FROST & SULLIVAN

2024

CUSTOMER VALUE LEADER

IN THE NORTH AMERICAN RETAIL CCAAS INDUSTRY

:talkdesk®

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. Talkdesk excels in many of the criteria in the retail contact center as a service space.

AWARD CRITERIA

Business Impact	Customer Impact
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Customer Purchase Experience

In the contact center industry, certain vertical markets have repeatedly been subject to more periods of rapid change than most others—for instance, banking and financial services, travel and hospitality, and healthcare—forcing these industries to delicately balance using emerging technology for innovation to address change while remaining fiscally conservative; however, the retail and consumer goods market has arguably been buffeted the hardest by the winds of change over the past dozen years. Four generations of consumers, from Baby Boomers to Gen Z, are vying for attention with different preferences for technology usage (self-service versus live assistance, online versus in-store) and channels of engagement with businesses. Retailers have had to handle the transformative move from in-person consumerism to mobile and digital interactions (and then back again), and the unexpected turbulence in consumer sentiment and spending power resulting from global events such as climate change, the COVID-19 pandemic, and geopolitical upheaval.

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>
> *– Nancy Jamison*
> *Senior Industry Director*

Talkdesk, founded in 2011 and headquartered in San Francisco, is a premier customer experience (CX) provider that has deftly satisfied the shifting demands of retail customers to address and thrive amidst current and emerging industry changes. Talkdesk CX Cloud™ is a comprehensive contact center platform with core capabilities, including automatic call distribution, interactive voice response, virtual assistants,
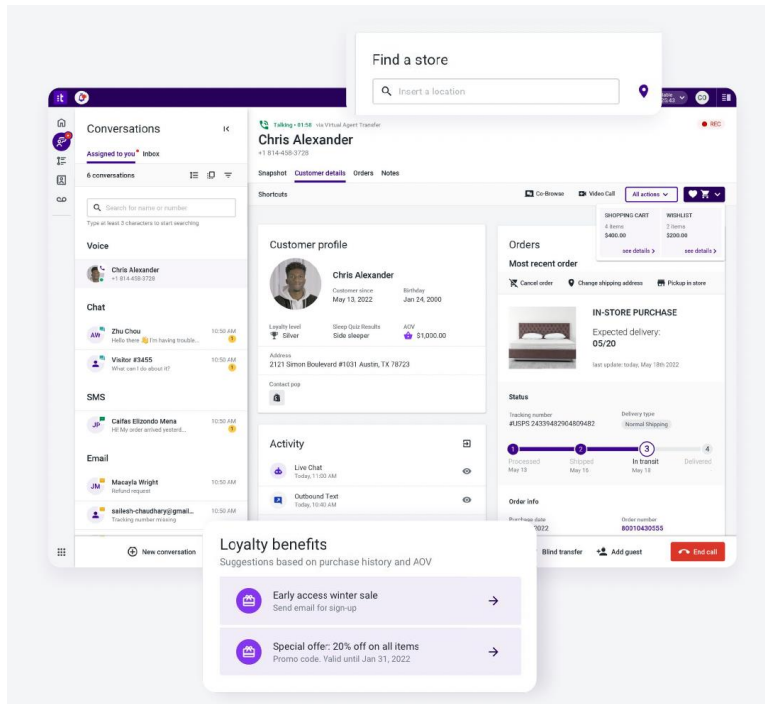
Talkdesk Retail Experience Cloud (Source: Talkdesk)

omnichannel routing and interaction handling, outbound engagement, workforce management, knowledge management, quality and performance management, and live reporting and historical and real-time analytics. It offers more than 60 pre-built integrations with third-party business tools, customer relationship management systems, and software providers.

The Talkdesk CX Cloud supplies the breadth of features that a contact center needs to achieve operational excellence; however, Frost & Sullivan has noted, through customer calls and peer review sites, that a particular Talkdesk strength—the ease of use that the platform provides—factors heavily in the purchasing decisions of its customers. Talkdesk confirms that ease of use is a consistent core development tenant across its development roadmap. The company achieves this feat by enhancing its core platform, paying close attention to the unique needs of numerous vertical markets, and nurturing deep practices within those markets.

Talkdesk was the first to introduce products tailored for targeted vertical markets. In 2022, it launched Financial Services Experience Cloud™ for Banking, Financial Services Experience Cloud for Insurance, Healthcare Experience Cloud™ for Providers, and Retail Experience Cloud™. Talkdesk has since maintained a regular cadence expanding to other verticals. The Talkdesk Education Smart Service, introduced in December 2023, marked its tenth packaged industry solution. Using Talkdesk CX Cloud as a base, the company designed each industry cloud to reduce the customer's risk and cost, accelerate the time to value and time to market, integrate data, and improve the customer's ability to optimize CX as a competitive advantage.

Talkdesk has consistently elevated its retail solutions to digitally transform its retail clients' operations and help create the storefronts of the future. With Retail Experience Cloud, Talkdesk's retail and consumer goods clients enjoy the full-featured experience that the Talkdesk CX Cloud provides, but with features deeply attuned to the needs of the retail industry. Talkdesk's Retail Experience Cloud specifically addresses the nuances and challenges of the retail market and provides out-of-the-box functionality to enable retailers to hit the ground running when upgrading their retail CX.

Customer Ownership Experience

With the Talkdesk Retail Experience Cloud, agents have a 360-degree view of the customer, allowing them to see all interactions and communicate across every channel, with advanced co-browse and video

capabilities. The solution includes embedded AI tuned to the retail market with pre-designed agent workflows for common retail use cases, such as order status, returns or exchanges, and order cancellations. The solution's real-time analytics offers insights into every customer interaction and pairs them with proactive communication and process automation to expedite time to resolution and improve CX. Key to the retail market is creating a Unified Commerce experience that connects the online experience to the in-store experience. With Talkdesk Retail Experience Cloud, in-store associates have access to various customer support tasks to assist them as they interact directly with customers. For instance, helping with in-store pick-ups, scheduling appointments, checking inventory, placing or canceling orders online, or making changes to their account information.

Talkdesk's Industry Experience Clouds are not static solutions; instead, they take advantage of any new advancements in the core platform. For instance, Talkdesk, which has been infusing AI into the Talkdesk CX Cloud platform since 2018, announced a plethora of generative AI (GenAI)-powered features/solutions in the fall of 2023, bringing customers new capabilities for business transformation and operational efficiency. These, in turn, have been incorporated into its Industry Experience Cloud offerings. For example, GenAI-powered Talkdesk Autopilot for Retail provides self-service that supports the entire customer journey. Talkdesk generative AI solutions enable automated content retrieval from connected knowledge management databases across popular retail and e-commerce platforms. For self-service and agent-assisted workflows, Talkdesk Autopilot and Copilot respectively, ensure fast, accurate, and consistent answers are delivered to customers in real-time regardless of where the information resides. Additionally, for agent-assisted engagements, Copilot Auto Summarization and supporting AI tools, streamline after-call workflows by automating call note-taking and recommending best-next steps for the agent. By deploying Talkdesk, contact center supervisors empower agents to spend more time focusing on delivering a high-touch customer experience while improving overall efficiency and important metrics including AHT (average handle time), FCR (first call resolution), and CSAT scores. Talkdesk is also using GenAI to eliminate the need for conversation design and dynamically generate dialog to enhance self-service options, such as virtual assistants with more human-like experiences that give more accurate responses.

Ensuring customer trust is also key. Talkdesk is committed to ethical and responsible AI usage. Using the trio of its GenAI observability dashboard, data augmentation, and GenAI fine-tuning and simulation helps identify biases and inaccuracies and keep humans in the loop to ensure the safe usage of AI. Through Retail Experience Cloud, customers can take advantage of the Talkdesk marketplace or the pre-integrated core retail systems, such as Shopify, Big Commerce and Salesforce. Talkdesk has also pre-built the platform to assist customers in maintaining regulatory compliance.

Price/Performance Value

While competitive offerings in the market provide certain components, such as speech technology grammars tuned to the retail market or integrations with popular third-party retail applications, Talkdesk has gone above and beyond in tailoring its Retail Experience Cloud. The solution significantly improves time to value through its out-of-the-box configuration and ease of use. Because it is designed end-to-end for the retail environment, customers can significantly cut down on implementation and maintenance

costs, avoid paying for professional services, and automatically capitalize on any software updates or additions to the platform.

Adding GenAI features, such as Talkdesk Autopilot, sums this up as it supercharges self-service tailored to the retail market. Autopilot can handle myriad use cases including product search, location search, product recommendations, appointment scheduling, and customer support. It helps to better understand the customer's journey; make quick and intelligent decisions regarding that journey by searching, reviewing, and extracting information; and then respond to a customer inquiry naturally and conversationally. Retail customers are using GenAI in numerous other ways to increase productivity and save on costs. For instance, retailers are using it to help write initial draft copies for product detail pages or for enhancing product images. To supplement the voice of the customer efforts, retailers are leveraging GenAI and summarizing the sentiment about large volumes of product reviews.

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A great example of attaining value from the retail cloud is Farfetch, a retail company with 720 agent seats on Talkdesk. Farfetch chose Talkdesk to speed service delivery, improve CX quality, eliminate call latency impacting CX, improve scalability, and attain new AI-powered functionality. Farfetch implemented Talkdesk CX Cloud, Talkdesk Copilot, and Talkdesk Studio, integrating them into its existing Salesforce implementation, which allowed Farfetch to do more with its data. As a result, Farfetch experienced a 30% growth in workload over two years, with only a 12% increase in payroll and cost efficiencies of around 40%—half of which can be attributed directly to Talkdesk. The company also saw a 25% increase in customer satisfaction (CSAT) and a 50% reduction in handling/resolution times.

Customer Service Experience

Talkdesk continuously invested in customer support operations, and, in the past year, it has made several key hires in senior leadership for both customer support and success. In 2023, the company launched its Customer Success Transformational Strategy with initiatives hyper-focused on increasing speed and quality to deliver the best CX for customers. For example, for speed, initiatives include accelerating service level agreements; incorporating AI at more touchpoints in the customer journey; and offering real-time support from certified Talkdesk resellers, technical account managers (TAM), and professional services. Quality initiatives included increased support automation for ticket escalation and recording, increased AI to intercept customer questions with resolutions, and enhanced support tier models. CX initiatives included designing tactical operational motions, elevated proactive protocols for responsive and transparent resolution, and expanded TAM roles for enterprise customers.

Talkdesk provides its customers with 24/7/365 support by phone or web portal, featuring live or self-service options and support personnel located in the continental United States and Portugal. Its self-service portal consists of a comprehensive knowledge base that includes technical documentation, how-

to instructions, and videos. Talkdesk also offers premium care, which includes access to a lead support engineer and a TAM to deliver dedicated, personalized assistance.

Customer Acquisition

Talkdesk increases its market share and maintains and expands its customer base by increasing visibility within its experience cloud markets. For instance, in addition to profiling its vertical market focus at broad industry shows, such as Enterprise Connect or Contact Center Week, the company also employs a multifaceted approach for increasing visibility and sales within the retail environment itself, including the judicious placement of thought leadership articles and blogs and participation in retail industry-specific events. For example, Talkdesk participated in the National Retail Federation (NRF) show in January 2024 and sponsored the CommerceNext 2024: Growth Show in June and The Millenium Alliance Assembly in May to increase brand awareness and meet key executives in the industry. Upcoming events include eTail Connect West in September 2024 in San Diego, the CX Retail Exchange in September 2024 in Dallas, and again at NRF Big Show in January 2025 in New York City.

Talkdesk's publications and participation in industry events exemplify its commitment to understanding its target market thoroughly, keeping abreast of the latest trends to address evolving customer needs, and bridging knowledge gaps in the contact center industry. Notable retail wins include being named a technology partner of BigCommerce (Nasdaq: BIGC)—an open software-as-a-service (SaaS) eCommerce platform that facilitates the creation of engaging online stores for tens of thousands of business-to-consumer and business-to-business companies in more than 150 countries, retailers such as Ben & Jerry's, Skullcandy, Ted Baker, and Vodafone. Additional retail wins include Serta Simmons, OnRunning, alarm.com, King Arthur Flour Company, Tactacam, United Rentals, and Utz Quality Foods.

Brand Equity

As one of the more tenured players in the CCaaS space, Talkdesk has garnered a reputation for products that are scalable, fully featured, and easy to implement and use. Customers have grown accustomed to its regular cadence of product introductions. The company has launched more than 90 products in the past 7 years, with a multitude of additional new features across its portfolio. It was one of the first in the industry to leverage AI, roughly a third of those product innovations have been AI-powered since 2018. With its investments to develop its vertical market cloud solutions, Talkdesk's reputation will continue to grow as it demonstrates client use cases.

Contributing to Talkdesk's robust brand loyalty are its 100% uptime service-level agreements and hands-on customer support. The company reports an overall net customer retention rate of more than 100%, a 95% customer satisfaction score, and stellar remarks on peer review sites.

Conclusion

Talkdesk has increased its value as a top contact center solutions provider known for a suite of comprehensive, user-friendly solutions tailored for different markets. The continual addition of new experience clouds and embellishment of the Retail Experience Cloud since launch is a solid example of the way Talkdesk empowers customers in a specific market to make enriching CX effortless. With Retail Experience Cloud, Talkdesk enables retailers to more easily ride the waves of change that happen in the retail and consumer goods markets. Frost & Sullivan commends Talkdesk's accomplishments and anticipates further innovation in this vertical market and others.

For its achievements in elevating retail CX and elegantly addressing retail challenges, Talkdesk earns Frost & Sullivan's 2024 North American Customer Value Leadership Award in the retail contact center as a service market.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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

About Frost & Sullivan

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The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)