

Topic:  
GIS

## GIS in Japan – A maturing market or outstanding potential?

**The Japanese government is making a concerted effort to turn Japan into the most advanced IT nation by 2006.**

*iCT is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunications sectors.*

The Asia Pacific region remains largely unpenetrated by many western Geographic Information System (GIS) software vendors. The Business Advantage Group has produced a series of articles looking at the current opportunities in some of the major markets in this region - the first of which looks at Japan.



The Japanese government is making a concerted effort to turn Japan into the most advanced IT nation by 2006. Moreover, GIS software plays a significant part in their plans. In fact, 2% of IT public expenditure in Japan is GIS related, which is a significant opportunity when you consider that IT public expenditure runs to several trillion Yen.

E-Japan is a Government initiative that outlines plans to develop Japanese social infrastructure using GIS technology. As part of the E-Japan initiative and the GIS Action program 2002 – 2005, mapping data will be released for public use beginning in 2005 and will even be available by mobile phone. Few countries worldwide have such clear plans to share state owned data with the general public. In Japan, the population is 125 million.

Approximately three quarters of the Japanese GIS market is in the public sector. Japan is situated where several continental plates meet and lies in one of the most earthquake active regions of the world. Unsurprisingly, most major national programs using GIS software are related to public safety; traffic accident monitoring, disaster recognition and fire support to name a few. GIS tools will also be used for educational purposes by 2005 and currently all state universities in Japan have compulsory GIS courses. Research carried out by Business Advantage suggests that significant opportunities remain in the public sector.

On the surface Japan has a well-established market for GIS products, within which a few key western vendors have some presence. Western GIS vendors have achieved more success in Japan when they have partnered with local organizations. Interestingly, the more lucrative relationships have involved civil engineering consulting companies, with expertise in surveying, mapping and aerial photogrammetry.



**Japan GIS Vendor Go-to-Market Model**

**1) High-End Applications (Highly customised and integrated)**



**2) Low End Applications (Turnkey solutions, off-the-shelf etc)**



ESRI, for example, is one of the major vendors in the Japanese market. They entered into a joint venture with PASCO a top civil engineering consulting company in Japan. In addition, ESRI Japan has been the distributor of ESRI software in Japan since 1981 when their first commercial GIS software product, ArcInfo was launched. With an early entry into the market ESRI have built up a significant market recognition and reputation particularly in the public sector.

MapInfo established MapInfo Japan KK, a division of Alps Mapping Company, to support the distribution of its products in Japan. Alps Mapping has an extensive database of Japanese geographic information, including street data. This has given MapInfo the opportunity to provide complete solutions to Japanese clients.

In Japan, Autodesk has recently received prestigious recognition. The Japanese Information-technology Promotion Agency (IPA) and Software Information Center (SOFTIC) jointly awarded AutoCAD 2005 "Software Product of the Year." Autodesk provides civil engineering solutions as a company-wide standard to Yachiyo Engineering Co. Ltd., one of the largest consulting engineering, planning and architecture firms in Japan. CAD and GIS data will be integrated across Yachiyo, giving them preferred access to Japanese Government projects that use the country's digital infrastructure information.



Spring 2005

Local vendors from the rest of the Asia Pacific region are also active in Japan. SuperMap is a Chinese company with government support in China. The company has a growing number of Japanese corporate users including NTT, NEC, Tokyo Electric and Mitsubishi. Currently, SuperMap does not have official channel partners in Japan. However, it is targeting the Japanese market, which is considerably more mature than the same market in China.

Finding the right channel partners is crucial to penetrating the Japanese GIS market as it is in so many others. However, in Japan cultural differences in business practices can complicate the effort. Japanese resellers/VARS are particularly cautious of unsolicited approaches, which are frequently rejected.

**Business Advantage, a specialist market research, marketing and management consulting practice operating in the IT, Telecommunications and Digital Communications sectors, has recently completed a research project within the Japanese GIS market.**

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