

Case study 2



Delissa in Japan: A Case Study The main objective of the study undertaken is to be able to present the views related to international marketing scenarios specifically for the Delissa products in Japan. Agria is a Swedish firm that distributes dairy products, yogurt being the main line. Through the course of history of the company, national and international distribution had been included in the main goals. After successful introduction to different countries, Agria decided to have a Japanese partner that can be responsible with the manufacturing and distribution of the products.

A. Status of the Sales of Delissa in Japan

Based on the projected sales of Delissa in Japan prior to the launching of the product and based on the feasibility study undertaken related to the distribution of the yogurt products can be considered in an unsuccessful state. This can be attributed to the fact that although 8.5% share in the yogurt market is expected in the first year and 10% in the third year, the sales only reached 3% as its best (Jeannet, Gale, Kashani & Turpin, 1995).

B. Evaluation of the Present Position of Delissa

Based on the pool of data gathered on the sales and performance of the product line in Japan it can be considered that there are different possible reasons to the status of the sales and market share in Japan. These are marketing strategies, the image of the product, the delivery system and most importantly the preference of the target population. The marketing strategies can be related to the advertisements and the methods used to be able to make the product known and thus increase sales. The image of the product on the other hand can be related to the reason that can make the consumers buy the product such as the source, etc. This can be related to the preferences of the consumers. The said possible reason for the failure of

Delissa is the fact that the taste of the Japanese people is different from that of the Swedish people. For that matter, the taste that the public is looking for in a yogurt can only be addressed by the local manufacturers, which can explain the continuous success of the local brands.

C. Delissa's Strategy in Japan

It can be assessed that Agria applied similar strategies used in other countries and expected to get similar results in spite of the knowledge that the Japanese market is a unique target having a strict culture and way of life. In addition, although Nikko can be considered as an ideal partner in Japan in relation to similar vision, mission and even operations as Agria, the distribution system has its weak point which was known by Agria at a late stage indicating lack of in depth market analysis prior to the launching of the product. Even the initial marketing plan of Delissa became inappropriate to the target market due to the fact that there is a vague presentation of the message being conveyed in advertising methods such as commercials. Targeting a specific population group had even been a confusion e. g. if the product is for children or adult and other related issues.

D. Management Method of Agria

The main objective of Agria in the expansion in Japan is to be able to find a partner that can carry the character of the product while adapting to the needs of the local market which is one of the main mission of the international marketing process. In the case of Nikko and Agria, basic communication had been one of the hindrances. Due to the language barriers, certain objectives and plans had not been conveyed clearly, thus, Agria resorted to entrusting the Delissa line to Nikko in terms of manufacturing to distribution. Such set up had been seen as a possible

cause of the problem unsatisfactory sales.

E. Conclusion

Based on the study of the case of Agria's Delissa in Japan, it is important to consider the essential points. Although ten years had passed and failure can be considered, the Japanese market if successfully dominated is an important contributor to sales. In relation, the lessons learned regarding the attention needed to be given to the needs of the population is fundamental specifically adapting to the taste of the people. Even other issues such as distribution and advertising can be resolved due to the fact that presently the mistakes and shortcomings in the operation had been studied.

The preference of the local consumers is one of the fundamental factors in international marketing, thus, additional period of trial in terms of the adaptation of the taste of the Japanese people can be the main focus in the case of Delissa. Also, improvement of other administrative and operational processes is needed to be undertaken. Due to the 10 year trial, 2 to 3 years is enough to determine if the said improvements can change the sales of the product. If these methods fail, pulling out of the product from the country can be considered.

Reference:

Jeannet, J. P., Gale, C., Kashani, K. and Turpin, D. (1995) Cases in International Marketing. Michigan: Prentice Hall.