Kogal Effect on Keitai Innovation:
The Latest in Mobile Phone Lifestyles in Japan and Beyond

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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

Time

91 93 95 97

1,378,599 4,075,818 9,989,739 20,876,820
Survey:

USA (around NYC)  
Japan  
China (central Shanghai)  
Sweden  

Aged 15 – 24  
200 samples per each country  
Personal calls on a fixed phone

![Bar chart showing personal calls on a fixed phone for different countries.](image)

- **USA**: Several times a day - 26.9%, Once a day - 27.5%
- **China**: Several times a day - 44.0%, Once a day - 9.5%
- **Sweden**: Several times a day - 39.0%, Once a day - 36.6%
- **Japan**: Several times a day - 3.5%, Once a day - 5.5%
Personal calls on a cellular phone

- USA: 57.7% several times a day, 28.6% once a day
- China: 40.0% several times a day, 7.5% once a day
- Sweden: 24.7% several times a day, 28.4% once a day
- Japan: 9.5% several times a day, 15.0% once a day
Personal SMS/e-mail through cellular phones

- USA: Several times a day (6.9), Once a day (6.5)
- China: Several times a day (10.0), Once a day (4.5)
- Sweden: Several times a day (40.2), Once a day (19.5)
- Japan: Several times a day (60.5), Once a day (12.0)

Legend:
- Several times a day
- Once a day
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.
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
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

“otaku” masculine consumers

Trial and error approach in real market
i.e., hands-on test marketing
Investments risking losses

“kogal” feminine consumers

Winners take all
i.e., they become de facto standards
Recovery of initial investments plus large profits

Time lapse

Spread rate

10%
Diffusion Dynamics Hypothesis

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

“otaku” effect

Current Experts → Alternative Value Discoverer

“kogal” effect

Word-of-mouth communications

Assimilators

Value Amplifiers

Spread rate

Time laps
Diffusion Dynamics Hypothesis

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

"otaku" effect

"kogal" effect

Bar-type
Basic function

Spread rate

Time laps

Alternative Value Discoverer

Assimilators

Word-of-mouth communications

Value Amplifiers
Diffusion Dynamics Hypothesis

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

“otaku” effect

“kogal” effect

Bar-type
Basic function

Flip-type
Cartoon Characters

Assimilators

Value Amplifiers

Word-of-mouth communications

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"otaku" effect

Bar-type
Basic function

"kogal" effect

Flip-type
Cartoon Characters

Camera-phone
Ring tones
Mobile emailing

Word-of-mouth communications

Alternative Value

Value Amplifiers

Spread rate

Time laps

24
Diffusion Dynamics Hypothesis

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Development in functionalities

- Bar-type
  - Basic function
- Flip-type
  - Cartoon Characters

“kogal” effect

- Camera-phone
- Ring tones
- Mobile emailing

Spread rate

Time laps
Diffusion Dynamics Hypothesis

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

Development in functionalities

Development of communications

Bar-type
Basic function

Flip-type
Cartoon Characters

Camera-phone
Ring tones
Mobile emailing

Spread rate

Time laps

Alienation
Value
Distribution
Alternative Value
Amplifiers
Word-of-mouth communications
### Difference of Innovation Pattern

<table>
<thead>
<tr>
<th>“Japan model”</th>
<th>“USA model”</th>
<th>“Europe model”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration with <strong>male consumers</strong> such as “otaku” in the market. Development of functionalities</td>
<td>Competition in the development of new products based on lots of <strong>venture companies</strong>. “Entrepreneurship” is needed.</td>
<td>Development and innovation for new concepts and products in <strong>academic sector</strong> and the fields of research.</td>
</tr>
<tr>
<td>Collaboration with <strong>female consumers</strong> such as “kogal” in the market. Development of usages</td>
<td><strong>M &amp; A</strong>, distribution, and branding by <strong>major companies</strong>.</td>
<td>Manufacturing to meet market demands by <strong>private sector</strong>.</td>
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</tbody>
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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.