

IDC MarketScape

IDC MarketScape: Worldwide Cloud Communications Platform-as-a-Service 2019 Vendor Assessment

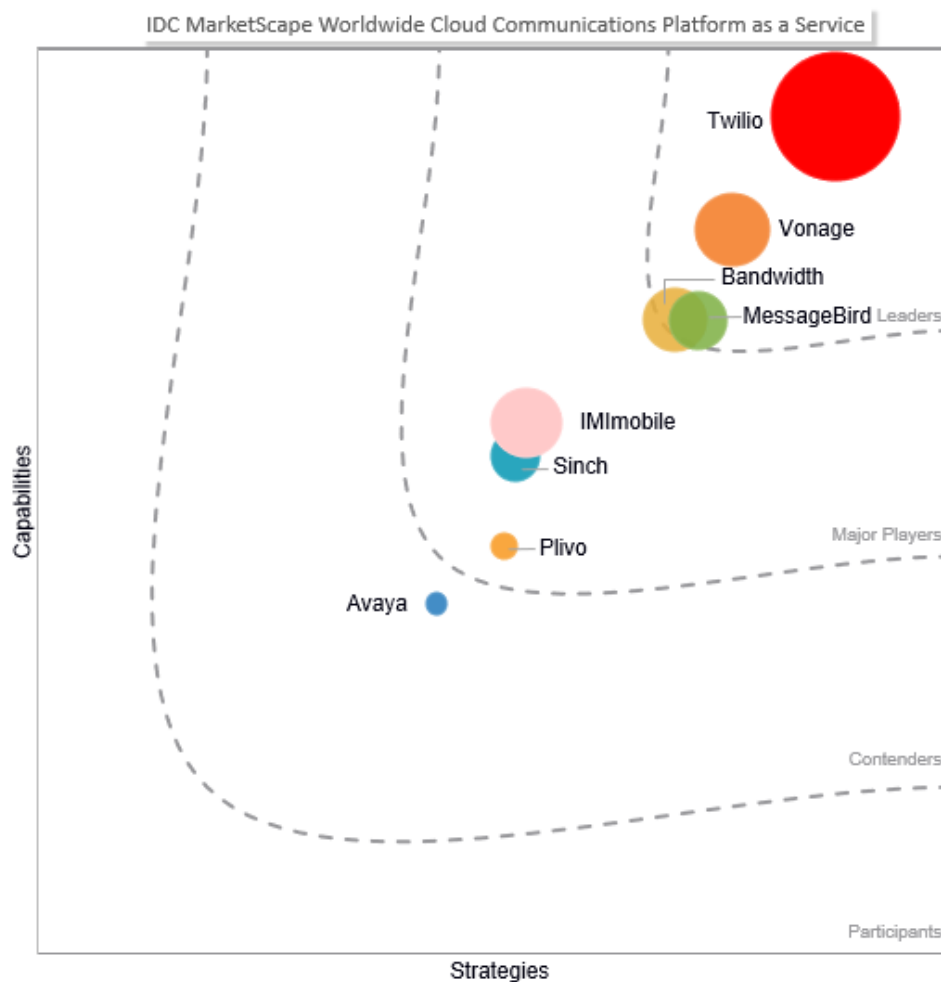
Courtney Munroe

THIS IDC MARKETSCAPE EXCERPT FEATURES VONAGE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Communications Platform-as-a-Service 2019 Vendor Assessment



Source: IDC, 2019

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

IN THIS EXCERPT

The content for this excerpt was taken directly IDC MarketScape: Worldwide Cloud Communications Platform-as-a-Service 2019 Vendor Assessment (Doc # US45481119). 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

This study leverages the IDC MarketScape methodology to evaluate several major global cloud communications providers. IDC identified the leading providers that vary in scale and scope but have been innovators over the years and have helped establish this segment. IDC also considered the diversity of portfolios, the size and growth of revenues, and the ability to provide a platform for developers, ISVs, and corporations (MNCs). The primary focus of this study is the ability of the platforms to facilitate the rapid development of real-time communications services that are easy to create and are scalable. These platforms facilitate programmable, application programming interface- (API-) based voice and messaging to enable the creation of personalized and cost-effective agile enterprise cloud applications.

Cloud communications companies, also known as real-time communications platform providers, facilitate real-time communications featuring voice and SMS, as well as video and email notifications. The providers in this study offer developers a range of tools that includes a multitude of programming capabilities as well as global network gateways and access to local country markets. These networks are scalable, reliable and, most of all, easy to use for a wide range of developers. The most dynamic and successful platforms will nurture developers by providing cost-effective networking and a stable platform and flexible support.

Over the past 18 months, this segment has exploded with a burst of creativity and scale. Some new innovations include conversations APIs for omni-channel engagement, integrated call center solutions, and menu-driven low-code application flow building.

The services facilitated by cloud communications platforms include the following:

- Voice APIs/SDKs for PSTN calls, WebRTC in-app calls, conference calls, transcription, SIP, VoIP enablement, and customer service
- SMS/MMS APIs/SDKs for text messaging for internal and external commercial communications
- Video APIs/SDKs, real-time video, and IP messaging chat
- Security APIs, authentication, and verification services
- Email APIs
- Omni-channel conversations (Facebook Messenger, WhatsApp, WeChat, etc.)
- Menu-driven app development tools

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

IDC included cloud platforms with the capability to offer at least voice and messaging API capability to developers, enterprises, and ISVs. IDC included providers with at least 1 billion API calls or voice minutes in 2018.

ADVICE FOR TECHNOLOGY BUYERS

In mid-2018, IDC projected the emergence of communications platform as a service (CPaaS) 3.0, which is currently in full bloom. The leaders of the core CPaaS segment have already moved beyond the delivery of basic API functions to facilitating comprehensive integrated platforms that offer a diverse array of digital capabilities to developers and enterprises. CPaaS providers are aggressively targeting the enterprise developer. The following is a list of key attributes for enterprises seeking a CPaaS provider:

- **Network infrastructure:** Depending on the communications requirements, the vendor should have a demonstrable reliable platform, with substantial relationship with an array of global network providers. It should be able to offer access to reliable phone numbers and sims, as well as the ability to offer scalable SIP capabilities.
- **Offering portfolio:** Basic capabilities should be a scalable platform that can support at least millions of API transactions simultaneously. Voice and SMS capabilities are now table stakes. The ability to offer secure verification, video, and email notifications either currently or on the future horizon should be an important consideration.
- **Platform capabilities:** Other key aspects are platform capabilities such as support, omni-channel conversations APIs, and verification tools. Does the provider offer low-code drag-and-drop application flow building capabilities? What global capabilities and network relationships can the provider offer?
- **Ecosystem integration:** What are the capabilities to offer integration with leading proprietary software platforms? Enterprise developers should be comfortable that their CPaaS providers can facilitate innovation applications in the digital era.

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 the vendor's strengths and challenges.

Vonage

Vonage is positioned as a Leader in the 2019 IDC MarketScape for cloud communications platforms.

Vonage has been a major CPaaS player in this sector since 2010. Over the past nine years, it has cultivated a sterling reputation among the developer community and has over 735,000 registered developers on its platform. Vonage has a full range of CPaaS capabilities, including voice, SMS, video, messaging and, more recently, email and its Contact Center Toolkit, which offers APIs, SDK, and developer resources to enable omni-channel builds. In 2018, Vonage acquired programmable video API specialist TokBox, which is now consolidated into the Vonage platform.

Vonage's portfolio includes a rich catalog for programmable voice, SMS, messaging, and video solutions. Programmable voice includes all the basic APIs as well as local number availability in 72 countries and SIP trunking. Vonage has a smorgasbord of enhanced features and management functions, including text-to-speech, two-factor authentication, conferencing, and streaming capabilities, as well as Dashboard analytics and other management and reporting features. Messaging features include short codes, two-way messaging, and local numbers in 76 countries. Advanced features available with this service include adaptive routing and single event callback. In 2018, the company added video APIs from its newly acquired entity. These include live and broadcast video APIs and embedded video chat. Also in 2018, Vonage added a multichannel messaging API that integrates SMS and social media platforms such as Facebook Messenger, WhatsApp, and Viber. Vonage enables low-code and drag-and-drop capabilities through Node-RED, an open source flow-based programming tool, and works with a range of AI and bot platform partners that offer visual builders, including Microsoft Flow, Google Dialogflow, and Converse.AI.

Strengths

Vonage is an integral aspect of the One Vonage communications platform. The goal is to facilitate a comprehensive suite of services to address the full breadth of enterprise communications requirements. Vonage is unique in its ability to offer a scalable platform for developers and enterprises that integrates Vonage's CPaaS, UCaaS, and CCaaS solutions – all on a single stack. With One Vonage, customers can consume an array of communications tools that are based on the same network foundation and support framework. The latter is also a key focus for Vonage. Its support solutions include the basic enterprise support portfolio, as well as Vonage Accelerate, which features design, consulting, and configuration support to bring enterprises up to speed on the creation of API-based applications. Through the Vonage Partner Program, Vonage offers an ecosystem of partners including ISVs, SIs, and SaaS companies.

Challenges

The past 18 months were great for Vonage, with key additions across the product portfolio. One area of focus for Vonage should be extending its API geographical reach into Latin America and Africa to complement its strong geographic presence in North America, Europe, and Asia. Another challenge for Vonage will be the integration of multiple brands under the One Vonage brand. Its diverse platform is a strength over the long term but one that will take some time to gain traction.

Consider Vonage When

Vonage is an integral aspect of the Vonage umbrella that can offer a one-stop enterprise communications platform. It's the only company that is attempting to integrate its own platform across three of the fastest-growing enterprise segments – CPaaS, UCaaS, and CCaaS. The company has a global footprint, with a reliable scalable network and deep CPaaS portfolio. The company also has a unique portfolio of vertical use cases that demonstrates the ease of creating custom bespoke innovative solutions.

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

This IDC MarketScape assesses and ranks providers categorized as cloud 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, and also enhance 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 in an on-premises environment. Usage is generally in the cloud model, with up-front hardware and software costs, no contracts or commitments, and no subscription fees. Payment is based on micro-billing tied to actual usage.

Strategies and Capabilities Criteria

Tables 1 and 2 include market-specific definitions and weights specifically tailored for CPaaS providers. This was used to measure vendor's performance and their specific place on the IDC MarketScape chart.

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide Real-Time Communications (CPaaS), 2018* (IDC #US44316218, September 2018)
- *Worldwide Voice and Text Messaging Communications Platform-as-a-Service Forecast, 2018-2022* (IDC #US43805418, May 2018)

Synopsis

This IDC study presents a vendor assessment of the 2019 cloud communications platforms (CPaaS) vendor market using the IDC MarketScape model. This assessment covers eight key cloud communications service providers on a worldwide basis. The assessment is based on current and future capabilities with a view of presenting the most comprehensive analysis of enterprise requirements.

"The cloud communications CPaaS segment has gained the attention of enterprise developers and has exhibited a burst of rapid growth that will continue into the foreseeable future," according to Courtney Munroe, GVP, Worldwide Telecommunications. "The next era of CPaaS will see the establishment of sophisticated multilayer platforms that go beyond the provision of basic APIs to the provision of comprehensive digital innovation enterprise platforms."

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