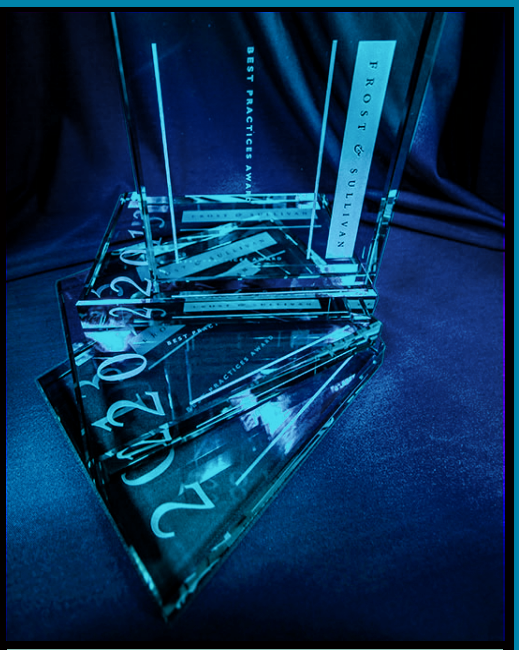
FROST & SULLIVAN

inContact

2016 North American Hosted/Cloud ACD and WFO Market Leadership Award



FROST & SULLIVAN

2016 BEST PRACTICES AWARD

NORTH AMERICAN
HOSTED/CLOUD ACD AND WFO
MARKET LEADERSHIP AWARD

2016
BEST PRACTICES
AWARDS

Contents

Background and Company Performance 3

Industry Challenges *3*

Market Leadership of inContact *3*

Conclusion 7

Significance of Market Leadership 8

Understanding Market Leadership 8

Key Performance Criteria 9

The Intersection between 360-Degree Research and Best Practices Awards 10

About Frost & Sullivan 10

Background and Company Performance

Industry Challenges

The meteoric rise in cloud contact center deployments has taken many by surprise. A decade ago, while hosted and cloud-based applications certainly weren't new, premise-based contact center systems still reigned supreme. However, all that changed as companies saw the benefits of the cloud. Those benefits include: fast time to deployment, the ability to use OPEX rather than Capex funds, and the ability to rapidly scale up or down in agent seats or ports as business needs dictate.

Cloud-based contact centers also enable companies to quickly add new channels of interaction, and to more easily integrate disparate applications. In an age when omnichannel customer care is a strategic imperative, the cloud has become a tool to get there.

However, the growth in cloud contact centers has not been without challenges. Across the cloud-landscape companies have had to address the perceptions and realities of whether having applications in the cloud are less reliable, stable, and secure than on-premise applications. Early entrants to the cloud were often perceived as having solutions that were not as feature-rich as their legacy premise-based counterparts. As cloud adoption took off, these same companies faced increased competition from new market entrants, and had to fend off well entrenched contact center system providers that started to launch cloud-based solutions as well.

Winners in this crowded market landscape have largely addressed the concerns that have plagued cloud application providers. As an example, they have launched geographically redundant data centers with strong security practices, and stayed on top of industry standards and regulations. But most importantly, they have created feature-rich suites of products, which can compete with the best of the premise-based suppliers, and innovated in many areas beyond what those suppliers provide.

Market Leadership of inContact

inContact is one such supplier leading the cloud contact center market. It increased its market share in Hosted/Cloud ACD by an impressive two percentage points in 2015, achieving 10.5% of the market. In addition, within the APO segment it showed similar gains, moving from 8.2% of the market in 2014 to 10.4% of the market in 2015. The company has done this with a compelling suite of products and innovative features, and by strong performance in the following key areas.

Brand Strength

Founded in 1997, inContact is one of the original cloud contact center providers and unlike many others, is solely focused on the cloud. With over eleven years of experience, the company states that its mission is to 'improve people's lives by powering great customer experiences', and the position it takes is to be the most complete, easiest, and most

reliable solution for companies to reach their Customer Experience goals. This stance has clearly resonated with customers as the company has steadily grown in size, installed base, and brand recognition since it released its first cloud contact center in 2003.

The company's brand promotion also brought it attention beyond the expansion of its customer base, as in May of 2016, the company was acquired by another market leader, NICE.

Growth Strategy Excellence

inContact has consistently grown by addressing the challenges facing cloud providers, rapidly expanding its core and peripheral contact center functionality, and through its company promotional activities. For instance, on an infrastructure level, the company runs its contact center solutions on a fully redundant active-active topology that provides 99.99% availability across regions, with NOCs in Dallas and Los Angeles, and network facilities, voice gateways, and data centers in London, Dallas, Munich, and Frankfurt, with select services available via any AWS global region. This architecture ensures that no loss of voice calls occurs during failover or switching between sites.

Through internal development and a keen acquisition strategy, the company has been successful in filling out its product portfolio to be competitive within target segments, but also to address wider market opportunities. For instance, in May 2014, it acquired Uptivity, bringing an additional WFO suite option into the portfolio, targeted to midsize contact centers. It also added additional WFM tools for the mid-market and enterprise, such as automated forecast accuracy tracking, and sophisticated scheduling, with the acquisition of ac2 Solutions in the first quarter of 2016.

In addition, the company has made targeted technology acquisitions as well. In Q1'16 it acquired Attensity. This brought it Big Data and Analytics technology and expertise in the area of analyzing text-based, unstructured Enterprise data. inContact will use this technology to mine the 80% of unstructured data found in the myriad of text-based interactions including transcribed voice conversations, emails, text messages, freeform survey responses, trouble tickets, tweets and other social media, forums and blogs to create actionable business intelligence that helps to improve the Customer Experience. This type of technology addition will enable inContact to increasingly attract new clients.

Another key move that the company made was in extending its Cloud Customer Interaction platform to use Amazon Web Services (AWS). Beginning with the 16.1 release of its platform, select portions of inContact cloud infrastructure leverage AWS, establishing a foundation for inContact to accelerate the pace of innovation, global reach, and provide customers with infinite scalability, flexibility, and access to new technology.

Partnerships also are a key component of inContact's growth strategy. In recent years the company has attracted some strong partners, including Verizon, Salesforce, RingCentral, Fuze, Zendesk, and Carousel. In addition, in 2015 it greatly expanded its third-party

developer program, inCloud Ecosystem (iCE) and now has over 75 partners participating in the program. Its developer portal includes over 250 RESTful APIs as well as SDKs, code samples and best practices.

Customer Ownership Experience

Customers look to inContact not just for the increasingly rich functionality of its Cloud Customer Interaction platform, but for the qualities its platform and network provide, including reliability, scalability, security and global reach.

inContact maintains its own global, geographically redundant, carrier-grade network. In 2016 inContact became the first and only contact center provider to offer a voice quality SLA, based on Mean Opinion Score (MOS). As a Telecom carrier, inContact owns a global, geographically redundant, carrier-grade network. inContact's Voice as a Service platform is built on its MPLS backbone integrated with multiple carriers. It delivers a complete array of telecom options to customers, including domestic and international inbound Direct Inward Dial (DID) and Toll Free numbers (TFN) and termination. DIDs/TFNs for 115 countries are provided through premier telecom partners (e.g. Tata, Voxbone). inContact also partners with 20+ carriers, such as Verizon, Level3, BT, TCCW and Orange, to transport voice services worldwide. inContact supports a full range of IP and TDM connectivity options including MPLS, T1, VoIP, SIP Trunks and PSTN. Customers may choose third-party providers for their IB/OB telecom, and inContact works with any provider to ensure that all connections to its platform are successfully installed and turned up.

One of the differentiators of the inContact's "Voice as a Service" is the trust site inContact established for its customers. The system monitors for disconnects or abandons for troubleshooting, and monitors volume on circuits for capacity planning. It also monitors for voice quality based on impact factors such as jitter, packet loss and latency. The site monitors and gives a total score for each of its clusters as well as scores for individual customers. Mean Opinion Score (MOS) scores are published on the site, and customers are given a personalized dashboard with detailed reporting and diagnostic tools, a personalized quality score, and if applicable, they can see what areas are in need of improvement.

inContact Voice as a Service improves customer experience by guaranteeing carrier-grade voice quality, regardless of location. The new Regional Latency Reduction solution evaluates each call to minimize latency and ensure that high-quality voice service is delivered to every customer while simultaneously reducing the cost to deliver voice in remote locations. Mean Opinion Scores (MOS) are isolated for each segment of a call, so that inContact experts can troubleshoot call quality and availability in minutes—not hours—and maximize the call experience for their agents and customers.

Customers have also enjoyed a steady stream of new features across the portfolio. For instance, its Personal Connection, outbound dialing solution, provides some unique

capabilities for customers. Personal Connection is a patented outbound dialing solution that provides contact/campaign priority or SLA-based inbound/outbound blending, progressive, predictive, preview (timed and untimed), manual compliance and message lay-down dialing, intelligent call suppression, and agent scripting. It connects the agent with the call before the caller answers, ensuring compliance in minimizing abandon rates as well as no latency or awkward silence before connection. It also provides agentless SMS campaigns for proactive outbound SMS notifications.

While internal R&D and assets from acquisitions fuel its product stack, the acquisition of inContact by NICE also will bring a very rich set of new capabilities to the party. NICE's expansive R&D assets and intellectual property portfolio, along with broad array of WFO and APO capabilities guarantee that inContact customers will have an increasingly rich toolkit to run their contact center operations.

Product Differentiation

inContact continues to refine its product stack to solve issues that impact the Customer Experience. Eliminating the awkward silence in outbound calling campaigns was just one feature, but the company has innovated across its product stack. For example, it completely revamped its agent user interface and created "My Agent Experience". MAX provides a view of the entire customer journey across all touchpoints, including customer data. It is a dynamic and context-sensitive interface that provides agents with information and actions when they need it, rather than having everything on the screen at once. It also optimizes collaboration and enables agents to manage their performance in real-time. In the latest release, agents can use MAX through an integrated WebRTC-enabled softphone as well.

Other improvements included the use of natural language processing (NLP) and sentiment detection to surface business insights from customer interactions within its Analytics application. It provides out-of-the box functionality that gives supervisors, managers, quality assurance teams, and business analysts actionable information regarding customer experience and agent performance outcomes. This functionality can be expanded to other use cases such as regulatory compliance, revenue enhancement, and cost reduction through configuration – either by the administrator or inContact professional services.

In addition, the company keeps a regular cadence of new product and feature releases. For example, the 16.2 release in June 2016 included enhancements to its Omnichannel Routing that improve email, chat, and social media interactions to facilitate faster, more responsive text-based customer communication. In particular, its new Social Media Routing allows customers to blend Facebook and Twitter messages into the work queue of dedicated, specifically-trained agents to better handle social responses received through public and private channels, which is particularly important in handling a changing consumer base.

Customer Service Experience

inContact's customer service provides 24/7/365 customer service that includes multiple stages of support, comprised of core team members with accounts, backed by professional services experts in each of the core areas, such as speech analytics, customer surveys and performance management. This Expert Services Model allows for Stage One support that can handle the majority of issues, but can be seamlessly handed off to Stage 2 if specialized support is needed in core areas.

Support includes system updates and upgrades, a knowledge base with information and training, and a single point of contact for each customer issue. The company guarantees 99.99% uptime across regions and this architecture ensures that no loss of voice calls occurs during failover or switching between sites. Finally, InContact also provides Pay-As-You-Go support as part of customer's monthly invoice, with no upfront or annual contracts to deal with.

Implementation Excellence

inContact maintains a strong in-house professional services team and mature service model with a proven and repeatable implementation methodology and high-touch aftercare services. Its Expert Services team mission statement is to "deliver the knowledge, processes and best practices to help you achieve your goals." It consists of a business partner services team, and cloud and contact center experts.

inContact also solicits feedback from customers on a regular basis to shape product plans and refine existing products. It accomplishes this directly through sales teams, but also at its customer conferences.

Conclusion

inContact continues to increase its market share in the two biggest core areas of customer contact, ACD and APO. Frost & Sullivan's independent analysis clearly shows that Its feature-rich Cloud Customer Interaction platform, and strong, reliable network, continue to be a draw for customers. For these reasons and others that Frost & Sullivan is proud to bestow the 2016 Market Leadership award for the Hosted/Cloud ACD and APO market in North America to inContact.

Significance of Market Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. Loyal customers become brand advocates; brand advocates recruit new customers; the company grows; and then it attains market leadership. To achieve and maintain market leadership, an organization must strive to be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding Market Leadership

As discussed on the previous page, driving demand, strengthening the brand, and competitive differentiation all play a critical role in a company's path to market leadership. This three-fold focus, however, is only the beginning of the journey and must be complemented by an equally rigorous focus on the customer experience. Best-practice organizations therefore commit to the customer at each stage of the buying cycle and continue to nurture the relationship once the customer has made a purchase. In this way, they build a loyal, ever-growing customer base and methodically add to their market share over time.

Key Performance Criteria

For the Market Leadership Award, Frost & Sullivan analysts focused on specific criteria to determine the areas of performance excellence that led to the company's leadership position. The criteria that were considered include (although not limited to) the following:

Criterion	Requirement
Growth Strategy Excellence	Demonstrated ability to consistently identify, prioritize, and pursue emerging growth opportunities
Implementation Excellence	Processes support the efficient and consistent implementation of tactics designed to support the strategy
Brand Strength	The possession of a brand that is respected, recognized, and remembered
Product Quality	The product or service receives high marks for performance, functionality and reliability at every stage of the life cycle
Product Differentiation	The product or service has carved out a market niche, whether based on price, quality, uniqueness of offering (or some combination of the three) that another company cannot easily duplicate
Technology Leverage	Demonstrated commitment to incorporating leading edge technologies into product offerings, for greater product performance and value
Price/Performance Value	Products or services offer the best value for the price, compared to similar offerings in the market
Customer Purchase Experience	Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints
Customer Ownership Experience	Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service
Customer Service Experience	Customer service is accessible, fast, stress-free, and of high quality

The Intersection between 360-Degree Research and Best Practices Awards

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages over 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 40 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.