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1 Aug 2018 issue

● Capturing the growing demand for dinner

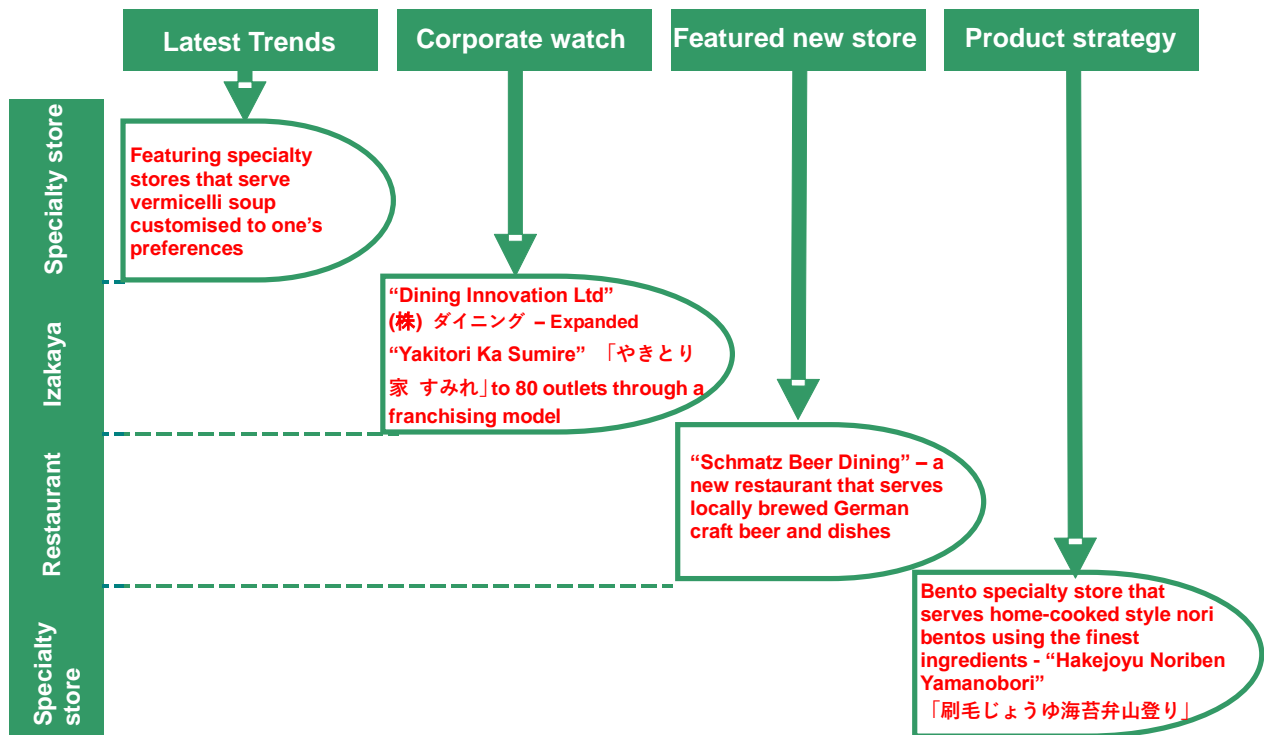
- The way people work is changing due to the push for work-style reform by the Japanese government. Teleworking is increasingly practiced by married couples with children. This trend draws our attention to the implications for food businesses. Convenience stores and supermarkets are already competing with the food industry for a market that has exceeded ¥10 trillion. Food services businesses will have to take note and act on the expanding dinner market segment, while they tackle the sluggish breakfast and lunch segments.
- McDonald's rolled out a successful sales strategy where customers could add a meat patty for ¥100. This changed the sales pattern of fast food, which until recently, has skewed towards the lunch segment. The trend of eating at home, which saves time for consumers, is expected to increase in the future. The dinner market is poised to be the next growth segment for the food service industry. This includes home delivery which will compete with the ready-to-eat meal business. A similar trend is seen in the United States, where dinner delivery had been the only growing segment for the food service industry.



- Jotaro Fujii

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1. Hot News! America : NY's luxury steakhouse, Peter Luger, is entering Japan

New York's steakhouse, Peter Luger, will be entering Japan. This will be done through an exclusive partnership with Wondertable, Ltd, which had successfully brought in Los Angeles' well-known Lawry's The Prime Ribs to Japan. The first outlet is expected to open in 2020 in a central location in Tokyo. It will be a large store of around 11,000 square feet. The signature menu items will include tenderloin and New York strip sirloin.

Peter Luger Steakhouse is famous for its T-bone steak. With a history of 160 years, it is one of the highly acclaimed steakhouses among the many in New York city. It is well-known for its dry-aged beef. With the Tokyo Olympics just round the corner, we are seeing many new buildings coming up in the city centre. The success of this new entrant will depend on its service standard.



2. Latest Trends

Featuring vermicelli soup specialty stores that allow customers to customize the ingredients based on individual's preferences

- **Chipao Maratan 「七宝麻辣湯 (チーパオマーラータン)」**
By **Cache-cache Co. Ltd.** (株) **カシュカシュ**



It aims to serve good food with health benefits, embracing the concept that healthy food gives a healthy body「医食同源」. There are now 3 outlets in Tokyo and another one in Osaka. At the Shibuya and Akasaka outlets, queues usually start to form close to lunch time. For ¥720, you can have vermicelli and select any 3 from 30 types of ingredients, and from 5 levels of spiciness for the Mala (hot and spicy) soup. For another ¥110, you can change the vermicelli for Chinese noodles, or change the soup base to a herbal spicy soup「薬膳スパイス」, Tom Yum soup「トムヤム湯」, or a tonic soup「強壯白湯」. The rice menu offers a selection of stewed pork rice「ルーローハン」 at ¥720, mini “Chipao egg rice bowl”, and pork shabu rice「豚しゃぶ飯」. It is patronized mainly by female customers.

- **Itadaki Maratan 「頂(いただき)マーラータン」** By **Confidence, Inc.** (株) **コンフィデンス**



The first outlet was set up near the Shin Okubo station on the Yamanote line in December 2015, with a concept that promotes health and beauty. In January 2017, a second outlet opened near the main Tokyu department store, about a 5-minute walk from the JR Shibuya station. Similar to Chipao Maratan, you can choose 3 out of 40 types of ingredients and different levels of spiciness, at the same price of ¥720. For an additional ¥110, you can change to a bigger portion of the vermicelli, replace with Chinese noodles, add herbal spice, or change the soup base to Tom Yum soup. The rice menu offers 5 types of mini rice bowls such as “green onion chicken rice bowl” 「ネギ鶏メシ」, which costs between ¥260 to ¥370 each.

Discussion : the future of soup vermicelli specialty stores

The concept is similar to Ringer Hut's “no noodles champon” 「麺なしチャンポン」, Ippudo's “half carbohydrate ramen” 「糖質ニブンノイチ中華そば」 and “Shiromaru Tonkotsu Tofu” 「白丸とんこつ豆腐」 which replaces ramen with tofu. These concepts serve a wholesome menu of noodle soup, promoting a healthy lifestyle and attracting the health-conscious. The soup vermicelli stores mentioned

above are popular as they combine healthy vermicelli and plenty of vegetable toppings that diners can customize based on their own preferences. The stores are popular during lunch time, especially with female customers. A simple serving of vegetables and vermicelli with soup is now the Chinese version of fast food.

3. Progressive Companies

■ Dining Innovation Ltd (株式会社 ダイニングイノベーション)

Yakitori Ka Sumire 「やきとり家 すみれ」

© Yakitori Ka Sumire expands beyond 80 outlets using the franchising model

■ Start-up companies, from across 15 types of businesses ranging from yakitori to ramen and wagyu cuisine, have expanded domestically and overseas through franchising.



© Business Strategy

Yakitori Ka Sumire offers 16 types of yakitori such as the special local chicken breed “Oyama-dori” 「大山どり」, the standard scallion and gizzard, with prices ranging from ¥190 to ¥290. There are also 19 other types of skewers such as “Eggplant with Peperoncino” 「なすのペペロンチーノ」, and “Caprese skewer” 「カプレーゼ串」, costing ¥158 to ¥438 each. Orders are taken through touch panels. In addition, there is a wide variety of a la carte chicken dishes, such as “Chicken Nanban” 「チキン南蛮」, “Chicken motsunabe” 「鶏白湯もつ鍋」, and ramen. Customers are provided with a special “Torikki” 「トリッキー」 fork to remove the meat from the skewer stick, to make it easier to eat. The casual atmosphere attracts mostly groups of female customers and couples. Check size per customer is around ¥3,000.



Dining Innovation Ltd (株) ダイニングイノベーション was established in June 2012. In 2009, 6 stores were consolidated under the same group for future expansion. The stores included the “Yakitori Ka Sumire” 「やきとり家すみれ」 that started at the Yutenji station on the Tokyu Toyoko Line, and “Yaro Ramen” 「野郎ラーメン」 which was first set up in 2008. In March 2013, the Yakiniku concept “Kintann” 「KINTANN(金舌)」 entered Hong Kong and expanded overseas. By August 2015, there were more than 100 stores in Japan and other countries. The group opened 35 stores in 2017 alone, and another 25 by July 2018, bringing the total number of stores to 181.

4. Featured New Stores

Kaiser Kitchen KK カイザーキッチン (株)

A new business concept that serves locally brewed German craft beer and food

Schmatz Beer Dining 「シュマッツ・ビアダイニング」



- On 2 April 2018, Schmatz Beer Dining opened its 7th store near Jinnan Post Office, about 5 minutes' walk from the JR Shibuya Station's Hachiko exit. Business hours are from 11:30am to 3:30pm for lunch, and 4pm to 11pm for dinner. It has a seating capacity for 90. There are 40 kinds of standard dishes such as “German potato”, cheese dip “Obatzda”; and for mains, they have fried pork cutlet “Schnitzel Parmigana”, and a platter of 5 types of sausages. The prices range from ¥380 to ¥2,500. The store is patronized mainly by groups of young people and couples. It has an average check size of ¥4,000 per pax.

【Evaluation】

In Tokyo, “Craft Beer Market” 「クラフトビアマーケット」 is leading the pack of craft beer businesses

with 10 outlets, followed by “Yona Yona Beer Works” 「よなよなビアワークス」 with 7 outlets. However, Schmatz Beer Dining is still planning to set up 10 outlets this year, targeting to attract customers with its authentic German food such as sausage and pork cutlet, and unique craft beer. New outlets will be opened in prime areas, Roppongi Ark Hills and Nihombashi Takashimaya SC, in August and September 2018 respectively, to raise the brand’s profile and to extend their coverage. It is a new business concept where the ability to attract female customers is the critical success factor.

5. Product / Business Strategy

Bento specialty store that serves home-cooked style bentos using the finest ingredients

The charm of the seaweed comes from the scent and flavor of the sea 「磯の香り」や「風味」

BY Smiles Co Ltd (株) スマイルズ

Nori bento specialty store, Hakejoyu Noriben Yamanobori 「刷毛じょうゆ海苔弁山登り」

- Features** : The noribens sold by Hakejoyu Noriben Yamanobori feature a different type of main dish. They include the “Noriben Sea” 「海苔弁 海」 which is served with salt-grilled salmon, the “Noriben Mountain” 「海苔弁 山」 which comes with teriyaki chicken, and the “Noriben Field” which comes with lotus root and perilla leaf mochi. The bentos are selling at ¥1,080 each. Other bentos include the Salmon Noriben 「紅鮭の海苔弁」 and the Salt-grilled Shimesaba (cured mackerel) 「金華鯖の塩焼きの海苔弁」 at ¥1,296 each. There are also four types of side dishes that customers can buy to go with the bentos. The store is mainly patronized by tourists and female office workers who drop by on their way home from work in the evening. Customers can choose to dine-in at the store. The brand further expanded its sales locations by opening a third outlet at the JR Tokyo Station’s commercial facility “ecute Tokyo South Court” 「エキュート東京 サウスコート」 on 31 July 2018. The second outlet at Tsujiki has a large kitchen that can be used for mass production.



Space for dine-in

Assortment of side dishes to complete the meal

■ **Strategy** : Hakejoyu Noriben Yamanobori 「刷毛じょうゆ海苔弁山登り」 was first established in April 2017 in Ginza Six. It aims to serve home-cooked style bentos that give customers a sense of nostalgia and warmth. The strategy of selling noribens that are painstakingly made using quality ingredients at a price range of ¥1,000 caused quite a stir then. It was a stark contrast to the usual noribens that are sold in convenience stores. In October 2017, a second store was set up in Tsukiji 2-chome, followed by a third store in Tokyo station that targets commuters and tourists. There is an increase in the demand for bulk orders of more than 50 bento boxes for delivery to offices, opening up a new market for the store.

Latest news

Topic: New store opening

13 July Shinjuku Mylord 7th floor – Restaurant Floor 「新宿ミロード」

A fashion building managed by Odakyu Electric Railway that is directly linked to the JR Shinjuku Station

A “Gathering Dining” 「ギャザリアリング ダイニング」 concept



● “Vegego” – a new concept selling “Korean green power bowl” that is served with lots of vegetables



● “Sao Dou Hua” 「騷豆華」 - a desserts store from Taiwan



● “Mensho San Francisco” - the ramen store from the West Coast of America, that has a mention in the Michelin Guide

Gaisyoku.com 1 August 2018 issue

Produced by Fujii Consulting 1 August 2018

Price ¥1,500

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東京都世田谷区代沢 4-1 0-3

株式会社藤居事務所

Fujii Consulting

Tel 03-5431-6513 URL : WWW. i-consul.com