IDC MarketScape: Worldwide Cloud Communications Platforms 2016 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES: GENBAND

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Communications Platforms Vendor Assessment

IDC MarketScape Worldwide Cloud Communications Platforms

Source: IDC, 2016

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

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Cloud Communications Platforms 2016 Vendor Assessment (Doc #US41275216e). 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 principal global cloud communications providers. IDC identified eight providers by scale and scope of operations, primarily their portfolios and revenue 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 embedding voice, messaging, and video into software for cost-effective, flexible, and agile cloud communications. Cloud communications companies, also known as real-time communications platform providers, facilitate real-time communications featuring text messaging, voice, and video formats. The providers in this study offer developers a range of tools that include 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. The services facilitated by cloud communications platforms include the following:

- SMS/MMS APIs/SDKs for text messaging for internal and external commercial and critical communications
- Voice APIs/SDKs for PSTN calls, WebRTC in-app calls, conference calls, transcription, SIP VoIP enablement, and customer service
- Video APIs/SDKs, real-time video, and IP messaging chat
- Security APIs, authentication, and verification services

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC included cloud platforms with the capability to offer at least voice and messaging API capabilities to developers, enterprises, and ISVs. IDC included providers with at least 500 million minutes or 1 billion API calls in 2015. The following companies are included in this study:

- CallFire
- Kandy (owned by GENBAND)
- Nexmo
- Plivo
- Sinch
- Tropo (now owned by Cisco)
- Twilio
- Xura (forge)

ESSENTIAL BUYER GUIDANCE

Developers requiring real-time communications platform providers have a crowded list of companies to choose from small SMS aggregators to diversified platform providers. The latter offers multimedia APIs and SDKs, but also an array of tools and support for developers. Most of the companies assessed in this study cite ease of use as the reason for developers leveraging their platforms. That is mostly true for all the companies listed in this document, largely because the nature of this segment offers standardized, OpenStack, and human language coding tools.

Many of the providers offer regular hackathons, ranging from Twilio's sophisticated SIGNAL events, which bring thousands of developers, partners, and ISVs together, to smaller more intimate events offered by others. Important criteria to keep in mind when selecting a CPaaS offering include the following:

- **Portfolio:** Depending on developer and enterprise requirements, select the platform that offers a diverse range of voice, messaging, video and, most importantly, security services. The preferred provider should offer not just authentication and verification services but network security as well. In addition, the ability to integrate various multimedia APIs is an important consideration that can reduce complexity and personnel costs.

- **Infrastructure:** The best platforms should provide demonstrable, reliable connectivity to telecom carriers on a global basis and local access numbers for all major metro markets. Another key feature should be the scalability and global presence in key countries that have specific IT governance rules.

- **Developer support and on-ramping:** Ease of use in establishing an account is crucial. Twilio has even established a partnership with key Silicon Valley VCs to help fund developers. Ongoing and regional support in various countries is also an important criterion to consider. Most companies will facilitate programming in a multitude of computer languages including HTML, Python, and Java.

- **Partner ecosystems:** The preferred providers will facilitate access to multiple cloud platforms and other channels. Companies such as Tropo and GENBAND (Kandy) have access to CSPs and can leverage channel partners of their parent companies, while other platforms offer in-app integration with major software and OTT players such as Salesforce and Facebook.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Kandy

Kandy is a subsidiary of GENBAND, which is a real-time communications software company. Kandy was established as GENBAND's "platform as a service" division in September 2014 and provides the following APIs:

- **Collaboration API:** Enables voice, video, IM, and document collaboration (Users can exchange profiles and leverage the app's presence feature to enable real-time communications.)

- **Video API:** WebRTC-based video communications for internal and online customer service functions

- **Voice API:** IP-based and WebRTC-based SIP voice API
- **Messaging API:** SMS/MMS and two-factor authentication

Kandy is positioned as a Major Player in the 2016 IDC MarketScape for cloud communications platforms.

Strengths

A key feature of Kandy is its prepackaged front-end solution sold to service providers and enterprises to facilitate faster and more agile service delivery of its platform. These services are marketed as "Kandy Wrappers" and include prepackaged applications or embedded functions that facilitate in-app execution from mainstream software applications such as saleforce.com. These services can then be resold bundled with additional value-added capabilities.

Since its inception, GENBAND has claimed rapid growth for its Kandy platform. The company claims to have garnered 1,500 enterprise customers and 50 ecosystems partners including software companies and systems integrators such as SAP, Tech Mahindra, and Deloitte. The company claims that its APIs are in use by 15 million users. The company has a very simplified pricing structure, which is very enterprise focused with per-user and consolidated bundled packages.

GENBAND also powers the fring mobile application, which is available for both iOS and Android platforms. The fring Alliance currently consists of five major CSPs from various regions. GENBAND acquired the platform in 2014 and subsequently established the fring Alliance, which is now marketed to CSPs as a federated platform to provide cross-network in-app messaging including voice calling and group video chats. fring is positioned as the CSP-based OTT play to counter the revenue-draining competition from OTT companies.

Challenges

Kandy markets its platform to five key segments: enterprises, systems integrators, software companies, service providers, and developers. The company has been most successful in selling into the enterprise and service provider segments and has done a good job reaching additional enterprises via white-labeled services from software services and systems integrators.

In less than two years, Kandy has created a slick marketing platform and has secured some traction with large enterprises. Its key differentiator is its CSP DNA, which leverages its relations with GENBAND's UC portfolio and affiliated history with few mainstream CSPs and software platforms. The company will remain focused on white-label services through its partners as it seeks to achieve scale. However, it will continue to also raise awareness with small independent developers with local and regional hackathons.

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 a review board 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

The IDC MarketScape vendor assessment model is designed to provide an overview of the competitive portfolio and positioning of information and communications technology (ICT) suppliers in a given market. The participants in this study offer a range of real-time communications APIs/SDKs to developers to facilitate a multitude of programming capabilities for voice, messaging, and video applications as well as global network gateways and access to local country markets.

LEARN MORE

Related Research

- *Vonage + Nexmo = First UCaaS-CPaaS Combo in Cloud Communications* (IDC #lcUS41249816, May 2016)

Synopsis

This IDC study presents a vendor assessment of the 2016 cloud communications platforms vendor market using the IDC MarketScape model. This assessment covers eight key cloud communications service providers (SPs) 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 substantial momentum over the past 12 months," according to Courtney Munroe, GVP, Worldwide Telecommunications. "This segment will continue to experience rapid growth as enterprises migrate additional applications to the cloud and implement real-time communications applications."

About IDC

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