

Shoji Sakuma, President of Nihon Satellite Broadcasting Corp

November, 23, 1930 Born in Joetsu City, Nigata prefecture

March, 1954 Graduated from Faculty of Economics, Osaka City University

March, 1956 Graduated from Graduate School of Economics, Osaka City University

April, 1956 Entered Matsushita Electric Industrial, current name is "Panasonic"

February, 1980 Board Member

February, 1985 Executive Director

February, 1986 Senior Executive Director

February, 1987 Executive Vice-President

May, 1995-Present President, Nihon Satellite Broadcasting Corp.

Possibility of satellite broadcasting under media competition

Nihon Satellite Broadcasting Corp would rather be generally well known as a nickname of Wowwow than the official name. This is the first paid broadcasting company through all networks in Japan. It started broadcasting service in November, 1990 and started to sell broadcasting programs on April 1, 1991.

This Wowwow has many TV programs that the conventional TV station had never had before such as films which account for 50% of the total broadcasting time. The company contracts with seven major studios of Hollywood, two sub-major studios and provides all programs with us based on all new broadcasting rights received from these nine studios automatically. There are many unique programs including sports such as professional boxing, Italian professional soccer games and lives of famous artists.

The company continued trials and errors because it was the first real paid TV and had no sales model before however it achieved to get about 1.605 million subscribers at the end of September, 1994. The company makes about 57,000 of its organization consisting of consumer-electronics makers and electronics retail stores as the main sales root of Wowwow agency. It also gathers subscribers through cable television. It especially broadcasts films and relay stage for wide TV with consumer sales strategy to promote to increase subscribers by electronics makers.

Mr. Sakuma, president takes the initiatives in instructing high-tech venture which is just established recently. How multimedia technology will be established in Japanese society in the future, how the way of marketing will change and how "Dialogue" and multimedia technology relate each other, we should specially focus on what Mr. Sakuma thinks about these issues. Because he contributed to establish strong marketing system mainly in National Shops, Matsushita's retail shops as Vice President of Matsushita Electric Industrial until he became President of this company. Mr. Sakuma experienced establishing the strongest traditional marketing system such as mass production system of hard home electronics, distributive integration of strong sales branch system and National Shops, face-to-face selling and large scale of nationwide advertisement.

How he thinks about the development of software business, how he forecasts the marketing will change in the future, we should hear about his precious opinions about issues. I had an interview with him with such expectation.

Editor: I would like to ask you the future of multimedia technology and how it influence our society and business. First, I'd like to ask you what you think of possibility of satellite broadcasting from the viewpoint of private satellite broadcasting company.

Possibility of satellite broadcasting

Mr. Sakuma: In case of me, information is the biggest keyword and I'm interested the most in whether the satellite broadcasting can survive in our society. When I was told to become President of Wowwow, I heard this company would be extremely promising in the future. The company is doing business of the only private satellite broadcasting and also the most appropriate broadcast station for the times of high vision. I heard that the company had a loss now but you did your best. When I entered there, Vice President Gore of the U.S started to say "Information super highway". People said that Japan would be a solitary island of multimedia. People said to me. "If CATV will dominate media like the U.S in Japan, satellite broadcasting and Wowwow will be gone and end. Before coming here, the company had full of promise but it became unpromising soon when I became President. I was so afraid the gap between them.

Therefore, I went to the U.S. to see whether the society will be dominated by CATV or whether Japanese satellite broadcast will end. I received good suggestions from a person there. The first thing was that America was in the time of frustration about multimedia. I asked him what frustration was. He said, "After Gore said Information super highway, the society is going to change largely in the center of information. Magnificent experiment was implemented now. But the problem is nobody understands where the society was going. People only focus on technological things and don't talk about how ordinary people think about it. They only emphasize discussing technological trend and business for the use of the technology but it is unclear how the society goes because there is no viewpoint of ordinary people.

I mean when we think there is no viewpoint of ordinary citizen, it's the times of experiment in some ways. Everybody thinks he has to do something but doesn't know where he goes and whether he can do it. Therefore everybody feels frustrated. He said, "It's exactly the times of frustration, so you don't be in a hurry."

Japanese style information innovation and roles of satellite broadcasting

The second thing is like that. He thinks it good there are two styles, Japanese and American. He said, "You have to see the difference between both countries. The way of prevailing personal computer is totally different between them. It's also different in the case of prevails of CATV and satellite broadcasting. You don't think to introduce the current American style as it is in Japan. You have to see the difference of the present infrastructure. It's really important to see it."

American doesn't have NHK. In addition, about 10 million households can receive satellite broadcast in Japan. NHK says it's 6 million but in fact about 10million family units can see it. In our case, the number is

1.6 million. The infrastructure is really great and is supported by NHK. If NHK supports this satellite broadcast, manufacturers also trust it and will make machine. If Wowwow does it, I'm afraid they don't manage to do so. Therefore, NHK supports Japanese broadcasting and is going to develop it. The infrastructure has already established because NHK could have about 10 million subscribers. Therefore, it's difficult to think Japan will end satellite broadcasting because U.S. doesn't it. It might take 10 or 15 years to prevail 60% of CATV prevails in Japan. During the time, we have to do something to take measures for it. "As a result, satellite broadcasting will prevail more, so it's more important for Wowwow to see the direction of how the satellite broadcast and CATV coexist to survive.

I went back here with some energy because I got two advices.

Although I also think so, honestly saying my recent keyword is "I don't know." I don't know what will happen.

Editor: According to progress of multimedia, you'll have various problems to supply software. What do you think of it?

Mr. Sakuma: American broadcasting has 50-100 channels, "I wonder there is too much software." We work so hard to provide only one channel for 24 hours a day and continue to do it for 365 days. Then, I was told to see a magazine. When I went back to Japan, I went to check a bookstore to see it. It's great there are 4,000 magazines. In addition, as many as 86 kinds of magazines are published 500,000 volumes a month. Therefore, I understand software is endless.

I was also told we only tended to think about things broadcast on TV such as film and sports but TV would become not a receiver but should be a machine to broadcast multiple kinds of information because it was the time of multimedia. I thought what multimedia was. For example, game, karaoke and shopping. There are various ways to use information.

They also told me a word of interactive. We mainly thought to only give people information before when it came to software. However, if we have interactive relationship to exchange information, there is infinite software. The important thing is to extend the range of software and make audience join there to create something interactively. Satellite broadcasting has problems in the interactive side so it's difficult to win CATV. Therefore, we have to think about what we should do there.

I don't know whether this is interactive way, but we have an online drama. The program asks audience how the story will develop next. Then, the audience answers it by online-service, "Kill him." Or "Keep him alive for a while." It will receive various kinds of information like that and the story is chosen to develop the next story. I don't know whether it's a participation style. However I was told not to be too much worried about software because it was endless.

Editor: So, you should make a system that software will be naturally developed. There is such phenomenon in PC software. It is developed one after another before we know. You have to do something to make interactive software like the two way system. What do NHK think that it can deal with huge market through satellite broadcasting?

Mr. Sakuma: A person said to me, “Why don’t you study the case of England not U.S?” It has BBC similar to NHK. If we ask manufactures to make TV with Wowow, they are worried about how many products they can sell and can’t make it soon. However, if NHK does it, they trust it and implement it because it has 10 million of subscribers. They will have mutual effect there. I think NHK is on our side. NHK and NTT are really strong resources to do business. They accumulate corporate resources such as capital, technology and human resources for a long time. On the contrary, we have no such resources. Furthermore, we in fact can’t help having a loss at the beginning and it’ll take ten years for depreciation. I think it’s too risky. In case of Matsushita, if it invests 100 billion yen in semiconductor, it’ll make a profit to depreciate it for three years. We would rather have an idea like Matsushita.

Editor: Because your business always changes the condition.

Mr. Sakuma: We said to divide BS and CS clearly at the beginning. However, we don’t know it now. Especially if easing of deregulation in telecommunication changes, the arena will become totally different. . There’s no guarantee here. It’s difficult how we look ahead for a short time.

Editor: In the conventional multimedia business including telecommunication, we have more cases to think about depreciation for a long term. On one hand, regardless of many broadcasting stations, something new occurs in a short term, Thanks to various strict regulation, you manage to keep doing business before however not only the market condition but also easing of deregulation will cause to give a big impact on your business in the current condition.

Mr. Sakuma: You’re right. We can’t stop advance of technology.

Development and competition of Media

Editor: When you forecast the future of this multimedia and read the market, it’s important to know how fast it accelerates. There was such a story when NTT made INS plan for highly-sophisticated information society. It focused on Fiber-optic network. NTT changed INS to the new network in 1995 at the first trial level and would complete the plan in 2005. However the “Captain plan” failed to do business, so the media of telephone network didn’t increase than the company expected and couldn’t secure resource for the next investment. On one hand, satellite broadcasting including Wowow was established which led everybody to install satellite dish and rapidly prevail online service by personal computer. What do you think of such different speed among media?

Mr. Sakuma: I don’t know it exactly but I found an interesting data the other day. It was how the actual result of figures to forecast five or ten years became. For example, “Captain plan” or Teletext broadcast became one-tenth of the forecast but satellite broadcast became double.

In some ways, when it comes to arrival of new information society, we only tend to forecast it from the

viewpoint of technological factor and business based on the technology. We forget to think how ordinary people consider it.

For example, when Time and TCI started a video-on-demand experiment, we could hear such reputation as if it actually came in our daily life. However when we heard about it on site, there were many problems to make a breakthrough such as technology, cost and how people used it before the implementation. Japan has to join this experiment in the U.S and continue to make efforts to be successful. Even if we succeed in doing it, it doesn't penetrate in our ordinary life from tomorrow. It takes much time to do so. We're talking about such thing.

Editor: Technological breakthrough is inevitable condition. In addition to that, it's important to think about how people see this condition as well as understand user's needs and bring them into shape.

Mr. Sakuma: Yes. As a result, we can see whatever and whenever we want to see in our place by video-on-demand. The important issue will be how much we have to pay to see it. The reason that TV prevailed was because we could watch it for free. We regard software as free. It's advantageous because broadcast companies made the system to earn CM charges through TV.

On the other hand, we or NHK start to expand the use of paid satellite broadcast. Companies of digital terrestrial broadcasting hesitate to decide whether they will receive payment by CM or rate-system and how much money they will charge to subscribe to sell the program without any problems when they start satellite broadcast. However, they can't run the companies if they only adopts rate system therefore they have to use CM. If the total advertising budget of sponsor is decided, they have to divide it into digital terrestrial and satellite broadcasting. It's impossible to increase only the budget for the satellite broadcast. Therefore, they will think to introduce both rate system and CM. It's serious issue whether they will be successful.

Editor: If they can't do it, they won't develop their business largely even if they have technological breakthrough.

Mr. Sakuma: The technological breakthrough including social infrastructure depends on whether they can set the price system that audiences want to see even if they pay money.

That's the biggest point for them now.

Satellite broadcast and information industry

Editor: Is there any possibility to apply mutual way of online database with multimedia to the industry?

Mr. Sakuma: I think it has much possibility. I think the way of marketing will change. The biggest feature of multimedia is to directly connect us to consumer and ordinary people. For example, we have 1.6 million subscribers and can contact with them through our customer center.

I thought the world changed. For example, we made an English program for people who take TOFEL. When we received applications to buy a textbook from them, we could analyze those applicants.

I thought university students or high school students who would take the test would buy it at the beginning but the result was different than I expected. We could know such data for 10,000 applicants soon. When I worked in Matsushita and checked how many new products were sold, it took thirty or forty days to get the information because we had to check it through sales dealer or agency. In our case, we can know such information in the day. When I checked the result of the textbook, university students accounted for only 14% of the total, high school students, 5% and businessmen, 46%. I told my staffs to target at the market of university students. However, we should target at company not university or we should appeal to university because 14% would rather be too few.

If we increase subscribers of university student to 30%, the number of subscriber will be more than double. We have to make efforts to do it. We can discuss soon like this. In some ways, if we can directly connect us to customers through various interactive ways, the way of marketing will change a lot.

Editor: I think so. Picture is worth a thousand words. In case of multimedia, it will be implemented through the screen. For example, in case of marketing and distribution, not only the way of marketing but also control of inventory will change.

Mr. Sakuma: We still have on-line shopping programs. TV shopping through the screen is really advantageous. Especially, when we have special program in November and broadcast Disney film, we'll sell Disney goods in accordance with the program. If the program is interesting, we'll review its reaction from audience and can increase the number of subscriber resulting in business. We do marketing by the primitive way of phone. As you said, if the way of business will change, we don't have to use distribution and can make customers pay by card.

Editor: We just need tactual sense. We don't know how good quality textile has if we don't touch it.

Mr. Sakuma: When we talked about it with everybody, someone said, "If I can't enjoy trying on product or touching it by myself, I don't buy it."

We also tried various things by ourselves to pursue possibility of business. In our case, for example, when we sell goods of Disney and Beatles unsold in other places. Our customers are very interested in them and buy them.

Editor: The price of terrestrial digital broadcasting is expensive. The media makes an product information commercial based on manufactures' request to keep giving its concept for a long time. The way of expressing advertisement is changing.

Mr. Sakuma: We tried to experiment it. We proposed that we would rather make longer dramatic commercial to explain a product clearly for a few minutes.

Editor: Such CM might vary in products. For example, in case of computer there is an advertisement on a PC magazine. However, users want to know the information in detail. If there is such kind of satellite broadcasting program, you can introduce the CM in a program for a week. However, in order to freely take the image on the screen, you have to use PC network.

Mr. Sakuma: I see. It might be involved in the field of data broadcasting. We made the plan and asked a sponsor however he brought a general commercial that we could watch on TV. It is because as a result there is an issue of the cost.

Editor: Can you make a program like the previous National Shop in the times of multimedia? For example, when I want to buy suits, I access a shopping program on Wowwow to buy them while watching the program, I can fast-feed it or press some codes to listen to the explanation of the product. Can you devise to make such terminal keypad? This was the same idea as that of National Shop.

Mr. Sakuma: While I was listening to your story and thinking how I could connect it to our business, the first thing that I had in my mind was shopping, the second, Karaoke and the third, game or program guideline. I think Karaoke was very interesting, so shopping system is. This has various dreams.

Editor: I think game is also interesting. For example, Nintendo also closes the system structure of game. You create new audience participation game to enjoy it together with them and distribute a fortune to them without arousing the passion for gambling. If you make such new open style game, I think it's interesting.

Mr. Sakuma: Therefore, I'm not suitable for this business. A person who continuously worked in an organization like me had difficulty in having such creative idea as yours. We need to work with such special person. We talked with everybody with laugh yesterday that the current deviant would be a hero in the future.

When I was President of Yokohama Sales Office several decades ago, the core business of Matsushita was in the distribution of the National Shop. There were shops in Kanagawa prefecture. I couldn't go there as President. They were kind of discount shops to sell various products. When I visited such shops where I was told not to come 15 years ago, they became terrible conditions. I would rather go there now. I can see changes of the fifteen years there.

In the distribution business, fifteen years are very long period but in the software industry, the speed of changes is very fast and it might be natural that it'll happen tomorrow or next year. It's very important how well I pick up such changes and can connect it to business.

Therefore, Matsushita had an organization like an army. It has from the upper level to the bottom however in our industry, we have a leader and other leaders who want to do business together involve us to make a task force. It occurred in a film genre or sports. Therefore, the most important point is how we find such leader.

In case of army, their thought is just like a uniform. However, I sometimes feel upset that people gather as the center of a leader in our case. Such leaders don't wear uniform but respective different clothing which

matches with the times.

In such way, I'm worried that a company like Matsushita which respects army uniform might not follow new flow of the times.

Editor: The one more interesting thing is university. People see it as growing industry. It provides its lectures and information of a classroom by satellite broadcasting.

Mr. Sakuma: When I talk about the education with the experience of TOEFL program, we find we can't talk or have conversation in our broadcasting program. But if we go to the classroom, we can learn and correct various things. Unless we think about such things, I'm worried that our audience might feel board. We need such place that a teacher can teach or correct something.

Editor: Even if there is time lag, you alternate a lesson and an opportunity to receive question.

Mr. Sakuma: We want to make such device. In this point, school has good system. We need to talk with a teacher in a lesson.

Editor: Apart from the issue, do you have any other possibility to develop satellite broadcasting?

Possibility of Satellite broadcasting as a marketing tool

Mr. Sakuma: For example, I'm thinking about doing new business, we have 1.6 million audience and contract with 800 staff members. Two hundred of them always work in the customer center. We received 90,000 calls this month. We just pick them up and answer the questions such as responses for our programs and various requests. Since we have all data of 1.6 million audiences in computer whenever we want to call them, we simply can contact with them.

Editor: Do you record their voice or what they said?

Mr. Sakuma: Yes. For example, we recorded what kinds of complains we had and what responses we gave them.

We receive this one-sided but we would rather be better to call subscribers to do some business. For example, we have tie-up with some companies and do marketing research about a new product to check customers' feedback. It's very advantageous to receive direct voice from customers. In addition to that, we have wide ranges of subscribers based on their age who are selected to certain level. Therefore, we can pick up a sample from 1.6 million customers based on necessary needs. We can do various businesses such as shopping with the database.

Our broadcasting program always various research such as audience-rating, customer satisfaction and whether to watch a TV program or record it. We only do it for our subscribers but I feel we can do new

business based on such people.

Editor: I want to ask you one more question. Matsushita was an excellent company based on great marketing of Home Electronic Appliance before. At that time how would the company change if there was this multimedia technology?

Mr. Sakuma: In the U.S. there were two shops called Circuit City and Best pie. I saw the competition there. Circuit City puts much importance on face-to-face contact with customers. When a customer comes, it makes him satisfied with everything and goes home. After buying something, it also emphasizes after service and puts much importance on personal things.

On the other hand, Best Pie studied problems of Circuit City to compete with it and found conversely personal contact was troublesome for customers in some cases and took more cost. Therefore, Best Pie thought how it could give better service at less cost than Circuit City. The first is to return lower price for products that it cut cost to customers. I mean to give customers lower price. However, if it lowers the price, it's just a discounter. Customer needs information. Therefore, the Best Pie thought how it used the information by fewer staff members and changed the shop.

When I went to Best Pie, there was no staff member on the shop. Only one person seats at the information counter. Anybody can move TV or video on the shop. If I ask a person at the information desk to give me information of Panasonic, he prints out necessary information and explains to me if I need. If I say the price is expensive, he gives me the information about the price of its neighbors. He has necessary information for customers and explains it clearly if I need. The shop is very big but it's enough only if there are four persons for explaining products. It has good system so that customers can get necessary information when they need while selecting products freely there. In addition to that, the price is reasonable.

How this competition between orthodox male Circuit City and new Best Pie will go is a focus point for American consumer-electronic industry. I think the two will become bigger each other in the competition. Good competition produces good result. In case of Matsushita, there is an issue of the structure which organizes the grouping of enterprises. There is no space where such structure involves in. If so, what will happen there?

Support Industry and arrange infrastructure

Editor: When I see the cases of various manufactures in japan and U.S, they generally do business as a wholesaler. Toyota draws even its retailers into its group. Many of them generally don't do it because it takes much cost. But companies can reduce personnel cost at the bottom level if it uses multimedia because it also has the product flow in the case of information access by car. Therefore, it might take such measure at the bottom level. What do you think of it?

Mr. Sakuma: For example, Cecile can sell cosmetics or underwear by mail order system. However the problem is how we can cover necessary setting or service for products. We directly sell decorders by free dial

however we had to send it by door-to-door delivery and asked customers to install it by themselves. If there are some problems in product, we ask them to give it back to us by home delivery. Therefore, when she buys it, she has to install it by herself. When she opens a box and takes it out, she calls the customer center in Tokyo according to its request and learns how to install it. A little later installing it, if she finds it has something wrong, she calls the center again. But if the problem becomes more complicated case, she gives it back to us. If she lives in Hokkaido, she returns it all the way from Hokkaido to Tokyo. She can't watch TV while she requests to fix it, so she asks us what she should do for the viewing fee until she gets it.

We thought it easier to do so, if we received an order directly by free dial and sent the product to customers. However, in fact it took much more cost and gave customers inconvenience which led to give audiences bad impression. The problem is how we do this. For example, even if there are people who can do it in each area or agency, they can deal with it. We tried to ask electric store to do so, but if it helped us to install it, nobody paid the installation fee in Japan. They say the fee is expensive which causes to become trouble. As a result, man-on-man business custom is established in Japan therefore the service fee is free here. How we change the custom is a key point from now. As we have closer contact with customers due to prevail of multimedia, how we make support industry to cover it is the biggest challenge for us.

Therefore, I stopped free dial system and asked electric shop to do everything.

Editor: There is a problem of engineering cooperation.

Mr. Sakuma. Yes, in our case, we have a difficult technological problem in the technology, so we exchange old product to new one for free. We ask customers to return the old to us and send them new one. We have to fix the old one and sell it again.

Editor: The problem is what the worksite relating high-tech industry changed and how to educate for the changes. The reason Japan developed rapidly until now was because it invested in education. It had compulsory education according to a rule. However, in the verification and service of new value, there are not enough place of the education.

Mr. Sakuma: Electric industry started to sell a radio first, many people of old electric stores worked in the Navy or army therefore they knew radio technology. If they had to sell TV next, manufacturers taught them its technological information in the training. They could learn black and white set but if they started to sell color TV, they studied it there again.

However, they couldn't learn video because it was very difficult, let alone personal computers. They couldn't do anything about it. We can say the same thing in case of 3DO.

Therefore, we can't do anything if we just do the same thing as before. I mean we have to change the way from analog to digital. However, there are more analog people than digital. It's very difficult to change them to digital. Matsushita and Toshiba suffer from how they change analog people to digital. Sunrise industry which has no analog people would rather be stronger. This is the biggest reason manufacturer has redundant employees and couldn't make good use of them, which causes to produce in-house unemployment.

Meaning of Satellite Broadcasting and competition with cable television

Editor: Wowwow and NHK, both are growing. You are too much dependent on open urban cable television. Which type is more increasing application to Wowwow, subscriber of urban cable television or people who buy antenna and install it by themselves?

Mr. Sakuma: Urban cable television accounts for 8%. The previous President thought it as a competitor however I think it's wrong. I would rather regard as our partner. Therefore, we try to increase customers of cable television. The total subscribers are increasing and will increase the contract of Star channel and Wowwow in addition to the basic program in order to make a profit. Unless it makes profit in such extra field, it can't increase the sales.

Therefore, cable television thinks to sell Wowwow and we also want to recommend they should subscribe cable television to see our program. We agree to pursue both profits and try to increase the sales. The rate only accounts for 8% but will continue to increase and exceed 10% next year.

The cancellation ratio of cable television is higher than we expected. This has a physical problem. If person use the decoder, he can take it when he moves. However, when he moves, he has to cancel a contract of cable television and joint it again in the different area. A person cancels a contract on one hand but on the other hand, he will subscribe it again, so I'm not sure about it clearly. What I want to say, we try to increase subscribers of cable television.

Editor: The current Wowwow program mainly has entertainment channels such as movie, sports and music. On one hand, it has CS film program like Star channel. The existing TV station of terrestrial digital broadcasting focuses on entertainment. The ratio of residents in urban areas of Tokyo, Osaka and Nagoya accounts for half of the all nations in Japan. Urban cable television studio continues to be opened there. Community-based voluntary broadcasting program, existing retransmission of terrestrial digital broadcasting and each broadcasting communication satellite are provided there and they compete in a channel of cable television or coexist there.

On one hand, when audience directly watch program is limited so where is advantage of Wowwow? Do you develop the market except for urban areas or areas without cable television with your advantage of satellite broadcasting? Or do you have any advantage to develop the market of urban area? What way do you have including global tie-up? If not TV terminal with telecommunication like PHS is introduced in the future, you will have a different idea. Where does Wowwow focus on in such condition? I'm very interested in that point.

Mr. Sakuma: You're right. There are two visual sides on images. The one thing is how long the current pattern of visual image mainly continues. This is because if TV screen is occupied by something for example, if game dominates the TV screen, people can't see the existing program. In some ways, how we make use of the time of screen or how we compete on the current screen, or how we fight the game competition with additional strategy, we have two points there.

We don't exactly know about additional strategy. If possible, we might do something in data broadcasting for example, game or karaoke that Nintendo try to do. We study what we do now.

The second things is relating to urban cable television. If customers subscribe cable television, we can't contract with them directly. We just become supplier, so we have to think about how we survive as supplier. To say it concretely, if we become a supplier we make network while investing on urban cable television and do our best to keep as supplier including voluntary producing program like HBO. This will be our challenge. How we survive as supplier at the same time how we make use of operator as network will also be key point. Therefore, the problem is who takes initiatives in Japanese cable television, trading company like Sumitomo Corporation or manufacturer such as NEC, Matsushita or others? This is one of the biggest focus points. How do we cooperate with it together? The reason I don't make myself quite clear is because we have a loss and can't do what we want to do soon. In some ways, I want to put my company in the black as soon as possible. I always think about it.

Editor: What you said now is very important issue, for example, the reason that Videotex had difficulty in doing business was because there were respective big industry in computer, telecommunication and TV. It couldn't take the leadership in any industry. Since new media is also system industry what condition a leader need and where he focuses on that will be the key point. If anyone takes step forward, it'll be swollen like a snowman.

Mr. Sakuma: Who takes the initiatives in Japan market is the most interesting point for us.

[From editor]

When we talk about multimedia business, we tend to discuss technological possibility in many cases especially dependent on samples in the U.S. Because there is technological possibility and successful example in overseas countries, it doesn't necessarily mean to succeed in establishing business in Japan.

What becomes a key point to succeed in doing multimedia business, Mr. Sakuma, President focuses on this point. An existence of NHK, relationships of cable television and possibility of advertising media, necessary human resources and organization culture for multimedia business, consumer's awareness of information value and issue of supplying software. He thinks about these issues based on how context of Japanese society and multimedia technology relates.

For multimedia business, the development of multimedia might cause to break time and spatial control on our conversation. The key word is "interactive" and "two ways (mutual ways)". However, we might use the concept only in the meaning of telecommunication technology that we can make mutual communication. "Interactive" and "Two ways (mutual ways)" will lead to develop wide range of marketing activity and give depth. Wowwow is looking for this by various experiments. The development of multimedia enables us to introduce new style of conversation different from traditional man-on-man dialog in our social life. Comparative analysis between one-on-one dialog and multimedia style of conversation leads to develop new dialog style of marketing.