

A Quiq look at the Gartner Magic Quadrant for Conversational AI Platforms: What's useful and what's missing?

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By Mike Myer, CEO and Founder of Quiq

As tech continues to march forward and customer expectations grow, conversational AI is moving to the forefront of customer interactions.

Enterprises know that to continue to deliver the highest quality experiences to their customers, they need to keep pace with the changes in the market. Conversational AI (CAI) is a tool that spans the customer journey and brings efficiency and personalization to customer communications.

But choosing a vendor in an evolving market can be confusing. So, Gartner released the Magic Quadrant for Conversational AI to provide a detailed look at the market and players in the CAI space.

Here, I'll give an overview of Gartner's Magic Quadrant, how it's positioned to help cut through the noise of

analyzing conversational AI vendors, and what elements are missing from the quadrant that could make a difference to your company.

What is the Gartner Magic Quadrant?

[Gartner's Magic Quadrant](#) (MQ) is a report that compiles research on vendors in a specific market and arranges the results into a quadrant so that the relative ranking of vendors is easier to interpret. According to Gartner, the aim is to provide insight into a market's direction, maturity, and participants.

The [MQ for Enterprise Conversational AI Platforms](#) used [15 weighted criteria](#) to evaluate over 20 vendors. Based on the evaluation, they placed vendors into one of the four quadrants: **Challengers**, **Leaders**, **Niche Players**, and **Visionaries**.

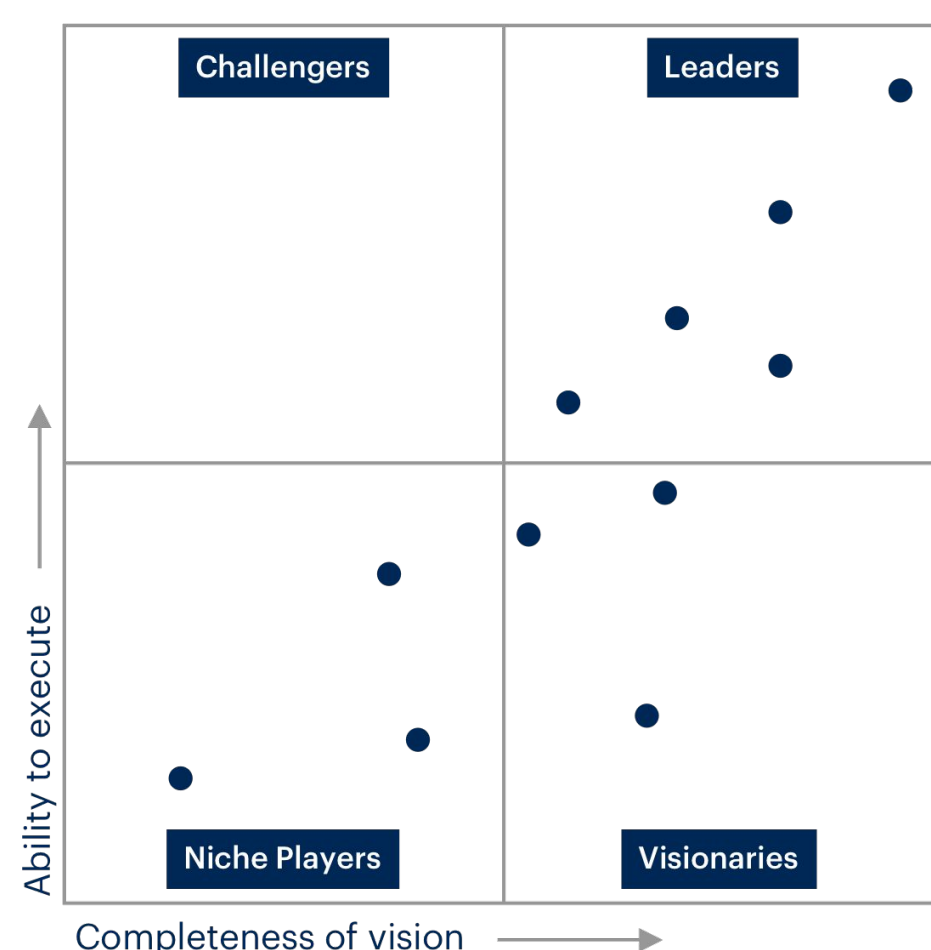


Source: [Gartner's Magic Quadrant](#)



- **Challengers** - Executes comparatively well today or may dominate a large segment, but does not have a roadmap aligned to Gartner's view of how a market will evolve.
- **Leaders** - Executes comparatively well today and is well positioned for tomorrow.
- **Niche Players** - Focuses comparatively successfully on a small segment, or is unfocused and does not out-innovate or outperform others.
- **Visionaries** - Understands where the market is going or has a vision for changing market rules, but does not yet execute comparatively well or does so inconsistently.

The X-axis, **Completeness of Vision**, shows a vendor's level of innovation, and the Y-axis, **Ability to Execute**, denotes a company's ability to execute.



How Gartner chooses markets and vendors.

Importantly, Gartner's Magic Quadrant isn't a sweeping review of every vendor in the market.

Rather, it's an analysis of the providers Gartner considers the most relevant to their clients. The vendors have to meet Gartner's chosen criteria to be considered—which necessarily leaves out wide swaths of quality providers.

Some people are concerned that Gartner's metrics and market analysis methods need to be more transparent. Gartner publishes an [FAQ](#) and a [broad overview of their methods](#), but the details of how they conduct the research are proprietary.

The key when reading the report is to remember that the results are based on an arbitrary set of metrics chosen by Gartner. Good for their purpose, but frankly, not all-encompassing or inclusive.

Why the Magic Quadrant is considered a gold standard.

Gartner is known for being the [world's leading information technology research and advisory company](#). They've been honing processes and producing reports similar to the MQ since the 1980s. They started using the term [Magic Quadrant in 1994](#).

Typically released on a [12-month](#) cycle, Gartner's MQ brings the most up-to-date, comprehensive reporting in the fast-changing tech industry.

Analysts follow a proprietary process to define a market's boundaries, then evaluate and rate each qualified vendor in that market against Gartner's established weighted criteria. Before the report is published, it goes through internal peer reviews and fact-checks by the vendors included in the research.

I think that one of the greatest benefits of the Magic Quadrant is the ability it gives readers to get up-to-speed on a market they might not be familiar with.

A modest amount of time reviewing the MQ provides:

- **A high-level view of the market** - In a mature market, most vendors will cluster in the Leaders quadrant; in a growing market, vendors tend to fall within the Niche Players quadrant.
- **Strengths of some of the biggest players** - Besides using the quadrant to get familiar with the main players in a given industry, readers can get an overview of their potential strengths and weaknesses.
- **Insights into vendors** - The MQ is accompanied by the Critical Capabilities companion research, which offers an in-depth view of vendors' products and services.

Other notable features of the Magic Quadrant are the Peer Insights user-contributed reviews and filtering capabilities.



Gartner has stood the test of time with over 40 years providing insights to enterprises—and with [more than 40 new MQs](#) due for release in the next year, they don't show any sign of slowing down.

How to use the Magic Quadrant.

The Magic Quadrant isn't a once-and-done report. It's an interactive compilation of data points you can use as filters to learn about the featured companies and market based on your needs, interests, and goals.

While you can get an overview of where Gartner has placed vendors by looking at the quadrant, [they recommend you don't stop there](#).

With the report's interactive features, you can see detailed breakdowns of each vendor and filter results based on criteria you're interested in. You can then create custom quadrants based on your specific filters to compare market details or analyze vendors.

What's missing from the Gartner MQ for Enterprise Conversational AI?

A lot of time, effort, and focus goes into the Gartner MQ. But even with the attention to detail, Gartner has had its detractors over the years. While some criticisms seem more like complaints, a few stand out.

Analyzing services in a silo.

There are numerous vendors in the CAI space, and each offers different products and services—which makes comparing them a challenge. When analyzing conversational AI vendors, Gartner categorizes them in three strategic directions:

- Natural-language-portfolio centric
- Business automation centric
- User-experience centric

But this segmentation immediately raises questions, like what if a vendor is proficient in all three related areas? What if you, as the buyer, want to find a vendor with all of these capabilities?

When a provider builds a platform, they usually offer multiple related services. During Gartner's research

process, these coexisting, complimentary services are parsed into single, siloed categories—resulting in an incomplete view of the company's full capabilities.

Conflict of interest.

Looking at Gartner's financial information, you can see the company makes its money from research, consulting, and events. But, unfortunately, they don't declare who their clients are or how much they pay.

Because Gartner makes money providing research and consulting to companies in the same industries that the research appeals to, it stands to reason that some of their paying clients would end up on the quadrant.

While some online voice their concern that you must pay to be included in the Magic Quadrant, Gartner states that client relationships don't influence inclusion.

Even if it's simply a matter of client confidentiality, having clients included in the MQ creates a conflict of interest. And a conflict of interest can cause people to question the integrity of the results.

More transparency in this area would help build trust among those using the quadrant as their main source of information on the industry and featured companies.

No room for the little guys.

[Gartner](#) states that the Magic Quadrant is “a focused analysis of the most relevant providers for Gartner's end-user clients.”

The focus on larger, established enterprises leaves out startup and smaller-scale businesses that are likely more innovative and nimble than the larger, old-school vendors.

While the report admittedly can't include every single vendor in an industry, it's a shame that the quadrant only highlights enterprise-sized vendors, creating a repetitive cycle in which established players with less innovative solutions are rewarded with attention while more innovative solutions go without mention.



Voice required?

To be included in the Gartner Magic Quadrant for CAI, vendors are required to support voice. This excludes many vendors (including Quiq). Many vendors have chosen to focus on digital channels, especially conversational experiences on websites.

It is difficult to handle anything more than a simple interaction in voice because it's painful to listen to long explanations. For example, imagine you wanted to view the most recent transactions on your account. In a digital interaction, it's a simple matter to return a list of transactions in text. However, that same interaction in voice is tedious. Imagine a computer-generated voice saying, *"First transaction. February 1, 2023. Three hundred two dollars and twenty-three cents at Costco. Second transaction..."*. Information that could be consumed in seconds in text takes minutes in voice.

By restricting the CAI Magic Quadrant to only vendors that support voice, Gartner has excluded some great CAI vendors who have decided not to support voice because of its inherent limitations.

Why are companies clamoring to add AI to their communications?

To be considered for analysis on a Magic Quadrant, an industry has to be established, meaning it's not an emerging trend, nor is it declining. Judging by the rate of adoption by companies worldwide, CAI is in demand and is here to stay.

Using machine learning and natural language processing, AI helps companies serve their customers at a lower cost. CAI has proven its value to companies by elevating customer communications at every point on the customer journey with human-like conversations and 24/7 personalized customer service.

In my experience as Quiq CEO, and after more than 15 years in the industry, conversational AI is the key to delivering a modern customer experience and creating happy customers.

With CAI, companies can dramatically improve the following:

- Lead generation
- Sales conversions
- Issue resolution rates
- Time-to-first-response
- Time-to-resolution
- CSAT and NPS scores

In addition, we see clients use CAI to resolve 80% of inbound inquiries while increasing agent productivity and retention, which ultimately lowers costs.

Conversational AI is the key to delivering a modern customer experience and creating happy customers.

Is the Magic Quadrant the best way to find a conversational AI vendor?

Gartner defines the MQ as a culmination of research in a specific market, giving you a wide-angle view of the relative positions of the market's competitors. I think wide-angle is an important distinction here.

Even though Gartner lists the 15 criteria they weigh against, how they apply them is vague. For example, they don't share exactly how companies are rated and compared to each other. And the quadrant itself does not show numerical values or delineate how placement on the X and Y axes is determined.

To the untrained eye, focusing on the Leaders quadrant might seem like a shortcut to finding a CAI vendor. But a company in the Leader quadrant might not support your needs as well as a Challenger, Visionary, or Niche Player would. While the quadrant gives a quick overview of where companies rank, relying on the visual alone doesn't give you the detailed insight you need to make an informed decision.

When it comes to finding an AI vendor, the MQ can be a good place to start, but more in-depth research is needed to find a vendor that can provide the services you need based on your company's goals.



Tips for getting started with conversational AI

Knowing where to begin is often the biggest hurdle when adding new technology to your current workflows. Once you've learned what CAI can do and where it can impact your company, finding a vendor will be more straightforward.

Get a basic understanding.

If you're unfamiliar with the market, get up to speed with a report like Gartner's Magic Quadrant for Enterprise Conversational AI and articles from sites with expertise in the field, like [this one](#) on [quiq.com](#).

Identify your business needs and goals.

For example:

- Do you want to reduce incoming call volume, increase agent efficiency, or lower costs?
- Do you want to enable AI-enhanced messaging across several messaging platforms?
- Do you need help designing a custom AI-enhanced chatbot?

Talk to an expert.

AI is a fast-changing technology. [Talking to an expert](#) in the industry is the best way to learn about the capabilities and applications of CAI and the effect it can have on your business and your customers.

Select a vendor based on your needs.

A vendor's capabilities and offer should align with your needs and circumstances. The biggest names don't always have the features, flexibility, or pricing you need, and the niche players can sometimes be too niche. When building a CAI strategy for your company, identify your needs first, then research, vet, and select a vendor.

What does the future hold?

With digital innovation moving through the tech sector, Gartner will continue to release targeted Magic Quadrants to give companies a way to navigate the changes in the industry.

Gartner's Magic Quadrant for Enterprise Conversational AI Platforms displays an established industry on the rise. And because of AI's enhancement to the customer experience, companies that adopt CAI in their customer communications will see outsized returns in customer experience, satisfaction, and monetary benefits.

Now that you have a basic understanding of what's useful about Gartner's Magic Quadrant, what's missing, and how to assess your own CAI needs, you can start building your conversational AI strategy.

If you're ready to learn about CAI solutions, a Quiq expert can answer your questions and give you insight into what a CAI strategy could look like for your company—no pressure, just answers to your questions.

Quiq's Conversational AI Platform revolutionizes the way customers and businesses communicate.

At Quiq, we'll work with you to build a conversational AI solution that operates smoothly for employees, delights customers, and drives business results for you.

Our AI-powered Conversational Platform can be deployed as a stand-alone application or seamlessly integrated with your existing CRM. [Request a demo](#) to learn what conversational AI can do for your company.

