# Mobile-Based Advertising in Japan

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### INTRODUCTION

The Internet-enabled mobile handset has rapidly achieved worldwide penetration. Combining personal telephony and sophisticated technologies, the mobile Internet has opened new opportunities for offering a diverse range of services, including interactive advertising. In Japan, D2 Communications offers various forms of mobile advertising services delivering promotional information from advertisers.

For example, Message F (Free) delivers text-based information to a designated inbox of registered users, who are exempt from the normal packet transmission charges. It can enable highly effective communication due to its ability to target selected demographic segments by region, gender, age, and so forth. In July 2005, D2 Communications began an image attachment service for users of Message F, supporting the transmission of images, logos, and other visual effects, up to 8KB (192 × 192 pixels in JPEG or GIF), as well as text.

This was to be enhanced further in 2006, when Japanese broadcasters began mobile digital broadcasting. The major carrier, NTT DoCoMo, already announced the development of the 3G FOMA(R) P901iTV, which will be "DoCoMo's first mobile handset to receive terrestrial digital broadcasting signals, in addition to conventional analog signals" (NTT DoCoMo, 2005). Therefore, leading mobile advertisers will take advantage of three basic elements in PC-based interactive advertising in mobile devices: static, animated, and broadcast images. decide whether to access further information. Consequently, wireless advertisers must improve consumer response and acceptance (Carat Interactive, 2002) because users are unlikely to click banners unless they believe that the content will prove useful, credible, and valuable. Consumers' acceptance, and their perceptions of the delivered content of wireless advertising, are crucial (Carat Interactive, 2002).

In this vein, D2 Communications offers a pull-type advertising platform called "Tokusuru Menu" (which means "beneficial menu" in Japanese), which provides various text banner ads for promotional campaigns, discount coupons, presents, and so forth. This service requires no registration, and any mobile users can freely access it by selecting No. 4 on the i-menu of an i-mode phone (one of DoCoMo's official sites). Then, they can click and go to the detailed information site. As a result, click-through and call-through rates (almost 15%) are much higher than those of the wired Internet (2-3%) (D2 Communications, 2003; Mizukoshi, Okino, & Tardy, 2001). This popular site attracts an average of 3.5 million people monthly.

### Push-Type Advertising

### Message F (Free)

Figure 2. Message F

This push advertising delivers selected promotional information from advertisers, exclusively to users who have opted in to receive the service. It is delivered to a designated

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#### **Pull-Type Advertising**

In pull-type advertising, messages are displayed to users who voluntarily enter sites (Andersson & Nilsson, 2000) and





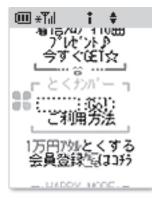


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Figure 3. Mobile mail advertising



Figure 5. Toku number



"Message F" inbox, and users are exempt from the normal packet transmission charges. It can enable highly effective communication, due to its ability to target selected demographic segments by region, gender, age, and so on.

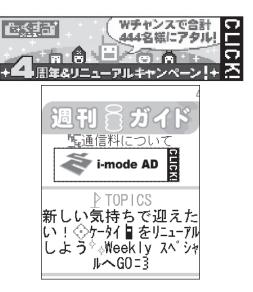
# **Mobile Mail Advertising**

This advertising is delivered in text format and inserted into mail-magazines' headers. The target customers are "opt-in" users who have registered their regular subscription. User responses often follow directly upon delivery. This category of advertising elicits a high level of response.

# **Banner Advertising**

In this form of advertising, advertisers can send a static image as banner to the sites linked with i-menu. This banner ad occupies approximately one-quarter of a micro-browser screen. Usually it provides a good exposure of logos and other visual elements, and can thus be used as an attention-grabbing tool. According to the most recent statistics, approximately

Figure 4. Mobile picture advertising



1.8 billion advertising banners have been sent so far, with an average click-through rate of 4.6%.

## Toku Number

This advertising has been developed as one of the direct marketing strategies via mobile devices. Basically, this is a short code (or "number," as reflected in its name) that enables users to connect directly to a designated mobile campaign site or clients' mobile site. In Japan, each mobile operator carries an informative site, such as *Tokusuru Menu* for i-mode, *Tokusuru Info* of EzWeb, or *Tokusuru Information Board* of Vodafone Live, but users can insert this code in any of these Internet sites, because it is a standardized form or common campaign code. This code is frequently used in a cross-media campaigns: a given campaign's Toku number appears in television or print media so that mobile users can input the code to their mobile handsets directly.

# **Electronic Wallet**

In July 2004, NTT DoCoMo's new i-mode service "FeliCa" became available. FeliCa is a multi-functional electronic wallet with contactless electronic IC chips developed by Sony. In combination with NTT DoCoMo's "i-appli" (Java-based applications), users can use FeliCa for diverse transactions, such as commuter pass, electronic money, membership card, and movie tickets, among others, simply by waving their phone in front of enabled sensors (IT Media Mobile, 2003). Figure 2 shows some micro-browser screens of FeliCa. FeliCa combines a wireless Internet service with electronic financial transactions, and offers three principal functions in its main menu: e-Wallet, e-Card, and e-Ticket.

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