Chapter 4

Configuring M-Commerce Portals for Business Success

Nikhilesh Dholakia, University of Rhode Island, USA

Morten Rask, Aalborg University, Denmark

ABSTRACT

M-commerce entails transactions conducted via mobile telecommunications networks using communication, information, and payment devices such as mobile phones or palmtop units. Geographic positioning and location capabilities are also being added to such networks and devices. Rather than using general-purpose browsers, customers accessing mobile commerce applications often rely on specific mobile portals, or m-portals. These m-portals could be specific to the device that the user has, to the communications infrastructure provider, to the financial infrastructure provider, or to other service aggregators who act as gateways to a variety of mobile services. As the experience of the iMode platform of NTT DoCoMo has already shown, the ability to connect end customers and service providers through an m-portal is a key element for the success of m-commerce. To be commercially viable, such m-portals must attract and retain customers. Success in mobile portal markets will depend on dynamic strategies that blend elements of personalization, permission, and specification of content.
This chapter reviews the key differences between traditional e-commerce and the emergent m-commerce. It reviews the core concepts of personalization, permission, and content specification as they apply to e-commerce and m-commerce. The chapter presents a framework for developing effective business strategies for developing and managing mobile portals.

GLOBAL RISE OF M-COMMERCE

By the year 2000, mobile commerce, or m-commerce, had transformed from mere speculation to an economic reality, particularly in countries such as Japan and in Europe, especially Scandinavia.

M-commerce refers to monetary transactions over a mobile telecommunications network using a communication, information, and payment (CIP) device such as a mobile phone or a palmtop device. Adding another key capability, that of geographic “location,” transforms the m-commerce system to a communication, location, information provision, and payment—or CLIP—system. Success in m-commerce markets depends on dynamic strategies that blend elements of personalization, permission, and specification of content to create portals for CLIP devices. Once a mobile portal (or m-portal) gains a significant user base, it becomes an attractive platform for primary service providers and third-party value adders.

This chapter presents a framework for developing effective business strategies for m-portals and their partners. The chapter is written for business managers, executives, and students whose primary interest is not in the technical aspects of m-commerce but is focused on the conceptual and practical aspects. For the technically oriented readers, the Appendix (at the end of the chapter) provides a brief overview of the evolution of mobile commerce technologies from first generation (1G) to the current third generation (3G) and beyond. More in-depth treatments of the competing technologies for m-commerce can be found in other chapters in this book as well as in other technically oriented works (see, for example, Funk, 2001; May, 2001).

M-COMMERCE: DISTINCTIONS FROM E-COMMERCE

There are two user-oriented core dimensions on which m-commerce has an advantage over e-commerce: “mobility” and “locatability.” Simple CIP devices offer mobility. Mobile data networks that employ geographical positioning systems or use network elements to pinpoint the “cell” where the user is offer locatability. With locatability, CIP devices are transformed into CLIP (communication, location, information, payment) devices. Taken together, these two
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