



Omdia Market Radar: AI-enabled Experience Management Platforms

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Jeremy Cox

Summary

Catalyst

While most CEOs recognize the importance of delivering a positive customer experience, they are less certain about the means and what needs to be fixed. The fundamental challenge facing every company is how to remain relevant to customers and keep them coming back for more in an environment of accelerating change and rising expectations.

No business operates in a vacuum, and the ultimate judge of performance is the customer, who increasingly does not separate the product purchased from the overall experience. While a consumer may rationalize the buying decision, it is often his or her feelings and emotions that tip the scale in favor of a purchase. Common KPIs like the NPS, CSAT, and customer effort score (CES) indicate the quality of the customer experience (CX). However, they fall short of revealing the emotional drivers behind the scores and provide limited context. Informative feedback loops are required to help enterprises refine the customer experience and gain insights for product development.

For large enterprises, whether they are engaged in B2B, B2C, or B2B2C, developing effective feedback mechanisms, sometimes involving millions of daily interactions across multiple channels and journeys, is a significant challenge. This report explores nine of the more advanced enterprise feedback management platforms (EFM) for addressing this challenge. They can be described more accurately as enterprise experience management platforms (EXMs). Survey feedback is still an important sensing mechanism, but these more advanced platforms also provide insights from unsolicited feedback such as third-party reviews or through inferences based on behavioral data and applied AI. Some have evolved over many years through organic development and acquisition, while others entered the market with the explosion of interest in customer experience management, and are making inroads, especially where cost and simplicity are important factors.

Omdia view

Advanced EXM platforms are increasingly seen as vital sensing mechanisms that fulfill several critical and connected purposes.

- Help enterprises fine-tune operations and processes
- Eliminate friction for employees so that they may enhance their abilities and deliver a consistently positive customer experience
- Gain a deeper understanding of customers' expectations and feelings toward the company and its brands
- Reinforce and foster a customer-centric culture

They have evolved significantly in recent years, and when deployed as part of a strategic and holistic approach to the CX they are an essential part of the sensing armory. Most of the vendors included in this report have repositioned their platforms in the experience management space. However, there are many sensing mechanisms for gaining insights from customers and the employees who serve

them, as well as from markets. While EXM platforms are a rich source of insight, they should be considered as just one essential tool in a larger toolbox for fine-tuning the customer experience.

Customers provide digital clues. They can be sensed by the more advanced systems of engagement, especially those with embedded AI. (see *Omdia Universe: Customer Engagement Platforms 2020-21* to be published in September 2020, for a thorough analysis of CEPs) Many conversational AI startups have entered the market, providing advanced sentiment analysis and emotion detection.

Customer journey analytics is also a growing area. Some of the most advanced, like Kitewheel and Thunderhead, provide intuitive visualizations of customer journey traffic to help the chief customer officer and CX teams optimize engagement capabilities, especially where sources of friction are detected.

Employees are an essential part of the CX equation and not just their levels of engagement, but also how they get work done. Process mining techniques supported by vendors such as Celonis and Signavio generate data-driven insights into the quality of existing processes and the hidden costs of deviating from the ideal.

AI has been incorporated into all these approaches, and they are converging rapidly on the CX space, with each vendor claiming the high ground for CX management. Competition for AI and automation support in the CX arena is intense, and multiple sensing mechanisms generate insights and prompt employees and team leaders to act.

From an EXM vendor perspective, the threat of disruption has increased, which means they must strive to increase their value through innovation, faster deployment, and improved self-service, while reducing costs.

A thoughtful and well-crafted portfolio approach is optimum for enterprises, because despite claims, no single platform provides the complete picture. Enterprises need to create a highly connected environment of operational and engagement systems supported by an ecosystem of AI and automation. The systems must also synthesize all forms of sensory input so that the enterprise can anticipate and react to change. Fundamental to this aim is the management of data of all forms throughout the enterprise, structured and unstructured, from operational and transactional to interaction and behavioral data. EXM cannot do this alone. It is incumbent on the CEO and leadership teams to support such strategic initiatives, understand the sensing options available, and enhance organizational resilience and adaptability through their judicious use.

The EXM vendors included in this report will continue to provide a valuable approach to sensing and action that helps enterprises close any experience gaps and evolve their customer-centric cultures. Selecting the right vendor will depend on the criteria that are most important to each enterprise. Each vendor in this report is a worthy contender, some covering a wide array of industries while others specialize in a few. Each has a valuable role to play, and every enterprise must consider an advanced EXM platform to be an essential tool for discovering the true voice of the customer, employee, and market.

Key messages

- An EXM platform is an essential closed-loop feedback mechanism for optimizing the customer experience, not simply a platform for surveys.

- The nine EXM platform vendors evaluated in this report met or exceeded the criteria set by Omdia as necessary to support continuous CX improvement.
- Maximum business value is derived when EXM platforms are used across the enterprise to monitor the voice of the customer, employee, and market, and lead to rapid action.
- Silos destroy the CX, and end-to-end systems thinking is required behind a shared strategic purpose to harness the collaborative efforts of employees and deliver a positive CX.
- Enterprises must harness indirect as well as direct feedback to gain the insights they need to enhance the CX and inform product development.
- The Omdia heatmap provides a comparative summary across seventeen attributes and identifies five market leaders, one vertical specialist leader, and three challengers.
- Analysis of each vendor is provided in the section *Vendors on the Omdia Market Radar: AI-enabled Experience Management Platforms*.

Recommendations

Recommendations for enterprises

Any preconception that modern enterprise feedback management platforms are just a means of plugging customers with unwanted surveys is wide of the mark. In this age of big data and reviews of products and experiences on social networks, customer feelings and opinions are scattered far and wide. Picking up these indirect signals and adding them to the often unstructured data gathered through direct means is challenging. Enterprises need a mechanism for consolidating millions of signals and generating insights to drive relevant and rapid action. Each of the vendors in this report has a range of capabilities to meet this challenge. Selecting the right one will depend on such things as industry-specific support, overall functional capabilities, the level of self-service, price sensitivity, experience, and other criteria. A synopsis of each vendor platform is provided later in this report.

Recommendations for EXM vendors

The main challenge facing vendors is to marry increased sophistication and automation with simplicity of use. Omdia recommends a continued focus on AI to deliver and prioritize insights and recommendations for action; make it as easy as possible for the non-technical user to take advantage of the platform, with contextual guidance, and best practices recommendations.

Several of the large CRM/CEP vendors have recently launched voice of the customer applications embedded in their customer engagement platforms. To combat this threat, Omdia suggests deepening the integration with these CEPs so that insights and recommended actions surface in the applications that are more commonly used by the end-user, such as ERP, logistics and supply systems, CRM applications, or contact center support systems; provide a consolidated view of CX signals so that the C-suite members can see where CX is failing and appreciate the value of the EXM platform as a CX guidance system for the entire enterprise.

EXM vendors should demonstrate the advantages of a more methodical and consistent approach and deliver deeper insights and prioritized recommendations that surface in the application dashboards used by the end-user.

Defining and exploring

Definition and characteristics

There are hundreds of customer feedback applications, but of these, only around a dozen are suitable for mid-market and large enterprises with a clear and strategic objective to continuously improve the customer experience. Advanced enterprise feedback management (EFM) platforms have evolved or are morphing into experience management (EXM) platforms, which distinguishes them from ad hoc survey solutions. EXM platforms provide a means to manage and orchestrate continuous CX improvement. While they can be used for ad hoc or traditional bi-annual surveys, like many other survey applications, that is not where their true value lies.

Many enterprises have adopted survey platforms tactically, often sponsored by an individual line of business. Some may even have more than one platform in place. Without some collective focus and purpose, the value to be gained is limited, and certainly not strategic. A common misunderstanding is to see EXM platforms as little more than a mechanism for surveys and aid to analysis. If that were the case, there are scores of cheaper alternatives.

Silos destroy CX by creating barriers to the essential flow of information and insights that enable employees, irrespective of the department, to add value to the customer experience. The CX requires end-to-end systems thinking, where the enterprise as a whole harnesses its unique span of capabilities to achieve a common purpose. It is in this strategic context that advanced EXM platforms come into their own.

Key capabilities

The nine vendors included in this report were selected on the basis that they met the following minimum requirements:

- Provide a unified platform to capture, analyze, and provide automated alerts covering:
 - Voice of the customer (VoC)
 - Voice of the employee (VoE)
 - Voice of the market (VoM) for enterprise reputation capture and analysis and insights for product or services development
- A range of AI capabilities such as natural language processing (NLP) and machine learning (ML) to trigger a relevant response or remedial action
- Derive insights across all customer journeys, not just individual touchpoints
- Omnichannel capable, including mobile and SMS
- Ability to synthesize operational, interaction, and third-party market data to identify any systemic or reputational issues
- Ability to integrate with enterprise systems and provide in-application feedback

- Support KPIs linked to the enterprise' goals to track performance and the business impact of improvements or reverses in customer attitudes towards the organization
- Provide consolidated and role-based dashboards and the ability to drill down to the data
- Data security and privacy compliance
- Suitable for global CX programs evidenced by global enterprise customer examples
- Provide services to help enterprises adopt best practices and take full advantage of the platform

Business value and applications

While individual lines of business can use EXM platforms, their greatest value is when used as an essential sense-and-respond mechanism across the enterprise. *The Service Profit Chain* (Heskett, et. al, 1997) described the causal link between customer and employee satisfaction and how the former is derived from the latter and results in profitable growth. Today many HR departments use employee surveys to determine morale and levels of engagement, but with no explicit linkage to the customer experience. A strategic approach to CX would seek to uncover barriers faced by employees in delivering their best to support customers. Employees often have a visceral sense of the negative impact of poorly designed processes and systems. However, they rarely have a channel through which to promote ideas on how to remove friction or enhance the customer experience, nor do they have the power to make changes. Many organizations have a dysfunctional culture, where employees have to break the rules to meet the needs of the customer. An EXM platform brings these dysfunctions to the surface and to the attention of management.

EXM platforms can also reveal attitudes toward products and brands based on buyer feedback in online marketplaces like Amazon or Alibaba. As CX becomes a critical cross-organizational discipline, the more advanced EXM platforms provide a valuable resource for fostering outside-in thinking, whether as part of a design thinking approach to a product or for experience development.

Market landscape and participants

Market origin and dynamics

EFM platforms have been around for several decades and have undergone a renaissance, as CX has become a priority in boardrooms across the world. The impact of the COVID-19 pandemic has made CEOs in most industries painfully aware of the importance of resilience and adaptability through digital means. The pandemic caused a switch to remote rather than onsite customer interactions, making it essential to monitor the effectiveness of the remote CX. It has also highlighted the importance of systemic thinking about the organization and how it needs to sense and respond to change quickly. Continuous and systemic feedback loops that connect to customers, employees, and markets are essential for enterprises to navigate volatile conditions.

EXM vendors have positioned their platforms as a prime mechanism for creating and closing feedback loops between customers and the enterprise, but since the early 2000s, adoption has been patchy and often siloed. In part, this has been due to the prevalence of low value and often ad hoc

surveys, an over-reliance on expensive support, and inflexible systems. Add into the mix survey fatigue among consumers pressed for time and a C-suite that failed to understand the need for continuous feedback and its evident why demand for EFM plateaued.

Fast forward to the mid-2010s, when EFM vendors have significantly modernized, simplified, and infused their platforms with AI in the form of natural language processing (NLP) and machine learning (ML). Vendors have refocused their platforms on customer experience improvement and management. They recognize the correlation between employee and customer experience. They also understand the importance of market signals to evaluating the health of a brand and input to product development. As a result of this broader experience remit EXM platforms have emerged.

This has made them more useful and valuable to businesses intent on transforming their capabilities to differentiate and grow by being more in-tune with their customers and minimizing CX friction through their many online and offline journeys. The increased ease of use is reflected in the many 1000+ seat deployments in large multi-national enterprises where both business and technical users have access to insights and metrics to monitor the progress of their CX strategies and programs.

More advanced vendors have reinvented the EFM category as a platform for EXM. This covers the entire chain of experiences: customers, employees, products, and relative brand sentiment. EXM platforms harness feedback from an increasing number and variety of digital channels, from social media to chat and video communications and more.

Key trends in the EFM to EXM market

EFM vendors have shifted from serving individual departments and analysts to a more strategic focus on EXM, with both business and technical users. This coincides with the increased priority on CX and concerns for employee wellbeing brought about by the COVID-19 pandemic. The pandemic laid bare the fragility of many businesses and the need to ramp up their digital transformation efforts in the pursuit of survival first and post-pandemic growth.

While there is still a place for long-form surveys, particularly in B2B markets, pulse surveys are often limited to a single rating question. A space for comments by the consumer or employee has become more common, and advances in NLP enable interpretation of these free-form responses. The results from such surveys also surface in role-based dashboards. Alerts increasingly appear within the main enterprise applications used across the value chain or as mobile alerts for those outside the office.

The omnichannel remit has also expanded during the pandemic, especially with video and SMS communications. The leading EXM vendors have added these capabilities and also provided out-of-the-box surveying processes to monitor customer and employee sentiment and the impact of the pandemic on behavior. EXM vendors also keep track of trends and events that affect CX and constantly update their capabilities so that customers can take advantage of any enhancements or important behavioral changes.

More widespread use of AI and automation, as well as deeper integration with supply and demand-side enterprise applications, will continue apace.

Crowdsourcing for product development is another growing area which some EXM platforms already provide.

Future market developments

While the basics of feedback capture, analysis, and action have been around since the early 2000s, the major developments have been in the field of mobile app development, AI, and big data ingestion and analysis. We can expect AI developments to continue apace with advanced features, including sentiment analysis based on facial expression recognition (subject to privacy laws), particularly where video and augmented reality apps become more commonly used after 5G has been rolled out.

Convergence and increased competition

The more advanced customer engagement platforms partially serve the need for greater empathy and a deeper understanding of the individual customer's context. By the mid to late 2020s, the leading CEPs will provide dynamic orchestration, which is an even greater real-time insight into customer sentiment and context to trigger the most relevant response at any stage and across all customer journeys. This presents a potential threat to EXM vendors unless they can embed their platforms within the leading CEPs. This is already happening with Qualtrics, which was acquired by SAP. Microsoft launched Dynamics 365 Customer Voice in July 2020, its second attempt to embed VoC in its applications (it retired its first attempt). Other major CEP vendors like Oracle and Salesforce already provide some VoC capabilities to enrich customer profiles, and these efforts are going to accelerate, supported by more pervasive intelligence and automation.

However, EXM platform capabilities will continue to play a vital role in providing greater depth of analysis of sentiment trends and customer emotions, and a unified view across multiple touchpoints and customer journeys.

As discussed earlier, another threat comes from customer journey analytics specialists who provide insights around interaction traffic and can identify sources of friction. While they do not determine the sentiment that drives customer journey choices, from a process development perspective, they are an essential aid to customer journey design.

To counter these threats, EXM vendors must bring their know-how to strategic partnerships with CEP vendors and consider acquiring CJA and conversational AI vendors while they are relatively small.

Vendor landscape

Figure 1: Omdia heatmap for AI-enabled experience management platforms vendors



Source: Omdia

Assessment criteria

After detailed briefings from each of the participating vendors, seventeen criteria were used to provide a comparative assessment, resulting in the heatmap in Figure 1. Capabilities were graded and color-coded from purple for advanced capabilities or breadth in terms of geographical or industry coverage to pink for where the capability is currently absent.

Given the genesis and relative maturity of the market, there is considerable commonality across the key attributes and capabilities. Each of the EXM vendor platforms scored well on the following criteria:

- A unified platform for VoC and VoE
- A customer journey orientation with the ability to determine the quality of the entire journey, not just individual touchpoints, and make recommendations for improvements
- Linking of feedback results with KPIs associated with the financial outcomes
- Data privacy and regulatory compliance mechanisms

Not surprisingly, the relative newcomers had no industry benchmarking capabilities. Apart from that, every vendor had either advanced, broad, or partial capabilities across the remaining attributes.

Vendor positions

Vendors were positioned as leaders or challengers and a specialist category, vertical specialist leader, to recognize the highly specialized depth of capabilities in support of a narrow spectrum of industries.

Market leaders

Given the relative maturity of the market, five leaders were identified – Confrimit, InMoment, Medallia, Qualtrics, and Verint. Each has extensive services capabilities and best practices expertise to support regions across the world and an extensive portfolio of global enterprises across a diverse range of industries that use these platforms strategically as a foundation for enhancing the customer experience. They all make extensive use of AI and automation to drive remedial action.

Vertical specialist leader

SMG is a vertical specialist leader due to its particular strengths in the restaurant and retail industries, especially among large, global enterprises operating under the franchise model, such as McDonald's, Nando's, and Domino's Pizza, among others. It runs large scale global CX programs for these companies and complex hierarchical organizations such as Shell Oil.

Market challengers

Sandsiv, Wonderflow, and Wootric are the market challengers that threaten the established order through innovation, less services-intensive capabilities, and lower costs. Sandsiv has particular strength in NLP providing both sentiment analysis and topic detection, Wonderflow in product development support, and Wootric in SaaS-based businesses.

Vendors on the Omdia Market Radar: AI-enabled experience management platforms

On the Radar: SMG smg360®

Omdia view

SMG is a vertical specialist leader with exceptional depth of capabilities within the specific and complex industries it serves.

SMG will appeal to large global franchise businesses and CPG companies with hundreds of products and with complex hierarchical management structures.

SMG specializes in helping high volume consumer-facing business (specifically quick-service restaurants, retail, and healthcare) gather and act on customer feedback to enhance the CX. With many global restaurant chains and franchises as clients, it understands the complex hierarchies and demands of delivering consistent experiences across multiple premises and countries. It provides a clear view of the CX and recommends remedial action locally and globally.

Going beyond technology and professional services, SMG partners with its clients to demonstrate opportunities to change their impact on overall satisfaction and profits.

Key messages

- SMG's clients value the platform's market benchmarks and the opportunity to learn from their peers.
- Close relationships with client CEOs and COOs result in higher engagement with the platform across organizations and lead to measurable results.
- SMG works with clients to drive action within their VoC program that results in optimizing program performance and ROI

Recommendations for enterprises

Why put SMG's smg360 on your radar?

SMG offers a full suite of customer listening, analytics, and action management, to traditional brick and mortar businesses. As its clients take their businesses into new digital models, the smg360 platform and professional services support the transition. Similarly, the experience of moving online with clients allows SMG to move into other industries with high levels of organizational complexity.

SMG's technology offer is fully compliant with regional data protection regulations, such as GDPR and CCPA. It can also ingest third-party data sources. SMG's business intelligence solution delivers insight directly to self-sufficient clients, or SMG can provide services to help clients interpret analyses and plan remedial actions.

Highlights

Background

In 1991 Bill Fromm and Andy Fromm co-founded Service Management Group (SMG) with former Harvard Business School professor Len Schlesinger. During a five-year study of service businesses, Schlesinger found compelling links between employee engagement, customer satisfaction, and financial performance. He concluded that creating loyal customers drives sustainable, profitable sales growth. Continuous technological innovation has enhanced the platform with developments in survey design and structure, invitation methods, and incentive best practices to drive up responses.

Current position

SMG offers a four-step framework across the customer, employee, and brand experience.

Listen

In addition to surveys, smg360 ingests data from multi-channel, third-party sources, and transactional data. SMG captures speech to text, pictures, and video feedback via partners. It blends this solicited and unsolicited feedback, which is stored in a data lake.

Interpret

smg360 derives meaning from the data with AI-powered text analytics and provides role-based dashboards, real-time alerts, anonymized benchmarking, and business intelligence. Integration with CRM, loyalty systems, and the SMG Brand Research platform facilitate analyses of individuals and segments.

Act

The act step covers a range of responses from case management to action planning using key drivers, predictive analytics, program health, product performance, and churn and attrition analyses. Clients can take advantage of SMG's professional services to understand interpreted data and choose appropriate action.

Maximize

SMG's professional services help bring experience management into the heart of the client's business. SMG does this with the following:

- Strategic planning
- Deep-dive insights
- Links to financial performance and ROI
- Competitive intelligence
- The ability to review and optimize partner performance

Implementation services

SMG's implementation services start with C-Suite conversations to understand the goals for using the platform and perceptions of business strengths and weaknesses. SMG consultants then explore and understand the "in-store" and operational parts of the business to design surveys, dashboards, and alerts to maximize ROI. Launch programs are timed to bring all outlets onboard together with appropriate training and coaching. A notable example involved 14,000 outlets switching to SMG at the same time on a single day.

Updates and new features are released monthly with smaller features released twice a week.

Voice of the employee

SMG's VoE platform helps clients improve employee retention, customer experience, and sales performance. The platform provides ongoing data collection through pulse surveys. The open platform gives employees a view of customer feedback and the opportunity to offer suggestions. It sends alerts to leaders based on their role and the nature of the feedback. The platform also lets managers know when customers have commended employees so they can be recognized for their excellent work.

Notable clients

Asda, Chick-Fill-A, Co-op, Domino's Pizza, Kroger, McDonald's, Nando's, Pets at Home, Sainsbury's, Shell Oil

The future

The SMG roadmap features eight key themes to enhance business value and improve client experience across the physical and digital journey:

- Enhanced reporting – Offering BI capabilities for power users
- Feedback engine and digital CX – Upgrading the survey designer platform to enable self-service on digital products. Streamlining internal processes for the set-up and change of surveys and supporting customer requests for emerging channels. Updating visuals and conversational, targeted, and less intrusive surveys to reduce their cost of design and launch
- Text analytics – Enhancements to the text analytics dashboard, providing advanced features to meet client requests. For example, interactive heat maps, elastic search, deep-dive research, product impact, and high impact, low-frequency alerts. Enabled through AI and data science capabilities
- Employee experience – Delivering upgraded action planning and enabling employee pulse surveys with two-way SMS
- Further development of SurveyMini + BrandGeek – SMG's brand research products
- Hierarchy – Tracking the CX to the individual provider level for service businesses
- Partner integrations – Partnering with third parties to enhance call-center solutions (for example, voice analytics from CallMiner)
- Further enhancements to predictive analytics

Continuous development, driven by the needs of its clients, make SMG a worthy competitor in high volume B2C environments and international franchises.

Data sheet

Key facts

Table 1: Data sheet: SMG

Product name	smg360	Product classification	Experience management
Version number	2020.6.16.1	Release date	June 16, 2020
Industries covered	Healthcare, restaurants, retailers	Geographies covered	Global
Relevant company sizes	Large enterprises	Licensing options	SaaS
URL	https://www.SMG.com/	Routes to market	Direct and indirect
Company headquarters	Kansas City, MO, US	Number of employees	350

Source: Omdia

Appendix

Further reading

The Gravitational Laws of Customer Experience, INT001-000190 (June 2020)

The Path to Intelligent Customer Engagement Is Through Conversational AI, INT001-000186 (April 2020)

Look Beyond Account-Based Marketing to Revitalize the B2B Growth Engine, INT001-000181 (March 2020)

2020 Trends to Watch: Customer Engagement Platforms, INT001-000166 (December 2019)

The Service Profit Chain, (Heskett, et. al, 1997)

Author

Jeremy Cox, Principal Analyst, Customer Engagement Strategies & Platforms

askananalyst@omdia.com

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CONTACT US

[ondia.com](https://www.ondia.com)

askananalyst@ondia.com