

A photograph of two women in an office environment. The woman on the left has short, wavy brown hair and is looking towards the right. The woman on the right has short, blonde hair, wears glasses, and is looking down at a laptop screen. The background is blurred, showing office lights and equipment. The image is overlaid with large, semi-transparent orange and red geometric shapes.

Oracle Value Realization Service Cloud Benchmark Paper

Evidence from customer business outcomes

JANUARY, 2019

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RESEARCH METHODOLOGY

Research involved collecting business value and benefit data directly from over three dozen Oracle customers who have been live on Oracle's Service Cloud solution for over three years. Data was collected through interviews with key business and IT leaders who experienced both pre and post cloud environments. The customers interviewed represent a myriad of industries like Retail, Financial Services, High Technology, Telecommunications, Consumer Goods, Public Sector and diverse company sizes ranging from large global enterprises, to small/medium businesses globally. For purposes of this benchmarking report, all customer data from the initial/pilot Oracle Service Cloud customers was blinded and aggregated. We thank all customers participating in this research.

REPORT ROADMAP

The Value Realization program is an ongoing effort to provide evidence of the benefits achieved by customers employing Oracle cloud solutions. Oracle will continue to update this report on a regular basis (at least two+ times yearly) with additional insights from on-going customer interviews. As more customers participate in the Oracle Value Realization program and additional customer feedback is collected, Oracle will produce additional evidence to include demographics such as (industry, customer size, etc.).



This report will provide customers with a glimpse into the benefits organizations could expect to achieve from the implementation and adoption of Oracle Service Cloud. In this report, customers will discover:

- Benefit data collected through customer value assessment interviews
- Areas where their organization is performing strongly and other areas where they may be able to make improvements
- Key insights and critical success factors for a successful Oracle Service Cloud transformation

Table of Contents

- Introduction..... 4
- Overview 4
- Customer Service Excellence 5
- Self Service Enablement..... 5
- Contact Center Efficiency..... 6
- Service Quality Improvement 7
- Proactive Engagement and Right Channeling 8
- Benchmark Results 10
- Customer Feedback Insights 10
- Critical Success Factors..... 12
- Conclusion..... 13



“Customer Success is the result of driving measurable business outcomes and value for customers. Oracle’s job is to focus every aspect of what we do on helping our customers achieve their objectives.”

Tim Falvey
*VP Global Customer Programs
at Oracle*

INTRODUCTION

At Oracle, our goal is to make customers and their business processes the center of our business. As business models and requirements continue to evolve, Oracle understands that there is a need to rethink the way customers are served in today’s environment. Our job has changed from IT enablement to supporting the core business processes of our customers, and we recognize that this means an altogether new way of looking at our responsibilities. We are responsible for Customer Success. Key to facilitating this goal is helping customers achieve measurable business outcomes.

The Oracle Value Realization program engages with Oracle’s Cloud customers and helps them target, track, measure and promote business outcomes throughout their cloud transformation journey. This includes providing insights and best practices to help achieve the full potential of cloud investments, as well as quantifying and communicating the value customers experience from cloud investments.

OVERVIEW

The rise of the subscription economy profoundly impacts companies of all sizes and industries. Everything we know about selling to customers is changing; everything we know about marketing to them must be rethought; and everything we know about keeping customers loyal needs a fresh look. In particular, the relationship between the buyer and the seller is fundamentally shifting, with the customer in the driver’s seat. Recent research has shown that the number one cause of customer churn is the lack of perceived value. Moreover, the cost to attain a new customer is 6X times more expensive than retaining an existing customer.

For most organizations, the sales process is turning upside down right before their eyes. Rather than paying for products upfront in a single capital outlay, customers are spreading the purchase over many years -- and constantly evaluating whether to renew their relationship with you. Under this scenario, a "sale" is no longer a one-time event. Instead, it is a "relationship" that demands continuous care and nurturing to retain customers long-term and fully realize the value of the sale.

At Oracle, we believe that driving customer value will be one of the few ways companies can attract and retain lasting customer relationships. Moreover, this needs to be done throughout the customer’s journey. If companies are not generating tangible value for customers and are not improving their experience throughout their journey, they will lose customers.

It is with this context we bring this paper – to provide evidence from customer service organizations we have interviewed to better understand their experience with Oracle Service Cloud and get insight on the types of benefits and business outcomes they have experienced.

CUSTOMER SERVICE EXCELLENCE

Modern Customer Service focuses on creating a superior customer experiences. Superior customer experience arises when companies consistently deliver messaging, knowledge and services tailored to the individual needs and behaviors every customer. The result is an engaged customer with high satisfaction, high loyalty and high value.

The proliferation of knowledge and services that can be accessed through multiple channels has transformed the way customers interact with the companies they do business with, changing the service model forever to an environment where customers are empowered to engage with a company on their terms through their channel of choice.

Standing out in the age of the empowered customer requires new customer service strategies, processes and tools. Leading companies who have recognized this power shift are providing modern, superior service that is proactive, personalized to each customer, simple, accurate and efficient for both the customer and the organization. With rising customer expectations, increasing digital channels & service complexity, it is increasingly important to focus on the value of superior customer experience.

Based on the customer evidence we have collected, benefits achieved from Oracle Service Cloud fall into the following categories:

- **Self Service Enablement**
- **Contact Center Efficiency**
- **Service Quality Improvement**
- **Proactive Engagement and Right Channeling**

SELF SERVICE ENABLEMENT

Today, customers are in charge. Rather than following established paths, they decide their own paths of engagement with the business. Providing self-service options is critical for empowering customers and delivering modern, superior customer service. With Oracle Service Cloud, companies enabled their customers to find answers from any device, reducing the number of calls forwarded to the call-center and increasing brand loyalty, while also deriving deep and valuable insight into their customers and trends, lowering costs and increasing efficiencies.

- **Improved Self-Service Rates** – Industry studies show that 60% of all purchases are influenced by customer service experiences. The empowered customer uses multiple channels to access knowledge in their decision making process. Leading customer service organizations have significantly reduced their inbound service requests by providing knowledge throughout the online journey. Using modern service techniques including access to online knowledge, policy automation, community and peer-to-peer knowledge, companies were able to achieve self-service rates of 45% with web self-service, 27% with chat and 17% with email. Access to dynamic, contextually relevant knowledge reduced calls to the contact center resulting in significant cost savings. A large public sector entity empowered end-users to find solutions to inquiries online leading to a 24% reduction in number of questions forwarded to the contact center, resulting in \$134k direct savings.
- **Reduced Interaction Volume** – Companies interviewed were able to reduce inquiries that require agent interaction by 26% with phone calls and 25% with email by providing fast, prepared responses to commonly asked questions. By automatically analyzing incoming inquiries and sending automated, accurate replies with self-service links to relevant answers in the knowledgebase, companies were able to reduce interaction volume and costs. A multinational retail corporation reduced the volume of emails that require agent handling, by over 30% in the last 2 years, with prepared auto-responses to commonly asked questions.



“With Oracle Service Cloud, we enhanced our Customer Portal to make it consistent for customers and agents to access identical information. This improvement enables our customers to directly self-serve, defecting approximately 30,000 monthly contacts to our Experience Center.”

- **Improved Knowledge Base Effectiveness** – Multi-Channel knowledge is the cornerstone for great customer service, enabling agents and organizations to provide highly interactive and engaging customer experiences. Companies were able to improve knowledge rating by 13%, using knowledge management tools and practices that enabled them to author, curate and continually improve knowledge article quality and relevancy on all communication channels. Knowledge rating is also a leading indicator¹ of customer satisfaction, as it results in immediate gratification for customers using knowledge in their online journey and reduces the number of incidents forwarded to the call center. A multinational multi-level marketing company saved over \$2M in agent handling costs by having their knowledge base effectively answer over 280k customer queries over a six-year period.

SELF SERVICE ENABLEMENT RELATED BENEFITS

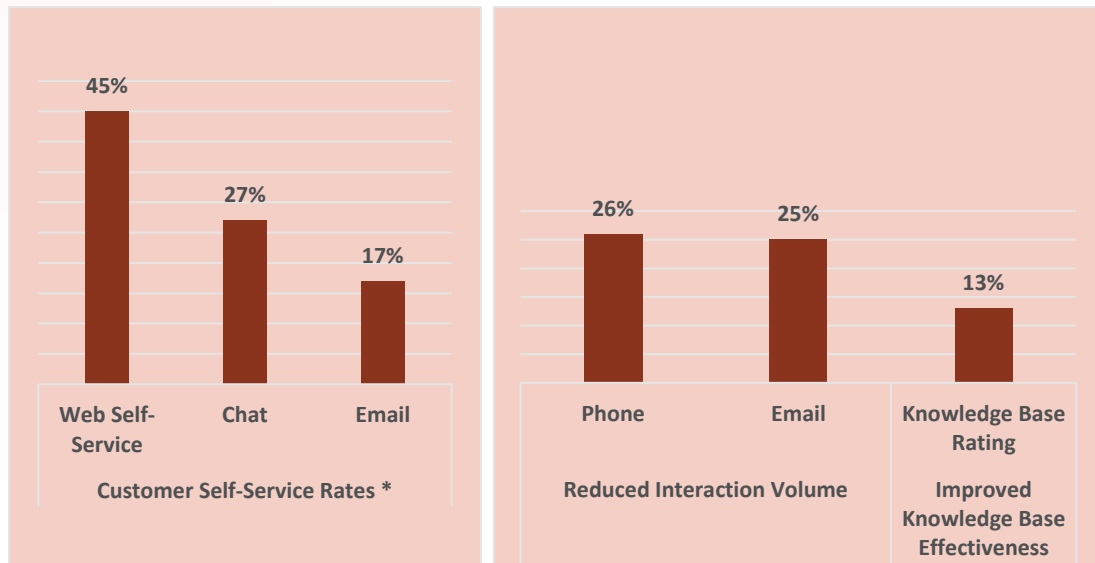


Figure 1 depicts Self Service Enablement benefits over 3+ years

* customer self-service rates listed are actuals and not percentage improvements

CONTACT CENTER EFFICIENCY

The Contact Center is a competitive differentiator for businesses and plays a critical role in influencing the customer experience. Companies that provide agents with a personalized, modern, cloud solution can gradually transition their agents to more responsibility and empower management with the real-time analytics they need to manage the business. With Oracle CX Service Cloud, customers were able to improve operational efficiency and increase agent utilization.

- **Reduced Service Handle Time** – Companies interviewed were able to reduce the Average Handle Time (AHT) by 30% with emails, 21% with chat and 16% with phone calls, by consolidating their customer interactions across multiple channels and providing agents with a 360-degree view of their customers. This along with smart, guided and dynamic assistance allowed agents to efficiently resolve complex customer queries with high accuracy. In addition, leading companies that embrace their online customers with digital support using chat, messaging and co-browse were able to leverage the benefit of concurrent chats to reduce the average handle time of digital customer interactions. An innovative multichannel marketing company empowered customers with self-service options, and reduced time-consuming manual input for its agents, reducing service resolution time from 5-8 minutes to 30 seconds, a dramatic 90% improvement.



"Oracle Service Cloud gave us the ability to prepopulate and recall client information, as well as allowed us to create standardized customer profiles and incident screens. These advancements enhanced agent productivity and morale, freeing agents to focus on providing exceptional service to our clients."

¹ A leading indicator is a predictive measurement of significant changes in customer experience

- **Improved Contact Center Staff Productivity** – Companies were able to improve agent productivity by 33% from balancing workloads and using intelligent queuing and routing, which allowed agents to collaborate with subject matter experts and share knowledge. By using standard text for frequently used responses, companies were further able to increase contact center productivity by providing agents one-click 'hot key' access to knowledge that is automatically added to the response, significantly reducing the time and effort required to answer customer queries. A local community bank improved data accuracy and increased service agent productivity by 75% through automation.
- **Reduced Agent Training / On-boarding Costs** – Companies interviewed were able to optimize onboarding and training of agents by 45% by guiding them through a series of questions and answers to diagnose issues and creating a model of best practices by experienced agents, thereby reducing agent training time and improving productivity. More importantly, companies who use Oracle Service Cloud spend significantly less time training agents how to use the desktop tools and refocus their training time on the service experience that they want to create for every customer.

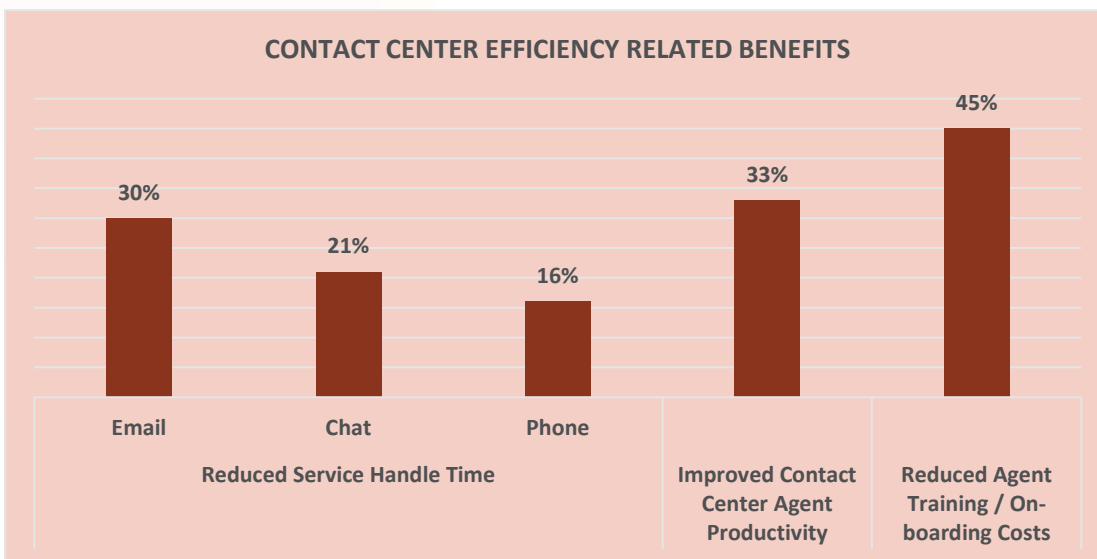


Figure 2 depicts % improvements in Contact Center Efficiency over 3+ years

SERVICE QUALITY IMPROVEMENT

Customers want their issues resolved quickly, easily, accurately and effectively. While companies cannot control how and when their customers engage, they can control how to respond on their customer's preferred channel - with the right context, relevance, and personalized answers. With Oracle CX Service Cloud, companies transformed their businesses by tying customer experiences to business goals. These goals include growth by simplification, innovation, and delivering superior customer experiences.

- **Improved First Contact Resolution Rate** – With Oracle Service Cloud, companies were able to improve First Call Resolution Rates by 15% with phone calls and by 6% with email. Leading service companies analyze their customer interactions to identify and transform business processes that create repeat contacts. Advanced companies are using a 360 degree view of the customer to not only address their immediate request, but to also anticipate and prepare the customer for any future issues like addressing a 'soon to expire' credit card, 'immediate payment due' to avoid a late charge etc. that can be resolved on the first contact; thereby eliminating future interactions. First call resolution rates is also a lagging indicator² of the accuracy & consistency of customer service received.



“ When we integrated all customer interactions into a single pane of view, average handle time decreased, quality scores increased, morale increased, sales increased and calls decreased. Service Cloud resulted in higher rates of first call resolution, agent and customer satisfaction.”

² A lagging indicator is an output measurement of customer experience

- **Improved Response Time** – Companies were able to lower response time by 53% for chat and by 43% for email by consolidating and integrating all information in a single knowledge base across all channels to enable agents to handle support inquiries more efficiently, and rapidly resolve their customer queries, reducing the service response times.
- **Improved Agent Quality** – Companies interviewed were able to improve agent quality by 7% by providing them with the right tools and information (e.g. scripting, contextual knowledge, guided assistance etc.) to resolve their customer issues more accurately. Companies that have high agent quality tend to have higher agent satisfaction, higher customer satisfaction and ultimately higher customer loyalty.

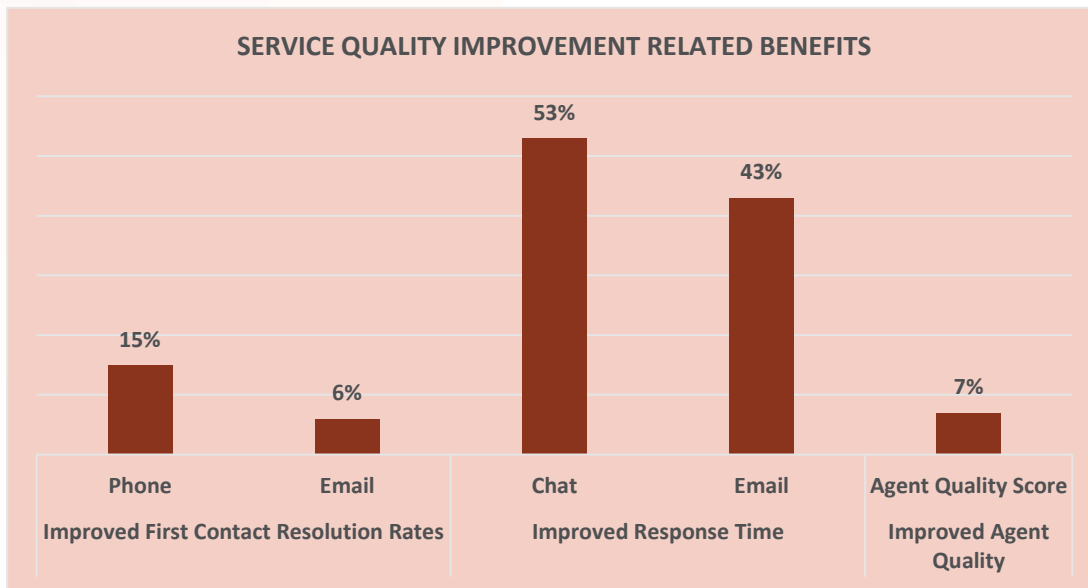


Figure 3 depicts % improvements in Service Quality Improvement over 3+ years

PROACTIVE ENGAGEMENT AND RIGHT CHANNELING

In this complex, ever-changing world, every interaction matters. The customer journey is an iterative process that uses many communication channels to query, investigate and make informed decisions. The modern service experience requires that companies monitor their customer’s use of the services they provide and engage with customers proactively to support and advise them along their journey. Evidence shows that to drive growth, you need to rapidly adapt to evolving business needs and foster proactive engagement with end customers to drive conversions and order value. With Oracle Service Cloud, companies were able to create an agile, scalable and insight-driven modern service function that allowed them to monitor user experiences and proactively engage with customers to increase online service success rates.

- **Improved Customer Satisfaction and Retention** – Companies were able to deliver a seamless experience for their customers by blending community content with “official” knowledge, helping their customers find answers, solve problems, and make decisions with greater confidence. By empowering agents with customer interaction information across channels and access to integrated knowledge, companies were able to improve their customer effort score by 17% and increase customer satisfaction by 17%. Customer effort score is also a leading indicator³ to predict customer loyalty and repeat business volume. To know more on how managing customer effort can increase customer acquisition and loyalty, please refer to the Oracle [case study on managing customer effort](#).



“By launching proactive chat our goal was to engage customers at the most opportune times and moments that we perceived they needed guided support and assistance. Our customers reacted positively to this new feature, as Proactive Chat accounted for approximately 12% of our total chat volume “

³ A leading indicator is a predictive measurement of significant changes in customer experience

- Increased Customer Conversion** – Companies that engaged proactively in eCommerce sites showed a shopping cart conversion rate of 10.4%. Proactive engagement helped companies identify and maximize opportunities for increasing average order size and conversions rates by answering customer queries and recommending right products and services. A large retail women's clothing store chain reported 36% of the customers contacting via the proactive chat channel completed a sale within 24 hours, amounting to approximately \$175K in sales a weeks' time, which included \$25k in incremental sales.

PROACTIVE ENGAGEMENT AND RIGHT CHANNELING RELATED BENEFITS



Figure 4 depicts Proactive Engagement and Right Channeling benefits over 3+ years

** customer conversion rates listed are actuals and not percentage improvements*

IMPACT OF PROACTIVE ENGAGEMENT ON INCREASED REVENUE GROWTH

In addition, several companies interviewed utilized the Oracle Engagement Engine function to drive an additional top-line revenue growth of 2%-5% by presenting customers with timely and relevant cross - and up - sell offers. A financial services firm changed their chat strategy from a reactive mode to a proactive mode to enable incremental revenue generation of over \$2M and foster new value creation.

BENCHMARK RESULTS

The benchmark results listed below are related to using the Oracle Service Cloud from companies participating in the Value Realization Program and associated Key Performance Indicators (KPIs).

CATEGORY	BUSINESS BENEFIT	CUSTOMER EVIDENCE % IMPROVEMENT (THREE YEAR AVERAGE)	KEY PERFORMANCE INDICATORS (KPIs)
Self Service Enablement	Customer Self-Service Rates ⁴	45% with web self-service 27% with chat 17% with email	Customer Self-Service Rates (%)
	Reduced Interaction Volume	26% with phone calls 25% with email	Service Volume (Number)
	Improved Knowledge Base Effectiveness	13%	Knowledge Base Answer Rating (Value)
Contact Center Efficiency	Reduced Service Handle Time	30% with email 21% with chat 16% with phone calls	Average Handle Time (min's); number of concurrent chats
	Improved Contact Center Agent Productivity	33%	Average Service Calls per order/subscriber; Agent Utilization (%); Chat & Co browse Rate (%)
	Reduced Agent Training / On-boarding Costs	45%	Agent Time to Efficiency (days/weeks)
Customer Service Quality	Improved First Contact Resolution Rates	15% with phone calls 6% with email	First Contact Resolution (%)
	Improved Response Time	53% with chat 43% with email	Average Response Time (min's); Chat Abandon Rate
	Improved Agent Quality	7%	Agent Quality Score; Agent Turnover (attrition) (%)
Proactive Engagement and Right Channeling	Improved Customer Satisfaction & Retention	17% in Customer Effort Score (CES) 17% in Customer Satisfaction (CSAT)	Customer Effort Score (%); Customer Satisfaction Score
	Customer Conversions ⁵	10%	Sales Conversion Rate (%)

Benchmarking enables customers to quantify performance, compare the organization to others, identify performance gaps, and define the actions necessary to close those gaps. Companies use this benchmarking data holistically to:

- Measure current performance
- Set baselines for process improvements
- Track and trend performance over time
- Identify strengths and rectify weaknesses

⁴ Customer self-service rates listed are actuals and not percentage improvements

⁵ Customer conversion rates listed are actuals and not percentage improvements

CUSTOMER FEEDBACK INSIGHTS



“With Oracle Service Cloud, we transformed our contact center from a traditional Multichannel contact center into a high performing Omnichannel Experience Center. We have built a robust customer service database, customizing client profiles to include historical interactions across multiple channels. By maximizing our Oracle Service Cloud resources, we have elevated our client experience to be agile, multi-directional, effective and profitable.”

Associate VP,
Customer and Business Insights,
Large retail clothing store chain

Based on ongoing conversations and discussions with several customer executives participating in the Oracle Value Realization Program, here are some key insights derived:

- Top drivers for choosing Oracle Service Cloud were:
 - ✓ **Provide excellent customer service across all digital channels**
 - ✓ **Improve contact center efficiency and reduce costs**
 - ✓ **Help customers self-serve across all digital platforms**
 - ✓ **Proactively engage with customers and capitalize every interaction**
- Several companies interviewed realized a **dramatic 30% reduction in service costs**, by empowering users to resolve their own issues through self-service and reducing the number of incidents forwarded to the contact center.
- Companies intend to **constantly refine and improve their proactive engagement strategy** to reduce abandonment, improve conversions, and drive revenue and customer satisfaction.
- **Analytics** provide companies with the ability to understand how customers interact with them across all channels and enable them to modify their service strategies accordingly. Blending online knowledge usage with contact center interaction data enabled leading companies to map the end-to-end customer journey.
- All companies interviewed sought **increased first contact resolution** to improve customer satisfaction and operations. Companies are adding intelligent routing and business rules that take into account a holistic (360-degree) view of their customer to create a personalized experience.
- In the future, companies plan to **build user communities**, allowing customers to connect with one another, encouraging customer collaboration on similar service issues and driving community usability and adoption.

CRITICAL SUCCESS FACTORS



“With Oracle Service Cloud, we can scale and quickly deploy new customer-facing capabilities to support our numerous brands. The solution enables us to put the right, actionable information in our agents’ hands to ensure we meet our customers’ expectations for superior customer service”

Director,
Customer Experience Products,
Leading online travel company

Based on feedback from companies participating in our Value Realization Program, we have identified 7 best practices that were instrumental in helping these companies drive their service transformations and deliver modern, superior customer experiences.

Best Practice(s) for Oracle CX Service Cloud Transformation:

1. **Formally align business objectives and service strategy.** Leading companies had a customer service strategic plan in place, aligned with the strategic objectives of the company. Alignment of customer service with organizational goals allows companies to understand where they stand and fix any gaps.
2. Take the time to fully **understand different customer journeys and how customers experience those journeys** (e.g., what pain points exist). Journey mapping helps companies to prioritize investments that influence customer behaviors that deliver results.
3. **Define a series of aspirational journeys.** Imagine solutions that deliver customer and organizational value, resulting in the vision, calls to action, ownership and accountability necessary to provide quantifiable value to your business and customers.
4. **Recreate the critical customer journeys from the customer’s perspective.** Companies need to understand experiences from a customer point-of-view, and how to invest strategically to maximize business potential.
5. **Redesign customer journeys leveraging digital and cloud technologies** (e.g., CX Service Cloud and enabling technologies). Technology has improved many aspects of the customer experience, making it possible to understand consumers better, build brand loyalty and address customer issues.
6. **Make customer experience everyone’s job.** Ensure organizational roles are aligned and empowered to act on new journeys.
7. **Track, measure and promote a clear performance measurement system that aligns with the new journeys.** Winning firms use customer intelligence to make every interaction count. They constantly measure their actions in order to refine their strategies to increase customer loyalty, drive business value and increase their competitive advantage.

CONCLUSION

Modern, superior customer service organizations are built around the empowered customer. They are designed to help companies focus on supporting customers with ease and focusing the service strategy on the areas of greatest impact. It enable companies to simplify and optimize processes and services for reduced effort, proactively push relevant communications anticipating future needs, personalize all engagements, leverage brand relationship to maximize operating profitability and monetize all opportunities.

Oracle hopes this study provides some insight on the kind of value customers could expect from Oracle Service Cloud and the kind of metrics customers may want to use to gauge success. Below are listed industry-standard KPIs that Oracle encourages its customers to target, track, measure and promote organizations' performance along the Oracle Service Cloud transformation journey:

SELF SERVICE ENABLEMENT	CONTACT CENTER EFFICIENCY	SERVICE QUALITY IMPROVEMENT	PROACTIVE ENGAGEMENT AND RIGHT CHANNELING
Customer Self-Service Rate	Average Handle Time	First Contact Resolution	Customer Effort Score
Service Volume	Number of concurrent chats	Average Response Time	Customer Satisfaction Score
KB Answer Rating	Average Service Calls per order/subscriber	Chat Abandon Rate	Sales Conversion Rate
	Agent Utilization %	Agent Quality Score	Up-sell/Cross-sell Rate
	Agent Time to Efficiency	Agent Turnover %	

Participation in Oracle's Value Realization program will help customers realize cloud success and help them achieve the full potential value from their Oracle Cloud investment. To benchmark your performance vs. others, and to target, track, measure business outcomes and promote your cloud success, please do get in touch with us at: customer_value_realization_ww_grp@oracle.com

Wherever you may be in your cloud journey, Oracle can help.

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Global Customer Programs



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