



JAPAN

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RETAIL TRENDS

The year 2015 has been a remarkable year for retail business in Japan. Some symbolic new concept stores were opened. For example, Yaoko, which shows very good performance in retail business, opened "Lalaport Fujim Store". With the launch of this store, Yaoko tried to reinforce its delicatessen and bakery in order to deliver more health-conscious products to consumers. To give another example, Life Corporation, one of the largest Super Market Chain Stores in sales in Japan, opened a store in a completely new format, "Central Square Oshiage Ekimae Store".

CONSUMER TRENDS

According to professionals in the Japanese supermarket business, the current consumer behavior in shopping has created two bipolarized trends in Japan. They pointed out that not only luxury products, but also low price products have been selling well. On the other hand, the median price products have not recoded good sales despite Japan's long-term GDP growth. If we analyze this phenomenon, we can come up with two explanations. One is due to income disparity in Japanese society and the other is due to the fact that consumers often purchase both luxury and low price products.

TREND 1: HEALTH-CONSCIOUSNESS

Like other developed countries, Japanese society has been confronted with the serious challenge of an ageing population. People have become more interested in health today, especially in order to avoid being overweight. Calories and sugar have become "centers of interest" among almost all people in Japan and various nutrients feature among the hottest topics of discussion. Most people try to be careful with their calorie and sugar intake and hope to get good nutrients through good eating habits.

LOW CARBOHYDRATE NOODLES SERIES

Brand: EZAKI GLICO CO., LTD.

Launch date: 02/2016

Category: Frozen products

Family: Savory Frozen Products

General description: According to the EZAKI GLICO's own survey, one out of two people who often eat frozen Ramen noodles are very careful with carbohydrate rich foods. On the other hand, frozen noodles have features such as well-balanced ingredients and no preservatives. In addition, the "low-carbohydrate" food market is expanding in Japan.





Therefore, EZAKI GLICO took advantage of these features and developed a new type of frozen noodles which contains 40% lesser carbohydrate than ordinary noodles.

Why is this product a success? EZAKI GLICO uses special noodles with 40% less carbohydrate than average, including a large quantity of vegetables. This health-conscious product has very special features. This low carbohydrate noodles series can win over many potential loyal customers.

SWEETS DAYS NYUSANKIN CHOCOLAT (LACTIC ACID BACTERIA-CONTAINING)

Brand: LOTTE CO. LTD

Launch date: 10/2015

Category: Grocery

Family: Chocolate Products

General description: This product intends to create a new market by fusing health-conscious and tasty confectionery. Especially, health-conscious becomes the trend of whole foods. This product aims to get a firm position not only in the confectionery market, but also in the meal replacement market, by expanding its domain. Recently, people's life styles have changed dramatically. For example, the ritual of having breakfast has declined while taking supper just before going to bed seems to be on the rise. This product may fill these demands in response to our rapidly changing life style.



Why is this product a success? Lactic acid bacteria are weak in heat and in the presence of stomach acid. This product's innovativeness lies in raising the survival rate of lactic acid bacteria by a ratio of one hundred by wrapping them in chocolate. So, they can reach the bowels alive.

TREND 2: IMPORTANCE OF FUNCTIONALITY

People tend to pay more attention to the functionality of products. Needless to say, an additional function to a product gives delight to the people when they use it. We are living in a world where people have become much busier than before and convenience becomes a very important factor. People instinctively seek convenience products in order to save time.

SMILE BALL

Brand: House Foods Group Inc.

Launch date: 10/2015

Category: Fresh products

Family: Fruits/Vegetables



General description: When people start cutting an onion, tears come instantly to their eyes. However, this special onion which is called "Smile ball" does not cause people's eyes to water. The research group of House Foods Group Inc. discovered the mechanism that makes people cry because of onions. This mechanism appeared in Nature, international weekly journal of science in 2002. Later in 2012, they succeeded in producing an onion which didn't cause people's eyes to water. Moreover, this product was developed by a non-GMO technique.





Why is this product a success? Because Smile ball doesn't have any lachrymatory ingredients, people will not feel the pungency of onions when they eat it. They can however taste the strong sweetness which an onion originally has. Of course, convenience is a very important factor that explains why people like it too.

TREND 3: JAPANESE STYLE

Every day, Japanese people enjoy meals from different countries. Today, an average Japanese meal is often made by mixing various tastes. Many Japanese people may have started to forget the authentic Japanese meal. But this situation has been changing little by little. In 2013, Japanese food which is called "washoku" in Japanese was registered on the Representative List of the Intangible Cultural Heritage of Humanity. With the rising popularity of Japanese foods, people are once again taking interest in "Authentic Japanese taste".

YAWAMOCHI ICE (The Monoaka which tastes of green tea and smashed sweet bean paste)

Brand: Imuraya co. ltd.

Launch date: 03/2015

Category: Frozen products

Family: Ice Creams

General description: "Yawamochi" in Japanese means soft rice cake in English. The cup type of Yawamochi ice makes customers enjoy the harmony of rice cake, ice cream and smashed sweet bean paste. It was launched in the old days and already became popular. So Imuraya intended to improve their brand image by developing the Monaka style product which is a standard of Japanese style ice cream. "Monaka" is a kind of confectionery which is made of wafer.



Why is this product a success? The innovativeness of this product lies in combining ice cream and rice cake. This product adopts the characteristic rice cake which is still soft in the freezing environment. This product is very popular among all generations.

NEW RETAIL CONCEPT

Today, in Japan, the wall which between food retail and food service is disappearing. Some companies which operate in supermarket businesses opened characteristic stores. These stores reinforce delicatessen and bakery radically, and some of these companies provide "eat-in counters" in the store, encouraging customers to eat purchased foods. These stores look like restaurants. Since customers don't need to carry and cook, these stores are very innovative by their "ultimate convenience".



OTHER MAJOR RETAILERS

In Japan, people in retail business have shown a growing interest in smaller stores. We can point out two reasons. The first one is overstore: since the deregulation of opening new stores in 2000, many companies have opened too many stores. Consequently there is no room for larger stores to be opened and the number of customers is decreasing significantly. Only smaller stores can be commercially practicable. The second reason is Japan's depopulation: the population in residential areas has been declining gradually.

DO NOT MISS

The first store is the "Lalport Fujim Store". In this store, Yaoko has successfully reinforced its delicatessen and bakery. The second store is Life Corporation's "Central Square Oshiage Ekimae Store", which reinforces delicatessen as well. The additional special feature of this store is creating a café space which is like a restaurant. The third store is "AEON Style itabashimaenochi" operated by AEON retail which is a member of the largest retail group in Japan, featuring a food-service style.