

Made in Italy in the Japanese F&B Market and the Marketing of Freedom

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Abstract Italy in Japan resounds with fashion, lifestyle and most of all food. From HoReCa to home cooking to gifts, Italian F&B products have taken Japanese consumers by storm in the past few decades, imposing Made in Italy as the most loved national brand. But the Japanese market is extremely mature, fast and notoriously one of the most sophisticated globally. Competition is fierce and relying on the quality of the product itself is not enough to secure commercial success in a country where form often prevails over content. That is when (good) food marketing becomes the crucial element in dictating the lifespan of a brand. To what degree are Italian producers aware of this? And what is the best approach to minimize failure?

Keywords F&B. Italy. Japan. Marketing. Made in Italy. Commerce.

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The art of telling stories so enthralling that people lose track of their wallets.

(The New York Times, 2017)

In 2017, *The New York Times* gave a definition of marketing that strips it down to its very own nature: the art of telling stories which are so powerful and fascinating that consumers lose track of reality

and end up buying the product they have been offered. They crave it. They need it.

The term marketing (from Latin *mercatus*, ‘marketplace or merchant’) has existed since the sixteenth century with the acceptance of buying goods, shifting in the late nineteenth century to a more modern vision which stressed the moving of goods from the producer to the consumer through the art of advertising. Given the historical isolation of Japan which contributed to the formation of a unique culture and a different way of conceiving business based more on monopolies than competition, marketing has a much shorter history here than in the West. It was only since the end of World War II and during the following three decades that Japan started adopting marketing strategies. Yet, since the market opened its doors to foreign producers, supported by a steadily growing economy and a thirst for internationalisation, it has experienced a fast diversification within the offer of F&B products from the outside world. Currently the level of saturation is high and marketing has become a vital element in dictating the success or failure of a brand. On the other hand, small medium-sized Italian producers still have a difficult time fully embracing marketing as a tool for internationalisation due to both budget constraints and a lack of vision. Furthermore the spin of success experienced by Italy from the last decade of the twentieth century, along with a global trendiness of Italian food, somehow contributed to blur the view that they have of the Japanese market: “a difficult market but why would they not like my product: they adore Italy and my product is the best”.

In this brief article I will try to put the definition of marketing into context and answer the following questions: to what extent do Italians need to tell stories in Japan in order to sell their product? How enthralling are Italian stories to the Japanese? And ultimately would they buy their product?

1 Japanese Market for Foreign Brands

Let’s start by taking a look at the Japanese F&B market. Japan is the third world economy. It has a population of 127 million people who on average spend about 70,000 JPY monthly on food and beverage, making Japan the second market in Asia after China for food consumption. On top of that, domestic production is insufficient so it is vital for Japan to rely on imports from abroad which make it the fourth largest importer of agri-food products in the world. On the other hand, we have to take into consideration the shrinking effect of Japan’s economy, the problem of its ageing population and the barriers to the import of certain categories of foods that remain despite entering into the Japan-EU Economic Partnership Agreement in 2019, and ultimately a fierce competitiveness. When in Italy I am

asked what new products would succeed in Japan, I usually answer that *how* you present a product is almost as important as *what* you offer. And that is after all the boxes have been checked: top quality, price competitiveness, production flexibility, customisation and past experience in internationalisation, preferably with a similarly demanding market. Add to that an extra dose of resilience and most of all a passion, or at least a sincere interest, in the Japanese culture. Given the above and the level of saturation of the Japanese market, the 'how' you present a product shall immediately be translated to a well thought-out, well planned and well conducted marketing strategy that necessarily has to be personalised for Japan, taking into account its many peculiarities.

The Japanese market opened its doors to foreign brands at the end of World War II. The hegemony that had reigned until then in food consumption based on local produce started to crack and an increasing interest toward foreign foods took off, alimanted by an historical and geographical sense of exclusion from the world, which stretches to the modern day. The experience of consuming foreign foods, as well as dressing in foreign brands, became an easy way to compensate for such a complex feeling of belonging to an international jet set as well as stating one's individual economical rise. The first model to be fully absorbed by Japanese society after the war was the American one. In the 1950s and 1960s family restaurants and fast foods started to bloom in Japan: unlike the Japanese traditional diet, hamburgers, shakes and french fries were rich in taste, extravagant and unfussy on top of being the food of the country which had won the war and that looked to the future with bright eyes. The infamous fast-food chain MacDonald's established itself in the next decade and never stopped growing, making Japan its most important foreign market to date. Also, the first pizza to be introduced to Japan was an American-style one. However, the level of sophistication of Japanese culture soon demanded a different model of reference. That is when Europe made its grand entrance from the mid 1970s. Apart from some sporadic episodes, like Great Britain with its soft toast bread that became *pan* (bread) for mass consumption, it is France that imposed itself. Unlike the USA, France had a long culinary history and refined traditions which fulfilled the innermost desire of Japanese consumers to identify with an *elite*. Wine and cheese were introduced along with a *cuisine* elaboration which resounded with elegance and mannerism. Italy entered Japan by the back door a good twenty years after France. Many Japanese chefs who went to France for a culinary experience in the field after their studies would occasionally travel to Italy soon realising that there was a striking resemblance with Japan: both countries put quality and freshness of the ingredient before its elaboration, they share the centrality of the family system in society and both have a rich, local craftsmanship tradition. While

still representing an European *elite* with a strong brand identity, Italy seemed to be more approachable and easier to identify with. Furthermore and most importantly, Italians are optimistic, bright and light spirited. The resulting mix of culture, tradition and joy for life worked out as a perfect combination for triggering the enthusiasm of Japanese consumers.

Today the number of Italian restaurants in metropolitan and rural Japan is overwhelming and exceeding any other Western cuisine, the Italian flag is remarkably present at different levels of the distribution channels and in general Italy is immediately associated with good food. Having said this, Made in Italy is still considered very much a niche and Italian sounding is a problem when looking at mass consumption products, like pasta and canned tomatoes. On top of that, although the F&B seems to be the driving sector of Italian exports to Japan, in reality it comes well after other less obvious categories such as pharmaceuticals, and its share of the imported food market is less than 10%. Italian producers typically find themselves at a loss when looking at the Japan of today. On one hand, they still remember the success stories told by those who rode the wave of the bubble economy. On the other hand, they hear horror stories from those who tried but failed miserably although the same brand, sometimes very well established, is shining in other foreign markets and despite the fact that made in Italy is a powerful brand in the eyes of a Japanese consumer.

2 The Japanese Consumer

Once hugely homogenous the consumer market is going through a fast diversification process, helped by the spread of social media. As a result, purchasing needs now tend to be very fragmented and personalisation has to be taken into account. On top of that, the Japanese consumer has to be one of the hardest globally: extremely sophisticated, educated and well informed. They are looking for something that goes well beyond their need for a good, fresh, safe and well-balanced value for money purchase. Especially when shopping for foreign products they are on the search for something that is trendy, new, well crafted and sufficiently explained. While brand orientation is still strong, an interest in healthy, locally crafted foods is on the rise. As a matter of fact, today foreign producers face a wide range of consumers: the post-Fukushima healthy conscious ones, the elderly with specific diet needs, the single-person household with higher expenditure availability and higher standards, the new (salary) men whose individuality in terms of taste and shopping is finally coming out and who are looking for ready, easy to eat products that are still emotionally appealing. In general Japanese consumers can still be

very selective with foreign brands. If they tend to trust unconditionally domestic makers, foreign ones have to prove their credibility and most of all have to give a good reason for consumers to choose their product over a Japanese one. Furthermore, once they do so, they still have to gain the trust of the consumer over a long period of time with consistent behaviour in quality delivery, excellent customer care and a certain degree of personalisation. From size to safety, from practicality to aesthetics it is difficult and sometimes impossible to conceive the exact same product for the European market and the Japanese one. Having said this, there is no doubt that Italian food at Ho.Re.Ca level has imposed itself in Japan like nowhere else. The Italian lifestyle in Japan is cool as it is in other Western countries but there is something that makes the Italian *Dolce Vita* extra sweet in the eyes of a Japanese consumer.

3 Conclusions

3.1 How Important is Marketing for an Italian Producer Who Wants to Succeed in the Japanese Market?

On one hand, we have a very complex market, highly competitive with a sophisticated and demanding consumer. On the other, a small producer with big dreams and limited means. In the eyes of the Italian producer the limitations are too often identified with budget constraints. In my opinion the lack of vision and sometimes lack of humbleness are greater barriers. Marketing for many still sounds like a million dollar operation when in reality given the revolution that is taking place in the advertising world it is way more approachable and sustainable than ten years ago. I am not talking only of the use of social media which can be a great tool of communication and relatively accessible but what comes before that: the thorough study of the market and the consumer. The literature is all there, and all free. A deep understanding of the culture of the market you wish to approach is the first step of commercial success. The second is questioning whether you are really ready for Japan despite the success you might have achieved in other markets. The third is accepting the fact that you cannot face this market without a local, competent counterpart. Then, once these requirements have been fulfilled comes the most important one: you need to create a good story and the way you tell it has to be even better. Marketing is not just important. It is necessary.

3.2 How Enthralling is an Italian Story to the Japanese Consumer?

Japan has gone from being a strict middle-class society to a divided one in just fifty years and the adjustment to such change is still in process. While opportunities and outcomes are no longer equally available, a total and non-negotiable acceptance of societal rules is still expected. Rules abound in Japan, often creating a suffocating effect which contrasts sharply with the global ideals of freedom and self-affirmation. Notably the Japanese feel an obligation to follow the same path as everyone else as individuality is still very much unwelcomed. According to the 2020 world happiness report Japan ranks 62nd with one of the lowest levels of hope for the future. Given this psychological aspect of the Japanese consumer, it should not surprise us the fact that *Made in Italy*, which embodies values of unconventionality and emotional freedom, holds a place of honour.

Seen from a different perspective, Italy has, although unintentionally, put into action an emotional branding strategy that appeals to the innermost needs, aspirations and dreams of Japanese. The emotional reward that a consumer has from buying or eating Italian products has no equals: the feelings of positivity and empowerment that major consuming brands are pursuing to evoke through the shopping experience are topped with a unique sense of liberation from the chains of social rules. In a way, Italy gives you the freedom to be yourself. No other reward is so emotionally valuable in a society like the Japanese one and in my opinion this aspect is still relatively unacknowledged by Italian marketers.

3.3 Would the Japanese Buy an Italian Product that is Charged with the Above Values?

While the immediate answer to this would be “would you not?”, there are other aspects to be taken into consideration such as the trust that the brand has to build with time and a smooth, pragmatic approach to delivering the product. As Aristotle would put this, it is only with-in the orchestration and balance of *ethos*, *logos* and *pathos* that a persuasive strategy works best. However, in a business environment where Western ideals of individuality are becoming increasingly important in driving the consumers’ behaviours a Marketing of Freedom could be the next winning strategy for Italy.