Momentum for Oracle CX Cloud gathers pace as firms grapple with omnichannel
Ovum view

Summary

The ability to deliver a relevant and personalized customer experience throughout the customer's journey requires a broad enterprise-wide commitment. It is not simply a front-office or contact center challenge. It also requires back-office supply and fulfillment capabilities to be in sync, triggered by customer demand. This is a complex, multidimensional challenge, which requires leadership from the top and empowered, customer-oriented employees supported by a highly integrated and adaptive enterprise architecture with efficient processes and real-time customer data and relevant content. At the same time this complexity must be hidden from the customer so that – whatever journey they are on, no matter what combination of channels they choose to interact with a firm, its products, or services – the entire experience is relevant and easy and helps them achieve their outcomes.

Oracle understands this challenge. At the Oracle CX Summit 2016 in Las Vegas, Oracle provided further evidence that momentum for Oracle CX Cloud and this more unified approach in support of customers is gathering pace.

Customers are increasingly buying into the unified CX message

To date, Oracle has more than 5,200 customers who have adopted one or more applications within the overall Oracle CX Cloud portfolio, across all geographies and a healthy mix of both large and mid-market enterprises. Between December 1, 2015 and February 28, 2016 (Oracle's third quarter fiscal year 2016), Oracle added another 465 CX Cloud subscribers. Discussions with several Oracle customers revealed an increasing appetite for multiple CX applications, as these firms seek to develop the capabilities to support customers throughout their journeys. There is a tangible shift from tactical investments to solve an individual department challenge to a more holistic and strategic approach to take advantage of Oracle's pre-integrated Cloud CX applications and analytical capabilities. This is not a big-bang approach, but the indications are that while they may start with one or two applications from the CX Cloud portfolio, once deployed they seek to expand their capabilities and therefore the value in their investment by adopting adjacent applications. Mid-market companies in particular like the speed of deployment in the cloud and once their initial application is up and running, they quickly adopt a second or third Oracle CX Cloud application as they try to meet their omnichannel customer engagement aspirations.

Mark Hurd, co-CEO at Oracle, also provided a CEO's take on these omnichannel CX aspirations, making the case that in an environment of flat-lining economic indicators, a growing number of CEOs of commercial companies have recognized that growth will only come by taking market share. He also made the point that given that the average tenancy of a CEO is less than five years, developing the capabilities to deliver a superior customer experience must be done rapidly. We agree.

Language matters

On several occasions the term "suite" was used to describe Oracle CX Cloud. Oracle still has a challenge with its messaging and the positioning of Oracle CX Cloud. Getting the messaging right is vitally important, particularly if Oracle wants to be seen not just as a technology leader but a thought leader in omnichannel.
Given the omnichannel aspirations that an increasing number of enterprises share, and the implicit necessity to unify the enterprise – not just the front office around the customer – the suite message, which smacks of a more traditional on-premise environment, should be replaced with a more unified customer engagement platform message. The customer engagement platform provides the omnichannel orchestration layer that unifies the entire demand chain from the customer back to supply. This orchestration layer is what unifies the enterprise around the customer. Putting the orchestration layer into the business to create this more customer-adaptive and coherent enterprise is where Oracle CX Cloud and its strategic consulting partners should be positioning themselves.

**Oracle CX Cloud provides deep data capabilities**

Oracle’s acquisitions of BlueKai, Datalogix, AddThis, and Crosswise, along with its traditional expertise in data management and analytics, has elevated Oracle’s data-as-a-service (DaaS) capabilities to a level that few vendors can match. Omar Tawakol, senior vice president and general manager of Oracle Data Cloud, provided an overview of Oracle’s potential to increase the relevance and timeliness of communications to both existing customers and prospects. DaaS is the fourth foundational layer in Oracle’s cloud strategy, complementing SaaS, PaaS, and IaaS. What is different about Oracle DaaS is that information not contained within SaaS applications can be brought to bear to enrich customer data and increase the sensitivity of a firm to the needs of its customers. Marketing is the most common use case for this, although there is high potential in both sales and service to create a more nuanced contextual understanding of the customer. BlueKai provides commercial intent data – “this customer is about to buy something”; Datalogix provides transactional data from more than 1,500 retailers – “this customer made these purchases”; AddThis provides global data from some 2 billion customer profiles – “these are potential customers in these countries”; and Crosswise helps identify the customer across the multiple devices they may be using, an essential starting point for customer recognition and effective personalization.

Oracle claims that Oracle Data Cloud is used by 91% of the top 100 US digital marketers and is behind $3bn in global advertising spend. Other statistics which demonstrate its success include:

- Oracle Data Cloud provides access to data from 41 of the top 50 global data providers including online, offline, transaction, and movement data.
- $3tn in consumer transaction data, data on 110 million US households, 29 million devices, and 240 million business profiles.
- 3 billion global consumer profiles and tracking of 40,000 public data attributes.

Along with this encyclopedic access to real-time, third-party data, second- (partner data) and first-party (own data) data can also be integrated to deepen understanding of customers and deliver more contextually relevant and timely information, messages, and content. That said, in the wrong hands such data can be perceived as intrusive, and Oracle is working to develop and influence standards so that customers do not feel they are being stalked or that their privacy needs are being overlooked.

**Industry progress will add to the momentum as industry participants reference each other**

Aaron Shidler, vice president of Applications Development, provided further information on how Oracle CX Cloud has gone vertical to provide industry-ready variants, supporting industry data models and
industry language, allied to deep data and industry domain expertise. These industry combinations will accelerate growth as well as adoption as enterprises seek to flesh out their omnichannel customer engagement capabilities and ensure compliance in line with industry-specific regulations. One of the promises of cloud is that more rapid adoption and providing pre-baked industry variants wrapped in the language and logic of each industry’s best practices and regulatory requirements helps customers in those industries develop the omnichannel capabilities they need as fast as possible.

To date, Oracle has four major, industry-specific Cloud CX versions, covering financial services, telecommunications, high tech and industrial manufacturing, and consumer goods. In 2017, an additional eight industries will be added. The company has also invested significantly in providing salespeople with the relevant domain expertise and Oracle’s own consulting capabilities.

Oracle CX Cloud can draw on the deep industry experience that Oracle has gained over the years from its on-premise stablemate Siebel, and as each new industry is supported we can expect each to have its own associated data model, processes, governance, and best practices.

Oracle CX for Financial Services

The Oracle CX for Financial Services takes advantage of Oracle DaaS capabilities through social listening, second- and third-party data, and core banking data in support of lifetime customer engagement. Loan applications, account origination, and product recommendations can then be based on the financial profile of customers.

Oracle CX for Communications

Customer insights based on usage patterns derived from billing systems increase the visibility into the customer’s context for sales and service personnel. Machine-learning capabilities help salespeople to make the most relevant recommendations to customers to increase upsell and cross-sell revenue. Integration with OSS and BSS supports a complete lead-to-order process.

Oracle CX for High Tech and Manufacturing

This version of Oracle CX provides a complete view of all customer transactions and interactions, combining data from ERP and CX applications to drive relevance and ensure that fulfillment capabilities are in sync with demand. PRM (partner relationship management) capabilities also include the ability to identify potential gaps in coverage and focus on key areas to optimize partnerships and strengthen overall customer coverage strategies.

Oracle CX for Consumer Goods

Customers can use retail execution capabilities to manage promotions, campaigns, and merchandising as well as audit in-store capabilities with photo capture to ensure optimum display of products.

Self-referencing drives momentum

As Oracle launches more and more industry-specific variants of CX Cloud and also integrates or provides easy integration capabilities to both its own and third-party back-office and supply-side applications, customers in those verticals know each other, attend the same conferences, and like to keep abreast of who is gaining a competitive advantage. This self-referencing aspect will accelerate momentum.
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Oracle Cloud CX is gaining momentum and moving in the right direction

Oracle is investing heavily in combining its Oracle CX capabilities into a rich portfolio of customer engagement applications. Its ecosystem of partners, particularly specialized CX consulting partners and agencies, will also enable Oracle to tap into third-party sources of innovation in the customer experience field. What Oracle now needs to do is market its true omnichannel support capabilities and harness case studies of those organizations that have successfully transitioned towards a far more customer-adaptive omnichannel capability. Omnichannel customer engagement demands orchestration across the entire enterprise, not just the front office. This is why we are seeing greater evidence of the CEO and leadership team taking overall responsibility, rather than simply mandating the exercise to the head of customer service or the CMO. In discussions with one of Oracle's more advanced customers, the need for a board-level dashboard to keep track of the health of the company's customer portfolio is a requirement that is currently not being met. By delivering such a dashboard fed by real-time data and a variety of different sources, including internal, second-party, and third-party, Oracle CX Cloud would reinforce its credentials as the omnichannel customer engagement and orchestration platform of choice.

Appendix

Further reading

Oracle CX Cloud: An Effective Platform for Orchestrating the Customer Experience, IT0020-000167 (November 2015)

Ovum Decision Matrix: Selecting a Customer Relationship Management Solution, 2016–17, IT0020-000184 (March 2016)

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

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