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Report Highlights:

This month's issue explores some of Japan's most recent changes in the food industry as we approach the end of March.

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



Agricultural Trade Office Japan

Japan Food Trends

General Information:

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

User-Friendly Technological Advances in Shopping

Vending Machines

"Face-Recognizing Vending Machines Triple Beverage Sales" Nikkei Shimbun, Nov 13, 2010

<http://e.nikkei.com/e/fr/tnks/Nni20101113D12JFA24.htm>

"In Japan, Vending Machines to Charge Electric Cars" Time with CNN, March 9, 2011

<http://ecocentric.blogs.time.com/2011/03/09/in-japan-vending-machines-to-charge-electric-cars-too/>

"Drink firms realign over vending / Jointly operated machines bypass retailer discounts to sell at full price" Yomiuri Shimbun Staff Writers, Feb 26, 2011

<http://www.yomiuri.co.jp/dy/business/T110225005908.htm>



Face-recognition technology in vending machines was initiated by JR East Water Business Co. in Japan last November 2010. The technology allows the machine to gather information about what the customer may like, based on their age, sex, and other characteristics. It then recommends certain drinks depending on time of day, temperature and location. JR East reports that the new machines recorded triple the sales of old machines at the same location. For instance, in summer, it may recommend ice coffee to men and sweeter tea drinks to women based on preference surveys. Adding to this technology, many vending machines are now being equipped with electric chargers for electric cars. It hoped that as electric cars become more prevalent, the vending machines will reduce “range anxiety” or the fear of becoming stranded without being able to charge up the car.

Vending machines in Japan are important to beverage companies. They provide beverage companies a sales channel that allows them to sell their products at full price. For example, a 350-milliliter can of a carbonated drink may be sold for less than one dollar or 80 yen in a supermarket but can be sold at \$1.50 or 120 yen from a vending machine. Since the Japanese market seems to be moving towards convenience, people often find it more convenient to stop at a vending machine rather a supermarket, even though the prices are higher. Vending machine sales held a total of 34% of all soft drink sales in Japan in 2009.

From the Editor

If you are looking to market your product at full price, targeting vending machines is a good strategy.

Tablets to go

“Seven-Eleven starts delivery service using tablet PCs” Yomiuri Shimbun, Feb 4, 2011

<http://www.yomiuri.co.jp/dy/business/T110203004991.htm>



Shopping through technological innovations is going one step further in Japan. Seven-Eleven Japan Co. in conjunction with NTT East (Telecommunication provider) is creating a new program targeted towards the members of society that cannot shop due to circumstances such as age, health, or lack of retail facilities. They are offering user-friendly tablet PCs connected to Seven-Eleven convenience stores in which customers can order boxed lunches and other items for delivery. Japan Department Stores Association is also providing trial tablet PCs in order to facilitate communication between employees and foreign customers. The Japanese market is attempting to broaden its horizons to both “shopping deserts” and foreigners.

From the Editor

Creating user-friendly shopping alternatives can broaden your marketing range.

Convenience Store Popularity

“Japan's convenience stores sales rise 5.1% on year in January” People’s Daily Online, Feb 21, 2011

<http://english.peopledaily.com.cn/90001/90778/90858/90863/7294894.html>



While supermarket sales are dropping, convenience store sales are rising. What could this mean?

Possibly that people are cooking less and eating prepared lunch boxes (bentos) more. There are many possible reasons, but one thing is for sure: convenience is taking over Japan’s market. Japanese society is often a busy one. Retail businesses are leaning toward providing convenience for those that are too busy to cook for themselves but still want a healthy lifestyle and diet.

From the Editor

Focusing a marketing strategy on a convenience store-friendly product is a productive idea.

Alcohol free beer

Low-Malt vs. Third-Category Beer and/or Alcohol-Free Beer

“Big brewers call time on low-malt beer” Yomiuri Shimbun, Jan 18, 2011

<http://www.yomiuri.co.jp/dy/business/T110117003515.htm>

“Suntory's All-Free, all gone” Yomiuri Shimbun, Aug 12, 2010

<http://www.yomiuri.co.jp/dy/business/T100811004262.htm>

“Sapporo eyes soft drinks as Japan beer dries up-INTERVIEW” FOREXYARD, Feb 21, 2011

<http://www.forexyard.com/en/news/Sapporo-eyes-soft-drinks-as-Japan-beer-dries-up-2011-02-20T150045Z-INTERVIEW>



Alcohol-free beers have become very popular. Many now drink beer more for the taste or for business outings, rather than for the alcohol content. Alcohol-free is also very popular among those who cannot consume alcohol, like pregnant women, or have low tolerance to alcohol. Suntory’s All-Free alcohol-free beer was a clear success during the summer of 2010. It sold out within one week of its release.

However, overall beer sales have shrunk 15 percent in the last decade prompted by the aging society and health conscious youth. Sapporo, one of the largest brewery companies in Japan, plans to invest more than 21.3 billion yen (\$256 million) to expand into the soft drink business. They will consider marketing new kinds of beverages as well as health goods.

From the Editor

The timing may be good to market alcohol-free beer, as well as healthier soft drink alternatives to beer.

Conclusion-From the Editor

Japan has always been a health-conscious consumer market but it is trending even more toward a healthier and a more convenient lifestyle, especially with the older generation. Targeting the new health-conscious population is a good marketing strategy. Japan is also becoming a society that prefers convenience over price. It is a good time to find convenient alternatives that can help market your product at higher prices.