Chapter 6.8
Exploring Mobile Service Business Opportunities from a Customer-Centric Perspective

Minna Pura
HANKEN—Swedish School of Economics and Business Administration, Finland

Kristina Heinonen
HANKEN—Swedish School of Economics and Business Administration, Finland

ABSTRACT

Mobile services have evolved into an important business area and many companies in various industries are offering mobile services. However, formal classifications or user-centric categorizations of mobile services are still scarce. This chapter develops a conceptual classification for mobile services that illustrates the characteristics of mobile services and gives indications on how to describe mobile business opportunities and categorize services from a customer-centric perspective. The classification scheme, grounded in previous research, is based on the type of consumption, context, social setting, and customer relationship with the service provider. The explorative classification is illustrated with two case studies of existing mobile services in the European market. The theoretical contribution to service management research involves how to describe mobile services from a customer perspective. Managerially, the classification helps marketers, service developers, and stakeholders to evaluate, differentiate, group, and market mobile service offerings more effectively.

INTRODUCTION

Mobile services differ from traditional services in their ability to provide service offerings regardless of temporal and spatial constraints. The benefits of mobile services are often summarized by four factors: (1) ubiquity, (2) convenience, (3) localization, and (4) personalization that differentiate mobile services from online services (Clarke & Flaherty, 2003). Mobile services are also different from traditional interpersonal services that are

delivered face-to-face, or from other types of e-services, such as wireless online services, where the service delivery is linked to a specific fixed local area network or specific location. Mobile services can be accessed on the move, where and whenever the need arises. In this paper, mobile services are defined as "all services that can be used independently of temporal and spatial restraints and that are accessed through a mobile handset (mobile phone, PDA, smart phone, etc.)" Examples of most popular BtoC mobile services in Europe include logos, ring tones, games, address inquiry, account balance inquiry, paying for parking, vending machines, subway tickets, finding the nearest service location, maps, directions, and so forth.

Although an increasing number of academic studies are starting to focus on mobile services from a service management perspective rather than a technology perspective (e.g., Balasubramanian, Peterson, & Järvenpää, 2002; Heinonen & Andersson, 2003; Nysveen, Pedersen, & Thorbjørnsen, 2005a, 2005b; Pura, 2005), formal classifications or categorizations of mobile services are still scarce. Previous studies clearly indicate that specific categorizations are needed, and especially categories of mobile services have been called for (e.g., Rodgers & Sheldon, 2002). Additionally, so far theories used to analyze mobile business stem from information systems literature and often treat mobile services as a category as such compared to Internet and brick and mortar services. Aspects that would allow us to categorize different types of mobile services have remained largely unexplored, and future research has been encouraged in the field (Okazaki, 2005).

Many service classifications in earlier literature stem from traditional service environments that distinguished services from products. They attempt to offer managerial insights on how to organize and classify services in order to serve customers better. Lovelock's (1983) service classification of traditional interpersonal services is one of the notable classifications. It suggested a need to move away from the industry-specific classifications by exploring managerially relevant service characteristics. However, previous service classification models incorporating several fields of industry are quite generic, and more specific classifications are needed to depict the nature of the new electronic channels, especially in order to identify the specific characteristics of mobile services.

Some attempts have already been made to develop service categorizations that depict the special nature of electronic services in general (e.g., Angehrn, 1997; Dabholkar, 1996; Meuter, Ostrom, Roundtree, & Bitner, 2000). However, they have not acknowledged the mobile nature of delivering services. For example, Meuter et al.'s categorization of technology-based service encounters does not include services provided through a mobile interface. Hence, existing e-service categorizations do not identify the special nature of mobile services in comparison to other e-services.

Furthermore, most existing mobile service categorizations tend to focus on the providers' perspective rather than the customer or user perspective (e.g., Giaglis, Kourouthanassis, & Tsamakos, 2003; Hyvönen & Repo, 2005; Mitchell & Whitmore, 2003; Mort & Drennan, 2005). Although some previous research on mobile services does incorporate a customer perspective of mobile services, the focus of this group of studies has not been on classifying mobile services, but on some specific aspect of mobile services, such as intentions (e.g., Nysveen et al., 2005a, 2005b) or motivations (Pura & Brush, 2005) to use, segments of users, value (Anckar & D'Incau, 2002; Van der Heijden, 2004), user acceptance (Van der Heijden, Ogertschnig, & Van der Gaast, 2005), or sociability (Heinonen & Andersson, 2003; Järvenpää & Lang, 2005). To our knowledge, there are no studies that specifically attempt to provide a solid ground for categorizing mobile services, and most existing mobile service categorizations are mainly a by-product of the study. The study by Nysveen et al. (2005b) represents an exception,