

# IDC MarketScape: Worldwide Contact Center-as-a-Service Applications Software 2024 Vendor Assessment

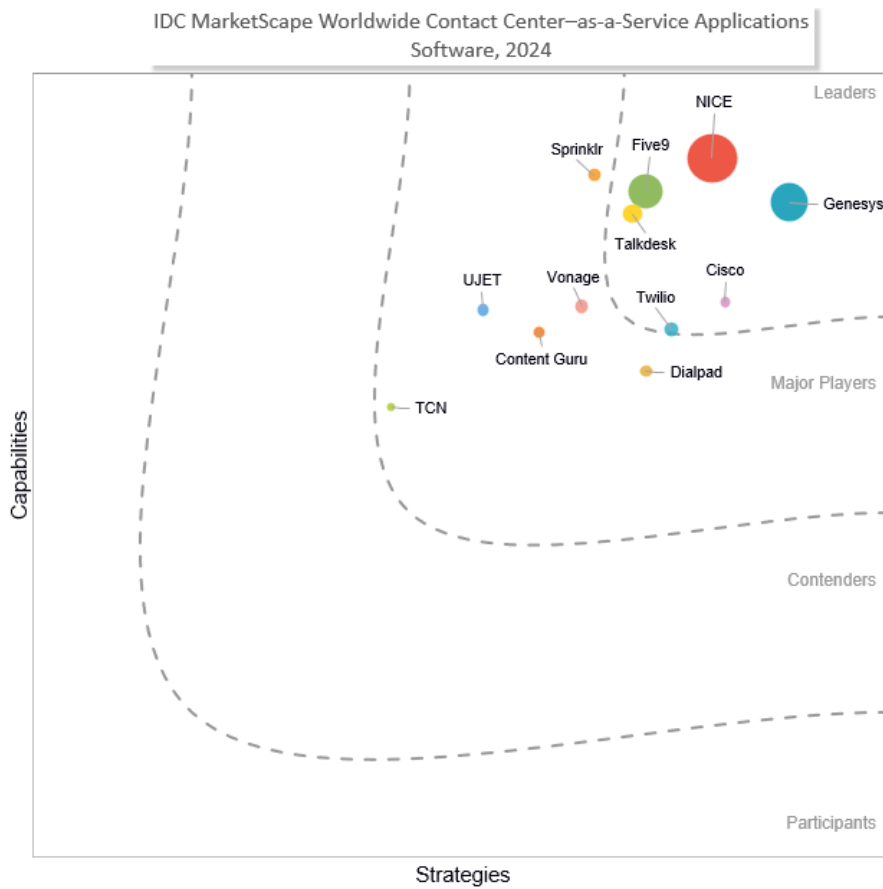
Mary Wardley

THIS IDC MARKETSCAPE EXCERPT FEATURES NICE

## IDC MARKETSCAPE FIGURE

FIGURE 1

### IDC MarketScape Worldwide Contact Center-as-a-Service Applications Software Vendor Assessment



Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Contact Center-as-a-Service Applications Software 2024 Vendor Assessment (Doc # US52302923). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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The customer care environment has grown to be an even more integral part of any organization's contact point with customers. As the world we live in becomes more complex, so too the questions that customers have regarding their goods and services. While many organizations early on viewed customer self-service as a cost savings capability, which it can be, it also builds more interaction channels, data, and stops on the path of a customer journey. Every channel creates data. Every inquiry creates data. Every answer creates data.

Artificial intelligence (AI) in all its forms came to the contact center environment at just the right time. While generative AI (GenAI) brings the promise of new forms of AI automation, summarization, personalization, and augmentation, to name a few, generative AI is not the only AI technology on the market. However, it has opened the door for many to understand and access AI by virtue of the open access that OpenAI provided. Individuals, both private and professional, in droves accessed ChatGPT and experimented with it and drew their own conclusions. Is it good? Is it bad? What can I use it for? In fact, estimates place that within the first five days of the launch of ChatGPT in November 2022, 1 million users accessed the capability. At the time this document was written, it was estimated that ChatGPT had over 180 million active users. And ChatGPT is not the only public provider. This is a democratization of thought leadership in regard to the technology. These same users are the same individuals making decisions about commercial software purchases and use cases in their work function.

Scale is the enemy of humans. We don't scale. Technology scales. As the mountain of end-user data grows, as the complexity of customer inquiries increases, and as the expectations for speed and accuracy increase, AI-based products are not only going to revolutionize customer handling; they are absolutely necessary.

Interestingly, based on the research for this IDC contact center-as-a-service (CCaaS) applications software MarketScape, end-user organizations are not quite "there" in terms of ability to adopt AI-based offerings and deploy them in a ubiquitous manner. The suppliers are ahead of the consumption market based on the customers interviewed as part of this research effort. This IDC MarketScape on CCaaS applications software is focused on the functionality of multichannel offerings and a breadth of analytics and AI-based software. This study researched offerings for 24 different channels, analytics within product offerings, conversational AI, predictive AI, and generative AI offerings and capabilities. For each vendor in this document, their evaluated AI offerings are included and significant new products since the evaluation are also included.

This particular research focus was designed to understand where customers are in their adoption of CCaaS products, channels support, and analytics and AI technologies. The task was to understand whether providers could track a multichannel interaction and use AI-based software to automate the tasks. This market is evolving and so are the offerings. The suppliers are on target and either have products currently to support this flow and/or are developing more capabilities and rolling it out to customers. The state of the market on the customer side is evolving as well.

For many of the customers interviewed, their migration to a cloud-based CCaaS product has opened a new world to them. Many of their struggles in their old on-premises products have been removed. Their call monitoring is no longer "sampled." They have 100% call recording, and the results are in real time. They can now access the data and insights to understand what is going on in their environments. Large organizations have been utilizing conversational AI products for some time and have the internal skills and are in the 2.0 stage. The broader market will be maturing, and IDC expects the customer profile will differ greatly when this study is next executed.

For now, organizations are continuing their migration to the cloud, enjoying the benefits of that environment in terms of their data being accessible. End-user organizations are still striving to create that 360-degree view of the customer that has been elusive. This vision used to exist solely in the contact center but now includes the entire organization – from marketing to sales to service and all the functions that contribute to the creation of the product or service. The AI stack will make this vision a reality. However, many of the customers need to rely on their supplier of choice to guide them. They expressed faith that their supplier had a vision and would be able to help them on this journey when they get there. GenAI is on that road map but remains a future aspiration.

End-user organizations have work to do to create a cross-channel environment within their organizations and the business processes that brings all the customer journey information together with the customer history. Most organizations reported supporting the core channels of telephony, integrated voice response (IVR), email, webchat, SMS, FAQ, and knowledge base. Virtual assistants, chatbots, messaging, and mobile were found to be less pervasive. One-way and two-way videos, virtual reality, and augmented reality channels were less common but found in specific verticals.

The next generation of contact center applications won't be focused on pure technology but outcomes and experiences. It will be an environment that supports not only the customer experience (CX) but also the agent experience. While end-user customers experience a consistent journey between self-service to guided service and agent-assisted service if required, agents will have access to real-time knowledge in agent-assisted products, supported by AI technologies that provide in context answers and summarization. Supervisors will have the AI-generated insights to move beyond KPIs to root cause analysis.

## Definitions

### *Scope and Market Definition*

This vendor assessment will include technology providers that provide CCaaS capabilities for contact centers and agents with standalone AI-based products and/or products that leverage AI in such a way as they are differentiated from similar non-AI-enhanced products, integration capabilities to other contact center, or adjacent functional markets and data management. This document will explore how applications within the contact center through integrations with other products provide a contextual customer experience to customer inquiries.

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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Participating vendors must meet the following inclusion criteria:

- The offering should be commercially available for use as a single product family or a suite of services and purchase by customers for at least one year. IDC will also consider and include new product features and capabilities introduced through the CY23 as part of vendor strategy evaluation. In addition, IDC will consider these features as part of its capabilities evaluation if

there is sufficient customer adoption and use for IDC to properly evaluate them and as long as these features are generally available by the time of publication of this document.

- Vendors have at least 25 CCaaS customers.
- The application must have the ability to support both voice and digital communications channels.
- The application must be commercially available in the market for one year.
- The product must have achieved at least \$1 million in revenue in the CY22.
- The product must be all or mostly the vendor's own intellectual property (IP).
- Vendors must be able to provide a minimum of two customer references.
- Vendors must be able to conduct a demo:  
Demo script – The goal is to answer a query or an end-user interaction that has moved through multiple channels ending with voice, perhaps over a time period of hours or days, informed by prior interactions and customer-related data, both historical and real time, resulting in a resolution that is documented and informs the customer history.
- Vendors must provide or have on the road map of the following functionality within their products:
  - General analytics
  - Conversational AI
  - Predictive AI
  - Generative AI

## ADVICE FOR TECHNOLOGY BUYERS

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- Communicate thoroughly and often – customers are relying on their technology vendor to be the trusted advisor. They may not be ready or understand the full implications of the power of the end-to-end system, but they understand that they are on a journey. Acting as trusted advisors, providers can be particularly instrumental in the area of GenAI. Most customers responded this was aspirational but were depending on their provider for guidance.
- Provide specific use case examples to jump-start initiatives around the various AI technologies and how they work together. Machine learning (ML), AI, conversational AI, predictive AI, and generative AI are complementary but are often approached independently creating a morass of initiatives that are well meaning but siloed.
- Bring together the disparate customer touch points of the supplier to the customer in the sales and support processes. While multichannel and cross-channel consistency and context are the targets for the technology and industry from a customer journey perspective, the vendors themselves need to practice this in their contact with their customers. Sales, implementation, customer success, and engineering need to act as extensions of each other with visibility into the customer. So the customers need a consistent level of customer handling across those touch points.
- Provide guidance to customers regarding the processes of preparing internal data sources, such as knowledge bases and community data, for GenAI. End customers acknowledged an issue with internal unstructured data sources not being "ready" for GenAI. Part of the hesitancy around GenAI is confidence in results, which stems from confidence in internal knowledge sources.

## VENDOR SUMMARY PROFILE

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### NICE

After a thorough evaluation of NICE's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2024 IDC MarketScape for contact center-as-a-service applications software.

NICE was founded in 1986 with a focus on the WEM and interactions space and is and has been an acknowledged leader in the WEM market. NICE partners with many providers in the industry to provide this capability within their products. In early 2016, NICE made the important strategic move to purchase SaaS-based contact center, inContact, to springboard the company into CCaaS applications augmenting its core business of workforce engagement applications. Since that time, the company has fused the inContact offering and enhanced it with a portfolio of applications creating the platform evaluated for this IDC MarketScape, CXone. Today, NICE's go-to market (GTM) for CXone is a "unified interaction-centric platform, with a convergence of rich CX capabilities and an AI purpose built for CX."

Quick facts about NICE include:

- **Year founded:** 1986
- **Corporate headquarters:** U.S. headquarters in Hoboken, N.J.
- **Total number of employees:** 8,500+
- **Globalization:** NICE has 35+ offices distributed globally for in-country representation. The company is a member of the International Telecom Union (ITU) and provides global voice and data services through carrier reseller agreements (partnered with 30 global carriers) with a global presence of 24 active voice POPs. Telephony options include termination, domestic, international inbound DID/TFNs, and number porting to 200 countries.
- **Language support:** It provides 30+ languages for admin, agent desktop, supervisor, and chat UI. Cloud transcription and TTS provide dozens of languages for IVR. Knowledge content is in 70+ languages (instant translation uses neural machine translation).
- **Industries:** NICE supports many vertical industries with no vertical industry-specific version. Industries of focus include healthcare, public admin, education services, financial services, insurance, business process outsourcing (BPOs), retail, and travel and hospitality. The product is certified across FedRAMP, SOC2, GDPR, HIPAA, HITRUST, and PCI DSS. Partner prebuilt vertical apps include payment processing, CRM and ERP integrations, prebuilt connectors for banking and ehealth, retail banking chatbot, AI assistant for financial services, Symitar/Jack Henry integration, EHR patient comm/self-service, CRM for insurance.
- **Partner ecosystem:** NICE offers a broad partner ecosystem of 260+ global CX partners: 100+ in EMEA, 70+ in North America, 45+ in APAC, and 40+ in CALA. Included partners are technology solution distributors, solution partners, communications services, global system integrators, technology, services, and marketplace partners.

**Analytics and AI approach:**

- **Analytics capabilities:** Enlighten AI is NICE's portfolio of purpose-built AI applications. Enlighten AI offers a breadth of capabilities embedded across the CXone platform, including

interaction analytics, workforce engagement, experience optimization, feedback management, and dashboard and reporting. Dashboard and reporting provides a view of CX data and insights across the customer journey.

- **Conversational AI:** Enlighten Autopilot is a conversational AI solution trained from the optimal conversations of top-performing agents. Enlighten Copilot provides agent assistance in real time, including next-best action, auto-composition, behavioral and compliance guidance, auto-summarization, guided workflows, and knowledge recommendations with AI.
- **Predictive AI:** Enlighten AI Routing predicts the best match between customers and agents. Real-Time Interaction Guidance uses Enlighten AI for CSAT model to predict CSAT scores based on customer sentiment and guide agents on their next best behavior.
- **Generative AI:** Enlighten Actions is a generative AI application for CX leaders. It comprehends operational intents and converts them into actionable insights. It performs data analysis, creates visualizations, identifies improvement opportunities, diagnoses root causes, automates processes, and generates content aligned with brand goals.

## Strengths

NICE has a 20+ year history in CX analytics and an early expansion into AI. With the advent of generative AI, NICE was among one of the firsts to partner with OpenAI but with an eye to OpenAI and ChatGPT being the front end to its own LLMs and CX models. Customer journey orchestration with process mapping is the next stage of driving automation through AI analytics input. CXone provides a comprehensive set of interaction channels (30+ through native and integration) with knowledge management, proactive conversational AI, and real-time guidance across the platform. The company's vertical capabilities include industry certifications, microapps for Secure Forms, Secure Payments, Appointment Scheduling, out-of-the-box skills and intents trained on industry-specific words, and processes and use cases ease absorption. NICE has excelled in building a robust partner ecosystem providing flexibility and breadth to customers for applications and access to acquisition with the partner of choice.

## Challenges

NICE's primary market is the upper midmarket and large organization customers. These customers, particularly large enterprises, have the expertise and understanding of the advantages of migrating to a single platform and the benefits of NICE's analytics/AI offerings. The migration in the installed base from on-premises applications to cloud remains in process. For NICE, the challenge is to present the value proposition in absorbable chunks as old contracts with other vendors expire but also to demonstrate the change benefits to the business process.

## Consider NICE When

Consider NICE when you are looking for a complete platform offering inclusive of analytics, AI, and automation. NICE's global presence, partner ecosystem, and entry into vertical functionality, including certifications, offer a comprehensive next-generation foundation for large global organizations.

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the

company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable the vendor to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

Contact center applications automate functions relating to the operations of the CRM installation within a contact center environment. The applications provide capabilities to both agents and supervisors. Products in this category include automated call distribution (ACD), integrated voice response (IVR), predictive dialing, workforce optimization (WFO), and call monitoring and quality management. Contact center as a service (CCaaS) is a cloud-based version of the general capability.

## LEARN MORE

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### Related Research

- *Generative AI Use Case Taxonomy: The Customer Service Function* (IDC #US51936324, March 2024)
- *Zoho Day 2024: Culture and Technology Strategies for the Long Game* (IDC #US51944424, March 2024)
- *IDC Market Glance: Contact Center, 1Q24* (IDC #US51968524, March 2024)
- *Worldwide Customer Relationship Management Applications Software Forecast, 2023-2027: Data in Action Through AI* (IDC #US51295023, November 2023)
- *IDC FutureScape: Worldwide Future of Customer Experience 2024 Predictions* (IDC #US50111423, October 2023)
- *Market Analysis Perspective: Worldwide Customer Service and Contact Center Applications, 2023* (IDC #US46667320, September 2023)
- *Worldwide Contact Center Applications Software Forecast, 2023-2027: Crossing Over 50% into Cloud* (IDC #US51038823, July 2023)

## Synopsis

This IDC study represents a vendor assessment of the contact center-as-a-service (CCaaS) applications software market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that provide guidance about CCaaS applications vendors and their offerings. This IDC MarketScape covers a variety of vendors participating in the CCaaS applications software market and focuses on applications that provided a wide variety of channels and analytics and AI-based capabilities. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another, and it highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Customer care functions in the contact center and broadly through the organization must have the tools and applications to scale to meet the needs of the modern customer," said Mary A. Wardley, program vice president, Customer Service and Contact Center Applications. IDC. "Cloud-based contact center applications have provided the foundation for integration and to scale operations, but data, insight, and history require AI-based analysis products. Generative, predictive, and conversational AI will become common components of the CCaaS environment."



## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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