

Internationalisation of SME and Japanese market

In recent years there has been a notable increase in creation of companies specialising in internationalisation of SME in foods and wine industry. In Western world, this strategy is already essential for challenging foreign markets and importers know well this business model. Foreign buyers consider this as efficient method of doing business, especially for the following reasons:

- buyers have an opportunity to do business with different associated producers.
- representants have often making-decision power: they negotiate directly with clients and manage also export procedure.

It is not rare for them to start communication only by email and conclude a business agreement without meeting in person. On the contrary, through my experience of working with European companies that provide this kind of services, I found that Japanese companies often confuse with brokers and agents and show a negative reaction in fear of expensive prices including commissions per sale. They prefer to do business directly with producers without intermediate person and also wary of invisible and unknown persons. However, they do not hesitate to contact producers through public organisations or institutions such as officially recognised the Chamber of Commerce.

From where comes their suspiciousness toward intermediary services of private companies?

The main factors are:

- Import companies except those which have decades of experience or have a branch overseas, have difficulty in finding an opportunity to see in reality the trends of predominant business model. For this reason, small or medium-sized import companies do not know what is internationalisation.
- Insular closed mindset of Japanese companies, especially at organisational level based on the collectivism: they prefer to build a relationship through their closed persons in common – friends, family and acquaintances. Importers usually look for business partners through their own Japanese or international employees who know personally producers or their acquaintances who live in a country where they want to do business. They trust persons who have a direct relationship with their own internal cooperators. They are wary of unknown persons who work with producers. If their colleagues are not in contact

with any producer, they search by themselves companies on the Internet and contact them to make an appointment in situ. They publish rarely their products requests on the Internet either their own companies information in a foreign language to avoid receiving business proposal from too many companies. You will see that it is very difficult to find their requests on groups regarding foods and wine industry on LinkedIn while importers of other countries publish posts.

First contact with Japanese importers

To avoid misunderstandings and show that you work to help producers to approach Japanese market, you need to explain to Japanese importers in detail what kind of support you provide to producers and you work as export department of their company. If an explanation is unclear, the ordinary phrase *"We are looking for potential clients for producers that we represent"* will be interpreted wrongly as meaning that you sell the products as a simple agent. As mentioned before, the Japanese prefer to build a relationship directly with producers; it is natural that they show a negative reaction to contact by email from an intermediary, especially if he or she cannot speak Japanese. Their silence means the suspiciousness towards the intermediary of a third party rather than indifference to the business proposal. Unless you contact importers that you know personally or those who are introduced by an acquaintance in common, it is preferable to work with a Japanese expert or someone from your country with an excellent knowledge of the Japanese language and culture, who is able to support your company from the beginning of communication with importers, export process to after sales.

What important is to show them business model when building a relationship and guarantee perfect service beyond the language and cultural barriers.

It is important to gain trust of Japanese importers when contacting them for the first time but how does it work?

Three things to do :

- It is preferable that the responsible person of company send an email with an introduction letter of his or her Japanese cooperator. If the cooperator contacts Japanese companies, his or her email must be sent from own domain name of company (his or her account must be activated if it is unavailable) to verify the cooperation relationship.

For business matters Japanese companies are wary of messages sent from free email such as Gmail, Hotmail, etc. They think rigidly that those who engage in activity must belong to a company and have something (email account or business card) that verifies one's own identity. More exactly, they consider that he or she must be a member of an organisation. Their mindset is strongly linked to the society based on the collectivism.

- Explain to Japanese companies that they can talk directly with your associated producers and visit them if they want to do. You must not insist that your Japanese cooperator or your representative manages communication. It is important to show that you work to guarantee a transparent relationship providing support to the producers who plan to approach international markets.

- Create a website of your company and a catalog of products in Japanese (you need not to translate wholly if the website contains many pages). In case you contact importers with help of your Japanese cooperator, unavailability of a translated document is regarded as not only lack of preparation and of respect, but also superficial interest in the market. It is recommended that you insert pictures of your company and all of available products because the Japanese want to study thoroughly its profile and characteristics. As regard to websites of companies which represent producers, few products pictures are available for products line-up or they use downloadable images on the Internet which have nothing to do with their own products. It is recommended not to do this because Japanese companies wonder if the products shown on the website are really available.

The key for the first contact is to how let their guard down, not only to attract their interest.