Chapter X

Mobile Markets vs. Mobile Ecosystems

Introduction

Now as we have gone through the characteristics of the three case markets, it is time to figure out what our analysis has revealed. In other words, what can we tell about the differences between the Japanese and the European mobile services markets — or more specifically, the Finnish and the UK market? It is time to merge the theoretical discussions of Chapters IV to VI, and the case analyses of Chapters VII to X in order to gain a better understanding of the current structure and the future trends of the mobile data services industry. Let us start by comparing the three markets by using the Double Helix model.
Industry Structure and Product Architecture

In Chapter VI, we briefly reviewed the Double Helix model developed by Charles Fine (1998). This model allows us to compare various markets along two dimensions, namely industry structure (horizontal/vertical) and product architecture (modular/integrated). We have already used the model in the analysis of mobile services in the three markets under scrutiny, and next, we will put these three case analyses side by side in order to see the differences between Japan, Finland, and the United Kingdom.

As discussed in Chapter VII, the industry structure in Japan in vertical, that is, the three leading mobile operators (NTT DoCoMO, KDDI, and Vodafone K.K.) offer a total concept (i.e., a mobile subscription, a handset, and a bundle of content and services) to their customers. The product architecture is integrated, meaning that users cannot mix and match products and services as they wish: handsets can be used only in a specific operator’s network; services are based on different standards and developed by using incompatible technologies. In Chapter IX, we learned that in Finland the industry structure is horizontal, that is, operators compete with other operators, handset makers compete with other handset makers, and so forth. This kind of competition is possible because product architecture is modular: customers can buy any GSM handset, put any operator’s SIM card into the phone, and download any Java

Figure 21. Comparison of the mobile business models

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