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Research · Analytics · Positioning

The fragmented $8.2B market for

collaboration & communication software :

It's anyone's game to win

Paradoxes Pulse Research | September 2019

Objectives

Study objective

Understand the market landscape, brand perception, and awareness of popular collaboration & communication software

Strategic objective

Identify market insights to help collaboration & communication software providers better serve customers and differentiate from the competition

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Methodology

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Research methodology and sample

Information in this collaboration & communication software market analysis was compiled directly through an analysis of leading provider web sites in Summer 2019 and augmented by a lightweight "usage and needs" survey of existing collaboration & communication software business decision makers and influencers across SMB and Enterprises.

Web site analysis methodology

Provider* web sites were reviewed for core positioning and messaging and features offered/emphasized. We did not perform a product teardown.

Providers included:

Workplace by facebook

slack

zoom

CISCO Webex

Microsoft Teams

amazon Chime

RingCentral®

BlueJeans

Google Duo/Hangouts was not included in the aided response sets but was mentioned with some frequencies in unaided responses

Survey methodology

Timing

12-minute, online quantitative survey fielded May 21st to 27th 2019

Survey

50 total survey responses gathered

Audiences

Key audiences:
- Collaboration & communication software BDMs and influencers
- Use communication & collaboration software at work

Geography

U.S.

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Study respondents represented a balanced mix

Org Size
- **28%** 1000+ employees
- **28%** 51-1000 employees
- **44%** 1-50 employees

Role
- **88%** manager, director or C-level
- **12%** individual contributor

Department
- **38%** IT
- **16%** operations
- **12%** executive
- **8%** sales & marketing
- **8%** admin
- **6%** finance/procurement
- **6%** human resources
- **6%** other

Industry
- **28%** technology
- **14%** public sector (edu, gov't)
- **14%** construction & manufacturing
- **10%** professional services
- **8%** finserv and insurance
- **8%** retail
- **6%** health care
- **6%** media & entertainment
- **6%** other

All participants were:
- Working full time
- Using collaboration & communication software at work (e.g. video conferencing, screen sharing, etc.) or aware but have not used
- Were collaboration & communication software purchase decision makers or made collaboration & communication software recommendations
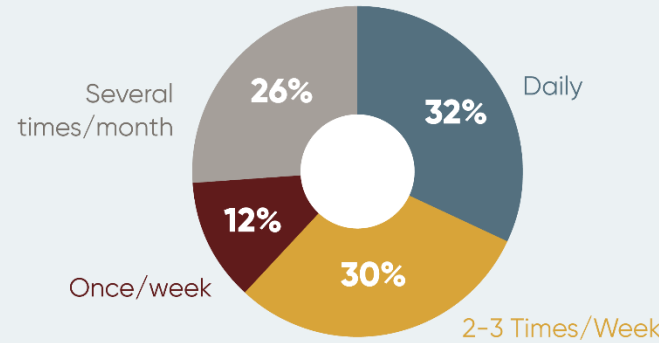
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Executive Summary

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The $8.19 billion collaboration & communication software space is fragmented and **up for grabs.**
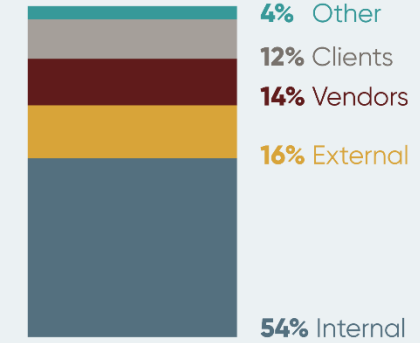
While Microsoft leads across usage & favorability metrics and is viewed as a current and future leader by respondents. **The race is too early and too close to call.**

Collaboration & communication software includes video conferencing, instant messaging, shared workspaces, screen sharing and other solutions for both internal and external communications.
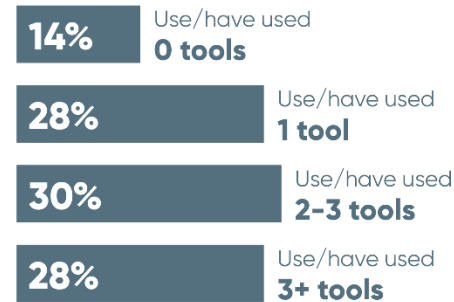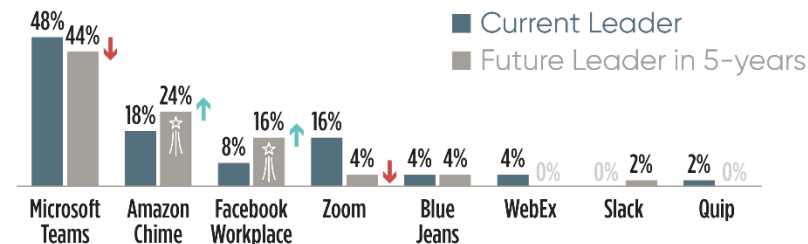
FREQUENCY OF USE

- 32% Daily
- 30% 2-3 Times/Week
- 12% Once/week
- 26% Several times/month

REASONS FOR USING

- 4% Other
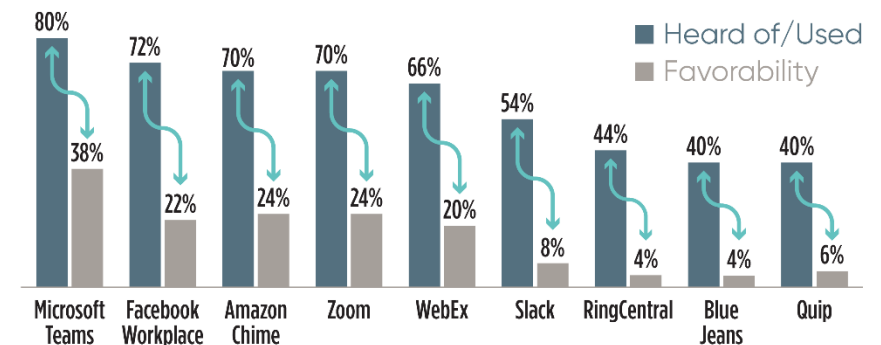- 12% Clients
- 14% Vendors
- 16% External
- 54% Internal

1/2 of collaboration & communication software users use or have used **2 or more providers** with nearly **one-third using 3 or more**

- 14% Use/have used **0 tools**
- 28% Use/have used **1 tool**
- 30% Use/have used **2-3 tools**
- 28% Use/have used **3+ tools**

It's up for grabs. Although the current leader and projected future leader in 5-years, **Microsoft Teams drops 4%** across these time spans, while **Amazon Chime and Facebook Workplace may be "rising stars".** Keep an eye on these companies and see how they continue to innovate and invest to differentiate.

■ Current Leader
■ Future Leader in 5-years

	Current	Future
Microsoft Teams	48%	44% ↓
Amazon Chime	18%	24% ↑
Facebook Workplace	8%	16%
Zoom	16%	4% ↓
Blue Jeans	4%	4%
WebEx	4%	0%
Slack	0%	2%
Quip	2%	0%

There is a "favorability gap" that companies (Microsoft included) must address. While awareness is high among top brands, favorability is relatively low.

■ Heard of/Used
■ Favorability

	Heard of/Used	Favorability
Microsoft Teams	80%	38%
Facebook Workplace	72%	22%
Amazon Chime	70%	24%
Zoom	70%	24%
WebEx	66%	20%
Slack	54%	8%
RingCentral	44%	4%
Blue Jeans	40%	4%
Quip	40%	6%

Detailed Findings

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Most respondents use collaboration & communication software on a weekly basis across device types for primarily internal communications
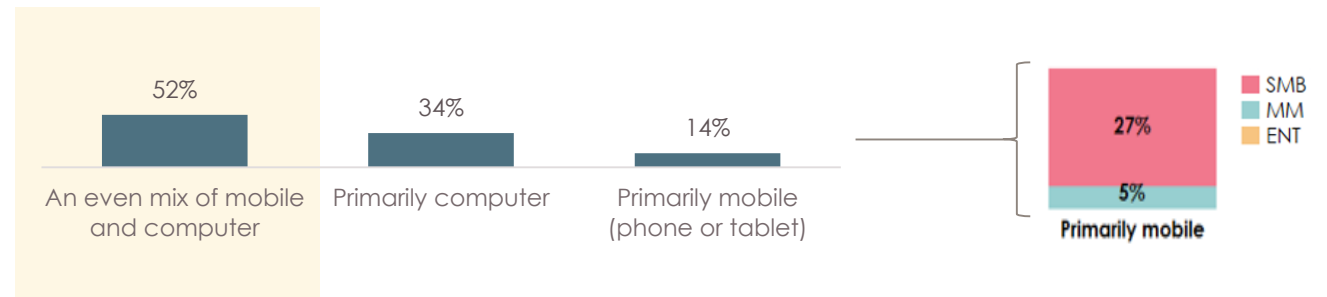
Frequency of use

~75% are using collaboration & communication software tools on a weekly basis, nearly half of which indicate daily usage.

| Daily	2-3 times a week	Once a week	Several times a month
32%	30%	12%	26%
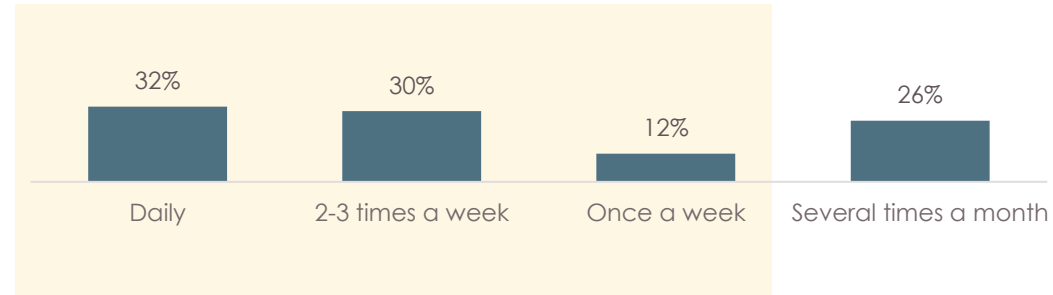
Device choice

Most users of collaboration & communications software use these applications on a combination of mobile and desktop platforms. SMB utilizes communication tools on mobile devices more than Enterprise and Mid-Market segments.

An even mix of mobile and computer	Primarily computer	Primarily mobile (phone or tablet)
52%	34%	14%

Primarily mobile
- SMB: 27%
- MM: 5%
- ENT

Reason for using

Internal communications are the most common reason for using communication & collaboration software, while external use cases are a less common scenario for use.

Internal	External	Vendors	Clients	Other
54%	16%	14%	12%	4%
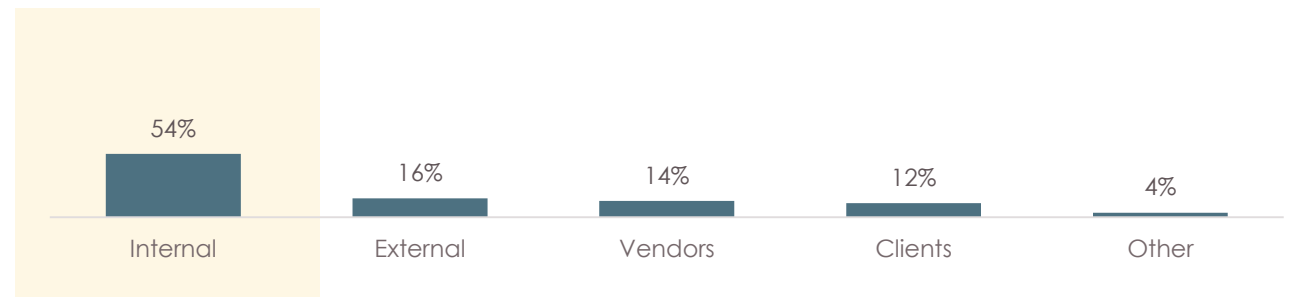
Q: *How often do you use communication & collaboration software?*
Q: *When using communication & collaboration software, which of the below best reflects your usage?*
Q: *With whom do you typically communicate using communication & collaboration software?*
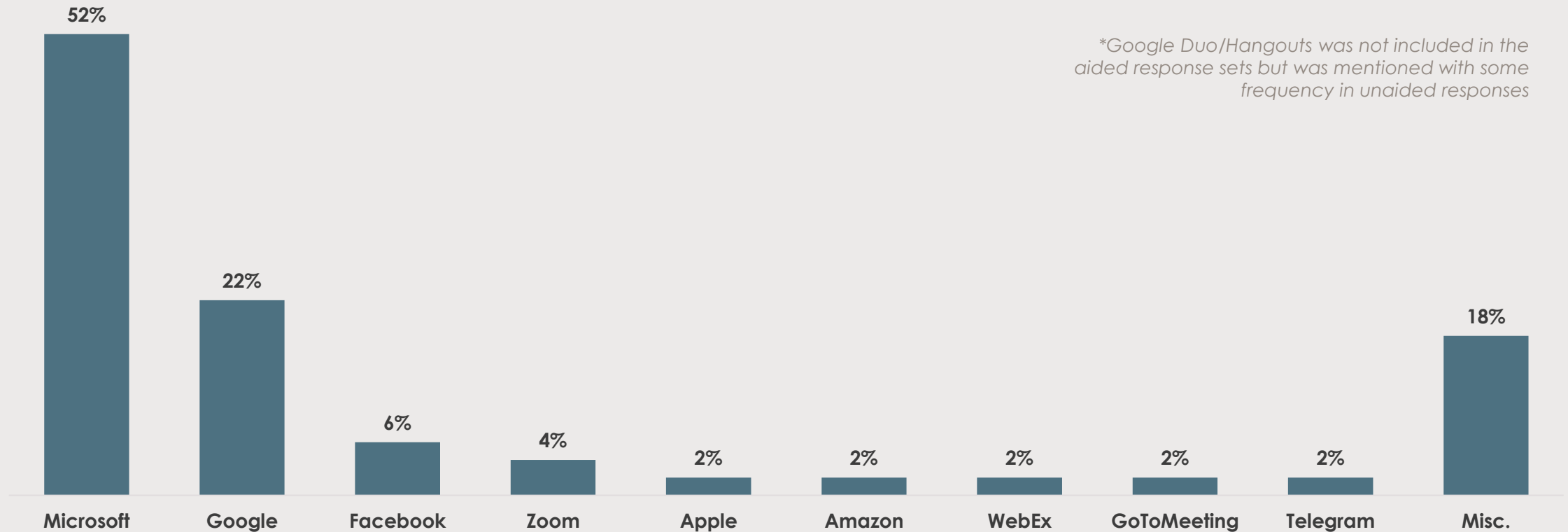
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Meeting Rooms, Instant Messaging, and Video Calling ranked as top features for collaboration & communication software

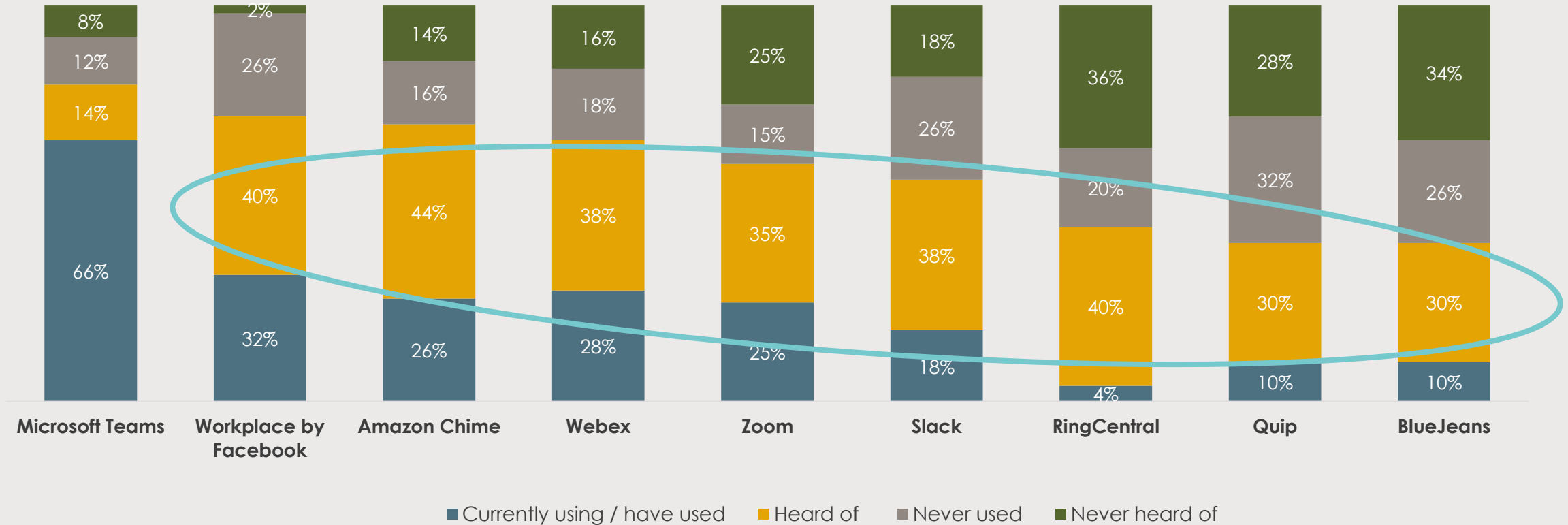**More specific call functionality/features, data storage, and support were perceived as less important.**
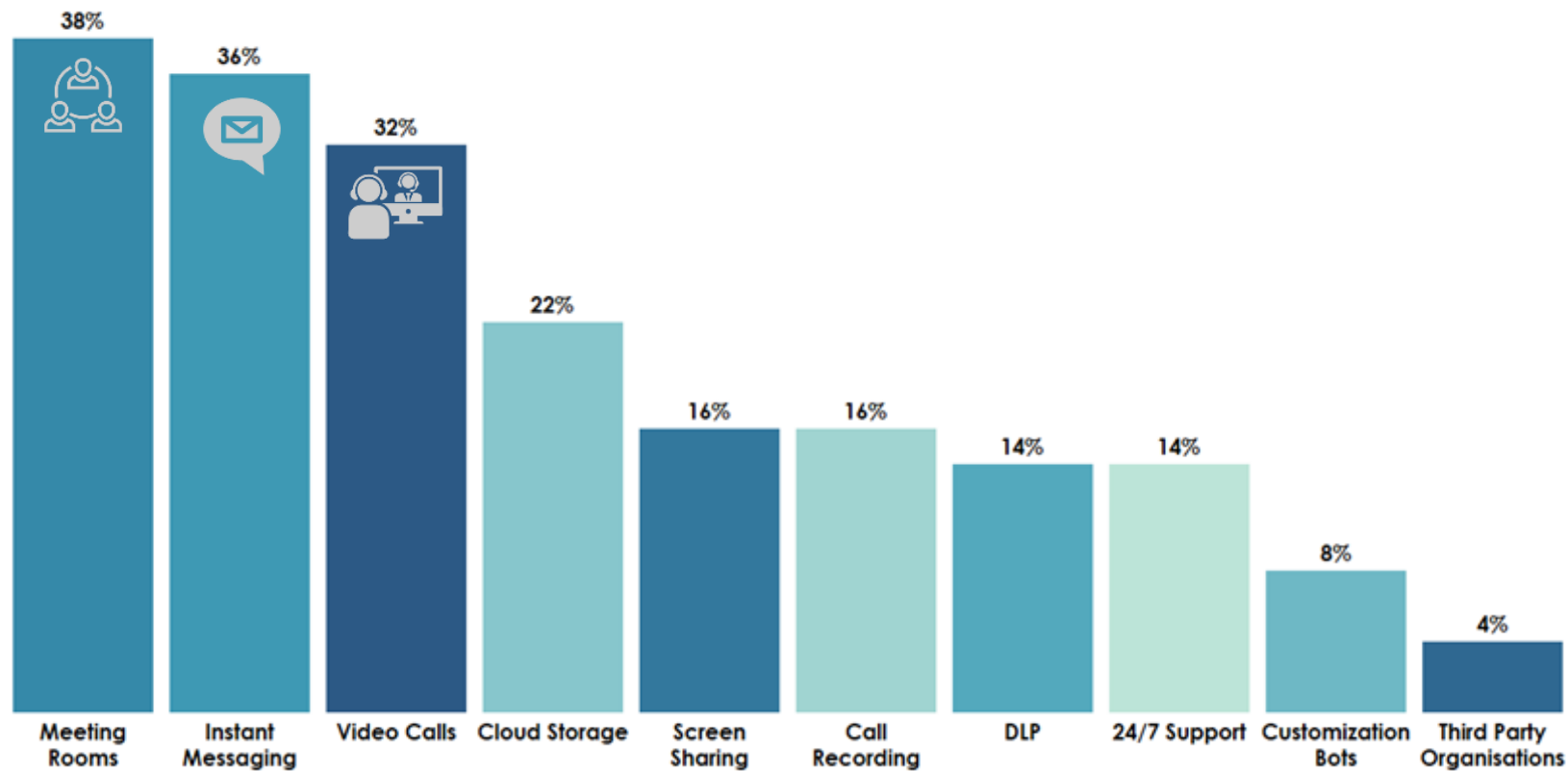
Q: *Rank your top five features for communication & collaboration software.*

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Unaided, Microsoft was top of mind for most respondents; Google* is also top of mind for collaboration & communication providers

Google Duo/Hangouts was not included in the aided response sets but was mentioned with some frequency in unaided responses

Microsoft: 52%
Google: 22%
Facebook: 6%
Zoom: 4%
Apple: 2%
Amazon: 2%
WebEx: 2%
GoToMeeting: 2%
Telegram: 2%
Misc.: 18%

Q: *Which application(s) or brand(s) come to mind when you think of communication & collaboration software?*
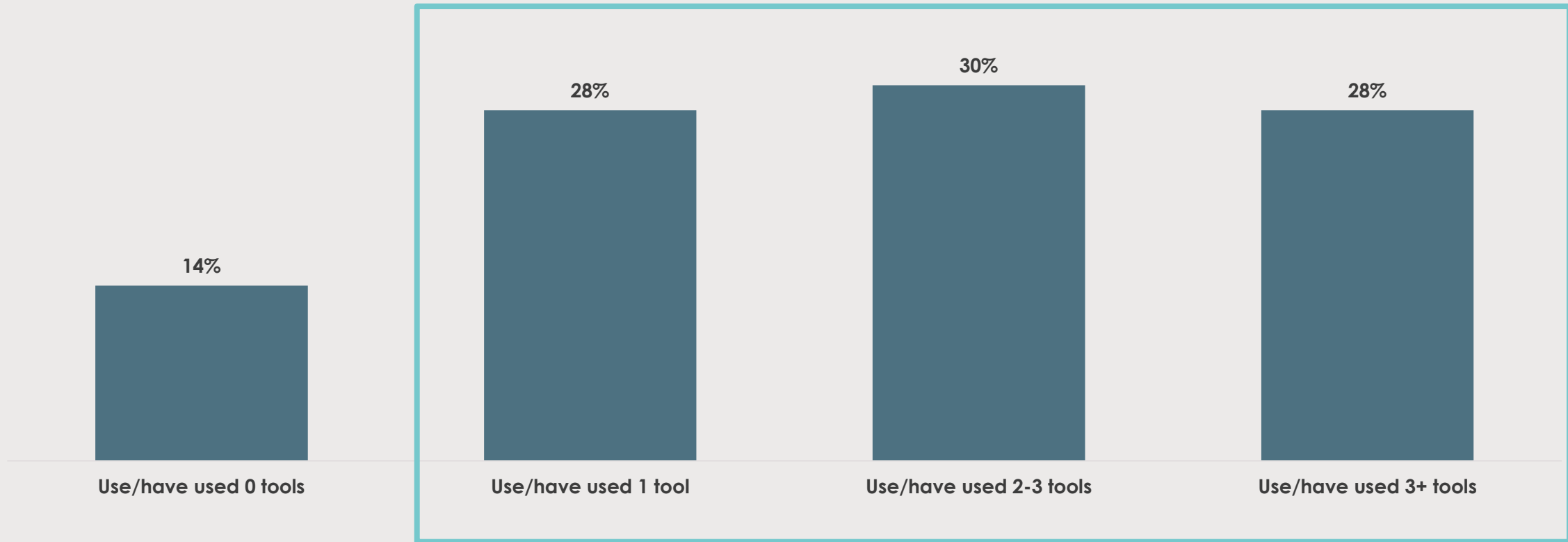*(e.g. chat, video calls, meeting rooms, etc.)*

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Current and past usage is highest for Microsoft Teams, but the competition scores high in awareness

	Microsoft Teams	Workplace by Facebook	Amazon Chime	Webex	Zoom	Slack	RingCentral	Quip	BlueJeans
Never heard of	8%	2%	14%	16%	25%	18%	36%	28%	34%
Never used	12%	26%	16%	18%	15%	26%	20%	32%	26%
Heard of	14%	40%	44%	38%	35%	38%	40%	30%	30%
Currently using / have used	66%	32%	26%	28%	25%	18%	4%	10%	10%

■ Currently using / have used   ■ Heard of   ■ Never used   ■ Never heard of

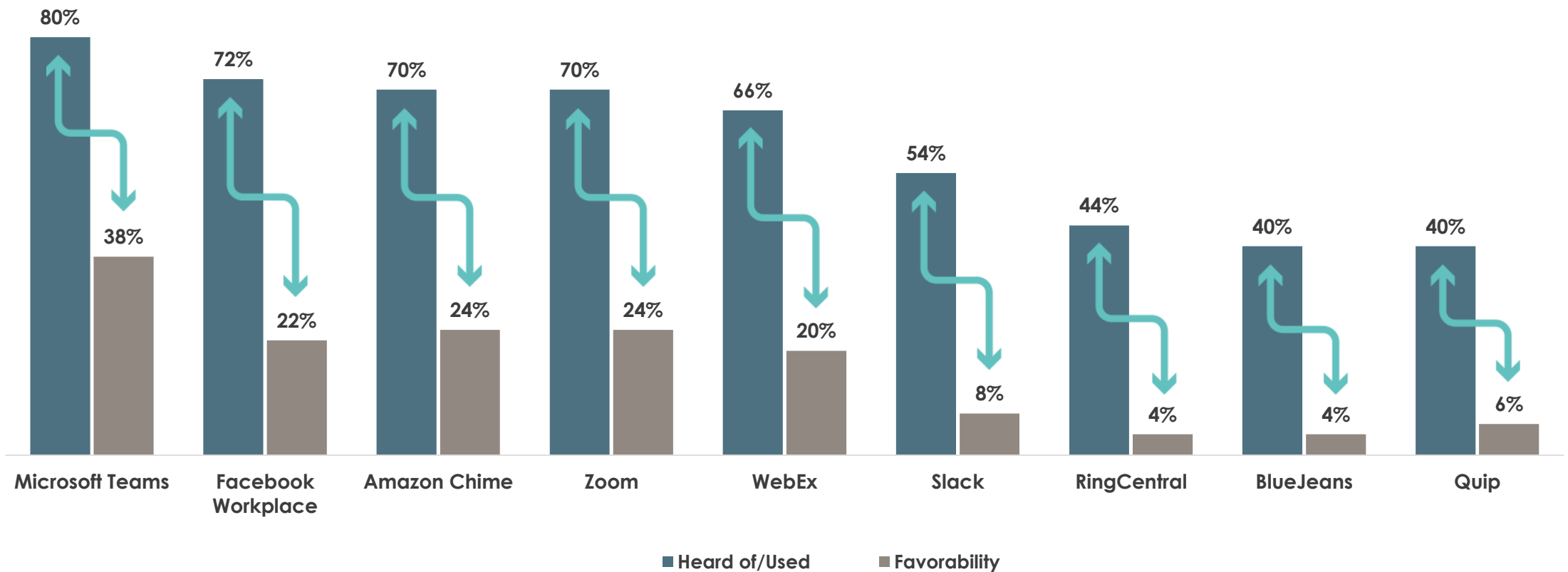**Q:** *Which best reflects your status regarding the following communication & collaboration software?*

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Half of respondents use / have used 2 or more collaboration & communication software tools, with nearly one-third using 3 or more

28%
Use/have used 1 tool

30%
Use/have used 2-3 tools

28%
Use/have used 3+ tools

14%
Use/have used 0 tools

Q: *Which best reflects your status regarding the following communication & collaboration software?*

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Microsoft Teams scores highest in awareness/usage and favorability

There is a substantial gap between favorability scores and awareness/usage metrics across products, which may indicate room for improvement across products.
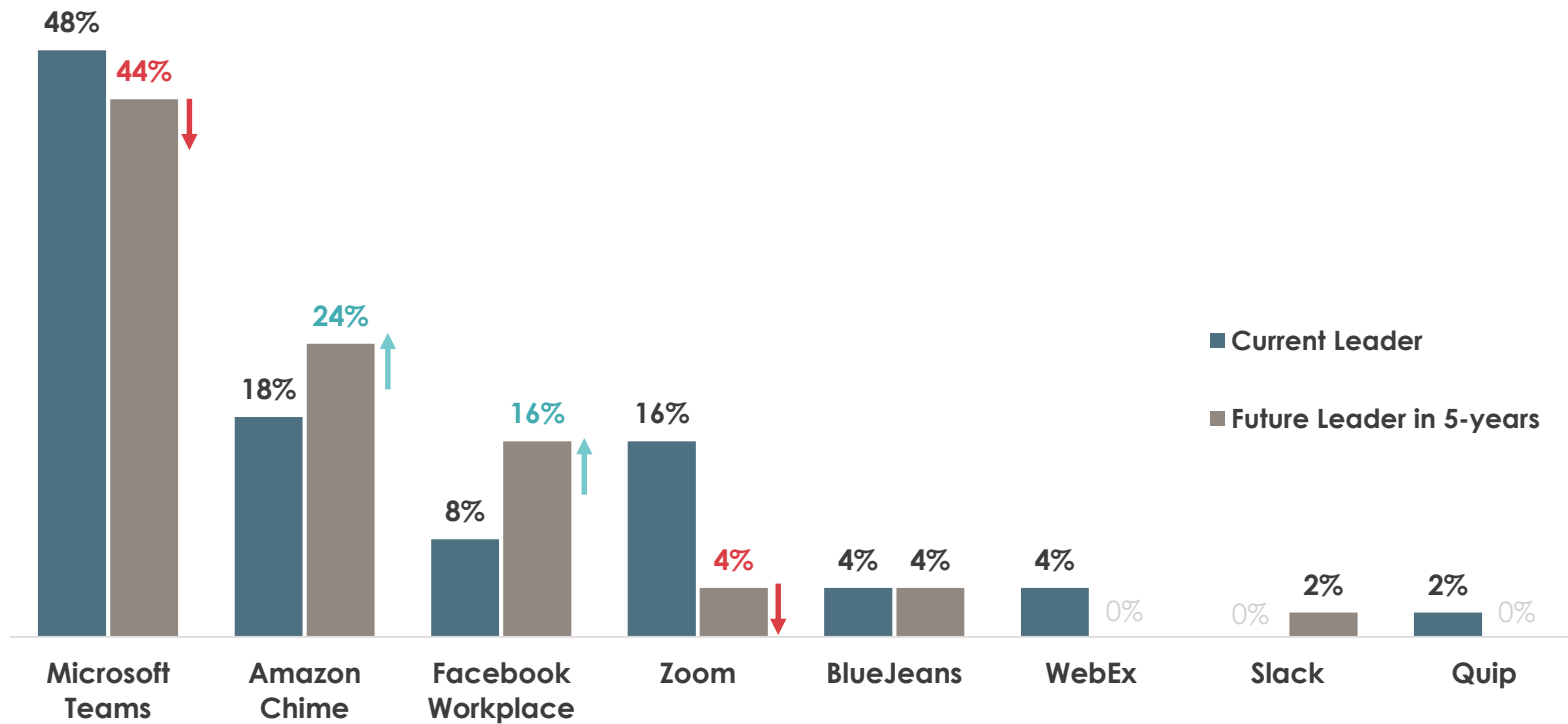

■ Heard of/Used   ■ Favorability

Q: *Which best reflects your status regarding the following communication & collaboration software?*
Q: *How favorable or unfavorable is your opinion of the following products?*

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Microsoft is considered the current and future collaboration & communication software category leader

Amazon Chime & Facebook Workplace are not major threats to Microsoft Teams as of yet but may be "rising stars" as seen in the higher scores received for future category leadership. Zoom is predicted to not be a future leader.

Legend:
- Current Leader
- Future Leader in 5-years

Chart values:
- Microsoft Teams: 48% (Current), 44% (Future)
- Amazon Chime: 18% (Current), 24% (Future)
- Facebook Workplace: 8% (Current), 16% (Future)
- Zoom: 16% (Current), 4% (Future)
- BlueJeans: 4% (Current), 4% (Future)
- WebEx: 4% (Current), 0% (Future)
- Slack: 0% (Current), 2% (Future)
- Quip: 2% (Current), 0% (Future)

Product	Delta (% Future Leader – % Current Leader)
Microsoft Teams	-4%
Amazon Chime	+6%
Facebook Workplace	+8%
Zoom	-12%
BlueJeans	0%
WebEx	-4%
Slack	+2%
Quip	-2%

Q: *Who do you believe is the category leader in communication & collaboration software today?*
Q: *Who do you believe will be the category leader in communication & collaboration software in five years?*

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Collaboration & communication software providers center messaging around togetherness; pithier positioning that highlights connectedness / consolidation is preferred

Positioning statements were tested independently without being associated with the brand using them; they are listed here for reference

Product*	% frequency ranked in top 3	Positioning statements
Zoom	48%	Connect with anyone, anywhere. On any device.
Microsoft Teams	44%	Teams brings everything together in a shared workspace where you can chat, meet, share files, and work with business.
Facebook Workplace	38%	Build a connected culture with familiar tools to help everyone turn ideas into action. Unlimited tools for you and your team to work together, wherever you are.
Slack	36%	Slack gives your team the power and alignment to do your best work.
BlueJeans	28%	BlueJeans provides video, audio, and web conferencing that works together with the collaboration tools you use every day.
RingCentral	26%	All-in-one at the fraction of the cost of separate providers.
Amazon Chime	20%	With Amazon Chime, you have the flexibility to choose the features that you need for online meetings, video conferencing, and business calling, and pay only when you use them.
WebEx	12%	WebEx is how teams of all sizes get things done. We make collaboration human.

Q: *Rank the top three statements that most appeal to you regarding communication & collaboration software.*

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All providers emphasize industry audiences, with several targeting specific account types and segments

- Slack and Microsoft Teams target all audiences from personal accounts, to non-profits, to enterprise
- Offerings like RingCentral and WebEx are more niche and only target SMB within specific industries

amazon Chime

Products:
- Phone system
- Business calling
- Voice connector
- Chime dial-in
- Chime call me

BlueJeans

Product messaging:
- BlueJeans Meetings
- Collaborate effectively with video, audio, and web conferencing from anywhere on any device
- BlueJeans Rooms
- Make any room a one-touch video, audio, and web conferencing room that is easy to use and manage
- BlueJeans Events
- Host and livestream interactive events, webinars and town halls for large audiences around the world

cisco Webex

Product messaging:
- High quality video meetings and conferencing
- Team Collaboration
- Continuous teamwork beyond the meeting with group messaging, file and screen sharing, white boarding and more
- Webinars, online training for virtual learners
- Video support
- A dynamic platform for real-time technical support, accessible from anywhere
- Conference calling
- Cloud calling
- Conferencing devices
- Seamless technology that connects your work to the meeting room and beyond
- Powerful AI and machine learning capabilities

Microsoft Teams

Product messaging:
- Meetings
- Calling
- Devices
- Instant messaging
- Firstline workers
- Apps and integration

RingCentral

Products
- Phone system
- Call recording
- Instant messaging
- Contact center
- Call logs
- Screen sharing
- Video meetings
- Call forwarding
- Fax
- Virtual numbers
- Conferencing
- Integrations

slack

Product messaging:
- Channel for every conversation
- Face-to-face and screen
- Integrations and file sharing
- Connect your tools with Slack
- Build your own with Slack API

Workplace by facebook
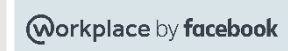
Products:
- Instant messaging
- Video chat & broadcast
- Groups or project collaboration
- Integrations with your existing tools
- Admin tools & support

ZOOM

Product messaging:
- Meetings and chat
- HD video, audio, collaboration & chat
- Rooms and workspaces
- Power up your conference rooms with video
- Enterprise cloud phone system
- Video webinars
- Full-featured, easy-to-use, engaging webinars
- App marketplace
- Integrations and bots to use with Zoom

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Collaboration & communication software providers offer feature parity; for leaders this may be good enough but for followers it could be trouble

FEATURES	amazon Chime	BlueJeans	cisco Webex	Microsoft Teams	RingCentral	slack	Workplace by facebook	ZOOM
Meetings	✓	✓	✓	✓	✓	✓	✓	✓
Chat / IM	✓	✓	✓	✓	✓	✓	✓	✓
Video meetings	✓	✓	✓	✓	✓	✓	✓	✓
Web conferencing	✓	✓	✓	✓	✓		✓	✓
Rooms / workspaces	✓	✓	✓	✓	✓	✓	✓	✓
Phone / SIP Trunking	✓	✓	✓	✓	✓			✓
Integrations	✓	✓	✓	✓	✓	✓	✓	✓
Webinars/Livestream	✓	✓	✓	✓	✓	✓	✓	✓
Events	✓	✓	✓	✓	✓	✓	✓	✓
API	✓	✓	✓	✓	✓	✓	✓	✓
Technical support	✓	✓	✓	✓	✓	✓	✓	✓
AI/ML	✓	✓	✓	✓	✓	✓	✓	✓

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Almost all providers offer multi-factor authentication and are FERPA/HIPAA compliant as native features

A few offer their extended customization capabilities, such as building your own app or using your own encryption keys. Only BlueJeans mentions the ability to be used via browser (no app download required).

FEATURES

Feature	1	2	3	4	5	6	7
Available web-only (no download required)							■
App Marketplace		■	■		■		
Call park			■	■		■	
Chat bots						■	
Sell own secure devices			■			■	
Build your own app			■	■			
Use your own encryption keys				■			
Unlimited Cloud Storage	■					■	
Multi-factor authentication and/or SSO	■		■	■	■	■	■
Data loss prevention			■		■		
FERPA/HIPAA compliant		■	■	■		■	■
Safety/Crisis Check	■	■					

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About Paradoxes

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Founded in 2007, Paradoxes is a strategic marketing organization that helps technology companies collect, analyze, and use data to make smarter sales, marketing, and product decisions.

We specialize in helping companies get their products adopted and used.

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Since 2007, Paradoxes has a proven record of successfully helping many of the world's most recognized brands in technology, cloud services, social media, and other subscription-based businesses.

"The team there is sharp and has good ideas. Idea generation is great. That's why we have you back again – we like your brains."

"Paradoxes was the absolute right choice for our research project... I'm very impressed with the level of engagement, professionalism, insights into the market, and of course with the personal engagement of the team."

"I'm a big supporter of Paradoxes and they provide a great product, impressive customer service, and knowledgeable insights and guidance."

"I was very impressed with the insights Paradoxes provided. The information makes for a great strategic launching pad for us."

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Paradoxes Audience and Industry Experience

Since 2007, Paradoxes has spoken with over 30,000 audience members. Paradoxes' expertise includes the following:

AUDIENCES

- Advertisers
- Business decision makers (BDMs)
- Channel partners
- Consumers
- Educators
- Information workers

- IT professionals
- Software developers and engineers
- Students
- Technical decision makers (TDMs)

INDUSTRIES

- Cloud service providers
- Education
- Healthcare
- Manufacturing

- Retail
- Social media
- Technology

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Expertise

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Our Services

RESEARCH

QUALITATIVE
Advisory councils
Dial testing
Ethnography
Focus groups
In-depth interviews (IDIs)
Usability

QUANTITATIVE
Conjoint/MaxDiff
Tracking studies
Web/mobile surveys

NEURO-PHYSIOLOGICAL
Biometrics
EEG
Eye tracking
Facial coding

ANALYTICS

DATA STRATEGY AND DEVELOPMENT
Data development
KPI creation and data mapping

DESCRIPTIVE ANALYTICS
Dashboards and reporting
Data visualization
Existing information synthesis (EIS)

PREDICTIVE AND DESCRIPTIVE ANALYTICS
Churn, vulnerability, and usage models
Look-alike modeling
Segmentation

POSITIONING

MARKET OPPORTUNITY ANALYSIS
Competitive analysis
Market segmentation and sizing
Target audience selection

VALUE PROPOSITIONS
Cost/benefit analysis
Differentiation

POSITIONING AND MESSAGING FRAMEWORKS
Message testing and validation
Promise statement
Supporting evidence

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Paradoxes helps you on your product/services path wherever you are today – or wherever you want to go.

QUESTIONS WE HELP ANSWER:

SOLUTIONS WE PROVIDE:

Plan

Questions	Solutions
What's my addressable market? →	⊘ Market opportunity analysis
Who would buy it? →	⊘ Target markets and audience selection
How is it different than the alternatives? →	⊘ Competitive analysis
How does it fit into the lives of my customers? →	⊘ Value proposition and positioning

Design, Build & Test

Questions	Solutions
Is my idea compelling? →	⊘ Concept testing
Is it easy to use? →	⊘ Usability testing
Is there customer friction? →	⊘ Customer experience journey mapping
Is the price right? →	⊘ Price testing
How do I make money from it? →	⊘ Monetization models

Market Strategy

Questions	Solutions
What messages and words will resonate? →	⊘ Message development and testing
Which ads should I use? →	⊘ Creative testing
Which channels should I use? →	⊘ Pipeline modeling
What else can I offer to the current customers? →	⊘ Cross-sell and up-sell strategies

Measure & Optimize

Questions	Solutions
What key measures should I use? →	⊘ KPI audit, design, and definition
How do I get the most out of my data? →	⊘ Data and analytics strategy
Are my customers happy? →	⊘ Customer satisfaction studies
Who's likely to churn? How do I stop them? →	⊘ Churn and vulnerability analysis
Who are my best customers and how do I get more of them? →	⊘ Best customer look-alike + next-logical-purchase modeling

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Why Paradoxes?

GLOBAL. EXPERIENCED. TRUSTED.

90%
rehire rate

FOUNDED
2007

We've conducted thousands of research, analytics, and positioning projects worldwide for leading technology companies.
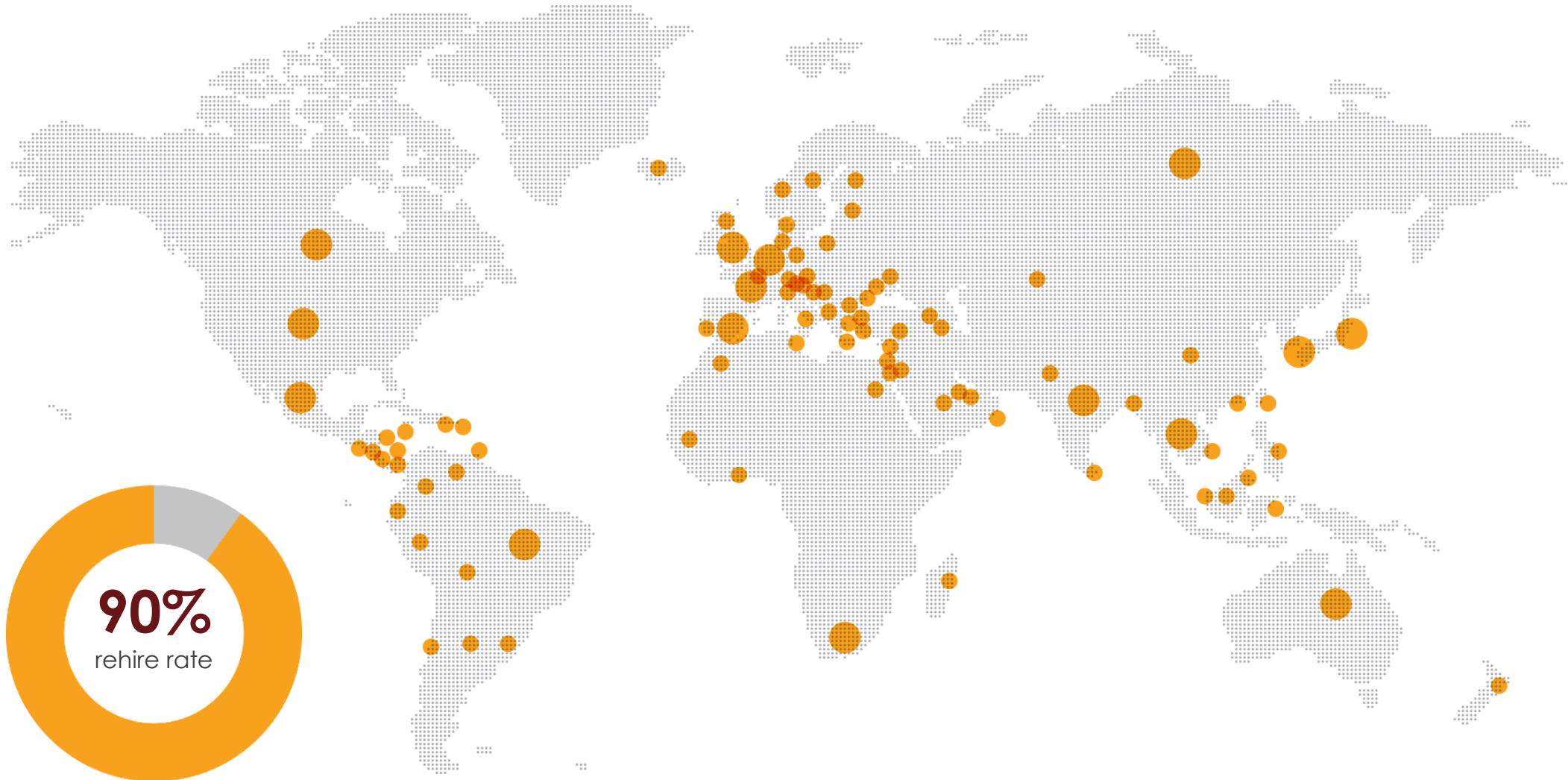
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For more information about how Paradoxes can help you make smarter decisions, go to **paradoxesinc.com** or contact **jscott@paradoxesinc.com**