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Hello Kitty's Long-Standing Cross-Cultural Popularity in the United States and Japan

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Abstract

Hello Kitty's success is unique in that the character is popular across the world and has been popular for decades. This paper seeks to determine how Sanrio has gained and maintained success in both the United States and Japan despite their differences in consumers. I will explore the differences and similarities in marketing strategies employed in each country. I develop themes that attempt to explain the success of marketing techniques unique to each country as well as marketing techniques that worked for both countries.

After exploring the reasons behind marketing success in each country, I determine what Sanrio could do to maintain and grow the Hello Kitty character's popularity. In this section, I develop a few detailed strategic options that the company could take in the future.

Keywords: marketing, licensing, international marketing, Hello Kitty, Sanrio

Hello Kitty's Long-Standing Cross-Cultural Popularity in the United States and Japan

Brief History and Introduction

Shintaro Tsuji started Yamanashi Silk Center Company in 1960. In 1973, his company underwent a dramatic makeover and emerged with the new name "Sanrio," a combination of "San," a common beginning for city names on the West Coast of the United States, and "Rio," the Spanish word for river (Yano, 2013, p.15). A year later, the character Hello Kitty was created. In the following year of 1975, the first Hello Kitty product, a small coin purse, hit the shelves ("Company History", 2016).

Today, at 89 years old, Tsuji continues to serve as Sanrio's president and CEO, and he is responsible for Sanrio's status as a successful global brand ("Shintaro Tsuji: Executive Profile," 2016). Sanrio is the sixth largest brand licensor in the world and made \$8 billion in sales of licensed products in 2013, having increased their sales by \$1 billion since the previous year (Lisanti, 2014). The Hello Kitty brand is available in over seventy countries with more than 50,000 products available in 15,000 Sanrio retail stores ("Sanrio Announces Plans," n.d.). The company now has major offices in the United States, Europe, Japan, South America, and throughout Asia. The United States headquarters is in south San Francisco (Yano, 2013, p. 92). Since Sanrio allocates some creative control to those local offices, the company can create a local feel for their customers through country-specific products. They can also remain committed to their corporate philosophy of "Small Gift, Big Smile" ("Hello Kitty," 2014).

Popularity in Japan

Ubiquity

Hello Kitty has remained very popular in Japan largely because of its ubiquity. Sanrio started off by appealing to the people of their home country of Japan who have a culture of small, inexpensive gift-giving. To accomplish this strategy, Sanrio initially sold products like stationery, small purses, and pencil boxes, targeting small children, and in particular, young girls. This strategy worked originally, but as competition began increasing with characters like Doraemon and Winnie the Pooh, Hello Kitty expanded their target market to teenage girls and women, associating itself with luxury items. Sanrio's licensing agreements include products anywhere from toys by Bandai and Takara to toasters by Matsushita and even a "champagne pink" mini-car made by Mitsubishi. The wide variety of products available in Japan and the excessive "cuteness" of the mini-car kept Hello Kitty in the public eye. Now deeply ingrained in the Japanese culture, Hello Kitty is nearly everywhere in Japan and on every kind of product you could imagine. The character's presence on such a wide range of products makes her appealing to nearly everyone, and it ingrains her in the culture of Japan.(George, Regany, and Moganty, 2006).

Kawaii Culture

The cute aesthetic of Japan, commonly referred to as "kawaii culture" has also driven the feline character's popularity. "Kawaii" means "cute" in Japanese and is seen frequently in various manifestations throughout Japan. In Japan, "kawaisa", or "cuteness", is seen every day and is viewed as a standard attribute, not just a trend (McVeigh, p. 232, 2000). Products like the Mitsubishi mini-car, would probably not have as much popularity in the United States since the

country does not have a prevalent "kawaii culture". Sanrio has been carefully selective in considering the companies with whom to engage in licensing agreements. In the case of the mini-car, as with many other products they have sold in Japan, they had the Japanese consumer and their attraction to kawaii culture in mind.



Figure 1. A woman checks out the Mitsubishi mini-car. Taken from: Tsuno, Y. (2006). A customer checks out a Mitsubishi mini-car [Photograph]. Retrieved from http://www.gettyimages.com/detail/news-photo/customer-checks-a-mitsubishi-motors-mini-car-i-with-helllo-news-photo/71512220#tokyo-japan-a-customer-checks-a-mitsubishi-motors-minicar-i-with-picture-id71512220. Copyright 2006 by Getty Images.

Celebrity Endorsement and Shift of Target Demographic

A lot of credit for Hello Kitty's popularity is attributed to the endorsement of popular singer Tomomi Kahara in the 1990s. When Kahara endorsed Hello Kitty, the free publicity showed Japanese high school girls that Hello Kitty was not just for young children, creating an interest in Hello Kitty for a whole new group of people (George, Regany, and Moganty, 2006). Tomomi Kahara was 24 when she revealed on television that she was an avid Hello Kitty fan, which was unusual at the time given that the character was primarily targeted toward children.

Since the target demographic of young school girls was deteriorating, Kahara's endorsement of Hello Kitty helped bring the feline character to the attention of teenage girls and women in their 20s and 30s. These women, now adults, experienced Hello Kitty when they were young children, and they felt a strong sense of nostalgia when exposed to Hello Kitty again after all those years. Partially in thanks to Kahara, over 4000 Hello Kitty products such as safes, sake cups, and luggage are now aimed at adults and are very popular (Ono, 1998).

Exoticism

Hello Kitty offers a foreign or exotic feel to Japanese consumers. Roman letters, or sometimes katakana, the Japanese alphabet used to spell foreign words, are used to spell her name, which is pronounced *harōkitī* or *kitī-chan*. This makes Hello Kitty seem more foreign and therefore, more of a novelty (McVeigh, 2000). Kawaii culture itself is not derived from traditional Japanese culture but rather a mix between Japanese and European cultures (Decatur, 2012). Therefore, the kawaii, or "cute", aesthetic of Hello Kitty is seen as foreign. This idea of foreignness is furthered through Hello Kitty's backstory. She is said to be British and was born just outside of London (Yano, 2013).

Popularity in the United States

When Sanrio first arrived in the United States in 1976, the company tried sticking with their Japanese business model. In the early 2000s, products that were customized for the American market began development in the United States. According to Sanrio's managing director Ray Hatoyama, this localized strategy allowed Sanrio to expand its distribution of Hello Kitty products, putting each product in a wide variety of stores, from departments stores to drugstores in the United States (Itakura, 2014, p. 1).

Local Adaptations

Marketing strategies still start out at Sanrio's headquarters in Japan at an abstract level, and then they are sent to each local office, where they are customized. This provides a personal, local touch to the marketing strategies in each location. In the local offices, informal meetings are held where the employees pick out items from the product catalog that they want to sell and their desired sales levels (Yano, 2013, pp. 93-94). Local subsidiaries are also permitted to choose their licensees. The American Sanrio office is thus able to select popular companies that make products that will appeal to American Hello Kitty consumers (Isomura, Suzuki, & Tochimoto, 2015).. The variations in product designs between countries stems from the company's dedication to cultural sensitivity. Hatoyama stresses that Sanrio does not want to "impose [its] own values and judgments on [its] partners." Hatoyama further recognizes that each country has its own preferences, so Sanrio partners are given the freedom to come up with their own ideas. (Itakura, 2014, p.1).

Co-Branding with Popular American Companies

Sanrio stores in America further carry out the Japanese and American blend of strategies. The retail fronts carry both Japanese and American-exclusive products (Yano, 2013, p. 93). This appeals to American consumers because many avid Hello Kitty fans seek out the Japanese products. The American products draw in more people because they appeal to American tastes. Sanrio has made co-branding deals that are popular in the United States such as Minnetonka, Major League Baseball, and Vans. They have also partnered with Sephora to do an exclusive fortieth anniversary Hello Kitty line, including eyeshadow, lip balm, and accessories ("Hello

Kitty," 2014). These brands are all quite prevalent in American culture, so if Americans are already buying them, they will also be exposed to the co-branded Hello Kitty items.

Celebrity Endorsements and Luxury Positioning

Much of Hello Kitty's claim to fame in the United States can be attributed to voluntary celebrity endorsements. While this method was used to some degree in Japan, it was more prevalent in the United States. In the 1990s, Hello Kitty reached peak popularity with celebrities like Christina Aguilera, Lisa Loeb, Tyra Banks, and Mariah Carey (George, Regany, and Moganti, 2006). In 2005, Hello Kitty's brand recognition increased significantly in the United States when Britney Spears was featured in a promotional video in which she was wearing Hello Kitty jewelry designed by Kimora Lee Simmons, a popular American fashion designer (Itakura, 2014). Hello Kitty's attempt to associate itself with luxury products was made easier by its newfound status as a "Hollywood favorite". Sanrio decided to take advantage of this status by entering into new licensing agreements. U.S. fashion label Heatherette included Hello Kitty in its Spring/Summer 2003 line, reinforcing its position as a fashion symbol and "premium brand" (George, Regany, and Moganti, 2006). To maintain their image, Sanrio goes through a "prospecting" process to identify celebrities who fit their brand image. The company's goal is to encourage celebrities to wear their products by sending them free items in order to potentially gain new famous fans (Yano, 2013, p. 95). This allows Hello Kitty to gain somewhat organic popularity while still maintaining control over who they are trying to reach. The endorsements are organic in that celebrities are still technically wearing the Hello Kitty products because they ultimately chose to do so and were not paid for their endorsement. However, these endorsements

are carefully engineered in the background since Sanrio determines the celebrities who are initially invited to wear their products.

Popularity in Both Countries

Over the years, Hello Kitty has been depicted as enjoying a number of hobbies, and she has been shown as girly, punk-rock, and sporty, among other personas to appeal to a wide base of customers (Morgan, 2012). Because of this, people from both the United States and Japan can find something relatable in Hello Kitty. In addition to the various ways Hello Kitty has been presented over the years, she has also appeared on many different types of products in many different product categories. These categories range anywhere from publishing to food and baby products ("Hello Kitty," 2014).

Hello Kitty has also worked hard to become a global brand and appeal to the tastes of people in many countries around the world, not just Japan and the United States. Sanrio lists four merits of all of their characters, and one of them states that they "utilize a form of communication that transcends national boundaries and cultures" ("Doing business", 2016).

Continuous Popularity

Hello Kitty products are designed to be "evergreen," according to COO Janet Hsu. The products were not created for a specific purpose but were "simply inspired to make people happy" (Morgan, 2012). In addition, Ray Hatoyama mentioned in a Bloomberg interview that the company is always offering new variations of Hello Kitty when they launch new products while also keeping products that show a more traditional, original depiction of Hello Kitty (Bloomberg, 2012).

Non-Traditional Marketing Efforts

Sanrio has been very successful over such a long period of time because they do not participate in traditional advertising efforts. Janet Hsu says that the company focuses more on connecting with fans to create a more organic, less commercial marketing strategy ("Hello Kitty," 2014). Connecting with fans instead of participating in traditional advertising allows those fans to connect with the Hello Kitty brand in a more personal manner. Celebrity endorsement is a significant driver in Hello Kitty's success. As previously mentioned, the company "prospects" by sending free products to celebrities to try to turn them into new Hello Kitty fans. As a result, those celebrities will likely wear Hello Kitty products in public, and their fans will want to wear Hello Kitty products as well. In order to maintain Sanrio's image, the "implied endorsements" or "friendships" are ultimately approved at Sanrio headquarters (Yano, 2013, p. 95).

Anniversary Celebrations

In Japan, Sanrio constantly reminds consumers of Hello Kitty's presence. They recently celebrated the 50th anniversary of Sanrio in 2010. In celebration of the anniversary, Sanrio released several co-branded products and held Hello Kitty-themed events. Sanrio collaborated with Dr. Martens, Brunswick, Girl Skateboard Co., Aerial7, Lomography, Demeter Fragrance, Mimobots, and Build-A-Bear Workshop to create co-branded products. As for events, Sanrio coordinated in-store celebrations, contests, giveaways, gifts with purchase programs, and pop up shops with 50th anniversary exclusive items ("Sanrio celebrates," 2010). Anniversary celebrations communicate to the consumer that Hello Kitty has been around for a long time and

intends to stay. It also may remind consumers of past experiences with Hello Kitty or past Hello Kitty anniversaries, bringing back pleasant memories with the character.

Americans have been celebrating Hello Kitty and Sanrio anniversaries as well. For Hello Kitty's 40th anniversary in 2014, Sanrio held two major events in the United States: Kitty Con and a special Hello Kitty-themed museum exhibition. Kitty Con was a Hello Kitty fan convention that was co-sponsored by Target, and it was the first Hello Kitty convention held in the United States. The convention featured a food truck that sold Hello Kitty-themed food products. The museum exhibit was held in partnership with the Japanese American National Museum and toured two different cities. As previously mentioned, Sanrio also participated in a co-branding deal with Sephora to create 40th anniversary lip balms, eye shadows, and accessories ("Hello Kitty", 2014). Hello Kitty has become such a global phenomenon, Americans are now celebrating her anniversary as well. The enthusiasm and enduring love for Hello Kitty is not exclusive to Japan any longer but is now a shared sentiment with Americans.

Future Maintenance and Growth of Popularity

Hello Kitty has been popular for over 50 years, and in order for it to maintain its popularity and even grow it, they may need to develop some new strategies. The following are suggestions for Sanrio to consider moving forward.

Capitalize on Nostalgia

In the United States, now would be the best time to capitalize on the nostalgia of Hello Kitty fans. The young girls and teenagers who were inspired by celebrities wearing Hello Kitty in the 1990s and 2000s are adults now and would respond positively to something they loved so dearly when they were younger. Millennials in particular respond positively to nostalgia, which

gives them a "sense of belonging" and makes them feel more fashionable. They respond particularly well because they have grown up in a time of economic instability and products from their childhood may remind them of simpler times (Dua, 2015). Millennials have a buying power of approximately \$200 billion, and if Sanrio uses nostalgia to market Hello Kitty in the United States, it could be very profitable (Holland, 2016). This is especially true since, according to a study by Jannine LaSaleta, Constantine Sedikides, and Kathleen Vohs, nostalgia fosters a sense of social connectedness, making people value their money less and therefore, they are more willing to spend it (LaSaleta, Sedikides, & Vohs, 2014).

To achieve the result of nostalgia in millennials, Sanrio should determine which products were most popular in the late 1990s to early 2000s and re-release them. Also, many of these millennials who grew up with Hello Kitty and were teenagers in the 1990s and 2000s have started families by now. If Sanrio were to promote Hello Kitty products for children, the mothers of those children who loved Hello Kitty when they were younger would be more likely to buy those products. They would likely be even more enthusiastic about the products if they were designed as something the nostalgic mother and her child could participate in together.

Invest More in Licensing to Apparel Companies

Ray Hatoyama is responsible for shifting the company toward licensing the Hello Kitty brand instead of manufacturing Sanrio's own Hello Kitty products. Of all the licensing deals Sanrio has entered, Hatoyama disclosed that apparel licensing has been the most profitable for the company. Revenue from apparel products has increased over 30 percent in the past couple of years (Nakamura, 2015). Sanrio has given licensing rights to major apparel retailers such as Zara and H&M (Isomura, Suzuki, & Tochimoto, 2015). The success that Sanrio has had with these

companies indicates that they could do well by expanding licensing rights to other popular retailers.

One major retailer that Hello Kitty has not explored is American Eagle Outfitters, Inc. This company makes \$3.3 billion per year and targets 15- to 25-year-olds (Fitzpatrick, 2015). This strategy would work for a few reasons. First, licensing through this company would fall within Sanrio's goal of reaching consumers anywhere from 0 to 30. As history has shown, teens and young adults have been loyal consumers of Hello Kitty, so introducing Hello Kitty into a store that targets that group would be mutually beneficial to Sanrio and Hello Kitty. As "retro" trends and nostalgic items are popular, adult consumers who remember Hello Kitty from their youth may be attracted to their products if they found them in American Eagle. Another reason this strategy has a high potential to be successful is that Sanrio would not have to change its marketing strategies much. According to Marie Driscoll in a Bloomberg article titled "Taking a Flyer on American Eagle", the 15- to 25-year-old segment does not respond well to, and makes an effort to reject, traditional advertising efforts. This group may instead respond better to word-of-mouth and nostalgia.

Conclusion

Japanese-based company Sanrio has truly achieved a global brand in their character Hello Kitty. Despite cultural differences between Japan and the United States, Sanrio has customized their marketing strategies for each country, providing unique products for their consumers based on their tastes and preferences. Not only has the company successfully ventured into new countries through strategically providing licensing rights to Hello Kitty, but they have expanded their target market from just young girls to people up to age 30. If Hello Kitty continues to

carefully select licensees, maintain and grow positive relationships with existing licensees, and provide new, fresh iterations of the feline character, I suspect that Sanrio will continue to be very successful.

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