

Lotusphere and InformationOnDemand Come to You

Get Social. Do Business. Gain Insight. Optimize Results.

8th March, 2011 SINGAPORE

From 'Blah' to 'Wow': How Social Strategies can Build Exceptional Customer Relationships

Chetan Yardi

Asia Pacific Executive

IBM Web Experience Software Solutions

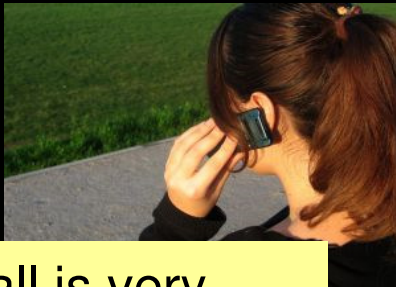


Every Customer Interaction Defines The Customer Experience



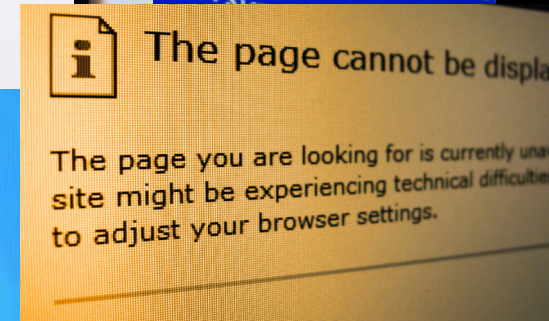
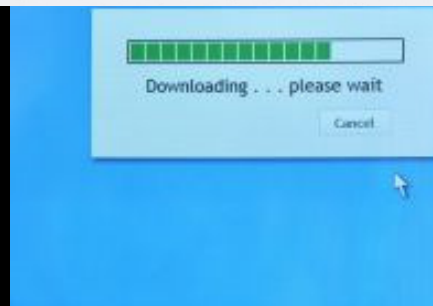
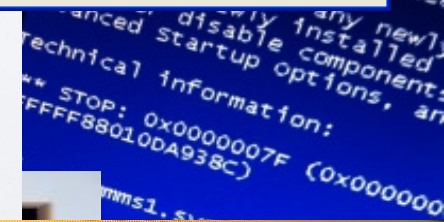


Exceptional Customer Experiences Are Defined by Customer Perception & Satisfaction



Your call is very important to us...*please wait for the next available agent...* 🎵 🎵 🎵

- Excellent
- Very good
- Good
- Average
- Poor





An Increasingly Social World Means *Exceptional* Customer Experiences Matter More Than Ever...

90% of consumers online **trust recommendations** from **people they know**; **70%** trust opinions of **unknown users**.

(Econsultancy, July 2009)



In a recent study, **81 percent** of respondents said they'd **received advice** from friends and followers **relating to a product purchase** through a social site.

(Click Z, January 2010)



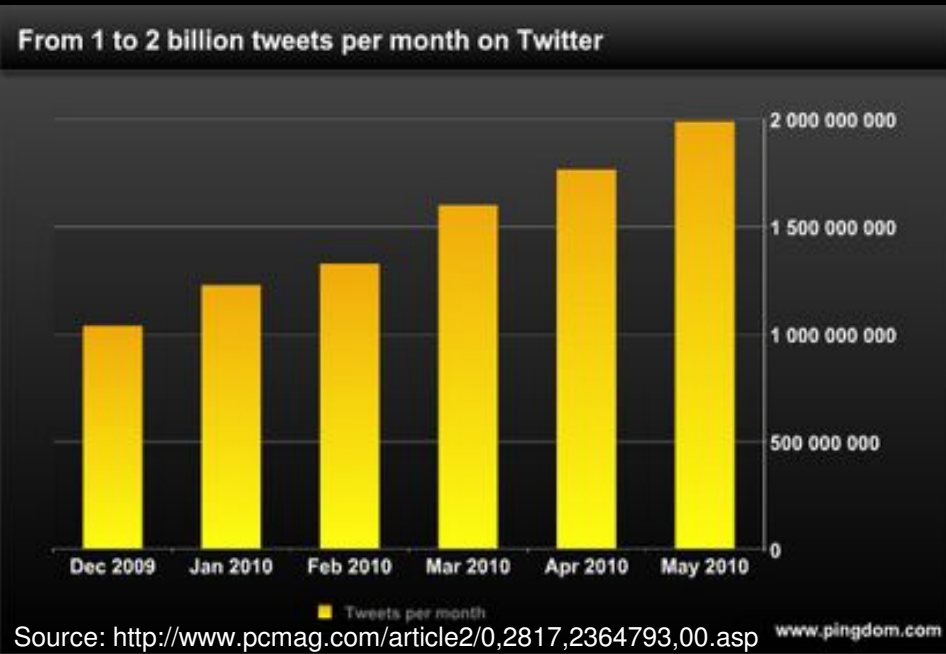
53% of people on Twitter **recommend companies and/or products** in their Tweets, with **48%** of them **delivering on their intention to buy** the product.

(ROI Research for Performance, June 2010)



Social Media is Monopolizing Consumers' Time...

2 BILLION Tweets Per month



People spend over **11.7 billion hours per month on Facebook**

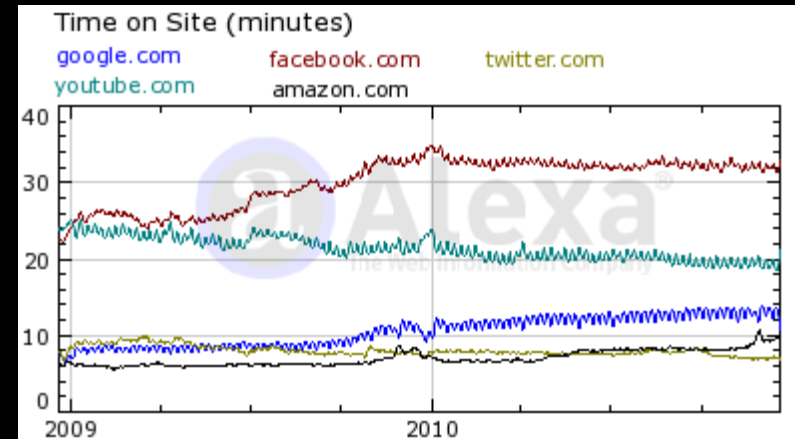
Source: <http://www.facebook.com/press/info.php?statisticst>

75% of WW Internet users visited a social media site in April 2010, spending **22% of their online time.**

Source: <http://www.soravjain.com/2010/06/social-media-usage-increased-by-3-hours.html>

Every Day, **2 BILLION videos are watched** on YouTube and hundreds of thousands of videos are uploaded.

Source: http://www.youtube.com/t/fact_sheet





... And Changing How Consumers Make Decisions

25% of search results for the world's Top 20 Largest brands are links to user generated content.



90% of consumers online trust recommendations from people they know. **70%** trust opinions of unknown users.

Only 14% trust advertisements.

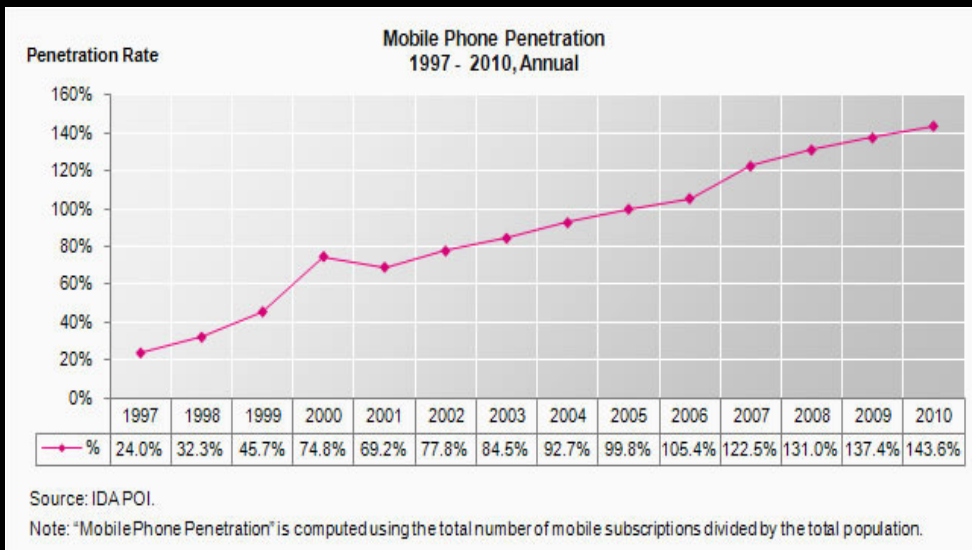


And Singapore too

Internet Penetration

YEAR	Users	Population	% Pop.
2000	1,200,000	3,263,209	36.8 %
2006	2,421,800	3,654,103	66.3 %
2009	3,370,000	4,657,542	72.4 %
2010	3,658,400	4,701,069	77.8 %

Mobile Penetration

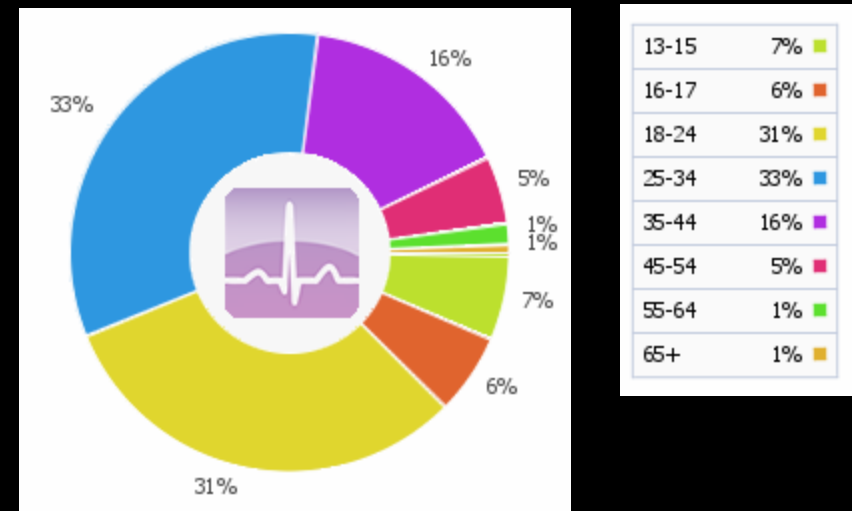


Singapore Facebook Statistics

General info

Total Facebook Users:	2 295 420	Penetration of population:	48.83%
Position in the list:	49.	Penetration of online pop.:	62.74%

74% are under the age of 34 years

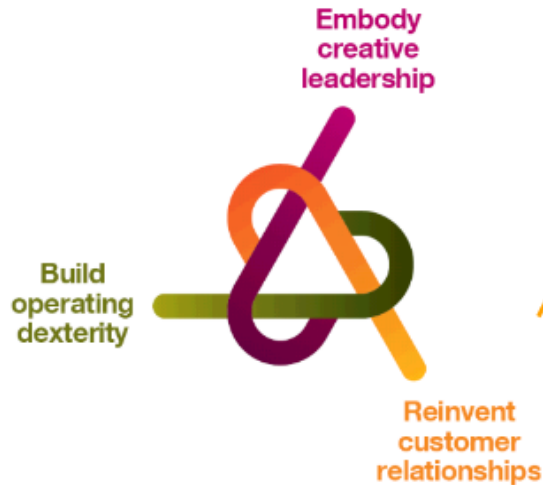
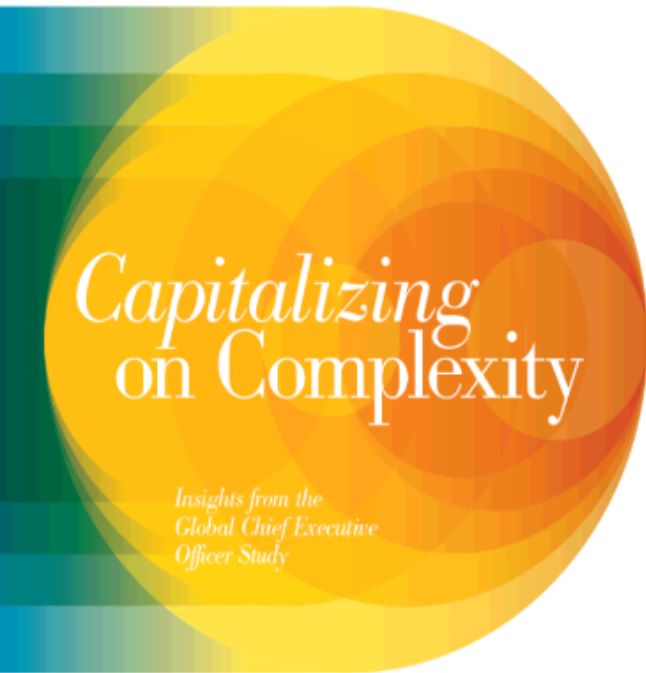




Customer Focus Is CEO Priority

2010 IBM Global CEO Study

High-performing companies capitalize on complexity in three ways...



“Getting closer to Customers” is the single most important theme. Engage customers in new ways that increase interest and loyalty to generate demand and revenue sources

Better understand customer needs and involve customers more effectively and directly in product and service development

Exploit the information explosion to hear the voice of your customer through the vast amounts of data, understand it, and act.

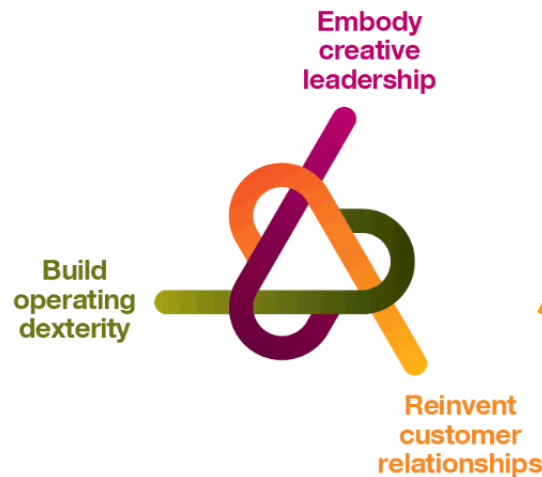
IBM.com/CEOStudy



Customer Web Experience Elements Are Key

2010 IBM Global CEO Study

High-performing companies capitalize on complexity in three ways...



“Getting closer to Customers” is the \$100 billion theme. Engage customers through **Web Platform** that increase interest and loyalty to generate demand and revenue sources

Better understanding of customer needs and involve customers **Social Web 2.0** and directly in product and service development

Exploit the information explosion to help customers **Analytics** our customer through the vast amounts of data, understand it, and act.

IBM.com/CEOStudy



Retaining Customers A Priority

“A focus on customers at the top of the list is usual. This year, the “existing customers” imperative is a higher priority than “attracting new customers.”

Table 1. Top 10 Business Priorities in 2010

Rank Order	Business Priorities	Mean Rating Score
1	Retaining and enhancing existing customers	6.32
2	Maintaining competitive advantage	6.10
3	Attracting new customers	6.08
4	Attracting and retaining skilled workers and talent	6.03
5	Reducing costs via better efficiency	5.80
6	Balancing short-term goals with long-term strategy	5.74
7	Focusing on core competencies	5.73
8	Improving management decision making via better information and analysis	5.70
9	Building a responsive, flexible organization	5.62
10	Fostering innovation	5.59

Source: Gartner (March 2010)

Source: Gartner, Inc.

Gartner CEO and Senior Business Executive Survey, 2010: Anticipating the Post-Recession Landscape

19 March 2010



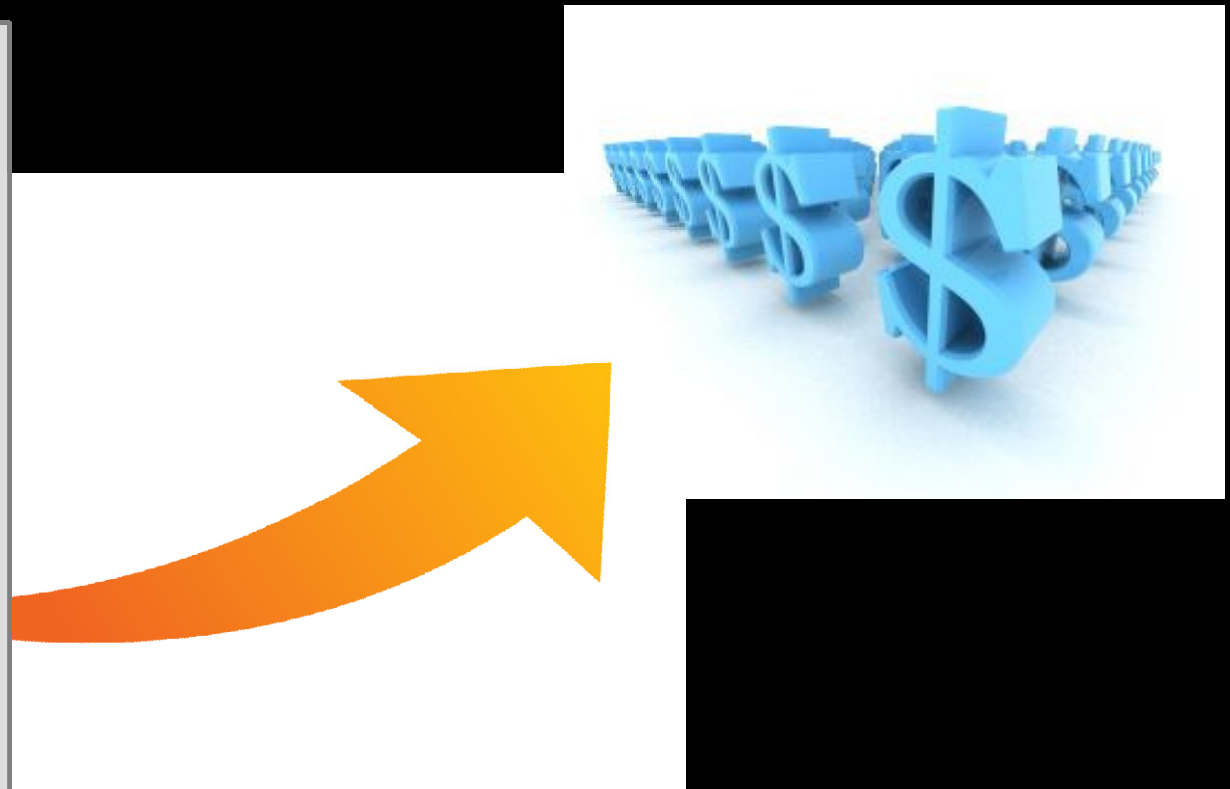
Why the Focus on Customers?

Retaining customers is linked to increased profitability

2% increase in customer retention has the same effect on profits as **cutting costs by 10%**

5% reduction in customer defection rate can **increase profits by 25-125%**, depending on the industry

Acquiring new customers can **cost 5x more** than satisfying and retaining current customers





Exceptional Customer Experiences Lacking

In a survey of more than 7,700 US consumers about their interactions with a variety of companies across multiple industries:

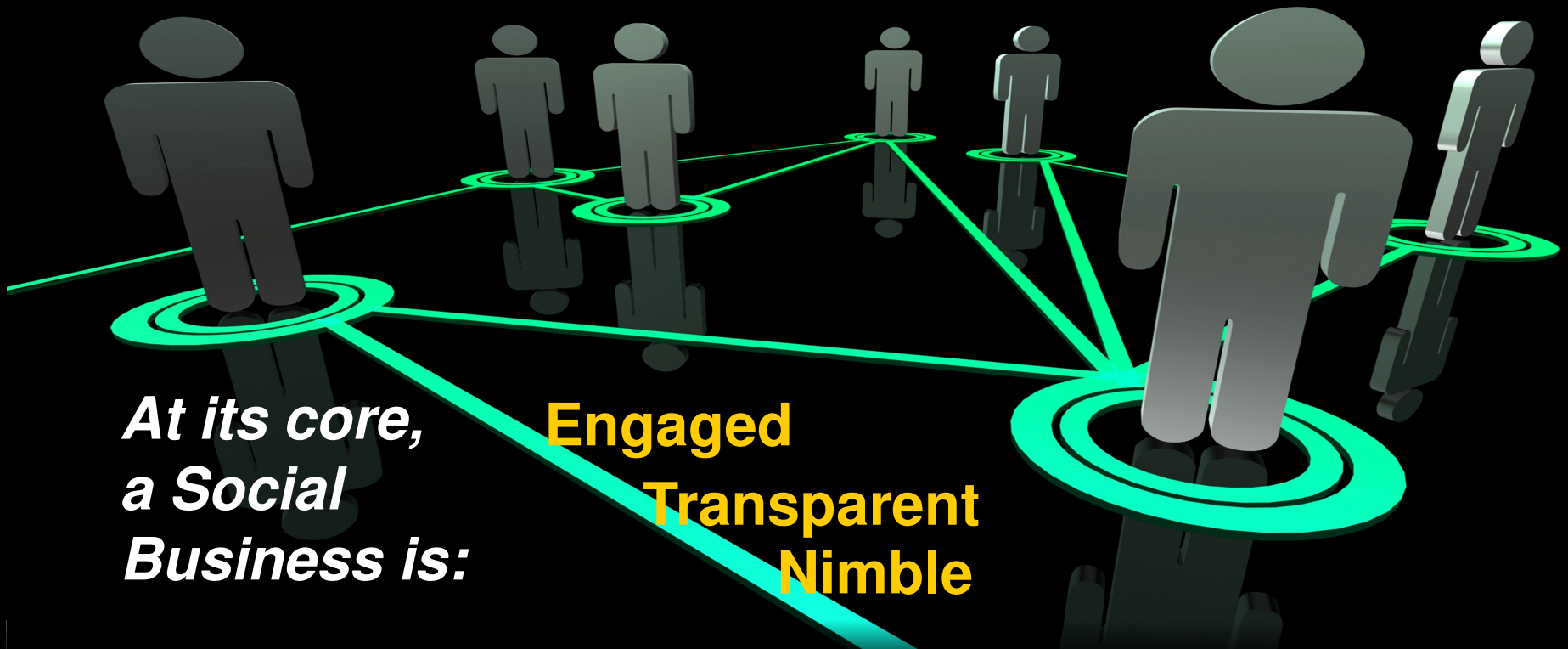
Only **6% of companies** garnered a rating of “**excellent**” in this year’s Customer Experience Index of large US firms...**29% of firms** were rated as “**poor**” or “**very poor**”.



Source: Forrester Research, Inc.
The Customer Experience Index, 2011
January 11, 2011



A Social Business embraces networks of people





A Social Business embraces networks of people to create business value

Consider the current social trends...

Employees

are connecting in new ways in all facets of their life, including work

Customers

discussing you and setting your brand today

Competitors

are crowd-sourcing ideas to bring new solutions to market



evolve and outperform



Are you ready?

To create a personal experience for customers requires doing more listening.... and being nimble to respond quickly

95% of stand out organizations will focus more on “getting close to the customer “ over the next 5 years

-IBM CEO Study 2010



Time to reach mass audience has shortened from 38 years 3 years with social media... Twitter reached **50 million** users in 3 years

-CMO Agenda 2010;
Gartner CEO Study

How will you engage your customers in a world gone Social?



Deliver Exceptional Web Experiences That Are...

Balance Form & Function:

*Visual Appeal +
Ease of Use
Equally
Important*

People Are Everywhere:

*Explosion of
Mobile Means A
Moving Target!*



Know Your Intended Audience:

*Deliver Precisely
What They
Need/Want*

Turn Customers Into Advocates:

*Ensure A
Reliable, Secure
Experience*



For *US Open*, becoming a Social Business created an enhanced personal experience for avid and new fans

Need:

Engage fans with innovative technology that delivers differentiated experience



US Open

...an interactive, engaging website that delivered relevant rich data to fans in real time,

47% increase in traffic reaching 13.5 million people

Live video with statistics, real time data visualization of tennis matches, **deeper insights into players**

“Around Me” iPhone application launched to augment the on-site experience for fans **when and where they want**

Nurture and deepen customer relationship



For *Harley Davidson* being a Social Business,
*means promoting brand identify to turn customers into advocates and
expand your reach*

Need:

Create community of like
people with a common
passion to represent a brand
as a way of life

78% of consumers trust peer
recommendations

Source: Socialnomics, 2009

“It doesn’t matter what walk of life you’re
from. When you’re on a Harley-Davidson
motorcycle, you are **part of one community,
and that’s just a really, really powerful
experience.**”

JIM HANEY, CIO HARLEY-DAVIDSON

“It is about staying close to your customers
and showing them that **you’re a brand
that lives with them.**”

ANDY BENKA, HARLEY-DAVIDSON





For *HSBC* being a Social business
produces revenue results by listening to customers

Need:

Deliver personalized content to over 50 million customers in 40 countries

Test and enable go-to – market with best offers



HSBC

Being nimble, using real data to make better decisions results:

35% improvement in marketing campaign revenue

Increased customer loyalty by testing and adjusting marketing campaigns

Designs **easily and quickly deployed** to all HSBC channels increasing time to market





For *College.gov* being a Social Business

Making it easier for students to find information and utilize resources

- Designed based upon feedback from target audience (Teens)
- Embedded Rich Media (Video)
- Content Sharing (Upload Videos, Pictures)
- Social Network (Facebook) and Video (YouTube) Links, Pages & Content Sharing





Exceptional Web Experiences May Deliver...

200%
higher
visit-to-order
conversion rate



16.6%
more
recommendations
by customers
for products and
services

30%
higher rating
of self service web
over Help Desk

75%
faster
time to roll out new
customer applications

14.1%
repeat purchase
interest by customers

*Based on IBM client engagements



Social Business

A

Align Organizational Goals & Culture

G

Gain “Friends & Fans” Through Social Trust

E

Engage Through Experiences

N

Network Your Business Processes

D

Design for Reputation & Risk Management

A

Analyze Your Data



*To illustrate the dynamic IBM Portfolio,
let's look at the impact on people and their work...*



Joanne,
Global CMO



Maria,
Potential
Customer



Peter,
Director of
Sales



Joanne, Global CMO

wants to grow her business through customer insights

The collage includes a portrait of a smiling woman, a social sharing menu with options like Email, Print, Digg, MySpace, Facebook, and Twitter, a bar chart showing sessions for different market segments, and a data table with columns for Market Segment, Unique Visitors, Sessions, Orders, and Sale.

Market Segment	Unique Visitors	Sessions	Orders	Sale
College Graduates	120,340	3,496	21,483	\$2,...
Young Professionals	230,340	4,986	36,491	\$7,...
Baby Boomers	404,953	15,942	78,189	\$60,...

Inga needs...to launch new online marketing campaign to expand into European Market

With IBM social collaboration, her teams are able to:

- Test new market dynamics and use analytics to adjust and tune messaging
- Deliver global look and feel with localized relevant engaging content
- Blog to help and improve SEO and content syndication
- Deliver media rich, video, images and podcasts



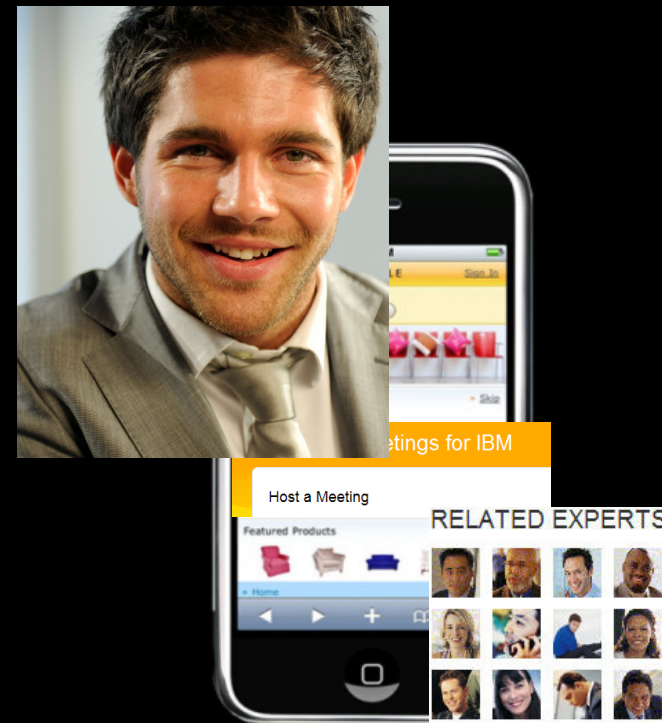
Peter, Director of Sales for ASEAN

Share information with sellers and customers with ease

Jack needs...to get 50 new sellers across the country trained to meet quarterly sales target

With IBM Collaboration Solutions, he can:

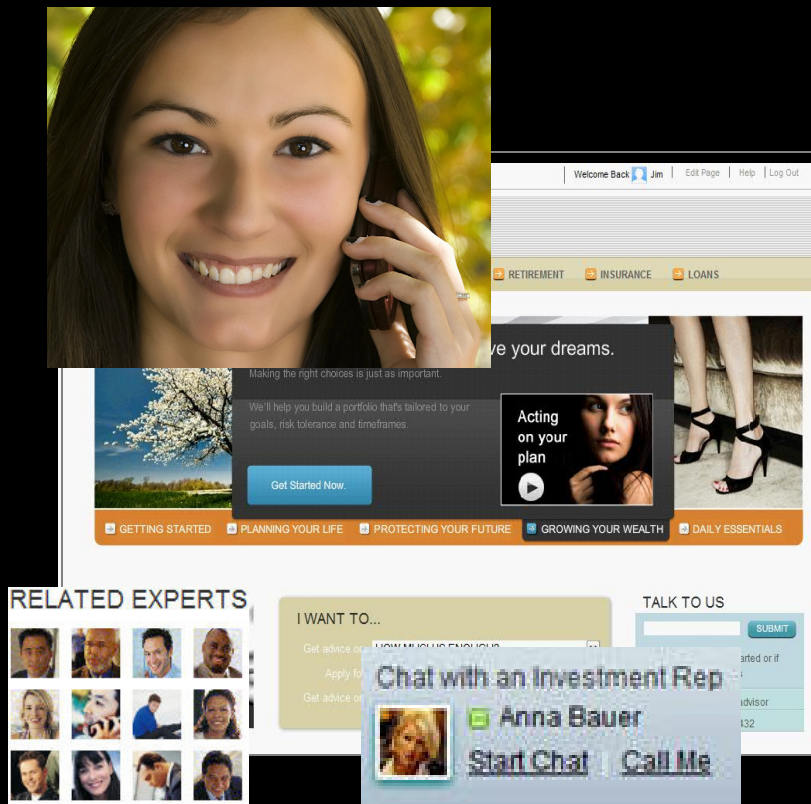
- Stay coordinated with activities and meetings
- Find expertise thru dynamic personal profiles
- Share insights with instant messaging, blogging, forums, shared bookmarks
- Use communities to promote information, education, sales kits
- Access information from multiple devices such as smart phone, iPad, laptop when engaging potential customers





Maria, Potential Customer

needs to find what she needs quickly, easily, when she wants it



Marie needs...to explore the offerings and make a buying decision

With IBM social collaboration, she can:

- Connect with experts via, blogs & communities
- Read ratings & reviews to see what peers are saying
- Chat with her rep online, instantly
- Personalize her account w/ drag & drop capabilities to ensure relevant content
- Access her account with same look & feel from multiple devices seamlessly



The IBM Portfolio

is responsive to the marketplace and *your customers* ...



Sales and Marketing Leadership receives...social capabilities within reach to encourage conversation that provides customer insights



With IBM social collaboration, their teams are able to:

- Find the right people with profiles to connect customers with similar interests or discover your employees with the specific skills needed
- Easy adapt web content that captures customers interest based on behavior without the assistance of IT
- Streamline operational efficiencies with consistent workflow processes



The IBM Portfolio

provides the broadest flexibility in deployment and delivery...



Sales and Marketing Leadership receives... flexible deployment to reach customers where they spend their time



With IBM social collaboration, they can

- Deliver solutions on-premise or in the cloud
- Provide access to people networks and teams from within familiar messaging tools
- Stay connected and participating from their desks or on the road



*We at IBM want to be your partner on this journey...
...to becoming a **Social Business***

We understand the *journey and cultural transformation* underway in business today. IBM's Social Business Portfolio and Services, provide you with business solutions that are ...

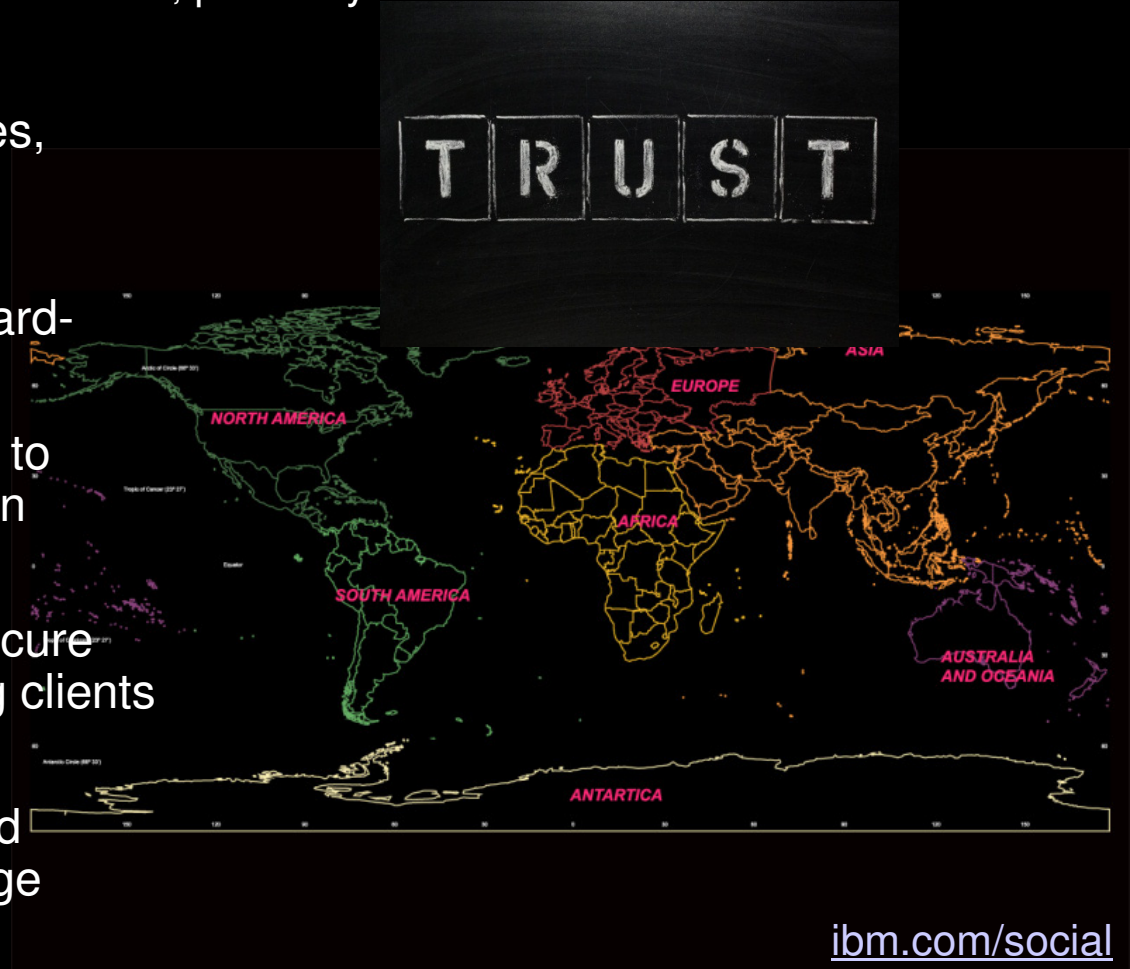
Integrated – the right capabilities, tuned to deliver exceptional experiences

Best-in-class – made up of award-winning component elements

Intelligent – driven by analytics to optimize the experience and gain customer insights

Proven – built on a scalable, secure platform relied on by demanding clients worldwide

Agile – designed to be open and flexible to adapt quickly to change





*Start your Social Business transformation with
IBM Collaboration Solutions today...*

Tactical Steps:

Assess Your Organization: Take the IBM Collaboration Assessment

Build a Roadmap: Identify key needs and define a roadmap

Get More Information. Get Plugged In:

Learn about the business value

Whitepaper: Forrester Study: Total Economic Impact of IBM Social Collaboration

Video: Business Value of Social Software

Listen to our customers

CEMEX: Shift Platform

Sogeti: Sogeti becomes more social

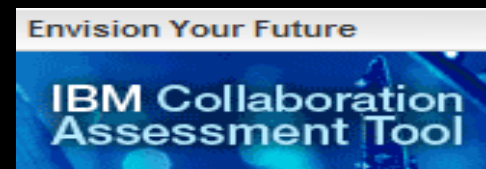
Rheinmetall: Becoming a social business with IBM software

Join in the conversation

Register with the IBM Reinventing Relationships Social Media Aggregator

Blog and Community: The IBM Collaboration Soapbox

Social Business Jam: Join in February 8-11, 2011





Copyright IBM 2010

All statements regarding IBM future direction and intent are subject to change or withdrawal without notice, and represent goals and objectives only.

References in this document to IBM products or services do not imply that IBM intends to make them available in every country.

Trademarks of International Business Machines Corporation in the United States, other countries, or both can be found on the World Wide Web at <http://www.ibm.com/legal/copytrade.shtml>.

Prices are suggested U.S. list prices and are subject to change without notice. Contact your IBM representative or Business Partner for the most current pricing in your geography.

Customer examples described are presented as illustrations of how those customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics may vary by customer.

Information concerning non-IBM products was obtained from a supplier of these products, published announcement material, or other publicly available sources and does not constitute an endorsement of such products by IBM. Questions on the capability of non-IBM products should be addressed to the supplier of those products.

Some information addresses anticipated future capabilities. Such information is not intended as a definitive statement of a commitment to specific levels of performance, function or delivery schedules with respect to any future products. Such commitments are only made in IBM product announcements. The information is presented here to communicate IBM's current investment and development activities as a good faith effort to help with our customers' and business partners' future planning.