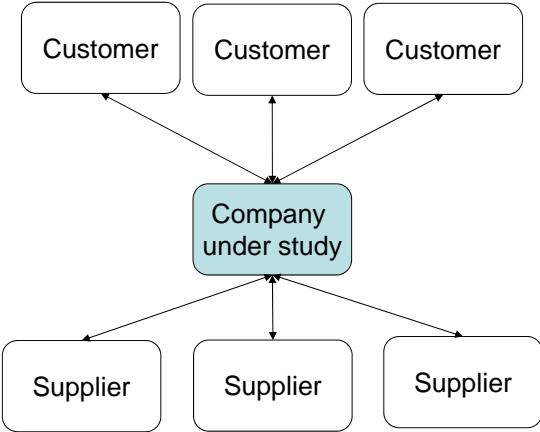


About operator strategies and cooperation

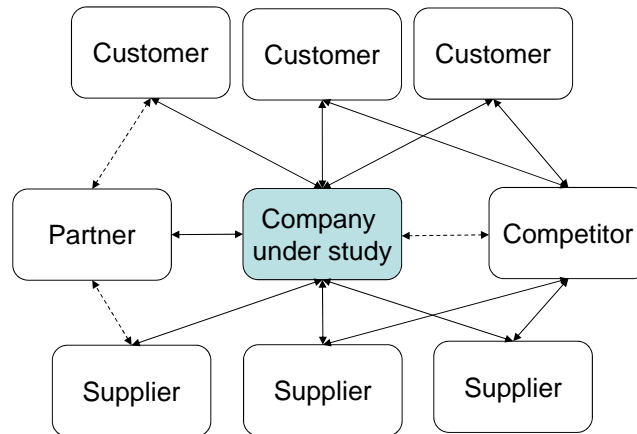


Jan Markendahl
November 18, 2014

Cooperation: Market Actors and Relations



Cooperation: Market Actors and Relations



3

Agenda

- Some examples of company strategies
 - IKEA
 - Xerox
 - Kodak
- About cooperation with
 - Partners (the case mobile payments)
 - Customers (the case indoor systems)
 - Competitors (the case network sharing)



4

PhD problem formulation

Two main research questions

- What are the main drivers for a specific type of cooperation?
- In what ways can the actors organize the cooperation?



The problem space include a number of aspects

- Cooperation with
 - Partners
 - Customers
 - Competitors
- Type of business relations and services
 - B2C (Business to Consumer)
 - B2B (Business to Business)
 - B2B2C (Business to Business to Consumer)

5

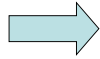
Areas of contributions



	Types of business relations	Operator cooperates with	System "to test"
Shared Networks	B2C	Competitor	Dynamic Roaming
Indoor Systems	B2B B2C B2B2C	Customers Competitors	Femtocell Networks
Mobile Payments	B2B2C	Partners Customers Competitors	Contactless Mobile Services

6

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7

How to do things – differently ?

- Involve customers (e.g. IKEA)
- Focus on the offer - not the product (Xerox case)
- Focus on added value – not technology (Kodak)
- Focus on working processes – not connectivity
- Focus on the local environment (WLAN access)

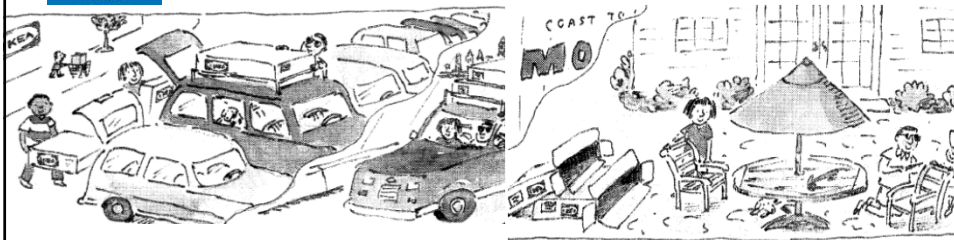


8

Example – IKEA

Norman & Ramirez, 1992 "Designing interactive strategy
– from value chains to value constellations"

- IKEA Customers take on some tasks traditionally done by manufacturers and retailers
 - Self service
 - Transportation
 - Assembly



9

Customer involvement

- Self service in shops
- Cash withdrawel
- Ordering of tickets
- Flight "check-in" using
 - "Machine"
 - Internet
 - SMS
- Infrastructure owned deployed & operated by the end-users



10



Example - Xerox

- Before Xerox – the existing market and sales
 - Copy machines "cheap" (\$ 300), little profit
 - Profit from supplies and consumables
 - Few copies, typically 20 per day
- Xerox new electrophotography
 - Copy machine expensive (\$ 2000)
 - Candidate partners IBM, Kodak, GE said no
 - ADL consultancy study ☹
- Xerox started on its own
 - Offered machine for lease \$ 95 per month, including service and 2000 free copies
 - then 4 cents per copy

11



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**Result was exceeding expectation
> 2000 copies per DAY**

12

Example – Kodak

- The core business was based on processing of film – a lot of chemistry
- Introduction of Digital Cameras changed the situation completely
- Kodak managed to stay in business by changing "almost everything"



13

Example – Kodak

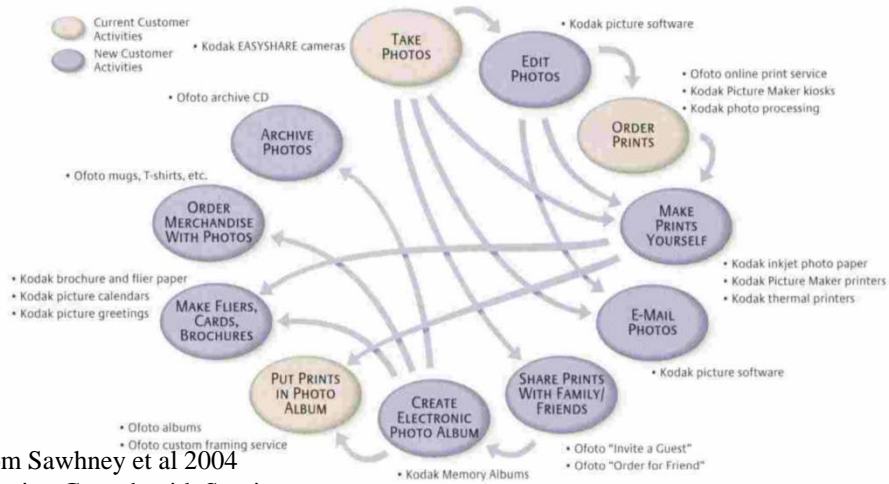
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To help people
to share and manage their memories

14

The customer activities are related to "managing and sharing memories"



15

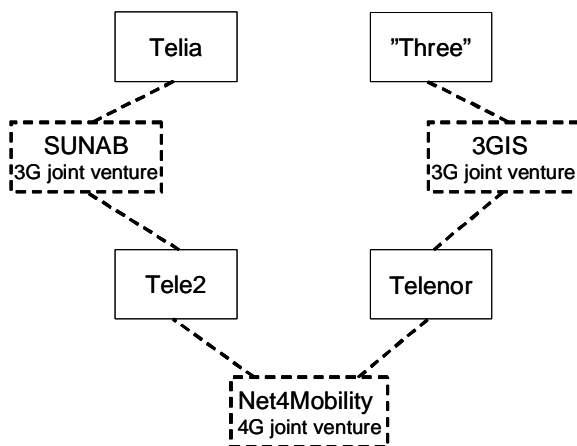
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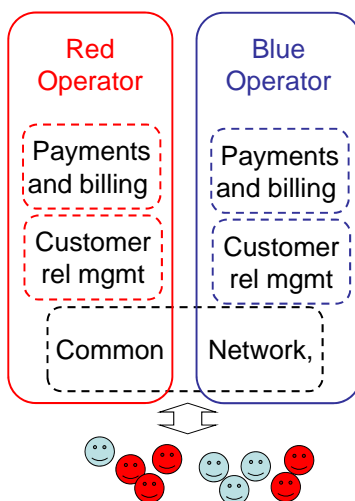
16

Many partnerships and joint ventures



17

Network sharing



18

Discuss two minutes

- How will the spectrum allocation influence the marketing message and market position?
- Is the spectrum allocation OK or not?
- Is the cooperation strategy OK or not?



T-Mobile USA launches 42Mbps HSPA+ network upgrade

May 24, 2011 Written by [Benny Har-Even](#)

Print Email

T-Mobile USA said it has doubled the headline speeds of its HSPA+ network to 42Mbps in 55 US markets, taking the fight to rival LTE network operators. It will this week release a mobile broadband dongle capable of making use of the increased speeds, the ZTE manufactured T-Mobile Rocket 3.0.

The device will cost \$99.99 after a \$50 mail in rebate, on a two year service agreement.

T-Mobile makes the move as it [prepares to be bought out by AT&T](#), pending approval by the FCC. AT&T recently [demoed a working LTE network](#) claiming it would deliver speeds of up to 28.7Mbps. While T-Mobile's HSPA+ network speed nominally exceeds this, the company has not made any claims of the real-world speed it expects customers using the service to receive. However, in a statement it did say that it expected its customers to "experience more consistent 4G speeds when creating and sharing mobile content, streaming and connecting through mobile video, and participating in multiplayer gaming".



T-Mobile's Rocket 3.0 dongle will enable customers to take advantage of its 42Mbps HSPA+ network upgrades



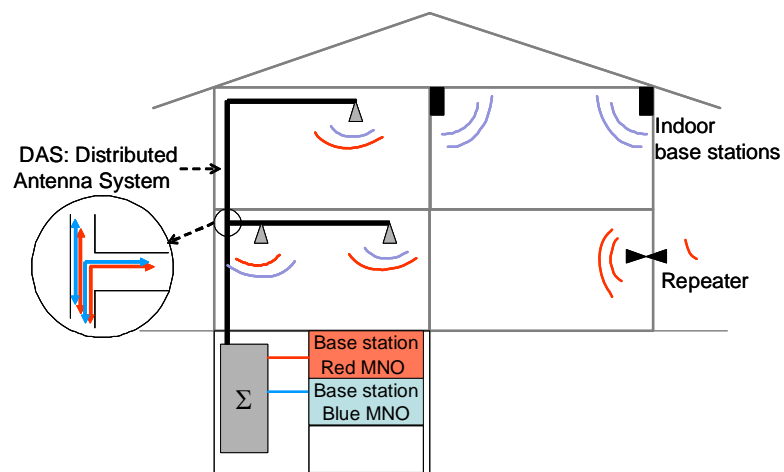
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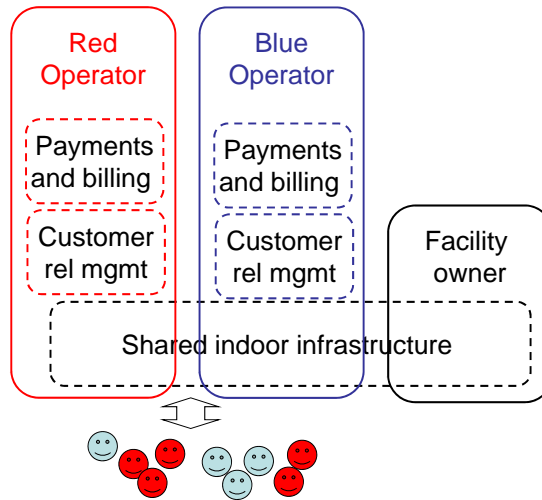
21

Different solutions for indoor coverage



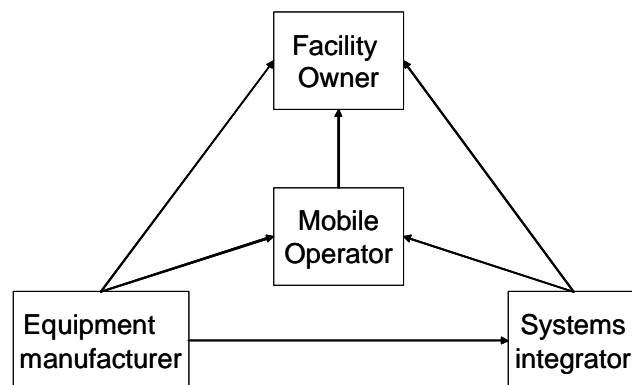
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Shared indoor infrastructure



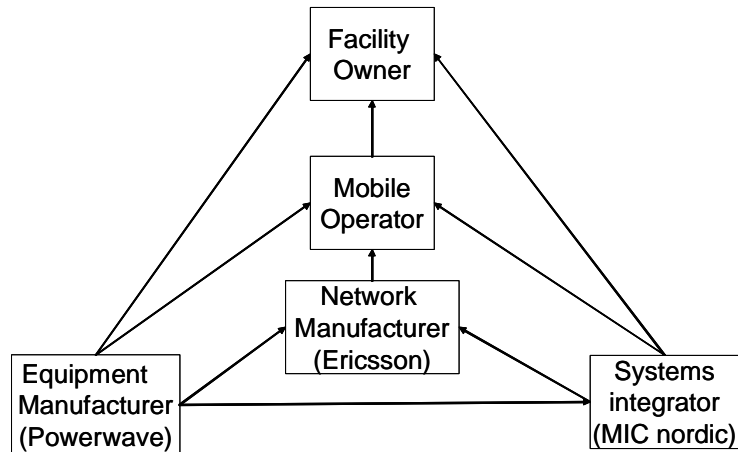
23

Actors and relations indoor wireless access systems



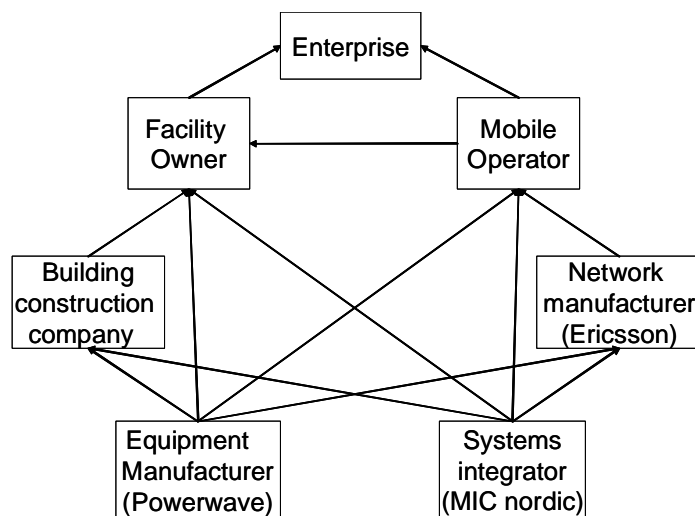
24

Actors and relations indoor wireless access systems



25

Actors and relations indoor wireless access systems



26

Why wireless indoor solutions?

- Indoor solutions are not only used in order to compensate for wall penetration losses
- Other reasons may be:
 - Companies want ensured and dedicated capacity
 - Companies use mobile phones as office phone
 - Mobile operators want to increase customer loyalty
 - Mobile operators want to offload data traffic from outdoor (more expensive?) macro networks



27

Willingness to pay for indoor coverage



28

Indoor wireless solutions are used in two different business settings

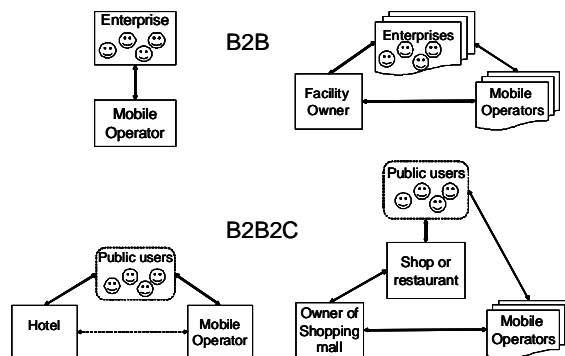


1. To ensure public access in locations like shopping malls, subways, sport arenas, hotels B2B2C
 - The users are subscribers of the operators that visit the shopping mall, subway, sport arena, hotel, etc
 - The operator have agreements with the owners of the mall, the sport arena, the hotel etc
 - The service IS the ensured indoor coverage
2. To provide indoor "private" access at company offices etc as part of a complete offer etc B2B
 - The users are the employees of the "company", etc
 - The indoor coverage is just one part of the offer
 - Other components can be outdoor coverage, handsets, IT support and services, call centers

29

How do actors organize the cooperation

- In all these cases the mobile operators are the key actors and organize the network of actors
- For B2B cases the operator can establish close relations and aquire knowledge about the customer business and offer more services



30

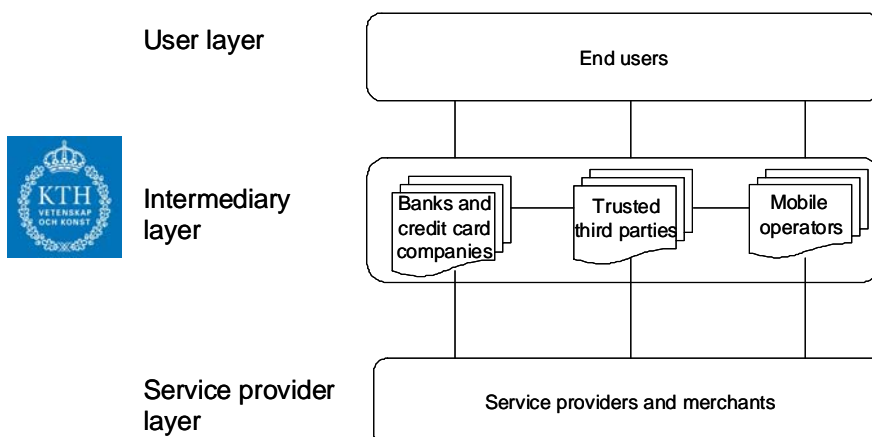
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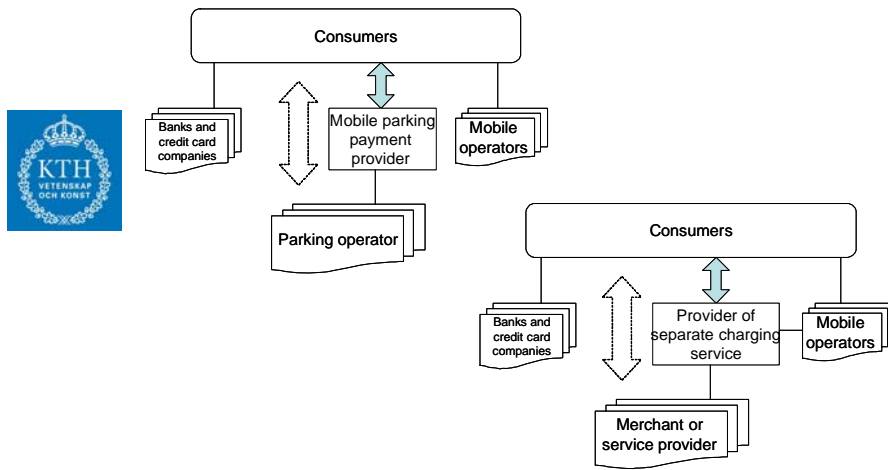
31

Generic map of actors & relations



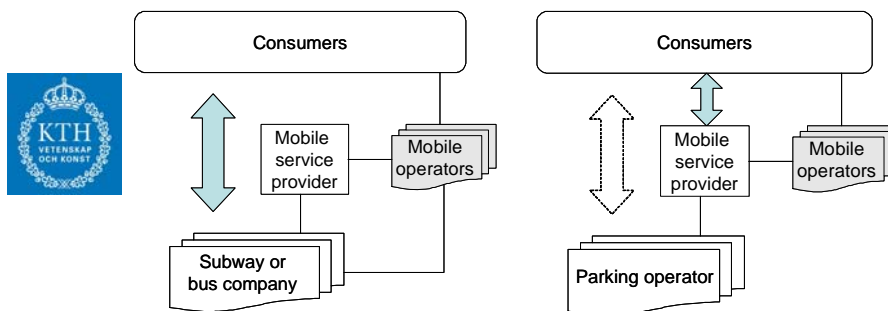
32

Actor maps for Parking subscriptions and "separate charging" services



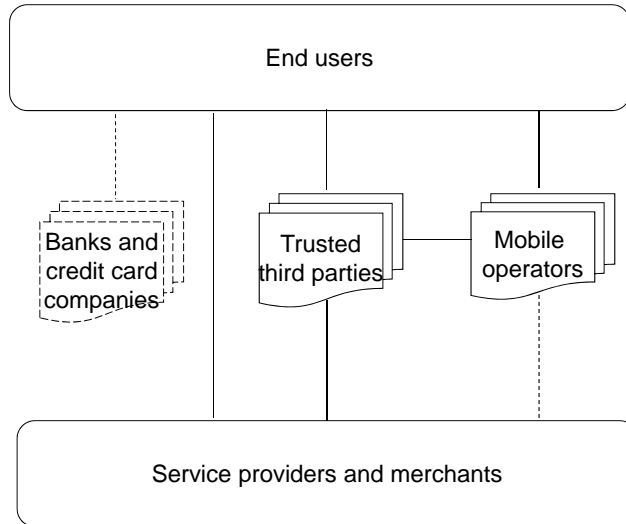
33

Actor map for SMS ticket services



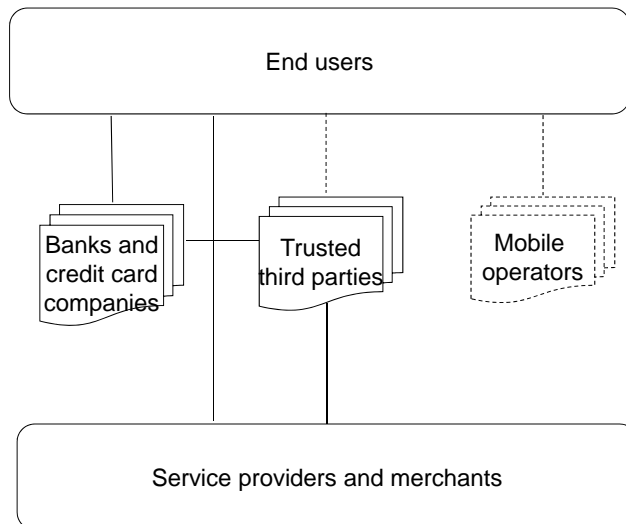
34

Premium SMS



35

Bank SMS



36

Conclusions

- Many companies think in new ways
- Many new networking solutions imply that mobile operators need to cooperate with other actors
 - customers
 - competitors
- Many new mobile services imply that that mobile operators need to cooperate with other actors
 - customers
 - partners
 - competitors

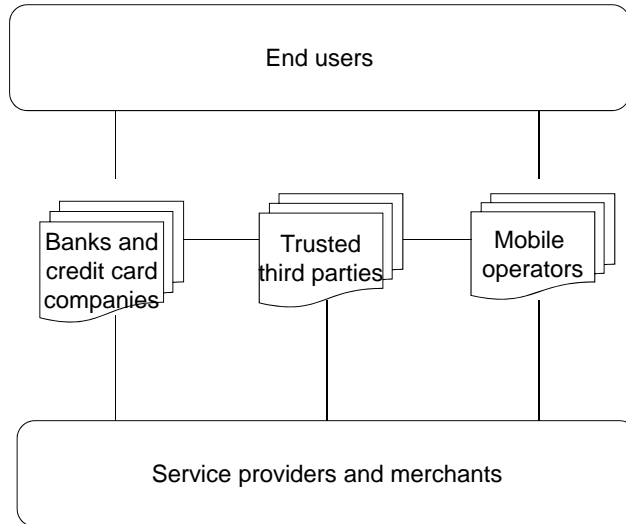


37



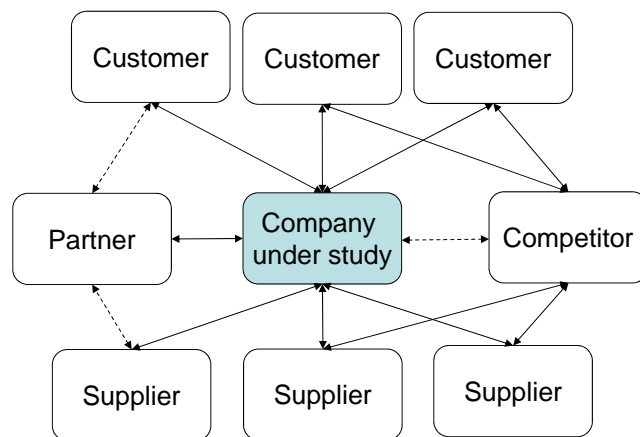
38

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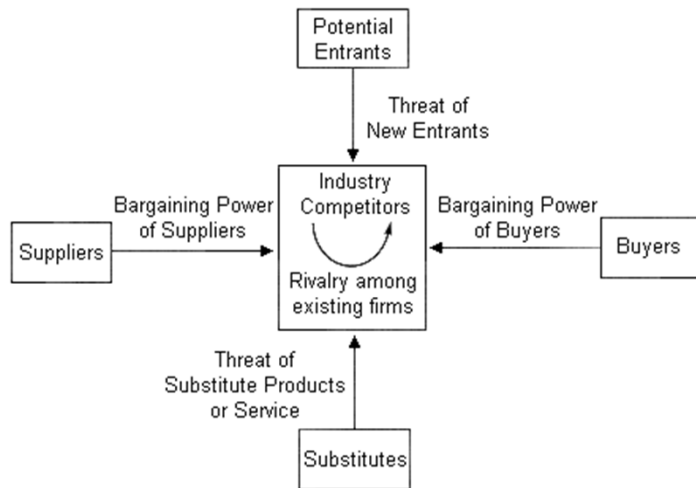
39

Cooperation: Market Actors and Relations



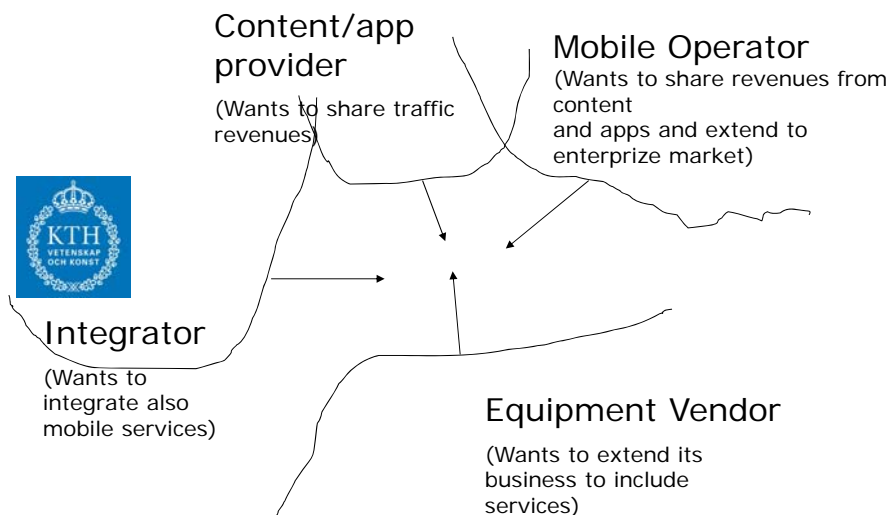
40

Porters five market forces



41

The mobile business battle



42

Porters generic strategies



Target Scope	Advantage	
	Low Cost	Product Uniqueness
Broad (Industry Wide)	Cost Leadership Strategy	Differentiation Strategy
Narrow (Market Segment)	Focus Strategy (low cost)	Focus Strategy (differentiation)

43

Porter and the MOB game

According to Porter, there are three fundamental ways through which a company can achieve sustainable competitive advantage.

Porter's three generic strategies are as follows:



- A *cost leadership strategy*
- A *differentiation strategy*
- A *focus strategy*

Choose ONE strategy for the MOB game

Prepare activities in order to implement the strategy

44