

Case study 9.1.1: **Measuring and Managing Intangibles in Mobile Commerce: the potential of mediation standards**

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Abstract This case is set in the Spring of 2002, as a high level team within Digifone (mmO2) prepare to bid for a Third Generation (3G) mobile licence in the Republic of Ireland. The prices for the licences have been established, and the team has been charged with deciding how Digifone are going to exploit their investment. They are aware that although the licence will be shown as an asset on the balance sheet, the company will not be able to sell it. Digifone must decide how they will seek to generate revenues from this fundamentally intangible asset in order to recuperate the cost and show a profit.

The team believes that they must “move the company up the value chain” and position Digifone as a key mediator in the mobile commerce arena. Their goal is to work with content providers, aggregators and others to facilitate mobile commerce services and receive a percentage of the resulting revenues. To achieve this goal, Digifone and their value chain partners must first be able to accurately measure the value of mobile services based on intangible factors such as data content, time, location of consumer, etc. Furthermore, Digifone must create new business models to addresses the challenges of an increasing complex value chain.

The case considers how technological standards used in the telecommunications sector have historically affected business models and operations. The case then focuses on the requirements for such standards to provide the mobile commerce service sector with a tool similar in concept to the Universal Product Code (UPC). Such a tool could be used to track content from creator to consumer in a manner that would allow Digifone to accurately value the service and allocate revenue to the various participants in the value chain. The team at Digifone believe that mediation technology holds the key to solving their technical requirements. They believe that open standards will be required to ensure compatibility with a diverse range of content providers across a range of industries. The case considers the potential of an XML vocabulary called IPDR in relation to the 3G issue facing Digifone. IPDR is an open standard developed by the telecommunications sector, and is particularly useful in the measurement and mediation process. The case concludes by characterising the problem facing Digifone as one of ‘developing bar coding technology for measuring value across industry sectors’.