

burden of non-profitable involvement for some years. The positive side of this process is that business ties, once established, are frequently solid and long lasting.

Product: No consumer in the world is as demanding as the Japanese, who insist on style, innovation, technical excellence, flawless manufacturing and exquisite packaging in the products they buy. In Japan, as elsewhere, price matters in the marketing of any product. The difference in Japan is that the inevitable trade-off between price and the considerations just noted is still weighted in favour of the latter. The Japanese insist on the best and have been willing to pay for it. More recently, however, price has become more of a factor.

The consequence of this is that Canadian exporters must be prepared to modify their products, often substantially, for the Japanese market. Distributors will expect and will not hesitate to ask for, major changes in a product to bring it more into line with their view of what the market wants. A Canadian supplier may, indeed, be faced with requests for product modifications which, in addition to being costly, might appear unnecessary or ineffective. The temptation to reject such requests outright should be resisted and exporters are well advised to consider most seriously the advice of their agents or distributors on such matters.

A key factor to keep in mind is the speed with which the Japanese market changes. The rate of introduction of new products is much higher in Japan than in probably any other market, the variations offered on a basic product are greater and the life cycle of a product shorter. To remain competitive, foreign suppliers must, as their Japanese competitors do, constantly improve their products. Where significant market share is at stake, Japanese competitors are quick to respond to the challenge of a new and innovative product, bringing out their own, often improved, versions in short order. In a dynamic market such as Japan's, it is necessary to move ahead constantly in order to avoid falling behind.

The marketability of a product in Japan is determined by its quality, design and price. However, reliability is of paramount importance in securing business for a Canadian supplier. A Japanese importer is reluctant to enter into any purchase contract if he is not assured of a smooth supply in future. Defects or delays are not tolerated and a small mistake, if not rectified quickly, can harm a business relationship.