Ovum Decision Matrix: Selecting a Customer Interaction Analytics Vendor, 2014–15

Summary

Catalyst

Contact centers are more concerned than ever with understanding customer needs in order to prevent churn and improve loyalty. To do so, they must invest in tools to track customer interactions across channels and collate customer feedback. Speech analytics tools have evolved into multichannel analytics platforms that, when combined with customer feedback, give businesses a holistic picture of the entire customer lifecycle.

This report explores the marketplace for customer interaction analytics solutions, with particular emphasis on the ability of vendors to handle multichannel customer interactions and map these to agent performance data. It compares vendors based on the strength and breadth of their technology capabilities, the views of their customers, and the impact that each company has in the marketplace. Ovum has selected vendors for comparison based on their ability to offer speech or text analytics, agent performance analytics, and customer feedback management. Ovum advises on which vendors it considers to be leaders, challengers, and followers.

Ovum view

Ovum believes that the market for customer interaction analytics will play a vital role in shaping contact center requirements and business strategy. Businesses need better insight into customer behavior in order to improve their services and influence customer loyalty. They are investing in speech and text analytics tools to help them pinpoint trends across interactions. But there is also a need to connect this data with other parts of the customer life cycle to gain a more rounded view of the customer journey.

Customer interaction analytics is one of the highest growth markets across the workforce optimization technology stack; Ovum forecasts that the global contact center analytics market will grow at a compound annual rate of 12% from 2013 to 2018. Although pricing and complexity remain hurdles for businesses to overcome, they are prioritizing analytics investments in order to gain the value of customer insights.

Contact center vendors across many disciplines have evolved their tools to offer more reporting and analytics in addition to existing routing, IVR, CRM, call recording, and quality monitoring. Today it is not only workforce optimization specialists providing speech and text analytics, but also the large infrastructure providers – namely Avaya, Genesys, and Interactive Intelligence – that are staking a claim in the customer interaction analytics space. However, with a much larger market to penetrate there is currently room for all vendors to grow their customer base with analytics products.

In addition to new players in the market, contact center analytics solutions today are more comprehensive. As customers have become comfortable communicating through web and mobile channels, vendors have adapted their customer interaction analytics tools to match. Solutions are no longer sold as point solutions that analyze one channel (for example voice calls or online survey responses) but include an array of multichannel capabilities. Today's customer interaction analytics platforms aim to understand the complete voice of the customer, incorporating social media analytics, survey tools, and centralized reporting where businesses can view all interactions across all channels in one place.

However, truly being able to pinpoint and understand customers' cross-channel journeys is complicated as there are so many data points to incorporate. Vendors still have a way to go in integrating their varied product sets and providing this idealized view of the customer.

Key findings

- Businesses can choose from a range of customer interaction analytics solutions, including packaged offerings that complement existing call recording capabilities and fully featured multichannel analytics platforms that are tightly integrated with routing and agent desktop tools.

- The vendor landscape has consolidated over the past few years, but a variety of players still offer contact center analytics, from suite workforce optimization vendors to analytics specialists and larger contact center infrastructure providers.

- Ovum has placed two vendors in the market leaders category, Nice and Verint. These vendors represent the most mature in the workforce optimization space; both have a great deal of experience and proven reliability in delivering secure, advanced services.

- The market challengers in this Decision Matrix are Calabrio, CallMiner, and Nexidia. Calabrio is targeted to mid-market customers that require an integrated analytics and recording suite. CallMiner and Nexidia offer specialist professional services and platform-agnostic speech and text analytics solutions.

- Genesys and Uptivity were rated as followers despite their strengths. Uptivity has a solid speech analytics platform that integrates well with existing tools but is lacking in text and survey tools. Genesys has one of the most comprehensive sets of customer interaction analytics tools but needs to work closely with customers in order to grow its market position and improve its reputation in this space.

- Businesses should consider whether they require a full suite of workforce optimization tools with a wide variety of features or a standalone analytics solution that maps to existing platforms.

- Along with technical capabilities, businesses should review vendors' existing customer case studies to ensure that current strategy and future roadmaps will meet their needs.

- All of the firms evaluated here provide leading-edge analytics tools. Ovum recommends that enterprise buyers consider all seven vendors in the report once they have determined the unique characteristics of their requirements in relation to the available solutions.

Introduction

Customer interaction analytics defined

Customer interaction analytics tools are used by enterprises to understand the context of large numbers of interactions across voice, chat, email, SMS, and social media. An interaction itself is considered to be the point at which a customer reaches out or responds to a communication directly with an enterprise (as opposed to self-service or general web browsing). Analytics applications are able to categorize interactions and search for trends in customer behavior, for example finding the

root cause of customer churn or complaints. While there may be overlap in the individual products (and many are sold as part of a "voice of the customer" suite), Ovum considers the following tools to be encompassed within the definition: speech analytics, text analytics, customer feedback (surveys), social media analytics, and cross-channel analytics.

The customer interaction analytics landscape

As customers have embraced the web, smartphones, and social media in order to communicate, contact centers have had to adapt their analytics tools. This has led to numerous acquisitions across the contact center and workforce optimization markets over the past few years. Today the customer interaction analytics market is dominated by companies from very different backgrounds. Contact center infrastructure providers that now offer speech analytics include:

- Aspect, with its OEM agreement for Nexidia's speech analytics
- Avaya, through the Aurix acquisition in 2011
- Genesys, which acquired Utopy in 2013 and Solariat in 2014
- Interactive Intelligence, which developed a speech analytics tool in-house.

The workforce optimization vendors offering interaction analytics have been relatively unchanged over the past three years, although vendors have expanded their multichannel capabilities. Suite players Calabrio, Nice, Verint, and Uptivity (acquired by inContact in May 2014) all offer analytics as part of their broader workforce optimization suites. And finally, CallMiner, Clarabridge, and Nexidia all provide specialist capabilities with solutions that focus primarily on speech or text analytics.

Business intelligence vendors should also not be overlooked. For example, while IBM, Oracle, SAS, SAP, and HP do not make contact center analytics the core of their business, they do offer some unique analytics and reporting tools for tracking customer behavior across channels.

Inclusion criteria

Ovum selected vendors for the Decision Matrix that offer at least one of the following customer interaction analytics tools, including speech analytics:

- speech analytics
- text analytics
- customer feedback (surveys)
- social media analytics
- cross-channel analytics.

Although the inclusion criteria only specified that vendors must have one customer interaction tool, consolidation and a push for integrated workforce optimization tools mean that many of the included vendors also provide performance management and call recording tools with their analytics solutions.

In order to understand the competitive dynamics in the customer interaction analytics market, Ovum has profiled the following providers.

- Calabrio
- CallMiner
- Nexidia

- Genesys
- Nice
- Verint
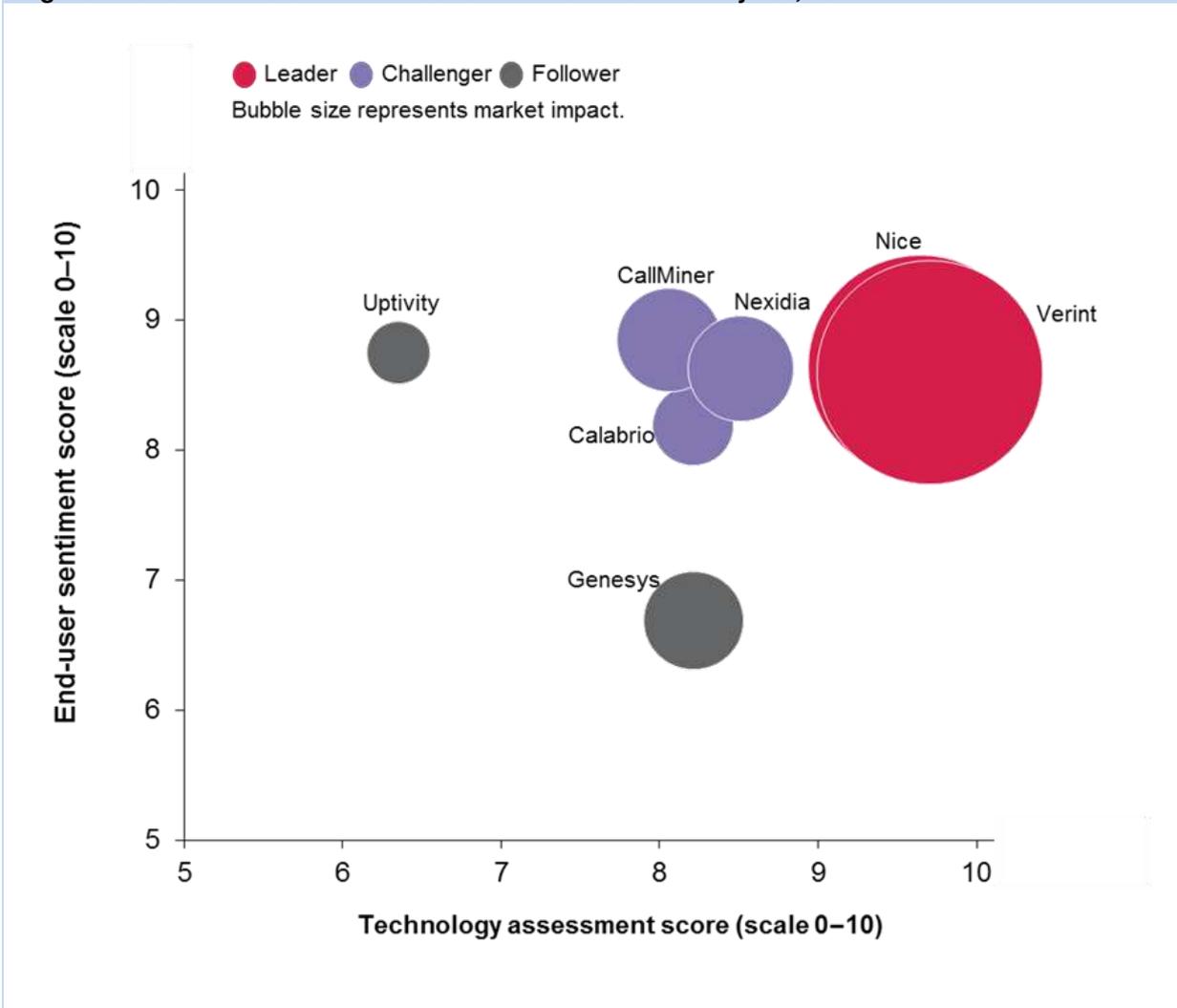- Uptivity (an inContact company).

Please note that this list is not exhaustive, and a number of notable vendors were not included in this assessment – Avaya, Clarabridge, Interactive Intelligence, to name a few. These vendors play a prominent role in the interaction analytics market but were unable to provide sufficient information for a full evaluation. They too will compete for market share and should not be overlooked.

Market and solution analysis

Ovum Decision Matrix: Customer Interaction analytics

The customer interaction analytics Decision Matrix shows a divide between the larger suite workforce optimization players, and those that are newer to the speech analytics market. While the definition of customer interaction analytics includes more than just speech analytics, having a mature analytics solution was a big factor in scoring well in the technology assessment. NICE and Verint were able to take the lead in this assessment because of their significant market share and wide range of technical features, in addition to high ratings by their customers.

Figure 1: Ovum Decision Matrix: Customer Interaction Analytics, 2014

Source: Ovum

Table 1: Customer Interaction Analytics: market leaders, challengers, and followers

Market leaders	Market challengers	Market followers
Nice	Calabrio	Genesys
Verint	CallMiner	Uptivity (an inContact company)
	Nexidia	

Source: Ovum

Market challengers: Calabrio, CallMiner, and Nexidia

The challengers in the Decision Matrix are all established workforce optimization vendors. CallMiner and Nexidia are specialist speech analytics players, whereas Calabrio has a suite of workforce optimization tools that includes a more recent speech analytics product.

Calabrio is a US-based vendor that provides a suite of workforce optimization tools in a platform named CalabrioOne. Calabrio Analytics allows businesses to analyze and pinpoint trends across both voice- and text-based interactions with a phrase- and phonetics-based speech recognition engine. Its

customers pinpointed professional services as a strength for the vendor, which makes sense given the Calabrio Innovation Center, which was set up to provide tailored training and consulting services. Another differentiator for Calabrio is the tight integration of analytics with its workforce optimization suite; the vendor has seen high revenue growth for analytics as a result.

CallMiner's flagship enterprise contact analytics application Eureka is being used by a number of large customers, including one of the largest government call centers and the world's largest online retailer. It supplements this platform with additional products tailored to mid-market enterprises as well as performance management and recording products. CallMiner is clearly well regarded by its customers, appealing to those looking for an agnostic vendor that will integrate with existing recording platforms and offer good pricing options.

Nexidia, like CallMiner, was one of the first vendors to enter the speech analytics market in 2000. It has gained numerous customers and is well regarded by customers. Nexidia Interaction Analytics product utilizes both transcription and phonetic indexing to pinpoint trends in calls. One useful tool in the Nexidia portfolio is Agent Assist, which sends real-time alerts to managers and agents based on call content and trends. Nexidia customers give the product particularly high ratings for quality and features and functionality.

Market leaders

The customer interaction analytics vendors included in this Ovum Decision Matrix vary in their technical and market strengths. This section looks at the patterns in the market by showcasing the top three vendors in each category for the technology, user sentiment, and market impact sections. Enterprises are advised to consider the context and comment behind the scores to determine the product that best suits their specific needs. We typically present three leading vendors for each underlying category. However, if multiple vendors receive the same score, then all vendors sharing the same score are displayed.

Market leaders: user sentiment

A selection of customers from each vendor were asked to rate their customer interaction analytics provider against a set of criteria ranging from product quality to professional services and deployment time. The results, shown in Figure 3, indicate that overall vendors are doing a good job communicating with customers around their capabilities and services.

Figure 3: Ovum Decision Matrix: Customer interaction analytics market leaders – user sentiment
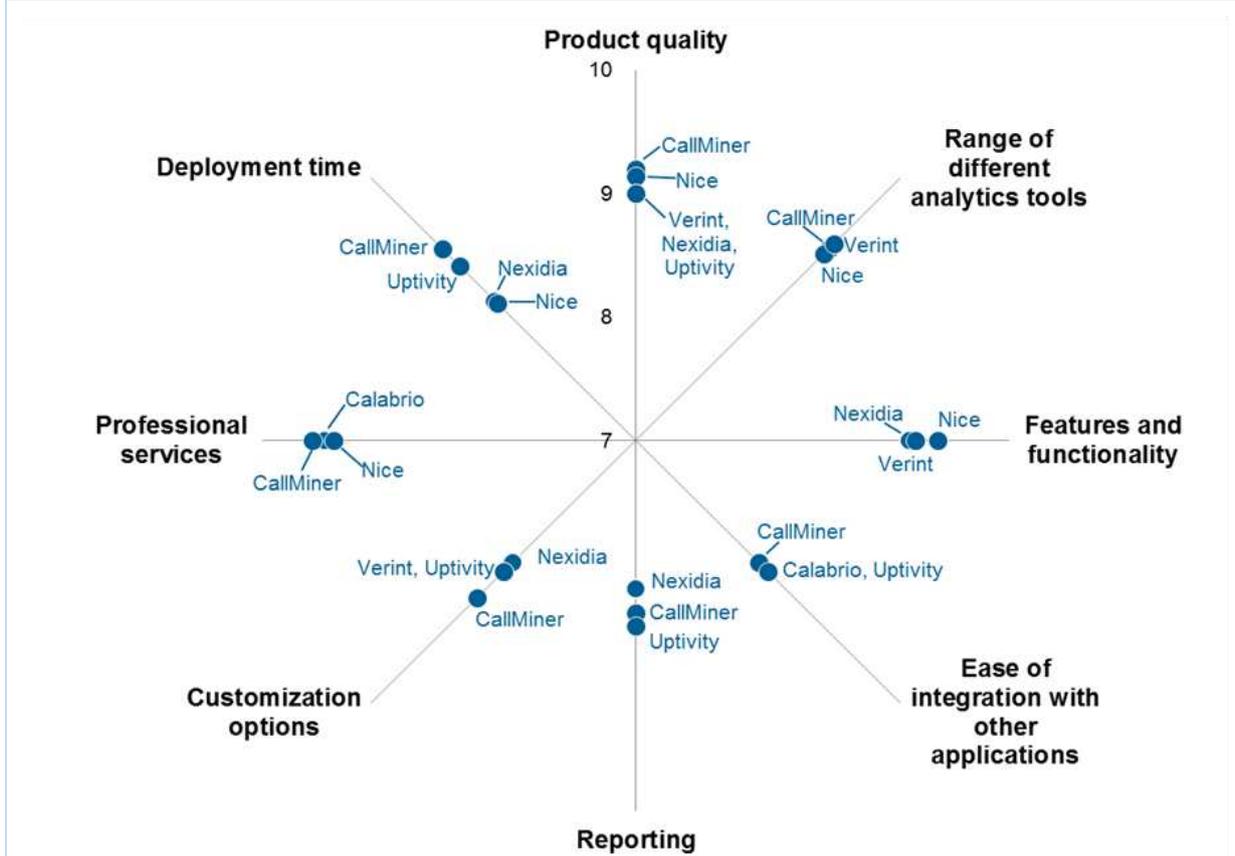
Source: Ovum

CallMiner featured prominently in this radar, scoring high in almost all the categories. It was recognized for its product quality, range of analytics features, and ease of integration with other applications. This makes sense considering CallMiner's long-standing position in the market with its Eureka speech analytics as well as the availability of add-on modules and its Essentials mid-market offering. Customers cited CallMiner's advantages as a platform-agnostic speech analytics tool in addition to its price.

Nexidia was recognized across the sentiment radars for its features and functionality, customization options, and deployment time. Like CallMiner, Nexidia has a long history and a standalone analytics solution that has garnered respect among its user base. Its customers also pinpointed the vendor as having accurate, effective technology and being easy to use and well-priced.

Verint and Nice also scored highly across the customer survey. Both vendors gained top ratings for product quality, range of analytics, and features and functionality. As shown across the technical assessment, these vendors clearly have the most fully featured suites, offering solutions across all areas of workforce optimization and customer interaction analytics.

Calabrio was rated highly for professional services; its Innovation Center at its headquarters for training and consulting is clearly valuable to its customers. Uptivity customers appreciate its capabilities, giving the vendor scores among the top three for product quality, reporting, easy integration with other applications, and deployment time.

Vendor analysis

CallMiner (Ovum recommendation: Challenger)

CallMiner is one of only a few remaining speech analytics specialists and has been selling its flagship speech analytics product, Eureka, for over 10 years. Originally built to analyze significant numbers of call recordings for large enterprises, the analytics engine now includes mining of chat, email, and social, in addition to voice. Eureka primarily uses large vocabulary continuous speech recognition (LVCSR) transcription, enabling customers to review text translation of all interactions. Automated out-of-the-box trending and root cause analysis help customers to quickly discover trends, and CallMiner provides Eureka Analytics packages tailored to sales, collections, and customer service teams.In addition to the flagship product, CallMiner offers additional solutions that meet the needs of its diverse client base, which includes contact centers with as few as 50 to over 20,000 agent seats:

- MyEureka – an agent performance management tool is integrated with speech analytics products to provide performance updates quickly to managers

- EurekaLive – a real-time call monitoring solution that leverages speech analytics to alert supervisors of at-risk calls and provide feedback to agents while calls are in progress

- Eureka Essentials – a cloud-based solution with fewer features at an affordable price, targeted specifically at smaller contact centers. Like the core Eureka product, Essentials comes in three versions tailored for customer service, sales, or collections.

Add-ons to the Eureka speech analytics products include Redactor and Interceptor. Redactor uses speech analytics to automatically remove PCI-sensitive authentication and cardholder data from incoming calls. Interceptor is an alternative to call recording for organizations that do not have an existing recording platform. CallMiner is able to capture voice data packets from the network to be analyzed or monitored.

Ovum rated CallMiner a Challenger for customer interaction analytics. It is well regarded as a speech analytics player but does not offer its own survey tools or WFM. While it does integrate with other vendors for these solutions, and survey comments can be mined in Eureka Analytics, its limited features in this area mean that customers may well look elsewhere for a complete solution. Having a smaller product set also means that cross-sell opportunities are limited, and the vendor has not gained as much market share as some of its larger competitors. In addition, limited language support means that CallMiner does not have many customers outside of North America.

CallMiner did garner some of the highest scores in the customer survey, most notably for product quality, deployment time, and professional services. It was ranked third behind Nice and Verint on the survey as a recognized vendor, showing its established presence in the market. It appeals to those looking for an agnostic vendor that will integrate with existing recording platform and good pricing options.

Figure 6: CallMiner radars
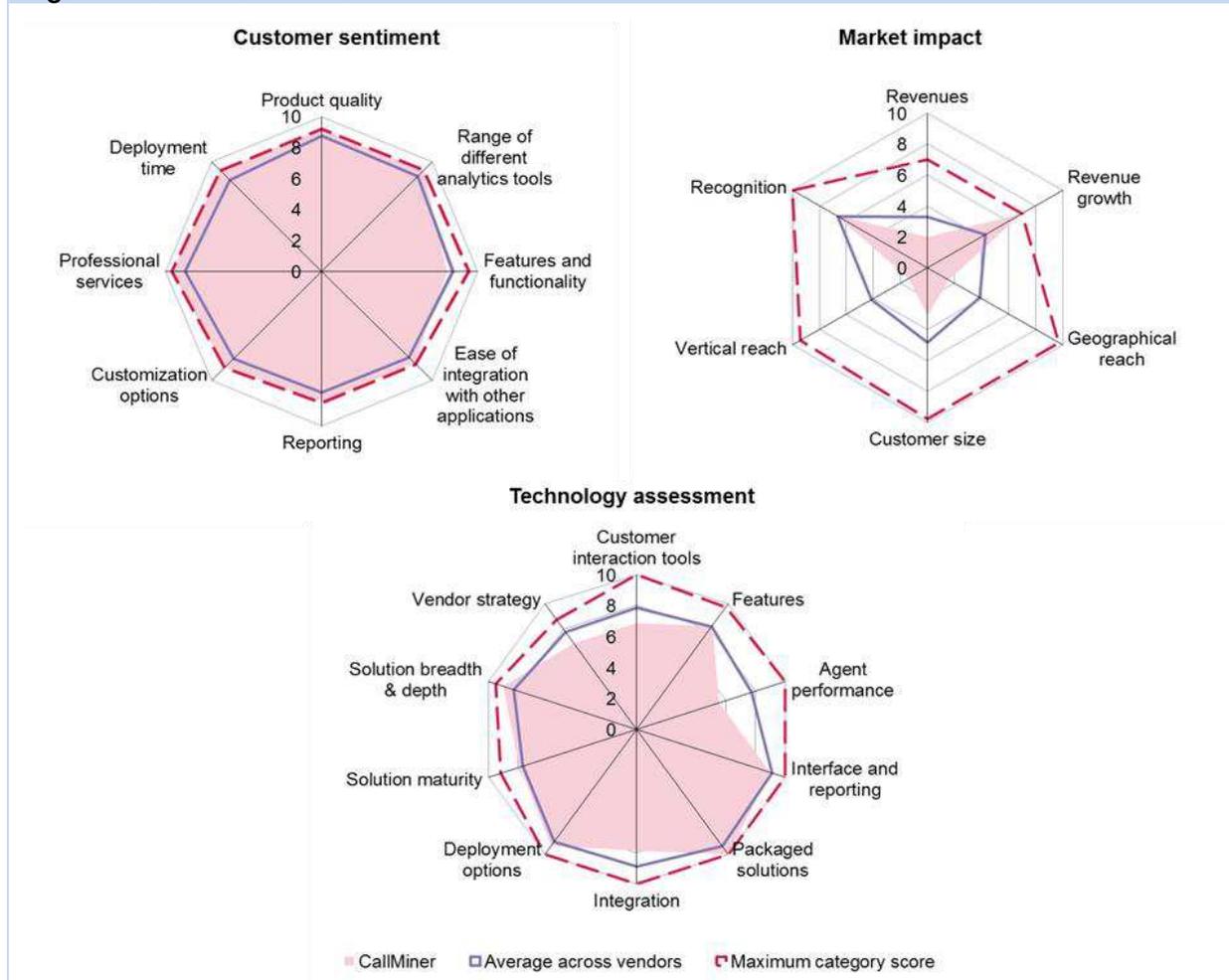
Source: Ovum

Appendix

Methodology

Technology/service assessment

In this assessment dimension Ovum analysts develop a series of features and functionality that would provide differentiation between the leading solutions in the marketplace. The criteria groups identified for customer interaction analytics are as follows:

- **Customer interaction tools:** The range of customer interaction analytics tools offered by a vendor, including speech analytics, text analytics, customer feedback management, social analytics, and cross-channel analytics capabilities.

- **Features:** The vendor's capabilities and features that are included in the analytics tools, from category and trend analysis to real-time capabilities, multi-language support, and emotion detection.

- **Agent performance:** Whether the vendor offers agent performance management tools and desktop analytics functionality.

- **Interface and reporting:** A detailed review of the vendor's visual, presentation, and graphics features for display analytics results. This also includes smartphone functionality, alerting, and exporting features.

- **Packaged solutions:** An assessment of the vendor's prepackaged offerings that target contact centers' key pain points, such as first contact resolution, customer satisfaction, customer churn, and root cause analysis.

- **Integration:** How readily the vendor's customer interaction analytics tools integrate with other vendors' workforce optimization tools, call recording platforms, or CRM applications.

- **Deployment options:** This incorporates both the scale of the vendor's solution with regard to existing customer size (vendors were asked to show referenceable deployments of customers from 50 to 10,000 agent seats) and the ability to offer customer interaction analytics through hosted or hybrid delivery with support and different payment options. Professional services is also measured as part of this section.

- **Solution maturity:** The stage that the customer interaction analytics suite is currently at in the maturity lifecycle, relating to the number of deployments, solution age, and partner base.

- **Solution breadth & depth:** How comprehensive the solution is based on toolsets, partner relationships, multichannel features, and different deployment options.

- **Vendor strategy:** An assessment of each vendor participant's global presence, product/technology roadmap, go-to-market plans, and brand equity in the customer interaction analytics space.

User sentiment

For this section of the Decision Matrix, Ovum analysts sent a web survey to a number of each vendor's customers. Respondents were asked to rate their current customer interaction analytics vendor on a scale of 1 to 5 (where 5=excellent and 1=poor) against each of the following categories:

- **Product quality:** Customers' views of the overall capabilities of the vendor's customer interaction analytics offerings.

- **Range of different analytics tools:** The range of different channel capabilities and breadth of the vendor's overall contact center analytics portfolio.

- **Features and functionality:** Customer perception of the different features included within the analytics solutions.

- **Ease of integration with other applications:** How readily the vendor's customer interaction analytics tools integrate with other workforce optimization or contact center capabilities.

- **Reporting:** The comprehensibility of the dashboard and visualization and reporting tools used to view results of analytics measures.

- **Customization options:** The ease of tailoring the solution to the customer's individual requirements.

- **Professional services:** The availability and expertise of the vendor's services team in relation to customer interaction analytics deployments.

- **Deployment time:** An assessment of the speed and ease of installation

Market impact

The global market impact of a solution is assessed in this dimension. Market impact is measured across five categories, each of which has a maximum score of 10.

- **Revenues:** Each solution's global customer interaction analytics revenues are calculated as a percentage of the market leader's. This percentage is then multiplied by a market maturity value and rounded to the nearest integer. Overall global revenue carries the highest weighting in the market impact dimension.

- **Revenue growth:** Each solution's revenue growth for customer interaction analytics from 2012 to 2013 is calculated as a percentage of the growth rate of the fastest-growing solution in the market. The percentage is then multiplied by 10 and rounded to the nearest integer.

- **Geographical reach:** Ovum determines each solution's revenues in three regions: the Americas; Europe, Middle East, & Africa (EMEA); and Asia-Pacific. These revenues are calculated as a percentage of the market-leading solution's revenues in each region, multiplied by 10, and then rounded to the nearest integer. The solution's overall geographical reach score is the average of these three values.

- **Vertical reach:** Ovum determines each vendor's customer interaction analytics revenues in the following verticals: energy and utilities; financial services; healthcare; life sciences; manufacturing; media and entertainment; professional services; public sector; retail; wholesale and distribution; telecommunications; and travel, transportation, logistics, and hospitality. These revenues are calculated as a percentage of the market leader's revenues in each vertical, multiplied by 10, and then rounded to the nearest integer. The solution's overall vertical reach score is the average of these three values.

- **Customer size:** Ovum determines each vendor's customer interaction analytics revenues in three contact center size bands: large contact centers (more than 500 agent positions), medium-sized contact centers (100–500 agent positions), and small contact centers (fewer than 100 agent positions). These revenues are calculated as a percentage of the revenues of the market leader in each region, multiplied by 10, and then rounded to the nearest integer. The vendor's overall customer size score is the average of these three values.

- **Recognition:** A measure of the portion of the surveyed customers who report familiarity with the vendors' offerings.

Ovum ratings

Vendors were scored across each of the three categories.

- **Market Leader:** This category represents the leading solutions that we believe are worthy of a place on most customer interaction analytics selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best-of-breed.

- **Market Challenger :** The solutions in this category have good market positioning and are selling and marketing the product well. The customer interaction analytics tools offer competitive functionality and a good price-performance proposition and should be considered as part of the technology selection.

▪ **Market Follower:** Solutions in this category are typically aimed at meeting the requirements of a particular kind of customer. As a tier-one offering, they should be explored as part of the technology selection.

Further reading

The Fundamentals of Customer Interaction Analytics Technologies, IT0020-000049 (September 2014)

Workforce Optimization Technologies Forecast: 2013–18, TE007-000679 (June 2013)

"Nexidia integrates voice, text, and early discovery features into Interaction Analytics 11.0," IT0020-000038 (July 2014)

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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