# Lesson 4
Value Creation in the IoTs

Value Proposition

- Producing product or provisioning of a platform or service.

- For example, using RFIDs in tracking service for the goods.

- Value creation means creation of a 'smart

- tracking and logistics service' from the sensed IDs of the RFIDs communication on

- Internet, data analytics, data visualisations and mobile communication for provisions for

- SMS to receiver and delivery confirmation to the sender

Value Creation

- Value creation means creation of a 'smart tracking and logistics service'

- Using the sensed IDs of the RFIDs and Internet, data analytics, data visualisations and

- Using mobile communication for provisions for an SMS to receiver and delivery confirmation to the sender
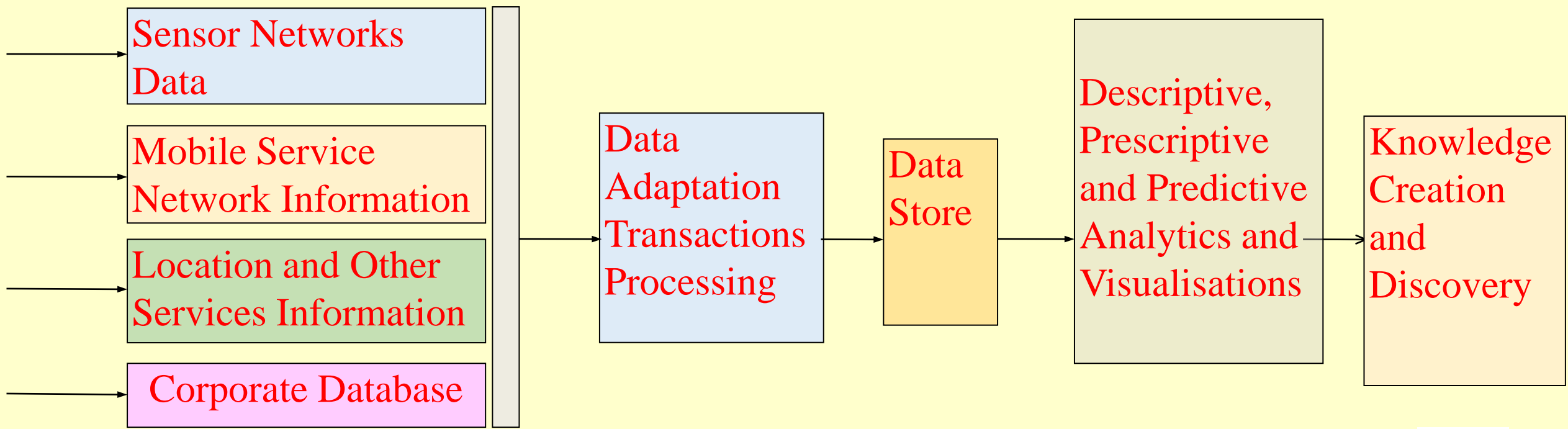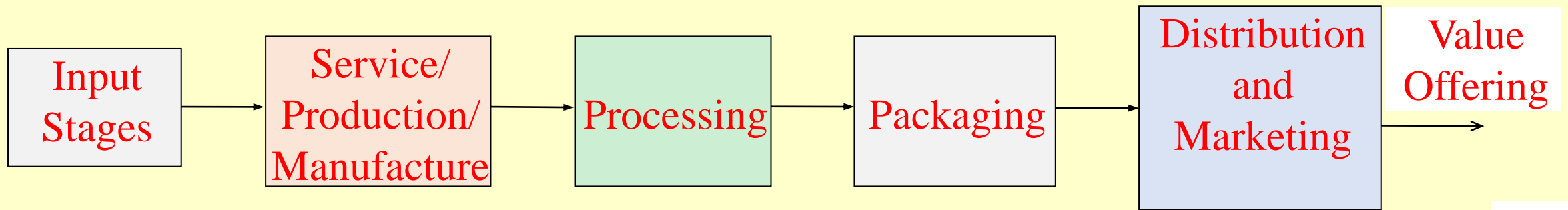
Fig. 11.5(a) and (b): Value creation using information driven IoT value chain and using production/manufacture driven value chain.

Value Creation Enabling By A Disruptor Media (Internet)

- The expansion of relationships
- The creation of new behaviours

Value Creation Heart Of Any Business Model

- Involves performing activities that *enhances the value of a company's product* or Service (offering)

- Encourages customer willingness to pay

Features Of Value Creation Using IoT

1. Addressing to the emergent needs and real-time needs using predictive analytics

2. Information convergence creating new experiences for the current product information

3. Enabling the innovative services.

4. IoT enabling offering the product and services which update using Internet over-the-air (Wi-Fi) and thus creating synergic value for the product.

Features Of Value Creation Using IoT

5. IoT enabling value capture and thus enables recurrent revenue

6. Adding personalisation and context, and uses networked products/services.

7. Faster-ecosystem functioning where multiple companies establish loose relationships among themselves or establish relationships with big companies

Value Chain

- Means series of actions for creating value

- Start with data collecting using APIs for the sensors/sensor networks/M2M data or from multiple information sources

- Then the actions using web APIs, open data, data from mobile-services network and corporate databases.

Summary

We learnt

- Value creation, the expansion of relationships enabled by Internet

- Creation of new behaviours as a result

- Performing activities that *enhances the value of a company's product or service (offering) and encourages customer willingness to pay.*

End of Lesson 4 on
Value Creation in the IoTs