

# English Language Training Market in Japan: Identifying opportunities for UK firms

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## Table of Contents

MARKET OVERVIEW .....	4
JAPAN’S ELT MARKET AT A GLANCE - SWOT ANALYSIS .....	6
Strengths .....	6
Weaknesses .....	6
Opportunities.....	6
Threats .....	7
ENGLISH LANGUAGE TRAINING DRIVERS & TRENDS.....	8
Government investment.....	8
Global outlook of Japanese corporations .....	9
Importance of overseas markets .....	9
Recruiting from abroad.....	9
Table 1: Japanese Corporate English needs.....	10
JAPAN’S EDUCATION SYSTEM.....	10
Education system reforms .....	11
ENGLISH LANGUAGE TESTING MARKET.....	11
STUDY ABROAD OPPORTUNITIES FOR ENGLISH LANGUAGE TRAINING PROVIDERS .....	11
Table 2: Top destinations for study abroad (August 2013) .....	12
Table 3: Reasons for studying overseas (August 2013) .....	12
Table 4: Most popular course requests .....	13
Table 5: Motivations to study abroad.....	13
OPPORTUNITIES FOR UK FIRMS.....	15
MARKET ENTRY STRATEGIES.....	16
Partner approach to market entry.....	16
University market.....	16
Secondary School market .....	16
E-Learning .....	16
Existing players in the e-learning market.....	17
Corporate Training.....	22
Agency.....	22
Table 6: How do agents recruit students .....	22
Table 7: How do agencies find new schools to represent .....	23
PROMOTING THE UK BRAND .....	23



## MARKET OVERVIEW

The vast expenditure on English language training by the government, corporations and individuals highlights the importance of having a competent level of English language ability in Japan today. Government policies of increased globalisation have accelerated globalisation efforts of Japanese corporations which in turn, have driven demand for English Language Training (ELT), creating opportunities for British English language training firms.

The value of the Language Business market in Japan in FY2012 was GBP4.5 billion, a 102.7% rise from 2011. In 2013 the market continued to grow another 104.3% to reach an estimated value of GBP4.7 billion.<sup>1</sup> The increased demand for Business Language Training has been the result of an increased interest in learning a foreign language which in turn has been driven by government and corporate policy changes in Japan.

The growing importance of overseas markets to Japanese corporations has placed significant emphasis on the recruitment, training and development of employees. Since 2008, the number of Japanese firms with strategic plans to expand overseas has risen from 45% to over 71%.<sup>2</sup> Moreover, in recent years, Japanese corporations have been officially adopting English as their international business language. Japanese firms are actively recruiting staff who have studied overseas with many companies now expecting a certified minimum level of English language competence for new employees. Japanese corporations are even travelling overseas to directly recruit staff with English language and culture skills.

Universities have also been actively developing their programmes for students to study abroad as a result of strict directives from MEXT (Ministry of Education, Culture, Sports, Science and Technology). Furthermore, parents, aware of the globalisation policies and efforts of the Japanese Government and businesses are keen to ensure their children have the necessary English language and cultural skills to succeed at school and in their future careers. However, research has shown a significant disconnect between the globalisation rhetoric of the Japanese Government and corporations and the reality on the ground as the Japanese fall behind their Asian competitors such as South Korea and China when it comes to the practical application of English language and business culture skills.

In 2010, the Japanese government introduced the Japan New Growth Strategy. This aims to send 300,000 young Japanese for outbound study and cultural exchange trips, and 300,000 foreign students for inbound study by 2020. The comprehensive strategy specifies that Japan must 'foster global talent and increase acceptance of highly skilled personnel.' As Japan shifts from a domestic-oriented market to a global marketplace, the push for the development of global human resources has never been greater. Corporations, universities and individuals all view English as an essential foundation for a career. Analysis of data from 2011-2013 clearly shows an increase in the number of Japanese studying abroad and this is expected to continue in the mid-term and long-term.

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<sup>1</sup> Yano Research Institute, *Language Business Market in Japan: Key Research Findings 2013*. July 2013. [www.yanoresearch.com/press/pdf/1119.pdf](http://www.yanoresearch.com/press/pdf/1119.pdf). Accessed 04/06/14.

<sup>2</sup> JETRO, *JETRO Global Trade and Investment Report 2012*. [www.jetro.go.jp/en/reports/white\\_paper/trade\\_invest\\_2012.pdf](http://www.jetro.go.jp/en/reports/white_paper/trade_invest_2012.pdf). Accessed 04/06/14.

The various market segments offer UK businesses a wide choice of areas in which to market their ELT programmes. Language training providers who are able to customise their language learning programmes in line with the globalisation goals of Japan will be well positioned to capitalise on opportunities in the ELT market in Japan. Additionally, the highly regarded reputation of UK institutions and the high quality of English teaching by UK suppliers is recognised in Japan. The growth in need for business programmes, both from a corporate and an individual client perspective, highlights the need for UK institutions to develop and diversify their agent network in Japan.

A combined campaign to promote brand awareness of English language study in the UK will support UK firms competing with online and new destinations in Asia for English study.

Japan presents exciting opportunities for UK firms willing to commit to the market, now and in the future. However, issues outside the control of UK training providers such as changes to the UK visa system have severely limited the competitiveness of UK firms to grow in this market.

## JAPAN'S ELT MARKET AT A GLANCE - SWOT ANALYSIS

### Strengths

- Established market
- High quality of offerings from the UK
- Teacher training in the UK is highly regarded internationally
- The exchange rate over the years has made the UK an attractive destination.
- English announced by major Japanese firms as the business language for Japanese firms when doing business outside of Japan.
- Government policy driving demand for ELT

### Weaknesses

- No quality control
- No auditing of the standard of training offered by suppliers or the qualifications of staff. Therefore, it's difficult for customers exposed to persuasive marketing materials to differentiate a high quality supplier from a poor one.
- Current widely used English Language Tests for business such as TOEIC focus on reading and writing and have resulted in the Japanese people's ability to communicate in English.
- Focus on American English. Almost all English language materials used in schools are in American English and most published English language resources sold in Japan are in American English.
- UK visa issues have led to decreased trust from pastoral staff, especially for long-term study.
- Time zone differences pose challenges for e-learning offerings from the UK compared to those offered from firms in the Asia-Pacific region.
- Increased competition in the UK market for a reduced number of potential clients.

### Opportunities

- Push within the market by influential people to move away from the written tests such as TOEIC to assess English language competency, towards tests such as TOEFL and Cambridge English language qualifications which focus more on speaking and listening and are not necessarily multiple choice exams.
- Courses focused on Business English and preparation for examinations such as the TOEIC have fared well in the market, as a greater number of corporations and universities demand minimum English capability for study abroad programmes, graduation, hiring, promotions and overseas assignments.
- Firms with experience in tailored event specific language packages e.g. World Cup Sporting Events, Olympics etc are well placed to capitalise on the upcoming Olympics in 2020.
- Position your offering as a solution to a company or individual's problem e.g. they need a certain level of English to get that promotion; they want to study in the UK but need to get a 7.5 IELTS score.

- Study abroad market forecast to expand in the future in response to increasing demand by Japanese corporations for students who have developed career and language skills abroad.
- Japanese multinational corporations announcing that English is to be their language for doing business outside of Japan (including with other Asian nations).
- Increase in company-sponsored students studying abroad.
- Short term English Language Programmes increasing in popularity for tertiary and secondary school markets.
- Strength of the Australian and Canadian dollars compared to the yen has affected enrolment numbers.
- UK advantage is the favourable image of high standards and reputation that UK educational institutions and businesses have.
- Japan is one of the largest markets for English language testing in the world (STEP Eiken, TOEIC, TOEFL being the most popular). However, despite this, the Japanese still lag behind in overall test scores when compared to other Asian nations, including their main trade rivals, China and South Korea.
- As a greater number of corporations and universities demand minimum English capability for study abroad programmes, graduation, hiring, promotions and overseas assignments.
- Capitalising on government grants and programmes promoting study abroad such as the Youth Mobility Scheme (YMS).

## Threats

- High barriers to market entry.
- Existing relationships between already established ELT providers and their Japanese clients are very difficult to break into or disrupt.
- In the English Language learning resources market, Japanese publishers dominate two thirds of this space.
- Firms with existing presence and reputation in this market are already poised to capitalise on any opportunities in the ELT sector that the Olympics or changes in English Language Learning requirements in schools.
- Long term investment required.
- Having a well recognised and credible brand and/or product in another market means nothing in Japan and does not guarantee success in the Japanese ELT market.
- UK's visa entry requirements and application process.
- Australia's recent drive to align itself as part of a greater Asia includes promoting itself as a premier English language training destination for corporations seeking expansion into Asia.
- E-learning companies in the Philippines already have significant market share and brand recognition and are competitively priced offerings.
- Singapore and Philippines are increasingly popular study abroad destinations.
- Western and Japanese firms vying for market share.
- Saturated market with over 5,300 foreign language training centres already in Japan according to MEXT.

## ENGLISH LANGUAGE TRAINING DRIVERS & TRENDS

Demand for foreign language classes and e-learning is coming from both the B2B and B2C sectors. The capability gap between the needs of Japanese corporations to have a workforce that can compete globally and the poor standard of English of public school graduates has led to a dramatic rise in demand for private English language training.

### Government investment

Government investment has been and will continue to be one of the key drivers of demand for ELT both in the education and corporate sectors. MEXT states its goal is to

“Enrich English education throughout each stage in elementary, lower/upper secondary schools and improve students’ English ability (aim to pass Grade 2 or above in the Test in Practical English Proficiency, score over 57 in the TOEFL iBT test, etc.)”<sup>3</sup>

In 2010, the Japanese government introduced the Japan New Growth Strategy. This aims to send 300,000 young Japanese for outbound study and cultural exchange trips, and 300,000 foreign students for inbound study by 2020.

In 2012, MEXT announced the Project for Promotion of Global Human Resource Development (PPGHRD), providing five-year funding to 42 private and public universities to promote the development of Global Human Resources (GHR). Each university will receive between ¥120 million and ¥260 million per year. Since 2010, the number of university students studying abroad on university-run programmes has increased dramatically due to financial support offered by MEXT, university initiatives to develop GHR and the enhancement of study abroad programmes.

MEXT has identified the following core competencies of Global Human Resources (GHR) that are to drive Japan towards increased globalisation:

1. Linguistic and communication skills
2. Self-direction and positivity; a thirst for challenge, co-operation and flexibility; a sense of responsibility and mission
3. An understanding of other cultures and a sense of identity as Japanese.

For the fiscal year 2013, MEXT invested over ¥10 billion towards achieving these objectives. Secondary-level education benefited from funding for initiatives aimed at developing GHR, including English language study and training for teachers. Japanese universities also received significant grants for academic exchange programmes and globalisation efforts.

In addition, municipal governments throughout Japan are committed to increasing the number of Japanese students studying abroad. The municipal government of Tokyo is aiming to increase the number of high school students that participate in study abroad to 3,000 students by 2020 and the

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<sup>3</sup> MEXT, *English Education Reform Plan*, [www.mext.go.jp/english/topics/icsFiles/afieldfile/2014/01/23/1343591\\_1.pdf](http://www.mext.go.jp/english/topics/icsFiles/afieldfile/2014/01/23/1343591_1.pdf). 23/01/14. Accessed 03/05/14.

municipal government in Osaka has announced support to send 1,000 students abroad from the period 2012–15.<sup>4</sup>

To further encourage the development of GHR, the government has revised curriculums across the education sector, with English and other foreign languages being emphasised. In response to these changes in the school curriculum, parents concerned about their children being left behind are driving demand for English language training for children and infants.

Current MEXT plans are to continue to promote educational reform from FY2014 for the “full-scale development of new English education in Japan”<sup>5</sup> to coincide with the 2020 Tokyo Olympics when the attention of the world will be on Japan. MEXT’s English Education Reform Plan can be viewed below.



MEXT English  
Education Reform Pla

## Global outlook of Japanese corporations

### Importance of overseas markets

The drive to globalise Japanese corporations in order to make them more competitive, particularly with their Asian neighbours is fuelling demand for ELT. The growing importance of overseas markets to Japanese corporations has seen a significant shift in recruitment requirements and qualifications for employees of Japanese firms. According to a survey from Japanese HR firm, DISCO Inc., the number of corporations actively recruiting Japanese with experience of studying abroad rose by over 50 per cent between 2011 and 2013.

Supported by the government, Japanese firms are trying to address the lack of English communication skills within their companies by providing development and training opportunities for staff. Furthermore, Keidanren, the Japan Business Federation, announced it will support approximately 30 students a year with ¥1 million scholarships to study abroad. Individual organisations are also actively pursuing measures to develop, train and recruit the future global talent that will allow them to expand their overseas presence.

### Recruiting from abroad

It is interesting to note that Japanese corporations are recruiting Japanese with experience of studying abroad directly from the markets in which they are studying overseas. For example, The Boston Career Forum provides Japanese companies with the opportunity to market themselves to Japanese students studying in North America. According to DISCO Inc., the need for students with

<sup>4</sup> MEXT, *English Education Reform Plan*, [www.mext.go.jp/english/topics/\\_icsFiles/afieldfile/2014/01/23/1343591\\_1.pdf](http://www.mext.go.jp/english/topics/_icsFiles/afieldfile/2014/01/23/1343591_1.pdf). 23/01/14. Accessed 03/05/14.

<sup>5</sup> MEXT, *English Education Reform Plan*, [www.mext.go.jp/english/topics/\\_icsFiles/afieldfile/2014/01/23/1343591\\_1.pdf](http://www.mext.go.jp/english/topics/_icsFiles/afieldfile/2014/01/23/1343591_1.pdf). 23/01/14. Accessed 03/05/14.

overseas experience is so great, they now hold career forums in Boston, Los Angeles, New York, London, Beijing, Shanghai and Sydney.<sup>6</sup>

**Table 1: Japanese Corporate English needs**

<b>Mitsubishi Corporation</b>	From 2011, all employees in their 20s are required to have overseas experience.
<b>Fast Retailing (Uniqlo)</b>	From spring 2013, of the 1,500 new graduate hires, 1,200 will be foreigners.
<b>Sony</b>	From spring 2013, 30 per cent of new graduate hires will be foreigners.
<b>Toyota</b>	Introduction of a training programme for new hires from spring 2012 which includes six-months studying abroad.
<b>AEON</b>	Headquarters foreign staff to increase from 3 per cent to 50 per cent by 2020.
<b>Hitachi</b>	In 2012, 10 fold increase in the number of young employees sent abroad (2,000) compared to 2010 figures.
<b>Takeda Pharmaceuticals</b>	Average age of overseas transfers to decrease to late 20s from 37.5 years old.

Source: British Council, *English Language Market Report: Japan*. Jan 2013. Accessed 04/06/14.

## JAPAN'S EDUCATION SYSTEM

Until 2010, all students in Japanese schools undertook six years of compulsory English language study, from the first year of junior high school until the third year of high school. English was taught mainly by Japanese teachers, in Japanese using MEXT approved text books with a strong emphasis on reading and written grammar. This approach to English language learning has resulted in a workforce that has the ability to read and translate simple English phrases but cannot communicate effectively in spoken English.

Typically, approximately 53% of Japanese students went on to study English for the first two years of their degree at university.

<sup>6</sup> Source: DISCO Inc. Survey of 1136 companies, May 2012. Accessed 11/06/14.

## Education system reforms

MEXT has recently introduced policy changes in order to address the disconnect between the years the Japanese spend studying English at school and their limited ability to communicate in English.

Since 2011, all Japanese elementary school students must study English in the fifth and sixth grades once a week. From 2014, elementary school students will study English from the third grade or younger. According to MEXT the purpose of the introduction of English into the Japanese elementary school system is to develop pupils' understanding of languages and cultures familiarising students with the sounds and basic expressions of foreign languages.

Further to the government's education system reforms is the significant financial support and incentives offered to universities who are seen as a crucial tool for developing the global human resources Japan is desperate to acquire.

## ENGLISH LANGUAGE TESTING MARKET

Japan is a leading test-taking nation internationally, with millions of students preparing and training for English language tests each year. The Test of English for International Communication (TOEIC) is the most popular English Language test in Japan with over 2 million tests administered each year. Traditionally, TOEIC has been the English language test of choice for Japanese corporations and universities. In recent years however, there has been a move towards tests such as the Test of English as a Foreign Language (TOEFL) that place equal emphasis on English speaking and listening communication skills as well as reading and writing capability.

The International English Language Testing System (IELTS) is also experiencing growth in popularity as achieving a score of 7.5 or higher on IELTS is a pre-requisite for international students wishing to study at a university abroad. IELTS is used to reassure universities that an international student has the required level of English language competence to be able to successfully engage in and complete university studies in English.

With the increased importance of a globally competitive workforce, Japanese corporations and universities are demanding higher minimum English language scores for new recruits. This has driven a boom in the market for English language testing materials and supporting study resources such as textbooks, software and mobile learning solutions.

In order to meet the growing demands of the English testing sector, schools offering test preparation, conversation practice and other English language learning environments are facing strong growth prospects.

## STUDY ABROAD OPPORTUNITIES FOR ENGLISH LANGUAGE TRAINING PROVIDERS

The largest market for study abroad in Japan is for English language programmes. The Institute for International Education (IIE), through The Open Doors research and statistics, tracks Intensive English Program (IEP) participants from Japan on a yearly basis. In Japan, studying English abroad is undertaken almost solely in the spring or summer break.

The most popular destinations for study abroad are Canada, USA, Australia and the UK.

**Table 2: Top destinations for study abroad (August 2013)**

Destination	%
Canada	32.7%
USA	28%
Australia	13.5%
<b>UK</b>	<b>12.5%</b>

Source: Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html](http://www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html). August 2013. Accessed 10/06/14.

**Table 3: Reasons for studying overseas (August 2013)<sup>7</sup>**

Reason for studying abroad	%
Further studies overseas	26%
Future work	21%
Pleasure	18%
Current work	17%
Further studies at home	17%
Other	1%

Source: Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html](http://www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html). August 2013. Accessed 10/06/14.<sup>8</sup>

The largest percentage of Japanese students (28 per cent) were studying for the purpose of further studies overseas. Language study is the largest sector of the study abroad market for Japanese agencies (67 per cent). Average agency business growth in the study abroad sector was 10 per cent from 2012-2013.

<sup>7</sup> Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html](http://www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html). August 2013. Accessed 10/06/14.

<sup>8</sup> Source: Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html](http://www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agency survey.html). August 2013. Accessed 10/06/14.

**Table 4: Most popular course requests**

Course	%
General	24%
Summer vacation	23%
Intensive	21%
Academic preparation/university foundation	12%
Business	6%
Junior	6%
Language plus work	3%
Other	5%

Source: Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agencysurvey.html](http://www.hothousemedia.com/itm/ltmbackissues/aug13web/aug13agencysurvey.html). August 2013. Accessed 10/06/14.

**Table 5: Motivations to study abroad**

Motivation	%
I want to learn the language in a real setting	59.7%
I want to broaden my outlook on life by living abroad	46%
I want to see what it is like to live abroad	24.4%
I want to study in a school abroad	20.6%
I want to have an international perspective	17.2%

Source: JASSO, [www.jasso.go.jp/study\\_a/enquete2012.html](http://www.jasso.go.jp/study_a/enquete2012.html). Accessed 05/06/14.

## Canada

The Canadian Government's strategy of fiercely promoting Canada as an ideal location to study abroad has reaped dividends as Canada is now the number 1 destination for Japanese who wish to study abroad. The majority of English courses in Canada are offered by private language schools which offer excellent in-country support to their Japanese students including Japanese staff members. Furthermore, Japanese students can study in Canada for six months without applying for a visa and large numbers of working holiday visa holders often take English courses before starting work. This simple and convenient visa structure has also driven the increase in the number of Japanese students heading to Canada to study.

## **USA**

Until recently overtaken by Canada, the USA has been the most popular destination for Japanese students wanting to study abroad. Japanese society's infatuation with all things American and America's Intensive English Program (IEP) combined with flexible visa conditions for international students have driven the demand for English language training in the USA. Most students participating in the IEP (which takes place on campus and includes accommodation and immersion in campus life) are hoping to pursue undergraduate studies at an American university. Students studying for more than 18 hours a week must apply for a visa, regardless of the length of stay.

## **Australia**

Similar to Canada, the majority of English Language Centres in Australia are operated by private language schools with Japanese staff and support in place. Australia is also a very popular destination for working holidays. Over the past two years, the government of Australia has been active in promoting Australian education, in particular as a corporate training destination within Asia. Australia's recent drive to align itself as part of a greater Asia bodes well for itself as a premier English language training destination for corporations seeking expansion into Asia. In the past, Australia's image in Japan as a holiday destination has restricted its ability to recruit academic and corporate clients for English language training.

## **UK**

Until the mid-1990s, the UK was the second most popular destination after the USA for English language study abroad. Since then, the Canadian and Australian governments have aggressively marketed their own study abroad programmes and have successfully battled for market share in Japan.

In 2007, there were 279 English Language Training Centres and more than 101,600 Japanese studying English in the UK. In 2011, the number of Japanese travelling to the UK to study English had fallen to 81,600 but the number of English Language Training Centres had increased to 368.<sup>9</sup> This means that there is increased competition in the UK market for a reduced number of potential clients.

Although the exchange rate in recent years has made the UK an attractive destination, research has highlighted the severe impact of Tier 4 visa changes on the number of Japanese coming to study in the UK. These issues outside the control of UK education providers have limited growth in this market and seen the UK lose market share to other countries whose visa requirements and processes are simpler and are structured to attract in-bound foreign investment.

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<sup>9</sup> British Council, *English Language Market Report: Japan*. Jan 2013. Accessed 04/06/14.

## OPPORTUNITIES FOR UK FIRMS

- On-campus summer programmes (where dormitory and on-campus accommodation is available) offered in line with Japanese school/university holidays.
- Increase the number of programmes offering English plus job preparation/career-related skills.
- More effort should be made to differentiate individual language schools and distinguish their offerings from competitors.
- Internship programmes desired.
- Junior summer programmes are popular, especially with home stay or accommodation with Japanese staff members available for support.
- A Japanese staff member makes it easier to work with the schools.
- Developing partnerships and relationships between Japanese and British educational institutions at both secondary and tertiary level will lead to an increase in the number of Japanese coming to the UK to study English and gain international business experience. Partnerships between UK firms and universities could capitalise on opportunities in this sector.
- Career forums in partnership with UK corporations and educational institutions.
- As a greater number of corporations and universities demand minimum English capability for study abroad programmes, graduation, hiring, promotions and overseas assignments, opportunities exist for UK firms supplying courses focused on Business English and preparation for examinations such as TOEIC, IELTS and TOEFL.
- Programmes that focus on job skills and business culture training are increasing in popularity.
- Proofreading and editing of international students' university reports, dissertations etc.
- International schools looking to offer more British Laureate qualifications.
- Niche English language courses (see below).

### **Sector specific courses**

Opportunities exist for providers of niche English language courses for example, for a specific sector or for a defined qualification or goal (e.g. university entrance, promotion).

Sector focused courses may target workers in specific jobs such as doctors, dentists, accountants, lawyers, engineers etc. Alternatively, Japanese staff seeking certification to meet regulatory guidelines in the UK such as Health & Safety Standards may be attracted by sector specific English Language Courses. Licensing requirements, Professional Association Memberships or qualifications such as ILM, CIM, CIPD etc may also be attractive to Japan's increasingly globalising workforce.

## MARKET ENTRY STRATEGIES

The buying process for individuals and corporations can vary greatly. Both the factors for decisions and those that influence them are different among the two market segments. Recruiters and institutions should be aware of this and promote and market their programmes accordingly.

### Partner approach to market entry

A UK firm could take their product and approach existing players in the ELT market in Japan to plug into their existing network or channels of distribution in Japan. These existing players could either be a Japanese firm/publisher or a UK publisher or service provider that already has brand recognition and credibility in the Japanese market such as Oxford University Press, Cambridge University Press, Macmillan Publishers or Pearson Publishing.

### University market

University students tend to listen to recommendations from friends, research on the internet and use advisory and visa services from agencies to help them decide where to study abroad. For students looking for a junior year abroad or long-term English study abroad, rather than make use of regular agent services that charge a handling fee, there is an increasing tendency towards free handling fees offered by some agents. Young Japanese looking for an undergraduate programme or enjoying a junior year abroad tend to prefer the on-campus English programmes in North America.

### Secondary School market

In the case of recruitment in Japan for the secondary education sector, UK institutions should not rely solely on online marketing to attract students. The majority of families prefer to use the services of study abroad agents or large travel companies that provide overseas study tours.

### E-learning

Despite Japan being one of the most technologically advanced countries in the world, surprisingly e-learning is almost completely non-existent in Japanese schools. However, there are opportunities in e-learning English language provision in the university and corporate sectors through the provision of language classes via PCs and mobile phones.

Multilingual solutions for mobile information devices such as multilingual dictionaries and a variety of educational tools and cultural information sources have been available commercially in Japan since the 1990s so this market is well established.

Opportunities exist for UK firms where e-learning involves lessons via a platform such as web conferencing or through an online training program where students are assessed at various points in their language development. Over the last decade, in addition to web based lessons, podcasts have become a popular medium for language learning, particularly those with supporting downloadable PDFs of the lesson content.

Whilst opportunities may exist in the e-learning sector for UK firms, the English language e-learning market is already quite saturated with many competitively priced offerings from companies who have invested significant resources in establishing their brand in this highly competitive market. UK

firms considering entering this market need to consider whether they can profitably compete in this space with existing established suppliers (particularly those in the Philippines and Singapore) given the time difference between the UK and Japan and the high level of competition in this sector. Any UK firm entering this market will need to have clear USPs over existing English language e-learning offerings and be prepared to invest in brand marketing in Japan. In addition, a thorough understanding of Japanese online behaviour such as which search engines and social media are most widely used in Japan, will be necessary if a UK firm wants to maximise their brand SEO (Search Engine Optimisation) and online visibility in this market.

Furthermore, UK companies marketing and selling their ELT offerings online will need to localise their website, product, pricing and materials for the Japanese market. As brand recognition is key to success in Japan, partnering with an e-learning company that already has brand credibility is advised. It is also a good idea to have an in-market representative on the ground in Japan to promote products or nurture relationships with partners and clients.

### **Existing players in the e-learning market**

A small sample of established English language e-learning offerings has been outlined below to help UK firms better understand not only the wide variety of e-learning formats that are available in this market but also the cost of these services.

#### **Englishpod101.com**

[www.englishpod101.com](http://www.englishpod101.com)

Englishpod101 offers English language learning in an interactive way via podcasts. Students can choose which level of lesson they want to download or stream. The lessons are supported by review tracks, audio blogs and downloadable PDF's which contain more detailed lesson notes about the grammar points and vocabulary covered in each lesson.

Englishpod101 claim the benefits to users they offer are:

- Students can listen to lessons and review them at their convenience
- Lessons are practical and fun
- Students can select lessons to meet their own English language level and needs
- The format fits in with the lives of busy people.

#### **Rosetta Stone**

[www.rosettastone.co.uk](http://www.rosettastone.co.uk)

Rosetta Stone offers “innovative language learning for organisations that consider talent a strategic resource and seek employee engagement to improve retention.” With workforces being increasingly decentralised, Rosetta Stone markets itself as having flexible solutions that allow employees to access their learning anytime and from anywhere and is used by over 20,000 schools

and universities around the world. Rosetta Stone has personal, business, public sector and education English language offerings. Rosetta Stone features include:

- Free trial
- Tailor made language learning plans to fit users' needs and budget
- Advanced language learning approach
- White papers on how English language learning can support a business, business risks and challenges associated with language learning and more
- Uses interactive technology to create an immersive language learning environment
- No translation or rote memorisation so users learn to think in English
- Learners start with Rosetta Stones' Rosetta Course™ platform and can tap into additional functionalities to support their language learning as their language skills develop
- Online conversation with native speakers
- Tools to track and monitor progress
- Engaging and interactive activities which reinforce language learning.

### Education First (EF)

[www.ef.co.uk](http://www.ef.co.uk)

Education first is a British company offering corporate language learning for business, schools and government. Education First's proprietary e-learning platform, Efekta™, is marketed by the company as the world's most advanced cloud-based language learning environment, which combines highly-engaging task-based content with teacher-led conversation classes, personal coaching, testing, certification, progress reporting and more.

Education First claim the following distinguishing offerings:

- **Award Winning Innovation:** Over \$70m invested, customised apps for on the go learning and state of the art progress reporting for transparent return on investment.
- **Teacher-Led Learning:** Unlimited access to group conversations, private 1:1 teacher-led classes for faster progression and oral and written evaluations.
- **Unlimited Course Content:** 2000 hours of content, including 500 hours of pure business content and industry specific content for aviation, military, government and more.
- **Unbeatable Service:** Local service, from a global company. With over 25,000 employees in over 50 countries EF has dedicated local service and support teams in place to ensure a project succeeds.

### Bizmates

[www.bizmates.jp/ph/recruit](http://www.bizmates.jp/ph/recruit)

Bizmates are a Japan based online business communication school focused on helping Japanese professionals with their business English needs. Bizmates was developed for Japanese business people and focuses on 5 key areas that they believe students need support in if they are to be successful in international business:

1. Language

2. Communication
3. Diversity
4. Personality
5. Leadership

Bizmates claim the following USPs:

- Real-time support during classes
- Focus on business skills in addition to language learning
- English language presentations
- Business trip preparation
- Help with emails and other business support functions
- High quality and low cost.

When students join Bizmates, not only is their English conversation level assessed but also their level of business communication skills. Because Bizmates assesses the overall business communication skills of a prospective student and not just their ability to do a grammatical based reading and writing test, a prospective student's high TOEIC score does not automatically equate to them going into a high level with Bizmates. Costs vary on a sliding scale which gets cheaper the higher the volume of lessons a user purchases. For example, 1 x 25 min JPY12,000 (GBP69.34); 2 x 25 min JPY18,000 (GBP104); 1 month of 31 lessons works out at JPY387 (GBP2.20) per lesson.<sup>10</sup>

Since March 2013, Bizmates have also had a YouTube Channel which offers free lessons. The YouTube lessons focus on words or phrases that native speakers use in business situations that perhaps would not be found in text books such as slang and idioms. Users can leave comments or questions and a tutor will respond which makes it an interactive experience.

### **Fluent Focus (UK)**

<http://fluentfocus.com/online-english-lessons>

Fluent Focus is a UK based English language e-learning company. Students can take a free 15 minute lesson to trial Fluent Focus and the company claims the following benefits of using their service:

- 1-on-1 online tutoring
- All teachers are UK native English speakers
- Users can choose their own personal teachers and can have the same teacher every lesson if desired
- Teachers adapt their teaching style to suit the preference of the student
- 50 minute online English lessons
- £15 - £12 per lesson (Bulk Discounts Available)
- Testimonial videos available
- Simple website, straight to sales
- Very easy to setup

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<sup>10</sup> Yano Research Institute Ltd, *Business Language Study Report*, 2013.

- Customised teaching content to individual learning requirements.

### **The London School of English (UK)**

[www.londonschool.com/courses/online-courses](http://www.londonschool.com/courses/online-courses)

The London School of English offers practical and legal English (for Lawyers and trainee Lawyers with an intermediate level of English or higher) through both bricks and mortar schools in the UK in addition to an e-learning offering. One of the school's USPs is their satisfaction guarantee which offers a refund after 5 lessons or two weeks if the student isn't satisfied with their service.

Practical course features:

- 6 months
- Access to over 200 hours' material
- Weekly email contact with your mentor
- £160 course fee
- Also offers optional 20 minute Skype tutorials (2 for £50, 4 for £90).

Mini Courses:

- 5 x 2 month modules (£80 each)
- 3 x General English, 2 x Business English
- Also offers optional 20 minute Skype tutorials (2 for £50, 4 for £90).

Legal English:

- 6 months
- 400 words and terms
- Weekly contact with your mentor
- £90 course fee.

Tailored English support:

- Assistance for a specific project
- Frequently involving proof-reading and feedback on written work
- Priced at £80 per unit.

### **American and British Academy (ABA) Spain**

[www.abaenglish.com](http://www.abaenglish.com)

Spanish based American and British Academy offers free and premium e-learning English language services.

Free service:

- Teaching materials and content.

Premium (12.45 Euros per month):

- Course structure

- Tutor access
- Assessment
- Guaranteed access to tutors around the clock with no limit on questions
- Self-issued certificates
- Video classes
- Offers students the opportunity to view tutors profiles online

ABA also has a corporate e-learning offering with the following features:

- Real time follow up and monthly reporting
- Private English teacher
- Flexible study time
- Intonation: ABA's interactive method
- Conversation telephone classes
- Corporate English skills testing

### **Massive Open Online English Course (MOOEC)**

[www.mooec.com](http://www.mooec.com)

MOOEC is a collection of free online English lessons provided by Australian universities and colleges.

MOOEC has the following features:

- Online courses provided by educational institutions and training companies
- Provided by PIER ([www.pieronline.org](http://www.pieronline.org)), a provider of educational resources
- Requires user sign-in through simple process
- Self-contained lessons that can be completed in short time frames at the users convenience and pace
- Engaging exercises to assist learning
- Lessons are generally video based containing structured courses or individual segments and mixing language and cultural training.

### **British Council (UK)**

<http://learnenglish.britishcouncil.org/en>

The British Council has a large government funded English learning portal providing video and web-based resources for English language learning. No tutoring or feedback available is available. There is also a specific children's offering at <http://learnenglishkids.britishcouncil.org/en>.

### **To Learn English (France)**

[www.tolearnenglish.com](http://www.tolearnenglish.com)

To Learn English is a free English resource run by a French ESOL teacher. This site has a lot of users and other ESOL teachers upload content for students to use, mainly consisting of short tip sheets and fill-in-the-blank exercises.

**EC English (Global)**

[www.ecenglish.com/learnenglish](http://www.ecenglish.com/learnenglish)

EC English Schools offer a very limited resource consisting of short, blog format ‘lessons’ updated daily with a test of understanding at the end. EC do not provide a commercial online offering.

**Corporate Training**

There are already many companies in Japan offering English Language training to Japanese companies (a few examples of these were outlined in the above e-learning section of this report). As it is notoriously difficult to disrupt an existing relationship in Japan and change consumer purchase behaviour, UK suppliers looking to enter the corporate English language training market in Japan are advised to partner with a firm who already has a presence in Japan, established distribution channels and brand identity.

For corporate-sponsored students, the majority of human resource managers prefer using the services of corporate training companies. A few may use education agents but this is quite rare. It is not recommended to contact corporations directly, as they usually do not work directly with institutions.

**Agency**

It is recommended that UK ELT providers partner with Japan based agencies and corporate training companies to maximise their recruitment efforts. According to the British Council, the majority of self-funded adult students choose to make use of regular education agents. It should be noted that there is a trend to use local agents or those that offer their services free of charge.

Agencies in Japan worked with an average of 40 schools in nine different countries in the last 12 months and preferred to source new educator partners via the Internet, as 30.5 per cent of new business partners were made this way.<sup>11</sup>

**Table 6: How do agents recruit students**

Recruitment method	%
Website	30.5%
Word of mouth	16.5%
Seminars to students	15%
E/online marketing	12%
Advertising in press	5%
Mail shots	4%
Other	17%

<sup>11</sup> Study Travel Magazine, *Japan’s Economy*, [www.hothousemedia.com/lm/lmbackissues/aug13web/aug13agencyurvey.html](http://www.hothousemedia.com/lm/lmbackissues/aug13web/aug13agencyurvey.html). August 2013. Accessed 10/06/14.

Source: Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/ltm/ltmbackissues/aug13web/aug13agency survey.html](http://www.hothousemedia.com/ltm/ltmbackissues/aug13web/aug13agency survey.html). August 2013. Accessed 10/06/14.

**Table 7: How do agencies find new schools to represent**

Recruitment method	%
Internet	46%
B2B conferences	18%
Language fairs and student expos	11%
STM	6%
Other	19%

Source: Study Travel Magazine, *Japan's Economy*, [www.hothousemedia.com/ltm/ltmbackissues/aug13web/aug13agency survey.html](http://www.hothousemedia.com/ltm/ltmbackissues/aug13web/aug13agency survey.html). August 2013. Accessed 10/06/14.

ELT suppliers in the UK are advised to partner with agents or institutions that match the market segment they are targeting. Partnering agents and corporate training providers tend to fall into one of the following categories:

- university student market
- junior high school and high school market
- adult market
- universities
- corporations
- short-term study abroad
- long-term study abroad
- web marketing
- magazine and bookstore publications
- on-campus pamphlet distribution
- English-conversation school market
- study-travel market.

## PROMOTING THE UK BRAND

Promotion of UK ELT offerings has been primarily left to the ELT provider themselves who may chose to market online, exhibit at a trade show or liaise with study abroad agents. The high standard of ELT provision on offer from the UK would benefit greatly from a combined effort by interested parties such as Visit Britain, the British Council, English UK and the British Embassy in Japan to promote studying in the UK directly to Japanese students and corporations. Support of seminars and events related to ELT and study abroad programmes held by industry associations such as JAOS, CIEL, JAPFLE, etc would also help to promote what the UK has to offer in the ELT market. However,

until the UK's restrictive Tier 4 visa system is reviewed it will continue to be difficult for UK firms to compete with Canada and the US in this growing, lucrative market.

UK firms seeking assistance with market entry into the Japanese English language market can connect with an Export to Japan trade adviser at [info@exporttojapan.co.uk](mailto:info@exporttojapan.co.uk).

## Support & Accreditation for UK language training centres

English UK is the national association of accredited English Language centres, and the world's leading language teaching association. The UK-registered charity aims to advance the education of international students in the English language. Further information can be found at [www.englishuk.com](http://www.englishuk.com).

Accreditation UK is the quality assurance scheme for the English language teaching industry in the UK and is managed by the British Council with English UK. Accreditation under the scheme demonstrates that a centre has achieved professional standards in its internal management, teaching, resources, environment and student care. The scheme's requirements are among the most rigorous in the world. For more information visit: [www.englishuk.com/en/about-us/join-english-uk/accreditation-uk-how-we-can-help](http://www.englishuk.com/en/about-us/join-english-uk/accreditation-uk-how-we-can-help).

The list below contains names of some potential partners for UK firms wanting to enter the ELT market in Japan:

JAOS: Japan Association of Overseas Studies

[www.jaos.or.jp/english](http://www.jaos.or.jp/english)

J-CROSS: Japan Commission for the Regulation of Overseas Study Services

[www.jcross.or.jp/english](http://www.jcross.or.jp/english)

CSIET: Council on Standards for International Educational Travel

[www.csiet.org](http://www.csiet.org)

JAPFLE (Japan Association for the Promotion of Foreign Language Education)

[www.zengaikyo.jp/English](http://www.zengaikyo.jp/English)

ALC Education (Corporate training companies which have overseas English training programmes)

[www.alc-education.co.jp/2012/04/24/2796](http://www.alc-education.co.jp/2012/04/24/2796)

Interac

[www.interacnetwork.com/recruit](http://www.interacnetwork.com/recruit)

Global Education

[www.globaledu-j.com/corporation/i/index.html](http://www.globaledu-j.com/corporation/i/index.html)



WiLL Seed

[www.willseed.co.jp/english](http://www.willseed.co.jp/english)

The British Council

[www.britishcouncil.org](http://www.britishcouncil.org)



***Helping small firms do BIG business.***

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