Being Digital In Japan

—The current Internet fever and multimedia in Japan—

By Iwasaki Ieo

Interest in the Internet's rapid growth

Recently, the Internet has received much attention from the Japanese newspaper and broadcast media. Asahi Broadcasting Corporation (ABC) featured a special two-hour live program entitled "Future Media Live '95 2015" (sponsored by Apple Japan, Inc.) on July 18. The broadcast was transmitted over 22 channels nationwide, and despite its late-night scheduling, viewer ratings were surprisingly high at 4.4% with program ratings at 17.6% in the Kanto region. The program remained a topic of conversation for some time after the broadcast. This was followed in the next morning's paper with a digitally created two-page ad that was made on-line by ABC and Asahi Shimbun during the live broadcast

The importance of the Internet's role in taking over for communication systems temporarily paralyzed by January's Great Hanshin Earthquake was introduced in the program along with a clear explanation of the Internet's history and current uses. The broadcast aroused great interest in the Internet and provided viewers with a deeper understanding of the system.

Aside from this broadcast, numerous other television stations have run special programs on the Internet, and the print media often run feature articles. Internet seminars and forums are held regularly at varying levels. Also, during the past six months, more than 100 different Internet-related books—introductory manuals, explanatory manuals, and manuals with CD-ROM software attached—have been published. *Internet Magazine*, *Internet User*, and the Japanese edition of *Wired* are also in circulation.

It seems Japan has Internet fever, initially sparked by Vice President Al Gore's announcement regarding the "Information Superhighway (NII)." But it was the role the Internet played after the Great Hanshin Earthquake that brought the issue close to home, inciting the public's interest in the system as a practical necessity.

On white papers

The Multimedia Association of Japan put out its multimedia white paper (supervised by the Ministry of International Trade and Industry, Machinery and Information Industries Bureau, 1995) subtitled *Expanding Business Opportunities*, on August 3. This white paper offered a clear and concise introduction to current business uses for multimedia. As in the previous year's edition, a CD-ROM was included in the package which, through visuals, still images, audio, etc., conveyed information otherwise difficult to print.

Though 24 examples of multimedia for pragmatic business use were introduced, perhaps most interesting was the one that dealt with a practical trial regarding electronic newspapers. This case presented the results of a two-and-a-half year, three-phase study conducted by Yomiuri Shimbun and Hitachi, Ltd. that began in November 1994. According to their survey of people in central urban areas, 97% responded they 'had interest' in electronic newspapers, while 67% answered, 'not afraid to try.'

Since its first edition, this white paper has included estimates on the size of the multimedia market. This year's estimate indicated a total market value of ¥1,622,500 million, a 35.1% increase over the previous year. The breakdown is as follows: hardware market—¥909 billion (69.6% increase); software market—¥651.8 billion (4.8% increase); and service market—¥61.7 (43.5% increase). As changes were made in the computing method and categories added, this year's (1994) estimate was re-calculated under the terms outlined in 1993 and the resulting figure indicated a virtually identical growth rate of 133.1%.

INTERNET Surfer
インターネット
MEDIA FRONT
nternet
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Multimedia section of bookstore brimming with Internet publications

According to the document, the change in calculation was made as current conditions hinder a quantitative grasp of the multimedia market as a whole. These conditions include: multimedia's expansion and diversification due to technical reform and the changing needs of society; multimedia's fusing together unlikely business partners and acts as a catalyst for new ventures; and, multimedia's promotion of a revolution within the current industrial structure.

The second white paper, *Communications in Japan, 1995,* was released by the Ministry of Posts and Telecommunications in June. It aims at informing the public about trends in government policy on information communications and the current state of information communications in Japan. Similar to last year's issue, a great amount of space was devoted to multimedia related articles.

This paper was also made available on CD-ROM in a separate volume and included various examples of studies conducted in the development of practical multimedia uses. The program also contained a variety of multimedia related data and the past three English editions of *Communications In Japan,* extremely useful in grasping current progress being made in advanced information communications in Japan, especially in regard to the maintenance of infrastructures.

Japan's on-line market

Compared with the U.S., with its advanced, large-scale on-line businesses such as America On-line and Prodigy, Japan has only scratched the surface of the market. Estimates from April 1995 indicate that 2 million Japanese people are "on-line." PC-VAN is the largest service with 1 million subscribers, followed by Nifty-Serve with 970,000, Asahi-Net and PEOPLE with approximately 320,000 subscribers each and finally ASCII-Net with about 100,000 members. Though the total exceeds 2 million, many subscribers are registered with more than one service.

Each of these commercial on-line services attempts to attract customers by offering access to the Internet. Asahi-Net already offers access to the Worldwide Web, and beginning in fall 1995, PC-VAN will also provide its subscribers with access. Nifty-Serve also advertises its links to the Internet.

Aside from access to the Internet through commercial on-line services, home and office computers are linked to Internet Service Providers (ISP) and many companies, government agencies and research laboratories use LAN for their direct link. Although detailed information on direct access is unavailable, estimates indicate that the number of people with direct access to the Internet will double by next year with the number of users increasing by 10-15% each month.

The user profile in Japan follows the global trend, with the majority of users being affluent, well-educated males in their late 20s to early 30s. According to a January 1995 user survey conducted by *Internet Magazine*, approximately 40% of those using the Internet were in their 20s or 30s, 12% were in their 40s, 4% were over 50 and less than 2% were under 20. Also, male users far outnumbered female. This data reflects that most Internet users in Japan work either in research-related fields or for large companies.

A variety of products have been made available through Japan's on-line market. One unique example is a homepage selling *udon*, Japanese noodles. Some products available on SITE through Nifty-Serve, ranked by quantity, are: computer hardware, 26%; consumer goods/health-food products, 23%; gourmet foods/wine/specialty goods, 18%; books, 15%; CDs/videos, 12%; and computer software, 11%.

Japan's Worldwide Web servers

As of August 1995, there were 1500 WWW-serving Japanese companies, most offering bilingual homepages. Advertising companies have also begun services including the planning, creation and maintenance of homepages tailored for companies. The number of servers is increasing daily.

Currently, some Japanese companies have begun homepage services and several others are considering the service for practical business uses. Kao Corporation, Nikko Securities Co., Ltd., The Fuji Bank, Ltd., Honda Motor Corp., Ltd., Sumitomo Electronic Industries, Ltd. and Seiko-Epson Corporation, recently began information-relay services. Among these services, the object of greatest attention is the All Nippon Airways Co. Ltd. on-line shopping service.

The most popular server is NTT with an average daily access of 80,000, or 3 million per month, followed by Tokyo Broadcasting Corporation (TBS) and Sony each with about 10,000 per day. With NTT's introduction of a fixed-payment system, the amount of access is expected to rise.

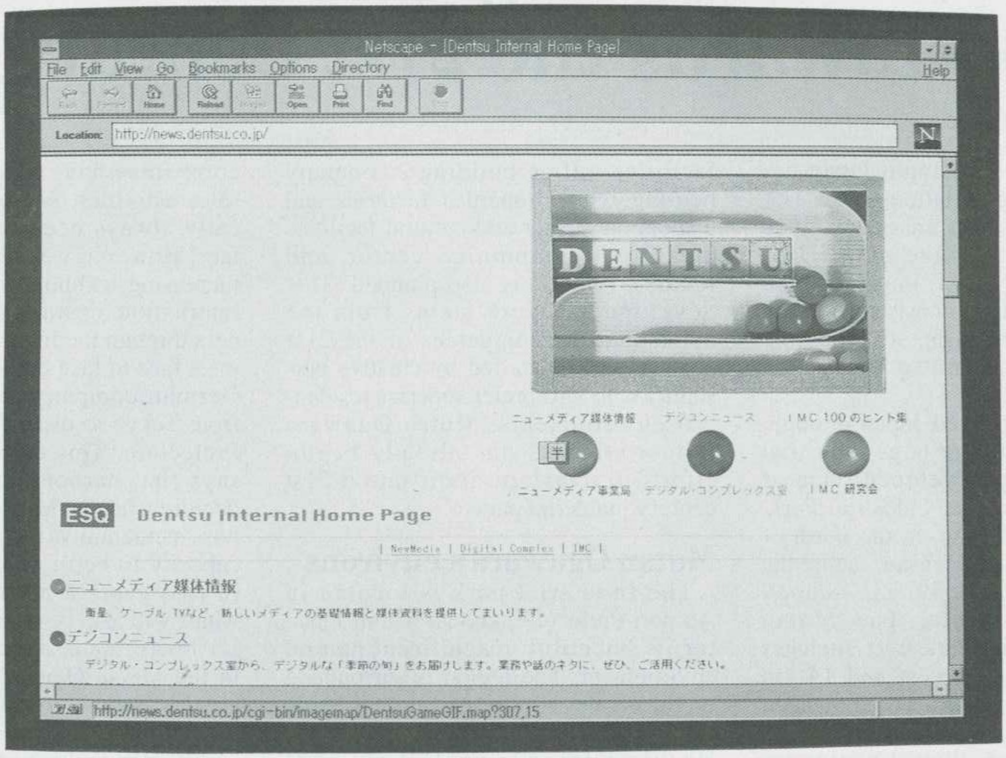
Japanese newspaper companies' Internet information services

Japanese newspapers, mainly national companies, are starting news services on the Internet. Among the local companies beginning a homepage service is Kobe Shimbun, which suffered great damage in the Hanshin earthquake.

On August 1, Mainichi Shimbun launched its Internet information service entitled "Jam Jam." Besides offering six daily news updates, this service provides the type of fresh information users come to expect from a newspaper. Advertisements appear throughout and are linked with companies' WWW servers.

In April, 1995, Nihon Keizai Shimbun began "NIKKEI-X," a service which targets Baby Boomer Jrs. This service appears simultaneously on page three of the newspaper's editorial section and on the Internet. Then in July 1995 Nikkei began NIKKEI-INTER-AD, an advertisement page. Nikkei markets this medium as a supplement to newspaper advertisements aimed at young adults.

Not far behind are Yomiuri Shimbun, with an unrivaled total readership of 10 million, and Asahi Shimbun. They began advertising information planning



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ESQ Dentsu Internal Home Page

| NewMedia | Digital Complex | IMC |

●ニューメディア媒体情報

衛星、ケーブル TVなど、新しいメディアの基礎情報と媒体資料を提供してまいります。

●デジコンニュース

デジタル・コンプレックス室から、デジタルな「季節の旬」をお届けします。業務や話のネタに、ぜひ、ご活用ください。

http://news.dentsu.co.jp/cgi-bin/imagemap/DentsuGameGIF.map?307,15

services via the Internet in August. Both companies are taking steps towards the digitalization age.

Advertising agencies seek business opportunities on the Internet

Major Japanese advertising agencies were already preparing to take advantage of multimedia related business, having conducted developmental research and collected information on the effects of multimedia on the advertising field even before the NII structure announcement was made. Concrete developments include Dentsu's electronic newspaper prototype and a CD-ROM catalogue business.

Recent examples of efforts made by advertising agencies are Hakuhodo Inc.'s, "AD-MALL" and Dentsu Inc.'s "DICCS." AD-MALL is a program that allows companies to create pages on the Internet containing information on new services and distribution promotion campaigns.

Dentsu's DICCS is a support service that uses the Internet for company advertising and investor relations. Using its extensive facilities, Dentsu receives contracts for services ranging from creating displays to collecting and analyzing responses.

Asatsu Inc. and Dai-ichi Kikaku Co., Ltd. have developed services entitled "Virtual City" and "Virtual Family" through which the Internet can be used for product marketing, advertising and corporate communications.

Where is digitalization in Japan headed?

As MIT Media Lab's Nicholas Negroponte states in the epilogue, "An Age of Optimism," of his recent book, *Being Digital*, "I am optimistic by nature. However, every technology or gift of science has a dark side. Being digital is no exception."

Although Japan has taken only its first few real steps towards digitalization, it is probable that with the approach of the 21st century, progress toward advanced information industries will grow at an accelerated pace, penetrating all sectors of society. Negroponte also points out that the progression of digitalization will bring various problems, including intellectual property abuse, invasion of privacy and a higher unemployment rate due to the advanced automation of office work that will make the skills of the average business person obsolete.

Digitalization will also inevitably affect our consciousness. When the television symbolized the beginning of a new era in communications, Marshall McLuhan predicted the effect the electronic media would have on our awareness. The impact of digitalization on our consciousness and behavior will surely surpass anything imaginable. We are facing tantamount change, the like of which we have never known before. JJTI

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