

Diver Support Systems

Currently, wireless communications systems are available in Japan. However, a good portion of the technology was imported from overseas and is considered inferior to Canadian technology. The Japan Defense Agency currently uses a domestic wireless system of this type, although it is outdated and is being replaced by an imported one. Other existing options are umbilical cord type systems that are considered dangerous by many in the industry.

Diving suits are currently made domestically because of the difficulty of custom fit and body size differences. On the other hand, Japan is conservatively estimated to be importing 70 per cent of all diving helmets.

Some of the major domestic manufacturers of communication systems and diver support systems are Tabata Corporation Ltd., Nihon Aqualung K.K. and Apollo. Primary end users of diver communication and support systems include the Japan Defense Agency, the Coast Guard, future leisure markets, diving instructors, police agencies and other government agencies and institutions.

Future trends call for a communication system to cope with the ever-increasing leisure diving market. For example, if an inexpensive leisure type system could be developed for inexperienced divers, it could be utilized by diving instructors as a teaching tool. In addition, if the price was right and the system was easy to use, the average leisure diver could become a major end market.

5 Distribution Channels

For success in the Japanese market, it is necessary to have a sales organization that fulfils three key criteria; it must understand and be accepted by the industry, provide high levels of after-sales service and maintenance, and be able to handle financing and logistics questions.

A fully supported representative office is generally considered impractical and insufficient and it is rare to find the one individual or company able to do the job.

End Users and Manufacturers

Industry sources feel that the best way to import most high-tech ocean industry equipment is by having a strong connection with an end

user/distributor (such as a salvage company) or an equipment manufacturer in Japan. Moreover, this type of firm would usually have the capability to handle after-sales maintenance and technical support.

Most manufacturers and end users, however, retain close relationships with sogo shoshas (general trading firms) that handle import procedures and financing of large speciality equipment.

Sogo Shoshas

Sogo shoshas are not considered to be adequate importing partners by themselves. They generally lack in technical support and after-sales maintenance capabilities. Moreover, most will not represent small volume equipment unless it is on-the-spot or on a one-time basis.

Sogo shoshas are, however, well versed in import/export procedures and marketing (for some types of products), and are well financed. This makes them good partners in three-way relationships with end users or equipment manufacturers.

As indicated above, manufacturers and end users/distributors are generally capable of technical support and maintenance services and are in close contact with the market and its needs, but are not generally financially capable of handling the risks involved in importing expensive specialized equipment. Therefore, such companies rely on sogo shoshas to handle import procedures and lend financial stability.

In cases where a sogo shosha is a direct contact or import licence holder, the company will frequently employ an end user or domestic manufacturer capable of handling maintenance and technical advisory tasks.

On the other hand, companies may already have direct contact with an end user within its own affiliate group. Sumitomo Corporation, for example, and its affiliate Sumitomo Ocean Development, currently has a technical advisor/importer relationship. When Sumitomo Ocean Development needs to import expensive specialty equipment, it calls on Sumitomo Corporation to handle all import procedures and financing. When Sumitomo Corporation has ocean industries related technical problems it turns to Sumitomo Ocean Development for assistance.

Other sogo shoshas create subsidiaries specifically to handle importing, marketing and maintenance of ocean industries equipment and related activities and machinery. A good example of this practice is Nissho Iwai Corporation's subsidiary, NIMAC Corporation.