CANADIAN
HOSTED CONTACT CENTRE SERVICES
MARKET REPORT

2016 EDITION

NBI / MICHAEL SONE
ASSOCIATES INC.
www.nbicanada.com

> ## *CANADIAN HOSTED CONTACT CENTRE SERVICES MARKET REPORT, 2016 EDITION*

TABLE OF CONTENTS

> ## *CANADIAN HOSTED CONTACT CENTRE SERVICES MARKET REPORT, 2016 EDITION*

TABLE OF CONTENTS

Section   **Page**

<div style="background:#9c4a1a; color:#8a9bb0; text-align:center; padding:1em;">

CANADIAN HOSTED CONTACT CENTRE SERVICES
MARKET REPORT, 2016 EDITION

</div>

LIST OF EXHIBITS

Exhibit   **Page**

About this Report

This is NBI/Michael Sone Associates second report covering the Canadian market for hosted contact centre (HCC) services. The report examines the state, size and composition of the market, analyzes the current trends and discusses what developments are likely to impact the market's future. The report covers only IP-based hosted contact centre services provided on multi-tenant or multi-instance platforms and excludes dedicated hosted, customer premise and legacy non-IP-based (e.g., Centrex) hosted systems.

Historically, most organizations that operate contact centres have invested in the purchase, installation and maintenance of specialized equipment for the routing of incoming telephone calls, chat requests, e-mails (and even faxes) to the organization's sales, customer service and technical support agents. These premise-based contact centre systems are costly to purchase and can range from $500 to $2,000 per agent depending on functionality, capacity, brand and other parameters.

Within the last decade or so, IP technology has made it feasible for service providers to operate a hosted contact centre platform and sell client organizations a service with many of the same functions provided by premise-based contact centre equipment.

This approach transforms a capital investment in premise-based equipment into a monthly operational expense for the consumption of a service. Since the operation and maintenance of the HCC platform are the responsibility of the service provider rather than the client organization, there can be additional related savings in IT staff and upgrades. Although there are other advantages, this is the essence of the business rationale for hosted contact centre services.

Several service providers now offer HCC services in Canada, including: Canadian incumbents Bell, SaskTel and TELUS; smaller providers such as BroadConnect, FlexITy, Primus and Ubity, and contact centre specialty providers ComputerTalk, Interactive Intelligence and Telax. This is by no means an exhaustive list. Many platforms used for

providing cloud voice services also offer contact centre options and features and it is expected that many VoIP providers (e.g., Ubity, profiled here) have begun or will begin to market these to their small business customers (see NBI/Michael Sone Associates' **Canadian Hosted PBX Services Market Report, 2016 Edition**). While these companies generally are not expected to amass significant market share individually, as a whole, they are expected to succeed in tapping the small business market that to date could not avail themselves of many of these features due to cost.

This report profiles these service providers as well as their HCC offerings, and focuses on IP-based services that provide all-in-one call or contact centre functionality. Legacy services such as Centrex and hosted IVR are specifically excluded.

We anticipate that there are multiple audiences for this report, including:

♦ Service providers currently offering, or considering offering hosted contact centre services;

♦ Equipment manufacturers selling ACDs and other contact centre infrastructure products;

♦ Network equipment manufacturers providing business telephone systems including key systems, PBXs and IP-PBXs to which contact centre applications can be added;

♦ Systems integrators and consulting firms that sell, design and install contact centre solutions; and,

♦ Newer entrants focused on Internet, data and VoIP services such as cablecos, ISPs, ITSPs and VoIP service providers.

This report is organized into three sections.

Section 1, "*Introduction & Industry Background*", presents an introduction to hosted contact centre services, industry background, the competitive landscape, types of HCC services, and the business rationale.

Section 2, "*Canadian Market Overview*", shows the state of the market as of mid-2016, along with size and share analysis for a five-year period (2014-2018) based on revenues and seats. A discussion of market trends is included.

Section 3, "*Service Provider Profiles*", presents descriptions of 10 leading providers of hosted contact centre services in Canada.

This report is part of NBI/Michael Sone Associates' series of research reports on the Canadian telecommunications industry. Our other reports cover Hosted PBX, Cloud Computing, Data Centre Hosting, SIP Trunking, Home Phone Services, Data Communications, Wireless Services & Devices, Internet Services and Digital TV Services.

As with all NBI/Michael Sone Associates reports, information has been gathered from primary sources. The information contained in this report is the result of numerous interviews, primarily with the service providers themselves.

NBI / MICHAEL SONE
ASSOCIATES INC.
www.nbicanada.com