



New Research Underwritten By Vonage Correlates Advancements In Cloud Communications To Better Business Outcomes

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Study Proves Companies Improve Speed-to-Market, Customer Satisfaction and Profitability By More Than 30 Percent When Combining Both Unified and Contextual Communications

HOLMDEL, N.J., Sept. 21, 2017 /PRNewswire/ -- New research from International Data Corporation (IDC), sponsored by Vonage (NYSE: VG), a leading provider of business cloud communications, has uncovered powerful business advantages for companies using cloud communications. Businesses using both Unified-Communications-as-a-Service (UCaaS) for enhanced employee collaboration and Communications-Platform-as-a-Service (CPaaS) for deeper customer relationships have reported higher profitability, customer satisfaction, and speed-to-market.

"All business communications are not created equal," Alan Masarek, Vonage CEO, commented. "Today's business communications should provide solutions to challenges companies face in two key areas: internal collaboration for employees, and meaningful connection with customers outside of the company. When designed and implemented strategically, business communications enhance workforce productivity, create exceptional customer experiences, and solve business challenges."

The study, the detailed results and analysis of which will be published in a forthcoming IDC White Paper,* revealed that a modern voice and messaging cloud platform is critical for successful digital transformation initiatives. Many companies with exceptional customer service have leading-edge cloud communications platforms, but decision-makers are often confused about the role that communications can play in driving how business gets done.

"While one would assume that strong communications users are the youngest companies or digital natives, it might be surprising to learn that many are established businesses that have realized they must be agile and transform how they do business," said Mark Winther, group VP of Telecom Custom Solutions, IDC. "Digital natives may completely disrupt an industry, but companies need to look at this as an opportunity to conduct business and engage customers in new ways. Our data clearly show that cloud communications enable businesses to quickly adapt and transform and, as a result, not only survive but actually thrive in their respective industries."

A New Way of Identifying Communications Leaders and Laggards

The IDC study of more than 800 firms uncovers which businesses are enjoying the full benefits of cloud communications and details why others are lagging far behind. IDC ranked businesses into four new categories starting with the most "advanced" in terms of cloud communications:

1. **Communications Powerbrokers** are sophisticated users of cloud communications.
2. **Communications Respecters** have made a partial move to the cloud and are planning more.
3. **Communications Skeptics** are unsure of the cloud's benefits.
4. **Communications Unaware** have little knowledge about the cloud's advantages.

This is the first methodology that enables business decision-makers to rate their own company's adoption of critical communications solutions and offers them a roadmap for driving better business outcomes through successful implementation.

Overarching Business Benefits

The IDC study exposed three major differences in business performance for companies using both unified and contextual cloud communications:

- 47 percent improvement in speed-to-market for products and services
- 42 percent improvement in customer satisfaction and loyalty
- 34 percent reduction in costs leading to increased profitability

Findings Reveal 3 Ways Cloud Communications Quantifiably Changes Business Performance

- **Cloud communications-driven productivity:** Integrating communications with business workflow tools for productivity and CRM and gaining instant access to customer information, enables users to enrich communications intelligence and context. This has created a wide gap between businesses that are invested in the cloud and those that use on-premise systems.
- Utilization of CPaaS proved to be the single greatest differentiator of high performing companies, a more influential factor than even digital transformation. The survey discovered that virtually all organizations fully in the cloud (**99 percent**) make and receive enterprise-quality calls with functionality that is directly integrated into work applications such as project management systems, versus only **18 percent** of organizations that use on-premise and older technologies.

Additionally, **84.7 percent** of Communications Powerbrokers use text and voice messaging to automate the delivery of critical outbound information such as notifications, but only **14.9 percent** of those who are Communications Unaware use text and voice messaging to do the same.

- **Cloud communications-driven customer satisfaction:** Cloud communications solutions enable businesses to embed traditionally complex solutions via simple micro-applications. While integration leads to easier access of customer information, fully embracing communications platforms through API-embedded chat, voice, and video, significantly enhances a business's real-time communications with its customers. CPaaS directly correlates with a company's level of customer service through the context it provides.

Today, more than **70 percent** of businesses fully invested in the cloud have implemented CPaaS and state that their customer service, support, and communications are exceptional. That percentage is expected to rise to more than **90 percent** within the next 24 months. Conversely, less than one percent of companies with on-premise communications systems use CPaaS today, and their customer service, support, and communications are self-labeled as poor.

- **Cloud-driven business success:** Findings also reveal that for companies utilizing cloud, social networks and instant messaging rank among the most important communications technologies for their businesses.

When asked how effective their customer-facing communications are, **96.2 percent** of Communications Powerbrokers say their frequency and timeliness of communications are effective, compared with only **17.7 percent** of the Communications Unaware. Additionally **100 percent** of Communications Powerbrokers state that the quality of their customer-facing communications is effective, as opposed to **12.3 percent** of the Communications Unaware.

"We've always seen cloud communications as a game-changer for businesses because of our first-hand experience helping customers create better business outcomes and enabling companies of various sizes and industries to be more successful through the use of business cloud communications," Mr. Masarek added. "Now, this comprehensive research from IDC confirms what we and our customers have been experiencing. For the first time, businesses can seamlessly blend their external customer communications with their workforce communications and easily integrate these with business cloud applications for better productivity and more meaningful, personalized customer connections."

An executive summary of the IDC research can be accessed [here](#).

*Source: Custom research sponsored by Vonage – Business Communications Transformation: Best-in-Class Communications as a Competitive Advantage, September 2017

Methodology

Leading IT market research and advisory firm, IDC, surveyed 805 mid-sized businesses and enterprises about the state and maturity of their communications. Businesses included a wide range of industries, such as healthcare, real estate, telecommunications, financial institutions, life sciences, manufacturing, energy and utilities. The number of employees, from each company, ranged from 250 to more than 10,000.

About Vonage

Vonage (NYSE: VG) is a leading provider of cloud communications services for business. Vonage transforms the way people work and businesses operate through a portfolio of cloud-based communications solutions that enable internal collaboration among employees, while also keeping companies closely connected with their customers, across any mode of communication, on any device.

Nexmo, the Vonage API Platform, provides tools for voice, messaging and phone verification services, allowing developers to embed contextual, programmable communications into mobile apps, websites and business systems. Nexmo APIs enable enterprises to easily communicate relevant information to their customers in real time, anywhere in the world, through text messaging, chat, social media and voice.

The Company also provides a robust suite of feature-rich residential communication solutions. For more information, visit www.vonage.com.

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