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# BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD



**EVOLV**

**2020 GLOBAL  
CUSTOMER EXPERIENCE OPTIMIZATION  
TECHNOLOGY INNOVATION LEADERSHIP AWARD**

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## Background and Company Performance

### *Industry Challenges*

A consistent, all-encompassing approach to the customer experience (CX) has never been more important. Customer experiences are increasingly digital, and optimizing the digital CX has become essential to growth and to the survival of any organization. Many legendary brands have failed due to poor digital engagement.

Frost & Sullivan has been observing for some time that organizations overthink optimization projects and fail to address the obvious hitches. It is usually a good idea to start close to home, with existing business. Eliminating anxiety-inducing processes and taking friction out of customer journeys by focusing on something as simple as improving poor web or app interfaces usually provides an immediate, excellent outcome for a minimal investment.

Likewise, we advise that organizations fix revenue leakages before launching major business development projects. In low-margin industries, revenue leakage frequently means the difference between profit and loss. In sectors that primarily rely on online sales, conversion failure is the most severe source of leakage. Online experiences leak far too many customers, and online conversion is a fraction of offline (in-store) conversion, problem large swathes of the economy cannot afford to ignore. According to Statista, the 2019 online shopping cart abandonment rate was almost 70% and growing, meaning businesses failed to convert upwards of \$5 trillion. Frost & Sullivan estimates that cart abandonment has increased even further during the COVID-19 emergency because companies had not optimized the digital experience for inexperienced, older customers who were, suddenly, forced to shop online. Many businesses took their eye off the CX ball because they experienced a significant boost in online revenue, which gave them a false sense of confidence. However, brands will experience lasting damage if they fail to optimize online customer journeys continuously, now that customer expectations are back to pre-COVID levels.

More than half the revenue in abandoned carts is genuinely recoverable. The customer genuinely intends to complete a purchase and does not balk at the price or unexpected charges.

### *Technology Leverage and Business Impact*

#### **Evolv's Commitment to Innovation**

Evolv Technologies (Evolv) understands that CX optimization is a numbers game. The more ideas an organization is able to generate, the more likely it is to discover one that will make money. There is no scientific formula to determine whether an idea will resonate with customers. Organizations that use an overly corporate approach of manually studying, curating, and assessing a proposed innovation against old data tend to introduce unwanted bias, which ignores the dynamic choices customers make and delivers a meagre 20-30% success rate, according to Evolv who draws from real word experience and several industry reports.

Testing ideas in a real-world environment is a far superior approach, and Evolv has conceived an innovative, artificial intelligence-based solution, which dramatically improves the testing process. Evolv users feed ideas into an engine, which explores the ideas and optimizes the associated levers. Any type of function or characteristic of the experience can be a lever that the Evolv engine can handle.

In contrast, the traditional A/B testing process (creating a version 'A' and 'B' of a webpage, app screen or other user interface to measure which one delivers the better performance) is convoluted. The sequential, resource-intensive analyze-ideate-curate/build-execute-evaluate-implement process is so slow that development backlogs often run into several months and many ideas are never tested.

By applying artificial intelligence (AI) and machine learning (ML) to the testing process, Evolv curates and assesses hundreds of ideas (and thousands of combinations) at a time – this is much faster than traditional testing solutions and much more likely to create meaningful improvement for customers. Evolv automatically learns what constitutes positive customer experiences and identifies the successful CX elements that may continue to inform new ideas.

Another innovative element is the routing of traffic to the ideas with the highest probability of success, rather than routing traffic arbitrarily to 'A' and 'B' version. In Frost & Sullivan's opinion, this approach increases alignment behind the best ideas, increases conversion, and reduces internal disagreement. This innovation optimizes the highly valuable real-time customer traffic and ensures the testing of all ideas against real customers.

Compared to the competition, Evolv does a better job of minimizing revenue leakage and time-to-revenue. It narrows the gap between having a good idea and making money from it, and it more readily identifies problems that might cause friction resulting in customer frustration, anxiety, wasted time, and unfulfilled journeys.

### **The Essential Creative Process**

In 2019, Evolv was spun off from Sentient Technologies, which had focused extensively on primary AI research, to commercialize the CX optimization solution. The remaining Sentient assets were subsequently acquired by Cognizant. In Frost & Sullivan's opinion, it is an advantage that Evolv can dedicate itself to CX optimization with no other software lines competing for creative resources and no other product sales to consider in its marketing strategy. CX optimization requires more creative focus than most other tools because its purpose is the enablement of the users' creative potential, which, in turn, takes inspiration from the end customers' indefatigable creativity.

The precursor solution to Evolv was called Ascend, and the creative process behind its development began in 2016. Unlike competitive solutions, which follow conventional software product development cycles, Evolv is in continuous evolution, as its name aptly suggests. It is built upon an API-first architecture, meaning that Evolv treats APIs as the primary solution interface rather than an afterthought. As a creative principle, this is significant because it gives ecosystem developers a good experience and enables users to interact with the solution through a variety of applications and devices. Evolv makes a

software development kit (SDK) available for Android and iOS. With Evolv's user interface editor, creative staff can design visual ideas and engineer the whole experience in a single model. Moreover, an API-first approach allows developers to add new services and functionality to the application without having to re-architect the entire system.

### **Incubating Diverse Technology**

An increasing proportion of CX optimization work performed by humans can be automated, and that is the focus of Evolv's technology roadmap. High on the list is the automation of the actual ideating process, and it is launching two new features to that end.

As the Evolv platform accumulates experience about ideas that work for different segments, it is able to offer increasingly specific and insightful conclusions. The new Continuous Optimization feature allows enterprises to experiment with all their ideas at all times, and uses machine learning to move beyond start-stop A/B and multivariate testing. It also enables the addition and deletion of ideas without forcing to restart the experiment or losing any insights gained along the way.

A new integration model called Experience Accelerator provides an alternative to the cumbersome JavaScripts embedded in the header and footer that traditional CX optimization tools use to control webpages. JavaScripts introduce potential vulnerabilities, slow down the experience and risk breaking page functionality. Experience Accelerator is a lightweight cookie-less implementation and is compliant with intelligent tracking prevention (ITP) which further protects a user's online privacy.

The underlying Evolv engine could be applied to a diverse range of new applications in the future, especially those that go beyond visual optimization such as the adjacent document optimization space. Its ability to handle hyper parameters would make it useful to boost and optimize search engines and a wide range of digital experiences where a measurable goal exists. Evolv does not currently have plans to diverge from its current commercial focus, however.

### **The Growth Potential of a Strong Value Proposition**

Evolv targets large enterprises that have a commercial online presence and minimum traffic of approximately a million monthly unique visitors (MUV). The company's primary target verticals are retail, e-commerce, telecom, media, consumer financial services, and travel. Its lead customer is a wireless telecommunications behemoth, which enjoyed significant improvements in conversion by optimizing navigation and check-out (e.g., reducing the check-out process from 7 screens to 2) as it learnt that denser pages improved yield.

Evolv goes to market with a value proposition, which, in Frost & Sullivan's opinion, is solid and based on unique benefits that deliver material business improvements to customers:

1. **Speed:** Evolv claims its solution evaluates ideas a hundred times faster than competing solutions;
2. **Agility:** Users need not shy away from multivariant tests or be overly cautious with test parameters because they can add and remove ideas of experiments in progress;

3. **Outcome-specific:** Evolv offers a goal-oriented, full-funnel optimization that provides optimization against a desired outcome;
4. **Bias mitigation:** Routing traffic according to a predictive performance model avoids the bias of manual curation, measures real conversions and aggregates insight from customer behavior. It optimizes the modeling of expected outcomes (e.g., based on location, browser, screen size, resolution, device, and numerous other objective criteria);
5. **Cumulative learnings:** Each visitor to a site has a higher probability of conversion than the previous visitor. The testing process generates additional revenue because visitors are most likely to see ideas that are likely to perform well.

Finally, Evolv maintains a partner network of agencies, consultancies and system integrators (including Cognizant, Tata Consulting, CXL Agency, and Accenture) to serve customers worldwide and increase market reach. As a result, Evolv is steadily acquiring new logos and has been significantly growing the business with its existing large customers.

### *Conclusion*

Discovering and perfecting more winning ideas for straightforward CX improvements goes a long way towards addressing revenue leakages, harvesting quick gains and catalyzing growth. A winning idea could be as simple as suggesting the next best action, inspiring customers to move forward through the buying process or removing unnecessary steps; Evolv offers a creative and innovative solution to the challenge that so many enterprises fail to tackle effectively.

Evolv has an effective client acquisition methodology that it runs against new clients' sites to identify and prioritize the areas where it can quickly create improvement. This is the kind of no-nonsense, RoI-centric sales strategy that resonates with enterprises in the current economy. Moreover, Evolv takes ownership of its clients' success by training them and fully running their first project. In other words, the company practices what it preaches.

Frost & Sullivan believes Evolv has excellent potential to grow further, as long as it stays true to its value proposition and does not become a commoditized software provider like the competition. The CX optimization space will be top of mind for organizations over the next 5 years, and Frost & Sullivan expects a substantial number of enterprises in Evolv's target segments to invest in CX optimization for the first time and existing clients to increase investment.

For its strong overall performance, Evolv Technologies is recognized with Frost & Sullivan's 2020 Technology Innovation Leadership Award.

## Significance of Technology Innovation Leadership

Technology-rich companies with strong commercialization strategies benefit from the demand for high-quality, technologically innovative products that help shape the brand, resulting in a strong, differentiated market position.



## Understanding Technology Innovation Leadership

Technology innovation leadership recognizes companies that lead the development and successful introduction of high-tech solutions to customers' most pressing needs, altering the industry or business landscape in the process. These companies shape the future of technology and its uses. Ultimately, success is measured by the degree to which a technology is leveraged and the impact it has on growing the business.

## *Key Benchmarking Criteria*

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated 2 key factors—Technology Leverage and Business Impact—according to the criteria identified below.

### *Technology Leverage*

#### **Criterion 1: Commitment to Innovation**

Requirement: Conscious, ongoing development of an organization’s culture that supports the pursuit of groundbreaking ideas through the leverage of technology.

#### **Criterion 2: Commitment to Creativity**

Requirement: Employees rewarded for pushing the limits of form and function by integrating the latest technologies to enhance products.

#### **Criterion 3: Technology Incubation**

Requirement: A structured process with adequate investment to incubate new technologies developed internally or through strategic partnerships.

#### **Criterion 4: Commercialization Success**

Requirement: A proven track record of commercializing new technologies by enabling new products and/or through licensing strategies.

#### **Criterion 5: Application Diversity**

Requirement: The development of technologies that serve multiple products, multiple applications, and multiple user environments.

### *Business Impact*

#### **Criterion 1: Financial Performance**

Requirement: Overall financial performance is strong in terms of revenue, revenue growth, operating margin, and other key financial metrics.

#### **Criterion 2: Customer Acquisition**

Requirement: Overall technology strength enables acquisition of new customers, even as it enhances retention of current customers.

#### **Criterion 3: Operational Efficiency**

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard.

#### **Criterion 4: Growth Potential**

Requirements: Technology focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

#### **Criterion 5: Human Capital**

Requirement: Company culture is characterized by a strong commitment to customer impact through technology leverage, which enhances employee morale and retention.

## Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

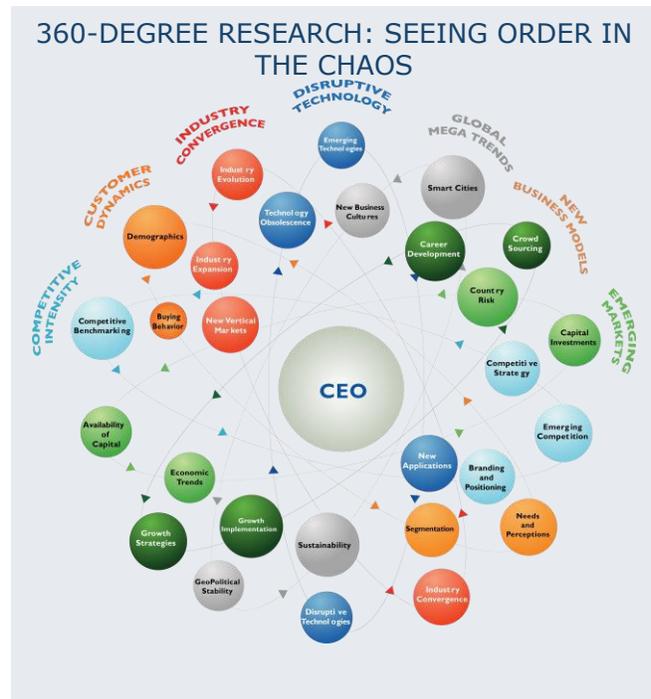
Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 <b>Monitor, target, and screen</b>	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> <li>• Conduct in-depth industry research</li> <li>• Identify emerging industries</li> <li>• Scan multiple regions</li> </ul>	Pipeline of candidates that potentially meet all best practices criteria
2 <b>Perform 360-degree research</b>	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> <li>• Interview thought leaders and industry practitioners</li> <li>• Assess candidates' fit with best practices criteria</li> <li>• Rank all candidates</li> </ul>	Matrix positioning of all candidates' performance relative to one another
3 <b>Invite thought leadership in best practices</b>	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> <li>• Confirm best practices criteria</li> <li>• Examine eligibility of all candidates</li> <li>• Identify any information gaps</li> </ul>	Detailed profiles of all ranked candidates
4 <b>Initiate research director review</b>	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> <li>• Brainstorm ranking options</li> <li>• Invite multiple perspectives on candidates' performance</li> <li>• Update candidate profiles</li> </ul>	Final prioritization of all eligible candidates and companion best practices positioning paper
5 <b>Assemble panel of industry experts</b>	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> <li>• Share findings</li> <li>• Strengthen cases for candidate eligibility</li> <li>• Prioritize candidates</li> </ul>	Refined list of prioritized award candidates
6 <b>Conduct global industry review</b>	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> <li>• Hold global team meeting to review all candidates</li> <li>• Pressure-test fit with criteria</li> <li>• Confirm inclusion of all eligible candidates</li> </ul>	Final list of eligible award candidates, representing success stories worldwide
7 <b>Perform quality check</b>	Develop official award consideration materials	<ul style="list-style-type: none"> <li>• Perform final performance benchmarking activities</li> <li>• Write nominations</li> <li>• Perform quality review</li> </ul>	High-quality, accurate, and creative presentation of nominees' successes
8 <b>Reconnect with panel of industry experts</b>	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> <li>• Review analysis with panel</li> <li>• Build consensus</li> <li>• Select recipient</li> </ul>	Decision on which company performs best against all best practices criteria
9 <b>Communicate recognition</b>	Inform award recipient of recognition	<ul style="list-style-type: none"> <li>• Announce award to the CEO</li> <li>• Inspire the organization for continued success</li> <li>• Celebrate the recipient's performance</li> </ul>	Announcement of award and plan for how recipient can use the award to enhance the brand
10 <b>Take strategic action</b>	Upon licensing, company is able to share award news with stakeholders and customers	<ul style="list-style-type: none"> <li>• Coordinate media outreach</li> <li>• Design a marketing plan</li> <li>• Assess award's role in strategic planning</li> </ul>	Widespread awareness of recipient's award status among investors, media personnel, and employees

## The Intersection between 360-Degree Research and Best Practices Awards

### Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.



### About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.