

GUIDEBOOK OF JAPAN

FINEST SOUNDS



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ROADMAP

NORDIC TRAVELPASS BY NOMEX

Introduction to the market

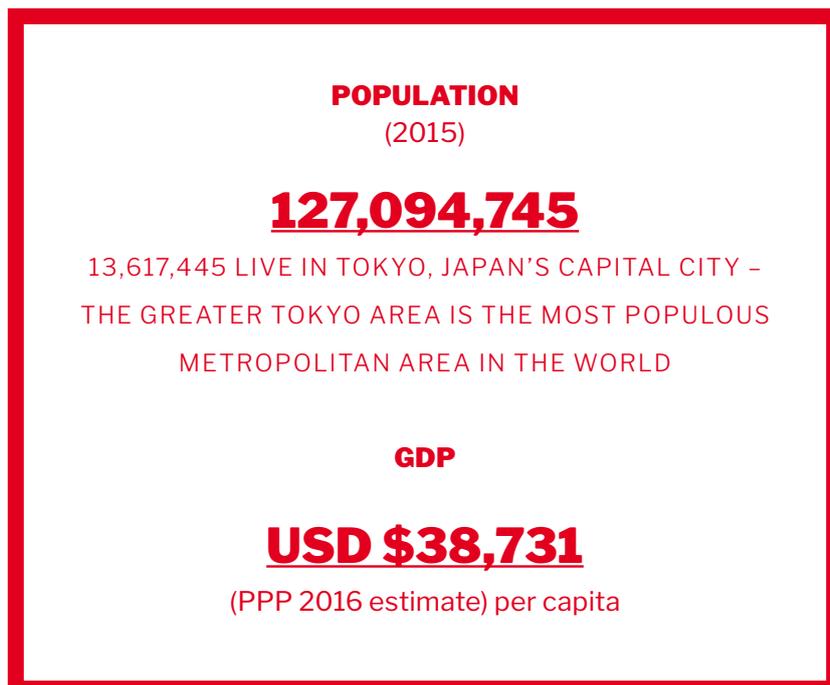
Japan is the second biggest music market in the world (\$2.6 billion in trade value in 2015). 84% of recorded music sales are physical and 16% are digital. The market share of physical music sales in relation to all sales is the largest in the world (RIAJ Yearbook 2016).

In 2015, the production value of physical and digital music sales increased 1% to ca. 2,6 billion USD, according to a RIAJ (Recording Industry Association of Japan) 2016 report. The value of vinyl production increased by 73% in 2015, although the total number of units sold remains small (ca. 660,000 units). According to the RIAJ, vinyl sales have decreased 29% so far this year compared to 2016.

Arguably, one of the main reasons Japan still retains a relatively strong (physical) recorded music market is a result of the 2012 Copyright Act that enacted penalties including imprisonment and fines for illegal downloading, uploading and even viewing of copyrighted material. However, unauthorized apps remain the top method for young Japanese to consume music which is usually not included in official piracy numbers.

According to the Oricon 2015 music market report, J-Pop (Japanese pop) is the country's most popular genre, accounting for 79.1% of total music sales. Of the remainder, Anime soundtrack account for 9.0%, (source: [HTTP://WWW.BUYUSA.GOV/JAPAN/BUILD/GROUPS/PUBLIC/@BG_JP/DOCUMENTS/WEBCONTENT/BG_JP_102874.PDF](http://www.buyusa.gov/japan/build/groups/public/@BG_JP/documents/webcontent/BG_JP_102874.pdf)), international music (known as YOGAKU) 8.4%, Jazz and Classical 4.6% and Enka (Japanese traditional/country music) 4.1% of total sales. According to the RIAJ, total revenue for pre-recorded music is up 5% in 2017 compared to this time in 2016.

When looking at 2016, Japanese music accounted for 89% of all music sales compared to 11% for international artists. Because of cultural reasons – including language barriers – and the fact that international artists seldom perform in Japan, it can be challenging for international artists to connect with Japanese fans.



1.2 Record Labels, Licensing and Distribution

RECORD LABELS

Universal Music LLC (various)	Rimeout (indie pop & rock)
Warner Music Japan Inc. (various)	Rallye (indie pop & rock)
Sony Music Entertainment (Japan), Inc. (various)	Ward Records, Inc. (jazz, bossa nova, MPB, nu-jazz, club, rock and pop)
Lantis (top anime label)	Spinning Records (female featured bands from major/minor labels & heavy metal)
Toy's Factory (various)	Nippon Columbia Co. Ltd. (various)
Avex Entertainment Inc / Avex Marketing Inc. (J-pop, Eurobeat etc.)	Pony Canyon Inc. (enka, popular music, focus on Japanese artists)
JVC Kenwood Victor Entertainment Corp. (various)	Yamaha Music Communications Co. Ltd. (various)
P-vine Records (Jazz, blues, latin, funk etc.)	Dreamusic Inc. (J-pop / J-rock)
King Record Co.,Ltd. (various)	Yoshimoto R and Co. Ltd. (various)
Teichiku Entertainment, Inc. (enka, kayōkyoku, Brit pop, etc.)	NBC Universal Entertainment Japan LLC. (J-pop / J-rock)
Hostess (alternative, pop & rock)	LD&K Inc. (various)
Beatink (indie & electronic etc.)	Konami Digital Entertainment Co., Ltd. (music game industry)
Hats Unlimited Co. Ltd. (classical, pop)	Space Shower Networks Inc. (focus on J-pop / J-rock, various genres)
Naxos Japan, Inc. (classical music, jazz)	Rambling Records Inc. (film soundtrack, lounge, alternative, dance)
Spiritual Beast Co. Ltd. (heavy metal)	Grand Gallery (various)
Trooper (heavy metal)	T-Toc Records (various, label specialised in bringing up newcomers)
Inpartmaint (indie, underground music)	
Flau (alternative)	

Moorworks
(indie, alternative)
Linus Records
(various)
Tugboat Records
(indie)

Wave Master inc./Bullion
(rock, punk etc.)
Wowow Entertainment, Inc.
(rock)
And records
(indie rock & pop)

DISTRIBUTORS

King International Inc.
(various)
Ratspack
(various)
Japan Publications, Inc.
(various)
Ultra-Vybe, Inc.
(various)

Bridge Inc.
(various)
Village Again Association Co. Ltd.
(various)
Crown Tokuma Music Distribution Co.
Ltd.
JVC Kenwood Victor Entertainment
(various)
Marquee Inc.
(metal, progressive rock etc.)

**In 2016, Japanese music
accounted for 89% of all
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1.3 Publishing

Japan's major music publishing companies are mostly owned or partly owned by media companies (e. g. TV networks, radio stations, newspaper publishers, film and TV production companies), as well as major marketing agencies, artist management companies and record labels.

Most publishing companies and broadcasting media companies have umbrella agreements with JASRAC (the Japanese Society for Rights of Authors, Composers, and Publishers), the collective management organization administering music copyrights and collection of royalties in Japan.

A Japanese sub-publisher is essential for the repatriation of income when publishing recordings in Japan through a licensing deal. The music-related publishers listed below are the ones that have their own international department.

PUBLISHERS

Amuse Inc.	Taiyo Music, Inc.
Avex Music Publishing Inc.	Teichiku Music, Inc.
Bad News Music Publishing Co. Inc.	Toy's Factory Music
Downtown Music Publishing Japan (https://www.dmpgroup.com)	TV Asahi Music Co. Ltd.
EMI Music Publishing Japan Ltd.	TV Tokyo Music, Inc.
Fujipacific Music Inc.	Universal Music Publishing LLC.
Lastrum Music Entertainment Inc.	Victor Music Arts, Inc.
Mr. Music, Inc.	Warner/Chappell Music, Japan K.K.
Nichion, Inc.	Watanabe Music Publishing Co. Ltd.
Nippon Television Music Corporation	Yamaha Music Publishing, Inc.
Seven Seas Music Co. Ltd.	Zen-On Music Company Ltd.
Shinko Music Entertainment Co. Ltd.	
Sony Music Artists Inc.	
Sony Music Publishing (Japan) Inc.	

1.4 Retail

Being the world leader in physical sales, Japan still has a large number of music retail chains and stores. Despite online retail sites such as Amazon and sites run by major retail chains (e.g. Tower Records, HMV, Tsutaya), physical retail stores remain popular for purchasing music and related merchandise.

In-store promotion sponsored by record labels is a useful promotional tool in Japan. Radio promotions tend to be less effective as most people commute by public transportation, rather than listen to the radio in their cars.

In most music stores, customers have the option to listen to entire albums before purchase, while in-store events with artist signings, live performances and talks are also common. Music store staff are generally well informed about their field, which contributes to a healthy retail culture.

RETAIL STORES AND CHAINS

Tower Records
 HMV
 Disc Union
 TSUTAYA
 Yamano Music
 Shinseido
 Recofan

Bonjour records
 Big Love
 Frake Records
 Spiral Records
 Pastel Records
 Technique
 Lighthouse Records

1.5 Digital

In 2015, the value of digital music sales increased 8% to USD \$410 million, which marked the second year-on-year increase in six years since 2009 (RIAJ 2016).

Digital music sales in Japan include large volumes of ringtone downloads directly to mobile phones. Ringtones are popular especially among minors and others who want to be saved the trouble of registration, as such services are charged directly to the phone bill. However, this somewhat prevents other music downloading services such as Apple's iTunes Store and Amazon from gaining users.

IN 2015 AND 2016, SEVERAL NEW MUSIC STREAMING SERVICES OFFICIALLY LAUNCHED IN JAPAN:

- AWA, owned by top blogging community Cyber Agent and Avex Digital – a digital company under a Japanese major label
- Line Music – owned by Asia's largest SNS message application company LINE, Universal Music and Sony.
- Apple Music – by Apple
- Amazon Prime
- Spotify
- Google Play Music
- KKBOX

Apple and Amazon would have the most subscribers with over 1 million subs each which According to market sources, Spotify would have under 50,000 subs after launching in fall 2016. Other streaming services like Deezer, Pandora and Tidal are not available in Japan.

The launch of major streaming services marks a big change in the Japanese music industry. However, there is still limited awareness of these services in Japan and it will be an uphill battle until the issue of illegitimate services is seriously dealt with.

JAPAN-SPECIFIC DIGITAL DISTRIBUTORS

Ototoy
Mora
Recochoku
E-Onkyo

1.6 Promoters

There are over 70 promoters and booking agencies in Japan, as well as venue-based booking such as Billboard Live (Tokyo, Osaka), Club Citta and Blue Note Japan.

MAJOR PROMOTERS AND BOOKING AGENCIES FOR INTERNATIONAL ARTISTS INCLUDE:

SMASH
Creativeman
UDO Artists, Inc.
HIP Hayashi International Promotion
Kyodo Tokyo
Livenation Japan
Plankton

VENUES & BOOKING

Billboard Japan
Blue Note Tokyo
Cotton Club
Club Citta

1.7 Management and PR

Artist management companies in Japan tend to discover and develop artists rather than sign them when they are already established. They mostly handle everything from artist management to PR for the artist, as well as overseeing their label work.

It is rare for an international artist to sign with Japanese management, mostly due to the language differences and the long travelling distances. If/when this does happen (or if their domestic management company establishes a Japanese office), then they may be categorized as a “domestic artist” and required to create music according to what the label and management see as “suitable” for the Japanese market (J-Pop).

Hiring independent PR is rare. Almost all labels and management companies in Japan handle PR in-house, except for a small number of indie labels and management companies.

1.8 Media, print and online

TV

There are few music programs on national TV, and most networks prefer to show domestic or globally known artists.

Most music programs and channels are available on-demand with satellite TV, cable and online. MTV, Space Shower TV and other music channels play international music. However, K-Pop remains more popular than other international genres. Most international music performances and music videos are available through the same networks.

THERE ARE SIX PUBLIC TV NETWORKS IN JAPAN

- NHK (Japanese Broadcasting Corporation) Public broadcaster
- NNN (Nippon News Network) & NNS (Nippon Television Network Systems)
- JNN (Japan News Network)
- FNN (Fuji News Network) & FNS (Fuji Network Systems)
- ANN (Ann-Nippon News Network)
- TXN (TV Tokyo Network/TX Network)
- A public network TV program that often features international music is Sukkiri (Nippon TV)

SATELLITE AND CABLE TV

MTV Japan
Space shower TV
Music ON! TV
Music Air

RADIO

FM radio stations in Japan are not specialized in any specific genre and are considered to be “all-genres” including “talk”. AM stations in Japan tend to be all talk and/or infomercial.

The FM stations still host signature radio programs with specific musical profiles. A morning show on one radio station may feature all J-Pop music, an afternoon show on the same station may feature all international rock and pop, and a Sunday morning show may feature all Hawaiian music, e.g.

For radio promotion, it is essential to get a song chosen for “heavy rotation”. Since all public radio stations are connected through umbrella networks, most stations tend to play similar music and choose the same song for their power play. However, the importance of radio as a promotional platform has decreased during recent years due to the popularity of YouTube, SoundCloud and other digital platforms. There is also an increased focus on talk shows rather than music shows.

FM NETWORK

JFN
JFL
Megalopolis Radio Network
Independent FM stations
FM Yokohama
FM NACK5
Bay FM
α-station

FM-FUJI
FM Port
AM Network
Japan Radio Network
National Radio Network
NHK (Japanese Broadcasting Corporation)

MUSIC WEBSITES AND ONLINE

Many Japanese print publications have been discontinued or converted into online-only magazines over the past five years.

Those online magazines specialized in music and entertainment mainly feature artist interviews and reviews, as well as gossip. Most subscribers and viewers are music fans since several magazines require special apps and the commitment of monthly subscriptions. As elsewhere, light users often prefer social networking sites and social media with free and easy access.

ONLINE

BARKS (the biggest music news website in Japanese)
(In English – Japanese artists only)
Quetic
Natalie
Musicman (music business website)
Music Magazines
Rockin' On
skream!

GekiRock
InRock
Music Magazine / Record Collectors
Latina
Strange Days
Player
Young Guitar
BURRN!

SOCIAL MEDIA

The number of Twitter users continues to increase in Japan. In 2014 the service had 19.8 million users, of which 60% were active. Facebook had around 24 million users, of which 53% were active. Increasingly, internet users use social media to search for information online although many still depend upon TV, radio and traditional media sources.

YouTube has become one of the major online sources for music and entertainment with ca. 50 million active viewers. Of these, 37 million Japanese viewers watch YouTube on their smartphones.

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1.9 Music Industry Organisations

MPA (Music Publishers Association of Japan)
JASRAC (Japanese Society for Rights of Authors, Composers and Publishers)
RIAJ (Recording Industry Association of Japan)
JAME (Japan Association of Music Enterprises)
FMPJ (the Federation of Music Producers Japan)
PROMIC (Foundation for Promotion of Music Industry and Culture)
ACPC (All Japan Concert & Live Entertainment Promoters Conference)
ILCJ (Independent Label Council of Japan)
IRMA (Independent Records and Musicians Association) member labels

1.10 Industry Networking Events

Content Distribution & Management Expo, Tokyo
TIMM, Tokyo
Hokuo Music Fest, Tokyo, November
Slush Tokyo, Tokyo
Tokyo Dance Music Event
Live Entertainment Expo

1.11 Sources

•RIAJ (Recording Industry Association of Japan) 2016 report
[HTTP://WWW.RIAJ.OR.JP/F/PDF/ISSUE/INDUSTRY/RIAJ2016E.PDF](http://www.riaj.or.jp/f/pdf/issue/industry/riaj2016e.pdf)

•SNS active number
[HTTP://GAIAX-SOCIALMEDIALAB.JP/SOCIALMEDIA/368](http://gaiax-socialmedialab.jp/socialmedia/368)
[HTTP://WWW.MUSICMAN-NET.COM/BUSINESS/43498.HTML](http://www.musicman-net.com/business/43498.html)

INSIDERS' STORIES

This chapter includes insiders' stories on the Japanese music market. Articles include insights on building relationships and making business in Japan, the social media scene, concert industry, Japanese labels and publishing, music brands and more. Through the articles of diverse scribes, a practical picture is created of the Japanese music industry. New articles will be added throughout the Finest Sounds initiative.

2.1 Demystifying Japan - Same but Different

Many think that Japan is one of the most challenging markets to enter: “The culture is so different and people expect us to follow their ways.” “The language and especially the characters make it almost impossible to communicate with them.” “It takes always so long to find the right way.” “Their expectations on quality exceeds all our specifications.” Sounds familiar?

But is that really so different to what we have learned to expect from our business partners here at home? Aren't we actually the same? I claim that we would like to do business with familiar, trusted partners, who understand our customs and respect our culture. It would be even better, if they used our language and met our expectations on quality – respected our customs. Of course, we would like to try new things, as long as they wouldn't take us too far from our 'comfort zone'. The world would serve us best if and when it remains familiar, safe and easy. So do Japanese.

The Japanese build their businesses with trusted partners. They believe in long-term, mutually beneficial business arrangements, and value trust. In Japanese culture, there is a belief in continuous collaboration and incremental improvements in building strategic partnerships. Consequently, we have seen that the best partnerships are forged over time. It is good to pay attention to details and push for quality. In Japanese culture, it is important to learn to know you (both formally and informally, which means that you must commit also some of your 'free time' to them, e. g. go out together) and expect you to provide them excessive amounts of data and background information on you, your products/services, businesses, future plans etc. Understanding on high quality is much higher than yours or mine. It is expected that the product/service that you offer is of 'highest' quality, but also that your team is committed to collaboration, you are ready to manage professionally their 'over-communication' requests, and prove your talent/qualities through quality references. After all, it is your task to prove that you can be trusted, know what you are doing, and provide something unique to the game.

**Understanding on
high quality is much
higher than yours
or mine.**

In some sense, relationship building in Japan can be characterized as 'shadow boxing'. It takes a lot of time and effort to master, but creates the necessary foundation for long-term success. Yes, it is tiring (sometimes even boring) and may look quite silly for outsiders (especially for those who do not understand the whole process of boxing practice), but prepares all parties for 'the match' of their lifetime. 'Shadow boxing' improves mutual skills (of buying and selling), reduces risks of sudden surprises and complete failure, and builds fitness for long-term business endeavor.

In the middle of all this, it is advisable to be conservative, while being different, as strange quirkiness doesn't usually work in Japanese business life. No, you don't have to wear a suit at a rock concert, but if you meet senior executives in any of the big-name corporates, please look at least tidy. Show respect in preparing for the meetings properly: study the key facts of your host organizations, translate your business cards and key materials into Japanese, use readily translators to break the language barrier, and learn some basics on Japanese manners and customs. In some cases, it can be advisable to introduce key intermediaries to facilitate the relationship development. If you know some influential, trusted local contacts, they can help you in building up the right foundation for the business relation. If you are young, take along senior members of your or Japanese society to assist you in creating the right setting for credibility. This is not to say that you should become Japanese (on the contrary), but just to advise on the core basics you need to know, if you expect to succeed.

At the same time, you should remain true to ‘your cause’ and build on your own strengths. First, be a Finn (or Estonian for that matter), as authenticity makes often the best sales argument. Use public ranking data, international media feeds, and referrals to your advantage. It is always good to be supported by outside ‘experts’ and ‘neutral’ voice. Then, find common topics, which would connect the Japanese and Finns, and thus, build familiarity in the relationships. Good topics often include storylines and references to: pure and pristine nature, simple lines of design, mystique of sauna (and Japanese furo), the wood culture, strange affinity to extreme sports, respectful understanding of silence, and an obsessive need to affiliate with celebrities. You can use these (and any carefully chosen other) themes in building your public profile and flocking your multichannel communication feeds with something exotic, while building bridges (and bonds) with something familiar with Japanese subconscious. Finally, it should be noted that, in many cases, Japanese appreciate also the use of anime, cartoons and characters in simplifying the core message into ‘easy-to-follow’ patterns of behavior. Why not, then, use Moomins or Angry Birds as your business ambassadors?

It is just the same as anywhere else – same but different.

Business development in Japan can be a taunting task, but we should remember that building global businesses is characteristically tough everywhere. If it weren't, wouldn't we all want to have a piece of that sweet business pie? In Japan, it is good to commit long-term and communicate stern intentions to stay in the game for mutual benefits. The Japanese want to meet you often and learn to know you as a person. Moreover, they prefer to write exhilarating future together with you, as in lifestyle business, the final products/services are often 'packaged' offerings of core benefits complemented with compelling stories (it's not about music alone, but a comprehensive package for a chosen lifestyle option). It is allowed to think big with Japanese people.

But hey, that's no news. Really. "It is just the same as anywhere else – same but different".

2.2 The social media scene in Japan

Japanese consumers are well reachable through online marketing. Japan is wired: some 90 % of its 127-million-population is online in some way and close to 60 million of them are active users of social media benefiting from one of the fastest internet connections on the planet.

Until 2010's the Japanese social media market was foremost a playground for local platforms, like Gree, Mixi and DeNA, that were unknown to the outside world. Nowadays, it is dominated by the global giants Facebook, Twitter and Instagram.

TWITTER

Twitter is exceptionally strong in Japan. With some 35 million accounts and 25 million active users approximately 10 % of Twitter's global users are Japanese while Japanese is the most tweeted language after English.

There are a number of reasons explaining the success. Firstly, the 140 characters means much more content in Japanese language that uses Chinese characters, than for us writing in alphabets. When I tweet in Japanese I often run out of things to say in the space of one tweet. This never happens when tweeting in Finnish or English.

Also, Japanese communications culture does not merit strong and direct expression. The possibility to write behind a pen name and avatar, that Twitter offers, empowers the usually shy Japanese to communicate more frankly. The downside of the anonymity is that as huge numbers of accounts carry no real name or picture of the user, it limits our understanding of who we actually interact with.

FACEBOOK

It took a while for Facebook to make a breakthrough in Japan, but in 2017 it has 25–30 million active users and is pretty much on par with Twitter as the top social network. One reason for the delayed success is Facebook's demand for authentic user names.

Among Japanese people Facebook is perceived as a more international social network than some of its competitors and hence its users might have a stronger appetite for things international. The use of Facebook differs from the western ways in that the Japanese use it much more to maintain relations with business partners and for job-hunting. As a result, it resembles LinkedIn and partly explains why the latter hasn't been very popular in Japan. So don't be surprised if you receive friend requests from work-related contacts whom you hardly know (if at all).

With its current reach for international-minded people and developed marketing tools, Facebook is a very potent option for online marketing in Japan.

INSTAGRAM

While Facebook and Twitter are consumed almost equally by men and women (45-55 % of each), 2 out of 3 Instagram users are female. Another latecomer to Japan, it has quickly gained approximately ten million active users.

Hashtags are not a powerful way to get attention, so one effective, yet expensive, way to tap into a large number of potential customers is to collaborate with Japanese celebrities who favour presence on Twitter and Instagram rather than on Facebook.

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LINE

LINE is not a traditional social media; it is best known as a quick message service – a bit similar to WhatsApp. A platform made in Japan, it has as many as 60 million users in the country. It is most well-known for its stickers, which are something of well-developed emojis that can be purchased or downloaded for free and be shared among with whom you wish.

Advertisements are a part of LINE’s content stream, so the users are not “allergic” to them. This platform offers a lot for marketers, but it runs on different dynamics than traditional social media marketing.

Some dos and don'ts

WITH JAPANESE IN JAPANESE

Japanese consumers can only be reached with one language, Japanese. Even if your non-Japanese content reaches someone, it most certainly will not be shared and hence engagement is crucially limited. Having some English, or even Finnish, can have a trendy effect, but the majority of the text needs to be in the most understood language.

LOCALIZE IT AND SEEK HELP!

When it comes to mostly anything, Japan is a different place. Not many things that work at your home market do so in Japan, and that is why you need to think your approach newly when targeting Japanese consumers.

Japan is the home of characters, so you can feel free to be weird and/or cute in your communications. Use the power of characters and mascots, and mix emojis and other non-alphabets fearlessly in your texts.

There is a whole industry of its own for commercial collaboration between companies and celebrities whose main reason to exist is to promote seemingly remote products to their fans. They are called tarentos, and working with them can be very fruitful.

In Japan, trends come and go very quickly. To be able to address the local consumers in a relevant way, it is highly recommended to use the services of capable service providers.

THINK MOBILE AND TIME YOUR CONTENT

When planning your content, always think of the mobile consumer. As much as 75% of the use of social media happens on mobile devices, especially on trains to and back from work. Other peaks in the use are during lunch hour and more broadly on weekends.

If you post from other parts of the world, take into account the time difference. As you want to reach potential followers during the peaking hours, you might have to be present or to schedule your update from the morning hours on.

If you post from other parts of the world, take into account the time difference

TAKE IT FROM A SEVEN-YEAR-OLD – A STORY OF SUCCESS

The Finnish embassy in Tokyo opened its Twitter account @FinEmbTokyo in late 2011. It took a totally new approach to country branding by disregarding any governmental information and only posting actually interesting contents such as news, culture, everyday life and Finland-related events and phenomena in Japan. The account took an avatar of a Japanese manga character tailor-made for the embassy, and the tone of voice was set to sound like a seven-year-old Japanese boy.

As a result, the Japanese Twitterati was comfortable and curious to interact with Fintan (the name of the character). This only-in-Japanese account became an instant pet among Japanese media and in a couple of years got 125.000 followers, which made it world's fifth-most-popular embassy account.

**The account took an
avatar of a Japanese
manga character tailor-
made for the embassy**

Some key factors in this success story were the original concept, interesting content and localized approach. The account ran against the expectations of governmental pages that usually lack humour and are considered boring and distant. Fintan had distinctive features (both physical and non-physical) and commented on phenomena current in Japanese Twitter discussion. Obviously, this kind of understanding of the local social media culture and the daily topics would not have been possible without local people being deeply involved in running the account. As recommended above, it was about the language, localization and being weird.

2.3 Concert industry Overview

Japan's well developed and vibrant live music market makes it one of the world's main touring destinations for international artists. As per the All Japan Concert & Live Entertainment Promoters Conference (ACPC) 13,462 live performances in Japan between January 1 and June 30, 2016 with 909 by international artists. The Rock and Pop genre represents more than half of all international performances.

Summer music festivals, such as Fuji Rock and Summersonic, are key events in the international circuit. The 20th anniversary of Fuji Rock was held from July 22nd to 24th, with acclaimed indie headliners such as Sigur Ros, Beck, and Red Hot Chilli Peppers playing to a 125,000-strong attendance. Summersonic, known for its eclectic lineup of mainstream and indie genres, featured over 100 acts this year including Radiohead, Underworld, Cashmere Cat, Asgeir, etc. It took place on August 20th and 21st in Tokyo and Osaka with over 190,000 fans. Other major festivals include the Tokyo Jazz Festival, Green Room Festival (Surf-vibe), Bluenote Jazz Festival, Soul Camp, Knotfest (Slipknot festival), Ozzfest (Ozzy Osbourne curated festival) and many others.

Beyond Tokyo, other main touring cities in Japan include Osaka, Fukuoka, Nagoya and Kyoto. On top of the widely-attended music festivals there is also a secondary (though relatively small) market for alternative/indie live music. With the summer Olympics slated for Tokyo in 2020, many venues are being refurbished which has resulted in a temporary lack of mid-sized venues across the city.

Besides big arenas and stadiums such as the Tokyo International Forum (capacity 5,000), National Yoyogi Gymnasium (13,000), Yokohama Arena (17,000), Nippon Budokan (20,000), Saitama Super Arena (37,000) and Tokyo Dome (55,000), there are also hundreds of live venues/houses in Tokyo, most with capacities ranging from 50 to 200 people. Some larger establishments have seating capacities for about 1,000 people with excellent PA and lighting equipment. Notable live venues in Tokyo include O-Nest, Club Quattro, Liquid Room, DUO Music Exchange, Zepp Tokyo, Unit, Bay Hall (Yokohama) and Billboard Live. However, with the summer Olympics slated for Tokyo in 2020, many venues are being refurbished which has resulted in a temporary lack of mid-sized venues across the city.

Several of the venues mentioned above such as Club Quattro, Blue Note, Billboard Live and Zepp also have branches in other cities (e.g. Osaka and Nagoya). Big arenas and mid-sized halls outside of Tokyo where concerts are regularly held include Nagai Stadium (Osaka, capacity 50,000), Osaka Kyocera Dome (48,000), Nagoya Dome (40,500), Osaka-Jo Hall (16,000), Nippon Gaishi Hall (Nagoya, 10,000), Kobe World Kinen Hall (Osaka, 8,000), Grand Cube Osaka (2,700) and Diamond Hall (Nagoya, 1,000).

Promoters such as Creativeman, Smash, UDO Artists, Kyodo Tokyo, Creativeman, Plankton and H.I.P. are well reputed and have extensive experience in working with international agencies and artist management companies. Venues like the Bluenote, Cotton Club and Billboard Live tend to do their own bookings. On top of promoting Summersonic, Creativeman has numerous other festivals including Punk Spring, Pop Spring, Loud Park (metal) and eletrox (edm).

Performing live is considered the best form of promotion for artists and bands, and tour support/commitment is common. There are opportunities for non-A-list International acts from a variety of genres such as Jazz and Indie Rock to book shows in Japan in intimate venues such as Irai-bum (live) houses and nightclubs. It is not unusual for promoters and record labels to bring 3 to 5 bands/artists together for multiple-bill type tours and showcases to share the expense.

There is a good number of DJ clubs in Tokyo that can accommodate 1,000 pax or more. Womb and Sounds Vision, both in Shibuya, are regular stopovers for many international DJs such as Jeff Mills, John Digweed, Sasha, Richie Hawtin, Steve Aoki and Diplo. ageHa (also known as AGH), is an entertainment complex with arena sized dance floors, an outdoor patio and a pool, and has hosted many big names in EDM such as Tiesto, Armin van Buuren and Danny Tenaglia. Its location is a bit far flung in Shin-Kiba an industrial district, but the club runs a complimentary shuttle service (about 30 minutes) from Shibuya for revelers. Depending on the lineup (previously drawn Deadmau5, David Guetta, Paul van Dyk, Fatboy Slim) the average cover charge is around 4,000 yen (33 euros).

Medium-sized clubs such as Sankeys (owned by Creative-man) and Control in Shibuya can house up to 800 people.

2.4. Japanese labels and publishing

Despite its shrinking population and economy, Japan remains the world's number 2 market for pre-recorded music sales. While physical CD sales are still dominant, Japan is just now dipping its toes into the streaming pool with the relatively recent launch of global services like Apple Music, Amazon Prime, Spotify, Google Music as well as domestic services like AWA and Line Music. 2017 should see the launch of additional streaming services including Reco Choku (with investment by many of the Japanese major labels) as well as Amazon Unlimited.

International friendly indie labels in Japan are experienced in liaising with the West, providing marketing, promotion, distribution and localization (e.g. translation) of physical products and digital content. Some also have publishing arms to administer/manage publishing copyright. However, with the move into digital, most of the big Japanese “majors” (Record Industry of Japan, or RIAJ, members – GOO.GL/ASRE7S) have reduced their foreign licensing and focused more on domestic repertoire. The hottest genre over the past couple years would possibly be “anisongs” which is music connected with Japanese anime programs which has led to major growth to anime-centric labels like Lantis and Flying Dog (JVC/Victor Entertainment).

In early 2017, IMCJ (Independent Music Council of Japan) will be registered as the united independent trade organization, Independent Music Coalition Japan, or IMCJ, comprised of the two independent societies ILCJ and IRMA, and joined by individual labels from the categories b), e) and f), plus possibly a few from the a) category.

In 2006 Japan became the first market where digital music sales fully compensated for the sales decline in physical formats. Despite the fact that since 2010 its digital music market has contracted, it is still ranked number two in the world. According to the IFPI's 2016 report, Japan's pre-recorded music industry is valued at 2.6 billion USD accounting for approximately 76% of Asia total value. Japan has the largest share of physical product with close to 75% of all sales. Revenue from mobile represents the larger portion (83%) of the total digital music income but is also on the decline. Streaming is approaching 5% of the total market however being the main driver of growth.

LABEL ASSOCIATIONS IN JAPAN ARE DIVIDED AS FOLLOWS:

- large local labels as members of RIAJ
- Independent labels which are associate members of RIAJ
- ILCJ (Independent Label Council of Japan) member labels
- IRMA (Independent Records and Musicians Association) member labels
- Labels self-owned by publishers/management companies which are members of FMPJ and/or MPAJ
- Indies with no membership

As television is the main driver of music sales, it's not surprising that music publishers owned by broadcasters rule the publishing industry. There are five terrestrial TV networks Fuji Television Network, TV Tokyo Corporation (TXN), Nippon Television Network Corporation (NTV), Tokyo Broadcasting System (TBS) and Asahi Broadcasting Corporation. Each one has its own music publishing entity with Fujipacific Music Inc (Fuji TV) being the market leader. Other local publishing majors include Shinko Music, Taiyo Music, Victor Music Publishing, Watanabe Music Publishing, Seven Seas Music as well as the multi-nationals Sony Music and Universal Music. It is possible for foreign companies to do pan-Asian publishing deals with some of these companies which are equipped to administer and manage catalogues in this region through their network of subsidiaries and affiliates.

The Music Publishers Association of Japan (MPAJ) was established in 1973 and is the only organization representing the Japanese music publishing industry in the market. It currently has about 300 members which include both publishers and record producers.

JASRAC, the country's dominant musical copyright administration society has more than 15,000 members and manages the rights of over 7 million musical works. It has reciprocal agreements with 122 copyright societies around the world. Besides JASRAC there are two other (much smaller) collecting societies in the market: e-License Inc and Japan Rights Clearance (JRC). In 2009 The Fair Trade Commission (FTC) believed that JASRAC was obstructing its competitors, particularly with its blanket fee collection system and ordered it to stop this perceived monopolistic practice. However, the decision was ruled under JASRAC's favor due to lack of evidence. Under this collection system TV and radio stations are expected to pay a flat fee of 1.5% of their annual revenue for unlimited use of JASRAC administered music.

For any JASRAC stats for the fiscal year 2015-16, please see

[HTTP://WWW.JASRAC.OR.JP/EJHP/ABOUT/STATISTICS.HTML](http://www.jasrac.or.jp/ejhp/about/statistics.html)

2.5. Music and brands

Japan is the second largest recording music market (with approximately 3 billion USD), as well as the second largest advertising market in the whole world (with approx. 61.7 billion USD).

Brands have been collaborating with the music industry by using music as an important vehicle to provide product/brand value by effecting consumer's emotions. Most advertisements on television include music and come together via synch deals. Japanese music industry is often looking for strategic partnerships and is often ready to negotiate deals with the main payoff being larger exposure. For many artists, the synch is simply waived including a waiver of performance royalties.

From a cultural background, Japan has been influenced by American and western cultures following the Second World War. Especially people over 40 have been influenced by foreign cultures through common platforms such as MTV, Billboard, 50's FM radio, rock movements etc. In decades when international market was most vibrant (market share 30% in the 90's), brands or products were aimed to these age groups by mostly using international songs.

Overall, an important strategy is to fill the gap between the artist and Japanese culture by collaboration with local culture and technology.

Karaoke has a big role in Japanese popular culture with a market of approximately 4 billion USD. Because of the vast karaoke culture, Japanese is very open to cover songs. It is important to recognize the population pyramid. Japanese population is getting older, and the society now has a momentum to re-discover 60–90's culture rather than to find and follow new artists.

Overall, an important strategy is to fill the gap between the artist and Japanese culture by collaboration with local culture and technology.

- Cover songs typically target an audience with hits from the 70–90's
- Typically, a 60's or 70's international hit covered by a domestic/international artist
- Brands are trying to re-discover the emotion that the audience had back in teenage years – or some other historic life moment – and connect it to the brand/product.
- Cover songs aimed to a target audience of the artist's fans
- Japanese domestic pop = J-POP has been dominant since 2000. Some “tie-ups” combines J-POP with international artists or actors/actresses for added status .

ANIME IN JAPAN

Anime is one of the biggest pop culture phenomena in Japan. Every hit anime has a huge audience and emotional context which connects it to the audience's memories. Especially 70–80's anime has a wide audience because it is re-broadcasted on television repeatedly penetrating audiences young and old.

CONTENT MARKETING APPROACH

To the younger generation, digital platforms are the main source for brand awareness. There is a need to integrate artists/songs to their marketing activities such as branded music videos, exposure on TV adverts or social media campaigns.

Japanese love distinct characters and attaching artists easily to a relevant personality characteristic (for example IYASHI= relax, KAWAII=cute, Genki = positive and vibrant). It's usually important that the character of the artist needs to fit the profile of the brand and the product. A foreign artist doesn't necessarily need to understand Japanese; the effort to pronounce Japanese is sufficient. Your Japanese doesn't have to be fluent for it to be approachable to the Japanese consumer.

Below are some examples:

HUGH JACKMAN COVERING A J-POP SONG

TOYOTA picked Hugh Jackman to cover a J-POP song “Kise-ki” by GReeeeN, which was a popular song in the 2000’s. TOYOTA reconnected with the aged fans of GReeeeN who were now the potential buyers of family cars.

[HTTPS://WWW.YOUTUBE.COM/WATCH?V=RTGKPA1VOX0](https://www.youtube.com/watch?v=RTGKPA1VOX0)

ANIME COVERS BY INTERNATIONAL ARTISTS

A French female singer debuted in 1988. She did not have many hit songs but had a very characteristic voice that made people relaxed = IYASHI. Suntory, the largest beer manufacturer in Japan, booked her to cover a popular anime song “Tensai- Bakabon” with her relaxing voice which influenced consumers’ emotions to get “relaxed” with beer.

[HTTPS://EN.WIKIPEDIA.ORG/WIKI/TENSAI_BAKABON](https://en.wikipedia.org/wiki/Tensai_Bakabon)

Suntory also picked Rasmus Faber to cover an 80’s anime, Galaxy Express 999, for their TV adverts of whisky.

[HTTPS://EN.WIKIPEDIA.ORG/WIKI/GALAXY_EXPRESS_999](https://en.wikipedia.org/wiki/Galaxy_Express_999)

KAJIFES

Kajifes is a content marketing approach by Universal Music and LION, Japan's second largest FMCG brand. Universal Music provided branded playlists and original music contents to their owned media called "Lidea" and co-branded with Kajifes, which is a tastemaker for other music. The new type of campaign was so successful that it led to tie-up deal with UM's other artists and LION.

These collaborations have mostly been arranged by advertising agencies such as Dentsu, Hakuhodo, ADK and etc. Big agencies have their entertainment departments that focus on booking, endorsements, synchronization and other entertainment related activities. In addition, there are some agencies specialized in entertainment, such as Quaras. Business relations and engagement is important when looking to get a deal.

Music Finland



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