

Pipeline

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The BSS Report: Diagnosing Contagious Social Media

By Ed Finegold

Communications media, be they Internet-born or from the CSP world, enable and create communities. Websites like Facebook and LinkedIn reveal this effect in the online social media behavior they encourage. There's a river of human behavior information that flows through communications and media providers. Some of it is collected in small buckets, and some of *that* is analyzed. However, most of what's out there is still... out there: A frontier to explore where sociology, group psychology, and the viral effect interact. Under the covers of CSPs' customer and usage data is a world of knowledge about the social networking forces that impact its own customers, services, offers, devices, and brands. If CSPs want to know how to monetize the online phenomena they see, a glimpse into this world is eye opening.



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The Idiro Effect

The folks at Idiro like to talk about friends, influences, desire, promiscuity, "virality," contagion, and death. It makes for stimulating conversation. Aidan Connolly, CEO and Simon Rees, executive vice president of sales and marketing, say that social networks and communities exist in the ether of CSP's usage and billing data. They can be uncovered quickly and used to drive marketing, engage customer groups, and combat churn.

"All of the choices we make are to some extent influenced by others in our community," Rees said, matter-of-factly. He argues that because we have so many commercial decisions to make, and tend to be more cynical in today's media society, we rely on friends more. "The influence of people on

their friends is an important mediator for marketing," Rees says. "You can watch a joke, an idea, or a new restaurant spread through a community. You can see how much normative pressure there is in groups," he says.

Idiro's solution is a SaaS offering that analyzes customer, usage and billing data to identify social communities and predict how factors like normative pressure, individual influence, and product reputation will drive customer behavior. "We can figure the way influence will travel," Rees says. He says it is possible to map how individuals drive or dissuade uptake of their services across groups or communities. "Some services are contagious," Rees says. "If one person takes it up in a group, then the chance is much higher the others will want it." Similarly, it's possible to "plot the virality" of anything from device uptake to churn. Rees says, "We observe everywhere that churn is contagious."

In this complex world of clairvoyance by analysis, people tend to fall into three major categories (with exceptions, of course). There are some, Rees says, who are "quite parochial" and communicate entirely within one community. They can be important decision makers in that community even if they don't appear to have much communication outside of it.



"Others," he says, "are promiscuous and have multiple interests." These people tend to play different roles in different communities from leader to follower. Third, he says, are people who are neither promiscuous nor parochial. These are very valuable individuals, says Rees, because they tend to influence other community members with things they bring in from outside of the community.

CSPs have most often approached Idiró to fight churn. He says that high churn rates tend to have a strong viral component that can be diagnosed and treated. "By overlaying churn data on top of community data," Rees says Idiró can determine "who's likely to catch that churn virus." Where churn is low, he says there's "a basic rate you can't address; 1.3 percent of people die every year." Using that as a floor, companies with churn rates in the low two percent range aren't having a viral churn problem.

This all sounds somewhat fanciful, but all of this information is buried in billing and customer data. A social network doesn't have to be a page on a website. All of the numbers you've called, all of the people you email, or chat online with, or beg for extra whipped cream on your Frappuccino make up your social network. This is how Idiró sees it. What Idiró can present to the service provider is the major piece of this social picture that's enabled by communications services. As a SaaS offering, it

can do so without disrupting business or IT operations with a major integration, implementation, or migration program.

Gangster Business

I've been in more than one briefing where it was explained to me that organized crime groups love telecom fraud because it is lucrative and minimally dangerous. At some point, someone told me that it was second only to drug trafficking as a revenue stream for mobsters. With many new services come many new opportunities for fraud and bad accounting.

Al Brisard, vice president of marketing and business development, for Vertek, calls for more layers of authentication to help screen out fraud, but says long term prevention always follows the same pattern, "You find the trends, find the root cause, address it and keep doing that forever." That's a basic business control that needs to be part of any service. Most operators have tools and processes used to deal with fraud and revenue leakage in voice and data services. An important issue is to extend those tools to provide common views across offerings that span multiple networks.

Brisard says that with the many different screens CSPs provide, with the opportunity for a complete experience across them all, there's a lot of "real estate" to monetize. "They have a concentration of applications, services, and capabilities," says Brisard, "90 percent of it will be delivered by third parties, so how do they leverage that real estate?" That real estate should help users to share, refer, try, rate and buy services. And it should allow operators to monetize all of the relationships inherent in those actions.



Tally Crunching

One of the questions I hear old-school types ask (you know, bankers who wear flashy blazers and chew on expensive cigars,) is "if so many people use this social media business, how come companies like Twitter don't make a lot of money?" I think there is an answer to this question: Twitter, among others, doesn't have a billing system. While I'm sure that somewhere in their plan, someone put in some kind of charging infrastructure or other, but I'm talking about a full blown, bill-for-anything, carrier-grade tally cruncher.

Twitter is a good example because people have many business uses for its technology. Rather than encouraging and monetizing these uses, Twitter shuts down the opportunity. It doesn't benefit from the text messaging it drives. It doesn't earn any fees when someone buys a product based on a link

referred through a Tweet. It doesn't offer for-pay premium upgrades to its services. It doesn't enable corporate sponsorship or online events. It fails to monetize its technology's ability to create targeted, self-selecting newswires. All of these could be productized and monetized through a billing system.

Billing and Social Media seem like an odd mix because most social media communities, like Facebook and Twitter, are somewhat anti-commerce. But Amazon and iTunes are online communities, too. They embrace viral marketing, peer referrals, and community feedback. They show that a great user experience can translate into loyal customer relationships. iTunes, which offers up content suggestions based on past purchases and searches, doesn't reward repeat visitors well for their business.

Billing providers have talked to me often of loyalty programs – airline miles, rewards points, cash back bonuses and such. It's surprising these are not more prevalent in communications and media or online. I can tell you how many American Express points I have and how many I need for the gadget I want, but my mobile operator doesn't give me anything like that for my monthly business. For the amount of time my wife spends on Facebook, she should be rewarded for it with points, at least. I like LinkedIn, but I'd write comments and articles there a lot more often if it meant I could get points for free stuff. If I could send those points to my wife to combine our rewards power, I'd find it compelling. The better, modern billing systems can do all of these things. Someone just needs to go out and do them.

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