Abstract

2020 Worldwide Cloud-Based Contact Center Infrastructure Market Share Report
This is the inaugural edition of DMG Consulting LLC’s **Worldwide Cloud-Based Contact Center Infrastructure Market Share Report**. The Report is the first and only one of its kind in this market; it analyzes the thriving worldwide cloud-based contact center infrastructure (CBCCI) IT sector. This ground-breaking Report delivers comprehensive data on the total worldwide addressable market for CBCCI, based on DMG Consulting’s extensive coverage and close scrutiny of this sector since its inception. The Report is a principal resource for vendors, investors and members of the financial community who want to understand the competitive landscape and its dynamics, market share by revenue and seats, geographical breakdown, and current and projected total addressable market (TAM) of the CBCCI market.
The cloud-based contact center infrastructure market is growing at a rapid pace, experiencing double-digit rate of growth in seats, revenue and adoption. Much of this growth has been driven by the CBCCI vendors’ significant investments in research and development (R&D) and the resulting innovations that have made these solutions secure and easier to implement and use. The pandemic of the last year has accelerated the growth of the CBCCI market, as companies looked to these solutions to provide the agility they needed to respond to customer inquiries and requests from any location – remote or on-site – and to improve the customer experience (CX).

Worldwide, there are over 200 vendors competing in the cloud-based contact center infrastructure market. These vendors are coming from many different IT segments, but their offerings fall into two primary categories: fully built solutions intended to be used out-of-the-box, and solutions where users purchase application programming interfaces (APIs) and customize them. Though the market is crowded, DMG expects to see other vendors enter the sector. The CBCCI market encompasses contact-center-as-a-service (CCaaS) solutions, a sector that is growing rapidly as companies realize the financial and practical benefits of using this agile and secure delivery model. The cloud delivery model is also compelling for end users who are looking for customized capabilities, which the vendors can provide with programmable APIs.

The future of contact center solutions is in the cloud. The functional capabilities of CBCCI solutions have, in many cases, surpassed those of their on-premise counterparts. The introduction of artificial intelligence (AI) and machine learning (ML), along with predictive analytics, has enabled organizations to use these solutions to deliver on their top-ranked goal of enhancing the CX. The positive momentum of the cloud-based contact center infrastructure market is also driven by the sale of replacements for many premise-based solutions. Additionally, the CBCCI vendors are maturing and forming partnerships with a variety of distribution partners including master agents, to expand and increase their reach.
The digital transformation taking place in companies around the world is a game-changer for the omni-channel cloud-based contact center infrastructure market. Customers want to interact in their channel of choice, and CBCCI solutions provide the automation and tools to make this possible. Self-service is now the preferred channel, but customers want choices and the ability to pivot from one medium of communication to another with ease. Enterprises are looking to CBCCI vendors to deliver digital-first capabilities to make this happen.

DMG expects the CBCCI market to continue to gain momentum during the next 5 – 10 years, with increasing sales of replacements for premise-based seats and more opportunities as digital-first customer service continues to take hold. The only question is what the growth rate will be for the next few years. DMG estimates that the adoption rate of cloud-based contact center infrastructure was 17% as of the end of 2020, which leaves a highly opportunistic, massive addressable market for the vendors to pursue.

DMG has analyzed the vendors and tracked the number of CBCCI seats since the inception of this thriving IT sector. To enhance the accuracy of our measurement of this market, DMG created a financial model, based on 2020 performance, for 21 CBCCI vendors, including the 10 market leaders and 11 contenders. These vendors include: 8x8, Amazon Connect, Aspect, Bright Pattern, BT, Cisco, Content Guru, Enghouse, Five9, Genesys, Lifesize, NICE inContact, Noble, Odigo, Puzzel, RingCentral, Salesforce, TTEC, Twilio, Verizon, and Vonage. Each CBCCI model was reviewed by its respective vendor, whenever possible, to validate our assumptions and obtain guidance when public information was not available, which was in the majority of the cases. This modeled data is the source of information for this worldwide cloud-based contact center infrastructure market share report.
• **Innovation and agility are driving rapid adoption of CBCCI solutions:** Cloud-based contact center infrastructure solutions offer capabilities that are on par or superior to on-premise systems. The cloud delivery model has been invaluable for companies that have a workforce dispersed among on-premise and remote locations, including work-at-home (WAH) agents.

• **The digital transformation is opening new opportunities for cloud-based contact center infrastructure solutions:** Self-service has become the channel of choice, and CBCCI solutions enable companies to deliver what customers want. The CBCCI solutions allow customers to move seamlessly from one channel to another, whether self-service, live-agent, digital or voice. A growing percentage of CBCCI seat growth in 2020 is attributable to digital seats.

• **The CBCCI market is crowded and is expected to continue to expand:** There are already over 200 vendors in the market, and more are expected to join. This is a lucrative market with tremendous opportunities still untapped. The market will continue to grow with sales of replacements for on-premise solutions, and the increasingly digital-first mindset of many end-user organizations will further drive adoption of cloud-based infrastructure.

• **Growth of the CBCCI market is certain; the only unknown is the rate of increase:** DMG has provided two sets of predictions for the future adoption rate in the CBCCI market and its total addressable market, one fairly conservative and the other more aggressive. The conservative estimates assume that the market will continue to grow at a very fast pace. The aggressive projections assume that the rate of growth will pick up more momentum than would be expected, even for a growth market.
Key Reasons to Buy This Report

▶ Total Contact Center Seat Projections, Worldwide, 2020 – 2025
▶ 2020 CBCCI Market Share Analysis, Worldwide
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▶ 2020 CBCCI Revenue and Market Share, by Vendor
▶ 2020 CBCCI Revenue Analysis, by Category
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▶ 2020 CBCCI Revenue and Market Activity, by Geography
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