

6 DISTRIBUTION

Distribution channels

The traditional distribution method in Japan has been to develop a wide network that includes wholesalers who buy and stock the manufacturer's products. Unfortunately, this is extremely difficult to do, particularly for an importer.

On the other hand, because of the complex nature of distribution, it is not unusual to find that Japanese manufacturers will handle imported products as well as their own provided the imports do not directly compete with their own lines. In the door and window market there are a number of other possible channels for distribution.

There are several types of companies in the industry linking manufacturers and importers to the end users. They are:

- . wholesalers of building materials;
- . retail shops for building materials;
- . "tateguya";
- . 2 x 4 house manufacturers;
- . prefabricated house manufacturers;
- . architects; and
- . carpenters.

Wholesalers are sometimes divided into several levels according to the size of operation. The primary wholesalers have smaller wholesalers under them, and so on.

A "tateguya" was originally a carpenter who specialized in making and installing doors and windows in Japanese houses. As a distributor, the "tateguya" acts as wholesaler/distributor.

There are many "tateguya" in Japan, mostly in one-person operations. However, some "tateguya" have become manufacturers of wooden doors and windows. One such company is Ohara Sanwa.

Distribution channels vary from company to company, but the three principal patterns of distribution are:

- . Kenzai (Building materials distribution)

About 80 per cent of doors and windows are distributed through this channel. In particular, virtually all aluminum windows are distributed this way.

- . This is the main method of distribution for Yamaha, Matsushita, Daiken and Dantani. Manufacturers sell their products to wholesalers of building materials and the wholesalers in turn sell their stocks to retailers or smaller wholesalers.