

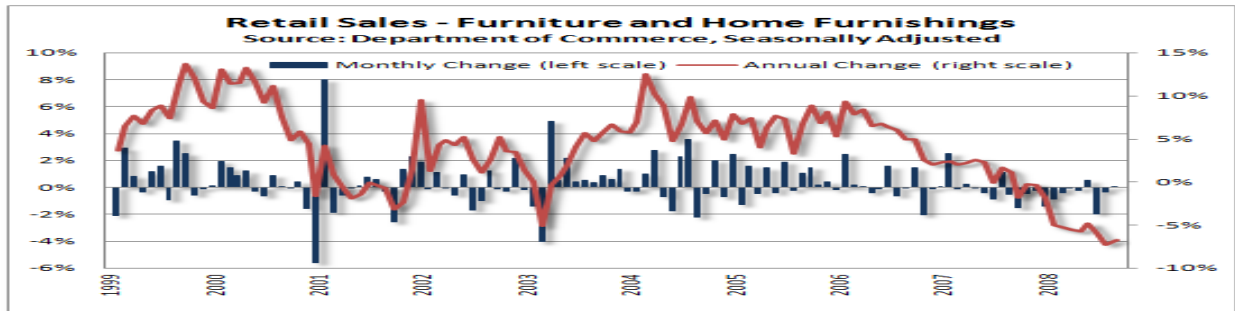
International Marketing Potential for Furniture in Japan

Introduction

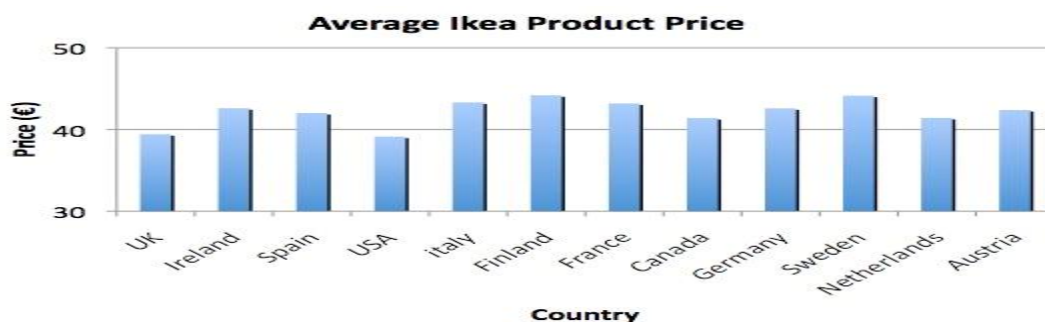
The most important aspect of business that all business owners and participants should focus on is the market. As defined, market is the platform wherein all institutions and infrastructures are selling their products and services. It is an arena where businesses and businesses men are colliding heads on in order to gain the trust and the loyalty of the consumers. This is particularly true when the truth of the matter is that without trust and loyalty any businesses will not be able to achieve its full earning and profit ability. It has to be remembered that it is a place where people, both consumers and businesses, are exchanging money for services and products productively. Hence, there is a need to keep it going and to maintain positive economy to gain more profitability. Apparently, the mainstream economics suggests that competition be toughened in order to ensure that both consumers and the businesses are doing their best to strengthen the influence in products and services' prices. In this regard, it can be seen that many businesses are doing and trying their very best in order to win at least 65 percent of the total market population (Sullivan, 2003). However, such task is not an easy thing to do. There should be an employment of various marketing strategies, research and design, branding and techniques to ensure that such goals of profitability and owning of the market are achieved at the end of the day. Furniture business for example is one of the growing businesses nowadays. With its rapid growth is the stiffening of competition and for those owners who will not be able to cope up with its fast pacing movement might suffer slow down or even worst bankruptcy. More particularly, this paper will analyze the future of furniture business in Japan by comparing it to the markets and business movement in the United States of America.

One of the most known furniture business in Japan is IKEA. The company is known to be one of the best in quality provider of furniture whose markets include Japan, Canada and Sweden among the many others. The company entered Japan and invaded its market segment in the year 1974. However, the attempt failed on various reasons. One of which is the lack of Japanese interface. By this it means that the company was not able to communicate well with the Japanese market. Somewhere along the line, the company did not succeed in reaching to the Japanese market (Lukacs, 1971). It lacked interaction which resulted in the failure of market invasion. The company suffered even more because it does not have a more developed system to which they will distribute their products. Having a low budgeted and less effort advertisement did not help the company either in gaining market control. However, it is the lack of conceptualization about the Japanese markets and the needs of the Japanese people that made it impossible for IKEA Japan to reach its full profitability. It has to be always remembered that in order to gain access a new market, there is a need to know what the people needs and why do they need the products being sold to them. It will not matter whether a certain company provides the best furniture or services there are in the whole world if it will not be able to convince the consumers and the markets that they really need such products and services. With all this, it came to a point in time where the CEO of IKEA released a statement that Japan is not ready for IKEA. But then again, it cannot be more politically correct to say that IKEA is not ready for Japan or should it be said that it was not ready for the country. With the passing of time, IKEA has learned to developed new marketing concepts and techniques that enabled them to succeed later on in their business.

Market Quality Index of IKEA Japan and United States of America

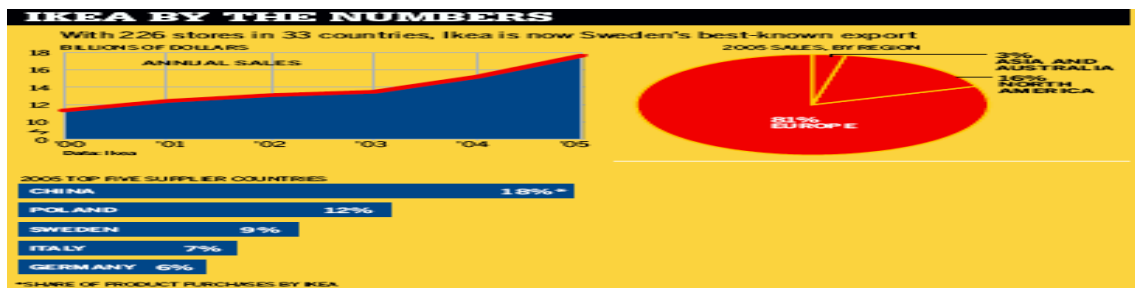


When IKEA entered Japan, it can be said that there has been a great need to impress the Japanese market. This is not an exaggeration of facts. The truth of the matter is that any business needs to establish itself in gaining the trust and the loyalty of the targeted market. In this regard, IKEA Japan must be able to meet the demands and the standards of the Japanese people. The Japanese market is not an easy market to please. Their standard is higher as compared to other nations and more particularly the third world nation. Although it is believed that IKEA is known to provide quality furniture and it still continues to do the same up to this date, the Japanese people are very picky. They are brand conscious. They would not go for just any other second class products and more furniture. They have been accustomed to getting only the best there is. Being an industrial nation that Japan is today, they have been developing and creating almost all the best products in the world such as cars and other electronics. Hence, the standard they are setting among the consumers and among the Japanese people is way up there on the top. With this standard comes a greater responsibility to please the clients and the consumers and attract them to buy the furniture that is being sold for consumption. Efforts on advertising and marketing must be given priority since it might be difficult to gain full access to the market especially with the increasing competition that IKEA has to face even in the coming years. Quality should be given more emphasis. The higher the standard of the consumers, the greater is the responsibility of the business owners to ensure that they meet and exceed such expectations.



United States of America has been considered as one of the super power nations in the whole world. With this, every business wants to have a taste of success through accessing the country's market. It cannot be denied that the main goal of IKAE USA is to provide the best in quality furniture for the Americans. As a matter of fact, it has become the battle cry of the company. However, the greatest challenge that is being faced by the company is the fact that there are lots of competitions in the country. There are many companies and business that are engaged in selling furniture. Economically speaking, it cannot be denied that when there is large number of suppliers, the influence of the prices of such supply diminishes. This only means that the more suppliers there are the lower the chance of selling products (even quality ones) to a higher price. This problem has bombarded the company of IKEA located in the United States of America. With the economic recession being experienced not only of the United States of America but the whole world, there is a small probability that a high priced product can be sold easily (Bessembinder, 2003). The inability of the Americans to pay their mortgages and their bills rendered them disable to spend more money on furniture. Hence, there is a need to lower the prices as compared to other IKEA companies that are located in other countries. With this, the challenge of IKAE (regardless of whether or not they are in the United States of America) is to make sure that they provide quality products and services at very competitive prices in order to get them going and to attract more consumers and earn more profits to sustain production costs and employee retention. Which is by the way are important for the business' operation.

Market Potential Estimates



IKEA has fully understood that there is a need to determine and study the market before trying to access the arena and the platform of exchanging money for products and services. As can be seen, the greatest market asset of IKEA is located in North America. There is only a small percentage of market accessibility in Asia which consists of India, China and Japan among the many nations that can be found in the continent. Focusing on the Japan industry, it has been found out that the country is indeed one of the nations that have high percentage of sales. It is actually second in rank being the United States of America as the top country in terms of sales and retail industry. The Japanese market is one of the most difficult markets to penetrate because of the fact that they are inclined to ask for more than what they are willing to pay for. They are more concerned about the quality of the products that are being sold to them. They will not go for just second class products. They do not go for sub-standard products if they can produce quality products themselves. In this regard, IKEA needs to make sure that the company is up for such challenge. Needless to say that Japan requires full service. They are willing to pay high amount if only they can get quality products and that the service they demand will be met. On the other hand, the United States of America ranks number 1 in sales because of the fact that the country is bombarded with lots of suppliers. Because of this, the only thing that has to be considered is how to sell the products in lesser amount and competitive prices in order to ensure market loyalty and trust. Also, quality must not be put in detriment as well. Quality products sold for lower prices.

Analysis of the Technique Details of the Marketing Plans and Product Adjustments

In order to ensure that the company maintains a stable Japanese clientele, they have created a scheme of brand consciousness. With this, IKEA Japan makes sure that they have established their names and that the products that they are importing are only branded and sold it to the Japanese clients. Since the first failure of the company, IKEA Japan has learned that it is important to know and analyze the behaviour of their market segment. This is particularly important because of the fact that the absence of which will render the company incompetent. Not knowing the clientele and the market in general will make it hard for any company and business to provide what is actually needed and what is preferred. It is a known fact that people and consumers specifically have different tastes and preferences. They vary in terms of wants, needs and desires. For example, people in the United States of America might just buy any brand of furniture for as long as it looks good and affordable. However, that is not the case in Japan. The Japanese preferred branded furniture and products even if it means it will cost them a lot. Also, the styles and the designs of the products matter as well. Hence, it is important to know the clients. A business should ask the question of what do the market wants. Once answered, the company should not deviate away from it and must do anything within its power and all legalities to address such needs. This only means that even product adjustments must be enabled. It is very important for IKEA Japan, in particular, to be flexible enough to make adjustment in its prices and products. The key is to give the market what they want. It cannot impose what the company wants but rather must yield to what is being demanded (Marshall, 1961).

Promotion Mix Distribution

There are different ways in order to promote and distribute products. However, in the case of IKEA Japan, it has to make sure that it is not lazy in terms of advertisement. Nothing beats a good advertising. It might be costly in the first few attempts to advertise the products and services but it will definitely boost the morale of the company. There are many ways to advertise to the Japanese. The utilization of the full potential of the new media will definitely help in disseminating the information about the products and will yield positive results as well. Television, newspapers and radio stations are the traditional ways of advertising. It might be costly but it will be all worth it. An easier, cheaper and yet powerful way to advertise is through the Internet. It cannot be denied that both young and adult are all hook into the information gateway today. Postings of advertisement online will definitely help boost the credibility and the clientele of the company. Also, it can be suggested that such advertisement use the native language of the Japanese people. It should embrace the culture and language of the country in order to gain their trust. Remember that it is important to make sure to gain their respect and the company will surely go a long way. Adjusting the price will definitely help as well. Branded furniture and products being sold at lower prices will amount to more sales and increased profitability (Kurtz, 2010). Conducting clearance sales and discounted prices will help a lot as well. The key to success in this business is to always put the needs and the demands of the clients above anything else. Remember that it is the market that keeps the business alive. Without which there is no success. If there is demand, make sure that it is met in accordance to the standard of the clients and the core values of the company.

References

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