DMG
CONSULTING LLC

Abstract

2021 – 2022
Interaction Analytics Product and Market Report

DMG Consulting's **2021 – 2022 Interaction Analytics Product and Market Report**, our 16th annual report on this sector, focuses on contact center and service-related uses of interaction analytics (IA). It also covers broader applications of IA throughout the enterprise, including its value in operationalizing the findings from voice-of-the-customer (VoC), customer journey analytics (CJA) and customer experience (CX) solutions. The Report also examines the substantial benefits of embedding IA in third-party applications to enrich their output and findings.

Interaction analytics has proven its effectiveness in both the best and worst of times. During the COVID-19 pandemic, it became an essential application for enterprises, not just contact centers, as it provided insights into customer wants and needs as well as employee performance, data that was unavailable from any other source. The output from IA applications enabled companies to keep their employees safe, sustain the integrity of their brand, adapt to an increasingly digital economy, and remain relevant during a period of unprecedented upheaval and challenges.

Customers expect the companies they do business with to be agile and responsive to their needs. Companies need to gather information about customers' concerns in order to provide this level of consistently outstanding service. Voice-of-the-customer solutions (otherwise known as surveying) can be used to solicit this data, but there is a risk of survey fatigue if this process is used too often, and there are also times, such as during the pandemic, when it's inappropriate to ask customers for feedback. Interaction analytics, however, is able to provide these necessary customer insights because it is passive and gathers information without having to ask customers to respond. Deriving vital data from customer interactions has allowed companies to adopt a "customer-first" approach to service, enabling them to pivot to address rapidly changing customer needs.

Enterprises also need data on how well their employees are delivering service on an ongoing basis. Companies need inputs that can be used in the moment to alter outcomes during customer interactions, as well as data from past transactions to help identify patterns and opportunities to improve performance. Interaction analytics is the only application that can provide both real-time and historical information for analysis.

Digital transformation is occurring in companies at an increasing rate, and companies that were putting off the transition to digital service experienced a harsh wake-up call during the pandemic. Customers are expressing a growing preference for digital transactions, particularly self-service, and companies need to be prepared to respond in customers' digital channels of choice. Interaction analytics is highly beneficial because it can address voice and digital channels. Companies should use IA to gain visibility into

what is happening across channels and business units and obtain a comprehensive understanding of the customer journey.

The world of work has also been transformed by the pandemic. Work-at-home (WAH) is here to stay. Competition for agents has become fierce, as digital transformation has expanded the prospective employee pool nationally and even internationally. Interaction analytics addresses this challenge with its ability to understand and analyze voice and digital interactions in multiple languages. It can provide real-time alerts and next-best-action guidance to agents regardless of where they are based. IA also provides visibility and oversight into the performance of remote staff, which is essential for an increasingly geographically dispersed workforce. Interaction analytics can perform automated quality management (AQM), more accurately overseeing agent performance and gathering customer insights than the traditional manual methods of quality management. Together with robotic process automation (RPA) solutions, IA can also be used to audit 100% of financial interactions performed by agents.

The *2021 – 2022 Interaction Analytics Product and Market Report* provides a comprehensive and insightful analysis of the IA market, competitive landscape, product innovation, as well as market, business and servicing trends and challenges. The Report examines market activity and provides 5-year market projections. It also explores customer satisfaction with vendors, products and pricing, and offers implementation and operational best practices to help users realize an ongoing return on their investment. This Report is intended to help contact center and enterprise leaders and managers in small, mid-size and large companies select the right solution, technology, functionality and partner to meet their organization’s current and future interaction analytics needs.

The *2021 – 2022 Interaction Analytics Product and Market Report* features seven vendors who offer an interaction analytics solution as part of a broader WFO offering or as a best-of-breed solution. These vendors are: Calabrio, Clarabridge, NICE, OnviSource, Sestek, Verint and Xdroid. Three other vendors, CallMiner, Observe.ai, and Yaqtrac, are covered at a higher level.

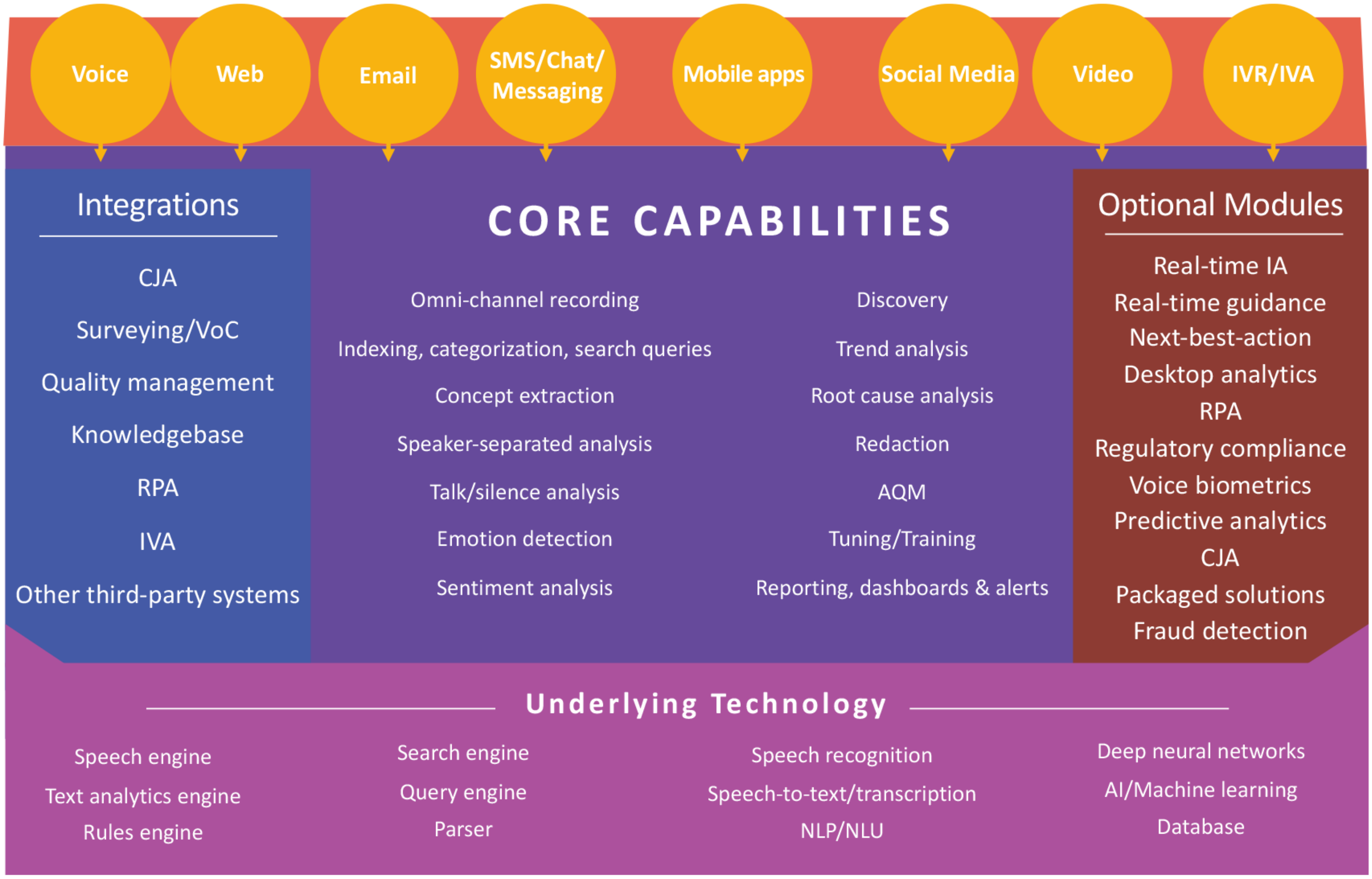
Report Highlights

- **Interaction analytics is the best source for important customer and employee insights:** Interaction analytics solutions enable companies to alter the outcome of customer conversations, responding in real time, and to passively gather historical data that provides insights into customer wants and needs as well as employee performance. This information is key to enabling a company to be agile in addressing customer expectations for service and for optimizing employee performance in delivering a consistently high-quality customer experience.
- **The digital transformation is driving the need for IA solutions:** Companies need to be prepared to respond to customers in their channels of choice, which are increasingly digital. Interaction analytics follows conversations as customers pivot from one channel to another, providing necessary insights into all touchpoints in the customer journey.
- **Interaction analytics is driving the quality management process into the future:** Interaction analytics can be used to perform automated quality management, which can identify company and customer insights more accurately than traditional manual quality management. This means that it can help determine if agents are doing their jobs properly and are accurately responding to customer needs in all channels.
- **Companies will benefit from IA capabilities as they transition to the "new normal" business world:** Work-at-home and hybrid workforces have become the norm. Companies need IA to oversee the performance of remote and international employees. Interaction analytics can alert and guide agents to the next best action, regardless of where those employees are located.

Key Reasons to Buy This Report

- Interaction analytics defined, how it works, and a high-level overview of the key functional capabilities in the 7 featured IA solutions
- Current market and business trends and challenges that are driving vendor innovation and enterprise investments
- Vendor innovation; feature and functionality enhancements recently released and near-term updates planned for the next 12 – 18 months
- Examination of the contributions of interaction analytics to businesses during the worldwide COVID healthcare crisis and vendor opportunities precipitated by the pandemic
- A guide for getting started with analytics-enabled quality management (AQM) and steps for a successful implementation
- Examination of how IA is an essential tool for capturing the voice of the customer, understanding the customer journey and measuring and improving the customer experience
- Discussion of how the findings from IA can be operationalized and applied to broader enterprise-wide applications, including strategic opportunities
- Market activity and market share analysis, adoption rate and 5-year projections
- Review and assessment of the IA competitive landscape, including a high-level company overview of the featured vendors
- Analysis of the key functional capabilities of the 7 featured IA solutions; artificial intelligence (AI) and automation, system administration, security features, and business intelligence (BI), reporting and dashboards
- Implementation analysis; vendor implementation methodology and best practices, professional services, training and workshops, return-on-investment (ROI) time frame and benefits for building a business case
- Pricing comparison and analysis for 250-seat on-premise and cloud-based implementations
- Comprehensive vendor satisfaction survey results that measure and rank vendor approval ratings across 10 vendor categories, 9 product capabilities and 5 product effectiveness categories
- Detailed company reports for the 10 vendors covered in this Report, including product functionality and future product development plans
- Interaction Analytics Vendor Directory

Figure 1: Interaction Analytics


Voice
Web
Email
SMS/Chat/ Messaging
Mobile apps
Social Media
Video
IVR/IVA
Integrations
CJA
Surveying/VoC
Quality management
Knowledgebase
RPA
IVA
Other third-party systems
CORE CAPABILITIES
Omni-channel recording
Indexing, categorization, search queries
Concept extraction
Speaker-separated analysis
Talk/silence analysis
Emotion detection
Sentiment analysis
Discovery
Trend analysis
Root cause analysis
Redaction
AQM
Tuning/Training
Reporting, dashboards & alerts
Optional Modules
Real-time IA
Real-time guidance
Next-best-action
Desktop analytics
RPA
Regulatory compliance
Voice biometrics
Predictive analytics
CJA
Packaged solutions
Fraud detection
Underlying Technology
Speech engine
Text analytics engine
Rules engine
Search engine
Query engine
Parser
Speech recognition
Speech-to-text/transcription
NLP/NLU
Deep neural networks
AI/Machine learning
Database

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