

# Text Analytics Market Update

## The Writing's on the Wall

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### Executive Summary

Text analytics is an important member of the contact center analytics solutions family that includes speech analytics, desktop analytics, and performance analytics. As speech and text analytics continue their migration from a marketing function to a customer service function within the enterprise, it is text analytics that is poised to see the greatest growth as generational preferences, mobility, and the proliferation of devices that support text-based communications influence customer service communications.

Over the past five years, the contact center text analytics market has seen a compound annual growth rate (CAGR) of nearly 29 percent, leading to revenues of approximately \$73 million in 2015. SaddleTree Research believes this growth, impressive as it is, will be dwarfed by growth in text analytics over the next five years. Driven by continuous development of text-based customer communications methods that will be particularly appealing to the millennial generation, who are poised to be the majority of consumers by 2017, text analytics revenues are forecast to grow at a CAGR of about 52 percent over the period 2016 to 2020, leading to estimated revenues of over \$480 million by 2020.

While competitive pressure will affect the text analytics market as it does every market segment, SaddleTree Research believes there will be a number of factors that will continue to buoy the price of text analytics solutions and the resulting annual revenue. Not the least of these factors is the application of artificial intelligence (AI) to text analytics solutions. The addition of AI to text analytics will not only change the way the solution is deployed in customer service, it will also have a positive impact on ROI calculations with its ability to support workflow automation and advanced business intelligence mining capabilities.