



## 8x8: Collaboration and AI Take Customer Care to the Next Level

A Frost & Sullivan Buyers Guide Excerpt

Contact Center Buyers Guide, North America, 2020

## THE STUDY

This buyers guide examines the North American contact center market, and covers the contact center on-premise systems and hosted/cloud markets. This study is based on extensive primary and secondary research and is divided into 2 sections.

**Section 1** provides analyst commentary on the most important forces affecting the North American hosted/cloud contact center market. A number of trends, including movement to the cloud, have been gaining steam for a decade. Others, such as creative pricing strategies or the creation of app stores for customers to more easily add new capabilities from third-party suppliers, are growing in strength. Frost & Sullivan expects that these trends will extend well beyond 2023.



**Section 2** highlights and assesses the capabilities of the top-performing North American cloud contact center providers. The list is not exhaustive: Frost & Sullivan chose vendors based on the strength of vision and ability to execute; some offer complete contact center solutions while others offer compelling suites focused on areas such as agent performance optimization. Solution providers are listed in alphabetical order.



## EXECUTIVE SUMMARY: THE COMPETITIVE LANDSCAPE AT A GLANCE

This buyers guide examines the North American contact center market for both premise- and cloud-based solutions. It considers full-suite, pure-play, cloud-based providers and those that provide premise, cloud-based, and hybrid solutions. It also includes a handful of telco-based providers that offer business process outsourcing (BPO) and hosting, as well as premise and cloud-based solutions directly to enterprise customers.

### Key Trends

In the 2018 Cloud Contact Center Buyers Guide, Frost & Sullivan noted 3 primary trends driving the customer care industry: the adoption of cloud as standard; the continuing move toward omnichannel delivery in the context of digital transformation; and a focus by providers on developing solutions that address the needs of a changing workforce. These trends continued unabated in 2019, with further refinement, as Frost & Sullivan discussed in the 2019 combined premise and cloud buyers guide.

Cloud is still a given, but **hybrid cloud** is a hot topic. Companies are using the cloud not just to host contact center services but also to get a head start on innovation when rip and elevate isn't yet an option. As such, providers have adapted by:

- Continuing to bolster on-premise offerings so customers can get additional value out of their existing operations.
- Creating and stocking app stores for third-party cloud applications to deliver innovation for cloud customers and to supplement on-premise systems.
- Ensuring tight integration between cloud and on-premise applications.

**Workforce engagement management** (WEM) made its debut as one of the trends driving the industry in 2018 and 2019. Listen, Free, Motivate, Empower, Protect, and Enable are all descriptors of design considerations for workforce engagement.

The industry has finally reached the edge of the hype cycle for the umbrella term **artificial intelligence** (AI) and is actively harnessing a set of AI technologies to infuse intelligence across the customer contact landscape. Just as important, providers in this guide are learning how to properly market and position their AI wares in addition to building professional services and consulting resources to assist customers with strategic AI plans.

Frost & Sullivan has found that these trends are still driving the industry. For buyers, the good news is that the industry is in a stage of refinement and innovation related to the trends rather than introduction of new segments that result in diverse and confusing marketing messages. For instance, rather than gamification being an oft-dismissed request for proposal (RFP) check-off item, customers generally understand what it is, and providers need to

discuss whether they have full gamification suites or are just using game mechanics to enhance WEM solutions. Or, rather than a supplier saying it has an AI chatbot or speech-enabled interactive voice response (IVR) solution, it can now talk about how its solutions provide process automation across all segments in its portfolio.

## INTRODUCTION

Revenue for the North America hosted and cloud contact center market grew 12.5% in 2018 and is forecast to increase at a compound annual growth rate (CAGR) of 12% through 2023. While swiftly losing ground to the cloud, during 2018 systems revenue grew 3.8% year-over-year and is forecast to increase at a CAGR of 2.9% over that same forecast period. One caveat, however, is that as of publication of this guide the 2019 market share and forecast are still being determined; Frost & Sullivan expects the forecast for different application segments for both cloud and premise will shift due to the effects of the rapid shift to a work-at-home model because of COVID-19.



## SECTION 1: MARKET TRENDS

The key trends that were discussed in the Executive Summary have matured over the past two to seven years and have remained remarkably solid in the last three. As noted in last year's guide, "After decades of focusing on cost-cutting and isolating performance issues in the contact center, the industry turned its attention toward improving the experience of customers, and then to the workforce that serves them. In this decade, the key trends have revolved around the concept of people being facilitated by technology. **Omnichannel customer care** addresses the functional silos and breakpoints in context continuity of the customer journey. **Digital transformation** (the process of using digital technologies, including advanced communications, to remove cumbersome obstacles to growth that have built up in an organization over time) is now at the core of strategic planning. Intriguingly, the use of AI in the contact center has moved front and center as the industry has matured past using AI as point solutions, such as virtual assistants and bots, to infusing AI across the customer contact landscape in a variety of ways and methods. Finally, WEM has emerged as a familiar term and essential concept, and is at the heart of the development and application of solutions geared toward improving EX in the same way as improving the CX."

The industry has not been without other changes taking place, however, as detailed below.

## COVID-19 Ready

Impossible to predict or ignore is the impact that the COVID-19 epidemic has had on customer contact. 2020 added pandemic to the list of events in the phrase “unforeseen events” that is often tagged onto discussions about BCDR initiatives. Alongside fires, floods, hurricanes, and other natural disasters, COVID-19 brought to the forefront the need for the contact center backup plans the industry has long pushed for. Almost overnight, millions of people including contact center employees were conscripted candidates for working remotely. The industry quickly responded in kind with WAH models, free or trial offers for remote agents, and generous pricing models, even as they dealt with their own shift to WAH.

Many vendors were prepared for the move. For example, CoreDial's CoreNexa Contact Center was designed using WebRTC with teleworkers in mind, so from a technology (not management) perspective, agents merely had to go home and log in through a Chrome browser and everything was the same. Edify, with its next-gen cloud contact center platform, as well as Thrio, were designed with a work-from-anywhere model in mind.

Overall, solution providers did a spectacular job in moving masses of workers home. On the UCC front, companies such as RingCentral, 8x8, Cisco, Mitel, Enghouse, OnviSource, and Avaya provided communication and collaboration software for free for months. Cisco threw in free security services as well.

On the contact center side, providers quickly put together packages with temporary complementary remote agent solutions. Along with this appeared dozens of websites with information on WAH including best practices and use cases to act as guides for companies struggling with the sudden change.

In some cases, such as with Avaya, providers set up their own technical support contact centers to assist customers in making the change. Talkdesk announced a solution aimed at connecting skilled WAHA talent with companies seeking to hire agents. Talkdesk CXTalent is a talent job matching service for agents, supervisors, and system administrators that connects skilled individuals seeking WAH jobs with companies hiring a contact center workforce. It comes with free training available through Talkdesk Academy for job seekers to develop essential skills through four progressive levels of coursework and Talkdesk certification. Within 10 days of launch, the CXTalent platform was supporting 9,000 Talkdesk certified agents and 1,000 professionals with supervisor experience.

We will always have events that trigger a rapid response and the need to put a Plan B in place. If it's not COVID-19 it will be COVID-20 or something else. However, this particular event just added fuel to trends we were already seeing in customer contact. Better work/life balance, the need to increase employee engagement, and the desire to be empowered and more mobile had been growing in importance for years, and the WAHA model that has been used as a perk for employees is a core component of these and other trends. And



the “no choice if you want to stay in business” aspect of the pandemic simply forced many businesses to put aside their reluctance and dive right in.

Some vendors tweaked solutions to more fully assist with BCDR. For instance, Verint’s WAH support program included pre-built COVID-19 categories for Verint Speech Analytics to help identify customer and employee business challenges and aid compliance, as well as a KM starter package and WAH intelligent assistant. NICE, in addition to its CXone@Home program, also introduced one for its NICE Employee Virtual Attendant (NEVA) solution in a NEVA@Home package. Aspect was on the verge of introducing the latest version of its WFO suite when the pandemic hit, and introduced several upgrades to the suite including an improved mobile UI with the look and feel of the agent desktop, expanded cloud options, improved quality management, intra-day scheduling, and improved performance tools.

What Frost & Sullivan expects to see is a continuation and broadening of WAHA adoption, not just because companies had to do it, or as a perk, but because of other benefits as well. Many will see it as a way to cut down on the cost of physically running brick-and-mortar contact centers, and might continue with some form of WAH to scale back. But something even bigger might push the model to continue as the world has now witnessed something almost no one expected to see: the clearing of air pollution, reductions in traffic accidents and fuel consumption, and other factors that are hard to ignore. As we come out of this crisis, many companies will take social consciousness into account, and try to do their part in creating a better global sociological and environmental situation. From interviews with the suppliers in this guide, on average we expect anywhere from 45% to 65% of agents to remain in a WAH situation.

## Cloud: Ready or Not

All of this just accelerated the move to the cloud for millions of agents across all suppliers. This also somewhat pushed another trend we are seeing in cloud, but in one particular segment: telco providers. When Frost & Sullivan published its first Cloud Contact Center Buyers Guide in 2018, the majority of telco suppliers were offering enterprise customers premise-based systems from the same vendors that they themselves use for BPO and managed services offerings, primarily Cisco and Avaya. A few also had offered customers the ability to license cloud seats as well. Now these providers have all forged deep relationships with other cloud platform providers.

For instance, early on Bell Canada partnered with 8x8 for its on-demand cloud platform. CenturyLink’s cloud platform was based on Genesys for interaction routing and IVR, but was expanded in 2020 to include Genesys Cloud, giving CenturyLink a global, unified cloud service for network services and applications and contact center. Similarly, AT&T started off with a broad array of platforms, including those from Cisco, Avaya, Genesys, NICE inContact, TTEC, and CSG International (CSGi). In 2020, however, AT&T shifted its approach with the launch of AT&T Cloud Contact Center platform, which is based on the Five9 service. TTEC, which is the largest Cisco reselling partner in the United States, has solidly maintained the relationship that has spanned 16 years.

The end result is that the majority of telco providers have rethought their portfolios, and customers will have to evaluate not just the core contact center components but the value-added services these suppliers provide, whether it's the use of the company's network or additional services, such as CenturyLink's Voice Clarity Measurement and Enhancement service. Certainly, these providers' ability to partner and help lead a company through digital transformation are key criteria in accessing further engagement.

## Acceleration of Process Automation

The infusion of AI across the entire contact center landscape continues apace. AI, as it applies to the contact center, is an umbrella term that encompasses AI, ML, NLU, DL, and other related technologies to improve the CX. Since 2019, companies moved from talking about AI in a narrow way (focused on point solutions such as speech-enabled IVR or virtual assistants) to the matter of how to effectively plan for and deploy AI-enriched solutions across the customer contact landscape in a way that improves both the CX and the EX.

Now the number of companies doing so has mushroomed. Many have business units that focus solely on AI, and some have developed a CoE with a focus on integrating AI-infused solutions into customer environments. Now we have a vast array of applications including virtual assistants, predictive routing, process automation, voice biometrics, assisted and unassisted RPA, and automated forecasting and QA.

Frost & Sullivan further sees a shift with companies pushing the adoption of process automation as an integral part of business optimization strategies. Marketing of the benefits of process automation has ramped up, particularly as it applies to offloading agents of tedious, error-prone work but also in the broader goal of improving EX. Then suddenly when COVID-19 hit, process automation got a further boost as a tool to assist agents in times of change. NICE's Neva@Home again provides an example of blending a virtual and live workforce to reduce costs and improve CX and EX.

## Conclusion

The contact center industry was already experiencing a time of great innovation when unforeseen events both tested and accelerated change. In 2020 and in the next year or two, Frost & Sullivan expects to see some fallout of smaller, start-up companies that didn't have the financial resources to make the necessary course corrections. Some will cease to exist and others will get acquired for their talent and intellectual property. Acquisitions will allow more established companies to continue on the path of innovation and bolster their ability to help end-user customers innovate and change as well. The ability to help customers transform their customer contact organizations may well end up being one of the top differentiators in the coming years.

Choosing a contact center provider is an important decision that must be based on a robust evaluation methodology that includes a thorough check of customer references. The following provider profiles offer detailed company and solution portfolio information as a way to start this process.



## SECTION 2: COMPANY PROFILE

8x8

### COMPANY BACKGROUND AND CURRENT PERFORMANCE

8x8 was a pioneer in the hosted IP telephony and UCC services market, but got its start in 1987 as a semiconductor vendor. It became a publicly traded company in 1997 and is now traded on the New York Stock Exchange (NYSE: EGHT). In 2002, 8x8 became a VoIP services provider under the Packet8 brand, and by 2008 it had become one of the largest US residential VoIP providers with a small share in business VoIP services as well. Since then, the company has completely shifted its focus from the residential to the business market to become one of the top hosted cloud communications providers in North America. 8x8 further expanded this focus to encompass a broader business landscape with the introduction of robust UCC applications in 2009.

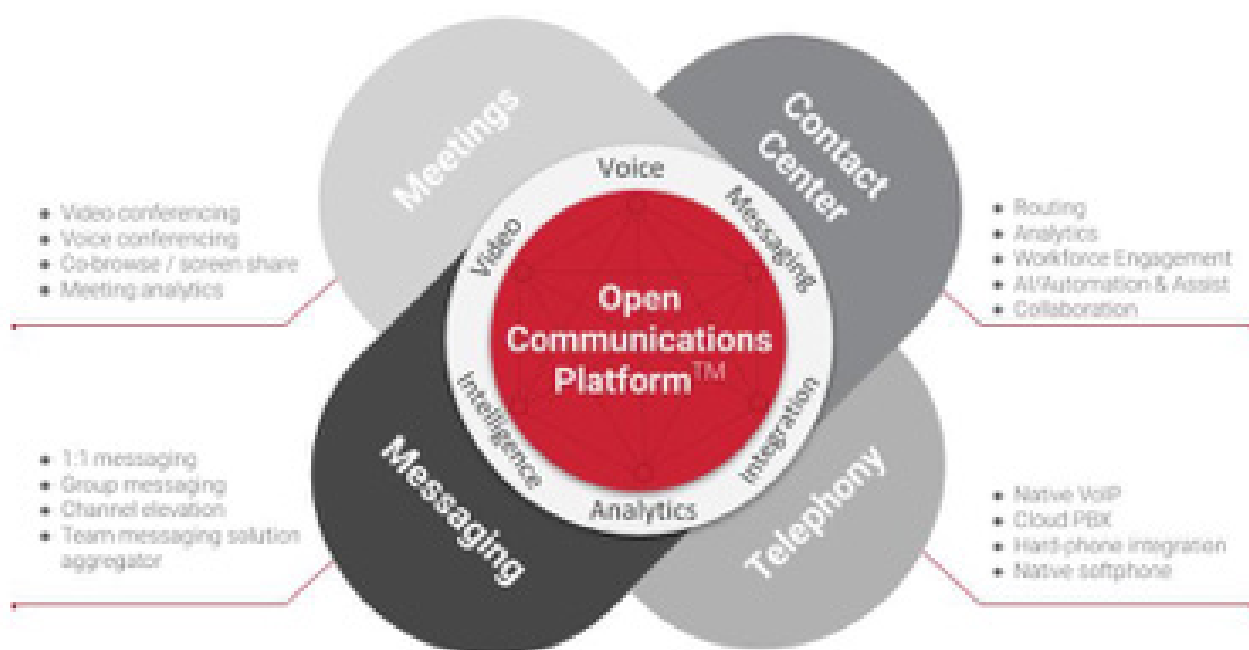
The company added contact center functionality with the 2007 launch of the VCC, now the 8x8 Contact Center. The acquisition of Contactual (formerly White Pajama) in September 2011 further enhanced this offering. Since then, the company has continually enhanced its service offerings, which allows it to provide customers with a broad set of solutions from telephony and UCC all the way through sophisticated omnichannel contact center. Today, 50% of its engineering resources are dedicated to contact center, and 8x8 is one of the frontrunners for tight integration of UC and contact center, enabling companies to seamlessly flow communication capabilities between customer contact and the broader enterprise. This is a strong differentiator for the company, and it has shown significant traction in joint customer adoption of these capabilities. In fact, more than 50% of the company's top customers have a UC/contact center combination, which was the genesis of the X Series bundles detailed below under Sales and Service Model. In its FY20 Q3, ended Dec. 31, 2019, 100% of stand-alone contact center deals "flipped" to X Series. Additionally, 8x8 reported 90% year-over-year growth in contact center bookings and 41% growth quarter over quarter; contact center represented 33% of all new bookings for the same period. By the end of 2019, 8x8 had 1,600 employees in 8 countries, and was supporting more than 1 million business users in over 150 countries.



## PORTFOLIO DESCRIPTION AND ANALYSIS

Unlike many providers, 8x8 leverages a patented, purpose-built platform (shown in Exhibit 1) that has enabled it to rapidly and economically innovate. It offers one of the most advanced cloud contact center solutions in the market today. With more than 220 awarded patents, 8x8 has developed an extensive set of hosted communications and collaboration applications that rivals the capabilities provided by on-premise UCC solutions and ranks among the most compelling hosted communications offerings in the world.

EXHIBIT 1: 8x8 Open Communications Platform



Source: 8x8

The 8x8 platform provides one system of engagement and intelligence, with a truly integrated suite of products that span UCaaS, collaboration, and CCaaS business communication offerings to include IP telephony, video meetings, team messaging, and omnichannel contact center solutions on a single cloud platform. This platform also provides centralized administration, aggregated reporting, core services, advanced AI-driven analytics, and a common navigation and user experience. 8x8 has also developed its Dynamic Integration Framework to enable companies to rapidly integrate communications into other business applications with minimal effort.

8x8's comprehensive PBX functionality is enhanced by voicemail and unified messaging, online fax, IM and presence, conferencing, soft clients, mobility, SMS, web collaboration, video conferencing, and analytics in its bundled offerings. Other important features (especially for multisite businesses) include the ability to integrate distributed customer

locations onto a single virtual PBX while allowing each to operate autonomously and make overall system administration and disaster preparedness/recovery simple and easy to manage.

All of 8x8's products are delivered through the cloud and are managed on the company's own highly reliable and secure cloud-based platform. 8x8's redundant architecture allows for media servers to be hosted in different regions of the world to enable organizations to deliver around-the-clock, follow-the-sun support from anywhere in the world. It runs 15 fully mirrored and geographically redundant Tier 3+ global data centers and provides guaranteed SLAs of 99.99% uptime. It is also the first cloud communications provider to offer an end-to-end SLA for both uptime and quality of voice over the public internet, guaranteeing a minimum voice-quality MOS of 3.5; 8x8 has delivered an MOS of 4+ for more than 93% of calls worldwide. To execute these SLAs, 8x8 uses all endpoint devices as probes that continually send information about the quality of all connections to its Big Data infrastructure and analytics tools. This enables 8x8 to remotely monitor and proactively troubleshoot certain network issues.

### 8X8 OPEN COMMUNICATIONS PLATFORM

8x8's Open Communications Platform unifies communications, team collaboration, contact center, and analytics, and integrates various third-party clouds and applications. The platform enables businesses to embed communications into line-of-business applications and workflows and thus optimize work processes to gain productivity and efficiency benefits. 8x8 is the only vendor able to offer a single platform for all customer and employee interactions for enterprise voice, video, contact center, team messaging, and video collaboration across mobile and desktop devices.

### 8X8 CONTACT CENTER

8x8 Contact Center is an omnichannel customer care solution for organizations looking for advanced contact center features. Highlights:

- **Customer Experience Analytics** provides advanced interaction search and a complete, end-to-end graphical view of the customer journey. IVR journey analytics display a dynamic view of call traffic to improve usability of IVR scripts.
- **Post-call Survey** offers surveys to customers via voice channels (not email/chat), is easily configured in the IVR script tool, and provides graphical analytics on survey results.
- **Native Quality Management and Speech Analytics** were developed as a single integrated solution but can be sold separately. Quality Management and Speech Analytics include advanced features to foster collaboration, teamwork, and more productive coaching and training. For example, rather than supporting one-way coaching, these enhancements encourage agents and supervisors to share knowledge via @mentions, annotations, and file sharing.

- **The Dynamic Integration Framework** powered by microservices and industry-standard APIs that make it easier and faster to embed communications into CRM, ERP, helpdesk, and productivity applications. It provides a common integration framework for all channels, and dynamic deployment of new capabilities without downtime. ContactNow capabilities, such as blended dialer, continue to be migrated to 8x8 Contact Center with every release, ensuring that ContactNow customers can transition to 8x8 Contact Center with no feature loss.
- **Outbound Dialing** includes auto-dial after preview, giving an agent a set amount of time to preview a customer's record before the call is made, then auto-dials when the countdown time has elapsed. 8x8 provides a persistent connection mode from the agent's endpoint to 8x8 Contact Center, removing the need to connect an agent's phone for every call handled. A filter ensures that any contacts that have been marked as DNC will not be re-contacted to support compliance with the National Do-Not-Call Registry. Dynamic List Management automatically updates dialing lists by pulling directly from the CRM system in real time.
- **8x8 Intelligent IVR** enables conversational speech recognition and intelligent response, data dips into third-party systems, and interfaces into 8x8 AI solutions. Chat and SMS capabilities, powered by 8x8's Wavecell CPaaS acquisition, are also available.

## INFUSION OF AI ACROSS THE 8X8 PORTFOLIO

Keenly aware of the potential to use AI and related technologies to enhance the CX and operational efficiencies, 8x8 set out in 2017 to do just that. By May 2018, it had acquired MarianaIQ as part of the strategic investments it has been making in AI and ML. MarianaIQ provides DL capabilities to the portfolio to help transform the EX and the CX. It also infused AI and related technologies in other key areas.

## SPEECH ANALYTICS AND QUALITY MANAGEMENT

The company went on to announce the addition of several AI-powered solutions to its portfolio in early 2019. In March, it announced 8x8 Quality Management and Speech Analytics to reach beyond the traditional boundaries of the contact center to span the enterprise, enabling companies to analyze conversations inside and outside of the contact center and extract VoC insights. 8x8 Speech Analytics collects and aggregates all information from every customer interaction and automatically provides sentiment data from the customer and agent. This enables enterprise-wide performance management, coaching, knowledge sharing, and collaboration that results in more engaged employees and increased operational efficiency. With 8x8 Speech Analytics, predefined topics and categories enable out-of-the-box operation, eliminating significant installation and customization charges incurred by other vendors' solutions.

## INTEGRATION WITH GOOGLE CLOUD CONTACT CENTER AI (CCAI)

8x8 also announced the integration of its contact center solution with Google Cloud's CCAI to improve CX and contact center productivity. CCAI is a simple, secure, and flexible solution that allows enterprises with limited ML expertise to deploy AI in their contact centers. Key features of 8x8's contact center integration with CCAI:

- **Intelligent Call Deflection (through the use of 8x8 Virtual Agent)** combines 8x8 topic modeling and STT with Google Dialogflow and Agent Assist. Virtual Agent provides call deflection by handling routine or common customer requests using conversational AI in order to reduce traffic for live agents.
- **Intelligent Call Handling (through 8x8 Agent Assist)** combines 8x8 data from each customer interaction and Google AI to automatically locate relevant articles and knowledge base documents for agents based on the customer conversation. Intelligent assistance expedites handle time by enabling agents to click a button sending the correct response to the customer for voice or digital channels. By alleviating typing, searching, and responding, the agent can quickly resolve customer inquiries, multitask, and increase the number of concurrent interactions.
  - » **Expert Finder** enables agents to rapidly connect to experts across the enterprise by identifying rooms and experts with the required knowledge.
  - » **8x8 Direct Connect** enables customers to be connected with the same agent if they call back within a defined threshold after ending an interaction so they do not have to repeat their situation/needs, reducing handle time.

## ADVANCED SELF-SERVICE WITH 8X8 INTELLIGENT IVR

8x8 has an array of options for intelligent self-service depending on the customer's needs or requirements. With 8x8 Intelligent IVR, contact centers can enrich traditional self-service without the sophistication or complexity in creating a full-fledged virtual agent.

- **Intelligent Call Deflection (through the use of 8x8 Intelligent IVR)** leverages ASR and NLP for more intelligent self-service for any volume of routine or repetitive inquiries. 8x8 can access data from multiple sources to provide customers with specific account information such as order status or account balance. Callers can select multilingual prompts, receive queue position updates, engage in conversational AI, or opt for a call back. Intelligent IVR includes graphical scripting tools and offers data dips into third-party intelligence, such as Google.
- **Automated Messaging (through API expansion and Intelligent IVR Messaging)** provides 8x8 contact centers the option to transfer real-time conversations from automated systems to human agents. New messaging API allows contact centers to integrate an AI/ML capable chatbot such as Avaamo or IBM Watson, or an AI engine for contact center

customer response like Augment. 8x8 Intelligent IVR can now handle WhatsApp and SMS automated messaging tasks for enhanced self-service and virtual assistance for digital interactions.

### **COLLABORATION AND AI TOOLS**

In 2018, 8x8 added 8x8 Team Messaging, which supports persistent public and private team messaging rooms for easy collaboration across the organization. With out-of-the-box integrations to 24 team messaging providers including Slack, Google Hangouts, and Cisco Webex Teams, companies can aggregate all channels into a single interface.

8x8 Expert Finder helps agents drive first contact resolution by giving them access to the collective wisdom of the enterprise. Expert Finder builds upon the 8x8 messaging platform (based on the Sameroom acquisition) to help companies connect seamlessly across collaboration apps. 8x8 does this by layering on AI/ML capabilities; agents simply call the Expert Finder bot in any public team messaging room and are presented with meeting rooms and experts relevant to the specific inquiry. That means experts across the business are able to assist with immediate resolution to the customer's question or issue.

### **COMMON DATA FORMAT AND DASHBOARD**

8x8 also announced a new common data format and dashboard for X Series. The data format tracks all interactions throughout the company, enabling end-to-end customer journey management, no matter where a customer starts to engage with a business or finishes. Other solutions can track this interaction inside or outside the contact center but cannot span both segments of the conversation.

The new X Series dashboards aggregate interaction data to allow companies to see reports in a single view. Companies also can easily create their own customized dashboards, reports, and alerts, and can project dashboards as wallboards.

### **GLOBAL TENANT**

8x8's Contact Center Global Tenant is the first cloud-based contact center solution that seamlessly connects an organization's international agents over a single platform with integrated presence, multilingual chat with automatic translation, call routing, reporting, and management. The solution enables follow-the-sun operations that use local connectivity and natural language translation to provide personalized CX worldwide.

### **DATA SECURITY**

8x8 is committed to data security as shown through third-party validated compliance with key security standards including Federal Information Security Management Act (FISMA) and

HIPAA in the United States; and ATO (Authorization to Operate) in the United Kingdom, which is among the country's highest levels of security and compliance certifications. Other certifications include ISO/IEC 27001:2013, ISO/IEC 9001:2015 and Cyber Essentials Plus, SAE 16 SOC 1 and SOC II, SOX, GDPR, PCI-DSS, Customer Proprietary Network Information (CPNI), and National Institute of Standards and Technology (NIST/SIPS 140-2 encryption. 8x8 conducts gap analysis based on security requirements to ensure compliance with various industry regulations. 8x8 Secure Pay, introduced in 2019, is a fully integrated, secure payment process option, providing an increased level of security for credit card handling while minimizing agent effort.

## **SALES AND SERVICES MODEL**

8x8 offers a convenient one-stop shop for multiple business communications and collaboration tools. Businesses can easily purchase 8x8 solutions online or they can use the assistance of dedicated service reps. 8x8 offers prepackaged solutions that enable automated purchasing and provisioning, as well as the flexibility to customize solutions through optional features such as additional auto attendants, virtual numbers and extensions, virtual attendants, toll-free numbers, and contact center. The provider ensures a superior customer purchase and deployment experience through its Elite Touch service that includes initial customer needs assessment, project management, site surveys, onboarding assistance, training, and other professional services.

Building upon its initial success among businesses of fewer than 100 employees, 8x8 has launched an aggressive pursuit of mid-market and enterprise distributed companies with several thousand employees. For FY20 Q3, enterprise accounts (defined as at least \$100,000 ARR) grew about 85% year over year. Demand for X Series (bundled UC/contact center offerings, which include QM and speech analytics applications), equaled 71% of new bookings with at least \$12,000 ARR, up 57% year over year. Contact center bookings grew 90% year over year for the same period.

8x8's channel consisted of nearly 900 partners worldwide, including 19 master agents, at the end of December 2019. Key North American partners include AVANT, Intelisys, ScanSource, TBI, and Telarus. 8x8 also is expanding channel relationships internationally, including partnerships with CSG and Entrust in Australia and with Itancia and Workair in Europe. In 2019, 8x8 also launched a VAR program, CloudFuel, in partnership with ScanSource and Poly, and finalized new partnerships with CSNG and Comstar Technologies in the United States, and with Charterhouse, Computacenter, and Softcat in the United Kingdom.

## **PRODUCT BUNDLES**

The company's portfolio initially was structured to provide distinct PBX/UC and contact center bundles, but starting in 2017 it introduced its Virtual Office (VO) Editions bundles



that streamlined the adoption of UC with contact center because a high percentage of its customers were adopting the entire suite of capabilities, including telephony. In March 2018, it further refined its packaging strategy, giving customers more options by introducing its X Series integrated UC and contact center platform.

Including a lobby seat license, as well as a range of seat licenses from X1 to X8, the new mix-and-match packages combine different telephony, UC, and customer care features on one platform to address varying needs in an organization. The X1 to X4 packages provide a gradually expanding array of VO (i.e., telephony and UC) features. The X2 to X8 packages also support a growing number (from five to 50) of users for 8x8 Audio and Video Conferencing with Meetings.

X Series expands the 8x8 industry-leading offer for UCaaS and CCaaS by integrating features on a single platform to address each level of a company's communications needs. Each X Series package provides incremental feature sets; X1 to X4 provide UCaaS capabilities and allow companies to mix and match to best meet individual employee needs. Packages with contact center functionality, X5 to X8, are priced per concurrent seat, ranging from \$60 to \$175 per agent seat per month.

X Series contact center packages range from voice-only to complete omnichannel communication options with QM and advanced analytics. The X5 package offers basic contact center functionality for voice agents, integration with leading CRM solutions, and best-in-market call quality. All packages include integrated cloud, phone, meetings, team messaging, presence, and user collaboration. X Series provides a contact center solution that addresses the inherent problems in corporate silos, incorporating feature sets to ensure team communications and customer service. The ability to instantly connect, with presence, licensed 8x8 Contact Center agents to back office teams, experts, and field employees (using VO Desktop and/or VO Mobile) is a distinct advantage when deploying remote/work-from-home contact centers.

For enterprise users, this service bundle offers valuable contact center functionality that enables even non-agents to perform customer care functions, which is critical for successful first-call resolution when faced with unexpected spikes in call volume and/or abrupt staffing changes. For contact center agents, X Series adds the value of UCaaS features, including advanced conferencing and collaboration, to enable better customer service and more effective issue resolution. Most service providers offer distinct UCaaS and contact center service bundles whereby additional license costs could result in a total price of well above \$100 per user per month for similar functionality, which makes 8x8's offering compelling. 8x8 also offers a unique Microsoft Teams integration for voice and collaboration enabling businesses to maintain their use of Microsoft Teams married with the 8x8 platform. Many of 8x8's UCaaS competitors resell third-party contact center solutions, which make both solution integration and sales and marketing more challenging. Relatively unique in the

industry is the inclusion of usage minutes, which positions 8x8’s X Series packages very competitively in the market.

8x8 also provides the option to purchase an 8x8 stand-alone contact center solution, providing added flexibility for companies that may choose to use another vendor’s solution for their UCaaS needs. 8x8 does this by packaging the contact center components of X Series X5-X8 as a stand-alone contact center. 8x8 offers 3 options: 8x8 Contact Center Voice, 8x8 Contact Center Omnichannel, and 8x8 Contact Center Advanced, which includes all the functionality of the omnichannel option and adds speech analytics and QM.

To ensure that 8x8 customers get the most value from their contact center investment, 8x8 Service Management for Contact Centers provides a dedicated technical contact for the administration and management of their system. Monthly packages are available, including the choice of 2, 5, or 10 hours of support.

STRENGTHS	CONCERNS
Strong, consistent growth ensures financial stability. In addition, improving financial performance metrics (customer churn, average revenue per user, and services per user, for example) demonstrate market success. 8x8 Contact Center can be deployed unified with the 8x8 cloud PBX or integrated with third-party on-premise PBX delivering full spectrum optionality.	8x8’s ability to integrate cloud communications with premise-based solutions in seamless hybrid architecture (common endpoints and interfaces, centralized management) is relatively limited. This could affect new sales, as recently shown by customer preference for hybrid deployments.
The ability to instantly connect, with presence, licensed 8x8 Contact Center agents to back office teams, experts, and field employees (using VO Desktop and/ or VO Mobile) is a distinct advantage when deploying remote/work-from-home contact centers.	While 8x8 provides some gamification capabilities through partnerships, it has the opportunity to strengthen WEM offers by bolstering gamification offerings.

STRENGTHS	CONCERNS
Competitively priced bundles with flexible a-la-carte service options address diverse customer needs. X Series bundles and service management offerings help to streamline the purchasing cycle.	
Geo-redundant data centers and a track record of strong service availability demonstrate 8X8's commitment to service quality and reliability.	
Contact center enhancements via Google Cloud CCAI integration; massive adoption of 8x8 Video Meetings (20 million monthly active users as of March 31, 2020); AI-based speech analytics for the entire organization; 8x8 Dynamic Integration Framework (to embed communications into core business applications), and the introduction of Enterprise APIs (CPaaS) through 8x8's acquisition of Wavecell offer 8x8 customers the ability to extend the capabilities of the platform and the option to create unique, highly customized journeys and experiences.	

## CUSTOMER RECOMMENDATIONS

### Best Fit

**Broad Feature Set and Comprehensive Cloud Solution.** A broad feature set provides a compelling offering to businesses looking for a comprehensive cloud communications solution. This includes more advanced capabilities such as QM, out-of-the-box speech analytics, sophisticated routing capabilities, native CRM, and powerful third-party CRM integrations through open APIs, including those with SFDC, Zendesk, NetSuite, and Microsoft Dynamics. The Dynamic Integration Framework provides one integration for

all channels and facilitates integration of role-specific workflows without any downtime or refresh. 8x8 Contact Center also includes an easy-to-use customer contact and case management tool as part of its package.

**Single System of Intelligence.** 8x8 can pull data from everywhere in the organization and look at call patterns, providing a single system of intelligence. For example, it can see how often people are using video across an organization or transferring calls outside of the contact center.

**Hosted Contact Center Solution.** 8x8's advanced hosted contact center solution is an appealing option for businesses looking to move both telephony and customer care capabilities to the cloud. The tighter integration in its X Series, which combines communications, collaboration, and customer care in a single platform, presents an advantage over the alternative of outsourcing the telephony and contact center capabilities from different providers.

**Phone and UC Services.** In addition to being a contact center provider, 8x8 provides phone and UC services on a global basis. 8x8 offers all the local number support required by multinational organizations. Local numbers in 83 countries, toll-free numbers in 122 countries, and local number porting in 42 countries are all connected to more than 200 Tier 1 carriers to deliver calls worldwide.

**Supports Existing Services.** 8x8 Contact Center supports customers that want to use their existing services. While there are a variety of advantages to 8x8 providing a full suite of capabilities, 8x8 Contact Center fits well behind any customer PBX or SIP environment.

**Global Coverage.** 8x8's ability to serve customers on a global basis is attractive to companies that want to expand globally. In addition to providing a large and growing network of data centers around the world, ensuring that calls are routed to the nearest data center and the nearest agent, 8x8 provides global capabilities that allow supervisors and system administrators to manage global contact centers as a single unit.

**QoS.** 8x8 Contact Center Global has the highest-rated independently verified QoS (Tolly Group). It allows customers to connect locally, providing the best call quality, and allows contact center managers and supervisors to manage a team as a single organization for follow-the-sun customer support with an agent team distributed around the world.

**Geographic Reach.** In previous guides, Frost & Sullivan noted limited international exposure for 8x8; however, 8x8 is continuing to invest in and grow its international presence, most notably with its large European expansion of sales, development, implementation, and support functions across the United Kingdom and mainland Europe (Romania). 8x8 now has 15 live data centers and 11 support centers around the world to provide distributed organizations with reliable service and support 24/7. This growth has enabled 8x8 to win and deploy multiple large enterprise deals across EMEA and APAC.

## Caution

**Phones and Integrations.** 8x8 supports full end-to-end encryption on its network to ensure that customer data is safe and to protect against man-in-the-middle attacks in which hackers use a system for free phone calls. This high level of security requires that the phones 8x8 certifies provide encryption support and requires 8x8 to test phones prior to inclusion in the 8x8 network. Therefore, businesses switching to 8x8's cloud solutions will most likely have to replace existing phone terminals or go to softphones. Similarly, customers looking to preserve investments in premise-based solutions at some business sites while deploying cloud communications at other sites may not be able to integrate those for a seamless experience and more consolidated infrastructure management as well as they could with multi-instance platforms.

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