

Exercise 4

Trust and technology acceptance

Mobile Business I (WS 2017/18)

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Picture source:

[http://engagerx.org/whats-trust-got-to-do-with-it-for-pharma/#prettyPhoto\[gallery12049\]/0/](http://engagerx.org/whats-trust-got-to-do-with-it-for-pharma/#prettyPhoto[gallery12049]/0/)

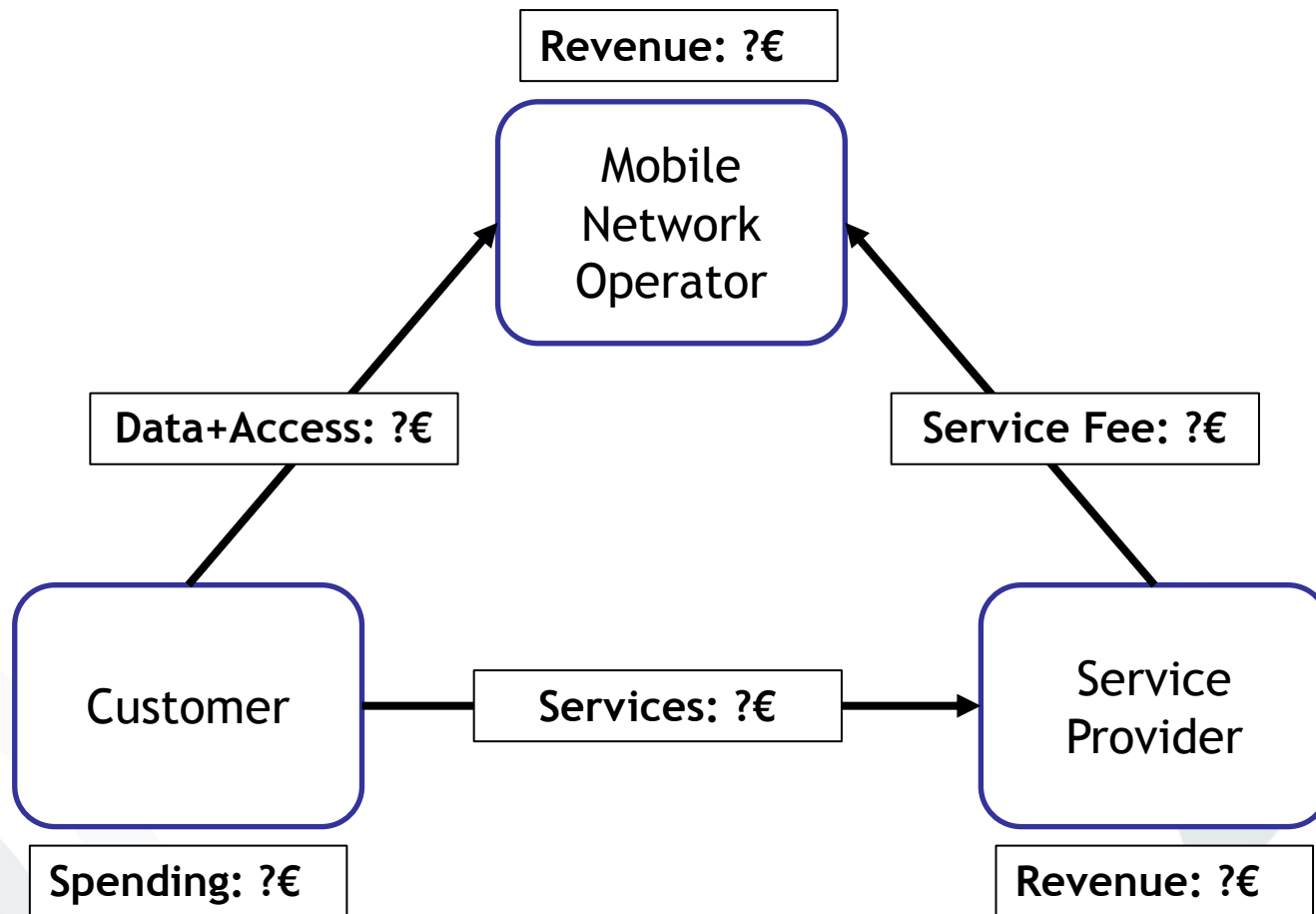
- **Exercise 1 (Revenue Models)**
- **Exercise 2 (Mobile Trusted Devices)**
- **Exercise 3 (Technology Acceptance)**
- **Exercise 4 (Customer Trust in Mobile Business)**

Exercise 1 (Revenue Models)

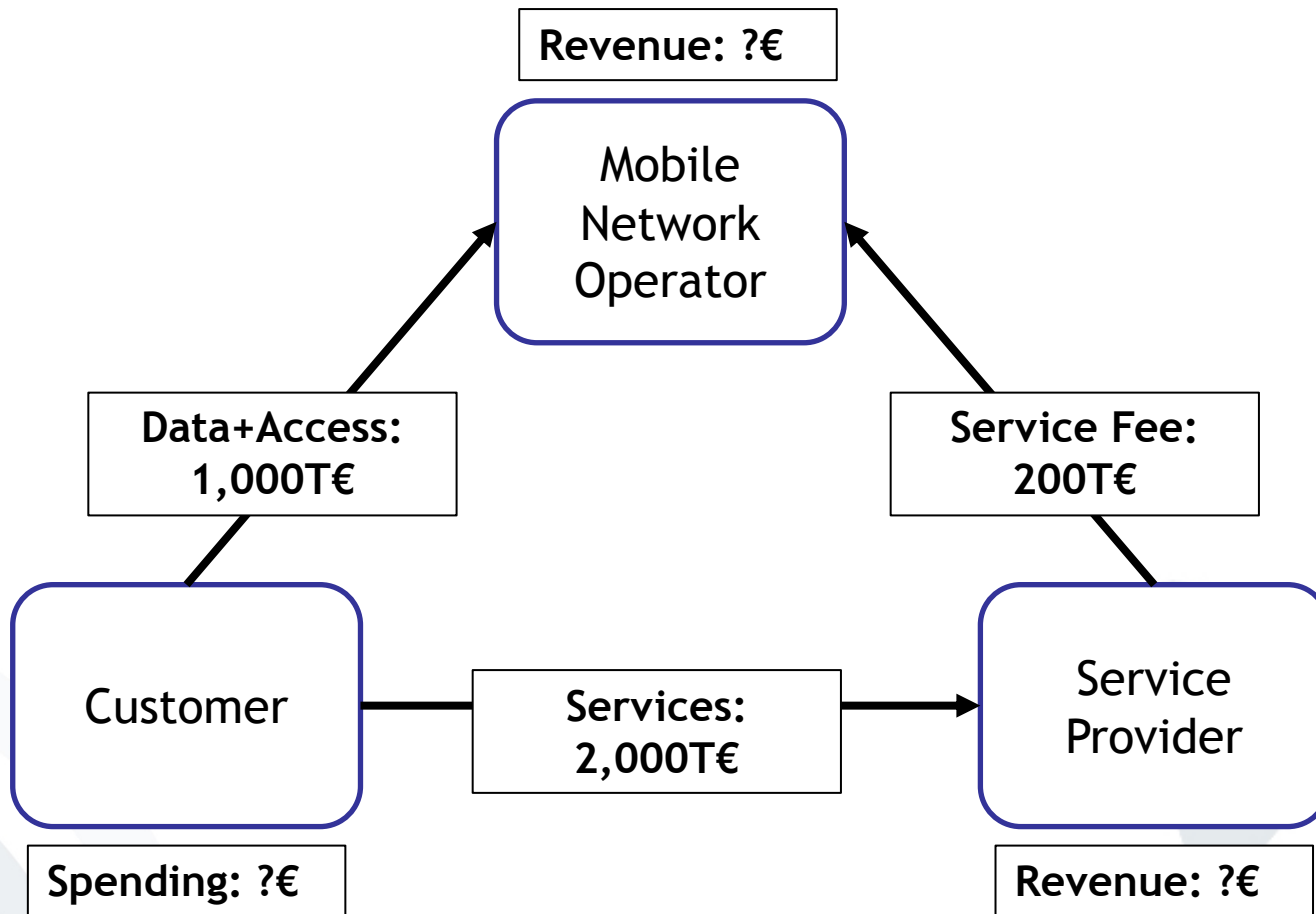
a) Show the revenue of the mobile network operator and the service provider under the following assumptions:

- Customer pays 10€ for 30 MB of data transferred (T-Mobile Data 30).
- 10% of one million (= 100,000) customers of the operator use extra services and spend about 20€ per month.
- For these services, 30 MB of data transfer is necessary per customer and month.
- Service-Provider pays 10% of his receipts as “Service Fee” to the operator.

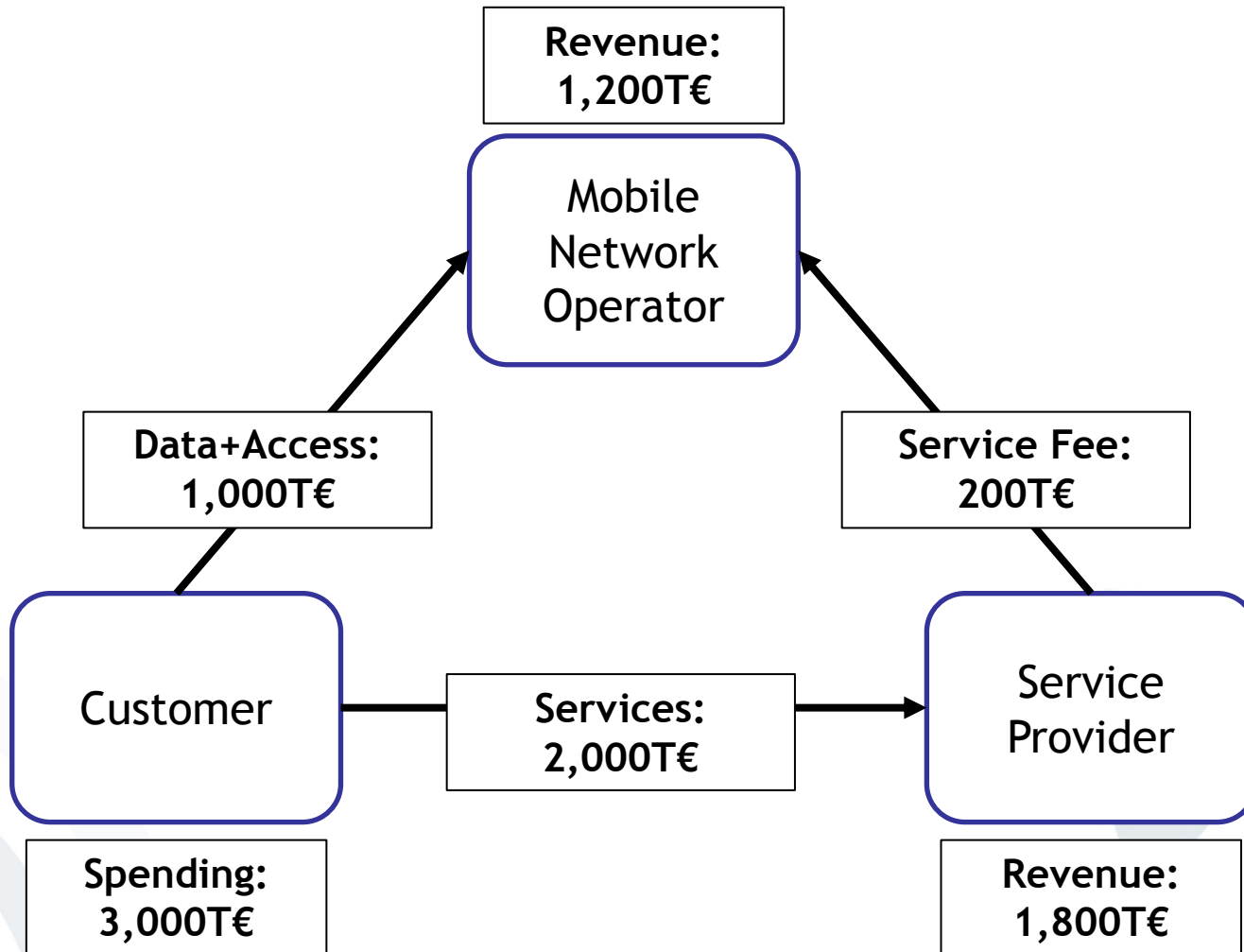
Exercise 1 (Revenue Models)



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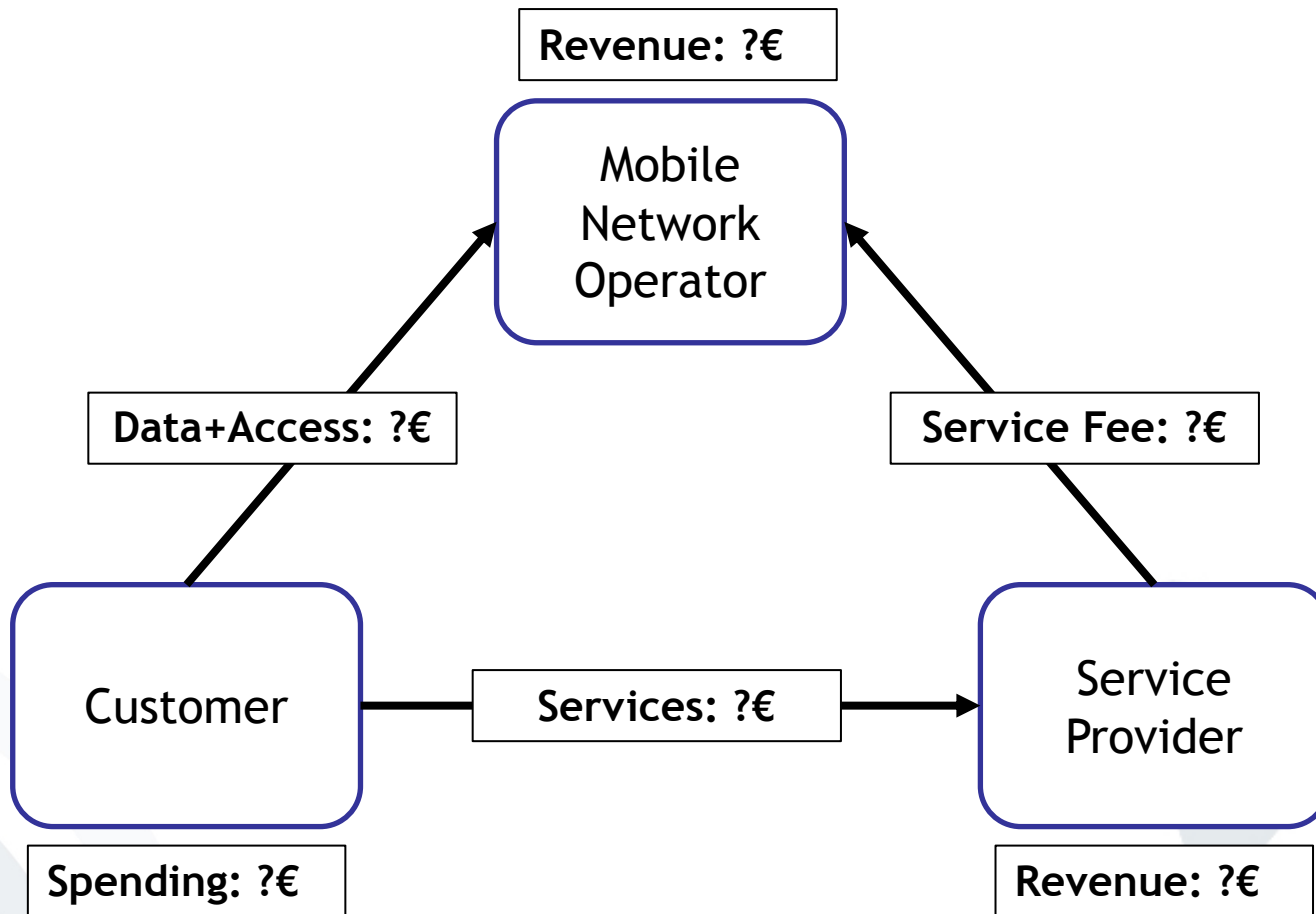


Exercise 1 (Revenue Models)

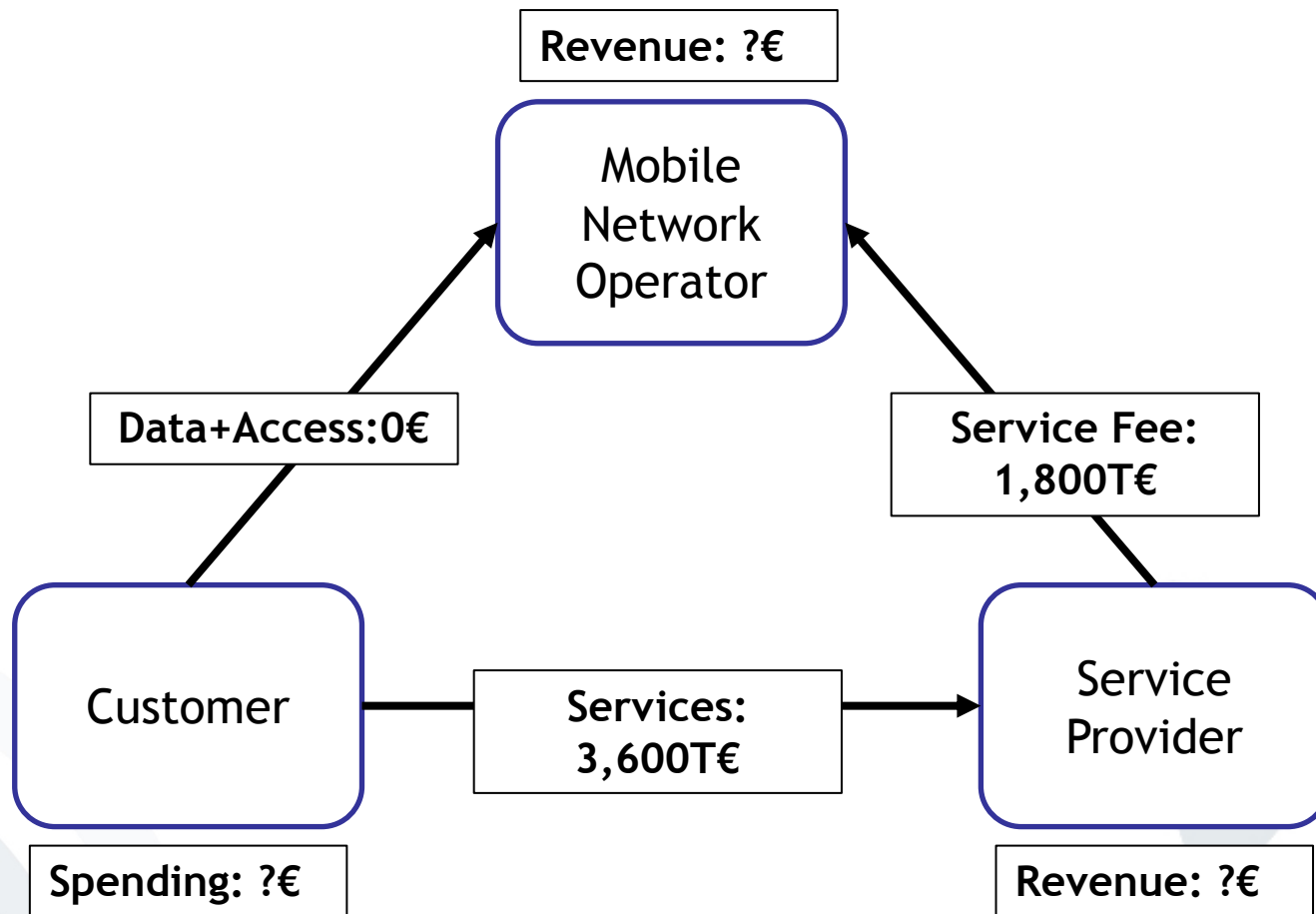
b) Now, assume the service provider pays the cost of data transfer for the users of the service. Show the new revenues under the new assumptions:

- Service provider pays (for the customer) 10€ for 30 MB of data transfer.
- 18% of 1m customers of the operator use services and spend 20€ per month.
- For these services, 30 MB of data transfer is necessary per customer and month.

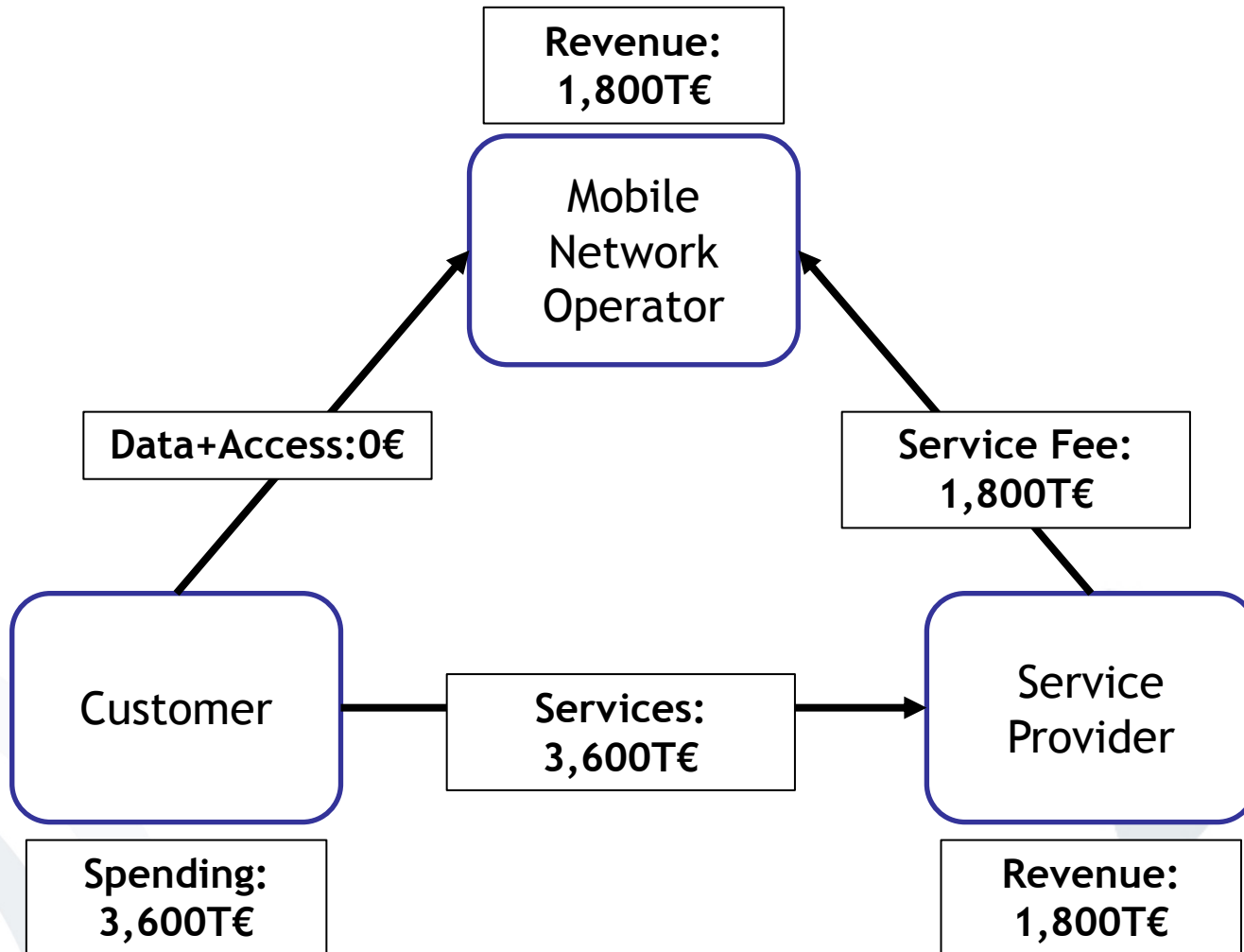
Exercise 1 (Revenue Models)



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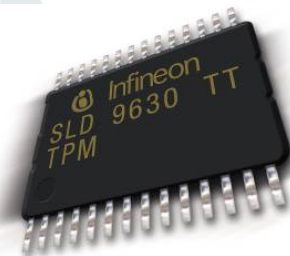


- **Exercise 1 (Revenue Models)**
- **Exercise 2 (Mobile Trusted Devices)**
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a) What is a TPM?

Trusted Platform Module (TPM)

- The TPM is a chip to make computers more secure as a part of the TCG specification.
- It is like a hard coded smartcard with the big difference that it is not bound to a concrete user, but to a system (e.g. a PC).
- ***Other usages:*** PDAs, mobile devices, and consumer electronics.
- Passive chip, can neither influence the booting process nor the operation directly
- Has a unique identifier and so serves for the identification of the system.



b) Recall from the lecture the main players (parties) in a mobile market and their interests.

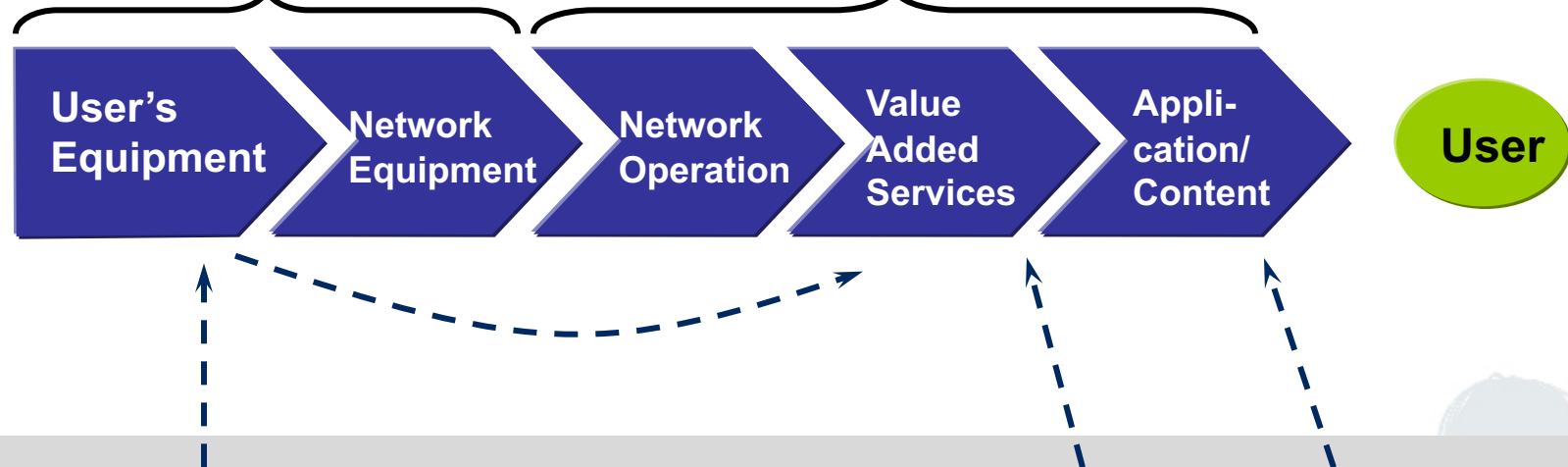
- Mobile equipment manufacturers
- (Mobile) Telecom Operators
- MVNOs
- Content providers
- Application service providers
- Private customers
- Corporate buyers
- Corporate users
- Intelligence agencies

- In the past, main manufacturers of mobile devices were mobile phone manufacturers (e.g. Nokia, Motorola), producing both hardware and the software.
- Meanwhile the value chain for mobile devices has become more complex: Significant parts may come from third parties, e.g.
 - hardware from ARM, Infineon, Texas Instruments,
 - software from Google, Microsoft.
- The more a manufacturer is perceived as the provider of the respective platform, the more risks of the mobile platform are affecting them.
- Today, mobile devices are sold particularly as part of a powerful ecosystem (Google, Apple, Microsoft).

GSM World

Equipment Manufacturers
(Apple, Samsung, Microsoft/Nokia,
Lenovo, Huawei, ...)

Telcos
(Telekom, Vodafone, Telefónica...)



IBM,
Infineon, ...

MS, ...

Dell, ...

Cisco,...

Telekom
Vodafone
...

MS,
IBM,
...

MS,
SAP,
Telekom,
Google
...

- Functions of mobile operators that relate to trusted computing:
 - operate networks,
 - provide communication services,
 - maintain direct customer relationships,
 - provide mobile devices to customers (often by subsidising their costs).
- Powerful players in the mobile market:



Telefonica



Definition:

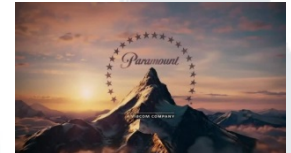
A **mobile virtual network operator (MVNO)** is a company that does not own a licensed frequency spectrum and wireless infrastructure, but resells wireless services under their own brand name, using the network of another mobile network operator.

Explanation:

- An MVNO's roles and relationship to the mobile phone operator vary by market.
- In general, an MVNO is an entity or company that works independently of the operator and can set its own tariff structures.



- Are producing and/or distributing digital content (e.g. music, movies, games, ring tones, TV)
- Interest in:
Securing their property rights on the provided content
➔ Digital Rights Management (DRM)



- Providing mobile application services (e.g. LBS, mobile banking, mobile payment services)
- Interest in:
Ensuring that the devices used by customers for authenticating transactions are not compromised.

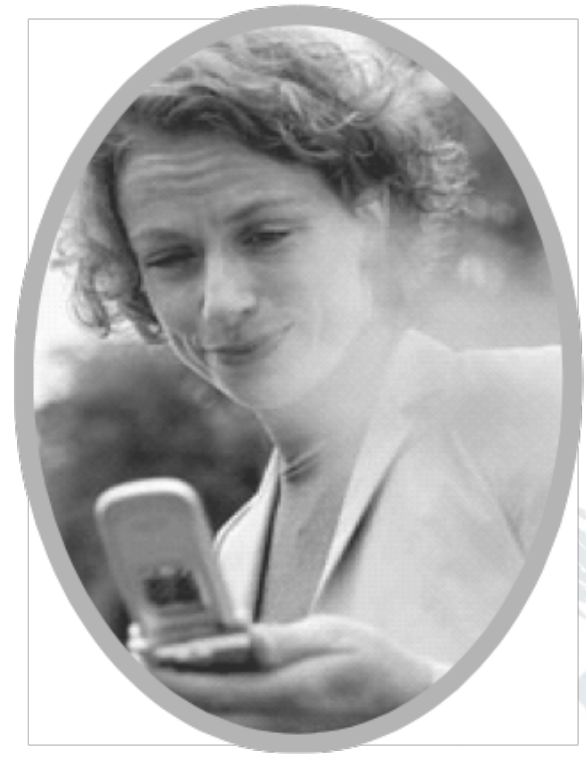
iZettle®

PayPal

finanzinformatik



- Usually not concerned about security of their mobile device.
 - Interest in:
Functionality, usability and design properties of their mobile device
- ➔ Security failures are perceived as a mistake made by the device manufacturer/mobile OS provider/mobile network operator.



- IT managers, technical staff and system administrators
- Concerned about mobile devices and mobile access causing security holes in their enterprise system.

➔ Most security-conscious customers

➔ Benefit from Mobile Device Management solutions (cf. Section “Usage Scenarios for Trusted Mobile Platforms”)



[Zeit2013]

- Are using mobile infrastructures predominantly for business needs.
- Like private users, but with usage restrictions imposed by employers or (Mobile)OS for security purposes
 - This includes corporate users who are allowed to bring and use personally owned mobile devices (*Bring your own device - BYOD*)



- Eavesdrop (and manipulate?) globally exchanged information to gather intelligence, regardless of whether a suspicion exists or not.



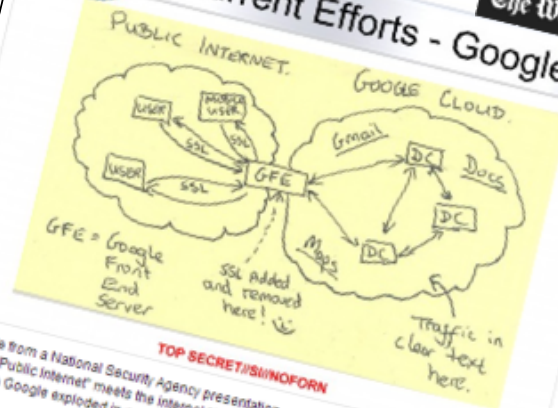
NSA tracking cellphone locations worldwide, Snowden documents show

The Washington Post

NSA infiltrates links to Yahoo, Google data centers worldwide, Snowden documents say

TOP SECRET//SI//NOFORN

Current Efforts - Google



TOP SECRET//SI//NOFORN

In this slide from a National Security Agency presentation on "Google Cloud Exploitation," a sketch shows where the "Public Internet" meets the internal "Google Cloud" where user data resides. Two engineers with close ties to Google exploded in profanity when they saw the drawing.

By Barton Gellman and Ashkan Soltani, Published: October 30 E-mail the writer

The National Security Agency has secretly broken into the main communications links that connect Yahoo and Google data centers around the world, according to documents obtained from former NSA contractor Edward Snowden and interviews with knowledgeable officials.

By tapping those links, the agency has positioned itself to intercept millions of user accounts, many of which contain everything it collects from them.

Video: The National Security Agency gathers location data from around the world by tapping into the cables that connect mobile networks globally and that serve U.S. cellphones as well as foreign ones.

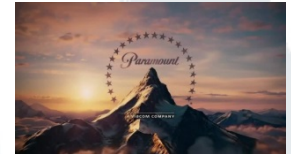
By Barton Gellman and Ashkan Soltani, Published: December 4 E-mail the writer

The National Security Agency is gathering nearly 5 billion records a day on the whereabouts of cellphones around the world, according to top-secret documents and interviews with U.S. intelligence officials, enabling the agency to track the movements of individuals — and map their relationships — in ways that would have been previously unimaginable.

The records feed a vast database that stores information about the locations of at least hundreds of millions of devices, according to the officials and the documents, which were provided by former NSA contractor Edward Snowden. New projects created to analyze that data have provided the intelligence community with what amounts to a mass surveillance tool.

c) Imagine a scenario where content providers would decide to enforce their own interests in the market. What would the impact for the other parties be and how do you foresee the other market players would react?

- Are producing and/or distributing digital content (e.g. music, movies, games, ring tones, TV)
- Interest in:
Securing their property rights on the provided content
➔ Digital Rights Management (DRM)



- Mobile device could provide a facility that can be integrated within a DRM infrastructure, e.g.
 - device authentication,
 - cryptographic functions,
 - certificate management support.



Players and security features they are especially interested in

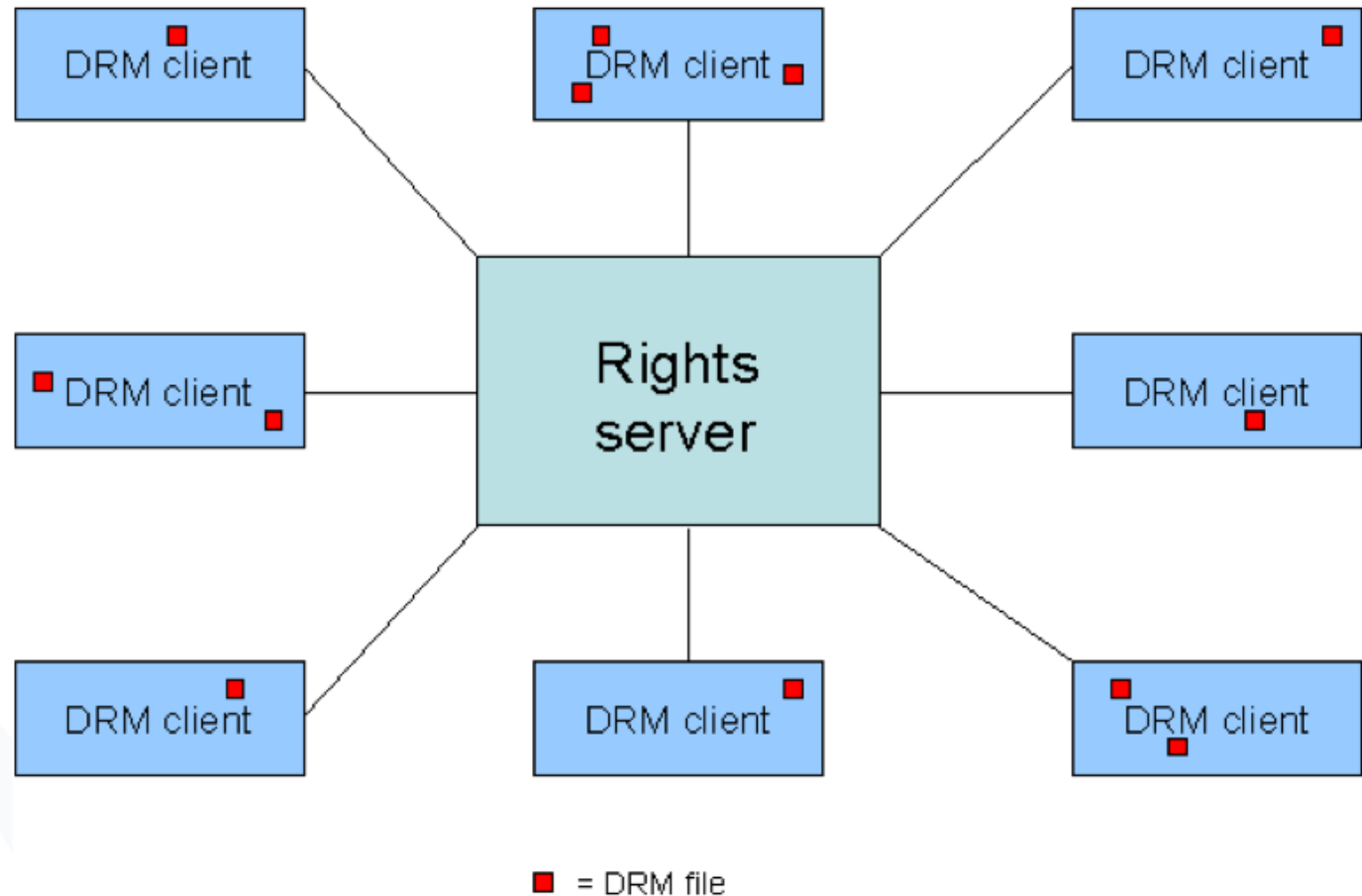
Usage Scenarios/ Players	Mobile Equipment manufacturers	Mobile operators	MVNOs	Content providers	Appl. Service providers	Private customers	Corp. buyers	Corp. users	Intelligence Agencies
Secure OS	++	++	++	++	+	+	++	+	
Digital Rights Management	+	+	+						
Device misuse prevention						+	++	+	
Storage of additional credentials	+				+	+	+		
Secure corporate network interaction		+			+		++	+	
Mobile Wallet	++	++				+			

- How do you foresee the other entities would react?
- Who would be the main entities that could be impacted and how?
- Are there any other entities that you would consider important in the modern mobile market ecosystems?

d) How can a TPM be used to implement digital rights management (DRM)?

- TC enables DRM (Digital Rights Management) to run in a secure way. DRM specifies rights for digital content that is enforced by an underlying PKI (Public Key Infrastructure).
 - For instance, rights that a file cannot be printed or copied can be specified for a word document.
 - Rights can also be connected to digital content so it for instance will “self-destruct” after a certain amount of time and/or only be used a certain number of times.
 - DRM documents and software can be tied to a specific computer/user.
- However, it could disable legitimate uses of digital content
 - Backup copies of legitimate CD/DVDs
 - Lending materials through a library
 - Using copyrighted materials for research or education

A view on the architecture for a DRM using TPM



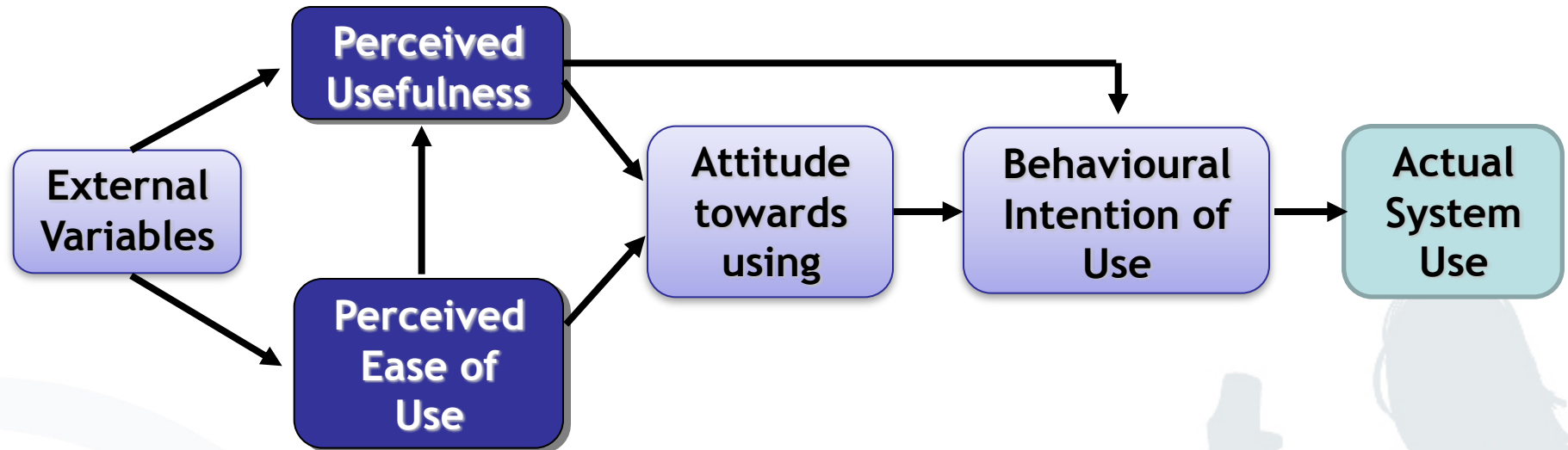
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- a) Distinguish between the terms “innovation”, “acceptance”, and adoption”.

- **Innovation (process)** is the adoption of an idea or behaviour (whether a system, policy, program, device, process, product, or service), that is new to the adopting organisation.
- The **adoption (process)** is a sequence of stages a potential adopter goes through before accepting a new product or service.
- **Adoption** is interpreted as the decision to purchase while **acceptance** refers to the decision to use the product.

- Mobile applications and services in M-Business can increase the connectedness of their users.
- However, there are several issues related to consumers' acceptance for mobile services and applications, which need to be considered:
 - Willingness to pay for services
 - Network effects
 - Ease of Use
 - Quality of service
 - Product limitations
 - Trust in service provider
 - ...

b) Explain the fundamentals of the Technology Acceptance Model (TAM).



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a) Define the term “trust”. Discuss the main characteristics and parties in a trust relationship.

- “*A state involving confident positive expectations about another’s motives with respect to oneself in situations entailing risk*” [BoHo91].
- The definition highlights the main characteristics of trust:
 1. Trust relationships involves two parties: *trustor* & *trustee*.
 2. The trustor has faith in the trustee’s honesty and believes the trustee will not betray him.

- How do you assess the trustworthiness of a product in electronic / mobile business?
- How do you assess the trustworthiness of a company you engage in mobile business with?
- How do you assess the trustworthiness a web-page you visit to buy something?
- Which factors from the past influence the perception of trustworthiness of a company?

b) What is the general assumption about the risk and time in a trust relationship?

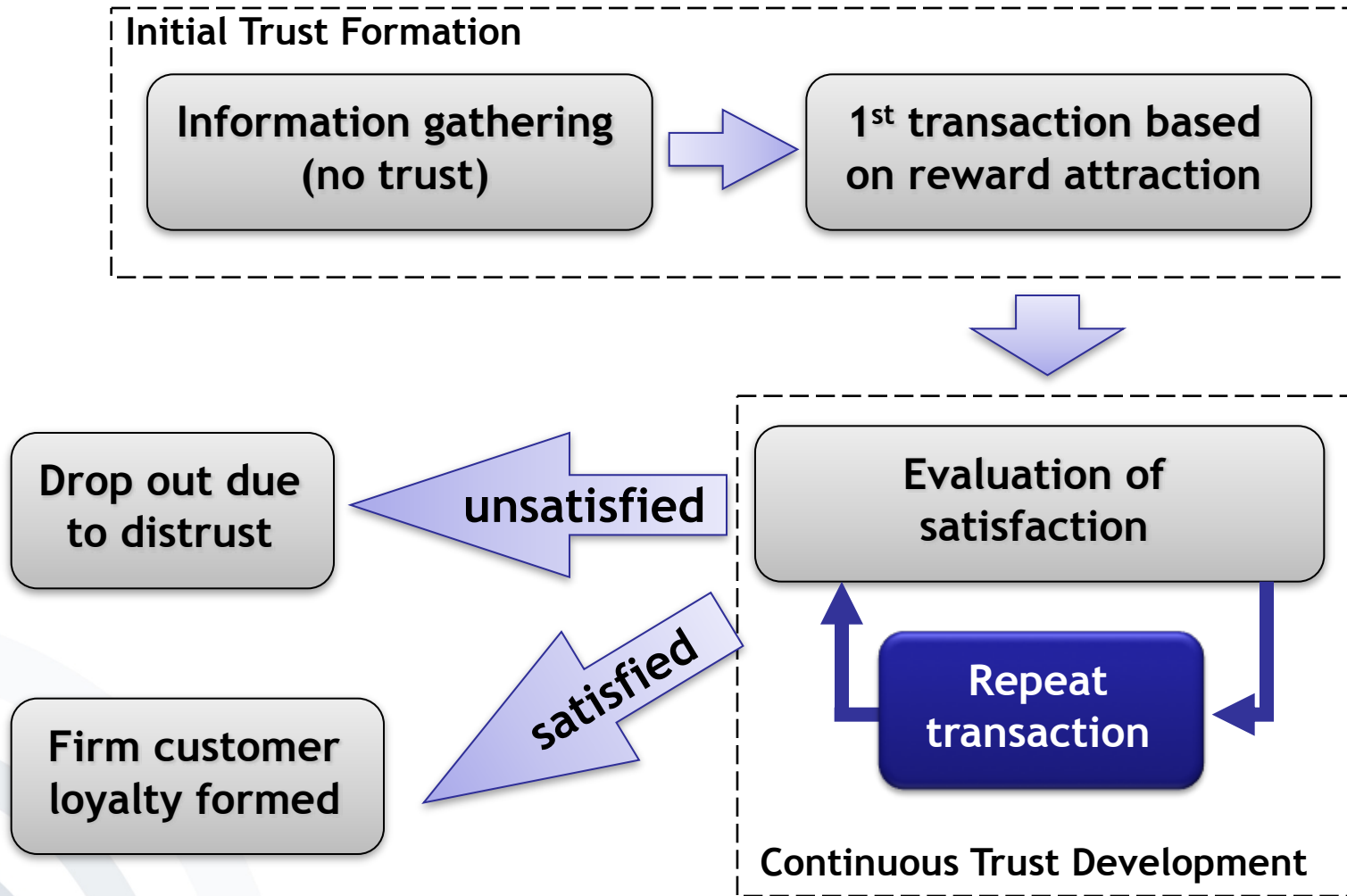
- Trust involves uncertainty and risk.
- Trust involves the future.
- It is continuous.

c) Explain the concept of the trust development lifecycle.

Initial Trust Formation

- In order to build an initial trust formation, service providers *must* disseminate information, cultivate interest, etc.
 - ***Enhance customer familiarity***, as people tend to trust the familiar, e.g. by general publicity or advertisements.
 - ***Build vendor reputation***, as a good reputation suggests certainty and less risk in conducting business.
 - ***Deliver high-quality information***, as the information posted on a company has a high impact on the customers' perception.
 - ***Elicit third-party recognition and certification***, as the independent nature of third-party certification helps customers to feel more secure in doing business with the M-Business provider.
 - ***Provide attractive rewards***, such as free trials or gift cards helping to attract new customers.

Trust Development Life Cycle





- Reliability and security of mobile technology are equally important, since failures in the early stages of the usage of M-Business reduce the customers' trust significantly.
- As mobile technology evolves, the trust focus shifts from technology to the mobile service provider.

- It is important to maintain a trust relationship, as creating trust is time-consuming and trust can easily be destroyed.
- There are several successful methods derived from E-Business that can be adopted by M-Business companies to overcome trust barriers.

- ***Improve site quality:***
 - User-friendly design of web-sites accessed by mobile devices (e.g. giving customers sufficient information for purchases) helps to convey the vendor's competence.
- ***Sharpen business competence:***
 - Refers to the skills, technical knowledge, and expertise in operating M-Business applications.
- ***Maintain company integrity:***
 - Providers need to be congruent with regard to the actions and the promises given to their customers.
- ***Post privacy policy:***
 - Similar to E-Business providers, M-Business providers should post their privacy policy online, so customers are informed about the information being processed
 - ➔ Helps to build transparency.

- ***Strengthen security controls:***
 - In order to have secure M-Business transactions, technologies need to be in place that help to allow Multilateral Security for all involved parties.
- ***Foster a Virtual Community:***
 - By building virtual communities, mobile service providers can replicate the success of web-based online communities and create positive evaluations by their users.
- ***Encourage communication and increase accessibility:***
 - In order to build synergies, the users should be brought into close communication with the M-Business provider, reducing information asymmetries and fostering the provider's credibility and trustworthiness.
- ***Use external auditing to monitor operations:***
 - External auditing helps to maintain the customers' trust by keeping the provider to behave fair and legally.

A Framework for Building Trust in M-Business

*Mobile
Service
Providers*

**Familiarity
Reputation
Information Quality
3rd-Party Recognition
Attractive Rewards**

**Site Quality
Competence
Integrity
Privacy Policy
Security Controls
Open Communication
Community Building
External Auditing**

*Mobile
Technology*

Feasibility

**Reliability
Consistency**

*Initial Trust
Formation*

*Continuous Trust
Development*



[SiauShen2003]

- ***Lecture 7:*** Business Models
- ***Lecture 12:*** Mobile Trust Devices
- ***Lecture 13:*** Acceptance and Success Factors in Mobile Business

- Please send your questions via mail (mob1@m-chair.de) no later than Friday, 2.2.2018 at 14:00.
- The Q&A session will follow next week, Tuesday, 7.2.2018 at 10:00.

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