



The future of Mobile Payments

A MASTER THESIS FOR THE DEGREE “BUSINESS ADMINISTRATION AND INFORMATION SYSTEMS” ABOUT HOW OPEN INNOVATION CAN BE USED TO DEFEND A MARKET POSITION FOR MOBILE PAYMENT PROVIDERS

ANNE-SOFIE MCNAIR RAHBEK – ANRA13AH - 45871

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SUPERVISOR: JONAS HEDMAN

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Abstract

The mobile payment market is currently changing, and companies need to innovate faster and smarter than previously to ensure their existence in the future. Companies, who have not previously worked with payments, are now trying to enter this market by offering easy payment functions through their already existing platforms and taking advantage of their network effects. These companies are a big threat to the existing mobile payment providers. This research has sought to investigate how mobile payment providers can take advantage of open innovation in order to change their existing product to fit to a changing market. The case company for the research is a major mobile payment provider in Denmark, who is seeking to come up with new ways to innovate to ensure their existence in the long run. The work was done with the research question of *“How do mobile payment providers adapt to a changing payment market in order to maintain and defend their market position?”*.

Since the research touch upon the fields of open innovation, Software as a Service (SaaS) products and the use of open innovation in SaaS products, a literature review was conducted to investigate the already existing literature. The previous literature has primarily focused on tangible technical products such as machinery and less on technological service products such as SaaS products. It was therefore found that there was a gap in the literature review concerning how to use open innovation on SaaS products, which confirmed that the study could contribute to the existing literature.

In order to answer the research question, a case study was conducted investigating the specific case and situation of the case company. The primary data collection method was interviews with five employees at the case company, an innovation expert and the CEO from a partner company.

The analysis was conducted using theories of open innovation, multisided platforms, platform canvas, digital ecosystems and the mobile payment market framework. The main finding of the analysis of the gathered data was that the case company is already using open innovation by using knowledge from their sub-suppliers and potential partnering companies in order to innovate. They look at the problems the users are facing to come up with new functionalities. The end result of the analysis was that one way for a mobile payment provider to ensure their existence would be to partner with other companies and turn into a multisided platform. This would create a digital ecosystem, where the payment provider acts as the connecting partner, where smaller companies can latch on and use their data, login functionalities and the like.

The research thus contributes to the existing work in the field by showcasing how open innovation can be used on SaaS products in order to ensure the company and the product's market position and existence in the future.

Preface

This section of the paper presents a reading manual for the reader. The section also presents the reference model which has been used in the paper.

Reading manual

The table below presents the structure of the research paper, and what the different sections contains.

Section	Description
Introduction	This section describes the topic of innovation, the need for this research and the market for mobile payments as it is. The research question is presented here as well.
Literature review	This section highlights the literature already existing about the topic of open innovation and the use of it on SaaS products. The literature needed to conduct the analysis in order for the research question to be answered is presented. A conclusion of a gap in the literature is presented.
Theoretical framework	In this section, the frameworks used for the analysis is presented. These are used to create a structure for the analysis.
Methodological approach	This section describes the research design of the paper. The methods for data collection and analysis is presented. The interviewees are presented.
Analysis	This section contains the analysis itself, which leads to the following discussion.
Discussion	This section discusses the results found in the analysis and reflects on whether the results are viable and the positive/negative aspects of the results. It also mentions the implications for practice and research.
Conclusion	This section concludes the findings of the paper and answers the research question.

Table 1 - Structure of thesis

Reference model

The reference model in this paper is the APA reference model when referencing literature and other sources. This means, that a reference will have the structure of (Author(s), year). The references will be structured alphabetically in the Literature section at the end of the paper.

The interviews will be referenced by *name, type of interview, year, section of interview* in order to make it easy to find the citations easily in the transcripts. More about this choice of reference style can be found in the methodological approach – data analysis section.

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Introduction

This paper is a Master's thesis in Business Administration and Information Systems. It has been written in the spring of 2018 with Jonas Hedman as the supervisor. The topic of the paper was chosen by an interest for the Fintech industry and a great personal interest in innovation and in particular, open innovation. With a constantly changing environment, companies have to innovate faster than ever before in order to not be left behind, and open innovation is a great tool for this.

The aim for this paper is to show how open innovation can be used to innovate technological service products such as mobile payments. The paper has two research areas, which overlap in the analysis. The research areas are mobile payments and open innovation.

The mobile payment market in Denmark

Currently, the mobile payment market in Denmark consist of only one company: MobilePay (from now on abbreviated to MP). MP is a mobile application and has 3.8 million users, who can use it for peer-2-peer (P2P) payments and to pay for goods and services (C2B payments) in shops. MP works as a "Software as a service" (SaaS) product, where MP hosts the the application and the users access it through their devices. Mobile payment platforms such as MP works as a multisided platform, connecting the users with merchants (and users with users).

MP was launched by Danske Bank in May 2013. In the beginning, Danske Bank was part of a sector based project to create a mobile payment platform, but stepped out of the collaboration with the other banks to create their own application. The other banks still went on with the project and launched a similar application to MobilePay called Swipp. Swipp never managed to gain a proper foothold in the Danish payment market due to the network effects that MP benefitted from, and ended up with joining MP in 2016. With Swipp eventually closing down and joining MP, there is no existing competition from any of the financial institutions. But with non-financial institutions showing interest in the payment markets, competition will slowly make their appearance in the market. Major companies such as Facebook and Apple are interested in tapping into the payment markets. At the current stage, only ApplePay has actually entered the market. But their payment solution is currently limited to users with iPhone 6 or newer and who are at the same time customers in either Nordea or Jyske Bank (Danmarks Radio, 2017).

In December 2017, Apple announced that it would now be possible to do P2P payments through ApplePay as well as C2B payments (Apple, 2017). Apple lets their users pay with their device – Apple Watch or an iPhone – by tapping the payment terminal in the same way you pay with your credit card

in contactless payments. The claim is that it is easier than to pay with a credit card since you already have your device in your hand. Apple also claims that ApplePay is safer than other mobile payment options since it does not store your card number on either the phone or on Apples servers. Apple does not share the card information with retailers either. Instead, their systems use a device specific number and a unique transaction code (Apple, 2018).

Facebook lets their users pay through the Messenger application. The users connect their credit card and presses a "\$" button in both the application and the desktop version of Messenger to transfer money to their friends without any transaction fees. The transactions and payments will be encrypted and stored in a secured environment, that is separated from the other parts in the Facebook network. That environment will receive additional monitoring and control from an anti-fraud team (Techcrunch, 2015). The claim is that Facebook has introduced the payment functionality to Messenger to make the Messenger application more "useful, expressive and delightful" (Techcrunch, 2015). This solution has still not been launched in Denmark, but it could potentially happen in the future.

Another competitor is the Italian, Jiffy, that lets users connect their phone number with their bank account details and makes it possible to send and receive money to contacts from their contact lists. Jiffy was created by SIA, which is an Italian company that operates in the field of ICT, where they provide solutions and technologies to the banking and finance sector. What makes Jiffy different is the fact that they let their users transfer money to other users across Europe – and not just in the country where the users live. It uses the European SEPA (single euro payments area) standards, and therefore it can be used by all banks in countries that uses Euros (Jiffy, 2018). The application also allows users to use the application to pay for purchases in stores by using NFC technology, by photographing a QR code or by entering the shop's phone number (SIA, 2018). Since it is often up for debate whether Denmark should convert to Euros, then a solution like Jiffy could potentially enter the Danish market.

Innovation

Noun – in-no-va-tion: 1. The introduction of something new, 2. A new idea, method or device

The above definition of innovation stems from the online dictionary Merriam-Webster (2018). Innovation is the creation of something new or when a change is made to an existing product, idea or field to enhance the existing ones. Innovation can further be defined as the process of implementing new ideas to create value for companies or organizations (Yale, 2018).

With many companies wanting to offer payment solutions, and with technology constantly changing, it can be hard to figure out what should be done in order to maintain and defend a market position.

Should the product be kept as it is, and hope it is good enough for the users? Should companies innovate the product so it becomes something new? Should they take on partnerships to spread out the use of the technology? These are all solutions that could be chosen by a mobile payment provider. But it can be difficult to decide which way to go and how to innovate. And how does a company decide on which kind of innovation to go with? A company can have several problems, and there can be just as many ways to innovate as there is to solve these problems. The “correct and only way” to innovation does not exist. Innovation should be treated like a set of tools to accomplish specific objectives. There should be different innovation strategies for specific tasks (Satell, 2017). When figuring out what kind of innovation a mobile payment provider should use to innovate on their products, it can be helpful to look at the matrix set up by Satell (2017) that shows four kinds of innovation and positions the different kind of innovation based on the answers to two questions: how well can we (the company) define the problem? How well can we (the company) define the skill domain(s) needed to solve it?

4 Types of Innovation

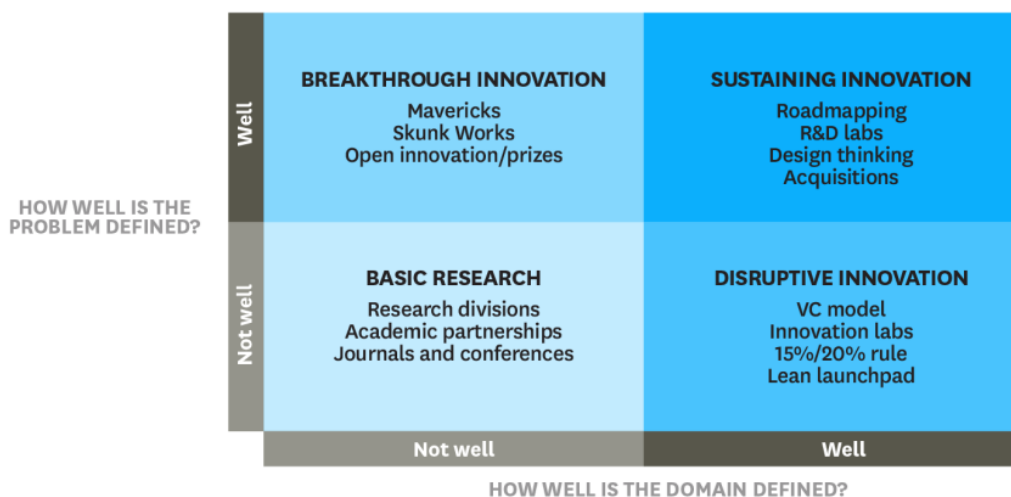


Fig. 1 - Four types of innovation (Satell, 2017)

Open innovation is a profitable way to innovate because it reduces costs, accelerate time to market, can help increase differentiation in the market and create new revenue streams for the company innovating (Chesbrough H., 2011). By using open innovation, a company can take advantage of ideas coming in from the outside in their innovation process. This way, they can come up with ideas that they would not have been able to get by themselves. It can also lead companies to the solution of letting other companies use their technology and this way potentially generate bigger incomes, which can be beneficial for most companies.

The use of open innovation has previously focused on technology in the hardware aspects and technologies used for manufacturing purposes. Less focus has been given about innovation on technological service products in the form of SaaS products such as mobile payment platforms.

Therefore, this research has looked into how open innovation can be used in technological service products such as payments. The problem of how to innovate on technological service products is well defined. The domain, where the problem should be solved, is not well defined since the companies have not defined the needed skills in order to solve the issue. This makes – according to the matrix set up by Satell (2017) – open innovation an appropriate choice as an innovation strategy for mobile payment providers.

Problem area

With many different companies seeking to enter the mobile payment market, the current providers need to innovate their existing products in order to make sure they are not replaced by a new entrant. The payment providers also need to create a revenue, which some of them don't do at the current stage due to their business model. It can be hard to make money when you offer your product as a service such as the mobile payment providers does. Therefore, open innovation – with its promise to create new revenue streams for the company and reduce costs at the same time – could work as a viable solution to innovate and find ways to make money. This research therefore seeks to answer the following research question in order to investigate how open innovation can be useful to innovate on mobile payment providers offering multisided SaaS products.

How do mobile payment providers adapt to a changing payment market in order to maintain and defend their market position?

The objective of this research question is to describe in depth how the case company can innovate in order to maintain their unique market position. The paper also investigates the possibility of the case company changing into more than a payment platform with the help of open innovation. The case company chosen for the research is MobilePay. More information regarding MobilePay and their unique case follows in the section *"Introduction to case"*.

In order to answer the research question in a proper way, the following sub-questions have been addressed:

- How does the mobile payment market currently look?
 - Which players are on the field?
 - Which other players could potentially enter the field in the near future?
- How can (and should) mobile payment providers change their current products?

- What are the risks involved in changing their current product?
- What are the benefits of changing their current product?

Limitations of study

This study is primarily focusing on the Danish payment market. The market for mobile payments worldwide is massive, and in order to not make the research too wide and unmanageable, a choice was made to focus on Denmark. This was done in order to keep the scope of the paper within the set physical limits by Copenhagen Business School.

It should be noted that the contact person to the case company, Søren Rahbek, is the father of the author of this paper. This have not had any negative impact on the process since he is not the manager of anyone of the interviewees. It has quite contrary been a positive aspect since the entry to the organization was made easier due to Søren being able to facilitate the relevant contact information for interviewees.

It should be noted, that it has not been possible to interview all of the employees at the case company. Therefore, the result of the analysis is based on only a few employees' opinions. If other had been interviewed, other opinions might have been presented and the result of the analysis could be different.

Literature review

In order to have building blocks for the research, a literature review was conducted on the existing literature about open innovation. This section contains the literature review.

The research made on using open innovation to innovate on "software as a service" products such as the technology service products that payments are, is very limited. Therefore, this literature review consists of 17 journal articles, 3 books, 1 magazine article and 1 blog post. The variety of text types shows that it was needed to look in other areas than just academic publications for texts related to the topic.

The topics of the texts are open innovation as a concept, the use of open innovation from an innovation aspect, the use of open innovation from a business aspect, development of software as a service. The structure of the literature review is shown in the graph below. Open innovation is abbreviated to OI.

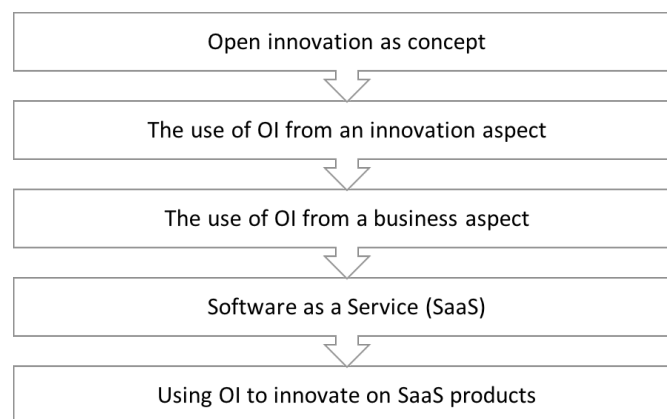


Fig. 2 - Structure of literature review

This structure was chosen over making a detailed matrix analyzing the articles in order to create a better reading structure of the paper. A short, summarizing matrix over the articles can be found in the conclusion of this chapter.

Research method

The articles for the literature review have been gathered by searching for *open innovation*, *software as a service*, *open innovation in software*, *innovation in software*, *value open innovation*. The searches were both made with the phrases separately and together to try and get the widest variety of literature. If an article was read, where a reference was made stating an important fact, that reference was looked up and read as well. The primary focus was put on open innovation articles.

The articles were all divided into the five areas:

1. "Open innovation as a concept"
2. "The use of OI from an innovation aspect"
3. "The use of OI from a business aspect"
4. "Saas"
5. "Using OI to innovate on Saas products"

In the concluding matrix, an overview over the area each article/text fit into can be found. It is based on the number(s) it is given on the matrix.

Open innovation as a concept

Marais & Schutte (2009) defines innovation as the successful generation, development and implementation of new and novel ideas that either introduce new products, processes and/or strategies to a company or enhances already existing products, processes and/or strategies leading to a commercial success and possible market leadership. Innovation creates value for stakeholders, drives economic growth and improves standards of living.

Open innovation is defined as valuable ideas that may come from the inside or outside of the company and can come to market from inside or outside the market as well (Chesbrough, 2003). In other words, open innovation uses external as well as internal ideas and internal as well as external paths to market. Open innovation processes combine the internal and external ideas together into platforms, architectures and systems (Bogers et al, 2018). Open innovation uses business models to define the requirements for these architectures and systems. The business models can access both external and internal ideas to create value while defining internal mechanisms to claim some share of that value (Bogers et al 2018). The two most important kinds of open innovation are called outside-in and inside-out innovation – which can also be referred to as inbound and outbound open innovation. Outside-in open innovation involves for a company to open up their innovation processes to many kinds of external inputs and contribution. Inside-out open innovation requires organizations to let unused or underutilized ideas to move outside the company for others to use in their business and business models (Bogers et al 2018).

Open innovation should be conceptualized as a distributed innovation process that involves purposively managed knowledge flows across organizational boundaries. This definition also fits the main types of open innovation, outside-in (inbound) and inside-out (outbound) and the combined coupled type, where a company uses both inbound and output open innovation, and associated mechanisms such as financial and non-financial flows. Open innovation refers to an innovation model which underlines purposive inflows and outflows of knowledge across the boundaries of a company in order to use external sources of knowledge and commercialization paths (Chesbrough & Bogers, 2014). The definitions of purposive inflows and outflows stems from economic literature on spillovers that arise from a company's investment in research and development. Because companies cannot completely specify the outcomes of such investments in advance, research and development produces outcomes that were not expected when the investments were made. The outcomes of the investments spill over beyond the ability of the investing company to benefit from them, which has created the term spillovers (Chesbrough & Bogers, 2014).

After coining the term open innovation back in 2003, Chesbrough - and this time Bogers (2014) - redefines open innovation in the book "New frontiers of open innovation" as "*a distributed innovation process based on purposively managed knowledge flows across organizational boundaries, using pecuniary and non-pecuniary mechanisms in line with the organization's business model. These flows of knowledge may involve knowledge inflows to the focal organizations (leveraging external knowledge source through internal processes), knowledge outflows from a focal organization (leveraging internal knowledge through external commercialization processes) or both (coupling external knowledge sources and commercialization activities)*". Following this definition, the "innovation" part refers to the development and commercialization of new or improved products or services, and the "open" part refers to the knowledge flows across organizational boundaries. Since open innovation is seen as an organizational construct, it is the business model of the company that puts the distributed innovation process into the organizational domain since it not only describes how value is created within the value network, but it also describes how value is captured by the involved organizations (Chesbrough & Bogers, 2014).

The use of Open Innovation – innovation aspect

Open innovation is also the sustained and systematic practice of searching for and integrating new product inputs from sources outside of company and technology boundaries (Sisodiya et al, 2013)

The most common theoretical perspective on innovation exchange is absorptive capacity theory. Absorptive capacity is a company's ability to acquire new knowledge (Carlsson et al, 2009). Absorptive capacity depends on the company's level of prior related knowledge and the field in which the company is positioned. Firms already possess knowledge about innovation, but through absorptive capacity, the company can advance their knowledge (Carlsson et al, 2009). Carlsson et al (2009) argues, that absorptive capacity's shortcomings are caused by the fact that it focuses on the exchange of innovation within more or less homogeneous contexts. They also argue that open innovation creates a new challenge to companies: how to gain competitive advantage from knowledge created in different contexts than the one where it is going to be used. Therefore, in an open innovation context, it is important to understand how previously unrelated partners can be supported in recognizing the benefits of exchanging innovation and transferring the innovation and adapting it to its new context of use in a profitable way (Carlsson et al, 2009).

When exchanging open innovation, the potential provider and the potential recipient of technology need to make sense of the use of the technology in the new context (Carlsson et al, 2009).

In their article about the future of open innovation, Gassman, Enkel & Chesbrough (2010) reflects on the different research streams that open innovation is based on, and try to organize these streams

into different perspectives. One of these perspectives is the structural perspective, which shows that work division has increased in innovation. There is a strong trend showing that more R&D have been outsourced and alliances created. The value chains of the companies are becoming more disaggregated. The drivers of this trend are cost reduction and greater specialization due to more complex technologies and product systems. Open innovation approaches compensate for central R&D units by not just focusing on short-term, customer-oriented business unit research activities. There is a strong trend towards R&D partnerships and alliances, and vertical alliances are complemented by horizontal alliances and cross-industry partnerships. These inter-organizational relationships can enhance value creation (Enkel, 2010)

Open Innovation can be divided into two processes – external technology acquisition (ETA), which is another expression for inbound open innovation, and external technology exploitation (ETE), which is also known as outbound open innovation (Chesbrough, 2003). ETA are when innovative ideas and technological knowledge flow into the company's innovative system in a way that the company can access external innovative knowledge and external ideas to complement its business model. This way, the company can create value for customers and compete in the market for products and services. In ETA, the company's target is to gain complementary or necessary technologies to manufacture its own products or compete in the markets for products or service (Hung & Chou, 2013). ETA involves an exploratory learning behavior, where the search for new and diverse knowledge that can solve the company's problems is incorporated (Zahra et al, 2006 in Hung & Chou, 2013). Companies competing in the products or service market that actively seek external technology to complement their knowledge base or capabilities have advantages over their counterparts, who direct everything in-house (Chesbrough et al, 2006).

ETE are ideas or technological knowledge flowing out of the company's innovation system, where companies purposively pursue commercialization or outward transfer of their technological knowledge to outside firms to obtain monetary or non-monetary benefits. The ETE process goal is to commercialize ideas or knowledge that is not used by the focal company, but still has economic value in markets for technology. ETE can lead to a company placing certain technological assets or projects outside of its own walls to profit from technology use by outside parties, which has financial and strategic advantages (Chesbrough et al, 2006). For strategic opportunities, companies may not only want to establish their technologies as industry standards or get access to external technology, but they may also create new business possibilities and growth options by putting their technologies to work (Chesbrough & Garman, 2009). By identifying the outside partner's technological and market-related knowledge effectively, a company can choose appropriate collaborators to sell their

technology to, co-develop with, or cross-license their valuable technology, which is vital to the ETE process (Hung & Chou, 2013).

If a company wants to prevent its technology from becoming obsolete and not used anymore, they should commercialize it outside or co-develop with outside partners (Hung & Chou, 2013).

According to Wang et al (2015) increasing high-technology companies' ability to enhance their internal innovation and performance allows the companies to engage in openness strategies focused on external collaboration with different types of collaborators.

Wang et al (2015) also operate with the term technology scouting, which refers to a firm's innovation resource scanning and acquisition process. Technology scouting implies searching for both technology acquisition channels and supporting the process of innovation efforts.

Through technology scouting, an innovation process is characterized as a process where external actors are involved as sources for ideas, new and important knowledge, technical solutions and acquisitions or even discovery opportunities (Wang et al 2015). The aim of technology scouting is to assist the companies in building search mechanisms to identify opportunities and discover potential technologies in the external environment. External ideas, knowledge and technology are valuable to internal innovation development for a company (Chesbrough 2003). These arguments redefine innovation deployment between a company and its surrounding environment, making companies more secure and set in collaboration with different competitors. This process makes it possible to move towards creation of new solutions to current problems (Wang et al 2015).

Wang et al (2015) further write that collaboration with customers is an important method for improving innovation efforts for companies. Many innovative ideas come from the customer perspective of the value chain. Collaboration with customers is therefore one of the most important openness strategies for companies. By collaborating with their customers, it becomes possible for the companies to extract innovative ideas and knowledge from these customers in order to improve products and services. By collaborating with customers, the companies gain several benefits, including improvement of existing core competencies, identification of market trends and the ability to monitor technological development directions (Wang et al, 2015).

This sort of collaboration between customers and companies are referred to as vertical technology collaboration (VTC) and allows companies to capture technologies and knowledge of the development of market trends in a timely manner.

External knowledge and technology sources can be used to collaborate with the customers to monitor and scan market development trends (Wang et al, 2015). Collaboration with the customers gives the company the chance to enhance their ability to recognize market opportunities, manage whatever unanticipated events that occur during the innovation development process, and boost the company's business activities (Enkel, 2010).

Inside-out open innovation requires that companies allow unused and under-utilized ideas and assets to move outside the company for other companies to use in their businesses and business models (Chesbrough & Bogers, 2014). Outside-in innovation strategies can be separated based on the "breadth" and "depth" of knowledge search. The breadth of knowledge search shows the diversity of a company's external sources of knowledge, which is often defined as the number of different type of external parties involved in the innovation processes of the company (Saebi & Foss, 2015). The depth of knowledge search is the intensity with which companies uses external sources for knowledge, and it is often measured by the number of external partners that are deeply integrated into a company's innovation activities (Saebi & Foss, 2015).

Coupled open innovation combines the knowledge inflows and outflows between the different actors in the innovation processes. Knowledge or technology can follow different paths within and across the boundaries of a company (Chesbrough & Bogers, 2014). Coupled open innovation involves two or more partners, that intentionally manage mutual knowledge flows across the organizational boundaries through joint invention and commercialization activities. In principle, coupled open innovation can involve any combination of inside-out or outside-in innovations. The companies may implement specific mechanisms to handle the innovation such as strategic alliances, joint ventures, networks, ecosystems and platforms – all involving complementary partners (Chesbrough & Bogers, 2014).

The use of Open Innovation from a business aspect

There are several models which companies can use for open innovation according to both Marilungo et al (2016) and Marais & Schutte (2009), including:

- Product platforming – the aim of product platforming is to provide a framework to access, customize and exploit the product. The end goal is to extend the platform product's already existing functionality and at the same time increase the overall product value for everyone involved
- Idea competitions – Companies can implement a system, that encourage contributions and competitiveness among their contributors by rewarding successful submissions of ideas. This

way a company can gain inexpensive access to a large quantity of innovative ideas and at the same time gain a deeper insight into needs and wants of their customers and contributors.

- Customer immersion – The employees of the company interacts extensively with the customers. This way the company can incorporate customer input while at the same time allowing the customers to be closely involved in the design process and product management lifecycle.
- Collaborative product design and development – This differs from platforming in the way that, in addition to the provision of the framework on which contributors develop, the hosting company still controls and maintains the eventual products developed in collaboration with their contributors.
- Innovation network – this differs from idea competition in the way that the network of contributors is used to develop solutions to identify problems within the development process.

Cassiman & Valentini (2016) states that due to increased competition and shorter product life cycles over the past decades, companies have experienced a general decrease in their top line growth. The costs of R&D have increased significantly at the same time, and the result of this has been a decrease in the productivity of the innovation processes. And in order to overcome this problem, companies are advised to become more open to the external environment and rely more on externally developed knowledge and technologies (BUY) as well as allowing their technology to be used and brought to the market by other firms (SELL). If the companies do this, they can generate new revenues and decrease the cost and time of developing new ideas by using external knowledge and technology (Cassiman & Valentini, 2016).

"The core of open innovation is the ability to create an ecosystem where people, organizations and sectors can foster co-creation. It involved business models – the logic of creating and capturing value – that dynamically transcend organizational boundaries within that innovation ecosystem" (Bogers et al, 2018).

In their article from 2015, Saebi and Foss claims, that companies, who successfully capitalize on integrating external sources of knowledge into their innovation processes, stand out in organizational terms since they are characterized by organizational flexibility and the readiness to restructure their already existing business models in order to accommodate open innovation strategies. They further state that the match between a company's open innovation strategy and business model is likely to be an important factor in open innovation performance.

Saebi and Foss (2015) has come up with four open innovation strategies that a company can use. These four are: market-based innovation strategy, crowd-based innovation strategy, collaborative innovation strategy and network-based innovation strategy. These further details of each of these can be found in the picture below.





	Four Open Innovation Strategies			
	Market-based innovation strategy 	Crowd-based innovation strategy 	Collaborative innovation strategy 	Network-based innovation strategy 
Business model dimensions	Efficiency-centric open business model	User-centric open business model	Collaborative open business model	Open platform business model
Content	<ul style="list-style-type: none"> Efficiency-centered value proposition, enabled by reduction in transaction and coordination costs 	<ul style="list-style-type: none"> User-centered value proposition, input from communities of users 	<ul style="list-style-type: none"> Radical innovations and opening up of new target segment 	<ul style="list-style-type: none"> Business model acts as open-innovation platform for multiple stakeholders
Structure	<ul style="list-style-type: none"> Redefinition of role of internal R&D system Efficiency-centered structure 	<ul style="list-style-type: none"> Ideation phase of innovation process "outsourced" to the crowd 	<ul style="list-style-type: none"> Users / suppliers / customers / competitors become key partner in innovation process 	<ul style="list-style-type: none"> Re-organization of the production & distributional system Need for complementary internal network
Governance	<ul style="list-style-type: none"> Monetary remuneration for external knowledge provider Use of "integration experts" to absorb market-available knowledge 	<ul style="list-style-type: none"> Monetary prizes or recognition for external knowledge providers Incentives to engage and manage communities of users for own employees 	<ul style="list-style-type: none"> Contract based, sharing of rewards on organizational level with external knowledge provider Incentives for own employees to engage with lead users and alliance partners 	<ul style="list-style-type: none"> Provide incentives for own employees to engage with multitude of knowledge partners (individuals, companies, communities) Re-distribution of risks & rewards

Fig. 3 - A contingency framework for open business models (Saebi & Foss, 2015)

Partnerships with customers can provide the project teams in a company with first-hand information on market needs and this way help to establish a foothold in the marketplace by getting to know what the customers want and this way satisfy them, leading to the reduction of the chance of product failures (Du et al, 2014). By having timely and reliable knowledge about market preferences, a company can get very important information necessary for their product development (Du et al, 2014).

A company wins by using internal and external knowledge in the best, timely way. By combining this knowledge creatively in new and different ways in order to create new products and services (Chesbrough, 2003). Companies using open innovation can see start-ups as mutualistic participants in a complex ecosystem of companies that create, recombine, compete, imitate and interact with each other (Chesbrough, 2003). The customers of the companies might also have information that turns out to be important to open innovation. It is often the most advanced and demanding customers that push a company's products and services to the extreme. By doing this, the customers try to create new combinations with the offered solutions as part of the building blocks. People might use the company's technology in ways that was not expected when developed. By experimenting with the

technology, new features or requirements for the technology can be created. By responding to these required changes, a new round of learning begins. This process of innovation and discovery shows the iterative loops of learning. Previously, companies would wait until their technology was "ready" to ship to customers. But with open innovation, the companies invite their customers into the innovation process as a partner and co-producer (Chesbrough, 2003).

A company can create and capture value from their technology in three ways: through incorporating the technology in their current businesses, through licensing the technology to other companies or by launching new ventures that can exploit the technology in new business arenas (Chesbrough, 2003).

Kratzer et al (2017) states that a company's openness to innovation can be divided into five factors:

- Internal capabilities
- Link to knowledge providers
- Innovation management culture
- Institutionalization of cooperation
- Market awareness

Internal capabilities include the internal sources of innovation in the company. Links to knowledge providers define the relationship with R&D organizations, universities, consulting and engineering companies. The innovation management culture is the degree to which management encourages risky innovation projects, an institutionalized practice to encourage successful innovation, a horizontal exchange of ideas without involvement of management and the existence of funds to support innovation projects. The institutionalization of cooperation includes strategic decision-making that engages many specialists beyond top management, while management encourages the engagement of external partners in the innovation process and standard procedures to support cooperation. Market awareness brings together suppliers, other companies in the value chain and competitors as external innovation sources (Kratzer et al, 2017).

Software as a service

Software as a services (SaaS) is when a standard piece of software is owned and managed remotely by the seller and delivered as a service over the internet. The application is based on a set of common code and data definition and is distributed in a one-to-many manner to all of the clients (Xin & Levina, 2008). Customer-specific configuration can be made on top of the common code using interfaces provided by the SaaS supplier. The service can be integrated with other applications or connected with more custom functions through APIs that are defined and maintained by SaaS suppliers (Xin & Levina,

2008).

Using SaaS is a natural fit for businesses that want to reduce their IT responsibilities and costs. SaaS is well suited for small businesses, since they can adjust their SaaS subscription on a monthly basis and adjust their requirements depending on their needs instead of investing in in-house server capacity and software licenses (Vladimirskiy, 2016).

SaaS is provided to the users not only as a final good, but it is also a resource that the users can reuse for creating new services under the service-oriented architecture (SOA). SOA defines the interface that the users can utilize the functions of the service for their own innovations through. The services just need to be provided with open APIs (Kim et al 2013). This way SaaS can be used as a tool for innovation. SOA defines how a user/customer can compose and reuse services through APIs. A composite service is created by adding a unique value to an existing SaaS service or by combining several SaaS services (Kim et al 2013).

Using Open Innovation on SaaS products

By making their APIs available for others to use, software suppliers can achieve a huge scale and scope of innovation through utilizing their service users and this way use open innovation (Kim et al 2013). SaaS suppliers achieve innovation by freely sharing their innovation resources with their service users/customers and even with their competitors. Any SaaS supplier can participate in the innovation by simply opening up the API of its services. By opening up the API of its services, the users/customers can reuse the functions for their own service development, thus the users/customers can participate in the innovation.

Conclusion - Gap in the literature

As this literature review shows, there are much literature about open innovation, its use and the benefits hereof. But there is a gap in the literature about using it to innovate on SaaS products, as much of the literature focus on technology in the sense of tangible products such as hardware. Therefore, this research contributes to the literature by showing how open innovation can be used on SaaS products and the value it can create for both company and customers by doing so.

Author(s)	Year	Type of text	Area(s)
Chesbrough	2003	Book	1, 2, 3
Marais & Schutte	2009	Journal article	1, 2
Chesbrough et al	2006	Book	1, 2
Bogers et al	2018	Journal article	1, 3
Chesbrough & Bogers	2014	Book	1
Sisodiya et al	2013	Journal article	2
Carlsson et al	2009	Journal article	2
Gassman, Enkel & Chesbrough	2010	Journal article	2
Enkel	2010	Journal article	2
Hung et Chau	2013	Journal article	2
Zahra et al	2006	Journal article	2
Chesbrough et Garman	2009	Magazine article	2
Henkel et al	2014	Journal article	2
Wang et al	2015	Journal article	2
Saebi & Foss	2015	Journal article	2, 3
Marilungo et al	2016	Journal article	2
Cassiman & Valentini	2016	Journal article	3
Du et al	2014	Journal article	3
Kratzer et al	2017	Journal article	3
Xin & Levina	2008	Journal article	4
Vladimirskiy	2016	Blog post	4
Kim et al	2013	Journal article	4, 5

Table 2 - Texts used for literature review

Theoretical framework

This section presents the theories used for the analysis of the gathered data. The theoretical framework for the research is primarily build upon theory of open innovation, multisided platforms, digital ecosystems and the mobile payment market framework. The aim of the analysis is to investigate if the case company could benefit from adapting an open innovation approach, and if they can, how they should develop the application in the future.

Why the theories were chosen

The various theoretical approaches were chosen on the premise that OI can be a useful tool for mobile payment providers to use for innovation purposes. OI is a way for a company to expand their market reach and the markets for external use of a company's innovations. Product platforming is specifically mentioned as a way for a company to use open innovation in order to extend the already existing functionality. Since the payment platforms already has two sides, users and merchants, they are categorized as multi-sided platforms. But in order to add more sides and connect several other types of users, it was relevant to analyze the case compared to the propositions that have to be in order to implement value co-creation in the multisided platform. Adding more sides to the multisided platform would create a big digital ecosystem, which explains why the theory of digital ecosystems and their requirements has been presented. By creating this big ecosystem, that is based on a mobile payment provider, it becomes necessary for the entities in the ecosystem to collaborate, which leads to the use of the mobile payment market cooperation framework.

Open Innovation

As mentioned in the literature review, open innovation can be defined as the process when a company uses both internal and external ideas for innovation as well as both internal and external paths to market (Chesbrough, 2003). By purposively using inflows and outflows of knowledge to accelerate internal innovation, a company can expand the markets for external use of their innovation (Chesbrough et al, 2006). The processes in open innovation combine the internal and external ideas together into platforms, architectures and systems (Bogers et al, 2018), and uses business models to define the requirements for these. The business model can access both external and internal ideas to create value while at the same time defining internal mechanisms to make sure that the company can claim some share of the value (Bogers et al, 2018).

Outside-in open innovation involves for a company to open up their innovation processes to many kinds of external inputs and contribution. Inside-out open innovation requires organizations to let

unused or underutilized ideas to move outside the company for others to use in their business and business models (Bogers et al, 2018).

There are several ways and models in which companies can use open innovation. One of them is product platforming, where the aim is to provide a framework to access, customize and exploit the product. The end goal is to extend the platform product's already existing functionality and at the same time increase the overall product value for everyone involved (Marilungo et al, 2016). This is what the analysis of this research leads to.

Though there are many positive aspects of open innovation, there are also some disadvantages of using it. The greatest risk with open innovation is that there is a possibility that the company reveals intellectual property that was not intended for sharing, which could result in a reduction in the company's competitive advantage or affect planned future products. Therefore, the company has to find a fine balance between sharing enough to make it possible for collaborating partners and users to contribute towards the project, while keeping secret information to themselves in order to maintain or achieve competitive advantage (Marais & Schutte, 2009).

Multisided platforms

Using open innovation for platform development is suited to technology driven and software oriented industries – like mobile and web-based platforms since these technologies provide the dynamic capabilities needed in order to fully take advantage of open innovation (Marais & Schutte, 2009). Using platforming in open innovation primarily focuses on extending the reach and offering of an already existing product. The exploitation of customer ideas is taken further by working with platforms in the sense that it can be used to purposively develop the product to offer the opportunity to incorporate external extensions of the already existing product. If a platform is developed correctly, it provides a channel to allow the customers and collaborators to innovate on the product. This is the pinnacle of new market exploitation since platforming provides the opportunity to create new revenue streams and address new markets – all by the innovative capabilities of users and collaborators (Marais & Schutte, 2009).

De Oliveira and Cortimiglia (2017) sets up five propositions in order to implement value co-creation in multisided platforms. Value co-creation is important for a multisided platform since there needs to be value for all of the sides. The propositions are:

1. A business model for multisided platforms must address and maximize value proposition for all the actors involved in the co-creation. The business model must clearly identify resources and competencies that each actor contributes to the co-creation process

2. The more the value co-creation is dependent on external specialized resources, the weaker the lock-in effect for that particular actor will be and the higher the risk for the business model
3. Multisided platforms should constantly monitor how the participating actors perceive and capture value in order to widen opportunities or improve the business model and this way maximize the co-created value
4. Multisided platform monetization is not always business-to-business oriented but can also be business-to-customer oriented. The business model should be designed in order to make sure that there is a fair revenue distribution to all parties involved.
5. The establishment of a large user base needed to operate a multisided platform based on value co-creation is a strong barrier to the success of such business models, particularly when the key value proposition depends on user information

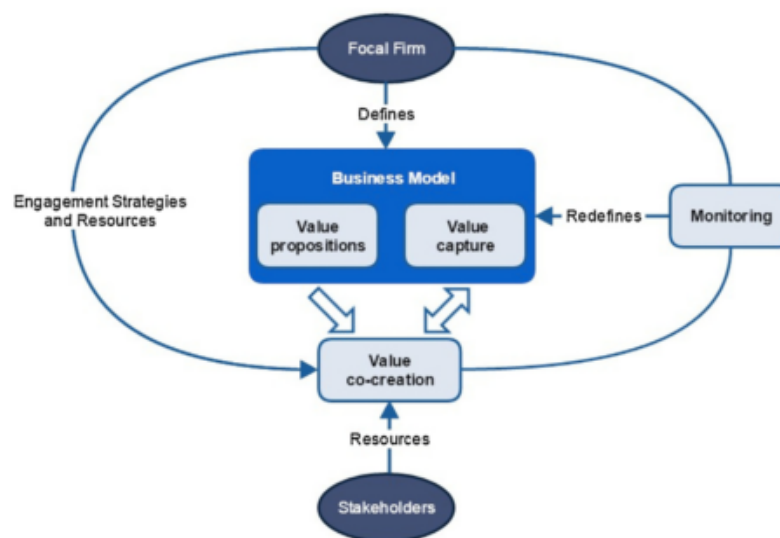


Fig. 4 - Value co-creation model for multisided platforms (de Oliveira et al, 2017)

Figure 4 shows the value co-creation model for multisided platforms. The model is used to analyze, present and evaluate the value dynamics for all actors involved in a co-creation process. The focal company is the provider of the multisided platform and in some way also the owner of the business model based on which the different values for the actors involved are proposed. The main company defines the strategies for engaging stakeholders in the co-creation process. This co-creation process must be monitored by the main company in order to actualize the increasing improvements and value propositions, value capture structures or even total redesigns of the business model.

There are criteria for platforming, according to Marais and Schutte (2009). These include:

- A customizable base-product (or service/brand): This criterion is rather self-explanatory. If the base-product is not customizable, then it is not possible to extend the existing platform into a multisided platform.
- The fostering of an active community: An open community is needed in order to foster the needed creativity and support to develop things.
- A well-developed incentive and reward scheme: An appropriate reward and recognition scheme should be connected to successful contributions
- Limiting customizability: The organization needs to govern the limits of customizability in order to enforce the users to sell their creations through the commercialization interface provided by the organization.
- Marketing and brand equity: Customers want to contribute to products they have a connection to, which therefore makes it important that the product is well-marketed and has a big market reach.
- Scanning, filtering and selection capabilities: Quality control is very important when incorporating customers and collaborators into the product development process. Therefore, the organization needs to test, filter and select between the customer ideas.

Platform canvas

When the members of a platform ecosystem seek sustainable growth, it is not enough just to invest in greater capacity and greater efficiency. The platforms need to strategically invest in the capabilities, competence and creativity of the users since such empowerment attracts customers, and empowered customers strengthen the platform. The biggest profits are gained when platforms open their technologies, products and services to third parties. These complementary offerings can increase customer value (Korhonen et al, 2017). The core interaction in a platform can be explored by using the platform canvas, which operates with eight key elements that describe critical characteristics of platform business: users, producers, value, value capture, network effects, resilience, governance and filtering. The platform and all of its participants need to concentrate on supporting the interaction, both towards value co-creation and towards value capturing.

The platform canvas helps to guide the participants in the platform ecosystem through key elements to make sure they review all critical perspectives. The canvas illustrates the most important activities of the platform: the core interaction.

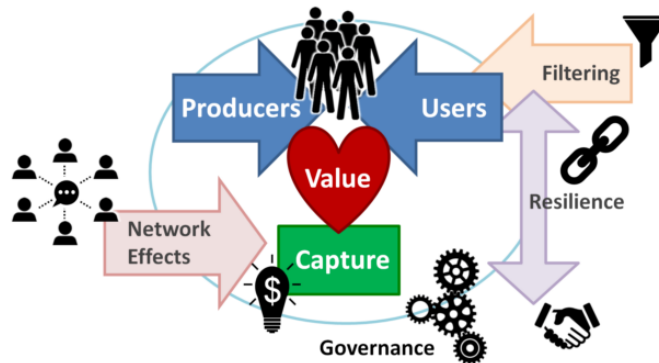


Fig. 5 - "The platform canvas" (Korhonen et al, 2017)

The users and producers are illustrated with blue arrows and the value created for them is explored with value proposition which is illustrated with a red heart. The value capture needed to create a sustainable business and attractive motivation for all participants is illustrated with a green box (Korhonen et al, 2017).

Digital ecosystems

An ecosystem is a system of interacting and interdependent organizations that function together as a whole to achieve a purpose (Sussan & Acs, 2017). A digital ecosystem can be defined as a self-organizing, scalable and sustainable system which is composed of different digital entities. The interrelations between the different entities focus on interaction to increase system utility, gain benefits and promote information sharing, inner and inter cooperation and system innovation (Sussan & Acs, 2017).

In the digital ecosystem, the digital technologies in use can be seen as the non-living part of the ecosystem and the people, who use the technology, are the living part. The interactions of the living and non-living parts, and the dynamic and continuous changes that results from the interactions between the two components, are what shapes the behavior of an ecosystem. Such an ecosystem is user-driven and open source oriented and has a focus on the important role users have in the ecosystem for it to survive (Sussan & Acs, 2017).

There are four features that make ecosystems stand out (Hedman & Henningsson, 2015). These four features are:

- 1) An ecosystem is characterized by simultaneous competition and co-operation, which is also known as co-opetition.
- 2) A key success factor to a thriving ecosystem is the relationship among the stakeholders in the ecosystem
- 3) Ecosystems have observable differences. No ecosystems are the same. Some stakeholders might have closer relationships to each other than others, and it is even possible to have ecosystems of ecosystems.
- 4) An ecosystem is not stable but is constantly evolving. The properties of an ecosystems mean that if one of the ecosystem entities change, responses and changes in other entities will be triggered.

Payment ecosystems

According to Hedman & Henningsson (2015), a payment ecosystem is an ecosystem that exists in a fusion relation to technologies where the technologies form part of a technology ecosystem. A technology ecosystem is a system of interrelated technologies which influence the evolution and development of each other. The connected relationship between business and strategy means for the payment ecosystem stakeholders that the collaborative and competitive strategies of each individual business unit and business clusters in the ecosystem will be inseparable from the strategic adoption of technology. The inseparability of the evolution in business and technology can be attributed to the systemic properties on the different levels of the ecosystem – micro, meso and macro-levels. This means, that a payment ecosystem is an ecosystem where the business and technology strategies are inseparable. Therefore, technology can be used both in defensive and offensive market strategies.

Mobile Payment Market Cooperation framework

Hedman & Henningsson (2015) developed the Mobile Payment Market Co-operation Framework (MPMC) to explain how digitalization of payments affect competition and collaboration among traditional and new stakeholders of the payments. Hedman & Henningsson (2015) further distinguish between two different uses of technology for market co-operation strategies: the build-and-defend strategy and the battering-ram strategy. The build-and-defend strategy is based on the idea that access to technology can act as a defense for a particular market position or a barrier for market entry. The battering-ram strategy is when companies use technology to gain a foothold in a market or break a profitable position of a rival.

The framework integrates the use of technology to enact market strategies with the three levels of analysis of ecosystems. The core idea of the framework is technical compatibility, which leads to the possibility to build in technological innovations into technical systems. Technical compatibility makes it possible for companies to carry out their strategies in the market if it is a market with mobile technologies. In all of the three levels, both competition and collaboration exist and so do compatible and incompatible technologies. Thus, technology-based market cooperation strategy in mobile payment ecosystems can be understood as a battle on three levels between defensive and offensive technology-based strategies (Hedman & Henningsson, 2015). The battle on each level is:

- Microlevel: individual business units compete with market cooperation strategies based on owned technologies
- Meso-level: Formal and informal strategic networks and alliances are formed as a result of the stakeholders joining forces in different clusters to compete with the other clusters of stakeholders that are using market cooperation strategies based on shared technologies
- Macrolevel: the ecosystem of interdependent stakeholders competes with other ecosystems through the market cooperation strategies based on technology regimes

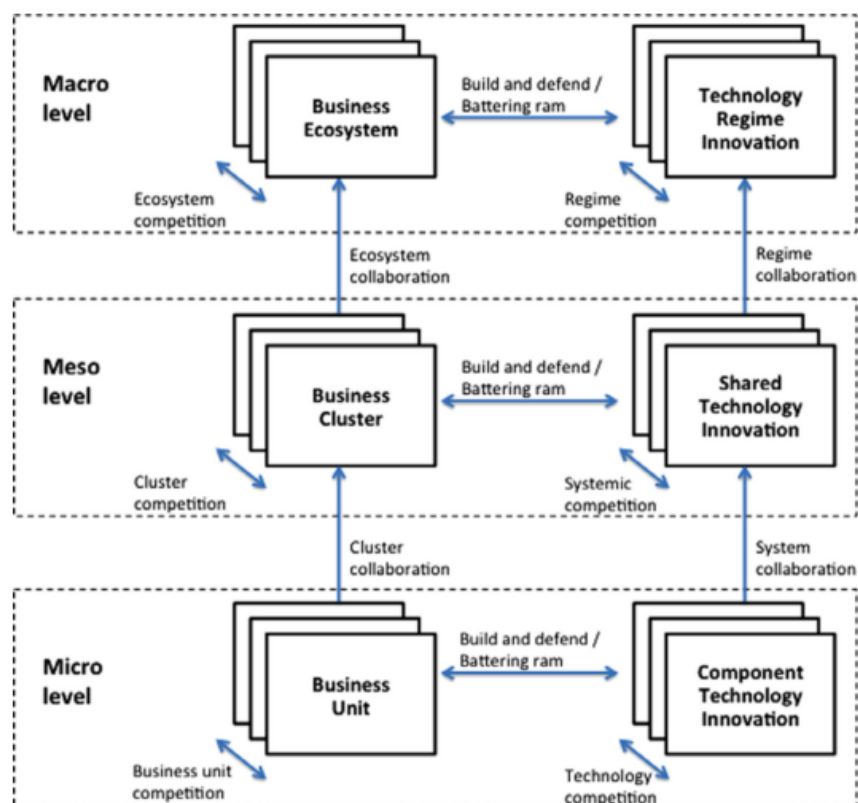


Fig. 6 - Mobile Payment Market Cooperation (MPMC) framework (Hedman & Henningsson, 2015)

The stakeholders in the payment ecosystem can contribute to the ecosystem's technologies in either competitive or collaborative mode with other stakeholders. In the collaborative mode, the stakeholders will jointly innovate or adopt new components, applications or supports technologies that can benefit the stakeholders in the collaboration – in all of the levels (Hedman & Henningsson, 2015).

The horizontal dimension of the framework illustrates the co-opetitive relations between already existing businesses with their installed bases of technology and new entrants with technological innovations, that are trying to enter the market. The already existing businesses, clusters or ecosystems use a build-and-defend strategy to fight off newcomers (Hedman & Henningsson, 2015).

The vertical dimension of the framework illustrates the different levels that the battle takes place on. The vertical dimension also illustrates how collaboration can happen between the different levels.

On the micro-level the individual business units collaborate and compete with strategies based on registered technologies. At the meso-level, formal and informal strategic networks and alliances are formed as a result of the stakeholders joining forces to compete with other clusters of stakeholders by using strategies based on shared technologies. At the macro-level, the ecosystem of interdependent stakeholders competes as a whole with other ecosystems through strategies based on technology regimes.

Methodological approach

This part of the paper will present the methodological approach to the research including the chosen research design, empirical method, data collection methods, evaluation of the performed interviews and a presentation of the interviewees and their relevance for the thesis.

How the study was conducted

The study for this paper was done by using quantitative research. An interesting case was found and defined. Hereafter, a decision of using qualitative interviews for the data collection was made, and the interviews were set up. The contact information for the interviewees was provided by the informant – Søren. All appointments except the one with Bo was made by e-mail. The appointment with Bo was made over the phone. The interviews were all scheduled within the same two weeks and early in the research process in order to have time to come back in case the answers had not been sufficient. The interviews were transcribed in the days following the last interviews to make sure the researcher could still remember the interviews in detail as well to make sure nothing was lost in the transcription process. The choice to use patterns for the data collection was to make sure that there

was some sort of structure in the analysis, since transcriptions can be long and hard to manage. By having an idea of what to look for, the transcriptions become more manageable.

The reasons for the choices of data collection, research design, data analysis and why the study qualifies to be a qualitative study which is described in the following section.

Qualitative research

The study was made using quantitative research. Yin (2011) has defined five features that can explain qualitative research:

1. Studying the meaning of people's lives under real-world conditions
2. Representing the views and perspectives of the people/participants in a study
3. Covering the contextual conditions within which people live
4. Contributing insights into existing or emerging concepts that may help to explain human social behavior
5. Striving to use multiple sources of evidence rather than relying on a single source alone

The first feature explains that qualitative research involves the study of the meaning of people's lives under real-world conditions. The studied people will be performing in their everyday roles and they will be saying what they want to say (Yin, 2011). The interviews done in relation to this study was done at the interviewees' work place and therefore the people were performing in their everyday roles and could say they wanted to.

The second feature explains that qualitative research is different from other research because it can represent the views and participants in a study. That is why qualitative research is relevant for this study of the future of mobile payments – it can show the views and perspectives of the interviewed people. Events and ideas emerging from qualitative research can represent the meanings given to real-life events by the people who live them instead of the values, preconceptions or meanings held by the researchers (Yin, 2011). The result emerging from the analysis of the data collection were based on real-life events by the interviewees' and this way give meaning to these events, which confirms that the study was indeed a qualitative study.

The third feature explains that qualitative research covers contextual conditions – the social, institutional and environmental conditions wherein people's lives take place (Yin, 2011). This study covers the social life conditions, where people's lives takes place since it is involving something as important as how we pay for goods.

The fourth feature explains that qualitative research is not a diary or chronicle of everyday life. Qualitative research is driven by a desire to explain real-world events through existing or emerging concepts (Yin, 2011). Qualitative research can also be the occasion for developing new concepts. This study tries to explain the situation the case company is in and how they can solve it with the concept of open innovation.

The fifth and final feature explains that qualitative research strives to collect, integrate and present data from various sources of evidence as part of any given study. The complexity of the field setting of the study and the diversity of the participants are likely to justify the use of interviews. The answers given in the interviews were complex, and since data was collected from both sources within the company and outside the company, various sources of data were integrated.

Research Design

"Research designs are logical blueprints" - Yin (2011). The design of the research works as the logical plans. These logical plans involve the links between the research question, the data the researcher wants to collect and the strategies for analyzing the gathered data, so the study's findings can address and answer the intended research question.

Case study

"A case study is an empirical method that 1) investigates a contemporary phenomenon (the "case" of the study) in depth and within its real-world context, especially when 2) the boundaries between phenomenon and context may not be clearly evident" (Yin, 2018). The features of a case study include that it deals with the technically unique situation where there can be many more variables of interest than just data points, and that as a result hereof benefits from previous development of theoretical concepts to guide design, data collection and analysis of the data. The case company for this research is in a unique situation with an incredibly high market share that they need to defend, which categorizes the study as a case study.

Since the research question for this paper seeks to *explain* how the case company could innovate in order to maintain their market position, the use of case study research is relevant.

When conducting a case study, the researcher needs to be aware that the results one researcher finds in one case study, might not be applicable to a similar case study which is one of the disadvantages of doing a case study. Therefore, the researcher of this study has refrained from reading other studies

done on the same company in order to conduct a better study and not company to other, but not identical, studies made.

Empirical Method

Triangulation

Data triangulation is a way to validate the results from the analysis by combining two or more data collection methods to examine the same social context and in this way supplement each other (Andersen, 2013). This paper will use interviews from the case company and communications from a partner company to make sure the results are congruent and valid. The correspondence with the partner company did not occur until most of the interviews had been conducted. No information regarding the results from the analysis were given in to the interviewee from the partner company, but his answers to the questions confirmed the results and points found in the analysis.

Qualitative Interviews

An interview is a good choice when the subject concerns aspects of human experience or our conversational reality (Brinkmann & Kvale, 2015), which is why it has been chosen as the main data collection method for this study.

There are seven stages of interview inquiry (Brinkmann & Kvale, 2015):

1. Thematising
2. Designing
3. Interviewing
4. Transcribing
5. Analyzing
6. Verifying
7. Reporting

According to Brinkmann & Kvale (2015), it can be helpful to set up the "why, what and how" of the interview before conducting it so the researcher knows what he/she is looking for and how to obtain that. By doing this, you can thematise your interviews, which is **stage one** in the interview inquiry.

Why: The purpose of the study is to find out how a mobile payment provider can innovate themselves in order to maintain their market position in the long run seen from the perspective of the employees at the company.

What: The use of open innovation in regard to maintain a market position.

How: Becoming familiar with theories regarding how to obtain the knowledge needed to determine and analyze what should be done for a company in their position. The interviews will be very explorative with fewer questions, but there might come follow-up questions during the interview in order to dive deeper into the subject.

Stage two in the interview inquiry is the design of the interviews. The design of the interview was done with the aim of the questions for the interviews in general to ignite a conversation rather than a stiff interview. The interviews performed for this research were qualitative, semi-structured, face-to-face interviews. In qualitative interviews, the interaction and relationship between the interviewer and interviewee is not strictly scripted. There were no questionnaires with a complete list of questions to be asked at the interviews. Some initial questions were prepared, but how the questions were asked differed according to the context and setting of the interview, just like Yin (2011) defines the procedure of qualitative interviews. The same list of questions was used as the foundation for the interviews during four out of the seven interviews. The interview guide can be found in appendix C.

Stage three of the interview inquiry is the interviews themselves. The first interview with Søren was seen more as a conversation about the topic and as a "starting point", and therefore no interview guide was prepared beforehand, but instead he talked about the case company and what was going on at the moment.

The interview with Bo was more in the shape of a conversation, where he told his story regarding the case company and the researcher's role was to make sure all the questions from the initial interview guide had been covered without them being asked directly. The interviews with Anonymous, Emilie and Trine were conducted with a stricter focus on the interview guide, but still with more of a conversational feeling to it. The interview with Pascal was done with four of the questions from the interview guide since the questions more specifically about the case company were not relevant to ask him. This confirms the fact that the interviews were qualitative interviews, since "the researcher does not try to adopt any uniform behavior or demeanor for every interview. Rather, the qualitative interview follows a conversational mode" (Yin, 2011). The aim for using an interview guide was for it to produce a guided conversation, where the guide worked as a conversational guideline. The majority of the questions prepared for the interview guide were open-ended.

The questions for the partner company were simply structured in order to not put words into their mouths to get the "right" answers for the analysis, but so they instead could interpret it the way they wanted to. The correspondence with the partner company can be found in appendix E.

Introduction to informants

In the table below, an overview over the interviewed informants can be found. The table shows the order in which the interviews were performed.

Name	Position	Works at case company?	Relevance for paper	Type of interview	Language	Location of interview
Søren Rahbek	Head of Risk	Yes, since April 2017	25 + years at Danske Bank headquarters – various positions, knowledge of the situation MP is in now	Face-to-face Unstructured	Danish	Thesis office, Glentevej
Pascal Francke	Global Startup Lead & Corporate Entrepreneur at Danske Bank, Business Banking	No	Knowledge about the start-up environment	Face-to-Face Semi-structured	English	The rain-making loft
Anonymous	Part of New Ventures team	Yes, at the time of the interview. Has then quit Worked in case company for 2 years	Innovation and new business ventures was his area of work	Face-to-face Semi-structured	Danish	MP office – Niels Juelsgade
Emilie Møllénbach	Senior digital designer	Yes, for a little more than a year	Extensive knowledge of MP-platform, knows of the platform development process	Face-to-face Semi-structured	Danish	MP office – Niels Juelsgade
Bo Tolstrup	Head of new ventures	Yes, since the beginning of case company	Project manager at beginning stage of MP, has been part of it since beginning	Face-to-face Semi-structured	Danish	MP office – Niels Juelsgade
Trine Mørch Thomsen	Business development	Yes, since beginning of case company, worked for DB before	Part of MP since beginning, great knowledge of user experience and what users want	Face-to-face Semi-structured	Danish	MP office – Niels Juelsgade
Lasse Barsholm	CEO at ParkOne	No	CEO for ParkOne and therefore knows why they wanted to work with MP	E-mail Only 2 questions	Danish	E-mail

Table 3 - Interviewee's

Stage three continued... These subjects were chosen on the idea that they could offer different views related to the topic of study since they work in somewhat different areas. As mentioned in Yin (2011), the units chosen for interviews should "seek to obtain the broadest range of information and perspectives on the subject of study". This way the interviews would generate more views on the future for the case company, but also reduce the risks of the study being biased by not choosing only those sources that could confirm the preconceptions about the topic or by only choosing employees from one team in the company.

It was purposely scheduled to have the interview with Pascal before the rest of the interviews, since it was thought he could be able to offer a different perspective on the situation, that could possibly be used for the further interviews.

The final question of the interviews was "what do you think payments will look like in 5-10 years?". This question was asked to gain an idea of the mindset of the interviewees based on the hypothesis that the more creative the answer with an open approach to the changing worlds of payments, the more likely the person would be open to use ideas generated on the outside. If you have the ability to see something as "conservative" as payments changing completely, you can envision the product you're selling through your company to change completely as well.

Stage four of interview inquiry is the transcription of the interviews. The transcription of the interview for this research paper was done in a formal written way. A clarification of this choice can be found in the **Data analysis** section on the following page.

Stage five of the interview inquiry is the analysis. The aim of the analysis is to transform the unstructured data collected through the interview into structured information. More information about the choices made for data analysis can be found on the following page.

Stage six of the interview inquiry is about the generalizability, reliability and validity of the findings from the interviews, and can be seen as a quality assurance tool.

The interviews can be reviewed according to six quality criteria set up by Brinkmann & Kvale (2015) in order to determine how reliable and valid the outcome of them was. They have been reviewed on a scale from 1-10, 10 being the highest grade. An x marks where it has not been possible to give a grade to the interview for different reasons – mostly due to the nature of the interview.

The quality criteria for an interview according to Brinkmann & Kvale (2015):

1. The extend of spontaneous, rich, specific and relevant answers from the interviewee
2. The shortest interviewer's questions and longest subjects' answers possible
3. The degree to which the interviewer follows up and clarifies the meanings of the relevant aspects of the answers
4. To a large extent, the interview being interpreted throughout the interview
5. The interviewer attempting to verify his or her interpretations of the subject's answers over the course of the interview
6. The interview being "self-reported", a self-reliant story that hardly requires additional explanations

Criteria/	1	2	3	4	5	6
Interviewee						
Søren	5	9	x	9	7	8
Pascal	7	8	7	9	8	6
Anonymous	8	8	7	9	8	6
Emilie	4	6	5	9	6	2
Bo	9	9	8	9	9	9
Trine	9	9	9	9	9	9
Lasse	x	x	x	x	x	x

Table 4 - Evaluation of interviews

As can be seen in the table, the interviews with Bo and Trine were the ones that not only gave the best answers, but that got the highest score on the scale provided by Brinkmann & Kvale. The reason for this was that the interviews, while being based on the same interview guide as the rest of the interviews, it was conducted more as a conversation where the participants were asked to tell their story. The interviewers part was to make sure all the topics had been covered and therefore only asking a minimal number of questions. The interview process was a learning process for the writer of this paper. Therefore, the last interviews have scored the highest grade since the interviewer had developed a good knowledge of how to conduct the interviews by then, so the interviews were more in the shape of a conversation.

Since the interview with Lasse was done over e-mail and only consisted of two questions, it was decided that it is not possible to review this interview in the same manner as the remaining interviews

since it does not follow the same structure and therefore cannot be compared. Since the interview is used as a data source, it was decided that Lasse should still be listed as an interviewee.

Stage seven is the reporting of the findings from the interviews. The findings of the interviews are the building blocks for the analysis of this paper, and can therefore be found in the analysis section.

A disadvantage of choosing this type of data collection method is that it is not hard facts you gain for analysis. The researcher also needs to remain objective when analyzing the data and not put meaning into the answers given by the interviewees which is not an issue in the same way, when comparing survey results or hard facts such as numbers.

Data analysis

"A transcript is a translation from one narrative mode – oral discourse – into another narrative mode – written discourse" Brinkmann & Kvale, 2015.

The interviews were all transcribed in a formal, written style and not verbatim. This choice was made to simplify the transcribing process and make the finished product more manageable. They were transcribed true to what was being said with no changes in how sentences were phrased. The interviews were transcribed in the interview language – Danish for five out of six interviews and English for the last one. The used quotes for the analysis was then highlighted in the transcribed text and translated into English in order to use it in the paper. Some aspects of the answers disappear when choosing this form of transcription since it makes it harder to remember when the interviewees hesitated or the like, but it was concluded that it was not of importance to this analysis to have those things included in the transcription. The e-mail correspondence with Lasse from ParkOne was not necessary to transcribe since it was already in written form.

Yin (2018) describes five analytical techniques for analyzing the collected data. These five are: pattern matching, explanation building, time-series analysis, logic models and cross-case synthesis. For the analysis of the collected data in this research, the technique pattern matching was chosen. Based on innovation literature – more specifically open innovation – four patterns were set up:

- The kind of value open innovation could bring to both MP and collaborating companies
- The reliance of outside suggestions for new innovations
- What it will take for MP to defend their market position
- The kind of value open innovation could bring to the customers in the form of new products

The patterns were chosen on the premise that by looking for these, the analysis would gain a manageable structure and it would be fitting to look for these patterns in relation to the chosen theoretical frameworks. A consequence of doing the analysis in this way can be that the researcher will look only for answers fitting to the patterns and ignoring other possibly great answers, but the researcher was aware of this possibility and therefore had her eyes open to all things relevant for the research when doing the analysis.

To keep track of the data analysis and the patterns, the patterns were given separate colors. This way when reading the transcriptions, it could easily be marked where something relevant was said and the transcriptions could be coded into what was useful for the analysis. A color was also given to quotes and sections of the interviews that covered value in general – the kind of value MP brings to their customers and collaborators. When conducting the analysis, all of the answers that had been given a certain color was collected and put together under a header with each of the patterns to look for. This way the answers could be put together to form the analysis, and places where the answers overlapped each other could be identified in order to make the analysis more valid.

The various answers and questions in the transcriptions have been given letters and numbers – Q1 for question one, A1 for answer one and so forth for each interview. The marking of the quote will be mentioned in the reference when quoting in the analysis. Only relevant and great quotes will be quoted in full, shown in italics text. Other references to the interviews will be made when the analysis uses a synthesis of what was said.

The correspondence with Lasse was not given numbers, since there are only 2 questions and it is therefore easy enough to find the needed quotation. The questions asked by the researcher is shown by the black text and the answers given by Lasse is shown in red text.

Follow-up conversation

After the analysis had been finished and concluded, a follow-up conversation was had with Søren to discuss whether a solution such as the proposed one was viable. Since Søren works daily with the risks involved in running a platform such as the case company, he was deemed to be the most fitting for this. The conversation was had at Søren's office, and had the structure of a conversation, where the researcher took notes to use in the conclusion and discussion for the research. The choice to not record the conversation and transcribe it was made on the basis that the result from the conversation was not going to be used to make any new points or to highlight things in the analysis. The references to the follow-up conversation will be shown as following: (Søren Rahbek, face-to-face conversation, 2018, appendix F). The notes from the follow-up conversation can be found in Appendix F.

Introduction to case

This section introduces the case company and the unique problem they are facing.

The company

The case company for the paper is MobilePay. MP is a mobile payment platform that makes it possible to do peer-to-peer (P2P) payments as well as customer-to-business payments (C2B). The application is developed for both android and iOS.

The software is made available for the business customers over the internet, where MP (the company) hosts the application. The application is a service made available for the users, thus it is a "software as a service" product. SaaS applications can be integrated with other software by using APIs (TechTarget, 2016), which makes it possible to integrate MP in other applications for payment purposes.

MP was introduced May 7th, 2013, by Danske Bank, who wanted to make it easier for people to transfer money to each other. The aim was "to make transferring money to friends as easy as it is to send a text message" (MobilePay, 2018, appendix A). Danske Bank saw the need for the ability to transfer money in an easier matter. To begin with, Danske Bank had entered into a cooperation with several of the other big banks in Denmark to create a payment platform for peer-to-peer payments. Danske Bank grew impatient with this development and the prospect of only being able to use the application in Denmark and broke out of the cooperation (which later got the name Swipp) in the end of 2012 and developed their own application, MP.

On the day of the release, 25.000 people downloaded the app and after 4 months the user base had increased to 500.000. Three years after the launch, the user base had reached more than 3 million, with about 70% being customers of other banks than Danske Bank. In 2014-15 they introduced the possibility for merchants to offer their clients to pay for goods with MP. By this point, MP had a user base of +2.5 million users (MobilePay, 2018, appendix A). In 2016 more than 60 banks joined MP as distribution partners and in 2017, MP moved from being a division in Danske Bank to being its own business entity with its own board of directors and co-operating with all banks. In 2017, the number of users had risen to 3.7 million personal users and 75000+ merchant users (MobilePay, 2018, appendix A), which means that more than 60 percent of the Danish population has a MP account (numbers based on Dansk Statistik, 2018). This means that MP has a quite unite market position right now with more or less no competition on the P2P market. In April 2018, the first annual report for MP was published. With a negative profit of 52.325.000 dkk for the year of 2017, it is clear that MP needs to figure out a way to start to generate stronger revenue (MP Annual report, 2018, appendix B).

In January 2018, MP launched a collaboration with the parking company, ParkOne. This application was the first time MP users could use their MP account to log in to another application. By connecting to the parking application through their MP account, the users do not have to give credit card information to the ParkOne application or remember another password for another application. The ParkOne partnership works with a solution called "Connect".

It is easy to sign up, and the payment is done through MP and a receipt is sent to the users e-mail address. This collaboration makes it cheaper to park in Copenhagen, and it gives ParkOne some market- and cost related advantages which makes it both cheaper and more user friendly for the customers (Mobilsiden, 2018).

MP business model

The business model of MP is that the users do not pay for their P2P transactions. When the user makes a transaction to a merchant, then the merchant has to pay a fee to MP. The reason to make transactions free for the users was to create a big network of users since such a product is much dependent on network effects. Then when the big user base had been established, MP could develop a way for the users to pay to merchants by using the application. The merchants would have no interest in agreeing to a payment platform, where they have to pay a certain fee per transaction, if there was no extensive user base that could buy goods at their shops.

What's next for MP?

As has been stated in the previous section, MP is in a good place at this moment in time with their current market position. But no one knows what the future might hold regarding payments. Therefore, this paper is seeking to investigate and reflect upon the future of MP and what they could do in order to maintain this market-position. The following analysis will focus on how MP can use open innovation to innovate on their existing multisided platform.

If there is going to exist something called MP to supply this application for the users, MP needs to figure out a way to generate an income. A possible way to do this is to use open innovation in such a way that new revenue sources would be created, which is what the following analysis is seeking to provide.

Analysis

This section contains the analysis of the gathered data. The analysis shows how MP is already using open innovation, and will come up with suggestions for how open innovation can be used to create a product that MP will be able to make money from.

As a starting point, it is interesting to observe that even the highly successful MP does not appear to have a clearly defined strategy for the next steps of the development – or at least not one, that stands out from the interviews. There are several thoughts about where the product could or should go, but no definite decision has been made yet.

The focus of the analysis is how MP can innovate product wise – not company wise. As stated in one of the interviews, “MP is a product, and it will definitely be replaced if it is not innovated” (Anonymous, personal interview, 2018, A11), and therefore analyzing how the product can be innovated is highly relevant.

The analysis is based on the patterns mentioned in the data analysis section of the methodological approach section of this paper. The analysis describes the options available for strategic development of the application and the preferences for innovation through the interviews undertaken with the people, who know MP the best.

The quotes related to each of the patterns has then been used in relations to how the theoretical frameworks can be applied to MP. The structure of the analysis is the following:

- How the employees at MP look at innovation with examples on how they currently use open innovation, and how they themselves envision defending the market position. This section is structured after the patterns set up in the methodological approach section of the paper.
- Hereafter a look into how MP could benefit and turn into a larger platform with multiple sides, and how this multisided platform leads to a digital ecosystem. Since MP is in the payment industry, the analysis will conclude with how the mobile payment market cooperation framework can be applied to MP in regard to turning into a multisided platform.

MP and the use of open innovation – the kind of value open innovation could bring to MP and collaborating companies

There can be no doubt about the fact that MP has great working technology that can be attractive for many companies to use. This is not only the payment infrastructure, but also the log on functionality

which at this moment offers potential partnering companies a more reliable user verification than other similar log in APIs – e.g. Facebook login.

By allowing the technology to be used by other companies, MP takes part in inside-out innovation, even though it cannot be claimed that the technology behind MP is underused or unutilized (which is a typical driver behind this form of innovation) with the 3.7 million users in Denmark alone. It can however be argued that it is underused in the way that it is only MP, who uses the technology itself. But by providing a log in and sign up functionality to companies such as ParkOne, MP lets their technology become part of other companies' business model. MP can make it easier for a new company to deal with the scenarios of how to identify their customers, store their data so it meets all the regulations for doing so and also save time and energy in developing login functionalities, by letting the new company make use of their log-in functionality and user recognition technology. Not only does it save time for the company in identifying their customers, it also saves time for the users which makes it more manageable to sign on for yet another application. By using the login functionality provided by MP, the time used to sign up for a new application is also reduced since the information from MP is retrieved, which can help give a competitive advantage for the partnering company (Lasse Barsholm, e-mail correspondence, 2018).

MP has great working technology that they constantly seek to improve. MP should still consider if there are other areas they can move into or other sources of inputs that could be used for innovation purposes. Instead of just focusing on the ideas they have themselves, they could participate in outside-in open innovation where the innovation process is opened to external inputs and contributions. The company engaging in outside-in open innovation uses the external knowledge base to either generate completely new ideas or to confirm already existing internal ideas and push them further in the development process. Since MP is approached by many people and companies with ideas, they need to keep their focus and be careful not to take on all of the ideas if they want to make sure they still have a useful product. This was pointed out by Bo Tolstrup, Head of New Ventures in MP, *"We need to be careful because it is a balance and many people are trying to pull us in different directions"* (personal interview, 2018, A10).

If the product moves in too many different directions too fast, the usefulness of the product can be reduced. This follows from a risk that it will become a messy product that the users cannot see the point in using since it might be hard to navigate in. In order to make sure to avoid MP becoming a messy product and still taking part in outside-in innovation, MP should focus on the needs of the users. This way there can possibly be a chance for MP to widen their horizons if they get the right insight into

how the users think and turn their ideas into useful features for the application. This way MP could move away from being just an application for payments.

MP and the reliance of outside suggestions for new innovations

Product platforming is one of the ways where a company can make use of open innovation since they can provide a framework to access, customize and exploit the product. If the end goal of product platforming is to extend the platform product's already existing functionality and increase the overall product value for everyone involved, then basing the new functionality for the application on the needs from the customer will increase the product value. Since a way for MP to make sure they still exist in the future with the same market penetration could be by extending their already existing functionalities and increase the overall value for everyone involved, product platforming could very well be a great fit for them. Several of the interviewed mentioned extending MP's functionalities or connecting with other companies to form a sort of hub, where MP is the mothership, as something they could envision happening in the future to make sure MP still has a basis for existence. Pascal Francke also mentioned this as a way forward:

"I think you really have to think outside the box and look into how a collaboration or co-creation could look like and not necessarily look into the traditional ways where you work with similar companies but look at what kind of value you can offer within MP whether it's the data, customer reach, whatever" (personal interview, 2018, A12).

The mindset regarding innovation in MP is one that is open to collaborating with outside partners. From the interviews it became clear, that there is no need to be afraid of the "not invented here" mentality within the employees since it is a core part of MP's development process to work together with partners. On the question of the possibility of that collaborations with other companies could spark innovation for both parts, Emilie Møllenbach said: *"I think it is a very fundamental part of the development we have had so far, so I think big collaborations such as the one we had with the DSB app is something that has been working really well. In this collaboration, you have a very integrated part with the DSB logo in the swipe button, so big companies are a fantastic innovation possibility for us. What the challenge is with such a partnership is that you use a lot of resources on an integration for just that partner, which means it has to be a partner of a certain size for it to make sense. And what we have sometimes done is to make these integration solutions that are hard to give to other companies. So yes, innovation with partner companies are great, but it is not what is going to save us in the long run. I think, if we can figure out how to collaborate with partners and transform those innovation products or the result of these processes into generic products that we can offer other customers, then it will have great value"* (personal interview, 2018, A8). It is thus the collaboration

with partners regarding how to transform products, that might have been developed for a specific purpose, into a generic product or service that can be offered to the customers, that can add value to MP.

When trying to develop new products or innovate current ones, it can be useful to make use of outside suggestions and knowledge to do so. This is the premise of the outside-in open innovation idea. As mentioned in the previous section, there can be substantial value to gain from including the customers in this process – though not as much asking them what they want, but asking them what they need. Another source for external ideas and, just as important, knowledge of how it could be done, is using sub-suppliers and their insight into the product. As stated in one of the interviews, *“I believe a lot in using sub-suppliers and their insight and knowledge. They work with this all the time. This means they have some insight into what is sought after and where the systems do not work”* (Bo Tolstrup, personal interview, 2018, A12). This combined with the insights into the potential problems the users are facing could be an optimal way for MP to come up with new functionalities, services or potential partnerships.

By making MP's technology more accessible to possible collaboration partners, further innovation could arise. If, for example, an API is created, it could allow people to build on top of MP and utilize their already existing technology which is one of the key aspects of inside-out open innovation. Since data could be seen as one of the most valuable parts of MP, the argument for them to open up their API for use by others become even stronger since it would let them generate even more data from the users of the platforms using the APIs, *“if you think “data is the most valuable part in this (in MP)”, and think how you generate even more data by opening it up, maybe creating APIs – allowing people to build on top of MP and making it valuable for a larger crowd”* (Pascal Francke, personal interview, 2018, A7). The topic of how MP could utilize their data will be described further later in the analysis.

In order to innovate – both functionalities, services and the potential partnerships – there needs to be *“a player on each side of the field in order for a battle and synergy to arise”* (Anonymous, personal interview, A12). This relates to the idea of outside-in innovation, where the external ideas and knowledge is used for innovation purposes. In order to find new markets and gaps in already existing markets, MP can join forces with partnering companies. If no gaps are found in the markets or no new markets are identified, there is no need to build new products and launch them. According to anonymous, there would not be anything called MP if it was not for this synergy they create with partnering companies (Anonymous, personal interview, A12). It is extremely important to MP that they are approached with ideas or partnerships from other companies or such, since it is a given for their existence, *“if no one wants to play with us, then we might as well close our business”* (Anonymous, personal interview, A12). But MP also needs to maintain a certain connection between

the decision- and development positions they take, since there are not unlimited resources available. This is another of the reasons why they can't just say yes to all of the suggestions they receive. This idea that MP needs to continue working with partners in order to secure their existence was confirmed by Trine Mørch, *"It is part of our DNA. When we do something, we do it together with someone else. Then maybe we're the driving part and they give input regarding what they would like, or it can be the other part who is the driving part"* (personal interview, 2018, A6). With some projects, it is the external partner who develops a service or product and then MP makes a solution to match this and be used for payments. But what MP would like to do, is to test the concepts as soon as they have been developed to see if they work. If it works, they can commercialize it. Therefore, it is important that MP works with open APIs, so the solutions MP create can be used across different markets and companies (Trine Mørch, personal interview, 2018, A6).

Another way MP could utilize external ideas or knowledge is to invite people to hackathons, since these could offer some important inspiration processes, or arrange user workshops to keep updated and focused on what the users want to have. This way they can sort through ideas that users might suggest, but MP already have thought of themselves, and try to incorporate the ideas into the already existing product and move the existing user experience (Emilie Møllenbach, personal interview, 2018, A12).

What will it take for MP to defend their market position

The digital life and environment that MP are a part of is changing day by day. If a new player enters the market, who has a new view on value proposition, then the danger for MP is to think that they can do anything they want (Anonymous, personal interview, 2019, A8). A new player could enter the field and offer an even better user interface for the customers or have a bigger user base, which could be a threat to MP (Pascal Francke, personal interview, 2018, A14).

MP has a lead in the business because they were the first movers and they won over the big, national competitors, who tried to launch a similar product. But now other competition is coming from even bigger, international players such as Facebook, Snapchat and Google, who all want to do payments and thus represent a big threat to MP. Other competition is coming from big companies who might not see the point in using banks, if they can do a lot of the same things themselves and thereby create their own banks. That is a treat to the banks, who live of doing payments, though they might not make big money on it. But the payments are the foundation – and just like with a house, you can't build on top of it unless the foundation is done properly. Payments themselves are not that interesting, but a prerequisite for success. So, if anybody tries to dig that away, the house will fall down. There will be

competition for MP from these players, and the mobile payment market is not just a 'blue ocean'¹ where MP can lie on their back and do nothing (Bo Tolstrup, personal interview, 2018, A7).

Platforming

The previous part of the analysis focused on the value open innovation could bring to MP, and it became clear that extending the functionality of the existing platform would be a valuable solution for both MP, the users and potential partners.

When a company extends the reach and offering of an already existing product by using platforming, they can purposively develop the product to offer the opportunity to incorporate external extensions of the already existing platform. Then, if the new platform is developed correctly, it provides a channel which allows the customers and collaborators to innovate on the first existing product. This is the highlight of new market exploitations because platforming provides the opportunity to create new revenue streams and address new markets. MP is already a platform, and it has to already be considered as a multisided platform as well. Where there can be value to be added is by adding more sides to the platform. As it looks right now, there are the users, who both use the application for p2p payments, but also for c2b payments. Then there are the merchants who uses the application as a way for customers to pay for their products and services. The application thus connects two sides – the users and the merchants, which makes it a multisided (two-sided) platform.

When trying to implement value co-creation in a multi-sided platform, there are five propositions that are relevant to keep an eye on. Regarding MP developing into a multisided platform with more sides than they currently have, the following will address these five propositions in relation to MP.

1. Business model: The business model should be that MP is the "main" company, and the smaller companies can latch on to MP's data, network, user base and such. By doing so, they can share value across organizations. MP should pay nothing to the smaller partners, since it is enough value given to them that they can utilize MP's resources. The smaller partners should pay MP a small fee per transaction/created user – depending on how they use MP's resources. It depends on the need from the smaller partner – do they need a payment platform? Then they pay per transaction. Do they need a sign-up/log in functionality? Then they pay a fee per customer.
2. The lock-in effect for external resources will be bigger than it is for MP. MP do not necessarily need the external resources, but the partners need MP in order to establish themselves or

¹ Reference to the work on 'Blue Ocean Strategy' by W.Chan Kim and Renée Maubogne of INSEAD. Blue Ocean is where you have smooth sailing in contrast to 'Red Waters', where there is blood in the water due to heavy competition (think of sharks).

gain value from this collaboration. This was confirmed by Lasse Barsholm from ParkOne. ParkOne operates in a field, where the users have a hard time distinguishing between different service providers. By working together with MP, ParkOne has distinguished themselves from the competition and made a more recognizable product (Lasse Barsholm, e-mail correspondence, 2018). ParkOne needs MP more in this scenario than MP needs ParkOne. Therefore, the risk in the business model will be reduced for MP, and will be higher for the external partners since the lock-in effect for MP is weak.

3. In order to monitor how the participating actors' perceive and capture value in order to widen opportunities or improve business model, the partners should meet and evaluate often to see if the current business model has the desired effect for all parts in the collaboration.
4. The monetization of the platform is how MP is going to make money compared to their current situation, where their revenue is limited to the fee their merchant customers pay per transaction made by customers. The revenue of the new multisided platform should obviously be fairly distributed so each partner gets their fair share, but MP should also charge a small fee for letting the smaller partners latch on to them and use their platform and name, just like they currently do with their ParkOne partnership where they make 4kr per signed up person in exchange for letting ParkOne use their log in functionality.
5. Since the establishment of a large user base is needed to operate this kind of platform and for it to become a success, MP is already off to a good start with their 3.7 million users in Denmark alone. Getting a foot in the door with this astonishing number of users for smaller partners is a massive benefit and offers great value for these partners.

If these five propositions are placed in regard to the value co-creation model for multi-sided platforms, then MP is placed at the top of the model as the focal firm. The stakeholders are the smaller partner companies, who makes the resource they possess available for MP in order to create value for both parts – and the customers. Since it is MP who is the focal company, then they get to define the business model and “set the rules” in order for them to gain value and to make sure the partnering companies get the most value possible as well. By monitoring the collaboration, the business model can be redefined if needed to make sure the optimal amount of value is gained. The focal firm also

needs to define their engagement strategies and resources for this collaboration – what do they actually offer and how is it offered – in order for value to be co-created.

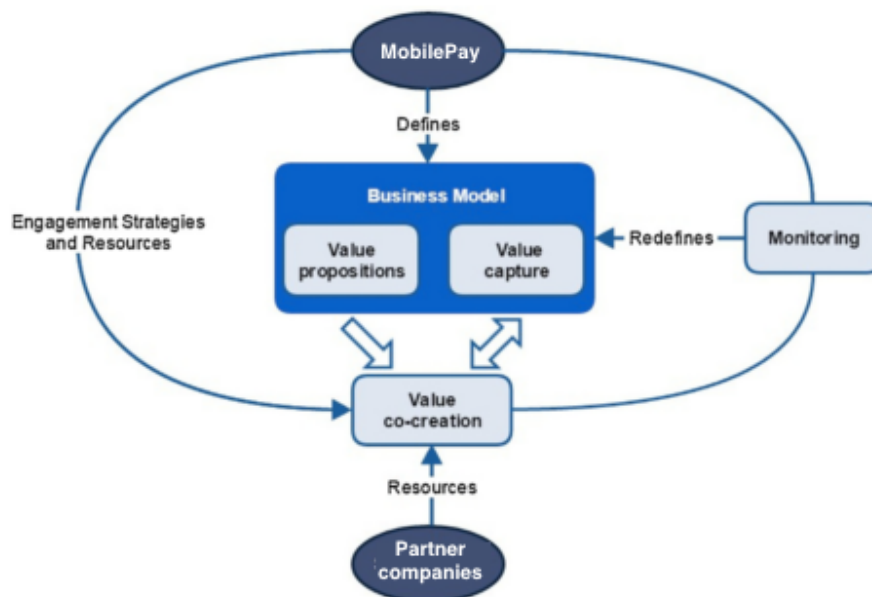


Fig. 7 - Value co-creation model related to MP

The market for new start-ups is a very competitive one, and many new companies want to join the game. Collaborations and co-creation is something that is getting bigger, and there is an interest for both the bigger companies – such as MP – and the start-ups to collaborate and this way co-create value. *“What we can see now is that it is a lot about collaboration and co-creation between start-ups and corporates. Because it is really difficult for start-ups to gain a strong position just on its own. It is really difficult to get into the market and grow fast. We can see that if you as a company collaborate, you can make a strong impact on the smaller company and vice versa start-ups with companies, then that’s the strongest connection. Then the fight between start-up vs company becomes company vs company – the company that works the best with the outside is going to win. Because if you do that properly, then you are going to innovate with a speed and effectiveness that no other company can do”.* (Pascal Francke, personal interview, 2018, A11). This confirms that there could be a market and interest for both start-ups and MP to develop MP into a multi-sided platform.

This idea of co-creating value through collaboration rather than competition could be a way for MP to maintain a strong position. If MP opened up their APIs (e.g. letting users use MP to log into other applications), they could make a strong impact on small start-ups since they could skip the development of a log-in functionality. This way the smaller companies would be able to launch their product in a speedier manner, and could easily join the big MP platform since they would be connected by the API.

MP will meet the criteria's for platforming in the following way:

- A customizable base-product: If MP should become a platform where partner companies can latch on, then they would need to make the "core" MP application customizable so the partner companies could get the features needed for it to be desirable for them to connect with MP. One way to do this could be to create a menu button on the existing MP that has a name in the line of "MP Partners", where all the attached partnering companies are listed. With the user already being logged in to MP, they will automatically be transferred to the partner, when clicking the name. This list can easily be customized to fit any new partners. The same way, a user could be transferred directly to MP when logged into one of the partnering applications by the click of a single button.
- The fostering of an active community: By creating a great community where both MP and partners can work together, the platform will become more useful since creativity can thrive, and the participants can help each other develop new services. A way of doing this can be through workshops and user sessions, which is something several of the interviewees mentioned as being useful for innovation purposes. In order to gain ideas to innovate on, user sessions in some form is something both Emilie Møllenbach and Pascal Francke sees as a way for MP to improve their product. *"I would be looking into many innovation concepts and invite people from the outside – start-ups, entrepreneurs, whatever – and say, "this is what we have. Let's ideate on other solutions we can come up with. Maybe you already have your own products where you can see synergies, so let's meet up and come up with something good". Essentially, they (MP) have a strong position in Denmark, so maybe they should put a stronger focus on how to develop it further and improve that with external partners and create something they can actually make money off"* (Pascal Francke, personal interview, 2018, A14). This relates to what Bo Tolstrup said about using the problems the users face to come up with new product ideas, instead of only looking at the what the employees in MP could come up with or the ideas the users can come up with when asked.

"We have been asking our customers what they would like us to do. And we do this to engage them. The most ideas come from people who have insight into the area so they know what can be done and how things work. It is difficult for someone on the street to say, "I would like this and this" because how would they know what the regulations are and such things" (Bo Tolstrup, personal interview, 2018, A12). As Pascal Francke mentions, there could be value in people bringing their own products to such a user session/collaboration workshop to see if there could be any synergies between the applications/products. This relates well to what Bo

Tolstrup says about their ideas coming from people with insight into the areas MP work in such as sub-suppliers.

- A well-developed incentive and reward scheme: If a partner contributes well to the collaboration, they should be rewarded and recognized appropriately. This could be an honorable mention on social media, reduced fees or other valuable recognition.
- Limiting customizability: By making sure MP is the focal firm and in charge of the platform, the partner companies will be depending on MP. One way to limit customizability is by making the partner companies sell their creations through the MP interface, which limits the customizability for the partnering companies.
- Marketing and brand equity: MP has one of the biggest user bases in Denmark with their 3.7 million users, and a strong brand – the second strongest in Denmark after Lego. *“We are number two brand in Denmark just after LEGO”* (Trine Mørch, personal interview, 2018, A5). MP can fairly be said to have a big market reach and is well-marketed. This means that there is great value to gain for another company by joining a collaboration with MP. As this quote from the CEO of ParkOne confirms, *“Partnering up with MP for our solution gave us as a new player in the field an immediate familiarity and trust from the users”* (Lasse Barshold, e-mail correspondence, 2018), there is a lot of value to gain for both the partnering company caused by familiarity, so users trust the application quicker, and also for the users because there is value in the familiar, where you don't have to do too much to understand the application. But there needs to be something in it for MP as well. If MP can connect themselves to strong players in other markets, who have strong brands in their specific field, then collaborating with them will reflect well on MP. *“The closer we can tie us up in collaboration with other services which can go out and do what they do best, then the bigger impact it will have on us”* (Anonymous, personal interview, 2018, A10).
- Scanning, filtering and selection capabilities: Since quality is very important when incorporating collaborators into the product development process, MP needs to test, filter and select between the customer and collaborators' ideas they receive. This is already something they do, *“We have 200 ideas laying around, and if you boil them down, it is probably 5-10 ideas and most of them are some that we already had ourselves. So, the idea itself is not the interesting part – translating the idea and execute on it, that is the hard part. Many people contact us and say they have the best idea ever and if we want to pay for it. Well, we have a lot of great ideas ourselves that we struggle finding resources for to actually make and make it valuable for many people. Because we can easily make something that maybe 100.000*

people can use, but we want to find the idea that 3.7 million can use. And that is the hard part. That is why we test a lot and talk to many people. But if we hear the same idea again and again, we can see that there has to be something there" (Bo Tolstrup, personal interview, 2018, A11). The test part is important, because this has to be done in order to make sure that the idea you have work – either it being a specific product or a collaboration you test. *"If you want to be innovative, then you often just have to test things. If you are immediately asked to make money, it will be difficult to make an innovative product. The money has to come eventually if you want to build a sustainable business"* (Pascal Francke, personal interview, 2018, A10)

Turning MP – the product - into a multisided platform is a viable option that can be done. But before doing so, MP – the company – should have a look at the platform "canvas" to make sure that they review critical perspectives of the platform and the ecosystem it will create when becoming a multisided platform with several external players involved. The canvas illustrates the most important activities of the platform – the core interaction between different actors. If there are no users, there is no need for the product. If there is no producer, there is no product. They give each other value. This value needs to be captured in order to create a sustainable business and create motivation for the participants in the platform ecosystem. The filtering part of the canvas is the earlier mentioned criteria for platforms about scanning, filtering and selection capabilities where MP filters the suggestions for collaborations. The network effects are what is needed in order to succeed in a digital world – especially with an application such as MP where the main value created is between users. No users → no value. It is the way MP can capture the value that will lead them to start making money. By using the canvas, MP can define the value they will create for the users by potentially entering into new partnerships. The users generate value for MP by using the application. The resilience is showed in the fact that MP cannot just go into all the offers they get for collaborations and have to resist certain temptations. They need to filter these out, and plan how these new ideas show be handled. This filtering is important, which is why it is one of the criteria for platforming set up earlier in the analysis.

The governance aspect is how the platform itself will be handled and controlled. The business model set up for this and the five propositions for a multisided platform has defined this aspect earlier in the analysis.

Turning MP into a multisided platform might also improve their chances for international expansion if they find the right international partners to collaborate with. The payments may not be the core part for this collaboration. The user base in Denmark is an attractive sales point, when teaming up with

someone, who might have a similar large user base in another country, but not in Denmark. This way MP and this partner can take advantage of each other's great position and network effects in their respective countries and use this as a foundation for growth. Going international and having a global perspective is something many of the interviewees pointed out as being vital for MP to exist in the future. If MP understand and acknowledge the globalization and don't ignore it but instead face it and think, "how do we prepare in the best way possible for this", then MP do not have to give up just because global players are entering the field. If MP creates a powerful enough position in Denmark, then big competitors cannot ignore them and might reconsider if it is even valuable to enter a market that has such a strong player (MP) there already (Bo Tolstrup, personal interview, 2018, A9) or the companies will instead decide to work together with MP to create something even bigger.

Payments by themselves might not offer much more in the future compared to what they can do now. But if a company understands payments, then they have that foundation for the future development. They can then add on top of the payments, and the foundation can change. Payments can get smarter, and there's a lot of innovation within that field, but also regulations that limits what can actually be done. So, the technology offers opportunities to make crazy and cool things, but the regulations is being tightened up which makes this field special (Bo Tolstrup, personal interview, 2018, A9). There might come some new innovations within the payments themselves that MP is trying to keep up with, while being attentive to how they can do the best solutions within the regulations. But where it really becomes interesting is the services that can be placed around the payments. And if people can see the purpose of adding services around the payments, then they will start using it (Pascal Francke, personal interview, 2018, A9). This way the value of the application is not just the payments, but the services that lays around the payments and the new user groups you can reach by adding these services, *"It is not the payments that is interesting, but what they open up for"* (Trine Mørch, personal interview, 2018, A12). This will give MP a chance to add new value to their platform in various shapes. The added services should still have a relation to the existing platform for it to make sense and for it to still be valuable for the users. This reflects back to the filtering part of becoming a multisided platform – not many users would see the benefit of adding a dating service or such to MP, but adding a gift card service could prove valuable for both users and the merchants.

If MP can succeed in building a platform and focus on the services they can build around the payments, then there is a better change for them to find a sustainable business model. The payment still needs to be there, because that is one handle you can pull on, but MP should figure out what other handles they can build into the application and pull (Anonymous, personal interview, 2018, A8). Especially if MP can manage to target an area, where there are not any players at the given moment and where it will be less likely for big players coming from the outside to focus their attention on, then

there is a great opportunity for value expansion (Trine Mørch, personal interview, 2018, A3). In order to find these new areas where there is no existing competition already, MP needs to have an agile mindset so they can adapt quickly to new settings. If a new opportunity presents itself, MP needs to be prepared to change directions and go with that opportunity.

MP turning into a digital ecosystem

If MP lets other companies connect to them, the platform will create a digital ecosystem. The system will be scalable and adaptable to both make it possible for new partners to connect to the platform but also to also be scaled to a big user group. By incorporating businesses' that need each other to make sure they exist in the long run, it becomes a sustainable business – all composed of different digital entities, which is the definition of a digital ecosystem. As can be seen in the criteria's and propositions set up above, the interrelations between MP and partnering companies will focus on interaction to increase the system utility, gain benefits and promote information sharing in order to gain these benefits, and cooperation and system innovation, which confirms that a digital ecosystem will be created. Especially the system innovation part is where MP will benefit from partnering companies since they will offer capabilities and ideas that can take the technical part of MP to a whole other level. As stated in the theoretical framework section of the paper, the digital technologies in use can be seen as the non-living part of the ecosystem and the users are the living part. Thus, MP is the non-living part and the users are the living part. It is the interactions between the users and MP, and the changes that these interactions result in (the ideas for new innovations provided by the users), that shapes how the ecosystem should behave. The users have an important role to play in order for an ecosystem such as MP (both now and the future MP) to survive since such an ecosystem is user driven. This fits well together with what Bo Tolstrup has to say about users influencing the functionalities of MP – though it is more helpful for MP to look at the problems the users are facing: *"But they (the users) can tell what problems they have, and it is the problems that is the most interesting. Then we will translate it into something useful. If you look back, then some of the things we have done is because we kept hearing about the problem, and that it had become more of a need than an idea. And then we translated that"* (Bo Tolstrup, personal interview, 2018, A12). These problems arise in the way the users interact with MP, and therefore they can be useful to look at to improve the application and ecosystem.

The ecosystem created in this new MP platform with partnering companies is not only a digital ecosystem, but also a technology ecosystem. Technology ecosystems are systems of interrelated technologies, which can influence each other's evolution and development. The ecosystem is defined based on a focal technology – in this case MP payment platform technology – in a given context.

When looking at the four features that can make an ecosystem standout and comparing a potential MP ecosystem to these, the following can be seen:

- 1) An ecosystem is characterized by co-opetition: Though it is hard to imagine that MP will join forces with other payment platforms (their direct competition), other collaborations with partners in the same spaces might arise or perhaps they will join forces with different partners offering the same product and who are competitors, but who will cooperate in order to make the ecosystem work as good as possible in order to gain as much business as possible and therefore take part in co-opetition
- 2) A key success factor is the relationship among the stakeholders in the ecosystem: if MP should succeed in becoming a big ecosystem, then there needs to be a mutual respect and interest in collaborations and innovation across the different stakeholders. Some of the stakeholders in the ecosystem might have a less complicated product that doesn't need to develop many new features all the time, but they still need to make sure that their part of the ecosystem doesn't wither and become a bad seed in an otherwise excellent ecosystem. This leads to feature number three,
- 3) Ecosystems have observable differences: Some of the stakeholders might be closer related to each other than others, and might even create ecosystems of ecosystems. Some of the partnering companies might operate within the same fields and create their own ecosystem, or they are reliant on each other and therefore have a close relationship and their own ecosystem.
- 4) An ecosystem is not stable but is constantly changing: in the digital market a platform will have to constantly change and listen to the needs of the users in order to not become obsolete. If one of the entities in the ecosystem change, then a response to this change and a possible change in other entities will come as well. This is natural in a changing environment.

Digitalization of payments can affect competition and collaboration between traditional and new stakeholders of the payments market. When companies want to take part in market cooperation, there are two strategies they can make use of: the build-and-defend strategy and the battering-ram strategy. When MP was first launched, they used the battering ram strategy – since this strategy is used when a company uses technology to gain a foothold in a market. This was what MP did and succeeded in doing. But now they have switched positions and need to use a build-and-defend strategy. This strategy is used when the company's strategy is based on the idea that access to technology can act as a defense for a particular market position. Giving other companies access to their technology by either becoming a multisided platform or creating APIs for other companies to

use for logins can help MP maintain and defend their current market position. They have already established themselves on the payment market and built such a strong position that their current objective is to figure out, how this position is best defended. There is no doubt that if MP wants to maintain their unique situation, they need to make it possible to integrate their technology into their strategy. The core idea of the MPMC framework is technical compatibility – the possibility to build in technological innovations into technical systems and this way make it possible for companies to carry out their strategies in the market (if the market operated in has mobile technologies). The framework has three levels, and in all of these, both competition and collaboration exist. Where the analysis for this paper has its focus, is on the macro-level in the framework. In this level, the ecosystem of interdependent stakeholders competes with other ecosystems through market cooperation strategies based on technology regimes. The technology in common for the stakeholders will be MP. The stakeholders in this case is the companies that MP has made collaborations with and who is attached to MP in one way or another. The stakeholders can both collaborate or compete with other stakeholders. In the collaborative mode, the stakeholders jointly innovate, which also relates to the thought of open innovation where you open up for ideas coming in from the outside, which MP has made it clear that they are open for. In the collaborative mode, the stakeholders also adopt new components, applications or support technologies that can benefit the stakeholders in the collaboration. The stakeholders will most likely be very supportive of MP and the technological improvements they will come up with – either themselves, by the help of stakeholders/suppliers or by third parties – because these will benefit everyone and their products in the long run too. The core of the framework is the idea of technical compatibility that makes it possible for technological innovation to be built into technical systems. If partnering companies are going to attach themselves to MP, it is very important that they are technological compatible. This means, that the applications have to be developed in the same languages and the databases should have somewhat the same structure, so it is the correct data that is received when the application makes a call. The applications need to be developed to the same smartphones – both android and iOS – so all users can make use of them. This way the technologies from the different partner companies are compatible and able to execute the strategies in the same market.

Existing stakeholders such as MP can take two positions when trying to block new entrants to the market. They can either face them on the micro-or meso-levels. If they face them on the micro-level, it will lead to an acceptance of rival competitive systems. This choice can be motivated by the fact that new entrants are not their direct competitors – which means that MP should acknowledge new entrants. Since MP has such a big market penetration, the risk of someone replacing them, even if they have technology that might work a little better, are no big treat due to network effects.

Therefore, new entrants to the p2p market in Denmark will not be a real treat. This was confirmed in the interview with Emile Møllenback, by saying: *“Even though there might come some big player, who can a whole lot more and who can develop faster than us, then they won’t have this connection from the end users into the infrastructure like we do. And then there is the whole payment infrastructure, where there are these 66 banks we work with. We are placed in this spot between the banks and the businesses, the small casual business and the end users and this position will make it harder to push us away than you would initially think. So, even though we might as an application seem like “easy picking” for someone like Apple or Facebook, then due to our unique position, it is harder to replace us”* (A7). ApplePay is such a competition, but from all of the interviews, it became clear that it was not something they feared. On the contrary, MP saw it as positive that there was some competition now since competitors makes a company focus on improving themselves so they’re not replaced by the new competition.

The other level MP can face the new entrants is on the meso-level, where there are two options: systematic competition or inclusion in clusters. If using systematic competition, a company can e.g. collaborate with an external provider for an application to meet the competition. If the company trying to enter the market is one of the big social networks, there is no point for MP to use an external partner and come up with their own social network since the networks effects are too strong for e.g. Facebook for it to be possible to make an impact. But by using external partners and innovating the technology through and with them, MP can defend their position by using systematic competition. Inclusion in clusters force the traditional stakeholders to collaborate to defend against a rival system, that might indirectly threaten their existing business. This is not relevant for MP since there are no relevant, traditional stakeholders to collaborate with since Swipp was closed down and joined MP – which in a sense then would mean, that the companies have already created a cluster to defend against future rival systems.

At the macro-level, MP will have turned into an eco-system of interdependent stakeholders who can compete with other ecosystems – if any appears – through strategies based on technology. The common denominator for the strategies for all the parts of the ecosystem will be the MP technology. Therefore, the partners in the ecosystem will compete with other ecosystems through strategies based on the MP technology.

MP can use the MPMC framework to define what kind of strategy they should apply in order to prepare for the future. If they stay as they are, they need a build-and-defend strategy but by changing their product and thus targeting new markets, they need to apply the battering-ram strategy. By

defining the different battles on the different levels, MP can prepare for what their competition will be on each level and how to handle these.

Perhaps, one day, the application will have gone so far that no one remembers that it started out as just a payment platform.

Discussion

This section of the paper will discuss the implications of the findings from the analysis to make sure all aspects of the result has been covered – both positive and negative. The section contains the practical implications and contributions to the field, which is discussed through the findings.

If MP succeeds in creating an ecosystem where people, companies and sectors can foster co-creation, then they have captured the core of open innovation, according to Bogers et al (2018). This would confirm that open innovation can be used on technological service products such as payments. As defined by Chesbrough (2003), open innovation is valuable ideas that can come from outside of the company and from outside the market the company operates in. When entering a partnership such as the one MP has with ParkOne, they have taken an idea that comes from the outside (from ParkOne) and uses it to enter another market than the one they have previously operated in – the payment market. By connecting with partners, and creating an ecosystem and multisided platform, that operates in several markets, MP will enter these markets in a hidden manor as well. By hidden it is meant, that they are not entering the field as such since, as with ParkOne, they are not offering a new service or product. Instead, they are making their technology available for the partners, which enables the partners to enter the markets in a quicker and easier way, than if they had to develop login functionalities or such themselves. This way MP would take part of both inside-in and outside-in open innovation, thus the type of open innovation used would be the coupled open innovation (Chesbrough & Bogers, 2014).

The business model of MP will need to create and capture value in a way that transcend organizational boundaries within the ecosystem. If MP can become an ecosystem with several different partner companies attached to it, then these companies will all create value for each other even if they operate within different sectors, just like MP and ParkOne provides value to each other cross different sectors. The partnership already existing with ParkOne confirms that there is a trend towards R&D partnerships, alliances and cross-industry partnerships, which can enhance value creation for the involved partners (Enkel, 2010).

This form of ecosystem where the partners would make sure each other innovate, would lead MP to take on a collaborative innovation strategy, since the content of this business model is to take on

radical innovation in order to open up to new market segments. Users, suppliers and customers are key partners in the innovation process. The governance of the business model is contract based, and there is incentive for the employees to engage with their lead users and alliance partners (Saebi & Foss, 2015).

Turning MP into a multisided platform with several partners could, as shown in the analysis, be a viable solution that would ensure the existence of MP – or any other mobile payment provider in the same situation. But turning it into a multisided platform will not automatically solve their financial problems. MP needs to figure out a way to turn the partnerships into money. One way to earn money will be to set up deals such as the one with ParkOne. In this scenario, MP receives 4 dkk for every user who signs up for ParkOne. Similar agreements could be made with other applications, where users need accounts, or where it could be helpful to pay with MP. This sort of solutions will not necessarily require MP to turn in to the big ecosystem, that the analysis suggested, but it could instead be a way for the customers and businesses to save money in the user sign up process. Imagine signing up for a gym just by a MP account and then every month, a notification to approve a payment would appear in the application. The user then swipes, and the membership is paid for. Quite neat, right? Sure, it is easier for the customer to sign up for betalingsservice or have the gym retrieve the money from a credit card automatically every month. But both betalingsservice and NETS, who handles the card transactions, are expensive solutions for a business. If the gym's payment provider is cheaper, it will reduce the gym's overall costs, and thus lead to cheaper prices for the customers – it surely is not so difficult to swipe in an application once a month to pay if the subscription gets cheaper, is it?

Though the main point of turning MP into a multisided platform would be to generate an income, there needs to be a limit to how many partners could actually be connected - even if connecting more partners would mean more money. This topic has been touched upon in the analysis - especially in the area concerning the filtering of new potential partners. Anonymous mentioned that there are limited resources available, and MP needs to prioritize which partner offers to go with. This was confirmed in the follow-up conversation with Søren, who mentioned resources as the main concern in the proposal to turn MP into a multisided platform and create a big ecosystem (Søren Rahbek, face-to-face conversation, 2018, appendix F). Connecting with partners and take a position as the “mothership” for a multisided platform where innovation could thrive, would change the innovation strategy and business model for MP so it becomes a network-based innovation strategy. The business model for this strategy is the open platform business model as stated by Saebi & Foss (2015). The business model acts as an open-innovation platform for several stakeholders. The business model provides incentives for the employees to engage with multiple knowledge partners, which is

something MP already does in the way they talk to suppliers, partners, customers and users when trying to come up with new initiatives.

There are two types of scarce resources that should be noted, when considering turning MP into a multisided platform: 1) money and 2) work resources. The first one, money, relates to the fact that new development is not free. MP would have to pay everyone involved in integrating new partners. This could be solved by the partner not only paying a fee per customer/transaction, but also paying an up-front sign-up fee, that covers the development expenses. This fee would be rather big, so it would sort the small start-ups from the potential partners. The small start-ups would be the partners, who would gain the most from partnering up with MP, so it would be rather inconvenient if this happened. If MP then covers the development fees themselves, then they will have to choose fewer partners. This could prove to be the most viable solution anyways, if we look at reason number two given by Søren: work resources. There is a limit to the available hands to work on integrating new partners into the existing platform. These hands should only be used for the partners, where both parts have the most value to gain from partnering up. This leads to another concern mentioned by Søren: the motives from the partners to sign up for a partnership. If the partner company is just looking for users, then there is no value to gain for MP except the payment for the users. A company such as MP needs to figure out at what price they are willing to sell out and just do it for the money, not the added value. As mentioned in the analysis by Anonymous, it could be beneficial if MP partners with someone, who is already the best in their field in other country and is looking to enter the Danish market. This partner could gain value in the big user group and the strong brand that is MP's value, and MP could gain value in the similar offering from the partner in their respective country. This sort of partnership would make some of the most sense for MP to do. This fits well with the criteria for platforming set up by Marais & Schutte (2009) regarding importance of the focal company's filtering, scanning and selection capabilities.

Becoming a multisided platform might look like a perfect option, but it will also bring many challenges with it. The business model will be more complex, and there will be many things to keep control of. There will be set some extremely high demands for the platform, the integration possibilities and the infrastructure behind the platform if it is to become possible to "attach" partners. It is already something MP has considered, and as Anonymous says *"If you look at it from a financial perspective and look at the business case behind it, it is very interesting. But you will also reach such a high business complexity, that you have to ask yourself, is this a viable possibility if our user base doesn't grow?"* (personal interview, 2018, A11). It should still be possible to define, where the line of MP goes, and where the other partners start, so in that way to make it possible to distinguish between the different

companies and their fields of expertise and responsibility. It should still be possible for the users to see, what is the original MP, or what is the attached partner.

It is important that the mobile payment provider remembers their users when considering turning into a multisided platform. The users are the most important aspect for a platform since if there are no users, there is no value. As stated in the analysis, the company will have to remain very critical when deciding which companies to collaborate with. The platform will have no use, if the users cannot see the value in the created collaborations. The companies need to maintain a user-centric attitude and make sure they put the users first at most times. If the users are there and can see the point with the product, then the companies can launch the platforms and start making money. The case company will also need to remember that they cannot take their lead position too far and just add numerous random services. This could lead to the users thinking that MP is taking advantage of their position, and that the cleverness in MP is being reduced (Søren Rahbek, face-to-face conversation, 2018, appendix F). The users are the most important factor, which would suggest take on the crowd-based innovation strategy mentioned by Saebi and Foss (2015). This form of business model is a user-centric open business model, which consist of user-centered value proposition and input from communities of users.

Another aspect showcasing the importance of thoroughly filtering the suggestions for partnerships is the risk of “over-promising and under-delivering”. This could happen if the sales department sells the platform and ecosystem too hard, and MP ends up not being able to deliver what they have promised. If they filter well enough and only agree to the partnerships, where they know they can deliver, they can reduce this risk. MP will need to be extremely agile in order to accommodate many partners at the same time, which is another reason why they should filter in their proposed partnerships in order to only pick the viable ones. With a growth in the platform size, a growth in coordination, orientation and stakeholder relationships will follow. MP should only take on as many partners as they can while still being able to remain coordinated and have good relationships to their stakeholders.

With people using their phones for the majority of tasks these days – emails, talking to friends, paying for goods – digitalizing other things such as passports and driver's license seems like the next obvious choice. Yes, there will be some legal and risk related issues to this, but let's put that perspective on the sideline for now. If we start moving into a society where most of our lives are stored on a phone – in a form of digital wallet – then starting to merge our applications together into several hubs could potentially make sense. No one has an interest in having 100 different applications for daily activities to navigate in. Instead, perhaps, people will have 10 different wallets – or hubs – that gathers several of the applications needed. Who gets to become a hub and capitalize on this connection of

applications, will be the first companies to realize that this is the future and offer a connection-platform for partner companies. The first movers to this new kind of application usage needs to market the idea of joining forces in such a way that other companies cannot deny the benefits from it and will pay the first mover a fee of sorts in order to join their platform. If MP was to be one of these connection platforms, then their "connect" solution could play a crucial role in the way that the users would only need one log in to access several of their applications. Having too many applications to update and check up on is a stress factor in the daily life these days, and by combining more of these, the stress level can be reduced. This sort of verification solution that "connect" offers could make life easier for both customers and organizations. if "connect" becomes a widespread solution, then MP could transition into a data hub. MP would need to make sure the data is updated, and that the trustworthiness of MP is high, so the users will not feel uncomfortable sharing all of their information with one application (Bo Tolstrup, personal interview, 2018, A13). The data-hub could also be a storage for your ID information, driver's license or something completely different (Bo Tolstrup, personal interview, 2018, A13).

"I think there is potential in making MP into a kind of personal assistant that can help you in different scenarios either regarding ID or something else. And that the user this way can collect several applications into just one application" (Bo Tolstrup, personal interview, 2018, A16). If you can make the customer reliant on the application by gathering many needed functionalities such as payments, ID, driver's license or the like, then the "stickiness" to the product would be big. The customers would "marry" the product and cannot be bothered to replace it with some other service. If MP turned into a place where the user's passport and driver's license is stored and you can easily send these information to relevant instances when needed, then MP could create value for the customers. The convenience that MP can offer the customers – especially in GDPR² times – is an interesting way to go for MP (Trine Mørch, personal interview, 2018, A3).

But developing a platform such as this one will bring challenges and risks with it. MP will put their entire platform, good name and user base on the line if they decide to go into partnerships and let other companies connect to the application. Before deciding on going this way, MP needs to do a thorough risk analysis to highlight all the potential risks of this new adventure and try to plan ahead on what should be done if and when these things occur. Setting up clear definitions of how to act in case of a crisis would be helpful for not only MP, but also the partner companies. If the partner is a small, new company, they might not have experience in risk management and therefore not know the standard procedures in regard to different scenarios. This aspect is another area, where it would be

² GDPR: General Data Protection Regulation. EU regulation of the individual's right to control the use of Personal Data. Comes into force May 26, 2018.

beneficial for smaller company to go into a partnership with MP. Since the companies are connected, it will be in everyone's interest that all the partners in the collaboration and ecosystem work as good as possible. By being in a position where they can guide the other companies or help in various crisis situations, MP would position themselves even stronger as the "mothership" for the platform and make the partner companies reliant on them. This would make the lock-in effect for the smaller company bigger as well.

An example of a solution that could offer the users more value could be MP's identity solution. It creates value for the end users in the way it solves a big pain point, when the users have to sign up for a solution and need to keep track of the services signed up for. It would also create the safety of knowing what data it is exactly that you share with the services (Anonymous, personal interview, 2018, A14). This could work because some companies have to live with users not being sure they want to share their information with them. If MP can use their good name and technology to offer a sign-up platform for users, then a lot of value could be generated for both of the companies, since more users might sign up, and for users since they will not have to remember several passwords. Thus, if MP can provide a "trust" framework for a service, and offer transparency for the customer in the way that they don't have to remember several passwords, then there is value to gain for all parts (Anonymous, personal interview, 2018, A15). It could also become a way for organizations to make sure they are GDPR compliant, since they will have limited data stored on the customers, and MP will handle the majority of the data storage. *"For us to have access to validated customer data without having to live up to data regulations and such has been a huge relief"* (Lasse Barsholm, e-mail correspondence, 2018). With the regulations tightening up, MP has done an extensive job to make sure they are GDPR compliant. By still being a subsidiary from Danske Bank, they have been able to use some of the bank's resources to get their data and processes compliant with GDPR. For many companies, the introduction of GDPR is confusing. The fines for not being compliant are too big for any companies to be willing to take that risk. Since MP already have the processes of what to do, when a customer wants to be deleted and how to store data correctly, then figuring out a way to supply this to other companies could be a valuable solution that MP could offer and generate an income with. This would have nothing to do with the MP application, but MP as a company, where the IT resources and knowledge about data storage is put to use as a way to make money. MP could become a place, where the partners store their data about the customers – just as we see with ParkOne, where the sign-up process is through MP and their user base and the "Connect" solution. It is assumed that ParkOne has no data laying around about their customers – and can ask for specific customer/user information if needed. This way the partners can "have a look" at the data, but they cannot store the data themselves. The user verification offered by MP through their login functionality is a way for the

partners to gain the valid customer data without having to live up to the GDPR rules, which can be a huge relief for smaller companies (Lasse Barsholm, e-mail correspondence, 2018).

If MP can manage to become a broker for such a constellation and create control for the user and easy access to customer data for the organization, then there is a lot of value to gain, and MP could place themselves in a strong position. There will be a change in the mindset of the consumer as soon as the GDPR rules kicks in, and by creating value in this space and make it easy for the customers' to be deleted, MP can create a significant value and have a strong case.

"But if MobilePay could spread out to being more than a payment platform – because the profit pools are so so – then selling data would be a good way forward because "Verified by MobilePay" could be a strong product" (Søren Rahbek, personal interview, 2018, A6).

Implications for research

Before this study was conducted, it was hard to find literature regarding using open innovation to innovation on technological service products such as SaaS products in the form of payments. This paper has filled part of that gap and shows how open innovation can be used. As the literature review shows, there is no shortage in literature regarding open innovation.

Further, the study was done on only one type of SaaS product. The results found in the analysis could easily be used for other companies in similar positions, even outside the mobile payment industry. It could be relevant to apply the same approach to other companies offering SaaS products to test the validity of the research approach. This could be any technological service product that is currently offered for free to the users, and who needs to come up with a way to generate a revenue.

The study is not a hardcore theoretical study where the frameworks used can only be applied to one field of research, and therefore the study can easily be conducted on other companies. Though the MPMC framework focuses on the mobile payment market, it should be possible to apply it elsewhere where there is a shared technology.

What this research can contribute to compared to the existing literature on the field is to underline how important it is to remember the users, when trying to innovation on these SaaS products. Networks effect play such a huge part in modern day's society and a bad rumor can destroy the user's willingness to engage with an application. Therefore, when trying to evolve a product from a single sided platform to a multisided platform, the companies - no matter which industry they operate in - needs to thoroughly filter the suggestions for potential markets and partner companies before engaging with them. Diving head first into new partnerships or markets is not a viable solution. Instead, the companies should dip their toes first to test the water and then dive in fully. Because a

company needs to move quickly in this digital age. If they don't, someone else will swoop in and take their spot with a blink of an eye.

When looking at the four open innovation strategies set up by Saebi and Foss, it becomes clear that a company such as the case company cannot be placed into just one of them.

Thereby this research contributes to the existing work done on the field by showcasing that a company can take on several of the strategies in order to fully take advantage of the potential in open innovation when innovating on their products.

Limitations of study

This study was limited to only this specific case and this specific type of innovation. Other types of innovation exist, and therefore the study could have been performed with a focus on one of those instead. The result of the analysis with focus on other types of innovation would have been different.

The study further only focused on one company. It could have been relevant to investigate other companies in the same position, but across different sectors to investigate if the same theories and frameworks could be applied to those.

The study is further limited to only having spoken to one partner company – ParkOne. It would have been relevant to have more angles on why to go into collaboration with MP. This could either have been done by talking to DSB or Rema1000 with their Vigo solution, just to mention a few who have implemented MP into a service they offer.

Conclusion

This section concludes the paper. The main results from the analysis and discussion will be mentioned, as well as the research question being answered.

The aim for this research was to highlight how open innovation could be used for technological service products such as payments in order for the mobile payment providers to maintain and defend their market positions. In the prior literature, the main focus was hardware technology and not software technology offering services, and therefore this paper has tried to fill this gap in the literature. The introduction explained which other companies are currently in the payment market in Denmark, and mentioned a few of the potential threats (Facebook Pay, ApplePay and Jiffy) to the case company.

Through the analysis it has been shown that in order adapt to a changing market, mobile payment providers have to have an open mindset and listen to what their customers want – both the personal users and the business customers. MobilePay was chosen as the case company since they are in a position now where they need to innovate in order to start making money to reduce the negative

result they had in 2017. The use of open innovation can be applied in several ways. One of the ways it can be used by companies is through product platforming. MP is already a platform, but by using open innovation, it will become possible to further extend the boundaries of this platform and turn it into a bigger, more multisided platform than it is today and create a digital ecosystem. In this ecosystem, the different entities will be depending on each other to thrive, and there will be created a need for innovation for all the parts in the ecosystem. Open innovation can further be used for the innovation in the entities, since they will have to co-ordinate and interact with each other to innovate on shared technologies and can benefit from initiatives taken by one company that can work for another as well. By creating this multi-sided platform, the chance to generate an income in the form of fees from the partnering companies will be increased. This can help reduce the deficit in the future and make sure that the payment provider can maintain and defend their market position.

For a company such as MP to succeed in the open innovation landscape, they should continue to make use of coupled open innovation, which is when a company both used inside-out and outside-in open innovation such as MP does now. If they do not listen to the ideas from the outside – either from users, merchant users or sub-suppliers – then they will struggle to innovate and come up with useful new ideas. On the other hand, there is no reason why they not should take the knowledge they have within and make it useful for other companies to innovate with – either it being by making APIs available, store user data or creating a big ecosystem.

Through this conclusion of the analysis, this research offers new information to the literature by showing that by integrating open innovation in the innovation process, a company offering technological service products can innovate their current product and widen the boundaries for the product by taking on partnerships or allowing other companies to latch on to their platform.

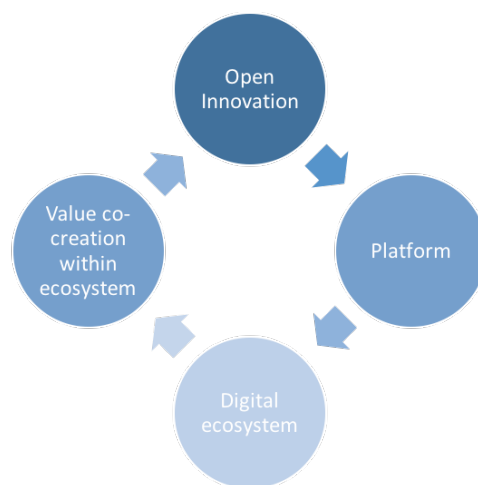


Fig. 8 - OI in technological service products - Researcher's own creation

The graph above shows how a company such as the case company (or other offering service technology) could benefit from using open innovation for innovation and creating multisided platforms and digital ecosystems.

By widening the horizon for their platform, a company such as MP can target other markets, but also position themselves even stronger by making it hard to get rid of them because of the size of the platform. If a company manages to become big in several markets, then new competition will have a hard time beating the company and might decide to not enter the market at all.

Through the discussion, the pros and cons of turning a technological service product such as a mobile payment platform into a multisided platform was discussed. Examples from theory was mentioned to underline points made in the discussion.

The study concludes that applying open innovation would be a strong tool for mobile payment providers such as the case company in order to maintain and defend their market position.

Acknowledgements

I would like to thank the employees in MobilePay for taking the time out of their busy schedules to talk to me.

I would specially like to thank my father for making it possible for me to get access to such important employees at MobilePay as I did, and for answering my questions pretty much at any time of the day, and for proofreading the material.

I would like to thank my supervisor, Jonas Hedman, for providing many good inputs and ideas for the thesis.

I would like to thank my sister for proofreading in order to make sure it could be understood by readers without knowledge of the topic.

I would like to thank my mom and my boyfriend for putting up with me for the past six months while working on this thesis. It cannot have been an easy task.

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Appendix list

Appendix A – The MobilePay story PowerPoint presentation

Appendix B – MobilePay annual report 2017

Appendix C – Interview guide

Appendix D – Transcribed interviews

Appendix E – Correspondence with ParkOne

Appendix F – Follow-up conversation



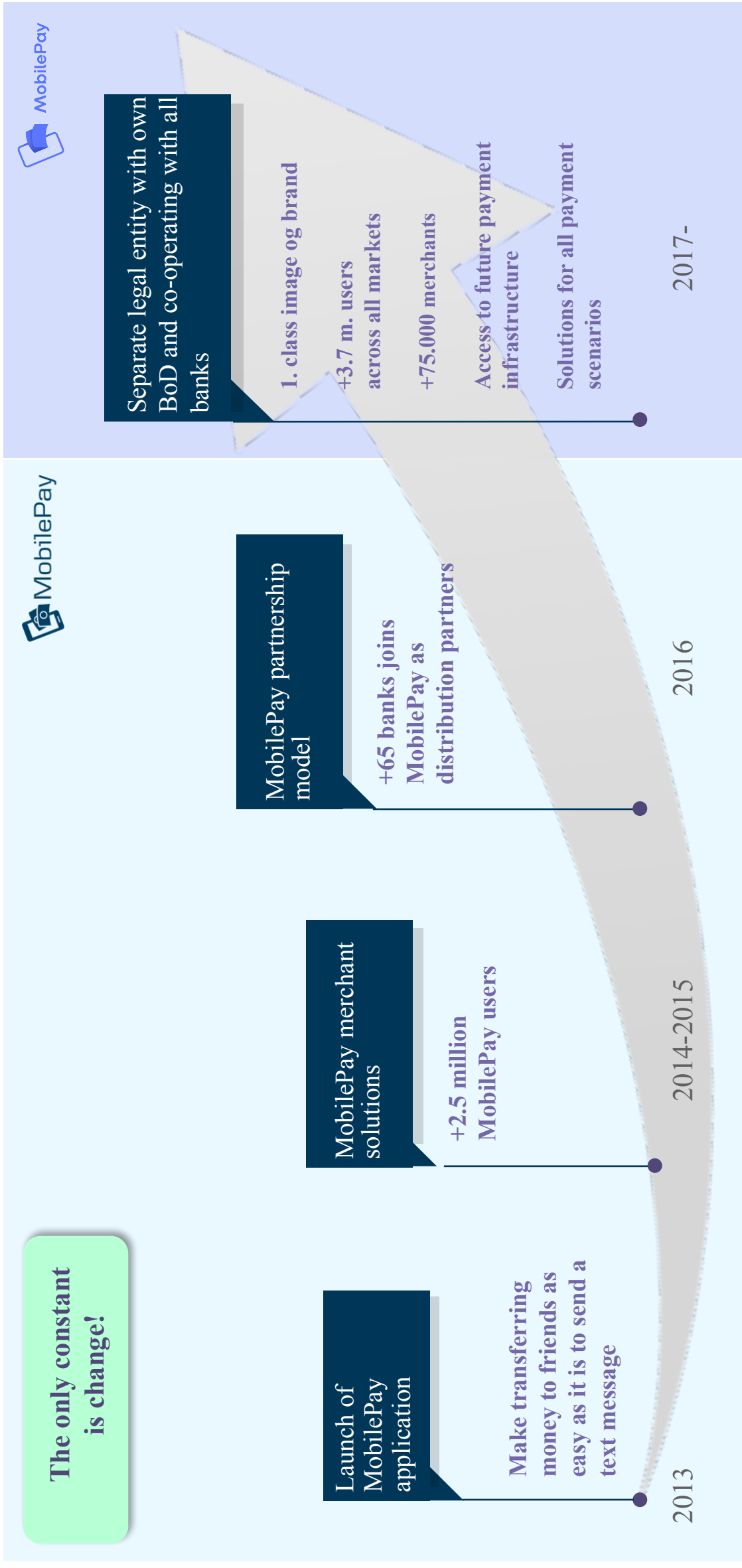
The MobilePay story

Updated Jan 2018



MobilePay is on a steep growth journey and is today a separate entity co-operating with all banks in Denmark

The only constant is change!



Five drivers of change continue to shape our everyday



Customer expectations



Digitalisation



Increased competition

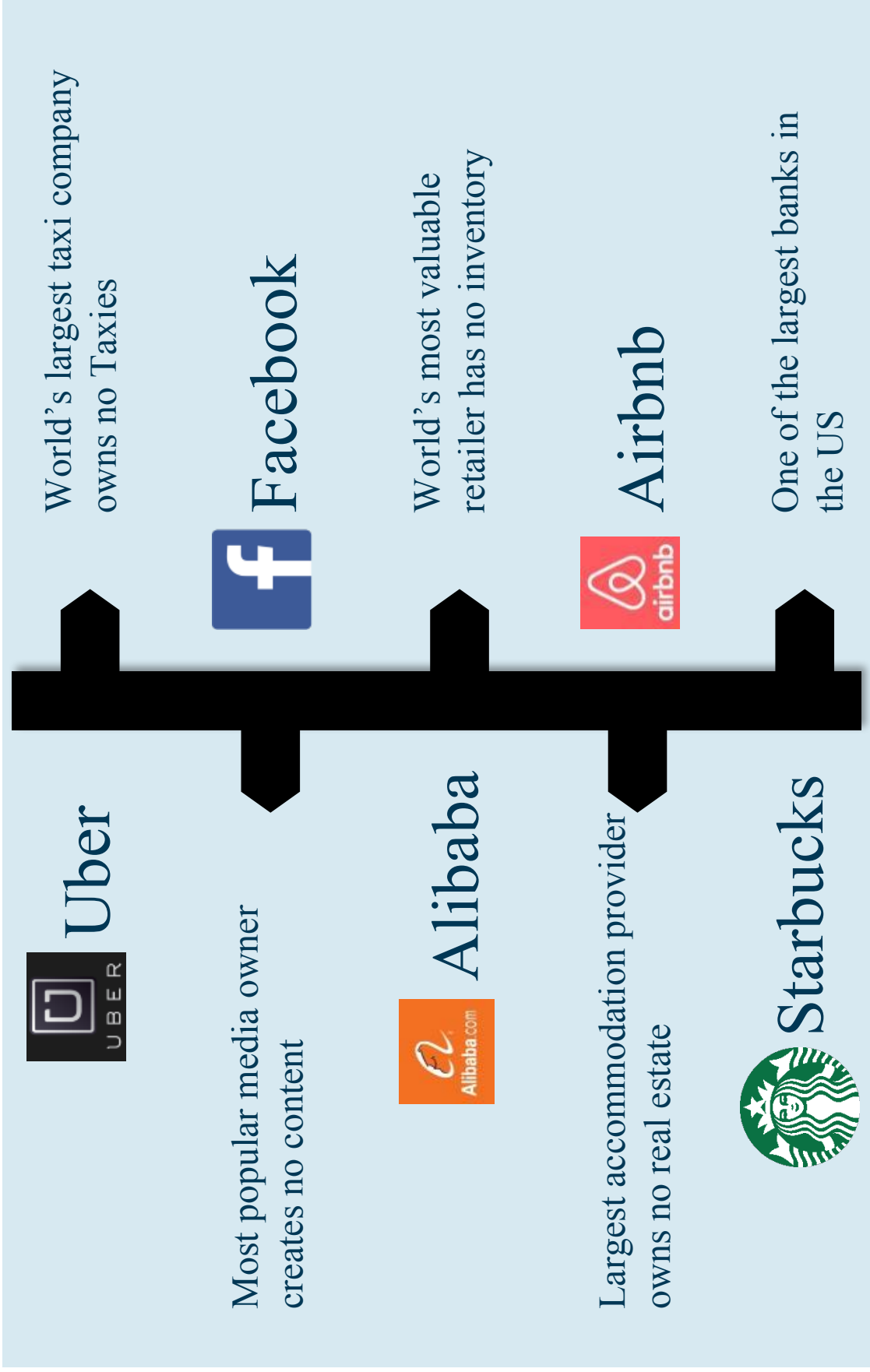


Regulations





Disruption is changing the logics of historic business models and changes the competitive environment

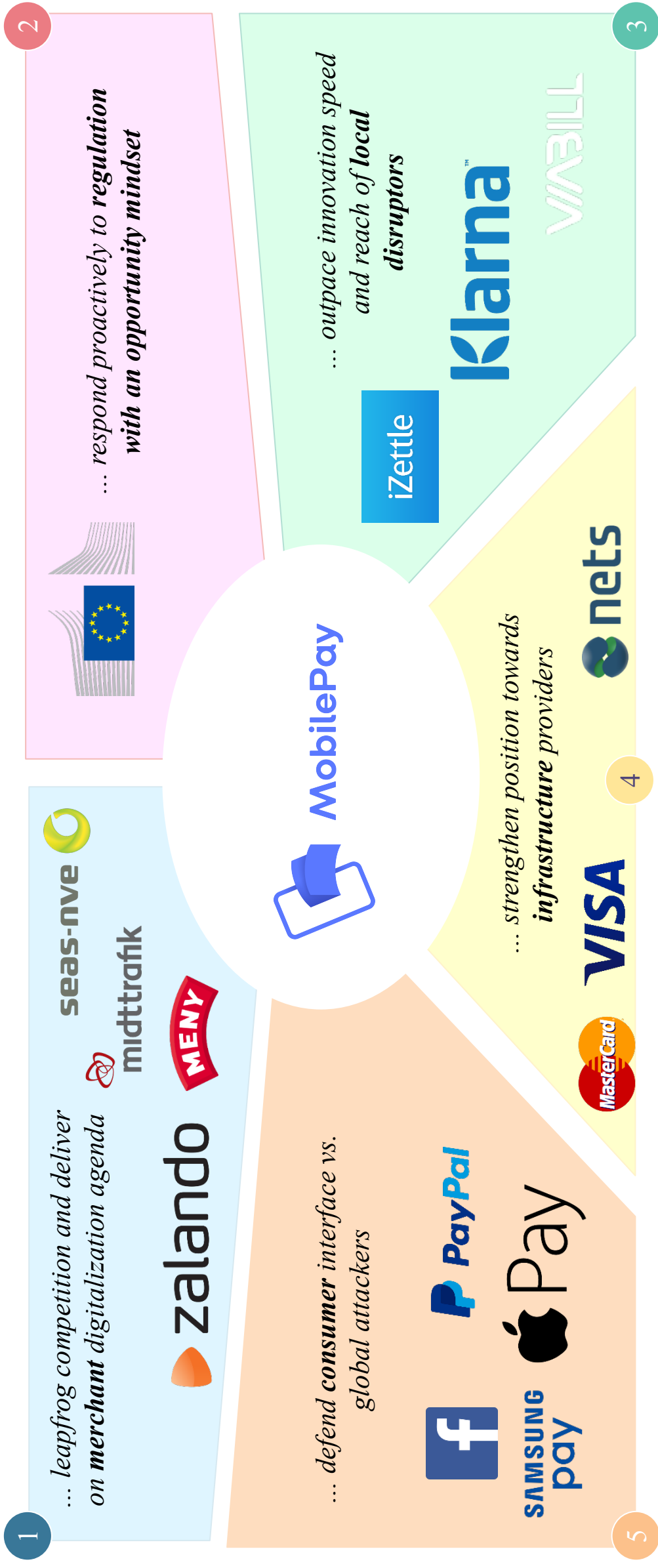


From owning to connecting





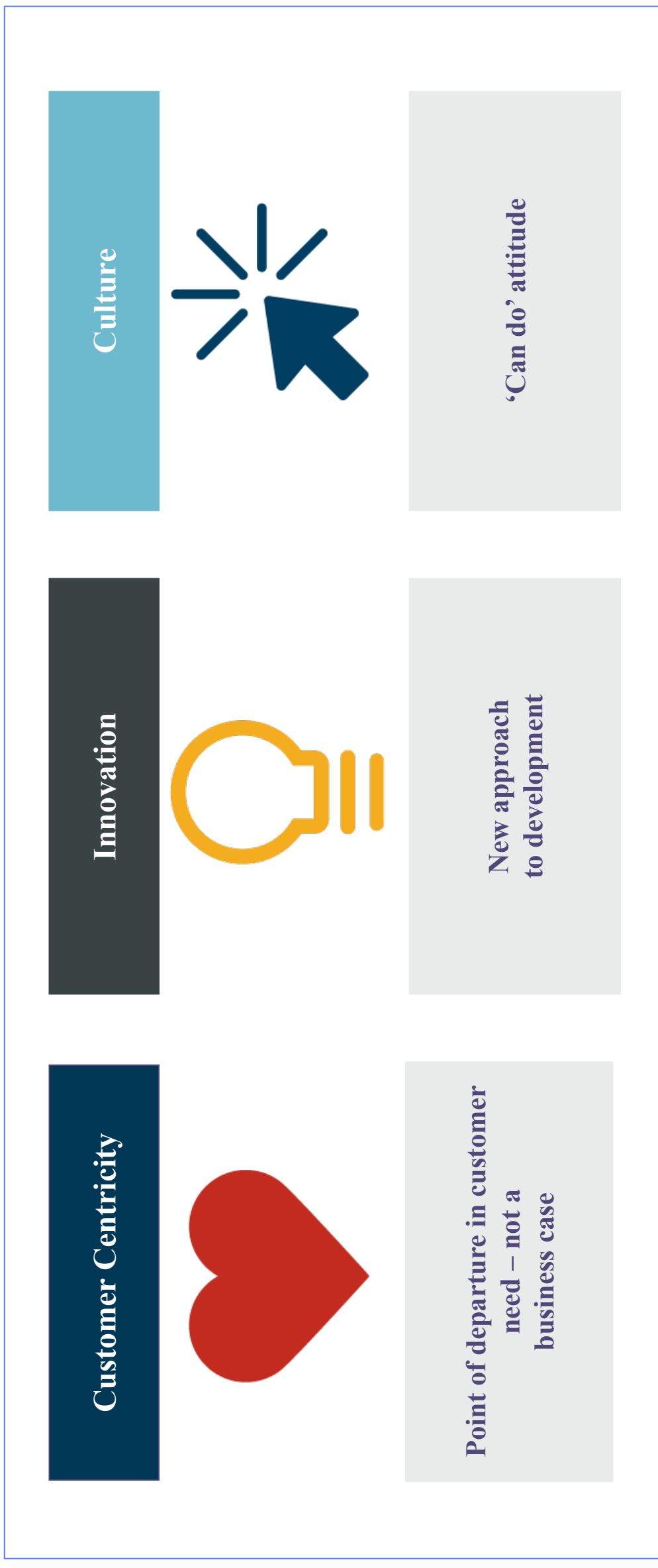
MobilePay was founded to protect the customer interface and defend and extend the role of banks in an increasingly disruptive payment landscape



A structure allowing for agility and fast time to market is pivotal in navigating the rapidly developing market landscape

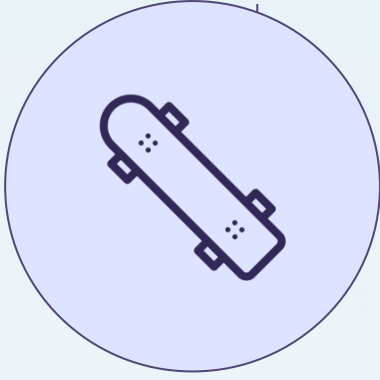


MobilePay is a test of a new organisational design while building new capabilities within digitalisation

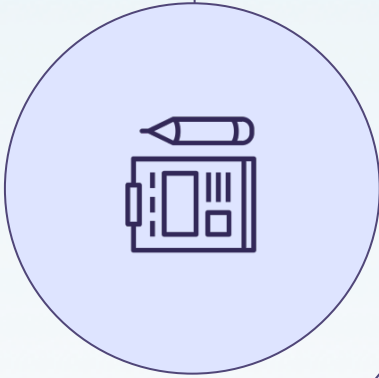


Traditional ways of working has been challenged to deliver customer focused solutions with fast time-to-market

**Minimum
Viable Product**



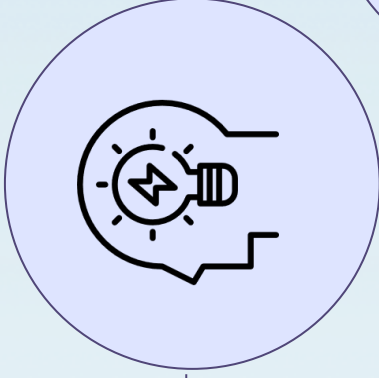
**Lots of
prototypes**



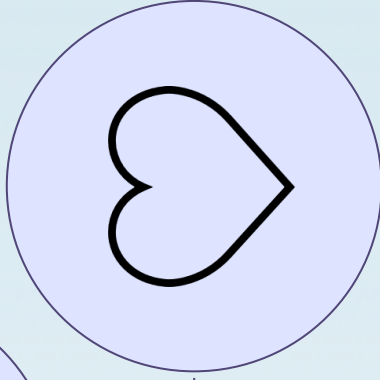
**Turn problems
in to ideas**



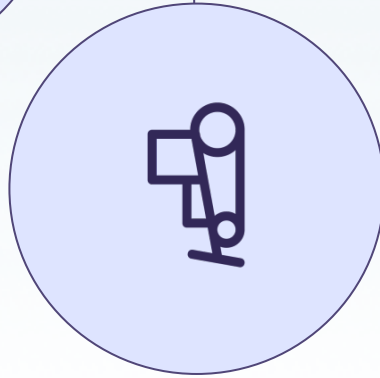
**Delegate
authority**



**Hire for
passion**

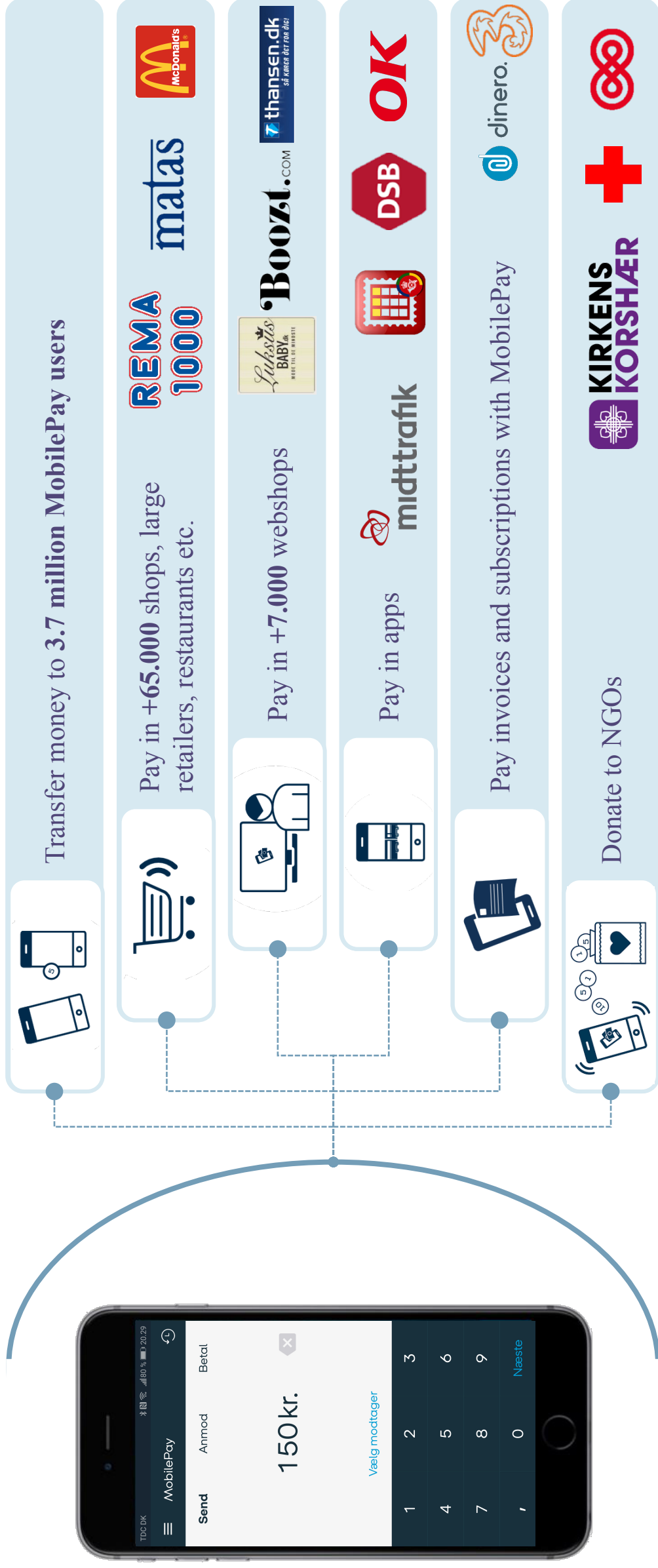


**Executive
bouncer**





Our portfolio today includes solutions centered around the consumer...



MobilePay Denmark A/S

Holmens Kanal 2-12

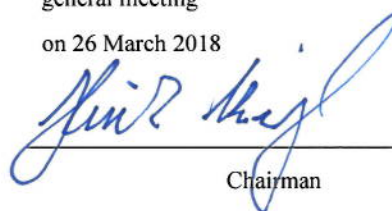
DK-1060 Copenhagen K

CVR no. 38 29 21 88

**Annual report for the period 23 December 2016
– 31 December 2017**

The annual report was presented and adopted by
the shareholders at the Company's annual
general meeting

on 26 March 2018

A handwritten signature in blue ink, appearing to read 'Jens M. Nielsen', is written over a horizontal line.

Chairman

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Company details

Company

MobilePay Denmark A/S

Holmens Kanal 2-12, DK-1060 Copenhagen K

CVR no.: 38 29 21 88

Financial year: 23 December 2016 – 31 December 2017

Date of incorporation: 23 December 2016

Registered office: Copenhagen

Tel.: +45 45 14 44 47

Internet: www.mobilepay.dk

E-mail: mobilepay@mobilepay.dk

Board of Directors

Jesper Nielsen (Chairman)

Tonny Thierry Andersen (Vice Chairman)

James Martin Ditmore

Flemming Stig Pristed

Jeanette Løgstrup

Executive Board

Mark Majgaard Wraa-Hansen (CEO)

Janne Dyrlev

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6, DK-2300 Copenhagen S

General meeting

The annual general meeting is scheduled to be held on 26 March 2018 at the Company's registered address.

Statement by Management

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of MobilePay Denmark A/S for the financial year 23 December 2016 – 31 December 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual financial statements give a true and fair view of the Company's assets and liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 23 December 2016 – 31 December 2017.

Further, in our opinion, the Management's report includes a fair review of developments in the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 March 2018

Executive Board

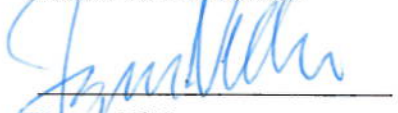


Mark Majgaard Wraa-Hansen
CEO



Janne Dyrlev

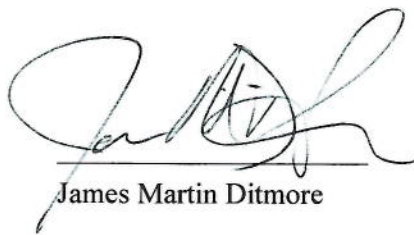
Board of Directors



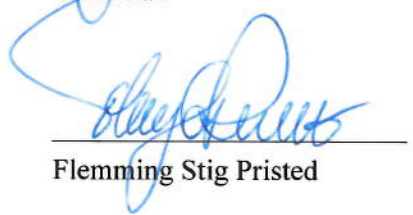
Jesper Nielsen
Chairman



Tonny Thierry Andersen
Vice chairman



James Martin Ditmore



Flemming Stig Pristed



Jeanette Løgstrup

Independent auditor's report

To the the shareholders of MobilePay Denmark A/S

Opinion

We have audited the financial statements of MobilePay Denmark A/S for the financial year 23 December 2016 to 31 December 2017, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2017 and of the results of its operations for the financial 23 December 2016 to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22 March 2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jens Ringbæk
State-Authorised
Public Accountant
MNE no 27735

Management's report

	2017
	DKK'000
Financial highlights	
Key figures	
Gross profit	-63.805
Operating profit/loss	-68.884
Net financials	1.800
Profit/loss for the year	-52.325
Balance sheet total	680.837
Investments in property, plant and equipment	0
Equity	108.175
Financial ratios	
Return on equity (%)	-48,4%
Equity ratio (%)	15,9%

The Company's financial year covers the period 23 December 2016 – 31 December 2017, which is the Company's first financial reporting period. Financial ratios are calculated in accordance with "Recommendations and Financial Ratios 2015", issued by the Danish Finance Society. For terms and definitions, see "Accounting policies".

Management's report

Business review

The Company offers mobile payment solutions in Denmark.

Financial review

Effective 1 January 2017, the Company took over the distribution of MobilePay in Denmark, including the handling of and cooperation with end-users, merchants and partner banks. In the start-up year, the Company carried a loss of DKK 52,325 thousand, which met expectations.

Events after the balance sheet date

No events have occurred in the period from the balance sheet date until today which may change an evaluation of the annual report.

Outlook

In the upstart period, the Company expects a loss also for 2018.

Income statement for 23 December 2016 – 31 December 2017

	Note	2017 DKK'000
Gross profit		-63.805
Staff costs	3	5.079
Operating profit/loss		-68.884
Other financial income	4	1.800
Profit before tax		-67.084
Tax for the year	5	-14.759
Profit for the year		-52.325
Proposed appropriation of profit		
Dividend proposed for the financial year		0
Retained earnings		-52.325
		-52.325

Balance sheet at 31 December 2017

		2017
	Note	DKK'000
Trade receivables		545.526
Tax assets	7	14.759
Other receivables		39.805
Prepayments	6	404
Receivables		600.494
Cash		80.343
Current assets		680.837
Assets		680.837

Balance sheet at 31 December 2017

	Note	2017 DKK'000
Share capital		10.500
Retained earnings		97.675
Dividend proposed for the financial year		0
Equity		108.175
Due to credit institutions		544.129
Payables group undertakings		15.949
Trade payables	6	824
Other payables	8	11.760
Current liabilities		572.662
Liabilities		572.662
Equity and liabilities		680.837
Contingent liabilities	9	
Related parties and ownership structure	10	

Statement of changes in equity (DKK'000)

	Share- capital DKK'000	Retained earnings DKK'000	Dividend proposed for the financial year DKK'000	Total DKK'000
Equity at 23 December 2016	500	0	0	500
Dividend distributed for the year	0	0	0	0
Capital increase	10.000	150.000	0	160.000
Profit/ loss for the year	0	-52.325	0	-52.325
Equity at 31 December 2017	10.500	97.675	0	108.175

The share capital consists of 21 shares of DKK 500.000 each.

The shares are not divided into share classes.

Movements in the share capital in the past five financial years:

Establishment of the Company at 23 December 2016	500
Capital increase in 2017	10.000
Share capital at 31 December 2017	10.500

Notes

1. Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act applicable to medium-sized reporting class C entities.

The Company's financial statements are part of the consolidated financial statements for Danske Bank A/S, Copenhagen. By reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has therefore been prepared.

The financial statements for 2017 are the Company's first financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, whereas expenses are recognised by the amounts attributable to the financial year.

Assets are recognised in the balance sheet when it is probable that, as the result of a past event, future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that future economic benefits will flow from the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below in respect of each individual item.

Recognition and measurement take into account predictable risks and losses occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Accounting policies (continued)

Accounting estimates and judgements

Management's estimates and judgments in respect of future events that will affect the carrying amounts of assets and liabilities underlie the preparation of the financial statements. Management's estimates and judgements are based on assumptions which Management considers reasonable, but which are inherently uncertain and unpredictable. As the assumptions may be incomplete or imprecise, and since unexpected events or circumstances may arise, making such estimates and judgements is difficult and will be associated with uncertainty.

Principles for related party transactions

The Company is part of the Danske Bank Group, which consists of a number of separate legal entities. Related party transactions are settled on market terms. Expenses incurred centrally are billed to the individual group entities as calculated unit prices based on consumption and activity in accordance with the rules on transfer pricing or at market prices if such prices exist.

Intra-group business combinations

The book value method is applied to intra-group business combinations, meaning that entities are generally considered acquired at the time when control is transferred. However, company-law transactions such as mergers, demergers, exchange of shares and asset contributions which are made with retroactive effect take effect for financial reporting purposes on the first day of the financial year. This method does not require restatement of prior-year comparative figures.

Income statement

Revenue

Revenue consists of distribution fee from partner banks and income from commercial customers' use of MobilePay. Revenue is recognised net of VAT, taxes, duties and discounts related to the sale and is measured at the fair value of the consideration determined.

External expenses

External expenses comprise expenses relating to the operation and administration of the Company's activities.

Staff costs

Staff costs comprise payroll costs, social security costs, pensions etc. relating to the Company's employees.

Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expenses as well as surcharges and allowances under the Danish Tax Prepayment Scheme.

Tax

Tax for the year, which consists of current tax and changes in deferred tax for the year, is recognised in the income statement as regards the portion attributable to the profit/loss for the year and directly in equity as regards the portion attributable to entries directly in equity.

The Company is jointly taxed with its parent, Danske Bank A/S, according to the rules on compulsory joint taxation. The current Danish corporation tax liability is allocated among the jointly taxed entities in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Balance sheet

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value less provisions for bad debts.

Prepayments

Prepayments comprise expenses incurred relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Equity

Dividend

Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity". Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date).

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities, calculated based on the planned use of the asset or settlement of the liability, respectively.

Accounting policies (continued)

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through a set-off against deferred tax liabilities or as net tax assets. Deferred tax is recognised under “Deferred tax assets” or “Provisions for deferred tax”, respectively.

The Company is jointly taxed with its parent, Danske Bank A/S. The current Danish corporation tax is allocated among the jointly taxed entities in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Liabilities

Liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Financial highlights

Financial ratios are calculated in accordance with “Recommendations and Financial Ratios 2015”, issued by the Danish Finance Society.

Financial ratios	Formula	Financial ratios express
Return on equity (%) =	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Company's return on the capital invested by the equity owners.
Equity ratio (%) =	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The Company's financial strength.

2. Acquisition of MobilePay

In 2017, the Company took over the distribution and operation of MobilePay in Denmark, including the actual handling of and cooperation with end-users, merchants and partner banks. The transfer was made by the Company's parent, Danske Bank A/S. The transfer, which took place in the form of a non-cash contribution as well as a capital increase has been completed with retroactive effect at 1 January 2017. The difference between acquired assets and liabilities (remuneration) totalled DKK 160,000,000.

Notes

	23 Decem- ber 2016 - 31 Decem- ber 2017
3. Staff costs (DKK'000)	
Wages and salaries	3.994
Pensions	594
Other social security costs	491
	<u>5.079</u>
There are no remuneration to the Executive Board or the Board of Directors	
Average number of employees	<u>5</u>
4. Other financial income (DKK'000)	
Interests, group entities	1.800
	<u>1.800</u>
5. Tax for the year (DKK'000)	
Current tax	0
Change in tax assets	14.759
	<u>14.759</u>
6. Prepayments (DKK'000)	
Prepaid expenses	<u>404</u>

Notes

	23 Decem- ber 2016 - 31 Decem- ber 2017
7. Tax assets (DKK'000)	
Tax assets at 23 December 2016	0
Adjustment of joint taxation contribution	14.759
Tax assets at 31 December 2017	14.759

8. Other payables (DKK'000)

Wages/ salaries, salary tax, social security contributions, etc.	6.237
Other accrued expenses	5.523
	11.760

9. Contingent liabilities

The company is jointly and severally liable with jointly registered group entities for the total VAT liability.

10. Related parties and ownership structure

The Company is a wholly owned subsidiary of Danske Bank A/S, Copenhagen.

The Company's financial statements are part of the consolidated financial statements for Danske Bank A/S, Copenhagen.

The consolidated financial statements can be obtained at www.danskebank.dk

Related party transactions:

MobilePay Denmark A/S has engaged in the following related party transactions (DKK'000):

	2017
Partner Settlement from Danske Bank	29.067
License and administration fee to MobilePay A/S	25.047
Internal costs to Danske Bank A/S	71.416
Interest expenses to Danske Bank A/S	1.800
Cash (Danske Bank A/S)	80.343
Due to credit institutions (Danske Bank A/S)	544.129

Further the Company has in 2017 taken over the distribution and operation of MobilePay in Denmark, from Danske Bank, see further description in note 2.

APPENDIX C

1. Please state your name and position in MobilePay (and age?)
2. How long have you been working here for?
3. What did you think when you first heard about MP?
 - a. Can you tell me about the moment where you realized this (MP) was something special?
 - b. And what about its business model - what do you think of it being free for people to use?
4. How do you see MP evolving over the next years?
5. How do you see the chances for MP to defend its market position?
 - a. how should this be done?
6. Do you see a possibility for MP to work together with other companies in order to innovate and both parts?
 - a. If yes, what kind of companies would be relevant?
 - b. What kind of value do you see this adding to not only MP but also the collaborating company?
7. How much would you say MP relies on outside suggestions for new approaches on innovation?
8. Just for the fun of it – how do you see payments in general in 10-15 years?

APPENDIX D

Søren: "We are currently these days looking at strategy for MobilePay and of course there are things I cannot share with you. But I can give you some background history that you can use to get an idea of what's happening and possibly generate some ideas for further interviews. MobilePay is 5 years old now, it was launched in 2013 as a peer-to-peer payment solution. The start point was a bit street kid-ish – you play with the other kids on the street but decide it's more fun to play on your own where you can do it faster and smarter. In order to get things moving quickly, a lot of decisions have to be made quickly, which today limits the economy and in parts also the technology of the business. And the rest is history – MobilePay won the market for peer-to-peer payments and there are 3.7 million users today in Denmark and 400.000 in Finland. So, it's a regular challenge that you cannot grow the customer base more. We can maybe get some more old people to sign up, we can lower the age limit down to 8 years instead for 13 or 15 in order for more kids to sign up – and we know parents want us to do so because they feel it's safer to transfer money over MobilePay than to give the kids cash to use in school for lunch.

After Nordea in the fall of 2016 threw the towel in the ring and joined MobilePay, the carpet was pulled under Swipp and it had to close down, resulting in some of the better employees from Swipp joining MobilePay instead. So now we totally own the peer-to-peer market in Denmark, there aren't any competition in that field. But it's not that hard to own a market, when you give away the product for free. So, the strategic challenge for MobilePay is that we have a lot of customers who do not pay anything to use the product, but that product cost us transaction costs every time a transaction is made. It is not free to run a payment, especially when you use credit cards as the foundation as we still do. Most payments still work by us going to a customer's credit card and reserving the fee and transferring and then it is cleared. It costs us around 1.25 DKK per transaction to get the money from a credit card. So, we are trying to change the process so the money is withdrawn directly from the account connected to the card. This way we can go down to under 0.30 DKK per transaction.

But it is still an issue that in a successful month with 100 million transactions costing 0.30 DKK, it is still some sort of money that we don't earn. So, the thought so far has been that we should win by transactions with businesses selling something – e.g. the coffee shop we're in right now. The product used here is called MyShop, which is a simple solution for smaller businesses. We have developed a number of other solutions – there's the point of sales solution you see in supermarkets as Meny which is in part integrated in the payment terminals available and the customer is asked if they want to pay with MobilePay. There is also the classic "white box" solution, where the box is next to the register with a QR code. Then there is the online solution, where the user is asked to pay through MobilePay on their phone and swipe to approve the amount of the purchase. There is also the subscription solution, that the company 3 uses that makes it possible to pay for your phone bill by MobilePay, and then there is the invoice solution, where it is possible to receive your invoices and pay by a swipe. With the last 3 solutions – online works very well, it's a great customer experience because it is easier than to find your wallet to pay – invoice is going to be a good solution as well, but it is hard to beat the contactless cards in the shops because it is so easy to pay for small amounts just by holding the card up. We are not going to win that battle until the day where it is more important for people to have their phone in hand than their wallet. It still feels natural to take out your wallet when standing by the cashier in the supermarket and pay.

So instead we have started looking at value added services and what these could be. And what is it actually that MobilePay has of value? Our main product is in its simplest form that you send a message to your bank – could we use this in any other way? We have a lot of information about our customers. But a lot of this information cannot be used. We cannot use personal information in that

way. But we have also gathered simple customer data. When you sign up for MobilePay, you choose what kind of customer you want to be out of three levels. In the first level, you sign up by just giving your CPR number, which is what most people do when signing up. Then we can get your name and address in the CPR register, and we get your account number and card number which we verify. So we know that person xx has an account in this bank, a card issued by this bank and lives there. This is a basic legitimization level. Then we can say to other companies, that we are quite sure that customer xx is actually called this and has this card, and if you believe this, then you can trust it. The next level is that we verify with nemID, where we check that there is a connection between nemID and CPR number.

And then finally, there is the level for when you want the big amounts available for transfer, up to 300.000 DKK a year, where you have to scan your passport and health card, which can be done in the app, and then by having the customer doing this, we have a strong file on that customer. And this fits into two tendencies in the financial spectrum at the moment. One is that there is a very big focus on "know your customer" because money laundering has gained so much attention and because terror funding is a big concern for the entire world, so there is a big focus on knowing your customers. In a good day, we will say that we have one of the best systems for knowing your customers. But it can get better. We are very interested in NewBanking and their solution for registering customers. The other thing is, that we might be able if we use other validation opportunities such as NewBanking, to go out to companies and say "we know our customers, you can trust this data you get from us. We have verified it, we know them" and this way make "verified by MobilePay" could be a product. It also hits the other big problem in the society, this GDPR issue which actually just says that the customer has a right to be forgotten. In the financial sector, we have always had to act with care around the customer data, so we have had access control and limited access to data. There are many things that are natural for banks regarding handling customer data. But the banking industry is old and have had to go from paper based to digital, so there has been a lot of paper laying around with notes on customer which they cannot have anymore. MobilePay is another generation of company, where paper don't exist, there's no paper laying here and there, everything is stored digitally about our customers. So, we are standing in another place, so we can go out and sell this ability to store data correctly and that is probably a selling point. The first case where we have done this, is ParkOne, the new parking app where you sign up using MobilePay just like other apps uses Facebook as a sign-up functionality. But if you compare to signing up with Facebook, we have validated the data. You cannot make a fake MobilePay account the same way you can make a fake profile on Facebook. What ParkOne was interested in was valid data and a payment solution. You can only pay with MobilePay in ParkOne." (A1)

Anne-Sofie: "And MobilePay can do this because they are so big in the market?" (Q2)

Søren: "ParkOne are not alone in that marked... So, they need to do something different" (A2)

Anne-Sofie: "Do you think this sort of collaboration is something you will do more?" (Q3)

Søren: "That is what we hope. We have simply made a solution called connect, which is this. We do not give ParkOne any of our data on customers. They can ask for it. Of course, when registering, ParkOne needs to register their clients in some way, but the information regarding payments will be as with MobilePay. So, they (ParkOne) can ask if they need data. They pay for the right to ask for data. They avoid having to keep track of customer data and having data stored to fit with GDPR. This

way, ParkOne do not need to know too much about GDPR and the right to have your data deleted, instead they can contact MobilePay to have them deleted/removed and this way they avoid all of the administrative regarding making sure everything is deleted. (A3)

Anne-Sofie: "And I can imagine this is something that many new companies will find attractive? Even though it will cost them money as well" (Q4)

Søren: "It will cost 4DKK per user for them to use MobilePay as validation of customers." (A4)

Anne-Sofie: "Yes, so compared to hiring a lot of people to keep track of data and developing payments systems, this is a cheaper option" (Q5)

Søren: "It is not sure that ParkOne even needs to validate their customers since they are not affected by the anti-money laundering laws, but it has some value that the identity for the customers have been verified, so they have some sort of security of getting their money. But it is also necessary that we crack the code to how we make money, so it is an interesting time to write about MobilePay. We might have more than 30.000 business customers using MyShop amongst other solutions, but they make very few transactions. Yes, it is available, but people don't use the option to pay by Mobilepay in shops. It is still the habit of taking out your wallet when it comes to paying. It is a returning discussion, a really intense discussion, how we generate an income. How long can we keep saying "we just need to build reach, we just need to be bigger", how do we get this started and make this solution that makes people realize they should use MobilePay as the primary payment option.

We have spent a lot of time discussing if it should cost anything when you sign up as a business customer or if it should cost something monthly/quarterly/yearly. In MyShop, you only pay per transaction. We cannot make money this way. But if it was priced to 60DKK per quarter, then the expenses by establishing the customer will be covered. The competition – e.g. Dankort – cost a lot more to use. But if we price it too high, then we compete with our self. Then a private person in the business will use their own MobilePay account to handle to transactions. We have discussed this for a long time. The arguments are also that we need a constant sign-up rate of new customers since this is a part of the success story and we need to go out and brag about how things are moving forward publicly. But there is also the discussion whether MobilePay needs to make money at all? Or did MobilePay do its job already by improving the image of Danske Bank. MobilePay is one of the strongest brands in Denmark these days, only beaten by Lego in one survey and Rema1000 in another. We are always in the top 3 regarding how good the Danes feel about certain brands." (A5)

Anne-Sofie: "But I guess it is also this good brand that makes it possible for you to go out and sell the name as a product as you did with ParkOne – and say, we have some value for you to gain by using our name but we need something in return" (Q6)

Søren: "ParkOne is also the first customer, that in some way has been "co-created", so it is called something in the line of ParkOne by MobilePay, we are definitely part of their branding. And this is

definitely something that could happen more – that we have this strong brand that we lend out to others. But it is a struggle to find out, how we can make money in this business.

Hopefully by entering the payment service part with our invoice and subscription solutions we get to do this. There is a lot of money to make in those areas. It is very expensive to be signed up to Betalingservice as a company, so if we can go in to that area with a cheaper and smarter solution that can be integrated with smaller finance computer programs, then small companies can send out their bills using MobilePay. They can send out a PDF with a button that is used to activate MobilePay and pay directly from there. There will be some integrations like this that can give added value in a market, where people are used to pay for the service.

We also considered transactions to people outside of Denmark, and it is possible that it is something we will make, but it is limited how much money we can make from people transferring money to friends and family in other countries. So, there are many options to expand and use MobilePay, there are just not many where it is possible for us to make money. But if MobilePay could be spread out to being more than a payment platform – because the profit pools except for invoice and subscriptions are so so – then selling data would be a good way forward because "Verified by MobilePay" could be a very strong product.

The discussion about how to make money is such a hard one because we would like to maintain our good reputation. So introducing payments for users, who are not customers in Danske Bank, is just not a solution after all. It has become a culture battle between the people who believe that if your network is strong enough, then the money will come, but also a CFO that says that we have expenses for over 200 million DKK – why not try and cover some of these. Adding commercials to the application is just not an option, so we need to figure out another way to do it.

(A6)

Interview with Pascal Francke, 15/2/2018

AS tells Pascal about the scope of the paper.

P: first of all, I think the interesting part here is, if you are innovating an organization and you come up with a success like MP, which was planned, and now you have an interesting product and you're a Nordic company so you build something for the Nordic markets, then first of all, in my opinion, when you are innovating these days, since the borders are blurring up, you are much more in a global competition so that mean that no matter what kind of solution you come up with, whatever you are innovating, my opinion is that you should always take the global stance. Because you can develop something really amazing in your local market but lacking maybe the outside. But then suddenly over time, someone else with a more global approach may be much more successful and generate more money or is able to attract more money and they build a much better setup and then eats your business (MP) and cannibalize that. One of the threats that can happen is that companies offer similar solutions such as apple pay and they might just be so much better, that even though a company has a really strong position in the Nordic countries like MP, but then a player like them comes in with a much better product or much better add-ons or a bigger user base or maybe they are going to offer different solutions like cross-border payments which makes them worldwide, then suddenly, even though you have a good product but just because you haven't taken the global perspective, you might be wiped out. So, my opinion is, that when you want to come up with an innovative solution, you should more and more think globally. If you don't have that global view and perspective, it can get very challenging.

Of course, unless the market situations are so particular for a local market that you somehow have your niche there. (A1)

AS: yes, I agree, and I think it is a good time that I am writing this thesis with Apple Pay slowly entering the market here in Denmark. I can't personally use it, and neither can you since we don't have iPhones (Q2)

P: Yes, but it all depends on how they [Apple] are going to develop their solution. Like, do they build it into an app that could work with any other device... (A2)

AS: And then someone like MP could be threatened (Q3)

P: ... or it could be Facebook, actually, that turns out to be the big threat. Everybody is on Facebook, or instagram or whatever, someone with a huge user base. (A3)

AS: Yes, like they have in China, Alipay (Q4)

P: WeChat, that has all of it together (A4)

P: that is at least my personal view: if you are innovating and coming up with those kind of solutions (FB pay), then you should have a bit more of a global perspective also. You should at least monitor what is happening in the other markets and keep an eye on those trends because if you just focus on your market, then you might be missing out that someone else is preparing something great and even better than your product that is just going to wipe you out.

The other part is, as you say, is that now MP is not profitable and generating any money. So now it is really about how you monetize on it... (A5)

AS: without it being the users paying for transactions because that will not be a viable solution (Q5)

P: ... there are so many aspects you can look into instead of making users pay for transactions to this way make money. One obvious thing is the data and utilizing the data. They are gathering so much data through the app. We also know that the use of data as fuel for technology like AI is THE key thing, especially if you have unique data. They have non-publicly available data. So this is extremely unique. So, if they can figure out a use case of how they can really use the data in a valuable way or even have it relevant for someone else, then they can monetize on the data by providing it for someone else, using the data to improve your own product or use it to improve the customer experience directly for the users. So, I think there are several ways where you could monetize on something like mobilepay without putting a price tag on it. (A6)

AS: I think them using peoples data – selling it in some sense – is something we are going to see. It is an obvious choice, but it would be cool if they could take it somewhere else. If MP became this massive platform where other companies could use their ressources (data, servers, customer base, etc) and then everything that came out of that co-operation would be called something-something by MP since they offered a platform that made it possible for company x and y to exist. (Q6)

P: I agree. And also, I think, if you think "data is the most valuable part in this" (in MP) and think how you generate even more data by opening it up, maybe creating APIs – allowing people to build on top of MP and making it valuable for a larger crowd. (A7)

AS: so instead of logging in via FB, you log in with MP and you only give your relevant information and this way you are verified as a user since MP already verified you when you signed up. (Q7)

P: I think what you can see from the development of MP, that it was first developed in Denmark and did well here, but then it wouldn't catch on in Norway because they already had another app and MP was too slow in entering there. That just shows, that if you have something interesting, then don't think local, think global and get it out there quick. (A8)

AS: Just out of curiosity, what did you think when you first heard about MP? (Q8)

P: it's quite some time ago. I don't really remember how I heard about it the first time, but it was something where someone wanted to transfer money to me. So, first it gets validated by someone in your network and then if the app provides the value you are looking for, then you start using it. It is

so easy and convenient, that you start promoting it. Not just because you work in the company, but because it is super nice to use. We started using WeShare – which is another smart way to look into other solutions and gathering more data – and promoting it to other friends. I think when people see a purpose in something, they start using it. (A9)

Kommenterede [Gæ1]: hvis MP skal bygge oven på det de har, så skal folk kunne se en mening med det, før de er klar til at bruge det.

AS: So, you work with start-ups? (Q9)

P: Yes, so basically, I'm working in a department where we develop start-up concepts. And we started out developing the hub, which is an online platform for start-ups. We are supporting them through this platform. We also go to a lot of events to promote the hub. So, we then closed the link towards the bank. We tried to find out what we as a bank can provide of value to start-ups, and have come up with a concept called Danske Bank growth so now we have around 50 people working with start-ups. We are working on a segment that we are launching in march, that is aiming towards a specific start-up sub-segment which is getting a lot attention right now and we are trying to build a digital solution to that. Which is also playing a big role in society. We are doing all of this to improve the brand of Danske Bank and supporting those companies and their growth journey, but also to monetize on it. That was not the first thing we were measured on though, which was a good thing since we wanted to be innovative. If you want to be innovative, then you often just have to test things. If you are immediately asked to make money, it will be difficult to make an innovative product. The money has to come eventually if you want to build a sustainable business.

I have worked a lot with identifying problems for start-ups to find out how we can help them and solve this. (A10)

AS: So you know a lot about start-ups and what they need? Because I was wondering if you could see any way a start-up could benefit from joining forces with MP in other ways that user volume? (Q10)

P: For sure, that's one of key things in what we see in the fintech space – that initially people were afraid and saying "now all banks are being disrupted by fintech and are going down". What we really see happening, is that is much more of a collaboration and co-creation, which is extremely challenging. So, in the Nordic market. We can see that banks are beginning to do that. It is also difficult since it is an environment we have never been in. This is requiring skills and knowledge that people don't have. What we can see now is that it is a lot about collaboration and co-creation between start-ups and corporates. Because it's really difficult for start-ups for gain a strong position just on its own. Like the with Lunarway, they have been in the market for some time now but only have around 12000 users which is not a lot. So, you can see that it is really difficult to get into the market and grow fast. We can see that if you as a bank/company collaborate, you can make a strong impact on the smaller company and wise versa. My view is that, if you as a company is really good at collaborating with the outside and wise versa start-ups with companies, then that's the strongest connection. Then the fight between start-up vs. Company, it's much more company vs company – the company that works the best with the outside is going to win. Because if you do that properly, then you are going to innovate with a speed and effectiveness that no other company can do. So I think that is the key thing, and for MP I would argue, that they should look into how they would benefit from working together with other players in the market, and how can we innovate together with start-ups. (A11)

AS: and what kind of value would it generate to work with companies from various segments and not just one? (Q11)

P: I think you really have to think outside the box and look into how a collaboration or co-creation could look like and not necessarily look into the traditional ways where you work with similar companies but look at what kind of value you can offer within MP whether it's the data, customer reach, whatever. Or maybe look into how what they can offer can be interesting for, let's say, supermarket chains. Maybe there is a collaboration opportunity there as well. They should not just look into the financial industry but look more broadly. (A12)

AS: I think that would make sense as well. There are so many places where you pay for a service or thing, where you would not necessarily think it's a natural collaboration for MP to be incorporated. I could imagine it could give start-ups an easy choice to offer a payment solution as well. (Q12)

.. talk about the thesis, if AS has come up with ideas to how MP can do this. Not relevant for the paper.

P: I would love to know from an innovation perspective, if we say data is the most important part of this, how do we set up the structure – do they have one database where everything is set in? I mean, how easy would it actually be for them to utilize their data and play with it. The architecture of it. In Uber, e.g., they have one database, which makes their data easily available and makes it easy to test new solutions. It makes it easy to use AI and test and execute an idea. (A13)

AS: interesting aspect, actually

P: I think it's quite an urgency for MP to figure out a way to make money. If I had FB pay, it would be so easy to use it since I use messenger daily. And if I could use FB pay now, then it would make it possible for me to make cross-border payments to friends and family abroad and I would start using that instead of MP. So, I see a danger in other companies offering a better solution with a better interface or even bigger customer base. (A14)

AS: I think, cross-border payments are an interesting topic but also the most urgent RIGHT now, if you look at how people spend money. Denmark is one of the places that pay the most with credit cards or apps, so MP would need to make sure that the country they are expanding too are actually some place that would pick up that kind of payment form instead of using cash. So, the countries with need the same payment culture. (Q13)

P: Personally, knowing this challenge that MP has with figuring out how to make money and keep their market position, I would be looking into many innovation concepts and invite people from the outside – start-ups, entrepreneurs, whatever – and say, "this is what we have. Let's ideate on other solutions we can come up with. Maybe you already have your own products where you can see synergies, so let's meet up and come up with something good". Essentially, they have a strong position in Denmark, so maybe they should put a stronger focus on how to develop it further and improve that with external partners and create something they can actually make money off. (A14)

AS: I agree. I don't think the payment app will get much better or different. I think the value to gain is from outside partners. It could be interesting if you many companies work together and you just get this massive app where MP is the mothership, connecting everyone. Then it would be hard to beat MP, if many small companies where relying on them. (Q14)

kDa intervieweede gerne ville være anonym, omtales han som X.

AS: Kan du hurtigt sige dit navn og stilling? (Q1)

X: mit navn er xx, og jeg sidder i vores new ventures team i MobilePay under Bo Tholstrup, som du skal tale med også. Der har jeg siddet i 2 år, og før det sad jeg i vores concepts team og så har vi splittet det op så vi sidder 3 mand i vores new ventures team. (A1)

AS: så du har været med i lang tid? (Q2)

X: ja det har jeg (A2)

AS: Hvad lavede du inden? (Q3)

X: der arbejde jeg i Tyskland for et digitalbureau, hvor jeg var med til at køre en innovations enhed op, og se på nye forretningsmuligheder for dem. Det gjorde jeg i forlængelse med min master, det var det første jeg lavede efter jeg blev færdig. (A3)

AS: Hvad var din første tanke, da du hørte om MP? (Q4)

X: jamen det gjorde jeg jo noget tid inden jeg startede herinde. Jeg kan stadig huske første gang jeg brugte MP – Jeg signede mig op fra jeg gik nede ved Sortedams dosseringen, og så da jeg kom op til Tagensvej, og så sendte jeg penge til min kammerat i krydset på vej over Tagensvej. Og der tror jeg, at femøren faldt på vej over det kryds – at man kunne gøre noget, som før havde været så besværligt så nemt. Der kunne jeg godt se, at der var noget som kom til at ændre vores måde at leve på. Især for sådan en som mig, der er det ret interessant og man begynder med det samme at se på, hvad er det egentlig for nogle sociale kontekster det her spiller ind i. Og det kunne man allerede rimelig hurtigt se den gang. (A4)

AS: Så du havde ja-hatten på med det samme? (Q5)

X: Ja, i stor grad. (A5)

AS: Hvad med at det var gratis at bruge, hvad tænkte du om det? Var du Danske Bank kunde? (Q6)

X: Nej, jeg var jyske bank kunde, tror jeg. (A6)

AS: Som det jo så hed så skulle betale for at bruge appen på et tidspunkt (Q7)

X: ja det gik der jo rygter om, og det har man jo brugt mange ressourcer på ligesom at mane til jorden. Men jeg tror hurtigt, at jeg begyndte at klø mig lidt i håret over, hvordan deres forretningsmodel kunne hænge sammen. Fordi det måtte da skulle koste et eller andet, og de skulle tjene nogle penge. Men det er jo selvfølgelig det med at sige, at det er en investering i en brugerbase og det koster noget at få brugere på. Og den omkostning ligger så i transaktionerne. (A7)

AS: Hvordan ser du, at MobilePay udvikler sig de næste år? (Q8)

X: Jeg tror lige nu står vi overfor utroligt mange muligheder og betalingsmarkedet er så - og ikke kun betalingsmarkedet men også den digitale hverdag og det miljø vi er en del af – det ændrer sig jo nærmest time for time. Så kommer der en eller anden ny spiller i det her marked, som har en ny vinkel på en value proposition, så tror jeg faren kan være at tro vi kan alt. Men omvendt kan det også være utroligt svært, og nervepirrende, at sige, det er denne her vej vi går, da man hurtigt kan lukke en masse døre ned. Men lige præcis at finde den retning for, hvor det er vi står henne om 5 år, det er svært at sige fordi tingene ændrer sig meget. Vi har ikke engang eksisteret i fem år endnu. Og man kan sige med den fart, som udviklingen har haft i de fem år, den kommer til at blive fordoblet eller tredoblet over de næste fem år. Men hvis vi skal kigge på hvor markedet er om 5 år, så tror jeg til dels at transaktioner i sig selv er jo allerede blevet en commodity, så prisen for dem vil blive ved med at blive mindre indtil de rammer et eller andet minimum, som så er det man tjener. Så der er ingen tvivl om, at for finde en bæredygtig forretningsmodel, så ligger det i de services du kan bygge rundt om selve betalingen. Nu har vi lige lanceret vores første bud på en ID løsning, og det er ikke at sidestille med sådan noget som nemID, men det er jo et simpelt alternativ og mere transparent alternativ til de her sociale sign-ins til som vi ser til de tunge IT løsninger. Der er ingen tvivl om at folks digitale identitet har utrolig stor værdi. Og samtidig kan du også kigge på nogle af de andre services rund om, gavekort og andre elementer, som kan digitaliseres men som ikke er blevet gjort det endnu, hvor vi kan gøre de her ting eller produkttyper eller spændingsfelter mere transparente og simple ved at digitalisere dem. Så er det jo klart, at når vi har den brugergruppe som vi har, at hvis vi evner at gå over den geografiske begrænsning vi har nu og ekspanderer vores brugergruppe yderligere så bliver det ståsted vi har også endnu stærkere. Også fordi vi må regne med, at du ikke kommer til at sidde herinde fra (telefonen) om fem år. Det bliver noget der er bundet op på en række biometrics faktorer eller hvor sikre på er vi at Anne-Sofie er den person hun siger hun er, og hvis vi kan være sikre på at du er den du siger du er, og du er på den lokation vi mener du er, jamen så kan vi egentlig fjerne hele betalingen og så er det (betalingen) noget der kan foregå i baggrunden. Så er det alt muligt andet værdig vi bygger rundt om. Så på den måde så tror jeg, at en betalingscentrisk løsning som MP er i dg, som er meget clear-cut en betaling du udfører, den kommer nok til at entre sig. Betalingen skal stadig være der, fordi det er et håndtag du kan trække i, men jeg tror man skal se det mere som, i og med vi ved hvem brugeren er, så kan vi trække i betalingshåndtaget. Så er det så at identificere, hvilke andre håndtag vi kan trække i. Og hvordan kan vi bruge det, at vi ved hvem brugerne er i andre sammenhænge. (A8)

AS: og det fører så lidt hen til, hvordan MP kan fastholde den unikke situation, hvor der ikke rigtig er noget konkurrence pt (Q9)

X: Altså der kommer jo de der ApplePay og FB pay, og det er klart at vi kommer til at være udfordret på den der p2p kerne, og man kan sige, at det er i det er at der ikke er nogen forretningsmodel i det for nogen. I så fald vil jeg gerne se den. Altså jo, hvis man begynder at tage penge for transaktionerne, så er der, og det kan være man kan det, men man skal virkelig levere værdi et andet sted for at folk gider betale penge for at bruge penge. Så jeg tror ikke det er der forretningsmodellen og den store trussel ligger. Altså jo, det kan blive en trussel i og med at en stor del af vores retention og engagement fra vores brugergruppe det er drevet af interaktionen mellem dig og din vennegruppe ved at du kan sende penge til hinanden. Det er det som gør at vi bliver ved med at være relevante. Det er jo stadig det, som der er mest af. Vores vægtning af de

betalingsløsninger vi har lavet bliver ved med at blive mere og mere lige, men vi er der jo ikke endnu. Det er jo noget vi har vidst fra starten. (A9)

AS: Du har været lidt inde på det, men muligheden for MP for at arbejde sammen med andre virksomheder netop for at begge parter kan innovere. Sådan noget som ParkOne samarbejdet, er det noget vi vil se mere af? (Q10)

X: Ja, det tror jeg. Det er jo igen tilbage til de håndtag jeg talte om før. Der er nogle ting, som vi er dygtige til og vi har opbygget kompetencer indenfor betalingen. Nu er vi begyndt at kunne udbyde noget indenfor identitet, det kunne også være noget loyalitet og der er nogle af de her faktorer som er relativt komplekse. Så derfor, jo tættere vi kan binde os op i samarbejde med andre services som kan gå ud og gøre det som de er gode til, jamen jo større impact får vi også. Og så kan man også sige, man skal se MP som en platform og se på, når man har så stor en penetration, hvad er det så for nogle muligheder der ligger oven på den brugergruppe og har du nødvendigvis behov for at have en selvstændig app til samtlige af de services du har i dag, hvor du har et minimalt eller meget moderat engagement for. Til den gruppering af services hvor du samtidig har behov for at kunne udføre en betaling eller der er et hvis krav for sikkerhed for at du er identificeret, så er der pludselig vægting af at sige, hvordan ligger din "effort" der skal til for at du gider engagere dig i den service kontra det udbytte du får. Hvis vi kan mindste den effort og give samme udbytte ved at du ikke skal have en eller anden selvstændig service, eller lave en begrænset flade til den service, hvor den tunge del af dit engagement er bundet op på, så kan vi levere en masse værdi. Og det, altså parkone foregår udenfor mp og det er jo fordi det at udføre en parking, det giver god mening at det er en selvstændig løsning men det er sagtens noget der kunne være en del af mp i fremtiden. Men ikke nødvendigvis. (A10)

AS: Så det kunne godt ske, at vi så sådan en samlet platform, som kunne lidt mere end bare betalinger? (Q11)

XX: jeg tror man er nødt til rent strategisk at overveje den position. Og du har jo denne her klassiske teori om at ting divergerer og konvergerer - først skal altid på nettet, så bliver alt samlet i forskellige services, derefter bundlet ind i nogle messaging services, hvilket er det der sker nu. Du er gået fra at der var en masse forskellige stand-alone sites til at det hele er samlet nu. Det kinesiske marked med WeChat er det bedste eksempel på det her, hvor flere og flere mikroservices bliver bundet sammen på en platform. Der har været mange eksempler på det på det seneste på de her chat interfaces, hvor sådan nogle som fb har gjort det utroligt nemt for tredjeparter at bygge en eller anden lille bot, som jeg kan handle med og købe biografbilletter med eller hvad ved jeg. Man kan få en automatiseret dialog lige så nemt med en maskine, som med et andet menneske nu, og så foretage en transaktion der igennem. Og det gør jo også at hvis jeg kan gøre det, så bliver mængden af services jeg har behov for at have liggende på mit device og interagere med, den bliver mindre og mindre. Fordi det andet er noget jeg mere eller mindre kan gøre on the fly når jeg har behov for det. Jeg tror helt sikkert, i og med vi har den penetration vi har, så er det en position vi bliver nødt til at overveje. Omvendt så kan man sige, går vi den vej, så følger der også en utrolig høj forretningskompleksitet med og der stilles nogle ekstremt store krav til platformen så og de integrationsmuligheder og hele infrastrukturen bag vores platform hvis vi skal gøre det. Så kan man sige, hvis du så kigger på det fra et finansielt standpunkt og kigger på business casen bag det, så er det rigtig interessant, men du når også så høj en forretningskompleksitet så man kan sige, er det en

gangbar mulighed, hvis vores brugergruppe ikke vokser? Og skal vi så kigge en anden vej, hvis vi vælger at sige, vi har det fint med vores nuværende markedsposition. Vi har det fint med at agere i de to markeder som vi gør i dag, og muligvis et til to mere. Det er hele tiden en vægtning af, hvor høj bliver forretningskompleksiteten kontra det vi så kan udbyde. Og hvor stort engagement tror vi, at vi kan skabe på baggrund af det. Det er også derfor, man kan sige det er en vej man kan gå, men der er mange muligheder og overvejelser man skal gøre sig.

MP er jo et produkt, og det vil helt sikkert blive skubbet af pinden hvis det ikke bliver innoveret. Det er jo også det man kan se med de her spillere der kommer ind på markedet – hvis man ikke formår at blive ved med at løse et pain point som pain point vi løste da vi gjorde dig i stand til at overføre til din vennegruppe på et par sekunder, så bliver vores relevans mindre og mindre. Lige om lidt, så kan jeg sige til min google home derhjemme at den skal sende penge for mig. Og så kan jeg gøre det mens jeg står og stryger min skjorte om morgenen uden at skulle røre min telefon. Det er et spørgsmål om også at kigge på, hvad er det egentlig for nogle interfaces vi skal have en presence på og hvor er det vigtigt for os at eje et interface og hvornår er det vi egentlig bare skal ligge lidt i baggrunden og udbyde en underlæggende service og så kunne være tilstedet og give dig den transparens du har brug for, når du har brug for den. (A11)

AS: hvor meget vil du sige MP er afhængig af udefrakommende forslag eller ideer til hvordan man kan innovere? (Q12)

X: det er klart, at der skal stå en spiller på hver side af banen før en kamp og noget synergi opstår. Det vi leverer og det eneste vi kan levere som en selvstændig enhed det er vores p2p betaling. Vi kan ikke skabe værdi alene end på det grundlag. Derfor er vi også nødt til, at hver gang vi laver noget, at have partnere med os. Derfor vi hver gang vi lancerer noget, så siger vi "det her er en pilot, det er noget vi tester af" fordi vi har fundet nogle partnere ligesom parkone, ligesom 3 og de øvrige partnere vi har på da vi lancerede vores abonnement løsning, og hvis vi ikke sammen med dem kan finde et behov og et hul i markedet, så er der heller ikke noget behov for at bygge produkter og lancere. Så vi vil ikke kunne eksistere uden denne her synergi, og det er jo også klart, i og med vi har den størrelse vi har nu i hvert fald i dk, så bliver vi også mødt med utrolig mange forslag. Det er også derfor at det kan være svært nogle gange at finde ud af, hvor vi skal lægge os hen. For der er utroligt mange muligheder, og der er rigtig mange som har taget på, hvad mobilepay er, hvad mp kan være og gerne vil ind og have en del i det engagement vi allerede har med den danske befolkning. Det er også derfor at det er så utroligt vigtigt for os, det at vi bliver approcheret og kommer til at have partnerskaber med udefrakommende eller med andre spillere i markedet, det er et given for at vi kan eksistere. Hvis der ikke er nogle, som vil lege med os, så kan vi lige så godt lukke butikken. Der hvor det bliver svært, det er at vurdere: hvis vi gør x, kan vi så også gøre y og hvad så med z og hvordan ligger vi ligesom en strategi for at sikre der er en vis sammenhæng i de beslutnings- og udviklingspositioner vi tager, da vi jo ikke har uendelige midler til rådighed. (A12)

AS: kunne man forestille sig at man på en eller anden måde havde to virksomheder, som MP havde sagt god for eller lavet noget med, at det kunne også kunne skabe værdi - nu får vi glæde af jer, i får glæde af os og en masse gavn og værdi der kører i ping pong rundt (Q13)

X: ja, det tror helt sikkert. Det er jo sådan en klassisk man in the middle – hvis du har en part der og en part her, hvis vi så kan forbinde de to. Det er jo et felt vi ikke er gået så meget ind i endnu, hele det der b2b del, men det er der uden tvivl også en lang række muligheder indenfor især hvis du kigger på mindre erhvervsdrivende. Det er jo klart hvis du kan simplificere samhandlen mellem to mindre erhvervsdrivende, og gøre at de også kan slippe for at sidde på deres netbank når de skal betale deres fakturaer, så kan du virkelig også skabe noget værdig og i modsætning til når man laver p2p betalinger, så er det jo også en værdi du kan begynde at tjene nogle penge på. (A13)

AS: Hvad hvis det ikke skal være betalingsorienteret – vi siger, at MP har tømt hele puljen, der hedder at innovere betalinger endnu mere. Det er hvad det er. Hvordan tænker du så, at man som virksomhed kunne genere en form for andet produkt at gøre gavn af? (Q14)

X: Der tror jeg sådan noget som vores identitetsløsning er et godt bud. Netop fordi der kan vi skabe noget værdi for slutbrugeren i og med vi løser et relativt stort pain point når du skal signe up til en eller anden service og egentlig også holde styr på, hvad det er for nogle services du har signet op til og hvad er det også præcis for nogle data du deler med de her services. Og der er rigtig meget i forbindelse med den kommende lovgivning som vi kan og skal gøre. Men der har du et helt klart bruger pain point ved det. Omvendt kan man sige fra et forretningsmæssigt perspektiv og vores partners perspektiv, er et af de steder hvor du har de største clashes i digitale løsninger er der hvor du har de største udfordringer er faktisk at få brugere ind i folden. Når en bruger sidder og skal onboardes til en ny service, så aner du ikke hvad det er, om de giver en værdi om du stoler på denne her service. Hvis du kan dele din identitet via part du har nogenlunde tiltro til, så er hele barrieren ved at få brugere inde i folden mindsket markant. Og det er jo klart noget mange partnere ser stor værdi i. (A14)

AS: ja og kunne udnytte MP gode ry – at man stoler på det? (Q15)

X: ja og også bare at du ikke skal igennem hele møllen med at taste dine ting ind manuelt fordi det er der bare ingen der gider. Og halvdelen af de oplysninger vi giver, er halvdelen af gangene meget mangelfuldt. Og det kan man sige, det er det nogen virksomheder må leve med, hvis du ikke er sikker på at du vil give dem dine informationer, men omvendt i de scenarier hvor man har god tiltro til den service du signer op til, hvis vi så kan gå ind og give dig noget ekstra tiltros "rammeværk" til servicen, så har vi en rigtig fin case. Og hvis vi samtidig kan tilbyde dig noget transparens efterfølgende, så er det jo endnu bedre. Så man kan sige, det er et felt. Så tror jeg, du kan jo se på vores gamle bonus og medlemskabsløsninger som er tidlige forsøg på at skabe de her transaktionsrelaterede services som er baseret rundt om betalingen, og jeg tror tanken har været rigtig fin. Vi har nok forsøgt lidt for tidligt, og derfor skal vi give det et skud mere fordi de er lidt lanceret i en meget meget tidlig beta, og så har man ladet dem have det liv de nu en gang havde i det stadie. Og jeg tror vi alle sammen kan kigge tilbage på store og succesfulde produkter i dag, som fik en rocky start. Så især indenfor hele loyalitet og medlemskabssfæren og det space, der vil det være naturligt for os at kigge ind i fordi det ligger så tæt på betaling som det gør. Men der er også meget værdi at skabe, som stadig er uudnyttet marked. Og vores første bud på det var ikke særlig fikst. Så det kan gøres meget bedre. Og hvis vi satte os ned i dag, så kunne vi også lave noget der slog det med længder. Men det er igen et spørgsmål om, hvor man prioriterer sin energi. Der er en hel

del meget nærliggende felter, som vi kan gå ind i rundt om betaling. Men vi skal stadig bevæge os relativt tæt på den der transaktionsbaserede kerne. (A15)

AS: Nu nævnte du selv den kommende lovgivning og data – tror du, at det kunne være en forretningsmulighed? At sælge folks data (i den udstrækning man må) (Q16)

X: Det er jo hele tiden et samtykkespørgsmål fra den enkelte bruger. Og jeg tror den lovgivning vi kigger ind i nu kommer til at give så mange organisationer så store problemer med at leve op til compliance krav og regulationer, så det med at alle organisationer bare hoarder så meget data på os som de overhovedet kan komme i nærheden af, det kommer ikke til at ske i fremtiden. Jeg tror vi kommer til at se en kurve, hvor lige nu indsamler vi så meget data vi overhovedet kan på folk, og det kommer stille og roligt til (i takt med at vi kommer til ved 25. Maj 18) at virksomhederne begynder at blive opmærksomme på at de ikke skal hoarde så meget data som de tidligere har gjort, og i takt med at kurven for hvor meget data der indsamles fra virksomhedernes side af falder, så stiger brugerens forståelse af hvad det egentlig er der foregår kommer til at ske. Og der vil komme et skæringspunkt omkring 25. Maj og så kommer de første cases hvor organisationer uden styr på det data de har liggende og hvordan de bruger det og brugernes rettigheder kommer frem i lyset. Og lige så snart organisationer begynder at få de bøder her, så kommer der et skifte i mindsettet omkring adgangen og brugen af individets data. Og kan du sætte dig i en position, hvor du kan broke det i et eller andet format og skabe kontrol for individet og let adgang fra organisationen, så tror jeg du sidder i en rigtig stærk position og der er meget værdi at skabe i det. Det er svært nu, fordi der er relativt meget af lovgivning som ikke er sådan helt på plads og tydeligt. Der er mange organisationer som har svært ved et fordi det er lidt forvirrende og mange steder, som ikke har forstået omfanget af det endnu. Der kommer til at ske et skift i bevidstheden for befolkningen, og hvis vi kan skabe værdi i det space, så har vi en rigtig god case. Det er også svært og vi skal gå med baby steps og det er ikke første gang, men anden gang tilliden bliver brudt - så er du done og der er ikke mere at komme efter. Det er også derfor det ikke en stor kanon vi bare kan køre i stilling og skyde af, det er ikke det oplagte valg for MP at gå denne vej. Fordi der er en milliard ting der kan gå galt, og konsekvenserne af dette er for store. Det er ikke det samme som en transaktion der fejler. (A16)

AS: det var også mere fordi jeg tænkte, at MP ved en masse om deres brugere, men de ved ikke en masse irrelevante ting – de samler ikke data op omkring hvad jeg søger på på nettet – men jeg kunne bare se det som noget oplagt at MP ved hvad de har af data på deres kunder, de har sagt god for personen og de ved hvordan data er opbevaret og på en eller anden måde bruge/sælge/hjælpe andre med det. (Q17)

X: ja eller lave fine modeller for hvordan vi kan give adgang til det. Og det er klart. Der ligger en stor værdi i det, netop fordi vi har den mor vi har og er en del af den sektor vi er, så har vi også en forpligtelse til at vide at jeg er den jeg siger jeg er, du er den du siger du er osv. (A17)

AS: Ja på fb kan du lave mange forskellige profiler med falskt navn og billede og agere fuldstændig tosset uden nogen konsekvenser. Man har bare ikke samme muligheder i MP. (Q18)

X: nej og det er noget vi hele tiden bliver ved med at se på. Vores identitetsniveau da vi startede var jo lidt småshaky - du skulle indtaste dit cpr nummer, men i og med vi bliver dygtigere og dygtigere og sikrere og sikrere på at identificere vores brugere og faktisk vide hvem de er, men i og med at vi har rimelig nemt ved at identificere de fleste parter og kan følge alt der foregår af fraud osv., og værdien

af at vide at det her, det er anne-sofie, det er rigtig højt. Men igen, det stiller et stort ansvar for, at vi kan behandle den transparent og det rammeværk vi skal stille for vores tredjeparter, der kræver det også at de er indforstået med at de har en høj forpligtelse til at leve op til en ordentlig behandling af brugernes data, som de får adgang til. (A18)

AS: jeg tror vi har været godt omkring. Men bare lige det sidste, bare for sjovs skyld, hvis du nu glemmer at du arbejder her og ved noget om betalinger. Hvordan tror du så betalinger ser ud om 10-15 år? (Q19)

X: har du set amazonGO? Det tror jeg er fremtiden. Der har du stadig et smart device, som snakker sammen med censorerne på varerne og du kan bare hive varerne ned fra hylderne. En ting, som amazon er gode til, det er at tage deres egen teknologi og gøre det til et produkt. (A19)

Du kommer altid til at have et element af fysisk handel.

Men sådan noget med at handle som i amazonGO – du kan ikke gøre det uden at de ved hvem du er – din identitet er stadig ekstremt central for at de kan levere den convenience. Ellers falder hele systemet sammen.

Interview med Emilie

AS: kan du start med at fortælle dit navn og stilling her hos mp? (Q1)

E: Jeg hedder Emilie og jeg er senior digital designer og har arbejdet her i lidt over et år (A1)

AS: hvad tænkte du første gang du hørte om MP (Q2)

E: første gang jeg blev introduceret til MP var en rigtig fin sommerdag ved kanalen ved Christianshavn, hvor jeg lige havde købt noget tapas med nogle venner, og så sad vi der og så spurgte de om jeg havde hørt om MP og tænkte først det lød bøvlet og nåede lige at blive lidt irriteret over at jeg skulle sæt mit kort ind og mit cpr, men da jeg så var onboardet og jeg lavede min første overførsel, så tænkte jeg "det er genialt det her". Så det var min MP-historie. (A2)

AS: så efter de 3 minutter kunne du også se at det kunne noget og det var noget særligt. (Q3)

E: Men så gik der alligevel noget tid, og det næste store øjeblik var på julemarked forrige år, hvor det pludselig gik op for mig at du kunne betale med MP i alle boder. Det var der, hvis vi skal se på innovationsdelen, at jeg begyndte at synes det var sjovt. Fordi så lige pludselig var der en masse situationer, hvor man aldrig havde kontakter fordi det har ingen længere, hvor man kunne betale og pludselig blev der lavet noget professionelt i det rum som ellers bare været ret casual. Nu har alle jo MP på loppemarkeder og lignende, og det er blevet måden man betaler på. (A3)

AS: hvad tænkte du om forretningsmodellen med at man ikke betalte for det? Var du Danske bank kunde? (Q4)

E: nej det var jeg faktisk ikke, jeg var i jyske bank. (A4)

AS: så hørte du også den med, at det skulle koste penge for dig på et tidspunkt. Hvad tænkte du om det? (Q5)

E: det tror jeg stadig huserer. Jeg tror hele tiden jeg tænkte, at de skal nok finde en eller anden måde at tjene penge på. Om det så bliver direkte pr transaktion eller indirekte at jeg skal betale som bruger, men jeg er lidt biased fordi jeg har altid kun arbejdet med IT og forretningsmodeller omkring IT og jeg ved jo godt at det er en stor maskine det her, og den kører ikke sig selv og der er rigtig mange mennesker med til at få den til at køre og jeg ved godt man som slutbruger sidder og tænker "ej skal jeg betale for det her" men hvis du vidste, hvor meget arbejde der ligger i at du bare lige overfører nogle penge. Ja, så jeg har nok altid vidst at der måtte være en forretningsmodel for det her. Så det var okay hvis jeg skulle betale for det. Og det synes jeg stadig at det er. (A5)

AS: Hvordan tænker du, at MP vil udvikle sig de næste par år? Og du må tage lige den vinkel på det, som du vil (Q6)

E: jamen jeg tror der er sindssygt mange mulige baner, som man kan tage. Så det kommer helt an på øvrige spillere på markedet, på potentielle lovmæssige ændringer, på muligheder for at kunne gå internationalt og finde partnerskaber udover Danmark, det kommer an på hvad det er for nogle typer lokale og nationale produkter vi vælger. Så det er virkelig spændende, at der er så mange veje og der er nogle variable som man ikke kan forudsige. Men mulighederne er mange. (A6)

AS: ja det er jeg enig i, så det er bare om at finde de rigtige. Så tror du MP har en god chance, hvis det rigtige fokus findes, for forsvare deres markedsposition hvor der ikke er så meget konkurrence? (Q7)

E: Jeg tror der, hvor mobilepay har tilsjusket sig en fantastisk position, det er at den har vundet p2p markedet i Danmark. Det er så hvad det er, det er ikke vildt stort. Men som konsekvens af det og den måde det er begyndt at være integreret i det her – det er ren disruption hvis vi skal snakke innovations sprog – loppemarkeder, julemarkeder og tombolaer på skoler. Det er en rigtig disruptive strategi, hvor MP er kommet ind i periferien af betalingsmarkedet hvor det ikke er ren p2p, men den der gråzone mellem p2p og c2b betalinger. Og ved at komme ind i gennem der er folk blevet mere vant til at betale med MP og så lige pludselig, så begynder vi at rykke ind i mainstream også med andre merchants og i det hele taget måden vi betaler på i samfundet. Så man kan sige, den der bro mellem både at være en ret simpel app og nu ved at være dybt integreret i vores betalingsinfrastruktur, den er der faktisk ingen andre – heller ikke på andre markeder – der har. Så enten er de top-op løsninger eller en løsning, hvor du faktisk har en slags kort i din mobil, og de piller ikke rigtig ved den bane MP befinder sig i og de disruptive steder hvor MP faktisk har skabt betalinger som ikke var der før. Men noget af det der gør, at vi i Danmark – hvis vi siger over en femårig horisont - så tror jeg den er sværere at pille ved end man skulle tro selvom der kommer store spillere ind fra højre og venstre og de kan meget mere og kan udvikle meget hurtigere end vi kan. Men de har ikke den der connection fra slutbrugere og ind i vores infrastruktur. Så er der også hele betalingsinfrastrukturen hvor vi har alle de der 66 banker. Så vi sidder lidt i smørhullet mellem bankerne og de forretningsdrivende, de casually små forretningsdrivende og slutbrugere og lige den smørhulspostion, den tror jeg er sværere at skubbe os væk fra en man lige skulle tro. Så som app er vi da umiddelbart "easy pickings" for sådan nogen som apple og facebook, men fordi vi står i den smørhulspostion som vi gør, så bliver det lidt sværere. (A7)

AS: hvad tænker du om chancerne for – hvis vi antager at betalingerne er som de er, de kan ikke forbedres – men MP skal jo også gerne tjene penge på et tidspunkt. Hvad tænker du om at MP går ud og samarbejder med andre virksomheder? Som fx ParkOne, og mulighederne for at innovere for begge parter ved at gå ind i sådan et samarbejde (Q8)

E: jeg tror det er en meget fundamental del af det udviklingsarbejde man har haft indtil videre, så jeg tror et stort samarbejde som virkelig har fungeret indtil videre er sådan noget som DSB appen, hvor man har en meget integreret del med DSB logo i swipe knappen, så store partnerskaber er en fantastisk innovationsmulighed for os. Det der så er udfordringen ved sådan et partnerskab er, at man bruger rigtig mange ressourcer på en integration til lige netop den partner og det vil sige, at det faktisk skal være en rigtig stor partner for at det giver mening. Og det vi nogen gange er kommet lidt til er faktisk at lave de der integrationsløsninger, som er rigtig svære at give til andre. Så ja, jeg tror vi kan innovere i partnerskaber, men jeg tror ikke det er det der får os til at overleve i længden. Jeg tror, at hvis vi kan finde ud af at innovere med partnere og så omdanne de innovationsprodukter eller resultatet af de processer til nogle generiske produkter, som vi kan tilbyde til andre partnere så tror jeg det har en stor værdi. t

F.eks. vores online løsning, som tilbydes landets PSp'er som leverer betalingsløsninger til landets hjemmesider, det sælger som en ret solid kanal i forhold til at få sendt et salgsprodukt ud som vi faktisk tjener penge på, og hvor det er helt naturligt for kunden også at betale med telefonen og hvor onlineforretningen selvfølgelig betaler for den betalingsmetode de har valg ligesom de betaler

for NETS. Så partnerskabsudvikling i den forstand at vi kan få det omsat til nogen generiske produkter. (A8)

AS: lad os sige, at du er en lille ny virksomhed. Hvad værdi ville du synes der var ved at blive kædet sammen med MobilePay? Hvad kunne værdien være for MP og for dig? Hvis vi ser lidt bort fra det med at tilbyde en betalingsløsning, men tænker at det skal blive noget lidt større end det. (Q9)

E: Jeg tror i første omgang, at hvis mine brugere gerne vil kunne betale med MobilePay, så må jeg jo kunne tilbyde det. Meget af det er brugerdrevet, som så nok også har noget med brandværdien at gøre og selvfølgelig også afhænger af hvilket segment man går efter. **Jeg tror den umiddelbare værdi for den lille forretningsdrivende er, at de kan have det samlet og en nem løsning, hvor MyShop appen er på deres telefon og så skal de ikke ud og investere i en betalingsautomat eller i et eller andet andet.** Når det så er sagt, så er det et område vi kan gøre meget mere og hvor vi kunne tage en større bid, apropos hvor vi kan tjene penge henne. **Hvis vi havde en større del af forretningsdrivende betalinger, så kan vi også gøre mere ved det. Selvom det kunne være smart at tilbyde en løsning, hvor den lille forretningsdrivende kunne lave regnskaber, tracking og data på deres brugere, så er problemet altså bare at lige nu er vi bare en del af betalingsmarkedet. Det vil sige, vi ville kun repræsentere en del af deres kundedata, og en forretningsdrivende vil gerne have det store overblik over hele sin kundebase. Det er lidt sådan en push-and-pull, fordi jo mere vi kan tilbyde den lille forretningsdrivende, jo større sandsynlighed er der også for at de vil pushe betalinger med MP for deres kunder, men omvendt så kan vi meget sjældent dække alle deres behov.** Fx forretninger som sælger til turister – turister kan ikke betale med MP. Så det kan ikke være den eneste løsning, fordi ellers har du pludselig lukket for en stor indtægtskilde. Så lige nu kan vi ikke dække hele merchant brugerbasen, og fordi vi ikke kan det, kan vi ikke levere en fuld dataanalysepakke til dem. (A9)

AS: det var også det jeg havde tænkt: man havde en "data by MP" - en måde man opbevarede data, hvor der var styr på gdpr og så gå ud og sige til den enkelte mekaniker, at vi står for alt dataopbevaringen – vi har det i forvejen fordi de er verificerede som brugere, så du skal ikke tænke på noget udover at betale for det. Du kontakter bare os, når du skal bruge noget. (Q10)

E: Vi må ikke sælge vores brugeres data. Vi må godt tilbyde, så længe brugere siger consent til at vi godt må dele, så kan vi godt sælge og dele folks data. Men det vil da være nemt hvis man som kunde ved, at en lille virksomhed (fx en mekaniker) har alt ens data fra MP, og de så derigennem kan sende en regning. Det der så er næste skridt er hvis mekanikeren vil bruge den data til at lave analyse og forstå sin forretning bedre, og det tror jeg klart der er et kæmpe potentiale i. Men der er vi ikke lige nu. (A10)

AS: men det var også på sigt, for at udforske idéen om alternative produkter for MP, som på mange måder er et simpelt produkt (Q11)

E: Kender du iZettle? Det er svensk og blevet kæmpestore og noget af det de kan, det er at de har hele merchant delen. MP er rigtig gode til slutbrugeren, og lave den gode p2p betaling og god aktivitet mellem bruger og merchant. iZettle derimod, de har hele pakken hvor man kan indtaste lager, salg, og det er helt klart nogen vi er inspirerede af i forhold til at se, hvor meget og hvor lidt af den værdikæde vi skal eje. Det er lidt det samme som Apple – de har bare valgt at sætte sig helt

yderst og sige "vi har en super god nfc teknologi som gør at du betaler robust og den er helt vildt let genkendelig. Alt andet, we don't care". (A11)

AS: hvor meget vil du sige, hvis vi har den samme fokus på at det at genere noget værdi som ikke er betalinger for MP, hvor meget er MP så afhængige af udefrakommende forslag fra andre virksomheder eller brugere? (Q12)

E: Altså jeg tror altid at udefrakommende ideer er velkomne, og jeg prøver at vi får kørt nogle hackathons og de der inspirations processer er meget vigtige, og vi skal til at køre en række bruger workshops for netop at holde os opdaterede og fokuserede på, hvad er det vores brugere godt vil have. Men vi har også vores sælgere i forhold til merchants, og de er ude og høre hvad det er de godt kunne tænkte sig at man kunne med mobilepay og jeg tror at vi lige nu er i en meget privilegeret tilstand, hvor alle gerne vil arbejde med os og alle kommer med idéer til os. Så vi skal prøve at sortere i hele denne her idéstorm som vi alle sidder med, og hvordan kan vi bygge det ind i hvad vi har og flytte den brugeroplevelse der allerede er. Vi har haft nogle tiltag (bonus og medlemskabsløsninger) og vi har lavet nogle MVP'er (??) og de er ikke rigtig blevet adopteret af slutbrugerne. Og vi skal finde ud af, ud af de 10000 forskellige ideer, hvilke giver så bedst mening skal bo inde i appen og hvad er det for en funktionalitet som appen egentlig skal kunne. For det skal give mening for slutbrugeren, for hvis de ikke bruger den, så kan vi nok så vel lave en fin løsning for merchants, men uden slutbrugeren er det lige meget. Hvis de ikke adopterer det, så dør det. (A12)

AS: hvor tror du, for sjovs skyld, at betalinger er om 10-15 år? (Q13)

E: jeg tror de er mere integrerede end de er nu. Mere og mere seamless, lige som med uber. At du ved, at der er nogle andre der nok skal ordne det for dig. Betalinger skal bare være der. Men købsoplevelsen og hvordan man har en relation til forretninger, der kan der være noget at hente. (A13)

AS: Kan du starte med at sige dit navn og hvad du laver her hos MP? (Q1)

B: Jeg hedder Bo Tholstrup, og jeg sidder som chef for et lille team som vi kalder for new ventures og det vil sige det egentlig er et team som ikke har noget ansvar men prøver at kigge på, hvad det er der sker rundt omkring i det her payments marked som er ret frakmenteret lige nu og der mange bolde i luften og rigtig mange spillere, som prøver at finde ud af hvad der er ved at ske og vores position i forhold til det. Så derfor er det ikke et marked som er steady, men et marked hvor der sker rigtig meget. Og derfor er det vigtigt at vi har ører og øjne åbne for både hvad der kan være af trusler, men også hvad der kan være af muligheder og enten finder ud af, hvad vores holdning til det eller hvordan agerer vi på denne her mulighed. Det er vores job, og det betyder så at nogle af de andre i vores enhed ikke behøver løbe rundt og forholde sig til alt mulige mærkelige ting, så vi laver ligesom den første vurdering af det og hvis det er noget som er interessant, så inddrager vi de andre i det. (A1)

AS: og jeg kan forstå, at du har været med fra begyndelsen af MP? (Q2)

B: ja, så jeg blev ansat i Danske Bank i foråret 2012 og i efteråret 2012 besluttede man sig for at lave en eller anden løsning, hvor man kunne overføre penge mellem personer, en p2p løsning. Og lidt ved et tilfælde blev jeg inddraget i det og blev projektleder for det, så sad jeg sammen i starten med to andre gutter og prøvede at finde ud af, hvad vi skulle gøre ved det. Inden da var der blevet lavet en lang analyse i det her marked i forhold til hvad man gør rundt omkring i verdenen, hvad gør man i Afrika, hvad gør man i England og USA, hvad kunne vi gøre hvis vi gik ind i det her. Så det var en meget stor markedsanalyse og en meget stor business case på det, som i bund og grund sagde "Start med p2p, få en masse kunder og begynd derefter at lave løsninger til butikker og så lave alt det andet". Det var meget groft det vi skulle gøre og vi har overordnet overholdt den plan, men vi har også lavet nogle pletsud i takt med at vi har bygget os frem fordi man bliver klogere i takt med at man arbejder med det det. Så den løsning vi har lavet nu, er egentlig meget anderledes end den løsning man først havde forestillet sig. (A2)

AS: Hvornår indså du, at MP kunne noget – at det var noget særligt? (Q3)

B: Jeg tror jeg har 2 tidspunkter. Det første var faktisk inden vi lancerede det, da vi begyndte at have nogle prototyper og jeg kunne se, at det her godt nok var smart. Man bliver altid lidt forelskede i sine egne idéer, men i takt med at vi begyndte at vise det for andre - på et tidspunkt lavede vi en prototype som vi gav til vores direktion så de kunne løbe rundt og lave betalinger på gangene og vi kunne bare se, hvor begejstrede de var for at skyde 1 krone af sted til hinanden. Vores jurister, som udgangspunkt altid er skeptiske og ser huller i osten, de var begejstrede. Så allerede der vidste jeg at det var ret interessant. Jeg vidste ikke at det ville blive så stor en succes. Så det kan man sige var det første tidspunkt. Det andet tidspunkt var så den dag vi lancerede hvor vi fik 28000 downloads den første nat/aften, hvor det bare spredte sig som en steppebrand. Og der vidste jeg, at det ville blive meget stort og vi havde slet ikke regnet med at det ville blive så stort hurtigt. Så det er sådan to steps. (A3)

AS: Nu har vi været lidt inde på hvordan det startede – men hvad er din MP historie indtil nu, hvad har du lavet og hvad sker der måske 5 år frem? (Q4)

B: det tror jeg ikke jeg kan for jeg tror helt seriøst ikke, at der er nogen der for fem år siden havde regnet med at vi ville stå her og derfor tror jeg heller ikke at der er nogen der har nogen som helst idé om, hvor vi er om 5 år. (A4)

AS: 5 år er måske også lige langt nok ude i fremtiden – det er mere, hvad skal der ske nu? Hvis vi antager at betalinger er hvad de er - så skal der måske tænkes lidt anderledes for at der kan komme nogle penge i kassen så MP også kan eksistere i fremtiden. Men hvis vi nu starter med frem til nu, og så kan vi komme tilbage til resten senere. (Q5)

B: Så dit spørgsmål var, hvad jeg har lavet undervejs? (A5)

AS: Ja (Q6)

B: I starten var jeg forretningsmæssig projektleder på det her, der var en IT-projektleder og vi to var makkerparret som kørte det her, og vi havde så mulighed for at trække på forskellige folk. I starten var vi meget få - 3 mennesker – men jo tættere vi kom på lanceringen, jo større blev projektgruppen. Jeg tror inden vi nåede lanceringen havde vi involveret 100 mennesker. Så det blev et meget stort projekt undervejs. Men selvfølgelig var det ikke fuldtidsallokeret personer, så det var hvad vi kunne trække af folk i forskellige faser af udviklingsprocessen, så vi trak folk ind fra jura på nogle tidspunkter, fra kommunikation, fra presse, eksperter inden for betalinger osv. Vi brugte også nogle eksterne underleverandører. Så der var jeg projektleder på det og det var jeg så egentlig frem til 1 år efter lanceringen, så et halvt år før og et år efter lanceringen. I det sidste år arbejdede vi meget på at få skabt en mere permanent ramme og organisation på det. For når man har et projekt, så tiltrækker man en masse mennesker for at løse projektet og når det så er slut, så forsvinder de. Vi havde lavet et produkt der var anderledes, IT as a service, så vi var nødt til at have nogle folk på. Så vi sad egentlig meget få mennesker, 3-4 stk, som håndterede et produkt som havde flere kunder end Danske Bank. Vi havde over en million kunder til sidst. I sommeren 2014 fik vi endelig skabt en permanent rolle fra Danske Bank så vi ikke længere lå som et projekt nede i personal banking, men blev vores egen separate forretningsenhed. Marc, som er MP direktør i dag, han kommer så til der. Han har erfaringer med tidligere dele af banken der. Og det det gik om på det tidspunkt var at få koblet de her erhvervsprodukter på. Og fordi han havde siddet i erhvervsdelen af banking havde han en masse netværk indenfor det område som han kunne få til at købe sig ind på denne her ide. Så det var rigtig godt set. Vi fik også fastsat nogle flere ressourcer på det tidspunkt og skabt noget mere lydhørhed overfor at der skal bruges flere penge og ressourcer på MP. Man kan ikke bare lade den køre, for så mister man den. Så det var rigtig godt. Så da han kom til, var jeg nok rimelig bleg fordi jeg havde siddet og prøvet at holde styr på de her ting uden at have haft det rigtige mandat til det, så det var rigtig fint. Så sammen med Marc bygger vi en enhed op, hvor vi i starten kun var en lille håndfuld men i dag er 60 mennesker. I starten havde jeg ansvaret for et team der havde fokus på privatbrugerne, så havde jeg ansvaret for det vi kaldte for nye koncepter på samme tid. Nu sidder jeg så og har rykket mig lidt på siden af MP og sidder og scouter lidt mere. Så jeg er gået lidt tilbage til mit oprindelige virke, hvor jeg ikke laver så meget drift og operationel håndtering men mere at se på hvad der er af muligheder og hvad det er vi skal rykke på. Det er helt klart mit sweet spot. Der er langt dygtigere folk til at klare driftsopgaverne end jeg er. Det er gået fra projekt til forretningsenhed til nu et separat selskab. Samtidig er vi gået fra at være en del af Danske Bank til nu at have mange banker som vi som salgskanaler, og de banker har en rigtig vigtig ting som vi har glæde af da de har kontoinfrastrukturen. Så når du laver en overførsel, så bruger vi ikke så meget det kort der ligger tilknyttet en MP bruger mere, vi bruger den konto der ligger under. Og det betyder det er næsten gratis at lave den overførsel i forhold til tidligere. (A6)

AS: Så hvor tænker du så, hvis du sidder og scouter af andre muligheder, hvad tænker du så at der sker over de næste par år? (Q7)

B: Der sker jo det at vi har fået et godt forspring fordi vi var først ude og vi har vundet over de store nationale konkurrenter som også prøvede med det samme slags produkt. Nu kommer der en anden konkurrence nemlig fra de store internationale spillere – fb, snapchat, google – som alle gerne vil ind og lave betalinger, så det tror jeg er den største trussel. Så kommer der også en konkurrence fra nogle af de store erhvervsvirksomheder som siger, hvad skal vi bruge banker til når vi kan meget af det selv. Hvorfor laver de store virksomheder ikke deres egen bank? Det er en trussel for bankerne som lever af at lave betalinger, som man ikke tjener så meget på, men betalinger er fundamentet – og som med fundamentet på et hus, så kan man ikke bygge oven på med mindre fundamentet er i orden, det er svært at lave rådgivning, investeringer osv. Betalinger i sig selv er nok ikke det mest interessant i sig selv, men det er en forudsætning for at det andet kan lykkes. Så hvis der er nogen, som begynder at grave den væk, så vælter huset. Så den konkurrence kommer til at ske, det er ikke et blue ocean hvor vi bare kan ligge på ryggen og lave ingenting. Vi arbejder rigtig hårdt og der er en sense of urgency. Jeg bliver altid mødt med "hvad laver du så nu for den der app den har du jo lavet" men sagen er jo, at vi moser afsted fordi vi ved at vi har et vindue og det vindue skal vi udnytte fordi vi ved godt at det lukker sig på et tidspunkt. Så vi skal sørge for at stå så stærkt som muligt når det vindue eller forspring ikke længere er der... (A7)

AS: så når der kommer nogen reelle alternativer, så står MP så stærkt at man ikke kan komme udenom det (Q8)

B: Så du kan sige, at der på en måde er en parallel til BR legetøj casen. Hvis du ser på toys r us, som har tværet alle lokale legetøjskæder ud i hele verdenen undtagen i Danmark, og hvorfor det? Fordi de har vurderet at BR er så stærke og har en position, at det ikke har givet mening at rykke ind på det danske marked uden at teame up med dem. (A8)

AS: Så i skal være de nye fætter BR? (Q9)

B: ikke nødvendigvis, men det viser bare, at hvis man egentlig forstår denne her globalisering og anerkender den og ikke vender det døve øre til og kigger denne her konkurrence som vil komme i øjnene og tænker, hvordan ruster vi os bedst muligt, så behøver man ikke give op. Mange er paniske over at amazon kommer til at rydde alt, men det tror jeg ikke er tilfældet for jeg tror altid at der er en modreaktion på de her ting. Men det er jo klart at man er nødt til at forstå deres styrker og svagheder og ens egne styrker og svagheder og så kan man så agere ud fra det. Og det er det vi prøver. Så tilbage til, hvad det er der kommer til at ske fremadrettet – jeg tror at betalinger i sig selv ikke er så spændende. Og betalinger, hvis det kun drejede sig om betalinger, så havde vi nok brugt været kontaktløse kort fordi det er den hurtigste løsning, men hvis du kan betalinger så kan du igen med det der fundament på huset – hvis du kan betalinger og forstår betalinger, så kan du bygge en masse ting oven på. Og det er i princippet det vi er ved at lave. Vi har støbt fundamentet på MP huset, og vi er ved at bygge på toppen nu. Og det fundament kan godt ændre sig, jeg tror godt at det kan blive smartere at betale. Jeg tror der kommer noget innovation inden for det, men der er også noget regulering, som gør at vi ikke bare kan lave noget hvor du går ind og siger "hej jeg hedder anne-sofie, sæt det på min konto". Der er nogle krav til at man skal lave nogle valideringer på sådan noget. Men det er på grund af AML og anti terror og risiko, og disse reguleringer bliver strammet i øjeblikket. Så teknologien gør det muligt at lave nogle rigtig vilde og fede ting, men så er der noget regulering som strammer op samtidig og det felt er lidt specielt. Fordi hvem er det du strammer op overfor – det er de store spillere, det er bankerne og MP, og så kommer der nogen gange nogen som ikke er underlagt de her reguleringer og laver noget der er vildt fedt og så siger kunderne "hvorfor er

i så langsomme hos MP" og det er den del vi er mest opmærksom på i forhold til reguleringer. Vi vil bare gerne have at der er fælles spilleregler for alle. Fordi hvis alle regler gælder for alle, jamen fair nok så kan vi tabe fordi vi er langsomme eller sløve til at udvikle". Men at tabe til nogen der ikke har samme regler, vil ikke være sjovt. Google, fx, er ikke en finansiel institution til trods for at de laver betalinger, så de kan lave nogen ting med data osv som vi ikke kan. Nu kommer der noget gdpr og andre ting, som de også er underlagt, men det er klart at hvis google pludselig kan lave det så du nærmest ikke ser dine betalinger og vi skal gøre at du skal swipe for at betale, så ved vi godt hvad kunderne vil vælge. De vil vælge den nemmeste løsning, for de er i princippet ligeglade. Så der kommer noget udvikling inden for selve betalingen og vi prøver at være med på det, og vi prøver at være opmærksom på hvordan vi indenfor reglerne kan lave den bedste løsning. Men der hvor det bliver rigtig interessant er de services du kan ligge rundt om betalingen. Og det er der hvor telefonen har en fordel i forhold til kort for du har en skærm og gps, du har et gyrometer, der er mange ting. Og det er det, som jeg tror vi kommer til at tjene penge på. Den rå betaling kommer vi ikke til at tjene penge på. Men vi kommer til at betale for noget der handler om nemhed og oplevelsen, så jeg tror på at jeg kan få dig til at betale 5 eller 10 kroner for at lave betalingen hvis jeg gør den sjov nok. Men du vil ikke betale 1 øre for at lave en MP overførsel nu fordi du godt ved det bare er en computer som flytter et tal fra en server til en anden i. (A9)

AS: jeg tror også, at der er meget værdi at hente ved ikke kun at have betalingshatten på og se på, hvad man kan gå ind i (Q10)

B: jeg tror du har ret og det er egentlig også det vi prøver. Noget af det vi bruger tid på, når vi er ude og snakke med virksomheder er jo forretningsmodeller, digitale forretningsmodeller. Det er jo det ParkOne har gjort. Men vi skal også finde en balance og passe på. I starten var vi meget villige til at lave noget specifikt til en bestemt løsning. Fx VIGO appen for Rema1000. Det er sådan noget Amazon drømmer om at lave. Det viser jo, at hvis du kan skabe en forretningsmodel der er anderledes, ligesom Uber, så kan du lave noget supersmart. Rema1000 havde en god idé og vi er gået ind og sagt, at vi synes det er en fed ide og vil gerne positionere os som den agile betalingsmotor som man kan bruge hvis man sidder med en ide. Efterhånden har vi nogle komponenter som vi bare kan hive ned fra hylden og skrue sammen på en anden måde og så virker det, men det er den rolle vi gerne vil have. Vi vil ikke være den store tunge sløve enhed, man ikke kan komme i kontakt med. Men vi skal også passe på, for det er en balance, for der er mange der hiver i os i alle retninger. Der var en der skrev til mig her til morgen fordi han havde en fantastisk idé han gerne ville mødes med os om og sælge til os. De fleste idéer har vi hørt 10 gange før, så det handler også om at kunne svare folk pænt for de synes jo det er verdens fedeste ide de har, svare ham på en måde så han føler han er blevet anerkendt for sin gode idé. (A10)

AS: MP har vel også opnået en vis størrelse til at kunne være lidt kræsne med hvad de vil associeres med (Q11)

B: Ja, både og. Vi er nok ikke kræsne, men vi har nogle krav om at vi ikke vil understøtte inkasso og forskellig gamling fordi for det første kan det skabe øget misbrug og tab for os og for det andet er det nok ikke det fedeste hvis der står sådan en stor rocker og siger, du skylder penge, frem med MP. Så på den måde er vi selvfølgelig selektive på nogle punkter. Men for os handler det jo om at vi har 200 ideer liggende og hvis du koger dem ned, så er det måske 5-10 ideer og vi har fat i mange af dem allerede. Så ideen i sig selv er ikke det interessante, det er at oversætte den ide og eksekvere på den der er det svære. Der er mange der kontakter os og siger de har verdens fedeste ide og spørger om vi vil betale dem for den. Jamen, vi har også mange fede ideer og det svære er at finde ressourcer til den og få lavet ideen så den rent faktisk også er en profitabel ide eller en ide som kan bruges af mange. For vi kan sagtens lave et eller andet fedt som måske 100000 kan bruge, men vi vil jo gerne

ramme den ide hvor det er 3.7 millioner der kan bruge det. Det er det svære. Det er derfor vi prøver at teste og tale med mange. Hvis vi hører den samme idé igen og igen, så kan vi jo godt se, at der må være noget der. (A11)

AS: Så indtil, da det bare betalinger, var det så jer selv der kom på at der måske kunne være noget mere eller var det udefra at ideerne kom? Fx rema og parkone (Q12)

B: Det er lidt en blanding. Du kan sige, hvis man spørger folk hvad de gerne vil have, så ved de det oftest ikke. Men vi kan spørge hvad der irriterer folk og så finde en løsning på det problem, og oversætte det til noget der egentlig kan yde noget. Men det er helt almindelig praksis nu, at flere og flere virksomheder bruger antropologer og sociologer til at gå ud og finde ud af hvordan er vores kunder. Der er flere og flere virksomheder som betaler deres kunder for at stille op til interviews. Hvis ikke du forstår dine kunder, så forstår du heller ikke deres problemer. Og hvis ikke du forstår deres problemer, så kan du heller ikke lave en løsning der rammer dem, og det er det det handler om. Vi har været ude og spørge vores kunder hvad de godt kunne tænke os at vi laver. Og det gør vi jo også for at engagere dem. De fleste idéer kommer typisk fra nogle som har en dyb fagindsigt fordi så ved du hvad der kan lade sig gøre og hvordan tingene er skruet sammen. Det er svært for en eller anden på gaden at sige "jeg kunne tænke mig gjorde sådan og sådan" fordi hvorfra skulle de vide hvordan reguleringerne er og sådan ting. Men de kan sagtens fortælle hvad det er for nogle problemstillinger de har, og det er problemerne som er de mest interessante. Så skal vi nok oversætte det til noget brugbart. Hvis du kigger tilbage, så nogle af de ting vi har lavet er lavet fordi vi blev ved med at om behovet, og det var mere et behov end en idé. Og så har vi selv oversat det.

Så er der nogen idéer som kommer fra virksomheder som har dyb indsigt i deres kunder, rema fx, eller vores online løsning. Den dukkede op meget tidligt fordi der sad en dygtig fyr hos os som kunne se muligheden, og så tog vi fat i de her psp'er som er dem som egentlig faciliterer pengene, og de kunne også se potentialet, og hvis både de og os kunne se det, så var det værd at gå efter. Men jeg tror meget på det med at bruge underleverandører og deres indsigt og viden. De arbejder med det her hele tiden. Så de har nogen indsigter i hvad der bliver efterspurgt og hvor systemerne ikke virker. (A12)

AS: Hvad med sådan noget som at sælge MP som en verificeringsløsning, er det noget folk ville have glæde af? (Q13)

B: Det er jo præcis det vi har lavet med parkone og det er lavet fordi folk ikke kan huske, hvor de har lagt passwords og emails. Man kombinerer flere passwords og emails og kan aldrig huske kombinationen. Men når man sidder med telefonen ved siden af alligevel, hvorfor kan vi så ikke bare smide nogle af de informationer fra MP ind i den og så logge ind med MP? Det tror jeg rigtig meget på. Og jeg tror på det fordi det for det første kan give noget at MP bliver en hub til ikke bare transaktioner men også data og så skal du bare sørge for at den er opdateret og troværdigheden omkring mp er høj. På et tidspunkt vil de telefoner vi har nu jo være væk, og hvad skal MP gøre når mobilen er væk? Hvad gør vi så? Det sidder vi også og forholder os til for det er jo hele vores grænseflade. Og der tror jeg det der kommer til at ske gradvist, er at man stadig har en telefon men man mere og mere bruger andre ting at betale med. Men så kunne det jo være interessant hvis du stadigvæk kunne se en fordel i at have en MP hvor du har dine ID oplysninger eller kørekort eller noget helt andet. Og så kan det være du betaler med en ring eller din stemme, men et eller andet

sted skal de her informationer jo kunne administreres. Jeg er helt sikker på at vi ikke løber rundt med mobiler i samme stil om nogle år. (A13)

AS: Så har man sin pung på telefonen i stedet og ens tegnebog bliver overflødig (Q14)

B: jeg tror bare man har flere tegnebøger - så jeg tror ikke MP bliver den eneste løsning, der kan være der er nogen som laver noget sindssygt smart online, så man bruger en online wallet til én ting og mp til noget andet. Vi vil bare gerne være med. Vi prøver selvfølgelig at dække så meget som muligt, men prøver også at finde ud af, hvor det er vi er særligt stærke. (A14)

AS: der er jo også mange som stoler meget på MP netop fordi betalinger er noget ret personligt, så jeg ville også stole på at MP kunne håndtere mit pas eller kørekort ordentligt. At det blev der, det kommer ikke i de forkerte hænder. (Q15)

B: helt enig, men for mig er data meget mere følsomt en betalinger og penge. Får du misbrugt dit kort, så dækker banken og du får penge tilbage. Får du misbrugt din identitet og data forsvinder, så er det et kæmpe problem. Det er derfor, inden vi bevæger os ud i det idé space, så skal vi jo virkelig være sikre på, at vi har setuppet til at håndtere det. Så derfor går vi meget forsigtigt frem. Vi har nogle informationer som vi har fuldstændig styr på og de informationer er vi begyndt at åbne op for at man som bruger kan dele men man gør det aktivt ved at swipe før informationerne er delt. Alternativet er at du manuelt skal sidde og skrive det ind hvert gang du signer op til noget, så det gør det bare nemmere for brugeren, som også nemt kan stoppe delingen og kalde data tilbage. Hvis vi først begynder at udvide det her til mere end det, så skal vi virkelig være sikre på at vi har styr på tingene fordi det vigtigste for os er at troværdigheden forbliver høj. Hvis vi først kommer på forsiden af ekstra bladet, så kan det hele falde til jorden. Vi er meget opmærksomme på svindelsager. Men de er altid kortsigtede de sager vi har for vi kan følge transaktionen fra ende til anden. Så vi får altid fat i dem. (A15)

AS: hvordan tror, for sjovs skyld, at betalinger generelt om 10-15 år ser ud? (Q16)

B: Godt spørgsmål. Det kommer meget an på den regulering som kommer. Men jeg tror vi i mindre grad vil ligge mærke til den, den bliver mere usynlig. Helt overordnet tror jeg, at betalinger bliver mere usynlige og mere en hygiejnefaktor, og så bliver det alt det omkring betalingen som bliver det interessante og det folk vil betale for. Jeg tror, at der potentiale for at gøre MP til sådan en personlig assistent, som kan hjælpe dig i forskellig sammenhæng enten med ID eller noget andet. Så man får samlet mange af sine apps i én. (A16)

AS: Kan du først fortælle dit navn og stilling hos MP? (Q1)

T: Jeg hedder Trine og jeg sidder med i det team som hedder solutions and development, hvor jeg sidder med ansvaret for forskellige områder, bla med det vi kalder user core som grundlæggende er alle privatbrugerne, og med WeShare som jeg var med til at lave for 2 år siden og ansvaret for den og for vores loyalitetsområde og lidt endnu for vores support. Så det er de ting jeg sidder med lige nu og det handler mest om at varetage områderne og sikre sig at der er fremdrift indenfor de forskellige opgaver der ligger og få prioriteret de opgaver.

Jeg har været med fra start, men der sad jeg i marketing i Danske Bank, så det var egentlig mig der lancerede det. Der sad jeg sammen med Bo og en der hedder Tina, og vi var lige som core teamet, der ligesom skulle få produktet ind i markedet og jeg sad som sagt med marketing vinklen på det. Så for lidt over 3 år siden rykkede jeg over og sad i MP og sad med forretningsudvikling i stedet for og tog et skift væk fra marketing og har ikke noget med det at gøre med marketing mere. (A1)

AS: Hvornår indså du at MP kunne noget? (Q2)

T: Det gjorde jeg faktisk rigtig tidligt. I forbindelse med udvikling og lancering af det kunne vi godt se, at vi sad med noget ret unikt. Der var ikke nogen af os, som i vores vildeste fantasi havde troet det ville eksplodere på den måde som det gjorde og jeg vil sige, at vi var ikke i tvivl om at vi havde noget der var rigtig godt hvilket var grunden til at vi brugte rigtig mange kræfter på lanceringen af det, og det var faktisk en af de bredeste kampagner i Danske Banks historie i forhold til kanalvalg og kompleksitet i den, så vi vidste godt at vi havde noget unik. Men jeg vil sige efter en måned, hvor vi bare kunne se at tingene fortsatte og efter 3 måneder hvor vi havde over 300.000 brugere, så kunne vi se at det gik stærkt og faldt ikke ned i forhold til antallet af nye brugere der kom til, at der kunne man godt se at det kunne noget og der begyndte at komme interesse fra erhvervslivet af. Så det var allerede efter fire måneder, så lancerede vi en pilot med de første business butikker og allerede der kunne vi mærke at det var større end vi havde regnet med. Det skete ligesom der. Men det var aha oplevelse basically fra starten af, og allerede efter et halvt år havde vi jo en million brugere. Så det var en meget intens periode, hvor der hele tiden blev tænkt over at det her altså var noget særligt. Og så fik jeg egentlig lidt aha oplevelsen igen for 2 år siden, hvor vi skulle på sådan en money 2020 med MP og der sad jeg og lavede noget materiale til det og jeg sad og lavet noget materiale, hvor vi basically ville vise de forskellige løsninger inden for produktportofølje og der slog det mig, at vi egentlig er en af de bredeste mobile betalingsløsninger i verden. Det var sådan en "gud det er faktisk vildt det her" oplevelse. Det er vildt at vores lille baby er vokset til at være den bredeste løsning, i forhold til paletten og steder du kan betale. (A2)

AS: Hvordan ser du chancerne og hvad tror du der skal til for at MP kan fastholde deres markedsposition? (Q3)

T: Ståstederne er meget forskellige hvis man kigger på tværs af markederne. Hvis man kiggede på Danmark isoleret og sagde at vi gerne ville blive ved med at sidde på denne her position, jamen så skulle vi benhårdt blive ved med at arbejde på både merchant og slutbruger siden. Fordi problemet er, at hvis vi ikke har brugerne, så har vi ikke et produkt der på nogen måde er attraktivt for merchants. Så vi skulle 1) fortsætte med at fokusere ekstremt meget på slutbrugeren og gøre hvad vi kunne for at lave noget mere stickyness ud mod dem. Så gøre at folk gifter sig med produktet og ikke

orker at skifte det ud lidt ligesom Apple gør og det skal vi gøre. Men folk skal stadig få en fed følelse ved at bruge det fordi ellers kommer der for store barrierer til at de vil bruge flere produkter. Så det handler lidt om at kigge på nogle af de der edge-cases, hvor der er ikke er noget i dag og hvor der er mindre sandsynlighed for at de store spillere som kan komme ind udefra, at de vil finde det interessant at kigge på området. Fx kigge på lommepenge til børn eller noget integration op i mod butikkerne med gavekort. Alle mulige forskellige ting, hvor du kan bygge oven på betalingen, så det ikke er betalingen som så, men tingene omkring betalingen, og andre brugergrupper hvor du kan lave added-value end bare betalingen. Det er nemlig ikke bare det at sende penge for den lille målgruppe, så der kræver det at du også laver noget andet for at det virkelig rammer dem. Være mere klar på at gå mere målrettet mod de mindre målgrupper. Der er ingen tvivl om, at hvis vi havde et 100 procent dansk focus, så ville det give rigtig god mening at dyrke de små målgrupper noget mere og samtidig gå ind og se på erhvervssiden da det er der vi tjener vores penge, og så se på, hvordan vi får flere til at bruge den der og de krav de har brug for. Hvor vi måske historisk set har fokuseret på slutbrugeren, så skulle den mere være todelt. Den må bare ikke switche, hvilket kan være farligt nu hvor man har så mange slutbrugere, så er det fristende at fokusere på noget andet. Men hvis brugeren forsvinder fordi der kommer et bedre alternativ, så er vi slet ikke interessante for merchants længere heller. Så det er derfor det skal være en balance. Men problemet med når du begynder at bevæge dig ind i de her særtilfælde med specielle målgrupper eller begynder at lave integrationer op imod nogle merchants er det at du laver noget som kan være ekstremt landespecifikt. Fx sådan noget med penge og børn kan være ekstremt forskelligt fra land til land hvad lovgivningen er på området. Så der er nogle steder, hvor, hvis vi har et internationalt outlook, så skal vi have en motorvej. Og den motorvej skal bare være snorlige og det skal den være for 70% og de sidste 30 må vi leve med. Fokus er hele tiden på motorvejen. Og det handler lidt om, hvor er fokus i forhold til det nære vs fjerne. Så det kommer meget an på om vi kun fokuserer på det nordiske eller hele verden. Problemet er at man også kan vende den om og sige, hvor er der mest forretning; er det ved at gå globalt og så kan det være vi kun kan få 20% af befolkningen i markedet, men så til gengæld er der meget volume og vi har gjort det så strømlinet at det fungerer. Så det kommer også lidt an på, om det er de store briller eller det små briller man har og hvor focus er. Man kan jo ende med at bruge ekstremt mange penge hvis man ender med at sige at man gerne vil det hele og gå efter 100% penetration i Danmark. Det kan vi godt, men det er dyrt fordi alle grænsetilfældene kræver udvikling. Så det er vigtigt at finde ud af, hvilken vej vi gerne vil for at vi kan fokusere benhårdt. Problemet herinde er jo også, at vi har en milliard idéer. Vi har 10.000 ting vi gerne vil, og hvilke skal vi vælge. (A3)

AS: ja jeg kunne forstå i får mange idéer ind og folk har en mening om, hvad MP er og skal være (Q4)

T: Der er rigtig mange idéer som er rigtig gode, og der er rigtig mange som er rigtig gode til at lægge pres på en. Der er også en masse ting som hører med i at vi har opnået den størrelse som vi har, som ligger en vist pres på en hvis der er noget de vil have ført igennem fordi de synes de har ret til det. Og tit tænker vi, hold nu op, det er et gratis produkt det her. Hvad forventer du af os? (A4)

AS: det er vel også fordi det er så stor en del af folks hverdag nu, så folk synes de må have en mening om det fordi det er noget de bruger så meget (Q5)

T: jeg tror også bare, at vi er blevet så digitale i dag og Danmark er meget ekstremt på det punkt i forhold til andre lande, vi er ekstremt digitale og det er en kæmpe fordel. Men det gør også at hvis man møder den mindste udfordring bliver vi mega irriterede. Der ligger i dag, især i Danmark fordi vi er så digitale, så skal der ikke være nogen ventetid. Så hvis vi laver noget, fordi vi skal være

compliant eller et eller andet og det skal gå stærkt, og vi godt selv ved det ikke er snorlige, så skal vi også være forberedt på at folk bliver sure. Det er også den verden man opererer i i dag. Der er mange ting i forhold til ekstern påvirkning som er på mange måder - det er både et pres i forhold til udvikling, et pres i forhold til niveauet på ting vi laver – og det kan man sagtens mærke når vi er blevet større. Nu er det ikke kun positive ting, men også "hvorfor kan i ikke det her, hvorfor har i ikke....". der kan man godt mærke, at vi er nået et andet sted hen end vi var for 3-5 år siden hvor vi var den frække dreng i klassen. Men det gode er jo på alle målinger at vi ligger ekstremt højt. Vi er nummer 2 brand i Danmark lige efter Lego. Så vi har stadig folk med os og det forpligter også og så bliver vi nødt til at blive ved med at udvikle os, hvis vi ikke vil miste den funktion. (A5)

AS: nu kom du selv ind på det med eksterne ting der skubber på, tror du at der er chance for at MP går sammen med andre eller udefrakommende virksomheder? (Q6)

T: det har vi egentlig gjort altid og når vi har udviklet så har det altid været i samarbejde med nogen fra merchant siden hvis det har været med udgangspunkt i merchants, og hvis det har været brugersiden så har vi lavet brugerundersøgelser. Da vi lavede WeShare havde vi rigtig mange interaktioner med et eksternt bureau der testede noget for os og vi havde selv et samarbejde med nogen ude fra ITU som så var med i udviklingen, så det ligger lidt som en del af vores DNA. Når vi laver noget, så laver vi det sammen med nogen. Så kan det være os der er den drivende part og de er mere inputsgivere i forhold til hvad de gerne vil have, eller også kan det være den anden part der er den drivende part. Som da vi lavede den løsning der hedder BottumsUp. Som er en bar, som man kan flytte rundt på, som står til koncerter og festivaler hvor nogen har udviklet et system så når du har lavet en betaling så kommer øllen ud i et glas, og i det glas er der en magnet. Glasset bliver fyldt op og magneten går ned og lukker et hul når glasset er fyldt. Vi har så lavet et samarbejde hvor vi leverer betalingen til, så maskinen først går i gang når betalingen er gået igennem. Så behøver der ikke være mange bartendere på arbejde. Så ved sådanne nogle ting er det egentlig drevet af en ekstern part der udvikler noget, og så har vi lavet en løsning op imod dem. Men den måde vi gerne vil gøre tingene på - der er selvfølgelig forskel på når vi laver en mvp hvor vi siger nu skal vi teste et concept af, ligesom med parkone hvor vi tester connect af - så lige så snart vi har fundet et concept og det flyver, så kommer vi til at kommercialiserer vi det. Så er det vigtigt at vi arbejder med åbne API'er så vi laver noget der kan bruges på tværs. Vi har jo tidligere lavet nogle løsninger, hvor det var for meget bundet op på en virksomhed og den løsning simpelthen ikke kunne kommercialiseres. Og det er jo ikke en holdbar forretningsmodel. Vores udgangspunkt er altid, at det skal kunne kommercialiseres og bruges af andre når vi udvikler noget. Det er der hvor vi nu begynder at skulle kigge mere på at være mere API drevet end vi har været tidligere. Det er en drejning vi har taget det sidste års tid, at når vi kommer over på den nye platform, så vil skal vi arbejde mere med API'er. (A6)

AS: Kan du uddybe lidt om den nye platform? (Q7)

T: Det er et spørgsmål om at man lave en mere cloudbaseret løsning. Men da vi er en bank, må vi ikke ligge i en cloud, så vi bygger vores egen cloud. Så basically er fundamentet lavet, så lige nu kører vi på 2 platforme som synkroniserer op imod hinanden og så er vi så i gang med at flytte tingene på den nye platform som er mere agil og som vil gøre det lettere for os at arbejde mere API drevet end vi har gjort tidligere. Med den platform vi havde var det ikke så hensigtsmæssigt at arbejde med API'er. Så arkitektonisk er den helt anderledes end den gamle platform så det gør det lettere for os. (A7)

AS: Det er også relevant at benytte sig af og tilbyde MP som en form for API, når der er mange mindre apps som ikke har ressourcerne til at inkorporere betalingsløsninger eller logindelen som kan spare dem tid fordi der allerede er nogle som har sagt god for brugerne, og det er mere troværdigt end FB hvor man kan have utallige profiler. (Q8)

T: lige præcis (A8)

AS: det synes jeg virkelig er en god idé (Q9)

T: Det handler jo også om at lave samarbejdspartnere. Nu har vi den her subscriptionsløsning. Pt er det os der sætter løsningen ind, men det kan da godt være man skal lave et samarbejde med nogle af de virksomheder som netop laver betaling for mindre virksomheder f.eks. Kunne man gå sammen med dem, så det er deres system og vores system som connecter og laver noget sammen, og det så er dem der står for at rulle det ud hos de mindre. For at få bredt vores løsninger ud er vi nødt til at have nogen som laver et salgsarbejde for os ligesom det vi har med psp'erne. Så sådan nogle ting giver rigtig god mening. Nu har vi heldigvis også vores partner banker som også må sælge vores produkter, som også gør meget. Men bankerne har jo mest interesse i de store kunder, så det giver god mening at lave noget som fokuserer på de mindre kunder, hvor man har en tredjepart som har mulighed for at sælge og integrere produktet. (A9)

AS: Hvad værdi tror du, at det vil tilføje virksomheder at bruge jeres API'er eller lignende? (Q10)

T: Jeg tror, at der i starten var en følelse af at man gerne ville sættes i forbindelse med MobilePay. Det ved jeg ikke om der er så meget mere, nu tænker de nok mere benhårdt på hvad de får ud af det. Der er nok en rigtig stor værdi i at kunne tilbyde det til sine kunder – ikke så meget fordi man vil associeres med MP, men for at gøre det lettere end alle mulige andre ting. Der tror jeg de benhårdt kigger på om det skaber værdi for vores brugere og om der er efterspørgsel hos brugerne før de gør det – eller hvis det er den billigste løsning. Det er klart at hvis vi kan lave noget, som er konkurrencedygtigt på prisen og som er mega nemt at implementere, så kan det give added value i forhold til hvad de får andre steder og så er der større sandsynlighed for at de begynder at pushe os. Jeg tror rigtig mange start-ups gerne vil associere sig med os, da det er en fordel for dem at kunne gå ud med en stærk partner som os. Så for nogen er det en sikkerhed og kvalitetsstempel for os.

Vi kan jo se online at vi konverterer bedre end kort gør, så der er det benhårdt det online butikker ser på. De pusher den betalingsløsning som der er størst chance for at deres kunder går hele vejen igennem med. Så der handler det for os om at "bring the a game". (A10)

AS: hvis vi nu antager at betalinger er hvad de er – de kan ikke blive bedre eller blive innoveret på nogen måder - hvad kunne så være med til at sikre MP i fremtiden? (Q11)

T: Man kunne gå mange veje – ved betalingen er der alt det med betalingen og added value og value added services omkring betalingen som vi har været lidt omkring før også hvor vi lancerede nogle forskellige løsninger, man kunne gøre meget mere. Man kunne også gøre ting, hvor man added ting oven på betalingen så som forsikring. Du kunne gøre mange ting som kunne blive tilknyttet din betaling. Det er en vej. En anden vej er at vi sidder på en stor mængde data på vores kunder. Nu har vi lige lavet denne her connect løsning, og man kunne også godt se MP blive en data volt – hvor MP betalingen er fin og fortsætter, men vi også har en forretningsmodel med det her med data og sikker

opbevaring af data. Connect er jo en mellemting mellem et fb connect og sikkerhed i forhold til nemID. Noget validitet i forhold til hvem brugeren er og hvor sikker man er på at det er den person. Så kombinationen med connect er der interessant ved, som vi kunne dyrke mere og ligge mere værdi ind i. Vi fuldt identificerer nogle af vores brugere hvert år af forskellige årsager, og kunne man bruge den dokumentation til noget. Hvis man begyndte meget mere at sige, MP er det sted du har dit pas og kørekort og du kan nemt sende det til relevante instanser og på den måde blive en data volt, så ligger der også noget rigtig interessant i det. Og det er interessant i de her GDPR tider. Den convenience vi kan tilbyde qua vores produkt, men også meget den indsigt vi allerede har i dag, er en sindssygt interessant vej at gå. Men så bevæger du dig jo væk fra betalinger. Men hvis vi nu var mestre i at forarbejde vores data, så vil vi kunne levere ekstremt meget. Vi ville også kunne levere kreditvurderinger og alt muligt andet på vores brugere. Så der ligger klart noget i datafeltet i øjeblikket. (A11)

AS: og man kunne måske forestille sig at fordi der er så stor fokus på data og gdpr, at det med at opbevare det ordentlig eller bruge AI til at lave analyser af kunder og automatisering af betalinger ud fra hvem du er som person, kunne også have værdi på lang sigt. (Q12)

T: der ligger en masse ting i det her spænd. Vi ved godt at transaktionsprisen er dalende og det er et benhårdt marked med mange udbydere og der kommer nye hele tiden, og fb vil gerne være en bank. **Det er jo ikke betalingerne der er det interessante, men det det åbner op for.** Mulighederne for at gå ind på det marked for andre typer virksomheder. Så det er rigtig svært for os at lave en strategi der siger, at vi skal være her om 10 år. Det kan vi ikke. **Vi skal være absurd agile, og være forberedt på at vi omsadler i morgen fordi der kan komme en mulighed ind i en eller anden art –nyt marked, ny samarbejdspartner, en eller anden dialog.** Der kan ske 10.000 ting hele tiden. Man skal være klar til at løbe med bolden hvis der kommer noget godt. Så det handler meget om at forblive agile hele tiden. For der kan ske meget på kort tid. Bare se på de fem år vi har eksisteret. (A12)

AS: Ja man glemmer tit at det ikke er mere end fem år fordi det er så inkorporeret i vores dagligdag. (Q13)

T: Men vi står også bare et andet sted i dag. På et eller andet tidspunkt bliver man også nødt til at sige, nu er vi her. Sådan er det. **Det der med konstant at komme ud med noget nyt, det holder heller ikke helt.** Man skal være forberedt på at "kill your darlings" hvis der er noget som ikke fungerer. Vi har ikke historisk set ryddet op i noget. Så hvis vi har lanceret noget, som ikke virkede, så har det fået lov til at blive. **Jo flere ting vi kan fjerne, jo lettere bliver test når vi skal release nye udgaver.** Så det er også en øvelse at være bedre til at sige, hvis det ikke kører, så ryger det. Så nu kigger vi hinanden i øjnene i øjeblikket og prøver at finde ud af om vi har nogle ting som ikke helt fungerer og som vi ikke helt tror på mere. Det er også en øvelse vi er nødt til for at være en mere lean machine for at være rentabel. (A13)

AS: Jeg ville synes, at netop fordi MP er sådan en inkorporeret del af folks liv, så vil det være meget naturligt at det fortsætter med det og man ligesom bygger oven på. Om det så er en slags wallet med data – at det ligesom bliver vores start platform for rigtig mange ting, og MP bare danner grundlag for det fordi rigtig mange data er gemt der. (Q14)

T: ja, og vi er en trusted partner og sådan noget. **Noget af det som er vigtigst for os er jo at brugeren føler sig sikre ved at bruge os. Det er sindssygt vigtigt. Hvis der ikke er den sikkerhed, er vi ikke interessante mere.** Vi har med folks penge at gøre og de skal føle at vi er sikre at bruge. Så det er jo sådan en ting der fylder meget. Det ligger lidt subtilt, det er ikke noget folk snakker om. Det er en del af fundamentet for at folk vil bruge et produkt. **Og denne her sikkerhed er jo netop noget af det der**

gør, at vi i modsætning til andre spillere, nemmere vil kunne penetrere sådan et marked mht. data. Fordi de netop stoler på os og ved vi laver gode ting. Så den kombination står vi et stærkt sted med den vinkel. (A14)

A: man skal vel også være kritisk med hvad man kunne finde på at gå sammen med netop fordi kunderne er så glade for det som det er nu? Så et fejltrin kan være katastrofalt (Q15)

T: Meget enig, og derfor vi er meget forsigtige og ikke leverer data ud den dag i dag. Den måde connect er bygget op på er ikke at vi overleverer data til merchant, men at merchant ved at vi har det. Så de kan få et kig og se, men de må ikke opbevare data. Så det er ikke en overlevering af data. De kan kigge ind ad et vindue og verificere deres kunde, men det er kun på det niveau. Og det er sindssygt vigtigt at vi ikke bare sender data afsted og afsted. (A15)

AS: kunderne har vel også noget værdi i forhold til gdpr at de ikke skal håndtere det, og at de kan slippe for at tænke på det fordi de ved at MP har gjort så meget ud af at opbevare det på den rigtige måde. (Q16)

T: det er lige præcis det. Jeg tror, at udfordringen i dag er, i forhold til data og at lancere et produkt som connect, at det giver rigtig god mening for slutbrugeren men der er mange merchants i dag som sidder og siger "vi vil bare have data, vi vil bare have alt vi kan på folk". Der har længe været sådan en hype om at man bare skulle have data, men 99% af virksomhederne kan ikke finde ud af at bruge den her data til noget som helst men vil bare have den. Så problemet er i dag, at mange merchants kun vil være interesserede hvis vi sender dataene til dem. Det kommer vi ikke til at gøre fordi det er vores brugere ikke interesserede i. Der er selvfølgelig nogen som er ligeglade med at få data på folk men bare vil have brugerne oprettet hurtigt så som parkone, så den der convenience faktor er det de er glade for. Men nu med gdpr og kravet om at have styr på data, så er der mange som ikke har lyst til at røre det med en ildtang fordi bøderne er så store. Så om nogle år, så er der større appetit fra merchant siden af til at sige, det er fint i har dataen, vi behøver den ikke, vi vil bare kigge til den så vi ved det er en valid bruger. Og så kan det være der er nogen ting som er forretningskritiske at vide i forhold til en bruger, men så må de selv nudge dem for dem på anden vis.

Så det er et sindssygt spændende område det der! (A16)

AS: hvordan tror du betalinger ser ud om 10-15 år? (Q17)

T: jeg tror det her med invisible payments, men kun til en vis grad fordi hvis man mister kontakten med betalingen, så mister man også kontakten med sin privatøkonomi. Så det spænd vil være her de næste år. Man skal sørge for at man stadig har overblik over sin økonomi, for det kunne let ske at folk bruger for meget hvis de ikke har overblikket. Folk mister den forståelse for at det reelt er penge der bliver brugt. Der ligger helt klart et stort område der og en måde at tjene penge også, ved at lære folk værdien om penge. Tingene skal hænge sammen. Der er jo et ansvar når man begynder med digitale penge fx over for børn. Man skal tage ansvaret seriøst. Man skal overveje konsekvenserne på lang sigt, hvis børnene ikke lærer penges værdi og får en finansiell forståelse. (A17)

Fra: Lasse Barsholm lb@parkone.dk
Emne: Re: MobilePay opgave
Dato: 11. apr. 2018 kl. 13.34
Til: Anne-Sofie McNair Rahbek annesofiemcnairrahbek@gmail.com

LB

Hej Anne-Sofie

Ok, se min svar nedenfor med rødt., Du ringer bare igen, hvis du skal bruge yderligere eller har andre spørgsmål

Mvh.
Lasse

Fra: Anne-Sofie McNair Rahbek <annesofiemcnairrahbek@gmail.com>
Dato: tirsdag den 10. april 2018 kl. 18.06
Til: Lasse Barsholm <lb@parkone.dk>
Emne: MobilePay opgave

Hej Lasse,

Jeg prøvede (uden held) at ringe til dig i går vedrørende min opgave om MobilePay - nu tænkte jeg, at jeg ville sende mine spørgsmål til dig, og så kan du måske bare svare når du lige har 5 minutter til overs :-)

Det jeg egentlig er interesseret i at høre, er hvilke tanker I gjorde jer, da I indgik i samarbejde med MobilePay. Hvilken værdi har det givet jer (og jeres kunder) samt hvorfor valgte I lige MobilePay som samarbejdspartnere?

Parkeringsbranchen og ikke mindst betaling for parkering er super "low involvement" og ofte forbundet med vaneadfærd (plejer at gå i p-automaten, det er jeg tryk ved). Desuden har kunderne svært ved at adskille parkeringsoperatører (Europark, Q-Park, etc. og betalingsapp løsninger (EasyPark, ParkMan, etc.) De har lav tillid alt der hedder noget med "park", bange for at få "dummebøder". De gider ikke sætte sig ind i hvordan branchen er skuet sammen og hvem der er "good guys" og hvem der er "bad guys". At partner op med MobilePay omkring vores løsning gav os som ny spiller på markedet en umiddelbar genkendelighed og tillid. Desuden vil de fleste nye app kunder bruge 4-5 minutter på at registrere sig hos vores konkurrenter – men hos os tager det 30 sekunder, da vi blot forbinder kundens oplysninger fra sin MP konto. Det har givet en helt unik konkurrencemæssig fordel.

Opgaven handler om, hvad MobilePay kan gøre for at de stadig eksisterer og er lige så store om 5-10 år, og meget af den handler netop om samarbejdspartnere, så det vil være en kæmpe hjælp, hvis du kunne knytte et par ord til det :-)

Jeg tænker ikke de skal bekymre sig. Det virker som om at MP's marked har været underlagt en helt særlig "first mover advantage" og det har vist sig at være stort set umuligt at penetrere for konkurrenter. MP har selv mærket dette i Norge, hvor de ikke har kunne konkurrere med VIPPS. Så det er nok et spørgsmål om at komme ud i Europa og få fodfæste i de lande der ikke har en sådan løsning endnu. Partnerskaber er selvfølgelig vigtige og for os at kunne få adgang til validerede kundedata uden at skulle leve op til persondata forordninger m.m. har være en kæmpe lettelse

Med venlig hilsen/best regards,

Anne-Sofie McNair Rahbek
Svanemosegårdsvej 5. 1.th

1967 Frederiksberg C
28694779

APPENDIX F

Umiddelbare bekymringer ved sådan en løsning: Billedet er godt nok – men man skal huske flere omkostninger fremadrettet

- Hver gang der kommer en ny partner på, kræver det ressourcer i MP. To typer: penge (det kunne løses ved et up-front beløb, som kunne dække udviklingsomkostninger) og arbejdskraft.
- Hvor agile kan de være?
 - En risiko for overpromise og under delivery – hvis salg er for gode til at sælge og tilbyde et udvidet økosystem og platform, så risikerer de at de lover for meget i forhold til hvad de kan tilbyde
 - Hvis der et stort økosystem og platform, så er der et større udviklings og vedligeholdelsesbehov.
 - Med en stor platform opstår der større behov for koordination, orientering og stakeholder
- Bliver det for meget MP, hvis det tilbyder fx dating – ville det smarte blive udvandet? Er der for mange service, som føles fremmede? Virker de services som er ”by mobilepay” (fx parkone og connect der ikke taledede ordentligt sammen)
- Partnernes motiv for at gå ind i samarbejdet – kan de tilføje noget? Eller vil de bare have brugere? Fordi det nytter ikke noget, hvis de bare skal have data og ikke tilføjer noget. Men hvad så hvis de betaler? ”for hvilken pris sælger man arvesølvet” – det er brugerne og et stærkt brand der er MPs værdi
 - Offentlig transport i Finland → værdien er ikke transaktionerne men muligheden for at opbygge en kæmpe brugerbase
-