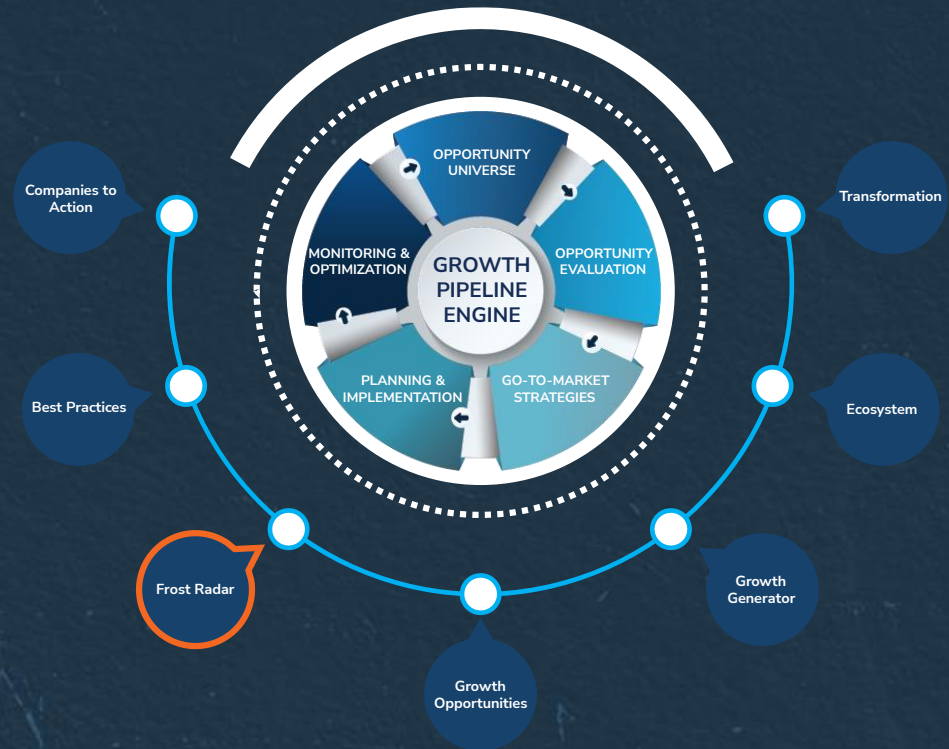


Frost Radar™: North American Cloud Contact Centers, 2024

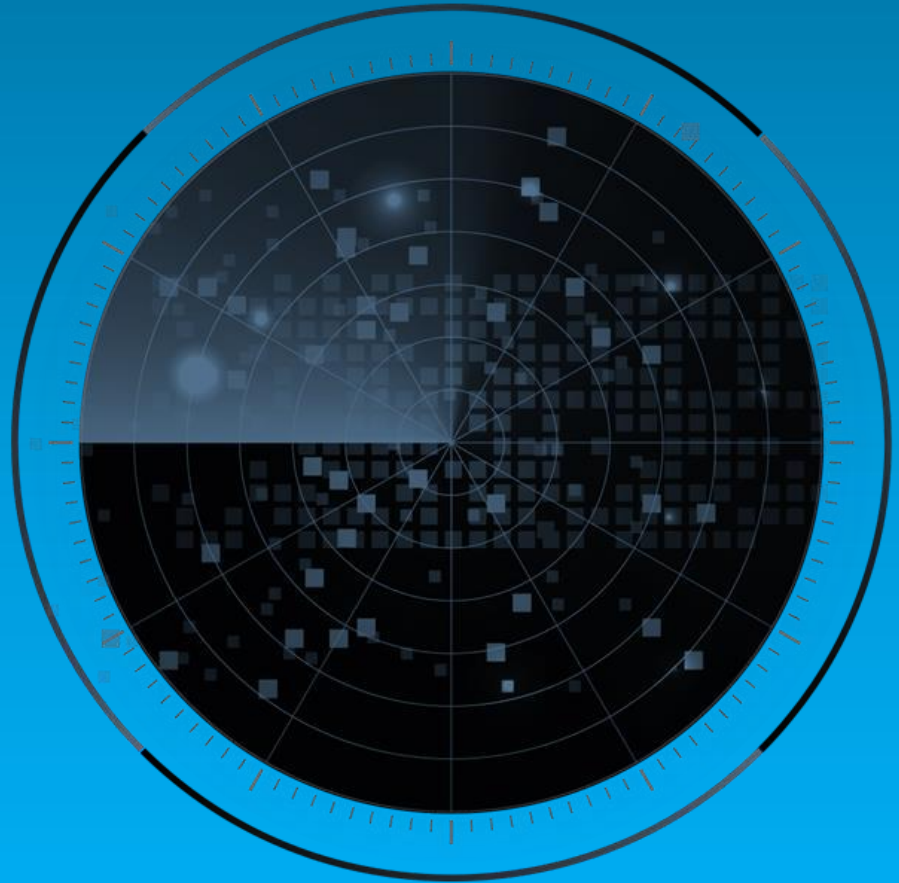
A Benchmarking System to Spark Companies to Action - Innovation That Fuels New Deal Flow and Growth Pipelines

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Strategic Imperative and Growth Environment



Strategic Imperative

- Cloud-based contact center technology has matured to the point that in most cases there is feature parity with solution providers' on-premises offerings. Cloud contact center-as-a-service (CCaaS) provides the added benefit of being hosted over the internet, allowing businesses to quickly deploy a broader set of customer care services across multiple geographies. Leaders in the CCaaS and enterprise cloud contact center (ECCC) space must provide feature parity across offerings.
- All the companies featured in this Frost Radar™ target the development of AI-based features. This includes self-service options, such as intelligent virtual assistants (IVA) and digital virtual assistants (DVA), workforce management (WFM), workforce optimization (WFO), workforce engagement management (WEM), and analytics-related applications. In fact, AI-driven capability is the competitive battleground in the contact center arena and has only increased in the past two years as new advancements such as generative AI take hold.
- The enterprise and large enterprise contact center was born before the advent of cloud contact centers, so there is a larger installed base of on-premises systems in North America. As more of those systems near the end of life and the market matures, many enterprise customers will 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 analysis) have traditionally been slower to adopt cloud technology but have increasingly moved to the cloud because initial restraints, such as reliability, scalability, and security, have largely been addressed. Challenges remain because some ECCC requirements differ from CCaaS. Enterprise-class CCaaS vendors must provide robust outbound solutions that adhere to regulatory and compliance requirements, and omnichannel services, such as journey management, streamlined migration paths, and support for global expansion.

Strategic Imperative (continued)

- With the influx of AI solutions coming to market, ECCC vendors must ensure that customers can economically take advantage of AI solutions, such as real-time transcription or generative AI (GenAI), that require data storage, high processing speeds, and low latency.
- 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.
- True adoption of AI is a challenging prospect for many end customers, requiring change management, information technology (IT) leadership buy-in, planning, and appropriate resource (human and capital) allocation. CCaaS providers must recognize this reality and offer end-user organizations appropriate support to address these challenges if they are to realize the full potential of their AI initiatives.
- Foundational to success with AI, knowledge management is now a crucial component for contact centers. A structured approach to capturing, organizing, and leveraging enterprise knowledge is required for AI to offer meaningful value. CCaaS providers should invest in helping enable effective knowledge management for their end customers.
- While ECCC vendors in general provide a large breadth of features and applications, partnerships to fill in the gaps and bring in new functionality more quickly are imperative. Beyond the standard functions of efficiently routing omnichannel interactions and helping triage/deflect incoming requests, contact center leaders are looking to their CCaaS partners to offer intuitive and thorough customer journey orchestration, seamless workforce engagement, and optimization tools; provide comprehensive data analysis and insights; and simplify the increasingly complex role of agents and supervisors.
- Unified communications as a service (UCaaS) and communications platform as a service (CPaaS) offerings native or through partners are also imperative.

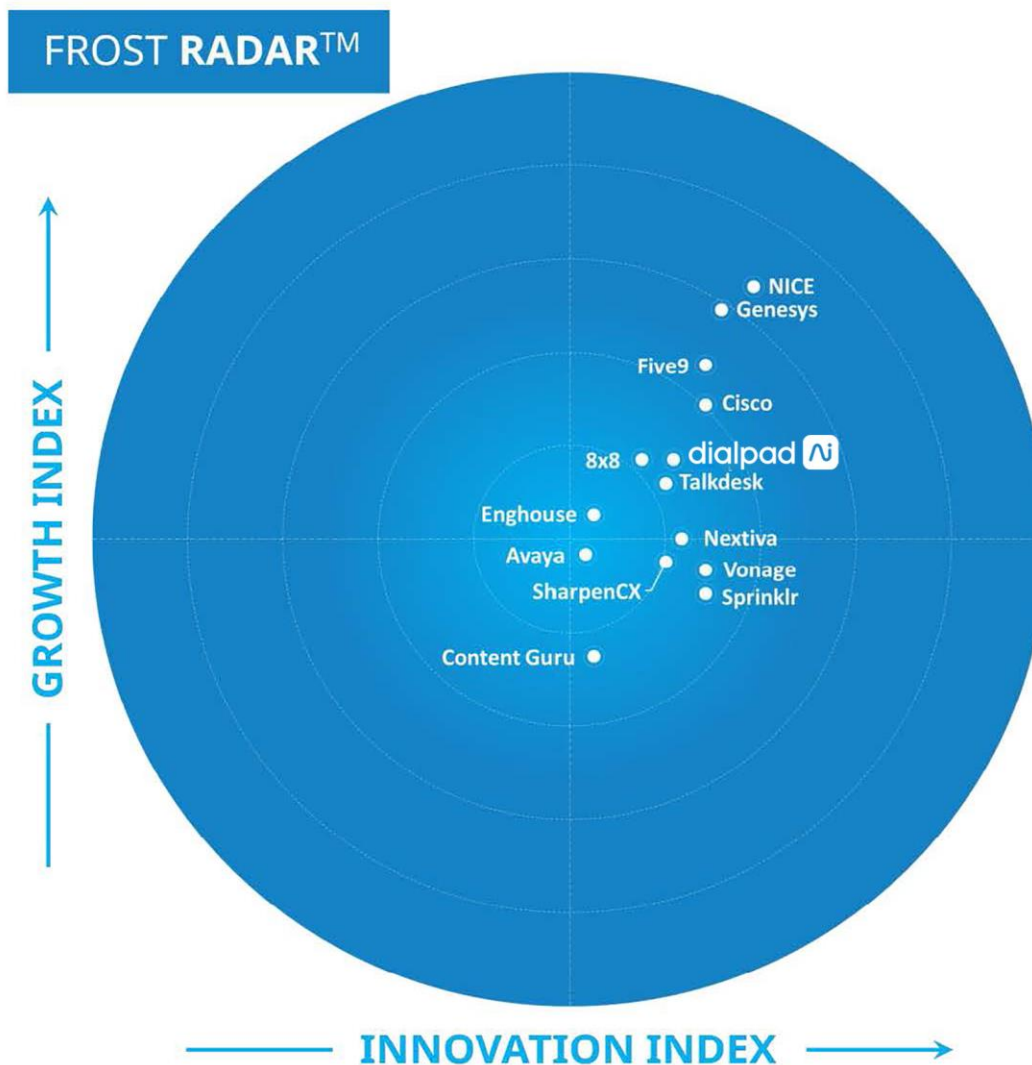
Growth Environment

- 2024 growth drivers remain relatively consistent with 2023, except that cloud contact center market growth will be driven even more so by the end of life of existing system platforms. Many enterprises are tied into multiyear 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.
- Demand for moving to the cloud has increased. A global Frost & Sullivan survey of IT/telecom decision makers in January 2024 revealed that 73% (n=210) of North American organizations and 75% (n=682) globally plan to migrate CCaaS solutions to the cloud in the next two years. Therefore, a central theme in the CCaaS market is providers enabling organizations to add CCaaS solutions in hybrid configurations and creating attractive migration paths to get businesses started.
- 2023 growth drivers that continue apace in 2024 include the desire for enhanced analytics, customer journey management and digital transformation, richer integration to third-party applications, and advanced self-service applications.
- Overlaying all of this is the inclusion of speech and AI technologies across the contact center ecosystem, with increased R&D spend that includes development of GenAI capabilities, and applications that improve the customer experience (CX) and employee experience (EX). Frost & Sullivan found in the same survey that deploying AI to improve CX and EX are crucial or very important for 61% of North American customers and 65% globally.

Frost Radar™: North America Enterprise Cloud Contact Centers, 2024



Frost Radar™: North America Enterprise Cloud Contact Centers, 2024



Frost Radar™ Competitive Environment

- Frost & Sullivan evaluates full contact center suite providers in the enterprise and large enterprise market with core competencies in key trend areas. 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 not included.
- The North American cloud contact center 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, Avaya, Cisco, Dialpad, Five9, Genesys, NICE, and Vonage. Established vendors added to this Frost Radar™ include Nextiva after its acquisition of Thrio and Sprinklr after the addition of contact center routing to fill out its CCaaS suite.
- The CCaaS industry leaders profiled in this Frost Radar™ use various tactics to differentiate themselves. They include
 - specialized industry vertical solutions;
 - pre-integrated third-party application marketplaces;
 - deep integrations with leading industry customer relationship management (CRM) and service partners;
 - extensive go-to-market (GTM) partner ecosystems;
 - comprehensive CX orchestration beyond just the contact center;
 - AI and automation leadership;
 - hybrid and flexible migration paths to CCaaS;
 - comprehensive WEM suites and/or deep integration with WEM solution providers;

Frost Radar™ Competitive Environment (continued)

- native unified communications and collaboration integration;
- extensive professional services and consulting support; and
- strong support for and initiatives in environmental, social, and governance (ESG) strategies.
- The companies on the Frost Radar™ met key criteria, including longevity of offerings in North America, consistent and increasing growth, strong GTM strategies, robust customer support, and investments in vital transformative technologies, such as incorporating AI across platforms.
- Profiled companies have registered consistent growth with a strong focus on innovation. All 13 Frost Radar™ participants
 - have a prominent position in the industry;
 - have an omnichannel approach, including chat and web collaboration, email, and social channels;
 - leverage advanced technologies, including AI;
 - have rich, integrated inbound/outbound campaign management capabilities; and
 - have a well-defined GTM strategy.
- All 13 industry participants included on this Frost Radar™ lead in the areas of Innovation and Growth. As with last year, the top three suppliers in the ECCC market, driven by higher revenues, are NICE, Genesys, and Five9.
- Those on the upper right innovate in crucial areas at above-market rates with solid product roadmaps and lead in growth. Those on the lower right are also innovating with solid growth, but not at the pace and breadth of the top tier.

Frost Radar™: Companies to Action



Dialpad

INNOVATION

- The Dialpad Ai Contact Center is a cloud-based, omnichannel contact center solution built on Dialpad's Ai-Powered Customer Communications Platform. The solution seamlessly integrates real-time AI capabilities for coaching agents during each interaction, alerting managers immediately to issues, and delivering post-call analysis with customer sentiment, agent scores, and robust call data.
- A split-cloud architecture allows Dialpad to balance AI capacity with high scalability. Google Cloud Platform is at the foundation of Dialpad's PBX, contact center, and UC applications, enabling rapid, cost-effective innovation and worldwide scalability. Dialpad private cloud hosts AI training clusters, state-of-the-art AI GPUs, and the provider's enterprise voice and video platform.
- DialpadGPT, a proprietary and industry-specific AI engine, powers Dialpad's innovation across its entire portfolio. The company introduced new GenAI-powered features each month of 2023, hosted by DialpadGPT. These features utilize Dialpad's AI models and proprietary datasets and combine them with the emerging capabilities of LLMs to deliver features such as AI Recap, AI Scorecards, AI Playbooks, AI PII Redaction, AI Assist, AI Chatbot, and AI Coaching Hub.
- Because Dialpad offers a unified UC and CC platform, any regular user can without training be elevated to a CC agent instantly (with just a few clicks) to assist customer service teams because the agent and business UI are so similar. With Dialpad AI at the core, business users can be guided with intelligent scripts as they receive customer calls.

Dialpad (continued)

INNOVATION

- Dialpad offers integrations into CRM, ticketing, and customer support software, such as Salesforce, Kustomer, Hubspot, Zendesk, ServiceNow, Microsoft Dynamics, Zoho, Bullhorn, and Copper, as well as collaboration tools, such as Slack, Microsoft, and Google. Dialpad provides a low total cost of ownership and time to value, with all capabilities included, plus self-configuration and deployment.

Dialpad (continued)

GROWTH

- In April 2023, Dialpad reported that it surpassed \$200 million in total ARR. This represents 100% growth from 2021 when it reported an ARR above \$100 million. The company reports growth of more than 30% year over year. Dialpad has raised a total of \$418 million, which has allowed it to invest heavily in AI-powered innovation for more than six years.
- When the media and CCaaS industry embraced GenAI at the end of 2022, Dialpad was well positioned to expand its portfolio and further customer adoption of AI. Fueled by an AI team of 62 professionals, including 15 PhDs, Dialpad has expanded its AI footprint. The company has reported impressive usage of its AI resources, which include accumulating more than 7 billion minutes of native and proprietary transcription, voice, and meetings data; 125 million AI CSAT predictions generated; and 450 million DialpadGPT prompts.
- Continued international expansion is creating new growth opportunities, and support for multinational customers. In 2023 and 2024, the company has had particular success in EMEA and the Asia-Pacific region, including in Japan, where it leverages a strong partnership with SoftBank.
- While selling strongly into the SMB market, enterprise is Dialpad's fastest-growing customer group.

Dialpad (continued)

FROST PERSPECTIVE

- The innovative development of Dialpad Ai capabilities across its platform is a key growth driver. The company's more than 7 billion minutes of native and proprietary transcription, voice, and meetings data is used to train its AI model and maximize the accuracy of machine learning models. This impressive performance validates the maturity and broad applicability of Dialpad's AI-powered solutions. This includes its virtual assistants, using conversational AI, Dialpad Ai Assist with embedded knowledge management, automated QA, and Ai CSAT. Ai CSAT is a predictive CSAT engine that delivers customer insights as they happen on any interaction (voice or digital).
- Having designed the platform to support CCaaS and UCaaS from the start has made Dialpad less vulnerable to competitor attempts to lure customers looking for UC and collaboration functionality and supports the seamless adoption of the UC and CC combination. Marketing use cases, such as enabling all users to support improving CX using shared resources, will increase adoption. For instance, Dialpad can use Dialpad Ai Voice, Ai Meetings, Ai Contact Center (inbound), Ai Sales (outbound dialer) as well as other current and upcoming AI capabilities to upsell and cross-sell customers, creating pull-through for UCaaS.
- Dialpad provides out-of-the-box outbound campaign management tied with Salesforce Dialer or other partners. Dialpad will benefit from building additional advanced native functionality, such as preference and consent management.
- Dialpad can accelerate growth through further expansion in Canada, Europe, Australia, Japan, and New Zealand, where it has an established enterprise footprint and can increase its appeal to both in-country and multinational accounts.

Best Practices & Growth Opportunities



Best Practices

1

Leading providers are expanding beyond traditional cloud contact centers and conversational AI to include comprehensive experience orchestration that is enhanced with AI, both within and beyond the contact center. It is crucial to invest in innovative solutions that support digital transformation, the blending of UCaaS and CCaaS, and AI-powered analytics to improve experience orchestration.

2

A strong partner program is essential for cloud contact center service providers to expand their market reach in North America and help enterprise customers expand their global reach. Since partners often sell myriad competitive solutions, partner programs need to provide solid enablement tools—from attractive pricing and licensing to co-marketing assistance, education, and training—for a variety of partner types (resellers, system integrators, consultants, and technology partners).

3

An effective GTM strategy is crucial for service providers, emphasizing persona-based (including CX leaders, chief digital officers, and customer officers) engagement, a land-and-expand approach, and lifetime value. A land-and-expand model, where initial engagements lead to broader adoption and deeper integration of services, is vital. Integrated marketing campaigns combining multichannel demand generation and partner marketing drive awareness for providers.

Growth Opportunities

1

The use of AI is now tables stakes in the contact center industry. Cloud contact center service providers that can move beyond the hype cycle and showcase use cases with proven, measurable business outcomes and help customers create and deliver on strategic plans for long-term adoption of multiple use cases can accelerate growth internally and for customers.

2

With data privacy regulations becoming more stringent globally, service providers prioritizing the growing number of data security and compliance regulations, such as SOC, ISO27001/017, Payment Card Industry (PCI), FedRAMP, StateRAMP, and the Health Insurance Portability and Accountability Act (HIPAA), will maintain an edge. Investing in robust security measures and ensuring compliance with regional regulations and local data residency laws are key to building trust with clients.

3

Frost & Sullivan's 2024 CX survey reveals that organizations place high importance on reliability, ease of use, trust, and relationship when choosing their cloud contact center service provider. With security threats, wariness of unchecked use of AI, and shifting economic challenges ever present, providers that are transparent in communicating efforts to increase trust and mitigate risks will gain a competitive edge.

Frost Radar™ Analytics



Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

Growth Index

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.

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 (continued)

Innovation Index

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.

III

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

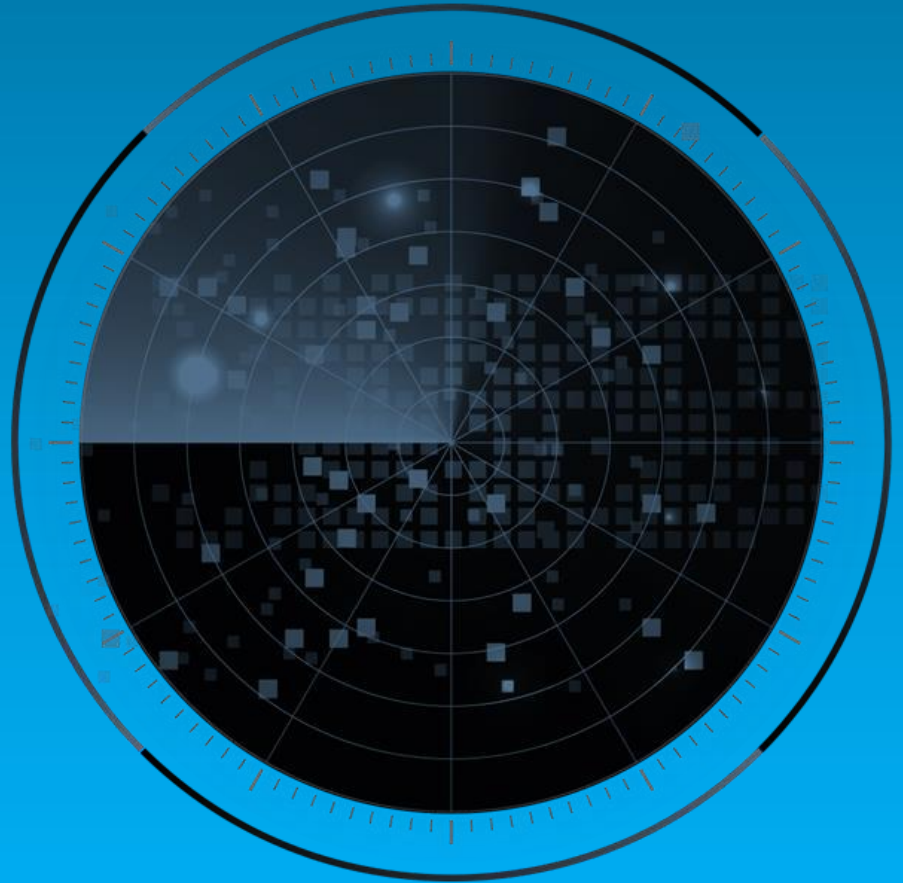
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).

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.

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



Significance of Being on the Frost Radar™

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.

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.

Frost Radar™

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STRATEGIC IMPERATIVE

- Growth is increasingly difficult to achieve.
- Competitive intensity is high.
- More collaboration, teamwork, and focus are needed.
- The growth environment is complex.

LEVERAGING THE FROST RADAR™

- The Growth Team has the tools needed to foster a collaborative environment among the entire management team to drive best practices.
- The Growth Team has a measurement platform to assess future growth potential.
- The Growth Team has the ability to support the CEO with a powerful Growth Pipeline™.

NEXT STEPS

- **Growth Pipeline Audit™**
- **Growth Pipeline as a Service™**
- **Growth Pipeline™ Dialogue with Team Frost**

Frost Radar™ Empowers Investors

STRATEGIC IMPERATIVE

- Deal flow is low and competition is high.
- Due diligence is hampered by industry complexity.
- Portfolio management is not effective.

LEVERAGING THE FROST RADAR™

- Investors can focus on future growth potential by creating a powerful pipeline of Companies to Action for high-potential investments.
- Investors can perform due diligence that improves accuracy and accelerates the deal process.
- Investors can realize the maximum internal rate of return and ensure long-term success for shareholders.
- Investors can continually benchmark performance with best practices for optimal portfolio management.

NEXT STEPS

- **Growth Pipeline™ Dialogue**
- **Opportunity Universe Workshop**
- **Growth Pipeline Audit™ as Mandated Due Diligence**

Frost Radar™ Empowers Customers

STRATEGIC IMPERATIVE

- Solutions are increasingly complex and have long-term implications.
- Vendor solutions can be confusing.
- Vendor volatility adds to the uncertainty.

LEVERAGING THE FROST RADAR™

- Customers have an analytical framework to benchmark potential vendors and identify partners that will provide powerful, long-term solutions.
- Customers can evaluate the most innovative solutions and understand how different solutions would meet their needs.
- Customers gain a long-term perspective on vendor partnerships.

NEXT STEPS

- **Growth Pipeline™ Dialogue**
- **Growth Pipeline™ Diagnostic**
- **Frost Radar Benchmarking System**

Frost Radar™ Empowers the Board of Directors

STRATEGIC IMPERATIVE

- Growth is increasingly difficult; CEOs require guidance.
- The Growth Environment requires complex navigational skills.
- The customer value chain is changing.

LEVERAGING THE FROST RADAR™

- The Board of Directors has a unique measurement system to ensure oversight of the company's long-term success.
- The Board of Directors has a discussion platform that centers on the driving issues, benchmarks, and best practices that will protect shareholder investment.
- The Board of Directors can ensure skillful mentoring, support, and governance of the CEO to maximize future growth potential.

NEXT STEPS

- **Growth Pipeline Audit™**
- **Growth Pipeline as a Service™**

Next Steps



Does your current system support rapid adaptation to emerging opportunities?

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