



# CREATING SMARTER CX

**How building smarter  
relationships between  
brand and consumer is  
key to long-term success**

*In partnership with Jay Baer and Convince & Convert*

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# JAY BAER, PRESIDENT OF CONVINCE & CONVERT

Digital marketing and online customer service are broken, and Jay Baer brings the repair kit. Jay is the President of Convince & Convert, a New York Times best-selling author of five books, and the host of the Social Pros podcast, part of his Convince & Convert podcasting network. He's also an avid tequila collector, and a certified barbecue judge.

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# WHAT IS “CUSTOMER EXPERIENCE”?

## CREATING AN EXPERIENCE

Every day, your customers are interacting with you. They're using your products and services, in real-world environments, because they want to, or because they need to. They're praising the benefits, grumbling over complexities, discovering improvements, and sharing these interactions—both negative and positive—with peers, managers, friends, and strangers.

If you're listening, your customers are sharing these insights with you, too.

THE QUESTION IS:

**How are you responding?**

The answer matters. Because it's what creates the customer experience.

## DEFINING CUSTOMER EXPERIENCE (CX)

Bruce Temkin, Managing Partner of the CX Institute and Co-Founder of the Customer Experience Professionals Association, defines customer experience (CX) as "the perception that customers have of their interactions with an organization."

This definition, while straightforward, understates the myriad underlying business processes necessary to affect those perceptions. From evolving technologies and growing competition to waning consumer attention, there's a greater need than ever for a smarter approach.

## CHANGING CUSTOMER EXPECTATIONS

Not so long ago, consumers were considerably limited in how they could communicate with a brand. They could talk directly to an on-site representative, write a letter to management, or phone up headquarters.

As new technologies developed, the methods, as well as speeds, of communication have increased exponentially. Customers absorbing these digital developments now have greater demands regarding transactions and service.

**BUT ARE CONSUMER EXPECTATIONS TRULY HIGHER, OR ARE COMPANIES SIMPLY STRUGGLING TO KEEP UP?**

It's an undeniable fact of business that marketplaces and attitudes change, so it's logical that business processes must change as well—particularly those involving CX.





## RELEVANCY IS THE KILLER APP

The seeds of CX are planted long before a product is ever purchased or a service engaged—it starts with brand awareness.

Yet when individuals have almost limitless options for products and services that compete with yours, how can you not only capture consumer attention but, more importantly, sustain it?

You need to be RELEVANT.

Search Engine Watch explains:

“Content, context, timing, technical proficiency, and audience targeting—these are all critical to ensuring that your brand is delivering effective, relevant content.”

Think of relevancy as the “killer app,” because relevant CX captures the rarest of audience traits: attention.

## MAKING THE CONNECTION

From attention comes the opportunity to elevate the customer experience. This is a delicate dance of cause and effect, because connections are created from emotional interactions...and a brand needs to ensure those defining moments are positive ones at every point in order to earn customer loyalty and reap success.

It’s a company’s responsibility to monitor for, and respond to, consumer comments and inquiries. Businesses that invest in human and technological resources to accomplish this can deliver timely, accurate, and satisfactory communications—and therefore are most likely to develop lasting connections with their customers.

“It’s in the provision of standout, noticeable customer experience (the real-world embodiment of the brand promise) where great companies shine and mediocre companies shrink,” affirms Jay Baer, President of Convince & Convert.



# WELCOME TO THE ERA OF SMARTER CX

## IT STARTS AT THE TOP

Organizational leadership drives business culture through every department, to each employee. If your company has internalized customer-centric core values encompassing respect and service, these values will naturally reveal themselves.

This organic demonstration is crucial, because this also means that each individual in your company from the most seasoned executive down to the newest intern has the opportunity—and the responsibility—to provide an exceptional experience for your customers.

When everyone in the business is empowered to contribute to a connected consumer landscape, the brand becomes humanized. And customers who feel cared about as individuals are much likelier to become brand advocates.

Brands must overcome inherent resistance to change because rapidly evolving customer needs are redefining business viability. A

CX strategy is no longer a “nice to have”—it’s an undeniable must-have. Harvard Business Review surveyed **600 executives and managers** of the world’s biggest brands and found **86% of agree that CX is vital for success.**

## COMPLEX INTERNAL SYSTEMS

Beyond swaying corporate attitudes, CX leaders face the additional challenge of increasingly complex internal systems.

A single point of contact no longer exists in the business world. In today’s digital world, a dizzying network directs the flow of customer information, requiring infrastructure for seamless, intelligent, omnichannel interactions.

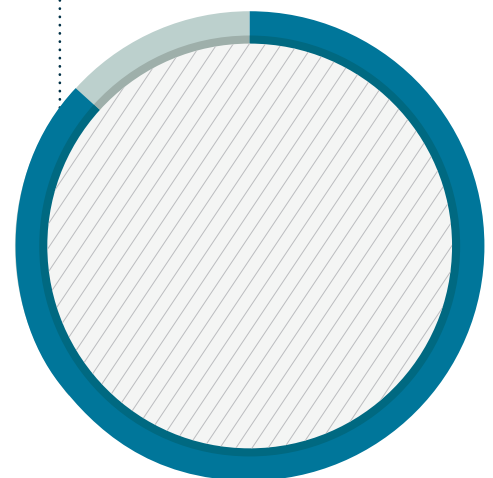
It’s common now for a single transaction resolution to require one customer interacting with multiple brand representatives, with several visits, calls, emails, and/or social posts transpiring in the process. Unfortunately, all

too often there is a disconnect between these touchpoints.

At best, such disconnects create inconvenience for both consumer and business. At worst, critical information could be miscommunicated or lost entirely.

86%

of executives and managers of the world’s biggest brands agree that CX is vital for success.



## CX AS A SCIENCE

For companies to be successful with CX, they need to be able to simplify processes, innovate exceptional experiences, and connect customer interactions across every department. After all, CX isn't just the responsibility of customer service teams anymore; everyone in a business must apply CX lessons to improve their current performance and create long-term customer loyalty.

Paul Greenberg, author of "CRM at the Speed of Light," points out that Customer Experience Management (CXM) "is a business science that has the purpose of determining the strategy and programs that can make the customer feel good enough about the company to want to continue to do business with the company."

Apple's Steve Jobs agreed, and provided a clear directive: "You've got to start with the customer experience and work backwards to the technology." Companies need to think as their customer first, understand what that customer journey looks like, and then transform their business to match.

## SIMPLIFY. INNOVATE. DELIVER.

When the customer experience is put into the spotlight, a primary need becomes clear: businesses need to stop talking about CX in the abstract and instead start developing specific initiatives that can be measured and optimized.

By coordinating three specific and connected components—Data, Experiences, and Intelligence—you, too, can "**Simplify. Innovate. Deliver.**"



# 3 CONNECTED DATA

## INTEGRATING

To make the customer experience as frictionless as possible, it's critical to remove data silos and unify Marketing, Sales, Service, and Commerce initiatives in order to deliver relevant interactions.

But as Google's Econsultancy report, "[The Customer Experience is Written in Data](#)," reminds us, each interaction creates a



stream of digital information that leaves implementers with a growing pile of data.

Start by inventorying the customer systems you currently have in place and reviewing the types of data collected. Document the purpose, process, and structure of each system; look for overlaps where redundancies may be reduced or eliminated.

Eventually, patterns should emerge that can lead to tighter integration between systems and improved process flow.

## SPOTLIGHT ON Cummins, Inc.

Cummins Inc., a global power leader, wanted to elevate their CX, but Michael Nagel, Cummins' Digital Brand Reputation manager, knew it would be a challenge without executive buy-in.

Implementing a Six Sigma process to integrate social across their organization, Nagel brought together groups within the company to solidify the details of the entire social customer care program. This approach garnered not only necessary executive approval and trust, but also cross-functional buy-in and a solid, thought-through plan.

Through the process, Cummins went from four siloed business units that had different processes for responding to customers on social, to delivering one consistent, reliable, and real-time brand response.

"Social customer care is about turning detractors into advocates," Nagel says. "I should be able to attach a number to every customer we retain because we responded to their social media post. Ideally, I'd follow up with them and make sure the issue was resolved—and if I can show the dollar amount of retaining that customer, that's tracking ROI."

## STRATEGIZING

Data needs to be gathered, transformed, analyzed, and turned into actionable insights before it's useful, but it's essential that brands first strategize about what to collect and how it will be used.

Different departments will, of course, have differing processes and goals. Try to incorporate those needs but at the same time think more broadly about how collecting data can benefit the overarching business in regards to improving the overall customer experience.

Primary directives of customer responsiveness, internal collaboration, market insight, and employee productivity should all be evaluated to ensure strategic improvements.

## PERSONALIZING

One of the best ways to immediately improve CX is through personalization.

From the brand point of view, personalization makes good business sense. Harvard Business

Review found that personalization can reduce Customer Acquisition Cost (CAC) by as much as 50% and increase marketing spend efficiency by 10% to 30%.

For CX, it makes even better sense. One Accenture report concluded that 75% of consumers are more likely to buy from a retailer that personalizes. Infosys demonstrated that 74% of customers feel frustrated when website content is not personalized.

When the experience is personal and consistent the entire customer journey, it's a win-win for everyone.

**75% of consumers are more likely to buy from a retailer that personalizes**



**74% of customers feel frustrated when website content is not personalized**



# 4 CONNECTED INTELLIGENCE

## INTRODUCTION TO CONNECTED INTELLIGENCE

Harvard Business Review author Michael Schrage shares a key insight: “Innovation is an investment in human capital—in the capabilities and competencies of your customers. Your future depends on their future.”

Developing trends in technology are already shaping new consumer habits. Businesses who fail to respond to these changes will lose more than just immediate market share. They’ll lose valuable insights that will help them evolve their CX.

## ARTIFICIAL INTELLIGENCE/ MACHINE LEARNING

While current marketing practices still thrive on pre-defined scenarios and anticipated consumer behavior, the future of artificial intelligence (AI) and machine learning offers far greater benefits.

AI processes are able to create relevancy and specificity on the fly, which leads to better, faster, and more personal customer experiences.

In addition, companies that implement machine learning networks find business outcomes continuously improve as the system reacts, learns, and adapts. This can provide tremendous savings in time and money resources across departments.

AI can be considered a kind of digital collaborator that can take human intelligence to the next level. Booz Allen Hamilton Vice President [Angela Zutavern](#) observes, “Machine intelligence can give you answers to questions that you haven’t even thought of.”

## AUGMENTED REALITY

Augmented Reality (AR)—computer-generated technology in the forms of graphics, video, and/or sound that overlays, or “augments,” information on a live view of the physical world—is a rapidly developing arena for enhancing CX.

While mainstream applications such as Snapchat and Pokémon GO have captured consumer attention, AR can provide much greater enterprise business

value than pure entertainment. It has potential implications for every industry from Retail to Financial Services to Hospitality.

By adding contextual information to real-world moments through smartphone apps or digitally enhanced glasses, AR can “retain more customers, increase learning and engagement, generate more revenue and better ROI, and improve productivity,” states [Dan Brooks](#), Oracle Product Marketing Manager, Mobile.

AR offers even more value when implemented in critical situations.

Consider, for example, how AR might be used in [healthcare](#). In an extremely time-sensitive environment typically fraught with high levels of stress, consequential errors are all too easy to make.

To improve accuracy and reduce risk, AR could provide healthcare providers with real-time critical data such as patient identification, history, symptoms, and potential medication interactions.

## INTERNET OF THINGS (IOT)

We define the Internet of Things (IoT) as a vast interconnected system that represents the nexus of the physical and digital universes. Much more than just a new initialism, IoT is a growing revolution in technology.

From enterprise-level manufacturing to consumer home appliances, the analog world is expanding a vast array of capabilities through cloud-based internet access and data storage.

Gartner forecasts that 8.4 billion connected things will be in use worldwide in 2017, increasing to 20.4 billion by 2020. Consumer-focused interfaces such as fitness devices, in-vehicle apps,

and voice-controlled smart speakers like Amazon Alexa and Google Home all work by connecting, analyzing, and integrating data intelligence.

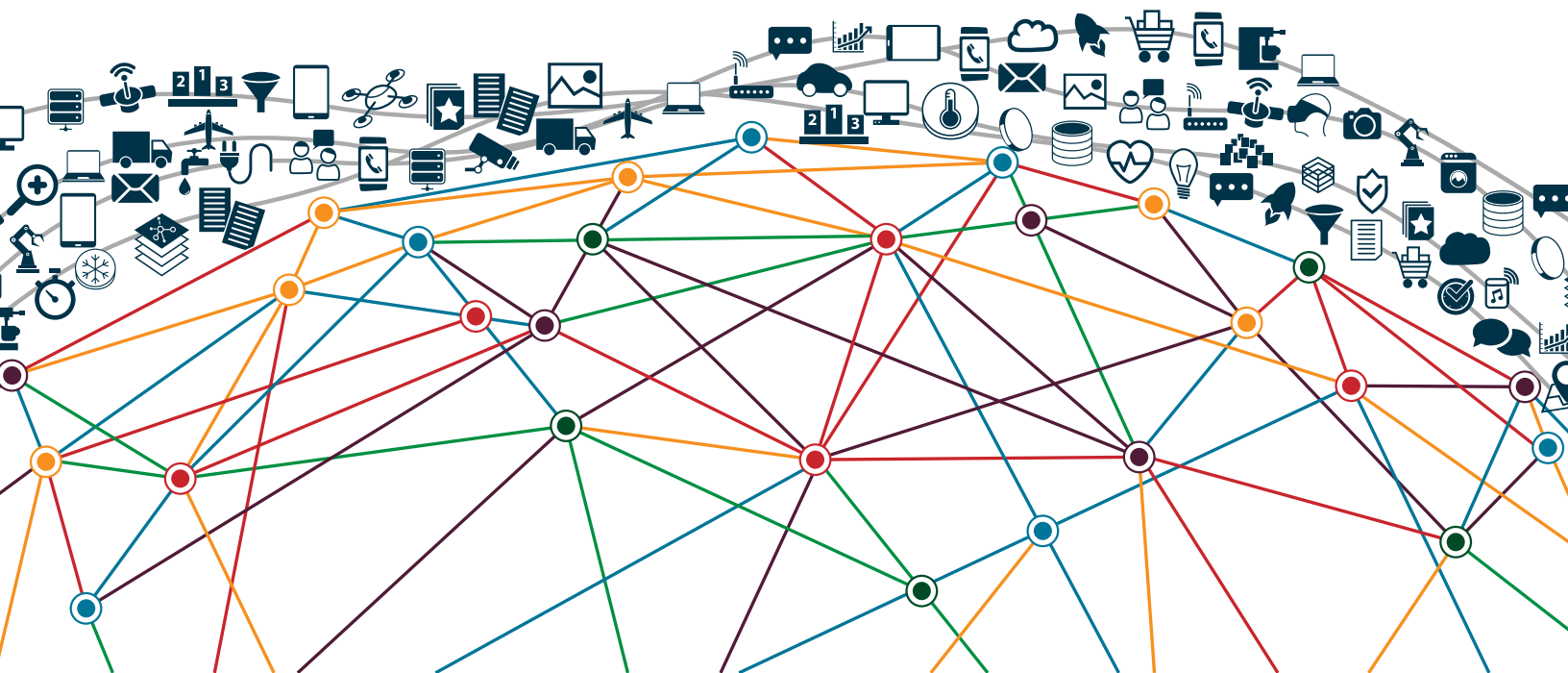
Consider a few possibilities of how the IoT could be used:

- A sporting goods manufacturer could put sensors in its rackets and bats to let athletes track and analyze ball speed, spin, and impact location to improve performance.
- A grocery chain could use IoT data to monitor produce shipments—determining temperature, light exposure, and how much jostling its fruits and vegetables undergo en route to supermarket shelves.

- A boutique hotel could use IoT data to track customer behavior, tailor services, and increase loyalty.

- A carmaker could install monitors in its vehicles so that the car itself could alert the driver when the tires need rotating or other routine maintenance is required, and then schedule an appointment with the dealership.

While IoT technology can enhance many established business processes, it is particularly beneficial when implemented at a critical point in a company's evolution.



## CHATBOTS/VIRTUAL ASSISTANTS

With increasing consumer interactions, companies need all hands on deck. One way to handle surging volume is through the use of digital helpers in the form of virtual assistants (VAs), or chatbots.

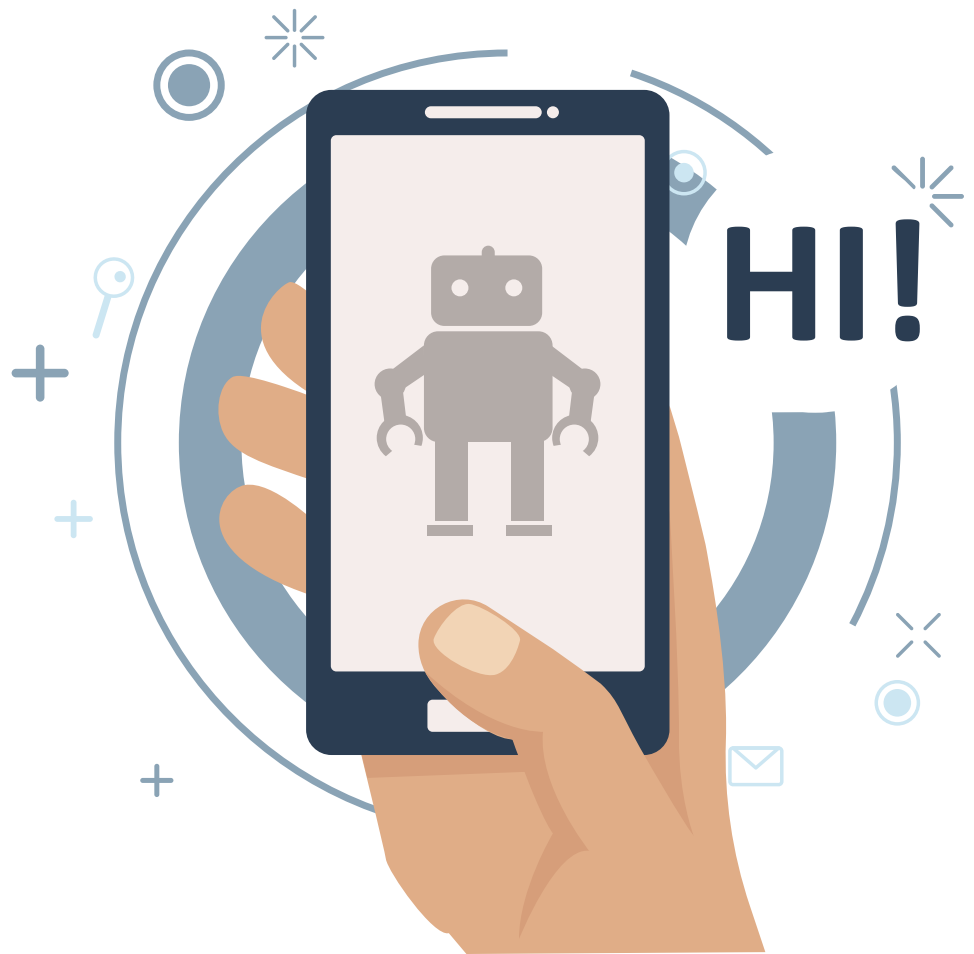
Because chatbots can take the form of text (such as Facebook Messenger) or voice (think Apple Siri or Google Home), CX professionals need to put structures in place to accommodate customer preferences.

Suhas Uliyar, Oracle's Vice President of Mobile Products and Strategy, says a well-defined orchestration system can accomplish this in 4 steps: abstracting communication structure, designing dialog flow, implementing natural language processing algorithms, and integrating consistent data across channels.

Chatbots provide a 24/7 speed advantage when it comes to receiving issues, but generally are most successful when restricted to a specific catalog of customer inputs and standard responses. It's critical that brands continue to fine-tune their VAs and demonstrate seamless handoffs when needed between virtual and real assistants—such as when Marketing or Sales need to follow up chatbot sessions with relevant emails to prospects, for instance.

That being said, chatbots are already proving their effectiveness. So effective, in fact, Gartner predicts that by the year 2020 the use of VAs will jump 1,000% and 10% of business-to-consumer first-level engagement requests will be taken by VAs, up from less than 1% today.

**// Chatbots could save \$174 billion, across the Insurance, Financial Services, Sales, and Customer Service industries, with 80% of brands using chatbots for customer interactions by 2020.**





# 5 CONNECTED EXPERIENCE

## OMNICHANNEL

The days of doing business Monday through Friday, 9am to 5pm, are gone. Today, consumers are online 24/7, using a variety of platforms around the world, looking for information and expecting your business to be there.

This “omnichannel” paradigm shift of when, where, and how to service customers is a considerable one, and no small challenge to most businesses. Shoppers are living in a one-click world and your business must participate, especially because the greatest brands in the world are training consumers what to expect.

Omnichannel CX starts with a business internalizing a consumer-centric approach. Saying “the customer comes first” isn’t just a catchphrase; it’s the driver necessary for survival. Based on analysis of S&P 500 data since 1950, McKinsey predicts that more than 75% of companies will be out of business by 2030, if the trend for losing customer relevance (i.e. neglecting your audience and buyers) continues.

In addition, a successful omnichannel strategy requires supporting technology. Customers expect businesses to provide

seamless interaction—or at least the reasonable appearance of it—and that requires backend orchestration. A dynamic IT infrastructure can enable team members from CEOs to Sales to Support to engage customers on whichever off- and on-line channels they choose, while capturing data, gaining insights, and developing responsive strategies.

## USING DATA

Econsultancy and Google explain in their report, “The Customer Experience is Written in Data,” that the purpose of data-driven CX strategies is to connect with customers in ways that grow the relationship, increasing loyalty and margins through a better value exchange, with nearly 90% of all respondents agreeing that “understanding user journeys across channels and devices is critical to marketing success.”

Businesses need to use data and intelligence to power every touchpoint on the consumer journey and make tangible improvements in the customer experience, but all too often there is a disconnect due to a lack of technology or processes.

Despite its importance, 30% of brands admit they cannot develop

an accurate, individualized profile for each customer and a similar percentage admit they are losing touch with customers because their interactions are not always relevant.

Don’t deprive your company of the opportunities that a smart data system can provide.

Some businesses suffer from a lack of motivation that comes when it costs less to acquire new customers than to keep existing ones. However, new customers are the first valuable step in becoming loyal ones, and each offers different types of personal data that is useful to a brand.

Potential customers are expressing their questions, interests, objectives, and pain points from their initial investigation stages to eventual engagement. Existing customers are sharing their preferences, expectations, and experiences, which contribute to strengthening and maintaining mutually beneficial relationships.

By collating and using consumer data to inform business decisions, companies will be better positioned to customize solutions and offer the best possible experience to earn consumer advocacy.

## CUSTOMER EXPECTATIONS

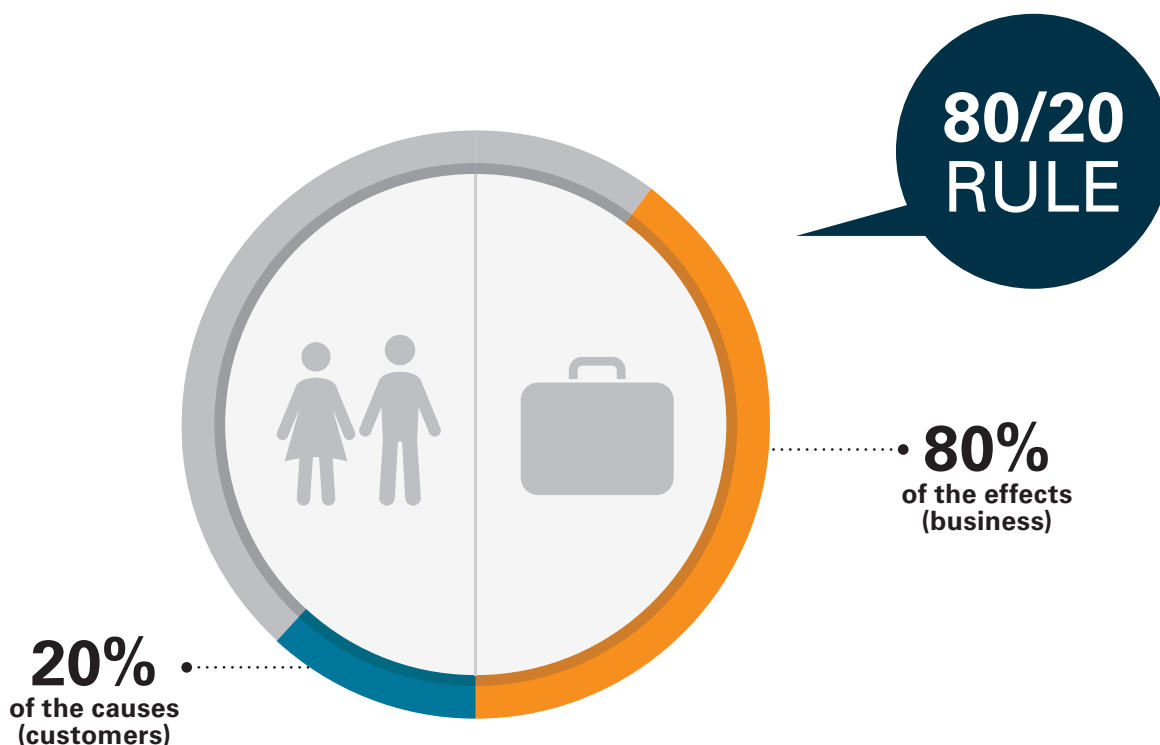
The Pareto principle—more familiarly known as the “80/20 Rule”—says that roughly 80% of effects (businesses) come from 20% of the causes (customers). Yet globally, businesses spend far more on gaining customers than on retaining existing ones.

An estimated \$500B is spent on marketing with only \$9B on customer service on actively maintaining relationships with existing customers. Mark Turner, SVP EMEA at Genesys, reasonably asks, “Marketing might get you new customers, but if you’re not looking after the

customer experience, what’s the point?” Today, all departments are responsible for CX.

For many businesses, it’s easy to forget that a repeat customer is not necessarily a brand evangelist, and a brand evangelist is not necessarily a repeat customer. And because brands may not be paying attention to the differing needs of each, it’s easy to miss the chances to meet your audience’s expectations.

In the end, the true purpose of CX is to make sure the two are blended across touchpoints and devices into one engaged participant who loyally supports your business.



# 6 CONCLUSION

## WINNING THE CX TRIFECTA

When Marketing, Sales, Commerce, and Service are thoroughly integrated through processes and technology, both the business and its audiences are rewarded with a more relevant customer experience and greater mutual success.

**“UNLESS BRANDS CAN ANALYZE THEM AS A COHESIVE WHOLE THEY WILL NEVER GAIN A COMPLETE PICTURE OF THEIR CUSTOMERS,”** reminds Michael Bornheim, CRM Consultant.

Brands that can blend connected data, intelligence, and experiences will, in the end, achieve the winning trifecta to create and keep loyal customers.

## CONNECT WITH US

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