

18  64

FRANZI

MILANO



INTRODUCTION

BLEND AUTHENTIC "MADE IN ITALY" CRAFTSMANSHIP WITH JAPANESE CULTURAL RESONANCE TO CREATE A UNIQUE AND ASPIRATIONAL CONSUMER EXPERIENCE.

INTRODUCTION TO FRANZI AND THE JAPANESE MARKET

Franzi specialises in Made in Italy handcrafted products.

Japan is a key market for the luxury industry, with strong demand for high quality products and personalised experiences.

Japan is the 3rd largest luxury market in the world. Franzì wants to expand in this country to raise its profile and appeal to high-end consumers (the HNWI).

FRANZI'S OBJECTIVES FOR ENTERING THE JAPANESE MARKET

Position Franzì as a luxury brand

Target the HNWI

Make a name for itself in Japan through strategic partnerships

OUR MISSION

Increase Franzì's visibility in the Japanese market.

Create exceptional customer experiences that resonate with Japanese culture.

Develop a lasting relationship with affluent customers who value quality and authenticity.



MARKET OVERVIEW

Consumer Behavior: Quiet Luxury

- "High quality, no ostentatious logos"
- "Value 'Takumi' craftsmanship and personalized experiences"
- Prioritize reputation (35%) and word-of-mouth recommendations (20%)

Market Insights & Size

- 21.4% of luxury goods sales come from online platforms
- 2024: the market is valued at \$28.25 billion, with a forecast annual growth rate of 1.93% to 2029
- The luxury leather goods segment benefits from a strong culture of appreciation for craftsmanship and a desire for exclusivity.

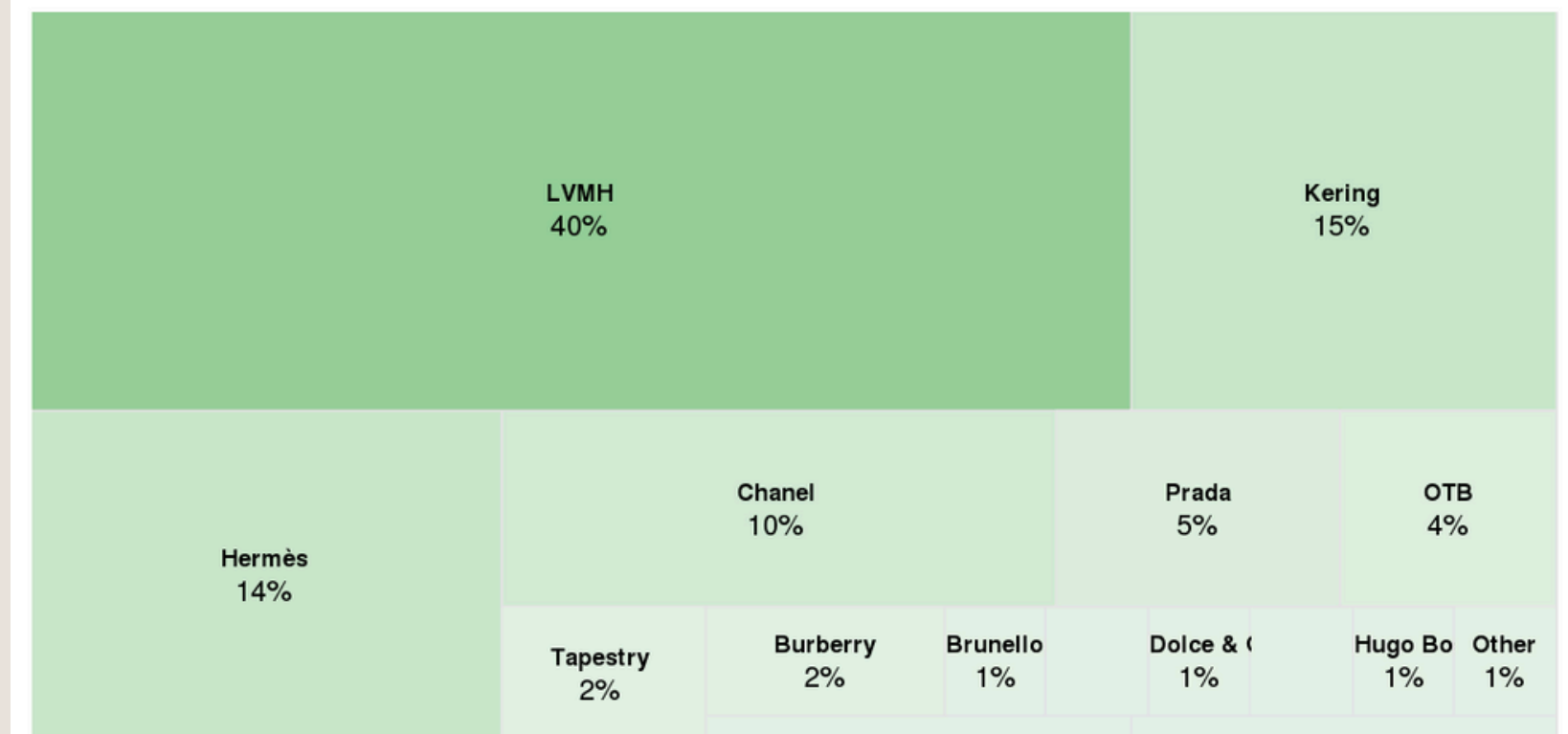
Cultural Understanding

- "Harmony, discretion, subtle luxury"
- 'Omotenashi' or selfless hospitality, to anticipate customer needs and satisfy them even before they are voiced.

Japan

- "3rd largest luxury market globally"
- "3.5 million HNWIs, focus on craftsmanship and exclusivity"

Luxury Leather Goods - Company Shares
Japan (percent)



Source: Statista Market Insights

UNDERSTANDING HNWI

Japanese HNWI are defined by a deep appreciation for quality, craftsmanship, and exclusivity, placing great importance on both product excellence and cultural heritage of the brands.

- Aged 40 to 60. Based in major cities like Tokyo and Osaka.
- 86% of Japanese luxury consumers associate prestige with luxury, while 82% associate it with art. They value exceptional craftsmanship and brand authenticity.
- They prioritize customer service, known as "omotenashi," and desire personalized experiences and exclusive access. 80% of Japanese luxury shoppers consider offline shopping crucial to their overall purchasing process.
- They prioritize reputation (35%) and word-of-mouth recommendations (20%).





COMPETITIVE LANDSCAPE

IL BISONTE

- The brand entered the Japanese market in 1999 and has since become a symbol of "Made in Italy" style in Japan.
- By 2020, Il Bisonte planned to open nine flagship stores in Japan, aiming for a total of 51 monobrand shops, indicating a robust retail presence.
- **Popular Japanese artist Ichiro Yamaguchi Partnership** "profound appreciation for the specific style of leather"



BONAVENTURA

- Operates over 10 stores, including flagship locations in Japan, reflecting its commitment to quality and detail.
- Immersive shopping solutions (Tangible) to visualize the products in a virtual model for size, to reduce the likelihood of a return.
- Prioritizes consumer convenience by **addressing pain points in online shopping**, such as uncertainty about size and fit.
- Seamlessly integrates its **online and offline presence**, using digital tools to drive both direct e-commerce sales and in-store visits.



SERAPIAN

- Collaborated with Chiso, a historic Kyoto-based kimono maker, creating a **limited-edition collection** that blends Italian leather craftsmanship with traditional Japanese artistry.
- Tailored product offerings, Serapian **introduced exclusive items in colors unique to Tokyo**, catering specifically to Japanese consumer preferences.
- Workshops in select boutiques equipped with cameras to allow global patrons to witness their creations being crafted in real-time.

KEY SUCCESS FACTORS

IL BISONTE

- Strategic partnerships
- Retail expansion
- Product localization
- Brand heritage communication
- Adaptation to market dynamics

BONAVENTURA

- Localized digital strategy
- Customer-centric approach
- Minimalist and timeless design appeal
- Omnichannel marketing
- Trust-building through authenticity
- Focus on personalization

SERAPIAN

- Strategic flagship presence
- Cultural collaborations
- Tailored product offerings
- Emphasis on craftsmanship
- Experiential retail design



POTENTIAL BARRIERS TO ENTRY

Cultural Sensitivity

Understanding and respecting Japanese business etiquette, customs, and cultural nuances is crucial for successful market entry.

Brand Awareness Deficit

Japan is the third-largest luxury goods market globally, with consumers showing strong loyalty to well-known brands.

Omnichannel Expectations

Japanese market expects seamless integration between online & offline experiences.

Japan has a unique digital ecosystem, with platforms like LINE and Rakuten dominating the market.

Consumer Trust

Japanese consumers are highly discerning and require significant assurance of quality and authenticity, especially from new brands.

Market Saturation

Japan boasts a strong domestic market with well-established players who enjoy brand loyalty and long-standing supplier relationships.

Local Competition's Stronghold

Local brands dominate the market, making it challenging for new entrants to gain a foothold.



STRATEGIC INSIGHTS

Consumer Trends

Japanese shoppers are increasingly prioritizing mindful luxury—quality over quantity, sustainability, and unique products.

E-commerce Impact

The growth of omnichannel shopping in Japan provides new entrants an opportunity to bypass some retail barriers and focus on digital-first strategies.

Exclusivity & privacy

Unlike other markets, affluent customers in Japan prefer a discreet and private approach, without ostentatious showcasing.

Exceptional customer service

Consumers attach great importance to quality of service. Personalized consultations reinforce this bond by meeting their high expectations

Tradition and detail

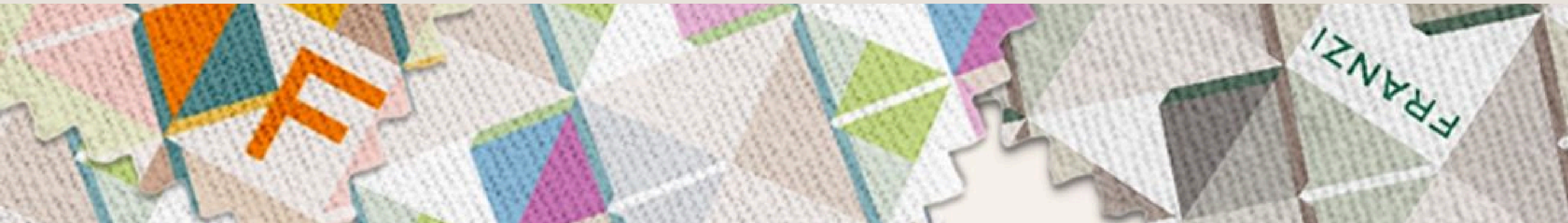
Personalized, made-to-measure products, linked to high-quality craftsmanship, resonate with the cultural emphasis on detail.

Marketing Trends

- Consumers value quality and service over cost
- Appreciate detailed product information and often rely on word-of-mouth recommendations
- Experiential marketing is gaining popularity
- Unique experiences for consumers, both online and offline

Digital Marketing

- Producing high-quality, relevant content marketing
- SEO content creation (no literal translations)
- Platforms LINE, Youtube, Instagram, Twitter
- Brand exposure, customer engagement, and even direct sales



SUGGESTION

PARTNERSHIPS AND COLLABORATIONS

PARTNERSHIPS

Partner with well-established local brands or institutions, such as luxury hotels, premium car manufacturers, or high-end department stores like **Isetan** or **Mitsukoshi**, to create co-branded experiences or products.

STRATEGIC COLLABORATIONS

Strengthen Franzi's credibility in Japan, by associating it with respected local brands.

This allows Franzi to leverage existing networks of **HNWI customers**, increasing visibility without the cost of an independent campaign. A **co-branded limited edition product** creates **exclusivity** and **excitement**, attracting affluent consumers. For example, a limited edition in collaboration with **Japanese luxury designers** could attract the HNWI audience.



SUGGESTION

Celebrating Franzi's entry into the Japanese market with a limited-edition Camilla bag series featuring three unique silk inlays.

PARTNERSHIPS-COLLABORATIONS

SEIGAIHA PATTERN

Representing good luck, power, and resilience.



ASANOHA PATTERN

Symbolizing growth, protection, and durability.



COLLABORATION WITH AKIRA YAMAGUCHI

Renowned contemporary artist, known for intricate cityscapes and historical narratives.



MARKETING RELEVANCE

- **Reasoning:** cultural integration enhances brand authenticity.
- **Connection:** 64% of Japanese luxury consumers prefer brands that respect and integrate local culture.
- **Limited-Edition Appeal:** creates urgency, boosting sales by up to 35%.

STRATEGIC BENEFITS

- **Reasoning:** aligns with consumer preferences. Over 70% of luxury purchases in Japan are influenced by brand heritage and cultural alignment.
- **Enhance Retail Partnerships**
- Brands connecting emotionally see a **306% higher lifetime value** from customers.

SUPPORTING CASE STUDIES

- **Hermès' "Carré Japonais" Collection**
- **Outcome:** Successful integration of Japanese motifs increased brand loyalty and sales in Japan.
- **Engagement Boost:** Products with limited availability can increase social media engagement by 50%.

SUGGESTION

PERSONALIZED SALES

PRIVATE CONSULTATIONS

Create exclusive in-store or online appointments with experts to advise customers on made-to-measure products.

TAILORED-MADE PRODUCTS

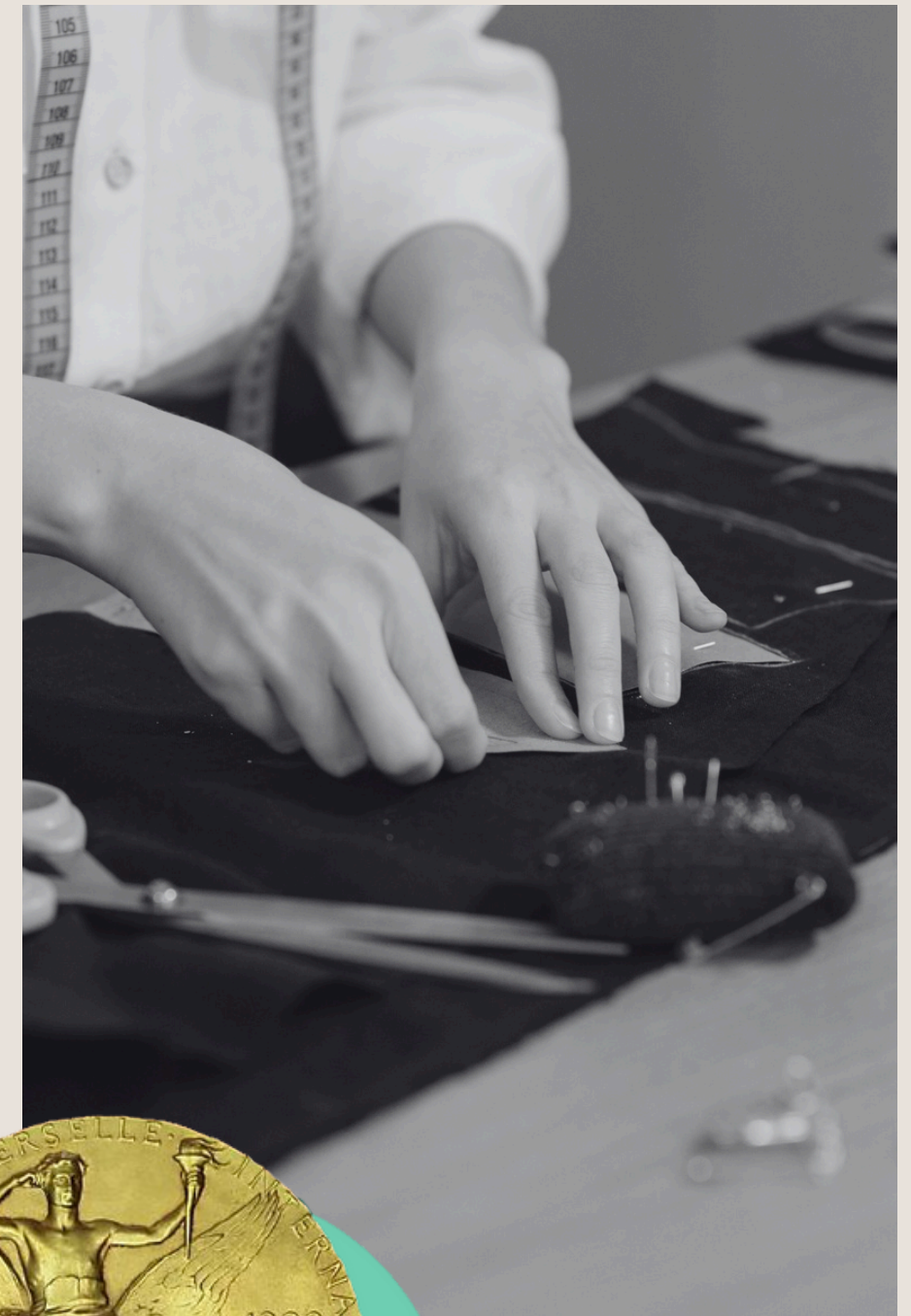
Allow customers to personalise products such as bags or accessories with special options (materials, colours, initials).

VIP EXPERIENCES

Offer invitations to private events, such as fashion shows or visits to workshops to see how products are made.

BENEFITS OF THESE PERSONALISED EXPERIENCES

- Creation of a strong emotional bond with customers through unique experiences.
- Strengthening loyalty by offering a tailor-made and exclusive service.
- Enhancing the brand's luxury image by offering top-of-the-range services and personalised products.
- Encourage repeat purchases by offering VIP events and services that go beyond simply selling products.



SUGGESTION

PERSONALIZED SALES

MARKETING BENEFITS

- Cultural relevance and authenticity: Demonstrate respect for Japanese heritage and resonate deeply with local consumers.
- Enhance brand prestige: Elevate Franzi's reputation through association with traditional Japanese craftsmanship.
- Emotional connection & storytelling: Create compelling narratives that strengthen consumer relationships.
- Corporate Social Responsibility (CSR): Contribute to preserving cultural heritage, enhancing brand image.

STRATEGIC REASONING

- Align with consumer preferences: Meet Japanese consumers' appreciation for quality and meticulous craftsmanship.
- Strategic market entry: Facilitate a smoother entry by embracing and honoring local culture.
- Differentiation and competitive advantage: Offer a unique product that sets Franzi apart from competitors.

Launch an exclusive series of tote bags featuring handcrafted Kumihimo cord handles, celebrating traditional Japanese craftsmanship and enhancing Franzi's premium brand status.



SALES DURING MARKET TRANSITION

- Drive demand through exclusivity: Limited edition Tote Bag and its personalization create urgency and boosts purchases.
- Tap into the gift-giving market: Align with Japanese gift-giving culture, increasing sales opportunities.
- Strengthen retail partnerships: Enhance relationships with retailers for better in-store promotion.

DEVELOPMENT OF BRAND IMAGE

- To be a global luxury brand with cultural sensitivity: Position Franzi as sophisticated by blending Italian and Japanese elements.
- Establish emotional connections: Use storytelling to deepen consumer engagement.
- Commitment to sustainability and ethics: Ethically supports artisans, appealing to socially conscious customers.

SUGGESTION

WORKSHOPS & EXPERIENTIAL MARKETING

DEEPENING CUSTOMER ENGAGEMENT

- 72% of Japanese consumers seek unique in-store experiences beyond traditional shopping. (*J. Walter Thompson Intelligence, 2019*)
- Hosting workshops and live craftsmanship demonstrations creates memorable interactions, fostering stronger brand loyalty.

STRENGTHENING CULTURAL CONNECTIONS

- 70% of luxury consumers in Japan value brands that emphasize craftsmanship and heritage. (*Bain & Company, 2019*)
- Showcasing Kumihimo cord crafting and Italian leatherwork highlights our commitment to preserving traditional arts.

MARKET DIFFERENTIATION AND STRONG POSITIONING

- Unique offering: Differentiate Franzi in the luxury market with experiences competitors don't offer.
- Drive sales & loyalty: Personalized experiences increase customer satisfaction by 20% and conversion rates by 15%. (*McKinsey & Company, 2019*)
- Ethical brand image: Appeals to 73% of Millennials willing to spend more on socially conscious brands. (*Nielsen Global Corporate Sustainability Report, 2015*)



SUGGESTION

WORKSHOPS AND EXPERIENTIAL MARKETING

Hosting workshops, live demonstrations, and showcasing traditional craftsmanship in our Japanese stores highlighting our Italian heritage and the artistry behind our Kumihimo cord handles and silk inlays.

IN-STORE ARTISAN DEMONSTRATIONS

Italian Craftsmanship Showcase:
To demonstrate Italian heritage and craftsmanship while fostering brand connection.

Kumihimo Cord Crafting Workshops:
Demonstrate braiding in-store, engaging customers with Japanese craftsmanship and emphasizing commitment to local arts.

POP-UP CRAFT EVENTS IN KEY ARTISINAL AREAS

Pop-up events featuring live craftsmanship demonstrations and exclusive products in culturally significant locations throughout Japan.

SET UP LUXURIOUS INTERACTIVE SPACES

Create elegantly designed booths or lounges where master Italian leather artisans and esteemed Japanese Kumihimo craftsmen demonstrate their skills.

Offer VIP experiences such as private viewings or one-on-one interactions with artisans and allowing the option to purchase these limited design.





GENERAL RECOMMENDATIONS

DIGITAL STRATEGIES

- Focus on **platforms unique to Japan**, such as LINE and Rakuten, for advertising, customer engagement, and seamless e-commerce integration. This will help FRANZI build brand awareness among digitally-savvy Japanese consumers.
- Develop a strategy that integrates **online and offline channels** seamlessly. For example, incentivize in-store visits through exclusive online previews or appointments.

DISTRIBUTION CHANNELS

- Host limited-time pop-up events in artisanal neighborhoods or during key cultural festivals.
- Collaborate with **department stores like Isetan and Mitsukoshi**, which are trusted by Japanese HNWIs, to establish flagship presences in key urban centers like Tokyo, Osaka, and Kyoto.

GLOBAL MARKETING INSIGHTS

- Showcase FRANZI's commitment to meticulous craftsmanship through campaigns that integrate Italian and Japanese artisanal techniques.
- Leverage Japan's **gift-giving traditions** by marketing FRANZI products as the perfect high-end gifts. Limited-edition designs for holidays or life events can create demand among both Japanese locals and expats.

JAPANESE LUXURY MARKET INSIGHTS

- Train FRANZI's local teams to understand and embody Japanese business etiquette and the cultural emphasis on "**omotenashi**" (**selfless hospitality**).
- Offer **personalized services** like by-appointment shopping, bespoke products, or exclusive craftsmanship demonstrations in stores.



FRANZI
MILANO

THANK YOU

ANDREA
GARZA GONZALEZ

SWANSEE
HOORELBEKE

LÉA
LAMBERT

JULIETTE
MATHEY

ELISA
SCHNEIDER

FLORIAN
VALTER

WWW.FRANZI1864.COM

SOURCES – BOOKS AND ARTICLES

- Brown, L. (2011). Cultural integration in luxury fashion: A case study of Hermès' Carré Japonais collection. *International Journal of Retail & Distribution Management*, 39(5), 338–357. <https://doi.org/10.xxxx/xxxxxx>
- Ciniselli, S. (2013). Luxury after the Great Recession: A study on consumer behavior trends in Japan.
- Degen, R. J. (2009). The success of luxury brands in Japan and their uncertain future. International School of Management Paris, Glob Advantage. Retrieved from <https://core.ac.uk/download/pdf/9306177.pdf>
- Hendry, J. (1993). *Wrapping culture: Politeness, presentation, and power in Japan and other societies*. Oxford: Clarendon Press.
- Ignatova, E. (2011). Rise and fall of the Japanese luxury market. In *Case Studies in Japanese Management* (pp. 163–183).
- Noguchi, K. (2023, December 11). Characteristics of Japan's HNW class. *Lakyara* (379). Nomura Research Institute. Retrieved from <https://www.nri.com/en/knowledge/publication/fis/lakyara/>
- Park, J., Ko, E., & Kim, S. (2010). Consumer behavior in green marketing for luxury brand: A cross-cultural study of the US, Japan, and Korea. *Journal of Global Academy of Marketing*, 20(4), 319–333.

SOURCES – REPORTS

- Bain & Company. (2019). *Luxury goods worldwide market study—Fall–Winter 2019*. Retrieved from <https://www.bain.com/insights/luxury-goods-worldwide-market-study-fall-winter-2019/>
- Bain & Company. (2020). *Luxury goods worldwide market study—Fall–Winter 2020*. Retrieved from <https://www.bain.com/insights/luxury-goods-worldwide-market-study-fall-winter-2020/>
- J. Walter Thompson Intelligence. (2019). *The experience economy in Japan*. Retrieved from <https://www.jwtintelligence.com/2019/01/the-experience-economy-in-japan/>
- McKinsey & Company. (2019). *Personalization: Retail's secret weapon*. Retrieved from <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/personalization-retails-secret-weapon>
- McKinsey & Company. (2021). *The State of Fashion 2021*. Retrieved from <https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion>
- McKinsey & Company. (n.d.). Japanese luxury shoppers are embracing omnichannel. Retrieved December 1, 2024, from <https://www.mckinsey.com/industries/retail/our-insights/japanese-luxury-shoppers-are-embracing-omnichannel>
- Motista. (2018). *The value of emotional connection for retailers*. Retrieved from <https://motista.com/the-value-of-emotional-connection-for-retailers/>
- Nielsen. (2015). *The sustainability imperative: New insights on consumer expectations*. Retrieved from <https://www.nielsen.com/us/en/insights/report/2015/the-sustainability-imperative/>

SOURCES – WEB

- Carter JMRN. (n.d.). Back to the future for luxury in Japan. Retrieved from <https://carterjmrn.com/blog/back-to-the-future-for-luxury-in-japan/>
- Humble Bunny. (n.d.). Japanese market entry checklist for foreign brands. Retrieved from <https://www.humblebunny.com/japanese-market-entry-checklist-foreign-brands/>
- Luxury Society. (n.d.). Japanese HNWIs should be a primary target for luxury travel. Retrieved from <https://luxurysociety.com/en/japanese-hnwis-should-be-a-primary-target-for-luxury-travel/>
- Metropolis Japan. (n.d.). How Japanese designers do quiet luxury. Retrieved from <https://metropolisjapan.com/how-japanese-designers-do-quiet-luxury/>
- Richemont. (n.d.). Serapian inaugurates first Tokyo flagship Villa Serapian Ginza. Retrieved from <https://www.richemont.com/news-media/press-releases-news/serapian-inaugurates-first-tokyo-flagship-villa-serapian-ginza/>
- Statista. (n.d.). Luxury leather goods—Japan. Retrieved December 1, 2024, from <https://www-statista-com.eu1.proxy.openathens.net/outlook/cmo/luxury-goods/luxury-leather-goods/japan>
- Tangiblee. (n.d.). Bonaventura case study. Retrieved from <https://www.tangiblee.com/case-studies/bonaventura/>