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**Chapter IX**

**Mobile Business Services:  
A Strategic Perspective**

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**ABSTRACT**

*Mobile business services are attracting increasing attention and they promise a multibillion dollar market whose characteristics are quite distinct compared to mobile consumer services. Competitive activity among players keen on tapping into this opportunity is increasing rapidly. In this article, we look at mobile business services from a strategic business perspective. We chart the mobile business services landscape and discuss the underlying market drivers and potential end-user benefits. Additionally, we describe the competitive landscape and discuss the relative positions of the primary player groups.*

**INTRODUCTION**

Corporations and business users have traditionally been early adopters of telecommunications solutions. During the past few years, however, it is the personal rather than the business market that has driven mobile service innovation in many leading-edge markets. Mobile chat, mobile games, and downloadable mobile handset icons and ringing tones provide good examples in Europe and Japan. In the U.S., on the contrary, the evolution of mobile services has been driven more by the corporate sector as seen in the mobile fleet management systems of FedEx and

UPS, for instance. Such applications, however, represent only early precursors of what promises to become a significant industry with real value potential. Although consumer services have attracted the greatest media attention so far, corporations are now becoming more active in deploying new mobile business solutions to achieve tangible business benefits. Moreover, in the mobile service development and provisioning industry, business solutions are attracting increasing interest as consumers have not rushed to use mobile business-to-consumer (B2C) services as enthusiastically as expected.

This chapter sheds light on the mobile business services opportunity space from a strategic perspective. First, we discuss the underlying market drivers, current obstacles, and potential benefits of mobile business services. Second, we discuss the differences between mobile consumer and business services, and map the opportunity landscape of mobile business services. Third, we discuss the competitive landscape, the value chains, and the relative positions of various player groups in this industry.

## **A SILENT REVOLUTION: GRADUAL CHANGE IS LEADING TO FUNDAMENTAL TRANSFORMATIONS**

Over time, enterprise IT solutions have evolved from the mainframe and client-server solutions to e-business solutions such as customer relationship management (CRM) and supply-chain management (SCM) that facilitate information flow and interaction within and between organizations. Mobile business solutions represent the next wave of this evolution, further extending connectedness and enhancing interaction. But should the emergence of the mobile data medium be considered predominantly as a new access channel to current enterprise IT applications, will it add a new functionality to these, or does the mobile data medium represent a more fundamental shift in the way companies operate?

The mobile business services sector is driven by both demand- and supply-side factors. According to the Yankee Group (1999a), among large U.S. companies (with more than 5,000 employees), 20% of the workforce is already mobile, with the share of mobile workforce set to increase constantly in the foreseeable future. The adoption of mobile business services is thus driven by an increasing need for mobility, but also by technical opportunities to streamline business processes and enhance interactivity. The decreased time and place dependency of many business processes enable appealing value propositions to many kinds of organizations. According to the Gartner Group (2001a), over 80% of European corporations consider mobile devices and applications as very important for their

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