

## Vendor Profile

# Alchemer Extends Its Customer Experience Intelligence Reach

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## IDC OPINION

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Customers have shifted and are often choosing whom to purchase from based more upon the experience they or others have had with a brand than the product features or the price. But providing a tailored, personalized, and differentiated experience requires data – data about the customer, contextual data around the customer, market data, and organizational operational data. And brands are having a difficult time gathering the right data effectively and then operationalizing that data in such a way that the brand can provide a differentiated experience. IDC finds:

- Alchemer, a flexible customer intelligence platform, provides a supple survey-based tool set that allows brands to effectively gather valuable and actionable customer data and feedback that can be more effectively operationalized.
- The ability to gather the right customer experience data and then use that data to make the necessary product and business processes can make a difference in improving the customer experience and consequentially improve the brand bottom line.

## IN THIS VENDOR PROFILE

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This IDC Vendor Profile examines the products and strategy of Alchemer, a privately held customer intelligence platform company based in Boulder, Colorado. Alchemer provides a tailorable set of digital survey and customer data gathering tools to collect direct customer information, product data, and employee data along with other tools to analyze and operationalize through R&D, product improvement, and business process changes that same data. Alchemer can accomplish this through a customizable survey-based tool that can be used broadly across the organization combined with a user interface that improves the survey taking experience for the survey respondent. This IDC Vendor Profile reviews how Alchemer's platform addresses some of the pain points brands face in gathering, analyzing, and operationalizing customer engagement data.

## SITUATION OVERVIEW

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### Background

Customer intelligence and analytics solutions, such as survey research platforms and solutions that gather customer data to provide a better understanding of the customer and the context around customers' needs and desires, are one of the fastest-growing customer experience management (CEM) software segments. There has been an explosion of customer data from both direct and indirect sources as both customers and brands digitally transform. The result is that brands have been adopting technologies to gather and process this ever-growing lake of data. But many of the available tool sets and platforms are great at gathering the data but don't effectively support the operationalization of that same data. And it isn't just about the data anymore. It is about the ability to

gather specific customer data, analyze the data to create additional intelligence for the brand, and then operationalize that data in a way that drives value for both the brand and the customer. When successful, the result is a more trusted and loyal relationship between the brand and the customer.

Even with the explosion of data, this has not been easy for brands. Why? Because brands have had difficulty driving value from the customer data they do gather. Why is this? IDC has found that many brands face the following issues:

- **Systemic challenges:** Brands have faced systemic challenges such as poorly designed tools, unresponsiveness by customers, and the wrong data being captured in gathering the appropriate data from customers and about products, often resulting in little usable data for their efforts.
- **Inability to access all available data:** Most customer data that the brand holds is often in either a CRM system or application-specific data sets spread across different lines of business, making it difficult to integrate and get a complete picture of the customer.
- **Limited ability to drive value from the data:** Brands have had limited tools such as general business intelligence applications that required extensive tailoring and specialized skills to operationalize the data that they do have to improve the customer experience, build trust in the relationship, and demonstrate a positive impact on revenue.

New emerging data gathering and analysis technologies are shifting the equation to improve the value that brands can drive from customer data. With the continued exponential growth of potential customer data from multiple sources, new tools to identify and gather that data, and the integration of different customer-focused applications across the breadth of the customer journey, the equation is shifting. In addition, new specialized software applications that are tailored specifically to support brands in better gathering customer data and understanding their customers have emerged. One of those platform offerings is Alchemer.

## Company Overview

Alchemer is a relatively young, small, privately owned firm whose survey and data gathering technology is used by over 15,000 companies including many of the world's largest brands to gather critical data about and from customers, employees, and products. Alchemer does this using online and digitally based surveys along with emerging technologies like artificial intelligence (AI) to effectively collect and operationalize direct customer feedback in a way that benefits both the brand and the customer. Direct customer feedback is critical to building an understanding of the customer that differentiated offerings and experience can be constructed upon.

Alchemer has a number of different products and applications of its tools for the gathering of data from customers and employees and on products, but this document will focus solely on the tools to gather data from and about customers.

## Company Strategy

Alchemer's strategy is to provide an agile and flexible tool set employable by any part of an organization and is focused on enabling brands to improve their customer engagement and customer experience through the data gathered from customers. This means a set of technologies that can be used across the organization that empowers and gives responsibility to the line-of-business leaders to gather the necessary data but still allows the CIO to have a level of control over the technology.

Alchemer started out focused on collecting and operationalizing feedback directly from customers. Since then, it has grown the platform to include technologies to gather feedback data about products, from employees about the employee experience and from the general market to understand the market perception of the brand.

Alchemer employs an innovative approach, and IDC expects Alchemer to continue to extend its portfolio of technologies beyond surveys to gather additional customer feedback through other methods and modalities that can be incorporated into improving the overall level of customer engagement. Further, and important to the long-term value that a brand receives from the platform, Alchemer will continue to drive depth into tools to operationalize that feedback data into business processes, product design, and customer engagement, resulting in an increase in value for both the brand and the customer.

## ***Product Strategy***

Alchemer currently provides three levels of per-seat plans to meet the needs of different types of users: Collaborator, Professional, and Full Access. The Collaborator plan is the most basic of the three plans, and some of the capabilities it provides include an unlimited number of questions and surveys while limiting the types of questions and reporting and providing the support for the product to email inquiries only. The Professional plan is a midtier plan that includes all the features of the Collaborator plan but with additional capabilities such as unlimited question types, more advanced survey logic options, and a more robust set of reporting and analysis tools such as detailed segment reporting. It also provides both email and phone support for the product. The Full Access plan provides additional analysis capabilities such as conjoint analysis, open text analysis, custom scripting, and the ability to export into statistical packages such as SPSS. Further, Alchemer does offer an enterprise-level plan for more than 20 users that can be tailored to the specific needs of the enterprise customer.

Beyond the different plan levels, Alchemer takes a matrixed approach and provides solutions for specific applications, one of those being customer experience. Other solutions that Alchemer offers include those tailored to employee experience, gathering product feedback, conducting market research, and then tailoring solutions offerings to specific industries and application such as marketing, education, and government.

The near-term future product strategy for Alchemer is focused on providing additional capabilities and flexibility for gathering feedback and integrating that feedback with additional data sources while providing added depth of analysis through integrated analytics, advanced reporting capabilities, and the addition of artificial intelligence technologies.

## **FUTURE OUTLOOK**

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The continued need for customer data and input that can be operationalized will be unrelenting as brands more and more compete on experience. This will be compounded by the growth in the number of channels for engagement and the depth of engagement between brands and customers. Brands will need a robust set of technologies that they can use to collect the ever-important customer data and feedback and then operationalize that data so that it actually makes a difference in the customer experience.

## Challenges for Alchemer

The primary challenge for Alchemer is making itself known in the noisy market, that is customer intelligence and analytics. A number of acquisitions in the market over the past 24 months have demonstrated the importance and growth of the customer intelligence component of customer experience management. But Alchemer is still a relatively small player and needs to continue to push its message of agility and flexibility.

## Opportunities for Alchemer

More and more brands, from small start-ups to large multinational corporations, are looking for agile and flexible customer intelligence technologies that are easy to implement and usable by almost anyone in the organization and provide operational feedback to drive change while not being saddled with the bag that often comes with a large platform. Alchemer has the potential to fill that niche.

## ESSENTIAL GUIDANCE

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### Advice for Alchemer

After closely examining Alchemer, we at IDC believe that Alchemer could benefit from the following:

- **Build an ecosystem of partners.** Partners, such as systems integrators and other noncompetitive software platforms, are often the best way for a smaller technology vendor to be introduced to a future client. Alchemer has a relatively small set of go-to-market partners and needs to expand this in order to extend their reach.
- **Improve features focused on the different components of the customer journey.** Most customer intelligence vendors include capabilities such as predictive analytics, artificial intelligence, and automated forecasts along with unique customer experience management needs as either a current or future component of their product. Using their small size and agility, Alchemer needs to start focusing on embedding advanced analytics capabilities specifically for the different components of the customer journey into their product.

## LEARN MORE

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### Related Research

- *Delivering Empathy at Scale: Conversational Strategy for Empathetic Engagements* (IDC #AP45983620, February 2020)
- *Future of Customer and Consumer: Beyond Personalization Lies Empathy at Scale* (IDC #US45714719, December 2019)
- *Worldwide Customer Engagement Management Analytics Software Market Shares, 2018: Analytics Drives Experience* (IDC #US45349319, July 2019)
- *IDC MaturityScape: Future of Customer 1.0* (IDC #US45165019, June 2019)
- *Worldwide Customer Experience Management Software Forecast, 2019-2023* (IDC #US45117019, June 2019)
- *The Growing Intelligence Component of Customer Experience Management* (IDC #US44942719, March 2019)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2019: Customer Experience* (IDC #US44300419, February 2019)

- *IDC Market Glance: Customer Experience, 1Q19* (IDC #US44750720, January 2019)

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