

IDC MarketScape: Worldwide Communications Platform as a Service 2023 Vendor Assessment

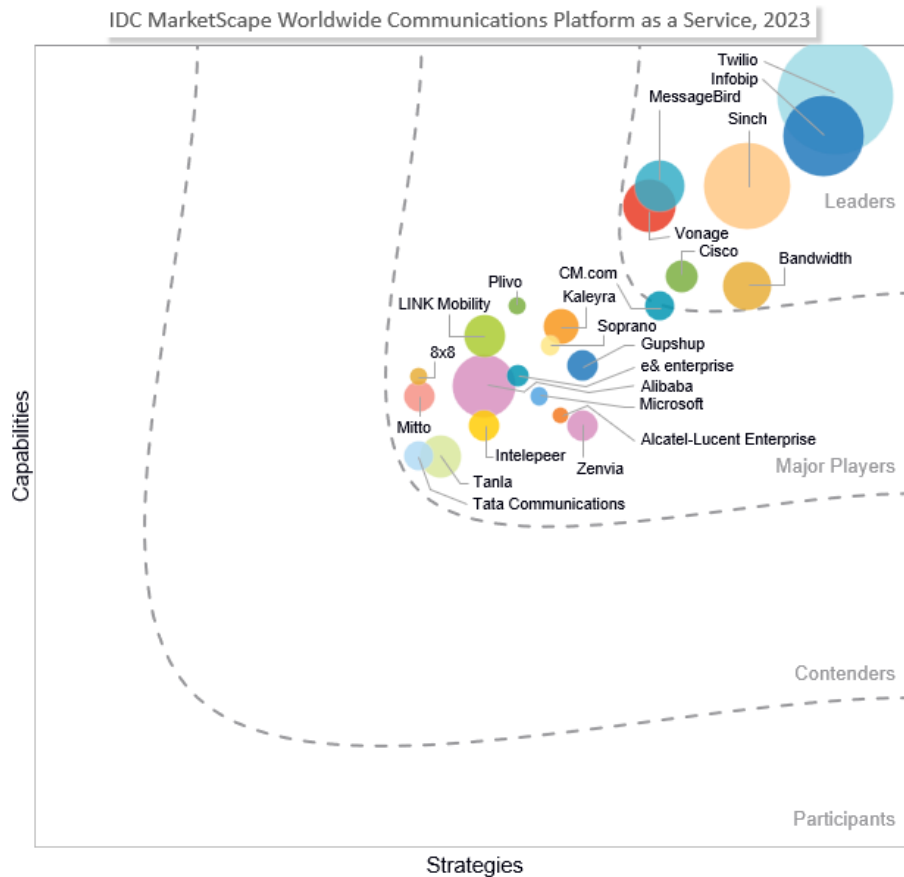
Courtney Munroe Melissa Fremeijer-Holtz

THIS IDC MARKETSCAPE EXCERPT FEATURES E& ENTERPRISE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Communications Platform as a Service Vendor Assessment



Source: IDC, 2023

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Communications Platform as a Service 2023 Vendor Assessment (Doc # US50607923). 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 communications platform-as-a-service (CPaaS) segment is in transition. Over the past few years, companies in this segment benefited from a tsunami of growth driven by the demand and subsequent adoption of digital customer engagement platforms. However, the economic and social environment is different, and companies are no longer focused on impressive growth metrics. CPaaS companies thrived on the promise of years of 30%+ annual growth, attracting investment and hordes of new entrants. Today, there is a muted atmosphere born of the reality of investor wariness and disappointment fueled by overambitious growth.

However, despite the setbacks of slowing sales cycles, restructuring, and downsizing, the industry is still one of the strongest IT sectors, with attainable double-digit *and profitable* growth in reach of many companies. While many companies are well along on their digital transformation journey, refining and perfecting customer engagement is still a complex process. CPaaS providers are ideally suited to meet the requirements of companies to simplify, automate, and delight customers. The addressable market is expanding driven by new tools, and the march of technology, that is opening up new possibilities for companies in this segment.

The 2023 IDC MarketScape for CPaaS is IDC's most ambitious study of the CPaaS segment to date, with assessments of companies across the geographic and strategic spectrum. It represents a new chapter in the evolution of the industry and one that will witness a new wave of creativity as companies take on the dual challenges of meeting shifting enterprise requirements and the demands of investors.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC included CPaaS providers that met the following requirements for inclusion in this IDC MarketScape:

- Offering service in multiple countries or continents
- CPaaS revenue of at least \$50 million in 2021

ADVICE FOR TECHNOLOGY BUYERS

This is a great time for developers within the enterprise to leverage the benefits of CPaaS. There is a diverse range of companies to choose from, and companies will be able to find multiple providers that can serve as primary and secondary providers.

The following is a list of key attributes and factors for enterprises to consider in choosing a CPaaS partner:

- **Automation and AI-driven personalization capabilities:** The ideal partner should demonstrate the ability to reduce complexity, while integrating a diverse range of applications and platforms, to produce improved business outcomes, including reduced marketing and operational costs.
- **Unified and conversational engagement capabilities:** These include the ability to put customer channel preferences as the priority and provide channel choices depending on regional or regulatory and compliance requirements.
- **Enhanced tools and capabilities:** While a diverse range of application programming interfaces (APIs) is important, developers should consider adjacent expertise such as low-code tools, integrated CCaaS even if it's a minimal IVR, SaaS tools for agile and flexible application deployment, and customer data platform (CDP) whether in-house or via third-party integration.
- **Platform reliability and carrier integration:** Yes, CPaaS is primarily software driven, but it also relies on efficient direct connectivity with network operators. The ability to provide cost-effective global routes, with high SLAs, and the expertise to ensure secure platforms is crucial to business continuity. Seek a proven record of accomplishment, but retain a backup secondary provider in the event of the inevitable security breach.

VENDOR SUMMARY PROFILE

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.

e& enterprise

e& enterprise is positioned in the Major Players category in the 2023 IDC MarketScape for worldwide communications platform as a service.

EngageX is a division of e& enterprise group, the global technology and investment entity (formerly known as Etisalat Group) that provides telecommunications, managed services, and professional services. EngageX was founded in 2020 as e& enterprise's CPaaS entity and currently has 1,500 employees and provides CPaaS services to over 3,000 enterprise customers across the United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA), with plans to expand to additional countries. EngageX processes over 4 billion transactions annually. The CPaaS offering complements e& enterprise's cloud contact center and CRM as well as the company's IT Managed Services and Contact Center BPO, which together make up a comprehensive customer engagement services stack.

The CPaaS provider has a comprehensive portfolio of communications API functionalities, including voice, numbers masking, SMS/MMS, OTT messaging, email, and video, as well as multifactor authentication. In addition, EngageX offers conversations APIs, visual workflow builders, chatbots, and integrations with third-party vendor applications, for example, CRM, UCaaS, and payment integrations. It provides CPaaS and CCaaS solutions across the entire customer engagement journey, that is, marketing (campaigns), operations, and customer support. In addition, it provides AI/ML-enabled capabilities such as NLP, sentiment analysis, predictive analytics, intelligent routing, and personalization.

The company's customer base is diverse, with a large segment of cloud-first small businesses, although most of the company's revenue is generated by its midmarket to large enterprise customers. The company sells mostly direct but aims to grow its channel partner base and sales substantially over

the coming years. EngageX also offers vertical-specific use case solutions (e.g., healthcare, SFI, and retail) and on-premises custom solutions for data/privacy-sensitive customers like government and military. It has a three-tier support services model and offers consulting services and training to customers. Its pricing model includes pay-as-you-go pricing, monthly subscription pricing, or usage-based pricing.

Strengths

EngageX has a comprehensive portfolio and services stack. It has a wide variety of CPaaS, SaaS, and custom solutions capabilities in place that can help organisations with their omni-channel engagement strategy while increasing automation and operational efficiencies. The company is financially stable and has shown a steady increase of revenue since its inception. It has a high level of services expertise in highly regulated industries such as healthcare and banking and knowledge of regulations and compliance matters that apply to the Middle East and Africa (MEA) region.

Challenges

EngageX has all the ingredients in place to service a variety of customers but today its customer base is still limited to one region. It will need to increase brand awareness of its portfolio and capabilities across the MEA region but also across other regions to become a global player. Geographical expansion will include bold efforts to strengthen its channel-partner and ecosystem participation going forward.

Consider e& enterprise When

Consider e& enterprise if you are looking for a provider that can help build and maintain a digital-first omni-channel engagement strategy and has a high expertise in CRM, marketing automation, contact center solutions, business process automation, and ecommerce integration as well as specific vertical solutions.

APPENDIX

Reading an IDC MarketScape Graph

For 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 vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

This IDC MarketScape assesses providers categorized as communications platform-as-a-service (CPaaS) vendors. CPaaS facilitates cloud-based hosting and management of application programming interfaces (APIs). CPaaS providers offer communications APIs, which are routines, and tools that simplify the programming process required to create and implement real-time communications solutions. APIs can be embedded into enterprise applications, including mobile apps and web platforms, that enhance and automate business process applications. CPaaS offers developers APIs in multiple coding languages that can work in the language of their choice (Node.js, Ruby, PHP, .NET, Java, Python, Perl, and ColdFusion), prototype in hours, and stand up a production run in days.

CPaaS allows developers to test/dev software in a cloud environment that can then be integrated into a diverse range of third-party software and platforms, including SaaS, call center, and UCaaS platforms to improve internal communications, and enhance customer engagement. Usage is generally based on the cloud model, with up-front hardware and software costs, no contracts or commitments, and no subscription fees. Payment is based on microbilling tied to actual usage.

LEARN MORE

Related Research

- *Exploring the Versatility of CPaaS: Use Cases Across Vertical Industries* (IDC #AP50323823, March 2023)
- *IDC CPaaS Developers Survey: 2022* (IDC #US50467823, March 2023)
- *CPaaS Market Overview: Trends and Opportunities in the CPaaS Ecosystem* (IDC #EUR149955622, December 2022)
- *IDC MarketScape: Worldwide Communications Platform as a Service 2021 Vendor Assessment* (IDC #US46746221, May 2021)

Synopsis

This IDC study is IDC's most ambitious study of the CPaaS segment to date, with assessments of two dozen companies across the geographic and strategic spectrum. It represents a new chapter in the evolution of the industry and one that will witness a new wave of creativity as companies take on the dual challenges of meeting shifting enterprise requirements and the demands of investors.

According to Courtney Munroe, research vice president, Worldwide Telecommunications Research at IDC, "While many companies are well along on their digital transformation journey, refining and perfecting customer engagement is still a complex process. CPaaS providers are ideally suited to meet the requirements of companies to simplify, automate business processes and delight customers with efficient and intuitive customer engagement."

About IDC

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Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

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