The Top 10 Chatbots For Enterprise Customer Service

by Ian Jacobs
with Stephen Powers, Bill Seguin, and Diane Lynch
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Why Read This Report

In Forrester’s evaluation of the emerging market for chatbots in customer service, we identified the 10 most significant providers — [24]7, Artificial Solutions, Creative Virtual, Inbenta, Interactions, IPsoft, Nanorep, Next IT, Nuance, and Reply.ai — in the category and ranked them. This report details our findings about how well each vendor scored in 10 criteria and where they stand in relation to each other. Application development and delivery (AD&D) and customer service professionals can use this review to select the right partner for their chatbot needs.

Key Takeaways

**Nuance, IPsoft, And [24]7 Earn Spots On Forrester’s Recommended Vendor List**

Nuance’s multimodal and multichannel efforts stand out. Intent engines for IPsoft and [24]7 shine. Creative Virtual, Artificial Solutions, and Inbenta sport a mix of good technologies; Interactions’ speech-based tools are notable. Next IT and Nanorep are deepening their intriguing road maps, and Reply.ai is starting to gain momentum with an open API approach.

**NLU, Machine Learning, And Dialogue Management Are The Biggest Differentiators**

No vendor can succeed without a strong intent engine, security and authentication, and multichannel capabilities. Natural language understanding (NLU), machine learning, and dialogue management are critical, as are reporting and analytics and a robust product road map.
Chatbots For Enterprise Customer Service Evaluation Overview

In the summer of 2016, a Wall Street Journal headline blared, “Robots on track to bump humans from call-center jobs.” Chatbots are at peak hype right now. Need proof? Facebook Messenger had zero bots in February 2016 — and 100,000 of them 14 months later. Few of those Facebook Messenger chatbots provide the robust service resolution and security features that would allow larger enterprises to remove contact centers from the customer service flow. But AD&D professionals have begun to deploy a different type of technology: enterprise-grade chatbots that can augment and, in some cases, replace human agents.

To truly meet a need for enterprise-grade customer service, chatbots (also called virtual agents and cognitive agents) must be able to understand what a customer speaks or types, discern their intent, respond in a conversational manner, and act on the customer’s behalf. All of this must take place in a secure environment, and the chatbot must seamlessly hand off the interaction to a live agent when required. Companies have a wide range of supplier options for this type of chatbot. Several vendors, such as Artificial Solutions and Next IT, have been steaming toward this vision for more than 15 years. Others, such as Reply.ai, have only recently debuted.

Why Companies Buy: Digital Experience Platforms Anchor Your Digital Presence

Enterprise-grade chatbot tools enable companies to achieve several key outcomes. They can:

1. Deflect customers from expensive live agent support through successful self-service with the chatbot.
2. Reduce the average handle time for agent-assisted support by managing some of the conversation in the chatbot.
3. Expand self-service to emerging channels such as mobile apps, social media, and mobile messaging.
4. Use existing contact center agents and logs of historical customer service interactions to train chatbots.
5. Identify gaps in knowledge bases used by agents through analysis of chatbot interactions.
6. Drive new revenue through improved online conversion.

When considering a vendor for your enterprise customer service chatbot, look at Forrester’s top 10 picks and assess their performance against each of our criteria (see Figure 1 and see Figure 2).
## FIGURE 1 The Top 10 Chatbots For Enterprise Customer Service

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Machine learning</th>
<th>Reporting &amp; analytics</th>
<th>Multichannel</th>
<th>Intent engine</th>
<th>Security &amp; authentication</th>
<th>Dialogue management</th>
<th>Natural language understanding</th>
<th>Road map</th>
<th>Vision</th>
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<td>Reply.ai</td>
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- ☀️ Differentiated
- ☀️ Needs improvement
- ☀️ On par
- ⬤ Recommended
### FIGURE 2 Assessment Criteria

<table>
<thead>
<tr>
<th>Criteria item</th>
<th>Criteria description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine learning</td>
<td>How well does the product automatically improve with experience (for example, using supervised learning, unsupervised learning, etc.)?</td>
</tr>
<tr>
<td>Reporting &amp; analytics</td>
<td>How robust are the product’s tools for monitoring and reporting both defined KPIs and knowledge performance (white space analysis)?</td>
</tr>
<tr>
<td>Multichannel</td>
<td>How well does the product support conversational interactions over multiple touchpoints such as web, native apps, messaging apps, and interactive voice response (IVR)? How well does the product support escalation to assisted service? How well does the product integrate into other customer service systems, such as CRM, back office systems, and transactional systems, and other customer service channels?</td>
</tr>
<tr>
<td>Intent engine</td>
<td>How well does the product determine intent based on both aggregated interactions across users and personalized data pulled from back-end systems?</td>
</tr>
<tr>
<td>Security &amp; authentication</td>
<td>How robust are the product’s security, authentication, and authorization features, including two-factor and time-out authentications, biometric authentications, and self-destructing messages?</td>
</tr>
<tr>
<td>Dialogue management</td>
<td>How well does the product enable the creation and management of the dialogue with the customer, incorporating everything that has happened so far during the dialogue? How well does this work across multiple languages?</td>
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<tr>
<td>Natural language understanding (NLU)</td>
<td>How well does the product comprehend customer input (speech or text) using typical and natural utterances? How well does it understand the structure and context-independent meaning of human language? How well does the product comprehend multiple languages? What prebuilt language models ship with the product?</td>
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<tr>
<td>Road map</td>
<td>How well defined are planned enhancements, and how effectively do they address changing customer requirements?</td>
</tr>
<tr>
<td>Vision</td>
<td>How well does the product vision align with the need for its clients to win, serve, and retain customers? How does the product vision drive differentiated customer service experiences?</td>
</tr>
<tr>
<td>Revenue</td>
<td>What is the annual product revenue?</td>
</tr>
</tbody>
</table>
Product Overview

[24]7

Forrester's Take

Our evaluation found that:

› **[24]7’s heavy-duty intent engine and multichannel features set it apart.** Concentrating on a “build once, deploy many” approach and an ambitious and unique road map, [24]7 is looking to establish a more componentized and reusable approach to chatbots.

› **[24]7’s high-end tools require high-end vendor involvement.** [24]7’s data scientists and service personnel create robust solutions, but the company has yet to open some basic management and tuning functions to its customers.

› **[24]7 is a strong fit for firms looking to blend chatbots into an omnichannel strategy.** [24]7 allows these companies to apply the same NLU, prediction, and decisioning technology across self- and assisted-service in different channels.

[24]7 Customer References Summary

Customers believe that [24]7 drives digital deflection while improving Net Promoter Scores. However, they need more help in enabling the [24]7 solution to coexist with other AI technologies.

[24]7 QuickCard

**RANK 3/10**

**[24]7**

- Machine learning
- Reporting & analytics
- Multichannel
- Intent engine
- Security & authentication
- Dialogue management
- NLU*
- Road map
- Vision
- Revenue

- Differentiated
- Needs improvement
- On par


**SAMPLE REFERENCE QUOTES**

“The solution was quick to prototype to produce proof of concepts to test and learn.”

“Proactive success/account management provides us with continuous improvement with the solution.”

*NLU = natural language understanding*
Supplemental Material

The Forrester Evaluation Methodology

We conducted primary research to develop a list of vendors that met our criteria for the evaluation and definition of this emerging market. We evaluated vendors against 10 criteria, seven of which were based on product functionality, product vision, product road map, and product revenue. We invited the top vendors in this space to participate in an RFP-style demonstration and interviewed customer references. We then ranked the vendors along each of the criteria and summed these to determine the overall rankings. The vendor with the lowest score ranked first overall, while the vendor with the highest score ranked 10th. We gave vendors ranking between first and third for a criterion the “differentiated” designation, vendors ranking fourth through seventh the “on par” designation, and vendors ranking eighth through 10th the “needs improvement” designation.

Endnotes


3 Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Satmetrix Systems, and Fred Reichheld.

4 Artificial intelligence.
We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

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