

Standardization As A Personal Network Phenomenon
– Findings from A Study of 3G Mobile Telephony Development

By

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The process by which industry and technical standards are developed is gaining increased attention over the last few years. From being seen more as an economic phenomenon (e.g. Antonelli, 1998), it now become a focus of attention for institutional researchers (e.g. Brunsson & Jacobsson, 1998,) organization theorists (e.g Tamm Hallström, 2001) as well as marketers (Grundström, 2000). For developers of products where network externalities play a major role, processes by which standards emerge are of significant importance because the more potential users or customers the products have, the greater the size of the market (Kelly, 1997). The development of networks of relations among the firms and people involved in the relevant industries play an important role in the development of standards. Networks are significant also in the role they play in the development and exchange of resources and the dissemination of knowledge related to the standards (Håkansson, 2001). For example, having access to the right information may provide a firm with the necessary competitive advantage (Porter & Millar, 1985). However, it takes time to build these networks in which trust constitutes an important ingredient. This is more problematic in the development of standards because the players involved simultaneously cooperate in the development of standards and compete with regard to the exploitation of the standards to derive competitive advantages.

The research reported here focuses on mobile telephony systems, which belong to the class of products where network externalities play a major role. A case study is used to describe and analyse how networks contribute to the standardization process of third generation (3G) mobile telephony systems. In particular we discuss how a firm can gain competitive advantage by actively building personal and professional networks starting with the research phase right through to the marketing phase. We conclude with a number of hypotheses that provide the basis for further research.

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