

Zoom/RingCentral TCO Comparison



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Key Takeaways

According to a 2023 Zoom-commissioned Metrigy study on UcaaS TCO . . .

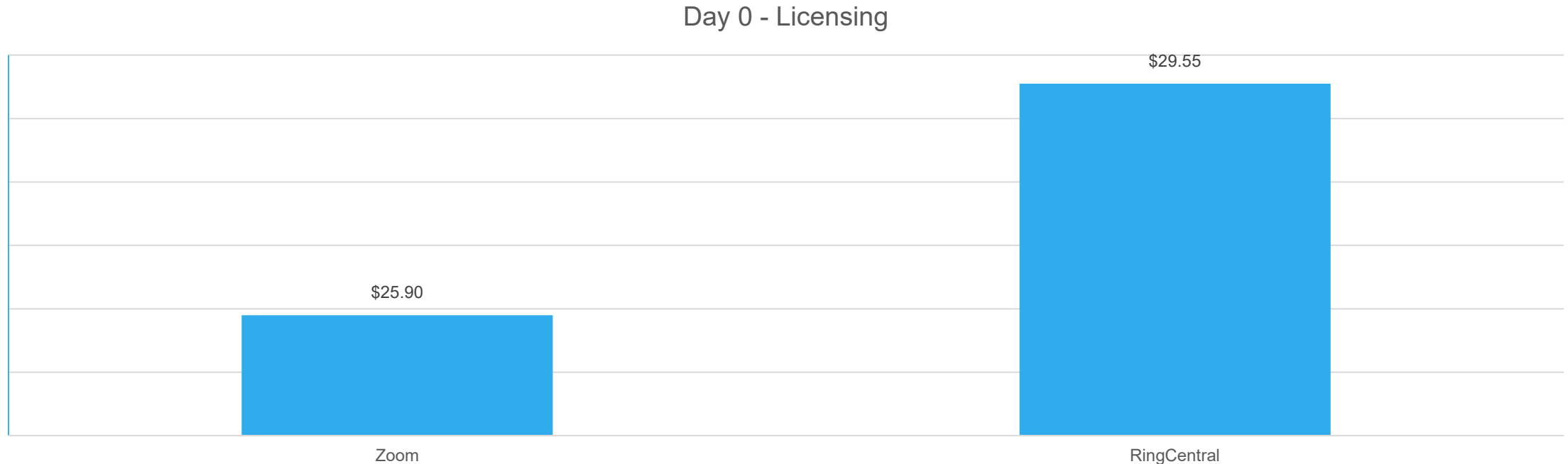
- Day 0 – Licensing
 - For organizations of fewer than 2,000 employees, RingCentral **licensing** costs **14%** more than Zoom licensing
- Day 1 – Implementation & Training
 - For organizations of fewer than 2,000 employees, RingCentral **implementation** costs **27%** more than Zoom implementation
- Day 2+ - Ongoing management and support
 - For organizations of fewer than 2,000 employees, RingCentral **internal IT staff-managed operations** cost **168%** more than Zoom IT staff-managed operations¹
 - For those organizations of fewer than 2,000 employees that chose to leverage **3rd management software**, respondents spent **166%** more for 3rd party software for RingCentral than for Zoom
- 5 Year TCO
 - For organizations of fewer than 2,000 employees, RingCentral's the 5-year total cost of ownership (TCO) including licensing, implementation, training, and internal IT-staff managed operations cost **105%** more than Zoom's equivalent **5 Year TCO**

¹One contributing factor, is Zoom resources cost ~10% less than RingCentral resource

For organizations of fewer than 2,000 employees, the Zoom \$4,166 per user 5-year TCO cost advantage is the equivalent to **~\$69 per user per month savings** over RingCentral over the same 5-year period.

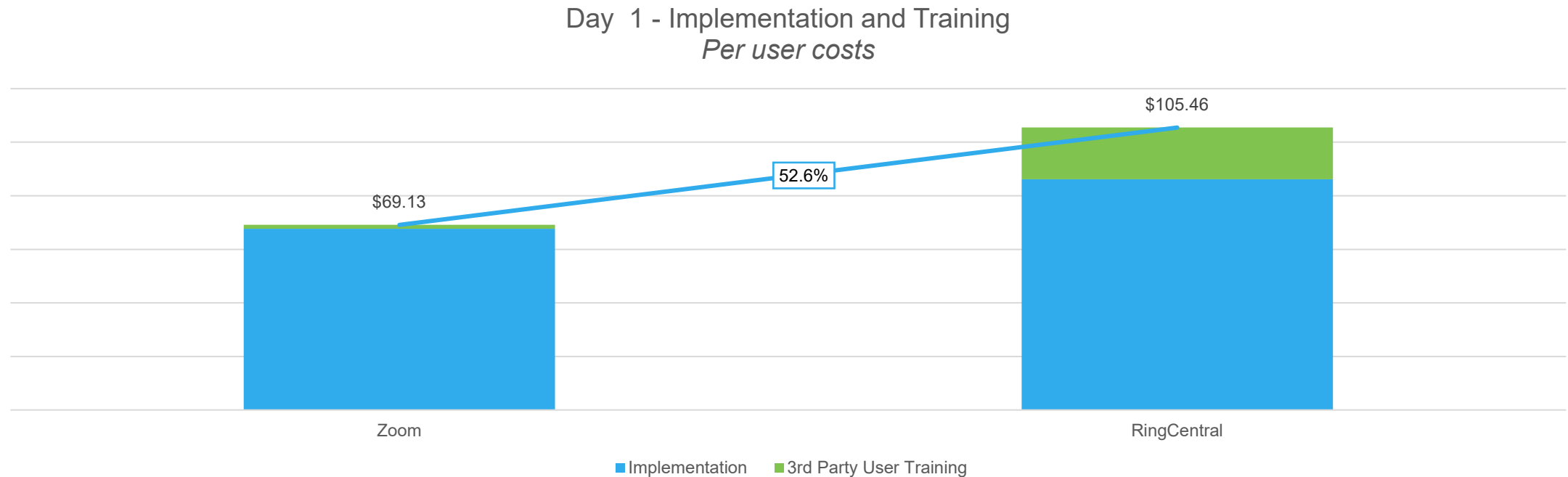
Day 0, Day 1, Day 2+

Day 0 - Licensing



- The concept of “Day 0” harkens back to when on-premises platforms were capital expenses that you paid for one time.
- In a SaaS model, it represents the costs that are part of the initial contract. These are the more known costs because they are on the proposal and often on the provider’s website.
- Even with the initial purchase, RingCentral is 14.6% more expensive than Zoom

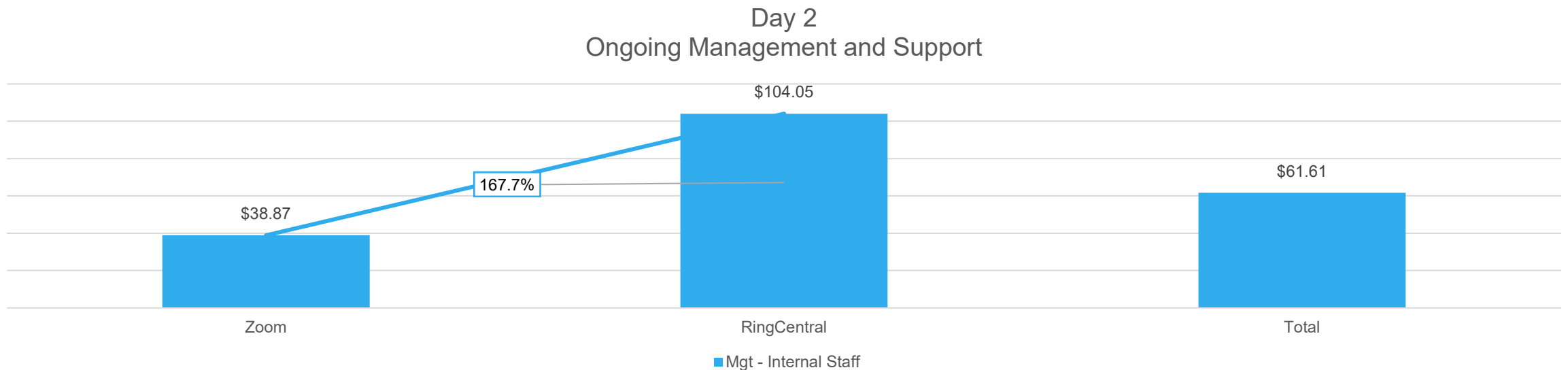
Day 1 – Implementation & Training



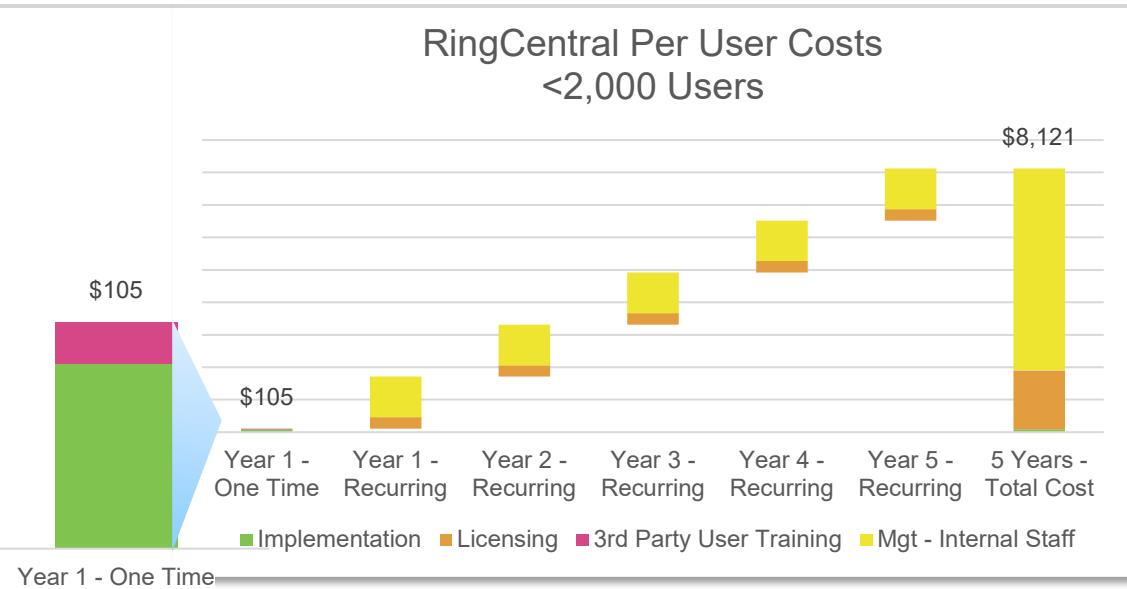
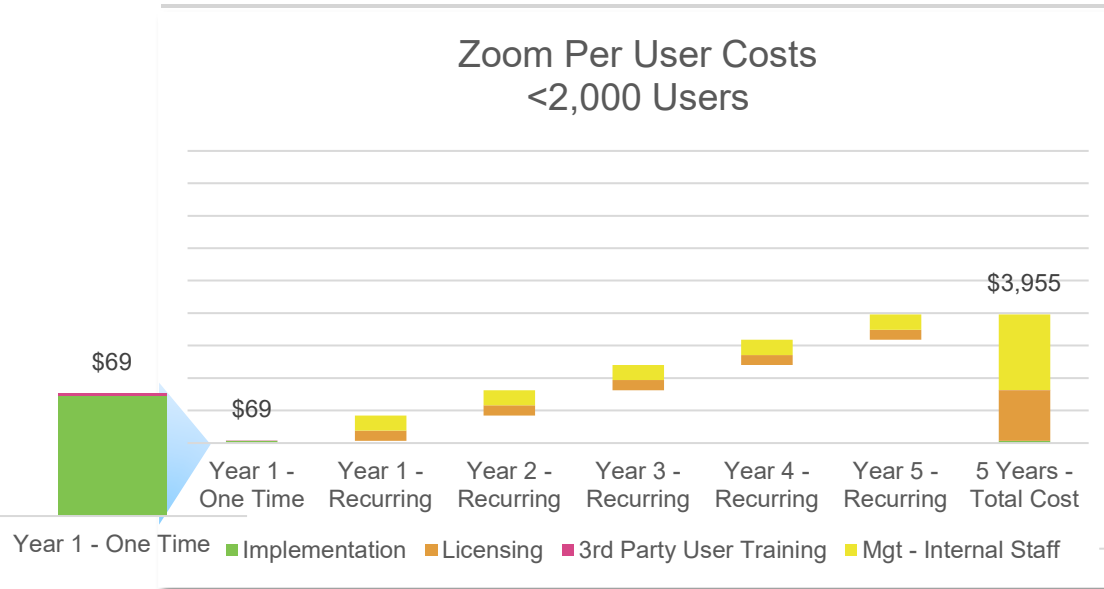
- One time costs to implement the solution and ensure your users can extract the full value you expected with the investment
- RingCentral costs 52.6% more than Zoom just to get it to a point where users can actually use it.
- Training costs were not segmented by company size

Day 2 + Ongoing Management & Support

- The “hidden” costs that are not included in the proposal.
- The costs your company must incur to keep the platform up and running and delivering the expected value
- Companies that used 3rd party management tools paid
 - \$28.38 per user for Zoom
 - \$47.91 per user for RingCentral



Putting it all Together – the 5 Year TCO

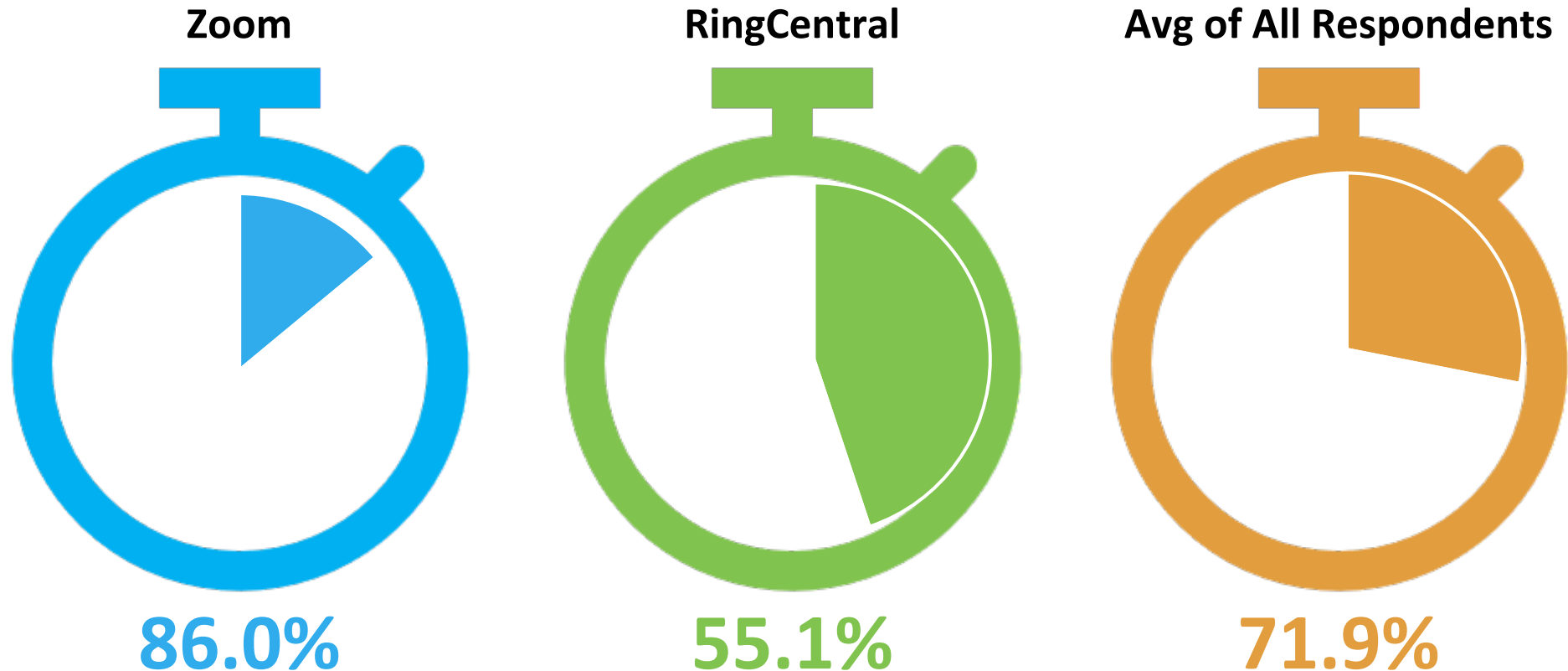


Why Is It Different?

Breaking down the costs

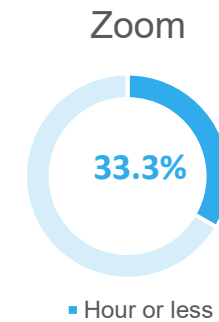
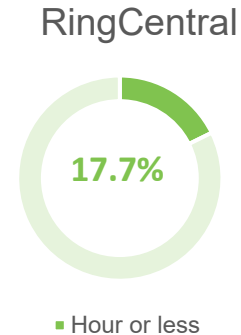
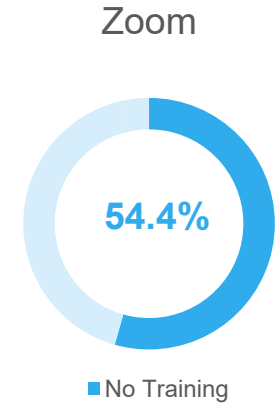
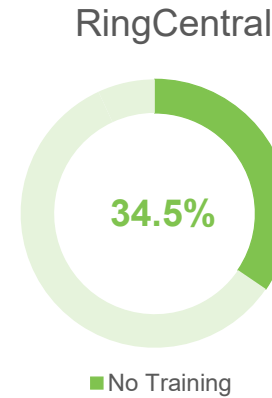
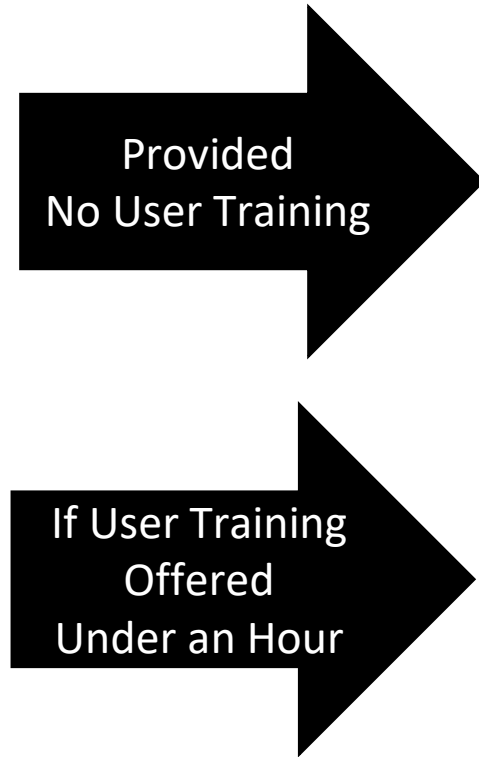
Day 0 – Implementation - It takes less time to add users

Percentage of respondents that indicated it took less than 30 minutes to add a new employee



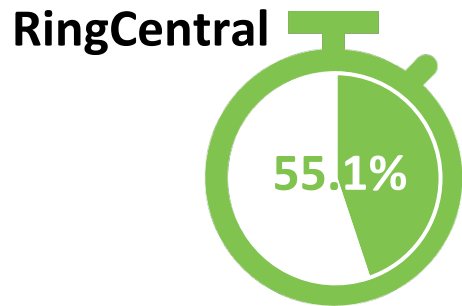
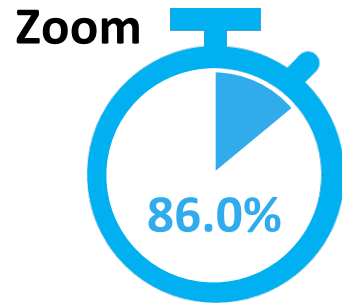
Day 0 - Training

- 60.4% of respondents did not train their users on Zoom because, “it was easy to use”; only 27.3% of respondents said the same of RingCentral
- Cost of 3rd party trainers
- Lost employee productivity



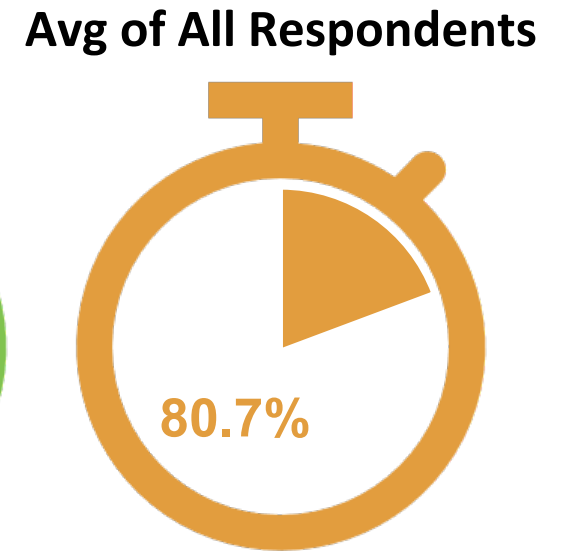
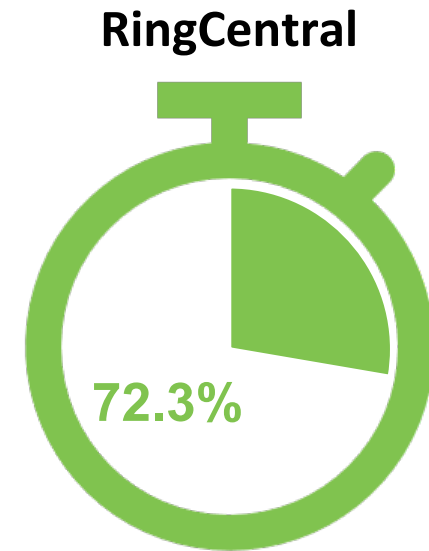
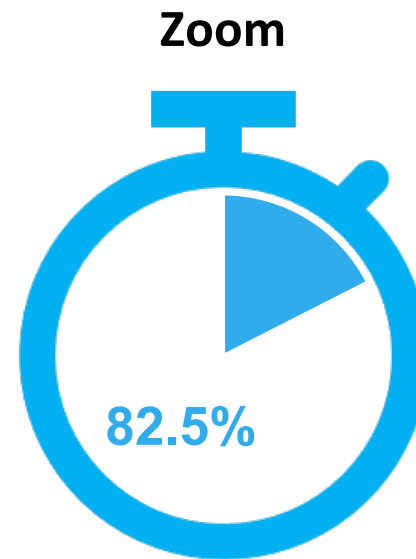
Day 2+ Ongoing Management and Support

Adding Users



% of respondents that indicated it took less than 30 minutes to add a new user

Changing Users



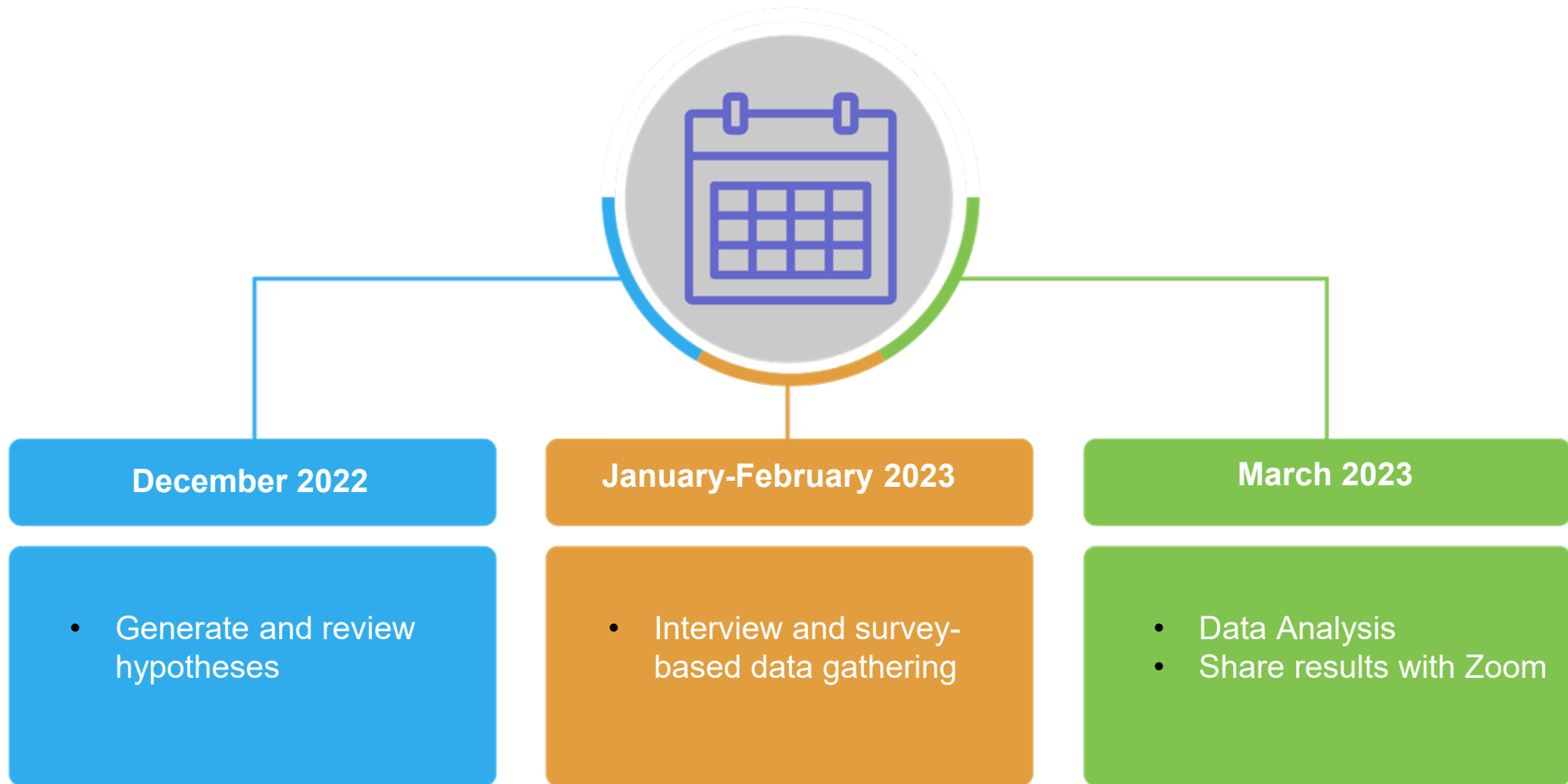
% of respondents that indicated it took less than 30 minutes to make changes to a user

Study Details

Study Methodology

- Metrigy conducted a custom research study for Zoom in January-February of 2023 examining cost, utilization, and management of voice and meeting solutions.
 - 517 responses, included 3 interviews and 514 electronic survey responses
 - Global reach
 - Random sampling of all industries
- Metrigy developed hypotheses and questions, which were reviewed jointly with Zoom's project team
- Metrigy programmed survey, gathered research responses, analyzed data, and created the presentation, including charts and tables that provided technology trends, cost analysis, and cost comparisons between vendors
- Zoom has license to use this independently gathered and analyzed data

Study Timeline



Participants at a Glance



Participating Firms	Countries	Vertical Industries	Mean Employee Count	Mean Annual Revenue
517	5	33	16,864	\$2.51B



About Metrigy: **Metrics + Strategy**



Metrics-driven strategic guidance for employee and customer engagement leaders + technology providers

- Industry-leading research methodology
- Track success metrics of top-performing companies; correlate with technology adoption



Coverage areas

- Digital transformation/Digital workplace
- Unified Communications and Collaboration
- Customer Experience and Contact Center
- Employee Experience
- Workflow Management
- Artificial Intelligence and Analytics
- Management, security, network services



Value

- Data-driven guidance for technology, vendor decisions
- Document characteristics of successful deployments
- Market analysis and buy-side forecasting
- Multimedia content creation based on primary research



Our reach

- 5K+ Research Participants
- 19K Webinar Followers
- 17K+ Twitter Followers, 10K+ LinkedIn Followers
- Where we're published - NoJitter, TechTarget
- Where we speak - ICMI, Enterprise Connect, IMCCA

Thank you!

