

Market Entry: Tokyo

東京



Presented By

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Agenda

1. CANNON Golf
2. ANCHOR SL
3. Target Market: Tokyo, Japan
 - i. Consumer - Takuya
 - ii. Marketplace
 - iii. Marketing Plan
 - iv. Market Entry Strategy
4. Supply Chain
 - i. Production
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Cannon Anchor SL



- BOA Lacing System
- Spikeless Design
- Enhanced Lockdown
- Waterproof Upper

Golf in Japan

- Approx. 10.53m Japanese golf course users in 2022 (highest ever)
- 2300+ golf courses across Japan (2018)
- Hideki Matsuyama became the first Japanese men's golf major championship winner (2021)
- Nasa Hataoka is currently #10 in the LPGA (18 Japanese women make up the world's top 100)

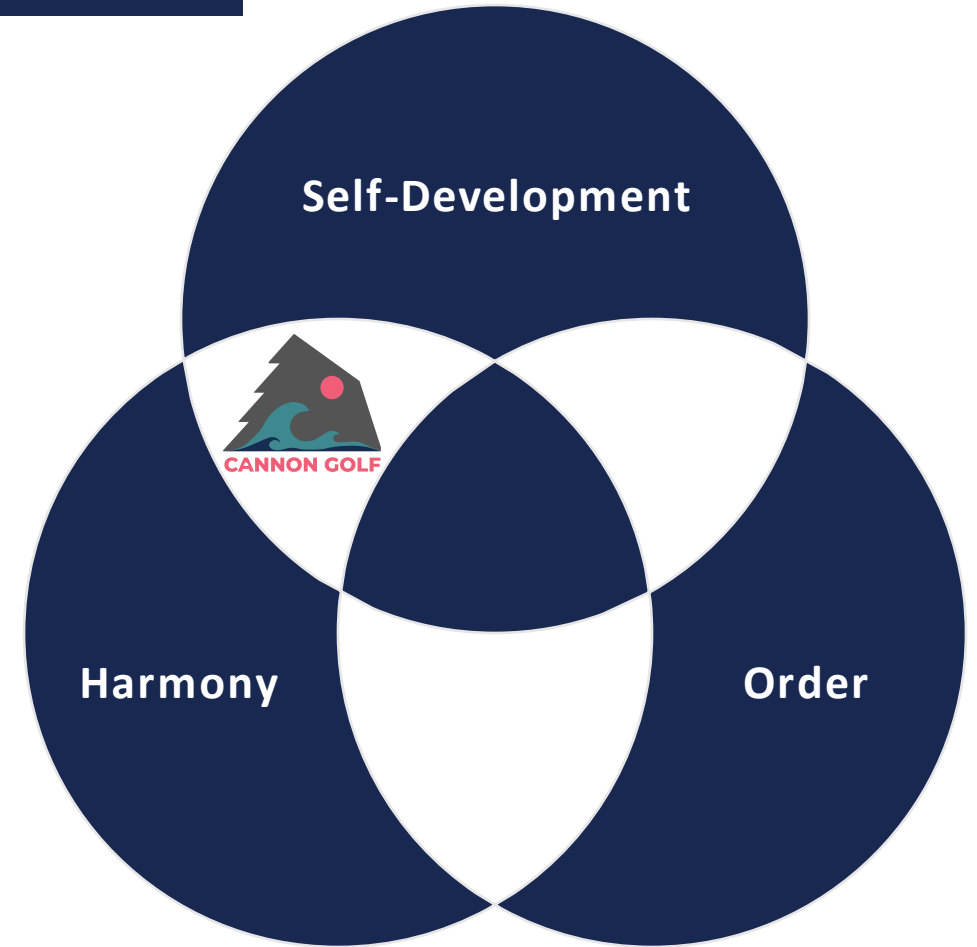


CANNON GOLF in Japan

Mission: Empowering golfers to swing like never before and push limits to create exciting moments.

Vision: To build toughness within all athletes and encourage a **continuous improvement** style of play.

Values: Self improvement, Harmony, Community, Sustainability, Courage



Japanese Values:
How we will locally market our brand

Our target consumer - Takuya

Identity

- 52-year-old man (40-55 age range)
- Lives in the suburbs with his wife, son, and aging mother
- Patriarchal head of the family- household income provider
- Never wears shoes in the house
- Works 50-60 hours per week in financial industry at middle-upper management level
- Back and joint pain- team sport activities are too intensive

On-Course

- Plays “Settai Golf” every other week, and semi-monthly with friends
- Drives to the course early to use the locker room- always arrives promptly
- Packs a separate bag for his on-course attire/footwear
- Books a week in advance on RAKUTEN Gora to schedule a tee time on the weekends
- Wears muted/neutral colors on-course

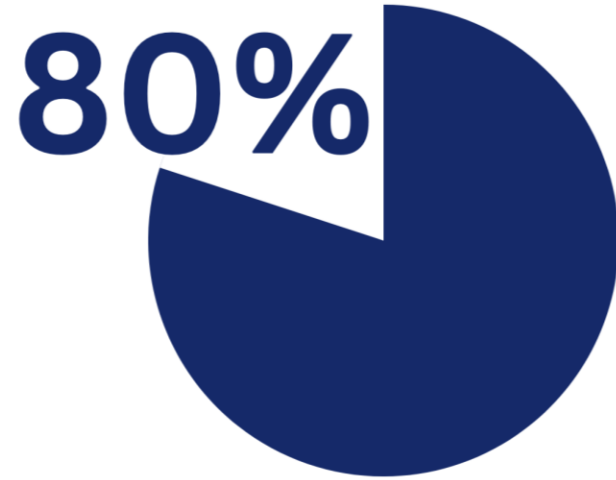
OFF-Course

- Shops for himself at outlet stores in the suburbs
- Cost-conscious
- Tech-savvy
- Wants to look clean and respectful in front of peers
- Works on the weekends often



Our product in Japan

- Technologically advanced product
- BOA lacing system
 - No mechanical/structural changes to materials and lacing system
- Specific last, size runs, colorways, BOA inclusion
- Waterproofing for easy cleaning



of Japanese golfers prefer disc tightening systems over traditional laces



Colors selected based on predicted Spring '24 Japanese trends

CULTURAL SIGNIFICANCE

- The concept of cleanliness is extremely important in Japan and heavily emphasized
- Japanese culture is rooted in **RESPECT** for each other, the environment, and their feet
 - The Anchor SL's spikeless design promotes minimal tracking and respect for the green
 - The water-resistant upper with BOA lacing helps cultivate an environment of comfort and relaxation which is synonymous with cleanliness



土足厳禁
NO SHOES ALLOWED
厳禁穿鞋入内 토족 엄금

Marketing plan

Promo:

- Push Marketing Strategy
 - Get product in front of consumer
 - High investment into marketing across diverse demographic
- Largest launch ahead of monsoon season (spring)

Pricing:

- Consumer-led pricing
 - Slightly lower pricing as the US consumer (¥25,140 = \$180)
 - Low total SKU's and lower pricing creates consumer demand/exclusivity



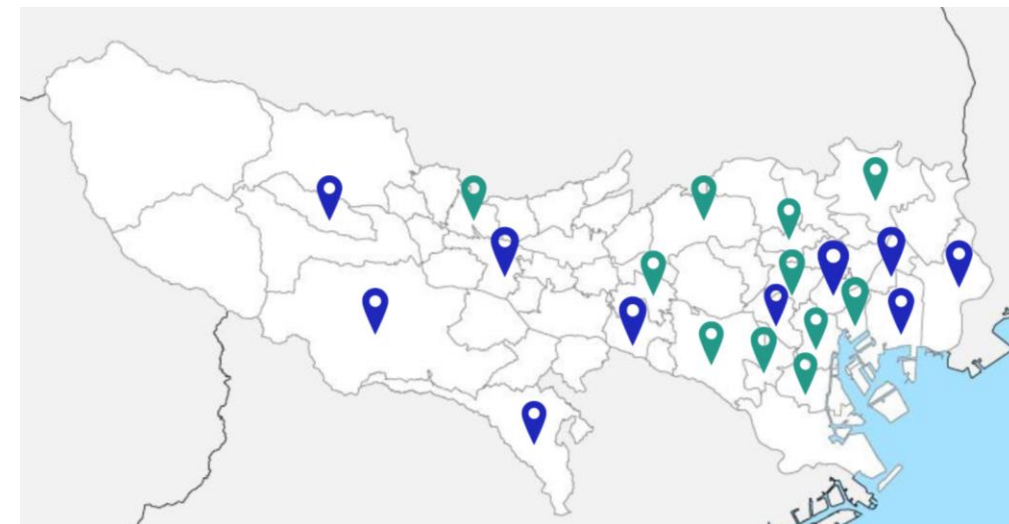


Market Entry Strategy

- Export as a US company
 - Protect our prospective patent

Targets: 16,000 pairs

- Online sales through our website (DTC): **20%**
- In-person: **80%**
 - Golf Specialty: **20%**
 - Wholesale (Super Sports Xebio & Victoria Golf): **60%**
 - **Super Sports Xebio**: **12** stores in Tokyo, 176 stores in Japan
 - **Victoria Golf**: **26** stores in Tokyo, 148 stores in Japan
 - Gain Japanese reputation
- Providing an interactive product offering
 - Tech-Savvy Consumer: QR codes, Virtual displays



THE SUPER SPORTS XEBIO

Speciality Shop

Victoria Golf

Sourcing

- Our production demands
 - Highly engineered materials needed
 - High skill needed for manufacturing difficulty
 - Low MOQs for color variety
- Vietnam Japan Trade agreement (VJEPA)
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Korea	Vietnam	Category	Mexico	China
4	2	Cost of Materials	3	1
4	1	Cost of Tooling	3	2
4	1	Cost of Labor	3	2
2	4	Port to Port shipment cost to Seattle	1	3
1	2	Port to Port FCL shipment cost to Tokyo	4	3
1	3	Duty rate to US	1	4
1	1	Duty rate to Japan	4	3
2	3	Relationship with US	1	4
2	1	Relationship with Japan	3	4
1	2	PESTEL Score	3	4
21	20	Sum	26	30
2	1	Ranking	3	4

Production & Shipment

Manufacturer

- Location in Ho Chi Minh City
- Experienced footwear producer
- Prepared to make low MOQs
- Trusted partner of Adidas, VF Corp



Shipment

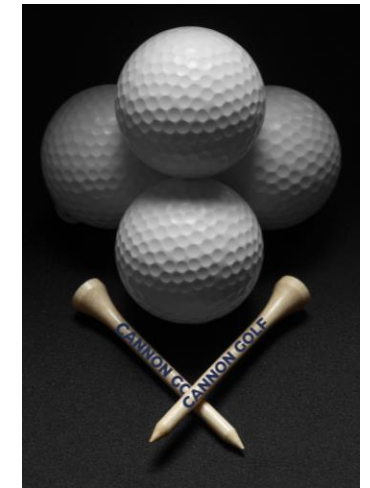
- Same 4PL partner
- FOB incoterm
- Near-shoring to Japanese market (12-14 days sea freight)
- Approx. \$1750 ship



MAERSK

Receiving & Distribution

- 3PL partner in Japan- JP Logistics Hub
 - Customs support
 - Port to truck
 - Truck to Warehouse in Shibuya City, Tokyo (40 min)
 - E-Commerce fulfilment
 - Japan Market Penetration Consulting
 - VAS, golf tee pins in paper bags
- Retail and wholesale in Golf Specialty retailers



Reverse Logistics and Returns

- E-Commerce returns through JP Logistics Hub
 - Receive at Warehouse in Shibuya City, Tokyo
 - Assess product condition upon return
 - Green grade: Re-stock
 - Yellow grade: Clean product/re-box then re-stock
 - Red grade: Find a local organization to donate to
- 7-day return policy window:
 - If returning- provide the JP Logistics Hub address for consumer to pay for their return



Cost Assessment- Japan

4PL Cost:

Est \$1750 (\$0.10/unit)

3PL Shipping:

Est \$112,000 (\$5/unit)

Wholesale Margin:

\$50.5

Projected FOB:

\$38.00

Landed Cost:

\$39.50

VAS + Warehousing:

\$40.70

People & Planet Impact

People will work on locally distributed products



Less carbon emissions with nearshoring to this market

1,591.54 kg of CO2 Ocean Freight

Spike-less design reduces player's impact on grass and water usage on courses

Japanese consumers appreciate water integrity after a drastic reduction in the availability of fish

OPERATIONAL SUSTAINABILITY GOAL: TO CREATE A GOLF ECOSYSTEM THAT PROMOTES LOWER WATER CONSUMPTION ON COURSE WHILE PROACTIVELY REDUCING OUR WATER USAGE BY 10% YEAR OVER YEAR

Considerations

- Global expansion with quick feedback from Japanese market led by Japanese market leaders
- Advanced understanding of local consumer and marketplace
- Great potential for future success and main market in Asia
- Nearshoring in Asia to create regional relevance, reduce costs, and enhance supply chain efficiency
- Pricing infiltration into Japanese golf shoe market
- Explore 3D Printing of M/S and O/S



THANK YOU

Questions?



Resources

- Primary

- Hikaru Minami: Candidate for M.S. SPM and future rockstar
- Masaki Minami: Japanese casual golfer, airline pilot
- Craig Nomi: Sr. Product Development Manager, Under Armour Golf
- Kyle O'Connor: Sr. Product Developer, Adidas Golf
- Mike Forsey: Payntr Golf

- Internet research sources

- [Japanese Cultural Do's and Don'ts: https://www.specialoffers.jcb/en/tips/japan/culture/dos-and-donts-10-etiquettes-when-visiting-a-japanese-home/](https://www.specialoffers.jcb/en/tips/japan/culture/dos-and-donts-10-etiquettes-when-visiting-a-japanese-home/)
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