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# **A MARKETING ANALYSIS: FINNISH SMALL AND MEDIUM-SIZED DESIGN COMPANIES IN JAPAN**

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Abstract  <p>The purpose of this thesis is to describe Japan as a market region, buying behavior of the Japanese customers, and the interest towards Finnish design products, such as bags, jewelry, and home décor. PESTLE Analysis and Marketing Mix serve as marketing analysis tools in order to describe the current situation of the Japanese design market. Moreover, the thesis also discusses the role of market segmenting, branding and country of origin. Finland has a very good country brand in Japan, which may be beneficial in marketing products there.</p> <p>The thesis is a qualitative research and hence it relies on the quality of the sources and the analysis. The theoretic background is based on the secondary sources, which are earlier studies and books regarding the topics, whereas interviews provide the primary sources of the thesis. Three Finnish design companies agreed to participate in the interviews, and one representative from each design company has answered to the questions regarding the Japanese buying behavior, target market, pricing, and marketing communication channels. Therefore, the analysis of the thesis is based on comparing the theoretical background to the interviews.</p> <p>The results show that the Finnish country brand is a valuable asset while marketing design products in Japan. Additionally, the Japanese customers expect the Finnish design products to be simple and elegant, but the products also need to be unique enough to attract the Japanese customers. However, the Japanese customers do not wish to stand out from the crowd with their products. High quality and flawlessness are expected from the products. All the interviewees noted the importance of Japanese as the language of communication. Furthermore, Finnish country brand has been invaluable asset in marketing for each company, as Finland has rather positive connotations in Japan. Thus, Japan can be considered as a potential market for Finnish small and medium-sized design brands.</p>		
Key words Japan, design, buying behaviour, Finland, country of origin		

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## 1 INTRODUCTION

The purpose of this thesis is to be a marketing analysis of how small and medium-sized Finnish design companies can succeed in Japan. ‘Design companies’ in this thesis include companies which produce accessory items such as bags, woolen hats, and home décor. However, as Japan is a large market, the focus is on the two biggest cities: Tokyo and Osaka. Therefore, the thesis will provide information about Japanese markets in these two cities, which marketing channels to use, and how to stand out from the competitors. This thesis does not have a client, but the author wishes to help small and medium-sized Finnish companies with this project in general.

As the author has graduated as Bachelor of Arts from Stockholm University, majoring in Japanese language and culture, the connection to this topic is her background to research on Japanese society. Furthermore, as the author speaks Japanese fluently, the wish is to help companies with limited language skills and cultural knowledge to succeed in a market in which Japanese is still rather dominating language, although English is most often used in business situations. However, although the business negotiations may be conducted successfully in English, Japanese is very much needed while marketing products and/or services to the Japanese customers.

In this thesis, the Japanese market will be analyzed with the help of PESTLE analysis and marketing mix in order to understand possible cultural differences and why Finnish design interests the Japanese customers. PESTLE consists of political, economic, social, technological, legal, and environmental issues, and the issues regarding Japan will be discussed. Marketing Mix, which includes seven Ps; 1) price, 2) place, 3) promotion, and 4) place, will be used to analyze the Finnish design products and what role pricing, PR relations, and location have in marketing products in Japan. Although all the four Ps will be covered, the emphasis is on the promotion and its relation to advertising. Moreover, market segmentation will be examined to understand who the potential customers for the Finnish design brands in Japan are, that

is, how the most potential target group can be defined. Additionally, their buying behavior and the influence of cultural and linguistic issues will be evaluated. Finally, Finland and Finnish culture in Japan will be discussed while analyzing issues such as branding, country of origin, and the reasons why the Finnish design products can succeed in Japan.

## 2 PROBLEM SETTING AND CONCEPTUAL FRAMEWORK

The main target of the thesis is to create a clear picture of the Japanese design market, and also to create a thorough marketing analysis for the Finnish small and medium-sized companies, who want to improve their marketing in Japan. Hence, the goal is to describe the business environment and cultural issues and in Japan in order to help these companies to prepare better already before entering the Japanese market.

Moreover, another goal of the thesis is to help Finnish design companies to understand the potential of the Japanese design market; Finland and Finnish brands are now very popular in Japan, and large companies such as Marimekko, have paved way for smaller companies to succeed in the competitive market area of Tokyo and Osaka.

### 2.1 Research questions

1. Why do the Finnish design products interest the Japanese customers?
2. What is the target group for the Finnish design companies in Japan, and what describes their buying behavior?
3. How can cultural or linguistic issues affect marketing in Japan and in what way?
4. How can a small or medium-sized company exploit Finland as a brand?
5. Which marketing communication channels are the most effective from a small company's point of view?

## 2.2 Boundaries of the project

Because the thesis will serve as a marketing analysis, logistics will not be discussed; thus, the thesis will not cover issues such as how to export the products to Japan, for example. Otherwise, the thesis would expand too much and the focus on marketing would be lost. Trade agreements will be discussed but only from the marketing point.

Additionally, the thesis will only concentrate on the two largest marketing areas in Japan (Tokyo and Osaka); Japan is a large country in terms of population as well as geography and concentrating to certain areas may be more beneficial than attempting to attract the whole country. For example, Nordic Fair in Hankyu Umeda department store in Osaka has brought publicity to many smaller Finnish design brands in Japan (Website of BusinessFinland 2018), and Metsä Village in Hanno in Saitama, Tokyo Metropolitan Area opened alongside the Moominworld, bringing many new Finnish brands to sale in Saitama (Website of Metsä Village Hanno 2019).

## 2.3 Conceptual framework

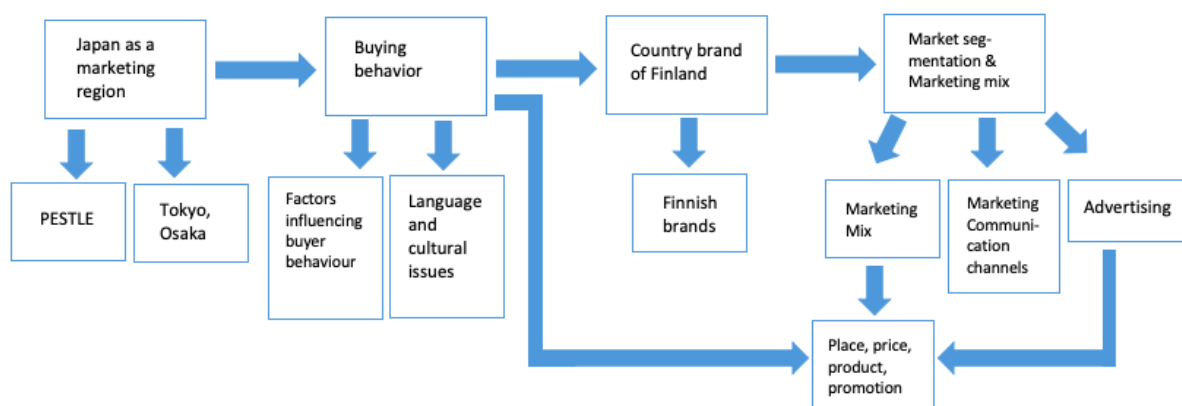


Figure 1. Conceptual framework of the Japanese design market and buying behavior.

The analysis of Japan as a marketing region will give basis for the thesis. Two cities, Tokyo and Osaka, are introduced, and the business environment is analysed with the help of PESTLE. Furthermore, Japanese buying behaviour is examined; and especially what cultural and linguistic issues should be considered. As Finland as a country has a positive image in Japan, its effects on Finnish design brands and their marketing

communication strategy is evaluated. Market segmentation is examined, and marketing mix provides a beneficial tool in order to understand the four Ps: place, price, process, and promotion. Each P is analysed, but the main emphasis is on promotion and its relation to the buying behaviour and advertising. Finally, adequate marketing communication channels for small and medium-sized design companies are discussed, as well as advertising in Japan is studied.

### 3 METHODOLOGY

The goal of this thesis is to be a marketing analysis of the Japanese design market, discussing buying behavior, product, and promotion, and hence the research philosophy is interpretivism. Interpretivism refers to the idea that “it is necessary for the researcher to understand differences between humans in our role as social actors” (Saunders, Lewis & Thornhill 2007, 106). Thus, this research philosophy emphasizes the people, that is customers, and marketing. However, it should be remembered not to generalize or over-simplify groups of customers, for instance, but also not to over-emphasize their uniqueness. (Saunders, Lewis & Thornhill 2007, 106-107.)

Hence, it needs to be remembered in this thesis that although the potential Japanese customers can be divided into general market segments, which is discussed in chapter 5, each customer is individual. Furthermore, the Japanese customers should not be addressed solely based on their nationality, that is over-emphasizing or even over-simplifying cultural differences, as people vary in their values and needs.

Quantitative research relies on numbers, or quantities. Thus, it relies on statistics, which are used to analyze the research subject. Positivism and neo-positivism are said to be the most usual research methodologies of quantitative research. (Adams, Khan & Raeside 2014, 6.) Qualitative research, on the other hand, is based on the quality and reliability of the sources and the consistency of the analysis. As this thesis is a qualitative research instead of quantitative research, as it will not rely on quantities (O’Gorman & MacIntosh 2015, 118.) Hence, the emphasis in the analysis and the



interviews will be on the quality and reliability of the gathered data, which will be discussed below.

### 3.1 Research design and research approach

Exploratory research refers to a research design in which data is collected in order to produce information which does not yet exist. Exploratory research design is used in qualitative research, and it is used to create hypotheses and techniques that are applicable to every situation of the research. (Neelankavil 2007, 104.) Explanatory, or causal research design, means that the goal of the research is to find causalities between variables. Explanatory research is often used in psychology, and its methods include cohort study samples, for example birth cohort, and panel studies. The emphasis of the explanatory research is often in the length of the data collection. (Adams, Khan & Raeside 2014, 7-8.)

However, the research design of this thesis is descriptive; this is used in research to describe thoroughly an event or “entity of interest” (O’Gorman & MacIntosh 2015, 82). Thus, the goal of this thesis is to describe the Japanese design market and buying behavior, and why it is a potential marketing area for Finnish design brands. Moreover, this thesis will discuss how to market one’s product successfully, rather than how to sell products in large quantities. The author of this thesis attempts to find solutions for small and medium-sized companies to use in their marketing strategies, focusing on advertising, buying behavior and cultural issues.

The research approach of the thesis is inductive, which refers to creating a theory as a result of the thesis. Thus, secondary sources such as marketing theory books and primary sources such as interviews will analyzed in order to create the theory. (Saunders, Lewis & Thornhill 2007, 118.) This thesis does not have a commissioner, which is why it is titled as a marketing analysis. The goal is to form a thorough analysis of the Japanese design market and the interest to Finnish brands in order to understand how small and medium-sized companies can compete in the region.

### 3.2 Data collection method and data analysis

The data collection method of this thesis is thematic, which means that the thesis relies on certain themes and that the analysis is based on earlier research and interviews. The collected data affects the selection of themes for the thesis, and the collected data, that is the sources, will mostly provide same information about the themes. (Adams, Khan & Raeside 2014, 157-158.) Thus, the themes of this thesis are Finnish design products, Japanese design market, promotion, and buying behavior. Firstly, these themes are discussed in theoretical manner; the focus is on what has been researched of them earlier and how the findings of various researchers differ from each other. Secondly, the interviews answers are analyzed; the answers are compared to each other as well as to the theory, in order to find the answers to the research questions.

The thesis will be based on both primary and secondary sources; books, journals, and newsletters. These sources will provide much of the theory and background information, as established in chapter 2.2. The information in those sources have been gathered for other reason than this thesis, but the information they contain will provide necessary information for this research. Secondary data will also be gathered from primary sources, for example Finnish design companies' newsletters and reports. The secondary sources provide background information of the Finnish design companies in Japan, and furthermore they help to create the interview questions.

Philip Kotler's *Principles of Marketing* (2017) and Ralf Bebenroth's *International Business Mergers and Acquisitions in Japan* (2015) will provide the theory basis for the thesis. Kotler's *Principles of Marketing* is the "classic" of marketing, and it describes the marketing process clearly. Bebenroth's book, in turn, explains the Japanese market and business life elaborately, which is required in this thesis as the author will create a marketing plan for people who may not have much knowledge about Japan. Although many of the marketing books reviewed in this thesis are used as course material, and are considered as the "classics", their authors may have different approach to the topic, and thus their views on marketing will be analysed. Furthermore, many of the source books discuss marketing in Western business cultures, and hence their relevance to Japan will be discussed.

The research article *Marketing Finnish Design in Japan* by Serita et al. (2009) provides essential information for this thesis, as it specifically discusses marketing Finnish design. Especially Leikos and Villberg's article *Design and Finnishness in Japanese Consumer Culture* and Rinne and Yppärilä's article *Marketing Communication of Finnish Design Companies in Japan* describe the marketing operations and reasons for the popularity of Finnish design in Japan. However, it should be remembered that this research has been conducted in 2009, and thus does not discuss the most recent situation of the Finnish design companies in Japan. Unfortunately, the author could not find much research from the Finnish viewpoint for this thesis, and thus interviews and the research conducted by BusinessFinland and Visit Finland provide insight on who are the potential target groups for the Finnish design brands and why they are interested in Finnish design in the last five years. Finally, the author's own educational background having majored in Japanese language and culture will aid to describe Japanese linguistic and cultural issues which may need to be taken into consideration.

### 3.3 Interviews and ethical issues

The author has conducted interviews with three representatives of Finnish design companies, who have succeeded in marketing in Japan. From each company, one representative has answered to questions concerning issues such as the Finnish country brand, promotion, and Japanese buying behavior. Hence, simple random sampling method has been chosen. In simple random sample, "the selections are made from a specified and defined population" (Adams, Khan & Raeside 2014, 73), which in this case is from the Finnish small and medium-sized design companies. Two of the companies in this thesis are medium-sized, and one is small-size. Furthermore, one company has its own store in Tokyo, and two companies sell their products in Japan through retailers. This sampling method has been chosen in order to gather information from operators who can provide data specifically about the situation of small- and medium-sized companies, as their issues in the Japanese design market may differ greatly from the larger companies.

The structure of the interview created for this thesis is semi-structured. Semi-structured interviews contain open-ended questions, and each interviewee are asked the same

questions. However, more questions may be asked from the interviewee depending on what they answer in the interview. Moreover, the answers of the semi-structured interviews are compared to the theoretical background of the thesis; the emphasis is on how much the theory and the interview answers differ from each other. (Adams, Khan & Raeside 2014, 144.)

The author will handle the private information of the interviewees with the utmost care in order to not to mention any names or possible company secrets. The names of the interviewees and the companies will not be mentioned. Therefore, the interviewees will be referred to as Company 1, Company 2, and Company 3.

The interview questions cover issues such as marketing communication channels, chosen social media channels of the interviewees, cultural differences, language issues, and the interest towards Finnish design in Japan. For example, the author has formed questions to determine how the companies found Japan as a potential marketing region; was the company interested in Japan, or did Japanese customers, such as tourists in Finland, find the company? Additionally, the questions will focus on the design product and promotion. For example, questions 3) *What products do you sell in Japan*, 4) *What are product features/qualities which attract your Japanese customers*, 5) *Has the country of origin been an advantage in Japan*, and 6) *Which marketing communication channels have you used in Japan (for example social media, TV, newspapers)* and why, emphasize these issues. The author has designed each question to answer to the research questions (Chapter 2). Company 1 and Company 3 have answered to the questions by email and Company 2 by phone. The English translations of the interviews are in the Appendices 1, 2, and 3. The original Finnish versions are in the Appendices 4, 5, and 6.

### 3.4 Reliability and validity of the thesis

Reliability and validity are criteria that are used in research in order to ensure the “quality of data, research design methods and the overall accuracy of study results” (Adams, Khan & Raeside 2014, 245). The difference between reliability and validity is that reliability evaluates the consistency of the research (Adams, Khan & Raeside

2014, 245). Validity, on the other hand, is the “strength of our conclusions, inferences or propositions” (Adams, Khan & Raeside 2014, 247). Therefore, it could be said that validity refers to the accuracy of the research findings.

The author ensures the reliability of this thesis by the strict selection of the sources, as well as interviewing representatives of companies which operate in Japan currently. However, the author will compare the interview answers to the findings from the secondary sources in order to draw a clear image of marketing in the Japanese design market. Analysis will hence be based on the information provided by the sources and the author’s own knowledge about the language and culture.

This thesis attempts to find the answers concerning the issues such as branding, marketing communication and cultural issues in buying behavior and thus the sources and the interviewees have been selected carefully, focusing on these issues. Most of the secondary sources are familiar to the author from her earlier Japanese studies, while she conducted research on Japanese society and culture. The author has also selected the sources according to the publishing year in order to provide the most recent information about the topics. In terms of internal validity, this thesis attempts to find solution for the questions related to the Japanese buying behavior and marketing of Finnish design products, and the interview questions and the secondary sources have been selected for that purpose. On the other hand, this thesis does not have a commissioner, and thus it will not focus on one company’s marketing strategy. Instead, the goal of this thesis is to work as a guide for Finnish small and medium-sized design companies in general.

#### 4 JAPAN AS MARKETING REGION

This thesis analyzes the Japanese design market, and thus the Japanese society is also discussed. Firstly, Japan as a country is introduced, and after that, the Japanese marketing region is analyzed with the help of PESTLE analysis. Tokyo and Osaka are introduced as two example cities in which Finnish design companies may succeed.



Figure 2. Map of Japan (Website of Google Maps 2020).

Japan is an East-Asian country with population of 126.4 million (2019) and the capital city is Tokyo. The major language is Japanese, and the currency is yen (¥). The life expectancy of the Japanese is 87 years (women) and 81 (men), making it one of the highest life expectancies in the world. (Website of BBC Country Report 2019.) However, OECD notes that the population has declined approximately 0.2 per cent since 2013 (Website of OECD 2018). According to the World Economic Forum, over 27 per cent of the Japanese are elderly, and in 2060 it is estimated to be over 38 per cent. Hence, the demographics in Japan are changing, and the country is now attempting to create ways to keep the people healthy. (Nishikawa 2019.) The change in demographics may also affect market segmentation of companies, which is discussed in detail in chapter 5. It could be said, however, that the ageing population may be increasingly emphasized in marketing strategies, as companies may wish to target the largest age group in the marketing region.

Another issue related to demographics is gender equality. Despite of the development of gender equality in Japan, women still face relative difficulties in the society. Japan ranks on 121<sup>st</sup> place on the Global Gender Gap Report of the World Economic Forum. The same report lists that in economic participation and opportunity, Japan ranks on the 115<sup>th</sup> place, and in educational attainment on the 91<sup>st</sup> place. (Global Gender Gap Report 2020, 9.) Hence, it could be deduced that development in gender equality is still slow, as women tend to have less opportunities in Japan. Finland ranks in top three in these same lists, and Finland is often used as an example of female-friendly society

(Omae 2019). Such a country brand could be used in marketing communication, as long as the tone of the communication is not condescending.

Japan is a constitutional monarchy, emperor Naruhito being the head of the state. However, the emperor does not have political power in Japan. The prime minister is Shinzo Abe, leader of the Liberal Democratic Party (LDP). Abe has brought the term ‘Abenomics’ to the Japanese political debate; Abenomics has attempted to improve Japan’s economy especially by improving women’s position in the work life. (Website of BBC Country Report 2019.) Voter turnout in Japan is lower than in other OECD countries, being circa 53 per cent, and the voter’s socioeconomic status may have a significant influence for voting activity (Website of OECD Better Life Index 2020.)

Although the country’s political decisions are made by the parliament, the emperor does still hold social power through imperial traditions. For example, when a new emperor rises to the throne, Japan enter a new era. Therefore, there are two calendar systems which are used simultaneously in Japan. The Western calendar system is used widely in everyday conversations, but the traditional Japanese calendar, which is based on the reign of the emperor, is used in every official document, and is thus worth knowing. The traditional Japanese calendar system does not begin on the 1<sup>st</sup> of January; instead, it begins the day the new emperor is crowned. According to this system, the new era, which began in May 2019, is called *reiwa* (令和; the era of harmony). Hence, year 2020 could be either called the second year of *reiwa* (令和 2 年; *reiwa ni-nen*) or 2020 年 (*nisen-nijuu-nen*). (Website of East West Consulting 2020.) This system may seem confusing and only an interesting detail about the Japanese culture, but it may be beneficial for companies to understand this system, as the eras are often used in marketing strategies. For example, companies such as Coca-Cola sold “promotional plastic bottles with the new name”. (Tranter 2019.)

Japan is a technologically developed country with a successful education system. The country performs well in mathematics, science, literacy in Programme for International Student Assessment (PISA) tests. 78 per cent of people aged between 25 to 64 have a degree in upper secondary education, and 75 per cent of people aged between 15 to 64 are in employment. The gender gap is still visible in work life, as 83 per cent of men are employed, whereas 67 per cent of women are employed.

Furthermore, OECD notes that there is “a considerable gap between the richest and poorest – the top 20% of the population earn more than six times as much as the bottom 20%”. In addition, the average household net-adjusted disposable income per capita is lower than in other OECD countries in average. (Website of OECD Better Life Index 2020.)

Nevertheless, the number of NEET (not in employment, education or training) has increased in Japan; approximately 800,000 people fell to this definition in 2019. Moreover, as the number is increasing, more and more young people see their future negatively. (Honda 2019, 171.) In relation to this, OECD reports that the Japanese are less satisfied with their lives than people in other countries in average (Website of OECD Better Life Index 2020). Despite of Japan being the ‘economic miracle’ in the 1970s (Horiuchi & Otaki 2017, 44), it is estimated that the economic growth will be slow in the near future, although it is forecasted to grow 0.5 per cent in 2020 (Website of Focus Economics 2020). It could be said that the aging population and the increasing number of NEET will cause difficulties for the economics in Japan, and the country needs to find solutions for these issues. However, it could be asked what kind of impact the aging population will have on the work markets as well as health care system.

#### 4.1 PESTLE Analysis

PESTLE is an acronym for political, economic, social, technological, and environmental issues, which are studied in marketing analysis (Website of PESTLE Analysis 2020). However, it is also often called PEST analysis, in which legal and environmental aspects to political and social aspects. (Warner 2010, 27.) In this thesis, legal aspects are not discussed as they tend to overlap with the political aspects, and environmental aspects of the analysis are discussed separately in order to draw a clear image of these issues in Japanese society.

PESTLE is a useful marketing analysis tool when the aspects other than competition need to be taken into consideration in a company, for example. It may also provide insight to how a company or a marketing region may change in the future. Hence,



Warner notes that PEST analysis is beneficial as it helps to create a clear picture of trends in an industry by describing and analyzing the different aspects which may affect it. (Warner 2010, 29.) Thus, PESTLE analysis is used in this thesis; it helps to understand the Japanese society and fashion industry from the political, economic, social, technological, legal, and environmental aspects. Understanding these aspects, in turn, will help to create a marketing plan or successful advertising plan in the Japanese markets.

The analysis should be started by defining the aspects of PESTLE. The first aspect is the political, which often also includes legal issues (Warren 2010, 29). Most often it refers to the governmental influence on business, that is limitations on business practices and consumer protection. As governments usually enforce their power through legislation, this is the reason why Warren includes legal aspect to political aspect. (Warren 2010, 30.) As consequence of this, it could be said that it is difficult to discuss political aspects of PESTLE without legal aspect or legal aspect without political, as they clearly tend to overlap.

Economic aspects are, according to Warren, employment rate, income, and the amount of money consumers spend to goods (Warren 2010, 32), and according to Perera, taxation, poverty rate, exchange and inflation rates, and buying behavior (Perera 2017, 10-11). Perera points out that in international business the exchange rates and taxation may have a significant effect on the profitability of a business. In addition to poverty rate and the amount of money consumers have, which Warren mentioned as well, influence the buying behavior as those issues determine how willing consumers are to spend money on different goods and services. (Perera 2017, 11.) Buying behavior, however, is an issue which will be discussed in chapter 5.

Social aspects are such as demographic changes, culture, education, health care (Warren 2010, 34), ethical values, religion, and norms (Perera 2017, 12). Therefore, it could be claimed that social aspects attempt to take the society as whole in consideration. Furthermore, it could be claimed that culture can have a notable influence in the success of marketing and advertising, as the cultural norms and language may cause problems if they are not considered. Perera calls the social aspects

‘socio-cultural environment’, which emphasizes the importance of culture in this part of PESTLE analysis (Perera 2017, 12).

Perera notes that technological aspects concern issues such as infrastructure, technical development, and technical competence are especially important while conducting a PESTLE analysis in a technology industry (Perera 2017, 13). Moreover, Warren emphasizes the changes which occur in technology, and a society’s readiness to adapt to these changes. He further notes that technological aspect has an effect on other aspects of the PESTLE analysis, especially economic one. (Warren 2010, 37.)

As it was mentioned earlier, political and legal can be considered as one aspect in PESTLE, and thus legal aspect was discussed together with the political issues. Thus, the final aspect which needs to be defined is environmental. Perera lists the following issues in the environmental aspect: nature, ecological issues, global warming, and sustainability. Perera also mentions that environmental aspects can be seen as an advantage in business processes because of the increased awareness of ecological problems (Perera 2017, 15-16). Environmental issues have become a trend in the recent years, and its position in the fashion industry and Japanese society should be studied, as it may be significant while advertising one’s brand in Japan.

Table 1. PESTE of Japan.

Political	Economic	Social	Technological	Environmental
Stable, constitutional monarchy	Currently stable economic situation	High education	Highly developed technology	No-waste culture ( <i>mottainai</i> )
Traditions of the monarchy still affect everyday life; e.g. calendar	Increasing number of NEET	High standard of health care	Good infrastructure	Products expected to last long
Biggest issues in the future in the economics and social politics	Economic growth may be slow in the future	Rapidly aging society	Good performance in mathematics and science (PISA)	Nature highly valued

As it was pointed out earlier, Japan's demographic situation is changing, as the population ages. Therefore, the Japanese society needs to prepare to the changes; the aging population will most likely affect the health care system, and an increasing number of health care professionals will be probably be needed. The education system and the technological development in Japan are highly quality, and thus it could be claimed that these attributes will help Japan to react to these issues. *Mottainai* (もったいない) culture, which refers to an ancient practice in which wasting products or materials is seen disrespectful. This practice is said to originally develop from Buddhism, and is still widely practiced in Japanese society, as products are expected to last long. (Crossley-Baxter 2020.) Therefore, emphasizing high quality and longevity of the product may be necessary while marketing products in Japan.

#### 4.2 Tokyo



Figure 3. Map of Tokyo (Website of Google Maps 2020).

Tokyo is the capital city of Japan. It consists of 35 “semi-independent” cities, 23 special wards (特別区; *tokubetsu-ku*), and three central wards; Chiyoda (千代田), Chuo (中央), and Minato (港). (Perez 2019, 1.) Population density is rather high with 6,300 per km<sup>2</sup> (Perez 2019, 2). Tokyo is located in the Kanto region (関東地方; *Kanto-chihou*), which refers to Eastern Japan (Mok 2017, 108.)

Tokyo is the capital of Japanese politics and business life, and it is the greatest business center in Asia. Two international airports, Haneda (羽田) and Narita (成田) connect Japan to Asia and beyond (Perez 2019, 3); Finnish airline Finnair, for instance, operates several flights between Helsinki-Vantaa Airport and Narita Airport per week (Website of Finnair 2020).

Although Tokyo is the center of politics and economics in Japan, it is also a home to various subcultures, as it is well-known as the city of pop culture (Perez 2019, 4). Tokyo attracts students (Mok 2017, 108), and the city's different districts have focused on a specific subculture or style (Kawamura 2012, 65). For example, young women prefer Harajuku (原宿) and Shibuya (渋谷) districts, and Harajuku especially is known as the concentration of the girls' "identity and liberation through fashion" (Kawamura 2012, 65.) Kawamura also points out that Western clothes have been considered modern in Japan since the 1860s, and Tokyo has been considered as one of the biggest consumers of such products for a long period of time. However, Kawamura notes that situation is now changing, and Tokyo is becoming one of the biggest producers of Western clothes. (Kawamura 2012, 21.)

#### 4.3 Osaka



Figure 4. Map of Osaka (Website of Google Maps 2020).

Osaka is a popular university city in the Kansai region (関西地方; *Kansai-chihou*) in the West Japan (Mok 2017, 108). It consists of eight main areas; Shin-Osaka (新大阪;

‘New Osaka’), Kita (北; ‘North’), Minami (南; ‘South’), Nakanoshima (中之島), Tennoji (天王寺), Bay Area, Uehonmachi (上本町), and Osaka Castle (大阪城; Osaka-jou). (Website of Osaka Info 2020.) Finnair flies also to Osaka Kansai International Airport several times a week (Website of Finnair 2020).

Osaka is the second largest economic concentration in Japan after Tokyo, and thus it has a remarkable impact on the Japanese business life. Osaka’s metropolitan area includes also the cities of Kyoto (京都) and Kobe (神戸), and the population is over 24 million people. (International Business Publications 2016, 42.) Therefore, Osaka is another potential marketing region alongside Tokyo, with large population and several regions which focus on different subcultures. For example, Namba in Minami and Umeda in Kita area attract especially young people, as there are many fashion brands represented in the area (Osaka Shopping... 2020).

## 5 MARKET SEGMENTATION AND MARKETING MIX

Before discussing market segmentation and Marketing Mix, it would be relevant to define what marketing itself means. Kotler defines ‘marketing’ as a business actions which focuses primarily on customers; he notes that the essential part of marketing is to receive new customer relationships and manage to keep them, while simultaneously profiting from these relationships. Hence, the target of marketing is to create value in order to make them interested and satisfied. (Kotler 2017, 4-5.) Furthermore, Jobber defines ‘marketing’ as more than just advertising and promoting. It is also a business act which happens through ‘exchanges. Customer receives a product or a service, and the manufacturer or provider receives payment for it. (Jobber 2010, 3.) Thus, Jobber’s definition reminds Kotler’s definition, as they both claim that the goal of marketing is to create value and profit to the parties of this exchange.

International marketing literally refers to the marketing processes which occur beyond national borders. In international marketing, issues such as cultural norms, language religion need to be taken into consideration. (Czinkota & Ronkainen 2013, 5.) As this thesis analyzes the Japanese fashion market and how Finnish small and medium-sized

design companies can succeed in it, the effect of culture and language in marketing will be discussed throughout this thesis.

In the following chapters, market segmentation, Marketing Mix, and marketing communication channels will be described, as well as applied to the Japanese fashion market. Moreover, this thesis focuses on advertising and product aspect of the Marketing Mix, which is why marketing communication channels will be discussed from the point of view of these issues.

### 5.1 Market segmentation

Market segmentation means that a market is divided into smaller parts, segments. Segmentation helps to design a product or a service for a certain segment, or certain potential customers. (Cahill 2014, 3.) Kotler notes that market segmentation refers to ‘choosing’ the customers which the company wishes to reach. Although marketing segmentation and management is often perceived as means to reach and keep as many customers as possible, Kotler points out that this may not be sensible business-wise. Instead, defining and reaching a certain segment of customers may be more beneficial to a company. (Kotler 2017, 9.) It could be claimed that by defining a clear market segment for a product or a service, it may be easier to find potential customers and keep them by creating products and/or services according to their needs or wishes.

In order to target the desired market segment, a company should consider value proposition, which refers to “the set of beliefs or values it promises to deliver to consumers to satisfy their needs” (Kotler 2017, 9). McDonald and Dunbar also stress the importance of the values, as they argue that market segmentation is a process in which potential customers are divided into smaller groups, or segments, based on their needs (McDonald & Dunbar 2012, 9). Moreover, they claim that “customers segment themselves”. (McDonald & Dunbar 2012, 10). Hence, it could be said that the customer is the core motivator in marketing; the company should try to understand which customers they wish to target, what are the company’s values and/or beliefs and how do they match the values of the potential customers.

As it has been emphasized in this chapter, value-creation has the key role in market segmentation. Kotler argues that customers compare the differences between the products on the market, that is value and cost. However, Kotler emphasizes that the customers do not know the accurate value of the product, and thus they base their decision on 'perceived value'. Price often has much influence on the perceived value; customers evaluate whether they receive what they expect from the product by paying the certain price. For example, some customers believe that if they pay more for a product, they are more likely to have a quality product. Additionally, some customers do not want to or cannot afford to pay more than certain amount of money for a product, and hence choose a cheaper product. (Kotler 2017, 13.)

However, price is not the only influencer in customer value-creation. McDonald and Dunbar list that product or service itself alongside demographics, psychographics, channels and geographics affect the value. While developing the product or the service, the features which make them stand out should be analyzed in the company. In this analysis, the age, socio-economic status and gender, that is demographics, of the potential customers should also be discussed. It should be considered which age group is most likely to be attracted by the product. Also, demographics affect the price of the product, as socio-economic status, for example income and occupation, may affect the affordability of the product. Finally, geographic areas may influence the segmentation and value-creation, as a company may attempt to find locations in which customers are most likely to buy their products. (McDonald & Dunbar 2012, 11-12.) In this thesis, the geographic areas are Tokyo and Osaka, which have been introduced in chapter 4.

Although different aspects of market segmentation have been covered above, the question of 'how' remains. According to McDonald and Wilson, there three key criteria which should be considered. Firstly, the market segments should not be too big in size. Instead, the segments should be defined as elaborately as possible to ensure that the most likely customers can be reached. (McDonald & Wilson 2016, 96.) Hence, it could be beneficial for a Finnish small or medium-sized design company to define for example the age group of the customers they wish to target and their own values which they wish present by their products; for example, sustainability, ecology, quality, and simplicity.

Secondly, it should be ensured that the people in the segment do not differ much in their needs, but that they should also stand out “from the rest of the market” (McDonald & Wilson 2016, 96). Therefore, one example of a market segment could be ecologically aware fashion-oriented young adults, from age 20 to 26. Hence, the product could be a sustainably produced bag of which design is simple and timeless. Thirdly, McDonald and Wilson claim that the “criteria for describing segments must enable the company to communicate effectively with them” (McDonald & Wilson 2016, 96).

Furthermore, McDonald and Wilson describe three stages which are essential in market segmentation. First stage is defining the market. The company should examine carefully the market in which they operate; this includes the geographic area and the competitors. McDonald and Wilson emphasize that the company can identify their potential markets in an easier manner if clear geographic boundaries are created. As a consequence, the localities can be defined. (McDonald & Wilson 2016, 97.) For example, it could be said that culture and language have an effect on the localities of a market, and these issues should be taken into consideration.

Falkenstein also points out in the interview by Entrepreneur Europe that defining the geographic boundaries is important. She continues that the company should define with whom they want to business, who are your customers, and also who are not your target. Moreover, she emphasizes that the company needs to clearly focus on their specific segment. (Defining Your Market... 2013.)

The second stage is decision-making and transactions. In this stage, the decision-makers are defined; that is, who buys, what they buy, where, when, and how. These are called micro-segments, which describe characteristic and features of the segment. Hence, the emphasis is on with whom the company works and how the company can attract the decision-makers in the micro-segments. This stage is useful in the analysis of the potential customers and purchase behavior, as it helps to visualize who is in charge in different stages of the target market. (McDonald & Wilson 2016, 102.) Hence, it helps to familiarize with the buyers and marketers of department stores, for instance. It could be thus claimed that this stage is networking.



Finally, the third stage is segmenting the market. McDonald and Wilson argue that in this stage the reasons for segmentation and the benefits of the selected segments are identified. They further emphasize the word ‘why’. In this stage, the actual forming of segments is done; planning and defining has been conducted in the two earlier stages, and now the plan is put into force. (McDonald & Wilson 2016, 104.) While forming a segment, the company should have a clear definition of their target customers, buying behavior, consumers’ needs and localities of the target market. However, the brand of the company should not be forgotten. Hence, the company’s vision and values are essential also in this stage. (Website of Decision Innovation 2020.)

McDonald and Wilson remind that there are no homogeneous segments, as each segment includes different types of buying behavior (McDonald & Wilson 2016, 104). For example, a Finnish small design company could define their target customers as follows; men and women above age 20, who value quality hand-made products, sustainable production, and simple but elegant design. However, the company’s products may attract also consumers who are not interested in sustainability but prefer the company’s design. On the other hand, the products may attract people who are interested in Finnish and Nordic design in general.

## 5.2 Marketing Mix

Marketing Mix is another ‘classic’ tool used in marketing analysis. It concentrates on four elements, or Ps, which are product, price, promotion, and place. Jobber claims that these four elements should be successfully examined in order to reach customer satisfaction. (Jobber 2010, 17.) Three more elements have been added to marketing mix, which are people, process, and physical evidence (Van Niekerk 2018). However, this thesis focuses on the four elements listed above, and each element is discussed in this chapter. The main emphasis is on the elements of product and promotion, as they are the most relevant ones regarding the topic of this thesis.



Figure 5. The four Ps, or elements, of Marketing Mix.

The first P refers to product, which is the ‘basis’ of the business; what is it that a company wants to sell, what features the product has, and how it is produced. Tracy stresses that the company should have a vision of what type of value it provides to the customer. (Tracy 2014, 28.) Jobber, on the other hand, points out that product development is in key role in this element, as the company should be ready to improve their product according to their customers’ wishes. This further affects competition on the market, as market leadership may change as a consequence of product development. (Jobber 2010, 17.) Therefore, it could be said that if a company is able to bring a new product with enhanced features, they can surpass the current market leader, as they answer to the wishes of the customers better.

Kruger points out that simplicity should be remembered while developing a product. That is, customers are more likely to buy more when they do not have many choices. Hence, too elaborate features may only “confuse” the customer, as Kruger puts it. Customers are also often prepared to pay a higher price in order to receive all the features they expect from the product. (Kruger 2016, 55.) However, product development may require more consideration in international marketing. Many companies sell the products without any modifications in both domestic and international market, but there may be occasions when the product which has succeed in domestic market, might not do well in international market without changes in features or design. (Gilligan & Hird 2012, 153.) Market testing may thus provide necessary information about how to market the product in certain market. If a company decided to test selling their product in one region of a country, the financial risks will be smaller than if they tried to attract several regions. Furthermore, retailers may be

more interested to sell the product in their region, if it has sold well in other region of the country. (Website of Consumer Psychologist 2020.)

The second P, price, was already shortly discussed together with market segmentation. It is natural to discuss price in different stages of marketing, as Jobber argues that “price is a key element of the marketing mix” (Jobber 2010, 20). Moreover, he notes that pricing should be done carefully, as it affects all the other elements of marketing mix. Furthermore, price indicates the value of the product or service perceived by the customers. (Jobber 2010, 20.)

The influence of price can also be seen in the so-called breakeven point. This refers to the situation in which “the line of total revenue crosses the line of total cost” (Kruger 2016, 57). Hence, if a company sells less than what is defined as their breakeven volume, they do not make profit. Naturally, if the company succeeds to sell more than the breakeven volume, they will also succeed financially. This can also affect the pricing strategy, as the more the company sells, the less they need charge for the product or service. (Kruger 2016, 57-58.) However, it could be said that it may not be wise for a company to charge too low price, as it may affect how the customer perceives the value and quality of the product, as was discussed in chapter 5.1

The third P, promotion refers to marketing activities such as public relations (PR), advertising, online promotion, and personal selling (Jobber 2010, 20). Advertising will be discussed as its own topic in chapter 5.3, but in this chapter, the promotion element is described. As it could be said that promotion focuses on making customers’ aware of the product, everything begins from a marketing strategy in which the market segment and the customer value are identified. Understanding the value and the target customer is important, as the company should be able to convince the customer of the benefits of it. (Tracy 2014, 29.)

While planning to market in another country, cultural and linguistic differences should be taken into consideration. Communication in other language may cause misunderstandings, and not understanding the norms and cultural differences of the target market segment may cause confusion in customers. (Gilligan & Hird 2012, 234.) Cultural and linguistic issues are discussed in detail in chapter 6.2.

Finally, the fourth and last P concerns place, which literally refers to where the products or services are sold. Additionally, this element focuses on issues such as retail and distribution. (Tracy 2014, 29.) Thus, Kruger calls this element ‘distribution’. She also emphasizes that a company can succeed if they understand who their key customers are and build the distribution channels to satisfy their needs. (Kruger 2016, 56-57.) Furthermore, Jobber points out that a company should study which distribution channels are the most beneficial for them; that is, it should be regarded if the company should sell their products via retailers or should they sell the products directly to the customers (Jobber 2010, 19). This thesis concentrates on two main locations in Japan, Tokyo Metropolitan Area and Osaka City, which have been introduced in chapter 4.

### 5.3 Advertising

While explaining the promotion element of marketing mix in the previous chapter, advertising was mentioned as one of the types of promoting. This chapter describes advertising in general, emphasis on online advertising. Interviews with Finnish design companies will be conducted in order to acquire practical examples of promotion in Japan. Adequate marketing communication channels, in turn, are defined in the next chapter.

Advertising is part of a company’s integrated brand promotion (IBP), and consists of different types of promoting tools, such as television and online advertisements. Additionally, advertising is communication process in which the company tries to reach their target customers. Hence, advertising is financially significant, as it is used to represent the brand. (O’Quinn, Allen, Scheinbaum & Semenik 2019, 3.) In recent years, mobile advertising has increased, and thus customers encounter many advertisements through their smart phone or tablet; thus, it is estimated that the role of television and computers in advertising will decrease, and the importance of mobile device will be emphasized. (Ardelet 2018, 2.) Bóveda-Lambie and Hair also emphasize the rise of the mobile advertising and mention also Bluetooth marketing, which is location-based. In Bluetooth marketing, the marketer communicates directly with the customers in their area, thus ensuring that the customers they reach will

potentially visit the company's store or retailer. However, as Bóveda-Lambie and Hair point out, Bluetooth marketing is not the easiest nor most usual advertising means, because people are increasingly aware of the risks of connecting their mobile device to Bluetooth; it increases the risks concerning personal data and online safety for both the marketer and the customer. (Bóveda-Lambie & Hair 2012, 217.)

It could be argued that the role of social media will also become increasingly significant, and thus social media platforms will be introduced later together with marketing communication channels. Research already shows that smart phone users are reacting to the advertisements, and that most of the respondents of the research said that they can remember the advertisements they have seen in their mobile device for a few days after its first appearance. In addition, it was stated in the research that the smart phone users are likely to visit the advertiser's website. (Goldberg 2017, 1.)

Successful advertising is partly based on the knowledge that people perceive advertising differently. O'Quinn et al. mention that although advertising is often seen as either entertaining, informative or distracting and annoying. Thus, people in different marketing regions are not a homogenic group, and the same advertisement may not work in every region. In addition, advertising can have economic and social influence; they are created in order to influence culture and the way of speaking. (O'Quinn, Allen, Scheinbaum & Semenik 2019, 7.) For example, Vigo points out that advertisements and media in general has influenced the speech by popularizing words such as "woke", or by affecting the accent of certain language groups, such as Canadian English speakers (Vigo 2019). Therefore, it could be proposed that if a marketer is able to create an entertaining and informative ad, which also visualizes the brand's values, it can reach and impact a good number of customers.

#### 5.4 Marketing communication channels

It was stated above that advertising is a communication tool between a company and a potential customer. Communication requires channels through which the target customers are reached, and these are grouped into marketing communication channels. Traditional marketing communication channels have been television, newspapers,

magazines, and radio, but in the recent years, new forms to target customers have been developed. (Kliatchko 2020, 49.) It could be claimed that social media is one of the most significant of them, and this thesis will focus on social media and website as the two main channels of marketing communication.

Social media is listed as one of the four affordable marketing communication channels alongside with company's website, blogs and videos, and email marketing. Social media requires constant activity on different platforms, and the emphasis is on pictures and interaction with the social media users, as they may be part of the company's target customers. It is notable in social media that the product is not in the center of attention. Instead, the social media users are often interested in the brand. Hence interaction with the other users is essential. Relevant social media platforms are for example Instagram, Facebook, Pinterest, and YouTube. (Website of Campaign Monitor 2019.)

In Japan, however, LINE should be added to the list. LINE is a Japanese social media platform, which currently dominates the social media market. LINE manages to attract people from different age groups, as it is widely used in families. It is also designed to the Japanese market as it includes linguistic, technological, and social features specific for this market segment. LINE includes chats, timeline, stamps, for example, and companies can reach their customers directly via these features. (Ohashi, Kato & Hjorth 2017, 1.)

The core idea of social media is "creating and sharing information and ideas" (Quesenberry 2019, 8). Hence, it could be said that it is important for a company to interact with their potential customers in social media, as the company can share information of their brand and product directly to the customers. In addition, it could be claimed that social media platforms provide means to keep the current customers interested. Social media is therefore user-centric; the customer's wishes and needs are considered more carefully, because the social media consists of the users' personal posts about their interests. (Quesenberry 2019, 8.)

A company's website is another affordable and important means to present the company online. It is customized according to the company's brand, and it is supposed to include information about the product and its production, the company's vision and

people behind it. (Website of Campaign Monitor 2019.) Also, as it was discussed earlier, social media users often visit the company's website after seeing their advertisement. Hence, the website is the primary source for many customers to acquire information about the product, and it could be argued that the company's social media accounts and website support each other. Bal, Campbell and Pitt note that communication in social media between the company and the (potential) customers may help to strengthen brand loyalty, and comments on social media may have a significant influence on a brand (Bal, Campbell & Pitt 2012, 191-192).

## 6 BUYING BEHAVIOR

In earlier chapters, the focus has been on how to identify the potential customers and what type of communication channels could be considered to reach them. This chapter, in turn, will examine which issues affect buying behavior, that is, what are the reasons why a customer decides to buy a product (Jobber 2010, 109).

While analyzing buying behavior, the potential customers' thoughts about the brand and/or product, needs, and the buying environment should be considered. These are examples of factors which lead to the buying decision, and they can be divided into three main groups; personal, social, and psychological factors. The potential customer's own wishes and needs fall to the 'personal' group. Age and culture also have an effect on personal factors. Social factors, on the other hand, refer to the customer's family, friends, media consumption, and income. Finally, psychological factors mean that the customer's attitude and understanding of the brand and promotion, for example social media advertisement, have also role in buying behavior. (Radu 2019.) Shaw and Koumbis point out that as an opposite to the 'Western' culture, 'Eastern' cultures tend to be more society-oriented, and society consists of groups instead of individuals (Shaw & Koumbis 2017, 11). Thus, it could be argued that in Japan social and psychological factors have a significant influence on an individual's buying behavior.

Personal factors can be seen in the decision to buy foreign brands. Kashi argues that the desire to be ‘unique’ is one of the reasons why a customer would choose a foreign brand instead of a domestic one. (Kashi 2013, 578-588.) Moreover, global brand names may be perceived as a guarantee of quality; hence, country of origin can be in key role in marketing. (Kashi 2013, 590.)

Buying behavior can also be divided into four types; complex, dissonance-reducing, habitual, and variety-seeking behavior. Complex buying behavior refers to buying expensive products, which are not purchased often. Customers tend to consider buying the product longer, and they often research and compare different products before the decision. Dissonance-reducing buying behavior refers to the situation in which a customer cannot easily decide which product they should buy. (Radu 2019.) The buying-decision may be based on different factors, such as price (Radu 2019).

Habitual buying behavior, on the contrary, means that a customer buys product which require little research or time to think. Such products are bought often, for example food. Gender, which could be included into the personal factors, may affect how a customer perceives an advertisement and how they act on it. For example, according to Tuncay Zayer and Coleman, men are more likely to “make compulsive purchases online” than women if the advertisement provides the necessary information and the imagery is engaging (Tuncay Zayer & Coleman 2012, 242). Finally, in variety-seeking behavior, a customer decides to buy a certain product in order to try something new. (Radu 2019.) Variety-seeking buying behavior could be said to be linked to personal factors; a customer may wish to try a new brand because they have grown tired of the brand they usually buy.

### 6.1 Perceptions of the customer

The customer can be seen as the core of the analysis of buying behavior, and hence a customer can also be perceived as ‘the chooser’. In order for the customer to have the ‘choice’ enough information needs to be provided; that is, what, where and how much. It is also necessary for a customer to have enough options and the differences between the options should be significant; otherwise, Gabriel and Lang argue that the customer



does not have a real choice, if the options cannot be efficiently compared. (Gabriel & Lang 2015, 25-26.) If a customer is perceived as a chooser, it could be said that the company should know their competitors well in order to become the choice of the customer.

Another way to perceive the customers is related to the hedonistic consumption, in which the customer's emotions and attitudes are in focus. Moreover, sensory and sensation are the core terms in this approach. (Solomon 2018, 96, 98-99.) The effective sensory marketing influences the customer's attitudes and emotions in a way which raises the need to purchase the product (Solomon 2018, 98). Hence, it could be said that customer's buying behavior is seen as mean to satisfy certain needs or emotions.

Finally, another way to perceive the customer is by analyzing the environment in which they operate. As it was discussed in chapter 5.2, place has an influence on the success of the product's marketing strategy. Blythe notes that it is essential to identify the location of the product; what is the location of the store or retailer, where is the product located in the store, is it convenient for the customer to reach? (Blythe 2013, 185.) Thus, it could be claimed that it is crucial to understand the surrounding environment of the customer, as it naturally affects their buying behavior. This is closely related to the cultural issues of buying behavior, which is discussed in further detail below.

## 6.2 Cultural issues

Culture can be defined as "shared elements that provide the standards for perceiving, believing, evaluating, communicating, and acting among those who share language, a historical period, and a geographic location" (Torelli, Rodas & Lahoud 2017, 50). Hence, it could be said that understanding the culture of the target country, it is easier to segment the market and to analyze buying behavior of the potential customers. As it was pointed out above, environment affects the buying behavior of people, and thus understanding the environment and its culture may be essential.

It could be argued that collectivism and individualism are the central terms while discussing culture in this thesis. As individualism refers to the cultures in which the independence and freedom are seen as an essential value, examples of such cultures could be United States and Denmark. In collectivism, on the other hand, the sense of belonging to a group and acting according to the norms of that group is important; Japan, China, and Korea are examples of collectivist cultures. (Torelli, Rodas & Lahoud 2017, 52.) It could be claimed that Finland falls to the category of the individualistic cultures, and thus it could be asked if it is visible in the marketing strategy of the Finnish fashion brands. In addition, it could be asked if the Japanese customers who choose Finnish brands are the ‘choosers’ rather than the ‘hedonists’; do they choose the brands based on their sets of values?

Although customers can be roughly divided into groups and these groups can be analyzed through their culture, van Herk and Poortinga point out that culture is “a concept of myriad meanings” and can thus be too vague mean to segment the market. (van Herk & Poortinga 2017, 70). Therefore, a company should take cultural differences into account, but not concentrate on them too strongly, as each customer also has their individual wishes and needs.

## 7 FINNISH DESIGN AND CULTURE IN JAPAN

Finland and Finnish brands are well-known in Japan, and many Japanese brands have been inspired by Finnish culture and nature, for example Minä perhonen (Website of Minä perhonen 2020). Big design companies such as Marimekko, Arabia, and Iittala have operated in the Japanese fashion market for a long period, but smaller brands have been able to break through in the recent years.

In addition to the Finnish design, Finnish society as whole has gained much attention. The Moomins have been famous in Japan for a long time, but the Finnish health institutes, such as neuvola system, has been copied in Japan. The baby packages have also gained interest. (Japanin kieli sai... 2018). This chapter discusses branding, country of origin, and Finnish brands in Japan.

## 7.1 Branding and country of origin

Gabriel and Lang describe brands as “instantly recognizable”. Therefore, a good brand is memorable and unique, as it has to be able to stand from the brands in the market. Uniqueness can be based on factors such as beauty aesthetics, economy, or traditions, and they can be visualized by logos, stories, and images. Individualism is in the key role of branding, because customers may seek products which fit their values and lifestyle. (Gabriel and Lang 2015, 33.)

In international business, country of origin (COO) may hold a significant value. Country of origin may have a positive effect on the marketing strategy, as a country may have positive connotations, for example quality or reliability. (Sarma 2018, 284.) As it was noted before, country of origin can be an effective marketing tool for Finnish fashion companies, as Finland has a very good reputation in Japan.

Leikos and Villberg point out that a background story of a product is important. That is, if a product is produced in Finland, the Japanese customers expect it to represent the culture of Finland. Nordic countries in general represent a relaxed lifestyle to the Japanese, and thus the Finnish design brands are often expected to emphasize it. (Leikos and Villberg 2009, 45.) Hence, a design company who wishes to market effectively in Japan, could emphasize not only the uniqueness and/or aesthetics of their product, but also how their product represents the Finnish culture and lifestyle. However, Leikos and Villberg also mention that most often the Japanese cannot differentiate Finland from the other Nordic countries, and they claim that it may not be even necessary for a design brand to attempt it. (Leikos and Villberg 2009, 61).

In relation to branding and country of origin, Leikos and Villberg note the Japanese’ high brand consciousness; the Japanese often appreciate the well-known brands, although it has become increasingly popular to choose “individual and personalized brands”. (Leikos and Villberg 2009, 47.) However, the designers and the design brands together create the background story for a product. Additionally, the Japanese customers expect the products to be of high quality, and no flaws are accepted. Otherwise, the value of the brand decreases. (Leikos and Villberg 2009, 48.)

It is often claimed that the Finns and the Japanese have a similar taste in design as both cultures hold high value on nature. Additionally, the Finns, or Nordic people in general, and the Japanese share liking for pragmatic and clear design. Wood is a popular material in production. (Mankkinen 2019.) Tatsuo Hino, the CEO of the Japanese fashion company Beam's UK, noted in an interview of BusinessFinland that the Finnish design brands are considered "visually strong" and they seem to be inspired by art rather than fashion itself (Website of BusinessFinland 2018). Leikos and Villberg point out that although the Japanese tend to have very positive image of Finland in general, the knowledge is still rather scarce. Hence, in addition to culture, the Japanese customers are said to expect the Finnish design brands to represent the positive images they have; nature, functionality, and cleanliness are listed as such images. (Leikos & Villberg 2009, 50.) Moreover, Leikos and Villberg note that the Japanese customers, who have ecological values, are often interested in Finnish design brands as well. (Leikos and Villberg 2009, 52.) Therefore, the natural materials and sustainable production may be the key attributes, which appeal to the Japanese customers.

## 7.2 The Japanese interest towards Finnish design

The market review of Japan conducted by Visit Finland and TAK Research mentions that the largest age group of Japanese tourists who visit Finland is 25-34. They are also said to reveal shopping as "the most interesting activity". Nature was listed as the second interesting activity. (Visit Finland 2019, 4.) It could be argued that the Finnish design brands have gained attention in Japan through Japanese tourists who visit Finland.

As shopping has been listed as the most interesting activity by the Japanese tourists, it could be claimed that Finnish design products attract the same target group; people between age 25 and 34. In addition, another research by Visit Finland shows that the tourists who are most interested into Finnish design are 25-45 years old women (Visit Finland 2014, 57). Leikos and Villberg found in their research that the most potential target group to buy Finnish design products is fashion-oriented women, who are approximately among the age groups twenty to forty (Leikos and Villberg 2009, 59),

which corresponds to the findings of the Visit Finland research. On the other hand, Nordic design in general has reached a firm status in the Japanese design market, and the potential target groups have widened from “a small group of enthusiasts” to “all fashion-conscious Japanese” (Leikos and Villberg 2009, 60).

Although increasingly larger groups have become interested in the Finnish design brands, one specific target group can be defined; the Japanese women who are especially interested in the Finnish culture and lifestyle as they wish to live in Finland. These women are often said to be shy and rather untalkative, and they usually have no interest towards fashion. (Leikos and Villberg 2009, s. 60.) Hence, it could be asked whether the backstory of the product for them is that Finland is the happiest country where women have a good status in the society. As it was discussed in chapter 4, Japan ranks rather low in the gender equality ranking. Therefore, it could be asked, whether Finnish products present too positive image of Finland. In relation to this, Rinne and Yppärilä note that Finnish and/or Nordic design appeals to those Japanese customers “who were more individualistic and tried to create a unique image”. Thus, these people would like to differentiate themselves from people around them, but wish do it in the manner in which they still feel that they belong to the group. Hence, they do not wish to be “too different when being different”. (Rinne and Yppärilä 2009, 82.)

According to the research of Visit Finland from 2017, the Japanese tourists search information about Finland from the following channels; television, blogs, paper magazines, travelling websites, and online magazines. Interesting is that the role of social media is rather small. In addition, it is interesting to notice that the Japanese social media application, LINE, which was discussed earlier, had the least significant role in search of information. (Visit Finland 2017, 6.) The preference for traditional media may be related to the fact that the most potential target group for Finnish travel agencies, for instance, is over 40-year-old women (Visit Finland 2014, 5). Therefore, the Finnish design companies may need to consider traditional media as their main marketing communication channel and consider using the social media platforms as supporting channels.

According to Rinne and Yppärilä, newspaper articles about the brands are still considered as “trustworthy and convincing”, and good relations with the press is

essential. (Rinne and Yppärilä 2009, 84.) Hence, as it was pointed out in chapter 5.4 while discussing the marketing communication channels, traditional media still has a firm status in Japan. Furthermore, fashion events and fairs, embassies, blogs, and forums are very effective marketing communication channels in Japan (Rinne and Yppärilä 2009, 84-85). Therefore, it could be said that Finnish brands draw attention especially in traditional media, as for example it may be easier to introduce Finland as a country in the news articles as well. In addition, as the role of the embassy and fashion fairs have been emphasized Rinne and Yppärilä, it could be claimed that Finnish brands are expected to represent a certain image of Finland, and people who wish to buy these products want these products to represent certain lifestyle.

## 8 RESEARCH FINDINGS

In this chapter, the author discusses the research findings, which are based on the theory from secondary sources and the interview findings. Hence, the author describes the potential target groups, the features of the Finnish design products, the role of the pricing, marketing communication channels, focus areas or cities in Japan, the Japanese buying behavior, cultural issues, and Finland as a brand. Additionally, the author provides suggestions for the Finnish small and medium-sized companies in regard to these issues.

### 8.1 Target groups

The interviewees seem to have a clear definition of their target group. As the CEO of the Company 1 describes, their market segment includes the Japanese customers who are modern citizens and are interested at Nordic high quality design products. They are targeted as they have the necessary interest towards their products and also capital to purchase them. (Company 1, personal communication on 1.5.2020.) The Sales Manager of Company 2, in turn, describes their market segment as working women from age 30 to 50, who value handmade products and are ready to pay for them. Additionally, she describes them as conscious consumers in the cities. (Company 2,

personal communication on 4.5.2020.) The Sales Manager of the Company 3 emphasizes the ecological values; she believes the Japanese customers have same values as her company does, and that they value sustainably made products from certified natural materials (Company 3, personal communication 27.5.2020).

The author claims that the Japanese women seem to be the most interested at Finnish design, especially women from age 30 to 50. Hence, working women who have the necessary income and desire to pay for high quality products seem to be the most potential target group for Finnish small and medium-sized companies. It could also be asked if the Japanese women are interested at Finnish design products because they represent a society where they could have more power; Japan ranks relatively low in the gender equality rankings, whereas Finland ranks high. Moreover, the target group in general can be defined as ecologically aware consumers, although the Finnish design products interest increasingly larger groups of customers in Japan.

## 8.2 Finnish design products

Company 1 produces bags and accessories, and the CEO of the company notes that the Japanese customers are generally interested in their whole collection of bags, but they are especially interested at small bags and wallets, which are more convenient in the big cities (Company 1, personal communication on 1.5.2020). She also points out that while selling products in Japan, quality and flawlessness are in the key role; the Japanese customers do not accept any flaws, even small scratches which would easily be accepted in Europe. In addition, according to the CEO, the Japanese like bright colors and simple design, but the design should not be too plain. Instead, every product should have something unique in them. (Company 1, personal communication on 1.5.2020.)

Company 2 produces woolen hats, and the Sales Manager of the company said in the interview that the Japanese customers appreciate that their products are handmade in Finland. Moreover, the Sales Manager emphasized that the Japanese customers appreciate that the products are made sustainably. (Company 2, personal communication on 4.5.2020). Company 3 produces linen and woolen textiles which

they produce from raw materials to the final product themselves in Finland. According to the Sales Manager, the products are made sustainably, and the carbon footprint is kept as low as possible. Moreover, she stresses the importance of the quality of the products. (Company 3, personal communication on 27.5.2020.)

It could be said that the Japanese are interested in the sustainably produced design products which last long in use. Ecological values seem important to them, as well as unique design and high quality. High quality especially is a feature to which Finnish design companies should invest, as every interviewee has stressed importance of flawlessness of a product in Japan. Furthermore, it could be claimed that the mottainai culture (no-waste culture), which was discussed in chapter 4, may be a reason behind the desire for long-lasting products; the Japanese customers may wish to buy high quality products which will be in fashion a long period, and which will look good even after long use.

Hence, the author argues that the Finnish design brands interest the Japanese customers specifically because they are Finnish. Finland is associated with rather positive images of relaxed lifestyle, high education and clean nature. These features build the backstory of the design product which is important for the Japanese customers; the products should represent something, for example certain lifestyle. Natural materials, longevity of the product and sustainability of the production of Finnish design products seem to be essential for the Japanese customers as well.

### 8.3 Pricing

The CEO of the Company 1 mentions that the price of the product should be on decent level, because over-priced products do not work in Japan. Exporting products to Japan naturally increases the price of the product with customs and transportation, and these should be taken into consideration in pricing. (Company 1, personal communication 1.5.2020.) The Sales Manager of the Company 2 mentions in turn that because the Japanese customers appreciate handmade products and know how the means of production, they are ready to pay for it. She also notes that as their company name does not have the same brand value as the big companies have, introducing the means



of production helps to justify the price. (Company 2, personal communication on 4.5.2020.) The Sales Manager of the Company 3 also states that pricing is very important, as according to her, the Japanese customers focus on the price of the product but are ready to pay for high quality products and well-known brands (Company 3, personal communication on 27.5.2020).

It could thus be claimed that low price may not be beneficial for Finnish design companies in Japan, as the price is one of attributes which defines the quality of the product. However, it seems that if the name of the company does not have brand value yet, explaining the production process and origins of the materials may help the companies to justify the price for the Japanese companies. Handmade and ecologically made products seem to have high value in Japan, these features should be emphasized while marketing products in Japan. However, it is difficult to say how much the Japanese customers are ready to pay for the design products, as the interviewees did not specify the prices of their products in Japan.

#### 8.4 Marketing communication channels

The CEO of the Company 1 remarks that their Japanese importer handles marketing in Japan with the material provided by the Company 1. However, the CEO mentions that one marketing communication channel is not enough; instead, the products need to be pushed to the market with pop up stores, social media, and the press. At the beginning of their Japanese cooperation, the CEO and staff traveled to Japan in order to create the PR relations by meeting the press, visiting stores and fairs, and by meeting people in them. Additionally, she says that the PR photos taken in these events and exchanging business cards and gifts were in the key role. (Company 1, personal communication on 1.5.2020.)

The CEO of the Company 1 also emphasizes the importance of using wide selection of marketing communication channels and thus social media is a relevant channel (Company 1, personal communication 1.5.2020). According to the Sales Manager of Company 2, they have website which will be translated into Japanese, and they have launched a Japanese-language Instagram account. However, she notes that there is still

little action in these channels, and thus it is still difficult to evaluate which channels are the most effective. (Company 2, personal communication on 4.5.2020.)

The Sales Manager of Company 2 also stresses the role the press events and fashion fairs. She also tells that when they visited Japan last time, several newspapers wrote about it. Social media and the company's website are also used. (Company 2, personal communication 4.5.2020.) Additionally, the Sales Manager of the Company 3 underlines the role of newspapers, television commercials and social media. She continues specifying that the social media is the easiest and fastest way to promote and update information about the products. Also, the social media is a good tool to reach both old and new followers in Japan and around the globe. (Company 3, personal communication on 27.5.2020.) Therefore, based on the answers from the interviewees, promoting the brand in several different media is important in order to reach the target group.

The interviewees from each company stressed that visibility in newspapers is still important in Japan (Company 1, personal communication on 1.5.2020; Company 2, personal communication on 4.5.2020; Company 3, personal communication on 27.5.2020). The benefits of social media are still affirmed by the Sales Manager of the Company 3, as she mentions that social media is the fastest channel to keep the followers updated about products (Company 3, personal communication on 27.5.2020).

The author claims that despite of the increasingly important role of social media alongside the company's website as a marketing communication channel, traditional media such as newspapers and television still have relatively strong status as a source of information in Japan, and thus a Finnish design company should not overlook and concentrate only on the online promotion.

## 8.5 Focus areas in Japan

The CEO of the Company 1 says that they operate in whole Japan (Company 1, personal communication on 1.5.2020), whereas the Sales Manager of the Company 2

says that they mostly operate on the biggest cities; the customers in Tokyo are especially interested in their products, but they also operate in Osaka and Nagoya (Company 2, personal communication on 4.5.2020). Japan as a whole is the marketing region for the Company 3 as well, but their Sales Manager mentions that they have special focus in Tokyo as they have their own store there (Company 3, personal communication on 27.5.2020). Hence, as these companies operate in Japan through their Japanese partner, whole Japan can be a considerable marketing region for Finnish small and medium-sized design companies. However, each interviewee pointed out that they have most popularity in the capital city Tokyo, and thus it could be a good starting point for Finnish design brand while marketing their products in Japan.

## 8.6 Japanese buying behavior

The CEO of the Company 1 expresses that the Japanese customers expect the product have a clear identity, function and design. She repeats the importance of bright colors and high quality. For instance, small scratches which would be accepted elsewhere are not tolerated in Japan. As it was mentioned while discussing products in chapter 5.2., the Japanese customers prefer small bags and accessories which are more convenient in big cities, because it is rude to push other passenger with large bags in subways. (Company 1, personal communication on 1.5.2020.) Therefore, the Japanese buying behavior could be defined as complex; the Japanese customers are ready to pay for a quality product as they expect to use it for a longer period. In addition, personal and social factors may affect the Japanese buying decision in case of the Company 1. As personal factors are related to the customer's own attitudes and feelings towards the product, the Japanese customers may wish to express their own unique style with bag of bright colors. However, the social factors may affect their decision to buy smaller bags in order to not disturb other people while commuting in the city.

According to the Sales Manager of the Company 2, the Japanese customers value handmade products which are made in Finland, 'the happiest country'. They also want to know to take care of the products, for example washing instructions. In addition, it is very important for the Japanese customers to receive the new product in closed package to ensure that no one else has not touched it. She also says that the Japanese

customers do not want to buy too different product, as they wish to feel they are part of the group. (Company 2, personal communication on 4.5.2020.) The Japanese buying behavior could thus also be defined as complex. The Japanese customers are ready to pay for a handmade quality product which they can use for a long period. The features which may affect their buying decision may be a mix of personal, social, and psychological factors. As the company's target group is defined as 30 to 50 years old women who live in cities and are conscious consumers, age and gender may be the personal features which affect their buying decision. Social factors, on the other hand, such as income, may influence the decision. Finally, psychological factors, such as promotion, may have an effect on the decision, as the customers seem to be interested at Finnish product especially.

The Sales Manager of Company 3 evaluates that the Japanese customers make buying decisions carefully. Thus, they do not usually impulse buy. Natural colors and recognizability of the brand in Japan and globally are important. (Company 3, personal communication on 27.5.2020.) Hence, it could be claimed that the Japanese buying behavior in this company's case is complex as well. The Japanese customers expect quality products, but do not wish to buy them often. Furthermore, personal and social factors may influence the decision making. As the Japanese customers of Company 3 are said to have environmental values, it could be said that the customers' own attitudes affect the decision making. Finally, social factors such as income and media consumption may also influence the buying decision; as a consequence of the Japanese customers making the buying decision carefully, they might not buy products too often and are thus able to pay the price. Moreover, the natural colors and the exposal of Finnish lifestyle in the Japanese media may interest the Japanese customers.

Based on the answers of the interviewees, the Japanese buying behavior can be defined as complex; careful and sustainable, focus on ecological production and high quality. The Japanese customers expect to use the products for a long time, and they want the products to represent unique style as long as they do not differ from the masses too much. However, it would require more research on how easily the Japanese customers are able to make the buying decision, that is, if their buying behavior resembles dissonance-reducing behavior.

Considering that the Company 1 sells bags and accessories, their customers could be perceived as choosers. It could be assumed that there is much competition in a large city such as Tokyo or Osaka, and thus there are many bag brands from which to choose. Therefore, it is important that the customers know how and where the products are made and how much they cost; it could be argued that knowing these factors the customer can effectively make the buying decision. These factors may help Company 1 to differ from the competitors. Furthermore, their customers can also be perceived as hedonistic consumers, who decide their products because the products' design appeal to them.

As Company 2 produces woolen hats and has potential customers in the largest cities such as Tokyo, Osaka, and Nagoya, it could be claimed that there is competition for them as well. However, they can differentiate themselves from the competitors by emphasizing the natural materials, Finnish design and handmade products. As the Sales Manager of the Company 2 notes, the Japanese customers have been interested in their products specifically because the products are produced sustainably in Finland (Company 2, personal communication on 4.5.2020), and this can be one of the major features which influences the customer to choose their product.

Company 3's linen and woolen textiles most probably also have competition in Tokyo, for instance, and thus it is important that they can convey the customer to choose their product. The Sales Manager of the Company 3 notes that the Japanese customers appreciate the natural materials and colors as well as Finnish design (Company 3, personal communication 27.5.2020), and thus these factors may help to differ from the competitors. However, the Japanese' appreciation for natural, neutral colors and materials may appeal to the customers' attitudes and emotions towards the product, and thus they can be perceived as hedonistic consumers. Finally, as the Company 3 has their own store in Tokyo, it may be essential for them to analyze the environment in which they operate. Therefore, the location of the store and how the products are placed there may have a major influence on the potential customer.

The author would describe the Japanese buying behavior as complex, that is, they make their buying decisions carefully and avoid impulse buys. Furthermore, the customers in large cities such as Tokyo and Osaka, in which the interest towards

Finnish design products is greatest in Japan, there is much competition, and thus the Japanese customers can be perceived as the choosers, as they have big variety of products available. However, they can also be perceived as hedonistic, as the Finnish design seems appealing to them; in bags, hats, and accessories the customers expect bright colors, and in-home textiles they expect natural colors. Therefore, these products also appeal to their attitudes and emotions towards the products.

### 8.7 Cultural issues

The Sales Manager of the Company 2 also mentions the collective nature of Japanese culture. The Japanese customers do not want to differentiate much from the mass with the products, instead they wish to feel they are part of the community. (Company 2, personal communication on 4.5.2020.) Furthermore, the CEO of the Company 1 notes that certain ‘childishness’ is accepted and even pursued in the Japanese culture, which explains the popularity of the Moomins in Japan (Company 1, personal communication on 1.5.2020).

Each interviewee notes that they have not encountered big cultural or linguistic issues, but a Japanese interpreter is needed, as they themselves communicate in English (Company 1, personal communication on 1.5.2020; Company 2, personal communication on 4.5.2020.; Company 3, personal communication on 27.5.2020). The Sales Manager of the Company 3 points out English skills of the Japanese customers may not always be very good and clear, and thus an interpreter is a necessity (Company 3, personal communication on 27.5.2020). Moreover, as each interviewer points out that they have a Japanese partner in import and/or retail, they might help handling the cultural and linguistic issues. In addition, the CEO of the Company 1 and the Sales Manager of the Company 3 emphasizes that most of their Japan operations are handled by their Japanese partner (Company 1, personal communication on 1.5.2020; Company 3, personal communication on 27.5.2020), and hence major cultural issues may not have risen.

Moreover, two seemingly different cultures can also have similarities, as the Sales Manager of the Company 2 thinks that the Finnish and the Japanese are somewhat

similar people; if something is agreed with the Japanese customers, they act according to it. She also mentions that if the invoice they send has 30 days in term of payment, the Japanese customer has usually paid in seven days. (Company 2, personal communication on 4.5.2020.)

The interviewees expressed that they have not had big linguistic or cultural issues while marketing in Japan. Thus, the author would like to suggest that this may partly be due the fact they have a Japanese partner who handles all the business operations, including marketing, in Japan. The Japanese partner uses the PR material provided by the Finnish company and uses the material in a manner which is appropriate in Japan. The interviewees mentioned, however, that Japanese is the main language of communication with the customers, and thus a Japanese interpreter is needed.

#### 8.8 Finland as a brand

Each interviewee states that Finland as brand is very important to them. The CEO of the Company 1 says that the reason they began to market in Japan is because the Japanese customers expressed their interested at the Company 1's products in fashion fairs. She even claims that the Japanese customers might not have become interested in them with the connection to Finland. (Company 1, personal communication on 1.5.2020.) The Sales Manager of Company 2 expresses similar thought saying that they were told on the Berlin Fashion Week and Helsinki Fashion Week in 2016 that "This would be great in Japan!" She further notes that the Japanese customers are interested at them specifically because of Finland. (Company 2, personal communication on 4.5.2020.) The Sales Manager of the Company 3 also says that Finland as a brand is beneficial for them, but it should be taken granted; good country brand itself is not enough. Instead, the company needs to focus on high quality in order to create customer relationships and brand loyalty. (Company 3, personal communication on 27.5.2020.) Hence, Finland as a brand is necessary and beneficial attribute, but it requires good quality and PR relations to maintain it.

The author argues that Finland as brand can be particularly beneficial to the Finnish small and medium-sized design brands, as the interviewees emphasized that the

Japanese customers have become interested to their brands specifically because of Finland. Hence, the author would suggest the Finnish small and medium-sized companies to highlight the Finnish origins of the product. In addition, introducing the production process can be a considerable selling point. However, the author would like to point out that Finland as a brand alone is not enough. Instead, the products need to be of high quality. This also helps to maintain the good country brand.

## 9 SUMMARY AND CONCLUSIONS

This thesis discussed the Japanese design market and how Finnish small and medium-sized companies can succeed in it. It is clear that Finland and Finnish brands are well-known in Japan, although the knowledge of Finland may be solely positive, and actual information rather scarce. However, big design companies such Marimekko and Iittala have succeeded to find a firm ground in the competitive Japanese design market.

Japan as a society was introduced first and it was analyzed with the help of PESTE. PESTE, or PESTLE, is an acronym for political, economic, social, technological, and environmental aspects. Occasionally, legal aspects are analyzed separately, but this as this thesis is a marketing analysis, they were not discussed. However, the PESTE analysis showed that Japan is a technologically and educationally highly developed country. The political and economic situation is stable, and environmental issues interested people. The two biggest cities, Tokyo and Osaka, were chosen as the focus areas, as they are the economic centers of the country and Finnish design brands, such as Marimekko, have succeeded in them.

Market segmentation and Marketing Mix were used to define the potential target groups in Japan, and Marketing Mix provided insight on the product, price, promotion, and place; what is sold in Japan, what is the role of pricing, how the products are promoted, and where they are sold. It was noticed that bags, accessories, hats, and textiles interest the Japanese customers, and the country brand of Finland is necessary for Finnish small and medium-sized brands. Furthermore, it was noticed that high quality and handmade products as well as natural materials are highly valued in Japan.



Earlier studies and the interviews implied that the Japanese working women in cities are the most potential target group for the Finnish design brands. Although small and medium-sized brands may not be able to rely on their brand name to target customers, Finnishness has been a valuable asset for them. Moreover, it was estimated that the Finnish design brands appeal to the ecologically conscious consumers, for whom the image of Finland as a clean country may be essential selling point.

Although it was pointed out by the interviewees that they have not encountered big cultural and/or linguistic issues, a Japanese business partner has been important to each of them and might be the reason why the interviewees have been able to avoid major conflicts with the Japanese customers.

This thesis was a qualitative research, and thus the quality and reliability of the sources were in the key role. The secondary sources, that is books, earlier studies, and news articles, provided background information for the work. However, marketing research regarding the Finnish design brands has been conducted rather scarcely which complicated the search for reliable sources. Thus, the theory regarding Finnish design and culture in Japan heavily relies on one source despite of it being published in 2009. Nevertheless, the interviews which were conducted in May 2020 for this thesis widely seconds the findings from 2009, and thus it could be argued that such source is still rather relevant.

It should also be remembered that only three interviews were conducted for this work, and hence the quality of the answers are emphasized. The major ethical issue of this thesis was to handle the private information of the interviewees with utmost care, and therefore names of the companies nor the representatives were not mentioned anywhere in the thesis. In addition, the companies have been to describe in such way that they are not recognizable. The interviewees' answers were much in accordance with the background information, and thus it could be argued that the three interviews provided similar information as secondary sources and can be perceived as reliable.

The results of this thesis can also be seen as valid as internal validity was reached; the research questions were answered in the analysis. Finland and Finnish design have

good reputation in Japan, and small and medium-sized companies can successfully market their products in Japan, as there is the potential market segment and Made in Finland label has positive connotations. Finnish design companies should still not rely too much on the country brand, because if the product does not meet the expectations of the Japanese customers, Finland as a brand will not help while marketing. It could also be said that external validity was reached as the interviews and secondary sources provided similar insights to the research questions, and the results could be generalized to other research setting. One different note that the secondary sources did not discuss was that each interviewee mentioned of having a Japanese business partner who handles marketing operations in Japan. The author would recommend a small- or medium-sized design company to acquire a Japanese business partner, as a local partner knows the language and culture and can thus minimize the cultural and linguistic conflicts.

However, in regard to the external validity, it would be interesting to study how different the results would be if more companies could have taken part in the research. Quantitative research methods would thus have given firmer basis for the external validity. Moreover, this thesis analyzes the Finnish small and medium-sized design companies in Japan from the companies' point of view, and it would be interesting to see how different the results would be if Japanese customers had been interviewed.

## 10 FINAL WORDS

The target of this thesis was to understand why Finnish design interest the Japanese customers, how their buying behavior can be described and who are the potential customers of these products. Although reliable source for the marketing theory was relatively easy to find, information about the Finnish design brands in Japan was limited. The target was also to provide information about Japan as a marketing region and how other Finnish small and medium-sized companies have operated there, and it could be argued that this marketing analysis could be used a 'guidebook' for such Finnish design companies who consider Japan as their potential market.

The research could be continued in the future by concentrating on the viewpoint of the Japanese customers. This thesis has focused on why the Finnish design companies think they have succeeded in Japan, and it would be interesting to interview the Japanese customers on why they are interested in the Finnish design. Such research would probably be a mix of qualitative and quantitative research, because quantitative methods would provide data on how many Japanese recognizes Finnish design brands and how many would consider buying them, for example.

The original plan was to finish the thesis in Spring 2020, that is April or May, and the schedule has been followed decently, despite of the difficulties to find decent sources and a slight delay in receiving the answers to the interviews. Nevertheless, these issues taught the author to effectively plan the schedule and to reorganize it, if needed. Also, the author learned to use several sources in order to find the required background information to which the interview findings were compared; books, journals, and news articles. Different databases were used in order to receive the quality data, which was important as this thesis did not work with numbers. Although only three interviews were conducted, they complied with the theory well and helped to produce a consistent marketing analysis.

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**Company 1**

**Products: bags and accessories**

**Interview by email on 1 May 2020**

**Interviewer: Katri Koskinen**

**Questions**

**1. How did you get interested in Japan? Where do you operate?**

We operate on fashion and design industry as well as in wholesale and retail. To us, this is the opposite; the Japanese have always been interested in our brand ever since we started in 2000, and they have ordered our products in fashion fairs. We have also cooperated with several Japanese importers, and with the latest one the cooperation has continued for three years. Our importer takes care of all the business functions in Japan, and therefore the whole Japan is the marketing region.

**2. Who are your target customers? Why do you target them?**

As we operate in Japan through the importer, they also define the target group, but mainly the target group is the same as it everywhere in the globe, that is modern people who are interested in Nordic design of premium sector and who live in the cities.

They are targeted because they have the necessary interest towards the products as well as purchasing power to acquire them.

**3. What products do you sell in Japan? What are product features/qualities which attract your Japanese customers?**

Our importer in Japan imports our collection pervasively, but they are especially interested in colourful wallets, small bags and accessories. The quality also has to be

of high standard. Finnishness and unique design is valued – to simple and ‘ordinary’ products do not work well in Japan, instead there always needs to be something unique.

**4. What is the role of pricing while selling products in Japan? For example, are your products considered luxury goods?**

Exporting to Japan always increases the costs with customs and transportation. The price has to be on reasonable level, overly priced products do not work.

**5. What is the key purchasing behavior of your Japanese customers?**

The products need to have a clear identity, function and outlook, and the quality has to be flawless. For example, leather must not colour at all and it must not contain any so-called beauty marks, which would easily be accepted in Europe. Small bags and accessories are popular, because for example in big cities and their subways it is impolite to push other passengers with big bags. Also, a certain childishness is accepted throughout the culture and also pursued, which explains the big success of Moomins in Japan.

**6. Which marketing communication channels have you used in Japan (for example social media, TV, newspapers) and why? What has been the most efficient channel?**

It is difficult to comment this one, as our importer takes care of all marketing, but with the materials we produce. I can say though that all-round marketing works in Japan, that is one channel is not enough, but instead the products needs to be pushed with pop up stores, social media, and press. At the beginning of our cooperation we travelled by ourselves to Japan, where we did a lot of PR with our importer by meeting the press, visiting stores and fairs meeting people etc. The PR photos taken in these meetings,

profuse exchange of business cards and abundant gift giving and receiving were in the key role.

**7. What are some cultural/linguistic difficulties you have encountered in Japan? In what kind of situations have they occurred?**

Communication in Japanese is the must, which why this sort of investment to Japan would not be possible without the presence of the importer in Japan. Additionally, we would not have managed the rules of politeness which apply to Asia in general and the high demand of flawlessness alone.

**8. In which language have you communicated with the Japanese customers?**

In English, and the importer naturally in Japanese.

**9. Has the country of origin been an advantage in Japan? If yes, how? That is, have the Japanese customers been interested to your products because of Finland?**

This is very important, because without the connection to Finland the Japanese customers probably would not be as interested as they are. The country brand of Finland has an enormous influence and potential in Japan.

**Company 2**

**Products: accessories, e.g. hats**

**Interview by phone on 4 May 2020, 8:30AM**

**Interviewer: Katri Koskinen**

**Questions**

**1. How did you get interested in Japan? Where do you operate?**

In 2016, we were often told in Berlin Fashion Week and Helsinki Fashion Week that “This would be great in Japan!”. In 2017, Business Finland arranged Lifestyle in Finland showrooms in Japan and South Korea. There was special interest towards us in Japan, as the first products were all sold in Japan. Especially customers in Tokyo are interested, but we also have operated in Osaka and Nagoya.

**2. Who are your target customers? Why do you target them?**

30 to 50 years old women, who can appreciate handmade products and are ready to pay for them. Conscious consumers in the cities.

**3. What products do you sell in Japan? What are product features/qualities which attract your Japanese customers?**

Woollen hats. Production and the fact that they are produced in Finland attract the most.

**4. What is the role of pricing while selling products in Japan? For example, are your products considered luxury goods?**

The way of production is visible in the events; the products are handmade, which affects the price. The Japanese customers see how the products are made and are thus ready to pay for it. The company's name does not yet have brand value which bigger design brands have, which is why making the way of production visible helps to understand the pricing.

**5. What is the key purchasing behavior of your Japanese customers?**

The Japanese customers appreciate it that the products are handmade in Finland, 'the happiest country in the world'. The Japanese also want to know how to take care of the product, for example washing. In addition, it is important for the customers in Japan to receive a brand-new product in closed package, in order to ensure that no one else has touched the product. It is also important for the Japanese customers to be part of the group, and thus they do not want to differentiate from the group too much with the products.

**6. Which marketing communication channels have you used in Japan (for example social media, TV, newspapers) and why? What has been the most efficient channel?**

PR and events. When we last visited Japan, several newspapers wrote about it. We have a little interaction with the customers through social media and the website, but the website will be translated into Japanese, and we have launched an Instagram account in Japanese. Nevertheless, it is difficult yet to evaluate which channels have been the most effective ones.

**7. What are some cultural/linguistic difficulties you have encountered in Japan? In what kind of situations have they occurred?**

There have not been any big linguistic problems but arranging an interpreter has been difficult occasionally. The Japanese seldom say no directly. In addition, as the Japanese customer wish to receive the products in individual packages, one delivery (of our products) was not wanted first because it had been sent via China, as the customer was afraid that it had been opened in China.

**8. In which language have you communicated with the Japanese customers?**

In Japanese with an interpreter.

**9. Has the country of origin been an advantage in Japan? If yes, how? That is, have the Japanese customers been interested to your products because of Finland?**

The customers have been interested in the products especially because of Finland. For example, Marimekko has a very big status in specifically in Japan. Finnish nature, the happiest nation, good education funded by the state interest them. It also helps that as people we are pretty similar. For example, if something is agreed on with the Japanese customers, they act on it. Moreover, if the invoice has 30 days in term of payment, the payment is often usually done in 7 days.

**Company 3**

**Products: home décor and bath products**

**Interview by email on 27 May 2020**

**Interviewer: Katri Koskinen**

**Questions:**

**1. How did you get interested in Japan? Where do you operate?**

Japan as a marketing region is new and fascinating for us. The marketing region and the culture is very fascinating. We have a reliable long-term partner in Japan, and they operate as our importer there. They have their own network in Japan. In addition, we have our own store in Tokyo.

**2. Who are your target customers? Why do you target them?**

Firms and retailers, who have same values as we do. We think our target group understands and appreciates our values.

Responsibly produced products from certified natural materials in our own weaving mill, in which we produce the products from yarn to finished product ourselves. We are able to design our products and processes in such ways that our ecological footprint is as low as possible.

**3. What products do you sell in Japan? What are product features/qualities which attract your Japanese customers?**

We export linen and woollen textiles. The Japanese like Finnish design, natural materials and also natural colours.



**4. What is the role of pricing while selling products in Japan? For example, are your products considered luxury goods?**

Very important, because they are very aware of the price but are ready to invest in quality and well-known products and brands.

**5. What is the key purchasing behavior of your Japanese customers?**

They make the buying decisions carefully and deliberately. They do not do so called 'impulse buy'.

Recognizability globally and in Japan.

**6. Which marketing communication channels have you used in Japan (for example social media, TV, newspapers) and why? What has been the most efficient channel?**

Social media and to some extent newspapers and TV commercials through our importer. It is easy and quick to market photos and to make necessary quick updates in social media. Social media reaches easily many old and new followers in the target country and around the globe.

**7. What are some cultural/linguistic difficulties you have encountered in Japan? In what kind of situations have they occurred?**

Every Japanese does not have very good and clear English skills.

For example, it is good to have a Japanese interpreter in fairs or events.

**8. In which language have you communicated with the Japanese customers?**

In English

**9. Has the country of origin been an advantage in Japan? If yes, how? That is, have the Japanese customers been interested to your products because of Finland?**

Good image of Finland has been beneficial because the Japanese generally likes Finland. Although the good image of Finland is not self-evident. One has to work hard for it and the quality of the product has to meet the expectations; in order to create long and good customer relationships and brand loyalty, amongst other things.

**Yritys 1**

**Tuotteet: laukut ja asusteet**

**Haastattelu sähköpostin välityksellä 1.5.2020**

**Haastattelija: Katri Koskinen**

**Kysymykset:**

**1. Kuinka kiinnostuitte Japanista markkina-alueena? Millä alueella toimitte?**

Toimimme muoti- ja designalalla sekä tukku- että vähittäiskaupan piirissä. Meille kysymys kuuluu pikemminkin niin päin että japanilaiset ovat aina olleet kiinnostuneita meidän brändistä siitä lähtien kun aloitimme vuonna 2000 ja tilanneet meidän tuotteita messujen kautta. Meillä on myös ollut yhteistyötä useamman japanilaisen maahantuojan kanssa joista viimeisimmän kanssa jo kolme vuotta jatkunut yhteistyö. Maahantuojamme hoitaakin tällä erää kaikki Japanin-toiminnot eli heidän käsissään on Japani koko markkina-alueena.

**2. Ketkä ovat kohderyhmänne? Miksi tavoittelette heitä?**

Koska toimimme Japanissa maahantuojan kautta, hoitavat myös he kohderyhmän määrittelyn, mutta pääsääntöisesti kohderyhmä on sama kuin muuallakin maailmassa eli pohjoismaisista, premium-sektorin design-tuotteista kiinnostuneet modernit kaupunkilaiset.

Heitä tavoitellaan koska heillä on tarvittava kiinnostus tuotteisiin sekä myös ostovoimaa hankkia niitä.

### **3. Mitä tuotteita myytte Japanissa? Mikä tuotteissanne erityisesti kiinnostaa japanilaisia asiakkaita?**

Maahantuojamme Japanissa vie maahan mallistoamme laaja-alaisesti, mutta erityisesti heitä kiinnostavat lompakot ja pienet laukut ja asusteet värikkäissä väreissä. Laatu täytyy myös olla korkealla. Suomalaisuutta arvostetaan sekä uniikkia designia - liian pelkistetyt ja 'tavalliset' tuotteet eivät Japanissa myöskään toimi vaan niissä tulee aina olla jotain uniikkia.

### **4. Millainen rooli hinnoittelulla on? Vaikuttaa hinta mielestänne siihen, miten japanilaiset asiakkaat kiinnostuvat tuotteistanne?**

Maahantuonti Japaniin lisää aina väistämättä tulleineen ja kuljetuksineen tuotteille hintaa. Hinnan täytyy silti olla kohtuullisella tasolla, ylihintaiset tuotteet eivät toimi.

### **5. Miten kuvailisitte japanilaista ostokäyttäytymistä? Mitkä asiat mahdollisesti vaikuttavat heidän ostopäätökseensä?**

Tuotteessa tulee olla selkeä oma identiteetti, funktio ja ulkonäkö, ja laadun tulee olla virheetön. Esimerkiksi nahka ei saa värjätä yhtään eikä siinä saa olla mitään ns kauneusmerkkejä jotka helposti Euroopassa hyväksyttäisiin. Pienikokoiset laukut ja asusteet ovat suosittuja, sillä esimerkiksi surissa miljoonakaupungeissa ja niiden metroissa on epäkohteliasta tönä kanssamatkustajia suurilla kasseilla. Myös tietty lapsenomaisuus on läpi kulttuurin sallittua ja tavoiteltua, mistä selittyy esim Muumien suuri suosio Japanissa.

**6. Millaisia kanavia käytätte markkinointikommunikaatioon Japanissa (esim. some, TV, sanomalehdet) ja miksi? Mitkä ovat olleet tehokkaimpia kanavia?**

Tätä on vaikea kommentoida sillä maahantuojamme hoitaa kaiken markkinoinnin, mutta meidän tuottamillamme materiaaleilla. Sen verran voin sanoa että laaja-alaisuus toimii myös Japanissa, eli vain yksi kanaa ei riitä, vaan tuotteita pitää puskea pop-up-kaupoilla, somessa, ja lehdistössä. Yhteistyön alussa matkustimme itse Japaniin jossa teimme yhdessä maahantuojan kanssa runsaasti PR:ää tapaamalla yhteisesti lehdistöä, vieraillemalla myymälöissä ja messuilla tavaten ihmisiä, jne. Näissä tapaamisissa otetut yhteiset pr-kuvat, runsas käyntikorttien vaihto sekä runsas lahjojen antaminen ja vastaanottaminen oli avainasemassa.

**7. Millaisia kulttuurisia/kielellisiä ongelmia olette kohdanneet? Millaisissa tilanteissa nämä ovat tapahtuneet?**

Japaninkielinen kommunikaatio on a ja o, minkä takia vastaava panostus Japanissa ei olisi ollut mitenkään mahdollista ilman paikan päällä olevaa maahantuojan edustusta. Myös läpi Aasian vallalla olevat kohteliaisuussäännöt sekä erittäin korkeat virheettömyyden vaatimukset eivät olisi meiltä yksin onnistuneet.

**8. Millä kielellä kommunikoitte japanilaisten asiakkaiden kanssa?**

Englanniksi, ja maahantuojat tietysti japaniksi.

**9. Onko Suomen hyvästä maakuvasta ollut hyötyä teille Japanissa? Jos kyllä, miten? Esimerkiksi, ovatko asiakkaat olleet kiinnostuneita tuotteistanne juuri siksi, että olette Suomesta?**

Tämä on erittäin tärkeää, japanilaiset tuskin olisivat yhtä kiinnostuneita ilman Suomi-yhteyttä. Suomi-brändillä on valtavan suuri vaikutus ja potentiaali Japanissa.

**Yritys 2**

**Tuotteet: asusteet, esim. pipot**

**Haastattelu puhelimen välityksellä 4.5.2020, klo: 8:30**

**Haastattelija: Katri Koskinen**

**Kysymykset:**

**1. Kuinka kiinnostuitte Japanista markkina-alueena? Millä alueella toimitte?**

Berliinin ja Helsingin muotiviikoilla vuonna 2016 meille sanottiin useasti ”This would be great in Japan!”. 2017 Business Finland järjesti Lifestyle in Finland-showroom -esityksiä Japanissa ja Etelä-Koreassa. Kiinnostusta oli erityistä Japanissa, sillä ensimmäiset tuotteet jäivät kaikki Japaniin. Kiinnostusta on erityisesti Tokiossa, mutta myös Osakassa ja Nagoyassa.

**2. Ketkä ovat kohderyhmäanne? Miksi tavoittelette heitä?**

30-50 -vuotiaat työssäkäyvät naiset, jotka osaavat arvostaa käsityötä ja ovat valmiita maksamaan siitä. Tiedostavat kaupunkilaiset kuluttajat.

**3. Mitä tuotteita myytte Japanissa? Mikä tuotteissanne erityisesti kiinnostaa japanilaisia asiakkaita?**

Villapipoja. Tuotantotavat ja se, että tuotteet on valmistettu käsin Suomessa.

**4. Millainen rooli hinnoittelulla on? Vaikuttaa hinta mielestänne siihen, miten japanilaiset asiakkaat kiinnostuvat tuotteistanne?**

Tuotantotavat tulevat ilmi tapahtumissa; tuotteet valmistetaan käsin, mikä vaikuttaa hintaan. Japanilaiset näkevät miten tuotteet valmistetaan ja ovat valmiita maksamaan

käsityöstä. Yrityksen nimellä ei ole vielä samanlaista brändiarvoa kuin isommilla nimillä, joten tuotantotapojen esille tuonti auttaa ymmärtämään hinnoittelua.

**5. Miten kuvailisitte japanilaista ostokäyttäytymistä? Mitkä asiat mahdollisesti vaikuttavat heidän ostopäätökseensä?**

Japanilaiset asiakkaat arvostavat sitä, että tuotteet on valmistettu käsityönä Suomessa, 'maailman onnellisimmassa maassa'. Japanilaiset haluavat myös tietää miten tuotteita huolletaan; esim. pesuohjeet. Lisäksi Japanissa asiakkaille tärkeää on saada täysin uusi tuote suljetussa pakkauksessa, jotta kukaan muu ei ole koskenut tuotteeseen. Japanilaisille on myös tärkeää olla osa yhteisöä, joten tuotteilla ei haluta erottua liikaa massasta.

**6. Millaisia kanavia käytätte markkinointikommunikaatioon Japanissa (esim. some, TV, sanomalehdet) ja miksi? Mitkä ovat olleet tehokkaimpia kanavia?**

Pressitilaisuudet ja tapahtumat. Kun kävimme viimeksi Japanissa, useampi lehti teki siitä jutun. Somen ja nettisivujen kautta vasta vähän toimintaa, mutta nettisivut tullaan kääntämään japaniksi, ja japaninkielinen Instagram-tili on juuri julkaistu. On kuitenkin vielä vaikea arvioida, mitkä kanavat ovat olleet tehokkaimpia.

**7. Millaisia kulttuurisia/kielellisiä ongelmia olette kohdanneet? Millaisissa tilanteissa nämä ovat tapahtuneet?**

Isoja kielellisiä ongelmia ei ole ollut, mutta tulkin järjestäminen on ollut välillä vaikeaa. Japanilaiset harvemmin sanovat suoraan ei. Lisäksi, koska tuotteet halutaan suljetuissa pakkauksissa, yhtä Kiinan kautta tullutta lähetystä ei aluksi haluttu, koska asiakas pelkäsi, että paketti olisi saatettu avata Kiinassa.

## **8. Millä kielellä kommunikoitte japanilaisten asiakkaiden kanssa?**

Tulkin välityksellä japaniksi.

## **9. Onko Suomen hyvästä maakuvasta ollut hyötyä teille Japanissa? Jos kyllä, miten? Esimerkiksi, ovatko asiakkaat olleet kiinnostuneita tuotteistanne juuri siksi, että olette Suomesta?**

Asiakkaat ovat kiinnostuneet tuotteista juuri Suomen takia. Nimenomaan Japanissa esimerkiksi Marimekolla on todella suuri status. Suomen luonto, onnellisin kansa, hyvä ja valtion maksama koulutus kiinnostavat. Helpottaa, että ollaan aika samanlaista kansaa. Esimerkiksi, jos japanilaisen asiakkaan kanssa jotain sovitaan se myös pitää. Jos esimerkiksi laskulle on maksuaikaa 30 päivää, maksu tulee yleensä jo 7 päivän kuluttua.



**Yritys 3**

**Tuotteet: kodinsisustus- ja kylpytuotteet**

**Haastattelu sähköpostin välityksellä 27.5.2020**

**Haastattelija: Katri Koskinen**

**Kysymykset:**

**1. Kuinka kiinnostuitte Japanista markkina-alueena? Millä alueella toimitte?**

Japani markkina-alueena oli meille uusi ja kiehtova.

Markkina-alue ja kulttuuri on mielestämme hyvin kiehtova.

Meillä on Japanissa hyvä luotettava ja pitkäaikainen yhteistyökumppani, joka toimii siellä tuotteidemme maahantuojana.

Heillä on oma verkostonsa Japanissa. Lisäksi meillä on oma myymälä Tokiossa.

**2. Ketkä ovat kohderyhmäanne? Miksi tavoittelette heitä?**

Yritykset ja jälleenmyyjät, joilla on samat arvot kuin meillä.

Oikeanlaisen kohderyhmän koemme ymmärtävän ja arvostavan ao. arvojamme.

Vastuullisesti valmistetut tuotteet sertifioiduista luonnonmateriaaleista omassa kutomossamme. Jossa teemme tuotteemme langasta valmiiksi tuotteeksi itse. Pystymme suunnittelemaan tuotteemme ja prosessimme niin, että ekologinen jalanjälkemme on mahdollisimman pieni.

**3. Mitä tuotteita myytte Japanissa? Mikä tuotteissanne erityisesti kiinnostaa japanilaisia asiakkaita?**

Viemme Japaniin itse valmistamiamme pellava- ja villatekstiilejä. Japanilaiset pitävät suomalaisesta designista, luonnonmateriaaleista ja sekä luonnonläheisistä väreistä.

**4. Millainen rooli hinnoittelulla on? Vaikuttaa hinta mielestänne siihen, miten japanilaiset asiakkaat kiinnostuvat tuotteistanne?**

Hyvin tärkeä, sillä he ovat hyvin hintatietoisia mutta valmiita panostamaan laadukkaisiin ja tunnettuihin tuotteisiin ja brändeihin.

**5. Miten kuvailisitte japanilaista ostokäyttäytymistä? Mitkä asiat mahdollisesti vaikuttavat heidän ostopäätökseensä?**

He tekevät ostopäätökset huolella ja harkiten. Eivät tee ns. ”heräteostoksia”.  
Brändin tunnettavuus maailmalla ja Japanissa.

**6. Millaisia kanavia käytätte markkinointikommunikaatioon Japanissa (esim. some, TV, sanomalehdet) ja miksi? Mitkä ovat olleet tehokkaimpia kanavia?**

Some sekä jonkin verran myös sanomalehdet ja TV -mainontaa ollut myös maahantuojamme kautta. Somen kautta pystyy markkinoimaan helposti ja nopeasti ajankohtaisia kuvia sekä pystyy tekemään nopeitakin tarvittavia päivityksiä. Somen kautta tavoittaa helposti monia vanhoja ja uusia seuraajia kohdemaassa sekä ympäri maailmaa.

**7. Millaisia kulttuurisia/kielellisiä ongelmia olette kohdanneet? Millaisissa tilanteissa nämä ovat tapahtuneet?**

Kaikilla japanilaisilla ei ole kovin hyvä ja selkeä englannin kielentaito.  
Esim. messuilla tai neuvotteluissa on hyvä olla japanin kielen tulkki mukana.

**8. Millä kielellä kommunikoitte japanilaisten asiakkaiden kanssa?**

Englanniksi

**9. Onko Suomen hyvästä maakuvasta ollut hyötyä teille Japanissa? Jos kyllä, miten? Esimerkiksi, ovatko asiakkaat olleet kiinnostuneita tuotteistanne juuri siksi, että olette Suomesta?**

Kyllä hyvästä Suomi -kuvasta on ollut etua sekä siitä että Japanilaiset yleisesti pitävät Suomesta.

Vaikka pelkkä hyvä Suomi -kuva ei ole itsestään selvää.

Asian eteen on tehtävä kovasti töitä ja tuotteiden laadun ja palvelun on vastattava heidän odotuksia mm. pitkien ja hyvien asiakassuhteiden ja brändiuskollisuuden luomiseksi.