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DMG Consulting: Despite Recession, Future is Bright for Hosted Call Center Solutions

By Patrick Barnard, Senior Web Editor, TMCnet

Market research firm DMG Consulting recently released a report predicting that the hosted call center software market will grow 30 percent in 2009, 35 percent in 2010 and 20 percent in 2011.

According to the report, 2008 was actually a good year for vendors offering hosted or Web-based call center solutions – this despite the down economy. The first half of 2009, the firm states, “is proving to be even better.”

The report finds that companies are turning to hosted call center solutions because they can be deployed quickly and easily and with much lower up-front capital investment. With hosted call center solutions, companies can avoid the need to purchase expensive hardware, software licenses and network infrastructure – all they need are the computers and a high speed connection. In addition, the software is delivered as a managed service, which means the vendor is responsible for maintaining all equipment, architecture and software – thus reducing the burden on a company's IT department.

“The worldwide economic recession actually drove many types of organizations in all verticals to consider hosted contact center infrastructure solutions,” DMG states in a release promoting the report. “It is interesting to note that many of these companies are not risk takers in the classic sense, but rather companies that see hosting as an opportunity to do business differently, without a significant initial investment.”

“The recession has been very kind to many hosted contact center and CRM application providers,” said Donna Fluss, president of DMG Consulting, in the release. “End users who can't afford or do not have cash available for a major capital investment are seeking alternatives and turning to hosted solutions.”

Another advantage of migrating to the hosted or SaaS (News - Alert)-based model of delivery is that customers can get free software updates (and even complete upgrades) automatically – which means they always have the latest software, with the latest features and capabilities, only without the headache of purchasing and installing new software.

Other advantages include increased scalability, improved application stability and reliability through tight integration; call center domain expertise and implementation best practices; flexible pricing.

The study also reveals high levels of satisfaction with hosted call center solutions. Quick deployment, minimal cash outlay, rapid and quantifiable return on investment, reduced maintenance and the opportunity to “try before you buy” are among the top reasons for satisfied customers.

The six leading hosted call center vendors detailed in the 2009 Hosted Contact Center Market Report are: BT, Contactual, Echopass, inContact, LiveOps ([News - Alert](#)) and USAN.

In August DMG Consulting released a report predicting that the market for survey and customer feedback solutions will grow by 6 percent in 2009, 5 percent in 2010, and 8 percent in 2011. The report finds that social media has played an important part in the growth of the industry, as the need to find out what customers are saying has become more pressing.