



# A Look at Marketing Campaigns by English Language Instruction Providers in Japan

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September 2015

1USD =120.72 JPY

## Interest in English Acquisition is on rise

With the announcement of the 2020 Olympics and Prime Minister Abe's commitment to increasing educational exchanges and propelling educational reform, interest in learning English has risen. While the reforms have yet to be finalized, there are plans to start the academic year in September as opposed to April, implement an English test for university examinations, and even introduce English to Japanese children at a younger age. One may be surprised to realize that Japanese start learning English in 5th or 6th grade, which is significantly later than most of their Asian peers. This can explain why Japan ranked 43rd out of 48th in 2013 TOEFL scores. There is no doubt that the upcoming Olympics, and lower than expected global English rankings are propelling the Japanese Government to action.

While there is a market for English language instruction providers in Japan, the market is extremely saturated with dominant domestic players. Costs for entering the market are significant, and since the average English level is not so high, dedicated Japanese customer service, professional Japanese marketing materials, and a dedicated local Japanese presence is a necessity.

While the new generation is willing to learn English, the parents funding such lessons need to be able to read about the program content and class tuition in Japanese. Parents and children will not comb through sites in English to figure out what classes to take. They want and demand a Japanese webpage with clear instructions, a Japanese speaker to talk to for details, and speedy registration in Japanese online or at a local site. Companies that expect to recycle content from other markets or only maintain an online presence in Japan will face difficulty in succeeding as the market has dedicated players offering a mix of in person, online, and group lessons coupled with counseling services. At the cheaper end, there are sites offering English lessons via Skype from instructors in the Philippines. The market has plenty of unique and affordable options.

Companies that can provide quality and novelty do have a chance, but breaking into the market involves brand recognition which comes with significant marketing costs.

This report will introduce marketing campaigns, mainly television commercials, that have been used by English instruction providers in Japan in order to give new market entrants a sense of the cost and commitment required for marketing in Japan.

## The Major Players

In Japan, there are 7 major players. The seven players below (figure 1) are household names with advertisements, and school locations in not only major urban centers, but also in regional localities. The major players compete for different celebrities to feature in their television commercials, and hire recent college graduate native speakers as teachers.

(figure1)

Coco Juku	<a href="http://www.cocojuku.jp/course/japanese.html">http://www.cocojuku.jp/course/japanese.html</a>
ECC	<a href="http://www.ecc.co.jp/index.html">http://www.ecc.co.jp/index.html</a>
Gaba	<a href="http://teaching-in-japan.gaba.co.jp/aboutgaba/">http://teaching-in-japan.gaba.co.jp/aboutgaba/</a>
NOVA	<a href="http://www.nova.co.jp/">http://www.nova.co.jp/</a>
Berlitz	<a href="http://www.berlitz.co.jp/">http://www.berlitz.co.jp/</a>
AEON	<a href="http://www.aeonet.co.jp/">http://www.aeonet.co.jp/</a>
Shane	<a href="http://www.shane.co.jp/">http://www.shane.co.jp/</a>

## Marketing in Japan

In Japan, the seven household names above engage in extensive marketing efforts to promote themselves in an extremely competitive market. Billboards line major train stations, ads are placed in newspapers of magazines, and schools use commercials to draw additional attention. Coming from the outside, one may be surprised to realize just how much of a school's success depends on visibility and money invested in television commercials.

### The Use of Commercials

While one seldom sees commercials for language instruction providers in the States, they are quite common in Japan. Investing money in commercials is more the norm than the anomaly, and significant funds are required to establish and then maintain one's marketing presence.

TV commercials are a crucial marketing method for such providers in a saturated and competitive market. One may wonder why, but this directly ties into different lifestyle and marketing habits. For example, the amount of television the average American watches per day is over 4 hours<sup>1</sup>. On the other hand, Japanese watch TV 90 minutes longer, at about 5 hours and 30 minutes per day<sup>2</sup>. This is because Japanese tend to watch television on smartphones while commuting long distances. One may be surprised to learn that the average commute time in Japan. On the average, Japanese spend about 40 minutes to reach at work places: whereas, the American average commute is 24 minutes<sup>3</sup>. This provides that much more screen time, making commercials an effective medium.

The number of commercials aired per day by the five major TV companies in Japan including Nippon Television, Fuji Television, TBS Television, TV Tokyo and Asahi Television is about 4,300. Furthermore, about 4,300 different commercials are released every month. The cost to broadcast commercials on TV is said to be about \$3300 to \$6200 dollar per run<sup>4</sup>. The length of one -commercial is about 15 seconds, and this data is based on the five major TV companies mentioned above.

All commercials have a monthly contract (30 days). Even if one commercial was aired once a day for 15 seconds, the cost could range from \$99,000 to \$186,000 a month. Running a commercial five times a day for 30 days could easily cost \$930,000.

What is important to note is that it takes this much financial commitment in order to effectively reach audiences in Japan, and language instruction providers are willing and able to put out the cash. Furthermore, one cannot discount the cost for producing effective commercials as this is a cost that is added

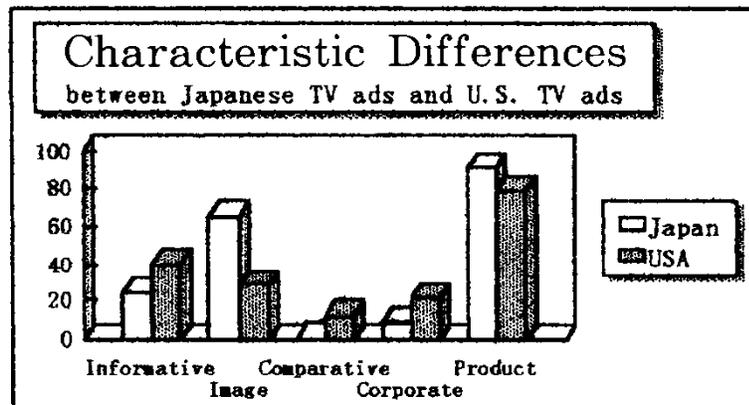
<sup>1</sup> <http://markezine.jp/article/detail/20445>

<sup>2</sup> [https://www.kokoku-direct.jp/massmedia/tvcm/#medium\\_list](https://www.kokoku-direct.jp/massmedia/tvcm/#medium_list)

<sup>3</sup> <http://news.mynavi.jp/news/2014/10/29/038/>

<sup>4</sup> <http://letsgo.org/wp-content/uploads/3-S-2-Facts-and-Figures-About-Our-TV-Habit-Tab-1-DOUBLE-SIDED.pdf>

on to broadcasting costs. Japanese companies commonly use celebrities who are popular amongst children in their commercials as part of their strategy. While U.S. commercials may be more to the point, Japanese commercials tend to work on drawing the viewer in without providing much substantive information<sup>5</sup>. (figure2)



Moreover, Japanese marketing uniquely uses image characters in promoting their products. For the commercial to be memorable, companies often use celebrities or popular cartoon characters. One might be surprised to know that a cartoon version of Heidi is used to advertise a private tutoring company in Japan known as Try Group. The commercial features Heidi dancing around in the Alps, and cleverly ties the viewer into a tutoring enterprise.

Japan also is famous for mascot characters representing different localities such as prefectures and cities. While one may find this odd, Kumamon, a mascot character created for Kumamoto Prefecture in 2010, has endorsed local products, been featured on television, and is responsible for \$1 billion worth of revenue<sup>6</sup>.

Foreign celebrities also grace Japanese commercials. Tommy Lee Jones is a star in a Japanese coffee commercial next to Japanese boyband SMAP. Australian supermodel Miranda Kerr also advertises products ranging from diet tea to laundry detergent. One can even say that you may see such foreign celebrities more often on Japanese television than on television back at home. One certainly cannot underestimate the time and money invested into Japanese commercials and marketing efforts. Commercials convey images and not necessarily product comparisons.

### Examples in the English Language Instruction Industry

In the English language instruction industry, ECC is a company that has had a notable marketing campaign. ECC uses Asada Mao, a national hero and famous professional figure skater, as its so-called image character. The point is for viewers to infer ECC's abilities to propel one to a global stage and achieve high standards. While the new marketing campaign with Mao Asada has just started, searches for ECC's popular "ECC Junior Program"<sup>7</sup>, in September have seen a solid 4% increase. The growth is expected to continue.

NOVA is a legacy English school that has survived bankruptcy to emerge again. NOVA dominated the English instruction field until 2007 when it was by far the largest company of this type<sup>8</sup>. It went through a

<sup>5</sup> "CROSS CULTURAL OBSERVATIONS ON COMPARING TV COMMERCIAL IN THE U.S. AND JAPAN"

Masayuki Aoki at Musashino Junior College <http://ci.nii.ac.jp/naid/110000190516/en>

<sup>6</sup> <http://www.news24.jp/articles/2013/02/20/07223472.html>

<sup>7</sup> <https://www.google.co.jp/trends/explore#q=ECC%E3%82%B8%E3%83%A5%E3%83%8B%E3%82%A2>

<sup>8</sup> <http://www.webcitation.org/5aHdaYReV>

wave of negative publicity until being resurrected in 2013 by Jibun Mirai Company. Prior to its bankruptcy, NOVA effectively utilized commercials in its marketing efforts. In 2002, NOVA introduced the “NOVA usagi” a mascot character in a TV commercial. The NOVA mascot character was a pink bunny with a beaked mouth and a sassy attitude. It danced to a catchy tune with the words “You can listen a lot and learn a lot at NOVA!” The song and rabbit caught on rapidly with \$ 2 million<sup>9</sup> dollar in the first 3 months of merchandise availability. Clothing, stuffed animals, and even a musical single with the bunny hit the market. The year NOVA bunny made his debut; he was 3rd in the popularity ranking of figures in Japanese commercials released that year. Considering that the first two popular figures were actual humans and not a mascot, this was pretty significant. NOVA later released 37 bunny commercials.

An emerging player in the English instruction market is Toshin High School, a cram school offering not only English, but entrance examination preparations for high school and university students. Toshin has released 30 commercials in three years, and recently rose to fame due to famous instructor Osamu Hayashi. In 2011, he became extremely popular with the phrase, “When will you do it (study)? Of course the time is now!” This phrase caught on and soon Mr. Hayashi was all over television. He would star on quiz shows, and even made his way into Toyota commercials. He became a mini celebrity and displayed his knowledge on trivia shows. His success was tied into the quality of education Toshin offered.

### **Recommendations for Entering the Market**

One can see that gaining brand recognition is not cheap in Japan. The market is saturated and customers are attracted to either brands they know, or innovative marketing campaigns they can see online. They expect high quality, competitive pricing and a unique edge. However, they need to know about these factors by first seeing some image that entices them to research the company and its programs more. Usually such an image is projected by advertisements, mainly commercials.

This report does not intend to dissuade new players from entering the market but would like to set realistic expectations about the cost of brand recognition and market entry. However, for those willing to commit to Japan, there is potential for success.

How we can help you

The Commercial Service can assist U.S. educational institutions and/or related agents/companies in entering the Japanese Market. We work in close coordination with our State Department colleagues in the Public Affairs Section.

We can:

- Arrange for Embassy briefings for groups of visiting students from U.S. educational institutions or programs.
- Provide counseling services via telephone/email/in person on the Japanese Market.

We also have fee-based services that may be of interest.

We can:

- Help find an appropriate local partner/agent through our matchmaking services.
- Promote a U.S. educational institution/company through an Embassy supported event.
- Send an Embassy representative to an off-site event.
- Provide customized market research.
- Conduct due diligence on a potential partner.
- And more...

For more information, please contact Education Commercial Specialist Kazuko Tsurumachi at [Kazuko.Tsurumachi@trade.gov](mailto:Kazuko.Tsurumachi@trade.gov)

<sup>9</sup> [http://web.archive.org/web/20030618035734/http://www.zakzak.co.jp/top/t-2003\\_02/3t2003021511.html](http://web.archive.org/web/20030618035734/http://www.zakzak.co.jp/top/t-2003_02/3t2003021511.html)