Canadian Digital Content Companies and the Challenges of the Japanese Market

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Project Plan

- Examine the presence of Canadian digital content firms in Japanese and South Korean markets and production and innovation networks.
- Determine the engagement of Canadian companies in these markets, reasons for success and failure, policy implications, and measures that would help firms trying to enter the market.
- Better understand the Japanese and South Korean markets - particularly dominant in video gaming and animation.
Small Canadian Presence

On the ground

Sales/Support Office

Selling into Japan
Incubators and Accelerators

- Support for digital content somewhat limited
- International business development support very limited
- Focus on Asia (with the limited exception of MARS) almost non-existent
Challenges of the Japanese Market

- Hard to break into the market - marketing companies tell developers what kinds of games they want and developers develop them

- Small market segment for foreign content

- Need a certified Japanese publisher

- Hard market for small companies - takes time to build connections and relationships and must be able to stay viable in the meantime
Challenges of the Japanese Market for Canadian companies

- Japan is a face to face market
- Must deliver on time with high quality
- Must build relationships
- Must adapt products to the market
- “Canadian producers are good but not good on details or on adapting products to the market.”
- Very few Canadians on the ground and not teaching newcomers. Not building relationships or expertise
Lessons?

- Canadian digital content companies are generally small which makes international trade challenging.

- Video Game Sector example - 88% of employment in the sector in Canada is in foreign-owned companies, 39% of the 420 video game companies in Canada have fewer than 5 employees.

- Better marketing of Canada and Canadians.

- Joint (many small companies together) promotional events.

- Should incubators and accelerators encourage start-ups to think about foreign markets? What kind of assistance?

- Lessons about how other countries promote and help their digital content sectors.