

Interactive Intelligence Leads in All-Software IP Telephony

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Interactive Intelligence's all-software IP telephony platform will reduce product costs. The platform is best suited to small solutions, but needs integration efforts to be successful.

NEWS ANALYSIS

Event

On 21 October 2003, Interactive Intelligence (a U.S.-based developer of software for IP telephony) announced it has upgraded its IP-telephony product line to software-only versions. The upgraded products (which include Enterprise Interaction Center, Customer Interaction Center and Communité) use Intel's NetStructure Host Media Processing (HMP) 1.1 software, and eliminate the need for voice-processing boards.

Analysis

Interactive Intelligence is an early adopter of Intel's NetStructure HMP, which eliminates dependency on costly voice processing boards from manufacturers like Intel-Dialogic and Aculab. Its software-only solutions present a challenge to other vendors with hardware dependencies — they will need to reduce manufacturing costs to remain competitive.

Removing hardware dependencies should enable Interactive Intelligence to reduce costs of ongoing development and distribution of its IP telephony products. It should also enable a more cost-effective integration of IP infrastructures, thereby lowering the total cost of ownership for telephony, contact center and unified communications applications.

Software-only telephony products are new to the market. While Interactive's products can integrate with any Session Initiation Protocol (SIP)-compliant gateway or SIP-compliant IP phone, the vendor will still need value-added resellers to integrate these communications devices. Enterprises should therefore anticipate some increased costs for implementing and managing a converged infrastructure.

Moreover, Intel's NetStructure has only recently been developed to support call control over IP, using SIP, and the H.323 standard. Consequently, it will be some time before it can scale to support larger telephony and contact center environments. Interactive Intelligence currently limits capacity on NetStructure to 250 users for Enterprise Interaction Center and 30 users for Customer Interaction Center.

Interactive Intelligence has taken a lead in developing pure software applications for IP communications, but it will be at least 18 months before HMP and SIP mature sufficiently for mainstream applications. Success will depend on support from value-added resellers and on customers perceiving the value of software-only IP products. Enterprises should consider NetStructure-based Customer Interaction Center for enhancing departmental communications such as human resources, and IT and logistics help desks. A hardware-centric architecture should still be used for larger requirements.

Analytical Source: Isabel Montero and Steve Blood, Gartner Research

Recommended Reading and Related Research

- "Interactive Intelligence Customer Interaction Center (CIC)" — Interactive Intelligence's CIC is a serious competitor, especially in the low and midsize call center markets, but the company must prove CIC in larger configurations. **By Richard A. Costello**
- "Contact Center Infrastructure Magic Quadrant for EMEA, 2003" — Companies must review and amend their contact center acquisition strategies as the range of solutions, financing options, designs and contract complexities continues to diversify, while vendors continue to consolidate. **By Terry Wright and Steve Blood**

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