The Role of Social Media in Business

Asia’s Digital Age

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# Table of contents

03.....................................................................................................................Abstract

04.....................................................................................................................The Internet as a Utility

04.....................................................................................................................Redefining the “Social” Life - Changing Norms and Values of Digital Natives

05.....................................................................................................................The Social Business - Connecting with Customers, Employees and Society

05.....................................................................................................................Conclusion

06.....................................................................................................................References

07.....................................................................................................................About the Author

07.....................................................................................................................About WCIR

07.....................................................................................................................About Wipro Technologies
The rapid pace of technology development and adoption is bringing about a change in social dynamics. This paper discusses the rapid rise of social media in Asia and its impact on business and society. It sheds light on the factors responsible for this growth and how can businesses use this phenomenon to connect better with their customers, employees and society.

Abstract

The world’s internet-using population has crossed a billion, with Asia accounting for 45% of it. There has been a phenomenal 600% growth of internet users in Asia since the year 2000. Asia’s two largest economies, China and India already boast of 500 million internet users, estimated to go up to 1200 million users by 2015. Given the fact that internet penetration in Asia is below 30% at present, this means explosive potential growth in Asia’s emerging markets.

The Internet, and through it, social media is leading major evolutionary trends both in society and business. Values, culture, norms, and behavior are making paradigm shifts. Understanding these shifts requires careful consideration of factors that are driving the digital revolution namely – the democratization of technology and the rise of the millennial population.

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The Internet as a Utility

It is incomprehensible that little more than a decade ago mobile phones were a luxury and smartphones were unheard of. Today, technology has been “Democratized” and internet is rapidly becoming a utility like water or electricity. With lowered costs, made possible by technological advancements, mobile and internet adoption rates are skyrocketing. In Asia alone, the number of mobile users is expected to reach 3.2 billion subscribers by the end of 2012. At present, 33% of Asians access the internet via their mobile devices, which exceeds the global average of 10%.

Asia also enjoys regional advantages of cost as compared to the rest of the world. Lower costs of incorporating new internet infrastructure in the region ensure greater internet speeds at lower costs. For example, the Japanese enjoy the highest speed of 61Mbps for only $0.27 per Mbps, whereas in the US, the maximum speed is only 4.8Mbps, at $3.33 per Mbps.

This accessibility to technology has given rise to the digital natives, they are redefining human interactions, business operations and societal connections through a powerful tool called Social Media.

Redefining the “Social” Life - Changing Norms and Values of Digital Natives

The internet and its increasing adoption by populations worldwide and the rising influence of social networks is redefining the way people connect with each other. This can be perceived strongly in the changing norms and values of digital natives. Social media is seamlessly integrated into the lives of millennials (those born after 1st Jan 1980) through their cell phones and computers, defining the way they communicate, socialize, conduct business and explore the world. The millennials are the most connected generation in history - according to a study by Pew research about 83% of millennials in the USA use social networking sites to communicate.

There is an interesting theory on “The six degrees of separation” that suggests that each person is only 5 relationships away from knowing the sixth human being on this planet. So if you were to pick any random unknown person on earth, you would be connected to that person through a chain of just 5 common acquaintances. This six degrees of separation idea is important because it was the basis of the social networking sites that we know today.

To judge the influence of social media today it’ll be interesting to note the findings of a Cisco survey conducted in 14 countries on 2900 respondents in the US. This survey revealed that millennials are willing to accept lower-paying jobs in return for flexible social media access, device choice and mobility! Access to social media and social friendly policies are fast becoming a candidate choice for an ideal job.

The millennials are freer in sharing their personal information, redefining privacy and giving rise to security concerns like identity thefts. They are also more likely to turn to online advice or recommendations when in a dilemma. They are more knowledgeable about products and services they are using with internet at their fingertips. However, while the blackberry toting, net-surfing pod population is busy blogging, Tweeting, Flickring (uploading pictures) and networking with others, paradoxically, people seem to be feeling more isolated than ever despite the digital closeness. Interpersonal and social skills are getting lost online and development of these skills in children is stunted. Social media eliminates the divide between private and public aspects of life, giving rise to internet voyeurism, online suicides and sharing of intimate details. A digital divide is forming between active and inactive players on the internet and social media; this divide exists between countries as well.

The medium of social media has potential for disruption and improper use, unless regulated. For example, recently in India, a massive exodus of population took place from one part of the country to another based on social media rumor. The rumor spread very fast, allowing people very little time to assess reality, given the viral nature of social media. Certain governments have tried to curtail social freedom in different ways without much success. Social networking is here to stay; the judicious use of social media however, can only be left to the individual’s discretion.

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The Social Business - Connecting with Customers, Employees and Society

Business is dependent on the end user. With a consumer behavior change drive by social media it is inevitable that businesses have to adapt to the new norms. According to the 2012 Social Media Marketing Industry Report, 94% of all global businesses use social media to advance their digital marketing efforts. Social media can be used effectively in many ways to create a buzz, connect with customers, gather customer insights, and also for customer service and support. Social listening is also an important area which helps to understand consumers, employees and the society at large. Social listening tools bring in data that can be used to provide better service all around.

Many of world’s leading brands have used social media to their advantage. For example, Ford used it to create buzz about the Ford Fiesta. Their online campaign began about 18 months before the Fiesta was released in the US market. Ford gave 100 social-media influencers a European model of the car and asked them to document their experiences on various social channels. The Fiesta video campaign garnered 6.5 million views on YouTube, bringing in 50,000 information requests from non-Ford drivers. The car sold 10,000 units in the first six days when it came out in 2010.

Similarly, Dell has taken a social media route to learn from customers. Dell’s IdeaStorm site has generated over 17,000 ideas for new or improved products, of which it has adopted nearly 500 ideas. Some of these ideas include backlit keyboards that are better for working on airplanes. Dell uses IdeaStorm to get customer feedback on its own ideas as well.

Comcast, the largest cable operator and home internet service provider leverages Twitter to track complains online and try to solve their problems. They review about 6000 blog posts a day and engage in conversations with 200-300 people to resolve their issues.

We at Wipro also use a combination of social media channels such as Twitter, Facebook and LinkedIn to share best practices with customers and evangelize technologies which helps them do business better. Wipro uses various platforms such as Xperience Wipro to communicate with its employees. Through this platform, Wipro conducted the successful Wipro Run employee initiative, probably the largest corporate run in the world. Wipro’s campaign called Earthian (helps schools to adopt sustainable practices) was one of its most successful engagements on Facebook, garnering more than 65000 fans.

Social media has reinforced the importance of here and now. Organizations can no longer take days to resolve consumer queries or grievances, unless they are ready for a social backlash. Word of mouth has gained a new meaning with one good or bad review being shared instantaneously with millions across the globe. Social has had a profound impact on product launches also, gone are the days when emerging markets had to wait for year for a product to be launched in the country. It is now available within months if not as a simultaneous launch.

If used well social media can help businesses build essential emotional connections with people, thereby creating a profound impact both on customers and employees. Consumers can become partners, helping to tell the brand story and co-creating products and services that ultimately drive bottom line success. Partners and employees feel empowered, adding to company morale and investment portfolio.

However, the role of social media in business is influenced by two factors the relevance if information gathered and the control over information disseminated. Tracking monitoring and analyzing this deluge of data generated by social media has become a mammoth task on its own. Organizations are increasingly turning towards social media listening and analytics technologies to help them manage their social presence. As this trend grows, companies who can harness this medium to establish customer connect will be the business leaders of tomorrow.

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Rahul Koul, heads Digital Marketing and Thought Leadership initiatives at Wipro Technologies. In his role Rahul is responsible for driving the social and online marketing strategy and execution. He also drives positioning, research and content marketing for the company. Rahul has rich experience working across technology startups and large global firms across Business Marketing, Business Development and Branding. Rahul was instrumental in conceptualizing the Thought Leadership marketing initiative at Wipro, a function which has been a finalist at ITSMA awards for 2009 and 2010. He is an avid reader and has been contributing to leading journals on marketing and branding in technology business.

About WCIR

Wipro set up the Council for Industry Research, comprising domain and technology experts from the organization, to address the needs of customers. It specifically looks at innovative strategies that will help them gain competitive advantage in the market. The Council in collaboration with leading academic institutions and industry bodies studies market trends to equip organizations with insights that facilitate their IT and business strategies. For more information, please visit http://www.wipro.com/insights/business-research/

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