



MCF April Seminar

=Media-Mix Strategy for Mobile

and the Development of New Business Models=

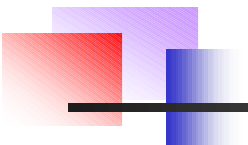
Mobile Commerce Strategies and the Development of Media-Mix

26 April 2001

CYBIRD Co., Ltd.

Kuniaki Kodera

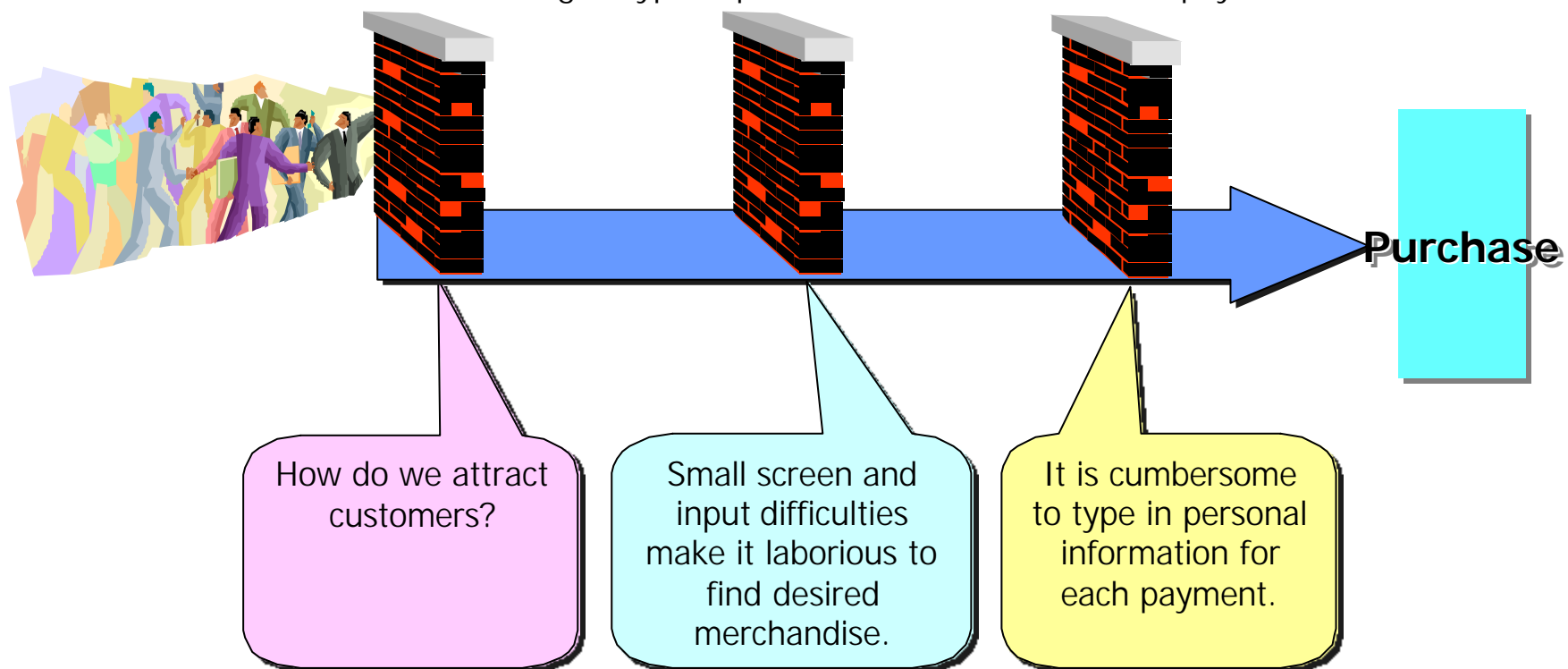


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- A decorative graphic in the top left corner consisting of overlapping squares in red, purple, and blue, with a horizontal line passing through them.
- **Three Hurdles of Mobile Commerce**
 - **What is Media-Mix?**
 - **CYBIRD Case Study**

Overcoming Purchase Hurdles: m-Commerce Strategies

In mobile commerce, there are three hurdles that must be overcome before a customer makes a purchase.

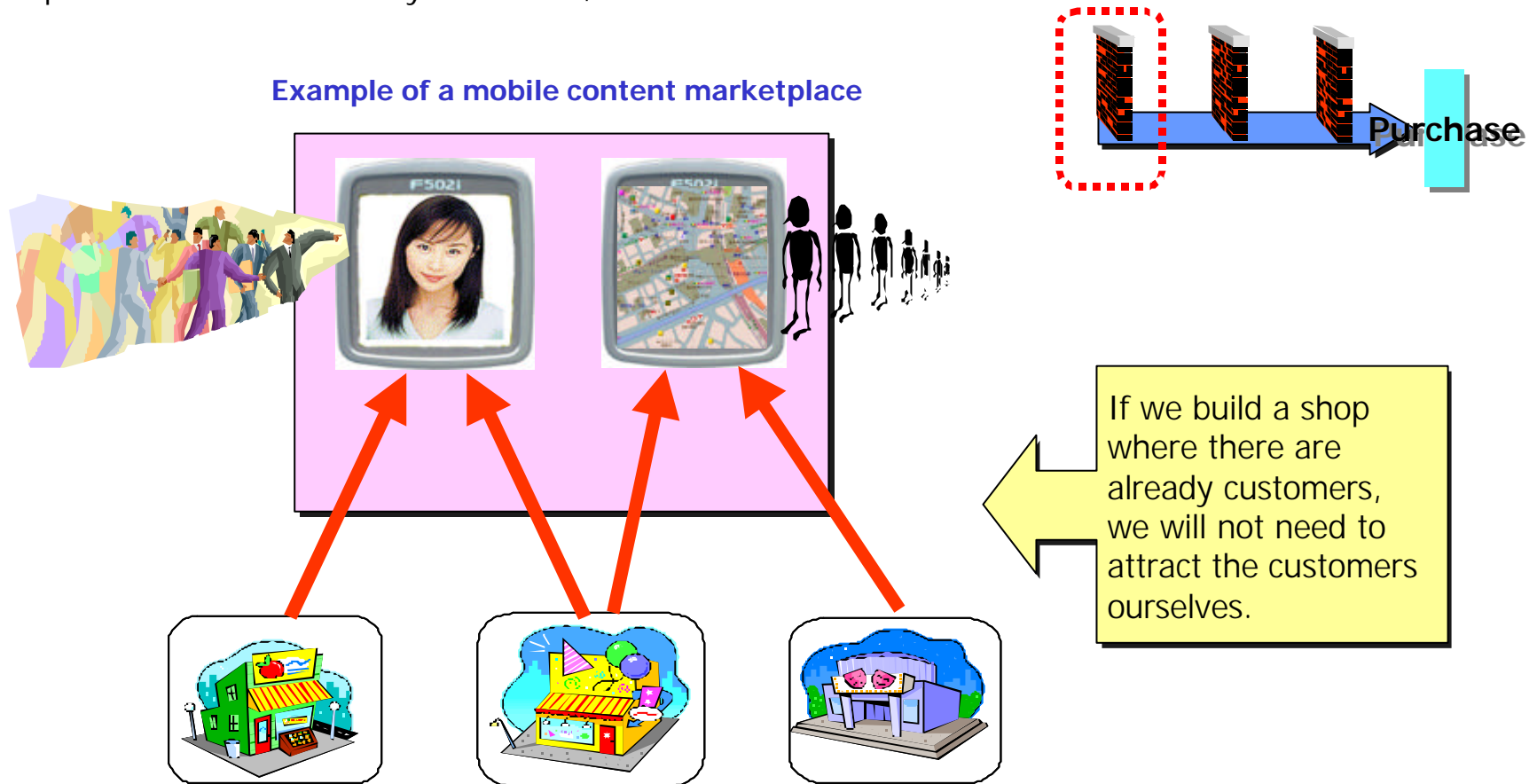
- How do we attract customers?
- How does a customer find the product or merchandise they desire?
- How do we overcome having to type in personal information for each payment?



In-Shop: How can we attract customers?

With the In-Shop method, shops are built on Web sites that already have their own customers, and commerce is developed among the the already attracted customers. The idea is to build a shop where there are already customers, rather than start from a situation of zero users.

Example of a mobile content marketplace



Media-Mix Strategy: How customers find what they want

Media-mix is a strategy to overcome mobile's weaknesses such as poor screen display and input systems. The strategy was not feasible with EC. Appetite for purchase is aroused via magazine and other media, making mobile commerce available to the customer whenever and wherever.

Comparison of characteristics of EC and MC in terms of arousing desire to purchase

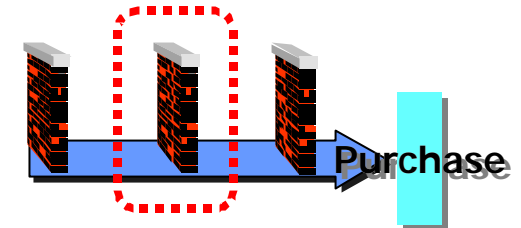
EC (Case Study: Amazon.com)

- Any book can be purchased from a collection of 3 million books.
- Desired merchandise can be found through a search engine.
- Friendly recommendations increase customer willingness to make purchases.

VS

Mobile Commerce

- Only limited merchandise can be carried.
- Search functions are rarely used.
- Therefore, it is important that customers will be able to find the merchandise without the cumbersome inputting process.



➤ **Entire process is completed in the virtual world**

- **Complete-on-Screen Type Media-Mix**
- **Click-and-Mortar Type Media-Mix**

- **Three Hurdles of Mobile Commerce**

- ▶ ■ **What is Media-Mix?**

- **CYBIRD Case Study**

Media-Mix Strategy Defined And Categorized

Let us define and categorize the Media-Mix...

Definition

Stimulating buying behavior through a combination of mobile commerce and various media (newspaper, television, radio, magazines, e-mail, etc.)

**Click-And-Mortar
Type Media-Mix**

**Complete-on-Screen
Type Media-Mix**

What are the characteristics of mobile?

Let us think about why Media-Mix can be effective in mobile commerce, from the following perspectives...

Characteristics of Mobile

- Active characteristics of mobile
- Passive characteristics of mobile

Characteristics of Merchandise

- Factual information: information understood through words and numbers
- Qualitative information: information understood through actual touching and talking to sales representatives

Characteristics of Mobile (Active)

- Mobile phone characteristics: **One terminal per person**, portable everywhere
- Ultimate personal tool with a **constant** connection to the Internet

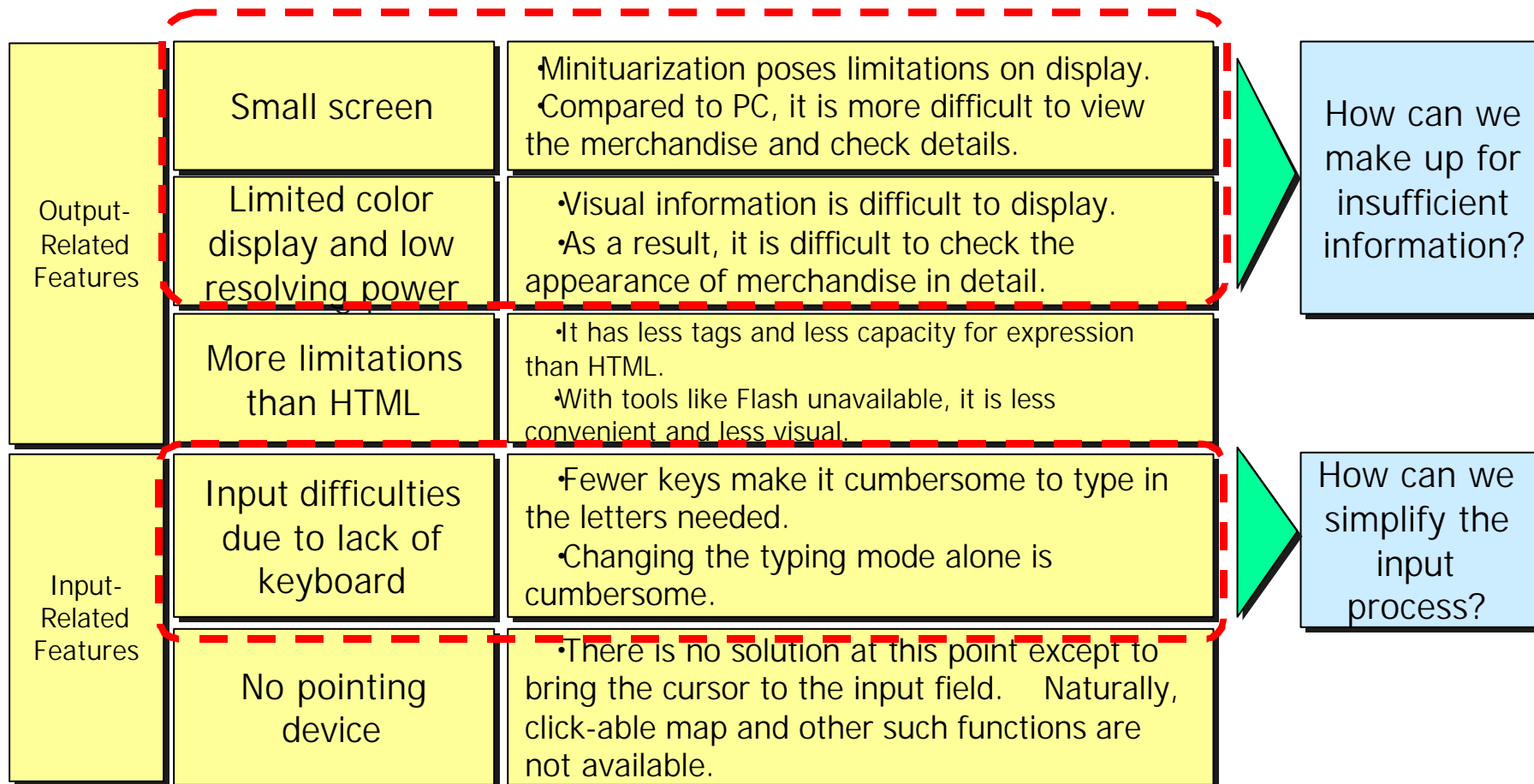


- **Timely service available at will**
- **Entrance to giant network (key device)**

An organic link to home network and broadband service, which are expected to be integrated in the future.

Characteristics of Mobile (Passive)

Unlike PC, mobile benefits from its portability which is its prime feature, at the expense of the physical limitations charted below, which in turn limits its basic functions and operations...



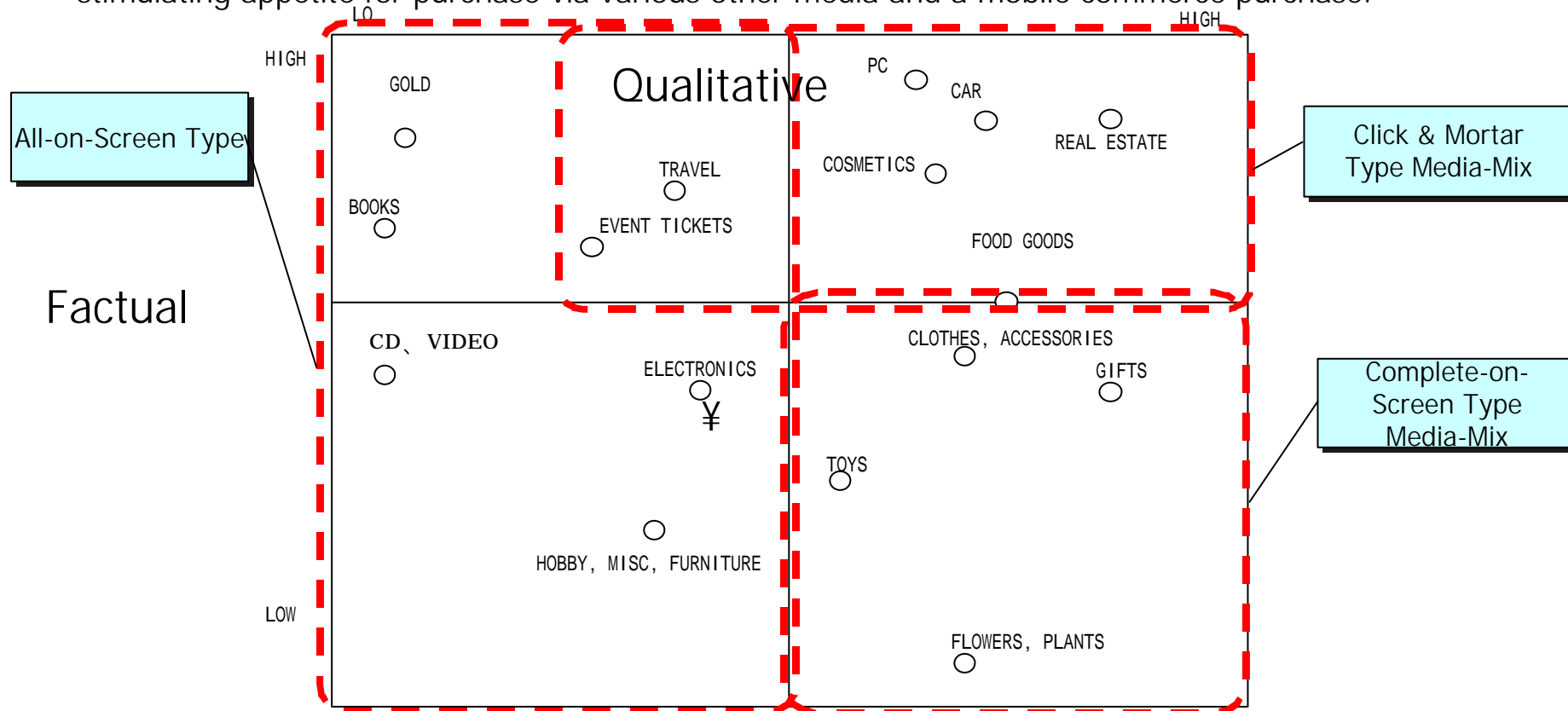
Purchase Patterns Sorted by Merchandise Type

Below is a matrix mapping two factors that are important when a consumer makes a purchase: qualitative information and factual information.

All-on-Screen Type refers to merchandise with which a consumer can complete the entire purchasing process on screen without actually looking at it.

Click & Mortar Type Media Mix refers to merchandise that is often expensive and that a consumer needs to examine physically before making a purchase.

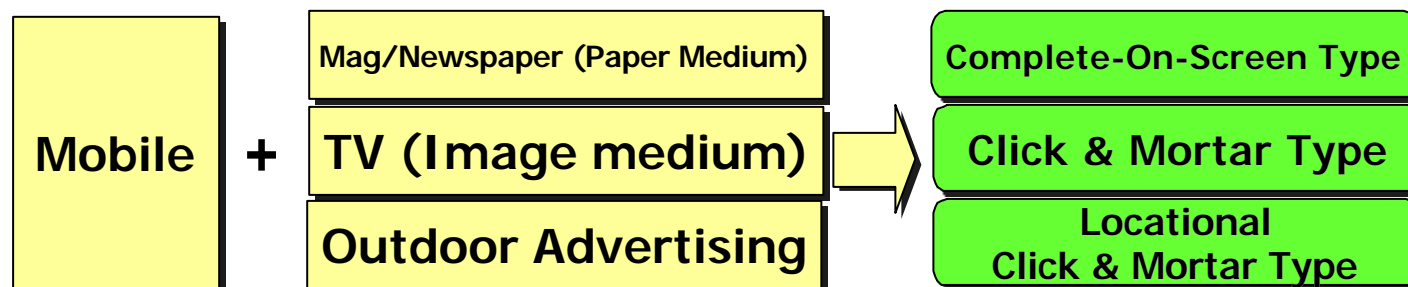
Complete-on-Screen Type Media Mix refers to merchandise that responds well to a combination of stimulating appetite for purchase via various other media and a mobile commerce purchase.



Conclusion: Why Media-Mix is Effective for m-Commerce

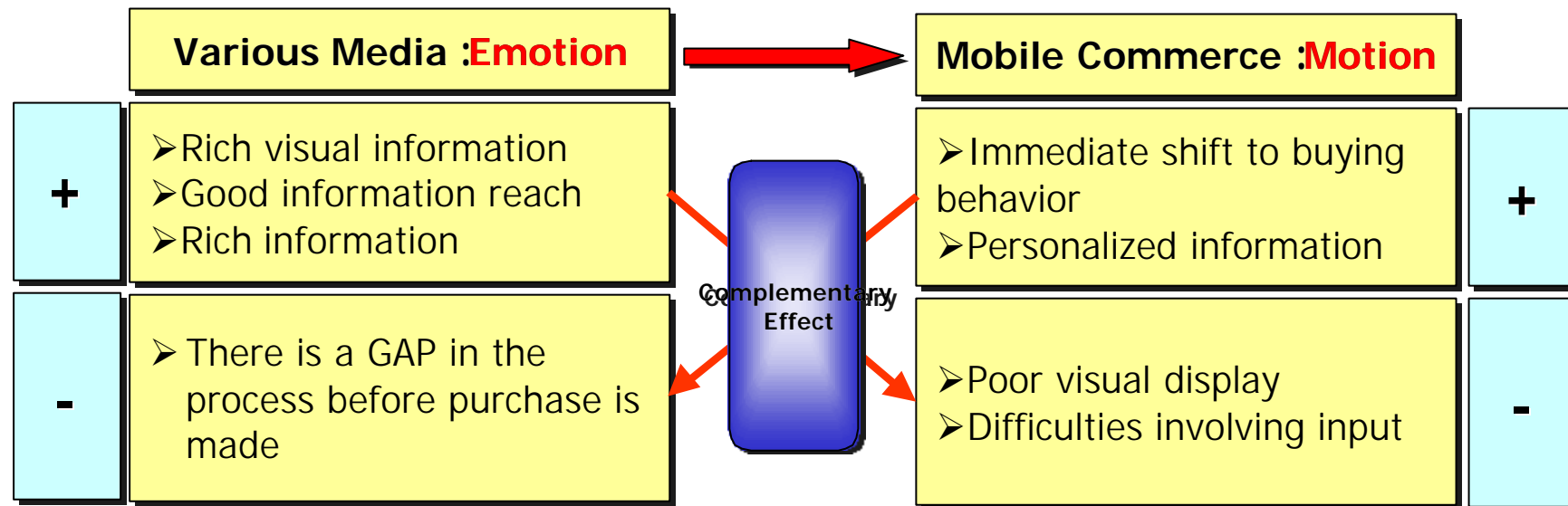
Below is an analysis of mobile, various media, and PC, based on the different types of information they offer. Mobile information is characteristically superior in terms of its capacity for immediate action and personalized information. Other media tend to be superior in terms of visual data and information reach.

Info Type	Aspects Influenced	Mobile	Other Media				PC
			Magazines/ Newspaper	TV	Radio	Outdoor Advertising	
Visual Data	Impulsive Shopping	X			X		
Search Capacity	Merchandise Lineup		X	X	X	X	
Capacity for Immediate Action	Stimulating Buying Behavior		X	X	X	X	
Information Reach	Extent of Info Coverage					X	
Richness of information	Consumer Confidence	X		X	X		
Personalized Information	Motivation behind Purchase			X	X	X	



Conclusion: Why Media-Mix is Effective for m-Commerce

Let us summarize the points on mobile commerce and Media-Mix strategy. Media-Mix strategy is generally based on the complementary effect of mobile and the various other media, as weaknesses in mobile commerce and in the various media mutually complemented by their strengths.



Mobile Media-Mix strategy that combines mobile with the various media is the best strategy in smoothly shifting consumer behavior from emotion to motion:

Emotion Motion

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- **Three Hurdles of Mobile Commerce**

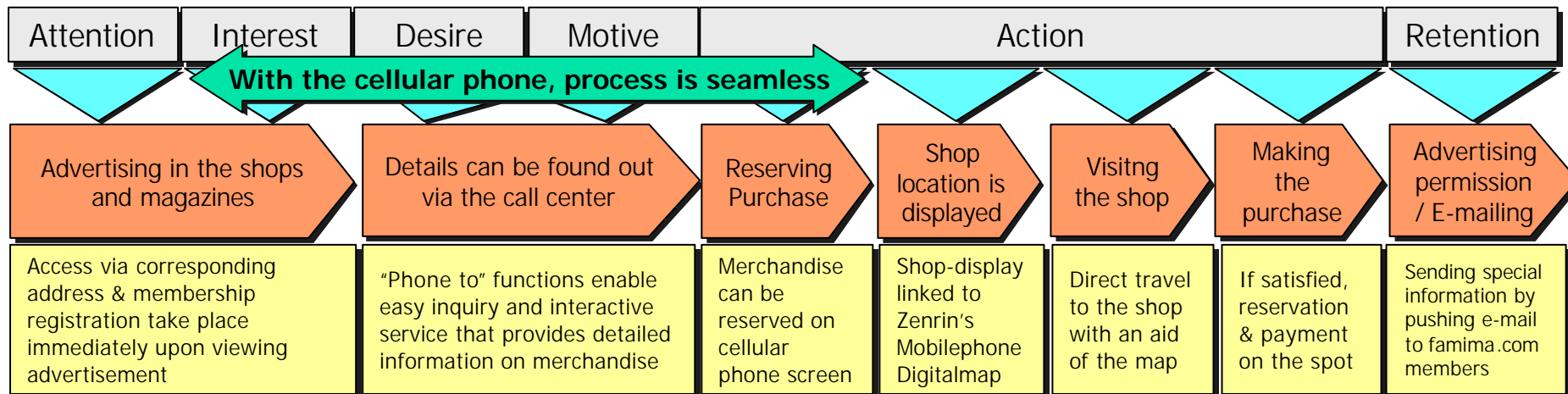
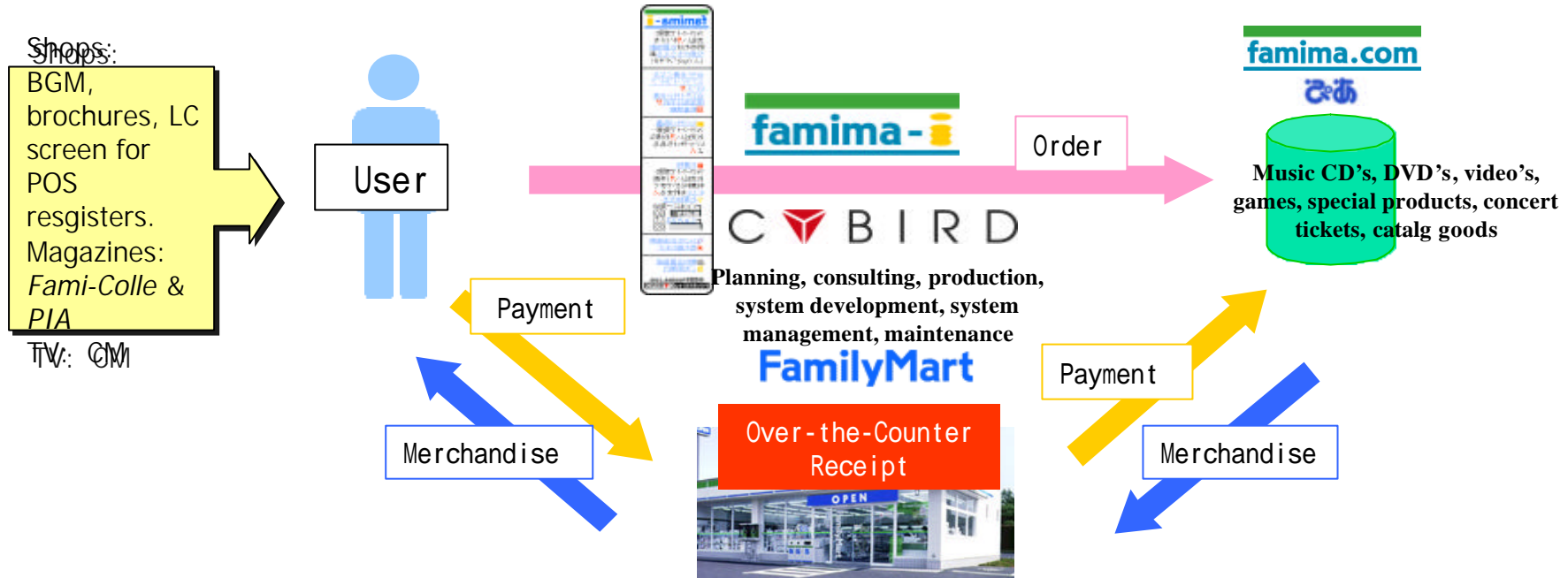
- **What is Media Mix?**

- ▶ ■ **CYBIRD Case Study**

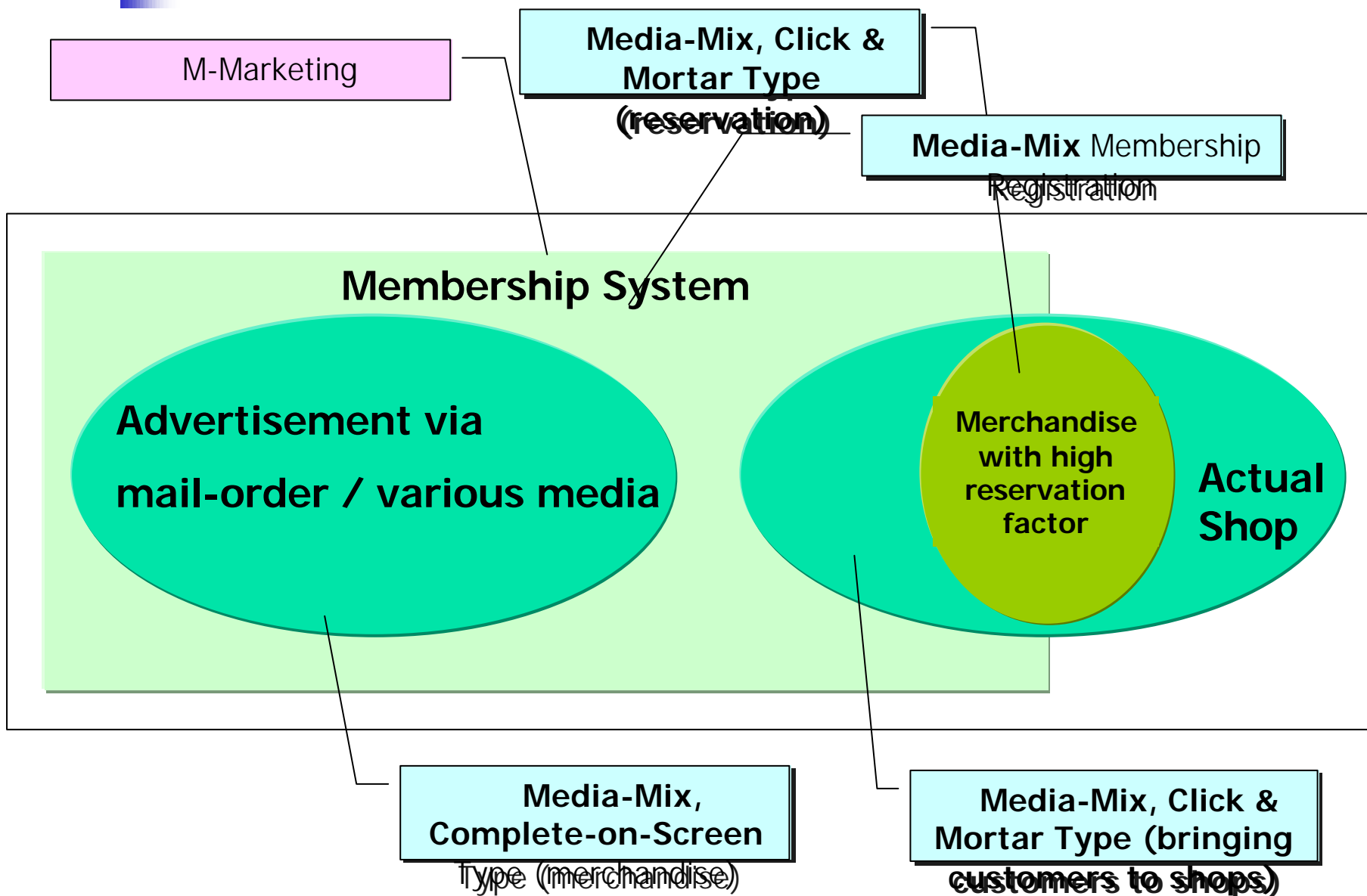
Click & Mortar Type Media-Mix: Reservations

(Case Study of famima.com)

Let us look at the click & mortar case study of our client famima.com...



Conclusion: 5 Points of Mobile Commerce



Thank you!



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