Magic Quadrant for Contact Center Infrastructure

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VIEW SUMMARY

As the contact center infrastructure market continues to consolidate, some lesser-known offerings may warrant strong consideration. Companies should evaluate vendors’ technology and ability to deliver in relevant regions.

Market Definition/Description

Gartner defines contact center infrastructure (CCI) as the products (equipment, software and services) needed to operate call centers for telephony support and contact centers for multichannel support. This type of infrastructure is used by customer and employee service and support centers, inbound and outbound telemarketing services, help desk services, government-operated support centers, and other types of structured communications operations.

Contact center interactions can be people-assisted or automated self-service, using Web chat or interactive voice response (IVR) and speech recognition technologies, for example, or can be a combination of assisted service and self-service. These channels for interaction use both live agents and messaging technology and include voice, Web, email, instant messaging, Web chat, social media, video and mobile devices. Although there can be significant technology overlap between the CCI market and the CRM customer engagement center (CEC) market, the markets differ in three important ways:

First, solutions in the CCI market are often an extension of the unified communications (UC) technology portfolio. While these solutions can route multichannel interactions, voice and telephony tend to play an important role.

Second, while CCI solutions include the tools for integrating with CRM and other enterprise software packages, they do not inherently include them in their own solution stack.

Third, network performance and cost issues are often key elements driving architecture and solutions.

In contrast, CEC solutions are an extension of the CRM market, and while they also route multichannel interactions, they tend to focus on channels other than voice, and they support a high degree of focus on leveraging existing customer data to optimize interactions based on the customer’s apparent desired outcome. These differences are significant in that they tend to result in separate decision processes driven by different decision makers within organizations, and there is currently no overlap in the vendors appearing in the “Magic Quadrant for the CRM Customer Engagement Center” and those appearing in this document. Over time, it is expected that the two solution sets will merge; however, that merging appears to be several years away.

Contact centers require a wide range of functions, architectures, features and services to be effective. Three major architectural approaches that are common in the market are integrated “best-of-breed” components, all-in-one bundled suites and service-based solutions.

CCI includes a wide range of related technologies, some of which are core to vendors’ offering sets and some that are integrated through OEM or partnership relationships with best-of-breed providers. This breadth of technologies can include:

- Telephony infrastructure
- Multimedia contact routing and prioritization engines with real-time and historical reporting
- IVR and voice ports for self-service applications, including speech-enabled self-service
- Outbound dialing/proactive contact
- Virtual routing applications for multisite and work-at-home scenarios
- Presence tools
- Tools for integration with CRM software
- Data mart and analytics systems
- Computer-telephony integration (CTI)/Web services interfaces
- Email response management
- Web chat
- Collaborative browsing

EVALUATION CRITERIA DEFINITIONS

Ability to Execute
Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization’s financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization’s portfolio of products.

Sales Execution/Pricing: The vendor’s capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor’s history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization’s message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This “mind share” can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision
Market Understanding: Ability of the vendor to understand buyers’ wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers’ wants and needs, can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor’s approach to product development and delivery that emphasizes
Social media
Live and prerecorded video
Knowledge-based self-service
Workforce management and scheduling tools
Session recording and quality monitoring, including speech analytics
Workflow routing and management
Mobile customer service applications

Increasingly, contact center managers prefer to purchase much, or all, of their CCI from a single source as a bundle in the pursuit of easier and enduring integration, cradle-to-grave integrated reporting, and easier system management. Therefore, leading CCI vendors offering complete portfolios of solutions, comprising their own products and those of partners and other strategic suppliers, are being favored.

The emerging contact center as a service (CCaaS) model — involving hosted, multitenant systems — is gaining attention as cloud approaches increase. There are no CCaaS-only providers that currently offer a substantial-enough global presence to warrant inclusion in this document; however, all vendors covered in this document now provide some form of a hosted or CCaaS offering.

**Magic Quadrant**

![Magic Quadrant for Contact Center Infrastructure](image)

*Source: Gartner (May 2014) As of May 2014*

**Vendor Strengths and Cautions**

**Alcatel-Lucent Enterprise**

Alcatel-Lucent Enterprise is a verticalized division of Alcatel-Lucent that is headquartered in France. Alcatel-Lucent is currently in discussions with China Huaxin, a Chinese investor seeking to buy the majority share of the company’s enterprise unit. Alcatel-Lucent Enterprise is condensing its contact center portfolio to two core platforms — OmniTouch Contact Center (OTCC) and OpenTouch Customer Service (OTCS), the latter a technology partnership with Altitude Software, whose products also form the foundation for Alcatel-Lucent Enterprise’s multichannel cloud platform for the contact center.

Organizations committed to the OpenTouch strategy should consider Alcatel-Lucent Enterprise’s contact center portfolio, especially if they prefer to source a solution set from a single supplier, but a decision would be safer once the China Huaxin deal is closed.

**Strengths**

Alcatel-Lucent Enterprise is an established brand for communications, especially in Europe, with a

**Business Model:** The soundness and logic of the vendor’s underlying business proposition.

**Vertical/Industry Strategy:** The vendor’s strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor’s strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the “home” or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.
well-established channel partner program for selling and supporting a range of communications and contact center solutions.

It has a strong professional services organization to support its channel partners and customers in implementing and managing contact center solutions. The pending acquisition by China Huaxin is positive in that its parent company has announced its intent to sell the enterprise business rather than let it linger as a less-strategic asset.

**Cautions**

Alcatel-Lucent Enterprise’s multichannel contact center and cloud strategy relies on a strategic partnership with Altitude, in which currently there is no direct financial investment. Partnerships can be readily disrupted as a result of an acquisition by a competitor. Sales of Genesys’ contact center solutions still account for a sizable share of Alcatel-Lucent Enterprise’s business. However, the company’s trend toward consolidation with OTCC and OTCS would suggest customers looking to acquire a Genesys solution for the first time will, in most cases, find more value from a more direct supply chain between Genesys and Alcatel-Lucent Enterprise’s channel partner. While Alcatel-Lucent Enterprise brings to bear strong Genesys system integration skills, Alcatel-Lucent Enterprise adds little value in the supply chain. Alcatel-Lucent Enterprise lacks significant presence in North America, limiting its appeal to multinational companies with a strong need to support this market. Furthermore, the impending purchase of a majority stake in Alcatel-Lucent Enterprise by China Huaxin could be negatively perceived by some of Alcatel-Lucent Enterprise’s customers and prospect segments.

**Altitude Software**

Altitude Software is a Portugal-headquartered privately held company with majority interests from European investors. Altitude Unified Customer Interaction (uCI) is a platform-independent, multimedia contact center suite, and it is available as a premises-based or cloud offering. Altitude Software has customers across most vertical markets, and it has particular strengths in the business process outsourcing (BPO) and financial services markets. It has also entered into a strategic relationship with Alcatel-Lucent Enterprise, and Altitude Software provides the core software behind OTCS.

Organizations that desire a platform-independent contact center solution with integration and workflow needs should consider uCI as a potential solution.

**Strengths**

Altitude Software is executing well on its program of expansion into European markets to complement its strength in the Iberian and South American markets.

While the Alcatel-Lucent Enterprise partnership has yet to show any notable market growth for either vendor, there is good synergy between the two players, with minimal competitive overlap to minimize channel conflict for customers.

Altitude Software has a pedigree of offering utility licensing as part of its solutions to the BPO sector, which positions it well commercially for the transition to Altitude Cloud for both BPO and enterprise customers.

**Cautions**

The impending acquisition of the majority interest in Alcatel-Lucent Enterprise by Chinese investor Huaxin could be disruptive to the strategic relationship that broadens the market opportunity for Altitude. Despite investing in channels and growing management capabilities into European countries, Altitude Software lacks brand awareness of competitors to make the shortlist for new opportunities.

Altitude Software’s focus in BPO is a strength but overshadows opportunities in other vertical markets.

**Aspect Software**

Aspect Software, a U.S.-headquartered privately held company, is owned predominantly by Golden Gate Capital and Oak Investment Partners. In the past 18 months, Aspect has aggressively increased its size and solution portfolio through acquisitions and partnerships. These acquisitions and partnerships include the acquisition of Voweo, providing enhanced IVR/voice portal capabilities; Bright Pattern, upon which Aspect’s Zipwire cloud contact center offering is based; and Qivox for proactive notification applications and services. During the past 18 months, Aspect has also entered into several partnerships, including with Mixio Software to provide enhanced multimedia routing (for example, solutions for back-office and workflow software); and with Lithium for social media engagement solutions. Aspect’s Unified IP offers a unified multimedia contact center application suite for midsize to large implementations, including several best-of-breed applications. The company has also recently introduced its cloud-based solution, Zipwire, targeting centers with fewer than 250 agents.

Consider Aspect when there is a need to integrate with multiple IP PBX telephony environments, or when seeking to decouple the timing of your contact center and telephony investment decisions.

**Strengths**

Aspect’s recent expansion of its size and solution portfolio shows a reinvigoration of the business after the insertion of a new senior management team over the past two years and following years of declining shipments and market influence.

In the last year, Aspect has introduced several innovative contact center solution offerings, including Aspect Proactive Engagement Suite for proactive notification applications and services;
Aspect Active Assignment for intraday operational optimization; and Aspect Mentor for real-time speech analytics and automated agent coaching.

Aspect’s considerable experience in contact center products and markets can be helpful to companies with complex requirements. Aspect also has good global reach for sales and support.

Due in large part to its recent acquisitions, Aspect has aggressively grown its hosting and managed service revenue during the last 12 months in addition to entering the cloud contact center space with its Zipwire offering.

Cautions
Aspect traditionally charges premium pricing for ongoing maintenance services, but its service team has received mixed reviews from Gartner clients for several years in succession. The company’s investments in improving its service delivery are still in the early phases of deployment, and the company lacks a track record for improving those services. Aspect customers and prospects must evaluate the impact of this pricing on the solution’s total cost of ownership (TCO) and check references to validate that the service team’s skill level is commensurate with the service pricing.

The company lacks an enterprise PBX installed base of its own into which to sell its products. As such, and in light of the lack of “greenfield” opportunities for large contact centers in North America and Western Europe, Aspect must attempt to sell into the PBX installed bases of other vendors, which is a challenging task. The company is attempting to overcome this challenge by enhancing its ability to integrate with corporate investments in Microsoft solutions, but this strategy is still in the early phases of execution and remains unproved.

Aspect still has a large installed base of legacy Aspect “Call Center” and Rockwell “Spectrum” automatic call distributors (ACDs) that has yet to upgrade to the Unified IP platform. Although Aspect has done an admirable job of keeping customers using these products in the fold, as the installed base of products continues to age, Aspect becomes increasingly at risk of competitive displacement.

New acquisitions and partnerships will require time to integrate into a cohesive application stack. The acquisition of Voxeo for IVR/voice portal and Zipwire cloud, along with the partnership with Moxie for enhanced nonvoice media routing capabilities, creates near-term uncertainties for integration and product support. The partnership with Moxie also takes development of critical functionality out of Aspect’s direct control and places it potentially at risk, should Moxie get acquired by a third party.

Avaya
Avaya is a U.S.-headquartered privately held company with primary ownership by private equity firms TPG and Silver Lake Partners. Avaya offers a range of products targeting specific market segments:

- For midsize-to-large telephony-oriented call centers, Avaya offers its Avaya Aura Call Center Elite solution, which can be expanded using the Call Center Elite Multichannel Feature Pack for existing Call Center Elite users who require core multichannel capabilities, including Web, email, chat, SMS and CTI functionality.
- For midsize-to-large organizations with more advanced CRM and multichannel needs, the company offers Avaya Interaction Center and Avaya Aura Contact Center.
- For the small or midsize business (SMB) market, Avaya offers a software-only solution that can be run on a virtualized appliance.
- Avaya also offers managed services and cloud-based solutions hosted either by Avaya or through select channel partners.

Consider Avaya’s call and contact center offerings when looking for solutions that include several best-of-breed applications for contact center environments with customer service requirements ranging from simple to complex.

Strengths
Avaya continues to drive a multichannel strategy with its Call Center Elite Multichannel as a native multimedia enhancement to its Call Center Elite offer, along with additional features being added to Avaya’s social media monitoring and automated chat platforms.

Avaya’s portfolio includes a broad set of applications for call routing, outbound, multichannel, self-service, workforce management and analytics. Avaya Aura Orchestration Designer provides a single application development environment spanning voice and multichannel self-service and assisted-service agent workflows. Avaya’s Workforce Optimization suite offers a broad set of Avaya and third-party-developed workforce optimization (WFO) capabilities, including strong analytic capabilities when combined with the Avaya Aura Contact Center Performance Management reporting and analytic tools.

Avaya Contact Center Control Manager (ACCCM) — which is based on technology from ITNavigator, a former OEM partner of Avaya that the company acquired in 2013 — offers a very strong set of system management and partitioning capabilities. It enables enterprises to support multiple contact center applications from a single environment, while enabling user groups to control their own routing rules and customer data. In addition, it allows operational groups to provide backup assistance to one another for disaster recovery purposes, or to support activity spikes. ACCCM also plays an important system management role in Avaya’s hosted- and cloud-based offerings.

Avaya has strong global coverage and holds the top market share position in contact center routing in terms of end-user revenue and agent shipments globally, with more than a 35% market share in both categories. This provides the stability associated with strong product and service revenue and a large installed base into which additional products and services can be sold.
Cautions

Avaya holds a strong lead in global contact center market share; however, the company has seen that share erode in recent years, as its share has slipped in some other areas of its business. Avaya must reverse its recent track record of declining revenue and operating losses to prevent concerns about its financial stability. Avaya has refinanced some of its previous near-term debt — extending the servicing window by several years — which may assuage some of the concerns that Gartner has heard.

Despite recent investments and efforts, Avaya's cloud strategy, both direct and through its partners, lags behind its competitors. The company's broad set of offerings includes several overlapping capabilities, resulting in confusion for some customers and increasing Avaya's cost to support and develop.

Cisco

Cisco is a U.S.-headquartered public company with shares traded on the Nasdaq stock exchange. Cisco's contact center offerings include: Unified Contact Center Enterprise (UCCE), targeting large enterprises with up to 12,000 agents and those requiring advanced functionality; Packaged Contact Center Enterprise (PCCE), targeting contact centers that have fewer than 1,000 agents and want a smaller IT footprint than the full UCCE solution; and Unified Contact Center Express (UCCX), targeting small to midsize centers with fewer than 400 agents, or fewer than 100 agents when sold as part of Cisco's Business Edition 6000 communications platform. A fourth offering, Cisco Unified Intelligent Contact Management (Unified ICM) Enterprise, provides network-level routing and can support multivendor environments. Cloud-based Cisco solutions are also available through select channel partners on the company's Hosted Collaboration Solution (HCS) platform.

Consider Cisco's contact center offerings if your company is committed to Cisco's Unified Communications Manager or prefers an end-to-end Cisco infrastructure.

Strengths

Cisco's contact center portfolio supports a broad set of functionality, including call and third-party-developed multimedia routing, network-level routing, IVR/voice portal functions, and outbound dialing.

Cisco's PCCE has seen strong acceptance by companies that do not require the scale or complexity of full UCCE solutions. PCCE was introduced in late 2011 and continues to be enhanced with simplified system design, implementation and management features. It offers call control, call routing, IVR and reporting on a single server, with optional functionality, such as multimedia routing and call recording on additional servers.

Cisco's UCCX targeting the SMB market is gaining market share through its bundling with the Cisco Business Edition 6000 telephony solution and adding more features, such as browser-based administration, HTTP and REST APIs for desktop and third-party integration, and predefined real-time and historical reporting.

Cisco has strong corporate brand recognition and respect among IT decision makers and influencers. The company offers broad global reach and highly scalable solutions, with key channel partners that have strong contact center consulting and system integration skills to deliver highly customized and complex contact center solutions.

Cautions

Cisco's UCCE suite is the aggregation of multiple acquisitions and products, which inhibits the end-to-end administration and support from a common management interface. While Cisco has simplified the administration and support of its lower-end products and its PCCE offering, it still has a ways to go with its flagship UCCE suite.

Cisco offers Web-centric communications channels (such as email, Web chat and co-browsing) and support for WFO capabilities through OEM agreements and through partnerships. This strategy can add support complexity, and it risks disruption to customer relationships if the partner is acquired by a competitor.

Cisco contact center solutions work best in an all-Cisco environment. Enterprises wishing to separate their front-office contact center strategy from their back-office unified communications and collaboration (UC) strategy, or those wishing to support work-at-home agents using home phone connections and handsets, should evaluate the impact on functionality and scalability of utilizing a third-party hard phone with the Cisco contact center suite.

Enghouse Interactive

Enghouse Interactive is a Canada-headquartered public company, with shares traded on the Toronto Stock Exchange. Enghouse Interactive has three distinct contact center offerings. Contact Center: Enterprise targets enterprise premises-based contact center environments and virtualized cloud environments. Contact Center: Service Provider targets service provider environments and very large enterprises (which use the product to offer contact center services to end users via the cloud). The third offering, Enghouse Interactive Communication Center (formerly Zeacom), targets small to midsize contact centers.

Consider Contact Center: Enterprise when looking for a premises-based or virtualized multimedia contact center routing solution that can leverage a variety of IP PBX and Microsoft Lync infrastructure environments.

Consider Contact Center: Service Provider when looking for a multitenant enterprise offering for "private cloud" environments, or when seeking a platform from which to offer cloud-based solutions as a communications service provider (CSP).
Consider Enhouse Interactive Communication Center when seeking a multichannel contact center solution for fewer than 100 agents.

**Strengths**

Contact Center: Enterprise is a tightly integrated multimedia contact center application suite that uses CTI to connect to existing PBX investments to leverage existing telephony investments, as well as provides contact center applications for customers migrating to Microsoft Lync Enterprise Voice. This strategy works well for enterprises looking to separate their front-office contact center platform from their back-office UC and telephony platform. This offering has its strongest regional presence in North America, with increasing growth in Western Europe.

Contact Center: Service Provider comprises a broad suite of highly scalable and fully featured CCI applications, including call and multimedia routing, contact recording, and outbound dialing. This offering, which is commonly sold into service provider environments, has its strongest regional presence in EMEA — particularly among telephone companies (telcos) and cable operators. It also has a growing presence in North America and the Asia/Pacific region.

Enhouse Interactive Communication Center targets contact centers with fewer than 100 agents, and it supports IVR, workflow routing and a breadth of communications channels. The solution integrates with telephony systems from Microsoft, Avaya, Cisco and NEC. Enhouse Interactive Communication Center has its strongest presence in North America and the Asia/Pacific region and a growing presence in Western Europe.

Enhouse offers computer-to-computer integration via Ajax, Microsoft Component Object Model (COM) objects, XML and Web services to provide tight integration into CRM suites and agent desktops. A plug-in has been prebuilt for integration with salesforce.com, along with a scripting library for creating customized applications.

**Cautions**

Enhouse Interactive is a new brand and lacks significant brand recognition. Although the company wishes to use each of its formerly separate business units to sell its other offerings into geographies where it previously lacked strength, there is no guarantee that this approach will be successful — and in pursuing these multiple efforts, the company risks losing focus on doing any of them well.

The company offers multiple, separate contact center products with separate development, marketing and support organizations, and the products serve distinct markets. Maintaining separate operations for each product line dilutes the company’s investments in supporting its products and customers across these different markets.

Enhouse Interactive’s strategy for the SMB market has not been well-defined, and the number of channel partners is significantly smaller than its competitors.

Enhouse Interactive’s lack of a consistent product offering set and presence across all geographies makes it difficult for the company to meet the needs of large, global enterprises.

Customers and prospects should verify that Enhouse Interactive can provide staff with installation and support capabilities and who are skilled in the specific products being considered in each relevant market.

**Genesys**

Genesys is a privately held company, with headquarters in the U.S. and with major private equity investment from Permira. Genesys supports three primary offerings based on its Customer Experience Platform. Genesys Premier Edition is a cloud-only offering targeting companies with fewer than 250 agents. Genesys Business Edition targets companies with up to 1,000 agents and is available as a cloud, premises or hybrid solution. Genesys Enterprise Edition targets companies of any size that require a rich feature set and strong levels of customization, and it is available as a cloud, premises or hybrid solution. Since being acquired by private equity investors, Genesys has expanded its solution capabilities through acquisitions and partnerships in a number of technology areas. These include acquisitions of Utopy in speech analytics, Angel in cloud IVR and SMB contact center, SoundBite Communications in proactive notification, Echopass in enterprise cloud contact center, and Solarisat in social customer care and analytics. The company has also entered into a partnership with Zendesk for cloud customer service software.

Consider Genesys solutions for contact center solutions spanning a variety of levels of complexity and scalability, including those that require significant customization to address differentiated customer service needs. Because it is telephony-vendor-neutral, Genesys solutions should also be considered when there is a requirement to integrate with multiple IP PBX telephony environments, or when separating contact center and IP PBX telephony purchasing decisions.

**Strengths**

The Genesys Customer Experience Platform and other components of its contact center portfolio support a broad suite of highly scalable and full-featured CCI applications. These include call and multimedia routing, network-level routing, voice response, contact recording and outbound dialing, and workforce management and analytics.

The company has a strong vision for decoupling contact center applications from telephony infrastructure; for extending contact center capabilities into UC environments and enterprise workflow beyond the contact center; and for integrating social-media-based communications into structured contact center activities.

Genesys can provide strong consulting and system integration services either directly or through its professional services partners. Genesys also has a good capability to support global customers.

Genesys’ “journey center” strategy of tracking a customer’s entire interaction with an enterprise — from the marketing and sales to the customer service and support — and enabling all the
associated interactions to be consistent and relevant is resonating in the market. Part of this strategy is enabling the customer to work with the same person as a journey specialist for every interaction within a specific customer journey.

Cautions
In its second year of operations as a stand-alone company, Genesys appears so far to be meeting the growth expectations of its new owners; however, if Genesys cannot deliver the growth rates that its investors target, the investors' commitment to invest in the company and its product development and sales over the long term may wane. Genesys is facing strong competition from its direct competitors, along with CRM vendors providing more contact center capabilities. Genesys' solutions have often been seen as more costly to implement and maintain than those of its competitors. As these competitors increase the customizability of their solutions to more closely match that of Genesys' Enterprise Edition solutions, Gartner is seeing a trend among clients to question the value of Genesys' offerings relative to the cost. Genesys has made several past attempts to go "down market" in terms of solution size and complexity with very limited success. The difficulty was caused by several issues, including product prices and complexity and a lack of sales focus on the midmarket. While Genesys has made recent steps to address these issues, it remains to be seen whether these changes will be any more successful than past efforts.

Huawei
Huawei is a privately held China-headquartered company, with shares held primarily by company employees. Huawei's multimediaCCI portfolio centers on its UAP6600 platform for large-enterprise and CSP environments, U2990 for enterprises, and U2980 (which can be packaged as an all-in-one contact center appliance offer) for small and midsize contact centers.

Price-sensitive CSPs, enterprises and government agencies, particularly those in the Asia/Pacific region (especially China) and emerging economies, should consider Huawei when looking for cost-effective solutions — especially when part of a larger Huawei data infrastructure sale or environment.

Strengths
Huawei has a very complete suite of enterprise contact center solutions for customers ranging from SMBs to large CSP and BPO installations. Its third-party partner ecosystem provides complementary contact center solutions for specific industry verticals and system integration projects — particularly in government organizations and large enterprises, such as telecommunications, finance and utilities companies.

Huawei has made substantial investments in appointing master distributors worldwide, particularly in Africa, Brazil and China, and emerging economies in Asia/Pacific, Eastern Europe and Latin America — where it typically has well-developed relationships stemming from prior sales of telecom fixed and mobile network infrastructure.

Contact center solutions are being sold through newly appointed distribution channel partners and CSPs worldwide. Huawei's contact center labs, development centers of excellence, R&D and distribution centers, and logistics have now been in place for a few years. More than half of Huawei's sales come from within its home market in China.

Cautions
Huawei's contact center solution portfolio can be sourced as an "all-in-one box," but its solutions are not as tightly integrated as many competitors' all-in-one suites — even though Huawei's offerings may be preconfigured solutions for particular industry verticals and popular commercial applications. Its enterprise products are relatively stand-alone and best-suited to integration into a best-of-breed or do-it-yourself environment. This can add to solution cost and complexity.

Huawei's investment and rapid channel expansion agenda in its global enterprise distribution channels will take several years to achieve critical mass for contact center sales. Markets in emerging countries may have stronger growth than more mature markets, but they have their own commercial complexities for multinational corporations planning contact center deployments.

Huawei lacks contact center brand awareness in enterprises outside of the company's home market. Midmarket success can come only from persistent effort in mobilizing its sales channels, certified engineer training and the recruitment of effective network integrator partners, and the company is significantly challenged in supporting multinational companies with operations in mature markets, such as North America and Western Europe. Enterprise buyers need to evaluate Huawei's and its channel partners' readiness to serve their business in each country of operation.

Interactive Intelligence
Interactive Intelligence is a U.S.-headquartered public company, with shares traded on the Nasdaq stock exchange. Interactive Intelligence's Customer Interaction Center (CIC) offering provides an all-in-one suite of contact center applications across a wide range of scalability requirements. The company also is gaining market traction with its Communications as a Service (CaaS) cloud-based option.

Consider CIC when looking for a tightly integrated set of contact center applications or when wanting to decouple the timing of your contact center and telephony investment decisions.

Strengths
The CIC suite uses Web services and provides a common set of application development, management and reporting tools across a range of its applications. Its efficient use of server resources and consistent administrative and management tools across applications make the system particularly appealing to IT decision makers.
Interactive Intelligence continues to compete successfully for midsize and large contact center deals and to grow its installed base at a pace well above the market average. The company also continues to improve its brand recognition in North America, and it is making steady progress to increase its sales and marketing footprint globally.

The company has a good ability to provide direct, in-region sales presence and to assist other channel partners where specific skill sets may be lacking.

Interactive Intelligence is finding success in selling its CaaS offering in hosted and hybrid (on-premises and hosted) deployments in enterprises of various sizes. The company is finding strong adoption of its hosted offerings in the U.S., although significant growth is being seen in other regions, with data center locations in Europe, Australia, Japan and Latin America.

Cautions

Despite making investments in its sales channel program to support enterprises outside North America, the company does not match the global coverage provided by some of its larger competitors. Companies should evaluate the ability of Interactive Intelligence and its channel partners to meet their needs in relevant geographies.

Some of Interactive Intelligence's contact center applications are less feature-rich than competitive best-of-breed offerings.

The company's lack of active/active georundancy and reliance on Windows server platforms causes some large contact centers to shy away from Interactive Intelligence's premises-based solutions.

Not all Interactive Intelligence's channel partners are strong in designing, installing and supporting contact center environments. Prospects should check channel partner references for environments that match their scalability and complexity needs.

Mitel

Mitel is a public company headquartered in Canada, with shares traded on the Nasdaq and Toronto stock markets. Mitel's acquisition of Aastra, increased scalability and range of solutions, and integration with Microsoft Lync have enabled significant growth. Mitel's MiContact Center Enterprise Edition supports a broad suite of CCI applications, including call and multimedia routing, voice response, outbound dialing, call recording, and workforce management. The MiContact Center Business Edition offers a subset of the features available in the MiContact Center Enterprise Edition, targeting contact centers with 25 or fewer agents. MiContact Center Enterprise Edition is also available as a hosted service from Mitel and as a platform-as-a-service offering for its service providers. The company also supports a CCaaS offering, labeled MiCloud Business Contact Center, through an OEM agreement with a third-party CCaaS provider. Solidus eCare, obtained through the Aastra acquisition, is a multichannel contact center platform that is tightly integrated with the Aastra MX-One IP telephony platform, and it also integrates with the rest of Aastra's IP PBX portfolio and operates as a stand-alone suite for multivendor environments. Cloud-based versions of Solidus eCare are available through select Aastra partners.

Consider Mitel and Aastra solutions when looking to support contact center functionality across a breadth of capabilities and sizes, particularly when integrating to Mitel, Aastra and Microsoft Lync UC environments.

Strengths

Once focused almost exclusively on the “fewer than 100 agents” market, Mitel has increased the scalability and resiliency of MiContact Center Enterprise Edition to better address midsize- and large-enterprise markets. It has also charged its channel partners with pursuing SMB accounts, while Mitel's own direct sales organization focuses on large-enterprise and multinational accounts. Mitel is now a legitimate provider of solutions for environments with hundreds of agents, and the company reports that it has several customers supporting more than 1,000 concurrent agents.

Mitel has a strong network of channel partners, particularly for SMBs in North America, with adequate coverage in Western Europe and the Asia/Pacific region. The company's recently increased contact center training and certification requirements and its direct support for its channel partners are leading to improvements in the overall skill level of its sales channels.

Mitel's Aastra business brings a strong installed base globally of both MX-One and Solidus eCare systems, as well as an extensive channel partner network to resell its communications portfolio. Despite continuing to market additional call center offerings as tactical solutions in various geographic markets, the company has focused its sales, marketing and development efforts on Solidus eCare as its flagship enterprise contact center offering going forward.

Mitel offers strong integration with Microsoft communications products and can deliver combined solutions to midsize contact center environments through channel partners certified to deliver both product sets.

Cautions

Mitel has a limited track record of supporting very large contact center environments (such as those requiring more than 1,000 agents per system) and customers with multinational requirements. The company has limited brand awareness globally, and it has yet to show substantial investment to increase its brand recognition among contact center decision makers.

Mitel's March 2014 acquisition of WFO vendor Oasys greatly expands the company's capabilities in this space; however, customers and prospects should evaluate the extent to which these capabilities have been integrated into the core solution stack across the breadth of the company's contact center offerings.

While the acquisition of Aastra helped Mitel grow its market share, the integration of the two companies' products, distribution and support may distract from providing new features and
keeping up with the market.

NEC

NEC is a public company headquartered in Japan, with shares traded on the Tokyo Stock Exchange. NEC’s flagship multimedia contact center offering, Univerge 3C, supports customers ranging from SMBs to companies with thousands of call center agents. NEC offers cloud-based contact center solutions as an add-on offering as part of its unified communications as a service (UCaaS) solution set. Currently, only a small percentage of NEC’s contact center sales are based on its flagship Univerge 3C software. The majority of its deployments are based on system integration projects in large-enterprise environments, with the remainder of deployments on appliance-based solutions targeting deployments of fewer than 100 agents.

Consider NEC’s Univerge 3C solution when your enterprise has a significant commitment to NEC telephony (regardless of whether you have, or plan to have, an NEC UC deployment). The scale and functionality of your contact center needs should be clearly known and deployed within the countries where NEC operates to avoid the integration limitations of NEC’s country-specific product offerings.

Strengths

NEC’s Univerge 3C UCC architecture can run in conjunction with a variety of NEC’s telephony offerings, providing a path to consolidating the company’s contact center offerings for midsize and large contact center environments, which had been served by disparate offerings in the past.

NEC has a large installed base of PBXs and contact centers that are amenable to upgrading with additional seats, contact center products and related services. It has particular strengths in the hospitality, government and health verticals, and it continues to experience sales increases.

NEC has built on its previous investments in both appliance-based IP telephony and software-based UCC solutions in its Univerge 3C contact center solutions, reflecting the most popular approaches in the Asia/Pacific and North American markets that it addresses.

Cautions

NEC’s adoption of multimedia customer service functions within its contact center solutions — and its integration of popular tools, such as Microsoft Lync and customer-facing instant messaging and Web chat — has lagged behind that of its competitors (even though NEC’s main role in contact centers remains that of a system integrator). Enterprises wishing to use Univerge 3C for multichannel contact routing should validate that the product’s Web chat and social media routing capabilities can address their operational needs.

Its contact center portfolio sales are primarily to enterprises with significant existing NEC telephony environments. Gartner sees limited results from NEC’s attempts to broaden the appeal of its contact center solutions in order to displace other vendors.

NEC operates mainly in the Asia/Pacific and North American markets. Its multiple contact routing products for different countries limit its ability to support multinational companies with a consistent contact center product set worldwide. Multinational corporations requiring uniform contact centers that can be installed and operated worldwide will need to evaluate NEC’s Univerge 3C contact center solution, which has been developed as a consistent solution for global companies.

Presence Technology

Presence Technology is headquartered in Spain and is a privately funded company owned by the private equity division of Valora. Presence Suite is a portfolio of multimedia modular contact center applications that can be deployed as an adjunct to Avaya Aura Communication Manager or as a stand-alone platform with its own OpenGate Session Initiation Protocol (SIP) server. Presence Technology was created from a spinoff from the DTG IT Department, acquired by TeleTech in 2001. While Presence Suite is most referenceable in outbound environments, it is growing its capabilities in inbound and Web customer service.

Organizations looking for a platform-independent solution with particular strengths in scripting and workflow capabilities should consider Presence Suite as a contender.

Strengths

Presence Technology is executing well on its planned growth and expansion initiatives into the Americas and Africa from its Iberian base.

While renowned for integration with Avaya, Presence now has two-thirds of its customer base installed with OpenGate, its platform-independent solution.

Scripting and workflow are strengths that Presence attained from its inception as part of DTG’s IT operation.

Cautions

Presence Technology’s cloud development strategy has faltered following the acquisition of partner Voxeo by a competitor.

While its expansion under challenging market conditions is impressive, Presence is smaller than most of its competitors and lacks broader brand awareness.

Increasing its size through inorganic growth is challenging unless its owners are prepared to be more acquisitive.

SAP

SAP is headquartered in Germany and is a public company, with shares traded on the Frankfurt Stock
Exchange. The company targets the CCI market as part of SAP Labs, a division through which SAP drives its R&D investments. The SAP software product has been renamed to SAP Contact Center to better align with SAP’s portfolio for delivering omnichannel customer engagement as an integrated component of the broader set of SAP business applications and SAP Cloud offerings.

SAP Contact Center has a stronger fit with organizations committed to the SAP business application suite and SAP Cloud offering, while it is also a consideration for organizations looking for a stand-alone, multichannel contact center suite.

**Strengths**

As part of SAP Labs, the contact center software division enjoys a level of autonomy to operate as an independent business while leveraging the brand of a leading business application software provider.

The SAP Contact Center is a scalable suite with multitenant properties by way of virtual units, aligning it well with SAP Cloud that is based on the Hana platform.

The continued development aligning SAP Contact Center with SAP’s broader portfolio strengthens the CCI proposition.

**Cautions**

As the contact center business unit is a part of SAP Labs, there is minimal external investment into expanding the contact center portfolio as a stand-alone capability, so it must rely almost wholly on organic growth as an attachment to business applications.

Tighter integration with SAP for the omnichannel customer experience weakens the stand-alone proposition for partners and customers that are not committed to SAP for customer service.

Software-only solutions rely on partners for hardware and connectivity. It’s important for organizations to be offered complete contact center solutions with a calculable cost of ownership.

**Unify**

Unify (formerly Siemens Enterprise Communications) is a U.S.-headquartered privately owned joint venture between private investor The Gores Group and Siemens AG. OpenScape Contact Center Enterprise is the flagship, multichannel platform for midsize to large organizations. Unify also has a strategic partnership with inContact for its OpenScape Cloud Contact Center offering. OpenScape Contact Center Agile is positioned for small and midsize deployments of less than 100 agents, and OpenScape Contact Center Campaign Director is for outbound and telemarketing activities. The renaming of the company to “Unify” in October 2013 was followed by a new senior executive leadership team, and a renewed energy behind the new brand.

Organizations committed to, or considering, the Unify portfolio should consider OpenScape Contact Center as a contender for OpenScape Communications Platform and legacy HiPath infrastructures. OpenScape Cloud Contact Center is an option when seeking an independent CCaaS offering.

**Strengths**

Unify demonstrates a strong vision for its next generation of customer experience solutions leveraging its Project Ansible development program.

The renaming of Siemens Enterprise Communications to Unify, as well as the plan for communicating the new branding to the public, alleviates short-term concerns of disruptive consolidation with a competitor.

Unify has a strong professional services team to implement and support its portfolio of contact center solutions.

**Cautions**

The Unify contact center portfolio lacks prominence in the mindset of organizations because, in some cases, Unify marketed and sold a third party’s offerings rather than marketing and selling its own products.

OpenScape Contact Center has a dependency on the OpenScape Communications Platform infrastructure, which limits the scope of product positioning.

While OpenScape Cloud Contact Center is an option for targeting new customers, migrating existing OpenScape Contact Center customers to the cloud is more challenging because of a different underlying software code set.

**Vocalcom**

Vocalcom is a France-headquartered privately owned company, with Apax Partners as a majority shareholder. Its Hermes.Net contact center suite solution is offered primarily as a cloud-based platform as well as a premises solution. Vocalcom’s Cloud Edition is a visionary Amazon Web Services (AWS) deployment model. Furthermore, via salesforce.com’s AppExchange, Vocalcom offers the Salesforce Edition, provided as a stand-alone salesforce.com product or for integration with Service Cloud and Sales Cloud. Vocalcom retains its strength in the BPO market, as an adjunct to Avaya Aura Communication Manager, but it is also spreading into new territories with channel expansion and new management.

Organizations looking for a platform-independent suite solution or for cloud deployment should consider Hermes.Net as a contender.

**Strengths**

Vocalcom’s Cloud Edition offering demonstrates Vocalcom’s visionary and early-to-market
approach for the next generation of cloud architecture.

Vocalcom is executing against a program of expansion outside of its core markets of France, the Middle East and North Africa (MENA), Spain, and Brazil. In 2013, it signed with Westcon to distribute Hermes.Net for the Avaya architecture.

Vocalcom's pedigree in offering solutions on a utility license basis to outsourcers positions the company well for transitioning its enterprise customer base to one of Vocalcom's cloud solutions.

Cautions

Vocalcom's strength in the BPO market and its outbound dialing solutions overshadow awareness of inbound and multichannel capabilities.

While Vocalcom's development focus on cloud is positive, it has been at the expense of capabilities more readily associated with competitor suite solutions, such as WFO and mobile self-service.

The lack of marketing and communication of Vocalcom's cloud approach means the company's offerings are still largely perceived as a platform tied to the Avaya infrastructure. This limits the opportunity to secure mind share with a broader set of verticals and markets.

ZTE

ZTE, headquartered in China, is a public company trading on the Hong Kong Stock Exchange. ZTE's Next Generation Call Center (NGCC) suite supports highly scalable multimedia contact center capabilities, with strength in supporting both inbound and outbound operations in either cloud- or premises-based configurations. Its AnyService@ZXNGCC multimedia unified contact center product is based on its ZXMSQ10 SoftSwitch switch and system or its ZXNGCC all-IP-based contact center switching solution.

Consider ZTE's NGCC suite for deployments in China and in emerging economies, particularly when the requirement is for price-competitive solutions that scale to thousands of agents — for example, in CSP and contact center BPO environments. Contact center planners will need to evaluate how ZTE's contact center solutions apply to them in each country of their operations.

Strengths

ZTE's NGCC suite is designed for CSPs to provide multiple multitenant virtual centers for their enterprise customers, especially for call center service outsourcing. It can support 134,400 agents in a single module, with 8.6 million busy-hour call attempts. Furthermore, developments slated for late 2014 are largely geared toward improving ease of use for telcos and outsourcers. NGCC can be deployed as an all-software solution running on a next-generation network softswitch or IMS network for greater efficiency in CSP environments.

ZTE's recently established enterprise networking division represents a change to the company's approach, from marketing and selling contact center solutions almost exclusively through CSPs to leveraging other channel partners for sales and support. Execution on this strategy will enhance the company's ability to sell and support complex contact center solutions for enterprises around the world.

Beyond its present strength in the domestic Chinese market, ZTE is increasing sales of its next-generation contact center offering in emerging markets globally. The company's strength in the contact center market lies in selling NGCC as a platform for CSPs, channel partners and network integrators to offer multitenant hosted or cloud services for enterprises and outsourcers.

Cautions

ZTE continues to have limited ability and experience in providing enterprise contact center solutions outside of China, neighboring Asian countries, and parts of the Middle East, Africa and Latin America, where it is established. This limits its appeal to global enterprise customers but makes it attractive to CSPs, government agencies and enterprises needing contact center services in geographies that are not well-served by Western vendors.

ZTE's brand recognition is low among multinational organizations in the global contact center market. ZTE has a limited number of enterprise customer-premises deployments.

ZTE provides enterprise contact center solutions through multitenant CSP partners, as well as through its recently established enterprise business unit channel partners. It can be difficult to find enterprise-focused channel partners or CSP partners with a strong understanding of the best practices used in contact center environments, particularly in emerging countries. The company's enterprise channel sales program lacks a track record of success.

ZTE does not provide an appliance-based, bundled contact center offering for small to midsize contact centers. Buyers in this space must evaluate ZTE's emerging channel partners' capabilities in integrating ZTE's virtual contact center deployment, CRM, CTI and multimedia Web services.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor's appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

Presence Technology was added this year.

Siemens Enterprise Communications changed its name to Unify in October 2013, and Gartner
referred to it as Unify in this document.

Dropped

Aastra was dropped from the Magic Quadrant this year following its acquisition by Mitel in January 2014.

Inclusion and Exclusion Criteria

To appear in this Magic Quadrant, vendors had to show all the following capabilities:

- Market share among the top performers in at least one geographic region (see “Market Share: Contact Centers, Worldwide, 2013”) or, failing that, sufficient differentiation to obtain market presence.
- Sufficient sales and operational presence to support their market objectives.
- Demonstrable solutions in most CCI portfolio areas defined earlier. At a minimum, offerings must include multimedia contact routing and prioritization, IVR or voice portal capability, and CRM integration tools.
- Evidence of an ability to generate significant interest from leading client segments.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate CCI technology providers based on the breadth, quality, and overall breadth and maturity of their applications, customer support capabilities, and ability to deliver solutions that enable contact center operations in formal contact centers in companies, outsourcers, and/or service providers. Ultimately, CCI technology providers are judged on their ability and success in capitalizing on their vision.

Table 1. Ability to Execute Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product or Service</td>
<td>High</td>
</tr>
<tr>
<td>Overall Viability</td>
<td>High</td>
</tr>
<tr>
<td>Sales Execution/Pricing</td>
<td>Medium</td>
</tr>
<tr>
<td>Market Responsiveness/Record</td>
<td>Medium</td>
</tr>
<tr>
<td>Marketing Execution</td>
<td>Medium</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>Medium</td>
</tr>
<tr>
<td>Operations</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Source: Gartner (May 2014)

Completeness of Vision

Gartner analysts evaluate CCI technology providers based on their ability to convincingly articulate logical statements about current and future market directions, innovations, customer needs and competitive forces, and how well these map to Gartner’s overall understanding of the marketplace. Ultimately, CCI technology providers are rated on their understanding of how market forces can be exploited to create opportunities for providers and their clients.

Table 2. Completeness of Vision Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Understanding</td>
<td>High</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Sales Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Offering (Product) Strategy</td>
<td>High</td>
</tr>
<tr>
<td>Business Model</td>
<td>Medium</td>
</tr>
<tr>
<td>Vertical/Industry Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Innovation</td>
<td>Medium</td>
</tr>
<tr>
<td>Geographic Strategy</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Source: Gartner (May 2014)

Quadrant Descriptions
Leaders
Leaders are high-viability vendors with broad portfolios, significant market share, broad geographic coverage, a clear vision of how contact center needs will evolve and a proven track record of delivering contact center products. They are well-positioned with their current product portfolio and likely to continue delivering leading products. Leaders do not necessarily offer a best-of-breed solution for every customer requirement. However, overall, their products are strong and often have some exceptional capabilities. Additionally, these vendors provide solutions that present relatively low risk of deployment failure.

Challengers
Challengers are vendors with strong market capabilities and good solutions for specific markets. However, overall, their products lack the breadth and depth of those in the Leaders quadrant. Challengers do not always communicate a clear vision of how the contact center market is evolving, and they are often less innovative or advanced than the Leaders. Vendors in this quadrant often excel at selling contact center functionality to their installed base of PBXs or IP telephony.

Visionaries
Visionaries demonstrate a clear understanding of the contact center market and provide key innovations that point to the market’s future. However, these vendors typically lack the ability to influence a large portion of the market, have not yet expanded their sales and support capabilities on a regional basis, or do not yet have the funding to execute with the same capabilities as the Leaders.

Niche Players
The vendors in this quadrant offer contact center products that focus on a segment of the market or a subset of its functionality. Customers aligned with the focus of a Niche Player may find its offerings to be a good “fit” for their needs.

Context
The CCI market continues to show consolidation among major vendors (such as Mitel’s acquisition of Aastra in early 2014) and as these vendors enhance their overall solutions coverage by acquiring providers of point solutions. Examples of vendors expanding their solution breadth through acquisitions of point solution vendors include Aspect’s acquisitions of Voxide, Bright Pattern and Zipwire, and Genesys’ acquisition of Echopass. Since the last iteration of this report, the market has also seen China-based conglomerate China Huaxin enter discussions to acquire Alcatel-Lucent’s Enterprise business unit, which includes its contact center business.

Many vendors are finding continued growth in this market by employing a variety of strategies, including:

- Focusing on technology differentiated from competitors’ offers for various enterprises’ needs
- Offering solutions that target service providers
- Targeting innovation toward niche applications, such as dialer solutions
- Targeting emerging markets that may offer faster market growth rates and more greenfield opportunities than those in mature markets, such as North America, Western Europe and the developed portions of the Asia/Pacific region

Although some best-of-breed point solutions will remain relevant, customers are increasingly adopting broader contact center solutions as tightly integrated suites or more loosely integrated portfolios from “cornerstone” vendors. All vendors covered by this report offer significant functionality beyond basic phone call routing and prioritization. Furthermore, many enterprises are recognizing the potential synergies that their customer-facing CCI and software solutions can have with their current or planned investments in internal-facing UC architectures. These enterprises must consider how these investment strategies can coexist and potentially share communications and collaboration components, such as enterprise telephony, presence and conferencing applications.

The contact center market is also evolving from a focus on discrete, one-off customer interactions using a variety of communications silos, to a more integrated and holistic view of customer activities and workflows in recognition that a customer may take a variety of different activities (some but not all involving communications with the target company) in the course of completing a customer journey. The compilation of discrete interactions and customer journeys in turn impact a customer’s overall experience of a company. This focus on context-aware, multichannel (including social media), reactive and proactive interactions are shaping the evolution of the “contact center” to the “customer engagement center.” This change in focus, however, is in the early phases of adoption, and at present, there is more “vendor hype” around this trend than there is actual end-user company transformation taking place.

This research captures Gartner’s view of the general state of the market and evaluates vendors’ capabilities on a global basis. It is not intended as specific advice for any one user company’s situation. Companies planning to acquire new or replacement CCI should contact Gartner analysts to discuss how this generalized model applies in their specific country, as well as how it applies to their specific business environment and needs.

Market Overview
The dynamics shaping the global CCI market vary by region. The market is largely mature in North America, Western Europe and portions of the Asia/Pacific region, where most sales involve expanding or replacing existing systems. The North American and Western European markets combined accounted for slightly more than 60% of agent shipments in 2013. However, CCI is still an emerging technology in
many global regions. In many countries, this market is forecast to grow at double-digit rates, compounded annually, through 2018 (see “Forecast: Contact Centers, Worldwide, 2011-2018, 1Q14 Update”). Overall, contact center agent license shipments declined 3.3% in 2013 relative to the prior year. Regional performance varied widely, ranging from low single-digit growth in Latin America and North America, to a double-digit year-over-year decline in agent license shipments in Eastern Europe, and single-digit year-over-year shipment declines in other geographic regions.

The market has traditionally been dominated by the leading vendors in the enterprise telephony market—a market that has also experienced some consolidation in recent years. However, market barriers are not so high as to prevent other vendors from entering. Avaya, Cisco and Genesys accounted for more than 60% of global agent shipments in 2013, despite Avaya and Genesys showing shipment declines year over year. Huawei, Mitel and Enghouse are the next three largest global market share holders, respectively. These three account for a combined share of less than 13%, with only Enghouse showing strong year-on-year growth. Some smaller players continue to find defendable market niches through geographic or vertical market specialization, low price, or differentiating technologies (see “Market Share: Contact Centers, Worldwide, 2013”).

CCI solutions have traditionally been hardware-centric, but most vendors’ solutions are now shipped as software that the customer can run on properly configured commercial, off-the-shelf servers, although some still require proprietary components. The majority of shipped solutions are based on Internet standards, including TCP/IP and Session Initiation Protocol.

The market has been consolidating over time, and incumbent vendors are looking to expand their solution portfolios to incorporate additional capabilities that commonly play a role in contact center ecosystems. These capabilities include IVR, outbound dialers, contact center workforce management, recording, e-learning, Web chat, email response management, live and prerecorded video, desktop collaboration, analytics, workflow, and mobility. This creates challenges to vendors that grow through acquisition or that develop their offering sets as a collection of separate, point solution offerings, in that a portfolio approach (rather than a more tightly integrated suite approach) results in an environment in which customers must manage and administer component systems separately. We are seeing more vendors offer bundles intended to simplify the purchase, configuration and implementation of their offering sets for the benefit of their sales channels, customers and prospects.

In 2014, trends influencing the planning and deployment of enterprise CCI include:

**Continued infrastructure consolidation and centralized projects among companies that operate multiple contact centers** — These companies want to leverage the location-independent nature of IP-based infrastructure to reduce duplication of infrastructure investments. In response to this trend, most vendor solutions now support VMware or Hyper-V for system virtualization.

**Momentum for multimedia routing and self-service, including email response management, Web chat and customer collaboration solutions** — These solutions, traditionally purchased from best-of-breed or point solution providers, are now increasingly being evaluated within the portfolio of the traditional automated call distributor vendors.

**Increasing awareness and adoption of cloud-based CCI deployments** — Gartner has seen a steady increase in client interest in cloud-based deployments, ranging from CCaaS solutions to company-dedicated hosted solutions. Once primarily the realm of deployments of 75 agents or fewer, these solutions are increasingly gaining adoption in environments with up to several thousand agents. These solutions have also evolved from providing only basic call routing to supporting complex customer routing schemes, including those supporting multiple media and sophisticated customer segmentation. Most vendors covered in this Magic Quadrant provide CCaaS or hosted contact center functionality, either directly or through partners.

**Contact center WFO functionality** — Once almost solely limited to point solution providers, WFO functionality is now included in many CCI suites or portfolios. This functionality encompasses various combinations of contact recording, agent evaluation, workforce management, coaching and e-learning tools, postcontact surveying, and agent performance speech analytics.

**Increasing awareness of social media’s potential impact on contact center operations** — Many companies are now considering the potential impact of social-media-based interaction on customer service activities, although actual adoption of social CRM solutions in contact centers remains limited to primarily companies that take a more aggressive approach to technology adoption.

**Leveraging the contact center routing capabilities to support back-office workflow** — Organizations in vertical markets, such as insurance and government agencies in which customer contacts frequently initiate process-intensive workflows, are beginning to investigate how they can extend the prioritization, routing and tracking capabilities of their CCI. These capabilities can range from managing customer contacts to managing the follow-on tasks associated with those contacts, to ensure their completion within defined service-level agreements and targets.

**Growing interest in adding tighter linkage between customer service operations and mobile applications** — Mobile applications can provide customers with easier access to self-service information by supporting a visual interface to option selections and data that previously was available only to those accessing the company using a more traditional computer interface. These solutions can also provide customers with additional information and options based on real-time information regarding contact center operations, such as expected wait times and callback options. Mobility can also be used for internal-facing applications, such as providing real-time and historical performance dashboards and access to staffing and monitoring capabilities, while the contact center manager or director is away from his or her desk.

**Evolution from contact center to customer engagement center orientation** — For well over a decade, vendors and end-user companies have talked about the need to look at customer interactions from the customers’ point of view and in context of the goals they were seeking to achieve through a broad set of activities. With the emphasis on sales and marketing activities, this
thinking has evolved in large part due to the emergence of other trends, such as multimedia traction, integration with social media engagement tools, mobile device support, "big data" analytics, proactive communications, and workflow (among others), and has taken on the moniker of "customer engagement."

**Emerging interest in integration with Microsoft Lync** — Many companies have significant investment in Microsoft Lync user licenses and IT support knowledge, and they are looking for ways to leverage these investments beyond their enterprise UCC deployments and into their contact center deployments. Despite vendor hype, few companies are integrating enterprise richness capabilities in their contact centers, which would allow agents to pull non-contact-center subject matter experts into contact center customer interactions. Instead, many companies are focusing on the expected eventual maturity of Lync as an enterprise voice/IP telephony platform, at which point these companies foresee the potential for Lync to be the voice and multichannel routing infrastructure to which their contact center applications would need to integrate.

Many companies fitting a mainstream or conservative technology adoption profile have begun to embrace the use of multimedia customer communications. While email routing and response management has traditionally been companies’ "nonvoice" channels of choice to add to their contact center, Gartner has noticed a recent increase in the rate of adoption for Web chat functionality in contact centers, particularly in mature regional markets such as North America and Western Europe, and in mature country markets such as Australia and China. Companies with more aggressive technology adoption profiles have begun to embrace rich presence to incorporate subject matter experts directly into customer service processes. Technologies such as video and desktop collaboration with customers remain niche functionalities in CCI, with limited and specialized commercial deployment. Regardless of their companies’ technology adoption profiles, contact center planners should review Gartner’s "Hype Cycle for Contact Center Infrastructure, 2013" to help develop road maps for the incorporation of new technologies into their environments to address customer relationship strategies. In some cases, this may involve evaluating the ability of a system to provide a wide breadth of functionality, not all of which may be implemented at the time of the system’s initial deployment.