Chapter 1

Supporting Marketing Practices:
Mobile Network Operators' Value Added Services Changing the Way of Doing Business

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ABSTRACT

The concept of mobile communication has been rapidly changing all over the world and the Global System for Mobile communication (GSM) business has been evolving from voice services to value added services (VAS). The rapid growth in mobile technology enables Mobile Network Operators (MNOs) to provide a wide range of VAS to their corporate customers and these VAS change and transform companies' way of doing business. The purpose of this chapter is to analyze the corporate VAS of a MNO, which has gained global acceptance and recognition, as a case study in order to understand how the mobile communication changes the companies' way of doing business. The key supporting mobile technologies, services and solutions, which are provided by the case company to its corporate customers, are reviewed in order to comprehend the mobile technologies, practices, and devices that support mobile business (m-business) and mobile marketing (m-marketing) applications.

INTRODUCTION

The contemporary era has witnessed the rapid evolution of mobile technology. Global System for Mobile communications (GSM) is an open, digital cellular technology used for transmitting mobile voice and data services. The finding of the wireless intelligence subscriber statistics end Q4 2007 report indicates that GSM is the fastest growing communications technology and there are approximately 2.7 billion GSM subscribers in the world that accounts for 80.5% of the global mobile market (Wireless Intelligence, 2007).

According to the ComScore M:Metrics (2008b), there are 226 million mobile users in the United Stated, 49 million mobile users in Germany, 47.5 million mobile user in United Kingdom and 47 million mobile users in Italy. And as an emerging country, there are approximately 62 million mobile users in Turkey and the mobile line penetration rate in Turkey is approximately 88% at the end of December, 2007 (Turkish Telecommunications Authority, 2007).

Mobile communication has transformed the way people live and work. Mobile devices allow mobile users to send email, text message, access internet, take pictures and video, listen to music, play games, access data and much more. Azuki's mobile phone user survey details the behavior patterns of mobile phone users in the United States and the finding of the survey indicates that mobile phone users are spending a significant amount of time on their phones in the United States (Azuki Systems, 2008). The Azuki mobile phone user survey findings also indicate that 50 percentage of the respondents access their emails from their mobile phones and 52 percentage of the respondents access the Web via their mobile phones (Azuki Systems, 2008). Moreover, ComScore M:Metrics (2008b) reports that 30.2 percentage of United States, 19.9 percentage of Germany, 28.4 percentage of UK and 25.3 percentage of Italy population use mobile media. In the light of the above statistics, it can be concluded that mobile communication industry has been growing significantly over recent years.

The recent advances in mobile communication technologies and striking adoption of mobile phone and other handheld devices give rise to the evolution of mobile business (m-business) and mobile marketing (m-marketing) activities. As mobile device manufacturers and mobile network operators improve their services and products, mobile communication becomes the mainstream and changes the way of doing business. MNOs play a critical role in the transformation of m-business; because MNOs are the ones who offer techni-cal facilities for the development of m-business models. MNOs play a major role in m-business and m-marketing by being strategically positioned between customers and content providers. The main purpose of this chapter is to review key supporting mobile technologies, services and solutions of a MNO and to comprehend mobile technologies, practices, and devices that support marketing activities during the implementation of m-business and m-marketing applications.

Towards this objective, corporate VAS of a MNO, which has gained global acceptance and recognition, is reviewed as a case study. Case study is particularly welcome in new situations where only a little is known about the phenomenon and in situations where current theories seem inadequate (Eisenhardt, 1989). The aim of the case study is to attain a comprehensive and detailed a description of the phenomena (Eisenhardt and Graebner, 2007). Case studies can be used to provide description, test theory, or generate a theory (Eisenhardt, 1989). Since single-case studies enable to describe the existence of a phenomenon in a detail way (Eisenhardt and Graebner, 2007); in this exploratory study, VAS of a MNO is analyzed. The purpose of analyzing the VAS of MNO as a case is not to make a generalization and attain a generalizable result; but to have a better understanding of the nature of the supporting role of MNOs in m-marketing applications. Moreover, this chapter will provide a better understanding about how the mobile communication and value added services of MNOs change the companies' way of doing business.

LITERATURE OVERVIEW

Mobile communication has a significant impact on the business world. As the interest in the usage of mobile applications in the business environment increases, mobile business related issues become more important for researchers and practitioners in the recent years. Tsai and Gururajan (2007)

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