

Employee Experience Management (EXM) Platforms – State of the Market Report 2023

October 2022: Complimentary Abstract / Table of Contents



Our research offerings

This report is included in the following research program(s):

Human Resources Outsourcing, Employee Experience Management (EXM) Platforms

- ▶ Application Services
- ▶ Artificial Intelligence (AI)
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Conversational AI
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms (DAP)
- ▶ Digital Engineering Services
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Services
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ Global Business Services
- ▶ Healthcare Business Process
- ▶ Healthcare Information Technology
- ▶ Human Resources Outsourcing
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing (IDP)
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Executive Insights™
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Outsourcing Excellence
- ▶ Pricing Analytics as a Service
- ▶ Process Mining
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Excellence GBS
- ▶ Talent Excellence ITS
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

Learn more about our
custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations,
risk, technologies

Locations: costs, skills,
sustainability, portfolios

Contents

For more information on this and other research published by Everest Group, please contact us:

Lokesh Goyal, Practice Director

Sharath Hari N, Practice Director

Samarth Kapur, Senior Analyst

Pruthvi Sainath, Senior Analyst

1. Introduction and overview	5
• Background and scope of research	6
• Research methodology	7
• How to read this document	9
2. Understanding EXM platforms	10
3. Summary of key messages	15
4. EXM market overview	18
• Current market size and growth	19
• EXM adoption trend by	20
– Buyer size	20
– Geography	21
– Industry	22
5. Buyer feedback, challenges, and adoption drivers	23
• Selection criteria	24
• Key benefits	25
• Provider performance	26
• Key strengths and areas of improvement as cited by buyers	27
• Top challenges highlighted by the enterprises	28
6. Key investment themes	29
• Product functionality-related investments	30
• Next-generation technology-related investments	31

Contents

• Service-related investments	32
• Emerging functionalities / use cases	33
7. Provider landscape	34
• Everest Group PEAK Matrix® for EXM platforms	35
• Key mergers and acquisitions in the market	36
• Market share of different Providers by revenue	37
• Market share of different Providers by number of clients	38
• Top players by industry	39
• Top players by geography	40
8. Outlook for market stakeholders	41
9. Appendix	43
• Glossary	44
• Research calendar	45

Background and scope of the research

The workforce of today is distributed across geographies and is a mix of generations. There is a paradigm shift from the conventional way of working in the traditional workplace to the modern hybrid modes of operation. This shift comes with inherent challenges that have been amplified across the world post the pandemic and the Great Resignation phase. It has now become even more crucial than ever for organizations to closely monitor the experiences of their employees and to make improvements wherever needed at each step of the employee life cycle. The way that organizations are now thinking about the voice of employees and Employee Experience (EX) has evolved significantly. Traditional ways of collecting feedback will no longer suffice in catering to the evolving needs of workforce engagement. Enterprises will need to follow an agile and holistic approach to collect feedback and act accordingly.

Enterprises across the globe are trying to address the challenges of understanding and enhancing EX. The adoption of Employee Experience Management (EXM) platforms can make this task easier for the various stakeholders (e.g., senior leaders, HR business partners, and team managers) and empower them to take quick actions based on the insights generated after analyzing the collected data. These platforms are evolving rapidly due to increased investment and traction in this domain, and Providers are continuing to enhance the capability of their platforms to cater to the evolving EX needs of enterprises.

This research presents the key trends in the EXM market, and the primary components of the report are elucidated below:

- Understanding EXM platforms
- Market overview
- Buyer adoption trends
- Key investment themes
- Provider landscape
- Outlook for market stakeholders in 2022-23

Scope of this report



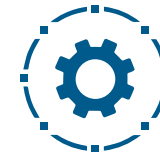
Coverage

Across all industries, geographies, and buyer segments



Providers

Coverage across 17 EXM platform providers that help enterprises to listen to employee feedback, surface key insights, and provide the capability to act and enhance employee experience



Assessment

Assessing the EXM platforms available in the market for independent licensing. Operational information and product information as of December 2021

Overview and abbreviated summary of key messages

This report examines the 2021 EXM provider landscape and its impact on the EXM market. It focuses on the EXM market overview, buyer feedback and adoption drivers, key investment themes and outlook. It also identifies the key implications of the research findings for buyers and providers.

Some of the findings in this report, among others, are:

EXM market adoption trends

- The EXM platforms market is expected to have a steady growth of 35-40% for the next few years, with more enterprises adopting EXM platforms as a preferred solution to address multiple pain points in the employee life cycle
- The EXM platforms are largely adopted by midsize and large buyers as most of them have already started their HR transformation journey and capturing employee feedback is a critical aspect of it

Key investment themes

- Providers are constantly improving their listening, understanding, and acting capabilities and are also investing in next-generation technologies to gain a competitive edge over their peers in the market
- There are five major emerging features identified that are central to EXM platforms – coaching intelligence, DEI goal forecasting, crowdsourcing, notifications and prompts, and team check-ins

Revenue and client-base

- Qualtrics had the highest EXM market share in 2021; Culture Amp, InMoment, Medallia, and Perceptyx have reasonable market shares
- Qualtrics continues to serve the majority of the EXM clients in the market, followed by Culture Amp, InMoment, Perceptyx, and Workday

Industry and geography focus

- Qualtrics has a significant presence across the top five industry verticals that are adopting EXM platforms
- Qualtrics, Medallia, and Culture Amp have the highest revenue share across geographies; other EXM providers such as InMoment, Perceptyx, Peakon, and Willis Towers Watson are also prominent in certain geographies

This study offers nine distinct chapters providing a deep dive into key aspects of EXM market; below are four charts to illustrate the depth of the report

Impact of the Great Resignation on EX

- The Great Resignation phase brought with it multiple challenges for organizations in terms of engaging with their employees and retaining talent. With more workers resigning, retiring early, and investigating new career paths, enterprises have realized that there is a need to invest in EX and understand the employee persona in depth
- Focus on emerging employee needs such as mental health, well-being, safety, flexibility, and work-life balance can lead to an enhanced EX, which can result in improved productivity and retention rate
- There is a need to continuously capture employee feedback to resolve the key challenges in the employee life cycle and at the workplace. Enterprises are continuously evolving towards realizing that EXM needs to be an overall business strategy rather than a mere HR priority
- There is an increased focus on improving the technology experience for employees to overcome the hurdles in a hybrid work environment. EXM platforms can capture feedback related to the technology experience and support IT teams in making the tools simpler and more user-friendly. Additionally, focusing on improving employee connect through EXM platforms can result in promoting the desired culture across all the employees in a time-bound manner



Emerging functionalities



Coaching Intelligence

Suggestions based on the analysis of user-entered and passive data to assist team leaders in taking better actions and improving workplace relationships



Crowdsourcing

The listening tool allows survey takers to vote on feedback and action plans suggested by their peers in the organization



Notifications and Nudges

Notifies people to follow up on feedback and respond to surveys, which improves the completion rate, thus increasing overall engagement



DEI goal forecast

The tool takes growth rates, churn rates, and the organization's human capital data as inputs and uses predictive modeling for goal setting and forecasting to assist leaders in advancing their DEI initiatives



Team check-ins

Short series of research-backed questions that can be sent to employees at frequent intervals to make them feel heard and boost their engagement and productivity levels



EXM platforms | key benefits



Better understanding of the workforce

The platform can provide visibility into key challenges that each employee faces and assist in understanding their sentiments across the entire life cycle.



Inclusion of employees in formulating the organization's people strategy

Employee feedback through pulse surveys on specific topics promotes engagement and encourages employees to voluntarily present suggestions benefitting the firm.



Improved employee engagement and productivity

Some EXM platforms provide the functionality to acknowledge employee feedback while keeping their identities anonymous. This makes the employees feel heard and empowered, thus stimulating higher productivity and increased rate of participation in future surveys.



Reduction in attrition

The EXM platform can play a key role in elevating employee satisfaction, engagement, and visibility, resulting in higher employee retention over time.



Faster decision-making

Real-time dashboards can assist leaders to glean people insights at a global level and help avoid manual department/country-level survey aggregation activities, thereby reducing the amount of time required for decision-making.

M&A activity in the EXM platform market

EXM players acquiring the companies to expand capabilities

Acquirer	Target	Acquisition details
Perceptyx	Waggl	The acquisition has helped Perceptyx enhance its capability to crowdsource employee comments and ideas
	Cultivate	The deal will enhance the passive listening capabilities of Perceptyx and scale its coaching capabilities to empower client management and leadership
	CultureIQ	The acquisition is aimed at acquiring a research-backed solution to assess organizations' current culture and close culture gaps as part of EXM
Culture Amp	Disco	This acquisition allows Culture Amp to expand the tools available to the customers to recognize their values at work and to bolster the flow of work and integration expertise
Medallia	LivingLens	This acquisition is aimed at enhancing the listening capabilities of Medallia through video feedback
	Thunderhead	The deal will enhance Medallia's employee and customer journey orchestration capability to deliver feedback-driven personalization at enterprise scale

EXM players acquired by HR tech players to augment their capabilities

Acquirer	Target	Acquisition details
Achievers	TemboSocial	The acquisition of TemboSocial extends Achievers' employee engagement solution with additional tools and surveys, forms, quizzes, and polls in one platform
workday	Peakon	The acquisition will help Workday customers gain insights into their employee experience journey, as well as real-time data that captures HR insights and opportunities
kozoo	WorkTango	This acquisition is aimed at enhancing the listening capabilities of Medallia through video feedback
betterworks	Hyphen	The deal is aimed at leveraging the survey, polling, and recommendation capabilities of Hyphen to enhance the listening capabilities of Betterworks

Research calendar

Human Resources Outsourcing

Published Planned Current release

Reports title	Release date
Multi-Process Human Resources Outsourcing (MPHRO) State of the Market Report 2022	August 2022
Digital Adoption Platform (DAP) Products PEAK Matrix® Assessment with Technology Vendor Landscape 2022	September 2022
Earned Wage Access and Financial Wellness Solutions (EWA & FWS) in the US – Products PEAK Matrix® Assessment 2022	September 2022
Employer of Record (EOR) Solutions PEAK Matrix® Assessment 2022	September 2022
Learning Experience Platforms (LXP) – Technology Vendor Landscape with PEAK Matrix® Assessment 2022	September 2022
Multi-Country Payroll (MCP) Solutions PEAK Matrix® Assessment 2022	September 2022
Employee Experience Management (EXM) Platforms – State of the Market Report 2023	October 2022
Digital Adoption Platform (DAP) – Technology Vendor Profile Compendium 2023	Q4 2022
Employer of Record (EOR) State of the Market Report 2023	Q4 2022
Employer of Record (EOR) – Solution Provider Compendium 2023	Q4 2022
Learning Experience Platforms (LXP) – Technology vendor Profile Compendium 2023	Q4 2022
Multi-Country Payroll Solutions (MCPS) – Solutions Provider Compendium 2023	Q4 2022
Earned Wage Access and Financial Wellness Solutions (EWA & FWS) in the US – Technology Vendor Profile Compendium	Q4 2022
Digital Adoption Platform (DAP) – State of the Market Report 2023	Q4 2022
Learning Experience Platforms (LXP) – State of the Market report 2023	Q4 2022

Note: [Click](#) to see a list of all of our published Human Resources Outsourcing reports



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our research also covers the technologies that power those processes and functions and the related talent trends and strategies. Our clients include leading global companies, service and technology providers, and investors. Clients use our services to guide their journeys to maximize operational and financial performance, transform experiences, and realize high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

Stay connected

Website

everestgrp.com

Social Media

-  @EverestGroup
-  @Everest Group
-  @Everest Group
-  @Everest Group

Blog

everestgrp.com/blog

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto

canada@everestgrp.com
+1-647-557-3475

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.