Chapter XIV

Acceptance of the Mobile Internet as a Distribution Channel for Paid Content in Germany

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ABSTRACT

This chapter is about a survey based on 7,178 valid responses which analyses the mobile content usage in Germany. Key findings are that paid mobile contents will not be a mass market in the medium term. Nevertheless, we found that respondents that are familiar with mobile radio and handset technology and read specialized printed media on a regular basis showed the highest acceptance of mobile paid contents. The mobile Internet is perceived as a chance for the media industry to generate additional revenues from paid contents. Successful business models for the mobile Internet will only be possible if mobile content formats generate added consumer value. In this context, media companies planning to establish mobile services for content distribution are facing the problem that acceptance of mobile services has not yet been researched thoroughly.
INTRODUCTION

The publishing industry is characterized by oligopolistic structures, differentiated products, and fierce competition. The growing range of contents available in digital distribution channels like the Internet has led to decreasing circulations, revenues, and earnings in the publishing industry. Despite concentrated efforts to generate direct revenues from online recipients, the traditional freebie-mentality of Internet users seems to be overwhelming compared to the small online revenues. This development may lead to a strategic threat of the publishers’ core business if not to an enduring threat to their existence.

To find a way out of this situation, publishers can pursue two strategies in order to generate additional revenues (Seidenfaden, Kahnwald, Kaspar, & Ortelbach, 2005): they can enforce the diversification into new business areas such as providing Internet service or embrace measures to increase customers’ willingness to pay for online content (Gregg, 2001). The willingness to pay does not only depend on the quality of the content but also on its usefulness and the quality of its format (Fink, 2002). Examples for such value added services are mobile Internet services which provide location-independent access to contents (Zobel, 2001). In order to generate revenues from the utilization of content in the mobile Internet it is necessary that the content provided addresses existing customer requirements.

In practice, it is difficult for media businesses to identify relevant areas for mobile services, because their acceptance is only poorly understood. Therefore, the decision problem of a publishing house in the mobile services area can be divided into three parts:

- First, the customers who are likely to use the service have to be identified.
- Second, the content which is supposed to satisfy the requirements of the potential customers needs to be determined.
- Third, the service formats which promise to be successful given the preferences of the potential customers need to be identified.

The chapter on hand answers the three questions based on a representative survey of German Internet users from the viewpoint of acceptance research. The survey was done in May 2005. The following gives an overview of the related work and the status of acceptance research related to the mobile Internet. Section 3 describes the underlying methodology of the survey in detail. In section 4 the results of the survey are described. Section 5 analyses the results of the survey and points out the major findings. In section 6 findings from another current survey are presented shortly in order to complement the authors’ findings for drawing conclusions. The second to last addresses the future trends concerning mobile services. In the last section, the conclusion is given.

BACKGROUND

In this survey, mobile Internet means having access to the Internet via mobile devices like cell phones or personal digital assistants. Such devices are cordless, small enough to carry around, and it is not necessary to boot them. Therefore an ubiquitous access to the internet is possible.

Acceptance represents a form of consenting behavior or consenting attitude towards an innovation (Anstadt, 1994). Acceptance research in business administration can be understood as an approach that tries to identify reasons on the customer side that lead to either acceptance or rejection of an innovation (Govindaraju, Reithel, & Sethi, 2000; Venkatesh & Davis, 2000). Popular approaches in acceptance research concerning innovations are given by Davis (1989), Nielsen (1993), and Rogers (1995). Acceptance of an innovation depends on three factors: the (cognitive) knowledge of potential users, interest and a positive (affective) attitude, and a specific
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