

Approach Japanese market: foods & wine industry



It is necessary to attempt entry into the Japanese market with the same approach adopted by local companies. You should not aim only to conclude a trade agreement; first of all you need to build a Relationship. For example, it is recommended that foods or wine companies invite potential clients to their own companies so that the clients can study the products, the territory, the technology, the hygiene management and so on. It is also recommended that they join foods and beverages exhibitions and/or organise tastings.

Personal relationships

The Japanese prefer to do business on the basis of personal relationships. It is rare for them to start a business negotiation before meeting in person because they are very wary of **invisible (unknown) persons and/or parties**, and believe only in what they can actually see. Responsible persons of companies (directors, export managers) are under obligation to visit Japanese clients or invite them to their own companies. The Japanese naturally want to see the production area to know how things work within companies - technology, hygiene management, local climate, and so on. First of all they want to have faith in the supplier and show their conviction in the quality of the supplier's product.

For business appointment with them, you should not send only your agent or collaborator who lives in Japan. This standard method in Western countries is often considered as impolite because the Japanese prefer to talk directly with responsible persons of companies who have the power to make decisions regarding entering negotiations and gain a better understanding of their philosophy. This meeting is an essential first step to start a working relationship. Personality is the most important element for the Japanese; they invest a lot of

time (a few months) in getting to know better each other better and decide if they will conclude a business contract or not.

For the Japanese, **building a relationship is one, negotiating is another; starting a communication is not equal to beginning a negotiation**. For this reason, it is strongly recommended that the responsible persons invite clients to their own companies or travel to meet them in person in Japan. For a meeting, it is preferable to bring detailed business materials written in Japanese because translated documents are often regard as serious preparation for an approach to the market.

An important point to keep in mind: it is that you want to sell in Japan, not that importers are looking for your products. First of all, you need to gather information on importers and contact companies that seem to be interesting in order to talk. It is important to invest a lot of time into building an interpersonal relationship, instead of emphasising that you want to do business. In fact, the Japanese enter into negotiations only after building a relationship of mutual trust.

This process is similar to that of love and/or marriage. Even though you are in love with a friend, an engagement is not guaranteed. If the friend wants to stay just friends and does not have any romantic feelings, there is little possibility of success. Seeing things from the opposite point of view, would you be ready to accept a declaration of love from an unknown person?

Would you marry someone that you do not know at all? Even though you already have a long-term relationship with him or her, you will take your time to consider a possibility of marriage because the important matter will also concern your family. You should gain trust not only of your fiancée, but also that of his or her family. It is normal that you want to invite him or her to dinner or travel together, which will take time and money but will not guarantee a positive result. It is simply necessary to do efforts and be patient.

As you can see in the section **Difference in level of expectation**, Western companies, from the beginning, tend to aim to find potential clients which are interested in buying their products. Some questions raised from the Japanese point of view: which importers will be interested in the products before tasting them or before knowing the producer? Even though no Japanese operators knows your company yet, is it possible to predict which companies want to buy your product? It is impossible to forecast the result without contacting them.

Furthermore, it is natural that Japanese companies take a few months to consider carefully the possibility of new business, especially when they receive offers while they do not have any intention of looking for new partners. In such a case they examine not only the possibility of selling, but also the influence on sales of products which are already on the market.

They regard this influence as an important matter to consumers and their current business partners.

Difference in level of expectations

You need to know the difference in thinking between Japanese importers and Western companies.

The points to bear in mind are:

- A positive response (interest shown) from importers to the first contact of producers means the first step of communication, not willingness to start negotiations.
- Sending a sample does not guarantee any positive interest.

What do these points mean?

Western companies, from the beginning, try to look for potential clients that are interested in and intentions towards buying. Also buyers look for producers that are always ready to sell.

For example :

European producers generally only want to find importers who are ready to negotiate.

They say that they can offer samples only to those who are interested in doing business; they avoid investment involved in sending a sample when success is uncertain.

On the contrary, from the point of view of the Japanese companies, it is natural that they do not have an interest without having information about the products, producers etc; sending a sample is the least a producer should do. Furthermore, the shipping costs must be borne by producers if they contact importers spontaneously in order to introduce their products, because the offer of business necessitates the examination of their products.

Quality

The most important requirement from importers is a **perfect quality** of service from suppliers - punctual delivery time, a quick reply to each request from clients, good packaging condition and so on. The Japanese companies request this because the consumers (final clients) strongly make the same requests. The requests from the importers are based on those of their clients; a negative reaction means indifference to consumers a **lack of service and of respect to clients**, which are regarded as **insults**. In the Japanese context, signing a contract means building an interpersonal relationship rather than a business one.

The Quality implies also the personality; honesty, seriousness and sincerity.

The Japanese never do business with those who lack of these elements, even if they have high-quality products.

After sales problems

To keep a business relationship with the Japanese, it is very important to take the appropriate actions in case problems happen after sales.

- Wrong merchandise and/or faulty products
- Product tampering (in bottles, jars, boxes)

Two things to do:

- Recall all of the products and re-send the correct merchandise at your expense.
- Invite your clients at your expenses (pay for the entire trip) in case they want to visit your company to check the hygiene management.

You must not refuse their requests even if they seem difficult to accept.

In Japanese context refusing means breaking a relationship.

Two things not to say:

- Before shipping the merchandise we found no problem.
- Before shipping, our quality management test did not find any problems.

There is a risk that these words will be interpreted as meaning that you have no intention to solve the problem.

Some examples of causes of recall of European wines or beer from Japanese market:

- Pieces of cork in bottle: broken during bottling.
- An insect found in cork.
- Some bottles have taken on an unpleasant smell during shipping in a container.

Similar problems are common to Japanese products on the domestic market; in such cases all the products must be recalled even if there is no harmful risk to health because Japanese consumers are very sensitive to hygiene matters.

The above-mentioned ways are adopted to guarantee product safety.

It is necessary to make an approach to the Japanese market while taking into account possible problems a very long silence from Japanese companies and an uncertain result, including possibly negative one, which guarantees nothing. They require unlimited patience and an utmost seriousness, not a superficial interest.