

Knowledge Brief

Quadrant Knowledge Solutions

[24]7.ai is a Leader in SPARK Matrix: Virtual Customer Assistants (VCA), 2022



An Excerpt from Quadrant Knowledge Solutions
"SPARK Matrix: Virtual Customer Assistants, 2022"

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Virtual customer assistants (VCA) is a programming application that replicates human-like conversations to deliver information to customers, including text-based and speech-based engagements. Users can interact with VCA through a web, kiosk, or mobile interface, common messaging forums, and other web and mobile-based interfaces. The VCA adapts to the content and context of user inputs by combining natural-language processing and conversational artificial intelligence by updating its data repositories in real-time, 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 (VCA) that are capable of undertaking multiple customer service tasks, including navigating the website, delivering product information, helping customers pay bills, and routing customer service issue inquiries to human agents. The growing desire for automation in the service industry is boosting the usage of virtual customer assistants to provide an enhanced customer experience. The biggest advantage of VCAs is that they effectively resolve repetitive client issues, including answering customer queries or FAQs. These mundane tasks otherwise lower the morale of human executives, which subsequently results in low customer satisfaction and delays the total query resolution time.

Multiple industries incorporate virtual customer assistants globally to improve the quality of responses and enhance customer experience. VCAs are used in various industries, including the BFSI, healthcare, and automotive sectors. VCA solutions comprise multiple services like digital banking, customer support, and employee self-service. These solutions are deployed by banks to assist customers with routine banking tasks such as balance enquiry and account statements. They assist customers with common questions, provide information about new products and services, and allow them to change their contact information. Additionally, VCA can be used to initiate better inter-departmental communication and employee leave applications, examine reimbursement information, and keep a tab on working hours.

Quadrant Knowledge Solutions' SPARK Matrix: Virtual Customer Assistants, 2022 research includes a detailed analysis of the global market regarding short-term and long-term growth opportunities, emerging technology trends, market trends, and future market outlook. This research provides strategic information for technology vendors to better understand the existing market, support 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. This study includes an analysis of key vendors, including [24]7.ai, Aivo, Amelia, Artificial Solutions, Boost.ai, Creative Virtual, DigitalGenius, DRYiCE by HCL Technologies, EdgeVerve, eGain, Enterprisebot, IBM, Inbenta, Interactions, Kore.ai, LogMeIn, Microsoft, Nuance, Omilia, Uniphore, and Verint.

Market Dynamics and Trends

The virtual customer assistants (VCA) market has been gaining traction due to the increased need for personalization and increased focus on providing a better customer experience (CX). The COVID-19 pandemic has significantly impacted the global services industry, promoting the use of machine learning (ML) and natural language processing (NLP). This has driven the need for cost-effective VCA since VCA supports regional languages, enabling effective communication with clients around the world.

VCA vendors are focusing on strengthening their platform capabilities by leveraging AI/ML and analytics to gain and understand buyer insights. Vendors continue to augment their AI models to understand customer behavior, actions, intent, context, and sentiment. Furthermore, organizations are constantly looking for virtual assistants that can offer a personalized CX, adapt to their evolving business models, and enable them to efficiently design business and customer-centric strategies. AI is furthering the benefits of VCAs, which are being developed by technology corporations to boost revenue and employment and improve corporate operations.

Technology Trends

The following are the key technology drivers as per Quadrant Knowledge Solutions' Virtual Customer Assistants strategic research:

- VCA Vendors are focusing on integrating third-party applications, which enables developers to build new solutions or features in less time by utilizing existing components. Third-party tools also add monitoring and reporting features, which enable users to gain insights into customer behavior and improve customer experience.
- Vendors are implementing multilingual support to VCA enabling users to communicate with a virtual assistant in their native language and respond to queries from the local culture and linguistic context, eliminating the need for hiring, training, and monitoring human agents to manage new markets and consumers.

- Vendors are providing users with actionable insights into their customer experience, assisting in real-time verification of overall chatbot health, identifying areas for improvement and bottlenecks, and optimizing the outcome.
- Vendors are focusing on providing a robust intent recognition based on user utterance. It assists users in handling multiple requests during a single interaction and automates the back-end process without human assistance regardless of the channel.
- Vendors are providing customers with an intuitive visual experience that solves their queries, reducing time to resolution and the likelihood of escalating to an agent.
- Vendors are focusing on enterprise-grade security, enabling organizations to provide superior security, adhere to a highly secure protocol, and use enterprise-grade encryption.
- Organizations are also using no-code tools to make technology accessible to non-technical users and to provide more self-service VCA.

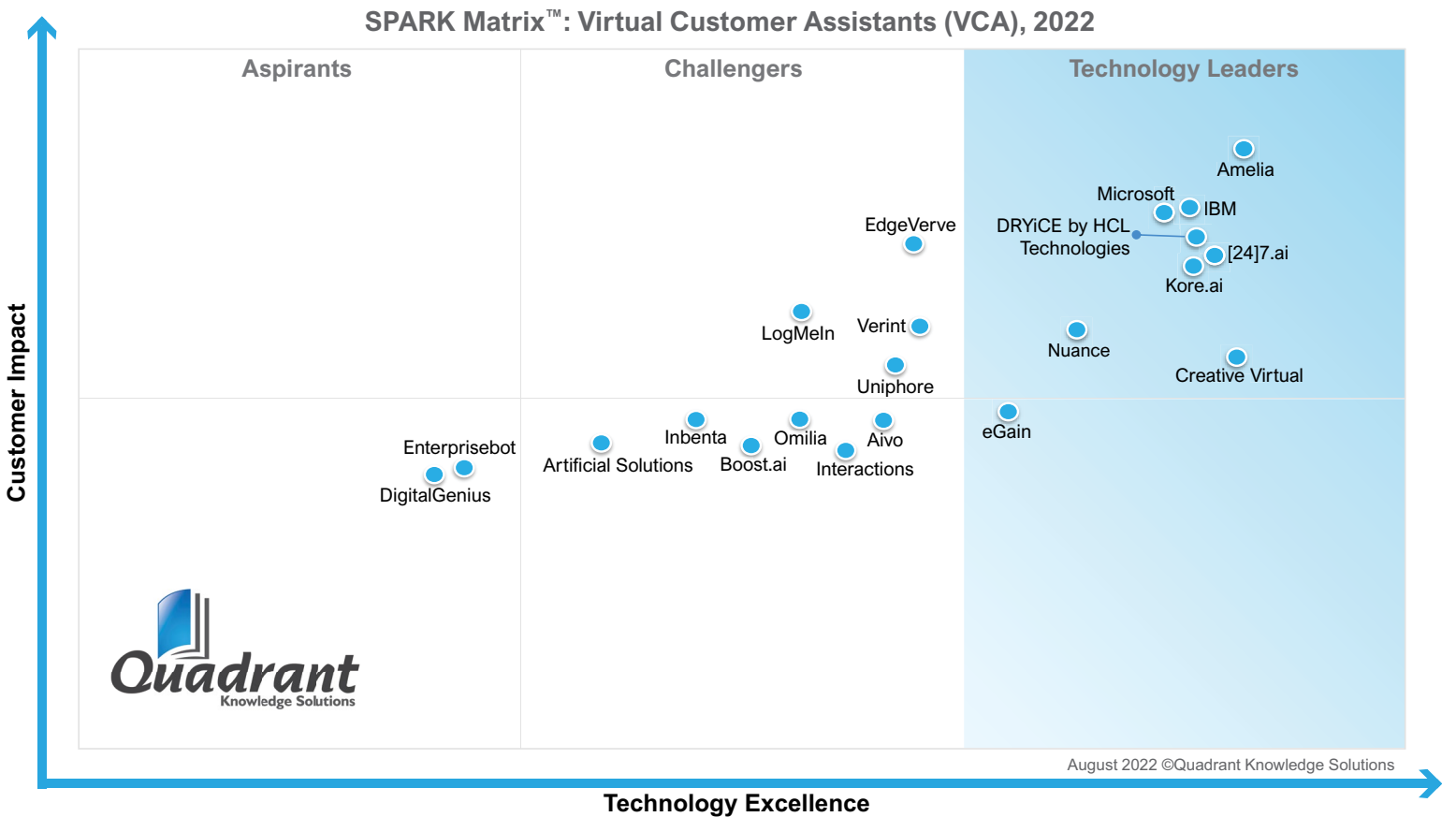
SPARK Matrix Analysis of the Virtual Customer Assistants (VCA) Market

[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. Virtual Customer Assistants market outlook provides competitive analysis and a ranking of the leading vendors in the form of a proprietary SPARK Matrix™. SPARK Matrix analysis offers a snapshot of key market participants and a visual representation of market participants. It offers 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 primary research, including expert interviews, analysis of use cases, and Quadrant’s internal analysis of the overall Virtual Customer Assistants market.

Technology Excellence	Weightage	Customer Impact	Weightage
Sophistication of Technology	20%	Product Strategy & Performance	20%
Competitive Differentiation Strategy	20%	Market Presence	20%
Application Diversity	15%	Proven Record	15%
Scalability	15%	Ease of Deployment & Use	15%
Integration & Interoperability	15%	Customer Service Excellence	15%
Vision & Roadmap	15%	Unique Value Proposition	15%

According to the SPARK Matrix analysis of the global Virtual Customer Assistants market, “[24]7.ai, with its unique enterprise-grade Virtual Customer Assistants, has secured strong ratings across the performance parameters of technology excellence and customer impact and has been positioned amongst the technology leaders in the 2022 SPARK Matrix of the Virtual Customer Assistants market.”

Figure: 2022 SPARK Matrix™
 (Strategic Performance Assessment and Ranking)
 Virtual Customer Assistants Market



[24]7.ai

Founded in 2000 and headquartered in Campbell, California, U.S.A., [\[24\]7.ai](#) offers AI-powered conversation automation solutions that help companies create personalized, predictive, and effortless customer experiences across voice and digital channels. The company's [24]7.ai 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 (NLP) to suggest responses to virtual and human agents based on consumer intent and creates feedback loops for humans to train the AI. The key features and functionalities offered by [24]7.ai include conversational builder, NLP engine, superior intent recognition, contextual capture, integrated third-party libraries, machine learning-based intent classification, and Agent Assist among more.

The conversational builder offers a visual design environment for developing digital and voice conversation flows, with easy drag-and-drop build capabilities across multiple functions like menus, cards, and APIs. The simple Q&A-style conversation can be rapidly deployed, providing designers and developers with the tools to efficiently define transactional conversations with complex business rules and integrate external systems. The [24]7.ai NLP engine understands user utterance and preserves the end-user's natural language by taking a semantic view of the user's utterance.

[24]7.ai's superior intent recognition has several models including the social model, sentiment model, and intent models. Based on pre-defined conditions and user sentiment and intent, AIVA leverages its NLP capabilities to understand the intent and suggest responses. AIVA supports unsupervised learning, with automated intent discovery and the ability to monitor conversations to suggest new intents. [24]7.ai's solutions also integrate with models from IBM Watson, Google Dialogflow, and Google TensorFlow through open APIs.

[24]7.ai's contextual understanding has the capability to link multiple interactions within a single platform that provides optimal customer experience and resolution. [24]7.ai integrates with various third-party libraries like spaCy and Google's TensorFlow for various NLP tasks and for leveraging deep learning models. These libraries are used for various tasks like intent prediction, topic discovery, conversation flow discovery, and others.

The company also leverages Google's CCAI platform for Agent Assist capabilities. It adds intent prediction based on non-language data, including behavioral data, transactional data, user profile data, and environmental data, to determine the true intent. These models are trained on prior recorded utterances, account for semantic similarities, and predict multiple intents with respective confidence scores. [24]7.ai Agent Assist capability has multiple built-in mechanisms in the agent console for assisting agents in their conversations with customers, like providing brief customer context as well as a dashboard with real-time status on key performance metrics. It also offers the provision to display further customer-specific profile details pulled in via third-party web sources, e.g., CRM, ERP, and others.

Analyst Perspective

Following is the analysis of [24]7.ai's capabilities in the global Virtual Customer Assistants market:

- [24]7.ai's virtual customer assistant solution – [24]7.ai Engagement Cloud™ - predicts consumer intent and enables clients to engage consumers in an integrated conversational messaging platform, which supports IVR, synchronous and asynchronous digital channels. Additionally, it combines AI with human insights and allows agents to train bots to improve automation and reduce time-to-market. The platform also integrates seamlessly with various CRM and enterprise systems, providing agents with complete customer context and data within a single view.
- Some key differentiators for [24]7.ai include its continuous learning from intent discovery to tuning, superior intent prediction, and open AI infrastructure, enabling users to coordinate, monitor, and explain multiple models. It also offers low-code AI development tools and assistive AI for non-technical users to build models and design conversations. Additionally, [24]7.ai offers a single platform for digital and voice with state-of-the-art natural language understanding and context awareness.
- [24]7.ai has a significant geographical presence in North America, followed by the Asia Pacific and European region. The company holds a strong customer base, including the leading brands across

industry verticals such as banking & financial services, healthcare & life science, IT & telecom, travel & hospitality, retail & eCommerce, and manufacturing.

- 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 & check the status of repairs. Similarly, other use cases include the telecom sector, wherein customers can check the billing status, and the education sector, wherein students can enquire about financial aid & registration information.
- The company faces growing competition from players offering competitive industry specific VCA solutions. The company may also face a challenge in achieving high market penetration beyond the North American region due to the dominance of other players with higher brand visibility. The company may focus on catering to mid-market to small enterprise needs and supporting more use cases to accelerate its growth globally. However, with its sophisticated technology platform and comprehensive functional capabilities, [24]7.ai is well-positioned to expand its share in the global VCA market.
- [24]7.ai future roadmap involves focusing on an end-to-end Contact Center as a Service solution with an omnichannel offering for both agents and bots and integrating new features to its VCA platform, including the next generation [24]7 Voices and [24]7 Assist solutions. The company's unified conversational AI-driven CX platform across digital and voice channels delivers improved average handle time (AHT), superior net promoter score (NPS) and customer satisfaction (CSAT) scores for clients, and improved agent productivity.