Chapter LIV

Identified Customer Requirements in Mobile Video Markets—A Pan-European Case

Torsten Brodt
University of St. Gallen, Switzerland

ABSTRACT

Due to a significant cost advantage, mobile multicasting technology bears the potential to achieve extensive diffusion of mobile rich media applications. As weak performance of previous mobile data services suggests, past developments have focused on technology and missed customer preferences. Mobile multicasting represents a radical innovation. Currently, little insight on consumer behaviour exists regarding such services. This chapter presents results of qualitative and quantitative field research conducted in three countries. It provides a continuous customer integration approach that applies established methods of market research to the creation of mobile services. Means-end chain analysis reveals consumers’ cognitive reasoning and conjoint analysis drills down to the importance of service attributes. Desire for self confidence and social integration are identified key motivators for consumption of mobile media. Services should aim for technological perfection and deliver actual and entertaining content. Interestingly, consumers appreciate reduced but tailored contents and price appears not to be a superseding criterion.

INTRODUCTION

After its first years of existence, the still emerging mobile telecommunications industry is undergoing a period of fundamental change. Since previously high growth rates of voice revenues started to decrease, the industry is looking for additional sources of revenue, such as mobile data services. However, the development of marketable services proves to be far more challenging than the one of stable, high-quality voice services.

Immature technologies are often blamed to be the reason for bad performances. Undoubtedly, the technological development is dynamic and, in fact, we argue that the intense focus on
identified customer requirements in mobile video markets

technology push has been one key factor of the
misfortune with mobile data services, as it
detracts from customer needs. Furthermore,
since vertical integration in the mobile telecommu-
nication industry is low, product develop-
ment is often organized in cooperative forms
(hagedoorn & duysters, 2002). Coping with
the complexity of innovation network manage-
ment additionally detaches actors from actual
customer needs.

Based on this, we see a need for a thorough
understanding of the consumer behaviour side
of mobile data services. Numerous studies
have addressed issues of adoption and diffusion
of mobile data services with the aim to identify
diffusion barriers (e.g., pedersen & ling, 2003;
pousttchi & Schurig, 2004). However, such
research seldom results in operational recom-
mandations for companies on how to align their
services with customer needs. We chose to
focus on a specific range of services that
exploit the investments in larger bandwidths
and to develop a thorough understanding of the
relations between service characteristics and
fulfilment of customer needs and desires.

Since mobile multicasting services are based
on a new technology and address a new market,
they are termed a radical innovation (veryzer,
1998). Thus, customer preferences can hardly
draw from existing resources. By participat-
ing in the European “mobile multicasting
service development and field trial project”
mcast (www.mcast.info), we were able to
conduct the necessary market research.

Within a new product development process,
customer integration is best realized after a first
internal clarification of product ideas and pos-
sibilities, and subsequently after the technical
engineering phase before market introduction
(gruner & homburg, 2000). For this purpose,
we integrated qualitative and quantitative meth-
ods to explore and formally describe customer
needs. In the early stage we aimed to decrease
uncertainty by conducting focus groups. We
complemented the results by conducting indi-
vidual laddering interviews following the means-
end chain framework (gutman, 1982). With
both methods we were able to obtain a com-
plete set of service characteristics and the
underlying cognitive reasoning. In the later
stages of development, we conducted a proto-
type-based adaptive conjoint analysis to quan-
tify relative importance and the preferred lev-
els of service characteristics. These analyses
were conducted in switzerland, israel, and
greece.

We claim three major contributions to ex-
tant research. First, our results provide infor-
mation on what consumers expect of mobile
video services and which reasons drive these
expectations. Second, our results quantify the
relative importance of service attributes, for
example price vs. context dependency. Third,
we provide a methodology on how customer
needs for break-through mobile service innova-
tions can be obtained. This enables a customer-
centric development of radical innovations.

background—mobile multicasting

mcast’s multicasting technology enables cel-
lar operators to use shared channel resources
for broadcasting video and any other data over
2.5g and 3g networks. mcast also yields a
seamless roaming to wlan networks. There-
fore, mcast aims at supporting cellular op-
erators to establish affordable flat-fee services
for end users and increase operators’ revenues
per channel resource, allowing economic deliv-
ery of media to an unlimited number of cellular
and wlan devices.

Current Technology Constraints

Currently, rich media content can be delivered
over cellular networks using unicasting (one-
9 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the product's webpage:

www.igi-global.com/chapter/identified-customer-requirements-mobile-video/19516?camid=4v1


Recommend this product to your librarian:

www.igi-global.com/e-resources/library-recommendation/?id=1

Related Content

Exploring Decision Rules for Sellers in Business-to-Consumer (B2C) Internet Auctions
www.igi-global.com/chapter/exploring-decision-rules-sellers-business/39500?camid=4v1a

Understanding the Adoption of SADAD E-Payments: UTAUT Combined with Religiosity as Moderator
www.igi-global.com/article/understanding-the-adoption-of-sadad-e-payments/219227?camid=4v1a

The Diffusion and Adoption of Electronic Payment Systems in Bangkok
www.igi-global.com/article/the-diffusion-and-adoption-of-electronic-payment-systems-in-bangkok/224969?camid=4v1a

A Semantic Service-Oriented Architecture for Business Process Fusion
www.igi-global.com/chapter/semantic-service-oriented-architecture-business/28891?camid=4v1a