# Native × Japan

Clean. Simple. Effective.
A U.S. Personal Care Brand Enters the World's Third-Largest Beauty Market

MKTG 560 - INTERNATIONAL MARKETING
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日本

## Nihon

JAPAN MARKET ENTRY

Introducing Native's aluminum-free, clean personal care line to urban Japanese consumers through P&G K.K.'s established Japanese infrastructure

BRAND BACKGROUND

# Native: A Capital-Efficient Clean Beauty Brand

## $100M

Acquired by Procter & Gamble in November 2017 - with only 8 employees and $500K raised

P&G ACQUISITION

## 10x

Sales growth in 5 years post-acquisition - estimated $250–300M annual revenue in 2024 (P&G Best of Brand Award)

REVENUE GROWTH

## #3

Target's third best-selling deodorant brand by 2021, with 46.8% YoY sales growth. Distributed at Target, Walmart, CVS, Walgreens, Kroger & Whole Foods

RETAIL POSITION

Core line: deodorant · body wash · shampoo & conditioner · bar soap · toothpaste · mineral sunscreen | Aluminum-free · sulfate-free · cruelty-free · vegan

MARKET RATIONALE

# The Japan Opportunity

## $32.97B

Japan personal care market (2025)
World's 4th largest

## $1.33B

Natural & organic cosmetics segment (2023)
Growing at 6.1% CAGR - nearly double overall market rate

## 40%+

Japanese consumers prioritize natural ingredients
when purchasing beauty products

**Key insight:** **No major domestic brand** occupies the natural, aluminum-free positioning that Native has established in the U.S. - Kao, Lion, and FineToday all compete on science-based, conventional formulations. The premium-natural quadrant is structurally unoccupied.

# Cultural Environment

## Opportunities

- **Kirei culture** - "clean" and "beautiful" are one word; Shinto purification roots create deep alignment with Native's ingredient-transparency positioning
- **Ingredient literacy** - over 40% of consumers prioritize natural ingredients when purchasing; founder story ("I read a label and did better") translates directly
- **Premium openness** - Foreign brands hold ~30% of cosmetics market; Gen Z consumers 20% more likely to exclusively use natural skincare
- **Digital-first discovery** - 80% of beauty shoppers use Instagram daily; @cosme has 17.6M monthly active users and drives retail placement

きれい

## Kirei

A single Japanese word meaning both "clean" and "beautiful" - the philosophical foundation of Native's positioning in Japan. Purity and beauty are culturally inseparable.

### ADAPTATION REQUIRED

ABCC11 gene (80–95% of population) reduces body odor - deodorant usage is ~55% vs. 90%+ in the U.S. Reframe: *skin wellness ritual*, not odor control. Bold U.S. scents must be replaced with yuzu, hinoki, green tea, or sakura.

MARKET ANALYSIS

# Economic & Regulatory Environment

**$32K** Per capita GDP - Japan is the world's 4th-largest economy with among the highest per-capita beauty spend globally

**$409** Per-capita annual beauty spend - among the highest globally. Premium segment at $11.94B growing at 1.7% CAGR

**6.1%** CAGR for natural & organic cosmetics - nearly double the overall market rate, reaching $2.26B projected by 2032

## Regulatory Reality

**Quasi-drug** Deodorants classified as *iyaku-bugaihin* under the PMD Act - requiring pre-market MHLW approval, not just notification like cosmetics

**12–18 mo.** Realistic timeline from regulatory initiation to deodorant market clearance - informs phased entry strategy

**P&G K.K.** Acts as Marketing Authorization Holder - existing GMP, GQP, and GVP licenses eliminate the need for a new local entity

**Cosmetics** Body wash, shampoo, and conditioner require notification only - enabling immediate Phase 1 launch without regulatory delay

MARKET ANALYSIS

# Competitive Landscape: The Gap is Real

| BRAND | COMPANY | CATEGORY | POSITIONING | NATURAL GAP? |
|---|---|---|---|---|
| Kao (Bioré, Merit) | Kao Corp. - $11.8B | Deodorant, Body wash, Hair | Science-based, functional | ✓ GAP |
| Ban / Hadakara | Lion Corp. - $2.8B | Deodorant, Body wash | Conventional efficacy | ✓ GAP |
| TSUBAKI / Ag DEO24 | FineToday - $689M | Hair care, Deodorant | Conventional; camellia-inspired | PARTIAL |
| BOTANIST | I-ne | Hair care only | Natural / plant-based | *No deodorant, no full-body line* |
| Deonatulle | Abe Shoten | Deodorant only | Natural alum-stone | *Niche; no brand scale* |
| **Native (P&G)** | Procter & Gamble K.K. | Full personal care system | Premium natural - aluminum-free, vegan, U.S. origin | FIRST MOVER |

# Phased Market Entry via P&G K.K.

| PHASE 1<br>**Months 1–12** | PHASE 2<br>**Months 12–18** | PHASE 3<br>**Month 18+** |
|---|---|---|
| • Launch body wash + shampoo/conditioner on Amazon Japan & Rakuten Ichiba (cosmetics classification - no pre-approval)<br>• Build dedicated @cosme brand page and solicit early reviews<br>• Seed 10–15 mid-tier beauty influencers with ingredient-education content<br>• Initiate quasi-drug approval process for deodorant via MHLW/PMDA | • Expand to physical retail: Loft, Plaza, @cosme STORE - lifestyle retailers with premium positioning and imported beauty credibility<br>• Launch Japan-exclusive scent lineup (yuzu, hinoki, green tea, sakura)<br>• Complete regulatory approval for deodorant spray + roll-on formats<br>• Develop LINE official account for CRM and re-purchase reminders | • Deodorant launch in spray (59.2% aerosol market share) and roll-on formats - *not* stick<br>• Expand to mass drugstore chains: Welcia, Matsumoto Kiyoshi, Tsuruha via P&G K.K. buyer relationships<br>• Summer freshness flagship campaign targeting commuters on packed trains<br>• Pitch PR story to Vogue Japan, ELLE Japan, @cosme editorial |
| E-COMMERCE ONLY · BRAND BUILDING | LIFESTYLE RETAIL · SCENT LOCALIZATION | MASS RETAIL · DEODORANT LAUNCH |

MARKET ANALYSIS

# Market Size & Revenue Potential

Total Addressable Market - Japan Personal Care (USD)

| | |
|---|---|
| Premium Beauty | **$11.94B** |
| Hair Care | **$5.15B** |
| Bath & Shower | **$2.6B (by 2030)** |
| Natural & Organic Cosmetics | **$1.33B** |
| Deodorant | **$609M** |

Combined TAM across Native's three core categories: ~$8.3B

YEAR 3 REVENUE TARGET

## $13–26M

1–2% share of the natural/premium segment across Japan's top 5 urban markets (Tokyo, Osaka, Nagoya, Fukuoka, Sapporo)

MATURE REVENUE POTENTIAL

## $40–60M

As deodorant distribution matures and brand equity compounds post-approval

Natural & organic segment projected to grow from $1.33B (2023) to $2.26B by 2032 at 6.1% CAGR - Native enters at inflection point

# Target Segment

**PRIMARY**

Urban Japanese women, 22–35

**GEOGRAPHY**

Tokyo, Osaka, Nagoya - highest international brand penetration & Gen Z/Millennial density

**DEMOGRAPHICS**

Household income ¥6M+; university-educated; single or dual-income urban professionals

**PSYCHOGRAPHICS**

"Health-beauty" consumers who view personal care as lifestyle expression, not hygiene maintenance. Ingredient-literate, skeptical of synthetics

**MEDIAGRAPHICS**

Instagram daily, @cosme community, TikTok - 62% rely on influencers for product discovery

**SECONDARY**

Urban men, 20–30 - growing deodorant adoption, dan-shū grooming culture; Gatsby has no natural positioning

## Why this segment?

### 01

Demonstrated premium willingness to pay - evidenced by BOTANIST and The Public Organic growth, robust K-beauty and EU skincare imports

### 02

High social media influence - amplifies word-of-mouth ROI; Gen Z 20% more likely to exclusively use natural skincare

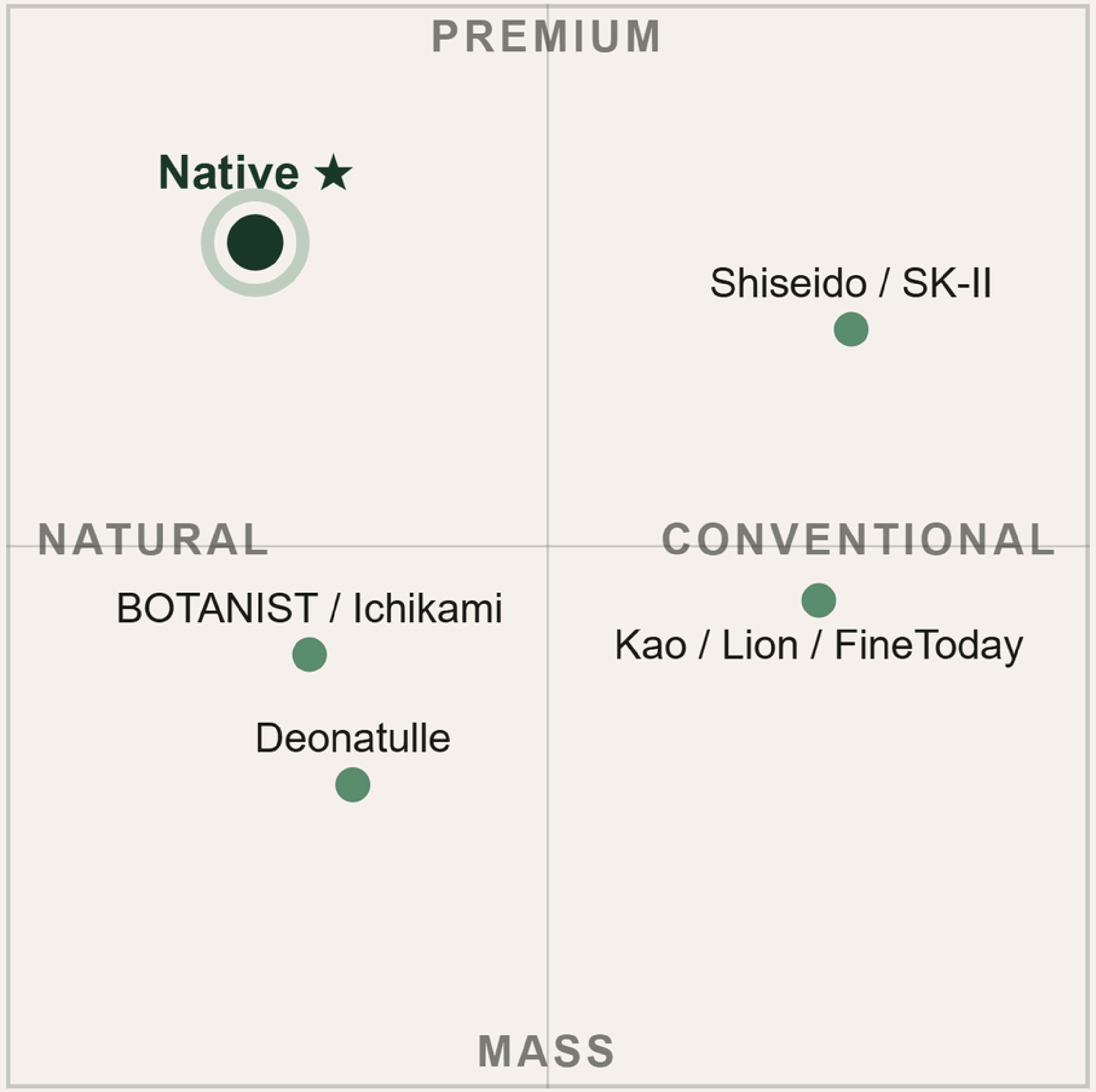
### 03

Open to foreign brand provenance - 40% prioritize brands with strong social and environmental commitments

MARKETING STRATEGY

# Positioning

Perceptual Map - Japan Personal Care




*"The all-natural personal care brand from America that's as effective as it is pure - curated for those who value what you put on your body just as much as what you put in it."*

01 **Premium-Natural Quadrant** - the only major brand combining premium credentials with natural formulation. Uncontested by any domestic incumbent.

02 **Localized "Clean" Narrative** - not "free from danger" but a positive choice for gentleness, skin health, and kirei values. Founder story translates directly.

03 **Full-System Advantage** - BOTANIST is hair care only. Native offers a complete natural personal care ecosystem.

# Product & Price

Launch Assortment - Phased by Regulatory Classification

| Phase | Product | Price |
|---|---|---|
| PHASE 1 | **Body Wash (300ml)**<br>Fragrance-free · Yuzu · Hinoki - lightweight, quick-rinse formula | **¥1,500–1,800**<br>vs. Bioré ¥600–900 |
| PHASE 1 | **Shampoo + Conditioner (300ml)**<br>Sulfate-free · Silicone-free · Coconut-derived cleansers | **¥1,800–2,200**<br>vs. BOTANIST ¥1,200–1,500 |
| PHASE 3 | **Deodorant Spray + Roll-on**<br>Fragrance-free · Green tea - post-regulatory approval (Month 18+) | **¥1,200–1,600**<br>vs. Ban ¥700–1,000 |

## Pricing Strategy

### Positioning

Premium imported - above domestic natural (BOTANIST, Ichikami), below luxury prestige (SK-II, Chanel)

### Launch Incentive

**¥200–300 off**

First e-commerce purchase - drives trial without permanently anchoring the brand

### Justification

Premium ingredient story · Imported brand cachet · Demonstrated willingness to pay in target segment · Prestige brands announcing 2025 price increases signal sustained consumer appetite

# Place & Promotion

## Distribution - Phased Rollout

1 **E-commerce (Months 1–12)**
Amazon Japan · Rakuten Ichiba · @cosme Shopping - build review base before retail

2 **Lifestyle Retail (Month 12+)**
Loft · Plaza · @cosme STORE - premium environment, imported beauty credibility, smaller initial orders

3 **Mass Drugstore (Month 24+)**
Welcia · Matsumoto Kiyoshi · Tsuruha - via P&G K.K. buyer relationships post-deodorant approval

## Promotional Priorities

### @cosme - Highest Priority
Dedicated brand page + influencer seeding for authentic early reviews. Best Cosmetics Award nomination = immediate shelf access.

### Influencer Marketing
10–15 mid-tier beauty influencers (50K–500K followers) on Instagram & TikTok. Ingredient-education content - "what's in your deodorant?"

### Seasonal Campaign
Summer freshness - commuters, outdoor festivals, packed trains. Skin-gentle, non-sticky deodorant as the hero story.

### LINE + PR
LINE official account for CRM. Pitch Native's founding story to Vogue Japan, ELLE Japan - ingredient-conscious culture alignment.

# Key Challenges & Mitigation

HIGH RISK

**Low deodorant adoption - ABCC11 gene (80–95% of population)**

Reframe as skin-wellness ritual, not odor control. Target growing younger cohort adopting year-round use.

HIGH RISK

**Quasi-drug regulatory pathway - 12–18 month approval timeline**

Launch cosmetics (body wash, shampoo) immediately. Begin deodorant application concurrently. Leverage P&G K.K.'s MHLW relationships.

MEDIUM RISK

**Deep loyalty to Kao, Lion, FineToday incumbents**

Build @cosme credibility before retail. Dermatologist and beauty editor endorsements. Ingredient transparency as irreplicable differentiator.

MEDIUM RISK

**Format mismatch - stick deodorant vs. Japanese spray/roll-on preference**

Develop spray and roll-on only. Do not launch stick as primary SKU. Aerosol high sharee of Japan's deodorant market.

MEDIUM RISK

**Scent culture - sumehara (scent harassment); bold U.S. scents inappropriate**

Japan-exclusive scent lineup: yuzu, hinoki, green tea, sakura, fragrance-free. Retire Pumpkin Spice / Dunkin' collaboration scents.

MEDIUM RISK

**Building retail distribution from zero in a relationship-driven market**

E-commerce first generates sell-through data. P&G K.K.'s existing buyer relationships with drugstore chains are the decisive advantage.

STRATEGIC RECOMMENDATION

# Patience and Localization

Treat Japan as a phased brand-building investment - not a rapid revenue opportunity. Every month Native builds credibility, cultural relevance, and consumer trust before a domestic incumbent claims the premium-natural space makes Native harder to displace.



The decisive strategic advantage

## P&G K.K.'s existing Japanese infrastructure

**Regulatory**
Existing MAH licenses eliminate the need for a new legal entity - the single largest operational barrier to foreign entrants

**Distribution**
Established buyer relationships with Welcia, Matsumoto Kiyoshi, and mass drugstore chains - unavailable to independent brands

**Brand equity**
P&G's Japanese reputation (Pantene, SK-II, Herbal Essences) provides credibility scaffolding for a new brand entry

**Competitive window**
No domestic incumbent can credibly claim premium-natural without full brand repositioning - Native's window is real and measurable

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# Thank You

*Questions & Discussion*

Nathanael Kenzler & Jiayang Qi · April 30, 2026 · Prof. Tirthankar Roy