



**BUILDING HARMONY
WITH JAPANESE
CUSTOMERS: KEY
INSIGHTS FOR
EXPANDING YOUR
BUSINESS INTO JAPAN**

ABOUT INFINITI

Infiniti Research is a leading provider of actionable market intelligence and advisory solutions that help global organizations in entering, competing, and capturing maximum market potential. Our experienced market researchers follow highly tailored and proven methodologies to support clients with succinct answers for business decisions in areas including Market Opportunity Assessment, Emerging Market Planning, Benchmarking, Value-Channel Analysis and Customer Segmentation. Our researchers have extensive experience in deep dive custom research and consulting assignments for over 100 Fortune 500 companies and numerous small and medium-sized companies across several industry verticals.

OUR CORE COMPETENCIES

Our core specialty lies in offering a complete range of competitive intelligence and research services and obtaining fresh market data through variety of primary research methods.

OUR VISION

We believe that the success of our clients will help us succeed. Our values reflect the thinking of the top management, which is to put our client's interests ahead of our own.

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INTRODUCTION



Doing business in Asian countries can be quite different and more challenging when compared to establishing your business in the west. However, there are several markets in Asia that are large and innovative powerhouses for global companies to grow and expand their business. Japan is one such Asian country that has been highly lucrative for investors. This is primarily due to Japan's flourishing industries in beauty and technology. Also, a good majority of the Japanese population tend to prioritize their careers over family life, as a result, the average Japanese consumer has more discretionary income than their European counterparts. Japan makes an ideal market for foreign brands on account of their open-minded youth culture and curiosity for the West. However, winning over Japanese customers is not an easy task. The challenge of gaining the interest and attention of Japanese customers not only involves overcoming the language barrier, but also their cultural preferences and purchasing habits play critical roles.

REASONS WHY WESTERN COMPANIES FAIL IN THE JAPANESE MARKET



Although Japan is an attractive market for western companies, not all are successful in establishing their businesses in the country. Lack of in-depth understanding of the Japanese market and the Japanese customers are the primary reasons for their market failure. We have identified some of the key reasons why many western companies fail to sustain in Japan:

- Japanese customers are highly demanding. They also tend to have different tastes and preferences when compared to western customers. This makes it essential for western countries to redesign and revamp their products to meet the expectations of Japanese customers. This is especially true in the case of consumer packaged goods.
- Japan's market size is enormous and so is the inherent risks in the market. Companies must have substantial investments to establish their business in this market.
- There are several strong local competitors in the Japanese market. Japanese companies are usually not welcome to new competitors and they try hard to compete against new entrants. So western companies must be prepared with strong strategies to withstand the local competition. It is imperative to understand local competition thoroughly to win Japan.
- Although common management methods work well in the US and even in Europe, they have little chances of winning in Asian countries like Japan. In many cases, drastic changes in thinking and management methods and personnel changes at headquarters would be necessary to succeed in Japan. However, many western companies often fail to act on this knowledge.

GUIDELINES FOR ESTABLISHING YOUR BUSINESS IN JAPAN

Based on our expertise in helping several global companies with formulating market entry strategies to succeed in foreign markets, our experts have discussed some of the key strategies for western companies to establish their business in Japan.

Manipulate the context

In a group situation, it is important to be sensitive to the relationships between your Japanese associates. It is also essential to alter the circumstances and environment until you get the desired reaction from them. For instance, if you are in a group meeting and you are having trouble communicating, try to communicate with the Japanese group leader away from everybody else so that a private situation can be created. This removes the pressure of his/ her obligations to the group members and can develop trust in you. This will also help to reassure them of a manageable limit to the obligations that they will incur.

Be smart in negotiations

Americans ask direct questions and expect direct answers when they are negotiating. The Japanese will typically give a vague reply or pause indefinitely. In such a situation, there are chances that you get rattled and give away too much. If you are reviewing a contract with a cautious American and after a brief discussion, you ask, "Is this agreeable to you?" The party sits silently, eyes glued to the paper. In an effort to wrap up the deal, you may ask "How about if we reduce the projected volume by 15 percent, will that help?" Before you know it, you've been played into making a concession that may not have been necessary. In Japan, this situation is the rule rather than the exception.





Eliminate surprises before negotiation meetings

Parties to a negotiation must make the effort to resolve as many differences as possible in private so that they do not surface during negotiations. The Japanese are extremely uncomfortable with resolving major conflicts in the public context of a meeting and might never return to the table if they are taken by surprise in that manner.

Use a third party

Having an independent mediator can help companies reduce substantive conflicts over time. This helps ensure that by the time the two parties sit down for a meeting, only minor differences are left unresolved. So, companies must choose their third-party wisely. Your Japanese client will have to know and trust this person and believe that their culture will be understood, and their values will be served.

**Request a brochure for more insights into
our market intelligence solutions for
businesses**



Get in touch with us!



Identifying market opportunities are easier with the right partner to provide you with intelligent business solutions. Know more about how our solutions can help you!

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