

OVUM OPINION

InQuira acquisition will boost Oracle's position as a leader in customer data management

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OVUM VIEW

Summary

With the influx of new social tools and smartphone applications, customers have more information readily available to them than ever before. They are using mobile devices to search for answers to queries from different physical locations and carrying out interactions via web chat and social media. While phone and email are still important customer service channels, enterprises need to address this behavioral change. They must pull and pool information from online communities, linking it to internal product, service, and customer data. In order to do so, they need centralized knowledge systems that link information across platforms and departments. Oracle's pending acquisition of InQuira will allow it to tap into this growing market and at the same time validate the need for combined knowledge management and CRM solutions.

The announcement is unsurprising given the consolidation between CRM, knowledge management, and social media players during the last couple of years. It was only a matter of time before one of the larger CRM or contact center communications providers snapped up InQuira, one of the most comprehensive standalone knowledge management providers on the market. The move makes sense for Oracle since it already had a partnership and integrations with InQuira and it needs to improve its knowledge and web capabilities. The vendor should use its existing process management and business intelligence expertise alongside InQuira's information expertise to help drive process change within enterprises.

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Knowledge should become a central focus for the enterprise

Customers need more intelligent search; they want to find accurate information with minimal effort wherever they are. The search engines of the world have certainly helped this become a reality for customers purchasing products and services, but online customer service is still the Wild West when customers require relevant support information quickly. Customers using social media, FAQ pages, and web chat to search for information face numerous challenges: information is difficult to trawl through, answers are not consistent across channels, and they often have to make a follow-up call to the contact center, repeating information. Although customers are adopting web tools and are happy to research information themselves, they face long, frustrating processes and are often unaware which channel would be best to use. Enterprises need more comprehensive ways of looking at data and pushing information out to customers over the Web in order to improve the customer experience. A centralized knowledge base is vital to help organizations:

- ensure that information shared between customers is accurate
- understand how online sales and marketing campaigns impact incoming customer queries and prepare agents to answer related queries
- pull information from peer-to-peer interactions and communities to share with agents if comments are relevant
- update FAQ and web pages to provide up-to-date, personalized information that customers can easily access
- link online data with existing product, customer, and agent information to provide guidance to agents about how to handle queries.

Enterprises should also consider the cost of self-service compared to that of a customer making a telephone call to an agent. Lower costs and simpler access to answers benefits both customers and enterprises, and therefore Ovum believes that an integrated knowledge management solution should be a key consideration in any CRM deployment. Although web or mobile self-service will never completely replace phone calls, a more streamlined information warehouse makes far more sense.

Oracle is well positioned as a leader in managing customer data

Oracle's pending acquisition of InQuira is a sensible move, providing it with tools to help enterprises unify web information with internal CRM data and provide more targeted sales, marketing, and customer service. Although Oracle already had a partnership and integration with InQuira, the acquisition will ensure that knowledge becomes an intrinsic part of Oracle Siebel and Oracle Fusion CRM applications. The acquisition is set to enhance Oracle's position as one of the leading customer data and information management providers. Its customers can link data from

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InQuira's platform with CRM, business intelligence, and Real-Time Decisions solutions to gain a 360-degree customer view, showing customer data from across departments and channels. As knowledge becomes an essential part of the business, Oracle can also link this information with its business process management tools and provide additional services around enterprise efficiency. The real value of knowledge management is in using the data to improve processes and enhance business communications for both customers and employees.

Oracle must also support InQuira's existing customers that have deployed CRM solutions from competitors such as SAP or Microsoft. Although not ideal, Oracle already integrates with competitive solutions for its other lines of its business and, over time, these existing InQuira customers could turn into upsell opportunities for Oracle. The Oracle acquisition may also cause conflict with Genesys and IBM, which have existing relationships with InQuira. Both vendors have some overlap with Oracle in providing agent desktop, business intelligence, and contact center services. Ultimately these vendors may need to select a new knowledge partner or develop their own solutions. Some of Oracle's CRM competitors have already made investments in both knowledge management and social media monitoring. For example, Salesforce acquired InStranet and RightNow acquired HiveLive. However, very few vendors will be in the position to offer such a wide range of solutions as Oracle and the move will likely force its competitors to act to bolster their knowledge capabilities.

APPENDIX

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