

Oracle Adaptive Intelligent Apps translate data advantage to business value

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Ovum view

Summary

Oracle announced Adaptive Intelligent Apps at OpenWorld in 2016, helping fire the starting gun on the next evolutionary race in enterprise applications: intelligent automation. Ovum has previously argued that the mega-vendors in enterprise applications are engaging in a new round of differentiation, with data and analytics as the weapons of choice. At their core, Oracle's Adaptive Intelligent Apps are an expression of this trend, bringing together an enterprise's own data, Oracle's own third-party data offering (Oracle Data Cloud), and its significant capabilities in analytics and data science. Oracle is not the only player in this market; it is, however, a first mover in the data-as-a-service (DaaS) space with a long-established portfolio of analytic tools and an install base that provides the kind of AI learning opportunities not afforded to many.

Oracle Adaptive Apps integrate AI into enterprise applications

Defining enterprise applications is not a yearly exercise as with some technologies. The long wave of technology evolution that defines how enterprise end users interact with the technology that helps them conduct their day-to-day business doesn't change often: when it does, the change is seismic. The last major change to enterprise applications was the arrival of the cloud, which not only changed existing business models, but also spawned entirely new players in the enterprise market. Cloud is not quite commodity, but it is "table stakes" in the applications market; it is Ovum's view that the infusion of greater intelligence into those applications is the wave of change for enterprise applications, particularly among those that impact customer experience.

The availability of Adaptive Intelligent Apps is evolving across Oracle's Customer Experience (CX) portfolio, but their mission has not changed: to integrate intelligence into the customer-facing and customer-influencing processes a business has, in a way that is in the context of that process, "in the moment" (i.e. real time), and as invisibly as possible from the end-user perspective. Since their launch, Adaptive Intelligent Apps have been focused on those business outcomes that chief marketing officers are concerned with, in a business-to-consumer (B2C) context: providing marketing, commerce, sales, and service activity enhancements such as personalized product recommendations in commerce, or intelligent case management in service.

The technical capabilities that drive Adaptive Intelligent Apps are largely hidden away from users, which is an effective recipe for infusing intelligence into the everyday processes that define customer engagement and satisfaction. However, the obvious challenge for Oracle and competitors offering similarly integrated AI capabilities that are surfaced in the users' existing tools is how to justify charging separately for capabilities that feel like they are part of the application the customer is already paying for. To prove the business value of these integrated AI capabilities, Oracle provides administrators with "Lift Analysis" which, for example, shows the results of an offer campaign managed by Adaptive Intelligent Apps. This console displays a control group versus the Adaptive Intelligent Apps offer group, enabling analysis of benefit. Ovum suggests this feature should be a major focus for Oracle and its customers; proving the value of AI solutions needs to be highly visible and tracked over time to provide a justification narrative.

Oracle's Adaptive Intelligent Apps are defined by the data

Ovum has previously stated that Oracle has a substantial advantage in the form of its Oracle Data Cloud (DaaS) offering, bringing together a wealth of third-party data to help build, train, and continuously improve the machine-learning algorithms that power AI capabilities. Following the initial BlueKai acquisition, the additions of DataLogix, AddThis, and most recently Moat, Oracle has positioned itself well among the marketing community as a well-recognized DaaS vendor. Customer-facing or -influencing processes are those most likely to be improved by the consumer data offered by the Oracle Data Cloud; there is, however, an obvious route to expansion: business-to-business data, which Oracle is tackling with a B2B data solution. Business-focused data is not a new phenomenon, but it is one that has traditionally been an entirely separate industry – the preserve of a handful of well-established vendors.

With rapidly developing, web-scale technologies allowing the automatic crawling and scraping of data from the web, big data platforms to ingest and interrogate it, and constantly evolving data science, the scope of data categories and types that can be surfaced and utilized is constantly expanding. Ovum expects movement toward greater B2B data availability within the DaaS market, helping to create a more unified, transparent market for third-party data. In this case, B2B data would not only help the Oracle Data Cloud business expand beyond its roots in the consumer world but would also open the possibility of introducing another source: data from Oracle's cloud enterprise applications. Oracle must overcome major permission and privacy challenges before pooling and sharing data from these applications, but the use of anonymization and profiles to create training data for machine learning could be a major source of intelligence, and differentiation, for Oracle.

Intelligent automation will define every customer-related decision and data point across the enterprise; orchestration is a must

The volume of available information, and potential insight it holds, is so great that for it to be effectively leveraged, automation delivered by AI-powered capabilities is a necessity. Many of the capabilities of AI are grounded in moving the needle on singular customer processes, for example, scoring leads, or making choices about the offers made to customers. However, the opportunity to orchestrate this information across an enterprise to influence customer relationships more holistically is clear. Bringing together intelligence from each of Oracle's cloud applications – Marketing, Commerce, Sales, and Service – to help guide, for example, a sales representative, neatly brings an omnichannel approach to how that business conducts the full range of customer experience activities. Success in combining discrete insights from different Adaptive Intelligent Apps to create a broader impact on customer experience helps realize one of the promises of data's value; if small, incremental gains can be achieved across many different decisions by using data-driven insight, the combined gain in business value will be magnitudes greater.

Appendix

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Ovum Consulting

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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