

CASE STUDY



“It’s not just a Parasol – it’s a Marketing Concept”

Background

SKW East Asia Ltd. has been established in Japan since 1986. While its main business today focuses on the import of food products and consultation to food manufacturers, it traditionally also imports metallurgical products such as natural graphite and aluminum panels.

When SKW East Asia Ltd. approached the Japan Market Expansion Competition (JMEC) in the fall of 2006, it was hoping to add a line of German-made parasols to its range of metallurgical products, such as the kind used at outdoor eateries and beach venues. Little did it know that the JMEC team would devise a plan built not just to introduce these parasols into the market, but to create an entire concept around the product.

Challenge

While the parasols have proven very popular in Europe, first attempts at introducing them in the Japanese market had not met with the same success. However, SKW knew that because of the parasol’s unique features and designs there was the potential to sell the product in multiple ways, such as sun-protection systems, architectural elements or advertising structures.

The task was thus put to the JMEC team to identify the specific needs of the Japanese market, which would lead to the right conclusions for a market entry strategy.

Discovery

Through market research, the JMEC team first identified other parasol vendors in Japan. All of them drew income from direct product sales, and while two allowed for brand advertising on the canvas, they were not earning income from selling this advertising space.

So, the JMEC team reasoned that, instead of trying to compete directly on parasol sales, SKW’s efforts should focus on creating a network of locations where advertisement on the parasol canvases could be sold. Suddenly the business plan was not just about a product sale, but it had turned into a marketing concept.

Solution

Starting with this new approach, the JMEC team took the idea further by utilizing new media (such as the internet) and considering the benefits not only for SKW, but all other parties involved, including the advertiser, space owner and its customers.

Although SKW’s parasols could also be purchased outright, the conceptual idea was to rent the products for a minimal fee to space owners, who agreed to sell the parasol canvases as advertising space. This would build up a network of advertisement space throughout Japan.

But profits would not go to SKW alone. Instead they would be shared with the space owner, thus ensuring his motivation to help find advertisers for his space and to maintain the parasols.

Further advantages are added by the utilization of new media, such as the internet, together with tailor made marketing services, including an online registry of restaurants which have outdoor seating beneath parasols. This marketing concept known as “Custom Media,” has proven to be a success in America by such companies as McMurry and Penton Custom Media.

Once a minimum number of agreements were made, SKW would have a real asset to sell to major brand owners interested in advertising. With this new concept, SKW would not only be competing in the parasol market, but establishing its business in the ¥6 trillion Japanese advertising market as well! SKW aims to be one of the first companies to bring Custom Media to Japan by following the theme of “Outdoor Communication.”

Results

Upon receiving the JMEC business plan in the summer of 2007, SKW set out to put the plan into motion. By January 2008 it had formed its new “Custom Media Department,” and it had hired two of the JMEC team members to implement the very plan they had written.

While still in the very early stages of implementation of their first service called “Parasolmedia,” the team has already made great strides. Devoting the first quarter of the year to the creation of marketing materials such as its website (www.parasolmedia.jp) and catalogues, their introductory event held in March already resulted in a number of customer inquiries and its first partnership contract with a skiing resort in Hakuba.

Having seen for itself the value of JMEC, SKW continues to support the program as a sponsor and it intends to promote future events organized by JMEC or its community members.

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