



JAPAN – MARKET INFORMATION

Japan Market Research Mission - Key Market Information – 2009/02

A recent trip to Japan was conducted to gather market information in order to present to Alberta industry interested in pursuing business opportunities in the Japanese market.

While meeting with thirteen Japanese food companies in three cities (Osaka, Tokyo and Sapporo) as well as conducting two focus groups and one taste evaluation session, there were a number of key points that were brought to our attention or reinforced regarding food products in the Japanese market.

This information falls under the topics of product and packaging preferences, market trends, and business relationships.

KEY MARKET INFORMATION

Need to be open to flexible/adaptable for modifications

- adding/reducing ingredients
 - to meet taste requirements, have lower tariff rates, take advantage of market trends
- packaging
 - collapsible if possible/appropriate (for storage in limited/small cupboards/fridges/freezers)
 - picture truly represents contents of package
 - transparent if possible as Japanese consumers like to see what they're buying
 - attractive packaging (Japanese consumer might try new product once if the package is attractive)
 - simple presentation with limited writing/description
 - durable so that products do not fall apart or break in transit
- product size
 - Japanese prefer smaller serving sizes than North America
 - Like balanced meals between protein, starch, veggies; therefore they do not want too much of one or the other
- package size
 - 1-2 family serving size in each package as a maximum
 - Recommended to consult with Japanese contact to identify exact quantity required

- product preparation time
 - if preparation time is too long/bothersome, Japanese consumers will avoid these products

Market Trends

- Consumers are always looking at labels for Country of Origin (COO) now due to problems of contaminated ingredients, mislabeling/omitting COO
 - Japanese producers are looking for substitute ingredients that they previously sourced from China due to food scares
- Many Japanese importers are requesting proof of food safety and traceability practices as well as detailed flowcharts of inputs from suppliers. Importers need to know all the details of product origin and content because they are receiving many questions from customers/clients.
- SME Japanese producers source inputs/ingredients through established trading companies in their industry
 - They are willing to pay a fee to trading house or higher price on product rather than having the invest in HR & time & headache of sourcing directly from international suppliers to comply with importation and tariff rate regulations
 - For larger companies with the supply capacity, accessing the Japanese market via a trading company may be a possible avenue.
- Health foods/organics/allergens-free/specialty
 - Represent 20% of food industry in Japan with slowly increasing consumer demand.
 - Not a big part of supermarket business but always a corner/aisle for specialty products. Sometimes difficult for these products to go through established distribution channels; therefore, need to identify Japanese buyer that deals specifically in these types of products
- When making meals, many household cooks like to make the main dish and buy side dishes to complete the meal for their family.

Other Key Points

- For new/unique products, there is a need to support sales promotions to educate consumers to be successful in sales.
- It is recommended that Alberta companies establish regular communication with Japanese importer/buyer and visit market at least once a year to maintain relationship and increase business opportunities.

Next Steps

- Exhibit at the Canada Food Fair next fall at embassy in Tokyo and have a customized program developed around the food fair.
- Attend FOOD EX 2010 (March, 2010) to walk the show or exhibit, learn more about the market (trends, competitors), meet with potential/current buyers

Please contact the following government groups to receive support/information in product development, Japanese market information and business opportunities:

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