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Approved By:

Stephen Wixom

Prepared By:

Tommy Aoki

Report Highlights:

This month's issue discusses the most recent changes in the Japanese food industry.

Japan Food Trends (JFT) communicates Japanese food and lifestyle trends that may help U.S. exporters to generate product and marketing ideas.



Agricultural Trade Office Japan

Japan Food Trends

General Information:

Welcome to 2011. We are delighted to send you this year's first issue of Japan Food Trends. Just as a reminder, we post this newsletter to USDA's GAIN system as well as our own business website www.us-ato.jp. This website broadcasts food trends and reports that ATO Japan produces throughout the year that will help U.S. exporters market their products in Japan. It also provides U.S. product and company information in Japanese to the Japanese food industry. If you send us your information we'll try our best to upload it to www.us-ato.jp. Information should be sent to sumio.aoki@fas.usda.gov.

Breaking Out

Generation Cost Performance-CosPa (Ko-su-pa) *Nikkei MJ*, January 5, 2011, p1

The twenty-something age group has been christened with the name "Cost Performance Generation". They no longer look upon themselves as unhappy penny pinchers that can't afford to spend any money and don't have any leisure time for entertainment. True, they have had to learn to save more, set a budget, check their spending, cut costs, stop traveling, eat out less, and incorporate all kinds of money saving techniques over the past ten or so years, but many 20 year olds claim that it's now a matter of spending smart and having fun.

What does cost performance mean to this generation?

Getting to the best deal

Women who are used to dining out two times a week at a low budget restaurant, dining at an upscale hotel once a week, and taking a golf lesson once a week, still do so but never at the full price. They know which website they can get half price coupons. They know which places will accept their credit card points. It's about using money effectively. It's not about pride.

Time efficiency

If you are single and looking for a partner you're probably constantly searching for that right person. You may even attend parties for singles. Your friends may plan you dinners so that you can meet

prospective partners. In Japan, you would imagine that these would be planned around a dinner or drinks. Not necessarily for the CosPa generation. They will meet for breakfasts or lunches, and perhaps avoid after hour get-togethers when the meals and drinks get pricey and the meeting time can possibly get too long (more than an hour).

Mobile Grocery

Making Shopping Possible, *The Daily Yomiuri*, January 17, 2011 p3

Private organizations and the Ministry of Economy, Trade and Industry will join hands to support consumers who have difficulty shopping for daily needs. Called “shopping deserts”, six million are said to live in remote areas that have insufficient shopping facilities that prevent residents especially the older generation from shopping for daily needs. In order to improve this situation the ministry is teaming up with local private corporations and governments to develop some of the following.

1. Open stores close to the shopping deserts.
2. Establish home delivery.
3. Develop public transportation.
4. Allow flexibility on prohibited services such as conducting business from automobiles and/or vacant spaces normally prohibited from private business.

From the Editor

This is another indication that service in the food industry will change and be essential in Japan. Making sure your product is in the best business model will make a difference.

American Style

Auntie Anne’s Pretzels Hits Japan, *Nikkei MJ*, December 6, 2010 p 5

Finally, in November 2010 the first Auntie Anne’s pretzel shop opened in Japan. More specifically, the shop is in the Ikebukuro area where many start-ups, start up. Almost every day, there will be a line 30 to 60 customers waiting to try this new American pretzel. According to the company that signed a franchise license with Auntie Anne’s, Pretzel Japan (subsidiary of Revamp), it’s the pretzel, the taste and entertainment experience that attracts customers.

One of the company’s goals is to develop one new flavor every two months. Their pink designed pretzel may hit the market during cherry blossom season in April.

From the Editor

It was around 1998 that the editor wished to purchase the right to establish Auntie Anne’s business in Japan but obviously it was not to be. It’s great to be able to get that great tasting pretzel in Japan though.

The Ladies Have It

Gummy, *Nikkei MJ*, December 3, 2010 p3

Gummy products are popular among young women. It's a great break from the monotony of work or studies according to interviews that were recently conducted. A \$307 million market may or may not be the peak of this confectionery segment but its popularity seems to follow a certain algebraic solution.

Packaging with fruit image
X
Shelf and advertisement
X
Cross merchandising with women's magazine

The simpler the design of the package, the better says a marketing specialist of the number one selling gummy brand. Also, a good looking fruit on the package is best.

From the Editor

The confectionery industry is very competitive but there is still room to find your customer base. What other products are like gummy products?