

## **Licensed Character Business in Japan: Key Findings 2009**

### ➤ **Research Outline**

**Yano Research Institute has conducted a study on the licensed character business in Japan according to the following research outline.**

1. Research period: From April to June 2009
2. Research targets:  
Companies utilizing licensed characters for their businesses (e.g. manufacturers, licensors including wholesalers, licensees, retailers/distributors, etc.)
3. Research methodologies:  
Face-to-face interviews with relevant personnel by our specialized researchers, interviews via telephone and e-mail and literature researches utilizing statistic data provided by government agencies and industry associations.

#### **<What is the licensed character brand?>**

The licensed character brands include characters from animated films, cartoon characters, computer gaming characters, characters from illustrations. Real-life figures such as entertainers and artists are not included.

#### **<What is the licensed character business?>**

The licensed character business represents the business that uses the above mentioned characters for merchandising, advertising and sales promotions. The use of the characters could be also expanded to such media as motion pictures, TV programs, cartoons, etc. The character business defined in this study deals with merchandising rights and copyrights.

### ➤ **Key Findings**

- ◆ **The market size for the licensed character business in Japan was 2,463 billion yen in 2008.**

The market size for the licensed character business (total of merchandising rights and copy rights revenue) in 2008 was 2,463 billion yen, 97.8% of the previous year. The business of the manufacturers and distributors as well as consumer behavior being influenced by the drastic change in economic environment since the second half of 2008 in addition to flood of characters in the market and change in consumers taste and preference, the size of the market is on the downward trend.

- ◆ **"Disney characters" ranked top for "my most favorite character".**

Our consumer survey, as a part of this study, showed that "Disney characters (e.g. Mickey Mouse, Winnie the Pooh, Lilo & Stitch, etc.)" were ranked top for the most favorite characters and selected by 19.2% of the respondents, followed by "Sanrio characters (Hello Kitty, Cinamoroll, etc.)" with percentage ratio of 5.3%, "Peanuts (Snoopy)" with 5.0% and "Rilakkuma" with 3.6%.

### ➤ **Report format:**

Published report: "Licensed Character Business 2009"

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Price: 120,000 yen (6,000 yen of consumption tax will be additionally charged for sales in Japan.)

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## Research Summary

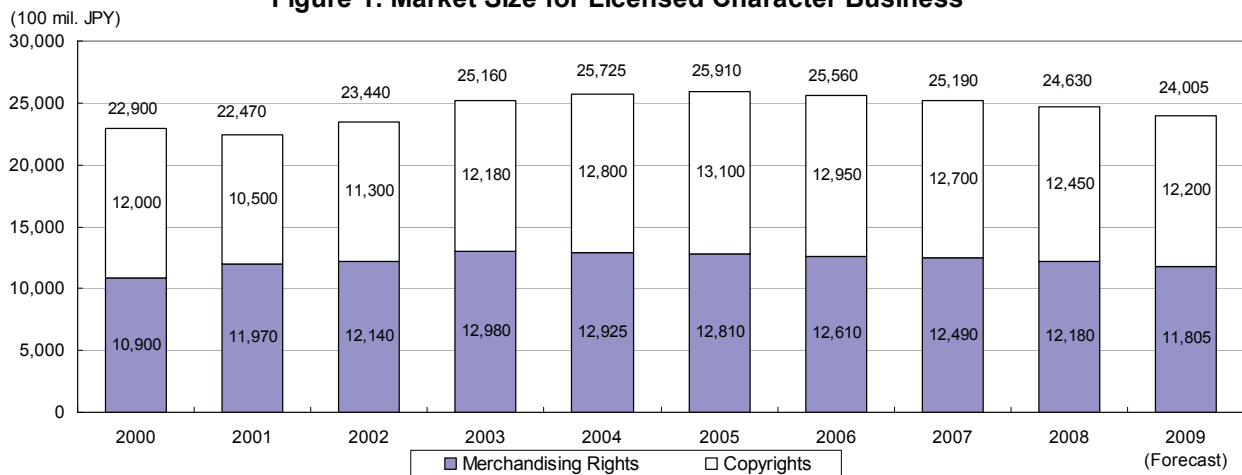
### 1. Market overview

We estimated the market size for the licensed character business in 2008 to be 2,463 billion yen, 97.8% year-on-year. The market size has been on the downward trend after it reached the peak in 2005, and this trend of negative growth is expected to continue, and the market size is forecasted to shrink in also 2009 to 2,405.5 billion yen, 97.5% of the previous year.

The market of the licensed character business is roughly divided into two categories, the merchandising right\*<sup>1</sup> business and the copyright\*<sup>2</sup> business, and the merchandising right business accounts for 49.5% of the total licensed character business. Looking at the market by merchandise category, "toys" have the largest share of 45.7%. However, the share of the "toys" has been declining year by year.

The low birth rate greatly affects the decreasing trends of the market for the licensed character business since children are the major target in this business. In this regards, revival of the characters introduced or televised in the past and development of movies and cartoons that could also entertain adults have been lately done, and the presence of the characters loved by two generations, parents and children, has been prominent nowadays.

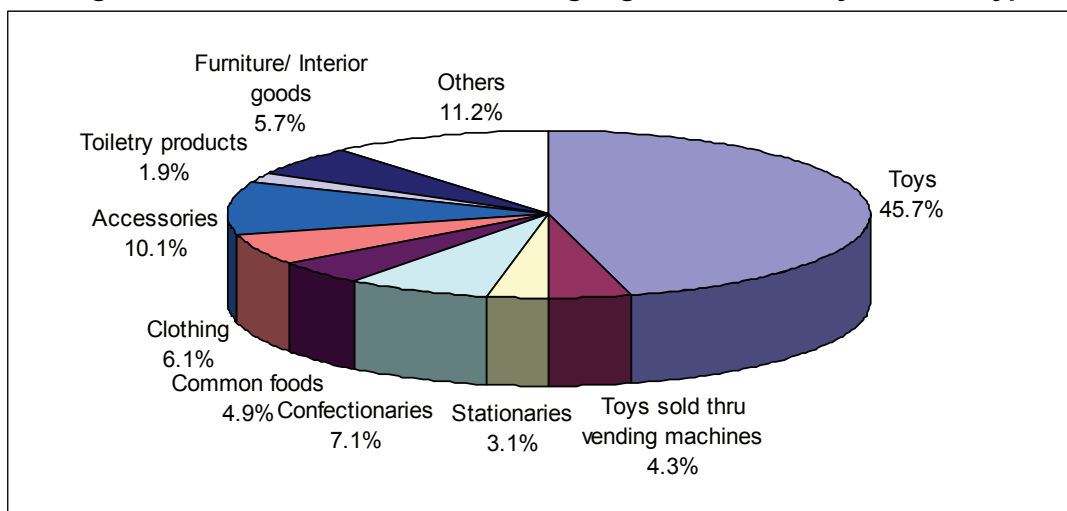
**Figure 1. Market Size for Licensed Character Business**



\*1: The merchandising right is the right to use the characters on certain products and the market size is based on retail sales value.

\*2: Copyright includes publication right and the right to use the characters for advertising or as so-called image characters to be used to enhance the image of companies or products. The market size is estimated based on the contract amount.

**Figure 2. Breakdown of Merchandising Rights Business by Product Type**



\*3: The market size is based on the retail sales value.

(Estimated by Yano Research Institute Ltd.)

## 2. Results of the consumer survey on the licensed characters

Outline of the questionnaire consumer survey conducted in this research

1. Research period : June 2009
2. Research target : Men and women in their teens to sixties living in Kanto area (Tokyo, Kanagawa, Saitama, Chiba, Gunma, Ibaraki and Tochigi) Men: 300, Women: 300, Total: 600  
\*As for the teenagers, only boys and girls aged between 16 and 19 were selected as the targets.
3. Research methodology: Online questionnaire survey

### 2-1. Whether or not you like cartoon characters

As for the question about whether or not the respondents like cartoon characters, the total of those who chose "I like many different characters" and "I like specific characters only" reached approx 60%. And, the survey results showed that there was a tendency that the younger the respondents' generations, the more they like characters and women tend to like characters more than men do.

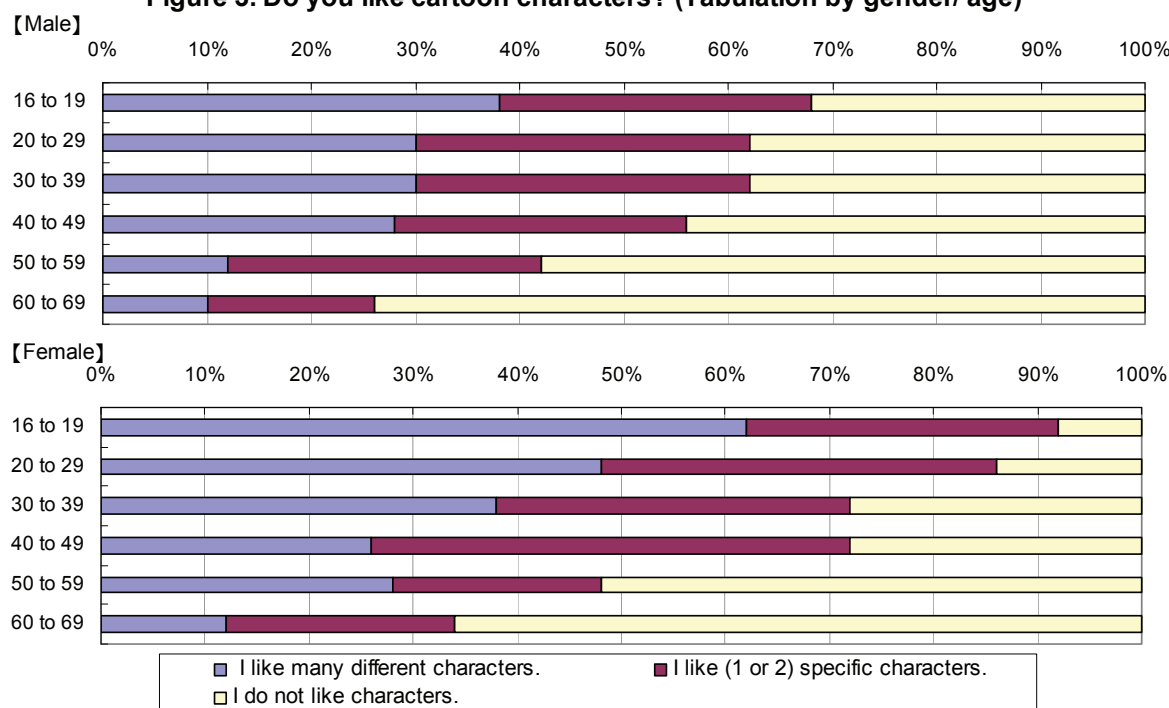
**Table 1. Do you like cartoon characters? (Tabulation by gender/ age)** (%)

	n	1) I like many different characters.	2) I like (1 or 2) specific characters.	3) I do not like characters.	【Total】	1) + 2)	3)	
Total	600	30.2	29.8	40.0	100.0	60.0	40.0	
Male	16 to 19	50	38.0	30.0	32.0	100.0	68.0	32.0
	20 to 29	50	30.0	32.0	38.0	100.0	62.0	38.0
	30 to 39	50	30.0	32.0	38.0	100.0	62.0	38.0
	40 to 49	50	28.0	28.0	44.0	100.0	56.0	44.0
	50 to 59	50	12.0	30.0	58.0	100.0	42.0	58.0
	60 to 69	50	10.0	16.0	74.0	100.0	26.0	74.0
Female	16 to 19	50	62.0	30.0	8.0	100.0	92.0	8.0
	20 to 29	50	48.0	38.0	14.0	100.0	86.0	14.0
	30 to 39	50	38.0	34.0	28.0	100.0	72.0	28.0
	40 to 49	50	26.0	46.0	28.0	100.0	72.0	28.0
	50 to 59	50	28.0	20.0	52.0	100.0	48.0	52.0
	60 to 69	50	12.0	22.0	66.0	100.0	34.0	66.0

\*4: Number of respondents as research targets: 600/ Single answers

(Prepared by Yano Research Institute Ltd.)

**Figure 3. Do you like cartoon characters? (Tabulation by gender/ age)**



\*5: Number of respondents as research targets: 600/ Single answers

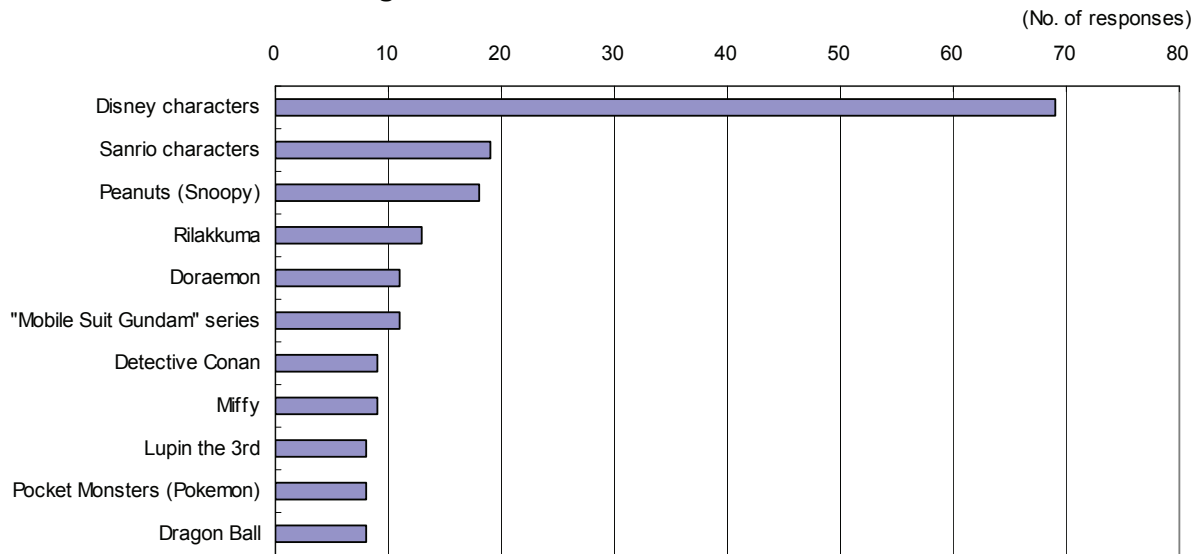
(Prepared by Yano Research Institute Ltd.)

## 2-2. The most favorite character

Our consumer survey, as a part of this study, showed that "Disney characters (e.g. Mickey Mouse, Winnie the Pooh, Lilo & Stitch, etc.)" were ranked top for the most favorite characters and selected by 19.2% of the respondents, followed by "Sanrio characters (Hello Kitty, Cinamoroll, etc.)" with percentage ratio of 5.3%, "Peanuts (Snoopy)" with 5.0% and "Rilakkuma" with 3.6%.

The ratio of men who chose "Disney characters" as their most favorite characters was 20% and that of women was 80%. As for the trend by age group, approximately 80% of those who liked "Disney characters" most consisted of those who are in their teens to forties, which proved the "Disney characters" are supported by wide range of age groups.

**Figure 4. The most favorite characters**



(Prepared by Yano Research Institute Ltd.)

\*6: Number of respondents as research targets: 360 (The respondents who did not choose "I do not like characters.")/ Single answer based on free description/ Selected characters were grouped by story (animated files or cartoons) that each character appears in or by company that owns the characters.

\*7: Only the groups of characters ranked high were selected and listed.

**Table 2. The most favorite characters**

Characters	Total		Male						Female					
	No. of responses	% ratio	16 to 19	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69	16 to 19	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69
Disney characters	69	19.2	2.9	7.2	2.9	4.3	4.3	0.0	17.4	15.9	11.6	18.8	8.7	5.8
Sanrio Characters	19	5.3	0.0	0.0	5.3	0.0	5.3	5.3	15.8	15.8	15.8	21.1	5.3	10.5
Peanuts (Snoopy)	18	5.0	5.6	5.6	0.0	11.1	0.0	0.0	11.1	0.0	11.1	33.3	22.2	0.0
Rilakkuma	13	3.6	7.7	7.7	7.7	0.0	0.0	0.0	23.1	23.1	0.0	7.7	15.4	7.7
Doraemon	11	3.1	9.1	18.2	18.2	9.1	9.1	0.0	9.1	0.0	9.1	0.0	0.0	18.2
"Mobile Suit Gundam" series	11	3.1	0.0	9.1	72.7	9.1	0.0	0.0	9.1	0.0	0.0	0.0	0.0	0.0
Detective Conan	9	2.5	0.0	11.1	33.3	0.0	11.1	11.1	0.0	0.0	11.1	11.1	0.0	11.1
Miffy	9	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.3	44.4	22.2	0.0	0.0
Lupin the 3rd	8	2.2	0.0	12.5	37.5	37.5	0.0	12.5	0.0	0.0	0.0	0.0	0.0	0.0
Pocket Monsters (Pokemon)	8	2.2	12.5	0.0	0.0	0.0	0.0	0.0	37.5	37.5	12.5	0.0	0.0	0.0
Dragon Ball	8	2.2	37.5	12.5	25.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(Prepared by Yano Research Institute Ltd.)

\*8: Number of respondents as research targets: 360 (The respondents who did not choose "I do not like characters.")/ Single answer based on free description/ Selected characters were grouped by story (animated files or cartoons) that each character appears in or by company that owns the characters.

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