

store, Scandinavian minimalistic design, is repeated in all stores worldwide. The music that is played in all the stores is also put together by one person.

3 Market analysis

First, a description of the general market in Japan will be provided, followed by a description of market trends in the food and beverage industry. Thereafter, political, economic, socio-cultural, and legal factors at the country level will be analyzed based on the PESTEL framework. Furthermore, the attractiveness of the industry will be examined using Porter's five forces. This section will also provide customer insight and identification of JOE's competitors, inspired by the SOSTAC framework.

3.1 Description of the market

Japan is one of the most challenging markets to enter and there are many reasons for this.

First and foremost, the Japanese culture is quite unique, their business culture in particular. A number of foreign companies have tried to succeed in Japan but have had to retreat or have experienced major profit loss.

Among the developed countries, Japan ranks as the one with the lowest direct foreign investment, which is due largely to the fact that Japan was previously a closed market for foreign competitors (source). As a result, the Western way of doing business has not been adopted and this makes the nature of business complex and difficult. (Name) will characterize the market as one in which companies either win big or lose big because there are so many things the companies have to be aware of before entering Japan. On the other hand, BMI's risk/award index for Asian pacific countries states that Japan ranks number one: "Despite a weak growth outlook, Japan has a positive business climate that outweighs the limited awards and places the country as one of our favorite markets in terms of striking a balance between investment risk and rewards" (Business Monitor International, 2016).

Consumer spending on food is already very high in Japan, which limits future growth. Food consumption had 0.1 percent growth in 2015 and it is forecast to continue to be modest. The Japanese hot drinks market, which consists of coffee, tea, and other hot beverages, has total revenue of \$4,108.8 million, whereas coffee accounted for 39.6 percent for the market's total value. In 2019, the expected value of the hot drink market in Japan is \$4,295 million, an increase of 4.5 percent from 2016 (MarketLine, 2015). Worldwide, Japan is the fourth largest

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