The Hybrid and AI Revolution in Business Communications:

What it Means for You?

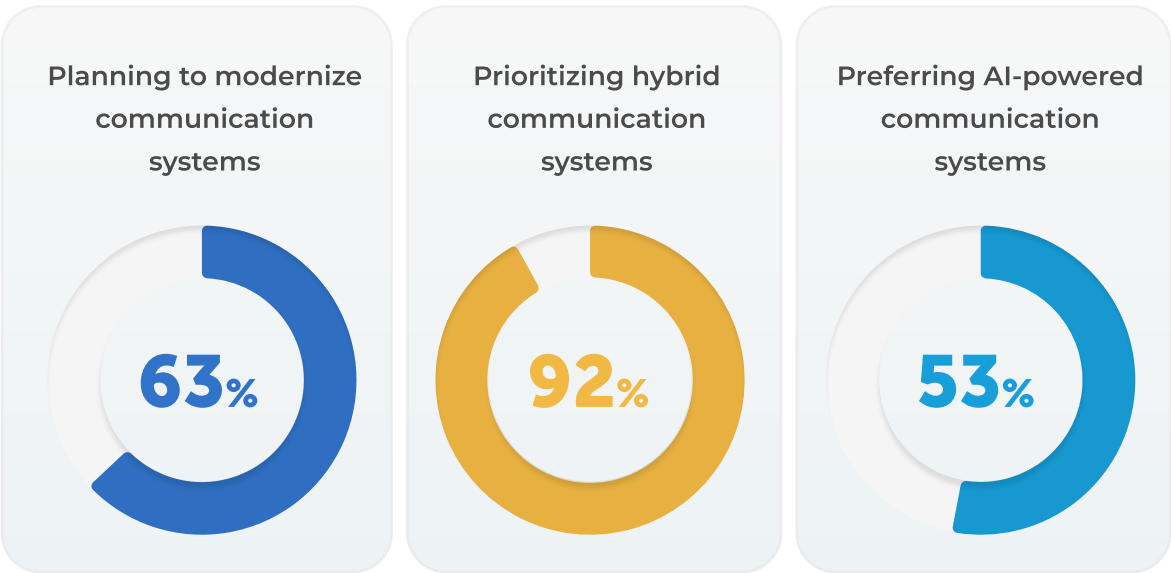techaisle

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The Hybrid and AI Revolution in Business Communications: What it Means for You

Organizations pursuing digital transformation, from cloud adoption to AI-powered innovation, are increasingly focusing on interconnected priorities: security, compliance, customer engagement, and employee experience. These priorities directly address the need for risk mitigation, regulatory adherence, enhanced customer satisfaction, and optimized workforce productivity—all of which contribute to improved business outcomes. This is especially true for businesses undertaking AI-led transformations in 2025, where business continuity and proactive risk and disruption management will be essential..

Communication technology is at the heart of this transformation. Techaisle surveyed 1,954 midmarket and enterprise firms (100 to over 10,000 employees) across the US, UK, Germany, and France to explore communication adoption trends. The survey targeted business decision-makers (BDMs) and IT decision-makers (ITDMs) involved in all stages of the purchasing process, including needs identification, feature determination, solution evaluation, and deployment of communication and contact center solutions.

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Survey data indicates a strong push for communication system modernization, with 63% of organizations planning upgrades. A clear trend is the adoption of hybrid systems (92%), integrating on-premises and cloud technologies for improved efficiency, control, flexibility, resilience, and compliance. While on-premises infrastructure is typically located in an organization's data center, private clouds offer a distinct advantage: dedicated off-site infrastructure that provides greater flexibility and scalability without the complexities of shared (multi-tenant) environments.

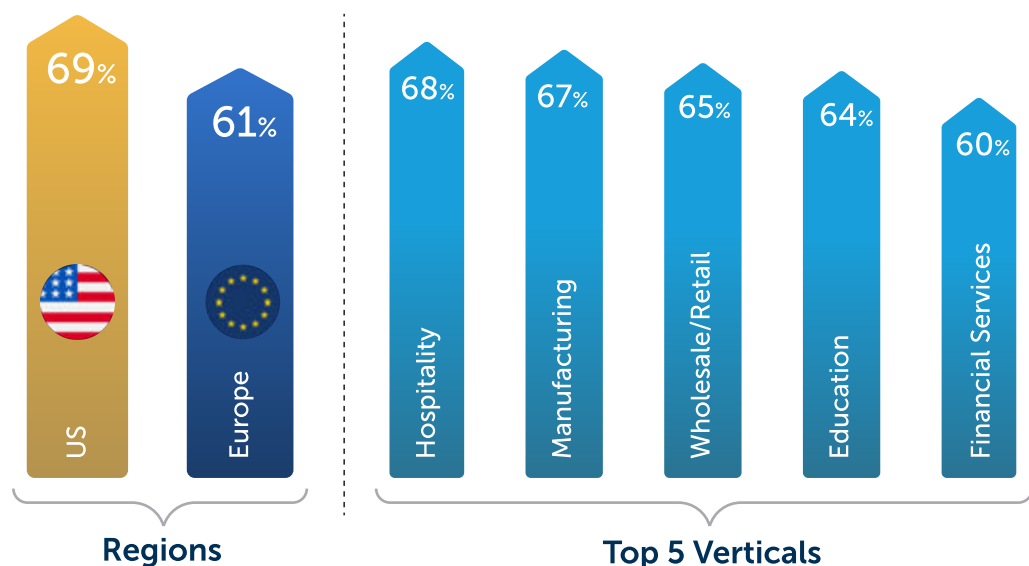| Planning to modernize communication systems	Prioritizing hybrid communication systems	Preferring AI-powered communication systems
63%	**92%**	**53%**

The study revealed that many organizations, especially in finance, government, healthcare, education, and professional services, still rely on outdated communication systems. A striking 68% have used their current systems for over seven years, hindering digital transformation, increasing risk, and impeding the adoption of AI-led innovation. These legacy systems often lack the security, scalability, and integration capabilities needed for modern operations and emerging technologies. This reliance on outdated technology creates a significant lag, particularly given that 28% of businesses are efficiency seekers and early adopters of innovative communication solutions.

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Elevating Business:
The Power of Modern Communication Systems

The growing divide between organizations with modern communication solutions and those using outdated systems is driving a global push for modernization, particularly in sectors like hospitality, manufacturing, wholesale/retail, education, and financial services. This shift is driven by several key factors: converging business objectives, pressing operational challenges, and a fundamental shift in how organizations view communication. Modernization is no longer just about upgrading technology; it's about adapting to a changing environment, enhancing customer experiences, improving operational efficiency, and leveraging the power of AI-driven insights and workflows to achieve strategic business goals.

Planning to Modernize Commnunication System

69% US
61% Europe
68% Hospitality
67% Manufacturing
65% Wholesale/Retail
64% Education
60% Financial Services

Regions | Top 5 Verticals

As organizations modernize their communication systems, they are increasingly falling into three distinct groups:

1. **Path of Least Resistance:**

   These organizations prioritize a seamless transition and incremental improvements by extending existing investments with integrated modern capabilities, avoiding radical overhauls.

2. **Need-to-Have Hybrid:**

   This group recognizes the need for a hybrid approach, combining on-premises and cloud solutions to meet specific business requirements. They prioritize compliance and security, especially in regulated industries, while enhancing collaboration and productivity.

3. **Want-to-Have Hybrid:**

   These organizations prioritize both business continuity and advanced capabilities. They seek to mitigate risks and disruptions while embracing AI-driven innovation and modern communication tools, investing in cutting-edge solutions for a competitive edge.

According to the Techaisle survey, five primary factors are driving organizations to modernize their communication systems.
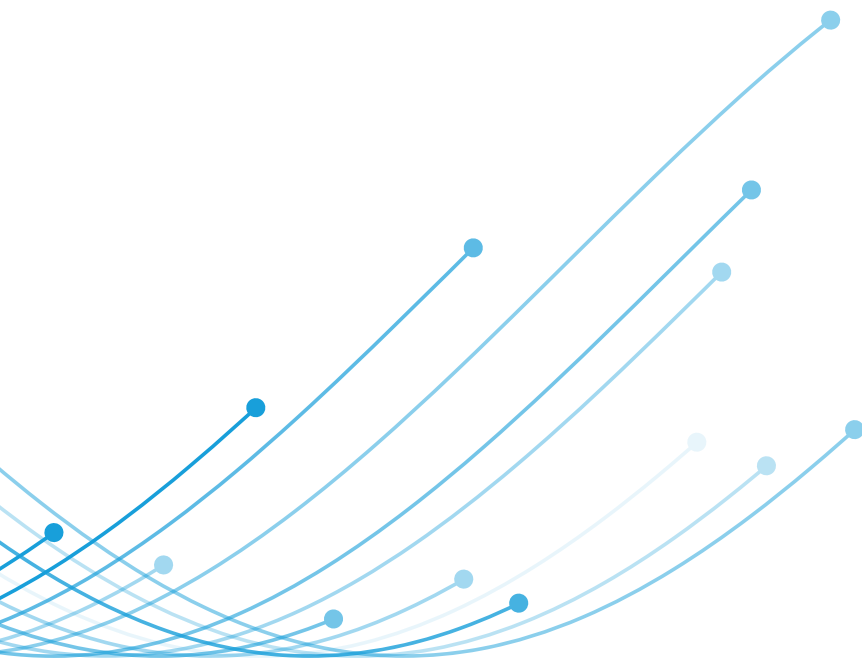
1. **52%** Improving Customer Engagement

A primary driver is the desire to improve customer engagement quality, with firms seeking to modernize outdated systems and workflows for better customer interactions. 52% of organizations aim to enhance customer engagement by upgrading communication solutions, focusing on customer-centricity. This involves rethinking strategies for meaningful, personalized, and efficient interactions throughout the customer lifecycle. Effective communication is critical to attracting and retaining customers, with modern solutions offering features for personalized interactions, streamlined channels, and improved customer service.

2. **48%** Addressing Legacy System Limitations

Another crucial motivator is replacing obsolete systems due to lack of support, integration issues, and evolving needs. 48% of organizations cite replacing or at least augmenting and modernizing legacy systems as a critical driver. Outdated systems significantly impede business objectives. These systems often lack the necessary integration capabilities, security features, and flexibility to support modern processes, contemporary workflows, and evolving customer expectations. Maintaining these legacy systems increases costs, security vulnerabilities, functionality limitations, and missed growth opportunities. Modern communication systems are designed to conform to organizational processes rather than forcing organizations to adapt to rigid system constraints and help shift from reactive engagements to proactive customer outreach.

### 3. **45%** Supporting Remote and Mobile Workers

Even in the post-pandemic era, supporting remote, mobile, and frontline workers remains a significant priority. The rise of remote and hybrid work models has dramatically altered communication needs. 45% of organizations are prioritizing the needs of remote and mobile workers when considering new solutions. Organizations require seamless collaboration and communication, including features like video conferencing, secure mobile access, and integration with collaboration platforms. Failing to adapt could decrease productivity, hinder collaboration, and challenge company culture. Modern solutions facilitate seamless communication and collaboration, necessitating video conferencing, mobile applications for on-the-go access, and secure remote network access. Combining in-office, remote, and mobile employees also creates security and data privacy challenges that hybrid communication models can address.

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4. **42%** Consolidating Disparate Systems and Scaling Up

Modern communication solutions, defined as infrastructure that enables seamless and efficient communication, collaboration, and information sharing across various devices and platforms, empower organizations to scale their operations seamlessly. With 42% of organizations aiming to simplify their fragmented communication systems, the need for consolidated infrastructure is clear. Managing complex, disparate systems is inefficient and creates data silos. Organizations can streamline workflows, reduce IT complexity, and improve data visibility by unifying various communication channels and tools into a single platform. This strategic approach addresses the challenges of disconnected systems and vendor proliferation, enabling businesses to scale their communications effectively and efficiently.

5. **40%** Adopting Specific & Differentiated Functionality

Modern systems offer a range of advantages, such as improved integration with other business applications, advanced security features to protect sensitive data, and enhanced user experiences that improve productivity. 40% of organizations are motivated by the need to incorporate specific functionalities currently unavailable in their existing systems. These may include industry-specific features, integration with the organization's specialized software, or the ability to customize the solution to meet their unique requirements. Organizations seek communication solutions that offer these functionalities out-of-the-box or have the flexibility to be tailored through integrations or customization.
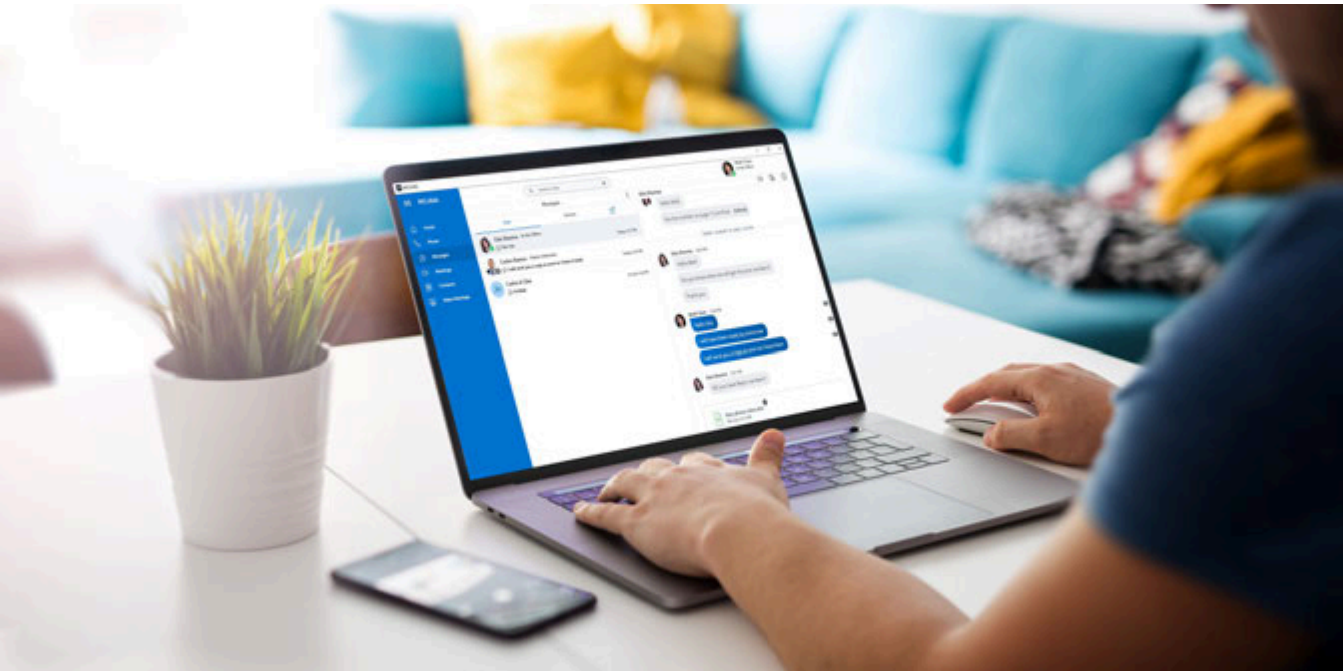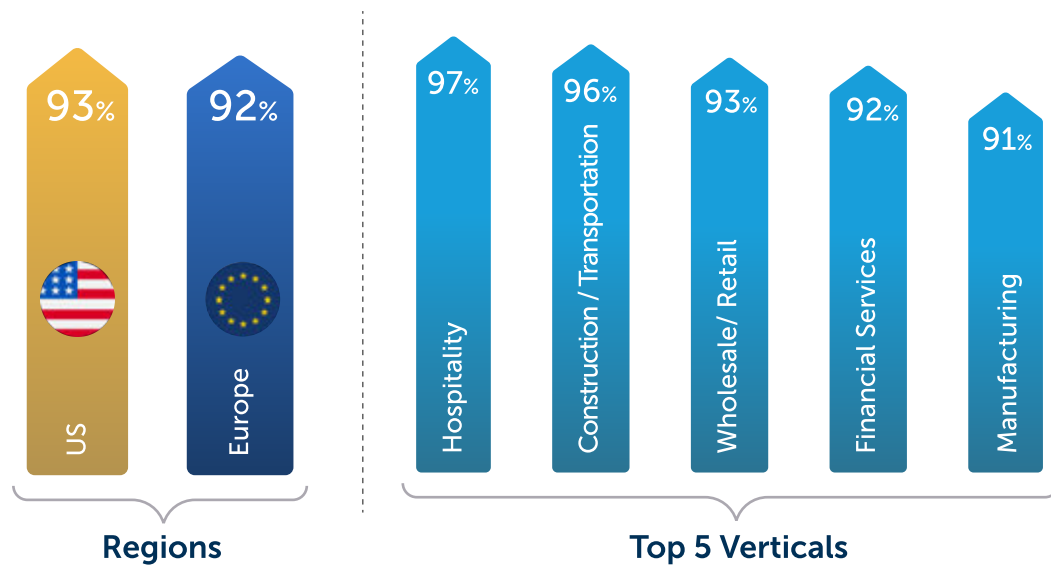
The Hybrid Advantage:
A New Era of Communication

While an entire shift to cloud-based solutions or complete replacement of on-premises systems was predicted, hybrid communication models are increasingly becoming the preferred choice for many organizations seeking to modernize, with 92% prioritizing hybrid communication systems.

A hybrid communication system represents a versatile and comprehensive solution that integrates multiple technologies or deployment models to facilitate efficient information exchange across various environments and support more use cases. It can combine traditional analog systems with digital IP-based technologies while supporting on-premises and cloud-based communications.

A hybrid approach offers a streamlined and consistent front-end experience for users and customers, while the back-end platform addresses diverse needs such as regulatory compliance, resilience, and security.

Prioritizing Hybrid Communication System

Regions

- US — 93%
- Europe — 92%

Top 5 Verticals

- Hospitality — 97%
- Construction / Transportation — 96%
- Wholesale/ Retail — 93%
- Financial Services — 92%
- Manufacturing — 91%

Hybrid communication solutions are increasingly favored by organizations seeking to:

1. Enhance Collaboration:

Hybrid solutions facilitate seamless communication and collaboration. 68% of organizations agree that they enhance collaboration for remote workers and ensure smooth communication for in-office teams.

2. Ensure Data Control and Security:

57% say that controlling and securing sensitive data is a crucial benefit of hybrid solutions. As organizations increasingly rely on these solutions to share sensitive information, robust security measures offer a strategic advantage in customer experience by safeguarding trust in today's digital landscape. With their ability to store sensitive data on-premises while leveraging cloud-based features, hybrid solutions offer a balanced approach to addressing privacy and compliance concerns, particularly in industries like healthcare and finance.

3. Provide Scalability and Consistency:

Adapt to changing business needs and ensure consistent user experience across different locations. 53% of organizations find that hybrid solutions enable them to scale their communication systems as their needs change while maintaining the reliability and control offered by on-prem, single-instance, or private cloud infrastructure.

4. Maximize Existing Investments:

Leverage existing infrastructure and minimize disruption to ongoing operations. 45% appreciate integrating existing PBX systems with cloud-based features, which maximizes the value of prior investments and enables them to gradually transition to the cloud without abandoning existing investments.

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5.   Prioritize Cloud Usage for Cost-Effectiveness:

Optimize costs and enhance predictability by strategically leveraging cloud services for specific workloads and features. A significant portion, 40%, prioritizes cloud services for frequently used features while maintaining critical functions on-premises systems.

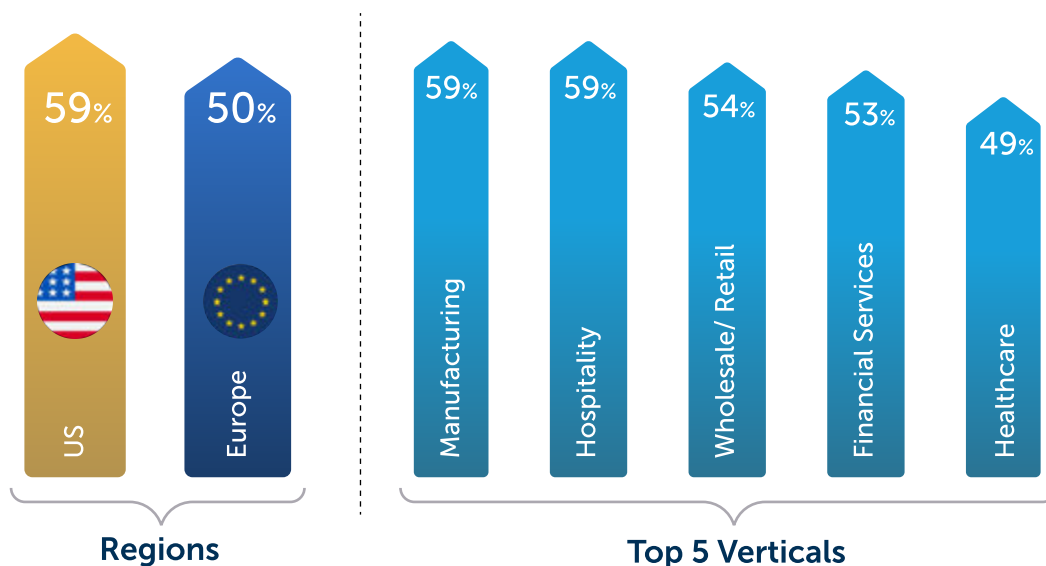## 6.   Offer Affordable Access to Advanced Features:

Benefit from cutting-edge communication capabilities without significant upfront investments. 31% state that hybrid solutions offer advanced features at an affordable price and allow for easy upgrades.
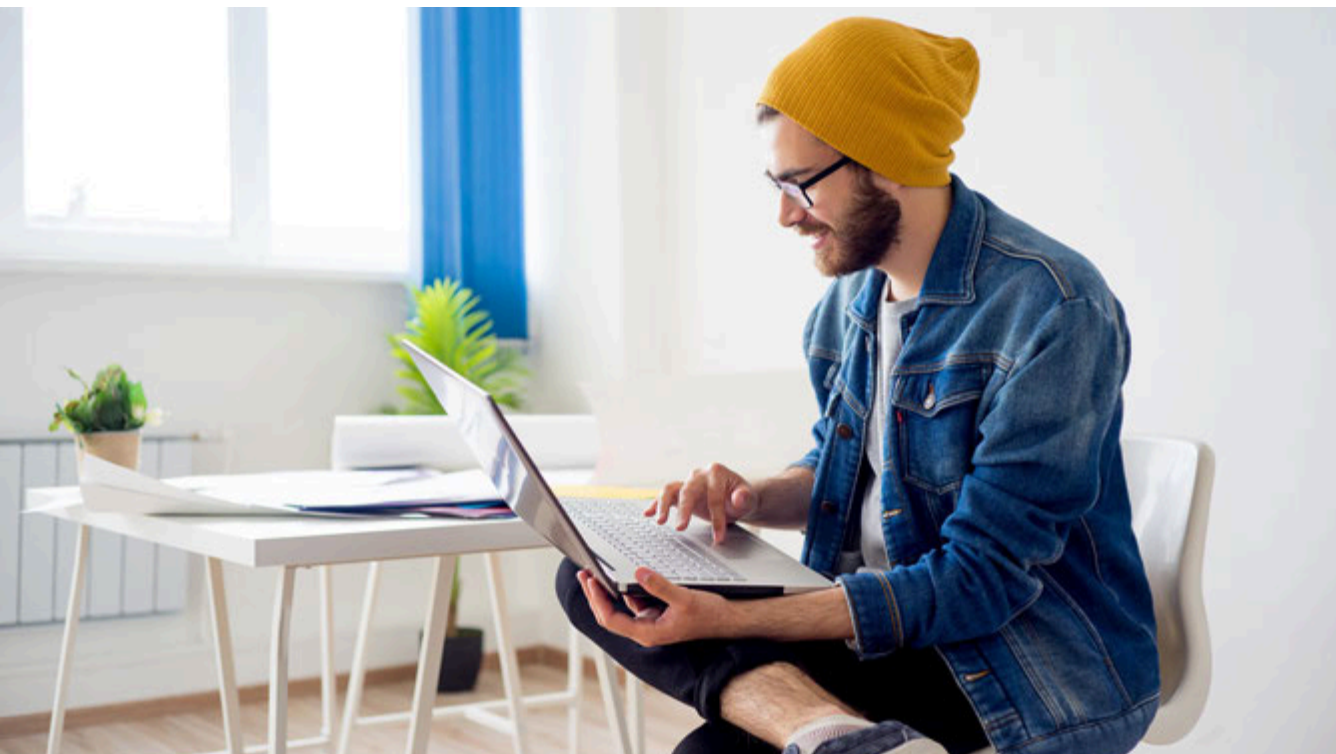
Revolutionizing Communication: The Power of AI

While the momentum for communication system modernization is evident, with hybrid models emerging as the preferred approach, a genuinely comprehensive modernization strategy must incorporate AI-powered solutions to unlock the full potential of digital transformation. The demand for AI is broad and deep, with organizations in sectors like manufacturing, hospitality, and retail leading the way in embracing AI for enhanced communication and collaboration.

Preferring AI-powered communication systems

Regions		Top 5 Verticals				
US	Europe	Manufacturing	Hospitality	Wholesale/ Retail	Financial Services	Healthcare
59%	50%	59%	59%	54%	53%	49%

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5 Reasons for Adopting AI-powered Communication system:

56%
Increasing Staff Efficiency

53%
Improving Customer Response time

52%
Enabling Smoother Communication between different languages

48%
Identifying, Summarizing and Personalizing Communication

43%
Analyzing Communication Patterns and User Behavior

1.   Increasing Staff Efficiency:

Improving employee productivity is crucial, with 56% aiming to use AI. AI can automate routine tasks, offer real-time insights, streamline workflows, and track communication tool usage, freeing up resources for strategic activities and highlighting areas for improvement. Generative AI can significantly enhance staff efficiency in modern communication systems by automating repetitive tasks and streamlining content creation. For instance, it can draft emails, generate social media posts, and create initial outlines for reports, saving time on routine writing. Additionally, AI can personalize customer interactions by tailoring responses and automating common inquiries in customer service. It also facilitates more precise communication through real-time translation and writing suggestions while supporting research by synthesizing complex information into digestible summaries. By automating these communications tasks, generative AI allows staff to focus on more strategic and high-value activities, ultimately boosting organizational productivity.

2.   Improving customer service response time:

53% aim to use AI to reduce response times and offer efficient support. Generative AI significantly enhances customer service response times through several key mechanisms. It provides instant query resolution, allowing for lightning-fast responses to customer inquiries and eliminating long wait times. By automating responses to routine issues, AI frees up human agents to handle more complex problems, leading to quicker overall service. Additionally, AI-driven support operates 24/7, ensuring immediate assistance outside regular business hours. It efficiently retrieves relevant information from large datasets and personalizes responses based on customer data, while template-based responses streamline communication for common queries. With AI-powered agent assist technology, organizations have seen a notable reduction in average handle time, ultimately boosting customer satisfaction and operational efficiency.

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3.   Enabling Smoother Inter-Departmental Communication:

52% are looking to AI to significantly enhance inter-departmental communication, including between frontline and back office teams, by providing personalized communication tailored to the preferences of different departments, such as concise updates for frontline workers and detailed reports for back office teams. It can intelligently route inquiries and summarize lengthy documents for quick consumption, fostering better collaboration through automated project updates and meeting agendas that address multiple teams' concerns. Additionally, AI can bridge knowledge gaps by creating easily digestible knowledge-base articles and generating training materials that reflect practical frontline experiences and strategic back-office perspectives. By analyzing communication patterns, generative AI can proactively identify potential issues and suggest collaborative solutions, ultimately improving customer service by equipping frontline employees with AI-generated responses based on back-office data and automating the escalation of complex problems. This integration of generative AI fosters a cohesive, efficient, and collaborative work environment across all departments, leading to enhanced productivity and better outcomes for employees and customers.

4.   Identifying, Summarizing, and Personalizing Communication:

48% of organizations aim to leverage AI to personalize interactions. Businesses can leverage AI to personalize communications in several impactful ways. These include tailored email campaigns that analyze customer data to create personalized content, product recommendations based on browsing and purchase history, and customized content delivery for streaming services. AI enables personalized app experiences, powers intelligent chatbots for real-time customer engagement, and facilitates dynamic website FAQ generation. Furthermore, AI supports multichannel personalization across various platforms and enables voice-based personalization through AI-powered assistants. By implementing these AI-driven personalization strategies, businesses can enhance customer engagement, improve satisfaction, and drive growth through more targeted and relevant communications.

5.   Analyzing Communication Patterns and User Behavior:

43% of respondents are interested in using AI to analyze communication patterns and user behavior. AI can analyze communication patterns and user behavior in several impactful ways. For instance, it can examine chat logs and voice interactions to identify patterns such as turn-taking, response times, and topic engagement, helping businesses understand customer preferences and optimize their communication strategies. Additionally, AI algorithms can detect mood, sentiment, and intent in customer interactions, allowing companies to gauge satisfaction and tailor their responses accordingly. Specific tools can visually map communication flows, revealing how speakers engage with each other's content. Furthermore, AI can predict future customer behavior by analyzing browsing and purchase history, enabling more targeted marketing and product recommendations. It also measures interaction metrics such as proportional speaking time and pauses to assess the quality of communications. Finally, machine learning models can analyze text from various sources to identify themes and extract relevant insights. By leveraging these AI-powered analyses, businesses can gain deeper insights into customer behavior and communication patterns, refining engagement strategies and improving overall customer experience.
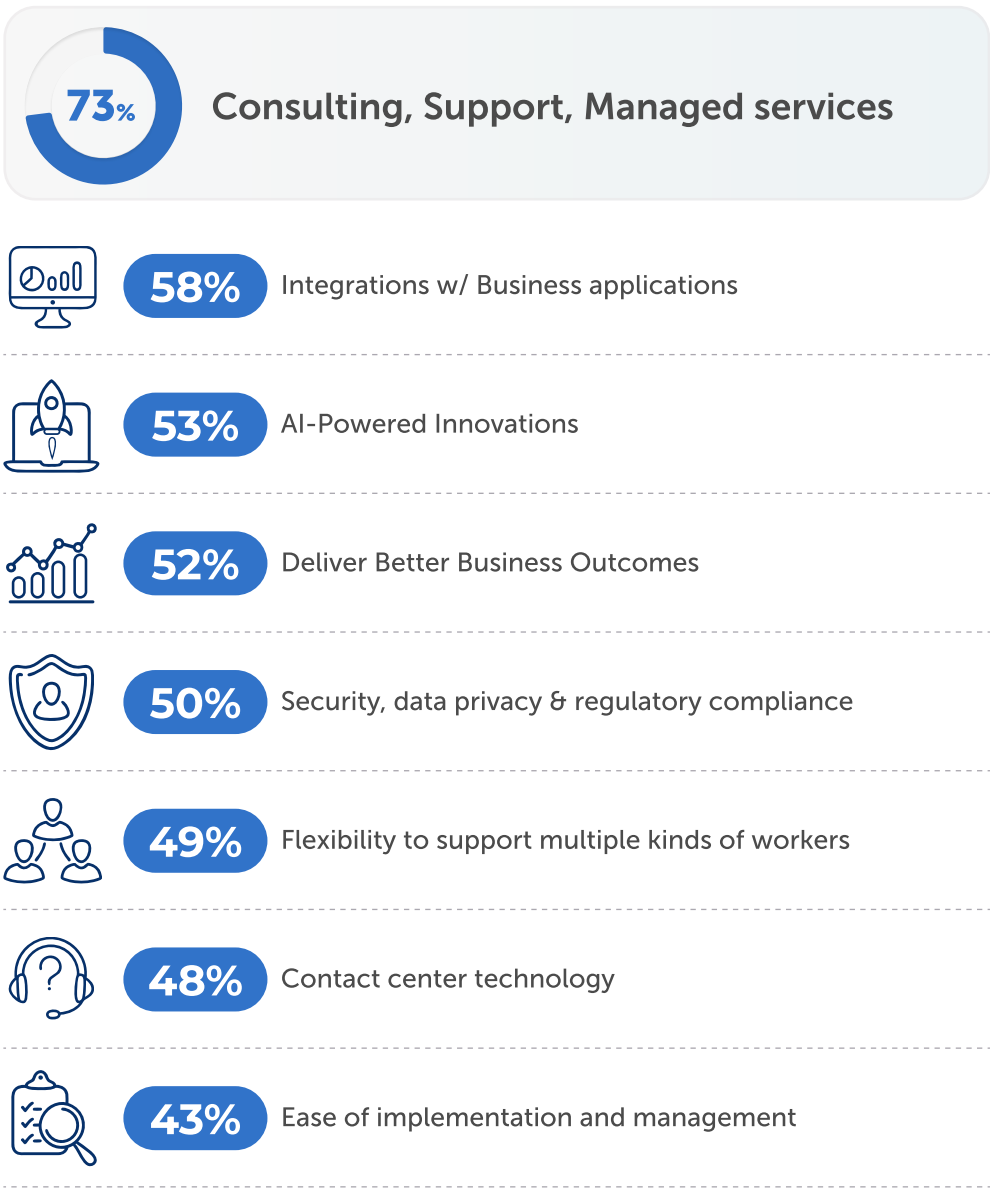
Future-Proofing Communication System: Essential Considerations

Selecting the right communication solution and provider is paramount to fully realizing the potential of modernized, flexible, and AI-powered communication. This strategic choice empowers organizations to seamlessly integrate advanced technologies, optimize workflows, and enhance overall productivity. By carefully considering scalability, resiliency, and integration factors, businesses can unlock the value of modern communication tools and drive innovation. Additionally, solutions must be adaptable to accommodate diverse workforces, supporting various types of workers and work styles, from remote and hybrid workers to field workers and freelancers.

While many believe that UCaaS and video conferencing can address office work, the reality is more nuanced. The intersection of communication technology is less about simply connecting office and remote workers and more about specialized and knowledge workers. Consider the diverse roles within a law enforcement agency: frontline officers, dispatchers, and office workers. Each role has their own communication requirements. Similarly, frontline workers on the floor in healthcare have different needs than those in back-office roles.

Field workers, such as those in construction or delivery, rely on mobile applications and wearable technology to access information on the go. In contrast, office-based workers benefit from unified communication systems and flexible workstations. Hybrid workers, who split their time between home and office, need tools like digital whiteboards and cross-platform integration to ensure seamless collaboration.

Techaisle's research has identified **eight essential criteria** for selecting a communications system vendor, highlighting the importance of careful consideration in this decision-making process.

73% Consulting, Support, Managed services

58% Integrations w/ Business applications

53% AI-Powered Innovations

52% Deliver Better Business Outcomes

50% Security, data privacy & regulatory compliance

49% Flexibility to support multiple kinds of workers

48% Contact center technology

43% Ease of implementation and management

1. **Seamless Integration:**

    The vendor should offer solutions that integrate effortlessly with your existing business applications and systems, minimizing disruption and maximizing efficiency. In addition, suppliers with mature partner ecosystems understand and address your unique operational and integration challenges.

2. **AI-Powered Innovation:**

    Prioritize vendors who leverage AI to drive innovation and deliver cutting-edge solutions that enhance communication and collaboration.

3. **Improved Business Outcomes:**

    Choose a vendor whose solutions are proven to deliver tangible benefits, such as increased productivity, improved customer satisfaction, and stronger team collaboration.

4. **Robust Security, Resilience, and Compliance:**

    Ensure the vendor prioritizes data security, privacy, and regulatory compliance to safeguard your sensitive information.

5. **Diverse Workforce Support:**

    The vendor's solutions should be flexible and adaptable to accommodate various work styles and preferences, supporting both traditional office workers and remote or hybrid teams.

6. **Advanced Contact Center Technology:**

    Consider vendors offering robust contact center solutions that empower your teams to provide exceptional customer experiences.

7. **User-Friendly Implementation and Management:**

    Opt for solutions that are easy to implement, manage, and maintain, minimizing the learning curve and reducing administrative overhead.

8. **Comprehensive Support and Services:**

    A reliable vendor should offer comprehensive consulting, support, and managed services to assist you throughout their solutions' implementation and ongoing use. These services should cover all considerations, from initial assessment to ongoing optimization.

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In addition to the eight essential criteria, a robust partner ecosystem is crucial for navigating the complexities of selecting a communication system. Survey data reveals that 64% of businesses prioritize suppliers with mature, trained partner networks. These trusted partners provide valuable guidance, helping organizations identify the optimal solution tailored to their needs and long-term vision. Choosing a supplier with a strong partner ecosystem empowers organizations to achieve greater business success.

Future of Communications: Convergence of UC and Contact Center

We are witnessing a shift in business communications, driven by rapid technological advancements, the convergence of multimodal UC and CC app experiences, and market demands. New enabling technology, like Agentic and Vertical AI, is poised to transform communication, giving rise to context-aware platforms that integrate multiple channels and leverage Generative AI for real-time analysis, proactive anticipation of user needs, and automation of routine tasks. The focus on customer and employee experience will unlock stronger relationships, streamlined workflows, and accelerated innovation. Future communication will be defined by personalization, efficiency, and immersive experiences powered by machine learning and NLP for intelligent decision support and personalized interactions at scale. Imagine seamless, instantaneous communication with HD video, immersive VR meetings, and AR training, all deeply integrated with edge devices for smarter, context-aware interactions. This transformation will not only enhance operational efficiency and customer engagement but also create unprecedented opportunities for innovation and competitive advantage.

Don't be left behind. Businesses must actively engage with communication system suppliers with the expertise to navigate this complex landscape and ensure seamless integration of these transformative technologies.
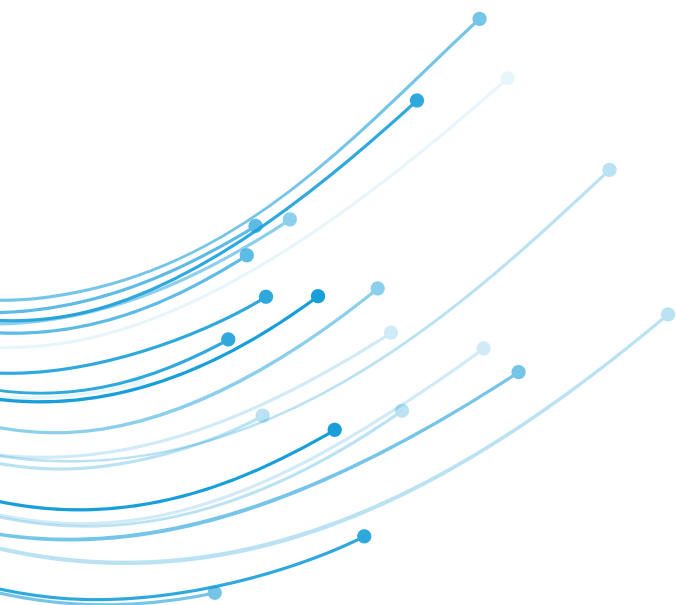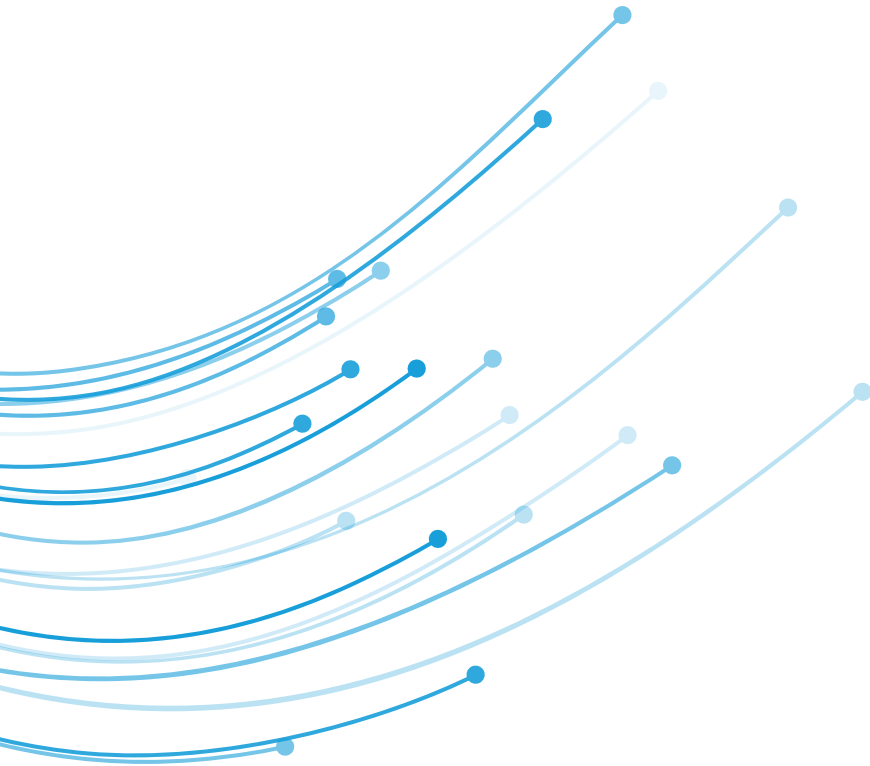
Appendix

Verticals: Key Differences

The following table presents a comparative analysis of communication technology adoption trends and priorities across various industry verticals. Drawing from a recent Techaisle-Mitel survey, the table highlights key concerns, drivers for upgrading, cloud adoption motivations, barriers to cloud adoption, and benefits of hybrid solutions for each vertical. The data reveals a clear trend towards hybrid communication solutions as businesses strive to balance the advantages of cloud flexibility with the security and control of on-premises systems. This analysis will help stakeholders in the communication technology sector understand the nuances of different verticals and tailor their solutions and messaging accordingly.

Vertical	Top Concerns	Key Drivers for Upgrading	Motivations for Cloud Adoption	Barriers to Cloud Adoption	Benefits of Hybrid Solutions
Construction / Transportation / Utilities	Security, remote worker support, integration with internal systems	Modernizing outdated systems, remote work	Security, remote worker support, connecting with customers	Fear of outages, integrating with internal systems	Remote collaboration, data control, and security, scalability, and consistency
Education	Simplifying disparate systems, modernizing systems, customer engagement	Student / Faculty / Community engagement, remote work	Security, remote worker support	Difficulty integrating, compliance, and data protection	Data control and security, value maximization, cost-effective prioritization
Banking / Financial Services / Insurance	Security, bringing in specific functionality, scaling up	Client engagement, remote work	Security, IT mandate, remote worker support	Compliance, integration, fear of outages	Data control and security, scalability and consistency, value maximization
Healthcare	Security, modernizing systems, remote worker support	Modernizing outdated systems, remote work	Security, IT mandate, remote worker support	Integrating, fear of outages, compliance, and data protection	Data control and security, scalability and consistency, value maximization
Hospitality / Entertainment	Modernizing systems, customer engagement, simplifying systems	Guest engagement, remote work	Security, remote worker support, connecting with customers	Integrating, fear of outages	Remote collaboration, data control, and security, scalability, and consistency
Manufacturing / Pharma	Specific functionality, scaling up, and modernizing systems	Modernizing outdated systems	Security, remote worker support, connecting with customers	Integrating, fear of outages	Remote collaboration, scalability and consistency, value maximization
Wholesale / Retail	Customer engagement, modernizing systems, remote worker support	Customer engagement, remote work	Security, remote worker support, connecting with customers	Fear of outages, integrating	Remote collaboration, data control, and security, scalability, and consistency

Services	Security, modernizing systems, simplifying disparate systems	Modernizing outdated systems	Security, remote worker support	Integrating, fear of outages	Remote collaboration, data control and security, value maximization
Technology	Simplifying disparate systems, bringing in specific functionality, customer engagement	Customer engagement	IT mandate, security, remote worker support	Difficulty integrating, poor visibility and workflow tracking	Remote collaboration, data control and security, scalability and consistency, affordable advanced features

The following table summarizes key differences between the US and European markets regarding their communication technology approach based on the Techaisle survey. While both regions share a common focus on improving customer engagement, modernizing systems, and embracing hybrid solutions, distinct variations emerge in their priorities, motivations, and concerns.

US vs. Europe: Key Differences

Topic	US	Europe
Modernization Interest	39% of firms are seeking new technologies for efficiency, leading to a total of 69% showing interest in modernization when combined with firms considering modernizing their older systems.	Stronger modernization interest, notably 37% of firms are actively considering modernizing communication systems. This, combined with the 24% seeking new technologies for efficiency, results in 61% of European firms showing interest in modernization.
Reasons for Modernization	Organizations prioritize improving customer engagement, replacing outdated systems, and supporting remote work.	Similar drivers as the US but with stronger momentum driven by regional factors like data protection regulations, local infrastructure, and business practices.
Cloud Communication Adoption Motivations	Driven by security, support for remote/mobile workforce, and increased customer connectivity.	Similar priorities, but IT/Corporate mandate plays a more significant role compared to the US.
Barriers to Cloud Adoption	Integration challenges, fear of outages, regulatory compliance, and data protection concerns.	Similar concerns, with integration difficulties and outage fears more pronounced, also specific concerns about multi-tenancy, data center locations, and vendor lock-in.
Reasons for Partnering	Prioritize partners' familiarity with technology, service and support quality, and business understanding.	Place a higher value on partners' technology familiarity and service/support quality compared to the US.
Licensing Preferences	Subscription-based licensing is preferred, suggesting a momentum towards managing operational expenses.	Similar preference for subscription-based licensing but a higher proportion favoring a combination of CAPEX and OPEX, particularly in the Education sector.
Customer & Employee Engagement Focus	**US prioritizes customer engagement slightly more than Europe (56% vs. 51%).**	Replacing old systems and addressing remote worker needs are equally important for both regions.
Scaling Communication Systems	Scaling up is a greater driver in the US (45% vs. 39%), while integrating communication systems with industry-specific tools is more prominent in Europe.	Adding new locations is a larger factor for US organizations (35% vs. 24%).
Key Drivers for Subscription	The US prioritizes faster time to value (57%), while Europe leans towards business agility (58%).	Both regions prioritize accelerating business processes and accessing the latest technology through the subscription model.
Hybrid Solution Benefits	US emphasizes maximizing value from PBX investments (60%) and cloud scalability (66%), while Europe focuses on data control and security (68%).	Both regions recognize the benefit of supporting remote workers with cloud features while ensuring smooth communication for in-office teams via on-premises functionality.
Contact Center Features	US values CRM integration (50%) and workforce management (44%), while Europe prioritizes quality management (51%) and intelligent virtual agents (41%).	Both regions consider quality management and CRM integration important for contact center solutions.
Investment for CX Improvement	Both regions prioritize workflow automation and AI insights/analytics for agents, with variations in specific areas like app integrations.	

ABOUT TECHAISLE

Techaisle is a global Industry Analyst organization. Techaisle was founded on the premise that Go-to-Market strategies require insightful research, flexible data, and deeper analysis. Understanding the value of data consistency across markets to inform strategic planning, Techaisle has remained holistic in its approach to Insights and provides globally consistent analysis across geographies. Techaisle conducts deep surveys with end-customers and channels to understand market trends, opportunities, buying behavior, purchase intent, and IT priorities to achieve its objectives. Techaisle's insights are built on a solid data-driven foundation, and its analysts are conversant in primary research and industry knowledge, a rare combination. Techaisle offers its clients Syndicated Research, Custom Primary Research, Consulting Engagement, and Competitive Intelligence.

For more information, visit www.techaisle.com

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https://www.techaisle.com/

Ph: 408-2534416

Email: inquiry@techaisle.com