

Transformation into an “Integrated Service Provider” Centered on Mobile Communications



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The environment surrounding the mobile phone business is currently undergoing a dramatic change with the rapid expansion of smartphone adoption and a resulting surge in data traffic. No matter how much the market changes, though, what remains constant is the fact that we cannot sustain a viable business unless we keep our customers satisfied. After assuming the post of president and CEO, I launched a new action plan for business transformation called “Change and Challenge” (Figure 1). Under the “Change” programs, we returned to the basics and reviewed every aspect of our operations—from services to devices to the network—from a customer-centric viewpoint.

To ensure a thoroughly hands-on approach at all levels, and to unite the whole company toward our shared target of enhancing customer satisfaction and our brand, we have endeavored to deepen our internal communications under the slogan of “ONE docomo.” These efforts have begun to deliver tangible results. As a result of our concerted efforts involving DOCOMO, its subsidiaries, and external partners such as docomo Shops, we were awarded the highest ranking among Japan’s mobile phone operators in a customer-satisfaction study of consumers conducted by J.D. Power Asia Pacific in 2010.

The “Challenge” programs, meanwhile, comprise initiatives for new value creation through pursuit of the potential of mobile phones.

One of the important pillars in our “Challenge” actions is the reinforcement of smartphones. We have endeavored to prepare a rich lineup of smartphones with the release of GALAXY, Xperia, and other models, which resulted in a faster-than-expected uptake by subscribers. As their adoption expands in full throttle, we expect that smartphones will outnumber conventional i-mode handsets in our sales quantity within fiscal 2012. We have also made a major direction change and started allocating more resources to smartphones in our service development activities, so we can achieve functional enhancements by transplanting the benefits of our conventional i-mode phones into smartphones one after another.

Another important “Challenge” item is the development of a high-speed and cost-effective network that can sustain the explosive growth in data traffic resulting from the expanded uptake of smartphones. We launched our commercial LTE (Long Term Evolution) service in December 2010 under the new brand “Xi” (pronounced “crossy”). We plan to progressively expand its coverage to all major cities across Japan, prioritizing high-traffic areas.

The realization of our corporate vision for 2020, “HEART,” is also an important goal in our “Challenge” initiatives (Figure 2). Under this vision, we will aim to make social contributions beyond borders and across generations,

facilitate the evolution of our network, advance industries through the convergence of services, create joy through connections, and bring about safe, secure, and comfortable living.

The twenty-first century is expected to be an age of convergence where we will see the emergence of many new services combining fixed and mobile communications, telecommunications and broadcasting, information appliances, and other technologies. Electronic book services and convergence with ITS (intelligent transport systems) have already become a reality, and other new developments are also underway. Through what we call “Social-Support” services, where we will apply mobile technologies in such business fields as finance/payment, health/medical service, and environment/ecology, we believe we can provide solutions to pressing social issues. By developing and integrating these new businesses, we will aim to expand our revenue sources. We will also actively seek investments and alliances on a global scale in light of the emergence of various global players in the arena of mobile communications.

During the last decade, we pursued the potential of mobile communications. In the coming decade, we will continue to evolve our business with the aspiration of transforming ourselves into an “integrated service provider” centered on mobile communications.

Figure 1: DOCOMO's Change and Challenge

Change	Further improvement of customer satisfaction — Maintain No. 1 ranking — “No. 1 even amid rapid expansion of smartphone adoption”
Safety/Security	Early disaster restoration/ Implementation of new disaster preparedness measures
Challenge (Priority items)	(1) Promotion of smartphones
	(2) Expansion of “Xi” LTE service and network evolution
	(3) Development of new growth areas
	(4) Global business deployment

Figure 2: Vision for 2020—Transformation into “Integrated Service Provider”

