Oracle enhances its omnichannel credentials with Adaptive Intelligent Apps
Ovum view

Summary

The ability to orchestrate the customer experience across any combination of channels selected by customers during their journeys to achieve their aims, as well as to ensure that every interaction is positive and relevant, marks the pinnacle for omnichannel customer engagement.

Ovum’s ICT Enterprise Insights 2016/17 found that, depending on industry, between 70% and 80% of the 5,215 enterprises surveyed were still at the early stages of creating an omnichannel environment for their customers. The best performing industries were retail banking, where just over 10% claimed to have a complete omnichannel capability, with a further 25% at an advanced state of implementation. Any firm that does not have a true omnichannel customer engagement capability is at risk of losing customers frustrated by their inability to complete journeys without barriers.

From a vendor perspective, there is an omnichannel race to the summit, with participants vying to be the first to offer ubiquitous, intelligent, and dynamic orchestration of the customer experience. Oracle is in the leader pack and is getting very close to the summit.

Adaptive Intelligent Apps supports dynamic, intelligent omnichannel orchestration

To create an omnichannel customer engagement environment, many firms have adopted customer journey mapping (CJM) to gain a deeper cross-channel view of how customers choose to interact with them. That is a good place to start, as it helps build consensus across the organization on what the experience is like for their customers. Voice-of-the-customer input also helps identify moments of truth that inhibit the customer. At best, however, these methods, although useful, provide only a proxy for reality. Despite the thoughtful selection of personas and customer journeys to be mapped, ultimately customer behaviors are very difficult to predict, at least by humans.

Manual approaches and rules-based approaches don’t scale

These manual approaches, segment by segment and journey by journey, provide an average view of how customers might like to interact with the firm. They also demand a high level of interdepartmental collaboration and consensus to agree on how best to serve customers at different stages of their journeys. That takes considerable time and effort, and it offers a reason for why most firms have made little progress to date. Customer journey mapping is not the panacea that those who embarked on it had hoped. There is the immediate problem of almost infinite permutations of channels, digital and physical, that customers might take. Another challenge is working out the rules to decide what content, offer, or next best action should be made and at what stage of the journey.

Humans need artificial intelligence (AI) support to solve the omnichannel challenge

Oracle’s integrated CX Cloud Suite is now infused with Adaptive Intelligent Apps, as will be Oracle ERP Cloud, Oracle SCM Cloud, and Oracle HCM Cloud. What this does, particularly where the entire value chain is connected, is to provide an intelligence mechanism to tee up the right content, actions, or recommendations triggered by the inferred intent of customers, from initial search for a product or service all the way through to fulfilment and usage, across any combination of channels they choose.
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to use. Humans still need to develop compelling content and offers, and they still need to get organized in such a way that departmental silos are removed, but AI that is designed for specific and common use cases and that uses outcomes delivered to constantly recalibrate and adjust provides the dynamic linkage between the relevant content developed by employees and the individual customer. This provides scale and addresses the challenge of the near-infinite permutations of customer interactions.

Oracle Data Cloud and industry data models promise faster digital transformation

Good customer data and relevant industry data models are important contributors to successful digital transformation, particularly where omnichannel is concerned.

The customer data advantage

Ovum consistently argues that to add real business value by supporting a relevant and dynamic customer experience to improve retention levels and attract higher conversion rates, AI must feed off good quality data. As well as putting in place good data management practices to govern the quality of customer data and to synthesize it from multiple internal sources, customer profile data can be augmented with third-party data.

In this domain, Oracle’s provisioning of third-party data sources through Oracle Data Cloud has some impressive numbers behind it. Oracle can now provide more 5 billion global consumer IDs (some consumers will have multiple IDs) and 1 billion global business IDs. Data can be segmented and selected from more than 60,000 data segments sourced from 1,500 data sources and 15 million websites. It also has behavioral data gleaned from $3tn in annual observed consumer spending. This provides a gold mine of anonymized profile data for marketers, and when combined with Adaptive Intelligent Apps, some can be automatically sourced in support of acquisition campaigns. That includes finding "lookalikes," or prospects that exhibit similar profiles and behavioral characteristics of existing customers in different segments.

Salespeople in B2B markets can also benefit from third-party data. Notifications of changes in personnel can help salespeople identify and gain insights into people involved in the buying process. Company announcements or changes in strategy might trigger or shape new opportunities or provide insights into why an opportunity is no longer worth pursuing, so that salespeople can optimize their time by focusing on more promising opportunities, highlighted by the Oracle Adaptive Intelligent app.

Oracle CX Cloud Suite now has industry-specific variants

In tandem with developments across the Oracle CX Cloud Suite, the company has also developed industry vertical variants to increase relevance and speed up omnichannel transformation. Major Oracle CX Cloud Suite variants support the following industries:

- financial services
- high tech and industrial manufacturing
- consumer goods
- communications
- retail
- higher education

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The next release, version R13+, will also support life sciences and automotive, and the intention in the future is to support hospitality, insurance, media, utilities, and public sector organizations.

Each industry variant supports industry-specific data models, industry best practices and processes, user experiences, integration with back-office industry platforms, and related in-app intelligence, supported by strategic industry partnerships.

Omnichannel is complex, but Oracle's technology and services portfolio offers a means to accelerate transformation

Omnichannel is complex, and at its heart are four core capabilities that must be supported. These are outlined at the top of Figure 1, with supporting attributes.

**Figure 1: Core capabilities and attributes required for omnichannel delivery**

<table>
<thead>
<tr>
<th>Recognize</th>
<th>Orchestrate</th>
<th>Adapt</th>
<th>Protect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-adaptive VoC</td>
<td>Integrated value chain or network</td>
<td>Minimize customer effort</td>
<td>Continuity of experience</td>
</tr>
<tr>
<td>Recognize the customer/persona</td>
<td>Contextually relevant interactions</td>
<td>Customer's choice</td>
<td>Any combination of channels</td>
</tr>
<tr>
<td>Privacy protection</td>
<td>Cyber security</td>
<td>Digital and physical</td>
<td>Two-way and peer-to-peer</td>
</tr>
</tbody>
</table>
| Adapter | Adapt 
| Recognize | True Omnichannel Management |
| Customer 
| Management |
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Ultimately, each enterprise must determine its own omnichannel roadmap.
What is encouraging about Oracle's development is that intelligence is both modular and end to end. That means the entire journey can be monitored in real time, irrespective of where customers start their journeys or which combination of interaction channels they use. The responsibility for the quality of first-party customer data rests with the enterprise, although Oracle can recommend the adoption of the most relevant data model. It is likely that enterprises will still need the support of a knowledgeable systems integrator to ensure end-to-end integration across the entire value chain, but with Oracle's industry variants of the CX Cloud Suite, together with baked-in Adaptive Intelligent Apps, speed to capability is likely to be significantly accelerated.

It is also worth noting that Oracle has launched an advisory service called Oracle IDEA, which provides a methodical approach to digital transformation, incorporating disciplines such as CJM and design thinking. (See Ovum's report "Oracle's co-innovation design engine provides a methodical approach to CX augmentation" for more details.) Once all the data dots are connected, the next level up will be augmenting omnichannel to deliver extraordinary customer experiences, the customer-adaptive way.

Appendix

Further reading
"Oracle's co-innovation design engine provides a methodical approach to CX augmentation," IT0020-000276 (May 2017)
"Oracle Adaptive Intelligent Apps translate data advantage to business value," IT0014-003262 (April 2017)

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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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