Decision Matrix: Selecting a Provider of Cloud-based Speech Self-service Solutions in North America

In-depth view of cloud-based inbound IVR platforms and speech applications

SUMMARY

In a nutshell

This report explores the competitive dynamics within the inbound cloud-based speech self-service market in North America, and helps businesses select a cloud-based IVR platform and cloud-based speech applications vendor based on its technology strength and reputation among customers in the market. Ovum provides a complete view of vendor capabilities and advises on those vendors that businesses should explore, consider and – most importantly – shortlist.

Ovum view

Ovum believes the following cloud-based IVR and speech applications providers are notable:

- Nuance and Voxify lead the pack in the area of cloud-based speech applications. Both vendors are highly customer-centric and combine a broad feature set with innovative and thriving application design practices.
• Convergys and Tellme are the primary challengers in the cloud-based speech applications market. Both vendors could join the group of cloud-based speech applications market leaders, should they address certain limitations in their technology offerings and go-to-market strategies.

• Among providers of cloud-based IVR platform services, Tellme and Voxeo are shortlisted because of each respective vendor’s combined rankings in technology assessment and customer sentiment. They are recognized as leaders in cloud-based IVR platform services for customer service in North America.

• Nuance and Convergys are the primary challengers for cloud-based IVR platform services. The vendors’ platforms have some significant merits and could find themselves on the shortlist, especially as they expand some of their platform features, data integration, and administrative capabilities.

• Servion has a well-defined niche in the B2B space providing cloud-based speech applications to systems integrators that resell the applications to enterprise customers. The vendor performs well in that space and could become a primary challenger if it overcomes certain limitations in its technology offering.
TABLE OF CONTENTS

SUMMARY  1
   In a nutshell  1
   Ovum view  1

THE CLOUD-BASED SPEECH SELF-SERVICE SOLUTIONS DECISION MATRIX  6
   About out Decision Matrix  6
   Cloud-based speech self-service deployment models  6
   Choosing a cloud-based IVR platform and speech application  7
   Understanding the landscape  8
   Market leaders  13
   The leaders’ radars  15

CONVERGYS  20
   Overview of hosted IVR platform business and hosted speech applications business  20
   Convergys hosted IVR platform  22
   Convergys hosted speech applications  25

MICROSOFT TELLME  27
   Overview of hosted IVR platform business and hosted speech applications business  27
   Microsoft Tellme hosted IVR platform  29
   Microsoft Tellme hosted speech applications  31

NUANCE  34
   Overview of hosted IVR platform business and hosted speech applications business  34
   Nuance hosted IVR platform  36
   Nuance hosted speech applications  39

SERVION  42
   Overview of hosted speech applications business  42
   Servion hosted speech applications  43
### VOXEO
- Overview of hosted IVR platform business
- Voxeo hosted IVR platform

### VOXIFY
- Overview of hosted speech applications business
- Voxify hosted speech applications

### OTHER NOTABLE HOSTED IVR AND HOSTED SPEECH APPLICATIONS PROVIDERS IN NORTH AMERICA (ALPHABETICAL)
- Angel
- Chrysalis
- Contact Solutions
- inContact
- Interactive Intelligence
- MTI
- Plum Voice
- Teleperformance
- West

### APPENDIX
- Summary scores
- Methodology
- Definitions
- Author
- Ovum Consulting
- Disclaimer
# Table of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hosted speech applications in North America: Decision Matrix</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>Hosted IVR platform vendors in North America: Decision Matrix</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Market leader analysis: hosted IVR platform technology assessment</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Market leader analysis: hosted IVR customer sentiment</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>Market leader analysis: hosted speech applications technology assessment</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>Market leader analysis: hosted speech applications customer sentiment</td>
<td>19</td>
</tr>
<tr>
<td>7</td>
<td>Convergys hosted IVR platform radars</td>
<td>22</td>
</tr>
<tr>
<td>8</td>
<td>Convergys hosted speech applications radars</td>
<td>25</td>
</tr>
<tr>
<td>9</td>
<td>Microsoft Tellme hosted IVR platform radars</td>
<td>29</td>
</tr>
<tr>
<td>10</td>
<td>Microsoft Tellme hosted speech application radars</td>
<td>31</td>
</tr>
<tr>
<td>11</td>
<td>Nuance hosted IVR radars</td>
<td>36</td>
</tr>
<tr>
<td>12</td>
<td>Nuance hosted speech applications radars</td>
<td>39</td>
</tr>
<tr>
<td>13</td>
<td>Servion hosted speech applications radars</td>
<td>43</td>
</tr>
<tr>
<td>14</td>
<td>Voxeo hosted IVR radars</td>
<td>47</td>
</tr>
<tr>
<td>15</td>
<td>Voxify hosted speech applications radars</td>
<td>51</td>
</tr>
</tbody>
</table>

# Table of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hosted IVR platform and hosted speech applications providers</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Hosted IVR platform and hosted speech applications providers in the North American Decision Matrix</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Hosted IVR platform vendors</td>
<td>57</td>
</tr>
<tr>
<td>4</td>
<td>Hosted speech applications vendors</td>
<td>57</td>
</tr>
</tbody>
</table>
THE CLOUD-BASED SPEECH SELF-SERVICE SOLUTIONS DECISION MATRIX

About our Decision Matrix

Speech recognition was once viewed as a futuristic technology that would never leave the realm of science fiction. But over the past 50 years, key technology and commercial achievements in speech recognition, along with increased CPU performance and lower hardware costs, have helped make speech commercially viable for enterprises. Today, speech recognition is used as a cost-cutting and value-enhancing solution for customer care and service enablement. Furthermore, with the proliferation of cloud computing in recent years, the price points and management for cloud-based speech self-service solutions have improved dramatically.

Every year billions of calls are handled by cloud-based speech self-service solutions in North America. In fact, the majority of investment on speech self-service solutions today is spent on those delivered through the cloud as opposed to premise-based installments. Cloud-based speech self-service solutions benefit enterprises struggling with IT budgeting, staying up-to-date with new technologies, and managing the changing way consumers expect to interact. Deployments in cloud-based speech self-service are increasing whereas more basic DTMF deployments are decreasing – likely because the complexity of speech solutions benefits more from hosted configurations.

When deploying a cloud-based speech self-service solution, enterprises need to evaluate the technical merits, performance, and viability of the entire solution stack. This includes IVR platform, speech recognition engine, and speech applications. This report focuses on the IVR platform and speech application components of the solution.

Cloud-based speech self-service deployment models

Enterprise needs are constantly changing in the face of regulatory, competitive, industry, and customer-driven events. As a result, organizations need the ability to quickly introduce new products and services and terminate existing products and services according to shifting patterns in the market. In the context of speech self-service solutions, an organization’s ability to engage in and shift between different deployment models is increasingly becoming more attractive. One of the key benefits VoiceXML (the industry open standard) provides to organizations is the ability to disaggregate the traditional IVR solution stack where the speech application is parked on the web server and the media processing, gateway, and browser may be located on separate servers in
the cloud. The separation of these components introduces new cloud-based deployments models, which are detailed below:

- **Fully hosted.** All components of the speech solution are located in a vendor’s network data center. Management of the solution is handled by the vendor. The majority of cloud-based speech deployments will fall under this category. This deployment model enables enterprises to delegate non-core business functions to the vendors, so they can allocate resources to core business operations.

- **Premise-based managed services for the entire solution.** All components of the speech self-service solution are located in the enterprise’s network data center or private cloud. Management of the solution is handled remotely by the vendor. This deployment model offers the same benefits as the hosted model, but the entire solution is physically located on the enterprise’s premises.

- **Premise-based managed services for IVR and back-end routing.** The speech application is located on the enterprise’s premises while the IVR and back-end routing is facilitated through the cloud out of the vendor’s data centers.

- **Premise-based managed services for applications.** The speech application is located on the hosted provider’s network data center, while the IVR and routing components are located on the enterprise’s premises.

Each of these deployment models offer distinct advantages to organizations, and over the years can reflect application lifecycles as companies move from one model to another. Deployment flexibility helps organizations respond rapidly to changes in the business environment and complements long-term IT strategies around agility.

**Choosing a cloud-based IVR platform and speech application**

Enterprises have choices when it comes to choosing an IVR platform and speech application for their cloud-based speech self-service solution. They can deploy a solution by choosing the one-stop shop approach where one vendor provides both the IVR platform and speech applications, or the best-of-breed approach where the enterprise chooses one vendor for the IVR platform and other vendors for the speech applications.

There are slight variations in both these approaches, as enterprises can opt to choose one vendor for the IVR platform as well as some speech applications, while working with other vendors for other speech applications.
Understanding the landscape

To understand the competitive dynamics in the market for cloud-based IVR platform services (hosted IVR platform) and cloud-based speech self-service applications (hosted speech applications) in North America, Ovum has profiled the following leading providers of these services in Table 1. (This list excludes telecommunications carriers.) It's important to note that some providers in Table 1 offer only hosted IVR or hosted speech applications while some provide both bundled together as a solution.

<table>
<thead>
<tr>
<th>Hosted IVR platform providers featured in this report (in alphabetical order)</th>
<th>Hosted speech applications providers featured in this report (in alphabetical order)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convergys</td>
<td>Convergys</td>
</tr>
<tr>
<td>Microsoft Tellme</td>
<td>Microsoft Tellme</td>
</tr>
<tr>
<td>Nuance</td>
<td>Nuance</td>
</tr>
<tr>
<td>Voxeo</td>
<td>Servion</td>
</tr>
<tr>
<td>Voxify</td>
<td></td>
</tr>
<tr>
<td>Angel</td>
<td>Angel</td>
</tr>
<tr>
<td>HP</td>
<td>Chrysalis</td>
</tr>
<tr>
<td>IBM</td>
<td>Interactive Intelligence</td>
</tr>
<tr>
<td>InContact</td>
<td>RightNow</td>
</tr>
<tr>
<td>Interactive Intelligence</td>
<td>SpeechCycle</td>
</tr>
<tr>
<td>MTI</td>
<td>Syntellect</td>
</tr>
<tr>
<td>Plum</td>
<td>Teleperformance Interactive</td>
</tr>
<tr>
<td>RightNow</td>
<td>VoltDelta</td>
</tr>
<tr>
<td>Syntellect</td>
<td></td>
</tr>
<tr>
<td>Teleperformance Interactive</td>
<td>West</td>
</tr>
<tr>
<td>Vail Systems</td>
<td></td>
</tr>
<tr>
<td>VoltDelta</td>
<td></td>
</tr>
<tr>
<td>West</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ovum
Also, it's important to note that this list is not exhaustive. Telecommunications carriers such as AT&T, Bell Canada, Qwest, Rogers, Sprint, Telus, and Verizon, despite being major providers of hosted IVR and speech applications in North America, were excluded from this report. This is because many of these carriers support multiple IVR platforms from different vendors which would not provide a common baseline to accurately compare features, functions, and technical capabilities across hosted IVR platform services.

Ovum rated four hosted IVR platform providers and five hosted speech applications providers in this Decision Matrix. It is important to note that vendors that provide both hosted IVR platform and hosted speech applications were rated in both categories. Because this is not representative of the entire vendor landscape, this report also contains short profiles of other major hosted IVR platform providers and speech application vendors in North America. Most of these vendors could not provide enough data for full profiles and ratings.

This report will provide a summary of vendors' capabilities based on a quantitative assessment of customer sentiment scores and the technology features that they support. The detailed scores underpinning the Decision Matrix can be found on individual vendor radars and in Table 3 and Table 4 in the Appendix. Ovum also provides guidance for enterprises looking to deploy hosted IVR and hosted speech applications, and places vendors in the “shortlist”, “consider”, and “explore” categories using the aggregated results of the Decision Matrix. The following definitions are used for each of these recommendations:

**Shortlist**

These vendors’ products and services should always be placed on an enterprise’s shortlist for hosted IVR or hosted speech applications selection. This category represents the leading hosted IVR and hosted speech applications that Ovum believes are worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a hosted IVR platform or hosted speech application that is widely accepted as best-of-breed or best-in-class.

**Consider**

The vendors in this category have good market positioning and are selling and marketing their hosted IVR platform or hosted speech applications well. The hosted IVR or hosted speech applications offer competitive functionality and good price/performance, and should be considered as part of the technology selection process.
Explore

Hosted IVR platforms or hosted speech applications in this category have less broad applicability, and may have limitations in terms of the product’s functionality or the vendor’s execution capability. However, they will still be suitable to meet specific requirements, and may be worth exploring as part of the technology selection process.

Because realizing the value from a hosted IVR platform or hosted speech application is critically dependent upon the solution’s ability to execute the enterprise’s overall customer interaction strategy, a decision to purchase one platform or application over another should be based on a broad array of factors. These include (but are not limited to) the degree of alignment between the hosted IVR platform and speech application’s features and functionality, and the specific objectives of the enterprise’s customer interaction and contact center strategy. As a result, Ovum’s recommendations of “shortlist”, “consider”, and “explore” should be taken only within the context of an enterprise’s specific solution requirements.

To accurately reflect the technical capabilities and client sentiment for both hosted IVR platform and hosted speech applications (even if both are provided by the same vendor), Ovum has created a Decision Matrix for hosted speech applications and one for hosted IVR. Vendors that offer hosted IVR platform and hosted speech applications were on both lists of “shortlist”, “consider”, and “explore” – one for each category. Figure 1 represents Ovum’s hosted speech applications Decision Matrix.

The average scores from the technology assessment and customer sentiment were used to plot the vendors. In the hosted speech applications realm, Nuance and Voxify were classified in the “shortlist” category, while Convergys and Microsoft Tellme have been placed in the “consider” group. Servion received an “explore” rating in this space. Figure 2 depicts the hosted IVR Decision Matrix. For the hosted IVR platform segment, Microsoft Tellme and Voxide received “shortlist” ratings, while Convergys and Nuance received “consider” ratings.
Figure 1: Hosted speech applications in North America: Decision Matrix

Source: Ovum

*Sentiment scores for Senion’s hosted speech applications were not based on responses from enterprise customers but EPI partners.
Figure 2: Hosted IVR platform vendors in North America: Decision Matrix

Ovum emphasizes that the vendors in both the “explore” and “consider” categories should be benchmarked in the context of the enterprises’ needs and bundling of the hosted IVR platform and hosted speech applications, as the respective strengths of each of the vendors may matter more than minuscule variations in the technology assessment score. It is also important to note that vendors in the “consider” and “explore” categories have proven successful deployments and have delivered measurable benefits to their customers.
Market leaders

**Hosted speech applications: Nuance and Voxify**

Voxify and Nuance were the leaders in the hosted speech applications portion of the Decision Matrix. While Servion had the highest customer sentiment scores, Voxify and Nuance were both extremely close to being leaders in that area. What distinguishes Voxify and Nuance, however, is that both have notable technological expertise developing and deploying complex hosted speech applications for customers over a range of verticals. Both fielded mature and sophisticated solutions that had numerous capabilities with regard to administration & monitoring, features & capabilities, and data integration. Finally, Voxify and Nuance both had strong product roadmaps addressing multi-channel communications and personalized applications.

Voxify and Nuance are clear choices for enterprises to consider when looking for a speech application to be deployed as a hosted service.

**Hosted IVR platform: Microsoft Tellme and Voxeo**

Voxeo and Microsoft Tellme are two of the strongest providers of hosted IVR platform for mid-sized and large enterprises in North America. Both vendors have proven large-enterprise deployments and each handled more than 1 billion inbound speech-enabled calls last year on their highly scalable hosted IVR platforms. Voxeo and Microsoft Tellme were closely spaced in the hosted IVR technology assessment and customer sentiment, with Voxeo taking a slight lead in both. The product roadmaps of both vendors are strong and both are innovating in the areas of multi-channel communication and automation. Customers are also extremely pleased with their service levels, support, and overall product quality. Voxeo's customers especially viewed the vendor's customer support as the best in the industry.
Voxeo and Microsoft Tellme also provide their hosted IVR as a platform-only service, which enables their customers to create best-of-breed hosted speech solutions by choosing one of their hosted speech application partners. Customers of Microsoft Tellme's hosted IVR platform can also choose Microsoft Tellme to design and deploy the hosted speech application as well.

Both vendors are obvious choices for enterprises to consider when seeking a hosted IVR platform service.

The challengers

In terms of the “consider” vendors’ chances of catching up with the market leaders, they all face much the same challenge: specific limitations in their technology portfolios and/or lower scores compared to the market leaders in certain areas of the customer sentiment. Of course, this is not to say that the “consider” vendors cannot be successful in their chosen areas of focus. The “consider” vendors are those that Ovum regards as challengers to the market leaders.

Hosted speech applications: Convergys and Microsoft Tellme

The challengers in the hosted speech applications portion of the Decision Matrix include Convergys and Microsoft Tellme. Convergys had high scores in some areas of the technical assessment and customer sentiment. While the vendor is well known in the industry as having a strong speech application design and development team, it can improve in the areas of data integration and client engagement. That said, Convergys’ hosted speech applications processed the highest number of inbound calls in 2010 among the vendors fully profiled in this report. The vendor's strong professional services arm and innovative platform-agnostic decision engine technology can help propel it toward more of a market leader position in coming years. Microsoft Tellme had very strong scores across most of the technical assessment and customer sentiment categories. The vendor also has a strong speech application and customer experience design practice, but tends to focus more resources on developing and managing its hosted IVR platform. Microsoft Tellme also partners with third-party speech application vendors to provide customers with more choices for vertically tailored solutions.

Given that these two vendors also have a large number of live deployments under their belt, Ovum believes that both companies warrant close consideration for customers that want a one-stop shop for a complete hosted speech solution.

Hosted IVR platform: Convergys and Nuance

Convergys and Nuance are the challengers in the hosted IVR portion of the Decision Matrix. Nuance, in particular, has the capabilities to make a legitimate push in the hosted IVR arena.
especially given the loyalty of its customers. Nuance in fact had the second-highest customer sentiment score as a hosted IVR provider. The vendor also received high overall scores in the technical assessment and tied for top scores in services and production support. Nuance can improve in the area of data integration for its hosted IVR and go-to-market strategies with partners.

Convergys also received high scores across some areas of the technical assessment and customer sentiment. The vendor received the leading score in hosted IVR platform deployments and scalability as Convergys processed the highest number of inbound calls in 2010, described earlier, which shows the performance of its battle-tested hosted IVR platform and exceptional management and maintenance capabilities of its team.

The prospect

Hosted speech applications

Servion, though not well-known among enterprises, had the highest customer sentiment score of all participating vendors. It is important to note, however, that Servion's customer sentiment scores were based on its partners' inputs. The vendor's partners are primarily systems integrators that sell outsourced services to enterprises. While Ovum feels confident that Servion should be seriously considered by systems integrators looking for hosted speech applications partners, the vendor has yet to prove its mettle with very large inbound enterprise deployments.

The leaders' radars

As the competitive landscape may vary significantly across the areas covered by Ovum's Decision Matrix (technology and customer sentiment), it is important to consider these categories separately in order to develop a more complete understanding of each vendor's particular strengths and weaknesses, and why it has been assigned a “shortlist”, “consider”, or “explore” rating. In the following section of this report, Ovum will present the market leaders for each area and then discuss how they vary across the sub-criteria within the assessment areas. Two leading vendors are presented for each category unless multiple vendors have received the same mark, in which case all vendors sharing the same score are displayed.

Figure 3 shows the leading vendors in each of the IVR technology assessment categories. As expected, the vendors with “shortlist” and "consider" are prominent in the technology assessment market leaders' radar.
The technology assessment scores, when averaged out across all ten categories, were tightly clustered. Only about one point separated the lowest-scoring vendor from the highest, reflecting the fairly mature state of hosted IVR technology. Ovum notes that all the hosted IVR platform vendors scored relatively well in the technology assessment radar and those represented in this Decision Matrix are considered leaders in this industry. There are some underlying categories that expose some differentiation among the players.

Voxeo had the leading position or tied for the leading position in five out of the seven categories in the technical assessment section. Microsoft Tellme had the leading position in data integration but also had a very strong showing across four other categories. In many categories only a few decimal points separated Microsoft Tellme from Voxeo.
Nuance also had strong scores, particularly in production support and services. Convergys also showed strength in numerous categories in the technical assessment radar and achieved the highest score for deployment and scalability.

Customer sentiment scores, derived from an independent survey of hosted IVR decision-makers and practitioners that have deployed or formally evaluated hosted IVR, serve as a direct gauge of a vendor’s market perception.

Looking at the results plotted in Figure 4, three vendors appear consistently throughout the end-user sentiment leaders’ radar: Microsoft Tellme, Nuance, and Voxeo. These vendors have been recognized by their customers in nearly every category.

The technology assessment scores for hosted speech applications were also tightly clustered. Nuance and Voxify consistently received the highest marks across all categories of the assessment. Microsoft Tellme also had strong scores, having tied for the highest scores in administration and monitoring, services, and solution maturity. It also received the highest score in the data integration category.

**Figure 4: Market leader analysis: hosted IVR customer sentiment**

Customer sentiment scores, derived from an independent survey of hosted IVR decision-makers and practitioners that have deployed or formally evaluated hosted IVR, serve as a direct gauge of a vendor’s market perception.
Customer sentiment scores for hosted speech applications vendors were also derived from an independent survey of hosted speech applications decision-makers and practitioners that have deployed or formally evaluated hosted speech.

Servion, Microsoft Telme, Nuance, and Voxify appear consistently throughout the customer sentiment leaders’ radar. These vendors have strong relationships with their customers and are held in high esteem as seen from the tabulated results in Figure 6.
Figure 6: Market leader analysis: hosted speech applications customer sentiment

Source: Ovum
CONVERGYS

Overview of hosted IVR platform business and hosted speech applications business

Convergys is a global BPO provider of outsourced agents and contact center technologies. The vendor offers a broad portfolio of contact center solutions, coupled with an extensive professional services team proficient in VUI design and speech application development. The solutions are offered as a premise-based or hosted IVR platform, unified agent desktop, IP contact center, IVR/Web callback solutions for assisted service, and SMS and notifications solutions for proactive service. While these are generally separate products, Convergys has been actively bundling them along with its proprietary Dynamic Decisioning Solution (DDS) for enterprise policy management and decisioning, as a larger customer service suite marketed as Intelligent Self-Service.

Convergys Hosted Solutions is the name of the vendor’s on-demand cloud, dedicated hosted and managed services for IVR and contact center. Its hosted IVR platform is called Intelligent Voice Portal (IVP) which supports both multi-tenant and dedicated services – a differentiator for Convergys. IVP is also sold as a premise-based IVR platform which constitutes a huge bulk of Convergys’ business outside the hosted arena. Convergys also offers IVP as an on-demand solution, giving its clients a number of deployment options to choose from.

IVP offers web-based management and flexible reporting, diagnoses problems at the call and utterance levels, and has realtime capabilities. IVP’s Control Center module gives administrators’ views of both the IVR platform and the individual applications. This module aggregates and displays operational data gathered from all monitored system components. Control Center uses Java Management Extensions (JMX) technology to provide external users with easy access to data, control, and configuration interfaces provided by Control Center. These interfaces can be used to create management “portals” providing customized access to control and data mechanisms for third-party OA&M systems such as HP Openview, IBM Tivoli, CA Unicenter, BMC Patrol, or any SNMP-capable tool.

As with other competitors that have a large portfolio of contact center technologies and services, speech application design and development is only a fraction of Convergys’s overall business and value proposition. Convergys positions itself as a vendor that can provide a complete multi-channel contact center solution that includes automated self-service, voice biometrics, and proactive notification and intelligent callback, as well as the underlying analytics and decisioning that adds intelligence to each automated transaction. The vendor emphasizes its ability to look at
the entire customer relationship, from self-service to assisted-service to proactive service, and provide complete lifecycle support.

Within speech applications specifically, Convergys maintains a valuable asset in its in-house network of user interface designers and speech scientists called Customer Experience Services (CES). This is one of the largest teams of user interface designers in the industry, which gives the vendor considerable expertise. Convergys can deliver its platforms under a variety of deployment models; its applications can also reside on-premise, be hosted, or function as managed services in either shared or dedicated environments. Though most of Convergys’ speech applications are focused around customized work with larger-enterprise customers, the vendor maintains a significant library of configurable packages for speech applications. Most of these templated solutions are horizontal, though CES has created verticalized best practices in case resellers need support in designing applications for specific industries.

Because Convergys views core IVR technologies as a commodity, the vendor differentiates based on Intelligent Self-Service (which can be bundled with IVP as a hosted service) and its support of both multi-tenant and dedicated hosted IVR platforms. Additionally, Convergys is building an ecosystem that allows it to introduce value-added services to address the needs of the mobile consumer. The Convergys Mobile Care offer enhances current smartphone, tablet, and desktop applications by integrating new functionality to existing applications. This infrastructure is allowing Convergys to overlay services such as intelligent callback, secure messaging, social sentiment, and voice biometrics onto current smartphone and web applications, making its clients’ multi-channel customer service offerings much more attractive.
Figure 7: Convergys hosted IVR platform radars

**End-user sentiment**

- Product quality
- Continuous improvement practice
- Vertical specialization
- Services capabilities
- Customer support
- Financial stability
- Ease of integration with third-party vendors
- Client engagement

**Technology assessment**

- Features & capabilities
- Vendor strategy
- Data integration
- Administration & monitoring
- Production support
- Services
- Deployments & scalability

Source: Ovum
Recommendation for hosted IVR platform: consider

Convergys has been providing hosted IVR platforms to large enterprises in North America for almost a decade. The vendor is well known for its solid infrastructure and focus on security and data management. It's not surprising that Convergys processes among the highest volumes of inbound speech calls for customer service in North America. Large enterprises with high call volumes and strict guidelines for technology outsourcing should consider Convergys as a hosted IVR provider. The vendor had a strong showing in some areas of the technical assessment but did not receive high overall scores in end-user sentiment. However, Convergys was on a par with other vendors in some categories in this area.

Convergys had a strong showing in some areas of the technical assessment such as administration and monitoring, production support and services. The sheer volume of inbound speech calls processed on Convergys' hosted IVR platform is impressive. In fact, the vendor earned the top score in the deployments and scalability category of the technical assessment. Also, a key differentiator for Convergys is platform service choice. Customers can choose between a multi-tenant and a dedicated hosted IVR platform (where the IVR platform is not shared with other customers). A dedicated service can help allay any security concerns that enterprises may have when it comes to hosting.

Although Convergys received solid scores in production support, this is one aspect that can be improved. While the vendor offered measures to ensure platform reliability, most other hosted IVR vendors offered tuning and updates at least once per quarter. Convergys offered tuning and updates depending on customer requests. While this could be as frequent as quarterly, customers in fact rated Convergys' continuous improvement practice (which has since become table stakes for hosted providers) lower than average. A more frequent and prescribed update schedule would improve its hosted offering and should be put in place regardless of the complexities of supporting both multi-tenant and dedicated hosted IVR platforms.

Convergys’ overall showing was weakened by its customer sentiment scores. While overall the vendor was respectable in product quality and services capabilities, Convergys needs to address its customer support and client engagement strategies. While some current customers gave the vendor decent ratings in these two categories, nearly half were less than satisfied. Because customers didn’t leave comments, the specific reasoning behind this is unclear. Nevertheless, Ovum recommends that Convergys conduct outreach to its existing hosted clients to determine how specifically it might improve. Ovum suspects Convergys’ rankings might be derived from customer perception of the aforementioned continuous improvement practice. Being more
proactive in initiating technology updates as well as increasing the frequency with which account managers check in with clients should elevate the vendor’s standing among its customers.

Convergys’ strong overall scores in the technical assessment and fair scores in end-user sentiment place the vendor in the “consider” category for hosted IVR platforms. Ovum believes the end-user sentiment score is not reflective of Convergys’ customer sentiment overall, but the vendor can improve in certain areas of client engagement and rolling platform updates. Convergys has strong technological expertise and has the potential to be a top hosted IVR provider in North America, should the vendor wish to go in that direction.

Given all of Convergys’ assets, Ovum thinks Convergys has the potential to become a strategic customer relationship outsourcing partner that can provide enterprises with an optimal mix of agents, proactive and self-service technologies (underpinned by its DDS technology) to weave together several aspects of customer service. This next evolutionary step for Convergys has been in motion for quite some time but has not yet materialized. However, selling both live agents and self-service technologies has been the Holy Grail for many large BPO providers. To date, no company has been able to successfully pull this off. Convergys, though, may be the closest to doing so.
Convergys hosted speech applications

Figure 8: Convergys hosted speech applications radars

End-user sentiment

Product quality
Vertical specialization
Continuous improvement practice
Services capabilities
Ease of integration with third-party vendors
Customer support
Financial stability
Client engagement

Technology assessment

Features & capabilities
Vendor strategy
Data integration
Solution maturity
Administration & monitoring
Production support
Services

Source: Ovum

Recommendation for hosted speech applications: consider

Overall, Convergys received high scores in some areas of the technical assessment and end-user sentiment, placing it in the “consider” category for hosted speech applications. Convergys’ hosted applications did well in key categories such as features & capabilities, services (where it tied for a
perfect score), and vendor strategy. However, the vendor’s scores in data integration, production support and solution maturity were not as high as some of its competitors in these areas.

In the area of data integration, Convergys does not support as many third-party ACD/PBX, CTI, CRM, and BI solutions as some of its competitors. The data integration category was primarily a checkbox that determined a vendor’s pre-existing integrations with other vendors. Ovum emphasizes that just because a vendor has not worked with certain third-party vendors does not mean it cannot or will not in the future. In terms of solution maturity, Convergys’ speech applications have not been deployed as long as those developed by others in this report. Convergys’ longest-running speech application (for a single client) has been in production for six years; other major competitors have deployed for nearly a decade.

Ovum believes the area where Convergys should focus most of its efforts is in improving production support. As with its hosted IVR service, Convergys does not provide as frequent updates for its applications as some of its competitors. Instead, it has a different approach in that the vendor provides updates for its applications on a per-customer-request basis. When averaged out across its customers, this nets out to updates occurring once per year, which may be all that is required for the specific needs of the customer.

Convergys’ customer sentiment score in the speech applications category reflects sentiment in the platform category. This is to be expected, as its hosted speech applications are coupled with its hosted IVR platform. Convergys needs to implement a stronger continuous improvement practice to ensure customers are getting the most up-to-date technology possible. Our opinion of Convergys’ customer sentiment scores as a platform provider is similar to that of its customer sentiment scores as an application provider. Ultimately, improving its client engagement and continuous improvement practices will be a significant benefit for Convergys and its customers.

Convergys has a very strong heritage and extensive experience and resources in both hosted IVR and speech applications, and should be considered by large enterprises that are looking for a hosted speech solution. The vendor’s hosted speech applications in conjunction with its DDS technology and support of automation and intelligent callback capabilities are unique. Large-enterprise customers should be talking with Convergys to better understand how these adjunct technologies can amplify the value of Convergys’ hosted speech solution.
Overview of hosted IVR platform business and hosted speech applications business

Microsoft Tellme’s speech recognition technology powers all of Microsoft’s speech-enabled products and services, spanning automobiles, mobile devices, personal productivity software, and customer self-service. While Microsoft Tellme has significant resources and assets in the area of speech recognition, the vendor is also well known for its focus on improving the customer experience in the voice channel, where it provides both a hosted IVR platform and speech self-service applications. For years, Microsoft Tellme has been a major provider of hosted IVR platform services and hosted speech applications to large enterprises in North America.

In the realm of customer care, Microsoft Tellme’s core business focuses on its open-standards-based multi-tenant platform, and it still maintains considerable in-house expertise building and deploying speech applications. Additionally, Microsoft Tellme has a strong network of professional services and go-to-market partners that perform significant design and development work for applications deployed on its platform. For instance, Microsoft Tellme’s recent partnership with Voxify combines Voxify’s Expert Service Portal and Interactive Outbound solutions with Microsoft Tellme’s cloud-based speech platform. Within this configuration, Voxify provides the application design and development work on top of Microsoft Tellme’s network. Roughly one-third of Microsoft Tellme platform customers use Microsoft Tellme’s in-house applications services, one-third use services provided by Microsoft Tellme partners, and one-third of enterprise customers develop and manage their own applications.

The speech applications developed by Microsoft Tellme itself are largely customized on top of configurable packages and pre-built, pre-tuned modules and templates. Assembling applications in this way enables Microsoft Tellme to maximize personalization and integration into back-end enterprise databases while minimizing costs and time to deploy.

Microsoft Tellme’s hosted speech applications are mostly designed to run on its own hosted open-standards-based IVR platform. The speech applications that are designed, managed, and run on Microsoft Tellme’s hosted IVR platform are continuously refined over time to improve performance and caller experience. For instance, upgrades to Microsoft Tellme’s platform and components are rolled out on a quarterly basis (some components receive weekly or bi-weekly upgrades). The platform is architected such that new capabilities require no application updates; additionally, Microsoft Tellme’s SLA includes continuous updates without any additional fees or maintenance costs. For example, Microsoft Tellme rolled out two significant ASR engine updates in the past six
Selecting a Provider of Cloud-based Speech Self-Service Solutions in North America (OT00082-002)

© Ovum (Published 06/2011) Page 28

This report is a licensed product and is not to be photocopied

months and updated web services support for TTS and advanced audio. Microsoft Tellme answers more than 2.5 billion (inbound speech for enterprise and directory assistance) calls per year and manually transcribes and analyzes millions of utterances from those calls to improve overall speech engine performance. This includes retraining acoustic models, expanding grammars, changing pronunciation dictionaries, and updating search indices.

Microsoft Tellme’s continuous improvement of its platform and the associated solutions and services drives clients’ adoption of its multi-tenant, cloud-based platform (as opposed to a dedicated on-premise environment), and eliminates upfront capital expenditures and any of the ongoing costs commonly associated with upgrading and maintaining speech solutions — one of the major deterrents to enterprise investment in speech solutions. Finally, Microsoft Tellme provides a web-based toolset allowing clients to manage their applications and to examine data gleaned from the applications via analytics.
Microsoft Tellme hosted IVR platform

Figure 9: Microsoft Tellme hosted IVR platform radars

End-user sentiment
- Product quality
- Continuous improvement practice
- Ease of integration with third-party vendors
- Financial stability
- Client engagement

Technology assessment
- Features & capabilities
- Vendor strategy
- Production support
- Services

Source: Ovum

Recommendation for hosted IVR platform: shortlist

Microsoft Tellme's extensive resources, long-term financial viability, focus on the constant evolution of its cloud-based speech platform, and adherence to open standards means that the vendor is an ideal fit for most enterprises seeking a hosted IVR platform. Overall, Microsoft Tellme...
received high scores across all categories in both the end-user sentiment and the technology assessment.

Microsoft Tellme had strong end-user sentiment scores in the product quality, vertical specialization, and client engagement categories. The vendor received the highest score in financial stability which, given that it is part of Microsoft, is wholly expected. End users also gave Microsoft Tellme a solid score in the continuous improvement practice area, but given that this is explicitly a point of differentiation for Microsoft Tellme, it’s surprising that the vendor didn’t rank as the leader in this category.

It seems there is a disconnect between end-user perceptions of Microsoft Tellme’s ease of integration with third-party vendors and the vendor's actual integrations with third-party contact center infrastructure and back-end data warehouses. Microsoft Tellme can improve its messaging in this area to overcome any misconceptions among customers.

In the technical assessment, Microsoft Tellme had the leading score in data integration capabilities, and tied for top scores in production support and overall vendor strategy. Microsoft Tellme’s platform is currently integrated with all major ACD and CTI providers including Avaya, Alcatel-Lucent (Genesys), Cisco, and Aspect. The vendor’s architecture also allows it to integrate with disparate CRM and BI solutions used by a variety of its enterprise customers. Finally, Microsoft Tellme’s platform supports both inbound and outbound interactions across multiple channels including SMS, chat, and social media sites. Ultimately, for enterprises that want to integrate a self-service solution into multiple back-end data sources, Microsoft Tellme has demonstrable expertise in facilitating this.

Microsoft Tellme received a perfect score in production support due to its abilities to continuously monitor key solutions statistics. These include application performance, ASR accuracy, and audio availability. Most upgrades roll out quarterly, but some roll out weekly or bi-weekly. The continuity of these upgrades differentiated Microsoft Tellme’s production support philosophy.

In the area of features & capabilities, Microsoft Tellme did not receive as high a score as some of the other vendors, mainly due to its limited support of ASR engines from other third-party vendors. Given that Microsoft Tellme has its own ASR engine, this makes sense, but it limits ASR engine choice for customers. Enterprises should closely evaluate the performance of Microsoft Tellme’s ASR engine to see if it meets their requirements. That said, the Microsoft Tellme ASR engine has been proven in the industry to perform well in many environments.

Lastly, Microsoft Tellme has an excellent overall strategy. The vendor has significant brand equity in the contact center and will likely be able to make an even stronger push by explicitly leveraging
the Microsoft brand and resources. Because Tellme has been in the hosted business longer than some of its competitors, it also has a very mature channel of application developers and go-to-market partners.

Ovum has firmly placed Microsoft Tellme in the “shortlist” category for hosted IVR platforms. Ovum believes that any large enterprise with high call volumes and complex call flows evaluating hosted IVR options should be speaking to Microsoft Tellme.

**Microsoft Tellme hosted speech applications**

![Diagram of Microsoft Tellme hosted speech application radars]

Source: Ovum
The two areas that Microsoft Tellme did not excel in are vendor strategy and features & capabilities. Because Microsoft Tellme does not market its own speech applications capabilities on a broader scale, many enterprises are unaware that the vendor provides internally developed hosted speech applications. In addition, unlike some of the other vendors, Microsoft Tellme's go-to-market strategy (for its internally developed speech applications) is not developed and product roadmaps for its speech applications are not widely communicated. In the features and capabilities area, the vendor does not typically support IVR platforms from other vendors, which limits choices for customers that would want a Microsoft Tellme speech application on an IVR platform hosted by another vendor. The lower scores in these categories are mostly symptomatic of Microsoft Tellme's business model. The vendor is primarily a provider of a hosted IVR platform, and it is unlikely that Microsoft Tellme will ever openly support IVR platforms from other vendors.

Microsoft Tellme had strong scores in most of the categories in terms of end-user sentiment. Customers appreciated the overall quality of Microsoft Tellme’s hosted speech applications and the ability for those applications to provide a good caller experience. Issues surrounding Microsoft Tellme’s applications, according to customers, stemmed largely from the vendor’s ease of integration with third-party vendors, which can once again be attributed to Microsoft's positioning as a hosted IVR provider and lack of support for IVR platforms from other vendors.

The high scores in the technical assessment combined with its strong showing in end-user sentiment place Microsoft Tellme in the “consider” category for hosted speech applications. Large enterprises with high call volumes and complex call flows should consider Microsoft Tellme for hosted speech applications only when deployed with the Microsoft Tellme hosted IVR platform. Because of the tight coupling between the application and platform, customers will only realize the full benefits of Microsoft Tellme's hosted speech applications, such as continuous application performance improvement, when deployed on the Microsoft Tellme IVR platform. Existing customers that are using Microsoft Tellme’s hosted IVR platform should also consider deploying speech applications designed by Microsoft Tellme.

**Recommendation for hosted speech applications: consider**

Microsoft Tellme’s in-house hosted speech applications practice is not as widely known in the market as its hosted IVR platform offering. However, the vendor's speech application practice has a large and seasoned team of experts and extensive experience in designing, deploying, and maintaining successful speech applications suitable for most customer service operations in large enterprises. While most of Microsoft Tellme's speech applications deployments are delivered bundled with Microsoft Tellme's hosted IVR platform, the speech applications created by the vendor are interoperable and can be used on different IVR platforms that are VoiceXML 2.1
compliant, and ASR engines that support W3C-compliant grammar files like GRXML and SRGS, which makes application portability easier.

Although Microsoft Tellme's speech applications are exclusively a hosted service, it has seen instances where customers have migrated a speech application which was hosted on the vendor's IVR platform to an on-premise deployment model. This option provides Microsoft Tellme customers with greater deployment flexibility and extends the benefit of VoiceXML, as different elements of a hosted speech and IVR solution can exist in different locations.

The primary reason why most Microsoft Tellme customers choose the vendor for both hosted speech applications and hosted IVR is because of the continual refinement and improved application and platform performance that customers have seen over time. In addition, the management and procurement is simplified as customers only have to deal with one provider for both hosted speech applications and IVR platforms.

Overall, Microsoft Tellme fielded solid scores in most of the categories in the hosted speech applications technical assessment. Microsoft Tellme led in data integration and tied for the highest scores in solution maturity, administration, and monitoring and services.
Overview of hosted IVR platform business and hosted speech applications business

Nuance is the largest provider of speech recognition technologies that power contact center, mobile, and healthcare solutions across the globe. Nuance is well-known within the enterprise space as a provider of speech recognition technologies, text-to-speech (TTS) technologies, and speech applications. The 2007 acquisition of Viecore gave Nuance considerable professional services expertise and the vendor is now a major provider of core technologies and solutions, as well as services that include systems integration and application design, development, and deployment. Nuance maintains a full range of applications including inbound self-service, proactive multi-channel outbound, and on-device mobile customer care, as well as network ACD and intelligent call routing to extend the self-service experience.

Nuance’s hosted IVR offering is called Nuance On Demand. The service has been processing calls for more than 11 years. Nuance acquired hosting vendor BeVocal in 2007 and has evolved the business model and re-architected BeVocal’s original platform to provide companies with an enterprise-grade end-to-end solution. Customers using Nuance’s service have access to the vendor’s “continuous improvement community”, which ensures optimal performance of the deployed technologies and applications. When improvements in core technologies such as automated speech recognition (ASR) are deployed across the cloud, customers can realize those benefits quickly, often without updating or re-deploying applications.

Nuance emphasizes that its On Demand service is not a simple platform hosting; it’s a complete set of integrated customer care solutions aimed at delivering exceptional customer experience. Nuance On Demand provides the options of deploying VoiceXML applications in the cloud or on-premise. Nuance’s focus is on helping deliver an end-to-end great caller experience that reduces costs and, if requested by the customer, increases agent productivity. The hosted service is fully redundant across three geographically distributed data centers with automatic failover, each with additional capacity to handle traffic deflection, should the necessity emerge. These centers are SAS 70 and PCI Level 1 certified to provide high levels of security.

Regarding the actual platform, Nuance On Demand includes a multi-tenant standards-based VoiceXML platform, certified on VoiceXML 2.0 and 2.1. It is optimized for speech and for security standards necessary to host mission-critical services. Other features include log separation, end-to-end call recording, encryption and suppression of sensitive data, multi-tenant per-application configuration that maximizes flexibility on a shared platform, and capacity bursting.
Nuance cites as differentiators:

- early access to Nuance's latest technologies, which are often available to Nuance On Demand customers 12 months ahead of the general market
- customers' association with the wider Nuance community, which enables continuous improvement
- Nuance's top-to-bottom design, development, and deployment of the entire stack, which allows for quicker changes and improvements to the platform and application
- broad set of data insights available to customers, derived from many large Nuance deployments (both on-premise and hosted)
- expertise in delivering speech solutions for customer care.

Nuance often engages its enterprise customers via its business consulting organization, which helps enterprises lay out a broad customer care strategy. It offers a solution delivery model called Nuance Pro, which is a staged delivery model for designing, building, and deploying customer care applications. Professional services offered by Nuance include everything from VUI design to the selection and coaching of voice talent. Nuance also has extensive systems integration capabilities for integration into CRM or customer databases, CTI integration services, and desktop GUI integration services. Additionally, Nuance emphasizes its tools strategy as an asset: Java and VoiceXML-based development environments such as Nuance Application Studio and Nuance Development Framework are designed to prevent lock-in at the application level, assuring maximum portability from platform to platform. Finally, web-based management tools enable realtime changes to applications in production.
Figure 11: Nuance hosted IVR radars

End-user sentiment

- Product quality
- Vertical specialization
- Services capabilities
- Customer support
- Financial stability
- Ease of integration with third-party vendors
- Continuous improvement practice

Technology assessment

- Features & capabilities
- Data integration
- Deployment & scalability
- Administration & monitoring
- Production support
- Vendor strategy

Source: Ovum
Recommendation for hosted IVR platform: consider

Nuance had solid scores in most of the hosted IVR platform technical assessment and end-user sentiment categories. Its hosted IVR platform received strong scores in the features & capabilities and administration & monitoring categories in the technical assessment. Nuance tied for the top scores in services and production support. Overall, customers view Nuance's hosted IVR platform favorably and the vendor has inherent advantages (over other competitors) in some technical capabilities due to the combination of its assets in speech and strong vertically focused professional services overlay. Ovum thinks Nuance could create an ideal solution for customers that want a single provider for hosted IVR and speech applications.

From a features and capabilities standpoint, because Nuance is a provider of core speech recognition technologies, the vendor can tightly integrate its ASR engine with its solutions and ensure that enterprise customers receive continuous updates. Thus, because Nuance has built every component in its solution stack, from the ASR engine to the applications to the analytics, Nuance can make significant improvements quickly. It does not, however, support ASR engines from other third-party vendors. This makes sense as Nuance has its own collection of ASR engines and is the clear market share leader in ASR engines, but this limits ASR choices for customers.

Nuance also fields impressive administration and monitoring capabilities, specifically with its cross- and multi-channel analytics as well as its tools that enable enterprises to develop and/or modify applications. Nuance has solid application reporting and testing tools that it has developed organically over the past few years. Finally, Nuance performed well in services – notably due to its 100% uptime guarantee (which not every vendor was able to offer) and its immediate outage response, and scalability.

Areas in which Nuance’s On Demand platform didn’t perform quite as well as other vendors include support for data integration interfaces. While Nuance emphasizes its ability to derive data-driven insights from Nuance customers around the world (both hosted and on-premise deployments), it didn’t have the same breadth of legacy pre-built integration interfaces as other vendors integrating with third-party CTI and BI solutions.

While this does not mean that Nuance On Demand cannot integrate with third party systems – Nuance has implemented hundreds of CTI integrated solutions – Ovum feels that having demonstrable experience integrating with numerous CTI and BI solutions demonstrates marked deployment experience. Additionally, Nuance should look to add support for web chat, which is becoming an increasingly popular channel for customer service and one that all of its competitors integrate.
In terms of end-user sentiment, Nuance On Demand fielded leading scores in vertical specialization, which isn’t particularly surprising given Nuance’s range of work as an applications developer through a variety of industries. It was also far and away the leader in continuous improvement practice – customers were pleased with the vendor’s ability to quickly and efficiently make changes to its solution. Additionally, clients looked favorably upon Nuance’s service-level agreements.

Two of the vendor’s lower end-user sentiment scores, however, were in product quality, which is the customers’ perception of the quality of the hosted IVR service, and in services capabilities, which is the customers’ perception of the vendor’s consulting, integration, and management of solutions during and after deployment. Some of the customers that rated Nuance are no longer Nuance customers, or are customers that had opted not to deploy with the vendor; this was detrimental to Nuance’s overall standing. Customers that continue to deploy with Nuance are all extremely loyal and have high esteem for the On Demand service.

The combination of a strong technology assessment and very strong end-user sentiment make Nuance a strong contender in the hosted IVR arena. Ovum therefore places Nuance in the “consider” category. Large enterprises that have specific vertical needs should consider Nuance On Demand as a hosted IVR offering and look to leverage the vendor’s professional services capabilities and speech recognition assets in other areas within the organization. Ovum believes the value that Nuance provides in customer care can be amplified by leveraging more than one offering from the vendor.
In end-user sentiment, Nuance was remarkably strong as a hosted speech applications vendor, fielding some of the highest scores in continuous improvement practice (consistent with its performance as a platform provider). It also performed well in two other areas that are particularly important: caller experience and customer support. High scores in these two categories demonstrate the vendor is proficient in raising satisfaction among consumers and is also able to help clients in need of assistance.
Nuance’s scores in client engagement were not as high as some other vendors. This is strange considering Nuance dedicates a client engagement manager to each of its Nuance On Demand customers to ensure customer satisfaction and to support its commitment to continuous improvement. Some of Nuance’s customers indicated that integrating with third-party vendors (such as CRM tools) wasn’t always easy; this had a direct impact on some of the data integration scores from Nuance’s technical assessment. Also, as mentioned earlier, not all of the customers that rated Nuance are current customers. Some of these past customers might be holdovers from BeVocal, and Nuance has since changed this business model and platform architecture.

Ovum believes any large enterprise with high call volumes or complex call flows and tasks – focusing on improving the customer experience in the voice channel – should be talking to Nuance. The vendor’s extensive resources, sustained commitment to improving the performance of the speech application (in conjunction with other channels), and its 100% uptime guarantee are very compelling and demonstrate the strategic value of engaging with Nuance as a hosted speech solutions provider.

Recommendation for hosted speech applications: shortlist

Nuance has the largest team in the industry dedicated to designing, implementing, and maintaining both hosted and on-premise speech applications, and this shows in the results. Nuance had impressive scores in almost all areas of the hosted speech applications technical assessment and end-user sentiment, and is firmly placed on Ovum’s “shortlist” for hosted speech applications vendors.

In the technical assessment for hosted speech applications, Nuance tied for the highest scores in administration and monitoring, services, production support, and solution maturity. Nuance’s application monitoring capabilities (integrated with its hosted IVR platform) allows clients to oversee the performance of the speech applications. These monitoring tools include recognition latency, response latency, call statistics, available and utilized ports, and time-to-first-prompt, among others. In services, Nuance provides the entire menu of professional services for speech application development and maintenance including persona design and voice talent selection, prompt/grammar/call flow development, systems integration, testing/debugging/monitoring and routing strategy, scenario development, and load testing. In the area of production support, Nuance offers warranties that last over a contractual lifetime with quarterly upgrades. In solution maturity, Nuance tied for the top score (along with some other vendors) as it has had a hosted speech application in production supporting the same client for a decade.

Nuance also tied for the top score in vendor strategy by exhibiting a strong product roadmap and messaging around its applications and good brand equity in the contact center. However, its
hosted speech applications are sold bundled with Nuance On Demand (in North America) and are available primarily through a direct sales force; Nuance doesn’t have as many relations with channel partners or systems integrators as some of its competitors, which may limit its appeal to niche areas of certain vertical markets.

Similar to the data integration score in the technical assessment for Nuance’s On Demand platform, its hosted speech applications also did not receive high scores in this area. Nuance didn’t have the same breadth of legacy pre-built interfaces as other hosted speech vendors integrating with third-party CTI and BI solutions. However, Nuance emphasizes its ability to integrate with third-party data systems using standards-based web services application programming interface (API), and if required by the customer, Nuance will integrate its solutions with legacy systems as its professional services organization has extensive experience in systems integration gained from a long history of implementations and deployments in the contact center.
SERVION

Overview of hosted speech applications business

Servion is a consulting specialist focusing on customer interaction management. The vendor provides end-to-end services from consulting and R&D to maintenance and support. It has eight disciplines across customer interaction: technology consulting, contact center intelligence and reports, agent productivity, outbound interaction management, self-service, workforce management, quality monitoring, and customer behavior analytics. These services are offered across a range of verticals.

Servion’s professional services include development and maintenance of VoiceXML-based speech/DTMF applications for its partners in both on-premise and hosted configurations. Consequently, Servion’s team is familiar with numerous tools for developing applications, including Voice Objects, Cisco Universal Studio (both platform-independent toolsets), as well as Avaya Dialog Designer, Syntellect Studio, Intervoice Studio, Genesys Composer Voice, and Nuance tools. In addition, Servion uses its own standards-based VoiceXML tool developed in Java – the “VXML DTMF Framework (VDF)” – for application development.

As part of its maintenance services, Servion has designed and deployed a home-grown monitoring tool which is SNMP compliant. This tool monitors all the components in the contact center and sends application-specific alerts should the situation warrant. It is also integrated with email and SMS alerts.

One of the biggest benefits of Servion is that its applications are extremely portable. The vendor offers customers the choice of going with a standards-based development approach so that any migration across platforms can be completed with minimal changes. Additional strengths of Servion are its deep application development expertise and its ability to deploy across numerous platforms and configurations. Servion also integrates applications with back-end/host systems in any complex environment.
Servion hosted speech applications

Figure 13: Servion hosted speech applications radars

- End-user sentiment
  - Product quality
  - Caller experience
  - Vertical specialization
  - Continuous improvement practice
  - Services capabilities
  - Ease of integration with third-party vendors
  - Customer support
  - Financial stability
  - Client engagement

- Technology assessment
  - Features & capabilities
  - Vendor strategy
  - Data integration
  - Solution maturity
  - Administration & monitoring
  - Production support
  - Services

Source: Ovum
Recommendation for hosted speech applications: explore

Ovum places Servion in the “explore” category for hosted speech applications vendors. Servion had fair scores in the technical assessment but very strong scores in end-user sentiment. The vendor is slightly different than the other hosted speech application providers in this Decision Matrix, in that it doesn’t always sell directly to the enterprise. Servion often develops applications with platform providers and sells to systems integrator partners who then resell the hosted application to their enterprise customers. Consequently the vendor has some gaps in its toolsets for administration and monitoring, data integration, and production support. For instance, the vendor doesn’t supply the typical reporting or development tools that other application shops provide.

That said, Servion has shown that it is capable of developing and maintaining complex applications. Recent deployments have included NLU call steering and applications that leverage knowledge from previous customer interactions. Ultimately, Servion’s strength is as a systems integrator partner that develops, maintains, and oversees complex applications.

Despite some of the technical gaps in Servion’s portfolio, its customers loved the vendor. Servion led in every customer sentiment category, from product quality to client engagement and customer support. However, there’s a caveat: the customers that ranked Servion are by and large not enterprise customers (because of its largely B2B line of business, Servion is not well known among enterprises), so it’s difficult to actually compare Servion with application providers that deal more directly with the enterprises deploying the applications.

Partners indisputably hold Servion in high esteem, and systems integrators and platform providers looking for an excellent partner in application design and development should be talking with Servion and evaluating its portfolio.
VOXEEO

Overview of hosted IVR platform business

Voxeo is known in the industry as being a very customer-centric vendor that services more than half of the Fortune 100 companies and service providers across the globe. Voxeo provides inbound and outbound IVR, call control, conferencing, SIP-based VoIP applications, and unified self-service via voice, SMS, instant messaging, mobile web, social networking, and smartphone apps. Based in Orlando, Florida, it runs its hosting operations from seven data centers across the globe and has a significant presence in North America.

The vendor is best known for its VoiceXML and CCXML standards-based platforms, and developer services for inbound and outbound campaigns delivered as a hosted service or a premise-based platform. Since 2001, Voxeo has provided its hosting services via its Prophecy SIP-based platform; the vendor released an on-premise version of this platform in 2005. In 2009, the vendor purchased Motorola’s VoiceXML browser, which it previously developed in partnership with Motorola under a shared ownership agreement. Demand for its on-premise solution has grown among its installed base of hosted customers that want to migrate to a premise or a hybrid deployment, as well as new customers.

This flexibility is key to Voxeo’s competitive differentiation, as Prophecy can be deployed on-premise, hosted, or as a hybrid. Moreover, its openness maximizes compatibility with an enterprise’s existing contact center infrastructure; this enables customers to leverage their existing applications and business rules or campaign management engines with Voxeo technology. In recent years Voxeo has made significant strides to enable its stack to accommodate inbound and outbound dialogs across numerous communication channels. The 2008 acquisition of VoiceObjects began this push into the multichannel environment; the more recent acquisition of IMified, through which Voxeo gained a hosted instant message application development and deployment platform, enables the vendor to offer multichannel functionality as a cloud-based service.

Voxeo also has notable application creation environments through its acquisitions of VoiceReady and VoiceObjects. And the 2010 acquisition of ClackPoint provided the vendor with a realtime collaboration platform that enables collaboration across multiple channels, a virtual conference room that supports voice, video, and IM, as well as an API on which developers can add collaboration tools and widgets.
While Voxeo does not provide the actual speech applications themselves, it does have a professional services team that works closely with customers to scope the requirements of their speech application lifecycle, advises them on best practices in speech usability and integration, and delivers a comprehensive project specification. The speech applications are provided by Voxeo’s partners (who all use Voxeo’s VoiceObjects tool for speech application delivery). This approach helps align customers with the right partners that can provide highly targeted and vertically focused offerings. Voxeo partners include VUI specialists, speech application providers (such as Servion), call routing experts, and systems integrators.

Unlike many of the vendors featured in this report, Voxeo’s focus is less on the development, design, and deployment of inbound and outbound applications than on providing an open technological stack that allows third-party developers to create their own innovative applications. Voxeo is also well known for operational excellence in its data centers and backs its hosted IVR service with a 100% uptime guarantee.

Voxeo’s go-to-market strategy pushes forward on two fronts. In recent years, the vendor has been selling directly to enterprises as well as to service providers. Certainly the new capabilities it inherits from recent acquisitions, such as multichannel in the cloud, allow Voxeo to offer what can be an expensive solution at a reasonable price point.

But Voxeo continues to take strides bolstering its developer community (estimated to be over 200,000 developers), which has always been one of the vendor’s strengths. A significant part of the value within a communications stack resides at the application layer, so Voxeo’s support of developers from third-party shops or from enterprise IT departments is a boon to vendors, even as some of the underlying components, such as IVR platforms, become commoditized.
Voxeo hosted IVR platform

Figure 14: Voxeo hosted IVR radars

End-user sentiment

- Continuous improvement practice
- Vertical specialization
- Ease of integration with third-party vendors
- Services capabilities
- Financial stability
- Customer support
- Client engagement

Technology assessment

- Features & capabilities
- Vendor strategy
- Data integration
- Production support
- Administration & monitoring
- Deployments & scalability

Source: Ovum
Recommendation for hosted IVR platform: shortlist

Voxeo had the highest overall scores in the technology assessment and end-user sentiment. Its hosted IVR platform garnered the top ratings in features & capabilities, administration, and monitoring, and tied for the top scores in production support, services, and vendor strategy. Of the vendors in this Decision Matrix, Voxeo had the greatest diversity of size of customers. In addition, the company’s expansive list of complementary products and services and speech application partners that have vertical specializations means that Voxeo supports a wide array of hosted IVR platform services for enterprises of all sizes. In particular, Ovum believes Voxeo could create an ideal solution for customers that want to combine call control with hosted inbound and outbound IVR and speech applications.

In the technical assessment Voxeo had the highest score in administration and monitoring. Voxeo offers numerous tools that enable clients to oversee the performance of applications running on a Voxeo platform. There wasn’t any one feature that Voxeo had that competitors lacked, but Voxeo’s stack related to administration and monitoring was complete, whereas others lacked features such as Eclipse plug-ins for application development.

Another area that Voxeo excelled in was its support of multiple ASR engines. Although Voxeo has a strong focus on open standards and protocols, many of the other hosted IVR vendors supported similar open standards and protocols such as multi-vendor SIP, but they typically adhered to ASR engines from one or two partners. Voxeo’s platform is compatible with numerous engines, which provides customers with significant flexibility (for instance, they can opt for a cheaper engine). In a category where there was relatively little competitive differentiation, this stood out. The vendor also performed well in data integration, having experience collecting data from numerous CRM, CTI, and ACD solutions.

What makes Voxeo truly unique, however, is its 100% uptime guarantee; for a while, it was the only vendor that offered this (Nuance recently also offers a 100% uptime guarantee). If there is an outage, Voxeo reimburses customers.

Customers had a very positive perception of Voxeo’s hosted IVR service. When it came to product quality, the vendor had the highest end-user sentiment score. Voxeo also had the highest end-user sentiment scores in services capabilities, customer support, and ease of integration with third-party vendors. Customers were also appreciative of the vendor’s SLAs, the uniqueness of which is described in the technical assessment.

Some of the areas where the vendor did not perform as well in end-user sentiment can be attributed to its business model. For instance, Voxeo did not have a strong score in vertical
specialization in and of itself – in fact, it resells its hosted IVR platform service to other vendors that resell a verticalized solution. Voxeo received a solid score in client engagement but, despite offering good support, it seems Voxeo could be more proactive in approaching clients to determine if they have any specific issues or needs.

The combination of an extremely strong technology assessment and end-user sentiment make Voxeo an obvious inclusion in the “shortlist” category. Ovum believes that any small, medium, and large enterprises considering the hosted model for speech self-service should evaluate hosted IVR services powered by Voxeo.
VOXIFY

Overview of hosted speech applications business

Voxify provides customized speech self-service solutions for contact centers. The vendor develops all of its applications in-house and offers them as a managed service, which can be deployed in hosted, on-premise, or hybrid configurations. While some vendors in the marketplace will have a bottom-up sales approach in which they talk about the merits of their hosted IVR platform and service, Voxify believes the value resides in the application design and performance. With Voxify, all IVR platforms (hosted, on-premise, or hybrid) are provided through third-party partners or the enterprises themselves. Voxify is responsible for the day-to-day operations of client speech applications as well as lifetime application improvements through analysis and tuning cycles. Unlike most of the major vendors in the industry whose application development business supplements their platform business, Voxify's core focus is speech applications that provide a high-quality caller experience with the added benefits of quick deployment timeframes and application portability for the enterprise.

Voxify improves the caller experience by offering personalized applications which identify callers, predict intent, and route calls to the best resource for resolution: either a live agent or a self-service application. To achieve this personalized service, Voxify's applications leverage existing contact center infrastructure, customer interaction history, and enterprise data sources.

The vendor also prides itself on its ability to deliver rapid ROI for enterprises through quick deployment timeframes. It uses its Conversation Engine Deployment Platform and EasyConnect integration technology to hasten this process. The Conversation Engine is an applications development and runtime platform that provides an environment in which developers can create speech applications. Because of Voxify's specialization in certain verticals, the vendor has a library of components from which it can build speech applications in twelve weeks. EasyConnect is an integration layer which provides the hook-up between application and back-end databases.

Voxify's applications are vendor-agnostic; in other words, they can run on all major ASR engines and IVR platforms from different hosted and on-premise vendors. Voxify's ability to migrate its applications from one platform to another (or from hosted to on-premise) without having to port or alter them significantly enables its customers to retain their applications even as they change their underlying deployment platform.
The vendor also fields a comprehensive set of administration and monitoring tools, which enable various personnel – from the customer’s IT department to its business users to its contact center staff – to receive permissions to make changes to applications. Voxify also has robust analytics and monitoring tools that rival large hosted platform providers. Finally, Voxify’s production support was tied for the top score. It has warranties over a contract lifetime, quarterly customer updates, and extensive monitoring systems that ensure application and platform availability. The fact that
Voxify has been servicing a client with the same speech application for a decade also provided the vendor with a high score in solution maturity.

Although the vendor supports most of the major CRM solutions such as Oracle, SAP, and Amdocs, data integration is one area in which Voxify can improve by integrating with more CRM solutions such as Microsoft and Salesforce and smaller niche CRM vendors as well.

In terms of end-user sentiment, Voxify’s scores were impressive across the board. From a product quality standpoint, customers pointed to Voxify’s hosted speech applications as among the best. The vendor also had very high scores in services capabilities, customer support, and client engagement, and strong scores in continuous improvement practice and caller experience.

Getting a well-designed speech self-service application up and running quickly is what Voxify is known for in the industry. Because Voxify has a vendor-agnostic approach, its speech applications are especially appealing to enterprises that have either sunk investment in legacy infrastructure or are in the process of upgrading their infrastructure. In recent years the vendor has been sharpening its focus on providing personalized speech applications to further improve the caller experience. Ovum believes medium to large enterprises should be talking with Voxify as an option for hosted speech applications, to further understand the capabilities and approach Voxify supports when it comes to personalization in self-service and proactive communications.

Recommendation for hosted speech applications: shortlist

Voxify had very strong scores across the technology assessment and in end-user sentiment, and Ovum has therefore placed it in the “shortlist” category for hosted speech applications. Medium to large enterprises looking to improve the caller experience with sophisticated and personalized speech applications should have Voxify on the shortlist of hosted speech applications providers they consider.

In the technology assessment Voxify had the top score in features & capabilities, and tied for the top score in administration & monitoring, services, production support, solution maturity, and vendor strategy. One of the unique selling points of Voxify is its ability to have a single application running across different platforms simultaneously. Thus there is a significant amount of flexibility for an application to move from one platform to the next, or from a hosted to on-premise configuration, without any changes. This, along with its vendor agnosticism, gives Voxify one of the leading scores in vendor strategy. Many application providers – especially shops fielded by platform providers – do not have this capability.
OTHER NOTABLE HOSTED IVR AND HOSTED SPEECH
APPLICATIONS PROVIDERS IN NORTH AMERICA
(ALPHABETICAL)

Angel
Angel provides an on-demand IVR and virtual contact center solution. In 2010, the vendor
launched its Angel 4 IVR product, a multichannel platform that includes voice biometrics, chat,
SMS, and improved CTI integration. The outbound solution uses the same platform as the
vendor’s inbound solution, providing two-way communication and actionable options within the
same voice application, all built with Angel’s web-based on-demand toolkit. Angel also has hooks
and plug-ins designed to connect with the enterprise customer’s back-end databases and CRM
systems to create a more personalized and intelligent caller interaction, as well as other
notification options such as email and SMS. Customers can control their outbound applications
using a web-based campaign manager, which leverages Angel’s web services API. Alternatively,
clients can interface with the API directly.

Angel’s biggest differentiator is its ability to understand caller behavior, whether through inbound or
outbound transactions, and to leverage that insight to optimize the caller experience. Its
partnership with BI provider MicroStrategy gives Angel’s solution significant capabilities in this
area. Angel performs significant VUI analysis to determine what is occurring throughout the
duration of a call. It has embedded business intelligence reporting that reports, for instance, on
how successful an outbound message was and on the way in which the recipient responded.
Because the vendor’s solution hooks into an enterprise’s back-end systems, customers can easily
take action based on the collected data. Additionally, Angel’s on-demand platform, its development
tools, and its business intelligence capabilities can all be rolled out quickly and tuned iteratively,
enabling customers to improve customer satisfaction scores on the fly while saving money.

Chrysalis
Chrysalis Software originated in the early ‘90s as an IVR application development business,
working closely with Nortel’s series of IVR platforms from its Meridien and Periphonic product
lines. Since then, the vendor has implemented thousands of deployments across multiple verticals,
working primarily through distribution channels. Because of Chrysalis’s longevity in the contact
center application space, the vendor has developed numerous packaged applications, both
inbound and outbound, for utilities, healthcare, public sector, and other verticals. More recently,
Chrysalis has moved into developing speech applications, though the majority of its customers use
DTMF. Chrysalis has experience developing and deploying complex applications. For instance, through careful prompting, one utility application collects information from callers to triage an outage problem.

Chrysalis’s greatest differentiator is its level of experience in specific verticals such as public sector, healthcare, and utilities. Additionally, the vendor views its partnerships with Voxeo and Avaya as advantageous combinations. Chrysalis has strong experience in using Voxeo’s VoiceObjects and Avaya’s Dialog Designer tools for building speech self-service applications. Finally, the vendor’s responsiveness to its customers is an asset: Chrysalis can mobilize its resources at short notice and maintain its consultative approach towards application improvements.

Contact Solutions

Contact Solutions provides both a hosted IVR platform and hosted speech applications. The vendor targets many different verticals but has had the most success in the public sector market. Contact Solutions prides itself on its ability to help clients continually improve self-service automation rates after the initial deployment. The vendor provides computer telephony integration as a standard offering to clients and also offers a full cloud-based product suite that supports web, fax, SMS, and email channels.

inContact

inContact is known as a major provider of hosted contact center solutions in North America. It made it onto the vendor “shortlist” in Ovum’s report “Decision Matrix: Selecting a Hosted Contact Center Service in the US”. inContact, formerly known as UCN, is a publicly traded provider of contact center software and an aggregator and reseller of carrier services. The vendor has been providing contact centers with connectivity and agent management tools since 1999. Because it can control and provision toll-free numbers, inContact has a unique ability to pair a hosted contact center service offering with network connectivity options.

The company offers a wide range of contact center functionality in an on-demand platform. inContact’s offerings include a full-featured automatic call distribution (ACD) with skills-based routing, hosted IVR platform, and computer telephony integration (CTI). It also offers workforce optimization tools including an online hiring application, an e-learning system, a workforce management tool, and a dynamic customer feedback and survey application.

inContact provides the hosted IVR platform and uses Nuance to develop hosted speech applications.
Interactive Intelligence

Interactive Intelligence is a global provider of unified communications solutions for contact center, enterprise IP telephony, and business process automation. The vendor is one of the quickest-growing companies in the contact center industry and offers both premise- and cloud-based solutions.

Its hosted IVR platform is part of its communications-as-a-service (CaaS) Contact Center solution, which has seen strong uptake for the past several quarters. CaaS Contact Center also includes ACD, automated dialing, call recording, workforce management, screen pop integration, and multichannel routing for email and web chat.

In addition to providing a hosted IVR platform, Interactive Intelligence also designs and maintains hosted speech applications for its customers.

MTI

MTI has been providing IVR services for 20 years. Its hosted IVR customers include both large enterprises and SMEs. It is a scalable, low-cost, quick solution that enables enterprises to quickly launch and expand IVR applications. MTI offers flexible plans to accommodate companies of different sizes and with different business needs. Besides hosting IVR, MTI also has broad experience designing and deploying speech applications. Its professional services team is adept at VUI design, usability analysis, quality assurance, and testing and tuning.

Plum Voice

Plum Voice offers an IVR Hosting Suite service which enables applications built on Plum’s VoiceXML Platform to be deployed in either hosted or managed services configurations. The Hosting Suite is highly flexible, enabling both inbound and outbound calling, multiple TTS and grammar engines, and a range of pricing plans to accommodate different business needs. Additionally, the hosted IVR infrastructure is architected for scalability. From a service standpoint, Plum Voice differentiates on its reliability, with five-nines uptime guarantee, load balancing, 24/7 support, ensuring port capacity, and implementing disaster recovery measures.

Teleperformance

Though Teleperformance’s core business is its contact center agents, increased enterprise demand for automated self-service solutions has spurred the vendor to create an IVR discipline to both support and supplement its core offering. Teleperformance offers a contact center on-demand
solution which enhances its existing IVR capability; the solution integrates routing, virtual ACD, and PBX capabilities to the IVR. It is built with Genesys infrastructure using Nuance ASR, with the CRM back end supplied by RightNow. Teleperformance’s own professional services group has expertise in application design and development. This infrastructure also has the ability to create proactive notifications, which Teleperformance offers as part of an end-to-end solution, though unlike other providers profiled in this report, Teleperformance is not a dedicated outbound provider.

Consequently, Teleperformance’s differentiators are not specific to proactive communications, but are reflected in the vendor’s ability to offer a broader product portfolio, which includes the CRM and ACD piece. Teleperformance can also sell its solution piecemeal or as an entire package on an on-demand model, all of which can be bundled with live agents. Finally, Teleperformance has a high degree of security expertise and is PCS certified.

West

West provides hosted contact center solutions for mid-sized and large enterprises. Prior to its 2010 acquisition of IVR platform provider Holly Connects, West’s hosted services existed on a Genesys (Alcatel-Lucent) platform. West’s inbound and outbound communications technologies run on a hosted multichannel network, supporting voice, SMS, and email messages.

From an application standpoint, West’s extensive application design and development team increased with the 2010 acquisition of TuVox. West inherited a toolset that is well-known for its dialog design capabilities, which enable service creation and integrated application lifecycle management. West’s key differentiator is its ability to create personalized applications that leverage customer data to handle a communication throughout its lifecycle and, if necessary, across multiple channels. The vendor accomplishes this through its ability to create rich, highly verticalized applications. West’s hosted solutions are underpinned with analytics to enable enterprises to make better business decisions based on customer insight.
### APPENDIX

#### Summary scores

Table 3 and Table 4 summarize vendor scores in this Decision Matrix.

#### Table 3: Hosted IVR platform vendors

<table>
<thead>
<tr>
<th>Hosted IVR platform vendors</th>
<th>Technology assessment</th>
<th>End-user sentiment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convergys</td>
<td>7.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Microsoft Tellme</td>
<td>7.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Nuance</td>
<td>8.6</td>
<td>8.3</td>
</tr>
<tr>
<td>Voxeo</td>
<td>8.9</td>
<td>8.7</td>
</tr>
</tbody>
</table>

| Average                     | 8.3                   | 8.1                |
| Minimum                    | 7.8                   | 6.5                |
| Maximum                    | 8.9                   | 8.7                |

Source: Ovum

#### Table 4: Hosted speech applications vendors

<table>
<thead>
<tr>
<th>Hosted speech applications vendors</th>
<th>Technology assessment</th>
<th>End-user sentiment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convergys</td>
<td>7.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Microsoft Tellme</td>
<td>8.5</td>
<td>8.4</td>
</tr>
<tr>
<td>Nuance</td>
<td>9.0</td>
<td>8.7</td>
</tr>
<tr>
<td>Servion</td>
<td>7.2</td>
<td>9.3</td>
</tr>
<tr>
<td>Voxify</td>
<td>9.1</td>
<td>8.6</td>
</tr>
</tbody>
</table>

| Average                          | 8.3                   | 8.3                |
| Minimum                          | 7.2                   | 6.5                |
| Maximum                          | 9.1                   | 9.3                |
Methodology

Ovum assesses hosted IVR and hosted speech application providers based on two core criteria, each of which consists of between seven and nine specific criteria. Taken together, these criteria serve as the basis for Ovum’s positioning of vendors as “shortlist”, “consider”, or “explore” in the competitive landscape. This information was derived from a series of in-depth interviews with vendors to obtain quantitative and qualitative information. Each vendor provided a list of respondents for the end-user sentiment survey.

Technology assessment

Ovum analysts assign vendors a score from one to ten for each of the ten assessment criteria, whereas the overall technology assessment is determined by taking the average of these scores. The technology assessment criteria used for the hosted IVR and hosted speech application services include:

Features and capabilities

Vendors’ breadth of features in multitenant and single tenant services and support of open standards, protocols, languages, and ASR engines.

Data integration

Vendors’ integration capabilities with other providers’ switches, CTI, and business intelligence solutions as well as multichannel support and security (such as VPN, SOCKS/HTTPS-based encryption, digital certificate-based authentication, and IP-address range authorization).

Administration and monitoring

The assessment of a vendor’s tools for IVR application administration, application management, personnel management, reporting, analytics, and monitoring.

Deployments and scalability

Vendors’ IVR platforms’ ability to handle large call volumes with a single customer and multiple customers. This also measures SLAs provided, the annual inbound call volumes for speech-enabled calls, platform maturity, and client concentration for each vendor.
Services

Vendors’ ability to provide consulting, SI, road-mapping, application development, and load testing. Vendors also rated on pricing model availability.

Production support

Vendors’ frequency of platform/application updates, levels of customer support, and backup and failover options.

Solution maturity

The extent to which the speech application has developed in comparison to similar offerings on the market, taking into consideration investment protection for applications, the installed base, and the partner ecosystem.

Vendor strategy

In this category, the many aspects of a vendor’s hosted IVR platform and hosted speech applications strategy are assessed including North American presence, as well as go-to-market strategies and roadmaps.

End-user sentiment

As part of each technical assessment, Ovum surveyed 44 users of hosted IVR and hosted speech application services across North America. These end users were asked to rate the hosted IVR and hosted speech application providers they work with; Ovum analyzes the results and provides an average rating in each of the following categories.

Product quality

The enterprise’s perception of the quality of the vendor’s products.

Vertical specialization

The extent to which the vendor offers industry-specific solutions and expertise.

Services capabilities

The quality of a vendor’s particular services offerings (consulting, integration, maintenance, management).
Customer support

The quality of the vendor’s business/technical support offerings.

Client engagement

The effectiveness of the vendor’s sales force and the enterprise’s perception of its channel to market.

Ease of integration with third-party vendors

Ability to integrate vendor’s hosted IVR platform or hosted speech application with other third-party vendor solutions.

Financial stability

How financially stable the enterprise believes the vendor is.

Caller experience

The impact of the speech application in the context of the customer experience

Continuous improvement practice

The vendor’s ability to consistently and continuously improve its hosted IVR or hosted speech application

Definitions

ASR (automatic speech recognition)

Engine that listens to and recognizes spoken words. In most cases it processes the incoming audio to isolate words, splits these words into segments (usually phonemes or diphones), and then statistically compares these segments with a linguistic database. Depending on the word spoken, a value is returned, normally with a degree of confidence.

Contact centers

Ovum defines a contact center by the following features:

- An Automatic Call Distributor (ACD) or Private Branch Exchange (PBX) with equivalent functionality overlaid (or soft ACD)
• 10 or more agent positions
• Agent positions are desks from which agents make and/or receive telephone calls to and/or from internal or external customers. This is taken to imply that the call in question involves communication between the agent and the customer.

Specifically excluded from these figures are:
• Public safety centers, i.e. those centers that receive calls to the emergency services, which are counted separately and are not included as contact centers
• Air traffic control
• Financial trading floors
• Legal interception centers, i.e. centers engaged in legal interception, where there is a law enforcement officer or other security worker listening in on a conversation in which they do not take part.

Dual tone multi-frequency (DTMF)
The signal to the phone company that a caller generates when he/she presses keys on a telephone's keypad. DTMF has generally replaced loop disconnect ("pulse") dialing.

Interactive voice response (IVR)
A technology that analyzes a sequence of spoken and/or DTMF commands and reproduces voice prompts to the caller. The call is then routed via switch or serviced wholly within the IVR that is linked to a database. The IVR interacts with key systems, PBXs, and ACDs through analog ports, digital ports, and LAN/WAN connectivity.

Open standards
The development of standards and standards-based platforms has challenged the proprietary siloed structure that is prevalent in traditional IVR systems. Standards offer the opportunity for platforms to be written in a standard language, thus rendering them interoperable with engines and applications developed by any other vendor, as long as the same language is used. Already in its second version, is the dominant standard, with a growing sphere of deployments and developers surrounding and supporting it.
Speech application

The interface between machine and human, the design of which is critical to the success of a project and generally takes the largest proportion of implementation time. The application determines call flow, the words and grammars to be recognized, dialog initiatives, navigation through menus, confirmation questions and so on. In most cases it will also interact with other applications to retrieve content to satisfy the caller’s requests.

TTS (text-to-speech)

The technology that enables the automated process of transferring text from an electronic format to an audio format.

VoiceXML

The World Wide Consortium’s (W3C) standard markup language based on XML used for creating voice user interfaces that use advanced speech recognition (ASR) and text-to-speech (TTS) technologies.

Author

Ryan Joe, Associate Analyst, Customer Interaction
ryan.joe@ovum.com

Daniel Hong, Lead Analyst, Customer Interaction
daniel.hong@ovum.com

Ovum Consulting

We hope that the analysis in this brief will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

Disclaimer

All Rights Reserved.
No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Ovum (a subsidiary company of Informa Telecoms and Media).

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Ovum delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such Ovum can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.