Understanding Japanese consumer behaviour and cultural relevance of gift giving

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Abstract

This study examines the consumer in the Japanese market and the importance of gift-giving in Japanese culture as a first-order social practice. Cultural connectedness and relevance represents an area of importance for the marketing of retail products, particularly related to gift-giving. The interviewing of 25 participants was used to study the Japanese consumer and their purchase behaviours for gift-giving. The exploration of the social, cultural and economic constructs in Japan shows specific patterns found which are unique to the Japanese consumer. The emergence of new categories of consumers appearing in Japan through globalization and shifting mindsets influenced by western culture, as well as recent social and economic conditions, contribute to the evolution of the business market.

Keywords: Consumer behaviour, Japan, gift-giving, retail, cultural relevance, cultural behaviour.

Introduction

The practice of gift-giving can be deeply rooted in the culture of a country. In Japan, gift giving is a highly ritualized tradition and cultural obligation that individuals must follow to maintain social standing. The practice of gift-giving extends beyond the gift itself, but the choice of gift, the gift season, the purpose or intended gesture of the gift. These ritualized traditions pose a challenge for foreign businesses to adapt to and to navigate the intersection of cultural norms, the importance of gift-giving. Not only is this an area of importance from a sociological perspective, but the scale of the economic impact of the retail industry in Japan, totaling more than $ USD995 Billion in 2019 (Passport, 2020), makes this an area of significance from a business standpoint. According to a report by the Yano Research Institute (2016), the domestic gift market in Japan reached approximately $USD 92 Billion in 2015.

Japan's economy, like many globally, have had faced challenges with some recessionary symptoms emerging since the financial crisis in 2008. Research indicates that Japanese consumers have been more conservative when buying and are adopting money saving behaviors. However, the economic growth in Japan has become more positive in recent years with roughly a 0.5% increase in 2016 and a nominal GDP of $USD 4.73 trillion (Bajpai, 2017). Japan enjoys one of the highest life expectancies in the world, with men expecting to live until 81 years and women to 87 years old (World Health Organization, 2018). Aligning with this trend, the younger generations are adopting the tendency of delaying marriage and having children, with the most prevalent explanation for this as the financial burden related to starting a family (Collins, 2018; Ryall, 2016). The Japanese consumer sees consumption as a key of self-expression, but is careful financially, feels anxious about savings and is adopting money-saving behaviors (Huysveld, 2015).

Even with the financial constraints and more conservative spending habits, there are still many occasions throughout the year when cultural norms necessitate the participation in gift-giving and spend a considerable amount of money on these items, since the practice is of great importance in Japanese culture (Rupp, 2003). These include the two formal gift giving seasons *Ochugen* (summer gift) and *Oseibo* (winter season) (Moriuchi, 2016). The gift-giving culture provides an opportune space for entrepreneurs in the creative industries, as often hand-made, useful, and thoughtful gifts are welcome. For many craftsman, artists, and those working in the creative industries, it is also important to adapt their outputs to the local consumer market, particularly as a foreigner. Pop-up markets or art fairs are some alternative business platforms for designers, artists, and people looking for other ways to generate a steady income. These markets are becoming increasing popular in Japan and tend to focus on the Japanese taste and the small expat community in that country.

The purpose of this study was to decipher the consumer behavior in Japan around gift-giving, and to understand the cultural relevance of different types of craft products. Insights from this study will contribute to understanding of consumer behavior and also offer insights useful from businesses seeking to enter the gift selling market in Japan.

Research Questions:

1. What are the desired product and establishment characteristics the Japanese gift-giver is looking for?
2. How can a business adapt its product line considering cultural relevancy to the Japanese market?

To address these questions, this study will seek to achieve the following objectives:

- To determine the type of customers interested in gifts and other novelties in the Japanese market.
- To understand the consumer in the Japanese market.
- To analyze the trends and patterns in this market.
- To identify what kind of designs or Japanese icons are appealing to the market.

Literature Review

The term 'culture' has been defined in many ways, and there is no consensus of the definition (Paris, Musa & Thirumoorthi, 2015). Culture can be viewed as a umbrella term that encompasses

a set of implicit, collectively shared traditions, beliefs, values and expectations that characterize members of that society (Pizam, Pine, Mok & Shin, 1997; Berry, 2009; Hofstede, 2001).

Culture is a complex and dynamic concept. Externally, Japanese culture has been portrayed as itself as unique, strong and structured, with a strong emphasis on tradition and ritual. The Japanese market is perceived as comparably unusual and exceptional, particularly since Japanese consumers have been viewed as complex and fickle in their tastes individually; however, their historical background has focused on a collective prosperity (Okahashi, Gary & Ward, 2005). Cultural characteristics of Japanese consumers include their view as a group society, love for punctuality, honesty, and discipline. A study focused on overseas students coming to Japan to study found that they characterized the Japanese people as modest and good-mannered (Banks, 2014). In addition, people from Japan are typically more introverted compared to Westerners. In their educational setting, Japanese students are generally expected to remain silent; because of this, some Japanese students allege that they are not skilled at talking to a large audience (Banks, 2014). Another study of Japanese characteristics related to budgeting, found that Japanese society values more group achievements; citing a famous saying as an analogy of it: *"the nail that stands out gets banged down"* (Seow-Ling Yee, Otsuka, James & Kwai-Sim Leung, 2008: 880). Japanese are usually characterized to be kind, hardworking, clean, respectful and formal; culture is essential for them. Considering the above, brands need to connect with their target market and its culture when developing its products.

Overall, the consumer in Japan is an individual that maintains strong ties to their cultural identity. Thus, any attempts by new market entrants, particularly those without a globally recognized brand name, need to do so with clear consideration and understanding of Japanese culture. Small and medium enterprises (SME's) that are seeking to enter the Japanese market need to be culturally relevant if they want to do so successfully, because of the strong ties individuals have to their culture. For this research cultural relevance is defined as the "subjective variable that results when symbolic and expressive attributes of products evoke desired culture-specific meanings in consumers' minds and render culture specific benefits in the consumption experience" (Chattaraman, Rudd & Lennon, 2009: 827).

Strategies to develop culturally relevant products and services is something that many American food businesses have done well through careful research they have implemented changes to their menus to adapt to the tastes in the region they are in. For example, Starbucks has bigger stores in Japan and their designs follow traditional architectural standards for the area and Shinto concepts. The menu is revamped with local ingredients such as "matcha" green tea Frappuccino's and cookie crumble with white pudding (Real Business, 2014). Starbucks turned the coffee break into a cultural and ritual event, and as a result some customers stop in Starbucks more than two times a day because of the break experience (Solomon, 2002).

Gift-giving rituals and the consumer living in Japan

Gift-giving is a form of social expression which is socially oriented and can involve the pressure to give in return. It can be seen as a form of *economic exchange*, as it creates a responsibility to reciprocate. In Japan, gift-giving occurs often: gifts are seen as an important part of the relationship between others and within the social group (Solomon, 2002). Many cultures have a special time or seasons to give presents, such as Christmas. In the United States, expenditures on business gifts exceeded $1.5 billion per year in 2002, with gift-giving being seen as a way to improve the quality of a relationship and creates a positive feeling between the two parts (Solomon, 2002). Gift-giving is an opportunity for entrepreneurs to capitalize on major holidays by understanding the types of products that the consumer enjoys giving to the significant people in their

lives. It is also important to consider that sometimes customers give themselves gifts as a stimulus to increase their self-esteem, reward themselves for something they did well, or to recover after a bad experience (Solomon, 2002). Rituals and ceremonies in Japan are very popular, as people that care about cultural engagement tend to be involved in most of such ceremonies.

Special seasons in Japan occur during the middle and at the end of the year. The first season, *Ochugen* (summer gift), happens between June and July, and the second season, *Oseibo* (winter gift), is at the end of the year. During both seasons, gifts are given to family, friends and colleagues (Jefinova, 2017). These two seasons contribute to 60 percent of the annual profits to most department stores in Toyo (Rupp, 2003). In Japan, *Zakka* is the traditional name given to gift shops, where the costumers can find thousands of unique items, which are also are very popular among tourists. Both packaging and advertisement greatly influence the Japanese consumer. In the case of the packaging, it becomes the central point of attention that links products to ambitions, while promoting consumption. For advertising, unique ways of reaching their audience are pursued. Manga, which are comics created in Japan, plays an important role in advertising in Japan. In addition, societal position is viewed as a motivational element for the purchase of goods. The Japanese consumer tends to focus on hierarchy; for example, women will buy products that reflect their social status or their husband's status in the work place (Anderson & Wadkins, 1991).

The new Japanese consumer

After years of having a vastly different lifestyle compared to the majority of the world, Japanese consumers have recently started adapting buying behaviors similar to their counterparts in western countries. Japanese consumers have typically preferred well made, bespoke products, and have enjoyed high-class department stores (Salsberg, 2010). However, recently they started questioning their disposition to pay for convenience, which could be contributed to the recent economic downturn, as well as from the digital revolution and a less materialistic newer generation.

The consumer in Japan is spending more time at home and online. Companies are embracing online shoppers for a variety of products, given the ease of making a purchase and the quick access to the products. Japanese brands are aggressively introducing new lower-priced goods to catch those new consumers that prefer to spend the time to save money (Salsberg, 2010). However, when it comes to quality and luxury purchases, Japanese are still willing to pay a premium price to meet their high-quality standards (Huysveld, 2015). Buyers in Japan typically focus on the details of the product, starting with its presentation. Japanese consumers are said demanding customers, which is why the quality evaluation includes service during the sales process, as well as the after-sales service (Huysveld, 2015). Product image is equally important in Japan. Consumers value information about the brand, service, quality, delivery, packaging, and advertising as essential considerations to make the purchase (Huysveld, 2015). Moreover, the consumer in Japan is attracted to imported goods. As a collectivist society, behavior can be greatly influenced by their peers and social status. The Japanese consumer is affected by their social environment, tending to agree with others opinions (Huysveld, 2015).

With the rise of social media in the early 2000s consumers became increasingly persuaded by influencers, such as people who try products and share their experiences online. Many consumers find these testimonials credible and the information is considered accurate as it comes from a well-known person. Other times the suggestions come from a friend and the word-of-mouth recommendation is passed from one person to another. Word-of-mouth (WOM) communication is relevant to the introduction of new products or services where *"connected marketing"* can help ignite conversations in target markets which result in positive word-of-mouth advertising and will

ultimately add value to the brand (Dahlén, Lange & Smith, 2010). Observational learning is the willingness to try products that friends already have experience with; it happens when people see the behaviors of others and note the reinforcements they receive for that actions. This process of imitating the behavior of others is called modeling. For example, a woman following her favorite Instagram influencer may remember the compliments that this influencer got about wearing a particular brand, and she will base her behavior on the personal actions (Solomon, 2002). A previous study found that the consumers in Japan rely on word-of-mouth critiques when purchasing products, more so than in America, because of the prevalence of the spoken word there (Money, Gilly & Graham, 1998).

Equally important to word-of-mouth advertising is the packaging of the product. Packaging plays a significant role in the Japanese culture. Japan is well known for its creativity and innovation in package design. A relevant example is "Furoshiki", a traditional Japanese folding technique from the Nara period (AD 710-794), which is often used to wrap objects using silk or cotton fabrics. In Japan, packaging is perceived as an integral part of the product; consumers enjoy the unpacking experience and express excitement when opening the product. When giving a present, attention to the wrapping is important part of the gift-giving ritual; sometimes the packaging is more important than the present itself (Hohle, 2003). To gain further insights into the gift-giving culture and practices in Japan a qualitative research approach was employed.

Methods

This study utilized a qualitative research design comprised of semi-structured interviews with twenty five people of varying ages and professions (Table 1) to gain insight into the buying behaviors and patterns of the consumers in Japan and perspectives on gift-giving.Prior to starting the interviews, an interview guide was developed. The aid in the development of the interview guide, one of the researchers traveled to Japan with the sole purpose to gain observational insights and experience to contribute to the development of the questions. This participant-observational experience included site visits to stores, informal conversations with consumers and retailers, taking photos, and recording thoughts and ideas. Upon return, an interview guide was developed based on these experiences and the review of existing literature. A forty-minute pilot interview was conducted with a Japanese consumer from the selected sample of participants of this study, and feedback from that interview helped to refine and finalize the interview guide. The final interview guide included twenty open ended questions meant to encourage respondents to share in depth responses, and to highlight specific experiences, stories, and insights. Prior to undertaking the interviews, ethical clearance was secured. Participants were asked to complete an informed consent form, and all participants' personal information was kept confidential and identity anonymous.

A purposive snowball sampling procedure was employed. Participants selected were either Japanese or were expatriates that are living or had lived in Japan for an extended period of time. Additionally, all participants had to have been 'gift purchasers', and have a strong familiarity with Japanese culture and norms, particularly around gift-giving. In total the sample included twenty-five participants (Table 1) including twenty Japanese nationals and five expatriates with ages ranging from 23 to 65 years old. Ten participants were single, and 15 married, and seventeen out of the twenty five participants were women. Participants also worked in a variety of sectors and held a range of interests.

Data was collected using structured in-depth one-on-one interviews. All interviews were conducted with synchronously via Skype, lasting approximately an hour each on average, or asynchronously via email, as per choice of the interviewees. A total of 25 interviews were

completed, with 11 participants communicating via Skype and 14 participants responding by email. Interview format and timing was adapted to the availability and preference of the respondents.

Once the interviews were all finalized, the transcripts and written responses were collected, compiled and prepared for analysis. A multi-stage analysis process was employed. First, several a priori codes were identified from literature including *packaging, culture, celebrations, and rituals.* In the initial around of coding, one of the researchers did a line by line coding using the four a priori codes. Additionally, during the initial coding emergent codes were identified to note additional insights. Following the initial coding, the research team reviewed and discussed the outcomes of the initial coding. Next the researchers organized the codes into three overall themes: *characteristics and consideration purchasing gifts*, *gift giving seasons and occasions*, and *traditional and appropriate gifts*. The following section provides a discussion of these themes.

Table 1. Profile of Respondents

#	*Names Changed	Age	Gender	Marital Status	Nationality	Living or lived in	Profession	Interests and hobbies
1	Sugi	33	F	Single	Japanese	Living	International representative	traveling, taking picture, watching movies, go to gym and workout
2	Haya	61	F	Married	Half Japanese half American	Lived	Professor	Art, making art, traveling, cooking
3	Seiko	60	F	Married	Japanese	Living	Economics	Making hats and accessories for special occasions
4	Sakura	23	F	Married	Japanese	Lived	Hospitality	Traveling
5	Mai	30	F	Married	Japanese	Lived	Education	
6	Hisoka	25	M	Single	Japanese	Living	Marketing	Sea sports like surfing, scuba diving
7	Aki	60	F	Married	Japanese	Living	Teacher Assistant	Playing sports golf, basketball, tennis
8	Tami	31	F	Married	Japanese	Living	Yoga Instructor	Yoga
9	Yuki	29	F	Single	Japanese	Living	Tourism	Traveling, photography, watch movies, learn languages
10	Suzu	31	F	Married	Japanese	Living		Learn about other cultures
11	Kin	34	M	Single	American	Living	ESL Teacher	Games watching sports and hiking.

12	Toshihiro	56	M	Married	American	Lived	Anthropologist and a creative writer	Japanese culture in general and socialites
13	Jiro	44	M	Married	Japanese	Living	Senior assistant professor	Going to the gym and swimming
14	Rei	26	F	Single	Japanese	Living	Marketing	Sing songs, sleep and watch animation
15	Natsu	37	F	Single	Korean born in Japan	Living	Designer	Cooking, gardening, art and travel.
16	Chisato	48	F	Married	Japanese	Lived	Japanese Professor	Arts (especially Japanese arts), piano, traveling
17	Riku	65	F	Married	Japanese	Lived	Professor	My hobbies are reading books and watching films and dramas in theaters
18	Tsuhgi	29	F	Single	Japanese	Living	University staff	Reading, travelling, and chatting with my friends
19	Ayako	34	F	Married	Japanese	Living	Automobile sector	Traveling, watching animation of Disney and shopping
20	Nishi	32	F	Married	Japanese	Living	Housewife	Traveling, dining out with close people
21	Azami	27	F	Single	Japanese	Living	University administrative staff	Reading books, visit libraries
22	Kiyoshi	27	M	Single	Bulgarian	Lived	Programmer	Reading books, playing the guitar, listen to music and running.
23	Ken	28	M	Single	Japanese	Living	University administrative staff	Going to music shows and music festivals
24	Yoko	35	M	Married	Japanese	Living	Travel agent	Listen to music, drive and traveling
25	Hiromasa	30	M	Married	Bulgarian	Lived	Language professor	Capoeira and listening to music

Discussion of Results

Characteristics and consideration when purchasing gifts

Within Japanese society gift-giving is a means for expressing positive emotion and appreciating tradition. However, many gift-givers also are mindful to give something that is practical and usable. In some cases, this means giving something that is consumable. Most of respondents

highlighted how a common a gift that is *Kiemono* (something that vanishes), is considered a safe choice for gift-giving. Participants mentioned preferring to give consumables, such as seasonal foods, sweets, liquor, tea, and matcha products. This finding is consistent with previous research studying gift-giving in Japan for Valentine's Day, which noted the importance of food overall, but with a particular focus on chocolate (Mimowa, Khomenka & Bank, 2010). Okashi stores offer a plethora of Japanese snacks at low prices, which sells several different types of sweets, like rice crackers, in addition to its variety of other consumables. If the gift-giver is looking for something more luxurious they can find delicacies in department stores.

Several participants stated that when looking for gifts, the gift should be of high quality, with well known national and international brands often the focus. While consumers are typically price conscientious, the added benefit of going to an independent store is that the products are sometimes cheaper than online, with the added benefit of individualized consumer service. In Japan the price is indicated with tags, so the participants stated that they do not ask about the price. Instead, they prefer to see it clearly on the item. Unlike many places in the world, haggling is a very rare.

Many participants indicated they tend to buy gifts at independent stores or small business, instead of big department stores. Some participants stated that they visit department stores, such as Loft or Takashimaya, only when looking for gifts for older people, whom are more conservative. In addition, participants indicated they prefer having personal space when shopping. Consumers are primarily interested in knowing the features and flaws of products. It can be inferred from the interviews that they look for recommendations from retailers regarding current trends in the market.

Another important part of Japanese society to consider when understanding the gift-giving considerations is Omotenashi. Omotenashi means 'hospitality', which is highly valued in Japanese society and a great effort is made to give excellent service by many establishment. One example that emerged from the data was how "*while buying some cookies from a store on a rainy day, the vendor packed the cookies very carefully, placed them in a double paper bag, and then a plastic bag to prevent the cookies from getting wet.*" Other examples are welcome presents during the New Year (Figure 1), being bowed to, and being greeted at restaurants with fresh or hot clean towels. Service tips are not expected in Japan, as people were trained to give their best service without expecting something in return.

Figure 1 – Welcome present - Omotenashi at a Hotel – Photo by the researcher

Related to hospitality is the importance of politeness by the retailers of the establishment. *"Japanese culture for me is represented by their sense of honor and respect"* is a remark from a participant used to describe the importance of good manners in Japanese customs. Bowing is one of the major gestures of politeness that the Japanese society has. The Japanese culture carries their values from generation to generation on a collective level to remain constant (Berry, 2009). The Japanese are a collective group that looks for everyone's benefit and politeness hopefully endorses harmony. According to this, young people address elders depending on the rank of the person they are talking to, they should alter their way of talking into a formal honorific speech. It is used to identify the level of closeness and respect that a person should be referred.

Product packaging is meant to be practical, as well as visually appealing. An example is the packaging with indications on who to open the product or using a prominent cultural symbols. In Japan there are several seasonal products to highlight the importance of the Japanese zodiac, marked by an animal (goat, dragon, etc.). For example during the year of the rooster (2017), locals may create and send cards with rooster stamps. In stores, the rooster may be represented on souvenirs and applied to packaging for different types of products. The appearance of a gift is important, as some interview respondents suggested that they are attracted and more likely to purchase gifts that have beautiful packaging. In addition, receiving a beautifully packaged gift is more appreciated by the recipient. Omiyage stores ('gift' or souvenir' stores), place a strong emphasis on exquisite packaging for their products (ex. Figure 2). Often items are individually wrapped with exquisite packaging. For example, some may be packaged in boxes printed on high-quality papers and using special inks or foils. While others may contain elaborate illustrations, while others were simple and minimalist. All depending on the intended recipient and context.

Figure 2 - Packaging at Omiyage stores - Photos by the researcher

Gift giving seasons and occasions

There are two main seasons to exchange gifts: Ochugen (during summer) is when people give gifts to those people close to them to express gratitude and respect. This often includes relatives, and can also include teachers, doctors, superiors, and customers. For Oseibo (during winter), originated as a way to honor ancestors, where people would give gifts needed to make offerings. Now the Oseibo season is a time to give gifts to those that have shown kindness or have been

helpful; it's a time to show gratitude through gift giving. In addition to the two main gift giving seasons, gifts are also given during festivals and special occasions throughout the year.

In Japan, there are multiple festivals that were created to celebrate local traditions, with most of them being family oriented. The most celebrated event in Japan is Oshogatsu (New Year's Eve). This is celebrated as a family gathering with the visiting of Shrines and preparing food, such as Osechi (traditional Japanese cuisine) *"I like this event because all the family gathers in one place, it's like Thanksgiving in the United States."* After the gathering it's common for the families to visit Shrines to do the Omairi, to pray (Figure 3).

Once Omairi ends, the families return home and give Otoshidama (money) to the children. They also wait until the next day when the seniors prepare Osechi (traditional Japanese cuisine) which is cooked and prepared in a lunch box. Later in the day, parents give the Otoshidama to the kids. Some people also wake up early on the first day of the year to see the sunrise as a sign of good luck for the New Year.

Hatsumode is the celebration that follows the Oshogatsu. Sometimes is called the Golden Week; a celebration that occurs during the first days of the year (January 1st to 3rd), where people visit Shrines and temples to pray. Two of the participants stated: *"is our special space in the whole year, and all of us go to the shrine together"* and *"I go to the temple to say thanks to the past year and wish a good year for me and for my family"* Activities in temples are an important part of the Japanese culture. Gatherings are important in Japan as well, for example, as mentioned by several of the participants, the Tea Ceremony.

The Tea Ceremony is a small gathering where the guest and the host enjoy making tea and talking about calligraphy. There are certain rules to this activity, such as how to use the utensils, drink and hold the teacup, and the right kind of kimono to wear.

> "If I'm a guest, if I want to respect a host in the tea ceremony I should choose which one to wear. If I wear a formal one it is not good for tea ceremony maybe the host will wear one, sometimes the host will worry about the kimono because the ceremony is drinking tea and the kimono is made of silk. So, if I wear an expensive one the host will worry about if I happened to get dirty my kimono".

The guest can bring gifts to the ceremony as part of courtesy, but the gifts are not opened when received. The host typically waits until the gathering is over, or if the gift is to be shared in the tea ceremony, there will be a proper time to open it.

Other celebrations are: 1) The Cherry Blossom festival, which is held during spring to see the cherry trees bloom and celebrate nature. 2) The Bon festival (in summer), which is when people visit and honor the tombs of their descendants, light lanterns, and dance. 3) Natsu Matsuri (Summer fireworks), which is a celebration that includes dancing, the wearing of traditional garments, and enjoying the festivities with beautiful coordinated fireworks. In this festival, there are no presents to give to significant others, but there are vendors on the streets who sell candy, food, and unique souvenirs. In Japanese culture, people give gifts away as an expression of their feelings during these types of celebrations.

Traditional and appropriate gifts

Symbolism and cultural representations are important characteristics of gifts. All of the participants shared some of their favorite items, icons, and exemplifications of what represented the Japanese culture, which included:

- Kimonos or *yukatas* which are a type of representative garment that is usually worn during the summer.
- *Hankachi* is a handkerchief made out of cotton/silk.
- *Chirimen zaiku* are dolls made from old kimonos.
- *Furoshiki* is the kind of packaging that people use when wrapping a gift. It is made with a fabric printed with traditional motifs.
- *Tenugui* are traditional Japanese hand-towels, usually decorated with different traditional motifs and patterns.

Additionally, handcrafts mentioned that represented the Japanese culture included:

- Ceramics such as teacups, bowls, and plates. These are made by clay or *raku* clay.
- Wood products, such as *Shikki*, a handcrafted cup, and *Kokeshi* dolls, which are hand painted representations of geishas.
- *Washi,* which is a traditional hand-craft - paper.
- *Lacquerware,* which is a traditional decorative technique that can be used on a wide range of products.

Some participants mentioned nature is also very important in Japanese culture. Some examples include Mount Fuji, a sacred mountain in Japan, and flowers, such as Chrysanthemums (appears in the Emperor's crest), peonies, plum blossoms and cherry blossoms. When looking to buy gifts, some participants tend to find icons that represent nature through souvenirs, such as tea towels with patterns that include cherry blossoms or different animals.

Participants also stated they like items which are "*Kawaii*", which means cute or lovable in Japanese. This term is used when someone wants to describe something that is attractive and exudes adorable feelings. The Kawaii culture in Japan is popular and can be seen in the design of products, as well as its packaging. Kawaii is applied to merchandising, media characters, and everyday clothing (Okasaki & Johnson, 2013). Harajuku, and in particular Takeshita Street in Tokyo is a busy place where visitors can experience Kawaii culture and fashion by visiting trendy stores, enjoy colorful food (such as gigantic watagashis, otherwise known as cotton candy) and see teenagers wearing elaborated outfits, such as costumes or Lolita dresses. More examples of Kawaii can be seen on TV, ads, manga (comics), branded mascots or anime movies, such as Totoro and Kumamon.

In Japanese culture, feelings and emotions are often conveyed through gift-giving. Gift-giving assists with the expression gratitude to others, which is important since being grateful is a crucial characteristic in Japanese society. To finalize this paper, first several core insights will be summated and key implications will be discussed. Finally, several 'personas' of gift-buyers will be presented as a means to try to exemplify these findings.

Conclusions, Implications and Recommendations

The purpose of this research was to form an understanding of the behaviors of the Japanese consumer when acquiring gifts, while also considering cultural relevancy and the consumers' interpretation of their national and cultural icons through gifting. The results of the study will hopefully allow small brands to identify better opportunities in this market and target consumers. The following steps will provide useful background information that will allow small brands to adapt their products to the current market:

1. Understand the culture and its behavior.

It is essential to understand the cultural patterns of the country. In particular, the Japanese consumer has a strong collectivistic group behavioral model that maintains harmony between the individuals of the society. For these consumers understanding their culture, proper manners, following correct etiquette, and politeness are essential. The Japanese consumer is unique, as they prefer high-quality products that are practical with pleasing packaging.

2. Find the right target

Identifying an age target for the products that the small brand intends to launch is imperative. When developing a new product, understanding the characteristics of the Japanese consumer is important, as well as the products that this target usually buys, such as kimono products. Consumers in Japan expressed interest in acquiring gifts as part of their tradition. Another important trend that should be considered is the concept of Omotenashi and hospitality. When interacting with consumers the marketer should establish a particular way of treating the customers, in order to provide consistency and exceptional customer service. Customer service expectations in Japan are high, and the new business should adhere to these standards.

3. Consider cultural relevancy

Before developing a business, it is essential to understand the culture and incorporate this knowledge into the offered products. The brand must create appealing content, adding cultural elements that the audience can identify, and pay special attention to packaging. The marketer should prioritize that packaging is highly regarded with visual appealing designs, which includes graphic motifs related to their cultural identity in order to attract the Japanese consumer.

4. Establish a way to address the consumers

After the business has conducted background research on the locals in the area, developed the product, and has created a business plan, it should develop a transversal strategy of Integrated Marketing Communications. This strategy should be deployed to determine the marketing communications objectives and divide the IMC plan into 3 phases:

Step 1: focus on positioning the brand with interactive strategies for social media campaigns and build an email database to reach customers.
Step 2: Emphasize consumer engagement through social media channels used in Japan.
Step 3: Focus on promotion, tracking results and customer feedback.

The Japanese consumer is moving towards online consumerism. Being connected with the consumers through an online platform is imperative. It is necessary to build strong

content, perhaps through the strategic the use of mascots and other Kawaii applications, to develop a creative and attractive identity.

5. Explore the right communication channels

In Japan, Twitter is the most successful network, due to its anonymity since privacy is essential. This social network has 40 millions of users in this country. Many people in Japan use Twitter to find accurate reviews of products (Wadlington, 2016). Facebook has 26 million Japanese users, but this site is typically used more as a networking tool to stay relevant in professional matters (Wong, 2017). Instagram is growing in popularity and currently has 12 million users, with many companies creating a profile on here to promote their business (Wong, 2017). LINE has 62 million users and is the top messaging platform in the country. This network allows users to share pictures, messages and make voice calls (Wong, 2017). For instance, the luxury brand Burberry used LINE to broadcast a collection and 180,584 spectators were connected through the App in Japan (Japan Buzz, 2017). Snow is a new App that is targeting teens in Japan, which is similar to Snapchat in the west but targets China, Korea and Japan (Wong, 2017).

6. Embrace privacy and language

The concept of privacy must be considered. The Japanese consumer is warry about giving personal information through online platforms; they are risk-adverse and tend to pay cash rather than making payments online. According to Euromonitor International's 2016 Global Consumer Trends Survey, Japan is the lowest of the 20 responding countries in their study, which indicated that only 6% of Japanese respondents were willing to share personal information online (Euromonitor International, 2017).

Even though English is spoken in Japan, it is essential to have Japanese language proficiency to do business. A small brand should have the knowledge to speak to their customers in their own language, because it will improve the perception and will become accepted as a trustworthy brand.

7. Utilizing personas in marketing

The development of 'target market personas' is a common tactic employed by marketers to create embodied representations of the different types of target customers they envision would be interested in purchasing their product. As a result of this study, *five* different personas were developed based on emergent themes and analysis of the interviews and literature. These personas could be included as a target base for future international small business owners who are considering expanding into the Japanese market. Each persona describes an age bracket, a specific personal interest, as well as cultural factors that differentiate them from each other. Other characteristics included in the creation of these personas are their professional status, leisure interests, and views regarding gift-giving.

- **Persona #1:** Hideki: He is 25 years old, a young working professional, an executive in a Japanese multinational. He is tech savvy, in his free time he likes to travel and when he buys a product, he looks for quality, practicality and trendy designs.
- **Persona #2:** Aimi: She is 30 years old, a working professional. She follows traditional beliefs and patterns, she engages with the community and enjoys participating in cultural events. She prefers to give food when she buys gifts for her friends and family.
- **Persona #3:** Ayame: She is 35 years old, a mom. She doesn't care about brand names; she likes to visit art fairs to find unique gifts for her family. She likes to follow the Japanese culture and politeness.

- **Persona #4:** Fuyu: She is 60 years old, a housewife that is retired with a good buying power. She loves to visit the art markets to find new gadgets, handmade items and art crafts for her loved ones. She does not use her mobile to use social media; she prefers using her computer to interact with others.
- **Persona #5:** Canno: He is 56 years old, a writer that loves to explore new cultures. He visits the stores to do window shopping, he prefers independent stores, but when looking for gifts, he leaves the decisions of buying them to his wife.

The Japanese consumer is adapting to be more connected and utilize online technology. This new type of consumer is spending more, but browsing in online stores because of their convenience and to find superior prices. Marketers need to connect with their target markets through multiple online platforms to understand their shopping preferences and needs.

Further research could focus on specific gender interests of the Japanese consumer and their purchasing decisions based on societal roles. This could discuss further how gender affects or impacts these decisions and probable strategies that might be useful to small businesses. Another approach could address online shopping and gift-giving as a changing practice from a traditional culture point of view. In this case, the discussion could focus on new buying practices based on online and mobile services that facilitate decision making and simplify the purchasing of gifts.

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