ABSTRACT

2020 Contact Center Workforce Optimization Mid-Year Market Share Report

*This is DMG Consulting's 16th annual **Contact Center Workforce Optimization Mid-Year Market Share Report**. The current edition of the Report includes a thorough analysis of the impacts of the COVID-19 pandemic on the workforce optimization (WFO) market. The Report also looks to the future of the components of WFO suites – including recording, quality management (QM), contact center performance management (CCPM), surveying/voice of the customer (VoC), workforce management (WFM), interaction (speech and text) analytics (IA), desktop analytics, gamification, customer journey analytics (CJA), robotic process automation (RPA) and knowledge management (KM). The WFO market is undergoing its own evolution as contact centers are altered by the digital transformation. Although the dynamics and drivers of the WFO market are changing, the applications that comprise WFO suites will continue to be necessary and sought after by companies.*

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2020 has been a dramatic and challenging year for the business world. Early in the year, businesses around the world were forced to close down their offices and send their employees home to work, to keep their staff safe from the COVID-19 pandemic. Some of the components of WFO suites – specifically, IA and WFM – have proved to be instrumental in helping companies address the changes and upheaval brought about by coronavirus.

The contact center segment of the WFO market performed strongly in the first six months of 2020. Revenue was $1,036.7 million, up 7.6% from the same period in 2019. This is a strong showing for a mature market, and enterprises are continuing to invest in WFO because of the significant contributions of all 12 components of these suites.

Another trend benefiting this sector is the acquisition of smaller WFO solutions and best-of-breed applications by contact-center-as-a-service (CCaaS) vendors. These acquisitions have enhanced the CCaaS offerings; the vendors are looking to provide these capabilities natively and deliver them to users through a seamlessly integrated administration environment. DMG expects to see continued purchases of individual applications as "tuck-ins" as well as WFO suites by the CCaaS vendors in the near future.

Back-office operating departments and branch offices are another area of opportunity for sales of WFO capabilities. These functions need WFO solutions to improve the customer experience (CX) and employee engagement. However, for sales to increase to back-office and branch operating areas, the WFO sector must transform in order to address the needs of these departments. This will become an even greater priority in the next few years, as companies are expected to consolidate their front and back offices to improve the CX and reduce operating expenses. The WFO vendors need to enhance their products and retool their sales forces to sell to these new audiences.

Another area of WFO that requires enhancement and upgrades is digital capabilities. The current generation of WFO suites was built with a voice-centric orientation. Today, however, customers around the world expect solutions to be digitally oriented and omni-channel capable to deliver an outstanding experience. Retrofitting the existing WFO solutions is not enough. WFO suites need to be converted into open platforms where users can easily integrate the functionality that they want. This will require a major architectural re-design and product re-write for these suites. The WFO vendors have demonstrated their resilience time and again, and they are working to address this challenge, which will bring them into the digital future.

The ***2020 Contact Center Workforce Optimization Mid-Year Market Share Report*** provides a detailed breakdown and analysis of revenue for the following 21 named vendors: 8x8, ASC, Aspect, Avaya, Calabrio, ComputerTel, DVSAnalytics, Eleveo, Enghouse, Envision, Five9, Genesys, HigherGround, Lifesize, Mitel, NICE, OnviSource, OpenText, Verint, VirtualLogger, and Xarios. (Revenue for Avaya is included at a high level but not in the detailed analyses.) The named vendors comprise 99.4% of the contact center WFO market; the remaining 0.6% (17 vendors) is addressed in the "Other" category.

Key Reasons to Buy this Report

- ⇛ Market projections by WFO application segment for the 5-year period from 2020 – 2024, for recording, QM, WFM, CCPM, gamification, IA, desktop analytics, robotic process automation, surveying/VoC, customer journey analytics and KM
- ⇛ Total company GAAP revenue and market share analysis for all vendors who sell workforce optimization suites for contact centers and other uses
- ⇛ Detailed revenue and market share analyses by vendor, broken down by the contact center WFO segment, WFO and recording solutions, voice recording, contact center and non-contact-center voice recording and QM
- ⇛ Growth-rate comparisons by vendor for the first half of 2020 vs. the same period in 2019
- ⇛ Detailed analyses of the 21 leading and contending vendors in the various WFO sectors

Report Highlights

- ***The WFO market has performed well during the COVID-19 pandemic:*** The WFO market, though mature, has held strong in the first half of 2020. Total company GAAP revenue for the WFO market was $1,859.3 million in first-half 2020, up by 1.7% from the same period in 2019. The contact center WFO sector performed particularly well, with sales of $1,036.7 million in the first six months of 2020, a growth rate of 7.6% from the previous year.

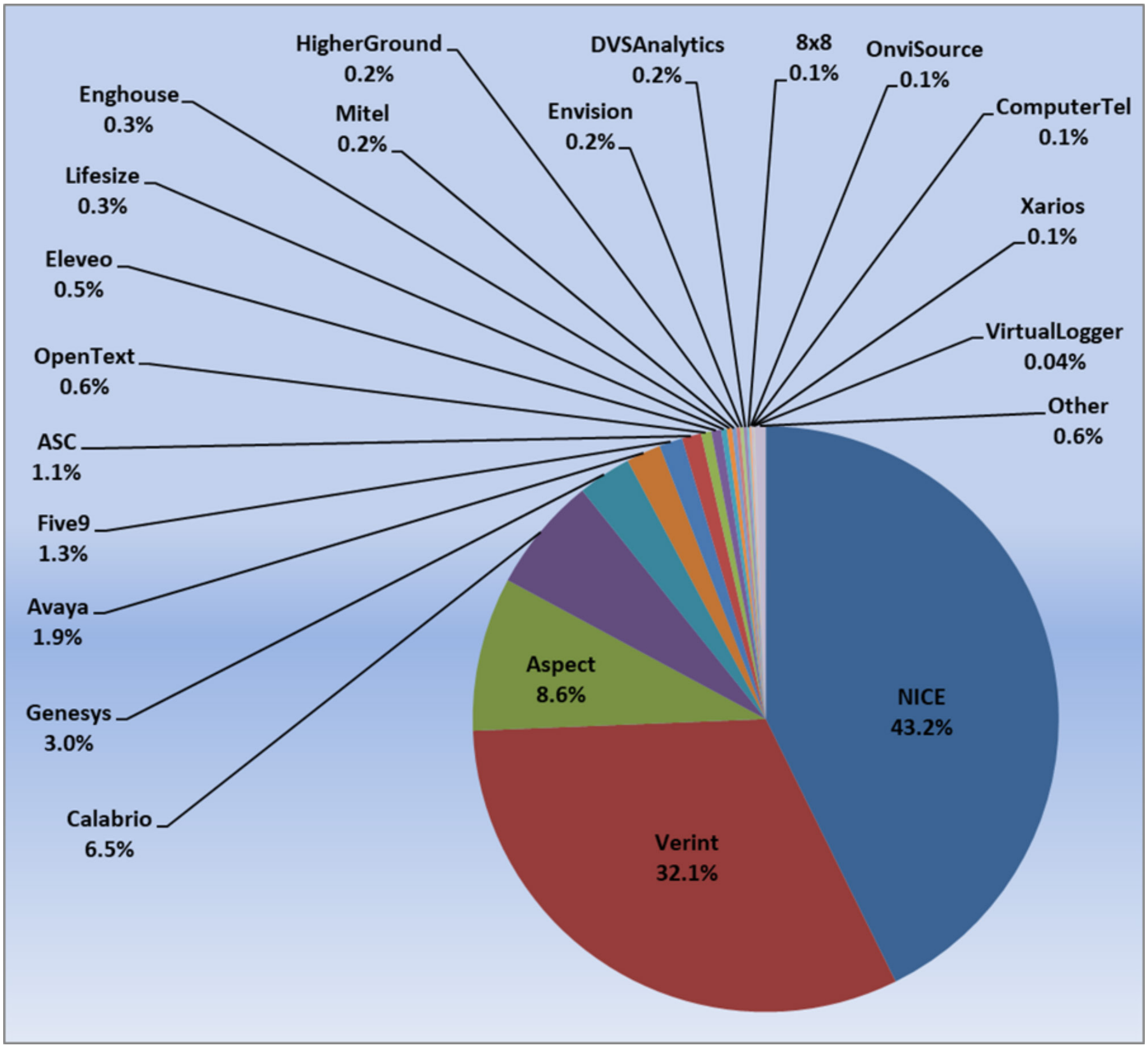
- ***The "portfolio" of solutions in WFO suites will continue to thrive:*** WFO suites, comprised of a diverse set of capabilities, are counter-cyclical. When the market is slow for some solutions, others continue to sell well. Selling a collection of capabilities rather than a logically consolidated suite has worked well for the vendors and will carry them forward through the current recession into the future.

- ***The WFO vendors have great sales opportunities in untapped markets:*** The WFO vendors have traditionally focused their sales efforts on contact center customers. However, back offices and branches have just as much need for WFO suites to help improve the CX and employee engagement. Front and back offices are expected to consolidate over the next few years, and the vendors need to make changes in their solutions, marketing approaches and sales efforts to address the needs of back-office departments.

- ***The WFO vendors are working to become more digitally oriented and omni-channel capable:*** Some WFO vendors have retrofit their solutions to adapt to today's digital world. But more work lies ahead. The suites will need to be converted into open platforms where users can easily integrate the functionality that they want. This will involve a major architectural and product transformation to ensure the viability of these solutions in the future.

SAMPLE FIGURE

First-Half 2020 Total Company GAAP Revenue Market Share for WFO Competitors



Source: DMG Consulting LLC, November 2020

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