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#### Abstract

The Japanese market is renowned for its uniqueness - a one-of-a-kind in the world, and Japanese consumers are known for demanding and having some of the highest product quality standards in the world. Therefore, the localization process of a brand or products has been the key feature in dictating whether the product will succeed in attracting Japanese consumers.

The purpose of the research was to study the packaging as a part of product adaptation in Japanese consumer market. The objective of this study was to generate information for companies, using the perspective of the Japanese consumer market, so that they can understand Japan's cultural requirements and consumer market expectations regarding product packaging design in the context of product adaptation. The Japanese cultural context was raised in the study for special consideration. The study also utilized a case company, a Finnish raw chocolate manufacturer, whose product packaging has aroused interest in the Japanese consumer market.

The qualitative data of the research was carried out mainly by qualitative methods. Empirical data were collected in two ways. First, semi-structured interviews were conducted with three expert interviewees, all of whom are connected to Goodio and the Japanese consumer market. Second, structural consumer interviews were conducted with thirty interviewees to map the consumer market perspective of the study.

Based on the findings, product packaging played a pivotal role in consumer's purchase decision. Packaging was expected to be attractive, high-quality and go hand-in-hand with the price. Product packaging was expected to contain elements such as use of colour codes, imagery, high-quality material, and functionality. Furthermore, adaptation tools in product adaptation were identified. In addition, the study provided significant new insights into cultural characteristics of the Japanese consumer market. The results of the study can be applied more extensively to different product groups that are interested in the Japanese consumer market. In addition to the practical benefits of the research will provide completely new information on the expectations of the Japanese consumer market for product packaging and product adaptation, as well as to present potential topics for further research.

Key words	Packaging design, Japanese consumer market, localization
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#### Tiivistelmä

Japanin kuluttajamarkkinat ovat tunnettuja ainutlaatuisuudestaan, jossa tuotteiden laatustandardit ovat korkeimpia maailmassa. Lokalisointi sekä tuoteadaptaatio ovat nousseet avainasemaan, pohdittaessa, onnistuuko tuote houkuttelemaan japanilaisia kuluttajia puoleensa. Japanilaisten kuluttajien suuren maksukyvyn, sekä tuotteiden massiivisen tarjonnan vuoksi, tuotepakkauksesta on tullut merkittävä markkinointiviestinnän väline kuluttajan ostopäätöksessä.

Tutkimuksen tarkoituksena oli analysoida tuotepakkausta osana tuoteadaptaatiota Japanin kuluttajamarkkinoilla. Tutkimuksen tarkoitus jaettiin kolmeen osaongelmaan: mitkä ovat Japanin kuluttajamarkkinoiden kulttuuriset ominaisuudet, mitkä ovat Japanin markkinoiden kulttuuriset vaatimukset tuoteadaptaatiolle sekä millaisia odotuksia japanilaisilla kuluttajilla on tuotepakkauksen elementeille. Tutkimuksessa hyödynnettiin tutkimustapauksena suomalaista raakasuklaayritys Goodiota, jonka pakkaus on kerännyt kehujia Japanin kuluttajamarkkinoilla.

Ilmiötä lähestyttiin ensin aikaisemman tieteellisen kirjallisuuden ja tutkimuksen avulla. Teoriakatsauksessa perehdyttiin Japanin kulttuurikontekstiin, tuoteadaptaation kilpailuvälineisiin, japanilaisten kuluttajakäyttäytymiseen ja tuotepakkauksen elementteihin. Tämän jälkeen tehtiin laadullinen tutkimus, jossa tapausyrityksenä toimi Goodio ja tämän Japanin markkinat. Aineisto kerättiin haastatteluin: kolme puolistrukturoitua asiantuntijahaastattelua sekä kolmekymmentä strukturoitua kuluttajahaastattelua 25–40-vuotiaiden japanilaisten parissa.

Tutkimuksen mukaan tuotepakkaus on erittäin tärkeä osa kuluttajan ostopäätöstä. Pakkauksen oletetaan olevan korkealaatuinen ja viehättävä, sekä sen oletetaan 'kävelevän käsi kädessä' tuotteen hinnan kanssa. Tuotepakkauksessa oletetaan olevan myös japanilaisille tärkeitä elementtejä, kuten värien ja kuvien asianmukainen käyttö, korkealaatuinen materiaali ja toiminnallisuus. Lisäksi tässä tutkimuksessa määriteltiin kulttuuristen vaatimusten ohella kilpailukykyiset työkalut. Näiden lisäksi tutkimus tarjosi merkittävää uutta tietoa kuluttajamarkkinoiden kulttuurisista ominaisuuksista.

Tämä tutkimus luo uutta tutkimustietoa tulevaisuuden käyttötarkoituksia varten. Jos ulkomaalainen yritys osaa käyttää näitä kulttuurisidonnaisia pakkauselementtejä oikein

Avainsanat	Tuotepakkaus, Japanin kuluttajamarkkinat, lokalisointi
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**UNIVERSITY  
OF TURKU**

Turku School of  
Economics

**CRAFTED, WRAPPED AND ATTRACTED:  
LOVE LETTER PACKAGING THAT CAPTURED  
THE HEARTS OF LAND OF THE RISING SUN**

**Case Goodio**

Master's Thesis  
in Marketing

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Heidi Kotamäki

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28.4.2021  
Turku

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin OriginalityCheck service.

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# 1 INTRODUCTION

## 1.1 Background of the research

After the 120 years of modernisation since the opening of the country, Japan is adapted towards imitating the West, despite being located in Asia, and having remained firmly rooted in its traditional culture (Usui 2014, 1). Visitors in today's 21<sup>st</sup>-century Tokyo will be just standing at the world's biggest crossing and experience the awe of constant movement of enthusiastic consumers and the extraordinary range of all a world of goods and gadgets in non-stop shopping streets. The Japanese market is renowned for its uniqueness - a one-of-a-kind in the world, and Japanese consumers are known for demanding some of the highest product quality standards in the world (Azar 2016, 154). Over the last few decades, several foreign companies have shown interest in Japanese market - however, the localization process of a brand or products has been the key feature in dictating whether the product will succeed in attracting Japanese consumers. Melville (1999, 85) states that very few foreign products are prepared to try to penetrate the Japanese market, citing a number of failures over the years by several foreign companies. A fine example of this issue is the famous console war between Sony's PlayStation vs. Microsoft's Xbox brand. Renowned for their intense brand loyalty for local brands, Japanese consumers can be naturally hostile to foreign products. As a result, over the last decade, Japan remains the only marketplace where the Xbox brand never managed to establish a business, currently PlayStation holding 98 % of the market share in comparison with Xbox with only 1.6 % (Statscounter 20.2.2021). Specifically, Xbox was not perceived to have delivered on the promise of exceptional product quality, which is fundamental issue to attract Japanese consumer base. This, coupled with Xbox's failure to localize several Western games into Japanese language, has led to Japanese consumers having gained more trust in Sony's variety of both Japanese and Western games. (Forbes 30.12.2019.)

Therefore, instead of entering the new market immediately, a company needs to decide which adaptation process they would prefer to follow; which one, and under what circumstances, would be more effective in attracting local consumers. It has been noted that those who did not study cultural backgrounds and traditions beforehand inevitably do not fulfil their potential in marketing certain products in Japan (Melville 1999, 87). Consequently, foreign companies need to focus on localizing their products in order to

sufficiently penetrate the Japanese market. This is where the localization process is introduced. Localization as a term is often conflated with translation, but it is important to differentiate both terms, as localization involves more than just language translations. Japan is seen as highly appealing consumer market to both domestic and foreign enterprises, for its enormous potential (Synodinos 2001; Azar 2016). The importance of localization, as well as how the market is characterised, is a mystery for rest of the world, with it being considered the most difficult consumer market to succeed in the world (Ariga 1990, 91).

In a country such as Japan, where the aesthetics is considered as an essential part of the culture, external packaging has become a fundamental feature of the product and the brand. Since Japanese consumers are known for having high spending power, and where the supply of products in the markets is rather excessive, packaging as a marketing communication tool can have a significant part in consumer's purchase decision. Therefore, product packaging may require adaptation as much as the product itself. Since packaging acts as a "silent salesman", as one of the most interactive points of contact between the product and customer, that conveys product characteristics to consumers, communicating the elements of a packaging is an essential aspect when considering consumer behaviour (Ampuera & Vila 2006). A localization approach in packaging might require some level of customization according to the local culture (Cheon et al. 2007), and it is recommendable for companies to put effort into customizing marketing messages to reach the local consumer's understanding (Silayoi & Speece 2007, 1497). These could involve such symbolic cultural context characteristics which are familiar with the local consumers, and therefore might positively influence their purchasing decision. Schütte and Ciarlante (1998, 103) argue that whilst working with extensively different cultures, consumers tend to behave differently to require the adaption of concepts developed exclusively in that cultural situation. Understanding Japanese consumer behaviour is significant, and can be achieved by comprehending the values, attitudes, motivations, perceptions, and opinions that are established to the Japanese culture framework (Lazer 1985, 36).

Japanese consumer society started to develop in the 1960s, and the economy has rapidly grown during the past two centuries, making it world's third largest economy in the world (Clammer 1997, 56). Melville (1999, 86) indicates two demanding problems between Western studies of Japanese business, implying that lack of appreciation for Japanese industry should be perceived as a profoundly cultural concern. Therefore, in order to understand Japanese consumer market, the fundamental cultural factors should be considered, which typically develop within the localization context. Japan continues to be a

market with opportunities for emerging brands, as well as attracting global companies. The country is still a leader in several industries and global brands need to offer something truly distinctive and innovative in order to stand out. As an example of well-established localized brand, Starbucks has gained enormous popularity in Japan after opening the first outlet in Tokyo in 1996. While successfully studying the background and traditions of the local consumers, the company customized the beverage menu heavily based on the influence of tea drinking. On top of that, they introduced a variety of innovative beverages and tumblers for smaller sizes, similarly adding different flavours for every season as Japanese are known for being seasoned in consumerism. By respecting the local culture and the community this has been the answer to Starbucks' long-term success in Japan. (Japan Times 2017.)

## **1.2 The purpose and structure of the research**

The purpose of the research is to study the packaging as a part of product adaptation in Japanese consumer market. By now, there is scant academic research conducted about the relationship between Japanese consumer market and its market expectations for product packaging design. This research analyses, through qualitative individual interviews, what kind of product adaptations in packaging design and in which elements are necessarily required for the Japanese market. The role of the packaging design is studied from the perspective of marketing communication. The research will be further dissected into three sub-objectives which are the following:

- What are the cultural context characteristics of the Japanese consumer market?
- What are the cultural requirements for the product adaptation in the Japanese consumer market?
- What are the consumer market expectations for a product packaging design in the Japanese consumer market?

The first sub-question observes the factors that characterize the cultural context of Japanese consumer market. The second sub-question focusses on necessary cultural requirements indicated for the product adaptation in the Japanese consumer market. The

third sub-question seeks to find an answer for the average Japanese consumer's expectations for a product packaging design. The research problem is answered from both consumer and company's point of view using a case company, a Finnish craft-chocolate enterprise. Additionally, the Finnish premium chocolate brand Goodio's product packaging represents as an advocate, providing an added value for the study.

The study aim is to find answers to the sub-problems by researching and relying on previous research and literature on Japanese consumer market, consumer behaviour and product adaptation requirements throughout the research. Goodio is chosen as a case company, a small Finnish enterprise that has established a business in the Japanese market, and therefore serves as a relevant advocate for the research. Goodio's award-winning product packaging has been praised globally, which also delivers a relevant example for the packaging design elements. Therefore, the researcher finds that a chocolate product company is a fundamental choice for the research purpose. Specifically, in the Japanese market, premium chocolate companies fulfil their full potential in delivering superior packaging designs. Additionally, as Goodio is relatively young company that was only founded in 2015, there is scant research conducted on the company itself and Finnish craft-chocolate companies that are penetrated in Japanese market.

The theoretical framework of the study is displayed in chapters 2 and 3. The first theoretical chapter focuses on Japanese consumer market cultural context characteristics also reviewing the Hofstede's cultural dimensions as well as the principals of Japanese consumer behaviour. The second chapter characterizes the packaging design and its elements. The chapter also reviews the characteristics of Japanese packaging in the market. The last sub-section of the theoretical framework brings together the subjects covered in the chapters to form a synthesis of the theoretical framework. The fourth chapter presents the features of qualitative research as well as the semi-structured individual expert interviews, and the structured individual consumer interviews. The chapter also reviews the processes of data collection, analysis, interpretation, and reliability. The fifth chapter presents the research results by sub-sections based on data and literature. The sixth chapter presents the conclusions of the study along with theoretical and practical contributions of the research and the research limitations with further research suggestions. The final chapter summarises the research. The research topic has personal connections to the researcher as she has lived, studied, worked in both relevant locales for an extended period of time and her multiple visits throughout two decades.

## 2 THE JAPANESE MARKET

The Japanese market is one-of-a-kind in the world and has been the envy of the world for its source of spectacular wealth (Huffman 1998, 39). In comparison to other countries, Japan has stayed relatively homogenous with consumers sharing the same values and thoughts. The culmination of the long history of Japanese consumption growth involved the conjunction of a complex pattern of product differentiation on the supply side, with the segmentation of the market into what became known as micro-masses on the demand side. (Francks 2009, 208–209.) Consumers' continuous growing need for improved goods forced domestic companies to exceed the volume of supplied goods in the 1980s, and the nature of consumption market started to shift towards an im-materialistic culture of symbolic consumption (Turkki 2005, 32). Contemporary Japanese youth culture can be characterised by obsessions with goods and information, linking the collection of objects with the acquisition of knowledge (White 1994, 138).

Japan is the world's third largest market according to GDP (Financial Times 9.4.2019) and is known as an attractive market to domestic and overseas firms for its tremendous potential in purchase power. Yet it remains as an unknown for some foreign audiences (Fields et al. 2000), and is considered as one of the most difficult market to penetrate (Ariga 1990, 91). It has been argued that limited foreign products are prepared for the Japanese consumer market (Melville, 1999). To elaborate, there have been several commercial flops along with the accomplishments over the past decades (Synodinos 2001, 235). Japan faces a great number of social upheavals over the next ten years, mostly due to the shift towards new demographics. Japan's population peaked at 128 million in 2010 yet has been declining ever since. Estimates predict there will be only 86 million Japanese by 2060. (Financial Times 12.4.2019.) Companies will more likely begin to target older consumers more directly in coming years, offering services targeted specifically at elderly consumers. Japan needs to address these major demographic issues by examining three different areas: women in the workforce, work efficiency and immigration. All three of these could be present a variety of business opportunities for domestic and foreign companies and investments to keep in mind when considering the future development of business in Japan. Women are already flooding into career positions, and savvy companies with a contemporary understanding of the wider culture are making the most of this by supporting women becoming long-term employees. (Johnston 2014, 124–126.)

## 2.1 Localization in Japan

The term *localization* explains “the process of adapting a product to a specific culture or language into a local target market naturally” (Gala 2020, 3). Localization as a term is often-confused sometimes with translation, however it is important to notify that localization involves more than just language translation. Localization as a term started appearing in the late 1980s when software companies started enhancing translation to their products. The use of the term has extended to various fields such as translation and marketing. (Mousten 2008, 32.) Furthermore, localization can be demonstrated as the development, adaptation and transfer of related knowledge, values, technology, and behavioural standards to the intended local context. Generally, the localization process involves of adapting a product or service culturally, technically, and linguistically in order to sell it successfully in other markets (Di Marco 2007, 1–2). From the marketing perspective it refers to adapting products, services, and others involved in the customer communication, in order to reach the local consumer expectations (Singh 2012, 148). By localizing the products and services with cultural, linguistic, and functional requirements, this contributes to the understanding of target market. Localization strategy is designed to understand the local target market and consumer preferences and other local specific requirements in order to adapt the marketing mix established as well as possible to satisfy consumer needs. Therefore, global companies create standardised products and communication methods for international markets.

There can be potential for business growth into new markets, when comprehending the process from a strategic perspective. However, venturing into global market areas needs to be strategically organized, and with the intention of studying the local culture beforehand. The approach strategy needs to be executed carefully, so that it is prominent in the minds of the local consumers. A failure to adequately understand the local target audience will no doubt backfire within the whole localization process, which may result in expensive faults leading into product recalls, sanctions, or buyer boycotts. Localization accomplishes several marketing strategies in the global marketplaces and helps to expand accessibility and connectivity for consumers around the world. This can be achieved by offering local consumers an experience in their language that is relevant to the local culture. (Ibeh, Ying & Keith 2005, 360–365.)

In the areas of sales and marketing, foreign companies face numerous challenges in the Japanese market that derive from culture-based differences in consumer preferences



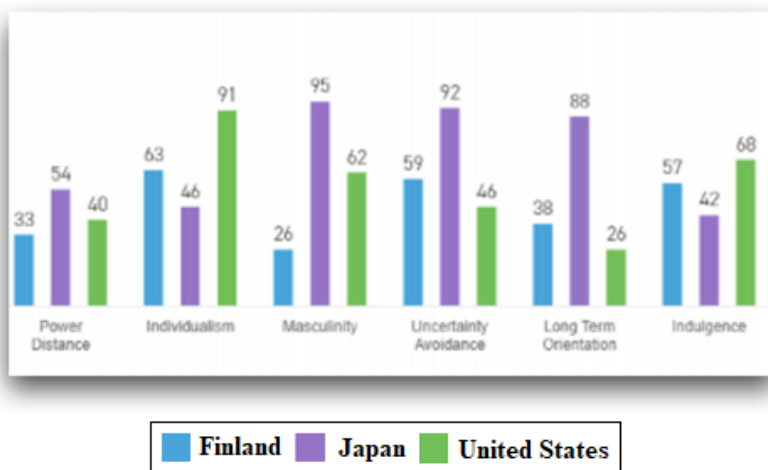
and business practices. Localization has been occurring over a considerable period, but lately it has gained a greater importance in Japan. Based on the nature of the target market, conducting relevant cultural research beforehand is seen as a relevant localization strategy in order to reach the local consumers. (Kimura & Belt 2005, 235–327.) It can be noted that global companies who establish their business within one of the most challenging markets with an effective and well-established localization strategy will garner long-term economic rewards for the company. Many foreign investors have concerns over investing in Japan for a decade-long economic crisis. However, a strong commitment to steady reform has been central in the political agenda recently, implying that indicators are showing positive results from the economic perspective. Japan still remains as the world's third-largest economy with a mature market of 126 million consumers who possess a strong spending power around the world. After all, Japanese consumers have a passion for technological developments and show strong interest in innovative products. (Haghigian, Sinkovics & Bamiatz 2008, 51.)

## **2.2 The Japanese consumer market**

Culture can be described as “the meaning of the structure that representatives of any specific unit use to inform their existences” (Evans, Jamal & Foxall 2009, 285), implying that “the organization provides humans with a perception of individuality for behaviours.” “Consumer products are considered part of this structure of meaning, which is frequently culturally specific and distributed through generations” (Evans, Jamal & Foxall 2009, 286). Morgan (1991, 150–155) argues that “one effective long-term strategy for entering the Japanese consumer market is a direct presence through a subsidiary or on-site support operation.” These can be close customer-relations, which enhance the responsiveness to the market, assessment of future requirements and prospects for continuous product development. Furthermore, Schütte and Ciarlante (1998) state that when dealing with varying cultures, consumers typically behave differently which might require business adaptation strategies based on the cultural context. For such purposes, it is essential to comprehend Japanese cultural context which can be accomplished by understanding cultural factors in values, traditions, attitudes, and perceptions (Lazer 1985, 36).

### 2.2.1 Cultural dimensions in Japan

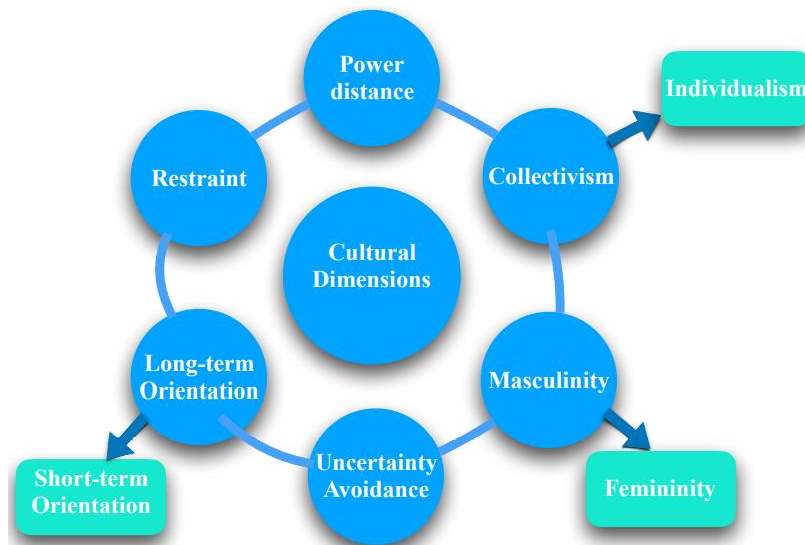
People from different cultural backgrounds communicate differently. In order to comprehend the complexities of marketing, it is essential to understand the local communication. The concept of “low- and high-context” refers to how people communicate in different cultures. Miyahara (2004, 283) argues that compared to the most Western countries, Japan is considered as the representation of high-context culture, where people communicate through body language and unspoken information is transferred indirectly during communication and are more careful with chosen words. In comparison, in low-context culture such as Finland and the United States, the communicated information is exchanged explicitly through direct and clear messages themselves leaving less implicit. While analysing Japanese culture, it is advisable to examine the comparison with the West and observe their respective cultural dimensions. Hofstede's cultural dimensions theory can be convenient when studying the marketing difference between different cultures. It identifies cultural values in different cultures (De Mooij & Hofstede 2010, 60–62). Many researchers recommend the Hofstede's model for global companies who aim to establish business in the international markets and understanding to the existing cultural differences. Therefore, Hofstede’s model is considered a supportive factor in order to increase understanding of cultural context and consumer behaviour characteristics. The following figure (see Fig. 1) unwraps the comparison between Japan and the West.



**Figure 1 Hofstede’s cultural dimensions applied to Finland, Japan, and the United States: country comparison<sup>1</sup> (Hofstedeinsights.com)**

<sup>1</sup> Hofstede’s cultural dimensions are measured on a scale of 0 to 100 and include the following six factors: power distance index (high vs. low), individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance index, long vs. short-term orientation, and indulgence vs. restraint. (Hofstede 1999)

The following three countries are chosen for comparison: Primarily, Japan, remaining the key country and point of interest for the whole research. Secondly, The United States represents the main example of the Western country, and significant contrast country when comparing high-low-context culture with Japan, but also when various researchers refer in their studies to the typical model of a Western country. To be shown in the figure 1, Finland is not seen as enough evident representative country of the West, and therefore the United States is kept enforcing the image of a strong Western country. Finland represents the country of the case company Goodio. Equally, Finland as a country comparison is used in various referential factors throughout the research. As it can be seen in the figure 1, Japan is strongly differentiating in three dimensions: *masculinity*, *uncertainty avoidance*, and *long-term orientation*. The scale clearly shows how dominating the United States is when representing the Western values, and therefore remains as a great example. Despite the fact that there are only minute differences between Finland and the United States in some dimensions such as *power distance* or *indulgence*, Finland does not fulfil the potential of reflecting a strong Western country model by itself. In the Figure 2, the six dimensions of Japanese consumer market are carefully analysed.



**Figure 2 Hofstede's cultural dimensions of Japanese culture**

The *power distance* assesses the level to which a society sustains inequality of power in society. Societies with high power distance tend to have a strong concept of a social hierarchy. In a high-power distance society, hierarchy plays a powerful role and power is centralized at the top. (Schütte & Ciarlante 1998, 9.) Japan scores intermediately high (54) in the power distance, correlates strict business hierarchy system in the society. This

can be shown to foreigners from slow decision-making process and strict business etiquettes which are common features in a Japanese society.

According to Hofstede (1980), *collectivism/individualism* dimension is one of the key dimensions of cultural differences when comparing the Western and Eastern countries. Japan is seen as a main example of a collectivistic culture. Collectivist societies consider the group as the most fundamental part of the society (Schütte & Ciarlante 1998, 9), and Japanese consumers have been described as group-oriented people, with whom loyalty and co-operation are highly valued (Synodinos 2001, 240). Person's rights are considered as inferior to those in the group. As an example, the collectivist nature is shown in the Japanese business meeting, when workers typically mention their company's name before their own name (JETRO 1999, 5), and in life-time employment (Synodinos 2001, 240). On the other hand, Triandis (1989) argues that individualism rises when being exposed to another cultures. Group orientation remains as a fundamental factor for Japanese behaviour, however in current years there has been a steady move toward individualism, which can be seen in the behaviour of "millennials" and young grown-ups who strive to be unique, but also conform to the group at the same time. (Synodinos 2001, 246.)

The *masculinity/femininity* dimension indicates the degree to which society is dominated by either masculine or feminine qualities. Commonly, the dominant principles in a masculine society include success and accomplishment, and the dominant principles in a feminine society include compassionateness and quality of life (De Mooij & Hofstede 2010, 89). Japan is perceived as one of the most masculine countries in the world as seen with the score of 95. Schütte and Ciarlante (1998, 9) describe that the main difference between masculine and feminine cultures is framed as a question of which of them are seen as the weaker people of the society, and therefore needs to be helped. However, this has been changing recently as family sizes are decreasing, perhaps implying a shift towards individualism (Triandis 1989). Consumption is highly gendered in the Japanese consumer market, and for Japanese women it provides knowledge, and a way of managing sexuality that promotes an awareness of everyday life (Clammer 1997, 106). Even though Japanese women are still portrayed in their traditional roles as housewives in the media, today's Japanese women have started taking control on spending through own salary (Tomida & Daniels 2005, 235). Increases in career-driven desire has boosted the economic freedom of women. This has extensive implication in everyday life involving consumption behaviour. It has been proved that women can take the lead in social changes

through consumption, and major shifts in the market can be attributable to this factor (Clammer, 1997, 56).

*Uncertainty avoidance* is described as the degree to which individuals feel intimidated by uncertainty, and therefore try to prevent such situations to happen (De Mooij & Hofstede 2010, 90). In societies where uncertainty avoidance is high, rules and formality are a requirement. Japanese citizens prefer to avoid uncertainty, but their tolerance for uncertainty is affected by the current work environments. Japanese consumers leaning more towards risk aversion behaviour due their collectivist nature and consequent rigorous rules (Synodinos 2001, 242). In 2019, the former prime minister, Shinzo Abe's government tried to encourage more immigration and make it easier for women to both work and have children at the same time. However, this has proved to be controversial in a country that highly values cultural homogeneity. Therefore, many researchers and government advisers show concerns that Japan will be affected by the populist and anti-immigration politics that are already evident in Europe and in the United States. (Financial Times 22.4.2019.)

Traditionally in a *long-term oriented society*, emphasis is on long-term objectives and use more sensible approach in planning (Wallace et al. 2018, 21). Aging population is one main factor and a low birth as Japan's population has been declining since 2010. Synodinos (2001, 241) defines that a long-term viewpoint is demonstrated in various characteristics of Japanese consumer behaviour and as an example, a long-term customer relationship is highly emphasized between the seller and the buyer. The demographics of Japan's 126 million population show that it is aging considerably during recent years, and this change is expected to continue (Foreign Press Center 2000). Similarly, an aging society remains as a significant consideration for consumer behaviour. Japan is facing a number of challenges on the way to becoming more *short-term*. This can be seen in a way that senior citizens tend to have more financial resources and more spare time. While being considered as a potential market segment, senior citizens have not been traditionally known to be prodigals. Nevertheless, during the last decade senior consumers have started showing interest in traveling and for foreign cultures and products in their own market segment. Synodinos (2001, 245–246) demonstrates that marketing services and products for senior consumers can be a lucrative business strategy. Nowadays, Japan is facing demographic difficulties as the native population fell by more than 439,000 people in 2018 and a fall that was only partially counterbalance by the arrival of 161,000 migrants and the native population stands at around 126 million currently. However, it is predicted to

fall below 100 million in 2053 and go as low as 88 million by 2065. (Financial Times 9.4.2019.)

Lastly, *indulge vs. restrained society* refers to society's emphasis on freedom, happiness, and quality of life (Wallace et al. 2018, 21). High level of restraint societies have more value on self-control, causing people to be moderate in decision making with limited desires (Koc, Aydin & Ar 2017, 2). Japanese consumers are described as savers (Hayashi 1986), and therefore the government considers financial services aimed at persuading the elderly to distribute the 1,500 trillion yen in family savings (Economist 20.11.2010). A shrinking population is a burden on GDP as a smaller economy will make Japan's debt problem even harder to manage. Economists worry that the increasing medical bills of the senior citizens will further burden the country's finances in the coming years, coupled with the fear of potential incoming tax increases this may bring. (Financial Times 22.4.2019.) Recent changes imply that even though Japan is still an example country of a high-context culture and Eastern country, there are some notable shifts occurring in the country's cultural context. It can be inferred that some of Hofstede's cultural dimensions of Japanese culture are experiencing alterations. This shift in Japanese consumer behaviour can be witnessed in three dimensions, from collectivism to individualism; from masculinity to femininity; and from long-term to short-term orientation. The most fundamental factor affecting these changes are aging population.

### 2.2.2 Product adaptation tools for markets

Adaptation of a product is "a process or strategy of adapting or a homogenous product or service in order to meet the requirements and preferences of a specific local consumers or markets, where such target segment is typically managed within an international marketing context" (Samiee & Roth 1992, 1–2). Furthermore, product adaptation strategy is to meet local consumers preferences (Calantone et al. 2006, 178), Brennan and Turnbull (1999) consolidate with the definition of product adaptation as a modification of a product to meet the target market requirements. This implies that product adaptation is essential in order to meet the cultural expectations and requirements of the local target market. Melville (1999, 127) defines that only a few products are market-ready for Japan immediately, therefore the necessary requirements need to be applied and accepted by the local buyer and manufacturing regulations in order to formalize the finished product for further adaptations. Not all products are suitable for every market; Rama Rao (2008) assesses

that the product modifications may be perceived differently and for various purposes in different markets. Therefore, it can be inferred that product adaptation can vary from minor changes to major product modifications. Whilst the Japanese consumer market is traditionally considered difficult to establish a business to, Marber and Wellen (1994) emphasizes that if foreign companies can comprehend the cultural context of the local consumers, they can fulfil their potential in the market.

In order to alter the product into the new markets, the company needs to take into account the local differences in manufacturing and design standards. These changes may include alterations in packaging, product size, brand name, colour, design, style, materials, features, warranties, performances, and after-sale service, implying that these changes are conducted based on the local cultural values as well as consumer behaviour. Embodying the aforementioned point, Schütte and Ciarlante (1998, 157) compounds Rama Rao's point that economic, political, government, technological, and climatic requirements of the target country determine the degree of adaptation. International corporations even create an entirely new products or product lines for the Japanese consumer market in order to complement an existing product selection that usually consist of standardised or customized products. On the other hand, Japanese corporations have demonstrated their superior competencies in delivering various product categories. Defining tools for product adaptation is necessary and the following Fig. 3 is modified by researchers Schütte & Ciarlante (1998, 156–178), Johnston (2014, 45–60), and Melville (1999, 165–184).



**Figure 3** Adaptation tools in Japan's consumer markets adapted by Schütte & Ciarlante (1998, 156–178), Johnston (2014, 45–60), and Melville (1999, 165–184).

*Pricing* in Japan is highly essential factor when adapting a foreign product in the market. Nevertheless, “value for money” has different connotations in Japan, compared to other industrialized markets and their attitudes towards foreign product prices. Melville (1999, 222–223) argues that Japanese need to perceive the right value in a product, and if the technology and quality meet the necessary expectations, the consumer is prepared to pay a higher price from it. Schütte and Ciarlante (1998, 164–167) compounds this by remarking that Japanese consumers associate the higher price with higher quality, implying that there is lack of price sensitivity in the market. High price is perceived to associate with high-quality when products or services are difficult to compare, however, technology is harder to compared as it is usually relevantly new. On the other hand, low prices typically signal low quality, and this is more sensitive if the product is not domestic. Japanese consumers are known for their group activity; it can be inferred that the habit of willing to pay a high price is directly determined from this trait. (Norbury & Bownas 1974, 199–200.)

Additionally, they are known to spend more on products and services that meet their personal expectations and requirements for quality standards. Johnston (2014, 48) argues that a high price setting implies to Japanese consumers that the foreign product is of high value when compared to the domestic items in the market. This can be due exposure to the West which has caused some consumers to consider domestic prices too excessive. Nonetheless, only some are willing to give up on service quality, store ambience and packaging to acquire lower prices (Howard & Herbig 1996, 5). Export to Japan 2021 defines that it is common practice to increase the product price by 20–30% when establishing a business in Japan. Johnston (2014, 50) consolidates this point by remarking that price needs a 15–25 % rise to the original when establishing to the Japanese market. Perceived value can be a key factor for product success. Howard and Herbig (1996, 12–13) claim that high prices depict high quality in the Japanese market, and qualitative pictures value more than product price. A price reduction is seen to be related to quality problems. Therefore, it is important for global companies to think through and be ready to set a fixed price for a long period of time. Even for lower-priced products it is important to refine the packaging or deliver additional visual cues to the functional quality of the product (Johnston 2014, 36).

Public relations remain a powerful source of promotion in Japan, especially when advertising and marketing. A company needs to be aware of how to use public relations



sources, including increasingly in the digital markets, but also being able to access to wide and influential local network through which to spread the news about a brand and a product. These days *kuchikomi* as word-of-mouth is as important as *masukomi* (mass media communication). (Johnston 2014, 9.) Respect and loyalty towards authority such as governmental, business leaders and elders remain a great emphasis. This has resulted in increasing importance of word-of-mouth as effective marketing communication. (Schütte & Ciarlante 1998, 77). *Advertising* in Japan requires a perspective that is often termed by foreigners as “unique” or “eccentric”; an advertising strategy should be customized around the product itself. Advertising and promotions in Japan tend to lean more towards the conservative, and for example using social media for promotion is still not as common as in the West. The Japanese advertising expenditure medias consist of the following components is traditional media (television, newspapers, magazines) at 37.6 %; promotional media at 32.1 % and the Internet at 30.3 % (Dentsu: Advertising Expenditures Japan 2019, 6). TV advertising is seen as potential expenditure whether the foreign company can deliver innovative and unusual messages aligning with cultural values. TV advertising in Japan has become expensive during recent decades, and since Japanese TV programmes are slow-moving gameshows or discussion programmes, commercials are designed to be fast pacing with a quick message. (Melville 1999, 168.)

The Japanese *distribution* system may well be more accessible these days, but the types of companies and option for distribution remain arguably complicated. Negricea (2007, 58) claims that the Japanese consumer can be characterised by a continuous search for gadgets, which have the role of keeping their dishonour amidst their acquaintances. As a concrete example, Japan is a shame-sensitive society, and not losing a face is a powerful motivator (Sack 1992, 117). Japanese consumers tend to look for specific values from a brand and therefore, it is important to understand this way of thinking. Japanese consumers tend to view products more as valuable in and of themselves. They are considered as loyal and tend to perceive the store reputation as a guarantee for product performance. This leads to the fact why distribution becomes crucial and why the difficulty of getting into channels is significant problem. Distribution can be seen the main problem facing overseas brands. Skillful selection of distribution channels and partners can be the most important factor in the success or any consumer brand. (Johnston 2014, 95–107.) Many foreign companies aiming to sell in Japan are small enterprises; yet realistically they lack ability to conduct adequate marketing, and for such producers using a third-party that specialises in Japan is a practical option (Melville 1999, 127).

### 2.2.3 Market regulations and reflection on packaging

Japan's regulations are different from the international guidelines, therefore distributors who aim at the Japanese consumer market is required to verify their requirements of usage for flavours and additives, and conforming their products with local legislation. Translation issues can be complex when communicating the same concepts using different writing systems. In Japan, a precise translation of product information can be difficult. (Foodnavigator Asia, 2019.) These regulations relate to packaging, labelling and instructions. Products related to mandatory regulations cannot be imported without agreement, implying that importing restricted products may have a damaging impact on Japanese industry, economy, hygiene, or on public safety. (Murphy 2014, 12–13.)

Japan external trade organisation (2003) define the regulations on labelling is an important source of information about food content. This helps consumers in selecting and understanding how to preserve the product and how to use it. As for packaging, the following regulations should be followed: regulations concerning the safety and hygiene of materials and regulations concerning the labelling on packages: “Labelling needs to be provided in Japanese, and be precise, readable, detectable without opening the packaging.” The JAS Law established the “Processed Food Quality Labelling Standards” that relates to all processed foods sold for consumer usage. The following item info should be listed “completely in a visible location on the packaging: product name, list of ingredients, net contents, best-before date or minimum durability, preservation method, country of origin, importer's name and address.” (Japan external trade organisation, 2003.) According to the Law of Promotion, effective utilisation of resources involves identifier for labelling displayed to advertise recycling of packaging and containers, see Fig. 4. In terms of imported foodstuff, retailers take the responsibility in ensuring that the recycling mark is attached. Depending on the industry, the recycling marks used on labelling may vary depending on the product.



#### **Figure 4 Labelling marks on Japanese packaging (Japan external trade organisation 2003)**

The time and cost for applying for regulatory approval from Japan's government to import and sell foreign product varies from industry to industry. Additional concerns emerge from regulatory approvals which require product redesign, reformulation, or re-constitution. Such adjustments can have a negative influence on the product's effectiveness or even result in a completely different product that may not even meet the market requirements. (Azar 2016, 283-284.)

### **2.3 Consumption trends and traditions among Japanese consumers – reflection on packaging**

Most Japanese consider themselves as being part of the middle of the middle-class which is a significant driving element in their consumption preferences. Some argue that the *homogeneity* of the consumer market can be perceived as a result of the somewhat limited amount in the purchasing power of Japanese consumers. Additionally, it is demonstrated in numerous domestic products that are provided to Japanese consumers, and that benefit from unnoticeable differences between them. (Schütte & Ciarlante 1998, 103.) Japanese consumers are known for being *demanding* consumers. One reason for the superiority of Japanese products lies in the quality-conscious Japanese consumer's demands (Johansson 1986, 37–43) and how Japanese consumers perceive a non-Japanese brand is imperative. Japanese consumers are more presumably prepared to pay a higher price for a recognized brand because it assures the degree of quality and continuous service.

As mentioned above, Japanese claim to be part of the middle-class, however the longing for *social status* has encouraged the modern trend of compensation to consume anything that is considered the latest-fad products or services. The consumption of brands seems to be more selective nowadays. Some claim that the younger Japanese generation consider individualism as representing as hyper-materialistic self-centeredness. Moreover, Schütte and Ciarlante (1998, 103–104) argue that some Japanese consumers are prone to faddism. The quick pace of cultural dispersion in Japan is an outcome of this motivational element. However, this is assisted by a homogeneous population and centralised and widespread mass-media. To elaborate, faddism includes the material culture

of gadgetry, but also the types of behaviour that become popular with vocabulary and hobbies. (Haghirian 2011, 26–28.)

Japan is highly *seasoned* in consumerism and the consumers are seen as sensitive to maintaining status propriety. Consumer goods are said to represent more than just practical and commercial value. Moreover, they also have the additional element of communicating cultural meaning. Culture contributes on how consumers view the world, and how they view the world determines how they interpret the messages of advertising and fads connect to consumer goods. By buying the product and giving it as a gift, it is seen as transferring the meaning to the recipient. Consumption is perceived as a form of meaning transfer. (Schütte & Ciarliante 1998, 97.) Therefore, comprehending this is significant in understanding consumer motivation and behaviour. Moreover, consumption has traditionally been influenced by the demand for belongingness through conformity. Therefore, it can be noted that an individual purchases a product which allows himself/herself to fit into the group.

The *aesthetic sensibility* reflects the desire for group conformity. This states that natural objects are portrayed in Japanese art but can also be seen as part of packaging of consumer goods. (Schütte & Ciarlante 1998, 63.) The collectivistic mindset of consumers can be also noticed as an excuse for the increased number of new products in the Japanese consumer market. In such homogenous society as Japanese consumer market, the degree of diffusion progresses swiftly once the brand or company has started gaining acceptance among consumers. Consumer's fascination and interest for new products make Japanese consumers use huge amount of money for them, and therefore Japanese companies have learnt to respond to these expectations. This can be seen as continuous launches of new products such as “*now-on-sale*” or “*new-improved-product*”, and Japanese consumers show noticeable fondness for these. (Haghirian 2011, 22–23.) These improved and new products include improved packaging designs or new flavours. An additional unique element of Japanese products are *special editions and limited-edition* products which represent product variations that are only available for a limited time only, for example only on sale at particular time of the year such as during Halloween or Valentine's Day. These special products are popular among foodstuff, and Japanese consumers are annually amazed by numerous exciting flavours of well-known brands. (Haghirian 2011, 22.)

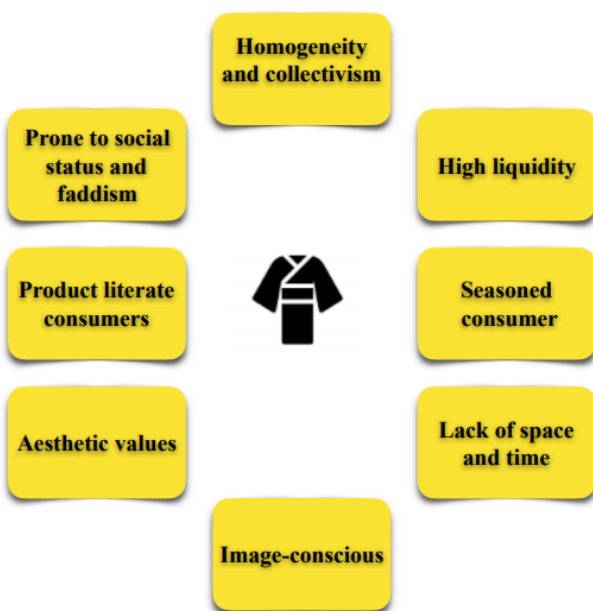
Japanese have always been curious type of consumers and embraced the awareness of available information, and therefore Melville (1999, 116) describes them as *information*

*seekers*. Moreover, Synodinos (2001, 241) claims that Japanese typically collect the accessible and relevant information about the product or brand in order to minimize risks. Significantly, information can be perceived as an indicator of consumption. As an example, Japanese mothers spend immense amount on seeking information such as reading specialised recipe books and preparing creative and aesthetically appealing lunch boxed for children known as *bento*. Moreover, the Japanese consumer is also known for being quality-oriented and selective, but similarly prudent. Based on Synodinos' research (2001, 238.), Japanese can be characterised as *product literate consumers*. This can be noted when Japanese tourists typically examine various product and service information publications before traveling.

As shown in the Hofstede's uncertainty avoidance index, Japan has a high score compared to many other countries, and therefore is seen as more risk-averted people. The concept of *risk aversion* can serve several implications for consumer behaviour. For luxury brands and products, Japanese are willing to pay a superior price for additional costs related to the high-quality service expectations and standards. On the other hand, they prefer simple and modest designs. Japanese are not seen as being comfortable with splurging referring to visible consumption, however they still is considered as *image-conscious* (Ariga, 1990; Clammer 1997; Melville 1999).

Japan is well-known for having some of the highest *product quality standards* in the world (Azar 2016, 140), and therefore, these high demands for quality can create a challenge for companies who try to enter the Japanese consumer market (Schütte & Ciarlante 1998, 157). Haghirian (2011, 26) describes Japanese consumer behaviour as ethnocentric, implying that they tend to deliver hostile attitudes towards imported goods. Ethnocentric behaviour is more typical in collectivistic societies like Japan (Gurhan-Canli & Mahe-swaran 2000, 20). Domestic products are perceived with better evaluation than most of the foreign products. Japanese perceive the quality of domestic products higher from Western and other countries, and therefore are willing to pay higher price for them. Haghirian (2011, 27) claims that the high level of after-sale service is the one of the main reasons for this perception. The same degree of service is not expected to be received when purchasing a foreign brand. Therefore, it can be noted that the quality should include continuous improvement during its life cycle. There is always need for improved quality when it comes to dealing with Japanese consumer market, in which is said to provide the best of everything. It can be said that it is essential to understand what product quality means to the Japanese consumers. The value of consumables seems to be defined

by the quality than price. This has resulted in that even commodities are wrapped for the ultimate technique of consumption, which often refers to appreciating the flavour and textures piece by piece. Meeting such quality standards will require varying investment level of time, resources, capital, and workforce (Azar 2016, 141). According to Johansson (1986, 42), Japanese consumers expect high-quality products even from inexpensive foreign brands. Based on the discussion in this chapter, it can be concluded that the following Fig. 5 represents the previously discussed factors of cultural context characteristics in consumer behaviour modified by Synodinos (2001, 235–248), Azar (2016 146), Haghirian (2011, 22–23), Melville (1999, 116), and Schütte & Ciarliante (1998, 63).



**Figure 5 Japanese cultural context characteristics in consumer behaviour adapted by Synodinos (2001, 235–248), Azar (2016 146), Haghirian (2011, 22–23), Melville (1999, 116), and Schütte & Ciarliante (1998, 63).**

In this study, culture is seen as a diverse concept that affects the consumer, the company, and every aspect of the consumer market holistically. Each representative of the cultural factors is a unique individual and forms a unique context for cultural actors.

### 3 PRODUCT PACKAGING

The packaging delivers versatile functions: protecting, standing out and communicating with consumers, as well as being necessary for transportation and storage (Ferrell & Hartline 2014, 209). Packaging serves a number of important functions in marketing strategy. The primary functions are to protect the content from the outside world and, if necessary, to protect the outside world from the contents of the package. (Ferrell & Hartline 2014, 209.) It can be noted this is a task of packaging design to ensure that packaging and its contents remain in fine condition, possibly with long and time-consuming transport and after storing the product. Nevertheless, the packaging serves other functions to communicate and participate as an active party in the daily life of the consumer and the brand. Rundh (2009, 155) demonstrates the terminology for packaging as the colourful container or wrapper is called the *package*. The package includes three levels of material – primary package including basic package or product’s immediate container, for example internal wrapper which is called *packaging*, secondary package which refers to additional layer of protection that are to be removed when product is ready for use such as can, outer wrapper or paper box; and shipping package that is a grand package such as jute bag, carton or hard/solid box or outer container in which various primarily and secondary package units are placed for handling, storing or transportation. The term *packaging* refers to all types of packages. Most of the goods cannot be sold without packaging but packaging is optional, and goods can be sold without it. In addition, packaging contributes to attracting consumers, is informative and provides many details, specifically in capturing consumer’s attention. (Rundh 2009, 156.) The rising competition between companies and brands to catch consumers’ attention has developed into intense battle ground as the decision made at the point of purchase has become more relevant, and therefore advertising and the product itself can be less insufficient (Wells, Farley & Armstrong 2007).

#### 3.1 Packaging design as a communication tool

Packaging serves numerous roles in all marketing contexts and has become a major competitive factor for companies to stand out to the consumer. Since packaging influences the purchasing decision and a misleading packaging can even lead to dismissal of the product, it is more crucial for companies to develop packaging that meets the needs of the

consumer in the market. Businesses are also seeking competitive advantage by developing packaging communications. Therefore, it can be noted that packaging has become an effective marketing tool in recent times as it is the first object that a consumer sees from the product. Therefore, packaging is on the centre point in attracting attention (Ampuero & Vila 2006, 101). Underwood et al. (2001) implies that consumers tend to visualise characteristics of how a product feels, sounds, tastes, looks, or smells while examining product attributes on the packaging (Silayoi & Speece 2007, 1497). Triggering senses are associated with sight, implying that e.g., colours on packaging are used as instruments that influence feelings and moods of customers (Erenkol 2015, 12). It can be noted that the essential characteristics of the packaging design can become efficient in marketing communications. The packaging design is required to ensure that consumer reaction is favourable and that they find it positively. (Silayoi et al. 2004, 610.). Eventually, the objective of a packaging design is to meet marketing goals by specifically communicating a consumer product's function, brand's personality and generating a purchase. Moreover, it has a fundamental role in influencing consumer's purchase decision as it draws attention on the product itself as well as promotes the brand and content (Lehtonen & Uusitalo 2011, 16). In addition, the significance of packaging design and the use of packaging as an instrument for communication is increasing as packaging performs as part of the other marketing communications elements. This can be due the fact that consumers may not reflect brands exceedingly before entering the store. (Silayoi & Speece 2005, 1495.) The immensity of consumer choice brings about product competition which promotes the need for differentiation. In today's consumer society, products and packaging designs have become so interconnected that they might not be perceived as separate objects (Klimchuk & Krasovec 2014, 39).

### **3.2 Packaging design elements**

As mentioned previously, a packaging communicates through different elements (Silayoi et al. 2007, 1496). In order to accomplish the communication on goals efficiently and to optimise the potential of packaging design, companies should understand the consumer response to the external appearance and combine the emotional procedures into the design (Nancarrow et al. 1998). The way how consumers see the packaging elements and its significances depends on the consumer context, which is found essential for a prospective



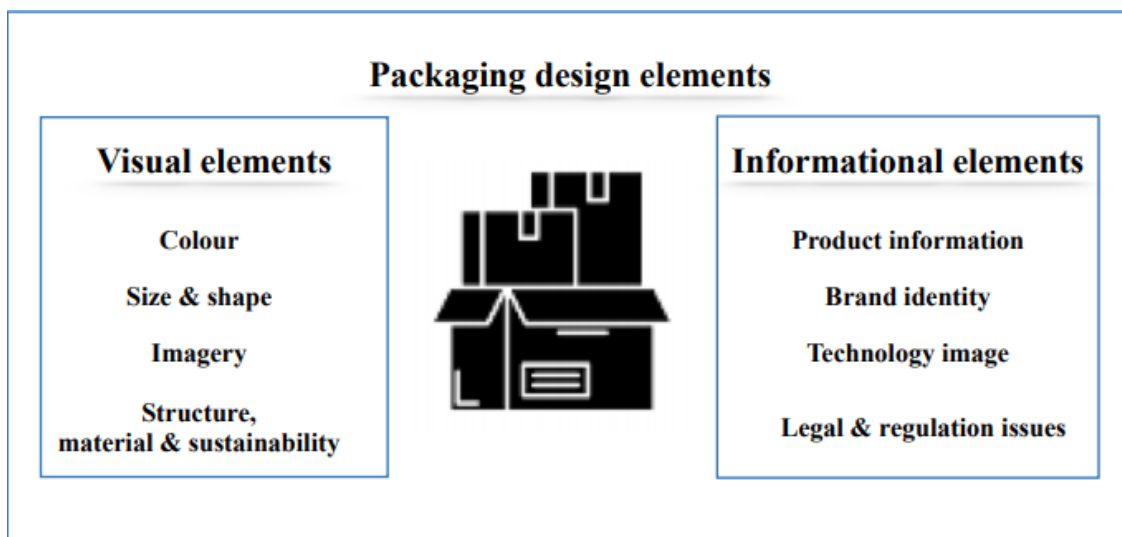
company to be aware of, in order to optimise the product marketing (Silayoi & Speece 2004, 624). The first thing a consumer interacts with on the product is its packaging; when a product's core element such as name, packaging and logo are the first things that are notified (Rope & Pyykkö 2003, 178). Various researchers have defined packaging design elements of which not all are necessary to use in the research. The elements of packaging could be classified in various ways. The following table 1 describes different classifications on packaging design elements.

**Table 1 Classifications of packaging elements**

<b>Researchers</b>	<b>Classification</b>	<b>Elements</b>
Ampuero and Vila 2006	Graphic and structural	Graphic elements: colours, typographs, graphical pictures & formats & structural elements: the size, materials, and format
Underwood, Klein and Burke 2001	Visual and structural	Material, text, colour, pictures, size, structure, and texture.
Silayoi and Speece 2004	Visual and informational elements	Graphic, colour, size, shape, product information, technology image
Draskovic, Ruzic and Pavicic 2011	Communicative dimensions	Colour, size, packaging material, carried information, graphics, shape
Klimchuk and Krasovec 2012	Primary and secondary	Primary: essential information required by the marketer or the regulatory; secondary: supplementary aspects
Bloch 1995	Verbal and non-verbal	Individual and situational

As shown in the table 1, there are various ways to classify packaging elements. The fundamental findings from table are that some of the researchers have preferred to separate elements into two categories: optical and constructional. Therefore, the researcher decided to use a similar practice and divided elements into visual elements and

informational elements. Silayoi and Speece's (2004) model seems the most accurate model to follow for the purpose of the research. For visual element category, the following four elements are chosen: *colour*; *size and shape*; *imagery*; and *structure, material, and sustainability*. Colour and size/shape are chosen because they are seen as fundamental visual cues and used often by many researchers. Some researchers use graphics to describe visual cues in the packaging, however graphics include colour combinations (Silayoi & Speece 2004, 612). However, colour and colour combination are studied as one element in this research. Therefore, imagery was chosen to describe visual differentiation other than just a colour. Structure, material, and sustainability was introduced by Klimchuk and Krasovec (2012) and are seen as some of the fundamental factors for visual cues in today's packaging design, and therefore have been chosen for the research. On the behalf of informational elements, product information, technology image and brand identity are chosen from the Silayoi and Speece (2004)'s model as seen as useful for the research. Legal and regulatory issues were introduced by Klimchuk and Krasovec (2012) and are seen as highly beneficial due Japanese strict regulations for product packaging. Figure 6 represents the research model adapted from Silayoi & Speece (2004), Bloch (1995), Draskovic, Ruzic & Pavicic (2011), Ampuero & Vila (2006) and Klimchuk & Krasovec's (2012).



**Figure 6 Packaging design elements adapted from Silayoi & Speece (2004), Bloch (1995), Draskovic, Ruzic & Pavicic (2011), Ampuero & Vila (2006) and Klimchuk & Krasovec's (2012)**

Based on the previous discussion, Fig. 6 is created to represent the synopsis model in this study. For visual element category, the following four elements are chosen: *colour*; *size and shape*; *imagery*; and *structure, material, and sustainability*. On the behalf of informational elements, *product information*, *technology image* and *brand identity* are chosen from the Silayoi and Speece (2004)'s model as seen as useful for the research. *Legal and regulation* attributed is introduced by Klimchuk and Krasovec (2012) and is seen as highly beneficial due Japanese strict regulations for product packaging.

### 3.2.1 Visual elements

When establishing a packaging design, it should be noted that consumers may assess packaging elements in various ways. In this study, visual elements are considered as colour, size/shape, imagery, and structure, material & sustainability. The merger of all these elements conveys the visual elements. Visuals on the packaging indicate detailed external information about the product. According to Herrington and Capella (1995, 15–17) the differential perception and the visuals settings can be perceived whilst examining the packaging at the store. This can be result in either identifying or missing the product attributes (Silayoi et al. 2007, 1498). Nevertheless, those considered eye-catching visuals can make the product stand and attract potential consumers (Rundh 2009, 999–1000).

*Colour* is considered as one of the most influential visual characteristics of packaging design (Silayoi & Speece 2004, 611). Consumers tend to recognise the colour of a packaging from all other visual elements. It can distinguish the product's personality and draw attention to the product and brand itself. (Klimchuk & Krasovec 2012, 107.) Since consumers associate certain colours with specific feelings or emotions, colour can be used in communicating various messages. When used correctly, it can differentiate product categories such as flavours, or scents within the product line. As a marketing instrument, colour is a subconsciously convincing influence as it can capture the attention and contribute to purchasing the product. (Klimchuk & Krasovec 2012, 85.) Moreover, Solomon (1996, 58–66) adds that colour's symbol and its meaning varies in different cultures, and therefore, the brand should be careful with the packaging colour selections. Choice of colour are influenced by socio-cultural factors for example current trends. Consumers

might follow a fashion or fab trends when choosing a colourful packaging at times. Moreover, regarding to colour/flavour index, some may vary on different kinds of food in different cultures, given the consumption behaviour and cultural food preferences (Sousa, Carvalho & Pereira 2020, 2). Brands that have more than ten products in their product family come with need for colour to help differentiate product varieties and to distinguish their brand from competitors. (Klimchuk & Krasovec 2012, 86.) Cheskin (1957, 80) claims that the range of the colours and colour codes can be a required method in establishing an effective packaging design. The packaging colour can have a substantial influence on consumers' capability to recognise the product, the significance conveyed by the packaging, and difference to other brands on the shelves.

*Imagery* can create visual excitement, memorable experiences, and recognisable interaction when used appropriately, and can capture consumer's interest. Visual imagery can be a tactical method to differentiate, which also enhances the consumer awareness. A well-designed imagery can invoke positive or unforgettable connection with the product (Silayoi & Speece 2007, 1497). Klimchuk and Krasovec (2012, 100) on the other hand argue that imagery should always communicate the brand personality and product attributes directly. Illustrations, photography, symbols, graphics, device, icons can be implemented in a multiple of shapes that generate a vivid visual language and deliver visual incentives. Illustration and photography can be used to communicate the centre in the hierarchy of design elements and personify the brand. Symbols and icons are influential tools for visual communication and in packaging design, these elements can become iconic that consumers seek them out and identify with them more than with the brand name itself. Lastly, graphics can be involved through colours on the packaging on which different symbols and indicators are placed. (Klimchuk & Krasovec 2012, 100.)

*Size and shape* can be seen as significant factors in the packaging design as size specifically impacts on the visibility of the packaging and how the product information is presented. Additionally, the packaging size, shape, and its extension influences on customer decision (Silayoi & Speece 2004, 612). Altered packaging sizes may potentially attract consumers in various involvement degrees. Silayoi (2007, 1499) argue that consumers may primarily interact with size and shape in order to make decision based on the volume. Size variations may influence different involvement for consumers (Silayoi & Speece 2004, 612). Some low involvement foodstuff, the lower price is implemented through cost savings by promotional expenses and decreased packaging. These are usu-

ally packaged in larger containers, which can be a target for bigger family-sizes. (Pren-dergast & Marr 1997, 58.) Bloch (1995, 22) assess that packaging shape can be a significant element in product differentiation. Moreover, creating packaging with geometrically simpler shapes can be an advantage for the company than creating geometrically complex shapes (Garber, Hayatt & Boya 2009, 220), implying that consumers may be comfortable with simple designs shapes that are easier to be carried with and stored at home. Whether the product quality is challenging to define, the size element becomes more effective (Silayoi & Speece 2005, 1499).

For many consumables, the physical structure symbolises the brand's visual uniqueness. Its *structure, materials and sustainability* protect the product providing the physical surface allowing it to be transported. The increase awareness on global warming, consumers regularly analyse packaging materials for their greenness, the use of recycled content as their ability to be reused or recycled. Regarding to the sustainability, the utilisation of natural resources should be taken into consideration for the product-specific packaging materials. The usage of appropriate labelling is necessary in order to communicate the product packaging as it shows it has been produced in a responsibly manner. (Klimchuk & Krasovec 2012, 104-108.) Holograms and other innovative materials can inspire consumers to come into contact with the packaging, and moreover to try the product (Rundh 2009, 999–1000). Nevertheless, research show high-quality, performance and functions are the requirements for the material can impact positively on consumer's purchase decision. The cautious consideration of production and material requirements is essential to develop responsible packaging design. Starting with *packaging structure*, the company should be familiar with how the package will be produced and printed, how the end-product is inserted, and how any technical finishing requirements will be executed. Being informed about the production procedures is crucial for the different kinds of forms and packaging materials used in the product. (Klimchuk & Krasovec 2012, 128.)

### 3.2.2 Informational elements

Informational elements are becoming progressively more important and influence consumer's purchase choice. Consumers tend to pass judgment on food product performance by studying the label if they are considering the product. Properly produced information on packaging creates stronger impact on the consumer's purchase. (Silayoi & Speece 2004, 624.) Researchers argue that when a consumer has a low level of involvement with

the product, visual elements have more influence on the purchase decision than informational elements. On the contrary, the informational elements may have more impact on the consumer's purchase decision while high level of involvement with the product. Similarly, informational elements can have more influence when a consumer has more time in product decision making. Nonetheless, since convenience has become central for food products, technology element is considered as a special case of informational elements as it is linked to convenience of food products (Warde 1999, 623).

The interaction of *product information* is significant element of the packaging that supports in consumer's decision-making process (Silayoi et al. 2007, 1500). Coulson (2000, 661–668) demonstrates the product information is displayed in the food labelling. The label shows the significant information that assists the consumer in decision making and product choices. However, packaging information have a downturn in misinforming or misleading through visual elements on the packaging (Silayoi et al. 2007, 1500). Food-stuff product expectations can be created from packaging elements such as product information and general stereotypes (Silayoi & Speece 2007, 1497). Information provided on packaging can also have an impact on consumers expectations, and therefore influence emotional reactions (Ng et al. 2013, 148; Spinelli et al. 2014, 115). Additionally, one of components in product information is called *romance copy*. Klimchuk and Krasovec (2012, 77) define this as a description of the product's personality attributes and it states for storytelling and often smaller than the other types. *Romance copy* is an opportunity to explain the story behind the brand. It is not obligatory to include romance copy but adding a narrative is ideal way to attract consumers a brief glimpse into brand's journey. (Ortiz 2019, 107.) Romance copy is separated from the brand and product name. The product's personality and the size of the packaging often determine how romance copy is utilised.

*Brand identity* states for the important elements of brand. These include the name, colours, symbols, and other design elements. Brand identity combines these elements into one structure (Wheeler 2013, 143). The visual combination of these elements identifies the brand and provides to differentiate the product. Brand identity can also create an emotional connection with the consumer. Brand's identity begins the process of impressing an aesthetic narrative onto potential consumers. Together with a brand's logo, typography contributes immensely to that brand's visual image. Typographic can make its first and long-lasting impression and therefore, typography play then a pivotal role here. Sometimes product name and brand name are the same, therefore product name will be the

most important typography on the packaging design. (Klimchuk & Krasovec 2012, 75–76.)

*Country-of-origin image* states for the overall perception of a specific country based on consumer's personal perception and expectations of the country's marketing and production (Roth & Romeo 1992, 485). Consumers are known for forming a perception of the image of countries by simply mentioning the name only. Additionally, country images can influence consumers' decisions to purchasing, investing, and traveling (Kotler & Gertner 2002, 42). The emergence of global brands increases issues whether brand-image demands influence on consumer's reactions in different countries. An international company that has entered numerous consumer markets should recognise the national qualities that influence on brand-image strategies. Country images may include stereotypes or interpretations of the truth image that might not be precise or not be outdated based on individual's expectation or experience. Even pronunciation of spelling the brand name may have influence on attitudes and product perceptions. (Kotler & Gertner 2002, 42–43.) Research shows that consumer can universally use country-of-origin as a sign of value (Papadopoulos & Heslop, 2002, 297). According to Schütte and Ciarlante (1998, 67–68), Japanese consumers are known for rating domestic products, and those from developing countries highly. They argue that Western and Japanese names of brand can play pivotal role for consumers for delivering an assurance of high quality and status. Japanese consumers typically perceive Nordic countries like Finland with purity and nature. Moreover, Finland shares generally a positive image among Japanese consumers (Aalto university 2016). The country-of-origin can be used as a substitute for quality, whether the brand or product category remains unknown for the buyer. Therefore, this particular brand from a country with perceived status background may serve as an advantage for Japanese, based on the product category and perception of the country's image. (Schütte & Ciarlante 1998, 67–68.)

*Technology image* states for that packaging should fulfil additional functions. These include construction, functionally designed and adequately printing method as well as the contained information and eco-friendliness. Packaging design is created by technology image according to recent trends and consumers' behaviour and attitudes. Packaging typically serves core functions which include instruction of usage, communication of information and functionality. Primarily, instruction of usage shows how the product is used. Communication of information helps consumers in purchasing process. (Silayoi

et al. 2007, 1500.) Moreover, technology reformed the use of typography (Klimchuk & Krasovec 2012, 80).

The recent developments in technology have improved in the role of packaging in marketing communication (McNeal & Ji, 2003, 421). Technology image is perceived as a relevant element among other informational elements as packaging technology delivers information connected to consumer's everyday life. It can be noted that convenience aspect has become central for foodstuff products, and some consumers show concerns about timesaving (Silayoi & Speece 2004, 621). Technology functions include protection and locking function, implying the function that protects the content and packaging from outside damage caused by moisture, dirt, impact, scratching and other influencing forces. In addition, heat-insulating materials keep the foodstuff edible, and locked boxed protect from theft. The packaging's storage function can also improve the shelf life. Lastly, usability functions states for reusability for purposes such as decoration or storage matters, and if necessary, of the packaging material is recyclable. (Coles, McDowell & Kirwan 2003, 7–9.)

*Legal and regulatory issues* state for that the packaging design should follow relevant regulatory standards and government legislation. The area such as country or region in which the product is produced, packed, transported, and sold, and to which it is imported or exported, may have specific guidelines concerning the packaging design. "Product labelling, including ingredients, nutrition information, product claims and bar codes; and brand logo and/or trademark registry are among the legal issues to be concerned." Labelling requirements offer consumers accurate information about the quantity of a content and facilitate value comparisons. (Klimchuk & Krasovec 2012 143–145.)

### **3.3 Japanese packaging**

One thing Japan is specifically known for in the world is their effort on delivering extraordinary packaging designs (Grodinsky 2005, 6). As mentioned in the previous chapters, Japanese consumers tend to demand so-called perfection from packaging as they place a strong emphasis on aesthetic appearance of products. In other words, Japanese consumers pay not only attention on the content, but also on the external appearance of the product packaging they intent to purchase (Genestre et al. 1995, 24; Marber & Wellen 2007, 202). Since consumers believe in the significance of the external looks, therefore



Japanese companies exert in creating packaging designs that aim to please domestic consumers. Packaging is huge business industry in Japan as it has the highest per-capita consumer of packaging materials in the world. It can be noted that there is a strong correlation between food and the packaging industry, and therefore it causes problems such as over-packaging. (Dodd & Richmond 2011, 6.) This can be, to some extent, due hygiene, and regulations of which the major factors seem to be tradition, ingrained customer expectations and inertia. Domestic firms invest enormous amount of money on packaging design when launching a new product, and they also put effort on advertising the altered or changed packaging design on printed media and TV. (Ishii et al. 2010, 32.)

### 3.3.1 Gift-giving culture and traditions

Gift-giving and presentation of a gift have always been considered significant part of the Japanese culture. This has also resulted in the whole packaging industry to grow alongside the gift-giving culture. Packaging has developed into the extend that is considered as a fine art. (De Mente 2011, 81.) Japanese history is rich in traditions of gift-wrapping, and one traditional gift-wrapping technique is called *furoshiki* which is a common for wrapping and transporting goods. Using *furoshiki*, a piece of fabric is used for wrapping gifts so that there will be no paper waste. This is also an ecological option as the fabric can be reused. (Chiba 2012, 38-39.) On the other hand, *tsutsumi* signifies the gift-wrapping method where the presentation of a gift is wrapped in a protective way, using simple materials and colours to make it look elegant. In modern Japan, *tsutsumi* wrapping states for presenting the gift often without concealing or even wrapping it completely, but endorsing the shape of the gift. (Sasanti & Milanguni 2018, 3.) Japan's commodity packaging, especially gift packaging, has a strong national character, reflected in its patterns. The use of styles, text forms, and the use of colour are all strongly suggestive of appearance and style, and seemingly arbitrarily arranged points, lines, and faces are full of the emptiness and charm of traditional Japanese culture. (Minowa et al. 2011, 45.)

Japanese are proud of their wrapping and packaging skills and they have been exporting these ideas globally. The idea of wrapping and the care taken with it reflect the sentiments of the giver, and that the Japanese always consider it disrespectful to hand out an unwrapped, unconcealed object from one hand to another by the cultural means. Without wrapping, the gift would fail to carry the message as properly intended, and the procurement and delivery of the gifts one is obliged to present may indeed be a very time-

consuming and troublesome activity. (Hendry 1995, 23.) Haghirian (2008, 58) demonstrates that Japanese people typically hand out gifts out of obligation, but also out of gratitude or regret. These acknowledgements may include rigorous guidelines for packaging design, price, and types of the gift. Therefore, the packaging, price and the brand of the gift needs to align with the status of recipient and the giver prior to hierarchical structure of the Japanese society.

### 3.3.2 Kawaii-ness – the cute and attractive packaging

The attractive attributes in a packaging design that state the *kawaii-ness* are highly relevant matter for creating the communication tool for the packaging and stand out from competitors. In modern Japanese language the culture of cuteness has regularly been attributed to the word "kawaii". *Kawaii* is a straight translation to "cute" in Japanese and is a widely-used product attribute everywhere in the market. Similarly, *Kawaii* is identified as related dimensions of physical, emotional, and sexual (Yano 2004, 57), and the spread of cuteness is also promoted and encouraged in the commercial sectors. *Kawaii-ness* is promoted with cute colourful visuals, shapes and characters that can be a company mascot or unrelatable animal figure. It is used for reaction or feeling of things that are not threatening. A high-quality product is seen somewhat distant if it misses the kawaii nuance, and therefore considered as unapproachable. (Grant, Alejandro & Russell 2014, 79.)

The relationship of cuteness and Japanese culture has built on numerous various stages in the country's cultural nature. The culture values youthfulness and the fascination with the sexuality of young girls is more of casual social attitude. (New York Times 13.3.2014.) Cuteness also represents the opposite of Japan's harsh reality of long working hours and social pressure which allows consumers to escape from the realities of life. As adults, Japanese are expected to conform strict social norms and values. Japanese women still live in a society where single women in their 30s are referred as "leftover Christmas cake", implying that they are past their expiration date. Japanese women mainly wear masks for "*dake masuku*" as in to show they did not have time to put on make-up and do not consider themselves cute enough for public. (Mosaic 18.7.2016.) Nevertheless, Japan remains to be depended on kawaii-ness as a thriving export, utilizing women as the central selling models. This which can be perceived as sexist and demeaning in the Western counterparts. (Unseen Japan 11.3.2019.)

The connection between sexism and cuteness is showed in the society by portraying a strong and confident woman as innocent and naïve (SavvyTokyo 13.2.2020). Sato

(2009, 42) believes that cuteness signifies the changing conditions of Japanese culture from the women and children's perspective who are perceived as having pressed roles of incapable and obedient dependents to men. On the other hand, some researchers demonstrate that the acceptance of cute characters has been compounded by modern marketing strategies. Even companies use cute mascots and characters when selling not-so-cute products or services, for example marketing insurances. (Japan Today 6.1.2014.)

### 3.3.3 Future foresight with greener packaging

Almost everything in Japan is neatly wrapped in plastic, from individual fruits to on-the-go foodstuff. According to the United Nations, Japan uses more plastic, on average, than both China and the European Union as a whole (Washington Post 18.6.2019). Packaging is still excessive, and appearance still comes before function. The average Japanese consumer does not understand the lengths to which other countries go to protect their environment. Eco-integrity is still at such an early stage in Japan that there is little competition for environment-friendly products and packaging, and there are several opportunities for companies to exploit this developing interest, which is appealing to a sense of responsible buying will tip purchases in company's favour. (Johnston 2014, 27–37.) However, Seven & Holdings Co., which is the parental company of 7-Eleven, announced that they will start packaging rice balls into bioplastic wrappers. The changes are part of a campaign to reduce plastic waste and consumption of materials manufactured from fossil-fuel supported by Japanese companies, with the aim to become greener utilize more plant-derived packaging. (Global Citizen 26.6.2019.)

It is not unusual to find a QR-code attachment in various Japanese packaging these days. Schütte and Ciarlanta (1998, 85) demonstrate the QR-code as an insight function of which the product might serve in order to gain effective positioning in the market. Depending on the function and the local market, it can give a significant advantage from packaging and marketing communication perspective. The usage of QR-code has gained popularity in Japan and its function is to encode a straight access to a specific mobile website. QR-codes are easily visible everywhere and accessible at any time, so they are often scanned by consumers. The benefit of QR-codes is allowing the consumer direct access to website or to the detailed information for the product or brand, while allowing the company to capitalize by reaching the consumer with a targeted message at any given point. This is perceived as timesaving function, allowing the brand's marketing campaign

effectively. (GS1 Japan 2020.) Japan's packaging design serves a market-ahead of innovation. As an example, The Japanese skincare company Rohto released a limited-edition product of a photogenic sunblock that is designed to be photographed - meaning they printed the entire label in reverse, so it will be readable on photos especially when posted on social media. Japanese companies are known for being the market pioneers in innovation, therefore it will not be a surprise if other brands followed this trend. (Fast Company 2.12.2019.)

In conclusion, Japanese packaging design possesses prominent traditional culture, as it delivers the traditional culture in terms of form, colour, and material. As an example, using a red colour for hot food with a fire sign on the design, and therefore the buyer can recognise the product inside for these signs. Japanese food packages utilise not only colour and design but also shape, material and quality of the container to let the consumers know the content. Japanese consumers tend to demonstrate great respect for goods produced by the large domestic corporations which hold famous brand names and image, frequently such corporations are well-known Japanese firms. Japan has a prolonged history of traditional packaging habits and continues develop those that fulfil the needs of both environmental accountability and the cultural significance. The presentation should both prompt actual attraction to the product and possible purchase, but also act as a sign to what consumers can expect from interacting with the product. Johnston (2014, 38–39) has defined the following communicative features important (Fig. 7): *gift-giving culture*, *high-quality standards*, *localized labelling information*, *simplified design*, and *pure and clean exterior*.

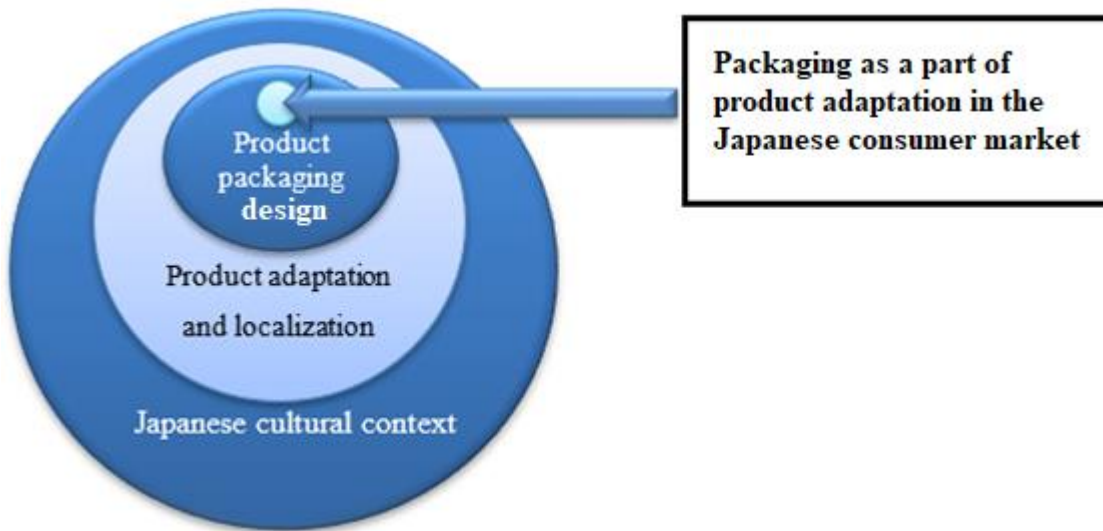


### **Figure 7 Japanese preferences on product packaging**

Based on Johnston's research, five product packaging features are introduced that communicate a good quality. Additionally, it can be noted how Japanese values are communicated inherently in the nature of packaging: the Japanese word for clean means also beautiful - this reflects the deep-rooted Shinto religious belief that being clean states for being beautiful. Glamorous refers to the importance of gift-giving tradition in Japan makes the importance of having glamorous packaging key in consumer's purchase decision. The neatness represents the expression of quality of packaging. Japanese consumers tend to not buy a product in a packaging that is seen any way of lower quality of what the set price or the product is. Packaging and labelling should be straightforward, easy to understand, entirely and properly translated into Japanese, and preferably not limited to having a Japanese sticker on top of the English information, which could be construed as lazy. Lastly, Packaging design should be simplified as it gives a sense of higher quality which is always attractive to Japanese consumers.

### **3.4 Theoretical framework**

Japanese consumer market remains appealing market to global companies, whereas product packaging is aesthetically appreciated by the demanding consumers who are prepared to pay higher price for high-quality products. Localization is a necessity for international markets such as Japan that possess unique consumer behaviour. Thus, the theoretical framework reviews the Japanese cultural context, product adaptation and product packaging as a marketing communication tool. These three main research fields are analysed in the Fig 8.



**Figure 8 Theoretical framework**

Based on the literature presented in the previous chapters, the theoretical framework elements that are central to the purpose of this research have been assembled in the theoretical frame in the Fig. 8. From the Japanese consumer cultural context viewpoint, the key elements based on the literature are cultural dimensions, product adaptation and localization and Japanese consumer behaviour. For product packaging perspective, packaging design elements visual and informational, are identified based on the literature: colour; size and shape; imagery; structure, material, and sustainability; product information; brand identity, technology image; and legal and regulation issues. Additionally, consumer preferences on Japanese packaging and further analysis are discussed.

However, there are not much available previous research literature on product packaging adaptation in the Japanese consumer market. Additionally, it is advisable to analyse further the cultural requirements for product adaptation and consumer market expectations for packaging design elements in the Japanese consumer market. In the middle of the Fig. 8 the box illustrates the role of the packaging as a part of product adaptation in the Japanese consumer market. These key theoretical guidelines, among other literature, are utilised in the empirical section of the study. Empirical research, together with theoretical analysis create the basis for the results of this study and the conclusions drawn from them, which helps to respond to the purpose of the research.

## 4 METHODOLOGY

### 4.1 Research approach

The term *methodology* states for the approach how research objectives can be sought and solved. In social sciences particularly it relates to the method how the research is conducted. The researcher is free to choose the methodology based on interests, assumptions and purposes related to the research topic likewise. Some researchers argue that debates over methodology approaches are rather debates over purposes and assumptions than over theory and perspective. (Taylor 2016, 3.) There are several key questions to contemplate when choosing a research approach. Tracy (2013, 25) states a qualitative methodology that it suits better for richly describing scene than a quantitative methodology tool, or for understanding narrative life stories. Silvermann (2000, 1) defines qualitative and quantitative research methods present different approaches for the researcher to choose from and the selected research method depends upon chosen research topic and allocated objectives. Vilkkä (2015, 43–44) argues the choice of research methodology and adequate scientific practice altogether can bring new perspective into professional research field of study. Therefore, it can be noted that the variety in choice of research methodology approach should be preferable wide-ranging.

Qualitative methods seek to gain an insight of the fundamental explanations and motivations and establish how the world can be interpreted by people's experiences (Suter 2012, 345–347). Töttö (1999, 284–286) states qualitative research method regularly answers the questions of what and how. The quantitative research method in turn questions how much and why. According to Alasuutari (1994, 187–202), why questions are also important questions in a qualitative research method, and that research conducted with a qualitative research method should answer what and how questions in addition to at least one why question (Vilkkä 2015, 44–45).

For this thesis, the qualitative method was the chosen research approach for several reasons. The research topic aimed to find personal opinions from certain target group and therefore the qualitative method was seen as the most suitable approach for the study. The researcher finds qualitative research method gives an opportunity to understand complex phenomena and therefore conforms with business-related trends as it offers new insights and creates new understanding on why and how these phenomena work in real-life context. (Eriksson & Kovalainen 2011, 3.)

## 4.2 Research strategy

### 4.2.1 Case study

Case studies are extensive contextual analyses of one or a few examples of a realistic phenomenon such as a person or an organisation. Yin (1994, 56) suggests case studies are empirical probes of environmental phenomena where the relationship is not apparent. Therefore, a case is studied to provide an answer to a new theoretical concept or to an existing theory. Eriksson and Kovalainen (2011, 115) argue that a case study research has capability to present complex business issues in a personal and accessible design as business-related study is regularly practical and normative. In order to analyse the packaging as a part of product adaptation in Japanese consumer market, it is mandatory to select a company for the case that carry out stated requirements. Choosing the case plays a vital role in a case study research where the target segment should be narrowed down for the research. Some argue that the key issue for selecting a case should be aligned between the consistence and the research problem in order to match within the theoretical framework (Marschan-Piekkari & Welch 2004, 112). For this research, a single case was selected as it was seen adequate for the length and depth of the data for the research.

### 4.2.2 Case company: Goodio

Chocolate is known as one of the world's most notorious guilty pleasures, but founder and chief creative officer Jukka Peltola created a chocolate that is not only tasty but also good for health (Delimarketnews 27.6.2019). Founded in 2015, Goodio is a Finnish raw chocolate manufacturer placed in the city of Helsinki. The current CEO of the company Sami Nupponen believes in pure ingredients, transparent operation, and good-tasting delicacies. Goodio's chocolate products are handcrafted from organic ingredients with the least possible handling in the factory process. The company was fundamentally created on the principles of sustainability, well-being, and transparency. Company's vision is to bring Nordic-inspired flavours in a form of a chocolate brand for the global consumers all over the world. Goodio wants to focus on organic and nutritious ingredients and use unique yet local Nordic flavours such as wild blueberry and sea buckthorn. (Business Finland, 16.11.2018.)

Goodio has gained popularity and fame for a small-sized enterprise in Finland and around the world. The CEO Jukka Peltola discovered cacao as a superfood while looking



for alternatives for sugar snacks which are often associated with unhealthy chocolate bars. The cacao is obtained from African and South American farms and the company uses natural raw cacao. (Goodio website.) Mr. Salonen identified cacao as an ingredient that had the most room for improvement when it came to sustainability and paying the farmers fair prices. As a result, he decided to start doing chocolate himself. The company has been on a mission since the beginning to speed up positive change with the world's premium chocolate.

Although Goodio has been in business less than five years, the company has been granted several awards worldwide. The company's development has been quick due to spending most of its profits on expanding the enterprise by pursuing market share in 14 countries including Europe, the United States and Asia. The United States and other Nordic countries remain the largest export markets, followed by Japan. (Vegconomist 2.8.2018.) Goodio's vision for near future is to fundamentally change the structure of the food industry and consumption towards endorsing health-promoting foodstuff; and to achieve total transparency that includes openness on ingredients, recipes, sourcing, and value chain, as their tagline "It's all good" means adding well-being in a multitude of ways. (Delimarketnews 27.6.2019.)

Since the purpose of this study was to analyse packaging as a part of product adaptation in the Japanese consumer market, Goodio was seen as an accurate advocate to support the research objectives. The research aim was to interpret such a phenomenon that has been somewhat overlooked and find new perspectives to deepen the understanding of cultural expectations for the product packaging design in the Japanese consumer market. Furthermore, Goodio's product packaging has received appraisal by the local consumers - similarly, craft chocolate is a relatively new good for the markets. All these aspects combined to provide a fascinating topic for the researcher to work on for her research, coupled with a personal interest.

### **4.3 Data collection**

#### **4.3.1 Data collection design**

Empirical data can be collected by using numerous types of data collection methods for the objective. Creswell (1994, 149) demonstrates four distinct methods to collect qualitative data including interviews, observations, visual images, and documents, which are also used in this research. These could include such as empirical data being collected by

asking the interviewees to write, draw or present ideas in various ways. (Eriksson & Kovalainen 2011, 78.) In this research, primary data was collected by conducting structured and semi-structured interviews. Interviewing participants is one of the most used methods for collecting qualitative data. Different types of interview produce somewhat different information. Personal behaviour and candidate assumptions should be taken into account while conducting the interviews. It is recommendable for a researcher to stay respectful, maintaining appropriate limits during the interview. (Tracy 2013, 131–133.) The researcher spent a great amount of time planning the interview structure. The interview questions shall not be too prescriptive or too difficult to understand. Two types of interview forms were conducted, and the questions and frames differed from each other. The expert interview frame was designed more for self-focused questions for each three interviewed professionals, while consumer interviewers remained the same for every participant.

The research process began in autumn 2018 when the researcher approached Business Finland Japan by directly contacting Masahiro Kimura, a senior advisor who immediately recommended Goodio for the case company. He praised Goodio for its breakthrough in the Japanese market including their exclusive packaging design, packaging material and brand establishment. Without hesitation, researcher was convinced to contact the company directly for further questions. A prompt response and agreement from the company's business development manager Iida Korhonen, showed delight to be part of the thesis as a case company. Furthermore, the researcher was recommended to interview a localization specialist Marika Kärnä who co-operated with Goodio in the Japanese market. To support the choice of Goodio company, the researcher approached Masahiro Kimura for a third expert interviewee in order to obtain more in-depth knowledge about the Japanese consumer market. The localization specialist Marika Kärnä was interviewed first due the schedule timings, Masahiro Kimura as a second in Tokyo while researcher was visiting there for consumer interviews, and lastly Iida Korhonen to gain in-depth data from company's perspective. Both consumers and experts' perspectives were chosen for the research to obtain wider perspective of the sub-objectives that are discussed in the study. The researcher argues that conducting only consumer interviews would not have given enough relevant for the study. Therefore, she decided to add research perspective using a case company. This method was seen suitable interview technique to gather the most suitable information in an appropriate order. The collected data provides information that can be interpreted by theory in the data analysis phase.

The researcher, the interviewer, conducted practise interviews for one English speaking participant and for one Japanese speaking participant in advance. She went through the test interviews to identify possible problem areas as well as additional questions that the interviewer might have asked in the test interview situation. According to Hirsjärvi and Hurme (2010, 59) it is essential to practise interview questions with a few potential interviewees at first. This allowed the researcher to try out original ideas as well as direct research. Interviewees were approached through various channels such as phone, e-mail, or social media channels. The interviews were conducted in various business premises such as cafes, restaurants, corporate workspaces when the interviewee had personal spare time. For this research, six different product packaging designs were chosen from two product lines, two from Nordic flavours and four from the original product line. The researcher chose following packaging designs based on the variety in colour and graphics which are pictured in Fig. 9.



**Figure 9 Product packaging material used in consumer interviews (photos by me)**

#### 4.3.2 Expert interviews

Creswell (1994, 148) proposes it is appropriate to decisively choose interviewees who possess essential knowledge about the research topic, and who could answer the best to the research questions. Eriksson and Kovalainen (2014, 52) point out that previous interview candidates can suggest other potential and relevant candidates for the interview

which is called a network sampling technique. Similarly, while conducting consumer interviews, a few participants introduced a colleague or companies for the research. According to Hirsjärvi (2009, 164), candidates should be selected due personal knowledge and experience with the research topic, which fulfilled its potential after Mr. Kimura introduced the previously mentioned experts. Therefore, the three expert interviewees were selected on behalf of Masahiro Kimura and Goodio's recommendation. The purpose of the questions was to emphasis more broadly on the company's success in the Japanese market, the challenges in general, as well as consumer expectations on packaging design elements. Semi-structured interview method was chosen for the expert interviews as the they were expected to give broader opinions and visions about the research objectives.

There is a great degree of closeness and personal involvement between the researcher and participants which signifies the emphasis placed on the researcher. However, issues to be considered in the process concern trust, status, and communicative competencies. Confidence and trust between the participant and researcher are built through involvement and interest by using researcher's competencies in communication. Having a good interpersonal skill and being skilful at social interactions are seen an advantage trait for the researcher as building a bond begins at the start of the research process. (Daymon & Holloway 2010, 235–236.) The expert interviews were taking place first in order to find more specific and pedantic questions for consumer interviews. Moreover, the whole interview can be more relaxed. (Eriksson & Kovalainen 2008, 82.) The following table 2 summarises the experts interviewed for the research.

**Table 2 Summary of interviewee experts**

<b>Interviewee</b>	<b>Company</b>	<b>Interview date</b>	<b>Interview time</b>	<b>Place</b>
Marika Kärnä (specialist)	Kidemaa	18.2.2019	1h 30 min	Roasberg café / Helsinki
Masahiro Kimura (senior advisor)	Business Finland Japan	8.4.2019	40 min	Embassy of Finland / To- kyo
Iida Korhonen (VP, business de- velopment)	Goodio	25.4.2019	45 min	Skype inter- view/ Helsinki

Marika Kärnä is a MSc. in Economics and Business who started working about 2.5 years ago in a company called Kidemaa that is focused on e-commerce and delivering products to Asian countries. The online store was founded around four years ago and currently offers fine-selected Finnish high-quality products and can be easily found and purchased by Asian consumers. Kidemaa was established due the reason of that Finnish products has always had interest among Asian consumers and such online store was not in the market yet until now. Goodio is one of the products that is available on Kidemaa's online store as it represents a pure Finnish high-quality product that fascinates Asian consumers. Kidemaa provides the translation and localization work for Finnish companies.

A senior advisor Masahiro Kimura has been working on the current organization for 20 years, whose office is based on the embassy of Finland and Business Finland accommodation. His position was executive of a company to execute business contracts between Japan and foreign companies. And this is how he ended up working with Finnish companies now. Business Finland's main target is to support internationalisation processes of the Finnish companies, and one of the focus is to promote the export from Finland to foreign countries. In 2018 the organisation changed their name into Business Finland. Their main role is to help, alongside Goodio in the initial stage in this process until then the company can stand on their own feet in the targeted foreign market. Moreover, he continues to support companies such as Goodio in giving advises and aid if needed. Mr. Kimura is also well-known for establishing Chocolat Finland event organisation in 2017.

Ida Korhonen works as a business development manager for Goodio and represents the company's voice in this research paper. She has been working for sales the whole time 3.5 years in the company, specifically focusing on domestic and North European sales, thus later the United States and later Asian markets. Due to her culinary experience in the United States, her desirability as a candidate was increased for Goodio. Currently Japan is a target market for Asian countries because the packaging and Goodio products are suitable there and local consumers are also interested in Finnishness.

#### 4.3.3 Consumer interviews

Interviewing is an effective and versatile method for collecting qualitative research (Keegan 2009, 73). Structured interview method was selected to find answers and opinions for

detailed questions related for consumer interviews. Silvermann (2000) claims that the way of controlling for trustworthiness is to have a highly structured interview, with the same format questions for each interviewee. Furthermore, the structured interview is useful when the researcher is informed of what she does not know (Lincoln and Guba (1985, 269). Therefore, semi-structured expert interviews were conducted first, following with consumer interviews. Planning the interview questions were constructed deliberately (see Appendix 1-5). Since most of the participants wished to remain anonymous, all the consumer interviewees have been renamed to protect their anonymity. Table 3 summarises the conducted consumer interviewees including all the interviewed candidates, the gender, age, the date, duration of the interview, place, and interviewed language.

**Table 3 Summary of interviewee consumers**

Interview participant		Sex	Age	Interview date	Interview time	Place	Language used
1	Informant 1	F	30s	3.4.2019	40 min	Japan	English
2	Informant 2	F	30s	3.4.2019	32 min	Japan	Japanese
3	Informant 3	F	30s	4.4.2019	30 min	Japan	Japanese
4	Informant 4	F	40s	4.4.2019	20 min	Japan	Japanese
5	Informant 5	F	30s	4.4.2019	40 min	Japan	Japanese
6	Informant 6	F	20s	6.4.2019	35 min	Japan	Japanese
7	Informant 7	F	20s	6.4.2019	30 min	Japan	Japanese
8	Informant 8	F	20s	9.4.2019	25 min	Japan	English
9	Informant 9	F	30s	11.4.2019	30 min	Japan	Japanese
10	Informant 10	M	20s	11.4.2019	30 min	Japan	English
11	Informant 11	F	30s	24.8.2019	40 min	Finland	Japanese
12	Informant 12	F	20s	26.8.2019	20 min	Finland	English
13	Informant 13	M	20s	4.11.2019	20 min	Japan	Japanese
14	Informant 14	F	20s	6.11.2019	25 min	Japan	Japanese

15	Informant 15	F	20s	6.11.2019	20 min	Japan	English
16	Informant 16	M	20s	7.11.2019	35 min	Japan	English
17	Informant 17	F	30s	7.11.2019	30 min	Japan	English
18	Informant 18	M	30s	8.11.2019	30 min	Japan	English
19	Informant 19	F	20s	8.11.2019	20 min	Japan	Japanese
20	Informant 20	F	30s	8.11.2019	20 min	Japan	English
21	Informant 21	F	20s	9.12.2019	30 min	Finland	English
22	Informant 22	M	30s	31.1.2020	30 min	Germany	English
23	Informant 23	F	30s	31.1.2020	25 min	Germany	English
24	Informant 24	M	30s	31.1.2020	25 min	Germany	English
25	Informant 25	F	20s	31.1.2020	25 min	Germany	Japanese
26	Informant 26	M	20s	4.2.2020	20 min	UK	Japanese
27	Informant 27	F	20s	6.2.2020	30 min	UK	Japanese
28	Informant 28	F	40s	7.2.2020	20 min	UK	Japanese
29	Informant 29	M	20s	8.2.2020	20 min	UK	English
30	Informant 30	F	30s	10.2.2020	30 min	UK	Japanese

Japanese consumers aged 20–45 from a variety of educational and professional backgrounds were selected as participants for the consumer interview which were conducted in four different countries during the period of 2019–2020. The researcher has a wide circle of Japanese colleagues and acquaintances, and this was leveraged as an advantage in finding the most suitable interviewees. There were no specific requirements, but the researcher desired to reach as broad range of answers from all types of work and study background of consumers. The first part of the consumer interviews was found to be the most arduous challenge with arranging the interview meetings and times in Japan, Germany, the United Kingdom and Finland. This was due to the fact that chosen suitable candidates were living, working, or studying during the interview period in these four

countries. The quantity of 30 interviewees was seen to provide the researcher with sufficient data and a broad range of the questions. This response number could be seen as adequate volume for the research purpose to gain an insight into consumer behaviour.

The interview questions were presented in English and Japanese languages in a way that they could be clearly understood by each candidate. As some of the interviewees spoke only little or no English, their interviews were held in Japanese for more accurate data. Since the questions were translated both into English and Japanese, English language was not required from the participants. Translation can be complicated due to the impact of cultural differences on connotations (Berger & Luckmann 1966; Bühler 2002). Interviewees were free to choose which language they were more comfortable answering with. While holding the interview in Japanese, interviewees were given paper with the interview questions to write down key words or phrases using *kanji* during the recording. There are a great number of homophones in Japanese language as there are fewer sounds than in English language, and therefore two words can share the same sound. As an example of homophonic word is 漢字 (*kanji*) for *Chinese character* and 感じ (*kanji*) for *feeling*. Since the researcher does not speak Japanese natively, thus this method personally helped the researcher to comprehend the recorded content for further interpretation.

The questions were presented to the interviewees in a logical order. First, the researcher handed out the six varieties of Goodio product packaging (Shown in Fig. 9) for the interviewee, and they had some time to browse, probe, touch, open and close the packaging and read the label. Moreover, the researcher encouraged engagement by showing how to open and close, which also reflected an inherent reservation on whether the candidate felt shy about touching and probing the packaging. During the whole interview, the interviewee could glance through the product packaging. Furthermore, if the interviewee did not understand some parts of the question, or understand the concept of a specific term, the researcher demonstrated the example with one of the product packaging. For example, some interviewees might not understand the differences between informational and visual elements of the packaging, and therefore the researcher demonstrated this using the cue from the packaging. The following interview questions allowed interviewees to describe their opinions and perceptions on product packaging in an open and free manner. There can be either favourable or unfavourable, and important and non-important packaging design elements. The researcher also examined the ideal premium packaging cues, and whether the important cues differ when buying as a gift for someone else or oneself. The last question was about perceptions of Goodio and product adaptation



requirements from the consumers' perspective. This was seen as lucrative to gain more data for the second sub-question about product adaptation, because some of the interviewees have wide information about the topic due their personal work position and knowledge.

Every interview was recorded with the permission of the interviewee, and the research material was transcribed accurately after each interview. The researcher translated the recordings and assigned papers from English to Japanese and back using dictionaries, as well as asking for a translation confirmation from a native speaker. In situations where the researcher is fluent in a language, one can use the experience of translating to discuss the points in the text where one must think about meaning. Translation itself has emphasis on a reinforced cross-cultural relationship but is subject to how the translation is conducted and integrated into research design. (Temple & Young 2004, 168–175.) The translation process was time-consuming, and there could be some lost-in-translations as some phrases were translated freely.

#### **4.4 Data analysis**

The qualitative data analysis started by reviewing the collected data and assessing the relevant topics to the research. According to Kvale (1996, 176), the method of analysis of the collected data must be considered when collecting the data. Numerous classifications, typing and thematic designations are utilised as methods of analysis. Thematic design can be considered as a classification, in which it is a matter of splitting the material and grouping it according to the themes of the research. In typing, similarities are sought within the themes, on the basis of which somewhat generalization is presented. (Tuomi & Sarajärvi 2018.) Following the theory-guided reasoning model, the analysis in this research was guided by the themes raised based on the theoretical framework, in which the theory was strongly related to empiricism and formed the results of the research.

Data analysis with qualitative methods is time-consuming, implying the amount of information obtained during the research process. It is important to skim through the information as not everything collected will be used. The analysis of qualitative data can be described as process-like, in which the researcher's role as an analyst is present (Kiviniemi 2010, 79), and the goal is to analyse the material as thoroughly as possible (Eskola & Suoranta 1998, 18). When analysing qualitative data, arranging specific details into a

clear picture, model, or set of tightly intertwined models is desirable. Furthermore, operationalization table was established to support the analysis. Table 4 represents the operationalization table which links both consumer (Appendix 1–2) and expert interview (Appendix 3–5) questions to the purpose of the study, serving as a framework for the interviews but also guiding the analysis. All interview frameworks can be found in the Appendix (1-5).

**Table 4 Operationalization table**

Purpose of the study	Sub-questions	Theory	Expert interview questions	Consumer interview questions
Packaging as part of the product adaptation in the Japanese consumer market	What are the cultural context characteristics of the Japanese consumer market?	Hofstede's cultural dimensions, consumer behaviour	Why Japanese consumer market is worth trying for?	
	What are the cultural requirements for the product adaptation in the Japanese consumer market?	Localization, product adaptation, competition tools in consumer market	Why localization is important in Japan?	Based on the Goodio packaging, is there anything you would like to change or add?
	What are the consumer market expectations for a product packaging design in the Japanese consumer market?	Packaging design as communication tool, packaging design elements	Which packaging elements attract Japanese consumers?	When purchasing a product, which visual or informational cues of the packaging are important for you?

The final stage of qualitative analysis is interpreting the results. Interpretation was conducted during the research. Altheide and Johnson (1994, 489) argue that self-reflexivity encourages the researcher to be frank about assets and flaws in interpretations and findings during the process of the research. Self-reflexivity states for careful consideration of the ways in which researcher's point of view, interaction with past experiences, and the role of the impact are shown in the interpretation (Tracy 2014, 2). Translation between languages (English/Japanese) involves valid interpretation. The message conveyed in the origin language should be interpreted by the researcher and translated into the target language in such way that the recipient understands the meaning. Since interpretation and understanding the context is vital in qualitative research, differences in language can create supplementary challenges that might obstruct transferring the context.

This might result in loss of meaning, and therefore loss of the validity of the qualitative study. (Van Nes et al. 2010, 313.)

Reporting the research implementation provides a clear picture of the research aim, and how to find the research questions. The research results should be presented in such a way that the reader can easily see the main results. The results can be grouped into logical groups, and the results relevant to the problems are presented. The researcher should combine these groups with each other, and while doing that, new information may emerge (Tuomi & Sarajärvi 2009, 95). Therefore, it can be noted that while presenting the results, clarity is important. The review must be truthful, logical, and clear. Firstly, the researcher categorised the main and sub-themes from the expert interviews, constructing in the Excel spreadsheets and forming tables in the Word. Secondly, the researcher classified the detailed data from consumer themes under each theme. The researcher's goal was to analyse both data (expert and consumer) as thoroughly as possible (Eskola & Suoranta 1998, 18). It can be challenging because the data can be interpreted various ways, and from different perspectives. Citations can be seen to support and enhance the research data. To support the interpretation and simplification, the researcher used a great number of citations in the results chapter. Citations were considered highly relevant and observational, and therefore use of citations played key role in the research as it served as a descriptive example of the data. (Savolainen 1991, 454.) Secondly, the researcher demonstrated the consumer market expectations on product packaging design elements with real-life product pictures taken by herself which can be found in the Appendix 6. This was expected to bring added value to the study.

#### **4.5 Trustworthiness of the study**

Assuring the trustworthiness and quality of the research is fundamental for the researcher. Evaluation criteria should be selected in a way which it is coherent with the nature of the research. Regarding to the qualitative research, the selected research approach, aims and assumptions should be consistent. Lincoln and Guba (1985) examine the trustworthiness of qualitative research based on four criteria that can be reflected throughout this research process which are credibility, transferability, dependability, and confirmability. In this study, trustworthiness is brought by the presentation and justification of the extensive literature used, as well as the careful documentation and transcription. Careful documen-

tation of the data and comprehensive table of contents enables the research to be applicable for future research. The trustworthiness of the process emphasises the accuracy of documentation in each research phases, in which case the trustworthiness arises from the transparency of literature review and methodology (Moisander & Valtonen 2006, 27–28).

*Credibility* means sufficient knowledge of the subject and the sufficiency of the material to make logical interpretations and how properly the researcher can unite the connections between theory and observation (Lincoln & Guba 1985, 316–319). Moreover, credibility is enhanced if the researcher is acquainted with the research topic. (Eriksson & Kovalainen 2008, 294.) In this research, the credibility was enhanced by the researcher's personal experience, living, and working in the country of the research, similarly the plethora of data collected using the qualitative methods of the research. Questioning in qualitative inquiry was open-ended, so responses were provided in interviewee's own vernacular (English, Japanese or Finnish). This was beneficial when the research aim is to develop some form of communication plan or messaging strategy (Guest, Namey & Mitchell 2013, 22). However, the lack of clear translation can detract the credibility of the research findings (Ho, Holloway & Stenhouse 2019, 1).

In this research, the researcher was acquainted with the trend for over two years to develop the understanding about the research topic. In order to increase the credibility, every interview should be recorded on tape, and the recordings should be transcribed completely after each interview. Moreover, the findings were based on transcribed material from the interviews. Moreover, all the expert interviewees possessed a different business relation for the case company Goodio which improved the credibility of the collected data. Lastly, the operationalization table was created to support structure of the research and the transparency. The consumer interviewees were renamed, information regarding their age, vernacular and country of position were given. Country of position varied due the fact that the suitable consumer interviewee lived, worked, or stayed in four different countries during the period of interviews. The truthfulness of the collected data was based on the belief that the interviewee was truthful during the process. In order to increase truthfulness, interviewees were chosen based on their personal experience and suitability for the research. It should be stated that the interview results were not overstated, as people might have presented different answers in an interview than in other situations. As an example, interviewees may present socially desirable answers, may fail to say something socially unacceptable, lie, or exaggerate their own actions. (Hirsjärvi 2009, 206–207; Keegan 2009, 82–83.) Therefore, it was fundamental for the researcher to comprehend

the different cultural meanings and influential environment when interpreting the results (Hirsjärvi et al. 2009, 207). There were minor issues involving the translation, as non-native speaker was conducting the translation process. These included the time spent on translation in qualitative research; dependency on the translated analysis of data; translator's ability to understand cultural nuances and terminology; and participants perception during translation. (Regmi, Naidoo & Pilkington, 2010.)

*Transferability* refers to determining significance in a qualitative study and makes connections between the findings presented in one study and those of previous results (Tracy 2013, 250). Transferability is improved by delivering the instruments and opportunity for other researchers to reproduce the research so that they can acquire similar results. This can be obtained through a well-described research setting where the elements are available so that similar research conditions can be established. (Lincoln & Guba 1985, 316; Eriksson & Kovalainen 2008, 294.) The research setting and methods have been precise to increase the transferability of the research. This study provided a wide range of data from Japanese cultural context, cultural requirements for the product adaptation, and consumer market expectation for a product packaging design in the Japanese consumer market, therefore the results can be applied and adopted for other foodstuff companies. However, localization process depends widely on the industry in the Japanese consumer market. Brands and companies with premium or luxury products may benefit from this even more.

*Dependability* defines how the research process has been performed, offering data in the text how the process was executed step by step. It is essential to offer information that the study is documented in logical and traceable way (Eriksson & Kovalainen 2008, 294). It is desirable to explain all the alterations in research design as they might change during the process (Remenyi, Williams, Money & Swartz 1998, 117). In order to enhance dependability, the research process should be portrayed thoroughly to offer information regarding the different stages conducted in this research. Correspondingly, two tables were made to present the essential data of conducted interviews.

*Conformability* refers to linking the collected data in techniques that can be clearly understood by a reader (Eriksson & Kovalainen 2008, 294), and the objectivity that is potential for similarities between others about the data's accuracy, relevance and meaning (Elo et al 2014, 2). Additionally, conformability of findings state for the data is presented accurately (Polit & Beck 2012). It is fundamental that the findings reflect interviewees'

expression and conditions of the analysis, and are not based on the researcher's own motivation, perspectives, or biases (Lincoln & Guba, 1985). Therefore, the researcher can present describable quotations from transcribed text (Graneheim & Lundman 2004), and in this method demonstrate connection between the results and data.

In this research, trustworthiness was a factor brought up by the presentation and explanation of the literature used, as well as the careful documentation and transcription. Careful documentation of the data allowed an intricate analysis of the results, based on which it was possible to present logical interpretations and conclusions. This is seen as a central point, when looking at reliability and credibility of the results (Eriksson & Kovalainen 2008, 292). The interpretations presented in this research were based on the collected empirical data. In this case, trustworthiness can be justified in the form of direct quotations presented in connection with the results, from which the reader can understand the source of the interpretations. After finishing the research, each interviewee was contacted and requested to confirm the accuracy of their content in the citations presented in the research. Moreover, the trustworthiness is enhanced by the researcher's own interests and experience around the research topic for several years, as well as by the material collected using two methods of the study. The aforementioned concept of trustworthiness was considered from different perspectives – that which was modelled by the Lincoln and Guba (1985) can be found to be the most suitable for this research.

## 5 FINDINGS

### 5.1 Case Goodio product packaging

Goodio product packaging was seen to have an important role in marketing communication around the world and therefore, it was perceived as a selling point in the Japanese consumer market. Since the expectation for product packaging design in the market remained high, Goodio has managed to create unique and outstanding packaging design for its product. The company has launched three product families. The traditional *Love letter* product line was launched in 2015 as the first product line; *Oat chocolate bars*; and *Nordic flavours*; and *Christmas editions*. Nordic flavours collection that was launched in January 2019, was designed for the worldwide consumers by respecting the magical Nordic nature. According to the chief operating officer Jussi Salonen, this product line is tribute to the magical Nordic nature where they used ingredients found in the Finnish nature which have not been used in a chocolate before. He similarly describes the importance of ability to differentiate in the chocolate industry and therefore it is crucial for any company to focus on unique design and packaging. (Delimarketnews 27.6.2019.) The cost of Nordic flavour product lines was high since they are hand-made. Yet this new product family has just been launched in the spring 2019 and not been shipped to Japan. (Korhonen interview 25.4.2019.)

Goodio's chocolate products (excluding oat chocolate bars) are equally shaped in size and packaging material. The only significant and observable exception stands in the way of opening the packaging itself. The Nordic flavours product line has exclusively horizontal opening method from right side of the packaging where the other products have a vertical opening method from upper corner attached with a Goodio sticker. The packaging material is made from plastic for the Nordic product line and paper for rest of the products, the feel of the material is smoother and slightly tougher for the Nordic product line and the paper packaging feels more sustainable and environmental-friendly. Each product packaging lines have had a great number of efforts on the packaging design, and Goodio has focused on the material resources and each of the product has a unique style of the colours matching well with the chocolate type packed inside. The chocolate is packed in an extra layer to protect the chocolate itself. Nordic product line has a see-through layer and others have a black paper layer. In November 2019 Goodio's Love

Letter and Nordic Flavours chocolate collections received an award for outstanding packaging design at Northwest Chocolate Festival which is one of the most recognised events in the world of chocolate. Additionally, Goodio's Metsä packaging was awarded silver at Speciality Food Association which is one of the most distinguished food competitions in the world where the products are evaluated based on taste, quality of raw materials and innovation (Packnews.fi 27.8.2020). Therefore, Goodio's packaging design was credited with the design from Finland label.

### 5.1.1 Chocolate market in Japan

High-level cacao in chocolate plays a substantial part in the growth of chocolate confectionery in Japan, and the chocolate market has grown at an annual rate of 4–5 % during the period of 2016-2020, making it Asia's largest chocolate consumer per capita (Japan Times 29.2.2020). Japanese consumers are known for preferring chocolate that is sold individually wrapped, as seen in Appendix 6.7 (Vice 25.9.2014). There is a plethora of sweets available in the market including traditional Japanese-styled confectionery *wagashi*. However, Japanese are not typical chocolate eaters on a daily basis, nor do they consider it as a main delicacy like in the West. The underlying health fad that is a driving demand for functional chocolate confectionery products, and many Japanese consumers perceive chocolate as a guilt-free indulgence, or often possess a negative image of chocolate and other sweets (Japan Times 13.2.2016.)

*If people know the idea of "IT'S ALL GOOD", it would be more popular because we don't have the positive image on chocolate here before. (Informant 16)*

Research shows that some consumers consider chocolate as a luxury item, creating demand for more specialized and innovative products (Japan Times 29.2.2020). Premium chocolate remains a trendy present in Japan, and new European luxury and premium chocolatiers are introduced annually at *the Salon du Chocolat* event. Moreover, some Japanese women spend their grown purchasing capacity on premium treats to reward themselves due to the recent changes in the workforce. (Euromonitor International 2019.) Japanese chocolate companies focus on delivering a "work of art", combining delicate taste and visual aesthetics in a form of chocolate (Japan Times 13.2.2016). Japan jumps into the Valentine's Day atmosphere from the start of the new year until the top



day 14<sup>th</sup> of February and throughout that period stores are filled with special limited-edition chocolates and other novelties as well as supermarkets and convenience stores display newly released seasonal chocolates from mid-January. Valentine's Day in Japan is an enormous business, and big domestic and international companies begin promoting a selection of seasonal chocolates around a month beforehand, meanwhile department stores hold special events offering only the most premium of sweets. (Japan Times 12.2.2021.) By tradition, women give chocolate to men on Valentine's day which they return the favour on White Day, which is exactly a month later. *Honmei choco* is given for the person to be serious about. On the contrast, *giri choco*, which is considered as an obligated chocolate, are given to co-workers. (BBC 13.2.2019.) There are opportunities for Western firms to establish products in the market, particularly in the field of chocolates and luxury chocolates. Premium chocolate brands are commonly sold at department stores with shelves and snack pop up stores in the food court.

*The word [craft] is becoming big in Japan. Craft beer, craft coffee is today's trend.  
(Informant 22)*

As can be interpreted from above quote, crafted foodstuff was perceived as a current trend in Japanese market. Moreover, bean-to-bar chocolate was seen to gain more popularity, and many makers differentiate their speciality based on the cacao origins (Japan Times 29.2.2020).

### 5.1.2 Goodio in the Japanese market

Firstly, Goodio was introduced to the Japanese market by a local distributor, who arranged the first business meeting at Hankyuu department store. Korhonen (interview 25.4.2019) assesses that at present, Goodio has acquired several sales channels in the market including department stores, supermarket chains; online retail stores and *Metsä theme park* where Goodio products are sold all year round. She points out that distributors are in key position in the Japanese consumer market. Craft chocolate started to become trendy in Japan around 2016, however not many Japanese still knew the concept of bean-to-bar. Bean-to-bar chocolate refers to that one brand operates every stage from the purchase of the beans to the manufacture of the chocolate bar. (Dame Cacao 7.11.2019.)

*There are many chocolate products, it needs to have some message to stand out the products. Such as organic chocolate, fair trade, eco-friendly etc. (Informant 20)*

Goodio's brand message and unique packaging were perceived as advantageous market opportunities in the Japanese consumer market. Similarly, features such as "being raw", "organic" and "vegan", and craft chocolate as a whole, are currently trending among Japanese. These features should be taken into account when considering the characteristics of today's Japanese consumer - which include increasingly health-conscious women (Kimura, Korhonen, Kärnä 2019). Kimura (interview 8.4.2019) states that one key feature in foreign products is large packaging and product sizes, and this was perceived as excessive among Japanese. The maximum chocolate bar size in Japan is 200 grams. He continues to explain that Goodio chocolate size remains appropriate for the Japanese as it was considered as small-sized. Considering the cultural context and product adaptation for the whole brand, he clarifies that Goodio could apply local flavours and cultural elements which are common to the Japanese crowd. This can be achieved through consultation of local manufacturers and distributors in order to understand the local target market. This was perceived as one method of localization and respecting the local target audience, creating innovation activities for international markets. Yet many female respondents considered Goodio's packaging as "*instagrammable*" social media channels (See Appendix 6.18). The following quotes discuss the pronunciation issues with the name Goodio:

*But word [goodio] is difficult to pronounce for Japanese people. Perhaps, it is difficult to guess the pronunciation for people don't speak English.*

*グーディオ (Guudio) ? ゴーディオ (Goodio) ? Actually, GODIVA is really easy to read/pronounce and famous here. (Informant 22)*

Since the brand message highlights unroasted cocoa beans, the company's brand identity is expected to follow the path and standardise their products in line with their brand identity. Based on the qualitative data, Japanese seemed to prefer consistent brands who were loyal to their message. Unifying the message for the Japanese market should be seen as an advantage, as the company message is usually similar to other companies that offer the same type of messages, and this can lead to a monetary impact. (Kimura interview 8.4.2019.) Korhonen (interview 25.4.2019) adds that in order to understand brands in the

Japanese market, it is common to deep-dive into the brand's background and context. Specifically, consumers were fascinated about learning and getting to know brands behind the small-sized enterprises. Since Goodio is a small-sized company with decent level of flexibility, this implies that the company shows an eagerness to fulfil potential requests from local distributors. (Korhonen interview 25.4.2019.) There are several competitors from France, Belgium, Switzerland that already have settled in the Japanese chocolate market (Kimura 8.4.2019). He states that market promotional work can be challenging for Goodio, which is seen as a general issue for any small-sized Finnish company. Therefore, since 2017 the *Chocolat Finland* campaign has been established by Mr. Kimura which he recommends for these small Finnish companies to make "an integrated force" under the same umbrella for Japanese market. Kimura concurs that the second step in marketing could include promoting partnership with *Chocolat Finland*. Goodio has also contributed to this strategy during the initial parent project. Craft chocolate is still new idea for Japanese consumers and Kimura himself can concentrate on this message in his work with small- and medium-sized companies.

## 5.2 The Japanese consumer market

Japanese consumer market was discussed from the perspective of cultural context and marketing. These features of the Japanese cultural context (presented in the literature review) were mirrored in the definitions presented by the relevant researchers, and then used to form the characteristics and assessments of the Japanese cultural context. Based on the literature review, the features of a Japanese consumer have been determined as demanding, aesthetically sensitive, collectivistic, product literature as well as being informed, image-conscious and into faddism, additionally having lack of space and time, by Synodinos (2001, 235–248), Azar (2016, 146), Haghirian (2011, 22–23), Melville (1999, 116), and Schütte & Ciarliante (1998, 63). Features strongly emerged from the qualitative data, from each of the above-mentioned features of relevant content. However, the results of the study showed that these listed characteristics alone were not sufficient to comprehensively describe the specific features of the Japanese cultural context in consumer behaviour. In addition to the definition, cultural traditions have been introduced alongside *aesthetic sensitivity*, the *kawaii effect* has been emerged from *image-conscious-*

ness, and a slow shift towards individualism has been experienced in the society. In addition, entirely new cultural context characteristics were introduced including “*careful and prudent buying behaviour*”, and an emphasis on *consumer experience*.

### 5.2.1 Today’s Japanese consumer

As a result of globalization, Western values have influenced Japanese society, affecting the consumer environments in Japan, and making them more individualistic, or more willing to express individualism. Even though everyone is considered as an individual, Japanese seemed to be more reserved about expressing individuality than Westerners. As discussed in the literature review, Japan’s population has been decreasing gradually during recent years which is expected to continue. Japan’s aging society was seen as an important consideration for consumer behaviour (Synodinos 2001, 246). Japanese can be seen as *collectivistic* by Western standards, but as *individualistic* by Asian standards (Hofstedeinsights.com 2021). Recent changes are occurring, implying that Japan is turning gradually towards individualistic society. This can be mirrored from the literature review, where it has been argued that especially younger consumers have interpreted individualism as embodying self-centeredness in hyper-materialism. According to Ogihara (2018, 1225), Japanese culture is showing minor changes towards individualism which is shown by the terms of family-sizes. In an individualistic culture, family structure is typically more liberated (Georgas et al. 2001; Triandis 1995), which generates higher rates of single-person households. This can be seen in the number of Japanese single-person households increase from 25 % in 1995 to 35% in 2015 (BBC 15.1.2020). Based on the literature review, “family size has shrunk, the divorce rate increased and independence in child socialisation has become highlighted” (Hamamura, 2012). This might be explained through an increasing number of Japanese women not getting married and turning into more independent consumers by their spending habits (Haghirian 2010, 112). Moreover, according to Kärnä (interview 18.2.2019), Japanese women have started focusing on their job careers and started spending money on their salary on luxury goods, or indulgent products. Using number of households and as an example, there were 11 million households with housewives, and six million with dual incomes in 1980. In comparison to 2017, the numbers are now reversed. Therefore, it can be stated that women are predicted to spend more when they earn more. (Japan Times 9.11.2018.)

Based on the literature review defining the Japanese cultural context, one of the characteristics presented to describe consumers was *product literature* and *informed*. This

trait was a central part of the Japanese consumer and, according to the literature review, the characteristic was reflected in Japanese consumer behaviour. This might be explained through a high degree of competition in any imaginable product market, as there is plethora of similar and equally superior products from all over the world in Japan. Therefore, Kimura (interview 8.4.2019) uses the terminology of “*well-educated consumer*”, in order to describe a consumer who has the vision to judge the real value of the product itself. According to the marketing research work in Japan, the proportion of consumers who fit this definition of “*well-educated consumers*” was larger in Japan, than most of the other countries in the world (Kimura interview 8.4.2019).

Japanese consumers can be more *reserved and sensitive* about foreign products and more likely to prefer domestic products. But *the country of origin* can influence specifically where the ingredients come from. Kärnä (interview 18.2.2019) estimates that particularly over 30-year-old female consumers and mothers are shown to be more careful and rigorous about *investigating the product information*, and they have significant amount of awareness about a variety of products, specifically foodstuff. Japanese TV broadcasts are filled with shows that focus primarily on food and health issues. The huge amount of information shared by media, especially TV shows and printed media, was seen to have shaped the Japanese consumer’s way of acting and thinking. Kärnä (interview 18.2.2019) clarifies that this can be shown in consumer behaviour in such a way that Japanese consumers have a significant amount of information available in media, which they use to compare to the packaging information in the shelf. Based on the qualitative data, Japanese consumers had *high liquidity* in the market (Korhonen, Kärnä 2019) - that mirrors results found by Melville (1999, 222–223) and Schütte and Ciarlante (1998, 164–167), implying that when the high-quality requirements are met, a Japanese consumer are eager to pay a higher price for the product. High liquidity was perceived as a fundamental feature in consumer behaviour, since this could encourage SME-sized enterprises to establish a foot in the market, specifically when offering a niche-market product.

The interest of trying out the Japanese consumer market was also evident among Finnish companies. Primarily, this was seen as a desirable phenomenon built on the idea that Japanese consumers were assumed to be interested in Finnish products, which was clearly based on the feedback given by visiting Japanese tourists. (Kärnä interview 18.2.2019.) Secondly, the long history of Finland and Japan was also significant motivator as it has significantly grown over the last 20 years of business co-operation. These two factors were usually perceived as the first motivator for Finnish company was interested

in entering the Japanese consumer markets. This appeared to be a hindrance for any firm that expects to make long-lasting customers from such phenomenon. According to Kärnä (interview 18.2.2019), Japanese consumers can be apprehensive to buy and try new or unknown brands. This was seen as a major challenge for foreign companies in order to convert consumer's interest into purchase decision. Moreover, creating mutual trust with each other was a long process for a company. (Kärnä interview 18.2.2019.) As an example of Kidemaa, Taiwanese consumers are more willing to experiment, and are perceived as customers who are more open to trying out new products. This experiment has appeared in Kidemaa's e-commerce shop where the consumer cannot see, touch, or taste the product, but only through the computer display. This requires a courage and boldness from customer to order the product, and it has been seen that Taiwanese are generally more open to this kind of boldness than the Japanese. This characteristic was considered as *careful and prudent consumers* (Kärnä interview 18.2.2019), as Japanese consumer are seen as harder to convince into becoming an end consumer than many other of its neighbour in Asia. In other words, Japanese consumers expected to have information available about the product before purchasing or trying new or unfamiliar brands was not perceived as a common behaviour for them.

### 5.2.2 Consumption trends and traditions and reflection on packaging

Based on the qualitative data, a cultural tradition feature is introduced alongside *aesthetic sensitivity*, as it is seen as a fundamental characteristic of the wider cultural context characteristics. Based on the qualitative data, *gift-culture* was perceived as an essential part of traditional Japanese culture. The hundred-year-old tradition of giving gifts is one way to showing the importance of gifts and gift-giving in Japanese society. Based on the qualitative data, no matter how small the gift was, it should express the gratitude with Japanese aesthetics, implying that each part of the product was expected to be beautifully packed. This mirrors the results in the literature review found by Haghirian (2008 58), as Japanese practise gift-giving out of sense of obligation, gratitude, or regret.

*It's a cultural thing I guess. We traditionally used furoshiki when people gave presents. Furoshiki is a type of traditional Japanese wrapping cloth used to transport gifts. We developed the fashion of Furoshiki, there are many different patterns, colours. And the*

*ways of wrapping are very. That's is why Japanese are keen of the outer-package is important. (Informant 16)*

*In Japan, even the smallest things are beautifully packaged. In the natural culture of wrapping. (Informant 30)*

*Japanese people tend to associate gifts with gifts, so be opponents.*

*The desire to make a good impression puts emphasis on packaging. (Informant 26)*

The underlying though here is that in Japan, culture and philosophy expects the product is beautiful on the inside as well as on the outside. Therefore, the importance of externally attractive packaging can be shown through appreciation to the person to whom it is specifically given.

*Because that is all the information the consumers would get before purchasing.*

*As Japan is a country of gift giving, sweets market is extremely competitive, and consumers are always looking for something new. (Informant 23)*

*Japanese consumers are very concerned about product appearances. So if you're able to present an attractive packaging it means you have very good taste for the person you respect also. It shows your opinion towards the person you give the gift to. Gifts with external packaging are a measurement of your possession in the community and 'the fancier it is the better'. (Informant 1)*

In Finland, it is still common to pack a gift at home itself. In comparison to Japan where gift-giving culture is significant part of the society of showing respect to others, brand, price, and packaging of a gift is expected to be aligned with the status of both recipient and the giver (Haghirian 2008, 58.) Finnish consumers were happier to make decisions based on the eco-friendliness trait involving recycling material. On the contrary, if the packaging was perceived as unpleasant by Japanese consumers, then it was deemed ugly and unattractive. (Kärnä interview 18.2.2019.)

Based on the interview data, the growing importance of *consumer experience* was considered as significant factor in Japanese consumption trends, implying that a new cul-

tural context was introduced in the study. Consumer experience or experiential consumption can be defined as how the product engages with range of consumer's senses (Evans, Jamal & Foxall 2012, 400). Schmitt (1999) argues that "this attracts with the objective of creating of cognitive, problem solving experiences that engages consumers." This characteristic can be demonstrated with the form of gift-giving. Kärnä (interview 18.2.2019) explains the experience of the packaging, starting with the feeling when the recipient receives the packaging, gradually heading to the end of the opening process. This whole process was considered as a consumer experience which could create the "WOW-effect" during the whole process, and which was valued by the Japanese consumers. The whole opening experience can be compared to a peeling an onion, in which "every layer as a whole is the experience in that gift-giving and shows appreciation". (Kärnä interview 18.2.2019.)

*Since most people scared of being out of social and try to keep up to the trends.*

*(Informant 24)*

*Aesthetics are a big part of Japanese culture, and especially for foreign products it's unlikely that the consumers will be familiar with the brand beforehand. Hence the packaging to provide the branding of the product as Finnish plays a large role.*

*(Informant 23)*

Moreover, restaurants and leisure activities are continuously seeking more innovative ways of creating consumer experience, from hotels staffed by robotic dinosaurs to customized bullet trains with animation décor. Back in 2000, Japan was the first country to incorporate the ability to share photographs as a key feature of a mobile phone. The growth of social media, especially with Instagram and Tik Tok, has expanded to unexpected directions. These days Japanese consumers prefer to have photogenic experiences and portions so they can share them on Instagram. (Financial Times 12.7.2018.)

A new feature for image-consciousness characteristics, the *kawaii effect* was introduced into this definition as a supportive factor, which could be thought to stem strongly from cute culture. Based on the literature review, different cultures have developed different viewpoints on which goods are considered cute. The care-taking concept originated from the *Kindchenschema* where creatures were made to appear cute (Lorenz 1943). Japan experienced the rise of the cuteness as commercial culture in 1970s in an



unexpected way (Sato 2009, 38). Harris (2000) assesses that cuteness is universal in Japanese consumer culture. Domestic firms that utilised in promotion their formal business style as a marketing strategy, such as NEC (Japan Electronics Corporation), NHK, and several banks started applying cute mascots into commercials, in order to give their public brand image a softened makeover (Sato 2009, 40). A contemporary example of this are the mascots that were created for Tokyo Olympics 2020.

*Regarding to packaging and its appearance, usually any kawaii element like that. And kawaii is not necessarily “our kawaii” but it can be anything, it’s just an expression.*

*(Kärnä interview 18.2.2019)*

Evoking feelings and emotions were considered the basis in creating successful brands. The significance of *kawaii* as a positive feeling invigorates social interaction which attracts increasing attention. Therefore, abstracting a brand through *kawaii* effect has become a powerful way to build brand identity (Tan 2013, 197). Kärnä (interview 18.2.2019) states that what is perceived cute in Finland, might not be considered cute in Japan. She continues to explain that a brand that manages to induce the *kawaii* -effect in a consumer when she/he sees the product packaging, is considered a successful moment especially for female consumers. (Kärnä interview 18.2.2019.) Moreover, the *kawaii*-effect signifies an approach-motivated focus which can promote careful behaviour (Cognition Today 12.12.2020).

*Japanese consumers tend to take photos of food and stuff in Japan, and it is important to stand out in the social media channels and be “instagrammable”. (Informant 6)*

*I see people post on Instagram when they buy something nice or receive presents, so if visually nice, it can make a good post on SNS. There can be connection with SNS and the importance of external packaging. (Informant 21)*

*Recent Japanese have a strong desire to be jealous of someone. If you receive a present, you will definitely take a picture and upload it to SNS, but in that case, external packaging is important. (Informant 19)*

Japanese consumers seemed to follow trends and their love for taking photos and posting them on their social media channels was not a rarity in modern times. Packaging can also have implications to access social media networks. Kärnä (interview 18.2.2019) clarifies that it is frequent for products to possess a hashtag if it is described as “social media material”. Specifically, restaurants and cafeterias focus on creating portions and servings that look great externally, considered acceptable for “social media”. Therefore, customers were more likely to photograph their order, and posted it on social media channels. (Kärnä interview 18.2.2019.) This theme appeared several times in the qualitative data, implying that consumers seemed to be willing to photograph attractive product packaging on their social media channels, which they considered appealing. This term was defined as “*instagrammable*” (See Appendix 6.18). The following citations justify the phenomenon.

*Social media is huge here and so a design being easily sharable on there can really make or break a product, meaning that in recent years, the design of the product has almost become more important than the product itself. (Informant 18)*

*Social media presence* for brands has become more pivotal in the Japanese market. Similarly, whether the packaging was appealing to consumers, a company could receive “free marketing” on social media by the product being photographed and shared on a consumer’s own social media. (Kärnä interview 18.2.2019.) A high-quality product can be seen distant if it misses the *kawaii* nuance, making it unapproachable (Granot, Alejandro & Russell 2014, 79).

### 5.2.3 Cultural context and reflection on packaging

Klimchuk & Krasovec (2012, 41) demonstrate today’s packaging design as a reflection of cultural values of the consumer market. This can be identified as elements based on the cultural context. While emphasizing the cultural orientation, paying attention to the consumers’ interest brought by the aesthetic and image of the product’s external form, the product’s symbolization and individuation are highlighted. Some believed fundamental concerns were comparable across cultures, while specific aspects such as response to colours can be understood differently depending on the culture. As stated previously in the literature review, Japanese consumer market is highly *seasoned* in consumerism (Schütte

& Ciarlane 1998, 97; Haghirian 2010, 111), and Japanese consumers are known for being fascinated by products and service experiences that are available for a limited time only. Japan has four distinct seasons which offers considerable prominence to the unique products, foodstuff, and events of each season. There are numerous sweets available that integrate with seasonal flavours which are called *seasonal limited-edition* goods. For such products and foodstuff, packaging design has a vital part in presenting the specific characteristics in such products by visual or informational elements.

*For Japanese Sweet (wagashi), seasons are very important because we appreciate and feel the season while eating wagashi. (Informant 16)*

*Cultural context: if the flavour fits the season and something I haven't had before, it would make me want to try it. (Informant 21)*

Japanese consumers typically expect domestic brands to offer something that cannot be obtained at any other time of the year, causing excitement and a feeling of rarity around the product. This is not only related to limited physical goods, but also events or service experiences that connect people with the charm of the season. Fundamentally, consumers want something that feels familiar, but is different enough to encourage them to make a purchase. Since Japan is very seasoned in consumption, there are also two kinds of special product lines available. *Limited and special edition* products are available in specific time of the year or holiday seasons by numerous domestic and international brands. Seasonal, limited-edition sweets are displayed in the most visible places in supermarkets or convenience stores, and it is due packaging and the placement on each store where each seasonal limited-edition product is placed that consumers can find them. For an example, packaging with illustrations of each seasonal specific fruit or berry helps to understand the flavour of the sweets. Seasonal flavours naturally reflect the seasonal growth of the fruit, implying that melon season is during summer whereas strawberry is harvested during winter.

*Seasonal flavours are always attractive to me and plays a deciding roll if there's one besides packaging. (Informant 9)*

According to Kimura (interview 8.4.2019), a foreign firm that combines local preferences with their product can be effective in gaining popularity. This becomes possible after the initial stage of entering the country; foreign companies can combine local and common Japanese cultural elements, such as taste or flavours using domestic and special Japanese ingredients, spices, materials, or aesthetics, as a combination with their product lines. This can be seen as essential in order to connect with the target market, by respecting the local cultural values while favouring internationalization. Additionally, the autumn season was considered one of the most exciting seasons to observe in terms of well-localized seasonal holiday; Halloween remains a highly popular seasonal-event with Japanese consumers, brands, and shops – one can notice that most of the confectionery will feature typical Halloween imagery, and colours of pumpkin/ghost-themed packaging during this period. The drawback of seasonal limited editions is that, by their very nature, they have limited availability for certain period. These products may not be available ever again - this can be seen as a once in a lifetime experience to be able to purchase the product. As a real-life demonstration can be shown in Appendix 6.1 and 6.2, as an examples of seasonal limited editions packaging made for Tokyo Olympics and Halloween.

As a summary of the qualitative data on the cultural context of the Japanese consumer market can be shown in today's consumer behaviour and consumption trends, as well as their reflection on the packaging. The following results analyse the product adaptation from a product packaging perspective as well as the necessary adaptation tools in the Japanese consumer market.

### **5.3 Cultural requirements for product adaptation**

According to Kärnä (interview 18.2.2019), some foreign companies do not execute enough background research for the Japanese consumer market. This reflected primarily in cultural differences in business practises. Furthermore, there are many forms of Japanese business traditions of which foreign companies would do well to understand further such as business etiquette. The following obstacle poses challenges, with regards to aspects of traditions of Japanese society, whose rules and regulations are not always aligned to traditional Western strategies. However, foreign enterprises are keen to find solutions on how they could adjust to the new market environment, which can be seen as a challenge in itself. This practical business strategy does not always work in the Japanese consumer market and therefore, company flexibility is required. (Kimura interview

8.4.2019.) Arguably, Finnish companies are expected to expand first to other Nordic countries, for the reason that the market structure and the business traditions are similar to each other. Difficulties can arise when entering the Asian markets with the same homeland strategy. Kimura (interview 8.4.2019) proposes that the problem can be in their strategy and action plan which is related to the localization process. Therefore, localization activities for creating business strategy and action plan must be a key issue for Finnish companies. (Kimura interview 8.4.2019.)

### 5.3.1 High-quality standards and reflection on packaging

Based on the literature review, Japan is well-known for having some of the highest product quality standards in the world (Azar 2016, 140). Moreover, Japanese consumers expect high-quality products, even from inexpensive foreign brands (Johansson (1986, 42). Japanese chocolate is typically wrapped individually in smaller plastic coverings for aesthetic purposes, but also to protect the product from external factors. While some may perceive this as a neglect of the environmental and social responsibility in the West, however some foreign companies do not comprehend the difference in climate and humidity between Japan and other countries they operate in. While outsider might see this as a waste of plastic, in Japan chocolate needs to be packed in several wrappers in order to endure the humid subtropical climate. Most regions in Japan, including most parts of the biggest islands Honshu, Kyushu and Shikoku are located in the temperature zone with a humid subtropical climate, and it can vary from warm tropical rainforest climate in the south to cool humid continental climate in the north. The product packaging needs to keep humidity and heat away from the product, specifically from foodstuff like chocolate that will melt in the blink of an eye in such weather conditions. The domestic and foreign companies are expected to follow the packaging regulations and learn that content should be packed from the inside in a way that it does not damage or deface the product. (Kärnä interview 18.2.2019.) This might result in causing defects or departures on the standard taste or functionality. Packaging with moisture prevention was perceived as a significant part of the normalized Japanese high-quality standards. Nevertheless, simply showing or informing this feature might not convince Japanese consumers to trust the product and its technological features.

*During winter there is no need for humidity prevention methods because the houses are mostly cold. But before summer seasons it is recommendable to advise consumers about the humidity prevention, how it is packed and how the taste might change if the instructions or regulations are not followed. (Kärnä interview 18.2.2019)*

As the quote can be interpreted from above, Japanese consumers were highly interested in how the product is packed from the inside (Kärnä 18.2.2019). In order to convince Japanese consumers with moisture prevention, the foreign companies can utilise the printed media, showing instructions on how the packaging retains moisture. This can be achieved by usage of pictures of the opening and closing technique. The study also highlighted that Japanese consumers had a strong interest in the informative role of the packaging, and if executed well, it might affect positively in sales.

### 5.3.2 Product adaptation tools and reflection on packaging

Differentiation, uniqueness, and innovation are seen as key factors to be considered from a product packaging perspective when aiming to make a better product for the market. Assuming that, because a style of packaging already works in one target market, that it will also work in Asia, can be a common example of naive thinking when it comes to doing business in countries such as Japan. Finnish consumers are not perceived as demanding, in the same way that a Japanese or Asian consumer can be, and therefore the company might not acknowledge or understand the necessity for these three key factors mentioned above. Similarly, foreign companies might not understand the reception or mixed signals that are more common among Japanese consumers.

*Pricing* was seen as one fundamental element for any company to focus on. In Japanese market the price rises higher because of many intermediaries in import and distribution. Online selling in Japan incurs some of the highest costs globally. As mentioned previously, Japanese consumers were perceived to have high liquidity (Korhonen, Kärnä 2019). Japanese consumers were highly interested in the brand, especially about small/medium-sized enterprises, and wanted to learn more about the brand and story behind it – presenting an opportunity to a prospective company. (Korhonen interview 25.4.2019.) From Kidemaa's point of view, price remained as a challenge (Kärnä interview 18.2.2019) as Goodio is well-priced product in Finland already compared to many other chocolate brands. The chocolate variety is wide, and Japanese consumers remain

brand conscious. They may show a great interest in a new product, but they do not always dare to buy it. However, they preferred to rely on brand awareness and what they were used to. This was perceived as a silent acceptance, implying to “*community approved product*”. In Japan, a good product is always not enough, but it needs to gain acceptance of society. (Kärnä interview 18.2.2019.) This can be due to the conformist aspects of Japanese society where the members of the social group prefer the continuation of harmonious community over personal interest. Therefore, this can be reflected on forcing international companies to conform products to the natures of Japanese society, and to adapt to the other similar products in the market, to gain the silent acceptance.

Kärnä (interview 18.2.2019) states that packaging communicates the price. Therefore, packaging and price should be in accordance with each other. It should be noted that price should be justified in comparison to the packaging appearance, including how informative the packaging itself is, what kind of information it provides and how much information it needs to have included depending on the product. When considering a premium chocolate brand, consumers were usually interested in the country-of-origin of the cocoa beans including percentage, how much sugar is added, and which additives are included. However, as to whether the product needed processing before eating, the instructions should be included on the packaging. (Kärnä interview 18.2.2019.) She continues to explain that the more high-priced the product is, the more lavish the packaging also must be. Asian consumers, especially Japanese, continue to demand “the right-looking” packaging for the product as comparing products is a common habit in the market, regardless of whether the product packaging comes out as looking either low-priced or high-priced. Kärnä (interview 18.2.2019) estimates that in far-east Asian consumer markets, foreign product is usually sold for around 50%-100% mark-up on price, in comparison to the original price in a different geographical market.

As discussion in the literature review, advertising remains as a dominant resource of promotion in the Japanese consumer market (Johnston 2014, 9). Specifically, TV advertising was perceived as potential expenditure whether a foreign company decided to promote innovative advertisements aligned with local cultural values (Melville 1999, 168). Kärnä (interview 18.2.2019) believes that being featured on a local speciality program, such as Valentine’s Special TV show for a premium chocolate brand, could be an efficient marketing tool. Such speciality shows typically highlight a chocolate section at local department store called *depachika* (デパ地下) which states for the basement floor of

a department store where foodstuff is usually sold. She argues that since premium chocolate is being sold around Valentine's day and White day event, it is challenging to receive media visibility otherwise. However, participating in Finnish Special Feature TV shows remains as a potential option for publicity. Similarly, aggressively promoting the "country-of-origin" aspect, such as Finnish-ness or Nordic-ness, is perceived as an advantage and efficient marketing strategy. (Kärnä interview 18.2.2019.)

*Foreign companies can gain popularity if it can be featured on TV or more advertisements. Word of mouth can make it more popular if it tastes good. (Informant 1)*

Using Goodio as an example, whether there is a tourist program about Finland, which can be seen a lot on Japanese TV nowadays, Goodio could be part of such show. Similarly, being promoted on related printed media such as magazines that focus around Scandinavian or Nordic traveling. Researcher has noted during her travels, that Goodio has been featured on Finnair's Blue Wings magazine distributed during flights. Japanese magazines that specialise on Scandinavian tourism are usually sold in the bookstores. Japanese consumers still visit bookstores more often compared to the Westerners. Printed media remains a trustworthy media source even though social networking channels and blogs have gained popularity over the years. Kärnä (interview 18.2.2019) states that a Japanese tourist will carry one printed book while traveling as it is perceived as more reliable source of information. This is directly because it is printed, implying that the Internet might not provide as trustworthy information as printed media would. (Kärnä interview 18.2.2019.)

*There are already so many different chocolate brands are being sold in Japanese market. Packagings would be a way to make products different from others. (Informant 8)*

*I guess more and more Japanese, especially women have gotten interested in Finnish design and culture so that it could be more popular in Japan. (Informant 14)*

The brand is capable of gaining approval either on social media or on printed media, in order to gain trust from the whole society. Therefore, *printed media* was considered important for a reason. As soon as a foreign brand is featured in a local media platform



such as magazine or TV show, they may start gaining instant approval as well as awareness among consumers. (Kärnä interview 18.2.2019.)

*Distribution channels* were perceived as a considerable factor in the Japanese consumer market since they supplied contacts to local department stores and retail stores. It is crucial for a foreign company to find good distributors in the market. (Kärnä interview 18.2.2019.) Korhonen (interview 25.4.2019) points out that minor distributors may have issues with language barriers, and therefore it is even desirable for a foreign company to use a translator or have a Japanese speaking employee in the crew. However, there are only a few top-quality distributors available in the market (Kärnä interview 18.2.2019). She adds that attending pop-up stores is an easier method to acquire local contacts. Participating Japanese pop-up events is seen as easy way to promote locally as it only requires a table stand reservation.

As an example, a Finnish company might visit tradeshows and receive a welcoming reception from local distributors who will smile and praise the brand and the product, however, nothing of substance will happen afterwards. Some distributors might even recognise the faults or problems in the product or packaging itself, however nothing will be expressed directly due to cultural avoidance of criticism. Nevertheless, there might be one straightforward distributor pointing out the strength and weaknesses of the product or brand, but still the partnership might not start. Differences in cultures and consumer behaviours are crucial aspects to centre a strategy and marketing campaign around. Therefore, firms should not rely on the fact that just because locals give a compliment on the product, or profess to love Finland as a country, that this sentiment will translate to the product succeeding in the market. Therefore, there are a great number of demands for localization services today. (Kärnä interview 18.2.2019.)

Lastly, Japanese consumer market offers a great *niche market opportunity*. In a huge continent such as Asia, there are plethora of preferences and niche market segment may possess millions of potential consumers. (Kärnä 18.2.2019.) The study suggests that Japan stands for great niche market opportunity specifically for companies that are compatible enough to survive but small enough to avoid key competitive forces (Hironaka 2011, 1) There is a niche for Goodio, consumers whose lifestyle includes indulgement of dark chocolate more than once a year on Valentine's Day. Global brands can take advantage of the seasonal and limited-edition products by creating niche opportunities in numerous of well-established and familiar local holidays, and occasionally by benchmarking local practises and traditions.

In conclusion, the requirements of Japanese culture for product adaptation of packaging, as evidenced by the material, can be presented as high-quality standards and on reflection on packaging, and necessary adaptation tools including *pricing; advertising; and distribution channels*. Additionally, Japan's niche market opportunity is introduced in order to find competitive advantage.

#### **5.4 Consumer expectations for product packaging design**

Mirroring the packaging design elements presented in the literature review into the qualitative data of the study is seen as necessary for the study, so that the expectations of the Japanese consumer market can be understood on a deeper level, based on the concept of packaging design. The qualitative data features of all the elements presented in chapter 3.2 in the literature review, which were repeated to some extent by all interviewees. In addition, the data from this study provides complimentary and entirely new expectations for the consumer market. As Ampuero and Vila (2006, 101) argue in the theoretical part, packaging is the centre of attention for attracting customers. Similar results were obtained in this study, implying that the packaging made the first impression for the customer. Furthermore, packaging design was seen as communicating the price, and showed coherence with the given price. The study highlighted that packaging design was an important communication instrument for the price. Based on the literature review, Japanese consumers are known to demand excellence when it comes to packaging, and they typically place a heavy emphasis on the overall appearance of product packaging design and external features. The external appearance of the packaging, as well as the visibility of the price in the packaging are perceived as key features. To elaborate, Japanese consumers often compare the external packaging and the price and expect them to correlate with one another. Expensive products need to have expensive-looking packaging. (Kärnä 18.2.2019.) Japanese consumers are easier to pass judgement products that are classified as premium or luxury, and therefore where the external appearance does not look luxurious, the product might not receive societal approval.

#### 5.4.1 Visual elements

Product packaging's visual elements, colour and imagery played a pivotal role in premium chocolate packaging, according to Japanese consumers. Visual elements indicate that the first impression was always important for Japanese consumers. Likewise, the external appearance tells a lot about the product and influences the image of the product sold. Many noted that the eating experience will be more satisfying when the external appearance pleases the eye of beholder.

*Visual characteristics catches peoples' eyes first and it is important if you would actually purchase or not especially for gifts. Regardless of how good and quality the products, I wouldn't even consider of buying anything if the packaging is attractive in appearance. (Informant 17)*

As discussed previously, *kawaii effect* has an influence on consumer's perception of external appearance of products and packaging. Since the visual indicator of cuteness has universal impact on civilization, definitions of, and individuals' reactions to cuteness may vary across cultures (Granot, Brashear & Russell 2014, 79). Japanese food packaging seems to utilise not only colour and design, but also shape, material and quality of the container to let the consumers know the content. The following table 5 summarises the packaging design elements modified by Silayoi & Speece (2004), Bloch (1995), Draskovic, Ruzic & Pavicic (2011), Ampuero & Vila (2006) and Klimchuk & Krasovec's (2012) that emerged from the qualitative data and are classified as part of the visual elements presented earlier in this study.

**Table 5 Consumer market expectations for visual elements**

Visual elements	
Colour	<p><i>Aligned with the content and the brand</i></p> <p><i>Gold, silver, metallic for luxury products</i></p> <p><i>Red for hot/spicy</i></p> <p><i>Colour codes for food products</i></p>
Shape/size	<p><i>Handbag-size</i></p> <p><i>Suitable for commuting and traveling</i></p>

	<i>Size variations (if a Western product, smaller size options for Japan)</i>
Imagery	<i>Picture of the product content where it is being sold at</i> <i>No bold colours (some descriptions can be hard to read)</i> <i>Food patterns on the design (if foodstuff)</i> <i>Words to describe the product content</i>
Structure, material, and sustainability	<i>Inner see-through packaging cheapens the product expense</i> <i>“Fancy structure”, ribbon attached</i> <i>Packaging design line should be consistent</i> <i>Eco-friendliness</i> <i>“Luxury, fancy, elegant, expensive”</i> <i>“Cute, chic, simple, friendly, special”</i>

Based on the literature, eye-catching visuals make the product packaging stand out in the store, and potentially draw attention to customers (Rundh 2009, 999–1000). Colour was perceived as one of the most fundamental elements from the visual category. There are so-called “forbidden colours” still in the market, but not much for the packaging because it is westernised in marketing. However, fonts and websites should be avoiding using red as it refers to warning signs or being cautious. Finnish consumers do not typically seem to associate colours with commands as readily - using red would only mean “attentive” in Finland, but in Japan it would correlate with “do not touch”. But these do not usually apply to packaging. In food packaging, green generally refers to matcha or pistachio; red refers to strawberry, raspberry, or cherry. (Kärnä interview 18.2.2019.) Based on the literature review, it is common to use red colour for hot food with a fire sign on the packaging. Moreover, colour colours are used by brands to define separate flavours in the similar product line, thus the consumer can recognise the product inside for these signs, as seen in Appendix 6.13, where a Japanese food company called “Maruchan”, utilises red refers to noodle soup with tofu, green for tempura soba noodles with fried prawn, and black for noodles soup with curry flavour. Japanese tend to associate strongly with colours in fandoms; as an example, band members might have a specific colour code – e.g., purple. Whether such a consumer happens to be affectionate towards a specific colour, may reinforce their purchase decision based on that specific colour for any product

packaging. Colour codes are fairly popular among fandoms, celebrities, musicians or fictional (anime/manga) characters which can be interpreted from the following quote.

*Colour affects my choices. It takes my attention easily. If I like the colour, I take a look at the shelves, pictures and messages as well. (Informant 1)*

*Depending on whom I'm giving it to. Like for parents or elder people, I will pick up dark but warm coloured simple package. For friends I will pick up blight colour. (Informant 16)*

As the quotes above are interpreted, many acknowledge high-quality packaging with association with certain colour frame or combination. Based on the qualitative data, some consumers seemed to pay attention colours depending on who was the recipient of the gift. However, gold, silver and metallic colour combination is perceived as the most significant with high-quality product.

*If a company wants to market themselves as a luxury product they should switch to gold/silver aluminum foil. (Informant 13)*

*High-quality packaging with silver and gold is ideal. (Informant 28)*

*High-quality packaging with silver and gold is ideal. Colorful is good, but it would be nice if there were gold or silver packaging. (Informant 28)*

*Boxed, nice metallic font, smooth overall. (Informant 27)*

Based on the literature review, packaging size was also an important factor in many sectors. Lack of space in Japanese homes, as well as crowded shop selves, means that being light, mobile, and compact are key design characteristics. The product packaging that was compact and easy to store was preferable choice. Furthermore, Japanese consumers are typically used to having a variety of sizes available on products and foodstuff. This plays a significant role in product packaging design (see Appendix 6.13). Smaller packaging sizes were seen to work better in such a compact and hasty society such as Japan, because of the consumption habits, as well as climate issues. In terms of saving

money, housewives and mothers were seen to buy a bigger bag for saving value. In family hierarchy, mothers are the one in charge of the finance, and grocery shopping is tied with advanced economic plans. (Kärnä interview 18.2.2019.)

*Size should be small enough to fit in a handbag. (Informant 23)*

The size of fitting inside a handbag was considered one of the fundamental elements of the visual elements. The sizes in products and portions have a tendency to be smaller in Japan due to limited space in the apartments. Therefore, it was seen as important that the product packaging fits in a handbag while commuting by consumer interviewee participants. Typical thing in the food industry in the West is that the product sizes happen to too large what Japanese people are used to, thus in Japan the bar type of chocolate the largest one is 200 grams only. (Kimura interview 8.4.2019.)

Illustrations, pictures, and symbols on packaging are influential elements to identify product difference and communicate product information (Meyers-Levy & Peracchio 1995). Animal figures play a pivotal role as every prefecture in Japan has their own animal mascot. Characters play a pivotal role in the cute culture (Tan 2013, 197–198), creating the kawaii effect from the packaging. Based on the literature review, imagery can create visual excitement, memorable experiences, and recognisable interaction. Moreover, illustrations, photography, symbols, graphics, device, icons can be implemented in a various style of which each create a powerful visual language and deliver visual incentives. This was perceived as food patterns on the foodstuff packaging, creating visual incentives of the content product as seen in Appendix 6.3. Moreover, representational pictures of the content (e.g., foodstuff) were perceived useful and appealing. In terms of typography, which considered as the influence of the readability of the instructions on packaging, fonts should be easy-to-read and bold colours preferable avoided.

*Imagery and colours are very important because I imagine the taste or the flavour from packaging. (Informant 10)*

*I think the taste and colour of the imagery should match. (Informant 2)*

Based on the literature review, when buying a premium chocolate as a gift, the packaging's external appearance was described with adjectives such "luxurious", "fancy", "elegant" and "expensive" with a ribbon or high-quality wrapping paper. According to some qualitative data, an appealing packaging was described with following adjectives: "cute" "chic", "simple", "friendly", "special". Appearance-wise, anything related to *kawaii* was desirable among Japanese consumers. However, the Finnish concept of "cute" may differ from Japanese consumer's opinion of what is generally considered cute. It can be noted that if a company managed to get the *kawaii* expression out of their packaging, it was perceived as having a significant influence on female consumers, and therefore may also have an influence on consumer's purchase decision. (Kärnä interview 18.2.2019.)

*Design: simple (elegant, no picture), no exposure of the chocolate inside. (Informant 15)*

Currently, Japanese consumers have become more aware of the climate change and eco-friendliness, and as a result environmental brands and recyclable packaging materials are becoming more desirable. This can be analysed through structure, material, and sustainability elements. Based on the literature review, eco-integrity was still at such an early stage in Japan that there was little competition for environment-friendly products and packaging. One driving force comes from the cultural context, as the Japanese typically place great emphasis on delivering high quality customer service and everyday convenience. This reflects on plethora of single-used items such as plastic bags, straws, packaging, and chopsticks that are distributed on regular basis in convenience stores and restaurants. This could be considered a point of criticism by many for its necessities. (Tokyo-esque 11.7.2019.)

*I buy cheap but tasty chocolate. Fear trade chocolate or chocolate company which care about environmental issue. (Informant 20)*

#### 5.4.2 Informational elements

Based on the literature review, informational elements are becoming gradually more essential and influence consumer's purchase choice (Silayoi & Speece 2004, 624). The same type of results was obtained in this study. Informational elements were perceived as fundamental features for Japanese consumers. The following table 6 summarises the

packaging design elements modified by Silayoi & Speece (2004), Bloch (1995), Draskovic, Ruzic & Pavicic (2011), Ampuero & Vila (2006), and Klimchuk & Krašovec's (2012) that emerged from the qualitative data and are classified as part of the informational elements presented earlier in this study.

**Table 6 Consumer market expectation for informational elements**

<b>Informational elements</b>	
Product information	<p><i>If the country of origin of chocolate is discriminated (not produced in Finland), mention it at the label</i></p> <p><i>More words to describe flavour/brand on the packaging (Romance copy)</i></p>
Brand identity	<p><i>Make more visible that the brand's country-of-origin</i></p> <p><i>Price should match the packaging</i></p> <p><i>Finnish-ness, Nordic-ness</i></p>
Legal and regulation issues	<p><i>Japanese label sticker,</i></p> <p><i>Separate organic certification costs ca. €4000,</i></p> <p><i>Translated list of raw ingredients,</i></p> <p><i>Japanese regulations demand precise accuracy,</i></p> <p><i>Metal detection process</i></p>
Technology image	<p><i>Customized message and functionality of the packaging,</i></p> <p><i>"how does it feel"</i></p> <p><i>Reusability of the packaging</i></p> <p><i>Attach a QR code (to access website/online store or more information about the product or origin)</i></p> <p><i>Attach an Instagram code for social media network</i></p> <p><i>Easy to open and close; keeps the product fresh and safe (practicality),</i></p> <p><i>"Being compact, innovative, and "kawaii"</i></p>



The informational elements such as product information should be shown in the packaging. If there is a product that needs processing before eating, the packaging needs to have enough information about it in the contents of aforementioned packaging design (Kärnä interview 18.2.2019). Based on the qualitative data, the excluded country should be mentioned in the label, or tell where the product/foodstuff was produced or made. Based on the literature review, “food product expectations can be created from elements such as product information, and stereotypes” (Silayoi & Speece 2007, 1497). On the other hand, Klimchuk and Krasovec (2012, 77) define *romance copy* as a description of the product’s personality attributes and it acts as a medium for telling the story of the brand. Romance copy was seen often in Japanese packaging as Japanese companies value the brand message and story, see Appendix 6.4.

*Type of product/foodstuff must be written on product information, messages on the cover/packaging. I think that’s really innovative and creative. (Informant 1)*

*Country-of-origin image* was perceived as one the main informational elements in the packaging design. There was also reliability associated with Finnish products and Finnishness. Therefore, trustworthy countries were seen to create reliability with the product and the brand (Kärnä interview 18.2.2019).

*Since Finnish products are rarity in Japan, the novelty of being able to buy a Finnish product as a gift or otherwise make for a strong selling point. (Informant 23)*

*Northern European design has its own special category (in a way, one brand?) in Japan and people tend to think these are fashionable and cool. (Informant 17)*

The brand identity is shown through elements that communicate the country’s identity such as *Finnish-ness or Nordic-ness*. Brand message and origin-of-country were seen as a fundamental characteristic, since some countries were believed to have higher quality products than others. This was associated with bringing social status, which was important for Japanese consumers. As an example, most of Japanese consumers were seen to know where Finland was located, but Japanese consumers still found Finland as part of the Sweden-Norway-Finland combination, as in Scandinavian 北欧 (*hokuou*)

which refers to Nordic countries. (Kärnä interview 18.2.2019.) Nevertheless, many consumers seemed unable to tell differences between Finnish or Swedish design elements.

*As mentioned before there is definitely a market for foreign, non-mass-produced product in Japan particularly with the gift giving culture as it is. That is why focusing on where the product is from can be the key of its marketing. For example, focusing on the stand where the product is sold and the stand should be advertising “made in Finland” so the product doesn’t need enough Finland -feeling. – Informant 23*

However, they had vision and image of Nordic brands which was perceived for nature. The informational image is expected to match with the appearance and materials of the product packaging. Finnish and Nordic design was perceived as minimalist, natural, and simple and clean lifestyle which indicated high-quality flax, reuse, wood, recycling resources but did not look inexpensive. (Kärnä interview 18.2.2019.) The following quotes can be interpreted the country-of-origin image and brand message importance.

*Country of origin is important for me. Because I always care about the origin of producers. I want to know the story behind the company and where the product comes from. (Informant 6)*

Technology image was perceived as one of the most fundamental elements of the informational category. The differences between Japanese and Finnish packaging lie in their differing practicalities, whereas Japanese product has been polished as a fine adjustment. This may include how the packaging is opened and resealed once it has been opened as seen in Appendix 6.14. In Finnish food packaging, the scissors are usually needed, or the plastic foil will get ripped easier, where the high-quality material is not as commonly used. In Japanese packaging technology, there is always a mark or sign “small triangle” in the packaging/plastic bag where it needs to be cut or opened, see Appendix 6.8 and 6.14. In Japanese packaging, high-quality resources are commonly used, and packaging design materials are made so that the packaging opens and tears up smoothly. In the event that scissors are needed to open the packaging, there is a marked icon with scissors or a dashed line. Generally, food products can be presented in such that the products are divided into “for two and two” for items with typically smaller portions, such as curry paste. The small pieces are divided into even smaller pieces, and the user can chip off a piece –

for an example, please refer to Appendix 6.5 and 6.6. This is a demonstration of product's fine adjustment showing the instruction of usage and tuning far beyond what would usually be considered in the West. Kärnä (interview 18.2.2019) demonstrates that Japanese companies execute the user experience in their production for a much longer cycle.

*Since I don't like to eat all the chocolate at once expect for one piece at a time, it is better to have a packaging that is easy to put back in a bag after opening. Also it is nice to have a cute packaging that is not shameful/embarrassing when opening and eating inside a train. In Japan, many people like things that are easy to eat while travelling such as on the train or while transferring. (Informant 3)*

*Because I eat only a small amount at a time. I always want to keep freshness by sealing and eating in the best condition. (Informant 30)*

The *functionality* “how it opens and reseals, has been created because of the climate. The resealing functionality has been created because of the climate. If the packaging cannot be closed properly after opening, it might have an impact on the product quality in a long run, and therefore, in the purchase decision. The Japanese foodstuff packaging is invented to keep food fresh, either with an ingenious closing technique, or just a smaller size. The size on the other hand, may influence on “cannot be eaten in one serving”, and therefore the packaging needs to have a feature of closing it again such the chocolate packaging. As discussed in previous chapter, Japanese summers are hot and humid, and therefore the packaging needs to have the useful technology to “keep the chocolate safe without melting”. Being compact, innovative, and “kawaii” were the standard features for the packaging in the minds of consumers. All these features that focused on creating a sensual experience, a.k.a “how does it feel”, were related to the product experience, which the consumer undergoes with the packaging, as see in the Appendix 6.12. Regardless of how crowded with products Japan's market may appear, or how carefully one may try to understand consumer perceptions, there are still plenty of disparities in the market that are, quite simply, being overlooked. Frequently products from overseas are rejected in Japan as being unsuitable, without deeper insight of how a consumer may react to the product, and therefore it is essential to show Japanese consumers thoroughly how the product is meant to be used, see Appendix 6.5 and 6.6. (Johnston 2014, 38.)

*Japanese people really concerns how you appear to the others and how others think about you. Today's Instagram is like a war of picture. People are showing off his/her experience, place he/she go, food he/she eat. (Informant 22)*

The quote above interprets the necessity of a QR-code that is a common feature in today's Japanese packaging. As stated in the literature review, it is not uncommon to find a QR-code attachment in the Japanese packaging. The most popular usage of QR-code is encoding the URL of a mobile website. QR-codes are easily visible everywhere and accessible at any time, so they are often scanned by consumers. The benefit of QR-codes is allowing the consumer direct access to comprehensive information or service webpage for product and brand. (GS1 Japan 2020.)

*Attach a QR code (to access website/online store or more information about the product or origin of cacao beans) (Informant 6)*

Similar results were obtained in this study. Based on the consumer interviewees, QR-code attachment, or other social media network access (see Appendix 6.16) and/or information were found to be a fundamental feature among informational elements (see Appendix 6.6 and 6.15). For reference, the term SNS stands for "Social Networking Service" in Japan, as the following comments use the terminology:

*If it is a gift, it has to have certain values and some sorts of quality. I have been to department store to buy presents, and I feel that external packaging is very important for attracting people to buy as a gift. Also, I see people post on Instagram when they buy something nice or receive presents, so if visually nice, it can make a good post on SNS.*

*There can be connection with SNS and the importance of external packaging.*

*(Informant 21)*

*A beautiful packaging can easily win over consumer's attention than a neutral packaging as a gift. However, for own use, packaging would not matter as much. But since women in 30s now are career-driven with more money and therefore, they can buy desirable packaging without caring about the product inside.*

*(Kärnä interview 18.2.2019)*

The quote above can be interpreted such, that career-driven Japanese female consumers can buy products based purely on the appeal and *practicality* of the packaging. Whether the product packaging can be reused, such as for storage or decorative purposes, this can be seen as appealing element in the technology image, see Appendix 6.17. According to functionality, a packaging that can be reused after consuming or eating the product inside was desirable feature among female consumers. Japanese consumers may buy a beautiful, box-shaped tin package for the packaging itself, and not because of the food product inside. Therefore, the re-usability element was desirable and demanded. This is common involvement in the sightseeing attractions such as Sky tree or Tokyo Tower tourist attraction sites, where many souvenirs are sold in beautiful packaging's with, in the researcher's opinion, average-tasting cookies inside, and the external packaging will be a souvenir in itself. In this context, packaging will become a point-of-use and additionally has a meaning as marketing tool. In Finland, the context of the packaging has not reached this level as a point-of-use, and this is not considered valuable enough in Finnish culture. This also requires higher resources for manufacturing costs. (Kärnä interview 18.2.2019.) Japanese chocolate brands such as Glico's Pocky, see Appendix 6.11, have taken the innovation to another level, by making use of packaging functionality by turning the whole product, coupled with the packaging, into a game while eating "Share happiness". Another example is provided by the Nestle's KitKat "Halloween Break" chocolate where the empty packaging can be folded into an *origami* (the art of paper folding) with instructions, see Appendix 6.10.

Regarding to *legal and regulatory elements*, Japanese rules and regulations for food and sanitation law are some of the strictest in the world. Japanese consumers seem to prefer fresh food in meat and fish. Therefore, the localization process of "how to list/categorise ingredients" can be a challenging issue for Finnish companies according to the European regulations. (Kimura interview 8.4.2019.) Therefore, practical localization process is needed. Using Goodio as an example, they have attached a sticker to the underside of the packaging. For the Japanese market, an *individual sticker* is required that presents the needed information. One aspect of note regarding the localization process is that the organic mark in EU is not the same in Japan, and an entity would need to apply for a *separate organic certification* for the Japanese market - which is a process and costs around €4000 which has to be done in the screening factory. Therefore, whether a brand wants to use an organic label or sticker on their packaging, the distributor will take care of it and therefore, the products should be shipped without the stickers first. A Japanese

label sticker should be attached on the underside on the product packaging. According to Korhonen (interview 25.4.2019), Japanese language and/or translations have not been used in the Goodio packaging other than on the label description, and the front of the packaging remains the same for all the markets.

The guidelines on hygiene control of imported processed food are highly restricted in Japan. Whether it is a food product being imported to the Japanese market, the company needs to provide a list of raw materials in Japanese for the distributor. Using Goodio as an example once more, the raw ingredients are the only thing Goodio has to translate for the Japanese market. (Kärnä interview 18.2.2019.) Japanese regulations demand precise accuracy with anything related to production, and no other geographical market requires a metal detection process for Goodio's chocolate. The documentation needs to be accurate which also helps when getting into other new markets. Food production is advanced in Finland, but in Japan they are much further progressed in terms of product and food safety regulations. (Korhonen interview 25.4.2019.)

## 6 CONCLUSIONS

### 6.1 Theoretical contribution

The purpose of this research was to study the packaging as a part of product adaptation in the Japanese consumer market. The study aimed to provide more detailed answers as to which packaging design elements have market expectations in the Japanese consumer market. To understand these relationships better, it was essential to analyse using a cultural context perspective in product adaptation, in order to gain greater understanding of this phenomenon. The purpose of the study was divided into three following sub-questions:

- What are the cultural context characteristics of the Japanese consumer market?
- What are the cultural requirements for the product adaptation in the Japanese market?
- What are the consumer market expectations for a product packaging design in the Japanese consumer market?

Sub-objectives one and two were literature view-focused, underlying the research phenomenon. The answer for the third sub-objective was sought based on the qualitative data, which was supported by previous literature review and research data. Sub-sections 6.1.1–6.1.3 answer the sub-objectives as follows.

#### 6.1.1 Japanese cultural context

The Japanese consumer market was discussed from the perspective of cultural context. The Japanese consumer market is highly attractive to both domestic and foreign enterprises for its enormous potential (Azar 2016, 6). Being one of the most difficult consumer markets in the world, Japan is sometimes considered as a mystery, with regards to its significance, how the market is characterised, and what is truly valued to consumers (Ariga 1990, 91). The Japanese market is one of its kind in the world and the Japanese

economy has been the envy of the world and its financial markets the source of wealth (Reid 1999, 39). In comparison to other countries, Japan has stayed relatively homogeneous with consumers sharing the same meanings and thoughts. Fig. 10 summarises the fundamental characteristics including the new and complimentary (highlighted in red) on Japanese cultural context.



**Figure 10 Japanese cultural context factors**

Recent global changes are, however, having an impact and influence on Japanese society. In favour of globalization, Western values have influenced a *collectivist* Japanese society, moving it closer towards into an *individualistic society*. This was demonstrated by the change of family sizes, the increasing number of single-person housings and younger generations expressing their selfishness in hyper-materialism. Trends such as an aging society, and gradually decreasing population, are expected to continue, and would remain a key consideration in consumer behaviour. Particularly younger consumers have interpreted individualism as a representation of selfishness in hyper-materialism. This might be reflected through an increasing number of Japanese women not getting married and becoming more highly - regarded consumers by their spending habits - which was



also supported by Haghirian (2010, 112). Based on this research, Japanese women have started focusing more on their careers and have begun to increase their own spending on indulgent products, or luxury goods.

It was necessary to define relevant characteristics for a Japanese consumer to understand the consumer markets around the cultural context. It seems that Japanese consumers have *high liquidity* in the market which is also supported by Melville (1999, 222-223); and Schütte and Ciarlante (1998, 164-167), whereby the high-quality requirements are met, a Japanese consumer is willing to pay a high price for it. High liquidity was perceived as a fundamental characteristic in this study, implying that it can encourage small and medium-sized enterprises to enter the market, specifically when offering a niche market product. Japanese consumers expect domestic brands to offer something that cannot be obtained at any other time of the year, causing excitement and a feeling of rarity around the product. As stated in previous research, Japanese consumer market is highly *seasoned* in consumerism (Schütte & Ciarlante 1998, 97; Haghirian 2010, 111), and Japanese consumers are known for being attracted by products and experiences that are available for a limited time only. Consumer goods have the supplementary characteristic of communicating cultural meaning (Schütte & Ciarlante 1998, 97). Limited and special edition products are available in specific time of the year or holiday seasons. For such products and foodstuff, product packaging design plays a pivotal role in presenting the visual and informational characteristics in marketing communication methods.

It seems that *consumer experience* was considered as significant factor in Japanese consumption trends, implying that a new cultural context characteristic was identified in the study. Consumer experience or experiential consumption is perceived as how the product engages with range of consumer's senses (Evans, Jamal & Foxall 2012, 400). Since the gift-giving culture has been introduced in previous studies, customer experience was demonstrated with the form gift-giving, providing novelty value for this study. The experience starts with the feeling when the recipient receives the packaging, gradually starting to open it until the end. This is considered as consumer experience which creates the-wow-effect during the whole process, and which is valued by the Japanese consumers. Moreover, restaurants and leisure activities are continuously seeking more innovative ways of creating consumer experience with their portions and store atmosphere. Japanese consumers seemed to follow on-going trends and their love for taking photos and posting them on social media channels is these days rather a rule than an exception. The growth

of social media, especially Instagram, has expanded to unexpected directions, and Japanese consumers seem to prefer to have photogenic experiences and portions so they can share them on social media networks. Restaurants and cafeterias focus on creating portions and servings that look great externally, considered acceptable for “social media material”. This term was defined as “*instagrammable*”, which brings novelty value for this study.

An *image-consciousness* characteristic proposed by previous studies, generated a complimentary finding in this study, identified as *kawaii effect*. The phenomenon is found to stem strongly from cute culture. When company manages to create the *kawaii effect* out of their product packaging, this could be considered as a successful moment in this study. Evoking feelings and the emotions from consumers were the basis in creating successful brands in Japanese consumer market according to this study. The significance of *kawaii* as a positive feeling invigorating social interaction which attracts increasing attention. However, different cultures have developed different viewpoints on which is are considered cute. Cultural traditions characteristic was introduced to support *aesthetically sensitivity* as it was seen a fundamental characteristics of cultural context characteristics. These traditions include *gift-culture*, introduced in previous studies, which was perceived as an essential part of traditional Japanese culture. This a hundred-year-old tradition of giving gifts is one way to show what culture of giving gifts means precisely. Based on this research, no matter how small the gift was it should express the gratitude on Japanese culture and aesthetics, implying that each part of the product was expected to be beautifully packed. This also was aligned with Haghirian (2008 58), as Japanese practice gift-giving out of sense of obligation, gratitude, or regret.

It seems that Japanese consumers have more careful and rigorous towards products while investigating the product information, but they seem to have a significant amount of awareness about products generally. Based on the earlier research, product literature and informed were identified to describe Japanese consumers. These traits were considered fundamental for a Japanese consumer. However, based on this research, the previously mentioned two characteristics were combined and identified as a *well-educated consumer*, describing consumers who have vision to judge the real value of products. Moreover, Japanese consumers were found to have *careful and prudent buying behaviour*, implying that it was hard to convince them into becoming an end-consumer. To conclude, this research established relevantly new and complimentary definitions for some of the common and essential characteristics, based on previous research (chapters

2.2.1 and 2.3). Moreover, two new resources, *careful and prudent buying behaviour* and *consumer experience* were found which are perceived as important new and complimentary findings emerged from this study.

### 6.1.2 Cultural expectation for product adaptation

Differentiation, uniqueness, and innovation were seen as key factors to be considered from a product packaging when aiming to make a better product for the market. Having a mindset of a packaging that already works in certain target market can be a naïve-thinking that the same product attributes could work everywhere, especially in Asia. Finnish consumers are not seen as demanding as Japanese or Asian can be, and therefore the company might not acknowledge or understand the necessity for these three key factors mentioned above. Similarly, foreign companies might not understand the reception or have mixed signals that are more common among Japanese consumers. The following Fig. 11 summarises fundamental characteristics including the new and complimentary (highlighted in blue) on cultural requirements for product adaptation in the Japanese consumer market.



**Figure 11 Cultural requirements for product adaptation**

*Advertising on TV and on printed media* is as one of the key adaptation tools in product adaptation. TV was seen as the most dominating method of advertising. TV advertising is a potential expenditure whether the foreign company could deliver innovative and unusual messages aligning with cultural values (Melville 1999, 168). Moreover, printed media was still considered relevantly trustworthy by Japanese consumers. Even

though social media and blogs have gained popularity over the years, Japanese still rather have one printed book while traveling as they found it more reliable. This shows that Japanese consumers have more trust on it because it is printed. This can originate from the fact that the Internet was not seen as reliable as information in printed media did.

*Pricing* is important since the price should communicate with the product and external packaging, and therefore Japanese do not easily trust in unknown products, especially if they consider the price too low. Price rebates are seen as a quality failure and therefore, the product price needs to be fixed for a long period. Japanese need to perceive the right value in a product, and if the quality and technology meet the required expectations, the consumer is willing to pay a higher price for it. This is also supported by Schütte and Ciarlante (1998, 164-167) that Japanese consumers associate the higher price with higher quality. In Japanese market the price rises higher because of many intermediaries in import and distribution. It seems that Japanese prefer to rely on brand awareness and what they are used to. This was perceived as a silent acceptance in this study, implying to “*community approved product*”. In Japan, a good product is not always enough, but it needs to gain acceptance of society. This can be due to the conformist aspects of Japanese society where the members of the social group prefer the continuation of harmonious community over personal interest. Therefore, this can be reflected on forcing international companies to conform products to the natures of Japanese society, and to adapt to the other similar products in the market, to gain “the silent acceptance”. In addition, Japanese consumers are easier to pass judgement on products that are classified as premium or luxury, and therefore where the external appearance does not look luxurious, the product might not receive societal approval.

Based on previous research, Japan is well-known for having some of the highest product quality standards in the world (Azar 2016, 140). Moreover, Japanese consumers expect high-quality products even from inexpensive and standard foreign brands (Johansson (1986, 42). Based on this research, Japanese products are typically wrapped in several plastic coverings for aesthetical purposes, but also to protect the product from outside stimuli. While some may perceive this as a neglect of the environmental and social responsibility in the West, some foreign companies do not comprehend the difference in climate and humidity between Japan and other countries they operate in. Judging the climate in Japan, the product packaging needs to keep moisture and heat away from the product. This was identified as *moisture prevention* in this study. It seems Japanese consumers are highly interested in how the product is packed from the inside. In order to

convince Japanese consumers with the following attribute, the foreign companies can utilise the printed media, showing instructions on how the packaging retains moisture. This can be achieved by usage of pictures of the opening and closing technique. This was considered as a relevantly important finding for adaptation tools in the markets. Packaging with moisture prevention was perceived as a significant part of the normalised Japanese high-quality standards. Nevertheless, by only showing or informing this feature might not convince Japanese consumers to trust the product and its technological features. *Distribution channels* are considerable factor in the Japanese market, since they usually offer better contacts for department stores. Smaller distributors seem to have issues with language barriers, and therefore it is even recommendable for a company use a translator or have a Japanese speaking employee in the crew. It seems there were only a few good distributors in Japan available. Performing at pop-up stores it is easier to acquire contacts from consumers.

Japanese consumer market offers a variety of *niche market opportunities*. This might be perceived an important finding emerged from this study. In such huge continent as Asia, there are plethora of preferences and niche market segment may possess millions of potential consumers. Based on this research, Japan stands for great niche market opportunity specifically for companies that are compatible enough to survive but small enough to avoid key competitive forces. Global brands can take advantage of the seasonal and limited-edition products by creating niche opportunities in series of familiar and well-established local holidays or events, and sometimes by benchmarking local traditions and practises. To conclude, this research established relevantly new and complementary definitions for some of the common and essential adaptation tools, based on previous research (chapters 2.2.2 and 2.2.3). Moreover, *community approved product* and high standards on *moisture prevention* were identified as novelty findings, which might be important findings emerged from this study.

### 6.1.3 Consumer market expectations for product packaging design

Packaging was found to be the centre of attention on attracting customers. Based on this research, packaging makes the first impression for a consumer. Furthermore, packaging was perceived as communicating the price and shown coherence with the given price. This research highlighted that packaging is an important communication instrument for

the price. This was also supported by Johnston (2014, 38-39), whereas Japanese consumers typically demand perfection when it comes to packaging as they placed a strong emphasis on the whole appearance of products and packaging. It seems that the external appearance of the packaging, as well as the visibility of the price in the packaging became key features. To elaborate, Japanese consumers often compare the external packaging and the price and expect them to correlate with each other. Expensive products need to have an expensive looking packaging. The following Fig. 12 presents the fundamental findings on consumer market expectation with regards to visual elements.

<b>Visual elements</b>			
<b>Colour</b>	<b>Size &amp; shape</b>	<b>Imagery</b>	<b>Structure, material &amp; sustainability</b>
<b>Aligned with the product</b>	<b>Smaller sizes</b>	<b>Representational imagery with the content and brand</b>	<b>High-quality material</b>
<b>Gold, silver, metallic</b>	<b>“Handbag-size”</b>		<b>“Environmental awakening”</b>

**Figure 12 Consumer market expectations with regards to visual elements**

Japanese consumers are known for judging appearances easily based on the high degree of *aesthetics-sensitivity* that was discussed in the previous chapter. The quality of appearance is expected to match the external packaging. The results indicate that the first impression is always crucial for Japanese consumers. The external appearance is considered to a lot about the product likewise and influences. Based on this research, eating experience was considered better whether the external appearance pleases the eye of beholder. *Colour* was perceived as one of the most fundamental elements from the visual category. Colour combination is expected to match and be aligned with the product content. It is common for domestic companies to use red colour for hot food with a fire sign on the packaging design. Moreover, colour combinations and codes can be used by brands to define separate products in the similar product line, thus the consumer can recognise the product inside for these signs. Whether such a consumer happens to be affectionate towards a specific colour, it may reinforce their purchase decision based on that specific colour for any product packaging. It seems that Japanese associate strongly with colours, whether the content was to show the level of spiciness in food or type of fruit. There are

so-called “forbidden colours”, however they are not commonly used in marketing packaging. Japanese food brands seem to utilise not only colour in packaging, but also shape, material and quality of the container to let the consumers recognise the content. Based on this research, Japanese consumers seemed to pay attention on colours depending on who was the recipient of the gift. High-quality and luxury items were seen as more appealing with gold, silver, and metallic colour combinations. As discussed previously, *kawaii effect* has an influence on consumer’s perception of external appearance of packaging. The visual indication of cuteness may vary in different cultures despite having a universal impact on humanity.

*Packaging size/shape* is also an important factor in packaging elements. This supported previous research as lack of space in Japanese homes implies that the light of mobile and compact is a key design characteristic. Japanese consumers are typically used to having a variety of sizes available on products and foodstuff. This plays a significant role in product packaging design. Smaller packaging sizes were seen to work better in such a compact and hasty society such as Japan, because of the consumption habits, as well as climate issues. In terms of saving money, housewives and mothers were seen to buy a bigger bag for saving value. In family hierarchy, mothers are the one in charge of the finance, and grocery shopping is tied with advanced economic plans. The size of fitting inside a handbag was considered one of the fundamental elements of the visual elements. The sizes in products and portions have a tendency to be smaller in Japan due to limited space in the apartments. Therefore, it was seen as important that the product packaging fits in a handbag since Japanese spend a significant amount of time commuting to work and back. Another phenomenon is that product portions are typically larger in the West than in Japan. It is therefore important for foreign companies to consider their packaging sizes when entering the Japanese market.

*Imagery* elements played essential role in the study. As stated in literature review, animal figures play a pivotal role as every prefecture in Japan has their own animal mascot. Characters play a pivotal role in the cute culture which was supported by Tan (2013, 197-198), whereas creating the *kawaii effect* from the packaging. Based on the previous research, imagery can create visual excitement, memorable experiences, and recognisable interaction. Moreover, illustrations, photography, symbols, graphics, device, icons can be executed numerous ways that each creates a rich visual language and provide visual incentives. It seems that *representational imagery* of the content (e.g., foodstuff) were per-

ceived useful and appealing. In terms of typography, which was considered as the influence of the readability of the instructions on packaging, fonts should be easy-to-read and bold colours preferable avoided.

Based on this research, alongside the high-quality standards discussed earlier, consumers expected *high-quality material standards* with any item and was perceived as a fixed feature for product packaging. Nowadays, Japanese consumers have become more aware of the climate change and eco-friendliness “*environmentally awakened*”, and as a result environmental brands and recyclable packaging materials are becoming more desirable. This can be analysed through structure, material, and sustainability elements. Based on the earlier research, eco-integrity was still at such an early stage in Japan that there was little competition for environment-friendly products and packaging. One driving force comes from the cultural context, as the Japanese typically place great emphasis on delivering high quality customer service and everyday convenience. This reflects on plethora of single-used items such as plastic bags, straws, packaging, and chopsticks that are distributed on regular basis in convenience stores and restaurants. This could be considered a point of criticism by many for its necessities.

Informational elements are becoming progressively more important and influencing consumer’s purchase choice. Informational elements were perceived as fundamental features for Japanese consumers. The following figure 13 presents the Japanese consumer expectations with regards to informational elements.

<b>Informational elements</b>			
<b>Product information</b>	<b>Brand identity</b>	<b>Legal &amp; regulation issues</b>	<b>Technology image</b>
Origin of country excluded	Brand message	Japanese label sticker	QR-code/Instagram access
Romance copy: Words to describe flavour or brand	Country-of origin image	Organic certification	Functionality
		Translated list of raw ingredients	Practicality
		Metal detection process	

**Figure 13 Japanese consumer expectations with regards to informational elements**

The informational elements such as product information should be visible in the packaging. If there is a product that needs processing before eating, the packaging needs



to have enough information about it in the contents of aforementioned packaging. Based on this research, *the excluded country* should be mentioned in the label, or tell where the product was produced or made. This also align with Silayoi and Speece (2007, 1497) that food product expectations can be created from elements such as product information, and stereotypes. It seems Japanese packaging frequently use *romance copy* to describe the flavour or origin of the product's personality attributes or use for storytelling purposes about the product or brand. *The brand identity* was shown through elements that communicate the country's identity such as "*Finnish-ness*" or "*Nordic-ness*" in Goodio's case. Country-of-origin image was perceived as one the key informational elements in the packaging design. There was also reliability associated with Finnish products and Finnishness. Therefore, trustworthy countries are seen to create reliability with the product and the brand. *Brand message* and *origin-of-country image* are considered as a fundamental characteristic, since some countries believed to have higher quality products and this was associated with bringing social status, which is important for Japanese consumers. As an example, most of Japanese consumers are aware of where Finland is located but cannot tell differences between Finnish or other Nordic countries. However, image of Nordic brands remains great. The informational image is expected to match with the appearance and materials of the product packaging. Brand message can bring an advantageous market opportunity market as Japanese companies and consumers valued the brand message and story.

Regarding to *legal and regulatory elements*, Japanese rules and regulations for food and sanitation law are some of the strictest in the world. Therefore, listing the ingredients included in the product and packaging can be a challenging issue for foreign companies. The regulation on labelling on packaging is an important source of information about food content. This helps consumers in selecting and understanding how to preserve the product and how to use it. (Japan external trade organisation, 2003.) Similar findings were found in this research as *Japanese label sticker* was required to the underside of the packaging to present the needed information. Whether the brand distributes organic products to markets, the organic mark is not the same as in the Japanese market, and an entity would need to apply for a separate *organic certification* for the Japanese market – which could cost around €4000 euro and conducted in the screening factory. The guidelines on hygiene control of imported processed food are highly restricted in Japan. Whether it is a food product being imported to the Japanese market, the company is required to provide *a list of raw materials* in Japanese for the distributor. It seems that Japanese regulations

demand precise accuracy on documentation with anything related to production. This was also supported by Japan external trade organisation (2003.) that labelling on packaging must be in Japanese language, be accurate, readable, and visible without opening the packaging. However, Goodio faced a challenge since no other geographical market required a metal detection process for a chocolate.

*Technology image* was perceived as one of the most fundamental elements of the informational category. The differences between Japanese and Finnish packaging lie in practicality as it has been polished to be as a fine adjustment. This included how the packaging was opened and closed-up again once it has been opened. The resealing functionality has been created because of the climate. If the packaging cannot be closed properly after opening, it might have an impact on the product quality in a long run, and therefore, in the purchase decision. Japanese companies execute the user experience and packaging's fine adjustments in their production for a much longer cycle, and far beyond what would usually be considered in the West. It seems that some career-driven Japanese female consumers can buy products based purely on the appeal and *practicality* of the packaging. Whether the product packaging can be reused, such as for storage or decorative purposes, this can be seen as appealing element in the technology image. Japanese consumers may buy a beautiful, box-shaped tin package for the packaging itself, and not because of the food product inside. Therefore, the re-usability element was desirable and demanded.

In conclusion, Japanese summers are hot and humid, and therefore the packaging needs to have the useful technology to “keep the content safe without melting or damaging”. Being compact, innovative, and “kawaii” were the standard features for the packaging in the minds of consumers. All these features that focused on creating a sensual experience, a.k.a “how does it feel”, were related to the product experience, which the consumer undergoes with the packaging technology. Regardless of how crowded with products Japan's market may appear, or how carefully one may try to understand consumer perceptions, there are still plenty of disparities in the market that are simply being overlooked. Frequently products from overseas are rejected in Japan as being unsuitable, without deeper insight of how a consumer may react to the product, and therefore it is essential to show Japanese consumers thoroughly how the product is meant to be used.

## **6.2 Practical contribution**

The purpose of the study was to study the packaging as a part of product adaptation in the Japanese consumer market. The study provided answers what are the consumer market expectation with regards to packaging elements. The thesis also analysed the Japanese cultural context characteristics and cultural requirements for product adaptation in the Japanese consumer market. In conclusion from the results of this study, the components to be considered in the packaging design elements can be presented to the management. Japanese consumers aged between 25–40 were used as the target group for this study and product packaging design as the marketing platform, but the conclusions can also be applied to other platforms and target groups for which product packaging or product adaptation can be seen as appropriate.

The findings provided in this study can benefit students, researchers, entrepreneurs, marketers, Finnish, and foreign companies seeking to enter the Japanese consumer market. With this data, they can comprehend what kind of cultural characteristics Japanese consumer market consists of, and what are the cultural requirements for product adaptation, and what are the consumer market expectations with regards to product packaging design elements. Companies who seek to set a foothold in the market can gain insight into Japanese cultural backgrounds and traditions thoroughly and recognise what exact main factors are essential in order to sufficiently penetrate the Japanese consumer market. A deeper understanding and a well-prepared localization strategy will provide great value for companies and entrepreneurs. The data also provided an insight to the adaptation tools in product adaptation and market expectation for product packaging design which are essential when foreign companies try to reach the local consumer's understanding. Both literature and empirical evidence supported that the consumers demand high-standards from domestic and international brands, and with this information, potential companies can prepare their products to the Japanese market. Thus, this research can also be relevant to brands.

## **6.3 Limitations of the study and further research suggestions**

Japan remains as the third largest economy in the world with a consumer market of 126 million consumers who not only possess a leading position in spending power worldwide (Fortune 2021). Since this study allowed only 30 consumers, at the time of interview aged

between 25-40, can be considered a small fraction of the entire population in the results of the study, and the generalizability of the study. The consumer interviewees were sourced through a combination of the researchers existing personal and professional networks. This network is drawn from 10+ years of combined residence in Japan, the United Kingdom and Finland, with interviewees taken from a variety of backgrounds, cultures, and demographics. One of the limitations that the researcher experienced were the highly limited respondents that were publicly accessible and available. Therefore, the interviewees were drawn from researcher's own professional and personal network. This could impact results by creating a non-representative sample. "Sometimes interviewee participants can be afraid of expressing their honest opinions" (Taylor, Bogdan & DeVault 2016, 116). Nevertheless, this can also be seen as positive, as interviewees were comfortable to express honest and detailed opinions. It can be stated that the sample in this study is representative of a somewhat wide range of Japanese demographics. Recording and transcription of the interviews as well as drawing mind maps served as a generalization from which the results of the study were analysed using the theory discussed. Another potential drawback of this study is that only one product was considered. Other types of merchandise may lead to different conclusions. In addition, regarding to the photo demonstrations of packaging elements, potentially results may be confounded, as some of them had examples of non-chocolate products due to availability. However, products with similar elements were used as replacements to negate as much as possible, any confounding effects.

In this study, the selection principles emphasized the interviewees' experience of the research topic and the heterogeneity in the selection of the interviewees was sought based on their preferences. The research method chosen was not intended to generalize statistically of Japanese consumers. However, as a proposal for further research, the research could be redone by using different methods to wider and more heterogenous group of Japanese consumers than in this study. More extensive data could also be used to interpret whether there are differences in the expectations of different brands or products in the market for further research.

This study provided academic research with new insights into Japanese cultural context, focusing on product adaptation and product packaging design. Thus, researchers interested in the topic can expand on the expectations of the consumer market in the elements of product packaging design. More detailed phenomena can also be presented. Product packaging design varies depending on the product and content, which is why it would be interesting to study how it affects market expectations about the elements of

product packaging design. Moreover, the localization process depends entirely on the industry. In addition, the study revealed that the elements of the product packaging design depend on whether the product comes as a gift or for oneself. In addition, there may be differences in the packaging of premium and standard products, and it would therefore be interesting to study whether this influences the results.

## 7 SUMMARY

The purpose of the research was to study *the packaging as a part of product adaptation in Japanese consumer market*. The basic idea was to generate information for companies, using the perspective of the Japanese consumer market, so that they could understand Japan's cultural requirements and consumer market expectations regarding product packaging design in the context of product adaptation. The Japanese cultural context was raised in the study for special consideration. The study also utilised a case company, a Finnish raw chocolate manufacturer, whose product packaging has aroused interest in the Japanese consumer market. The purpose of the study was divided into three following sub-questions:

The first sub-objective was to analyse *what are the cultural context factors in the Japanese market*. Recent global changes are having an influence on Japanese society, moving it closer towards into an individualistic society. Japanese consumers follow careful and prudent buying behaviour and are more reserved towards foreign brands and products. However, country's high spending power and their love for seasonal and unique goods, implies that Japanese are generally willing to pay a higher price even for standard products. Japanese are image-conscious and appreciate aesthetics values due the fact that of the country's long traditions with gift-giving culture. The cute culture has been unleashed for decades, and therefore products and packaging are expected to create a "kawaii effect". In addition, Japanese companies and brands are constantly creating consumer experience for products and services, in order to please the high expectations of Japanese consumer and create excitement. Japanese consumers seem to follow on-going trends and their love for taking photos and posting them on social media channels is these days rather a rule than an exception. The process of making a Japanese consumer from the first stage until the final purchase stage is a long process compared to many other Asian consumer groups. However, Japanese are well-educated consumers with their long consumption history, and they have high liquidity and more money to spend these days on high-quality products and brands.

The second sub-objective was to understand *what the cultural requirements for product adaptation for the Japanese market are*. Japanese market is difficult to penetrate to any foreign companies. Seen as a huge niche market opportunity, it is important to understand the main adaptation tools in product adaptation so that Japanese consumers

find more trustworthy than others. TV and printed media are the most trusted media sources. Pricing is essential since the price should be align with the product and external packaging, and therefore Japanese do not easily trust in unknown products, especially if they consider the price too low. A good product is not always enough, but it needs to gain acceptance of Japanese society, and this is defined as a community approved product. Distribution channels will give an advantage for the markets, however foreign companies need to be aware of choosing the accurate one. Lastly, products are typically wrapped in several plastic coverings for aesthetical purposes, but also to protect the product from outside stimuli. Judging the climate in Japan, the product packaging needs to keep moisture and heat away from the product.

The third sub-objective was to understand *what the cultural expectations for product packaging design in the Japanese market are*. Packaging communicates the price, and they should externally match. This means that an expensive product is not seen as desirable if it is not sold in an expensive and premium looking packaging. Regarding to the visual elements, colour-wise gold, silver, and metallic colours are preferred, however the colour combination should match the product content. Moreover, representational imagery that describes the content with symbols and pictures is found appealing. Japanese consumers prefer smaller sizes, such that fit inside a handbag and are practical for commuting. The packaging needs to be packed in a high-quality wrapping paper, creating the kawaii-effect, and *instagrammable* design is looked upon. Eco-friendly issues are increasing among Japanese consumers. Based on the informational elements, functionality and product information are fundamental characteristics. Japanese companies have developed packaging design for further with technological aspects; therefore, practicality of the packaging was highlighted in the study. Functionalities such protection (from moisture), locking (resealing) and reusability (for storage, decoration, entertainment) are key issues. Furthermore, QR-attachment and SNS-network access on the packaging are highly desired. The results of the study will also be derived in a context-independent format, allowing the results of the study to be applied more extensively to different product groups that are interested in the Japanese consumer market. In addition to the practical benefits, the research will be able to provide completely new information on the consumer market expectations with regards to packaging design elements, as well as to present potential topics for further research.

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## APPENDICES

### APPENDIX 1. CONSUMER INTERVIEW FRAME IN ENGLISH

#### Questions:

1. What is your preferences for an ideal premium chocolate packaging that you could give as a gift for someone?
2. Does the packaging play a deciding role in purchasing when buying a food product/premium chocolate? What about when choosing premium chocolate as a gift for someone?
  - a) *When purchasing a chocolate or a food product, which visual characteristics or informational characteristics of the packaging are important for you? Why?*
  - b) *Why or why not external appearance of a food product/chocolate packaging is important?*
3. Have you ever heard or seen GOODIO?

Based on these package designs, would you be interested in purchasing or giving GOODIO as a gift for someone? Why? Why not?

- a) *Which characteristics do you find the most significant on Goodio?*
  - b) *Based on the packaging, is there anything that you would change or add?*
  - c) *Based on the packaging, would you have guessed that this premium chocolate comes from Finland?*
  - d) *GOODIO has gained some popularity and being sold in some department stores in Japan. Do you think Goodio can become popular in the Japanese market? If yes, why?*
4. Do you usually buy premium chocolate for yourself or as a gift? If you do, what kind of premium chocolate packaging are usually popular or attractive?
  5. What are the reasons why external packaging is so important in the Japanese market?

### APPENDIX 2. CONSUMER INTERVIEW FRAME IN JAPANESE

#### Questions:

1. 誰かへの贈り物としてあなたが好む理想的なプレミアムチョコレートの包装は何ですか？

2. 食品又はプレミアムチョコレートを購入する際、包装は購入において決定的な役割を果たしますか？また、プレミアムチョコレートを誰かへの贈り物として選ぶ際はどうか？

a チョコレート又は食品を購入する際、視覚的特性（サイズ、形状、色、グラフィックアート/写真）；包装の非公式的特性（製品情報、技術イメージ、ブランド、原産国）は重要ですか？それはなぜですか？

b 食品/チョコレート包装の外観が重要なのはなぜですか？

1. GOODIO という商品を聞いたこと又は見たことがありますか？

これらのパッケージデザインに基づいて、GOODIO を購入もしくは誰かへのギフトとして贈ったりすることに興味がありますか？それはなぜですか？興味のない場合、それはなぜですか？

a Goodio において、あなたが最も顕著/重要/特別だと思う特徴は視覚的、非公式のうちどれですか。

b パッケージに基づいて、あなただったら変更または追加するものはありますか？

c パッケージを見て、このプレミアムチョコレートはフィンランド産だと思いませんか？

d GOODIO は人気を博し、日本の一部のデパートで販売されています。GOODIO は日本市場で人気が出ると思いませんか？出ると思う場合、なぜですか？

4. プレミアムチョコレートを自分用に、または贈り物として普段購入することがありますか？購入する場合、どんなプレミアムチョコレートの包装が人気または魅力的だと思いますか？

5. 日本市場で外部包装が非常に重要だと思う理由は何ですか？

### APPENDIX 3. MARIKA KÄRNÄ INTERVIEW FRAME IN FINNISH

#### Questions:

1. Kerro vähän itsestäsi ja miten työsi liittyy Goodioon?
2. Kun puhutaan näistä Aasian maista, niin puhutaanko tässä juuri Kiina-Japani-Korea maista?
3. Millainen prosessi on päästä tuotteena Kidemaan verkkokauppaalikoimaan? Miten Goodio otti yhteyttä teihin?
4. Onko Goodiolla jotain main base myymälää Japanissa, jossa on ympäri vuoden myynnissä näitä tuotteita?

5. Voisitko avata, miten tämä prosessi Goodiolla lähti käyntiin eli kun he halusivat lähteä Japaniin? Miten he ovat onnistuneet ja hyvä vastaanotto Japanilta. Mitkä tekijät Goodiolla on ne, jonka avulla he ovat onnistuneet sen tuotteen kanssa Japanin markkinoilla?
6. Mitä haasteita Goodio on kokenut Japanin markkinoilla?
7. Miksi Goodio suuntasi juuri Japanin markkinoille? Mikä näillä markkinoilla vetää puoleensa? Miksi suomalaiset yritykset haluavat sinne?
10. Miksi pakkaus on eritoten tärkeä japanilaisessa kulttuurissa?
11. Mitä muut (suomalaiset) firmat voisivat ottaa mallia Goodion läpimurrosta?
12. Yleisesti mitkä ovat ne elementit pakkauksessa, mitä tulee ottaa huomioon?
13. Miksi tai miten tällöinen kawaii -kulttuuri on periytynyt/syntynyt?
14. Lokalisoinnin haasteet?
15. Onko lokalisointipalveluille paljon kysyntää nykypäivänä?
16. Mitkä ovat keskeiset erot suomalaisissa ja japanilaisissa pakkauksissa?
17. Missä tilanteissa on parempi lokalisoida pakkaus tai pysyä standardisoituna Japanin markkinoille mentäessä?
18. Onko japanilaisilla kuluttajilla semmoinen varautunut ote aina ulkomaalaisin tuotteisiin?
19. Miksi Japanin kuluttajamarkkinoille kannattaa ylipäättänsä yrittää?
20. Miten japanilaiset kuluttajat ottavat vastaan suomalaiset tuotteet?
21. Mitkä pakkauksen elementit vetävät japanilaisia kuluttajia puoleensa?

#### **APPENDIX 4. MASAHIRO KIMURA INTERVIEW FRAME IN ENGLISH**

##### **Questions:**

1. Would you like to introduce yourself and tell me about your work and how it is related to the Finnish companies especially to Goodio?
2. How much have you been in contact with Goodio?
3. Is there a big niche market for consumers who love premium chocolate here in Japan?
4. Why especially in Japan localization is very important?
5. What do you think what is the biggest threats or problems when foreign companies try to enter to Japanese market?
6. What are the general challenges for Finnish companies when they want to come to Japan and where they usually make mistakes?

## APPENDIX 5. IDA KORHONEN INTERVIEW FRAME IN FINNISH

### Questions:

1. Voitko kertoa aluksi itsestäni ja työstäsi Goodiolla ja kuinka olet ollut mukana Goodion Japanin ”valloituksessa”?
2. Kuinka Goodio ”aloitti” lokalisoinnin Japaniin?
  - a. *Miksi Goodio päätti lähteä Japanin markkinoille ja miten tämä lokalisointi käytännössä tapahtui/eteni? Mikä Japanin kuluttajamarkkinoilla ”veti puoleensa”?*
  - b. *Miten Goodio lähestyi kontakteja/ jakelijat Japanissa? Minkälaisessa roolissa jakelijat ovat viestiessään pakkauksesta japanilaisille kuluttajille?*
  - c. *Mitkä ovat olennaiset/tärkeät elementit pakkauksessa, jotka Goodio halusi säilyttää Japanin markkinoille mentäessä? (imago/tarkoitus, raaka-aineet, materiaali, pakkaus) ja miksi? Entä tuotteessa?*
3. Miten japanilaiset kuluttajat ovat ottaneet Goodion vastaan?
  - a. *Mikä Goodion pakkauksessa kiinnostaa juuri japanilaisia kuluttajia? Entä tuotteessa?*
  - b. *Oliko Goodiolla käsitys etukäteen Japanin markkinoiden haasteista ja millaisia haasteita/mahdollisuuksia siellä on? (koska huomautettiin, kuinka suomalaiset yritykset yleensä eivät tee taustatukimusta Japanin kuluttajamarkkinoista)*
  - c. *Mitkä ovat Goodion tavoitteet Japanin markkinoille?*
4. Mitkä ominaisuudet pakkauksessa kokivat lokalisoinnin (muutettiin ja miten) Japanin markkinoille? Ja miksi? Onko pakkauksen lokalisointiin liittyen tullut esille erityisiä haasteita? Mitä? Miksi? Entä itse tuotteessa?
5. Mikä tai mitkä tekijät Goodion tuotteessa ovat erityisesti kiinnostaneet Japanin markkinoita?” ”Entä erityisesti pakkauksessa?” (Esim. raakasuklaa on premium tuote Japanissa tai innovatiivinen pakkaus)
6. Mitä haasteita (myös lokalisoinnin) Goodio kokee/on kokenut Japanin markkinoilla? Kilpailijat? Jakelijat? Kuluttajat? Tuote/pakkaus? Esim. Onko ”oikean” kontaktin löytäminen ollut haastavaa? (aiemmassa haastattelussa tuli ilmi, että jakelijoita on Japanissa paljon, mutta hyviä vain kourallinen?)

7. Voitko kertoa näistä Goodion materiaaleista/aineistosta esim. tulleista toiveista ja ehdotuksista (liittyen pakkaukseen tai tuotteeseen), jotka ovat tulleet esille jakelijoiden kanssa keskustelussa?

Miten vahva rooli jakelijoilla on sen suhteen, mitä pakkauksessa tulisi huomioida? Vaikuttavatko jakelijat pakkaukseen, tuleeko Japanin markkinoille pyrkivän yrityksen myydä pakkaus ensin jakelijoille? Vai onko jakelijoilla ensikäden tieto kuluttajien odotuksista, jotka ne välittävät sitten Goodiolle?

- a) Millaisia ehdotuksia nämä pitivät sisällään ja miten Goodio on ottanut nämä ehdotukset/toiveet vastaan?
- b) Onko Goodion tarkoitus tehdä minkäänlaista markkinointitutkimusta, koska sitä ei olla vielä tehty?

**APPENDIX 6. DEMONSTRATIONS OF PACKAGING DESIGN ELEMENTS (PHOTOS BY ME)**



Appendix 6.1 Special limited product: Halloween (KitKat)



Appendix 6.2 Special limited product: Tokyo Olympics 2020 (Meiji)





Appendix 6.3 Imagery: Representational imagery (Meiji)



Appendix 6.4 Romance copy; Imagery: Representational (Meiji)



Appendix 6.5 Functionality: instruction of usage (7Eleven onigiri)



Appendix 6.6 Functionality: instruction of usage; QR-attachment (Lawson curry)



Appendix 6.7 Individually wrapped (Meiji)

Appendix 6.8 Imagery: words to describe flavour; Functionality: cutting line (Meiji)



Appendix 6.9 Romance copy (Macadamia)

Appendix 6.10 Functionality: Reusability (KitKat)



Appendix 6.11 Functionality: reusability (Pocky)



Appendix 6.12 Functionality: reusability (Pocky)



Appendix 6.13 Colour codes Product size variation (Maruchan)



Appendix 6.14 Functionality: instruction of opening (KitKat)



 <p>Decorative eye product packaging. The top part features a QR code and the website <a href="http://www.decorativeeyes.jp">www.decorativeeyes.jp</a>. Below the QR code, it says "オフィシャルサイトはこちら" (Official site is here). The main text reads "e Eyelash" and "まアレンジで女の子を楽しもう♡" (Enjoy girls with makeup arrangements ♡). There are two circular icons: "ぱっちり盛り" (Plump) and "ハーフ" (Half). Below these, it says "来ど、ヒロイフのよづな目先に。元をぎゅんっと強調したハーフな印象に。" (Come, with the hero's eyes. The original is emphasized with a half impression). At the bottom, it says "クウィンク" and "上まつげ用 4ヘア入り" (Upper eyelash use, 4 hairs included).</p>	 <p>Ohana Mahaalo fragrance body scrub packaging. The top part features a circular logo with "OHANA MAHAALO" and "170113 Aou 1722". Below the logo, it says "古い角質スッキリつるん!" (Old skin is clean and smooth!). The main text reads "肌魅せシーズンは スクラブ美肌" (Skin charm season is scrub beauty skin). Below that, it says "Fragrance Body Scrub" and "Hana Oshidori". There is also an Instagram handle "@ohanamahaalo" and "#ohanamahaalo". The packaging features illustrations of dolphins and coral.</p>
<p><b>Appendix 6.15 Technology image: QR-attachment (Decorative eyes)</b></p>	<p><b>Appendix 6.16 Technology image: Instagram -access (Ohana Mahaalo)</b></p>
 <p>Pokémon-themed chocolate tin. The tin is yellow and green, featuring a Pikachu character. The text "PIKACHU CHOCOLATE" is visible at the bottom of the tin.</p>	 <p>Goodio Metsä craft chocolate packaging. The packaging is green and white, featuring a monstera leaf. The text "GOODIO CRAFT CHOCOLATE" and "Metsä" are visible. Below "Metsä", it says "CHOCOLATE ENRICHED WITH BIRD LEAVES &amp; FORTIFIED CHOCOLATE TON BARK".</p>
<p><b>Appendix 6.17 Practicality: Reusability – storage/decoration (Pokémon)</b></p>	<p><b>Appendix 6.18 Instagrammable / Kawaii -effect (Goodio)</b></p>