

2011-2012 Speech Analytics Product and Market Report

DMG Consulting's sixth annual **Speech Analytics Product and Market Report** takes an in-depth look at these valuable solutions, which are seeing increasingly rapid adoption. The speech analytics market showed strong momentum in 2010 – 2011, with a wide variety of solutions from which to choose. The comprehensive **2011 – 2012 Speech Analytics Product and Market Report** is designed to provide business and IT leaders with detailed functional and technical descriptions of available solutions, market share, best practices, pricing, benefits, and return on investment (ROI) data. This 372-page Report is a thorough guide to this flourishing technology segment. It frames the market, discusses trends and challenges, and helps users identify appropriate vendors and acquisition models to meet their current and future speech analytics needs.

Most organizations are aware of the benefits of analytics-oriented applications, which provide actionable insights into improving performance. As most companies struggle to do more with less, the focus remains on improving productivity and cutting costs while enhancing the customer experience. As a result of the current economic challenges, customer retention is also rapidly growing in importance as an enterprise goal.

With just 25 traceable speech analytics implementations in 2004, experts and pundits were skeptical about the viability of this emerging sector. Seven years later, it is clear that the speech analytics market is flourishing. Today, with 3,170 implementations, more companies than ever are realizing tremendous returns from speech analytics. These compelling solutions are drawing the interest of business and IT leaders because of their ability to improve the customer experience while reducing costs.

In the midst of a challenged economy, when corporate and IT budgets are strained, this technology sector has shown continued growth. The number of implementations increased by 22% between 2009 and 2010, on top of growth rates in the prior three years of 39%, 50% and 106%, respectively. DMG's research reveals several factors that have contributed to the success of the speech analytics segment:

- New vendors continue to enter the market
- Speech analytics functionality is being embedded into third-party applications
- Larger contact center competitors have started to buy speech analytics start-ups to fill a void in their portfolio
- Vendors are investing in making their solutions more functionally robust and easier to implement and utilize
- Speech processing times have decreased, and real-time speech analytics is now a reality
- The price of enterprise speech analytics implementations is decreasing
- Best practices have emerged to help end users realize the expected returns from speech analytics

The **2011 Speech Analytics Product and Market Report** also identifies several factors that are driving the future growth of this key technology sector:

Customers Have Loud and Echoing Voices. Via the Internet and social media, customers have the power to broadcast their delights and disappointments in innumerable ways. Their ability to positively or negatively impact a company's brand with a few keystrokes is becoming a weighty topic in boardrooms around the world. As a valuable complement to other solutions, speech analytics is a natural next step for enterprises that want to focus on improving their customer interactions. In this era of social

media, speech analytics is giving enterprises much-needed access to the voice of the customer in an unprecedented, organized and systematic manner. By providing a historical and contextual analysis for service interactions, these solutions can help enterprises reconstruct the entire customer journey and evaluate the customer experience in a more detailed and relevant manner than ever before.

The Future is Real-Time. Today, contact centers use speech analytics mainly on a reactive basis, with recordings being analyzed overnight and manual changes taking place the following day. While this is sufficient for many businesses, it is cumbersome and time-consuming. An emerging group of real-time speech analytics solutions is enabling companies to set alerts, notifications and coaching prompts, and to provide feeds into other applications for automated outcomes. With real-time speech analytics, users will be able to judge the emotional state of the caller and determine if supervisor support is needed. DMG sees business and IT leaders inside and outside the contact center utilizing real-time intelligence from speech analytics solutions to re-define and enhance their service, sales and collections strategies to increase revenue and achieve a competitive advantage.

Tracking and Acting on Findings is Critical. There is great potential to make impactful changes based on the insights gleaned from speech analytics, but organizations still have work to do in this area. While some companies have a process in place for responding to findings, many are stuck on what they find rather than what to do next. 2010 was a breakthrough year in terms of awareness of the need for change management programs within organizations, to make speech analytics implementations more successful. This has had a positive impact on the quantifiable benefits associated with speech analytics and the perception of their ability to improve operations and customer satisfaction. However, DMG finds that for every company with a successful speech analytics initiative, there are twice as many that are not realizing the greatest possible return on investment.

DMG expects speech analytics to continue to pick up momentum with organizations across geographies and verticals, particularly as best practices emerge to help companies succeed with their implementations. More vendors will incorporate speech analytics within their solutions, and there will be continued focus on making findings more actionable.

The **2011 – 2012 Speech Analytics Market Report** defines the speech analytics market and explains its value proposition, benefits and uses. It provides a detailed analysis of the seven leading and contending speech analytics vendors – Aurix Limited (acquired by Avaya in October 2011), CallCopy, CallMiner, Nexidia, NICE Systems, Verint Systems and UTOPY – and covers six additional vendors at a high level – Calabrio, GemaTech, Interactive Intelligence, KnoahSoft, Mattersight (formerly eLoyalty) and OnviSource.

Order Information: To order a copy of the *2011 – 2012 Speech Analytics Product and Market Report* contact Deborah Navarra at deborah.navarra@dmgconsult.com or 516-628-1098. You may also purchase the report online at www.dmgconsult.com.

Key Reasons to Buy This Report

- ⇒ Definition of speech analytics, how it works, the associated building blocks and the underlying processing engines
- ⇒ Overview of the state of the speech analytics market as these solutions transform from being perceived as high-risk investments to applications that are viable and highly beneficial for mainstream users
- ⇒ Analysis of market trends and challenges faced by enterprises and speech analytics vendors
- ⇒ Market share analysis, growth rates, contact center adoption rate, and four-year market projections for 2011 – 2014
- ⇒ Company reports for 13 current and emerging speech analytics providers, with detailed functional and technical comparisons of the 7 leading solutions, including products, packages, and offerings for small and mid-sized businesses (SMBs)
- ⇒ Detailed review of the competitive landscape: speech analytics uses, contributions, ROI, emerging product innovation and future direction
- ⇒ Best practices for successful speech analytics implementations, including how to make speech analytics actionable in order to realize quantifiable benefits
- ⇒ Examination of how speech analytics is being used to drive enhancements in processes, workflows and applications outside of the contact center
- ⇒ Analysis and review of emerging real-time speech analytics solutions and their ability to provide rapid insights and on-the-spot agent guidance
- ⇒ Vendor satisfaction survey of the 7 leading speech analytics vendors
- ⇒ Pricing for licensed, hosted and managed service offerings
- ⇒ Speech Analytics Vendor Directory

Report Highlights:

- **Speech analytics is a strong and growing technology sector:** With a compounded annual growth rate (CAGR) of 124% between 2004 and 2010, DMG expects the speech analytics market to continue to expand over the next several years, growing by 42% in 2011, 32% in 2012, 25% in 2013, and 20% in 2014.
- **Speech analytics can harness the voice of the customer:** Organizations have a clear opportunity to leverage speech analytics to improve the customer experience. Speech analytics complements other applications to reconstruct the entire context of a customer's experience, and provides systematic, actionable information that can be used to make impactful changes in customer service strategy.
- **Real-time speech analytics is the future, and it's coming on fast:** Users will soon be able to use real-time analytics to improve agent performance and enhance the customer experience by sending alerts, notifications, and coaching prompts to agents while and interaction is in progress, as well as facilitating automated outcomes through feeds into other applications. In the near future, users will be able to use speech analytics to judge the emotional state of callers and garner supervisor support, as needed, to bring challenging interactions to a successful conclusion on the first try.
- **It's for the enterprise, too:** Though speech analytics has traditionally been used in the contact center to reduce expenses, it offers strategic value across the entire enterprise. DMG provides a list of enterprise uses for speech analytics and best practices for implementing an enterprise strategy.
- **Change management is key to speech analytics success:** 2010 was a breakthrough year in introducing principles of change management that are necessary to improve the effectiveness of speech analytics implementations. This has yielded quantifiable benefits and has demonstrated speech analytics' ability to improve operations and customer satisfaction. Users must continue to focus on taking appropriate action based on the valuable information gleaned from their speech analytics implementations, and vendors will continue to invest in making their findings more actionable for users.

Sample Figure: Speech Analytics Market Projection

Source: DMG Consulting LLC, November 2011

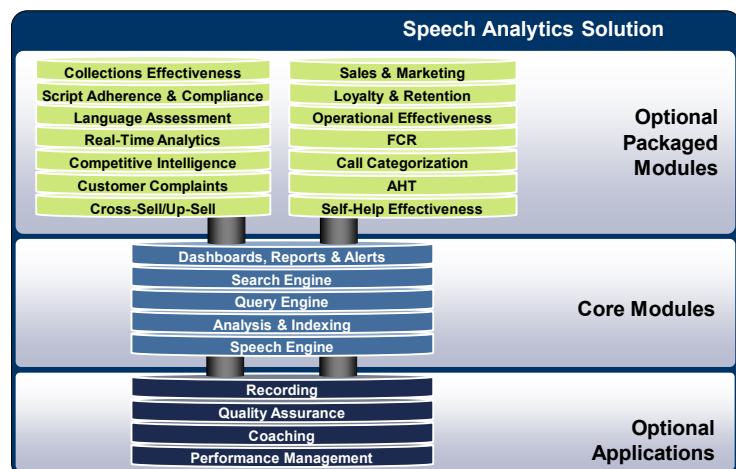


Table of Contents

1. Executive Summary
2. Introduction
3. DMG Consulting Research Methodology
 - 3.1 Report Participation Criteria
4. What is Speech Analytics?
 - 4.1 How it Works
 - 4.2 Application Building Blocks
5. Market Trends and Challenges
 - 5.1 Trends
 - 5.2 Market Challenges
6. Product Innovation
 - 6.1 New Features
 - 6.2 Planned Innovation
7. Market Activity and Market Share Analysis
 - 7.1 Validating Market Activity Numbers
 - 7.2 Market Growth Rate
 - 7.3 Market Share Analysis
8. Adoption Rate of Speech Analytics
9. Speech Analytics Market Projections
10. Speech Analytics Competitive Landscape
 - 10.1 Stand-Alone Vendors
 - 10.2 Workforce Optimization Suite Providers
 - 10.3 Partners
 - 10.4 Contact Center Infrastructure Providers
 - 10.5 Speech Engine Providers
 - 10.6 Service Providers
 - 10.7 Other Speech Analytics Vendors
11. Service Delivery Models
 - 11.1 Service Delivery Model Definitions
 - 11.2 Service Delivery Options for Speech Analytics
12. Speech Analytics Uses, Benefits and ROI
 - 12.1 Contact Center Uses and Benefits
 - 12.2 Enterprise Uses and Benefits
 - 12.3 Practical Uses of Speech Analytics
 - 12.4 ROI
13. Putting Speech Analytics Results to Work
 - 13.1 Discovery
 - 13.2 Retrieval and Replay
 - 13.3 Reports, Dashboards and Alerts
14. Realizing the Greatest Results from Your Speech Analytics Solution
 - 14.1 Making Speech Analytics Results Actionable
15. Using Speech Analytics to Improve Other Processes
 - 15.1 Voice of the Customer Initiatives
 - 15.2 Analytics-Enabled QA and Coaching
16. Real-Time Capabilities
 - 16.1 Real-Time Intelligence and Guidance Tools
17. Speech Analytics Vendors and Products
 - 17.1 Vendor Strategies
 - 17.2 Vendor Product Overview
 - 17.3 Vendor Product Offerings
 - 17.4 Packaged Offerings
 - 17.5 Small and Mid-Sized Business Offerings

Table of Contents (continued)

- 18. High-Level Capabilities
- 19. Speech Analytics Technology
 - 19.1 High-Level Technical Summary
 - 19.2 Detailed Technical Analysis
 - 19.2.1 Speech Analytics Engines
 - 19.2.2 Application Accuracy
 - 19.2.3 Processing Speed
 - 19.2.4 Speech Recognition Capabilities
 - 19.2.5 Storage
 - 19.2.6 Database
 - 19.2.7 System Security
 - 19.2.8 System Administration
 - 19.3 Detailed Functional Analysis
 - 19.3.1 Application Accuracy and Business Relevancy
 - 19.3.2 System Tuning
 - 19.3.3 Indexing Search and Queries
 - 19.4 Complementary Technology
 - 19.4.1 Emotion Detection
 - 19.4.2 Text Analytics
- 20. Implementation Analysis
 - 20.1 Workshops and Training
- 21. Speech Analytics Vendor Satisfaction Analysis
 - 21.1 Summary-Level Survey Findings and Analysis
 - 21.2 Detailed Survey Findings and Analysis
 - 21.3 Customer Insights
- 22. Pricing
 - 22.1 Usage-Based Pricing
 - 22.2 Vendor Pricing for Hosted/SaaS/Cloud-Based Solutions
 - 22.3 Vendor Pricing for Managed Service Solutions
- 23. Company Reports
 - 23.1 Aurix Limited
 - 23.2 Calabrio
 - 23.3 CallCopy
 - 23.4 CallMiner
 - 23.5 GemaTech
 - 23.6 Interactive Intelligence
 - 23.7 KnoahSoft
 - 23.8 Mattersight Corporation
 - 23.9 Nexidia
 - 23.10 NICE Systems
 - 23.11 OnviSource
 - 23.12 UTOPIA
 - 23.13 Verint Systems
- Appendix: Speech Analytics Vendor Directory

Table of Figures

- Figure 1: The Speech Analytics Process
- Figure 2: Speech Analytics Technology Building Blocks
- Figure 3: Speech Analytics Market Trends
- Figure 4: Speech Analytics Vendor Trends
- Figure 5: Speech Analytics Market Challenges
- Figure 6: New Product Features
- Figure 7: Planned Innovation by Category
- Figure 8: Planned Innovation by Vendor
- Figure 9: Contact Center Speech Analytics Implementations and Percent Growth, 2004 to 2010
- Figure 10: Contact Center Speech Analytics Market Activity by Vendor, as of July 2011
- Figure 11: Total Number of Speech Analytics Seats, 2009 vs. 2010 Comparison
- Figure 12: 2010 Speech Analytics Market Share by Number of Implementations, as of July 2011
- Figure 13: 2010 Speech Analytics Market Share by Number of Implementations
- Figure 14: Speech Analytics Market Share by Number of Seats, as of July 2011
- Figure 15: 2010 Speech Analytics Market Share by Number of Seats
- Figure 16: Speech Analytics Market Activity by Vendor, December 2006 – July 2011
- Figure 17: Number of Customers by Vendor, 2006 – 2010
- Figure 18: Speech Analytics Contact Center Adoption Rate, 2006 – 2010
- Figure 19: Speech Analytics Market Projections by Seats, 2011 – 2014
- Figure 20: Updated Speech Analytics Demand Model: Actual Seats Implemented, 2006 – 2010 and Four-Year Forecast, 2011 – 2014
- Figure 21: Speech Analytics Vendors
- Figure 22: Service Delivery Models
- Figure 23: Speech Analytics Service Delivery Model
- Figure 24: Speech Analytics Contact Center Uses
- Figure 25: Enterprise Uses of Speech Analytics
- Figure 26: Practical Uses of Speech Analytics
- Figure 27: Average Payback from Speech Analytics Applications, by Vendor
- Figure 28: Discovery
- Figure 29: Retrieval and Replay Capabilities
- Figure 30: Reporting, Dashboards and Alerts
- Figure 31: Making Results Actionable
- Figure 32: The Precision Monitoring Process
- Figure 33: Real-Time Capabilities
- Figure 34: Enablers of Real-Time Intelligence
- Figure 35: Company Information
- Figure 36: Vendor Strategies
- Figure 37: Product Analysis
- Figure 38: Products and Modules
- Figure 39: Packaged Offerings
- Figure 40: SMB Offerings
- Figure 41: High-Level Capabilities
- Figure 42: High-Level Technical Summary
- Figure 43: Speech Analytics Engines
- Figure 44: Application Accuracy
- Figure 45: Processing Speed
- Figure 46: Speech Recognition Capabilities
- Figure 47: Storage
- Figure 48: Database
- Figure 49: System Security
- Figure 50: System Administration
- Figure 51: Business Relevancy Of Speech Analytics Findings

Table of Figures (continued)

- Figure 52: System Tuning
- Figure 53: Indexing, Search and Queries
- Figure 54: Emotion Detection
- Figure 55: Text Analytics
- Figure 56: Implementation Analysis
- Figure 57: Workshops and Training
- Figure 58: Customer Survey Rating Point Scale
- Figure 59: Average Satisfaction Ratings, by Category
- Figure 60: Product Satisfaction Ratings, by Category
- Figure 61: Product Ease of Configuration/Use/ Maintenance Satisfaction Ratings, by Customer
- Figure 62: Ease of Integration with Third-Party Applications Satisfaction Ratings, by Customer
- Figure 63: Ease of Creating Searches and Queries Satisfaction Ratings, by Customer
- Figure 64: System Flexibility Satisfaction Ratings, by Customer
- Figure 65: Product Feature Set Satisfaction Ratings, by Customer
- Figure 66: Ability to Conduct Discovery/Surface Issues Previously Unknown Satisfaction Ratings, by Customer
- Figure 67: Accuracy and Business Relevance of Results Satisfaction Ratings, by Customer
- Figure 68: Ability to Conduct Root Cause Analysis Satisfaction Ratings, by Customer
- Figure 69: Ability to Identify Findings That Can be Applied to Effect Change Satisfaction Ratings, by Customer
- Figure 70: Reporting Satisfaction Ratings, by Customer
- Figure 71: Implementation Satisfaction Ratings, by Customer
- Figure 72: Training Satisfaction Ratings, by Customer
- Figure 73: Workshop Satisfaction Ratings, by Customer
- Figure 74: Service and Maintenance Satisfaction Ratings, by Customer
- Figure 75: Professional Services Satisfaction Ratings, by Customer
- Figure 76: Innovation and Responsiveness to Product Enhancement Requests Ratings, by Customer
- Figure 77: Product Pricing Satisfaction Ratings, by Customer
- Figure 78: Overall Satisfaction Ratings, by Customer
- Figure 79: What were the top 3 to 5 primary drivers in your decision to purchase a speech analytics solution?
- Figure 80: What are the top 3 to 5 benefits that you derive from using speech analytics?
- Figure 81: What are the top 3 to 5 ways that you are using speech analytics?
- Figure 82: What business units in your company are using information identified by your speech analytics application?
- Figure 83: What does your vendor excel at?
- Figure 84: Customer Verbatims: What can your vendor do better?
- Figure 85: Customer Verbatims: What product enhancements would you like to see?
- Figure 86: Customer Verbatims: What is the most significant "discovery" you have made from using speech analytics?
- Figure 87: Customer Verbatims: Please provide any additional comments about your experience with the vendor and/or product.
- Figure 88: 2011 Speech Analytics Price Ranges – Licensed Model
- Figure 89: Speech Analytics Price Ranges by Cost Category – Licensed Model
- Figure 90: Speech Analytics Price Ranges – Licensed Model, 2009 – 2011 Comparison
- Figure 91: Speech Analytics Costs – Licensed Model – (500-Seat Implementation)
- Figure 92: Speech Analytics Costs – Licensed Model – (250-Seat Implementation)
- Figure 93: Speech Analytics Costs – Licensed Model – SMB (50-Seat Implementation)
- Figure 94: Speech Analytics Costs – Licensed Model – (Usage-Based Pricing)
- Figure 95: Speech Analytics Costs – Hosted/SaaS/Cloud-Based (for a 250-seat contact center)
- Figure 96: Speech Analytics Costs – Managed Care Model (for a 250-seat contact center)

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