

## 9 Approaching the Market

Japanese food processors do not connect Canada with specific products. Rather, they see the country as a land of natural resources. This puts Canadian suppliers at a distinct disadvantage since products are often associated with their country of origin. Japanese meat processors, for example, equate Switzerland with cutting machines and West Germany with smoke houses.

Since Japanese imports of food processing equipment are sourced mainly from suppliers in Western Europe and, to a lesser extent, from American manufacturers, Canadian exporters should focus their marketing efforts on products that can successfully compete with those of European or American producers. Sales prospects for Canadian baking equipment and for meat processing and fast food equipment are ranked as good and average, respectively, while opportunities for fish processing equipment are rated as poor.

### Be Innovative

The ideal way to penetrate the Japanese food processing machinery market is to introduce machinery or equipment that is used exclusively to process a unique food product. The watchword here is innovation.

### Approach Distributors Directly

Another possibility is to approach distributors directly, armed with catalogues and machinery specifications that they can use as reference materials. Manufacturers of complementary products or distributors who are familiar with the market are normally well positioned to provide after-sales service support, as well as to promote and distribute products. A word of caution, however: some manufacturers/distributors can easily adapt western technology into their own equipment.

### Go the Franchise Route

Introducing machinery or equipment as part of a franchise package is another method worth considering. Making a sale or, at least, getting an introduction, may be possible through the North American franchisor. In recent years, some of the major Japanese trading houses and food companies have established franchises as a means of diversifying their operations. Approaching these businesses with a franchise opportunity could prove to be more productive than simply trying to sell equipment.

### Explore Licensing Agreements

A significant amount of meat processing equipment is manufactured in Japan under licence from western countries. Taking into account the frequently bulky nature of such equipment, this is another option to be considered.

### Try a Trading House

When equipment is destined for large, industrial-scale applications, a trading house that has a proven track record among Japan's major food producers may be the best bet. Trading companies such as C. Itoh and Terada Trading have the power and interest to represent a foreign company to major Japanese accounts.

Large trading houses, however, do not necessarily make good partners nor do they provide sufficient after-sales support when a more active sales program aimed at a number of smaller companies is required. Where equipment is meant for small-scale applications, it may prove more advantageous to consult a smaller, more specialized trading house.

### Attend Trade Shows and Exhibitions

Trade shows and exhibitions are standard means of introducing products to the Japanese market. Users frequently visit such events both at home and abroad to search for new and innovative products and equipment. A list of major trade shows is presented in Chapter 11.