Magic Quadrant for Unified Communications as a Service, Worldwide

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UPDATED   This Magic Quadrant now includes links to relevant Corporate Transaction Notification research.

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UCaaS providers develop and operate cloud UC services offering superior collaboration, faster deployment and often lower cost compared to premises-based solutions. This Magic Quadrant assists digital workplace application leaders in selecting providers that best align to their organization's needs.

Strategic Planning Assumptions

- By 2023, the number of remote workers will have doubled to over two-thirds of digital workers, shifting buyer requirements to demand work-anywhere capabilities.

- By 2024, 75% of enterprise users will not use a deskphone, up from 30% in 2020.

- By 2022, 15% of organizations will rely solely on cloud office suites (Microsoft Office 365 and Google Workspace) for their business communication needs, including telephony — a significant increase from 2% in 2019.

Market Definition/Description

Gartner defines unified communications as a service (UCaaS) as a cloud-delivered service that provides many of the same functions as premises-based unified communications (UC) solutions.

Note that UCaaS has matured to the point where it is markedly superior to premises-based UC in collaboration and mobility services (see Top 3 Considerations When Moving From Premises-Based Unified Communications to Cloud-Based UCaaS). The procurement, operational and delivery models for UCaaS typically require less time and effort compared to premises-based UC.

Core Capabilities

The core capabilities of UCaaS offerings include those in the following areas:

- **Telephony:** This includes enterprise telephony features, capabilities, emergency calling services with notifications and, typically PSTN access. Providers that do not provide PSTN access services offer a "bring your own PSTN provider" strategy. Telephony services are consumed by users with either physical phones, or desktop apps, web apps or mobile apps. Telephony integration into Microsoft Office 365, including into Microsoft Teams, has become a common requirement for buyers.

- **Meetings:** This area includes multiparty audioconferencing/videoconferencing with content sharing (midsize screen and application sharing), and in-meeting messaging and file-sharing capabilities. Meeting services should be accessible via desktop app, mobile app, web app and room system. Gartner's definition of meetings for the UCaaS market limits the capabilities to internal collaboration and external "informal" meeting use cases. Other specialized use cases such as webinar, support, distance learning, etc., are sometimes available from UCaaS offerings, but are not mandatory as part of the UCaaS Magic Quadrant and Critical Capabilities research, as there is a separate market (and Magic Quadrant) defined by Gartner for meeting solutions that covers these use cases.

- **Messaging:** Messaging capabilities allow users to exchange text messages and other information in real time. Messaging has evolved to include two main modes: personal messaging for 1:1 communication, and team messaging for groups or teams using conversational user experiences. Messaging presence and status capabilities allow users to view the status of other users and resources. Messaging can also include SMS integration services, to allow end users to exchange SMS messages with external users via the UCaaS desktop, web or mobile app.

- **Software apps (formerly software clients):** These enable access to multiple communications functions from a consistent user experience. UCaaS providers offer desktop, web and mobile apps for smartphones and tablets, as well as software extensions/plug-ins that integrate with business applications such as calendars, email and CRM solutions.

- **Communication APIs and SDKs:** This area includes the ability to make available programmable interfaces that allow for the integration of discrete UC capabilities with other business and communication applications. Integration options include contact centers, marketplaces, collaboration applications, workstream collaboration, plug-in or extension integrations for leading cloud business applications, communications platform as a service (CPaaS) for digital business application integrations, and integration with business analytics and artificial intelligence (AI) capabilities.

- **Adjacent services:** This includes optional services that are not central to the UCaaS offering but that are often bundled by most providers to increase the value of the offer, both with the capabilities they offer and the lower acquisition costs (one contract to negotiate). Contact center

services and quality of service (QoS) monitoring fall into this area. For contact centers, the market generally seeks a basic to midrange set of capabilities (typically only inbound, and often just voice channel). The QoS monitoring capabilities are typically a premium set of capabilities that exceed the standard QoS reporting that most providers include at no additional charge.

Magic Quadrant

Figure 1: Magic Quadrant for Unified Communications as a Service, Worldwide

Source: Gartner (October 2021)

Vendor Strengths and Cautions

8x8

Since the initial publication of this Magic Quadrant (18 October 2021), 8x8 was a party in the following significant corporate transaction(s). For Key Background and Considerations for Technology and Service Selection, see:

- *"Closed Corporate Transaction Notification: 8x8, Unified Communications as a Service, Worldwide" (15 February 2022)*

Analysis within this Magic Quadrant remains as originally published.

8x8 is a Leader in this Magic Quadrant. 8x8 X Series includes 8x8 Work, 8x8 Contact Center, 8x8 Meet, 8x8 Team Messaging and CPaaS. 8x8's operations are geographically diversified, with a presence in 46 countries. Its customers are distributed across all segments.

Changes over the past 12 months include: meeting support for 500 users and new meeting analytics tools; the introduction of 8x8 for Microsoft Teams, with coverage in 46 countries; and 8x8 Contact Center Certified for Microsoft Teams. Other changes include: support for multinational organizations, with users in China via a partnership with a local telecommunications provider; incorporation of public and private cloud data center usage to route traffic and scale operations; and onboarding of Dave Sipes as 8x8's CEO (formerly RingCentral's COO).

Strengths
- 8x8 develops software for the entire UCaaS and contact center as a service (CCaaS) stack: integrated telephony, meeting solution and contact center. These capabilities can meet the requirements of most small, midsize and large businesses.

- 8x8 is well-positioned to deliver UCaaS and CCaaS in conjunction with Microsoft Teams workflows. Its deep integration to Teams via 8x8 Voice for Microsoft Teams enables telephony and contact center global PSTN calling using Teams across more than 40 countries.

- 8x8's CPaaS capabilities enable customers to develop customized SMS, chat, voice and video communications to support their customers via support for low-code/no-code B2C communications.

- 8x8 has increased its focus on the U.K. market. These efforts have been effective, and Gartner has observed increased 8x8 adoption in the U.K. The vendor also has a unique ability to support multinational organizations with offices in China (without the use of gateways) via a partnership with China Mobile.

Cautions
- Gartner clients reported customer service and support inconsistencies earlier in the study period of this research, resulting in mixed customer satisfaction experiences.

- Although 8x8 grew its user base in the previous year by approximately 20%, its strongest competitors (RingCentral, Microsoft and Zoom) grew their respective bases considerably more.

- For advanced use-case requirements, 8x8's meeting solution and contact center capabilities might be insufficient. 8x8 Meet lacks polling, surveying and integrated whiteboarding capabilities.

- 8x8's growing connection to the Microsoft base could be threatened if Microsoft increasingly extends telephony/voice as part of its Microsoft 365 service suite.

Cisco

Cisco is a Leader in this Magic Quadrant. Cisco's Webex includes telephony, messaging, collaboration and meetings. For Webex, Cisco relies on the same base of global channel partners, including telecom operators.

The many enhancements to Cisco Webex over the past year include: expansion of the telephony feature set for large organizations; geographic telephony expansion into 85 countries in 21 languages; and an e-commerce site for web-based purchasing. Other changes include advanced AI-based noise removal for an improved hybrid work experience, and a new self-developed Webex Contact Center. Gartner believes that Webex UCaaS is well-suited to organizations of any size.

Strengths
- The past year has seen unprecedented R&D and marketing investments from Cisco. Further, Cisco has made several key acquisitions, and has made these technologies generally available within three to four months of acquisition. Between the internal R&D efforts and the acquisitions, the pace of innovation has been among the fastest in the market.

- Cisco's partner ecosystem remains very large and global. This is expected to allow it to improve its competitive position if it remains on its present, positive trajectory.

- Cisco is the UCaaS vendor with the most complete self-developed UC portfolio, including phones, headsets, cameras, personal meeting endpoints, room meeting systems, gateways, analog terminal adapters (ATAs) and session border controllers. It also provides data networking and security infrastructure.

- The acquisition of IMImobile in 1Q21 provides Webex Contact Center with native omnichannel capabilities, interactive voice assistant support and self-service superior to what was available previously from partner integrations.

Cautions
- Cisco's hesitance in rationalizing its UC portfolio (it developed three UCaaS platforms) two to three years ago led to Webex's relatively late arrival to the UCaaS market. This resulted in buyer and

partner uncertainty when selecting a path forward with Cisco, and lost opportunities precisely at the time when the other leading vendors in this research surged strongest.

- Many Gartner clients using Cisco's on-premises solutions are adopting several Microsoft UC capabilities when transitioning to cloud UC. Customers increasingly only buy voice services and not the broader collaboration capabilities, including with Cisco. Cisco's enormous R&D and marketing investments of the past year have just begun to catch the interest of the market.

- Webex Contact Center is still maturing. Organizations seeking an integrated contact center for large and complex operations should confirm that Cisco meets their requirements and also investigate other options if required capabilities are not supported.

- Many Cisco channel partners have developed partnerships and UCaaS practices with Cisco's competition, most notably Microsoft, RingCentral and Zoom.

Dialpad

Dialpad is a Niche Player in this Magic Quadrant. Dialpad Talk and Dialpad Meetings offer telephony, meetings and messaging. Dialpad's operations are mostly in the U.S. and Asia. Its customers are distributed across most market segments.

Changes in the last year include: a new relationship with T-Mobile where it became an investor in Dialpad, a channel partner and a customer, and the acquisition of Highfive; and new "Voice Intelligence" capabilities for Dialpad Talk, Contact Center and Sell, including automatic call summaries and personally identifiable information detection. Other changes include: the expansion of Dialpad's sales teams, and the ability to contract in Canada, the U.K., the EU and Australia; and expanded integration with Salesforce Powerdialer, Slack, HubSpot and Zapier.

Strengths

- T-Mobile has taken part ownership in Dialpad, and the two have formed a strategic partnership to provide a new T-Mobile Collaborate offering powered by Dialpad. This creates a significant opportunity for Dialpad to tap T-Mobile's mobile base, and to innovate with deeper mobile service integrations. T-Mobile is now also a Dialpad customer, as it has deployed Collaborate to T-Mobile's employees.

- The acquisition of Highfive has allowed Dialpad to combine Highfive's WebRTC-based meeting capabilities with Dialpad's legacy meeting service, UberConference, into the rebranded Dialpad Meetings. This has broadened Dialpad's meeting capabilities and improved the user experience.

- New "Voice Intelligence" features for Dialpad Talk, Contact Center and Sell continue to roll out, providing differentiating capabilities for these platforms' voice services.

- Gartner's Peer Insights reviews show that Dialpad's customers value its ease of use and ability to integrate with other applications — an area that Dialpad continues to invest in.

Cautions

- Although Dialpad does not disclose the size of its user base, Gartner estimates that it is among the smaller providers in this research. Dialpad has limited market visibility with Gartner clients. Its business is skewed toward English-speaking markets, although it can support additional languages and customers in other geographic regions.

- Dialpad Meetings has been greatly enhanced through the acquisition of Highfive. However, it still lags competing solutions due to its capped 720P video resolution, more limited meeting scalability (100-user maximum in standard meetings), and lack of lobby/waiting room and other common features.

- Dialpad's Android and iOS clients lack any admin capabilities and several advanced features found in the vendor's desktop client.

- Dialpad customers have indicated, through Gartner's Peer Insights reviews, that the vendor's reporting and analytics can sometimes be inaccurate, and its customer support can be slow to respond.

Fuze

Fuze is a Visionary in this Magic Quadrant. It focuses on calling, messaging, meeting and contact center services. Its operations are geographically diversified. Customers tend to be organizations with 500 to 10,000 users, headquartered in North America, the U.K. and Europe.

Changes in the past year include: investments and expansion in Fuze Contact Center; two new Fuze for Microsoft Teams offerings — Click to Connect and Direct Routing; and expansion of developer ecosystem APIs and out-of-the-box integrations for popular applications (such as Zapier, Slack and Gmail). Other changes include multitasking support on the Fuze Mobile app and E911 enhancements, including adding emergency location and dynamic support for the Fuze Mobile app.

Strengths

- Fuze is focused on serving organizations with more than 500 users. This strategy has enabled the vendor to better align its end-user, management and integration capabilities, as well as its customer success and professional services to meet the UC needs of large organizations. Fuze serves hundreds of organizations that operate in more than one region of the world.

- Fuze has continued to invest in and improve its self-developed contact center capabilities. Fuze Contact Center has received a number of enhancements that position it as a capable unified or stand-alone option for organizations with small and midsize contact centers. Fuze Contact Center

currently only supports the voice channel. Fuze has enhanced and improved the desktop and web user experience, and also has focused on mobile apps for smartphones and tablets, thus better supporting remote agents and supervisors.

- Fuze has developed a strategy focusing on the manufacturing and transportation verticals, called Fuze for Manufacturing. Fuze's strategy includes license bundles with frequently combined options and specialized licenses (e.g., Fuze for Manufacturing Field & Floor for frontline workers). Specifically for organizations with transportation as part of their operations, Fuze has enhanced user experiences such as mobile apps with "car mode" support.

- Fuze can deliver full PSTN replacement services in 35 countries, 21 of which are in Europe and seven in the Asia/Pacific region.

Cautions

- Fuze is not aligned to organizations with fewer than 500 users; those organizations should seek a different UCaaS provider.

- Although Fuze has markedly improved its self-developed Fuze Contact Center offering, it's a voice-only solution and lacks digital channels (e.g., SMS, email, web chat, video, social), which are increasingly required by larger organizations.

- Fuze's adoption and brand recognition among Gartner clients remains low relative to other providers in the UCaaS market. Large organizations are unaware of the Fuze brand and its UCaaS capabilities.

- In previous years, the Fuze Mobile app for iOS and Android has been a point of differentiation with a distinctive user experience. The past year has seen less innovation in the app, especially when compared to the progress in mobile app user experience and capabilities from leading vendors in this research.

Google

Google is a Challenger in this Magic Quadrant. Its UCaaS offering, consisting of Google Meet, Google Chat and Google Voice, focuses on meetings, calls and messaging. Google's operations are geographically diversified. Its customers in this market tend to be midsize organizations, technology companies and academic institutions.

Major changes in the past year include: the rebranding of G Suite to Google Workspace, along with user experience improvements to Google Voice, Meet and Chat, and improved integration with Gmail; and the addition of breakout rooms to Google Meet. Other changes include: the expansion of Google Voice to Germany, Italy and Belgium, bringing the total countries supported to 14; several new AI capabilities; and data loss prevention and security enhancements.

Strengths

- The existence of Google Voice, Meet and Chat within the Google Workspace ecosystem provides Google customers with easy and cost-effective access to enterprise UC capabilities.

- Access to the Google Jamboard app on any device provides easy access to virtual whiteboarding functionality for hybrid and remote workers.

- Google's Strong Positive financial rating from Gartner indicates that the vendor has the capital to invest in enhancing its offerings and will likely remain a relevant competitor in this market for the foreseeable future.

- Gartner clients like Google's ease of use, seamless integration with other Google products, and excellent video and call quality.

Cautions

- Google's availability SLA target for all Workspace services, including Meet, Chat and Voice, is 99.9%, which is considerably lower than most UCaaS competitors.

- Google's telephony capabilities will satisfy the needs of organizations that require only a basic feature set, but not those that require a more complete set of telephony features. For example, Google does not support E911 device tracking or E911 emergency on-site notifications.

- Google Meet is held back by its capped 720P video resolution and more limited meeting scalability (250-user maximum in standard meetings). Additionally, in the past year, Google has released Google Meet to free, personal Google consumer accounts where it now overlaps with Google Duo, making the future focus of Meet's development uncertain.

- Google does not have a contact center offering. While Google Contact Center AI is used to provide AI, natural language processing (NLP), and bots for third-party contact center services, none of these services are integrated with Google Workspace.

GoTo

GoTo by LogMeIn is a Challenger in this Magic Quadrant. The GoTo service provides telephony, meeting, messaging and contact center capabilities. GoTo's UCaaS customers are mostly in North America and Latin America. Its customers are mostly in the midmarket segment.

Changes in the past year include: the unification of the functionality of GoToConnect, GoToMeeting, GoToWebinar and GoToTraining into the GoToConnect desktop and mobile app, and the launch of the unified admin portal, bringing together the administration capabilities of GoToConnect, GoToMeeting, GoToWebinar and GoToAssist. Other changes include: the addition of persistent messaging for private and group chats; support for breakout rooms in meetings; and the launch of Revenue Center, GoTo's contact center offering.

Strengths

- Among the providers featured in this research, GoTo is the vendor with the highest adoption in Latin America — specifically in Brazil and Mexico. Six new countries were also added in Europe, as well as New Zealand.

- GoTo has an attractive value proposition for organizations that seek bundled services extending beyond UC into IT support applications (GoToAssist), training (GoToTraining), events (GoToWebinar) and password management (LastPass) in their Work From Anywhere bundles.

- LogMeIn's unified app, GoToConnect, has an improved, simplified user experience on mobile and desktop.

- LogMeIn has introduced GoToConnect for Microsoft Teams, positioning it as a provider that can supplement Microsoft Teams with a more extensive set of telephony features.

Cautions

- GoTo has expanded its service area footprint in the last year, but its UCaaS base has not yet achieved significant adoption in the U.K., Europe or the Asia/Pacific region. Multinational organizations should confirm that GoTo can provide calling plans in countries where they operate.

- Although GoTo's solution currently serves and is suitable for midmarket organizations, more than 90% of its UCaaS customer base is composed of small organizations (under 100 users).

- GoTo's meeting capabilities have been and remain good, but GoTo's innovations in meetings in the past year have been modest. The vendor's competitors — specifically Cisco, Microsoft and RingCentral — are innovating at a much faster pace.

- GoTo does not yet support virtual desktop infrastructure (VDI) or device as a service (DaaS) environments with its new GoTo desktop app, although DaaS is part of the LogMeIn Pro offering. Organizations using VDI and DaaS represent a small share of the UCaaS market.

Microsoft

Microsoft is a Leader in this Magic Quadrant. Its Microsoft Teams service offers telephony, messaging and meeting capabilities. Its operations are geographically diversified, and customers are distributed across all segments.

Changes in the past year include: Microsoft Calling Plans expanded from 11 to 28 countries; Microsoft Operator Connect program launched; Microsoft Teams Connected contact center certification program launched; multiwindow ("pop-out") calling; and the Voice-Enabled Channels feature (lightweight call-center-like capability). Other changes include: Microsoft's Certified Compliance Recording program; the addition of location-based routing and live captions for calls;

over 1,000 apps added in the Teams App store; and Desktop App enhancements to reduce CPU and battery consumption.

Strengths
- The adoption of Microsoft Teams for UC over the past year has surpassed that of every other provider in this research by more than an order of magnitude. Microsoft has reported nearly 80 million monthly active Microsoft Teams Phone System users and nearly 250 million monthly active users of Teams.

- Microsoft has two strong onramps for UC: messaging and meetings. End users adopt Teams quickly for those services, and when organizations later seek telephony, they will explore Teams.

- Although Microsoft cannot deliver an entire UC portfolio (e.g., desk phones, ATAs, gateways, session border controllers) as some competitors do, it has developed and matured formal certification programs for phones, personal audio peripherals, room systems, contact center applications, gateways and session border controllers, call recording, and direct PSTN operator peering. These certification programs are vital to gain adoption with organizations larger than 1,000 users.

- Microsoft's footprint expansion and lower-priced calling plans have created significant interest among small and midsize businesses (SMBs). SMBs are often hesitant to use Microsoft's Direct Routing and a telco because it requires a separate procurement and integration, which they frequently perceive as too complex. Lower-priced calling plans are of interest to this segment.

Cautions
- Gartner clients report that administration of Microsoft Teams is not as unified as that of its competitors, specifically Cisco and RingCentral. Some clients cite that there is too much reliance on Microsoft Powershell for administrative and provisioning tasks. Microsoft also lacks real-time performance monitoring capabilities, and does not provide real-time performance data to third-party monitoring applications.

- Microsoft cannot address organizations that require advanced telephony features (such as advanced multiline hunt group capabilities, and advanced queuing and interactive voice response [IVR] capabilities). This has given rise to a multitude of providers creating offerings that are meant to only provide telephony for Microsoft Teams. This allows competitors to land a beachhead in accounts, and some organizations to switch to other providers.

- Many midsize and large organizations have the perception that Microsoft's telephony is not reliable enough, and they are skeptical about voice quality. Gartner has not observed evidence indicating significant reliability issues with Microsoft Teams Phone System.

- Microsoft does not have contact center capabilities. The UCaaS market has seen an increase in demand for a bundled contact center.

Mitel

Mitel is a Challenger in this Magic Quadrant. Its MiCloud Connect offering provides telephony and messaging, and can be purchased together with MiTeam Meetings (powered by Amazon Chime). Mitel's UCaaS operations focus primarily on North America, the U.K. and Australia. SMBs represent approximately 90% of MiCloud Connect's customer base.

Changes in the past year include: MiCloud Connect's migration into the Google Cloud Platform, and MiTeam Meetings added meeting recording capabilities and mobile apps for iOS and Android. Other changes include Microsoft Teams direct routing integration and the launch of a partner-managed program enabling certified partners to manage the entire customer relationship, from lead to implementation/activation to ongoing support.

Strengths
- Mitel has a broad partner ecosystem with local sales and industry-specific insight expertise. This network enables Mitel to have a reach across unique market segments.

- Mitel users generally report satisfaction with the quality of customer support. When service interruptions occur, the vendor prioritizes technical support.

- Mitel positions various paths to the cloud, which enables customers to move at their own pace with various flexible provisioning, ownership and license options.

- Prices for Mitel's MiCloud Connect are lower than those for many competing offerings, which makes it attractive for businesses heavily influenced by cost pressures.

Cautions
- MiCloud Connect availability does not fully align with Mitel's installed base for premises-based telephony. Mitel's customers outside of the U.S. Canada, the U.K. and Australia do not have the option to migrate to MiCloud Connect with full emergency calling support.

- Mitel's product/service delivery innovation, broad geographic PSTN delivery capabilities and meeting scalability enhancements have lagged behind leading UCaaS providers.

- Mitel's MiTeam Meetings solution lacks some advanced features and may not align with requirements for external meeting presentations and/or internal collaboration use cases. The solution currently supports up to 100 users (16 videos).

- Mitel continues to support a broad range of legacy UC solutions in its global portfolio; the vendor's R&D, go-to-market, training, and sales and support resources must be shared across many offers,

as opposed to more narrowly directed toward the strategic MiCloud Connect UCaaS solution.

RingCentral

RingCentral is a Leader in this Magic Quadrant. Its UCaaS platform is RingCentral MVP, and it provides telephony, messaging, meetings, fax and an add-on contact center. RingCentral is well-suited for customers of all sizes, including enterprises. Most customers are in North America and Europe, but the vendor also serves part of Asia and Latin America.

Notable enhancements over the past 12 months include: new strategic partnerships with Verizon and Vodafone, with e-commerce investments for direct sales, and a massive investment in RingCentral Video meetings, adding virtual backgrounds and closed captioning. Other changes include redesigned mobile and desktop clients with user experience advancements rivaling top competitors, and expanded developer support via RingCentral Engage APIs.

Strengths
- RingCentral continues to expand revenue above 30% despite strong competition from Microsoft and Zoom. Its strong marketing, strategic partnerships and e-commerce sales help deliver this growth.

- RingCentral has a high contact center competency. Customers are offered NICE inContact for larger deployments and RingCentral's own Engage Digital with omnichannel capability for digital-first deployments.

- The vendor has a powerful brand and reputation across customers of all sizes. Gartner client feedback regarding RingCentral is positive.

- RingCentral has executed well on the migration of users from RingCentral Meetings (powered by Zoom) to its self-developed RingCentral Video. The vendor invested very heavily in meetings this past year and, specifically for the internal collaboration use case, has narrowed the gap between RingCentral Video and the leading competitors (Zoom, Cisco and Microsoft).

Cautions
- RingCentral faces significant threats from even stronger brands such as Zoom and Microsoft. In addition, the Cisco threat is expected to become stronger as it has also invested heavily in Webex in the past 18 months, and has a much more capable and innovative offer than previously.

- RingCentral's core strength has been telephony. While telephony remains important, users increasingly place greater value on meetings, messaging, mobility and customer experience — areas where RingCentral continues to make significant investments.

- The internal RingCentral Video solution is much improved year over year, but is still trailing the solution from better-known Zoom in areas such as user familiarity, brand, support for large groups

and advanced features.

- Some customers cite that the vendor's sales reps lack in-depth knowledge of RingCentral MVP and its future roadmap. We attribute this to the breadth and expansion of channel partners, with some better than others.

Sangoma

Sangoma is a Niche Player in this Magic Quadrant. Sangoma acquired Star2Star in early 2021. The combined company supports telephony, meetings, contact center, SD-WAN, DaaS, trunking, messaging, access control and CPaaS capabilities. More than 90% of its users reside in North America. Given that Sangoma has a considerable share of its business in premises-based UC outside the U.S., there is potential for expanded international growth. Sangoma is well-suited to the midmarket, where customers are inclined to purchase bundled IT services.

Key changes in 2021 include: an expanded base of Sangoma channel partners and access to more customers; new API-enabled communications modules for business processes; Microsoft Teams voice integration; and new bundles for an expanded base of work at home (WAH) employees.

Strengths
- Sangoma has value-based pricing that is attractive to cost-sensitive customers seeking a rich, highly available telephony experience. This is further cemented with an attractively priced contact center for users in the under-50 agent range.

- Sangoma's UCaaS suite and related offerings (SD-WAN, DaaS, contact center, API-enabled communications, handsets, session border controller [SBC], access control, trunking and fax) are well-suited for midmarket customers seeking a bundled solution.

- The Sangoma relationship expands the vendor's UCaaS addressable market on three fronts: (1) the existing base of legacy Sangoma customers seeking to merge to the cloud; (2) legacy Sangoma channel partners; and (3) a broader global footprint.

- Integration Studio is a visual builder that allows low-code design and implementation of communications workflows using SMS, voice, email and APIs. This capability can be leveraged by organizations to increase productivity.

Cautions
- Integrating the people, processes and technologies between Sangoma and Star2Star comes with risks and will take significant management effort through 2021. This, in turn, will make focusing on innovations more challenging.

- Sangoma now supports multiple on-premises telephony and multiple cloud telephony options, and therefore cannot apply all of its R&D and support resources to UCaaS.

- Sangoma has little brand recognition with Gartner clients and will be challenged to build brand awareness within the UCaaS market, especially when compared to leading competitors.

- The user expectations for meetings are very high due to COVID-19. Many organizations will prefer solutions with highly rated user experiences, such as Zoom, Microsoft Teams, RingCentral or Cisco Webex, over even "good" solutions from providers like Sangoma.

Vonage

Vonage is a Niche Player in this Magic Quadrant. Its offering is Vonage Business Communications (VBC), and it supports telephony, messaging and meetings. VBC integrates with Vonage's CPaaS and CCaaS. VBCs customer base is North America-SMB-centric, but can support enterprises. Recent service expansion extends service to Europe and the Asia/Pacific region.

Key changes in 2021 include: Vonage Meetings improvements (scalability, mobility, host controls, recording and security); expansion of full PSTN replacement availability to 40 countries; and Microsoft Teams integration (enables calling and SMS). Other changes include VBC integration with Vonage Contact Center (single sign-on, presence, shared directory and messaging/video capabilities) and Improved multisite administrator support.

Strengths
- Vonage consistently receives positive feedback from customers on service and support resolution. The vendor extends customer success managers to small and large users, and leverages customer service software to proactively obtain data to support the customer base.

- VBC capabilities are aligned to meet the UCaaS requirements that most organizations desire, with an intuitive user interface and straightforward administration capabilities.

- VBC is tightly integrated with the Vonage Contact Center. Organizations with contact center and UCaaS capabilities can benefit from a consistent user interface, single sign-on, common call controls and a common directory.

- Vonage's microservices-based platform approach enables customers to more easily integrate with business applications.

Cautions
- While Vonage has significantly expanded its geographic footprint over the past 12 months, its international service delivery capabilities are immature, especially in the Asia/Pacific region.

- Vonage Meetings might not meet advanced use case requirements for meetings. The solution currently supports up to 100 participants (25 videos), but does not natively support transcription, large events, whiteboarding or room integrations.

- Vonage's reporting and analytics capabilities remain less advanced compared to some UCaaS providers.

- Although Vonage's financial rating score (based on Gartner's rating system) has improved year over year, it has a Caution financial rating.

Wildix

Wildix is a Niche Player in this Magic Quadrant. Wildix is a sales-oriented UC platform that supports telephony, meetings and conferencing via a web-based approach. Wildix's meeting solutions include Wizyconf (audio, video and chat meetings) and Wizyconf Huddle-Room and Conference Room (for rooms); WebRTC KITE (enables external customers to communicate via chat, audio and video through a company's website); and Wizywebinar (the Widix event/webinar solution).

Enhancements in the past year include: webinar capability improvements with expanded support for up to 5,000 users; text-to-speech improvements with support for 32 languages; and Integration to Microsoft Teams calling, as well as Gong.io and Facebook Messenger.

Strengths
- Wildix positions its sales-oriented solution by emphasizing native WebRTC support, which enables users to access UC services without downloading desktop clients or browser plug-ins.

- Wildix's web-based approach and broad country-level PSTN replacement capabilities (provided by Wildix partners) can satisfy the requirements of sales-focused organizations with a highly distributed sales and support staff.

- The ubiquitous nature of browsers, combined with Wildix's WebRTC capabilities, enables sales and support for organizations prioritizing B2C interactions via the web as part of their communications strategy.

- Wildix utilizes a 100% indirect/channel-based go-to-market approach, eliminating potential direct/indirect conflict.

Cautions
- Measured by revenue and organizational size, Wildix is by far the smallest provider in this research. Thus, it is expected to be challenged in competing with other providers that have R&D budgets that are larger by an order of magnitude, and with a constant focus on innovation and growth.

- Wildix's offering is oriented as a tool to enable sales and support roles within organizations, as opposed to a standard UCaaS offering. Also, Wildix's UCaaS solutions, relative to other providers in this research, lack deep integration into adjacent software applications, making industry-specific integrations more challenging.

- The user experience of end-user interfaces (for example, the look and feel of meeting invitations) lacks professional-grade characteristics when compared with those of leading UCaaS providers.

- Wildix's branding and messaging (including Wildix platform, WebRTC KITE, x-bees, Wizyconf and Wizywebinar) lack cohesiveness for the typical UCaaS buyer, making the positioning of capabilities unnecessarily complicated. The vendor's prominent positioning of its portfolio as a sales tool limits its reach in the UCaaS market.

Windstream

Windstream is a Niche Player in this Magic Quadrant. Its OfficeSuite UC service delivers telephony, messaging and mobility features. Its operations are predominantly in the U.S. Over 90% of its customers are SMBs.

Changes in the past year include: the release of OfficeSuite UC Insight Engine, which provides useful reminders to end users and allows administrators to set thresholds and alerts based on call volumes, uptime/downtime statistics, etc., and Microsoft Office 365 integration and single sign-on for mobile clients. Other changes include: the "We Will" promotion, featuring a 100% SLA if using Windstream SD-WAN, a 100% satisfaction guarantee and bundles incentivizing purchase of OfficeSuite with other Windstream services; a new customer success program; and several WE Connect administrator portal enhancements.

Strengths
- Windstream offers optional bundles for network access, SD-WAN and professional services that enable it to serve as a "one-stop shop" for small and midmarket organizations.

- Windstream provides a unified portal, WE Connect, for network and device monitoring, call quality analytics, availability monitoring, bill paying, and system administration. WE Connect is accessible from a web or mobile client, which enables administrators to be more mobile.

- OfficeSuite HD Meeting is powered by Zoom's meeting capabilities. While some functionality is missing (such as Zoom Room support), Windstream still benefits from a best-in-class partner meeting solution.

- The vendor has a strong industry focus, with multisite customers in healthcare, retail and financial services.

Cautions
- Windstream emerged from Chapter 11 bankruptcy protection in September 2020. Its Kinetic business unit aimed at small businesses has had flat revenue, while the Windstream Enterprise business unit has had declining revenue for the past four quarters. Windstream's operations are

supported in part with a $750 million loan it secured after it announced bankruptcy in 2019, which matures in 2027.

- Windstream's geographic presence is limited, compared with that of other competing providers in this research. It relies on partners to support all customers outside the U.S. and Canada. Its administrator portal is only available in English. Windstream can only contract with customers in the U.S.

- Specifically for Windstream's OfficeSuite UCaaS service, customers are almost entirely small organizations (fewer than 100 users), with some in the midmarket (100 to 1,000 users). Windstream has a limited track record for supporting organizations with more than 1,000 users.

- Windstream is not a well-known provider in the UCaaS market. Among Gartner clients, there is limited interest in Windstream's UCaaS offering.

Zoom

Zoom is a Leader in this Magic Quadrant. Zoom UC offerings include telephony, meetings and messaging. Its global operations reach almost every region. Zoom is well-suited for customers of all sizes, including multinational organizations.

Changes in the past year include: Zoom Power Pack, a desktop experience for reception console users and an enhanced dashboard for real-time and historic call queue analytics; and a hardware-as-a-service option for IP phones in 18 countries. Other changes include: Zoom United, a bundled phone, meeting and chat offering for less complexity and commercial effectiveness; Zoom Phone Appliance, allowing a seamless Zoom app experience for desk phones; and Premium support tiers for offering more special-care services for large enterprises.

In 3Q21, Zoom announced its intent to acquire contact-center-as-a-service provider Five9 in 1H22. This proposed acquisition is not evaluated in this research.

Strengths
- The vendor has experienced astonishing growth in its Zoom Phone user base in the past year. Other than Microsoft, no other provider has increased its base as quickly as Zoom. In the one-year study period of this research, Zoom added over 1 million Zoom Phone users. The vendor continues leveraging the Zoom brand and aggressive incentives as a means to attach Zoom Phone services to Zoom Meetings customers.

- Zoom has added 189 telephony features in the last year, including nomadic E911, integrations with Singlewire InformaCast, cloud peering with BT/Lumen/OBS, Citrix VDI media offload and fax support. It also launched the Zoom Power Pack attendant console.

- Zoom reported adding 400 support agents and 12 engineers to its 24/7 network operations center. Zoom now offers support services in seven languages and administrator portals in 10 languages. It also added two new paid-for levels of support, with direct access to Level 2 support teams and priority response targets.

- Zoom Phone offers full PSTN replacement in 46 countries, and supports a bring-your-own-carrier option for countries outside its footprint. With this reach, Zoom Phone has gained the interest of multinational organizations.

Cautions

- Zoom, as others in the UCaaS market, faces increasing competition from Microsoft in telephony and meetings with organizations subscribed to Microsoft 365 and using Teams. A majority of Gartner clients subscribe to Microsoft 365. Messaging is almost always awarded to Microsoft. Zoom's opportunity with such organizations remains with telephony integrated into Microsoft Teams and meetings.

- In the most challenging telephony environments, such as hospitals, manufacturing, field services and retail, Gartner clients select providers with the most extensive capabilities and a longer track record, such as RingCentral, Cisco and 8x8. Zoom Phone's latest developments are expected to increase adoption with these specialized use cases.

- UCaaS buyers with smaller or simpler contact center needs have increasingly been seeking UCaaS providers that offer bundled contact center capabilities. Although Zoom supports call queueing and IVR, it does not offer a contact center capability. Zoom has out-of-the-box integrations with five contact center partners; however, these must be procured separately.

- Although Zoom is building up a network of indirect channels, the vendor realizes most (approximately 80%) of its Zoom Phone revenue through direct field sales. This approach, coupled with the high rate of growth, has resulted in some smaller Gartner clients reporting delays in implementation and account management.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant 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

- Wildix was added to this Magic Quadrant.

- In the previous iteration of this Magic Quadrant, Sangoma appeared as Star2Star. The name change follows the acquisition of Star2Star by Sangoma in January 2021.

Dropped

- Alcatel-Lucent Enterprise was dropped from this Magic Quadrant because it does not meet the inclusion criteria.

Inclusion and Exclusion Criteria

Gartner's Magic Quadrant and Critical Capabilities research identify and analyze the most relevant providers and products in a market. By default, Gartner imposes an upper limit of 20 vendors per report to focus on the most relevant providers in a market. On some occasions, however, the upper limit may be extended, when the report's value to clients might otherwise be diminished.

The following inclusion criteria represent the specific attributes that Gartner analysts deemed necessary for a provider to appear in this Magic Quadrant:

- **Self-developed, multitenant UCaaS core software**: UCaaS providers must develop the core software for calling, desktop/mobile/web clients and admin portal capabilities. Messaging, meetings and QoS monitoring can be self-developed or developed by a technology partner. The UCaaS platform can be distributed across global regions, but each regional service node *must* be multitenant (a service node is the complete UCaaS application and runtime environment, serving hundreds or thousands of customers).

- **Provider-operated core**: UCaaS providers must operate (manage, monitor, support, upgrade) the core UCaaS software platform for calling/telephony, messaging, meetings and admin portal. Contact center and QoS monitoring can be operated by the UCaaS provider or a technology partner. Compute, storage and networking for back-end services can be managed by the UCaaS provider or by a technology partner.

- **User base**: UCaaS providers must have a total user base of at least 300,000 users with calling capabilities. At least 10 customers must have over 2,000 users entitled to calling/telephony services.

- **Geographic serving area and user base split**: UCaaS providers must support (offer service in) at least two of the three regions listed below. UCaaS providers must have 25,000 or more of their user base entitled to calling/telephony in two or more of the following regions:

    - Region 1: North America — the U.S. and Canada

    - Region 2: Europe — the U.K. and Western continental Europe

- Region 3: Asia/Pacific — must include at least one of the following: Australia, New Zealand, India, Hong Kong, Singapore, Japan or China

- **Sales and support**: UCaaS providers must have more than 100 sales and support staff in at least two regions from the above list of regions.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate providers on the quality and efficacy of the processes, systems, methods and procedures that enable their performance to be competitive, efficient and effective, and to positively impact their revenue, retention and reputation, in relation to Gartner's view of the market.

Product or Service: This criterion assesses core UCaaS services offered by providers that compete in and serve the defined market. Included are current product and service features and capabilities; QoS and service levels; availability and performance consistency; skill levels within various organizations (especially operations and support); and the balance of self-developed capabilities and those provided through OEM agreements or partnerships.

Key components include:

- Core unified communications and collaboration (UCC):

  - Enterprise telephony

  - Personal and team messaging (instant messaging and presence)

  - Online meetings

  - Mobility, personal and shared device offerings (sale/rental/management)

- Management:

  - Customer administration portals

  - Life cycle and change management

  - Reporting (usage, performance and monitoring, availability, service status, incidents)

  - Dashboards and service incident management

  - Change order management

- - Analytics

  - Mass provisioning

  - Payments and notifications

- Adjacent or complementary offerings:

  - Contact centers

  - Network services

  - CPaaS

Overall Viability: Viability includes an assessment of the organization's overall financial health, as well as the financial and practical success of the business unit. It also assesses the likelihood of the organization continuing to offer and invest in the product, as well as the product's position in the current portfolio.

Key components include:

- Corporate financial health

- Corporate commitment to UCaaS

- Revenue trends

Sales Execution/Pricing: This criterion assesses an organization's capabilities throughout all presales activities, as well as the structure and processes that support these activities. Included are deal management, licensing, pricing, evaluations, proofs of concept, approach to negotiation, presales support and the overall effectiveness of the sales channel.

Key components include:

- Direct sales

- Indirect sales via channel partners

Market Responsiveness/Record: This criterion assesses a provider's ability to quickly respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. It also considers the provider's history of responsiveness to changing market demands.

Marketing Execution: This criterion assesses the clarity, quality, creativity and efficacy of programs designed to deliver a provider's message in order to influence the market, promote a brand, increase awareness of products and establish a positive identification in the minds of customers. This mind share can be driven by a combination of publicity, promotional activity, thought leadership, social media, referrals and sales activities.

Customer Experience: This criterion assesses products and services and/or programs that enable customers to achieve anticipated results with the products evaluated. Specifically, this includes quality supplier/buyer interactions, technical support and account support. This may also include ancillary tools, customer support programs, availability of user groups, service-level agreements, etc.

Key components include:

- Procurement experience (ease of procurement)

- Customer administration portal experience

- Account management

- Technical assistance tools

- Customer support experience

Operations: This criterion assesses the ability of the provider to meet goals and commitments. Factors include quality of the organizational structure, skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium

Evaluation Criteria ↓	Weighting ↓
Marketing Execution	High
Customer Experience	High
Operations	Medium

Source: Gartner (October 2021)

Completeness of Vision

Gartner analysts evaluate providers on their ability to convincingly articulate logical statements about the market's current and future direction, innovation, customer needs and competitive forces, in light of Gartner's view of the market.

Market Understanding: This criterion considers a provider's ability to understand customers' needs and to translate that understanding into products and services. It favors providers that demonstrate a clear vision of their market, listen to and understand customers' demands, and can shape or enhance market changes with their vision.

Key components include:

- Completeness of the UCaaS offering across the main pillars: calling, meetings, messaging, mobility and management

- Complementary professional, support, life cycle/change management and managed services

- A track record of UCaaS functionality and service offerings

- A roadmap to evolve the above in anticipation of the market's future needs

Marketing Strategy: This criterion looks for clear, differentiated messaging that is consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements.

Sales Strategy: This criterion looks for a sound strategy for selling that uses appropriate networks, including direct and indirect sales, marketing, service and communication. It also considers any

partners that may extend the scope and depth of a provider's market reach, expertise, technologies, services and customer base.

Offering (Product) Strategy: This criterion looks for an approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements. It also considers bundling strategies, user adoption of the full range of UCC capabilities and any acquisitions.

Business Model: This criterion assesses the design, logic and execution of an organization's business proposition for achieving continued success.

Vertical/Industry Strategy: This criterion assesses an organization's strategy to direct resources (sales, product and development), skills and products to meet the specific needs of individual market segments, including industries.

Innovation: This criterion assesses a provider's direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes. It also evaluates the pace of product, technology and service innovation.

Geographic Strategy: This criterion evaluates a provider's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside its "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate.

Key components include:

- The ability to deliver a full PSTN replacement in multiple regions and countries

- Localization/country homologation — for example, in relation to languages in end-user clients, administration portals and audible announcements

- Local/regional sales and support

- Local currency contracting and billing

- In-region data center and point-of-presence locations

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	*Weighting* ↓
Market Understanding	High

Evaluation Criteria ↓	Weighting ↓
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	Medium
Geographic Strategy	High

Source: Gartner (October 2021)

Quadrant Descriptions

Leaders

Leaders have been delivering complete UCaaS solutions for years. They have established bases of enterprise customers and support large numbers of users. They have comprehensive and integrated UCaaS solutions that address the full range of market needs; a proven ability to serve large organizations; and a commitment to three or more geographical markets. They have defined migration and evolution plans for their products in core UCaaS areas, and they are using their solutions to acquire new customers, expand their geographical footprints and innovate in new functional areas.

Challengers

Challengers have the ability to deliver UCaaS to large organizations. They have yet to become Leaders because their UCaaS solutions lack some elements, their customer support is still evolving,

they do not offer differentiated services or most of their users deploy only certain aspects of UC.

Visionaries

Visionaries have an ambitious vision of the future, and are making significant investments to develop unique technologies. Their services are still emerging, and they have many capabilities in development that are not yet generally available. Although Visionaries may have many customers, they might not yet serve a broad range of use cases well. Visionaries are close to, or are already, delivering differentiated UC functionality or services, but have not yet established themselves in the enterprise market. This may be due to an inability to support multiple large customers, a lack of proven ability to support panregional UCaaS deployments or limited brand-name recognition. Some providers may be Visionaries because of only one or two shortcomings, such as inconsistent customer service.

Niche Players

Providers may be Niche Players for a variety of reasons. For some, it may be because of limited brand-name recognition or because they lack a robust marketing ability to sell beyond their home region. For others, it may be because their solution is relatively new, their customers may be using only a limited amount of UC functionality, their feature set may be weak in certain areas or their customer service may be inconsistent.

Context

In comparison with premises-based UC solutions, the functional, commercial advantages of UCaaS in the developed regions of the world are numerous. Currently, the vast majority of UC R&D budgets are being allocated to cloud-based solutions. Vendors are selling few net new premises-based UC systems, and therefore are investing little in feature development and innovation for on-premises UC platforms. With UCaaS, the desktop user experiences, mobile capabilities, performance and analytics dashboards, and management portals are superior. Cloud UC solutions require much less expertise from customer administrators compared to premises-based solutions. Digital workplace application leaders recognize these advantages and therefore almost always seek UCaaS.

SMBs

UCaaS has been the preferred deployment model for businesses with fewer than 1,000 employees for well over six years, with only two exceptions. The first exception is when, for such organizations, the network bandwidth required for adequate voice/UC performance is lacking, its price is too high, or its resiliency and availability is unsuitable to connect to UCaaS providers. This case is seldom seen with organizations in developed regions. The second exception concerns organizations with 500 to 999 employees that: (a) believe their UC users will not require modernization over the next three years; (b) have the expertise to manage on-premises infrastructure; and (c) can do so for a total cost of ownership lower than the market price for UCaaS. This case is also rare among Gartner clients.

The vast majority of SMBs should explore cloud solutions. The market is increasingly competitive, pricing is improving, innovation is strong and few organizations wish to continue managing premises-based UC infrastructure.

Midsize Enterprises

Most midsize enterprises — those with 1,000 to 5,000 users — are well-suited to UCaaS. Many of the vendors evaluated in this Magic Quadrant are viable choices for such enterprises, and have long lists of customer references to prove it. Many regional UCaaS providers not featured in this research can also be good options.

Some midsize enterprises may operate hybrid environments. These organizations may migrate the majority of employees to the cloud, but use premises-based infrastructure in countries with restrictive regulatory requirements or unsuitable data network connections. This is a declining design pattern, as the number of countries with unsuitable data networking services is quickly shrinking.

Large Enterprises

Gartner observed that 52% of clients pursuing UCaaS in the past year belong to organizations having more than 5,000 users. The adoption of UCaaS among the largest segment has become the default desired option.

Large enterprises investing in premises-based UC must understand that there is little R&D investment in this technology by vendors. If they buy a new system today, it is unlikely to see significant innovation or enhancements during a typical five- to eight-year product life cycle. Most future enhancements (such as AI, mobility, analytics, advanced user experience, etc.) will only be available to UCaaS users. Nonetheless, premises-based deployments persist for reasons of regulation, and unavailability of UCaaS in specific regions.

Market Overview

Gartner's view of the market focuses on transformational technologies and approaches to meeting the future needs of end users. It does not focus solely on the market as it is today.

Providers' investments in UCaaS continues to increase markedly. UCaaS functionality now exceeds premises-based UC functionality in these areas:

- **Team messaging and SMS:** UCaaS providers have extended the capabilities of team messaging and workstream collaboration services by integrating business applications, integrating file-sharing services, adding bot frameworks and providing connectivity to mobile SMS messaging services from desktops, web clients and mobile apps.

- **Meetings:** The meeting capabilities included in UCaaS solutions have seen the most investment and innovation in the UCaaS market, and have partially converged with those of stand-alone, cloud-based meeting solutions. Many UCaaS providers also sell stand-alone meeting solutions.

- **APIs, CPaaS and app marketplaces:** A capability that has seen increasing market demand is the integration of UC capabilities with business applications that make workflows more efficient. Examples of such integration include CRM applications, contact centers, workgroup applications and line-of-business applications. Some UCaaS providers have extended their offerings to include CPaaS, which enables the consumption of "atomized" capabilities (for example, the ability to send an SMS or initiate a call) by other applications that are enhanced by integrating and enabling communications services.

- **Reporting and analytics dashboards:** UCaaS offerings provide administrative tools that visualize availability, failures, performance, diagnostics, usage, user adoption and other key performance indicators. Dashboard reporting can be measured and displayed on multiple levels, such as call, user, business unit and location.

UCaaS has characteristics similar to those of other cloud services. These include:

- Shared infrastructure (for example, data center, compute and data network resources)

- Shared tools (for example, provisioning, performance and network management tools)

- Per-user-per-month pricing and elasticity to increase or decrease the number of users without customer-facing impacts on the underlying platform (for example, expansion does not require procurement of additional platform hardware)

Most UCaaS providers embrace multitenancy, a microservices architecture and infrastructure as a service (IaaS) to host their UCaaS application, with all users sharing a common software instance that is distributed across many service nodes that are deployed regionally or globally. In many cases, the UCaaS application nodes (or some components of the UCaaS application) reside in a public IaaS cloud, while media may be processed in and routed through traditional data centers to optimize performance and user experience. UCaaS platforms are developed, operated and updated by UCaaS providers in public cloud data centers (such as those of Amazon Web Services, Microsoft Azure, Google Cloud Platform and Oracle Cloud Infrastructure), or in data centers operated by the UCaaS providers.

Today's UCaaS services provide better administration management portals, end-user portals, usage dashboards and network performance tools. It is now easier to deploy and manage large groups of users. It is also possible to monitor more precisely the quality of voice and meeting sessions, and to isolate the root cause of user experience issues (for example, access network problems, poor Wi-Fi connections, endpoint performance problems and audio accessory/headset problems). However, performance monitoring and management expertise vary greatly by provider.

Over the past year, the impact of COVID-19 and hybrid and remote work has resulted in increased demand for UCaaS, given this technology's inherent ability to deliver UC services to users wherever

they are, typically at no additional cost. Premises-based solutions also offer remote-worker capabilities, but often they require additional licenses, and in some cases hardware upgrades to SBCs at the edge of enterprise networks.

UCaaS solutions also offer superior user experiences in desktop clients and mobile apps, which increases adoption rates. The greater demand for remote working has resulted in increased organizational reliance on meetings and messaging. Consequently, there is demand for new features that meet requirements for increased meeting safety and security; background concealment; suppression of specific sounds (beyond noise suppression); display of more people simultaneously in gallery views; and enhancements to the quality of experience over unmanaged networks.

Although CCaaS is not the focus of this research, there are strong links between UCaaS and CCaaS, as organizations often purchase both together. Some UCaaS providers develop and operate their own CCaaS services, while others have CCaaS partnerships that enable them to include CCaaS with their UCaaS offerings.

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, and 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 differentiation, functionality, methodology and feature sets as they map to current and future requirements.

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.

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