

International Marketing

The analysis of Japan



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Introduction

Marquetry is a type of work made by inserting metals and colored woods into pieces of woods to create unique patterns. In the previous report, we mentioned the reasons for choosing Japan. This time, we'll discuss Japan's economy and culture. Understanding the target market will help us decide on a more effective marketing plan for our marquetry coaster.

Good start

Objectives

- I. Using cultural and economic analysis to understand the target market-Japan, for our product.
- II. Analyzing Japanese consumer behavior to understand the position of the product.

Seperate into two parts

Cultural

to understand opportunities for our product

Geographic

- Location

Japan is located in East Asia, in the northwestern part of the Pacific Ocean. It is situated to the east of the Korean Peninsula and the Russian Far East, and to the north of Taiwan and the Philippines.¹
- Climate

The main climate of Japan is subtropical monsoon climate, but due to the long extension of Japan's islands, there is still a great variation in climate across the country.¹

Social institutions

Japanese society has had traditional expectations of gender norms and divisions of labor throughout most of its history. Fathers go out to work, while mothers stay at home to do the household chores and take care of children usually. However, Japanese society shifted to become less male-dominated after World War II.²

- Education levels

Japan is known for having a high level of education, and it places a strong emphasis on basic education in its compulsory education. The Human Development Index is a statistics composite index of life expectancy, education, and income, used

¹ Geography of Japan. Retrieved from: <https://reurl.cc/V8qN2N>
² Chara Scroope. 2021. Japanese Culture> Family. Retrieved from: <https://reurl.cc/MRG44m>
 HDI rank: <https://hdr.undp.org/data-center/country-insights#/ranks>

to measure overall human development. Moreover, Japan's HDI score of 0.925 ranks it 19th out of 191 countries in the world, placing it in the "very high human development" category, which is the highest category in the index. This is evidence of Japan's commitment to education and its success in fostering a well-educated and skilled population. ✓

Rank	Country	HDI Value	Change from 2020
1	 Switzerland	0.962	▲ 0.006 >
3	 Iceland	0.959	▲ 0.002 >
5	 Australia	0.951	▲ 0.004 >
7	 Sweden	0.947	▲ 0.005 >
9	 Germany	0.942	▼ -0.002 >
11	 Finland	0.940	▲ 0.002 >
13	 Belgium	0.937	▲ 0.009 >
15	 Canada	0.936	▲ 0.005 >
17	 Luxembourg	0.930	▲ 0.006 >
19	 Japan	0.925	▲ 0.002 >

Title the figure and include reference in the text

Figure 1

Political system

Politics of Japan are conducted in a framework of a dominant-party bicameral parliamentary constitutional monarchy, in which the emperor is the head of state and the Prime Minister is the head of government and the head of the Cabinet, which directs the executive branch³. Japan's government is considered to be stable. According to the Political Stability Index, it ranks 22nd out of 194 countries.

Japan	Political stability index (-2.5 weak; 2.5 strong)
Latest value	1.03
Reference	2021
Measure	points
Source	The World Bank

Figure 2

Legal system

The legal system of Japan is a civil law system, which is based on statutes and codes. The legal system is influenced by the German and French civil law systems, as well as by traditional Japanese law and practices. The Constitution of Japan, which was adopted in 1947, serves as the supreme law of the country and provides the framework for the legal system.⁴Laws provide a framework and regulations that governs the behavior and interactions of individuals and organizations in society. ✓

³ Political structure of Japan. Retrieved from: https://en.wikipedia.org/wiki/Politics_of_Japan

⁴ Legal system of Japan. Retrieved from: <https://libguides.uchastings.edu/japan-law/legal-system-stats>
 Political Stability Index: https://www.theglobaleconomy.com/rankings/wb_political_stability/

Social Organization



Japan has frequently been criticized for its lack of multiculturalist policies. However, the shift from Monoculturalism to a Multiculturalism has become increasingly important for a rapidly shrinking and aging population due to low birth rates.⁵ In addition to monoculturalism, Japan is also considered a collectivist society. Japan is often considered a group-oriented society, where the needs and interests of the group take precedence over individual desires.⁶

You could have used Hofstede here

Religion

Japan: Religious affiliations in 2019

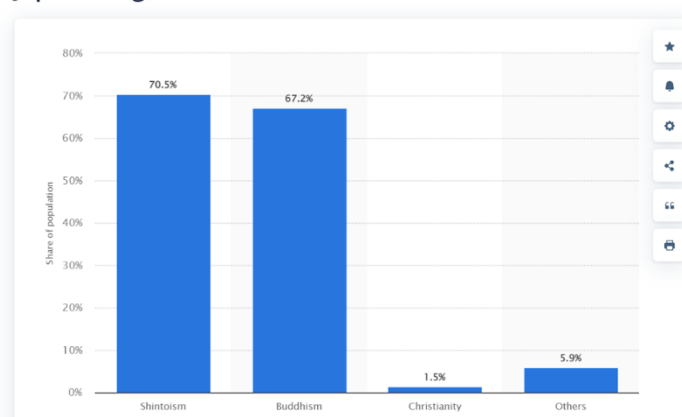


Figure 3

Buddhism and Shintoism are the two main religions in Japan. Shintoism is a religion developed locally in Japan, which believes that everything in nature has a spirit. Shinto gods are called "kami". Its place of worship is a "Jinja". Buddhism, on the other hand, was introduced to Japan from the Korean Peninsula, and has influenced the Japanese people's concept of life after death. Its place of worship is a "temple".

Shintoism and Buddhism also play important roles in the lives of Japanese residents. For instance, Jinja are important places of worship for the public. Parents will take newborn babies to Jinja for worship, and students will visit Jinja to pray for good luck for the test. Other practices include traditional Shinto weddings, Buddhist funeral ceremonies, and New Year's Eve bell.⁷

⁵ Jakob Ranglin Grissler. March 22, 2022. Can Japan Become a Multicultural Country?. Retrieved from: <https://thediplomat.com/2022/03/can-japan-become-a-multicultural-country/>

⁶ Hannah Arai. October 14, 2021. Two Fundamental Cultural Concepts You Should Understand before Entering the Japanese Market. Retrieved from: <https://reurl.cc/Q4O3j2>

⁷ Statista. Retrieved from: <https://www.statista.com/statistics/237609/religions-in-japan/>

Arts

- Dominant types of art

Japanese traditional art can be divided into various categories, including performing arts, seasonal activities, costumes, food, and architecture. The most important category is the performing arts, which includes things like tea ceremony, flower arrangement, kabuki, and noh drama. Moreover, Japanese ukiyo-e, lacquerware, and handicrafts are also quite famous.

- Relation to everyday life?

Besides performing arts, there are seasonal activities such as Girls' Day, the Tanabata Festival, and the Bon Festival. Costumes such as the kimono and yukata are also beautiful. Traditional Japanese cuisine such as washoku dishes, and the unique architecture includes tatami, Jinja, torii gates. These are a few examples of traditional Japanese arts that are present in daily life.⁸

Clothing

Japanese people do not like to Kimono are often brightly coloured! exposes a large area of skin in daily life, because it is ~~considered to be impolite~~. Moreover, Japanese people tend to avoid wearing tight or brightly colored clothing. This can be seen in Japanese brands like "MUJI" and "Uniqlo", which feature loose-fitting, simple, and plain-colored clothing.

In the workplace, Japanese people take workplace etiquette seriously. Therefore, it is common for men to wear formal suits, and for women to wear suit sets that are simple and clean-cut. Dressing too casually or too stylishly is considered inappropriate behavior or too stylishly is considered inappropriate behavior.⁹

Economic analysis

Population

Japan is an island nation in East Asia, with a total population of around 125 million people. The country has a relatively even distribution of males and females, with a nearly 1:1 ratio. However, Japan has been facing a significant issue of population aging. Currently, more than 20% of Japan's population is over 65 years old, the highest

⁸ Britannica. Daily life and social customs Retrieved from: <https://www.britannica.com/place/Japan/Daily-life-and-social-customs>

⁹ 2020,10,20 【日本文化】穿短褲、背心逛街好失禮?! 日本的『服裝儀容』大小事! Retrieved from: <https://www.hopenglish.com/hope-tips-japan-fashion/>

proportion in the world. By 2030, this is expected to increase to one in every three people being 65 or older, and one in five people being 75-plus years old. This rapid aging process is impacting Japan's economic growth and social security system. Japan's population is one of the most densely populated and urbanized in the world, but its population growth has started to decrease due to its aging problem. ✓

Economic statistics

Japan is the world's third-largest economy, with a GDP of over 5 trillion dollars. The economy is mainly contributed by the tertiary industry, while the primary industry only takes up a small part of the country's GDP. Meanwhile, the domestic market occupies the largest portion of the composition of Japan's GDP.

Handicrafts also play a role in Japan's economy. Traditional handicrafts such as ceramics, paper art, lacquerware, and embroidery are widely popular all over the world, becoming important export products for the country. At the same time, Japanese handicrafts also gained popularity among domestic consumers, becoming an important part of the country's economy.

Regarding personal income, Japan's per capita income ranks among the top in the world, but the problem of uneven distribution of household income is also prominent. The income of wealthy families is many times higher than that of ordinary families, leading to the widening gap between rich and poor.

Japan's economy is dominated by the service industry, but handicrafts also play an essential role. Against the backdrop of wealth and inequality, Japan needs to further explore how to achieve sustainable economic development while continuing to promote excellent handicraft traditions, allowing the world to better understand and appreciate Japanese culture.

Transportation

Japan has a diverse and stable transportation system, which makes the transportation of handicrafts more convenient and reliable. From highways to subways, buses, and trains, the transportation network covers all parts of the country and provides various options for the transportation of handicrafts. In addition, Japan's logistics industry is also highly developed, providing transportation services that enable handicrafts to reach their destination quickly, promoting the development of this industry and the prosperity of the economy. ✓

Communication and internet

Japan's communication and internet systems are highly developed, which can promote the sales and transportation of handicrafts. Handicraft manufacturers can use Japan's advanced mobile phone services and internet platforms to showcase and promote their products, and establish contact with potential customers. In addition, Japan's high-speed and stable network and fast logistics services can also guarantee the transportation and delivery of handicrafts to meet the needs of consumers. Overall, communication and internet technologies provide more opportunities and conveniences for the handicraft industry, which helps to promote its development.

Dominant economic activity

Number the sections

Japan is a highly developed country with a dominant manufacturing and service industry, both of which are closely related to the production and sales of handmade crafts. Japan is renowned for its high-quality and precision manufacturing, which provides support for the production of various handmade crafts such as ceramics, lacquerware, and textiles. In addition, Japan's well-developed tourism, retail, and logistics industries are all closely related to the production and sales of handmade crafts. These industries provide strong support and convenience for the handmade craft industry, promoting its prosperity and development.

Currency

- Japanese yen

The Japanese yen (Japanese: 円), or JPY, is the official currency of Japan. It is the third most traded currency in the world after the United States dollar, (USD), and euro (EUR). Japanese yen banknotes are issued in four denominations: ¥1,000, ¥2,000, ¥5,000 and ¥10,000. Yen coins are issued in six denominations: ¥1, ¥5, ¥10, ¥50, ¥100 and ¥500.¹⁰

Moreover, on April 9, 2019, Finance Minister Tarō Asō announced new designs for Series F banknotes ¥1000, ¥5000, and ¥10,000 notes, for use beginning in 2024.¹¹

- Exchange rates

Japan is the world's third-largest economy, and its currency exchange rate has a direct impact on international trade and investment. As a neighboring country, Taiwan's economic and trade development is closely related to the fluctuations in Japan's currency exchange rate.

¹⁰ Japanese Yen Currency. Retrieved from: <https://www.oanda.com/currency-converter/en/currencies/majors/jpy/>

¹¹ Series F banknotes. Retrieved from: https://en.wikipedia.org/wiki/Japanese_yen#Series_F_banknotes

Nowadays, the Japanese yen is currently depreciating, from the 3/20 high of 0.237 TWD to the current 0.2344 TWD, and US dollar as well. 1 US dollar is equivalent to 132.86 yen.¹²

The chart on the right is searched at 2023,4,9.¹³

1.00	TWD	=	4.2735	JPY
1.00	USD		131.2179	JPY
1.00	EUR		144.0598	JPY
1.00	GBD		165.4701	JYP

Figure 4

Distribution channels

- Retail sale

In February of this year, the total retail sales of the Japanese retail industry reached JPY 1.2282 trillion, an increase of 6.59% compared to the same period last year. In addition, the size of Japan's online retail market in 2021 has reached JPY 20.7 trillion.¹⁴ E-commerce accounts for a significant portion of the retail industry, and digital transformation is rapidly developing under the influence of the pandemic, with the e-commerce market continuing to grow.

The government's policy support for digitalization has also played a role in increasing online sales. There are about 45.9% of people in Japan that purchase on e-commerce in the past year and 48.2% of e-commerce users are regular online shoppers that purchase on a weekly basis.¹⁵

- Dominant payment methods

Similar to Taiwan, various unmanned and non-cash payment tools have begun to appear in large numbers in Japan. Today, Japan is increasingly emphasizing zero contact and low infection, and is becoming less accepting of cash payments.¹⁶

The Japanese government aims to promote digital technology usage in the retail sector through its Cashless Vision policy plan, which aims for 40% of retail payments to be cashless by 2025. The long-term target is to reach 80% with international levels.¹⁷

Media

Do not have a heading at the bottom of the page

¹² 黃明惠. 2023,03,30. 避險需求削弱、日圓劇跌 2 月最大跌幅...撿便宜! 連假衝日本拿 2 萬台幣換日圓, 多賺一碗一蘭拉麵. Retrieved from: <https://www.businesstoday.com.tw/article/category/183012/post/202303300022/>

¹³ 匯率換算. Retrieved from:

<https://www.findrate.tw/converter/GBP/JPY/1/#.ZDJfz3ZBxPY>

¹⁴ CR Team .2023,1 ,15.What's the Outlook of The E-Commerce Market in Japan?. Retrieved from:<https://oosga.com/e-commerce/jpn/>

¹⁵ CR Team in OOSGA.2023,01,15. Japan - E-Commerce Market Outlook & Retail Trends in 2023. Retrieved from:<https://oosga.com/e-commerce/jpn/>

¹⁶ 烏仕明 Leo Wu.2022. 【觀點】直擊疫後東京：按下暫停鍵 30 年的日本，數位轉型正開始快速補課中 Retrieved from: <https://www.bnext.com.tw/article/70686/post-covid-digital-transformation-japan-taiwan-startup-entrepreneur>

¹⁷ CR Team in OOSGA.2023,01,15. Japan - E-Commerce Market Outlook & Retail Trends in 2023. Retrieved from:<https://oosga.com/e-commerce/jpn/>

- Use of social media

There were 102.5 million internet users in Japan at the start of 2023, when internet penetration stood at 82.9%.¹⁸ As of 2023, a significant increase in social media engagement has been observed in Japan, with about 81% of the population now using social media.

- What kinds of platform is used in Japan?

✓ According to data as of early 2023, the number of LINE users in Japan has exceeded 92 million, which accounts for 74.4% of the total population; In privacy-conscious Japanese society, approximately 67.45 million people use Twitter, which is particularly popular among young people in their 20s who prefer anonymity for sharing and expressing their emotions without worry about revealing their true identities to strangers; About 45.7 million people in Japan use Instagram, and according to the latest survey as of early 2023, 53.5% of Instagram users are female; In addition, in recent years, China's TikTok has also become popular globally, and Japan is no exception, especially among young people with an average user age of 34 years old.¹⁹

Below is the chart analysis of most used social media platforms.²⁰

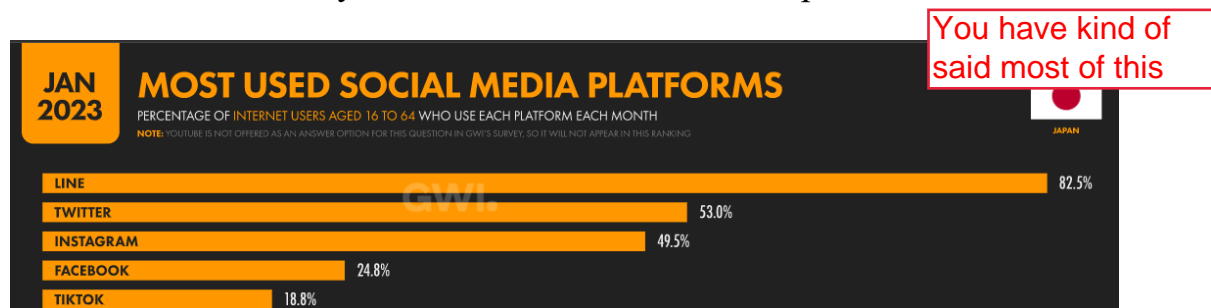


Figure 5

A week in the life of the target customer

Our target customers are office workers between the age of 25 to 35 with a sense of aesthetics, and prefer simple and high-quality items. During a holiday afternoon, while strolling through a market, they might come across some high-quality marquetry and bring them back home just to hold drinks which were bought while walking around the streets. When browsing social media during breaks on weekday afternoons, sometimes they may make impulsive purchases for marquetry. From now on, they can use these parqueteries for

¹⁸ SIMON KEMP.2023,2,9.DIGITAL 2023: JAPAN. Retrieved from:<https://datareportal.com/reports/digital-2023-japan>

¹⁹ Grace. 2023,02,17. 【日本人其實不愛用 IG!?!】日本 SNS 現況直擊& 攻略大公開 Retrieved from:<https://www.applemint.tech/zh-hant/blog/jpsns-2/>

²⁰ SIMON KEMP.2023,2,9.DIGITAL 2023: JAPAN. Retrieved from:<https://datareportal.com/reports/digital-2023-japan>

mugs at home, or give them as gifts to family, friends, or colleagues.

Summary

1. What is important to you from the economic analysis?

Handmade crafts are vital for Japan's economy and cultural ~~export~~, but face challenges due to an aging population and modernization. To ensure sustainable preservation and development, Japan must innovate and explore new markets while promoting global appreciation of its culture and achieving economic sustainability.

In recent years, Japan's e-commerce platforms have flourished, and combined with the widespread use of social media and online shopping, they can become great sales channels for us.

2. What is important to you from the cultural analysis?

From art analysis, we can see that Japan has put emphasis on lacquerware and handicraft techniques, so it is believed that marquetry coasters can interest the Japanese. Moreover, from the Japanese people's clothing, we can find out that they prefer simple designs, so this style can be applied to our marquetry coasters. Good direction

Through cultural analysis, we can gain insights into the lifestyle, usage habits, and consumption preferences of Japanese people, guiding the direction of marketing strategies of marquetry.

3. How might customers make your product part of their lives?

We hope to attract the aforementioned customer base by transforming the traditional marquetry coaster style into a creative and minimalist cultural product.

NCUE, - FEEDBACK, CLASS PRESENTATIONS

THE GROUP YOU ARE ASSESSING:		Save your file. Use this format: group being assessed your group.doc So an example would be TIV Voltes5.doc – where TIV is the group being assessed and Voltes5 is your group.	
HOMMIES			
YOUR GROUP NAME:			
INSTRUCTOR			
A	B	C	D
Are ideas presented connected with the aim of the presentation?	Are the ideas presented clearly supported with evidence and logical argument?	Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)	Overall impression (is it a group presentation etc.?)
40%	30%	20%	10%

5%	5%	5%	5%
<p>Comments (space will expand as you type)</p> <p>Good start</p> <p>Agenda - nice flow - well done</p> <p>Could tell us the time too - e.g., today's presentation will last 10 minutes</p> <p>Add a little pause - Our first objective is . . .</p> <p>Animate the points</p> <p>Good use of notes (Emma) - notes are there to help and support - good job</p> <p>From this bar chart - good</p> <p>Bright... kimono?</p> <p>Next Tiana will introduce the next part - "the next part" Next Tiana will introduce the economic analysis (add value in the words)</p> <p>Don't take words to the edge of the slide - these words can get cut off</p> <p>What do they use social media for?</p> <p>Report:</p> <p>There is lots of detail in the report and the presentation is fairly consistent. You have a good direction with your cultural analysis -- which is helping you get some clear ideas about the product. Also think about your economic analysis -- what are some implications here?</p>			

NCUE, - FEEDBACK, CLASS PRESENTATIONS

Good direction!

85% (group grade)

Grade (%) 20%