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1 November 2018 issue

● Build your strengths

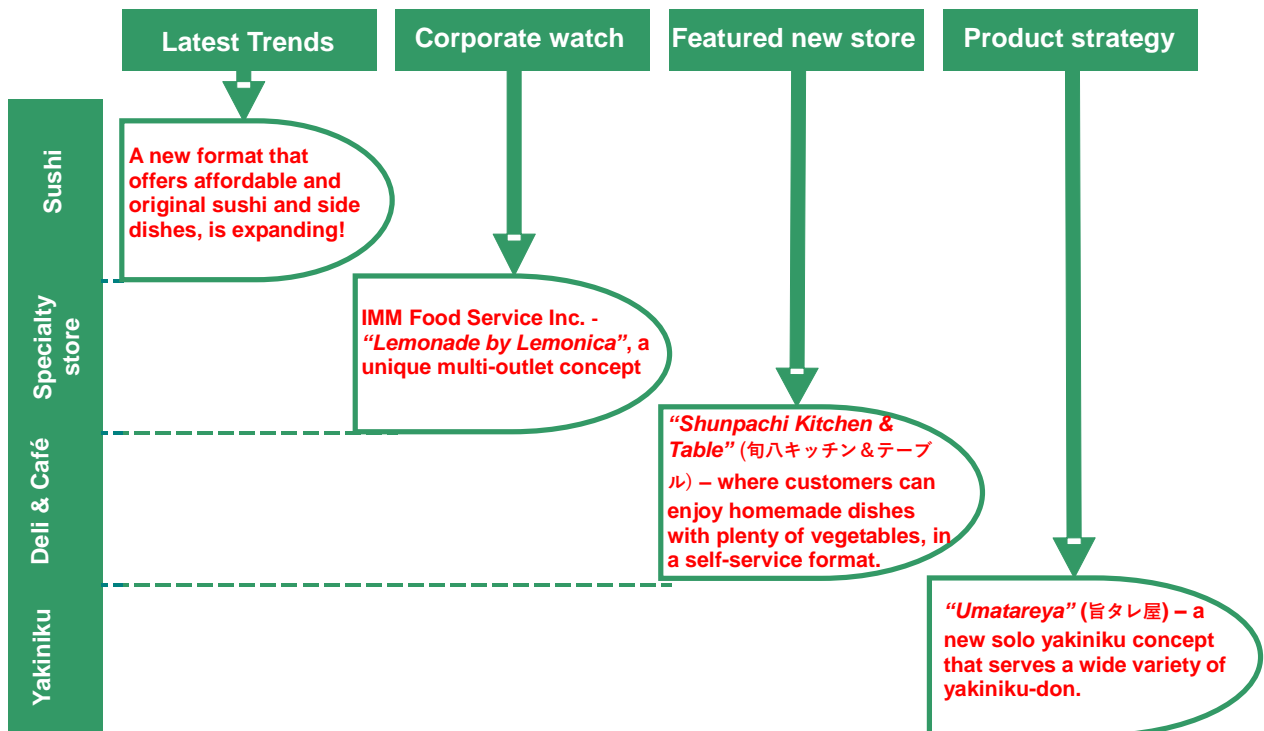
- It is not easy to survive in a competitive food services market. It is even more so in an ever-changing environment. Shimokitazawa is a city of fierce battle. But from the second half of the year, the queues of curry restaurants are growing by the day. There have always been many curry restaurants in Shimokitazawa. Magic Spice is an example of a popular and established curry restaurant there. However, we are seeing more new players overtaking these established brands. They include Kyuyamutei Shimokitasou (旧ヤム邸 シモキタ荘). You will smell a strong spice fragrance as you leave the southwest exit of the station and walk towards the store.
- Most customers are couples and women in their 20s. Customers will usually have to wait in the queue for more than an hour as the store is small with limited seats. It is located within a 5-minute walk from the station, and 15 minutes from Fujii Consulting office. The queue is a common sight that we see every day. This situation is only possible for stores that offer delicious food and possess certain strengths. It is the time of year for us to reflect on what we need to improve for our food businesses.



- Jotaro Fujii

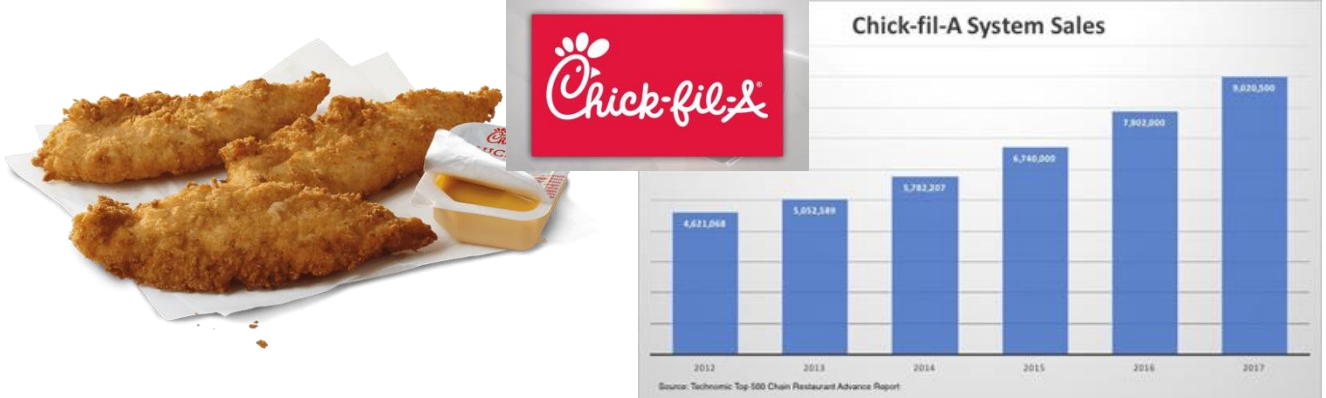
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HOT NEWS! America: Chick-fil-A made a quantum leap to catch up with the other fast food chains



1. Hot News! **America: Chick-fil-A made a quantum leap to catch up with the other fast food chains**

The sales of Chick-fil-A, a fast-growing quick service restaurant chain, grew at 14.2% in 2017. It is expected to rise to the ranks of Taco Bell and Subway, and ahead of Burger King and Wendy's. However, the growth rate of the boneless chicken market is even higher at 30% per annum. The high growth of new concepts such as Cane's and Zaxby's has prompted McDonald's to start testing the market.



2. Latest Trends

A new format that offers affordable and original sushi and side dishes, is expanding!

■ **“Tachi Sushi Yokochō” (立ち寿司横丁)** By [AP Company Co., Ltd \(株\) エー・ピーカンパニー](#)



● On 4 October 2018, the second outlet of “Tachi Sushi Yokochō” opened in the Nakano Sun Mall Shopping Street, located at the North exit of Nakano Station on the JR Chuo Line. It has a seating capacity for 44 persons (20 seats on level 1, and 24 table seats on level 2 from 1 November). There are several counters in the store, where sushi masters make nigiri sushi in a quick service manner. The store offers 50 kinds of a la carte sushi that are priced from ¥140 to ¥518 for two pieces, and four kinds of lunch sets such as “Yokochō nigiri” (10 pieces) and “Omakase nigiri for 1.5 serving” (12 pieces). A take-out window is set up at the front of the store, to create and meet the demand for take-aways.

■ **Sushi . Sake . Sakana - Sugidama 鮓酒肴「杉玉」** By [Sushiro Global Holdings \(株\) スシローグローバルHD](#)



● On 18 September 2018, a sushi izakaya opened at the South exit of Asagaya Station on the JR Chuo Line. This store, the fourth outlet of the concept, is the first to be located in the city center, on a shopping street in front of a station. They offer one to three pieces of sushi under the standard “Odo sushi” (王道寿司) menu and the original “Kiwami sushi” (極み寿司) menu. All items in the two menus cost ¥299 each. There are also 40 other kinds of unique side dishes such as the “Sugiyama Potato Salad” (杉玉ポテトサラダ) and the “Daikon and Tempura Oden” (おでんの大根なのに天麩羅), priced at ¥299 and ¥399. The concept adopts a differentiation strategy by offering a wide range of products at uniform prices. A fifth outlet will open on 20 November, near the North exit of Musashi-Sakai Station on the JR Chuo Line.

[Discussion : The Future of Sushi Specialty Stores](#)

The conveyor belt sushi chains have expanded mainly along the roadside. In Tokyo, standing sushi bars like “Uogashi Nihonichi” (魚河岸日本一) and the “Yadai Sushi” (や台ずし) izakaya have set up multiple outlets. Tachi Sushi Yokochō’s forte is in seafood procurement. It attracts customers with its multiple-counter layout. The number of counters varies with the size of the outlet. Sugiyama (杉玉) offers sushi and side dishes at uniform prices, and expands in areas that are popular with other izakayas. They attract new customers with their unique concepts that are not offered by other izakaya chains.

3. Progressive Companies

■ IMM Food Service Inc. アイエムエムフードサービス株式会社

IMM Food Service Inc. was established in the Kanazawa city of Ishikawa Prefecture, in November 2011. In October 2011, they started a “Wonderful” (ワンダフル) hamburger restaurant in front of the prefectural office in Kanazawa city, followed by an Italian concept “Pizzeria San Carlo” (ワンダフル) in November 2012. In 2013, they set up a “Wonderful Coffee Stand” (ワンダフルコーヒースタンド) and “Moriyama Napoli” (森山ナポリ), a frozen pizza mail-order website. This was followed by a wineball concept “Comer & Tomar” (コメリ トマル) in Roppongi in December 2015, and started to expand into the Kanto region by setting up “Olive Oil Kitchen” (オリーブオイルキッチン) in Ginza 2-chome in December 2017. The company continued to expand with more outlets. Since 2018, the company increased the number of stores in Tokyo, and opened a lemonade specialty concept “Lemonade by Lemonica” in Shimokitazawa, Harajuku and Shibuya. On 8 November, IMM Food Service opened a Dim Sum restaurant “Yaumay” (ヤウメイ) on the second floor of “Nijyubashi Square” building. On 29 November, it will open “Kanazawa Kirari”, a conveyor belt sushi concept, and another “Lemonade by Lemonica” outlet, on the second floor of the “Hachioji Opa” building. IMM Food Service is a rapidly-expanding company with 27 outlets across 15 concepts.

● Lemonade specialty store – “Lemonade by Lemonica” (レモネード by レモニカ).

The concept uses a unique production technique that does not apply any heat or pressure to the lemons, producing fresh lemonade for sale. There are 3 kinds of lemonades: original, soda and frozen, which costs ¥320 to ¥480. There also 10 kinds of other combinations with fruits such as strawberries and peaches, and 3 types of hot drinks, that are priced from ¥320 to ¥450. The outlet at Shibuya Stream has an outstanding appearance, which caused a stir when it opened. There are plans to open 15 outlets in 2018.



The Shibuya Stream outlet opened on 13 September 2018.

4. Featured New Stores

Where customers can enjoy homemade dishes with plenty of vegetables, in a self-service format.

Deli café “Shunpachi Kitchen & Table” (旬八キッチン&テーブル) **BY Agrigate アグリゲート**



- On 18 October 2018, “Shunpachi Kitchen & Table” opened on the 1st floor of the “Shintora-dori CORE” (新虎通り CORE) complex. The complex is located at the junction of Shintora-dori and Hibiya-dori, a 5-minute walk from the Karasumori Exit of JR Shimbashi Station. The outlet operates from 08:00 to 22:00 on weekdays, and 11:00 to 20:00 on weekends and public holidays. It has a seating capacity for 32 (counter and terrace seats are available only during lunch time). For breakfast, the outlet offers sets of onigiri (rice balls), side dishes, smoothies and soups at ¥350 for 2 items, and ¥500 for 3 items. For lunch, it turns into a self-service format where customers can fill a “Greengrocer Maru-ben” (八百屋の丸弁) for ¥500, a “Greengrocer Hira-ben” (八百屋の平弁), or a “Take-out Deli” set (テイクアウト デリ) at ¥480 (small) or ¥800 (big). There is also a grocery corner in the outlet. From 16:00, it serves dinner buffet at ¥1,500 for 90 minutes on weekdays, and ¥3,000 for 120 minutes on weekends and public holidays. Drinks are charged separately. The store is gaining popularity among female customers, especially during lunch time.

Evaluation

Shunpachi Kitchen started selling dishes and bentos in Tennozu and Toranomom in 2017. In the new store, there is a grocery corner and a dine-in area. They serve simple dishes with plenty of vegetables under its healthy lifestyle concept. The company covers the entire value chain, from production, processing, logistics to sale of vegetables. It has expanded its city-grocery store “Shunpachi Fruit Shop” (旬八青果店) to 13 outlets, and aims to expand the “Shunpachi” brand further in the business district. It is a new type of concept with a new business model.

5. Product / Business Strategy

Yakiniku Specialty Store

A new solo yakiniku concept where you can enjoy a meal of yakiniku and a wide variety of yakiniku-don.

Umatareya (旨タレ屋) BY R&B Syuhari (株) アールアンドビー守破離 (しゅはり)

■ **Features** : Yakiniku-don, with “Galbi” (カルビ), outside skirt (ハラミ), loin (ロース) or steak (ステーキ), are available in different sizes at ¥750 to ¥1,390. There are 11 other menu items such as “Genghis Khan don” (ジンギスカン丼), “Assorted innards donburi” (ホルモンミックス丼), “Yakitori donburi” (焼き鳥丼) and “Tonteki donburi” (トンテキ丼). It also offers 11 types of yakiniku under the “Hitori Yakinik” (ヒトリヤキニク) menu, that costs between ¥500 to ¥730 (rice not included). There is a duct (exhaust ventilation facility) and a stove for one, installed across the counter seats. On 25 October 2018, a second outlet was set up in the Sakae-dori shopping area, located in front of the Takadanobaba Station on the JR Yamanote Line. The outlet is mainly patronized by male customers.



■ **Strategy** : This is a new business concept for the company, which has expanded mainly in Kobe under meat dining concepts such as “Red Rock” (レッドロック). The Takadanobaba Sakae-dori shopping street has a lot of restaurants and high traffic throughout the day. Umatareya attracts many male customers with its “volume” (ボリューム感) of meat, “affordable prices” (お手頃価格), and “quick service” (クイック提供). They plan to expand in the Kanto area, using a fast-food concept, where even one person can enjoy yakiniku with ease.

- Latest new store

19 October “TACO FANATICO” (タコ ファナティコ)

Located near Naka Meguro Station on Tokyu Toyoko Line

A cashless store that only accepts credit cards and electronic currency (including those used for transport systems). It sells gluten-free Mexican Tacos that are in colours of “Beet” (ビーツ), “Charcoal” (竹炭) and “Cumin & Tumeric” (クミン&ターメリック), under the concepts of “New Mexico” and “Variety”. This Taco specialty store is operated by Global Dining.



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