

View Point



Creating Lifestyle Community Portals to Drive Revenue Opportunities

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Abstract

Communications Service Providers (CSPs) cannot rely solely on collaboration with social networking websites to generate a consistent revenue stream.

This paper examines how CSPs can harness the power of social networks and lifestyle community portals across multiple touch points (web, mobile and television) to create revenue opportunities.

Social Networks and Lifestyle Integration

Value added services are growing at a slow rate and many services do not attract new customers

The Internet has evolved into an online meeting place. Social networks and communities at MySpace, Facebook and Eons cater to the specific needs of users. Members use these websites to connect with their friends and interact with likeminded individuals.

Such community websites have proved to be prime virtual real estate for their creators and owners. (News Corp purchased MySpace in March 2006¹ while Yahoo! reportedly offered US\$ 1.62 billion for Facebook²).

Online community destinations have a large and actively engaged customer base. MySpace users accounted for 11.9% of all time spent online by United States-based Internet users³. It is the next step towards Web 2.0 interaction as online networks offer several user-oriented features:

- Blogs
- Display of content
- Personalization
- Discovery of “like-minded” individuals
- Community management tools

The success of social networking provides an opportunity for Communications Service Providers (CSPs) to offer experiences that integrate with the lifestyle and the daily interactions of customers.

The objective is to provide better value for the CSP's licensed content through intuitive services that are useful to customers on a daily basis. At a basic level, a destination site would exist for a secure interaction that enables near real-time sharing of the user's experiences to support the community.

The CSP should integrate the lifestyle community portal with user scenarios mapped to their central container or infrastructure hub to fulfill the specific needs of the community. At a basic level, the underserved adult user wants to interact with the community (family), get reminders of important events or become more engaged and productive by knowing what is going on in the community (family). This lifestyle integration requires access across various mediums that best suits the customer's disposition or convenience. In doing so, the CSP creates a uniform and thematically consistent experience across mediums.

Unearthing Value from Value Added Services

Revenue per user is under attack on many fronts from traditional and non-traditional competitors. New entrants such as “over the top” companies offer fixed line voice, mobile voice and video services that erode the value of the CSP's service offerings. Even value-added services (VAS) cannot make up the shortfall in revenue⁴ for a variety of reasons:

- The services may not be compelling
- Services require to be launched to achieve critical mass
- Customers may not be able to fully adopt some services
- Certain services are not discovered or not reused after initial consumption

However, such behavior is understandable in a traditional push model where customers are offered services that they must act upon or find value for. It is more obvious when the service is an anticipated game title or a tool such as corporate email, but less obvious when the service is new or the value must be interpreted and integrated by the end consumer.

There is considerable pressure on CSPs to differentiate themselves from their competitors. Some companies are making content investments to retain existing customers as well as attract new ones. This shift towards a “media company” enables offerings such as IPTV and mobile TV in addition to increasing the share of the revenue with traditional and non-traditional competitors. However, having under-monetized paid-for content can decrease profitability as the return on investment is unrealized. A multi-access lifestyle community portal provides an avenue to monetize offerings and unlock value.

¹News Corp (hearts) MySpace”, Marc Gunther, Fortune, March 29, 2006

²“Yahoo's talks with Facebook get bogged down”, Kevin Delaney, WSJ.com, Sept 2006

³Study published by Compete.com for analysis of online user behavior in December 2006

⁴“Future of Global Wireless Industry”, Analysis, 2007

Maximizing Community Offerings

Simply offering existing community portals is not always an attractive proposition for service providers as they are treated as “pipe providers” and not “innovators”

CSPs can offer a popular existing social networking or community platform to meet the demands of customers. Mobile service providers are taking steps in this direction through alliances with communities such as MySpace. It enables companies to extend existing community offerings to mobile devices while the service providers get additional data usage.

CSPs must innovate to address market realities. Currently, there are few exclusive content deals and rival CSPs will soon be able to offer an identical service. In addition, this “black box” offers no real integration to any unique CSP assets such as communications capabilities or content. Also, branding becomes an issue with the CSP and community platform competing for customer recognition and value. If the CSP continues to be a “pipes and wires” company, it will not be able to sustain growth or valuation projections and compete in a landscape of next-generation network investments.

Developing A Themed Lifestyle Community Portal

Lifestyle community portals create more value through relevance and intensity

Creating a lifestyle community portal presents an opportunity for the CSP to differentiate itself and establish a bond with the customer beyond a generic meeting place. A sports theme is a good example, as the “tribalism” of sports fans is unparalleled and cuts across social, economic and national boundaries. It enables users to engage with each other and share tales of victory or defeat, while providing their views and opinions on how the game must be played or how the team must be trained/coached. With 51% of online users accessing sports-related content⁵, it is a market with significant potential.

Participants in the community can share stories or content following the national or league team. Updates can be provided via syndicated feeds or other community members that are unable to watch the match. Features such as fantasy leagues can get instantly updated and notification provided across multiple screens. In addition to data or subscription revenues, new revenue streams can be created through opt-in permission and mining of the IP traffic, themed commerce options for merchandise, on-demand games, tickets or travel packages to the next match can be presented to the user and their local community during or shortly after the match by relying on existing Directory Services capabilities. Such opportunities can create more value for the CSP's own address book capability, which is the foundation for new service launches.

Community participation can include local or youth sports that do not have syndicated feeds or coverage. Parents or team managers can update score cards or upload game highlights for others to see. Notifications for parents in the community regarding changes for games or practice can be generated from updates to the team calendar. These offerings integrate with the customer's interests and needs while offering a platform to introduce new services, such as video sharing, with associated use cases.

⁵ Online Insights, Vol. 06 (1), BurstMedia, 2007



Figure 1: Customer in the center

Invest in Lifestyle Community Portals

CSPs must convert the potential of communities to their advantage while adding additional lifestyle-related commerce opportunities to create a destination portal for their customers.

This multi-channel portal becomes a vehicle to launch new services and enables customers to propagate their own content. The CSP can realize a reduction in the cost of marketing these services as the community base increases via viral methods and user-generated content augments the value of more expensive syndicated content.

However, it requires a novel approach to ensure customers become advocates by inviting friends to the service and sharing personal content. The CSP must provide appropriate tools for seamless sharing and a secure environment safe from malicious account intrusions or user behavior. CSPs need to engage an independent system integrator that will provide optimal solutions for functionality and security.

Infosys is proactively building a themed community platform, enabling multi-channel experiences to take advantage of Web, Mobile and TV interactions, and providing access to customers at their convenience. Infosys combines its offering with robust systems integration capabilities to leverage the CSP's current assets such as address books, presence, customer information systems, and commerce, among others. Infosys provides operational support to monitor, distribute and present user-generated content. This comprehensive approach enables the CSP to connect with customers and participate in Web 2.0 in a low risk and high reward manner while innovating faster than the competition.

About the Authors:

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