

CASE STUDY



Irish Fashion hits Japan

Background

In the fall of 2005, the Japan Market Expansion Competition (JMEC) was contracted by the Japanese office of Enterprise Ireland, the government agency responsible for the development and promotion of indigenous Irish industry, to formulate a business plan for the development of the Japanese market for indigenous Irish fashion products. Ireland is an exports-driven economy, with exports accounting for 85% of GDP. The sophisticated Japanese consumers, touting large amounts of disposable income and purchasing 40% of global luxury goods, seemed to present significant opportunities for the indigenous Irish fashion sector.

Challenge

Although successful in markets with similar styles and sizing, such as the UK, wider EU and the US, there was a growing need for the Irish fashion sector to identify new, mature and stable markets and to alleviate the dependency on a weakening dollar. The difficulty faced by the Irish fashion sector was a lack of awareness, knowledge and understanding of how the Japanese market might meet these needs. The challenge to the JMEC team was to identify the sub-sectors offering opportunity in Japan, put together a strong, convincing business case for Irish products in these sectors, and develop a plan to exploit these opportunities.

Discovery

The JMEC team quickly discovered that the Irish fashion sector could not compete with low-cost imports from China, and should therefore focus on exporting high-quality modern products. Through online surveys, the team identified which market segments held the highest potential for these products. Single working women in their 20s to 40s, commonly known in Japan as Office Ladies or OLs, demanded unique, trendy and high-quality fashion goods such as the ones Ireland was currently exporting elsewhere. Furthermore active seniors, men and women aged 55+, would support a market for functional, fashionable and high-quality goods such as traditional Aran sweaters. Finally, the market for accessories in Japan was growing, and both men and women aged 20 to 40 showed strong potential for silver accessories.

Solution

For the Irish fashion sector to be able to reach these market segments, the JMEC team determined that there were two main requirements. The first was the need for a strong partner with a thorough understanding of the Japanese fashion industry and its distribution channels. Secondly, it was deemed critical for the Irish fashion sector to have a centralized system for showcasing and promoting its products. To achieve this, the team proposed a new service to be offered by Enterprise Ireland Japan, which would include a main showroom, a website and various promotional activities.

Results

With the JMEC business plan in hand, Enterprise Ireland was able to quickly convince colleagues and companies in the fashion sector back home of the real opportunities in the Japanese market. Implementation of the plan commenced soon after, and it has already delivered success. A Japanese agent was identified as a strong partner and has guided the Irish companies through the Japanese market. Additionally, the showroom recommended in the

plan was established, and new Irish products have been able to leverage from products already successful in the marketplace. To date 14 Irish companies have used this showroom as a vehicle for promoting and selling their products in Japan. The draw of extra products has actually increased sales for the more established companies as well. The other elements of the JMEC plan, to include creation of a central website and promotional activities, are still in the early stages of implementation, but are central to Enterprise Ireland's plans to fully exploit this sector.

For more information about JMEC, please visit www.jmec.gr.jp or email info@jmec.gr.jp.