

*Japanese consumers
look for the brand value
beyond the product*

We are going back to word -of-mouth

Canadian Managing Director of a French advertising firm in Tokyo, Stephen Cox fits in it's mainly Japanese environment as naturally as a professional can be. Passion is the word that comes to mind when he first starts explaining about the new shapes that the advertising world is undertaking and you can almost see new ideas floating around in the air of his trendy office. He kindly accepted to meet with JQR and reveal his views and thoughts on the "new" Japanese advertising world.

Advertising used to be a glamorous field to work in. It no longer is that way! But right now, it is in the middle of a revolution. It is going through a painful, but very interesting rebirth as whole around the world, and especially in here in Japan. So there's probably no better time to be in advertising. The consumers have changed, everywhere, but in Japan to a greater extent, and it is really the consumer that is driving the change.

The Internet and digital were just starting to become mainstream

When we talk about the fact that the world is interacting, that everyone is connected, it can sound very boring, very "IT." But when you see this change on the people's everyday life point of view, you realize that today, whenever you want to know about something—anything—you just take your little cell phone and see what the world is telling you about it, from official information sites, to forums to chat rooms. People can ask the world what they think about an idea. Even in Africa, it is expected to count up to one billion cell phones in 2016! We have taken the word-of-mouth to extreme expansion. Now it can seem limited to little screens and devices, but in reality, it completely destroyed the traditional business models of all industries. Music for example, you don't need to buy an entire album to hear the tune you like, you can buy each song individually digitally. Carmakers have to integrate communication systems into their vehicles, the book industry, movie industry, all these revolutions bring a whole lot of rethinking for legislations and copyrights. In Japan like everywhere

Interview with Stephen Cox,

Managing Director of Havas Worldwide Japan

Photo / Yosuke Suga Text / JQR

around 12 years ago and brought a limited number of new tools. But what the people did with digital went way beyond those tools and it is still true now! When you look at all those creators of Internet tools like Facebook, Twitter or Mixi, the users—we call them consumers but they are we, the people around the world—have taken their tools to much greater stretches than they could all have ever imagined!

else, you normally legally can make copies of music or a book that you bought, as long as it is for friends. DVD zoning can't protect distribution rights anymore.

We are forced to communicate differently

So all of this has forced us to communicate differently to the consumers and the brands have to

find new effective ways to interact with them. The consumers are now moved by different things, they have a different way of deciding what's valuable to them and what's not. It is very interactive, digital or not, and it's more about the conversation. So we have to accept the fact that advertising is no longer done by pushing strong messages through very defined channels that we hope the consumers will come across in the course of their day. We are going back to the old times when Ms. X had bought one thing from a fine salesman and she'd liked it so she talked to her neighbor about it and they both would tell all their families... People today need to touch and feel the product, talk about it to others and share their experience, take advice. Even though Japan has an extremely crowded consumer market, people don't necessarily buy in shops, but they still go to stores to see and touch the products.

Also, Japanese have been more than ever looking for the "suppliers of their lives." More than the product itself, they are looking for the perfect brands, the best insurance, the best

government, the best service they can rely on. They look at CSR actions and the roots behind the products, the extra value that is provided to them. Understanding that, we can decide how to approach each client's specific needs. Most of the time we start by reorganizing the whole purchasing steps, where traditionally marketing, sales, after-service, communication departments in a company all were working independently with their own separate budgets. We help firms to put in place a more multi-functional, cross-department system to be consistent toward the high expectations of the consumers.

Social Media is a natural to Japanese

Word of mouth has always been strongly integrated into Japanese society. In the West, we had Tupperware and Avon, but here, sales representative still come to your house to sell you medicine boxes, bank accounts, tofu, everything. Take an old Bank like Fuji in the old days. They would send a representative to your house and you would trust him

even though you didn't know him. He would make you sign some papers, take your cash and go away and you wouldn't even question his honesty. That is because he had the name and the value of the company behind him. I think that this is a great factor to explain why social media is a natural for Japanese. It is a way to make new relationships even though people don't know each other very well. Here relationships are everything. They are what empowers you in society.

What also makes it easy here is that people are willing to taking in information in enormous quantities, wherever they go. Look at the magazines, the luminescent panels on the streets, look at a website! You always have massive information blinking on the top and you click from there to go where you want. A Western site will have some assumed categories at the top, you guess that the information you look for is in one of them, so you go down on that list. So Japanese are used to choose what they want out of an incredible amount of information and share it with others. Another difference is that they use social media anonymously, unlike most social medias around the world and that changes the objectives as well as the use of social media. On Facebook you say "Hey! Hello! Here I am! Here's how I look and what I do!" as on Mixi you go under a nickname on a word of mouth connection base. You don't even see the value of revealing who you are. "Hey! Look at me!" is not Japanese

So for Western brands, this is difficult to accept. They want to know their targets, their name, their age, what they do, what they buy, what they want to talk about etc. They look at what they can benefit rather than what they can provide to the benefit of the consumer. They use Facebook to say, "Hey! Come and like us! Come and see what we have to tell you! We'll have YOU talk about US!" We have found proven advertising techniques that work well here and we call it in-context advertising. Rather than interrupting an interesting movie that someone is watching attentively with an ad that tells him that his feet are smelly, we prefer to create an entire context of interest that will naturally attract people who are receptive to the information and integrate the brand into it so people can interact directly with it ask questions, make suggestions, etc. If you want to communicate on

a bandage, for example, you have to identify exactly when the people will want to hear about it. Other than that precise timing, they will not even want to think about bandages. So we used an interactive information website about family camping and it worked out pretty well. This way of doing is becoming common around the world, but is already extremely important in Japan.

Japan loves events. So we use for example train ads with QR codes that bring the consumers to another place where they can get even more, experience the brand and learn about it. We have to think about ways not to talk about the brand or the product directly, but rather frame them into a context that is of interest of the consumers. We need to provide all the touch points of that the consumer is receptive to and position the brand somewhere in there.

Also when you want to go digital, you quickly notice that in this country, the world of small developers is very fragmented. One application developer here, one website designer there, etc. As a foreign firm in Japan, we have a good opportunity to bring all those together in one all-round service, where Japanese agencies have not been successful at doing. Here, agencies tend to acquire small companies to work under their umbrella, but all are doing very different tasks. So I have created an entire digital team made of the best talents around and who come from all the important fields.

Going Western or Japanese global way?

Japanese brands that want to go global have to reposition themselves for the world. So we help them to integrate that into their communications in Japan, then to other countries. As we have people everywhere around the globe, we can speed up their globalization in a very consistent manner as well as in very well adapted ways to each culture. Traditionally, large successful Japanese organizations that have spread overseas have usually followed one business model, which is to establish headquarters in New York, Shanghai and Paris and let the people there run the business. This was based on really good reasons, as the customers don't look for the same things and the market sharing is done a different way. So for companies that



wish to go global now will either have to follow the traditional way or find a way to link everything together. The challenge for marketing and advertising agencies is now to find a model that can bridge both domestic and foreign markets.

Now, does going global for Japanese companies mean they have to follow Western models? In the past, it's always been the "Western way" of campaigning that was imposed globally. Today, Japanese brands are strong enough and they have a lot of know-how to be able to bring the "Japanese way" to the world in advertising. The question is whether they are willing to do it.

PROFILE

Born in Winnipeg Canada, Stephen Cox grew up in contact with Japanese culture thanks to his father's acquaintances. Graduated in Political Science, he came to Japan 25 years ago and worked first at Toyota for a while, then in the music industry, to later switch to advertising. From copywriter to Creative Director, he has covered all positions in the industry before becoming Managing Director of Havas Worldwide Tokyo almost two years ago.