

**Exercise  
Mobile Business I  
WS 2017/2018  
Work Sheet 3 –  
Economic Basics**

Chair of Mobile Business  
& Multilateral Security

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**Exercise 1 (Mobile Economy)**

- a) Name all parts of the classic “Mobile” value chain.
- b) Web search & Discussion: In the “Mobile” value chain, are the equipment manufacturers or the “telecoms” the dominant players in terms of market share and revenues? Has the ratio remained constant or shifted over the recent years?
- c) Which parts of the value chain of the “IT World” can be found in the classic “Mobile” value chain and where are they reflected there?
- d) Explain the meaning behind the statement “The traditional value chain of mobile service delivery splits”.
- e) Discussion: Keeping the aforementioned changes of the value chain in mind, what are the opportunities and inherent risks for mobile network operators (MNOs)?

**Exercise 2 (Mobile Economy)**

- a) Explain the phenomena of mobility.
- b) Name the characteristics of the Mobile Economy and explain them.

**Exercise 3 (Mobile Business Market)**

- a) Name the different players in Mobile Business markets.
- b) Describe the functions of these players.

## Exercise 4 (Value Creation)

- a) Explain the classic value chain by Porter.
- b) Make a draft of the modified value chain for mobile intermediary service production. What does this value chain illustrate? For what purpose is it not usable?
- c) What are the characteristics of a distributed value creation?

## Exercise 5 (Business Models)

- a) Define the term “business model”.
- b) Outline a classic business model for a mobile service (while paying special attention to stakeholders, money and service flows).
- c) Name a new business model for a mobile service and describe why it is capable of competing.

## Exercise 6 (Pricing Models)

- a) Put the terms business model, revenue model and price model in context to each other.
- b) Name the similarities and differences between a price model in Mobile Business and Electronic Business.
- c) Explain the difference between product and price differentiation. Give one example for each in the context of Mobile Business.
- d) Name at least two requirements for price differentiation.
- e) What chances result from price differentiation especially for Mobile Business?

## Exercise 7 (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.
- 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.

### *Processed Lectures:*

- **Lecture 5:** Electronic Business vs. Mobile Business

- **Lecture 6:** Market Structure and Value Creation
- **Lecture 7:** Business Models