Chapter IV

Denmark: M-Commerce Experiences and Perspectives

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Abstract

With a CLIP-device in hand, communication is not dependent on location and time. Users can get location-specific, proactive information from m-portals, reactive SMS notifications and have an always-ready e-wallet. The Danish m-commerce market has been through some difficult times and is now ready to develop further along the CLIP dimensions. Practical and research challenges lie in terms of micro coordination, reinterpreting the meaning of distance and the tradeoffs between richness and reach.

Introduction: Mobile Communications in Denmark

In the streets, beaches, buses, trains, cars, houses, offices and everywhere else in Denmark, one can see people of all ages and in all walks of life using their mobile phone for making calls, sending and receiving messages, and checking
information in order to manage and coordinate their professional and private lives. The penetration rate of mobile phones in Denmark is approximately 95 percent of the 5.4 million inhabitants (National IT and Telecom Agency, 2005). The geographical coverage in Denmark is about 99 percent and a recent investigation concluded that, “All the Danish network accessibilities are in a real good range compared to other European networks” (Jost, 2003). While pervasive, mobile communications in Denmark have not yet made the “Evernet” idea come true — the idea that one is connected and online everywhere and at any time (Friedman, 1999).

What then is the status of m-commerce in Denmark circa 2005? The SMS revolution in Denmark has gone considerably beyond messaging and functions as a kind of “Swiss army knife” of communications, useful for all purposes. Also m-portals are under way in Denmark and essentially work like the start page for wireless browsing. Additionally, many Danish companies are using m-commerce to increase efficiency and customer satisfaction.

Structure of the Chapter

This chapter focuses on three case studies of the above-mentioned impacts on m-commerce in Denmark, prefaced by an initial background on the development and structure of Danish m-commerce. The first case study, “Mobile applications at Metax service stations,” is a good illustrative example of the use of different mobile applications to serve mobile customers. The second case study, “SMS messaging in Denmark,” describes the use of SMS for different purposes. The third, and last, case study about “Danish walled-garden m-portals” compares the m-portals of the two leading wireless service providers, TDC Mobil and Sonofon, which have built their m-portals on WAP and GPRS services. After the case studies, some reflections on the CLIP framework are offered to derive technological and managerial lessons from the Danish experience.

Danish M-Commerce Background

In 1981, 14,700 Danes owned a mobile phone and in 1984 the analog Nordic Mobile Telephone (NMT) cellular standard had 30,600 subscriptions in its first year (IT-og Telestyrelsen, 1996). The Nordic firms have been among the world leaders in the mobile phone industry. As a joint effort in 1981, the Nordic telecommunication providers launched the common analogue Nordic Mobile Telephone system, named NMT (Dalum, 1995). NMT penetration was at its