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Industrial Tourism of Japanese Manufacturing Companies for Branding

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Abstract

In today's economy, branding is an important issue for Japanese companies competing in the market. It is considered that branding leads to competitiveness between companies. However, the discussion of brand enhancement is not limited to companies. Several studies reported that the presence of high-rated brands within a country was regarded as indicators of its national competitiveness. Employing a similar perspective, the Japanese government has aimed to enhance its brand under the *Cool Japan* strategy in recent years. Fortunately, some scholars have claimed that Japan is regarded as a "cool" country by foreign people.

Although the Japanese government aims to enhance Japan's brand, the chief problem lies with the brands of Japanese products. According to the Ministry of Economy, Trade and Industry of Japan, consumers tend to evaluate high-rated *functional values* of Japanese products such as quality, security, and durability. On the other hand, Japanese product brands tend to be deficient in premium values that are based on consumer's subjective evaluations such as attachment and brand preference. Similarly, some scholars have pointed out that Japanese manufacturers are known for having a high percentage of productivity, which leads to the functional values. However, the lack of the premium values causes *commoditization* problems in the market. Commoditization refers to a situation in which consumers are unable to distinguish between the value of products of the same type due to the equalization of their quality and used technologies. Under these circumstances, consumers no longer appreciate functional values, and companies are more exposed to cost and price competitions. Considering the current situation of Japanese products, one of our suggested solutions is that Japanese manufacturing companies should differentiate their products adding premium value criterion to them.

In an attempt to find solutions to this problem, this thesis presents the potential of *industrial tourism* managed by Japanese manufacturers who produce consumer goods (which we call *consumer goods companies*). Industrial tourism is defined as tourist visits to industrial sites such as industrial heritages, production

sites, and exhibition places that deal with manufactured products. Industrial tourism allows tourists to gain a broader insight in understanding the production process and to feel the “production spirit” that characterizes certain companies. Some scholars have noted that *customer experience* was one of the most important elements for business performance, and that companies should pay significant attention towards providing memorable and lasting impressions to foster customer acquisitions. Considering the relevance that customer experience has, we expect that customer communications in industrial tourism would be an effective method for Japanese companies to improve their corporate branding. It is also crucial to consider the existing relation between country brands and product brands. Several studies report that favorable country images have a positive impact on the purchasing decisions of national products, which is known as *country of origin effects*. In addition, and as part of their purchase behavior, people often want to know about the cultural and traditional background of the goods they consume. Considering these theories, we expect that industrial tourism would be an excellent branding method to follow in order to enhance premium values associated with the Japanese brands.

This thesis has two purposes. The first one is to clarify the current situations of industrial tourism managed by Japanese consumer goods companies. The second purpose is to examine the potential of industrial tourism for corporate branding aiming at the global market. This thesis employs a practical perspective towards the development of industrial tourism, examining industrial tourism as one of the branding methods. So far, many scholars have discussed the potential of industrial tourism for various stakeholders such as tourists, tourism industry, cities, and local communities. However, our study focuses on industrial tourism’s corporate strategies, because their management policies depend on the corporate strategies of each company. However, some companies may not wish to manage industrial tourism. Although we hope for the future development of industrial tourism in Japan, our study clarifies which Japanese companies are more inclined to select this branding method, as well as which of these companies are best suited for such selection.

As for our study methods, we administered questionnaires and interview

surveys regarding industrial tourism sites managed by Japanese manufacturing companies located either in their production areas or in urban areas. We sent a total of 210 survey requests, and obtained 121 valid responses. We collected 95 responses from the industrial tourism sites in production areas and 26 from the sites in Tokyo urban areas and three surrounding prefectures (Kanagawa, Saitama and Chiba). Of the 26 responses collected from the urban areas, 19 were from consumer goods companies and 7 from non-consumer goods companies, which has allowed us to compare both of their corporate policies. From these surveys, we also obtained visitor data and clarified the corporate policies for each industrial tourism site. We then conducted multivariate analyses to clarify the current situation of industrial tourism managed by Japanese manufacturing companies.

The result of our analysis revealed that Japanese manufacturing companies, from the perspective of marketing policies, are characterized by three types of industrial tourism management. These three types are (1) the tourism-oriented type, (2) the specified-customer-oriented type, and (3) the education-oriented type. In Type (1), we observed that companies mainly attracted leisure visitors, and appeared positive about collaborating with the tourism industry in issues related to corporate branding and customer acquisition in the market. In Type (2), the targets were mainly local residents or loyal customers in light of their marketing strategies. Companies tended not to collaborate with the tourism industry, since their targets were not an unspecified, large number of leisure visitors from distant locations. Industrial tourism Type (3) mainly attracts business people, transactions or employee training, and therefore, the companies had no intention to attract leisure visitors. Taking all the three types into account, it was concluded that their strategies led to the variations in industrial tourism management in terms of their visitor types and purposes.

Considering the current status of industrial tourism of Japanese manufacturing companies, our analyses indicated the potential of the tourism-oriented type for branding in the market. Japanese companies have a distinctive set of features associated with industrial tourism that are specific to the manufactures of several product types. For example, some food, beverage, and luxuries companies tend to

select the tourism-oriented type of industrial tourism in production areas. As advanced examples, we examined the cases of Mikimoto Pearl Island and Nikka Whisky's factory tours. We observed that these companies aim to enhance their corporate brands in the global market supported by industrial tourism strategies. Furthermore, their products can be regarded as the type of products which premium values are evaluated by customers. Accounting for their corporate activities, we interpreted that the tourism-oriented type of industrial tourism would contribute to enhance products' premium values.

However, not all companies select the tourism-oriented type of industrial tourism. This is probably due to the difference of strategies in industrial tourism. Firstly, we interpreted that companies select their more suitable place to carry their corporate branding strategies. For example, automobile and consumer electronics companies are prone to communicate with customers in urban areas, but not to do so in their production areas. Secondly, it has been revealed that it is likely that some companies do not give priority to the premium values obtained by industrial tourism. In the last case, the recognition of the company's brand is probably related to its corporate policy of industrial tourism. Finally, our analyses suggested that some companies are more familiar than others with industrial tourism for branding. For example, some consumer durable companies (e.g., automobiles and consumer electronics) have tackled commoditization problems in the global market. On the other hand, it was demonstrated that the concept of "product differentiation" is not a new idea for food and beverage companies that have been dealing with this problem for longer than other companies have. As a result, it was deduced that industrial tourism might be actually one of the preferred traditional strategies for food and beverage companies.

In conclusion, it can be expected that the tourism-oriented type of industrial tourism would contribute to a large degree to develop corporate branding of Japanese companies. Nevertheless, this activity is just one of the three types of industrial tourism. What we are concerned about is whether Japanese companies should implement this type of industrial tourism in the future. If companies select the

tourism-oriented type, it can be expected that their industrial tourism would develop to those aiming at the global market. Otherwise, it could be wise to consider the development of specific-customer-oriented or education-oriented type of industrial tourism in accordance with their marketing strategies, a type of industrial tourism that targets specific groups of people such the local residents and loyal customers rather than generic tourists.

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Chapter 1 Introduction

Branding is an important issue for companies that compete in the market (Aaker, 1999; 2004). Scholars have discussed the concept of branding from various perspectives. Gardner & Levy (1955) regarded branding as an investment from the long-term viewpoint of a business. In addition, Cunningham (1956) examined consumer behavior and concluded that consumers' brand loyalty plays an important role in purchase decisions.

A few decades after the discussion of branding commenced, the concept of *brand equity* was presented in the 1980's (Barwise, 1993). Aaker (1991; 1996) claimed that a company's brand is its primary asset, and he systematized the concept of brand equity. Brand equity comprises five elements: brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary assets (Aaker 1991; Arvidsson, 2006; European Institute for Brand Management, 2014). Brand loyalty is the extent to which consumers are loyal to a brand. Brand awareness is the extent to which a brand is known among the public. Perceived quality is the extent to which a brand is considered to provide high quality products. The term "brand associations" signifies the attitudes or feelings triggered by a brand. Other proprietary assets are, for example, patents, trademarks, and channel relationships. Aaker insisted that these brand assets could differentiate a company's service and products from those of other companies in the market. In addition, Katahira (1999) defined brand as the extent to which consumers have an image or memory of a brand in their mind. Similarly, Keller (1998) emphasized that consumers' recognitions were closely related to the establishment of brand equity. In addition, Katahira (2005) claimed that the establishment of a brand led to the competitiveness of the company and the differentiation of its products and services from those of competitors. Considering these scholars' claims, it is believed that a company's brand is a significant element leading to its competitiveness in the market.

1.1 Branding strategy in Japan

Discussions of brand are not limited to companies. In recent years, the Japanese Ministry of Economy, Trade and Industry (referred to here as “METI”) has promoted the national strategy *Cool Japan*, which aims to enhance Japan’s country brand and the value of Japanese products and services (Daliot-Bul, 2009; METI, 2014a). According to Fukushima (2006), the Cool Japan concept is based on a claim by Douglas McGray (2002), who stated that Japan was considered a “cool” country by foreign people in terms of its arts and culture, such as its animation, computer video games, manga, cuisine, and fashion. Similarly, some scholars have discussed the influence of Japan’s popular culture on the world (Sugiyama, 2006; Storz, 2008; Ingulsrud & Allen, 2011; Nakamura, 2011). Taking the influence of Japanese culture into account, McGray presented the concept of *Gross National Cool* (GNC), which evaluates the degree to which a country’s image is favorable in the international society. McGray claimed that GNC is a new index with which a nation’s competitiveness can be measured, and he stressed that Japan’s GNC value is high.

As a similar concept to GNC, Nye (2004) presented *soft power* as an index of national competitiveness. Soft power refers to a country’s invisible resource, which is based on its influence on the international society in terms of economic power, public opinion, ideology, and culture. Nye claimed that soft power plays an important role in national competitiveness, and the Japanese government has adopted this theory in its growth strategy (METI, 2006a; Ministry of Foreign Affairs, 2011). Japan Tourism Agency (JTA) has also adopted this strategy in its promotion of the tourism industry, not only for the economic benefits, but also for enhancing Japan’s soft power in the international society (JTA, 2008). In order to promote Japan, JTA collaborated with METI in developing the Japan Expo, which was an exposition in Paris introducing Japanese culture (JTA, 2011a). Considering these activities, it is clear that the Japanese government has a strategy that aims to enhance its country brand. According to Anholt (2007; 2011), high-rated country brands lead not only to economic benefits but also to a good international reputation. As an example of country branding, the United Kingdom promoted *Cool Britannia* in the 1990s (Nagasawa, 2010), a strategy

based on the idea of Mark Leonard (Leonard, 1997). According to Sekizawa (2010), Cool Britannia was a successful case of country branding. The Japanese government has referred to Cool Britannia in their promotion of Cool Japan (METI, 2012a).

Included in the concept of country brands is, the term *place brands* (Jaffe & Nebenzahl, 2006). Some scholars have discussed the importance of place brands. Kotler and Gartner (2002) stated that branding is important not only for companies but also for places, such as countries, regions, cities, and towns. In addition, Kotler (2004) noted that place brands lead to competitiveness in the global competition. Nebenzahl et al. (1997) stated that country brands are related to consumer's recognition of products and their brand perceptions. Moreover, Dinnie (2008) noted that highly rated country brands positively impact tourism, exports, investments, and human resources from abroad. Similarly, Fetscherin (2010) observed that country brands have a favorable influence on exports and tourism in particular. As stated by these scholars, country brands positively influence various business fields. Considering some scholars' claims, it is considered that "place brand" is one important element of competitiveness for countries and companies.

1.2 Problem statement

As McGray (2002) stated, it can be expected that Japan and Japanese companies have competitiveness based on cultural aspects such as GNC. However, some scholars have claimed that Japanese companies have not given priority to the usefulness of their brands so far. For example, Kobayashi (2007) stated that the Japanese apparel industry has not been able to emphasize their brands in the global market, although they produce high quality products. In addition, Nobeoka et al. (2006) noted that some Japanese manufacturing companies, such as consumer electronics companies, have often lost opportunities to acquire benefits resulting from recognition of their brands. As the reason for this, Nobeoka pointed out that consumers did not evaluate the additional value of the companies' products. From the same perspective, some researchers pointed out the commoditization problem of Japanese products in the global market (Porter et al., 2000; Fujimoto, 2004; Sakakibara & Kayama, 2006;

Taguchi, 2008), wherein companies cannot differentiate their products from competitors' products because of quality equalization (Onzo, 2007). Nobeoka (2006a; 2006b) claimed that Japanese companies should compete through value-added activities for the purpose of product differentiation. Similarly, Okuyama (2007) emphasized the importance of value-added products for customer acquisitions in the market.

Considering the commoditization problem of Japanese products, our study discusses the corporate branding strategies of Japanese companies. Among the various methods, we focus on the branding method that utilizes place brands, including the country brand, because it can be expected that Japan's country brand has potential, as McGray (2002) pointed out. In addition, the Japan Association of Corporate Executives (2006) claimed that Japanese companies should be concerned not only with their product brands but also with the country brand, because a highly rated country brand would lead to profits for these companies.

As one such corporate branding method, this thesis investigates *industrial tourism* managed by Japanese manufacturing companies. Industrial tourism is defined as tourist visits to industrial sites such as industrial heritage sites, production sites, and exhibition places that deal in products (Suda, 2009). According to Suda (2006), tourists can recognize a company's background, such as its production process and corporate philosophy, through industrial tourism. These tourists can be regarded as general consumers, and therefore we select consumer goods companies as our study subject. Considering the features of industrial tourism, it can be expected that it could serve as a communication platform for promoting Japanese products based on place brands. Similar to our expectation, some scholars have claimed that place brands had a positive influence on product brands, and that companies could utilize place brands in their corporate branding (Kotler and Gartner, 2002; Gudjonsson, 2005; Zeugner-Roth et al., 2008). Our study examines the potential of industrial tourism for corporate branding, and confirms whether this branding method is useful for Japanese companies.

1.3 The organization of this thesis

In Chapter 2, we first explain the problem that Japanese consumer goods companies have in the global market. As a solution to this problem, we introduce the potential of industrial tourism for corporate branding of Japanese manufacturing companies. The significance of our study is its practical perspective. We examine whether industrial tourism is useful for Japanese manufacturing companies and which companies could benefit from this branding method.

In Chapter 3, we present our survey method, which clarifies the current situation of industrial tourism in production areas and urban areas. Our study method is comprised of four parts: (i) selections of survey subjects on websites, (ii) survey requests to companies, (iii) summary of questionnaire results, and (iv) data conversion for multivariate analysis.

Chapter 4 details the current status of industrial tourism located in production areas. We collected 95 valid responses from Japanese companies in production areas all over the country. Our analyses indicate which companies could benefit from communicating with customers in their industrial tourism sites.

Chapter 5 summarizes the results of our analyses of industrial tourism in urban areas using 26 valid responses from companies. In addition, for the sake of comparison with consumer goods companies, we analyze seven cases of non-consumer goods companies, such as industrial goods companies and energy companies. Moreover, we compare three types of industrial tourism sites: showrooms, museums, and factory tours.

In Chapter 6, we examine corporate strategies regarding industrial tourism in terms of marketing theories. We interpret from our results that marketing strategies led to the differences in industrial tourism management of the surveyed companies.

Chapter 7 indicates three types of industrial tourism managed by Japanese manufacturing companies. This classification is based on the differences in marketing strategies and collaboration policies in the tourism industry.

Finally, Chapter 8 presents the conclusion of our study, and we evaluate the suitability of industrial tourism as a strategy for Japanese manufacturing companies.

Chapter 2 Background and purpose of the study

This thesis examines industrial tourism managed by Japanese manufacturing companies. This chapter shows the background and purpose of our study. First, our study discusses the problem of Japanese products in the global market. Considering the competitiveness of Japanese companies, we then use some branding theories to explain why industrial tourism could be a solution to the problem. Third, we confirm previous studies of industrial tourism and some related claims to our study. At the end of this chapter, we present the purpose of our study and its significance.

2.1 Commoditization problem of Japanese products

The profits of Japanese manufacturing companies have continued to decline for the last several decades (Figure 2.1). As one reason, Taguchi (2008) claimed that Japanese companies must tackle the problem of *commoditization* in the market. Commoditization refers to the situation in which companies cannot differentiate their products from their competitors' products due to equalization of each company's product quality (Kusunoki, 2006; Kusunoki & Akutsu, 2006; Onzo, 2007). Christensen (1997) first noted the concept of commoditization. According to Christensen's theory, companies compete with four product features: functionality, reliability, convenience, and price. Although consumers evaluate the former three features at the beginning, they come to purchase products by only price advantage after the market becomes mature. Furthermore, Moon (2005) claimed that companies tend to select a similar position in a mature market, which could be considered as one of the factors of commoditization.

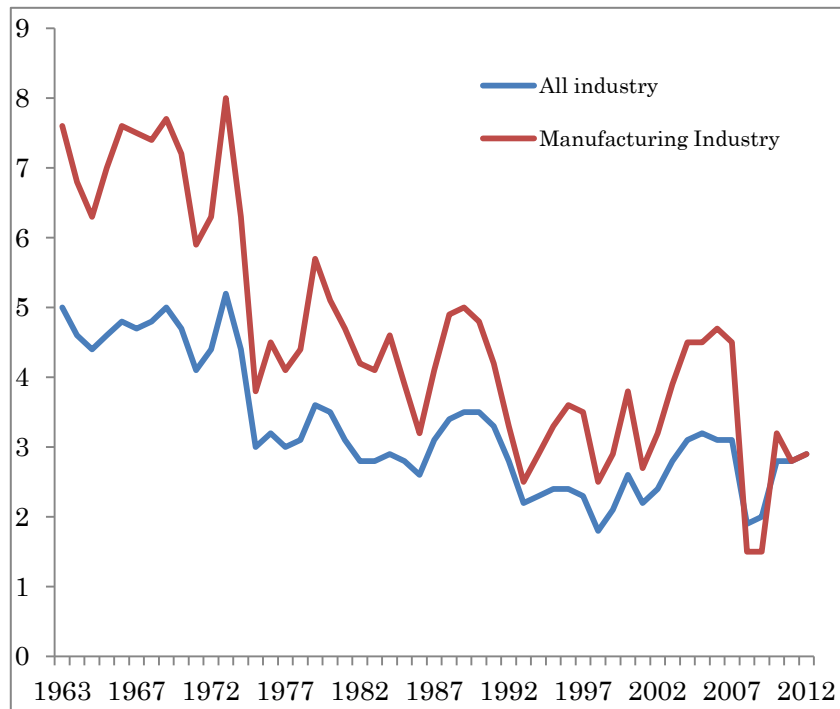


Figure 2.1 Trend in the operating profit margin of Japanese industry
(Ministry of Finance, 2014)

As for the commoditization problem, the studies of Michael Porter should be noted. Porter considered that positioning strategies secure business profitability and success in the market (Porter, 1980; 1991). From this perspective, Porter et al. (2000) referred to the problem of Japanese companies. In his view, Japanese companies are superior in their production management, such as total quality control, just-in-time production, and lean manufacturing, while they tend to lack in competitive strategies, such as positioning and differentiation. Porter claimed that high-productive operations are effective for business performance, but that companies that utilize this method are only slightly superior to competitors in the same or similar operations. Having high-productive operations cannot fundamentally lead to differentiation, and thus Japanese products are being exposed to severe competition in the market because of commoditization and price disadvantage. According to Sakakibara and Kayama (2006), one of the factors of commoditization is that emerging countries have achieved high productivity. Regarding this situation, Porter et al. (2000) proposed

that Japanese companies consider their differentiation strategies based on the competitiveness of Japanese companies. This notice is important for Japanese companies, but the concept of differentiation has been discussed for several decades (Smith, 1956).

Fujimoto (2004) recognized the high productivity of Japanese companies, but he also stated that Japanese companies were inferior to European companies in terms of profitability. Koyama (2014) confirmed this situation by comparing Japanese and Western companies. In Fujimoto's view, European companies have superior branding strategies, and Japanese companies should learn the branding method. Branding is considered to be effective for creating customer loyalty and differentiating one's products in the market (Aaker, 1996). In recent years, building brand and originality has been a critical issue for Japanese industry. Figure 2.2 shows the current situation of Japanese product brands in the global market derived from METI (METI, 2011). This figure indicates that Japanese brands are not evaluated in terms of their cultural aspects, such as their designs and styles. METI (2012b) proposed that Japanese companies should pay attention not only to the functionality of their products but also to the additional values that their products offer.

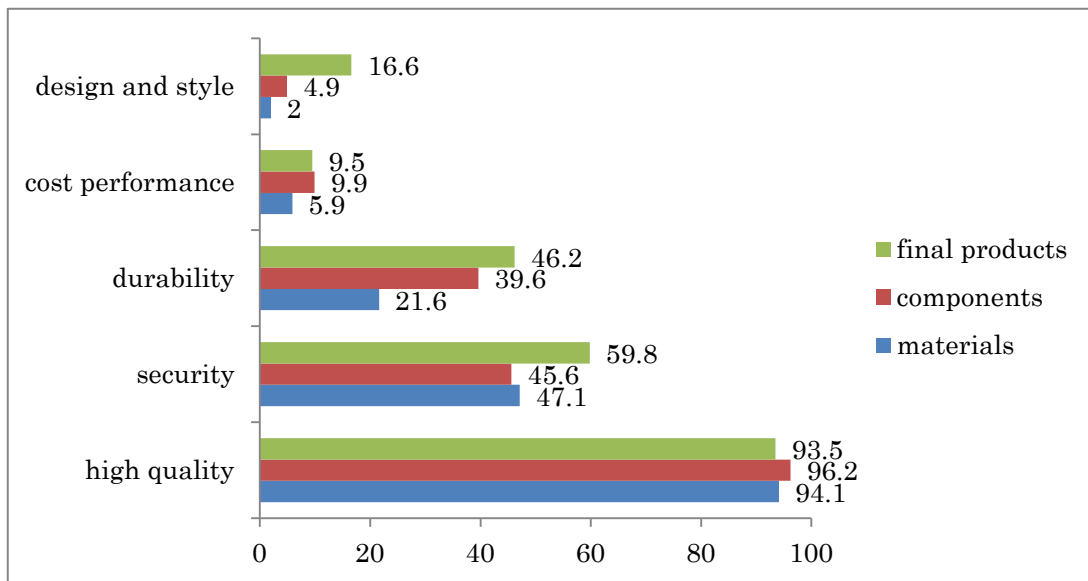


Figure 2.2 Recognitions of Japanese brand (METI, 2011)

From the same perspective, Nobeoka (2006a) presented two items of product value: functional value and premium value. Functional values simply refer to the values based on the products' quality, security, and durability. On the other hand, premium values are based on consumers' subjective evaluations regarding the products' design and style and their own attachment, preference, and so on. As Porter and Fujimoto pointed out, Nobeoka also noted the strength of Japanese companies: high productivity that leads to functional value. In addition, Nobeoka noted that the lack of the premium value causes the commoditization problem and price competition in the market. Nobeoka (2006b) emphasized that commoditization would begin when the functional value exceeds consumers' demand in a mature market (Figure 2.3). In this situation, consumers no longer appreciate functional value, and companies are exposed to cost and price competition (Christensen & Raynor, 2003). Nobeoka (2006a; 2006b) claimed that premium value was ultimately effective in differentiating one's products, because consumers purchase products based on their attachment to them.

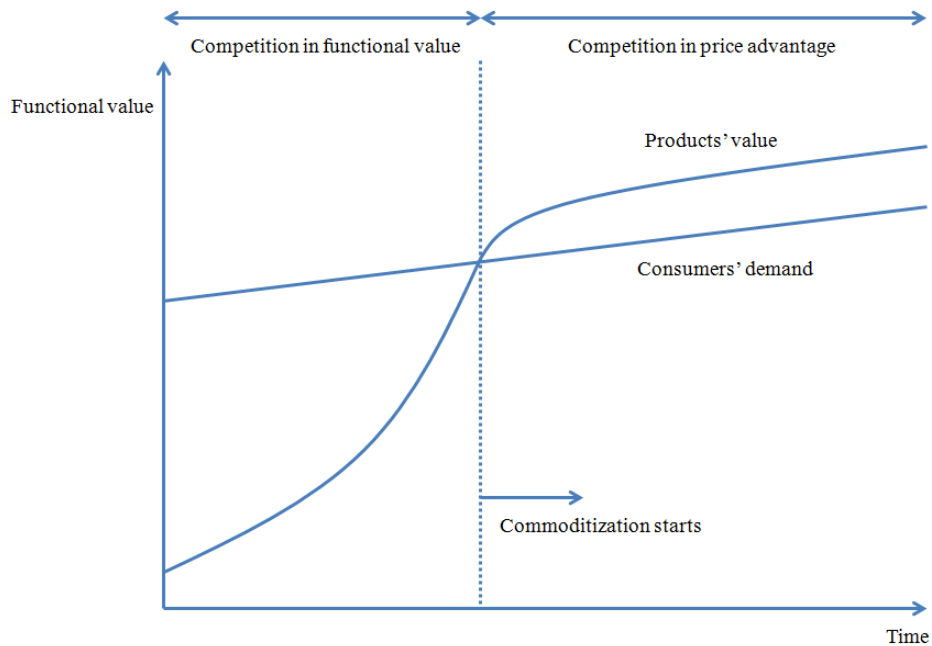


Figure 2.3 Functional value and commoditization in the market (Nobeoka, 2006b)

Some marketing researchers have noted that companies are often inclined to consider that the high quality of their products leads to customer satisfaction and corporate competitiveness (Alderson, 1984; Ishii et al., 2004; Nakhata, 2010). However, these researchers claim that companies cannot be successful in the market if they do not pay attention to consumer needs. Samejima & Mizota (2012) noted this lack of attention as a weakness of Japanese companies.

2.2 Industrial tourism for corporate branding

As a solution to this commoditization problem, we sought a branding method that would enhance the premium values of Japanese products. Porter et al. (2000) and Fujimoto (2004) stated that Japanese companies should develop an “original strategy” in the market. Certainly, corporate branding is an effective method for differentiation in the market, but, as Fujimoto pointed out, branding was the strong field of European companies. If Japanese companies consider product differentiation, Fujimoto (2004) and Nobeoka (2008) claimed that their differentiation methods should be based on their competitive advantage, such as their production process. This branding method

has brand consistency from the background of Japanese companies. Fujimoto (2007) defined corporate brands derived from the production process as *brand from depth*.

Considering the potential of branding methods from the background of Japanese products, we selected *industrial tourism* as our study subject. Suda (1999) introduced the concept of industrial tourism to Japanese industry, but he used the term only to refer to tourist visits to industrial heritage sites at first. In recent years, Suda (2007; 2009; 2010) has defined industrial tourism as “tourist visits to industrial sites such as industrial heritage sites, production sites, and exhibition places that deal in products.” According to Suda (2006), industrial tourism provided companies with opportunities through which tourists could gain an understanding of the production process and to feel the “production spirit.” It can be expected that these corporate sites would be useful to customer communications for corporate branding.

Some scholars’ claims confirm the potential of industrial tourism. For example, Nishitani (2007) proposed that Japanese companies reconsider customer communications in order to appeal to the customers more effectively. It seems that industrial tourism will become one of the communication methods of Japanese companies from now on. Moreover, Aoki (2010) pointed out that close connections with customers led to co-creation of brands. Schmitt (2000; 2011) claimed that *customer experience* is one of the important elements for business performance in today’s economy. Similarly, Pine & Gilmore (2000) stated that companies should pay attention to customers’ experiences, such as memorable and lasting impressions. The items that these scholars presented—communications, co-creation of brands, and experience—are applicable to corporate activities of industrial tourism. In accordance with these scholars, we present our hypothesis as follows.

Customer communications in industrial tourism would be an effective corporate branding method of Japanese manufacturing companies.
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Industrial tourism includes various types of companies, such as manufacturing companies, industrial goods companies, energy companies, and infrastructure

development companies. As a subset of manufacturing companies, we selected consumer goods companies as our study subject because it was considered that consumer goods were closely involved in the commoditization problem. Nobeoka (2006a) stated that consumers especially demand premium value of consumer goods, and that consumer goods companies should pay attention to building brands.

In addition, some scholars have pointed out the relationship between place brands and consumer goods brands. For example, Schooler (1965) claimed that favorable country images have a positive impact on the purchase decisions of consumers. His study suggested that consumers often consider the country of origin when selecting consumer goods. Schooler defined this as the *country of origin effect*. Similarly, some researchers have examined country of origin effects from the viewpoint of branding and marketing (Bilkey & Nes, 1982; Erickson et al., 1984; Maheswaran, 1994; Nebenzahl et al., 1997; Papadopoulos & Heslop, 2002; Koubaa, 2007). In addition, Hidaka (2011) pointed out the importance of country of origin effects in the Japanese consumer goods market. Furthermore, Gnoth (2002) stressed that companies could leverage their product brands through tourism in places where tourists could recognize the place brands. In accordance with Gnoth's contention, it is believed that consumers probably associate consumer products with the country brands and place where they have been produced.

Timothy (2005) claimed that tourists often want to know the cultural and traditional background of consumer goods in their purchase behavior, and such consumer demands are known as *product authenticity*. In addition, Beverland (2009) proposed that originality and authenticity are important elements for brand management of consumer products. Furthermore, MacCannell (1999) insisted that tourists wish to understand the authenticity of tourism destinations, and authenticity tends to be associated with the place origin of the destination. Considering the concept of authenticity, it is suspected that product brands are related to the authenticity of places, such as the cultural background of the products.

In addition, consumers' needs relative to industrial tourism should be noted. Otgaar et al. (2010) claimed that tourists are often interested in industrial tourism

managed by consumer goods companies. It is likely that such tourist behavior is applicable to industrial tourism of Japanese companies. Table 2.1 indicates the popular sites of factory tours and visits to Japanese companies. These sites can be regarded as industrial tourism as Suda (2009) defined. According to Trip Advisor (2013), this ranking was calculated by word-of-mouth information and user's evaluations on the website. This data indicates that communication platforms managed by consumer goods companies were the most popular sites for visitors among industrial tourism sites in Japan. Moreover, it was interpreted that consumer goods companies communicate positively with visitors. Considering the features of consumer goods, we selected the companies that produce this product type as our survey subjects. Observing their corporate activities, this study examines the potential of industrial tourism for corporate branding in the market.

Table 2.1 Popularity ranking of factory tours and company visits in Japan

(Trip Advisor, 2013)

Ranking	Facility Name	Product Type
1	Instant Ramen Museum	Food
2	Nuchi-Una Factory	Food
3	Nikka Whisky Factory	Alcohol Beverage
4	Orion Breweries Factory	Alcohol Beverage
5	Kawasaki World	Motorcycles and Industrial Goods
6	Suntory Factory in Tokyo	Alcohol Beverage
7	Suntory Factory in Osaka	Alcohol Beverage
8	Chateraise Factory	Food
9	Toyota Commemorative Museum	Automobile and Textile
10	Suntory Factory in Kyoto	Alcohol Beverage
11	Asahi Breweries	Alcohol Beverage
12	Suntory Factory in Yamanashi (Winery)	Alcohol Beverage
13	Kirin Breweries	Alcohol Beverage
14	Shunkado Factory	Food
15	Sapporo Breweries Museum	Alcohol Beverage
16	Suntory Factory in Yamanashi (Whisky)	Alcohol Beverage
17	Tokachi Wine Factory	Alcohol Beverage
18	Ishiya Factory	Food
19	Royce' Chocolate World	Food
20	Cup Noodle Museum	Food

As an example of industrial tourism for corporate branding, here we present the industrial tourism site Autostadt managed by the automobile company Volkswagen in Germany (Figure 2.4). Our study regards this industrial tourism as an advanced case, because their management depends on the branding strategy of Volkswagen. Allingham (2008) stated that the primary purpose of Autostadt was corporate branding of Volkswagen. In addition, Pries (2003) claimed that Volkswagen aimed to enter the premium car market through corporate activities at Autostadt. According to its website, the Director of Management of Autostadt, Otto Ferdinand Wachs explains the significance of Autostadt as follows.

The Autostadt in Wolfsburg is the Volkswagen Group's ambassador. It presents the globally successful Group's brands, values and vision to the broad public in a relevant and dynamic way (Autostadt, 2014a).

Considering Otto's statement, it is interpreted that Autostadt plays an important role in Volkswagen's brand.

Autostadt offers showrooms, museums, and factory tours for customer communication, and the location is near Volkswagen's headquarters in Wolfsburg (Autostadt, 2014b). Hence, it is believed that this industrial tourism can be regarded as corporate branding that introduces the background of the company. According to Autostadt Annual Report (2013), Autostadt attracted over two million visitors in 2013. Additionally, Figure 2.5 shows the trend in annual visitors taking factory tours from 1948 to 2006. This figure indicates that most visitors are leisure visitors (Otgaar et al., 2010).



Figure 2.4 Autostadt of Volkswagen (Photograph by the author)

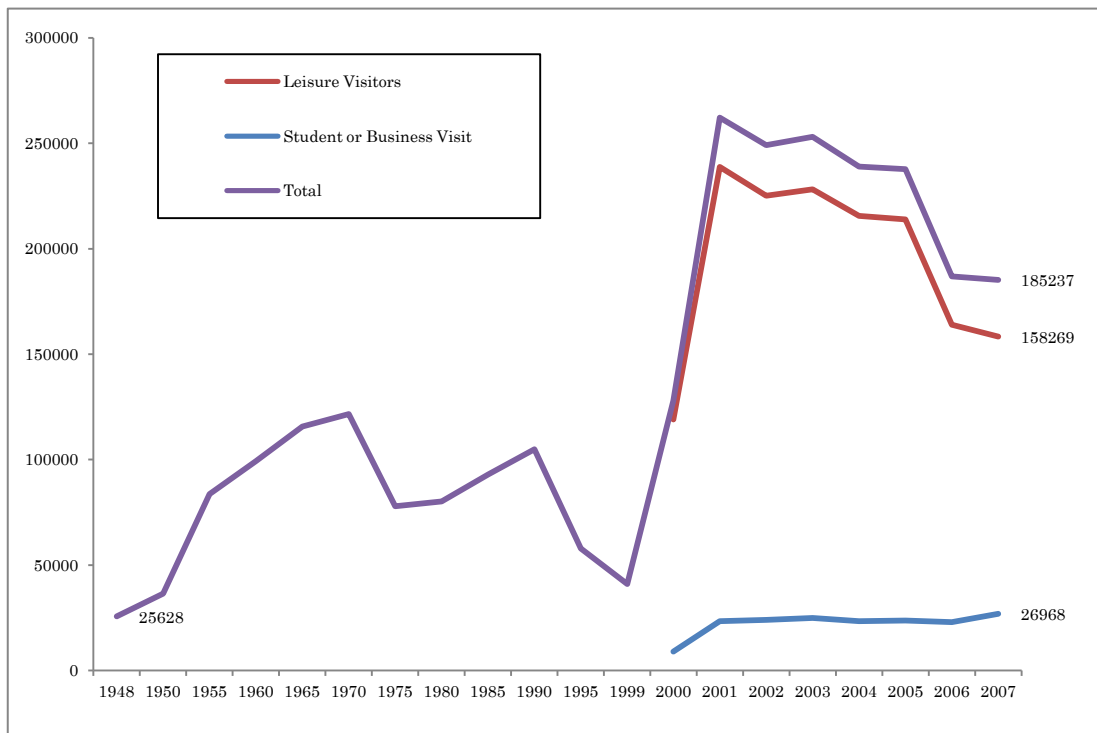


Figure 2.5 Annual visitors of factory tours in Wolfsburg, 1948-2006
(Otgaar et al., 2010)

Other German automobile companies have also established symbolic locations in Germany, such as the BMW Welt, Mercedes-Benz Museum, and Porsche Museum (Herbst & Maisch, 2009). It seems that these facilities are operated under their

branding strategies. German automobile companies have been under competitive pressure since the 1980s due to the emergence of Asian rivals, especially Japanese companies (Priddle, 2005; Coles & Hall, 2008; Takahashi & Ashizawa, 2009). According to Kazama (1997), German companies selected the premium category of high price and high quality for product differentiation in the market. Autostadt has been constructed since 1990s, and the plan depended on the then president Ferdinand Piech's branding strategy (Otgaar et al., 2010). Considering the branding strategies of German automobile companies, we confirmed the cases that utilize industrial tourism for corporate branding aimed at the global market.

2.3 Previous studies of industrial tourism

In recent years, the Japanese government declared that it would promote industrial tourism in the Tourism-based Country Promotion Basic Act presented by the Ministry of Land, Infrastructure, Transport & Tourism (MLIT, 2012). Considering the current situation, it can be expected that this tourism would be a growing segment of Japanese industry, not only for the tourism industry, but also for manufacturing companies. Although the promotion of industrial tourism is a new movement in Japan (Suda, 1999; 2009; Suda et al., 2002), western scholars have discussed industrial tourism from various perspectives. As representative scholars, here we introduce Otgaar (2010) and Frew's (2000) studies, upon which we base our definition of "industrial tourism" in this thesis.

According to Otgaar (2010), the origin of industrial tourism started from the Grand Tour in the 17th century in the U.K. The Grand Tour was a trip around the European mainland that included company visits. Otgaar stated that the concepts of industrial heritage tourism and company visits were further developed in the 20th century in Europe. Otgaar defined industrial tourism as "visits to sites that enable visitors to learn the economic activities in the past, present and future." Our study previously presented Suda's (2009) definition of industrial tourism as "tourist visits to industrial sites such as industrial heritage sites, production sites, and exhibition places that deal in products." Suda classifies industrial tourism by the companies'

facility types, while it seems that Otgaar gives priority to tourists' objectives. On the other hand, Frew (2000) defined industrial tourism as "visits by tourists to operational sites where their core activities are not tourism-oriented." This definition is different from Suda and Otgaar in that it excludes industrial heritage from the concept. Furthermore, Frew distinguished industrial tourism from consumption behavior in the market such as shopping. Although there were discussions about whether industrial tourism should include shopping sites or not, we selected the broad definitions of Suda and Otgaar. Regarding communications with visitors, it was considered that there was no difference between shopping sites and other industrial sites for companies. Therefore, we define our study subject as follows, "Industrial tourism sites managed by manufacturing companies that would be communication platforms between companies and visitors." Some scholars sometimes use different terms that explain tourist visits to industrial sites such as *industrial heritage tourism*, *consumer experience tourism*, or *science and technology tourism* (Edwards & Llurdes, 1996; Mitchell and Orwig, 2002; Kitamura et al. 2012). However, these concepts of tourism types are included in our definition of industrial tourism.

Thus far, various scholars have studied the "benefits" provided by the development of industrial tourism. Most scholars have discussed the potential of industrial tourism as a tourism resource (e.g., Frew, 2000; Suda, 2009; Yoshida; 2006; Hada, 2010; Otgaar, 2010). Frew & Shaw (1995) analyzed that industrial tourism has a positive impact on tourist motivation. Among the studies of industrial tourism, there are claims that industrial tourism would contribute to the development of cities and local communities (e.g., Otgaar et al. 2010; Kawahara & Okamura, 2012). Morita (2007) noted the usefulness of industrial heritage in the tourism industry for the purpose of the "regeneration" of urban areas. Similarly, some scholars have done case studies of industrial tourism in local communities (e.g., Hibata & Izumi, 2002; Saito, 2005; Nohara, 2010; Okamura et al., 2013; 2014). In addition, Vargas-Sanchez et al. (2009) examined how community residents are related to the development of industrial tourism. Otgaar (2010) examined the relations between cities and companies, and insisted that the development of industrial tourism requires

collaboration from both of them.

Although there are various perspectives, our study discusses the potential of industrial tourism for companies. As examples of related studies, Brumberg & Axelord (1995) found that industrial tourism can offer visitors a valuable experience that leads to benefits for the company. This effect is considered as the customer experience (Schmitt, 2000). Rudd & Davis (1998) observed the corporate policies of industrial tourism for public relations. Frew (2000) claimed that industrial tourism would be useful to improve corporate image. In addition, Mitchell & Orwig (2002) claimed that company visits are effective for corporate branding, and they used the term *customer experience tourism*. Similarly, Azevedo (2004) noted the potential of industrial tourism for corporate branding. According to Dodd (1994), the wine industry often utilizes winery visits for the purpose of customer acquisitions. Similarly, Shindo (1997) investigated factory tours of Japanese *sake* makers, and discussed the potential of industrial tourism in their business. According to Bregman (2011), industrial tourism is one of the marketing tools for companies.

Considering previous studies, it is interpreted that scholars have discussed various subjects related to industrial tourism (e.g., tourists, tourism industry, cities and local communities, companies, and so on). These study fields overlap each other.

2.4 Purpose and significance of the study

This thesis has two purposes. The first purpose is to clarify the current situation of industrial tourism managed by consumer goods companies in Japan. Our surveys reveal which companies have intention to develop industrial tourism and which companies are not. The second purpose is to examine the potential of industrial tourism for corporate branding. As advanced cases of our study, we investigate the companies that manage industrial tourism aimed at the global market. Considering their current status, our study examines whether industrial tourism is effective for corporate branding of Japanese companies. In addition, we examine which Japanese companies could benefit from this branding method.

The significance of our study is that it discusses industrial tourism from a

practical perspective. Most scholars have discussed various benefits of industrial tourism, and METI (2014b) claimed the necessity of companies' cooperation for the development of industrial tourism. However, it is likely that the development depends on whether the corporate policy is to increase visitors or not. In this study, industrial tourism is regarded as one of the branding methods of companies. As previously indicated, some scholars claimed that industrial tourism would be useful in corporate branding. Furthermore, Komatsubara (2012) claimed that Japanese companies should utilize industrial tourism as a public relations tool for overseas consumers. However, our study pays attention to the corporate strategies of each company. It is worth noting that there is the possibility that some Japanese companies may not select this branding tool. If companies have policies of attracting visitors, their industrial tourism would lead to various benefits. Otherwise, it is hardly possible that manufacturing companies that do not have such policies would collaborate with other stakeholders (e.g., cities, communities, the tourism industry, and so on) in order to develop industrial tourism. This thesis first clarifies the corporate strategies of Japanese companies in order to clarify the potential of industrial tourism in Japan.

Chapter 3 Survey method

In order to clarify the current situation of industrial tourism operated by Japanese consumer goods companies, we conducted several surveys of companies in production areas and urban areas and conducted multivariate analyses of the survey results. This chapter presents our survey methods and analyses in detail.

3.1 Selection of survey subjects

First, we referred to the Industrial Tourism Guide (ITG), which is an internet site managed by the Japan Travel and Tourism Association (ITG, 2014). Observing this website, we ascertained the current situation of industrial tourism in Japan. This website shows several types of industrial tourism sites, such as industrial heritage sites, corporate museums, factory tours, and exhibition spaces that deal in products. These facilities match the definition of industrial tourism by Suda (2009). Before conducting our survey, we asked the website manager about the website by email. The manager stated that the industrial tourism sites presented on the website were selected from the Tourism Resource Database of the Association and Industrial Heritage List of METI. ITG presents only those facilities whose managers approved the release of information on the website.

Figure 3.1 shows all the sites in the ITG. This pie chart shows 611 facilities introduced on the website. Among those 611 facilities, 407 facilities are managed by consumer goods companies, which is the majority of facilities on the website. It is considered that the website was an appropriate source for selecting our survey subjects, because our study focused on consumer goods companies so as to analyze the relations between the companies' corporate strategies and industrial tourism (see Chapter 2).

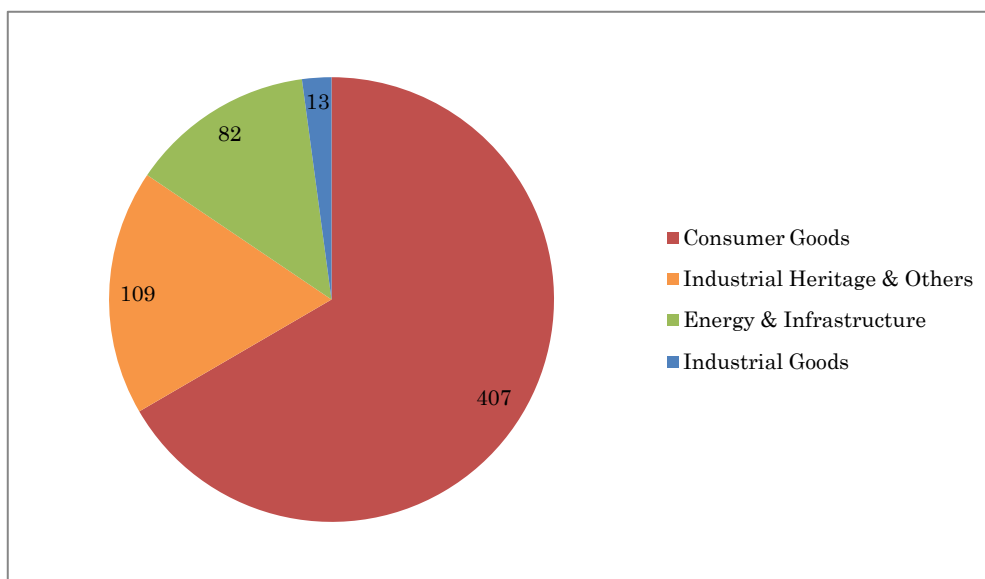


Figure 3.1 Industrial tourism sites published in Industrial Tourism Guide
(Industrial Tourism Guide, 2014)

According to Copeland (1927), consumer goods are classified into convenience goods, shopping goods, and specialty goods. Convenience goods are the types of products that customers purchase frequently, immediately, and with a minimum of effort. Convenience goods include, for example, food, beverages, and daily necessities. Shopping goods are the types of products whose product features such as price, style, and quality are compared by customers during the purchasing process. Consumer electronics, clothes, and furniture are examples of shopping goods. Specialty goods are the types of products that have a high brand value and that customers make a special effort to purchase. Specialty goods include automobiles, luxury goods, residential buildings, and so on. In accordance with Copeland's classification, we selected consumer goods companies as our survey subjects.

In the ITG, it is observed that the problem of the samples in this website is their bias. Among the 407 facilities of consumer goods companies, 245 facilities are operated by food and beverage companies, while only nine facilities are operated by automobile companies. In order to correct this bias of product types, we devised the selection of our survey subjects in several ways.

As for food and beverage companies, we preferentially selected large-scale companies in terms of their market share. Regarding the market share, we referred to some literature and an internet site (Nikkei Sangyo Shimbun, 2010; 2011; Nikkei Publishing, 2012; Toyo Keizai, 2012; Gyokai Search, 2014). The companies that we selected in this way are Ajinomoto, Meiji, Asahi Brewery, Kirin Brewery, and so on. There are two main reasons for selecting large-scale companies. One is to complement the investigation results with enterprise information such as investor relations and Corporate Social Responsibility (CSR) reports. These publications tend to be more clear and substantial for large-scale companies. The second reason is closely related to our hypothesis that large-scale companies can afford to invest in industrial tourism and be proactive in it.

As the second device of correcting the bias of the samples in the ITG, we selected the representative locations for each company, such as factories and corporate museums that are located near the companies' headquarters or near important places in the corporation's history. For example, although Kirin Brewery operates factory tours in their eleven production sites in Japan, we selected Kirin's Yokohama factory (Kirin, 2014) because that location is the birthplace of Kirin Brewery, and Yokohama is located in the Tokyo metropolitan area. It is suspected that the site attracts a large number of visitors.

As an additional adjustment for the bias, we referred to some guidebooks about factory tours and company visits (Factory Tour Guide, 2010; 2011). In addition, our survey utilized other websites that introduced industrial tourism sites (Factory Tours Navigation, 2014; Ilmil, 2014; Let's enjoy Tokyo, 2014). In particular, we referred to Ilmil for the selection of survey subjects in urban areas because there are few examples of corporate showrooms in urban areas among industrial tourism sites presented in the ITG.

3.2 Survey areas

Survey areas in our study are mainly divided into two locations: production areas and urban areas. First, we conducted surveys of Japanese companies that manage

industrial tourism sites in production areas. It was expected that the surveys in the production areas would reveal the suitability of Japanese companies for the branding method based on their competitiveness, as Fujimoto (2004) pointed out. The surveys of production areas especially focused on factory tours and corporate museums managed by consumer goods companies.

Considering the survey results of production areas, we developed the following hypothesis: some companies may focus on industrial tourism in urban areas, because such locations are more suitable for attracting many visitors and communicating with customers. Based on our hypothesis, we conducted surveys for industrial tourism in urban areas. For example, we selected Tokyo and the metropolitan area, because Tokyo attracts the most tourists among all the prefectures in Japan (JTA, 2011b). The surveys of the urban areas suggest that some companies want to increase visitors in urban areas for customer communication.

3.3 Questionnaire surveys

We conducted a questionnaire survey of Japanese consumer goods companies to clarify not only data about their visitors but also their corporate policies on industrial tourism. First, using e-mail and telephone, we requested permission to conduct our survey from Japanese companies that manage industrial tourism sites. If the companies permitted, we sent a questionnaire by e-mail, fax, or post. These questionnaire surveys conducted from 2010 to 2014, and the questions are listed below.

3.3.1 Annual visitors

- How many visitors come to your facility per year?
- How many foreign visitors come to your facility per year?

As for these questions, we elected not to ask about the difference in the number of visitors from year to year because we assumed that the visitor numbers would not radically change over the several years of our study.

3.3.2 Visitor type

- Which type of visitors mainly visits your facility? Please select among the following: leisure visitors, student groups, or business visitors.
- Furthermore, please describe the characteristics of your main visitors. For example, men or women, young or old, individuals or groups, families, couples, new customers or loyal customers, and so on.
- Which type of visitors do you target?

These questions reveal who the actual visitors are and who are the targets of each company. As for the visitor types, we presented three choices for the respondents in order to clarify their main visitors. Leisure visitors include individuals or tour groups for sightseeing, and it is considered that they are probably customers of their companies. Student groups are students on a school excursion in the local community. The group “business visitors” refers to business partners conducting transactions during their visit or employees undergoing training for companies. Otgaar (2010) explains that these three visitor types are closely related to the development of industrial tourism for corporate purposes. Our questions ensure that Otgaar’s supposition can be applicable to Japanese industry as well.

3.3.3 Purpose

- What is the purpose of attracting visitors to your company site?

Although this is a simple question, the answer is very important for our study. Taking the answer into account, our study reveals the relations between industrial tourism and the corporate strategies of each Japanese company.

3.3.4 Profitability

- Do you consider the profitability of the facility operation?

The answer to this question reveals whether the industrial tourism of each company is a gratuitous service or for business purposes.

3.3.5 Feedback

- Do you analyze the outcome of attracting visitors on your business and the operation of your facility?

This question reveals which companies manage industrial tourism from a strategic point of view.

3.3.6 The strategy for location selection

- Do you have any reason for selecting the location of your facility in terms of corporate strategy?

This question is based on the following hypothesis. If a company wants to attract visitors for corporate branding via industrial tourism, the company may be attached to the location of its industrial tourism facility for a particular reason, such as the historical importance of the site that explains the background of the corporate brand. This question reveals the relations between the corporate strategies and each location of industrial tourism facilities.

3.3.7 The relationship with the tourism industry

- Do you affiliate with travel agencies?
 1. Yes, we are actually affiliated with travel agencies for attracting visitors.
 2. If it were requested, we would accept tourist groups from travel agencies.
 3. No, we do not affiliate at all.
- Would you like to collaborate with the tourism industry to increase visitors?

Please describe your honest opinion. For example, some companies do not have a policy of collaborating because of the cost and the possible negative impact of such collaboration on their brand.

These questions confirm the relations between manufacturing companies and the tourism industry in the industrial tourism operations of Japanese companies. The first question simply clarifies which companies affiliate with travel agencies; in other words, it signals that they want to attract leisure visitors to the point that they invest in the effort. In the second question, we provided an opportunity for the companies to

give an additional explanation to elicit the real opinions of the respondents. We intentionally introduced some companies that had negative opinions about collaboration with the tourism industry so that the respondents would not worry about expressing negative answers.

In our questionnaire, we designed the questions in order to analyze truthfully the corporations' decisions about industrial tourism. Additionally, we avoided using the term "industrial tourism" in the questionnaire because some companies may not understand this terminology.

3.3.8 Interview surveys

In our survey, some companies wanted face-to-face interviews for security reasons. The questions in the interviews were exactly the same as those on the questionnaire. In addition, only one company answered our survey by telephone.

3.3.9 Valid responses

In production areas, we collected 95 responses from industrial tourism sites such as factories that operate tours and corporate museums managed by consumer goods companies. On the other hand, we obtained 26 answers from urban areas, including Tokyo and three prefectures: Kanagawa, Saitama, and Chiba. They were from corporate showrooms, museums, and factories that operate tours. Among the 26 answers from urban areas, seven answers were from non-consumer goods companies: we collected those responses in order to analyze the industrial tourism of other industries. We conducted 210 survey requests to Japanese companies, and obtained 121 valid responses in total.

3.4 Multivariate analyses

Our study uses statistical methods for analysis. First, the questionnaire results were converted to 1-0 binary data in a cross-tabulation table. As an example of the converting process, we present the case of Asahi Brewery's factory tour (Figure 3.2).



Figure 3.2 Asahi Breweries' Kanagawa factory (Photograph by the author)

Table 3.1 is the questionnaire result of Asahi Brewery, and Table 3.2 is the converted data. The items of the converted data are visitor type, purpose, profitability, location strategy, affiliation with travel agencies, and the policy of collaboration with the tourism industry.

Regarding visitor type, we prepared two converted items: (i) Leisure Visitor and (ii) Student or Business Visitor. For example, Asahi Brewery attracts mainly leisure visitors, and thus the Leisure Visitors item was converted to 1, and Student or Business Visitor is converted to 0 (Table 3.2). These two items simply indicate whether the company attracts leisure visitors or not. Furthermore, it was considered that the difference in the type of visitors to a location was greatly affected by the corporate strategies of each company. Leisure visitors probably comprise consumers such as Asahi Brewery's customers who can drink alcoholic beverage. If the visitors are mainly student groups or business visitors, it is interpreted that the company does not have the policy of communicating with consumers through its industrial tourism.

Regarding the purpose of attracting visitors, we prepared two items: (i) Company Profit Purpose and (ii) CSR or Business Visit Purpose. If companies operate industrial tourism for profit, the value of the Company Profit item is 1. In our converted process, some answers were regarded as Company Profit Purpose (e.g., public relations, advertisement, customer acquisition, customer communication, and

enhancement of corporate brand, value, and recognition in the market). On the other hand, if companies operate industrial tourism in light of CSR or business visits for the purpose of completing transactions or conducting employee training, we assigned 1 to the item CSR or Business Visit Purpose. In this converted process, we combined CSR purpose and Business Visit purpose together, because it is considered that attracting visitors for CSR or Business Visits is not directly related to customer communications. For example, if the company's purpose is to make social contributions to the local community, the company may be reluctant to attract leisure visitors coming from afar. In addition, if the main purpose is to engage in transactions or employee training, the visitor type should be business visitors, but not leisure visitors. These conversion processes rely on our prediction that corporate strategies greatly affect types of visitors the companies attract. According to Asahi Brewery's answer, their purpose of attracting visitors is public relations, customer acquisition, coexistence with the community and its residents, and corporate activity for the environment. Therefore, we assigned 1 to both Company Profit Purpose and CSR or Business Visit Purpose together.

The conversion of profitability was a simple process. The binary data depends on whether or not companies consider a business model in their effort to attract visitors. Hence, Asahi's answer was converted to 0. The item of Location Strategy signifies whether companies have an attachment to the locations of their industrial tourism sites or not. According to Asahi Brewery's respondent, this company regarded the factory and the location in the metropolitan area as a customer communication center. Thus, we convert the answer to value 1. The item of Affiliation with Travel Agencies signifies whether a company has an actual affiliation or not. Therefore, no affiliation is converted to 0. Furthermore, we assigned 0 in the case that companies accept leisure groups brought by travel agencies if requested, because such companies have a passive attitude toward affiliations in their industrial tourism policy. In the case of the Asahi Brewery, the company accepts agencies' requests and leisure groups, but does not affiliate with any particular agency. Hence, we assigned a 0 value in this case. As for the Collaboration Policy on the Tourism

Industry, the Asahi Brewery responded negatively about collaborating with the tourism industry for the purpose of increasing leisure visitors, and therefore we assigned a 0 value to the item.

Using the questionnaire results and the converted data, we conducted correspondence analyses in order to reveal the features of each company in their industrial tourism. Correspondence analysis maximizes the relations between the column and the row of our cross tabulation table, and presents the features of each company on the map. The result allows us to evaluate which companies tend to attract consumers, and which companies have a policy of collaborating with the tourism industry to increase leisure visitors. Additionally, our study uses cluster analysis of industrial tourism in production areas with the scores from the correspondence analysis to improve the classification of many samples.

Table 3.1 Asahi Breweries' answers on factory tours in Kanagawa prefecture

Annual Visitors	110000 total visitors 1000 foreign visitors
Visitor Type	Main visitors are leisure visitors
Purpose	Public relations Customer acquisitions Coexistence with local community and residents Activities for the environment
Profitability	No
Location Strategy	The latest factory in the metropolitan area The place for customer communication in urban area
Affiliation with Travel Agencies	If taken request
Collaboration Policy on Tourism Industry	No. This activity is just public relations.

Table 3.2 Converted data of Asahi Breweries' answers

Visitor Type	Leisure Visitors	1
	Student or Business Visit	0
Purpose	Company Profit Purpose	1
	CSR or Business Visit Purpose	1
Profitability		0
Location Strategy		1
Affiliation		0
Collaboration Policy		0

Chapter 4 Analyses of industrial tourism in production areas

This chapter presents the current situation of industrial tourism in production areas managed by Japanese consumer goods companies. First, we present an overview of 95 industrial tourism sites. These facilities are factories that operate tours and corporate museums of Japanese companies. Our analyses clarify the differences between the operation policies regarding industrial tourism of each company, and it is believed that the differences are particularly remarkable depending on the types of consumer goods products they produce. Considering the result, we confirm which Japanese companies tend to communicate with customers via industrial tourism located in production areas.

4.1 Correspondence analysis

The map of Figure 4.1 shows the result of our correspondence analysis with 95 responses from industrial tourism sites in production areas. Observing the category score (Table 4.1), it is interpreted that the first axis of the map indicates whether companies attract leisure visitors or not. In addition, it seems that the second axis signifies whether companies collaborate with tourism industry or not. The map shows us the relations between items in the columns and the rows of the cross-tabulation table, and the map indicates what features companies have in their industrial tourism operations.

Firstly, the main visitor types are observed on the map. The facilities on the left side of the map attract leisure visitors. On the contrary, the facilities on the right side show the characteristic of attracting students or business visitors for such purposes as conducting transactions or employee training. In addition, the left-side facilities can be divided into two groups depending on whether they have collaboration policies with the tourism industry or not. As for the purposes of attracting visitors, the Company Profit item is shown in the center of the map. This item implies that most of the companies on the left side tend to operate the facility for their corporate profits by attracting leisure visitors. On the other hand, the CSR or

Business Visit item is slightly off center to the right side, and thus these companies on the right side have mainly CSR or business visit purposes in comparison to the left side companies. Furthermore, the Location Strategy item indicates each company's attachment to the locations of their industrial tourism facility, and this item is located in the center of the map. In addition, this item is far from the Student or Business Visit item. Therefore, it seems that the facilities attracting mainly leisure visitors tend to have attachment to their industrial tourism locations.

Observing the distance between the column item and each company, we could recognize the features of each company's facility. For example, Kirishima Shuzo (yellow-colored) is located near the items of Affiliation with Travel Agencies and Collaboration Policy with the Tourism Industry. Hence, it is considered that this company has a policy of collaborating with the tourism industry to increase leisure visitors. In addition, Kirishima Shuzo has a business perspective in their industrial tourism taking the item of Profitability into account. On the other hand, Toyota Kaikan Museum (yellow-colored) on the right side of the map attracts student or business groups, and it is considered that Toyota does not have a collaboration policy.

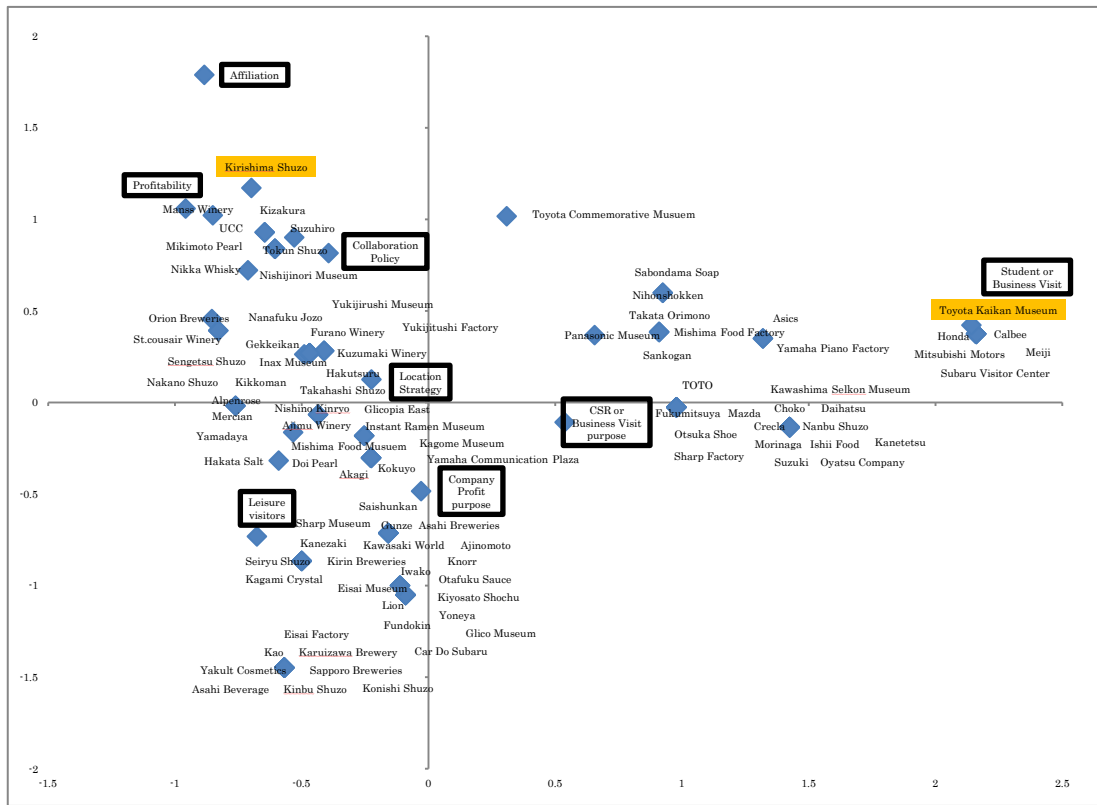


Figure 4.1 Correspondence analysis of industrial tourism in production areas

Table 4.1 Category score of the column in correspondence analysis

Elements of the Column	Axis 1	Axis 2	Axis 3	Axis 4	Axis 5	Axis 6	Axis 7
Leisure Visitor	-0.676	-0.731	-0.031	0.257	-0.196	-0.034	0.544
Student or Business Visit	2.143	0.422	0.072	0.014	0.103	0.534	0.531
Company Profit purpose	-0.028	-0.484	0.111	0.180	0.282	0.540	-0.416
CSR or Business Visit purpose	0.538	-0.108	-0.088	0.068	-0.591	-0.655	-0.279
Profitability	-0.957	1.059	0.849	-1.045	-1.163	0.752	-0.011
Location Strategy	-0.224	0.126	-0.776	-1.121	0.622	-0.252	0.038
Affiliation	-0.884	1.789	-1.819	1.481	-0.182	0.381	-0.047
Collaboration Policy	-0.393	0.816	1.103	0.414	0.779	-0.574	0.057

4.2 Excluded data

This section describes the data that was excluded from our correspondence analysis. This data was related to annual visitors, foreign visitors, type of visitors targeted, and the feedback system in the operating facilities. They were not considered to be suitable for our analysis for several reasons.

First, our cross-tabulation table excluded quantitative data such as the number of visitors. Figure 4.2 shows the annual visitors to industrial tourism sites located in production areas. Among 95 facilities, 91 facilities are presented in this data, because four facilities have no data about its annual visitors. According to this data, some facilities attract over 100,000 people per year, and they can be regarded as advanced cases in terms of the number of visitors. However, it is difficult to evaluate the performance of the industrial tourism sites of each company by only this data. For example, Toyota and Subaru attract many visitors, but their main visitors are not leisure visitors (Figure 4.1). Furthermore, some companies presented a policy of collaborating with tourism industry despite their small capacities. As an example of such a company, the confectionery company Yamadaya in Hiroshima prefecture attracts 5,610 visitors per year. Although this number is less than that of other companies, Yamadaya wants to collaborate with the tourism industry. Considering these companies' data, we considered we should use their qualitative data in order to focus on their corporate policies.

For the same reason, the number of foreign visitors is excluded from our analyses. In our survey, most of companies actually attracted a very small number (less than one thousand) of foreign visitors for the purpose of conducting transactions. As exceptions, Mikimoto Pearl Island and Nikka Whisky attract more foreign visitors than other companies do. Mikimoto Pearl Island attracted 12,329 visitors per year, and the respondent answered that foreign people were their important target. In addition, the Nikka Whisky factory tour in Hokkaido attracted 8,376 visitors per year, who were mainly leisure visitors from Taiwan. Furthermore, Toyota's museums in Aichi prefecture obtained a number of foreign visitors: 33,400 to the Toyota Kaikan Museum and 9,348 to the Toyota Commemorative Museum. Although Toyota attracts

many foreign visitors, these visitors come mainly for business reasons, such as for conducting transactions or employee training.

Figure 4.3 displays the data regarding the type of visitor targeted by each facility, and this data was also excluded from our analyses. In our survey, this data became more unreliable than we had expected. For example, 33 facilities answered “no” to the question about what type of visitor they targeted. Although 48 companies answered their “customers or leisure visitors,” we could not judge whether they had clear targets or not, because the answers of “customers” could have been interpreted as “every customer” or “various customers” in most cases. Considering the obscure nature of this data, we decided not to use it.

Figure 4.4 shows the results of our question about the feedback system in the operation of each facility, and this bar chart was derived from the descriptive answers to this open-ended question. Feedback refers to how companies analyzed the outcome of attracting visitors to their facility or business. The problem of this question was that the respondents did not have a common understanding of “feedback” in our survey. As a result, 58 respondents seemed to consider “feedback” as just understanding the “customers’ voices” obtained from questionnaire surveys of visitors. On the other hand, most facilities did not present a feedback system for their business at all. Only two facilities utilize the outcome for the product development, and twelve facilities reported that they meet within the companies to share information about the outcomes. Considering the uncertain nature of this data, we concluded that it should not be used in our analysis, since there is no standard with which to compare the data from each company.

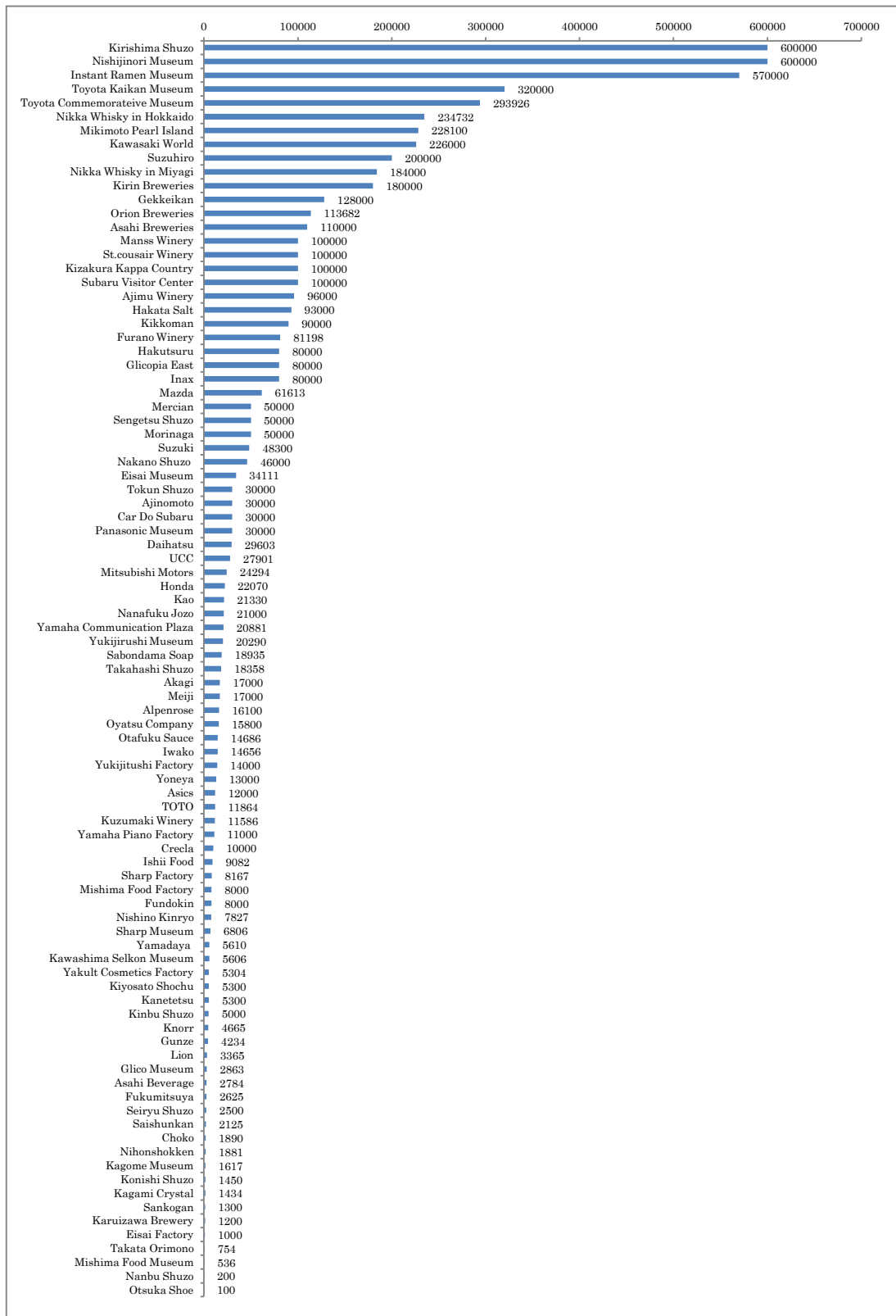


Figure 4.2 Annual visitors of industrial tourism in production areas

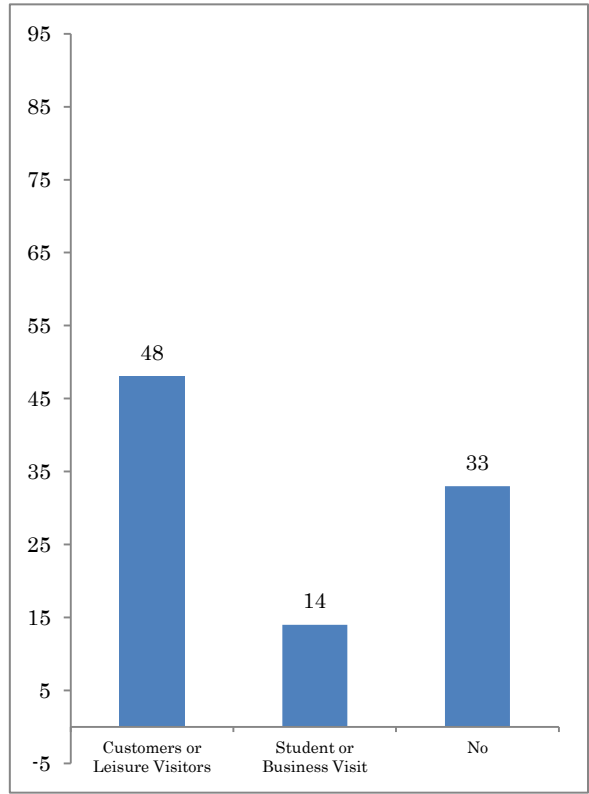


Figure 4.3 Type of visitors targeted of industrial tourism in production areas

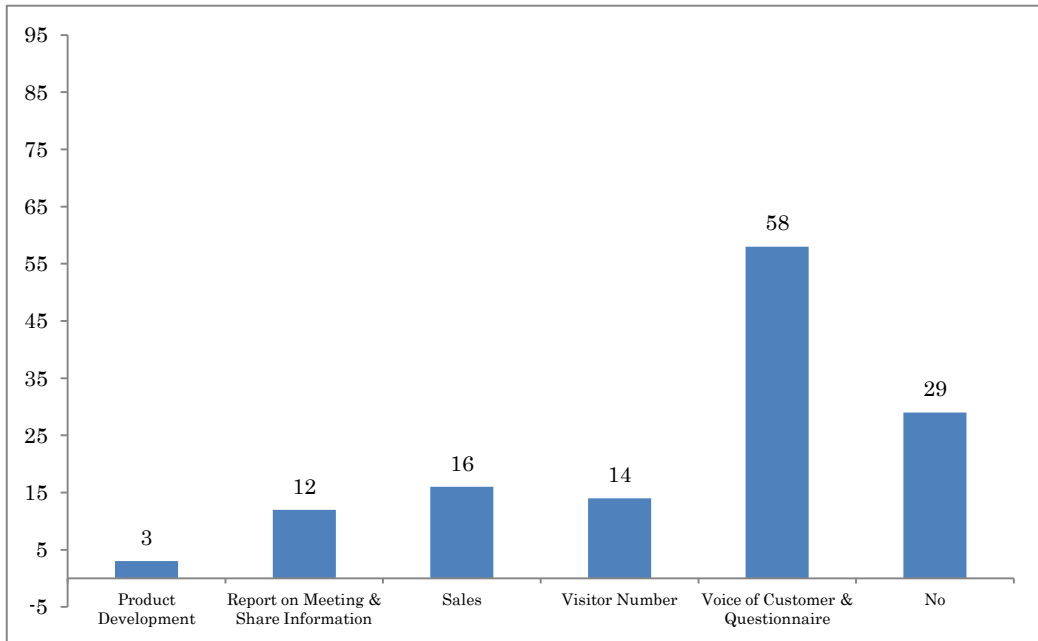


Figure 4.4 Feedback system of industrial tourism in production areas

4.3 Cluster analysis

Our correspondence analysis revealed that some companies had a policy of collaboration with the tourism industry in their industrial tourism sites in production areas, and others had no intention to undertake such activities. In addition, it is important to note that there is a significant difference in their main visitor types: leisure visitors or not.

In order to examine the features of the 95 facilities, we conducted a cluster analysis using the category score of the correspondence analysis. This second analysis classified 95 facilities into four groups according to each feature, using Euclidean distance and the Ward method to average the number of clusters (Figure 4.5; Table 4.2). In accordance with the result, the map of the correspondence analysis was colored following the four clusters (Figure 4.6). In addition, here we prepared Table 4.3 in order to recognize further the features of the four clusters and the Japanese companies included in them. Table 4.3 shows how many facilities are included in each cluster and their answers to each question of our questionnaire surveys.

According to Figure 4.6, Cluster 1 (green-colored) is located near the item of Leisure Visitor and Company Profit, and far from the item of Student or Business Visitor, Affiliation, and Collaboration Policy. Therefore, Cluster 1 is considered to be the facilities that attract leisure visitors for company profit, although they do not intend to collaborate with the tourism industry. Table 4.3 confirms these features in detail. In a similar way, it is observed that Cluster 2 (red-colored) companies intend to collaborate with the tourism industry, and they are actually affiliated with travel agencies. Furthermore, Table 4.3 implies that Cluster 2 companies tend to have attachments to their facility locations in light of their location strategies. Although Cluster 3 (yellow-colored) facilities have corporate policies of collaborating with the tourism industry, their facilities are not affiliated with travel agencies, unlike Cluster 2. In contrast to other clusters, Cluster 4 (blue-colored) facilities mainly attract student groups or business visitors. The main purposes of Cluster 4 facilities are CSR or business visits. Cluster 4 companies need not collaborate with the tourism industry,

because their targets are not leisure visitors from afar. Observing the results of our analyses, here we present the features of the four clusters as follows.

Cluster 1 attracts leisure visitors, but has no intention to collaborate with the tourism industry.

Cluster 2 tend to collaborate with the tourism industry, and is actually affiliated with travel agencies to increase leisure visitors.

Cluster 3 tend to collaborate with the tourism industry but is not currently affiliated.

Cluster 4 attracts student or business visitors and has no collaboration policy because their purposes are social contributions to the local community or business visits.

In addition, our cluster analysis suggested some common features in each cluster. According to Table 4.3, some facilities of Cluster 2 and Cluster 3 tend to check the profitability of their operations. This feature is clearly different from Clusters 1 and 4.

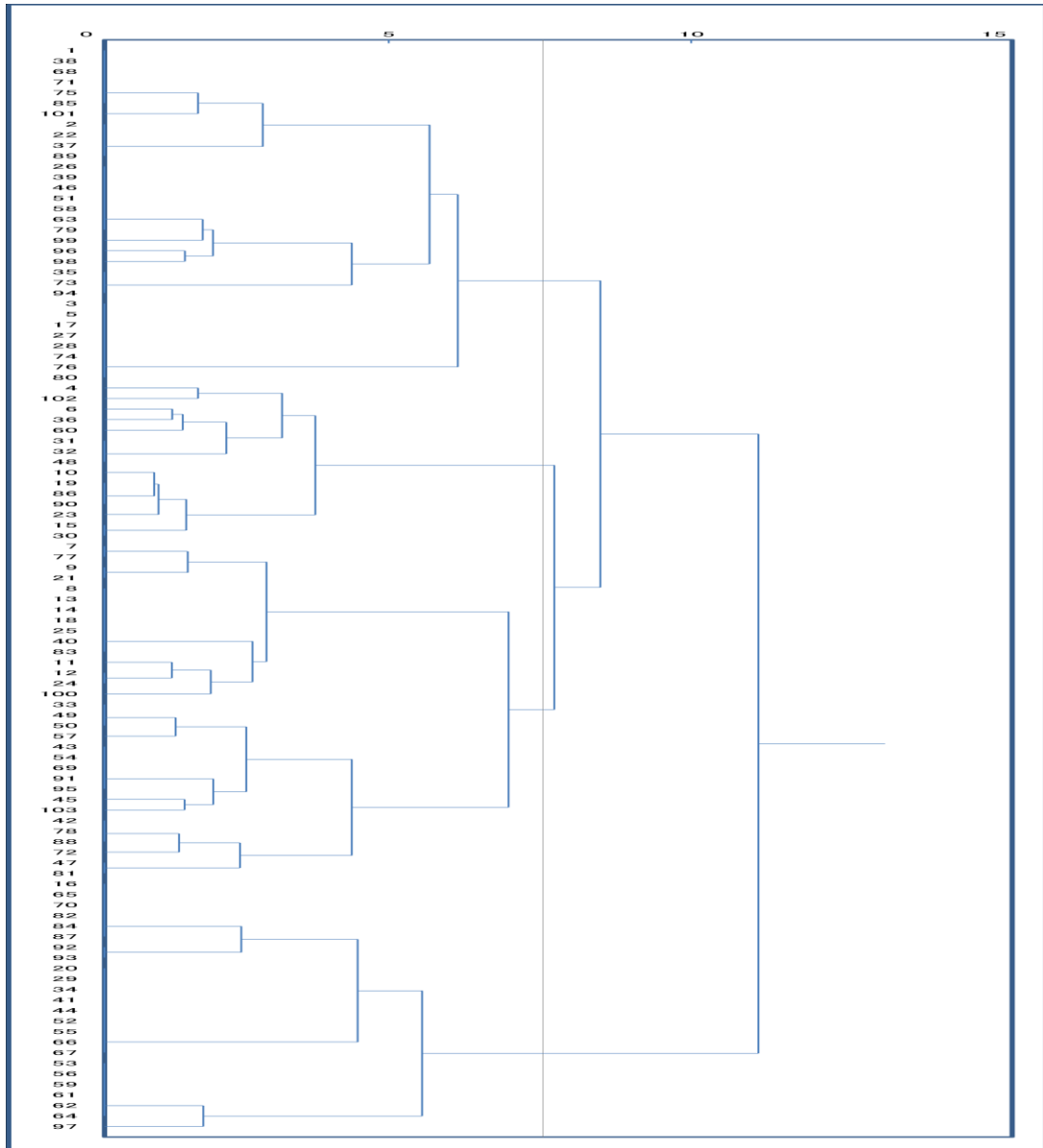


Figure 4.5 Cluster analysis of industrial tourism in production areas

Table 4.2 Cluster analysis of industrial tourism in production areas

Cluster No.	Scale	Axis 1	Axis 2	Axis 3	Axis 4	Axis 5	Axis 6	Axis 7
Cluster 1	32	-0.276	-0.965	-0.193	0.126	-0.096	0.034	0.143
Cluster 2	15	-0.570	0.820	-0.745	0.567	-0.060	0.115	-0.009
Cluster 3	32	-0.217	0.151	0.636	-0.116	0.177	-0.085	0.003
Cluster 4	24	1.519	0.083	-0.146	-0.116	-0.199	0.169	0.108

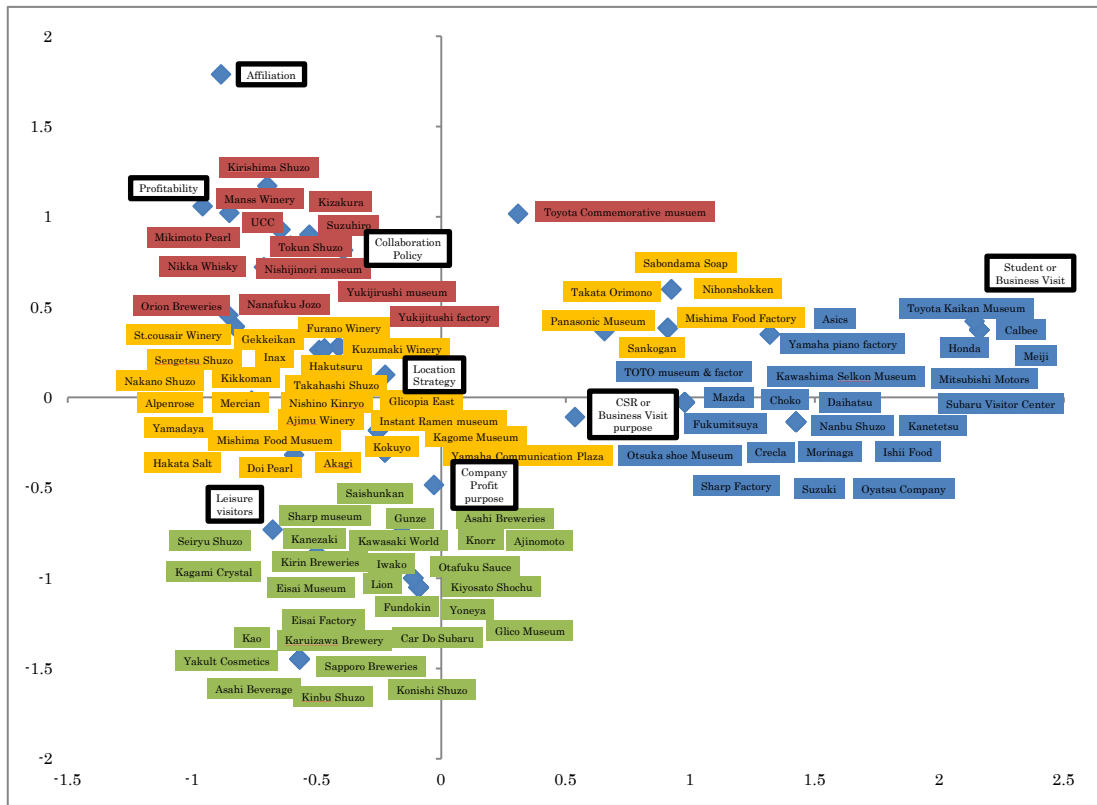


Figure 4.6 Four clusters in the plot of correspondence analysis

Table 4.3 Features of four clusters

	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Number of facilities	28	14	30	23
Leisure Visitors	28	13	24	0
Student or Business Visit	0	1	6	23
Company Profit purpose	25	12	30	15
CSR or Business Visit purpose	16	11	22	23
Profitability	0	7	14	0
Location Strategy	10	11	16	8
Affiliation	0	14	0	0
Collaboration Policy	0	10	26	0

4.4 Uneven distribution of product types

Table 4.4 shows four clusters and the facilities in each cluster. This table implies that Japanese companies are unevenly distributed in each cluster by product types. For example, Cluster 2 companies are mainly food and beverage companies, such as Orion Breweries, Nikka Whisky, Manns Winery, Kizakura, Tokun Shuzo, Kirishima Shuzo, UCC, Yukijirushi Museum and Factory, Suzuhiro, and Nanafuku Jozo.

In order to confirm the distribution of product types in each cluster, we refined the classification of consumer goods in our study. The category of consumer goods has been classified by various researchers. For example, some scholars present the classification schemes featuring consumer behavior and psychology (Copeland, 1927; Kaish, 1967; Vaughn, 1980). Bucklin (1963) classifies consumer goods considering the relations between store types and consumer's behavior. In Otsuki's (2006) classification, the focus is on marketing communications, such as sales systems including real stores and e-commerce in terms of the purchase decision. Although there are various classifications, we considered that the classification methods based on consumer behavior were not suitable for our analysis, because it seemed that consumer behavior is different for each individual. Thus, it would have been difficult to classify our study subjects according to such a vague standard.

Our study adopted a simple classification used in the statistics of the Ministry of Internal Affairs & Communications (MIC) and METI (MIC, 2014; METI, 2006b). In statistics, these ministries divide consumer goods into two types: consumer durables or non-consumer durables. This classification depends on the length of time of consumption. Consumer durables are products that are considered to have a consumption time of over one year. In addition, expensive products are included in consumer durables. In accordance with METI's statistics, consumer durables are automobiles, motorbikes, consumer electronics, furniture, house appliances, musical instruments, luxury goods, and so on. Non-consumer durables are products that have a consumption time of less than one year and are comparatively low in price. Hence, non-consumer durables are comprised of food, beverages, clothes, cosmetics,

medicine, daily necessities, and so on. As shown in Table 4.4, the difference between consumer durables and non-consumer durables greatly affected the results of our analyses. Considering the uneven distribution of product types, we regarded this classification as an appropriate method for our study.

In terms of product types of consumer durables or non-consumer durables, we classified 95 facilities into three types: (i) food and beverage (ii) non-consumer durables, and (iii) consumer durables. In our classification, it should be noted that food and beverage companies are especially distinguished from other non-consumer durables. The reason for this distinction is that food and beverage companies occupy the great majority of our survey subjects. Therefore, we define non-consumer durables as “non-consumer durables except for food and beverages.”

Table 4.5 shows the amounts of these three product types in each cluster. According to this table, food and beverage companies are more prevalent in Cluster 1, Cluster 2, and Cluster 3. Therefore, it is believed that food and beverage companies mainly attract leisure visitors, because Figure 4.6 and Table 4.3 indicate that the companies in these three clusters attract mainly leisure visitors. In addition, Cluster 4 is comprised mostly of industrial tourism sites managed by automobile companies such as the Toyota Kaikan Museum, Mazda Museum, Subaru Visitor Center, Daihatsu Humobility World, Suzuki Museum, Honda Factory, and Mitsubishi Motors Factory. Considering the uneven distribution of these product types, we examine the three product types in the next section.

Table 4.4 Industrial tourism sites in four clusters

Cluster1	Cluster2	Cluster3	Cluster4
<ul style="list-style-type: none"> ● Asahi Breweries ● Kirin Breweries ● Sapporo Breweries ● Karuizawa Brewery ● Konishi Shuzo ● Seiryu Shuzo ● Kiyosato Shochu ● Kinbu Shuzo ● Asahi Beverage ● Otafuku Sauce ● Kanezaki ● Ajinomoto ● Knorr ● Fundokin ● Ezaki Glico ● Yoneya ● Car Do Subaru ● Sharp Museum ● Kawasaki world ● Eisai Museum ● Eisai Factory ● Saishunkan ● Yakult Cosmetics ● Lion ● Kao ● Gunze ● Kagami Crystal ● Iwako 	<ul style="list-style-type: none"> ● Orion Breweries ● Nikka Whisky ● Manns Winery ● Kizakura ● Tokun Shuzo ● Kirishima Shuzo ● UCC ● Yukijirushi Musuem ● Yukijirushi Factory ● Suzuhiro ● Nanafuku Jozo ● Toyota Commemorative Museum ● Nishijinori Museum ● Mikimoto Pearl 	<ul style="list-style-type: none"> ● Mercian Winery ● Kuzumaki Winery ● Ajimu Winery ● Furano Winery ● St.cousair Winery ● Hakutsuru ● Gekkeikan ● Nakano Shuzo ● Nishino Kinryo ● Sengetsu Shuzo ● Takahashi Shuzo ● Instant Ramen Museum ● Kikkoman ● Mishima Foods Factory ● Mishima Foods Museum ● Hakata Salt ● Nihon Shokken ● Kagome ● Glicopia East ● Akagi ● Yamadaya ● Yamaha Communication Plaza ● Panasonic Museum ● Alpenrose ● Sankogan ● Shabondama Sekken ● Inax ● Takada Orimono ● Doi Pearl ● Kokuyo 	<ul style="list-style-type: none"> ● Fukumitsuya ● Nanbu Bijin ● CreCla ● Kanetetsu ● Choko ● Ishii Foods ● Morinaga ● Calbee ● Oyatsu Company ● Meiji ● Toyota Kaikan Museum ● Mitsubishi Motors ● Subaru Visitor Center ● Honda ● Mazda ● Suzuki ● Daihatsu Humobility World ● Sharp factory ● TOTO museum and factory ● Otsuka Shoe ● Kawashima Selkon ● Yamaha Piano Factory ● Asics

Table 4.5 Three product types in four clusters

	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Number of facilities	28	14	30	23
Food & Beverage	16	11	21	10
Non Consumer Durables	8	0	5	2
Consumer Durables	4	3	4	11

4.5 Analysis of the three product types

The results of the multivariate analysis suggest differences between Japanese companies' industrial tourism sites located in production areas. In particular, our cluster analysis shows some features in each product type, such as food and beverage companies in Cluster 2 and automobile companies in Cluster 4. In order to analyze the features in detail, we focus on three product types in this section: food and beverages, consumer durables, and non-consumer durables.

4.5.1 Food and beverages

Among all the 95 facilities located in production areas, 58 facilities in our study are food and beverage companies. They are classified into four product types: foods and seasonings (17 facilities), confectionery (9 facilities), beverages (5 facilities), and alcoholic beverages (27 facilities). In order to examine food and beverage companies, we highlighted these companies of the analysis result in red color (Figure 4.7). This map suggests that food and beverage companies tend to attract leisure visitors, and some of these companies collaborate and are affiliated with the tourism industry. Among the 58 facilities, only 12 facilities attract mainly students or business visitors. In order to recognize the features of food and beverage companies in detail, we introduce some facilities from the four product types: foods and seasonings, confectionery, beverages, and alcoholic beverages.

As an example of food and seasoning companies, we firstly introduce Kikkoman, which produces soy sauce. Kikkoman operates factory tours and a corporate museum in its production area in Chiba prefecture (Figure 4.8). The facility attracted 90,000 visitors in 2013, and they were mainly leisure visitors. According to the respondent of our questionnaire, Kikkoman attracted visitors for the purposes of public relations and customer acquisition via its industrial tourism. Kikkoman has a policy of collaboration with the tourism industry, but is not affiliated with travel agencies at the moment. Their purpose is social contribution to the local community, such as *Food Education* for student groups and the promotion of the region.

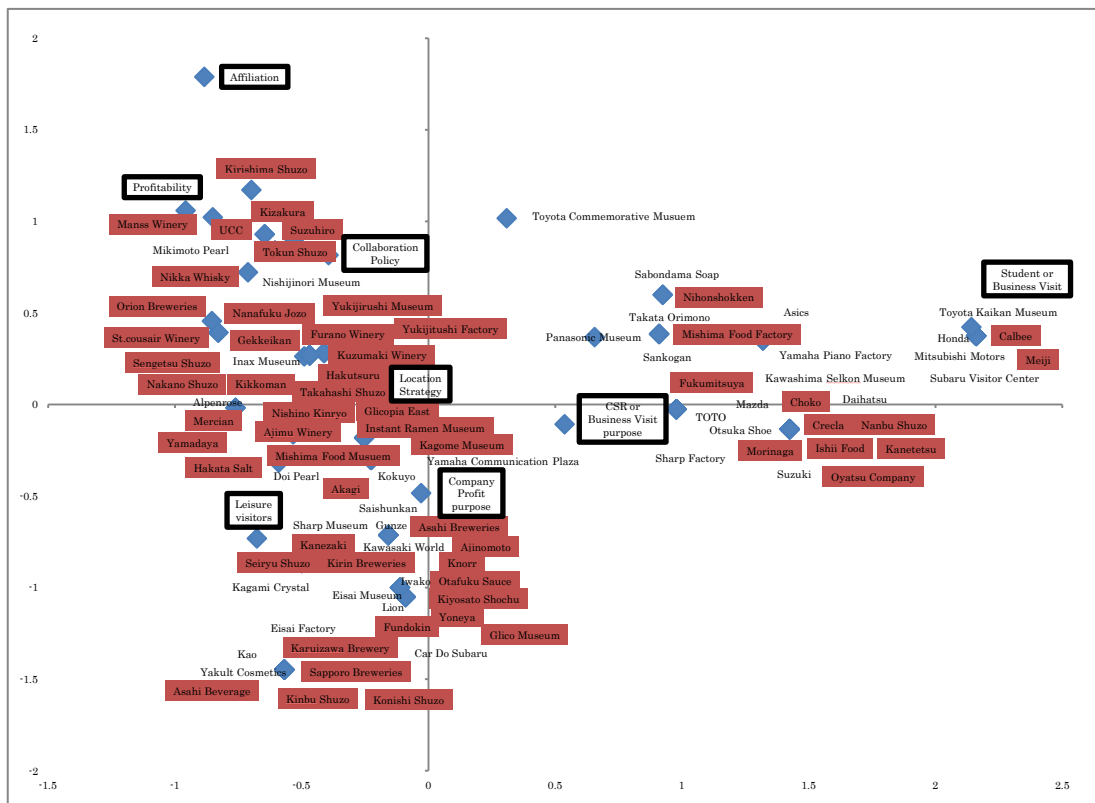


Figure 4.7 Food and beverage companies (red-colored) in the plot of correspondence analysis



Figure 4.8 Kikkoman Factory (Photograph by the author)

According to the respondent, Kikkoman had an attachment to the location where the company was founded. Kikkoman was looking for profitability of the factory tour, although our survey could not reveal the business model in detail. The respondent explained that the business model was under consultation. From these answers, we regard Kikkoman as a company that has a policy of communicating with consumers utilizing industrial tourism.

Secondly, as an example of sweet treats, we introduce Glicopia East in Saitama prefecture. The confectionery maker Glico manages a corporate museum and factory tour in Glicopia East. This facility attracts about 80,000 annual visitors from the Tokyo metropolitan area, and the visitors are mainly leisure visitors who are family groups accompanied by children. The respondent answered that Glicopia East had several operation purposes: advertisement, public relations, *Food Education* and CSR. The respondent answered that Glicopia East played an important role in customer communication in eastern Japan. Glico also operates Glicopia Kobe, which is located in Hyogo prefecture for customers in western Japan. In terms of CSR, Glicopia East has no intention to profit from attracting visitors, and thus Glico has no affiliation with travel agencies.

As an example of a beverage company, we introduce UCC, which mainly sells coffee, and its corporate museum is located in Hyogo prefecture. According to the respondent, UCC operates the museum to improve the corporate image and promote coffee not only for the company's benefit but also for the whole beverage industry. In 2013, this facility attracted 29,901 people who were mainly leisure visitors. Moreover, UCC intend to collaborate with the tourism industry, and is also affiliated with the Japan Tourist Bureau (JTB). Although UCC is considered as the company which has a policy of collaborating with tourism industry, our survey did not reveal UCC's having an attachment to the location of its museum. In addition, UCC considers profitability of the facility operation, but the respondent answered it is difficult to achieve profits in the current situation.

Finally, we introduce the alcoholic beverage company Kirishima Shuzo, producing *Shochu*. Kirishima Shuzo operates the Kirishima Factory Garden in

Miyazaki prefecture, which attracts about 600,000 visitors per year. According to the respondent, the main visitors are leisure visitors. The main purpose of the Kirishima Factory Garden is social contribution to the local community such as returning profits to the society and providing open space for the region. Therefore, Kirishima Shuzo does not charge an admission fee, although they intend to earn profits on products that they offer for sale here. The respondent answered that Kirishima Shuzo was willing to collaborate with the tourism industry and actually be affiliated with travel agencies. Kirishima Shuzo especially wants to attract visitors from Tokyo metropolitan area. The respondent presented Kirishima Shuzo's corporate policy: "the company will develop with the local community." Taking this corporate policy into account, we evaluate Kirishima Shuzo as a company attracting tourists in the region, and it has an attachment to the location.

The above four companies presented the policies of attracting leisure visitors to their industrial tourism sites. Although there are some exceptions, Figure 4.7 shows that most of food and beverage companies relatively have a policy of attracting leisure visitors in production areas.

4.5.2 Consumer durables

In our study, 23 facilities of consumer durables produce automobiles, consumer electronics, furniture, house appliances, musical instruments, and luxury items such as kimonos and pearls. Figure 4.9 shows these consumer durables companies (blue-colored) in the results of the correspondence analysis. In this map, automobile companies presented interesting features of their industrial tourism sites.

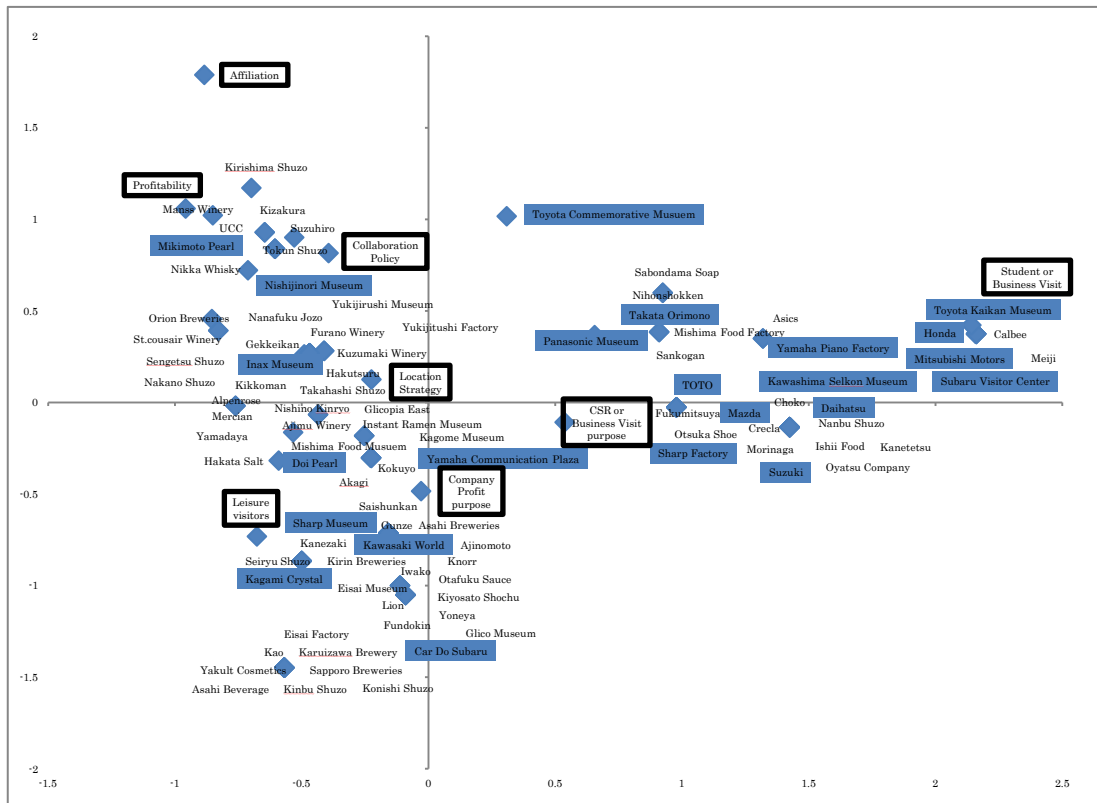


Figure 4.9 Consumer durables companies (blue-colored) in the plot of correspondence analysis

First, we want to introduce the example of the Toyota Kaikan Museum. The Toyota Kaikan museum is located near the headquarters of Toyota in Aichi prefecture (Figure 4.10). This corporate museum shows Toyota’s technology and history, and factory tours are also operated in the same place. According to our survey results, the facility’s primary mission is to contribute to the local community. The number of annual visitors is 320,000, and they are mainly local students who visit for social studies. The respondent answered that they did not want to increase the number of visitors too much, and therefore this facility did not affiliate with travel agencies. Considering the status, it is considered that Toyota operates this facility just for the residents of the local community in Aichi prefecture.



Figure 4.10 Toyota Kaikan Museum (Photograph by the author)

Our analysis implies that other automobile companies have the same status in their industrial tourism sites such as the Daihatsu Humobility World, Honda Factory, Mazda Museum, Mitsubishi Motors, Suzuki Museum, and Subaru Visitor Center. In addition, some consumer durable companies as well as automobile companies operate their industrial tourism sites to attract student groups for social contributions. The Sharp Factory, Yamaha Piano Factory, and TOTO Museum presented these features.

Although some facilities attract leisure visitors, it is noteworthy that most consumer durables companies have no intention to collaborate with the tourism industry. As an exception, Mikimoto Pearl Island, the Nishijinori Museum, the Inax Museum, and the Toyota Commemorative Museum have collaboration policies in their industrial tourism.

4.5.3 Non-consumer durables

In this part, we present 14 industrial tourism sites managed by non-consumer durables companies that produce items such as clothes, shoes, sporting goods, stationery, medicine, cosmetics, and daily necessities. Figure 4.11 shows the results of these product types (green-colored) in the correspondence analysis.

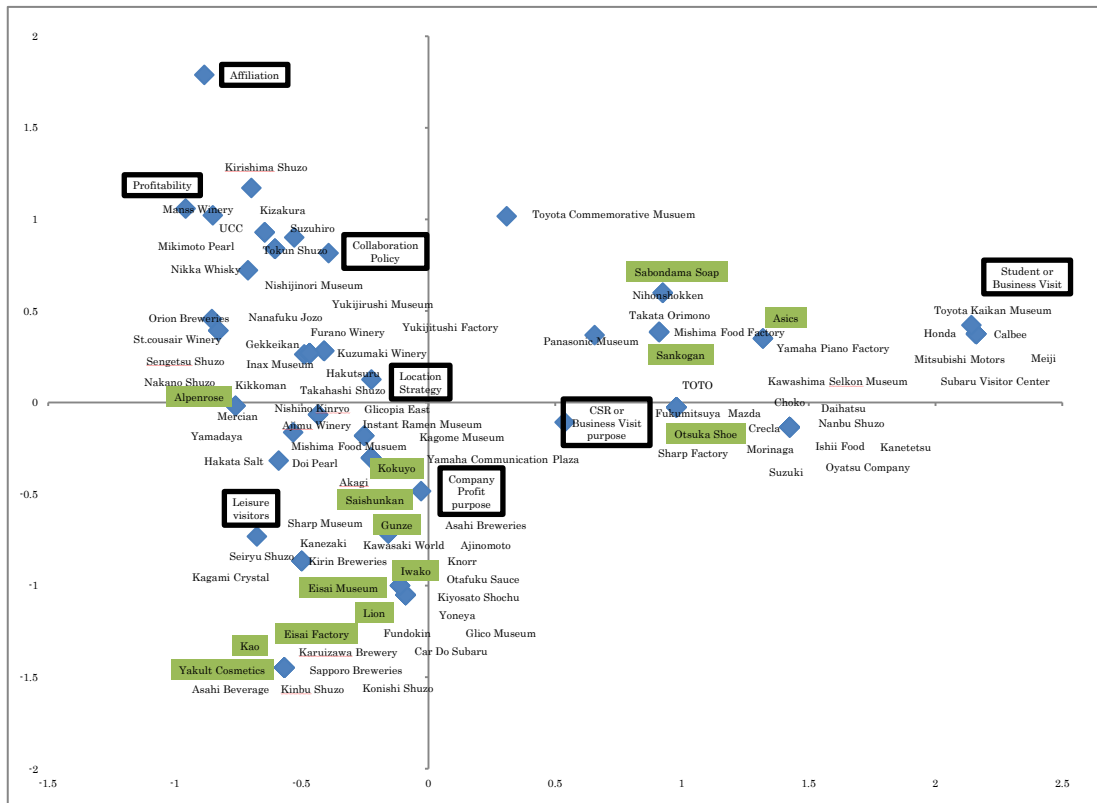


Figure 4.11 Non-consumer durables companies (green-colored) in the plot of correspondence analysis

Our analysis indicates that most non-consumer durables companies do not have a policy of collaborating with the tourism industry in their industrial tourism. In addition, there are no companies attracting over 100,000 people per year in comparison to other product types (see Figure 4.2). Some companies explained their reason for having no collaboration with the tourism industry. For example, the Gunze Museum in Kyoto explained that their types of visitors targeted are different from leisure visitors. Although this museum mainly attracts leisure visitors for corporate branding, Gunze gives priority to communicating with the residents of the local community rather than tourists coming from far away. As another example, the Otsuka Shoe Museum explained that the type of visitors that they target is their business partners, such as retailers (Figure 4.12).



Figure 4.12 Otsuka Shoe Museum (Photograph by the author)

The Asics Sports Museum answered that their target was elementary school students in order to promote sports for young people and contribute to the local community, and thus did not need to collaborate with the tourism industry. In addition, the cosmetics companies Saishunkan and Alpenrose claimed the importance of their corporate brand management. They explained that the type of visitors they target for factory tours are “women” who use cosmetics, and thus these companies do not intend to collaborate with the tourism industry. Considering the current situation of non-consumer durables companies, we interpret that their industrial tourism limits the number of visitors in terms of the types of visitors they target.

4.6 Summary

This chapter explained the current situation of industrial tourism in production areas, focusing on consumer goods companies. Our multivariate analyses revealed the features of these companies in detail. Some companies have a policy of increasing leisure visitors in their industrial tourism, but others do not. This difference was observed in each product type. First, some companies were willing to increase leisure visitors and collaborate with and be affiliated with the tourism industry (e.g., food, beverages, and luxury items). In addition, some of these companies tended to pay attention to the profitability in their industrial tourism sites. On the other hand,

automobile companies mainly attracted student groups, and their purpose was social contribution to the local community. Japanese automobile companies had no collaboration policy on tourism industry in production areas, because the types of visitors they target for industrial tourism were not leisure visitors from afar. Similarly, the companies that attracted business visitors for conducting transactions or employee training had no intention to increase leisure visitors due to the difference of type of visitors targeted. In addition, some companies focused on communicating with their loyal customers as a part of their brand management. These companies did not want to increase leisure visitors, because it was considered that leisure visitors would become unspecified people, namely, non-customers.

The next chapter reveals the current situation of industrial tourism in urban areas, because there are the companies that are inclined to communicating with customers in those areas. This fact was observed in our previous study of Toyota's industrial tourism (Endo & Kurata, 2014). Although Toyota has no collaboration policy with the tourism industry in production areas, it operates a corporate museum and showrooms in an urban area, Tokyo. This previous study suggests that Toyota attracts more visitors to urban areas than to the production areas. Considering the current situation of Toyota's industrial tourism, it is interpreted that industrial tourism in urban districts may be more applicable to customer communications in terms of the large number of visitors. Our study additionally examines the variation of industrial tourism in the next chapter.

Chapter 5 Analyses of industrial tourism in urban areas

This chapter analyzes industrial tourism sites located in urban areas. Our study covers Tokyo, the capital of Japan, and the three neighboring prefectures—Kanagawa, Saitama, and Chiba. Chapter 4 suggested that some Japanese companies had a policy of collaborating with the tourism industry to increase leisure visitors to their industrial tourism sites in production areas. In particular, automobile companies were examples of these non-tourism-oriented companies. Considering the results, we developed the hypothesis that these companies do not consider their production areas as important locations for customer communications. Furthermore, it was suspected that these companies would rather select urban areas for industrial tourism than production areas, because urban areas are appropriate for attracting many visitors. In order to confirm our hypotheses, we examined industrial tourism in urban areas.

5.1 Showrooms and museums in urban areas

In order to clarify the current situation of industrial tourism in urban areas, we conducted questionnaire surveys in the same way that we did in production areas. Our survey subjects are corporate showrooms and museums in urban areas, which are operated by Japanese companies that deal with consumer goods. We obtained 19 valid responses. These facilities are operated by companies that deal in several types of products, such as automobiles, consumer electronics, home constructions, foods, beverages, medicine, baggage, and stationary. Note that these survey subjects include the corporate showroom Car Do Subaru in Tokyo, which is also included in the survey subjects of production areas in Chapter 4. Although Car Do Subaru is located near its factory, we regard this facility as an urban area study subject considering its location in Mitaka, Tokyo. In addition, we focus on the corporate activities of Japanese automobile companies, which presented remarkable features, as explained in Chapter 4.

Figure 5.1 presents the annual number of visitors to each facility. It should be noted that this bar chart does not include the data of five facilities: Sony Explore

Science, Canon showrooms, Fuji Film Square, Pilot Museum, and Bridgestone Today. These companies either keep the number of visitors secret or simply do not count it. Figure 5.2 and Table 5.1 show the results of our correspondence analysis. In this analysis, it must be noted that the item of Profitability is excluded from our cross-tabulation table because most companies, except for the Cup Noodle Museum, do not intend to make a profit from their facility operations.

As shown in Figure 5.1, some facilities attract a large number of visitors (e.g., over 1 million people per year). Furthermore, most facilities are located on the left side of the map in Figure 5.2, and thus it is interpreted that these companies mainly attract leisure visitors. On the other hand, some facilities on the right side attract student groups or business visitors. In the next section, we discuss both tourism-oriented and non-tourism-oriented companies regarding their industrial tourism in urban areas.

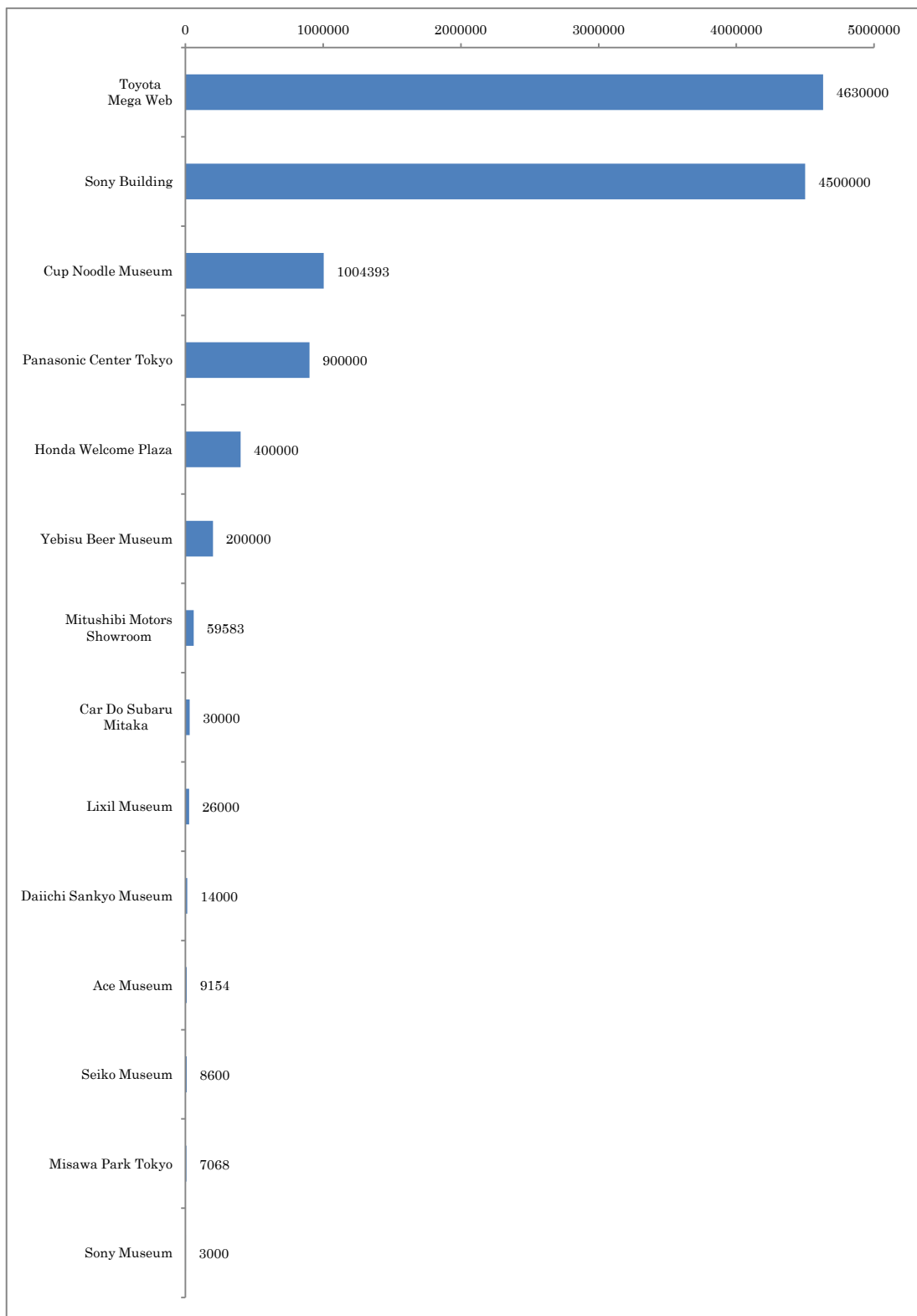


Figure 5.1 Annual visitors of industrial tourism in urban areas

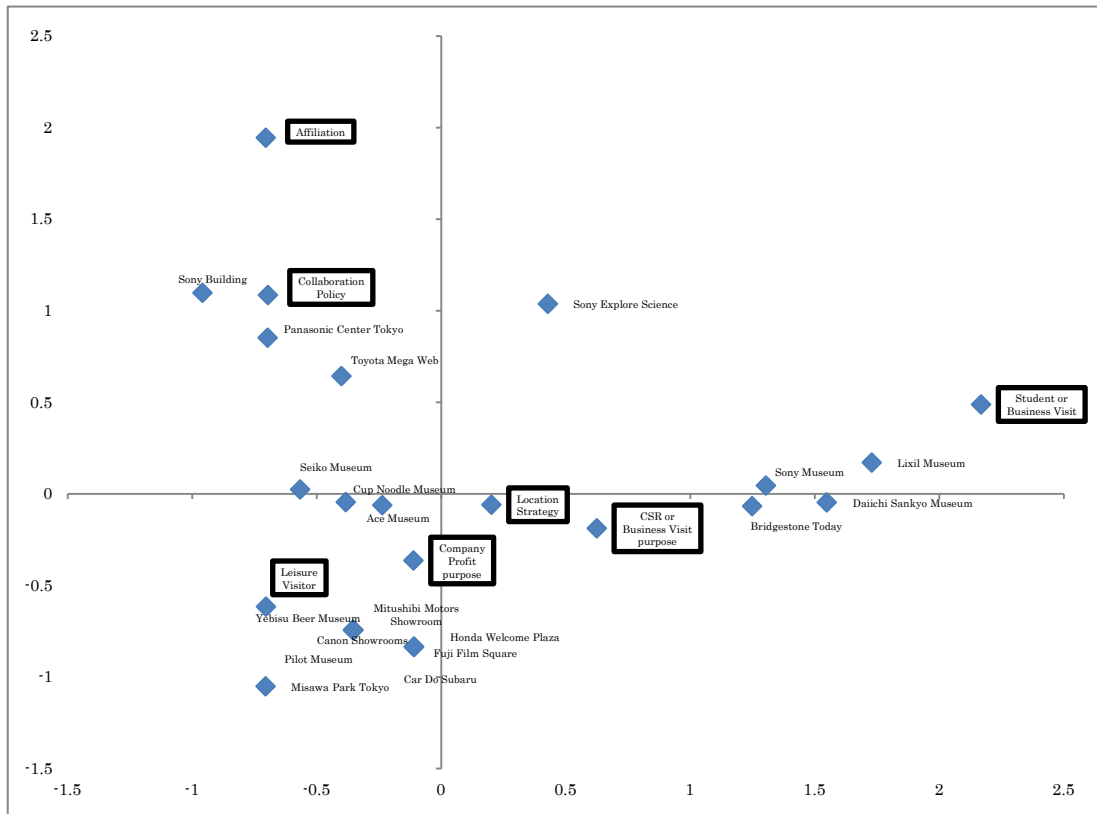


Figure 5.2 Correspondence analysis of industrial tourism in urban areas

Table 5.1 Category score of the column

Elements of the Column	Axis 1	Axis 2	Axis 3	Axis 4	Axis 5	Axis 6
Leisure Visitor	-0.703	-0.617	0.046	0.160	0.024	0.404
Student or Business Visit	2.168	0.487	-0.282	0.433	-0.519	0.383
Company Profit purpose	-0.111	-0.365	-0.025	0.377	-0.310	-0.332
CSR or Business Visit purpose	0.625	-0.189	1.188	-0.366	0.467	-0.081
Location Strategy	0.202	-0.060	-1.056	-0.491	0.422	-0.081
Affiliation	-0.704	1.944	0.062	1.028	0.784	-0.012
Collaboration Policy	-0.695	1.085	0.253	-0.822	-0.720	0.034

5.1.1 Tourism-oriented facilities in urban areas

The results of our analysis suggested that some companies had a policy of collaborating with the tourism industry: the Cup Noodle Museum, the Seiko Museum, and the Ace Museum. Furthermore, Panasonic Center Tokyo, Sony Building, Sony Explore Science, and Toyota Mega Web were actually affiliated with travel agencies, although Sony Explore Science did not mainly attract leisure visitors. Among these companies, we introduce three showrooms—Panasonic Center Tokyo, Sony Building, and Toyota Mega Web—as tourism-oriented facilities in urban areas.

Panasonic Center Tokyo is the corporate showroom of the consumer electronics company, Panasonic. The respondent answered that Panasonic operated this showroom for corporate branding and customer communications. Panasonic Center attracted about 900,000 visitors in 2013, and they were mainly leisure visitors. According to the respondent, Panasonic intends to increase the number of visitors to this showroom and has a corporate policy of collaborating with and establishing an affiliation with the tourism industry. The respondent stated that Tokyo was the entrance to Japan, and thus the Panasonic Center played an important role in advertising of Panasonic in the global market.

Sony is a Japanese conglomerate that has branches all over the world and is developing various businesses, including finance, music, movies, and industrial goods, as well as consumer products. Sony's showroom, Sony Building, is located in Ginza district in Tokyo. Ginza is a famous and high-class area. This showroom attracts over four million people per year, and the main visitors are leisure visitors. According to the respondent, this facility is affiliated with travel agencies and collaborates with the Tokyo Convention & Visitors Bureau. The purposes of operating Sony Building are corporate branding and advertising of Sony's products, which are mainly consumer electronics.

The automobile company Toyota operates its showroom, Mega Web, in Tokyo (Figure 5.3). Mega Web attracted 4,630,000 people in 2012. The respondents, Amlux Toyota and Toyota Enterprise, are subsidiary companies of Toyota, and they manage Mega Web. According to the respondents, their main visitors are leisure visitors and

Toyota's customers who are especially interested in new products. Toyota manages this showroom for the purpose of customer acquisition, test marketing, and advertising Toyota in the global market. The types of visitors that they target are young people and foreign people who will purchase automobiles in the future. Among all the visitors to Mega Web in 2012, 30% were leisure visitors from abroad. In addition, Mega Web intends to collaborate with and establishing an affiliation with the tourism industry in order to increase more visitors.

Considering the current situations of Panasonic, Sony, and Toyota, it seems that these three companies want to attract leisure visitors to their showrooms in Tokyo and to communicating with customers via industrial tourism in urban areas. In production areas, Toyota does not attract leisure visitors or to collaborating with the tourism industry via its factory tour and corporate museum. Similarly, Panasonic mainly attracted its own employees to the corporate museum, and does not have a collaboration policy in production areas. In Sony's case, the company does not manage industrial tourism sites in production areas, although Sony does very rarely operate factory tours for a limited number of people (Sony, 2013).

Taking these industrial tourism operations into account, it was interpreted that these companies selected urban areas rather than production areas as their locations for customer communication. Before conducting our survey, it was expected that some companies would regard urban areas as an appropriate location for industrial tourism sites. The survey results of Panasonic, Sony, and Toyota confirmed our hypothesis to some extent. However, our analysis revealed that several facilities had no intention to increase leisure visitors even in urban areas. It should be noted that these non-tourism-oriented companies have specific policies regarding their industrial tourism, and the activities of these companies are discussed below.



Figure 5.3 Toyota Mega Web (Photograph by the author)

5.1.2 Non-tourism-oriented facilities in urban areas

Our analysis implies that some companies do not want to increase leisure visitors to their industrial tourism sites in urban areas. According to our survey results, this appears to be due to the difference of type of visitors targeted.

The Daiichi Sankyo Museum is an example. Daiichi Sankyo is a pharmaceutical company, and its museum is located near the headquarters in Tokyo. The questionnaire response indicated that this facility attracted 14,000 visitors in 2013, and their main visitors were student groups on school excursions. The respondent presented three purposes of the museum operation: education about medicine, social contribution to the society, and advertising Daiichi Sankyo. The Daiichi Sankyo Museum does not intend to increase leisure visitors or to collaborate with the tourism industry because they aim to attract student groups.

Bridgestone Today (the museum of Bridgestone), the Lixil Museum, and the Sony Museum were managed for business visits for the purpose of conducting transactions or employee training. Similar to the Daiichi Sankyo Museum, these facilities had no collaboration policy for increasing the number of visitors that they target. These facilities are located on the right side of the map in Figure 5.2.

In addition, some showrooms of non-tourism-oriented facilities presented features that contrast with those of tourism-oriented showrooms like Toyota Mega

Web. In Figure 5.2, these showrooms are located on the bottom of the map. They are, for example, Canon showrooms, Car Do Subaru, Fuji Film Square, Honda Welcome Plaza, Mitsubishi Motors showroom, and Misawa Park Tokyo (a home building showroom). Our questionnaire results imply that these companies emphasize customer communications via their showroom operations. Here we introduce Canon's showrooms and Subaru's showroom.

Canon showrooms exhibit consumer electronics such as photo cameras, video cameras, and printing machines. Canon operates two showrooms in Tokyo (Figure 5.4). These two showrooms attract Canon's customers who are interested in new products and want to use the repair service. The respondent clearly stated that Canon operated the showrooms just for customer communications, and thus does not intend to increase leisure visitors.

Car Do Subaru is the car manufacturer Subaru's showroom in Mitaka, Tokyo (Figure 5.5). Fuji Heavy Industries (FHI) produces Subaru's automobiles, and the showroom is located near FHI's company office in Mitaka. This showroom has an exhibition space for Subaru's automobiles and a museum space for the sports car brand Impreza. Although these features were similar to those of Toyota Mega Web, Car Do Subaru presented a different policy regarding the showroom management. According to our interview survey, this showroom was operated just for customer communications in the region. The main visitors were Subaru's customers who were going to purchase a new automobile or who wanted to use the repair service. Therefore, Subaru did not expect to increase leisure visitors or to collaborate with the tourism industry. The management of Car Do Subaru is similar to Canon's showroom management.



Figure 5.4 Canon's showroom in Shinagawa (Photograph by the author)



Figure 5.5 Car Do Subaru (Photograph by the author)

Our analysis suggests that most companies mainly attract leisure visitors or customers to their industrial tourism sites in urban areas (Figure 5.2). However, it should be noted that there are both tourism-oriented and non-tourism-oriented facilities. Non-tourism-oriented facilities focus on a particular type of visitor, and thus they do not intend to increase leisure visitors. Prior to conducting our surveys, we had expected that automobile companies would have a policy of increasing leisure visitors in urban areas rather than production areas. Although our analysis confirmed that Toyota had such a feature, the hypothesis was not applicable to the cases of

Subaru, Honda, or Mitsubishi. Considering the results, it was suspected that their corporate strategies on showroom management were related to the development of industrial tourism.

5.2 Industrial tourism of non-consumer goods companies

This section focuses on industrial tourism managed by non-consumer goods companies in urban areas. In the previous section, our analysis indicated the relation between corporate policies and industrial tourism. In the cases of consumer goods companies, it was interpreted that their purposes and the types of visitors they attract were closely related to their industrial tourism management. In particular, our analyses suggested that the corporate policies depended on whether they wanted to communicate with their customers at each industrial tourism site. Considering the feature of industrial tourism, we conducted questionnaire surveys with non-consumer goods companies in order to confirm their corporate policies. For non-consumer goods companies, it is not believed that leisure visitors who visit industrial tourism sites are their customers. Therefore, it was expected that they had a policy of collaborating with the tourism industry because of their types of visitors that they attract.

Our study regards industrial goods companies as non-consumer goods companies since their business to business (B2B) transactions are not related to general consumers. In addition, we regarded energy companies as our survey subjects because they were not included in our classification of consumer goods. Here we present our survey results and analysis of industrial tourism managed by non-consumer goods companies. Eventually, four companies cooperated with our survey: Mitsubishi Heavy Industries (MHI), Toyo Seikan, Hino Motors, and Tokyo Gas. MHI is an industrial goods company that operates various businesses in the following industries: industrial machines, energy, the environment, transportation, and the space industry (MHI, 2014). We obtained valid responses from MHI's two industrial tourism sites: the showroom M's Square located near their headquarters in Tokyo, and MHI Museum in Kanagawa prefecture. Toyo Seikan is a container maker

(Toyo Seikan, 2014), and operates Toyo Seikan Museum near their headquarters in Tokyo. Although Hino Motors is an automobile company, our study regards this company as an industrial goods company, because their products are mainly transportation vehicles for B2B (Hino Motors, 2014). Hino Motors operates its corporate museum Hino Auto Plaza in Tokyo. Tokyo Gas is a company that deals with gas energy and operates three industrial tourism sites in Tokyo: the Tokyo Gas Museum, Tokyo Gas Science Museum, and Tokyo Gas Showroom.

Figures 5.6 and 5.7 indicate the current situation of these industrial tourism sites. According to Figure 5.6, the Tokyo Gas Science Museum, Tokyo Gas Showroom, and MHI Museum attract a large number of visitors—over 100,000 people per year. However, this number is small compared to the advanced cases of consumer goods companies, such as Toyota Mega Web and Sony Building (see Figure 5.1). Figure 5.7 suggests the result of our correspondence analysis that includes the industrial tourism sites of the consumer goods companies presented in the previous section and the non-consumer goods companies. In this map, the green-colored facilities are the industrial tourism sites managed by non-consumer goods companies. The comparison reveals that the non-consumer goods companies in our survey do not intend to collaborate with the tourism industry.

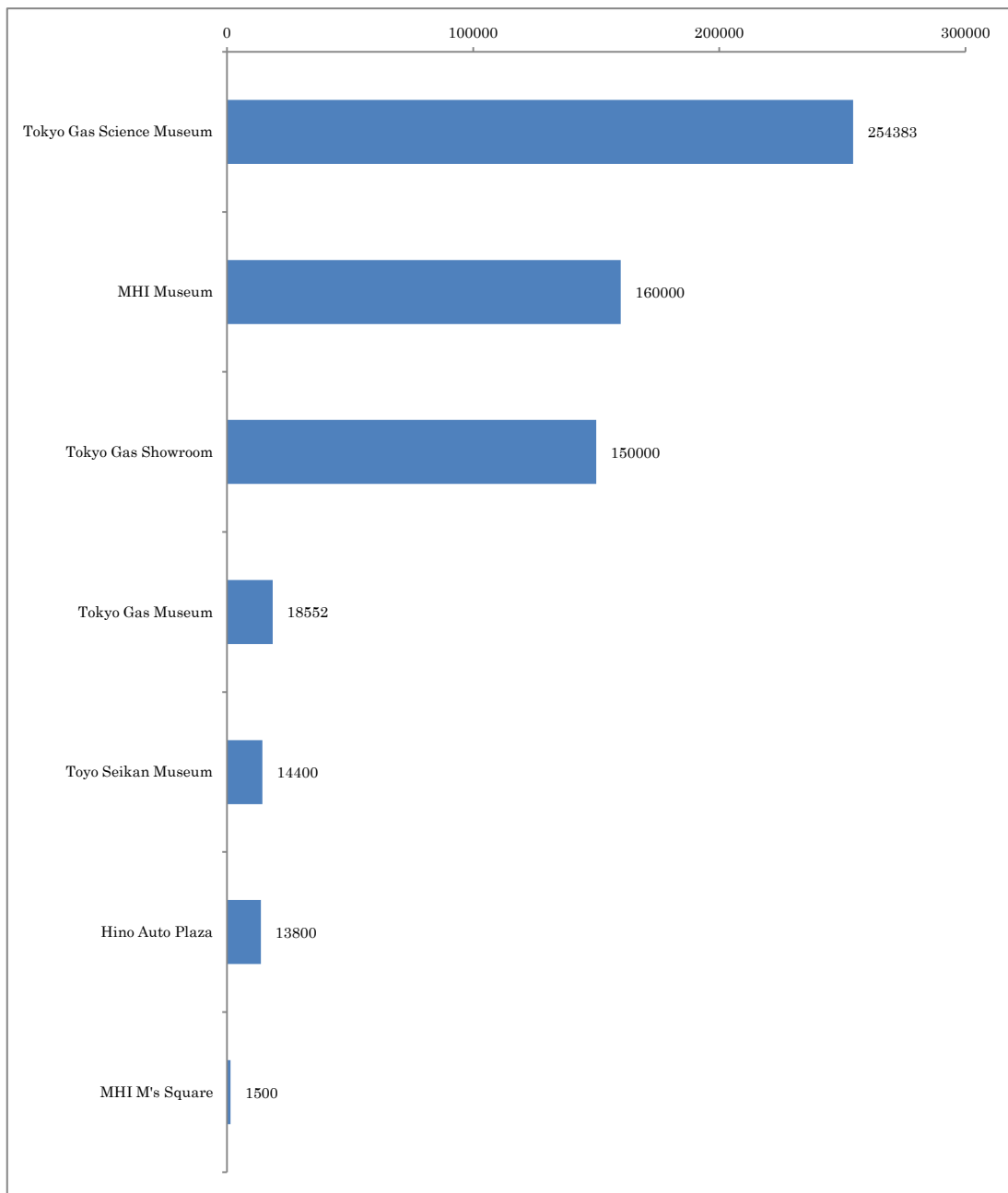


Figure 5.6 Annual visitors of industrial tourism of non-consumer goods companies

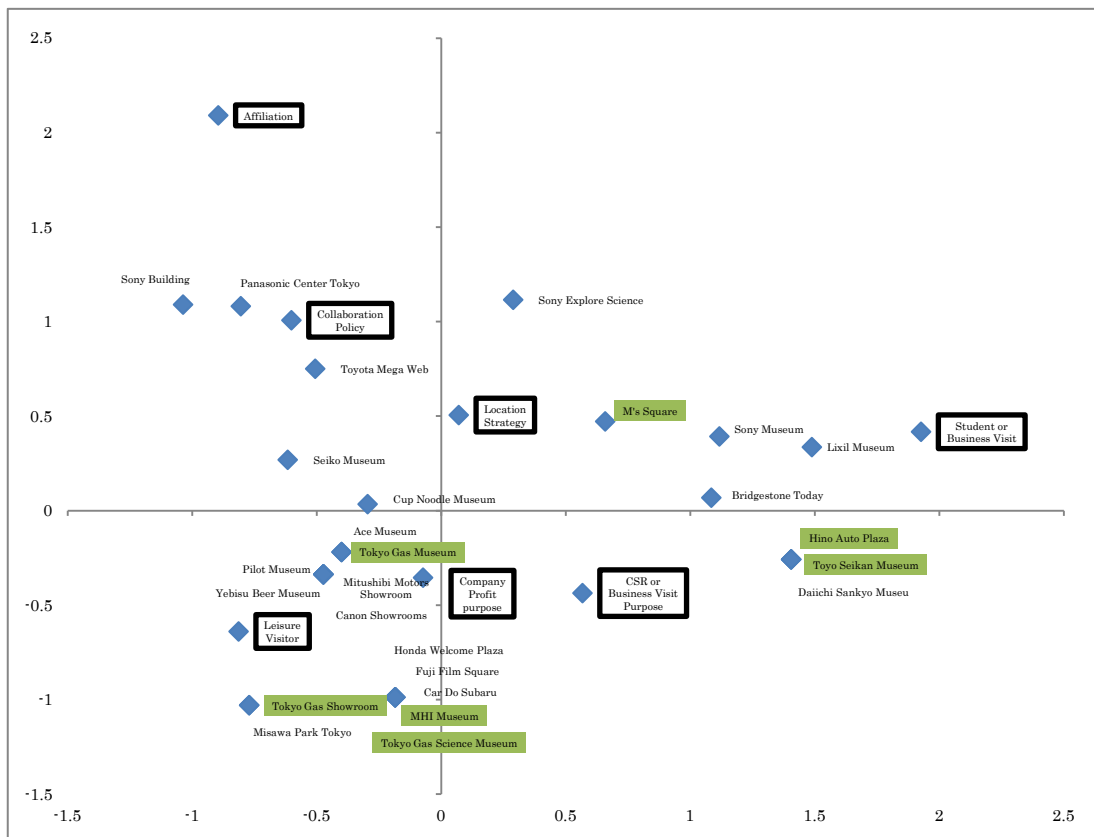


Figure 5.7 Non-consumer goods companies (green-colored) in the plot of correspondence analysis

The respondent from Toyo Seikan Museum (Figure 5.8) stated that the purpose of the museum operation was social contribution to the local community in terms of CSR. Toyo Seikan especially focuses on communication with the residents in their community residents through this museum. The museum and Toyo Seikan's headquarters are located in Shinagawa Ward, Tokyo. According to the respondent, Shinagawa Ward is a mixed district of company offices and residential buildings, and thus companies should consider the relations with the local community. Although the museum visitors are mainly local residents, Toyo Seikan's business partners often visit the industrial tourism sites when conducting their transaction. Toyo Seikan does not intend to increase leisure visitors because of the difference of type of visitors targeted.



Figure 5.8 Toyo Seikan Museum (Photograph by the author)

Similar to the Toyo Seikan Museum, several facilities— such as Tokyo Gas Museum, Tokyo Gas Science Museum, and Hino Auto Plaza—stated that the purpose of operating their industrial tourism site is communicating with the local community in terms of CSR. The respondent from Hino Auto Plaza stated that they did not want to increase visitors because it was likely that many visitors might make trouble for the facility, such as damaging exhibitions. According to MHI’s answer, the MHI Museum mainly attracts families and school groups on excursions, and the purpose is to cooperate with social studies of school. Moreover, M’s Square mainly attracts business partners for transactions with MHI. Although the Tokyo Gas Showroom attracts general consumers who use gas energy in their daily lives, Tokyo Gas operates this showroom just for new contracts. Hence, Tokyo Gas does not have a collaboration policy regarding tourism industry.

Our analysis suggests that non-consumer goods companies do not want to increasing leisure visitors coming from afar because of the types of visitors they attracts and the purposes of their industrial tourism operations. We believe that this status is applicable to other non-consumer goods companies in Japan. For example, Nippon Steel & Sumitomo Metal Corporation manages factory tours in Chiba prefecture, but they are not affiliated with travel agencies (Nippon Steel & Sumitomo

Metal Corporation, 2014). In addition, JX Nippon Oil & Energy Corporation operates factory tours in Kanagawa prefecture for business visits, school excursions, and the community residents (JX Nippon Oil & Energy Corporation, 2014). For non-consumer goods companies, it seems that their industrial tourism sites are communication platforms for local residents or business partners.

5.3 Comparison of three types of facilities

Our study examined three types of industrial tourism sites: showrooms, museums, and factory tours. Our analyses suggest that their facility operations depend on the differences in their corporate policies regarding industrial tourism. For example, Daiichi Sankyo Museum mainly attracts student groups in terms of CSR. On the other hand, the Yebisu Beer Museum attracts leisure visitors in order to make a profit (Figure 5.2). In addition, the Lixil Museum attracts business visitors for employee training according to our questionnaire result. Although these museums are the same facility type (corporate museums), their purposes and the types of visitors they attract are clearly different. In this section, we focus on the three types of industrial tourism facilities managed by consumer goods companies, and discuss the relation between their corporate policies and industrial tourism management.

In order to compare the corporate policies regarding industrial tourism of the three facility types, we conducted a correspondence analysis of industrial tourism sites located in urban areas: Tokyo, Kanagawa, Saitama, and Chiba. The total number of samples is 45, which are comprised of 21 samples of showrooms and museums, and 24 samples of factories that conduct tours. Among the 45, factories that conduct tours and some facilities are also included in our analysis of industrial tourism sites in productive areas presented in Chapter 4. Figure 5.9 shows the results of our analysis. In order to compare these facilities, we used three different colors: red-colored facilities are corporate showrooms, green-colored facilities are corporate museums, and blue-colored facilities are factories that conduct tours.

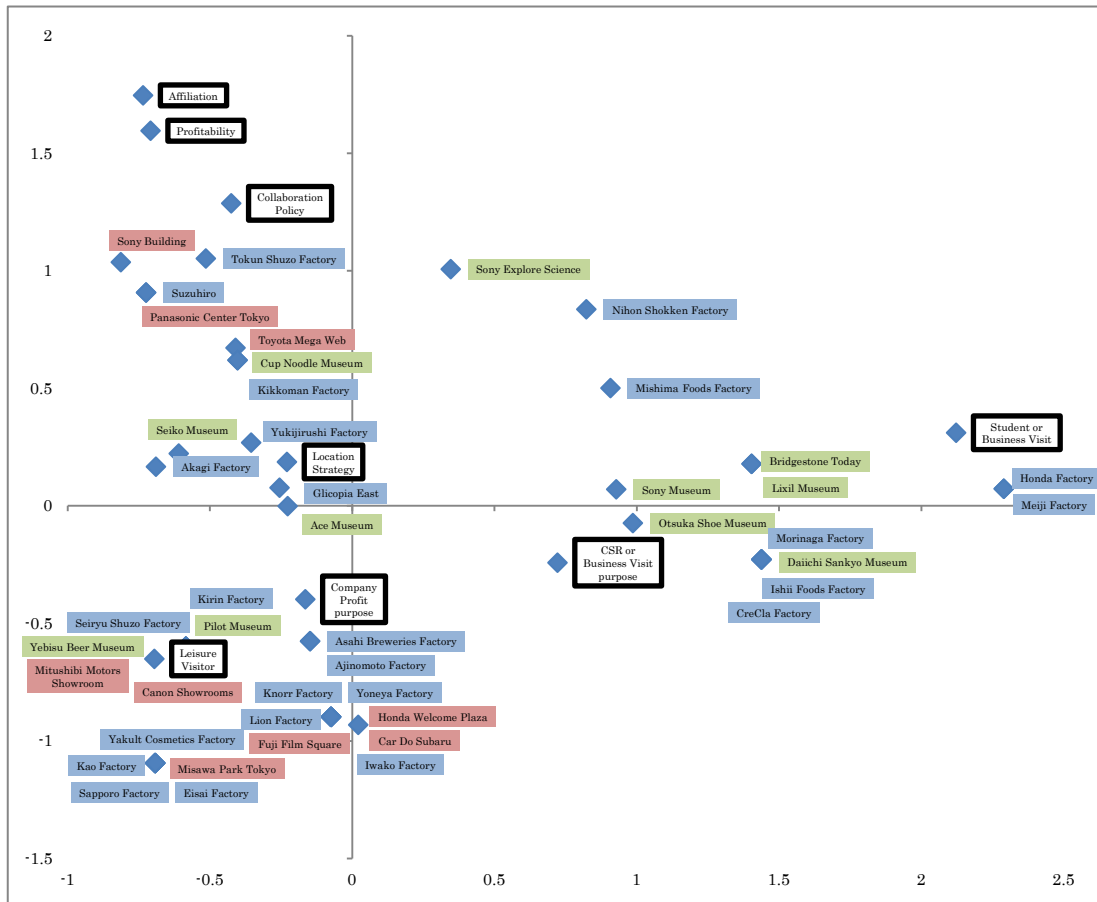


Figure 5.9 Three facility types: showrooms (red-colored), museums (green-colored), factory tours (blue-colored) in the plot of correspondence analysis

This map shows the features of each facility type. Showrooms mainly attract leisure visitors, and they are divided into two kinds depending on their willingness to collaborate with the tourism industry. On the other hand, corporate museums and factories that conduct tours show the diversity of corporate policies on their industrial tourism. The Seiko museum, the Cup Noodle museum, and Sony Explore Science intend to collaborate with the tourism industry to increase leisure visitors. However, Bridgestone, Daiichi Sankyo, Lixil, an Otsuka Shoe operate their corporate museums for CSR or business visits, and have no intention to increase leisure visitors. Similarly, some factories that conduct tours, such as Honda and Meiji, have no collaboration policy with the tourism industry for attracting the types of visitors that

they target. On the other hand, Suzuhiro, Tokun Shuzo, Yukijirushi, Glico, and Kikkoman are willing to increase leisure visitors to their factory tours.

Considering the above data, it is interpreted that the differences in the features of industrial tourism sites are beyond the difference in the types of their facilities. For example, Suzuhiro and Tokun Shuzo's factory tours are similar to such showrooms as Panasonic Center, Sony Building, and Toyota Mega Web. These facilities are actually affiliated with travel agencies in order to increase leisure visitors and to communicate with their customers. In addition, the Daiichi Sankyo Museum has the same operation features as Honda and Meiji's factory tours. These facilities attract student groups for the purpose of social contributions to the local community. Moreover, the Yebisu Beer Museum is similar to the showrooms of Canon, Mitsubishi Motors, and Subaru. These facilities' targets are their customers and product users in urban areas rather than a large number of leisure visitors. As a result, our analysis suggests that the corporate strategies of each company affect their industrial tourism management regardless of their facility types.

5.4 Summary

Prior to conducting our surveys, we expected that urban areas were more suitable for industrial tourism than production areas because of the advantages of population and location. This hypothesis was applicable to some companies such as Panasonic, Sony and Toyota. These companies attract many visitors to their showrooms and emphasize customer communications in urban areas. On the other hand, some industrial tourism sites have no collaboration policy with the tourism industry. Considering their corporate policies, it was inferred that their purposes and the types of visitors they attract are related to the corporate decisions regarding whether the companies want to communicate with their customers via industrial tourism or not. In addition, we also analyzed industrial tourism managed by non-consumer goods companies, taking the relations between companies and customers into account. The results show that non-consumer goods companies do not intend to collaborate with the tourism industry because their targets are not general consumers such as community residents or

business visitors. Furthermore, we analyzed three facility types (showrooms, museums, and factories that conduct tours) in order to compare their management policies on industrial tourism. Our analyses suggest that some facilities present the same status without regard to their locations and facility types. Our analyses suggest that the differences in the companies' policies regarding industrial tourism led to the variations in the features of their industrial tourism sites. In the next chapter, we examine those variations using marketing theories.

Chapter 6 Marketing theories of industrial tourism

Chapters 4 and 5 revealed the current situation of the industrial tourism of consumer goods companies and some non-consumer goods companies in Japan. Some companies have policies of collaboration with the tourism industry, but others do not. In addition, our analyses suggested that the difference between the main types of visitors to each facility is a distinctive feature in the industrial tourism variations. Considering the current status, it was interpreted that their *marketing* strategies affected each company's management of its industrial tourism sites. In this chapter, we examine the variations in industrial tourism in terms of marketing theories.

6.1 Definition of marketing

Ishii et al. (2004) define marketing as “the realization of companies' creation and management of the relationships with customers through various corporate activities.” Our survey suggests that most of the companies managed their industrial tourism for communications with visitors, and thus we considered that such corporate activities play a certain role in marketing Japanese companies. As stated above, the term *marketing* is often used in the business field. However, the meaning of marketing is not limited to corporate activities. The concept of marketing has been developed and extended over time (Kotler, 1969; Kotler 1986; Sakai, 2007; Nasu, 2009). According to Kotler (1999), marketing is defined as follows.

Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and services of value freely with others.
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In addition, the American Marketing Association (AMA, 2014) defines marketing as follows.

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

In Kotler and the AMA's definitions, the concept of marketing is applicable to various organizations: companies, public institutions, and even non-profit organizations. According to Suda (2009) and the Industrial Tourism Guide, various organizations manage industrial tourism sites in Japan, including not only companies but also non-profit organizations. Therefore, we can evaluate various industrial tourism sites in terms of marketing. Furthermore, it is important that marketing can be applied to corporate activities that are not for profit because some companies manage their industrial tourism sites for social contribution free of charge. In accordance with the definition of marketing, we examine industrial tourism that is intended both for company profit and not for profit.

6.2 Marketing management of industrial tourism

According to Kotler (1986; 1999), there is a process called *marketing management*, which creates and maintains relations with customers. This management process is applicable to various marketing activities as well as to the industrial tourism of Japanese companies. The process comprises (i) the confirmation of a marketing objective, (ii) the establishment of a target, (iii) the formulation of a marketing mix, and (iv) the management and improvement of marketing activities. In accordance with this process flow, we present the corporate decisions regarding industrial tourism as follows.

1. Purpose confirmation

Selection: company profit or social contribution



2. Target establishment

Selection: potential customers, loyal customers, business partners, students on school excursions, or local residents



3. Formulation of a marketing mix

Industrial tourism that offers communication and an experience



4. Management and improvement

In the above marketing process, our study focuses on the first and second steps, because our analyses suggest that the differences between them are important factors in our classification. In essence, we can conjecture that these marketing processes lead to the variations in industrial tourism.

Before discussing the variations in industrial tourism, here we explain the term *marketing mix* in the process. Kotler (1999) defines this term as follows.

Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market.

In accordance with that definition, industrial tourism can be regarded as one of the tools that lead to the attainment of the marketing objective. Consumer goods companies have various communications tools such as advertisements on TV, publications, or websites. Our study subjects are the companies that had selected industrial tourism as a communication method in their marketing mix.

6.3 Marketing methods for industrial tourism

Considering the results of our analyses, it was interpreted that Japanese companies use several marketing methods in their industrial tourism. In this section, we introduce four marketing methods that lead to the variations in industrial tourism.

6.3.1 Experiential Marketing

Among the marketing methods, we first focus on *experiential marketing* for our consideration of industrial tourism. Schmitt (2000) proposes the concept of experiential marketing and *customer experience*, which means the total experience that customers gain through interactions with companies. Although companies have differentiated their products and services with functional features and have gained monetary benefits thus far, Schmitt states that they should pay attention to customer experience in today's economy. Furthermore, Schmitt (2011) claims that consumer experience is an important element for building a corporate brand.

Some researchers have focused on the features of experiential marketing from similar perspectives. For example, Smilansky (2009) proposed that experiential marketing would be particularly useful for leveraging customer loyalty. Additionally, Pine & Gilmore (2000) emphasized that emotional experience is a critical issue for tackling the commoditization problem in the market. These insights are similar to Nobeoka (2006a)'s problem statement regarding Japanese brands: the lack of premium value (see Chapter 2).

Among our survey subjects, some companies focus on offering experience through their industrial tourism sites. For example, most of the food and beverage companies provide visitors with tasting services in their industrial tourism sites. Figure 6.1 is a picture of Kirin Breweries' factory, which serves beer for tasting at the end of the tour. In addition, Toyota's showroom Mega Web claims itself to be *an automobile theme park to look, ride, and feel* (Endo, 2014; Mega Web, 2014). Mega Web offers various types of experience services such as game machines, simulation programs, and test drives of new products (Figure 6.2), and it additionally provides small children an opportunity to drive tiny cars.



Figure 6.1 Tasting service in Kirin Breweries' factory tour (Photograph by the author)



Figure 6.2 Test drive service in Toyota Mega Web (Photograph by the author)

By providing such experience, these companies try to gain customer loyalty, according to the questionnaire responses from Kirin Breweries and Toyota.

According to Suda (2009), the experience of visitors is a remarkable feature of industrial tourism, and such experience would create additional value for the companies. Moreover, Mascarenhas et al. (2006) proposes that emotional relationships between customers and companies lead to a company's competitiveness, and are difficult for competitors to imitate. From the same perspective, some scholars emphasize the relation between customer loyalty and customer experience (Berry,

2002; Berry & Carbone, 2007; Donnelly et al., 2008; Han, 2011). Taking their contentions into account, our study regards industrial tourism as one of the corporate activities of experiential marketing.

6.3.2 Flagship Marketing

In order to evaluate our study subjects, we present the concept of *flagship marketing* (Kent & Brown, 2009). This marketing method is often used by luxury brands such as the clothing and fashion business. For example, Louis Vuitton has a flagship store in Champs Elysee in Paris, which is a popular tourist destination (Louis Vuitton, 2014). In addition, Gucci operates a boutique in the Monte Napoleone in Milan, Italy (Gucci, 2014). Flagship stores are often located in capital cities, and these luxury brands have several flagship stores all over the world, especially in large cities such as London, New York, and Tokyo. These companies aim at enhancing their brands through customer communication in their flagship stores, because luxury brands always explore attractive positions in the market (Okonkwo, 2007). In the case of Japanese companies, Nagasawa & Suganami (2012) examines the role of flagship stores in corporate branding using the example of Uniqlo in Ginza. Uniqolo's flagship stores can be considered as flagship marketing aimed at reinforcing the retail brand.

Kent & Brown (2009) state that flagship marketing is not limited to corporate activities in the flagship stores of luxury brands, and he explains the meaning of flagships as follows.

- Flagships are the physical apogees of consumerism, places where brand experiences are most defined and interactions with consumers are highly refined.
- A distinctive feature of the flagship is that it will fulfill a more or less clearly thought out marketing communications function.
- Flagship concepts should, at least, be inspiring and create spaces for memorable experiences.

Similar to flagship marketing, Walvis (2003) pointed out the role of symbolic

locations in corporate branding and marketing. Walvis defines such symbolic places and buildings as *brand locations*, which may serve as communication platforms for customers. In brand locations, visitors can feel and understand the corporate philosophy and brand values. In Walvis's theory, brand locations are applicable to various corporate sites such as Disney Land of Walt Disney, Autostadt of Volkswagen, and the world exposition.

Based on the concept of flagship marketing and brand locations, we can evaluate industrial tourism managed by consumer goods companies. Our analyses indicate that most food and beverage companies manage industrial tourism in production areas for the purpose of public relations, customer communications, and corporate branding (see Chapter 4). In urban areas, most companies manage their showrooms and museums for customer communications (see Chapter 5). In addition, several industrial tourism sites are regarded as symbolic locations for their corporate brands. For example, the food company Suzuhiro emphasizes the corporate history of its industrial tourism site *Suzuhiro Kamaboko no Sato* in Kanagawa prefecture. Suzuhiro has produced *kamaboko* in this location since the Edo period (Suzuhiro, 2014). The respondent stated that their industrial tourism plays an important role in Suzuhiro's branding strategy. Thus, our survey results suggest that industrial tourism is useful to Japanese companies as flagship marketing.

6.3.3 Relationship Marketing

In our analyses, some companies do not intend to attract an unspecified large number of leisure visitors in order to attract their primary targets. Considering these companies' status, it is inferred that their corporate policies depend on *relationship marketing* as proposed by Berry (Berry, 1995; Berry et al., 2002). In relationship marketing, companies aim to maintain existing customers rather than acquire new customers. From the same point of view, some scholars claim that developing long-term relations with existing customers is more effective in a mature market because the cost of keeping existing customers is less than that of acquiring new customers (Gronroos, 1994; Stone et al., 1995; Peppers et al., 1999; Sheth &

Parvatiyar, 2002). From a similar perspective, Aaker (1991) refers to the importance of keeping existing customers in terms of brand loyalty.

As an example of industrial tourism based on relationship marketing, here we present the Yebisu Beer Museum in Tokyo (Figure 6.3). Yebisu beer is one of the product brands of Sapporo Breweries. According to our interview survey, Sapporo Breweries operate this corporate museum for branding and public relations. The Yebisu Beer Museum attracts about 200,000 people per year, and they are mainly leisure visitors. Although this museum attracts many visitors, the company does not intend to collaborate with the tourism industry because the Yebisu Beer Museum gives priority to its loyal customers. The respondent contended that leisure visitors who do sightseeing in Tokyo visit the Yebisu Beer Museum as a side trip. The Yebisu Beer Museum expects that museum visitors regard the Yebisu brand as the primary objective of their visit. Similar to the Yebisu Beer Museum, Karuizawa Brewery pays attention to their loyal customers in its factory tour. In addition, the cosmetics makers Alpenrose and Saishukan operate factory tours for their primary customers, “women.” Considering their corporate policies, we regard these companies as examples of industrial tourism based on relationship marketing.

Some scholars sometimes use the term *relationship marketing* in various business fields. According to Morgan & Hunt (1994), the concept of relationship marketing is applicable not only to customer relations but also to various partners such as suppliers and employees. In accordance with their contention, we can evaluate industrial tourism for business visits in terms of relationship marketing. In our survey, some companies operate industrial tourism for their business transactions and employee training. These companies have no collaboration policies with the tourism industry because they do not target leisure visitors. For example, the Panasonic Museum and TOTO Museum mainly attract business visitors to their industrial tourism sites in production areas. On the other hand, Bridgestone Today, the Lixil Museum, and the Sony Museum (Figure 6.4) presented such features in urban areas.



Figure 6.3 Yebisu Beer Museum (Photograph by the author)



Figure 6.4 Sony Museum (Photograph by the author)

6.3.4 Social Marketing

Thus far, we have discussed the role of industrial tourism in marketing for company profits. However, our analyses reveal that some companies manage their industrial tourism sites without regard to profitability. In order to evaluate such corporate policies, we also present the concept of marketing for non-profit purposes. Kotler defines such non-profit activities for the society as *social marketing* (Kotler, 1971; 1995; Kotler & Roberto, 1989). It has often been discussed whether social marketing activities are limited to non-profit organizations (Andreasen, 1994). According to

Lazer & Kelly (1973), social marketing also plays an important role in corporate activities in terms of CSR. In our study, we consider the broad definition of *social marketing* that includes corporate activities.

In our analyses, some Japanese companies manage their industrial tourism sites in production areas based on CSR (see Chapter 4; Figure 4.3). These purposes are social contributions to the local community such as communication with local residents and cooperation with student groups on social studies excursions. Most of the food companies in our surveys presented the purpose of *food education* for children. According to Kambara (2006), food education is a significant activity of social marketing for Japanese food companies in today's economy. In addition, most companies did not expect profitability in their industrial tourism management. Considering our questionnaire results, their industrial tourism can be regarded as the corporate activities of social marketing.

Although social marketing plays an important role in the industrial tourism of Japanese companies, sometimes their corporate policies are not suitable for collaboration with the tourism industry. As examples, some confectionery makers have such operation policies in their factory tours. Calbee, Meiji, Oyatsu Company, and Morinaga presented the purpose of *food education* for students from the local community on school excursions. It should be noted that these companies do not want to collaborate with the tourism industry because of the difference of type of visitors targeted. These companies do not intend to communicate with leisure visitors, namely, consumers coming from outside of the local community. Note that their industrial tourism operations are limited to the local community.

6.4 Summary

In this chapter, we evaluated industrial tourism from the point of view of marketing. Considering the concept of experiential marketing, industrial tourism could be regarded as one strategy in the marketing mix providing an experience for visitors. Taking the process of marketing management into account, it was inferred that the difference in marketing methods leads to the variations in industrial tourism

operations. In summary, industrial tourism is classified into five types as follows.

- (i) flagship marketing for leisure visitors
- (ii) relationship marketing for loyal customers
- (iii) relationship marketing for employees and business partners
- (iv) social marketing for local residents
- (v) social marketing for student groups

In the cases of (i) flagship marketing for leisure visitors, these industrial tourism sites mainly attract leisure visitors for the purpose of public relations, corporate branding, and customer acquisition. These companies have a policy of collaborating with the tourism industry, and some of them are actually affiliated with travel agencies. Although the cases of (i) flagship marketing for leisure visitors want to increase the number of leisure visitors, other cases are not. In the cases of (ii) relationship marketing for loyal customers, these companies give priority to brand management via their industrial tourism, and thus they do not need a large number of leisure visitors. In addition, some companies operate their industrial tourism for business visits, and we regard these companies as the cases of (iii) relationship marketing for employees and business partners. The cases of (iv) and (v) could be regarded as corporate activities of social marketing. These companies attract visitors for social contribution to the local community in terms of CSR without considering company profits. The types of visitors they attract are mainly residents or student groups from the local community. In the cases of (ii), (iii), (iv) and (v), these industrial tourism sites tend not to collaborate with the tourism industry because of the difference of their types of visitors targeted.

Considering marketing theories, we confirmed one feature of industrial tourism: the differences in marketing strategies lead to variations in the industrial tourism operations of each company. Among the five types of industrial tourism, note that the cases of (i) flagship marketing for leisure visitors are suitable for collaboration with the tourism industry.

Chapter 7 Industrial tourism of Japanese manufacturing companies

In our study background, we expected that industrial tourism would be effective for corporate branding through customer communication. Our analyses suggested that some companies utilized their industrial tourism for such a purpose, but others did not. It was interpreted that the activities of the industrial tourism sites depend on the corporate decisions of each company. Furthermore, it was considered that their corporate policies affect the management of industrial tourism sites regarding collaboration with the tourism industry. This chapter first presents three types of industrial tourism taking their collaboration policies into account. Second, we discuss the potential of industrial tourism for branding aimed at the global market.

7.1 Three types of industrial tourism

In Chapter 6, our analyses indicated five types of industrial tourism from the viewpoint of marketing methods. These methods are (i) flagship marketing for leisure visitors, (ii) relationship marketing for loyal customers, (iii) relationship marketing for employees and business partners, (iv) social marketing for local residents, and (v) social marketing for student groups. In our analyses, it was considered that these marketing methods lead to the difference in industrial tourism management, especially in collaboration policies with the tourism industry, depending on the companies' purposes and target customers. Based on the companies' collaboration policies, industrial tourism is classified into another three types: (1) the tourism-oriented type, (2) the specified-customer-oriented type, and (3) the education-oriented type.

In the case of the tourism-oriented type, manufacturing companies intend to increase leisure visitors to their industrial tourism sites for the purpose of company profits such as corporate branding, customer acquisition, and product differentiation. These companies are willing to collaborate with the tourism industry. Among the five marketing methods, (i) flagship marketing for leisure visitors is applicable to this type of industrial tourism. The specified-customer-oriented type comprises two

marketing methods: (ii) relationship marketing for loyal customers and (iv) social marketing for local residents. The types of visitors they target are different from the types of visitors that tend to come in large numbers, such as leisure visitors and tourist groups, and thus these companies tend not to collaborate with the tourism industry. Although their main visitors are considered to be a type of leisure visitor, their industrial tourism operations are limited to a certain area such as the local community. In addition, the education-oriented type is (iii) relationship marketing for employees and business partners and (v) social marketing for student groups. Because of the types of visitors they target, companies of this type do not intend to attract leisure visitors. Here we present the relations between the five marketing methods and the three types of industrial tourism as follows.

1. Tourism-oriented type

- flagship marketing for leisure visitors

2. Specified-customer-oriented type

- relationship marketing for loyal customers
- social marketing for local residents

3. Education-oriented type

- relationship marketing for employees and business partners
- social marketing for student groups

In accordance with the above classification, we can summarize industrial tourism of Japanese manufacturing companies considering the analysis results of Chapters 4 and 5. Figure 7.1 indicates the classification of industrial tourism in production areas and suggests that their product types are significant features in our analysis. For example, some food, beverage, and luxury companies are applicable to (1) the tourism-oriented type or (2) the specified-customer-oriented type. As Type (2), some cosmetics makers attract loyal customers. In addition, some stationery, clothing,

or household commodity makers operate their factory tours for social contribution to the local community, and they mainly attract local residents. As was mentioned in Chapter 4, automobile companies and major confectionery makers manage their factory tours for cooperation with student groups from the local community who are on field trips. Their industrial tourism operations are applicable to (3) the education-oriented type. Although few in number, some companies operate their industrial tourism for employee training and business transactions (e.g., the Panasonic Museum, TOTO Museum, and so on).

Figure 7.2 shows the features of industrial tourism in urban areas, and this figure mainly suggests which facility types (factory tours, museums, or showrooms) are applicable to the classification of industrial tourism. Our analysis indicates that corporate showrooms are regarded as the cases of Type (1) or Type (2) industrial tourism. On the other hand, factories that operate tours and corporate museums are applicable to every type of industrial tourism. In addition, non-consumer goods companies do not intend to collaborate with the tourism industry, and therefore they have Type (2) or (3) industrial tourism operations.

Our classification of industrial tourism simply means which types are suitable for collaboration with the tourism industry. It is considered that the difference affects the development of industrial tourism sites, such as the number of visitors and the types of visitors to each industrial tourism site. Considering the collaboration policy on tourism, (1) the tourism-oriented type can be regarded as the advanced case of industrial tourism in our study. In the next section, we examine the potential of this strategy.

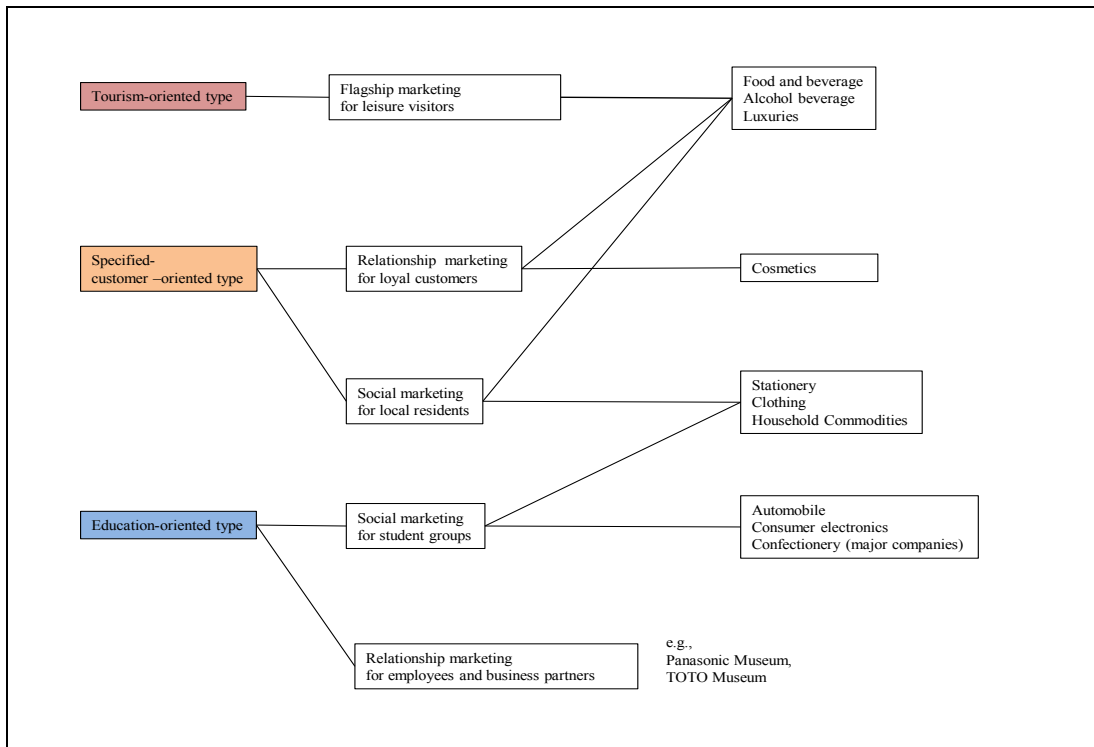


Figure 7.1 Three types of industrial tourism in production areas

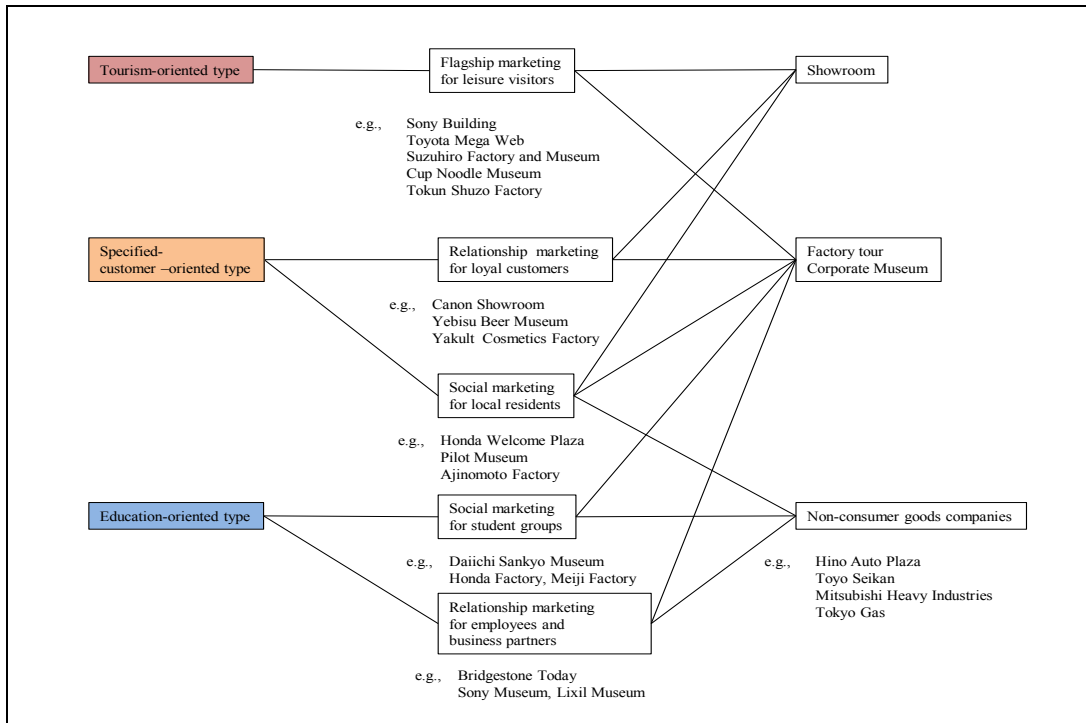


Figure 7.2 Three types of industrial tourism in urban areas

7.2 Potential of the tourism-oriented type of industrial tourism for branding

In Chapter 2, we stated that the purpose of our study was to examine the potential of industrial tourism for corporate branding. Hence, this thesis discusses in particular the tourism-oriented type of industrial tourism. In this type, the companies have a policy of collaborating with the tourism industry and to increasing the number of leisure visitors. They aim at corporate branding through customer communication as a flagship marketing strategy. Suda (2009) and Otgaar (2010) stated that the collaboration policies of companies are essential to the development of industrial tourism. Figures 7.3 and 7.4 suggest that the tourism-oriented type have the highest number of visitors among our survey subjects. These figures support Suda and Otgaar's claims.

Among these companies, we consider two companies, Mikimoto and Nikka Whisky. These two companies manage their industrial tourism for customer acquisitions and corporate branding in the global market. Their industrial tourism in production areas can be regarded as a strategy for product differentiation utilizing *brand from depth*, as Fujimoto stated (see Chapter 2).

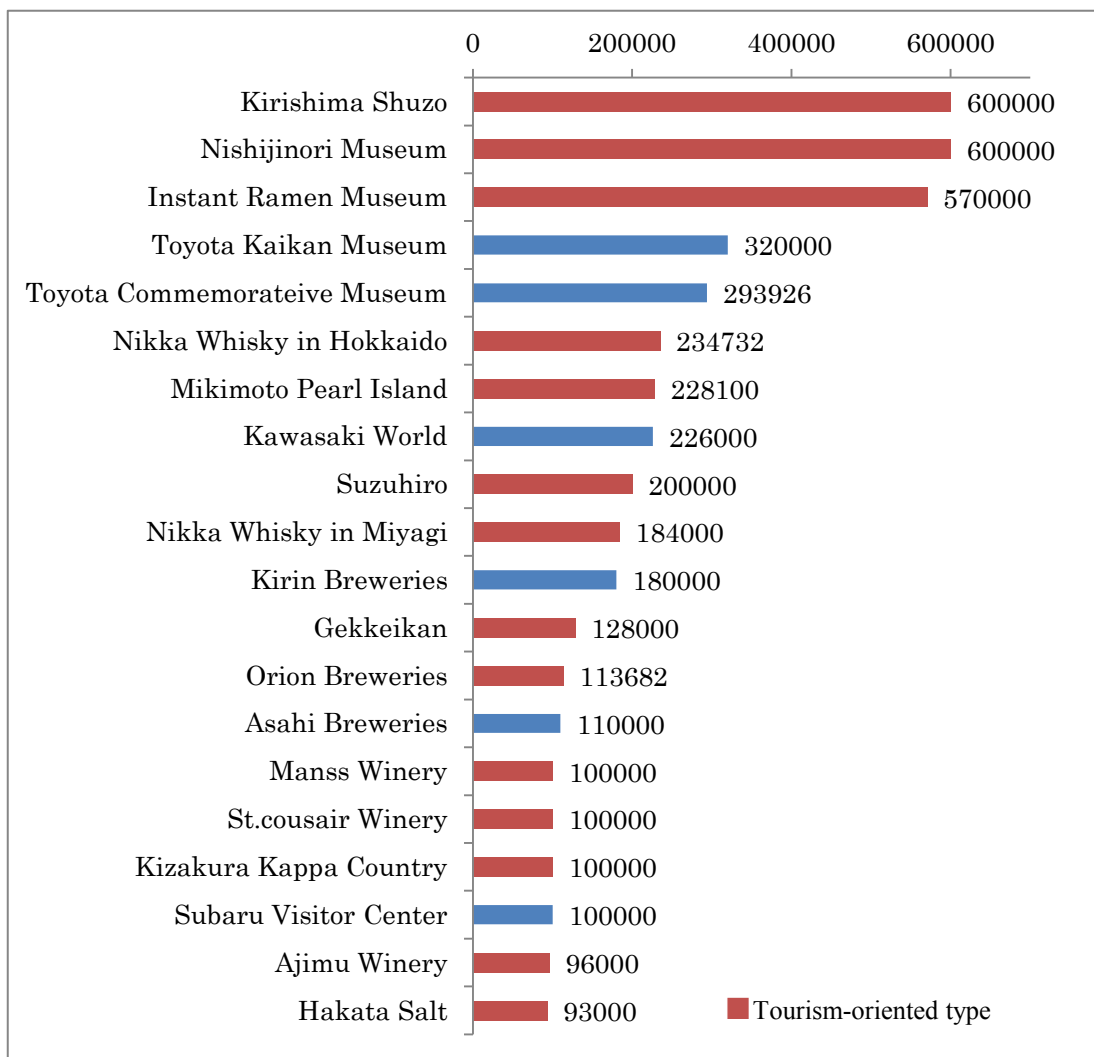


Figure 7.3 Annual visitors of industrial tourism of the tourism-oriented type in production areas

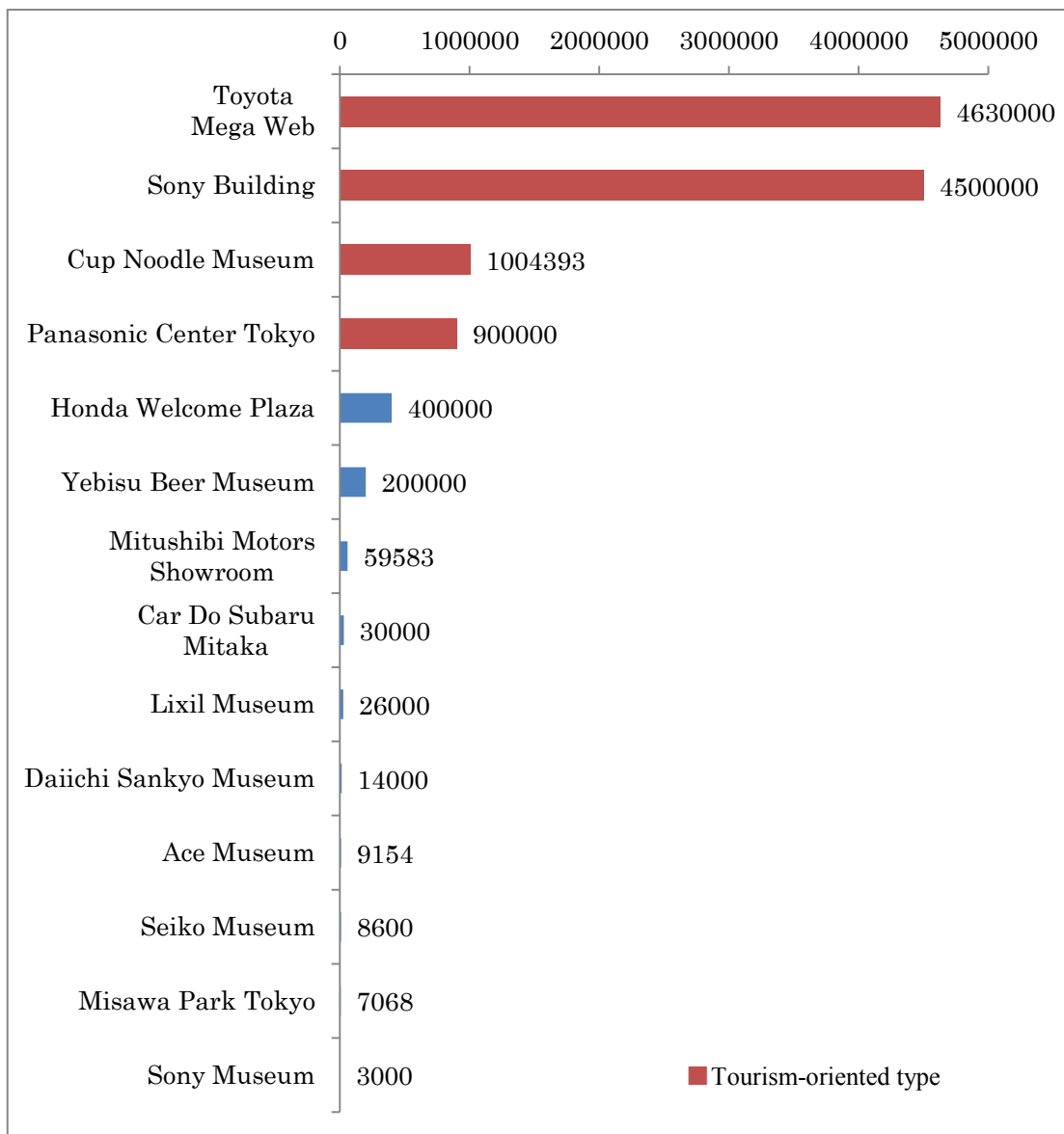


Figure 7.4 Annual visitors of industrial tourism of the tourism-oriented type in urban areas

7.2.1 Mikimoto Pearl Island

K. Mikimoto & Co., LTD. (Mikimoto) produces and sells jewelry, especially pearls. This company succeeded in cultivating pearls in 1893 for the first time in the world (Mikimoto, 2014). Mikimoto attracts visitors to its industrial tourism site Mikimoto Pearl Island in Mie prefecture. This site operates some museums that show the history of Mikimoto and the pearl industry in the production area (Figure 7.5). Furthermore, the employees demonstrate the collection of pearl shells from the sea, and visitors can purchase Mikimoto's products in a shopping facility on the island.

According to our survey results, Mikimoto Pearl Island attracted 228,100 visitors in 2013. Among these visitors, 60% were individual visitors, and 40 % were leisure groups who took part in packaged tours of travel agencies. The majority of the visitors were middle-aged people. In addition, 8,431 foreign people visited this island in a year. Mikimoto regards foreign visitors as one of the primary target customers. Mikimoto has a policy of collaborating with the tourism industry to increase the number of visitors, and it is actually affiliated with some travel agencies, such as Japan Tourist Bureau and Kinki Nippon Tourist. Mikimoto manages its industrial tourism not only for company profits, but also for social contribution to the local community such as educating visitors about the industry. The respondent emphasized that Mikimoto regards Mikimoto Pearl Island as a memorial place for the company because it is the birthplace of Mikimoto pearls. Mikimoto believes that its corporate activities on the island will lead to the acquisition of more customers. Furthermore, it should be noted that Mikimoto pays attention to the profitability of the operation on this island. Mikimoto entrusts the management of the island to its subsidiary company, Mikimoto Pearl Island Co., LTD. Mikimoto regards the management of Mikimoto Pearl Island as a tourism business. Considering the current status of Mikimoto Pearl Island, it is believed that Mikimoto aims at corporate branding in the global market through their industrial tourism.



Figure 7.5 Mikimoto Pearl Island (Photograph provided by Mikimoto Pearl Island)

7.2.2 Nikka Whisky

Nikka Whisky is a subsidiary company of Asahi Breweries, and it produces whisky. Nikka Whisky operates factory tours in its two production areas, Miyagikyo distillery in Miyagi prefecture and Yoichi distillery in Hokkaido. Figure 7.6 is a picture of the factory in Miyagi prefecture. Nikka Whisky's distilleries have several exhibitions that introduce Nikka's corporate history and the ingredients of their products. In addition, visitors can purchase Nikka Whisky's products in a shopping area at the end of the factory tour.

According to the respondent, Miyagikyo distillery attracted 184,000 visitors in 2010, which included 965 foreign people. On the other hand, in Yoichi distillery, 252,009 people joined its factory tours, and 8,376 foreign people visited there in 2010. These visitors were mainly leisure visitors coming as individuals or with tourist groups who took part in the packaged tours of travel agencies. In addition, foreign visitors to Miyagikyo distilleries were mainly leisure visitors from the Western countries, while foreign visitors to the Yoichi distillery were mainly Taiwanese people. Nikka Whisky wants to collaborate with the tourism industry in order to increase visitors, and it is actually affiliated with travel agencies, such as the Travel Center of the Japan Railway Company.



Figure 7.6 Nikka Whisky's factory tour (Photograph by the author)

Our survey confirmed that Nikka Whisky regards the production areas as important places for the company because they are the birthplaces of their products. Furthermore, the respondent stated that factory tours play an important role in their corporate branding. In recent years, Nikka Whisky has won several prizes, including the World Whisky Award (Matsuo, 2004; Nikka Whisky, 2014). According to the respondent, the number of factory tour visitors increased after the company received these prizes, and Nikka Whisky believes that the factory tours could lead to the acquisition of loyal customers. Our survey suggests that Nikka Whisky aims to leverage its product brand through customer communication in the production areas.

7.2.3 Industrial tourism for enhancing premium values

Our analyses reveal some cases of the tourism-oriented type. In production areas, they are Orion Breweries, Nikka Whisky, Manns Winery, Kizakura, Tokun Shuzo, Kirishima Shuzo, UCC, Yukijirushi, Suzuhiro, Nanafuku Jozo, Mikimoto, and Nishijin Textile Industrial Association, and so on (see Chapter 4; Figure 4.6; Table 4.4). These companies mainly produce alcoholic beverage and luxury items, and this fact is a significant result of our study. According to the consumer goods classification based on consumer behavior, these products are regarded as the type of products whose premium values are evaluated by customers during the purchase

process (Copeland, 1927; Vaughn, 1980; Nobeoka, 2006a). In addition, some of these companies—such as Mikimoto, Kizakura, and Tokun Shuzo—tend to consider the profitability of their industrial tourism operations. In addition, some companies—such as Panasonic, Sony, Toyota, and Nisshin’s Cup Noodle Museum—selected urban areas rather than production areas for the location of their industrial tourism operations (see Chapter 5).

7.3 Industrial tourism as a part of corporate strategy

Our analyses suggest that some companies utilize their industrial tourism operations for branding. However, the tourism-oriented type is only one of the three types of industrial tourism. The question we have to ask is whether Japanese companies should select the tourism-oriented type of industrial tourism or not. Here we examine the relations between corporate strategies and the management of industrial tourism.

First, the difference in *brand locations* (Walvis, 2003) greatly affects the companies’ corporate decisions. For example, Panasonic, Sony, and Toyota give priority to their industrial tourism operations in urban areas, while most of the food and beverage companies do not operate industrial tourism sites in urban areas. Taking their corporate policies into account, it was interpreted that Japanese companies selected places that have symbolic value for the purpose of corporate branding.

In addition, it seems that the recognition of these companies’ brands is related to their operation policies regarding industrial tourism. For example, our surveys reveal that automobile companies do not have collaboration policies regarding the tourism industry, except for the case of Toyota Mega Web. Considering their answers, it was considered that automobile companies tend not to regard industrial tourism as an important option in their marketing mix. According to Fujimoto (2005; 2006), Japanese automobile companies have thus far maintained their competitiveness because of their functional values, but not by evaluating premium values. Therefore, it is likely that Japanese automobile companies do not give priority to premium values obtained from communicating with customers via their industrial tourism operations. From this viewpoint, Toyota’s activities in Mega Web are considered as a

new challenge aimed at the acquisition of premium values among Japanese automobile companies. In contrast to automobile companies, food and beverage companies tend to operate factory tours under the tourism-oriented type (Table 4.4; Figure 4.7). In our surveys, some of the respondents answered that they operate their industrial tourism sites at their locations because of their tradition. For example, *Japanese Sake* makers Gekkeikan and Hakutsuru emphasize their corporate history. Gekkeikan has operated its business in Kyoto since 1637, while the history of Hakutsuru in Hyogo dates back to 1743. Similarly, Kikkoman has a corporate history starting from the 17th century in Noda City in Chiba prefecture and has operated factory tours for consumers since then. In our study background, we expected that industrial tourism would be effective for the differentiation of Japanese products. As some scholars stated (Porter et al., 2000; Fujimoto, 2004; Nobeoka, 2006b), consumer durables have faced a commoditization problem in the global market in recent years. However, it seems that the product differentiation problem cannot be regarded as a new idea for some food and beverage companies in Japan. They have tackled this problem in the Japanese market thus far. Their answers imply that industrial tourism is one method in the traditional marketing mixes of food and beverage companies.

Our study has discussed the potential of industrial tourism for branding, and some companies are familiar with the tourism-oriented type of industrial tourism. At present, there are only a few companies aimed at the global market, but industrial tourism can be expected to be one solution to the problem of the differentiation of Japanese products. However, there are the companies that select the specified-customer-oriented type and education-oriented type of operation. Japanese manufacturing companies decide their collaboration policies with the tourism industry by considering their overall marketing mix.

7.4 Summary

Japanese manufacturing companies manage three types of industrial tourism: (1) the tourism-oriented type, (2) the specified-customer-oriented type, and (3) the education-oriented type. In Type (1), Japanese companies tend to attract leisure

visitors for customer communication. In the cases of Types (2) and (3), Japanese companies tend not to collaborate with the tourism industry in light of their marketing strategies. Among the three types, we regard the companies that select Type (1) as advanced cases. According to our analyses, some companies fit this type, although there are only a few cases that aim toward the global market. These companies manage their industrial tourism for the purpose of customer acquisition and corporate branding. Our analyses suggest that the companies that give priority to the premium values of products are suitable for this type of industrial tourism. However, we should pay attention to other companies that do not select this type of industrial tourism. Based on several marketing methods, Japanese companies decide their purposes and targets.

Chapter 8 Conclusion

Japanese manufacturing companies mainly manage three types of industrial tourism: the tourism-oriented type, the specified-customer-oriented type, and the education-oriented type. This classification signifies which strategies are suitable for collaboration with the tourism industry in the industrial tourism operations of these companies and which companies have a policy of communicating with customers based on their marketing methods.

In our study background, we expected that industrial tourism would be useful in communicating with customers for branding in the global market. This corporate activity can be considered as the tourism-oriented type of industrial tourism and as an advanced case of our study. In our analyses, the companies that give priority to premium values tend to be applicable to this type of industrial tourism, such as some alcoholic beverage and luxury companies that have industrial tourism operations in production areas. Among these companies, Mikimoto and Nikka Whisky manage their industrial tourism for branding in the global market. Considering the activities of these companies, we evaluate the potential of industrial tourism for branding.

Our study discussed the tourism-oriented type considering their advanced policies such as collaboration with the tourism industry and marketing for customers. It can be expected that following this strategy contributes both to the development of industrial tourism and to the corporate branding of Japanese companies. However, it should be noticed that this type of industrial tourism is one of the types managed by manufacturing companies. Although some companies manage the tourism-oriented type of industrial tourism, others do not. In order to develop industrial tourism of Japanese companies, we should pay attention to the corporate strategies of each company in terms of marketing. Porter (1980; 2000) stated that the essence of strategy was choosing what *not* to do. In accordance with Porter, the question we have to ask is whether Japanese companies should manage industrial tourism of the tourism-oriented type or not. If companies want to collaborate with the tourism industry for the creation of premium values, industrial tourism is one of the branding

methods in the market. Otherwise, we should respect their corporate decisions of not selecting the tourism-oriented type and consider the development of other types of industrial tourism: the specified-customer-oriented type or the education-oriented type. Although some scholars have claimed the development of industrial tourism in Japanese industry, they have not discussed this study subject from a practical perspective. The significance of our study is that it clarified the variations of corporate strategies in this marketing mix and the potential of industrial tourism for branding considering the companies' strategies.

Although we examined the industrial tourism of Japanese manufacturing companies across the board, this study did not evaluate the superiority of the management system of each company. In a future study, we should search for the best management system, not only of the tourism-oriented type of industrial tourism, but also of the specified-customer-oriented type and the education-oriented type based on their marketing strategies.

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