IDC MarketScape

IDC MarketScape: Worldwide UCaaS Service Providers for Enterprise 2021 Vendor Assessment

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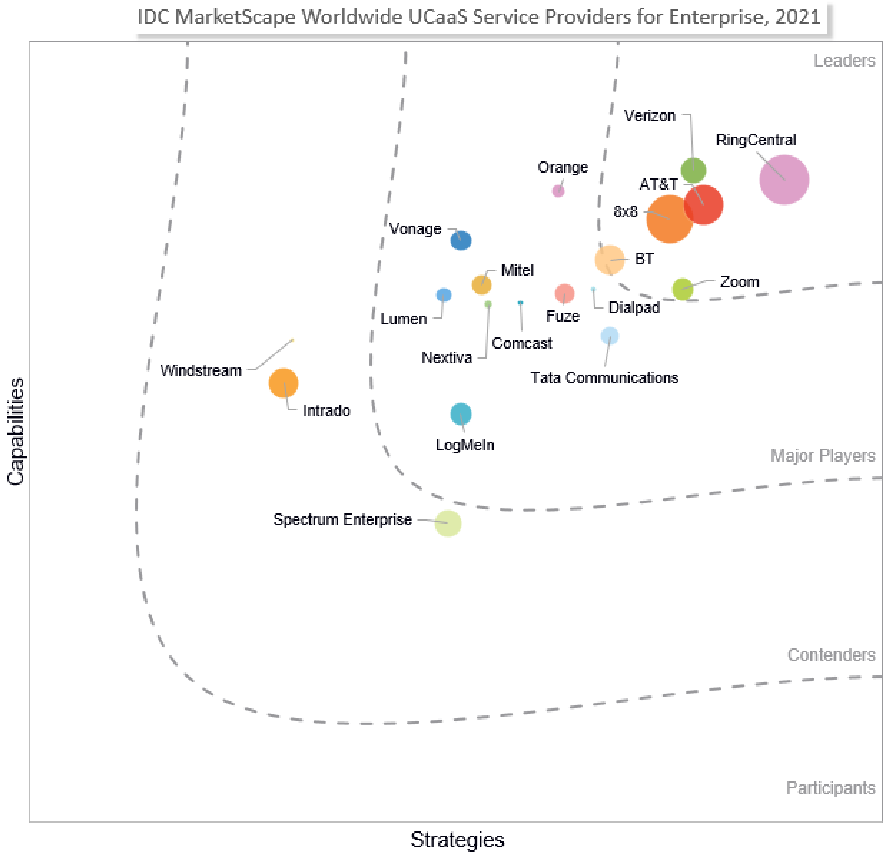
THIS IDC MARKETSCAPE EXCERPT FEATURES AT&T

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide UCaaS Service Providers for Enterprise Vendor Assessment



Source: IDC, 2021

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

February 2021, IDC #US47452521e

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide UCaaS Service Providers for Enterprise 2021 Vendor Assessment (Doc # US47452521e). 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

The way enterprises do business has changed dramatically over the past year due to the COVID-19 pandemic. This disruption gave organizations of all sizes a reason to look for scalable, flexible, cloud-based digital solutions such as unified communications as a service (UCaaS) as a means of doing business easier and be more cost effective. Without cloud-based unified communications (UC) services, it is difficult to empower employees to communicate easily, share information, and meet as needed with colleagues, customers, and partners. Of course, some large organizations had already begun their digital transformation journeys before the start of 2020, but nearly overnight the urgency grew. Enterprises suddenly faced the challenges of enabling communications and collaboration across a remote, sometimes globally dispersed, workforce amid the evolving pressures of business continuity and satisfactory experiences for sales and customer service.

IDC defines a UCaaS solution as a cloud-based integrated voice, messaging, and meeting services solution delivered via IP in the cloud and sold on a monthly recurring subscription basis. For any IT decision maker in an enterprise, the UCaaS market presents an overwhelming set of solution options. There are numerous service providers — including network carriers, cable companies, and over-the-top (OTT) service providers — presenting buyers each with slightly different unified communications feature bundles, integrations, customer support programs, security capabilities, and an associated portfolio of solutions. The value proposition also has to resonate and must include a vision for the longer-term necessity of unified communications and collaboration (UC&C) solutions for the enterprise customer.

Some key findings of this IDC MarketScape assessment are:

- UCaaS service providers have varied breadth and depth of approaches to how they position their UCaaS solution in a broader UC&C solution. Some own the IP across a very broad set of solution elements, such as UCaaS, web conferencing, contact center, and CPaaS, as well as a broad set of fixed and mobile network services, and others partner for best-of-breed options.
- Having security and network orchestration services across a broader set of voice and data communications services versus having solely a standalone UCaaS solution is a differentiator, as is having a simplified user and administrator experience.
- UCaaS service providers are making clear progress on executing on their strategy for UCaaS solution integrations with popular enterprise software, including collaboration suites, increasing their relevancy to large organizations.
- The vast majority of UCaaS service providers offer a variety of solution tiers to appeal to organizations of all sizes and to meet needs of different employee user personas or roles. The ability to mix and match UCaaS bundles across an organization's contract can be useful in the largest of organizations to meet business needs cost effectively and efficiently.
- Overall UCaaS solution functionality varies, but many vendors' solutions have a fundamental set of integrated voice, video, messaging, and meeting services. Local calling/dial plans

across 200+ countries are not yet table stakes, differentiating some UCaaS solutions from others.

- Formal customer support options with white-glove service and ongoing education and support programs are critical differentiators in the market.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC included vendors based on the following key criteria:

- The vendor sells a unified communications-as-a-service solution targeting enterprises defined by IDC as organizations with 1,000+ employees. Note that most of the vendors in this assessment also target small and medium-sized businesses (SMBs).
- The UCaaS solution meets IDC's definition of UCaaS as integrated voice, video, messaging, and meeting services delivered via IP in the cloud and sold on a monthly recurring subscription basis.
- The vendor is either a network carrier or a cable operator that sells cloud-based multitenant/multi-instance UCaaS offerings, or the vendor is an OTT UCaaS service provider.
- The vendor has UCaaS revenue of $20+ million for calendar years 2019 and 2020. Owing to the timing of estimates provided, revenue may differ from market share in forthcoming IDC deliverables.

In addition to the companies profiled in this study, there are also several other companies IDC has included in *IDC MarketScape: Worldwide UCaaS Service Providers for SMB 2021 Vendor Assessment* (IDC #US47452421, February 2021).

ADVICE FOR TECHNOLOGY BUYERS

When considering UCaaS solutions, enterprise buyers must consider their unique needs today and how a vendor's solution can grow with them as their communications and collaboration needs change. Consider UCaaS vendors':

- **Broad set of pre-integrations available to popular enterprise software and other UC&C solution elements.** Enterprises use several solutions today to improve their customer and sales processes (i.e., Salesforce), as well as drive broad collaboration in a unified way across the company (i.e., Microsoft Teams, and Google Workspace). UCaaS vendors that have made it a priority in their strategy to prebuild integrations to these software elements help an organization drive operational efficiencies.
- **Portfolio strategy that shows a commitment to UCaaS tying into broader UC&C solutions.** UCaaS vendors that have a clear vision for how their UCaaS solution integrates with other UC&C elements, including collaboration software and contact center as a service (CCaaS), can grow with the buyer's organization when they need to expand. Ultimately, the more UC&C solution elements that a vendor owns in-house, the more control it has over innovations and road map prioritizations that meet the needs of priority customers.
- **Proven, purposeful strategy to bridge on premises to cloud solutions for unified communications.** Vendors with a formal delivery strategy that includes a plan to coexist with on-premises UC solutions via SIP trunking and unified dial plans are essential to many medium-sized and large organizations. By having a hybrid delivery strategy and even formal supportive partnerships with on-premises UC providers, organizations can have confidence in

seamless communications across their workforce and the time to transition at their own pace to a fully cloud-based UC solution.

- **Ability to deliver scalable, cost-effective voice services worldwide.** Many enterprises have operations in more than one country or region, making a UCaaS vendor's ability to deliver full PSTN capabilities and offering local dial plans in numerous countries around the world essential to keeping employees productive and able to communicate as well as to keeping overall costs of those communications down. Not all UCaaS solutions have such capabilities in 100 or even 200 countries, so it is important to ask and be sure of alignment with your company's current and future needs.
- **Formalized customer support programs for large organizations.** Not only do vendors need to have formal implementation support including a dedicated implementation manager, but they also need a formal white-glove, outlined process that alleviates the burden on IT staff to educate employees on how to use a UCaaS solution in the initial phases and ongoing.

VENDOR SUMMARY PROFILES

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.

AT&T

AT&T is positioned in the Leaders category of this 2021 IDC MarketScape for worldwide UCaaS service providers for enterprise vendor assessment.

AT&T is a global network services provider that offers UCaaS and other unified communications and collaboration solutions as part of its broad portfolio of solutions. Through partnerships with Cisco and RingCentral, AT&T offers two branded, integrated UCaaS solutions: Cisco Webex with AT&T and AT&T Office@Hand. Cisco Webex with AT&T is the solution targeted at United States–based and global organizations, though its suite of capabilities can address needs across a range of business sizes. Cisco Webex with AT&T has global reach, supporting calling and meetings in more than 100 countries and 150 territories. While Cisco Webex with AT&T can be delivered as a turnkey solution for organizations with 25+ seats, coming with 100% cloud-enabled calling and meetings for small businesses, it is targeted to complex enterprise deployments such as those with hybrid on-premises hosted deployments. AT&T Office@Hand is the RingCentral-based cloud communication solution largely targeted at small and medium-sized businesses. It is an over-the-top service and can be sold with AT&T Fiber, AT&T ADI, AT&T Broadband, and other AT&T network services. It is a full-featured voice and collaboration solution that includes phone, meetings, and collaboration tools (such as file sharing and SMS messaging and user administration tools and reports), and it has several application integrations available, including Microsoft Teams and Google Suite as well as productivity apps such as Slack and Salesforce.com.

AT&T offers features at both the administrator and end-user levels that simplify ease of use and management, including high-definition (HD) video capabilities for AT&T Office@Hand through new RingCentral Video technology, video and phone integrated into a unified mobile experience. AT&T also launched a new administrative tool, Webex Calling environment, that brings faster processing times and a more intuitive user experience (UX). AT&T prioritizes integration of its network, contact center, toll-free, field services, consulting services, security services, and PSTN capabilities with UCaaS solutions for single point of accountability and extensive visibility across communications.

Strengths

AT&T recognizes that security is at the forefront of IT buyers' priority list and prioritizes it across the company's solutions and services. The company's voice and collaboration portfolio supports this goal with dedicated circuit paths to avoid high-risk countries, layered security protocols, and threat intelligence monitoring, as well as provides support for various industry compliance certifications including HIPAA and FINRA, as well as COPPA and CIPA for education. Further, AT&T gives enterprises a single source for UCaaS that comes with the quality, reliability, and security services inherent in its enterprise-grade tier 1 network and solutions. As a tier 1 network services provider, the company offers value-added integration, including quality and survivability solutions with AT&T SD-WAN and SD-WAN NOW and enhanced security with Private Voice over AT&T AVPN.

Challenges

AT&T works closely with its UCaaS solution partners Cisco and RingCentral to incorporate and roll out new features in the company's solution in a timely manner but does not own these product road maps. It will have to continue work diligently ongoing to help ensure its own customer priorities accounted for in the partner road maps. Further, AT&T should work to extend its partner ecosystem to enable integrations and customizations on a much grander scale to meet the needs of enterprises using many and varied services types and software across their company locations.

Consider AT&T When

Enterprises should consider AT&T when they are looking for a single provider from which they can procure a tier 1-backed UCaaS solution that comes with network security services, visibility, and reliability and is integrated with other communications and collaboration solution elements, such as videoconferencing and contact center services.

APPENDIX

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 it 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

Unified Communications as a Service

IDC defines UCaaS offerings as integrated voice, video, messaging, and meeting services delivered via IP in the cloud and sold on a monthly recurring subscription basis. UCaaS service providers and OTT UCaaS providers make up the bulk of the market, with vendors from the infrastructure side filling in the balance. See *IDC TechBrief: Unified Communications as a Service* (IDC #US46748020, August 2020) for more information on the four segments of the UCaaS market and an overview of the two segments that comprise the UCaaS service provider assessment in this document, namely, network carriers/cable operators with UCaaS solutions and OTT UCaaS service providers. These service provider segments are defined briefly in the sections that follow.

UCaaS Service Providers

These service providers are typically major global network carriers but may also be tiers 2 and 3 network carriers and cable operators that sell cloud-based multitenant/multi-instance UCaaS offerings. UCaaS service provider solutions are often based on a third party–enabling UCaaS platform that the providers sell directly to business buyers or sell indirectly through channel partners. The service provider upgrades, supports, operates, and manages the UCaaS platform either in its datacenter or in a partner's datacenter. UCaaS service provider offerings are most often based on the carrier's or operator's global or regional network infrastructure, but some are based on an OTT UCaaS offering.

OTT UCaaS Service Providers

These UCaaS service providers use an existing broadband data connection as the foundation on which integrated UCaaS capabilities are layered.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide UCaaS Service Providers for SMB 2021 Vendor Assessment* (IDC #US47452421, February 2021)
- *U.S. Enterprise Communications Services Survey, 2020: Hosted VoIP/UCaaS Adoption and Buying Criteria* (IDC #US46938820, December 2020)
- *U.S. ECS Survey, 2020: Enterprise Investment Priorities* (IDC #US46339220, December 2020)
- *U.S. Enterprise Communications Services Survey, 2020: Top-Line UC&C Results* (IDC #US46372820, December 2020)
- *Direct Routing for Teams: More Than Just Cost Savings* (IDC #US46938620, December 2020)
- *UCaaS Service Providers Market Overview* (IDC #US46747220, August 2020)

- *IDC TechBrief: Unified Communications as a Service* (IDC #US46748020, August 2020)
- *IDC Market Glance: Unified Communications and Collaboration, 1Q20* (IDC #US46094820, March 2020)

Synopsis

This IDC study represents a vendor assessment of service providers offering unified communications as a service (UCaaS) for enterprise using the IDC MarketScape model. The assessment reviews both quantitative and qualitative characteristics that define current market demands and expected buyer needs for UCaaS solutions. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to one another, and the framework highlights the key factors that are expected to be the most significant for achieving success in the worldwide UCaaS market over the short term and the long term.

"Enterprises need a service provider that can deliver on the promise of UCaaS flexibility, reliability, security, integrations, and a vision for how it contributes to the broader role of unified communications and collaboration across their organization, especially as hybrid work models begin to emerge," says Denise Lund, research director, IDC's Telecom and Unified Communications research. "Paramount to success are a broad and rich portfolio of UCaaS services and integrations, as well as enterprise-grade support and implementation services."

About IDC

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