

The Daiei supermarket chain, which is the largest in Japan, has offices in Seattle and Los Angeles which are in charge of finding products and making direct purchases. In all, Daiei has 16 offices in North and South America that monitor quality and purchase products. The goal of daiei is to increase the amount of direct purchases every fiscal year. Of the 7,000 tons purchased annually by Daiei, 20% is purchased direct. Daiei has begun to rebuild its salmon purchasing system and is concentrating on diversifying its purchasing system so that they are trying to work with an organization that has both purchasing power and handles the salmon well. It is important that processing is done properly because Japanese consumers are very sensitive to quality and stories of incompetence spread quickly. Needless to say, poor processing damages the image of Canadian products as a whole.

SUPERMARKETS

Supermarkets, similar to Canadian stores deal mainly in food but also offer general merchandise which might include clothing items such as T-shirts and socks. They are the main markets for acquiring the daily necessities. The wide range of products available in supermarkets allows them to cater to the entire family. There are roughly 50,000 private supermarkets and shops that are involved with fish retailing in Japan. This translates into one fish retailer for every 2,000 people. Of this total, 90% are shops with only 1 to 4 employees, popularly known as mom and pop stores. Larger operations with 10 or more employees account for only 1% of the total.

Daiei, of the Daiei Food Service Industry Group, also operates the largest supermarket chain in Japan with over 2,150 outlets nation-wide. It is actively involved in other businesses which include hotels, restaurants, credit services and tourism. It has actively expanded its distribution system to include department stores, and specialty and convenience stores.

Food sold in large city supermarkets is typically pre-packed. Supermarkets, and an increasing number of individual fish shops, display frozen fish and frozen pre-cooked foods in showcases, air curtained to protect the goods from the warmer exterior. The processed goods displayed are packaged by machine in the processing industry before arriving at the supermarket. Some of the supermarkets and shops sell both fresh and processed fish, while others sell only processed products.

Fish sold in supermarkets is usually consumer packed, easy-to-cook and often pre-cooked. Japanese housewives are generally responsible for the cooking and often view fresh whole fish as a great inconvenience because of the required preparation. The consumers, usually female, rely on their own judgement when choosing seafood. The choice is normally made on the basis of colour, cleanliness, size, apparent freshness, packaging and product brand. Product presentation at the consumer level is an integral part of product marketing.

CONVENIENCE STORES

Convenience stores are the fastest growing segment of the food marketing business. Sales have been very strong as these stores continue to expand at a rapid pace. Processed, fresh and fast food products make up roughly 90% of total sales. The convenience stores generally cater to young individuals. Studies have shown that at the Seven-Eleven chain's over 3,300 outlets (the largest chain of convenience stores in Japan) 70% are in their twenties and 50% are male. The Seven-Eleven stores, both in Japan and the U.S., are owned by the Japanese Ito-Yokado group. Towards the goal of increasing their market share, convenience stores are trying to expand their marketing and sales efforts to target older people and families.