

An Analysis of MUJI's Successful Strategy in the Chinese Market

Yuzhi Zhang^{1,a,*}

¹High School Affiliated To Shanghai Jiaotong University IB center, Shanghai, 200082, China

a. Zhang.yuzhi.22@jdfzib.org

*corresponding author

Abstract: The Chinese consumer market has changed significantly in the last few years due to a tendency toward simplicity and a change in customer sentiments. MUJI has effectively entered the Chinese market by using its sustainable development idea and minimalist style, allowing it to adapt to this shift. This paper aims to examine the innovative marketing strategy employed by MUJI in the Chinese market, its capacity to achieve long-term growth, and its role as a symbol of the minimalist lifestyle, while demonstrating an ability to adapt to the changing needs of its customers. In this paper, both literature review and data analysis are employed to provide an in-depth study of MUJI's strategy to enter the Chinese market. The results show that Chinese consumers' preference for MUJI products not only stems from their simple and practical design, but also coincides with the concept of minimalist aesthetics in traditional Chinese culture. In addition, MUJI's unique advantages in product quality, brand image and marketing strategy further enhance its competitiveness in the Chinese market. Through specific analysis, it comprehensively discusses the success factors of this Japanese brand's minimalist design style in the Chinese market, which provides a reference for the design and marketing of other international brands in the Chinese market.

Keywords: Minimalism, Environmental Concept, MUJI's Successful Strategy, Consumer Insights.

1. Introduction

Driven by the wave of globalization, more and more international flat racks are entering the Chinese market in an attempt to cater to the increasingly diverse needs of Chinese consumers. A prominent lifestyle and design idea in recent years, minimalism emphasizes sustainability, use, and simplicity. Due to the growing desire among Chinese consumers to find alternatives to the traditional consumer culture of materialism and over-consumption, this trend has become very popular there. In this regard, the Japanese retail company MUJI has found great success in the Chinese market by implementing minimalist ideas into its branding, products, and advertising tactics. Examining the relationship between cultural values, consumer behavior, and marketing strategy is made intriguing by the minimalist movement's phenomenal growth in China. In order to succeed in a market where Chinese consumers are known for their preference for luxury goods and status-driven consumption, this paper aims to investigate how MUJI shapes its brand image in the Chinese consumer market through innovative marketing strategies, environmental concepts, and minimalist design style. The results are of great significance for both scholars and practitioners alike, contributing to the expanding corpus of

knowledge about consumer culture, cross-cultural marketing, and minimalism. Moreover, they will prove beneficial to individuals and organizations advocating for responsible and sustainable consumption, as well as companies trying to understand and meet the constantly shifting tastes of Chinese customers.

2. History of MUJI and Its Minimalism Design Concept

MUJI, was founded in Japan in 1980. Originally, MUJI was launched as a private label of Seiyu Department Store, with the aim of providing high-quality household goods at reasonable prices. Its name, derived from “quality products without a brand logo,” expresses the brand's core concepts of simplicity, functionality, and lack of excessive ornamentation [1]. MUJI's initial product lines included food, home furnishings, and apparel, and it quickly gained popularity with consumers for its minimalist design and eco-friendly concepts [2]. In 1983, MUJI opened its first stand-alone store in Tokyo, marking the transition from a department store private label to an independent retail brand, and in 1989, Ryohin Keikaku Co., Ltd. was established to specialize in the management and operation of the MUJI brand, which gave further impetus to the brand's development. In the 1990s, MUJI began to expand internationally, opening its first overseas store in London, UK, in 1991, followed by stores in Europe, North America, and other Asian countries and regions. MUJI's internationalization strategy not only raised the brand's global awareness, but also made it a representative of the minimalist lifestyle recognized by consumers around the world. MUJI's product design focuses on practicality and environmental protection, emphasizing the reduction of unnecessary waste in the production process. For example, MUJI utilizes unbleached paper and uncoated metal to minimize its impact on the environment. This environmental awareness and design philosophy not only meets the needs of contemporary consumers, but also promotes the idea of sustainable consumption. In the 21st century, MUJI continues to innovate and expand its product lines in a variety of areas, including furniture, electrical appliances, and stationery. MUJI also launched the “MUJI to GO” series, a line of portable products designed specifically for travelers to meet the needs of different consumer groups. In addition, MUJI has opened MUJI Hotels, which provide a minimalist accommodation experience in line with the brand's philosophy, further enriching the brand's connotation and influence. MUJI's success has been particularly notable in the Chinese market, where MUJI opened its first mainland China store in Shanghai in 2005. With its simple and practical design and high-quality products, MUJI quickly won the favor of Chinese consumers. To date, MUJI has opened hundreds of stores in China, and has become an important choice for Chinese consumers in their pursuit of a simple and environmentally friendly lifestyle.

3. MUJI's Successful Strategies in the Chinese Market

3.1. China's Consumer Culture and Market Demands

The CEO of The Spanish Group LLC, a translation company based in the United States, Salvador Ordorica, believes that the “localization” development of businesses essentially reflects the concept of customer first, requiring businesses to transform the idea of maintaining consistency in global markets and shift to a local perspective. This means that businesses must modify their sales methods and strategies to provide personalized customization for local customers in addition to altering the overall presentation and language of output [3]. Shimizu Zhi, the General Manager of MUJI China, says that localizing development in the Chinese market entails offering more targeted and superior products to cater to the varied consumption needs of Chinese consumers. For instance, MUJI has introduced pet supplies, organic produce, electric bicycles, and other items in the Chinese market in addition to opening “MUJI Hotels” in Beijing and Shenzhen. Every product is developed with knowledge of the regional Chinese market. In terms of service concept, MUJI is actively developing

instant online retail in response to the current state of “everything can be delivered to home” in the Chinese market. MUJI has been preparing for “just in time delivery of takeout” since April of this year. As of October, Meituan takeaway accounted for around 70% of the nation’s over 250 outlets, satisfying customer demand for on-demand delivery. Furthermore, MUJI is relocating its vegetable markets, which were initially established in the urban centers of Tokyo and Osaka, to Shanghai, China. In stark contrast to the bustling, crowded vegetable markets of the public’s daily lives, which are often perceived as chaotic and lacking in organization, MUJI’s vegetable markets maintain MUJI’s previous monochromatic, straightforward aesthetic [4]. Consequently, this divergence from the conventional “anti-vegetable market culture” or public acceptance of vegetable markets is particularly noteworthy. It has the potential to attract younger customers and facilitate the exportation of the brand and its products by establishing a variety of “third spaces” that are centered around the needs of everyday life and increase the frequency of interaction between the brand and its customers [5].

3.2. MUJI’s Marketing Strategies

MUJI products spend very little on classic marketing in product advertising or promotional forms. In fact, it doesn’t even advertise on its own products, which aligns with its minimalist ethics. Its success is attributed to word-of-mouth, a simple shopping experience, and conveying its anti brand identity. Instead of using traditional advertising to convey a story, MUJI concentrates on presenting the concept and philosophy of its products to its audience, which is achieved through lectures, in-store events, and the media. In 2016, MUJI, which specializes in apparel created from recycled materials, hosted a speech at its flagship store in New York [6]. Over a hundred individuals visited the store as a result of this event, which was presented by textile designer Riko Suto. MUJI uses its internet platform in addition to its storefronts to communicate its anti-brand identity. The company’s website features a series of 10-second movies that illustrate how its goods are used at home and how they make users’ lives easier and better in order to communicate its brand concept. The films employ a key element of straightforward communication techniques, utilizing only video clips to illustrate the benefits of the product with minimal use of music. Social media platforms such as Facebook, Instagram, and Twitter represent another digital medium through which MUJI disseminates its brand image. Moreover, the brand’s promotional material on social media is direct and concise, eschewing the use of comedy or gimmicks. Additionally, MUJI uses promotional events to convey the beauty of its brand. Under the leadership of Japanese graphic designer Kenya Hara, MUJI launched its "Horizon" print advertisements in 2003 [7], which continued until 2009. He claims that rather than transferring information from one entity to another, MUJI’s commercials encourage information interchange. Essentially, the items and commercials for Indianapolis allow viewers a blank space to fill up whatever they see appropriate. Though there are no MUJI products in this visual design, customers are at liberty to project their own conceptions of what such products might look like [8]. MUJI boasts an extensive and rapidly growing supply chain, comprising 800 subcontract manufacturers and 200 suppliers from 20 Asian countries. The scale of MUJI’s production of apparel, home furnishings, and food products is considerable, as is its impact on the environment. Apart from adhering to production guidelines, MUJI concentrates its efforts on sustainable development initiatives that aim to engage and impact nearby communities. The “100 Good Things” corporate social responsibility plan, which is broken down into 5 pillars—think of the Earth, connect with local surroundings, think like a consumer, work with suppliers, and respect colleagues—is displayed on the company’s website. One of the most imaginative of them is thinking like a consumer. MUJI seeks to optimize the value that MUJI brands may provide to customers under this pillar. This includes a proposal for mothers to rent cribs and a “children’s chemotherapy room” that serves as a cancer treatment facility for kids with the goal of improving their quality of life [9].

4. MUJI's Efforts to Maintain Competitiveness and Expand Markets

4.1. Efforts to Remain Competitive

This brand distinguishes itself from others by rejecting the traditional brand and marketing of the term “MUJI” and supporting a set of values that go beyond traditional brand standards. Rather of being the product of marketing departments linking their brands to appealing core values, their brand image is a natural reflection of the work they do. “Practice rather than preaching” is what they are most proud of. MUJI, or Mujirushi Ryohin, has pushed high-quality products without utilizing a name since its inception [10]. Since MUJI items lack a recognizable brand representation, logo, or insignia, they are referred to as “no-brand” products. Their fundamental concepts and visual styles remain constant despite their expanding influence. The product is so elegantly simple that it seems like they checked a box and achieved their goal. Even though it is common knowledge these days to streamline the production process, the simplification of MUJI goods has never resulted in a price decrease. Besides, it makes beauty easier to manifest. MUJI is already more than sufficient. This is enforced by the emptiness concept of Kenya Hara; in the book *Designing Design*, the art director of the firm passionately defends MUJI's ideology, arguing that exceptional results may be obtained through simplicity when handled with the right methodology [11].

MUJI carefully selects processes and materials to meet its specific price range, and focuses a lot of attention on minimizing waste and manufacturing costs, thereby making prices lower compared to competitors of the same quality. The ideology of “no-brand brands” has formed a complete cycle and is advancing alongside their sustainable development oriented moral values to achieve very small packaging and reduce ecological impact [12]. Matsuzaki posits that Japan underwent a period of export-oriented economic activity, a trend that was reversed by the prolonged economic downturn that commenced in the early 1990s. Japanese companies employed two distinct coping mechanisms. Some firms elected to offer inexpensive goods in order to support a low-margin, high-sales business model [13], while others opted to invest heavily in branding and design. MUJI has come to symbolize a third approach, which is to develop a brand around quality goods with no decorative elements. Before 1982, MUJI's products did not even have a trademark. Those who had become weary of the excessive commercialization of mass retailers demonstrated a willingness to embrace MUJI's unique approach, which emphasized simplicity and quality. Its operating profit is expected to expand by 10.4% to 50 billion yen by February 2019, while its operating revenue is expected to increase by 11.8% to 424.3 billion yen (3.77 billion US dollars). 40.7% of total income is anticipated to come from overseas operations. This indicates that MUJI has seen double-digit increase in operating profit for eight years in a run and revenue growth for sixteen years in a row [14].

4.2. Efforts to Expand Markets

The CSBR report claims that China is frequently a merciless market for Japanese companies. The unique bond between China and Japan may prompt Chinese consumers to engage in a boycott of Japanese products [15]. Some companies purposefully disguise their Japanese origins in order to create a more universally appealing image of themselves and their products. However, MUJI's merchandise challenges this trend by demonstrating to Chinese consumers the Japanese lifestyle and design that is genuinely appealing to them [16]. A previous study employed a retail ethnographic and semiotic approach to investigate how local Chinese consumers interacted with the retail environment in a multinational client's store. MUJI was the most popular and attractive retail space among the stores visited by locals. The minimalist design style of MUJI is highly regarded and sought after by Chinese consumers. By means of product introductions and displays set against a backdrop of literature, well-known photography, and pop culture items, MUJI offers a cultural and educational

journey. Furthermore, MUJI has established a customization area within the store, designated as the “MUJI Self-Service Area.” This area enables customers to engrave personal messages on MUJI product bags and to create original cards utilizing stamps and blocks. Furthermore, MUJI’s specialty restaurants contribute to the brand's "lifestyle" narrative. Rather than perceiving MUJI as a mere collection of products, it is more accurate to view it as an innovative experience.

5. Challenges and Future Prospects

The relatively high prices of MUJI products have presented a challenge to the company’s market penetration, as they have limited the accessibility of MUJI products to a certain extent. In contrast, IKEA’s more economical pricing approach has been a significant contributing factor to its success in China. Despite the strengths of MUJI’s design philosophy and product aesthetics, there is a need to strengthen its localization efforts. Moreover, there is still potential for MUJI’s brand awareness to grow in the Chinese market, especially in tier 2 and tier 3 cities. Therefore, MUJI can benefit from studying IKEA’s experience in developing the brand awareness through large stores and intensive marketing campaigns. To address these issues, MUJI may wish to consider the following aspects for the way forward.

Firstly, MUJI can further streamline its supply chain management by reducing intermediate links and improving logistics efficiency. For instance, enhanced collaboration with suppliers in the China can facilitate a reduction in import tariffs and transportation costs, while simultaneously enabling the implementation of a more rational pricing strategy, thereby attracting a larger customer base that is price-conscious. The establishment of production bases in China will result in a reduction of transportation costs, the localization of the production of goods, and a more rapid response to market fluctuations. Besides, it can enhance its collaboration with regional designers and suppliers to develop new products that align with the preferences and preferences of Chinese consumers. Furthermore, MUJI can adapt its merchandise displays, store layouts, and other elements to align with the lifestyles and cultural characteristics of consumers in other regions through a more nuanced understanding of their needs, which enables the company to introduce product lines at varying price points, thereby satisfying the diverse needs of its customer base. For instance, the introduction of more affordable products could be employed to expand the market share, while the retention of select luxury product lines could be utilized to maintain the brand image, particularly in tier 3 and 4 cities. Secondly, MUJI can promote the brand through e-commerce platforms such as Tmall and JD as well as social media such as Weibo, WeChat, and RED to increase brand awareness in the digital space. It can also host brand events such as product premieres, themed exhibitions, and workshops in business districts and shopping centers, which aims to increase brand interaction and engagement, and allow customers to experience MUJI’s products and brand culture firsthand. Products can be adapted to meet specific local requirements, and cultural norms and consumption patterns in different regions can be taken into account when developing customized marketing plans. For example, launching limited edition products on specific holidays or incorporating regional cultural features into product design and promotion can stimulate local economies in rural areas. MUJI can partner with other companies or economic sectors (such as coffee shops, bookstores, and art galleries) to attract more customers through joint merchandise, exhibitions, and other activities. By participating in or spearheading activities related to environmental protection and public welfare, MUJI demonstrates its commitment to social responsibility and sustainable development.

6. Conclusion

The paper assesses MUJI’s marketing strategy in light of Chinese consumer culture and minimalism. Despite the fact that MUJI’s products are somewhat more expensive than their competitors, this has

not stopped the its popularity from growing among its target demographic in China. However, more thorough investigation into sustainability and economical pricing is still required. The results not only provide valuable information for MUJI's future expansion in the Chinese market, but also for other local brands. MUJI's success shows that companies with a minimalist aesthetic can also thrive in China with the right marketing strategy and understanding of the local customer base. However, we must recognize the limitations of this study. Rapid changes in consumer behavior and market trends over time may ultimately limit the scope of application of this study's findings. In order to gain deeper insights, this study may require the collection of additional primary data, such as interviews with MUJI's customers and industry experts. Future research should focus on how cultural differences affect consumers' perceptions of minimalism and how MUJI has adapted its operations to fit the needs across China. In consideration of China's dynamic consumer trends, a fuller comprehension of the complex relationships between minimalism, consumer culture, and marketing tactics can be attained by looking at these factors.

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