

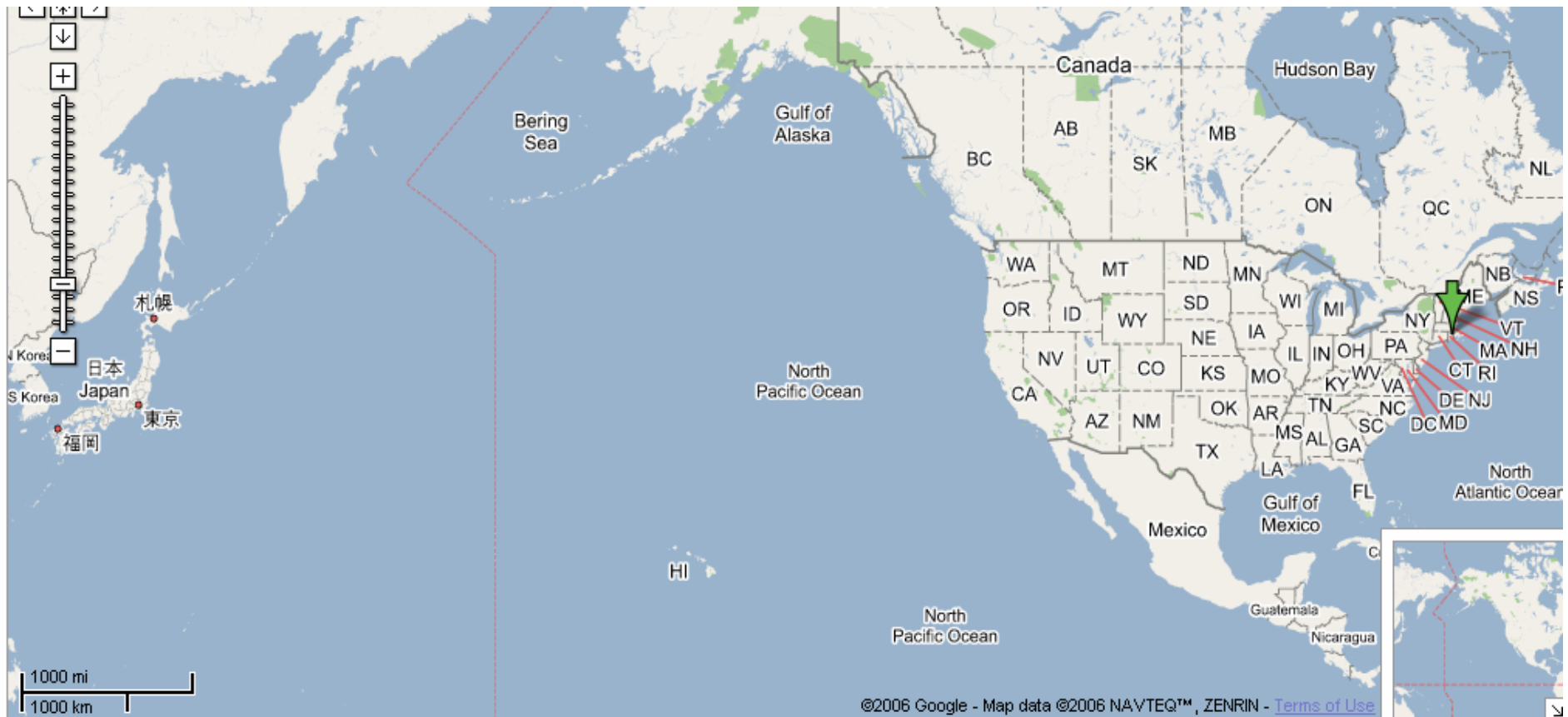


Insights into Mobile Consumer Behavior

Philip Sugai, Associate Professor of Marketing

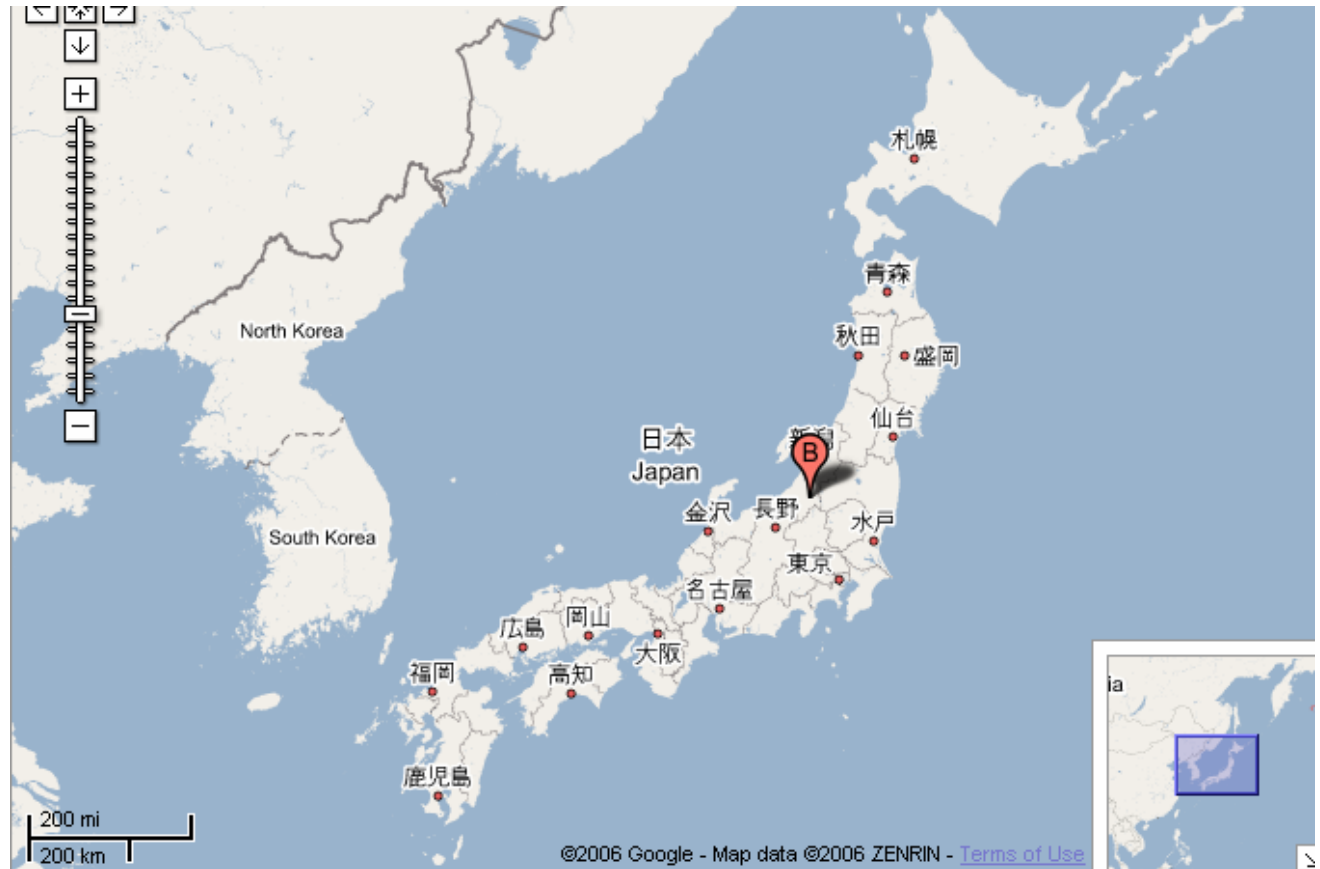
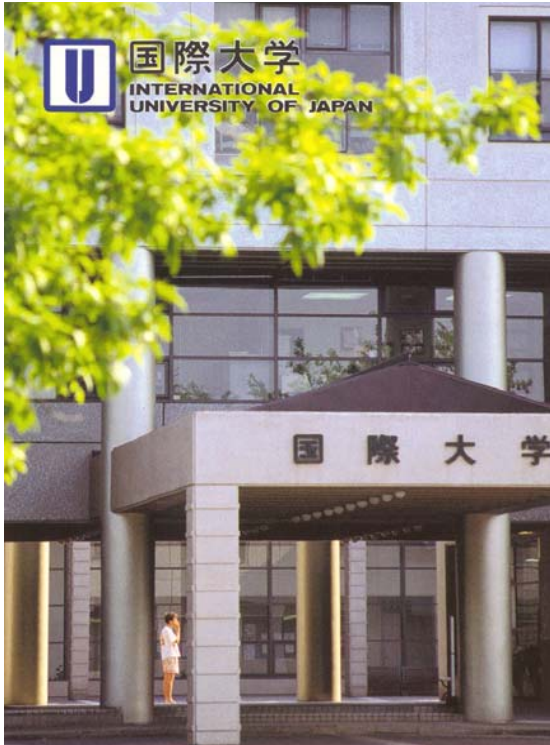
Associate Dean, Graduate School of Int'l Management, IUJ

Co-Director, u-Lab™:



Mobile Usability

Introduction



Masters Programs
45+ countries
All-English



90 minutes from Tokyo





My first major surprise when I came to Japan

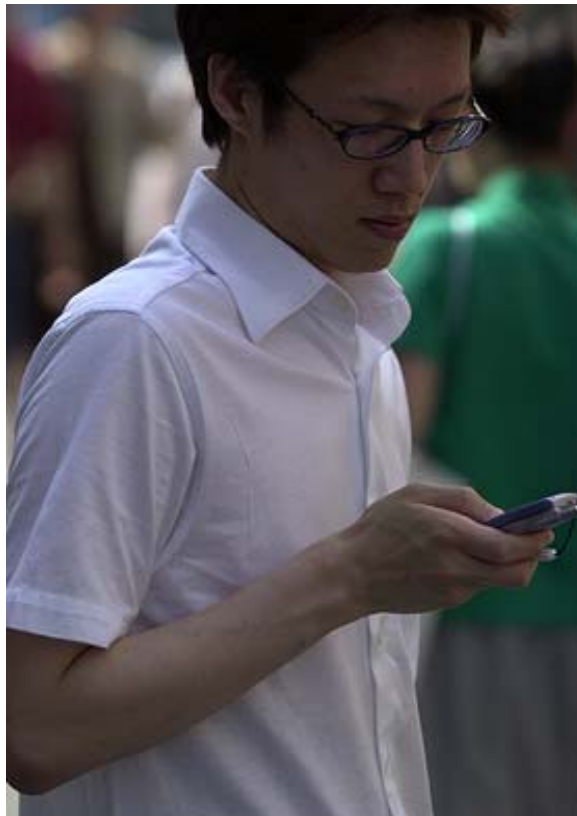






Mobile Usability

Introduction















Time to Think

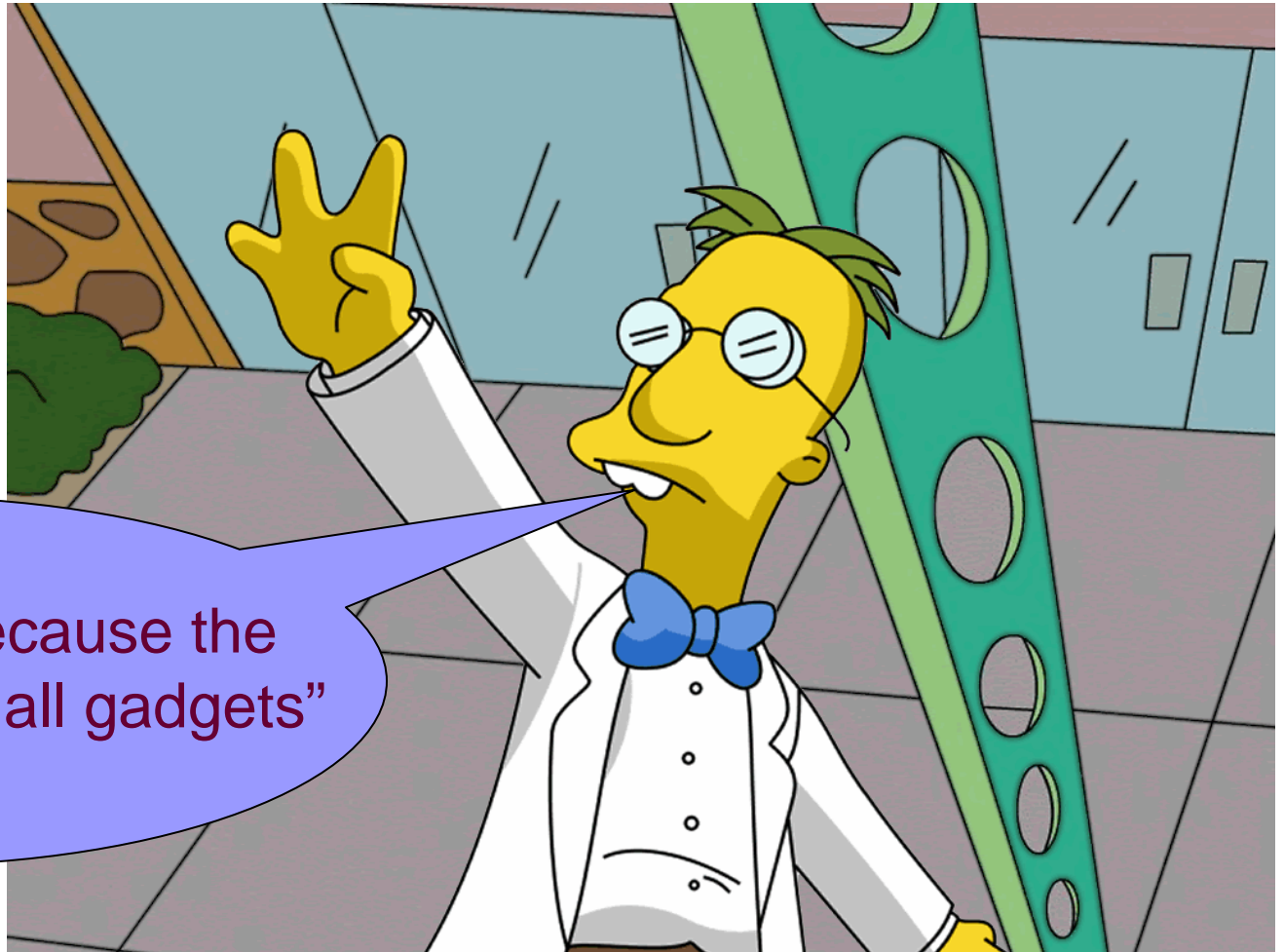


Why?



Why?

“Well Philip, it’s because the Japanese LOVE small gadgets”





jp

Mridul Chowdhury, *Harvard University*

with Kazuki Seki's Telecom Research Group, IDC Japan

Richard Brewer, *IDC Japan*

“ The Japanese love of small hand-held gadgets, as opposed to relatively large and immobile PCs, has been a particularly important contributing factor to the rapidly growing popularity of the mobile Internet.”

—*Japanese telecommunications analyst*



Really?



Really?

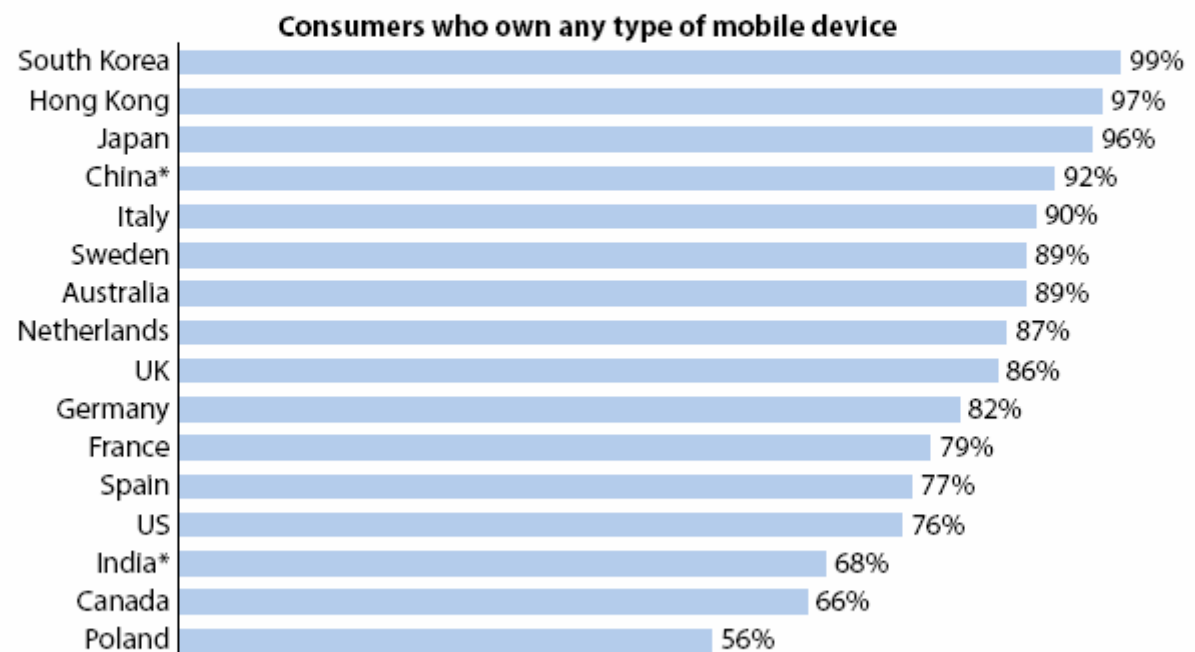
“Everyone wants to say, ‘Oh, the Japanese are strange. They love tiny and miniature things and that’s why cell phone services have taken off here’ Natsuno said. But the truth is that we are normal, and it’s the other guys who are something odd. It’s not about being Japanese. It’s about knowing what people want and how to sell it the right way”
-- The Washington Post, Feb 19th, 2004



Trends | Japan Leads Mobile Web Use Globally

Figure 1 Mobile Devices Are Nearly Ubiquitous Around The World

Really?

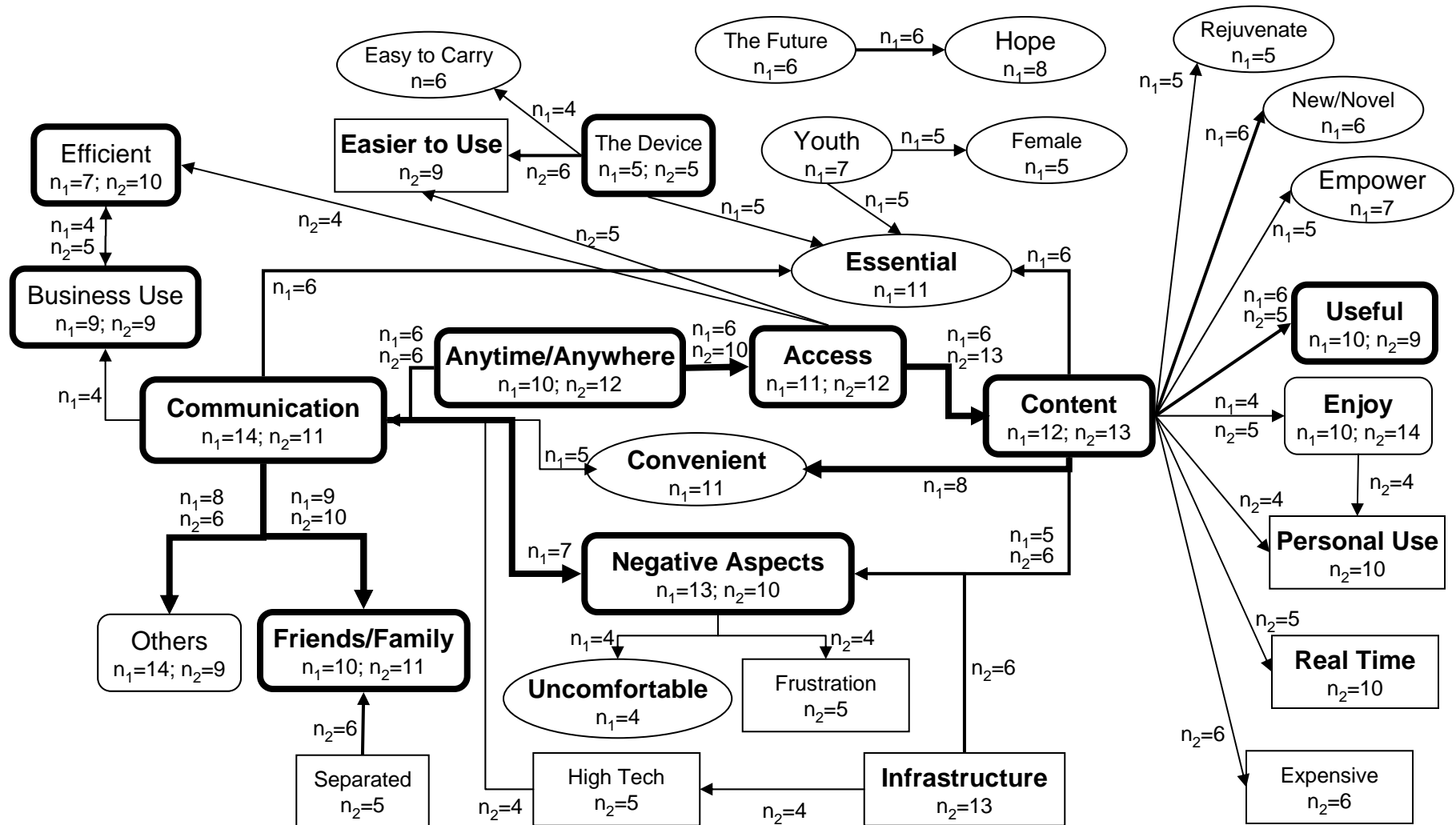


Base: consumers in each country or region
*Metropolitan China and metropolitan India

Source: Forrester's APCTAS Q1 2006 Survey, Forrester's NACTAS 2006 Benchmark Survey, and Forrester's Consumer Technographics® Q4 2005 European Study

39878

Source: Forrester Research, Inc.



Guide to Representations

n1=Japan; n2=Indonesia; Bold Text or Connections = Most # of Mentions

Similar Constructs
Similar Emphasis

Similar Constructs
Different Emphases

Unique to Japan

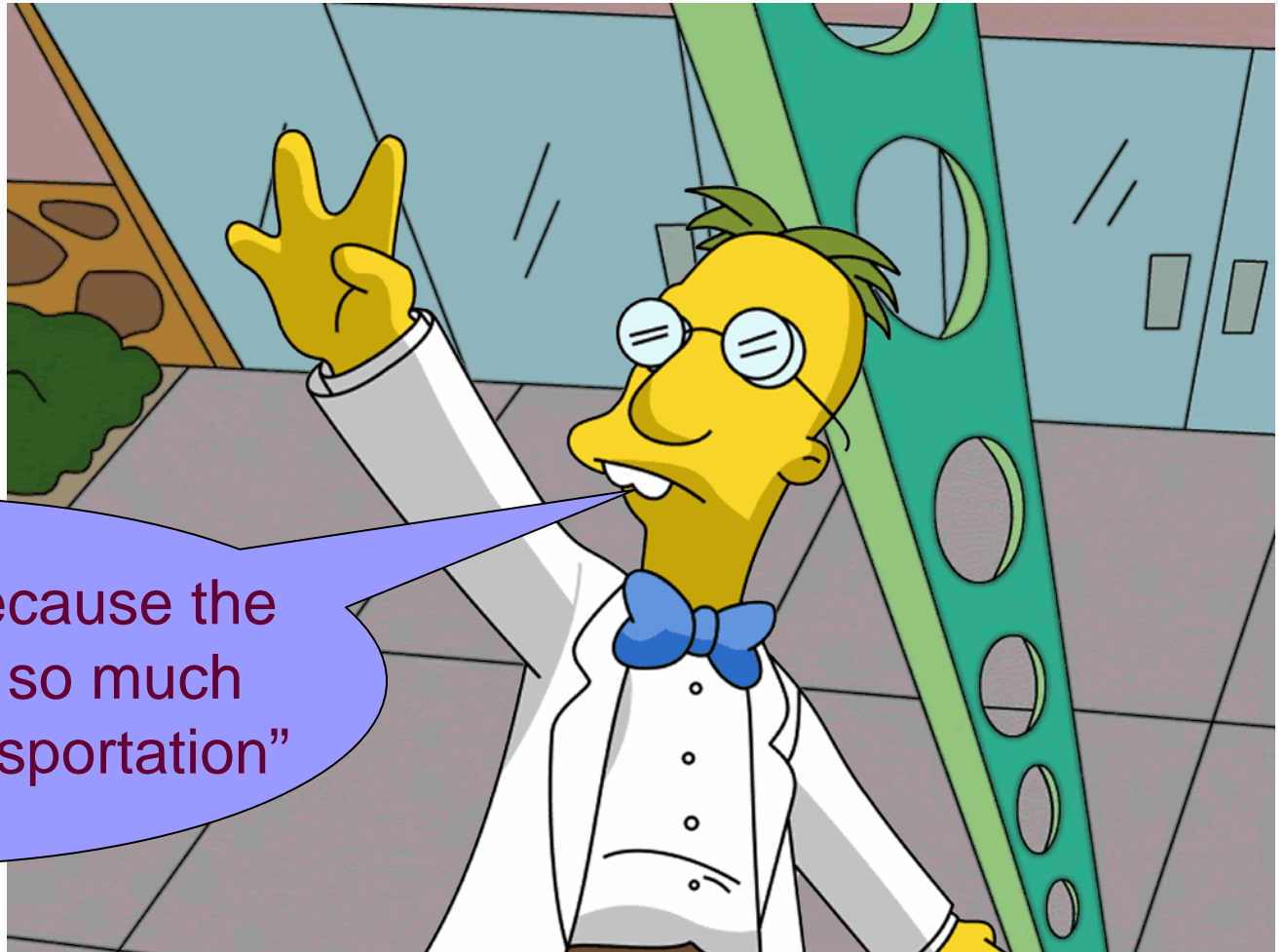
Unique to
Indonesia



So we can't say that the mobile internet has succeeded in Japan because of something unique to the Japanese culture

Why else then?

“Well Philip, it’s because the Japanese spend so much time on public transportation”



*Statistics Bureau,
Director-General for Policy Planning (Statistical Standards) &
Statistical Research and Training Institute*
Ministry of Internal Affairs and Communications



Really?

Average time spent commuting:



*Statistics Bureau,
Director-General for Policy Planning (Statistical Standards) &
Statistical Research and Training Institute*
Ministry of Internal Affairs and Communications



Really?

Average time spent commuting:

31 minutes per day



*Statistics Bureau,
Director-General for Policy Planning (Statistical Standards) &
Statistical Research and Training Institute*
Ministry of Internal Affairs and Communications



Really?

Average time spent commuting:

31 minutes per day
3 ½ hours per week





That's a lot of idle time!

Average time spent commuting:

31 minutes per day

3 ½ hours per week



That's a lot of idle time!

But what are people *REALLY* doing during this time?

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But what are people *REALLY* doing during this time?





That's a lot of idle time!

But what are people *REALLY* doing during this time?





That's a lot of idle time!

But what are people *REALLY* doing during this time?

So only a small % of this time is used for the keitai



So if not the commute, where?

So if not the commute, where?

At home





So if not the commute, where?

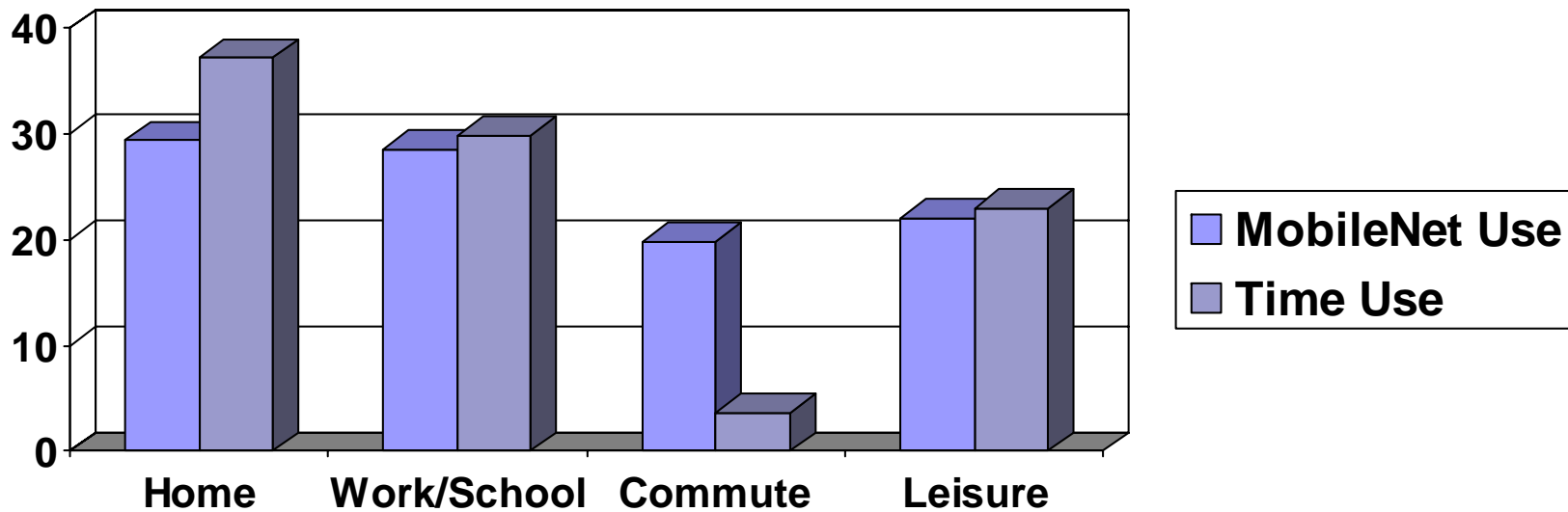
At work



So if not the commute, where?

At play







So what is so important about
the mobile platform?

Four Critical Points



Point 1



Point 1 It's Personal





Point 1 It's Personal

>85% of time
“Within Arm’s Reach”



Point 1 It's Personal

>85% of time
“Within Arm’s Reach”
365 days per year



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Point 1 It's Personal

>85% of time
“Within Arm's Reach”
365 days per year

What else is with you so often?



Point 1 It's Personal

>85% of time
“Within Arm’s Reach”
365 days per year

What else is with you so often?

Your Family?



Point 1 It's Personal

>85% of time
“Within Arm’s Reach”
365 days per year

Your Clothes?



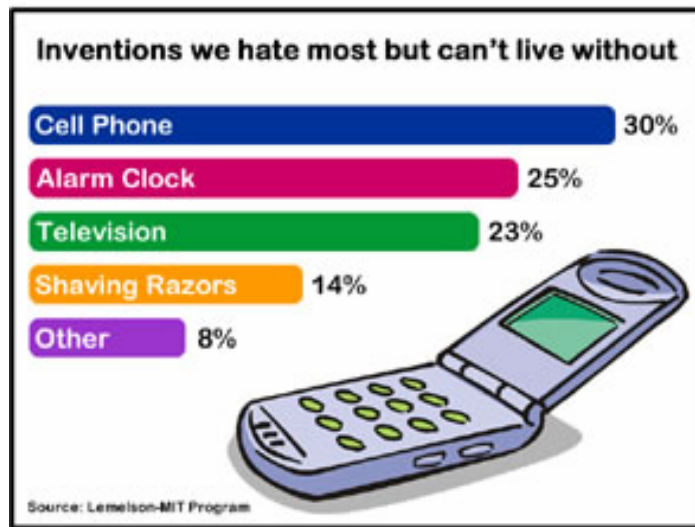
What else is with you so often?

Point 1 It's Personal



Love/Hate Relationship

Point 1 It's Personal



Love/Hate Relationship

Point 1 It's Personal

What can
effective mobile
businesses do
to make
consumers
want to be even
closer to their
keitai?





Point 2

2 new time “zones”



Point 2

2 new time “zones”

Time Zone #1

“In-Between Times”





Point 2

2 new time “zones”

Time Zone #1

“In-Between Times”

Only certain content matches
this mobile time zone



Point 2

2 new time “zones”
Time Zone #2
“Golden Time”



Point 2

2 new time “zones”

Time Zone #2
“Golden Time”



The most “dedicated” mobile use
occurs in this time zone

Point 2 2 new time “zones”

What can mobile businesses do
to best capitalize on these two
distinctly different usage
behaviors?



Point 3 Communication is the Key



Point 3 Communication is the Key

The main source of operator
revenue is Voice
And >50% of all data revenues
in Japan are from text
messages



Point 3

Communication is the Key

au Business

	Unit	1Q of FY2005	2Q of FY2005	3Q of FY2005	4Q of FY2005
		(Apr. 2005 - Jun. 2005)	(Jul. 2005 - Sep. 2005)	(Oct. 2005 - Dec. 2005)	(Jan. 2006 - Mar. 2006)
Number of Subscribers (as of End of the Quarter)					
Total Cellular Phone Subscribers	Thousands	20,123	20,704	21,571	22,699
Market Share	%	22.8	23.2	23.9	24.7
Increase	Thousands	580	581	867	1,129
ARPU (2)					
Total	Yen	7,050	7,190	7,090	6,840
Voice ARPU	Yen	5,240	5,300	5,200	4,880
Data ARPU	Yen	1,810	1,890	1,890	1,960

Point 3 Communication is the Key

How can these communications capabilities be best embraced by mobile content and service providers?



Point 4 Mobile consumers are more loyal



Point 4 Mobile consumers are more loyal

Mobile subscribers are more loyal than PC subscribers, remaining with their existing company even with more attractive offers from competing brands



Point 4 Mobile consumers are more loyal

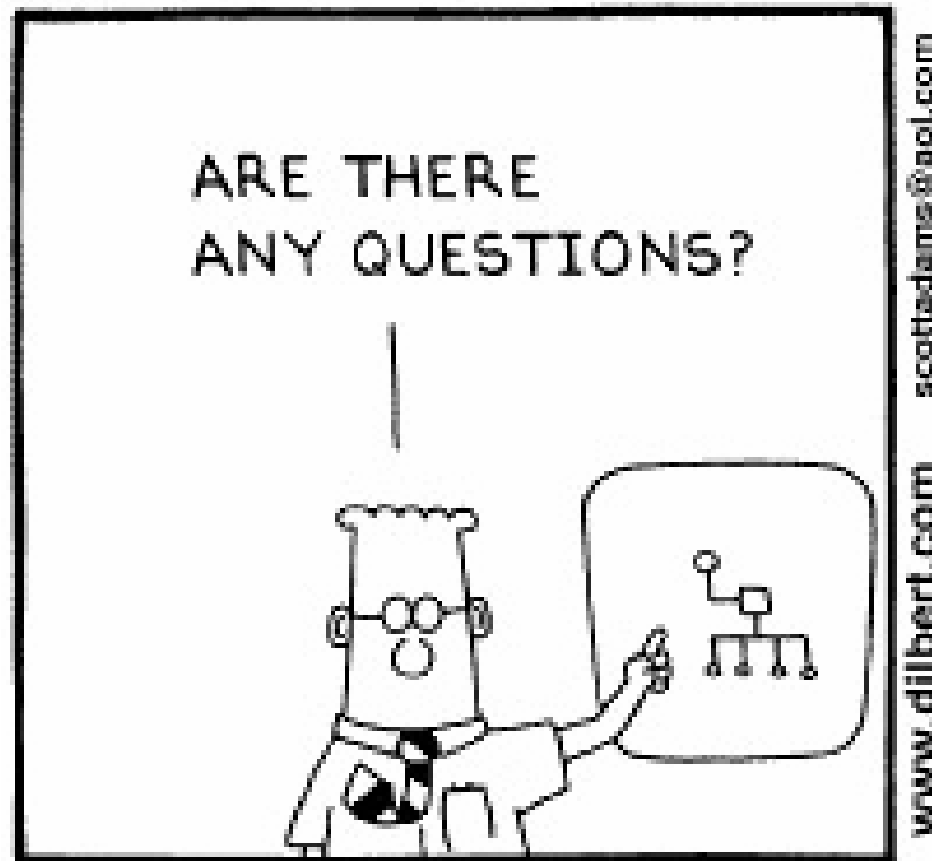
And recent research that I have conducted with my colleague Dr. Kim at IUJ has shown such loyalty to be stronger for “free” content than “subscription” content





Time to Think

- Some Problems with this Research
 - Consumer Surveys
 - I now need Backend usage data including
 - Content Type (i.e. Games, Music, Traffic Info, etc.)
 - Usage Intensity by Time of Day
 - Anyone willing to work with me and the students in my research lab on this, please come talk to me after this presentation





philip@iuj.ac.jp

- My contact Information – philip@iuj.ac.jp
- I would now like to introduce Gretchen Shinoda, the head of our Student Placement office at IUJ to introduce how all of you may be able to work with IUJ students



IUJ Career Services Employment and Internship Program

Gretchen Shinoda, Director,
Career Counseling and Services



Career Counseling and Services

- Work with Companies to find matching candidates for
 - **Jobs**
 - Starting in July (MBA or MA) or September (Ebiz)
 - **Internships**
 - 2 weeks to 3 full months starting in early July
 - No visa or insurance concerns
 - Paid “project based” internships hoped for
 - Candidates are available for UNpaid positions
 - **Special Projects**
 - Group projects done from campus during summer months (Ebiz student groups)
 - Other options possible



- Main Recruiting Seasons
 - Early Bird Season: Jan. 16 – March 2
 - Campus visits possible and encouraged
 - Come enjoy our snowy campus
 - Second season: April 15 – May 30
- IUJ Resume Book now available
- On-campus presentations and interviews easy to arrange



Career Counseling and Services

■ Contact

Gretchen Shinoda

gretchen@iuuj.ac.jp

www.iuuj.ac.jp/career/

I hope to work with you