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Digital Transformation in Europe: Communication Solutions for the Future

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INTRODUCTION

The European communications landscape is undergoing a profound transformation, driven by the increasing complexity of modern business operations and the ever-growing demands of customers.

The proliferation of cloud technology means it's easier for enterprises to expand across borders while feeling more connected than ever to their customers and employees.

Organisations' communication requirements have become increasingly sophisticated as they expand across borders and adopt hybrid work models.

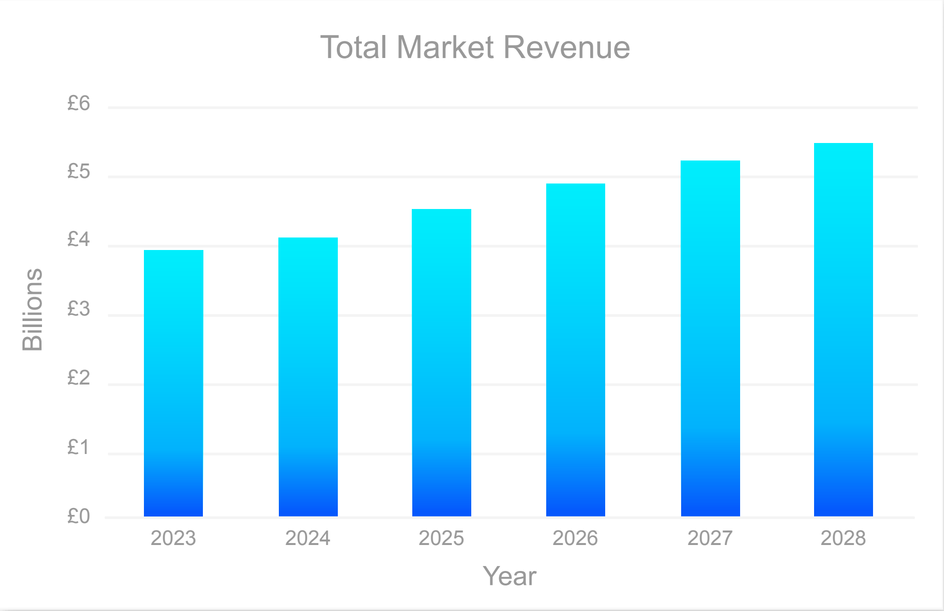

Figure 1. Cavell forecast for cloud comms revenue growth in W Europe

Cavell's forecasts show consistent growth in the cloud communications market across the UK and Europe over the course of this decade. Revenue will hit nearly £5.5bn by the end of 2028, Cavell estimates.This growth presents both challenges and opportunities for service providers operating in the European market.

Today's enterprises require seamless integration of multiple unified communications (UC) platforms, comprehensive collaboration tools, and advanced customer experience (CX) solutions. In many cases, they will utilise several solutions in one of these categories alone, creating a complicated web of technologies that needs careful implementation and management. They seek partners to deliver and manage these complex technology stacks while maintaining operational efficiency and ensuring consistent service quality across all locations. For service providers, meeting these evolving demands represents a significant market opportunity.

However, success in this space requires more than just technical capabilities. It demands a deep understanding of local markets and the ability to deliver consistent service across multiple jurisdictions.

EUROPEAN COMMUNICATIONS MARKET OVERVIEW

The European communications market is characterised by its diversity and complexity, with organisations ranging from regional SMEs to multinational enterprises, each with unique requirements and challenges.

According to recent Cavell research, the European UCaaS market continues to show robust growth, with adoption rates accelerating across all business segments. The number of business cloud communications users will top 60 million in 2028.

Meanwhile, the number of telephony-enabled Microsoft Teams users is also forecast to increase, with Operator Connect in line to be the dominant enabler.

Modern European enterprises typically maintain a presence across multiple countries, each with distinct regulatory environments and compliance requirements.This international footprint creates unique challenges regarding service delivery, support and management.

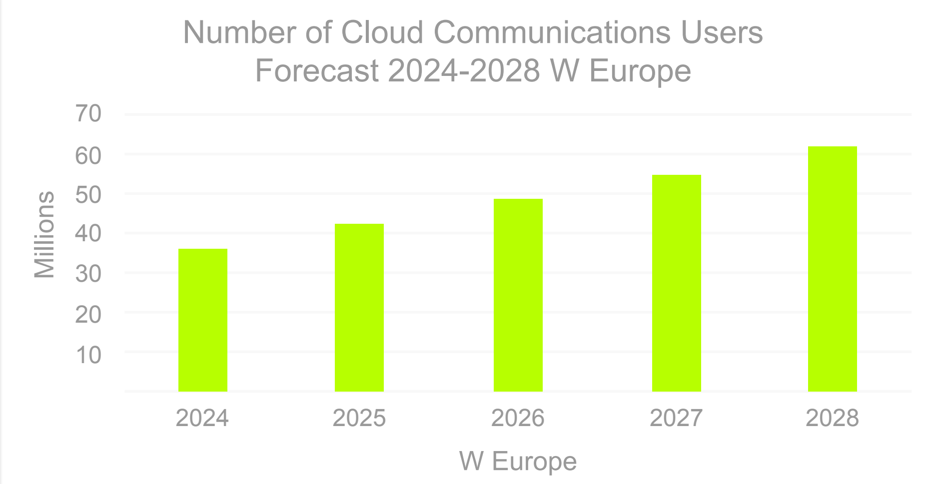

Figure 2. Cavell European Cloud Comms User Forecast 2028

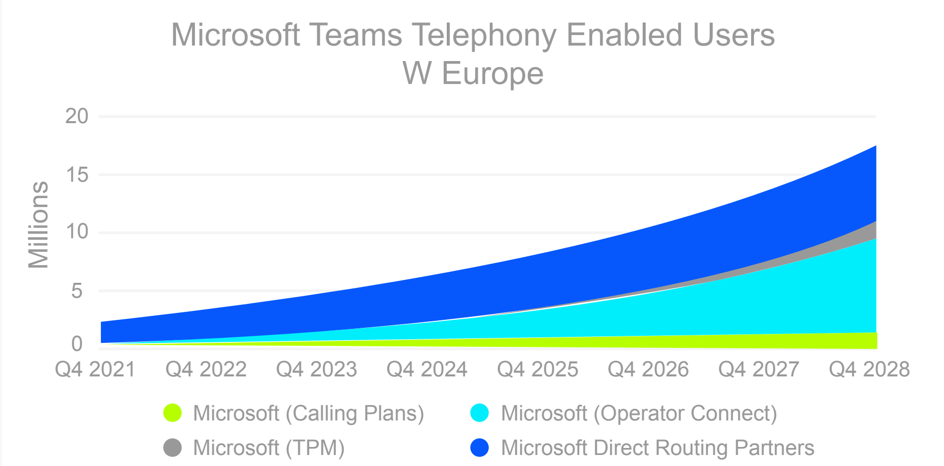

Figure 3. Cavell Microsoft Teams Telephony Enabled User Forecasts 2028

In Cavell's last **Telecoms Buyers Report**, 56% of respondents said they had a site or employees outside their domestic market needing a cloud comms seat. This doesn't necessarily mean they have an international business operation, but they need to cater for employees potentially with different platforms and within different regulated areas.

56%

had a site or employees **outside their domestic market** needing a cloud comms seat

A key trend emerging from Cavell's research is the increasing use of multiple vendors in these unified communication environments.This could be for several reasons, each creating the same complexities as the next:

- An organisation may be in the process of **moving from an on-premises solution (or even multiple on-premises solutions) to the cloud**
- An organisation may have adopted **multiple cloud services** during the pandemic
- An organisation may take a **best-of-breed approach**, for example, wanting Teams as a collaboration platform with enterprise-grade calling from another provider.

However, this multi-vendor approach creates significant complexity. The interoperability and integration between platforms can be difficult and also throw up issues around user administration and access management. Then, once you consider the multi-geographic nature of the estate, billing and support can become tricky.

A service provider can be the white knight for enterprises facing these challenges – provided they have the right weapons in their arsenal.

SERVICE PROVIDER OPPORTUNITIES AND CHALLENGES

Service providers occupy a unique position in the communications ecosystem, bringing valuable assets, including **established customer relationships, a deep understanding of local markets, and experience managing complex technology deployments**.

Consider a hypothetical case of a European service provider supporting a mid-sized manufacturing company. While the provider excels in delivering traditional voice services, they struggle to support the client's growing needs for integrated Microsoft Teams, Zoom Rooms, and contact centre capabilities across multiple countries. This scenario is increasingly common and highlights the challenges service providers face.

The primary obstacles service providers must overcome include:

- **Limited multi-vendor expertise and certification**
- **Insufficient international presence and support capabilities**
- **Complex integration requirements**
- **Resource constraints for new technology adoption**

Partnership solutions offer a path to overcome these limitations while creating new revenue streams. By collaborating with established unified communications partners, service providers can expand their services portfolio without significant capital investment.They can access expertise and certifications across multiple platforms and drive additional revenue through value-added services.

THE CONTACT CENTRE OPPORTUNITY

The traditional boundaries between unified communications and contact centre technologies are rapidly dissolving, creating a compelling opportunity for service providers to expand their portfolios and capture additional market share.

This convergence is driven by enterprise demand for integrated experiences as organisations seek to unify their internal collaboration tools with customer-facing communication channels. The integration facilitates seamless escalation from self-service to live assistance and enables organisations to leverage expertise across their entire workforce rather than relying solely on dedicated contact centre agents.

This convergence offers multiple revenue opportunities for service providers through enhanced portfolio value. Traditional unified communications offerings can be augmented with contact centre capabilities, resulting in comprehensive communication suites that address internal and external communication needs.

Service providers can target new customer segments, particularly mid-sized organisations that previously considered enterprise-grade contact centre solutions beyond their reach or organisations seeking basic functionality for informal contact centres. Cloud-based, scalable solutions have made sophisticated contact centre capabilities accessible to a wider market.

Cavell forecasts that the number of cloud-enabled contact centre agents will rise to more than one million in 2028.

Contact centre solutions typically command higher margins than basic unified communications services, particularly when combined with professional services, integration support, and ongoing optimisation services. Beyond initial implementation, these solutions present opportunities for recurring revenue through software licensing, support services, and continuous optimisation consulting.

However, independently building these capabilities requires significant investment in technology infrastructure, technical expertise and certifications, support capabilities, and sales and marketing resources.

Service providers can accelerate their entry into the contact centre market by leveraging established partners who offer pre-built integrations with major unified communications platforms, proven deployment methodologies, comprehensive training and support programmes, established relationships with technology vendors, and flexible consumption models that align costs with revenue.

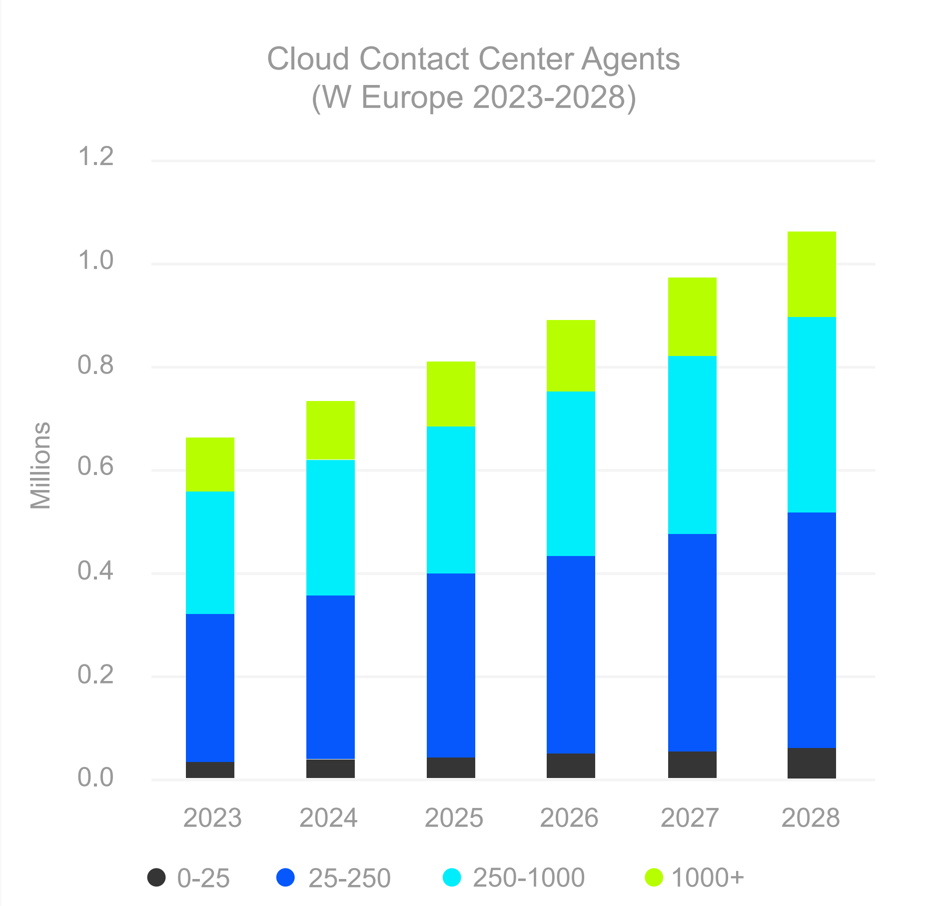

Figure 4. CCaaS agent growth forecast for W Europe

THE MULTI-VENDOR, SINGLE-PARTNER ENVIRONMENT

The explosion of cloud communications over the last five years has, in many cases, created a complex web of systems in organisations – particularly larger enterprises. Alongside the demand to integrate unified communications with contact centre solutions mentioned above, organisations are also often using more than one collaboration platform.

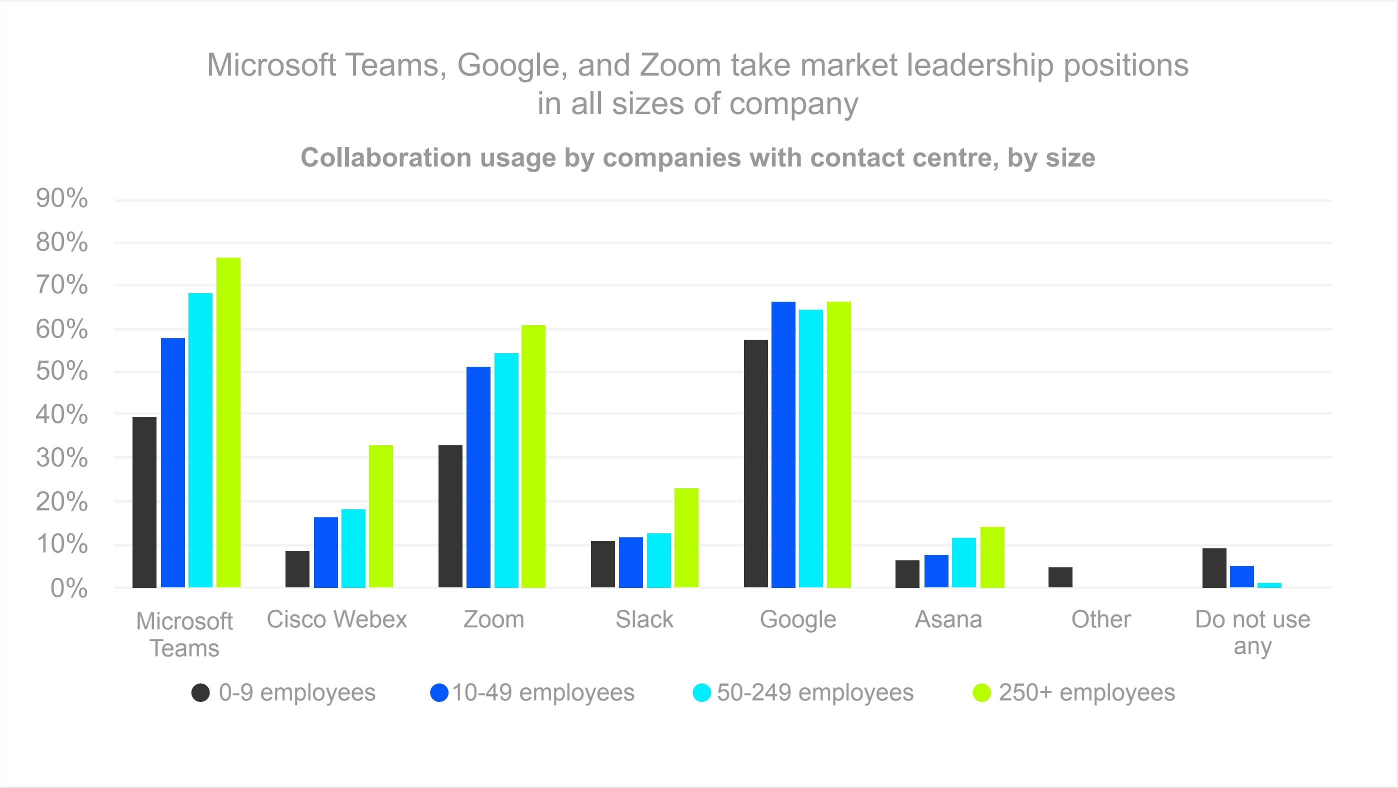

Figure 5. Collaboration usage by business size

The above graph shows the huge levels of overlap in businesses of all sizes, demonstrating the explosion of multi-vendor estates.

That's not necessarily a bad thing. Large, multi-facet businesses with dozens of departments will have different use cases for different collaboration platforms – or perhaps be so entwined with a particular platform that a migration would be costly, disruptive and unnecessary.

However, this can be complicated for partners from a voice perspective. Resellers and managed service providers without a deep voice practice can find themselves cobbling together overly complex solutions, with poor quality control and multiple points for failure.

The opportunity for service providers here is to create a single voice platform that can plug into several unified communications products and provide flexibility to move between them at will. This removes the dreaded number porting of years gone by, should an organisation wish to change platform. This is also particularly useful for service providers with acquisitive customers, who frequently find themselves having to bring a whole new group of employees into an existing ecosystem.

This trend of multiple platforms is reversed when looking at enterprise buying habits. Cavell research shows that enterprises are more and more looking to purchase from one provider – even in multi-vendor environments. This creates an opportunity for service providers to gain more of their customers' wallet share – whether that's an IT provider looking to move into comms, or a local comms provider looking to expand their reach across borders.

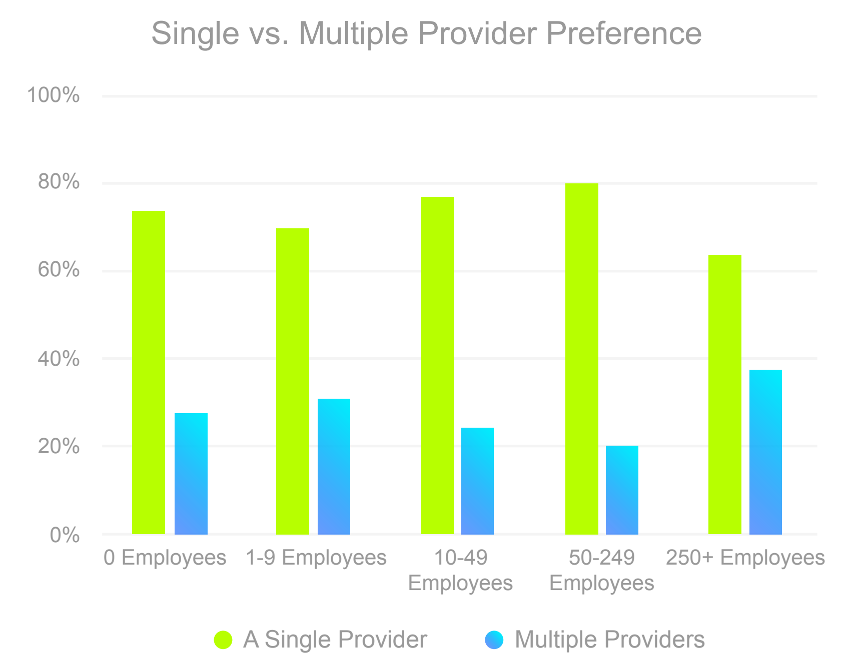

Figure 6. Source: Cavell European & NA SP Survey 2024

PARTNER SELECTION CRITERIA

Service providers should prioritise several key criteria when evaluating potential partners for delivering modern communication solutions. First and foremost is the partner's ability to simplify the delivery of international, cutting-edge, and multi-vendor solutions. This includes proven capabilities in managing complex deployments across multiple countries and technology platforms.

	0-49 Employees	50-249 Employees	250-1000 Employees	1000+ Employees
1	Price	Price	Expertise with a Specific Technology	Expertise with a Specific Technology
2	Product Functionality and Features	Expertise with a Specific Technology	Price	Price
3	Brand Reputation	Integration Capability with Existing Technology	Integration Capability with Existing Technology	Product Functionality and Features

Figure 7. Cavell data relating to communications provider selection

The ideal partner should provide a comprehensive portfolio of supplementary solutions to enhance core UC services. Price is still important, but knowledge and expertise become more important among larger organisations. These offerings should encompass advanced contact centre capabilities, robust analytics and reporting tools, security and compliance solutions, integration services, and professional services with reliable support.

Furthermore, potential partners must demonstrate extensive certifications across major technology platforms, a proven track record of successful deployments, a strong presence in key European markets, deep technical expertise paired with robust support capabilities, and established relationships with leading technology vendors.

CONCLUSION

The European communications market presents a significant opportunity for service providers who can effectively address the complex needs of modern enterprises. Success in this market requires the ability to deliver and manage multi-vendor solutions across international locations while maintaining operational efficiency and service quality.

Key considerations for service providers include:

- **The growing demand for integrated, multi-vendor solutions**
- **The importance of international service delivery capabilities**
- **The value of partnerships in expanding service offerings**
- **The need for comprehensive support and management solutions**

Service providers should carefully evaluate potential partners based on their ability to address these requirements and contribute to long-term business success. The right partnership can enable service providers to capitalise on market opportunities while minimising risk and investment.

Recent market analysis reveals that European businesses are increasingly investing in diverse communication technologies, with a particular focus on unified communications as a service (UCaaS) and contact centre solutions.

This trend reflects the growing recognition that effective communication infrastructure is not merely a utility but a strategic asset that drives business performance and competitive advantage.

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ABOUT CALLTOWER:

Addressing the European Communications Challenge

As the European communications landscape undergoes its profound transformation, organisations require partners who can navigate the complexities highlighted throughout this report. CallTower is well-positioned to address these evolving needs and capitalise on the market opportunities identified by Cavell's research.

MEETING THE MULTI-VENDOR, MULTI-COUNTRY CHALLENGE

Cavell's research reveals that 56% of surveyed organisations have sites or employees outside their domestic market requiring cloud communications solutions. This international footprint creates unique service delivery, support, and management challenges across distinct regulatory environments.

CallTower's global presence and expertise in enterprise-class cloud communications directly address this challenge.

UNIFIED SOLUTIONS FOR COMPLEX ENVIRONMENTS

The report highlights the increasing complexity of modern communication environments, with organisations often maintaining multiple platforms simultaneously. Figure 5 demonstrates the significant overlap in collaboration tool usage across businesses of all sizes, creating potential complications for voice integration.

CallTower's comprehensive portfolio directly addresses this challenge by integrating with all major platforms:

- Microsoft® Teams Operator Connect, Direct Routing and GCC High Teams Direct Routing
- Webex by Cisco
- Zoom Phone
- Advanced contact center solutions

This multi-platform expertise enables CallTower to create the "single voice platform that can plug into several unified communications products" that the report identifies as a key opportunity for service providers.

CONVERGENCE OF UC AND CONTACT CENTRE

Cavell forecasts that cloud-enabled contact centre agents will exceed one million by 2028, representing a significant growth opportunity. The report notes that "the traditional boundaries between unified communications and contact centre technologies are rapidly dissolving."

CallTower's 2025 acquisition of North America's contact centre expert, Inoria, strategically positions the company to capitalise on this convergence. Together, CallTower and Inoria deliver the integrated experience organisations seek—unifying internal collaboration tools with customer-facing communication channels through Conversational AI and advanced analytics.

THE SINGLE-PARTNER ADVANTAGE

Figure 6 in the report reveals a clear trend: enterprises increasingly prefer to purchase from a single provider, even in multi-vendor environments. This creates an opportunity for service providers to gain more of their customers' wallet share. By offering a comprehensive suite of communication solutions that span voice, collaboration, contact centre, and AI-driven analytics, CallTower enables organisations to consolidate their communications needs with a single, trusted partner.

Meeting the Partner Selection Criteria – The report identifies several key criteria for selecting a communications partner:

1. **Ability to simplify international deployments**: CallTower's global presence and two decades of experience in enterprise communications ensure seamless service delivery across international borders.

2. **Comprehensive portfolio**: Beyond core voice services, CallTower offers advanced features like one-click failover, advanced analytics, seamless CRM integration, and cutting-edge AI capabilities.

3 **Multi-vendor expertise**: CallTower's certified expertise across all major platforms (Microsoft Teams, Webex, Zoom) addresses the multi-vendor complexity highlighted throughout the report.

DRIVING INNOVATION FOR THE FUTURE

As Cavell's research shows, the European communications market will continue its robust growth trajectory, with cloud communications revenue expected to reach £5.5bn by 2028. Organisations increasingly view their communications infrastructure not merely as a utility but as a strategic asset driving business performance.

CallTower's commitment to innovation and excellence positions it as the ideal partner to guide European enterprises through their digital transformation journeys. By combining deep technical expertise with a comprehensive solution portfolio and global presence, CallTower enables organisations to navigate the complex communications landscape while maintaining operational efficiency and consistent service quality across all locations.

CONTACT CALLTOWER TODAY

Discover how CallTower can help your organisation navigate the complexities of modern business communications and leverage the opportunities presented by digital transformation. Our team of experts is ready to develop a customised solution that addresses your unique challenges and positions your business for future success.

LET'S CONNECT

ABOUT CAVELL

Cavell is a leading research and consulting firm specialising in the telecommunications industry with a particular focus on business communications technologies, including UCaaS, collaboration, contact centre and customer engagement software, business messaging, and Microsoft Teams.

Cavell provides insights, analysis, and advisory services to help clients navigate and succeed in these rapidly evolving sectors.

Cavell's team combines years of accumulated telecoms industry experience with enterprise and SMB surveys and proven market intelligence to provide a suite of services, including market research, commercial and technical due diligence, strategy advisory services and leading industry events.

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