

CREATING CUSTOMER EXPERIENCE AND HOSPITALITY AT THE KYOTO LONG-STANDING COMPANY KYOGASHI MASTER “SUETOMI”

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ABSTRACT

Kyoto, a sister city of Paris, France, is representative as a Japanese ancient city and a town letting you feel the history. In the Kyoto, it is famous for the unique Japanese culture that we called "Tea Ceremony" and "Zen," and there are many long-standing companies. We focused on the long-standing company of Kyoto so that we thought there is a relation between the unique Japanese cultures, the existence of the Kyoto long-standing company and the characteristic of their product.

It is possible for the long-standing company to stand at the long-term, because they create a new customer value from their characteristic of the management. Therefore, this study aims to analyze the relation between managerial characteristics and customer experience for the long-standing company from the perspective of building customer experience, based on Suetomi's case. Also, we examine managerial characteristics to build customer experience using strategic experience modules, strategic implementation of such customer experiences and the five customer experiences management frameworks.

Based on these analysis, we discuss the possibility of the long-term existence for the long-standing company and the connection of Hospitality for Japanese culture.

Keywords: *Customer Experience, Hospitality, Shinise, Kyogashi Master, Suetomi*

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1. INTRODUCTION

Kyogashi Master "Suetomi" as a high-quality brand in the long-standing company of Kyogashi(Japanese sweets at Kyoto) makes high quality for sweets(see Fig.1) and has the deep connection with the person concerned the tea ceremony that did "Ura-Senke" with a representative. It does not always betray expectation of the customers, but a price is slightly high for Japanese sweets. However, many customers come from the whole country.

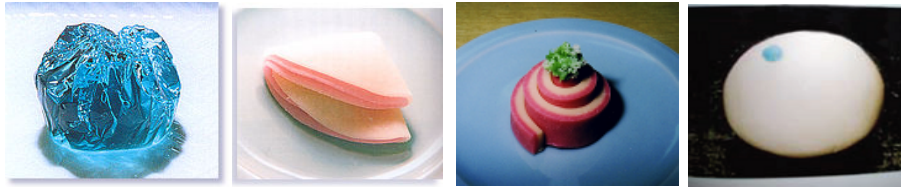


Figure 1: Japanese sweets by Kyogashi Master "Suetomi"

This study analyzes a popular secret of Suetomi from the viewpoint of product development competence and customer experience. While there is the traditional industry of Kyogashi symbolized by an image such as the long-standing company, skills of the sweets masters revealing the taste of each ingredient, design appealing to customer sense. Suetomi has continued creating customer experience to get over change of the lifestyle. We thus focused on its product development competence and creating customer experience.

2. OVERVIEW OF KYOGASHI MASTER "SUETOMI"

2.1. Current Status of the Wagashi (Japanese sweets) Market

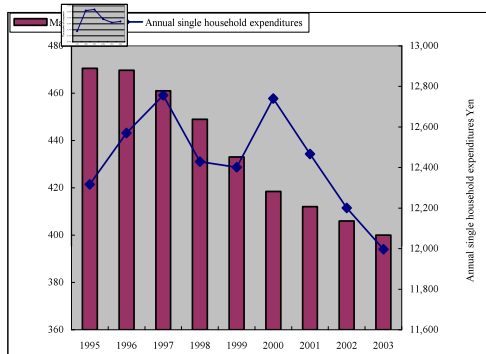


Figure 2: Trends in the market scale of Wagashi production and retail outlets, the annual single household expenditures(Left Side), Trends in the number of companies for retail outlets(Right Side) (Source: The 11th latest edition industry-classified encyclopedia)

Figure 2 displays the changes in the market scale of Wagashi production and retail outlets, the annual single household expenditures. The market scale of Wagashi production base is estimated to be about 600 billion yen(\$6 billion), and its retail base is 400 billion yen(\$4 billion) in 2003. As is obvious form the figure, the numbers are on a steady downward trend since 1997. Also, the Annual single household expenditures is about 12,000 yen or less(\$120 or less) in 2003, it can be seen a downward trend for three consecutive years since 2000. In

addition, the number of reduction for retail outlets is about 300 stores since 1997, and increase is about 100 stores in 2002.

This means the intensification of competition with the emergence of convenience stores. Also, the proportion of the total number of companies according to the approximately 4 employees is about 70%. Therefore, it seemed extremely difficult market environment due to the large number of SMEs

2.2. Overview of Kyogashi Master “Suetomi”

Kyogashi Master “Suetomi” was founded in 1893 as “Kameya Suetomi”. In 1970, the Suetomi family business was succeeded by Tomizo Yamaguchi, the third in the line of proprietors, who founded “Suetomi” in 1989, and launched the business with himself as president(Fig.3).



Figure 3: Suetomi

In addition to the main store in Kyoto, there are also branches in various Takashimaya department stores (Kyoto, Osaka, Tokyo-nihonbashi, and Shinjuku). The heads of major tea ceremony schools are its special customers, as are the major temples of Kyoto and elsewhere. Suetomi has a particularly well-regarded reputation as a purveyor of sweets to the head of the Urasenke school of the Japanese tea ceremony.

There are about 20 employees, consisting of sweets makers and sales staff. Besides the venerable masters of the tea ceremony, customers come from a wide range of places, including foreign customers, and vary widely in age.

Most Wagashi for Suetomi are themed along with the seasons or annual events. Prices for Wagashi range from several hundred yen to over 1,000 yen (\$10 and more) for a single sweet. They are rather expensive for Wagashi. Through Wagashi design exhibitions, the confectioner shows the art and culture of “Kyogashi” (literally “Kyoto sweets”). Suetomi is revered as a traditional manufacturer of Kyogashi



Figure 4: Poster of Suetomi Design Exhibition and Exhibition work
(Source: Ginza Mtsuya HP and “.automeal” HP)

For Design Exhibition of Suetomi, a design exhibition of the Kyogashi of “Suetomi” was held at the Matsuya department store in Ginza, Tokyo (January 2005). Through art direction by Master Tomizo Yamaguchi, the line-up of sweets brought out the strained circumstances(Fig.4). Many of the sweets on display featured motifs from annual events, the signs of the zodiac in Chinese astrology and traditional Japanese Waka poetry.

3. PRODUCT DEVELOPMENT COMPETENCE OF “SUETOMI”

3.1. Creation of new ideas by the Master



Figure 5: The draft of the new idea by the Master

Fig5 displays the draft of the new idea by the Master. Kyougashi have Originality and ingenuity that eclipses its rivals, the creation of Kyogashi that are always fresh and with a unique sense of design and style. And, the effort and innovation that is required for their realization are readily apparent.

Also, there is unceasing efforts to realize an ongoing outflow of fresh ideas. All the knowledge at hand is used in the creation of a single Wagashi sweet. So, the ideas emerge from a wealth of inspiration and knowledge absorbed from various areas, including society, culture, Kimono, design and the arts. Suetomi created the customer value that strongly appeals to the customers’ Kansei.

3.2. Skill of bringing out innovation from tradition



Figure 6: The scene of the production

Fig.6 displays the scene of the production for Suetomi. They are adhering to the Japanese tradition of Wagashi creation, creating Wagashi based on the transient seasons. So, they are always adhering to tradition in the creation of Wagashi, which have an inherent sense of Japanese culture.

Also, they have challenged to create new Wagashi that reflect the times. To challenge of the creation of new Wagashi, based on such themes as music, for example a range of Wagashi inspired by the symphonic jazz of “Rhapsody in Blue”, they have the skill of combining tradition with innovation.

3.3. Skills of the sweets masters on the basis of tradition

Makers of traditional sweets elicit outstanding flavors and reveal the taste of each ingredient. It is the technical skill at getting the most out of minimal ingredients, the skill at working from the base flavor of the ingredients to bring out a refined and quality taste.

So, they have created Wagashi in which the design and naming are in harmony. It is the skills of the sweets maker that can create Wagashi in harmony with the designs and names brought forth from the Master’s creative ideas. They are the master sweets makers with prodigious skills that do not betray customer expectations.

4. ANALYSIS THROUGH A TRADITIONAL MARKETING MIX (4P)

4.1. Product

All Wagashi are hand made by the company using sugar as the main ingredient. A fabulous array of products all created from raw materials, individually designed and hand made by sweets artisans.

4.2. Price

With one Wagashi costing from several hundred yen (\$1 and more) to over 1,000 yen (\$10 and more), these are rather expensive for Wagashi.

4.3. Place

There are Main store in Kyoto, and branches in Takashimaya department stores (Kyoto, Osaka, and Tokyo). And the reservations are required for the purchase of Wagashi and the only way to purchase them is directly from the main store in Kyoto.

4.4. Promotion

It is hardly any advertisements are produced, publicity activities are implemented through lectures, articles and design exhibitions by the company proprietor. So, the refined ambience of the main store conveys the beauty of Kyoto culture.

4.5. Summary

The established theory said that it was to sell a product of sufficient quality at a low price through many distribution channels through broad advertisement and promotion. But Suetomi is to sell a product of the highest quality, at a high price, using hardly any distribution channels, focused on direct sales from a directly-owned store, promoting and advertising only the cultural aspects of Kyogashi, and without conducting direct advertising campaigns.

Table 1: 4P Analysis for Suetomi

4P	Kyogashi company "Suetomi"
Product	<ul style="list-style-type: none">- All Wagashi are hand made by the company using sugar as the main ingredient.- A fabulous array of products all created from raw materials, individually designed and hand made by sweets artisans.
Price	With one Wagashi costing from several hundred yen (\$1 and more) to over 1,000 yen (\$10 and more), these are rather expensive for Wagashi.
Place	<ul style="list-style-type: none">- Main store in Kyoto, and branches in Takashimaya department stores (Kyoto, Osaka, and Tokyo).- Reservations are required for the purchase of Wagashi and the only way to purchase them is directly from the main store in Kyoto.
Promotion	<ul style="list-style-type: none">- Hardly any advertisements are produced.- Publicity activities are implemented through lectures, articles and design exhibitions by the company proprietor.- The refined ambience of the main store conveys the beauty of Kyoto culture.

It is impossible to explain the popularity of "Suetomi" using existing marketing theory. So, we are trying to explain the popularity of "Suetomi" using Experiential Marketing theory with the product development competence of Suetomi.

5. CREATING CUSTOMER EXPERIENCE OF KYOGASHI MASTER "SUETOMI"

5.1. SENSE

SENSE is sensory customer experience, three points can be listed as this type of value: figurative art through unique design, "flavor of the ingredients" conveys the high quality taste of the sweets, distinction based on refined traditions.

The analysis through SENSE can be explained as follows. First of all, figurative art through unique design is the overall coloring and shape sustain and attract the customer's attention. Second, "Flavor of the ingredients" conveys the high quality taste of the sweets is flavor that intertwines the strengths of the ingredients and taste. Third point, Distinction based on refined traditions is the synchrony of production distinction and Kyoto culture through appearance. In the others, there are a traditional façade of the store and beautiful wrapping paper and bags based on light blue. So, it is provision of a sensory customer experience elicited through unique design.

5.2. FEEL

FEEL is affective customer experience, three points can be listed as this type of value: happiness elicited through the profundity of the sweets, "color Scheme" created from multiple and diverse designs, "inspiration from Kyoto culture" arising from adherence to tradition.

The analysis through FEEL can be explained as follows. First of all, Happiness elicited through the profundity of the sweets is the happiness of eating Wagashi by "Suetomi". Second, "Color Scheme" created from multiple and diverse designs is the providing a sense of healing for customers, and stir the emotions of those who see them. Third, "Inspiration from Kyoto culture" arising from adherence to tradition is the inspire customers by bringing a feeling of Kyoto culture to a person's heart. So, it is missionary role for conveying the profundity of Kyoto and Japanese culture.

5.3. THINK

THINK is creative or cognitive customer experience, this type of value includes the two points. One point is the interest in and imagination of the color, form, and taste of Wagashi are elicited by through sensitive design and peculiar particular naming. Another point is "master sweets makers" maximize the flavors of the ingredients and create sweets of stunning form and beauty.

The analysis through THINK can be explained as follows. First of all, "Interest in and imagination of the color, form, and taste of Wagashi are elicited by through sensitive design and peculiar particular naming" is the customers are tested for on their knowledge and grounding, such as in classical literature and classical music. In addition, the customers are prompted to surprise and imagine that "classical literature or classical music becomes a color, form, and taste like this Wagashi." Second, "Master sweets makers" maximize the flavors of the ingredients and create sweets of stunning form and beauty is customers are prompted to imagine the great skills required of the masters who make these sweets, merely by looking at them. So, it is customers recognize the "master craftsmanship that has continued to protect traditions"

5.4. ACT

ACT is physical or behavioral experience, the recognition of "sweets as artworks" or "hospitality through sweets," surpassing their value as food items.

The analysis through ACT can be explained as follows. Recognition of “sweets as artworks” or “hospitality by through sweets,” surpassing their value as food items is changing the customers’ values regarding sweets by appealing to their five senses and using Wagashi as a tool for providing hospitality to important guests, and creating a sense of “hospitality through Wagashi”. So, it is changes in the customers’ life cycles through Wagashi.

5.5. RELATE

RELATE is social-identity experience, it is building “customer contact points” by consistently and reliably providing customers with products that adhere to tradition in line with customer expectations.

The analysis through RELATE can be explained as follows. First of all, building “customer contact points” by consistently and reliably providing customers with products that adhere to tradition in line with customer expectations is to contribute to gaining the customers’ trust through “providing customers with products in line with their expectations” and also to gaining new customers. In the others, there are the respect and devotion to tradition helps to improve customer service and the realization of further links to Kyoto culture. So, it is improving customer loyalty through the construction of “customer contact points”.

Table 2: Customer Experience of Suetomi

Module	Customer Experience of Kyogashi Master “Suetomi”
Sense	- Figurative art through unique design - “Flavor of the ingredients” conveys the high quality taste of the sweets - Distinction based on refined traditions
Feel	- Happiness elicited through the profundity of the sweets - “Color Scheme” created from multiple and diverse designs - “Inspiration from Kyoto culture” arising from adherence to tradition
Think	- Interest in and imagination of the color, form, and taste of Wagashi are elicited by through sensitive design and peculiar particular naming - “Master sweets makers” maximize the flavors of the ingredients and create sweets of stunning form and beauty
Act	Recognition of “sweets as artworks” or “hospitality through sweets,” surpassing their value as food items
Relate	Building “customer contact points” by consistently and reliably providing customers with products that adhere to tradition in line with customer expectations

6. POINTS FOR CREATING CUSTOMER EXPERIENCE – THE CASE OF “SUETOMI”

6.1. Points for Creating Customer Experience

Analysis of Suetomi’s strategic experience module revealed that the above –mentioned three product development competence serve as the source of the creation of customer experience. This relationship between Suetomi’s creation of customer experience and its product development competence.

Looking at the “Creation of new ideas by the Master,” three customer experiences – SENSE, FEEL and THINK – have been created. By creating ideas that achieve customer

satisfaction, it is possible to create Wagashi that stimulate the five senses of the customers through the design, color, aroma and flavor of Kyogashi.(SENSE).

By stimulating the five senses of the customers a sense of happiness at being enveloped in Kyoto culture appeals to customer consciousness(FEEL). It also makes the promotion of a deep respect for Kyoto culture and imaginative powers concerning the creation of Kyogashi(THINK).

In the “Skill at bringing out innovation from tradition”, three customer experiences – FEEL ,THINK and ACT – have been created. It is sparking enjoyment of the appreciation of Kyogashi as they are passed down through tradition and innovative Kyogashi, as well as respect for Kyoto culture(FEEL). It has the amazement at the delicately refined skills of the master sweets makers(THINK). It also makes the Changing customer consciousness through Wagashi that combine tradition and innovation(ACT).

Regarding “Skills of the master sweets makers based on tradition,” three customer experiences – THINK, ACT and RELATE – have been created. Sweets maker skills astonish the customers(THINK), Wonderful skills of the sweets makers contribute to changing people’s values towards Wagashi(ACT). It also built deep bonds with the customers by fusing reconstructed customer values with Kyoto culture(RELATE).

It can be seen that Suetomi’s product development competence are the source of the creation of customer experience.

6.2. Conformance to the Conditions for Implementing a Customer Experience Strategy

It has been pointed out that four conditions are important for the implementation of customer experience strategy. Table3 summarizes the conditions of Suetomi within these frameworks.

1. Mass customization

Concerning “mass customization,” All production is on a made-to-order basis, responding to individual customer preferences and characteristics.

2. Insight into the customers’ values and lifestyles

As an effort concerning “Insight into the customers’ values and lifestyles,” it is questioning of Kyogashi, including culture, and the continuous product development based on tradition.

Table 3: Conditions for Implementing a Customer Experience Strategy for Suetomi

Implementing conditions	State of Kyogashi Confectioner “Suetomi”
Mass customization	- All production is on a made-to-order basis, responding to individual customer preferences and characteristics
Insight into the customers’ values and lifestyles	- Questioning of Kyogashi, including culture - Continuous product development based on tradition
Emotional competence of the company structure to be able to empathize with the customers	- Pride in Kyogashi and responsibility to uphold tradition - Passing on traditional sweets maker skills
Creation of an environment for interaction of the brand emotion with the customers	- Passing on the Wagashi tradition through direct sales - Lectures to convey the essence of Kyoto culture

3. Emotional competence of the company structure to be able to empathize with the customers

To achieve “Emotional competence of the company structure to be able to empathize with the customers,” there are the pride in Kyogashi and responsibility to uphold tradition and passing on traditional sweets maker skills.

4. Creation of an environment for interaction of the brand emotion with the customers

For the “Creation of an environment for interaction of the brand emotion with the customers,” it can be seen passing on the Wagashi tradition through direct sales and lectures to convey the essence of Kyoto culture.

7. CONCLUSION

As a result of analyzing Suetomi from the viewpoint of the creation of customer experiences, it was found that Suetomi has high standards for all values – SENSE, FEEL, THINK, ACT and RELATE, meaning that it is an ensemble of customer experiences.

Also, it can be seen the relationship between Product Development (Functional Benefit) and Customer Experience (Customer Value). Functional benefit provides “physical satisfaction value,” Customer Experience provides “psychological and sensory (Kansei) satisfaction value.” So, There are situations in which functional benefit and Customer Experience overlap, and play a complementary role based on a Technology Management approach.

In case of Suetomi, their product development have created customer experience. So, it was found that Suetomi has high hospitality for the “Wagashi” of Kyoto culture based on creating customer experience. We thought this is the prove of getting the competitive advantages.

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