



Overview

The telecommunications industry has facilitated the rapid adoption of social networking and social business on a global scale. But to what extent have communications service providers (CSPs) used social networking and social tools to transform their own businesses? The adoption of social media by CSPs to engage with customers is still very low. And with respect to applying social tools to drive innovation, CSPs are clearly outpaced by over-the-top service providers. A new IBM Institute for Business Value study how CSPs use social approaches to adapt to the evolving marketplace.

IBM Institute for Business Value

Telecom's future is social

The value of social business for communications service providers

The face of communications has changed over the last few years. Today, roughly one-third of the world's population is online.¹ These connected users are increasingly accessing the Internet through mobile devices.² And their use of social media tools to shop, spend and share insights is growing. This all has led to an amazing consumer revolution as profound as any seen before. Many traditional CSPs have not kept pace with all of the changes in today's environment and feel their customers pulling away rather than getting closer.

It's no wonder that telecommunications Chief Executive Officers (CEOs) are prioritizing customer centricity as never before. In the IBM 2010 Global CEO study, they already expressed their intention to put customers front and center. "Getting connected" to better understand, predict and give customers what they really want is the top priority for 93 percent of CSP CEOs.³ In the 2011 Global Chief Marketing Officer (CMO) study, 90 percent of telecommunications CMOs indicated they plan to use social media as the key channel to interact with their customers over the next three to five years.⁴

Some CSPs have already started using social media to engage with consumers. In the United States for instance, large CSPs – such as AT&T, Verizon, Sprint and T-Mobile – are using social media to track social media conversations, offer support tips and respond to support requests, and announce new products or special events.⁵ Bharti Airtel in India offers a live chat service on both Facebook and Orkut, where customers can chat in real time with a company representative.⁶ And U.K. provider O2 has deployed a platform to monitor and analyze, in real time, all social media activity around the brand in the United Kingdom.⁷

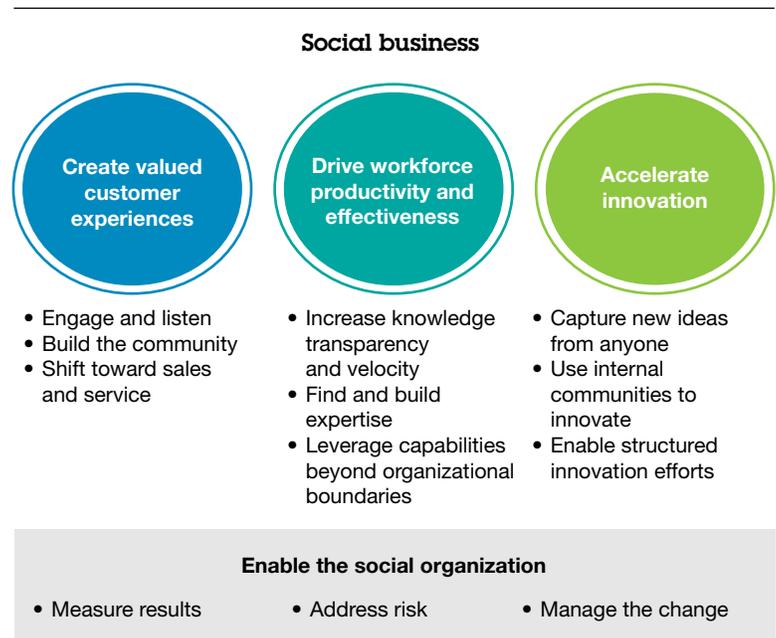


However, CSPs in the forefront are doing more than developing a presence on major platforms. They are taking their external social tools and embedding them into core business processes and capabilities. They are using social approaches not only to communicate better with their customers, but also to share knowledge with their suppliers, business partners and, perhaps more important, their employees. They also realize the relevance of social tools in driving innovation for competitive differentiation.

Despite the intention to rapidly ramp up their social business efforts, many CSPs recognize the potential challenges of such a transformation: 85 percent of CSP respondents reported they were underprepared for the required cultural changes. Two-thirds were not sure they sufficiently understood the impact social business would have on their organizations over the next three years. Executives are concerned because social business represents a different way of thinking about employees, customers and how work is accomplished and comes with the potential risks associated with increased organizational openness and transparency.

Understanding both the opportunities and the challenges associated with social business, CSP-executives in our survey and interviews reveal that their organizations apply social business investments to achieve three main objectives:

- Create valued customer experiences
- Drive workforce productivity and effectiveness
- Accelerate innovation.



Source: IBM Institute for Business Value.

Figure 1: Applying social business across the organization.

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How can IBM help?

Whether your organization is advanced or just starting out, the use of social business practices is a transformation that can best be thought of as a journey that leads toward new ways of working. Becoming a social business means redefining the business to center on people and the relationships among them. This transforms core business functions leading to greater workforce productivity and innovation and increased customer delight and loyalty.

At IBM, we collaborate with our clients, bringing together business insight, advanced research and technology to give them a distinct advantage in today's rapidly changing environment. Through our integrated approach to business design and execution, we help turn strategies into action. And with expertise in 17 industries and global capabilities that span 170 countries, we can help clients anticipate change and profit from new opportunities.

IBM can help you integrate social into your business:

- Social Business Enterprise Strategy Accelerator – Helping CSPs to understand their current adoption of social media and identify the steps to become a true social business
- IBM Platform for Social Business – A robust, security rich platform to enable CSPs to engage the right people and bring social to any process through market leading capabilities in social networking, social analytics, social content and social integration.

For more information about social business, visit:

ibm.com/social-business

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