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Report Highlights:

This month's report analyzes the development in Japanese consumers' taste for wine, particularly natural wines. Also discussed is the establishment of diners serving American-style meals. Finally, this report examines the trend of catering to regional cultures through strategic, location-specific marketing and the use of key ingredients "native" to those regions.

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

General Information:**The Growing Popularity of Wine: Health Concerns and Changing Preferences****“Japanese wine: not as bad as you think”**

Japan Times: November 9, 2012

(<http://www.japantimes.co.jp/text/fg20121109mj.html>)

As evidenced by their popularity, recent Japanese wine festivals suggest that Japanese wine is improving and becoming increasingly popular. The Yamanashi Nouveau fair, which began in 1987, has events in Tokyo, Osaka, and of course Yamanashi. At the two-day Tokyo event, over 5,300 people came to share in the festivities and try the wines of the 36 participating producers.

The most well-known wine-producing regions are Yamanashi, Nagano, and Yamagata prefectures, and many think that Hokkaido, given its ideal climate, is the next major exciting region. Japan's best wines are made with Koshu, a pink grape grown mainly in Yamanashi and used to make white wines. Nearly all of the 36 producers at the Yamanashi Nouveau event presented at least one Koshu wine. Many varieties also presented on December 9 at the third annual Festivin testing, which featured over 300 natural and biodynamic wines from Europe and Japan.

“Japan's latest wine trend is only natural”

Japan Times: January 11, 2013

(<http://www.japantimes.co.jp/text/fg20130111mj.html>)

Natural wines are becoming increasingly popular in Japan. Following a global trend, organic, biodynamic, and natural wines are appearing more often in retail shops and are being purchased for home consumption.



The term “natural wine” isn’t well defined, though it generally refers to wine made from grapes ‘that have not been interfered with in the vineyard and wine which was not altered in the cellar’. Sugars, extra yeast, or sulfur dioxide aren’t added. Natural wine doesn’t undergo processes such as reverse-osmosis filtration, a technical intervention whereby winemakers try to eliminate or reduce flaws and remove particulates. Japanese taste for natural wine began to develop in the 1990’s and has since increased.

Note from the Editor:

The growing preference for natural wine among Japanese consumers is likely a result of two phenomena, one involving health and the other taste. The concern among Japanese about healthy lifestyle habits and healthy eating seems to be reflected in this trend, which rejects wines potentially including additives. Also, natural wines tend to have a fresher, fruitier taste, which seems to better suit the Japanese palate and reflects the Japanese shift away from heavy, high alcohol level wines toward more elegant and relaxing flavors.

Foreign Restaurants Coming to Japan Stick to Their Menus and Meet with Great Success

“Overseas restaurants set up shop in Japan”

Japan Times: January 11, 2013

(<http://www.japantimes.co.jp/text/fg20130111f1.html>)



Over the past five years, American restaurants have been seizing the opportunity presented by Japanese consumers' increasing preference for Western style breakfast dishes. These include both upscale venues, such as Union Square Café, as well as diner-style restaurants, including Eggs 'n Things of Honolulu, and Bubby's, a recently established New York restaurant specializing in home-style meals. Other down-home eateries establishing themselves in Japan include Sbarro pizza parlors and Mister Softee ice cream shops.

These venues have proven extremely popular. Granger's place, Eggs 'n Things, and Bubby's all have expanded beyond their initial Japan locations, attracting patrons in droves. This trend is interesting partly because of the restaurant owners' and chefs' conviction that they have the responsibility to honestly and accurately represent American cuisine, refusing to bend to Japanese tastes. A comment from Ron Silver, founder and owner of Bubby's, represents this sentiment perfectly: "I'm a chef on a mission to defend the integrity of the American table."

Note from the Editor:

The success of these restaurants and of Bubby's in particular, could be the result of their managing to embody two elements that Japanese consumers prefer in their food purchases: innovation and quality, particularly as related to the homemade image. These restaurants are new, riding the wave of the increasing popularity of Western breakfast dishes, but also tend to convey a sense of connection to the foods they are preparing. By bringing together two seemingly contradictory notions, innovation and homemade foods, restaurants like Bubby's have an opportunity for great success in Japan.

Gender-Targeted Marketing

"Gender-Specific Gum from Xylish"

Shift East: August 7, 2012

(<http://www.shifteast.com/gender-specific-gum-from-xylish/>)

Stacked neatly in these stylish packages, Xylish gum is marketed not according to the flavor of the gum but to the gender of the customer. Though not traditionally seen as being exclusively feminine, the flavor *Floral Rose* is declared to be for ladies, and the flavor *Clean Citrus* for men.



In some ways, this marketing strategy can be seen as a continuation of the increase seen in recent years of gender-specific marketing, particularly in regards to advertising certain snacks as being specifically for men. Interestingly, one such product was Rose Menthol Gum “Otoko no Kaoru,” from Kanebo, which emphasized to men that “This Gum is for You”. Xylish gum has used the same strategy to insist on the opposite premise, that Rose flavored gum is for women, suggesting that this is a purely arbitrary marketing decision.

Note from the Editor:

Especially since these two flavors are fairly gender neutral, and because gum is enjoyed by men and women equally, it is possible that instead of increasing their attractiveness to the relevant gender, Xylish gum has somewhat split its consumers into those who liked the “correct” flavor given their gender and those who did not. A quick look at this company’s website confirmed that the two flavors were no longer listed.

Rise of the “end-of-the-world” Restaurant: Variety in Canned Foods

“Japan’s latest culinary cantinas?”

Japan Today: July 8, 2012

(<http://www.japantoday.com/category/food/view/japans-latest-culinary-trend-canned-food-cantinas>)



A unique restaurant in Osaka is prospering without doing any cooking: at Kanso, the customers choose their meals from shelves full of canned goods. Customers eat standing around steel drums in a shack-like structure that is open to the elements. The food in the cans is eaten uncooked, and drinks like beer are served to compliment the not-so-subtle tastes of these preserved foods.

The shop's appeal seems to be in the extensive variety of canned foods that they stock, made up of over 300 varieties and includes many international foods. Kanso is even developing in-house brands. The fun seems to be in choosing freely from the extensive options, which has proved appealing to customers of all ages. Restaurant and café design company Clean Brothers, owner and operator of Kanso, hope to open 15 branches in Japan this fiscal year, including six in Tokyo, Osaka, and Nagoya. The first restaurant opened in 2002 in Osaka, and since Kanso required no kitchen and no specially-trained staff, it had extremely low start-up costs, which will make expansion a relatively low-risk investment.

Note from the Editor:

It is possible that part of the appeal of this type of restaurant is in its uniqueness. When it becomes a larger franchise, it might develop the image of a supermarket where you eat the products directly from the shelves. Also, given the Japanese focus on healthy eating, the success of such a restaurant might imply interesting shifts in consumer tastes and demands.

Catering to Regional Tastes: Location Specific Marketing and Use of Native Ingredients

Food Science Japan Blog

Entries: Nov. and Dec. 2012

(<http://foodsciencejapan.blogspot.jp/>)



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amous candy brand Kit Kat and ice cream brand Haagen Dazs are embracing a region-based marketing strategy that incorporates seasonal favorites, preference for native ingredients, and specific local tastes. This strategy's success has made both brands widely popular throughout Japan.

Both brands produce flavors that cater to the food staples of certain regions which are sold mainly in those regions as gifts to friends in other areas and to tourists. For example, the Kit Kat variety above, Shinshu Apple, is a type of apple that is produced in Nagano Prefecture and still conveys a nostalgic image of the region. This flavor is sold only in Nagano Prefecture. Other distinctive Kit Kat flavors include Niigata Le Lectier Pear, Hokkaido Yubari Melon, Shinshu Chili Pepper, Tohoko Zunda (Edamame), Kyoto Hojicha Tea (Green tea), Nagoya Shouyu (Soy sauce) and Kyushu and Okinawa Beniimo (Purple sweet potato), each sold exclusively in the corresponding region. A favorite Kit Kat flavor is Wasabi flavor from Shizuoka.

Haagen Dazs produces a flavor called Murasaki Imo, which is a special kind of purple sweet potato that is famously produced in Kagoshima and southern Kyushu. Other special Haagen Dazs flavors include Pumpkin, produced using Ebisu pumpkins from Hokkaido, and Green Tea.

“Kobe Beef Steak Pizza From Domino's Japan Is New Limited-Time Offering”

RocketNews24: January 7, 2013

(<http://en.rocketnews24.com/2013/01/07/the-king-of-pizzas-we-sample-dominos-pricey-new-luxury-pizza-%E3%80%90food-review%E3%80%91/>)

Another major food brand is releasing a new variety intended to capitalize on food trends in Japan. Domino's pizza franchise is now making a limited time pizza using Kobe Beef Steak. Kobe, a city in western Japan, is well known for producing high quality steak, which is featured on the pizza. It costs ¥5800 JPY (US\$70) and in addition to Kobe steak includes as toppings potato, onion, and deluxe steak sauce.

Note from the Editor:

The production and marketing of regional flavors by international brands may make these otherwise larger and foreign brand names seem much more friendly and personal, and have contributed to their success in Japan. Such targeted marketing seems to be increasingly common and generally successful.