

The Contact Center in the Cloud Value Index

2018 Vendor and Product Assessment

MARKET
REPORT
EXECUTIVE
SUMMARY



Prepared for:
NICE®



Bend, Oregon May 2018

Ventana Research performed this research and analysis independently. Our goals were to determine the Value Index for contact centers in the cloud and to evaluate vendors and products in accordance with the Ventana Research Contact Center in the Cloud blueprint and specific operational and performance activities and processes. We charged no fees for this research and invited to participate vendors that are delivering applications to enable contact centers in the cloud. This report includes vendors and products generally available as of Jan. 31, 2018.

Our purpose in conducting this research was to evaluate the maturity of software vendors' products and their appropriateness to deploy, manage and maintain contact centers in the cloud. Nothing in this research and this report of its findings is intended to imply that one vendor or product is the right choice for any particular organization. Rather, they provide a baseline of knowledge that organizations can use to evaluate vendors and products to manage and improve contact centers in the cloud by aligning business and IT. Unlike IT analyst firm reports that use subjective influences to score vendors, our research is based on thorough analysis of customer assurance and product categories that best represent how an organization should evaluate its technology supplier.

The full report with detailed analysis is available for purchase. We can provide detailed insights on this Value Index and advice on its relevance to an organization through the Ventana On-Demand research and advisory service. Assessment services based on this benchmark research also are available.

We certify that Ventana Research performed the research to the best of our ability; that the analysis is a faithful representation of our knowledge of vendors and products; and that the analysis and scoring are our own.

Ventana Research



VENTANA RESEARCH

Bend, Oregon, USA

541-940-1010

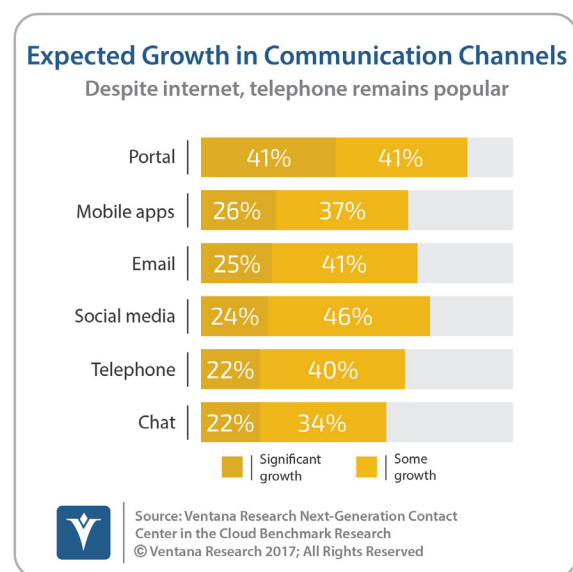
info@ventanaresearch.com



Contact Centers in the Cloud

To remain competitive, organizations must deliver the best possible customer experience through all channels of engagement. Our benchmark research finds that with consumers having embraced the internet, particularly social media and mobile devices, customers today are communicating with companies through more channels than ever before. The top three channels remain established ones: inbound calls, email and outbound calls. However, the volumes of interactions are expected to grow most in a number of digital channels, among them the corporate website, mobile apps and social media as well as email. The research also shows that many companies plan to support additional channels such as video calls, outbound text messaging and web-based chat.

Supporting multiple customer contact channels creates challenges. To deliver a seamless and consistent customer experience, organizations must integrate channels of communication, share all available information among the employees and systems handling interactions, apply the same rules in all of them and maintain context as customers move from channel to channel.



The advent of cloud-based contact centers offers easier and more cost-effective ways to add new channels and connect them with existing ones. It thus comes as no surprise that in the effort to modernize and expand their contact centers, companies are increasingly willing to consider and adopt cloud-based systems.

This is particularly true for new channels of communication, as cloud-based applications largely obviate the need for dedi-

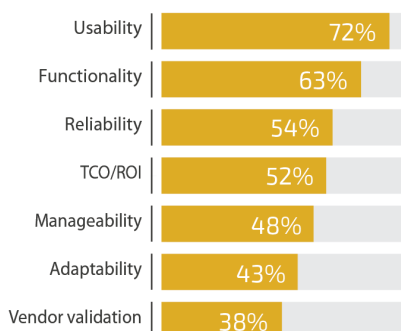
cated technical resources in-house and can be easier, faster and less expensive to implement than on-premises products. While organizations have historically preferred to manage their own contact center systems internally, many are now becoming more disposed to use the cloud for those involving, for instance, mobile and social channels of interaction.

The most frequently cited benefits of cloud-based contact center systems are cost savings, a reduced need for in-house resources and better financial visibility and control. Furthermore, cloud computing typically facilitates access to systems through a web browser, which can enhance usability, which is the



Key Criteria for Contact Center Technology

Usability the top consideration



Source: Ventana Research Next-Generation
Contact Center in the Cloud Benchmark Research
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criterion that organizations most often (72%) said is very important in evaluating contact center software, whether deployed in the cloud or locally. These cloud-based systems often include modern, easy-to-use interfaces and can run on mobile devices, which matter to both contact center employees and customers.

An intensified focus on the customer is driving the trend toward omnichannel support. Only about one-third (35%) of organizations participating in our research reported that their customers are satisfied with the way interactions are

handled. Nearly half (47%) said their customers are somewhat satisfied, which may not be good enough in a fiercely competitive economy. Improving customer experience (cited by 82%) is the most common motivator for change in the technology being used.

In other signs of pressure, more than two-thirds (69%) of organizations said it is very important to improve customer service; the same percentage said it is very important to improve interaction handling. However, recognizing the need to deliver consistently high-quality experiences is one thing; doing that effectively is another. Currently fewer than half (48%) of organizations said they can provide omnichannel customer experiences.

The barriers to doing this are primarily technological. Current systems lack functionality needed to provide information and support needed actions (cited by 73% of organizations), are not integrated for seamless operations across a contact center and cannot share data (68%) and provide inconsistent responses across touch points (44%). Unfortunately, these technology constraints impact customer relationships. Among the factors that undermine satisfaction, organizations most often cited customers having to repeat information (50%) and being unable to use their preferred channels (43%), as well as slow (48%) and inconsistent (41%) responses.

To make improvements, organizations need first to assess how they are doing and identify weaknesses. Key performance indicators (KPIs) are tools commonly used for such assessments. The largest percentage (63%) of research participants said that they use the customer satisfaction metric as a KPI in their contact centers. While that aligns with a focus on customers, the three next-most commonly used KPIs instead address operational efficiency: average length of call, number of calls handled and speed of answer.



Contact centers often are complex entities, even more so today than in the past. To provide successful customer interactions, organizations need four categories of systems: communications management for the channels of engagement; business applications to manage customer data and transactions;

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Many organizations intend to adopt new systems to keep up with customer demands and remain competitive.

self-service to support new digital channels; and analytics to provide insights and reports on customer behavior and interactions. The research suggests that many organizations intend to adopt new systems in all four categories to keep up with customer demands and remain competitive.

Among the innovative technologies that Ventana Research tracks, participants most often cited analytics (62%) as likely to have an impact on how they provide customer service; more than half (58%) said they will evaluate additional analytics systems to improve customer engagement. Advanced analytics can help users collect and analyze the mass of information necessary to create a comprehensive view of their custo-

mers. Organizations said they planned to focus on social media (33%), web (27%), cross-channel (27%) and speech (26%) analytics, all of which can provide useful insights.

Self-service is increasingly relevant as more and more consumers prefer to seek information and take action at a time of their choosing on their preferred device, most likely mobile, rather than engaging with a person. For companies, self-service can be a double-edged sword: It can be less costly than using customer service agents, but if a system doesn't work well or contains incorrect, insufficient or inconsistent information, customers can abandon the transaction with a single click, perhaps never to return. As is the case for other channels, organizations should be sure to invest in robust applications and use customer-facing metrics to track success of self-service.

The research shows that organizations are well aware of the imperatives to improve and update contact center processes, systems and channels. They also are aware of the need to focus on the customer experience and engagement. We believe that contact centers in the cloud must support the varieties of channels and the interactions across them but also must capture, integrate and apply analytics to them to effectively manage and optimize agent performance. Contact center strategies should be focused on providing easy, personalized, contextualized and consistent experiences in an omnichannel environment.



Companies that succeed can expect to thrive in the contest for customers' loyalty.

This Value Index report evaluates the following vendors that offer products that address key elements of the Contact Center in the Cloud: 8x8, Inc., Altitude Software, Aspect Software, AWS, BroadSoft, Content Guru, Five9, Inc., Genesys, IFL-mpsystems, NewVoiceMedia, NICE, RingCentral and Serenova. For inclusion in this evaluation, we required that vendors offer products that can operate contact centers in the cloud across multiple countries and continents. They also were required to operate a telephony channel directly as part of their offering to the market, a requirement that excluded the following vendors: Microsoft, Oracle, SAP, Salesforce and Verint.

We urge organizations to do a thorough job of evaluating contact center in the cloud systems and tools and offer this Value Index as both the results of our in-depth analysis of these vendors and as an evaluation methodology. The Value Index can be used to evaluate existing suppliers and also provides evaluation criteria for new projects; applying it can shorten the cycle time for an RFP.

Unlike many IT analyst firms that rank vendors from an IT-only perspective, Ventana Research has designed the Value Index to provide a balanced perspective of vendors and products that is rooted in an understanding of business drivers and needs. This approach not only reduces cost and time but also minimizes the risk of making a decision that is bad for the business. Using the Value Index will enable your organization to achieve the levels of efficiency and effectiveness needed to optimize a contact center in the cloud.



Value Index Overview

The Ventana Research Value Index: Contact Center in the Cloud in 2018 is the distillation of a year of market and product research efforts by Ventana Research, the premier benchmark research and advisory services firm. Built on a foundation of 15 years of business and technology research, this unbiased, fact-based index is the first such industry undertaking to assess the value of software designed specifically for enabling a contact center in the cloud.

This Ventana Research Value Index is an analytic representation of our assessment of how well vendors' offerings meet buyers' requirements for software that enables and supports a contact center in the cloud. The Index evaluates the software in seven key categories. Five are product-related: Usability, Manageability, Reliability, Capability and Adaptability. In addition, we consider two customer assurance categories: Vendor Validation and Total Cost of Ownership and Return on Investment (TCO/ROI). To assess functionality, one of the components of capability, we applied the Ventana Research Contact Center in the Cloud methodology and blueprint, which links the business process of a contact center in the cloud to an organization's information technology.

We use our research-based analytics and methodology to generate the Value Index percentages. We then build them into a set of indicators that we present graphically as pie charts that express levels of performance. The extent to which each pie chart is full reflects our assessment of value to you, the potential buyer, on a scale also expressed in percentages. Thus, we present the Value Index evaluations in both analytic and graphic form, each depicting the value of a specific vendor's offering in terms of what it can deliver that is relevant to your contact center in the cloud needs.

The Value Index is not an abstraction; Ventana Research uses a carefully crafted best practices-based methodology to represent how organizations actually will assess vendors. We believe it is important to take this approach, since making the wrong decisions can raise the total cost of ownership, lower the return on investment and hamper your organization's ability to reach its performance potential. In addition, this approach can reduce the project's development and deployment time and eliminate the risk of placing on your short list vendors that are wrong for your organization.

To ensure the accuracy of the information we collected, we required participating vendors to provide evaluation data across the aforementioned seven categories designed to reflect the concerns of a well-crafted RFP. Ventana Research then validated the information, first independently through our database of product information and extensive web-based research, and then in consultation with the vendors. The majority of selected vendors participated in



one-on-one consultative sessions, after which we requested them to provide additional documentation to support any new input.

The Value Index Findings

The Value Index for Contact Center in the Cloud in 2018 finds NICE topping the list with Aspect Software second and BroadSoft third. Companies that score in the top three in any category earn the designation Value Index Leader; NICE has done so in six of the seven categories, Aspect Software and Genesys in four categories, BroadSoft, NewVoiceMedia and Serenova in two of the categories and RingCentral in one category.

Ventana Research Value Index Contact Center in the Cloud

Vendors			Performance
NICE	1		93.5%
Aspect Software	2		91.2%
BroadSoft	3		89.7%
Genesys	4		89.6%
Serenova	5		89.3%
NewVoiceMedia	6		89.2%
Content Guru	7		88.4%
RingCentral	8		87.6%
Five9, Inc.	9		87.4%
Altitude Software	10		87.0%
IFS-implsystems	11		82.3%
8x8, Inc.	12		81.7%
AWS	13		71.5%



Source: Ventana Research Value Index
Contact Center in the Cloud
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The Capability category, the evaluation of which makes up 20 percent of the Value Index, is designed to assess product adequacy for a broad range of contact center needs ranging from handling, capturing, analyzing and optimizing customer interactions to engagement, operations and agent management. In this category, NICE and BroadSoft are Value Index Leaders, as is Serenova, which ranks second in Capability.

Usability is also critical for the efficient operations of a contact center by agents, and managers. For this reason it comprises 25 percent of the Value Index. Vendors' products are evaluated in this category on

the support they provide for the range of roles in a cloud computing environment – executives, managers, analysts and administration. NICE, Aspect Software and BroadSoft are the top three vendors in this category.

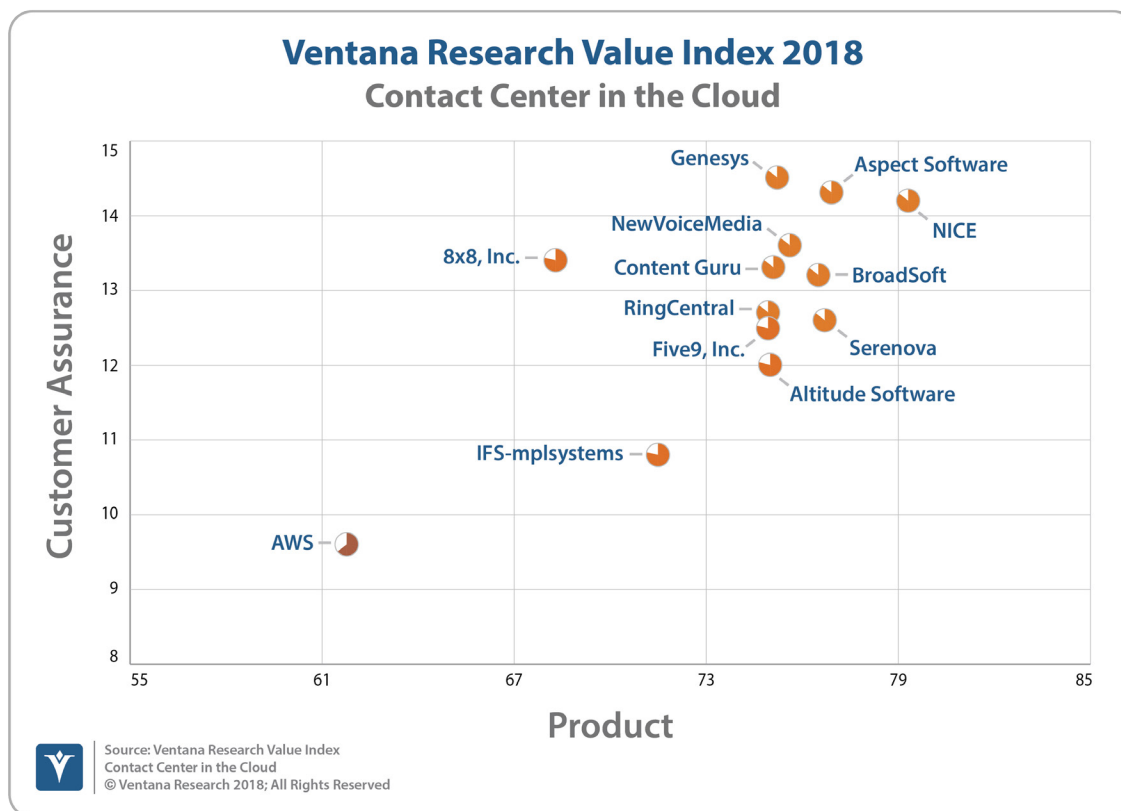
For a contact center to operate efficiently, the software on which it runs must be able to scale and perform reliably. Reliability is weighted at 15 percent of the Value Index. NewVoiceMedia, RingCentral and Genesys are the Value Index Leaders in this category. Adaptability is also weighted at 15 percent; this category assesses support for integration across processes, applications and data. NICE, Aspect Software and Serenova are the highest-rated vendors in this category, with the majority of vendors are close behind.



Manageability and vendor support for TCO/ROI evaluation are each weighted at 10 percent of this Value Index. Manageability proved to be a challenging category, with vendors either performing well in or struggling to provide depth or sophistication. Genesys, NICE and Aspect Software were the top three vendors in this category. In TCO/ROI, the leaders (Aspect Software, Genesys and NICE) are well prepared, but most of the others struggled to provide the tools and information organizations need to make a sound buying decision based on benefits and the costs associated.

We find a similar challenge in the Validation category, which contributes 5 percent to the overall Value Index. Our research finds that most vendors do not provide the level of detail that an organization should expect regarding many areas including services and support. Some struggled to furnish references that were prepared to answer basic questions about the vendor. These are challenges that any organization looking to evaluate and select a contact center in the cloud product should not have to face. After all, a vendor's success is about not just technology but also the relationship with the customer and the technology support it provides.

As noted above, this Ventana Research Value Index evaluates the software in seven key categories. The chart below places the product-related and customer assurance scores on the X and Y axes respectively to provide a visual representation of our Value Index scores. Vendors whose products scored higher in aggregate in the five product categories place higher, to the right; the combination of scores for the two customer assurance categories determines their placement on the vertical access. In short, vendors that place closer to the upper-right on this chart scored higher than those closer to the lower-left.



We warn that close vendor scores should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every organization or for a specific process. Although there is a high degree of commonality in how organizations handle contact centers in the cloud, there are many idiosyncrasies and differences in how they do these functions that can make one vendor's offering a better fit than another's with a particular organization's needs.

After more than a decade of technology advances, all the products we evaluated are feature-rich, but not all the capabilities they offer are equally valuable to users. Moreover, the existence of too many capabilities may be a negative factor for an organization if it introduces unnecessary complexity. Nonetheless, one company may decide that a larger number of options is a plus, especially if some of them match its established practices or better support a new initiative that is driving the purchase of new software.

Other factors besides features and functions or assessments about the vendor can turn out to be a deciding factor. For example, a company may face budget constraints such that the TCO evaluation can tip the balance to one vendor or another. This is where the Value Index methodology and the appropriate weighting can be applied to determine the best fit of vendors and products to your specific needs.



Products Evaluated

Vendor	Product Names	Version	Release Year
8x8	Virtual Contact Center	9.5.1	2017
Altitude Software	Xperience Engagement	8.4.1	2017
	Xperience Proactive	8.4.1	2017
Aspect Software	Via	17.1	2017
AWS	Amazon Connect	Aug. 8, 2017	2017
BroadSoft	CC-One	9.9	2017
	UC-One		2017
	Team-One		
Content Guru	stormCONTACT	5.00.01.00	2018
	stormVIEW	6.04.22.01	2018
	stormflow	5.03.18.03	2018
Five9	Virtual Contact Center	Summer Release 2017	2017
Genesys	PureCloud	Jan. 31, 2018	2018
IFS-mpsystems	intelligentContact	8D	2017
NewVoiceMedia	Winter '18	Nov. 15, 2017	2017
NICE	inContact CXone	17.2	2017
RingCentral	Contact Center	17.2	2017
Serenova	CxEngage	January 24, 2018	2018



How To Use This Value Index

This research on tools and systems can provide you with insight into the value of your existing and new investments and a framework to assess your initiatives and programs. Business and IT improvement efforts should be based on best practices and research that deliver value quickly. Ventana Research recommends that you organize your efforts around our blueprint for this topic and use the Value Index to determine which vendors will best satisfy your needs for a contact center in the cloud.

Be sure to define both business and IT requirements as part of an improvement process based on these research results. We advocate a structured approach such as our DecisionCycle™, an eight-step process for enabling a contact center in the cloud. Using this framework, you can incorporate these steps into a program document that will both summarize and detail your initiative or project. Then consult the Value Index to ensure you make choices that will yield the results you want.

Using the DecisionCycle™ steps detailed below, you can build a framework for assessing the maturity of your business and IT efforts and determining how to align your people, processes and IT investments.

1. Define the business goal and purpose.
2. Define the business requirements.
3. Define the user community and usage requirements.
4. Establish the functional requirements and capabilities.
5. Evaluate the organizational maturity.
6. Determine the technology approach and master list.
7. Define the business and technology evaluation criteria.
8. Evaluate and select a vendor.



Appendix: Vendor Inclusion

We invited all vendors with relevant contact center in the cloud offerings to participate in the Value Index evaluation process, at no cost to them. If the vendor did not respond to the invitation, we made a determination whether to include it in our analysis based on our knowledge of the company, its products and customers. For inclusion, we required that a vendor be able to handle the telephone interactions of a customer to a contact center. We also required that products support operations of the contact center across multiple countries and continents. We have adopted this approach because we view it as our responsibility to assess all relevant vendors whether or not they choose to invest the time and effort to participate.

Ten of the 13 suppliers we included responded positively to our requests for information and provided completed questionnaires and demonstrations to help in our analysis of their contact center in the cloud products. The following vendors declined to participate or did not respond to our invitation: 8x8, AWS and Serenova. To organizations evaluating these vendors, we recommend extra scrutiny as part of the software assessment because they did not make their applications available for the Value Index.

We did not include a number of other vendors in this Value Index evaluation because they did not satisfy a sufficient number of the criteria that our methodology for this research requires. Vendors such as Microsoft, Oracle, Salesforce and SAP that offer CRM applications do not have the technology to manage telephone interactions and require technology from a partner to do so. Verint is a provider of a wide range of applications for contact centers and agents but does not provide direct telephone support. We also did not include Mitel in the Value Index; as the result of acquisitions it has multiple contact-center-in-the-cloud offerings that are unique to size of contact center and/or geography.

This Executive Summary is drawn from the full Ventana Research Value Index report, which lays out in detail the analysis underlying the Value Index, lists the products evaluated, and suggests a methodology for preparing for a related RFP. The full report is available for purchase, payable by check or credit card. For more information about the full Value Index report or assessment of your organization using the Value Index, please contact us at sales@ventanaresearch.com.



About Ventana Research

Ventana Research is the leading benchmark research and business technology advisory services firm. We provide insight and expert guidance on trends and mainstream and disruptive technologies. Our unparalleled insights and best practices guidance are based on our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions worldwide. The combination we offer of benchmark research, market coverage and in-depth knowledge of hundreds of technology providers means we can deliver business and technology education and expertise to our clients where and when needed to reduce the time requirements, cost and risk of technology investments. The Ventana Research Indexes – the Value Index and the Benchmark Index family – have redefined the research industry by providing accessible, easy-to-use research-based business and technology guidance to businesses. Ventana Research provides the most comprehensive analyst and research coverage in the industry; the many business and IT professionals worldwide who are members of our community benefit from Ventana Research's insights, as do highly regarded media and association partners around the globe. Our views and analyses are distributed daily through blogs and social media channels including [Twitter](#), [Facebook](#) and [LinkedIn](#). Ventana Research was ranked the #1 analyst firm you can trust in enterprise software for 2009 for its relevance to the industry. To learn how Ventana Research advances the maturity of organizations use of information and technology through benchmark research, education and advisory services, visit www.ventanaresearch.com.

We offer a variety of customizable services to meet your specific needs including workshops, assessments and advisory services. Our education service, led by analysts with more than 20 years of experience, provides a great starting point to learn about important business and technology topics from compliance to business intelligence to building a strategy and driving adoption of best practices. We also offer tailored Value Index Assessment Services to help you define your strategy, build a business case and connect the business and technology phases of your project. And we can provide Ventana On-Demand access to our analysts on an as-needed basis to help you keep up with market trends, technologies and best practices.

Everything at Ventana Research begins with our focused research, of which this Value Index is a part. We work with thousands of organizations worldwide, conducting research and analyzing market trends, best practices and technologies to help our clients improve the efficiency and effectiveness of their organizations.

Through the Ventana Research community we also provide opportunities for professionals to share challenges, best practices and methodologies. Sign up for Individual membership at www.ventanaresearch.com to gain access to our



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Individual membership: For business and IT professionals* interested in full access to our website and analyst team for themselves. The membership includes access to our library of hundreds of white papers and research notes, briefings and telephone or email consulting sessions to provide input and feedback.

Team membership: For business and IT professionals* interested in full access to our Web site and analysts for a five-member team. The membership includes access to our library of hundreds of white papers and research notes, briefings, telephone/e-mail consulting sessions to provide input and feedback and the use of Ventana Research materials for business purposes.

Business membership: For business and IT professionals* interested in full access to our website and analyst team for their larger team or small business unit. The membership includes access to our library of hundreds of white papers and research notes, briefings, telephone or email consulting sessions to provide input and feedback, use of Ventana Research materials for business purposes and additional analyst availability.

Business Plus membership: For business and IT professionals* interested in full access to our website and analyst team for larger numbers of company employees. The membership includes access to our library of hundreds of white papers and research notes, briefings, telephone or email consulting sessions to provide input and feedback, quotes and validation for media, use of Ventana Research materials for business purposes, additional analyst availability and access to our team for scheduled strategy consulting sessions.

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