

Marketing Strategy Challenges in Japan for Foreign companies

There are three challenges that foreign companies face when entering the Japanese market

- Differences in values, culture and customs between Japan and other countries
- Gap between your marketing strategy and Japanese
- Language barrier (many Japanese do not speak English, making communication through meetings with local Japanese companies difficult)

The following is a description of how to solve the challenges that foreign companies face when establishing a presence in Japan.

1. Differences in local culture

The first step in expanding overseas is to understand cultural differences. Different languages are spoken, customs and habits are different.

Understanding the culture between businesses is one of the things that will lead to a smoother and more successful overseas expansion. Moreover, working with local talent, marketers, and stakeholders is the fast track to cultural understanding.

2. Do not simply adapt your business strategies that have been successful in your own country

A common mistake that many companies make when expanding overseas is the misappropriation of business strategies from their home countries. Many companies "translate" the strategies they have learned and experienced in their home countries and use them when expanding overseas.

However, as mentioned above, the target market in the destination country is a completely different language and cultural background. There is very little chance that the strategies, experiences, and successes that have been successful in your home country will be useful in that market.

Success in your country is certainly a great asset, but it can sometimes blind the company. It is very important to build a strategy that is appropriate to the local culture and environment, always with the mindset of starting a completely new business in a place where everything is different.



3. The value that customers in your country and those in the destination country demand for your products and services will always be different.

When considering expanding overseas, many companies decide to take the same products and services that have sold well in their home countries. However, the customers they are approaching are new people from a completely different culture. For example, when a software company that has been successful in its home country decides to expand overseas, it first looks at the maturity of the market in the destination country. A product that is well established in its home country may have more extended functionality or simplified manuals for handling. However, when selling to an unfamiliar market, the target market may not even know what the software is. In such cases, it is necessary to make the product more introductory, eliminate extensions, and enhance the tutorial functionality.

Thus, with the maturity of the target culture and market, the value of the product, service form, and brand will change, and its acceptance will change. Accordingly, the way products are approached and marketed to consumers often changes 180 degrees.

4. Different countries have different effective sales and marketing channels.

Different targets and their cultural backgrounds require different marketing and sales channels.

For example, when an American company expands into Japan, it is effective to build trust over a long period of time through profound relationship, in addition to business meetings, with local companies and partners. This is because in Japan, there is a cultural background that values trust between people.

Marketing channels also differ in each country.

When implementing marketing initiatives in overseas markets, it is necessary to carefully analyze local marketing channel trends, SNS usage rates, and penetration levels.



Services that I&D can provide to solve marketing strategy challenges faced by foreign companies entering the Japanese market

1. Market research and analysis support

Market research is essential for business success. In many cases, especially in the case of overseas companies, it is believed that they do not have an accurate understanding of the market situation and environment in Japan, so it is beneficial to use support services.

It is also advisable to consider the use of analytical support services. There are cases where a business model that is expected to be successful in the home country may be difficult to implement in Japan. Analytical support can help you understand whether there are business opportunities in the Japanese market and whether growth can be expected.

2. Marketing support

Marketing support can help companies increase their visibility and attract prospective customers through promotions. It is difficult for foreign companies to raise their visibility in Japan from scratch. With marketing support, they can effectively increase their name recognition and visibility, leading to more efficient customer acquisition.

3. Localization support

Localization support is essential for overseas expansion, not only to translate service/product materials into local languages, but also to adapt them to local business practices.

By adapting not only the presentation of products and services, but also the content itself to Japanese culture and customs through localization, users will be more likely to accept the products.

Adapt your products to Japanese business practices by leveraging the localization of companies and services that are familiar not only with the local language but also with the local culture.



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