

Final Written Report: Daiso Marketing Strategy Project

HMD 350 (1001)

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Group 4

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Executive Summary

Daiso (Daiso Industries Co. Ltd) is a privately held company that was founded in December 1977 and is located in Higashihiroshima, Japan. Daiso has 3,620 stores in Japan and over 2,272 stores overseas around the world specifically in the region of southeast Asia, east Asia, and the United States (Daiso, 2022). Daiso is one of the first business innovations of a 100 yen store which is considered a common Japanese store, similar to a dollar store. Everything from clothing to stationery, household goods to food costs around 100 yen. The price is attractive to Japanese consumers due to its affordability. In Daiso, customers can find a wide variety of merchandise, fulfilling their brand motto of “find surprises and fun” (Daiso, 2022).

With Daiso’s ever-expanding market, we decided to further analyze this intriguing business model to comprehend its thriving results for over 45 years. Despite its stable business performance, we consider that its target market demographic has remained stagnant. Compared to their first-tier competitors such as Miniso, Tokyo Discount, Don Quixote, and Muji, Daiso would be only known to their respective locations. Within the United States, it has gained a familiarity among the region of the west coast, however, individuals living on the east coast would not even have heard of the company itself. This would hinder Daiso’s business expenditures and development due to its limited customer base. Through this case analysis, we have further evaluated its business aspects of situational analysis, SWOT analysis, and a marketing plan. It allows us to identify its current business position or overall condition. With a thorough assessment, we are able to implement a final marketing strategy that can alleviate Daiso’s static performance.

We have considered that the business situational analysis would be able to provide deeper contextual insight into the corporation’s model. As Daiso has become a business pioneer

for innovating 100 yen stores, the company has been able to cultivate a unique business niche that has emerged within Japan. It had directed its specialty through its affordable prices and expansive products. However, there would be first-tier and second-tier competitors that would pose a threat to its development. We have noticed that despite its similar business paradigms, Daiso's competitors have used technology as leverage to increase their market share and customer loyalty.

The SWOT analysis has provided our team with a viewpoint of Daiso's potential and inadequacies. We were able to listen to consumers' perspectives of their customer service experience with the business, as they express their satisfactions and frustrations. We understand that a major theme of its strength would be the numerous locations for its brand exposure. However, its many locations would cause an inconsistent quality of its stores. Its opportunity and threat connect as using social media platforms would combat its limited reach of a broader audience. Our group has realized that this would propose a marketing problem of having a low brand recognition due to its weak social media presence, negatively impacting its popularity and customer demand. We have proposed the marketing opportunity of making a Tiktok account would develop global brand exposure to individuals unfamiliar with the brand.

The marketing plan of creating a Tiktok account will essentially allow Daiso to facilitate consumer engagement through "digital word of mouth," showing Daiso's unique features of its products and pricing. This would control the customer traffic, enabling customers to interact with the business account through shares, likes, and comments; they would be able to further navigate the shopping website. Although it may take a considerable amount of time and effort, we deemed that making Tiktok accounts would be considered a viable option, attracting attention from potential customers around the world.

Part A: Situational Analysis

Business Assessment

Daiso (Daiso Industries Co., Ltd) is a privately held company that was founded in December 1977 and located in Higashihiroshima, Japan. The founder of Daiso is Hirotake Yano, a Japanese businessman and founder of the Daiso discount retail chain. The business ownership of Daiso is a corporation and their industry type is a variety store (Ohanesian, 2019). In Daiso, customers can find a variety of merchants such as food, cosmetics, skincare products, household, toys, electronics, gifts, stationery, accessories, and other products. Daiso's products would vary from practical or entertaining uses, which are typically priced between "\$1.50 and \$1.99" (Verdon, 2019). Daiso items are created in China to the tune of 80%, with the remaining 20% coming from Vietnam, Japan, South Korea, and Taiwan. Daiso has 3,620 stores in Japan and over 2,272 stores overseas such as the "Philippines, South Korea, Taiwan, Thailand, United States of America, and Vietnam" (Daiso, 2022). Both online and offline, you have a wide range of things to choose from. (Cork, 2021)

In 1972, Daiso has opened its Japanese store, an marketing innovation called a "100 yen" retailer or a street vending shop (Global Partners Consulting, 2019). The principle reflects the current dollar stores in the United States by providing consumers with a broader choice of products at a low, reasonable price. Everything from household items to stationary to make-up can be found at Daiso. One of Yano's business milestones was the legal incorporation of "Daiso Sangyo Inc." in 1977, based on a franchising business model (Global Partners Consulting, 2019). Expanding its business venture from 1987 through 1991, Daiso was able to open its "first directly managed retail outlet in Takamatsu, Kagawa Prefecture, Japan (Global Partners Consulting, 2019). In 2013, Daiso was the only Japanese retailer to not open a new store in a

foreign country. (Lee, 2020)

Important milestones of Daiso: (Daiso, 2022)

2001 August Expanded to Taiwan (opened first overseas store)

2001 September Expanded into Korea

2005 October Expanded into the U.S.A (Seattle)

2012 June Expanded into China

2020 August Established an e-commerce site for corporate customers

2021 May Established an e-commerce site for consumers

2022 December Las Vegas (7285 Arroyo Crossing Pkwy #125, Las Vegas, NV 89118)

Just like most other companies developed in its day, Daiso didn't exactly have a plan or budget for success. Yano's "plan" was to let "destiny run its course" (Liew, 2020). The home goods giant's strategy has greatly changed since its development in 1977. Currently, there are 3,620 stores in Japan and over 2,272 stores worldwide with only 80 being in the U.S. which adds to the exclusivity factor of their products (Daisojapan, 2022). Its mission is for shoppers to "find surprises and fun" by selling products that are both practical and amazingly adorable (Daiso, 2022). From cat paw sponges and alligator bibs to good luck kitties and Ghibli stationery, Daiso has something for everyone to fawn over. Their target demographics are young people (ages 18-30), seniors, and young mothers. Anyone that spends most of their time at home is likely to find a trip to Daiso a very pleasing and relaxing one.

With aspirations of being a global retailer, Daiso continues to open "180 stores" in Japan and 100 overseas each year (Daiso, 2022). To fill their stores, high-quality items are purchased in

bulk and sold at a low flat rate price point. Their 5 tier structure (prices ranging from 100-500 yen) makes the products sold super affordable for everyone “changing the lives of people around the world at one price” (Daiso, 2022). This price structure, which was changed back in 2004, allowed Daiso to thrive in times of economic crisis (Liew, 2020). During the pandemic, many people lost their jobs and were confined to their homes. This was Daiso’s time to shine as it provided shoppers the opportunity to bring a little sunshine into their homes with their affordable homeware items.

With over 70,000 items available in-store and 90% being in-house developed products, 800 new ones are being developed every month to keep their shoppers surprised (Daiso, 2022). These fun surprises play a major role in the biggest external strategic advantage Daiso has, the impulse purchase. We have all been there and will continue to do so as long as the price is right. Many of us have walked inside of a store with the intent of buying one or two items only to walk out with a cart full of things we really didn’t “need” but “had to have.” Daiso is right up there with the big shopping giants similar to Walmart and Target, where getting lost in the goods happens the moment one sets foot in the store. Many high-quality items at an incredibly low cost, invite shoppers to go wild with their purchases. One or two things slowly turn into 10 or 20 and as soon they walk out the door with Totoro stickers, calligraphy sets for their children, cat microfiber slippers for easy sweeping, and some adorable shark socks for Fido. The minimalist design of the store gives customers the chance to really engage with the products featured on their shelves, creating the perfect environment for the impulsive shopper.

Competitor Analysis

First-Tier Competitors

Miniso is a Japanese-inspired variety store that provides a variety of Asian novelty items and stationery items. They market themselves to be an affordable Japanese-oriented “dollar store.” They have over 4,200 stores in 80 countries and 37 stores in the United States (Miniso USA, 2022). Specifically, they have one location in Las Vegas located in Shanghai Plaza, a shopping plaza located in Chinatown. They serve as a direct competitor to Daiso since they share the same target market, have similar products, and aspire for similar revenue goals. Miniso also has the opportunity to attract some of Daiso’s customers with their collaborations with other popular brands. Recently, they just collaborated with Marvel to provide exclusive Miniso x Marvel products.

Tokyo Discount is a family-owned chain based in Las Vegas, Nevada. The brand was first founded in 2005 and has been expanding in the valley ever since. Tokyo World specializes in discounted Japanese novelty items and snacks. In terms of Las Vegas, they were one of the first stores to bring these products and culture to the valley. In terms of competition, they do provide similar products to similar target markets. However, they do have slightly smaller financial goals since Daiso is a larger business chain. Ultimately, Tokyo World is definitely a first-tier competitor for Daiso in the Las Vegas market using its family-oriented feel as a competitive edge.

Second-Tier Competitors

Five Below is a mid-size company that was founded by two best friends. Overall, they have 1,200 stores all over the United States (Five Below, 2022). Specifically, they have three

stores in the Las Vegas Valley. Five Below specializes in discounted products marketed to teenagers and kids. They have a variety of different items they provide including Asian-oriented snacks and accessories. Ultimately, Five Below is a second-tier competitor to Daiso since they do share a similar target market although their revenues goals and products differ.

Dollar General is a chain of “dollar stores” that offer a variety of different products. They have locations all over the United States and are well known to provide name-brand items for a very low price. In terms of the target market and product selection, it slightly varies compared to Daiso. Their target market is very broad and they do provide a limited selection of Asian novelty items. The Dollar General Brand also shares similar revenue and cost goals as Daiso. This is why Dollar General is a second-tier competitor to Daiso.

The 99 cents-only store is a very well-known and huge chain of “dollar stores.” The 99 cents only brand provides a broad range of products which include a few Asian novelty items such as snacks, stationery, and food items. Similar to Dollar General, they also have a very broad target marketing supplying all types of customers. The 99 Cents Only brand markets the more daily needed product items like groceries, cleaning supplies, and household items. Meanwhile, Daiso markets specific Asian niched items like snacks, toys, and stationery items. In terms of competition, they are classified as a second-tier competitor since they don't serve the same niche target market as Daiso but do have similar revenue goals and a few common products.

Competitors' Marketing Activities

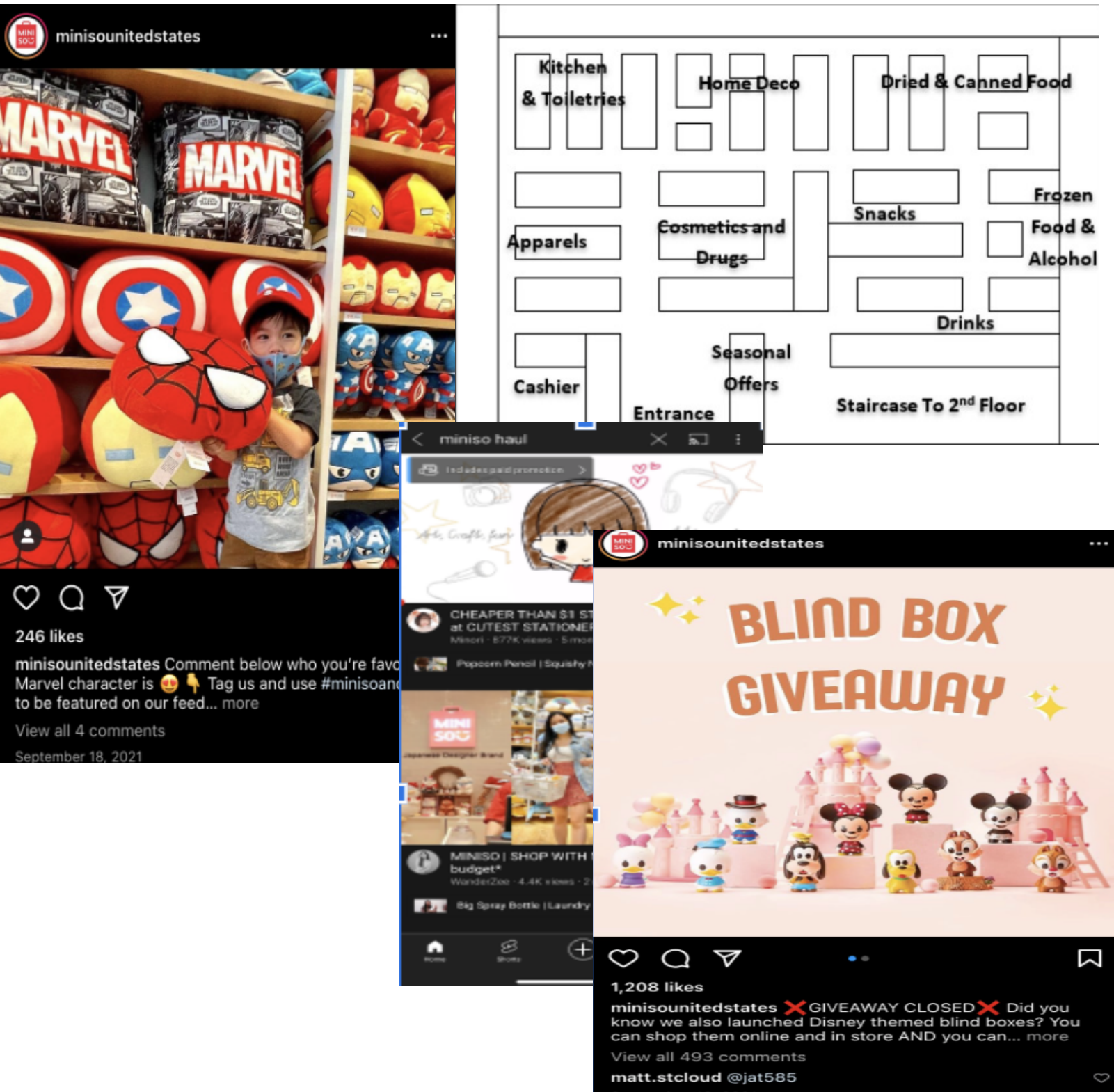
The competitors' marketing activities are primarily focused on personalization, appealing to their customers' preferences through visualization. Competition would encapture the target market's attention, they would become inclined to visit their store and explore what they have to

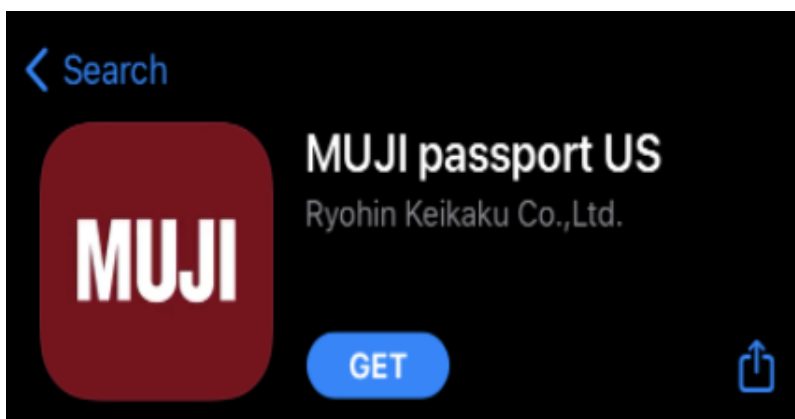
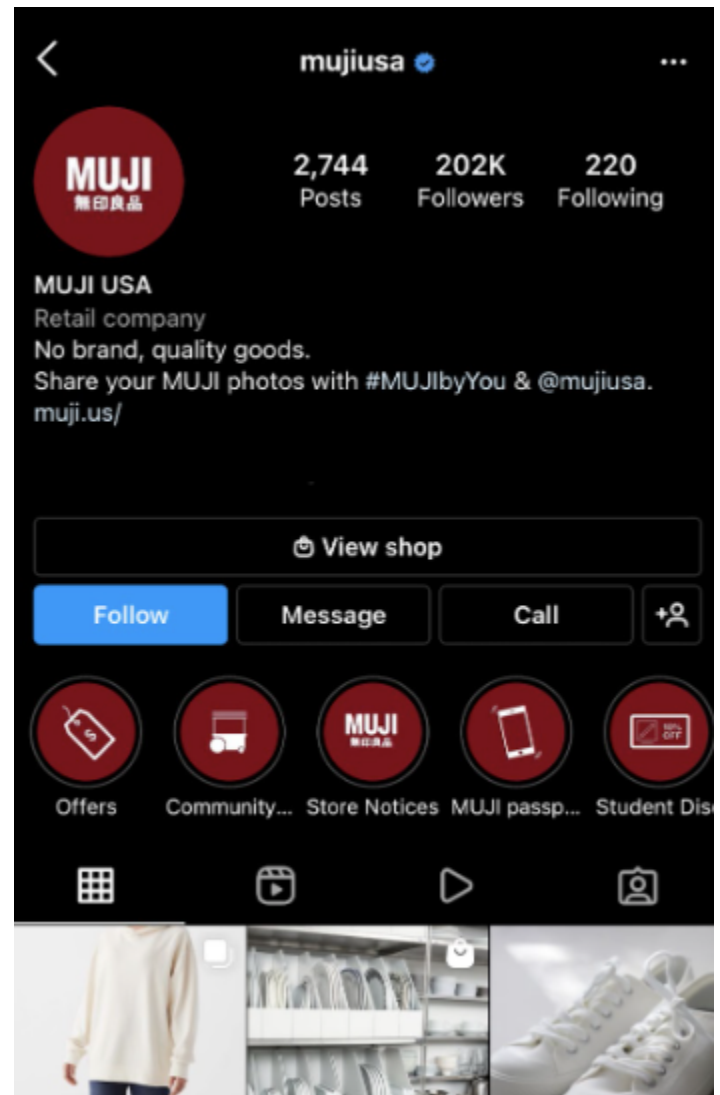
offer. Miniso further enhances the sense of place by having a colorful interior design that implements “psychological marketing,” which also includes “personalized scents, vibrant atmosphere, and upbeat music” (Arora, 2021). Don Quixote would have increased a consumer’s shopping experience by framing the store’s layout into a maze or a “jungle,” which fulfills the founder, Takao Yasuda’s goal of “making things hard to find, hard to take, and hard to buy” while products are placed as “compression display” (Song, 2020). It would allow the customer to become more immersed within the environment, encouraged to buy more products as they would see different products encompassing the store. For Muji, the store facilitates customer interaction with their business through a personalized experience, having “stamp stations” where visitors can express their own creativity and design their gifts or souvenirs. Muji has stated that their aspiration is that through their “simplicity and universality, applying personalization to its products” (Martin Roll, 2020). Establishing a hospitable ambiance within their stores welcomes individuals, to feel comfortable shopping within their property.

The stores would further interact with their target market by utilizing technology. Strategies such as apps, giveaways or contests, social media influencers’ promotions, campaigns, and posts regarding their products. Miniso’s approach to social media would be cultivating consumer engagement within social media platforms. To ensure customer loyalty, Miniso would make social media competitions that exclusively apply to those that have a membership to Miniso. This technique would facilitate a “strong customer base and increased brand awareness,” as their social media activities would reach thousands around the world (Arora, 2021). They would also have campaigns with hashtags that promote their product releases, inspiring others to use such hashtags towards the event. Miniso would have customers become influencers, as individuals may post vlogs about their purchases categorized as “unboxing hauls” or “product

review videos,” participating in the digital word of mouth to inform individuals about their shopping experience and overall customer interactions. Meanwhile, Muji would have social media post that stays genuine, reflecting their brand of a minimalist lifestyle; their statuses would be direct to the point and professional, without any hidden tactics (Martin Roll, 2020). Muji would further cater to their consumers’ needs by having an app called the “Muji Passport” that provides an accessible layout that includes merchandise updates, customized coupons, and a virtual customer loyalty card. This would allow Muji to accommodate their targeted demographic through their preferences, creating an algorithm that recommends products to their taste. As companies take advantage of today’s technology, they would be able to connect to their consumers in a parasocial relationship; this allows organizations to reach broader audiences.

Most importantly, competitors would use their core values and mission statement as a foundation for their marketing strategy through brand messaging. Stores like Miniso, Don Quixote, and Muji would cultivate an ambiance that resonates with their customers’ values and philosophy. If such companies share the value of their patrons, their clients are more likely to support their business. Individuals would feel that the companies’ brands would engage in causes that would be important to them. This would be demonstrated through Muji’s case of having a “no-brand” brand, adhering to a minimalist lifestyle. The company has expressed that its intention of having no names or labels is to become “natural, simple, and earthly” (Martin Roll, 2020). This would appeal to the public as down-to-earth, a business that is approachable to the masses. Their purpose would serve their goal of exercising their “ethos to simplicity, universality, and ability to personalize and customize” (Martin Roll, 2020). Muji’s “brand” is perceived as desirable for demographics for their environment-conscious consumers, inclined to buy more from their products.





Part B: SWOT Analysis

Daiso's SWOT Analysis

With Daiso, the company has demonstrated its strengths and weaknesses over the past 45 years. However, through the recent developments occurring around the world, the threats the organization faces would be able to resolve such issues through the potential opportunities that are presented in this day and age.

Strengths

A primary strength that Daiso faces would be the persistent growth of its chain stores as there are currently “3,320 stores in Japan” while on a global scale, there are approximately “2,272 stores in 24 countries and regions” in 2021 (Daiso Japan, 2022). This would be their strength as the company highlights their determination to have their brand further grow, expanding to different locations that are unfamiliar to the brand itself. Aspirations of growth and development would allow the company to understand its specialty, further comprehending what market demographic would be attracted to its product. This would prove to the public that they are adaptable to changes, opening in various locations with distinct and various social environments. Daiso has proven its longevity as the business was able to open “over 80 stores” across the United States ever since 2005 (Daiso Japan, 2022).

Furthermore, their corporate motto of “changing the lives of people around the world at one price,” Daiso has proven its convenience for its consumers (DAISO, 2022). Their affordability has become beneficial as the organization has gained the reputation of being the innovator of the 100 yen shop. Daiso’s concept of being a “Japanese dollar store,” has provided

an interesting niche for their business model. According to their online website, products would range from an average of \$1.25 to the most expensive at \$12.25, these price points would be reasonable for their consumers (Daiso US, 2022). These cheap product prices would incline individuals to spend more than their intended spending budget while exploring the store. This would be parallel to the “Target Effect,” applying the practice of psychological pricing, as individuals “expect bargains while shopping,” causing individuals to shop more (Uber, 2021).

Another strength of the organization would be the variety or rather the uniqueness of the business. As Daiso possesses about “70,000 products,” it allows consumers to have unlimited choices during their shopping experience (Daiso Japan Indonesia daiso stores, 2015). This would allow the company to accommodate customers’ needs with the various choices featured both online and in-stores.

Utilizing online shops would become a strength for Daiso as it enables individuals to look for products based on their locations, making shopping rather accessible. The online store would highlight the different shopping categories available as aforementioned. This would also connect to the other strength of Daiso becoming user-friendly online, as the transaction process is deemed as simplistic. The webpage would have the most common items on top, easily filtered based on one’s preferences.

Finally, friendly interactions with staff would promote Japanese culture as employees are trained to interact with guests using both hands. This highlights the Japanese aspect of its organization. Guests would feel welcomed while engaging with Daiso staff members, feeling more comfortable with shopping. Daiso would emphasize looking back from their humble beginnings, starting as a simple store in Japan.

Weakness

Although Daiso has proven many of its competencies due to its strengths, the company would still possess weaknesses. A weakness would be their consistency as their store branches would be generalized per country, rather than focusing on their specific locations. As the chain stores would be located around the world, the stores would differ in their stock, store layout, and atmosphere. Each store would have contrasting standards that would be considered disappointing to some customers, who are familiar with another location of Daiso. They would feel disoriented, as they won't feel used to its subtle differences. The inconsistent quality of Daiso stores would make the company's reputation unstable.

With Daiso's concept of being a 100 Yen or a dollar store, it does not fully commit to its brand promises. Despite its affordable prices, individuals would feel deceived as they would believe that it is truly a dollar store. Some individuals may think that they are deceived as some items would pass the average \$1 compared to their competitors' set prices. Customers may feel as though they had overspent due to some prices not being the same. They would feel somewhat disappointed, expecting a dollar store value. However, customers would still tolerate the price points as they would still buy more products due to its niche products of stationeries, kitchen appliances, makeup, or other interesting products.

With Daiso's emerging customer demands, their limited stocks or supplies would upset consumers. This complaint would be highlighted with Daiso's Arroyo location in Las Vegas, as there would be few shelves for their merchandise. Some consumers would expect their storage space to be bigger, dissatisfied with the limited qualities of such products. A Yelp visitor has claimed that Daiso would be "definitely missing out on sales," due to this constant problem (K.,

Haley, 2022).

A frequent complaint among consumers would be store layouts, which can be confusing for some shoppers. A Yelp customer has expressed that there is “no flow to supposed departments,” due to its sections being unlabeled (M., Louisa, 2022). Individuals would be unable to shop effectively as they are unable to look for their necessities. Furthermore, its layout could be condensed due to its small size in the Las Vegas location; this would increase foot traffic. Due to its constricting spaces, it would cause the wait lines to be longer. Another Yelp reviewer has voiced their sentiment that they had “no personal space,” which would make it uncomfortable for other customers waiting for their turn during the transaction business (G., Evelyn, 2022).

Finally, a critical weakness that would impact Daiso’s business would be the lack of promotion for its products. Their advertisements would be rather general and broad, unable to highlight each of its locations’ characteristics. As Daiso primarily uses one social platform of Instagram, it would only cater to a concentrated audience. This is proven as Facebook and Twitter were last updated on March 25 and 26, compared to their frequent posting on Instagram stories (Instagram, 2022; Twitter, 2022). As Daiso has not opened an account on major social platforms such as Tiktok and Youtube, the organization is missing a major percentage of its target market. Such platforms would significantly provide an opportunity for rapid growth and consumer traffic from digital word of mouth.

Opportunities

Through these strengths and weaknesses, Daiso would be able to explore various opportunities due to the current situation in the world. A crucial business opportunity that Daiso

can interact with would be prioritizing its social media platforms. This would be a substantial marketing venture as potential target markets would be using various social media platforms. Utilizing social media would be able to navigate the current audience's interests. Creating a TikTok or Youtube account is deemed as a noteworthy opportunity as the major of the current demographic would be active within these platforms. Meanwhile, updating other social platforms such as Facebook and Twitter would reach other demographic segments. Daiso can further interact with these social media mediums by having separate accounts for different cities or locations of their stores, highlighting the different features of each location.

More collaborations would be best recommended as it would increase the merchandise stock. As Daiso would uphold its values of having surprises for its visitors, Daiso would need to increase its product varieties. With Daiso being able to collaborate with different brands, they are able to further increase their merchandise supplies. It would attract their consumers, compelling them to buy more of their products.

Updating their company's online shopping website would be ideal, it establishes reasonable expectations from consumers based on their locations. As the website features their various location's current products, it would show their consumers what actual merchandise is available. They are demonstrating their own transparency, preventing their loyal customers from feeling misled by the number of store items in stock. Customers would appreciate the honesty that Daiso would deliver, having a better impression of the company.

Finally, Daiso would need to further strengthen its customer loyalty as its locations are growing. Although they may experience customer growth due to their store expansions, it is more significant than individuals remaining loyal to the organization. A potential approach would be implementing more giveaways and loyalty programs. This would increase customer

interactions as their activities would be equivalent to prizes and rewards that acknowledge their consumer loyalty. This would essentially cultivate strong brand loyalty with consumers that participates in such events.

Threats

A primary threat that accumulates the implications of other threats Daiso could experience would be their limited reach with broader audiences around the world. As there are huge customer demands regarding their niche business, there will be other more well-known competitors that exemplify its similar business model. As Daiso is still growing within the United States, it would only be prominent in specific areas. Some individuals may be unfamiliar with the Daiso brand itself. Its limited chain stores would also inevitably feel different as Daiso does not have a singular standard, inciting an unfamiliarity among consumers going to different locations. Daiso would need to attend to such an immediate concern to prevent other concerns from occurring. Finally, Daiso would need to further strengthen its customer loyalty as its locations are growing. Although they may experience customer growth due to their store expansions, it is more significant than individuals remaining loyal to the organization. A potential approach would be implementing more giveaways and loyalty programs. This would increase customer interactions as their activities would be equivalent to prizes and rewards that acknowledge their consumer loyalty. This would essentially cultivate strong brand loyalty with consumers that participates in such events.

Strengths • Many locations increase brand exposure • Affordability encourages consumer interactions • Variety/uniqueness cultivates their brand image • Online shopping increases accessibility for international users • The user-friendly website becomes more convenient for users • Friendly interactions highlight the hospitality culture of the business	Weaknesses • Generalized per country rather than per region, becomes too broad for consumers and doesn't show its distinctions • States differ in stock, layout, and atmosphere • Standards are too contrasting, inconsistent with their business quality • Stores based on each location are different from one another • Unable to fulfill the exact Brand promise, disappointing guests • Limited stock, fewer options to buy from the store • Wait times are longer, impacted guest experience • The store layout is confusing, would create heavy foot traffic • Promotion is not prominent, losing brand visibility
Opportunities • Creating a Tiktok or Youtube, where most of the current demographic • Updating their other social media platforms such as Facebook and Twitter to reach other demographics • More Collaborations to increase merchandise stock • Update their website to feature different cities • Have separate accounts for different cities/locations to highlight different features of each location • Giveaways, loyalty programs to increase customer interactions and remain brand loyalty	Threats • Chain stores inevitably differ from one another due to their many locations • More well-known, active competition would steal guests • Less reach with wider audiences that are unfamiliar with the brand • Huge customer demands that would be unmet with limited supplies • Only prominent in limited areas, impeding upon its growth

Marketing Problem

A problem that the organization is facing based on our SWOT analysis is the lack of locations and lack of recognition on a bigger scale. We believe that Daiso in recent times has blown up in popularity and recognition to a small degree. To elaborate, the brand Daiso is extremely well known in California and some areas of the west coast. However, we consider that it is not very well known throughout other parts of the United States such as the east coast. This provides Daiso with an enormous opportunity for the expansion of these unseeded areas. In addition, due to the surge of popularity of Asian novelty items and social media, Daiso can easily become a trending brand. Especially in areas in which there aren't many Asian-themed stores but do have a high demand for this niche.

We consider that not growing fast enough is a problem that expresses a high demand and positive guest reactions to one's brand. However, we deem that it is crucial that an organization takes advantage of its present success and trending recognition. We believe that if a company waits too long to develop, its popularity might decrease and it will lose the opportunity to develop on a bigger scale. They might also develop too late and fail to maintain those new locations and employees.

Ultimately, we consider that a major weakness that Daiso is facing is the lack of development in other parts of the United States. Through this weakness, there is, however, an amazing opportunity that would greatly increase revenue and profitability. With the limited demographic reached despite the numerous stores located around the world, the opportunity of social media platforms such as creating a TikTok account would develop additional global brand exposure to a market unfamiliar with Daiso.

Marketing Summary

With the limited demographic reached despite the numerous stores located around the world, we believe that the opportunity of social media platforms such as creating a TikTok account would develop additional global brand exposure to a market unfamiliar with Daiso.

Part C: Marketing Plan

7 P's Marketing Mix

In order to solve the problem, we believe that Daiso must implement a concrete and feasible marketing plan that best incorporates the 7 P's service marketing mix. A plan that we consider would revolve around modern trends, particularly social media. To be specific, the proposed marketing plan is that Daiso as a brand should market through the use of social media. We deem that the platforms utilized should be primarily Instagram and Tiktok since these are the most popular current social media platforms. With the use of short videos, Daiso will be able to promote its products and services to a large group of potential customers. In addition, with the place of this marketing strategy being two extremely popular social media platforms, their promotional videos will be available to millions of people. In terms of the promotional videos, we propose that they will use modern audios and trends to market Daiso's unique products and great prices. Another aspect that we account for in this plan would be the employment of independent social media influencers to run or promote Daiso products. By doing this, we firmly believe that one can enormously increase the number of views and new customers for each

videos. As previously mentioned, the videos will highlight the amazing prices and the unique Japanese pricing system that Daiso implements.

Another very important aspect of these promotional videos is the showcasing of Daiso's charismatic employees and satisfied customers. Posting short interviews of the employees and customers provides physical evidence to potential new customers that Daiso is a brand they must visit. Of course, we perceive that the videos should be well made and include current trends to be effective. The overall process of this marketing plan is to have a huge social media presence by consistently posting promotional videos that could possibly be created by a hired independent social media influencer. We determine that the content of these videos should be targeted to newer market areas such as the east coast or Midwest of the United States. This allows for a smoother and more successful development of these new sectors. Ultimately, with the use of this social media marketing plan, Daiso will receive recognition in areas where they don't have a presence and be able to effortlessly integrate into these new areas.

Measuring Business Outcomes

We believe that the use of social media makes it easier for businesses to analyze the insights of their brand's content impact. Although these platforms provide analytic technology that predicts potential reach, it does not provide insight into "how" to reach the desired business outcomes. The challenges that we have identified that the company is facing are expansion and brand recognition. In order to spread the word about Daiso and what it has to offer, we consider that social media platforms can be utilized to expand its reach and create a buzz about the company and help its customers find the surprises it has to offer. Through this, we deem that Daiso would be able to easily measure how many accounts have been reached, how many

accounts have engaged with the content, and the total followers the company's page has along with the percentage increase that was generated within a particular time frame. Through each of those analytics, we believe that the company is then able to see the top cities, top countries, top age ranges, and binary gender demographic their content draws in or engages with their account.

It also allows the company to know which posts, videos or other content has the most views and engagement (comments, likes, and shares). The insights provided by the social media platforms do most of the leg work for the company, driving down the cost of labor for an analysis team. With all the information that is provided by social media insight analysis, we had perceived how Daiso is then able to determine which cities in the U.S. would benefit from seeing a "Daiso location coming soon" sign in their neighborhoods. This in turn would help to predict the potential revenue increase as well as an increase in profitability. Once the content is created describing when and where we can expect to see a Daiso, the company could expect an increase in brand recognition, an increase in social media traffic, and strong word of mouth.

Social media also provides businesses the opportunity for further expansion and promotion through purchasing ad space and circulation. Depending on the social media platform, we have noticed how companies can not only advertise on the platform itself but can also circulate ads on other outlets by way of the initial outlet. For example, we acknowledge that advertisements that are put out on Instagram are also distributed on Facebook further expanding the company's reach. TikTok has announced in August 2021 that they will be partnered with Vimeo as well as Canva, a business marketing application that helps businesses create graphic designs, photo editing, and logos to enhance their business. Content that's created on Canva allows campaigns to be uploaded directly onto TikTok with key TikTok dimensions and creative flows, ensuring that clips feel natural and in line with the rest of the platform and less like an ad

(Hutchinson 2021). Through this massive expansion of social media presence, a physical expansion and presence can be made much more seamlessly.

Limitations of the Marketing Strategy

First, promoting our business on TikTok may face the problem of advertising at the start. We had realized that advertisements on TikTok are more expensive than those on Facebook and Instagram. The brand takeover may take more than 50,000 dollars per day (GungleTopp 2020), and the hashtag challenge for Tiktok can take more than 150,000 dollars per week (Influencer 2021), which is a huge amount of cost per week for Tiktok advertising. Second, we identified that censorship is a common occurrence because TikTok is owned by the Chinese corporation ByteDance, which is infamous for censoring videos that could be construed as inflaming political tensions. Since then, the platform has taken down videos that appeared to be inappropriate without explanation. Because TikTok isn't recognized for its customer service, companies are left in the dark about advertising censorship, which might cost the company a lot of money.

Also, we believe that producing any TikTok content would be tedious and complicated. We have seen how TikTok users nowadays prefer high-production-value videos. These short videos are just as challenging to make as the longer ones you see on YouTube. In fact, we understand that TikTok's artists would devote a significant amount of time and effort to creating content that will appeal to their audience. Shooting a TikTok video takes up a lot of time for a business that could be better spent on other elements of one's company.

Although some prefer a basic game function on the platform, it's not a one-size-fits-all approach. We acknowledge that TikTok also has the potential to harm one's brand. It takes years

to develop a brand's reputation, but it only takes seconds to destroy it. The material one creates and the way it is marketed for a company might have major ramifications. When utilizing TikTok, this is extremely critical. Inviting influencers on the internet for our company's marketing is an excellent strategy to be recognized on TikTok. This, however, may harm the company's reputation due to reckless decisions. If influencers find themselves getting into trouble, it can hurt the brand's reputation as well.

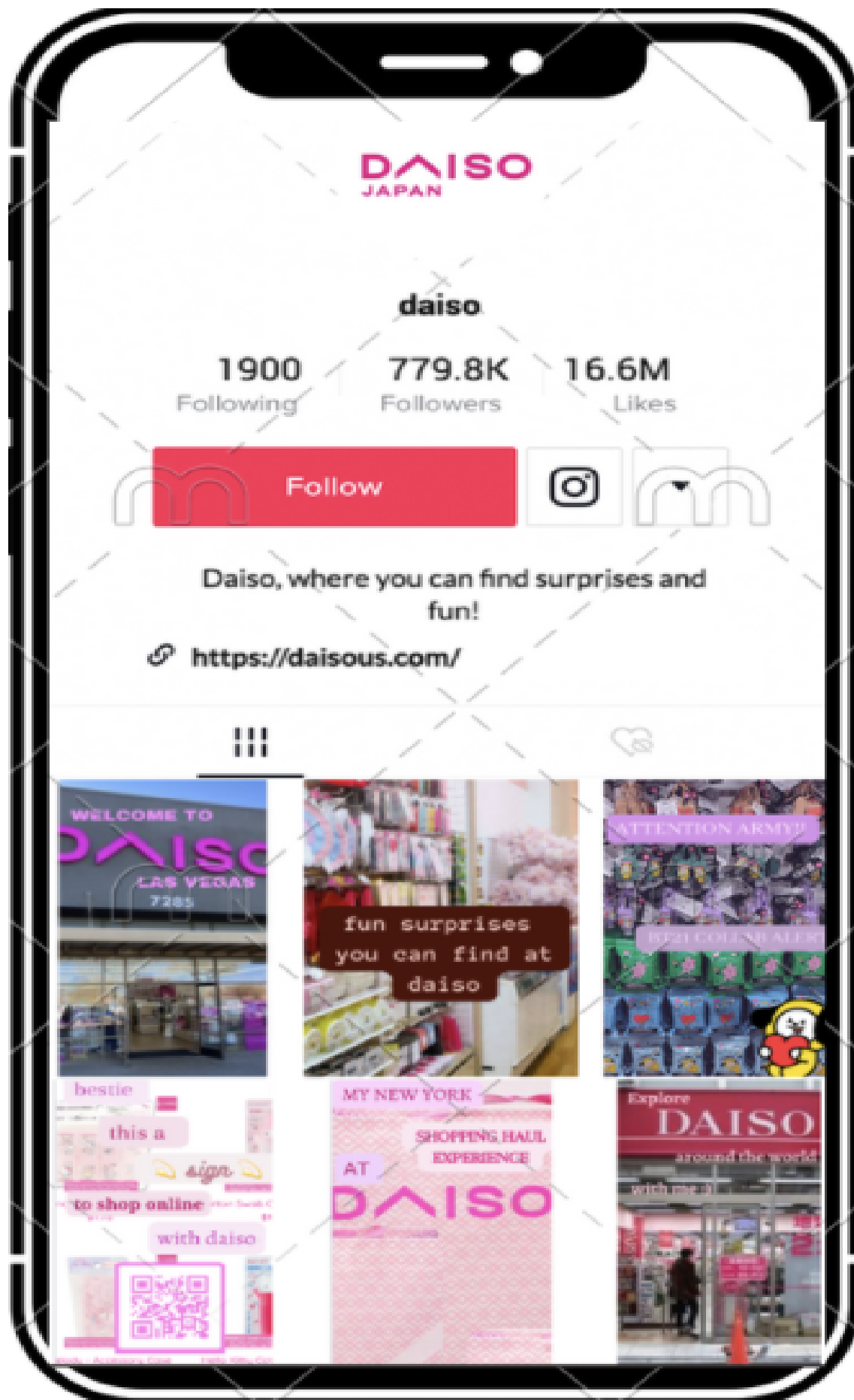
Promotional Material

A marketing activity that we had decided on would be launching a TikTok account for the company. As it was currently reported that there are approximately “1 billion global users, 884.9 users aged 18 and above,” having an account for one of the largest social media platforms would be a reasonable marketing strategy (Datareportal, 2022). We believe that marketing is essentially defined to capture the attention of the public, and TikTok's purpose of minute video clips can one's attention. According to recent research, individuals would have an attention span of “8 seconds,” implying that our marketing strategy should be quick and effective (Ebstein, 2021). With the launch of a TikTok account, we consider that individuals are able to visualize an experience that they could anticipate when visiting Daiso stores within their region. We find that the compacted content provides the “sweet spot” of a limited time in a video format, featuring the different products and atmosphere that customers can expect from their Daiso store.

This could be further implemented by having separate TikTok accounts per location, understanding each chain's uniqueness. Our thought process would be defined through the first impressions of individuals regarding Daiso cultivating their curiosity, tailoring to their interests. We had identified that individuals are considered to become more inclined in interacting with the

organization, increasing customer traffic as the marketing method of “call-to-action” could direct the consumers to the company’s website (Hoffman, 2022). We believe that TikTok is essentially the best social media channel to garner attention as Daiso can follow viral trends, yet add their own twist to such virality. It would benefit the business as their video could be displayed on one’s “for you” page or explore page, based on the algorithm. We firmly believe that this gives the organization an opportunity to become more personalized and interactive with its customers, demonstrating how the company is rather tech-savvy and up to date regarding technology.

Essentially, our primary purpose in launching the brand’s TikTok account is to showcase products and services convenient to the user. It cultivates friendly relationships and interactions between the company and the customers themselves. With Daiso’s mission statement to “find surprises and fun,” uncovers the hidden gems of Daiso. As Daiso collaborates with influencers and actual loyal customers of the brand, they are giving a voice to their consumers. It allows individuals to see how Daiso acknowledges and values its customers. They are essentially providing a collection of stories and interesting customer experiences that individuals have encountered within the history of Daiso.



Conclusion

As Daiso has grown exponentially throughout the years with its numerous locations around the world and within Japan, it has cultivated its own brand reputation. However, the business still proves itself to be limiting as their business expansion would be known to restricted areas. With today's social climate of globalization through the rapid connections of technology, our group has decided to take advantage of the prominent influence of social media platforms. We believe that it would be beneficial to utilize social media platforms to increase the overall global brand exposure of Daiso. With the uprising platform of Tiktok, we have considered making such accounts for Daiso to establish brand awareness among our new potential consumers.

Through TikTok accounts, it allows the company to explore business strategies to connect with our customers, catering to our targeted demographic. Within the accounts, individuals could further see what we have to offer such as anticipated collaborations, numerous locations around the world, and a sneak peek of our business culture. Tiktok would become our digital medium to highlight our unique business features such as our values, affordable price, and products while hopefully cultivating engagement with our promoted online shopping website. We would measure our customer traffic from the digital buzz or digital word of mouth through one's likes, shares, and comments while seeing the number of individuals visiting our website.

Based on the current times, we believe that the right time to execute this marketing plan would be right now as it would allow the company to follow the current trends. As there is an influx of social media trends, it would allow Daiso to make its own twist or style while following the peak engagement of such trends. Today's population is more immersed in digital connections, which implies that more individuals around the world are engaging with social

media platforms. As broad demographics are now utilizing social media for communication, it would allow the business to also connect with such individuals. Daiso would be able to maintain a sustainable practice since it increases the organization's opportunity for creativity while showing how tech-savvy the business would be. We acknowledge the saying "striking the iron while it's hot," meaning that we should not let such an opportunity go to waste.

With this virtual connection, it would significantly impact the business model by accentuating its brand awareness. Utilizing Tiktok would allow Daiso to feel more approachable, a casual interaction with consumers. Social media influencers would be able to express their genuine sentiments regarding the business, influencing and encouraging others to engage with the stores themselves. Through Tiktok, a community of loyal customers can then be established and share their stories regarding their shopping experiences in Daiso with others. This shared participation would create a loyal customer base, increasing awareness regarding Daiso's business image.

Through a considerable amount of companies using the business practice of SNS marketing or social media platform marketing, the business model has become fairly competitive. Many businesses have already utilized social media as a means of advertising their products or services, by developing a parasocial relationship with their customers. Businesses are able to identify their consumers' preferences and adhere to an algorithm that accommodates their interests. We believe that over 5 years, the business paradigm would remain stable until a new social media platform would arise and gain notorious popularity. Our team understands that there would be a certain life-cycle of social media, yet we perceive that Daiso would be able to adapt to such trends. After all, the most critical aspect for a business to thrive would be the capability to become flexible regarding such changes.

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