

F R O S T & S U L L I V A N

2024

NEW PRODUCT INNOVATOR

*IN THE EUROPEAN AI
PRODUCT INNOVATION
INDUSTRY*

F R O S T & S U L L I V A N

BEST
2024 PRACTICES
AWARD



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. NICE excels in many of the criteria in the AI product innovation space.

AWARD CRITERIA	
<i>New Product Attributes</i>	<i>Customer Impact</i>
Match to Needs	Price/Performance Value
Reliability	Customer Purchase Experience
Quality	Customer Ownership Experience
Positioning	Customer Service Experience
Design	Brand Equity

GenAI: Improving Employee and Customer Experience

Generative artificial intelligence (GenAI) presents a growing number of opportunities for the customer experience (CX) industry to create competitive differentiation through innovation, personalization, and data-driven insights. The technology has garnered significant interest with its promise to optimize business operations by automating routine tasks and streamlining workflows. Its capabilities deliver critical benefits, such as enhancing agents’ performance and productivity by offering relevant and timely knowledge and processes that address specific customer scenarios and desired outcomes. Due to its transformative nature, GenAI tools can analyze vast amounts of customer data, often in real-time, accurately predicting customer behavior to offer tailored solutions and personalized recommendations. Frost & Sullivan’s research finds that GenAI represents a powerful opportunity for contact centers to improve CX and employee experience (EX). GenAI-infused applications can significantly enhance EX by providing employees with improved productivity tools. Customers have better experiences owing to factors such as effective self-service options, high first-call resolution rates, and personalization at scale.¹ Frost & Sullivan’s research reveals that EX is the first business priority for contact center leaders.²

GenAI provides timely feedback to agents and supervisors, elicits less friction than human-to-human coaching, and empowers agents to actively improve their performance. Frost & Sullivan believes that

¹ *Ready, Set, Go! The Race is on to Capitalize on Generative AI in the Contact Center* (Frost & Sullivan, November 2023)

² *Frost Radar™: Customer Experience Outsourcing Services in Latin America, 2022* (Frost & Sullivan, January 2023)

though GenAI is a relatively new technology, it is evolving rapidly, and its incremental value for customer experience and contact centers is substantial. Of particular value to the contact center, GenAI-powered copilot solutions that help guide and coach employees in the moment, resulting in better EX and CX, are noteworthy. These relatively new features benefit not only agents but also the supervisors and managers tasked with effectively managing the contact center's workforce.

Consistent Performance Benefiting Contact Center Agents and Supervisors

Founded in 1986 and headquartered in Israel, NICE is a cloud-based enterprise software provider that stands out in the market for its CX leadership, offering a comprehensive contact-center-as-a-service platform. With over 7,900 employees from various backgrounds, including data scientists and engineers, NICE's corporate culture revolves around purpose-driven innovation. NICE prides itself on developing and implementing product roadmaps that incorporate clients' feedback, ensuring its offerings align with customers' dynamic needs.

NICE is an established global leader for CX artificial intelligence (AI) applications, with a strong track record of successful investments and a strategic vision that puts AI as a critical lever for achieving EX and CX excellence. The company's AI solution suite, the Enlighten AI platform, leverages GenAI to power meaningful and innovative CX applications. In 2023, NICE strengthened its AI portfolio, announcing the contact center supervisor copilot (Enlighten Copilot), a rich set of AI-powered applications for the contact center that benefits key personas, including agents, supervisors, and customers. Enlighten Copilot

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- Bernardin Arnason
Industry Principal

improves agents' abilities by providing actionable responses and content, empowering them during customer interactions. Primary components include on-demand coaching for behavior guidance and centralized AI aid for quick access to customized knowledge. Additionally, it offers complete context availability, encompassing customer intent and feelings, along with AI-generated responses for seamless support across various channels. Furthermore, automatic interaction summaries assist agents in monitoring and informing subsequent interactions.

Other highlights of Enlighten Copilot include alerts for calls displaying negative tones, allowing tracking to assess frequency per agent. Due to semantic analysis and analytics, supervisors can effectively guide agents with real-time coaching via hints and suggestions during live interactions. Additionally, the supervisor copilot solutions enable modeling and forecasting scenarios that help formulate strategies for providing excellent CX. These powerful capabilities improve team engagement and collaboration, positively impacting agents' performance and improving EX.

Harnessing AI technology to improve and upskill the workforce in today's evolving contact center workplace is a key objective in delivering excellent and consistent CX. NICE recognizes GenAI's potential to help achieve this goal. Its supervisor copilot solution provides supervisors with tools and actionable

insights (e.g., data visualization dashboards) to manage agents and the overall contact center better, ensuring a consistent CX.

NICE has identified the supervisor copilot as an important tool to address the evolving agent role paradigm in today's contact center. It delivers timely capabilities that empower NICE clients to cultivate a proficient talent pool across their organization, enhancing skill sets and capabilities from agents to supervisors. For instance, one significant aspect is the supervisors' ability to reskill agents dynamically per their needs. Above all, Enlighten Copilot has an omnichannel capability, functioning seamlessly across all channels to improve proficiency and productivity. NICE's relentless focus on product development in alignment with global megatrends positions the company in a leadership spot.

An Exceptional Commitment to Client Satisfaction

NICE serves clients across various industry verticals, including financial and banking, healthcare, telecommunications companies, and government agencies. The company helps over 25,000 clients in 150 countries, including over 85 companies from Fortune 100 organizations.³ Prominent clients include Columbia, Atento, VISA, UnionBank, Teleperformance, American Airlines, MoneyGram, Radisson Hotels, Accenture, Morgan Stanley, and Toyota. Furthermore, NICE service level benchmarks include delivering industry-leading uptime and answering 80% of calls in 60 seconds or less. In addition, the company offers clients essential resources, including on-demand webinars, whitepapers, data sheets, podcasts, and

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- Valentina Barcia
Best Practices Research Analyst

infographics, enabling clients to learn more about important CX market trends and how NICE's solutions address current industry challenges.

NICE works closely with clients throughout the purchasing process, committing to providing hands-on guidance to clients, including offering consultation services to help determine the most effective roadmap for adopting its technology. The company provides proof of concept to clients at no cost to assess and align organizational goals while allowing clients to experience the solutions before implementation. To strengthen its ongoing support, NICE built a dedicated team called Value Realization

Service to monitor clients' solution usage, provide assistance, and suggest next steps for maximum benefit based on observed outcomes.

The company has a proven track record. For example, Republic Services, a waste management company, partnered with NICE to enhance CX by implementing quality management tools and improving coaching programs to boost agent performance and retention. By adopting NICE solutions such as Enlighten AI and Interaction Analytics, Republic Services achieved an impressive 33% decrease in negative customer sentiment within six months and a 120% surge in coaching actions within three months.⁴ NICE's approach

³ <https://www.linkedin.com/company/nice-systems/>. Accessed December 2023.

⁴ <https://www.nice.com/-/media/niceincontact/resources/customer-stories/2023/11/republic-services-case-study.ashx?rev=f41db42ca3084580a38769c35bf4a5b3>. Accessed December 2023.

allowed Republic Services to concentrate on specific issues, enrich agent performance, diminish attrition rates, and extend self-service alternatives, aiming for heightened customer communication.

“Enlighten AI and Interaction Analytics have given us the ability to cast a wide net to identify critical call types, while NICE Quality Management allows us to evaluate and act in ways that really move the needle.”

- Morgan Gray, Senior Manager in CX Field Management, Republic Services⁵

The company uses client feedback and industry trend monitoring to guide its product roadmap and continuously evolve its solutions to maintain its innovative edge. Frost & Sullivan commends NICE for its emphasis on creating lasting client relationships and frictionless and straightforward approach.

A Leading Position

Since its inception, NICE’s reputation and customer-centric framework have led to its preferred partner status. The company is at the forefront of a highly competitive market, and its constant pursuit of innovation positions it as an industry leader. In 2022, NICE recorded a solid financial performance, surpassing \$2 billion in revenues, a 13% increase year over year (YoY). Moreover, its cloud revenue increased 27% YoY, representing 59% of total revenue.⁶ In November 2023, NICE announced its Q3 achievements and reported a 30% rise in net income, reaching \$92.4 million, up from \$71.2 million in Q3 of 2022.⁷

With a consolidated portfolio, the company offers AI and machine learning-powered CX solutions driven by customer insights and analytics to help agents and supervisors deliver excellent CX. Due to its holistic approach, seamlessly integrated into every aspect of its operations, NICE offers a continuous and interconnected system characterized by innovation, depth, and predictive capabilities.

Conclusion

To successfully innovate a product portfolio, a company needs to understand the market’s needs and deliver a solid solution designed and embedded with high-quality and reliable performance. Frost & Sullivan finds that NICE embodies this concept. With the expansion of the Enlighten artificial intelligence (AI) platform, the company takes generative AI to another level, embedding innovative copilot capabilities to improve customer experience by empowering agents and supervisors. NICE’s solution suite provides clients with tools and valuable insights, fostering an iterative cycle for continual improvement.

NICE earns Frost & Sullivan’s 2024 European New Product Innovation Award for its strong overall performance in the AI product innovation industry.

⁵ Ibid.

⁶ <https://www.nice.com/-/media/niceincontact/documents/annual-results/2023/2022-annual-report-binder--finaldocx-mar-30-20223.ashx?la=en&rev=31fad68f2b054d4db64ab57bfe4628a1&hash=06A4B4ACCA9259C04F3B67AF849E7B82>. Accessed December 2023.

⁷ <https://www.nice.com/press-releases/nice-press-release-2023-q3>. Accessed December 2023.

What You Need to Know about the New Product Innovation Recognition

Frost & Sullivan's New Product Innovation Award recognizes the company that offers a new product or solution that uniquely addresses key customer challenges.

Best Practices Award Analysis

For the New Product Innovation Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

New Product Attributes

Match to Needs: Customer needs directly influence and inspire product design and positioning

Reliability: Product consistently meets or exceeds customer performance expectations

Quality: Product offers best-in-class quality with a full complement of features and functionality

Positioning: Product serves a unique, unmet need that competitors cannot easily replicate

Design: Product features an innovative design that enhances both visual appeal and ease of use

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

