

*The Role of Information Search in the
Development of “Karada Meguri ChaTM”
(Body Circulation Tea Based on Traditional
Chinese Medicine)*

It was March 2004 when the Health Product Group of the Innovation Health Product Group started in Coca-Cola Japan as a department under the direct control of the President with a mandate to develop products that can absolutely dominate the market. Since this time, the product named “Karada Meguri ChaTM” was developed over a span of around two years and two months and was finally released in May 22, 2006. This product was a full-fledged health-tea beverage that was marketed as Japan Coca-Cola’s major new product of 2006 and hired the celebrity Ryoko Hirosue to feature in its advertising campaign. Sales progressed smoothly and after two months since its launch, it had outstripped expectations by 35%, and the product even experienced a shortage at one time. I would like to present the development of this product as a case study in the hope that you will come to understand what type of a new product development process is one that can make a difference.

6.1 The Beverage Business Today

6.1.1 *The beverage selling space is very crowded*

Initially, I would like to slightly touch upon the environment surrounding the Ready to Drink (RTD) business (RTD beverages are

contained in PET bottles, cans, and paper packs and are made for immediate consumption). A distinctive characteristic of the RTD business can be said to be its tough competitive environment. New products keep being released all the time one after another at the beverage counters of convenience stores and supermarkets. The showcase is indeed congested with a resplendent variety, offering not only completely new products, but also an assortment of flavors of existing brands, seasonal products, and products that have undergone package renewals. In the soft drinks industry, there are 1,000 brands launched every year in one form or another, and it is said that only three from among these make it to the next year. The marketers of the soft drinks industry, continue to engage in a trial and error process every day to determine how to go about successfully winning against the competition posed by the products of their own company and those of other companies under such a tough environment, and ultimately acquire the shelf space of stores.

6.1.2 *The philosophy of new product development*

So what should be done to attain a full victory against the competition? One answer is to create an innovative product. Many products in recent times have been incremental innovations that made progressive performance improvements over the products found in existing markets. In other words, companies have been basically responding to market needs by tweaking their products to make them a little newer, then safely mass producing them and swiftly and stably supplying them to top automatic vending machine networks established nationwide and to major supermarkets and convenience stores, with whom they enjoy strong relationships. However, it is a fact that a cloud began to hang over this model. The reason is that it has no longer become possible to sufficiently respond to consumer needs with incremental innovations. The times are such that markets are overflowing with similar products that have reached their saturation

points and consumers needs have become diversified as consumers have become more discerning in the selection of their products. This reason is also true for the makers of other industries as well, including consumer electronics makers, toiletry makers, cosmetics makers, and automobile makers.

The requirement for development necessary during these times when existing technologies, sales networks, production networks, distribution networks have started to vie in these ways is disruptive innovation; innovation that destroys concepts of existing products to create new markets. A look back into the past reveals that markets have gone through fundamental changes when paradigm shifts occurred, which were caused by the introduction of a disruptive innovation that gave rise to "an invention with a new concept." Examples of such innovations include the following; the paper-cup juice→the bottled Coca Cola, the cloth diaper→the disposable diaper, the portable stereo→the hard-disk model portable stereo, the detergent and the softening agent→the detergent with a softening agent in it, and the gasoline car→the hybrid car. In the manufacturing of these products, it may prove difficult to realize differentiation even if there were differences to a small or large extent. Toward realizing differentiation, effort has to be made in realizing disruptive innovation. To bring about such disruptive innovation, it is essential to not find out what are the products that can satisfy existing consumer needs, but what are the unmet needs (latent needs) of consumers and create new concepts or reframe existing ones (through combining existing concepts to create new needs). In the field of marketing research, various approaches for such creation and reframing are being proposed.

However, the excavation of latent needs at present relies on the ability of the individual developer to look ahead and detect future needs, except the needs that emerge from the introduction of new technologies. Therefore, it is vital to engage in forming a setup that will help the developer probe for and forecast future needs with a

high degree of precision. Innovative product development begins by having developers, researchers, and outside experts discuss the latent consumer needs among each other to probe for those needs and then carry out productization at an early stage. The Health Product Group of Coca-Cola Japan is carrying out health-focused product developments on the basis of such thinking.

6.2 Investigating the Marketplace

6.2.1 *Left-brain analysis and right-brain analysis*

I would like to begin this discussion by elaborating on the topic of “searching for new concepts that can help to meet the unmet needs of consumers.” The basic process begins by observing the market with a perspective that makes a well-balanced use of the left and right brain modes of thinking and by consequently ascertaining whether there are any gaps in the market. The human brain is divided into the left brain and right brain, which respectively work in different ways. The left brain has the function of performing analytically and is proficient in grasping the present situation by organizing perceptions logically.

On the other hand, the right brain has the function of instantly associating inputs from the eyes and ears with images through spatial patterning. So the left brain is in charge of chiefly looking at data analytically and making calculations based on them, and the right brain is in charge of associating images with experiences, such as looking around at stores and talking to people. Therefore, the cognitive model being discussed here basically states that unmet needs are the gaps that exist between the results of the right brain’s analytical thinking process and the left brain’s image-oriented thinking process. This line of thinking is not only adopted in the field of consumer marketing, but also widely adopted in the discipline of fundamental medicine, such as in the area of searching for new genes.

6.2.2 *Situational understanding and hypothesis construction*

In the development of “Karada Meguri Cha™” (Body Circulation Tea), the people in charge firstly carried out some data analysis to grasp current phenomena that were occurring in the world. In this analysis, to determine what the competition was up to, what consumers were thinking about, and how company resources should be used, they examined left-brain observations of various events from several angles. The sources of their observations were such items as: 1) existing market data, 2) market trends in chronological order, 3) consumer awareness data, and 4) beverage-purchase surveys. When looking back at the phenomena that occurred over the past several years, it becomes clear that a health-oriented boom had arrived. In fact this is clear at a glance whether you are looking at the growth of the supplements market, the index of fitness club openings, the extension of the market for designated health foods, the new product trends of electrical equipment manufacturers, and the moves made by the medical care industry. Upon looking at the beverage market, it became clear that markets that had been appealing health and nature as selling points had seen rapid growth. In the case of the non-sugar tea market in particular, it was a time when major makers were introducing green tea brands on a large scale, such as “Ooi Ocha,” “Yemon,” “Namacha,” and “Hajime” as the overall non-sugar tea market leaned toward green tea beverages. In addition, tea beverages that had acquired special health designations such as “Ban So Rei Cha,” “Sasso,” and “Healthya Rokucha” were overwhelming the market. “Healthya Rokucha” was typical of the type of beverage that was specially designed to serve as diet aids.

An investigation into the common denominators shared by these phenomena occurring in the beverage market revealed such denominators to be comments such as “good for the body” and “it’s natural and therefore not bad for the body.” To explain the factors behind such phenomena, we probed consumer awareness and the living conditions of the consumers. According to the Survey of Consumer

Sentiments, among all people, regardless of their age and gender, uncertainty toward their own state of health registered extremely high. Such an attitude was reflected by statements such as “I feel my body is filthy,” “I could fall sick any time and that wouldn’t surprise me,” and “I don’t think I can live long.” A large reason behind the demonstration of such anxiety of the Japanese people, whose life expectancy is among the highest in the world, has to do with the sudden changes in social structures, such as the deterioration in dietary habits and in the work environment. This is the result of factors such as working late into the night to compensate for a labor shortage caused by a protracted economic depression, skipping dinner and eating box lunches purchased from convenience stores every day, experiencing a chronic lack of sleep, compensating for a lack of vitamins by taking supplements, and resolving any feelings of illness by just taking pills.

It can be conjectured that products appealing such points as “Good for the body” and “It’s natural and therefore not bad for the body” were highlighted due to the context mentioned above. Now, let us consider the difference between “Good for the body” and “It’s natural and therefore not bad for the body” from the perspective of the research findings on beverage purchases. “Beverages good for the body” according to these research findings are, in addition to the so-called “natural drinks” such as vegetable juices and *aojiru* (a soup made by squeezing green leaf vegetables such as kale and/or komatsuna), the “health-designated beverages” that have acquired the seal of official approval from the Ministry of Health, Labour and Welfare. On the other hand, products considered to be “natural and therefore not bad for the body” are for the most part non-sugar teas and 100% juices. In terms of market scale, the ratio between “Beverages good for the body” and “Beverages considered to be natural and therefore not bad for the body” is approximately 1:5, clearly showing that the market scale of the latter category is overwhelmingly larger. When examining the wording of the two expressions, it becomes

also clear that “good for the body” sounds more effective for health maintenance than “bad for the body” and therefore should be a more favorable phrase. However, this is to the contrary in the market. So what is the reason behind the contrast between one expression that is favorable, but in a limited, “niche” way and the other expression that is passive in tone but enjoys a large market nevertheless?

6.2.3 *Interviewing experts*

In order to explore the reasons behind the difference between “Beverages good for the body” and “Beverages that are natural and therefore are not bad for your body,” we interviewed experts on what we knew about the present situation related to this matter.

In the beginning, we carried out an interview with the members of the various sales teams that were in charge of convenience stores. They have on-site knowledge of market trends and are well-informed on what buyers at convenience stores are thinking. Their opinion is that “while the probability for a sale increases when there is an absolute functional value, it also decreases when there is no emotional value at all.” If a product has both functional and emotional values that are strong in their own ways, and current primary customers of convenience stores, who are largely characterized to be capricious, see it as something new, then the product will enjoy a substantial chance of being sold. While the market seeks products with the wording “good for the body” more than they seek products with the wording “not bad for the body,” what turned out to be important was understanding what the extra benefit was as a new product. In addition, sales personnel who were in charge of supermarkets remarked that housewives, who are the primary customers of supermarkets, are extremely sensitive to price. However, they went on to claim that this is true insofar as commodities were concerned and that housewives are in fact highly sensitive to health concerns, believing that it is their mission to protect their overall family’s health. If a TV program on

health broadcasts that *aojiru* is good for improving blood circulation, the next day, high-priced *aojiru* will become sold out at supermarkets. Their conclusion was that if a product has value that housewives truly seek, then there will be no need to be concerned with the price, and even if it is something that tastes bad, it will still be able to dominate the market.

In other words, the difference between “beverages good for the body” and “beverages that are natural and are therefore not bad for the body” was made up by such factors as “deliciousness,” which is a basic attribute of beverages, and the “ease of obtaining the product” as in being able to purchase it every day, and “price.” Certainly, the health value of the *aojiru*, which is “a beverage that is good for the body,” appears to be very high. However, it suffers from the hurdles of being unpleasant to drink, troublesome to buy, and being expensive. In addition, it is chiefly focused on its health-benefit function and ingredient-name appeal and is devoid of any emotional value.

On the other hand, the green tea, which is a “beverage that is natural and therefore not bad for your body,” may not clearly convey how it may be beneficial to your health. Nevertheless, it evokes an emotional image associated with being natural, going well with food, being pleasant to drink, and being available anywhere at a reasonable price. The top three reasons generally stated for buying a beverage is “I can chug it down,” “it goes well with food,” and “it’s delicious,” and the basic question for product development then becomes what extra benefits can be added on top of these reasons. The reason why the *aojiru* is actually being sought after only in a niche market when it should be sought after on a much larger scale lies in the fact that it lacks in the “emotional value” of a soft drink, in addition to being “expensive” and “unpleasant to drink.”

6.2.4 *Redefining the value of health*

We decided to carry out a workshop based on the analysis made to date. The workshop is a sandbag, so to speak. It is a process

that involves having planners criticize your hypothesis that has been drawn from researched data and your rationale that has been inflated by your own words and images. Through arguing and defending against their criticisms, you will discover points of weaknesses in your logic so as to be able to brush up and improve your hypothesis. I feel that for such a brush-up session, you should assemble a group that is diverse as possible to be able to carry out a debate from various angles. For our workshop, we assembled a group made up of a total of eleven individuals who were from the Health Product Group, the Strategy Planning, which brought objectivity to the table with their databases, and from an ad agency whose planners had both creative expertise and up to date information resources concerned with domestic and international matters related to the industry. Extracts of opinions expressed in the course of the workshop are shown below:

- Recent health checkups seem to be fanning uncertainty. For example, I can understand up to things like total cholesterol levels, HDL, and LDL, but it gets irritating when they start talking about arteriosclerosis levels and resistance values of the capillary. Is having a high capillary resistance value something that's so unhealthy as to instantly link directly to death? They talk about the arteriosclerosis index, but is it a criterion that applies to all people? If you lead a contemporary urban lifestyle that is irregular and then get threatened by the fragmentary items of a health checkup, it is only natural to be seized by a sense of unease regarding your health.
- The Japanese people had originally been able to stay healthy by consuming seasonal, local products and by keeping it in mind to prepare well-balanced diets. In other words, the Japanese people had an innate understanding that a natural state of health = “ishoku dougen” (the idea that food and medicine come from the same source). This knowledge had been passed down the

generations. However, together with the advent of the nuclear family, and the fact that people's days have become busier, people have become contented with low-priced food imports and processed foods that are easy to prepare. Consequently, such societal trends have put an end to the dietary habits of ancient Japan.

- Seized by such worries, housewives tend to flock around “products based on themes of natural health” such as *aojiru* and black vinegar, and men tend to gather around health-designated beverages for aiding weight loss, but it remains a question whether these products are responding to the consumer's concerns over health at a fundamental level.

Perhaps it may be possible to fulfill the extra-benefit part of a new product if you can clarify what a product is supposed to deliver, and if you can upgrade its value by meeting price and taste preferences and by creating a compulsion to drink it through appealing on an emotional value.

While looking at the information derived from analyzing the data and the findings derived from the interviews, we debated various points from subjective and objective angles that related to “natural and good for your body,” which is the type of product sought after by consumers. The goal of this debate was to redefine the expression “natural and good for your body” as a health value and attach it to a product that had this redefined value. The conclusion arrived through the workshop was that “what is natural and good for your body” is precisely what the Japanese wisdom of “*ishoku dougen*” has been saying all along since ancient times; that both medicine and your daily diet are equally important in helping you to build a healthy body, the kind that helps you to prevent illness. In other words, the panel of debaters had liked the idea of a product claiming that even if you lead a busy life every day, if you consume a product that is based on the “*ishoku dougen*” concept, you can aim to build a body that will help you to prevent illness. In effect, they had concluded

that this idea was novel and that it was in sync with the current of the times and therefore stood a good chance.

What is a good workshop?

I believe a good workshop is first and foremost a medium that helps to bring out in the open the knowledge and experiences of participants to the maximum extent possible and then advise which direction to take. So what should you do to lead the workshop toward showing this direction?

The success or failure of a workshop hinges on prior preparation. To lead the workshop toward a certain outcome with an output, the facilitator must work toward creating an effective flow. By creating gimmicks that can offer unexpected stimulation to participants, it becomes possible to generate ideas that go beyond the established framework of discussion. In previous workshops, we did such things as put on short plays and engage in thinking sessions while lying down on the floor. As for the participants, they need to prepare for the workshop with regard to the theme. When gaps between knowledge and participation levels exist, the quality of the workshop will decline, so participants need to take note of this fact.

Regarding how to carry out a workshop, first of all, it is necessary to encourage all participants to actively speak on various situations (regarding targets/times/scenes, etc.). Since this is an initial stage to promote the generation of ideas, participants should avoid becoming attached to their own ideas. Additionally, everyone should attempt to refrain from rejecting anyone else's opinion and for the time being simply accept all opinions expressed. Then on top of all these opinions expressed, a participant should add their own ideas and diffuse them with what has already been expressed.

There is one more important thing to remember when making remarks at a workshop. That thing is to keep an open mind.

To promote active exchanges of opinion, it is also important to create a conducive atmosphere. Appearing high-handed or passive will never work towards your advantage. It is necessary to constantly keep in mind that the workshop is not a place for winning over others with your opinions. Next, you will enter into the stage of producing an output by tying up all the diffused ideas, but what needs to be pointed out here is that you should not force out a conclusion. Naturally, it will be necessary to narrow down the ideas through grouping them, but each idea thought up by the participants are valuable and should prove to play a large role during concept development. Once the workshop arrives at a stage where options for future directions are proposed, I believe the workshop can be said to be a success. I believe that the significance of implementing a workshop lies not in finding solutions to everything, but in making options for future directions available to the person in charge so that they may make their selections and consequently generate concepts with higher precision in the process.

Since people at the “Karada Meguri ChaTM” workshop were all accomplished and were all brimming with ideas, I personally found the experience to be very stimulating. After the workshop finished, however, I was so fatigued that I didn’t even feel like standing up. Still, two years later, with the product’s market entry having been made, I now find my time at the workshop to have been a deeply moving experience.

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6.2.5 *Compilation of keywords*

Based on the output of the workshop, the expression “natural and good for your body” was defined as “building a body that helps you

to prevent illness." At this point, we brainstormed and extracted keywords associated with what consumers actually do to build strong bodies resistant to illness. These keywords included moderate exercise, regular lifestyle, simple diet, macrobiotics, yoga, and Pilates. Roughly categorized, they can be divided into the dietary-habit improvement group and the exercise group. At this point we began to focus our attention on ideas and exercise methods that had Eastern roots, such as yoga and macrobiotics. A certain segment of consumers had begun to realize that a good approach towards realizing optimal health was not the Western way, which involves taking medicines and supplements to reinforce your body, but the Eastern way, which involves carrying out exercises and practicing daily dietary habits. These consumers had even begun to implement this preference. Even though the data did not show this, a look around cities certainly revealed that there are various types of yoga classes proliferating, and women's magazines had been covering them as special features on a constant basis. Personally, my only impression of yoga was that it was associated with India, and I doubted that consumers were attending yoga classes because they were fond of the country. I inferred that they had related to yoga's way of thinking, had adapted it to suit Japanese tastes, and incorporated it into their daily living patterns.

As we sorted through these phenomena while taking beverages into account, the motif that surfaced was Chinese medicine. The difference between Chinese medicine and Western medicine lies in the difference between symptomatic treatment and prevention. In other words, in contrast to Western medicine, which identifies trouble spots and performs treatment on them, Eastern medicine probes for root causes of illnesses and removes them, while also aiming to remedy illnesses through elevating the body's ability to heal itself. To embody the principle of the product, which is "to build a body that does not fall ill," we arrived at the assumption that it would do well to adopt the concept of Chinese medicine (Eastern thinking). Based

on this assumption, we decided to create a product concept that incorporated the motif of Chinese medicine, which is representative of the Eastern way of thinking.

6.3 Oriental Way of Thinking

6.3.1 *China, a country that manages health through tea*

We established Chinese medicine as a motif for fulfilling the product development theme, “natural and good for your body.” To establish the “concrete benefits this product should offer,” we began by gaining an understanding of traditional Chinese medicine (Kampo). During my graduate school days, I had majored in Oriental medicine and therefore have a general understanding of the subject. However, I had no expertise in creating a product of this kind from the ground up, so for all practical purposes, my knowledge was useless. In this case, instead of researching the field on my own, it was quicker to ask someone who knew the subject well, so I went on to contact a trading company that had ties to my company and were dealing in ingredients of Chinese medicine. They introduced me to an expert and after explaining the circumstances so far under confidential terms to this person, I was referred to a practitioner of Chinese medicine who belonged to this person’s network. Consequently, I flew to Beijing.

This practitioner was someone who used to be the attending physician of a certain chairman and is currently active in the Chinese and US academic worlds. I had him lecture me on many aspects, such as Chinese medicine’s basis in Inyogogyo Ron [Chinese cosmological theory of the cosmic dual forces (yin and yang) and the five elements (metal, wood, water, fire and earth)], the actual circumstances of Chinese medicine within China, the internationalization of Chinese medicine, the thinking behind the different usages of Western and Chinese medicines, and the thinking behind effects and benefits. I also had him advise me on touring factories where materials were

produced. The following is a summary of what I had ultimately learned from him:

- Chinese medicine is the fruit of clinical experiments carried out over the span of 3,000 years, and its marketed products have a proven track record. In addition, many Chinese medical remedies blend multiple materials in ratios validated through experience to amplify effect (this is known as the harmony effect).
- Since Chinese medicine mainly attempts to cure illnesses by promoting self-healing, it could take a long time for any effect to show. However, depending on the case, there are times when Western medicine and Chinese medicine are alternately prescribed.
- The thinking behind prescribing Chinese medicine can be roughly categorized into the following two approaches: add something to cure symptoms and eject something to cure symptoms.
- National American medical institutions are helping to realize the internationalization of Chinese medicine. In effect, they are studying the efficacy of Chinese medicine, which is a medical science grounded in experience, through the evidence-based process of Western medicine. Through this process, they are aiming to realize the internationalization of Chinese medicine.
- Even the Chinese feel that Chinese medicines taste bad. Therefore, what is considered to be health tea is in fact Chinese prescription medicine that has been mixed mildly to help people continue enjoying it on a daily basis. In this way, it is deeply rooted in the practice of daily health maintenance.

The most interesting facts here were that even Chinese people were feeling that Chinese medicine tasted bad and preferred not to take it if possible, and that people were managing their everyday health by drinking tea that had been created for such a purpose. It occurred to me then that China is a country where health is managed through tea consumption. As a concept, I felt this to be interesting. In

addition, the idea of treating symptoms by firstly eliminating toxins was novel.

In Western medicine, the general approach to curing a symptom is to alleviate it by adding medicinal properties that target its focus. However, in the case of Chinese medicine, it is the reverse in that this form of medicine places emphasis on firstly subtracting rather than adding. Apparently, this way of thinking is unique to Chinese medicine. We made this factor a key element in our product's line of thought.

6.3.2 *Consumer awareness of traditional Chinese medicine*

I returned to Japan and began to organize the collected information when I was struck by a realization. This was that despite the fact that Chinese medicines had already entered into various fields in Japan and also had won acceptance at the consumer level to a certain degree, even the medicines being sold by major Japanese companies handling Chinese medicines could not be considered to have attained mass penetration by the standards of the drug industry. To find out why this was so, I went on to perform a factor analysis. I began by proceeding to the Chinatown found in my neighborhood to browse through stores selling Chinese medicines. The impressions I received at those places included "old-fashioned," "Chinese image despite being located in Japan," "expensive prices," "no credibility," "smelly," and "grotesque."

On the basis of these observations, I then carried out a web-based survey that saw responses from 1,500 general consumers. Their responses confirmed what I had felt and they included ones such as "I believe Chinese medicine is good for your body," "I would like to use from now on," "I can't believe its effects," "too pricey," "it takes too long for any effect to show," and "tastes awful." Of special note here is that the number of consumers who responded "I believe Chinese medicine is good for your body" and "I would like to use from now on" were more than expected. In other words, the results of the analysis suggested that Chinese medicine was not reaching

mass levels because of negative impressions that were offsetting its potential. This finding did not change by age, gender, or area.

6.3.3 Changing the way of thinking from a Western one to an Oriental one

Since I had reached an understanding of Chinese medicine’s business potential and consumer potential, I established the idea of eliminating toxins as the product value. This, after all, was based on Chinese medicine’s principle of preventive medicine. The concept of eliminating toxins is not found in Western medicine and it is unique to Chinese medicine in that it is focused on firstly removing bad elements, instead of adding elements while the bad elements remain stored inside the body. This concept resembles what is known in English as detoxification or detox, and back in 2004, it started to become a buzzword found in women’s magazines. I digress here, but I should mention that during the development of the product, Shiseido released a Chinese medicine-based cosmetics product called “SHINOADORE” and Kao released a Chinese medicine-based cosmetics product called “ORIANA” and a hair-care product called “ASIENCE,” which incorporated oriental concepts. Additionally, with ideas and products that were focused on Oriental health and beauty concepts beginning to become popular, such as yoga, Pilates, and macrobiotics, I was able to confirm that the concept for our product was not heading in a completely wrong direction. The only regret I had was that others had released their products before we released ours.

6.4 Sorting Out Development Requirements

6.4.1 Who should be offered detoxification by Chinese medicine?

The keywords began to gradually shape into “natural and good for your body/toxin elimination through Chinese medicine, which

incorporates the concept of preventive medicine.” At this point, we inspected whether the consumer need of toxin elimination existed in the first place. While we went on to carry out another web-based survey, we put our thoughts in order on detoxification to establish the questions that were to go into the survey. An Internet search of women’s magazines turned up a very high volume of articles, indicating that the topic had already become a boom among women.

Detoxification is a way of keeping healthy through eliminating toxins found within the body. One method appears to be through releasing sweat by undertaking activities such as yoga, Pilates, and half-body bathing, while another appears to be through the consumption of approximately two liters of oolong tea or mineral water per day to excrete the body’s waste materials through the process of diuresis. Yet another method apparently is through the consumption of foods prepared with ingredients that promote the excretion of the body’s waste materials. Such ingredients include coriander, red pepper, and onion. As for the toxins mentioned here, we found two views that define them; one was the concrete view that toxins are heavy metals such as mercury and cadmium and the other was the more conceptual view that toxins are associated with thick or viscous blood that could be converted to become more fluid through exercise and the consumption of healthy food. The more fluid the blood was, the more it would then be able to help in eliminating stored fat and waste materials. Although I did not find any academic verifications to support these views since the information sources used were the Internet and women’s magazines, I was able to somehow or other relate to the views on a conceptual level.

To determine market size and the targets at this point, we carried out a web-based survey again to find out answers to the following questions: Who are the people interested in detoxification? How many of them are out there? What sorts of awareness do they have? What tastes do they have? What types of lives do they lead? Consequently, on the basis of the answers to these questions, we

carried out factor analyses and multiple regression analyses through the use of health-related keywords and categorized the overall market into health clusters shaped by consumer perspectives. Firstly, regarding the recognition rate for the word “detox,” on average it was around 10%, so it was not that high, and understanding of the method of detoxification was diverse, varying by the individual. So it appeared that the word itself did not offer any royal road to reaching consumers. However, a certain consumer cluster showed strong interest in detoxification, and moreover, they had already incorporated the practice into their lives. This cluster was comprised of women in their late twenties through late thirties residing in urban districts who had a strong interest in beauty-oriented health, and women in their forties through fifties with a relatively high household annual income residing in the Tokyo metropolitan area and the Kansai region who had a strong interest in health. These two groups were estimated to comprise approximately 30% of PET bottled sugar-free tea users, and to comprise approximately 15% of all user types.

We then decided to listen to their stories to profile them in detail. The method adopted was the focus group interview (FGI), and the interviewees totaled 36 individuals who comprised four advanced health-interest groups, which were made up of women residing in the Tokyo Metropolitan and Kansai areas, and two groups of men and women who were general RTD sugar-free tea users. A summary of the findings of the FGI sessions as they pertain to development follows:

- Strong needs were confirmed to exist among the members of the advanced health-interest group. However, in light of the fierce vying for share at convenience stores, it was deemed necessary to capture the women’s sugar-free tea group, which comprised the mass market.
- The men’s sugar-free tea users are slow to react to new products themselves (approval among men could spread once women show their approval). They should not be actively pursued.

- A product and communication development that realizes an attractive drink to enjoy on a daily basis for these two groups is necessary.
- The key to promoting “daily consumption” lies in providing a moderate peculiarity that provides a sense of an extra effect in addition to thirst-quenching deliciousness and palatability.

Research that creates needs

I believe there are many marketers and researchers who have come to believe that individual consumers who have obtained what they desired no longer have any further needs or that the very notion of picking up ideas from consumer voices is starting to become unreasonable. While it is the fate of marketers of all ages to utter the words, “I can’t perceive the needs,” the consumers of the present age are satisfied as fetuses in a mother’s womb and have become apathetic insofar as discovering new needs for themselves is concerned. Asking consumers who have obtained everything they desire will not produce any answers. Does this then signify the limits of marketing research?

To break through this blockage, we can find hints in extremely basic techniques. One of them is motivational research. This research came into the limelight along with the father of the Focus Group Interview technique, Mr. Ernst Dichter, in the 1950s and was criticized for being merely a tool to measure individual experiences within a laboratory environment and therefore was inadequate for measuring a market as a whole. For this reason, this field fell out of prominence. Another technique is the observational research. As the name suggests, this approach does not involve any direct contact with consumers, but involves making observations from a distance to grasp facts and make interpretations. As a technique, this one also cannot be said to be a new one in any way. After 40 to 50 years, these techniques are making a comeback. What the two traditional approaches mentioned above can be said

to have in common is that they do not perceive consumer behavior through fragmentarily monitoring moments of purchase and consumption, but instead they strictly perceive consumer behavior as a succession of actions and apprehend them in terms of subconscious motivational drives. However, the revival of these two approaches is gaining momentum precisely because of a new feature that has been added into them. This feature is the task of contextualizing all behaviors.

As to the question of how to contextualize the behaviors, to find the answer, a trial and error process continues to this day. Specifically, experts are asking questions such as the following: What concrete features are required to make contextualization possible? Could it be such things as storytelling, a photo collage, or some other form of nonverbal communication that can convey an image through pictures and sounds? Could it be role-playing that reproduces the behaviors in question? However, one certain matter is the point that the work of the researcher will no longer be what it used to be and that they will be expected to be competent in creative and expressive abilities that could help them contextualize the circumstances of individual consumers.

To put it in an extremely straightforward manner, the revival mentioned above parts company with the questionnaire. In other words, the revival is promoting a shift from the "measurement of what is observable and the estimations made from the combinations of such measurements" to "the understanding of essential commonalities shared among human beings and the building of hypotheses for the motivations that drive those commonalties." Rather than chasing after superficial phenomena in fields that individual consumers can easily acknowledge and recognize and that marketers find easy to understand, having consumers themselves daringly step into fields that are difficult to comprehend, having researchers themselves contextualize the circumstances,

and having the consumers resolve questions in the form of making realizations will prove to be a shortcut toward achieving product developments and marketing strategies. This gives rise to the “needs-creating researcher.” So will this momentum begin to question the validity of the distorted new-product development trend that leans toward newness and thereby put a stop to the ephemeralization of new products? Will it put the brakes on the ritualization of the focus group and depth interviews? The consequence of the shift will most likely be evident in the products that stand to win the most sympathy from now on.

Shigekazu Sugiyama

Business Knowledge Director of Coca Cola Japan Company

6.4.2 *Innovation committee*

In the development of products at Coca Cola Japan, there is an approval process that involves a committee called the Innovation Committee, which is responsible for authorizing product releases. A presentation is made to a group of managers that includes the President and unless approval is granted from them, a developer will not be able to start official development geared towards a market launch. The committee is focused on finding out whether what is being proposed can offer completely new values to the consumer or not. We incorporated some insights into the assumptions made until this point, and presented the general concept along with supporting research data and consumer inputs. Alternately, we also presented ideas on target consumers, product concept, expected volumes, the entry category, and the development schedule. While there were a number of follow-up sessions that followed, in the end we received a clear go signal. This happened in January 2005.

6.5 Towards Commercialization Development of the Formula, Name, and Packaging

6.5.1 *Rethinking formula development*

After safely receiving approval from the Innovation Committee, we made an official request to the R&D department for the development of a formula. The formula concept was “detox tea rooted in Chinese medicine.” However, since we regrettably had no Chinese-medicine experts inside the company and since we expected developing from the ground up on our own would take a considerable amount of time, we decided to loan the idea to an outside entity. Toward this end, we established the following two routes: a trading company specializing in herbal medicines introduced to us by the Raw Materials Procurement Department; and the Chinese-medicine practitioner in China whom we relied on during the time I was gathering information on Chinese medicine.

Specifically, the request was for the procurement of raw ingredients that exhibited novelty, that were delicious, that had the function of eliminating toxins, that could be supplied stably, and were suitable for releasing within Japan (and China). We took advantage of the trading company’s network and had them prepare more than 100 varieties of materials and dispatched a team of individuals from the R&D department and the Health Product Group to the trading company’s factory located in the Kansai area. Among those prepared by the trading company were interesting materials that were referred to me by the people I came to know in Chinatown when I was browsing through Chinese medicine drugstores found there. These materials included *fukucha* (said to be the mysterious tea of the Silk Road), *yukicha* (70% fat-breakdown rate), *koukeiten* (an analeptic used by cosmonauts during the Soviet era), *kuteicha* (the diet tea of popular choice among Shanghai celebrities), *happoucha* (a tea for health and beauty care that became the talk among flight attendants of a Hong Kong airline company), *natsume* (a natural vitamin

compound), *hipokou* (a favorite cough medicine among the Chinese), *saji* (a juice much loved by Genghis Khan that is believed to have anti-aging properties), *shinryufun* (a legendary Chinese health and beauty ingredient), and *banrankou* (an anti-viral drug that attracted attention due to SARS).

Upon arriving at the factory, we found the 100 plus varieties already prepared for us, giving off distinctive aromas. Since we had to finish tasting all of them in one day, we breezed through the formalities and began tasting right away. We started with *kuteicha*, which is endorsed by Shanghai celebrities and which we deemed to be the most promising. The first impression was that it was bitter. Actually, I had never tasted anything that was as bitter as this. It was simply intolerable. Upon inquiring the person in charge of R&D, I was informed that the bitterness was the kind that no amount of blending technology could ever hope to mask. This tea was therefore immediately rejected. Next, we tried the also promising *yukicha*, which is considered to have a 70% fat-breakdown rate. The taste was hard to describe. I had never tasted anything like this before, and if I were pressed to give an analogy, I would have to say it tasted like the water in a goldfish bowl. Slimming down didn't seem to be worth it, if you had to tolerate something so foul. All of the collected materials tasted strange or had flavors that I had never tasted before.

Having consecutively used gustatory senses that I didn't normally use, I began to feel dizzy. As expected, Chinese medicine turned out to be unappetizing. It also seemed like we were tasting similar ingredients endlessly. Then we shifted perspective and came up with the idea of mixing several ingredients to produce a better flavor instead of relying on one ingredient. Upon consulting with the person in charge of the ingredients about this, we received the response that the trading company dealing in these ingredients had no expertise or experience in developing formulas and that if none of the prepared materials were adopted, then there was nothing they could do. The proposals from the practitioner of Chinese medicine in China were

okay in terms of taste and effect, but there were issues involving the stability of supply, the safety of the materials, and the price, so even his proposals could not be accepted for practical use. We had taken two months to prepare for this search for ingredients, but it had ended in complete failure. I began to wonder whether the problem we were tackling even had an answer to be found in the first place.

6.5.2 Collaboration with Nihondo

To find some hints for developing a formula, we decided to search for a Chinese-medicine professional. The candidate that immediately came to mind was the company Nihondo, who would later become our marketing partner. Nihondo is a Chinese-medicine consultancy and pharmacy based in Shinagawa and operates 41 stores nationwide (as of August 2006). This company was gaining popularity, thanks to its fashionable, welcoming interior design, simple and modern product packaging, easy-to-understand product explanations arranged in ways that suit Japanese tastes, and gentle style of attending to customers, which is oriented toward women.

When I carried out a search for information on Chinese medicine, I came to know about a seminar titled “Whitening with Chinese Medicine,” which was being held by Nihondo for the general public, so I attended it myself. The lecture was extremely easy to understand and conveyed the difficult subject of Chinese Medicine in a modern, accessible way through presenting Nihondo’s expertise and their unique worldview. Within a seating capacity of 80, 79 seats were occupied by women in their twenties through thirties, clearly indicating an overwhelming support for the company by women. This is most likely due to the fact that they provide solutions to various concerns the modern woman has, including fair skin, diet, stress, and atopic dermatitis in ways that incorporate Chinese medical theories. While I was not clear about the details of the company, I judged that the firm seemed to be capable and went on to promptly

contact Mr. Yohei Suzuki, the lecturer. After explaining my objectives, I received his willing consent to cooperate relatively smoothly and went on to immediately coordinate with the legal department and the procurement department to draw up a contract and begin development together with Nihondo.

There were two matters that turned out to be difficult at this point. One was the fact that this was the first time for Nihondo to be involved in a project related to RTD beverages and the other was the problem of coming up with a balance between function and taste that would please both the core users of the advanced health interest group and the women's non-sugar RTD tea users, who formed the satellite group of users. The users of the advanced health interest group were quite discerning and were not convinced by effect alone. To hook them, there had to be a slightly unpleasing or unfamiliar taste. On the other hand, the women's non-sugar RTD tea users were not convinced even if there was an effect. To be viable for them, the product had to offer good taste and be easily drinkable. Therefore, the direction of development became focused on tastes and functions that could please both parties. With regard to toxin elimination, the previous FGI sessions had made the following consumer signals clear (effects that would convince them that toxins were being eliminated); the diuretic effect, the disappearance of constipation, the disappearance (or reduction) of shoulder stiffness, and improvement of skin condition. Consequently, we included these points as key elements in the development of the formula as well.

The following is a compilation of the thoughts on the development of the formula:

- While we do not intend to produce an image-oriented product, it must belong in the soft drinks category.
- Include consumer signals extracted from FGI sessions.
- The taste needs to convince both the core users who make up the advanced health interest group and the satellite users who make up the female sugar-free RTD tea user group.

- Since a little bitterness and sweetness stimulates the sympathetic nervous system and tends to increase the urge to drink again, the flavor hook needs to be at a level that is not too unsavory.
- The ingredients to be used should be usable in the making of soft drinks and should also be those that can be stably supplied.
- Pay sufficient attention to allergies.
- The product should be drinkable by the elderly, children, pregnant women, and people suffering from and recovering from illnesses.

6.5.3 A formula that restores the circulation of qi (vigor), blood, and water

The development of the base formula began in March 2005 and extended for a period of two months. Ultimately, the idea bore fruit to use Nihondo’s Kenkocha (health tea) as a point of reference. The ingredients included matrimony vine, lotus, chameleon plant, eucommia ulmoides, low and striped bamboo, orange peel, bracket fungus, and Panax ginseng, and they were blended according to certain proportions. The R&D department expressed some disappointment, since the blended ingredients were all ones that could be obtained easily. Nihondo, however, insisted that they were confident about the product.

So we decided to prepare tea bags based on this formula and have the development team test them for two weeks. Regarding the flavor, there were many negative impressions voiced by men. However, in terms of effect, they reported that their visits to the restroom had increased, that they felt their bodies becoming lighter every time they had the drink, and that they felt their skin becoming somewhat tighter. Many female testers reported that they experienced relief from constipation, stiffness in the shoulders, and sensitivity to cold. When we reported these results to Mr. Suzuki, he commented that the human body is thought to be comprised of three elements — *qi*,

blood, and water. *Qi* is vigor/power, blood is a liquid for conveying nutrients throughout the body, and water is a liquid for preventing the body from becoming dry. A state of physical imbalance indicates that there is a deficiency or glut in the supply of *qi* (vigor), blood, and water or in the supply of some of them and that the three elements are not circulating smoothly.

In the case of most Japanese people, the cause of the imbalance is a water glut. This is due to the distinctive high temperature-high humidity climate of Japan. At any rate, the important point here is to facilitate the release of surplus water accumulated in the body. Toward this end, if you prescribe an herbal medicine that can heighten the level of *qi* (vigor) and can facilitate the discharge of “water,” then the circulation of “blood” will naturally improve and the three elements will begin to circulate smoothly as well. It is said that many of the problems troubling people today, such as pimples, dry skin, constipation, and stiffness in the shoulders can be handled without resorting to any medical treatment simply by restoring the three elements to their original state. This is indeed detox the Chinese medicine way. Having received concepts and ideas on Chinese medicine, we then moved on to the tasks of naming and packaging, while entrusting the tasks of improving the flavor, procuring the ingredients, and coordinating for mass production to the R&D department.

6.5.4 *Naming*

The key point in naming is to assure that the name clarifies what the product can do for the consumer and that consumers can readily understand it. In addition, it is necessary to be careful concerning the Pharmaceutical Affairs Law, the National Health Promotion Law, and the Trademark Law. In pharmaceutical regulations, there are two general rules that need to be heeded. One is that the words of body parts such as skin, liver, and blood cannot be used in any

communication aimed at consumers. The other is that there should be no message that appears to be making a claim about the product’s effect or performance. This means that sellers cannot appear to be making statements such as “this product is good for producing such and such an effect.” In addition, expressions regarding Chinese medicine that are evocative of medical products are prohibited as well.

We carried out the naming process while taking heed of these factors. We purchased an entire store’s worth of magazines and newspapers and spread them out on desks to help trigger ideas as we brainstormed in earnest as a team. Words that described the product concept such as “Kampo (Chinese medicine),” “detox,” “toxin elimination,” and words that related to the effects of detoxification, such as “beautiful skin,” “improvement of internal functions,” “fine tuning of mind and body,” “Chinese medicine concept” were all unusable since they conflicted with the Pharmaceutical Affairs Law, so the naming work proved to be extremely tough going. We had the team members come up with several proposals for the name and then debated about them repeatedly. The initial members involved in the naming were just the individuals of the development team of the Health Product Group.

However, in the case of difficult themes, instead of relying on individuals found within the same circumstances, assembling a diverse group of people and having their equally diverse ideas stemming from a variety of expertise and experiences clash against each other and synthesize into new ideas would in most cases yield better outputs. We therefore requested the participation of copywriters, graphic designers, and strategy planners of an advertising agency with whom we had an established relationship. These individuals were experts of various fields. Ultimately, in addition to these members, the Marketing Director of Coca Cola Japan, the Director of Sales Department and the Director of the Creative Department joined the team, so we

ended up carrying out the naming process with a very remarkable group of people.

As a result of carrying out desk research, workshops and discussions while taking into account the product concept, target consumers, and the context of the times through multiple filters, we were able to develop more than one hundred candidates for the name. Thereafter, after undergoing a necessary process and ultimately realizing a product concept that did not conflict with the Pharmaceutical Affairs Law, we gave birth to the name “Karada Meguri ChaTM”, a name that clearly conveyed what the product could do for the consumer.

6.5.5 *Packaging*

For consumer goods, since packaging is one of the components of the Four Ps of marketing (Product, Price, Package, Promotion) and since in the beverage market in particular, where products are consumed quickly, the packaging of a product is compared with the packaging of other myriad products displayed on a shelf before buyers make snap decisions, packaging design is an extremely vital factor. The development of the package for “Karada Meguri ChaTM” concentrated on the reexamination of the shape of the bottle and on assuring novelty in its design.

6.5.6 *Observing fads by becoming a consumer*

In the course of developing the package, we carried out a first-person research to understand the tastes of the targeted advanced health-interest group by following their everyday activities. In the web-based consumer survey previously carried out, we identified health clusters and profiled the targets according to their age, taste in drinks, taste in foods, where they shop, and where they reside. With this data, we visited and browsed around places that the women of the group

actually chose to visit, such as basement food sections of department stores, high-class supermarkets, exclusive department stores that had recently opened in Ginza at the time, and Northern European designer furniture shops that had opened in Roppongi.

Food shops located in the basement of department stores and high-class supermarkets attempt to offer added value for consumers by focusing on fresh and healthy foods, including local produce. Additionally, by making use of natural materials in the packaging itself and by incorporating naturalistic designs, these places were investing time and effort in offering a sense of quality and were changing not only the content but also the external appearance of their items. By adding a sense of freshness, health, and quality to the conventional value of deliciousness, they were, in effect, attempting to offer added value.

As a similar value-added strategy, there were the exclusive department stores and Northern European designer furniture stores. Clearly setting themselves apart from the usual all-around strategies, they were pursuing thorough quality, providing items that could not be found anywhere else, and pursuing functional beauty over general designs. In this way, they were boldly ignoring the mass market and were concentrating on targeting the high price range segment. What these two parties can be said to have in common is that they are both aligning themselves with the luxury orientation, work-pleasure balance orientation, and health orientation of progressive consumers of this age.

6.5.7 Collaboration with Sony Digital Design

As a result of having pursued the preferences of these targets, we decided to express discerning qualities in the design, instead of resorting to the usual PET bottle form factor and design. For the PET bottle, we decided to adopt a 410 ml screw-type bottle with an atypical form factor. This bottle was specially designed by thoroughly

investigating the drinking habits of female RTD beverage consumers and taking into account such factors as their insights into beverages, average volume consumed, the form factor that takes the size of their hands into account for an easy grip, the storage capacity of their bags, and design. We raised the following elements as prerequisites for the development of the bottle; modern Chinese medicine (which is the product concept), modern health, sense of high quality, good sense, visibility at stores, soothing quality of a tea drink, and deliciousness.

As for the motifs, we modeled them after simple and functional designs that we found in places such as yoga studios, luxury spas and massage studios in addition to the basement shops of department stores and Northern European furniture stores that we visited in the course of our first-person research. Additionally, since this product was going to be clearly something different from the traditional tea product, we wished to implement a different grammar of design that avoided the usual motifs for tea products, such as “a vivid green color” and “design patterns showing water drops dripping down a tea leaf.” Upon consulting a packaging design management company, they boldly referred us to Sony Digital Design, a company that was out of the field for this project.

This was to be their first development project for a beverage, and for Coca-Cola Japan, it was to be the first time to do business with the company. While we did have some reservations about requesting a company whose expertise was in developing designs for such products as computers, TV sets, and cellular phones, we adopted the approach of “out-of-box thinking” and decided to take a bold gamble on Sony Digital Design. After briefing them, they took several months for the delivery of the first design proposal. Thereafter, we engaged in discussions with them many times before finally narrowing down the number of proposals to approximately twenty. As a result of carrying out quantitative package-screening research for the final three design proposals and further revising the findings of this research, we finally settled on the current package design that uses a

white color base and is moderately inlaid with the images of Chinese medical ingredients contained in the product. The white color was bold for a tea product. This package design won an approval rating from general consumers that significantly exceeded in-house norms (reference values) and approval ratings for competing products in all the criterion categories we had aimed to satisfy, which were healthiness, shelf visibility, deliciousness, refinement, sense of high quality, and impression of the product being a Chinese remedy.

What is a good package?

People have asked me this question and my plain response is whatever that can generate huge sales. While it goes without saying that to survive a 3/1000th struggle for existence, the content (taste) is essential for assuring that consumers make repeat purchases. However, if they do not try out the product, or in other words, if they do not reach out and buy it at least once, then the product will never be able to reach a stage where repeats can become possible. In this sense, one interpretation of a good package is a package that can acquire trials.

In addition, I also consider a good package to be one that can be described simply. This is because a product will be made distinctive and easily recallable (or committed to memory) with a good package design. With such a design, you will be able to convey the product in descriptive terms such as, "it's this kind of color and shaped like that," when requesting someone else to shop for the product. For example, in the case of Karada Meguri Cha™, it can be described as "that tea drink in a slim white bottle with the picture of leaves fluttering about in various ways," and in the case of a Fanta drink, it can be described as "that drink in a bumpy PET bottle with the swirls."

We would be very fortunate if people in general were to commit product names to memory at a single glance, but in a world overflowing with goods, the reality is not that simple. Since

many people rely on their senses to commit things to memory, the originality of elements like the images and shapes of colors are extremely vital, and a package design that allows such features to be conveyed in a plain and simple way is what can be said to be “a good design.” Incidentally, the package of Karada Meguri ChaTM was designed with not only trial acquisitions in mind but also naturally with other considerations to assure repeat purchases as a favored item. Consequently, several points came up.

First of all, we deemed it important to have a design that would help the product stand out relative to other tea products displayed on shelves, while giving a well-balanced impression of being healthy for the modern consumer and being delicious in a natural way. Consequently, for the color design, we decided on using white (a color associated with “purity” from the chromatic standpoint) to help the product stand out from other products on shelves mostly filled with products prominently embellished with the green color of green tea. With regard to the graphics of the ingredients, we took into consideration a spacing scheme that would prevent any overshadowing of the white color. Additionally, to reflect a Northern European taste, we stuck to a natural tone for the logo and other places. Even though we intended to appeal at stores with a look that was different from the look of others, we wished the product to have a distinctive bearing that would allow for a firm feel when holding it in the hand and didn’t become a hindrance when it was placed inside a bag or on top of a desk. In fact, we intended for people to feel comfortable with the design. Currently, we are hearing numerous high praises from mainly women for the package design. We are also hearing that they have become repeat customers.

The fact that the compliments are coming mainly from women is good news because they are known to be sensitive to design

features. As the manager in charge of packaging, I couldn't be more grateful.

Hirooki Kobayashi

Senior Manager of the Design Management Section of the Brand Marketing Department of Coca Cola Japan Company

6.5.8 *Final bundle research*

A market-viable beverage formula was completed at the same time the naming and packaging developments were finished. Now all the constituents needed to create the product were present. We then had these constituents assembled at the factory line to form a prototype that came close to a marketable model and carried out a simulation research known as the final bundle survey to gauge the level of general consumer receptivity for the product. While I cannot write about the design of the survey in detail since it is the final in-house hurdle to be cleared prior to market release, to put it plainly, it is a survey that allows us to quantitatively see to what extent a product may be bought and what level of impact a product may have upon its release. The scores yielded by the survey are statistically compared against Coca Cola Japan's previous data and are thoroughly analyzed according to attributes and beverage categories. Depending on the type of results obtained, product launches can be postponed or even revoked, making the survey a terrifying ordeal for the product developer. The results of the survey were submitted from the Business Knowledge department in December 2005. As it turned out, compared to all the results of bundle surveys carried out in 2005, our scores ranked in the top class.

Of particular interest were the forecasted change in market share (Source of volume: SOV) and the level of impact to other products of the company upon the release of the Karada Meguri Cha™. Based on these survey results, we moved on from the product

development stage to the selling stage where we began preparing communication and sales strategies geared towards the market launch.

6.6 Information Transmission of “Karada Meguri ChaTM”

6.6.1 *Basic strategy*

In the case of a mass-market product, to let consumers know about its existence quickly, it is necessary to carry out proactive communication. Due to the progress of the Internet and mobile phones, the consumer's contact with media has been changing. For this reason, the communication for Karada Meguri ChaTM was focused on a cross-marketing plan that incorporated both conventional and modern approaches. The representative cases of the conventional consumer-oriented communication approach include TV, train station, magazine and web ads, product exposure at stores, and PR. In addition to these approaches, we considered modern communication approaches such as Internet discussion boards, blogs run by individuals, and experience-based promotions such as sampling to be vital, so we proactively deployed them. Sampling in particular is an important opportunity for people to come into contact with the product and since it offers a three-dimensional form of product information, which is essential to a drinking experience, it becomes possible to motivate the sampler to willingly transmit information. These approaches form the basis of buzz marketing (word-of-mouth marketing) and facilitate the drastic spread of information and impressions across the Internet and into the consumer's everyday world.

The cross-marketing plan for Karada Meguri ChaTM aimed to optimize its effect by arranging complex combinations of media that served as points of contact with consumers. At this point, I would like to discuss the fusion between mass marketing and buzz marketing.

6.6.2 *Fusion between mass marketing and buzz marketing*

The challenge of communication is to make the consumer interested in a product, and have them feel that it is necessary to have it, and consequently, have them take action to purchase it. Toward this end, how you link a communication campaign, which makes use of a variety of media, to buying behaviors will prove to be crucial. The most important thing about the purchase motive of Karada Meguri Cha™ is to create a structure that promotes the following lines of thought: consumers see how the product's benefit of “improving circulation” is necessary; consumers become generally aware of the necessity of detoxification and that they have harmful elements stored in their bodies. As a result of promoting these lines of thought, they will sympathize with the product concept and reach for the product to solve the problems posed by the concept.

Karada Meguri Cha™ was developed with the aim of mainly targeting the advanced health interest group and the women's sugar-free tea user group. However, the key difference between these two groups lies in whether the necessity of having a good circulation is understood or not by just listening to the word “meguri” (circulation). To respond to the difference in the level of such understanding between these two clusters, we varied our communication campaigns in terms of message, media, and approach according to whether we were communicating to the advanced health-interest group or to the women's non-sugar tea user group.

Firstly, for the advanced health-interest group, we aimed to promote understanding for the product by having them share among each other the challenges of “meguri” or maintaining a good circulatory system by having them try out the product prior to its launch. Toward this end, we carried out sampling sessions and released product information prior to the launch of the product at places where these women enjoyed visiting, such as yoga studios, ganbanyoku (hot-stone spas), germanium hot baths, and foot massage parlors. In addition, we promoted understanding of the word

“meguri” itself by running articles that plainly explained health approaches to improving circulation in magazines favored by the targets. For the sugar-free tea users, we attached great importance to topicality and ran the sensational campaign copy “Ryoko Hirose begins Plan Purify” in television commercials, in newspapers, at train stations, in store POP (point of purchase) ads and aimed to garner more attention. In addition, for the mass consumers including men, we conveyed the product to newspaper and magazine reporters as a business interest story, which involved the collaboration of the three companies, Coca Cola Japan, Nihondo, and Sony Digital Design.

Next, we carried out on-site samplings immediately after the launch of the product. With the aim to convey the product features, the sampling involved having people experience the product at a symbolic site where circulation tended to become bad. The site chosen for this purpose was inside an airplane in mid-flight on a long-distance route, where anyone can easily understand how circulation can deteriorate, since you have to remain seated for a large duration of the flight. The deterioration in circulation arising from such a situation is highly recognized as the economy-class syndrome. Since Coca Cola Japan had been enjoying a business relationship with Japan Airlines for a long time, the company permitted in-flight samplings in all domestic flights for a period of one week. In addition, we provided information on products and carried out samplings for 2,500 flight attendants of Japan Airlines at Haneda airport who were going to serve drinks. Consequently, we were able to deepen their understanding of our product before they served it.

Additionally, in addition to fitness clubs, ganbanyoku (hot-stone spas), foot massage parlors, and hair salons, which are representative places where people go to improve their circulatory system, we carried out samplings practically everywhere we could, including advertising agencies, think tanks, research institutes, trading companies, magazine firms, media companies, and news agencies, which were all places that we had regular dealings with and that we believed to be

workplaces that were not conducive to promoting a healthy circulatory system. Furthermore, each team member's friends and acquaintances were also given the opportunity to sample our product.

The synergy effect of these simultaneous and omnidirectional advertising and PR sampling campaigns was great, and several hundreds of articles and photographs of the product attained exposure in all kinds of magazines and newspapers. In addition, on the morning of May 24, information on Karada Meguri Cha™ was released all at once through informational TV programs, nationwide newspapers, and sports papers. At noon of the same day, the information was exposed as news on the top page of Yahoo! with the sensational catch copy, "Ryoko Hirose lends a helping hand." This news then went on to register as the No. 1 article to be accessed in Yahoo!'s entertainment section for the same day. At the same time of the Yahoo! exposure, access to the official website of Karada Meguri Cha™ saw a rapid rise that it became impossible for even myself to access the site and I was the administrator of the site. To stoke the fires of this momentum, a large volume of television commercials, magazine ads, magazine articles, large-scale poster ads at major train stations, street ads, and store POP (point of purchase) ads were deployed all at once and written comments on Karada Meguri Cha™ began to increase rapidly at various blogs, Internet discussion boards, and various websites oriented towards women. In effect, the buzz (word of mouth) on the product was breaking out from many places.

Even at the time of this writing in July 2006, the buzz continues to spread in various contexts such as product fields, convenience stores, commercials, celebrity culture, health and Chinese medicine-related fields, and is believed to be having a considerable influence in improving product recognition levels. In addition to these various promotional activities, the various market development measures that were jointly developed with the sales department are contributing to the smooth change in sales, distribution, and market share at present.

6.7 Conclusion

I believe the most important aspects of searching for information in the course of developing a new product are the spirit of inquiry and footwork.

Approximately 11 years have passed since I began my career at P&G and went on to undertake product development at Coca Cola Japan. Over the course of this time, I have come into contact with all sorts of planners including those belonging to competing firms and I can safely say that a good planner is someone who invests a good amount of time in making advance preparations. Compared to the cost incurred for withdrawing a product from the market because it failed to sell as expected due to a lack of preparation before its release, the cost incurred for investing a lavish amount of time and money for the development of a product prior to its release is overwhelmingly cheaper. This is particularly true in the case of the consumer goods industry where the cost for television commercials is great, requiring several billions of yen to be invested.

Therefore, when developing a new product, I believe you should invest your time, resources, and passion during the planning stage. Also, when developing a new product, I believe you can never go overboard in searching for or verifying information. In addition, since many executives in the marketing industry have graduated from the same types of schools, received the same types of education, and have landed similar kinds of jobs, the possibility that their strategies will necessarily overlap is high. Therefore, I believe that the leaders of the market are the people and companies who understand that they can obtain the fast-mover advantage by being half a step ahead of consumers to be able to quickly formulate distinctive strategies. In effect, the key to their leadership lies in their uniqueness and agility.

Hideito Maeda

Acknowledgments

The success of Karada Meguri Cha™ came about as a result of not only the product development strategy, but also a combination of other strategies, including a detailed communication strategy, PR strategy, market development strategy, and store development strategy. However, since the theme of this book leans towards information search, accounts of those other strategies have been omitted. During the development of the product, I had countless debates with good partners without whom the project would not have succeeded. Below, I would like to introduce the passionate staff members who were involved in a host of activities ranging from concept development to branding. To them, I owe my gratitude.

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