

His Aim Is True



Jérôme Chouchan,
managing director of
Godiva for Japan, South
Korea and Australia

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Jérôme Chouchan's approach to business is partly informed by his expertise in *kyudo*, or Japanese archery.

Your work in Japanese retailing now spans four decades.

I came to Japan first in 1983 while I was still a student at [prestigious French business school] HEC. I was interested at that time in Zen. I started to work in Japan in 1986, initially for [French jewelry house] Mellerio dits Meller. After that I set up the Japan operation of the French government mint for the sale of anniversary coins before taking charge of Lacoste's operations in North Asia. From 2001 I worked in France for Hennessy [cognac house] before returning to Japan in 2005 as president of [Spanish figurine manufacturer] Llandro. I joined Godiva in June 2010. The common thread in my career is premium and authentic brands that have a real history and a focus on retail.

What is Godiva's history in Japan?

Godiva started in Japan in 1972 as the country's first premium chocolate company. This first-mover advantage is one reason for the success of Godiva in Japan. Today Godiva has the leading market share in the premium chocolate category with roughly 300 boutiques. Other foreign premium chocolate brands in Japan have only ten or fifteen boutiques.

What has been your strategy to develop the brand?

We have doubled the size of the business in Japan over the past five years. That means 15% growth per year on average while the chocolate market was growing at around 2% and the economy at 1% to 2%. We implemented various measures under a clear vision, which is, "Aspirational and Accessible." "Aspirational" refers to the high quality in terms of the product, brand image and service in the store. "Accessibility" means Godiva's products exist in accessible places, near your home and near your office. We also expanded our product range to encourage self-treating, not just "gifting." In Japan, Godiva has shown that you can

be in multiple channels and still stay true to your brand.

You have written a book, *Target*, explaining how your training in *kyudo* (Japanese archery) has informed your business thinking.

In *kyudo* there is the concept of *seisha hitchu* (true shooting, certain hitting). In Western archery, the archer cares first and foremost about his accuracy; in Japanese archery, the archer is concerned with “true shooting” – [continually working on] the proper form and proper mindset. If the shooting is “true,” the arrow will fly to the target. I found this concept can be applied to business too, because if you can do the same thing – focus your best efforts on good products, good consumer strategy, good advertising, good store training, and always try to improve just as the archer does with his form – as a result you will hit your target.

It’s Valentine’s Day soon. You must be busy.

Valentine’s Day is the biggest business opportunity for chocolate in Japan. In the past, it was mainly an occasion for gifting from a woman to a man, but now we also see women using the occasion to enjoy chocolate for themselves or to give *tomo-choko* to their friends or colleagues (“*tomo*” means friend in Japanese). So it has become a real festival of chocolate. However, chocolate consumption in Japan remains relatively low at 2 kilos per capita annually whereas in the UK or Switzerland, for example, it is around 10 kilos, or in the United States, 6 kilos. We see a lot of potential for chocolate to reach further into the Japanese consumer’s daily life in the future.

What has changed, in a business sense, in particular for foreign companies, over your time in Japan?

The market has become more consumer-focused and transparent. Twenty-five ago it was about who you know; who your partner is; who will

introduce you. Now, it’s all about the quality of your product or service proposition. The consumer now drives the market much more whereas before it was the trade. So there is a chance for foreign companies. A second change would be that the country, especially Tokyo, has become more international. There are more foreigners working here now; there is more foreign talent in the design and advertising industries, for example. A third aspect of change would be that the Japanese consumer is now the most sophisticated in the world. Japanese consumers have gone through all the periods: in the 80s people would buy for the brand name status; after the “bubble” burst, people became more discerning and interested in quality; and today Japanese people understand the price and quality of a product, and they are always looking for something new. In Japanese archery, they say, the target is your mirror; or the target never lies. It means if your shooting is not good, it reflects a fault in your form or mindset. In business, the market is your mirror: the consumer is always right. The question or difficulty is how you correct the organization quickly to respond to the consumer changing. At Godiva we know we have to continue to innovate.

Your team is in charge of South Korea and Australia in addition to Japan.

The team is enjoying it and doing well and our partners like to learn from the Japanese experience too. I think there is an opportunity for Japan to become more of a regional platform than it currently is. For example, [Godiva’s premium] soft ice cream was created in Japan and has been a game changer in China. In Japan soft ice cream is a good business for Godiva, but when it was introduced to China, it generated a real buzz. So Japan can be a center of innovation and of new consumer trends, not only for Japan but also for Asia. ■

Interview by ALEX HENDY
