent pricing with options to add features based on the needs of the customer and both a port and a minutes-of-use model for IVR services. Customers can choose a short-term or longer-term agreement, and all pricing is based on a multitenant environment. Contact Center Solutions (CCS) product management is looking at monthly recurring payment options to help customers that need to lower up-front implementation fees.
- **Growth.** CenturyLink is planning both formal and informal structuring of its HCC business along with budgeting substantial financial resources to become an industry leader. It expects to see growth in ACD, IVR, and outbound notification services.

- **Innovation.** CenturyLink will continue to offer mobile-friendly reporting options and monitor for opportunities to incorporate analytics for a stronger performance management offer. It will also be investigating analytics options as potential tools to improve the self-service experience for the caller and expand managed services to help customers create and modify their call flow applications to better meet their business needs and improve end-customer experience.

Among the capabilities criteria, CenturyLink rated strongly in:

- **Pricing model.** CenturyLink offers per-seat, per-port, and usage-sensitive models and also offers multiproduct and volume discounts.
- **Sales/distribution structure.** CenturyLink has a direct sales channel with more than 1,700 sellers plus the CenturyLink Channel Alliance (CCA) partner organization with more than 150 members in the United States and internationally. CCA has a solutions portfolio including CenturyLink's tier 1 network infrastructure, worldwide datacenter capacity, cloud platform, and expertise to manage for customers.
- **Marketing.** CenturyLink's hosted contact center business benefits from other larger CenturyLink revenue streams and sales efforts. CenturyLink's primary targets are midsize contact centers (30-300 agents), but the company is shifting gradually upmarket to enterprise and global targets to meet customer demand for additional HCC services.
- **Innovation.** The company has invested in Web services, email, chat, and mobility and a new intelligent desktop that includes HTML5 and WebRTC capabilities. It is deploying a new call-recording platform that includes speech analytics, speech to text, and screen captures.

Customers gave CenturyLink high marks in half of the scoring categories that involved customer input, and their overall satisfaction averaged 4.3 on a 1-5 scale, with 5 representing greatest satisfaction. The company was also rated highly when customers were asked about the breadth of channels, fairness and competitiveness of pricing, scalability, flexibility, and speed of implementation and whether the service helped with regulatory compliance, overcome competitive pressures, improve customer experience, improve agent experience, drive innovation, reduce costs, collect and analyze customer data, improve operational efficiency, manage risk, leverage talent, and integrate with their CRM system. Customers indicated they were very likely to increase spending in the next 6-18 months with CenturyLink and were very likely to recommend it to both internal and external executives.

Among the strengths specifically cited by customers were excellent support team, knowledgeable staff, project management, and telco intercommunication.

CenturyLink was in the top tier of recognition in IDC's 2015 demand-side HCC survey, which asked respondents to name three vendors they are currently using or would consider using.

Challenges

CenturyLink rated in the midrange in 7 of 13 strategies categories. Among the capabilities criteria, it had no significant weaknesses and assessed in the midrange in 9 of 13 categories.

Customers cited time to implement changes, cost, lack of local tech support, lack of communication initiated by the vendor, faulty meeting product, and knowledge of third-party software as areas for improvement.

CenturyLink was not short-listed by any of the customers of other vendors we interviewed for this IDC MarketScape.

eLoyalty

eLoyalty is a provider of customer experience solutions. It was spun off as a separate public company in 1999 and received a \$27 million investment from Technology Crossover Ventures the following year. That business evolved into two units. The Integrated Contact Solutions (ICS) unit is the predecessor of the eLoyalty business that remains. The former parent company divested the ICS unit, selling it to TeleTech (Nasdaq: TTEC) in 2011 for approximately \$36 million.

TeleTech (Englewood, Colorado) is a customer engagement management services provider with more than 270 customers and 41,000 employees. eLoyalty is part of TeleTech's Customer Technology Services segment. In 2014, operating income dropped 77% compared with 2013, while revenue fell 9%. TeleTech attributed the decreases to units within that segment not directly related to eLoyalty.

For the first nine months of 2015, the segment reported \$116.0 million in sales, up 12% compared with 2014. Income from operations for the segment grew 450% to \$9.0 million.

eLoyalty (Austin, Texas) is a Major Player in the Hosted and Cloud Contact Center IDC MarketScape. IDC evaluated the eLoyalty Cloud Contact Center in this IDC MarketScape.

Strengths

Among the strategies criteria, eLoyalty rated strongly in the functionality, delivery model, pricing model, and growth and innovation categories. Among the capabilities criteria, it rated strongly in the functionality, delivery model, customer service, and innovation categories.

Customers gave eLoyalty high marks in 6 of 13 categories that involved customer input, and their overall satisfaction averaged 4.7 on a 1-5 scale, with 5 representing greatest satisfaction. When customers were asked to assess the company's breadth of channels, fairness and competitiveness of pricing, scalability, and flexibility and whether the service helped with regulatory compliance and leverage talent, they rated eLoyalty very favorably. eLoyalty was also rated very well by customers in speed of implementation, helping overcome competitive pressures, improving customer and agent experience, cost reduction, driving innovation, collecting and analyzing customer data, improving operational efficiency, managing risk, and CRM integration.

Also, among the strengths cited by customers were core products, ease of scaling, ease of end-user management, strong Cisco skill set, partnership skills, having a dedicated operations manager from eLoyalty, and the company's team and resources.

Customers indicated they were very likely to increase spending in the next 6-18 months with eLoyalty and recommend it to both internal and external executives.

Customers also said that eLoyalty provided benefits exceeding expectations, provided cost savings, improved support, and enabled a reduction in their datacenter footprint along with a reduction in Cisco licenses. Another customer cited an estimated 25% ROI since its engagement with eLoyalty started.

Challenges

eLoyalty was in the lower tier of recognition in IDC's 2015 demand-side HCC survey, which asked respondents to name three vendors they are currently using or would consider using. It was not currently short-listed by any customers of any other vendors that we interviewed for this IDC MarketScape.

Five9

(Note: Five9 is the only provider in this IDC MarketScape that declined to participate. IDC evaluated Five9 based on publicly available information, primary research, and customer input.) Five9, a public company based in San Ramon, California, was formed in 2001. It serves about 2,000 customers with hosted contact center and customer experience solutions.

Five9 (Nasdaq: FIVN) sales crossed the \$100 million mark for the first time in 2014. The company reported a 23% sales gain compared with 2013. It reported a net loss of \$37.8 million for 2014 compared with a \$31.2 million loss the previous year. For the first nine months of 2015, sales rose 24% to \$92.8 million, while its net loss improved 22% to \$22.3 million.

It has a history of losses since its inception and had an accumulated deficit of \$150.9 million at the end of 3Q15. It expects the losses to continue for the foreseeable future.

Five9 is a Major Player in the 2016 Hosted and Cloud Contact Center IDC MarketScape. IDC evaluated Five9's Virtual Contact Center platform for this study.

Strengths

Five9 rated well in the Hosted and Cloud Contact Center IDC MarketScape in both the strategies and the capabilities categories. Among the strategies categories, Five9 got high marks for its growth strategy.

Among the capabilities categories, Five9 rated high or above average in the functionality/offering and portfolio of benefits delivered categories. In detail:

- **Functionality.** Five9's offering includes strong outbound dialing functionality and ease of configuration across the full spectrum of HCC functions – inbound, outbound, blended, multichannel, and social. Recent Freedom Release offers the Five9 agent desktop interface or the ability to use the customer's native CRM interface.
- **Portfolio of benefits delivered.** It includes prebuilt integrations with leading CRM applications, embedded telephony controls within CRM applications, the Five9 Developer Program for product functionality extension, and the systems integrators and integration partner program for consulting and implementation support.

Five9 rated second only to inContact in short list mentions among customers IDC interviewed, along with Genesys and Interactive Intelligence.

Challenges

Five9's most significant weaknesses in our assessment were in the financial/funding categories in both the strategies and the capabilities sections. It also rated below average in the marketing and customer service categories.

Five9 was in the lower tier of recognition in IDC's 2015 demand-side HCC survey, which asked respondents to name three vendors they are currently using or would consider using.

Genesys

Headquartered in Daly City, California, Genesys is a privately held company controlled by the European private equity firm Permira. With participation from Technology Crossover Ventures, Permira bought Genesys from Alcatel-Lucent SA in February 2012 for \$1.5 billion.

Genesys was started in 1990, focusing only on the contact center and customer service market. From the start, it created an architecture allowing it to run on top of other voice infrastructures. Genesys operates as a standalone company and has more than 4,500 customers in over 120 countries.

IDC positioned Genesys as a Major Player in this IDC MarketScape.

Genesys has packaged its portfolio around three primary offerings, or Editions, all based on the Customer Experience Platform, which IDC evaluated for this IDC MarketScape.

Strengths

Genesys rated highly in a variety of strategies categories, including:

- **Functionality.** The Genesys road map includes expanding globalization and its international footprint, enhancing Genesys Designer to include all digital channels, and enhancing mobile, Web engagement, and co-browsing. Road map investments will be made to embed intuitive simplicity in the platform, standardization, advanced analytics, and native Skype for Business integration.
- **Delivery model.**
- **Go-to-market strategy.** Go-to-market strategies include the sales/distribution, marketing, and customer service subcategories.
- **Growth and innovation strategies.** Genesys expects to grow its cloud business organically by targeting all segments and all major verticals, and it has an aggressive acquisition strategy.

Genesys has committed to the contact center space with a strategy targeted at being a leading provider not only through packaged offerings but also by innovating within the space and adding new capabilities to the market.

Genesys' vision is to provide contact center applications independent of the telephony infrastructure and employ contact center functionality across the organization by integrating into UC environments. Genesys' investments in cloud-related services show the company's intent to offer fully capable contact center solutions in a non-capex investment environment with the purpose to improve customer interactions by redesigning random customer journeys into designed journeys across all interaction channels, including social media and Web-based interactions into orchestrated, monitored, and efficient customer engagements.

Genesys' strategy includes both innovation of the product line and global go-to-market strategies, which combine both direct and indirect models, capitalizing on large, regional partner relationships. The direct model includes a global sales and services organization, while the market reach is extended in key geographies through strategic channel and hosting partners that have established large customer bases in telecommunications and cloud systems. For example, a recently announced partnership with Telstra in Australia/New Zealand is successfully establishing a new white-label business in that region. Genesys has common products across its offering and offers good capabilities to support global customers.

Genesys is highly rated in its offering capabilities and has increased its cloud focus over time through several acquisitions and organic growth.

Among the capabilities categories, Genesys rated well in:

- **Functionality.** Genesys' road map includes specific Editions of the Customer Experience Platform for different sized organizations, all of them including an omni-channel desktop, skills-based routing, email and chat, predictive dialing, call recording, and workforce planning.
- **Delivery model.** Genesys is hosting from datacenters, which are PCI, SOC 2 Type II, and ISO 27001 certified.
- **Portfolio of benefits delivered.** Each cloud contact edition has a rapid deployment/configuration option, and all integrate with leading CRM platforms.
- **Scalability.** Depending on the edition and amount of customization requested, deployments may take fewer than 30-90 days.
- **Marketing.** Genesys delivers integrated customer experience across voice, Web, digital, and mobile touch points to organizations of all sizes.
- **Customer service.** Genesys guarantees 99.99% uptime and offers regional disaster recovery zones for high availability.
- **Growth strategy execution.** Genesys has grown primarily organically but has also made four tactical acquisitions, all in 2013 to address speech and text analytics, SaaS performance and customer usability, mobile marketing, and outbound campaigns.

Overall satisfaction was above the midrange for the Genesys customers we talked with for this IDC MarketScape along with responses to whether they would increase spending with Genesys over the next 6-18 months and whether they would recommend Genesys to internal or external executives. Genesys also rated strongly in helping buyers comply with new or existing regulations and above the midrange in the breadth of channels offered, fairness and competitiveness of pricing, scalability, cost reduction, and innovation and in helping collect and analyze data, improve operational efficiency, and manage risk.

Among the strengths cited by Genesys' customers were reliability, expandability, adaptive and open to client requests, existing features, and road map.

Genesys was in the middle tier of recognition in IDC's 2015 demand-side HCC survey, which asked respondents to name three vendors they are currently using or would consider using. Genesys was short-listed by a high percentage of customers compared with other vendors that we interviewed for this IDC MarketScape.

Challenges

Genesys did not rate below the midrange in any strategies or capabilities categories.

Contact center solutions from Genesys had previously been seen as costly investments requiring heavy customization for each customer, making initial installations expensive, time consuming, and challenging. Upgrading to later releases has been challenging with many customized features.

Genesys is addressing the need to provide the ability for customization without losing out on its packaged benefits with its Premier and Business Edition packages, which now offer prepackaged offerings at a fixed price, with rapid deployment packages for faster implementation.

Customers identified the following as areas needing improvement: queue status, Genesys workforce, callback time for tech support, communication about the release process, and enterprise-level features and structures.

inContact

inContact, a public company based in Salt Lake City, Utah, was formed in 1997 as a reseller of telecommunications services. It began offering cloud software solutions to the contact center market in 2005 and now serves about 1,050 customers representing about 155,000 seats with hosted contact center and customer experience solutions.

inContact (Nasdaq: SAAS) has two business segments – software and network connectivity. The software segment includes software and services related to its cloud-based contact center platform. The network connectivity segment encompasses voice and data services. The software segment made up 59% of inContact's revenue in 2014 and grew 46% compared with 2013.

In May 2014, inContact acquired CallCopy (aka Uptivity) for cash and stock valued at \$48.9 million. CallCopy was a provider of a midmarket workforce optimization software and services to call centers, encompassing speech and desktop analytics, agent coaching, call and desktop recording, and quality, performance, workforce management, and satisfaction surveys.

inContact is a Leader in the 2016 Hosted and Cloud Contact Center IDC MarketScape. IDC evaluated inContact's Cloud Call Center Platform for this study.

Strengths

inContact assessed well in the Hosted and Cloud Contact Center IDC MarketScape in both the strategies and the capabilities categories. Among the strategies categories in which inContact was well rated were:

- **Functionality.** inContact provides solutions to support multimedia contact center interactions, complex routing, and workforce optimization. inContact's CCC offering includes ACD, IVR, Personal Connection Outbound, and a complete workforce optimization suite in the cloud.
- **Delivery model.** inContact is delivered as a highly scalable, multitenant platform that supports contact centers and agents located around the world.
- **Scalability.** inContact provides true multitenant cloud built on a global, carrier-grade infrastructure, with guaranteed 99.99% uptime. Customers get on-demand scalability to meet planned and unplanned fluctuations in call volumes, paying only for actual usage.

Among the capabilities categories, inContact rated high or above average in all the offering and go-to-market categories. More specifically:

- **Portfolio of benefits delivered.** It includes integrations with CRM and unified communications, analytics, workforce optimization, network connectivity, and professional services/consulting.

Customers gave inContact high marks in all scoring categories that involved customer input, and their overall satisfaction averaged 5 on a 1-5 scale, with 5 representing greatest satisfaction. The company also achieved a high satisfaction rating when customers were asked about pricing and whether the service helped improve customer experience, improve agent experience, drive innovation, manage risk, improve efficiency, and reduce costs. Customers indicated they were very likely to increase spending in the next 6–18 months with inContact and would recommend it to both internal and external executives.

Among the strengths cited by customers were integration of new offerings that worked well with existing products and inContact's voice/network infrastructure.

Challenges

inContact had no significant weaknesses in our assessment. The company's lowest ratings were average in the business capabilities categories – growth strategy execution, innovation, and employee management.

Customers asked for inContact to provide more technical people to handle first-level support calls and more subject matter experts for higher-level support calls, chat/email, and reporting/dashboards.

Interactive Intelligence

Interactive Intelligence, a publicly traded company, is a global provider of contact center solutions, unified communications systems, business process automation software, and customer experience services. Interactive (Nasdaq: ININ) was founded in 1994 and has more than 6,000 customers around the world. It is headquartered in Indianapolis, Indiana.

In 2014, revenue grew 7% compared with 2013. Total revenue was up 14% in the first nine months of 2015, but the company experienced a net loss for the same period. Operations generated positive cash flow for this period compared with a negative \$3.1 million in the first nine months of 2014.

The hosted and cloud contact center portion of Interactive's business has more than 150 customers, representing more than 24,000 users/seats. More than 60% of sales are sold via direct sales, and Interactive Intelligence has continually acquired partners in key markets and regions to grow its direct sales and support capabilities.

Interactive Intelligence's Customer Interaction Center (CIC) offering is an all-in-one suite of contact center applications offering scalability in both functionality and size. It is built on Windows server platforms and can run in virtualized environments. CIC is not multitenant, and each software instance can grow up to 7,500 seats.

Interactive Intelligence's Communications as a Service (CaaS) and on-premises deployment use the same software code base. The company often refers to CaaS as its cloud offering; however, IDC has grouped CaaS under "hosted" as it is a single-instance system that runs in a remote datacenter with virtualized hardware.

Interactive Intelligence packages its solution for several vertical industries. Its understanding of vertical industries comes partly via acquisitions that began in 2009 with AcroSoft Corp., a provider of insurance content management solutions, and Latitude Software, a debt collection software and service provider. In 2012, it acquired Bay Bridge Decision Technologies, a developer of capacity planning and strategic analysis technology. When it introduced its business automation solution, Interaction Process Automation (IPA), it was clear that it positioned the solution as an adjunct to its contact center and used its understanding of vertical industries for customization and adaptations.

Interactive Intelligence's IP business communications solutions can be deployed on-premises or as a hosted service by Interactive Intelligence or its partners. In 2014, it acquired OrgSpan, a software development company focused on social and business communications, which became part of the foundation for the recently launched Interactive Intelligence PureCloud platform. PureCloud is a suite of cloud-based services for communications, collaboration, and customer engagement. The PureCloud suite of application services is based on a new distributed cloud architecture using Amazon Web Services. In 2015, the company launched its cloud services for enterprise collaboration,

communications, and customer engagement – PureCloud Collaborate, PureCloud Communicate, and PureCloud Engage.

IDC positioned Interactive as a Major Player in this IDC MarketScape. Interactive's CaaS platform was evaluated for this IDC MarketScape.

Strengths

Interactive has been largely successful in the midsize and large contact center market, and it continues to grow its market share. It has kept its portion of direct sales fairly steady by acquiring key partner companies in select regions.

The CaaS solution has been a strong company focus, and many customers opt in to get access to these hosted services. CaaS growth is mainly in the North American market, with the company recently adding datacenters in Canada. Other regions are adopting the services as datacenters are deployed locally and regionally in Europe, APAC (Australia and Japan), and the Americas.

Among the strategies criteria, Interactive rated strongly in:

- **Functionality.** Interactive will continue to innovate and add new technologies and services to its cloud contact center offerings, including new channels as they emerge, as well as enhance the level of scalability, availability, and industry certifications. Solutions are being developed for mobility from the start, including agent, supervisor, administrative, and customer interfaces and apps. These include responsive Web interfaces as well as native apps supporting iOS, Android, and Windows devices. Interactive expects to continue investing heavily in technology, infrastructure, and operations.
- **Delivery model.** The launch of Interactive's PureCloud multitenant distributed cloud offering based on Amazon Web Services will enable customers to deploy in public single-tenant cloud, public multitenant distributed cloud, private cloud, or a hybrid model. Customers will also be able to sign up for, configure, and manage services online and easily migrate among deployment models while controlling updates or having them done automatically via continuous deployment.
- **Portfolio.** Interactive has an organic plan to increase professional services depth, appointed a chief services officer, realigned global support to be more services oriented, created a new service delivery manager role to work with CaaS customers and improve support, and created a new project management office to enhance management of service delivery.
- **Scalability.** Cloud contact center services are capable of scaling to tens of thousands of users. Interactive continues to work to increase scalability and efficiency through application enhancements and investment in innovative technology and infrastructure within its datacenters and through IaaS offerings from companies such as Amazon.
- **Innovation.** Interactive will continue to invest in cloud solutions, both single-tenant hosted and multitenant distributed, focusing on not only developing innovative, new applications but also architectural and deployment improvements. Areas of innovation and functionality include social and mobility as a fundamental design concept.

Among the capabilities criteria, Interactive rated strongly in:

- **Functionality.** Interactive offers an integrated suite of multichannel contact center applications including native multichannel ACD, IVR, reporting, WFO, speech recognition, outbound dialing, and business process automation. Interactive's offering has a single point of management and administration based on an all-in-one solution built from a single code base.
- **Portfolio of benefits delivered.** Prepackaged integrations include unified communications – Microsoft Lync; CRM – Microsoft Dynamics, Oracle Service Cloud, Oracle Siebel, Salesforce, SAP, and Zendesk; ASR/TTS – text to speech, speech recognition, and VXML; and LiveLOOK and third-party workforce management solutions.
- **Innovation.** Interactive sees its ability to continuously innovate as critical to its strategic differentiation. It continues to invest a substantial percentage of its revenue (19% on average; 17% in 2014) in research and development.

Customers gave Interactive high marks in 5 of 13 categories that involved customer input, and their overall satisfaction averaged 4 on a 1-5 scale, with 5 representing greatest satisfaction. The company also achieved high satisfaction ratings when customers were asked about scalability and whether the service helped improve regulatory compliance and overcome competitive pressures. Interactive also achieved strong customer ratings in the breadth of channels offered, vendor flexibility, and speed of implementation and when customers were asked whether the service helped improve customer experience, improve agent experience, reduce costs, collect and analyze customer information, improve efficiency, leverage talent, manage risk, and integrate with the CRM system. Customers indicated they were likely to increase spending in the next 6-18 months with Interactive and would recommend it to both internal and external executives.

Among the strengths cited by customers were Interactive's graphical interface, global call quality, workforce optimization tool, ease of use of the design platforms, scalability, recording, and customer satisfaction analysis.

Interactive was the second vendor named when being short-listed by customers of other vendors. It also was in the top tier of market recognition in IDC's 2015 HCC demand-side survey of users/potential buyers when they were asked what HCC vendor they used or would consider evaluating.

Challenges

Interactive Intelligence has pushed very hard on the benefits of its CaaS solution, including its ability to manage the services. Running contact center software on single-instance systems does require each system to be upgraded manually. This can mean that customers run different software versions and are not guaranteed to have implemented all known fixes and patches. The company is handling this by recruiting staff and gaining process understanding continually.

Outside of North America, there are challenges with a high level of direct business. Many of the other global vendors have a wider reach through extensive partner programs. Interactive's Channel Partner program is not best in class, and even with the support of in-house consulting services, there are local partners with less strong systems integration skills.

Among the strategies criteria, Interactive had no significant weaknesses. In addition to the strengths cited previously, it rated in the midrange in 8 of 13 categories. Among the capabilities criteria, it rated below the midrange only in cost competitiveness while reaching midrange in 8 of 13 categories.

Customers cited support for project management deployment, customizations, the connection to Salesforce, customization of pricing, and reporting options as areas needing improvement.

Interactive Intelligence provides a strong overall portfolio, but customers looking for the best of breed in specific areas might find CIC less feature-rich than others.

Interactive Intelligence's road map includes the expansion of true cloud-based offerings, with the first being the Interactive Intelligence PureCloud offering introduced in June 2015. It was not available in time to be fully evaluated by IDC for this IDC MarketScape.

LiveOps

LiveOps Cloud, a cloud contact center services provider, is a private company backed primarily by Marlin Equity Partners with a minority investment by Presidio Partners. It split from its predecessor company in November 2015. Based in Austin, Texas, LiveOps has customers in North America, Europe, and Asia. The company was formed in 2000.

LiveOps began selling its contact center platform to enterprises in late 2008. It has more than 400 customers representing tens of thousands of licensed seats on LiveOps Cloud's platform, including its predecessor company LiveOps, which is now the platform company's largest customer with a community of independent contractor agents that numbers up to 20,000. LiveOps has datacenters in Nevada, New York, the United Kingdom, Amsterdam, Singapore, Sydney (Australia), and Auckland (New Zealand).

While LiveOps had a deep heritage in customer care interaction services via its home-based agents, it focused in recent years on the cloud contact center platform part of its business. In 2014, LiveOps formed two separate corporate entities, formally splitting the agent and platform parts of the company. The cloud contact center platform, the focus of this document, has experienced significant growth.

IDC positioned LiveOps as a Major Player in this IDC MarketScape. The LiveOps Cloud Contact Center platform was evaluated for this IDC MarketScape.

The LiveOps Cloud platform, offered in the shared delivery (multitenant) cloud model, is a suite of services, including intelligent IVR with detailed call filtering and data; live call monitoring; intelligent call routing using PSTN, VoIP, or WebRTC; call recording; screen recording; email functionality; desktop API; multichannel routing/queuing and channel pivot; screen recording; call flow authoring; scheduled and priority callback; reporting; dashboards; workflow management; and Web collaboration.

LiveOps Cloud has three primary go-to-market campaigns: standalone cloud, embedded, and platform as a service (PaaS). The standalone offer is sold both directly and through partners with LiveOps CRM functionality. The embedded offer, aimed at customers that want to integrate call center functionalities into their existing CRM platform, is offered through major CRM partners such as Microsoft and salesforce.com. Both the standalone and the embedded offers include WebRTC enablement, with which inbound and outbound calls are routed directly into a Web browser. LiveOps WebRTC allows a browser to become a comprehensive agent desktop including a phone, without the need for plug-ins or telephony infrastructure. The PaaS offering is aimed at developers and systems integrators that seek to use the core LiveOps Cloud functionality but create a customized solution for their contact center.

Strengths

Among the strategies criteria, LiveOps rated strongly in:

- Functionality
- Delivery model
- Pricing model
- Innovation

Among the capabilities criteria, it rated strongly in:

- **Functionality.** LiveOps Cloud provides multichannel routing of voice, email, chat, and social interactions with customers from a variety of verticals.
- **Portfolio of benefits delivered.** It includes a wide range of integrations to third-party CRM, workforce management and optimization, scripting, speech analytics, co-browsing, IVR, and WebRTC applications and is PBX agnostic.
- **Customer service.** The company guarantees 99.9% uptime, maintains an active-active datacenter automated failover plan, and meets SAS 70, SOC 2, PCI, and HIPAA security standards. It retains 98% of potential renewal revenue.

Customers assessed LiveOps Cloud quite highly in strategies categories that involved customer input, and their overall satisfaction averaged 5 on a 1-5 scale, with 5 representing greatest satisfaction. The company was also rated most highly in the breadth of channels covered by the product, vendor flexibility, and speed of implementation and when customers were asked whether the service helped improve customer experience and drive innovation. LiveOps Cloud also achieved high satisfaction ratings when customers were asked about pricing and whether the service helped improve agent experience, reduce costs, collect and analyze customer data, leverage talent, integrate with the CRM system, and manage risk.

Customers indicated they were likely to recommend it to both internal and external executives. Client support was cited as a strength.

Challenges

Among the strategies criteria, LiveOps had no significant weaknesses. Among the capabilities criteria, it rated below the midrange only in the marketing category. LiveOps Cloud was not mentioned as a short list competitor by other customers. In the strategies and capabilities criteria, LiveOps was assessed in the midrange in 9 of 13 categories.

Customers cited C2C capabilities and WFM as areas needing improvement.

LiveOps was not short-listed by customers of any other vendors we interviewed for this IDC MarketScape. It was in the midrange of recognition in our 2015 HCC demand-side survey when buyers/users were asked to name three HCC vendors they are using or would be likely to evaluate.

West

Founded in 1986 by Gary West and Mary West, West (Nasdaq: WSTC) is a publicly traded communications services provider based in Omaha, Nebraska. The company is a global provider of technology-enabled communication services. West manages and processes large-scale, complex, and mission-critical communication transactions and has a full suite of communication and network

infrastructure solutions, including cloud-based conferencing and unified communications, IVR, hosted contact center, notifications, telecom, and safety services.

Until recently, West had a large, agent-based business and was one of the most prominent providers of agent-based customer care BPO services in the United States. However, in March 2015, it sold much of its agent-based services to Alorica Inc. – another United States-based customer care BPO provider – for \$275 million.

The parent company West was taken private in 2006 and then went public again in March 2013 in a public offering. The unified communications segment accounted for 73% of West's revenue in 2014 and 83% of the company's operating profit.

West has grown both organically and through acquisitions. In November 2015, the company announced the acquisition of Magnetic North Ltd., a United Kingdom-based provider of hosted customer contact center and unified communications solutions to enterprises.

Magnetic North (Leicester, the United Kingdom) provides inbound/outbound/blended, multichannel customer engagement technology solutions with multimedia routing, advanced analytics, and compliance functionality and an integrated, hosted voice and UC platform to midmarket customers throughout EMEA and the Americas. West also announced in November 2015 that it had acquired ClientTell, a provider of proactive notifications and lab reporting services in the healthcare market.

West's cloud contact center software and solutions business has hundreds of customers, representing more than 10,000 user seats across North America and EMEA. West has offerings that address both the SMB and the enterprise market segments. West also has a significant business in the cloud IVR and outbound notifications markets – and analytics services to supplement all of these solutions.

IDC positioned West as a Major Player in this IDC MarketScape.

The West Cloud Contact Center platform was evaluated for this IDC MarketScape. This evaluation took place prior to West's acquisition of Magnetic North in late 2015.

Strengths

West's platform allows clients to treat all interaction types consistently. Its 25+ years of experience and expertise in the customer experience and customer life-cycle management business provide it with an understanding of client business processes that can help enterprises transition from premise-based systems to the cloud over time in complex technology configurations.

Among the strategies criteria, West rated strongly in:

- **Functionality.** West plans to offer more self-service functionalities to make it easy and convenient for clients to do what they want to do, without having to contact client service personnel, and also plans to incorporate/integrate WebRTC into the West-owned ControlMaxx product, which would then allow an agent to converse with a customer in a video session (e.g., something like Amazon Mayday). The company also expects to grow the number of CRM integrations and expand international capabilities and reach. West's recent acquisition of United Kingdom-based Magnetic North is a step in this direction.
- **Delivery model.**
- **Pricing model.** West gives its clients a range of options including per-seat, per-minute, incentive-based, and also "pay up front" models.

- **Growth strategy.** West plans to grow both organically and via acquisition, as it has done in the past. In 2014-2015, West made multiple acquisitions in the customer life-cycle management arena.

Among the capabilities criteria, West rated strongly in:

- **Functionality.** West offers call routing, ACD, IVR, speech and text analytics, call recording, chat, mobile, email, SMS, social media, and WFM/WFO along with toll-free origination and termination services, network management services, and cloud-based unified communications solutions.
- **Cost competitiveness.** West offers volume discounts and, in some cases, value- or outcome-based solutions pricing and a range of capex or opex payment options.
- **Scalability.** Implementations typically take one to six months using SDLC or agile methodologies.
- **Customer service.** Certifications include SSAE 16, SOC 1/2, ISO 27001 and 27002, PCI-DSS, and HIPAA. West generally guarantees 99.999% uptime, and client retention is nearly 100%.
- **Innovation.** West has an internal "stage gate" process to vet and implement new ideas from employees.
- **Financial/funding.**

Customers assessed West highly in half of the scoring categories that involved customer input, and their overall satisfaction averaged 4 on a 1-5 scale, with 5 representing greatest satisfaction. When customers were asked about the breadth of channels, scalability, and flexibility and whether the service helped overcome competitive pressures, improve customer experience, improve agent experience, and drive innovation, West was rated very favorably. The company also rated strongly when customers were asked about fairness and competitiveness of pricing and speed of implementation and whether the solution helped with regulatory compliance, reduce costs, collect and analyze customer data, and improve operational efficiency. Customers indicated they were very likely to increase spending in the next 6-18 months with West and would recommend it to both internal and external executives.

Among the strengths cited by customers were West's client relationship skills. Customers specifically mentioned West's engagement with their business to understand unique end-customer needs, making West a business partner in their business.

Challenges

West's weakness has been in the company's market impact. It was not short-listed by any of the customers interviewed for this IDC MarketScape and did not achieve significant market recognition in IDC's 2015 demand-side HCC survey.

The development road map and offer set of the firm are less mature than those of some of its peers in the hosted contact center technology business, yet it continues to make progress.

Among the strategies criteria, West had no significant weaknesses.

Customers listed the following as areas for improvement: QA testing, working with their own vendors, and initially getting the right people engaged in projects.

APPENDIX

Reading an IDC MarketScape Graph

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

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

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

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

IDC MarketScape Methodology

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

Market Definition

Hosted contact center services vendors manage the technology environment on behalf of their customers on either a dedicated (single-tenant) or a shared (multitenant) basis. Technologies provided can include but are not limited to the following: ACD, IVR, CTI, and desktop CRM. This segment addresses management and hosting of the technology only and does not include management of the process or agents.

Often, much of the functionality is optional and/or provided through partnerships. These services are often the platform for supporting communication with end customers on many channels, including phone, email, chat, and social media.

Strategies and Capabilities Criteria

Tables 1 and 2 provide key strategies and capabilities measures for the success of hosted and cloud contact center vendors.

TABLE 1

Key Strategies Measures for Success: Hosted and Cloud Contact Center

Strategies Criteria	Market-Specific Definition	Subcriteria Weighting
Offering strategy		
Functionality or offering road map	Providers need to be investing in multichannel and mobile capabilities, as well as investing in or partnering for complementary services such as analytics, which will be greater competitive differentiators in the future.	3.00
Delivery model	Providers are evolving their hosted/cloud delivery toward customer preferences and aligning billing structures, as well as investing in automation and self-service. The buyer is given flexibility in options for consuming contact center services, in particular for channel options (adding on channels as needed).	1.00
Cost management strategy	Providers will offer hosted contact center services on a dedicated, single-tenant basis; to further cost efficiency, providers will offer shared, multitenant environments.	1.50
Portfolio strategy	Providers should be evolving capabilities or partners for professional services, customer care BPO (agent management), CRM, WFO, and analytics that address the future needs of the market, including looking at customer experience and customer journeys.	2.50
Scalability	Excellence is marked by plans to handle end-user demands for additional capabilities and maintain application performance when end users are added to the system.	2.00
Subtotal		10.00
Go-to-market strategy		
Pricing model	Providers are planning for a future shift in customer pricing model preferences, which includes pay-as-you-go pricing and flexibility in the pricing structure.	2.00
Sales/distribution strategy	Providers are strengthening their sales focus, including a strategy that acknowledges the changes in handling sales for products versus services, for those companies which traditionally have sold products.	2.00
Marketing strategy	Providers have well-developed plans to evolve marketing messages for contact center services, including a focus on customer experience and going beyond traditional transaction handling. The marketing strategy is evolving to address the different needs of the enterprise and SMB markets.	4.00
Customer service strategy	Providers have well-defined plans to increase customer retention and satisfaction.	2.00
Subtotal		10.00

TABLE 1

Key Strategies Measures for Success: Hosted and Cloud Contact Center

Strategies Criteria	Market-Specific Definition	Subcriteria Weighting
Business strategy		
Growth strategy	Providers have strategic plans for growth that align with customer needs, new markets, and next-generation contact center services.	1.00
Innovation/R&D pace and productivity	Providers are investing in mobile and social and are evolving their view to the contact center of the future.	4.00
Financial/funding model	Providers have plans to use available resources to generate revenue.	2.00
Employee strategy	Providers will shift hiring profiles to ensure that talent is aligned with future needs and invest in employee experience.	3.00
Subtotal		10.00

Source: IDC, 2016

TABLE 2

Key Capabilities Measures for Success: Hosted and Cloud Contact Center

Capabilities Criteria	Market-Specific Definition	Subcriteria Weighting
Offering capabilities		
Functionality/offering delivered	Providers should offer a full range of channel capabilities, including traditional channels and emerging channels and must support various types of phones and devices that agents use.	3.00
Delivery model appropriateness and execution	Buyers are given flexibility in options for consuming contact center services, in particular for channel options.	1.00
Cost competitiveness	Providers' pricing reflects volume discounts and is competitive with the market.	1.50
Portfolio of benefits delivered	The offerings are well supported and enhanced by a portfolio of complementary services, whether through partners or the internal portfolio, including professional services, CRM, BPO (agent management), analytics, and workforce optimization.	2.50
Scalability	Excellence is marked by plans to handle end-user demands for additional capabilities and maintain application performance when end users are added to the	2.00

TABLE 2

Key Capabilities Measures for Success: Hosted and Cloud Contact Center

Capabilities Criteria	Market-Specific Definition	Subcriteria Weighting
	system.	
Subtotal		10.00
Go-to-market capabilities		
Pricing model options and alignment	Providers' pricing model options align with preferences indicated in demand-side data and customer interviews.	2.50
Sales/distribution structure, capabilities	Providers have a strong internal sales focus, and resell partnerships are well designed, aligning with target markets.	2.50
Marketing	The offerings are geared toward well-defined target market(s). There are specific campaigns geared toward the different needs of enterprises and SMBs.	2.50
Customer service	Providers have high customer satisfaction and customer retention. For those selling through partners, the providers should ensure a quality of customer service for their clients directly or via partners. Traditional on-premise providers should ensure that the hosted/cloud offerings have different customer service models to address ongoing support rather than a one-time or once-a-year sale.	2.50
Subtotal		10.00
Business capabilities		
Growth strategy execution	Providers should perform at or above the industry average growth.	1.50
Innovation/R&D pace and productivity	Providers have invested in mobile and social as well as developed capabilities that address customer experience.	4.00
Financial/funding management	Providers are using their available resources to generate revenue.	1.50
Employee management	Providers have a skilled workforce with a high retention rate.	3.00
Subtotal		10.00

Source: IDC, 2016

LEARN MORE

Related Research

- *Cloud Contact Center Services Profile: LiveOps* (IDC #255179, April 2015)
- *Hosted Contact Center Services Profile: West Corp.* (IDC #254314, March 2015)
- *IDC's Worldwide Services Taxonomy, 2015* (IDC #254824, March 2015)
- *2014 U.S. Consumer Communication Preferences Study Results* (IDC #253705, January 2015)
- *Market Analysis Perspective: Customer Care BPO, 2014* (IDC #253150, December 2014)
- *2014 U.S. Business Process Outsourcing Buyer Study Results Customer Care BPO Responses* (IDC #250194, July 2014)
- *Worldwide and U.S. Outsourced Customer Care Services 2014-2018 Forecast* (IDC #248257, May 2014)
- *2014 U.S. Business Process Outsourcing (BPO) Buyer Study Results* (IDC #248275, May 2014)
- *U.S. Hosted and On-Demand Contact Center Services 2014-2018 Forecast: Customer Experience Driving Contact Center Interactions to the Cloud* (IDC #246546, February 2014)

Synopsis

This IDC study presents a vendor assessment of the hosted and cloud contact center services market through the IDC MarketScape model. The assessment discusses both quantitative and qualitative characteristics that explain success in this market. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Customer centricity is a driving force in organizations seeking differentiation in markets increasingly separated from face-to-face interactions such as social media, digital commerce, and other online activities," says Mary Wardley, research vice president, CRM Applications and Customer Experience at IDC. "The buyers of hosted and cloud-based contact center products have an opportunity to rapidly deploy technologies that directly impact their customer-handling models to achieve the required market differentiation through service."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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