

# IDC MarketScape: Worldwide Employee Experience 2023 Vendor Assessment – Voice of the Employee and Sentiment Data Collection and Analytics

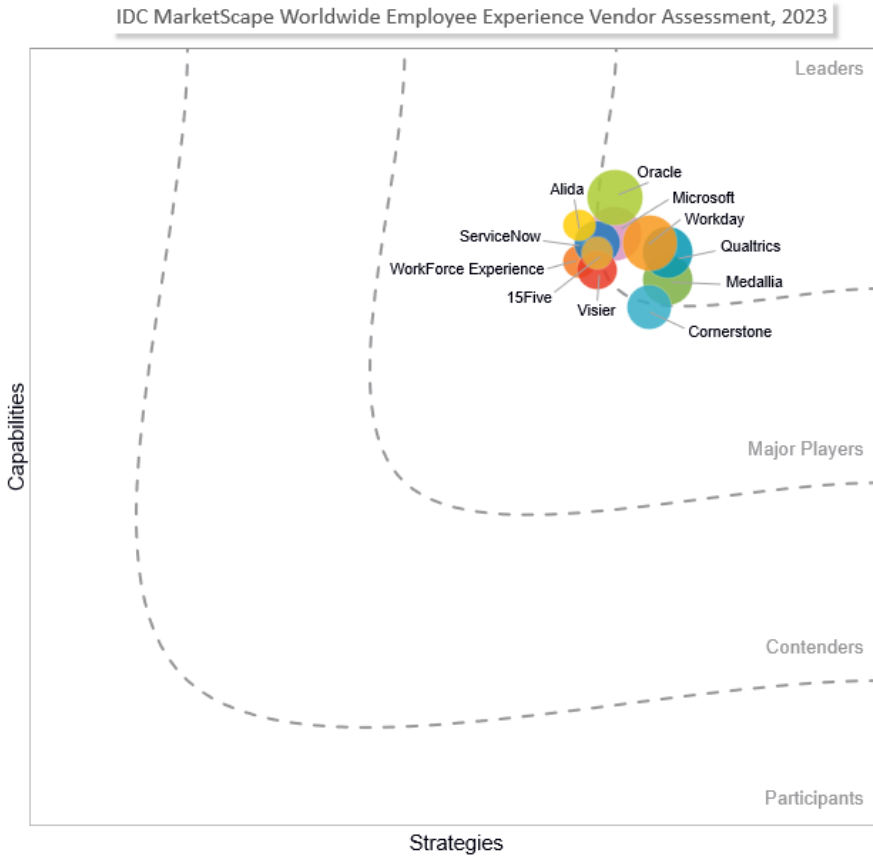
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**THIS IDC MARKETSCAPE EXCERPT FEATURES QUALTRICS**

## IDC MARKETSCAPE FIGURE

**FIGURE 1**

### IDC MarketScape Worldwide Employee Experience Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Employee Experience 2023 Vendor Assessment – Voice of the Employee and Sentiment Data Collection and Analytics (Doc # US50732923). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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Engagement and connection (E&C) intersects communications and employee experience (EX) by opening multimodal feedback channels that connect employee sentiment, feedback, and communications insights to organizational decision makers. Engagement and connection sources provide context around causes of attrition, productivity, and performance risks at various organizational levels for managers and business leaders to scale workplace and workspace design across increasingly individualized employee goals and needs. Diverse, internal, communication channels also help managers understand employee sentiment to build empathy and awareness that reduce sentiment risk by improving responses and methods of engagement.

IDC recently found that a strategic need to align HR, finance, and operations in key business decisions is a leading factor as to why employers pursue EX transformation. In *Employee Experience: Maximizing Employee Experience Opportunity Requires a New Strategy, Not Just New Tools* (IDC #US48518322, June 2022), IDC found that the EX transformation journey begins in a disaggregated way in the line of business (LOB) for 94% of organizations as managers independently look for ways to reconnect with their employees toward improving engagement, collaboration, and retention. LOB managers most often begin with some form of communications management, logging, and feedback to understand why employee performance and risk metrics appear the way they do. As LOB managers champion early efforts to capture and respond to the voice of the employee (VOE) and corresponding sentiment understanding, HR grows aware of the disparities in employee performance data with some divisions outperforming others in HR's key performance indicators (KPIs).

IDC's data recently showed that at the leadership level, HR and IT are the top 2 stakeholders most likely to champion an organizationwide institution of VOE and employee sentiment tracking toward advancing E&C principles (source: IDC's *SaaSPath Survey*, May 2023; n = 110). The aggregation of early E&C at the LOB level is first picked up and institutionalized by HR to centrally begin capturing data across employee sentiment, feedback, and communications loops dedicated to each. Collectively, these resources elevate VOE to HR for early discovery around how the organization is or is not meeting employee needs, wants, and goals at a strategic level while enabling LOB managers to respond to individual resource and response gaps as a matter of organizational policy and protocol. As VOE data insights advance, innovative HR teams leverage HRIT resources to interface VOE and employee sentiment insights with traditional employee data – such as performance metrics – to understand how environmental factors within the workplace and across work styles and teams impact performance quality and productivity.

By the middle of FY23, more than 70% of organizations – and all early movers within the market for EX transformation strategies and resources – had implemented some degree of employee listening resources to collect and analyze employee engagement and connection. Organizational commitments largely followed through on promises and budget allocations set at the beginning of FY22 for EX

planned investments (source: IDC's May 2023 *Future of Enterprise Resilience Survey*, May 2023; n = 1,191; and IDC's *Employee Experience Buyer Sentiment Survey*, November 2021; n = 507).

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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In leveraging this IDC MarketScope model, IDC studied 11 organizations that offer E&C digital tools, resources, and adjoining services. Participating vendors were required to meet the following criteria to be included in this IDC MarketScope assessment:

- Present defined technology and services offerings that include defined coverage and methodologies for VOE, employee sentiment, employee listening, AI and machine learning, frameworks for employee listening data use and insights, defined points of entry to E&C, and defined service and support organizations and methodologies unique to the products and individual customer engagements.
- Be capable of serving clients up to or at a global level with operations in at least two geographic regions (the Americas, EMEA, APAC, APJ, and ANZ).
- Represent a combined annual revenue of at least \$100 million across both people and organization and employee experience practices.
- Hold mature product offerings of at least five years of service in employee experience (including preacquisition states).

## ADVICE FOR TECHNOLOGY BUYERS

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This IDC MarketScope for employee experience profiles technology partners that deliver a combination of VOE and employee sentiment resources and adjoining analytics that carry employee listening insights into the broader organizational resource directing use case. The focus of this IDC MarketScope is to provide guidance around a host of use cases for E&C while mapping each vendor according to the uniqueness of its point of entry to the market, how it meets client organizational maturity to and through EX transformation, and the peripheral benefits it provides to non-HR or employee-centric functions or outcomes based on their most common use cases.

In reading the IDC MarketScope graphic and consuming the following vendor profiles, it is important to note the differentiation between vendors, their approaches to E&C, and the perceived level of maturity that organizations have that typically engage with them. While some vendors may be labeled as "leaders" within this IDC MarketScope, it is important to recognize that the white space around each vendor corresponds to a perceived level of differentiation, in both current capabilities and strategic direction within the field of E&C. As the profiles will attest, each vendor has a different take on the use cases and benefits of E&C with some providing more directed guidance, others providing more customizable engagements and digital resource instances, and others going deeper into the analytically connected end state beyond initial employee listening insights.

Regardless of the use case for E&C, IDC has found that according to IDC's November 2021 *Employee Experience Buyer Perception Survey* (n = 507), engaging in the space is the most common gateway into EX transformation, which – across the transformation – is:

- Improving the likelihood to realize employee-led revenue growth by 81%
- Boosting the likelihood of improved customer experiences (CXs) by 92%
- Elevating the likelihood of greater operational efficiency by 88%

- Raising the likelihood of improved productivity by 78%

The vendors featured in this IDC MarketScape provide a combination of VOE, employee sentiment, and communications data collection as well as insular analytics for real-time markers, measurement, trends, and insights to HR leaders, LOB managers, and individual employees around trends in engagement and connection. While some of the featured vendors provide a wider array of data, analytics, and integrated insights- and resource-driven action capabilities, the assessment for this current IDC MarketScape analyzes them for their combined deep capabilities in VOE, employee sentiment, and communications data collection and analytics. As each vendor is placed within the framework for evaluation, its position in this IDC MarketScape has characteristics that are important to note:

- **Differentiation:** The relative space between the center points of each circle corresponds to a degree of differentiation in the current capabilities and future planned strategies from one vendor to the next. The wider the gap between the center points, the more differentiated the comparative vendors are from each other.
- **Revenue scale:** The size of each circle indicates the relative revenue scale of one vendor to the next. The larger the circle is, the larger the realized relative revenue that vendor has from the EX competency under evaluation.
- **Placement:** IDC reports on vendors as "Leaders," "Major Players," "Contenders," and "Participants." Each category represents a spectrum for maturity based on IDC's framework for the evaluation, which is summarized in the sections that follow. Maturity emphasizes integrated functional and service achievement, but it is important for buyers to be aware that differentiation plays a large part in how each engagement and connection vendor can and will fulfill their requirements optimizing cost against service quality and breadth and depth of functionality. It is important to match vendor maturity to the maturity of the organization's readiness to advance through engagement and connection as part of the broader EX transformation journey.

## VENDOR SUMMARY PROFILE

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### Qualtrics

Based on a close evaluation of the company's strategies and capabilities, IDC has positioned Qualtrics in the Leaders category in this 2023 IDC MarketScape for worldwide employee experience – VOE and sentiment data collection and analytics.

Qualtrics Experience Management (XM) offers organizations multichannel, real-time VOE resources that solicit feedback and sentiment data, aggregate it, and deliver AI-based insights on it, which are integrated with performance data pulled in from HRIS and performance systems. Qualtrics offers clients a full range of periodic and pulse surveys complete with best practice recommendations around lines of questioning to routinely assess and understand employee challenges, needs, and drivers from the employees themselves. The solution then ties in structured and unstructured data to solicit and analyze employee sentiment from all angles and then export it into and between HRIS and performance systems to gauge how performance levers drive and are impacted by changes in employee perceptions and experiences.

Behind platform engagement, Qualtrics routinely evaluates and engineers security and privacy around the data use case within its solutions. Qualtrics clients are outfitted with best practices to maintain strict and trustworthy profile privacy toward the individual respondent while maximizing the insights potential from how collected data can be analyzed and examined. Qualtrics' overall practices are designed to build and facilitate trust with the end-user respondent toward improving VOE participation while enabling strong insights for individuals, managers, and leaders. At the insights level, Qualtrics provides comparative benchmarking and reporting for individuals and managers to understand how their insights and their teams' and divisions' insights rank within and across the organization at large.

Qualtrics XM for People Teams leverages VOE and engagement data across employee teams and groups to build behavioral profiles that update in real time within manager dashboards. Qualtrics has expanded the diversity of KPIs that VOE insights and behavioral models can be programmed against to ensure that managers, people analysts, and CHROs can better understand how successes in certain drivers of employee performance correlate to failures in others. Qualtrics helps managers engage through their personal responsibilities to steward brand management and research through the responsibilities of their teams. Together with Qualtrics XM for People Teams, managers, regardless of managerial strength, have metrics and understanding at their fingertips that models and updates in near real time to recognize and act toward or against the relative strength of their goals and strategies.

Qualtrics XM also differentiates between employee and manager experiences to give each unique tools to understand, improve upon, and drive success within the impact of their sentiment on performance and business expectations. Qualtrics' acknowledgement of the variability of employee experiences based on certain defining factors of role and responsibilities identifies where experiential lines differ in terms of how work factors impact employee sets differently. Beyond individual performance and sentiment factors, manager assist enables managers to recognize and improve upon where they need training in managerial skill sets based on where their execution of responsibilities may be negatively impacting their workforce and organizational goals.

Beyond VOE, integrated performance impact analytics, insights for action, and accounting for differentiated manager experience management, Qualtrics also links employee experience data with customer experience data to establish a circular value proposition between the impact of one on the other and vice versa. Qualtrics' integration between EX and CX enables organizations to better establish a direct impact assessment for EX on business outcomes.

## **Strengths**

All of Qualtrics' resources are backed by I/O psychologists analyzing, reporting on, and conveying best practices and insights across Qualtrics' cumulative data under management. Clients generally find the Qualtrics tool to be intuitive to use for all employee classifications and across all employee types and locations. In general, clients averaged end-user engagement rates above 85%, partly owing to what they describe as an exceptional user experience. Overall, clients are satisfied with their instances of Qualtrics with a generally positive ROI sentiment for their use cases.

## **Challenges**

Qualtrics relies on implementation partners for solution design and deployment that are not always well versed in matching unique client needs to the power and capacity of the Qualtrics toolset. Clients noted that Qualtrics is more expensive than other tools despite the robustness of its capabilities and deeper extension into the workforce than other tools they considered. At the same time, some clients reported difficulty exporting real-time data from within Qualtrics, regardless of survey completion statuses and assigning survey permissions to individuals by grouping, thus leaving them to assign permissions one survey at a time.

## Consider Qualtrics When

Organizations seeking to define their earliest transformational strategies guided by VOE to reconnect employee considerations into how the organization plans and executes change are well served by Qualtrics. Qualtrics' strength in VOE and sentiment discovery provides organizations with deep knowledge around where to start on micro- and macro-transformations to meet or exceed employee needs, goals, and wants. Qualtrics' use case for I/O psychology transforms VOE and sentiment data collection into actionable insights and guidance toward governance immediately off the heels of completed survey engagements (i.e., personal, pulse, or periodic). Qualtrics' early use case for behavioral analytics also helps organizations develop a continuous insights cycle across the employee life cycle, enabling managers and leaders to engineer adaptable resource management strategies to enhance moments of success and navigate or resolve moments of difficulty. Qualtrics' behavioral use case also extends beyond VOE and employee sentiment to include applications to CX, with analytical links between EX and CX to expose and navigate the impacts of each on the other anywhere within the organization.

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

### IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

### Market Definition

Engagement and connection (E&C) intersects communications and employee experience (EX) by opening multi-modal feedback channels that connect employee sentiment to organizational decision

makers. E&C sources and provides context around causes of attrition, productivity, and performance risks at various organizational levels for managers and business leaders to scale workplace and workspace design across increasingly individualized employee goals and needs. Diverse, internal communication channels also help managers understand employee sentiment to build empathy and awareness that reduce sentiment risk by improving responses and methods of engagement.

## LEARN MORE

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### Related Research

- *IDC MarketScape: Worldwide Employee Experience Consulting Services 2022-2023 Vendor Assessment* (IDC #US49854822, December 2022)
- *IDC MarketScape: Worldwide People and Organization Consulting Services 2022-2023 Vendor Assessment* (IDC #US47023821, December 2022)
- *Worldwide and U.S. Employee Experience Software and Services Forecast, 2022-2026* (IDC #US49359622, September 2022)

### Synopsis

This IDC MarketScape for employee experience (EX) profiles technology partners that deliver a combination of the voice of the employee (VOE) and employee sentiment resources and adjoining analytics that carry employee listening insights into the broader organizational resource directing use case. The focus of this MarketScape is to provide guidance around a host of use cases for engagement and connection (E&C) while mapping each vendor according to the uniqueness of its point of entry to the market, how it meets client organizational maturity to and through EX transformation, and the peripheral benefits it provides to non-HR or employee-centric functions or outcomes based on their most common use cases.

E&C intersects communications and employee experience by opening multimodal feedback channels that connect employee sentiment, feedback, and communications insights to organizational decision makers. E&C sources and provides context around causes of attrition, productivity, and performance risks at various organizational levels for managers and business leaders to scale workplace and workspace design across increasingly individualized employee goals and needs. Diverse, internal communications channels also help managers understand employee sentiment to build empathy and awareness that reduce sentiment risk by improving responses and methods of engagement.

"Engagement and connection is among the earliest growth spaces in employee experience," says Zachary Chertok, research manager for Employee Experience at IDC. "EX transformation hinges on the dynamic collection, aggregation, and analysis of VOE, employee sentiment, and communications markers to influence the transition to people-centric operational models. Consequently, IDC is examining the market for engagement and connection through three distinct lenses: VOE and sentiment data collection and insular analytics (which is the subject of this MarketScape), VOE data collection and processing, and the integration of E&C insights analytically into HR and non-HR critical data sets."

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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