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Magic Quadrant for Enterprise Conversational AI Platforms

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Enterprise conversational AI platforms automate multiple chatbot use cases within the enterprise, across their life cycle and across multiple business units. Application leaders responsible for conversational AI should use this Magic Quadrant to evaluate suitable vendors.

Market Definition/Description

Gartner defines the enterprise conversational AI platform market as the market for software platforms used to build, orchestrate and maintain multiple use cases and modalities of conversational automation. This includes the use cases and domains of:

- Customer service

- Customer support

- IT service desk

- HR

- Call center automation

- Orchestration of multiple enterprise chatbots — using text-based chat

- Rich multimodal input/output

- Microapplications

- Voice and telephony

The enterprise conversational AI platform consists of:

- **A capability layer** providing runtime capabilities that include:

- Natural language understanding (NLU)

- Dialogue management

- Channel integration

- Back-end integration

- Access control for platform users

- Life cycle management
- A **tooling layer** geared toward business users that includes:

  - A no-code environment for building and maintaining applications

  - Analytic tools for understanding dialogue flows

  - NLU intent and entity tuning tools

  - A/B flow testing tools

Currently, within the single broader enterprise conversational market, there are three submarkets, outlined below. While some vendors may be successful in addressing the needs of all three, it is likely that many will focus on one or two of these. It should be noted that the base, or underlying, conversational capabilities will be common across all solutions, though the auxiliary functionality differs:

- **Customer experience, customer care and front office.** This set of functions covers voice and omnichannels, no-code interfaces for agent-in-the-loop training, the ability to scale to thousands of intents, the ability to support large-scale loads, and support for complex, personalized applications.

- **Employee facing and back office**. These use cases require a different set of prebuild functionality and governance needs, such as the ability to orchestrate many bots supporting different internal groups and to offer a discovery mechanism for them.

- **Enterprise natural language processing (NLP) resource.** This use case takes the investments in the language models for conversational AI and natural language and reuses them for broader use cases across the enterprise. These might include document processing, speech and conversation analytics, meeting transcriptions, insight, augmented analytics, and large language models (LLMs) such as ChatGPT. Application leaders should consider how they will leverage best-in-class language resources across the enterprise.

What is certain is that there will be significant evolution expected in vendor capabilities and growth over the next three years (as evidenced by the latest and numerous vendor movements in this Magic Quadrant report). As a result, application leaders should anticipate a changing landscape and determine how their chosen vendor(s) are best positioned to address the market forces as they occur.

Magic Quadrant

Figure 1: Magic Quadrant for Enterprise Conversational AI Platforms

Vendor Strengths and Cautions

[24]7.ai

[24]7.ai is a Niche Player in this Magic Quadrant. It is a privately held company headquartered in California, U.S. It primarily sells in the North American market, with additional sales in Western Europe and Australia. It also has a development center in India. In addition to the [24]7.ai

Engagement Cloud set of functions, the company offers a range of customer service business process outsourcing (BPO) functions. Clients can use a combination of their own, third-party or [24]7.ai agents.

The [24]7.ai Engagement Cloud offers a suite of applications for managing human and automated conversations across both live and message-based digital and voice channels. [24]7 Conversations is the company's brand of conversational AI platform. Additional related applications include: [24]7 Assist, which offers context-aware agent desktop assistance for, among other things, live chat escalation; [24]7 Answers for FAQ functionality; and [24]7 Target, which supports personalizing interactions.

Strengths

- **Experience in contact center environments**: [24]7.ai has conversational self-service deployments in multiple large contact centers, and can handle complex off-shore and on-shore deployments that include BPO telephony integrations.

- **Large professional services organization**: [24]7.ai has a large and experienced professional services organization. This allows it to assist clients in developing and integrating self-service solutions. It can also assist with agent and customer service BPO.

- **Agent escalation function**: The [24]7 Assist function offers escalation of voice and text self-service to agent assistance that includes context. It works with the [24]7 Conversation application and with third-party self-service platforms. The agent platform also provides suggested responses and information from the FAQ.

Cautions

- **Professional services focus**: [24]7.ai generates a significant portion of its revenue from professional services. While the company offers tools that enable customers to develop solutions, enterprises interested in doing a significant portion of the development in-house with the no-code tool should ensure that the tool offers the needed functionality without coding.

- **Non-customer-service use cases**: [24]7.ai's offering targets customer service operations. Enterprises with significant requirements targeting non-customer-service use cases should verify that needed support and integrations are available.

- **Low-code product use by nonexperts may be challenging**: The low-code modules have limited support for advanced functionality. Data scientists and advanced designers may be required to complete most projects.

Aisera

Aisera is a Niche Player in this Magic Quadrant. Aisera is a privately held company headquartered in California, U.S., with additional offices in North America, Europe and Asia. Aisera has raised a total

investment of $172 million, including a latest round of $90 million in August 2022.

Aisera offers a broad service suite targeting IT service desk, HR, sales and marketing, as well as customer service and support areas. It has prebuilt support for a range of verticals including financial services, high tech, retail, healthcare, telecom and travel/hospitality. The solution offers support for wide-ranging use cases across digital and voice channels, such as self-service experience through knowledge answers, automation actions to complete user requests, and proactively reaching out to users. It also provides solid and well-documented admin functionalities and deployment options, as well as advanced escalation capabilities, which cover escalation prediction functionalities in ITSM, customer service and customer support, sales and marketing scenarios.

Strengths

- **Focus on use cases**: Aisera has a significant focus on use cases such as those associated with common customer service and IT service desk functions. These include out-of-the-box integration with popular customer service ticketing systems.

- **Industry strategy**: Aisera leverages its Enterprise Domain Packs (EDPs). These are prebuilt conversational modules leveraging dedicated ontologies (hierarchical organization of entities and associated synonyms, abbreviations and contractions) and taxonomies (intents and intent phrases). They can assist in the speed and accuracy of intent and entity model development. Domains include IT service desk, HR, sales and marketing, finance, and legal.

- **Overall viability:** Aisera is a strong organization with a good revenue stream. It is improving both in terms of geographic presence — it opened multiple offices worldwide in 2022 — and headcount. The recent round of investment provided the vendor with additional financial stability to sustain its growth.

Cautions

- **No-code environment**: Aisera's development, maintenance and human-in-the-loop tools are not as intuitive as found in the leading vendors in this research. Planners should ensure that elements such as dialogue management and NLU maintenance can be supported with only limited technical assistance, should that be an objective.

- **Fast growth**: Aisera is growing fast, while it has also grown its partner networks and support operations. Clients should therefore ensure they are able to get the attention they require.

- **Complex pricing**: Aisera's pricing options are more complex than that found in the leading vendors in this research. It offers multiple options including those based on subscription, usage, consumption and completion. Users should make sure they compare pricing and total cost of ownership with that of other vendors.

Amazon Web Services

Amazon Web Services (AWS) is a Challenger in this Magic Quadrant. It is a subsidiary of Amazon. AWS offers a broad set of global cloud-based products and services including computing, storage and machine learning. It has a large worldwide customer base.

Amazon Lex, AWS's conversational platform, is a stand-alone service that can easily integrate with, and leverage, any AWS AI service. A sample set of services include Amazon Kendra, Amazon Polly and Amazon Translate. Lex offers voice, text and omnichannel functionality, and provides both a developer-centric approach and a no-code option. Lex's native integration with Amazon Connect — AWS's omnichannel cloud contact center — and other third-party contact centers provides an end-to-end conversational experience.

Strengths

- **Global sales and marketing strategy:** Amazon Lex's sales and marketing is able to leverage the Amazon brand, its reputation in AI and customer experience, the breadth of developers skilled in Lex, and the global reach of its cloud infrastructure and partner networks. This allows it to deliver strong messages, high scalability of conversation volumes and high availability.

- **Innovation**: AWS has a strong AI research base and leverages leading technology in its conversational platform. For instance, businesses can use its state-of-the-art automatic speech recognition (ASR) and NLU capabilities, or its automated chatbot designer.

- **Product**: AWS is able to offer Amazon Lex as part of a broader customer service solution set. Besides Amazon Connect, this includes transcription, analytics, Contact Lens for Amazon Connect, and other functions. Together, these increase Amazon Lex's visibility and market reach.

Cautions

- **Integration strategy:** Amazon Lex integrates with Amazon Connect and other third-party contact centers like Genesys and Talkdesk. Enterprises planning to use Amazon Lex independently of other elements of the portfolio should ensure the needed integrations and functionality are available.

- **Pricing**: Amazon Lex can be used on its own with a straightforward usage-based model, but if organizations choose to also leverage other services, then they must understand and forecast volumes in order to accurately predict their total cost of ownership.

- **Development and operation**: Amazon Lex can be used as an independent service via its no-code interface, but when using more than just the Amazon Lex service, architectural dependencies require a more disciplined approach. In such scenarios, having a DevOps practice will help with solution design and maintenance.

Amelia

Amelia is a Leader in this Magic Quadrant. Amelia, formerly IPsoft, is headquartered in New York City. It has 13 offices in multiple countries in the Americas (North and South), Europe (western and eastern) and the Asia/Pacific region.

Amelia is a comprehensive, enterprisewide conversational AI platform that enables the creation of multichannel, multimodal conversational AI agents with sophisticated NLU capabilities and advanced context awareness. The platform includes strong analytics and continuous optimization capabilities. In addition, the Amelia portfolio offers complementary components to assist with IT management such as AIOps. Voice and translation services are provided at no additional cost, leveraging deeply integrated third-party services.

Strengths

- **Product capabilities:** Amelia's platform provides a distinctive multithreaded approach to NLU that combines semantic understanding, domain ontologies and deep neural network classification. The no-code user interface offers good usability and granularity in the design of dialogue flows. The analytics module uses a number of metrics to generate deep insights for supporting reporting and continuous optimization.

- **Product strategy:** Amelia has a solid R&D team with a good track record for delivering innovative, leading functionality. Amelia's offering fully embraces the digital worker concept, so that the conversational AI platform is designed to leverage common automation technologies (e.g., robotic process automation [RPA], API integration framework, orchestration engine), which are also used for AIOps.

- **Marketing execution:** Amelia is producing high-quality marketing material across numerous channels, including social media, videos, webinars and blog posts, as well as events. Such work illustrates its value proposition around automation and successfully positions Amelia among the thought leaders in the conversational AI space.

Cautions

- **Customer feedback on integration and service:** Customer feedback on Amelia's integration and services tends to be lower than average for vendors in this Magic Quadrant. Amelia must continue to improve its integration framework tooling to increase users' satisfaction and self-service.

- **Growth strategy:** Amelia will need to overcome fundraising and organizational barriers in order to execute its ambitious growth strategy. Both of these will pose challenges.

- **Anthropomorphic metaphor:** Amelia's innovation messaging revolves around "building a human mind." This anthropomorphic approach is deeply embedded in the platform's interface and tooling. As much as it is fascinating, it could set false expectations for buyers.

Avaamo

Avaamo is a Leader in this Magic Quadrant. Avaamo is a private-venture-backed company headquartered in the U.S., with offices also in India and the U.K.

Avaamo Conversational AI is a SaaS platform focused on the coverage of the whole life cycle of conversational AI implementations. It leverages prebuilt enterprise connectors, conversation analytics and conversational validators designed to speed up the execution of design-to-deployment life cycles. It is an enterprise-ready environment that targets automated conversations for a broad spectrum of audiences (customers, employees and partners) and provides native, advanced speech-to-text/text-to-speech (STT/TTS) technologies, including custom voice development.

Strengths

- **Industry strategy:** Avaamo offers a broad set of "enterprise skills," which are prebuilt accelerators that can be immediately leveraged in a number of industry-specific use cases to improve business outcomes and reduce time to market. The company offers very deep expertise in healthcare and is effective in attracting customers from other industries too, such as financial services and manufacturing.

- **Innovation and differentiation:** Avaamo invests heavily in R&D, is starting to hold a good amount of patents for its size and understands the synergies with other NLP and adjacent technologies such as RPA, intelligent document processing (IDP) and enterprise applications. Compliance and certifications are key to the company's offering, which is expected given that healthcare is a strong vertical for Avaamo.

- **Voice capabilities:** The Avaamo Conversational AI platform provides proprietary speech recognition, voice biometrics, speech analytics and speech synthesis tools. Integrations with third parties are available and are highly configurable and flexible. Customization of speech synthesis models, as well as speaker recognition and diarization, are supported.

Cautions

- **Clarity of positioning:** Avaamo has extended its message and offering over the past year to meet enterprise needs across verticals and functions, but it has roots in healthcare and an articulated offering dedicated to that industry. This can potentially create confusion in the way Avaamo is positioned in the broader cross-industry market.

- **Visibility in Europe:** Although Avaamo improved its presence in EMEA and has a physical presence in the U.K., the majority of its sales and operations are bound to North America, and the U.S. in particular.

- **Bot orchestration:** Avaamo Conversational AI is able to support bot orchestration use cases, but with a lower level of sophistication and less prebuilt tools compared with other leading vendors in this research. This can limit its ability to expand in complex, multibot, employee-facing implementations.

boost.ai

Boost.ai is a Challenger in this Magic Quadrant. Boost.ai is a privately held company, founded in 2016 and headquartered in Stavanger, Norway, with additional offices in the Nordics, London and Los Angeles. It has implementation partners throughout Europe and the Americas.

Boost.ai primarily aims to meet the scalability requirements of enterprise-grade virtual agents. It provides a sophisticated chatbot orchestration approach, as well as advanced capabilities to handle escalation of conversations to live agents. The platform supports the common digital channels, has prebuilt industry modules and counts on a comprehensive, flexible agent escalation approach. Recent additions to the boost.ai NLP portfolio include object-related intent management and intent discovery capabilities (Automator). Boost.ai's virtual agent network (VAN) enables it to address the requirements of large organizations, such as governments, with distributed responsibilities.

Strengths

- **Implementation scalability:** Boost.ai offers features specifically dedicated to the rapid development and continuous optimization of massive implementations covering thousands of intents, where it is key for the virtual assistants to be able to handle a broad scope of topics and gain a deep understanding of each subject.

- **Live agent chat integration**: The platform comprises a native live-chat product and supports the integrations with leading CRM and contact center systems. It is able to provide agents with sound and exhaustive conversation data, making the escalation smooth and effective.

- **Ability to operationalize:** Boost.ai has a strong track record of projects that moved from proof of concept to production. The company has a clear understanding of the maturity scale of users approaching conversational AI technology, and is able to effectively empower clients and partners in the different phases of implementation.

Cautions

- **Geographic strategy:** Boost.ai is a Nordics-centric organization that covers the demand in the Northern Europe market very well, with increasing coverage in the U.S. However, it has more limited sales and execution reach elsewhere, especially in the Americas (outside North America), the Middle East and Asia/Pacific.

- **Voice capabilities**: Although boost.ai improved its voice offering in 2022, it still has limitations relative to leading vendors in this research. For instance, it does not provide native STT/TTS capabilities, nor deeply embedded integrations with third-party providers of such technologies, which limits some of the advanced speech functions it can offer.

- **Growth and platform strategy**: Boost.ai is focused on key use cases and industries in mature markets (such as Northern Europe and North America). To win more opportunities, it will need to

keep pace with leading vendors in terms of meeting the needs of multichannel and multimodal CX use cases, especially in emerging markets.

Cognigy

Cognigy is a Leader in this Magic Quadrant. Cognigy is a privately held, venture-backed company headquartered in Düsseldorf, Germany. It has offices in the U.S., Australia, the U.K., Japan, Spain, the UAE and Korea, in addition to a large international partnership network.

Cognigy.AI is a conversational AI platform for customer and employee service automation at scale. Cognigy.AI comes packaged with Cognigy Voice Gateway to provide voice capabilities, Cognigy Insights to get a stand-alone analytics tool and Cognigy Agent Assist to enable agent augmentation. The product offers a comprehensive no-code toolset for business users to create, run and deploy multichannel and multimodal virtual assistants. It can also optionally use a variety of use-case-specific third-party components; for example, for voice or machine translation.

Strengths

- **Industry strategy:** Cognigy's offering provides solid and well-documented coverage in terms of prebuilt components across many industries, in the form of "solution accelerators." Manufacturing is where Cognigy offers the deepest level of expertise. It also covers financial services, retail, travel/hospitality and utilities. Cognigy's partner network is particularly effective at supporting its industry-specific marketing execution.

- **Customer feedback:** Cognigy.AI continues to receive consistently good feedback from its customers, who especially praise the usability of the platform, support, deployment options, training and documentation. Cognigy is also among the vendors with the clearest product architecture in this research, which helps provide users with a seamless experience.

- **Sustainable business model:** Cognigy's business model is based on its platform's proven capabilities and on the successful retention of, and expansion within, current clients. It also leverages a sound network of sales and implementation partners to generate a consistent revenue stream, and can take a significant part of the professional services workload.

Cautions

- **Contact-center focus:** During the past year, Cognigy's focus has been substantially redirected toward enterprise contact center automation. This will reduce its opportunities to expand into organizations looking at a strategic adoption of conversational AI across a number of customer-facing, but also employee-facing, use cases in ITSM and HR.

- **Geographic strategy:** Cognigy's client base is deeply rooted in Europe and North America. It is investing less in emerging markets such as Asia/Pacific and Latin America.