

University Business in Japan: Key Research Findings 2014

◆ Research Outline

Yano Research Institute has conducted a study on the domestic university business with the following conditions:

1. Research period: From July to November, 2014
2. Research target: University corporations, profit-making corporations invested by university corporations, advertisement/employment-support business for universities, temporary staffing business for universities, library outsourcing service providers, etc.
3. Research methodologies: Face-to-face research by the expert researchers, surveys via telephone/email, and literature research

What are University Business?

The university business in this research indicates BtoB business targeting university corporations that operates universities (mainly private universities.) BtoC business that targets individual students, teachers, and professors is not included.

◆ Key Findings

- **Size of Temporary Staffing Market for Universities for FY2013 Attained 23.0 Billion Yen, Continued Tendency of Suppressing Personnel Expenses Except for Core Business Seems to Bring About Market Expansion for Time Being**
- **Advertisement/Employment-Support Business for Universities for FY2013 Achieved 44.0 Billion Yen, Due to Rising Marketing Demands for Attracting More Students**
- **Market of Shared Service Business for Universities for FY2013 Achieved 36.5 Billion Yen, Likely to Expand Further**
- **Shared Services Provided by Profit-Making Corporations Invested by University Corporations Gradually Increasing Especially for Services of Facility Management, Purchasing, Operation of Cafés and Canteens**
- **University Corporations Tend to Shift Their Non-Core Business Tasks to Outsourcing Companies for Cost Reduction, But University-Operating Business Likely to Expand**

◆ Report format:

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■ Figure 1: Size and Tendency of University Business by Category

Service Category	Tendency for the Past 3 Years	Market Size for FY2013	Outlook for Current and Future Market
Temporary Staffing Service		23.0 Billion Yen	Being considered as public institutions, it is somewhat difficult for universities to use temporary staffing services in an environment where expansion of non-regular employment has been a social issue. Nevertheless, rising tendency of reducing labor costs (costs for university staff except for core business tasks) and of growing wages for temporary staff are driving the temporary-staffing service market to expand further.
Document Management/Documentation		5.2 Billion Yen	Demands for documentation services at universities are on the rise, since those documentation tasks include vast amount of sending and sealing tasks, database management tasks that simultaneously occur with private information management, unique printing tasks such as printing of entrance exam questions and etc. However, number of universities and students are decreasing, the documentation service market for universities itself is likely to decline.
Cleaning		22.0 Billion Yen	Cleaning of university buildings are rarely done by the university staff, regardless of whether it is daily cleaning or large-scale, thorough cleaning. Therefore, there is always a stable demand for cleaning. However, size of the cleaning market for universities is likely to remain the same level, for no increase or decrease can be expected.
Facility Management		37.0 Billion Yen	Considerable volume of maintenance, management and operation tasks of various facilities have already been outsourced, so that there seems to be no new demand can be expected for the market of facility management for universities. Since cleaning and security of university buildings can be integrated into a facility-management package service, the unit price of such services can decline. This is likely to shrink the market size gradually.
Advertisement Support to Attract Students		44.0 Billion Yen	Not only the needs for advertisement but also the needs for various marketing support and other support services through the web are likely to expand. However, because demands for conventional newspaper ads have been decreasing and no new demands for large-scale advertisement can be expected from those universities that have already finished moving to cosmopolitan cities, the market growth is projected to be only moderate.
Outsourcing of Library Management		12.0 Billion Yen	More and more universities are required to outsource the library management, because university libraries are required recently to extend the opening hours, digitize academic journals, and improve the reference services. However, since newly established libraries and introduction of database systems are not newly scheduled, the outsourcing of library management market size is likely to remain the same level.
Career Center/Recruiting Support Services		1.3 Billion Yen	The needs for career guidance services and recruitment seminars provided by external companies paid by university corporations are on the rise. Also, more and more recruitment consulting services for students are likely to be outsourced, because it is easier for the students to use them casually.
Qualification Obtaining Support Course		3.3 Billion Yen	Since public servants do not get influenced by the economic environment, many students wish to join public services. Therefore, public service qualification courses in universities are popular among students. With recruitment status has improved recently, accountants and registered real-estate brokers are also popular occupations, whose qualification obtaining courses at universities attracting many students. Those popular courses are driving the qualification obtaining courses to grow further, despite slowdown of other courses.
Remedial Course *2		1.8 Billion Yen	As more students admitted to enter the universities via recommendation and other methods that do not need to pass the entrance exams, those students are sometimes required to acquire basic knowledge including math, science, and sociology after they have entered the respective universities. However, since lecturers or professors in universities cannot cope with such basic studies, the universities have started to rely on outsourcing companies for providing such basic courses. Such basic courses can also be used for preparing for the employment tests.
LMS/ E-Learning *3		5.2 Billion Yen	LMS (Learning Management Systems) for language, qualification obtaining, and remedial education provided at universities seems to be expanding. However, LMS have almost been introduced at every university. Now that such services can be provided through cloud, unit prices of the contents are declining. Therefore, there is no expecting of market growth, though users may increase further.
Sales of Books/Magazines		88.0 Billion Yen	As increasing number of learned books and academic journals that come from overseas have become electronic books, sales of books/magazines at universities apt to be influenced by exchange rate. On the other hand, digitization of learned books may raise the sales volume of the contents data but may reduce the total sales value gradually.
Shared Services for University Corporations *4		36.5 Billion Yen	University corporations are currently striving for cost reduction. This heightens the need to establish profit-making corporations where wider ranges of tasks at universities, except for core business tasks such as entrance examination PR and career centers, are likely to become outsourced.