

# Kärcher Cleaning Systems: Sparkling Entry into Japanese Market

By Nagami Kishi

**T**wo years ago, when we first established ourselves in Japan, our name was unknown and even the staff we had hired knew nothing about our products; it was really tough. However, we turned the industry's lack of knowledge about us to our advantage, and set about making a name for ourselves. Customers reacted favorably, and from the first year we were in the black, and paid our corporate tax."

That's how Ekkehard Birkhahn, president of Kärcher Cleaning Systems Co., Ltd., tells the story of his firm's leap into the Japanese market. Kärcher Cleaning Systems is the Japanese subsidiary of Alfred Kärcher GmbH, a leading West German maker of high-pressure cleaning machines and floor care products.

## Selling know-how

The underlying principle behind Kärcher's cleaners is simple: a jet of high-pressure water shoots from the nozzle to wash away the mess. However, every factory or workshop has its own kind of grime, and while the process may sound simple, getting rid of dirt is not really all that easy. That is where Kärcher's know-how comes in. When hot or cold water alone doesn't do the trick, a Kärcher cleaner uses up to 10 different detergents depending on the mess to be tackled. Kärcher is a company that sells cleaning know-how.

Of course, Japanese companies make cleaning machines, too. But the German firm's product is only a third the size of its competitors. Moreover, Kärcher specializes in cleaning machines and comes up with new products every year, while for Japanese firms cleaners are only part of a product line.

Until it founded its own Japanese subsidiary, Kärcher had a specialty trading company as an agent. That company, however, dealt mainly in forestry machinery, and the customer base never expanded; after about three years the re-



Using pressurized water to clean the platform at a JR station in Tokyo—a job that requires know-how to be done properly.

lationship was dissolved. In January 1988 Kärcher established its subsidiary and launched independent sales. In the first year of business demand increased five-fold, and in the second year it grew another 60%. Sales this year are forecast at ¥1.15 billion, branches have been opened in Sapporo, Nagoya, Osaka and Fukuoka, and more are planned for Sendai and Hiroshima within the year.

Junji Ikeda, Kärcher's general manager and No. 2 man in Japan, said these branches do more than promote sales. "Maintenance is also vital," he explains, "and that is why a branch office network is absolutely essential. Our sales have increased dramatically but last year Japan still only accounted for 1.2% of Kärcher's worldwide sales volume of ¥70 billion. We want to boost our contribution to 15%."

Kärcher Cleaning Systems' first goal was to expand sales channels. It wasn't easy for a total unknown to break into the market, but Kärcher prevailed. And the key to its success was to always bring along a Kärcher cleaning machine on a client call.

"We would give actual demonstrations, and the results were plain to see," said Ikeda. "Often the client would say, 'I'll buy it, so just leave it here, okay?' There are about 40 Japanese brands, but none of them use detergent. Kärcher's cleaning machines, on the other hand, can even

get grime off walls by spraying on a foam detergent which can be rinsed off with water later. If we can show people how well our product works, they'll buy."

Kärcher's cleaning machines have a motor for generating a high-pressure water jet, a boiler for heating the water and a detergent cartridge, all in a body little larger than a vacuum cleaner, making them extraordinarily portable. The firm's only serious rival is foreign, and that company is still at the agency stage of doing business in Japan.

Kärcher's compact cleaners are usually found in factories and at construction sites, but there are less conventional applications as well. At Kagaya, in Kanazawa, one of the top hot spring spas in Japan, cleaning the bath areas has always been a sweaty, time-consuming job. The inn called Kärcher for a demonstration, a salesman drove straight out to the inn, and wound up leaving his demonstration machine with the pleased inn owner.

"High-pressure water does not always do the job. Pressurized water improperly applied or under too much force may rip off wall tiles or cause other problems. A spray that is too weak, on the other hand, will not remove the dirt. The trick is in having the know-how," Ikeda said.

But what really made a name for the firm in Japan was winning an order for 32 machines from Central Japan Railway Company (JR Tokai) for its Nagoya Sta-



tion. Why did a railway station need cleaning machines? To clear snow from Shinkansen bullet train tracks during the winter, of course. The bullet train out of Osaka often runs through heavy snow near Sekigahara. The battery of 32 Kärcher cleaning machines cuts through snowdrifts in no time.

## Biggest battle

JR Tokai admired the performance of Kärcher cleaners in this unorthodox task and asked how they would do in battling the biggest headache of all station cleaners: chewing gum. Up until then, station staff had been removing gum piece by piece with spatulas. The cleaning machines did a beautiful job on the gummy platforms, so much so that now Kärcher is gearing up to equip all JR Tokai Shinkansen stations with its cleaners. Two other JR Group companies, West Japan and Hokuriku, have also ordered the same machines. Meanwhile, JR Tokai has asked the company for machines to clean the long front noses of the latest generation of bullet trains.

In fact, Kärcher is a master of making machines for special tasks. Cars imported



into Japan often arrive coated with thick wax to prevent scratching in transit. At present kerosene is used to take off this coating, after which workers have to go back and apply a coat of regular car polish for the showroom. Kärcher, though, has a system that strips off the old wax and puts on the new in one process. Mercedes Benz Japan has already inked a deal for several of these systems.

Back home, Kärcher headquarters is polishing the Brandenburg Gate in Berlin with its machines. "In Japan," jokes Birkhahn, "we may clean the Buddha statue in Kamakura."

Kärcher's headquarters is also collaborating with the German airline Lufthansa on equipment for cleaning airplanes, a job now done by hand. Adds Birkhahn: "Our headquarters has even received orders from NATO for machines to be used in cleaning tanks."

Japan isn't the easiest of Kärcher's markets. Auto repair shops are a vast potential market for the company's cleaners, but the powerful influence of Japan's automakers in this sector is said to make entry difficult. "If we could just demonstrate our cleaner's effectiveness, I'm sure we would get those orders," says Ikeda regretfully.

But Kärcher is not a firm to give up over one disappointment. It now has its sights set on tackling another real mess: the walls of office buildings. Already several companies have asked for help, and the German company is ready and willing to comply. "Right now there's a construction boom in big Japanese cities," says Birkhahn. "Within five or six years, we should have plenty of business opportunities."

Kärcher's household cleaners are also selling well throughout the world, particularly in the United States and Europe. Even in Japan, three-quarters of the Kärcher cleaners on the market are for home use. "We hope to display our household machines at more DIY shops to boost sales," Birkhahn added.



Kärcher makes a variety of machines for special tasks.

*Nagami Kishi is a free-lance writer specializing in foreign businesses in Japan.*