ELEC-E7830 Value Network Design for Internet

Value Network Configuration

Case Joikusoft

Kasperi Jääskeläinen

Mikko Nousiainen

Xing Huang

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Scenarios

Deployment of WiFi LANs?

	Venue Owner Driven	ISP Driven
WiFi QoS	Role as last-mile ISP ● A lot of WLANs available ● Quality varies a lot ● App users create most of value ● Users need last-mile connection	No Future ● Very challenging ● ISPs dominate VNCs
Smart Promotion	Rule the market ● Both app users and venues create value ● Max amount of VNCs available ● Both last-mile connection and venues attract users	Role as promoter ● ISPs capture larger part of value network (last-mile) ● Venues create some value and attract users

How to get users?

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Value Distribution in Scenarios

Deployment of WiFi LANs?

Venue Owner Driven **ISP Driven**

WiFi QoS

	Role as last-mile ISP			No Future		
	Operators	Competitors	Joiku	Operators	Competitors	Joiku
	€	€	€€	€€€	€	

How to get users?

Smart Promotion

	Rule the market			Role as promoter		
	Operators	Competitors	Joiku	Operators	Competitors	Joiku
	€	€	€€€	€€€	€	€

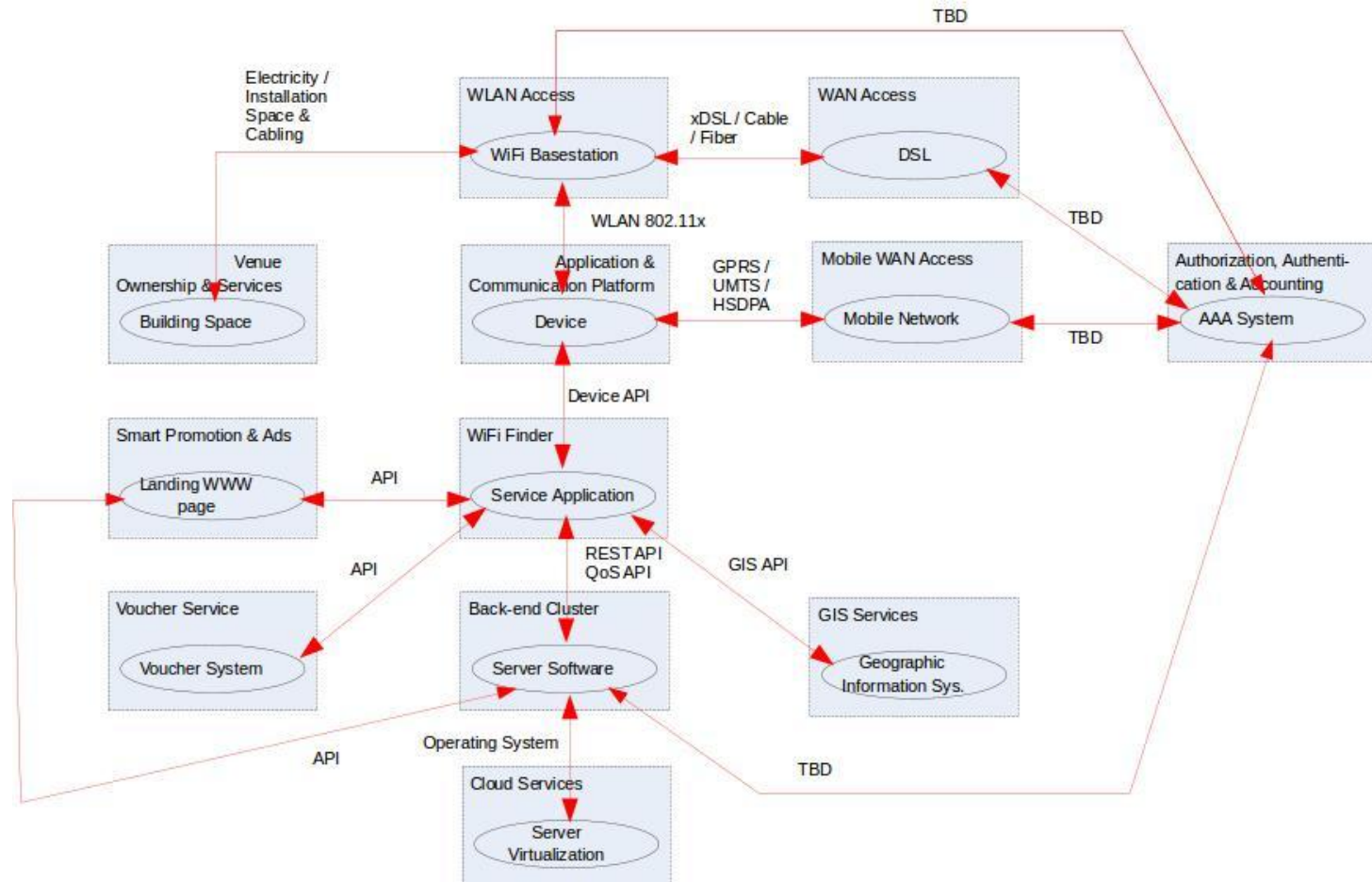# User payment and promotion based VNC
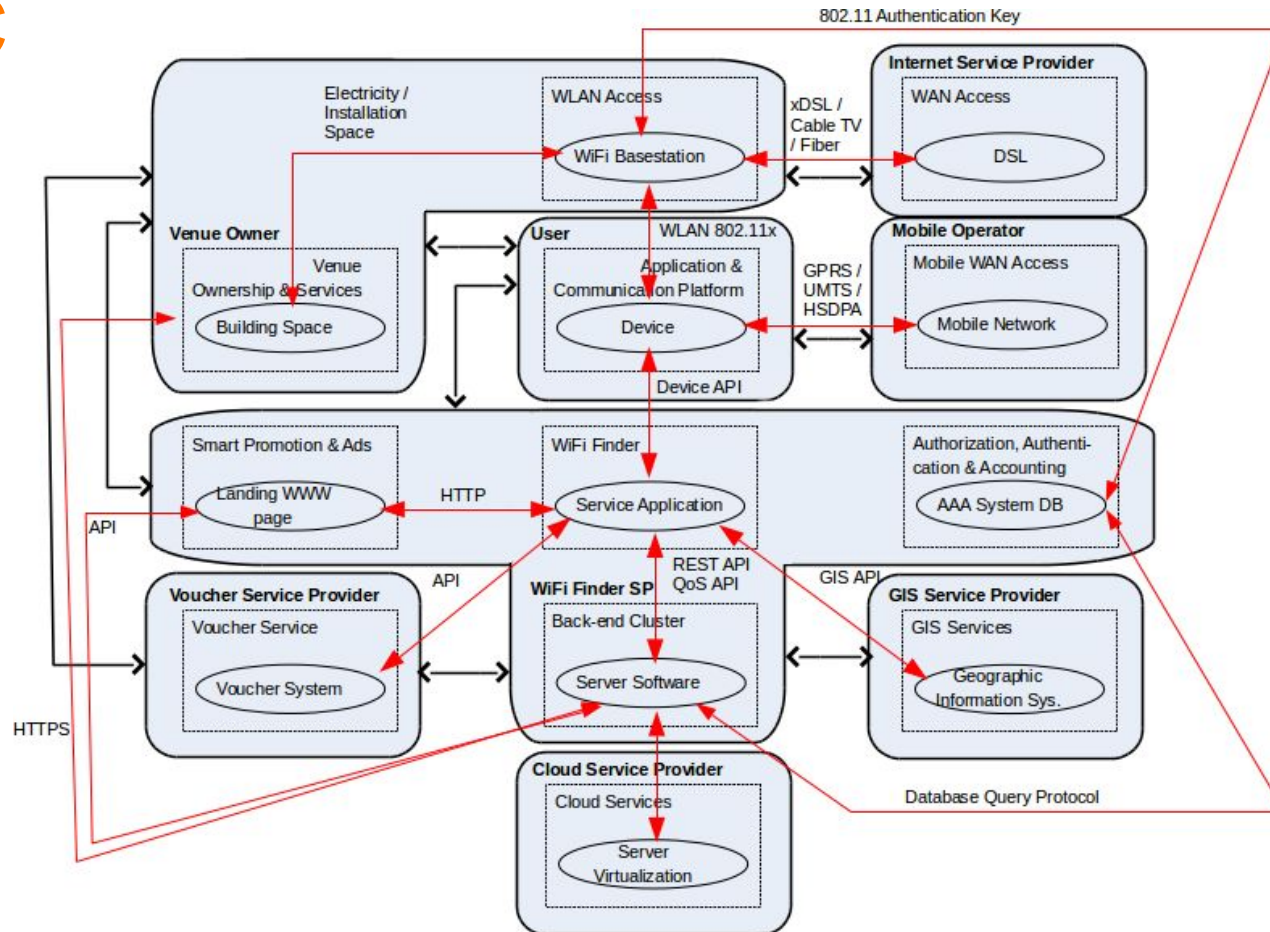
Service Domain

- Company is known for earlier applications
  – Branding and trust

- Share knowledge of Wifi's on a map and connect

- Target group
  – Android users
  – Venue owners

Technology Domain

Google
Google Cloud Messaging
Google MAPS

Register &
Map Data

Analytics   Admin

ANDOIRD APP

BACKEND CLUSTER

REST API

QoS

HTML 5

Vouchers &
Landing-Page

Voucher
Voucher provider

partners / owners
WEB access

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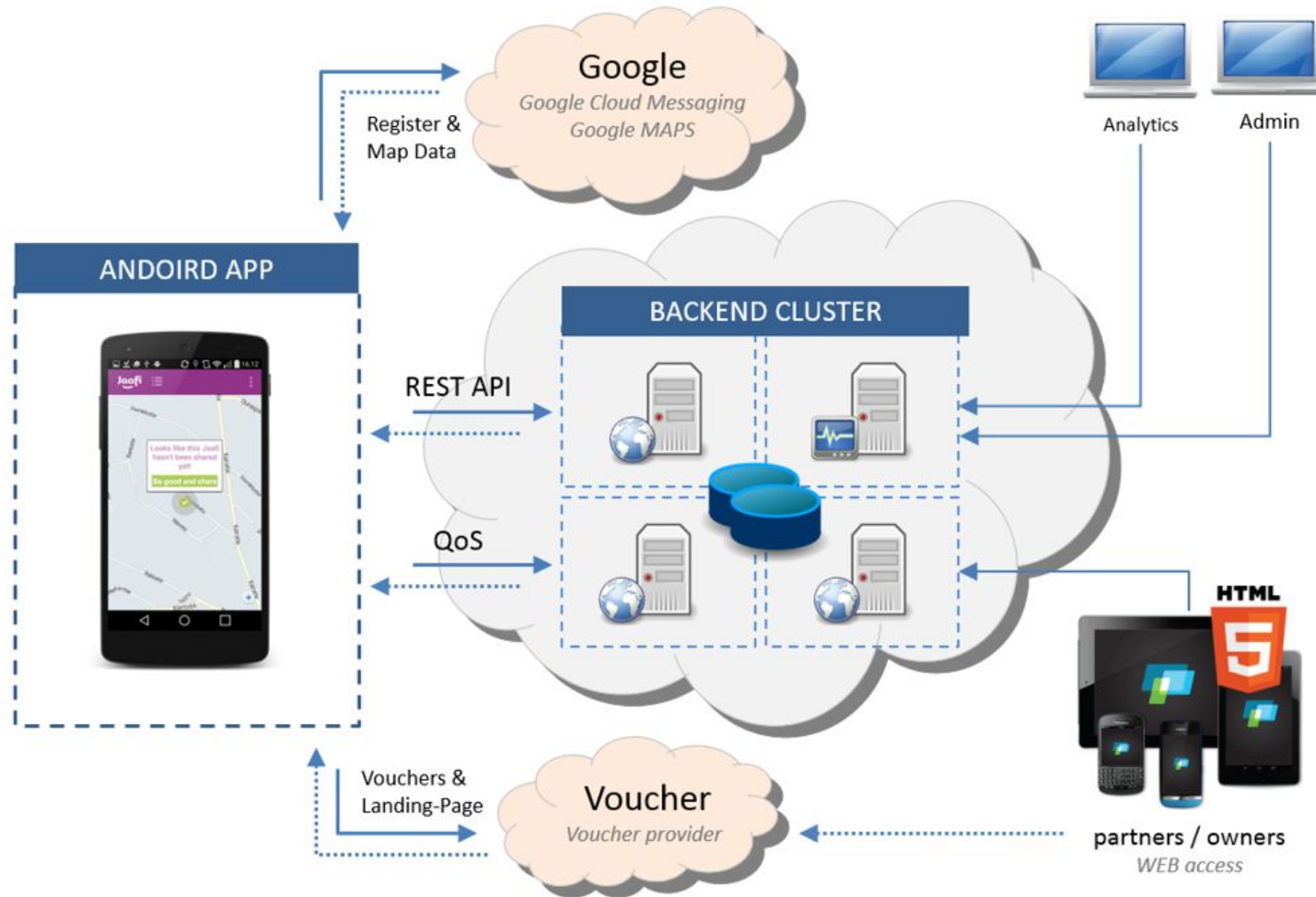
Technology Domain

Technology Domain

- Application
  - WiFi
  - Location
- Map is the center of the technology domain
- Download only relevant data
- Technology to measure the quality of the WiFi
- Analyzed data can be used

Organization Domain

- Core team

- Business development people needed

- Google maps

- Servers

Financial Domain

Investments

- Own capital
- Ask for venture capital
- Business angel
- Still looking for money

Revenues

- Break-point within a year
- Should become very fast after launch
- Different revenue models

Costs

- Online maps
- Data
- Offline maps costs more

Pricing

- Knowledge already

Critical Success Factors

- Software is easy to use and information provided by service is accurate

  AND

- User base is big enough to finance operations via ad-clicks

  OR

- **Venue owners** (e.g. Smart Promotion) and **device owners** are willing to pay (e.g. better QoS or lower cost compared to mobile internet service)

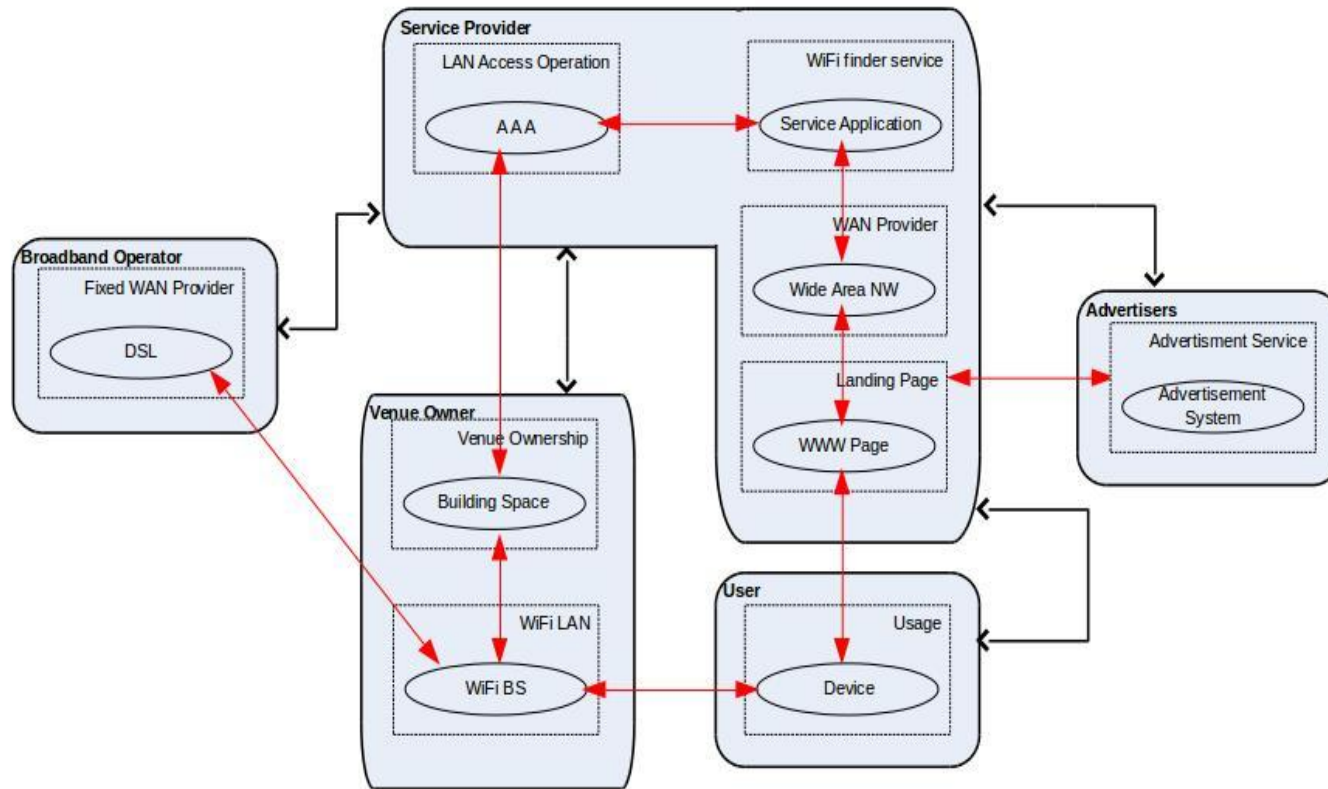# Questions?

Value network configurations

Venue driven

- WiFi owner can collect value
- Smart promotion
- Venue landing page
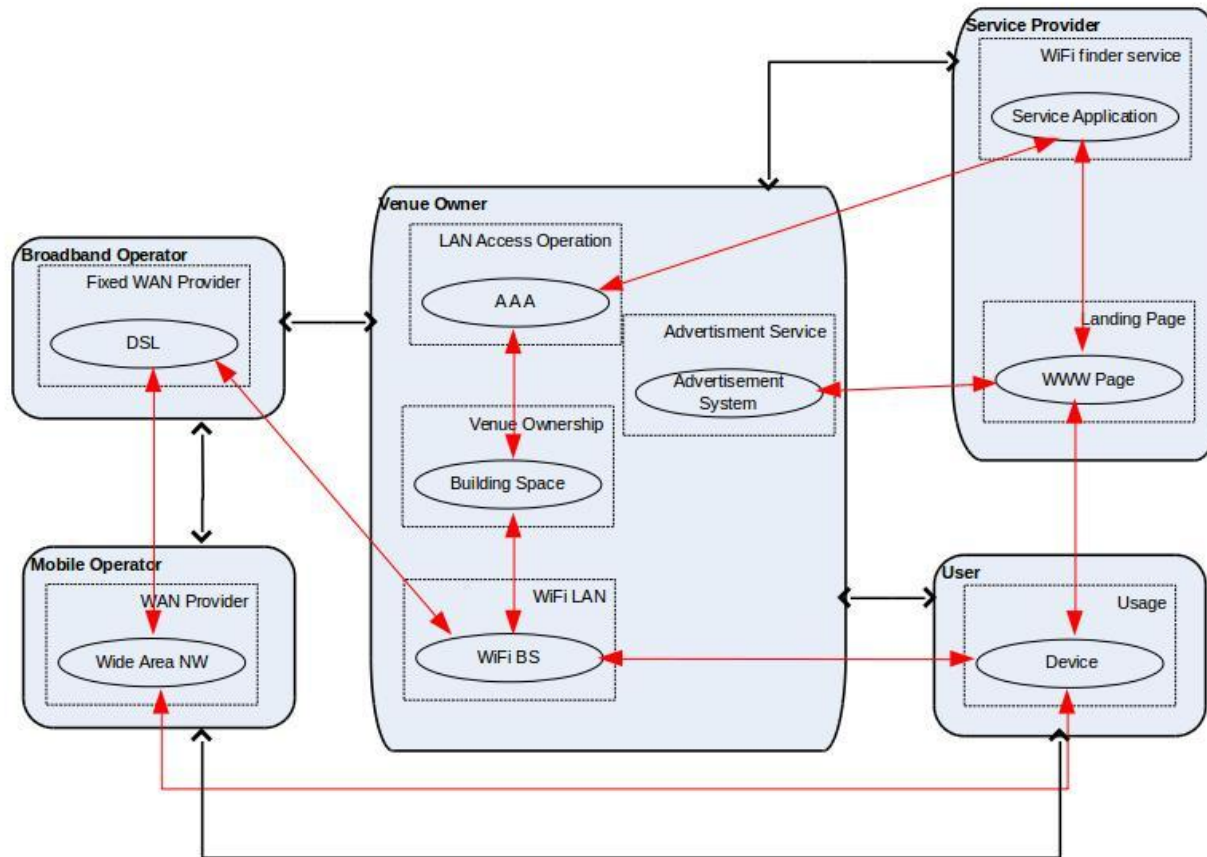- Data collection, Big data

Device driven

- User needs
- Freemium or Premium
- Security
- Joiku landing page

Both can be used at the same time

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Device Owner Driven VNC

Venue Owner Driven VNC

Conclusions

- Trends will define the Joiku's future (as we have seen)

- Big players affects future?

- Different possibilities to earn value
  - Venue and Device

Scenarios

What will big players do?

	Passive	**Active**
Yes	**Scenario 1:** ● Best case ● Offering good WiFi QoS ● Increasing use base ● Potential for profit	**Scenario 2:** ● Challenges ahead ● Trends of WiFi deployment key question ● Smart promotion has to be main differentiating feature
No	**Scenario 3:** ● Challenging ● Much competition ● Less profit ● Less users	**Scenario 4:** ● Worst case ● Is there room for promotion or revenue? ● Patents?

Differentiation?

Scenarios

Deployment of WiFi LANs?

	Venue Owner Driven	**ISP Driven**
WiFi QoS	Deal with venue owner with monthly contract	Phone connects automatically to the best WiFi
Smart Promotion	People find WiFi on the map and Joiku collects value from launch page.	

Differentiation?

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A business model describes:

Service domain: service offering, value proposition and target group

Technology domain: technical functionality required to realize the service offering

Organization domain: structure of the multi-actor value network and organizational arrangements

Financial domain: how revenues, costs and benefits are generated and divided over partners