Everest Group®

Conversational AI – Technology Vendor Compendium 2021

September 2021: Complimentary Abstract / Table of Content

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Customer Experience Management (CXM) Services and Service Optimization Technologies

- ► Application Services
- ► Banking & Financial Services BPS
- ► Banking & Financial Services ITS
- ► Catalyst™
- ► Clinical Development Technology
- ► Cloud & Infrastructure
- ► Conversational AI
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- ► Insurance Technology (InsurTech)
- ► Insurance Third-Party Administration (TPA) Services
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- ► Interactive Experience (IX) Services
- ► IT Services Executive Insights™
- ► Life Sciences BPS
- ► Life Sciences ITS
- ► Locations Insider™

- ► Market Vista™
- ► Mortgage Operations
- ► Multi-country Payroll
- ► Network Services & 5G
- ► Outsourcing Excellence
- ► Pricing-as-a-Service
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- ► Talent Excellence GBS
- ► Talent Excellence ITS
- ► Workplace Services
- ► Work at Home Agent (WAHA) Customer Experience Management (CXM)

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custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: service providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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Contents

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Contents

Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

01
Robust definitions and frameworks

Function-specific pyramids, Total Value Equation (TVE), PEAK Matrix®, and market maturity

02
Primary sources of information

Annual RFIs, vendor briefings & buyer interviews, and web-based surveys

03
Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership

04
Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and vendors

Proprietary database on process mining capabilities of 18+ technology vendors

Repository of existing research in process mining

Dedicated team for process mining research

Executive-level relationships with buyers, service providers, technology providers, and industry associations

Background and scope of the research

"Conversational AI" is one of the key enablers of front-office automation. Businesses across the globe are realizing the importance of conversational AI solutions to serve customers across different channels and meet enterprise expectations, especially during peak demand, as well as support internal processes such as HR support, IT helpdesk, sales, F&A, and marketing. As we slowly enter the post-pandemic world, the demand for self-service solutions such as conversational AI is expected to gather greater momentum. Increasing sophistication of technology, along with successful pilots in the past, are driving popularity of these solutions in the market. There lies a huge market opportunity for leading conversational AI vendors to cater to this surging market demand, while continuously improving their product capabilities to make them more powerful, holistic, and amenable for wide-scale adoption. As the impact of conversational AI platforms keeps increasing, it becomes crucial to pick the solution that can meet the current objectives for enterprises while having the capability to accommodate any potential future demands.

"Conversational AI" is an ecosystem of advanced technologies and solutions that work in an integrated fashion by interacting with each other and sharing information across systems in a contact center environment. Conversational AI improves overall contact center efficiency, customer experience, and agent experience by leveraging technologies such as Intelligent Virtual Agents (IVA), agent-assist solutions, analytics & insights, and other automation solutions such as RPA. At the heart of any conversational AI offering is powerful artificial intelligence and machine learning capabilities. For the scope of this study, we cover leading global technology vendors that offer these solutions on independent licensing.

Each technology vendor profile covers the following details of vendors vis-à-vis their offerings and capabilities:

- Company overview
- Market adoption and capability overview
- Product overview
- Recent deals and announcements
- Portfolio mix

- FTE split by locations
- Product features and functionalities
- Key enhancements
- Measure of capabilities across PEAK Matrix® dimensions
- Key strengths and limitations

Scope of this report:

Geography
Global

Products
Conversational AI

Technology vendors
20 leading conversational AI vendors

Everest Group's SOT research is based on multiple sources of proprietary information

Proprietary database of conversational AI technology vendors in scope of work (updated annually)
- The database tracks technology vendors' offerings/capabilities for:
  - Design, development, and integration
  - Control and monitoring
  - IT governance and security
  - Agent-assist capabilities
  - Conversational intelligence capabilities
  - Product-related training and support services
  - Availability and adoption of commercial model(s)

Proprietary operational information database of technology vendors (updated annually)
- The database tracks the following operational information for each technology vendor:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by scope of services
  - Portfolio coverage in terms of industry, geography, process areas, and buyer size

Demonstrations and interactions with technology vendors and other industry stakeholders
- Detailed briefing and demos for a comprehensive product view and executive-level discussions with conversational AI technology vendors that cover:
  - Current state of the market
  - Vision and strategy
  - Annual performance and outlook
  - Opportunities and challenges
  - Emerging areas of investment

Buyer reference interviews, ongoing buyer surveys, and interactions
- Interviews with technology vendors' reference clients and enterprise buyers to get the buyer perspective around:
  - Drivers and objectives for adopting Intelligent Automation
  - Apprehensions and challenges
  - Assessment of technology vendors' performance
  - Emerging priorities / buying criteria
  - Outcomes achieved
  - Lessons learnt and best practices

Technology vendors assessed

Note: The source of all content is Everest Group unless otherwise specified

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected will only be presented back to the industry in an aggregated fashion

This study provides a detailed view of vendors' conversational AI offerings & capabilities as well as key strengths and limitations; below are four charts to illustrate the depth of the report

Assessment of capability and market impact

Measure of capability: ◑ Low ● High

Technology Vendor	Market impact				Vision & capability					
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Process setup and integration	Process intelligence	Implementation and support	Commercial and sales model	Overall
Technology vendor 1	◕	◑	◕	◑	◕	◑	◕	◑	◑	◑
Technology vendor 2	◔	◑	◑	◑	◑	◑	●	◕	◑	◑
Technology vendor 3	◑	◕	◑	◑	◑	●	●	◑	◕	◕
Technology vendor 4	◑	●	◑	◑	●	◑	◕	◑	◑	◑
Technology vendor 5	◔	○	◑	◑	◑	◑	◑	◔	◑	◑
Technology vendor 6	◔	◑	◑	◕	◕	◑	●	◑	◑	◑
Technology vendor 7	◑	◑	◑	◑	◑	◑	●	◑	◑	◕
Technology vendor 8	◑	◑	◑	◑	◑	◔	◑	◑	◑	◑

Technology vendor's overview

Company mission/vision statement

Xxxx is a provider of digital customer service and chatbot for medium and large enterprises. Xxxx combines traditional interaction systems such as voice contact centers and CRM systems with its digital solution and AI platform, which helps enterprises maximize RoI and foster long-term relationships with their customers.
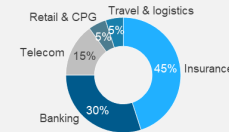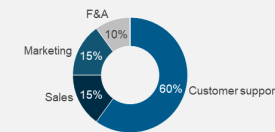
Recent deals and announcements (not exhaustive)

- **Month Year:** xxxx
- **Month Year:** xxxx
- **Month Year:** xxxx
- **Month Year:** xxxx
- **Month Year:** xxxx

Key leaders
- xxxx
- Xxxx

Headquarters: xxxx
Key clients include: xxxx
Website: xxxx

Split of conversational AI volume mix by buyer industry

Retail & CPG 5% | Travel & logistics 5% | Insurance 45% | Banking 30% | Telecom 15%

Split of conversational AI volume mix by process area

F&A 10% | Marketing 15% | Sales 15% | Customer support 60%

Split of conversational AI volume mix by buyer geography

Latin America 5% | United Kingdom 20% | Continental Europe and MEA 75%
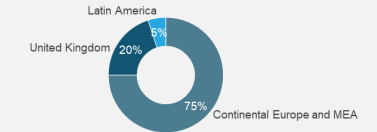
Product features and functionalities

Capability & offerings

Available | In the roadmap | Available via partners | Not available

Channels supported	Enterprise messenger (Skype, Cisco Jabber, Slack, etc.)	Social messenger (FB, WhatsApp, Telegram, etc.)	IVR	Voice assistant (Alexa, Google Home, etc.)
	SMS	Email	Web / mobile hooks (OK Google)	Others

Deployment	Off-the-shelf IVA solutions	Platform-based product	Customized solutions for enterprises

Conversational AI conversation flow development	Visual drag-&-drop development workspace to create flow of conversation	Ability to allow enterprise users to code or configure technical details	Solve customer queries by accessing existing knowledge base of FAQs
	Send alerts based on enterprise-defined triggers (time or event)	Create and send alerts based on customer-defined events	Ability to add business validation rules
	Solve customer queries by accessing core database	Ask relevant questions from customers to complete an enterprise-defined task	

Conversational intelligence	Provide static response	Provide dynamic response	Provide generated response
	Ability to reply with actionable/interactive items	Voice conversational capabilities	

Sentiment analysis	Ability to assess emotional state from the conversation	Ability to identify sarcasm	

Context handling	Ability of IVA to remember context from previous conversations	Ability to switch context	

Training of virtual agent	Ability of virtual agent to learn while processing (from exceptions/errors)	Human-in-the-loop training method	Code free selection of training model/algorithm for training
	Ability of software to identify the best training model/algorithm without use of external data scientist		

Everest Group's remarks on technology vendors

Measure of capability: ◑ Low ● High

Market impact				Vision & capability					
Market Adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Process setup and integration	Process intelligence	Implementation and support	Commercial and sales model	Overall
◑	◑	◑	◑	◕	◑	◑	◑	◑	◑

Strengths

- Technology vendor 1's conversational AI platform caters primarily to EMEA and North America. It has a rapidly growing client base across a multiple industries, including retail, healthcare, and banking
- It uses its proprietary NLP libraries and offers capabilities such as native voice conversational capabilities and pre-built ontologies per vertical. The platform also allows the customer to modify these ontologies

Areas of improvement

- The majority of technology vendor 1's clients are enterprises with revenue less than US$1 billion, and its ability to cater to requirements of large enterprises is relatively untested
- Its conversational AI platform does not have the capability to hand over the conversation seamlessly from one channel to another and remember context across channels

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Research calendar
Customer Experience Management (CXM) Services

| Published | Planned | Current release |

Flagship CXM reports	Release date
Work at Home Agent (WAHA) CXM – Service Provider Landscape with PEAK Matrix® Assessment 2021	January 2021
Work at Home Agent (WAHA) CXM – Service Provider Compendium 2021	March 2021
Customer Experience Management (CXM) – Service Provider Landscape with Services PEAK Matrix® Assessment 2021	July 2021
Conversational AI Technology Vendor Landscape with Products PEAK Matrix® Assessment 2021	August 2021
Customer Experience Management (CXM) – Service Provider Landscape in EMEA with PEAK Matrix® Assessment 2021	September 2021
Conversational AI – Technology Vendor Compendium 2021	**September 2021**
Conversational AI – State of the Market Report 2021	Q4 2021
Customer Experience Management (CXM) State of the Market Report 2021	Q4 2021
Customer Experience Management (CXM) in EMEA – Service Provider Compendium 2021	Q4 2021
Customer Experience Management (CXM) – Service Provider Landscape in APAC with PEAK Matrix® Assessment 2021	Q4 2021

Thematic CXM reports	Release date
Business Process Services (BPS) 4.0: Heralding the Start of a New Era	February 2021
Building a Conversationally Intelligent and Automated Contact Center of the Future	April 2021
Is Your Remote Working Strategy Built to Last?	April 2021
Customer Experience as a Service (CXaaS): Winning in the Experience Economy	June 2021
Contact Center as a Service (CCaaS) Market Report	September 2021

Note: For a list of all of our published CXM reports, please refer to our website page

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