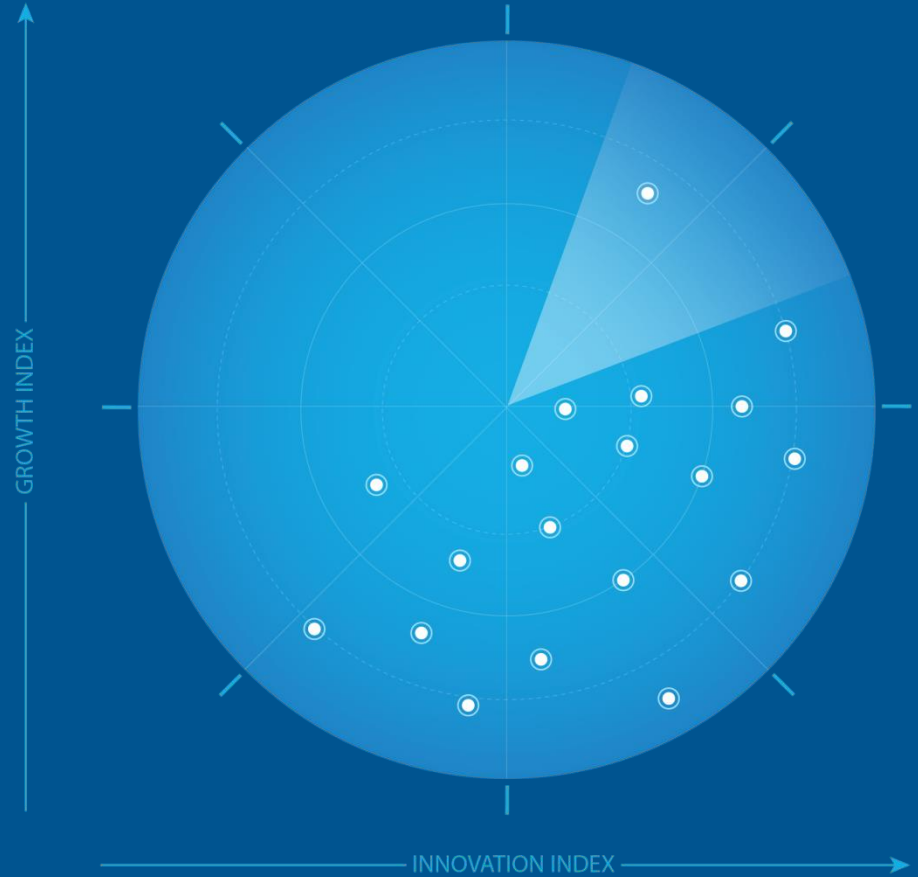


# Frost Radar™: North American Enterprise Cloud Contact Center Market—2022

A Benchmarking System  
to Spark Companies to  
Action—Innovation that  
Fuels New Deal Flow  
and Growth Pipelines

Global Information &  
Communications  
Technologies Research  
Team at Frost & Sullivan



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# Strategic Imperative and Growth Environment



# Strategic Imperative

- Cloud-based technology designed for the contact center is now more robust, offering access to all the features that on-premises solutions provide, with the added benefit of being hosted over the internet and allowing businesses to quickly deploy services across multiple geographies.
- Cloud is a vital enabler of a mature customer experience (CX) strategy. It offers flexibility in terms of scale, reach, and modularity, and allows capabilities to be introduced using a phased approach, as business needs and budgets dictate. It is also driven by cloud technologies' higher return on investment (ROI), contact center as a service (CCaaS) solutions' greater speed and flexibility, and organizations' need for platforms that ensure uninterrupted business continuity, including the ability to deploy work-from-home (WFH) models.
- Cloud enables contact centers to innovate at a faster pace as some applications, such as those using maturing technologies, including artificial intelligence (AI) and speech technologies, benefit from greater computing power and storage cloud provides.
- Most competitive vendors target AI-based features, workforce management (WFM), workforce optimization (WFO), workforce engagement management (WEM), and analytics-related applications. In fact, AI-driven capability is the key competitive battleground within the contact center arena.

# Strategic Imperative (continued)

- The enterprise (300 seats and above) and large enterprise (1,000-plus seats) contact center was born before the advent of cloud contact centers. Therefore, premises-based contact centers still comprise a larger percentage of the installed base in North America. As many of those systems near end of life (EOL) and the market matures, many enterprise customers look to the cloud to provide quicker access to enhanced features and as an attractive option for maintaining on-premises systems.
- Enterprise customers (the terms “enterprise” and “large enterprise” are used interchangeably throughout this report) have traditionally been slower to adopt cloud technology. However, these participants have increasingly moved to the cloud as initial restraints such as reliability, scalability, and security are addressed. Challenges remain because enterprise cloud contact center (ECCC) requirements differ from CCaaS. In particular, enterprise-class CCaaS vendors must provide robust outbound solutions that adhere to regulatory and compliance requirements, omnichannel services, and streamlined migration paths.
- As more customers move on-premises operations to the cloud, it is imperative that providers offer smooth paths to the cloud as well as hybrid operations to let customers move at their own pace and utilize newer capabilities in the cloud while still having some functionality on premises.

Source: Frost & Sullivan



# Growth Environment

- The global CCaaS market generated revenue of \$4.99 billion in 2021, a 21.6% increase from 2020. Frost & Sullivan projects that revenue will increase at a 13.2% compound annual growth rate to reach \$9.29 billion by 2026. The North American CCaaS market contributed \$3.03 billion of that 2021 amount (representing 14.2% year-over-year growth) and is expected to reach \$5.22 billion by 2026.
- Small and medium-sized contact centers are steadily migrating to cloud-based technologies; now, the expansion of hybrid cloud offerings and fewer data security and scalability concerns regarding cloud deployments are driving many large enterprises toward full cloud models.
- Cloud contact center market growth will be driven by the EOL cycles of existing system platforms, the ability for premises-based customers to add CCaaS in hybrid configurations, new process automation and analytics capabilities, redesigned agent desktops, digital transformation, richer integrations to third-party applications, and rich self-service applications.
- The increased demand for cloud solutions (along with intense market competition) has led to cloud-to-cloud migration. Numerous new cloud contact center customers in North America and Europe have implemented cloud solutions from other vendors. Cloud vendors must leverage innovations and showcase their competitive advantages to clients to stay ahead.
- Many enterprises are tied into multi-year contracts for on-premises solutions, limiting their migration to full-cloud options. As these contracts expire and enterprise-class providers offer easy migration plans, cloud migration will increase.

Source: Frost & Sullivan

# Growth Environment (continued)

- The North American CCaaS market is in a mature stage with a diverse set of suppliers; the enterprise market consists of a growing subset of suppliers. Those with a notable presence include 8x8, Alvaria, Avaya, Cisco, Five9, Genesys, NICE, and Vonage. Relative newcomers in the CCaaS market making strong inroads into the large and very large enterprise space include Dialpad and Thrio. Some have also introduced reimagined contact center platforms with next-generation development tools and omnichannel workflows.
- The COVID-19 pandemic compelled almost all contact centers in the region to opt for work-from-home (WFH) models. It accelerated the migration to cloud/hybrid setups and created opportunities for leveraging solutions that support a more significant WFH base, self-service virtual assistants (VAs), intelligent virtual assistants (IVAs) and bots, and AI-enabled solutions.
- Growth in 2020–2021 accelerated owing to factors such as the pandemic; however, the global economic uncertainty has impacted 2022, slowing some investments and limiting the expansion of some ECCC providers.

Frost & Sullivan studies related to this analysis:

- Frost Radar™: North American Enterprise Cloud Contact Center Market, 2021
- Frost Radar™: Latin American Cloud Contact Center Market, 2021
- Frost Radar™: European Contact Center as a Service Market, 2021

Source: Frost & Sullivan

# ECCC Inclusion Criteria

Companies with ECCC needs often require support for mixed or hybrid deployments with a blend of legacy on-premises systems and cloud applications. These companies also have different requirements for maintaining operations in a public or private cloud deployment. Frost & Sullivan considered several factors for a company to be included in this Frost Radar™:

- **Market Presence and Brand Awareness:** A company must demonstrate that it regularly sells into the North American ECCC market. Developing brand awareness through comprehensive, consistent marketing programs is important in the enterprise market. It also assists in fostering strong partnership opportunities for sales and product integrations.
- **Global Reach:** A vendor's ability to support enterprises on a regional and global basis is a key weighting factor in this Frost Radar™. While it is true that public cloud deployments are increasing in the large enterprise segment, Frost & Sullivan considers that this is not yet the norm. Global corporations tend to select private hosted cloud solutions and single-tenant environments; therefore, a vendor's ability to provide flexibility and choice in enterprise deployment is an important factor.
- **Availability of a Multitenant Offering:** Because this is a cloud contact center Frost Radar™, Frost & Sullivan requires that companies have at least a multitenant offering. However, a variety of cloud-based offerings also sets providers apart; the ability to provide single tenant or single instance options is also an advantage.

Source: Frost & Sullivan

# ECCC Inclusion Criteria (continued)

- **Outbound Customer Contact:** Outbound customer contact is more prevalent in the enterprise segment than in smaller centers. But with size grows the risk. Solution providers must offer feature-rich, outbound solutions encompassing technology and best practices to enable organizations to maintain compliance and reduce risk.
- **Deployment Options and Migration Capabilities:** Many organizations seek to fully depreciate their existing contact center investment without the potential cost and complexity of rip and replace. For numerous reasons, many are also reticent to move all their capabilities to the cloud; for example, it is not uncommon for a company to move the majority of functionality to the cloud yet (for perceived security reasons) maintain contact center recordings on premises. An important attribute in the enterprise market is providing flexible deployment options (whether on premises, cloud, or hybrid) along with easy-to-use migration tools if an enterprise chooses to move part or all of its operations to the cloud.

Leading vendors are those that can clearly articulate migration strategies and positioning options for their customers, since not all customers are ready to go “all in” to the cloud.



# Primary and Secondary Attributes of the Enterprise Market

The following attributes are used to evaluate solution providers in the enterprise market:

## Primary Attributes

- Ability to scale
- Ability to easily migrate to the cloud, and multiple cloud options
- Automated risk mitigation and compliance
- Carrier-grade voice quality
- Full omnichannel capabilities with the flexibility to customize
- Multinational support and global deployment coverage
- Reliability and security
- Rich, integrated inbound and outbound capabilities
- Interoperability (open APIs), app stores, partner ecosystems, and deep third-party integrations
- Customer support capabilities, including professional services (PS), flexible pricing options, flexible service-level agreements (SLAs), and customer service options

## Secondary Attributes

- Platform maturity (customer references, length of time in the market)
- AI-infused capabilities in the area of process automation, personalization, self-service channels, and WFO
- Capabilities to engage and manage a remote workforce
- Integration of unified communications and collaboration (UCC) functionality
- Richer data and analytics capabilities to drive employee engagement and customer satisfaction (CSAT)
- Vertical market focus/expertise (personnel hired from within an industry, best practices, features, use cases, market packages)
- Leadership in corporate responsibility, such as having formal ESG programs, including sustainability initiatives

Source: Frost & Sullivan

# Definitions

**Cloud Contact Center:** A network-based service (accessed over the internet) where either a vendor or a service provider hosts a contact center technology platform and provides its functionalities, applications, and features to end users as a service. The customer pays a use-based fee for the service to the vendor or service provider (including telecom service providers). Pricing is typically on a per-agent/per-month, per-minute, or per-interaction basis. This analysis covers multitenant and multi-instance cloud contact center applications as well as premises-based multi-instance and cloud single-tenant solutions. The contact center platform must, in all cases, be hosted outside the customer's premises and either accessed over the internet or with dedicated access.

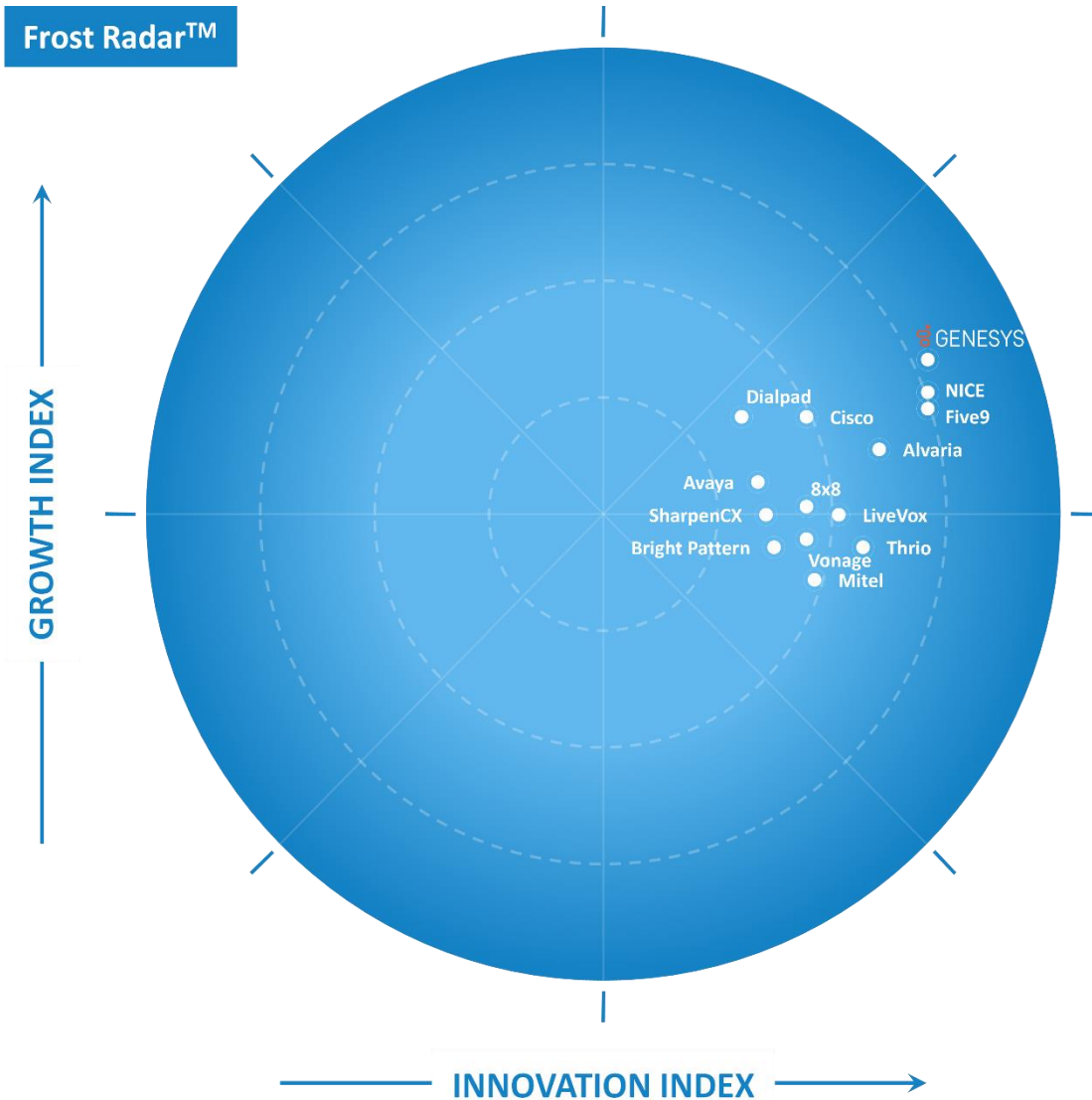
**CCaaS:** A contact center solution licensed on a subscription basis that enables organizations to only purchase the seats and functionality they need and dynamically change the configuration in line with operational needs. Organizations only pay for the technology they have available to use at a given time (hence, "as a service"); there is no or limited upfront investment, no additional maintenance costs, and the provider maintains the software. Most CCaaS platforms can be subscribed all-in-one, including all the basic contact center functionality (although organizations are free to subscribe to specific functionality from other providers).



**Frost Radar™**

**North American  
Enterprise Cloud  
Contact Center  
Market**

# Frost Radar™: North American Enterprise Cloud Contact Center Market



Source: Frost & Sullivan

# Frost Radar™: Competitive Environment

- For this comparison, Frost & Sullivan evaluates full contact center suite providers in the enterprise and large enterprise market with core competencies in key trend areas (WFO, WEM, and the use of AI to enhance self-service channels and applications). The list is not all-inclusive; in fact, others in the market certainly meet the criteria and sell into large and very large enterprises. Telco providers that offer cloud and hosted, natively built contact centers or through partnerships are also not included.
- As the Frost Radar™ shows top-tier players, a lower placement on the Innovation or Growth indices or exclusion from this year's project does not necessarily mean that a vendor cannot provide a full ECCC solution. Rather, it could indicate that a short-term roadmap had not been released by the end of 2021 or that the platform has not been in the market long enough to fully compare growth over several years with more established providers. In addition, some vendors did not respond, chose to not participate, could not provide information in a timely fashion, or would not provide any numbers to substantiate growth.
- The vendors in the upper right (8x8, Alvaria, Cisco, Five9, Genesys, NICE), met all the primary and secondary criteria, including longevity of offering, consistent and increasing growth, strong go-to-market strategies, and significant investment in the key trend areas, such as incorporating AI across platforms.
- Those in the lower right innovated in key areas at above-market rates with solid product roadmaps (but not at the pace and breadth of the upper tier), and either were newer to the ECCC market with less relative growth or less brand recognition for ECCC offerings.

Source: Frost & Sullivan



# Frost Radar™: Competitive Environment (continued)

- The ultra-competitive CCaaS market has undergone many changes in the last 5 years and experienced strong growth and consolidation. The enterprise segment also has grown, developing features and applications based on 4 parallel and complementary trends:
  - Continuous transition from contact centers using on-premises/hosted to cloud-based solutions
  - Emergence of next-generation platform providers
- Many of the largest vendors incorporate new capabilities into their solutions by acquiring small CX-related companies. For instance, in the past year, Genesys acquired Bold360 for digital engagement from GoTo (formerly LogMeIn).

Source: Frost & Sullivan

# **Companies to Action**

**Companies to Be Considered First for  
Investment, Partnerships, or Benchmarking**

# Genesys

## INNOVATION

- Genesys remains in the highest Growth and Innovation leadership tier on the Frost Radar™. It continues to employ AI to improve CX and EX, adding to its already robust AI-powered capabilities. For instance, in 2022, the company added Smart Advisor for agent assistance, increased its knowledge management capabilities, and made advancements in AI-powered forecasting, employee engagement, and predictive engagement with customers.
- Genesys is in the top tier of industry innovation. Its annual R&D investment exceeding \$250 million is one of the largest allocations specific to CX across the CCaaS market; in FY 2022, the allocation was over \$300 million.
- In 2021–2022, Genesys also made solid investments in core ECCC areas, such as outbound campaign management, security, and compliance. For example, it now offers end-to-end global customer data protection.

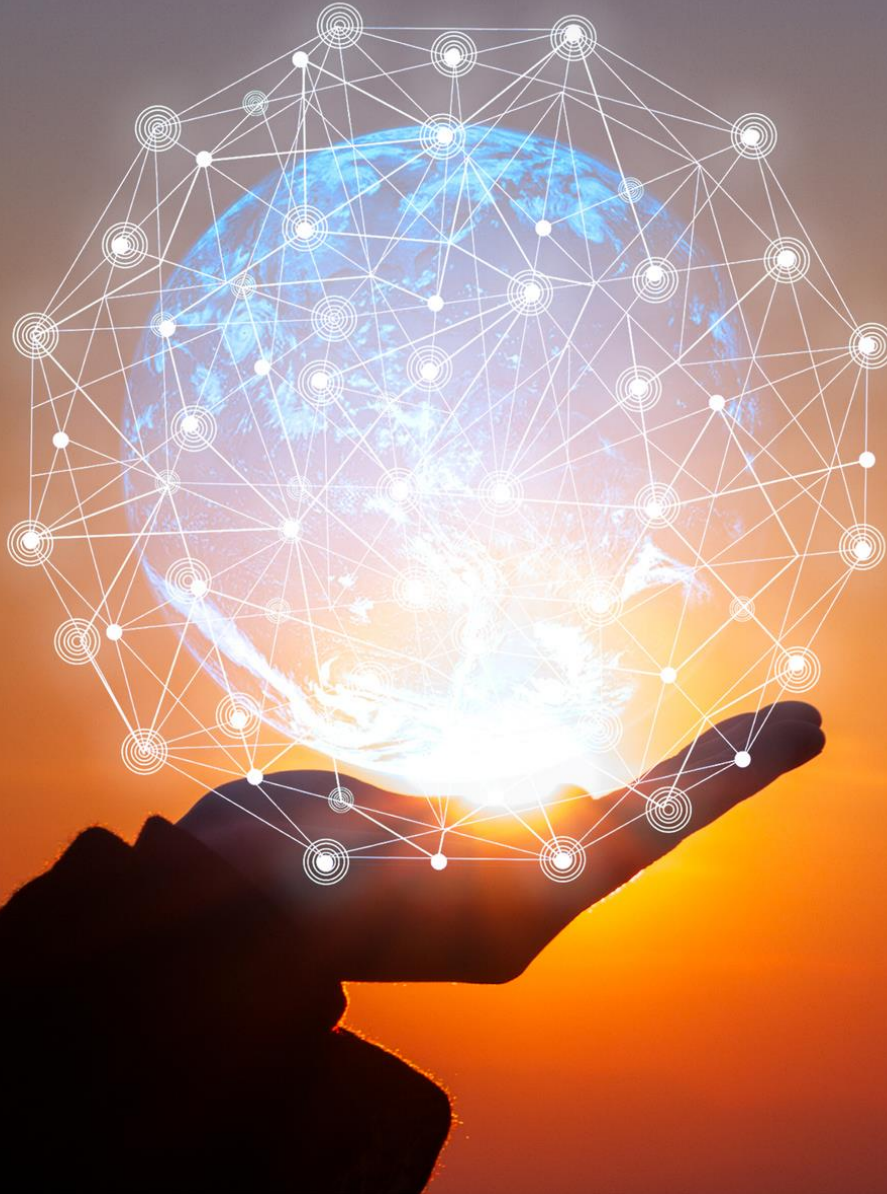
## GROWTH

- Innovation, easy migration programs, competitive GTM strategies, and licensing contribute to Genesys’s strong growth.
- In FY 2022, the company reported \$1.9 billion in revenue and cloud-based revenue of over \$825 million. About 98% of new logos chose cloud offers, resulting in 45% YoY North American cloud-based revenue growth.
- Genesys’s substantial R&D and M&A investments in the past 5 years are paying off. Development of its multi-cloud offer, innovations in what it terms “experience orchestration”, superlative digital engagement, and AI enhancements are strengthening its growth and creating a solid sales pipeline.
- Genesys increased its developer community by 1,000 in 2021 to more than 3,700 active developers, with 37% YoY growth. Notably, internal developers use the same APIs as the developer community to drive innovation.

## FROST PERSPECTIVE

- The battle for the on-premises enterprise market is intense. While Genesys is as much a target as it targets others, competitive displacement programs in 2021–2022 rapidly have its accelerated growth.
- Attaining key certifications, such as FedRAMP in the United States, and global expansion efforts are creating more sales opportunities.
- New programs such as Genesys Choice are also proving attractive to prospects. Genesys Choice enables customers to scale up or down no matter which platform they use, all with the same contract.
- Genesys is also on a solid path to demonstrating its “empathy in action” and experience as a service position, producing myriad solid customer use cases of improved CX/EX using the Genesys portfolio of products.

Source: Frost & Sullivan



## Strategic Insights



# Strategic Insights

1

The North American ECCC market, as it is defined now, will expand in scope and complexity. Vendors will integrate their solutions with other business applications and CX-related platforms; expand omnichannel, analytics, WFO, gamification, and AI-based capabilities; and explore new go-to-market partnerships and strategies to increase revenue and distinguish themselves in the market.

2

Growth in the ECCC market will be driven by end-of-life cycles of existing system platforms, new WFO tools, redesigned agent desktops, the addition of AI-based solutions, the rollout of new channels, richer integrations to third-party applications, and new analytics capabilities.

3

Partnerships with third-party technology providers in the AI space (e.g., Google, IBM, Nuance, and Lumenvox) and internal development accelerate the adoption of AI-infused solutions and process automation. Many top-tier solution providers invest in AI-based R&D to enhance existing or create new applications and targeted go-to-market strategies to drive awareness.

Source: Frost & Sullivan





**Next Steps:  
Leveraging the  
Frost Radar™ to  
Empower Key  
Stakeholders**

# Significance of Being on the Frost Radar™

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Companies plotted on the Frost Radar™ are the leaders in the industry for growth, innovation, or both. They are instrumental in advancing the industry into the future.

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## **GROWTH POTENTIAL**

Your organization has significant future growth potential, which makes it a Company to Action.

## **BEST PRACTICES**

Your organization is well positioned to shape Growth Pipeline™ best practices in your industry.

## **COMPETITIVE INTENSITY**

Your organization is one of the key drivers of competitive intensity in the growth environment.

## **CUSTOMER VALUE**

Your organization has demonstrated the ability to significantly enhance its customer value proposition.

## **PARTNER POTENTIAL**

Your organization is top of mind for customers, investors, value chain partners, and future talent as a significant value provider.

Source: Frost & Sullivan

# Frost Radar™ Analytics





# Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

## VERTICAL AXIS

**Growth Index (GI)** is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline™ system; and effective market, competitor, and end-user focused sales and marketing strategies.

## GROWTH INDEX ELEMENTS

- **GI1: MARKET SHARE (PREVIOUS 3 YEARS)**  
This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.
- **GI2: REVENUE GROWTH (PREVIOUS 3 YEARS)**  
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.
- **GI3: GROWTH PIPELINE™**  
This is an evaluation of the strength and leverage of a company's growth pipeline™ system to continuously capture, analyze, and prioritize its universe of growth opportunities.
- **GI4: VISION AND STRATEGY**  
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?
- **GI5: SALES AND MARKETING**  
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

# Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

## HORIZONTAL AXIS

**Innovation Index (II)** is a measure of a company's ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs.

## INNOVATION INDEX ELEMENTS

- **II1: INNOVATION SCALABILITY**  
This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: RESEARCH AND DEVELOPMENT**  
This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: PRODUCT PORTFOLIO**  
This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.
- **II4: MEGA TRENDS LEVERAGE**  
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).
- **II5: CUSTOMER ALIGNMENT**  
This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.



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