IDC MarketScape: Worldwide UCaaS Service Providers for SMB 2021 Vendor Assessment
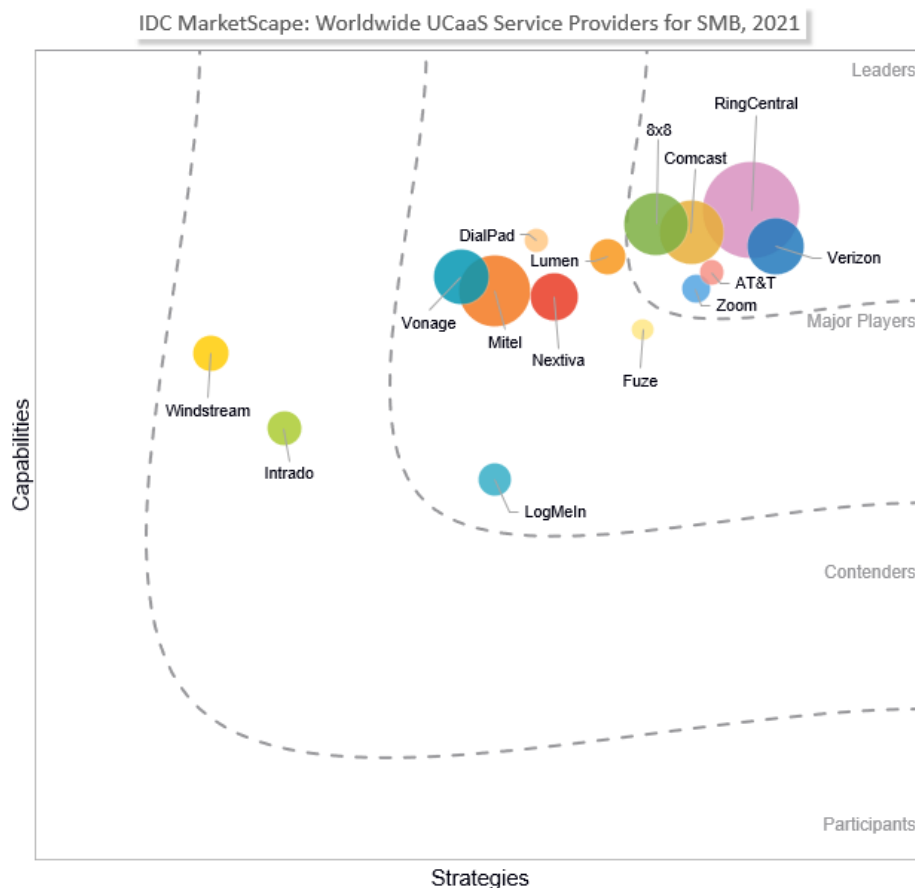
Denise Lund

THIS IDC MARKETSCAPE EXCERPT FEATURES AT&T

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide UCaaS Service Providers for SMB Vendor Assessment

Source: IDC, 2021

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 UCaaS Service Providers for SMB 2021 Vendor Assessment (Doc # US47452421). 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

- Overall UCaaS solution functionality varies, but many vendors' solutions have a base-level set of integrated voice, video, messaging, and meeting services. Features in the base-level UCaaS tier not only vary between vendors but also vary significantly as the SMB buyer looks at higher-level UCaaS solution tiers across the market.
- Differentiators include price, package composition, self-help implementation and support resources, mobile emphasis, and clear path for an SMB to have its needs met by that same vendor over time as its business changes.
- Vendors' vision of a positive user experience (UX) for SMBs is very different, ranging from simplified implementation services to easy-to-use streamlined features within the voice call and chat interface itself. Consumerized experiences are not yet table stakes in the UCaaS solution set being targeted to SMBs.

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 SMBs as defined by IDC as having fewer than 1,000 employees. Note that vendors in this assessment also target large organizations.
- 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 several other companies that IDC has included in its *IDC MarketScape: Worldwide UCaaS Service Providers for Enterprise 2021 Vendor Assessment* (IDC #US47452521, February 2021).

ADVICE FOR TECHNOLOGY BUYERS

When considering UCaaS solutions, SMB buyers must consider how a vendor's solution augments and can easily become part of their employees' daily way of working and doing business. Consider the UCaaS service providers':

- **Base-level solution functionality.** On the smaller end of SMBs are needs for entry-level UCaaS functionality at a good value. Solutions that offer the fundamentals of hosted and integrated cloud, messaging, and meeting capabilities in a bundle or package that is priced less than more full-featured solutions can be a good place for a smaller SMB to start with UCaaS. Alternatively, a full-featured solution available at an aggressive price point could be a reasonable option for SMBs, but only if the broader feature set does not slow implementation, as features such as large meeting capabilities and perhaps some included contact center capabilities are not a requirement.

- **User experience.** A critical success factor for UCaaS in the SMB environment is an employee user experience that is straightforward and familiar, easy to use and, ultimately, does not require a significant amount of technical support. Many SMBs lack technical resources, particularly in small businesses, to support implementations and drive adoption if the UCaaS solution is too complex to deploy and use.

- **Standardized customer support programs for SMBs.** Self-service tools and educational materials for SMBs are an attractive first step in the implementation process, along with easy-to-use administrator portals that can accommodate changes in the number of seats as SMB needs change. Having the option to add on more advanced, personal support and integration customization services is a good option for SMBs on the larger end of the segment to accommodate for how their business may change over time.

- **Demonstrated ability to deliver a UCaaS solution that fits with a broader set of UC&C elements.** SMBs' needs will change over time, and for many at the larger end of the segment, being able to tie their UCaaS solution into a broader UC&C offering will become a requirement. 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 its needs expand.

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 IDC MarketScape for worldwide UCaaS service providers for SMB 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 the 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 to 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. AT&T Office@Hand

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's Office@Hand is targeted to SMBs, giving customers a unified voice, fax, messaging, and meeting experience across desktop and mobile, with a variety of feature bundles to choose from. SMB buyers have access to an administrative dashboard that lets them easily choose the most cost-effective bundles for their employees' use case. Most importantly, AT&T can include in the SMB's contract, a bundle with connectivity services and business continuity services, making AT&T a one-stop shop for SMBs.

Challenges

AT&T works closely with its UCaaS solution partners Cisco and RingCentral to incorporate and roll out new features in its solution in a timely manner. AT&T does not own these product road maps; so it will have to work diligently ongoing to help ensure its SMB customer priorities are accounted for in the partner road maps, including user experience features that will be critical to winning business with SMBs.

Consider AT&T When

SMBs should consider AT&T when they are looking for a tier 1 network services provider with a flexible UCaaS solution with entry-level packages and options for bundled connectivity and business continuity 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

Small and Medium-Sized Businesses

In the Americas region, IDC defines small and medium-sized businesses (SMBs) as businesses with up to 999 employees.

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 service 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 make up 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.

Related Research

- *IDC MarketScape: Worldwide UCaaS Service Providers for Enterprise 2021 Vendor Assessment* (IDC #US47452521, 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 SMBs 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 this market over the short term and the long term.

"SMBs need a service provider that can meet their communication requirements today, grow with them into the future, and deliver an exceptional user experience for employees," says Denise Lund, research director, IDC's Telecom and Unified Communications. "UCaaS solutions that offer a good value entry point are a good way for an SMB to begin the journey."

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. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com