

# Harlequin: Romancing The Japanese Market

By Rei Tanaka

Harlequin is the world's largest publisher of romance fiction, with worldwide sales of over 200 million books in 14 different languages. The company has 12 overseas offices and is the market leader in each of the 100 countries where our books are sold.

After almost five years since launch, Harlequin is well established in the Japanese market as the number one publisher of romance books, with a market share of approximately 60%. Prior to September 1979, a romance fiction reading category did not exist. By 1983, Harlequin "arrived" so to speak, by becoming part of the Japanese vocabulary. For example, a whole paragraph is devoted to the phrase "Harlequin Addict," in Kodansha's *Desk: Encyclopedia of Contemporary Knowledge*. Also, the verb, "to Harlequin" has developed a special meaning among young single women. In a word, Harlequin is romance.

Today, Harlequin publishes 18 new romance titles in five different series every month. We are recognized in the industry as the innovative leader and originator of romance fiction while our competitors are regarded as imitators, having basically adopted the Harlequin style of publishing. In June 1984, Harlequin launched *Mack Bolan, the Executioner*, an exciting action adventure series for men, which is currently the No.1 male series in the U.S. Mack Bolan is a one-man fighting machine, a modern day warrior with the spirit and philosophy of the samurai.

## Initial expectations

A great deal of time and money was spent in conducting market research in Japan prior to the decision to launch. On



Rei Tanaka, vice president in charge of marketing of Harlequin Books North America Division

the surface, there appeared to be a vast, untapped potential of women readers who would be very receptive to well written romantic novels. In country after country, where Harlequin launched, the success was immediate. And so, expectations were very high for Japan which had half the population of the United States, and a literate, well educated, female target audience of 30 million, with a strong interest in goods of foreign origin.

## Realities of the market place

To provide some dimensions to the Japanese market, there are approximately 4,000 publishers, each fighting for shelf space in only 23,000 bookstores. Com-

pared to the U.S. market, this represents less than 20% of the total retail outlets where paperbacks are sold. Whereas in the U.S., magazines, like *Reader's Digest*, *Family Circle* and *TV Guide* have huge circulations, their counterparts or equivalents in Japan are all below the 1 million level. The main reason is the proliferation of titles. Every year, over 200 new magazines are launched and close to that number fail. Every day, bookstores receive 100 new weekly or monthly issues. New book titles also abound, but to a lesser extent. As a result, the battle for limited display space is a constant war.

In Japan, as many foreign companies have discovered, market penetration does not happen overnight, especially when the product is not in synch with cultural values or with the traditional ways in

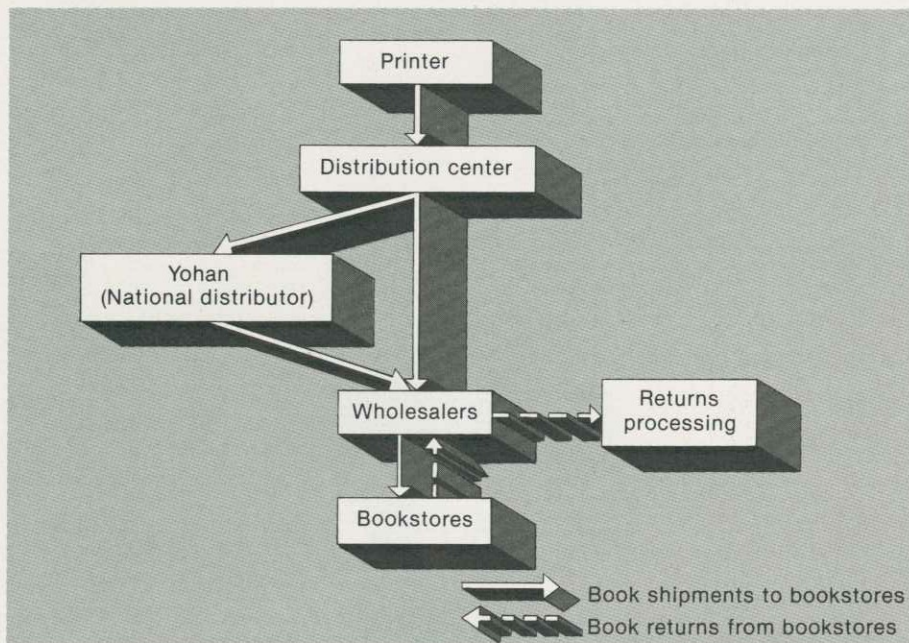
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**Harlequin Romance Series**

Name	Launch	Monthly titles	Monthly publishing date
Harlequin Romance	Sept. 79	6	20
Harlequin Image	Apr. 82	6	5
Harlequin Classics	Jan. 83	2	5
Harlequin Superromance	Sept. 83	2	20
Harlequin American Romance	Dec. 83	2	5

**Harlequin Book Distribution**



which products get to the market place. In addition, Harlequin was selling an intangible—dreams and happiness—which made the challenge even greater.

However, by Japanese publishing standards, Harlequin has performed a miracle by successfully introducing a new genre of reading, in a way which was very different from the typical publishing approach. We have introduced a number of new concepts, which both the consumer and the trade have accepted, but we have also had to overcome obstacles and adapt to the realities of the market. Three such areas are reviewed briefly under cultural, distribution and translation issues.

**Cultural issues**

**Reading habits**

Traditionally, reading books has been viewed as more of an academic pursuit, not associated with leisure or the light entertainment which Harlequin provides. Reading is a serious activity geared to learning and self-improvement, whereas Harlequin simply gives pure enjoyment and emotional gratification.

Nevertheless, women of all ages enjoy

Harlequin romances. The age skew of our readers, however, is younger than in other countries. Before marriage, the young Japanese woman exhibits very different reading tastes and lifestyle characteristics. Magazines and *manga*, the Japanese style comic books, are very popular.

Once married, social pressures to conform to her new role take over, especially after the children are born and reading for pure pleasure drops to the bottom of her list of priorities. The new housewife must learn how to manage the family's affairs, and look after her husband and her children. Reading, therefore, gets limited to very practical, non-fiction books such as how to budget, cook, raise children, etc. and overall reading time drops significantly. In addition, many of the housewife's leisure hours are spent watching television. As a result, attracting married women readers is more difficult compared with the experience in other countries.

**Legitimacy**

"Face," and what impression others have of you is extremely important in inter-personal relations in Japan. Some women regard reading romance fiction as a frivolous pastime, while others have a

fixed impression of what Harlequin romances are about, even though they have never read a single book. This "not for me" syndrome, partially the result of our romantic cover illustrations, results in many women being shy to admit they are Harlequin addicts.

In other words, they feel others would judge them negatively if they read Harlequin. They are "closet readers," a phenomenon common to many other countries, even the United States. Within the past few years, however, most of our readers have come out of the closet. Romance fiction has become established as a legitimate form of reading entertainment in most countries. Some estimates are that 50% of all books sold in the United States come under one category or another of romance fiction.

There are no easy answers to such cultural issues. However, we are confident that we will attract many more readers. Our challenge has been to broaden the readership base through a variety of advertising, promotion and sampling activities. The usual reaction of a new reader, once she has read one of our books, is that they are much better than she expected.

We already have a strong, loyal readership and we are hoping that even greater legitimacy of Harlequin as a form of reading entertainment will be achieved in the near future. Others in the entertainment and media fields have already acknowledged Harlequin legitimacy. We have several made-for-TV films based on our stories, with audience ratings in the late teens, and Radio Osaka dramatizes our romances nightly. Another exciting first for Harlequin was the successful stage dramatization of one of our books by the world famous Takarazuka musical revue troupe. The performance was taped and shown on their one hour TV special. This was the first time ever that Takarazuka agreed to endorse another company's products through joint advertising. The world of Takarazuka and the world of Harlequin are very similar in so many respects. Both feature heroes and heroines, both promote dreams and happiness and both have a loyal and dedicated group of female fans of all ages who enjoy high quality entertainment.

We have also had a number of successful joint promotions with leading consumer goods companies, eg. Kanebo, which view our reader demographics as similar to their own target customers. In the past, we had to explain what Harlequin romances were. Now, more and more companies have recognized the high quality and appeal of our products and we are being approached regularly. Often, our books are used as a premium to provide value-added or to increase the sales velocity of our partner's products.



## Distribution issues

### Credibility

Japanese publishers distribute their books directly through wholesalers, using their influence and strong historical relationships to gain distribution. Harlequin had no history. Fortunately we appointed Yohan, the largest distributor of foreign books and magazines in Japan, as our national distributor. They, under the leadership of their president, Masahiro (Frank) Watanabe, were familiar with Western-style distribution and played a key role in getting Harlequin launched in Japan. Very importantly, they had the credibility and provided a Japanese face for Harlequin.

### Aggressive program

A typical Japanese publisher approaches the market fairly conservatively. Initial printings of a book are distributed in limited quantities and depending on its sales performance and re-order activity, subsequent printings follow, again, in modest increments.

As a result, while Harlequin was preparing for launch and negotiating with wholesalers how many copies per title we wanted to ship, their immediate reaction was that we were dreaming. Thanks to Yohan and our persistence, the wholesalers finally agreed to accept distribution at levels 2-3 times higher than what an average book would achieve. Right from the beginning, sales performance was excellent and we never looked back.

### Responsibility separation

There are also structural differences in the publishing industry which result in a separation of responsibilities, i.e. the publisher has books printed, the wholesaler distributes and bookstores sell. Each



Harlequin is the No. 1 publisher of romance books in Japan, with a market share of some 60%.

activity has a clear demarcation where responsibilities start and stop. Harlequin's approach, however, is to support and get involved in the total process from getting books printed, to helping wholesalers establish distribution draws, to advising bookstores on how to best merchandise our books. Initially, there was resistance from all areas, but we have overcome this through continued efforts by Yohan and our sales staff in calling regularly on wholesalers and bookstores to demonstrate the merits of our approach.

### Lack of data

Because of the proliferation of new titles every month by all publishers, wholesalers could not identify actual sales and returns for each book published. It became necessary, therefore, to develop our own unique performance data—by product line, by wholesaler, by bookstore—not only to control our business, but to help wholesalers and bookstores manage their operations more efficiently. Our efforts were well received and this was critical in achieving trade cooperation. The wholesalers were extremely pleased that we initiated this comprehensive kind of data analysis, since no other publisher provides them with this feedback.

### Alternative distribution

Unlike the U.S. market, where books are sold not only in bookstores, but in supermarkets, drugstores, mass merchandisers and convenience stores, books are sold almost exclusively through bookstores in Japan. Harlequin had expected to be able to expand distribution into other retail outlets, such as supermarkets, where shopping occasions by women were the highest. We tested for over one year, but with limited success. The difficulties included the lack of existing distribution channels, the unfamiliarity of merchandising books by supermarket staff and the consumer, who did not associate buying books with doing her grocery shopping. However, I'm confident that many publishers will be selling their books in supermarkets and convenience stores in the future.

Harlequin sells books via direct mail in several countries. In Japan, however, the direct mail industry in general is still underdeveloped and we have no plans to offer subscriptions. The wholesale distribution system is extremely efficient, whereby books are delivered almost simultaneously to all bookstores throughout Japan. This, together with the structural difficulties of the direct mail industry, makes it currently an unattractive proposition for most publishers. All of our efforts are aimed at bookstore distribution.

On the whole, we have adapted to the existing infrastructure of the publishing industry. We have had success in introduc-

ing some new concepts where we do things differently from the average Japanese book publisher. Although we publish in book form, in effect we are very like a magazine with regular new monthly titles. Like a magazine, we do not take back-title reorders. We have eliminated the traditional dust jackets and we do not use sales slips. Our style is to continually challenge the traditional and conservative publishing norms to make improvements to the way in which books are sold which will benefit the entire industry.

## Translation issues

### Translator scarcity

Because we publish 18 titles every month, the availability of excellent translators is critical. We have very high quality standards and as a result, only a small percentage of translator applicants are accepted. We discovered that to find a qualified translator in Japan is as difficult as finding a good original author in Europe or America. The search is never ending and difficult because we will not compromise on quality.

### Translation Speed

Even with excellent translators, a single title can take several months to complete, or even longer, depending on the length of the English version. Harlequin publishes in 14 different languages and the Japanese version takes by far the longest. Translations to French, for example, can be done in a few days. As a result, we must use longer lead times in our planning activities.

In summary, I have only touched on three main issues—culture, distribution and translation. There are other issues, such as advertising cost and effectiveness, which would require lengthy discussion. Although we have had to adapt to local conditions and change our tactics where necessary, our basic strategy and philosophy have remained constant, i.e. superior editorial quality; a strong retail sales effort in support of wholesaler/bookstore activities; advertising and promotional support of sales and retail merchandising programs; ongoing consumer research to ensure reader satisfaction and to check quality; and data development to manage and control our performance.

However, even with these unique things that Harlequin does to market our books, without wholesaler and bookstore cooperation, none of it would be possible. Lastly, and most importantly, it has been the dedication and persistence of our staff and those of our business associates which have made Harlequin Japan a reality.

We look forward to many more successful years in Japan and hopefully, we will continue to bring more romance and happiness to Japanese women of all ages. ●