i-mode: the Need of Convincing the User

Luis Vives, PHD candidate, Iese

The service of i-mode data transmission, which the operator NTT DoCoMo introduced in Japan in 1999, has been highly successful. Its almost 40 million users in Japan contrast with the attempt of European operators to popularise the WAP technology, which has simply never happened.

Memories of this failure still haunt phone companies that are convinced that the business of voice transmission has reached its peak and that its future resides in data transport. i-mode appears as a new opportunity to charge for this traffic.

The big German, Belgian, Dutch and French operators think so, and last year they struck a bargain with NTT DoCoMo to commercialise its technology. Although, at the moment, the success of i-mode in Europe is a long way from the results in Japan and only France has been able to get a moderately good result, with 200,000 users in five months.

For many experts, this difference in the results lies in the fact that, in Japan, the low penetration of PCs and the Internet has turned mobile phones into the primary tool of accessing the Net. Moreover, NTT DoCoMo has known how to provide incentives for the creation of i-mode content, charging providers a very low percentage and using a standardised computing language, which has led to the development of numerous web sites, both official and non official.

In Spain, Telefónica has decided to try its luck and, from next week, it will endeavour to seduce the Spanish with i-mode through its e-moción service. Users will have to decide if this new service offers them enough added value to offset its cost.

To convince users that this is so, the company must, firstly, accomplish its promises. It must be remembered that the non fulfilment of its promises was one of the reasons for the failure of WAP, which made users think that they could connect to Internet through their mobile phones when, in fact, its functionalities were fewer.

Moreover, the introduction of this kind of technologies requires the operator to care for availability of content and the existence of devices able to serve them. In fact, for these technologies to be successful, it is necessary to generate a positive feedback loop: the existence of good content and devices makes clients use the service; in turn, the incorporation of new users encourages the creation of content and fosters once again the appearance of better devices.

Still, we must not forget that European users in general, and Spanish people in particular, are reluctant to use this kind of service. Thus the company must invest in educating users in the use of i-mode and its possibilities. For example, it can offer
incentives (through the current points system that Telefónica uses to offer new devices), allow free use (at least in the initial phase so that users know the services), make public demonstrations and offer a good costumer service.

In short, the work of education, a careful initial promotion and an incentive for the development of content for this technology will be critical. Only if Telefónica Móviles takes care of these details, will we see this service taking off in Spain over the next few months.