



# bpi/ukti tokyo trade mission

## **BPI/UKTI Tokyo Trade Mission**

– a round-up of this year's event

The seventh annual UKTI/BPI Trade mission kicked off in sweltering 35 degree heat in Tokyo last week, but it failed to slow the pace of the event, which over three days comprised contributions from more than 20 Japanese label and music executives; a presentation by UK delegates to 130+ music industry professionals; and three separate showcase events by Japanese bands, plus a visit to the renowned Summer Sonic Music Festival at the weekend, headlined by Jay-Z and Stevie Wonder.

The delegates were a mix of indie labels, production companies, artist management, publishing companies and even a British music school searching for new students



Also valuable was making friends with other delegates: Elroy 'Spoonface' Powell and Transmission's John Sanderson appear to like each other



The main stage saw Nas, Nickelback, The Offspring and Jay-Z on day 1

from Japan. The purpose of the mission was to equip delegates with the knowledge required to navigate their way through one of the more complicated international sales environments and to help them get started in business over there.

Japan is a \$4.6 billion market and, despite registering an overall 10% decline in 2009, international music is around 15/20% of the market in a good year. The UK continues to punch well above its weight and takes around a quarter of that total figure. Day one of the mission was an intensive crash course in how independent labels work; the positive relationships that can be had with the majors there; the key role of publishing; social networking and on-line marketing; and the importance of live shows for international artists.

Tak Furuchi of JVC, a very experienced

international executive, emphasised the need for UK labels to fully research and learn about the market there before seeking partnerships and Kimitaka Kato, Universal Music International Japan president - in a conversation with Julian Wall of the BPI - illustrated how the market works for international repertoire. The Music Publishing Association of Japan panel gave delegates an excellent overview of this very important part of the industry and the central role of the publisher in working this particular market. Leading concert promoters Creativeman, who have been running shows and festivals in the country for more than 10 years, often featuring a lot of British music, were both a very useful source of information and a contact point for many of the delegates who were looking to bring their artists out to Japan. The formal sessions held in ▶▶ .

## **Stories from the labels and artists**

### **Exploding Chicken Records**

Probably first out of the blocks: scored a publishing deal (Universal), catalogue deal (JVC), mobile distribution deal (ICJ) and even sold 1000 CDs to major Japanese retailer Disc Union while we were there. There was also the start of talks with a major games company, a clothing outlet and three separate artist collaborations. To quote Exploding Chicken founder Simon Saunders; "Tokyo could well be a breakthrough moment for the company..."

### **Jalapeno Records**

Trevor McNamee, founder of 10-years-old Jalapeno Records came to Japan to find out first-hand how it works and to conclude pre-mission conversations with local publishing company Fuji Pacific (which has already led to a sync placement on a beer advertisement).

### **This Morning Call**

Artist Ben Hayworth made the brave decision to come to Tokyo for the first time on the mission 'to see how he could develop his career through performance and licensing his own recordings directly'. Apart from finding the whole experience of visiting Japan artistically inspiring, Ben made a number of contacts that hopefully will see him return later in the year.

### **Sounds of Caligua Records/ Gilmour Design**

"Being part of the mission and the help and guidance given by those at the BPI, UKTI and also at the British Embassy, gave me invaluable information and greater confidence in how I approached the people I met in Tokyo."



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▶▶ the impressive British Embassy building in Tokyo ended with a presentation from EMI A&R Executive Ichi Yamanaka, who through his independent label division has an impressive CV in taking UK independent music to astonishing heights in the Japanese market. The BPI then took everyone out to a traditional Japanese dinner to round a long day off with some useful inter-delegate networking.

For many, the most important part of the mission was day two and the UK presentation, which was held in an impressive

conference centre situated in the part of Tokyo where a lot of music business companies are located. The UKTI/BPI had prepared a Japanese subtitled DVD to play to the attending audience, which was introduced by Julian Wall, after a short presentation on the current UK market. The DVD set out the store for each individual UK delegate company and this was followed by an extremely busy and productive mini trade fair where the attending Japanese labels could individually meet and discuss those projects that they were particularly interested in. Sometimes these

kinds of things don't work; but judging from the fact that the cleaners had to clear up around a number of the delegate stands at the end of the day, where business was still being discussed, we think it can be judged a success.

🇬🇧 The thing that struck us, even from the pre-trip briefing meeting in London, was how smaller companies can make the trip, and longer term business in Japan, effective. It was encouraging to see that tiny operations can make a viable business in such a complex and challenging market. It's fair to say, that unless you are very au fait with the Japanese business culture and their music market already, this trip with all its support, is invaluable. Basic logistics, like getting around, is made easier by people who've done it before, but also tips on business etiquette and access to translators make life considerably easier. The British Embassy arranged meetings which may otherwise would have been harder to make happen. In rather expedient fashion, they also managed to line up lots of local companies who were interested in doing business in the UK market, which was useful for many who made the trip.

## RECORDED MUSIC SALES BY SECTOR (US\$, TRADE VALUE)

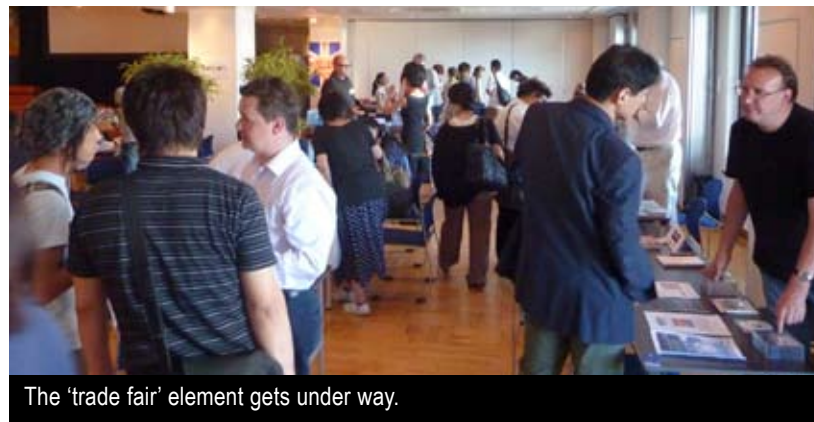
	Physical	Digital	Performance rights	Total (US\$)	Total (JPY)	Total % change
2009	2,990	971	87	4,049	379,124	-10.8%
2008	3,553	907	80	4,541	425,159	0.9%
2007	3,700	723	77	4,501	421,426	0%
2006	3,940	485	76	4,502	421,562	1.2%
2005	4,051	326	70	4,448	416,427	0.6%

## RECORDED MUSIC SALES VOLUME (MILLION UNITS)

	PHYSICAL			DIGITAL single tracks	digital albums
	CD	music video	other physical		
2009	125	19	45	185	2
2008	165	17	49	180	2
2007	176	17	59	-	-
2006	197	18	65	-	-
2005	211	20	66	-	-

Note: Music video includes DVD and VHS. Other physical includes singles, vinyl, cassette and other. Single tracks refer to online and mobile single track sales.

Source: IFPI



The 'trade fair' element gets under way.

## Summer Sonic Festival

The last day of the BPI/UKTI trade mission saw some of the delegates head to the Summer Sonic festival, an hour out of Tokyo. The staging is like no festival we've been to a main stage in a baseball stadium is one thing, but it's supported by a beach stage, a few outdoor stages, and a couple of stages in a hanger that was absolutely enormous. Here's a [Google map](#).

Held over two days and two cities - Tokyo and Osaka, it boasted Jay-Z and Stevie Wonder as headliners along with many other [Western acts](#).

We caught some of Two Door Cinema Club who, along with Delphic, played to an enormous and enthusiastic crowd. It's said Japanese audiences can be challenging for bands, as they are perceived to listen intently and then jump and clap at the end of each song. Pendulum had no problem instructing fans to jump. Whether they understood the English or were just swept along we don't know.

Delphic spoke just the right amount of Japanese to win over the audience. They played at the festival two years ago, and there was good recognition of their material. The singer cycled around the stage on a shopper bike at one point, but it was their punchy sound with plenty to handclap to that won the day. We don't know if dressing in shirts with personal initials, grey slacks and without shoes is their new look, but it worked.

Despite the searing heat and distance between stages, the pleasure of the day was derived as much from wandering around and taking it all in as much as seeing bands we've long-supported win over a foreign audience.



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## BPI/UKTI Japan Trade Mission Miscellany

As noted from last year's mission, synchs can be hard to nail in Japan as agencies normally use J-Pop or Japanese artists and more often than not at no cost, as usage is seen as promotional.

Nobuhiro Sato of LabelGate, which distributes to online and mobile as well as PlayStation laid out some stats: the value of the physical market more than halved between 1998 and 2009. Overall the market flattened in the four years up to 2005 before declining again. Ringtone clips have declined over the last four years, but full tracks to mobile have more than doubled. PC downloads are a fifth of the mobile download market. Addressing why the mobile market was bigger than the PC market, we learnt mobile was in sync with the evolution of communications networks. From ringtones, the market then moved to downloads of ringtones, Chaku-Uta (clips of real tracks), to full real track downloads.

**Pricing:** Chaku-Uta Plus (full track 320kbps) Y315-525 (£2.33-£3.88), Chaku-Uta Y315-420 (£2.33-£3.10), 30 second clip Y52-Y210 (£0.38-£1.55) There isn't much demand for Chaku-Uta Plus.

The iPod has half the market share in the digital music player market, with Walkman also popular.

More than 85% of the CD market is domestic repertoire.

Among the 167 gold sales awards for Chaku-Uta tracks between May '09 and June '10 were T-Rex's 20th Century Boy and Sarah Brightman's Time To Say Goodbye.

It's widely known that Japan has a mobile phone culture. Apart from music consumption, we witnessed phones as underground train payment mechanism and few reading newspapers while many were glued to a handset, often with battery packs for additional power.

In 2009, 87% of the digital market was mobile and 11% was internet downloads.

Also talking about digital distribution, Wong Wai Kat of ICJ told us about a much faster service coming from DoCoMo which will download a DVD in a few minutes.

On one panel discussion, Sony Music's absence from iTunes in Japan was noted, and that iTunes isn't the success it is elsewhere. Prices are Y150 (£1.11) for foreign tracks and Y200 (£1.48) for domestic

The high cost of CDs has been maintained until very recently, so labels are reluctant to deal with 'cheap' iTunes.



The artist area at Summer Sonic was a lot of fun

Jay Zimmerman from The Orchard pointed out he had trouble persuading mobile labels to give feature spots to western artists. Niche online stores can be good, as they want to promote unusual product, and fans often want to buy from fan-run sites.

Print magazines are in big decline, partly because fans have seen through the paid sponsorship that labels pay to be featured, but not much else is emerging to take their place.

Radio and club DJ Guy Perryman admitted radio culture was poor in Japan, probably because of the lack of car commuters. There are three commercial FM stations in Tokyo, and no specialists stations. Stations sell airtime, there are no music directors. For example, an ad agency could buy time and do what they like with it. You can, essentially, pay to get on a playlist. Sometimes a label may pay for an artist to host an hour-long show, where they play what they like.

A couple of months ago we announced RotD would be launching versions of our daily email for key territories: namely US, Canada, Australia, Scandinavia and Japan. The free emails would focus on the editorially-chosen soundclip rather than news, with the aim of helping the music we select even more. We started with US and Canada with help from A&R Registry and will look to expand reach over the coming months. Initial feedback suggests success with companies looking for synchs in particular. When we knew we were heading for Japan, we held back on launching, and are glad we did. We don't want to say too much just yet, but are quietly confident we can get something even more useful away there. Response from meetings was wholly positive which obviously encouraged us further. If you'd like to discuss sponsoring or helping, do please drop us a line [paul@recordoftheday.com](mailto:paul@recordoftheday.com)

HMV's flagship store in the famous Shibuya shopping district is closing next week, a victim of high rent prices apparently. Tower Records continues to be successful and a couple of dance music stores appeared to be successful with a mix of largely imported vinyl and t-shirts. British and American culture appears to be coveted, with very little merchandise available in Japanese.

Price watch – HMV: Eminem Y1500 (£11.08), Professor Green Y1500 (£11.08), Prince Y1800 (£13.30) - interesting to note the packaging was the same as the version given away by the Mirror. NME magazine Y448 (£3.31) It's £2.30 in the UK.



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## Delegate Interviews

Whilst in Japan with the mission delegates, ROTD spoke to two companies who were both 'first timers', but coming from very different perspectives...



Alastair Kinross

**Future Records/ San Remo is the joint venture between Gary Barlow and Universal Music UK. With a roster that includes top selling classical artist Camilla Kerslake. Although formally linked to Universal Music, Alastair was looking to develop links with local Japanese companies.**

**What made you decide to come on the mission?** I'd heard good things about the mission through various companies. As a relatively new company we felt it was important to start building relationships and further develop existing ties in the region at this early stage, so when it comes to releasing records, working with publishers and getting syncs/brand tie-ups, the relationships are already in place and there's no middleman. The opportunity to meet with all key players at the Japanese labels, publishers and TV production companies in a week is unique, and has already opened doors for our artists and writers.

**Do you think that it covered your requirements in this respect?** Yes. We had some very productive meetings out there. The talks were also a really helpful look into the state of the Japanese market and business practices over there, as well as other areas like digital aggregation and social media networks in the region.

**Why are you interested in Japan?** The relative value of music in Japan is still very high (an album sells for three-times more than in the USA). It can be a lucrative market if you get it right.

**Top three things that you think you learnt on the mission that you didn't know before?**

- 1) It's a huge market that often seems unpredictable looking from the outside, so actually spending time there listening to music, going to shows and talking to their industry gives a much clearer idea of what will work in the region.
- 2) There are subtle differences in the roles of labels, publishers, aggregators and TV companies that are essential to know for anyone doing business in the region.
- 3) The current state of physical, mobile and PC download sales, the real life numbers, and the predictions of the experts we heard from on the mission gave me an amazing insight into the market.



**Transmission Recordings is a new venture into the label world by Notting**

**Hill Publishing, one of the biggest independent publishing companies in the UK. Represented on the mission by Andy McQueen & John Anderson, ROTD asked them what they made of the BPI Trade mission.**



Andy McQueen and John Anderson

**As experienced publishers about to go into the label business, what do you make of the BPI mission?** We found the mission to be a useful recap on our thinking about Japan and the calibre of the speakers was excellent. Not easy to arrange in a busy industry in a busy city!

**Do you think your publishing background provides you with a 'head-start' in setting up a label?** Yes, in several ways. We have a very close relationship with our Japanese sub-publishers and they are always happy to hook us up with any contact we care to name, often in a social setting so it can be easier to have more in-depth discussions than is possible at an office meeting. That

has been particularly useful in selecting label partners for us in Japan. The other key point is that, as publishers, we have several hundred writers, artists and producers signed to the company and it gives us effectively an army of A&R people around the world who are all happy to suggest artists, songs, productions and remixes for the label and access to studios and writing rooms everywhere for minimal cost. Thirdly, we have full-on synch teams in place in London and LA and everywhere else (via our s-p's) which is a clear advantage both financially and promotionally. Finally, having long-established royalty systems in place and a 20 year history of paying people on time, we are able to look at signing pretty major artists to the label who may not normally sign to a start-up indie label.

**Why are you interested in Japan?** Japan has always been one of our key markets in financial terms and I find that in such a market the more effort you put in the more benefits accrue.

**Tell us one single thing that you think you learnt on the mission that you didn't know before?** I found broadcaster Guy Perryman's radio presentation to the mission particularly insightful. His analysis of the development of internet radio in Japan will be interesting to monitor as it may mean people hearing a lot more diverse music as their phone effectively becomes a pocket radio. And we know they love their phones out here.