

Canadian Digital Content Companies and the Challenges of the Japanese Market

Carin Holroyd, CDO Conference

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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



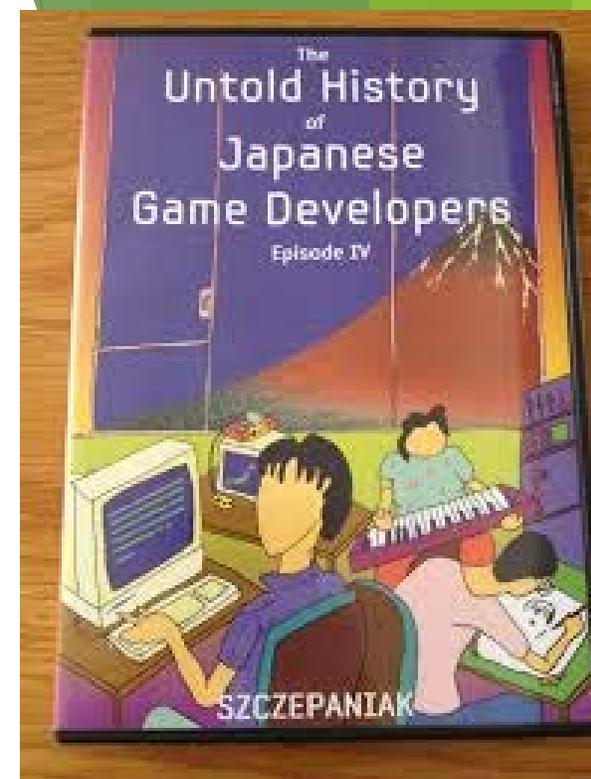
Incubators and Accelerators

- ▶ 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