

# Magic Quadrant for Communications Platform as a Service

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CPaaS providers offer cloud-based platforms for developers and other business roles to build communication workflows that digitally operationalize customer engagement and experiences via APIs, SDKs, visual builders and AI. CIOs can use this Magic Quadrant to evaluate providers.

## Strategic Planning Assumptions

By 2029, 95% of global enterprises will leverage communications platform as a service (CPaaS) to operationalize customer experience (CX) and engagement, up from 55% in 2024.

By 2029, 85% of enterprises using CPaaS for operationalizing customer experiences will use generative AI (GenAI)-based conversational AI capabilities, up from 25% in 2025.

By 2029, 85% of global enterprises, up from 40% in 2025, will require enhanced security based on AI in their CPaaS toolsets, focusing on preemptive cybersecurity to mitigate threats arising from use of AI.

## Market Definition/Description

Gartner defines communications platform as a service (CPaaS) as a cloud-based platform used by developers, the IT team and other nontechnical business roles to build an array of communications-related capabilities using APIs, SDKs, documentation and no-code/low-code visual builders. The CPaaS tools facilitate access to multiple communications channels

spanning voice, SMS, email, messaging apps, video and conversational capabilities, along with security.

The purpose of CPaaS is to enable enterprises to improve communications workflows by providing simplified access to multiple communications capabilities.

CPaaS enables enterprises to shorten time to market for new products and services, personalize communications, and orchestrate customer journeys across multiple channels. It delivers digital engagement and operationalizes customer experience, while also driving business efficiencies at scale with digital service delivery. It is modular/composable in design and can expand from initial single use cases to many others as additional business units learn of its value.

CPaaS enables a multitude of use cases such as:

- Basic communications
- Advanced voice
- Marketing
- Conversational customer experience
- Global enterprise support
- Customer support
- Vertical and horizontal use cases such as campaign management, telemedicine, customer data platform (CDP), contact center, remote learning, e-commerce and field services

CPaaS capabilities can also be consumed in a wholesale model, powering third-party cloud vendor offerings such as contact center, CRM, multichannel marketing and ERP. There are also wholesale use cases in which CPaaS providers wholesale communications to each other and to telecom service providers.

## **Mandatory Features**

Mandatory features include:

- A standard set of core CPaaS communications APIs for:
  - Voice calls

- SMS
- Local and global direct inward dialing (DID)
- Identity confirmation such as two-factor authentication (2FA)/multifactor authentication (MFA) and flash calling
- At least two other rich communications channels such as Google RCS, Apple Messages for Business, MMS, WhatsApp or WeChat
- Customer service and support for CPaaS capabilities, including customer onboarding, technical support and usage dashboards

## Common Features

Common features include optional or more-advanced CPaaS capabilities (of which a vendor may not have all) include:

- Messaging channel APIs, such as in-app/in-website messages and push notifications, Microsoft Teams, LINE, Viber, Telegram, Instagram, Twitter DM, Discord, or Snapchat, along with email, which can be provided with an omnichannel and orchestrated capability that may leverage AI (including generative AI)
- Conversational bots, based on traditional enterprise conversational AI or GenAI, which can be personalized and contextualized using customer data from a client CRM and/or CDP
- Advanced voice APIs for services such as emergency/E911 communications, contact center, audio conferencing, call queuing, interactive voice response (IVR), music on hold, speech to text, NLP, call recording, sentiment analysis and branded calling, along with optional basic voice services such as click to call, WebRTC and calls from within apps
- Video, including programmable video APIs, such as video streaming, in-app video service and video know your customer (KYC)
- Advanced security and privacy, through voice-facial-finger biometrics, call risk scoring, SIM verification, silent mobile verification, call/delivery analytics, call tracking, dynamic route capabilities, antiphishing and anti-spam, phone number anonymization/number masking, and KYC

- Programmable wireless, including e-SIMs, and Internet of Things (IoT)-packaged solutions APIs
- Network APIs, including one or more from those defined by CAMARA or GSMA's Open Gateway Initiative
- Other APIs for payments
- CDPs
- AI and foundational/large language model (LLM) models on the above-mentioned channels
- Advanced support through vendor marketplace, partner marketplace, visual builder, customer success programs, compliance (vertical/horizontal) and developer activities (such as events, certifications, blogs), and support for horizontal (such as campaign management) or vertical use-case scenarios (such as banking, healthcare, logistics, retail)

## Magic Quadrant

Figure 1: Magic Quadrant for Communications Platform as a Service





**Gartner.**

## Vendor Strengths and Cautions

### Bandwidth

Bandwidth, a Challenger in this Magic Quadrant, is publicly held and headquartered in the U.S. Bandwidth's Maestro and AIBridge enable the company to deliver advanced, integrated cloud-based voice and messaging solutions appealing to enterprises. Bandwidth's extensive bring your own carrier (BYOC) ecosystem integrates with Amazon Web Services (AWS), Google, Microsoft and Zoom. It also integrates with leading unified communications as a service (UCaaS), contact center as a service (CCaaS), conversational artificial intelligence (CAI) and voice biometric authentication vendors. This vendor-agnostic strategy enables customer

choice, cost savings, faster deployment and interoperability. In 2024, Bandwidth launched a universal platform with features such as automated workflows, prebuilt integrations, and an AI-powered system for managing business text messaging campaigns and more powerful dashboard capabilities.

### *Strengths*

- Bandwidth partners with leading UCaaS, CCaaS and CAI vendors, as well as supports large mobile marketing and digital engagement platforms. It continues to invest in voice AI, messaging, and new features like Number Reputation Management and RCS Business Messaging that enhance trust, personalization and customer engagement.
- The Maestro platform facilitates no-code orchestration and AI integration, enhancing digital transformation and cloud migration for its enterprise clients.
- Bandwidth's focus on network resiliency, AI-driven voice security tools and customer support bolsters enterprise adoption and customer retention.

### *Cautions*

- Bandwidth's offerings are focused heavily on voice and messaging. Bandwidth lacks advanced capabilities such as supporting a wide range of over-the-top (OTT) messaging channels, video, payments and e-commerce, limiting its suitability for some use cases.
- The company's global brand recognition in the enterprise sector is low. The provider's global presence remains limited, despite growing recognition in Europe.
- Enterprises view co-innovation as crucial for expanding Bandwidth's ecosystem, with developers and independent software vendors (ISVs) as key to fast, scalable solution development. While Bandwidth has expanded its partner program, it is yet to emerge as a leading vendor in promoting these communities and out-of-the-box third-party integrations to scale adoption.

## **Cisco**

Cisco, a public company based in the U.S., is a Visionary in this Magic Quadrant. Cisco's CPaaS product, Webex Connect, is part of its Webex Customer Experience suite that includes integrated capabilities such as CCaaS, Journey Data Services and Flow Builder, infused with AI. Cisco relies mostly on a co-creation approach, allowing a collaboration of Cisco, the customer and partners to work together to build customized solutions. Cisco's

customer experience (CX) focus rests on three pillars: Proactive Journeys, AI Agents and Human Agents. Cisco intends to keep enhancing developer and end-user focused AI functionality, continuing to integrate best-of-breed AI capabilities from third parties and itself, while adhering to its responsible AI framework.

### *Strengths*

- Cisco's Visual Flow Builder is a low-code/no-code visual builder tool that allows developers and citizen developers to easily and quickly build conversational flows integrated with existing business logic without ripping or replacing existing systems.
- Cisco's integration between its CPaaS offering and its Webex Contact Center solutions allows enterprises to create and deploy customer journeys that may incorporate omnichannel customer engagement, combined with AI and agent-based customer care.
- Cisco continues to execute a well-defined vertical strategy to connect with leading vertical applications, such as healthcare, finance and retail. That strategy enables customers in those verticals to prepare and begin/launch operations quickly.

### *Cautions*

- Cisco's Webex Connect adoption lags behind its peers in this Magic Quadrant in terms of global presence, and it is skewed toward North America and the U.K.
- The Webex Connect CPaaS go-to-market (GTM) strategy continues to focus on co-creating with large enterprises, and it is not tuned to developers or ISVs, thereby constricting its total addressable market.
- Some feedback from Gartner Peer Insights and inquiry report that costs are a concern, with some customers mentioning high service and license costs.

## **Infobip**

Infobip is a Leader in this Magic Quadrant. Infobip, a privately held firm headquartered in London, England, offers a range of CPaaS channels, such as voice, SMS, RCS, email, OTT and conversational features. Its AI Hub enables automation that integrates into its chatbot, marketing automation, customer data platform (CDP), contact center and CPaaS X solutions. Infobip has a developer portal, self-serve tools, a marketplace and a partner program for communications service providers (CSPs), value-added resellers (VARs), systems integrators (SIs), ISVs and digital marketing agencies (DMAs). Its footprint covers Europe, MEA and

Asia/Pacific (APAC), North America and Latin America (LATAM), with local delivery, sales and support. Infobip continues to invest in the AI Hub and Conversational Experiences with agentic AI, RCS enablement, network APIs, self-serve capabilities and advanced security.

### *Strengths*

- Enterprises daunted by developer-focused initiatives can take advantage of Infobip's solution-oriented approach that leverages the professional services of Infobip and its partners. Enterprises also can use a comprehensive set of developer tools and documentation.
- According to some Gartner Peer Insights reviews, Infobip's account management and technical team provide personalized and timely responses. Infobip also works with the customer to assess additional solution possibilities for further value outcomes.
- Infobip provides stable and reliable customer service. Its portal is intuitive and easy to use and provides a wide set of integration capabilities. It also is flexible and adaptable to enable customized integrations.

### *Cautions*

- In a few emerging APAC countries (such as Indonesia, India and Vietnam), Infobip's local support can be limited or slow when dealing with specific functionalities or technical requests. Some customers need to rely on development centers in Europe, which can delay response times.
- Some of Infobip's customers have reported they need better training on the front end before using the software, as some of the most advanced functionalities require programming knowledge and back-end work to use.
- Infobip's pricing structure isn't always transparent and is perceived as higher than comparable solutions of other CPaaS vendors, but Infobip is improving transparency with an enhanced pricing page on its website.

## **Mitto**

Mitto, a Niche Player in this Magic Quadrant, is privately held and based in Switzerland. Its CPaaS capabilities include SMS, RCS, voice, WhatsApp, video, OTT messaging and email. It also offers two-factor authentication (2FA), 10DLC, mobile intelligence, AI-based global routing and artificially inflated traffic (AIT) detection. Its campaigns and conversational API



are available as low-code or prebuilt solutions for transactional, omnichannel marketing and conversational CX use cases. Mitto supports Europe, U.S., APAC, MEA and LATAM. Mitto's platform supports seamless CRM and ERP integrations. Mitto continues to invest in AI, RCS, integrations, developer resources, routing optimization, carrier relations, sales support and partner expansion.

### *Strengths*

- Mitto's networking, scalability and cost-effectiveness are a good fit for multinational corporations, technology vendors and service providers that require volume with global scale for SMS, 2FA and voice.
- Mitto's differentiation lies in its proactively monitored AI-enabled intelligent routing, an offering used for optimizing messaging and failover. This offering prioritizes routes for real-time reliability and criticality, along with capabilities to protect and prevent AIT via algorithms.
- According to Gartner's Peer Insights reviews, customers have praised Mitto for its customer support and easy integration. Mitto offers customers dedicated sales, support, architect and customer success teams who deliver customized capabilities in regions it serves.

### *Cautions*

- Mitto lacks market brand awareness among Gartner clients that are seeking CPaaS. This may result in difficulty attaining market share and could affect its overall growth.
- Mitto does not have a customer data platform (CDP) capability. It is limited in terms of contact center integrations and offers fewer vertical-specific compliances, such as Health Insurance Portability and Accountability Act (HIPAA) and Payment Card Industry Data Security Standard (PCI DSS), compared to its global counterparts evaluated in this Magic Quadrant.
- Based on some customer feedback, Mitto should improve on the user experience around the AI integration capability.

## **Proximus Global**

Proximus Global is a Visionary in this Magic Quadrant. The result of the December 2024 merger of BICS, Telesign and Route Mobile, Proximus Global creates a global player in the

CPaaS market, combining telecom infrastructure and omnichannel communication capabilities. Proximus Global, a communications service provider (CSP), offers a comprehensive CPaaS platform that includes voice and messaging, campaign channel fallback, web chat invitations via SMS, interactive voice response (IVR) deflection, and RCS capabilities. The CPaaS offering is packaged as a toolkit for enterprises spanning across all major regions in the globe.

### *Strengths*

- Leveraging its fully owned global network backbone and shared capabilities, BICS operates one of the largest international voice/data networks. Route Mobile excels in emerging markets like India and MEA, while Telesign has a strong presence in North America and Europe. Together they provide good geographic coverage, unified go-to-market strategy and multiregional compliance.
- Proximus Global offers a wide array of communication channels and robust voice security and fraud prevention capabilities across its portfolio. This approach benefits multinational Gartner clients planning to enable region-specific channels through a unified interface.
- Telesign offers a developer-friendly community with open SDKs and API testing tools, complementing Route Mobile's direct sales and customer-led services model with strong self-service integration and support capabilities.

### *Cautions*

- Proximus Global, a merger of Belgium, India- and U.S.-based companies, brings together diverse cultures, systems and price-sensitive regional markets. Despite operating in a unified global model, such differences could lead to operational inefficiencies and a loss of regional go-to-market expertise.
- Proximus Global does not offer the preferred marketplace integrations with many of the leading CCaaS, digital customer service (DCS) and CRM vendors. Gartner clients looking for an out-of-the-box marketplace integration with the broader customer service ecosystem may see challenges with Proximus Global.
- The lack of transparent pricing and the absence of a dedicated CPaaS marketplace limits Gartner clients — especially those in the midsize enterprise market — to rely on APIs or a composable model. As a result, they are more likely to choose out-of-the-box solutions, which limits their ability to explore broader integration opportunities.

## **Sinch**

Sinch, a Leader in this Magic Quadrant, is publicly held and headquartered in Sweden. Sinch's CPaaS suite provides APIs, like OTT messaging, email, voice, SMS, RCS, conversational APIs, campaigns, AI chat/voicebot capability, Verification API and security. Sinch serves large to small and midsize business (SMB) enterprises in all regions with a no-code multichannel messaging offering, Engage (an AI creation and orchestration platform), and has a contact center. These offerings integrate with CRM, ERP and e-commerce systems. Sinch supports development partners and is active in Aduna for network APIs. Sinch recently consolidated into an integrated organization. Sinch continues to invest in operator connectivity, AI orchestration, security and in verticals, like financial services.

### *Strengths*

- Sinch offers a strong account management service, high-tech support structure and developer ecosystem with good platform stability, adaptability, and seamless integration.
- Sinch offers a wide range of communication channels, including video and emerging channels such as RCS, and regional channels such as WeChat and KakaoTalk.
- It has a wide geographic GTM spread, with direct support and a variety of partner types in all major regions, with the vast majority of its infrastructure distributed globally. That reach allows Sinch to meet customers at scale and reduces the burden for customers looking to integrate communications into existing systems.

### *Cautions*

- Sinch has faced challenges in the past couple of years that include top leadership changes and slow revenue growth. Gartner clients planning to consider Sinch for CPaaS should evaluate these changes when making decisions.
- According to Gartner Peer Insights reviews, some customers consider Sinch to be costly, citing that the pricing is not always transparent and can be complex when dealing with multiple components, though published pricing is available on Sinch's website. Some customers have faced difficulties with billing and finance and setting up automated payments.
- Sinch's documentation, online communities and advanced contact center capabilities (such as workforce management and quality management) are limited compared with some peers.

## **Tanla**

Based in India and publicly held, Tanla is a Visionary in this Magic Quadrant. It has a significant customer base in APAC (notably, India and Indonesia) and Middle East, along with a growing customer base in North America and Europe. Tanla provides solutions for enterprise communications (such as basic and advanced messaging, support for OTT channels like WhatsApp and RCS) and digital platforms (complementing enterprise communications via new advanced technologies such as GenAI and blockchain). It also offers Messaging as a Platform (MaaP) and has made recent investments in Rich Business Messaging (RBM) and RCS, expanding its handling of real-time messaging and AI-driven spam management.

### *Strengths*

- As an India-based CPaaS provider, Tanla's strategic partnerships with technology giants, such as Google and Meta, open doors for collaboration with global telecom operators and digital commerce providers and fuels new growth.
- Offering a comprehensive suite of services, such as messaging, voice, video, digital marketing and AI-driven engagement tools, Tanla ensures seamless integration into platforms with communication capabilities, such as RCS, Truecaller and WhatsApp for its omnichannel communication.
- Tanla differentiates itself by prioritizing security and privacy with Trubloq.ai and Wisely ATP. Wisely ATP uses AI/machine learning (ML) technology to combat scam and fraud, while Trubloq.ai uses blockchain for secure transactions, leveraging advanced GenAI technology to combat spam.

### *Cautions*

- Global CPaaS Leaders in this Magic Quadrant, with larger R&D budgets and geographic scale, pose a challenge to Tanla's efforts to expand its market share, particularly outside India. Many global enterprises already consider Tanla as a regional player.
- Tanla's shift from traditional SMS to newer OTT channels and platforms may result in longer sales cycles for enterprises, necessitating enhanced market education, user training and comprehensive documentation for swift adoption.

- Evidence from Gartner's Peer Insights data underscores the urgent need for enhanced customization and ideation capabilities in Tanla's platforms, as current limitations contribute to operational complexities and hinder broader enterprise adoption.

## **Tata Communications**

Tata Communications, a global communications technology player headquartered in India, is a Niche Player in this Magic Quadrant. With its acquisition of Kaleyra in October 2023, Tata Communications has expanded outside of APAC, into North America, Europe and the Middle East. The company offers a wide range of CPaaS services, including SMS, MMS, WhatsApp, RCS, voice, chatbots, video and 10DLC across multiple industries. It also offers InstaCC Global, as an independent CCaaS platform. Its other network offerings include Core and Next Gen connectivity, UCaaS, 5G and Internet of Things (IoT). Tata Communications continues to expand its AI capabilities with Kaleyra AI and is expanding its geographical coverage and other communication channel capabilities. It continues to emerge as a vendor that offers converged CPaaS, CCaaS and conversational AI capabilities.

### *Strengths*

- Tata Communications offers programmable APIs for advanced use cases, such as verification, identification and rich messaging, surpassing basic CPaaS functionality and enabling next-generation communications and IoT integration.
- With extensive coverage in markets such as India, Asia/Pacific, and the Middle East and Africa, Tata Communications' direct carrier relationships and infrastructure in over 190 countries make it suitable for enterprises seeking global scale and local compliance.
- Tata Communications' CPaaS and CCaaS solutions — particularly those integrated with Genesys, Amazon Connect and Cisco — can be natively embedded into ERP and enterprise platforms. This seamless integration enhances customer experience and operational agility for large organizations.

### *Cautions*

- Tata Communications' CPaaS solutions have yet to expand and scale with a strong developer-led community and presence in other IT vendors' marketplaces.
- Despite its global infrastructure, Tata Communications does not have the same level of recognition in the CPaaS domain outside the APAC region as other market-leading

vendors listed in this report. That lack of brand awareness impacts its ability to secure enterprise deals in other regions.

- According to Gartner's Peer Insights reviews, some customers referenced slow service and support, and high pricing compared with its peers evaluated in this Magic Quadrant.

## **Tencent Cloud**

Tencent Cloud, a Challenger in this Magic Quadrant, is a publicly traded cloud provider based in China. It offers audio/video CPaaS capabilities, which represent a majority of its CPaaS business to address use cases in gaming, digital content, media, e-commerce and meetings. Tencent also owns WeChat and WeCom. Tencent Cloud's CPaaS platform provides a range of services, from SMS to Session Initiation Protocol (SIP) and advanced capabilities, such as conversational API, 5G, IoT and biometric security. Tencent Cloud continues to innovate around RTC and chat for gaming and entertainment. It is also investing in innovation for integration capabilities, digital transformation, user-experience-driven UI and AI strategies. Tencent Cloud looks to further expand outside China.

### *Strengths*

- Tencent Cloud's feature-rich audio/video technology aligns well with organizations — especially those in gaming, meetings, education and social media — to help them scale quickly to deliver their communication requirements.
- Tencent Cloud continues to innovate around GenAI-enabled use cases, including bots, AI voice, chat agents and smart content generation. The organization has a strong focus on contact-center-related functionalities, such as real-time data and interaction management and seamless hand-offs, as well as multilanguage support.
- Tencent Cloud expanded its channel strategy in the past 12 months to include support for RCS in 15 countries. It also supports Facebook and LINE.

### *Cautions*

- Tencent Cloud needs to expand further outside of the APAC region to catch up with its peers evaluated in this Magic Quadrant, despite efforts in the past 12 months to grow in North America and the Middle East.
- According to Gartner Peer Insight reviews, some customers cited the expensive nature of the platform and technical support limitations as primary challenges.

- Tencent Cloud is not inclined to adopt network APIs, despite the APIs' rising interest from other vendors.

## **Twilio**

Twilio, a U.S.-based publicly traded company and Leader in this Magic Quadrant, targets enterprises and ISVs/VARs with capabilities that enable omnichannel communications, personalized interactions powered by Twilio Segment CDP, and customer experience improvements. Twilio, which operates globally, provides scalability, regulatory compliance support and security capabilities. In 2024, it expanded its user authentication and identity capabilities and launched RCS in several markets, with plans to expand to other markets in 2025. Twilio also launched ConversationRelay, a bring-your-own-AI solution enabling businesses to integrate their preferred AI models to deliver self-service customer experiences.

### *Strengths*

- With its ability to combine data-driven insights, AI/ML capabilities and support for omnichannel communications at a global scale, Twilio is well-suited for large enterprise and multinational messaging and voice applications that deliver personalized and contextual customer engagement.
- In 2024, Twilio further improved its developer experience, offering a rich developer ecosystem and support, extensive training resources, and focused platform enhancements to help developers start quickly and leverage the full set of Twilio capabilities.
- The company focuses on conversational AI innovation in areas such as Twilio Agent Copilot, ConversationRelay and Conversational Intelligence for observability, boosting traction with organizations looking to automate customer service operations.

### *Cautions*

- According to Gartner Peer Insights reviews and inquiry feedback, some customers report concerns over the high costs of using the platform.
- According to Gartner Peer Insights reviews, some customers also report inconsistent customer support and dissatisfaction with the speed of Twilio's customer service response.

- The majority of Twilio's revenue and customers are in North America, followed by Europe, with a smaller proportion in APAC and LATAM. With very limited presence in the Middle East and Africa, customers with major operations in that region should carefully examine Twilio's ability to provide support to them.

## **Vonage**

Vonage, a U.S. subsidiary of Ericsson, a publicly traded company, is a Visionary in this Magic Quadrant. Vonage offers extensive capabilities, including APIs for omnichannel communications and customer experiences across messaging, voice, video, and email, combined with AI and security. In 2024, Vonage offered RCS messaging in 15 countries, expanding to 20 more in 2025 and offering enhanced features such as branded calling and messaging. Vonage is leveraging Ericsson's network expertise and Aduna's API supply to enhance its solutions.

In 2024, Vonage reduced less profitable operations in some countries to drive profitability and further invest in innovation, consciously reducing revenue, favoring gross profit and realizing sustainable customer benefits.

### *Strengths*

- Vonage maintains a strong vertical focus on industries such as healthcare, education, online events, social, gaming, e-commerce, financial services and insurance.
- Vonage continues to invest in innovation, including initiatives, such as AI across its platform, with a continued focus on improvements to its antifraud capabilities and security.
- Vonage provides customer support from regional technical support teams with product generalists, specialists and support engineers. As per Gartner Peer Insights reviews, many customers report being very satisfied with Vonage's customer support.

### *Cautions*

- Vonage's decision to scale back activity in certain countries and prioritize more strategic solutions, such as RCS, should be assessed by customers to determine how these changes may affect them.
- Vonage's focus on network APIs aims to expand the breadth and depth of capabilities available to developers. Organizations looking to use Vonage's communications APIs



must assess that Vonage has retained as much focus on its CPaaS platform and service offerings.

- While Vonage generally provides good developer support, it has room to improve with its support resources. According to Gartner Peer Insights feedback, some customers report that Vonage's documentation could be clearer.

## Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

### Added

- Proximus Global

### Dropped

- Route Mobile is now part of Proximus Global and is therefore included within the Proximus Global write-up.

## Inclusion and Exclusion Criteria

To qualify for inclusion in this Magic Quadrant, providers need to fulfill all of the following requirements:

- Vendor CPaaS revenue of U.S. \$375 million or more for 2024 (January through December) with at least \$10 million in revenue billed in at least three of the following five regions each:
  - North America
  - Latin America
  - Europe

- Middle East and Africa
- Asia/Pacific (including Japan)
- Or vendor CPaaS revenue of U.S. \$250 million to U.S. \$374.99 million with overall annual revenue growth of 25% or more between January and December 2024 versus between January and December 2023, and with revenue of at least U.S. \$5 million billed in at least three of the five of the above-mentioned regions each.
- Vendor revenue figures must be reported in U.S. constant currency.
- Vendor revenue is for CPaaS services designed for developer consumption. This includes communications-related services delivered through APIs, SDKs, integrated development environments (IDEs) and documentation. CPaaS revenue excludes revenue from out-of-the-box SaaS-based solutions, which tend to be for nondeveloper roles and do not enable developer access.
- Revenue for a particular global region is allocated to where the CPaaS contract is signed. This is typically the corporate headquarters or the regional business unit of a multinational organization.
- Vendors must have employee personnel (sales, marketing, customer support and R&D), along with proof of operations in the regions in which they cite revenue (e.g., North America, Latin America, Europe, the Middle East and Africa, and Asia/Pacific [including Japan]). Proof of operations can include physical buildings cited on the website, local language support, support of local currencies and billing, or website references to customers in that particular market.
- CPaaS vendors must offer the core standard CPaaS capabilities of APIs for:
  - SMS (to send and receive SMS messages)
  - Voice calls (to place and receive voice calls)
  - Local and global direct inward dialing (DID; to route voice calls via DID)
  - Phone number registration for above-mentioned core capabilities
  - Identity confirmation via methods such as 2FA/multifactor authentication (MFA) or flash calling

- CPaaS vendors must offer at least two other rich communication messaging media. Examples include RCS, Google RCS, MMS, WhatsApp or WeChat, along with email.
- CPaaS vendors must also provide customer service and support for the above-mentioned core CPaaS capabilities, including customer onboarding, technical support and usage dashboards.

Gartner required a letter of attestation from the business leader responsible for the profit or loss of the provider's CPaaS offering to certify that the minimum revenue requirement was met.

A broader mix of CPaaS services, in addition to the core above-mentioned capabilities, is considered as "optional" capabilities. These include functionality such as:

- APIs for a wider array of messaging channels beyond those mentioned above. This can include messaging channel APIs, such as in-app/in-website messages and push notifications, Microsoft Teams, LINE, Viber, Telegram, Instagram, direct message (DM) on X, Discord or Snapchat, along with email, which can be provided with an omnichannel and orchestrated capability that may leverage AI (including generative AI). Note: Gartner is aware that vendors may not have all rich messaging channels listed here, but as a core standard, they will need to provide at least two for inclusion.
- Conversational bots, based on traditional enterprise conversational AI or GenAI, which can be personalized and contextualized using customer data from a client CRM and/or CDP.
- Advanced voice APIs for services such as emergency/E911 communications, contact center, audio conferencing, call queuing, interactive voice response (IVR), music on hold, speech to text, natural language processing (NLP), call recording, sentiment analysis and branded calling. Support also includes optional basic voice services, such as click to call, WebRTC and calls from within apps.
- Video, including programmable video APIs, such as video streaming, in-app video service and video know your customer (KYC).
- Advanced security and privacy, through voice-facial-finger biometrics, call risk scoring, SIM verification, silent mobile verification, call/delivery analytics, call tracking, dynamic route capabilities, antiphishing and anti-spam, phone number anonymization/number masking, and KYC.

- Programmable wireless, including e-SIMs, and Internet of Things (IoT)-packaged solution APIs.
- Network APIs, including one or more from those defined by CAMARA or GSMA's Open Gateway Initiative.
- Other APIs for payments, CDP, AI and foundational models/large language models (LLMs) on the above-mentioned channels.
- Advanced support through vendor marketplace, partner marketplace, visual builder, customer success programs, compliance (vertical/horizontal) and developer activities (such as events, certifications and blogs), and support for horizontal (such as campaign management) or vertical use-case scenarios (such as banking, healthcare, logistics and retail).

CPaaS vendors that have a wider base of services extending into the optional CPaaS categories will have a richer product portfolio. These related optional capabilities listed above will improve the value of the CPaaS solution to customers and are included in Gartner's ratings.

Gartner did not consider vendors whose offerings are predominantly focused on a specific CPaaS service, such as video or IoT.

Inclusion in the CPaaS Magic Quadrant and our CPaaS definition does not extend to out-of-the-box software providers in such areas as UCaaS, CCaaS and CRM, even if they provide APIs to manage those offerings.

## Evaluation Criteria

### Ability to Execute

Gartner evaluates providers on the quality and efficacy of the processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation within Gartner's view of the market. Ability to Execute is judged by seven main criteria.

**Table 1: Ability to Execute Evaluation Criteria**

<i>Evaluation Criteria</i>	<i>Weighting</i>
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Low
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (July 2025)

## Completeness of Vision

Gartner evaluates service providers on their ability to articulate logical statements convincingly about the market’s current and future direction, innovations, customer needs, and competitive forces, and on how well these correspond to Gartner’s position. Ultimately, we rate providers on their understanding of how they can exploit market forces and how well they map to Gartner’s view of the market.

**Table 2: Completeness of Vision Evaluation Criteria**

<i>Evaluation Criteria</i>	<i>Weighting</i>
Market Understanding	Medium
Marketing Strategy	Medium

<i>Evaluation Criteria</i>	<i>Weighting</i>
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	High

Source: Gartner (July 2025)

## Quadrant Descriptions

### Leaders

Leaders are in the strongest position to influence the market’s direction. They demonstrate market-defining vision of how CPaaS can be deployed in various use cases. Leaders have the Ability to Execute against that vision through the capabilities of their organization, business model and platform. They have demonstrated business results in the form of customer feedback and growth. They excel in their combination of market understanding, innovation, platform features and overall viability.

### Challengers

Challengers have established presence, credibility and viability, and have demonstrated the ability to meet customers’ expectations. Challengers often have good technology capabilities, but may lack coverage in selected technology areas, have limited geographic coverage, or not support a broad set of use cases.

### Visionaries

Visionaries can deliver innovative capabilities and sophisticated CPaaS experiences, such as vertical-industry-specific use cases or e-commerce services. These vendors embody trends that are shaping the CPaaS market. They may have limitations in terms of brand awareness, ability to support large customers or market sizing compared to their counterparts.

Visionaries have strong innovation and roadmaps.

## Niche Players

Niche Players may offer selected CPaaS capabilities compelling to certain users, but their solution may have limitations in such areas as:

- Proven financial success
- Breadth of features and functions
- Brand awareness
- Presence to deliver across multiple geographies
- Strong business execution in the market
- Ability to support large-enterprise requirements

## Context

This Magic Quadrant evaluates vendors that meet Gartner's inclusion criteria for CPaaS. CIOs seeking to improve customer relations digitally, enhance business outcomes, drive operational efficiencies and digital transformation should use this research as part of their market evaluation. They should align their strategy with that of their application leaders and business unit teams to identify potential CPaaS use cases to drive operational efficiency across the organization, enhance digital outreach to customers for customer engagement and scale this efficiently. Although many vendors did not qualify for this research, they may be perfectly suited for specific use cases. In addition to vendors in this report, evaluate:

- **Regionally dominant vendors:** Gartner analysts see different shortlists in each country. A regionally strong vendor can be a good choice because it understands the local nuances, culture, language or relevant and regulatory compliances.

- **Domain specialists:** Some buyers may have specialized needs in a particular area, such as video, IoT, payment and event ticketing, or chat commerce capabilities.
- **Industry-specific:** Vendors may have a deep focus and expertise, and compliance support for a specific vertical industry, such as healthcare, finance or retail.
- **Vendors delivering wholesale/premium CPaaS support:** Select CPaaS vendors can assist other tech vendors in building, branding and promoting a CPaaS solution based on internal and white-labeled functionality.
- **Megavendors of large software suites:** Hyperscalers such as Microsoft and Amazon can provide selected CPaaS elements that fit the needs of a particular customer. Often the buyer leverages existing relationships with prenegotiated price points.

Selecting the best-fit CPaaS vendor for your organization should factor in a number of variables. But the core three filters are:

- **Product features, functionality and capabilities:** The CPaaS market covers many different capabilities, spanning voice, messaging, security, solutions, and video, among others for both horizontal and verticalized use cases. Some vendors may specialize in particular areas such as voice or video. Others will offer a broader suite of capabilities. All are adding AI into the mix. Enterprises should therefore pursue CPaaS vendors fulfilling their requirements.
- **Geography served:** CPaaS providers are typically strong in their home region. But they may or may not support other regions. Look for vendors that can support you through local operations and staffing, in addition to the strength of their partnerships (VARs, SIs and delivery partners). Preferably, they can bill in your preferred currency and have local language support in each region.
- **Compliances, localization and regulatory support:** Buyers increasingly require CPaaS providers to store their data locally, adhere to security regulations and fulfill regulatory requirements. This typically varies by region, vertical and use case.

The second set of filters tend to focus on:

- **Price:** This includes pricing based on API usage, traffic, setup and development costs, and pricing for any additional or customized support needs.
- **Platform scalability and performance:** Metrics such as platform availability, message latency and ability to handle projected traffic volumes are important.



- **Developer environment:** This includes APIs, SDKs, documentation, developer sandbox visual builders and certifications.
- **Professional service support and service expertise:** Some customers prefer assistance in building their CPaaS offerings, while others use their internal staff. In addition, strong service expertise is important to be able to assist with any complexities associated with integration and implementation, as well as responding to support requests efficiently.

## Market Overview

During 2024, the communications platform as a service (CPaaS) market grew by 11.6% in constant currency terms, culminating in a market valuation of \$14.05 billion in current U.S. dollars (see

**Forecast Analysis: Communications Platform as a Service, Worldwide** and **Forecast: Communications Platform as a Service, Worldwide, 2023-2029**). Vendors have focused on restructuring for profitability and growth. Vendors have aligned their go-to-market (GTM) strategies to address wider scale geographically and more complex use cases, both horizontally and vertically. They have and are in the process of consolidating past acquisitions into integrated offerings that can be delivered globally. Investments have been directed toward strengthening direct sales teams, optimizing account management and support, and broadening partner ecosystems and integrations, thereby facilitating easier adoption across varied business sizes.

Now into 2025, CPaaS vendors are prioritizing growth through the deployment of more integrated, seamless solutions infused with artificial intelligence (AI) to deliver value-based outcomes and enhanced return on investment (ROI) for enterprises. Key investment areas beyond traditional CPaaS, such as SMS and voice, include expanding conversational and omnichannel capabilities (including orchestrating holistic experience management) and advancing rich conversational experiences through enhanced messaging platforms, such as Rich Communication Services (RCS) and WhatsApp. Bolstering security measures is also a priority. AI integration is set to augment capabilities across multiple domains, including campaign management, engagement products and chatbot functionalities.

Vendors are also refining their developer tools, expanding their out-of-the-box capabilities, and enhancing partner capabilities and ecosystems, thereby supporting complex and large-scale deployments, as well as specific use cases. Improvements in user interface (UI) and

user experience (UX), combined with deeper integration capabilities, ensure a unified deployment and implementation experience. The focus on creating efficient and scalable APIs (for example, Aduna from Ericsson) that helps businesses integrate different services and streamline their operations is gaining traction.

Over the past year, the market has seen limited merger and acquisition (M&A) activity, with notable exceptions. For example, Proximus Group acquired Route Mobile and subsequently combined Route Mobile, BICS and Telesign to form Proximus Global. Acquisitions generally occur to expand geographic or technical capability. CPaaS vendors are enhancing their offerings with generative AI and large language models. They are also forming partnerships and enabling integrations with leading AI vendors, such as Amazon, Anthropic, Google, Hugging Face, Meta, Microsoft and Mistral, while also combining with their own intellectual property. Use cases with AI in CPaaS include conversational AI, ML-based fraud detection, document summarization, retrieval-augmented generation (RAG) bots, code assistants, customer support and campaign management. As specialized AI evolves, it will also be added to vertical-/industry-specific use cases. Several vendors are also evaluating agentic AI possibilities, but this technology is still emerging.

New engagement methods are becoming integral to enterprise operations, with a focus on digitalizing interactions with internal stakeholders and external customers. While SMS and voice remain dominant communication channels, enterprises are increasingly extending their capabilities to deliver personalized, contextual experiences. Platforms like WhatsApp and RCS are continuing to grow in adoption, while conversational bots are being used to develop new applications, enhance and to future-proof existing systems.

CPaaS vendors are expanding their developer toolsets and enhancing developer relations to extend into CCaaS, CDPs, conversational AI (CAI), and enterprise resource planning (ERP) and DCS. The availability of low-code/no-code visual builders, along with templated solutions, facilitates rapid deployment of complex use cases. Vendors are also broadening their horizontal and vertical use cases, providing messaging capabilities for leading tech companies, platform providers, telcos and offering white-labeled solutions, along with network API capability.

Partnerships at channel, delivery and integration levels have deepened as CPaaS shifts from simple to complex use cases across enterprise functions, from marketing to HR applications. This evolution assists enterprises in delivering personalized, contextualized services to end customers.

Pricing dynamics have shifted, with basic SMS rates increasing in many markets due to carrier fee hikes, prompting vendors to adopt “carrier plus” pricing models that reflect underlying cost changes. While pricing is typically on usage basis, committed volume and pay-as-you-go options, pricing is less transparent when incorporating voice bots, chatbots, GenAI and additional support capabilities due to complexity. RCS is being positioned as an SMS upgrade, offered at rates similar to SMS or reasonably comparable to those of WhatsApp equivalents. However, RCS is still emerging.

CPaaS vendors are expanding network APIs to enable telcos to scale network, security and other capabilities globally. Enhanced security measures, including anti-spam, phishing, governance and authentication protocols, are being implemented to mitigate artificially inflated traffic and security threats, with AI algorithms playing a critical role.

Enterprises evaluating CPaaS solutions should focus not solely on pricing but also on the comprehensive features, functionalities and capabilities offered. Considerations should include regional support, integration capabilities and the strength of delivery partners. Gartner Peer Insights can provide valuable feedback on vendor performance and capabilities.

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## ⊕ Evidence

## ⊕ Evaluation Criteria Definitions

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