

# ***Kogal Effect on Keitai Innovation:***

The Latest in  
Mobile Phone Lifestyles  
in Japan and Beyond

April 17, 2004

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Central Question:

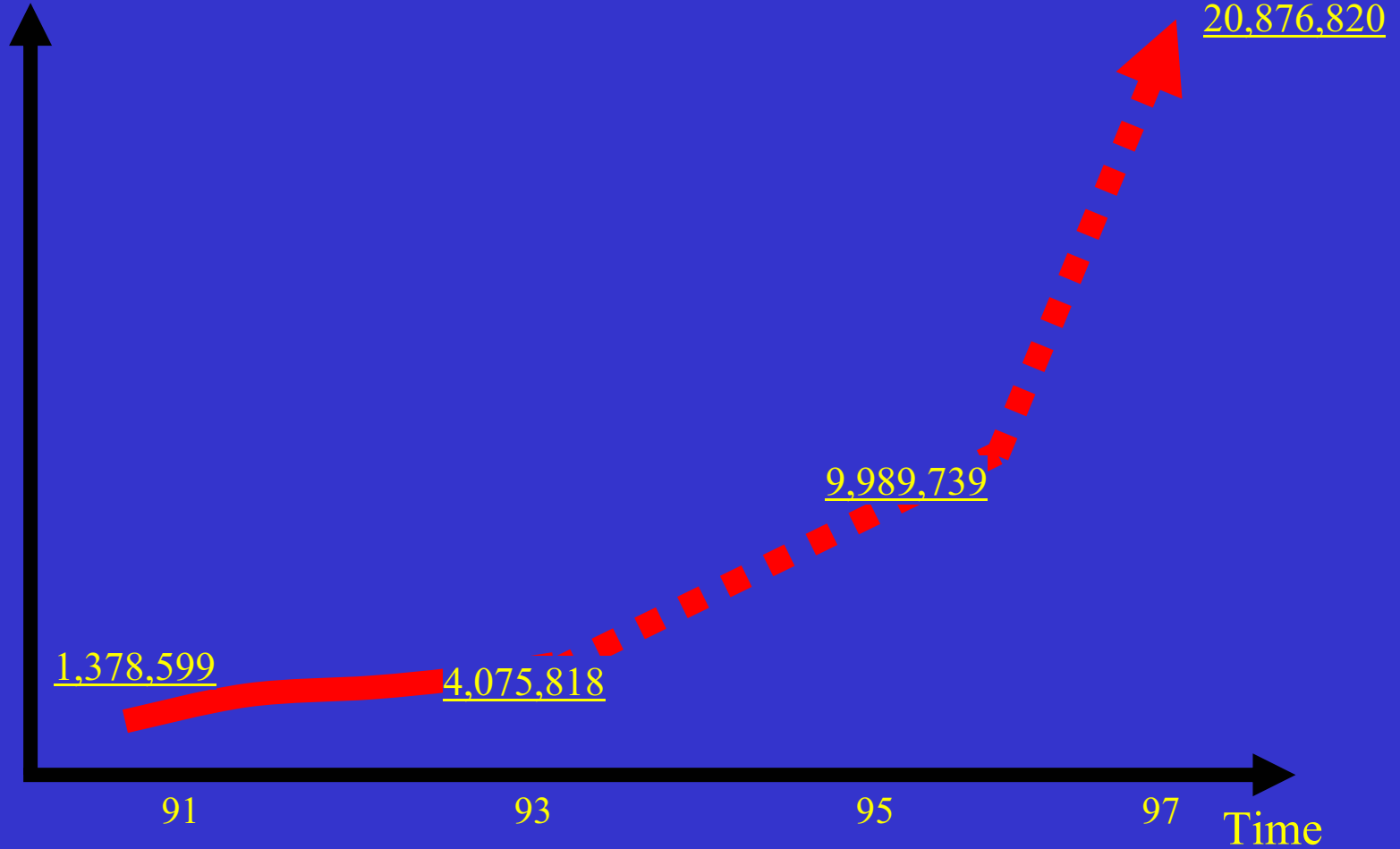
How influential are Japanese young women in cutting edge mobile phone industries?

Why are they so influential even though they are not techies?

What is the meaning of “cutism” in marketing?

# Mobile Phone Subscribers in Japan

Market size



# Survey:

USA (around NYC)

Japan

China (central Shanghai)

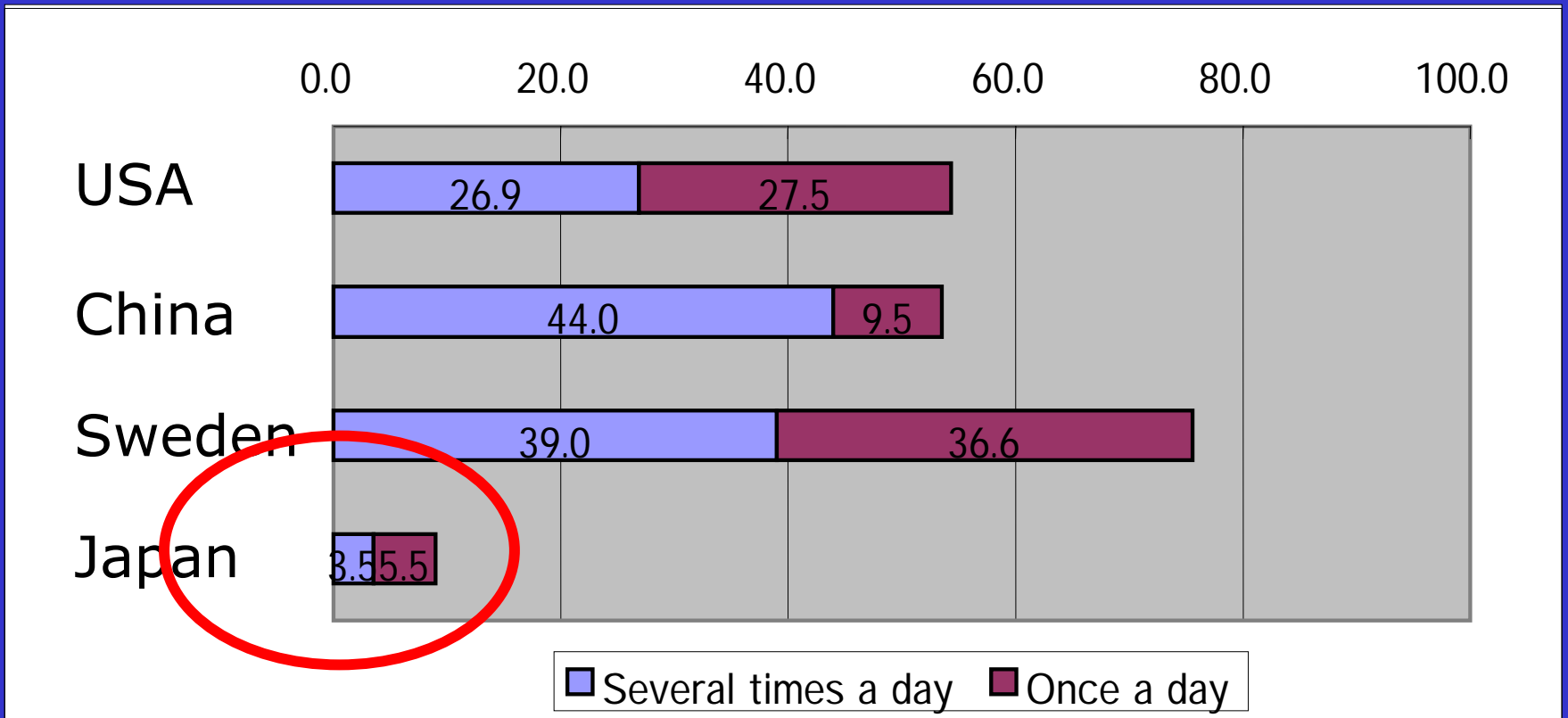
Sweden

Aged 15 – 24

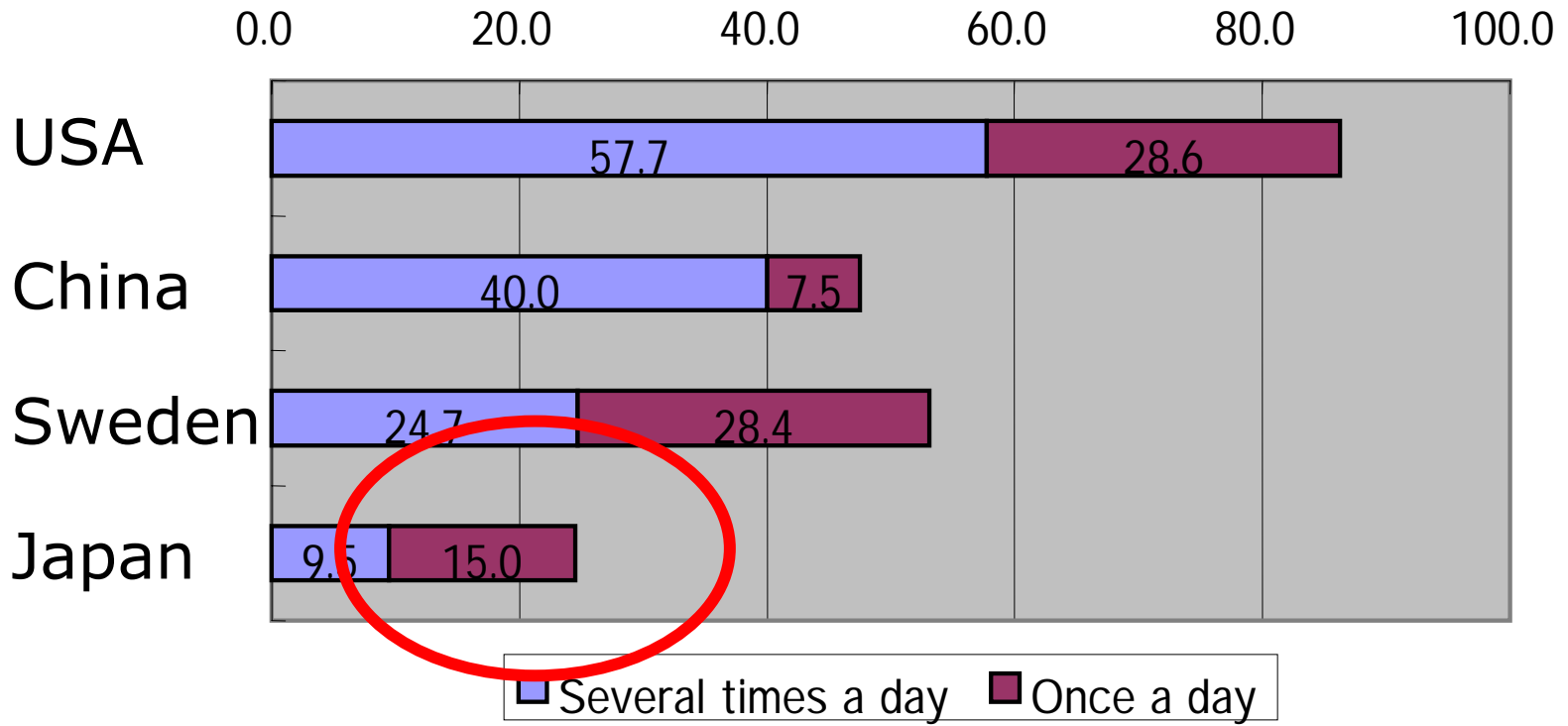
200 samples per each country

Oct. – Dec. 2003

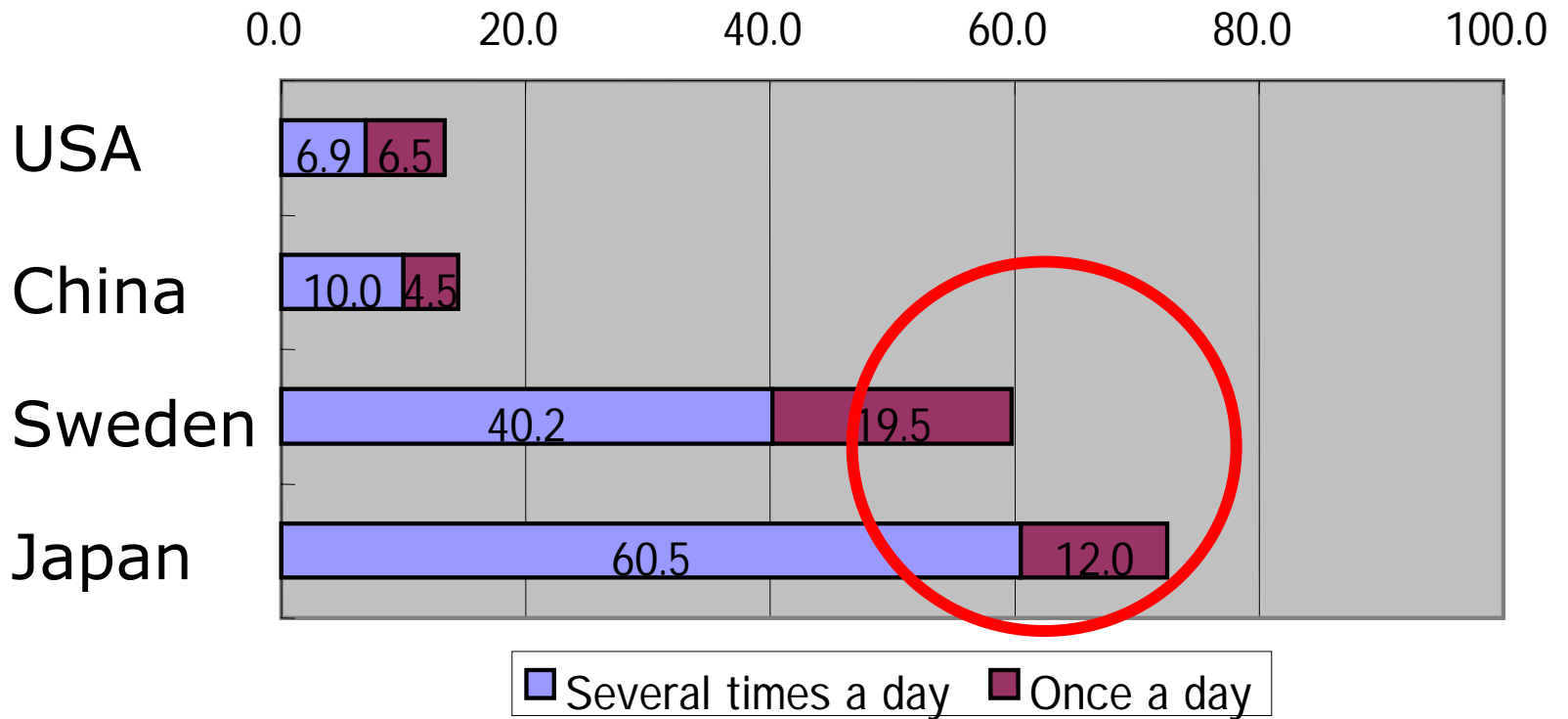
# Personal calls on a fixed phone



# Personal calls on a cellular phone



# Personal SMS/e-mail through cellular phones



Images of cell phones removed for copyright reasons.



# “otaku”

Male aged 20s-40s

Techno-geeks, Nerds

Anime, Star Wars fan

Non-athletic

Plastic model fan

backpack, small gadgets

Keen to ‘function’

Get it quick,

but bored soon.

Images of people removed  
for copyright reasons.

However, their cell phones look rather old.  
Bar-type and basic models are dominant.

Images of cell phones removed for copyright reasons.

# “kogal”

Female aged 10s-20s

Very sociable, girlish fashion

Love taking self-pictures

Digital camera, Camera-phone

Love character goods

Sensitive to ‘cute,’ or ‘beautiful’

Create new usages, new names

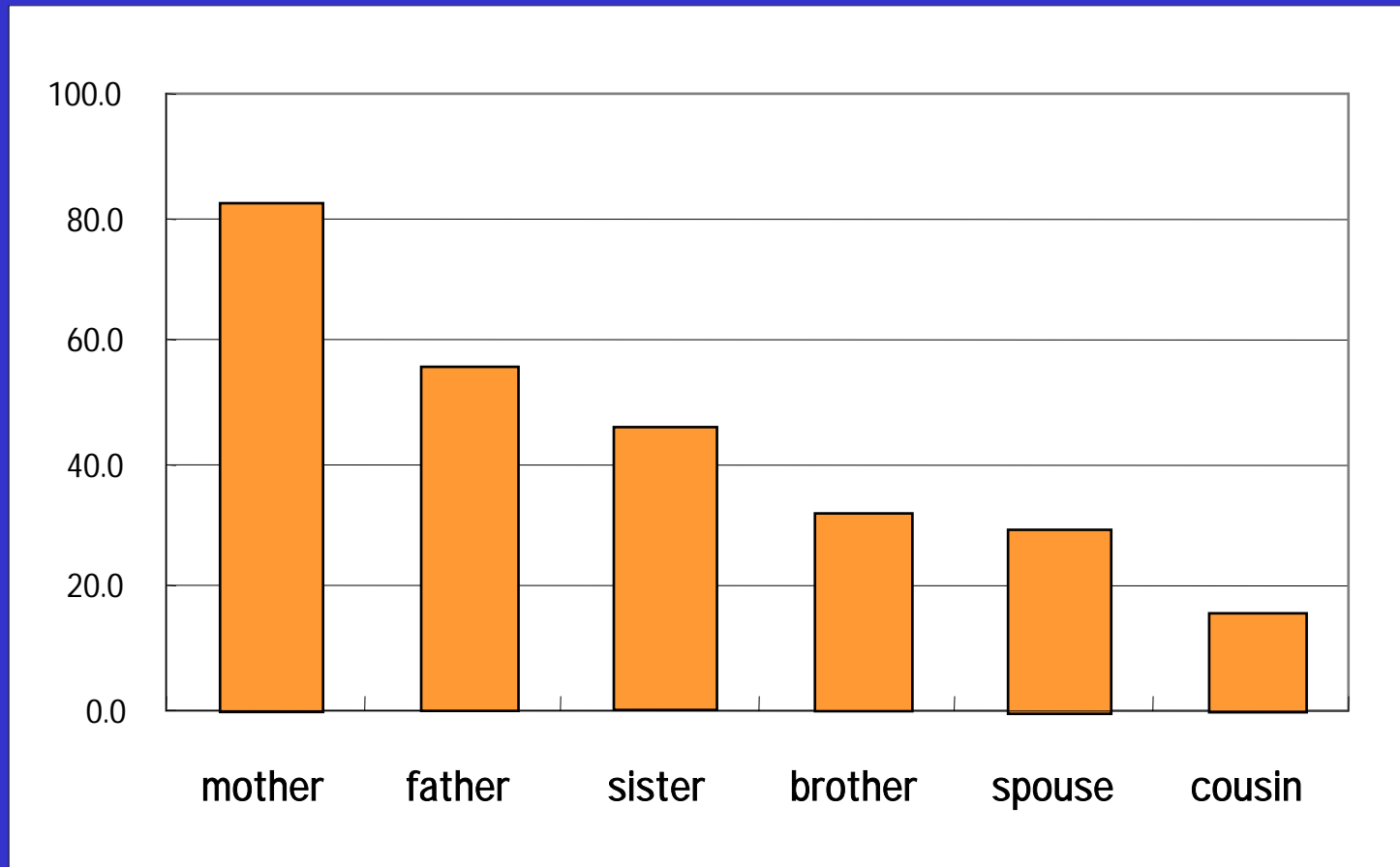
Get it slowly, but enjoy longer.

Images of people removed  
for copyright reasons.

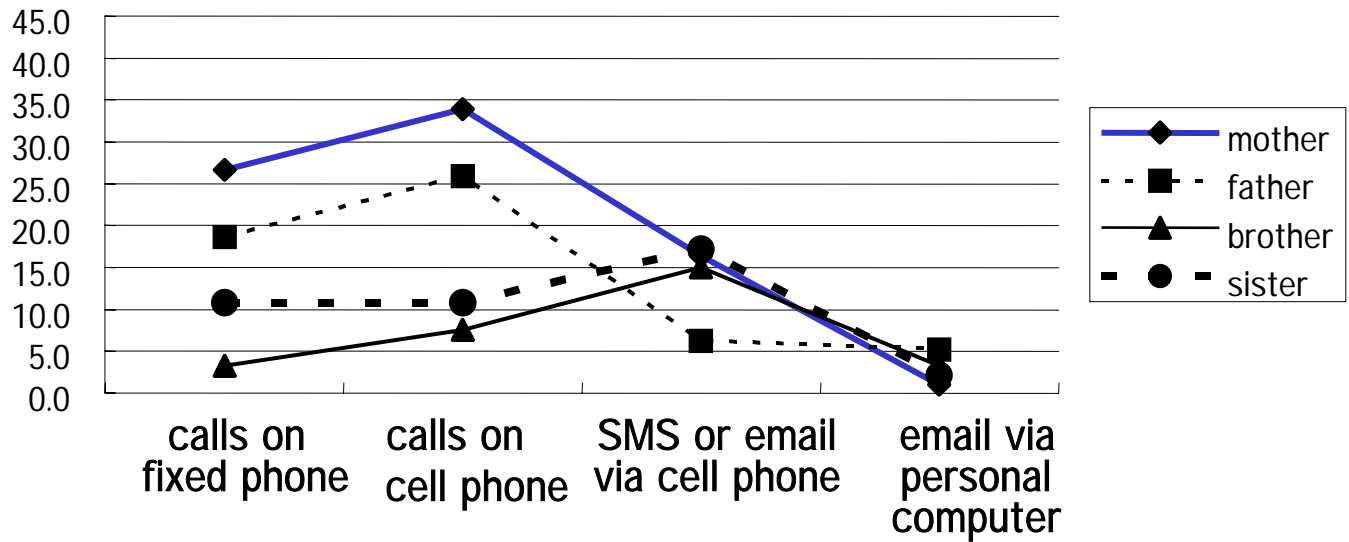
They have the latest models, and enjoy “mobile phone life.” Flip-type, Camera-phones, Ring tones, and Cartoon screen savers.

Images of cell phones removed for copyright reasons.

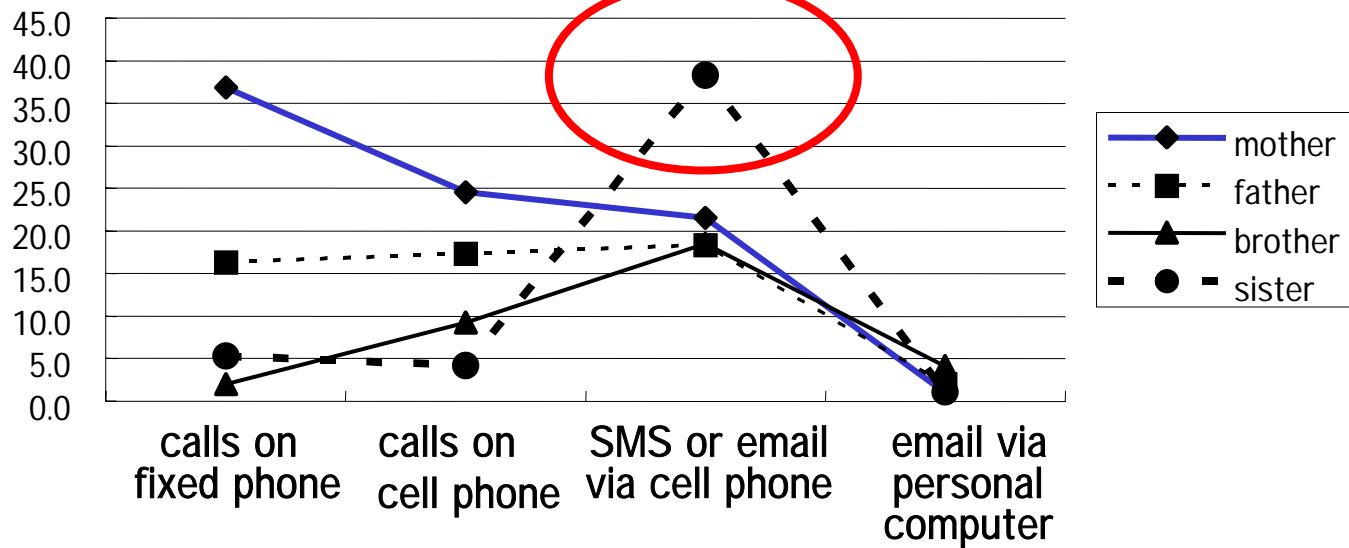
# Total comparison of each communication rate



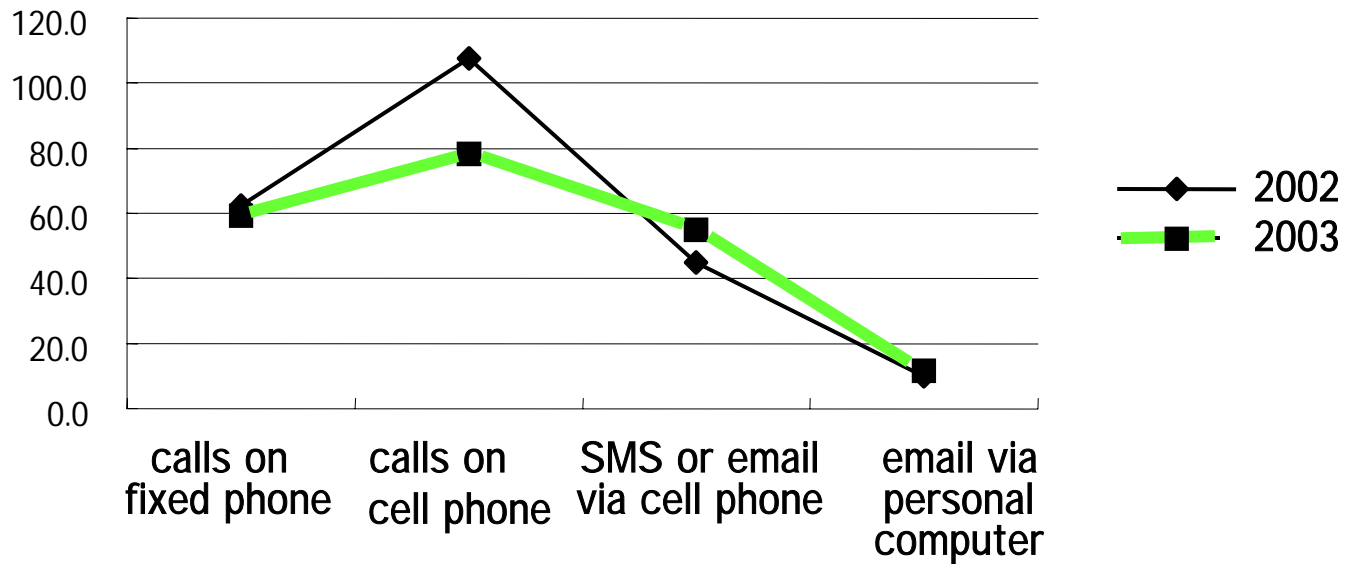
male



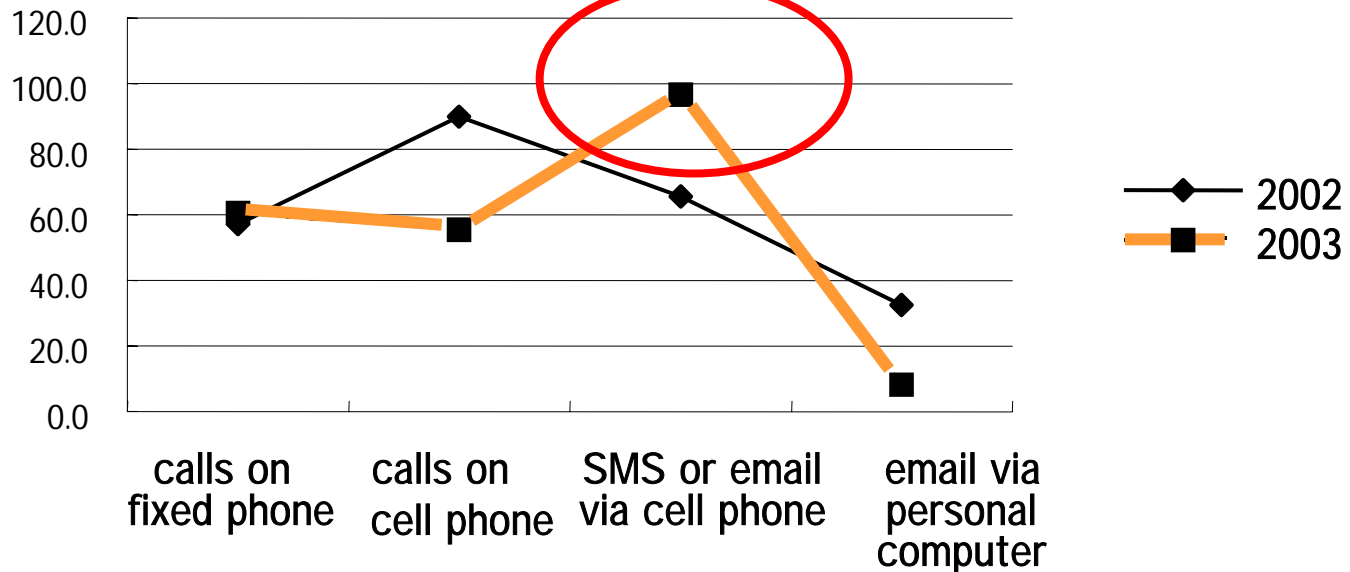
female



male



female



# Sha-mail

Images of people removed for copyright reasons.



# Pet screen-saver

Images of dogs, cats and duck removed for copyright reasons.

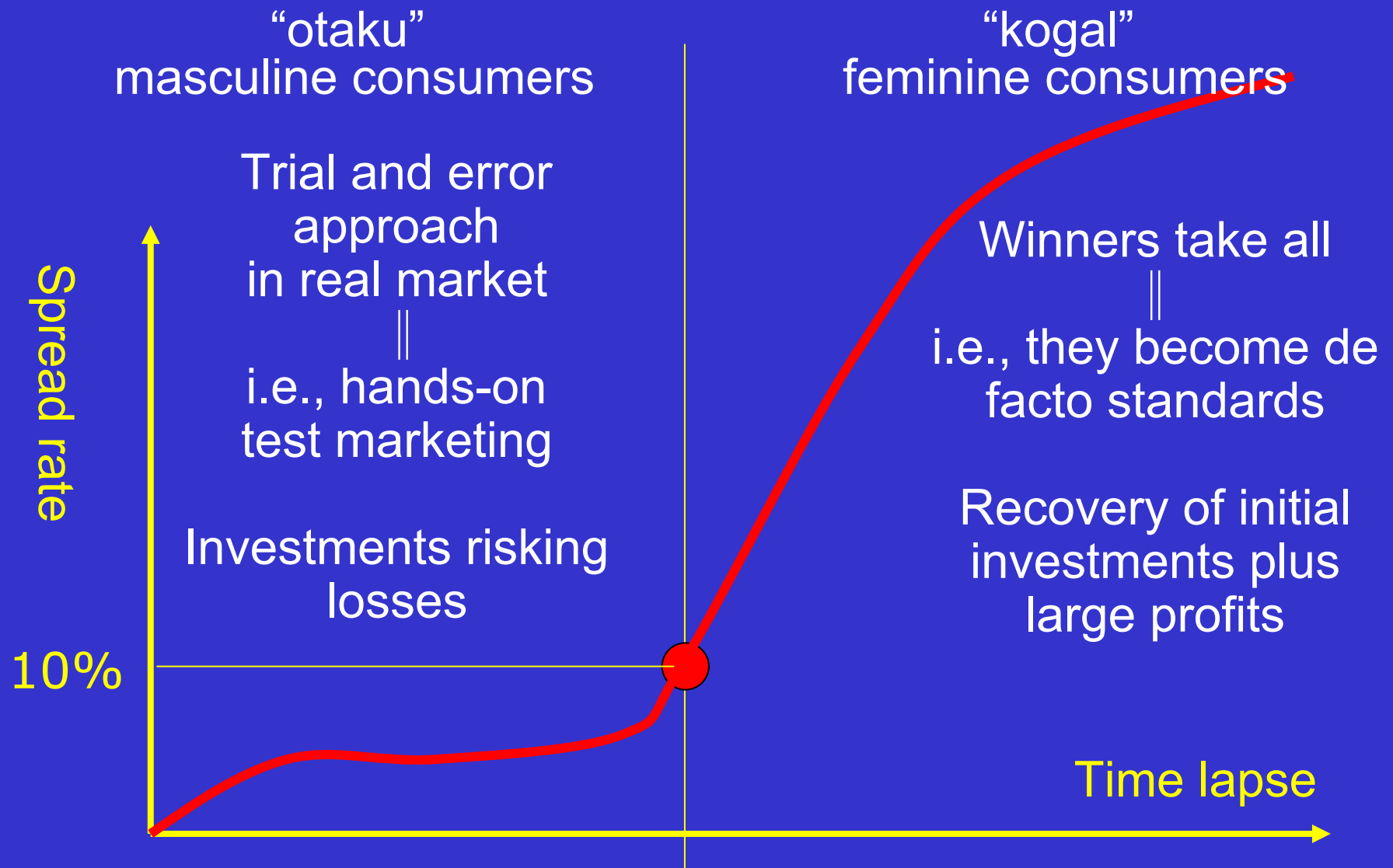
# Ring tone services “Chaku-melo” history

- 1997 The first ring tone delivery service was launched. (single sound, single tone color)
- 1998 NTT DoCoMo launched i-mode.
- 1998 Some small **young women communities** started providing R&B music data for ring tone functions as free contents.
- 1999 4-chord sound, multiple tone colors
- 1999 The first ring tone magazine was launched.
- 2000 16-chord sound, 128 tone colors
- 2002 40-chord sound, 128 tone colors
- 2003 CD-quality ring tone “chaku-uta” was launched.
- 2004  
Total market size in Japan will reach \$1 billion  
(regular CD annual sales are \$4 billion)

# Curious Phenomenon between “otaku” and “kogal”

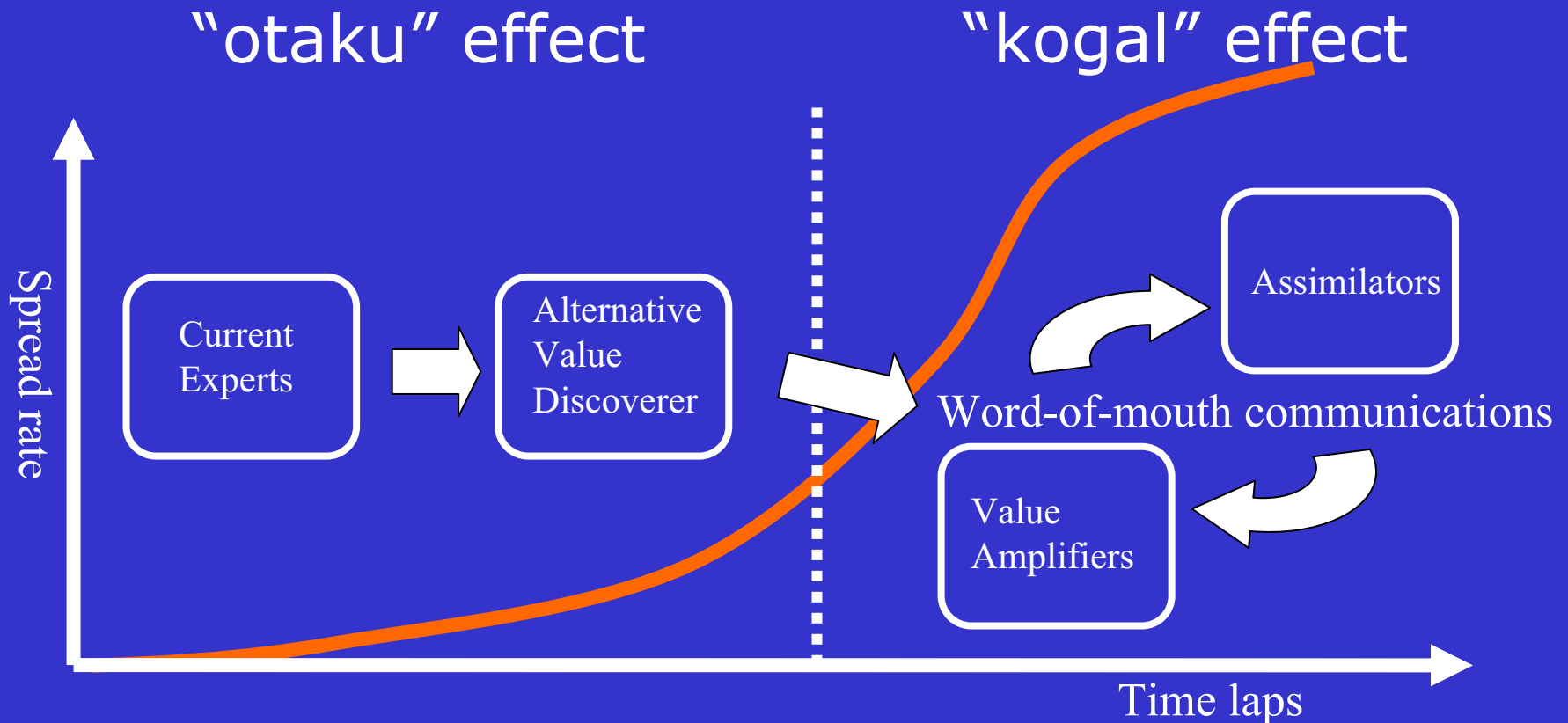
1. Japanese marketers have witnessed many cases in which major target of one product have changed spontaneously from males to females.
2. When the major target starts changing, the market size grows very rapidly.  
(more than 10 times)

# Two types of feedbacks in each stage



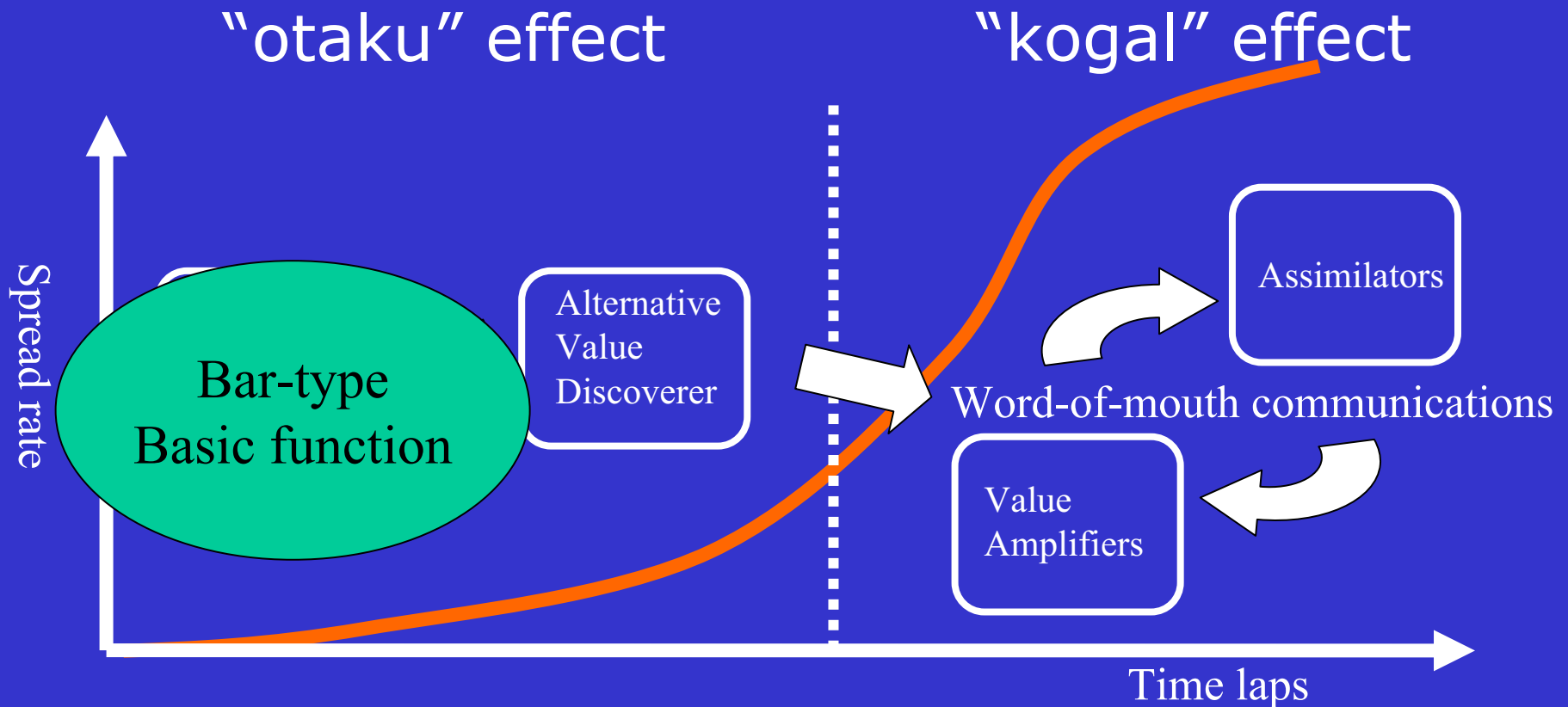
# Diffusion Dynamics Hypothesis

Each community of consumers gives new meanings for each technology or product during conveying knowledge and information.



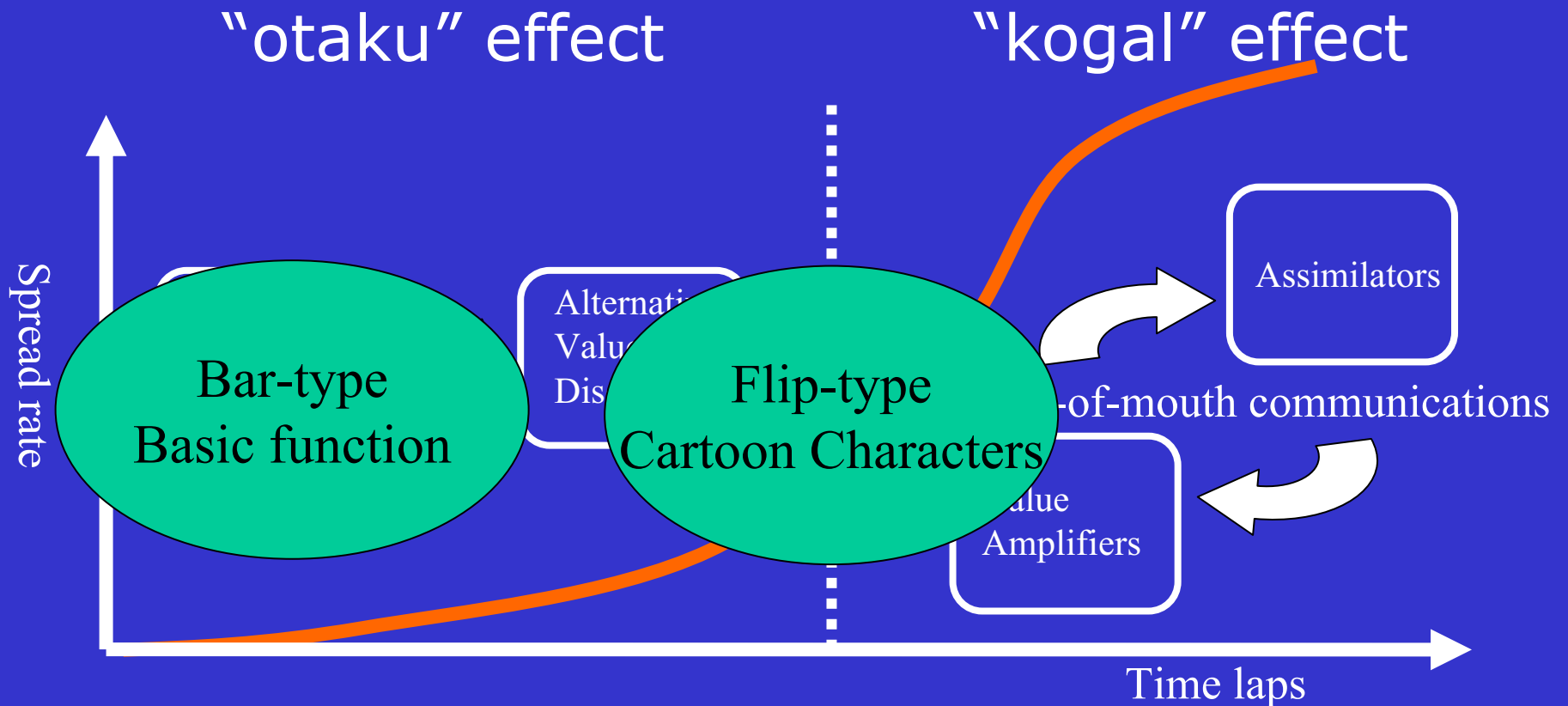
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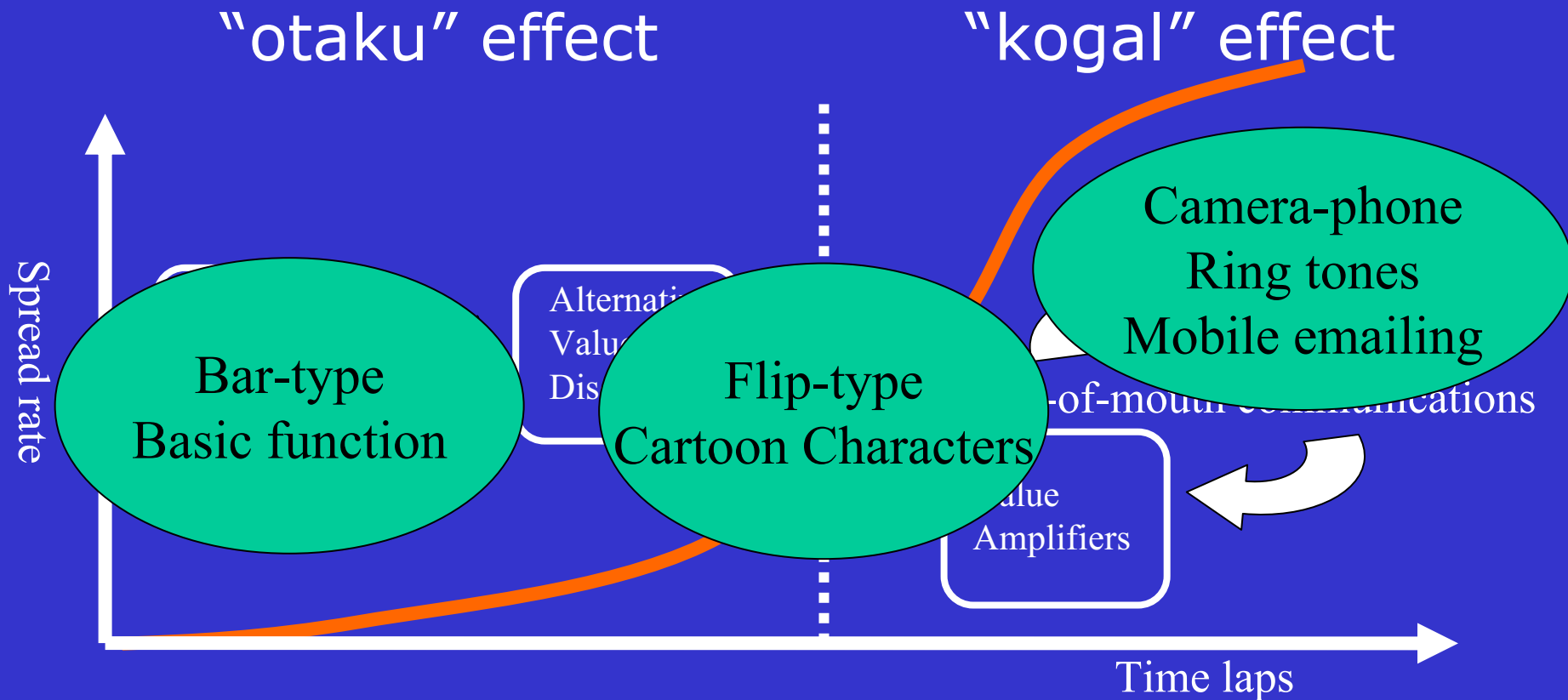
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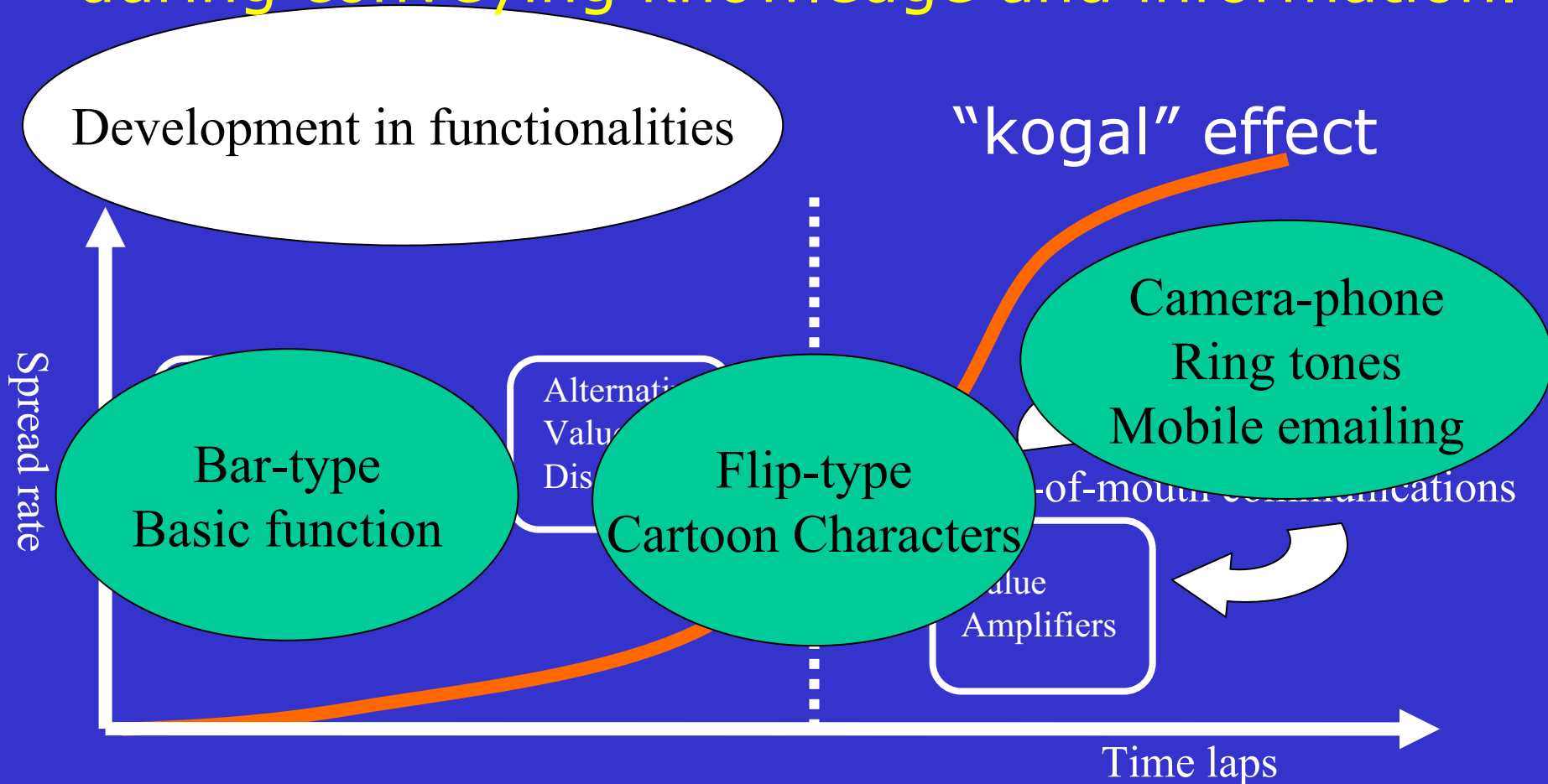
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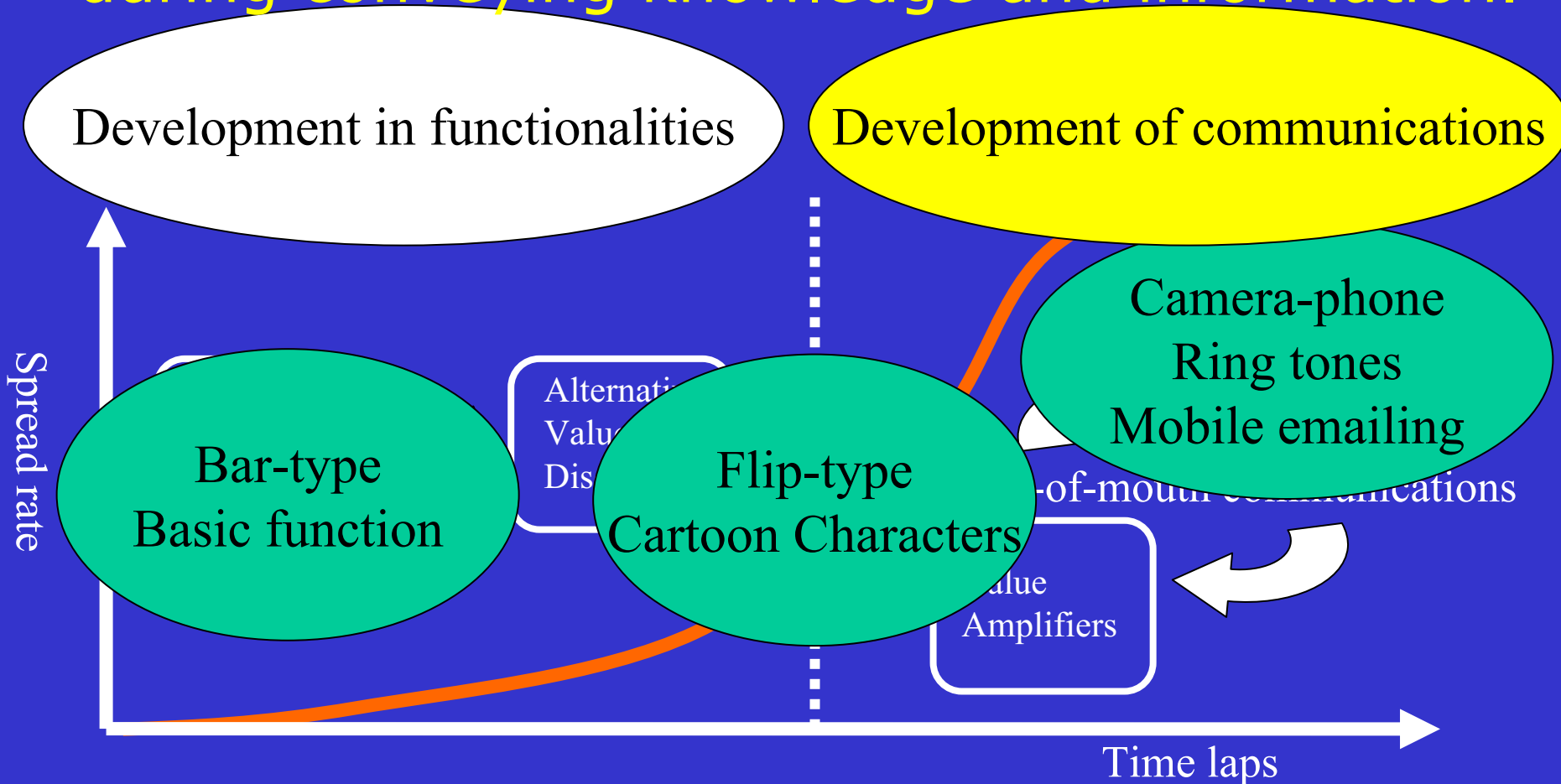
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# Difference of Innovation Pattern

	"Japan model"	"USA model"	"Europe model"
The First Phase	Collaboration with <b>male consumers</b> such as "otaku" in the market. Development of functionalities	Competition in the development of new products based on lots of <b>venture companies</b> . "Entrepreneurship" is needed.	Development and innovation for new concepts and products in <b>academic sector</b> and the fields of research.
The Second Phase	Collaboration with <b>female consumers</b> such as "kogal" in the market. Development of usages	M & A, distribution, and branding by <b>major companies</b> .	Manufacturing to meet market demands by <b>private sector</b> .

## Conclusion 1:

Now Japanese manufacturers focus on the deep collaboration with consumers, especially young women, because young women have created a variety of new communication culture.

The “cutism” is a major driving force to create new communication culture. Japanese women love to share the feeling of “cute” with friends and family.

## Conclusion 2:

After the “Number Portability” and “camera phones,” the penetration rate of cell phones the US began growing Rapidly (now 51% of total population).

It means that in the near future, the similar “media environment” may come to the US.

It is the good foresight for US media study to take a look into what is going on in the Japanese consumer society.