



Japan – Finding a Future Hello Economy

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Japan remains the world's second largest economy with a GDP of USD 4.141 trillion (2009 est.), and is home to 51 of the Fortune Global 500 corporations.

The Country Brand Index (CBI), a joint research initiative between Weber Shandwick and FutureBrand, ranked Japan as number one in six categories: "advanced technology", "quality products", "nightlife", "most conducive to starting a business", "best place to hold conferences" and "authenticity" in 2009. And yet the same study notes that Japan ranks poorly in the category of "transparency", a telling insight in terms of the perception of Japan's place in the global economy.

In recent weeks, the nuances of Japanese corporate culture have been put in the spotlight as a number of leading corporations have faced intense international media scrutiny. And yet it is these same companies that have dominated their respective market sectors for years. So what are Japanese companies doing right, and where are they falling short?

To address these questions, Weber Shandwick in Tokyo surveyed international journalists with an interest in Japanese business, to better understand their experiences in interacting with Japanese companies.

The survey revealed that while several individual Japanese multinational companies are highly regarded by the media against many attributes, only one third of respondents consider foreign media to be served effectively, or somewhat effectively, by PR offices and/or agencies of Japanese companies. Corporate Japan, it seems, has a long way to go to advance its international communications approach when compared to global competitors.

According to the survey, access to senior management is the single most important area for improvement. Notably, where organisations have appointed foreign nationals in leadership roles, there appears to be a willingness to demonstrate greater transparency and engagement. Meanwhile, more traditional Japanese companies seem to be challenged by the linguistic and cultural barriers that override the required interaction with a more global media audience. "A highly secretive and yet very interesting company that would do well to open up more, especially to foreign correspondents," suggests a journalist, in relation to a Tokyo-based company.

Other areas that need to be addressed, according to foreign journalists, include the slow speed of response to (foreign) media inquiries, an apparent lack of proactive engagement strategies, limited English-language proficiency and the perceived unfair treatment of foreign correspondents. Japanese companies, it is believed, focus their attention on building and maintaining relationships with the domestic press.

These issues highlight the common, traditional stance prevalent among many Japanese companies — favoring collectivism and preservation of the status quo. As one journalist puts it, "At the best (Japanese) companies, PR collateral, such as websites and annual reports, looks professional, but in terms of personnel, PR managers are generally conservative, closed-minded types who consider their main job as 'protecting' the CEO from journalists."

The evidence suggests that Japanese companies continue to consider PR as a reactive measure, managing the potential for negative exposure but minimising the positive opportunity to be drawn from the PR function. One journalist pointed out,

"Too many Japanese (PR) executives come to the Foreign Correspondents Club to approach journalists merely to say 'yoroshiku onegai shimasu (hello, it is nice to meet you)' rather than pursuing opportunities to create news and publicity for their company or organisation."

Pleasingly, this approach does not hold true for every Japanese company. Some, especially the larger multinational corporations, have openly embraced proactive public relations in order to deliver their messages to stakeholders and audiences both at home and abroad. Of these companies, survey participants openly voiced their praise. "The company had an English-speaking PR manager who was social, proactive and always willing to help. I consider his professional attitude as helping improve the company's image among foreign journalists." "They have a PR practice similar to that of western companies; more open and more proactive." "Access was unlimited, and even embarrassing questions were addressed with significant comments."

Such positive feedback from foreign journalists suggests an encouraging trend in Japanese companies' willingness to embrace a more proactive, accessible and transparent approach to communications. And this could not come at a more important time. Japan's demographics show an increasingly top-heavy population, where almost 30% of nationals are over 60, and the childbirth rate is among the lowest of developed nations. A future-focused Japan must better communicate and interact with the rest of the world to ensure its economic survival.

Weber Shandwick in Japan is committed to play a role in this process. As part of the agency's initiatives to support the development of global communications practices of Japanese companies and institutions, it will continue to monitor and report on the international perception of Japanese companies in an effort to contribute further media and market understanding of Japan's place in a global economy.