

BLCCJ Newsletter



THE BELGIAN/LUXEMBOURG
CHAMBER of COMMERCE



in JAPAN



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Messages

H.E. Mrs Michèle Pranchère-Tomassini,
Ambassador of Luxembourg in Japan



H.E. Mr Jean-François Branders
Ambassador of Belgium in Japan

President BLCCJ, Mr Jacques Bertrand

Perspective

Belgium's Day at Expo 2005 Aichi

Delighting Customers in Japan

2005: EU-Japan Exchange Year

Doing Business in Japan - A Welcome Challenge



BLCCJ Activities

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Doing Business in Japan - A Welcome Challenge

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Why Japan

With China and India being the new fashionable markets, it is easily overlooked that Japan still offers a much larger "buying potential" than either of these two. According to the April 2005 overview of the IMF, Japan's nominal GDP stands at 4.8 trillion USD, 2nd only after the United States (or 3rd if you count the EU as a single market with the world's highest GDP of 13.9 trillion USD). In comparison China ranks 6th with 1.8 trillion USD and India ranks 11th with 0.75 trillion USD. It means the Japanese market is about double as large as China and India combined. It therefore still remains a worthy undertaking for any company to start doing business in Japan.

How to get started

Once you formulated the basic idea of doing business in Japan, you need to tackle the problem of thoroughly checking if your product offering fits with Japanese needs and if so, figuring out your best approach to the Japanese market. The distance and especially the language-aspects will be the first bottleneck you encounter. In spite of the fact that English is intensively taught in school, Japan remains a very monolingual country. As a result your standard research process that might work for investigating a country like India will not necessarily work for Japan: You will need to rely on resources that have access to local-language information.

A very first stop on your trail could be the Belgian-Luxembourg Chamber of Commerce in Japan (www.blccj.or.jp) or the relevant export agencies for your region: Export Vlaanderen (www.flanderstrade.com), Brussels-Export (www.brussels-export.irisnet.be), Walloon Export and Foreign Investment Agency (www.wallonia-international.be). These people can help you finding the way and give you first information. Once your decision to do business in Japan firms up, it would be wise to get in touch with a company that offers business development assistance for Japan on a commercial basis. Above-mentioned organizations can assist you in finding one that fits your needs.

Japanese business customs: personal trusted relations

Although Japanese business customs are different from any in the West, they are much closer to European customs than to American customs: personal relations are the key to success. Once you have established a trusted relation, your partners will help looking for win-win opportunities. That is the good news. The bad news is that it takes a high level of commitment to create and maintain such a relation of trust. Japanese companies relish long term relations, so they will want to make sure you are not there to "make a quick buck" and then disappear. In the beginning you will be expected to make a show of adapting to the local needs. Although this is all very reasonable in the Japanese sense, you might initially feel over-burdened with the needs and requests. Here again, it is useful to work with a consultant who knows the market. He can help you understanding why certain unusual actions are needed and, by being able to defend your position in Japanese to your partners, he can help you ensuring that you are not taken on a route that is not beneficial to your interests. He will also be there to comply with the Japanese needs of regular face-to-face contact.

Use Japanese as a matter of courtesy

One thing that is an absolute must for creating business relations and for selling products in Japan is that you make information available in Japanese very soon in your project timeline. Even if all parties you are dealing with read and speak English, it is not good diplomacy to make use of exclusively English product documentation. Doing the effort to set up a Japanese version of your webpage and major product brochures, goes a long way in convincing your potential partners that you are serious about the Japanese market. In today's internet and digital-printing world, this has become a much less costly undertaking than it used to be.

Tradeshows and PR Visits

Japanese business progress is characterized by a very slow start. In line with what we said about relations of trust, it is close to impossible to make a quick entry in Japan: No matter what, it will take time. This means that, although it can be very useful to participate in a Japanese tradeshow, you should never expect to fly home after 2 weeks in Japan with a business deal in your pocket. Most likely a successful tradeshow participation will leave you with a dozen interested parties. Some will later turn out to be real potential customers, some will later turn out to be interested competitors. The only way to make that difference is by multiple visits to the companies involved, often giving minor variations of the same Japanese presentation to people in different standing within the company.

If you cannot come yourself regularly to Japan after participating in the tradeshow or after your initial PR visit, you should arrange for someone to make these visits and presentations in your name.

Is Patience a Japanese Virtue?

Japanese can be very patient before harvesting a long-term relationship. However, they are absolutely not patient at all when it involves "just waiting". A supermarket that has long queues at its cashiers will very soon feel the impact on its business results. Similarly in business communications, waiting should

be avoided as much as possible and all necessary delays should be explained clearly in advance. When Japanese set themselves a public deadline for delivering information, they do it in such a way they are sure to be ready in time. Frequently missing deadlines is a certain way to destroy trust and hence business opportunities.

Only Japan is so tough ...

Japan is a demanding market to do business in. Japanese partners request accurate and detailed information. They request strict adherence to deadlines and very detailed information if something goes wrong. On one hand this makes it impossible to make a quick profit in Japan, on the other hand it strengthens your business structure. If you make it a habit to meet deadlines, your business will be more welcome in other parts of the world as well. If you do have detailed and consistent information about your own products, your life will become more simple in general.

Although only Japan might be so tough for establishing a foothold, facing these needs will help your business in general. Also remember: The Japanese market is about double as large as China and India combined.

Therefore, doing business in Japan should be a welcome challenge.

D-VECS

ディーベクス

Marketing Consulting Japanese Business Development

We verify for you
If there is a market in Japan for your products

We create for you
A Japanese version of your homepage
Japanese product brochures

We assist you in
Participating in tradeshows, tradeshow follow-up
Finding pilot customers
Finding distribution channels
Setting up a Japanese subsidiary

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