8   PC Software Products Trend

Market Overview

JPSA's 1989 annual survey on the PC software market states: "According to the estimates by JPSA, total sales of personal computer package software from software houses in terms of total shipment value reached ¥116 billion, 35.93 per cent above the previous year. Based on this figure, JPSA estimates that total sales of PC package software to end users are ¥200 billion."

This excludes sales of family use computer software which, according to industrial sources, amounts to between ¥300 and ¥350 billion. Thus, total sales of PC and family use software distributed in Japan exceed ¥500 billion.

Remarkable progress was made in the development of hardware between 1988 and 1989, including the development of a 32-bit DRAM, lap-top computer and an AX PC machine.

JPSA indicated these significant market changes in 1988:

- In software sales classified by application, wordprocessing software fell from first to third place, followed by CAD and business applications software.

- The number of distributors supplying application software to a specific industry is increasing. Although such sales are smaller than those of conventional distributors, they cannot be ignored when future distribution trends are considered.

- The number of local software houses is increasing. Software developers in Tokyo used to account for 65 to 70 per cent of the total. Now, industry-specific software developers located in districts other than Tokyo account for 69 per cent of the Japanese total. With the expansion of the industry-specific software market, the number of software developers is likely to increase.

Wordprocessing Software

The wordprocessing software market recorded a 17 per cent increase in 1988. The number of developers of desktop publishing software using existing wordprocessing technology increased.

In 1988, the best-selling products were Ichitaro Ver.3, Shinmatsu and Aurola Ace Ver.2.

More wordprocessing programs had a "graphic" processing function or a simple desktop publishing function. Most wordprocessing programs employ multiple Japanese input systems. The number of programs which can handle foreign languages has increased. For instance, Kodensha's Core Technomate can handle 15 languages. In general, wordprocessor manufacturers use non-documentation functions to differentiate their products.

Spreadsheet

In 1988, the spreadsheet software market recorded a 50 per cent growth over the previous year. There was also a sharp increase in the sales of add-in and add-on programs. Forty products were introduced at an average price of ¥22 065.

In 1988, the best-selling products were Lotus 1-2-3 and Multiplan Ver.3.1.

Database Software

Relational database sales depend heavily on VARs, while card database sales depend on distributors. In 1987, companies which marketed the Relational Database formed VAR teams to boost their value-added resales. In 1988, value-added resales grew as sales of card databases increased, due to wide application and ease of operation. The ratio of distributor sales to total sales was higher in 1988 than in 1987.

In 1988, the best-selling products were dBASEIIIPlus, Kiri Ver.2 and Ninja 2/Ninja 3.

Database, wordprocessing and spreadsheet software enjoy equal popularity. Sales of low-priced database software have increased as demand has grown for upgraded versions of The Card 3 and Ninja 3. In the database field, most simple-to-use programs are inexpensive, while those with more difficult, high-level functions are more expensive.

Communications Software

Growth in the communications software market is considerable. Software developers, such as Fujitsu BSC and Intercom, have enjoyed rising sales. For example, the number of hosts of the bulletin board system (BBS) jumped from 366 in 1987 to more than 600 in 1988. Also, about 200 PC networks link Japanese securities and aviation companies. The growing demand for personal computer communication has resulted in increased sales of communications software.