

# Upwardly Mobile

Founded in 1999, DeNA has rapidly developed to become Japan's largest integrated portal site for mobile phones. The Japan Journal asked DeNA CEO **Tomoko Namba** about the world of e-commerce via mobile telephones and its potential.

**The Japan Journal: In a short time your mobile portal site has grown from its origins as an auction site into "Moba-ge-town," which provides free games and social networking services for mobile phones. What have been the features of this evolution?**

**Tomoko Namba:** We first started in November 1999 with the "bidders" auction site. In July 2000 we started to expand this into a platform that provides auction services to other portal sites. In March 2004, we launched "Mobaoku," a dedicated auction site for mobile phones, and then in June of that year we started "Pocket bidders," a shopping site for mobile phones that was based on "bidders." Most of our users are between twenty and forty years old. We are still growing by continuing and expanding these kinds of projects.

On the other hand, "Moba-ge-town" has more than 12 million users, which makes it the largest mobile portal site in Japan.

This service started in February 2006, and initially gained popularity among teenagers before spreading to young people in their twenties. There are four components to Moba-ge-town: social networking, games, lifestyle support services, and information services. These are provided as an integrated portal site for mobile phones. The social networking service is quite distinctive. Users can set up personal avatars, and we have many very active members, with a large number of interactions between users. Users can enjoy more than 200 different games, almost free of charge. The lifestyle support element includes a search engine and informational content such as news and weather forecasts, similar to the kinds of services that you would find in a PC

portal site. The fourth component is participatory "User Created Media" or "Consumer Generated Media (CGM)." The classic example of this type of content is novels created by users. About 510,000 "mobile novels" have been submitted by users.

Most Moba-ge-town users are between ten and thirty years old, with a male/female ratio of 6:4 and 65% of users over the age of twenty. I am sure that one important reason for this growth is that we have a rich collection of games, which are updated regularly so that users don't get bored. But I think that the most important reason is because the functions that allow communication between users are easy to use. Our popularity has grown through word-of-mouth—people join because all of their friends are already members. That is, we've reached the point where people regard it as common sense that everyone uses our service.

**In January 2008, you established DeNA Global, Inc. in the United States and then in September you launched "MobaMingle," a mobile SNS site aimed at the English speaking market. Do you think that there are big cultural differences to overcome?**

Our basic attitude is to "try and see what happens."

What we have found is that Japan and the United States share much of the same potential. One example is the "mobile novel." Twelve million Japanese users have produced 510,000 novels, so on average just over 4% of users have submitted a novel. In the United States, this ratio is about 7% to 8%. So this means that, although the idea of writing and publishing a novel via a mobile phone originated in Japa-

nese culture, this is not an exclusively Japanese thing.

The difference between the United States and Japan is the current environment. What I mean by this is that in Japan people can use Flash on their mobile phones, as well as applications and services produced using Java. For example, a user can play a game by downloading an application from Moba-ge-town, and then switch from the game to the social networking service. If he finds some interesting information he can start the Mailer program and send it to his friends before going back to social networking. With a Japanese mobile phone, the user can move back and forth between all of these different services seamlessly. In the United States, it's not that they are behind with the technology, but the idea that mobile phones are for making phone calls is deeply entrenched. So in this sense we are finding it difficult to expand our services, which is one of our strengths.

However, as we expand our services in the United States we are finding that the usage rates of certain types of content are actually higher than in Japan, and so I believe that if we can provide services that meet consumer needs then we can reach the same level of market penetration as in Japan, if not higher. As the popularity of the BlackBerry smart phone clearly demonstrates, utilization of mobile phones is even more advanced in the United States than it is in Japan. American mobile phones have an auto-complete function for entering text, and so the market potential in the United States for sites such as Moba-ge-town is something that cannot be denied.

**It is often said that when Japanese things are taken to other places the culture needs to be translated as well as the words. Are there any areas where this was an issue?**

At the moment, our expansion into the United States is at the level of a beta trial—and we are also conducting marketing trials. In Japan, we started with the teenage segment and then expanded to people in their twenties, but at the moment most of our users in the

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—DeNA CEO Tomoko Namba



United States are in their twenties. For this trial service, we are providing anime-style avatars based on anime characters that are popular in Japan. Japanese anime is very different from American cartoons, but there is a segment of the market that responds positively to this aspect, as reflected in the expression “Cool Japan.” Our business partners tend to say, “Very Japanese...” but their children say “Cool!” Any consultant will tell you that you need to “localize” your products and services to suit the local market, but it seems that this is not always true. So to really work out what our users’ preferences are, we have included both American-style avatars and extremely Japanese-style avatars in the U.S. edition.

**How do you think the Internet Society is going to develop in the future? The**

**special advanced functions of Japanese mobile phones are sometimes referred to as a “Galapagos effect.”**

The technology for handling information and the technology that brings people together is something that fulfills a basic human need, and technological progress is irreversible. I think that the Internet will become an important tool for everything from our daily lives through to entertainment, and will become an indispensable piece of infrastructure. I think that this means that what the government—or society as a whole—has to consider is the importance of moving the Internet forward with a clear vision of actively and fully utilizing it for things like education and learning, so that the Internet is not made a scapegoat for the negative uses to which it is some-

times put.

In one sense, I think that the “Galapagos effect” is psychological, but I also think that one day Japanese technology will become a leading example for the rest of the world to follow. Mobile novels were once regarded as peculiarly Japanese, but a need for them has become apparent in the United States. From this we can see that we seem to be distinct but that peculiar developments also contain an element of universal need. Picking up on these needs and fulfilling them with superior platforms and technology is what makes business possible. In this sense, Japan’s “Galapagos phenomenon” can be thought of as playing out a “grand experiment” for the world of the future. That’s what I think, anyway. 

Interview by Hitoshi Chiba, *The Japan Journal*