

## Guess Japan

**The US apparel brand Guess opens its first Japanese shop in Harajuku, Tokyo. It continues to be proactive in opening new locations. The company strives to show its presence in the Japanese market and improve its value as a global brand.**

In February 2014, the US lifestyle brand Guess opened its first Japanese shop in Harajuku, Tokyo toward full-scale entry into the Japanese market. The global brand received a spirited response, with many people rushing to the opening event. It has since avidly gone on to establish new shops in Namba, Osaka and Urayasu, Chiba in April and in Hakata, Fukuoka in May.



### Brand attraction of Guess

Guess was founded in 1981 by the Marciano brothers who immigrated to California from France. They created a new style of jeans by integrating their European style with traditional American fabric, and received support from customers both in the U.S. and all over the world. At present, the company offers a wide range of products such as bags, watches, accessories and fragrances in addition to apparel products such as denim, its main product, thus offering a total coordination.

One of the reasons why Guess has gained support from a lot of customers is its unique world view symbolized by the brand concept of "sexy," "young" and "adventurous." For its main products, Paul Marciano, CEO and Creative Director, is still consistently involved

in design to maintain the world view of the Guess brand. Furthermore, Claudia Schiffer and other past top models have been used for the advertising visuals that embody its world view to gain recognition from ordinary consumers as well as from other industry players.

### Reason for entering Japan as fashion battleground

Ahead of the opening of its first shop in Harajuku, Guess established Guess Japan LLC in Tokyo in February 2013. Regarding their decision to establish a Japanese subsidiary and the opening of its first Japanese shop, Tatsuo Yata, Country Manager, pointed out the importance of "Tokyo" for a fashion brand. He said "In the world, New York, Paris, Tokyo and London have been recognized as fashion cities. At present, for Guess, which is promoting globalization with approximately 1,900 shops in 90 countries worldwide, it was a great loss to have no base in Tokyo. Thus, it was just a matter of time before we entered the Japanese market."



Shop view of Guess Japan  
(Harajuku, Shibuya-ku, Tokyo)

*Success Stories—Wholesale/Retail*

Furthermore, the presence of the Japanese apparel market, one of the largest in the world with the most discerning consumers, also encouraged the company to enter the Japanese market. Mr. Yata expressed his expectations for the Japanese market as follows: "The Japanese apparel market has great potential. Japan ranks second (about 0.7 pairs) in the world for the average number of jeans owned per person after the US (about three pairs) on a country basis. In addition, Japanese customers are highly sensitive to fashion and have a great deal of knowledge on brands and a strong willingness to buy. Thus, we believe that the Japanese market is an easier market for a new brand like us to compete."

**To spread the brand in Japan**

Guess sold its products in the Japanese market through a sublicense agreement with a partner company in the past. However, it withdrew from the market in 2005. Mr. Yata says that one of the reasons was that consumers did not really get its brand concept. As a result of sales under the sublicense agreement, various products were sold as Guess brands, and an image that is different from the original brand concept was transmitted to consumers. In promoting the opening of shops in Japan this time, Mr. Yata says that he wishes to convey the DNA of the sexy and young LA brand to the Japanese market as is.



Shop displays

In deciding the location of the first shop in Japan, the company placed emphasis on appealing to its target segment. In addition to people over 20 who are the main targets of the brand, the company wishes to reach out to teenage customers. The reason is to bring in young consumers who did not know about Guess and build a longer-term relationship with those customers. Mr. Yata explained the reason for opening the first shop in Harajuku: "Harajuku is a town where young people get together, and therefore it is expected to have a strong effect on its appeal toward the target segment. Harajuku was an ideal location for us to accurately convey our brand message to many people."

**Future development in Japan**

Going forward, Guess plans for aggressive expansion, targeting "40 directly-managed shops in five years with six billion yen in sales." The company plans to conduct continuous publicity toward fashion-conscious Japanese consumers and further promote awareness of its brand through a number of activities such as selling a limited collection of prints of adopted animals at certain stores.

## Success Stories—Wholesale/Retail

### JETRO's support

In order to set up its Japanese subsidiary, JETRO's Invest Japan Business Support Center (IBSC) provided the company with a range of support and services, such as offering free temporary office space in Tokyo, consultations with expert advisors in the fields of tax and labor matters and provided

information on apparel markets. In regard to JETRO's services, Mr. Yata said "We greatly appreciate JETRO's support with simplifying cumbersome procedures on the establishment of a subsidiary and with other areas. Introductions provided, such as of a business property provider, were also helpful."  
(August 2014)

### Corporate history

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1981	Guess, Inc. established in the US
February 2013	Joint venture (Guess Japan LLC) established in Japan.
February 2014	Shop at Laforet, Harajuku opened
April and May 2014	Shops in Osaka, Chiba and Fukuoka opened

### Guess Japan LLC (Japanese base)

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Establishment:	February 2013
Business:	Apparel
Parent company:	Guess (US)
Address:	Rune Aoyama 8F, 3-3-11 Kitaaoyama, Minato-ku, Tokyo
URL:	<a href="http://www.guess.com/en/">http://www.guess.com/en/</a>