

Growth and development from a glocal perspective / Product development with a nationwide perspective from regional creation

Ihara & Co., Ltd.

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Food Value Creation Study Group Report

The Food Value Creation Study Group (field seminar), hosted by Tanabe Consulting, operates under the slogan:

“ Now that we’ve experienced a once-in-a-century pandemic together with fellow professionals in the food industry, let’s discuss the value food companies should create with a vision for the next 100 years.”

The group explores new dimensions of food value creation through the EAT Market Network. This report is based on the site visit and lecture held in Hokkaido on August 29, 2023.

The theme was “Glocal Strategy Launched from Hokkaido.”

As diversification accelerates and once-in-a-century economic crises are now occurring every few years, global awareness is shifting. From the perspective of regional revitalization, this seminar highlights what is happening on the front lines where the local and global intersect. These examples are shared from Hokkaido, Japan’s largest food production base.

E: Engineering (technological advancement and food tech)

A: Association (new combinations and open innovation)

T: Transformation (digital transformation and business model shifts)

Introduction.

Ihara & Co., Ltd., headquartered in Rumoi City, Hokkaido, has developed a top brand of kazunoko (herring roe) known under the trade name "Yamani," and its name value is well known throughout Japan.

The company, which manufactures and sells processed marine products such as herring roe and plans and sells the hit product "KazuChee," is a long-established marine products processing manufacturer celebrating its 70th anniversary. The company's characteristics can be condensed into three points.

1. Eagerness to research

→ Establishing a value chain as the top brand of herring roe in Japan

2. Flexible corporate culture that challenges change

→ Cultivating a culture of flexible ideas that goes beyond herring roe.

3. Product development + channel development

→ New marketing axis development with the flagship product "KazuChee"



Sapporo Branch Office and Hoshimi Plant, certified under ISO 9001 for thorough quality control.

Learning Point 1: Eagerness to research / Top Brand in Japan

The Yamani brand of herring roe is a top brand that is highly recognized, especially in the Kansai region, a major consumer market. The company's history can be traced back to 1954, when Choji Ihara founded the company as a fresh fish shipping wholesaler. The reason for the company's rapid growth as a herring roe manufacturer is its overwhelmingly high quality.

Ingredients are purchased directly from Canada and Alaska, where the company has provided technical guidance, and are further graded and packed in-house. In addition, the company has 28 patented technologies related to seafood processing and has received numerous awards.

On the other hand, the public image of herring roe is "a food eaten at Osechi that is bad for one's health". In recent years, the company has been developing supplements to promote the fact that herring roe is a healthy food. Further research is being conducted to promote the image of herring roe as a food that is beneficial to one's health and can be used dail



Ihara's herring roe, known by the trade name "Yamani," is the top brand in Japan.

Learning Point 2: Flexible corporate culture that challenges change

In 2016, the company was experiencing a major crisis in the sustainability of its business. The chronic decline in the catch of herring roe (herring), the resulting sharp rise in the price of herring roe, and the shift in consumers away from herring roe as a New Year's product due to lifestyle changes were becoming apparent. In addition, the company's business model concentrated sales and profits of its main product, herring roe, during the four months of the year-end and New Year holidays, and the company faced challenges in stabilizing its performance.

Therefore, it conceived of the development of evolving the extraordinary food of herring roe as an everyday petit luxury, and in 2018, it developed "KazuChee," which combines the scraps of kazunoko with cheese. The product became a hit, especially among wine lovers, and has grown into a signature product that now accounts for 30% of sales.

They also commercialize herring, the parent of herring roe, with much love and care. Now, flexible ideas as a manufacturer of not only herring roe but also fishery products are beginning to take root.



"KazuChee" which combines smoked herring roe and cheese, and "EbiChee" which uses shrimp powder and fish sauce to enhance the flavor.

Learning Point 3: Product Development + Channel Development

When developing KazuChee, the company took a different approach to marketing than it had in the past. Four factors contributed to the success of the transformation from a "seasonal" product to a "year-round" product.

1. Customer survey: Tasting by customers directly at wine stores to monitor compatibility with wines
2. Package design: The design was based on the petit luxury of a fashionable pastry shop. Also, the design was based on future thinking, including colors that take into account subsequent products.
3. Naming: Easy to remember and catchy name
4. Channels: Expansion into high quality stores such as Seijo Ishii and KALDI, where the upper class is the clientele.

As well as these factors, a sense of crisis within the company, partner collaboration, and the lifestyle changes brought about by the COVID-19 pandemic have all contributed to the great success of the product.



“HoteChee”, a perfect combination of dried scallop flavor and cheese, and “NuruChee”, a paste of KazuChee that can now be spread on bread.