

Suntory: A Serial Innovator in all Drink Categories

Traditionally, Suntory meant whiskeys, now for many Japanese consumers it is teas, while overseas it is their sodas that are well known ... No wonder, the Suntory Group is a giant in the drinks business with an extensive range of beverages across all categories. Worldwide, it is formed of not less than 321 companies, employing more than 38 thousand employees, for consolidated sales of 2,651 billion yen. For Suntory owned companies, 106 are located in Europe, 82 based in Japan, 79 in Asia & Oceania and 54 in the Americas. Yet on the sophisticated Japanese market, the company is constantly launching innovative products to strengthen its leadership position. **Dominique Huret**, from Cape Decision Drink & Packaging Consultancy had the opportunity to dig in the reasons behind these successes

Established more than a century ago in 1899, today's Suntory headquarter is located in the impressive area of Minato-ku in Tokyo. The corporate brand promise is "Follow Your Nature" from the favorite expression of their founder Shinjiro Torii's "Yatte Minahare". It means honoring the Human Spirit, moving forward without fear, accepting challenges and embracing the future.

The award-winning Suntory Green Tea Lyemon bottle



Keeping with the desire to help others prosper alongside us by giving back selflessly to the world.

"On the Japanese beverage markets, Suntory must cope with several paradoxes: while one witnesses a decrease in demography, we also notice an increase of soft drinks sales, mainly due to ready to drinks coffees and teas. Water and health/functional drinks are also growing segments. Secondly, here in Japan, most soft drinks are a commodity, hence very price sensitive, so personalization or premiumization are extremely difficult with existing products, unless the added value is given" stated Hasumi Ozawa from Corporate Communication Division.

"The only way in this segment is to innovate within the category with a new product based on a new idea" said Yoji Minakuchi Suntory Chief Creative Director of the Design Department." the "Tennensui Premium Morning Tea is a good example. It is totally clear for both the lemon and milk versions and is sold at competitive price but bears an obvious upmarket/healthy image. Initially, the Suntory Tennensui brand was first launched in 1991 and is

The Premium Morning Tea bears an upmarket and healthy image



Mr. Yoji Minakuchi,
Suntory Chief Creative Director

a long-selling brand that has remained No. 1 on the mineral water market for 21 years consecutively. Its tea version represented the creation of a new category and has been wildly popular as a unique transparent lemon/milk tea that is perfect for enriched mornings".

"Another Japanese paradox: the average alcohol per capita consumption is decreasing along with ageing society. But some segment like Whiskey are increasing. We at Suntory decided to enlarge our cocktails and light alcoholic (Shōchū) offering which is a huge hit. Japanese on the whole do not cope well with alcohol. The younger generation consumption habits have also changed: they prefer lighter drinks allowing them to relax, feel good but stay in control to continue their activity in front of screens. These drinks are more often consumed at home and not in bars as older generations. Many special editions come out each year for special events, festivals etc ... In the innovation portfolio of our premium product range, we have worked a lot on a new packaging for Craft Boss Coffee, replacing aluminum cans & bottles for PET bottles with see through labels. They have required extensive research in PET material as consumers want to drink them hot or cold, right from dispensing/vending machines" adds Minakuchi.

These are only a few among the many successful products that Suntory can boast in the recent years. One of the



For Craft Boss Coffee the new PET bottles with see-through labels replace aluminum cans and bottles

main reason behind this is the creative approach Suntory takes towards innovation. The Suntory design/innovation department is composed of 39 people with 27 designers. Their work is organized in a holistic way. "There are no design briefs. We start every new product from scratch with a New Product Development team of three sections: marketing, design and R&D. Together they have to create a whole concept, with only one thing in mind, the human being who will consume the product. This is the main concern all the way through to market launch. This goes much further than creating a product bottle. What also provide inspirations are

The new cocktail range is a huge hit



Suntory's range brightens up the supermarket shelves.

Photos: Cape Decision

monthly seminar on trends watch in the design world, but also more importantly outside this arena," said Minakuchi

Three directions compose the company's design strategy. A metaphorical design approach that is not surprising in Japanese culture where natural and traditional imageries (love of nature, history and culture) are omnipresent as orientalist tributes but also consumerist symbols. The design for the OVI packaging (for the Australian market) illustrates it well. First brainstorming ideas were collected as metaphorical images of Japan. Sushi came out, illustrating freshness, health and transparency. This was then translated into the packaging visuals with fresh fruits, see through labels and an overall image of healthy, honest, and fun drink.

The second direction is the Agile Crafting Adoption Strategy where information is gathered about consumer and business values that help determine which concept to develop. "Orangina, the iconic French orange shape bottle was an interesting project. We carefully redesigned the bottle to adjust it to production requirement using a larger bottom, and adapted the PET external

texture for a firmer grip, which is important as the bottle is to be shaken. Pictures and labels play on the French touch and explain the presence of fruity pulp in the drink, very unlike the Japanese taste. Huge commercial success for Orangina, now, where Fanta used to be unchallenged.

And finally, Minakuchi presents the 3rd key direction of "human center-design." This approach has proven alluring in putting people before process, to

Suntory's lemon sour drinks with innovative design





Suntory's Headquarter Building in Tokyo

produce beverages that meet people's needs. Not the other way around. Suntory has been a pioneer in understanding people on their own terms". Mrs Alexis Baum, American designer consultant and specialist in Human Center Design brings out: "Taking this human-centric approach not only offers more value to the customer but also gives them a much richer sense of belonging. If a company can align to a person's values

rather than just their needs, that is very powerful".

Human-centered design usually consists of three phases. The "Inspiration Phase", coming directly from the co-workers, with immersion in the consumer lives as to deeply understand their needs. The "Ideation Phase" allows you to make sense of the learnings, identifying opportunities for design, and

Suntory's new designs and packaging range seen on advertising posters in the Tokyo Metro



prototyping possible solutions. Finally during the "Implementation Phase", solutions come to life and eventually to market. Often the solution is a success because the very people you're looking to serve have been kept at the heart of the process."

One of the project dear to Mr Minakuchi's heart is Iyemon tea packaging revamp done this year. This traditional green tea from the venerable tea company Fukujuen in Kyoto with a long history starting in 1790, was launched by Suntory in 2004. This year, the packaging and shaped bottle was redone to meet today's consumer taste for slim bottles, paper like packaging and trendy design. The Pentawards design competition granted the Suntory bottle with a bronze award this year. The product is the leader in Suntory sales in Japan with more than 20% of sales. And here again, changing flavors are proposed in tandem with seasons, drinking style and drinking settings.

Like its major's competitors and other players in Japan, sustainability is now totally mainstream and common practice, that it nearly is a non-subject! Suntory follows the 2R+B strategy as illustrate for the three flagship products. R for reducing the amount of resin so the weight of Suntory Mineral Water Tennensui for 550ml bottle is 11.3 g the lightest in Japan, done with 30 plant derived materials.

The cap also is the lightest cap on the Japanese market with 1.85 gr and same for the label, the thinnest with 12µm. All labels are now easily detachable to facilitate individual and selective sorting and recycling. The two main tea brands are done 100% with bottle to bottle recycled material.

Not surprising since Suntory completed Industry's first B-to-B recycling system for PET Bottles and that was in... 2011. Today's crusade wears the blue color and aims at protecting and limiting water resources for future generations. This again is very well aligned with the corporate mission "To create harmony with people and nature". No wild guess, just hard work. Kampai!