MARKET PERSPECTIVE

Oracle Modern Customer Experience: Expanding the Worlds of Data, Design, and Content

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Oracle MCX 2019 Event Summary

Oracle held its annual Modern Customer Experience (MCX) conference March 19–21, 2019. The company presented a strong vision for a CX platform that integrates audiences, data, and content supported by new features and product road maps. The real stars of the show were CX Unity, Oracle’s forthcoming customer data platform; a new user interface that leaptfrogs conventional application UX design; and a commitment to making content one of the four pillars of Oracle’s customer experience management (CXM) strategy.

Key Takeaways

• **Data**: Oracle acquired DataFox last year and is well along integrating it with Oracle Marketing Cloud and Oracle Engagement Cloud to power advanced account-based marketing (ABM) and sales capabilities.

• **Design**: Oracle’s new UI design is an exciting advance over conventional design that proactively surfaces insights and recommended actions in real time for customer-facing roles.

• **Content**: Oracle is putting a strong stake in the ground around content as one of the four pillars of its CXM strategy (along with CXM applications, data, and AI). Oracle has been working to integrate Eloqua, Responsys, and Commerce with Oracle Content and Experience Cloud (CEC). At this year’s event, Oracle made it clear that CX Cloud will leverage CEC as a common CX content hub.

Recommended Actions

• **Safe data**: Oracle should leverage the extraordinary internal legal diligence imposed on its data management and provisioning services to differentiate its data from the rest of the data industrial cartel.

• **Data-driven creativity**: There are three essential elements needed for continuously improving customer experience: infrastructure, data, and creativity. Vendors that teach users how customer attributes can be cross-pollinated into new use cases will see the greatest adoption, expansion, and renewal of their technology and data services.

• **Content and data**: Organizations tell us they need to accelerate content velocity and optimize spend — while coping with the fresh challenges that personalization brings. Oracle needs to articulate its vision and strategy in this regard more explicitly.

Source: IDC, 2019
NEW MARKET DEVELOPMENTS AND DYNAMICS

Oracle announced plenty of new features across its customer experience (CX) portfolio at this year’s MCX event. The product announcements we believe will prove the most strategic fall into three areas. These are customer profile and audience management, where Oracle’s contenders include CX Unity and Infinity; content management; and data connectivity.

Integrated CXM Platform

Customer experience management (CXM) platforms, a suite of integrated tools that manage the customer experience across all phases of the customer journey across the enterprise, are starting to come into fruition. Today, no single vendor provides a comprehensive, fully integrated platform for customer experience management across all stages of the customer journey. But Oracle is close. A comprehensive CXM platform must provide an integrated set of solutions for advertising, marketing, sales, commerce, customer support, and loyalty — along with journey orchestration capabilities such as customer intelligence, analytics, and data integration. Many technology vendors offer one or more of the required components; only a handful of large vendors offer many of the components.

Oracle has been a leading CRM vendor for many years and continues to demonstrate vision in developing an integrated CXM platform, adding necessary components through organic development and acquisition. For clients seeking an integrated solution that enables them to provide an end-to-end, differentiated customer experience, Oracle offers a broad set of solutions, a compelling road map, and a vibrant partner ecosystem. We would like to see Oracle articulate a more platform-based vision over time.

Oracle CX Unity

Customer data management has been a weakness of enterprise infrastructures for the past decade due to the accumulation of point solutions. IDC research shows that assembling and managing comprehensive customer profile information across the organization is a key challenge. Without a unified customer profile, it’s impossible to deliver a consistent, connected, and optimized multichannel customer experience. It’s an especially daunting challenge for large enterprises with disparate, geographically distributed customer-facing teams and systems. Without a single source of truth for customer profile information, collaboration across roles, teams, and departments is very difficult. Data must do the work of weaving together a common understanding of the customer and help engender a customer-centric culture, otherwise it will not happen.

Oracle CX Unity has been a massive project for more than three years at Oracle. According to Oracle, many data lakes are failing. Data lake technologies are fragmented and require lots of customization to connect data sources and resolve identities. Even using an ID Graph involves developer support on data wrangling, data formatting, featurization, and so forth. Governance and compliance typically require further customizations. With CX Unity, it is all done through configuration, not customization. CX Unity is a new “data lake-like” solution that can be implemented in a few months, not years. It is a customer data platform in all but name. It is expected to process both first- and third-party data once all the connectors are built into Oracle Data Cloud and Oracle DataFox as well as open APIs for other data providers. Oracle announced CX Unity last October as the customer intelligence and insights engine of the enterprise, and general availability is expected later in 2019.

CX Unity is expected to bring multiple systems of engagement together and connect customer data into a single profile. Profiles are then enriched by deterministic identity matching based on first-party
data and probabilistic identity matching based on third-party data with the goal of enabling intent-based personalization. Machine and human intelligence are applied to help with intent-based hyper-targeting based on behavioral, demographic, firmographic, and transaction data as opposed to a typically more limited set of customer attribute data. Thus it enables content consumption tracking and the ability to recommend the next step in the customer journey. Solutions like Oracle CX Unity are needed to complete the "system of systems" architecture to support personalization at scale based on individual preferences, interest, and intent.

**Oracle Marketing Cloud**

Oracle Eloqua updates enable B2B marketers to:

- **Unify data and experiences across channels**: By embedding the behavioral analytics of Oracle Infinity into Oracle Eloqua's orchestration capabilities, marketers can use a common behavioral data store to enhance segmentation, personalization, and orchestration.

- **Improve performance of account-based marketing (ABM) campaigns**: A new Oracle Eloqua integration with Oracle Data Cloud and coming with Oracle DataFox provides marketers and sales professionals with insight into intent and account behaviors to create better experiences.

- **Adopt marketing best practices**: New AI and machine learning capabilities within Oracle Eloqua help guide and assist marketers in the adoption of best practices and the creation of more compelling content and customer experiences.

Oracle Responsys updates enable B2C marketers to:

- **Enhance segmentation and targeting**: A new recency, frequency, and monetary (RFM) dashboard helps marketers take advantage of statistical models to standardize segmentation, more accurately score engagement, and identify their most valuable customers.

- **Connect experience across channels**: A new integration between Oracle Responsys and Oracle Maxymiser helps marketers optimize the conversion funnel and allows for a smoother customer journey by delivering a consistent experience across email and web.

- **Easily extend marketing capabilities**: The Oracle Responsys Application Development Framework enables marketers to quickly and easily extend existing capabilities by supporting third-party apps created by software vendors, integration partners, or clients.

Oracle Infinity and Oracle Maxymiser updates enable marketers to:

- **Target in real time**: A new Oracle Infinity Action Center helps marketers leverage behavioral data from across touchpoints to create tailored segments and engage users with real-time, personalized communications.

- **Optimize site experience**: A new integration between Oracle Infinity and Oracle Maxymiser allows marketers to visualize user behavioral activity via heat and zone maps to optimize the website experience for customers and break down silos between personalization, website optimization, and digital analytics capabilities.

- **Deliver more personalized recommendations**: A new Recommender engine in Oracle Maxymiser helps marketers increase customer engagement by leveraging behavioral data to enable 1:1 targeting at scale and in context. It also enables personalized product, content, and other recommendations to be embedded in site pages.
Oracle Adaptive Intelligent Apps

Oracle is positioning its Adaptive Intelligent (AI/ML) capabilities as the operational "glue code" to connect audiences, content, and actions across not just the CX suite but the whole of Oracle's cloud applications portfolio (HCM, ERP, SCM). As that suggests, the company has big plans for AI. Oracle already has delivered on multiple use cases for marketing and sales such as:

- Next best offer/product recommendations
- Intuitive search
- Coordinated open time content
- Optimized marketing orchestration

AI Apps for B2B (already delivered):

- **Win probabilities**: For opportunities based on customer attributes, pipeline stage, and history
- **Next best action**: Based on past sales success
- **Deal acceleration**: Analyze the impact of early close dates

The DataFox cloud-based AI data engine, a part of the Adaptive Intelligent Apps product suite, enriches Oracle's cloud applications with AI-driven company-level data. It utilizes AI to generate granular third-party account data and embed it directly into the CRM, not a separate database. Currently, there are 68 signals from newsfeeds, social feeds, and so forth that update account records in real time and trigger recommendations for sales reps such as which accounts to contact first and talking points for each call:

Oracle customer Iterable claimed it saves 156 hours/year in sales territory design and has transformed territory management into a continuous process rather than a once-a-year project. It has seen a 4% increase in conversion and 22% growth in deal size.

Another Oracle customer commented that "the fun really started to happen when we got all the data into the engine. 80% of the effort went into the data aggregation and normalization process." The results were 4-5% lift in email performance. The customer's goal is to scale AI-driven activity by 10x, to drive 50% of all campaigns by AI recommendations by the end of 2019.

Oracle Commerce Cloud

Rob Tarkoff, Oracle's EVP and general manager for Oracle CX, highlighted Oracle Commerce Cloud (OCC) under the "consume" strategic focus area of Oracle CX.

Oracle's digital commerce platform, Oracle Commerce Cloud, was rewritten for the multitenant cloud and became available three-and-a-half years ago. OCC has performed relatively well in the market, considering it is a net-new product, with strong functionality for both B2C and B2B commerce being added regularly, including 6 releases and 111 new features since Modern CX 2018. This year at MCX, Oracle doubled down its focus on the B2B side of digital commerce, integrations with CPQ and Oracle Marketing Cloud, and how the platform enables organizations to adopt new business models with their online sales channels.

Oracle's long-term goal for commerce is to "support any business model for any brand in any industry, B2C and B2B." To best accomplish this, customers will benefit from having apps for commerce, CPQ,
subscriptions, loyalty, content, and marketing — enabling organizations to embed commerce in a wide range of scenarios.

With that said, IDC thinks commerce took a back seat to other areas at Modern CX 2019. In particular, Oracle didn't make big announcements or demonstrate as much new product functionality compared with recent years. It is unclear whether this is because the application has reached a further stage of maturity, because integrations have been a big area of focus (but don't carry as much buzz), or because Oracle is prioritizing other CX apps.

**Oracle CX Content**

Oracle has had a significant on-premise business in enterprise content management, business process management, web content management, and enterprise portals for many years with its WebCenter product line. It began to move to the cloud with brand-new products in all these areas several years ago, announcing Oracle Document Cloud at Oracle OpenWorld in 2014 and Oracle Sites Cloud and Oracle Process Cloud the following year. Oracle combined these services into a single cloud offering as it evolved its thinking, and Oracle Content & Experience (OCE) is an API-first, content-first, cloud-scale service that provides a services-based content hub.

We believe Oracle Content & Experience is one of the hidden gems in Oracle's product portfolio. It offers a modern platform for a wide array of use cases ranging from next-generation web and mobile experiences to next-generation content and document management. As with other content-first, cloud-born content management services, OCE offers lightweight digital asset management (Oracle has integrated AI services to automate tagging). OCE provides a modern CMS for JavaScript developers delivering web, mobile, and other modern content experiences and for marketers who need to rapidly deliver launch sites, single-page apps (SPAs), multipage websites, and the capture and onboarding workflows that are a common component of digital customer experience.

OCE has been gathering momentum: Oracle says CEC now has hundreds of new customers. That makes OCE a success story in its own right. But Oracle's strategic opportunity lies in leveraging CEC as a foundational service across its entire CX portfolio (and across its cloud-based ERP and HCM portfolio too, for that matter).

At this year's Oracle Modern CX conference, Oracle made it abundantly clear that's exactly what it intends to do, as content claimed its place as one of the four pillars of Oracle's CX strategy. Last year, the message was more about "integration" to OCE (although what Oracle demonstrated last year with Oracle Commerce Cloud Design Studio was a seamless blend). This year, Oracle put a strong stake in the ground saying OCE's content hub would become the common content repository across all the applications in Oracle CX Cloud.

This should be very welcome news for Oracle CX customers yearning for a unified platform that not only manages their customer data and runs their campaigns but that also enables them to deliver a consistent visual experience across all the channels they must support today. Accelerating time to market for new content assets and leveraging existing content investments across all channels are key customer priorities. Companies can no longer afford to build separate analytics and tagging schemas for audiences and content; they must come together in the context of go-to-market models and customer journeys.

Oracle CX Cloud's content management capabilities are still a long way from parity with those of major content management competitors, but OCE is a modern, cloud-scale platform, and Oracle's increasing commitment to content strongly differentiates Oracle CX Cloud from Salesforce and SAP.
ADVICE FOR ORACLE

- **Get CX Unity to market:** The race for the unified real-time customer profile is a key competitive battleground and the integration with the Oracle Infinity analytics engine is essential to the value proposition.

- **Look and feel:** The new UX design is a potential game changer for adoption, ease of use, productivity, and innovation once implemented across the CX suite of Oracle applications.

- **Connect up:** Oracle's various offerings enable content operations teams to manage the content supply chain—from planning/scheduling/task assignment to asset management to multichannel delivery to consumption. Organizations tell us they need to accelerate content velocity and optimize spend—while coping with the fresh challenges that personalization brings. Oracle needs to articulate its vision and strategy here more deliberately.

- **Vision:** Oracle should articulate its vision around the elements of a modern CXM platform. Phase 1 is delivering an integrated suite that match the evolving customer journey. Phase 2 is an integrated suite that leverages a well-abstracted set of common platform services across the enterprise.

- **Safe data:** Oracle should leverage the extraordinary internal legal diligence imposed on its data management and provisioning services to help differentiate its data from the rest of the data industrial cartel. Brands and buyers both want assurances that their data is trusted for specific uses. The industry needs a "conflict-free diamonds" model for data and Oracle could lead on this.

- **Data-driven creativity:** There are three essential elements needed for continuously improving customer experience: infrastructure, data, and creativity. Vendors and practitioners alike tend to get lost in the forest of infrastructure and data and lose sight of the importance of creativity, and marketers tend to limit their creativity to content. Which brand is going to be the leader with respect to teaching marketers and other customer-facing roles about how to combine data in new ways to enable innovation beyond just doing the same old marketing (sales/commerce/other) better, faster, cheaper? Vendors that teach the human community new tricks about how customer attributes can be "cross-pollinated" into new use cases will see the greatest adoption, expansion, and renewal of their technology and data services. Doing so will also require new approaches to making consent an integral part of the customer's journey and a far more nuanced and complex part of customer data schemas across the enterprise.

LEARN MORE

Related Research

- *How Quickly Are Organizations Adopting Headless CMSs, and What Are the Use Cases?* (IDC #US44476219, March 2019)
Synopsis

This IDC Market Perspective provides our summary and analysis of Oracle Modern Customer Experience conference held March 17-19, 2019. Oracle made numerous product announcements related to improving customer profile and audience management, content management, and data connectivity – all designed to strengthen its position as a CXM platform provider.

"Oracle has a more complete CXM platform than most other vendors we have looked at," according to Alan Webber, program vice president for IDC's Digital Customer Experience program. "Oracle continues to have the vision and add the necessary components, either by continuing to build existing solutions or by acquiring them to fill in and address specific gaps in the platform. For clients that want an integrated solution to provide an end-to-end differentiated customer experience, Oracle is offering a viable set of solutions that are near-platform in the capabilities and a road map that will continue to support customers long into the future."
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