

Cross-channel marketing and sales provides a uniform, personalized buying experience

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Executive summary

Communications service providers (CSPs) are offering increasingly complex, personalized service bundles to meet the needs of their customers. Meanwhile, customers are increasingly comfortable with multichannel interactions with retail suppliers – often sequentially employing multiple channels to interact with the retailers. Retailers on the leading edge have found it advantageous to provide a consistent buying experience across these channels with personalized offers and an enterprise-level unified shopping cart. Integration with the back-end systems for availability and prerequisites combined with an immediate order-to-cash service fulfillment process provide immediacy to the sales interaction. CSPs in competitive environments can derive those same benefits using available commercial software solutions that have been customized and pre-integrated for their use.

Recommendations

Most CSPs have been lagging other retail companies in adopting commercial ecommerce platforms due to the complexity of their offerings, their tendency to use the considerable software abilities of their IT organizations to develop their own software, and, all too often, their lack of focus on implementing modern retailing techniques. However, the situation is now changing due to the evolving characteristics of retail itself, the changing characteristics of the consumer buying process and the availability of highly configurable commercial ecommerce platforms that can be adapted to local needs.

To become modern retailers, CSPs should adopt and adapt the techniques and technology that have proven to be effective in other retail areas:

- To deal with their increasingly complex offers, CSPs should adopt the best practices of leading ecommerce retailers. Chief among these is a personalized, cross-channel approach to customer interactions during the marketing and sales processes. Such an approach by leading ecommerce retailers has been shown to increase ARPU and reduce churn by providing personalization, uniformity, and immediacy to the customer buying process.
- CSPs should evaluate the established commercial off-the-shelf (COTS) systems that are now available in this area. Although CSPs have specialized needs, telecoms-focused COTS systems have demonstrated that they can meet those needs. The implementation of COTS systems, especially when pre-integrated with back-office order orchestration, fulfillment systems and enterprise-level data management, can greatly shorten the time to market for a solution.

Cross-channel marketing, sales and service bring large benefits

Many leading retail enterprises are now providing an excellent on-line customer experience. Amazon, for instance, provides excellent capabilities to provide a recommended offer and allow users to search and purchase a product, complete the transaction quickly, and track the order. Real-time assistance during the entire process is easily available via click-to-call. CSPs have a long tradition of using a customer contact center channel for their marketing, sales, and service interactions. What was lacking was an equivalent effective ecommerce capability. Now, however, CSPs can use off-the-shelf platforms quickly to provide personalized, configurable, on-line information and ordering capabilities. With over 20% of telecom customers desiring to use online systems as their primary means of ordering new services and end user devices, such capabilities are becoming a requirement of doing business. Adopting a configurable, easy-to-navigate ecommerce multi-channel strategy can:

- increase traffic by over a third
- increase conversion of visitors to customers by 16%
- increase online orders by over 50%
- greatly reduce the cost of processing online orders.

However, multiple channels being available to a customer increases the complexity of their interactions with the CSP. Customers expect that product and service information across all of the channels will be consistent, and they expect an enterprise-level shopping cart and a consistent buying experience. With over half of customers moving from one channel to another during the product selection and purchase process (for instance, from an online session where they research what is available, to checking recommendations, to talking to a customer service agent, to visiting a retail store for final device selection and pickup), such uniformity is critical to a high-quality interaction.

CSPs who have already implemented ecommerce and multichannel consistency capabilities have found that further enhancing their channels to service the customers as individual accounts with individualized needs, rather than as just members of even a market micro-segment can significantly enhance their revenue (with up-sell and cross-sell opportunities) and increase customer retention rates.

The key is to provide a dynamic, relevant, personalized sales experience through all available channels, allowing a consumer to select the channel they feel is most appropriate at that phase of the interaction cycle with the provider. Today's operational challenge is to tie all of the systems and channels together to provide the

intelligence to serve each individual customer when and where they interact – using any channel at any time – and to manage the complexity of the myriad offers and options.

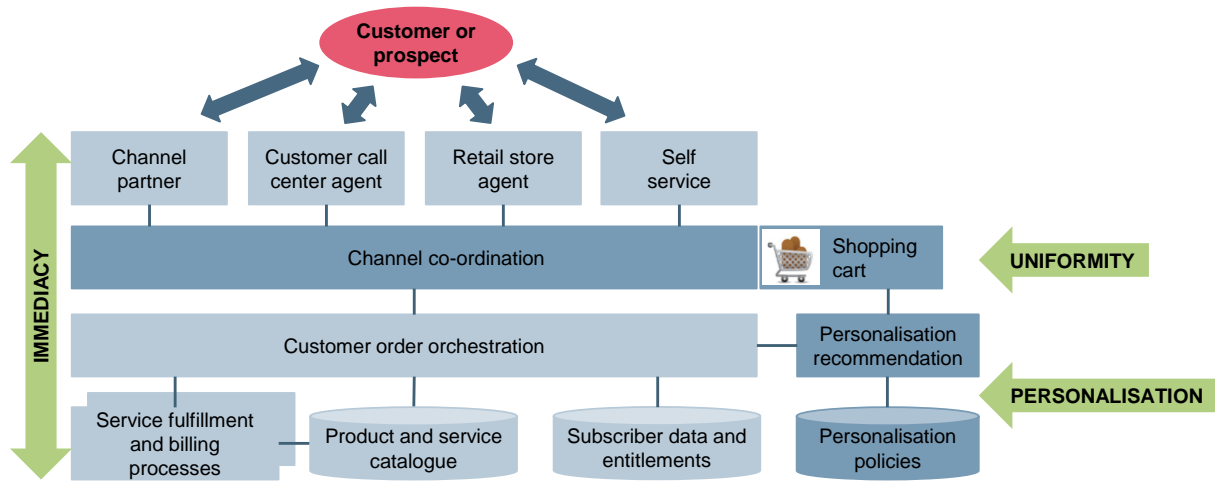
Architecture for cross-channel marketing operations

The conceptual architecture of a multichannel operation is with cross-channel consistency shown in Figure 1 below. The customer (or prospect) interacts with the CSP through a number of channels, including self-service (mobile, web, interactive voice response (IVR), kiosk, or social networking application), talking with a customer call center agent, interacting with a retail store employee, or even going through a channel partner. In all of these cases, the same, personalized offers are available to the customer through an enterprise-level product catalog and personalization recommendations loaded into software that serves as the channel co-ordination layer. The **personalization** recommendations come from personalization policies, matched to the subscriber data and product catalogs.

The channel co-ordination layer provides the **uniformity** of experience. It ensures that each customer has access to the same products and services in the same way, and has a co-ordinated shopping cart. This allows the consumer to interact flexibly with the CSP without having to start over at any part of the marketing and sales process.

Integration with the billing and service fulfillment back-office systems supports the **immediacy** of the experience. Questions of availability, prerequisites, and bundling options can be answered immediately through any channel. And when the time comes for the order to be processed, it can be immediately checked for errors and implemented automatically and expeditiously.

Figure 1: Cross-channel marketing architecture [Source: Analysys Mason, 2011]



Build or buy?

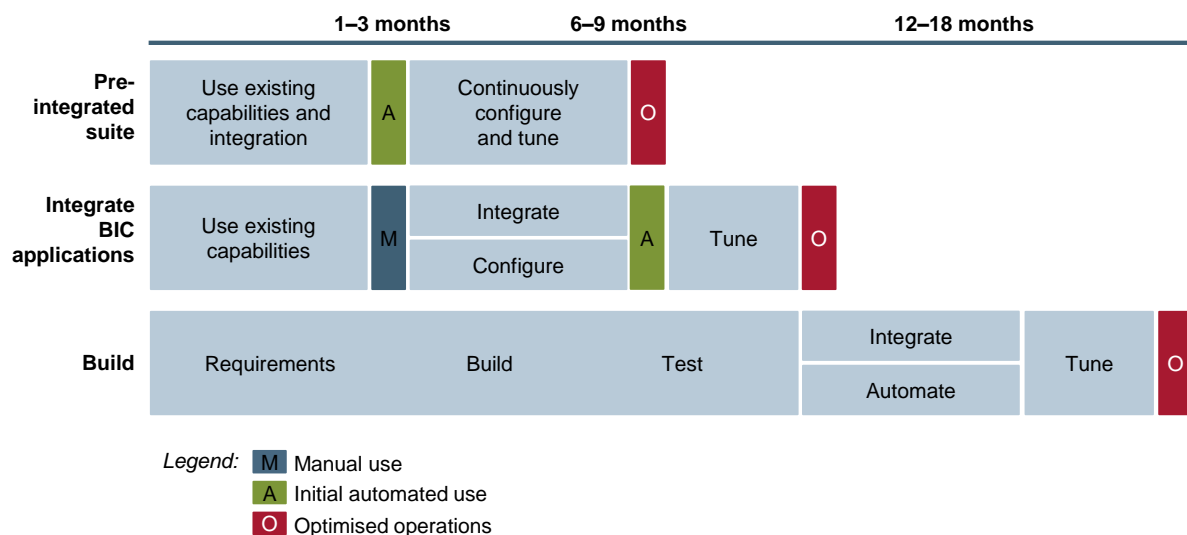
Should a CSP develop its own software to provide the cross-channel customer interaction and offer personalization? Since this is an area of potential business differentiation, the answer would seem to be “Yes.” But modern COTS software is available to provide these functions and is so configurable that it can be adapted to meet the key requirements of a wide variety of CSPs, with differentiation in the form of how the features are employed and what service bundles are offered. In addition, COTS software can be implemented in such a way as to provide value in a short period of time.

Figure 2 shows a rough implementation timeline of three options for implementing the software. In the “**Build**” scenario, the CSP’s IT shop decides to develop the software itself. The normal development cycle takes 12 to 18 months, as requirements are gathered, software built and tested and then configured and integrated into the operations with the necessary training and changes to operations process. The “**Build**” option clearly results in software that is customized to the needs of the CSP, but it usually costs at least 15% more than other approaches and takes at least twice as long as the nimbler alternatives. The total time before deployment for the “**Build**” option is typically 12 to 18 months.

The second option is to use **best-in-class (BIC) software components**, integrated by the CSP or systems integrator (SI), which can lead to greatly reduced timeframes. If the vendor offers out-of-the-box preconfigured templates and accompanying training materials and descriptions of operations process, the new features can be made available in a matter of a few months, using manual work-around operations to implement the overall process. Then integration and further configuration can be undertaken to optimize the operation and bring the benefits of full automation within a 9- to 12-month timeframe.

The final approach, using **pre-integrated solutions**, enables automated operations to commence within a few months, using existing capabilities and defaults in the software (based on the vendor’s experience with its best-in-class customers) and then within a few more months further configuration provides optimized automated operations tuned to the specific needs of the CSP.

Figure 2: Build vs. buy decision timeline [Source: Analysys Mason, 2011]



Oracle example

To provide a comprehensive cross-channel marketing and sales system requires strong, coordinated functionality in both the CRM and customer interaction areas. Oracle is an example of a major telecoms independent software vendor (ISV) that has entered this arena in force, having built a solution that encompasses a number of the traditional Oracle telecoms products and those of ATG, a leading specialist vendor in the ecommerce space that Oracle acquired in 2010.

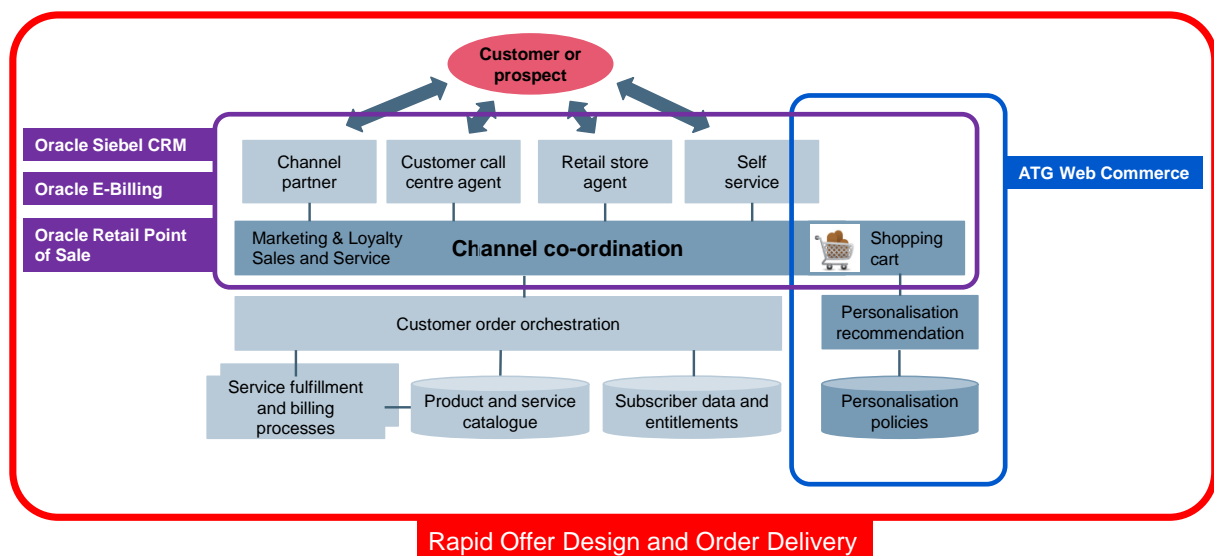
Oracle architecture

Oracle provides cross-channel functions and personalization via platform solutions that can be configured and integrated, involving:

- Oracle’s Siebel CRM to support the customer care agent and other channels and provide cross-channel coordination
- Oracle ATG Web Commerce to provide the cross-channel platform for sales, service, loyalty, personalization, recommendations, and call and chat
- Oracle Rapid Offer Design and Order Delivery (RODOD) solution (made up of Oracle Communications Order and Service Management, Oracle’s Siebel CRM, Oracle Product Hub for Communications, and Oracle Application Integration Architecture for Communications) to validate the order, orchestrate its design and equipment assignment and deliver it to the customer
- Oracle Master Data Management (MDM) Suite to store and manage the enterprise data relating to the products offered and the customer-specific data, making it available to all of the processes
- Oracle Electronic Bill Presentment and Payment (EBPP) to present interactive and personalized bills online with multiple payment options.

Figure 3 shows the mapping of these components to the overall solution architecture.

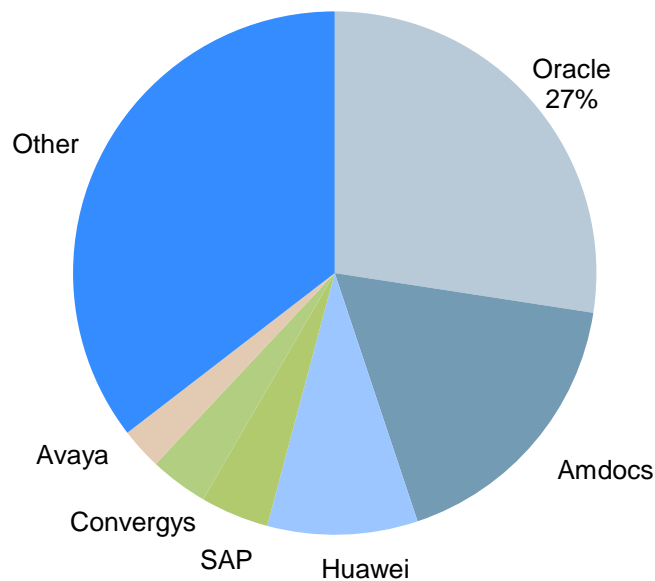
Figure 3: Oracle software architecture for cross-channel retail [Source: Analysys Mason and Oracle, 2011]



Oracle market position

Oracle is, by far, the global market leader of CRM and customer interaction systems for CSPs. Oracle has over 4,000 deployments of its Siebel CRM system and over 1,200 deployments of its cross-channel marketing solution worldwide as of 2011, including eight of the top-12 global CSPs. This has given Oracle the leading position in the customer care markets and vast experience of implementing, configuring, and optimizing personalized, cross-channel marketing solutions. Oracle’s position in the customer care market is detailed below.

Figure 4: Customer care telecoms market shares by revenue, worldwide, 2010 [Source: Analysys Mason, 2011]



Total revenue: USD2.32 billion

Oracle continues to build on its installed base of Siebel CRM, adding new functionality and providing preconfigured solutions for faster implementation. It also acquired web marketing and sales specialist ATG in 2010 and has proceeded to integrate its offerings into its overall architecture for personalized, cross-channel customer offerings and order information and processing.

Figure 5: Customer care telecoms CRM market shares by revenue, worldwide, 2010 [Source: Analysys Mason, 2011]

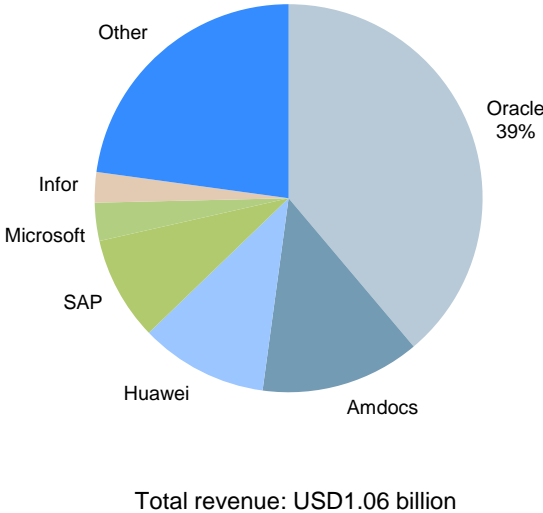


Figure 6: Customer care telecoms customer interaction market shares by revenue, worldwide, 2010 [Source: Analysys Mason, 2011]

