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Takashi Yamakawa Profile

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4. It is evident that Japanese consumers are very brand conscious. To sell new products of new publishers who want to enter into the Japan market, it is important for those publishers that their corporate and brand image should be well known to libraries and research communities first.
5. In conclusion, taking into account the above mentioned factors, my answer and suggestion is that publishers should find good Japanese partners to get their business started. First, their partners should maintain and cover nationwide accounts with libraries, and second, publishers should judge if their agents are needed by publishers whether mainly for their billing and invoicing functions or marketing and promotion activities or both.
6. Of course, smooth communications among publishers, vendors, and librarians are most important to be successful in Japan market.

My conclusion for publishers is to find reliable partners to successfully enter into the Japan market for a long-term relationship.

ATG: *Can you tell us about your pricing philosophy? What are your specific pricing models?*

TY: The Japan subscription service market is extremely competitive. Even before the **Swets** failure, **EBSCO** and **S. Karger** (Switzerland) withdrew from the Japan market because public bids are enforced in the government and national universities market. So, there is no pricing philosophy in this largest market. However, in the case where we officially represent publishers for their product, we can set our prices, and our yen price is higher against U.S. domestic prices. The margin goes to our marketing activities with the publishers.

ATG: *Do Japanese libraries still ask you to provide print journals and books, or has the market totally shifted to digital?*

TY: Yes, particularly libraries collecting titles in the arts and social sciences. In the STM library market most libraries have shifted to digital. But we are told by many publishers the need for print is still very high in the Japan market.

ATG: *What is the biggest challenge in acting as an intermediary between foreign content suppliers and Japan's academic and corporate libraries? What adjustments do you have to make when navigating in different market environments like those in Europe and the United States? What about adjusting to the various cultural differences?*

TY: This is a good question indeed. Analyzing the reason why **EBSCO** and **Karger** gave up their market in Japan provides some answers. Most libraries open their account with vendors not only for their subscription service, but also books, software packages, and other library supply services. Therefore,

against the grain people profile

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BORN & LIVED: Born in Tokyo, live in Tokyo.

EARLY LIFE: Perfectly fine, thank you.

FAMILY: I and my wife **Nobuko**.

IN MY SPARE TIME I LIKE: Playing golf, painting, traveling, and concert and opera.

FAVORITE BOOKS: Books that cover Japanese history.

PET PEEVES/WHAT MAKES ME MAD: None.

PHILOSOPHY: Be healthy and be thoughtful to everybody.

MOST MEANINGFUL CAREER ACHIEVEMENT: Executive chairman at **JAIP** (Japan Association of International Publications); Council member of **Aoyama Gakuin University**.

GOAL I HOPE TO ACHIEVE FIVE YEARS FROM NOW: To be alive until Tokyo Olympics 2020. Also, I hope to help young people in this industry to shift from the existing book distribution industry to the new business models.

HOW/WHERE DO I SEE THE INDUSTRY IN FIVE YEARS: I cannot predict the next five years to come. As you know, our major customer base — libraries — are experiencing major changes. Although, not like the U.S., no dynamic change will come to the library world in Japan; we carefully watch their changes to better serve library communities. One of our challenges is that due to the ever-decreasing population, our customer base will shrink while it is getting difficult to find and train young people with skills needed by ever-demanding customers' needs. However, as the average age of **USACO** employees is 32, I believe **USACO** can adapt to the change and with those young people, lead the STM information service industry. 🌱

they function like a department store of library supplies. Also, as cultural and trade practices differ, it is very difficult for new library vendors to open an account with big customers. This is particularly true with corporate and government libraries.

Therefore, I keep saying that those publishers who wish to enter the Japan market must find and choose their qualified agents to open accounts and expand their market.

ATG: *The industry was shaken by the recent failure of Swets. What do you think their failure says about the future of subscription agents and other content vendors?*

TY: **Swets** was popular among the private universities library market. Their volume of business was estimated to be around 20 million dollars. **EBSCO** was even smaller in their Japan business. Therefore the Japan subscription service market is dominated by **Kinokuniya** bookstore, **Maruzen**, and **USACO**. The profit margin of ordinary subscription services is even lower than U.S. despite the high operating cost. Also subscription renewals must be negotiated, and many of renewals must go to bid every year.

ATG: *That's interesting. How did this process of going to bid every year come about? Are there moves to change it at all?*

TY: Your question really hit the point of how publishers successfully enter into the Japan market. I think there will be no change of public bids policy at government institutions

including national and municipal universities. Indeed **EBSCO** never successfully entered this market. **Swets** was partly successful in the private university library market. Unfortunately they are gone. Publishers' products and services required by any of those libraries must go to bid regardless of quality of agents' service activities. However in the case where their products are officially represented by publishers' partners or agents, their titles are not included or separately listed in their list of bids, and orders will normally go to publishers' agents, although commission is still low to cover their marketing cost.

In the case of **USACO**, we do not want to receive orders at extremely low commission level. For example, in the case of **Swets'** renewals for 2015 after their bankruptcy, we only accepted their renewals if librarians needed **USACO** to be their good partner instead of asking us for open bids. **USACO** is not a gigantic supermarket. We sell high-quality services at reasonable prices; thus, so far, we have been and will be successful in traditional subscription service business combined with marketing new products to existing libraries and emerging markets. If I may use an analogy, we are like a brand-new long-range B737 jet instead of a Jumbo Jet.

ATG: *The majority of your content providers are located in the U.S. and Europe, so USACO spends a lot of time traveling to*

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