

Magic Quadrant for Unified Communications as a Service, Worldwide

Published 12 November 2020 - ID G00448214 - 46 min read

Source: Gartner (November 2020)

UCaaS providers develop, operate and maintain their own multitenant cloud-based UC services, which often prove less costly for customers overall than premises-based solutions. This Magic Quadrant will help digital workplace application leaders make the most suitable choice for their organization.

Strategic Planning Assumptions

By 2022, 74% of organizations will move at least 5% of their normally full-time, on-site workers, who had switched to working from home temporarily, into permanent remote-working positions.

By 2023, more than 50% of large organizations will connect to cloud providers using direct cloud connectivity from their WANs, up from 10% in 2019.

By 2024, 74% of the new unified communications licenses purchased by organizations will be cloud-based, up from 48% in 2019.

Market Definition/Description

This document was revised on 18 November 2020. The document you are viewing is the corrected version. For more information, see the [Corrections](#) page on gartner.com.

Gartner defines unified communications as a service (UCaaS) as a cloud-delivered service that provides many of the same functions as premises-based unified communications (UC) solutions. The procurement, operational and delivery models for UCaaS, however, are markedly different than for premises-based UC solutions.

Core Capabilities

UCaaS offerings have core capabilities in the following areas:

- **Telephony:** This includes enterprise telephony capabilities and, often, PSTN access. Providers that do not provide PSTN access have a “bring your own PSTN provider” strategy. Telephony services are used by people with either physical phones or software clients (desktop clients, web clients or mobile apps). Telephony also includes unified messaging and voicemail services.
- **Meetings:** This area includes multiparty audio/videoconferencing with content sharing (screen and application sharing) and in-meeting messaging and file-sharing capabilities. Gartner’s definition of meetings for the UCaaS market limits capabilities to standard business meeting use cases — it excludes specialized use cases such as webinars, IT support and remote education.
- **Messaging:** Messaging capabilities enable users to exchange text messages and other information in real time. They have evolved to include two main modes: personal messaging for one-to-one communication and team messaging for the exchange of messages within groups or teams using conversational user experiences. Presence capabilities enable users to see the availability, location and other contextual status information of other users and resources. Some UCaaS providers have extended messaging to include integration of their desktop clients and mobile apps with SMS/MMS services, as well as with consumer messaging services like iMessage, WhatsApp and Facebook Messenger.
- **Mobility and software clients:** Software clients enable access to multiple communications functions from a consistent user experience. UCaaS providers offer desktop clients, web clients, mobile clients for smartphones and tablets, as

well as software extensions and plug-ins that integrate with business applications such as calendars and email clients.

Optional Capabilities

UCaaS offerings may have capabilities in the following area:

- Communications-enabled business processes: This area includes the ability to integrate discrete UC capabilities with other business and communication applications. Integrating communications within the context of other business applications offers significant value. Integration options include contact centers, collaboration and ChatOps/workgroup applications, workstream collaboration, plug-in integrations for leading cloud business applications, communications platform as a service (cPaaS) for digital business application integrations, and integration with business analytics and artificial intelligence (AI).

Magic Quadrant

Figure 1: Magic Quadrant for Unified Communications as a Service, Worldwide

Source: Gartner (November 2020)



Vendor Strengths and Cautions

8x8

8x8 is a Leader in this Magic Quadrant. Its X Series UCaaS suite focuses on enterprise telephony, meetings, personal and team messaging, and contact center services. 8x8's operations are geographically diversified. Its customers are well-distributed across most segments.

Notable enhancements over the past 12 months include: (1) a meeting solution based on technology acquired from Jitsi; (2) 8x8 cPaaS, providing SMS, chat, video and voice services; (3) integration enhancements, such as 8x8 Voice for Microsoft Teams via Direct Routing interfaces connecting Microsoft-certified session border controllers (SBCs), which enables centralized management and administration of the combined Microsoft Teams and 8x8 estate.

Strengths

- 8x8 has a broad range of natively developed and integrated telephony, meeting solution and contact center capabilities that can meet most requirements of small, midsize and large businesses.
- 8x8's adjacent cPaaS capabilities enable customers to develop customized, industry-specific SMS, chat, text-to-speech and video-enabled communications use cases.
- 8x8's growing focus on channel enablement — it has launched a new partner program and portal — and value-added reseller relationships (through its CloudFuel partnership with ScanSource) boost its ability to scale its business.
- 8x8's platform offers PSTN support in 41 countries. 8x8 has operations across North America, Europe, Asia/Pacific and Latin America.

Cautions

- 8x8's entry-level customer support can be slow to resolve issues. Customer feedback indicates that escalation to specialists may be required.
- 8x8 Meet is a new meeting solution with capabilities including support for a maximum of 100 participants. However, 8x8 Meet does not yet support some advanced features, such as whiteboarding and polling.
- Although 8x8 offers both contact center and meeting solutions, their functionality might be insufficient for some use cases with extensive feature requirements.
- 8x8's brand is less well-recognized than those of some of its UCaaS competitors. Also, 8x8 has not developed strategic partnerships with legacy telephony providers, which reduces its chances of consideration by organizations transitioning from premises-based UC.

Alcatel-Lucent Enterprise

Alcatel-Lucent Enterprise (ALE) is a Niche Player in this Magic Quadrant. Its Rainbow service is focused on providing team messaging, file sharing, mobile and meeting hub services. Telephony is not natively supported, but can be provided through integrations with Alcatel or third-party PBXs. ALE's operations are mostly in Europe and Asia/Pacific. Customers are distributed across most segments.

Enhancements in the past year include: (1) integration with Sipwise Cloud PBX; (2) a new meeting room solution, Rainbow Room; (3) integrations to support CRM applications, such as those of Salesforce, Microsoft (Dynamics) and ServiceNow; (4) integrations with Google G Suite and Microsoft Teams; (5) Rainbow Edge, a private cloud version of Rainbow.

Note: In August 2020, ALE and RingCentral announced a strategic partnership to introduce a new co-branded cloud solution named ALE Rainbow Office powered by RingCentral. Due to its timing, this announcement's impact is not considered in the present Magic Quadrant.

Strengths

- ALE's Rainbow service is a global offering that has achieved early penetration of Asia/Pacific and Western Europe. It supports 19 languages.
- The open architecture of ALE's Rainbow service enables partners and customers to build customized vertical solutions and value-added services. Prebuilt, off-the-shelf applications are also available in the Rainbow store.
- ALE's Rainbow technology and business model differ from those of competitors by focusing on best-of-breed third-party application integrations via APIs and cPaaS connected by the Rainbow API Hub.
- ALE's Rainbow service offers a dedicated private cloud deployment option for organizations that cannot use multitenant public cloud UC.

Cautions

- ALE lacks a native preintegrated telephony capability. Furthermore, ALE is still only in the early stages of a partnership with RingCentral to position Rainbow Office powered by RingCentral.
- ALE's meeting capability is best suited to internal collaboration between small groups. It is limited to 120 participants and lacks features generally expected for more formal use cases.
- ALE's Rainbow strategy relies heavily on partners to fulfill customer requirements. This adds complexity, as well as the risk of its offering being less consistent than those of competitors.
- Rainbow's availability SLA target is 99.5%, which is significantly lower than those of competitors. Also, ALE does not offer credits to customers if it fails to meet SLA targets.

Cisco

Cisco is a Leader in this Magic Quadrant. Its Webex suite focuses on services for collaboration and meetings, telephony, messaging, workstream collaboration and contact centers, which can be integrated with Cisco phones. Its operations are geographically diversified. Customers are distributed across most market segments.

Enhancements in the past year include: (1) full management platform and user experience integration of Webex Calling into the Webex application suite; (2) the launch of cloud-connected PSTN connectivity and new unified Webex desktop and mobile clients that support meetings, messaging and calling, as well as integrations with business applications; (3) AI/cognitive enhancements to meetings in the form of, for example, Webex Assistant, voice commands and real-time transcription for meetings.

Strengths

- Cisco has a strong brand and deep CIO relationships across the globe. Its UCaaS portfolio is complemented by Wi-Fi, LAN, WAN, SD-WAN, security and data center assets.

- The number of inquiries about Cisco received by Gartner's client inquiry service rose, year over year, by 70% in the first three quarters of 2020, which suggests increased interest in this vendor.
- Cisco delivers a comprehensive suite of UCaaS services via a global platform and a unified Webex app that supports meetings, calling and messaging with an integrated device portfolio. Customers generally view Cisco's portfolio of video room and personal collaboration devices positively.
- Cisco has a large, diversified and global set of channel partners capable of selling to businesses of all sizes.

Cautions

- Gartner clients that are migrating from existing premises-based Cisco solutions report that they struggle to decide between Cisco's various cloud UCaaS offerings, which include Webex, Hosted Collaboration Solution (HCS) and Cisco Unified Communications Manager Cloud (UCMC).
- In the past year, Cisco has made significant changes to its senior leadership across its UCaaS and contact center as a service (CCaaS) portfolios.
- Different channel partners offer different Cisco UCaaS options. Many continue to promote Cisco HCS options based on older architectures, which may not benefit from some of Cisco's latest innovations for the Webex portfolio.
- Cisco is losing UCaaS mind share to Microsoft, RingCentral and Zoom. These competing vendors are each focused on a single cloud UC platform.

Dialpad

Dialpad is a Niche Player in this Magic Quadrant. Its Dialpad Talk product focuses on telephony, meetings and messaging. Dialpad's operations are mostly in North America and Asia/Pacific. Its customers are distributed across most market segments.

Notable enhancements in the past year include: (1) UberConference, which displays up to nine participants and is integrated into Slack; (2) voice intelligence features, such as transcription and AI-generated post-call summaries, and the addition of sentiment

indications to the Dialpad Support and Dialpad Sell contact center offerings; (3) the addition of a coaching center to Dialpad Sell, which provides reporting that includes customer-defined “moments” and predefined phrases.

Note: In September 2020, Dialpad acquired Highfive, a videoconferencing company. Due to its timing, the impact of this acquisition is not considered in the present Magic Quadrant.

Strengths

- Dialpad continues to innovate and expand its “Voice Intelligence” capabilities for AI and voice analytics across its portfolio.
- Nearly all of Dialpad’s customers can activate their service without any on-site support. Dialpad offers various professional services packages for onboarding, implementation, network assessment, device provisioning and training.
- Dialpad’s partnership with Google provides telephony to Google G Suite customers. Dialpad’s UCaaS solution is available from the G Suite Marketplace, and a Chromebook app is now available.
- Gartner clients continue to report good customer service and support from Dialpad.

Cautions

- Dialpad pays more attention to voice than to other parts of its UC stack.
- Dialpad UberConference lacks some basic meeting features, such as a lobby, the ability to switch audio during meetings, closed captioning, private messaging and polling. It has more limitations than solutions included in competing UCaaS offers.
- Dialpad’s Android and iOS mobile clients lack team messaging, video and screen-sharing capabilities.
- Dialpad is a relatively small provider with limited market visibility. Its business is skewed toward English-speaking markets, although support for additional languages has been added in the past year.

Fuze

Fuze is a Visionary in this Magic Quadrant. It focuses on calling, messaging, meeting and contact center services. Its operations are geographically diversified. Customers tend to be organizations headquartered in North America, the U.K. and other parts of Europe with 500 to 5,000 users.

Notable changes in the past year include: (1) a focus on serving only the enterprise segment; (2) enhancements to Fuze Rooms, such as a tablet touch controller and the ability to launch a meeting from the Fuze mobile app; (3) new supervisor desktop, agent desktop and mobile experiences for Fuze Contact Center integrated into the UCaaS client; (4) support, on the Fuze mobile app, for multitasking with other apps on tablets; (5) a new, simplified licensing and pricing strategy that includes calling and collaboration capabilities in a single orderable item, as well as new packages of customer success plans.

Strengths

- Fuze now sells only to large organizations with more than 500 users, including multinationals. This change in strategy enables Fuze to focus its resources on fewer organizations, while delivering more professional services. Fuze has hundreds of customers in more than one region of the world.
- Gartner clients have praised the design of the user interface and user experience of the Fuze desktop and its mobile apps.
- Fuze can deliver “full PSTN replacement” services in 35 countries, 21 of which are in Europe and seven in Asia/Pacific.
- Fuze has significantly improved the capabilities and desktop user experience of Fuze Contact Center. This tightly integrated contact center solution enables users with UC and contact center requirements to obtain comprehensive services from a single, unified platform. Recent Fuze Contact Center enhancements include an improved user experience and more extensive capabilities.

Cautions

- As Fuze has shifted its focus to large organizations, it is no longer well-suited to organizations with fewer than 500 users.
- Fuze has had significant changes of executive leadership in the past 12 months. The current executive lineup has itself made bold changes, such as the move to focus exclusively on the enterprise segment.
- Fuze's brand profile remains low, judging by the company's recognition by Gartner clients. Large organizations may be unaware that Fuze could be a good option for them.
- Select Gartner clients have reported that resolution times for incidents involving NICE inContact contact centers could be improved.

Google

Google is a Challenger in this Magic Quadrant. Its UCaaS offering, consisting of Google Meet, Google Chat and Google Voice, focuses on meetings, calls and messaging.

Google's operations are geographically diversified. Its customers in this market tend to be midsize organizations, technology companies and academic institutions.

Enhancements in the past year include: (1) the ability for Google Meet to display 49 participants; (2) improvements to meeting safety; (3) a Google Meet low-light mode to improve visibility in dark environments; (4) new noise cancellation and bandwidth optimization; (5) presentation support and tabbed navigation on a mobile app; (6) a new desktop client using Chrome's progressive web app framework; (7) bulk provisioning and number porting for Google Voice; (8) Integration of Google Meet, Chat and Voice into a new Gmail sidebar.

Strengths

- The integration of Google Voice, Meet and Chat into Gmail gives G Suite users easier access to UC features and promotes adoption.
- During the past year, Google has added many new end-user functional features, performance improvements and security features to its UCaaS offering.
- Access to the Google Jamboard app on any device provides easy access to virtual whiteboarding functionality for the "anywhere" workforce.

- Google has a consumer-friendly user experience design, one focused on ease of use. It is well-received by users.

Cautions

- Despite reports of strong adoption of Google Voice, Google has been slow to expand the geographic reach and availability of this service. Although Google supports calling plans in 11 countries, no new countries were added in the past year. Support for Google Voice in Japan is expected by 2021, however.
- Google's availability SLA target for all G Suite services, including Meet, Chat and Google Voice, is 99.9%, which is considerably lower than most UCaaS competitors.
- Google's telephony capabilities will satisfy the needs of organizations that require only a basic feature set, but not for those that require an extensive set of advanced telephony features.
- Google supports only a small number of desk phones, from Poly.

LogMeIn

LogMeIn is a Challenger in this Magic Quadrant. Its GoToConnect (formerly Jive Communications) service provides telephony, meeting, and personal and team messaging capabilities. LogMeIn's operations are mostly in North America. Its customers are distributed across most market segments.

Enhancements in the past year include: (1) new user experiences for GoToConnect desktop and mobile clients; (2) new integrations with Microsoft Teams, Slack, Google Calendar, Zendesk and Zoho; (3) enhancements and rebranding of the contact center offering, GoToConnect Support Center; (4) enhancements to the meeting room solution, GoToRoom, including new hardware options from Poly, expanded capabilities in partnership with Dolby (such as autoframing), and the ability to launch meetings from a mobile app.

Strengths

- LogMeIn has a long track record, having provided cloud-based meeting solutions for over 15 years, including through its GoToMeeting service.
- LogMeIn's meeting capabilities are extensive, mature and especially capable for external participants. The new desktop and mobile client user experiences are well-designed and intuitive.
- LogMeIn prices GoToConnect competitively, relative to other offerings with similar capabilities.
- LogMeIn has a significant number of complementary cloud-based services, such as GoToMeeting and GoToWebinar.

Cautions

- LogMeIn's UCaaS customer base is almost entirely in the U.S. Full PSTN replacement capabilities are available in nine countries outside the U.S., however. Large and highly multinational organizations should confirm that LogMeIn can deliver UCaaS to the regions and countries where they operate.
- Forty-three percent of LogMeIn customers are small (with under 100 users), and 23% are midsize (under 1,000 users). Forty-two percent of LogMeIn's customer base procures services on a month-to-month basis. Large organizations should ask for comparable references.
- GoToConnect does not yet support team messaging, and the mobile app does not support personal messaging (chat). These capabilities are, however, on LogMeIn's roadmap. Organizations planning to rely heavily on the messaging capabilities inherent to a UCaaS offering should check their availability with GoToConnect.
- LogMeIn does not yet support virtual desktop (VDI) environments with its GoToConnect desktop client.

Microsoft

Microsoft is a Leader in this Magic Quadrant. Its Microsoft Teams service focuses on telephony, personal and team messaging, and meeting capabilities. Its operations are

geographically diversified. Clients are distributed across most segments and include Office 365 subscribers.

Enhancements in the past year include: (1) background blur and replacement; (2) quality of experience over lossy networks; (3) a 3x3 gallery view; (4) live captioning and faster join times; (5) nomadic Enhanced 911 support; (6) expanded support for carrier PSTN access via Direct Routing (up to 90 countries); (7) a new Satin codec supporting wideband voice at 7 Kbps; (8) priority messaging notifications and message delegation; (9) message targeting at roles, skills and locations, with tagging.

Strengths

- Microsoft's enterprise license agreement, which entitles users to Microsoft Teams, is a strong influence on organizations considering UCaaS. The majority of Gartner clients, which are midsize and large organizations, have Microsoft enterprise license agreements in place.
- Microsoft Teams has the most complete set of integrations with Microsoft's Office 365 services and applications. Microsoft Teams is itself "built" from many Office 365 services and applications, such as Azure Active Directory, SharePoint, OneDrive and Exchange Online.
- Microsoft's collaboration features for messaging and meetings fully satisfy a significant percentage of the user base in organizations that want to add enterprise telephony at a low additional cost to that of an E1 or E3 license.
- Most Gartner clients already use Microsoft Teams for messaging and meetings, and they report good or better levels of satisfaction. Adoption has increased in response to COVID-19. End users' familiarity with Microsoft Teams for messaging and meetings has led to end-user demand for IT organizations to add telephony.

Cautions

- Microsoft's telephony capabilities are good enough for many organizations, but not for those that require advanced telephony features. Furthermore, Microsoft's availability SLA target of 99.9% is considerably lower than that of most UCaaS competitors.

- Microsoft is not currently a suitable option for organizations that require contact center capabilities delivered from the same platform as UCaaS services.
- The price of Microsoft's calling plans remains notably higher than those of PSTN providers. Also, the number of countries in which Microsoft supports calling plans is limited. Microsoft supports 11 countries, whereas most UCaaS providers and telecom operators typically support 30 or more. For these reasons, large organizations that use Microsoft for UCaaS almost always require a separate PSTN provider.
- Gartner clients are often unfamiliar with which Microsoft implementation partners to use, and the price of these partners' professional services varies widely, which makes it challenging for buyers.

Mitel

Mitel is a Challenger in this Magic Quadrant. Its MiCloud Connect service provides telephony and messaging, and can be bought together with MiTeam Meetings (powered by Amazon Chime). Mitel's UCaaS operations focus on North America, the U.K. and Australia. MiCloud Connect aligns with the small and midsize business (SMB) segment, but can also support large organizations.

Enhancements in the past year include: (1) MiCloud Connect using Google Cloud; (2) consolidation of Mitel's UC and UCaaS business units to streamline resources and business processes; (3) a SelfStart self-service portal and onboarding to improve the customer experience; (4) MiCloud Connect using Google's public cloud infrastructure to improve performance, reliability and security.

Strengths

- Mitel has invested in partner enablement resources (from lead registration to customized sales and marketing resources) to improve its support for partners. Mitel's channel practice accounts for a growing percentage of its sales.
- Mitel's premises-based MiVoice Connect on-site solution has the same user experience as MiCloud Connect, so customers migrating from it to the cloud will be familiar with the user experience.

- Mitel has recommitted itself to supporting the adjacent MiCloud Flex solution and to creating cloud delivery options for organizations that require more customization and control. MiCloud Flex has a broader service delivery footprint and is now also available via select partners as a managed service.
- Prices for Mitel's MiCloud Connect are lower than those for many competing offerings, which makes it attractive for businesses heavily influenced by cost pressure.

Cautions

- Mitel's UCaaS delivery reach is limited. MiCloud Connect, with full emergency support, is currently available only in North America, Australia and the U.K. Mitel's geographic expansion plans continue to face delays.
- Mitel's MiTeam Meetings solution is immature and has some feature limitations. It does not yet offer mobile or web support (it is limited to desktop support). It is limited in terms of scalability (100 users maximum) and video (16 users maximum), and it does not support room systems. Calendar integration is planned for release during the second half of 2020.
- Mitel's MiCloud Connect is increasingly popular with SMBs, but large organizations should check that Mitel's feature capabilities and product support meet their requirements.
- Mitel uses the public Google Cloud for UCaaS, but some organizations have sensitive requirements that prohibit the use of applications hosted on public infrastructure.

RingCentral

RingCentral is a Leader in this Magic Quadrant. Its RingCentral Office service focuses on telephony, messaging, meetings, SMS/MMS and fax services. Its operations are mostly in North America and Europe. Its customers are distributed across most market segments.

Enhancements in the past year include: (1) strategic partnerships with ALE, AT&T, Atos and Avaya, which increase its reach into partners' embedded bases; (2) the launch of

RingCentral Video, a self-developed meeting solution, as a new alternative to RingCentral Meetings powered by Zoom; (3) significant investments in security at the operational, infrastructure, application and network layers; (4) enhancements to usage and adoption reporting and analytics.

Note: In August 2020, RingCentral and ALE announced a strategic partnership to introduce a new co-branded cloud solution named ALE Rainbow Office powered by RingCentral. Due to its timing, this announcement's impact is not considered in the present Magic Quadrant.

Strengths

- RingCentral has continued to improve in several key areas, including product development and capabilities, sales and distribution, global coverage, and customer service and support.
- RingCentral now has a self-developed meeting solution that gives it full control over its roadmap and capabilities, because it no longer relies solely on Zoom. RingCentral Video is API-enabled and can be used for integrations in the healthcare and education sectors.
- RingCentral has improved in terms of regulatory compliance. It now supports Germany's Cloud Computing Compliance Controls Catalog (C5) data residency standard, the U.K. Cyber Essentials security scheme, and STIR/SHAKEN protocols and procedures for caller ID authentication. This enables RingCentral to enter new markets that it would previously have found challenging.
- RingCentral's support organization has a core competency in contact centers, including the NICE inContact CCaaS solution, as well as RingCentral's internal CCaaS solutions, which are well-suited to relatively small organizations.

Cautions

- RingCentral's focus on strategic partnerships, and especially on developing compatibility with partners' phones, gateways and legacy UC infrastructure, may prevent it from devoting all its R&D resources to innovation.

- Although RingCentral's partnership with NICE inContact has benefits, it also means RingCentral depends on a partner for an important component of its offering and does not fully control the roadmap for the contact center.
- RingCentral's licensing is not as flexible as that of some competitors because it requires selection of a single seat type for an entire organization. Competitors allow mixing and matching of seat types.
- RingCentral Video is new and requires the closure of functional gaps for the meeting use case — for example, with regard to webinars and room meetings. There are also functional gaps relating to the premeeting, in-meeting, postmeeting, mobility and meeting-room capabilities available with RingCentral Meetings.

Star2Star

Star2Star is a Niche Player in this Magic Quadrant. Its Enterprise Communications and Collaboration Platform service focuses on delivering telephony, meetings, mobility, messaging, fax and SMS/MMS services. Star2Star's operations are mostly in North America. Its customers tend to be midmarket organizations seeking a cost-effective solution.

Enhancements in the past year include: (1) the launch of Video Meetings, a new self-developed meeting solution; (2) new licensing to bundle capabilities for specific types of users, including remote workers; (3) electronic contract signatures and electronic payment processing support in the RocketQuote quoting and ordering system; (4) updated branding to reflect the newly released capabilities.

Strengths

- Customers find Star2Star's UCaaS and its new cPaaS offering to be cost-effective, and they consider that both deliver value. The cPaaS offering includes bundled applications such as Employee Alerts, Urgent Notification and Mass Notification.
- Star2Star has enhanced its contact center capabilities to improve their suitability for customers with midrange UCaaS and CCaaS requirements. Star2Star has

consistently made significant improvements to its contact center offering over the past three years, and has prioritized these enhancements on the basis of market feedback.

- The Star2Star platform has embedded self-developed SD-WAN capability with 4G/LTE backup for improved service reliability. This offering is ideally suited to the needs of highly distributed organizations that have many small locations or stores and that want improved reliability.
- Star2Star has continued to enhance its quoting engine, RocketQuote, which now supports digital signage, to improve the speed and agility of the sales process.

Cautions

- The 1Q20 divestiture of UCaaS provider Blueface (to Comcast) reduces Star2Star's visibility in, and coverage of, European and Asia/Pacific markets.
- Organizations that choose Star2Star and require support for extensive meeting use cases (such as webinars, remote learning and large all-hands meetings) will need supplementary third-party solutions.
- Star2Star's brand is not well-known. Given its focus on indirect sales, Star2Star has not invested in building its brand with end customers. Most Star2Star channels offer its product on a white-label basis.
- The software clients (desktop and web) and mobile apps of Star2Star's leading competitors have more extensive capabilities for meetings and messaging. This is significant because the user experience and capabilities of software clients are increasingly important factors for vendor selection.

Vonage

Vonage is a Niche Player in this Magic Quadrant. Its Vonage Business Communications (VBC) service focuses on telephony, team messaging and meetings. Its operations are mostly in North America. Its customers tend to be SMBs, although Vonage can support large organizations with over 5,000 users.

Enhancements in the past year include: (1) Vonage Meetings, a self-developed meeting solution built on technology acquired from TokBox; (2) integration of Vonage Meetings

into VBC mobile, desktop and web apps; (3) Vonage Smart Numbers, which enables customers to modify call flows with a low-code programmable API; (4) the ability for customers to integrate VBC with Zapier-supported business applications.

Strengths

- Vonage takes a cloud-native platform approach in which capabilities are built on top of APIs. This approach fosters agility and flexibility in terms of bringing new capabilities to market and enabling application development.
- Vonage has tight contact center-CRM integration with the VBC UCaaS solution. Customers with contact center and UC requirements can benefit from single sign-on, a single presence and a common UI for smooth navigation between solutions.
- Customers generally report that Vonage's customer support team is responsive and handles issues in a timely manner.
- Vonage differentiates itself through application integrations. It promotes (1) integrations with Zapier, an integration platform as a service (iPaaS) provider, to enable common app integration without the need for developer resources; (2) the Vonage App Center, which enables partners to create embedded integrations; (3) Vonage Smart Numbers, which supports customization with minimal coding requirements.

Cautions

- Vonage's geographic footprint for UCaaS may not meet the requirements of organizations headquartered outside North America, or those that have headquarters in North America and branch offices across the world.
- Vonage Meetings is a new offering with emerging capabilities. It currently supports up to 100 participants (with a maximum of 16 video participants). It does not currently support integration with room video systems.
- Vonage typically serves small and midsize organizations. Its onboarding and support teams are not as experienced at serving large enterprises with complex requirements.
- Although Vonage offers configuration flexibility to support unique use cases, its solution positioning does not emphasize deep industry-specific capabilities upfront.

Windstream

Windstream is a Niche Player in this Magic Quadrant. Its OfficeSuite UC product delivers telephony, messaging and mobility features. Its operations are largely in North America. Its customers tend to be SMBs.

Enhancements in the past year include: (1) packaging of complementary services to serve enterprise customers, such as SD-WAN, access and security services; (2) OfficeSuite UC support for up to 1,000 meeting participants; (3) new analytics and reporting capabilities for the WE Connect administration portal; (4) expanded integrations with Microsoft Teams, Slack and Amazon Alexa, and further integration with Google Assistant.

In February 2019, Windstream voluntarily filed for Chapter 11 bankruptcy protection in U.S. courts. Windstream has informed Gartner that its restructuring plan was approved in August 2020, and the company successfully completed its financial restructuring process as a privately held company in September 2020.

Strengths

- Windstream offers several options for UCaaS and CCaaS, which can be combined to suit most organizations' use cases.
- Optional bundles for network access, SD-WAN and professional services enable Windstream to serve as a "one-stop shop" for some organizations.
- Windstream provides a unified portal, WE Connect, for network and device monitoring, call quality analytics, availability monitoring and system administration. WE Connect is accessible from a web or mobile client, which enables administrators to be more mobile.
- Windstream has a strong industry focus, with multisite customers in the finance, healthcare, retail and education sectors.

Cautions

- Windstream has just emerged from Chapter 11 bankruptcy protection.
- Windstream's geographic presence is limited, compared with that of other providers in this Magic Quadrant. The company relies on partners to support all customers outside the U.S. and Canada.
- Windstream OfficeSuite HD Meeting, powered by Zoom, does not currently offer native support for Zoom Rooms.
- Windstream is not well-known in the UCaaS market. We see limited interest in Windstream's UCaaS offering among Gartner clients.

Zoom

Zoom is a Leader in this Magic Quadrant. Its core UCaaS offering, a combination of Zoom Meetings, Zoom Chat and Zoom Phone, focuses on meetings, enterprise telephony and messaging. Its operations are mainly in the U.S. and Europe. Its customers tend to be midsize and large organizations.

Enhancements in the past year include: (1) the launch of Zoom Room appliances with partners Neat, Poly, DTEN and Logitech; (2) a focus on security vulnerabilities in 2Q20, with a 90-day program dedicated to security enhancements, including AES 256-bit GCM encryption, and in-app options for meeting security; (3) Zoom Chat enhancements, including support for threaded conversations and the addition of broadcasting channels.

Strengths

- For organizations already using Zoom Meetings, Zoom Phone Basic is available at no additional charge (without PSTN access). This is a major attraction for organizations looking to add telephony from a single vendor cost-effectively.
- Despite the Zoom Phone service being relatively new, it offers a 99.999% availability SLA target.
- Customers generally praise Zoom Meetings for its ease of use, service reliability, and pace of innovation and enhancement.
- Zoom has significantly raised its profile during the COVID-19 pandemic by bridging the gap between consumers and enterprises with "freemium" packages and by offering incentives to organizations signing up to Zoom for the first time.

Cautions

- Zoom Phone offers a basic set of enterprise telephony features. Organizations currently using on-premises solutions and seeking a UCaaS provider with an advanced set of telephony features may find gaps.
- Zoom calling plans are available in only 42 countries and territories. Zoom does offer a “bring your own carrier” option, which adds flexibility, but it requires additional effort to configure.
- Zoom does not offer contact center functionality, so it is unsuitable for organizations that want UCaaS and CCaaS delivered from a single platform. Zoom does, however, partner with leading contact center providers, and its offering can be integrated with Five9, Genesys, NICE inContact, Talkdesk and Twilio.
- Some Gartner SMB clients who use Zoom have reported delays in support and relatively unresponsive account management.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

- Vonage
- Zoom

Note also that, in the previous edition of this Magic Quadrant, Star2Star appeared as StarBlue (Star2Star-Blueface). The change of name follows the sale of Blueface to Comcast in early 2020.

Dropped

None.

Inclusion and Exclusion Criteria

Gartner's Magic Quadrant and Critical Capabilities reports identify and analyze the most relevant providers and products in a market. By default, Gartner imposes an upper limit of 20 vendors per report to focus on the most relevant providers in a market. On some occasions, however, the upper limit may be extended, when the report's value to clients might otherwise be diminished.

The following inclusion criteria represent the specific attributes that Gartner analysts deemed necessary for a provider to appear in this Magic Quadrant. The inclusion criteria have not changed significantly from the 2019 to 2020 editions of this Magic Quadrant (in contrast to the marked change from the 2018 edition to the 2019 edition).

To qualify for inclusion, vendors had to meet the following criteria:

- Self-developed, multitenant UCaaS core software: UCaaS providers must develop the core software for calling capabilities, for desktop, mobile and web clients, and for administration portal capabilities. Software for messaging, meetings and quality of service (QoS) monitoring can either be self-developed or developed by a technology partner. The UCaaS platform can be distributed, but each service node must be multitenant.
- Provider-operated core: UCaaS providers must operate (manage, monitor, support and upgrade) the core UCaaS software platform for calling capabilities and an administration portal. Messaging capabilities, meeting capabilities and QoS monitoring can be operated either by the UCaaS provider or a technology

partner. Compute, storage and networking for back-end services can be managed either by the UCaaS provider or a technology partner.

- User base: Each UCaaS provider must have a total user base of at least 200,000 users with calling capabilities. At least three customers must have over 1,000 calling users.
- Geographic serving area and user base split: UCaaS providers must be licensed to provide services in the three regions listed below. They must have at least 15,000 calling users in at least two of these regions and have contracted customers in those regions.
- Region 1: North America — the U.S. and Canada
- Region 2: Europe — the U.K. and western continental Europe
- Region 3: Asia/Pacific — must include at least one of the following: Australia, New Zealand, India, Hong Kong, Singapore, Japan, China.
- Sales and support: UCaaS providers must have more than 100 sales and support staff in at least two regions from the above list.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate providers on the quality and efficacy of the processes, systems, methods and procedures that enable their performance to be competitive, efficient and effective, and to positively impact their revenue, retention and reputation, in relation to Gartner's view of the market.

Product or service: This criterion assesses core UCaaS services offered by providers that compete in and serve the defined market. Included are current product and service features and capabilities; QoS and service levels; availability and performance consistency; skill levels within various organizations (especially operations and support); and the balance of self-developed capabilities and those provided through OEM agreements or partnerships.

Key components:

- Core unified communications and collaboration (UC&C):
 - Enterprise telephony
 - Personal and team messaging (instant messaging and presence)
 - Online meetings
 - Mobility, personal and shared device offerings (sale/rental/management)
- Management:
 - Customer administration portals
 - Life cycle and change management
 - Reporting (usage, performance and monitoring, availability, service status, incidents)
 - Dashboards and service incident management
 - Change order management
 - Analytics
 - Mass provisioning
 - Payments and notifications
- Adjacent or complementary offerings:
 - Contact centers
 - Network services
 - cPaaS

Overall viability: This criterion includes assessment of an organization's overall financial health, as well as the financial and practical success of the relevant business unit. It evaluates the likelihood of the organization continuing to offer and invest in a service, as well as that service's position in the current portfolio.

Key components:

- Corporate financial health
- Corporate commitment to UCaaS
- Revenue trends

Sales execution/pricing: This criterion assesses an organization's capabilities throughout all presales activities, as well as the structure and processes that support these activities. Included are deal management, licensing, pricing, evaluations, proofs of concept, approach to negotiation, presales support and the overall effectiveness of the sales channel.

Key components:

- Direct sales
- Indirect sales via channel partners

Market responsiveness/record: This criterion assesses a provider's ability to quickly respond, change direction, be flexible, and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. It also considers the provider's history of responsiveness to changing market demands.

Marketing execution: This criterion assesses the clarity, quality, creativity and efficacy of programs designed to deliver a provider's message in order to influence the market, promote a brand, increase awareness of products and establish a positive identification in the minds of customers. This "mind share" can be driven by a combination of publicity, promotional activity, thought leadership, social media, referrals and sales activities.

Customer experience: This criterion assesses products, services and programs that enable customers to achieve anticipated results with the product(s) evaluated. Specifically, it assesses the quality of supplier-buyer interactions, technical support and account support. It also considers ancillary tools, customer support programs, the availability of user groups and SLAs.

Key components include:

- Procurement experience (ease of procurement)
- Customer administration portal experience
- Account management
- Technical assistance tools
- Customer support experience

Operations: This criterion assesses an organization’s ability to achieve its goals and meet its commitments. Factors include the quality of the organizational structure, skills, experiences, programs, systems and other vehicles that enable an organization to operate effectively and efficiently.

Table 1: Ability to Execute Evaluation Criteria

[Enlarge Table](#)

<i>Evaluation Criteria</i>	<i>Weighting</i>
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	High

Customer Experience	High
Operations	Medium

Source: Gartner (November 2020)

Completeness of Vision

Gartner analysts evaluate providers on their ability to convincingly articulate logical statements about the market's current and future direction, innovation, customer needs and competitive forces, in light of Gartner's view of the market.

Market understanding: This criterion considers a provider's ability to understand customers' needs and to translate that understanding into products and services. It favors providers that demonstrate a clear vision of their market, that listen to and understand customers' demands, and that can shape or enhance market changes with their vision.

Key components:

- Completeness of UCaaS offering across the main pillars: calling, meetings, messaging, mobility and management.
- Complementary professional, support, life cycle/change management and managed services.
- A track record of UCaaS functionality and service offerings.
- A roadmap to evolve the above in anticipation of the market's future needs.

Marketing strategy: This criterion looks for clear, differentiated messaging that is consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements.

Sales strategy: This criterion looks for a sound strategy for selling that uses appropriate networks, including direct and indirect sales, marketing, service and communication. It also considers any partners that may extend the scope and depth of a provider's market reach, expertise, technologies, services and customer base.

Offering (product) strategy: This criterion looks for an approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements. It also considers bundling strategies, user adoption of the full range of UCC capabilities, and any acquisitions.

Business model: This criterion assesses the design, logic and execution of an organization's business proposition for achieving continued success.

Vertical/industry strategy: This criterion assesses an organization's strategy to direct resources (sales, product and development), skills and products to meet the specific needs of individual market segments, including industries.

Innovation: This criterion assesses a provider's direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes. It also evaluates the pace of product, technology and service innovation.

Geographic strategy: This criterion evaluates a provider's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside its "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate. Key components include:

- The ability to deliver a full PSTN replacement in multiple regions and countries.

- Localization/country homologation — for example, in relation to languages in end-user clients, administration portals and audible announcements.
- Local/regional sales and support.
- Local currency contracting and billing.
- In-region data center and point-of-presence locations.

Table 2: Completeness of Vision Evaluation Criteria

[Enlarge Table](#)

<i>Evaluation Criteria</i>	<i>Weighting</i>
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	Medium
Geographic Strategy	High

Source: Gartner (November 2020)

Quadrant Descriptions

Leaders

Leaders have been delivering complete UCaaS solutions for years. They have established bases of enterprise customers and support large numbers of users. They have comprehensive and integrated UCaaS solutions that address the full range of market needs; proven ability to serve large organizations; and commitment to three or more geographical markets. They have defined migration and evolution plans for their products in core UCaaS areas, and they are using their solutions to acquire new customers, expand their geographical footprints and innovate in new functional areas.

Challengers

Challengers have the ability to deliver UCaaS to large organizations. They have yet to become Leaders because their UCaaS solutions lack some elements, their customer support is still evolving, they do not offer differentiated services, or most of their users deploy only certain aspects of UC.

Visionaries

Visionaries have an ambitious vision of the future, and are making significant investments to develop unique technologies. Their services are still emerging, and they have many capabilities in development that are not yet generally available. Although Visionaries may have many customers, they might not yet serve a broad range of use cases well.

Visionaries are close to, or are already, delivering differentiated UC functionality or services, but have not yet established themselves in the enterprise market. This may be due to an inability to support multiple large customers, a lack of proven ability to support pan-regional UCaaS deployments, or limited brand name recognition. Some providers may be Visionaries because of only one or two shortcomings, such as inconsistent customer service.

Niche Players

Providers may be Niche Players for a variety of reasons. For some, it may be because of limited brand recognition or because they lack a robust marketing ability to sell beyond their core territory. For others, it may be because their solution is relatively new, their customers may be using only a limited amount of UC functionality, their feature set may be weak in certain areas, or their customer service may be inconsistent.

Context

The functional advantages of UCaaS, in comparison with premises-based UC, are compelling. This is partly because the vast majority of R&D budgets are being allocated to cloud-based solutions. Vendors are still selling premises-based UC, but investing little in feature development and innovation for on-premises deployments. With UCaaS, the user experience, mobile capabilities, performance dashboards and management portals are superior, and there is generally considerably less of a requirement for expertise from customer administrators than there is for premises-based solutions. Digital workplace application leaders recognize these advantages and are therefore seeking UCaaS whenever possible, if modernization is among their priorities.

SMBs

UCaaS has been the preferred delivery option for businesses with fewer than 1,000 employees for several years, with only two exceptions. The first — increasingly rare in developed regions — is when, for such organizations, the network bandwidth required

for adequate performance is lacking, the price is too high, or availability is too restricted to connect to UCaaS providers. The second concerns organizations with 500 to 999 employees that believe their UC arrangements will not require modernization over the next three years, that have the expertise to manage on-premises infrastructure, and that can do so for a total cost lower than the market price for UCaaS.

The vast majority of SMBs should explore cloud solutions. The market is increasingly competitive, pricing is improving, innovation is strong, and few organizations wish to continue managing premises-based UC infrastructure.

Midsize Enterprises

Most midsize enterprises — those with 1,000 to 5,000 users — are well-suited to UCaaS. Many of the vendors evaluated in this Magic Quadrant are viable choices for such enterprises, with long lists of supported customers. Many regional UCaaS providers not featured in this report are also options. In addition, dozens of communications service providers (CSPs) that run Cisco HCS or Cisco BroadSoft BroadWorks are good options. Although these CSP-based solutions are not included in this Magic Quadrant, they have numerous cloud characteristics that digital workplace application leaders find compelling.

Some midsize enterprises may be forced to operate hybrid environments. They place the majority of employees' services in the cloud, but use premises-based infrastructure in countries with restrictive regulatory requirements or poor network connections.

Large Enterprises

Gartner sees enterprises with more than 5,000 users pursuing UCaaS where possible. Some large enterprises select UCaaS solutions discussed in this Magic Quadrant. Others may opt for a carrier-hosted solution (Cisco HCS or Cisco BroadSoft BroadWorks), which provides numerous cloudlike advantages, such as opex pricing, as a temporary bridge solution. Such carrier solutions come with only three-year

commitments and may be better options for some large enterprises than premises-based solutions.

Large enterprises investing in premises-based UC must understand that there is limited R&D investment in this technology by providers, and that what they buy today is unlikely to see significant enhancements during a five-to-eight-year product life cycle. Most future enhancements (such as AI and natural language processing) will be cloud-based extensions delivered as an overlay to premises-based deployments. Nonetheless, premises-based deployments persist for reasons of regulation, customization and country coverage.

Market Overview

Gartner's view of the market focuses on transformational technologies and approaches to meeting the future needs of end users. It does not focus solely on the market as it is today.

Providers' investment in UCaaS has continued to increase markedly, whereas investment in premises-based UC has declined significantly. As a result, UCaaS functionality now exceeds premises-based UC functionality in areas such as:

- Team messaging and SMS: UCaaS providers have extended the capabilities of team messaging and workstream collaboration services by integrating business applications, integrating file-sharing services, adding bot frameworks, and providing connectivity to mobile SMS messaging from desktops, web clients and mobile apps.
- Meetings: The meeting capabilities included in UCaaS solutions have steadily improved and have partially converged with those of stand-alone cloud-based meeting solutions. Many UCaaS providers are also meeting solution providers.
- APIs, cPaaS and app marketplaces: Integration of UC capabilities with applications that support broad workflows and business applications brings significant value. Examples of such integration include CRM applications, contact centers, workgroup applications and line-of-business applications. Some UCaaS providers have extended their offerings to include cPaaS, which enables the consumption of "atomized" capabilities (for example, the ability to send an SMS

or initiate a call) by other applications that are enhanced by integrating and enabling communication services.

- Reporting and analytics dashboards: UCaaS offerings provide administrative tools that visualize availability, failures, performance, diagnostics, usage, user adoption and other key performance indicators. Dashboard reporting can be measured and displayed on multiple levels, such as call, user, business unit and location.

UCaaS has characteristics similar to those of other cloud services, such as shared infrastructure (for example, data center, compute and network resources); shared tools (for example, provisioning, performance and network management tools); and per-user-per-month pricing and elasticity to increase or decrease the number of users without customer-facing impacts on the underlying platform (for example, expansion does not require procurement of additional platform hardware).

Most UCaaS providers embrace multitenancy, a microservices architecture, and infrastructure as a service (IaaS) to host their UCaaS application, with all users sharing a common software instance that is distributed across many service nodes, regionally or globally. In many cases, the application nodes reside in a public IaaS cloud, while media may be processed in and routed through traditional data centers to optimize performance. UCaaS platforms are developed, operated and updated by UCaaS providers in public cloud data centers (such as those of Amazon Web Services, Microsoft [Azure] and Google [Google Cloud Platform]), or in data centers operated by the UCaaS providers.

Today's UCaaS services provide better administration management portals, end-user portals, usage dashboards and network performance tools. It is now easier to deploy and manage large groups of users. It is also possible to monitor more precisely the quality of voice and meeting sessions, and to isolate the root cause of user experience issues (for example, access network problems, poor Wi-Fi connections, endpoint

performance problems, audio accessory/headset problems). However, performance monitoring and management expertise varies greatly by provider.

COVID-19 has resulted in increased demand for UCaaS, given this technology's inherent ability to deliver UC services to users wherever they are, typically at no additional cost. Premises-based solutions also offer remote-worker capabilities, but often they require additional licenses, and in some cases hardware upgrades to SBCs at the edge of enterprise networks. UCaaS solutions also offer superior user experiences in desktop clients and mobile apps, which increases adoption rates. The greater demand for remote working has resulted in increased organizational reliance on meetings and messaging. Consequently, there is demand for new features that meet requirements for: increased meeting safety and security; background concealment; suppression of specific sounds (beyond noise suppression); display of more people simultaneously in gallery views; and enhancements to the quality of experience over unmanaged networks.

Although CCaaS is not the focus of this report, there are strong links between UCaaS and CCaaS, as organizations often purchase both together. Some UCaaS providers develop and operate their own CCaaS services, while others have CCaaS partnerships that enable them to include CCaaS with their UCaaS offerings.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that

the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

By Rafael Benitez, Megan Fernandez, Daniel O'Connell, Christopher Trueman, Pankil Sheth