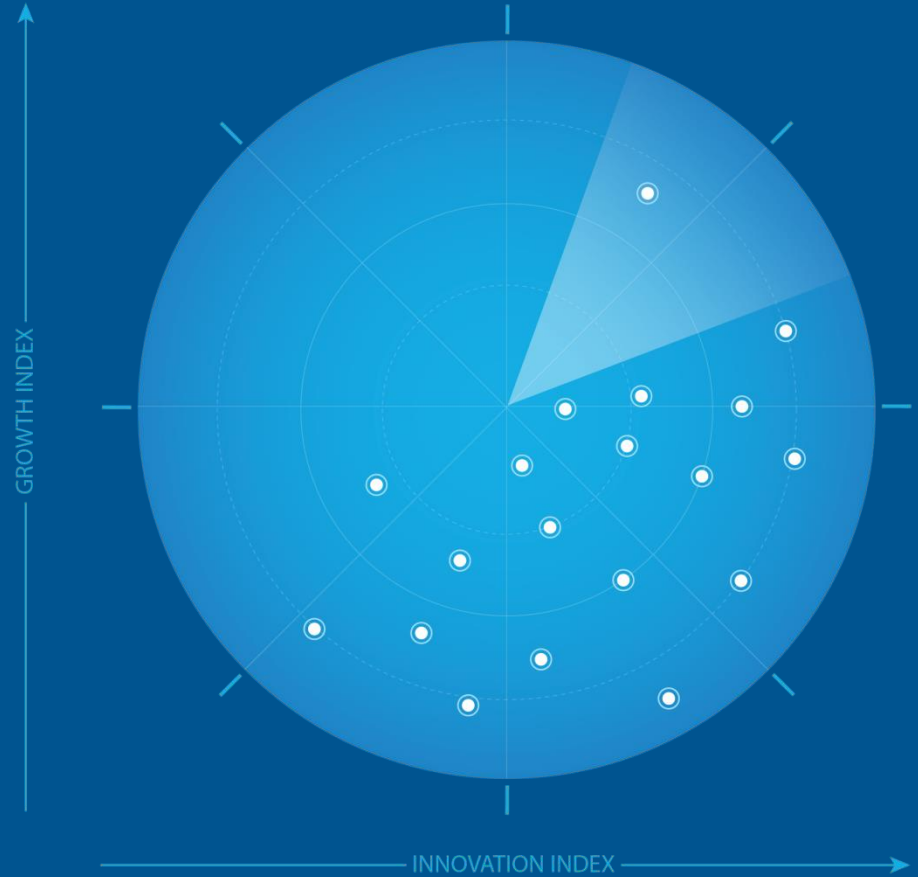


# Frost Radar™: EMEA Cloud Contact Centers, 2024

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A Benchmarking System to  
Spark Companies to Action -  
Innovation That Fuels New  
Deal Flow and Growth  
Pipelines



FROST & SULLIVAN

# Strategic Imperative and Growth Environment



# Strategic Imperative

## Factors Creating Pressure on Growth

- The challenging economic climate in the EMEA region (Europe, the Middle East, and Africa) encourages companies and organizations to be more disciplined with their expenditures and partner selection and to preserve cash. CCaaS providers should adapt to this environment and offer flexible and scalable solutions, emphasizing the operational expense (OPEX) advantage CCaaS offers over traditional contact center solutions that are more capital expense (CAPEX) intensive. Demonstrating a positive return on investment (ROI) is also critical.
- EMEA-based organizations are taking more time to make purchase decisions, with CFOs and other financial executives more intensely scrutinizing cash outlays. CCaaS providers need to plan for these longer sales cycles and be prepared to offer incentives to close deals more quickly.
- Interest in and the hype surrounding artificial intelligence (AI) is at an all-time high, with the introduction of generative AI (GenAI) driving much of it. CCaaS providers must move beyond the hype cycle and deliver AI-based solutions with desirable business outcomes that have a positive and measurable impact on improving the customer and employee experience.
- True adoption of AI is a challenging prospect for many end customers, requiring change management, information technology (IT) leadership buy-in, planning, and appropriate resource (human and capital) allocation. CCaaS providers must recognize this reality and offer end-user organizations appropriate support to address these challenges if they are to realize the full potential of their AI initiatives.

# Strategic Imperative (continued)

## Factors Creating Pressure on Growth

- Foundational to success with AI, knowledge management is now a crucial component for contact centers. A structured approach to capturing, organizing, and leveraging enterprise knowledge is required for AI to offer meaningful value. CCaaS providers should invest in helping enable effective knowledge management for their end customers.
- The recently passed EU AI Act and existing General Data Protection Regulation (GDPR) highlight a heightening focus on data privacy and security concerns in EMEA, especially Europe. Data sovereignty requirements across Europe vary and ensure that consumers' personal data is stored and processed within country boundaries and under the control of the data subjects. CCaaS providers must comply with these varying regulations and actively communicate their ability to do so in the industry.
- End customer C-suite leadership expectations for their contact centers are increasingly shifting, wanting to see contact centers transform from cost centers to profit centers. CCaaS providers that can outline a path toward helping achieve this objective can gain a competitive advantage.
- In a fast-developing customer experience (CX) industry with a plethora of appealing third-party applications, CCaaS platforms that offer flexibility, scalability, and ease of API integration are well-positioned to seize on market opportunity.
- Beyond the standard functions of efficiently routing omnichannel interactions and helping triage/deflect incoming requests, contact center leaders are looking to their CCaaS partners to offer intuitive and thorough customer journey orchestration, seamless workforce engagement and optimization tools, provide comprehensive data analysis and insights, and simplify the increasingly complex role of agents and supervisors.

Source: Frost & Sullivan



# Growth Environment

- Despite significant economic headwinds during 2023 in Europe, driven by rising interest rates, high energy costs, and fluctuating currency exchange rates, the EMEA CCaaS industry is proving to be quite resilient, registering an annual growth of 17%.
- EMEA market revenue reached €1.7 billion in 2023 and increased sales in every region. The United Kingdom and France were the most important regions in terms of revenue, bringing in a combined 39% of the 2023 total.
- With €290 million in 2023, France had the highest annual growth in EMEA at 22%. The Nordics had the lowest 2023 growth rate, at 9.4%, largely because of the region's already high CCaaS penetration rates.
- With the fourth-largest economy in the world by GDP, Germany has been slower in adopting cloud-based solutions like CCaaS compared to smaller economies in EMEA, such as the United Kingdom and France. However, indications suggest that the trend may be shifting. It was Europe's third fastest-growing CCaaS region in 2023, and cloud providers are taking notice. Amazon AWS announced it is investing €7.8 billion in Germany, including building a sovereign cloud instance, scheduled to launch in 2025, which should help accelerate cloud and CCaaS growth.
- The United Arab Emirates (UAE) and Saudi Arabia are driving CCaaS growth in the Middle East, receiving significant interest and investment. Multiple CCaaS providers, including Diabolocom, Genesys, NICE, and Sprinklr, opened new offices and data centers in the region during 2023-24.



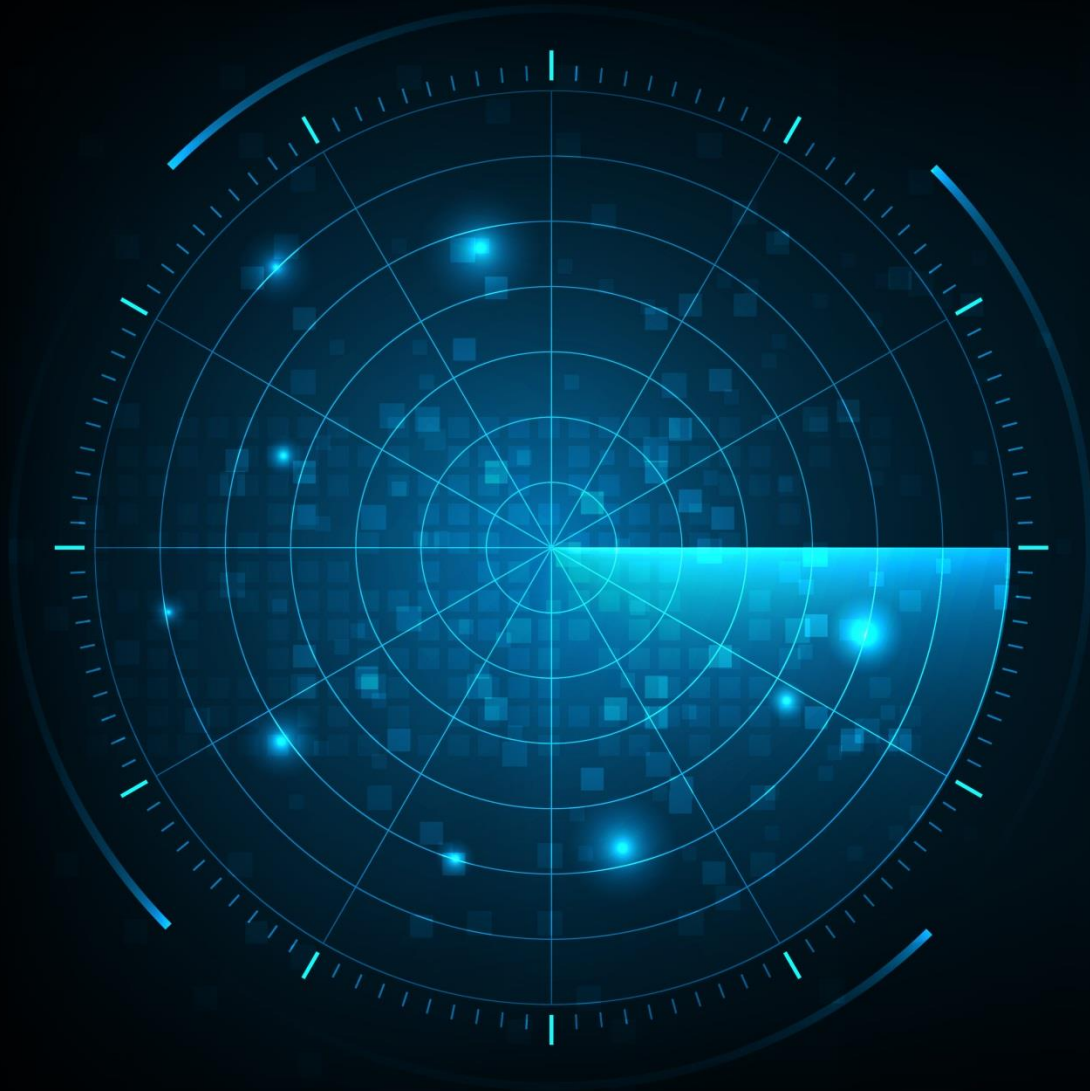
Source: Frost & Sullivan

# Growth Environment (continued)

- South Africa continues to be the CCaaS growth engine for the African continent, with CCaaS providers, including Amazon and Five9, expanding their African presence through that country.
- Among the many horrors of war, the uncertainty it creates is bad for business. EMEA currently has two major conflicts underway with the Russo-Ukrainian and Israel-Gaza wars.
- This Frost Radar™ outlines EMEA growth rates for 2023 into four categories: 1) flat, represented by a growth of 3% or less; 2) moderate, represented by a growth of 4% to 10%; 3) accelerated, represented by a growth of 11% to 20%; and 4) outperform, represented by a growth of above 20%. Companies in the flat category include Enreach and Odigo. Companies in the moderate category include Content Guru, LeadDesk, Vonage, and Worldline. Companies in the accelerated category include 8x8, NICE, Talkdesk, and Telia ACE. Companies in the outperform category include Anywhere365, Cisco, Diabolocom, Enghouse, Five9, Genesys, Puzzel, and Sprinklr.
- The median annual CCaaS revenue for all companies featured in this Radar is €51 million. The median number of CCaaS end customers is 425. The average annual revenue per customer is €389,000, and the median annual revenue per customer is €81,000.

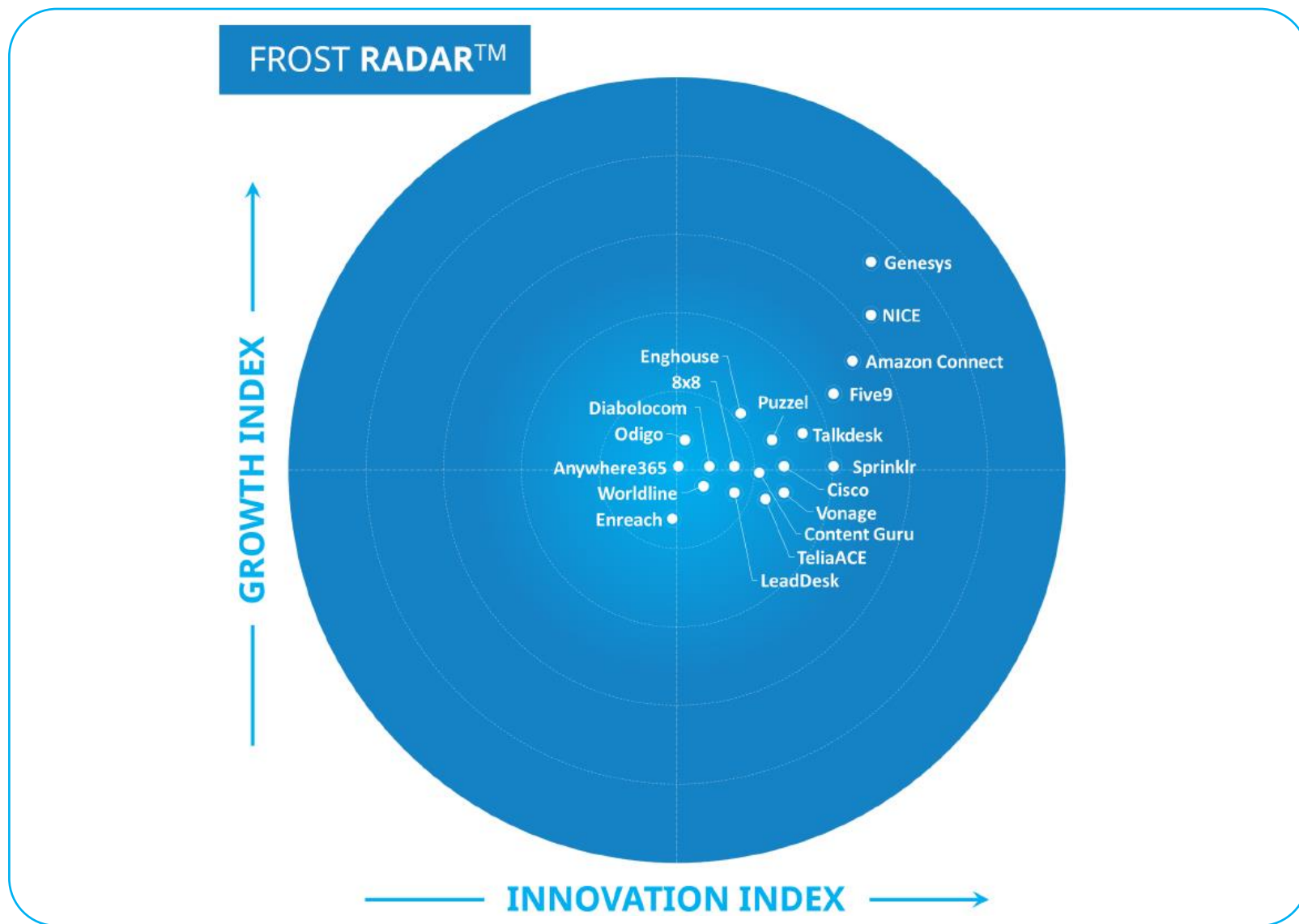


Source: Frost & Sullivan



**Frost Radar™  
EMEA Cloud  
Contact Centers,  
2024**

# Frost Radar™: EMEA Cloud Contact Centers, 2024



Source: Frost & Sullivan



# Frost Radar™: Competitive Environment

- EMEA displays a growing momentum for migrating on-premises contact center services to the cloud, driven in part by interest in cloud-based AI solutions, creating growing opportunities for CCaaS providers. This momentum adds more competitive intensity to an already crowded market, challenging CCaaS providers to demonstrate and deliver value, innovation, differentiation, and agility.
- The EMEA industry is highly fragmented and diverse across 119 countries spanning the region, with hundreds of different languages, dialects, cultures, and currencies. To maximize success, CCaaS providers need an extensive and expansive network of go-to-market (GTM) partners that understand these unique situations at the local and regional levels.
- Given these market intricacies, EMEA has a unique competitive environment. Several large global CX platform providers compete with mid-sized CCaaS providers and small regional pan-European CCaaS providers leveraging local and regional knowledge to stake their share of the overall market.
- The CCaaS industry leaders profiled in this Frost Radar™ use various tactics to differentiate themselves, some of which include:
  - specialized industry vertical solutions;
  - pre-integrated third-party application marketplaces;
  - deep integrations with leading industry CRM and service partners;
  - extensive GTM partner ecosystems;
  - comprehensive CX orchestration beyond just the contact center;
  - AI and automation leadership;
  - hybrid and flexible migration paths to CCaaS;



Source: Frost & Sullivan

# Frost Radar™: Competitive Environment (continued)

- (continued)
  - comprehensive workforce engagement integration;
  - native unified communications and collaboration integration; and
  - extensive professional services and consulting support.
- Genesys emerged in 2023 as the EMEA industry leader by market share, followed by previous market share leader Odigo (2) and NICE (3).
- The Growth and Innovation leaders on the Frost Radar™ met key criteria such as longevity of offerings in EMEA, consistent and increasing growth, strong GTM strategies, robust customer support, a commitment to local market presence, and investments in vital transformative technologies, such as incorporating AI across platforms.
- Companies profiled in the Frost Radar™ have registered consistent growth with a strong focus on innovation. All Frost Radar™ participants:
  - have a prominent position in the industry;
  - have an omnichannel approach, including chat and web collaboration, email, and social channels;
  - leverage advanced technologies, including AI; and
  - have a well-defined GTM strategy.



Source: Frost & Sullivan

# Frost Radar™: Competitive Environment (continued)

- Besides voice call routing in the cloud, these providers might have core competencies in other areas, including:
  - workforce optimization (WFO) and workforce engagement management (WEM);
  - use of AI to enhance self-service channels, agent-assist tools, analytics, and automation applications; and
  - native integration with leading customer relationship management (CRM) platforms.
- All 19 industry participants included in this Frost Radar™ lead in the areas of Innovation and Growth. Those on the upper right innovate in crucial areas at above-market rates with solid product roadmaps and lead in growth. Those on the lower right are also innovating with solid growth, but not at the pace and breadth of the top tier. Those in the upper left excel in growth, but innovate at a slower pace. While those in the lower left are industry leaders, they trail the Frost Radar™ leaders in innovation and growth.



Source: Frost & Sullivan

**Companies to Action:  
Companies to Be Considered First for  
Investment, Partnerships, or Benchmarking**

# Company to Action: Puzzel

## Innovation

- With a 25-year track record in Europe, Puzzel is transforming its CCaaS solution into a more integrated total CX platform, which includes WFM, knowledge management, and case management.
- Puzzel introduced a GenAI-enhanced smart chatbot in 2023, enhancing its first-generation chatbot with automated intent generation and language translations.
- As a result of a past acquisition, Puzzel introduced a new automated omnichannel customer survey tool, Customer Insight, in 2023 to improve the analytics capabilities of its platform.
- Using GenAI, Puzzel has overhauled its knowledge base platform to boost self-service automation through intelligent bots and agent assist features.
- The Puzzel ID framework, launched in early 2024, is a Microsoft Azure Entra ID-compliant sign-on solution for agents and managers. It is a more secure, unified, and synchronized login developed for cloud-based and AI-infused platforms.

Source: Frost & Sullivan



# Company to Action: Puzzel

## Growth

- Puzzel has recorded consistent growth in EMEA over the past few years, positioning itself in the outperform category in 2023.
- In early 2024, the company completed its rebranding campaign and implemented a new GTM strategy, emphasizing product and demand generation marketing. It has hired a new CMO to oversee this transition.
- Puzzel has identified the United Kingdom and Benelux as its primary growth regions. The company's new office in the Netherlands is driving its Benelux expansion.
- Puzzel restructured its sales organization in 2024, introducing a new revenue operations function to align with software-as-a-service (SaaS) company best practices, including maximizing upsell and cross-sell opportunities.

Source: Frost & Sullivan

# Company to Action: Puzzel

## Frost Perspective

- With a laser focus on Europe, Puzzel leverages its expertise in serving mid-market, public sector, and regional enterprises with a flexible cloud CX platform with European data residency features—an important deciding factor for many Europe-based companies.
- Puzzel restructuring its sales and marketing functions is crucial to taking advantage of growing cloud adoption in Europe, especially given the on-premises contact center migration to cloud opportunity. The solid execution of these initiatives will be vital for the company's continued growth.
- The company invests heavily in its CX platform and technology stack, positioning it strongly to meet the evolving needs of organizations seeking to improve CX operations.
- Puzzel is also investing in a customer success function to improve customer support in pre- and post-sales, which is a smart CX move to strengthen its position in the highly competitive EMEA marketplace.

Source: Frost & Sullivan



## Key Takeaways

# Strategic Insights

While there is growing momentum for migration to CCaaS from legacy on-premises contact centers in EMEA, the process to do so is complex, disruptive, and costly from a time (planning) and resource (human capital) perspective. CCaaS providers should not underestimate this reality and plan accordingly. Offering flexible and hybrid approaches with well-thought-out migration plans are important best practices.

There is a potential gap between the urgency to leverage the transformational impact of AI and the readiness of a company's data and IT infrastructure to support that transformation. This often creates mismatched expectations between an end customer's C-suite leadership, keen on seeing results and ROI for AI, and its contact center leadership tasked with generating those results and outcomes from AI in a timely manner. Managing these expectations can be challenging. CCaaS providers must first understand the potential for these mismatched expectations and work to position end customers to succeed with AI through education, consultation, and professional services support.

A notable shift is occurring in the contact center environment. Historically, the heart of contact centers, or where the most value was derived, was the routing function, first with voice calls and, more recently, with digital interactions. Routing was the key value proposition for contact center vendors. As AI and automation begin to take hold, the impact of data and knowledge is rapidly rising. To gain a competitive advantage, contact centers need to expertly use knowledge and data, which are crucial for all other functions, including intelligent routing. The effectiveness of self-service, intelligent virtual assistants, agent/supervisor/administrator assist/co-pilots, WEM, quality monitoring, and analytics and insights, directly correlates to a contact center's ability to efficiently leverage knowledge and data. So much so, that knowledge/data becomes the heart of contact centers. CCaaS providers that best maximize the opportunities flowing from this shift are poised to be the most successful.

Source: Frost & Sullivan

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# Frost Radar™ Analytics





# Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

## VERTICAL AXIS

**Growth Index (GI)** is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies.

## GROWTH INDEX ELEMENTS

- **GI1: MARKET SHARE (BASE YEAR)**  
This is a comparison of a company's market share relative to its competitors in a given market space.
- **GI2: REVENUE GROWTH (PREVIOUS 3 YEARS)**  
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.
- **GI3: GROWTH PIPELINE**  
This is an evaluation of the strength and leverage of a company's growth pipeline system to continuously capture, analyze, and prioritize its universe of growth opportunities.
- **GI4: VISION AND STRATEGY**  
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?
- **GI5: SALES AND MARKETING**  
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

# Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

## HORIZONTAL AXIS

**Innovation Index (II)** is a measure of a company's ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs.

## INNOVATION INDEX ELEMENTS

- **II1: INNOVATION SCALABILITY**

This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

- **II2: RESEARCH AND DEVELOPMENT**

This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

- **II3: PRODUCT PORTFOLIO**

This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.

- **II4: MEGA TRENDS LEVERAGE**

This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).

- **II5: CUSTOMER ALIGNMENT**

This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

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