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MOBILE BUSINESS BARRIERS IN AUSTRIA: FINDING A PATH TOWARDS A MOBILE BUSINESS STRATEGY

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Abstract

The array of E-Business solutions as well as the number of companies offering their products and services online is increasing. Thus the impact of E-Business on different aspects of the global business environment and on the individual company's environment is still growing. Mobile Electronic Business (M-Business) is expected to multiply the number of new electronic business opportunities as well as further increasing the burden for companies still lacking an e-transformation – an adaptation of their IT-infrastructure. As a vast number of companies around the globe are still lacking sufficient E-Business strategies this paper is going to highlight the situation with a special focus on building a M-Business strategy. Sample findings of an ongoing research project covering Austria's Top-500 companies will show some existing M-Business barriers.

Introduction

With driving forces like standard protocols that provide internet-like services, fast transfer of data on mobile networks, smart handheld devices including the features of mobile telephones (Barnett et al. 2000) and with global handset penetration still growing - a trend expected to continue - the next IT-revolution is called Mobile Electronic Business (M-Business). During the last two years nearly all economic sectors have come in touch with the Internet (Brandtweiner 2000) and with the vast business opportunities being offered by different aspects of E- and M-Business (Shapiro and Varian 1999). A survey – conducted in 1998 – showed quite clearly that the majority of the Austrian Top-500 companies had not identified the challenge and, that more than two third of the companies neither did nor were planning to do E-Business in any way. The research project also identified a lack in necessary IT-infrastructure as a solid basis for Intranet/Internet E-Business solutions and a number of barriers for defining a suitable E-Business strategy (Mahrer and Brandweiner 1999).

At the beginning of 2001 a joint research team was formed by the Department of Information Systems of the Vienna University of Economics and Business Administration and the Business Consultants "legend.at" to carry out a follow-up project covering E- and M-Business issues. One specific part of the research project was intended to cover the strategy building process for M-Business services. We wanted to monitor different efforts in defining and building a solid M-Business strategy and identify any preventing barriers for that process.

For analyzing the Austrian situation and monitoring our unit of analysis we took a normative approach. Based on the framework of Werthner and Klein (1999) for E- and M-Business solutions we defined a set of relevant criterias for building a M-Business strategy and developed a number of research questions.

Research Questions and Hypotheses

Knowing that there are a lot of very common barriers to E-Business change (Kanter 2001) we assume that a holistic approach in building a M-Business strategy has to be identified by the management to successfully accept the forthcoming challenges. So the research team wanted to analyze if the Austrian Top-500 companies had already identified the opportunities offered by M-Business and if they were already building M-Business strategies? To find answers to our research questions we operationalized them by an array of hypotheses, some of which are stated below:

If a company has successfully identified the M-Business challenges it will

- adapt its IT-infrastructure by implementing M-Business solutions
- try to increase M-Business related technical know-how within the company
- (plan to) offer M-Business back office Services for its employees
- (plan to) buy and sell products and services through M-Business solutions
- renew already existing internet/intranet E-Business solutions to maintain pioneering (entrepreneurial) advantages in order to secure the necessary technical components and other network services for realizing the settlement of transactions.

Research Method - Design of the Study

To find the appropriate answers for our research questions the research team decided to carry out the research project on a two-stage basis and that a survey with a detailed questionnaire would be the most appropriate method of collecting the required data during the first round. As the unit of analysis of the survey we defined the Austrian Top-500 companies. As far as possible IT-Managers were addressed directly. In all other cases company members with the overall responsibility for IT-related tasks were addressed and asked to answer the questionnaire.

Prior to sending out the questionnaire a pre-test was carried out with 30 selected companies following the Top-500 on the places 501 to 530 which should resemble the actual respondents for the survey. After conducting the pre-test we had identified questions which had been difficult to interpret; we clarified terms and definitions; we eliminated unnecessary questions and had identified the time required to go through all the questions.

The final version of the questionnaire was sent out to the IT-Managers of the Austrian Top-500 companies. After the deadline 216 completed questionnaires had been returned, giving a very high response rate of 43,2%.

During a second stage we will use the findings of the quantitative survey as a basis to carry out a number of case studies on an European level - as we wanted to find out how the Austrian Top-500 companies were performing compared to their European competitors and to identify unique impact factors for the Austrian market.

Sample Findings of the Study

Testing of the hypotheses showed that the vast majority of the Austrian Top-500 companies have not yet identified the M-Business challenges and therefore only a very small number of companies will gain pioneering advantages in the M-Business field. Currently only 13,43% are already offering M-Business services, with 14,35% planning and 72,22% not planning to offer such services during the next two years.

When being asked about the reasons for not planning to offer M-Business services the research team could identify a set of interesting barriers which are described in Figure 1. A surprisingly high number of the companies – nearly all of them – stated that they are simply lacking an appropriate strategy (97,86%) followed by lack of internal know-how (89,84%). Technology (37,97%) and cost (43,85%) issues were found at the lower end of the barrier list.

As can be seen in Figure 2 the majority of the Austrian Top-500 companies already offering M-Business services are providing access to back office applications and internal information systems (72,41%), followed by applications for mobile payment solutions (65,52%) or ERP access (51,72%).

Beside these preliminary results and based on the survey the research team is going to find more in-depth answers to our research question. According to our research framework we will cover the areas of content, design, features and technology for M-Business services and look at its implications on strategy, product, application domain and organization. These efforts should be subject of further research. We suggest that one of the very striking questions to be answered is why Austria's leading companies are still ignoring the E- and M-Business challenges and constantly loosing ground compared to international competitors.

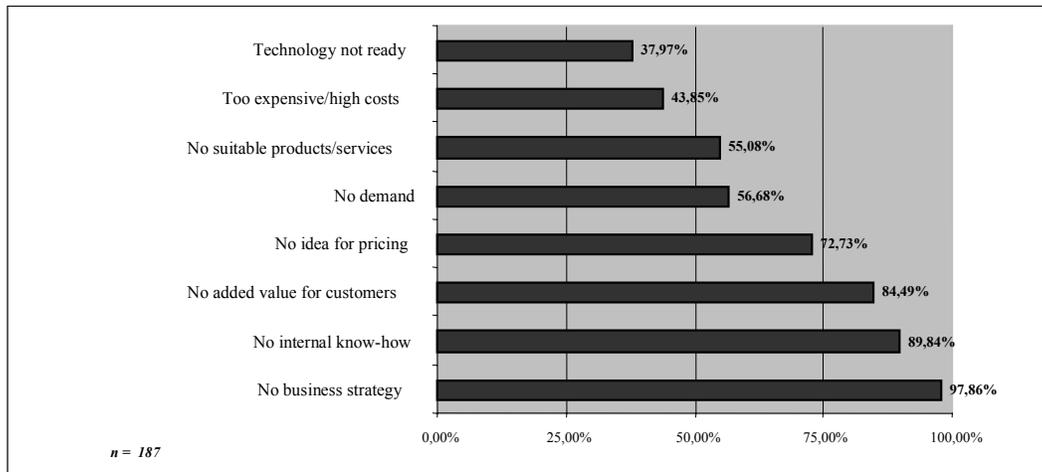


Figure 1. Reasons for Not Offering M-business Services

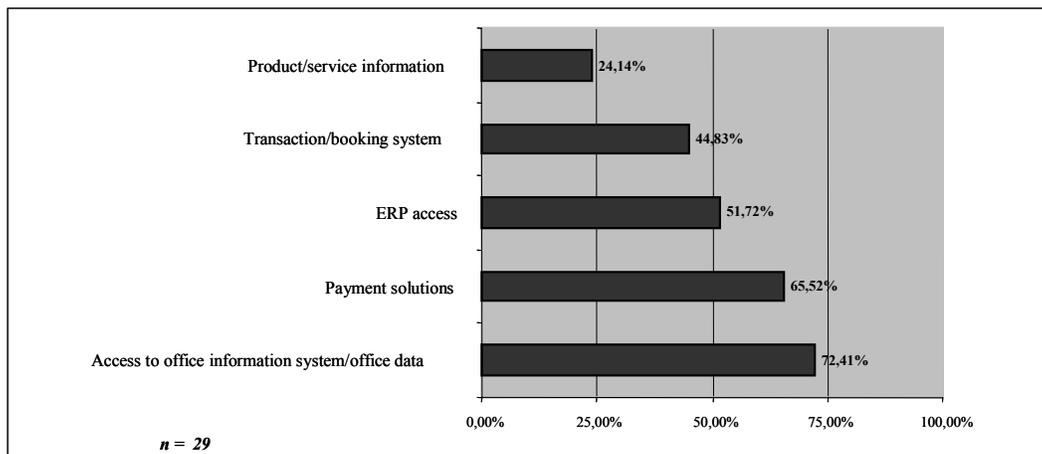


Figure 2. Companies Offering M-business Services Already

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