2012

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QUALITATIVE MARKET OPPORTUNITY ASSESSMENT FOR MOBILE SERVICES

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Abstract

Market-opportunity assessments for new mobile services are mostly performed via a quantitative method. In this paper, we provide an alternative, which is predominantly qualitative. It can be used as part of an integrated business-modelling framework. The method consists of four steps: (1) a value-network analysis, (2) a competitive analysis, (3) a market segmentation, and (4) scenario development. The scenarios from the last step lead to strategic choices for the service provider. We applied this method in a case study about a mobile service for language education, resulting in insightful results for the service provider.

Keywords: market opportunities, mobile applications, local applications.
1 Introduction

This paper proposes a synthesis of the qualitative methods available for market appraisal. It extends the typical business modelling methodology with a competitive analysis, a market segmentation phase, and scenario development.

Having a technologically perfectly designed service and having drawn out a business model from the early development stage to the market introduction stage still does not guarantee hoards of customers waiting to finally purchase what one has on offer. There exist two broad ways to make informed judgements on the market potential of new services. One approach is a quantitative, e.g., the approach by De Marez (2006), which extrapolates pre-market first- and early adopter response frequencies. A second approach is qualitative, which collects industry stakeholder information in a case based fashion. We aim to extend the established qualitative business-modelling methodology with a qualitative market opportunity assessment, in this particular case for mobile learning services. In our view, a qualitative approach, either separately or in addition to a quantitative approach, offers insights to the parties who want to commercially exploit a mobile service and prepares them for and helps them with strategic choices that they will face.

Our method is applied in a Flemish research project comprising both academic and industrial partners with the aim of developing a mobile service for language learning. The paper first outlines the method we developed and positions it within existing methods. This is described in section 2. In section 3, we proceed by analysing the value network of the mobile service. This is followed by a competitive analysis and market segmentation in section 4 and 5 respectively. In section 6, we discuss several scenarios based on the strategic choices that the partner exploiting the service can make. Finally, in section 7 we summarize and provide our conclusions.

2 Method

Our market-opportunity method complements the business model methodology by Ballon (2007), who distinguishes four design stages, partly founded on the circle of continuity from the school of capability-based management (Barney, 1991), being: (1) organisational design, (2) technological design, (3) service design, and (4) financial design. Business modeling as a methodology provides a road map when offering a certain product or service to one or more selected groups of customers, and analyses the financial incentives and risks to do so.

This method can be extended by a method generally referred to as Market Opportunity Analysis. The most elaborate work on this method is Stevens et al. (2006). Their analysis consists of three parts: an external analysis, a financial analysis, and an internal analysis. The external market analysis considers what is already in place on the market, the external status quo. It consists of two parts. In the market demand analysis, the market is explored, while market segments are being defined and estimated. In the competitive analysis, the current players on the market are being analysed. The financial analysis also consists of two parts. A revenue and costs analysis takes the external market analysis and aims to estimate the future revenues and costs when the product or service is brought to market. The profitability analysis takes this information, and produces a return-on-investment and risk analysis. The final part, the internal analysis, is a feasibility study that summarises the previous analyses, and that will result in a business plan.

The methodology we propose in the following sections is based upon the steps by Stevens et al., with additions and adaptations based on other literature and the particular situation and availability of information in our case. One major adaption is that we will mainly look at Stevens’ external market analysis, and focus less on the financial analysis. Certain scholars also offer different or additional stages. An example is Golicic et al. (2003) who also include a supplier analysis as part of the
competitive forces-based method (Porter 1979). Since our approach complements Ballon’s value network analysis, the supplier side is covered in the organization design phase of business modeling.

Our market-analysis method therefore includes the four following steps: (1) a value-network analysis, (2) a competitive analysis, (3) a market segmentation, and (4) scenario development.

The second phase of competitive analysis relies strongly on the competitive-forces model by Porter (1979). In consists of the following subanalyses:

- **Current competitors:** An analysis of the competitors that are currently in the target market. In the case of projects concerning innovative technologies, this will mostly likely be the industrial partner that is closest to the market and its current competitors. Information on the current competitors includes the relative market sizes and their respective niches, specialties and competitive advantages.

- **Complements and substitutes:** One has to make an analysis on what the complementary and substitution products are for an innovation. In our case of mobile services, typical complementary products are things such as hardware and network infrastructure. The success of the innovation will depend on the availability, popularity and quality of these complementary goods. Substitute products are alternative solutions. They do not necessarily have to cover all functionality of the innovationthey aim to substitute, as long as they are perceived as an alternative by the potential customer. For instance, a regular mobile phone might not have all the functionalities of a smartphone, but for certain users a simple phone might be a valid alternative as they do not need the added functionality and price is an issue for them.

- **Positioning:** One has to make an analysis which competitive advantages the innovation will have and how it is best positioned, e.g., which part of the market to aim for, and how to adjust the value disciplines (Treacy & Wiersema, 1995). This will depend on the results of the previous two subanalyses.

- **Future competitors:** The current state of the market will not remain. The analysis should therefore also take into account future competitors. This includes both the innovation power of the current competitors, e.g., would the innovation be easy to mimic by a competitor who has a better market position to exploit it, as well as the possibilities for new entrants into the market. This will not just be start-ups, but also companies from other industries that have certain expertise that would give them an advantage in this market, like companies with an interesting user base, or the producers of certain complementary goods.

The third phase of market segmentation tries to make a rough quantification of the adoption potential of the innovation. Although this phase introduces a quantitative aspect to our analysis, but will not yield precise estimations, like for instance the method by De Marez (2006) will do. The purpose of our approach is to extend the competitive analysis and get certain indications on the possible market size, which will serve as an input for the third phase. The reason we accepted a quantitative step into our methodology is that while the segmentation is mostly qualitative (labeling and justifying the adoption groups), quantitative market sizes prove to be more appealing to the industrial stakeholders involved in these kinds of exercises.

The market segmentation is an established method in marketing (see e.g., Kottler et al., 1999, p. 339), although many variations exist. The segments in figure 1 are defined as follows.

- **The potential market** is the whole group of potential customers that would qualify to use the product or service. For instance, for a Belgian mobile service, the potential market could be all smartphone users in Belgium.

![Levels of market segmentation](image)
• The intended market is that part of the potential market that gets targeted by the product or service provider. For instance, one could aim at a particular region, or a particular type of customer.
• The expected market is that part of the intended market that is actually expected to become a user of the innovation.
• Finally, the potential growth market is the growth of the market as one expects it to emerge in the future. For instance, the amount of smartphone users is still on the rise, so in a few years the potential market, and therefore subsequently also the intended and expected market, will have increased.

The size of the potential and intended market can be estimated by publicly available data, with the help of the industrial partners in the case at hand. The size of the expected market is dependent on company-level managerial execution, but also the relative success and aggressiveness of direct competitors and substitute providers.

The fourth and final step of our analysis is the development of scenarios, which can be validated with the case partners and possibly with other experts. The scenarios can vary based on a specific variable or on a pessimistic/optimistic viewpoint. Alternatively, scenarios could be developed for specific cases. For instance, in this case, one of the industrial partners has asked for a scenario where the new services would not be marketed independently, but rather be bundled as a premium with the internet services of an ISP.

3 Value network

In the first phase we depict the roles and relationships of the value network for the technological services in case, as shown in figure 2. Initially, all industrial actors are still omitted from the figure, in order to keep the focus on the end-user consumption phase, but additional actors can be easily mapped on this figure. From the viewpoint of the consumer, three services are needed: the educational content, a data connection to receive the content, and a device to consume it on.

The device will be acquired from a retailer, by the consumer him- or herself, or by the employer. The retailer would normally acquire the device from the producer. This device can be anything from a desktop computer to a laptop, netbook, smartphone, mobile media players like an iPod, or something like a Nintendo DS. While we focus on e-learning on mobile devices, this will normally happen in parallel to e-learning on more capable devices, such as laptops or desktop computers. For this reason, they will not be excluded here.

To receive the content, a data connection will be required. In the case of learning on non-mobile devices or in the case of devices that do not synchronise on the go, like an iPod, this will be a broadband internet connection, provided by an internet service provider (ISP). This provider will own a network, or lease it from a different network owner. In the case of a device that can receive content while being outside of the house, one would require a mobile data connection, like 3G. This will be provided by a mobile service provider, who owns (pure Mobile Network Operator) or leases (Mobile Virtual Network Operator, or MVNO) the 3G network.

The language content has to be offered to the consumer by a party that is branded as a learning institute and that is perceived as a trustworthy party to buy learning content from. It does not necessarily have to be the same party as the content developer, who creates and combines the content on the basis of pedagogic expertise. In the case that audiovisual content is required, it can be obtained from an external party, such as an audiovisual content producer.

The hosting and streaming of the content cover several roles. The content developer will either host a content development tool, or contract a party that does. The development of this tool does not necessarily be the same party as the one hosting it. The content development tool will incorporate a streaming platform, which can be provided by a different party. The hosting of the audiovisual data for this platform can be done by another party.
The last required role is that of the development of a mobile interface variation application — the software that detects the characteristics of the mobile device used by the consumer and that adapts the streamed video to those limitations. This provider of this technology can be contracted by the streaming-platform provider to incorporate it in their software, or by the content-development tool provider.

4 Competitive analysis

This section comprises the competitive analysis, consisting of four substeps: analysing the service’s positioning, its current competitors, its complementary and substitute products and services, and finally its future competitors.

4.1 Positioning

One of the partners in our case study was already providing services to end-consumers in the e-learning field. In our value-network analysis this partner also came up as the one partner that would have to deal with the customer market as soon as the service would be market-ready. Hence, in this part of the analysis, we analyzed the current positioning of this partner, as well as our expectations for the positioning of the said service. For instance, the partner was not the regional market leader in the subfield of language training services, but had a significant market share, mainly based on providing business-to-business (B2B) customers a custom service of high quality. This makes it less obvious to create a standard application for a general audience and rely on the app stores to create sales, but does open up alternative channels we will discuss in the section on scenarios. At the same time, this application could provide an opportunity for the partner to enter the market of private customers, something they have been considering already before.

4.2 Current competitors

With the help of data provided by the service provider in our case study, we analysed the current market environment. In the case of the professional language learning in Belgium, we witnessed a fragmented market. There is one large player with roughly a quarter of the market. The other actors focus on specific core competencies, and have obtained market shares based on their focus: some offered immersive courses in rural locations, others focused on associating with organisations that help SMEs in many other fields, others yet were more academically inclined and focused on a high-qualitative offering. Many of these smaller players also have their own geographical key regions from
which they obtain most of their customers. Clearly, a mobile service could help to significantly expand the target area.

A more extensive analysis of markets can be performed using tools like the ‘competitive analysis’ (Fleisher and Bensoussan, 2003). We had to refrain from this kind of analysis at the request of the industrial partners of our case study, since they considered taking the data collection to this level of detail would create competitively sensitive knowledge which was would not be acceptable to publish to a wide audience.

### 4.3 Complementary and substitute products and services

The two main complementary products in the context of this analysis were smartphones and data connections. As can be concluded from the local smartphone and mobile internet usage figures shown in the segmentation (see further, section 5), this puts a serious restraint on the potential user base.

There exists a wide range of substitute products, varying greatly in quality. When searching the application markets for Android or iPhone, one finds many apps offering exercises for free or for a low price. In most of these cases though, the learning exercises one can conduct are very limited, and rather serve as an outlet for other services or product by the same developer, like the popular iPhone app to learn English offered by the New York Times.

Alongside the different mobile apps that help language students with exercises and information, there are also other (digital) means of language learning. One can find many online resources, from courses to exercises, and from dictionaries like Euroglot and Leo to translation software like Google Translate. For most of these services, the business model is based on advertisements. Google Translate is ad-free, but the business model behind this is most likely that it serves as a complement to Google's other ad-based and paid services. A paid alternative is offered by self-study courses, e.g. on books and CDs, which are being offered by companies like Berlitz.

### 4.4 Future competitors

Many of the current applications are basic and do not require many initial investments, apart from the development costs of an app and some basic course material. This indicates that mobile app stores and markets are and will be flooded by cheap small apps that offer basic exercises, travel dictionaries, etcetera. However, the application in our case is based on extensive linguistic and didactical expertise combined with a tested user-friendly interface. The interface feature might be easier to replicate by app builders around the globe, but the educational expertise is an asset that only exists within a few players. In this respect, the only initiatives that would result in a qualitative competitor would be those initiated by or supported by one of the other current competitors in the subfield of the language learning industry. For a company in a different sector or a new start-up to compete, getting this expertise will be an absolute necessity, and could only be obtained by collaborating with one of the current competitors.

### 5 Market segmentation

The potential market for a service like the one developed in this case study would be the group of smartphone owners in Belgium. The most recent statistics on this user group are by Isobar (2011), that indicate that 20.2% of the Belgian population between and including the ages of 15 and 75 owns a smartphone. The Eurostat Data Navigator, provided by the European Commission, shows the total Belgium population in the range of 15–75 in 2010 to total 8,151,603 people. Following the calculations in the table on the side, this results in a potential market of 1,646,624 smartphone owners.
Of course, Belgians younger than 15 or older than 75 could also use the service, as could people with another nationality (assuming they are not being blocked based on their IP address), but we do not include this group in our analysis, assuming negligibility.

The intended market size will depend on the strategic choices made by those offering the service. In our case, with a services provider with offices around Flanders, the Flemish speaking part of Belgium makes most direct sense. Another specific that could be targeted are professionals, who require a different vocabulary than people wanting to learn a language for the holidays. Once could also go the other way, and offer this service to a bigger group, e.g., also target Dutch and French clients. The final choices in this respect are up to the strategic choices made by the parties deciding to offer the service.

The expected market cannot be estimated at this point, but it is already clear that, assuming only the Belgian market will be targeted, this will be a fraction of the 1.6 million smartphone owners. This is however a growth market. The smartphone market is far from saturated, and many new potential customers are to be expected. According to the study by Isobar (2011), 18% of the non-smartphone users are planning to buy one.

We saw that currently many of the smaller players in the Belgian market target local or regional segments. Launching a mobile service could provide an opportunity for those players as they can suddenly target the whole national market at once. Whether this will be successful will in part depend on the revenue model chosen. When not choosing a more specific segment, the key to success of the app will be exposure. In that case it will be essential to use the right digital channels, e.g., to get featured in the app stores for the targeted countries.

Another way of segmenting the market is to aim for users with a certain professional background. Services could be targeted mainly at business customers. This strategy would be advantageous to industrial actors that know the market and the kinds of services it requires, and already have a customer base in this segment provide cross-selling opportunities. However, given the limited size of the total market, one could wonder if segmenting it further to just professional users would not limit it too much to still remain profitable. Using the same segmentation, the market can also be expanded a bit, for instance by also starting to target students who want to improve their language skills.

6 Scenarios

In this section we will consider the different scenarios that were developed for the proposed mobile e-learning service. Different revenue options are considered in section 6.1, while bundling possibilities (as suggested to us by the service developers) are explored in section 6.2. Section 6.3 discusses the role and impact of application platforms for this specific case.

6.1 Revenue options

There are several options to generate revenues from a mobile language-learning service. Popular options are to provide mobile service either free of charge, or as a premium service where the client gets a free service which can be complemented with additional premium service for a certain price. In the case study, parties also providing related services, like other forms of language education, will offer the service, so the service can also be offered as a free bonus for customers of the main service. These options have been explored before by Anderson (2009).

In the case of a free service, all revenues will to be made via advertisements in the service. These are usually measured in CPM (cost-per-mille): the price the advertising agency will charge for showing the advertisement to one thousand viewers. A search on Quora learns that an average CPM for mobile will probably yield somewhere between $10 and $25. When serving a niche market (e.g., language learners, Dutch-speakers) the CPM will generally be on the higher side of this. However, unless one wants to go and look for advertisers themselves, a significant margin of this will still go to the
advertisement broker. As a safe estimation, one can assume that around $10 will go to the service in case of a thousand ad showings. The real revenues will thus be based on the frequency of usage of the service and the frequency with which ads can be shown to the user. Obviously, with these small kinds of figures, one needs a large user base for this model to reach profitability. It is questionable whether a service like the one here proposed will be able to achieve this.

A way to circumvent the slow payment generation via advertisements is getting users to pay for the service. Offering the service on a premium base would still allow new users to try out the service before they decide to spend money on it.

This is named ‘freemium’ and is a common model with many of today’s web and mobile services. Anderson (2009) compares this model to the free promotional samples given out by producers of physical goods, with one main difference: where producers of physical goods typically limit the amount of goods given away for free to a tiny quantity, the system online is one of reversed ratios: at a typical online freemium service, only five percent of the users are paid users. This means that 95% of the users get the service for free, possibly in combination with advertisements, while those five percent pay for sustaining the whole service. Logically, this is only economically viable when the costs for an additional user are marginal, approaching zero. Online, for many services this is the case. For the mobile e-learning service proposed in our case, this will also apply, as long as non-paying users do not receive personal attention by trainers.

However, this would require a decision on what to offer in the free package and what to offer to the paying premium users. A traditional way to do this is to offer advertisements to non-paying users, and promote advertisement-free usage as exclusivity to the premium users. In this way, the non-paying users also generate some revenue in the form of ad returns. To the paying users, an ad-free service is an experience worth paying for — although, when this is the only distinction the price of the premium service cannot be too high.

Another option would be to keep certain content or functionalities exclusive to premium users. In terms of content, one option would be to allow the free users to do some basic exercises, and keep the exercises that would normally follow to that to the premium users. In terms of functionality, one could keep advanced features exclusive to premium users. These features could for instance be options to save your scores or to share them with friends. Also a tracker that indicates which exercises have already been done, with the possibility to skip those, could be a premium feature.

The last option would be to offer the service completely free of charge. This is an option when there are other profitable activities, and the mobile service is merely a
promotion of that. This can work two ways. The service can be offered for free as a bait to get people to try it, and later sign up for a more costly service, e.g., language education in the classroom or on desktop computers. Also, the service can be offered free of charge to existing customers of the other activities, as an extra selling point, or 'part of the package'. This is the model that Anderson (2009) calls the ‘direct cross-subsidies’, and it is the same model that for instance allows Gillette to give away free razor (because you pay for the blades) and that allows a bank to provide free credit cards to their customers (because the retailers pay them with every transaction).

In this case, the mobile service itself will not generate any revenues, so in the case multiple actors are involved in developing and maintaining the mobile service, some kind of revenue scheme needs to be developed in which revenues flow from the actors operating the revenue-generating service to the actors who do not.

Anderson (2009) lists one more reason why services or products can be free: the existence of non-monetary markets. This can take the form of altruism, labor exchange, and piracy. Altruism does not apply in this case as the service is provided by professionals and not by volunteers looking to boost their reputation or karma. Piracy is generally unwanted and not something producers plan. Labor exchange could apply in the case of people in case the users of the application generate interesting information for the service developers, for instance in case the developers would be so eager for test results that they are willing to provide the service for free (probably for a limited time and to a limited set of users) in order the get data for their analyses.

Of course, the service can also be sold as a paid-for service, without a freemium model or free users. For general mobile services this is not a popular model because this way the potential customer can not try out the service free of charge. The options mentioned before have as an advantage that larger market segments can be targeted at once. The service will still need exposure, but once potential users are aware of the service, they can try it out free of individual charge to see whether the service matches their expectations. A service that has no free trial option is less likely to be adopted by users who have no previous connection to the service or the organisation offering it. In our case, this problem could be alleviated when the service is being promoted via trusted channels, for instance when it is being recommended to existing customers of the party offering the service, or when the service is part of an obligatory classware package for students.

The advantage of not offering a freemium model is that one might be able to charge a higher price. If a free version is available alongside a paying version, the consumer will be able to compare these two price points, where the suitable price of the paid version will be the value of just the added functionality rather than that of the app as a whole. If there’s only a paying version, consumers will base their purchase decision on the value of the whole app, including its basic functionalities. Prices of mobile premium services are generally low. Typically, they vary from less than one euro to five euros maximum. This means the point of profitability will only be reached when selling relatively large quantities.
6.2 Bundling options

Bundling options can provide interesting scenarios that might be worth considering. In some cases, these bundling options can be logically derived from the previous analyses. In other cases, the parties providing the service might have suggestions, e.g., cooperations that interesting for them from a strategic perspective. In our case study there was an explicit request to study the possibilities of convincing one or more Internet Service Providers (ISPs) to offer a language-education service as a part of their offer to their customers.

For the service providers, bundling it with an ISP does provide a lot of awareness of the service, and could create additional revenues when there are certain paid premiums available even for the customers of the ISP.

From the provider perspective, one should consider the changing position of the ISPs. Initially mobile phones and internet connections created a growth market, but today, this market is largely saturated, with only slight margins for growth. These days, ISPs tend to compete for consumers switching providers. The providers will be selling a `utility product’ that can hardly compete on price and operational excellence. Some operators might have a better uptime or more coverage, while others compete on the lowest rates, but on a market level this tends to be marginal. As a consequence, more providers are shifting their focus to providing a distinguishing experience. To do so, they need to provide new services. This shift is happening in several markets, from television networks (Ballon and Braet, 2010) to internet provision (Joshipura, 2010). To tackle this, they are increasingly looking for services that enhance the service of connectivity. Next to, e.g., iTunes coupons and video-on-demand services, a mobile language-learning service could be an attractive addition.

One problem for mobile providers however, is that they are complaining that the large data consumption by their users is clogging up their networks, causing capacity problems. Our case study could turn this into a strong point as it’s providing adaptability towards the available connection: it will use mostly text based assignments on mobile data, and turn up the amount of audio and video content once the mobile device is connected to a Wi-Fi network. Therefore the proposed services could enhance the mobile-internet experience without putting a too large load on the mobile data networks of the operators.

An important consideration is whether the audience reached in this respect will match the market segment aimed for by the parties implementing the service. The link between a language service and an ISP is not an immediately logic one when applied to a consumer market. The service will be perceived as something for a general audience, which might damage its reputation when also other segments, e.g., professional users, are being specifically targeted.

Another option raised by the developers of the service, is to target directly a group they already have access to, namely via educational channels that the partner already is providing a non-mobile solution to. The disadvantage would be that in such a case the middleman in this process (the one holding a contract for providing all materials to students of certain institutions) could negotiate a significant cut in the purchase cost.

6.3 Platform issues

Many of the case studies we have seen do not operate autonomously, but instead make use of certain mobile-application platforms, like the iPhone App Store or the Android Market. This is a popular way, as it takes away work from the producers, and provides the user with a familiar and uniform way to acquire the software. However, platforms also come with their downsides, especially since the platform owner attempts to exercise control by taking up crucial ‘gatekeeper roles’ (Ballon, 2009). In our case study, the involved industrial actors opted for a web-based solution for technical reasons beforehand, so a discussion about application markets might seem out of place. Still, it can be worthwhile to consider platforms in our analysis, as it shows the consequences of this decision. Next
to that, the device-independent solution might also make use of a platform, e.g. a software development kit. Even an autonomous web-based solution might be integrated into bigger bundles, e.g. as an option within a portal or as a part of a package of web services, and the platform analysis might show the key issues in that case.

In computing, a platform is any type of architecture, hardware or software that allows computer operations to run. The term already existed in other fields, e.g., in manufacturing, where product platforms are sets of common components, modules or parts to efficiently create and launch derivative products (Meyer and Lehnerd, 1997). In economics, however, the term is mostly being used to refer to “products and services that bring together groups of users in two-sided networks” (Eisenmann et al., 2006), the latter being a synonym for two-sided markets. According to Eisenmann et al. a “platform embodies an architecture—a design for products, services and infrastructure facilitating network user’s interactions—plus a set of rules; that is, the protocols, rights, and pricing terms that govern transactions.” (p. 96, italics in original) What is common for all these platforms is that an intermediary party offers something valuable, any kind of infrastructure, but it comes at the cost of a decrease in flexibility or autonomy.

In the literature, platforms are mostly categorised by content type. However, Ballon and Walravens (2009) and Ballon and Van Heesvelde (2010) propose a platform typology based on two variables: (1) control over assets and (2) control over the customer, either with a financial relationship or via branding. When a platform has control in neither field, these authors refer to it as a neutral platform. When a platform relies on the assets of others for their value proposition but does control the customer, it is defined as a broker platform. The opposite also exists: a platform that has no customer control, but does have the necessary assets for a value proposition. This is an enabler platform. In the last two cases, the asset consists of a software-development kit (SDK) that is open to use for third-party developers. Finally, the system integrator platform has control over both the assets and the customer relationship. In this kind of platform, the entry of ‘third-party’ service providers is actively encouraged.

If the developers of our service want to line up with a platform, they would have to wonder which types of control they might lose and which ones they want to keep for sure. As far as asset control goes, in our case internally developed language learning modules were already available, but adapting this content for a certain device or software framework could be considered. The customer control might be a more delicate point. As the value-network analysis shows, the customer control is currently in the hands of the party offering the language education to the customer. Using a platform to find new users is of course not something to have negative feelings about, but one might wonder about the relationships that will be built up with these users, or rather the lack of these. If an intermediary platform is being used, whether an app store or a telecom provider offering language learning in a package deal, the users will be clients of that app store or that telecom provider. There might be gains from those users, but the majority of them could remain one-time clients. It could for instance be hard to get demographical data on these users, and offering them additional content might be impossible.

This does not mean that the content provider would have no relationship with the customers at all. The platform might be the direct contact point and the financial intermediary, but customer binding might be split between the two. Content providers might even implement strategies to win customer control back.

7 Conclusions

We presented a qualitative approach towards a market opportunity assessment, part of an integrated business-model framework, which has been implemented in an actual case study. The different analytical steps in the assessment led towards a thorough view of the market possibilities of implementing a mobile language-learning service on the Belgian market, resulting in concrete scenarios that provided strategic options for the service provider.
In future work, we look to apply our method in different case studies in order to improve it and make it more general applicable. We would like to possibly extend our method, and formalise the scenario development in a more general way.

Acknowledgement

The IBBT MAPLE project is a project co-funded by IBBT (Interdisciplinary institute for Technology), a research institute founded by the Flemish Government. Companies and organizations involved in the project are BLCC, RMM, Streamovation, Televic Education and Telindus, with project support of IWT.

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