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THE IRISH TIMES

Misconceptions rife in Japanese-Irish relations

By Niall McKay

If you step off the train at Tokyo's Shibuya station and look down on the square, you would be forgiven for thinking that you have entered the set of Blade Runner - without the flying machines of course. Gigantic video screens rain down multicoloured images on the tens of thousands of people swarming across the roads that lead from the train station to the various shopping districts.

Cross over the road and take the elevator up to the 17th floor of the Mark City shopping complex and you may be surprised to hear the hub-bub of Irish accents. This is Enterprise Ireland's incubation centre, which was set up last year to give Irish companies a helping hand into the Japanese market.

The centre places particular emphasis on the mobile or wireless industry - since Japan is the most advanced wireless market in the world.

If you have seen pictures of the classic neon-lit Tokyo nightscape, chances are that they were taken in Shibuya. However, the incubator is based here because this is also the centre of the cell-phone universe.

Every day thousands of teenagers browse through the shops or lounge around in the restaurants and cafés. These are Japan's trendsetters so the big electronics and mobile-phone vendors send dozens of market research people to interview them and find out their likes and dislikes. They then incorporate this knowledge into their next-generation products.

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So it's good home for the Republic's high-tech companies, many of which are also focusing on the wireless industry. Here they can get office space, secretarial support, telephone lines and high-speed internet for about €2,000 per month - approximately two-thirds the going rate for Tokyo.

All the company has to do is send someone along with a laptop. Of course, finding their first customer might be somewhat more difficult.

One of the ironies about Japan, and there are many, is that despite its reputation as one of the most technologically advanced places on the planet, it takes a long time to do business here.

Network365, for example, has been up and running in Tokyo for just over a year and is only now landing its first big contract.

There was, of course, a great deal of preparation work to be done before the company could make its first sales call. The product had to be localised for the Japanese market, documentation had to be translated and technical support people had to be hired.

"Being a non-Japanese company is defiantly a big minus as well," said Mr Philip Greenan, Network365's director of business development. "We Irish don't have a big profile here."

Indeed, Mr Declan Collins, Enterprise Ireland's representative in Japan agrees. Mr Collins has run a number of trade missions and has brought Irish companies over to Japan and presented them to potential Japanese customers.

"When you're sitting opposite a Japanese person trying to tell them that Ireland is a country that has a good track record in the technology business you can see their eyes glaze over," he said. "However, after each trade mission they are usually pleasantly surprised and have changed their view."

Despite such difficulties, Japan is still a great place to do business. There is a huge market here that is a good deal more receptive to new ideas and innovative technology than either Europe or the United States.

Contracts tend to be a good deal more lucrative and its leading position in the wireless business makes it the ideal first place to release cutting-edge technology. Sales here often translate into sales in Europe and the US.

Furthermore, while there is a recession in Japan, (often defined by economists as two consecutive quarters of negative growth), it is nothing like the recessions that we are used to in Europe and the US.

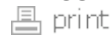
Japan has still a long way to go before your average consumer starts to feel significant pain. Indeed, I would hazard a bet that many western countries would happily swap their boom for Japan's so-called bust.

Another misconception is that Tokyo is prohibitively expensive. This might have been true during the 1980s but a decade of price deflation coupled with a falling yen means that prices of hotels, apartments and equipment here are similar to prices in other major cities.

Such misconceptions have made Japan a hard sell to the Irish business community and also brought some pretty weird requests to Mr Collins desk.

"We had a fella once who wanted to organise meetings with potential Japanese clients," said Mr Collins. "His plan was to rent a car, live in the car for the week and drink milk."

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