

## Does the Pioneer Brand Have an Advantage in Japan?

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### Introduction

In recent years, interest in brand management has been increasing in Japan. Several books discussing brand management appeared in the early 1990s (Ogawa 1994; Onzo 1995; Hoshino and Kawakami 1995). There were also academic articles addressing the problems of brand management (Onzo 1993; Tanaka 1993; Ishii 1995; Ogawa, Kanazawa, and Tanaka 1995). Moreover a few academic conferences exclusively discussing brand management have been held (Japan Association for Consumer Studies 1994).

Most Japanese manufacturers have many brands. The Japanese managers became excessively focussed on introducing new brands. However, they have experienced serious business setbacks since the late 1980s, and concluded that they should reexamine their brand management. This period also saw the rise of private brands. Some national brands are being overwhelmed by private brands. For example, market share of private brands comes up to about 30% in mineral water, 25% in canned cola, and 15% in detergent (Hasegawa, Muraka-

mi, and Tanaka 1994; Hasegawa and Kuwata 1995). We first discuss these two developments (the proliferation of brands and the rise of private brands) and then consider how they make pioneer brand advantage more crucial than ever before.

First, consider the proliferation of brands supplied. Shiseido, a leading cosmetic company in Japan, added from 6 to 8 new brands every year in the 1980s. Kirin Brewery also increased the number of brands. In 1980 the company was supplying only 5 brands, but in 1990 the number increased to 16. In a decade, the number increased by more than three times. Moreover, Toyota increased the number of car models from 15 to 22 in the 1980s. These are just examples. The number of brands increased faster than ever at a great many, if not most, major consumer products manufacturers. On average, based on a sample of 159 leading Japanese consumer product manufacturers, the rate of brand increase, defined as the number of brands in 1990 divided by the number in 1980, is 3.12 times (Onzo 1991).

However, many Japanese manufacturers did not treat these new brands with care. Brand equity was taken for granted. Indeed many Japanese managers did not understand the concept of brand equity and its benefits. The excessive proliferation of brands increased engineering and marketing costs, exceeded retailers' limited shelf space, and confused consumers (information overload). As a result, Japanese managers are now thinking that they should be much more careful with new brands. And the attention paid to new brand management is becoming significantly higher (Onzo 1995).

If many manufacturers are becoming more circumspect in introducing new brands, then order of brand entry will become more important. When they were introducing new brands one after another, managers tried to promote their brands by their sheer newness or the freshness. Subcategories of a product were easy to create. However, in the case of competition with limited brands, the importance of each brand will

increase. This shift of brand management from multiple brands to limited brands creates a need to give more consideration to the issue of the order of brand entry.

The second major development is the rise of private brands. For some years, powerful private brands by big leading retailers such as Daiei and Ito-Yokado have overwhelmed some national brands. As a result, a crisis of national brands is being shouted about by manufacturers' executives. As an indication of the growing importance of this topics, a search of Nikkei Telekon, a computerized database that tracks articles in *The Nihon Keizai Shimbun*, *The Nikkei Sangyo Shimbun*, *The Nikkei Ryutu Shimbun*, and *The Nikkei Kinyu Shimbun* lists a total of 2610 articles on the subject of "brand" in 1994. As shown in Table 1, there were only 890 articles in 1989. Discussions about "brands" have increased every year from 1989 to 1994. Many of these articles are related to the battle between national and private brands. Even if a manager has a strong national brand, he cannot ignore private brands any more. Thus, effective brand management in Japan requires consideration of threats from private brands in addition to competitive national brands.

Most private brands are follower brands. But in Japan some private brands pioneer a market. For example, Ito-Yokado has developed some new products by introducing "Team Merchandising System" (Hasegawa and Kuwata 1995). If manufacturers understand the importance of pioneer brand advantage correctly, they should be able to beat private brands because manufacturers control production.

The concepts of pioneer brand advantage and first mover advantage have already been introduced in Japan and discussed by some researchers (Onzo 1994). But the Japanese not fully understand how the pioneer brand advantage in Japan will work. Conclusions and findings from some U.S. research have been directly "imported" from the U.S. to Japan (Schmalensee 1982; Robinson and Fornell 1985; Urban et al. 1986;

**Table 1** The number of articles on the subject of "brand"

year	number of articles
1989	890
1990	1557
1991	1956
1992	2149
1993	2204
1994	2610

Lambkin 1988; Robinson 1988; Parry and Bass 1990; Kerin, Varadarajan, and Peterson 1992; Alpert, Kamins, and Graham 1992; Alpert and Kamins 1994; Alpert and Kamins 1995). So far we only project the power in Japan, guessing that the trend in Japan should be similar to the U.S.

However, the marketing environment is very different between Japan and the U.S. In particular, it has been pointed out that Japanese distribution systems are very different from the U.S. (Tamura 1986; Lazer et al. 1985; Lark 1994). And the type of brand name which is employed by many Japanese manufacturers is naturally different from the U.S. For example, the Japanese manufacturers use their company names as a part of the brand name (Sony, Kirin, Shiseido, Suntory, Honda, and so on), but the U.S. manufacturers don't usually use their company names as their brands. Promotion strategy is also very different. For example, most Japanese companies don't use coupon advertising and sales representatives. They use "Eigyo system" to evade the loss of sales opportunities. Eigyo is not equal to salesforce. Eigyo involves all personal activities creating value and realizing sales. Japanese leading companies such as Matsushita, Toyota, Taisyo pharmacy, Fuji, Ajinomoto, have strong Eigyo system (Shimaguchi 1995).

Thus we have to better understand the power of pioneership in the unique Japanese environment in order to perform effective brand man-

agement in Japan.

## Some Issues of Pioneer Brand Advantage in Japan

Most of the major English language journals about marketing have been introduced into Japan. For example, *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Consumer Research*, *Marketing Science*, and *Marketing Letters* can be seen in many university libraries. In this way marketing researchers in Japan can get information about new concepts and findings from marketing research in the U.S. As a matter of course, information about pioneer brand advantage becomes known by many Japanese researchers and through them to students and managers.

However, up to the present none of the Japanese marketing researchers have ever tried to make clear the power of pioneer brand advantage in Japan by estimating the market share of both pioneer brands and follower brands. They take it for granted that the power must be the same in Japan. Many managers also blindly believe this. But is the assumption correct? This becomes the first issue:

1: Does the pioneer brand have an advantage in Japan?

We expect the answer is yes, for reasons we discuss below.

The next issue is:

2: In which country is pioneer brand advantage stronger, in Japan or in the U.S.?

We hypothesize that the answer is again, yes, for the following reasons. While Japan is obviously smaller geographically than the U.S., the main population areas of the Kanto, Chukyo, and Kansai provinces constitute about half of the population in less 10% of the land. This allows for quick and easy logistics for rolling out the product to the vast majority of the population. There is no need for slow region by region rollout. The existence of national radio stations also facilitates speedy nationwide awareness. There are 5 nationwide news-

papers and 7 nationwide TV programs in Japan. Thus, the distribution and advertising infrastructure allows quicker rollouts in Japan than in the U.S.

Moreover, Japanese retail stores are smaller than U.S. retail stores as a rule (Larke 1994). There is room only for a few brands of a product category in many retail stores in Japan. Some stores display only one brand of a product category. And the Japanese tend to focus on the "good of the group." Once a manufacturer establishes relationship with retailers, the manufacturer will be able to trade with them for a long term. Proven partners are considered more valuable than relatively unknown would-be partner (Alpert, Kamins, Sakano, Onzo, Graham 1995). Later follower brands then may find themselves shut out of the retail stores, simply because of their later entry. Thus retailer's lack of enthusiasm for imitator brands, as shown in a U.S. survey of retail buyers by Alpert, Kamins and Graham (1992), also applies in Japan and should have a stronger effect there due to smaller shelf space. While newer, larger, suburban stores are appearing, it will take some time before they dominate retailing in Japan as they do in the U.S. (Larke 1994).

It is important to note the impact of the type of brand names: family brand, individual brand, and double brand (family brand plus individual brand). There are distinct differences between Japan and the U.S. in the type of brand names. Many Japanese manufacturers prefer family brand or double brand to individual brand. The brand is strongly associated with the company name (Tanaka 1993). There are few individual brands in the strict sense of the word in Japan. Consumers also tend to choose a brand by the manufacturer's name. Relative conservative Japanese consumers do not believe brand names but focus on the company name, especially when they adopt a new product. Consequently, a pioneer brand with a company name is familiar with consumers from the starting point and can penetrate into the market

with ease. Thus, we have briefly tried to argue that pioneer brands from well known companies have it easier in Japan than in the U.S. On the other hand, Japanese product life cycles seem shorter and followers follow faster (Shimaguchi and Ishii 1989). The impact of this latter point, the existence of fast followers, is the next issue that needs investigation.

- 3: In Japan, does the time lag between the pioneer brand entry and the first follower brand entry positively correlate with the market share of pioneer brand?

If there are pioneer brand advantages in Japan, the advantages might be influenced by the time of first follower brand entry. Urban et al. (1986) found that the later a follower brand enters, the less market share the brand can get. Brown and Lattin (1994) found that the greater the time in the marketplace, the more successful the pioneer brand. However, both these studies were based on U.S. data. Will the same hold true in Japan? It might also be true in Japan.

It is well known that some pioneer brands succeed, but others fail (Goldes and Tellis 1993). Therefore, we are interested in how a pioneer brand can succeed. In other words, what factors should managers pay attention to in order to succeed their pioneer brands? Sources of pioneer brand advantage have been discussed by many researchers in the U.S. and there has been also a major review article (Kerin, Varadarajan, and Peterson 1992).

We already understand the sources of pioneer brand advantage such as the experience effects and the switching costs. But we don't understand more specific success factors of pioneer brands from the marketing mix point of view. We are interested in the directly controllable success factors, such as price, distribution, promotion and so on. If we can ask managers, these factors would be crystallized by a questionnaire. Thus, the factors affecting pioneer brand success have not been studied in the Japanese context, and marketing mix factors

have received little attention in general. Therefore, the fourth issue is as follows:

4: What factors contribute to the success of pioneer brands in Japan?

An opportunity to succeed is available for follower brands, too. There is even a researcher who advocates follower brands have many advantages against pioneer brands and imitation can be a winning strategy (Schnaars 1994). This leads to the fifth and final issue:

5: What factors contribute to the success of follower brands in Japan?

## Method

### Data Collection

Data collection was conducted by the Nikkei Research Institute of Industry and Markets in September and October of 1992. The practical importance of these issues is indicated by the support for this project by this important, nonacademic business research institute. The author designed the questionnaire. Researchers of this institute and I first identified major consumer goods categories. These categories involve food, soft drink, alcoholic drink, toiletry, cosmetic, drug, household appliances, toy, stationery, audio, car, and electronics and so on. We chose the top 5 companies from each category based on an industry market share survey by The Nikkei Sangyo Shimbun (1992). We picked up 310 companies.

The next procedure is unusual to Westerner but useful in the Japanese context. When journalists or researchers cover a meeting at a Japanese company, they have usually to appoint through public relations department. We also called the department of each company explaining the purpose of our research and asking for participation. 207 of the 310 companies refused to participate. Of these, 145 were ineligible be-



cause they did not have new brands within the time frame of the study. The other 62 were eligible but simply declined to participate, based on company policy. 103 companies accepted their participations. Taking the details of questionnaire into consideration, we can estimate the participation rate (31.3%). Questionnaires were then sent to the public relations department of each participation company. Each questionnaire was accompanied by a return envelope with postage supplied. And the department was asked to hand out the questionnaire to a person in charge of each product category. Some companies have one or more product categories whose market share is within the 5th rank. Accordingly, we were able to receive responses about two or more product categories from one company in some cases.

The brand which respondents should take into consideration was described as follows. It must be a new brand name of a new consumer product and have been introduced in the between January, 1982 and June, 1992. Moreover, each company was asked to categorize its brands according to the following rule. It must be labelled as one of 4 types: a successful pioneer brand, a failed pioneer brand, a successful follower brand, and a failed follower brand. Whether a brand is successful or failed depends on the subjective judgment of the company.

There were 136 total usable responses from 49 companies. These responses involve 79 pioneer brands and 57 follower brands. Given an average of less than 2.5 new brands per large company over a 10 year period, the data appears to reflect results for major company efforts. That is, a new brand is a significant addition for these companies. Thus we believe this is an important data set because it represents the major and best efforts from a sample of Japan's leading consumer product companies. We could get no usable responses from 54 of the 103 companies having accepted their participations.

## Measurement

In order to assess the power of pioneer brand advantage, we asked for the market share and the ranking of market share in our questionnaire. We asked that the market share and the ranking should be assessed at the time when all potential competitive brands by major companies have entered into the market. In Japan, managers can comparatively easy identify the competitive companies because there are not so many strong companies in an industry. Managers can thus guess the potential competitive brands. In addition, by looking at market growth rates they can understand whether most potential competitive brands have entered into the market. There is a widely held belief that when the market growth of a product category slows down, then almost all of potential brands would have entered into the market.

Next, we have to understand the time lag between the pioneer brand entry and first follower brand entry. In our questionnaire, we asked the dates of entry of the brand concerned. If the brand is pioneer, we also asked the dates of the 1st follower brand entry in the product category. Subtracting the dates of first follower brand entry from the dates of pioneer brand entry, we can estimate the time lag from the view of pioneer brands. If the brand is first follower, we did the inverse.

Certain factors should contribute to the success of a pioneer brand. In order to explore how strongly these factors do contribute, we prepared a set of 9 choices in advance. These choices involve: promotion power (resources devoted to promotion), distribution power (power over the distribution channel), differentiation of product and performance, high price, low price, uniqueness of brand name, uniqueness of package design, time lag until the 1st follower's entry, and entry of followers (whether the eventual entry of followers affected the success of the brand). We asked for respondents to point out up to three items which they think are key success factors for their pioneer brands. This

question was restricted to the successful pioneer brands.

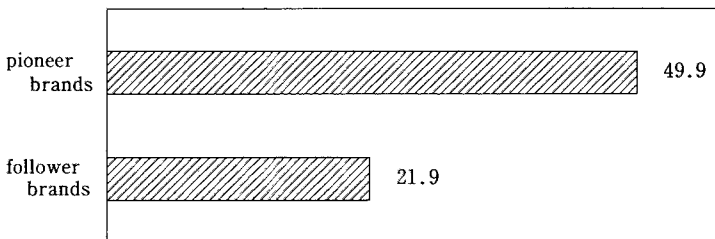
Even if a brand enters later as a follower, it might be successful. Certain factors should contribute to the followers' success. We added three items to the above mentioned list. These supplementary items are as follows: homogeneity of product quality and performance (the level of imitation), homogeneity of brand name (similar pronunciation or spelling), and homogeneity of package design (similar appearance). Still more, we changed 2 items "time lag until the first follower's entry" and "entry of followers" to "time lag after pioneer brand's entry" and "fast following after pioneer brand's entry" because the position of brands changed from pioneers to followers. Once again we asked for respondents to point out up to three items which they think are key success factors for their follower brands. This question was also restricted to the successful follower brands.

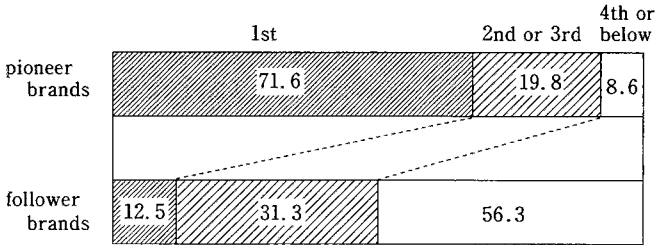
## Results

### Market Share and Market Share Rank

The average market share of pioneer brands is 49.9%, while the average of followers is 21.9% (Figure 1). Pioneer brand market share is over twice that of follower brands. Unless otherwise noted, all comparisons reported are statistically significant at  $p < .05$ . Clearly, pioneer brands have strong advantage over follower brands with regard

Figure 1 Average Market Share (%)



**Figure 2** The Order of Market Share (%)

to market share.

The vast majority of pioneer brands in the data set were considered successful (65 of 79, which is 82%). Most follower brands were considered successful also (39 of 57, which is 68%). Since the average market share of followers is considerably less, this suggests that managers have lower expectations for follower brands.

With regard to market share rank, 71.6% of pioneer brands are first in market share, 19.8% are ranked second or third, and only 8.6% are ranked worse (Figure 2). On the other hand, only 12.5% of follower brands are first in market share, 31.3% are ranked second or third, and 56.3% are ranked worse. Thus, in terms of rank, as well as share, pioneer brands have a strong advantage over follower brands.

In sum, on the basis of the facts reported above, pioneer brand advantage can clearly be ascertained in Japan.

### Stronger Pioneer Brand Advantage

Table 2 shows the results of major empirical studies that support pioneer brand advantage. Each study has different data and somewhat different findings. All are based on U.S. data. None were designed the same as our study. So we cannot easily compare our results with pioneer brand advantage in the U.S. However, we can make a rough comparison which seems to present some clear conclusions.

The Japanese market share results appear more favorable to

**Table 2** Major Empirical Studies that Support Pioneer Brand Advantage

study	data	findings
Robinson and Fornell (1985)	PIMS database, 371 mature consumer goods businesses	Pioneers have an average market share of 29%, early followers 17%, and late entrants 12%.
Urban et al. (1986)	82 brands across 24 consumer product categories	If there are three brands in a market, pioneer brands have a potential market share of 43.6%. If four, this is 35.7%.
Parry and Bass (1990)	PIMS database, 592 consumer goods businesses	The average share of concentrated consumer goods pioneer is 33.75%, early followers 24.45%, and late entrants 17.39%. In the case of non-concentrated, the pioneer is 12.06%, early followers 7.18%, and late entrants 5.82%.
Lambkin (1988)	PIMS database, 129 start-up businesses and 187 adolescent businesses	Among start-up businesses, on average, pioneers have a market share of 23.96%, versus 9.63% for early followers and 9.70% for late entrants. Among adolescent businesses, on average, pioneers have a market share of 32.56%, versus 18.75% for early followers and 12.95% for late entrants.

pioneer brands than the U.S. results. For example, according to a study of PIMS database for 371 mature consumer goods businesses, the average market share of pioneer is 29% (Robinson and Fornell 1985). Our findings are also more favorable for pioneers in relation to Assessor data results for 82 consumer brands (Urban et al. 1986). In that study, pioneer market share ranged from 27.3% to 58.5% depending on the number of follower brands. In a study of PIMS database for 592 consumer goods businesses, the average share of consumer goods pioneer in concentrated industries is 33.75% (Parry and Bass 1990).

In case of non-concentrated, it is 12.06%. According to a study of PIMS database for 129 start-up businesses, the average market share of pioneer is 23.96% (Lambkin 1988).

Based on these results, it would appear that the power of pioneer brand advantage is stronger in Japan than in the U.S.

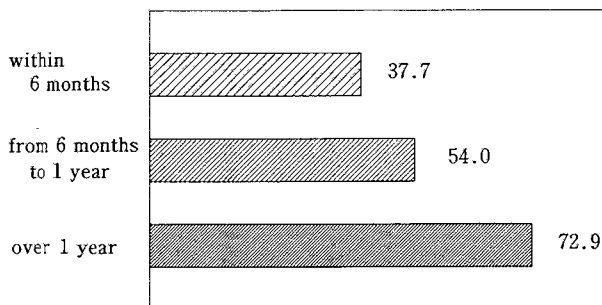
### Time Lag

When we consider the pioneer brand advantage, order of entry is the root factor but not the only factor. The time lag between the pioneer brand's entry and the follower brand's entry must not be overlooked.

As Figure 3 shows, if the first follower brand enters a market within 6 months, then the average market share of pioneer brands is only 37.7%. However, if the first follower brand enters a market after 6 months but before 1 year, the average market share of pioneer brands rises to 54.0%. If over 1 year, the average market share is amazingly 72.9%. In a word, the greater the time lag is, the more the average market share of pioneer brands is.

We also derived a correlation coefficient between the time lag (the number of months) and the average market share of pioneer brands (percent). The result was 0.349. This coefficient was marginally sig-

**Figure 3** Market Share of Pioneer Brands and the Delay of Follower Brand Entry (%)



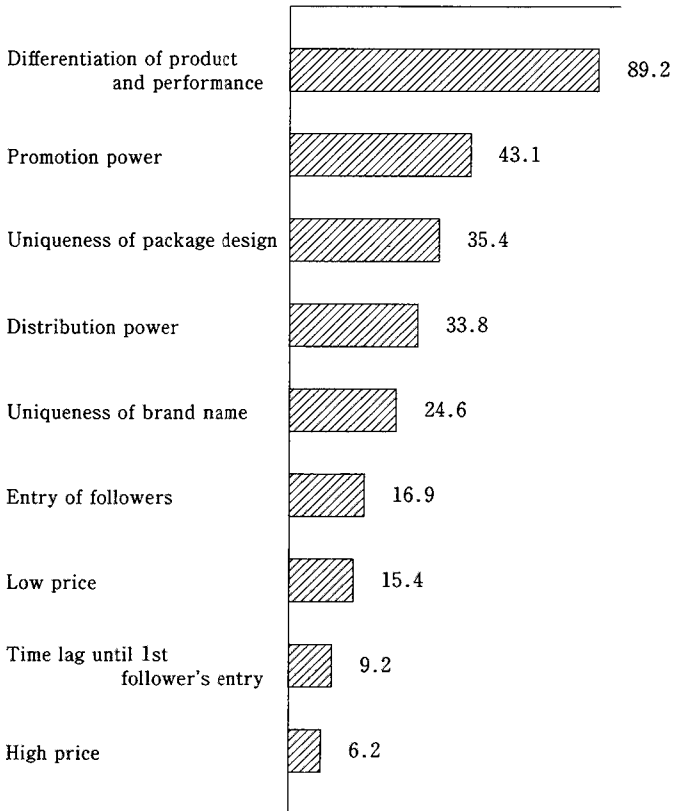
nificant ( $p < .10$ ).

In other words, the time lag between the pioneer brand's entry and the 1st follower brand's entry positively correlates with market share of pioneer brands.

### Success Factors

Figure 4 shows factors that contributed to the success of pioneer brands. Factors which were pointed out by many managers are dif-

**Figure 4** The Factors that Contribute to Pioneer Brand Success (%)



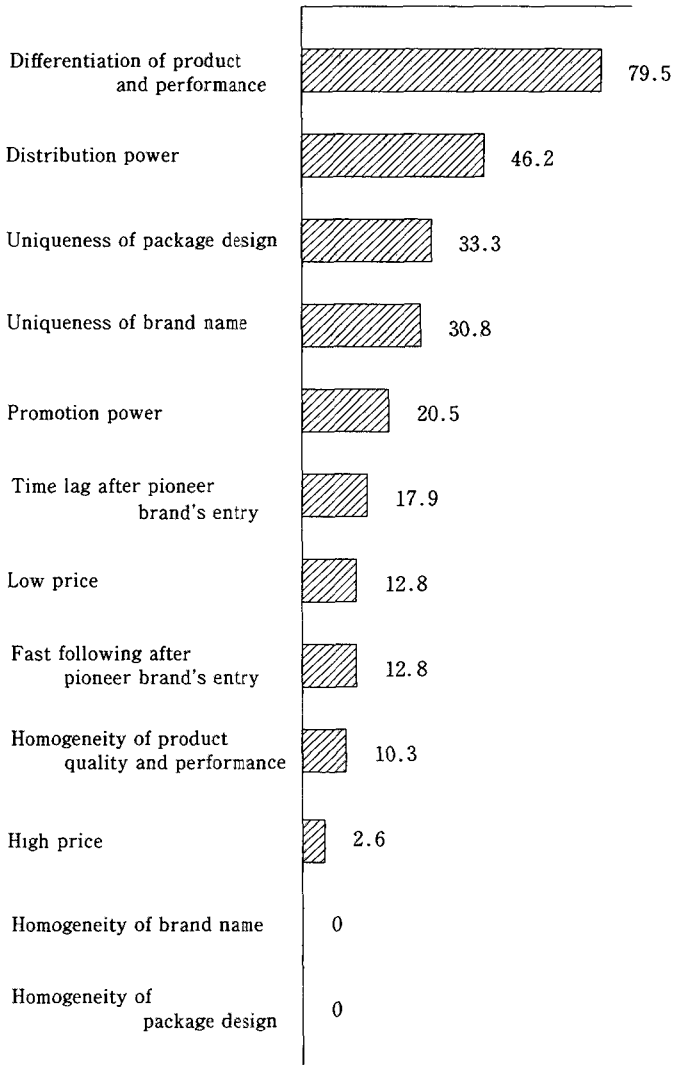
ferentiation of product and performance (89.2%), promotion power (43.1%), uniqueness of package design (35.4%), and distribution power (33.8%).

For about 90% of successful pioneer brands, differentiation of product and performance is an important factor. It is only natural to get such a result. It would cast doubt on the validity of the data if this were not the case.

Promotion power, uniqueness of package design, and distribution power are three basic variables of the marketing mix's 4Ps: promotion, product, place. A pioneer brand has to build a market by itself. Consequently, the basic marketing mix becomes very important. What about price? A major target of pioneer brands is innovators and early adopters. They are relatively not sensitive to price. So it might be not so important for pioneer brands to take account of price factors. The survey shows that price (high or low) usually does not stand out as among the most important factors. Interestingly, the entry of followers is seen as a key to success in about 17% cases. Perhaps this reflects a belief that competition helps accelerate the growth of the category.

There are also various success factors for follower brands. And it is possible later entrants could overwhelm pioneer brands (Schnaars 1994). For example, a canned coffee brand, "Georgia" by Japan Coca-Cola, was a later entrant in Japan. It is now the top brand in the product category. A stainless steel vacuum bottle brand, "Tough Boy" by Zojirushi Mahobin, was a follower brand, too. But it is now leading the market. A tissue paper brand, "Elier" by Daio Seishi, was a follower brand again. Its market share put it in the first place in 1992. These are only a few instances among many. There are many big companies in Japan that have imitated pioneer brands and have grown from small companies by accumulating their various management resources (Shimaguchi 1986).



**Figure 5** The Factors that Contribute to Follower Brand Success (%)

Which factors contributed to the success of follower brands in our survey? The results are shown in Figure 5. Differentiation of product and performance is the most important for successful follower brands (79.5% of cases). Uniqueness of package design (33.3%) and uniqueness of brand name (30.8%) are also important factors to successful follower brands. Even if follower brands generally imitate a pioneer brand, they must provide something new to consumers.

We have to pay special attention to distribution power (46.2% of cases). There are many follower brands that could succeed with distribution power. As mentioned, Georgia coffee is a very successful follower brand. It is said that the brand defeated early entrants with its distribution power, especially by the number of vending machines. About 70% of canned coffee sales are through vending machines in Japan. Georgia coffee could acquire market leader position thanks to its approximately 700 thousand vending machines.

Moreover, due to major differences in distribution systems, it is relatively easy for large Japanese manufacturers to control distributors (Ishii 1993). Smaller manufacturers do not enjoy this advantage. So distribution power, such as the number of dealing distributors, the number of vending machines, and having group distribution companies, will strongly predict sales in Japan.

## Implications for Manufacturers

Our results have significant implications for Japanese manufacturers in Japanese markets.

First, manufacturers should strive to be the pioneer. Our survey clearly demonstrated the strength of pioneer brand advantage in Japan. The power of pioneer brands even stronger in Japan than in the U.S. Thus, the success of a brand depends considerably on the order of entry. If a brand enters into a market as pioneer, it could enjoy long-

lived market share advantage.

This applies to U.S. manufacturers, as well. Many U.S. brands have been imported to Japan. But Japanese consumers have not accepted most of them. In recent years U.S. brands are rarely so inferior in product quality as to explain their failure. Indeed, the U.S. managers often emphasized their brands' high quality. We believe that one source of the U.S. brand's problems arises from their not being pioneer brands and not being effectively differentiated followers. That is, many U.S. brands arrived in Japan after similar Japanese products were already available. If U.S. managers would like to improve the success of their brands, they need to promote something new about their brands.

Second, if your brand simply could not get the pioneer position in a market, you should catch up to the pioneer brand as quickly as possible. Our analysis showed that the time lag between the pioneer brand's entry and the follower brand's entry positively correlates with pioneer brand advantage. Then the later your entry into the market is, the less your potential market share. To catch up pioneer brand promptly, it is important for manufacturers to have many candidates of new products. Some of Japan's best manufacturers keep a kind of "stock" of potential new products to develop. They carefully observe the competitors. When a competitor goes ahead with a new product, they promptly introduce a competitive brand from their stock to catch up to the pioneer brand (Shimaguchi and Ishii 1989).

For example, Toshiba introduced a notebook size computer, "Dynabook," as the pioneer in July, 1989. However, NEC was able to introduce a similar computer, "98NOTE," in November, 1989. NEC could follow Toshiba only 4 months behind. NEC had many stocks of new products under progress, and one of them was a notebook size computer. 98NOTE could overtake Dynabook's sales within a few months in Japan because NEC cut Dynabook's time advantage to just 4 months,

in combination with NEC's brand power.

Third, pioneer brands have to regard the basic marketing mix as extremely important. The Japanese managers surveyed pointed out *promotion power*, *uniqueness of package design*, and *distribution power* as key factors for success. For most pioneer brands, it is necessary to inform consumers about their brands, persuade them, and urge trial of the product. So orthodox marketing strategy will be better for pioneer brands than any particular marketing strategy in Japan.

Fourth, follower brands have to differentiate their product by performance, uniqueness of brand name, and uniqueness of package design. It is a potential strategy for follower brands to quickly imitate a promising pioneer brand and, by following the above advice, place their products in an advantageous position similar to the pioneer brand.

However, according to our results, follower brands had better emphasize their brands' uniqueness above all else. Consider cases of U.S. manufacturers having to enter into the Japanese market as a follower. If it has a uniqueness like "Whisper" by P&G, there is no problem. Many of follower brands, however, don't have such a uniqueness. What to do then? It might be useful to consider stressing messages such as "Made in U.S.A." or "This is a leading brand in the U.S." or "Our brand name is historic in the U.S." This can provide a unique image, even if it is not a real product difference.

Finally, when we discuss about Japanese marketing, we must see distribution power in a new light. Many researchers have discussed about the distinctiveness of Japanese distribution (Lazer et al. 1985; Tamura 1986; Naumann, Jackson, and Wolf 1994; Larke 1994). Japanese distribution is not only distinctive but also a key factor for success, especially for follower brands. In other words, follower brands can overcome the handicap of later entry with distribution power in Japan.

The U.S. follower brands with less distribution power should join

hands with a major Japanese manufacturer or license their brands. A beer brand, "Budwiser," for example, has been licensed to Kirin Brewery. A fresh juice brand, "Dole," has also licensed to Yukiirushi Nyugyo. They are later entrants in Japan, but they achieve fairly good sales. Kirin Brewery has the strongest distribution channel in Japan. And Yukiirushi Nyugyo is also one of the leading companies in the dairy industry in Japan.

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