

What's My Line?

[CONNECTIONS](#) [GLOBAL](#) [SOCIAL MEDIA](#)

JOHN STAMPFEL, EMERGING DIGITAL MEDIACOM JAPAN 30 JUL 2013

The biggest social network you've never heard of is a smash hit in Japan and most of Asia.

The Japanese spend a lot of time commuting, and mobile devices are an essential part of that journey. Commuting, in fact, accounts for 28 percent of mobile device usage in Japan, and social media use consumes a hefty chunk of that time.

Nine months ago, everyone on my train was using Twitter, which has been growing rapidly and now has 20 million users in Japan. Now I would say that most of my fellow commuters are on Line.

Line (line.naver.jp/en/) was launched in 2011 by NHN Japan after the Tōhoku earthquake. The app provides free IM and calling via smartphones, tablets, and desktops. The name

“Line” is a cultural reference to the fact that people had to line up outside of public phones after the earthquake because Japanese public phones “are programmed to take priority over networks during and after an earthquake”.

Today, Line is the world’s fastest-growing social network, reaching 50 million followers in just 399 days. The company’s growth rate is twice as fast as Twitter and three times as fast as Facebook. In January 2013, Line’s total number of Japanese followers hit 40 million. Most strikingly, 60 percent of Japanese women in their 20s and 30s now use the platform every day. Growth has been driven by strong advertising support and celebrity endorsement.

High response rates

Most Japanese of all ages are now comfortable with the idea of using their phones to source and communicate information. This is a country where camera phones have been the norm for more than a decade and QR codes have been hardwired into our way of life for nearly as long.

It’s no surprise that Line’s user base roughly matches Japan’s demographic profile, with 40 percent aged 30-50. What’s especially interesting is that Line and its parent NHN (which also owns Naver, Korea’s largest search portal) have been able to monetize the network by motivating users not only to follow brands but also to take action. This has made Line incredibly attractive to marketers, particularly in the retail space. According to research commissioned by Line, more than half of female users follow official brands. In addition, 63 percent of all users read brand messages, 32 percent have used a coupon delivered via Line and 27 percent have clicked on a link.

Opportunities for brands

Unlike Facebook, however, advertisers can only use the platform if they pay. There is a fixed rate card and the number of messages is strictly controlled. For example, a four-week campaign with five messages will cost Y8 million (\$81,000), while a 12-week campaign offering 15 messages (at a maximum of two per week) will set you back Y15 million

(\$151,000).

Brands can use messages to link to content or offer coupons, presents and prizes. There are additional charges if brands want to create sponsored stamps, a form of emoticons that are hugely popular in Manga-obsessed Japan. These are based on client creative but created by Line. Stamps can drive reach for brands, which may add as many as a million new followers within a week of offering official brand stamps.

Marketers have major incentives to remain on Line for long haul, as a decision to stop paying means a brand's account is deleted and it loses not just followers but also the content that was created.

Retail brands leading the way

None of this tight control has put off potential advertisers which now include Coca-Cola, Lawson convenience stores and the Sukiya fastfood chain. When Matsumoto Kiyoshi, a drug store chain, needed to attract more customers aged 10-20, for example, it offered a ten percent off coupon via Line and, within five days, more than 10,000 people had used one – half of them in the target group. An additional 300,000 people also started following the brand on Line. One of the most remarkable aspects of Line's fast rise and its ad-funded business model is that so many businesses have bought into it so quickly. While consumers are quick to leap onto the next big thing, businesses in Japan are notoriously wary of new platforms. The constant search for first-mover advantage is simply not as ingrained in the marketing psyche as it is in Western countries.

As Line becomes more global, NHN will get the chance to see whether these characteristics apply outside of Asia. Early results appear promising: Line claims on its English-language website that it is the most downloaded app in more than 40 countries and available in 230 markets. Services such as avatar community Line Play have recently become available in English, and the app itself is available for iPhone, Android, Blackberry and Windows phones. In February, Line signed a deal with Nokia to make it available on Asha handsets across Asia. Line's status as the biggest social network you've never heard

off won't last for long.

Source: Cubrid.org

CONNECTIONS GLOBAL SOCIAL MEDIA