Oracle CX Cloud: An Effective Platform for Orchestrating the Customer Experience

An adaptive omnichannel orchestration platform
Summary

Catalyst

Speed of change, the threat of rapidly growing disruptive competitors, and, above all, the shift in power to the consumer are driving the need for every enterprise – irrespective of industry – to develop an effective omnichannel customer engagement capability. This is not a one-time design, build, and deploy challenge, but one that is continuous and demands rapid adaptation based on the customer’s rising expectations and changing behaviors. As Ovum wrote in the report *The Customer-Adaptive Imperative*, this calls for an authentic commitment to the customer throughout the enterprise. Caring about customers is plainly not enough; enterprises also have to deliver value today and learn to innovate continuously to be in a position to deliver value tomorrow.

Ovum view

The need for enterprises to orbit the customer rather than expect the customer to orbit the enterprise demands visionary leadership and a culture that is completely focused on creating value and delivering it to the customer. These two essential attributes must also be supported through orchestration and delivery. This is where Oracle Customer Experience (CX) Cloud, a suite of best-of-breed enterprise applications comes in.

Over the last three years Oracle has assembled a portfolio of customer engagement applications to deliver on the omnichannel customer experience promise. This spans the core components of marketing, sales, and configure, price, quote (CPQ) for complex products in B2B and B2C markets, e-commerce, service, social relationship management, natural-language processing to support search and self-service, predictive analytics, and machine learning. Oracle has made rapid progress in integrating its suite of customer experience products with the explicit intent of supporting the customer throughout their buying, consumption, support, and repurchase journeys.

Oracle’s customer-journey view of the customer and ability to orchestrate relevant interactions throughout the customer journey position it as a leading contender to provide an effective omnichannel orchestration platform across all channels, both digital and physical.

In this report, a follow up to *Omnichannel Customer Engagement: Oracle’s Formidable Arsenal*, Ovum takes a deeper look at the key characteristics of omnichannel service. We also examine the progress that Oracle has made and assess why it is a leading candidate for omnichannel orchestration of the customer experience in both the consumer and business markets.

Firms seeking to evolve from multichannel to omnichannel/cross-channel should take a closer look at what Oracle has to offer. Oracle in turn must focus relentlessly on delivering customer success to build trust and offset the fear of vendor lock-in.

Key messages

- True omnichannel customer experience consists of 11 characteristics and Oracle can address them all today.
- Customer data management, policy automation, and silicon-embedded security provide a foundation for relationship building, trust, and security in the cloud.
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- Oracle provides a modern and engaging user interface across the entire customer experience portfolio to help users make sense of data and focus on what matters most.
- Oracle must continue to prioritize customer outcomes above all else to foster trust and minimize customer concerns about lock-in.

Recommendations

Recommendations for enterprises

A customer-adaptive enterprise is any enterprise with the capabilities to sense, anticipate, respond, and adapt at the right speed and frequency to remain persistently relevant and attractive to its customers. To develop and orchestrate an effective omnichannel customer engagement capability, difficult choices must be made. What existing systems need to be replaced because they are too unwieldy or too slow and expensive to adapt? Should you combine a best-of-breed portfolio from multiple vendors or work with one the few major vendors that can provide pre-integrated components designed to work together and deliver a seamless customer experience?

The risk of lock-in concerns many organizations, but the biggest threat to a firm’s existence is losing customers by being too slow to adapt to their changing needs, behaviors, and increased expectations. Firms must become customer-adaptive or they will fall behind and see their customer base erode rapidly. In the light of this, and given Oracle’s comprehensive portfolio, any enterprise that is serious about delivering a true omnichannel capability should examine Oracle’s CX Cloud in detail.

Recommendations for Oracle

Oracle must position itself as a trusted and strategic vendor to alleviate concerns about vendor lock-in. Its use of customer advisory boards to help steer product development and its recent introduction of customer success managers provide a good foundation for developing strategic and trusting relationships. Oracle must take care to align its compensation plan and develop the consultative selling skills to help customers extract the maximum value out of its technologies.

Defining omnichannel provides a basis for common understanding

Ovum’s definition

There is no generally accepted definition of omnichannel, or cross-channel, as some prefer to call it. Ovum defines omnichannel as the means by which an enterprise enables two-way engagement with its customers across any channel or combination of channels, digital and physical, to deliver a contextually relevant and trust-building experience, consistently and always respecting customers’ preferences and privacy.

An omnichannel strategy should be focused on developing a symbiotic relationship and deeper bonds between the enterprise and its customers. Customers will remain customers as long as they gain more by staying than by selecting another supplier. Sustaining this relationship therefore demands significant insight and continuous relevance.
Two-way not one way

Customers expect to be able to engage with brands on their own terms and through the channels they choose. Omnichannel must be more than an attempt by brands to push products and services to customers or to bolt on new channels in an attempt to increase their marketing reach. Relationships demand dialog and ease of engagement and that means two-way interaction.

Any combination of digital and physical channels

Omnichannel also distinguishes itself from multichannel by recognizing the increasing trend of customers to hop between channels on a single customer journey. Journey mapping has become commonplace as firms try to design their channels to deliver this continuity of experience for the customer. They must remember that journey mapping is a start but only a proxy for reality. Customers are a lot more unpredictable than many firms would like and resent being corralled down a particular path that might not suit their circumstances at the time. Continuous feedback, acute sensing capabilities, and machine learning will help firms refine their approach. The need to marry offline and online experiences adds to the complexity.

Contextual relevance is critical to success

In human-to-human interactions it is possible for the agent to understand the customer’s context through rapport building, intelligent questioning, and emotional intelligence and to respond in relevant ways that strike a chord with the customer. Scaling this up to tens of thousands or even millions of daily interactions is complicated. Real-time predictive analytics and machine learning, among other technologies, have a massively important part to play in meeting this challenge head-on.

Trust is the essence of a long-lasting relationship

As the recent VW emissions testing controversy shows, values matter. Every interaction should reinforce trust – this starts with enterprises taking the trouble to understand the context of the customer and what they are trying to achieve. Reliability and consistency help foster trust, so enterprises must keep their promises, for example by delivering products in a timely manner and at the convenience (where possible) of the customer. This demands a high degree of coordination and orchestration of the entire value chain, something that Amazon does very well. Omnichannel is not all about the front office.

Customer preferences and needs for privacy and data protection must be part of the omnichannel strategy

A good omnichannel strategy seeks to understand and respect customers’ preferences and ensure that any outbound messages are sent through the communications method that the customer prefers. Customers also demand that their data is secure and protected and will not be shared with foreign governments or exposed to criminals through cyber-attacks. TalkTalk, one of the UK’s largest broadband providers, has been in the press recently for falling victim to a cyber-attack. Many of its customers are both fearful and angry as a result and are not only seeking compensation, but also trying to extricate themselves from their contracts with provider.

Data security and privacy will increase in importance particular as a result of these high-profile data breaches and concerns about the Safe Harbor agreement following the judgement in Ireland in October 2015 that it does not meet EU privacy compliance regulations. Data encryption and security will be a top concern for years to come and must form part of the omnichannel strategy.
The 11 characteristics of true omnichannel customer experience

Oracle can support them all

Figure 1 highlights the 11 characteristics that need to be part of any omnichannel customer engagement strategy. These address three critical challenges:

- Recognizing the customer and understanding their context.
- Orchestrating the experience across channels.
- Adapting continuously to maintain customer relevance.

![Figure 1: Characteristics that support a positive omnichannel enabled customer experience](source: Ovum)

Recognize the customer and understand their context

A critical first step to delivering personalized customer experiences is to identify the customer in the first place. CRM was supposed to deliver a 360-degree view of the customer, but this often failed to materialize, largely because most information gathered was transactional by nature and fragmented across multiple systems.

Customers increasingly use multiple devices and channels to complete their particular journeys. When searching for products they may start from their smartphone, seek advice from friends or peers...
on social networks, read reviews, and finally order from their tablet or desktop or visit the local store to make the final purchase. This digital and physical channel hopping makes it difficult for marketers to identify the customer or prospect and associate multiple IDs and activities to a single individual.

**Oracle ID Graph powered by Oracle Data Cloud**

The Oracle ID Graph helps marketers connect identities across multiple channels and devices so that they can deliver timely and relevant content to the customer to help them progress along their journey to purchase. This allows marketers to deliver a message to consumers through many media partners and channels in a consistent way, resulting in higher conversion and satisfaction rates.

By identifying the individual customer and their previous purchase and interaction history, marketers can also avoid sending inappropriate offers of products that the customer has recently purchased.

**Delivering more personalized offers to increase revenue and customer satisfaction**

The Oracle Data Cloud enriches campaign data by integrating first-party data that is embedded within the organization with second-party data from marketing partners and third-party data from a vast array of potential providers. Figure 2 provides an overview of these data sources and how they are combined to enrich customer and prospect data. The Oracle Data Cloud curates a wide variety of data sources to meet the needs of marketers in both consumer and business markets. It combines online and offline data from 41 of the top 50 global data providers, 1,500 retailers, 229 million device IDs, 1 billion consumer profiles, and 240 million business profiles.

**Figure 2: Oracle Data Cloud – how it works**

By using a combination of first-, second-, and third-party data, the drinks manufacturer Dr Pepper was able to target light drinkers of its branded beverage who were also heavy soda drinkers on Facebook, persuading them to buy more of its soda. Some 15% of the audience purchased the drink and the ad proved to be more effective than previous campaigns, generating $3 for every $1 spent. Offline sales increased by 1.5% as a result of the campaign.
Similarly, a large telco seeking new customers in the market for a smartphone leveraged third-party data from Oracle BlueKai to assemble an anonymous audience of students searching for and researching smartphones. They were able to target the audience with relevant offers that spoke to a younger demographic. When the students clicked on a link that took them to the firm’s website they were presented with relevant content to help them make their purchase decision and sign up for the telco’s offering.

The acquisition of Datalogix complements BlueKai by enabling the ID Graph and the company’s strong relationships with Facebook, Twitter, and other major social networks. It also serves to link marketing and advertising technologies to power online and offline attribution.

Curated data can also be used not just by marketers but also sales people to keep them fully informed of organizational and personnel changes. Attitudinal data that might help the sales person or team position their offering firmly within the customer’s business context, increasing their chances of success.

**Oracle’s Data Management Platform unifies customer data**

Oracle has a strong track record in master data management from its experiences gained over the years with Oracle Siebel. This is now being put to good effect in the cloud. The provider’s Data Management Platform unifies customer data that can be leveraged across Marketing Cloud, Commerce Cloud, Sales Cloud, CPQ Cloud, Service Cloud, and Field Service Cloud.

**The orchestration of customer experiences and two-way interactions**

Organizations which wish to succeed with omnichannel must make it easy for customers to connect with them. Customers must be able to select their own interaction paths across channels they choose. Oracle’s cross-channel marketing capabilities enable marketers to leverage real-time behavioral, preference, and activity data to trigger individualized content that will deliver a contextually relevant experience across all interaction channels. The Oracle Marketing Cloud provides two cross-channel marketing solutions to serve both B2B and B2C marketers.

Oracle’s customer experience portfolio, especially when integrated, provides an environment for two-way interactions. Its open architecture and library of APIs lends itself to integration with the more common third-party enterprise applications. Enterprises therefore do not have to invest in the entire customer experience suite to gain the benefits of this essential two-way interaction capability.

**Oracle Service Cloud delivers three-way interaction opportunities**

Beyond two-way, Oracle also offers three-way interactions. Oracle Service Cloud includes Community Self Service, an evolution of Oracle’s web customer service and self-service capabilities that brings community functionality directly into the core omnichannel web experience. Oracle Service Cloud enables organizations to deliver a seamless experience between web service and community interactions, leveraging customer knowledge to improve service operations. The customer no longer needs to navigate self-service and community sites separately to find an answer. Instead they can discover and interact with formal (knowledgebase) and informal knowledge (community answers) at the same time, as shown in Figure 3. This helps organizations streamline the customer journey and lets customers find answers quickly. It also drives efficiencies by reducing requests to the contact center.
When seeking answers to queries, customers can take advantage of federated search across multiple knowledgebases owned by the enterprise or see the most relevant answers posted by their peers side-by-side with the top knowledgebase answers. If they still cannot find the answer they need they can click-to-chat to an agent who can provide a definitive answer.

**Oracle Service Cloud Knowledge Advanced delivers the right answers at the point of need**

In November 2015 Oracle added Knowledge Advanced to Oracle Service Cloud to provide advanced knowledge management capabilities. It uses natural-language processing that can deliver cross-lingual search capabilities and self-learning algorithms to find relevant information rapidly. With integrated knowledge management, knowledge articles are automatically returned directly to the agent’s desktop based on the context of the customer interaction, without them having to toggle between screens or interfaces. This saves valuable handling time and makes interactions more efficient for the customer. Likewise customers can access a customer portal integrated with Oracle Knowledge Advanced to find the most relevant information to get quick answers to their queries.

**High levels of integration and interoperability support continuity of experience across channels**

Continuity of experience across all channels, digital and physical, goes to the heart of a true omnichannel capability. To deliver this, any enterprise will need a highly integrated channel
environment that allows customers to interact across any and all channels depending on their needs and preferences.

Oracle has worked hard over the last three years to fully integrate each acquisition and develop consistency across interaction channels. The provider has always taken a cross-channel view based on what is necessary to support a wide variety of journeys throughout the customer lifecycle. What this means is that instead of being a collection of best-of-breed point solutions, Oracle has ensured that each of its CX Cloud offerings is not only fully integrated, but has a high degree of interoperability.

Minimizing customer effort requires insight into the customer journey

Minimizing customers’ effort is critical to ensuring that they are satisfied and therefore motivated to stay with the brand or company. Many organizations still work in product silos to determine how best to interact with their customers, but more advanced organizations gain as much insight as they can to determine how best to serve and interact with their customers. Techniques such as journey mapping provide a good starting point for understanding how customers from different segments might wish to complete a specific journey. This might be searching for a product to meet their needs or resolving a particular issue. By starting with the customer, understanding their needs and behaviors, and mapping the labyrinth of interactions that need to be supported, organizations can develop a sound basis for omnichannel design.

Oracle and its consulting partners can also help organizations to minimize customer effort and ensure continuity of experience across channels. Each module of the CX Cloud portfolio can be configured to meet most requirements. Where customization may be needed, perhaps due to the highly complex nature of some customer interactions, it can be achieved using Oracle BPM tools and integrated into the entire omnichannel solution via Oracle PaaS.

Every interaction should build trust

Trust is a function of the values any enterprise must have if it is to foster enduring customer relationships. It can be eroded when customers’ data is used without permission or stolen in a criminal cyber-attack.

Customer data management, policy automation, and silicon-embedded security

For omnichannel to work, data and organizational siloes must be obliterated. Customer data management is an essential discipline enabled by technology to create a true and real-time 360-degree view of the customer. It also comes with responsibility to protect the customer’s personal data in a secure environment.

Oracle Policy Automation ensures compliance

In the financial, healthcare, and public sector industries noncompliance with statutory duties and greater transparency in dealing with customers fairly, are major risks that must be managed. Oracle’s Policy Automation helps mitigate these risks. Policy changes can also be made rapidly to ensure continued compliance.
Regional data centers help organizations conform to local privacy laws

On October 6, 2015 the European Court of Justice ruled that the transatlantic Safe Harbor agreement, which lets US companies use a single standard for consumer privacy and data storage in both the US and Europe, is invalid. The ramifications of this are a major challenge to organizations and their use and storage of customer data.

Oracle has an array of data centers across all regions. These enable organizations to secure customer data locally and ensure compliance with local data protection regulations.

Oracle SPARC M7 provides security at the silicon level within the cloud

Oracle’s cloud offerings cover the complete computing stack: processors, operating systems, middleware, databases, applications, and software development tools such as Java. Oracle’s SPARC M7 processor has data encryption and security at the silicon level. This matters because at any level other than silicon there is the potential for cyber-attack, particularly because both criminals and some potentially hostile government agencies have become increasingly sophisticated and adept at hacking even encrypted systems.

The recent TalkTalk example is a case in point. Dido Harding, the CEO of the company, admitted that details of approximately 150,000 customers had been hacked, although she stressed that none of this data could be used to steal money from bank accounts. Nevertheless, high-profile cases such as this create uncertainty in the minds of consumers.

By owning and developing each layer of the cloud stack and embedding always-on encryption capabilities at every level, Oracle’s cloud provides a secure environment that addresses concerns around data security. Some organizations, at least in the near term, will have a mix of on-premise and cloud-delivered enterprise applications. Oracle supports hybrid cloud and on-premise environments, as well as private clouds for enterprises that feel this is still the best option for data security.

The value chain must be integrated as part of the omnichannel customer engagement capability

A common misconception is thinking that omnichannel is all about the front office – or worse, just the contact center. As Paul Coby, the CIO of the UK retailer John Lewis has said, “To succeed in omnichannel you must have a really good front end, but unless you have re-engineered the back end and are ready to cope with peaks in traffic you’ll have real issues. There’s no point doing one without the other.”

Oracle recognizes that only a minority of enterprises will invest in its entire suite of enterprise applications. The open architecture and development of APIs creates the ability to integrate with third-party enterprise applications such as ERP and SCM systems.

The Oracle ERP Cloud consists of the following solutions:

- Oracle Financials Cloud
- Oracle Accounting Hub Reporting Cloud
- Oracle Project and Portfolio Management Cloud
- Oracle Procurement Cloud.

In October 2015 Oracle announced the expansion of the Oracle Supply Chain Management Cloud with two new product offerings, Oracle Planning Central Cloud and Oracle Manufacturing Cloud.
addition, Oracle has announced enhanced capabilities in Oracle Order Management Cloud and across the entire Oracle Supply Chain Management Cloud.

**Oracle supports continuous improvement and innovation in omnichannel delivery**

Many customer feedback management systems rely on solicited customer responses to surveys from a small percentage of — usually disgruntled or delighted — customers; the majority of customers do not respond to requests for feedback. Oracle’s DaaS for Customer Intelligence, on the other hand, scans social networks to extract signals from the vast array of customer and non-customer social interactions. The resulting insights can be used to improve marketing messaging, help sales people gain insights into what is going on at their customers’ organizations, or provide input to the ideation process to drive continuous innovation in products, services, and the customer experience.

**Oracle provides a platform for omnichannel orchestration**

As Figure 4 shows, Oracle provides a broad array of cloud-based solutions designed from the outset to integrate and work together. This provides options for both B2B and B2C organizations, as well as public sector agencies seeking to serve citizens and reduce costs.

The Oracle CX Cloud suite consists of six main solutions covering marketing, sales, service, e-commerce, social, and CPQ. Oracle Service Cloud provides a comprehensive solution that extends customer service into the field. With the inclusion of Oracle Field Service Cloud within the Oracle Service Cloud portfolio, Oracle provides a field service offering integrated within its customer service solution. This functionality merges the digital and physical aspects of customer service by providing field reps with context-aware information and two-way communications tools. In addition, the tools allow enterprises to drive operational efficiency, automation, and optimization of the entire service process – from customer incident through to service delivery and feedback. Extensive use of predictive analytics and machine learning, including event triggers to automate relevant interactions, provides Oracle’s customers with a platform for successful omnichannel orchestration.
Mid-market enterprises and start-ups find Oracle’s CX Cloud attractive

Despite its large-enterprise heritage, Oracle CX Cloud is also proving attractive to much smaller organizations, including start-ups such as Deseret Digital Media, a fast-growing media and online services company focused on the family and headquartered in Salt Lake City in the US. In less than 18 months the company has acquired more than 22 million subscribers; it reaches more than 100 million people via social channels and generates over 800 million ad impressions per month.

The UK jewelry insurer TH March uses a combination of Oracle Cloud customer experience solutions, sales, marketing, service, and social to engage with its customers and has been recognized by Investor in Customers (IIC), a leading business-assessment company focusing on customer experience. IIC measures excellence in the field of customer service and customer relationships through independent assessments of actual customer feedback.

Oracle provides a modern and engaging user interface

Alta UI’s design principles provide a modern and uncluttered user interface

As well as working hard to integrate acquisitions into its cloud portfolio, Oracle has invested heavily in developing a common, modern user interface, Oracle Alta UI. The user interface was created first for mobile and includes responsive design elements to ensure that uncluttered visuals render correctly in any browser or on any mobile device. Designing for mobile first ensures that when scaling to larger form factors such as desktop computers information is presented in a clear and uncluttered manner.

Adopting the minimalist Alta UI design principles creates a far more engaging and easy-to-understand representation of sometimes complex information, with intuitive navigation. Companies can also use their own branding across the applications to provide a consistent experience.

Alta UI’s advanced visualizations help users extract meaning from more complex information. Icons and tiles present choices to users, making it easier for them to find what they are looking for.

Figure 5 provides a side-by-side view of mobile and desktop home screens.
Providing a simplified, modern, and engaging user interface across the entire Oracle CX Cloud suite fosters user adoption and allows employees to focus on what matters most.

Oracle must continue to prioritize customer outcomes above all else

Building trust and minimizing customer concerns about lock-in

Oracle has assembled and developed a comprehensive suite of enterprise applications to support omnichannel orchestration and a positive customer experience, yet it must take care to reinforce the view that the enterprise customer’s interests are its number-one priority. Oracle recently appointed customer success managers to ensure that customers get the benefits they are seeking, which is a step in the right direction in terms of building trust. Oracle’s standards-based platform and open APIs for integration with non-Oracle applications help to provide an environment that supports enterprises that wish to use other vendors’ applications as part of their omnichannel customer engagement strategies.

Omnichannel is complex and demands consulting skills

Although each component of the Oracle CX Cloud suite can be bought and sold as stand-alone items, any organization that is serious about omnichannel will recognize that it is a complex challenge that must bring together and unite teams from across the enterprise. Oracle should seed its sales teams with consultative sales people with the broader omnichannel/cross-channel domain expertise. At the very least, senior individuals must be able to take on the orchestration role and be comfortable discussing the broader capabilities with various departmental heads and C-suite executives. Oracle must also be careful to ensure that it can offer advice that is seen to be constructive and not
self-serving. Compensation plans should be adjusted to foster high levels of trust and positive customer outcomes, rather than be a crude incentive to sell more of the portfolio. This will require a high degree of integrity and maturity, but is essential to offset the fear of lock-in to a single vendor and to ensure that Oracle is viewed as a strategic partner.

Appendix

Methodology

This report is based on mix of primary research and interviews with Oracle product teams and customers together, with secondary research sources.

Further reading


*CRM Comes of Age in an Omnichannel Guise*, IT0020-000134 (June 2015)

*How to Develop an Omnichannel Customer Engagement Capability*, IT0020-000108 (April 2015)

*The Customer-Adaptive Imperative*, IT0020-000091 (March 2015)

*Omnichannel Customer Engagement: Oracle’s Formidable Arsenal*, IT0020-000069 (November 2014)

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