

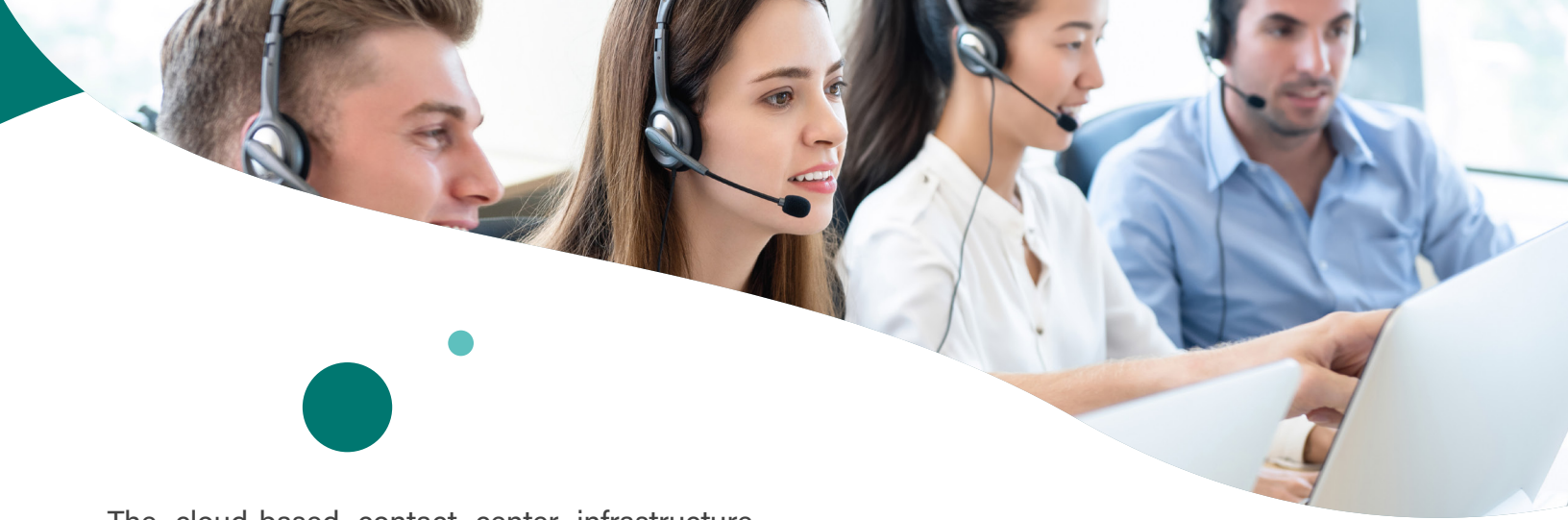


Abstract

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.

Report Highlights

- **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
- ▶ 2020 CBCCI Seats and Market Share, by Vendor
- ▶ 2020 CBCCI Revenue and Market Share, by Vendor
- ▶ 2020 CBCCI Revenue Analysis, by Category
(recurring services, carrier services and professional services)
- ▶ 2020 CBCCI Revenue and Market Activity, by Geography
- ▶ Worldwide CBCCI Seat Adoption Rate and Projections for 2020 – 2025
- ▶ CBCCI Seat Projections (Conservative), Worldwide, 2020 Actual – 2025 Projected
- ▶ CBCCI Seat Projections (Aggressive), Worldwide, 2020 Actual – 2025 Projected
- ▶ CBCCI Seat Adoption Rate Worldwide (Conservative), 2020 Actual – 2025 Projected
- ▶ CBCCI Seat Adoption Rate Worldwide (Aggressive), 2020 Actual – 2025 Projected
- ▶ CBCCI Worldwide Total Addressable Market (Conservative), 2020 – 2025
- ▶ CBCCI Worldwide Total Addressable Market (Aggressive), 2020 – 2025



1. Executive Summary
2. Introduction
3. DMG Consulting Research Methodology
 - 3.1 Report Participation Criteria
4. Information Sources and Methodology
 - 4.1 Run Rate (Year-End) vs. Average Year Data
 - 4.2 Named and Concurrent Seats vs. Usage
 - 4.3 What Counts as a CBCCI Seat
 - 4.4 Data Integrity and DMG Transparency
5. Report Scope
6. Contact Center Market Seat Projections, Worldwide, 2021 – 2025
 - 6.1 DMG's Contact Center Seat Projection Methodology
 - 6.2 Total Contact Center Seat Projections, Worldwide, 2020 – 2025
7. 2020 Cloud-Based Contact Center Infrastructure Market Share Analysis, Worldwide
 - 7.1 Cloud-Based Contact Center Infrastructure Seats and Market Share by Vendor, as of December 31, 2020
 - 7.2 Worldwide Cloud-Based Contact Center Infrastructure Revenue and Market Share by Vendor, as of December 31, 2020
 - 7.3 Cloud-Based Contact Center Infrastructure Revenue Analysis by Category for 2020
 - 7.4 2020 Cloud-Based Contact Center Infrastructure Revenue and Market Activity, by Geography
8. Worldwide Cloud-Based Contact Center Infrastructure Seat Adoption Rate and Projections, 2020 – 2025
 - 8.1 Cloud-Based Contact Center Infrastructure Seat Projections (Conservative), Worldwide, 2020 Actual – 2025 Projected
 - 8.2 Cloud-Based Contact Center Infrastructure Seat Projections (Aggressive), Worldwide, 2020 Actual – 2025 Projected
 - 8.3 Cloud-Based Contact Center Infrastructure Seat Adoption Rate (Conservative), Worldwide, 2020 Actual – 2025 Projected
 - 8.4 Cloud-Based Contact Center Infrastructure Seat Adoption Rate (Aggressive), Worldwide, 2020 Actual – 2025 Projected
9. Cloud-Based Contact Center Infrastructure Worldwide Total Addressable Market, 2020 Actual – 2025 Projected

Table of Figures

1 of 1

- Figure 1: Total Contact Center Seat Projections, Worldwide, 2020 Actual – 2025 Projected
- Figure 2: Total Contact Center Seat Projections, Worldwide, 2020 Actual – 2025 Projected
- Figure 3: Cloud-Based Contact Center Infrastructure Seats and Market Share, by Vendor, as of December 31, 2020
- Figure 4: 2020 Cloud-Based Contact Center Infrastructure Seat Market Share
- Figure 5: Cloud-Based Contact Center Infrastructure Revenue and Market Share, by Vendor, as of December 31, 2020 (Dollars in Thousands)
- Figure 6: 2020 Cloud-Based Contact Center Infrastructure Revenue Market Share
- Figure 7: 2020 Cloud-Based Contact Center Infrastructure Revenue and Market Share, by Category (Dollars in Thousands)
- Figure 8: 2020 Cloud-Based Contact Center Infrastructure Market Share, by Category
- Figure 9: Cloud-Based Contact Center Infrastructure Revenue, by Vendor and Category, as of December 31, 2020 (Dollars in Thousands)
- Figure 10: Bar Chart of Cloud-Based Contact Center Infrastructure Revenue by Vendor and Category, as of December 31, 2020 (Dollars in Thousands)
- Figure 11: Cloud-Based Contact Center Infrastructure Recurring Services Revenue and Market Share, by Vendor, as of December 31, 2020
- Figure 12: 2020 Cloud-Based Contact Center Infrastructure Recurring Services Market Share
- Figure 13: Cloud-Based Contact Center Infrastructure Carrier Services Revenue and Market Share, as of December 31, 2020
- Figure 14: 2020 Cloud-Based Contact Center Infrastructure Carrier Services Market Share
- Figure 15: Cloud-Based Contact Center Infrastructure Professional Services Revenue and Market Share, by Vendor, as of December 31, 2020
- Figure 16: 2020 Cloud-Based Contact Center Infrastructure Professional Services Market Share
- Figure 17: Cloud-Based Contact Center Infrastructure Revenue, by Vendor and Geographic Region, as of December 31, 2020 (Dollars in Thousands)
- Figure 18: Bar Chart of Cloud-Based Contact Center Infrastructure Revenue, by Vendor and Geographic Region, as of December 31, 2020 (Dollars in Thousands)
- Figure 19: Summary of 2020 Cloud-Based Contact Center Infrastructure Revenue and Market Share, by Geographic Region (Dollars in Thousands)
- Figure 20: 2020 Cloud-Based Contact Center Infrastructure Market Share Summary, by Geographic Region
- Figure 21: Cloud-Based Contact Center Infrastructure North America Revenue and Market Share, by Vendor, as of December 31, 2020
- Figure 22: 2020 Cloud-Based Contact Center Infrastructure North America Market Share
- Figure 23: Cloud-Based Contact Center Infrastructure Europe/Middle East/Africa Revenue and Market Share, by Vendor, as of December 31, 2020
- Figure 24: 2020 Cloud-Based Contact Center Infrastructure Europe/Middle East/Africa Market Share
- Figure 25: Cloud-Based Contact Center Infrastructure Asia/Pacific Revenue and Market Share, by Vendor, as of December 31, 2020
- Figure 26: 2020 Cloud-Based Contact Center Infrastructure Asia/Pacific Market Share
- Figure 27: Cloud-Based Contact Center Infrastructure “Other” Region Revenue and Market Share, by Vendor, as of December 31, 2020
- Figure 28: 2020 Cloud-Based Contact Center Infrastructure “Other” Region Market Share
- Figure 29: Cloud-Based Contact Center Infrastructure Seat Projections (Conservative), Worldwide, 2020 Actual – 2025 Projected
- Figure 30: Worldwide Cloud-Based Contact Center Infrastructure Seat Projections (Conservative), 2020 Actual – 2025 Projected
- Figure 31: Cloud-Based Contact Center Infrastructure Seat Projections (Aggressive), Worldwide, 2020 Actual – 2025 Projected
- Figure 32: Worldwide Cloud-Based Contact Center Infrastructure Seat Projections (Aggressive), 2020 Actual – 2025 Projected
- Figure 33: Cloud-Based Contact Center Infrastructure Seat Adoption Rate Projections (Conservative), Worldwide, 2020 Actual – 2025 Projected
- Figure 34: Worldwide Cloud-Based Contact Center Infrastructure Adoption Rate Projections (Conservative), 2020 Actual – 2025 Projected
- Figure 35: Cloud-Based Contact Center Infrastructure Seats Adoption Rate Projections (Aggressive), Worldwide, 2020 Actual – 2025 Projected
- Figure 36: Worldwide Cloud-Based Contact Center Infrastructure Seats Adoption Rate Projections (Aggressive), 2020 Actual – 2025 Projected
- Figure 37: Cloud-Based Contact Center Infrastructure Total Addressable Market Projections (Conservative), Worldwide, 2020 Actual – 2025 Projected (Dollars in Thousands)
- Figure 38: Worldwide Cloud-Based Contact Center Infrastructure TAM Projections (Conservative), 2020 Actual – 2025 Projected
- Figure 39: Cloud-Based Contact Center Infrastructure Total Addressable Market Projections (Aggressive), Worldwide, 2020 Actual – 2025 Projected (Dollars in Thousands)
- Figure 40: Worldwide Cloud-Based Contact Center Infrastructure TAM Projections (Aggressive), 2020 Actual – 2025 Projected



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