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INTRODUCTION

The value of the market for foreign-language instructional materials has been estimated to be worth approximately 150 billion yen, and in recent years, the market has been expanding to include such consumer groups as housewives and the elderly, as well as younger age groups such as elementary school pupils and kindergartners.

Even though the market structure is relatively flat, with sales for even the largest companies holding steady at approximately 10 billion yen, countless small companies are involved in the market. Moreover, large domestic mail order companies, electronics manufacturers, television production companies, and software manufacturers, among others, have taken notice of the size of this market and stepped outside their usual areas of endeavor to enter it.

In the midst of all this, overseas educational firms and publishers have begun to enter the Japanese market. However, while some of these companies have assumed leading positions in specific fields, many other foreign companies have had to withdraw from the market relatively quickly.

This report provides an overview of the Japanese market for language instructional materials and describes where the market is heading, in order to help foreign readers consider their potential for entering this market.

I. Language
A. The languages of the top ten destination nations for overseas travelers (English, Chinese, Korean, Thai, Italian)
B. Languages other than those listed above which have large numbers of students enrolled in university courses, etc. (French, German, Spanish, Russian)
II. Uses of the Instructional Materials
A. Early childhood education (for children up to the early years of elementary school)
B. Basic education (for young people in the upper years of elementary school, junior high school, senior high school)
C. Applied education (for students preparing for university entrance examinations, university students, graduate students, and business people)
D. Preparation for study abroad and preparation for certification (TOEFL, GRE, GAMT, SAT, certification in individual foreign languages)
III. Form of the Instructional Materials
A. Books (without cassettes or CDs)
B. Cassette or CD materials
C. Video materials
D. Computer software
E. Other devices

I. Overview of the Market

A. Size of the Market and Trends in Demand

1. Characteristics of Consumers and Trends in this Area

The consumers of foreign language instructional materials are students and working adults. The three typical methods and locations of learning for both groups are self-instruction, educational institutions, and foreign language conversation schools, but in fact the market is such that we can analyze it under the assumption that educational institutions teach mostly students, while foreign language conversation schools and self-instructional programs teach mostly working adults.

a. Educational Institutions

1) Overview

Due to the continuing trend toward fewer children per family, the number of junior high school students has been decreasing for eleven years, while the number of senior high school students has been decreasing for eight years, but educational institutions are still the largest market for foreign language instructional materials. The total number of students in junior high school and higher levels of education, where English is a required subject, was 11.72 million as of the end of March 1998.

Table 1 Number of Schools (Unit: schools)

Fiscal Year	Kindergarten	Elementary School	Junior High School	High School	Junior College	University	Total
1989	15,080	24,851	11,264	5,511	584	499	57,789
1994	14,901	24,635	11,289	5,497	593	552	57,467
1995	14,856	24,548	11,274	5,501	596	565	57,340
1996	14,790	24,482	11,269	5,496	598	576	57,211
1997	14,690	24,376	11,257	5,496	595	586	57,000
1998	14,603	24,295	11,236	5,493	588	604	56,819

[Source] Monbusho, "School Basic Survey"

Table 2 Number of Students (Unit: persons)

Fiscal Year	Kindergarten	Elementary School	Junior High School	High School	Junior College	University	Total
1989	2,037,614	9,606,627	5,619,297	5,644,376	461,849	2,066,962	25,436,725
1992	1,948,868	8,947,226	5,036,840	5,218,497	524,538	2,293,269	23,969,238
1995	1,808,432	8,370,246	4,570,390	4,724,945	498,516	2,546,649	22,519,178
1996	1,798,051	8,105,629	4,527,400	4,547,497	473,279	2,596,667	22,048,523
1998	1,786,129	7,663,533	4,380,604	4,258,385	416,825	2,668,086	21,173,562

[Source] Monbusho, "School Basic Survey"

Since there are no statistics on expenditures for foreign language instructional materials, it is impossible to get a clear idea of the situation, but according to “Survey of Household Expenditure on Education per Student” and “School Basic Survey,” by the Ministry of education, Science, Sports, and Culture (Monbusho), expenditures for books, facilities, and equipment (excluding household expenditures for facilities and equipment) were a total of 1.15 trillion yen in 1996 (of which 70% was for the junior high level and above, where English is a required subject). Of this amount, households spent 378 billion yen for books, and educational institutions spent 86 billion yen, for a total of about 450 billion yen, but the total expenditures have been shrinking, due to the smaller number of children, and the amount spent per person has also decreased, due to the economic slump. On the other hand, expenditures for facilities and equipment were about 700 billion yen, and even though the number of educational institutions has decreased, the expenditures for facilities and equipment per school have increased, due to increased investment in computers.

Table 3 Schools and Household Expenditure on Books and Equipment (Unit: million yen)

Fiscal Year	Expenditure on Books in Household	Fiscal Year	Expenditure on Books in School	Expenditure on Equipment in School	Total
1989	300,507	1989	80,189	628,290	708,479
1992	349,608	1995	77,833	599,769	677,602
1994	441,520	1996	86,658	699,453	786,111
1996	378,447	1997	86,561	648,382	734,943

[Source] Monbusho, “School Basic Survey” “Survey of Household Expenditure on Education per Student”

Table 4 Market Size of instructional books except textbooks (Unit: million yen)

Fiscal Year	Kindergarten		Elementary School	Junior High School		High School	
	public	private	public	public	private	public	private
1989	1,495	5,708	49,714	56,921	-	19,735	6,935
1992	1,502	5,992	58,517	54,487	-	23,257	7,986
1994	942	4,474	26,556	30,319	2,402	29,409	12,866
1996	772	3,246	24,721	26,961	2,454	24,716	10,126

[Note] Market Size = Expenditure per capita on instructional books except textbooks × the number of students

[Source] Monbusho, “School Basic Survey” “Survey of Household Expenditure on Education per Student”

Table 5 Market Size of instructional books used for study at home (Unit: million yen)

Fiscal Year	Kindergarten		Elementary School	Junior High School		High School	
	public	private	public	public	private	public	private
1989	7,628	36,906	-	46,434	1,991	44,037	23,002
1992	8,576	45,877	-	71,895	3,794	38,516	29,209
1994	5,518	32,724	170,478	67,283	3,657	36,169	18,721
1996	4,893	25,939	146,209	54,687	3,651	32,168	17,903

[Note] Market Size = Expenditure per student on instructional books used for study at home × the numbers of students

[Source] Monbusho, “School Basic Survey” “Survey of Household Expenditure on Education per Student”

An August 1996 report “The State of Education with a View Toward the 21st Century,” issued by a commission of inquiry of the Monbusho also enthusiastically promotes computer-based education, and schools are receiving government support from local allocation taxes to equip themselves with the necessary technology. Note, however, that investment is shifting from hardware to software.

2) Kindergartens and Elementary Schools

A look at the current state of foreign language instruction in educational institutions shows that only a small portion of kindergartens and elementary schools offer such instruction, and there are few prospects for demand in wholesaling to schools. However, on the basis of the argument that early foreign language instruction is essential, demand for instruction in early childhood is expanding, and there is a large demand for English instruction along with preparation for entrance into junior high school. For example, a certain foreign language conversation school with 300,000 students reports that 50% of its students are in elementary school and that 50% of those (25% of the total) are in grade six. In addition, the number of children taking the Children’s English Certification Test administered by the Society for Testing English Proficiency, Inc. (STEP) and the Japan Association for the Promotion of English for Children (JAPEC) has reached 200,000. At present, the demand for instructional materials for children (kindergartners and elementary school children) is valued at about 20 billion yen, but there are prospects for future expansion. In particular, the Monbusho’s deliberations are moving in the direction of incorporating the “Period for Integrated Study,” in which the individual school and individual teacher can deal with any program they want to, into the elementary school course of study by 2002, and along with that trend, it is expected that a market of 9 million students will spring up all at once. In other words, even though the programs dealt with in that curriculum are left up to the individual school and individual teacher, it is believed that the majority of schools and teachers will respond to demands by parents and incorporate foreign language conversation. Any publishing company that is seeking the children’s market would do well to follow the movements of the Monbusho.

3) Junior and Senior High Schools

Ninety-nine percent of junior and senior high schools teach only English as a foreign language, but a minority of private schools teach French or German. Private schools tend to use a lot of materials other than the authorized textbooks, such as supplementary readers and self-instructional materials, and they are also well funded. For example, annual expenditures on books per student by private high schools, which serve 30% of all students, are 3,000 yen higher than the annual expenditures on books per student at public high schools.

4) Junior Colleges and Universities

English is a required subject in junior colleges and universities, and most students select German, French, or Chinese as their second foreign language. The number of persons taking instruction through university-sponsored continuing education programs for

working adults has increased, and according to “The Educational Entertainment Market ’97,” a survey by Fuji Keizai, the number of courses offered in 1994 was 6,190, and a total enrollment of 619,236 persons. Of these, 3% of the courses offered at national universities, 9% of the courses offered at public universities, and 15% of the courses offered at private universities were foreign language classes. It is rare for universities, including their courses for working adults, to use the same instructional materials in every class, and the materials used are determined according to the preferences of the instructor in charge of an individual class.

b. Foreign Language Conversation Schools

According to the “Survey of Selected Service Industries 1997: Foreign Language Conversation Schools” by the Ministry of International Trade and Industry (MITI), the market is valued at 119.1 billion yen, but according to the estimates of a certain major publishing company, “the figure is 850 billion yen if you include companies that did not respond to the survey.” If we add English conversation schools for kindergartners and elementary school children, which are said to be a market of 200 billion yen, the market exceeds 1 trillion yen.

There are 700,000 students in just the foreign language conversation schools covered in the MITI’s survey. Among working adults, interest in English conversation remains high, as always. Moreover, with increased opportunities for overseas travel and the ease of encountering foreign cultures due to the spread of the Internet, there are more and more cases in which elderly people and housewives, who have enough leeway in both their time and their funds, are spending part of their leisure in foreign language study.

The majority of people in these classes are studying English, and the numbers of people taking such languages as French, German, Chinese, Italian, and Spanish remain small, although they are increasing. At a certain foreign language conversation school that teaches English, French, and German, 99.2% of the students are studying English. The total amount of expenditures on instructional materials by foreign language conversation schools is about 10 billion yen, but almost all of that is believed to be expenditures on instructional materials for English.

Table 6 Foreign Language Conversation Classes by Language

		English	French	German	Spanish	Chinese	Korean	Italian	Others	Student
Total	1,333	95.9%	15.9%	9.8%	12.4%	16.6%	6.7%	6.6%	11.1%	715,051
Company	647	96.4%	21.0%	13.1%	15.6%	20.9%	8.8%	8.8%	14.4%	645,065
Individual	637	97.0%	9.9%	6.3%	8.2%	11.0%	3.5%	4.4%	6.4%	53,713
Corporation	49	73.5%	26.5%	12.2%	24.5%	32.7%	20.4%	6.1%	28.6%	16,273

[Source] Ministry of International Trade and Industry, “Survey of Selected Service Industries 1997: Foreign Language Conversation Schools”

The methods by which foreign language conversation schools acquire instructional materials are (1) creating their own original textbooks, (2) adapting textbooks from overseas publishing companies, and (3) using commercially available textbooks without modification. Major companies usually follow (1) or (2), and since, in the case of (2), major publishing companies support everything from creation of instructional materials

to training of teachers as a package deal, it is difficult for new publishers to enter the market. Most medium to small companies and individually owned language schools follow methods (2) or (3), but since the number of schools is large, and they are widely scattered throughout every region, it is difficult to target sales.

In the future, the market for foreign language conversation schools may not grow with the vigor it once had, but it is believed that, with the expansion of English conversation schools for kindergartners and elementary school children, it will move into a stable position.

c. Self-Instruction

With the decline in disposable income caused by the sluggish economy, increasing numbers of working adults are studying by themselves at home instead of enrolling in foreign language conversation schools or university-level continuing education programs for adults. The monthly textbooks for NHK's television and radio courses sell a total of over 600,000 copies. The value of the market for instructional materials aimed mainly at working adults who are studying at home by themselves is 20 billion yen for retail bookstores and 10 to 15 billion yen for mail order sales.

2. Trends in Demand for Foreign Language Instructional Materials

a. Overview

Concerning shifts in demand for foreign language instructional materials aimed at home-based learners (students and working adults), a major publisher of instructional materials maintains that "even though the scale of the market peaked somewhere around 1995, it contracted due to the collapse of the asset-inflated bubble economy, and since the prices of our products also fell, we believe that the value of the market at present has settled down to 150 billion yen, the same level as in 1991."

b. The Scale of Demand by Language

Estimates based on testimony from major bookstores and importers concerning demand for foreign language instructional materials by language indicate that English accounts for more than 90% of the market, and that the remaining 10% is taken up by instructional materials for Chinese, German, French, and Korean. Italian and Spanish are gradually increasing in popularity, and the demand for instructional materials is increasing, but the absolute quantity is small. There is almost no demand for instructional materials in Russian or Thai. If we refer to the numbers of people taking foreign language certification exams, it seems that consumer demand favors English.

Table 7 Examinees of Foreign Language Examination (Unit: persons)

	English	French	Chinese	German	Italian	Spanish	Korean	TOEIC
Examinee	1,412,700	19,618	13,850	9,937	3,210	3,000	2,220	56,746
Trend								

[Note] Spanish, Chinese, French, Italian, TOEIC: Fall, 1999 / English, Korean: Summer, 1999
 German: Fall, 1998

[Source] hearing for the organizations concerned

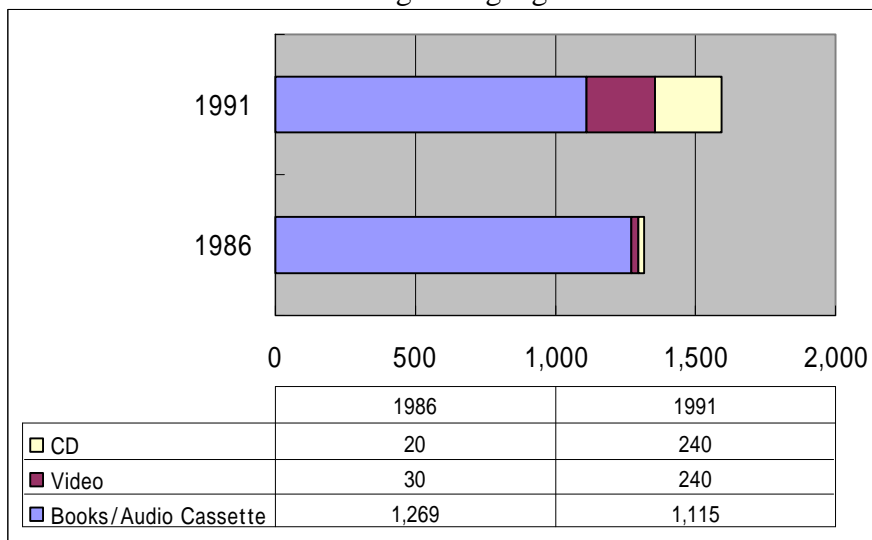
c. The Scale of Demand by Intended Use

Looking at demand by intended use, we find that the markets for instructional materials for basic and applied education in junior and senior high schools and universities is large, but the age range of the learners is dropping, and it is believed that demand for instructional materials for kindergartners and elementary school children will expand.

d. The Scale of Demand by Form

Looking at foreign language instructional materials by form, we find, according to “Shifts in the Scale of the Market for Personal Education Devices,” issued by the Yano Economic Research Institute, the value of the market for books (including those with cassettes) was 111.5 billion yen in 1991, while the market for video instructional materials was 24 billion yen, and that for CD materials and others was 24 billion yen. With the emphasis on the importance of audio instruction in recent years, the share of audio materials such as cassettes and CDs has risen.

Chart 1 Market Size of Foreign Language Instructional Materials



[Source] Yano Economic Research Institute, “Shifts in the Scale of the Market for Personal Education Devices”

Most books (without cassettes or CDs) are collections of vocabulary, collections of compound words, and grammar workbooks, and in the market for small children, vocabulary cards and such toy-like materials as drawing pads are becoming the norm. The median price range for both domestic and imported products is between 1,000 and 2,000 yen.

Most of the audio instructional materials employing cassettes or CDs are domestic products, but the number of materials that foreign companies have adapted for Japan has increased. There are some materials that have been imported directly and used in unadapted form, but their sales are still small. The price range is usually from 2,000 to 5,000 yen, but from 5,000 to 10,000 yen for students who hope to study overseas. In mail-order sales, the standard is 15,000 to 50,000 yen for a set of five to ten cassettes, which is sent every month for a year.

Most video materials are for children. Of a total value of 25 billion yen for video materials, child-oriented videos alone accounted for up to 10 billion yen, and it is in expansionary trend, due to the increase in foreign language instruction for younger age groups. Overseas publishers are entering the market in joint ventures with Japanese publishers to develop materials. The price range is from 2,000 to 5,000 yen for products sold retail in toy stores and bookstores, and for mail-order sales, the standard is sets of five to ten videotapes for 20,000 to 50,000 yen.

Development of software has lagged behind development of hardware, and since the degree of perfection of the software already sold is extremely low, the amount distributed has remained small. However, judging from the spread of personal computers and the tendency to invest in them, this has quite a bit of potential to become a huge market. The price range is 10,000 to 20,000 yen for individual consumers and in units of 100,000 yen for schools and corporate purchasers, but it is believed that prices will continue to fall in the future.

Domestic products have exclusive control of the market for foreign language learning devices for individual learners, but market conditions have worsened. Some companies have ceased production or delegated their business to other companies. Since there are plenty of methods for learning by playing back cassettes or CDs on commercially available playback devices, the scale of the market was not large, but user-friendly personal computers have taken over as substitute hardware, and given their prices of around 20,000 to 50,000 yen for an individual consumer, the specialized devices must have seemed relatively expensive, so demand has fallen. In the future, the market for dedicated devices will shrink and the target market segment will be mostly children. Their form will also change, so that they will be toys more than specialized devices.

B. Tendencies Among Manufacturers of Foreign Language Instructional Materials

The peculiarities of the market for foreign language instructional materials are (1) the preponderance of small companies, so that even the companies referred to as “major” have sales of no more than about 10 billion yen, and (2) the fact that foreign companies have been able to obtain more than equal results to Japanese companies. Examples of major companies include ALC, Daigaku Shorin, and Benesse as 100% Japanese owned companies, and Linguaphone Japan, Oxford University Press, and Pierson as foreign-owned companies. In the case of video materials, the market covers a broad range,

including not only specialized publishers and foreign language conversation schools but also educational businesses and television programming production companies that have never had anything to do with foreign languages before.

In recent years, many Japanese companies and foreign companies have joined forces: the Japanese companies for reasons of production capacity, and the foreign companies for reasons of adapting content and taking advantage of sales routes. Furthermore, anticipating that the market for foreign language instruction will increasingly become multimedia oriented, many computers, software, information and communications companies, and others from different industries, such as NTT, CSK, Microsoft, Dell, and Compaq, are entering the market. There may well be reorganization involving players in the field, including the publishers of instructional materials and foreign language conversation schools, in the future.

C. Tendencies in Imports of Foreign Language Instructional Materials

Since no import statistics are collected on foreign language instructional materials per se, it is difficult to gain an overall view of the actual situation, but based on testimony from major import agents and major bookstores, even though imports of instructional materials for English, Chinese, and Italian have increased, foreign language instructional materials as a whole have shown only a slight increase. The market share of imported products is seen as being 10% or less. If we look at related indices, according to the estimates on the value of imports of foreign books (including newspapers and magazines) from the Foreign Books Study Group organized by the Japan Federation of Publishing Workers Unions, imports amounted to 80 billion to 100 billion yen (FY 1997), and according to the relevant coded items (not including newspapers and magazines) in the "Japan Exports & Imports Jan. ~ Dec. 1998", they amounted to 70 billion yen (1998).

Looked at by language on an import basis, English accounts for more than 90% of imports, followed by French, German, Chinese, and Italian. Even at the major Japanese publishers, English instructional materials account for over 80% of sales, and the majority of the remaining less than 20% are materials for German and French. Looking at imports by country, we find that in addition to the United States and the United Kingdom, there are many imports from places such as Singapore or Malaysia, but these are English-language instructional materials manufactured there for the purpose of keeping costs low and then imported into Japan.

II. Import System and Relevant Laws and Regulations

A. Tariff

Customs Duties on foreign language instructional materials are as follows. Consumption Tax is $(\text{CIF value} + \text{Customs Duty}) \times 5\%$.

HS No.	Description	Rate of Duty			
		General	WTO	Preferential	Temporary
4901.99.000	Printed books, brochures, leaflets and similar printed matter: other than dictionaries and encyclopedias and serial installments thereof	Free	(Free)		
4903.00.000	Children's picture, drawing or coloring books	Free	(Free)		
8524.32.000	Discs for laser reading systems: For reproducing sound only	Free	(Free)		
8524.39.000	Discs for laser reading systems: Other	Free	(Free)		
8524.51.090	Other magnetic tape of a width not exceeding 4mm	Free	(Free)		
8524.52.090	Other magnetic tape of a width exceeding 4mm but not exceeding 6.5mm	Free	(Free)		
8524.53.090	Other magnetic tape of a width exceeding 6.5mm	Free	(Free)		
8524.99.010	Digital audio discs	Free	(Free)		

[Note] Please refer to “Customs Tariff Schedule of Japan 1999”

[Source] Japan Tariff Association “Customs Tariff Schedule of Japan 1999”

B. Legal Regulations and Procedures for Imports

In principal, imports are unrestricted, but in the Customs Tariff Law, Article 21, Item 2, (1) books, pictures, sculptures and other objects that harm public safety or morals, and (2) items that infringe on patent rights, utility model rights, design rights, trademark rights, copyrights, rights pursuant to authorship, or rights for use of circuitry configurations are designated as “import prohibited items.” To find out whether the product being imported conflicts with the law, you need to inquire at the Customs Office, the Patent Office, or the Agency for Cultural Affairs, Commissioner’s Secretariat, Copyright Division.

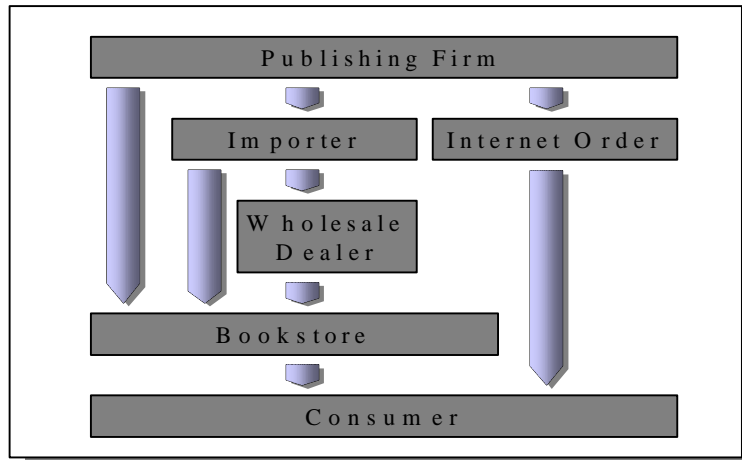
C. Legal Regulations and Procedures for Sales

There are no particular regulations. Door-to-door sales and installment sales are subject to the Door-to-Door Sales and Other Direct Sales Law and the Installment Sales Law, respectively. The May 19, 1998 revision of the Door-to-Door Sales and Other Direct Sales Law has made it compulsory for sales representatives in mail order sales, including sales over the Internet or by facsimile or other information networks, to display the name and telephone number of the responsible party on the home page or the facsimile form.

III. Customary Practices in Domestic Distribution and Sales

The channels by which imported foreign language instructional materials are delivered into the hands of consumers may be broadly divided into three categories: (1) sales through agencies and bookstores, (2) sales through major bookstores acting as import agents, and (3) sales over the Internet.

Chart 2 Distribution Channel



[Source] various company homepages

A. Sales via Agencies and Bookstores

This is the most common route for foreign books. Importers such as Yohan and Charles E. Tuttle Co. purchase materials in bulk and wholesale them to bookstores.

However, there are also importers that specialize in foreign language instructional materials and publishing companies that have exclusive rights to wholesale instructional materials that their overseas parent company has published, and for certain products, this may substitute for imports, so major importers and major bookstores sometimes acquire their inventory of imported educational materials domestically. Sanzen is an example of an import agency specializing in foreign language instructional materials, and Oxford University Press is one example of a publishing company that has exclusive rights to wholesale materials published by its overseas parent company.

B. Sales via Major Bookstores Acting as Import Agents

Maruzen, Kinokuniya, Sanseido, and other major bookstores act as their own import agents, making purchases directly from foreign publishers. They not only sell them to ordinary consumers but also wholesale them to bookstores on the open market.

C. Sales via the Internet

This route is one that has handled an increasing amount of business in recent years. According to “Survey of the Use of Internet Shopping in Japan” issued by MITI for fiscal 1997, foreign books are the third most commonly purchased item (11.4% of sales) on the Internet. In addition to the spread of the Internet, sales have grown because Internet sales are de facto direct sales, and eliminating the intermediate mark-ups makes their prices lower than domestic purchase prices. Consumers also consider them faster than special ordering items from a retail outlet. In most cases, Sanseido’s Internet prices are 10% below retail, Bunkyo’s prices are the same as local prices, and Amazon.Com’s prices are as much as 40% off the local price.

Foreign magazines and novels account for almost all Internet sales of foreign books, and in the end, most sales of foreign language instructional materials are through retail outlets. However, one needs to keep the Internet in mind as a means of access to individual consumers.

Examples of foreign companies selling over the Internet include Amazon.Com and Barnes & Noble in the United States and Waterstone's in the United Kingdom. Japanese companies include Maruzen, Kinokuniya, and Sanseido.

There is no need to consider the "Resale Price Maintenance System," in which a publisher may announce resale prices in advance and refuse to deal with those who fail to comply. Because foreign language instructional materials are exempt from the rule.

IV. Advice on Market Access

Japan's market for foreign language instructional materials is huge, and expansion of the range of learners into lower age groups is anticipated. Yet on the other hand, since an extremely large number of companies are in the market, competition has become extremely fierce. Thus this section will describe points to be aware of when entering the Japanese market, along with case studies of previous successes and failures.

A. Consideration for Consumers

Imported foreign language instructional materials include some whose sales never took off and which were dropped by agencies and bookstores, and some that continue to sell in the tens of thousands. Importers, booksellers, and educators give "differences in consideration for Japanese users" as the reason for this disparity. Specifically, there are two types of consideration.

1. Consideration for Content

According to the major importers and bookstores, many of the imported instructional materials that do not sell well fail to reflect the actual state of the market segment they are aiming for. For example, the material may contain no Japanese explanations at all, even though it is supposed to be for beginners. The content may be far removed from Japanese life and culture and therefore unlikely to attract the learner's interest. On the other hand, the materials may have been prepared with little regard for layout or color coordination. Layout and color coordination tend to be regarded as particularly important in Japan, and they are said to influence the user's desire to learn.

The companies that have grown steadily in the market are the ones that have paid sufficient attention to these points. For example, in order to ensure that children will not exhibit resistance to foreign language learning, a certain foreign language conversation school with about 300,000 students produces materials with consideration for size of the materials, ease of opening, use of color, texture of the paper, and, of course, plentiful illustrations, after thoroughly surveying on-site conditions. Similarly, a certain foreign company that is an industry leader in sales sets up representative offices and branches in Japan. These employees conduct thorough surveys on the value of the market,

consumption trends, Japanese people's preferences, and life and culture and offer feedback to the editorial department in the home country. Depending on circumstances, foreigners living in Japan may create materials in Japan based on textbooks from the home country, or the company may link up with a Japanese publisher to develop products jointly.

2. Considerations for Methodology

In the survey of parents that the Society for Testing English Proficiency, Inc. conducted in 1996, titled "Children's Learning of English and Mothers' Awareness," 21.8% of those surveyed responded to the question "Where is your child learning English?" with the answer "At home." Yet testimony to the Japan Association for Promoting English for Children indicates that most parents actually do not know how to teach and cannot speak English in the first place. On the other hand, in small language conversation schools that use commercially available materials, teachers are sometimes given no detailed directions on how to use the materials, and this may hinder instruction. For that reason, teachers and parents have long demanded materials with the means for effective use clearly described, "materials that are easy to teach," and ideally, materials that even allow children to learn English on their own.

In order to solve the problem of "methodology that was difficult to understand," a certain foreign company that had noticed these needs began sending special teams of teachers to every region to conduct model classes. This strategy resulted in differentiating their products from those of other companies, and they ended up with an overwhelming share of the market for instructional materials for younger children. This same company has also set up a system for answering questions about methodology and content in Japanese. The sales manager of a rival foreign company explained, "The old style of just selling products doesn't work anymore. You can't prevail unless you make introduction and the follow-up services into a complete package."

Foreign companies tend to be deficient in consideration for content and consideration for methodology, and it may be said that consideration for these two points is absolutely essential if a new entrant into the market is to be successful.

B. Attracting and Keeping Consumers and PR

Individual consumers of foreign language instructional materials cover a wide range from pre-kindergarten children to the elderly. In the case of foreign language conversation schools and educational institutions that offer prospects for wholesale marketing, there are both major companies concentrated in central Tokyo and individually-managed schools in outlying areas. There are both universities with tens of thousands of students and private kindergartens with no more than a few dozen students. At the same time, the materials themselves are divided into small categories by language, format, aim of use, as well as vocabulary, grammar, reading comprehension, and listening. That is to say, both the purchasers and the materials supplied are many and varied.

For this reason, you first need to be clear about which market segment you are targeting and how you are going to approach it. In other words, you must give full consideration to

the questions of what products you will present to this segment and what distribution paths will lead to sales. Recently, a Japanese company that has just gotten into the market for children's educational materials and that is the largest in its industry succeeded in establishing its brand as a specialist in listening materials for adult learners. In contrast, the computer-based classes that a famous American computer company started up in cooperation with a Japanese information technology company missed their target segment and ended up shutting down after several years.

Second, you must increase your name recognition through advertising and public relations. Since there are countless individual consumers and small foreign language schools scattered all over the country, pinpoint targeting of sales is ineffective. Rather, it would be desirable to cast your net over all potential consumers by linking up with an importer and conducting a PR campaign that will ensure that you are well known among a wide range of clients. Strictly speaking, the foreign publishers that are currently most successful are the ones that have the greatest worldwide name recognition, so you need to conduct an advertising and publicity campaign that will allow you to compete with these companies. Materials published monthly in magazine form by a certain foreign publisher that entered the market three years ago are currently among the best selling instructional materials, and that is because the company has increased its name recognition through frequent television commercials.

C. Conclusion

If we may summarize the four points that foreign companies must pay attention to when entering the Japanese market, they are (1) consideration for content, (2) consideration for methodology, (3) clearly defined target market segments and methods of approaching them, and (4) a concerted campaign of advertising and publicity. Since the market for foreign language instructional materials is a highly competitive one, you should be aware of at least these four points if you are serious about entering the Japanese market.

V. Appendix

A. Trade Fairs, Exhibitions

	Organizer	Tel
Tokyo International Book Expo	Reed Exhibitions Japan Ltd.	03-3349-8501
Language Expo	Alc Inc.	03-3323-1101
Resources for Education	Japan Educational Press	03-3461-3588
Edu-communication 2 1	Japan Educational Press	03-5363-1791
Multimedia Forum	Ministry of Posts and Telecommunications	03-3504-4177

B. Government Agencies and Industrial Organizations

	Zip	Address	Tel
Ministry of Education, Science, Sports and Culture	100-0013	3-2-2, Kasumigaseki, Chiyoda-ku, Tokyo	03-3581-4211
Agency for Cultural Affairs	100-0013	3-2-2, Kasumigaseki, Chiyoda-ku, Tokyo	03-3581-4211
Ministry of International Trade and Industry	100-0013	1-3-1, Kasumigaseki, Chiyoda-ku, Tokyo	03-3501-1511
Japanese Patent Office	100-0013	3-4-3, Kasumigaseki, Chiyoda-ku, Tokyo	03-3581-1101
National Tax Administration Agency	100-0013	3-1-1, Kasumigaseki, Chiyoda-ku, Tokyo	03-3581-4161
Tokyo Customs	108-0075	5-5-30, Konan, Minato-ku, Tokyo	03-3472-7000
Japan Customs Broker Association	105-0003	1-1-3 Nishishimbashi, Minato-ku, Tokyo	03-3593-8401
Copyright Research and Information Center	163-1411	3-20-2, Nishishinjuku, Shinjuku-ku, Tokyo	03-5353-6921
Japan Book Publishers Association	162-0828	6, Fukuromachi, Shinjuku-ku, Tokyo	03-3268-1301
Japan Association of International Publications	103-0027	1-21-4, Nihonbashi, Chuo-ku, Tokyo	03-3271-6901
Japan Association of Personnel Ability Development	169-0075	2-14-9, Takadanobaba, Shinjuku-ku, Tokyo	03-3200-7883
Japan Direct Marketing Association	105-0011	3-4-30, Shibakoen, Minato-ku, Tokyo	03-3434-4700
Japan Direct Selling Association	160-0004	4-1, Yotsuya, Shinjuku-ku, Tokyo	03-3357-6531
Japan Educational Service Association	160-0016	135, Shinanomachi, Shinjuku-ku, Tokyo	03-3359-3773
Japan Association for the Promotion of English for Children	564-0063	1-17-14, Esakacho, Suita-shi, Osaka	06-6339-1262
Japan Association for Promotion of Foreign Language Education	162-0805	1, Yaraicho, Shinjuku-ku, Tokyo	03-3266-6135
Japan Association for Language Teaching	110-0016	1-37-9, Taito, Taito-ku, Tokyo	03-3837-1630

C. Importers

	Zip	Address	Tel
Asahiya Shoten Ltd.	531-0072	3-17-9, Toyosaki, Kita-ku, Osaka	06-6372-7251
E. Mecklenburg & Co.	164-0001	4-6-10, Nakano, Nakano-ku, Tokyo	03-5343-1638
Italia Shobo Co., Ltd.	101-0051	2-23, Kanda Jinbocho, Chiyoda-ku, Tokyo	03-3262-1656
International Thomson Publishing Japan Co., Ltd.	102-0093	1-7-11, Hirakawacho Chiyoda-ku, Tokyo	03-3221-1385
Oxford University Press	171-0043	2-4-8, Kanamemachi, Toshima-ku, Tokyo	03-5995-3801
Kinokuniya Co., Ltd.	160-0022	3-17-7, Shinjuku, Shinjuku-ku, Tokyo	03-3354-0131
Kitazawa Book Store, Co., Ltd.	101-0051	2-5, Kanda Jinbocho, Chiyoda-ku, Tokyo	03-3263-0011

Sanseido Bookstore, Ltd.	101-0051	1-1, Kanda Jinbocho, Chiyoda-ku, Tokyo	03-3293-8119
John Wiley & Sons Ltd.	141-0032	2-24-11, Kami Osaki, Shinagawa-ku, Tokyo	03-3495-0525
Charles E. Tuttle Co., Inc.	112-0005	1-2-6, Suido, Bunkyo-ku, Tokyo	03-5689-4921
Yohan	169-0072	3-14-9, Okubo, Shinjuku-ku, Tokyo	03-3208-0181
France Tosho	160-0022	1-12-9, Nishi Shinjuku, Shinjuku-ku, Tokyo	03-3346-0396
Bunkyo Co., Ltd.	213-0011	3-3-17, Hisamoto, Takatsu-ku, Kawasaki-shi, Kanagawa	044-811-0118
Pearson Education Japan Co., Ltd.	160-0023	8-14-24, Nishi Shinjuku, Shinjuku-ku, Tokyo	03-3365-9002
Macmillan Publishers, Ltd.	113-0033	1-10-9, Hongo, Bunkyo-ku, Tokyo	03-3816-3756
McGraw-Hill Publishing Co. Japan, Ltd.	104-0061	4-14-11, Ginza, Chuo-ku, Tokyo	03-3542-8821
Maruzen Co., Ltd.	103-0027	2-3-10, Nihonbashi Chuo-ku, Tokyo	03-3275-8581
Miyoshi Co., Ltd.	167-0032	2-2-19, Amanuma, Suginami-ku, Tokyo	03-3398-9163
Yaesu Book Center Co., Ltd.	104-0028	2-5-1, Yaesu, Chuo-ku, Tokyo	03-3281-1811
Yurindo Co., Ltd.	231-0045	1-4-1, Isezakicho, Naka-ku, Yokohama-shi, Kanagawa	045-825-5507

D. Statistics

1. Breakdown of the examinee

(Unit : persons)

Elementary School Student	Junior High School Student	High School Student	Junior College Student	University Student	Others	Working Member	Unknown	Total
22,790	523,386	566,303	24,302	86,380	29,176	76,588	83,775	1,412,700

[Note] *The Test of English Proficiency* 1st, 1999

[Source] The Society for Testing English Proficiency, Inc.

2. Import Value of Language Instructional Materials

[Note] Unit: thou. yen

[Source] Japan Tariff Association "Japan Exports & Imports Jan. ~ Dec. 1998"

1) 4901.99.000 Printed books, brochures, leaflets and similar printed matter: Not in single sheets, other than dictionaries and encyclopedias and serial installments thereof

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	9,813,181	11,845,660	12,172,610	5,470,975
United Kingdom	6,293,790	9,393,990	9,406,094	3,770,679
Germany	2,440,781	2,502,873	2,184,245	1,339,775
Singapore	2,140,555	2,884,237	1,975,639	1,602,393
Hong Kong	1,875,103	2,338,496	1,784,658	622,723
Others	5,949,509	5,821,618	5,079,476	2,467,401
Total	28,512,919	34,786,874	32,602,722	15,273,946

2) 4903.00.000 Children's picture, drawing or coloring books

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	864,130	1,054,880	787,384	692,302
China	515,965	687,087	537,955	214,156
Singapore	349,182	175,964	161,244	33,118
Hong Kong	254,250	227,084	149,090	66,332
Taiwan	214,233	157,845	79,021	63,277
Others	716,756	616,345	467,979	201,097
Total	2,914,516	2,919,205	2,182,673	1,270,282

3) 8524.32.000 Discs for laser reading systems: For reproducing sound only

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	22,881,047	15,617,851	10,524,147	4,253,433
Germany	7,369,424	5,751,417	4,781,605	1,802,860
United Kingdom	6,084,576	4,684,607	3,612,163	1,590,969
Netherlands	3,173,070	2,646,048	2,154,210	1,284,176
Hong Kong	1,402,119	1,737,218	1,503,408	393,091
Others	5,151,170	6,801,708	7,007,906	2,721,219
Total	46,061,406	37,238,849	29,583,439	12,045,748

4) 8524.39.000 Discs for laser reading systems: Other

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	3,398,176	2,829,059	2,531,958	1,277,089
Ireland	1,046,251	112,630	248,079	90,899
Taiwan	465,692	513,015	697,023	333,440
Singapore	382,856	538,815	153,634	324,621
United Kingdom	269,128	81,662	507,244	99,320
Others	680,509	974,040	556,942	475,760
Total	6,242,612	5,049,221	4,694,880	2,601,129

5) 8524.51.090 Other magnetic tape of a width not exceeding 4mm

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	247,308	88,924	162,663	64,618
Singapore	6,680	16,875	41,251	11,058
Switzerland	0	3,202	4,464	0
China	674	259	3,193	0
Philippine	0	823	3,103	0
Others	96,144	32,179	10,849	11,329
Total	350,806	142,262	225,523	87,005

6) 8524.52.090 Other magnetic tape of a width exceeding 4mm but not exceeding 6.5mm

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	245,784	116,968	15,011	41,342
United Kingdom	8,321	4,969	344	387
Switzerland	2,359	0	293	0
France	1,740	1,168	0	0
Singapore	1,489	40,426	7,998	2,004
Australia	818	1,126	535	0
Others	1,597	31,113	41,954	34,490
Total	262,108	195,770	66,135	78,223

7) 8524.53.090 Other magnetic tape of a width exceeding 6.5mm

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	849,864	297,399	169,422	48,935
United Kingdom	70,287	92,407	67,341	12,028
France	30,915	5,411	7,962	279
Israel	16,870	19,604	16,335	0
Taiwan	13,022	8,220	2,899	0
Others	22,623	96,945	64,025	138,494
Total	1,003,581	519,986	327,984	199,736

8) 8524.99.010 Digital audio discs

Country or Region	Value			
	1996	1997	1998	1999.1 ~ 6
United States	804,155	782,609	722,714	443,083
Singapore	94,525	84,143	95,520	50,585
Taiwan	2,383	12,768	2,132	771
China	1,621	3,376	301	0
Czech	9,530	584	0	358
Others	674,941	274,070	239,602	130,837
Total	1,587,155	1,157,550	1,060,269	625,634