

# Successfully Selling in the Japanese Market

## Hankyu Hanshin Department Stores

Tuesday, October 17, 2023



<https://Invest.Hawaii.Gov/exporting/histep/>



**Business Development and Support  
Division**

Search



[Home](#) [About](#) [Helping Business](#) [Exporting](#) [International Student Attraction](#) [International Relations](#) [Events](#)

[Home](#) » [Exporting](#) » [Hawaii State Trade Expansion Program \(HiSTEP\)](#)

## HAWAII STATE TRADE EXPANSION PROGRAM (HiSTEP)



Funded in part through a Grant with the U.S. Small Business Administration (SBA), the Hawaii State Trade Expansion Program, known as HiSTEP, is a comprehensive program designed to assist Hawaii small businesses with their export development. The goal is to increase the number of small businesses that want to export as well as the value of exports for those small businesses that currently export. Today it is easier than ever for companies, regardless of size, to sell

goods and services across the globe and this program can help achieve that.

HiSTEP has three integrated components:

1. [Export Readiness Program \(HiSTEP-ERP\)](#)
2. [Hawaii Pavilions \(HiSTEP-HP\)](#)
3. [Company Assistance \(HiSTEP-CA\)](#)

### What is HiSTEP?

[Benefits](#)

[Eligibility](#)

[How to Prepare](#)

[Registration](#)

### HiSTEP Programs

[Export Readiness Program \(HiSTEP-ERP\)](#)

[Hawaii Pavilions \(HiSTEP-HP\)](#)

[Company Assistance \(HiSTEP-CA\)](#)

### HiSTEP Resources

[E-Commerce Resources](#)

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<https://MadeIn.Hawaii.Gov/>

MARKETPLACE

LOCAL FOODS

HAWAII PRODUCTS

ABOUT US

NEWS

日本語

APPLY NOW!

## Made in Hawai'i

*Buy Hawai'i Give Aloha* is now **Made in Hawai'i**. We are continuing to offer the same free portal highlighting Hawai'i-made products and brands. When you buy from Made In Hawai'i companies, your money stays here at home, supporting local businesses, creating jobs and strengthening our island economy.

LEARN ABOUT MADE IN HAWAII

### *Marketplaces*

Find curated collections of local vendors and Hawai'i-made products.

### *Local Food*

Discover local restaurants, farmers and food services.

### *Hawaii Products*

From snacks to apparel, shop Made in Hawai'i companies by category.

### *PPE*

Local products to help keep you healthy with Personal Protective Equipment.

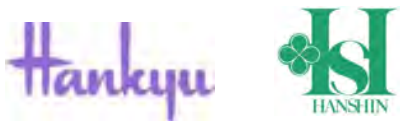
# H<sub>2</sub>O Retailing Group & Hankyu Hanshin Department Stores

※ As of 2022

(Railway, development)



## Department Store Business



**15 stores ¥491.8bil (\$3.33bil)**

## Food Business



**Izumiya**

**阪急OASIS**

**101 stores 77 stores**

- Supermarket 242 locations
- Food manufacturing 5 companies
- Food delivery 1 company

## Real Estate Business

- Real estate development
- SC operation
- Others



## Other Subsidiaries

- Hotel management
- Restaurant management
- Others



※ Hankyu Umeda Main Store

- **Building** : 〈Main Bldg.〉 B2—13F, sales floor 80,000m<sup>2</sup>, 〈Men's〉B1—5F, sales floor 16,000m<sup>2</sup>
- **Annual sales** : ¥ 261.1 billion (\$1.77 billion, #1 in Western Region)
- **Customer visits**: 40 million (weekday 100,000; weekend/holiday 150,000) ※ Equivalent to Ala Moana Center

# Hankyu Umeda Main Store Concept and “Hawai’i Fair”

## <Hankyu Customer Mentality>

### ① Their interest Item (functional value) < Story (lifestyle culture)

Stories that emotionally stimulate and enrich spiritually

- Consumer habits, lifestyle, how to spend time
- History and tradition of items and way of living
- Creator’s passion and background
- Art and design
- Sustainability

### ② Motive for the store visit Purchase items < Experience lifestyle culture

- Know, learn, and try lifestyle
- Stimulating 5 senses (sight, sound, smell, taste, touch)
- Conversation with creators and people of different culture

### ③ Standard for selection of items Appraisal by others (famous brands, “same” as others) < Love yourself or not

- Individuality (made-to-order, customization, only one)
- Self-improvement, self-investment, new me

## <Hankyu Umeda Main Store Concept>

- Theater type department store as information “retailer”
- #1 department store bringing in bright and exciting future

### Information retailer

Customers make purchases as they resonate with the story (listed on left)



### Theater style department store

Convey story in a fun way

- Learning, discovery
- Experiences, touch
- Communication



9<sup>th</sup> Floor (approx. 6,000m<sup>2</sup>) is the space which symbolizes this concept.  
150 events per year, aiming for #1 department store for fun and pleasure



The most important event on the 9<sup>th</sup> Floor

## World Fair

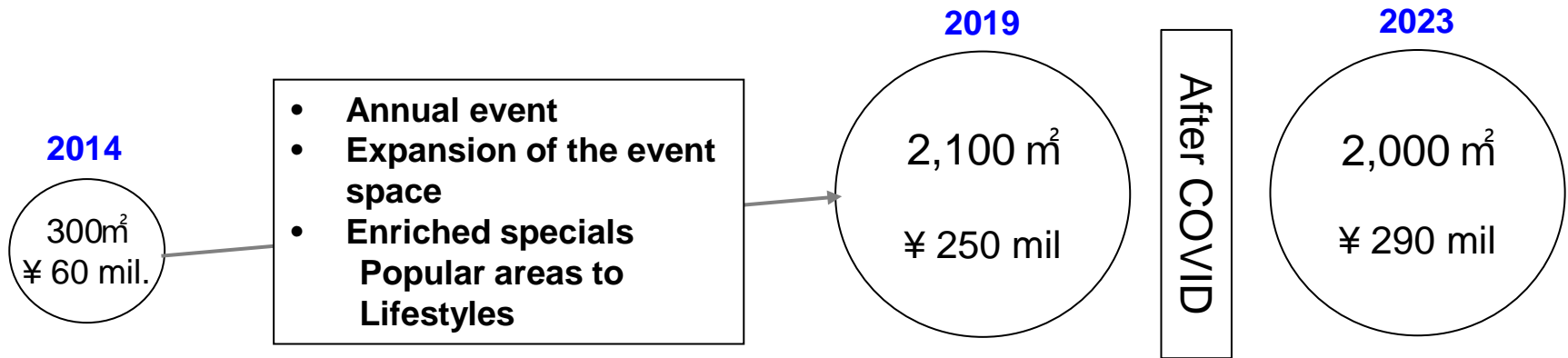
Spiritually rich lifestyle learned from the world

「Britain」 「Italy」  
「France」 「New York」  
「Scandinavia」

「Hawai’i Fair」

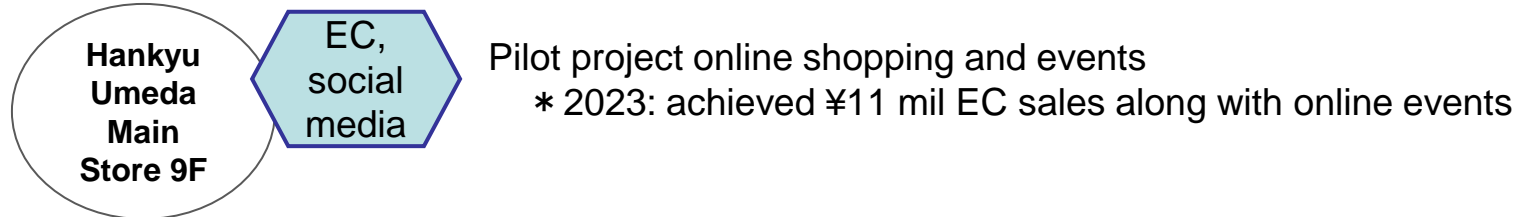
# Hankyu Hawai'i Fair: Transitioning to Future Opportunities

○ **Ver.1.0** : Growth into the largest in-store summer event at Hankyu Umeda Main Store



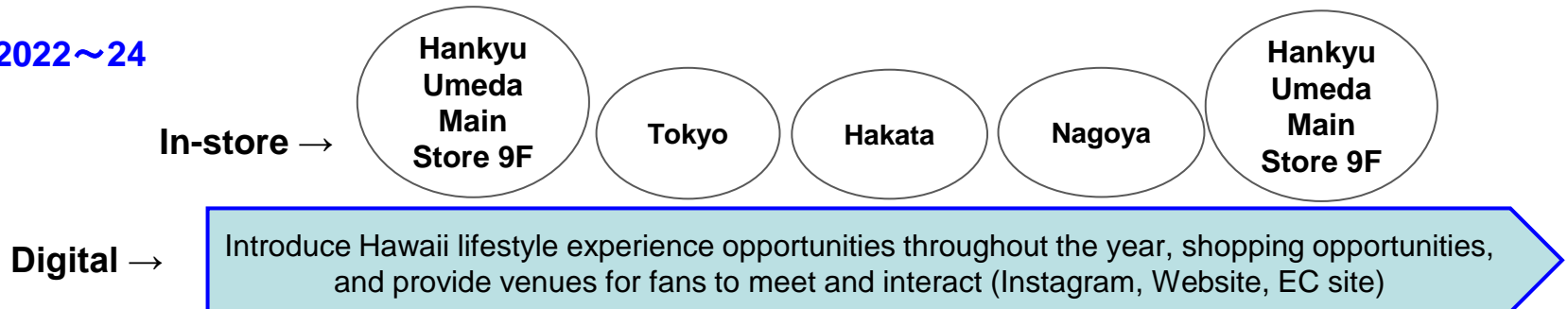
○ **Ver.2.0** : Taking on the challenge of “ONLINE HAWAII FAIR”

**2020~23**



○ **Ver.3.0** : Provide Hawai'i lifestyle experience opportunities throughout the year via digital channels; hold fairs in other store locations and cultivate new customers and make Hankyu fans

**2022~24**



# The Value of Hosting the Hawai'i Fair throughout the year

## 【Hankyu Hawai'i Fair issue ①】 Current customers' dissatisfaction

- Can shop only once a year
- Timing not good to visit

## 【Hankyu Hawai'i Fair issue ②】 Hawai'i lovers' dissatisfaction

- Aware of event but too far to visit
- Not enough information

## 【Hankyu Issue】 Expanding sales areas via specialty contents

- Acquire more customers
- Increase online sales

Hosting the Hawai'i Fair throughout the year and nationwide via online and in-store shopping  
**Growing passionate fans by providing Hawai'i lifestyle experience throughout the year, with high frequency**

- ① Hawai'i Fairs at stores nationwide to acquire Hawai'i fans ⇒ ② Growing SNS "Hawai'i Life" fans ⇒  
③ Leads to increase in customers and sales at Hankyu Umeda, both EC and 9F "Hawai'i Fair"

## ■ The Development of 「#Hawai'i Life」

### ① Hawai'i Fair at department stores nationwide

- Making Hawai'i fan to followers of "Hawai'i Life" Instagram
- ⇒ lead to increase in sales

#### Department store # goals

2023: 3 stores  
2024: 5 stores

### ② Nurture fans via social media

- Sharing charm of Hawai'i online all year long
- Life, culture
  - Send out Hawai'i product information online
  - Engage fans by holding in-person events

#### Followers goals

2023: 10,000  
2024: 30,000

### ③ Gather customers and increase sales at Hankyu Umeda

- Attract customers from all over Japan to Hankyu Umeda 9<sup>th</sup> Floor "Hawai'i Fair" ⇒ Make it central spot
- All year Hawai'i online shopping for all over Japan

#### Sales goals

2023: 302,000,000 yen  
2024: 350,000,000 yen

# ① Hosting Hawaii Fairs at Department Stores around Japan

Granduo Tachikawa, Tachikawa City, Tokyo

July 26 to August 1, 2023 (7 days)

Sales: ¥14 million

Daiwa Korinbo, Kanazawa City, Ishikawa Pref

August 17 to 22, 2023 (6 days)

Sales: ¥18.5 million





# ② Growth of, engagement with fans on social media

## "Hawai'i Life" Instagram Channel

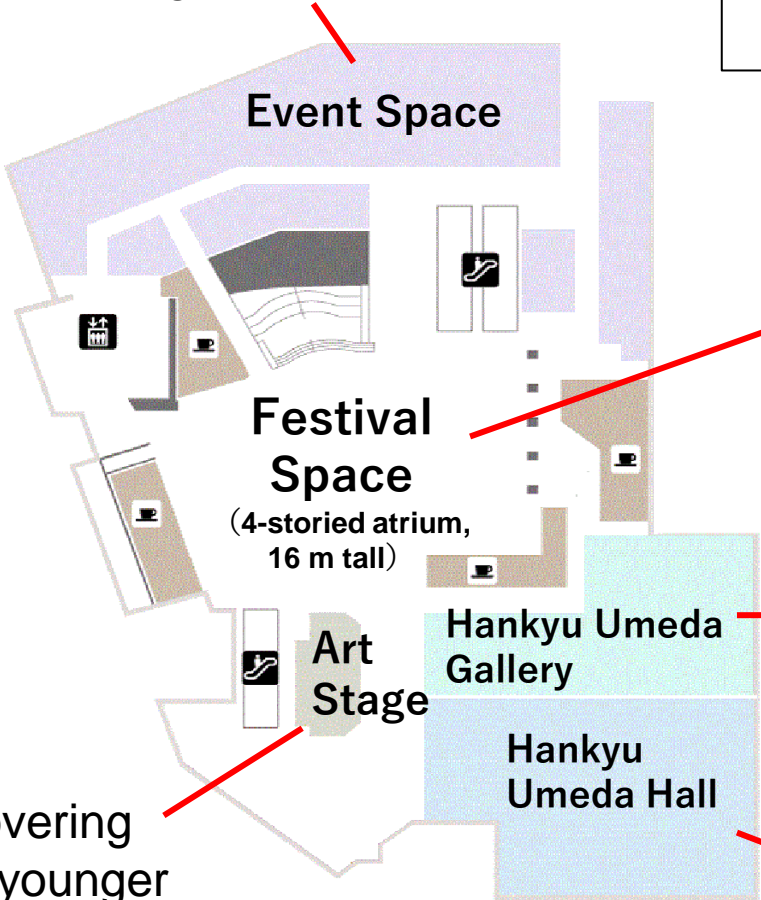
Followers: 2,500 at March 2023 ⇒ 5,930 at August 2023 ⇒ 10,000 goal at March-end 2024



# 9th Floor: Theater-Style Floor – the Symbol of Umeda Dept. Store

150 events are held annually on the 6,000 m<sup>2</sup> 9th Floor

- World Fairs
- Japanese Regional Fairs



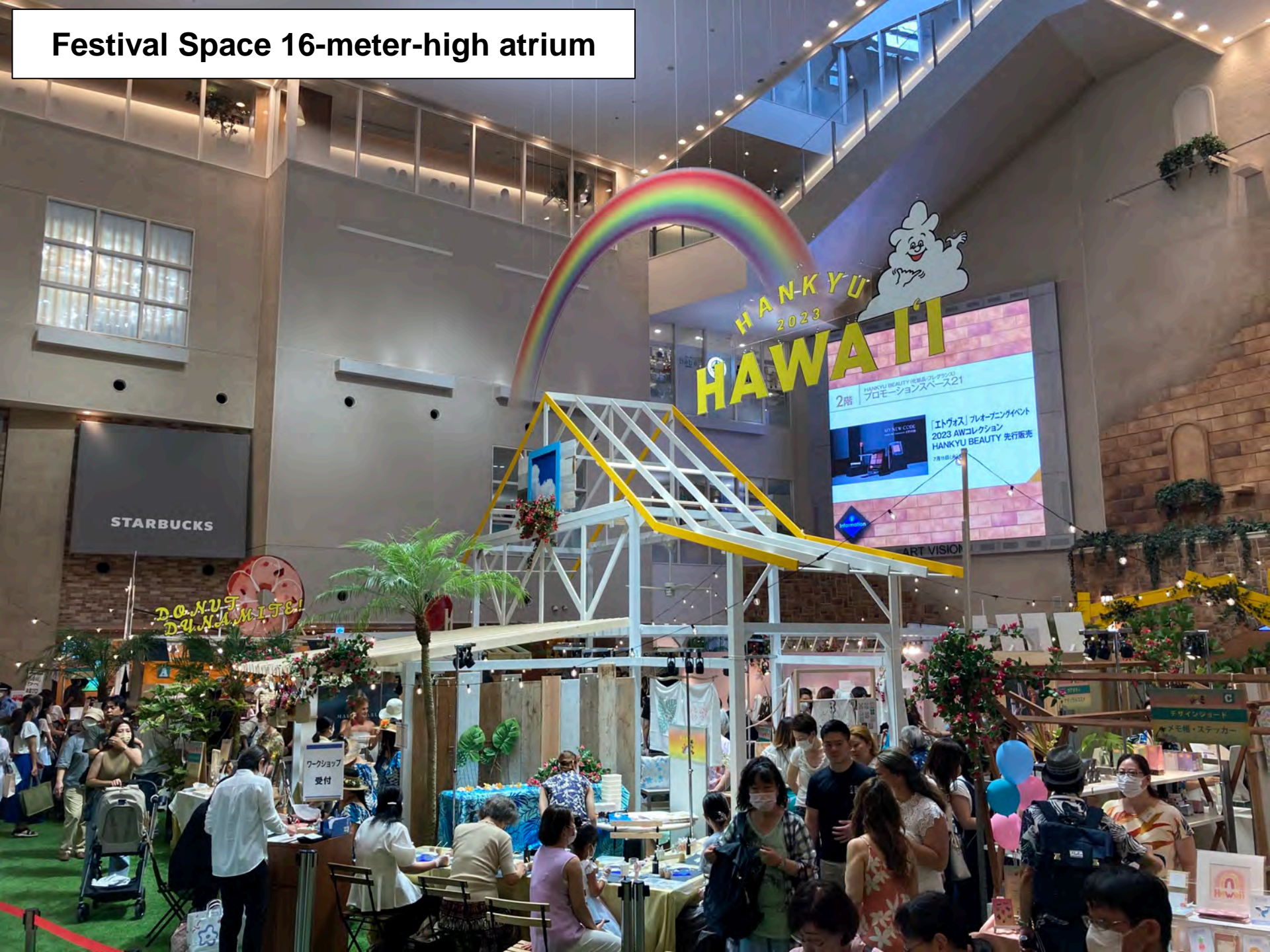
- Communicating new lifestyle information by combining products, decoration, themed events

- Fine art and handicraft exhibits

- Discovering new, younger artists

- Fashion Shows
- Exhibitions
- Movies and theatrical shows

# Festival Space 16-meter-high atrium



STARBUCKS

DO-NUT  
DYNAMITE!

HANKYU  
2023  
HAWAII

2階 HANKYU BEAUTY 関連コレクション  
プロモーションスペース21

イトウオス| オープンイベント  
2023 AWコレクション  
HANKYU BEAUTY 先行販売

ワークショップ  
受付

デザインシート  
メモ帳・ステッカー

Hawaii

# Festival Space Amphitheater



### ③ Hankyu Umeda Main Store: attracting customers, increased sales

Hankyu Umeda Main Store, Osaka

July 5 – 10, 2023 (6 days)

Total sales: ¥290 million



Online Hawai'i Life Store E-Commerce

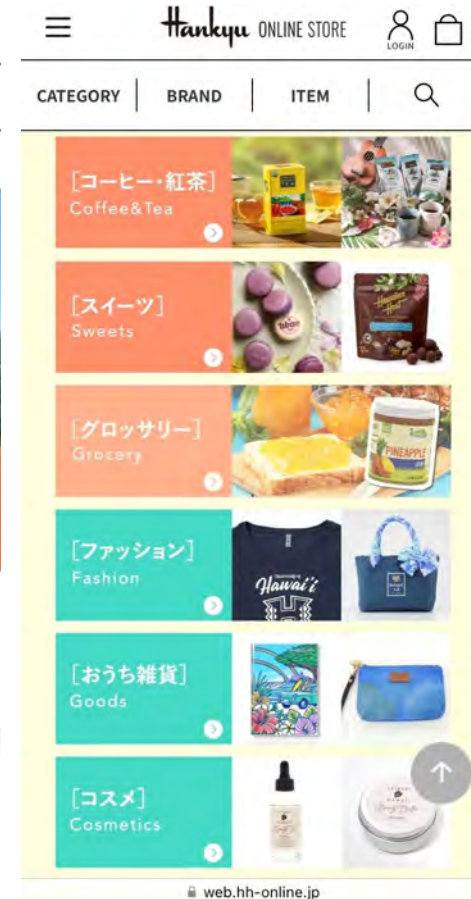
June 20 – August 31, 2023 (2.25 months)

Target: ¥11 million



暖かな風、透き通る海、心地よい南国から  
ファッションやフードなどをお届け。  
本場ハワイのロゴガールになりきり、  
おうちでアロハ気分を味わって。

web.hh-online.jp



web.hh-online.jp

# ■Returning to Normal post-COVID – Current Japanese Consumer Trends

## Changes in Consumer Behavior



Increased spending for travel and lodging (Japan domestic)



Increase in demand for skincare and cosmetics due to decrease in facemask usage



Promising sales of high-ticket items (many consumers buy as assets)

## Changes in Consumer Mindsets



Increased usage of online services (medical care, schooling), where time performance is prioritized



Subscription services have diversified, leading to increased users, where trial pricing is prioritized



Increased attention to mind and body health (choosing sports, organic food, more natural products)

## ■ Ideas for the 2024 Hawai'i Fair

The aim of the Fair is not just to be a product sales event for consumers, but to have Fair attendees better know the Hawaiian culture, history, craftsmanship, and people. Thus, by better understanding Hawai'i, they can add the essence of the Hawaiian lifestyle into their own lives.

① **Knowing the abundant spirituality of the people of Hawai'i, to be able to include that in their daily lives**

② **Continued support for Maui**

③ **Direct communication between Hawai'i companies and Japanese consumers**

● The Hankyu buyer visit to Hawai'i will be November 2 – 13, 2023

# Success Stories

## Banan



First appearance in Japan at Hawai'i Fair



Yokohama and Osaka shops opened

## Ola Tropical Apothecary



Products introduced at spas and boutiques of

- Halekulani in Okinawa and
- THE KAHALA HOTEL, Yokohama

## Kanemitsu Bakery



First appearance in Japan at Hawai'i Fair

- Home delivery by supermarkets
- Expected to open shops in Japan since they have licensed their brand



# Benefits of participating in the Hankyu Hawai'i Fair

## 1. Engaging with Japanese customers

- Attendees of the Hankyu Hawai'i Fair are Hawai'i lovers, who would love to have friends in Hawai'i.
- Once they engage with Hawai'i businesses at the Fair, there is a high chance those customers will visit the businesses in Hawai'i and purchase again.
- This leads to opportunities for companies to continue promoting their Hawai'i brands and products for repeat purchase and word-of-mouth promotion

## 2. Validating products and gathering customer feedback

- Hawai'i exhibitors can test and sell their products and gather all kinds of customer feedback to improve existing products or create new ones for the following year

## 3. Conducting market research in Japan

- Hawai'i exhibitors can visit other floors of the Hankyu Umeda Main Store to conduct market research.
- They can visit other floors and other retailers in the area to study regional trends and consumer preferences.

## 4. Hawai'i businesses may find new partnerships in Japan

- Success at the Hankyu Hawai'i Fair can attract new importers and distributors seeking new products to represent.

# Questions and Answers

# Next Steps

- Please visit here for updates:  
<https://invest.hawaii.gov/exporting/histep/hawaii-pavilions-histep-hp/hankyuhawaiiifair/>.
- A 2024 interest form will be posted soon.
- The HiSTEP Registration form will be uploaded the week of October 23.
- Questions?  
Email [lyle.h.fujikawa@hawaii.gov](mailto:lyle.h.fujikawa@hawaii.gov)