

NEWS RELEASE

# Cloud Communications: European Companies Show Newfound Maturity

7/20/2020

1,000+ IT decision-makers share their views in the third edition of Mitel's Europe-wide survey

- Across Europe, more agility is now the top reason businesses want to migrate their communications to the cloud.
- 'Feature-rich and reliable voice communications' are the most important capabilities of a first-class UCaaS solution, according to businesses.
- UK businesses are more likely than their European counterparts to use a public cloud architecture for communications.

For the third consecutive year, Mitel®, a global market leader in business communications, has carried out research into European companies' adoption of cloud-based communications. The survey, conducted by Spoking Polls with 1,108 European IT decision-makers, highlights a rising adoption rate among businesses and a newfound maturity when it comes to migrating towards an as-a-service model.

The COVID-19 pandemic has bolstered this trend by upending the economy and underlining just how much companies need solutions that allow them to be agile and remain productive regardless of the circumstances. Illustrating this, the Mitel survey showed 44% of respondents were already willing to consider migrating their contact centre – a strategic customer relationship management tool – to the cloud, representing an increase of 29 percentage points since 2018.

The survey comes as the European markets, including the UK, are on the brink of a global economic crisis. Companies are having to adapt rapidly to survive and cloud communications has become a key enabler of this transformation.

Desire for agility and innovation dominates, but not at any price

The survey reveals that businesses will only migrate their communications to the cloud if doing so helps them meet their business and operational goals. This maturity of approach is shown by the fact that agility – European decision-makers' top reason for migrating with a score of 35% (versus 16% in 2018) – now takes precedence over purely functional aspects. UK businesses are even more concerned about agility than their European peers – 46% of them ranked agility as highest on their agenda, compared to 35% for Europe as a whole. Innovation remains important, occupying second place with 28% of the votes – however this is significantly lower than in 2018.

The research also revealed other signs of a mature approach to cloud migration in the UK. In 2018, 88% of respondents considered the cost of migration to be the most important metric for evaluating ROI. Two years later, the IT decision-makers surveyed are markedly less concerned with migration costs (24%) than with the costs of specific equipment needed by their company (business application integration, contact centre, etc.), maintaining cloud architecture, and change management.

Business expectations: supplier freedom and mobility

Mitel's research suggests that British businesses want a market that is more fast-paced and open to competition. The results reveal that avoiding vendor lock-in takes precedence over all other contractual criteria; 46% of respondents want the ability to change provider quickly if the service contract is not fulfilled. Additionally, UK businesses place a high priority on the typical length of contractual commitment – cited by more than one third (35%) of respondents, as the main terms they would pay attention to in order to avoid 'vendor-lock-in'. Not surprisingly, the development of cloud-based services and software as a service has pushed most companies to seek more flexible and open contractual models, and market uncertainty caused by both COVID-19 and Brexit is likely to exacerbate this trend.

Nearly one in three (32%) UK businesses say that feature-rich and reliable voice communications are the most important capabilities of a first-class Unified Communications as a Service (UCaaS) system, ahead of UC features like presence, IM and video conferencing (23%) which topped the list last year. Beyond these 'hygiene factors', 29% of IT decision-makers in the UK say the integration of mobility features like BYOD and collaboration tools (27%) are also driving demand for UCaaS. This trend is likely to continue in the coming months as the nature of the COVID-19 crisis changes and many companies implement a hybrid workplace.

## Public vs private cloud

UK businesses are more likely than their European counterparts to use a public cloud architecture for communications. One in three (33%) UK businesses said they would prefer a public cloud approach, with private cloud coming in second at 20%. However, across Europe variations of private cloud, with apps hosted in owned data centres and a dedicated access network, are the most popular choice for business (31%). This is likely an indication of cloud computing being more widely adopted in Britain than in other European markets.

“Businesses in Britain and across Europe have turned a corner in the last two years,” comments Rami Houbby, Vice President International Cloud Sales at Mitel. “Companies are choosing the cloud for its flexible economics and access to the latest innovations which bring increased productivity and customer intimacy. IT leaders must deliver on their organisations’ objectives for agility and competitiveness. Channel partners can act as trusted advisers and can help organisations navigate the various cloud technologies and their dependencies on network infrastructure, security and quality of service.”

## Methodology

This Mitel survey was conducted by Spoking Polls – a research company specializing in B2B panels and survey solutions in the IT sector – between November 2019 and January 2020 in nine European countries: Germany, Spain, France, Benelux countries, the UK, Sweden and Switzerland.

A total of 1,108 IT decision-makers, representing all business verticals, gave their opinion about their perception of cloud communications and their motivation to migrate to a cloud model.