

Eight-Country Study

Japan: Yet-To-Explode Smart Phone Market

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Agenda

- Study Outline
- Japan as Smart Phone Market
- Who is the Target in Japan?
- How Should We Approach the Target with Smart Phone in Japan?

Study Outline

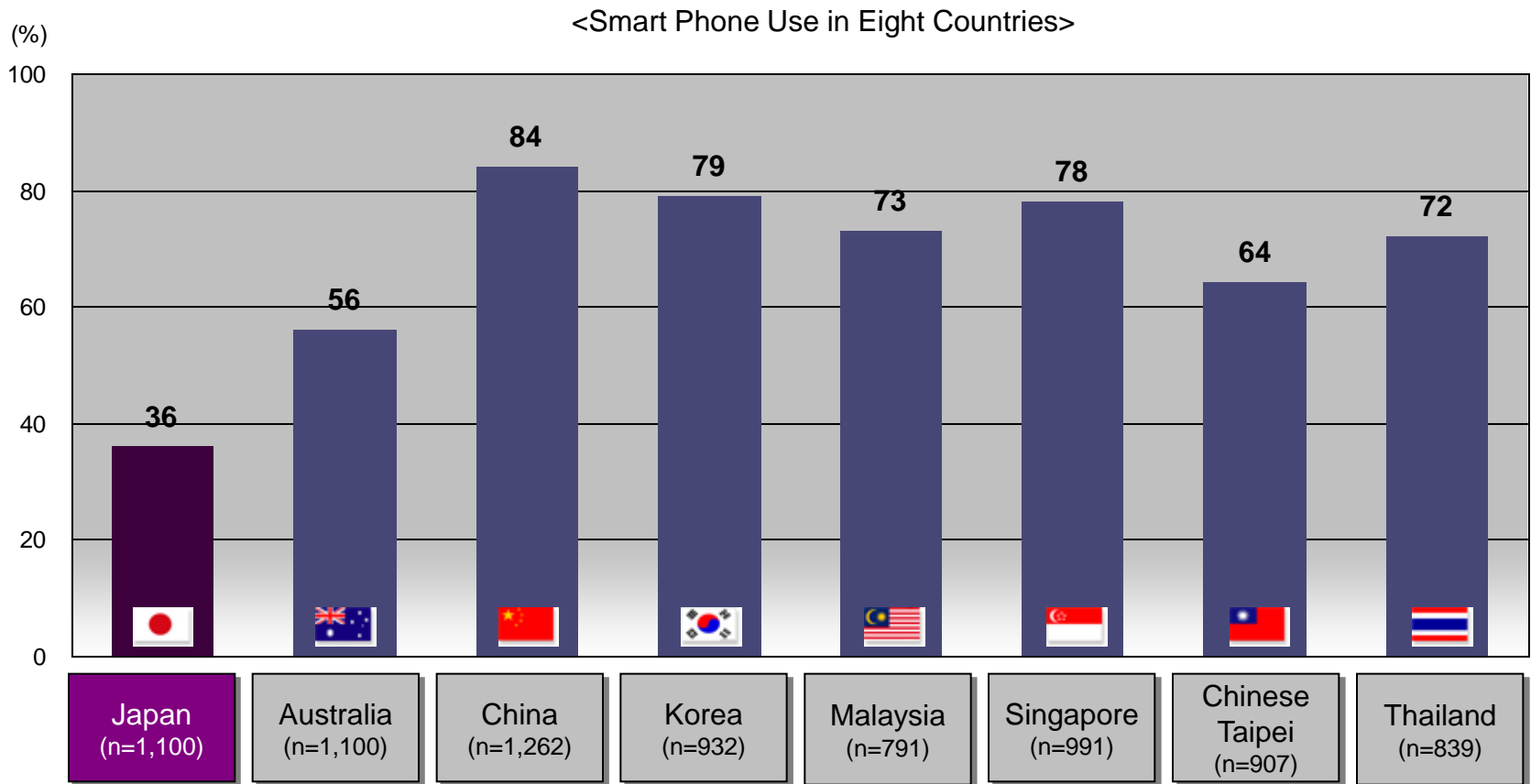
- Respondents: 15-69 years old, men and women
- Area: Mostly urban areas of eight countries:
 1. Japan: Metro Tokyo and Metro Osaka (Tokyo, Saitama, Chiba, Kanagawa, Osaka, Kyoto, Hyogo, Nara)
 2. Australia: Sydney and Melbourne
 3. China: Beijing and Shanghai
 4. South Korea: Seoul and Busan
 5. Malaysia: Nationwide
 6. Singapore: Nationwide
 7. Chinese Taipei: Taipei and Kaohsiung
 8. Thailand: Bangkok
- Methodology: Online survey
- Data collection: August-September 2012

Notes

- Fewer 60-69 years old in the sample of four countries (China, Malaysia, Chinese Taipei, and Thailand), and fewer 15-19 years old in the sample of China
- Internet user rates in the population vary across eight countries (20%+ to 80%+), which could mean that social status of respondents for this study may be different from country to country

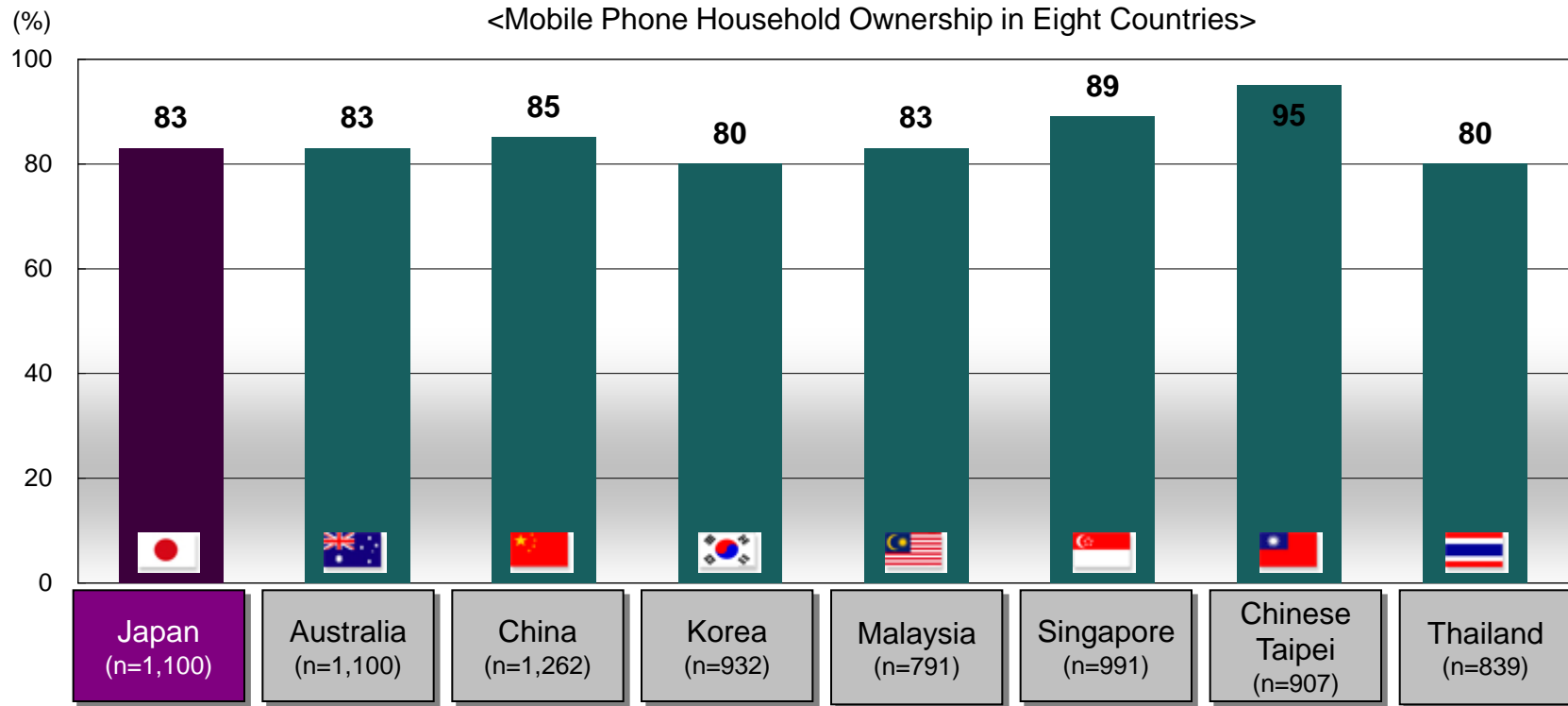
Smart Phone Use : Japan is Lagging Behind

Smart Phone users in Japan is 36%, the lowest among eight countries



Why Fewer Smart Phone Users in Japan?









- 83% of Japanese have mobile phone in their households, about the same rate with other seven countries
- Most of Japanese mobile phones are very high in function--with camera, music player, Internet, e-money, etc., which may explain why Japanese are not rushing to buy **Smart Phones** (Japanese mobile phones are often described as suffering from “Galapagos Syndrome,” too unique and complex to survive abroad)



Japanese Do Not Want Smart Phones? They Do

From the list of Durable Consumer Goods, Japanese mentioned Smart Phone as a top choice for purchase within one year, like other seven countries

<Purchase Intention of Durable Consumer Goods Within One Year in Eight Countries>

	Japan (n=1,100) 	Australia (n=1,100) 	China (n=1,262) 	Korea (n=932) 
1	Smart Phone 21	Smart Phone 26	Smart Phone 43	Smart Phone 33
2	Laptop 18	Car 23	Tablet PC (ex: iPad) 32	Car 32
3	Tablet PC (ex: iPad) 14	Laptop 20 Tablet PC (ex: iPad) 20	Note PC 27	Tablet PC (ex: iPad) 27
	None 40	None 24	None 9	None 12
	Malaysia (n=791) 	Singapore (n=991) 	Chinese Taipei (n=907) 	Thailand (n=839) 
1	Smart Phone 45	Smart Phone 37	Smart Phone 45	Smart Phone 35
2	Tablet PC (ex: iPad) 30	Tablet PC (ex: iPad) 29	Tablet PC (ex: iPad) 35	LCD/plasma television 34
3	Laptop 29 Car 29	Laptop 25	Laptop 24	Car 32
	None 7	None 18	None 13	None 5

(%)

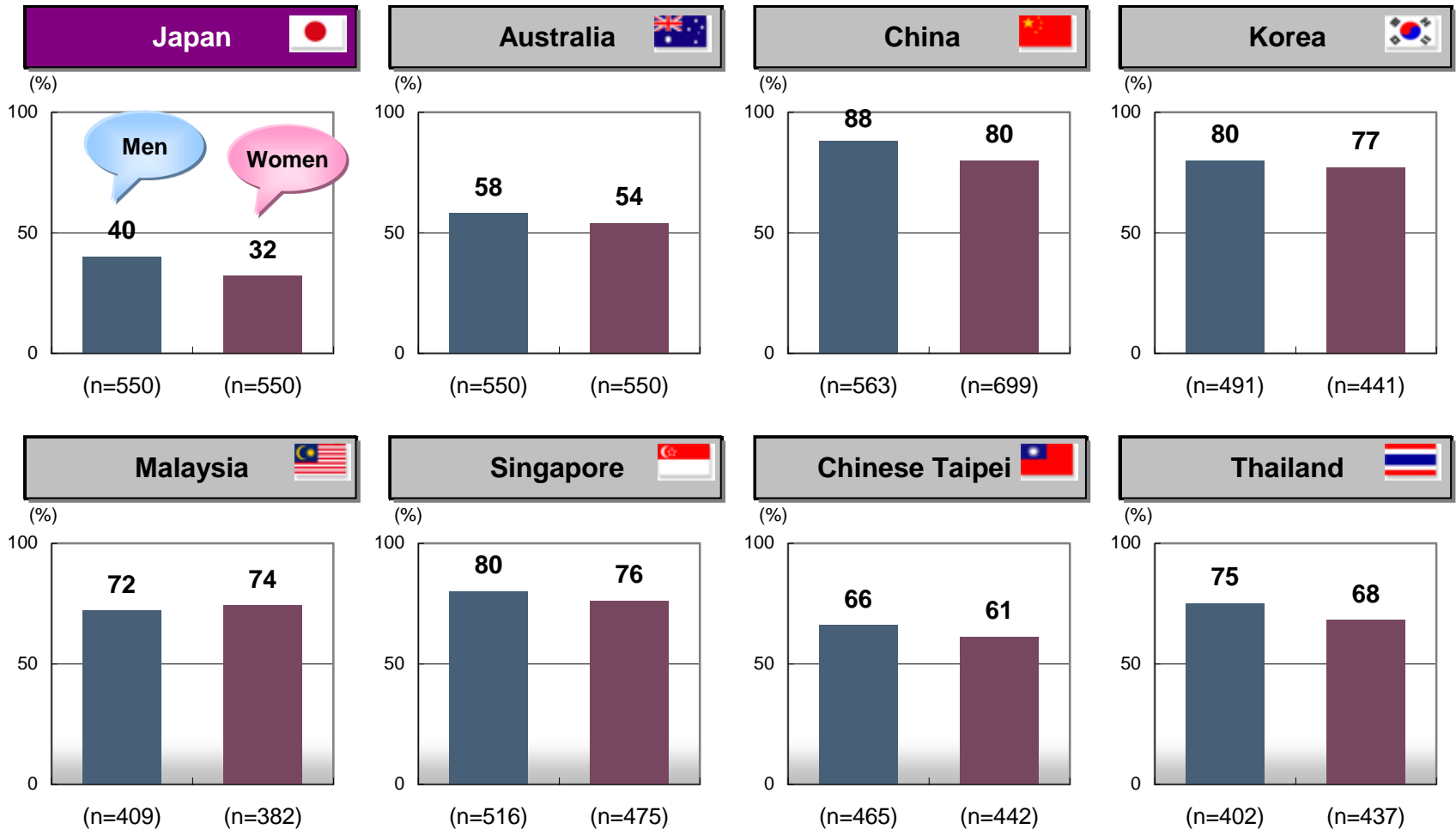
Japan as Smart Phone Market

- Fewer Smart Phone users in Japan
- There is still room for growth in Japan as a Smart Phone Market—It is waiting to explode as a market
- Who should be the target? Who is the bottle neck?

Smart Phone: Who Should be the Next Target to Expand the User Base?

- Except for Malaysia, fewer women have Smart Phones than men
- In Japan, only 32% of women have Smart Phone, compared to 40% of men

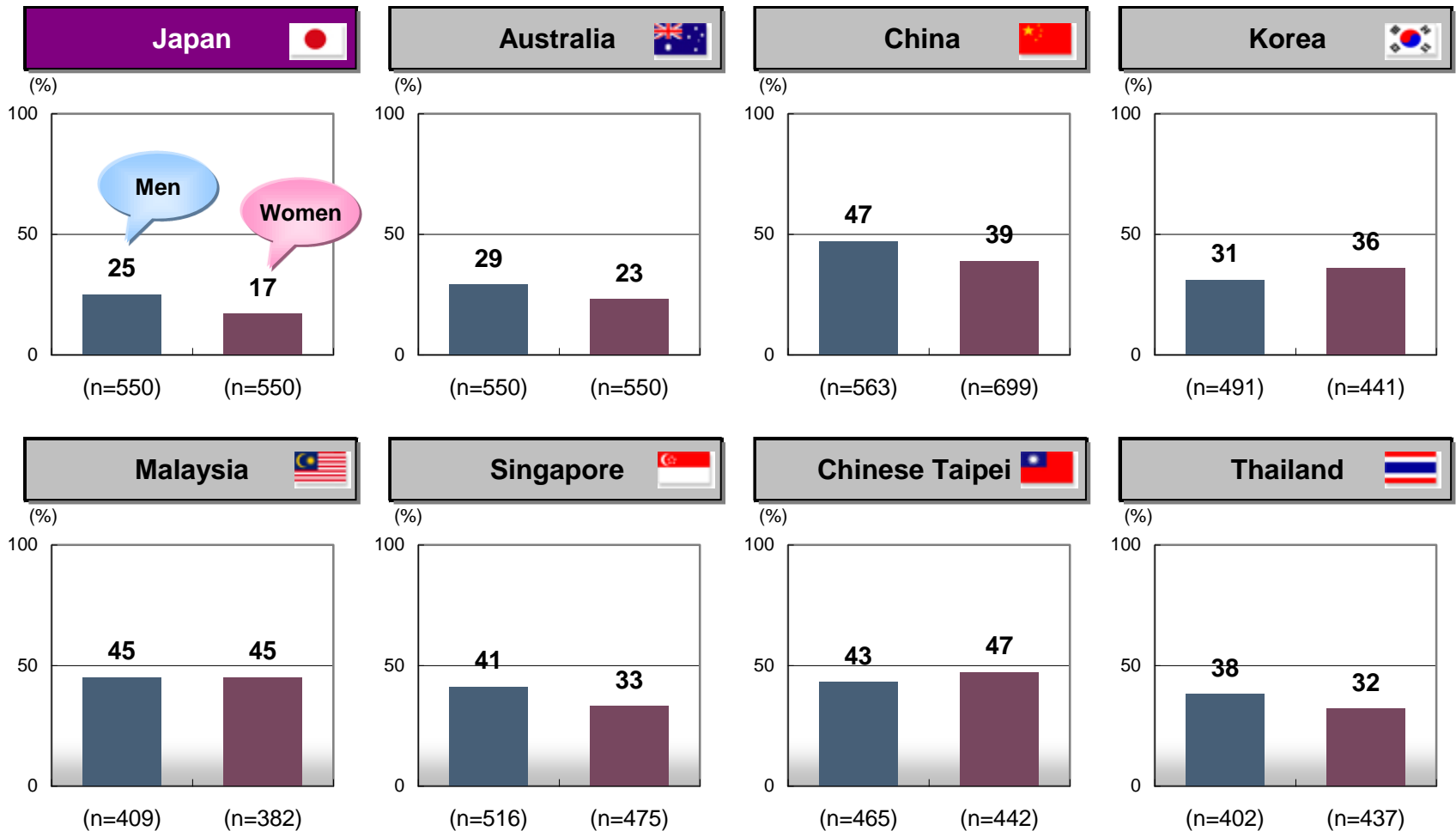
<Smart Phone Use by Gender in Eight Countries>



Fewer Women Have Intention to Buy Smart Phone

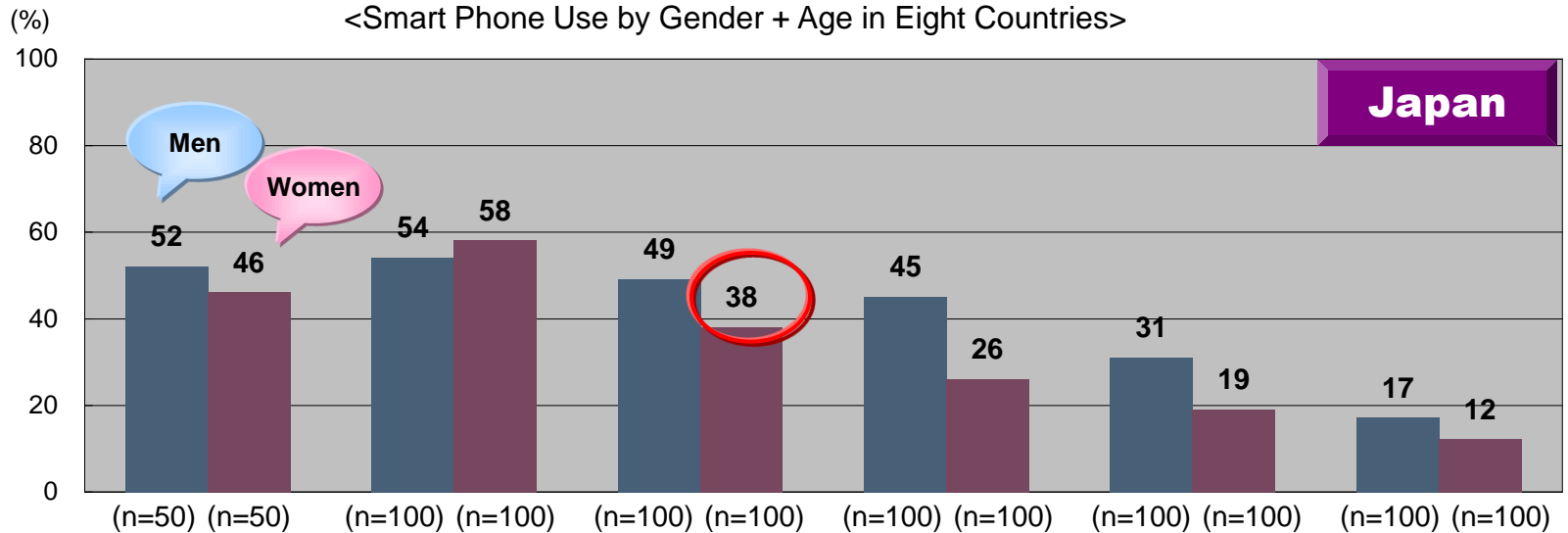
□ Fewer women than men intend to buy Smart Phone in Japan and other four countries (Australia, China, Singapore, and Thailand)

<Purchase Intention of Smart Phone Within One Year by Gender in Eight Countries>



Smart Phone Users: Who's Bottle Neck among Women?

- In Japan, women in their 20s have about the same Smart Phone usage rate with men, but the rate drops among women 30 and above

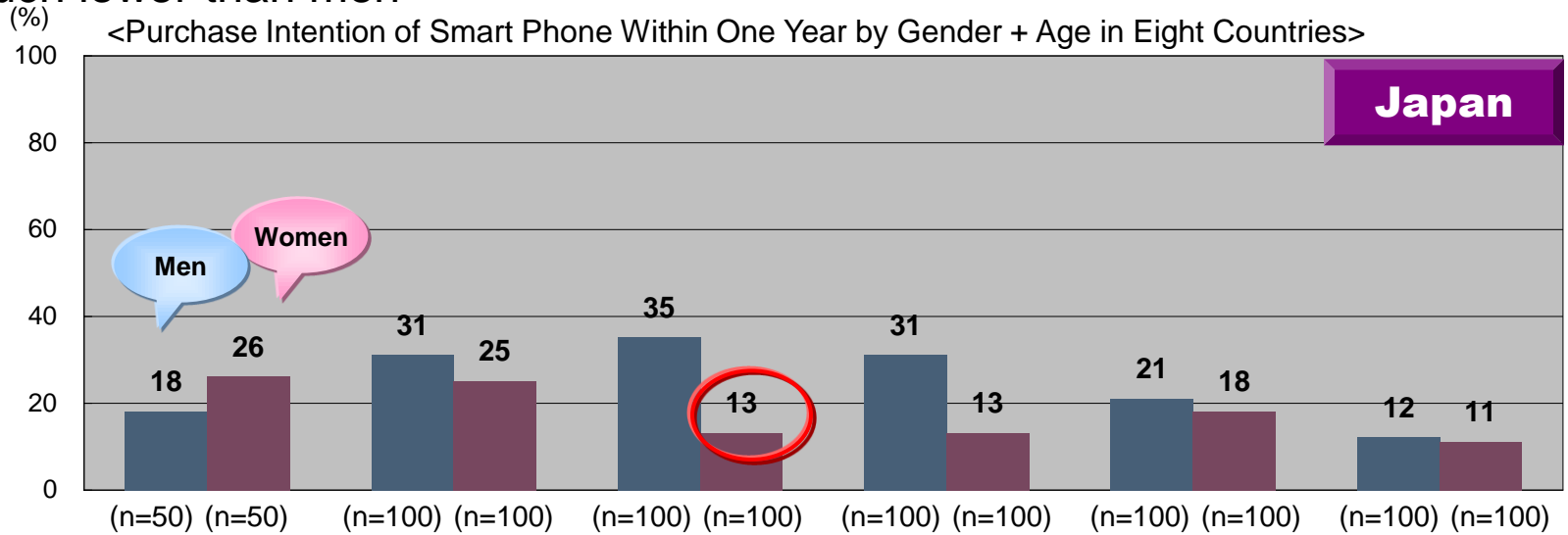


Age	15-19		20-29		30-39		40-49		50-59		60-69	
Japan	52	46	54	58	49	38	45	26	31	19	17	12
Australia	50	56	70	76	75	69	66	56	47	37	34	32
China	69	76	92	82	85	81	89	79	85	41	88	50
Korea	80	72	92	92	93	87	75	69	69	64	54	53
Malaysia	58	86	72	78	86	77	68	70	70	56	63	43
Singapore	70	82	84	89	91	91	89	79	73	56	64	33
Chinese Taipei	70	70	73	68	67	70	70	58	55	45	40	37
Thailand	64	78	77	69	79	75	74	57	76	68	83	67

*Note: Blue cells--Men are 5+ higher than women; Pink cells: Women are 5+ higher than men; Grey dotted cells indicate small bases (N<30), and for reference only

Women in 30s Do Not Intend to Buy Smart Phones

- Few Japanese women in their 30s have intention to buy Smart Phone: only 13% would like to purchase compare to 25% among women in their 20s, and is much lower than men



Age	15-19		20-29		30-39		40-49		50-59		60-69	
Japan	18	26	31	25	35	13	31	13	21	18	12	11
Australia	24	42	35	23	41	29	35	19	14	23	21	10
China	54	38	44	36	51	43	53	44	40	35	50	50
Korea	28	52	37	33	34	28	27	38	28	41	24	27
Malaysia	42	62	41	45	47	51	44	34	57	36	13	36
Singapore	38	30	54	38	44	37	42	31	41	27	17	30
Chinese Taipei	38	56	45	47	37	39	44	47	49	52	47	47
Thailand	48	42	37	35	36	27	37	26	39	35	17	44

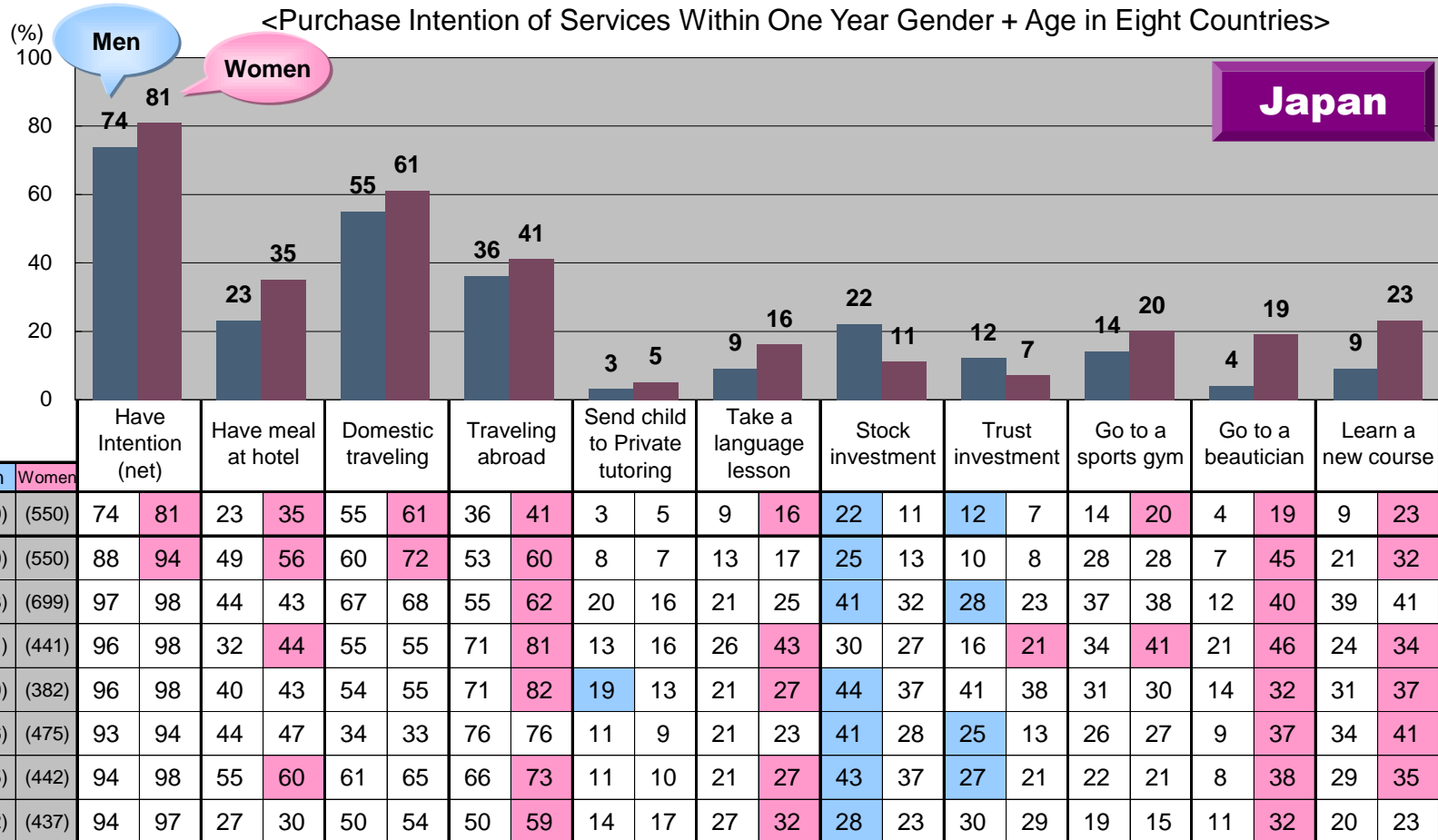
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Who is the Target in Japan?

- Women, especially in their 30s, have lower Smart Phone usage and intention to buy in Japan
- Usage and intention decline as people get older, and in Japan, women in their 30s are the bottle neck
- If we could convince women in their 30s to purchase Smart Phone, we could expand the user base in Japan

Women Do Not Want To Spend Money? They Do

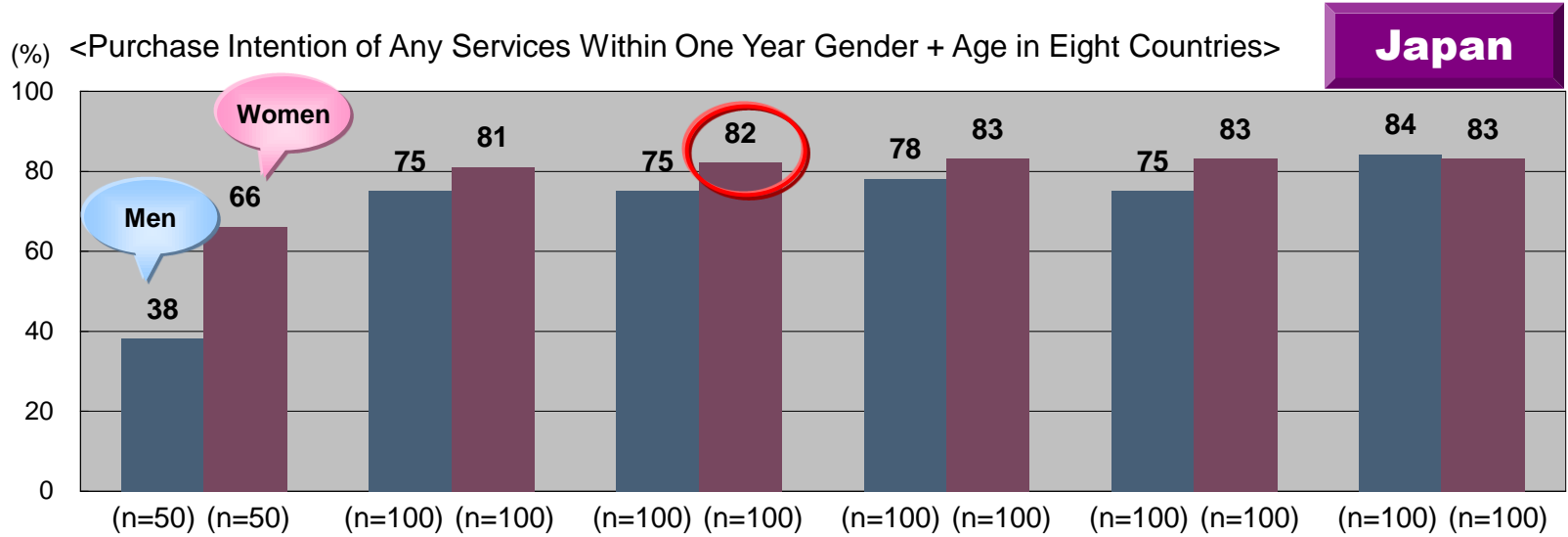
- Women in Japan may have lower intention to buy Smart Phone, but they are more willing to spend money on services than men; they have higher intention to purchase services such as travel, meal at a hotel, and learning a new course



*Note: Blue cells--Men are 5+ higher than women; Pink cells: Women are 5+ higher than men

Women in 30s Want to Buy Services

Japanese Women in 30s, who are less willing to buy Smart Phone, have higher intention to buy services than men



Japan

Age	15-19		20-29		30-39		40-49		50-59		60-69	
Japan	38	66	75	81	75	82	78	83	75	83	84	83
Australia	80	96	85	97	95	93	92	92	81	93	89	94
China	85	90	97	98	98	99	98	99	90	100	100	100
Korea	90	96	97	98	95	99	97	98	98	96	98	100
Malaysia	82	100	97	100	99	99	98	95	98	95	100	100
Singapore	84	92	89	96	93	96	95	89	99	96	97	97
Chinese Taipei	84	98	89	96	97	98	97	98	97	99	100	100
Thailand	92	96	90	97	93	97	98	97	98	100	100	89

*Note: Blue cells--Men are 5+ higher than women; Pink cells: Women are 5+ higher than men; Grey dotted cells indicate small bases (N<30), and for reference only

How Should We Approach Japanese Women with Smart Phone?

- Women in Japan, especially age 30+, are not very interested in Smart Phone as a device

- Yet they are interested in services they could enjoy, such as travel, having a meal at a hotel, and learning a new course; they would like to invest in themselves

- Given these information, one approach would be...
 - “It is not just a device*
 - Smart Phone is your gateway to a new experience”*
 - ✓ You can look up travel information and make a reservation more easily with Smart Phone
 - ✓ App in your Smart Phone will give you a discount coupon at your favorite hotel
 - ✓ You can find a personal yoga instructor through SNS

Thank you

The logo for JYRA, consisting of the letters J, Y, R, and A in a stylized, outlined font. The letters are blue and white, with the 'Y' and 'R' having a unique, interconnected design. The logo is centered within a white square.