



# Challenges and Triumphs: The International Expansion of Japanese Regional Food Businesses

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**Abstract:** The global proliferation of Japanese restaurants has extended beyond large corporations to include numerous regional businesses that have successfully ventured into international markets. This research investigates the challenges and opportunities encountered by a regional ramen shop in establishing its inaugural international location in South East Asia country. Through interviews with marketing representatives and a site visit, the study provides insights into the operational dynamics and market adaptation strategies employed by the shop. Despite its success in Japan, the establishment faced significant difficulties in another market, primarily due to inadequate market research, a limited menu variety, and pricing strategies that did not align with local consumer expectations. Initial efforts to attract customers involved revising the menu to incorporate local flavors; however, these adjustments were insufficient, ultimately leading to the closure of the first overseas location. The findings underscore the critical importance of conducting comprehensive market research, tailoring menu offerings to local tastes, and selecting optimal locations for international expansion. Recommendations for future ventures include developing responsive pricing strategies, engaging with local communities, and training staff on cultural sensitivity. By adhering to these guidelines, regional Japanese food restaurants can improve their prospects for successful international expansion and cultivate a loyal customer base in diverse markets.

**Keywords:** Japanese restaurant, Regional, Ramen, Overseas expansion

## INTRODUCTION

The global fascination with Japanese cuisine has surged in recent years, driven by a combination of factors including the popularity of Japanese culture, the rise of culinary tourism, and the increasing demand for healthy and diverse food options. Many travelers return from Japan eager to recreate their culinary experiences, leading to a growing market for authentic Japanese food products abroad. This trend presents an excellent opportunity for Japanese corporations specializing in food production to capitalize on their international appetite for their offerings. In an increasing globalized economy, not only giant companies, small-medium sized enterprises (SMEs) also play a crucial role in driving innovation, creating jobs, and contributing to economic growth. Regional Japanese SMEs, in particular, have an abundant of various resources and a rich history of producing unique products that reflect their cultural heritage, from traditional crafts to innovate food items or cuisine. As these companies seek to expand their market reach beyond Japan's borders, they face a complex landscape of opportunities and challenges in international markets.

This paper aims to explore the overseas business endeavors of Japanese SMEs, focusing on case studies that highlight both successful and unsuccessful attempts at internationalization. By examining companies which had success or challenges, we can gain insights into the strategies employed by these smaller enterprises, the obstacles they encounter, and the lessons learned from their experiences. The globalization of markets

presents significant opportunities for SMEs to tap into new consumer bases, particularly in regions where Japanese cuisine is gaining popularity. However, these enterprises also face formidable challenges, including competition from larger corporations and the need to adapt to diverse cultural preferences. Understanding the dynamics of international business for Japanese SMEs is essential not only for their growth but also for preserving and promoting Japan's unique culinary and cultural offerings on the global stage.

To achieve the research aims, secondary data is first explored by reviewing previous relevant literatures and discussing few cases of Japanese SMEs in their international business. Primary data is then used by conducting several surveys in selected countries, and information about current attitudes of the citizens towards Japanese cuisine is summarized. In addition, one of regional ramen shops in Japan is interviewed to illustrate its challenges of international business. After an analysis of the survey data, this paper concludes with comments on the factors that contribute to the success or failure of SMEs in their overseas ventures will be analyzed, providing valuable insights but future entrepreneurs and policymakers. By focusing on the stories of these regional enterprises, this paper seeks to illuminate the path for Japanese SMEs aspiring to thrive in the global marketplace while satisfying the growing demand for authentic Japanese food experience.

## **LITERATURE REVIEW**

### **Overseas Business of Japanese SMEs**

Internationalization is defined as the process through which enterprises extend their operations into new geographical markets (Justin, Sundar, & Shoko, 2017). In Japan, similar to large corporations, a growing number of small and medium-sized enterprises (SMEs) are seeking to expand their market presence beyond domestic borders. This trend is largely driven by the saturation of the domestic market and a declining population. Consequently, Japanese SMEs are increasingly targeting emerging markets in regions such as Asia, Africa, and South America, where opportunities for substantial growth are perceived. The Japanese government plays a pivotal role in facilitating this internationalization process by offering a variety of support programs. These initiatives include financial assistance and advisory services designed to aid SMEs in navigating the complexities of international markets. Despite the potential for business opportunities globally, Japanese SMEs frequently encounter a range of challenges in their international endeavors. One significant hurdle is the navigation of diverse business cultures and languages, which can complicate market entry for Japanese SMEs. Additionally, the differing regulatory and compliance requirements in foreign countries present obstacles for SMEs that may lack familiarity with international trade laws. Unlike multinational corporations (MNCs), SMEs typically operate with limited financial and human resources, which constrains their ability to conduct comprehensive preliminary research and preparations for overseas expansion. This lack of experience in international trade often leads to difficulties in understanding foreign regulations and developing effective market entry strategies.

Regional SMEs, in particular, face unique challenges when it comes to investing in international marketing and logistics. Their rural locations can impede access to vital information, networks, and resources that are essential for successful overseas expansion. However, many regional SMEs capitalize on their distinctive products—such as local food items, traditional crafts, and specialized manufacturing—to appeal to international

markets. Notably, some of these SMEs have successfully established international brands by promoting their unique heritage and high-quality offerings, including traditional sake, textiles, and crafts. To ensure continued competitiveness and expand their business territories, local industries in Japan must consider strategies for capturing overseas markets after establishing a solid foundation domestically. It is crucial to recognize that the management and strategic approaches required for foreign markets differ significantly from those applicable to domestic markets. Strategies that are effective in Japan may not necessarily translate well to international contexts. Like food industry, Singapore, South Korea, and Thailand have effectively enhanced their international image by promoting their culinary traditions to global audiences. In response to the competitive landscape of international cuisine, Japanese restaurants abroad are increasingly adopting processes of standardization derived from other markets while also considering the establishment of new outlets in neighboring countries. This strategic adaptation is essential for Japanese SMEs aiming to thrive in the global marketplace.

### **The Evolution of Japanese Cuisine in the Context of Globalization**

Japanese cuisine, characterized by its emphasis on seasonal ingredients, meticulous presentation, and harmonious balance, has experienced significant transformations as a result of global influences. As globalization continues to shape culinary traditions, the boundaries that once confined these practices geographically have become increasingly porous. This phenomenon has facilitated a dynamic interplay between Japanese food and international culinary trends, leading to both the adaptation of traditional dishes and the emergence of innovative fusion cuisines. In recent years, Japanese cuisine has actively embraced global influences, resulting in the creation of new and inventive flavors. By integrating international cooking techniques and ingredients, Japanese culinary practices have expanded their repertoire while preserving their cultural heritage (Lau, 2025). Notably, Western cuisines have exerted a considerable influence on Japanese gastronomy, particularly through the introduction of Western-style sauces. For instance, traditional dishes such as *okonomiyaki* and *chicken nanban* have been adapted to incorporate tartar sauce, altering their flavor profiles. Additionally, the proliferation of fast-food chains has prompted Japanese chefs to develop localized versions of popular Western items, exemplified by the creation of *teriyaki burgers*. These adaptations reflect Japanese cuisine's ongoing commitment to balance and presentation while innovating to meet contemporary tastes (Shoko, 2010). Furthermore, neighboring Asian cuisines have significantly reshaped Japanese culinary offerings, fostering the development of inventive fusion dishes. For example, Korean cuisine has inspired spicy variations such as *kimchi nabe* and spicy ramen, while Chinese culinary traditions have introduced dishes like *chanpon* noodles, which are particularly popular in Nagasaki, and *gyoza*, a type of pan-fried dumpling tailored to Japanese preferences. Thai and Indian flavors have also been assimilated into Japanese cooking, resulting in unique dishes such as *green curry udon* and *soup curry*. This cross-cultural exchange, grounded in shared ingredients and cooking techniques, enriches the diversity of Japanese cuisine while simultaneously upholding its traditional roots. Japanese chefs have emerged as cultural ambassadors, skillfully blending Japanese culinary traditions with global cooking practices. This evolution exemplifies a dynamic interaction between the preservation of cultural characteristics and the embrace of change (JETRO, 2022).

The global popularity of Japanese cuisine is on the rise, as evidenced by the increasing number of Japanese restaurants established outside Japan. According to recent data, the number of Japanese restaurants abroad surged by approximately 20 percent since the previous survey in 2021. The Ministry of Agriculture, Forestry and Fisheries attributes part of this growth to heightened interest from anime fans in Central and South America. Regionally, both Asia and Europe experienced gains of around 20 percent, with the total number of Japanese restaurants reaching 122,000 and 16,400, respectively. This expansion is expected to bolster Japan's agricultural and seafood exports as its culinary culture continues to proliferate globally. By country, China boasts the highest number of Japanese restaurants, totaling 78,760, followed by the United States with 26,040, and South Korea with 18,210. Over the past decade, the total number of Japanese restaurants in various countries has more than tripled, reaching approximately 187,000 in 2023. While the number of Japanese restaurants in North America declined by around 10 percent to 28,600 due to the impacts of the coronavirus pandemic, the count in Central and South America nearly doubled to 12,900 compared to 2021. It is important to note that the definition of "Japanese restaurants" can be ambiguous, particularly outside Japan. In recent years, there has been a noticeable increase in Japanese restaurants owned by non-Japanese individuals, although official statistical records are lacking. For example, many establishments labeled as Japanese in Canada and the United States are operated by Korean and Chinese proprietors (Kyodo, 2023). In conclusion, the evolution of Japanese cuisine amidst globalization illustrates a complex interplay of tradition and innovation. As Japanese chefs navigate the challenges and opportunities presented by global influences, they continue to enrich their culinary landscape while maintaining the essence of their cultural heritage.

### **Ramen: A Journey of Flavor Across the Globe**

Japanese cuisine is often regarded as a luxury dining experience; however, ramen has emerged as an accessible and widely popular dish among the general populace. Traditionally viewed as a casual gourmet option, ramen's appeal has transcended national boundaries, establishing itself as a global emblem of Japanese culinary culture. Its diversity is particularly noteworthy, encompassing a wide range of flavors, including soy sauce, miso, salt, and tonkotsu (pork bone broth), along with regional variations in noodle thickness and local specialty ingredients. This variety has significantly contributed to ramen's international success, as the fusion of local ingredients and cooking methods with traditional Japanese practices has facilitated the creation of numerous innovative flavors (Morohashi, 2024).

In major cities such as New York, Los Angeles, and London, the proliferation of ramen restaurants reflects the dish's growing popularity outside Japan. These establishments frequently reinterpret traditional recipes, incorporating local flavors to create unique variations, such as spicy miso ramen or ramen burgers. This adaptability has allowed ramen to resonate with diverse culinary preferences, enhancing its global appeal. However, the internationalization of ramen also presents several challenges, particularly concerning authenticity and the maintenance of quality. Consumers increasingly seek genuine culinary experiences that reflect the dish's Japanese heritage, which places pressure on ramen shops to strike a delicate balance between maintaining authenticity and embracing local adaptations. The intricate preparation of ramen poses additional challenges for chefs operating in foreign markets. The dish requires specialized techniques, equipment, and ingredients, making it difficult to replicate the authentic experience outside Japan.

Sourcing high-quality components, such as ramen noodles and broth ingredients, can be particularly problematic in certain regions, potentially compromising the overall quality of the final product. As ramen continues to gain international acclaim, it is crucial for establishments to address these challenges to meet consumer expectations (Kurosawa, 2024). In Asia, the ramen business is thriving, driven by the dish's popularity and the increasing demand for authentic culinary experiences. Countries such as China, Taiwan, Singapore, and Thailand have witnessed a remarkable rise in ramen consumption, with both local and Japanese chains expanding their presence. In China, for instance, the market for ramen has grown substantially, while Taiwanese consumers demonstrate a strong preference for traditional recipes and high-quality ingredients. Singapore's multicultural environment fosters a diverse range of ramen styles, blending traditional and innovative offerings. Similarly, ramen has gained considerable traction in Thailand, becoming a favored dining option among locals and tourists alike. This growth presents significant opportunities for both established chains and new entrants to expand into secondary cities and regions beyond major urban centers, where demand for diverse dining options is increasing.

A notable example of regional ramen is Kara-Men, a spicy ramen dish originating from Miyazaki Prefecture. Featuring thin, chewy noodles and a distinctive spicy red broth, Kara-Men has garnered a loyal following among locals and visitors. While most establishments cater primarily to the domestic market in Miyazaki, the limited availability of Kara-Men outside Japan highlights the challenges of expanding specialty ramen offerings internationally. Overall, ramen's journey reflects its cultural significance and the complexities of maintaining authenticity in a globalized culinary landscape.

### **Competition of Japanese Ramen Shops in overseas countries**

In recent decades, numerous renowned Japanese ramen establishments have successfully expanded their operations into international markets following their achievements in the domestic arena. The subsequent examples are presented to elucidate both their successes and the challenges they encountered during this expansion process.

#### ***Ajisen***

Ajisen Ramen, founded in 1968 in Kumamoto Prefecture, Japan, has undergone significant transformations in its business model, particularly during its international expansion. This literature review examines the company's journey, focusing on its initial failures and subsequent successes in overseas markets, particularly in Taiwan, Hong Kong, and mainland China. Ajisen Ramen's first attempt at international expansion occurred in Taiwan in 1994, which ultimately failed due to a misalignment of taste preferences. Despite initial success, the company experienced a decline in customer numbers shortly after opening its Taipei store. This failure was attributed to modifications made by local partners, which altered the balance of flavors essential to the Ajisen brand. The company's original tonkotsu ramen, characterized by its rich pork bone soup, did not resonate with Taiwanese consumers, leading to a withdrawal from the market in 1998 (Shigemitsu, 2010). In stark contrast, Ajisen Ramen's expansion into Hong Kong in 1998 marked a turning point. Learning from its Taiwanese experience, the company maintained strict control over the preparation of its pork bone soup, seasonings, and noodles, ensuring that the taste remained consistent with

the original Japanese offering. Collaborating with local partners allowed Ajisen Ramen to establish a robust supply chain while adhering to the authenticity of its products. The first Hong Kong store, opened in 1996, was strategically located in a prime area, facilitating high customer turnover despite the challenges posed by high rental costs. This store's success laid the groundwork for Ajisen Ramen's rapid growth in the region (Fujioka, 2017).

The concept of "service global innovation" emerged as a critical factor in Ajisen Ramen's success. This term refers to the company's ability to adapt its service offerings to meet local market demands while retaining the core elements of its Japanese identity. The introduction of a revised store format, which included a broader menu with Japanese side dishes, was influenced by local dining customs that favored shared meals over solo dining. This strategic adaptation not only enhanced customer satisfaction but also increased average spending per customer, significantly boosting profitability (Shigemitsu, 2010). Following its success in Hong Kong, Ajisen Ramen expanded into mainland China, beginning with Shenzhen in 1998. The first store in Shenzhen was strategically placed in a high-traffic area, and the company replicated its successful Hong Kong model. However, Ajisen Ramen recognized the need for further adaptation to cater to the diverse consumer preferences across different regions within China. This led to the establishment of its first Shanghai store in 2000, which became a benchmark for future expansions. The Shanghai location featured a larger dining space and a modified service approach, reflecting the cultural and economic context of the Chinese market (Fujioka, 2017). In addition to the physical store adaptations, Ajisen Ramen's approach to customer service evolved. The company found that Chinese customers preferred a different service style than what was customary in Japan, prompting a shift in their service model to meet local expectations. This flexibility allowed Ajisen Ramen to establish itself as a unique entity within the Chinese dining landscape, differentiating itself from both traditional Japanese ramen shops and local competitors. Eventually, Ajisen Ramen's international expansion illustrates the complexities of adapting a successful domestic business model to foreign markets. The company's experiences underscore the importance of maintaining product authenticity while being responsive to local tastes and cultural practices. Through strategic adaptations and a commitment to quality, Ajisen Ramen has successfully transformed into a prominent player in the global ramen industry, particularly within the Chinese market, where it has established over 700 outlets, far surpassing its domestic presence (Cho, 2021).

### ***IPPUDO***

Founded in 1986, the Chikaranomoto Company has transformed the global perception of ramen through its flagship brand, IPPUDO. With over 70 restaurants worldwide, including locations in major cities such as New York, Singapore, Hong Kong, London, and Paris, IPPUDO has established itself as a leader in the ramen industry. This literature review explores the innovative strategies employed by IPPUDO, as articulated by its founder, Shigemi Kawahara, in an interview highlighting the brand's evolution and future aspirations. Historically, ramen was viewed predominantly as a male-oriented dining option, often characterized by uninviting environments that deterred female patrons. Kawahara recognized this cultural barrier and sought to redefine the ramen dining experience. By creating a clean, modern, and inviting atmosphere, IPPUDO has successfully attracted a diverse clientele, including women who previously felt uncomfortable in traditional ramen shops. The restaurant's

design features a sophisticated interior with wooden accents and modern jazz music, significantly altering the negative stereotypes associated with ramen dining (Kawahara, 2016).

A key aspect of IPPUDO's success lies in its commitment to innovation and continuous improvement. Kawahara emphasizes the philosophy of "keep changing to remain unchanged," which reflects the brand's dedication to evolving while maintaining its core values. This approach has allowed IPPUDO to adapt to various markets while retaining the authenticity of its Japanese roots. Since opening its first U.S. branch in New York in 2008, IPPUDO has expanded its reach, with plans to further penetrate the U.S. market and other regions, particularly in anticipation of the 2020 Tokyo Olympics (Kawahara, 2016). The restaurant's growth strategy is heavily reliant on human capital development. Kawahara highlights the importance of rigorous training programs that enhance employee quality and service standards. By collaborating with successful companies like Panda Express, IPPUDO aims to integrate effective training methodologies to ensure a consistent and high-quality customer experience across all locations. This focus on employee development is crucial for maintaining the brand's reputation and ensuring customer satisfaction (IPPUDO Interview, 2016). Moreover, IPPUDO's innovation extends beyond food; the brand actively engages in collaborations with fashion designers to enhance its image and appeal. This multifaceted approach not only showcases the versatility of ramen but also positions the brand as a cultural ambassador for Japanese cuisine. By offering unique experiences, such as open kitchens and sake bars, IPPUDO creates an engaging environment that resonates with customers and invites them to participate in the culinary process (Kawahara, 2016).

Kawahara also addresses the challenges of maintaining a distinct identity in a competitive market. He recognizes that while ramen is gaining popularity globally, it must be presented in a way that captivates diverse audiences. To achieve this, IPPUDO plans to expand its menu offerings, incorporating side dishes that complement ramen and cater to local tastes. This strategy aims to broaden the appeal of ramen beyond its traditional confines and establish it as a staple in the global culinary landscape. IPPUDO's journey from a local ramen shop to a global brand exemplifies the potential for culinary innovation to reshape cultural perceptions. Through strategic branding, a commitment to quality service, and a focus on human capital, IPPUDO is well-positioned to set the world standard for ramen. As the brand continues to expand, it aims not only to promote Japanese cuisine but also to foster a deeper appreciation for the cultural nuances that define it. IPPUDO's efforts reflect a broader trend in the food industry, where authenticity, innovation, and cultural engagement are key drivers of success (Kawahara, 2016).

### ***Hachiban***

Hachiban Ramen, a prominent name in the Japanese ramen industry, has made significant strides in its overseas expansion, particularly in Thailand. Founded in 1988 in the city of Kanazawa, Japan, Hachiban Ramen has cultivated a reputation for its unique offerings, which include a variety of ramen styles and a commitment to quality ingredients. As the brand sought to expand its market presence beyond Japan, Thailand emerged as a strategic location due to its burgeoning interest in Japanese cuisine and its vibrant food culture. The initial foray of Hachiban Ramen into the Thai market began in 2009, with the opening of its first store in Bangkok. This strategic move capitalized on the growing popularity of Japanese

food among Thai consumers, who increasingly sought diverse dining experiences. The establishment of Hachiban Ramen in Thailand was marked by a focus on providing an authentic Japanese ramen experience while also adapting to local tastes and preferences. One of the key factors contributing to Hachiban Ramen's success in Thailand is its ability to maintain the authenticity of its offerings while incorporating local flavors. The brand's signature tonkotsu (pork bone) and shoyu (soy sauce) ramen have been well-received, but Hachiban Ramen has also introduced menu items that cater to Thai palates, such as spicy ramen variations and unique toppings. This adaptability has allowed the brand to resonate with a broader audience, attracting both Japanese expatriates and local consumers eager to explore new flavors. Moreover, Hachiban Ramen has strategically positioned its outlets in high-traffic areas, including shopping malls and popular tourist destinations. As of 2024, the brand operates over 30 outlets across Thailand, primarily concentrated in Bangkok and major cities such as Chiang Mai and Pattaya. This approach not only increases visibility but also ensures accessibility for both locals and tourists. The modern and inviting restaurant design, combined with efficient service, enhances the overall dining experience, making Hachiban Ramen a preferred choice for ramen enthusiasts in Thailand (Suzuki, 2018).

Hachiban Ramen employs a competitive pricing strategy that reflects the quality of its offerings while remaining accessible to a wide range of customers. The average price of a bowl of ramen typically ranges from 100 to 200 Thai Baht (approximately \$3 to \$6 USD), which positions it competitively within the market. This pricing strategy is designed to attract not only ramen aficionados but also casual diners looking for a satisfying meal at a reasonable price. The affordability of Hachiban Ramen's menu items, combined with the quality of ingredients and the unique dining experience, has contributed to its popularity among Thai consumers. Additionally, Hachiban Ramen often runs promotional campaigns and offers set meals that include ramen, side dishes, and beverages at discounted prices. These promotions not only encourage repeat visits but also help to cultivate a loyal customer base. By striking a balance between quality and cost, Hachiban Ramen effectively appeals to a diverse demographic, from families to young professionals. The success of Hachiban Ramen in Thailand can also be attributed to effective marketing strategies. The brand has leveraged social media platforms to engage with customers, promote new menu items, and share the story behind its culinary heritage. By fostering a strong online presence, Hachiban Ramen has cultivated a loyal customer base that appreciates both the quality of the food and the brand's commitment to authenticity. Furthermore, Hachiban Ramen's expansion strategy includes collaboration with local partners who understand the intricacies of the Thai market. These partnerships have facilitated smoother operations and helped navigate the regulatory landscape, ensuring compliance with local food safety standards and business practices. This collaborative approach has been instrumental in establishing a strong foothold in the competitive Thai food market.

As of 2024, Hachiban Ramen has successfully opened multiple locations across Thailand, with plans for further expansion in the coming years. The brand's growth trajectory is supported by the increasing demand for Japanese cuisine, particularly among younger generations who are more adventurous in their culinary choices. The rise of food delivery services has also contributed to the brand's visibility, allowing customers to enjoy Hachiban Ramen's offerings from the comfort of their homes. In conclusion, Hachiban Ramen's overseas expansion into Thailand exemplifies the successful adaptation of a traditional Japanese culinary brand to meet the tastes and preferences of a diverse market.

By maintaining its commitment to quality and authenticity while embracing local flavors and employing a competitive pricing strategy, Hachiban Ramen has established itself as a key player in the Thai ramen scene. As the brand continues to grow, it remains poised to further influence the landscape of Japanese cuisine in Thailand and beyond, setting a benchmark for other ramen establishments looking to expand internationally.

## **RESEARCH METHOD**

### **Research Design**

The research design for this study employs a mixed-methods approach, integrating both quantitative and qualitative methodologies to comprehensively explore the factors of success and challenges faced by Japanese regional ramen shops in expanding business into overseas markets. The study is structured in two main phases.

### **Phase 1: Quantitative Research Design**

#### ***Research Objective***

As the popularity of Japanese food increases worldwide, particularly in Asian countries, this phase aims to evaluate people's attitudes toward Japanese food and spicy ramen through a survey. The objective is to describe the current attitudes and recognition related to Japanese food and spicy ramen among the target population.

#### ***Data Collection Method***

A structure questionnaire will be used to collect data on participants' demographics, attitudes, and consumption habits. The original survey was conducted during the overseas training activities of students from the Faculty of Regional Innovation, University of Miyazaki, Japan (Lau, 2025). Relevant questions from this survey will be adopted and analyzed in this study.

#### ***Sampling Strategy***

Participants will be selected from four Asian countries to ensure diversity and representativeness. These respondents were selected using convenience sampling. The target areas of this survey include the countries and region of Thailand, Singapore, Malaysia, and Taiwan. In each food court, researchers will randomly interact with target respondents using questionnaires. Questionnaires that do not meet the requirements will be discarded. A total of 400 questionnaires will be collected, with 100 samples used from each selected country. The following three null hypotheses are proposed:

1. There are no significant differences in preferences for Japanese food among people from selected countries.
2. There are no significant differences in the frequency of visits to Japanese restaurants among people from selected countries.
3. There are no significant differences in the willingness to try Kara-Men among people from selected countries.

### ***Measurement***

In addition to general personal information, respondents will answer questions regarding their preferences for Japanese food and the frequency of visiting Japanese restaurants. A 5-point Likert scale will be used to collect relevant information. For example, participants will indicate their attitudes toward Japanese food (1 = Very much, 5 = Not really). A lower score indicates a higher degree of preference for Japanese food. Other questions will be designed similarly to gather additional information on the frequency of visiting Japanese restaurants and criteria for selecting Japanese restaurants. Analysis of variance (ANOVA) will be used to compare the means of two or more groups. Descriptive statistical analysis will corroborate the data. The Microsoft Excel software package will be used to transform primary data into information. To fully represent the data, information will be summarized, categorized, and calculated using means, standard deviations, and variances (Cooper & Schinder, 2011). Based on preliminary results, further quantitative analysis will be performed using independent samples to verify whether there are significant differences between the means of each group of data.

### **Phase 2: Qualitative Research Design**

#### ***Research Objective***

The primary objective of this qualitative research is to explore and analyze the successes and challenges experienced by a selected regional ramen shop in its overseas business endeavors. This insight aims to provide valuable lessons and references for other regional food shops considering expansion into international markets. This phase will delve into the experiences of the ramen shop, focusing on specific challenges faced, strategies employed, and outcomes achieved in their international business operations.

#### ***Data Collection Method***

The case study will focus on a regional spicy ramen shop that has engaged in overseas markets. Selection will consider factors such as the shop's reputation, customer base, and documented experiences in international business. Semi-structured interviews will be conducted with key stakeholders, including the shop manager in Thailand and overseas promotion staff in Japan. This format will facilitate open discussions about their experiences, allowing them to share detailed narratives regarding their overseas ventures. The target spicy ramen shop is located in Miyazaki Prefecture, Japan. A discussion and analysis will be conducted to illustrate their progress in overseas business and clarify their successes and challenges after a comprehensive interview.

## **FINDINGS AND DISCUSSIONS**

### **Quantitative Analysis**

Based on the replied from all respondents of survey, three questions were picked up and summarized as follows. Table 1 shows the attitudes of people from each country under study towards Japanese food. It can be seen that the respondents from targeted countries had a weighted mean from 1.73 to 2.32. The two developed countries, Singapore and Taiwan,

showed lower means of 1.73 and 1.78 respectively. This result indicates that people from both countries have stronger preference for Japanese food than those in the developing countries of Thailand and Malaysia. On the other hand, next question is to understand the frequency of visits to Japanese restaurants (1=more than once per week, 2=once per month, 3=once per few months, 4=once per year or longer, 5=never). Table 2 shows the result of the respondents how frequent did they have meals in Japanese restaurants that the weighted mean from 1.81 to 2.49. Meanwhile, Singapore and Taiwan also have lower means of 2.07 and 1.81 respectively, and it had a same indication as Table 1. This may imply that people from developed countries, with higher purchasing power, are more willing to spend on good-quality food even at a higher price.

Table 1: Summary of Statistical Result of Analysis  
(The preference of people towards Japanese food)

	Thailand	Malaysia	Singapore	Taiwan
Count	100	100	100	100
Mean	2.18	2.32	1.73	1.78
Standard Derivation	1.2901	1.0433	0.9085	0.9596
Variance	1.6642	1.0885	0.8254	0.9208

Table 2: Summary of Statistical Result of Analysis  
(The frequency of people visiting Japanese restaurant)

	Thailand	Malaysia	Singapore	Taiwan
Count	100	100	100	100
Mean	2.20	2.49	2.07	1.81
Standard Derivation	0.8165	0.8468	0.6854	0.4861
Variance	0.6667	0.7171	0.4698	0.2363

To further determine how the selected countries differ from one another, a one-way ANOVA was conducted to compare the means of the four countries. With reference to the analysis of these two questions, preference of Japanese food and frequency of visiting Japanese restaurants, Table 3 and Table 4 summarized the result as below. In both cases, their P-Values are almost 0 (far below 0.05), as shown in the result. Thus, there is sufficient evidence to conclude that there is a statistically significant difference between the means of selected countries. The F value (7.589) shown as Table 3 and (15.305) shown as Table 4 are greater than the F critical value (2.627). According to these results, we reject the null hypothesis and conclude that there are significant differences between selected countries.

Table 3: ANOVA Result (Test of the preference of people towards Japanese food)

Source of Variation	SS	df	MS	F	P-Value	F crit
Between Groups	25.61	3	8.536	7.589	0.0000	2.627
Within Groups	445.39	396	1.125			
Total	471	399				

Table 4: ANOVA Result (Test of the frequency of people visiting Japanese restaurants)

Source of Variation	SS	df	MS	F	P-Value	F crit
Between Groups	23.99	3	7.996	15.305	0.0000	2.627
Within Groups	206.89	396	0.522			
Total	231	399				

Regarding the recognition and interest in Kara-Men among people from selected countries, two additional questions were asked, and the summary of the results is shown below. According to the results presented in Table 5, most people did not recognize Kara-Men. In particular, over 90% of respondents indicated that they had not heard of Kara-Men.

Since Taiwan is close to Japan and is recognized as a region where people appreciate Japanese culture, about one-third of respondents were aware of it.

Table 5: Summary of Statistical Result of Analysis  
(The recognition of Kara-Men)

	Thailand	Malaysia	Singapore	Taiwan
Yes	16	3	8	37
No	84	97	92	63

After the question of recognition of Kara-men, next question was asked to know whether people have any interest to try it after interviewer shown the picture of Kara-men to respondents (1=Willing to try, 2=May consider to try, 3=Not sure, 4=Probably not, 5=never). Table 6 has shown that respondents from Thailand had a relative strong interest to try Kara-Men in comparison with other countries (Weighted mean: 1.76). Even though one-third respondents from Taiwan knew the food of Kara-Men, not too people had shown an interest to try it (Weighted mean: 2.31). Meanwhile, a similar ANOVA analysis was conducted in order to verify whether it provides sufficient evidence to conclude that the groups' population means different. Based on the result shown as Table 7, the P-Value is almost 0 (far below 0.05). Thus, there is sufficient evidence to conclude that there is a statistically significant difference between the means of four countries. The F value (16.621) is greater than the F critical value (2.627). we reject the null hypothesis and concluded that there are significant differences between selected countries.

Table 6: Summary of Statistical Result of Analysis  
(Any interest to try Kara-Men)

	Thailand	Malaysia	Singapore	Taiwan
Count	100	100	100	100
Mean	1.76	2.48	1.81	2.31
Standard Derivation	0.9653	0.6110	0.8002	1.0796
Variance	0.9317	0.3733	0.6403	1.1656

Table 7: ANOVA Result (Test of the interest to try Kara-Men)

Source of Variation	SS	df	MS	F	P-Value	F crit
Between Groups	38.78	3	12.927	16.621	0.0000	2.627
Within Groups	307.98	396	0.778			
Total	347	399				

## Qualitative Analysis

After several questions were asked through market surveys in different selected countries, a case study was conducted to discuss the business strategy and overseas expansion of one regional Rara-Men shop in Miyazaki. In this case study, Shop M is used as a pseudonym in order to maintain confidentiality and protect the identity of the shop and interview participants. Since Shop M is not only succeeded in domestic market, they also considered to extend the business into overseas market. Therefore, Shop M was selected to discuss and illustrate the opportunities and challenges of a regional food shop which introduced their business in overseas. Before a site visit at overseas branch, the marketing department representatives were interviewed and discussed their general business strategy in particular of overseas expansion. After that, a site visit to Bangkok was executed in order to discuss more details about the operation of its overseas branch. Both interviews were conducted in the year of 2024. In addition to two prescribed interviews, other information published was used as a supplementary information.

### ***Background and Business Overview of the Shop***

Shop M, originated in Miyazaki Prefecture Japan, is a prominent chain of restaurants specializing in spicy ramen (Kara-Men), operating under the concept of “spicy but delicious”. The establishment is recognized as the birthplace of “Ganso Karamen” and has expanded significantly, boasting 15 locations within Miyazaki Prefecture as of January 2022, along with numerous franchise outlets across Japan. The menu at Shop M offers a diverse range of options, allowing customers to select their preferred spice level from 1 to 25. The signature dish features a striking red broth that balances intense spiciness with a unique sweetness. Key menu items include Spicy Ramen, Curry Spicy Ramen, Tomato Spicy Ramen, and Limited edition White Spicy Ramen. The founder transitioned from a career in a major food company and construction to managing a nightclub. He implemented strategic changes to shift the focus from a nightlife-oriented menu to a family-friendly dining experience. This included enhancing the flavor profile to appeal to a broader audience, particularly families and women, and relocating restaurants from urban nightlife areas to more accessible suburban locations.

Additionally, Shop M introduced touch panel ordering systems to improve customer convenience. The company is also deeply engaged with the local community. Initiatives such as the “Masumoto Sweaty Youth Support Project” provide free spicy ramen to local students at events, while the company actively participates in various community activities and supports youth employment through annual recruitment from local high schools. In terms of sales impact, Shop M achieves significant monthly sales, with approximately 30,000 bowls of spicy ramen sold, equating to an average of three bowls per resident in the city of Nobeoka, which has a population of around 120,000. In addition to its physical locations, the company also offers online sales, further expanding its reach.

### ***Domestic and Overseas Marketing Strategies***

Headquarter of Shop M based in Nobeoka city, Miyazaki Prefecture, Japan. The company commenced operations with its first store in 2008. Since then, it has grown into a dynamic enterprise, currently operating a total of 56 stores nationwide, including 32 directly owned locations and 24 franchised outlets, spanning from Kyushu to the Tokyo metropolitan area. Since majority branches are located within Kyushu area, there are 15 shops operated in Miyazaki Prefecture.

Over 15 years domestic operations in Japan, overseas expansion was commenced. On May 15, 2023, Shop M opened its first shore in Thailand at Central Rama 9, Bangkok, marking the company’s inaugural entry into the international market. This expansion is part of their commitment to delivering “Happiness” through culinary offerings, not only in Japan but around the world. The first store in Thailand featured three varieties: the original spicy noodles, tomato spicy noodles, and white spicy noodles. The president of the shop, which operated the restaurant, commented: “The time has finally come to realize a dream we have nurtured for several years! I want the people of Thailand to experience the spicy noodles from Shop M, originating from Miyazaki, Japan”. They were bringing one of Japanese ramen with regional taste to a country that loves spicy food, and they encouraged everyone to come and taste it.

### ***Location Selection***

Regarding the selection of location, Central Rama 9 is a prominent shopping and lifestyle destination located in the heart of Bangkok, Thailand. It is easily accessible via major roads and public transportation, including the MRT (Mass Rapid Transit) system, making it easy for both locals and tourists to visit. Central Rama 9 features a wide range of retail options, from high-end brands to local boutiques, catering to various consumer preferences. The complex houses a variety of dining options, including international cuisine and local favorites, alongside entertainment facilities such as cinemas and event spaces, providing a well-rounded experience for visitors. Overall, Central Rama 9's strategic location and comprehensive offerings make it a key player in Bangkok's retail landscape, attracting a diverse range of visitors.

As a major shopping and lifestyle destination, Central Rama 9 attracts a large number of visitors daily, and draws both local and tourists, providing a diverse customer base. President of Shop considered that Japanese cuisine, particularly ramen and noodles, has gained popularity among Thai consumers, making it a favorable market for such offerings. Since Thai consumers have shown a growing interest in Japanese culture and cuisine. A well-positioned Japanese Kara-men shop can tap into this trend, offering authentic dishes that resonate with local tastes. Given these factors, the first shop in overseas was decided to introduce at Central Rama 9, and considered likely to be a successful venture, appealing to a wide range of customers and benefiting from the location's dynamic environment.

### ***Ownership Type Selected and Establishment***

During the interview the marketing person in charge of headquarter of Shop M, there are several legal regulations and company establishment considerations for entering the Thai market. The food and beverage industry in Thailand is subject to restrictions under the Foreign Business Act, which mandates that at least 51% of the capital must be Thai-owned. For businesses seeking 100% foreign ownership, it is necessary to obtain either a Foreign Business License (FBL) or approval from the Board of Investment (BOI). The process for establishing a business in Thailand involves several key steps:

- **Investment Registration:** Determine the appropriate route, either through an FBL or BOI scheme.
- **Company Registration:** Register the company with the Department of Business Development (DBD).
- **Tax Registration:** Register for corporate tax, which is set at 20%, and Value Added Tax (VAT) at 7%.
- **Health Inspections:** Obtain necessary health inspections from the public health bureau and FDA approval.
- **Alcohol Sales License:** Secure a license for alcohol sales, with permitted hours from 11 AM to 2 PM and 5 PM to midnight.

Regarding the employment regulations, a guideline for employment suggests hiring one foreign employee for every four Thai employees, with a minimum capital requirement of 2 million THB. This ratio can be relaxed with BOI approval. The corporate tax rate in

Thailand is 20%, and VAT is 7%. Additionally, alcohol sales are subject to special excise taxes, while strict quarantine regulations are enforced for livestock and dairy products. Thailand's mature dining market, combined with the influence of social media on youth culture, presents a unique opportunity for Japanese cuisine. However, due to stringent regulatory requirements, a comprehensive strategic plan is essential for successful market entry.

### ***Challenges and Opportunities***

Following the commencement of operations in Bangkok, the staff at Kara-Men dedicated significant efforts to establish the business. Initially, customer footfall was limited, prompting the team to seek feedback from local patrons. It became evident that the existing menu lacked variety suitable for Thai consumers. In response, the management made several adjustments, incorporating local spicy flavors and expanding the selection of noodle options. Despite these modifications, the situation did not improve markedly. Research indicated that Thai diners generally prefer a diverse array of choices when dining out, valuing the experience of selecting from an extensive menu. Consequently, within the first six months of operation, the menu underwent multiple revisions to better align with local tastes.

The marketing manager at the headquarters in Japan noted that the decision to open a shop in Thailand was made relatively quickly. Due to the expedited timeline, several critical preparatory steps, including comprehensive market research, were not conducted prior to the launch. Specifically, there was a lack of clarity regarding consumer preferences for Japanese spicy noodles and menu variety at the outset. After several months of operation, it became increasingly challenging to attract repeat customers, highlighting the necessity for thorough market analysis in future expansions.

In terms of pricing strategy, Kara-Men's prices were positioned higher than those of most local noodle establishments, aligning more closely with well-known ramen shops in Bangkok. The shop manager reported that this pricing strategy led to hesitation among Thai customers considering their first visit. Furthermore, the shop's location on the seventh floor of Central Rama 9, rather than in a food court on a lower level, posed additional challenges. Feedback suggested that many shoppers were reluctant to travel to higher floors within the mall, further limiting potential customer access. Despite the concerted efforts of the shop team to enhance customer engagement and drive sales, the challenges identified by the Japan headquarters proved insurmountable. As a result, the decision was made to close the Bangkok location at the end of October 2024.

### ***Future Outlook***

In light of the challenges encountered during the initial business launch in Thailand, Shop M remains committed to pursuing opportunities for overseas expansion. The management team is actively engaged in gathering pertinent information and data regarding market conditions in East Asia and Southeast Asia, with a particular focus on potential markets such as Taiwan and Malaysia. Rather than hastily establishing additional locations abroad, the company is adopting a measured approach to expansion. Should favorable opportunities

arise, Shop M is prepared to reassess its strategy and consider re-entering the international market in the future.

### **CONCLUSION AND RECOMMENDATIONS**

Based on the results of the quantitative analysis, it is evident that Thai consumers exhibit a strong interest in exploring new flavors of Japanese cuisine, such as Kara-Men. However, the initial endeavor of establishing a new business in a foreign market presents significant challenges that necessitate thorough preparation and strategic planning. To successfully expand into international markets, Japanese food restaurants must undertake a multifaceted approach that encompasses comprehensive market research, menu adaptation, strategic pricing, optimal location selection, community engagement, continuous feedback mechanisms, staff training, digital marketing, market monitoring, and long-term viability assessment. First and foremost, conducting thorough market research is essential prior to entering a new market. Understanding local consumer preferences, dining habits, and cultural nuances is crucial for tailoring offerings to meet the expectations of the target audience. This research should include an analysis of competitors, customer demographics, and popular food trends within the region. Such insights will enable restaurants to position themselves effectively and identify potential gaps in the market.

Adaptation of menu offerings is another critical component of successful international expansion. While it is important to maintain the core identity of the cuisine, incorporating local flavors and ingredients can significantly enhance the appeal of the menu. Offering a diverse range of options that cater to varying dietary preferences will further ensure that the restaurant attracts a broad customer base. Pricing strategies must also be carefully considered to align with local market expectations. Conducting price sensitivity analyses will help restaurants understand how potential customers perceive value. Implementing introductory promotions can mitigate initial hesitations among first-time diners, encouraging them to experience the cuisine without the barrier of high prices. The selection of optimal locations is vital for maximizing visibility and accessibility. Potential sites should be assessed for foot traffic, proximity to target demographics, and overall convenience for customers. Locations within shopping malls or high-traffic areas tend to attract more visitors, which can significantly impact sales performance.

Engaging with local communities and stakeholders is essential for building brand awareness and fostering goodwill. Participating in community events and establishing partnerships can enhance the restaurant's reputation and facilitate valuable feedback from local patrons. This feedback can inform ongoing menu adjustments and service improvements, ensuring that the restaurant remains responsive to evolving consumer preferences. Implementing continuous feedback mechanisms is crucial for identifying areas for improvement. Establishing systems to regularly collect and analyze customer feedback will help the restaurant adapt to changing market conditions and consumer demands. Additionally, training staff on cultural sensitivity is imperative for enhancing the dining experience. Understanding local customs and customer service expectations can significantly improve customer satisfaction and foster a welcoming atmosphere. Leveraging digital marketing strategies is another effective way to reach potential customers. Utilizing social media, collaborating with local influencers, and engaging in online advertising can create buzz and attract a diverse clientele.

Lastly, restaurants must remain vigilant in monitoring market changes and adapting their strategies accordingly. Regular reviews of sales data and customer preferences will inform decisions regarding menu offerings and marketing approaches. Prior to committing to long-term leases or significant investments, evaluating the viability of a location based on initial performance metrics is essential. This proactive approach will enable restaurants to make informed decisions and pivot when necessary. By adhering to these recommendations, Japanese food restaurants can enhance their prospects for successful international expansion and cultivate a loyal customer base in diverse markets.

The primary limitation of this study is its focus on a single case from a selected regional area in Japan. Although this particular case did not demonstrate a successful outcome in its initial overseas venture, other companies may have experienced positive results in expanding into different markets. To address this limitation and better generalize the essential factors contributing to success in the overseas markets for regional SMEs, increasing the number of sample cases would enhance the applicability and relevance of this study.

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