

# ***Analysis of the Role of Consumer Psychology and Behavior in MUJI's Business Strategy***

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**Abstract:** This study analyzes the role of Muji's business strategy in shaping consumer psychology and behavior, and focuses on the interaction between consumer attitudes, persuasion principles, brand personality, and consumer identification. The article explores the various factors that influence purchasing decisions, such as packaging, pricing, and marketing methods, and emphasizes that Muji's target demographic consists mainly of modern young consumers who appreciate high quality and minimalist aesthetics. By applying Cialdini's six principles of persuasion, it shows that Muji strategically influences consumer behavior, despite the challenges it faces related to perceived scarcity and high pricing. The core concept of the brand is relaxation, nature, simplicity and functionality, which reflects sincerity and resonates with consumers, especially those with high affinity and low neuroticism. However, the conflict between Muji's original anti-consumerism ideology and its current popular brand status has led to consumer dissatisfaction. Suggestions to improve the competitiveness of the Muji market include adopting personalized marketing strategies, addressing price sensitivity through tiered pricing, and prioritizing sustainability to adapt to changing consumer values. By implementing these strategies, Muji can strengthen its connection with customers and ensure long-term success in a highly competitive environment.

**Keywords:** MUJI's business strategy, consumer psychology and behavior, Cialdini's Six Principles of Persuasion, brand personality of MUJI.

## **1. Introduction**

The dynamic landscape of consumer behaviour demonstrates how a wide range of factors, from broader societal trends to personal tastes, can impact a purchase decision. This study focusses on the important variables influencing consumers' perceptions of MUJI, a company known for its premium goods and minimalist designs. Through a review of the literature, which includes the studies of Granger and Billson on consumer preferences with regard to container sizes, this study emphasises the importance of several factors—like pricing, advertising, and product style—in shaping customer decisions.

Modern young adults are MUJI's main target market. Although they are financially secure, they frequently think that the brand's products are a little pricey. Although this market like the brand's premium goods and minimalist design, it makes doubts about how well MUJI's price strategy meets customer expectations. Furthermore, MUJI uses the opposing central and peripheral pathways of

persuasion to convey its brand values and shape customer behaviour. This article will examine how MUJI uses strategies like consistency, reciprocity, and consensus to foster customer involvement and loyalty, based on Cialdini's six principles of persuasion. But even with these advantages, MUJI still has problems, especially when it comes to how people perceive scarcity and how that affects customer exclusivity and urgency.

Furthermore, the examination of MUJI's brand personality indicates a dedication to authenticity, defined by the concepts of ease, simplicity, nature, and usefulness. However, there is a perceived gap between the brand's concept and the customer experience because this idealised brand identity is at odds with the middle-class consumer base's growing sophistication and price sensitivity. The upcoming sections will explore these issues in more detail, looking at how customer attitudes, brand personality, and MUJI's changing identity interact. The objective of this study is to offer strategic recommendations that can improve MUJI's market position and establish stronger relationships with its customer base by tackling these issues.

## **2. Attitudes and Persuasion**

### **2.1. Influential Factors of Consumers' Attitudes**

First of all, it is obvious that consumers must be influenced by many factors in the process of deciding to buy a certain product. For example, Granger and Billson experimentally studied the change of consumers' preferences for different package sizes [1]. They found that consumers are more likely to buy larger sizes of the same item. Similarly, many other factors have been found to influence purchasing behavior, such as price, publicity, style, service, and so on [2]. The following contents of this part will study and analyze a series of factors that affect consumer attitudes in MUJI brand.

### **2.2. Attitudes of Target Customers**

Based on the authors' research and reading of Assmann's article [3], MUJI's primary target customers are modern young people with financial means but not wealth who appreciate high quality and minimalist style. Therefore, MUJI's target audience likes the brand's high-end feel and minimalist style but finds its products a little expensive, especially those from Japan.

### **2.3. Contrast between Central and Peripheral Routes**

The central route describes product details to convince consumers, while the peripheral route uses simple posters or other vivid ways to attract them. Most brands choose the peripheral route for promotion. According to Paul et al.'s research on the influence of peripheral routes on consumer behavior, advertising clues in peripheral routes can influence consumers' brand choice, but the extent of such influence depends on the specific brand-related information available to them when making choices [4]. These findings confirm the usefulness of peripheral persuasion strategies in changing consumer choices, and lead to the following research in this paper. The following content will study how MUJI applies Cialdini's persuasion principles: consistency, reciprocity, scarcity, consensus, liking, and authority.

### **2.4. Cialdini's Six Principles of Persuasion**

Regarding consistency, the first thing that comes to mind is relevant advice. Specifically, the shop assistant or e-shopping software system will make customized recommendations based on the consumer's past spending habits and preferences. MUJI also uses this method. Customers interested in a piece about a sense of space and simple living will likely be referred to another piece that uses similar concepts.

Reciprocity is a widely utilized promotional strategy by brands, typically manifested in two main approaches. One common method involves offering discounts, as seen with MUJI, which implements seasonal and regular promotions. Another form of reciprocity is through trial services; some MUJI stores provide styling and interior advising for customers. The agent reciprocity strategy, as outlined by Goldstein, Griskevicius, and Cialdini (2011), involves engaging an intermediary to create a sense of obligation or favor among customers, which can enhance cooperation and positive consumer behavior. Their research demonstrates that hotel guests were more inclined to reuse towels when an environmental program employed this strategy, compared to incentive-based or standard approaches [5].

Consensus takes advantage of the familiar psychology that people are more likely to choose a product that more people have already selected. In MUJI's case, it juxtaposed its clothing ads with brands such as GUCCI to make consumers feel that the goods were popular with the masses and considered upscale. Therefore, consumers with this awareness will choose to buy these MUJI clothing.

The next thing to explain is liking. This method of persuasion involves the use of color and other methods to enhance the consumer's affinity and affection for certain product features, thereby promoting purchase. Muji's "Summer 2024 Cool" poster campaign is a case in point. It uses warm colors and cool colors, which effectively conveys the cooling function of the product, and also efficiently attracts the attention and favor of consumers. The research of Professor Thomas et al. explores the significance of color management in establishing and maintaining brand image in the international market. This study reveals cross-cultural similarities and differences in color preferences and associations. For example, while some cultures associate blue with serenity, others may associate it with sadness. This highlights the importance of color in marketing materials, because the choice of color can significantly affect the publicity effect in different cultural backgrounds [6].

The next point is authority. Most of MUJI's merchandise carries the concept of emptiness, which was proposed by the two chief design experts of MUJI, Kenya Hara and Naoto Fukasawa. This concept effectively supports and promotes MUJI's products.

However, MUJI's publicity could be better. On the contrary, it has a severe deficiency: scarcity. Most MUJI products are heavily stocked, and consumers do not feel any sense of urgency during the purchase process because they are out of stock. Similarly, most MUJI products are standard. Therefore, consumers are not limited to this one brand because they can choose products that are identical to other brands.

### **3. Personality and Identity**

This section will focus on analysing the brand personality and its consumer identity of MUJI.

#### **3.1. Brand Personality**

Personality is a set of unique psychological characteristics that influence how consumers respond to their environment. Personalities are associated with a brand. Sincerity is the most obvious one of MUJI's brand personalities. The four concepts of MUJI, relaxation, nature, simplicity, and functionality, show the purity and pleasure of sincerity. To make consumers feel relaxed, MUJI wants them to think about "This will do" but not "This is what I want" when purchasing MUJI's product. The advertisement series "Nature, Naturally, MUJI" shows only natural beauty without slogans [7]. This follows the concept of nature both visually and imaginatively. The most basic concepts of MUJI are simplicity and functionality. These two concepts run through MUJI's marketing approach and product design style.

MUJI has implemented its four concepts in different aspects to reflect its brand personality. The first aspect is the product design. The three core principles are package, production, and raw materials

[7]. The plain and uniform container, streamlined production process, and selection of discarded material implement the concepts of relaxation, nature, simplicity, and functionality. Another aspect is MUJI's marketing approach. Brand managers ought to craft advertising campaigns that highlight the distinctive character of their brands. Such an approach to advertising will allow the target audience to perceive a match between the brand's personality and their own, aligning with their individual personality traits [8]. MUJI's advertisements emphasize the idea of visuals and their conveyed message, with very few textual explanations. For example, on the advertisement series "Pleasant, somehow", Muji only shows scenes of cleaning to express its concept of nature. These two aspects of reflection stem from MUJI's brand personality and sincerity.

### 3.2. Consumer Identity

Belonging represents an extension of its owner. The characteristics of MUJI's products can attract different kinds of people, which can be summarized as consumers' identities of MUJI. Using the Five-factor personality model, it can be analyzed that MUJI attracts high agreeableness and low neuroticism. In addition to valuing the practicality of consumer goods, the high agreeable ones also value the emotional experience during the consumption process [9]. The pure color of MUJI's product may be the most attractive for the highly agreeable ones since it can demonstrate relaxation and pleasure. The design matches the concept of nature and simplicity and can attract low neuroticism since it shows no sense of conflict and matches their stable emotions. From the perspective of economic income, MUJI attracts the middle class most. The Japanese minimalist style gives consumers a feeling of sophistication and refinement, which is highly sought after by the middle class.

### 3.3. Problem

However, the difference between the brand personality and consumer identity of MUJI, which accompanied by the development of MUJI, raises a problem. There is a conflict between MUJI's ideology and reality. MUJI was first set to oppose consumerism [7]. But now, its popularity among the middle class has made MUJI sophisticated. As a result, MUJI's products are being too expensive and considered low-cost-effective by some consumers. This has caused consumer dissatisfaction and lowered MUJI's reputation and market competitiveness.

## 4. Suggestions

MUJI must adopt strategic and innovative approaches in a complex business environment to stand out and build meaningful customer connections.

Personalization deepens customer engagement, cultivates a stronger emotional connection with the brand, and ultimately cultivates loyalty and publicity [9]. To truly excel in a market saturated with competition, MUJI must highlight its distinctive values and the unique attributes that differentiate it from its rivals [10]. Whether it be a staunch commitment to sustainability, an unwavering focus on quality, or a pioneering dedication to innovation, these values should be clearly articulated and seamlessly integrated into every facet of the brand's operations and marketing endeavors. By doing so, brands can effectively attract and maintain a customer base that shares these values, solidifying their position as industry leaders.

Addressing consumer price sensitivity is another critical component of a successful market strategy [11]. Brands should contemplate implementing a tiered pricing approach that accommodates various market segments, ensuring accessibility while preserving profitability. Incorporating value-based pricing, which accurately reflects the intrinsic value of products to the consumer, can further augment the brand's competitive edge. This strategy not only addresses the price concerns of the consumer but also underscores the brand's commitment to delivering exceptional quality and value.

Enhancing the consumer experience is an indispensable aspect of a winning market strategy. Brands must concentrate on refining all customer touchpoints, encompassing the design of physical retail environments, the user-friendliness of online platforms, and the caliber of customer service [12]. A seamless and gratifying shopping experience can substantially influence customer satisfaction and loyalty as a pivotal differentiator in a fiercely competitive market.

Finally, in an era when consumers are increasingly concerned with environmental and social issues, brands must prioritize sustainability [13]. By dedicating itself to sustainable practices in procurement, production, and waste management and increasing transparency in the supply chain, the brand not only meets the rapidly growing demand for environmentally friendly products but also enhances its reputation as a responsible and ethical entity. This consistency with consumer values can significantly improve brand loyalty and attract more socially conscious consumers.

In summary, with informed implementation of these strategic recommendations, brands can improve their market position, deepen customer relationships, and ensure long-term success in a dynamic and competitive environment. These recommendations are designed to adapt to different industry and market conditions, providing a roadmap for MUJI to remain relevant and competitive while fostering a culture of innovation and continuous improvement.

## 5. Conclusion

This study focuses on analyzing MUJI's consumer attitudes and persuasion principles implemented, as well as MUJI's brand personality and consumer identity, utilizing consumer psychology theory. Improvement suggestions are proposed for MUJI's current situation from the above aspects.

For MUJI's consumer attitudes and persuasion principles implemented, the finding indicates that MUJI's consumer value the high-end feel brought by the minimalist style of MUJI. As a response to consumer attitudes, MUJI primarily use the strategy of peripheral route to influence consumer behavior. In advertisements and posters, Muji applies Cialdini's six principles of persuasion and implements them in personalized recommendations, seasonal discounts, trial services, and color management. However, this study mentioned that MUJI had a deficiency on scarcity. MUJI can increase marketing scarcity to achieve better marketing results.

As for MUJI's brand personality and consumer identity, this study found that, MUJI showed its brand personality of sincerity by four concepts, relaxation, nature, simplicity and functionality. MUJI implements these four concepts in product design and marketing approach to reflect its brand personality. MUJI's brand personality attracts different types of consumers and institute its consumer identity. By using the Five-factor personality model, this study found that MUJI attracted high agreeableness and low neuroticism individuals by the features of products and the four concepts. From the perspective of economic income, MUJI is highly sought after by the middle class. However, this study found that MUJI's brand personality conflicted its consumer identity so that it caused consumer dissatisfaction and reduced MUJI's competitiveness in the market.

## Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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