Foreign Firms in Japan's Securitites Industry in the 1980s and Post-Bubble Economy

Strategies for Competitive Success in Japan's Financial Service Sector

Chapter

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well-known global companies are explained. The author postulates that due to their administrative heritage, Japanese firms are quick and effective imitators. This tradition means they price and offer services aggressively to protect and maintain client relationships and market share rather than profits. They will use existing business to cross-subsidize new or peripheral activities, often pricing below cost. Therefore foreign financial firms investing in Japan generally only succeed by offering products Japanese competitors cannot easily emulate.

The paradigm is that merely entering and competing in an established Japanese market, even if it is growing or changing rapidly, is difficult and rarely produces good results except with a proprietary product, technology, or service. Further, to create a sustainable advantage, one must continually introduce innovations from outside Japan to control, define and influence the market's competitive evolution. This extends the Vernon-Krugman model of continual product innovation to Japan

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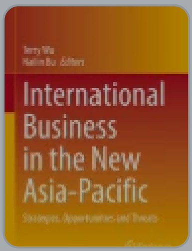

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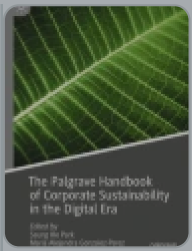

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Author information

Authors and Affiliations

Graduate Program in International Relations Yale University, New Haven, CT, 06520, USA

William V. Rapp (Academic Director)

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