

**Interview with Takeshi ICHIKAWA**  
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**C&S: What is FeliCa? What are the main applications of this service?**

**Takeshi ICHIKAWA:** FeliCa is a contactless IC card technology developed by Sony. I-mode FeliCa (also called "Osaifu-Keitai", which is the generic name used by all mobile operators) is DoCoMo's mobile wallet service using FeliCa technology. Its main applications are transport, payment and loyalty cards.

**C&S: What are DoCoMo's objectives for FeliCa? To generate additional revenues? To improve brand loyalty?**

**TI:** Our objectives are to increase user stickiness and to generate additional revenues through mobile contactless services like "iD" (DoCoMo's credit brand service) and "DCMX"(DoCoMo's credit card issuing service).

**C&S: How has this project been conducted? More specifically, could you explain how the cooperation between DoCoMo and Sony; and between DoCoMo and application providers, works?**

**TI:** As this project is a multi-industry effort, DoCoMo has established an Osaifu-Keitai eco-system that benefits all its core players. Together with Sony, DoCoMo created a trusted service manager called FeliCa Networks, which manages contactless services in DoCoMo's Osaifu-Keitai handsets. DoCoMo provides permission and releases the necessary documents for service providers to develop applications for their services. In order to ensure the deployment of FeliCa reader-writers throughout Japan, DoCoMo has also formed alliances with and invested in key service providers.

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**C&S: Have other mobile operators in Japan mimicked DoCoMo's FeliCa service?**

**TI:** Yes, Osaifu-Keitai is also adopted by the two other large operators in Japan, au and Softbank. We collaborated with these operators to establish a consistent Osaifu-Keitai architecture in order to grow the mobile contactless market. However, we differentiated ourselves from them by providing new functionalities and services like the remote lock service (used when handsets are lost), data transfer service (used when handsets are changed) and information retrieval functionality.

**C&S: On the demand side, how many i-mode FeliCa smart card handsets have been sold? Do you have estimates of FeliCa application usage by consumers? What are the main applications for consumers?**

**TI:** We had 21.5 million Osaifu-Keitai DoCoMo subscribers at the end of April 2007. About 25-30% of our users are active users. The main applications are transport, payment and loyalty cards.

**C&S: On the merchants' side, how many stores and vending machines are equipped with FeliCa readers? What is DoCoMo's strategy to encourage merchants to acquire FeliCa readers?**

**TI:** There were 274,000 stores and vending machines equipped with readers as of April 1st, 2007. We encourage merchants to acquire FeliCa readers through investments and strategic alliances..

**C&S: Will FeliCa enabled handsets generalize to the mass market? What kind of new applications can we envisage in the near future?**

**TI:** We believe FeliCa enabled handsets are already being widely deployed as most of our latest handsets are equipped with contactless mobile functionality. New applications could be personalized information delivery and identification cards like drivers license.

**C&S: As for e-payments, how does this functionality work? How do merchants react? What is the feedback from consumers? Why was it important for DoCoMo to move from a pure payment service (phase 1 of FeliCa) to credit services (phase 2 of FeliCa)?**

**TI:** E-payment services can be classified into pre-paid (e-money) and post-paid (credit cards) services. Merchants are positive about allowing such payments in their shops as they reduce payment times (and thus increase sales) and allow these payments to be linked to value-added services like loyalty services. Consumers have commented that by using Osaifu-Keitai,

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they do not have to bother with handling small change. They also found Osaifu-Keitai to be easy to use, fun and convenient. Finally, consumers liked the fact that Osaifu-Keitai can store many applications, which means less cards for them to carry in their wallet. In phase 1, DoCoMo was a mobile contactless platform provider for the i-mode FeliCa platform, which enabled service providers to freely deploy their mobile contactless services on it. In phase 2, DoCoMo participated as a credit card service provider, deploying its credit card services on its own mobile contactless platform.

**C&S: What are the relations between the banks and DoCoMo in the FeliCa project? Who is responsible for marketing the e-payment mobile application: the banks, DoCoMo or both? What is the business model for the solution (pricing, etc.)? Which player receives the fees?**

**TI:** The banks are involved in the deployment of credit card applications and FeliCa reader/writers. The banks do their own marketing for their contactless services. DoCoMo, as a credit card service provider, also does its own marketing for its credit card services. As a mobile contactless platform provider, DoCoMo does not collect any fees from banks that want to deploy their services. As a credit card service provider, DoCoMo adopts the fee collection rules typical of a standard credit card business scheme.

**C&S: Could FeliCa foster evolutions in the i-mode model?**

**TI:** i-mode FeliCa itself is actually an evolution of the i-mode model. This means that the i-mode model, which is a telecommunications (data) infrastructure model whereby users interact mainly via mobile internet, has evolved to become a lifestyle support infrastructure model whereby users can interact with the real world as well as via mobile internet.

**C&S: Finally, do you have plans to introduce your technology in Europe?**

**TI:** We are currently studying this option