Chapter III
Business Models for Mobile Payment Service Provision and Enabling

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ABSTRACT
A sizeable body of research on mobile payment evolved in recent years. Researchers analyzed success factors and acceptance criteria as well as strengths and weaknesses of different mobile payment service providers. This chapter explores business models for mobile payment service provision and mobile payment service enabling. While a mobile payment service provider offers a mobile payment procedure to end-users and merchants, a mobile payment service enabler targets on enabling other companies to offer mobile payment services. The authors primary contribution is to demonstrate the applicability of a general mobile payment business model framework, which was proposed in prior research. In doing so, they analyze, as an example, the case of SEMOPS as a typical mobile service enabler. Representing any m-payment business model, the resulting framework enables researchers and practitioners for comprehensive analysis of existing and future models and provides a helpful tool for M-Payment business model engineering.
INTRODUCTION

Business models for mobile services that are based on direct transaction-dependent revenues need an adequate charging form between service providers and users (Pousttchi & Wiedemann, 2007). Moreover, the appearance of mobile services and mobile commerce with 2.5G networks by the end of the 1990s made it essential to develop an appropriate form of settlement that possesses the same properties, especially ubiquity, as the mobile offers for which billing occurs (Pousttchi, 2008).

For the purposes of this chapter, mobile payment is defined as a type of payment transaction processing in the course of which—within an electronic procedure—the payer uses mobile communication techniques (at least) in conjunction with mobile devices for initiation, authorization, or completion of payment (Pousttchi, 2008). We refer to the term payment systems whenever we discuss a general payment method such as cash, card payment or mobile payment. We refer to the term payment procedures whenever we talk about concrete solutions such as Paypal or Paybox (Pousttchi, 2003).

A sizeable body of research on mobile payment evolved in recent years (Dahlberg et al., 2008). This research mostly covers success factors (e.g., Zmijewska & Lawrence, 2005) and acceptance analysis (e.g., Khodawandi et al., 2003) as well as strengths and weaknesses of mobile payment service providers like banks, MNO or specialized intermediaries (Zmijewska & Lawrence, 2006). However, possible business models are neglected by most researchers.

For the purposes of this chapter, a business model is understood as a conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm (Osterwalder et al., 2005). Moreover, research explicitly focusing on mobile payment service enabling has received less attention. While a mobile payment service provider offers a mobile payment procedure to end-users and merchants, a mobile payment service enabler targets on enabling other companies to offer mobile payment services. Thus, an enabler is typically in no direct relationship with end-users or merchants (Pousttchi et al., 2008).

However, a stringent and rigorous analysis of the business model of mobile payment service enablers is still lacking. Furthermore, the evolution in practice shows that mobile payment service enabling produces more and more interest. For instance, the German section of Paybox Solutions completely realigned their business model from a mobile payment service provider to a mobile payment service enabler. This opportunity also exists for other mobile payment service providers who have already launched a successful procedure in a particular market. They can act as a mobile payment service enabler and sell their solutions in other markets for other potential mobile payment service providers. Thus, a business model is required that both deals with the complexity and particular characteristics of mobile payments and related business issues for mobile payment enablers and effects as much rigor as possible to the analysis.

This chapter aims to show the applicability of the mobile payment business model proposed by Pousttchi et al. (2007) in view of mobile payment service enablers. In doing so, we elaborate a business model of the mobile payment service enabler SEMOPS (Secure Mobile Payment Service) which is a real candidate for being a European payment standard. The outcome of the chapter is a grounded understanding of the business model of a mobile payment service enabler.

The rest of the chapter is organized as follows. Section 2 describes the state of the art on the mobile payment service enabling market including SEMOPS. Afterwards, we review general literature of general business models and in the area of mobile payments. In Section 3, we present the mobile payment business model proposed by Pousttchi et al. (2007). Based on these results we
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