

Pavilion Organizer - FRANCE

AN INTERVIEW WITH FRENCH PAVILION EXHIBITOR.

"Participating in Foodex and having people from the industry have direct contact with our products lead to new businesses. It is a way of directly seeing the people's reactions and this is helpful for improvements and future development. Over 90% of our exhibitors of Foodex tell us that they are "satisfied." — **Charles Durand, director of SOPEXA Japan**

**Q: Please give a brief introduction of yourself and SOPEXA.**

I have been living in Japan for 15 years. After my career at the Chambre de Commerce et d'Industrie Francaise du Japon (The Chamber of Commerce and Industry of France in Japan), I entered SOPEXA in February of 2006 as a Commercial Director. Currently, I am the representative of Japan office.

SOPEXA was established in 1961 in France as an organization to promote exports of French foods and alcohol. In 1969, a liaison office was established inside of the French embassy in Japan, which later became an independent office in 1985 as SOPEXA Japan. Over this time, SOPEXA have been engaged in public relations to Japanese professionals and consumers for a long period in the Japanese market. Our main job is to promote products such as wine and cheese that are imported into Japan, but we also value connections with the producers' unions. We also introduce new products that still have not been imported to Japan. In addition to that, we plan campaigns and other events for press and public relations, as well as creating a place of education towards these people. We also conduct promotion activities for

restaurants, bars, and super markets. As part of the promotion activity, we plan a trip to take the Japanese buyers to France for a business mission and directly purchasing the products.

Q: What is the number one mission of SOPEXA?

Of course, it is to spread French alcohol and foods as much as we can. We try to increase the opportunities for the consumers to see the French flag and products so that the image of the French products would appear when they hear or see its name. At the same time, we hope to increase the existence value of French products.

Since SOPEXA originally started from the French Ministry of Agriculture, Forestry, and Fishery, activities related to the ministry takes a large portion. Also, we participate in trade fairs such as Foodex. As for promotion, we deal with foods like cheese, but wine related activities are what we are engaged in the most. For this reason, as I have stated earlier, we have established a strong relationship with the French Wine Committee and wine producers.

Q: Earlier, you mentioned education is important to allow the products to take root in the market. Can you elaborate on that?

Currently, France is exporting a variety of products to Japan. For example, while there are products like an expensive brand bag, which you can see its quality just by looking, there are products like wine which you can never tell how good it is without tasting. For complicated products like wine, education becomes the key. About 20-30 years ago when French wine was not widespread in Japan, many people who were selling wine did not have enough information about their own products. For this reason, they were not able to tell the customers about the good qualities of the wine. Seeing this, we felt that it was necessary to create an educational institution for the sommeliers in Japan to learn. We have been supporting the Japan Sommelier Association and have been creating many opportunities of wine tasting, sommelier contests, and provided various information. As a result, the levels of Japanese sommeliers rose gradually, and now it reaches the top in the world. Since the Japan Sommelier Association is quite active, we have fewer chances to directly take role in the field of education compared to before, but we still work on seminars and wine tasting events that would give people an opportunity to know about wines that even sommeliers do not know of.

Q: Please tell us about your activities in Foodex Japan.

Foodex is the largest trade fair in Asia in the field of food and beverages, and this is the only general exhibition of the specialized field. This is one of the chances for the French producers who are willing to sell their products to Japan to directly meet with Japanese buyers and importers. As French pavilion organizer, SOPEXA has been participating FOODEX for about 30 years.

Every year, we have about 80 companies, or 800 square meters of the French exhibition. Half of the exhibitors are new and others have participated in the past. Some are already exporting to Japan, but there are many others, which are new in the Japanese market. Participating in Foodex and having people from the industry have direct contact with our products lead to new businesses. It is a way of directly seeing the people's reactions and this is helpful for improvements and future development. Over 90% of our exhibitors of Foodex tell us that they are "satisfied."

Since we are only providing an "opportunity" to the French exhibitors, we do not give further support afterwards. But, if we have a request from our exhibitors that they need help on promotion or marketing, we are happy to do so. We also give out the list of exhibitors. For example, the ways the products are displayed on the shelves are different between Japan and France, so we organize inspection programs for them to have a better understanding of the Japanese market. We also try to respond to all kinds of needs and requests of our people including the request for holding a party for the press. SOPEXA is working in 43 countries around the world. This allows us to introduce other related-exhibitions all over the world, and by operating this with Foodex, we are expecting a more global accomplishment.

Q: How do you look at the Japanese market?

When we think of the food self-sufficiency rate, 60% of the Japanese calories come from overseas. Seeing this from France, which is a producer, Japan is both appealing and highly competitive. Japan is called the pilot market of Asia, and once you meet the severe standards of Japan, you would have no problems with the other countries. This is one of the biggest reasons why the French companies participate in Foodex.

The import volume of wine has been rising for 3 consecutive years since 2009, and when we look at the data of the past 20 years, this is a new phenomenon. As seen in during the wine boom in the 80's and in the late 90's, there is always a drop after a high rise. But in recent years, the situation is starting to change.

While low priced wine is the mainstream of the wine market, it may be less likely for a consumer who buys wine for the first time to choose French wine, which is rather expensive. In addition to that, the amount of wine consumed by the Japanese has a limit of 2~2.5L per year, and the Japanese population is falling. Despite that reality, there are more people who are starting to buy wine for the first time due to the drop of its price. This wine may not be French, but if the number of wine consumers increases, the market will naturally grow bigger. This is an advantage from the exporter's point of view. In fact, the amount of consumption is unprecedentedly increasing, so we can see a bright future.

I personally see many people with wallets from an expensive brand. The Japanese living standards are high, and there are not many people who cannot afford a 3000-yen wine. Maybe they can buy it 2 or 3 times a year. While there are uncountable people around the world who suffer poverty and has no food secured for the next day, Japan is a wealthy country. This means that there are great possibilities for future consumptions.

Over the past few years, the market share of French wine in Japan dropped from around 40% to 30%. But the number of share does not matter too much. It is rather desirable for the market to expand as a whole since it would lead to the increase of the distribution volume. While Japan and the UK are both an island that does not mainly produce wine, the consumption volume of UK is 10 times the amount of Japan. Since the crash of the Lehman Brothers, the Japanese have been inclined to dine more often at home, thus it leads to the rise in volume of domestic consumption of wine. This is what I feel a possibility about Japan.

Q: Japan requests and expects high standards from their exporters. Are there any advices on this issue?

For example, if the wine label were off the right place even by 1mm, the Japanese would not accept it. A French person who does not know about Japan would think that there is no need to change the product since its content has no problem. In France, we often say that "customers are kings," while in Japan, "customers are gods." For Japan, since they are selling to a "god," they must prepare a perfect product to their customers. When the product is lined up on the shelves, one customer may make a complaint about the product. If so, the store would be perplexed, and therefore, the importers must make sure that every product is perfect. Being able to sell the products in Japan with strict standards mean that you can pretty much sell anywhere around the world. Conducting business in Japan gives a positive image to other countries.

There are many people who requests for a marketing data, and we think that the Japanese

and French has opposite personalities. The language and culture are different. People do not learn too much about Japan in France. If you do not understand the culture of Japan fully, it creates a gap at one point and becomes a barrier sometimes.

Q: What are the barriers and problems of entering the Japanese market?

Cheese is one of the representative foods from France that many people imagine when they think of France. Even though the consumers know that French cheese tastes good, not many people choose to purchase expensive imported cheese. This is one of our problems, and our task is to encourage these customers to step into purchasing. As for the barriers of entering the Japanese market, there are several issues from building on trust relations to more technical ones such as passing hygiene standards. Even after overcoming these barriers and given the permission to sell in Japan, how you conduct business with the Japanese companies will become a major issue. For small and medium sized enterprises, exporting to Japan costs a lot. It is important to form a cooperative relationship between the Japanese importers, and gradually widen your business. Answering consumer needs is also crucial. A cheese producer, for instance, may create a new product with smaller portions that could be eaten in one meal especially for Japanese market. There is also the barrier of language. Unlike people from other companies, it is difficult to hear the real motive of a Japanese. In addition to that, the geographical distance between Japan and France is far, so closing that gap is a challenge.

Q: Can you tell us about the trend of French wine?

Depending on your age, the type and flavor of the wine varies along with that person's economic power. When we talk about wine, one way of thinking about it is by using the pyramid of wine marketing. French wine used to have equal existence in the bottom layer cheap wine, middle layer medium priced wine, and top layer expensive wine. Over the past 15 years, French wine in the bottom layer decreased dramatically, but the middle and top remains strong. Recently, there are many consumers who consider cost performance, and pulling up the consumers in the bottom layer to the higher layers would become the key. In reality, there are not many people who buy French wine even after understanding the good features of the product. For example, majority of the consumers would answer no if they are asked if they would pay for a wine that cost twice the amount they pay for their lunch. Even if it is a cheap wine, I believe that it is fine if you have a chance to drink wine at least once a week. Once the base of the pyramid grows, the number of people who starts climbing up would increase. When this happens, even if they are drinking cheap wine, they may buy

French wine that is more expensive as a reward for working hard every day or in some special occasions.

When you actually think of buying wine from the top layer of the pyramid, there are high chances for the customers to choose French wine. In order to increase this chance, we have been working for promotion of B to C activities for the past 5-6 years. We host tasting events and provide a place for people to take French wine in their hands.

Q: Can you tell us about the geographical indication system, AOC (appellation d'origine controlee) in France?

Traditional wine producing areas in France each has individual styles such as the types of grapes, the way of cultivating, and the wine making process. AOC is a legal restriction for agricultural products that protects the geographical specificity of producing areas. The law was established in France in 1935.

The AOC system is one of the reasons for the French wine's high prices. The requirements that you must meet in order to be certified as AOC wine are very strict. For example, a person would say that if they know the ways how the French produce their wine, they would be able to make the same wine in their country. Although this may work theoretically, it is impossible to produce exactly the same wine in reality even if they used the same ingredients, manufacturing facilities and machines, and followed the same process and techniques. This is because AOC wine mirrors the geographical characteristics of that particular place. For example, wine from Alsace carries the land and air of that particular district, and this cannot be given to anybody else. These products have a value since it is an individual product that reflects the characteristics of the place it was produced as well as its geographical conditions. AOC is applied not only to wine, but also to other agricultural products such as cheese, meats, vegetables and so on. Products with AOC are certified by the French government for its unique features and characteristics of the land it was produced. Since they are produced according to the terms of conditions, we may say that it is safe. Although it costs extra fees because of this, the quality is assured.

We want to continue to emphasize that there is a geographical indication system called AOC in France.

Camembert, a well-known French cheese, is named after a village called Camembert. As you can see, French products have strong connections with the place it was produced. There are many types of French wine, but if you continue to search, you would be able to find the perfect

one for you, just like looking for a loved one. This process is very exciting.

Q: Do you plan a promotion of French products conscious of "women's point of view?"

Depending on the circumstances, we focus our promotion on women, who has a relatively high disposable income. In French, there is a phrase called "art de vivre," meaning "the art of living." This is a way of expressing that what you eat and drink are strongly affected and linked by the environment and atmosphere, including the people you are with. I think that women are more sensitive to these types of consciousness towards art and beauty. Even if we take a single wine bottle for an example, the way this is set on the table and the surrounding atmosphere would change the bottle into something more special. For example, eating a meal under a beautifully lighted room would be a completely different experience from eating in a dark room where you can't even see the food.

Wine that you drink after a hard working day is marvelous. Even if the wine comes from the same bottle, the wine that you drank last night and the wine you are drinking now is different since it links with your experiences of that day. In other words, each day and each moment has its own story, and drinking wine itself is a lifestyle. We do not eat just to sustain a healthy life. We enjoy eating with an atmosphere that includes a sense of beauty and this establishes a lifestyle. This is similar to one of the Japanese values called Ichigoichie, or a once in a lifetime encounter.