IDC MarketScape

IDC MarketScape: Worldwide Knowledge Discovery Software for External-Facing Use Cases 2024 Vendor Assessment

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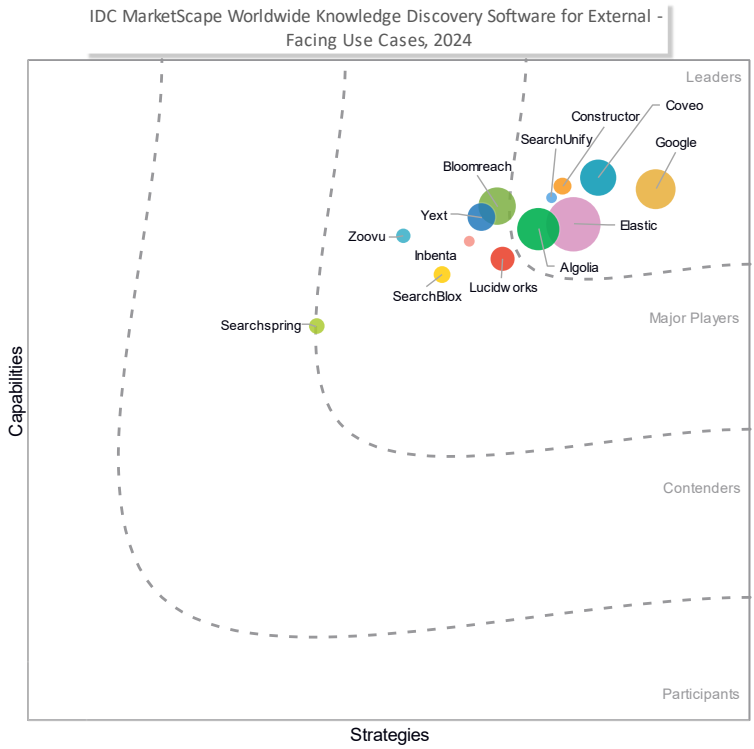
THIS EXCERPT FEATURES SEARCHBLOX AS A MAJOR PLAYER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Knowledge Discovery Software for External-Facing Use Cases Vendor Assessment



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

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Knowledge Discovery Software for External-Facing Use Cases 2024 Vendor Assessment (Doc # US51813424).

IDC OPINION

IDC MarketScape documents always inevitably represent a snapshot in time. As such, this IDC MarketScape for knowledge discovery software for external-facing use cases reflects several key trends that shaped customer needs and the product/feature landscape for this market in 2024:

- **Vector search is table stakes.** Over the past couple of years, it has become increasingly rare for vector search to not be included in search and knowledge discovery offerings. In addition to supporting semantic search use cases, such as helping users find related products or content, vector search and related embedding and storage capabilities have become popular for supporting retrieval-augmented generation (RAG), which allows organizations to augment large language model (LLM) output with their own data and helps reduce errors and hallucinations in generative AI (GenAI) systems. Many search and knowledge discovery vendors have enhanced and/or added capabilities in this area in 2023–2024.
- **Search and knowledge experiences are increasingly conversational.** Natural language conversational interfaces are driving new expectations about user experiences, particularly when it comes to finding, discovering, summarizing, and deriving new insights from knowledge. Knowledge discovery vendors are increasingly offering conversational interfaces for their search technology, either as a built-in feature or as an add-on product.
- **Innovation matters — but so do the basics of search.** In 2024, many organizations began testing or using in-production features that leverage the latest advances in generative AI. While most customers IDC spoke to were excited about the promise of such features, not all were impressed with initial results for features like generative question answering. Although vector search/semantic search provides better recall, helping users find related products or content and improving long-tail searches, this should still be balanced with precision, so that those looking for a specific item, keyword, or

phrase can still quickly find what they're looking for. In addition, to go beyond standard search, AI-generated insights should provide net-new value through knowledge and/or significant time savings — or it doesn't really matter if those insights are well worded.

- **The importance of a "unified search platform" is growing.** Whether there is a consistent definition of this is another matter — however, IDC is hearing from technology buyers and technology providers alike that "unified search" is increasingly appearing in key RFIs for search and knowledge discovery. As such, this evaluation reflects the need for knowledge discovery vendors to support — ideally with specific features, templates, and ontologies — a variety of interrelated use cases such as customer support search, ecommerce/product search, and website search. As organizations look to a future that leverages the advanced AI to derive new insights from knowledge, the capacity to do so will be highly dependent on the ability to meaningfully stitch together information from across different data sources, areas of the business, and stages of customer and employee journeys.

Definitions

This section defines some important terms that are key to understanding IDC's assessment and characterization of this market. For a definition of the market itself, including the term *knowledge discovery,* refer to the Market Definition section in the Appendix.

- **Keyword search:** Also known as lexical search, this describes information retrieval performed by searching for exact matches to search terms. Keyword search and key phrase search can be better for precision or exact matches for specific search terms.
- **Vector search:** Typically used in semantic search engines, replacing or (more often) in combination with traditional keyword search, vector search uses ML models to transform unstructured data into numeric representations or "vectors." These vectors represent the semantic meaning and context of that data, allowing ML models to find related or similar concepts by using numerical distance as a proxy for semantic distance. Vector search can be better for recall or casting a wider net to return the largest pool of information, related products, or content.
- **Semantic search:** Semantic search goes beyond keyword matching to incorporate semantic meaning such as context, resulting in better intent understanding and enabling related or similar items, knowledge, and so forth to be found.

- **Generative AI:** Generative AI is a branch of computer science that involves unsupervised and semi-supervised machine learning algorithms that enable computers to create new content using previously created content, such as text, audio, video, images, and code.
- **Large language models:** One example of generative AI, LLMs are language-generation models with vast numbers of parameters that can answer questions, generate content, and respond to natural language input in a humanlike manner.
- **Retrieval-augmented generation:** RAG is an approach to answer generation that leverages the strengths of both search and generative AI technologies. In the RAG machine learning pattern, relevant information (typically determined via vector search) is first retrieved by the search system and then passed to the LLM in the form of best-fit snippets or documents, which the LLM then summarizes into an answer or insight.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Vendors included in this evaluation must meet the following inclusion criteria:

- The product must meet IDC's functionality requirements for knowledge discovery software.
- The offering should be commercially available for use as a single product family or a suite of services and purchased by customers for at least one year. IDC also considers and includes new product features and capabilities introduced through the calendar year 2024 as part of vendor strategy evaluation. In addition, IDC considers these features as part of its capabilities evaluation if there is sufficient customer adoption and use for IDC to properly evaluate them and as long as these features are generally available (GA) at the time this document is published.
- The product must offer knowledge discovery software that organizations can utilize, customize, deploy, and/or also include in their external-facing sites and applications.
- The product must specifically support one or more external-facing use cases such as site search, product search, or customer support self-service search.
- The product must have at least 50 customers that have used this solution/service in production in the calendar year 2023.
- The product must have achieved at least $10 million in revenue in the calendar year 2023.
- The product must be offered and available on a worldwide basis.

- The product must be all or mostly the vendor's own intellectual property (IP).

ADVICE FOR TECHNOLOGY BUYERS

- Upgrade your organization to AI-powered knowledge discovery software if you have not already done so. While the search market was somewhat stagnant for some time, advances in AI in the past few years have resulted in significant improvements that are providing many organizations with competitive advantage.
- Consider up front whether you will want to primarily leverage your search and knowledge discovery system for a single use case or whether you want to expand into a cross-functional system that serves multiple use cases, such as product search and customer self-service. Centralizing search globally across areas such as customer service, customer self-service, sales, marketing, and even product management can provide consistency of information to users, as well as providing the opportunity to identify gaps and link search usage metrics to new content or product opportunities. However, depending on your specific needs, some vendors will be better suited than others to work with the systems and file types most important to your business case.
- Work with internal business and IT leaders to develop KPIs and metrics that help measure the success of new or enhanced knowledge discovery software, including but ideally not limited to search accuracy. It's still of primary importance to ensure users find what they are looking for, but organizations should also consider metrics such as increased customer retention, increased customer or partner engagement, increased marketing reach, and even financial benefits such as improved cross-sell/upsell, profit increases, and cost savings.
- Frame your generative AI strategy in terms of outcomes. Leverage internal, vendor, and partner expertise to understand what use cases are valuable, feasible, and safe to start with while ensuring that success can be meaningfully measured. Ask your vendors detailed questions about how they are dealing with concerns such as hallucinations, data privacy issues, legal/IP challenges, pace of innovation, and open versus closed systems. Work with IT and knowledge management teams to gain a clear picture of the state of organizational and customer data, with particular attention to sensitive information.
- Remember that LLMs are essentially very good language generators. They were not built specifically to be fact retrievers and must be grounded in real-world data via techniques like RAG and prompt engineering, as well as bounded within organizational values and ethics to ensure that classic AI issues such as bias, discrimination, or inappropriate language are not produced.

VENDOR SUMMARY PROFILES

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.

SearchBlox

After a thorough evaluation of SearchBlox's strategies and capabilities, IDC has positioned the company in the Major Players category in this 2024 IDC MarketScape for worldwide knowledge discovery software for external-facing use cases.

SearchBlox is a global provider of AI-driven enterprise and website search; is headquartered in Richmond, Virginia; and is privately held. Its core search offering is SearchBlox Enterprise Search, which provides a unified search experience with built-in security, integrated NLP automation, and ongoing expert guidance. Related products such as SearchAI SmartSuggest, SearchAI SmartSynonyms, SearchAI SmartFAQs, SearchAI Private LLM, and SearchAI ChatBot provide additional functionality to enhance various search and knowledge discovery use cases, regardless of whether SearchBlox Enterprise Search or a different search engine is used.

Quick facts about SearchBlox include:

- **Year founded:** 2003
- **Total number of employees:** 55
- **Industry focus:** Industry agnostic, with its strongest presence in highly regulated industries financial services, public sector, and healthcare/pharma
- **Deployment options:** Can provide on-premises and private cloud deployments, as well as public cloud deployments on AWS, Azure, or Google Cloud
- **Pricing model:** For self-hosted instances, SearchBlox charges by annual subscription per server license with a separately priced support plan; SearchBlox Fully Managed Enterprise Search is consumption based, priced by the volume of documents.
- **Related products/services:** Related products that can be purchased standalone and plugged into other search systems include SearchAI SmartSuggest (AI-powered type-ahead suggestions), SearchAI SmartSynonyms (synonym expansion to expand search terms and relevant results), SearchAI SmartFAQs (content crawler/FAQ generator), SearchAI Private LLM (LLM Inference with CPUs), and SearchAI ChatBot (conversational interface for searching domain content).

- **Prebuilt integrations, connectors, and content types:** Provides 329 prebuilt integrations and connectors for different data sources and supports 71 different file formats out of the box

Generative AI Approach and Features

- **Overall approach:** SearchBlox's approach to incorporating the latest advances in generative AI and large language models is to leverage its private LLM in conjunction with other LLMs to support built-in features. SearchBlox provides its customers with the ability to work with local LLMs so they can take advantage of the latest features while keeping on-premises/private instances.
- **LLM of choice:** SearchBlox uses its own LLM, built on top of open source LLMs, for embeddings and inference. SearchBlox is planning to support BYO for other models in the future.
- **Currently GA features:** SearchBlox made generative AI features generally available to customers within its SearchAI SmartFAQs and SearchAI ChatBot products on August 18, 2023. Customers can use SmartFAQs to generate FAQs and answers, while ChatBot provides a conversational interface powered by generative AI. Other currently GA features include generative question answering (via SearchAI ChatBot), AI-generated content/product recommendations, and document summaries.
- **Publicly announced road map features:** SearchBlox plans to provide its customers with the ability to create AI agents within the SearchAI platform in its fall 2024 release for SearchAI v10.7.

Strengths

- **Strong security and reliable support:** SearchBlox's customers appreciate the fully managed aspect of its offerings, as well as its ability to support highly regulated industries.
- **Ease of use:** SearchBlox's customers praised its ease of use, particularly in terms of its APIs, for developers. While SearchBlox does not provide low-code/no-code development tools aimed at non-developers, it does provide such tools to speed implementation and deployment for those with development expertise.

Challenges

- **"Black box" challenges:** While SearchBlox customers appreciate the simplicity of working with SearchBlox, some customers may wish for greater visibility into, and customization of, aspects such as relevancy tuning and weighting. Greater transparency, explainability, and guidance will also be important for helping ensure customers find success and satisfaction with new GenAI-based features.

- **Market visibility:** While the market for search and knowledge discovery is not as crowded as some software markets, the rise of LLM-based search vendors and the existence of a number of strong legacy and cloud players can make differentiation and visibility a challenge for relatively smaller players such as SearchBlox. SearchBlox will need to step up its marketing and thought leadership activities to ensure that potential customers are aware of its products and offerings and generating enough growth to keep it competitive.

Consider SearchBlox When

Consider SearchBlox when you are looking for an easy-to-use search and knowledge discovery offering that supports site and product search as well as a related, integrated offering for conversational search. SearchBlox has strong experience in highly regulated industries and may be well positioned to help such clients navigate the risks and opportunities inherent in the current evolution of search and knowledge discovery with generative AI.

APPENDIX

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

Search and knowledge discovery systems are software that can find, locate, and provide answers, knowledge, and product suggestions. The overall market includes both traditional search and information retrieval/access systems, as well as knowledge discovery systems that use technologies like artificial intelligence, machine learning/deep learning, GenAI/LLMs, NLP, semantic/vector search, and knowledge graphs to facilitate knowledge or product discovery across various structured and unstructured forms of data. For the purposes of this IDC MarketScape, IDC is evaluating external-facing knowledge discovery software, which focuses on use cases external to the organization, such as public-facing site search, customer support self-service search, and product/ecommerce search.

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide Search and Knowledge Discovery Software, 2024* (IDC #US51675924, September 2024)
- *Worldwide Search and Knowledge Discovery Software Forecast, 2024–2028* (IDC #US51676024, July 2024)
- *Worldwide Search and Knowledge Discovery Software Market Shares, 2023: Maintaining Double-Digit Growth Despite Economic Headwinds* (IDC #US51676124, July 2024)
- *IDC TechBrief: Retrieval-Augmented Generation* (IDC #US51676224, May 2024)
- *IDC MarketScape: Worldwide General-Purpose Knowledge Discovery Software 2023 Vendor Assessment* (IDC #US49988523, October 2023)

Synopsis

This IDC study represents a vendor assessment of the knowledge discovery software for external-facing use cases market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that provide guidance about knowledge discovery software vendors and their offerings. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another, and it highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"In recent years, IDC has seen AI improving search capabilities for business use cases like product search, site search, and customer support search, resulting in increased profits, reduced costs, and even improved revenue," said Hayley Sutherland, research manager, Knowledge Discovery and Conversational AI at IDC. "As generative AI is infused in more knowledge discovery products, capabilities for summarizing reviews and content, suggesting related products and content, and providing more in-depth self-service options will continue to advance and provide competitive advantage."

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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