

# Differentiation Strategy in the business continues of the long-standing Kyogashi companies

- The essence of the business continues regarding the corporate management of “Tawaraya-Yoshitomi” and “Kamesuehiro” -

## 1. Introduction

There are many long-standing Kyoto confectionery makers in Japan, each operating with their own management strategy, such as aiming to expand their business globally or specializing in catering only to local customers [1].

Among them, TAWARAYA-YOSHITOMI is a leading company with a significant scale of operations, manufacturing not only traditional but also creative sweets, including their flagship product, UNRYU, and the company has established deep relationships with customers throughout Japan. By contrast, at the local level in Kyoto, it offers products that satisfy even highly demanding customers, including head masters of tea ceremony families. It has created a unique commodity value in the world of Kyoto confectionery, and the value it has created is beyond imagination compared to ordinary Japanese confectionery products.

On the other hand, KAME-SUEHIRO, which used to be called the best confectionery artisan in Kyoto, offers highly sophisticated sweets with natural ingredients crafted by artisans who do not compromise on quality, and it has developed deep connections with customers at the local level in the Kyoto area. They offer products that do not fail to satisfy their regular customers, and they have also established a unique commodity value in the world of Kyoto confectionery by setting a price range that is unimaginable for typical Japanese sweets.

It is easy to see the differences in the management strategies between TAWARAYA-YOSHITOMI, which aims to expand its scale of business with a view toward globalization, and KAME-SUEHIRO, which obstinately keeps its focus on serving only the Kyoto area. Despite these differences, both are leading Japanese businesses that have been in operation for a very long time.

In this paper, I would like to reveal the essence of long-standing businesses, by analyzing and discussing their business strategies, which will illustrate the differences between the businesses, based on interviews conducted with Mr. Yoshikiyo Ishihara, the ninth owner of TAWARAYA-YOSHITOMI, and with Mr. Takahiro Yoshida, the seventh owner of KAME-SUEHIRO [2].

## 2. Case Studies for Kyoto Confectionary Companies

### 2.1 TAWARAYA-YOSHITOMI

#### 2.1.1 Overview

TAWARAYA-YOSHITOMI (Figure 1) is a long-standing Kyoto confectionery business established in 1755. Spurred by the success of their flagship product, UNRYU, which won multiple prizes in exhibitions and similar competitions after the World War II, the company achieved national distribution throughout Japan, and incorporated as a stock company in 1953. With four company stores and many distribution outlets in famous department stores in major cities throughout Japan, the company reached 1.4 billion yen in sales, according to a 2009 report published by Teikoku Databank, Ltd. Not many other Kyoto confectionery businesses are operating at this scale.

It manufactures and sells a variety of fresh sweets that epitomize Kyoto confectionery, in addition to a variety of other Japanese sweets. The previously mentioned UNRYU (Figure 2) is a beam-shaped sweet created by the seventh owner, Mr. Tomejiro Ishihara, in 1920. It is made by combining and hand-rolling unground bean paste made from TAMBA-DAINAGON azuki beans and MURASAME paste. When the rolled paste is cut, the cross-section surface displays the image of a dragon (RYU) riding on clouds (UN). Although UNRYU became the product that supports TAWARAYA-YOSHITOMI, the eighth owner of the company created SHIRO-UNRYU (white UNRYU), and current ninth owner created KOKUTO-UNRYU (brown-sugar UNRYU), and they have also been involved in strengthening the existing products and brand image. In addition, the company sells original products at each of its four company stores, and each store provides unique added value with its own products, while maintaining the essence of TAWARAYA-YOSHITOMI.

The current and ninth owner is Mr. Yoshikiyo Ishihara, and he operates it as a family business, which is typical of Kyoto-based companies. For this reason, the management has a long-term vision rather than a short-term orientation, and besides opening new company stores, it operates a museum dedicated to Kyoto confectionery with the aim of making cultural contributions while operating their main business.

#### 2.1.2 Analysis of Management Strategy

TAWARAYA-YOSHITOMI values its traditions while engaging in a wide range of activities including public awareness and popularization of Kyoto confectionery. Here, I would like to examine the company

management style that supports such activities.

First, I analyzed the internal resources of TAWARAYA-YOSHITOMI through the four-M framework, which summarizes the elements in production activity from the standpoint of product-making (Table 1).

This analysis reveals that the internal resources owned by TAWARAYA-YOSHITOMI have a unique strength which supports the brand.

Next, I analyzed the company's strategy through the VIRO framework, based on how their internal resources are being utilized for the purpose of company management (Table 2).

We can see through this analysis that TAWARAYA-YOSHITOMI conducts a company strategy that utilizes the strength of its internal resources and keeps their unique competitive edge.

Table 1 4M Analysis for Tawaraya-Yoshitomi

View	Situation of Tawaraya-Suetomi
Man	<ul style="list-style-type: none"> <li>λ Tawaraya-Yoshitomi is not especially doing the recruitment activity because a enthusiastic applicant come voluntarily to them. Therefore, their artisan has a high motivation after recurruiting. They are making a confection in Kyoto outskirts while feeling the season and atmosphere of Kyoto.</li> <li>λ Their sales person who sales a confection by face-to-face is their employee. When sales are consigned to the department store, the sales training in the direct-management shop is executed.</li> </ul>
Machine	It is currently the polite hand work of the artisan as the process approaches their products, though the machine is used for the process of processing a large amount of materials.
Material	The red bean selects the home product severely, such as a bean jam of grain is from Kyoto Tamba and a strained bean jam is from Hokkaido. The price does not change greatly because of the longtime mutual trust for the production farmer.
Method	A polite procedure is taken as the store master check the situation of products every time. The factory has not opened generally to the public from the aspect of a good hygiene.

Table 2 VRIO Analysis for Tawaraya-Yoshitomi

View	Situation of Tawaraya-Yoshitomi
Value	The values are the traditional taste obtained from the technique of the artisan and the severely selected material and are to obtain their products such as the pole confection through the sales channel of a famous department store in major cities across the country.
Rarity	They sale the original products limited of each direct shop in Kyoto city. Especially, Ogawa's shop have obtained the customer's severe evaluation on the location of the head family of a school of tea ceremony. This is a valuable rarity for the customer and Tawaraya-Yoshitomi.
Inimitability	<ul style="list-style-type: none"> <li>λ There are a lot of similar products in a representative product "Un-ryu" because it is limited to be able to do and to be little the kind of the material in confection generally. However, The differentiation factor of the taste of the tradition has raised the brand value.</li> <li>λ The imitation is very difficult in establishment and the management of the Kyoto confection material pavilion, such as the other companies also hesitates.</li> </ul>
Organization	Management by a long-term aspect is possible because of the management board which management is corresponding to ownership and the organization composition by the high-motivation artisan.

### 2.1.3 Analysis of Marketing Strategy

Here, I would like to analyze the marketing strategy, an external element of TAWARAYA-YOSHITOMI, which realizes the company strategy just described, through the four Ps of marketing (Table 3).

Table 3 4P Analysis for Tawaraya-Yoshitomi

View	Situation of Tawaraya-Yoshitomi
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Product	They tries to succeed and to improve the technology by the manufacturing and selling of the confection which has the sense of the season's overflowing and the creation of artistic confection, while it is assumption of representative product "Un-ryu" as infrastructure of management. There is no be absorded in the development of a new form that matches to the customer needs, such as the above-mentioned new products and half poles.
Price	They continue the corporate efforts such as to suppress to a reasonable price for the customer, though the material of the highest class is used ("Un-ryu" 1,365 yen a pole). When the material price rise, the price is left untouched by corporate efforts.
Place	They positively act on a new branch of the direct shop besides the shop is developed with a famous department store in major cities across the country.
Promotion	The Kyoto confection material pavilion is operating for the purpose of spreading the entire Kyoto confection culture disregarding reduction to its own profit.

As shown here, TAWARAYA-YOSHITOMI deploys a mass-marketing strategy; however, it do not only market its products, but also communicates with customers through its activities, including cultural contributions to the Kyoto confectionery through its public awareness effort.

As you can see, TAWARAYA-YOSHITOMI practices a marketing strategy to further develop its business while utilizing its internal strengths. One vision includes expansion of its operations to Europe, and the current owner, Mr. Ishihara, said, "I want to take on the rest of the world, especially Europe, to see if Kyoto confectionery has a place there." Although my analysis does not assess the difficulty in building a factory overseas, Mr. Ishihara gave me the impression that he does not see it as a major challenge and that his focus is on aggressively maximizing the company's strengths. I think it is possible for the company to successfully open an overseas operation if they establish a factory and a store in one location.

## 2.2 KAME-SUEHIRO

### 2.2.1 Overview

KAME-SUEHIRO, established in 1804, is another long-standing Kyoto confectionery business (Figure 3). It employed about 50 artisans and clerks when the fifth owner was in charge. It also used to be called Kyoto's best confectionery artisan, making such products as Castella, a Japanese sponge cake. It closed during the World War II as a result of many artisans being drafted into the military. The sixth owner reopened the business after the war, but avoided expanding the business, and the size has stayed the same ever since. The business has not been incorporated and continues

to operate as a privately owned business, focusing on face-to-face selling at its store. It also continues to have strong connections with branch shops, which are owned by artisans who apprenticed at the store and who were allowed to share in the good will of it, by building complementary relationships in production and sales.

The store makes and sells fresh sweets, which are what Kyoto confectionery is famous for, as well as other kinds of Japanese sweets. It has been known for generations for its excellent dry sweets (HIGASHI), which make up their flagship product, KYO-NO-YOSUGA (the four seasons of Kyoto), which is more commonly called YOJO-HAN (four-and-a-half tatami mats) (Figure 4). Its popularity was established as a souvenir during the Edo period among the daimyo lords who gathered together through SANKIN-KOTAI\* (alternate attendance). Currently, it employs seven artisans who are focused on maintaining the quality of their sweets established by the sixth owner and who rarely create new products. They highly value tradition and make products which express the four seasonal senses of Kyoto.

The current and seventh owner is Mr. Takahiro Yoshida. The store has been managed by family members since its establishment, and it has acquired a successor through adoptive marriage in order to continue as a family business.

### 2.2.2 Analysis of Management Strategy

KAME-SUEHIRO is proud to be a long-standing Kyoto confectionery business, and it strongly values the traditions of Kyoto confectionery. Here, I would like to examine the management style of KAME-SUEHIRO.

First, I analyzed the internal resources of KAME-SUEHIRO through the four-M framework, which summarizes the elements in production activity from the standpoint of product-making (Table 4).

This analysis reveals that KAME-SUEHIRO has a unique strength dependent on its internal resources as well as a strong consistency with regard to ingredients and artisans.

Next, I analyzed the company strategy through the VIRO framework based on the viewpoint how its internal resources are being utilized for the management of the company (Table 5).

As shown here, KAME-SUEHIRO conducts a company strategy that utilizes the strength of its internal

resources, and keeps its unique competitive edge by relying on tradition.

Table 4 4M Analysis for Kame-Suehiro

View	Situation of Kame-Suehiro
Man	Because it is a face-to-face selling (A part of products corresponds by delivering to home) in the shop in addition to veteran artisan, it undertakes serving by the family.
Machine	The base of their manufacturing is hand-work. When a lot of amounts of the order cannot be digested by the hand work, the mixture work and working for the skin of the red bean use the machine. Also, the wooden forms such as a pushing form are important tools. The existence wooden form is a valuable property, because the wooden form artisan has become extinct.
Material	The material is a natural material alone used for a long time, and the synthetic is not used. Especially, the red bean is from Tamba of Kyoto, and a major confectionary maker is not using this red bean.
Method	Everything depends on the artisan's memory, though a part of a past trade sample remains in the Indian-ink drawing. The succession of knowledge and the technology is a pressing issue according to the artisan's aging.

Table 5 VRIO Analysis for Kame-Suehiro

View	Situation of Kame-Suehiro
Value	The value is to provide a material of sticking to and the confection of the tradition by a longtime artisan. When a delicious confection cannot be done even if a very good material is used, artisan's skill is criticized.
Rarity	<ul style="list-style-type: none"> <li>λ Because the confection of delicate artisanship and assortment cannot endure a violent transportation and there are many things which doesn't do on the day, their products is obtained by store-based sales (Only the headquarters).</li> <li>λ The material is a natural material alone used for a long time, and the synthetic is not used. Especially, the red bean is from Tamba of Kyoto, and a major confectionary maker is not using this red bean.</li> </ul>
Inimitability	<ul style="list-style-type: none"> <li>λ As for the business management along the business practice that values a peculiar interpersonal relationship to Kyoto such as stability customers from the age of the distant future fee store master and new customer at the Kyoto by the present store master, this imitation is the most difficult.</li> <li>λ Because the wooden form artisan has become extinct about the tool of the wooden form which a minute processing is given, the wooden form that remains now is an element that acquires a difficult imitation.</li> <li>λ A past trade sample where part remains in the Indian-ink drawing might give a fresh new ideas to a present artisan. Therefore, this provide a source of inimitability.</li> </ul>
Organization	Finding and solving of the problem are early because of the few people management at the family.

### 2.2.3 Analysis of Marketing Strategy

I would like to analyze the marketing strategy, an external element of KAME-SUEHIRO, which deploys the company strategy just described, through the four Ps of marketing (Table 6).

Table 6 4P Analysis for Kame-Suehiro

View	Situation of Kame-Suehiro
Product	<ul style="list-style-type: none"> <li>λ The confection that succeeds mainly the dry confectionery from the predecessor is defended.</li> <li>λ The correspondence of the match to coffee etc. is experimentally done to a new product development, though it is not positive.</li> </ul>

Price	<p>λ The cost of materials might be high, and it is higher than general Kyoto confection. The price (2,700 yen) of "Genji-Incense" (a pushing confection of cane sugar) is about twice general Kyoto confection. However, they are thinking as low price.</p> <p>λ Because the stability customer with a high royalty can surely expect a lot volume of sales, management is steady to the price as it is, though the contents of the confection packed into "Kyo no Kasuga (Four Seasons of Kyoto)" (3,500 yen) is flexibly changed.</p>
Place	Basically, It is only store-based sales with the headquarters. Its mean that the delivery channel to which attention to the confection is not complete is not used.
Promotion	Although they run ads in the commemoration exhibition of establishment of 200 years, and the advertisement including a usual press are not done at all.

As you can see, the marketing strategy used by KAME-SUEHIRO can be described as ‘contrarian’ which is the extreme opposite of the commonly used marketing strategy, in which ‘good-quality products are sold at a low price through a wide network of distribution channels with mass-advertisement effort.’

The marketing strategy by KAME-SUEHIRO ought to be exercised through the application of its company strategy, which creates competitive edge, as well as the strength of its internal resources, described earlier. In other words, almost no effort is paid to product development based on the wishes of the general public, and it continues to operate by stubbornly protecting traditions passed on since the establishment of the store. The marketing strategy deployed by KAME-SUEHIRO can be summarized as, ‘superior-quality products sold at a price that meets the product value, through a network of distribution that is limited to the store, without mass-advertisement effort.’

### 3. Essence of Business Continuity for the Long-Standing Companies

It is clear that there are differences in the management strategies between TAWARAYA-YOSHITOMI and KAME-SUEHIRO. Even with these clear differences, both businesses have been in operation for a very long time, and they have established themselves as long-standing companies. I would like to analyze and discuss the essence of business continuity in these companies.

#### 3.1 Brand Innovation for TAWARAYA-YOSHITOMI

From the result of the analysis described earlier, we can see that TAWARAYA-YOSHITOMI aims to create a product value that can accommodate customers with different cultural backgrounds toward sweets, and that it has a management that can achieve such an aim. I would like to show you here the essence of business continuity in TAWARAYA-YOSHITOMI [3].

The reasons why long-standing businesses can continue their operations through generations are due to the fact that they push the boundaries of traditions while keeping the essence of those traditions, and because they continuously exercise innovation that suits the trends of the times. This is similar to the innovation advocated by Drucker, as innovation which not only gives customers financial satisfaction but also gives them added value. The strategy of creating innovation starts with the assumption that current strategies and tactics, internal resources, and common wisdom held by companies are all going to be obsolete sometime in the future.

I applied this definition of innovation to the case of TAWARAYA-YOSHITOMI. The Japanese sweets offered by them constitute a part of all sweets that are mass-produced and mass-marketed by large companies, and they are largely treated as commodity products. A common branding strategy for such commodity products is to utilize marketing theories on conventional commodities. In other words, it is to gain brand recognition through the marketing of good-quality products at a low cost through a wide range of distribution channels with mass-advertisements.

However, TAWARAYA-YOSHITOMI is conducting a strategy to develop a brand recognition that has a strong connection with the Kyoto confectionery culture, which is different from an ordinary brand recognition strategy of commodity products, by promoting public awareness of Kyoto confectionery, while at the same time selecting appropriate distribution channels to market high-quality products at a reasonable price. It can be said that it is conducting a product strategy that offers Kyoto confectionery products together with the added value of transmitting the Japanese confectionery culture to customers, therefore creating a TAWARAYA-YOSHITOMI brand innovation.

The first concrete and practiced example that led to the brand innovation of TAWARAYA-YOSHITOMI is the operation of a museum of Kyoto confectionery with the intention of promoting its own confectionery business. It involves activities related to discovery, legacy, and awareness of Kyoto confectionery culture, and it should ideally have involved all Japanese confectionery businesses, although it might have been difficult to communicate the culture to the public with such an operation as a cooperative union, while perhaps making such activities more general. This approach would not have promoted TAWARAYA-YOSHITOMI brand confectionery, nor transmit the culture of Kyoto confectionery to customers in a focused way. For these reasons, TAWARAYA-YOSHITOMI operates an establishment, the Kyoto Confectionery Museum, to combine the passion embedded in the TAWARAYA-

YOSHITOMI brand and Kyoto confectionery, with the intention of communicating the excellence of Kyoto confectionery and expanding the TAWARAYA-YOSHITOMI brand by offering no admission fee to the public.

Next, a concrete and practiced example in their distribution channeling is the opening of the company stores concentrated around the main store's location. In an ordinary sales channeling strategy that tries to expand distribution channels, it is extremely rare to establish multiple company stores within the same market and within a ten-minute-walking distance from each other, for fear of cannibalization. However, TAWARAYA-YOSHITOMI opened two nearby company stores, the KARASU-MARU store in 1978, followed by the OGAWA store in 2006. This approach clearly differs from the conventional role of company stores, and in order to justify this approach, the company has established each store to target different customer segments. The OGAWA store is located in the area that is home to the OMOTESENKE tea ceremony head master represented by the FUSHIN-AN tea room, as well as the URASENKE tea ceremony head master with the KONNICH-AN tea room, and the store targets customers who visit these head masters, by positioning itself as a place where the challenge of providing pleasure from new Kyoto confectionery are being developed and tested. Besides these two stores, the company also opened the GION store in 2005.

As I have described here, TAWARAYA-YOSHITOMI exercises its brand innovation by deploying a product strategy that offers a new customer value through the obsolescence of common knowledge held by others about the Japanese confectionery and through commoditizing the image of the Kyoto confectionery together with the brand image of TAWARAYA-YOSHITOMI.

### 3.2 Customer's Value Innovation for KAMESUEHIRO

From the result of the analysis described in this paper earlier, I have noticed there is a strategy similar to that of KAME-SUEHIRO's, which exercises a highly unique marketing strategy at a global level. It is the luxury strategy deployed by the luxury brand companies. In summary, the four Ps of mass-marketing of luxury strategy can be described as 'guaranteed superior-quality products sold at a price that meets the product value through a network of distribution channels that is limited and controllable without no mass-advertisement effort but with promotions focused on publicity that transmits the desired brand image.'

Table 7 compares the similarities between the marketing strategy deployed by KAMA-SUEHIRO and that of a luxury brand [4].

Table 7 Comparison between Luxury Strategy and Kame-Suehiro

View	Luxury Strategy	Situation of Kame-Suehiro	Similarity
Product	Providing product that mortgages superior quality	Providing a high-quality product with sticking to in a material and an artisan	High-quality product that emphasized tradition and history
Price	Fair price that corresponds to commercial value (High-priced system)	High price not seen in general confection	It is high-priced than the general price.
Place	Maintenance of a delivery channel that can be controlled and limited	Development of the only headquarter with manufacturing and sales	Limitation of a delivery channel
Promotion	Practical use of publicity communicating brand image	None in advertisement	Low dependancy for advertisement

We can see from this comparison that KAME-SUEHIRO's marketing strategy is similar to the luxury strategy. The sweets sold by KAME-SUEHIRO are classified into the category of Japanese sweets in the market together with other commodities sold through more conventional mass-marketing strategies; however, their sweets are ranked as high-quality and they are seen as unique among Kyoto confectionery. Such uniqueness is considered the reason for the similarity with the luxury strategy, providing a value that is different from other Japanese confectionery companies. In other words, there are differences in customer values between the commoditized Japanese sweets produced by companies which deploy conventional mass-marketing strategies and the products offered by KAME-SUEHIRO, therefore creating an innovation in customer value.

I attempted to analyze how the innovation in customer value is created through the standpoint of values created by luxury brand companies.

The customer values created by the luxury brands appeals to the sensitivity of customers besides the fact the products have a functional benefit value. The values offered by ordinary Japanese sweets are mostly at the level of functional benefits such as "I can eat something sweet," "I can buy them anytime I want," and "they taste reasonably good." On the other hand, customer values created by luxury brands appeal to the five senses, emotions, and mentality, and such values occur at the sensitivity level by evoking emotions through the design of the sweets and their taste, as well as astonishment toward the skills of the artisans who create such art forms.

KAME-SUEHRO creates values similar to the customer value created by the luxury brands, because their marketing strategy is also similar to the luxury strategy [5]. Table 8 is a summary of this discussion.

Table 8 Customer Value for Kame-Suehiro

View	Luxury Strategy	Situation of Kame-Suehiro	Common Confection
Function and Benefit	Providing product that mortgages superior quality	Providing a high-quality product with sticking to in a material and an artisan	Providing a low -level confection filled only desire of food
Sensitivity	Solicitation to sensibility proven by the highest quality product	Solicitation to sensibility by a rich product with artistry including the four seasons	Nothing

KAME-SUEHIRO exercises a strategy very similar to the luxury strategy, and I have stated in this paper that this is the cause of their innovation in customer value [6]; however, they are not widely known in Japan, and there are only a limited number of people who hold certain store and brand images toward KAME-SUEHIRO. It is still unknown how their presence and branding stories will be established nationally. (Table 9)

Table 9 Consideration of Luxury Brand for Kame-Suehiro

View	Situation of Kame-Suehiro
Acknowledgment of image	There are many ardent fans that exceed the generation. However, there are many people who do not know Kame-Suehiro and their place in Kyoto, too.
Story of Brand	Even if it is possible to indirectly transmit in the face-to-face selling at their shop, it cannot be said that the brand story is reflected in the name of confection, the color, and the design of the products
A special sense of existence	As a result of the pursuit of reasons apart delicioust, a special sense of existence is transmitted to the customer.

As discussed, KAME-SUEHIRO is similar to luxury brands; however, it is still not clear whether it has established itself as a luxury brand, and this may be the reason why it is not known as one in Japan. I have been studying why long-standing luxury brands do not exist in Japan even though we have largest number of the world's long-standing businesses, and I would like to leave the case of KAME-SUEHIRO for future study, as it can be a foothold in my research on the creation of luxury brands by long-standing companies. It can also lead to a suggestion toward making such old establishments into luxury brands.

#### 4. Conclusion

TAWARAYA-YOSHITOMI exercises a unique management strategy as a long-standing business by differentiating its product value from that of others. In addition, it is exercising its brand innovation by creating a new brand value through the public-awareness activities regarding Kyoto confectionery culture. Such a branding effort can lead to an opportunity to introduce Kyoto confectionery to the world, giving them a chance to make more gains.

On the other hand, KAME-SUEHIRO also deploys a unique management strategy among long-standing Kyoto confectionery companies by creating a product value that is different from others. Its value is the result of obstinately keeping traditions since the time of its establishment, offering a very different product mix from that of other Kyoto confectionery companies. The business secures its regular and stable customer base by continuing its operation while keeping to tradition, and it creates a unique realm that can be described as 'only certain people know KAME-SUEHIRO, but these people know it well.' The business exercises its own customer value innovations by creating such a realm and customer values that are different from those of other ordinary Japanese sweets.

From this discussion, it is clear that the essence of business continuity in long-standing businesses can result in innovation [7]. Not simply technical innovation but innovation that is unique to each company and which utilizes the strength of each company in order to maintain the business for a long time, which is a necessary element in creating and supporting long-standing companies.

Of the two businesses discussed in this paper, TAWARAYA-YOSHITOMI is expected to develop and expand as a long-standing Kyoto confectionery company by keeping its operation active through its unique innovation. Such innovation cannot be copied by others, but it gives a suggestion on how long-standing companies can continue their businesses. The company is also expected to make great contributions to the further development of Kyoto confectionery. On the other hand, the business operations of KAME-SUEHIRO is confined to the Kyoto area, and its position is the extreme opposite of a leading long-standing Japanese confectionery business, TORAYA, which has transferred its company base from Kyoto

to Tokyo and opened a store in Paris. KAME-SUEIRO is expected to continue its great influence on not only Kyoto confectionery but also the entire Japanese confectionery scene.

As discussed here, these businesses continue to create their unique value by exercising their unique innovations. Creating such innovations consistently allows them to continue their businesses to suit changes in times, which further allows them to survive as long-standing businesses [8].

\*SANKIN-KOTAI (alternate attendance) was a policy that required daimyo lords to periodically alternate their residences between Edo, current-day Tokyo, and their homelands, while leaving their wives and children as hostages in Edo at all times. Maintaining two residences and traveling expenditures to and from Edo was meant to put financial strain on the daimyo lords, therefore discouraging them from waging war.

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