

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Japan

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### Japan Food Trends September 2012

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Agriculture in the News

Beverages

Food Processing Ingredients

Promotion Opportunities

Retail Foods

Snack Foods

Tomatoes and Products

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**Report Highlights:**

This month's issue covers a host of trends for foods and their development here in Japan. Of special note is how the Japanese fast food service industry is looking to expand their market horizons through drive-thrus and technology. Then we take a look at the tomato craze that started in February and is still going strong. Lastly we take a look at the beverage market and what Japanese companies are doing to differentiate and attract new customers to their products.

Japan Food Trends (JFT) communicates Japanese food and beverage trends that may help U.S. exporters to

generate product and marketing ideas.

## General Information:

### Japan Drive-Thru Market Changes:

#### **“McDonald’s Trial Car Navigation Order System”**

*Japan Trends, Digital Life: February 23, 2012*

<http://www.japantrends.com/mcdonalds-trial-car-navigation-order-system/>

McDonald’s Japan, one of the largest purveyors of fast food, along with a number of other companies are combining their efforts for a new ordering system. The system, currently in development and testing, works via the ITS news network of Japan that already provides information to drivers on the road.



*Source: Japan Trends image & McDonald’s Logo*

*Photo is a web capture for explanatory purposes, copyright belongs to the company.*

Tying the system to car navigation will allow hungry motorists to browse menus of restaurants in their immediate area, order, and then pay via the touch screen. Currently the plan requires a credit card for making and paying for purchases, but the system is designed around the concept of streamlining the queue and helping to mitigate impatient customers from driving off.

#### **“Starbucks Brews Twofold Jump in Drive-Thrus”**

*The Nikkei Weekly, hardcopy: June 25, 2012*

As market saturation of prime locations is being reached in big cities around Japan, Starbucks Coffee Japan Ltd. is planning to increase the number of drive-thru locations to roughly 200. This is a twofold increase over their current number and intends to have them in place by March of 2015. Sales in Japan currently stand near \$1.26 million (¥100 million: \$1 = ¥79.35) per store, but revenue at stores with drive-thru locations is expected to increase by 20-30%. The nature of drive-thru locations will result in more efficient and localized menus and offerings. In addition they will rotate products based on the time of day. The growth in drive-thru locations is an integral feature of Starbucks expansion into the suburbs and regional cities in Japan.



*Source: (Ishikawa Kanazawa Starbucks Drive-thru) starbucks melody.com  
Photo is a web capture for explanatory purposes, copyright belongs to the company.*

Burger King Japan is also looking to open drive-thru locations, with their first one scheduled to appear in July 2012 in Sapporo. Estimates from Burger King are for a 50% increase in revenues for drive-thru establishments over a regular stores and an expectation of 50,000 vehicles per day. With currently 40 sit-in locations in Japan, Burger King is looking to expand to 300 by 2015 and approximately 25% of these will feature drive-thrus.

**Note from the Editor:**

The fast food service industry continues to expand and adapt their models as they branch out here in the Japanese market. With limited major metropolitan drive-thru locations in Japan, companies are looking to the outside suburbs and regional cities for growth. The drive-thru market has always been a neglected segment in Japan, so market opportunities exist and coupled with the Japanese preference towards convenience and service, the navigation ordering system is an innovative solution for this technology savvy market.

**Healthy Foods – Tomato Highlight:**

**“Tomatoes All the Rage as Research Boasts Benefits, New Foods Released”**

*The Nikkei Weekly, hardcopy: March 26, 2012*

&

**“Tomato Juice Reduces Fatigue – Joint Research, Kagome & Suzuka University of Medical Science”**

*Yomiuri Online (Japanese): July 2, 2012*

<http://www.yomiuri.co.jp/adv/job/release/detail/00001383.htm>

Japanese health conscious consumers have turned in droves to tomatoes after research came out from Kyoto University and Nippon Del Monte Corp. The research suggests that tomatoes help burn fat, claiming that tomatoes contain a substance that helps facilitate the metabolism (the full pdf report is available from Kyoto University and is linked below). Following up with more research was the recently released findings from Suzuka

University and Kagome on the applications of tomato juice and fatigue. Their study shows that taking tomato juice before exercising or even during an activity can reduce fatigue. Studies such as these have boosted the popularity of tomatoes to Japanese consumers and producers have seen fit to capitalize with a deluge of tomato related products.



Source: Rocketnews24.com

*Photo is a web capture for explanatory purposes, copyright belongs to the company.*

Supermarkets, such as the Yaoko store in Chiba City, reported daily sales growth of 20% for tomatoes; AEON reported similar increases in fresh tomato sales. Yahoo Japan online shopping site showed tomato based beverage volumes jumped 32 fold over the previous year. Foodmakers have been promoting their new tomato products: Kagome released a tomato based cookie series, Meiji presented a freeze dried tomato chocolate, and Toyo Suisan Kaisha introduced tomato flavored noodles. The Japan Chain Store Association reported that even with tomato prices being 30% higher than usual because of cold weather, tomatoes have been a top selling vegetable in Japan for the past three years.

Kyoto University report: <http://repository.kulib.kyoto-u.ac.jp/dspace/bitstream/2433/152546/1/journal.pone.0031317.pdf>

**Note from the Editor:**

I must admit to some bias – my family loves tomatoes, our garden usually consists of 70% tomatoes and then a number of auxiliary plants, so tomatoes have always been a part of life. Growing up with tomatoes, I notice when they get promoted, so when the research report on health benefits by Kyoto University appeared, it was of interest to me. Browsing the selection at my various markets (AEON, Ito Yokado, Lawson 100, Seiyu, and some others), there were special promotions and a variety of tomato based products (especially Feb-Apr). While writing this I kept an eye out for other intriguing tomato products and in June 2012 Asahi Breweries did just that – a tomato based beer: Asahi Red Eye (<http://www.asahibeer.co.jp/redeye/>).



Source: Asahi Red Eye website

Photo is a web capture for explanatory purposes, copyright belongs to the company.

This is a beer only sold at convenience stores and is promoted via word of mouth and specific advertising on trains. For those who don't read Japanese, it is 20% tomato juice based and combined with beer for a roughly 3.5% alcohol content which puts it on the low end for beers in Japan. The taste is, well ... different, but not bad by any means. The initial taste really has a strong tomato flavor, almost on the same level as a V8, but the lingering aftertaste is where the beer flavor comes in. The taste is unique to the palate with a two phase experience when drinking, you initially notice the tomato juice, and then you taste the low malt beer flavor later. This is merely one of the many product extensions that Japan foodmakers have embraced for this tomato trend.

## Summer Beverage Refreshment:

### **"Kirin Takes Beer Engineering to New Degrees of Frozen, Redefined Taste"**

*The Nikkei Weekly, hardcopy: July 2, 2012*

Also reported by Reuters, Wall Street Journal (blog), and NPR (blog):

<http://www.reuters.com/article/2012/06/05/us-japan-beer-idUSBRE8540CM20120605>

Everyone loves something ice cold when the summer heat arrives and Kirin Brewery has just released its latest summer offering to the Japanese public. Kirin engineers have developed a way to serve beer so cold that the top foam or head is at 23F (-5C). This gives the beer its distinctive foamed head, a marketing highlight to consumers to showcase the ice cold nature of the product.



Source: (Kirin) [frozen-nama.jp](http://frozen-nama.jp)

Photo is a web capture for explanatory purposes, copyright belongs to the company.

Over the years, other companies (Heineken and Asahi) have tried to introduce icy brews, but haven't succeeded in penetrating the market. Kirin has prevailed by redesigning the server mechanism itself to produce a 'smoothie' type effect, allowing the beer head to have a frozen structure. The beer head can retain its integrity for up to 40mins (in comparison a frozen beer head lasts for no more than 6 minutes). With such a serving machine required to produce the beer, Kirin frozen beer is currently only offered at bars, but Kirin hopes to expand to over 1,000 locations by the end of summer.

**Note from the Editor:**

As like the United States, Japan embraces cool beverages in the summer and the Kirin Frozen *Nama* (*nama* なま-stands for *fresh* beer) is a continuation of this trend. While I have not partaken of the beer some of friends went to the aptly named Frozen Bar and tried it out a few weeks ago. Their verdict was that it is a refreshing spin and it really is cold – on that note one of the ladies with sensitive teeth wasn't as thrilled, but liked the presentation.

**Summary:**

For the month of July, we reported on the growing trend in the fast food service industry towards developing drive-thrus and corresponding technology. With such a highly connected consumer culture it makes strategic sense for business to expand new models in Japan along multiple routes and using technology is a great way to market to the smart phone society.

Japan has always been health conscious and we looked at the tomato craze that sparked in February and has continued to ride high into summer. Various food makers have co-opted tomatoes into their product lines or designed new ones entirely. The Asahi Red Eye tomato-beer is one such product.

And lastly we looked into the cyclical summer offerings brought to market by the Japanese beverage makers. This year we can see new innovations with Kirin's Frozen Nama Beer Japan continues to impress with ways to extend product lines and promote to consumers.