

As well as the possibilities in these general areas, importers have expressed specific interest in cartoning machines for PET bottles, compact forming machines, bicycle boxing machines and potato chip bag casers.

Key Success Factors

Price. When purchasing standardized packaging machinery, end users tend to consider price over performance, after-sales service or customized extras. Upper-end specialty machines, however, are priced according to their features. Therefore, Canadian manufacturers should concentrate their efforts on larger volume packagers in need of custom-designed or highly specialized equipment.

Delivery. One principal disadvantage Canadian exporters face is delivery time. Most industrial end users expect delivery and installation of a customized system within six months of the initial order. Siber Kikai K.K., the top chocolate bar packaging equipment supplier, generally requires nine months to design, manufacture and install such a system. The company allows three months each for planning and design, for manufacturing and for delivery and installation.

After-sales service. Purchasers of packaging machinery assign great importance to after-sales service and maintenance. It is in this area that domestic producers have a distinct advantage over foreign suppliers. Since domestic suppliers service products locally and have replacement parts readily available, they can normally respond to service calls within 24 hours. As well, several major domestic manufacturers deploy maintenance staff in their customer's facility, thereby assuring prompt service. For Canadian exporters, the 24-hour response time is difficult to match and maintaining staff on site is not, in most cases, economically feasible. It should also be noted that large industrial users are generally capable of servicing their own equipment and, therefore, are preferred over small-scale users who tend to call whenever the slightest problem arises.

Quality. One of the key factors in selecting packaging equipment, quality encompasses performance, durability, adaptability and ease of operation. According to industry sources, imported packaging machines have an advantage over domestic equipment when it comes to the quality of materials used in their manufacture. Imported machines normally last between 10 to 15 years, while the life of domestic equipment is estimated at between 5 and 10 years.

Versatility. Users generally prefer machines that adapt easily to existing machine systems or are capable of expansion through incorporation of additional options. Versatility includes the ability to handle various packaging sizes and to be multi-functional.

Speed and compactness. Unlike smaller operations that tend to sacrifice speed for price, speed is an important consideration for larger packagers. In Japan, where space is at a premium, a machine's value is enhanced if it requires less space to perform the same function as a larger machine.

Ease of operation. Ease of operation ranks high on the end user's list of considerations. Labour shortage in Japan has forced domestic manufacturers to use part-time/unskilled workers, many of whom are women, and, therefore, they are always on the look out for labour-saving equipment that will also handle the physically demanding tasks.

Training. Many in the industry consider training sessions for importers and end users a must. Employees of Nakamura Sangyo, importers of Stephan packaging and food processing equipment, are invited for training sessions at Stephan's main plant in West Germany every two years. By making the rounds with Stephan's sales force and attending training courses to better understand the machines they handle, Nakamura staff are better able to respond to the needs of Stephan machinery users in Japan. Exporters must also be prepared to provide marketing support such as regular technical and sales visits and a systemized method of ordering parts. Training sessions and support services go a long way toward ensuring closer rapport between manufacturer and importer.

Market Development

Link with new packaging. Perhaps one of the easiest means of market entry is identification with a new type of packaging. This, of course, requires both the marketing of the advantages of the packaging and of the machinery, but the effort is frequently rewarding.

Working with end users. Approaching end users directly is also a possibility although it will probably be necessary to transact the actual operation through an importer or trading house. Exporters approaching the market via this route must be prepared to address the issue of after-sales service.

Trade shows. Although trade shows and exhibitions are considered by Japanese manufacturers and importers to be primarily a show of force rather than a sales vehicle, they do provide an adequate means to introduce new products and technology. The possibility of meeting potential Japanese buyers and partners at major international trade shows should also be considered. Three of the principal Japanese packaging machinery trade shows are: