



# Conversational AI – State of the Market 2024

October 2024 – Complimentary Abstract / Table of Contents

State of the Market Report  
Customer Experience Management Services, Service Optimization Technologies



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- ▶ Insurance Third-Party Administration (TPA) Services
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- ▶ IT Services Excellence
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- ▶ Payer and Provider Information Technology
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- ▶ Pricing Analytics as a Service
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- ▶ Rewards and Recognition
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- ▶ Service Optimization Technologies
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## Background and scope of the research

Conversational AI is a sophisticated network of technologies and solutions designed to integrate and share information across systems, playing a crucial role in automating front- and back-office operations.

Companies globally are increasingly recognizing the value of conversational AI solutions to meet customer demands across various digital channels and support internal functions like HR, IT helpdesk, sales, finance, and marketing. The demand for self-service tools, such as conversational AI, is at an all-time high and is expected to accelerate as businesses seek to enhance customer experience, boost customer acquisition, and achieve market differentiation. The latest advancements in generative AI, Large Language Models (LLMs), and Retrieval-Augmented Generation (RAG) are poised to significantly boost the effectiveness of conversational AI, enabling more context-aware and efficient interactions that heighten customer satisfaction. This study focuses on leading global technology providers offering these solutions under independent licensing.

In this report, we investigate the state of the conversational AI technology provider market

We focus on:

- Conversational AI synopsis
- Impact of generative AI and LLMs on conversational AI solutions
- Market size and adoption trends across buyer geography, size, industry, and business function
- Buyer expectations, barriers to adoption, and best practices
- Conversational AI provider landscape and partnership ecosystem
- Outlook for 2024 and beyond

### Scope of this report

**Geography:** Global

**Industry:** All

**Product:** Conversational AI

# Overview and abbreviated summary of key messages

This report focuses on the growth in the conversational AI market, the impact of generative AI and LLMs on conversational AI solutions, and adoption trends that are categorized by industry, geography, process areas, buyer size, channel, and commercial model. It also focuses on buyer insights, provider landscape, and partner ecosystem.

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

### Conversational AI market overview and adoption trends

- The conversational AI market stood at US\$2-2.1 billion at the end of 2023. It is growing steadily and is anticipated to reach US\$2.8-2.9 billion by the end of 2024
- BFSI and healthcare and life sciences are the major adopters of conversational AI, making up a majority of the market share; North America continues to be a major adopter of conversational AI while, APAC demonstrates the highest growth

### Impact of generative AI and LLMs on conversational AI solutions

- There has been a significant leap in the number of generative AI Proofs-of-Concept (PoCs) and deployments between 2022 and 2023. This suggests a shift from experimental phases to a more widespread and confident adoption
- Leading sectors such as banking and financial services, healthcare, and telecom and media are leveraging generative AI for personalization of services, data analytics, and enhancing customer engagement

### Conversational AI provider landscape

- Amelia, Gupshup, Kore.ai, NICE, and Uniphore have the largest share in terms of conversational AI revenue. Kore.ai is a top technology provider present in all major industries
- Amelia and Kore.ai stand out as prominent technology providers across major processes. Kore.ai is one of the top providers across five of the major geographies

### Buyer insights

- Improving CX, enhancing employee productivity, and reducing costs are the most important factors driving conversational AI adoption. At an overall level, buyers are fairly satisfied with conversational AI providers
- Focus on customer support, implementation speed, and cognitive capabilities are the key strengths highlighted by the buyers; analytics and reporting and ease of use have been highlighted as areas of improvement

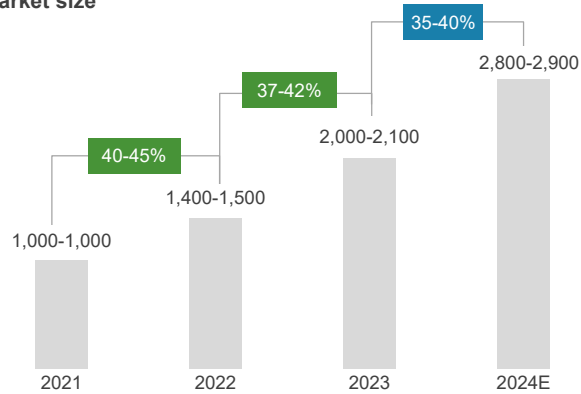
# This study offers 5 distinct chapters providing a deep dive into key aspects of the conversational AI market; below are four charts to illustrate the depth of the report

## Market overview and adoption trends

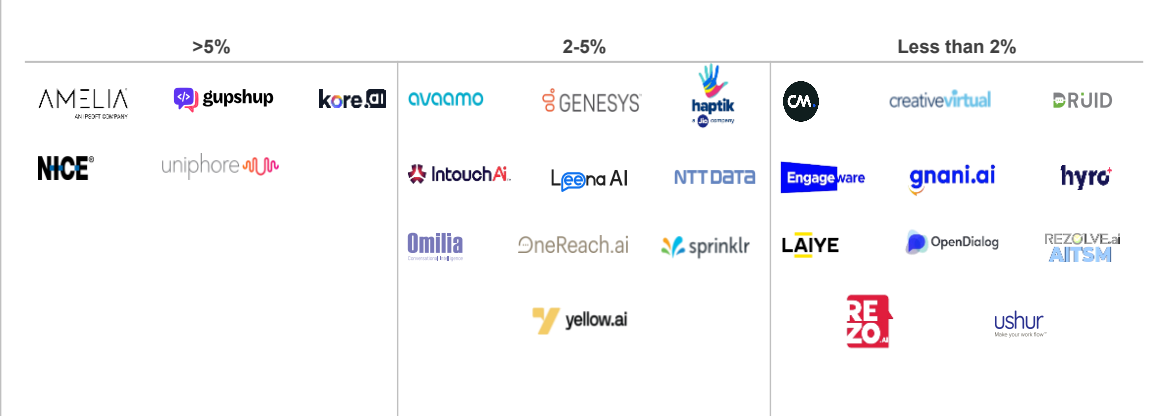
### Conversational AI provider market size

Revenue in US\$ million

XX Actual growth rate  
XX Expected YoY growth  
E = Estimated



## Provider landscape

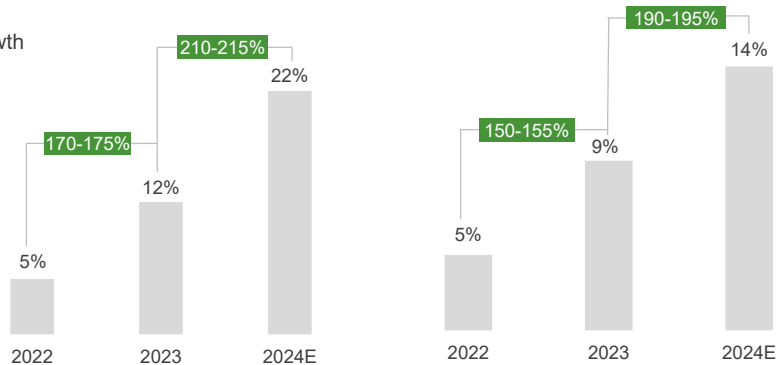


## Impact of generative AI and LLMs on conversational AI solutions

### Generative AI deployments

Percentage of clients

XX Expected YoY growth  
E = Estimated

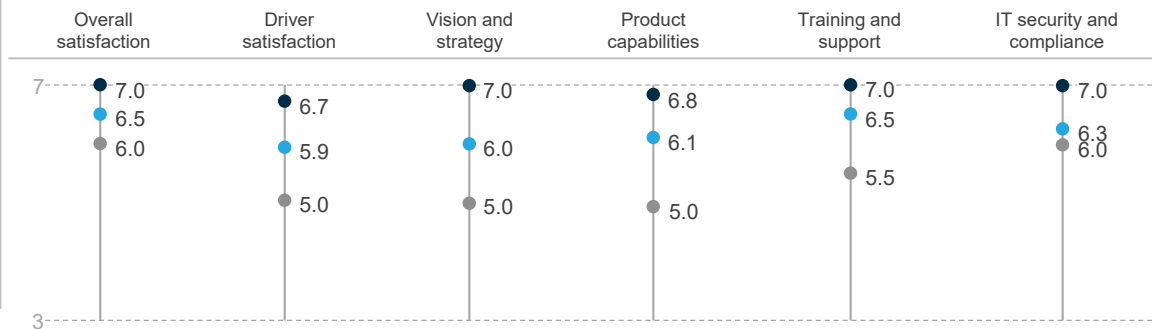


## Buyer insights

### Conversational AI provider KPIs

On a scale of 1-7, with 7 being the highest

Buyer score axis ● 80th percentile ● Median ● 20th percentile



# Research calendar

## Customer Experience Management Services

|   | Published    | Current release | Planned       |
|---|--------------|-----------------|---------------|
| Reports title   | Release date |                 |               |
| Customer Experience Management (CXM) Services CXO Insights: Key Issues Report 2024                |              |                 | February 2024 |
| Generative AI in CXM: Assessing Enterprise Readiness for this Disruptive Transformation           |              |                 | March 2024    |
| An Enterprise Take on Providers in an Ever-changing Economic and Technology Climate               |              |                 | March 2024    |
| Lead with Empathy: Handle Care with Care  |              |                 | May 2024      |
| The Role of Strategic Partnership Management and Rebadging in Enhancing Customer Satisfaction     |              |                 | June 2024     |
| Future-ready Customer Experience Management (CXM): Trends Driving the BFSI Industry               |              |                 | June 2024     |
| Are Consumers Ready for Generative AI-augmented Interactions?                                     |              |                 | June 2024     |
| The Indispensable AI Duo: Transforming Experiences with Generative AI and Conversational AI (CAI) |              |                 | June 2024     |
| Leveraging AI to Enhance Customer Experience in Highly Regulated Industries                       |              |                 | July 2024     |
| Conversational AI Products PEAK Matrix® Assessment 2024   |              |                 | July 2024     |
| Strategic Horizons: Mapping the CXM Outsourcing Landscape for English Support in Africa           |              |                 | August 2024   |
| Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2024 – Americas             |              |                 | August 2024   |
| <a href="#">Conversational AI – State of the Market 2024</a>                                      |              |                 | October 2024  |
| Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2024 – APAC                 |              |                 | Q4 2024       |
| Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2024 – EMEA                 |              |                 | Q4 2024       |
| Contact Center-as-a-Service (CCaaS) PEAK Matrix® Assessment 2024                                  |              |                 | Q4 2024       |

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# Research calendar

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|   | Published    | Current release | Planned             |
|---|--------------|-----------------|---------------------|
| Reports title   | Release date |                 |                     |
| Generative AI Adoption in Cloud and Infrastructure Services   |              |                 | June 2024           |
| Process Orchestration – Harnessing the Transformative Power of Automation                           |              |                 | July 2024           |
| BPS Top 50 – 2024   |              |                 | July 2024           |
| Leveraging AI to Enhance Customer Experience in Highly Regulated Industries                         |              |                 | July 2024           |
| Building Tomorrow's Business: The Strategic Role of Process Orchestration in Intelligent Automation |              |                 | July 2024           |
| Conversational AI Products PEAK Matrix® Assessment 2024   |              |                 | July 2024           |
| Process Mining – Technology Provider Compendium 2024  |              |                 | July 2024           |
| Process Mining State of the Market 2024   |              |                 | August 2024         |
| Digital Interaction Intelligence Products PEAK Matrix® Assessment 2024                              |              |                 | August 2024         |
| <b>Conversational AI – State of the Market 2024</b>   |              |                 | <b>October 2024</b> |
| Conversational AI for the Enterprise: Success Begins at Home  |              |                 | Q4 2024             |
| Innovation Watch: Agentic AI  |              |                 | Q4 2024             |
| The Business Case for Digital Interaction Intelligence  |              |                 | Q4 2024             |
| Robotic Process Automation (RPA) – Technology Provider Landscape with PEAK Matrix® Assessment 2024  |              |                 | Q4 2024             |
| Total Value Added (TVA) - Intelligent Automation Platform (IAP)                                     |              |                 | Q4 2024             |

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