

Interview Date: July 11, 2017

Don Quijote Co., Ltd.

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Mr. Nozomu Onoda, Manager of Liquors and Wine, Don Quijote (Photo left)

Mr. Ryota Inoue, Submanager of Liquors and Wine, Don Quijote (Photo center)

Mr. Minoru Onuma, General Manager of Food & liquor category, PB Development Department, Don Quijote (Photo right)

Q: Can you briefly introduce your company?

We have a total of 370 stores (as of July 21, 2017) including overseas branches. In North America, we have a group company called Marukai, and a new Don Quijote store is opening this winter in Singapore. Domestically, we're putting effort into opening MEGA Don Quijote stores that sell fresh produce ever since we partnered up with Nagasakiya. Recently, the Shibuya store has been renovated as MEGA Don Quijote. Our stores located in the center of Tokyo are attracting many overseas customers whose demands have shifted from luxury goods to everyday items and consumable goods. We are aiming to reach a new stage by meeting diversified demands of customers from abroad and opening further overseas stores as the only one business category that is neither a general merchandising store nor a supermarket.



Fresh produce and alcohol section of MEGA Don Quijote Shibuya

Q: Do you offer EC services for overseas customers who want to purchase Don Quijote goods after they go back to their home country?

It's been about a year since the launching of our EC service. Our EC team is composed of diverse nationalities and they are making announcements at local exhibitions to raise further awareness of the new service. Since the project is still new, we hope to reach a wider range of customers in the future.

Q: How often do you participate in exhibitions?

We exhibit in about 10 shows every year in South Korea, Thailand, Singapore, China, Hong Kong, and other Asian countries. We exhibit as Don Quijote, but work together with manufacturers and display their products for the visitors to see and try. Our buyers participate in exhibitions across the globe.

Q: What are some points you would like overseas manufacturers to be careful about?

First, we would like overseas manufacturers to understand the difference of our business structure and category. Most buyers that attend FOODEX JAPAN are manufactures or wholesalers, and only few retailers have the function of an importer. As a retailer, we can only sell the products at our own stores. However, being able to sell at our stores is a big advantage. Since we don't have to go through manufactures or wholesalers, we can import the products at a lower cost. Having the choice of either selling for the highest benefit by raising the retail price or selling larger volume by lowering the price is our strength.

Just like all the other domestic products, we must promote the overseas products to our stores and get approval. The products are not chosen solely by the headquarters so we make a presentation in front of different department managers and get their approval before we can start importing. Taste is of course very important, but we would like the manufacturers to market and brand their products with features other than good taste.

There are cases where we do the marketing and branding. For example, we visit wineries and film interviews or videos to play in our stores. We also do campaigns for the customers. It is most comfortable for us to work with manufacturers who can understand our strengths and weaknesses, continuing to expand the sales together.

Q: Do you place importance on certifications such as organic and halal?

We are now doing some trial sales for halal products by setting up a halal section at some stores in Tokyo where customers are highly conscious. We would very much like to accommodate increased demand for halal, but we are still in a pilot phase trying different things to see how we can develop and sell the products. We need to continue working on it so that our customers may have an affinity for Don Quijote with halal.

Q: Are there any specific products you are now looking for?

We basically visit exhibitions with a purpose and some specific products in mind, but in many cases, we encounter new products by chance during the show and we value these opportunities. After the show is over, we would go out for a drink and discover trends and food cultures that are different from Japan. Those experiences become a new discovery for us.

Q: What are your top products?

As for food, fruit granola is quite popular. For imported goods, alcoholic beverages are popular. Out of imported wine, Moët is number one. At stores in populated areas and near stations, we have demands for business use unlike other supermarkets. In the Shibuya store, Moët Shandon, rose, Veuve Clicquot, and Champagne are the top selling items.

Speaking of interesting products, there is an item called cocalero. This is very popular at Roppongi and Ginza clubs, but it was only available for business use. Last year, we met the manufacturer at Vinexpo and they knew about Don Quijote when we explained the situation in Japan. They talked with the Japanese agent and we started to sell cocalero at our stores since last August. The retail price is 4,800 yen and it sold 5 million yen in one month. There are currently 100 stores selling this product and we are expecting monthly sales of about 10 million yen. There is a high demand for business use and many customers are sensitive to the trend. We handle these types of special products at Don Quijote, and we are also engaged in product development as well.

Q: What are some troubles you face when working with overseas clients?

Every time we import directly from the overseas companies, we run into some sort of problems. For instance, we might find an insect inside the product or the label has come off. Also, it's not the issue of the winery, but the products could arrive late due to strikes.

Q: How long does it take for the products to line up at stores since the time you make the first contact?

It depends on the country but it takes 3 to 4 months at the fastest. On average, it takes about half a year.

Q: What do you like most about your job?

I'm in the department that develops original products, so I try to develop something that is cheaper and more delicious than other competing manufacturers. I want to provide something that is very much typical of Don Quijote and satisfy the demands of our diverse customers. It's a great joy when I see customers visit our stores to buy our original products.

Don Quijote has a unique business style, wide customer age range, and handles special products that are different from ordinary supermarkets. We can catch the trend quickly so when the product is popular in the market, it's often already popular at Don Quijote. Being able to work with products of the latest trends are exciting. Our group sales total 800 billion yen and it doesn't mean that we can work on any kind of product, but we can still partner up with major manufacturers or import products in containers. Being able to work thinking of the scale merit is the strength of our company and fun of working there.

This could be said for all retailers, but there is no completion or success. The trend changes every second and our business is the accumulation of those changes. Don Quijote is big enough to create a trend by ourselves, and I hope to accomplish something impressionable while I am working here. Products that are only sold in one store or products from abroad get spread out to all stores across Japan when it becomes a hit. I feel the joy of introducing a product with a potential to see what will happen. At the end, I want to contribute to the society and our company in that way.

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