

# Oracle decides communications sector is ripe for customer experience

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## Ovum view

### Summary

Oracle has identified the communications sector as one of the priority sectors it needs to focus on with "verticalized" offerings as well as target with new capabilities stemming from the launch of Oracle Live Experience Cloud and enhancements to its Oracle Customer Experience (CX) Cloud Suite.

A contributing factor is that communications service provider (CSP) demand for customer experience applications is on the rise. For a CSP to succeed in an increasingly competitive market, it needs to "become the easiest service provider to engage and work with," said Rajeev Tankha, vice president of CX Cloud Product Development Industry Solutions, during the Communications stream at the recent Oracle OpenWorld gathering in San Francisco.

Ovum is also anticipating increasing focus on customer experience investment in the telecom vertical. According to Ovum's just-published 2018 ICT Enterprise Insights survey, an overwhelming 97% of CSPs identify delivering a personalized customer experience as their most important business challenge over the next 18 months, up from the 85% that expected this to be the case a year earlier. Implementing end-to-end customer experience management also figures high as a CSP priority over this period.

### Oracle offerings align with increased CSP appetite for customer experience capabilities and cloud delivery

Oracle's continuing investment in expanding its customer experience capabilities aligns well with the increased interest we are seeing in the telecom vertical in customer experience. Announcements made during or ahead of this year's OpenWorld include enhancements to the Oracle CX Cloud Suite and the launch of Oracle Live Experience Cloud.

First, the vendor is extending the Oracle CX Cloud Suite with a series of new enhancements that connect data, experiences, and insights to deliver improved customer experience management. The latest product releases add AI-based capabilities and innovations in commerce, customer service, behavioral data, and user experience. These include:

- **Artificial intelligence innovations:** New AI-powered capabilities have been added to improve search capabilities within the Oracle CX Cloud Suite commerce platform, optimize marketing campaign execution, shorten sales cycles, and streamline customer service processes. New Adaptive Intelligent Apps for CX capabilities are also embedded within the Oracle CX Cloud Suite, building on Oracle's intelligent automation developments announced at last year's OpenWorld.
- **B2B and B2C commerce innovations:** New capabilities have been added to support an enterprise-grade B2B and B2C commerce platform.
- **Customer service innovations:** Enhancements have been made to knowledge management and visual search capabilities, and new capabilities have been added to provide proactive customer service and incident management based on real-time data produced by IoT-enabled devices.

- **Behavioral data innovations:** A new streaming behavioral-data platform will collect, connect, analyze, and distribute behavioral data in real time to provide a unified picture of how customers interact with a brand.
- **User experience innovations:** Included is a refresh of the CX Cloud Suite user experience, including improved and secure access to business information from different devices.

In the week before OpenWorld, Oracle also announced the launch of Oracle Live Experience Cloud, a cloud-native customer engagement platform intended to streamline real-time customer interaction and to complement other Oracle offerings such as the CX Cloud Suite. This software-as-a-service (SaaS) solution was given wide coverage and was demoed at the event.

Live Experience Cloud is being positioned to transform and enhance CSPs' existing customer engagement capabilities. The cloud service can be easily integrated into web and mobile apps and used to proactively engage with CSP customers across a variety of channels, supporting customers using high-definition voice, high-definition video, screen share, and annotations. Crucially, it embeds contextual customer insights and business analytics so users can switch between channels without losing key information already shared. These features help support the real-time communications and interactive approach that is necessary to transform the nature of the customer relationship.

Both CX Cloud Suite and Live Experience Cloud will benefit from the fact that an increasing number of operators are comfortable with cloud delivery models for customer experience applications. Ovum's just-published 2018 ICT Enterprise Insights survey, which looks at CSP purchasing intentions over the next 18 months, shows that more than 60% of CSPs anticipate that customer management capabilities will be primarily delivered in the cloud. This is a higher percentage than for all other product areas, including revenue management and analytics.

## Adding value with a communications-specific strategy

Both the Oracle CX Cloud Suite enhancements and Oracle Live Experience Cloud launch bolster Oracle's positioning as an end-to-end enabler of CSPs' digital transformation. According to Doug Suriano, senior vice president of Oracle Communications, the vendor is building up digital transformation capabilities in four key areas: network evolution, digital operation, digital business, and customer experience. The Oracle CX Cloud Suite enhancements and Oracle Live Experience Cloud launch primarily support the fourth of these, the customer experience area, by helping CSPs make better use of customer context, engagement, and intelligence. There is, of course, overlap between the four areas, with analytics tools and initiatives in particular straddling all of these.

Oracle executives mentioned during OpenWorld that Oracle is also planning to introduce increased "verticalization" to complement its core offering in order to help it target three key industries, one of which is communications.

Oracle's verticalization drive builds on its existing strategy, as the Oracle CX Cloud Suite already has industry-specific variants that support a number of vertical sectors, including communications. These variants bring together industry-specific data models, processes, and best practices, as well as strategic partnerships and integration with other platforms in order to support the specific needs of a vertical sector. In the case of the communications sector, integration with OSS and BSS platforms is particularly relevant.

In Ovum's opinion, targeting CSPs with communications-specific offerings makes sense, not just because of growing appetite for customer experience applications, but also because of the wide

divergence we are currently seeing within the sector. Plenty of operators are still moving relatively slowly because of uncertainty over what to prioritize first as part of their digital transformation. The likes of AT&T, Verizon, Telefonica, Orange, or Vodafone may be trailblazing, but this level of confidence does not yet permeate the operator community as a whole.

## The challenges facing CSPs

Managing the customer experience across multiple channels is one of the biggest challenges facing CSPs as they undergo digital transformation. An effective omnichannel strategy is essential for CSPs transitioning to becoming digital service providers, and one of the key enablers of this is a centralized set of customer engagement capabilities able to streamline and orchestrate the customer experience across a variety of channels.

Oracle is well positioned to address the growing customer experience needs of the communications sector. Last year, Oracle CX Cloud was named by Ovum as a market leader in a comparison of global vendor enterprise applications (see *Ovum Decision Matrix: Selecting a CRM Solution for Telecoms, 2016–17*). The breadth and modular nature of Oracle's omnichannel customer engagement platform was a big factor in this, and of course, with the latest round of enhancements and additions, Oracle has further expanded its scope. Oracle's adoption of a unified pre-integrated approach to Oracle CX Cloud serves it well as it supports the increasing need for CSPs to adopt a more holistic and company-wide approach to managing customer experience.

But there is an inherent tension here in pursuing such a strategy in the telecom market. Delivering a successful customer experience journey requires that the capabilities described above are aligned throughout the CSP organization and not just within individual business units or customer touchpoints. This is most easily done when a strong executive position has already been established to promote it, such as chief customer officer (CCO) or chief customer experience officer (CCEO). Where a CCEO position has already been established – as was recently done at Verizon Wireless – it should be easier to align cross-company policy and recognize the value of investing in customer experience solutions that help deliver a consistent experience across the customer journey. But this is often not the case, because within many CSPs, ownership of the customer experience is still relatively fragmented, leading to a lack of a clear stakeholder. In such instances it can be more difficult for CSPs to justify the investment in a unified set of customer experience capabilities and for vendors such as Oracle to promote the cross-company business case.

This is where Oracle's growing consulting capabilities and strategic consulting partners can play a beneficial role. More consulting activity around the transformation of customer processes can be used to encourage investment in customer experience capabilities. And CSPs, in turn, stand to benefit from assistance with the business process changes required to deliver a successful customer experience initiative as part of a wider digital transformation.

## Appendix

### Further reading

*Ovum Decision Matrix: Selecting a CRM Solution for Telecoms, 2016–17*, IT0012-000176 (August 2016)

"Oracle Live Experience Cloud inserts context across the customer journey," IT0020-000323 (October 2017)

"Oracle enhances its omnichannel credentials with Adaptive Intelligent Apps," IT0020-000278 (May 2017)

"Momentum for Oracle CX Cloud gathers pace as firms grapple with omnichannel," IT0020-000207 (May 2016)

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## Ovum Consulting

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