# Data is the fuel of modern customer experience; Oracle has the portfolio to serve, analyze, and use it

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# Ovum view

## Summary

At the recent Oracle Modern Customer Experience (MCX) show in Las Vegas, NV, Oracle shone the spotlight on data's role in customer experience (CX), highlighting not just its CX applications but new and ongoing investments in a customer data intelligence solution (CX Unity), the breadth of its data-as-a-service (DaaS) offer, its AI-powered intelligence capabilities, and its data management portfolio. Combined, these represent a major step toward meeting the challenge of constantly evolving customer expectations, with engagement on an ever-growing scale, at higher intensity, and demanding detailed personalization.

## Meeting evolving customer expectations requires data to connect and inform engagement

Consumer expectations of CX are constantly evolving and are particularly driven by new ways of interacting with enterprises across myriad channels, the speed of those interactions, and unwillingness to accept one-size-fits-all content. EVP and general manager of Oracle CX Cloud Rob Tarkoff highlighted examples including the rise of hyperpersonalization and importance of micromoments, both a result of shifting expectations and necessary themes for enterprises' CX strategies. Rising to the challenge requires connecting data, experience, and intelligence, a key theme of Oracle's approach to CX.

Many enterprises have, usually under the guise of digital transformation programs, made substantial investments in the "front-end" technologies that are the engagement points with consumers: better websites, connected apps, bots, and digital assistants, among others. These solutions help serve those evolving customer expectations, with emerging enhancements often forged from artificial intelligence (AI) technologies that aim to make them smarter, more intuitive, and (critically) more focused on generating and sustaining customer relevance. The catch? They are entirely reliant on relevant, high-quality, and complete data to be successful.

For example, a chatbot helping a customer rearrange a delivery that does not have access to that customer's data held in customer relationship management (CRM) and supply chain management (SCM) is more likely to frustrate a customer than resolve their issue. The same story can be told of browsing online shops, email campaigns, after-sales service, and so on. The rise of "pageless experiences," those interactions which are outside the web browser, via either voice interaction or an app, have the same challenges. Let us be frank though, enterprises' data – especially customer data – is rarely as available, joined up, or rich as is required to serve CX essentials, never mind new requirements such as hyperpersonalization in real time.

# Oracle's CX Unity, Adaptive Intelligent Apps, Data Cloud, and data management portfolio position it as a leader for customer data

The importance of better customer data curated into a unified profile, usually via the concept of customer 360, has been around for at least a couple of decades. Trying to find an enterprise that has successfully achieved it is difficult. There are two reasons for this:

- **The concept itself has had to evolve to reflect the reality of customer expectations.** Customer 360 was built from a "static" perspective, that is, less and slower-moving data, across fewer channels, and in a more homogenous market – in essence, a more predictable customer journey. Evolving customer expectations, including personalization and real-time response, add up to the reverse – a more dynamic and unpredictable customer journey. A 360-degree view today needs to be dynamic, constantly updated with internal and external data points, and orchestrated to react to the customer, not to force them down predefined paths.
- **The technology and data required to build a fit-for-purpose 360-degree view is only now becoming available.** While it may have been possible to use existing technology to create a 360-degree view, the ability to refresh it, analyze, and serve it in real time, at the scale of today's customer interactions, is new. Pivotally, the availability of curated customer data from outside the enterprise acquired as a service is relatively new as well. Put these two technology and data developments together, and the ability to create a 360-degree view fit to serve modern CX becomes a realistic option.

## Oracle CX Unity connects and enriches customer data and applies intelligence to create actionable information

During 2018's Oracle OpenWorld event, the vendor announced Oracle CX Unity, what Oracle describes as a customer intelligence platform for real-time CX. It is an embedded core capability of the broader Oracle CX Cloud. In beta, Oracle CX Unity steps beyond being just a "hub" for first-party customer data by infusing the solution with third-party data, action-orientated analytics, and AI-driven insight that builds from a unified customer profile to actionable intelligence that powers modern CX capabilities. At a glance, Oracle CX Unity provides a single place to

- connect all sources of first-party (internal) data that relates to the customer
- enrich first-party data with trusted third-party data from DaaS sources
- provide segmentation based on customer intent
- apply customer analytics that drive actionable information
- enable business users, via a business-user interface, to connect the data and derived intelligence to applications of execution.

Categorizing Oracle CX Unity is difficult. It is not a simple data management tool, an analytics and AI capability, or an integration platform; it is a solution in the genuine sense of the word. It brings together in a single place the sourcing and management of customer data, providing

- additional features to, for example, address data quality issues
- enrichment of first-party data with DaaS third-party sources to help fill out the customer profile

- application of analytics and other intelligence tools to glean actionable information from the data
- a user experience suitable for business users to work with
- connection to the applications where "business is done."

This is an undoubted leap forward for customer data and plays to the reality of a market that moves ever faster while orchestrating Oracle's strengths: technology, data, and applications to make that happen.

## Oracle's DaaS assets are critical to complete the bigger (customer) picture

The Oracle Data Cloud helped launch wider recognition of the DaaS market in 2014 and has been growing apace since. Today it boasts 5 billion global consumer IDs, tracking some $5tn in online and offline consumer transactions and collecting 7.5 trillion data points monthly. The Data Cloud's role in Oracle's CX story is one of enrichment. Analytics and intelligence applied to data deliver results only as good as that data. Enterprises' customer data is rarely the "gold standard" of quality and completeness that will deliver genuinely valuable insights that, for example, power personalized engagement through other apps or target the right customers and segments. Combining an enterprise's first-party data with DaaS third-party data can make the customer profile completer and more relevant, enabling greater use of analytics and AI-powered intelligence to derive value-adding insight and power engagement.

Announced at OpenWorld 2018 was Oracle's acquisition of DataFox, which is now complete. Oracle DataFox adds considerable weight to the vendor's DaaS position, primarily by adding B2B data since DaaS largely grew up in the B2C space. Oracle DataFox uses natural language processing (NLP) technology for its data creation (alongside API ingestion and RSS feeds), machine learning for automated analysis of the data, an AI-based engine for matching and deduplication, and a "human-in-the-loop" process for handling exceptions and continuously training the AI engine. Currently, Oracle DataFox is growing its database of new companies by approximately 50% annually with at least 49 million records updating weekly.

Enriching B2B enterprises' own CRM data for completeness is an interesting use case for Oracle DataFox assets. However, use cases that help enterprises grow their business are where the real value is found. Coming soon for sales professionals are Total Addressable Market Expansion, Smart Talking Points, and Account Prioritization, building on the value of B2B data by applying AI-powered intelligence.

## Adaptive Intelligence Apps catalyzes data as it grows

Oracle's Adaptive Intelligent Apps was announced in 2016. It acts as a catalyst on data for other applications by applying AI-powered intelligence to improve outcomes on high-priority CX use cases. Oracle's differentiation here is in the use of its DaaS assets, and in Ovum's opinion it was an early move in Oracle's overall strategy as highlighted at MCX this year: more and better data equals more accurate and better outcomes. This message has not changed; Adaptive Intelligent Apps' portfolio continues to expand, including both B2C and – helped particularly by the addition of DataFox – B2B use cases.

Adaptive Intelligent Apps is what Oracle calls "ready to go." In other words, its out-of-the-box capabilities require little or no development on the part of adopting enterprises. In many enterprises there is a strong desire to work on their own AI/data science projects too. In early 2018, Oracle acquired DataScience.com, which offers an end-to-end data science platform that provides data scientists with access to the open source tools and computing resources required (critically, in an IT-friendly, governed way) to work on custom projects. The combination of the Datascience.com platform and Oracle's data management and analytics capabilities is referred to by Oracle as "ready to build," enabling customers to build, deploy, and manage end-to-end custom AI solutions. Oracle's ability to serve the spectrum of AI needs is reflective of the nature of the market for them. In Ovum's view, and in the context of CX requirements, for the many, buying an out-the-box solution is the on-ramp, accelerating time to value and placing limited technical requirements on the adopting enterprise.

### Oracle's CX focus is backed by market-leading data management technologies and experience

It is important to take note of Oracle's long-standing position in the data management and analytics market, which adds further authority to this data-led position in the CX market. Oracle has a vast portfolio of complementary data management technologies that span the data lifecycle through creation, capture, quality assurance, storage, management, and use. These tools are combined with decades of experience in helping enterprises manage their data. These technologies and expertise, matched to the already highlighted investments being made in CX Unity, Adaptive Intelligent Apps, and DaaS, help add substantial weight to the data-led positioning of Oracle in the CX space.

## The next step? Unify the enterprise

CX should not be an island set apart from the rest of the enterprise. In many cases it has been worse than that, and to stretch the metaphor too far, CX tools and data have been an archipelago of islands that from afar may look joined up but are not. Customer data has the power to be the unifying element that joins up different CX tools and capabilities, but it is not just about a complete view. Applying intelligence catalyzes the data into even greater value, connecting the enterprise with the customer across journeys that do not obey the rules with intelligent, personalized and "in-the-moment" engagement.

Oracle's portfolio and messaging are clearly aligned here, delivering a customer data solution that does not just connect data but also enriches and applies intelligence to it, taking full advantage of investments in AI-powered tools and a growing DaaS offer. Joining up CX with data is the first step; driving connectivity across the enterprise is the next. Consider this, customer experience-defining processes do not just touch CRM; they run across enterprise departments, taking in enterprise resource planning (ERP), SCM, and other enterprise applications. Enterprises are on their own journeys, connecting and powering the modern CX with data as a trigger to a bigger benefit: unifying the enterprise, its business units, technology, and data to enable it to become a genuinely customer-centric organization.

## The Oracle Global Startup Ecosystem continues to support innovation

A final word on Oracle's ongoing investment in the burgeoning technology-startup community. Ovum previously wrote on this Oracle program and had an opportunity to meet with one of the program members exhibiting at MCX, Belgium-based Macty. Macty is a startup focused on delivering AI-powered solutions to the retail and fashion industries, primarily through its use of computer vision and NLP technologies. Ovum spent time with Macty to see its product in action running on the Oracle

Cloud. The Macty team demonstrated how a user might upload an image of an outfit and have the solution identify the different clothing elements within that image and then match it to products that the retailer who is using the solution can offer. This solution can be delivered to consumers via mobile or an interactive experience in store, presenting shoppers with new ways to engage with retailers, a key way to help manage the shift from traditional to experience retail.

# Appendix

## Further reading

"Oracle Global Startup Ecosystem delivers support for a new generation of cloud-native startups," INT002-000112 (May 2018)

"Oracle uses AI, data, and the cloud to free enterprises to focus on business," INT002-000188 (November 2018)

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## Ovum Consulting

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