SUBJECT OF MONOGRAPH

THE PRELIMINARY MODEL OF JAPANESE INTERNATIONAL MARKETING
---TOWARDS "FLEXIBLE INTERNATIONAL MANAGEMENT THEORY"---

By

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References
I. INTRODUCTION

The aim of this article is to formulate the preliminary model of Japanese international marketing management based largely on the Japanese traditional commercial science[1]. The Western economic and marketing thought will be applied to this model as well. First, I shall explore to analyze the contemporary essences and features of Japanese international marketing. Second, its historical background will be described from the Meiji Restoration(1868) to the present period. Third, the framework of the preliminary model is investigated partially by using the interaction model of the IMP group[2].

II. CONTEMPORARY JAPANESE INTERNATIONAL MARKETING

Since G5 Plaza Agreement in September 1985, the exchange rate of Japanese Yen to the United States dollar has been drastically fluctuated, say from 250 Yen rate to almost double times Yen 125 revaluated. Despite this currency pressure from outside the country, Japan's trade balance was still 79.7 billion dollars surplus in 1987 on the basis of customs clearance. However, the increases in export volume had been decreased over the year ago level, as shown in the Table I. The import rates of finished products in 1985, 1986, and 1987 were 31.0%, 41.8%, and 44.1% respectively, as specified in the Table II. Meanwhile, the amount of foreign direct investment in the fiscal year 1987 was $33.64 billion increasing by 49.5% over the previous fiscal year, and the total accumulated amount of direct investments has been arrived at $139.34 billion[3]. Japan's overseas production ratios in 1985 were only 4% against 17%(U.S.A., 1984) and 19%(West Germany, 1985)[4], while they are expected to be increased in the future, as seen clearly in the Figure I. According to this survey as of January 1988, about 50% of Japanese manufacturers are estimating between 5% and 10% for their overseas production ratios after 10 years from now, and other 50% ones expect between 10% and 50%. This may be depended largely upon the future Yen rate.

Although the above data may not be enough to justify completely, most Japanese manufacturers have been the export marketing orient at least till 1985. They have a tendency to produce their products in Japan rather than to make abroad, and export those to the international marketplace. Of course, current Japanese maker such as Honda, Toyota, NEC, Sony, etc. are multinationally produce their products. But, they are not the typical Japanese ones. Even they are mainly following Japanese style of business management in overseas countries. In this sense, they are not exactly the global oriented multinational companies. They are still in the stage of the export oriented, and quasi-multinational marketing companies. For example, many of them are just switching their
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**Source:** White Paper on International Trade, Japan 1986, MITI, p.272

(Note: Trade balance is based on customs clearance)
### TABLE II. CHANGES IN IMPORT RATIOS OF FINISHED PRODUCTS OF JAPAN/USA/E C

(units: % )

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<th>Year</th>
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<th>E C (excluding intra-trade)</th>
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FIGURE I. PERSPECTIVES IN JAPAN'S OVERSEAS PRODUCTION RATIOS AFTER 10 YEARS

Survey in January 1986
Survey in January 1987
Survey in January 1988

production base from Japan to the Asian NICs in order to export their products to U.S.A., and European markets as Japanese General Trading Firms (Sogoshosha) are often practicing this type of intermediary trade.

Many academicians have strived to describe such Japanese international marketing. For instance, P. Kotler is pointing out as follows:

"As we noted earlier, the Japanese have not invented any strikingly new concepts. Nor have they created new way of doing business. And, until recently, they did not even invent new products. Indeed, the Japanese have simply put into practice what U.S. management has preached for years but did not widely practice"[5].

The above statement may be applicable to some extent for characterizing international marketing behaviors of Japanese firms. This, however, does not reflect exactly what the Japanese have practiced international marketing in the past. It would be true that Japanese firms have tried to learn much about American micro marketing, particularly after World War II, but they have never followed the United States marketing way precisely. Kotler is stating about Japanese marketing mix strategy, product strategy, pricing strategy, distribution strategy and promotion strategy by illustrating Toyota's case[6]. It would be assumed that the Japanese had understood their way of marketing mix concept from their commercial science perspective, possibly before World War II. Kotler himself is also citing that Japanese marketing thought had its origin around 1650, referring to P. Durcker [7]. Kotler is further arguing that other Asian countries like South Korea, Taiwan, etc., are challenging the West with quality products at lower costs and lower prices than those in the West. He refers this challenge to as "since adopting the principles of free enterprises as spelled out in Adam Smith's Wealth of Nations" [8]. I would assume that the neoclassical economic principle of 'rational man' has been much applied to particularly the American marketing philosop The Japanese have paid some attention to human irrational and social exchange aspects as well as economic exchange aspects. Whereas, the American have tended to think over social exchange aspects in recent years [Kotler 1973; Levy & Zaltman 1975; Bagozzi 1

III. HISTORICAL CONTEXTS OF JAPANESE INTERNATIONAL MARKETING

The Prewar Period (Before World War II):

Japan's international marketing system should date back to the Meiji Restoration (1868). Before the Restoration, the feudal Tokugawa Shogunate banned all direct trade contact with foreign countries except for a limited trade with the Dutch and Chinese merchants at the port of Nagasaki, the Southern
part of Japan. However, in 1858, Japan-America Amity Treaty of Commerce and Navigation was concluded, and so Japan officially started international trade with the West since then. The new regime placed a high priority on promoting foreign trade. In the beginning time, all Japanese trade was transacted through foreign resident trading houses in Japan. Foreign merchants were given extraterritorial rights, and Japanese trade was actually inequal with foreign counterparts. Under such Japanese unequal treaty with foreign governments, Japan was allowed solely 5% duties levied on all importing commodities. In 1874, Japanese direct exports and imports with overseas countries were merely 1% respectively, while 97% of export volume and 94% of import volume were occupied by foreign trading houses in Japan. In 1891, Japanese direct exports increased to 15% and imports to 2% [9]. It was told that the export price of Japanese raw silk was approximately between 1/2 and 1/3 of the international market price at that time [10]. The government had encouraged to set up Japanese trading houses which should promote to export and import directly to overseas markets. Mitsui Trading house was incorporated in 1876, and Mitsubishi in 1880. In the real context, Japanese direct trade transaction with foreign countries was initiated after World War I. In 1899, the alien trading house system was abolished, and the government could decide autonomously its tariffs on import commodities.

Since the Meiji Restoration, the Japanese had learned the Western commerce mainly from England and West Germany, while their own commerce dated back to Nara years (710-790). American marketing was emerged in Japan around 1920. In the United States, they had already micro/macro marketing in the academic and practical field, since the production capacity of American firms exceeded demand in the domestic market, and economizing of distribution costs, during the economic panic period, was needed for the national macro marketing side. In the Japanese academic field, American micro/macro marketing was studied. However, in the practical field, Japanese industrialization did not reach in the stage of micro marketing. Accordingly, macro marketing from the national economic perspective was only stressed in Japan. The Japanese referred it to as "distribution", or "rationing", or "Haikyuron" in the Japanese terms [11]. They had to await the emergence of American micro marketing in the practical field till the success of Japan's industrial growth, brought the abundant mass consumption market. In the prewar period, the main tactics of Japanese international trading centered on the technical process to complete sales contract by shipping goods and getting the payment smoothly from overseas buyers. It should be just selling instead marketing.

In the academic field of foreign trade, "Commercial English" and "Export/Import Practice" courses were taught at Japanese universities. According to T. Koosaka's monograph in 1926, terms and conditions of sales contract in international trade were discussed [12]. Those transactional terms consisted of price, quality, quantity, delivery, and payment terms, which we see even in today's university textbooks. These five terms were described in terms of legal and commercial perspectives.
Particularly, the Japanese were unaccustomed to the Western style of legal approaches. Koosaka had a fine combination of the practical and theoretical understanding of international trade at that time. He further argued that Japanese firms were much faced with international trade claims with foreign companies in terms of quality problems, etc., and contended that domestic and international trading were substantially same, but differentiated from their environmental factors. I would assume that he had already appreciated the relationship between environment, and the practice and development of marketing. He also commented on the fact that international trade was based on bargaining and haggling transactions between buyers and sellers. He posed the comparative analysis for marketing and trade or commerce [13]. He gave a name to American marketing as "New Commerce" or "Premarketing Based on Commercial Concept". On the basis of F.E. Clark's definition on marketing, referred to as "Marketing consists those efforts which effect transfers in the ownership of goods and services and care for their physical distribution" [14], he related "transfers in the ownership of goods and services" to "contract of sale", and "care for their physical distribution" to "delivery and payment terms to be executed". He also quoted A.W. Shaw[1915], L.O.H. Weld[1915], B. Vanderblue[1921], and P.T. Chrington[1920].

Japan's exporting items were mainly labor intensive textiles, general merchandises, etc., in prewar. The fanatic militarism took over the government, and big Zaibatsu interests ruled over business in Japan. About 30% of Japanese international trade volume was occupied by Mitsubishi and Mitsui trading house, immediately prior to World War II. Nevertheless, it was fortunate that Japan developed railroads, communication facilities, steel, mining, chemistry, shipbuilding, and so forth, notwithstanding their minority's ownership. It would be supposed that there was no such marketing concept in the Japanese domestic and international trade. But, they will be the fertilizer for further developments in the postwar period.

The Postwar Period (After World War II):

In 1945, the Allied Occupation landed into Japan, and it endeavors to change all basic characters of the Japanese system such as the dissolution of the Zaibatsu, a land reform, democratic education, disarmament, etc. It seemed that Japan had never changed her own systems unless the coercive power outside the country pressed on her, as evidenced by the Meiji Restoration and other Japan's past history. Japanese private trade restarted from 1947. At that time, the most noteworthy and innovating export item was the sewing machine for home use, at the initial exporting period of 1949, because Japan had not ever sold such high technical light machinery before World War II. Although Japan produced her own sewing machine from approximately 1940, she used to import it from the United States and Europe, prior to the postwar period [15]. During
the Korean War starting in 1950, Japan made out her initial impetus for recovering her economy by supplying large volume of goods to Korea. In the 1950s, the Japanese concentrated their efforts upon producing light industrial goods mainly for exporting in order to build up U.S. dollar reserves. The Law Concerning Control of Foreign Exchange and Foreign Trade (Law No. 228, hereinafter called "The Foreign Exchange Control Law") was enacted in 1949, and it supported exporting activities, and restricted importing goods except for raw materials. Around in 1960, the ratios of Japan’s export volume for light industries and heavy chemical industries were almost equally proportioned [16].

In the 1950s, the Japanese followed international selling rather than marketing, although, in 1956, Japan Productivity Center arranged a business tour to the United States for learning American marketing. During this period, Japanese large makers, especially in the field of automobile, electronics, etc., initiated export sales promotion through trading houses. They, however, later on in the 1960s, started marketing their products directly to overseas markets. For example, in 1958, Toyota sold 288 sets automobiles to the U.S. market, those quality was really disaster, and did not match American standards [17]. According to a Japanese consul, in San Francisco at that time, Toyota gave away their car samples to all consulates in the United States for their sales campaign, and he found that the car stopped on the way of the slopes of San Francisco hills, and that the engine roared terribly like a truck on California Freeway. Only Japanese residents in the United States like war bride or so, bought such cars. They were at the $2300 price, as contrasted to $1600 for a Volkswagen Beetle which was far better in quality [18]. It was precisely evident that Toyota’s first entry to the U.S. market ended in failure. Toyota, however, attacked to reenter the U.S. market in 1965, and their export marketing strategies combined with the four dimensions of product, pricing, distribution, and promotion were quite successful. The new Toyota Corona, compact size car was fully accepted by the American market booming the shift in consumer preference. Corona met with every specification having twice the horsepower and performance of the Volkswagen Beetle in terms of product strategy, and it was priced under $2000, coupled with the low cost of maintenance, and provision of local spares, service, and stocks, that made out the right pricing strategy. Toyota’s distribution strategy was to target reputable dual-line dealers, who were much experienced with foreign cars. Their concentrated promotion media was primarily through TV spots [19].

Toyota’s case was the good example of Japanese pioneer in developments of export marketing rather than just international trading or selling. Around that time, not only Toyota, but also other Japanese electronics makers like Toshiba, or others how many sets of handmade color TV samples did they submit to their American buyers in order to meet specification? But they finally succeeded in international markets. It may be said that Japanese
firms had the basic thought of marketing mix strategy bred on their understanding of quality, price, and delivery terms for international sales contract, as mentioned in the foregoing. This assumption may be evidenced by S. Ishida's monograph in 1967, in which he pointed out that American marketing mix of pricing, product, and distribution strategy would be equivalent to price and payment, quality, and delivery terms respectively [20]. That is why W. Lazer, S Murata, and H. Kosaka are asserting that Japanese business practices are not the American marketing application, but rather the Japanization of American marketing thought [21].

In the 1970s, Japan was faced with various problems of Nixon Shock, the first postwar yen/dollar revaluation in 1971, the first Oil Crisis in 1973, and trade conflicts with the EC countries and the United States. Changes in these environmental factors affected strongly international marketing strategies of Japanese firms. They were obliged to change their existing strategy of marketing quality products at lower costs and lower prices, since the Asian NICs emerged as the new competitors. Japan's foreign direct investment to Asian countries had increased since 1971, in order to make products at lower costs, while some of Japanese manufacturers had already set up their assembly factories in those countries in the 1960s. In 1979, due to the large pressure outside the country, Japan had to amend the Foreign Exchange Control Law for liberalizing foreign exchange and trade.

In the 1980s, particularly from 1985 up to the present, the drastic rising of Yen rate brought out changes in Japan's trade structure, as discussed in the foregoing chapter. In recent years, the Asian NICs makers are exporting their created automobiles and VTRs at lower costs than those produced in Japan. Japan now concentrates on differentiated products on the basis of market segmentation strategy in the international marketplace. Japan, however, is supplying these assembly parts like engine parts and VTR mechanism to the Asian NICs. Whereas, the Japanese are attempting to compete with their counterparts in the West, in the field of semiconductors, Robots, and other high technical products.

Japan's GNP growth rate in the fiscal year 1987 was at 4.9%, and its annual rate from January to March 1988 was amazingly recorded at 11.3%. It was reported that domestic factors other than foreign factors contributed to the growth of GNP. As to this economic development of Japan, in replying to a Japanese TV reporter, P.A. Samuelson has commented that it should be praised that Japan's recent economic attainment was owing to domestic factors other than foreign factors, but Japan should now develop her own basic technology.
The principal aim in this chapter is to outline the framework of Japanese international marketing management on the basis of the foregoing discussion and the IMP's research studies. As mentioned in the previous chapter, I should say that Japanese firms entered the development stage of international marketing from the step of international trade, initially around the mid-1960s. It may be said that the current Japan is in the process of going into the development stage of global multinational marketing including the overseas production. This model is mainly focused on Japan's export and import marketing. Business ideologies in Japan's prewar depended upon the traditional commerce rather than the Western style of marketing or so. Since the Japanese legal transactional consciousness was so weak at that time, it appeared to be proper that Koosaka emphasized on international sales contract, especially price, quality, quantity, delivery, and payment terms. Whereas, in postwar, as shown in Toyota's case and Ishida's monograph, these terms should be interpreted as marketing approaches such as the American 'marketing mix' or so. Therefore, these transactional terms will be the core of this model, referring to as 'strategy'. The skeleton of the preliminary model should be portrayed, as shown in Table III, Figure II, and Figure III.

The model is based on the framework, environment--strategy--administrative structure, as seen often in the Western marketing and management textbooks [22]. I, however, have arrived at this framework through the Japanese traditional commercial management, in which selling and buying are the basic involved in human and economic aspects. The Western K. Polanyi and C. Menger particularly will be applied to this model. Polanyi asserts that human substantive economy is meant by the instituted process, where the interaction of mankind toward environment takes place [23]. Polanyi is further quoting Menger's two meanings of 'Economic', as appeared in Menger's revised edition of "Principles of Economics", though it is not translated into English yet probably [24]. Menger states that one economic direction is in the 'sparen(de)Ökonomisierende Richtung', and another is in the 'technisch-Ökonomisch Richtung'. The former is in the direction of the Western economics prevailed in the modern years, in connection with 'formal' means and ends. This approach is practiced on markets where scarcity of goods is preoccupied to satisfy human wants [objective factor]. The latter is 'dispositive Tätigkeit' to satisfy rather human heterogeneous wants due to relatively abundant goods available [subjective factor]. It seems to me that the latter 'technish' or 'technical' economy may be more related to our 'marketing' activity. I, however, need further study and consideration for concluding this assumption.

Polanyi further points out that the interaction between man and
1. The Outline of the Preliminary Model

Framework: Environment--Strategy--Administrative Structure

[1] Corporate Objectives:

[2] Strategy:

Transactional Terms (Quality, Price, Quantity, Delivery & Payment Terms)

International Marketing Strategy

Marketing Strategy

Selling Policy

Purchasing Strategy

Purchasing Policy

[3] Administrative Structure:

Marketing Strategy

Purchasing Strategy

Administrative Structure

Personnel Training Policy

Environments

Japanese Pattern, North American Pattern, West European Pattern, Middle East Pattern, African Pattern, Latin American Pattern, South East Asian Pattern, Asian NICs Pattern, etc.

2. Relationships of Transactional Terms--Marketing Mix--IMP Research

<table>
<thead>
<tr>
<th>Transactional Terms</th>
<th>Marketing Mix</th>
<th>IMP Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Terms ------</td>
<td>Product Planning ----</td>
<td>Technical Competence</td>
</tr>
<tr>
<td>Price Terms --------</td>
<td>Price Policy -------</td>
<td>Price Negotiation</td>
</tr>
<tr>
<td>Delivery Terms ------</td>
<td>Logistics ----------</td>
<td>Commercial Competence</td>
</tr>
</tbody>
</table>

**For the IMP Research, see Turnbull PW & Cunningham M T[Ed], International Marketing and Purchasing. The Macmillan Press Ltd., London, 1981.**

FIGURE II. THE PRELIMINARY MODEL OF JAPANESE INTERNATIONAL MARKETING MANAGEMENT (FLEXIBLE INT'L MANAGEMENT THEORY)

FIGURE III. DYNAMIC MODEL OF THE INTERACTION MODEL

1. Pre-stage of the Interaction Process
2. Mid-stage of the Interaction Process
3. Post-stage of Interaction Process

1. The Interacting Parties
2. The Atmosphere
3. The Environment
4. The Degree of the Interaction Process


FIGURE IV. THE PRELIMINARY MODEL OF BUSINESS COMMUNICATION

Source: Yamada, Ibid., p 127.
environment has two processes, "transfer of place" (transport and production), and "transfer of appropriation" (trading and disposal) [25]. Japanese commercial science places an emphasis on "transfer of place", and "transfer of possession". The American marketing has often referred to "time, place, and possession utility". W. Alderson searched for "the act of improving the assortments held by the two parties to the exchange" [26] possibly in order to separate marketing independently from economics. Kotler poses as physical, title, payment, information, and promotion flow for the marketing channel [27]. The IMP group cites as product/service, information, financial, and social exchange episodes [28]. J.R. Commons states that the meaning of marketing is as transportation, the creation of "place utility", and that it does not create "possession utility", but merely legal transfer of ownership [29]. Nowadays, using concepts of modern contract law, F.R. Owyer and others are striving to develop buyer-seller exchange relationships for marketing [30]. In this sense, I understand that Koosaka concentrated on legal ownership of goods in Japan's prewar and immediate after World War II, when Japan was in the process of economic developments, not reached yet the stage of the abundant consumption market.

Regarding "Corporate Objectives", as shown in Table III and Figure II, the prime objective will be the firm's survival, particularly for a community of Japanese corporation, while Alderson is also specifying the survival of the firm.

The legal sense of "Transactional Terms" will be converted into "Strategy" or technique for corporative survival. The combination of transactional terms and selling policy would be interpreted as "Marketing Strategy", and that of terms and purchasing policy will be "Purchasing Strategy". Furthermore, "Marketing Strategy" coupled with "Purchasing Strategy", will be integrated into the total "International Marketing Strategy". This transactional terms should be interpreted in the contemporary manner. First, quality terms may be applied to today's product planning and product development, which are most related to scientific technology, and price terms will be automatically relevant to price-policy. Delivery terms may be correlated to logistics including the international production location, while payment terms will be equivalent to financing control, which plays an important role for foreign exchange strategic management in today's international marketing. Whereas, quantity terms may mean the manipulation of production quantity, which might affect demand and supply in international markets. In this respect, Menger is clearly specifying the relationships between requirements to satisfy human needs and the available quantity of goods to be arrived at 'economic goods' and 'non-economic goods' [31]. Today, economic goods are only marketable.

As to "Personnel Training Policy", Japan has her own unique system for training employee as characterized in lifetime
employment, seniority wage system, etc., though these systems are gradually shifting to be adapted to changes in the outside environments. Japan's most interesting feature to be noted, different from the American and European employment system, is to see that Japanese firms train their trainees under their own system, immediately after graduation from universities. They do not usually employ men with MA degree (social science) except for natural science field. Since Japanese management calls for corporation men to be obedient to the corporate ideology, they would suppose that the graduate students may be too late to be trained. While it seems that the British capable and elite university students often go to banks, educational institutions, etc., Japanese university students are often seen to enter manufacturing firms, and other field of industries as well, probably except for university academician after their graduation from school. So, comparatively high level of educated university students are absorbed by all types of industries here. They, however, are mostly standardized, and that's why the Japanese are not called 'creative', though they may be most suitable for 'group undertaking'. Team work for marketing may be also good, but not for unique marketing and technological invention, that are absolutely necessary for the current competitive international market. Accordingly, for the future Japanese international marketing management, particularly individualism would be needed for understanding the Western people, and creating a new innovation. Otherwise, Kotler will claim again that the Japanese do not create new way of doing business, and that they do not even invent new products, as mentioned earlier.

"Administrative Structure" is to control and manage all above elements such as marketing, purchasing, and personnel training by its interaction with the outside environments as well as interactions of its inside structure and with other entity of structure. Environments are divided into the category of natural environment, and man-made direct and indirect environment. The interaction between nature and man has been repeated in his past history, as he tries to read his realities to be futured into nature, in the technical way. Man-made direct environment includes, so called product market, financial market, labor market, raw material market, firm's atmosphere or climate, etc.. Man-made indirect environment contains economic, political, social, and legal system, as T.Parsons (1937) indicated.

Figure III shows the dynamic flow of the interaction process between the two systems which have been induced from the IMP's interaction model in order to reach communication process, as shown in Figure IV. The Japanese have strived to learn Commercial English, since the Meiji Restoration. Communication has been the most important part for the oriental Japanese to communicate particularly with the Western people. As Alderson is specifying that 'communication system' and 'power system' are the most primitive elements constituting a behavior system[32]. The interaction process may be replaced by communication process,
as indicated by O.K. Berlo and others [33]. The mixture of natural, and man-made direct and indirect environment is characterized roughly by the standardized pattern in each territory in the international marketplace. We, however, must keep in mind that the British and the French, and the Taiwanese and the Korean may be different in some way or other, even though they belong to the same area. Japanese firms usually produce their products based on this type of criteria.

V. CONCLUDING REMARKS

Insofar as data are available at my hands, I attempted to explore the preliminary framework of Japanese international marketing management to be understood by foreign people. Though this work may be adventurous and sometimes may be biased, formulation of the model would be essential for tracing some common and different traits between the Japanese and the Western marketing systems. Some biased parts will be checked by the future research work.

Many American, European, and other people are trying to be acquainted with characteristics of Japanese international marketing system. I should say that Japan established her own basic structure of hierarchical instituted social system in the Edo or Tokugawa Ages[1603-1867], as M.Y. Yoshino is also introducing the partial aspects of this structural system[34]. From the Meiji Restoration to World War II, Japan followed international trade particularly to learn the Western legal aspects of transaction, as asserted by Koosaka. In the postwar period, the Japanese have been just enthusiastic about rebuilding their economy. The Western democratic individualism crept in postwar, and so this is affecting the collective structure of today's Japanese corporation. Whereas, the Western firms such as European and American firms have depended chiefly upon individualism, as started by Adam Smith's economic theory, and now they are paying more attention to instituted system of corporations, as seen in concepts of Polanyi, Commons, Williamson [1975], and others. So, I may probably be able to conclude that balancing relationships between individualism and groupism would be the most important impetus for us to be survived in current competitive markets[35].

Finally, I assume that the Japanese have strongly depended upon human networks within the domestic market and may be starting now for the expansion of their networks in foreign markets. As today's marketing appears to be directed towards exchange relationships between buyer-seller, Japan would absolutely need to develop international networks with foreign people positively. For this purpose, Japan is necessary to be more flexible especially to foreign cultural and social environments, as implied in the model of 'Flexible International Management Theory'. The concept of market is the great invention and practices of the West for ruling out the economic structure, while social human network is most developed probably in the East. It may be the time for us to coexist peacefully through international marketing system, in which, counterbalancing relationships between market and human community, or between economic exchange and social exchange system, is realized. Besides, the legal system may support these exchange systems.
However, I am most afraid that the recent Japan appears to go into the direction of economic exchange by forgetting her own traditional spiritual culture. That's why I wish to repeat again that the Japanese should promote more cultural and social exchange with foreign people rather than just concentrating upon economic exchange. In this sense, Japan must now make surplus in the cultural balance instead trade balance, I believe.
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