

Lecture 5

Economic Basics I:
Electronic Business vs. Mobile Business

Mobile Business I (WS 2011/12)

Prof. Dr. Kai Rannenber

T-Mobile Chair of Mobile Business & Multilateral Security
Johann Wolfgang Goethe University Frankfurt a. M.



- Phenomenon “Mobility“
- Mobile Lifestyle and Social Phenomena
- Specifics of the Mobile Economy
- Infrastructure Environment
- Mobile Business

What is mobility?



Lat. *mobilitas*:

- (1) Flexibility, velocity, motion;
and as “*mobilitas animi*”: (mental) fitness
- (2) But also (and quite ambivalent to (1)) changeability,
inconstancy, unstableness

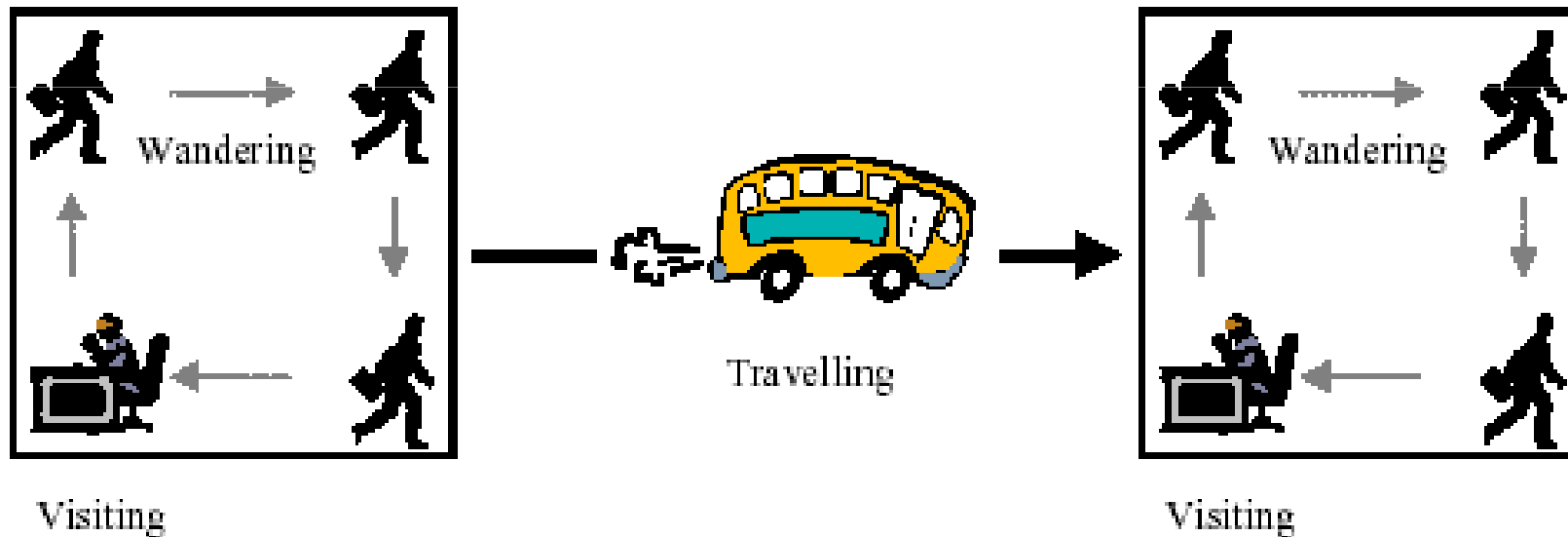
[SkustowPets1998]

- Social implications

Mobility not just “*humans’ independence from geographical constraints*”

- Spatial Mobility
- Temporal Mobility
- Contextual Mobility

- Different degrees of mobility



[KristoLjungb1998]

- Visiting
 - Working at different places for a little longer time



- Example: Accountant visiting a client
- Here often “federations” with “alien” terminals and usage of WLAN

- Travelling
 - Working while travelling
 - Example: top management in a limousine
 - There are different technologies facilitating this in different travelling occasions (e.g. satellite connection for planes, GSM/UMTS for cars)



- Wandering
 - Working while being mobile “at a place or site”
 - Example: Facility-Management in an office building



www.tisco.com

- Micro-Mobility
 - “The way in which an artifact can be mobilized and manipulated for various purposes around a relatively [LuffHeath1998] circumscribed, or “at hand”, domain”



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- “keitai”
- Mobile devices are becoming a “cult”:



- The way people communicate
- The way mobile phones are integrated into normal life
- The importance of mobile communications



- ... but not only in Japan.



- ... bundling and lifestyle.



Sehr geehrter Eckerle-Kunde,
sonnenklar...mit unseren neuen Kurzarmhemden werden Sie sich jeden Tag ein wenig wie im Urlaub fühlen. Strahlend schöne Farben, mediterrane Streifen und florale Muster sorgen garantiert für gute Laune. Genauso wie unsere Mode sind die Xelibri-Handys von Siemens. Als Must-have der Saison ist die Fashion Phone-Kollektion nur in ausgesuchten Modehäusern erhältlich. Vertragliche Bindungen gibt es nicht, einfach SIM-Karte einlegen und los geht's. Genießen Sie die Sommerfrische bei Eckerle.

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- ... bundling and lifestyle.



- Society Approach: Smart Mobs
 - *“Smart mobs consist of people who are able to coordinate even if they don’t know each other.”*
 - Example: People Power II, Manila versus President Estrada; coordination of the rebellion through SMS





- Example: Stalking
Transfer of VIP residences via SMS

A screenshot of a mobile application interface showing a group page. At the top, there is a green banner with a "\$500" icon and the text: "Now every time you invite a friend to any of your Groups or Channels, you are entered to win our monthly drawing for \$500!". Below this is the group title "Anywhere everywhere celebs" with a "JOIN THIS GROUP NOW" button. The group details include: "handle: anyeverywher", "#members: 02", "type: public", "allows voice", "who can send msgs: All", "who can invite: All", "founder: flyrah", and "since: Jan 16, 2001". The description reads: "Forget about celeb sightings in certain cities! If you know of any place or destination that a celeb is or where they will be, drop in or drop a line." Below the description is a section with a mobile phone icon and the text: "This is a mobile discussion group for your phone. Once you join, you'll get the messages on your phone, and be able to send." On the right side, there are two promotional banners: one for "Sign up for the official JENNIFER LOPEZ UPOC channel" and another that says "Find the Upoc group that is right for you!".

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What are the characteristics of the Mobile Economy?

	Electronic Economy	Mobile Economy
Automation / digitization	●	●
Time flexibility	●	●
Interactivity	●	●
Individualization	●	●
Location independence		●
Personal sphere		●
Continuous reachability		●
Context sensitivity		●

- Automation / digitization
 - Value proposition of Internet services is provided electronically (digital)
- Time flexibility
 - Internet services are accessible 24 hours per day
- Interactivity
 - Users are integrated into the provision of Internet services
- Individualization
 - Personalisation of Internet services according to individual user preferences

- Location independence
 - Provision of mobile services is independent of a user's current location
 - Examples
 - o Mobile E-Mail Services
 - o Mobile Information Services
 - o Mobile Sales Force Services
 - o ...

- Personal sphere
 - Mobile devices as personal accessories
 - Mobile device is part of a user's personal sphere such as keys, data books, clothes, etc.
 - Users carry mobile devices with them most of time

- Continuous reachability
 - Location independent network access
 - Users are instantly addressable
 - Always-on-Functionality

- Context sensitivity
(Detection and evaluation user's environment information)
 - **Local context**
(user's current place / time)
 - **Action context**
(user's current place / time combined with geo data)
 - **Time context**
(user's current time combined with time relevant information)
 - **Interests specific context**
(local, action and time context combined with personal user preferences)

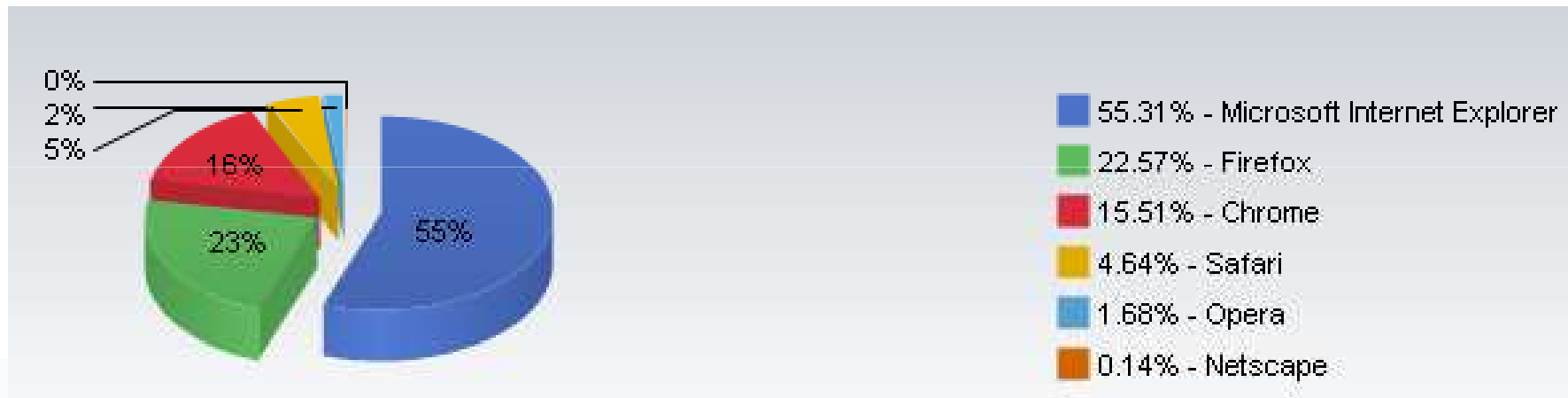
- Additional market-driven specifics
 - High penetration of mobile devices in society:
 - 5,3 billion mobile cellular subscriptions worldwide in 2010
 - 940 million users had access via mobile broadband in 2010
[ITU2011]
 - 111 million mobile phone contracts in Germany in 2010
[BITKOM2011]
 - “Everybody” is reachable via mobile phones.

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Technology	Fixed	Mobile
Device	PC	Smartphones, pagers, PDAs
Operating System	Windows, Unix, Linux	Symbian, Android, Windows Mobile, PalmOS, proprietary platforms
Presentation Standards	HTML	HTML, WML, HDML, i-Mode
Browser	Microsoft Explorer, Firefox, Chrome	Phone.com UP Browser, Nokia browser, MS Mobile Explorer, and other microbrowsers
Bearer Networks	TCP/IP & fixed wireline Internet	GSM, GSM/GPRS, TDMA, CDMA, CDPD, paging networks

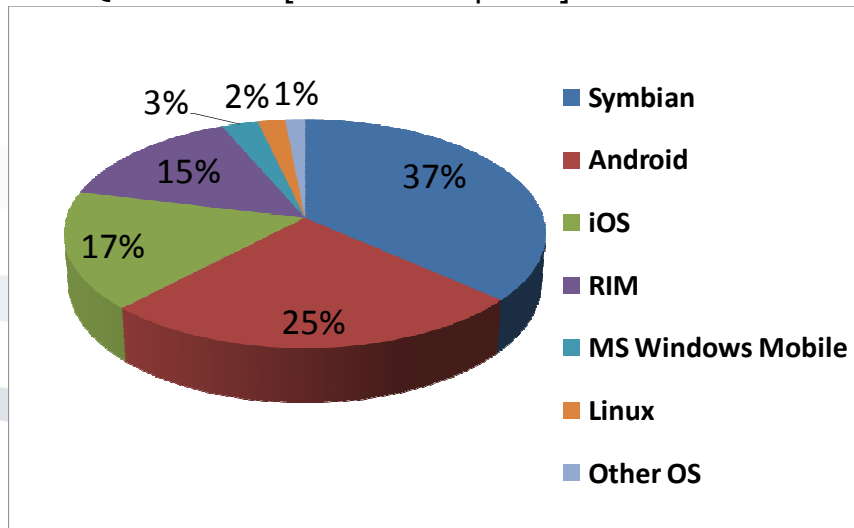
- Electronic World: Few types of “access paths” to the homepage

August 2011

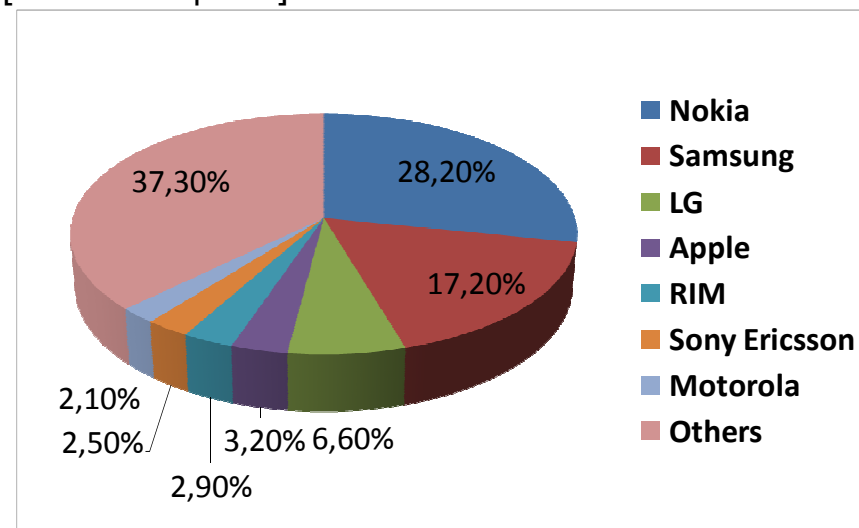


- Mobile World: many types of “access paths” (platforms) to the homepage
 - Market distribution of types of access paths difficult to assess due to lack of specific statistics
 - Some information can be derived from interpreting related statistics

Market shares by operating systems worldwide, 3rd Quarter 2010 [GartnerGroup2011]







Market share of sold telephones worldwide, 3rd Quarter 2010 [GartnerGroup2011]



- The variety of mobile terminals and wireless transmission technologies requires an intelligent Multi Channel Management.
- Critical parameters of the Multi Channel Management:
 - *Display characteristics*
 - *Transfer speed*



Multi Channel Management of mobile applications becomes increasingly complex.

Multimedia Content	Bearer Service	User Agent	
WBMP Images	CSD	WAP Browser	
Color Images	GPRS	iMode Browser	
Color Images	GPRS	HTML Browser	
Multimedia Streams	UMTS	HTML Browser	

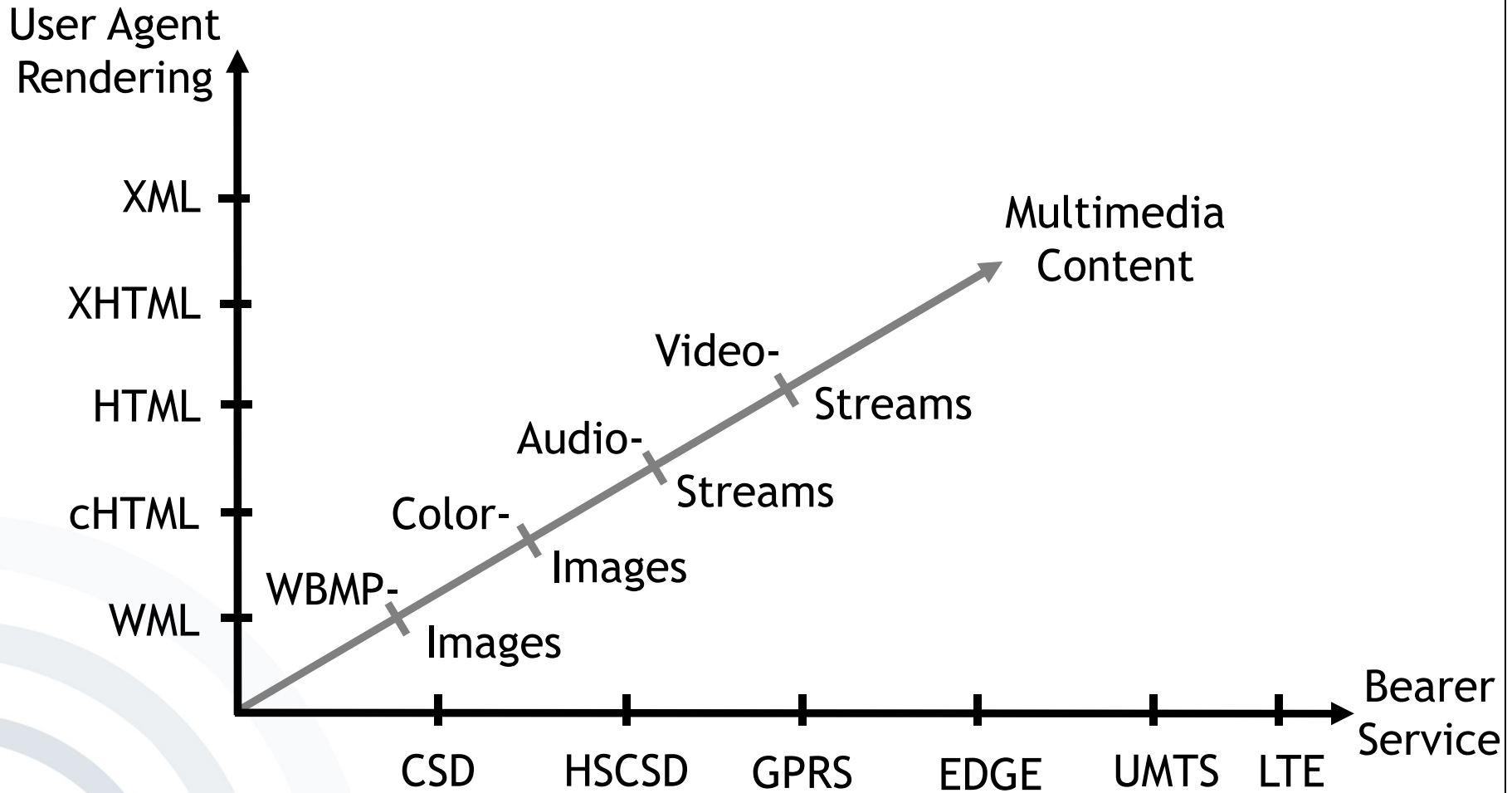
[Example Multi Channel Management Scenarios]

- User Agent Detection can be implemented by the providers of mobile applications.



- Only network operators can identify the data services used by the user (bearer detection).





Consequence:

- Higher planning uncertainties in the “Mobile World“
- Higher costs through multi-optimizing in the “Mobile World“

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Various Electronic Business (E-Business) definitions...

“E-Business: Doing business online.” [TechwebNetwo2007]

“E-Business is about business transformation, changing the way companies go to market, impacting what they sell and how they create value.” [Kortzfleisch2005]

“E-Business... the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners.” [Searchcio2007]

“using the internet to connect with customers, partners, and suppliers” [Netessence2007]

...

Many definitions of Mobile Business (M-Business)...

“M-Business: Doing business using wireless services. The mobile counterpart to E-Business.” [TechwebNetwo2007]

“The total sum of business processes based on location-independent interactive communication technologies.” [ReicMeieFrem2002]

“We define M-Business as a collection of mobile technologies and applications used to support processes, value chains and entire markets using wireless technology.” [Stanoevska-S2003]

...

We chose a definition that (hopefully) lets us do interesting things:

*“The usage of
mobile devices, infrastructure,
communication, and interaction
for
mobile applications
and transactions.”*

		<i>Service user</i>		
		Consumer	Business	Administration
<i>Service provider</i>	Consumer	Consumer-to-Consumer e.g. SMS	Consumer-to-Business e.g. tickets in mobile phones at ticket control	Consumer-to-Administration e.g. ID card implemented in mobile phones
	Business	Business-to-Consumer e.g. downloading tunes	Business-to-Business e.g. mobile access for management consultants at their clients' sites	Business-to-Administration e.g. toll collection
	Administration	Administration-to-Consumer e.g. mobile traffic ticket	Administration-to-Business e.g. SMS with advice on requests for bids	Administration-to-Administration e.g. fire brigade communication

- In terms of electronic communication, M-Business is a specific part of E-Business, but ...
 - for M-Business services a more complex, sophisticated infrastructure environment is required.
 - M-Business services have to deal with several technical limitations (e.g. bandwidth, screen size of device, etc.).
- Specifics of the Mobile Economy enable the provision of unique M-Business services (distinct from E-Business services).
 - e.g. Location-Based Services or Mobile Brokerage
 - See also lecture „M-Business behavioural issues“
- Addressing the issues of the mobile infrastructure environment while taking advantage of the Mobile Economy specifics is the challenge for the successful provision of M-Business services.

- Convergence of Mobile and Fixed Networks:

- Telekom reintegrates T-Mobile
- Vodafone reintegrates Arcor
- O₂ (Telefónica) buys HanseNet
- ...



→ Will E-Business and M-Business converge?

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