



# MĀNUKA HONEY IN JAPAN

Section 4 of Mānuka honey market landscape - 2022

## Japan Overview

Japan is the sixth largest market for general honey in value terms, and fourth for imports of Mānuka honey from New Zealand. Japan has a medium per capita spend for honey.

The market has been in decline, decreasing from 33.7M USD in 2020 to 23.9M USD in 2021. The impact of Covid needs to be taken into account for 2021 however.

Market penetration is high, with 46 brands across seven stores.

### MARKET OVERVIEW 2021-2022



#### HONEY MARKET SIZE BY VALUE 2022 (USD)

# \$420M

6<sup>th</sup> globally



#### HONEY MARKET SIZE PER CAPITA 2022 (USD)

# \$3.40

61<sup>st</sup> globally



#### MĀNUKA IMPORT VALUE FROM NZ 2021 (USD)

# \$24M

5<sup>th</sup> globally



#### TARIFF

# 9.5%\*

\* Tariff will be 6.3% in 2023, 3.10% in 2024 and free by 2025.

### RETAIL OVERVIEW OCT - 2022



#### RETAIL VALUE (USD) AMAZON OCT-22

# \$393,039



#### NUMBER OF SAMPLE BRANDS

# 46



#### NUMBER OF SAMPLE STORES

# 7



### Major retailers stock a range of Mānuka honey products and brands

The market is dominated by five main brands. However, one brand has a significant proportion of market share at 34%. The second greatest brand share is only 7%.

New entrants might struggle to gain brand recognition, as Japanese consumers clearly have preferred brands. Brands need to be strategic and innovative in how they position themselves to attract buyers.

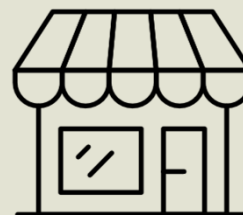


### Five brands take up 60% market share on Amazon

These products are across a range of price points. There is a direct relationship between grade and price, with high grade products attracting a higher price point.

NZ brands are easily accessed through Rakuten in Japan. New NZ entrants to Japan should consider what else they can offer beyond their NZ provenance story to entice first time buyers.

To ensure high grade products are still perceived to be a desirable product, despite the extra expense, it is important that brands communicate the value of their grading well.



### Rakuten features a large number of New Zealand products

52% of survey respondents said a treatment for coughs, sore throat and antiviral was their primary use of Mānuka honey in Japan.

42% said their primary use is as a supplement to maintain health, and 39% said they use it for digestive health purposes.

Targeting and communicating the health benefits of Mānuka will be important to get consumer uptake in this market.



### Health reasons are the primary purpose for using Mānuka honey in Japan

52% of survey respondents said a treatment for coughs, sore throat and antiviral was their primary use of Mānuka honey in Japan.

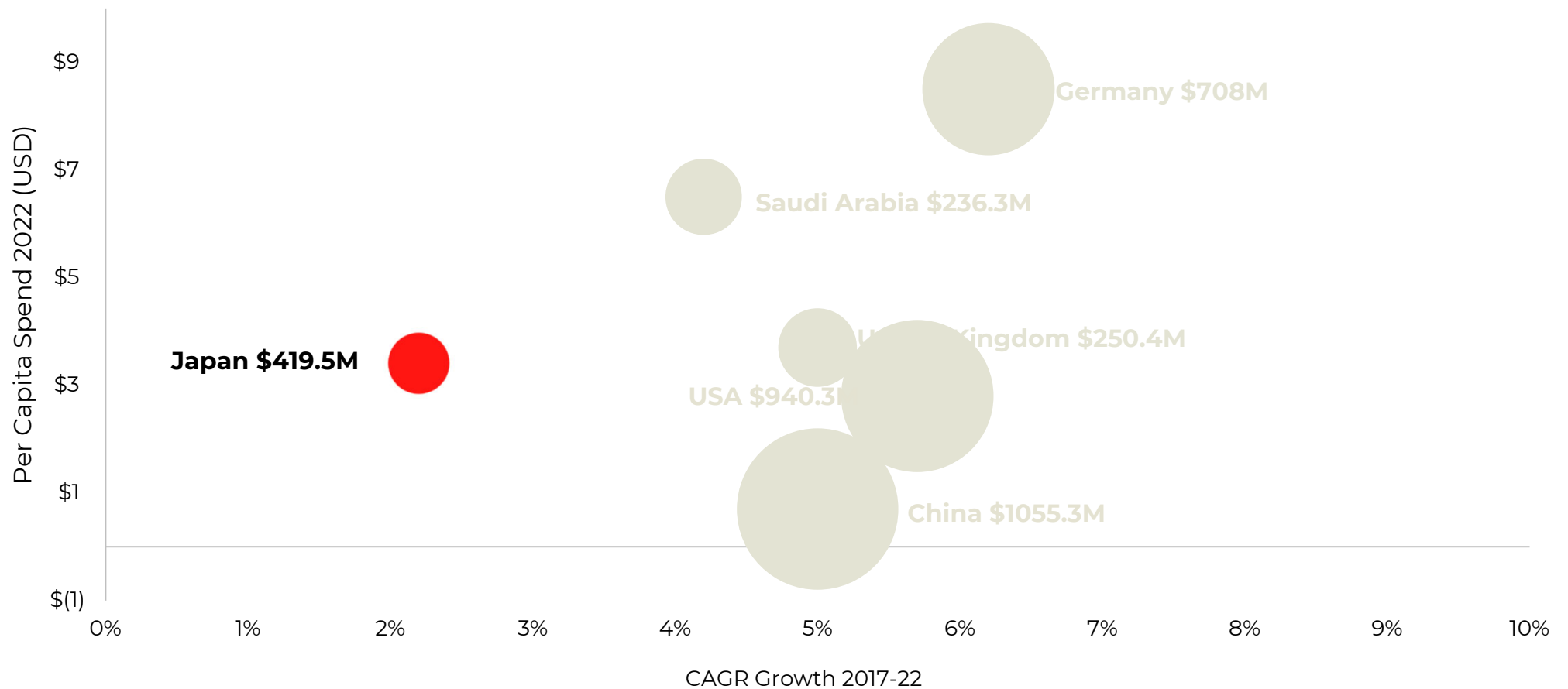
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Targeting and communicating the health benefits of Mānuka will be important to get consumer uptake in this market.

## Compared with the other analyzed markets, Japan is relatively small in terms of overall market size and growth

### HONEY MARKET SIZE, PER CAPITA SPEND, AND GROWTH 2022

Value in USD



# Exports of Mānuka Honey from New Zealand to Japan doubled from 2019-2020

Mānuka honey imports across Monofloral and Multifloral, bulk and in retail packs spiked from 20M in 2019 to 40M in 2020, but dropped again to 24M in 2021.

Monofloral Retail Packs make up the majority of imports from New Zealand, at 70% of all Mānuka from New Zealand to Japan.

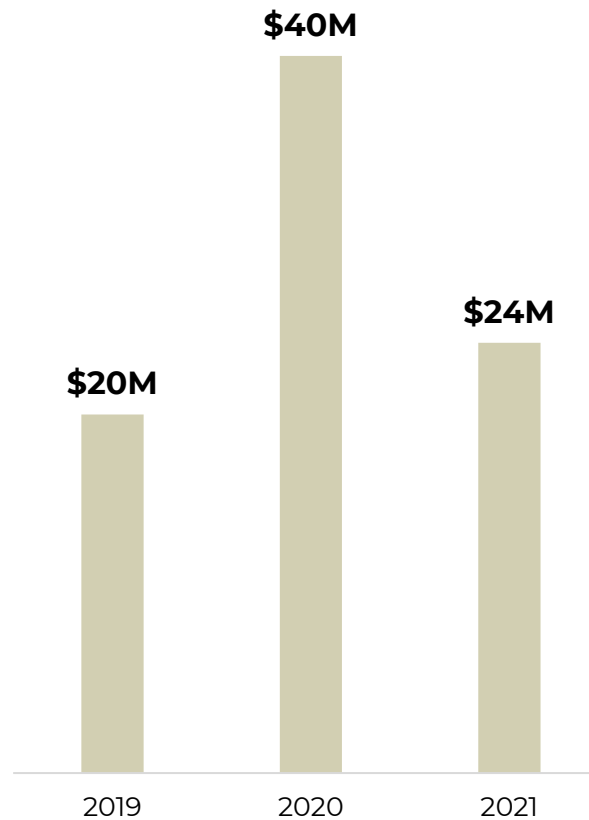
Monofloral bulk only makes up 15% of Mānuka honey imports from New Zealand, while Multifloral bulk and retail make up just 16% combined (13% retail and 3% bulk).

Bulk product makes up 18.2% of Mānuka imports from New Zealand, meaning there is some private label presence in Japan. This indicates that there are local brands who are packaging the product in-market who would be competition.

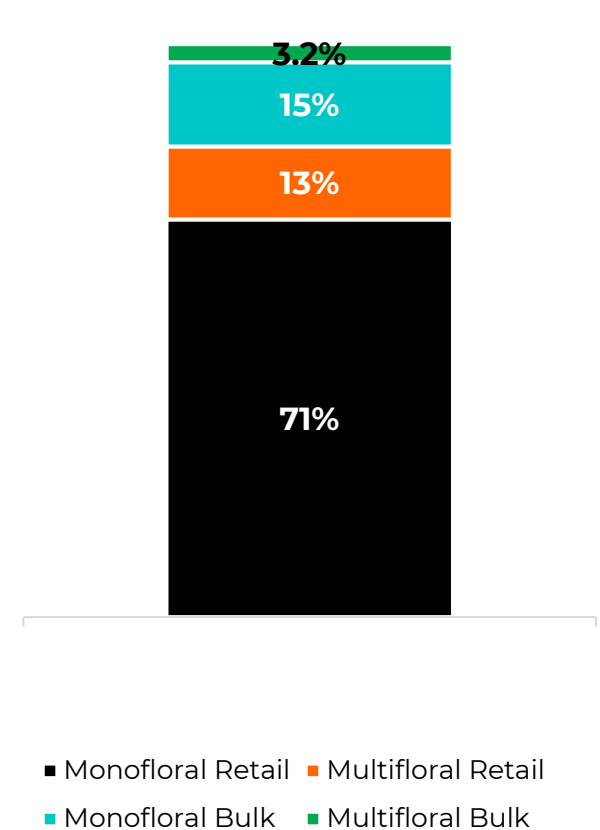
Monofloral is dominant, making up 86% of all Mānuka imports from New Zealand.

**MĀNUKA HONEY VALUE IMPORTS**

Value in USD

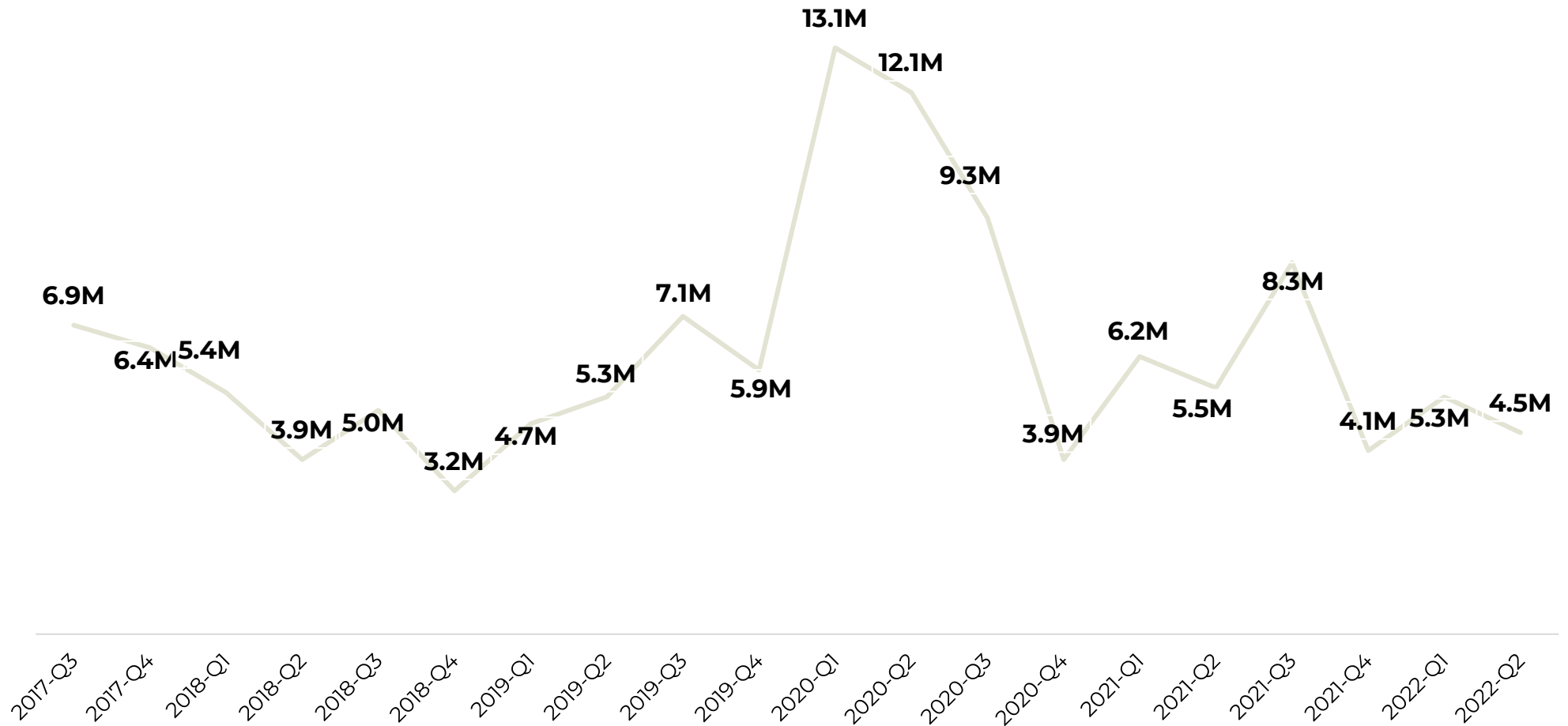


**MĀNUKA HONEY IMPORT VALUE BY TYPE 2021**



# Japan imports of Mānuka honey had a significant spike in 2020 due to COVID

JAPAN IMPORT VALUE OF MĀNUKA HONEY FROM NEW ZEALAND (USD)

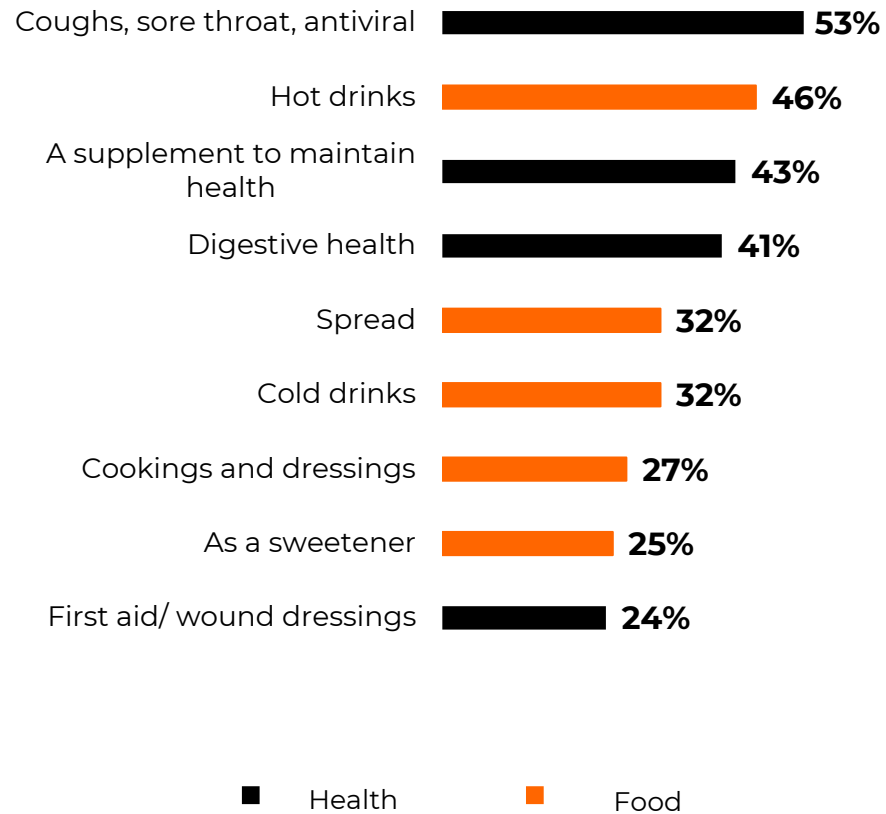




## **Consumer Insights**

The following slides are taken from our consumer survey, looking at the primary uses, purchase drivers and online vs offline purchases.

### What is your primary use of Mānuka honey?

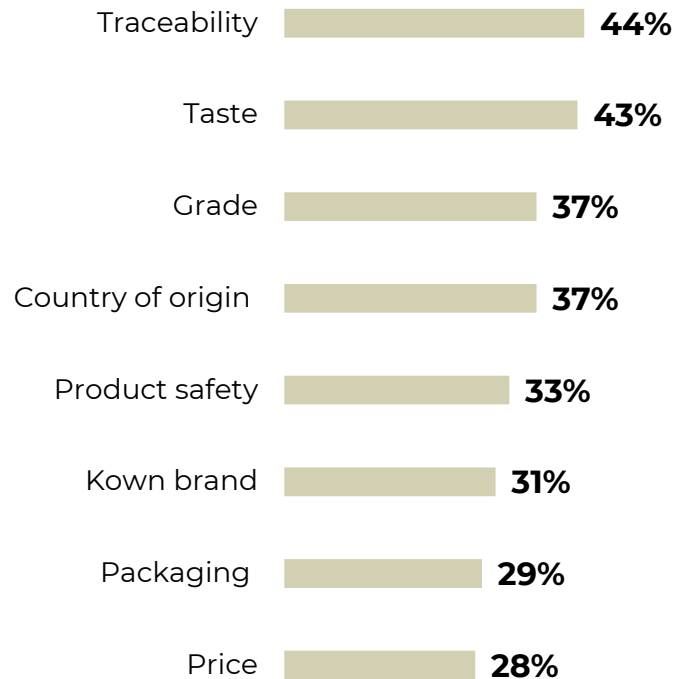


## Health reasons are the primary purpose for using Mānuka honey in Japan

Using Mānuka honey for coughs, sore throats and as an antiviral was the top use. Behind the health benefits, utilising Mānuka honey in hot drinks was the second most common use.



### What do you rank as the top feature for Mānuka honey?

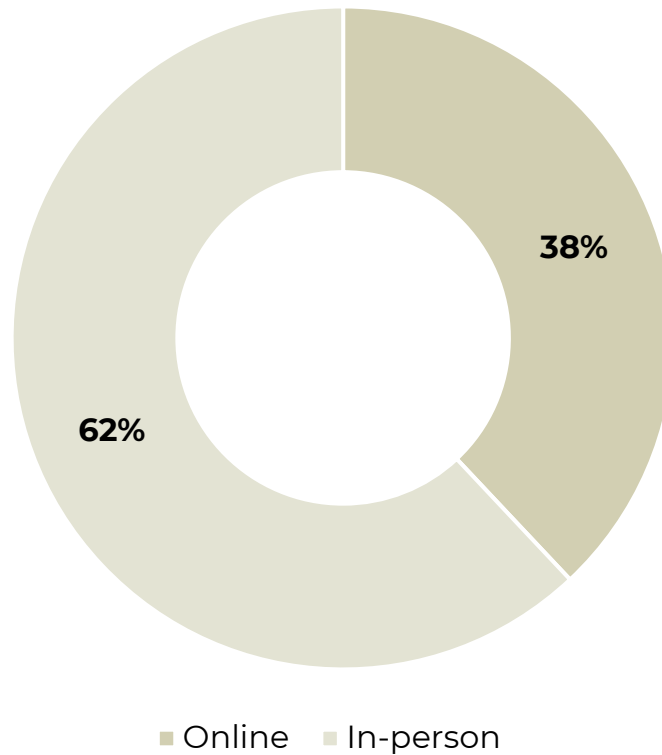


## 44% of respondents say traceability is the most important product feature for Mānuka honey

Traceability is the most important factor to the Japanese consumers we surveyed and should be communicated to the consumers. Taste is also an important feature, followed by grade.

Price and packaging are less important, with less than 30% of survey respondents saying it was the most important feature.

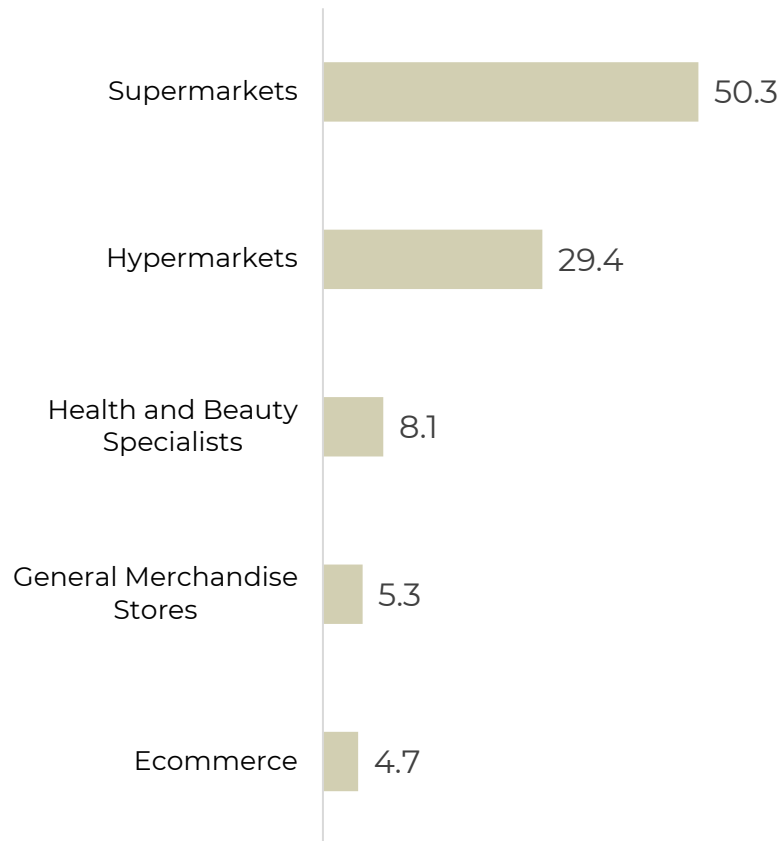
**Where did you last purchase Mānuka honey?**



**Over a third (38%) of respondents made their Mānuka purchases online**

The majority of respondents in a Kantar/NZTE survey still purchased Mānuka honey in-person. This may be contributed to Mānuka honey being available in popular supermarkets and pharmacies.

### RETAIL CHANNEL DISTRIBUTION – SWEET SPREADS (%)



## Supermarkets are the key retail channel for sweet spreads\* in Japan, followed by hypermarkets

Ecommerce only accounts for 4.7% of sales in 2022. In-person purchases are still prevalent. This may be attributed to Mānuka honey being available in popular supermarkets, pharmacies and health stores.

\*It needs to be considered that this category covers ALL sweet spreads, including peanut butter.

#### **Sweet spreads definition:**

*This is the aggregation of jams and preserves, honey, chocolate spread, and nut and seed-based spreads.*

**RETAIL CHANNEL DISTRIBUTION –  
VITAMINS AND DIETARY  
SUPPLEMENTS (%)**



**Ecommerce is the  
main channel for  
vitamins and dietary  
supplements in  
Japan, followed by  
Direct Selling**

Health and Personal Care Stores are also important channels. Given the Mānuka honey consumer purchases with the same mentality as when choosing vitamins and dietary supplements, it's good to understand performance in this category.

***Vitamins and Dietary Supplements definition:***

*It is the aggregation of Dietary Supplements, Vitamins, Paediatric Vitamins and Dietary Supplements, and Tonics.*



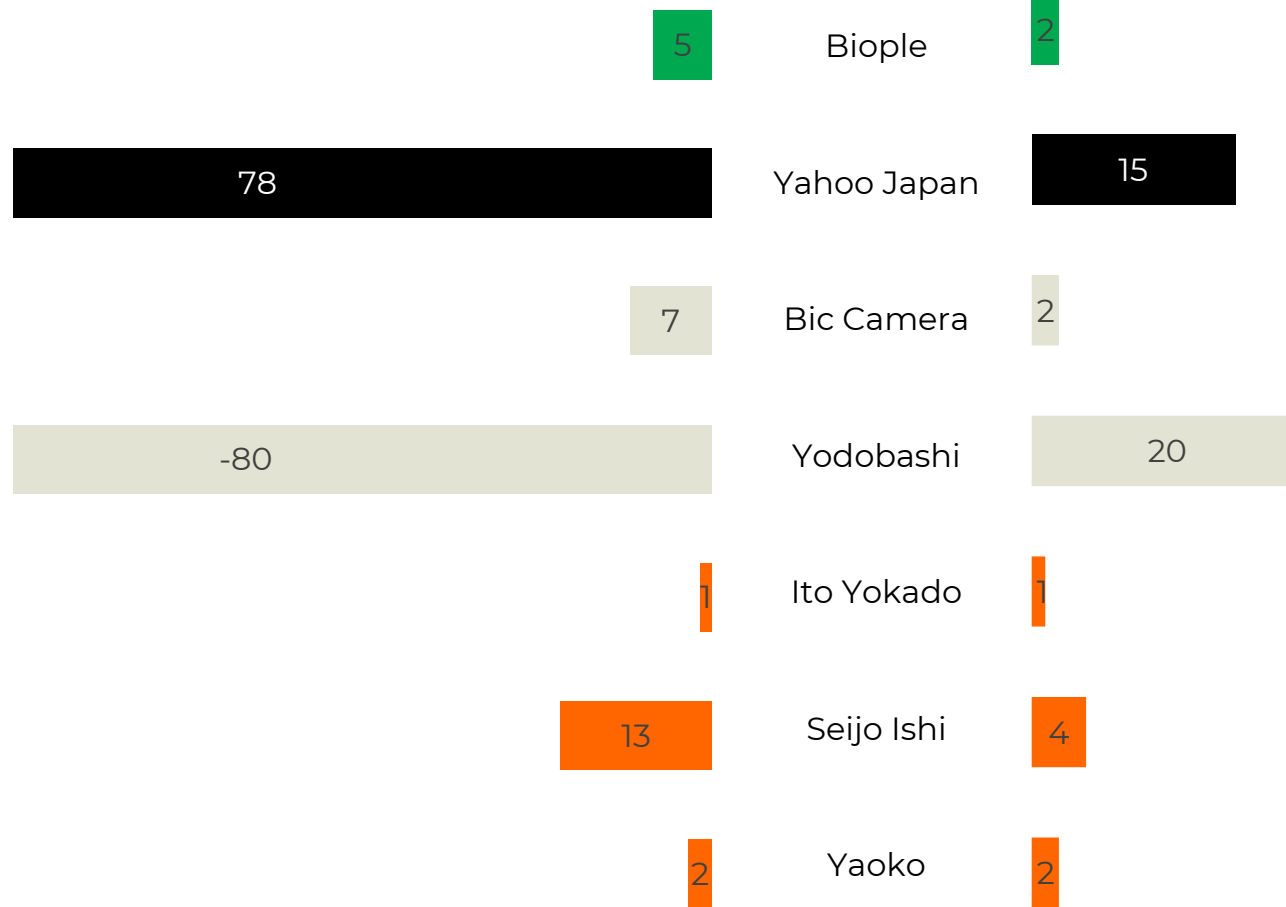
**The following slides  
look at the online  
distribution of  
Mānuka honey in  
Japan**

# Yahoo Japan and Yodobashi offer a wide range of brands and products

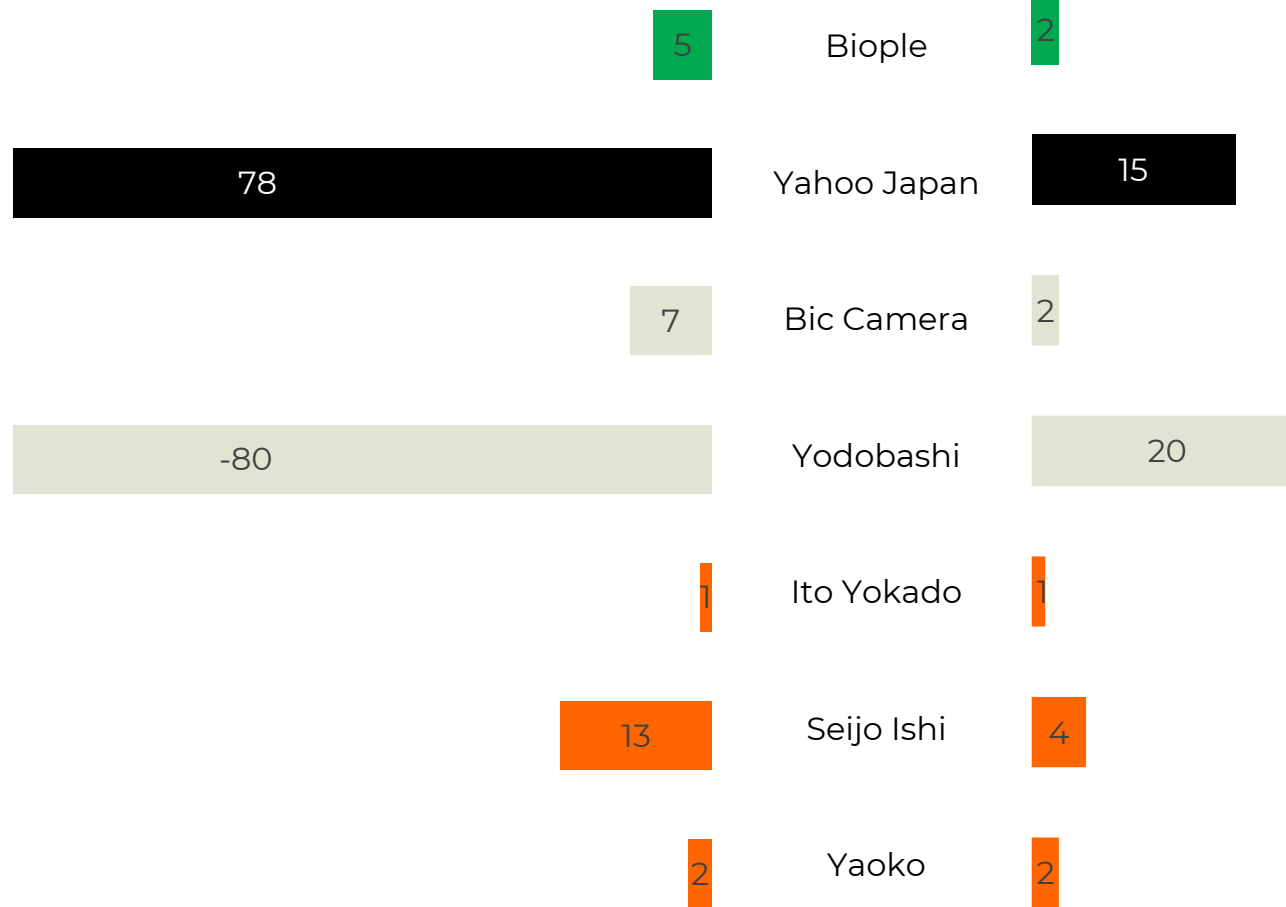
Major retailers (Yahoo and Yodobashi) stock large product and brand ranges. Brands will need to be innovative to stand out in these spaces. Accessing smaller honey retailers may be a challenge, as stores only stock a small number of brands.

The likes of Yodobashi and Bic Camera are electronics stores that have expanded to become variety stores.

NUMBER OF PRODUCTS BY STORE



NUMBER OF BRANDS BY STORE



- Health Store
- Online
- Variety
- Supermarkets

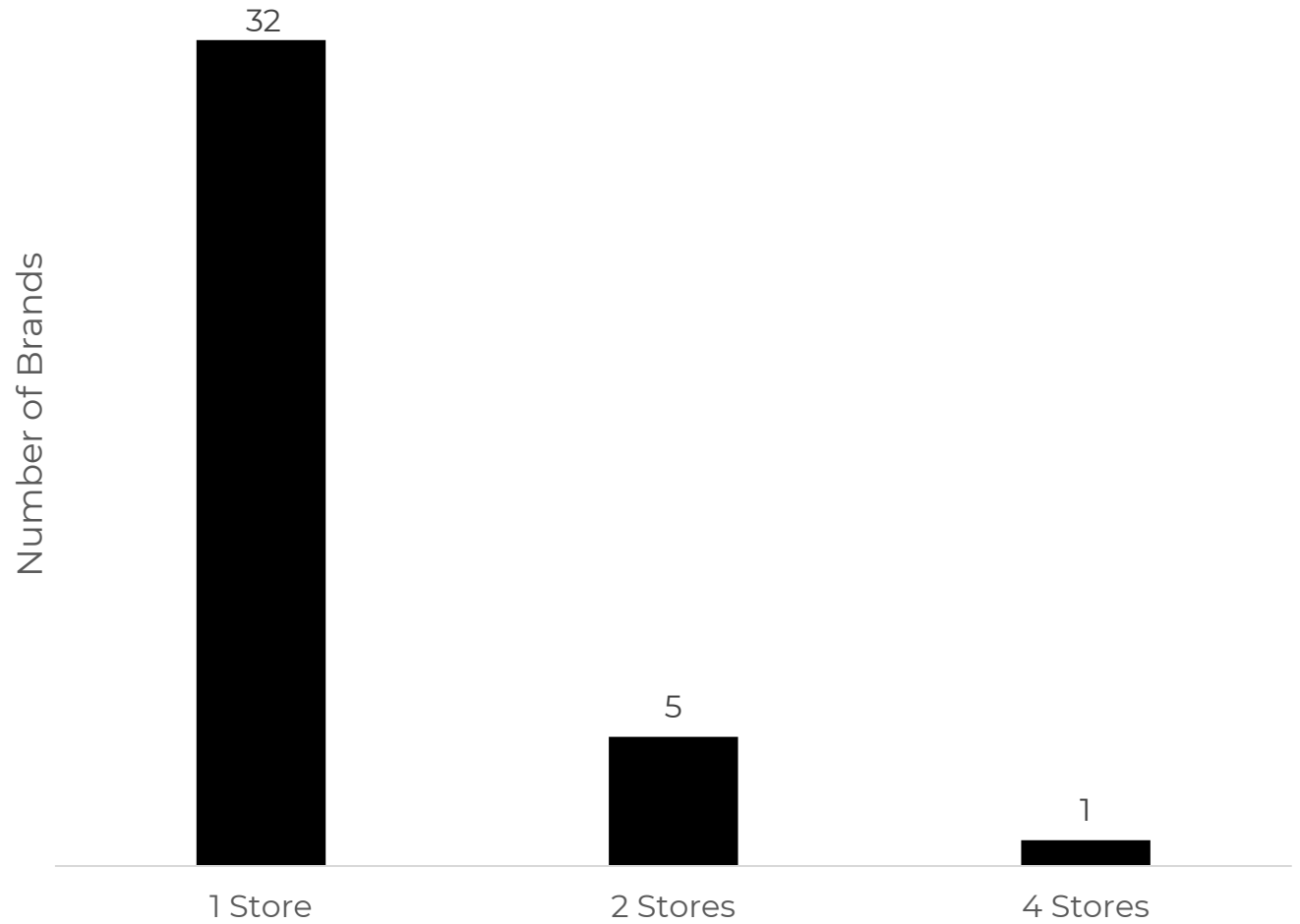
# 84% of sample brands are only available in one out of the seven stores analyzed

There were 38 brands featured in our sample of Japanese stores, with most brands being available in just one store.

It may be difficult to break into more than one store until you are an established brand in the market.



NUMBER OF STORES SAMPLE BRANDS ARE SOLD



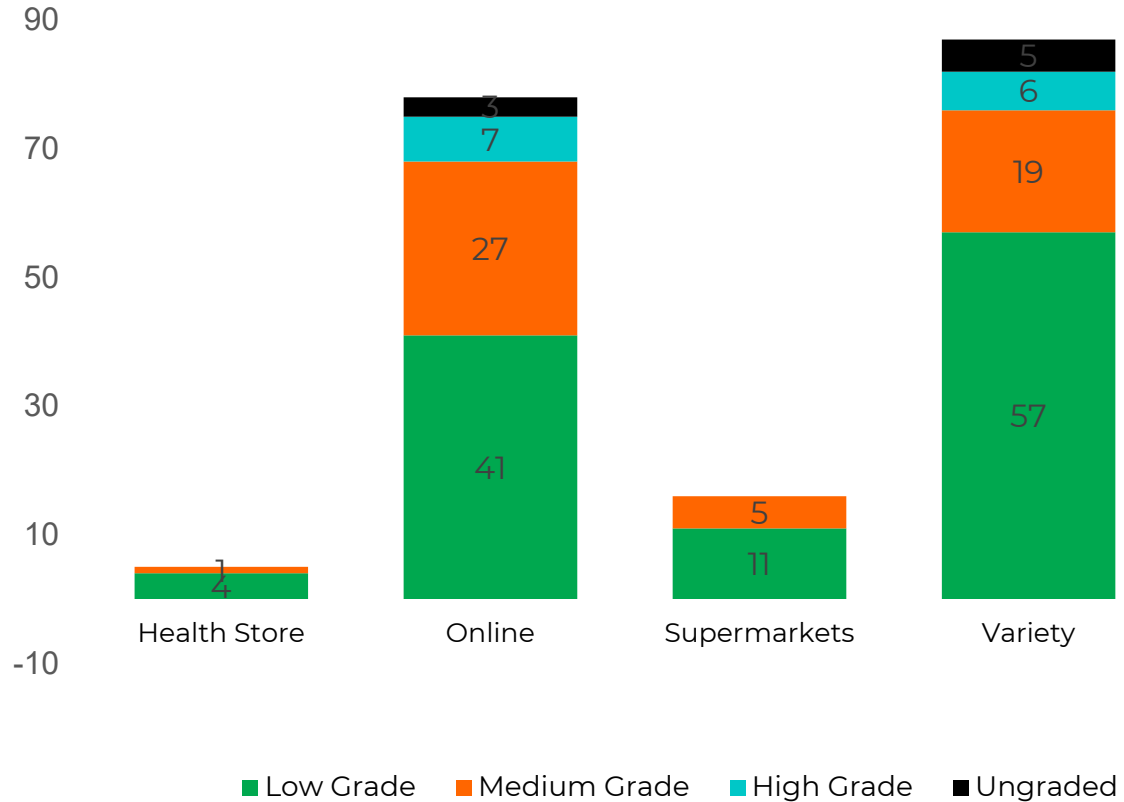
# A strong selection of grade levels is available in both variety and online stores

Health stores only provided low and medium grade options.

- Low grade options are most prominent across all stores.
- High grade honey was not widely available and was most prominent on online channels.
- A wide grade range is available across online and variety retailers. Brands should consider how their products stand-out in populous grade segments.

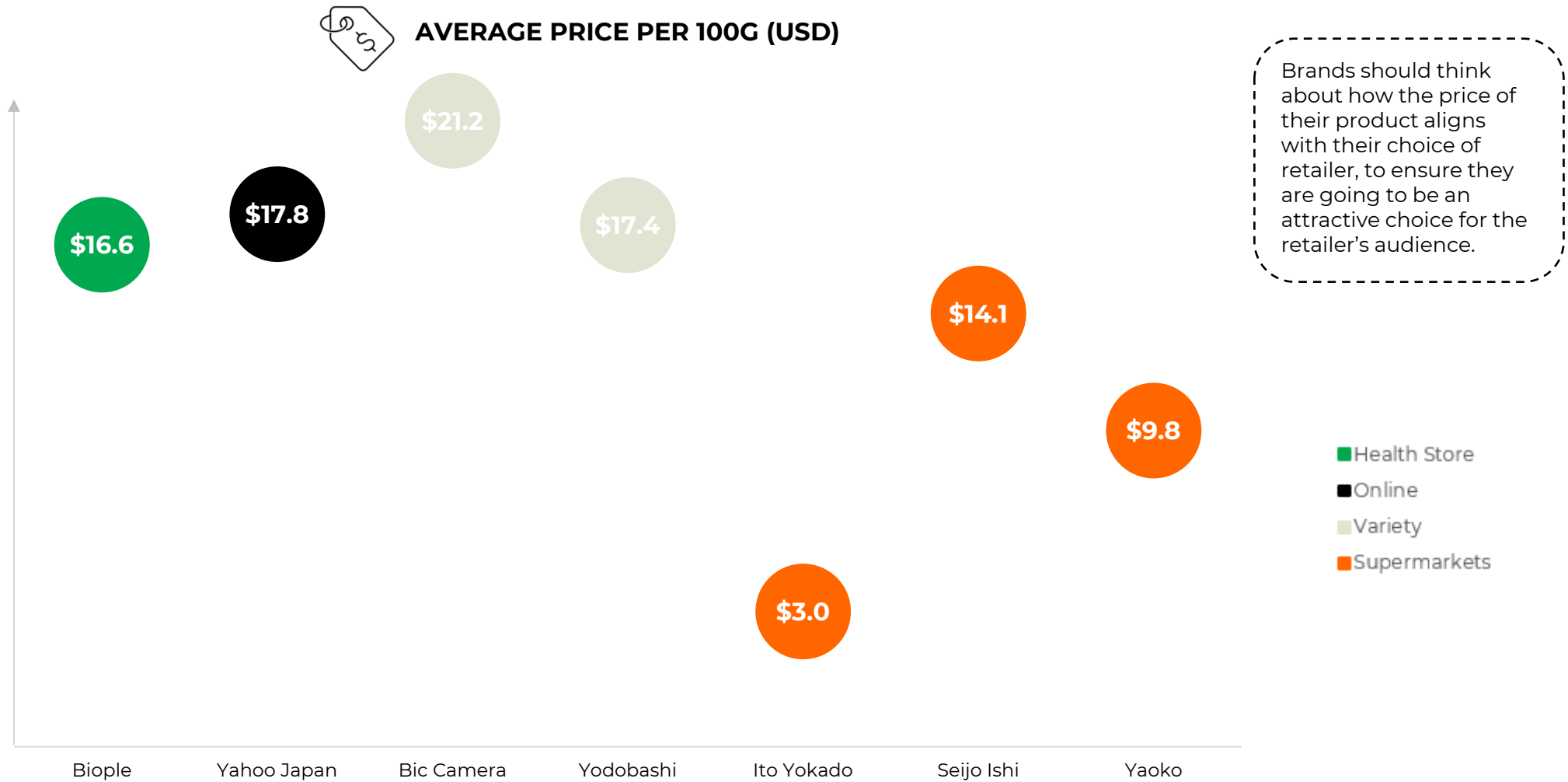


**NUMBER OF PRODUCTS BY GRADE ACROSS STORES**





# Average pricing varies across Japanese supermarket retailers



## Mānuka product options are plentiful across most price points

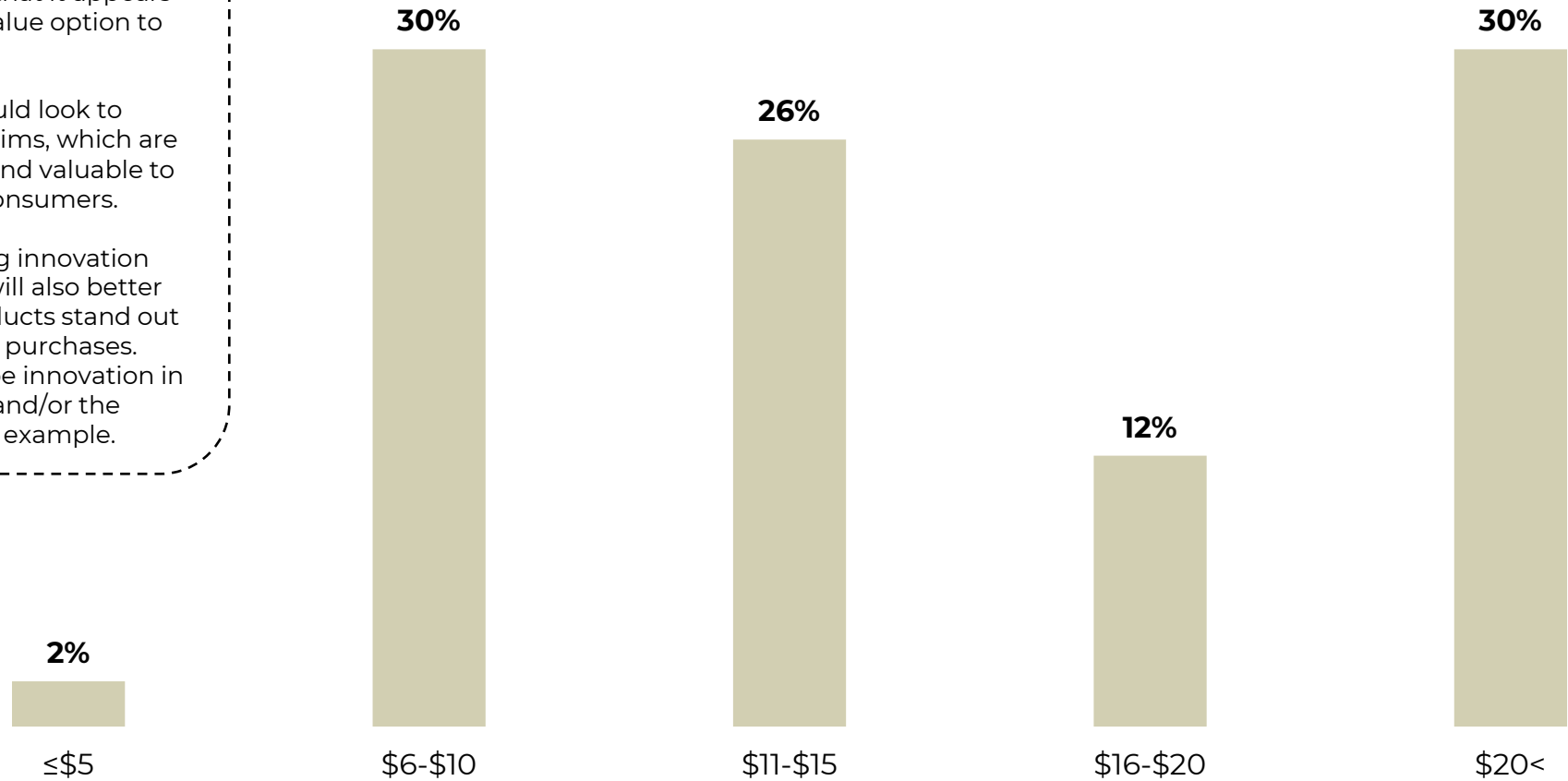
With Mānuka products available at all price points, brands need to ensure they can position their product so that it appears as a good value option to consumers.

Brands should look to leverage claims, which are important and valuable to Japanese consumers.

Highlighting innovation and USP's will also better ensure products stand out as desirable purchases. This could be innovation in packaging and/or the product, for example.



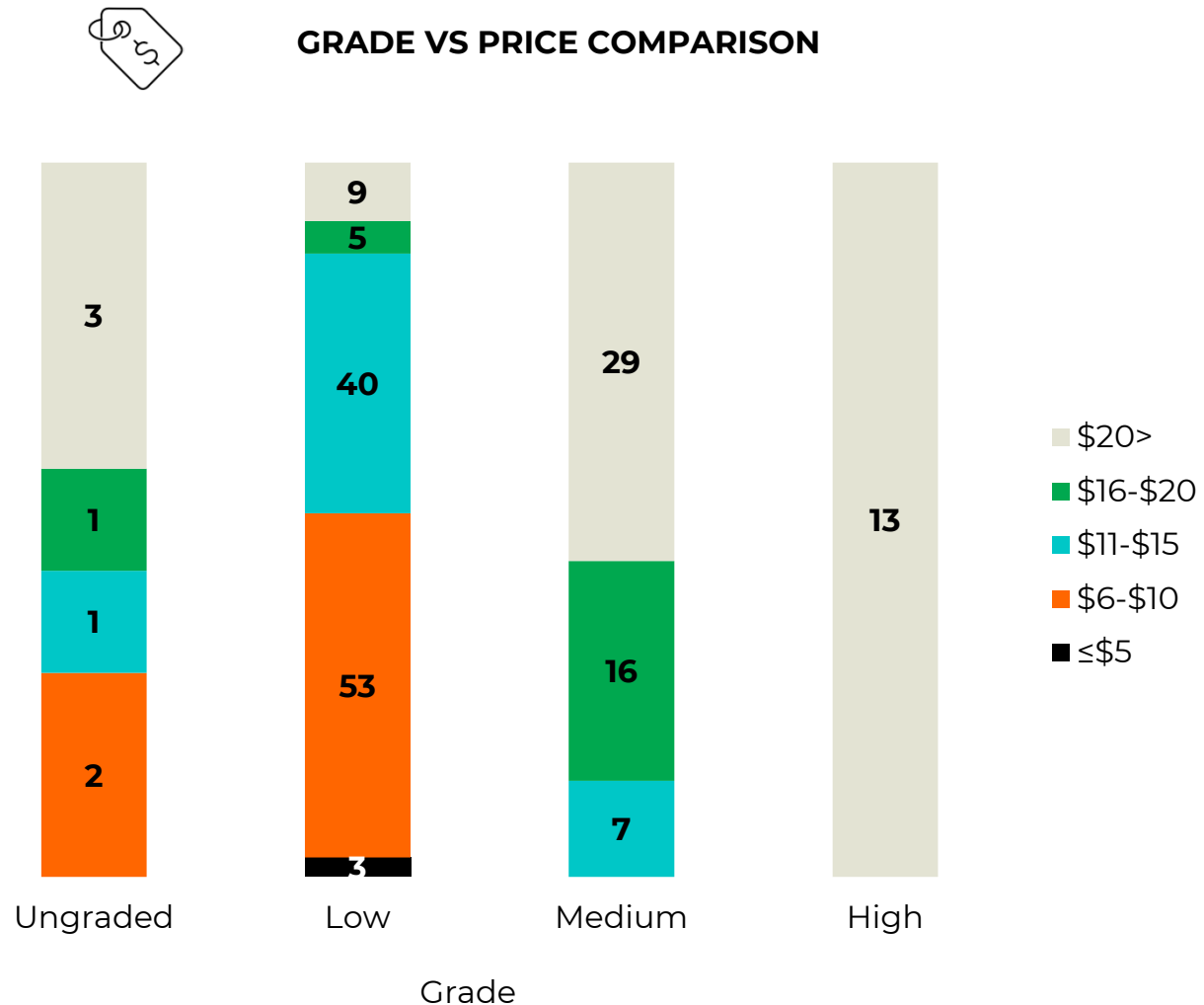
### PRICE RANGE PER 100G (USD)



## All high grade honey sits at the top end of the price bracket

Low graded honeys cover a range of price points.

- There is correlation between grade and price, with a greater proportion of higher-grade products being priced highly.
- A number of ungraded, lower and medium graded honey products are also being priced above \$20USD/100g. This highlights how honey is often an expensive product in Japan, and this is not necessarily driven solely by the honey grade.
- Lower graded, but expensive honey, was generally seen to have health-based messaging, such as suggesting consumers take a spoonful each day to support health and beauty. Suggestions of occasions for when honey would be a welcome gift were also highlighted on some listings.
- For high graded honeys to compete with these lower-graded honeys, consumers will need to understand the meaning of the grades for this value to translate.
- To ensure high grade honey is sold, despite generally being the most expensive option, brands need to communicate why this honey is worth the premium price point.





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**The following slides look at the mānuka brands sold on e-commerce platform Rakuten in Japan.**

# A high number of New Zealand brands are available on Rakuten

Top reviewed Country of Origin Mānuka samples

**NUMBER OF NZ  
(COUNTRY OF  
ORIGIN) MĀNUKA  
250G JARS**



**NUMBER OF NZ  
(COUNTRY OF  
ORIGIN) MĀNUKA  
500G JARS**



**AVERAGE  
USD/100G PRICE**

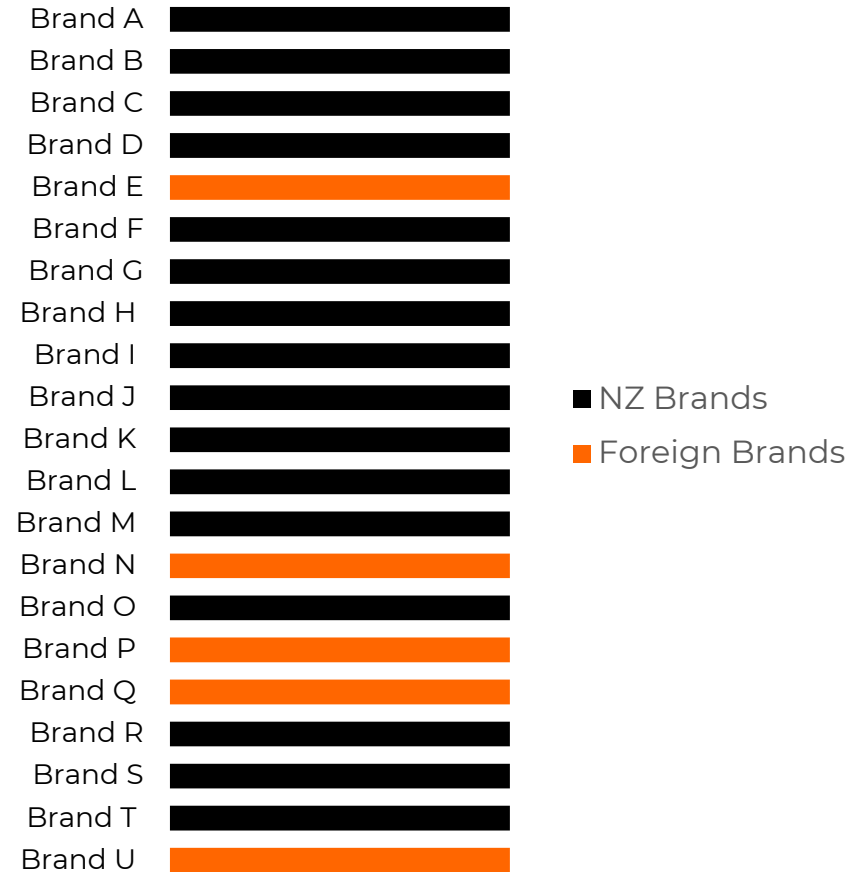


**TOTAL MĀNUKA  
HONEY BRANDS**



NZ brands are easily accessed through Rakuten in Japan. New NZ entrants to Japan should consider which other values they can offer beyond their NZ provenance story, to entice first time buyers and stand out from other offerings.

## SAMPLE OF BRANDS WITH NZ MĀNUKA PRODUCTS (COUNTRY OF ORIGIN)



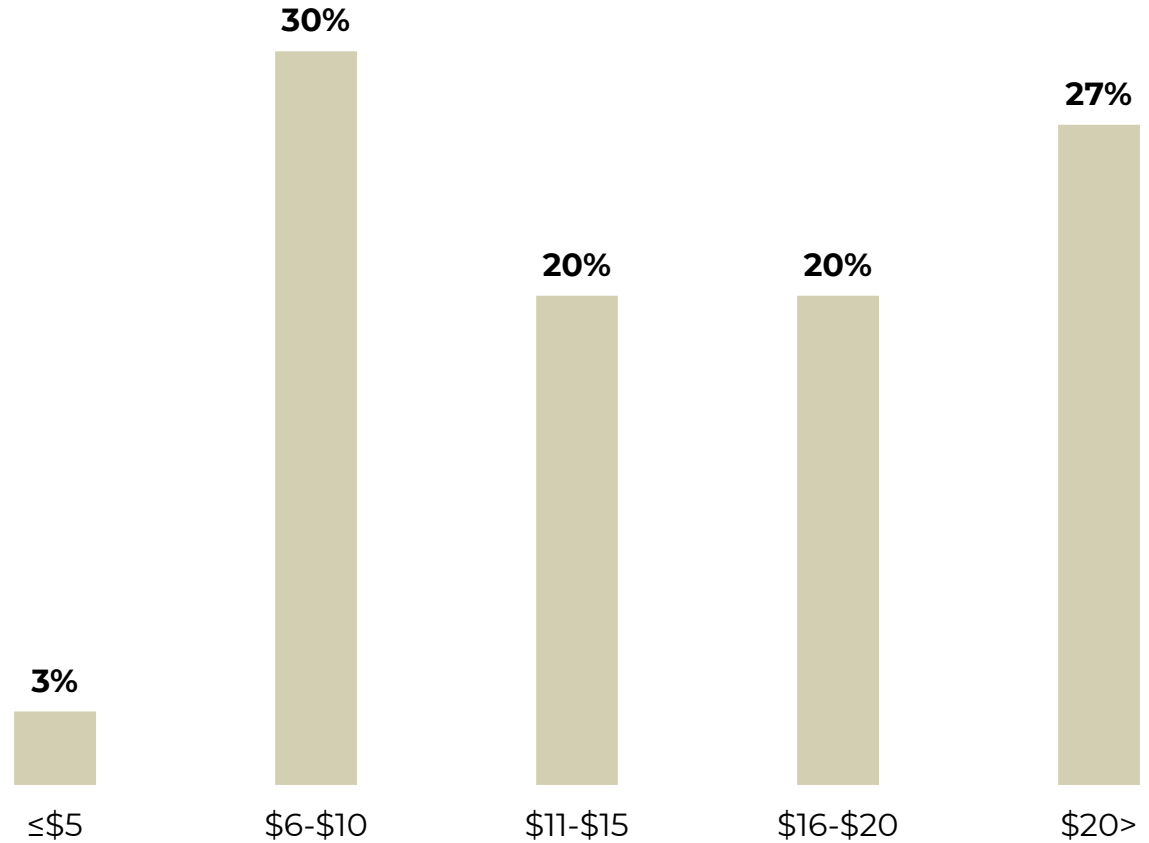
# Mānuka product options are plentiful across all price points

*\*This data reviews the top four pages of Rakuten Mānuka honey listings and covers all New Zealand brands.*



With Mānuka products available at all price points, brands need to ensure their value offering is clear. Brands need to give consumers a good reason to desire their product. This will best occur if brands align their value offering with the values of the market.

**PRICE RANGE PER 100G (USD)**

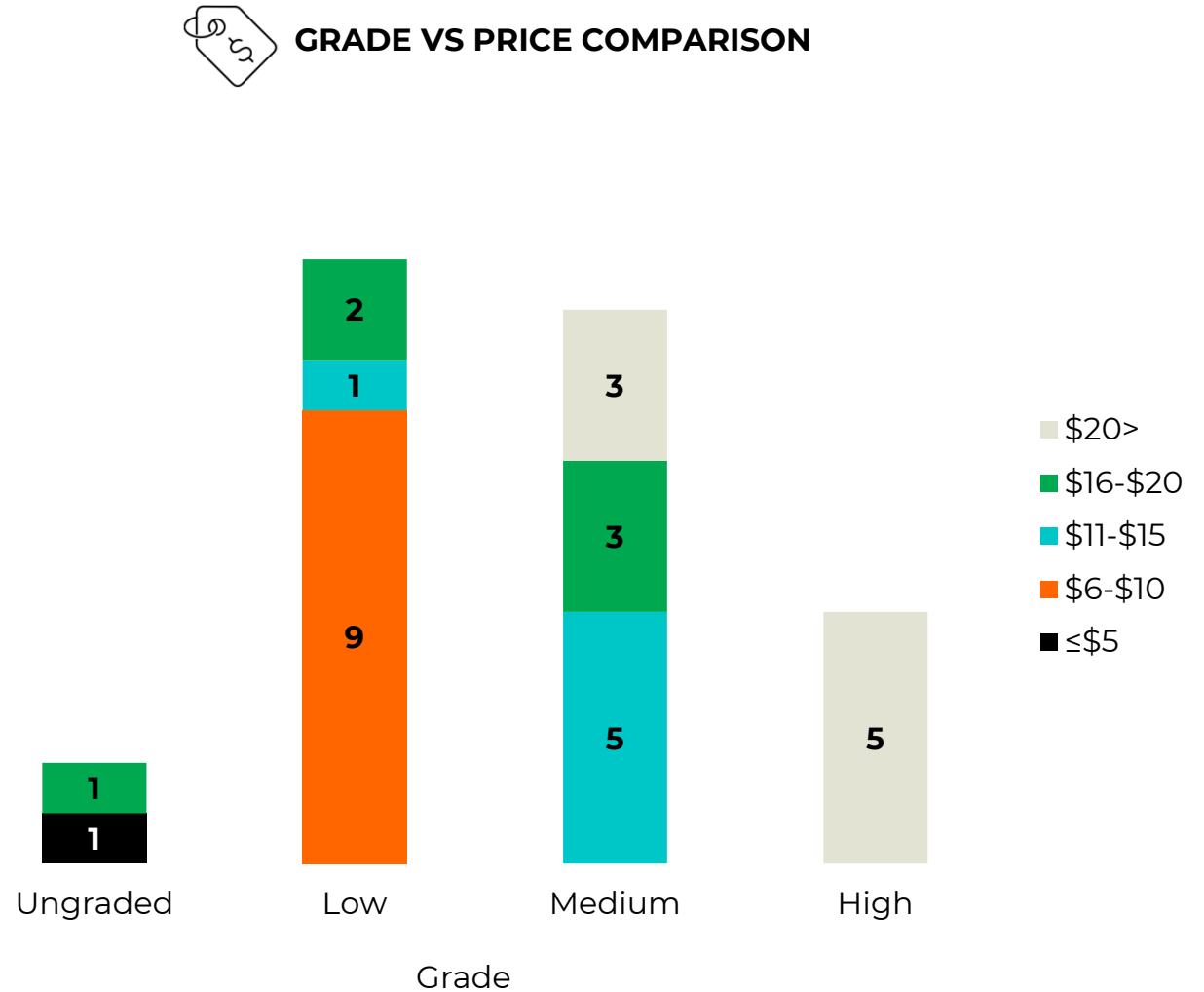


## High grade products on Rakuten are priced at a premium

*\*This data reviews the top four pages of Rakuten Mānuka honey listings and covers all New Zealand brands.*

Most low graded products are priced under 10 USD/100g.

- There is correlation between grade and price, with a greater proportion of high-grade products sitting at high price points.
- There are several low and medium grade options which are also priced highly, showing that grade isn't necessarily the sole driver on Rakuten.





**The following slides  
look at the mānuka  
brands sold on  
Amazon Japan**



# 48% of brands on Amazon Japan only list one product



There were 180 products across 50 brands on Amazon Japan. The brand with the highest number of products has 31, followed by 14 and 10.

Consumers have a choice of a number of brands and products on Amazon Japan. Communicating a unique selling point will be important for brands wanting Amazon success.

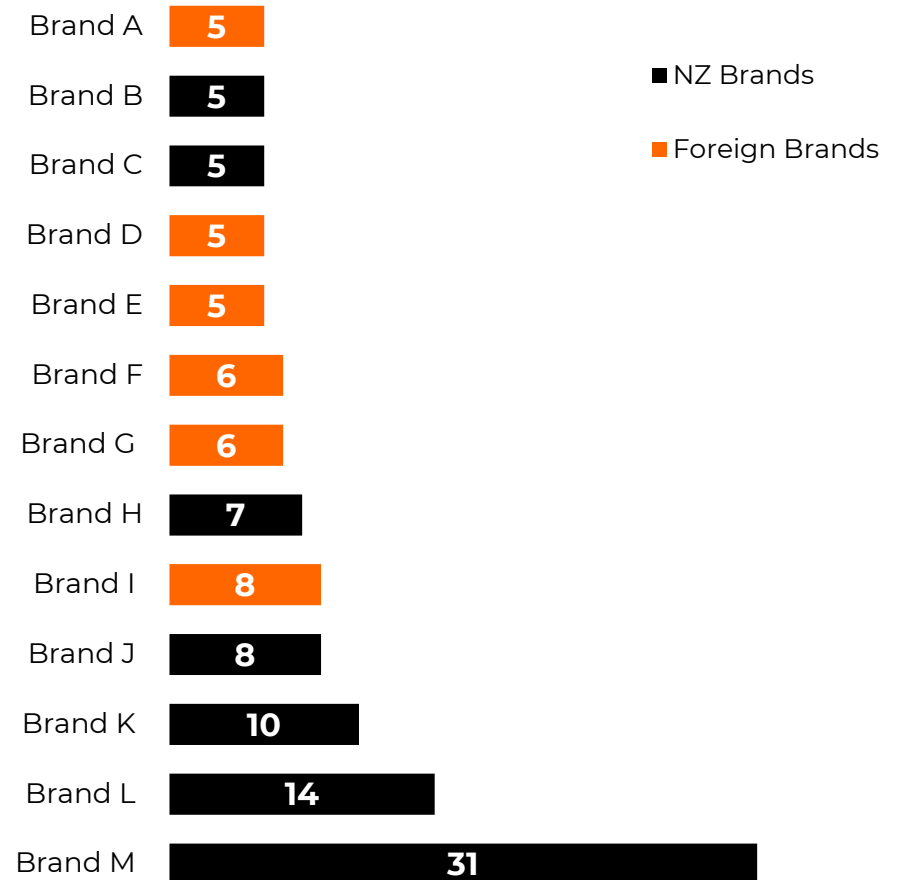
**TOTAL MĀNUKA HONEY PRODUCTS**



**TOTAL MĀNUKA HONEY BRANDS**

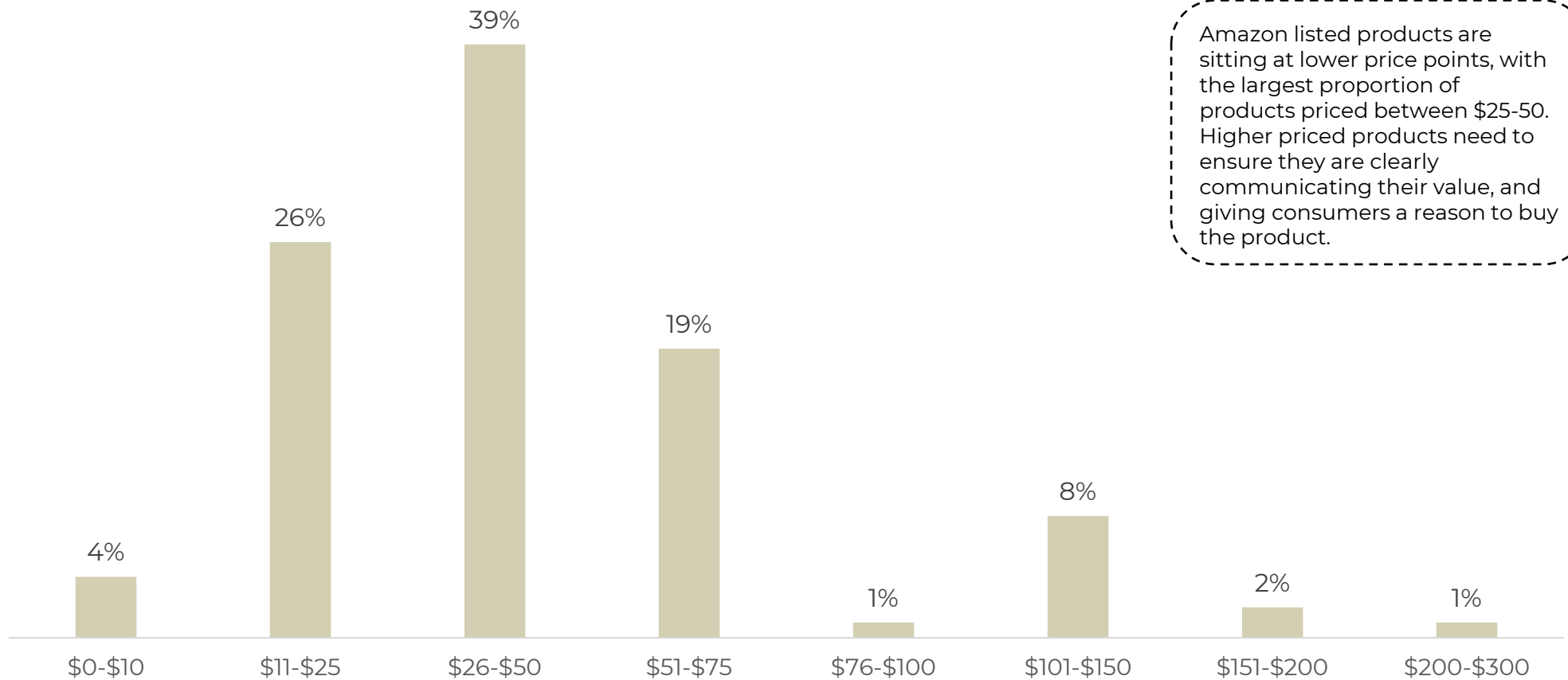


## BRANDS WITH 5+ PRODUCTS



## 69% of Mānuka honey products on Amazon Japan are priced under 50 USD

### Price Range per Unit of Mānuka Honey on Amazon Japan

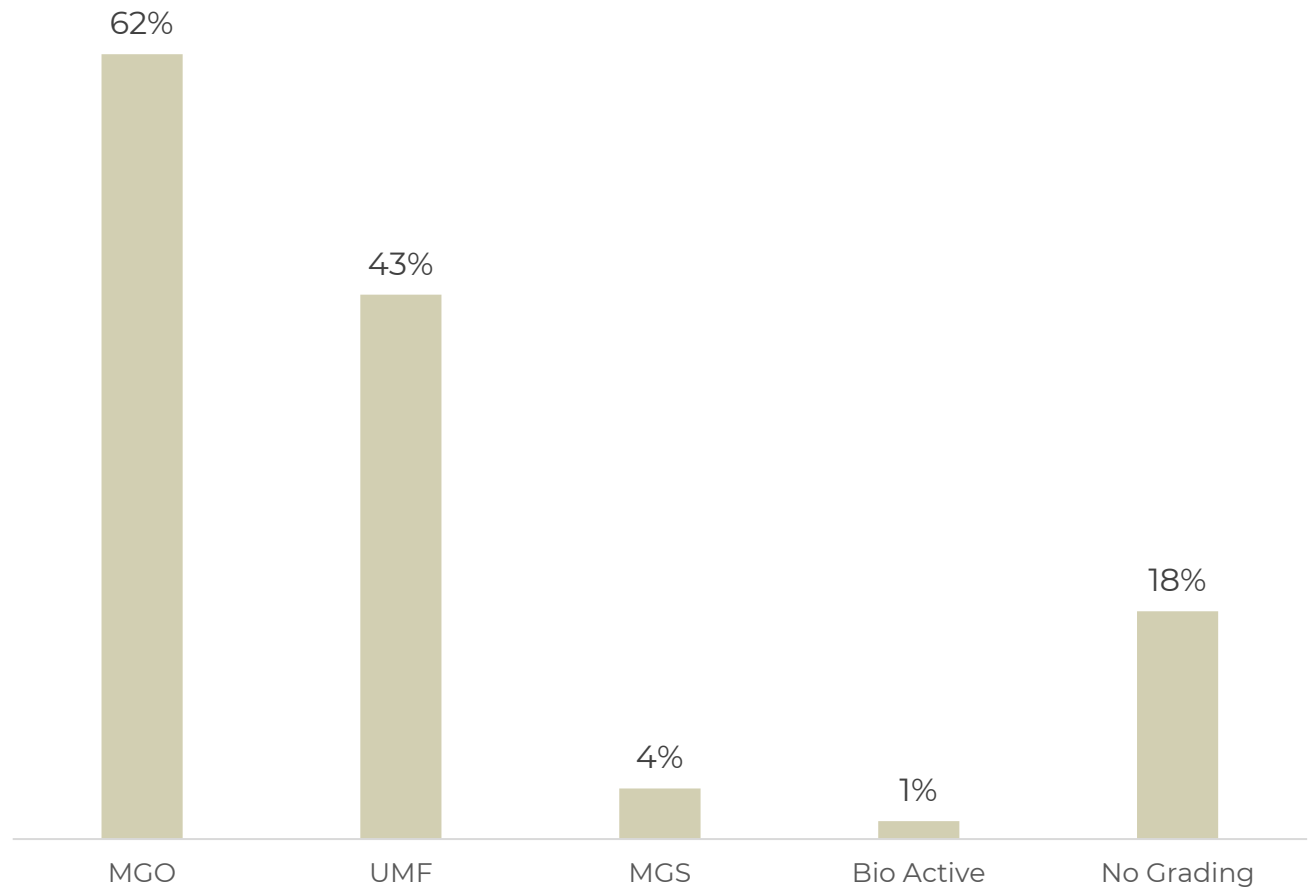


## 62% of Mānuka honey products on Amazon mention MGO

Four classification systems were mentioned on Amazon product listings.

- MGO and UMF claims are the most prominent certifications.
- Products without claims generally aren't from NZ-owned brands.
- Most products mentioning UMF also reference MGO.
- Grade claims are very common on Amazon listings, with MGO being the most prevalent. While certification is important, brands should also consider how else to communicate their value to better attract consumers to their unique product offering.

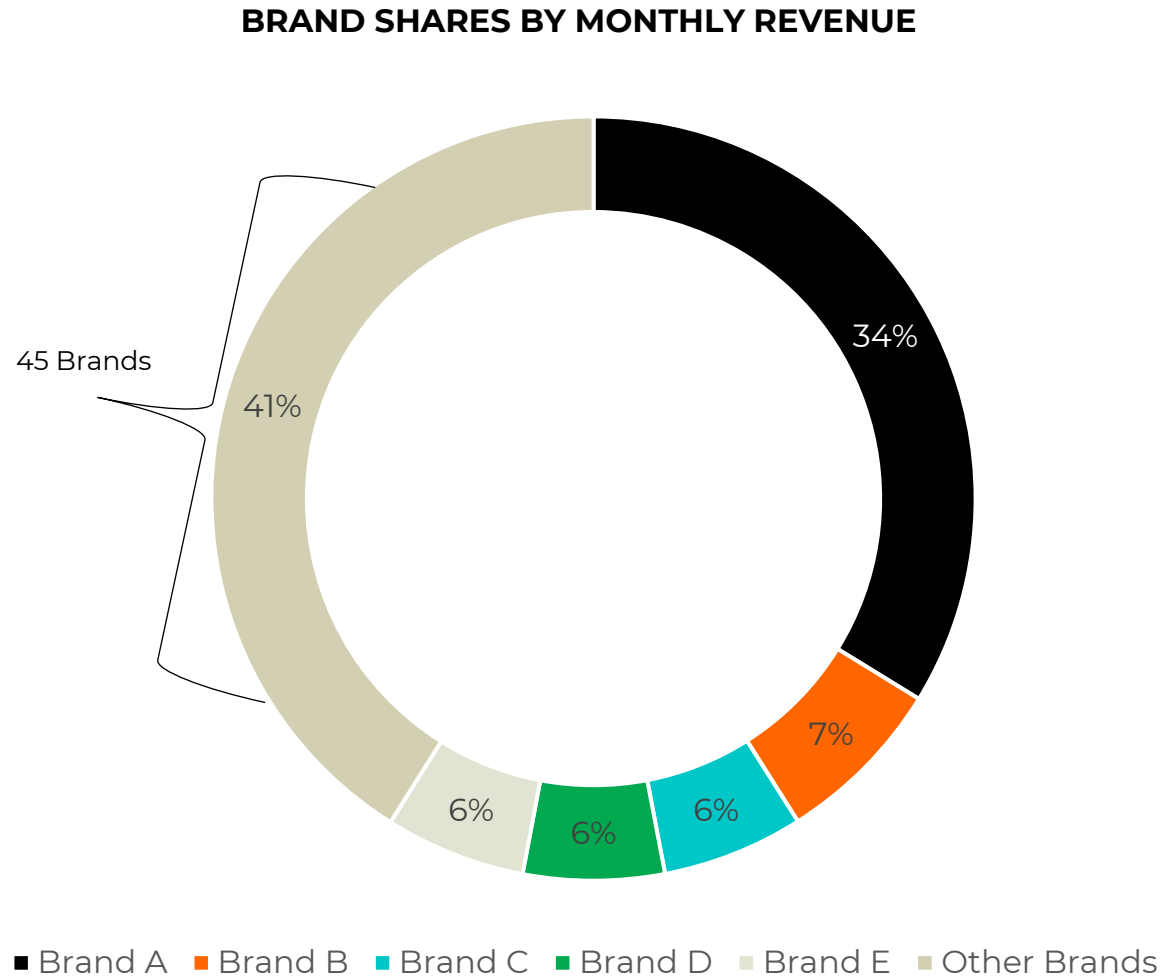
% of Mānuka Honey Products on Amazon Mentioning Grade



## Five brands account for 59% of the Mānuka category revenue on Amazon Japan

34% of category revenue comes from one brand.

- The market is dominated by five main brands. However, one brand has a significant proportion of market share at 34%. The second greatest brand share is only 7%.
- With Japanese consumers placing importance on traceability, we expect to see shoppers leaning towards brands with transparent supply chains.
- New entrants might struggle to gain brand recognition, as Japanese consumers clearly have preferred brands.



# The top 30 products sold make up 53% of the total Mānuka category revenue on Amazon Japan

The top 10 products account for 23% of category revenue.

- Four of the top 10 products come from one brand.
- 150 products account for 47% of the category revenue, indicating uneven revenue distribution from products.
- With over half of Amazon revenue coming from the top 30 products, and 150 products making up the remaining 47%, the landscape is fragmented and competitive at the top.

**INDIVIDUAL PRODUCT SKU SALES AS % OF AMAZON CATEGORY REVENUE**

