

Chapter 12

IoT Digital Service Provider: Towards Smart Living

Filipe Cabral Pinto
Altice Labs, Portugal

Isabel Borges
Altice Labs, Portugal

Fernando Santiago
Altice Labs, Portugal

ABSTRACT

Digitalization is changing the way people live and interact. A new society has been built supported by cutting-edge technology changing even the most conservative habits. This new dynamic also changes the way people consume and relate to different brands. Communication service providers are evolving their business and taking digital transformation initiatives to engage customers by putting them at the center of their operations. But only the deep knowledge of customers guarantees a change with value. The advent of the IoT enables getting useful insights about people context facilitating the delivery of personalized offers and first-class experiences all over the journey. New business can be created in an endless market across different domains. However, the IoT value chain is complex and interactions between stakeholders are not always clear. This chapter presents the on-boarding of the IoT on the service provider actuation sphere.

INTRODUCTION

The digital revolution is changing people's behavior. The way people live is becoming really different from the recent past. Technological developments have enabled new forms of communication and the access to information has been greatly facilitated. Science is expanding to new areas bringing other dimensions to our reality. People now interact in a different way, much more in line with the dynamics of a changing world. A new digital society is irreversibly underway, strongly affecting our daily lives, on a path with no return.

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The use of digital technologies in everyday's life has been transforming customers. They are now much more informed and well aware of what they want. The seamless access to information is making them more demanding, able to select what best suits their needs at each moment. They require direct access to what they need and any obstacle in their way makes them opt for alternative directions. And because customers now globally share their experiences, their opinions count heavily and play a key role in brand awareness.

Communication Service Providers (CSPs) are core enablers in the construction of this new society. They make available technological infrastructure to support the new way of life. But despite their decisive role in this transformation, they are also being affected by their customers' mindset change. In fact, CSP customers are asking for improved interactions during the whole customer interaction journey. They require unspoiled experiences across multiple channels and meaningful touchpoints. Customers want the full control of integrated services tailored to their needs, including seamless communications, multidimensional content access, management of their living spaces or even access to their intelligent objects. Personalization will be key for customer engagement, but privacy and security are fundamental requirements for a relationship of trust.

Some CSPs continue to confuse technological evolution with customer needs. But the misperception of reality may cause clients to drift away to competitors or take on new Over-The-Top (OTT) players as service providers. To grow, CSPs have no other alternative than to reposition their business to support the new digital life. CSPs have to forget about technology as an end in itself, and put it as a means to satisfy the customer's needs. Digital transformation initiatives have to be put into action to meet the needs of the new society. Creating a customer centric culture will be critical to raise the levels of satisfaction. A journey of valuable interactions is the key to engage customers and satisfy their real needs in the digital service industry.

The Internet of Things (IoT) extends the Internet to the physical world. In a couple of years, more than 20 billion objects communicating across the network are expected to fully disrupt the daily digital life (Stamford, 2015). The data exchanged by these devices represents valuable information that can be used to foster innovation across different domains. CSP must make use of this big data source to improve its own business. The information collected can be applied not only to get a deeper view of the customer, but also to improve the range of services available, making them more useful to existing needs.

IoT will be a crucial instrument in the delivery of improved experiences. But the IoT value chain is complex, with different players competing for the same slices of the market. There is still a great lack of definition regarding the different roles and forms of interaction involved between each entity, making unclear the right positioning of Telcos. On board of the IoT as an enabler for the CSP transformation towards digital service providers is mandatory but requires major clarification. Platform-based approaches seem a good bet but require new strategies to create value for customers and to share revenues with suppliers and partners.

This article presents a reflection on the demands of future consumers in a digital society, and their impact on CSPs business and technology strategy raised by a customer centric approach in an age where the Internet reaches the objects.

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