Factors Driving Cloud Communications Adoption

Superior cloud communications platform rapidly winning over enterprise adopters.
Table of contents

3  The state of the market
4  Supporting the dispersed and agile workforce
6  Satisfying the new customer
7  The future of cloud communications
9  What to look for in a cloud communications provider
Companies of all sizes are rushing to embrace the cloud for many core business functions. In fact, “Cloud Services and Solutions” ranked second among top technology investments in Gartner’s 2017 CIO Agenda report. Many organizations are also adopting the cloud for their most critical business function—communications. Compared with premise-based hardware, hosted cloud phone and contact center systems offer a number of compelling advantages, ranging from dramatic cost efficiencies to greater agility and scalability.

In an effort to capitalize on this trend, a number of new cloud communications service providers have crowded into the market. Several older, more established communications vendors have also tried to make the leap to the cloud. But weighed down by a focus on hardware, they have found it hard to get off the ground. In fact, some have stumbled or fallen badly. The recent high-profile business problems plaguing old-school providers have failed to keep pace with the market trend.

“UC as a service investment will significantly outpace premises-based UC investments, growing at a 15.1% CAGR compared with a negative 3.6% CAGR for premises-based end-user spending. The most significant growth will be generated by replacement of existing solutions (premises-based UC point solutions reaching end of useful life) compared with growth from net new organizations adopting new applications.”

Gartner Forecast Analysis: Unified Communications, Worldwide, 4Q16 Update
Supporting the dispersed and agile workforce

Key reasons the cloud is winning out over on-premise hardware include the rise of mobile workers and distributed workforces—including telecommuters and employees in multiple locations or global offices. “Work” was once the place where people would go in the morning. Now it is a thing people do anywhere, 24/7, using virtual workspaces and mobile communications.
According to a new forecast from IDC, the US mobile worker population will grow at a steady rate over the next five years, and is expected to reach upward of 100 million by 2020. Communications tools need to adapt to this transformation by supporting virtual workspaces and mobile workers—on any device. Only the new generation of cloud-based communications solutions can meet these needs.

1International Data Corporation, US Mobile Worker Forecast Report 2015–2020

100 Million Mobile Workers

IDC expects mobile workers will account for nearly three quarters (72.3%) of the total US workforce by 2020.
Satisfying the new customer

Another trend driving the move to both cloud communications and cloud contact center solutions is an intensified focus on customer satisfaction. Today’s tech-savvy consumers and B2B customers are increasingly impatient with poor, inefficient communications or systems that lack the channels they prefer to use. They also want fast resolution to their issues, without waiting while contact center agents search for information.

Satisfying these customers requires making it easy for them to communicate with your workers. This requires choosing integrated cloud solutions that put relevant customer and product data at contact center agents’ fingertips. It also requires systems that allow customers to communicate with your company through the channels they prefer—voice, text, chat, social, and more.

89% of consumers began doing business with a competitor following a poor customer experience.²

On the other hand, today’s customers are more than 5 times more likely to purchase from companies with a great customer experience.³

²Harris Interactive, Customer Experience Impact Report.
³Temkin Group, The Ultimate Customer Experience.
The future of cloud communications

As less-mature cloud communications providers struggle to provide enterprise-grade solutions—and as established companies struggle under the weight of their hardware focus—RingCentral represents the future. The company’s technology platform was born in the cloud, and currently boasts 14 years of research and development. Hundreds of thousands of companies worldwide trust the RingCentral global network for highly reliable, enterprise-grade communications. And, unlike some well-known names, RingCentral has been recognized by Gartner as a leader in its Magic Quadrant for Unified Communications as a Service, Worldwide for the most recent two years running.

“Carvana is going through a fast-growth period, and we were looking to partner with a cloud partner to give us a robust and secure UCaaS platform, which helps us service new markets quickly.”

Imran Kazi, Director of Technology Services, Carvana
What to look for in a cloud communications provider

- A comprehensive set of UC and collaboration features, such as voice, fax, audio and video conferencing, web meetings, and team messaging
- Mobile-first model capable of turning smartphones into powerful collaboration tools and full-featured business phones
- A worldwide network backbone, including relationships with local telcos that make it seamless to support global offices (e.g., local number portability and dialing)
- Robust security, including geographically dispersed hardened data centers, anti-DDoS measures, encryption of data in transit and at rest, and regular security audits
- Flexibility to scale instantly with business needs and over-capacity—at least 2x existing users
- Simplified management—anyone can administer the system, including adding or deleting users, without the need for any telephony or PBX know-how
Factors Driving Cloud Communications Adoption

- Constant innovation cycle that upgrades customers’ phone/UC systems without requiring them to purchase new hardware
- Simple-to-understand monthly per-user pricing with low up-front costs
- Does not lock customers into proprietary phones or the capabilities of a specific server (which makes it costly to add new features)
- Integrations with applications such as Google Cloud—users can access calling and UC features from within these programs
- Many satisfied customers and extensive experience in enterprise communications
- An open platform with open APIs, which makes it simple to integrate UC features into new service offerings
About RingCentral

RingCentral, Inc. (NYSE: RNG) is a global provider of cloud unified communications and collaboration solutions. More flexible and cost-effective than legacy on-premise systems, RingCentral empowers today’s mobile and distributed workforces to be connected anywhere and on any device through voice, video, team messaging, collaboration, SMS, conferencing, online meetings, contact center, and fax. RingCentral provides an open platform that integrates with today’s leading business apps while giving customers the flexibility to customize their own workflows. RingCentral is a leader in the 2016 Gartner Magic Quadrant for Unified Communications as a Service Worldwide for the second consecutive year. RingCentral is headquartered in Belmont, Calif.

For more information: ringcentral.com/cloud-has-won