

Market Insight Report Reprint

Coverage Initiation: CPaaS provider Plivo unveils Contacto, an omnichannel, mobile-first contact-center platform

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The CPaaS pioneer recently unveiled Contacto, a SaaS contact-center offering that aims to help organizations integrate the customer experience directly into websites and mobile apps – including support for chat, calls, social and messaging.

451 Research

S&P Global

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Introduction

Plivo, a cloud-based communications platform, recently unveiled Contacto, an omnichannel customer service platform that aims to help organizations integrate the customer experience directly into their mobile apps and websites, with built-in support for chat, calls, social and messaging.

THE TAKE

Plivo has built a reputation as an innovative provider of programmable communications; its trajectory as a CPaaS pioneer and impressive client roster show that this reputation is well founded. The launch of Contacto shows that the company is keeping pace with the market; it also exemplifies how it is expanding beyond its initial developer-focused, API-centered go-to-market approach toward a more comprehensive strategy that includes SaaS offerings. Still, the competitive landscape has changed significantly in the past two years, with large tech vendors like AWS, Ericsson and Microsoft entering the space and key rivals Twilio and Sinch steadily expanding their global footprints via M&A. Plivo can benefit from accelerating its marketing initiatives and business development efforts to raise its profile and expand its footprint; additionally, we believe that its key strengths make it an attractive target, while the company itself could consider M&A as a viable growth strategy.

Company background

Plivo was founded in 2011 by CTO Michael Ricordeau and CEO Venky Balasubramanian. According to S&P Capital IQ, it is a privately held company and has raised \$2.43m to date. 451 Research's recently updated CPaaS Market Monitor report estimates the company's revenue in 2020 to be under \$100m.

Its customer base includes well-known global companies such as consulting and professional services firm Accenture; collaboration and customer engagement technology provider LogMeIn; Argentinean e-commerce and online auctions marketplace Mercado Libre; Ninja Van, a Singapore logistics company; Ultimate Kronos Group (UKG), a provider of workforce management and human resource management solutions; healthcare platform Practo; cloud-based development platform Wix.com; Dutch information services company Wolters Kluwer; Zomato, a food delivery company; and game developer Zynga.

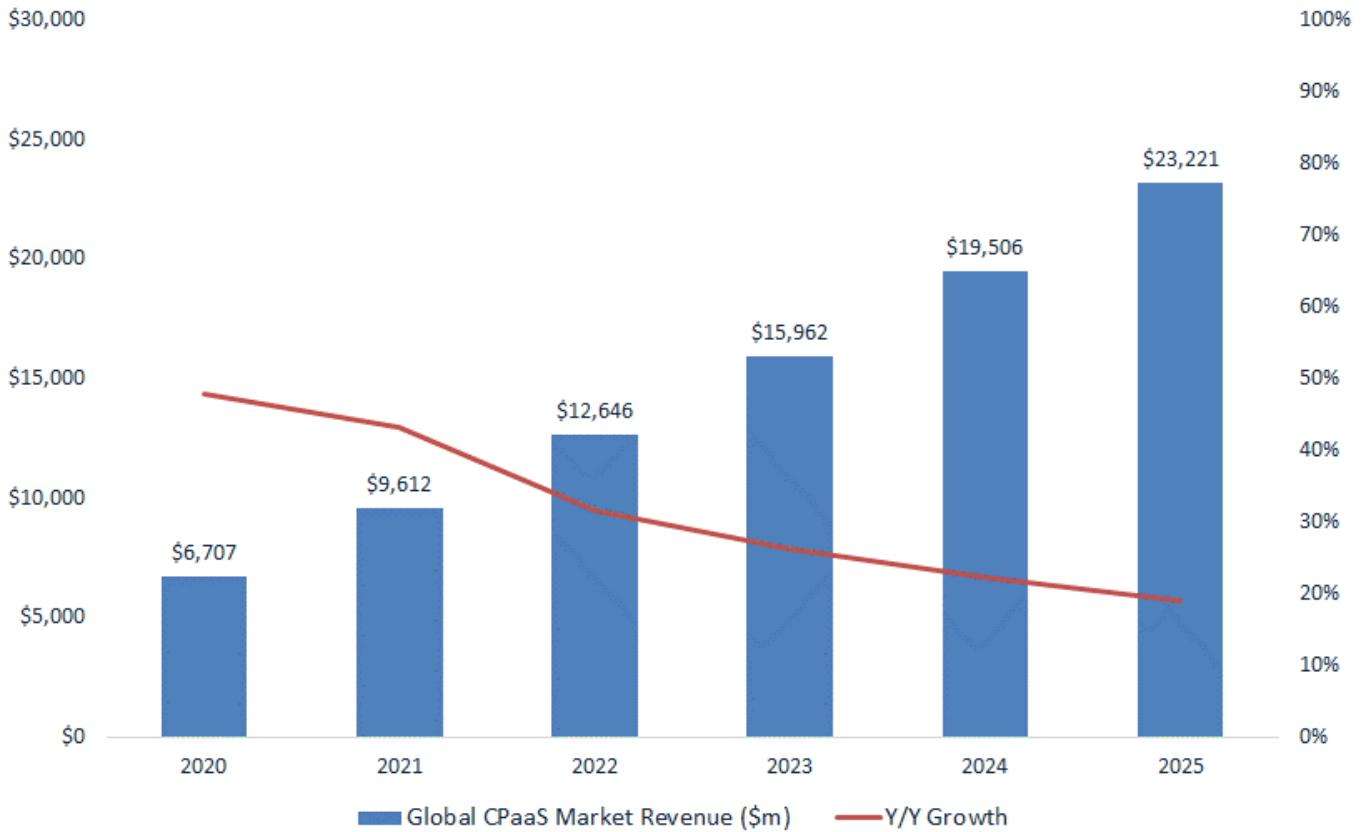
Context

Plivo is a pioneer of communications PaaS (CPaaS), a segment encompassing vendors that provide APIs, SDKs and libraries intended to allow developers to integrate real-time communication services – including voice, video, chat and messaging – into their web and mobile applications. Developers use these services to enable features such as push notifications, voice and video click-to-call capabilities, text marketing and two-factor secure authentication (2FA) to help organizations redefine how they engage with their clients, partners and employees.

According to our recently updated Workforce Productivity & Collaboration Market Monitor: CPaaS report, the digitization of the customer (CX) and employee (EX) experiences accelerated with the COVID-19 outbreak, setting the stage for the next leg of CPaaS growth. Total market revenue grew 48% in 2020 and is projected to increase at a CAGR of 28% through 2025, as shown in the figure below.

The opportunity that CPaaS represents has led competitors and investors alike to invest in the CPaaS segment over the past several years to prime the growth engine. According to 451 Research's M&A KnowledgeBase, this resulted in 26 transactions so far in 2021. These include the recent acquisition of Vonage by Ericsson, the pickup of CPaaS enablement platform Telexis by Mavenir, Sinch's acquisition of SMS marketing firm MessageMedia and Twilio's acquisition of text messaging SaaS Zipwhip.

CPaaS Forecast Summary 2020-2025



Source: 451 Research, Workforce Productivity & Collaboration Market Monitor: CPaaS, September 2021

Products

Plivo provides a cloud communications API platform supporting voice and SMS in 190 countries and local phone numbers in more than 100 countries. It offers Voice API that enables Web and mobile apps in the cloud; SMS API & SMS Short Codes, a text messaging in the Web and mobile apps; SMS Short Codes that enable users to broadcast their text messages in bulk; and WebRTC SDK, which enables users to add in-browser voice calls to their Web applications. The company also provides Mobile SDK that enables users to add voice calls to their existing iOS and Android applications; Salesforce Integration solution, which enables users to add voice and SMS text message functionality to their Salesforce app.

To help customers accelerate their cycle time to design, develop and take solutions to market, Plivo offers Plivo High Level Objects (PHLO) – a drag-and-drop designer that can be used to model common use cases such as 2FA, marketing automation and audio conferencing.

In October, the company unveiled Contacto, a new omnichannel, mobile-first contact-center platform built on the Plivo CPaaS platform. Key features in Contacto include the following:

- Conversational chatbots help verify and qualify customers, increasing agent productivity and improving response time.
- In-app chat, embedded within a brand’s application, enables customers to initiate a request without switching channels.
- Native, full-featured voice and messaging capabilities without the need to engage third-party vendors.
- Omnichannel platform encompassing chat functionality, social media, SMS messaging and voice calls allowing customers to select the channel they prefer, and switch channels as needed.
- Customer interaction history, allowing agents to view previous interactions alongside a customer’s current service request.
- Sentiment analysis enables agents interacting with customers to receive real-time coaching scores and allow supervisors to provide feedback and update workflows.
- Deep, out-of-the-box CRM and Help Desk integrations, including Salesforce, Service Cloud, Zendesk, Shopify and others.

Competition

Key competitors for Plivo include vendors such as Infobip, Twilio and Sinch – the three vendors are positioned as Tier 1 global CPaaS providers in 451 Research’s most recent CPaaS Market Monitor report. Other competitors include Bandwidth, a provider of telephony API tools that acquired Belgium-based cloud communications provider Voxbone in 2020 to reposition as a global CPaaS vendor; Commio (formerly ThinQ), which recently completed its acquisition of teli, a business messaging SaaS and APIs provider; Kaleyra, which recently announced its acquisition of Bandyer, a provider of cloud-based audio and video communication services; and Vonage, which was recently acquired by Ericsson.

Further competition comes from large cloud vendors that have entered the space in the past two years such as Microsoft Azure Communication Services and Amazon Web Services (AWS) with its Amazon Chime SDK.

SWOT Analysis

<p>STRENGTHS</p> <p>Plivo has built a strong reputation as a CPaaS pioneer and innovator; this is evident from its trajectory and client base, which includes well-known brands and digital-native companies.</p>	<p>WEAKNESSES</p> <p>Plivo is well regarded by customers and other CPaaS players but can benefit from raising its profile to gain more visibility in the industry.</p>
<p>OPPORTUNITIES</p> <p>The COVID-19 outbreak has accelerated the digitization of the customer CX and EX, setting the stage for CPaaS to grow at a CAGR of 28% through 2025.</p>	<p>THREATS</p> <p>M&A activity in recent years is changing the competitive landscape, with large tech vendors such as AWS, Ericsson and Microsoft positioning themselves as key players in the CPaaS segment.</p>

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