

IDC MarketScape: Worldwide Communications Platform as a Service 2025 Vendor Assessment

Courtney Munroe

Melissa Holtz-Fremeijer

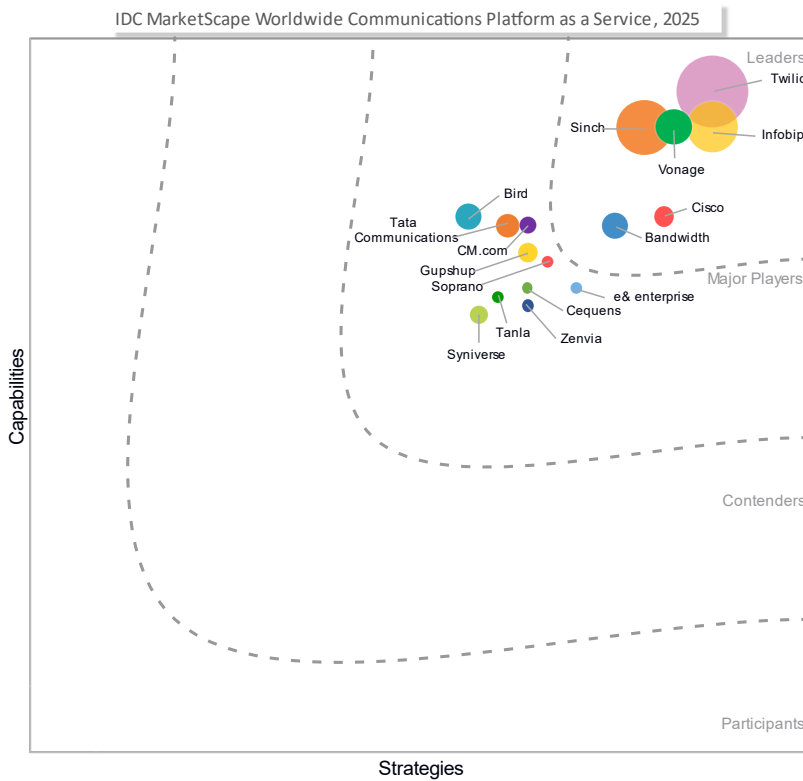
Avinash Naga

THIS EXCERPT FEATURES TWILIO AS A LEADER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Communications Platform as a Service Vendor Assessment



Source: IDC, 2025

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Communications Platform as a Service 2025 Vendor Assessment (Doc #US52039625e).

IDC OPINION

The communications platform-as-a-service (CPaaS) market is evolving rapidly. CPaaS providers must focus less on large volume messaging transactions and more on differentiated solutions driven by AI intelligent tools to deliver tangible outcomes and KPIs for businesses. The segment has grown rapidly over the past decade, but the growth has slowed from over 20% per annum up to 2022 to 9.5% during 2024. This reflects a confluence of macroeconomic factors such as high interest rates as well as maturation of the application programming interface (API) segment and how companies leverage CPaaS.

However, AI-driven engagement may well signal a recovery to double-digit growth in 2025. The past 24 months were turbulent and characterized by decreasing valuations, high operational costs, and challenging platform integration and a renewed drive for profitable growth. Investors are seeking improved operating efficiency, agile operations, and the ability to meet compliance and security demands of enterprises in the face of an onslaught of fraud.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC included CPaaS providers that met the following requirements for inclusion in this IDC MarketScape:

- Offers service in multiple countries or continents
- Had CPaaS revenue of at least \$50 million in 2023

ADVICE FOR TECHNOLOGY BUYERS

The following is a list of key attributes and factors for enterprises to consider in choosing a CPaaS partner:

- **Seek tangible benefits and KPIs:** Providers should offer the ability to reduce acquisition and operations costs while minimizing complexity and improving

customer retention, scaling and enhancing customer engagement management, and creating new avenues for revenue.

- **Use the power of automation, AI, and data:** Businesses must seek CPaaS providers that can demonstrate the ability to reduce complexity while integrating a diverse range of applications and platforms to produce improved business outcomes (e.g., lower marketing and operational costs). Rich data and analytic insights can also be leveraged for value-added services revenue.
- **Focus on security and fraud prevention:** Security and fraud mitigation remain top of mind for enterprises that continue to lose billions of dollars every year. It is key to look for CPaaS providers that offer simplified tools to counteract artificially inflated traffic, which has become an issue across continents, including Europe.
- **Leverage unified and conversational engagement:** These include the provision of unified APIs that enable access to a diverse range of channels, with AI capabilities being used to automate channel preferences based on regional or regulatory requirements.
- **Able to offer seamless integration:** CPaaS providers should offer tools (including SaaS capabilities) and AI-driven automation that allows companies to easily integrate with a diverse array of legacy and other third-party platforms.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Twilio

Twilio is positioned in the Leaders category in this 2025 IDC MarketScape for worldwide communications platform as a service.

Twilio is a large global CPaaS and offers one of the most diverse and comprehensive global cloud communications platforms. The company has more than 320,000 customers and 10+ million developers. It processed 2 trillion interactions on its platform during 2023. Its coverage spans over 240 countries and regions, with phone numbers offered in over 110 countries, leveraging more than 4,800 carrier partners. The company also has a CDP platform, Segment — that ingests 400,000 events per second and reports 900 million data points analyzed daily.

During 2024, the company reiterated its strategy for future success based on the dynamic integration of its communications and CDP platforms, enhanced with AI-powered capabilities. According to its CEO Khozema Shipchandler, "The goal is to help companies unlock value in AI, orchestrating intelligent interactions at scale." The company's strategic focus and differentiation is rooted in empowering businesses to deliver one integrated experience with comprehensive contextual data, world-class communications, and AI-driven efficiencies. During 2024, the company implemented the following operational priorities:

- **Smarter interactions.** Consolidated platform for interactions bringing data, communications channels, and AI together to build unique customer experiences at scale
- **Global reach.** Meeting customers where they are through the global reach and breadth of channels offered by Twilio
- **Contextual engagement.** Enabling customer-facing teams and automated systems to facilitate delightful experiences with contextual interactions that surface at the right time
- **Trusted scale.** Enabling features that provide visibility and guidance that meets compliance, security, and data privacy requirements

Strengths

Twilio has a multilayered platform with a broad and diverse array of services. The company's communication channels include all basic mobile messaging, voice, email, video, and OTT channels including WhatsApp, with RCS Business Messaging launched in 2024. It has a global platform that is integrated via direct connectivity with the global telecom operators. Twilio's R&D allocation expenditure is almost 25% of revenue, and the result is the company is the most innovative cloud communications platforms in the world.

Twilio is also one of the global leaders in the CDP segment, and has a strong contact center platform with Twilio Flex. The company builds on those key pillars with an array of orchestration tools including low-code Visual Builder, AI-driven fraud mitigation, Predictions, and AI engagement models for customer personalization. It also has a premier suite of purpose-built solutions to meet enterprise requirements for key experiences throughout the customer journey, including end-to-end user authentication and identity, omni-channel marketing and promotional campaigns, efficiency-driving customer acquisition, and highly personalized human and self-service customer support.

Challenges

The most pressing challenge for Twilio is to provide improved margins by managing costs and improving efficiency and scalability across its platform. While its growth has slowed from its peak years, the company still has a broad global footprint. The company has pledged to meet profit goals during 2025, and it has made steady gains during 2024. Another key challenge will be differentiation in the provision of AI-based solutions, which is rapidly becoming table stakes, although its history of innovation and significant R&D budget provides an advantage.

Consider Twilio When

Consider Twilio if you are a large enterprise or digital entity that requires a broad array of communications and digital engagement solutions. Twilio still provides the most seamless suite of customer engagement solutions on a global basis. It offers a class-leading array of prebuilt integrations with thousands of IT partners, and it has a reputation for quality, reliability, and ease of use. With one flexible platform for every interaction, Twilio offers an integrated experience with contextual data, communication, and trusted AI.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

This IDC MarketScape assesses providers categorized as communications platform-as-a-service (CPaaS) vendors. CPaaS facilitates cloud-based hosting and management of application programming interfaces (APIs). CPaaS providers offer communications APIs, which are routines, and tools that simplify the programming process required to create and implement real-time communications solutions. APIs can be embedded into enterprise applications, including mobile apps and web platforms, that enhance and automate business process applications. CPaaS offers developers APIs in multiple coding languages that can work in the language of their choice (Node.js, Ruby, PHP, .NET, Java, Python, Perl, and ColdFusion), prototype in hours, and stand up a production run in days.

CPaaS allows developers to test/dev software in a cloud environment that can then be integrated into a diverse range of third-party software and platforms, including CCaaS, SaaS, UCaaS, and other platforms to improve both internal communications and enhance external customer engagement. Usage is generally based on the cloud model, with no up-front hardware and software costs, no contracts or commitments, and no subscription fees. Payment is based on micro billing tied to actual usage.

Over the past two years, CPaaS providers have expanded coverage facilitating various low-code/no-code tools, integrating access to customer data via their own CDP or external CDP, and other solutions aimed at further simplifying customer engagement. Most CPaaS providers also provide AI tools, primarily integrating with external AI models to help customers refine marketing and engagement and facilitating commercial transactions.

Related Research

- *RCS Will Provide Momentum to CPaaS Messaging in 2025* (IDC #lcUS53055524, January 2025)
- *European Communications-Platform-as-a-Service Forecast, 2024-2028* (IDC #EUR152836224, December 2024)
- *IDC's Worldwide Communications Platform as a Service Survey, 2024: Usage Patterns* (IDC #US52784924, December 2024)
- *IDC FutureScape: Worldwide Enterprise Connectivity 2025 Predictions* (IDC #US52633824, October 2024)

Synopsis

This IDC study provides an assessment of communications platform-as-a-service (CPaaS) market through the IDC MarketScape model.

"The communications-platform-as-a-service market is evolving rapidly," according to Courtney Munroe, research vice president, Worldwide Telecommunications Research at IDC. "The CPaaS segment is fragmenting as companies seek to redefine and consolidate operations and streamline strategies to sharpen differentiation. Enterprises are demanding tangible business outcomes, and over the next year, CPaaS providers will facilitate AI-driven solutions to facilitate enhanced customer engagement solutions."

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, and web conference and conference event proceedings. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/about/worldwideoffices. Please contact IDC at customerservice@idc.com for information on additional copies, web rights, or applying the price of this document toward the purchase of an IDC service.

Copyright 2025 IDC. Reproduction is forbidden unless authorized. All rights reserved.