CUSTOMER EXPERIENCE
Empowering People. Powering Brands.
Introduction

The digital revolution is creating a new experience revolution, transforming everyday moments forever. Gone are the days when interacting with your customers was primarily a human experience—face to face, on the phone, in a store, or at an event. You had control over the information that your audience saw, and customers had to come to you for information. The journey from prospect to customer was more linear, and businesses found themselves with a great deal of control over the entire sales cycle.

Engaging your customers is a lot more complex today. Social networks have made the world smaller, further removing geographic barriers, opening up entire new markets, and creating new competitors. The number of mobile devices has exploded, transforming when, where, and how people use information and expect to engage with your brand. Information is now readily accessible to most anyone, at any time, on any device, in increasingly varied and easily transmissible digital formats.

All of these changes have radically altered the buying process and the way people want and expect to do business with you. The process has evolved from a sales cycle to a buying cycle with control of the customer relationship now in the hands of the empowered consumer. Customers can make buying decisions without ever contacting your company. Clearly, customer experience matters more than ever before.

In this executive strategy brief, we will explore why customer experience matters more than ever before, what the top-line and bottom-line business-value customer experience can generate, the current state of customer experience, the challenges in creating a great customer experience, and how Oracle’s customer experience solutions can help organizations create and manage their own great customer experiences across all channels, touchpoints, and devices.
Welcome to the Age of the Customer

Customer experience is the customer’s perceptions and related feelings caused by the one-off and cumulative effect of interactions with a supplier’s employees, channels, systems, or products. This experience is measured, rated, and evaluated by the customer, not by you. Customers have a stronger influence on your success than they have ever had before.

The State of Customer Experience Today

Customers want personal and engaging experiences that develop into relationships. Much like the trials and rewards of personal relationships, when done right, brand relationships can grow into lifetime commitments. When done wrong, they can lead to painful breakups.

The 2011 Customer Experience Impact (CEI) Report by RightNow (acquired by Oracle in March 2012) and conducted by Harris Interactive explores the relationship between consumers and brands. The report reveals facts about what consumers are looking for from a brand, how quickly they will dump a favorite brand, and their tendency to seek retribution after a breakup.

- **Happy consumers are willing to pay more.** Positive engagements create long-standing, loyal relationships and this is so important to consumers that they are willing to pay for it. In fact, according to the CEI survey, 86 percent of consumers will pay more for a better customer experience.

- **Customer expectations are rarely met consistently.** With only 1 percent of consumers feeling that their expectations for a good customer experience are always met, it is easy to see why the relationship between brands and consumers often flames out.

- **When expectations are not met, brands get dumped.** Poor experiences are due to unmet expectations, leading consumers to take their business elsewhere. 89 percent of consumers began doing business with a competitor following a poor customer experience. 50 percent of consumers give a brand only one week to respond to a question before they stop doing business with them.

- **Bad experiences travel fast.** After a poor customer experience, 26 percent of consumers posted a negative comment on a social networking site like Facebook or Twitter for hundreds, even thousands, of their friends and followers to see.

- **Most online complaints go ignored by the company.** 79 percent of consumers who shared complaints about a poor customer experience online had their complaints ignored.

- **A simple response can make a tremendous difference.** Of those customers who did get responses to complaints, more than 50 percent had positive reactions to the same company about which they were previously complaining. And 22 percent even posted a positive comment about the organization.

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“We’ve entered the age of the customer—an era where a focus on customers matters more than any other strategic imperative.”

Creating a Great Customer Experience

Elements of a Great Customer Experience

Managing the entire customer experience and evoking positive feelings requires a disciplined and dedicated approach. As many products and services have been commoditized in the age of the customer, customer experience is how you will differentiate and thrive. Creating great customer experiences includes three key elements:

- **Connect and engage.** Ensure that your customers can get to you whenever, however, and wherever they desire. Create simple, consistent, and relevant experiences across all touchpoints and interactions. Tailor digital interactions based on behavior, intent, and known preferences and optimize experiences for different devices and modes of interaction.

- **Know more.** Get as much information as you can about your customers prior to the current interaction. Having the right information at the right time improves your ability to retain customers and have them become repeat buyers. Personalize content, messages, and offers based on real-time decisions and recommendations using analytic insights such as “next likely purchase” and “next best action.”

- **Make it easy and rewarding.** Improve efficiency and accuracy with cross-channel order orchestration and fulfillment. Enable “anywhere, anytime” interactions with intelligent self-service and at-the-point-of-need assistance. Proactively engage customers directly in social networks and reward best customers for total lifetime value, including referral value.

Qualities of a Great Customer Experience

Many of the leading companies in the world are defined by great customer experiences—Apple, American Express, Amazon, Starbucks, Nordstrom, Southwest Airlines, and Costco to name a few. We all seem to know when we have a great customer experience, but it is sometimes difficult for customers to identify exactly what made the difference. After studying examples across multiple industries and geographies, there are five key qualities that customers value in a great experience:

- **Consistent voice**
- **Connected interactions**
- **Personalized journey**
- **Efficient service**
- **Rewarding relationships**
The Customer Experience Lifecycle

Creating a great customer experience means delivering these qualities consistently over time across the entire customer lifecycle, from buying and owning and back again. Whether a consumer or business, customers move through a closed-loop, continuous customer experience lifecycle as they engage and interact with your company and brand over time—like an infinity loop.

Customers want simple, consistent, and relevant experiences across all interactions throughout the lifecycle. Exceptional customer experiences throughout the lifecycle create the loyalty, advocacy, and repeat business that drives success. Integrated and well-designed solutions are the key to sustaining this high level of customer experience—driving the customer acquisition, retention, and efficiency that make leading companies successful.

The Business Value of Customer Experience

Generating Measurable Results

Customer experience is more than just a “nice-to-have” branding tool. Customer experience helps you make money and generate measurable top-line and bottom-line results. As with any investments you make, you will want to be able to demonstrate progress and success of your customer experience investments. These metrics are typically classified under the stages of acquisition, retention, and efficiency. The table below details specific goals and metrics associated with each of these stages. That way, you can keep your organization updated on your starting point, destination, and progress along the way.

“Oracle RightNow CX Cloud Service offers the robust features that we required. Both our customers and our agents now have access to new resources for information and communication that can provide faster response rates and reduced e-mails because customers now have answers at their fingertips. We could not be more pleased with our deployment.”

—Jon Buck, Operations Manager, Angie’s List
Avoiding the Pitfalls

Most companies would say that they try to create a good customer experience and have invested in systems, people, and training to develop it. So what’s missing and why is it so much more difficult to meet your customer expectations every day in every way?

- **Your Customers Want to Do Business with You in More Ways than Before**
  
  With the explosion of digital, mobile, and social touchpoints, customers expect to engage you and your brand in more ways than ever before, and they want that experience to be consistent regardless of the touchpoint. Customers are blind to different channels; they view each and every interaction as doing business with you. To win their business and loyalty, you have to adapt to the new ways customers want to do business, not the other way around. This puts a high premium on your ability to provide a consistent engagement across any channel, at any time, and from any device.

- **The Customer Journey and Lifecycle Have Become More Complex**
  
  The customer-buying journey often starts long before the customer ever engages your company or brand. Through easy access to your other customers, product information, and service reviews, buyers will often know more about your product, price, and service than your sales and service agents. When customers do engage your company directly, they may be well informed. This means your company will also need to be well informed, from your service agents to your sales reps to your automated systems. You will have to provide the same information and a consistently satisfying experience across all of your touchpoints to attract and retain your best customers.

- **Silos Create Customer Frustration**
  
  Even though most companies have created systems to address most of these channels and touchpoints, they often created them independently, making it difficult to maintain consistency and know what happened in other interactions to improve the next interaction. This often results in duplicative systems and processes, which are not only inefficient, but also costly. The lack of a seamless

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<th>ACQUISITION</th>
<th>RETENTION</th>
<th>EFFICIENCY</th>
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<tr>
<td>Increase Sales and Adoption</td>
<td>Build Trust and Strengthen Relationships</td>
<td>Reduce Costs and Effort</td>
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<td>Increase Traffic</td>
<td>Increase Customer Satisfaction Rates</td>
<td>Increase Self-Service Success Percentage</td>
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<td>Increase Conversion Rates</td>
<td>Increase Service Quality and Reliability</td>
<td>Increase in First-Call Resolution</td>
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<td>Improve Average Revenue/User, Average Margin/User</td>
<td>Decrease Churn</td>
<td>Decrease Fall-Out and Cycle Time</td>
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dialogue between the customer and you across all touchpoints creates customer frustration, which results in lost sales and lower customer satisfaction. Internal goals and incentives that are in silos also contribute to customer frustration. Companies have worked feverishly to keep pace with the ever-evolving customer interaction model. New customer experience management positions have been created, and new solutions have been implemented to optimize each new function or channel. The challenge is that optimizing the performance of a specific area in isolation often causes issues in other areas. For example, minimizing customer-service call volumes can create customer dissatisfaction as you deflect legitimate calls for service in the name of cost savings. This can make it more difficult to successfully execute follow-on sales activities.

So what can you do to transform your customer experience, systems, and people?

**Oracle’s Customer Experience Strategy**

**The Oracle Difference**

Oracle’s customer experience strategy is designed to help companies and organizations across many industries create the consistent, connected, personalized, efficient, and rewarding experiences their customers and constituents want while generating real top-line and bottom-line business results.

Oracle’s customer experience solutions help companies and organizations transform their existing operational systems and infrastructure into a differentiated customer experience across the customer lifecycle. Built around Oracle’s best-in-class solutions, Oracle delivers the most complete customer

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“Oracle’s Siebel Customer Relationship Management provides the sophisticated, flexible platform we need to improve call center agent productivity, enhance customer service, and bring new offers to market more quickly, across multiple channels.”

—Girish Yadav, Director, Oracle Practice, Citrix Systems, Inc.
Delivering exceptional customer experiences throughout the customer lifecycle creates loyalty, advocacy, and repeat business that drives success.

experience solution in the industry, enabling companies to differentiate themselves across all channels, touchpoints, and interactions.

From marketing to sales, from delivery to support, from initial engagement to rewarding relationship, Oracle’s customer experience strategy helps companies and organizations acquire new customers, retain more customers, and improve efficiency, creating the great customer experiences you want.

Oracle provides a comprehensive set of customer experience solutions for:

- **Commerce.** Personalize customer engagement across touchpoints, connect buyers with relevant products and services, provide consistent buying experiences, increase conversions and order sizes, and streamline order capture and delivery.

- **Service and support.** Unify service interactions across touchpoints; get an accurate, current record of your customers; reduce the time it takes to resolve customer issues; personalize responses to customer inquiries; and enable service both in the call center and in the field.

- **Marketing and loyalty.** Manage the entire marketing cycle from planning and budgeting to execution and analysis; create personalized and contextually relevant experiences across Web, mobile, and social channels; and manage and integrate multichannel loyalty programs.

- **Social.** Listen and engage with customers across social media platforms; monitor, understand, and respond to consumers’ social conversations; create, publish, moderate, and measure social marketing campaigns and engagement; integrate social interactions with customer service; and collaborate and build engaging applications and enriched social experiences across Facebook, social sites, and mobile phones and tablets.

- **Insight.** Leverage customer data to deliver great customer experiences; create a single source of customer information; scale relevant content, search results, and merchandising across customer paths; and use rules and predictive analytics to make better decisions faster.

- **Integrated sales and marketing.** Create and optimize sales plans, territories, incentives, and quotas; centralize customer information; notify sales users of any activity impacting their customers and deals; allow sales users to collaborate online; integrate key competitor and reference information; and manage lead scoring and distribution.

- **Industry.** Take advantage of solutions built for retail, communications, financial services, public sector, travel and transportation, consumer goods, and more.
Summary

Your customers expect a consistent, relevant, and personalized buying experience. Your internal applications and systems need to support a disciplined approach to customer experience. We have now entered the age of the customer. Customers are making decisions that often bypass your employees and interact directly with their peers and social networks.

Creating great customer experiences starts with knowing exactly who your customers are and their needs, and providing the best recommendations based on their history with your company, as well as what you have learned through their social presence. You need to connect and personalize their experiences as they travel across touchpoints and engage with your brand.

With a comprehensive suite of solutions and technologies for commerce, service and support, sales, insight, loyalty and marketing, and social media, Oracle can address the entire customer lifecycle. You will be able to simultaneously connect and engage customers, learn more about them, and make it easy and rewarding to do business with you. Oracle’s customer experience solution enables you to deliver great customer experiences and profitable customer journeys.