



Shaping
the Future Mobile
Information Society

SNEAK PREVIEW II

“Shaping the Future Mobile Information Society”: Japan Case Study

Lara Srivastava, Policy Analyst, ITU

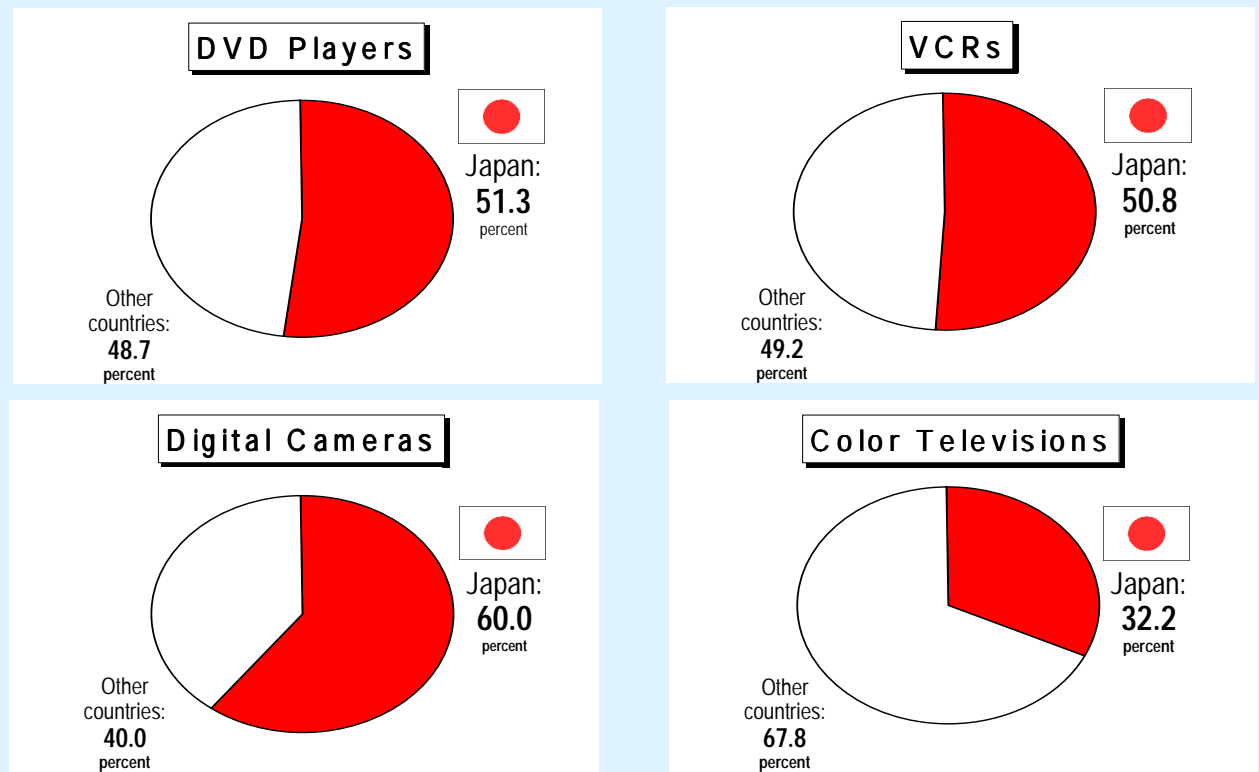
Chapter 5 (Excerpt)

LIVING IN THE MOBILE INFORMATION SOCIETY, JAPAN-STYLE

No one will deny the perception that the Japanese are a highly technophile people, who are regularly seen sporting the latest technological gadgets. This holds just as true for the mobile phone. No tourist visiting Japan can miss the dazzling array of mobile handsets and accessories on display all over Tokyo, and notably in the “electric towns” of “Shibuya” and “Akihabara”. Indeed many of those interviewed during the research phase preceding the publication of this case study pointed to the cultural factors affecting the take-up of new technologies in the country. In particular, they highlighted the fact that the Japanese consumer is informed and demanding, carefully choosing technology for its innovative quality, functionality, and value for money. At the same time, Japan is a highly homogeneous society, and consumers are keen on having the latest gadgets, in order not to be outdone by their neighbours and friends. Therefore, the threshold for a product to hit the mass market is much lower in Japan than in other countries. If a service or technology reaches 15 per cent penetration, it is well on its way to becoming a mass-market product.

In terms of manufacturing and distribution, Japan is famous for developments in miniaturization and product packaging. Foreign pharmaceutical firms, for instance, face significant challenges when distributing products in Japan, due to the strict packaging requirements imposed on them. The look and design of a product are key marketing elements, particularly for mobile phones, and the discriminating Japanese consumer takes these into account when purchasing electronics. Given the country’s success in miniaturization and robotics, it is not surprising that the penetration of home electronics is quite high in Japan, with the notable exception of the larger sized colour television (Figure 5.1).

Figure 5.1: Worldwide Market Share of Home Electronics (2001)



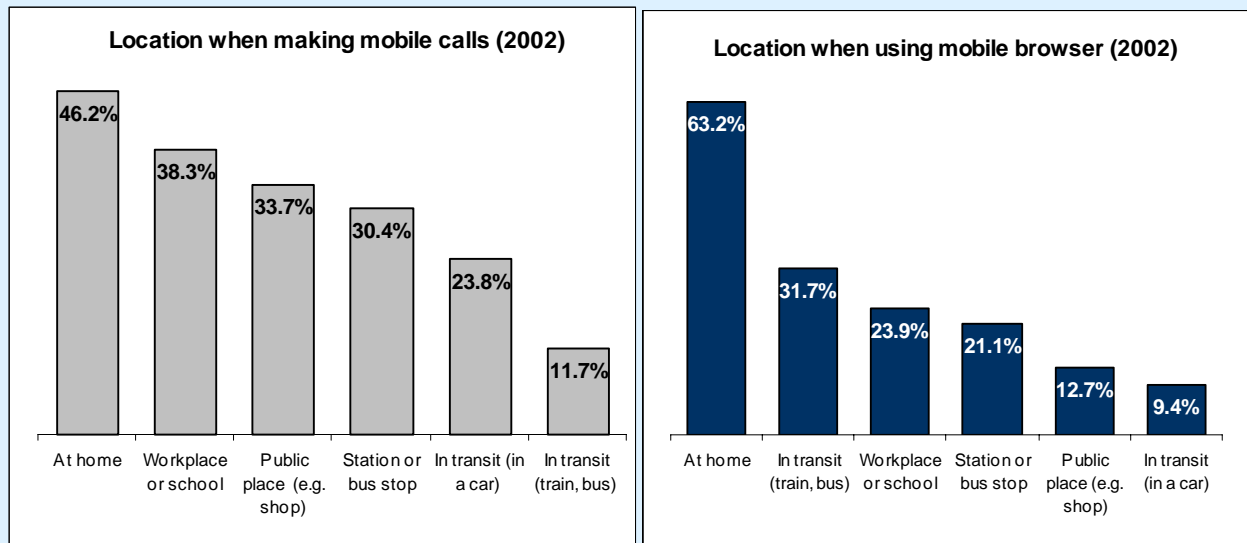
Source: MPHPT, adapted from “Market Share Survey Report of 100 Leading Products and Services, 2001”, Nihon Keizai Shimbun, materials from New Growth Policy Committee of the Industrial Structure Council, Ministry of Economy, Trade and Industry, and the Semiconductor Industry News (2001).

Another important trend in Japan is the use of mobile phones as a fashion accessory. Users have access to a wide variety of colourful tags and stickers that can be used to personalize mobile phones, in line with the latest trend and fashion of the day. Handset replacements are very common in Japan. According to a survey conducted by Video Research in July 2002¹, 63 per cent of users replace their mobile devices within two years. Young students have an even shorter replacement cycle: almost half of those surveyed reported an annual replacement cycle. 40 per cent of those who replaced their handset at least once, reported one of the following reasons for their latest replacement: a desire to have the latest model or service, or the fact that the design or function was "out of date". Mobile phones have become such trendsetters in Japan that KDDI has recently released a “retro” design, with a certain hint of the past, in order to appeal to the younger generation. The slim-line phone is known as “Infobar” and comes in three different colours, each with a different catchy name.

There is a general misconception that Japanese people use their mobile phone mostly while commuting. In fact, a large majority (46.2 per cent) of Japanese use their mobile phone at home to make calls (Figure 5.2, left chart). Similarly, although some consider that the most frequent use of the mobile Internet browser in Japan is on commuter trains and public transport, the reality is quite different: a survey conducted by MoCoBe reveals that the use of the mobile Internet in Japan is highest at home and this is confirmed by Video Research’s survey in 2002 (Figure 5.2, right chart).² In fact the peak time period for browser usage is after working hours, between 19:00 and 23:00 on weekdays and 21:00-23:00 on weekends.³

Figure 5.2: User location when using browser functions and making phone calls from mobile phones

Based on a survey conducted by Video Research Ltd in July 2002



Source: Video Research Limited, 2002

Another interesting aspect of mobile phone use in Japan is the portability and proximity of the device to the human user. According to the Mobile Content Forum, 70 per cent of Japanese mobile users keep their mobile within one metre of their body during the day time, and 40 per cent during the night, most likely not far from their pillow. In this respect, the mobile phone has become somewhat an extension of one's physical self, intrinsically linked to identity and accessibility.

© ITU 2003

Full case study to be released in January 2004: see www.itu.int/futuremobile

¹ "Mobile Phone Usage Situation", Video Research Ltd, September 2002.

² See the survey of the mobile Internet conducted by Philip H. Sidel and Glenn E. Mayhew of MoCoBe in "The Emergence of Context: A Survey of MobileNet User Behaviour", 2003. See the website at <http://www.mocobe.com/genpage/home>.

³ "Mobile Phone Usage Situation", Video Research Ltd, September 2002.