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EXECUTIVE SUMMARY

Customer Insights & Feedback

Market Drivers and Barriers, Key Industry Players, Market Sizing and Forecasts, and Case Studies

Published 2Q 2022

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Section 1

Executive Summary

1.1 Introduction

The technologies that enable CX, such as customer relationship management (CRM), customer data and analytics, personalization & optimization, contact center solutions, and employee experience (EX) solutions, are all integral to companies aspiring to build strong CX programs. However, it is the use of customer insights & feedback technologies that provides the ignition for all these solutions. These tools provide the direct link between not only customer and company, but also employee. The flow of customer information, both directly asked for and gathered through indirect sources, is critical to the success of CX.

Customer insights & feedback has long evolved past simple surveys and outreach. There has been an explosion in customer data type and channel options, and providers in this segment have responded by offering a wide range of comprehensive solutions to support not just engaging and easy to set up data collection, but also sophisticated data analytics, insight generation, relevant dashboards, and tools to enable those insights to turn into action. At times, this is at odds with the widely varying levels of CX maturity in the industry, with some companies lacking the operational processes or company-wide culture to take their CX program to the next level. Consumer sentiment toward feedback is likewise evolving with high expectations placed upon companies to provide timely and empathic responses. Customers want the opportunity to be heard and acknowledged, but on their own terms and via their own channel choice. They also want action taken quickly and in a focused, personalized manner.

This Dash Research report focuses on the customer insights & feedback software platforms, applications, and services that are offered to help companies achieve excellent CX. These solutions are an integral part of a customer's experience and, if done correctly, will be a positive engagement, resulting in less churn, deeper loyalty, and the potential for customers to turn into promoters. From a company viewpoint, successful deployments can boost CX metrics, which are often then linked to an improved return on investment (ROI). Further, these technologies help companies prioritize and focus on the actions that will cause the greatest positive effect and identify other internal points of friction that affect EX.

1.2 Market drivers

The key market drivers spurring the purchase of customer insights & feedback software and services include the following:

- The move to digital has created an enormous number of channels and sources for feedback.
- Artificial intelligence (AI) technologies allow for the streamlining of analysis, more successful leveraging of unstructured data, and the development of more novel collection methods.
- Consumer expectations for quick response are spurring strong interest in technologies that enable insights to action/closing the feedback loop.
- Insight and feedback technologies provide the needed link between EX and CX.
- A high need exists to better prioritize initiatives and identify churn risk.

1.3 Market barriers

There are many barriers for organizations when attempting to deploy customer insights & feedback solutions, many of which are internal and operational. The key barriers tempering the growth of customer

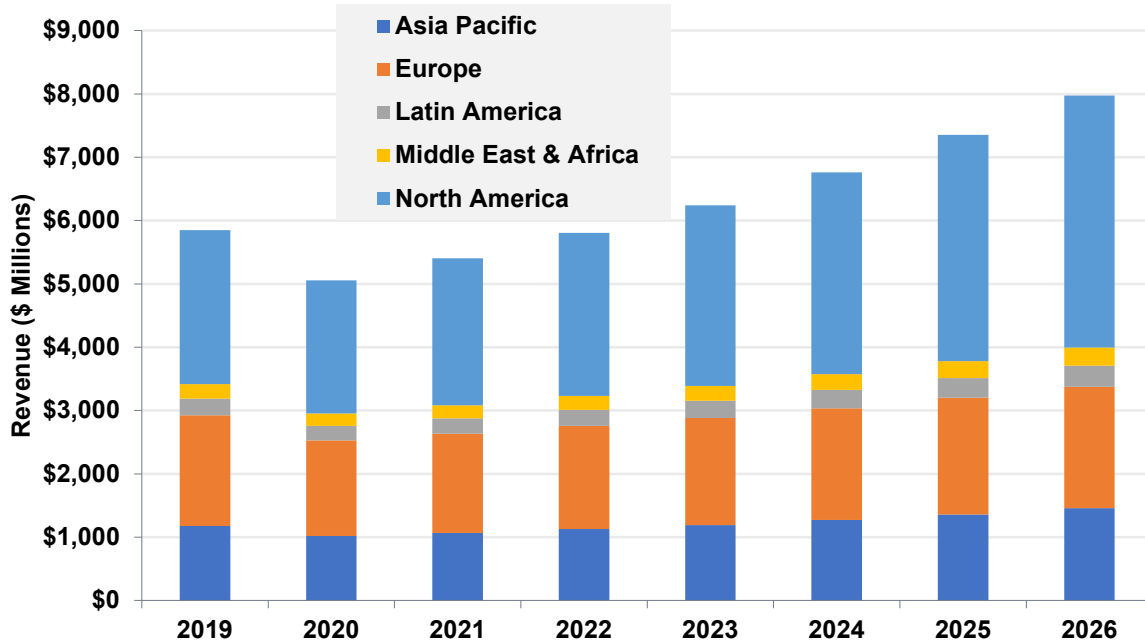
insights & feedback include the following:

- Lack of CX maturity in organizations.
- Too much outreach can alienate end users.
- Inability to move beyond collection and metrics.
- Internal technologies and priorities lead to data silos hindering information flow.

1.4 Market forecast highlights

Dash Research projects that the market for customer insights & feedback enabling software and services will reach \$7.97 billion by 2026, increasing from \$5.85 billion in 2019, reflecting a compound annual growth rate (CAGR) of 4.5%. North America represents the largest revenue in the market, with revenue expected to reach \$3.98 billion in 2026, up from \$2.43 billion in 2019, a CAGR of 7.3%.

Chart 1.1 Customer Insights & Feedback Software and Services by Region, World Markets: 2019-2026



Source: Dash Research

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1.5 Dash Research insights

- The use of customer insights & feedback technology needs to be viewed as a mutually beneficial touchpoint between company and customer. It can be part of a positive engagement, even if the actual feedback provided is not positive.

- Customer insights & feedback is an extremely crowded market with not a great deal of differentiation, especially in data collection. Helping customers get to the “why” behind a score and the “what” action needs to take place is critical. The technology market has solidly moved beyond the collection piece, on to analysis and action, but is sometimes ahead of where their customer’s maturity level is in being operationally able to perform next steps.
- Companies are wanting more frequent, bite-sized feedback, but this needs to be balanced with consumers’ willingness to give it. There is movement behind technologies providing quicker, shorter hit surveys that can still provide the data points needed for CX programs. These can be gamified, fun and non-intrusive. Something that a customer does once and is done, not facing myriad follow-up emails or texts to rate their experience.
- Technologies that can humanize and personalize the interaction will grow in importance. There is promising consumer acceptance of audio and video, and this will be a strong option for the Gen Z demographic, which is an extremely large population group.
- Offerings do not necessarily have to be everything to everyone. CX maturity levels vary widely and there is room in the market for starter packages and do-it-yourself (DIY) offerings.

Section 6

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Appendix

8.1 Scope of study

This Dash Research report examines the market issues, drivers, and barriers for CX and CE software platforms, software applications, and services that incorporate or facilitate customer insights & feedback. Several case studies illustrating the various ways customer insights & feedback solutions and technologies are being deployed by end users are included in the report. The scope of the market forecasts includes software that is deployed by Dash Research's ecosystem of companies that spans 20 industries, 5 world regions, and 3 offerings (software platforms, software applications, and professional services). The forecast takes 2019 as a base year, forecasts market value from 2021 through 2026, and segments the market by offering, geography, and function (CX versus CE).

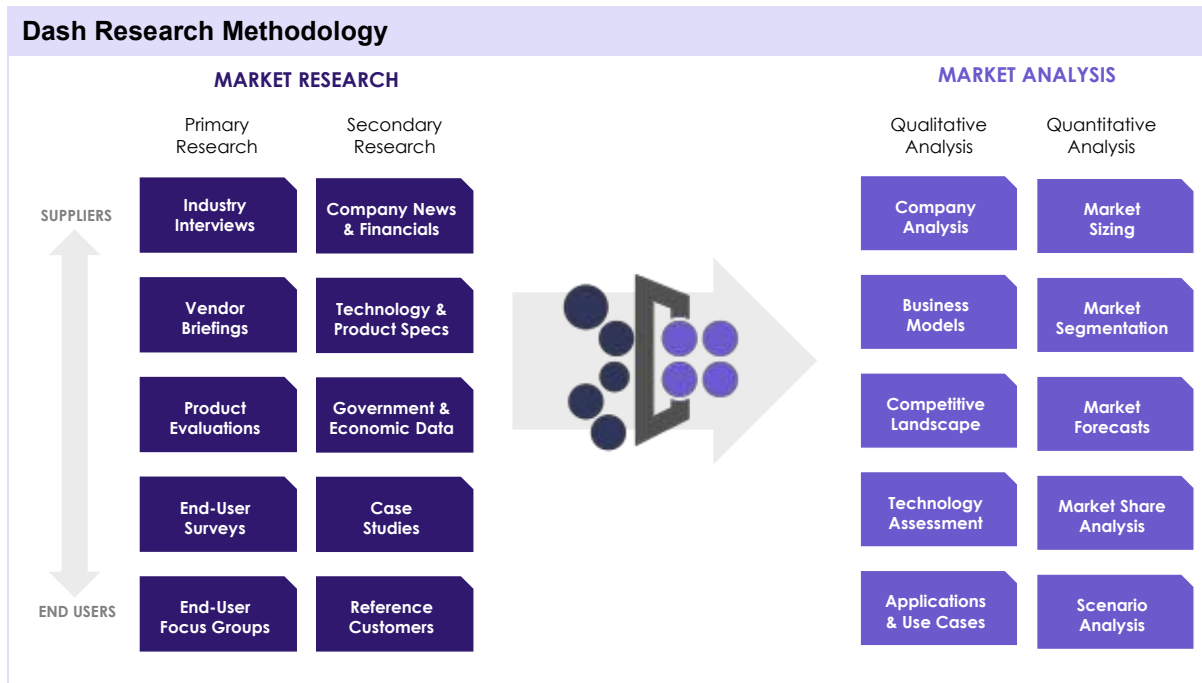
8.2 Sources and methodology

Dash Research is an independent market research firm that provides industry participants and stakeholders with an objective, unbiased view of market dynamics and business opportunities within its coverage areas. The firm's industry analysts are dedicated to presenting clear and actionable analysis to support business planning initiatives and go-to-market strategies, utilizing rigorous market research methodologies and without regard for technology hype or special interests including Dash Research's own client relationships. Within its market analysis, Dash Research strives to offer conclusions and recommendations that reflect the most likely path of industry development, even when those views may be contrarian.

The basis of Dash Research's analysis is primary research collected from a variety of sources including industry interviews, vendor briefings, product demonstrations, and quantitative and qualitative market research focused on consumer and business end users. Industry analysts conduct interviews with representative groups of executives, technology practitioners, sales and marketing professionals, industry association personnel, government representatives, investors, consultants, and other industry stakeholders. Analysts are diligent in pursuing interviews with representatives from every part of the value chain in an effort to gain a comprehensive view of current market activity and future plans. Within the firm's surveys and focus groups, respondent samples are carefully selected to ensure that they provide the most accurate possible view of demand dynamics within consumer and business markets, utilizing balanced and representative samples where appropriate and careful screening and qualification criteria in cases where the research topic requires a more targeted group of respondents.

Dash Research's primary research is supplemented by the review and analysis of all secondary information available on the topic being studied, including company news and financial information, technology specifications, product attributes, government and economic data, industry reports and databases from third-party sources, case studies, and reference customers. As applicable, all secondary research sources are appropriately cited within the firm's publications.

All of Dash Research's reports and other publications are carefully reviewed and scrutinized by the firm's senior management team in an effort to ensure that research methodology is sound, all information provided is accurate, analyst assumptions are carefully documented, and conclusions are well-supported by facts. Dash Research is highly responsive to feedback from industry participants and, in the event errors in the firm's research are identified and verified, such errors are corrected promptly.



8.3 Forecast methodology

Dash Research has taken a multifaceted approach to developing its forecast model. A scan of the market was undertaken to identify a market ecosystem consisting of companies serving the CX market, including small, medium, and large players, across seven key CX functional areas: contact center; personalization & optimization; customer insights & feedback; customer data & analytics; customer relationship management (CRM); customer data platform (CDP); and employee experience (EX).

Using a combination of company-supplied data (annual reports, press releases, and analyst conference calls) and public and subscription-based company databases, an assessment of each company's revenue was captured for the base year of 2019. Further assessments on the amount of revenue that was directly attributed to CX platforms, applications, or services were made, along with an assessment of the revenue level attributable to customer insights & feedback solutions, which were cross-checked against customer lists, press releases, and industry news reports.

To forecast the potential market value, industry growth rates from several sources were collected and analyzed and applied as a baseline growth rate for the industry. Then, segment growth rates were calculated by implementing technology adoption growth curves for each region and functional area, taking into account the internal market dynamics and external economic factors that impact the retail market.

The forecast is not without limitations; many of the functional areas overlap, and Dash Research's categorization relies not only on vendors' classification, but on an assessment of what the company's products and services actually allow a company to accomplish. Further, while Dash Research has attempted to capture a wide-ranging and comprehensive ecosystem of companies, the definition of what constitutes CX software and services is highly variable. Dash Research has focused on companies that offer solutions that are clearly focused on CX, as opposed to marketing automation, sales automation, or other related applications.

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Published 2Q 2022

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