

**2010 – 2011****Hosted Contact Center Infrastructure Market Report**

Driven to rethink priorities by the “Great Recession,” enterprises have been forced to look for more cost-effective and flexible ways to acquire and update their core contact center routing and queuing software. This is paving the way for the rise of the hosted contact center infrastructure market. In 2008, this IT sector started to attract attention, and has been growing rapidly ever since.

DMG Consulting estimates that there were 12,198,289 worldwide contact center seats in 2008, 12,564,237 worldwide seats in 2009, and that there will be 13,066,806 seats as of the end of 2010. DMG Consulting estimates that at least 339,850 of these seats were hosted by the end of 2009, having grown by 20.9% from 2008. The overall number of hosted contact center implementations grew by 50% between 2008 and 2009, increasing from 2,319 in 2008 to 3,478 in 2009. The adoption rate of hosted contact center infrastructure is still small, but the growth rate of hosted implementations versus that of premise-based solutions is considerable.

In addition to the recession, other significant factors are contributing to the shift in demand from premise-based hosted contact center infrastructure solutions. One is the diminished presence and ultimate demise of some leading premise-based contact center infrastructure providers. This has helped open the door for a new set of hosted competitors to challenge the status quo, giving enterprises flexible, viable alternatives. Coupled with the mainstream acceptance of hosted applications in other contact center and IT sectors, including customer relationship management (CRM) and interactive voice response (IVR), many IT leaders no longer view hosting as a high-risk proposition.

The dynamics of the market are certainly changing. Hosted providers are hungry for business and are investing big dollars into research and development to bring their solutions up to speed with their premise-based counterparts in some areas, and introducing differentiated capabilities in others. End users who have grown tired of waiting for traditional premise-based vendors to address their urgent requests for new functionality have found a receptive audience in the hosted providers, who are positioned to deliver product

enhancements in months instead of years. While it may have taken some time, today end users running contact centers of all sizes have a plethora of viable, flexibly priced hosted contact center infrastructure options, with eager-to-please vendors standing behind them.

The hosted contact center infrastructure market has strong momentum and is expected to continue to grow rapidly for the next four years. DMG Consulting predicts that the market will increase by 35% in 2010, 25% in 2011, 20% in 2012, and 18% in 2013. Given that the premise-based contact center infrastructure market is mature and sales of premise-based ACDs are expected to be modest, the hosted contact center infrastructure growth numbers represent a significant paradigm shift. These projections make it clear that hosting core contact center infrastructure has moved from an insignificant activity to one that is increasingly considered mainstream. While there are still “greenfield” opportunities, most of the hosted wins are expected to be replacements of existing premise-based solutions. End users can now evaluate their hosted options based not only on features, functionality and price, but on the many available reference sites for contact centers of most sizes in most industries.

The 430-page **2010 – 2011 Hosted Contact Center Market Report** is the most comprehensive, fact-based, timely analysis of this technology sector. The Report provides a thorough look at this rapidly evolving technology sector, including adoption rates, industry status, trends, challenges and projections. It details the vendor, product, functionality, technology, pricing, benefits, return on investment (ROI), and best practices information to help contact center and IT managers determine if hosting is right for them, and tips for selecting the ideal technology and partner for their operating environment. The Report gives readers a deep appreciation of the full range of hosted contact center infrastructure offerings, along with their strengths and weaknesses. Nine leading and contending hosted contact center infrastructure providers are explored in this Report. Contactual, Echopass, inContact, Interactive Intelligence, LiveOps, NewVoiceMedia and Transera are reviewed in detail, while USAN and Verizon are covered at a high level.

## Key Reasons to Buy This Report:

- ⇒ **Worldwide contact center revenue rates and projections:** An unparalleled look at worldwide and North American contact center 2010 revenue projections, as well as the hosted adoption rates for 17 top contact center technology categories
- ⇒ **Competitive overview and analysis:** Review of the hosted contact center infrastructure competitive landscape, with detailed functional and technical comparisons of seven leading and contending solutions and a high-level review of two other competitors
- ⇒ **Overview of the hosted contact center market:** Exploration of the market, its growing importance in comparison to the premise-based market, value proposition and return on investment (ROI), market

share and activity, adoption rates, projections, planned innovation, trends and challenges

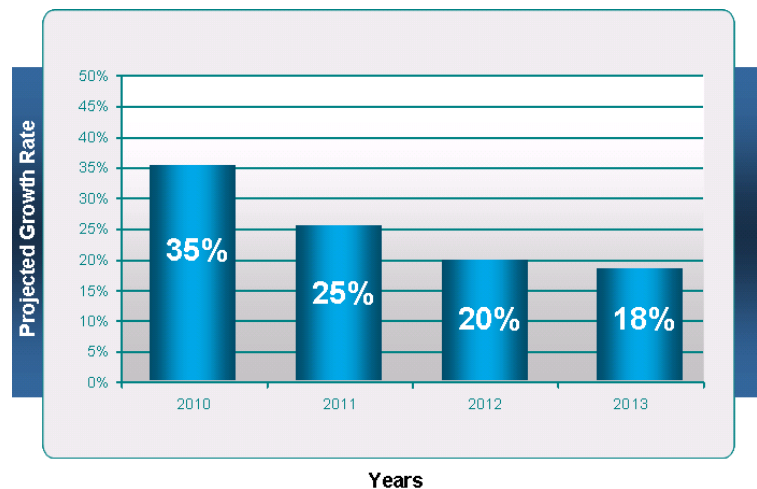
- ⇒ **Best practices for implementation:** Analysis of the pros and cons of hosted contact center solutions and best practices for choosing and implementing one
- ⇒ **Vendor satisfaction survey:** Comprehensive vendor satisfaction analysis, addressing each vendor's products, implementation, service, training, professional services, innovating/responsiveness and pricing
- ⇒ **Detailed pricing analysis for the leading vendors and price ranges for the market**
- ⇒ **Complete Hosted Contact Center Vendor Directory**

## Report Highlights:

- The "Great Recession" paved the way for the rise of the hosted contact center infrastructure market: Forced to rethink priorities and find more cost effective ways to update core contact center infrastructure technologies, IT organizations have turned to hosted solutions.
- The shift in demand from premise-based to hosted contact center infrastructure is altering the competitive landscape: The overall number of hosted contact center implementations grew by 50% between 2008 and 2009. The adoption rate of hosted contact center infrastructure is still small, but its rapid growth is changing market dynamics.
- Good news for end users – hosted providers are investing in their applications and are hungry for business: Hosted providers are investing millions of dollars in R&D to bring their solutions up to speed with their premise-based counterparts, build integrations to third-party applications, and introduce new differentiating functionality not available in the market. End users have found a receptive audience in hosted providers, who are positioned to deliver product enhancements in months instead of years.
- Hosted contact center infrastructure is strong and growing, with many new wins coming from premise-based solution displacements: This market has great momentum and is expected to grow rapidly for the next four years. DMG Consulting predicts that the market will increase by 35% in 2010, 25% in 2011, 20% in 2012, and 18% in 2013. Most of the hosted wins are expected to be replacements of existing premise-based solutions.

### Sample Figure: Hosted Contact Center Infrastructure 2010 - 2013 Projected Growth Rate

Source: DMG Consulting LLC, December 2010



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**Order Information:** To order a copy of the **2010-2011 Hosted Contact Center Infrastructure Market Report** contact Deborah Navarra at [deborah.navarra@dmgconsult.com](mailto:deborah.navarra@dmgconsult.com) or 516-628-1098. You may also purchase the report online at [www.dmgconsult.com](http://www.dmgconsult.com).