



## **Europe, the U.S. and Japan under the microscope**

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Mobile technology today looks roughly like the Internet did in 1995. There is huge growth – or at least predictions of it – and lots of discussion, tire-kicking and dreams of dominating a new, worldwide customer interface. Eventual globalization of mobile technology, although up the road, is inevitable.

The Concours Group believes there will continue to be confusing and mutually interoperable network standards and devices for at least the next five years, and how "wireless" is defined and used will continue to vary around the world. For wireless carriers to prevail in globalization, they must understand the varying users and usage trends, and be prepared to offer flexibility within their services.

The Concours Group's report, *Doing Business in a Mobile World*, puts the three greatest penetrations—Europe, the United States, and Japan—under the microscope.

Europe, led by Scandinavia, the U.K./Ireland and the Netherlands, has the highest mobile telephony penetration rates and benefits from the interoperable GSM standard. There is almost universal coverage and interconnect agreements. People see the mobile phone as an extension of, and an alternative to, fixed telephony. The European market is particularly sensitive to telecom deregulation because in many cases the major telecom companies are at least partially government-owned. They compete with at least one other network operator, as well as a number of "virtual" providers that resell capacity bought from the owners of the physical networks under various provisions.

The United States has much lower mobile telephony penetration than Europe but leads in business process use of wireless technologies. Pagers, networked personal digital assistants (PDAs), in-building networks, among other technologies, are prime examples of this. U.S. carriers should be looking to improve upon the limited digital coverage that is ample in major cities and on the coasts, but limited in underdeveloped, rural areas. Several competing digital standards exist, so countrywide wireless applications face significant problems in coverage and device standardization. Also, pricing in the U.S. is higher than Europe.

Japan dominates in consumer Internet use via mobile phones. Entertainment and shopping drive the current technology adoption, and customers are looking to carriers to provide services that are well suited for mobile devices. The presence of an integrated payment structure provided by NTT DoCoMo is crucial and has facilitated the tremendous growth, but may hamper further growth and innovation as the market stabilizes. NTT DoCoMo acts as a trusted third party and facilitates payment via the phone bill for a commission of about 8 percent, a facility that, surprisingly enough, is not widely used in the U.S. and Europe.

Regardless of regional differences, mobile technology is growing globally, primarily in the consumer space. The use of mobile, wireless technology, especially mobile telephones, far outstrips the growth in personal computer ownership and Internet connection.

In the future, mobile technology will significantly impact how we organize and manage business organizations; however, the change will be experiential and largely unplanned. Electronic communication has transformed how we work within and between companies. Mobile technologies will continue this transformation, further increasing the communications and coordination capability of individuals. This will in turn challenge traditional management models and continue to blur the boundaries between the individual and the organization, and free time and work time.

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