

The Business Impact of Social Computing, 2008

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The business impact of social computing is being felt across all geographic regions and in all vertical sectors. This Special Report provides a broad overview of the present and future impact through a detailed look at more than 20 specific areas.

ANALYSIS

Social computing is about enabling, encouraging and capturing the often unstructured interactions between individuals. These interactions and the individuals involved are the essence of communities — and their diversity, depth and reach are the measure of how vibrant and dynamic those communities are. Humans need to communicate, to socialize, to belong to communities, and to be recognized and respected by other community members. These desires are well understood and documented (and are encapsulated in Maslow's "Hierarchy of Needs," published in the 1940s). The arrival of affordable computing power, communications and the Internet has enabled communities to break the previous constraints of geography and become global in their reach and influence. The concept of social computing is therefore emerging from the confluence of a desire to harness the interactions of groups of individuals along with the availability of technology platforms that support large-scale collaboration in virtual environments. Such environments can create a new social dimension or extend social interaction among loosely connected participants, provide the means for interaction and information sharing, and allow social patterns to emerge and evolve. They are enabling the growth of communities with unprecedented reach and influence, often without easily identifiable leaders. Successfully leveraging these communities represents a great opportunity for enterprises, although it poses many challenges.

Within the enterprise, social computing facilitates many interpersonal functions with business implications, such as internal teaming, problem solving, collaboration, and knowledge management and transfer. Such interactions lie at the core of meeting growing business demands to improve communications, enhance collaboration and encourage innovation throughout the organization.

Externally, social computing supports deeper, more mutually supportive enterprise relationships by involving customers and suppliers in similar ways at every stage of a business life cycle — from design, through development and production, to marketing and sales, to customer service and support. As businesses increasingly seek to strengthen their level of engagement with prospects and customers, understanding the power of communities, the multiple personas of their members (see "Defining Generation V: The Virtual Generation"), their expectations, their aspirations and how to interact with them will become essential skills for business in the 21st century. Stronger customer relationships increase loyalty and brand recognition, and ultimately drive enhanced revenue.

However, social applications, the key to harnessing the growing community, are quickly rising to the "Peak of Inflated Expectations" and are often being deployed without mutual balanced purpose. Every successful social computing project will need mutual purpose, from both the customer, employee, citizen or persona side (motivation for participating) and the business side (actual measurable business need; see "The Business Impact of Social Computing on Marketing and Generation V").

Social computing represents almost unknown territory for most enterprises, used to many years (even decades) of tight, top-down hierarchical control, and many significant challenges lie ahead for business leadership (see "The Business Impact of Social Computing on Company Governance" and "The Business Impact of Social Computing on the CIO"). With a culture that depends on control and security to protect information, the freedom inherent in social computing will be especially challenging to information security officers and others inside the enterprise responsible for sensitive information or compliance (see "The Business Impact of Social Computing on Identity Management," "The Business Impact of Social Computing on Data Exposure in the Workplace," "The Business Impact of Social Computing on HR Data" and "The Business Impact of Social Computing on Licensing and IP Ownership"). Balancing the conflicting

demands of freedom and innovation against the necessary controls and restraint will be the key to successful social computing deployment for enterprises.

The continuing democratization of IT (a broader perspective describing the growing impact of the consumerization of IT on enterprises) and the increasing use of mobile devices will be magnified by social computing to affect both platforms and use. This will have significant implications for IT operations and corporate infrastructure (see "The Business Impact of Social Computing on Mobile Communities" and "The Business Impact of Social Computing on IT Operations") as well as for internal processes and platforms (see "The Business Impact of Social Computing on Corporate Learning," "The Business Impact of Social Computing on Sales," "The Business Impact of Social Computing on CRM Processes" and "The Business Impact of Social Computing on Enterprise Feedback Management") and vendors in this space (see "The Business Impact of Social Computing on the CRM Software Market").

Social computing is the way people use technology to interact and create communities, and although we believe that these behavioral trends will affect all elements of society and all enterprises (public and private) in all geographies and markets, cultural, historical, geographical and industry norms and behaviors will influence the extent, manifestation and speed of change (see "The Business Impact of Social Computing on Government," "The Business Impact of Social Computing on Higher Education," "The Business Impact of Social Computing on the TV Industry," "The Business Impact of Social Computing on Life Insurance, Pension and Annuity Providers," "The Business Impact of Social Computing on Manufacturing" and "The Business Impact of Social Computing on Media Companies").

The impact of communities is an irreversible and increasing trend that will affect all organizations in all regions and industries. The democratization of IT is accelerating and globalizing the opportunities for interaction between individuals. Social computing is intricately linked to the emergence of Web 2.0 to help meet the demand of individuals to engage more effectively, and as these tools develop, they are entering the enterprise environment via a multitude of formal and informal routes. This is a trend that is in its early stages, will develop quickly and evolve substantially. But it will not go away. Business and IT leaders should take careful note of the detailed perspectives in this report and consider how it will affect their own organizations at all levels.

RECOMMENDED READING

"Defining Generation V: The Virtual Generation"

"How 'Generation V' Will Change Your Business"

"How to Apply the PLANT SEEDS Framework for Enhanced Web 2.0 Enterprise Adoption"

"Roundup of Social Software Research, 1H08"

"Hype Cycle for Social Software, 2008"

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