

# CX solution providers: 2022 in review

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## Introduction

The landscape of customer experience solutions continues to evolve with the growing demand and expectations of consumers. As a result, CX solution providers are consistently innovating to improve their offerings to help companies meet these expectations. In 2022, these vendors focused on several key areas to enable exceptional experiences, such as:

- Utilising AI and analytics to drive innovation
- Empowering agents with the right tools to provide outstanding customer service
- Unlocking growth with acquisitions, and
- Exploring new areas geographically and in the metaverse

Adding to the excitement is the entry of some technology giants into the contact center realm. There is a growing anticipation on how these giants will alter the competitive landscape. With an average year-over-year growth of 19%, leading CX vendors have done an exceptional job in 2022.

Exhibit 1  
Revenue from 2021 - 2022

Vendors	Revenue in USD, millions		Year-over-Year growth (%)
	2021 Revenue	2022 Revenue	
8x8	638	745	17
Five9	610	779	28
Freshworks	371	498	34
Genesys	1,900	2,000	5
NICE	1,572	1,769	13
Twilio	2,840	3,830	35
Verint	881	900 <sup>1</sup>	2
Total	8,812	10,521	19

<sup>1</sup>represents Verint's projected revenue.

## Market highlights

- a. AI and analytics: the driving force behind CX solution providers' innovation
  - No-code/low-code capabilities
  - End-to-end customer journey orchestration
  - Innovative identity verification methods
- b. Empowering agents with the right tools to deliver exceptional customer service
  - AI-powered agents provide instant support to customer queries
  - Productivity and workforce management tools help agents focus better and work efficiently
  - Recording features to help simplify compliance processes
- c. Unlocking growth with acquisitions
  - 8x8 acquired Fuze for \$250 million
  - Zendesk acquired by Hellman & Friedman and Permira for \$10.2 billion
  - Zoom acquired Solvvy - a leader in conversational AI and automation
  - Twilio acquired Boku Identity, an outstanding identity and authentication provider
- d. Solution providers exploring new areas
  - Twilio entered Canada
  - Freshworks initiated expansion in Southeast Asia in the second half of 2022
  - Five9 to established data centres in Frankfurt and Amsterdam, serving Five9 customers in the Europe
  - NICE staged its annual conference, Interactions Live in metaverse
  - Avaya and Avanza Solution are currently working to create a platform helping companies make better decisions re their expansion in Dubai.
- e. Top technology platforms joined the contact centre bandwagon
  - Zoom Contact Center
  - Microsoft Digital Contact Center Platform
  - Google CCAI platform
  - Salesforce Contact Centre

## #1 AI and analytics: the driving force behind CX solution providers' innovation

CX vendors are constantly innovating with up-and-coming technologies, with a huge focus on AI and analytics. While these technologies are no longer new to solution providers, they are now perfecting their offerings to make end-to-end operations more intuitive, seamless and easier to use.

### a. No-code/low-code capabilities

- Vonage AI studio
  - Allows organizations create their own virtual assistants by customizing their characters, including region, name, language, voice, and time zone, to better connect with customers. The platform also provides guidance and templates for different tasks like updating details, surveys, and caller identification.
- 8x8 connect automation builder
  - Simplifies multi-step workflows with a few clicks. It automates self-service journeys and offers comprehensive analytics (of previous to real-time data) to empower organisations with better business decisions

### b. End-to-end customer journey orchestration

- Genesys Cloud AI Experience
  - Combines all AI capabilities, including conversational AI, knowledge, agent assistance, predictive routing, and predictive engagement, into a single solution. This integration eliminates siloed systems and allows organisations to seamlessly incorporate AI and automation and employee lifecycles, resulting in impactful journeys in less time.
- Talkdesk Retail Experience Cloud AI
  - Merges customer journeys across physical and digital channels. Designed for the retail industry, it offers pre-configured workflows and templates that enhance agent-customer and self-service interactions.
- NICE's FluenCX powered by Enlighten XO
  - The all-in-one digital suite identifies automation and conversational AI opportunities, determines if contact center processes can integrate RPA or self-service, and recommends solutions to match service gaps by analyzing resource-intensive cases.

### c. Innovative identity verification methods

- twilio's Silent Network Authentication (SNA)
  - Enables agents to orchestrate smooth customer interactions by verifying the customer's device and phone

- number with the mobile operator, silently and seamlessly authenticating their identity without any user input
- Microsoft Digital Contact Centre's voice biometrics
  - Merges customer journeys across physical and digital channels. Designed for the retail industry, it offers pre-configured workflows and templates that enhance agent-customer and self-service interactions.

## #2 Empowering agents with the right tools to deliver exceptional customer service

Vendors help support agents in their day-to-day operations with features such as chatbots, workforce and schedule management tools, and AI-coaching capabilities. These capabilities help streamline workflows, manage customer interaction effectively and provide personalised feedback and training to improve agents' skills and performance.

- a. AI-powered virtual agents provide instant support to customer queries
  - Twilio integrated Google Dialogflow CX with Flex and Voice across its IVR and other digital channels.
  - Zoom announced its Virtual Agent capability, which will be available early next year.
- b. Productivity and workforce management tools help agents focus better and work efficiently
  - Google ChromeOS Desk connector
    - Generates a new desk for each customer interaction, enabling a unified view
  - Zendesk Intelligent Triage and Smart Assist
    - Allows organisations to access contextual customer data to guide agents in real-time interactions – by recommending solutions and identifying service improvement gaps
  - Verint One Workforce
    - Enables organizations to assign resources (human, chatbots, or hybrid) based on priorities, which improves scheduling flexibility and multi-channel interactions.
  - Amazon Connect
    - Integrates conversational analytics for voice and chat interactions, generating immediate evaluation results based on pre-determined criteria set by the manager, allowing them to compare and identify agents' pain points more effectively.
- c. Recording features to help simplify compliance processes
  - Verint
    - Partnered with Microsoft Teams to enable companies to capture, store, and analyze voice calling, screen sharing, and video conferencing activities. This helps simplifying

compliance processes for heavily regulated industries such as finance and healthcare.

- NICE
  - Released its NTR-X solution to capture communications done via Zoom Meetings and Zoom Phone, assisting companies in complying with local capture and storage regulations.

### #3 Unlocking growth with acquisitions

Strategic acquisition is the key growth strategy for vendors. By acquiring organisations, vendors expand their service offerings, gain access to new technologies and expertise, and increase their customer base.

- a. 8x8 completed the acquisition of Fuze, a cloud communications and collaboration software platform, for \$250 million
- b. Zendesk to be acquired by Hellman & Friedman and Permira for \$10.2 billion. The deal is expected to close by Q4 2022, and the company will then go private again.
- c. Zoom acquired Solvvy - a leader in conversational AI and automation. The added portfolio plays a significant role in accelerating Zoom's contact center growth - bringing personalisation to a next level.
- d. Twilio acquired Boku Identity, an outstanding identity and authentication provider. Working towards a shared goal, twilio aims to leverage Boku Identity's strengths to enhance the security offerings of its platform

### #4 Solution providers continue exploring new areas

To tap into new opportunities and meet the needs of a wider range of customers, vendors are always in search for new areas of exploration. On top of expanding their operations to more locations, vendors are now also stepping into the metaverse space, orchestrating authentic and immersive experiences.

#### Geographically

- a. Twilio is entering Canada, seeing a huge potential in the market. The solution provider targets to leverage the opportunity to enter the public sector, healthcare and life sciences, financial services and retail industries.
- b. Freshworks initiated expansion in Southeast Asia in the second half of 2022. It is currently targeting the Philippines, recognising it as a key market for them to establish their physical presence.
- c. Five9 to establish data centres in Frankfurt and Amsterdam, serving Five9 customers in the Europe, Middle East and Africa regions. The new locations will also expand Five9's international influence while fulfilling European customer needs to maintain data residency.

#### Metaverse

- a. During NICE's Interactions Live this year, the solution provider staged its annual conference in metaverse. In their unique avatars, attendees got to network, play and interact - a total of 25,000 of them from more than 2,000 companies and 30 countries worldwide has attended the session.
- b. Avaya and Avanza Solution are currently working to create a platform helping companies make better decisions re their expansion in Dubai.
  - With all operations done via the metaverse, customers will soon be able to get services like permits and work visas, select real estate and design an office on the metaverse.
  - Avaya's OneCloud contact centre platform will also serve as a medium for customers to seek help from a virtual agent, be it in the metaverse interface or with an agent through voice and social media channels

## #5 Top technology platforms join the contact centre bandwagon

Technology giants are now launching their own contact center platforms, signaling a major shift in the industry. With their advanced technology and massive user base, these companies are well-positioned to disrupt the contact center space and provide innovative solutions for businesses.

- a. Zoom Contact Center
  - Zoom has launched its own contact center platform in February last year. While some of its features are still in beta, its video capabilities differentiate itself from other providers, allowing agents to provide video calls for more personalised services when in need. The service is now available for customers in North America, UK and Ireland.
- b. Microsoft Digital Contact Center Platform
  - Microsoft's contact centre solution delivers a 360-view solution integrating UC&C, contact center channels, AI and analytics all in one place. The assembly of its contact centre comprises five units: Dynamics 365 (CRM), Microsoft Teams (UC&C), Nuance (Self-service and conversational AI), Power Platform (reporting and analytics) and Azure (cloud computing).
- c. Google CCAI platform
  - Google has combined its conversational capabilities (Google CCAI) with a CCaaS engine, in collaboration with UJET. With its end-to-end platform expansion, the solution provider envisions to help companies better manage their customer interactions with AI-driven capabilities.
- d. Salesforce Contact Centre
  - Launched in time to complement its new real-time CRM platform "Salesforce Genie". It positions the contact centre solution as an easy and affordable package to transform contact centre almost instantaneously.

## Conclusion

The customer experience solution industry has seen significant advancements in 2022. With the increasing demand for exceptional experiences, vendors have focused on innovation, empowering agents, acquisitions, and exploring new areas to expand their offerings. While it is exciting to see how AI analytics and automation will continue to evolve and improve customer service in the coming year, the entry of technology giants into the contact centre realm has also created anticipation on how they will alter the competitive landscape. We look forward to see how these trends will continue to shape the industry and ultimately benefit businesses and customers alike moving forward.