

Special Issue on i-mode Service

“i-mode” Media Concept

What kind of service is necessary to persuade users to buy a new mobile phone if a mobile phone is for use, not only for talk? What kind of business scheme should be planned to deploy good contents while maintaining the quality?

The media concept is introduced here to attract both users and service providers.

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Introduction

The number of mobile phone users has increased 10 million each year for three consecutive years from 1996 to 1998. It is needless to say that “volume dimension” of these users are the most attractive for the information providers (IP). However, it is the number of mobile phone users. It does not secure the number of i-mode users. There are quite a few users who are thinking “a present phone is enough” or “I can not utilize more functions”. We have to motivate them to buy a new mobile phone or to replace a present mobile phone to a new type.

In order to establish i-mode service, we need users who purchase a new i-mode terminal to join the service and IP who provide digital contents. If there are attractive contents, IP can get users. Then, the users increase and the contents can be more expanded. We have to take this positive feedback, otherwise this service can not be established.

Therefore, I introduce the concept to make this attractive media for both sides and further describe how IP companies have built business model to establish their business.

Basic Policy of Media

■ Sticking to Telephone

Terminals combining a mobile telephone and Internet capability have been sold by several manufacturers. They pursued easy display of information. So, they were rather “information terminals” than “telephones”. They weighed more than 150g and were wide, so they were too big for women’s hand. Though they were fresh in a market, they were not sold well.

That’s why i-mode sticks to being a telephone. It is easier to look at contents with color than monochrome in as big liquid crystal as possible. If we pursue this kind of richer display, the terminal is bigger and the battery life is shorter. So, it is a trade-off relationship. We prioritized “mobile phone” concept to “information terminal” to reach a big market.

■ Target is General User

The target is general mobile phone users, not advanced computer users even if they can access Internet. However, most of proposals from mobile phone manufacturers were based on “advanced function type” and “executive spec”. development because HTML browser was mounted on the original telephone function. The policy was decided to create a specification not to damage the merit of a mobile phone though liquid crystal display is bigger.

■ Unaware of Internet

“Advanced function” gives an impression of difficulty. “Multiple function” gives an impression of troublesome. So, it is decided not to use these phrases in the development concept. Also, words such as Internet and Web are not used. Users can experience “Internet naturally” while they are not aware of it. They can be connected to Internet like that they make a call. We are aiming for as fast response time as possible so that users do not feel stress.

By only pushing “i” button on a mobile phone terminal, speech mode is switched to text mode.

■ Put Media Concept on Text

Media concept was explained in clear language, which made judgement criteria consistent in each development stage, in the process that development policy was decided.

Brain storming was done including external brains, then we encountered the key word, “concierge”. Concierge is the person who arranges a ticket and books restaurant in a hotel.

The fact that we did not pick up a digital word “agent” was proved very useful for copy working of PR promotion later. It led to the advertisement deployment to give heart warming impression such as “a mobile phone checks a mail” and “a mobile phone books a ticket”.

Also, a hotel concierge was the best to stir an imagination of utilization scene when considering “mobility” and “convenience” contents. There were “movement” and “life” in a hotel.

Thus, the service key word of i-mode was decided “feel like having my concierge”.

4 Quadrants of Contents Menu

■ Portfolio

Discussion never ended for the best number of contents menu. Naturally it was very difficult to find the answer when there was no service, even no mock up. Thus, scroll operability was not sure and response time was unknown.

It is not such simple that the more number of contents, the better. In order to “comfortably” obtain services “which fit the media characteristics”, it is not good to have too many unused menu. However, if the menu is too limited, it can not appeal to different needs of various people in age, sex and occupation, which does not lead to the actual purchase.

So, the contents menu was divided to 4 quadrants to create portfolio (Figure 1). At the service-in, 1st quadrant “transaction type” is focused on to clarify i-mode characteristics. However, balancing of 4 quadrants is important to attract users permanently.

■ 1st Quadrant ... “Transaction Type”

The core of this service is “transaction type” such as mobile banking, mobile trading and airline ticket booking. Because the service to receive text information on a mobile phone has been already provided by other carriers.

In order to appeal i-mode freshness, keep the service priority compared to other competitors and to lead to motivation to purchase it, receiving text information is not enough. Clear convenience of “i-mode can do this” is essential.

People feel inconvenience in daily life for many of the transaction type, such as inconvenience to wait in a queue for ATM during busy lunch time and wasted effort to make a call for concert ticket reservation in vain. If these transactions, to

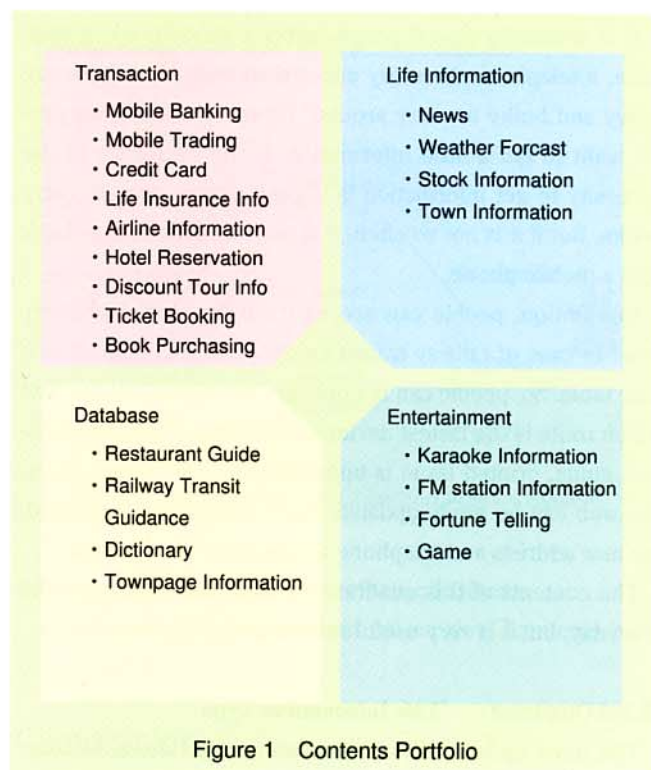


Figure 1 Contents Portfolio

come over to a bank or to inquire an operator so far, can be done from a mobile phone in hand, the service becomes possible anytime and anywhere. So, users' convenience will be enhanced.

For example, in case of a credit card, users can inquire paid amount on-line and obtain the member information. It is not necessary to carry a small booklet provided by a card company to check campaign information and restaurants, bars and hotels to provide discount service. In mobile trading, on-line stock selling/buying order is possible besides stock price search and market information. It is not necessary to feel awkward to say “please buy 1000 stocks of this” in a low voice from the office telephone.

Besides an air ticket reservation, hotel vacancy search and on-line booking is possible, so an itinerary of vacation and business trip can be flexibly decided without scheduling in advance.

Anyway, the 1st quadrant is the treasury of service which is customized to each individual, such as checking “my bank account balance”, minutely monitoring “my stock price” which is continuously changing, and inquiring “my mileage”.

■ 2nd Quadrant ... “Database Type”

It is a service to allow users to access database, such as restaurant guide, railway transit guidance, dictionary and telephone number information.

It is originally fine if people carry a guide book, a time table, a telephone directory and a dictionary. But these are heavy and bulky to carry around. However, sometimes people want to get a little information. If the frequency of the necessity to get information is higher, people want to carry books. But if it is not so often, it is more convenient to check with a mobile phone.

In addition, people can access fresh updated data every time. In case of railway transit guidance, it is combined to a time table. So, people can not only get route map but can find which route is the fastest during certain time. As for a restaurant guide, printed issue is updated every one or two years. But web can be easily updated. So, if a restaurant is moved, the new address and telephone number can be obtained.

The contents of this quadrant are not used frequently like everyday, but it is very useful service in outside.

■ 3rd Quadrant ... "Life Information Type"

The most updated life information such as news, weather forecast, stock information can be seen here.

The first report of baseball and J league results can be found and live broadcasting of Giant game and horse race from Radio Japan can be listened to in voice. As for weather forecast, not only weekly weather forecast but 840 nationwide pinpoint weather can be found and leisure information and weather can be found.

These news and information do not directly appeal the users' motivation to purchase it, but this service is the easiest for users to access after purchase and is essential for daily life.

■ 4th Quadrant ... "Entertainment Type"

The last is entertainment such as game, Karaoke, FM station information and fortune telling.

1st, 2nd and 3rd quadrants are an essential service in daily life with full of utility. But 4th quadrant is entertainment.

Many 20s are holding a mobile phone because it is one of pleasure rather than it is a convenient tool for them. The game "Dokodemoasobegasu (play everywhere)" is supported by young generation overwhelmingly. They answer the quiz which is sent every day and talk the result ranking to each other, which can be considered as one of the communication. Fortune telling is same. Party fortune telling and matching fortune telling has got a big hit.

It is a service to kill time when there is nothing to do.

The above is the contents menu classified to 4 quadrants.

At the service start (February 22, 1999), 67 companies joined the service with 25 menu. IP companies have been growing since then. There are more than 90 companies at the end of July.

Scheme to Establish the Business

■ To Build the "Win-win" Relationship with IP

When we adopt them as i-mode menu, quality, continuity and safety of the service must be considered. The service must be qualified as "i-mode service" as well as keep the contents quality continuously.

Also, unless IP companies strongly feel the business merit when they are on i-mode menu, it is difficult for them to maintain the attitude to continuously update the latest data and to improve the contents.

Thus, DoCoMo thought about building the "Win-Win" relationship with IP, not like purchasing the contents unilaterally, when DoCoMo prepared the i-mode contents.

If DoCoMo has the scheme to purchase contents and the users increase due to the line-up of contents, both IP and DoCoMo can get profit. But if users lose interest to use them due to the poor service content after using sometime, IP will "Win" but DoCoMo will "Lose". Even if the loss is within purchase budget, "Lose" of user trust has big impact on DoCoMo.

On the contrary, if DoCoMo's traffic increase due to the contents and IP just creates contents and can not gain much from it, DoCoMo will "Win" and IP will "Lose". In this case, IP's "Loss" would have impact on DoCoMo's "Win" and it is not expected that DoCoMo's "Win" will continue for a long time.

The above is difficult for contents because it is different from arranging products in a shop. If one of them is "Win" and the other is "Lose", it is extremely difficult to maintain the quality permanently.

Therefore, in order to establish the business in i-mode, the following 3 business models were produced.

■ 1st Model ... "Business Solution Type"

It is highly prioritized among management issues for IP to develop better service to secure users. So, many IP companies have been making an effort to improve service by deploying on-line service for these several years.

However, even if Internet users increase, still IP companies can not get enough users for investment. Therefore, if on-line service can be expanded from PC users to general

mobile phone users, more various service can be realized.

Also, they can use Internet to provide information service, so they can provide service at cheaper price. In addition, when certain media provides which service at how much can be found immediately. Access data can be marketing material intact and can be very useful for developing new service.

Almost all IP companies in 1st and 2nd quadrants fall on this “business solution” model.

■ 2nd Model ... “Media Diversification Type”

To utilize one contents resource in multiple ways is this “media diversification type” .

The information such as news and weather forecast can be seen everywhere in town, of course in Web, but even in bullet trains and taxis. This media has priority because it is convenient to withdraw necessary information at anytime from a hand and the media is always being carried.

Thus, the business model is established that fully available information in town such as daily and weekly weather information is free of charge, and pinpoint weather information if users want to know in detail, is partly charged.

IP companies in 3rd quadrant and part of 2nd quadrant fall on this “media diversification” model.

■ 3rd Model ... “Contents Business Type”

There are many contents created in Internet world. But still it is hard to establish the business in this area because collection of small charge is difficult. Labor and cost is high compared to the charge. For example, in order to collect 300 yen, total cost of computer output, paper and mailing etc. exceeds 300 yen sometimes.

However, as for i-mode, DoCoMo can substitute the collection of information fee (Figure 2). DoCoMo collects it together with telephone charge at certain commission, so collection labor is not needed.

The contents which are hobby-oriented like entertainment have possibility to obtain wider range of users by using i-mode infrastructure. Billion business is not a dream due to the system to collect small charges. We finally come closer

DoCoMo can act as an agent to collect information fee
(initially monthly fixed fee only)

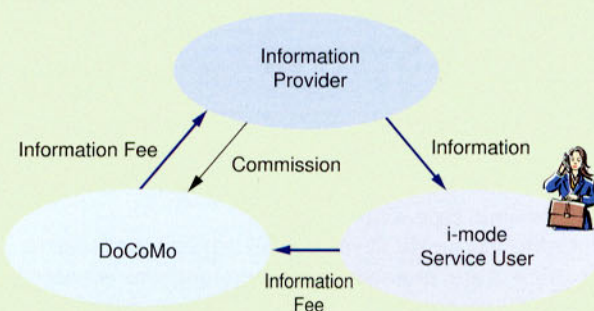


Figure 2 Information Fee Collection Agency System

to the era when contents is a profitable business.

IP companies in 4th quadrant fall on this “contents business” model.

Conclusion

For DoCoMo, “i-mode” service is one of the methods to promote mobile multimedia. Data communication market may be able to be expanded smoothly due to this service.

However, we have to have a scope that this service is not only for gaining communication fee due to the traffic increase but also for the possibility to create a new market which has not existed so far. It is different from creating one system and completing it. It is more like a mission to continuously enhance media value.

“i” button on a mobile phone does not only open the Internet door, but also it must open the door of new business market.