

**MK 325 KEY FEATURES OF JAPANESE MARKETING STRATEGY**

IES Abroad Tokyo

**DESCRIPTION:**

The goal of this course is to help students appreciate the key features of Japanese marketing strategy. Japan's success in the production of quality products and its ability to market them is almost legendary. The business communities in the world have recently witnessed Japan changing the conventional mode of its domestic market structure to a newly created one, where the diversified demands are satisfied with flexible suppliers overseas. This course introduces students to the Japan-related managerial concepts such as Keiretsu, Kaizen and to the logic of Japanese marketing strategies related to product, price, channel, and promotion/communication, while examining simultaneously standard marketing concepts and models such as PEST, SWOT, marketing mix (4Ps), BCG (Boston Consulting Group) growth share matrix, Michael Porter's Five Forces Model, Value Net and Blue Ocean Strategy. It also covers key features of Japanese internet-related business strategies along with American ones and global marketing management of Multi-National Enterprises (MNEs). Case studies to be used in the course revolve round recent hit products such as LINE (the most popular social media in Japan) along with facebook, Instagram and Snapchat, Convenience Stores, Toyota's "Mirai" (Fuel Cell Vehicle), "Lexus" & "Prius", Apple's iPhone & iPad, NINTENDO DS, Wii and Switch, Fast Fashion (UNIQLO, ZARA, H&M and GAP), luxury brand Louis Vuitton, J-pop music with AKB 48, etc. Finally, what kind of impact of ABENOMICS (New Economic Policy since 2012) has had on Japanese marketing strategies and consumer behaviors will be examined. Two course-related excursions will complement classroom lectures/discussion.

**CREDITS:** 3 Credits**CONTACT HOURS:** 45 hours**LANGUAGE OF PRESENTATION:** English**ADDITIONAL COST:** None.

**PREREQUISITES:** None. No prior studies are required to the admission of this course. However, some materials will include basic economics, business strategy and marketing concepts. Therefore, this course may be suitable for students with such academic backgrounds and experiences. Some topics of this course overlap those of "The Contemporary Economy of Japan (EC320)" in fall program including course-related excursions.

**METHOD OF PRESENTATION:**

Lectures, discussions, oral presentation, and course-related excursion. Lecture notes, mainly Power Point handouts, will be distributed in each class meeting. Depending upon different academic backgrounds and interests of the students, supplementary materials will be handed out. In this course, students are also expected to develop skills of presentation, basic academic research, and report-writing, utilizing various information sources. IES Moodle will be utilized for making class activities more efficient.

**REQUIRED WORK AND FORM OF ASSESSMENT:**

- 15-Minute Oral Presentation - 20%
- Two Reports on course-related excursions - 20%
- 15-Minute Short Quizzes - 20%
- Mid-Term Exam - 20%
- Final Report - 20% The due date is the final session.

**15-Minute Oral Presentation**

In each class session, about two or three students are asked to make a 15-minute oral presentation on an aspect of Japanese marketing. A student may choose any topic based on his or her interest regarding Japanese marketing.

Examples would include Japanese Social Media Business such as LINE, Convenience Store Business, Toyota's Marketing Strategy, Marketing of Japanese Automotive Industry, Nintendo's Marketing, Luxury Brand Strategy in Japan such as Louis Vuitton, CHANEL, and Hermes, Japanese Advertisement Industry, Marketing Strategy in The Apparel "Fast Fashion" Industry, Japanese Anime Movie Industry, J-Pop Music Industry, etc. Students are required to do primary and secondary research for the oral presentation. The presentation should be well-organized and equipped with qualitative and quantitative proofs. Utilizing visual aids, such as POWER POINT are strongly recommended. A 1-page Executive Summary of the presentation including its goal, purpose, background, method, analysis, conclusion, new direction, etc., should be handed out to the class audience. A five-minute question and answer session should follow the presentation. A 15-minute oral presentation with an executive summary will be demonstrated by the instructor at the first session. The presentation schedule will be negotiated at the second session. Presentation topics should be decided by the second session, and students assume the primary responsibility for choosing their topic. (Students can change the topic later on.). Students oral presentations will start with the fifth session. Regarding the topic, keeping consistency between your 10-minute presentation and the final report is strongly urged.

### **Two Course-related Excursions**

- (1) Entertainment Industry---"AVEX", the largest J-pop record label (To be arranged)  
The class will visit AVEX, one of the largest record labels in Japan and learn about the structure of J-Pop music industry.
- (2) Internet and Social Media Industry (**Tentative**)---The social media company in Japan (To be arranged)  
The class will visit a social media company in Japan and learn its business strategy and the structure of the internet and social media industry in Japan comparing with U.S.
- (3) Two Reports on Course-Related Excursions  
Students are required to submit a 1-2 page report on each course-related excursion, focusing on major findings in relation to class discussions and each student's interest. Each report is due the next class after the course-related excursion.

### **15-Minute Short Quizzes**

Questions consist of multiple-choice ones. The content of quizzes basically comes from the preceding class discussions, required readings and other reading assignments. At the end of every session assignments for the next session will be announced/ confirmed. A sample for 15-Minute Short Quiz (which is not counted for students' grade) will be shown to students at the 2<sup>nd</sup> session.

### **Mid-Term Exam**

Questions consist of multiple-choice ones. Please review all sets of the 15-minute short quizzes.

### **Final Research Paper**

Every student is required to submit the final research paper with 10-15 pages including pictures, graphs, tables & diagrams. The due date will be the final session. Students may choose any topic regarding the Japanese marketing. In selecting a topic, please refer to the examples given in the 15-minute oral presentation explanation. Choosing the identical topics, or the closely related topics, for both the 15-minute presentation and the final report, is strongly recommended to make effective use of your time. Students are required to submit a 1-page outline or Executive Summary (updated version) of the final research paper in the mid term. Based on students' needs, the instructor and the student will have an individual meeting based on the outline, and recommendations will be given to the student. The outline or Executive Summary accounts for 1/4 of 20% for the final report assessment. The final research paper should include the title, abstract (or Executive Summary), purpose, company and industry background, propositions, analysis of marketing strategies with quantitative and qualitative proofs, conclusion, and future direction, footnotes, and bibliography.

### **LEARNING OUTCOMES:**

By the end of this course, the students will be able to:

- Summarize the key features of current Japanese market (PEST: Political, Economical, Social and Technological perspectives) utilizing statistical data such as GDP, population, yen-dollar exchange rate, prices of gasoline and other consumer products, central government debts accumulated and so on.
- Understand and explain the basic concepts and terminologies of marketing and business strategies such as product lifecycle, BCG (Boston Consulting Group) growth share matrix, pricing strategy (e.g. skimming pricing, penetration pricing and captive pricing), economies of scope, item-by-item control, halo effect, etc.
- Develop practical skills to analyze marketing cases by utilizing strategy frameworks such as SWOT, Five-Forces Model, Value Net, Blue Ocean Strategy, etc.
- Incorporate basic marketing concepts and analytical approaches aforementioned into finding out critical problems in the industry and company students choose.
- Present new directions and construct solutions of marketing taking into account problems the industry or company faces.
- Develop 10-15 page business report writing along with 1- page executive summary, which will be very helpful and practical in the real business scene.
- Demonstrate business presentation skills in 10-minute oral presentation, utilizing business presentation software such as Power Point, Keynote or Prezi.
- Develop self-confidence as a marketing analyst and a business communicator by completing the assignment of marketing or business report and oral presentation aforementioned.
- Incorporate diversity and global awareness acquired by understanding Japanese marketing strategy into appreciating US marketing strategies including economy, industry, and companies.

**ATTENDANCE POLICY:**

Following the attendance policy of IES Tokyo, attendance to all class meetings is strictly required for the students. In other words, students are required to attend every class meeting including excursions because there will be important information regarding marketing, economics and business strategy to learn but also it is fair that your classmates have your critical observations and insight in the class.

The three-hour format for classes makes missing a single class equivalent to missing a full week during a regular semester. Unexcused absences will therefore result in significant grade penalties. The first unexcused absence will result in a penalty of one-third of a letter grade from your final grade; additional unexcused absences will result in a penalty of one of letter grade for each additional absence. That is, one missed class turns an A into an A-, two missed classes turns it into a B-, three turns it into a C-, and so on. An absence is considered “excused” only if it is unavoidable due to illness or other health conditions, or for other reasons approved by the instructor in advance.

**USE OF ELECTRONIC DEVICES:**

Students are welcome to use electronic devices such as laptops, smartphones and tablets during class that enhance their performance. However, the use of these resources must be “appropriate” for an academic setting. Appropriate use of technology includes note taking on laptops or iPads, use of smartphones to calendar events/assignments, or use of devices to complete quick Google searches for pertinent information.

**CONTENT:**

Week	Content	Assignments
<b>Week 1: Introduction</b>	<ol style="list-style-type: none"> <li>1. The instructor will review the outline of the course including grade assessment policy.</li> <li>2. The overall picture of the current Japanese consumer markets will be sketched out along with Japanese economy.</li> </ol>	None

	<p>3. The instructor will also offer a brief historical background of Japanese management including several keywords such as Keiretsu (corporate networks), Just-In-Time (JIT), Kaizen (Improvement) and other well-known Japanese business terms along with the basic marketing concepts and theories such as marketing mix (4Ps: Product, Price, Place, and Promotion), BCG growth share matrix and product mix.</p> <p>4. What the students should expect of the 15-minute oral presentation will also be explained. (The content of the following sessions might be fine-tuned, depending upon the students' individual interests.)</p>	
<p><b>Week 2: Japanese Marketing Strategy - Product</b></p>	<p>1. Market segmentation techniques, new product development, market positioning and branding policy of Japanese companies will be explained. Several case studies will be presented and discussed in class. <u>Schedule for 15-minute-oral presentation will be decided in this session.</u></p> <p>2. <b>Short Quiz (Trial: Not counted for student's grade)</b></p>	<ul style="list-style-type: none"> <li>• Baines et al., (2011), Chapter 8 Developing Products and Brands, pp.287-327.</li> <li>• Kotler and Armstrong (2004) Chapter 2 Company and Market Strategy: Partnering to Build Customer Relationships, pp.37-64.</li> <li>• Lamb et al. (2006), Chapter 9 Developing and Managing Products, pp.286-307.</li> <li>• Levitt (2006), Chapter 12 Marketing Myopia, pp.189-213.</li> <li>• MCKINSEY &amp; COMPANY (2011), Chapter 7 Revitalizing Technology and Innovation, pp.283-332.</li> <li>• Magee (2007), Chapter 2 Strive for Continuous Improvement, pp.25-45.</li> <li>• Schaede (2008) Chapter 2 JAPAN'S STRATEGIC</li> </ul>

		INFLECTION POINT, 1998-2006, pp.21-46.
<b>Week 3: Japanese Marketing Strategy – Price</b>	<ol style="list-style-type: none"> <li>1. Japanese consumers used to believe the saying, “the cheaper is the worse.” But now low-priced and high-quality products are well-received in the market.</li> <li>2. We will study the causes of the pricing revolution in the 2000s, emergence of price-sensitive consumers, and the features of private brands and discounters.</li> <li>3. <b>Short Quiz #1</b></li> </ol>	<ul style="list-style-type: none"> <li>• Kotler and Keller (2012), Chapter 14 Developing Pricing Strategies and Programs, pp.404-435.</li> <li>• Kerin et al. (2007), Chapter 12 Pricing Products and Services, pp.261-281.</li> <li>• Hodgson et al. (2008), Chapter 4 The Japanese Negotiation Style, pp.39-54.</li> <li>• Kim and Mauborgne (2005) Chapet 1 Creating Blue Oceans, pp.3-22.</li> <li>• Ghemawat (2001), Chapter 2 Mapping the Business Landscape, pp.24-35.</li> </ul>
<b>Week 4: Course-Related Excursion #1  (To be arranged)</b>	<ol style="list-style-type: none"> <li>4. Entertainment Industry---“AVEX”, the largest J-pop record label (To be arranged).</li> <li>5. The class will visit AVEX, one of the largest record labels in Japan and learn about the structure of J-Pop music industry.</li> </ol>	None
<b>Week 5: Japanese Marketing Strategy – Place or Physical Distribution</b>	<ol style="list-style-type: none"> <li>1. One of the distinct features of Japanese marketing (or market) can be seen in the so-called channel system.</li> <li>2. In this class, we focus on the role of manufacturers and wholesalers in the distribution structure, a framework of fragmented retail market, drawing upon the market strategy of “Convenience Stores”.</li> <li>3. The relation between lifestyle of Japanese consumers and retail structural change will also be covered.</li> <li>4. <b>Short Quiz #2</b></li> <li>5. <b>Student Oral Presentation #1</b></li> </ol>	<ul style="list-style-type: none"> <li>• Due: A 1-2 page report on course-related excursion #1</li> <li>• Perreault et al. (2012), Chapter 11 Place and Development of Channel Systems, pp.282-307.</li> <li>• Perreault and McCarthy (2006), Chapter 10 Place and Development of Channel Systems, pp.244-263.</li> <li>• Lark &amp; Causton (2005) Chapter 8</li> </ul>

		<p>Convenience Store, pp.3-22.</p> <ul style="list-style-type: none"> <li>• Marshall &amp; Johnston (2010), Chapter 17 Integrated Marketing Communications: Promotional Strategy, Advertising, Sales Promotion, and Public Relations, pp.462-500.</li> <li>• Bearden et al. (2007), Chapter 16 An Overview of Marketing Communications, pp.366-387.</li> </ul>
<p><b>Week 6: Course Related Excursion #2 (Tentative)</b></p> <p><b>(To be arranged)</b></p>	<p>1. The class will visit a social media company in Japan and learn its business strategy and the structure of the internet and social media industry in Japan comparing with U.S.</p>	<p>None</p>
<p><b>Week 7: Mid-term examination and Japanese marketing Strategy - Promotion</b></p>	<p>1. Western observers are often said to find Japanese advertisement puzzling.</p> <p>2. In this session, students learn patterns of Japanese marketing communication, sales promotion and sales force management, and changes in advertising techniques.</p> <p>3. Mid-term examination (The second part of the session after a break)</p>	<ul style="list-style-type: none"> <li>• Due: A 1-2 page report on course-related excursion #2</li> <li>• Due: Executive Summary or Summary on Final Research Paper</li> </ul>
<p><b>Week 8: Guest Speaker Session</b></p>	<p>1. The title of lecture is “Business Strategy of Oscar Promotion and Roles of Fashion Models in Japanese Fashion and Advertisement Businesses.”</p> <p>2. The goal of this program is to help students appreciate the key features of business and marketing strategy of Oscar Promotion, the largest fashion model and talent agency in Japan and Asia. The presenter, a fashion model will tell students Oscar’s business and marketing strategy facing the age of social media and growing Asian markets.</p> <p>3. This oral presentation also introduces students to the roles of professional fashion models in Japanese fashion and advertisement businesses in comparison with US. Simultaneously, students will find some aspect of “backstage” of profession in Japanese fashion model business.</p> <p>4. Additionally, reflecting on her professional actress and model career she will touch upon “Planned</p>	<p>None</p>

	<p>Happenstance Theory” advocated by Dr. John Krumboltz, Stanford University School of Education. The theory will be helpful for IES students’ professional career choices.</p> <p>5. Finally, students hopefully will learn skills of professional posing from a promising Japanese professional fashion model that will be helpful for their personal branding.</p>	
<b>Week 9: Japanese Consumer Behaviors</b>	<p>1. After World War II, the income and purchasing power of Japanese consumers have multiplied. Buying patterns of everyday consumption have changed, as Japanese lifestyles have become more westernized.</p> <p>2. We study consumer behavior characteristics and changes in satisfaction mechanism of Japanese consumers. Some interesting aspects of “conspicuous consumption” in Japan will be discussed.</p> <p><b>3. Short Quiz #3</b></p> <p><b>4. Student Oral Presentation #2</b></p>	<ul style="list-style-type: none"> <li>• Seeling (2009), Chapter 1 BUY ONE, GET TWO FREE, pp.1-14.</li> <li>• Friedman and Mandelbaum, Chapter 2 Ignoring Our Problems, pp.13-32.</li> </ul>
<b>Week 10: Japanese Pop-culture Industry</b>	<p>1. In this session the students will study the basic structure of Japan’s anime and music industries. About 60% of the “Animation” films and TV programs watched by children worldwide are said to be Japanese.</p> <p>2. The number of the anime production companies in Japan is around 400 and approximately 80% of those are located in Tokyo area.</p> <p>3. Presently, the Japanese anime industry is facing some threats such as lack of the creative and skilled workers, falling behind the world-wide digital technology trend, complicated commercial practices regarding patents, and shortage of mega hit films in the world market.</p> <p>4. However, overall, Japanese Animation Films are still regarded as one of the very few “soft powers” that Japan now has. On top of that, we will see the Japanese music industry which has had a huge impact on Asian youths.</p> <p>5. Unique direction of the Japanese Keitai or Smart Phones (Cellular Phone) &amp; SNS business collaborating with Japanese entertainment industry will be also confirmed, compared with US.</p> <p><b>6. Short Quiz #4</b></p> <p><b>7. Student Oral Presentation #3</b></p>	<ul style="list-style-type: none"> <li>• Kelts (2007) Chapter 1 may the g-force be with you, pp.9-34.</li> <li>• Emmott (2009) Chapter 4 Japan: Powerful, Vulnerable, Ageing, pp.87-120.</li> <li>• Nye (2011) Chapter 4 Soft Power, pp.81-109</li> <li>• Nye (2008) Chapter 2 Leadership and Power, pp.27-52.</li> </ul>
<b>Week 11: Japanese E-commerce and Social Media</b>	<p>1. The number of Japanese companies utilizing IT devices as a new marketing tool is on the rise; it is widely thought that such devices would help improve efficiency of business and consumer satisfaction. Most people here now use “Keitai” or Smart Phones with camera, Social Media (for example, popular LINE) and Internet browser for communication.</p>	<ul style="list-style-type: none"> <li>• Andersen (2006) Chapter 1 The Long Tail pp.15-26.</li> </ul>

	<p>2. Problems and prospects of Japanese e-commerce and how “relationship (or one to one)” marketing is applied will be discussed with the aid of a case study.</p> <p><b>3. Student Oral Presentation #4</b></p>	
<p><b>Week 12: Global Marketing Strategies and Advanced Technologies</b></p>	<p>1. Japanese companies have been operating their business overseas for years. We shall discuss the differences between domestic marketing strategies and international ones by using the Japanese automobile industry as an illustration.</p> <p>2. We will also discuss technology issues with the government policy regarding Japanese advanced technologies such as Hybrid Car Toyota’s Prius and Fuel Cell Vehicles.</p> <p><b>3. Student Oral Presentation #5</b></p>	<ul style="list-style-type: none"> <li>• Due: Final Research Paper</li> </ul>

**REQUIRED READINGS:**

Anderson, Chris, The Long Tail, 2006, Hyperion.

Baines, Paul et al., marketing, 2<sup>nd</sup> edition, 2011, Oxford University Press.

Bearden et al., Marketing: Principles and Perspective, 2007, McGraw-Hill.

Emmott, Bill, RIVALS, 2009, PENGUIN BOOKS, Chapter 4 Japan: Powerful, Vulnerable, Ageing pp.87-120.

Friedman, Thomas L. and Mandelbaum, Michael, THAT USED TO BE US: How America Fell Behind in the World It Invented and How We Can Come Back, 2011, Farrar, Straus and Groux

Ghemawat, Pankaj, Strategy and the Business Landscape, Core Concepts, 2001 ,Prentice-Hall, Inc.

Hodgson, James et al., Doing Business with the New Japan, 2008, ROWMAN & LITTLEFIELD.

Kerin, Roger A. et al., Marketing The Core, 2nd edition, 2007, McGraw-Hill Irwin.

Kim, Chan and Mauborgne, Renee, BLUE OCEAN STRATEGY, 2005, Harvard Business School Publishing Corporation.

Kotler, Philip and Keller, Kevin Lane, Marketing Management, 14th edition, 2012, Pearson Education Limited.

Kotler, Philip and Armstrong, Gary, Principles of Marketing, version 2.0, 2004, Pearson Prentice Hall.

Lamb, Charles W., Jr. et al., Essentials of Marketing, 5th edition, 2006, Thomson South-Western.

Larke, Roy and Causton, Michael, Japan-A Modern Retail Super Power, 2005, Palgrave Macmillan

Levitt, Theodore, TED LEVITT ON MARKETING, 2006 Harvard Business School Publishing Corporation.

Magee, David, HOW TOYOTA BECAME NUMBER ONE, 2007, Portfolio, Penguin Group.

Marshall, Greg W. and Johnston, Mark W., MARKETING MANAGEMENT, 2010, McGraw-Hill Irwin.

McKinsey & Company, Reimagining Japan, 2011, VIZ Media, LLC.



Nye, Joseph S., Jr. The Future of Power, 2011, PublicAffairs.

Nye, Joseph S. Jr. The Powers to Lead, 2008, Oxford University Press, Chapter 2 Leadership and Power, pp.27-52.

Perreault, William D., Jr. et al, Basic Marketing, 18<sup>th</sup> edition, 2011, McGraw-Hill Irwin

Perreault, William D., Jr. and E. Jerome McCarthy, Essentials of Marketing: A Global-Managerial Approach, 10<sup>th</sup> edition, 2006, McGraw-Hill Irwin.

Roland, Kelts, JAPANESEIRCA-HOW JAPANESE POP CULTURE HAS INVADED THE U.S., 2007, Palgrave Macmillan.

Schaede, Ulrike, CHOOSE AND FOCUS-JAPANESE BUSINESS STRATEGIES FOR THE 21<sup>st</sup> CENTURY, 2008 Cornell University Press.

Seeling, Tina, What I Wish I Knew When I Was 20, 2009, HarperOne.

Besides the aforementioned reading materials, free articles on web sites regarding Japanese marketing and business will be distributed to students through IES Moodle.

**RECOMMENDED READINGS:**

Other chapters of the following six books:

Anderson, Chris, The Long Tail, 2006, Hyperion.

Levitt, Theodore, TED LEVITT ON MARKETING, 2006 Harvard Business School Publishing Corporation.

Magee, David, HOW TOYOTA BECAME NUMBER ONE, 2007, Portfolio, Penguin Group.

Chan Kim and Renee Mauborgne, BLUE OCEAN STRATEGY, 2005, Harvard Business School Publishing Corporation.

Larke, Roy and Causton, Michael, Japan-A Modern Retail Super Power, 2005, Palgrave Macmillan.

Schaede, Ulrike, CHOOSE AND FOCUS-JAPANESE BUSINESS STRATEGIES FOR THE 21<sup>st</sup> CENTURY, 2008 Cornell University Press.

And the following books about marketing, the new trend of internet business and fast-food business chain in US:

Penenberg, Adam L., Viral Loop: From Facebook to Twitter, How Today's Smartest Businesses Grow Themselves, 2009, Hyperion.

Berger, Jonah, Contagious: Why Things Catch On, 2013, Simon & Schuster.

Halligan, Brian and Shah, Dharmesh, Inbound Marketing: Get Found Using Google, Social Media, and Blogs (The New Rules of Social Media), 2009, Wiley.

Anderson, Chris, Free: The Future of a Radical Price, 2009, Hyperion.

Chris Anderson, MAKERS, 2012, Random House Business Books.

Qualman, Erik, Socialnomics: How social media transforms the way we live and do business, 2009, Wiley.

Kotler, Philip et al., marketing 3.0, 2010, Wiley.

Kotler, Philip et al., GOOD WORKS, 2012, John Wiley & Sons, Inc.

Botsman, Rachel and Rogers, Roo, WHAT'S MINE IS YOURS-THE RISE OF COLLABORATIVE CONSUMPTION, 2010, Harper-Collins Publishes.

Perman, Stacy, IN-N-OUT BURGER, 2009 , Harper-Collins Publishers.