[24]7.ai is Leader in SPARK Matrix: Virtual Customer Assistants (VCA), 2021

Quadrant
Knowledge Solutions

2021
SPARK MATRIX
LEADER

Virtual Customer Assistants
(VCA) Market

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A Virtual Customer Assistant (VCA) is a computer programming application that replicates human-like conversations to deliver information to customers, which could be text-based or audio-based and is capable of being interactive and undertaking transactional activities. Users can interact with virtual customer assistants through direct web, mobile communication applications, kiosks, common messaging forums, and other web and mobile-based interfaces. Advanced virtual customer assistants can support speech-based engagements, provided the voice processing modules are enabled. The virtual customer assistants adapt to the content and context of user inputs by combining natural-language processing and conversational artificial intelligence - by real-time updation of its data repositories, providing sustained and strong customer value proposition, and enabling organizations to have an open channel to serve and communicate with their customers.

In the current digital economy, organizations want to engage with customers at every point of interaction. To create a smooth customer experience, organizations are leveraging virtual customer assistants, which are capable of undertaking multiple customer service tasks which include - navigating the website, delivering product information, supporting customers in payments of the bill, and routing customer service issues to human agents. The growing desire for automation in the service industry is boosting the usage of virtual customer assistants to provide a better customer experience. The biggest advantage of virtual customer assistants is that they are effective at resolving repetitive client issues including answering customers' queries or FAQs, which could otherwise result in lowered efficiency of customer executives and client satisfaction, delaying the total query resolution time.

Virtual Customer Assistants are incorporated by multiple industries globally including the BFSI, healthcare, and the automotive sector, amongst others. They offer multiple services like digital banking and transactions, customer support, employee self-service, and are deployed by organizations to assist customers with routine tasks including - account inquiry and update, statement generation, common FAQs redressal, information about latest products and services, and promoting customer contact information updation amongst others. Additionally, virtual customer assistants can also be used to initiate better inter-departmental communication, employee leave application, reimbursement information, and keeping a tab on working hours. Incorporating

artificial intelligence within virtual customer assistants is furthering its benefits within organizations, like boosting revenue and employment, improving corporate operations, and automating internal business processes. Virtual customer assistants offer a unique opportunity to develop a new digital operating space which supports the existing human workforce serving both - B2B and B2C customers.

Using conversational AI and cloud-enabled services, virtual customer assistants can be applied effectively to external customer-facing use-cases and assisting enterprises in meeting the needs of digital natives. Furthermore, out-of-the-box virtual customer assistants support specific enterprise departments requiring standard modules, including - marketing, sales, and customer support. The COVID-19 pandemic has significantly impacted the global services industry, promoting the increased use of machine learning (ML) and natural language processing (NLP). This has led to an increased use of cost-effective virtual customer assistant solutions, especially since they support regional languages, allowing effective communication across global clients.

Quadrant Knowledge Solutions' SPARK Matrix: Virtual Customer Assistants (VCA), 2021 research includes a detailed analysis of the market dynamics, major market and technology trends, vendor landscape, competitive positioning analysis, and future market outlook. This research provides strategic information - for technology vendors to better understand the existing market, supporting their growth strategies; and for users to evaluate different vendors' capabilities, competitive differentiation, and market position.

The research includes detailed competition analysis and vendor evaluation with the proprietary SPARK Matrix analysis. SPARK Matrix includes ranking and positioning of leading virtual customer assistants' vendors, with a global impact. The SPARK Matrix includes analysis of vendors, including IBM, Microsoft, [24]7.ai, IP Soft, Nuance Communications, Artificial Solutions, Kore.ai, Creative Virtual, EdgeVerve, DRYiCE by HCL Technologies, LogMeIn, Jacada, Uniphore, Aivo, Interactions, Boost.ai, Inbenta, CX Company, and Enterprise Bot.

SPARK Matrix Analysis of the Virtual Customer Assistants (VCA) Market

Quadrant Knowledge Solutions conducted an in-depth analysis of the major virtual customer assistants' vendors by evaluating their product portfolio, market presence, and customer value proposition. The Virtual Customer Assistants market outlook provides competitive analysis and a ranking of the leading vendors in the form of a proprietary SPARK Matrix[TM]. SPARK Matrix analysis provides a snapshot of key market participants and a visual representation of market participants. It also provides strategic insights on how each vendor ranks related to their competitors based on their respective technology excellence and customer impact parameters. The evaluation is based on the primary research including expert interviews, analysis of use cases, and Quadrant's internal analysis of the overall VCA market.

Technology Excellence	Weightage
Sophistication of Technology	20%
Competitive Differentiation Strategy	20%
Application Diversity	15%
Scalability	15%
Integration & Interoperability	15%
Vision & Roadmap	15%

Customer Impact	Weightage
Product Strategy & Performance	20%
Market Presence	20%
Proven Record	15%
Ease of Deployment & Use	15%
Customer Service Excellence	15%
Unique Value Proposition	15%

According to the SPARK Matrix analysis of the global Virtual Customer Assistants (VCA) market, "[24]7.ai, with a robust functional capability of its virtual customer assistants' application has secured strong ratings across the performance parameters of technology excellence and customer impact and has been positioned amongst the technology leaders in the 2021 SPARK Matrix of the Virtual Customer Assistants market."

Figure: 2021 SPARK Matrix
(Strategic Performance Assessment and Ranking)
Virtual Customer Assistants (VCA) Market

SPARK Matrix™: Virtual Customer Assistants, 2021
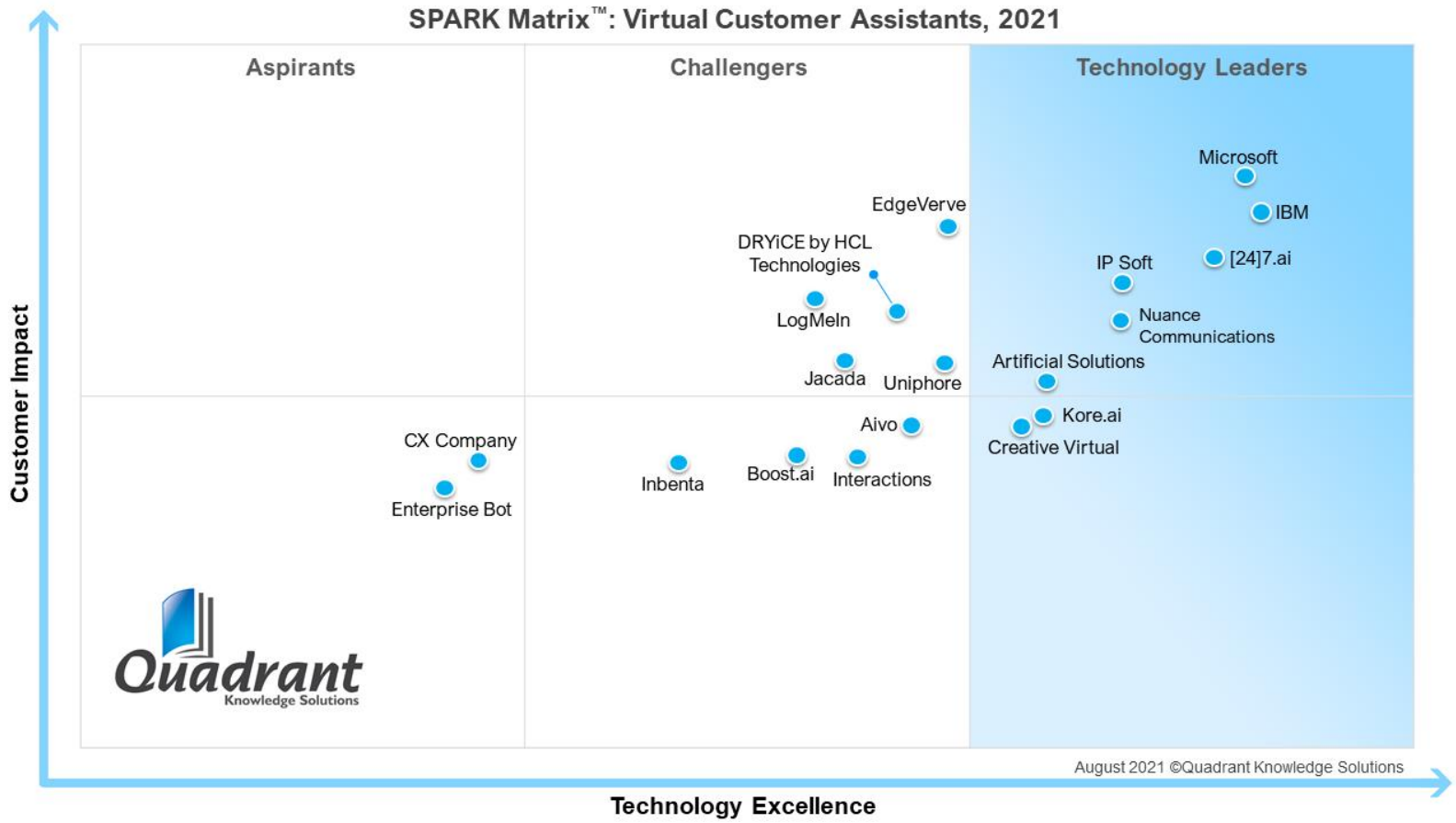
[24]7.ai in the Global Virtual Customer Assistant (VCA) Market

Founded in 2000 and headquartered in San Jose, California, U.S.A., [24]7.ai offers AI-powered digital and voice automation solutions that help companies create personalized, predictive, and effortless customer experiences across all channels. The company's [24]7 AIVA (conversational AI engine) technology uses advanced and proven techniques to uniquely understand the intent and learn from every interaction. AIVA uses natural language processing to suggest responses to human agents based on consumer intent and creates feedback loops for humans to train the AI. The key features and functionalities offered by the AIVA technology include natural language-based intent classification, omnichannel capabilities, seamless escalation to human agents with context and conversation, sentiment and social detection, machine learning and deep learning, model abstraction layer, vertical intent libraries, and intent discovery and intent prediction.

The company leverages the capabilities of AIVA technology to offer a fully integrated customer experience suite known as the [24]7.ai Engagement Cloud. The [24]7.ai Engagement Cloud can manage human and bot interactions across digital and voice channels through a suite of apps including [24]7 Active Share, [24]7 Answers, [24]7 Assist, [24]7 Conversations, [24]7 Journey Analytics, [24]7 Target and [24]7 Voices. The company's VCA application – [24]7Assist offers a suite of tools that helps agents to efficiently serve customers across digital and voice engagements, which comprises [24]7 Digital Assist, Assist Widget for CRM, and [24] Active Share.

Digital Assist is a unified, AI-powered agent console that is a preferred digital workspace for agents. It supports chat and multiple messaging channel interactions from a unified desktop. It also enables agents to - drive intent-driven conversations with an assisted response, create awareness of the visitor web journey, and knowledge base. Digital assist also performs advanced routing and queuing to match cases to the right agent and queue data from the CRM and knowledge base. Digital Assist's lead console allows supervisors to gain a real-time view into interactions and levers to easily manage traffic and interactions. Furthermore, supervisors can manage and drive continuous performance improvement of a team through real-time metrics and reports.

The Assist widget seamlessly integrates and functions optimally within the Salesforce Service Cloud, such that it can communicate with the hosting

application to ensure that matching records for the customers are presented, as the agent manages concurrent chats. Digital Assist's agent console can be natively plugged in, to get advanced console features, including real-time context, multiple concurrent chats, smart responses, and such others. Active Share simplifies complex voice calls by empowering agents to push visually rich, personalized, interactive digital content directly to a caller's mobile device during a call. It can push content for a variety of complex voice journeys and intents, such as - terms and conditions, regulatory compliance statements, reviewing and comparing plan/product details, applications, enrolments, balance transfer, claim filing, and troubleshooting.

The intent classification and prediction capability enable the agents to have the right answer at the right time to provide a great customer experience. AIVA needs transcribed client-specific utterance data, which is used to train the SLM and Classifier. The transcribed data is then used for the training of SLM - created for client applications and intent classification. AIVA's advanced NLP capabilities convert pre-built sentiment and social models to prioritize and transfer the conversation to a live agent when it anticipates that the customer needs to speak with an expert.

The AIVA platform incorporates an intent discovery tool and uploads the conversations between agents and customers to the cloud periodically. AIVA uses deep learning algorithms to immediately provide insights into customers' intentions to determine which action to automate. An intuitive, dual interface AI model management environment helps analysts and data scientists to fine-tune the conversational models. [24]7.ai provides a vertical intent library consisting of pre-built ontologies and day zero models for top verticals to help businesses during their development stage.

Analyst Perspective

Following is the analysis of [24]7. ai's capabilities in the global virtual customer assistants market:

♦ [24]7.ai's conversational AI platform predicts consumer intent to create frictionless interactions, thus strengthening relationships and increasing brand loyalty. AIVA brings smarter and more precise automation to customer interactions and combines deep learning or machine learning technology with unique collaborative tagging, to learn and evolve. Machine learning capability helps AIVA to learn from interactions

between customers, bots, and human agents, and to understand consumer intent enabling natural conversations.

♦ [24]7.ai offers omnichannel experiences that allow clients to engage in a single, integrated conversation across devices and digital platforms. Clients are seamlessly redirected to live agents when expert guidance is required. By using omnichannel data, [24]7.ai can offer a better customer experience. Omnichannel capability further makes it possible to deploy conversations across multiple platforms - from messaging channels to digital and voice channels.

♦ [24]7 Assist is built by agents for agents, and it draws on input from 7,000+ in-house agents to support a comprehensive range of agent needs. It offers an optimized layout with visual cues and predictive models to allow agents to focus on the right conversation. AI and Agent Teaming Bots assist agents with smart responses to improve customer satisfaction and agent productivity. Agents train Bots to improve automation and reduce time-to-market. Furthermore, Assist integrates seamlessly with various CRM and enterprise systems, providing agents complete customer context and data, within a single view.

♦ [24]7.ai's key differentiators include a conversational messaging platform working across multiple channels and providing open channel APIs for extensibility, and the 'Engagement Cloud' which supports both synchronous and asynchronous messaging, in addition to integrating with all leading messaging applications. It also provides a combination of artificial intelligence (AI) with human insights (HI) rich data, apart from vertical expertise honed from multiple years of customer service. The company also provides visual cards that augment any channel to promote intent prediction and make the user experience more satisfying.

♦ From the geographical presence perspective, the company has its majority presence in the North American region followed by the Asia Pacific. The company holds a strong customer base including some of the leading brands across industry verticals such as banking & financial services, travel, and telecom sector, amongst others.

♦ Some of the top use cases of the virtual assistant platform deployment for [24]7.ai based on the existing customer base would be for the travel sector where clients use VCA to make reservations, and in the banking

sector wherein the banks can easily automate FAQs and guide users to the right information. It can also be utilized in the insurance sector wherein the customers can file claims and check the status of repairs. Similarly, other use cases occur within the telecom sector, wherein customers can check the billing status, and the education sector wherein students can enquire about financial aids and registration information.

♦ The company faces growing competition from vendors offering competitive industry specific VCA solutions and may also face a challenge to achieve high market penetration beyond the North American region - due to the dominance of other vendors with higher brand visibility. The company could focus on catering to mid-market to small enterprise needs and to support multiple and diverse use cases - to accelerate its global growth. With its sophisticated technology platform and comprehensive functional capabilities, [24]7.ai is poised to expand its market share in the global VCA market.

♦ [24]7.ai is focusing on integrating new features to its VCA platform including conversation discovery that uses past data to automatically generate common user workflows for self-service. The company also plans to enhance its platform with key features such as - intent-based SLAs for Async messaging, video conferencing capability, dynamic audio voice response via custom TTS, self-updating models, integration with 3rd party chats or bots, conversation compliance, and RPA integration, amongst others.