



Internationalization Strategy of Marshmellow Fabrics:
A Strategic Framework for Market Entry in Japan

Charlotte Bauer

Dissertation written under the supervision of Professor
Rute Xavier

Dissertation submitted in partial fulfilment of requirements for the
MSc in Business, at the Universidade Católica Portuguesa,
14.03.2026.

Abstract (English)

Internationalization Strategy of Marshmellow Fabrics: A Strategic Framework for Market Entry in Japan

Charlotte Bauer

This study examines the market access potential of Marshmellow Fabrics, a Portuguese premium home textiles brand, in the Japanese market. Specifically, it investigates the factors influencing Japanese consumers' purchase probability, acceptable price levels, and preferred sales channels for this new European premium brand. This analysis is based on established internationalization frameworks and consumer behavior theory.

The research design employed a two-stage methodology. A structured secondary data analysis was conducted to evaluate the macroeconomic conditions, industry dynamics, regulatory framework, and institutional characteristics of the Japanese home textiles market. Subsequently, primary quantitative data were collected via an online survey ($N = 84$). Multiple regression models (effective $N = 82$) were estimated to examine the simultaneous effects of perceived product attributes, attitudes toward foreign/premium brands, and perceived market barriers on purchase probability.

The results of the study show that price sensitivity is the only statistically significant independent predictor of purchase probability. In contrast, perceived quality, sustainability, and brand attitude have no independent effects in the multivariate context. The findings indicate that product quality in the Japanese market functions more as a baseline expectation than as a differentiating factor for purchase intention.

This study contributes to research on international market entry by integrating both institutional and consumer perspectives. Furthermore, it provides management implications for European premium brands considering entering the Japanese market.

Abstract (Portuguese)

Internationalization Strategy of Marshmellow Fabrics: A Strategic Framework for Market Entry in Japan

Charlotte Bauer

Este estudo analisa o potencial de acesso ao mercado japonês da Marshmellow Fabrics, uma marca portuguesa de têxteis para o lar premium. Especificamente, investiga os fatores que influenciam a probabilidade de compra dos consumidores japoneses, os níveis de preços aceitáveis e os canais de venda preferidos para esta nova marca europeia premium. Esta análise baseia-se em quadros de internacionalização estabelecidos e na teoria do comportamento do consumidor.

O desenho da investigação empregou uma metodologia em duas fases. Foi realizada uma análise estruturada de dados secundários para avaliar as condições macroeconómicas, a dinâmica da indústria, o quadro regulamentar e as características institucionais do mercado japonês de têxteis para o lar. Posteriormente, foram recolhidos dados quantitativos primários através de um inquérito online (N = 84). Foram estimados modelos de regressão múltipla (N efetivo = 82) para examinar os efeitos simultâneos das características percebidas do produto, das atitudes em relação às marcas estrangeiras/premium e das barreiras de mercado percebidas na probabilidade de compra.

O projeto de pesquisa empregou uma metodologia em duas etapas. Os resultados do estudo mostram que a sensibilidade ao preço é o único preditor independente estatisticamente significativo da probabilidade de compra. Em contrapartida, a qualidade percebida, a sustentabilidade e a atitude em relação à marca não têm efeitos independentes no contexto multivariado. Os resultados indicam que a qualidade do produto no mercado japonês funciona mais como uma expectativa básica do que como um fator diferenciador para a intenção de compra.

Este estudo contribui para a investigação sobre a entrada no mercado internacional, integrando as perspetivas institucionais e dos consumidores. Além disso, fornece implicações de gestão para marcas premium europeias que consideram entrar no mercado japonês.

Table of Contents

List of Figures	VI
List of Tables.....	VII
List of Abbreviations.....	VIII
1. Introduction	1
1.1 Background and Company Overview	1
1.2 Problem Statement	1
1.3 Research Objectives	2
1.4 Research Questions	2
1.5 Scope and Limitations	3
1.6 Structure of the Thesis.....	3
2. Literature Review	5
2.1 Internationalization Theories.....	5
2.2 External Market Frameworks	6
2.3 B2B vs B2C Context	7
3. Methodology	8
3.1 Research Design	8
3.2 Secondary Data Analysis	8
3.3 Quantitative Data Collection	9
3.4 Survey Instrument Design	9
3.5 Sampling & Participants.....	10
3.6 Data Analysis	10
3.7 Limitations	11
4. Market and Competitive Analysis: Japan.....	13
4.1 Industry Structure: Porter's Five Forces	13
4.2 Macro- Environmental Conditions: PESTEL	13
4.3 Distance Considerations: CAGE.....	14

4.4	Japanese Market Characteristics	15
4.5	Regulatory & Logistical Environment	17
4.6	B2B vs B2C Context in Japan.....	18
5.	Data Analysis	20
5.1	Introduction	20
5.1.1	Japan-related Background of Respondents	20
5.1.2	Socio-demographic Characteristics.....	21
5.2	Descriptive Results.....	22
5.2.1	Consumer Awareness & Purchasing Behaviour	22
5.3	Scale Reliability and Construct Validation	29
5.4	Inferential Analysis	30
5.4.1	Correlations	30
5.4.2	Regression Models	31
6.	Discussion	40
6.1	Integration With Literature (Qualitative Interpretation)	40
6.2	Strategic Recommendations for Marshmallow Fabrics	42
6.3	Summary of Key Findings	45
7.	Conclusion.....	46
7.1	Overall Conclusion.....	46
7.2	Limitations and Future Research.....	46
	References	48
	Appendix	54

List of Figures

Figure 1: PESTEL analysis of the Japanese market.....	14
Figure 2: Structural competitive features of the Japanese textile market.	16
Figure 3: Regression coefficients predicting purchase likelihood (0–100 scale).	33
Figure 4: Comparison of regression coefficients across Model 1 and Model 2.....	38
Figure 5: Strategic value–positioning matrix in the Japanese home textile market.....	43

List of Tables

Table 5.1: Distribution of Respondents by Japan-related Status.....	20
Table 5.2: Socio-demographic characteristics of the sample	21
Table 5.3: Consumer purchasing behaviour.....	22
Table 5.4: Usual spending per item.....	23
Table 5.5: Purchase Frequency by Product Category	23
Table 5.6: Purchase Channel of Last Home Textile Purchase	24
Table 5.7: Importance of Attributes Importance in Home Textile Purchases.....	25
Table 5.8: Aggregated Importance Measures for Product Attributes	25
Table 5.9: Importance of Product Attributes in Home Textile Purchases.....	26
Table 5.10: Attitudes toward Foreign and Premium Home Textile Brands.....	27
Table 5.11: Features Convincing Consumers to Try a New European Home Textile Brand .	28
Table 5.12: Barriers to Trying a New EU Brand Online (Multiple Responses, % of Respondents)	29
Table 5.13: Spearman Correlations Between Perceived Product Attribute Importance and Purchase Likelihood.....	31
Table 5.14: Multiple Linear Regression Predicting Purchase Likelihood	32
Table 5.15: Multiple Linear Regression (Model 2) Predicting Purchase Likelihood	35
Table 5.16: Multiple Linear Regression (Model 3) Predicting Purchase Likelihood	36

List of Abbreviations

B = Unstandardized Regression Coefficient

B2B = Business-to-Business

B2C = Business-to-Consumer

CAGE = Cultural, Administrative, Geographic and Economic Distance Framework

EU = European Union

F-test = Fisher Significance Test

JETRO = Japan External Trade Organization

JCT = Japanese Consumption Tax

JPY = Japanese Yen

METI = Ministry of Economy, Trade and Industry (Japan)

MIC = Ministry of Internal Affairs and Communications (Japan)

NA = Not Available / Missing Value

OECD = Organisation for Economic Co-operation and Development

OLI = Ownership, Location, Internalisation Framework

PESTEL = Political, Economic, Social, Technological, Environmental and Legal Framework

R² = Coefficient of Determination

SME = Small and Medium-sized Enterprise

VIF = Variance Inflation Factors

ρ = Spearman Rank Correlation Coefficient

α = Cronbach's Alpha

1. Introduction

1.1 Background and Company Overview

Marshmellow Fabrics is a Portuguese based lifestyle and apparel brand founded as a family business. Its operations are rooted in a tradition of textile craftsmanship. The resulting product range is characterized by durability and sustainability. It is moreover characterized by thoughtful design and a refined minimalist aesthetic. The product categories include loungewear, bedding, bath textiles and sleepwear, but its range goes well beyond conventional products, chasing the idea of “places to pause,” where comfort meets style in a serene and timeless environment. The assortment consists of items such as terry robes, towels and duvets, along with newly introduced beachwear, which was developed to balance seasonal demand while upholding the brand’s sustainable production ethos. The brand Marshmellow Fabrics was recently launched, but it builds on the legacy of the family’s original textile business, which operated primarily in a B2B capacity, for example hotels, for years. Since the founding of the company, Marshmellow has expanded beyond Portugal into several international markets, including Germany, Spain, the United States, the Netherlands, France, Belgium, the United Kingdom, Denmark, Cyprus, Austria and Croatia. By combining B2B wholesale and B2C digital commerce, with international growth driven mainly by its online channels, this expansion has taken place.

1.2 Problem Statement

In Portugal and selected European markets, Marshmellow Fabrics has built a promising sustainable lifestyle and textile brand, primarily supported through its online B2C channels. Based on internal company sales data for the fiscal year 2025, Portugal represents the company’s strongest market with €34,364 in B2C revenue, followed by Germany (€14,195), Spain (€10,746), and the United States (€9,650), amounting to a total of €80,902 across all markets (Marshmellow Fabrics, 2025). Even though the company is expanding into new countries, it faces difficulties when trying to enter larger and more competitive markets such as the United States or the United Kingdom due to higher brand visibility and marketing intensity. Similar challenges can be expected in prospective target markets such as Japan, where strong domestic brands and high consumer expectations increase entry barriers. Depending on the region, the company currently follows different internationalization approaches, combining B2C sales with selected B2B wholesale partnerships, but without establishing its own physical stores or pop ups. As a result of this approach, a lack of strategic coherence has occurred, which limits the company’s ability to scale sustainability across markets.

The following thesis proposes a comprehensive internationalisation strategy for Marshmellow Fabrics. Moreover, it provides a structured framework for evaluating and implementing market entry in Japan. Since the Japanese market is both unfamiliar but strategically appealing, the company has expressed its interest in expanding into this market. Japan is known for its strong appreciation of aesthetic, high quality textiles and design driven products, which, according to the founders, makes this market particularly interesting for the brand; however, it remains uncharted territory in terms of business practices and consumer behaviour. Exploring Japan is therefore seen as an opportunity to understand whether Marshmellow's minimalist, quality driven identity resonates in a market renowned for its discerning and style conscious consumers. Thus, this thesis focuses on a clearly structured internationalization strategy that aligns Marshmellow Fabrics capabilities with local expectations and market dynamics.

1.3 Research Objectives

The objective of this thesis is to develop a comprehensive internationalization strategy for Marshmellow Fabrics' expansion into the Japanese market.

The study does not evaluate an existing market presence, since the company has not yet actively entered or operated in the Japanese market, but instead develops a forward looking, theory based and empirically informed internationalization framework. In the first part, this study reviews relevant internationalization theories and external market frameworks, as well as entry modes, to establish an analytical foundation for strategic decision making. This is followed by an examination of the Japanese home textile market through secondary data, focusing on consumer culture, competitive dynamics, regulatory conditions and sustainability trends. To identify determinants of Japanese consumers' purchase likelihood, price acceptance and perceived structural barriers, a quantitative explanatory survey among Japanese consumers was conducted based on this foundation. The thesis designs a tailored market entry strategy for Marshmellow Fabrics in the Japanese market and, by integrating theoretical insights with empirical findings, does not neglect Marshmellow's ownership advantages and brand identity.

1.4 Research Questions

The subject of this study is the investigation of how Marshmellow Fabrics can achieve a successful market launch in Japan and establish a sustainable market position. Three research questions are used to examine this central question. First, the significant opportunities and challenges of the Japanese home textile market are analyzed. This is done by an examination of

cultural expectations, market dynamics and consumer characteristics. Following, the most suitable internationalization theories and market entry models for Marshmellow Fabrics are evaluated. This evaluation considers the company's business model, available resources and current international distribution structure. Third, the perception of the brand's core attributes by potential Japanese consumers is analyzed. This analysis covers the attributes of quality, design, sustainability and pricing. The goal of this analysis is to assess potential market viability. The research questions addressed in this study, namely market understanding, theoretical framework and consumer perception, together form a coherent basis for Marshmellow Fabrics' potential market entry in Japan.

1.5 Scope and Limitations

Even though the company is operating in different regions, the focus of this thesis lies exclusively on developing an internationalization strategy for Marshmellow Fabrics in the Japanese market. The research combines theoretical perspectives from international business literature, company provided information and secondary market research presented in the form of a study. Due to the reliance on publicly available sources and internal company information, which may not capture all strategic details of consumer preferences, limitations arise. Furthermore, primary data collection in Japan was conducted via an online survey. Conducting direct fieldwork in this context would have required on site presence and network access that went beyond the scope of this cross border study.

Consequently, the recommendations reflect current conditions and serve as a strategic foundation rather than a complete operational market entry plan.

1.6 Structure of the Thesis

The thesis is structured into seven chapters. In the first chapter, Marshmellow Fabrics is introduced. It also includes the definition of the central problem statement as well as the research objectives, guiding questions and scope of the study. Chapter 2 provides the theoretical background, discussing key internationalization frameworks and external market analysis models that are particularly relevant for SME expansion into Japan. The methodological approach is outlined in Chapter 3, including the research design, data collection procedures, and statistical methods applied in the empirical analysis.

Chapter 4 presents the market and competitive analysis of Japan, applying established strategic frameworks to assess industry structure, macro-environmental conditions and institutional distance factors. Chapter 5 presents the empirical results of the quantitative survey, combining descriptive findings with inferential analysis. Chapter 6 discusses the findings in light of the

theoretical framework and derives strategic recommendations for Marshmellow Fabrics. Finally, Chapter 7 concludes the thesis by summarizing the main findings and outlining limitations as well as avenues for future research.

2. Literature Review

2.1 Internationalization Theories

Internationalization is understood as the process in which firms expand their operations across national borders to unlock new resources, markets and opportunities (Johanson & Vahlne, 2009). One of the earliest concepts of internationalization theory is the Uppsala internationalisation model, which understands expanding internationally as an incremental learning process in which companies steadily increase their commitment to foreign markets while gaining experiential knowledge (Johanson & Vahlne, 1977, 2009). This model focuses on highlighting the importance of reducing uncertainty. This is done through proximity, networks and market knowledge when entering a new market (Johanson & Vahlne, 2009).

Another internationalisation theory is the Born Global theory. This theory views the assumptions of the Uppsala model critically by describing firms that internationalise almost immediately after their foundation (Schaefer & Cabral, 2016). These firms are often found in technology sectors, using global networks to access resources and customers. Rather than gaining experiential knowledge about different markets, Born Globals use international social and knowledge networks to gain an understanding of the market before entering it (Sharma & Blomstermo, 2003). This theoretical shift demonstrates how smaller, more flexible firms can use technology and niche positioning to bypass the traditional stages of expansion.

Another well known theory is Dunning's Eclectic Paradigm, also known as the OLI Framework, which combines ownership specific (O), location specific (L) and internalisation (I) advantages as parameters of entry strategies (Dunning, 1988). This means that a firm's unique resources, such as patents or technologies, give it ownership advantages. Location advantages arise from characteristics of the host country such as market size, institutional stability or resource availability, while internalisation advantages refer to the benefits of keeping activities within the firm rather than outsourcing them to external partners (Dunning, 1988). Closely related to internationalisation theories is the choice of market entry modes a firm must select, which defines the institutional framework under which a firm enters a foreign market (Root, 1987). Entry models range from approaches with a low equity stake, such as exporting, licensing or digital e commerce, to forms with a high equity stake, such as joint ventures or wholly owned subsidiaries (Pan & Tse, 1996; Anderson & Gatignon, 1986). The decision depends on the desired level of control, risk tolerance and resource allocation (Agarwal & Ramaswami, 1992).

2.2 External Market Frameworks

When anticipating a successful internationalisation process, external market frameworks help firms evaluate macro-environmental factors, institutional distances and industry dynamics that support decision making throughout the process. For Marshmellow Fabrics, frameworks such as Porter's Five Forces, PESTEL and the CAGE Distance Framework provide analytical perspectives. These models structure complex external environments and support systematic market assessment prior to entry (Johnson et al., 2008).

The first framework is Porter's Five Forces (Porter, 1980), which identifies competitive intensity and industry structure. The model assumes that industry profitability is determined by five structural forces: the bargaining power of buyers, the bargaining power of suppliers, the threat of new entrants, the threat of substitute products, and the intensity of rivalry among existing competitors (Porter, 1980). By analysing these forces, firms can assess market attractiveness and identify structural barriers that influence long-term performance. The framework is particularly relevant in internationalisation contexts, as entering foreign markets often exposes firms to unfamiliar competitive dynamics and established incumbents (Grant, 2019). However, scholars have also noted that the model takes a relatively static perspective and may not fully capture dynamic capabilities or rapidly evolving digital environments (Teece, Pisano, & Shuen, 1997). Another widely used macro-environmental tool is the PESTEL framework, which identifies political (P), economic (E), social (S), technological (T), environmental (E) and legal (L) factors that influence market potential (Johnson et al., 2008). Unlike Porter's model, which focuses on industry structure, PESTEL provides a broader assessment of the external macro-environment. It enables firms to systematically scan regulatory conditions, demographic developments, technological infrastructure and socio-cultural trends that may affect entry decisions. In international business research, macro-environmental stability, institutional quality and regulatory transparency are frequently associated with reduced uncertainty and lower transaction costs (North, 1990; Peng, Wang, & Jiang, 2008). While PESTEL does not directly prescribe strategic choices, it serves as a screening mechanism that supports informed decision making prior to market commitment.

Complementing industry and macro-environmental analysis, Ghemawat's (2001) CAGE Distance Framework focuses on cultural, administrative, geographic and economic distances between the country of origin and the host country. The model argues that cross-border expansion is shaped not only by market size but also by multidimensional distance effects that increase coordination costs and uncertainty (Ghemawat, 2001). Cultural distance includes differences in

language, social norms and values; administrative distance reflects political ties and institutional arrangements; geographic distance concerns physical remoteness and logistics; and economic distance captures disparities in income levels and cost structures. The concept of distance is closely linked to the “liability of foreignness,” which describes the additional costs foreign firms face when operating in unfamiliar environments (Zaheer, 1995). For small and medium-sized enterprises (SMEs), understanding these distance dimensions is particularly important, as limited resources amplify the impact of institutional and cultural barriers (Ojala & Tyrväinen, 2007).

Together, Porter’s Five Forces, PESTEL and CAGE provide complementary lenses for evaluating external market conditions. While Five Forces focuses on competitive structure, PESTEL assesses macro-environmental influences, and CAGE highlights cross-border distance effects. In combination, these frameworks support a structured and theoretically grounded assessment of international market opportunities and risks.

2.3 B2B vs B2C Context

When deciding to enter a foreign market, an SME usually decides whether to focus on Business to Business (B2B) or Business to Consumer (B2C). These two approaches differ significantly in the strategic positioning of the firm (Anderson & Narus, 1990; Kotler & Keller, 2016).

In a B2B environment, business relationships are typically characterized by stability, trust and long term cooperation (Morgan & Hunt, 1994). Decision making processes are often collective and formalised, requiring credibility, reliability and sustained commitment (Johanson & Vahlne, 2009). Establishing inter-organizational relationships therefore requires time and network integration.

In contrast, entering a market through B2C is based on brand storytelling, cultural consistency and service quality (Kotler & Keller, 2016). Consumer markets are shaped by perceptions of quality, authenticity and value, and purchase decisions are influenced by brand trust and service performance (Zeithaml, Bitner, & Gremler, 2018). Success therefore depends on clear positioning, brand credibility and alignment with customer expectations.

3. Methodology

3.1 Research Design

In this thesis, a quantitative research design was adopted, combining secondary market analysis and primary quantitative data collection through an online survey. The research followed a two stage approach: first, a structured analysis of secondary data was conducted to examine macro environmental and industry conditions of the Japanese home textile market; second, primary data were collected to empirically assess consumer level factors.

The objective of this research is explanatory. It aims to test relationships between selected independent variables and purchase related outcome measures.

The aim is to identify the factors that influence Japanese consumers' purchase likelihood, acceptable price levels and preferred purchase channels for Marshmellow Fabrics operating in the home textile market. A priori specification of constructs, analytical methods and expected outcomes was required to avoid post hoc inference (Dillman et al., 2014). The selection of survey items was therefore based on the collection of descriptive statistics, regression analyses and comparisons between demographic characteristics, levels of awareness and attitudes. Established procedures were applied in the design and implementation of the survey scales, aiming to optimize the validity of the measurements and reduce survey errors (Gehlbach et al., 2011). The analytical strategy was defined prior to data collection in order to ensure transparency and methodological consistency.

The survey was intentionally designed to be short and cognitively light, considering the target population of Japanese respondents. Shorter questionnaires improve response rates and enhance data quality, as previous research has shown, particularly in culturally diverse online research contexts (De Vaus, 2014; Holtom et al., 2022).

By using clear item wording and consistent scale formats throughout the survey, respondent burden and measurement errors are reduced.

3.2 Secondary Data Analysis

The first stage of the study consists of a structured market analysis based on secondary data. Publicly available industry reports, governmental publications, market studies and academic literature were systematically reviewed to analyse the Japanese home textile market, including consumer trends, competitive dynamics, regulatory and logistical conditions, institutional characteristics and structural entry barriers for foreign premium brands. To contextualise Japan's macro environmental and institutional landscape, established external market frameworks such as PESTEL and the CAGE Distance Framework were applied.

This stage provides the analytical foundation for the subsequent empirical investigation and informs the selection and operationalisation of survey variables and constructs. The secondary data analysis supports interpretation by situating the quantitative findings within established frameworks of internationalisation, branding and consumer behaviour, but it does not constitute primary qualitative research (Saunders et al., 2019).

3.3 Quantitative Data Collection

A quantitative online survey designed to capture consumer awareness, perceptions, behavioural intentions and demographic characteristics constitutes the primary empirical component of the study. Geographically dispersed populations can be accessed through online surveys, which allow structured data collection suitable for statistical modelling (Dillman et al., 2014). To improve response quality, reduce dropout rates and maximize completion rates among Japanese respondents, the questionnaire was intentionally kept concise (Holtom et al., 2022).

Participation was voluntary and anonymous. Informed consent was obtained prior to participation. The survey was implemented using the online survey platform Qualtrics. The questionnaire link was disseminated through social media channels, including X, Facebook and LinkedIn. Distribution relied on online networks and voluntary participation without financial incentives. Due to limited fluency in Japanese, restricted research resources and the limited time frame of the study, the survey was conducted in English. This decision may have influenced participation and response interpretation.

3.4 Survey Instrument Design

The survey instrument was developed using key constructs aligned with the research objectives. These constructs were derived from established literature in consumer behaviour and international marketing research and adapted to the context of the Japanese home textile market.

In accordance with established principles of survey methodology, the items were clearly formulated, ambiguous wording was avoided and consistent response scales were used across all sections (De Vaus, 2014).

Demographic characteristics, product category involvement (Zaichkowsky, 1985), purchase intention (Ajzen, 1991), perceived product attributes (Keller, 1993), price acceptability (Monroe, 1990), channel preferences (Verhoef et al., 2015) and perceived barriers to purchasing from foreign brands (Zaheer, 1995) were included in different sections of the questionnaire.

The author pretested the clarity, length and logical flow of the survey by conducting a small pilot sample first. As a result, minor adjustments were implemented to improve readability and reduce cognitive load.

3.5 Sampling & Participants

Since statistical representativeness is not the primary objective, a non probability convenience sampling approach was used, which is appropriate for this explanatory and exploratory consumer research (Bryman, 2016). The author gathered participants over an extended data collection period using multiple online channels and professional networks to ensure flexible and targeted access to Japanese respondents. Platforms such as Reddit, X and Facebook groups were used to recruit participants originating from Japan or with a Japanese interest or background. Furthermore, professional networks and outreach to business organizations connected to Japan, including the Portuguese Chamber of Commerce in Japan, were utilized. However, despite repeated contact attempts, no formal cooperation was established, and dissemination therefore relied primarily on open online channels and voluntary participation.

Participant recruitment took longer than initially projected due to two main factors. Firstly, there was no national online panel in Japan, and secondly, the target group was somewhat heterogeneous, making precise participant recruitment difficult. The projected sample size of 93 Japanese respondents was approached through a sustained multi channel strategy rather than relying on a single recruitment source. The final sample of 84 represents the responses that met the study's inclusion criteria. Ten responses were excluded due to incomplete survey participation and missing data on key variables, rendering them unsuitable for statistical analysis.

To contextualize the findings and ensure sample diversity, demographic data were collected. Generalizability is limited by the convenience sampling approach, whereas the extended recruitment phase and the use of diversified channels improve the heterogeneity of the sample under the constraints of cross border consumer research.

3.6 Data Analysis

The quantitative data were analysed using descriptive and inferential statistical methods in line with the study's explanatory objectives. Data preparation included screening for incomplete responses and preview cases, as well as basic plausibility and consistency checks. An instructional manipulation check was included to assess respondent attentiveness by instructing participants to select "Often." Response patterns did not indicate systematic inattentiveness; therefore, no cases were excluded based on this item. Following data cleaning, cases with missing values were excluded on an analysis-by-analysis basis, meaning that percentages and model estimates are based on valid observations only.

Following data cleaning, cases with missing values were excluded on an analysis-by-analysis basis, meaning that percentages and model estimates are based on valid observations only. Due

to listwise deletion in the regression analyses, the effective sample size for the regression models was $N = 82$, whereas the final sample is $N = 84$.

Descriptive statistics were used to summarise the sample characteristics and core consumer patterns relevant to the research questions. This included frequency and percentage distributions for demographic variables and Japan related background, as well as descriptive summaries of purchasing behaviour, purchase channels, attribute importance ratings, acceptable price ranges, brand attitudes, convincing features and perceived barriers. Mean values and dispersion measures were reported where appropriate to provide an overview of central tendencies and response variation.

Where multi item measurement was applied, scale reliability was assessed prior to inferential testing. The construct “Attitude toward Foreign / Premium Brands” was operationalised using four Likert scale items. Internal consistency was evaluated using Cronbach’s alpha (Cronbach, 1951). Based on the reliability assessment, a composite scale score was created by averaging the items and subsequently used as a predictor in the inferential analyses.

Inferential analysis proceeded in two steps. First, Spearman rank order correlations were computed to examine bivariate associations between purchase likelihood and the perceived importance of selected product attributes. Second, multiple linear regression models were estimated to assess the simultaneous effects of the attribute importance variables on purchase likelihood and to test whether additional constructs improve explanatory power. Model 1 included the set of product attribute importance variables. Model 2 extended this specification by adding the composite attitude scale toward foreign and premium brands. Model 3 additionally included a perceived barriers index, operationalised as the count of barriers selected by each respondent. Nested model comparisons were conducted using changes in explained variance and corresponding F tests to evaluate whether the inclusion of additional predictors led to statistically meaningful improvements in model fit. Regression results were complemented by coefficient plots with confidence intervals to support interpretation and facilitate comparison across model specifications.

3.7 Limitations

This chapter has outlined the methodological design of the study. Several limitations related specifically to the research design and data collection process should be acknowledged.

First, the survey was conducted in English due to resource constraints and limited Japanese language proficiency. This may have influenced response interpretation and potentially excluded respondents with lower English proficiency. As a result, subtle nuances in consumer perception may not have been fully captured.

Second, the online distribution strategy relied primarily on voluntary participation through social media and professional networks. While this approach enabled access to geographically dispersed respondents, it may have led to self-selection effects, as individuals with higher digital affinity or stronger interest in the topic were more likely to participate.

Third, the exclusive reliance on structured survey items limits the depth of contextual insight. While quantitative measurement enables statistical modelling and comparability across respondents, it does not allow for in-depth exploration of individual motivations or nuanced cultural interpretations.

These methodological constraints should be considered when interpreting the empirical results presented in Chapter 5.

4. Market and Competitive Analysis: Japan

4.1 Industry Structure: Porter's Five Forces

When anticipating a successful internationalisation process, external market frameworks help firms evaluate macro environmental factors, institutional distances and industry dynamics that support decision making. For Marshmellow Fabrics, Porter's Five Forces provides a structured assessment of the Japanese textile industry.

Porter's model evaluates industry attractiveness through five dimensions: the bargaining power of buyers and suppliers, the threat of new entrants and substitutes, and the intensity of rivalry (Porter, 1980).

In the Japanese textile market, buyer power is high due to educated consumers and well established domestic players. Supplier power is moderate, supported by long established production networks. Competitive rivalry is intense, particularly in premium fashion and lifestyle segments (Yano Research Institute, 2023).

This indicates a structurally competitive environment requiring clear differentiation. At the same time, opportunities exist for sustainable and ethically produced textiles, where the potential for differentiation remains high (Ministry of Economy, Trade and Industry, 2014). For Marshmellow Fabrics, this suggests that sustainability positioning may serve as a strategic niche within a dense competitive landscape.

4.2 Macro- Environmental Conditions: PESTEL

Applying the PESTEL framework (Johnson et al., 2008) highlights the macro-environmental conditions shaping market entry.

Politically, Japan maintains a stable democracy with consistent commercial institutions and low corruption (OECD, 2024), reducing regulatory uncertainty. Economically, Japan represents one of the largest consumer markets with high incomes, although demographic ageing moderates long-term growth potential (Yano Research Institute, 2023).

Socially, consumers are characterized by risk aversion, loyalty and high service expectations (Haghirian, 2010), emphasizing the importance of trust and quality. Technologically, advanced logistics, high mobile payment penetration and established e-commerce platforms support digital market entry (Salsberg, 2008)

Environmental and legal factors include strong sustainability regulations and import compliance standards (Ministry of Economy, Trade and Industry, 2022; International Trade Administration, 2024) increasing compliance requirements but aligning with sustainability-oriented positioning.

Overall, the macro-environment combines institutional stability with demanding consumer and regulatory standards, requiring strategic adaptation.

Figure 1: PESTEL analysis of the Japanese market.

P POLITICS	E ECONOMY	S SOCIETY	T TECHNOLOGY	E ENVIRONMEN	L LAW
Stable parliamentary democracy	High-income, mature consumer market	Ageing population and shrinking workforce	Advanced national logistics infrastructure	Strong sustainability and circular-economy policies	Strict textile import and labeling requirements
Low corruption and strong rule of law	Slow GDP growth due to ageing population	High expectations for precision, reliability and long product lifespan	Universal broadband and high mobile-payment adoption	Increasing consumer interest in recycled and natural materials	Mandatory fiber, care and origin labeling
EU–Japan Economic Partnership Agreement	High labor and logistics costs	Strong loyalty toward domestic brands	Strong e-commerce penetration and Marketplace dominance	Emerging eco-labeling and FDCA-related textile regulations	10% Japan Consumption Tax (JCT) on imports
Predictable regulatory institutions	Yen fluctuations affecting import pricing	High service quality expectations	Sophisticated supply-chain systems	Climate-related supply chain risks	4–9% textile tariffs
Government incentives for innovation and sustainability	Strong consumer spending on quality home goods	Risk-averse and trust-based purchasing behavior	Tech-driven retail innovations	Growing awareness for environmentally responsible products	Additional compliance obligations for cross-border e-commerce

Own elaboration based on Ministry of Economy, Trade and Industry (2014), OECD (2024), MIC (2024), Yano Research Institute (2023), Consumer Affairs Agency (2016), Japan Customs (2025), and International Trade Administration, (2024).

4.3 Distance Considerations: CAGE

Complementing industry and macro analysis, the CAGE Distance Framework (Ghemawat, 2001) assesses cross-border distance effects between Europe and Japan.

Culturally, discrepancies are substantial, as collectivism, hierarchy and indirect communication shape business behaviour (Hofstede, 2001). These dimensions influence negotiation processes, trust formation and consumer expectations.

Administrative distance remains moderate due to EU–Japan trade agreements, although regulatory procedures remain significant. Geographic distance increases shipping time and logistics costs. Economically, both markets are characterized by relatively wealthy consumers but differ in expectations regarding quality precision and service etiquette (Ford & Honeycutt, 1992).

For Marshmellow Fabrics, these distance dimensions imply higher coordination costs and the need for cultural sensitivity and adaptation when entering the Japanese market.

4.4 Japanese Market Characteristics

The competitive landscape of the Japanese textile and home décor industry is defined by the dominance of established domestic firms, dense supply chain structures and high consumer expectations. Foreign firms face a pronounced “liability of foreignness,” amplified in Japan due to long standing formal and informal networks that favour incumbent companies and limit access for new entrants (Zaheer, 1995, as cited in Methé, 2005, p. 35; Haak & Haak, 2008, pp. 11, 65–72). Such network embeddedness slows the ability of outsiders to integrate into distribution systems or establish commercial credibility (Ojala & Tyrväinen, 2007, p. 689). Japanese consumers further intensify competition through high expectations for precision, consistency and aesthetic coherence, rooted in cultural values such as *monozukuri*, a philosophy emphasizing craftsmanship, quality and continuous improvement (Haghirian, 2010, pp. 14–20; Ministry of Economy, Trade and Industry, 2014). The market therefore rewards detailed product information, reliable service and consistent quality, making minor differences in product presentation commercially relevant (Salsberg, 2008, pp. 2–4).

Domestic competitors hold strong positions within this environment. The largest home furnishing retailer is Nitori, which is supported by nationwide logistics and offers a wide product range (Nitori Holdings Co., 2024; Statista, 2024a). MUJI retains significant influence in the mid range market through minimalist design and long established brand identity (Ryohin Keikaku Co., 2024). Long standing textile manufacturers such as Nishikawa Sangyo additionally benefit from deep rooted relationships within retail and hospitality networks (Yano Research Institute, 2023, pp. 44–47).

Particularly through digital channels, the competition also includes international players. The Scandinavian brand Jotex, for example, participates mainly through e commerce platforms such as Rakuten Ichiba and Amazon Japan (Jotex Japan Store, 2024). Players like IKEA and H&M Home introduce alternative design aesthetics and compete on price and brand visibility, further contributing to market heterogeneity as they expand both their physical and digital presence (IKEA Japan, 2024; H&M Group, 2024; Ivanov, 2023, pp. 98–102). One of the most competitive segments is e commerce, with consumers relying on detailed reviews, extensive product information and high photographic consistency (Ivanov, 2023, pp. 100–105). Rivalry is intensified by marketplaces such as Rakuten, Amazon and Yahoo! Shopping due to the ability to rapidly compare price and delivery performance (MIC, 2024, pp. 4–6). The home décor

category, especially online, continues to expand through ongoing digital adoption (Statista, 2024b).

Another important networking platform, in addition to digital competition, within the Japanese home and lifestyle sector is industry trade fairs and design exhibitions. While Japan does not host a dedicated large scale home textile exhibition comparable to Europe's Heimtextil, integrated trade events such as Interior Lifestyle Tokyo, organized by Messe Frankfurt Japan, and Fashion World Tokyo (FaW TOKYO) provide relevant exposure for textile and interior brands (Messe Frankfurt Japan, 2026; RX Japan Ltd., 2026). Domestic retailers, distributors and design professionals are attracted by these exhibitions and furthermore function as relationship building environments within Japan's network oriented business culture. Such platforms and networking events can reduce outsider status, especially for foreign SMEs, by facilitating direct contact with buyers and strengthening professional legitimacy within established distribution structures.

The reviewed literature highlights three recurring structural features across channels: strong network embeddedness favouring domestic incumbents (Haak & Haak, 2008; Ojala & Tyrväinen, 2007), elevated consumer expectations shaping competitive behaviour (Haghirian, 2010; Salsberg, 2008), and the stability of domestic firms due to historical legitimacy, craftsmanship traditions and vertically integrated operations (Yano Research Institute, 2023). Taking these into account, Japan consistently positions itself as a highly demanding and institutionally unique competitive market environment for international business.

Figure 2: Structural competitive features of the Japanese textile market.



Own elaboration based on Haak and Haak (2008), Ojala and Tyrväinen (2007), Haghirian (2010), Salsberg (2008), and Yano Research Institute (2023).

4.5 Regulatory & Logistical Environment

The e-commerce landscape in Japan is influenced by sophisticated digital infrastructure and entrenched consumer expectations (Ivanov, 2023, p. 62; Salsberg, 2008, p. 5). Almost universal internet access and a high level of technical expertise are promoting the growth of online commerce (Ivanov, 2023, p. 60; MIC, 2024, p. 4). The sector has expanded rapidly, as online adoption initially lagged behind Western markets, with price sensitivity increasing and widespread use of comparison platforms (Ivanov, 2023, pp. 98, 102). Due to Japan's geography and logistics infrastructure, the country enables efficient and reliable delivery (Ivanov, 2023, p. 105). However, new firms entering the market must comply with administrative procedures concerning zoning, permits and operational approval (Japan External Trade Organization, n.d.).

In Japan, there exists a so-called Household Goods Quality Labelling Act, under which imported textiles fall, and which implies specific labelling requirements regarding fibre composition, care instructions and country of origin (Consumer Affairs Agency, 2016; Government of Japan, 2013). Another market entry barrier is tariffs and taxes. Tariffs of four to nine percent and a national consumption tax (JCT) of 10 percent apply to most goods, under which apparel imports typically fall (Japan Customs, 2025; EU Japan Centre, 2024). The only exception from tariffs and consumption tax applies to goods valued under JPY 10,000, though ongoing policy

discussions may reduce or eliminate this exemption (Vatabout, 2025). Japan's import and consumption tax framework is characterized by institutional clarity and centralized administration, compared to the United States, where import tariffs, state level sales tax structures and regulatory fragmentation contribute to a comparatively complex compliance landscape for foreign SMEs (OECD, 2024).

Pricing structures are affected by import tariffs and the 10 percent Japanese Consumption Tax (JCT); however, the regulatory environment remains predictable and relatively transparent (OECD, 2024; EU Japan Centre, 2024). Regulatory barriers are therefore primarily associated with compliance requirements and cost implications rather than with structural protectionism or regulatory unpredictability (OECD, 2024). In the Japanese market, localization extends beyond linguistic translation. Detailed product specifications, culturally adapted communication and consistently high service standards, reflecting deeply embedded norms of precision, trust and customer orientation, are expected by Japanese consumers (Haghirian, 2010; Salsberg, 2008; Ivanov, 2023). Native level fluency is required due to the linguistic complexity of Japanese, including multiple levels of politeness, in order to brand and communicate accurately (Ivanov, 2023, p. 106). Regarding payment structures, there are also differences, with card transactions comprising around 65 percent of online purchases, followed by bank transfers (*furikomi*) (Ivanov, 2023, p. 101).

4.6 B2B vs B2C Context in Japan

When deciding to enter the Japanese market, an SME must determine whether to focus on Business to Business (B2B) or Business to Consumer (B2C). In Japan, these two approaches differ significantly in the strategic positioning of the firm.

In a B2B environment, Japanese partners value stability, trust and long term cooperation (Haak & Haak, 2008). Decision making processes are collective and formalised through the so called *nemawashi*, an informal process of behind the scenes discussion and consensus building that takes place before official decisions are made (Haghirian, 2010). Therefore, establishing credibility requires time, reliability and adherence to social etiquette. Relationship oriented processes and network integration are essential for gaining access to established distribution structures.

In contrast, entering the Japanese market through B2C is based on brand storytelling, cultural consistency and service quality. Japanese consumers value attention to thoughtful details and prefer brands that embody craftsmanship (*monozukuri*, understood as a cultural emphasis on

precision and dedication to quality) and aesthetic harmony (Ballon, 1992; Ministry of Economy, Trade and Industry, 2014). Thus, domestic brands dominate the market, while foreign brands can successfully establish themselves through a strong emphasis on quality, authenticity, cultural sensibility and respect (Haghirian, 2010; Salsberg, 2008).

5. Data Analysis

5.1 Introduction

The following chapter presents the results of the quantitative survey conducted to analyse Japanese consumer preferences and purchase intentions in the context of a potential market entry of Marshmellow Fabrics. The analysis follows a structured approach, starting with a descriptive overview of the sample characteristics and proceeding to an examination of key consumer behaviours and attitudes relevant to answering the research questions. After data cleaning and validation, incomplete responses (including NAs) and preview cases were excluded, resulting in a final sample of 84 valid observations.

The chapter begins with a description of the sample group, with particular focus on respondents' connection to Japan (Section 5.1.1 and 5.1.2). Next, the descriptive results on purchasing behaviour and consumer awareness are presented (Section 5.2). Where applicable, scale reliability and construct validation are assessed to ensure the robustness of multi-item constructs (Section 5.3). Section 5.4 then presents the inferential analyses, including correlation analyses and regression models examining the relationships between product attributes, perceived barriers, attitudes toward foreign/premium brands, and purchase likelihood.

The interpretation of these findings and their integration with existing literature are discussed in Chapter 6.

5.1.1 Japan-related Background of Respondents

The majority of the respondents are residents in Japan (80.5%). The remaining participants are either Japanese nationals living abroad (9.8%) or non-Japanese individuals who have expressed a specific interest in Japan (also 9.8%). This distribution ensures that the results primarily reflect consumer preferences within the Japanese market, which was the main objective of the study.

Table 5.1 presents the distribution of respondents by Japan-related status.

Table 5.1: *Distribution of Respondents by Japan-related Status*

Japan-related status	N	% of respondents
Resident in Japan	66	80.5%
Japanese (living abroad)	8	9.8%
Non-Japanese (Japan-interested)	8	9.8%

Note. Percentages are based on valid responses (N = 82).

Source: Author's own survey data (2026).

Given the substantial imbalance between groups, separate subgroup analyses (e.g., Japanese vs. non-Japanese respondents) were not conducted. The comparatively small number of non-resident and non-Japanese participants meant that statistically reliable comparisons could not be made and that any group-level differences would lack representativeness and sufficient statistical power. The regression analyses therefore focus on the overall sample, which predominantly reflects the Japanese market context.

5.1.2 Socio-demographic Characteristics

Table 5.2 shows the socio-demographic characteristics of the respondents.

Table 5.2: Socio-demographic characteristics of the sample

Category	N	% of respondents
Age		
25-34	53	64.6%
35-44	18	22%
18-24	5	6.1%
45-54	5	6.1%
55+	1	1.2%
Gender		
Female	59	72%
Male	22	26.8%
Non-binary / third gender	1	1.2%
Household composition		
Couple	36	43.9%
Single	25	30.5%
With children	17	20.7%
Other	4	4.9%
<i>Note.</i> Percentages are based on valid responses within each subgroup (Age/Gender/Household).		

Source: Author's own survey data (2026).

It can be said, that the sample is predominantly young to middle-aged, with the majority of participants aged between 25 - 34 years (64.6%), followed by the age group 35 - 44 (22.0%). Younger respondents between 18–24 years old and older respondents aged from 45 and above are comparatively underrepresented. In terms of gender, the sample is female-dominated (72.0%), while 26.8% of respondents identify as male. A small proportion (1.2%) identify as

non-binary or third gender. Regarding household composition, most respondents live in a couple household (43.9%), followed by single households (30.5%) and households with children (20.7%). Other household were represented in smaller numbers. Given the non-probabilistic convenience sampling approach, the sample cannot be considered statistically representative of the entire Japanese population. The results should therefore be interpreted as indicative rather than generalizable.

5.2 Descriptive Results

5.2.1 Consumer Awareness & Purchasing Behaviour

The following section presents the descriptive results of the survey. The analysis focuses on the attitudes, perceptions and behavioural intentions of respondents relating to the product category in which Marshmellow Fabrics would potentially enter the market and the Japanese market context. All results are reported descriptively using frequencies, percentages and mean values to provide an overview of the data prior to further analysis.

The results show that purchasing activity within the relevant product categories was high among the respondents.

Table 5.3 presents responses to the question: “Have you purchased bedding, bath, or loungewear in the last 12 months?”

Table 5.3: *Consumer purchasing behaviour*

Category	N	% of respondents
Yes	74	90.2%
No	8	9.8%

Note. Percentages are based on valid responses (N = 82).

Source: Author’s own survey data (2026).

Table 5.3 shows that 88.1% of participants have purchased bedding, bath or loungewear within the last 12 months, while 9.5% indicated no recent purchase. A small share of responses (2.4%) was missing and therefore excluded from the analysis, meaning percentages are calculated based on valid observations only.

In regard to usual spending per item in this product category, the majority of respondents reported a mid range price level.

Table 5.4 presents the usual spending per item.

Table 5.4: Usual spending per item

Category	N	% of respondents
¥10,000 – ¥19,999 ($\approx$ €62 – €125)	50	61%
¥5,000 – ¥9,999 ($\approx$ €30 – €62)	19	23.2%
Under ¥5,000 ($\approx$ €30)	8	9.8%
¥20,000 or more ($\approx$ €125+)	4	4.9%
Not sure	1	1.2%

Note. Percentages are based on valid responses (N = 82).

Source: Author's own survey data (2026).

Table 5.4 shows that 59.5% of participants spent between ¥10,000 and ¥19,999 (€62–€125). Lower price ranges were selected less frequently, with 22.6% of participants spending between ¥5,000 and ¥9,999 (€30–€62), and 9.5% spending less than ¥5,000 (under €30). Only 4.8% of respondents were willing to pay ¥20,000 or more per item (€125 or more), while 1.2% were unsure. Although the nominal yen values may appear comparatively high, currency conversion indicates that the dominant spending corridor corresponds to approximately €62–€125 per item, positioning consumer expectations within a mid-premium rather than luxury category. This range is based on the price levels of well-known domestic brands such as MUJI, as well as mid-range bedding retailers. This suggests that Japanese consumers evaluate home textile purchases based on a structured price quality framework rather than a low-cost orientation.

5.2.2 Purchase Frequency and Usage Context

The findings suggest that items in all categories are generally purchased infrequently rather than on a regular basis. The most frequent purchase frequency across all three categories was approximately once every one to two years, highlighting the long lifecycle of home textiles.

Table 5.5 presents the purchase frequency by product category.

Table 5.5: Purchase Frequency by Product Category

	About once every 1–2 years	About once per year	Never	Several times per year	Every month
Bath towels	54.9%	25.6%	11%	8.5%	0%
Bedding	74.4%	13.4%	4.9%	6.1%	1.2%
Robes / Sleepwear	50%	25.6%	15.9%	8.5%	0%

Note. Percentages are calculated within each product category.

Source: Author's own survey data (2026).

As shown in Table 5.5, bedding was the category with the lowest purchasing frequency. A majority of respondents (74.4%) indicated that they purchased bedding approximately once every one to two years. The negligible monthly purchasing rate of 1.2% further highlights the durability of bedding materials.

For the category of bath towels, the results show that these were replaced more frequently compared to bedding. 54.9% of respondents reported purchasing bath towels every one to two years, while a notable share (25.6%) indicated annual purchases and 8.5% reported buying bath towels several times per year. This suggests a higher replacement rate, likely due to wear and hygiene considerations.

Robes and sleepwear showed a similar overall purchasing pattern but indicated a higher proportion of respondents who reported never purchasing these items (15.9%). Although 50.0% of respondents reported purchasing robes or sleepwear approximately once every one to two years, the relatively high “never” response suggests that this category may be more situational or less essential compared to bedding and bath towels.

In summary, the findings show clear differences in usage context and replacement cycles across product categories. Bath towels demonstrate the highest purchase frequency, while bedding demonstrates the lowest. Robes and sleepwear occupy an intermediate, more discretionary position.

5.2.3 Product Preferences and Attributes

Table 5.6 presents the purchase channel of the last home textile purchase.

Table 5.6: *Purchase Channel of Last Home Textile Purchase*

Category	N	% of respondents
Online brand store	47	57.3%
Marketplace (e.g. Rakuten, Amazon)	16	19.5%
Department store	11	13.4%
Specialty store	7	8.5%
Other	1	1.2%

Note. N = 82.

Source: Author’s own survey data (2026).

Table 5.6 shows the distribution of purchase channels used for the most recent home textile purchase among the participants. The results indicate a strong preference for B2C online channels, with most respondents (57.3%) reporting that their last purchase was made via an online

brand store. Marketplaces such as Rakuten or Amazon represent the second most frequently used channel (19.5%), followed by department stores (13.4%) and specialty stores (8.5%). Other purchase channels were mentioned less frequently (1.2%). Overall, the findings suggest that online channels, particularly brand owned websites, play a dominant role in the purchase of home textiles within the surveyed sample.

Table 5.7 presents the importance of attributes in home textile purchases.

Table 5.7: Importance of Attributes Importance in Home Textile Purchases

	Important	Neutral	Slightly important	Very Important	Not at all important
Materials feel & comfort	62.2	9.8	4.9	23.2	0.0
Minimalist / timeless design	42.7	37.8	6.1	13.4	0.0
Price	65.9	20.7	1.2	11.0	1.2
Quality & durability	70.7	12.2	2.4	13.4	1.2
Sustainability / eco-friendly production	59.8	18.3	6.1	15.9	0.0

Note. Percentages are calculated within each attribute.

Source: Author's own survey data (2026).

Table 5.7 shows how respondents ranked the importance of different product features when buying home textiles. There is a clear trend towards functional attributes. The most important factors were perceived to be material feel and comfort, as well as product durability. Price and sustainability were also considered relevant purchase criteria, although there was slightly more variation across the response categories. By contrast, fewer participants perceived minimalist or timeless design as a key attribute when purchasing home textiles, suggesting that aesthetic aspects are less dominant than functional considerations within the survey sample.

Table 5.8 presents the aggregated importance measures for product attributes.

Table 5.8: Aggregated Importance Measures for Product Attributes

Attribute	N	Mean	SD	Top-2-Box (%)
Materials feel & comfort	82	4.04	0.73	85.4
Quality & durability	82	3.93	0.68	84.1
Sustainability / eco-friendly production	82	3.85	0.76	75.6
Price	82	3.84	0.68	76.8
Minimalist / timeless design	82	3.63	0.79	56.1

Note. Mean/SD based on a 1–5 Likert scale (1 = Not at all important, 5 = Very important). Top-2-Box = Important/Very important.

Source: Author's own survey data (2026).

To facilitate a more compact comparison of the attributes, Table 5.8 summarises the corresponding mean values, standard deviations and Top 2 Box scores. As previously mentioned, the attribute “Materials: feel and comfort” achieved the highest mean importance rating ($M = 4.04$), closely followed by “Quality and durability” with a mean of 3.93. Both attributes achieved a high Top 2 Box score of over 84%, indicating strong consensus among participants. Sustainability and eco-friendly production ($M = 3.85$), as well as price ($M = 3.84$), were also considered highly important, whereas minimalist and timeless design ($M = 3.63$) received the lowest mean score. This indicates that functional performance attributes dominate aesthetic considerations in this purchasing context.

5.2.4 Price Sensitivity and Willingness to Pay

Table 5.9 presents the acceptable price levels by product category.

Table 5.9: Importance of Product Attributes in Home Textile Purchases

	¥10,000 – ¥14,999 ($\approx$ €62 – €93)	¥15,000 – ¥19,999 ($\approx$ €93 – €124)	¥20,000 – ¥24,999 ($\approx$ €124 – €155)	¥25,000 – ¥29,999 ($\approx$ €155 – €186)
Bath towel	70.4%	27.2%	2.5%	0%
Duvet cover	35.4%	50%	12.2%	2.4%
Terry robe	58%	38.3%	3.7%	0%

Note. Percentages are calculated within each item.

Source: Author’s own survey data (2026).

Respondents acceptable price levels varied by product category (Table 5.9). In the category of bath towels, the acceptable price point was dominantly concentrated within the lowest range. 70.4% selected ¥10,000–¥14,999 (€62–€94), while 27.2% considered ¥15,000–¥19,999 (€94–€125) acceptable. Only 2.5% indicated a higher willingness to pay.

In the duvet cover category, participants showed a higher willingness to pay, as reflected by the most frequently selected range of ¥15,000–¥19,999 (€94–€125) (50.0%), followed by ¥10,000–¥14,999 (€62–€94) (35.4%) and ¥20,000–¥24,999 (€125–€156) (12.2%). A small number accepted premium price levels above ¥25,000 (above €156) (2.4%).

Among the respondents, acceptable prices for terry robes were also concentrated in the lower to mid range, with 58.0% selecting ¥10,000–¥14,999 (€62–€94) and 38.3% selecting ¥15,000–¥19,999 (€94–€125). Only 3.7% indicated an acceptable price of ¥20,000–¥24,999 (€125–€156).

In summary, duvet covers appear to be the category with the highest price tolerance, while bath towels show the lowest price tolerance. Terry robes fall in between, with respondents accepting a low to mid price range.

The results additionally show that, beyond the stated acceptable price ranges, respondents' general price attitudes confirm the observed willingness to pay. Agreement with the statement "I am willing to pay more for higher quality material" was generally high, indicating that price sensitivity is moderated by perceived quality and material standards.

This suggests that the higher acceptable price levels for duvet covers and terry robes are not purely driven by price but are closely linked to perceptions of quality and value.

5.2.5 Brand Perception and Market Entry Attitudes

While Section 5.2.4 focused on the respondents' willingness to pay across product categories, the following section focuses on attitudes toward foreign and premium brands. The results deliver additional context for observed price acceptance and help evaluate the potential of a premium market entry.

Table 5.10 presents attitudes toward foreign and premium home textile brands.

Table 5.10: *Attitudes toward Foreign and Premium Home Textile Brands*

Statement	n	Mean	Top-2 (%)
Preference for minimalist aesthetics	82	3.52	54.9%
Sustainability influences purchases	82	3.85	76.8%
Trust in foreign premium brands	82	3.87	72%
Willingness to pay more for quality	82	3.88	78%

Note. Mean based on a 1–5 Likert scale (1 = Strongly disagree, 5 = Strongly agree). Top-2 = Agree/Strongly agree.

Source: Author's own survey data (2026).

A positive attitude toward foreign and premium home textile brands among respondents can be seen. As demonstrated in Table 5.10, the mean values for all statements are above the neutral midpoint, suggesting an overall openness to premium positioning and non-domestic brands within the category.

Results also show that sustainability can be identified as a particularly influential factor, with a significant proportion of respondents agreeing that it affects their purchase decisions. This finding aligns with earlier results on product preferences and supports the relevance of sustainability as a key value driver in the home textile market.

It can also be said that respondents have a relatively strong trust in foreign premium brands, indicating limited perceived barriers related to country of origin. This suggests that foreign brands may be able to overcome initial credibility concerns, especially when planning to position within the premium segment.

In addition, the high level of agreement regarding the willingness to pay more for higher-quality materials provides additional support for the price acceptance patterns observed in Section 5.2.4. Together, these results suggest that premium pricing within the home textile market can be justified when accompanied by perceived quality, sustainability, and brand credibility.

Table 5.11 presents the features that would most strongly convince respondents to try a new European home textile brand.

Table 5.11: Features Convincing Consumers to Try a New European Home Textile Brand

Feature	N	% of respondents
Free & easy returns	55	67.1%
EU craftsmanship	53	64.6%
Sustainability proof	52	63.4%
Superior material feel	50	61%
Bundle discounts	25	30.5%
Personalized monogram	20	24.4%
Gift-ready packaging	8	9.8%

Note. Multiple responses allowed. Percentages are calculated based on respondents who answered Q17 (N = 82).

Source: Author's own survey data (2026).

Results show that practical and trust-related factors play an important role in lowering entry barriers from a consumer perspective for unfamiliar brands.

For example, free and easy returns are identified as the most frequently selected feature (67.1%), followed closely by EU craftsmanship (64.6%), sustainability proof (63.4%), and superior material feel (61.0%). This indicates that respondents attach importance to product quality, transparency, and risk reduction, such as easy and free returns, when considering a foreign brand.

On the contrary, promotional and customization-related features have a lower impact on the buying decision. Bundle discounts (30.5%) and personalized monograms (24.4%) were selected by fewer respondents, while gift-ready packaging appears to be the least relevant feature (9.8%).

Table 5.12 reflects the main barriers respondents associate with purchasing from a new European home textile brand online.

Table 5.12: *Barriers to Trying a New EU Brand Online (Multiple Responses, % of Respondents)*

Barrier	N	% of respondents
High shipping fees	59	72%
Can't feel the material	49	59.8%
Import duties / return costs	43	52.4%
Price	29	35.4%
Trust / after-sales service	8	9.8%
Other (please specify)	2	2.4%

Note. Multiple responses allowed. Percentages are calculated based on respondents who answered Q18 (N = 82).

Source: Author's own survey data (2026).

To gain an overall understanding of potential entry barriers from a consumer perspective, Table 5.12 presents the primary obstacles respondents associate with purchasing from a new European home textile brand online.

Clearly, the most frequently selected barrier is high shipping fees, mentioned by 72.0% of respondents, indicating strong price sensitivity regarding cross-border delivery costs. This is followed by the inability to physically feel the material (59.8%), highlighting the importance of tactile experience in the home textile sector.

Another significant obstacle is import duties and return costs (52.4%), which was previously discussed in Section 5.2.5 in relation to the importance of free returns. These barriers reinforce concerns related to financial risk and post-purchase uncertainty when ordering from a foreign brand.

The price barrier itself is mentioned by 35.4% of respondents, while trust and after-sales service play a comparatively small role (9.8%). Other barriers are only marginally relevant (2.4%).

In summary, the results imply that logistical costs and perceived purchase risk, rather than brand credibility, represent the primary challenges for market entry of new European brands in online channels.

5.3 Scale Reliability and Construct Validation

Before the inferential analysis, the reliability of the multi-item construct was evaluated. The construct "Attitude toward Foreign / Premium Brands" was operationalized using four items:

“I prefer timeless, minimalist home aesthetics”, “Sustainability influences my purchase decisions”, “I trust foreign premium brands in home textiles”, and “I am willing to pay more for higher-quality materials”, measured on a five-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5).

To ensure that all items exhibit sufficient variability, an initial examination of the descriptive statistics was conducted to assess the suitability of the items for scale construction. This is supported by mean values ranging from approximately 3.5 to 3.9 and medians of 4.

Thus, respondents generally expressed positive attitudes while still using the full response range of the scale. Floor or ceiling effects were not observed, and the response distributions indicate that the items capture meaningful variation in the underlying construct. The items were therefore considered suitable for further reliability testing and subsequent aggregation into a composite scale.

Internal consistency was tested using Cronbach’s alpha (Cronbach, 1951), resulting in $\alpha = 0.65$, suggesting moderate but acceptable reliability for exploratory research. It was found that the calculated reliability coefficient falls below the frequently cited threshold of 0.70. However, several contextual factors should be considered when interpreting this value. First, it should be noted that the construct is measured with only four items. Cronbach's alpha shows a significant response to the number of items in a scale. This means that shorter scales often exhibit lower alpha values despite acceptable internal consistency. Second, the present study follows an exploratory research design in a cross-cultural setting, where slight variations in interpretation and response styles may reduce inter-item correlations. In such contexts, alpha values between 0.60 and 0.70 are commonly regarded as acceptable for early-stage empirical research.

Therefore, the reliability level is considered sufficient for the explanatory purpose of this study, particularly as the scale is used as a control variable rather than as the primary focal construct. Item-level diagnostics revealed that the item “I prefer timeless, minimalist home aesthetics” had a weaker association with the other items. While excluding this item would have increased internal consistency to approximately $\alpha = 0.71$, the full four-item scale was retained to preserve the construct’s conceptual scope and theoretical depth.

A composite measure was then created by averaging the four items. The resulting scale score had a mean of 3.79, a median of 4, a minimum of 1.75, and a maximum of 5. This score was used in the inferential analyses presented in Section 5.4.

5.4 Inferential Analysis

5.4.1 Correlations

Table 5.13 presents the Spearman rank-order correlations between perceived product attribute importance and purchase likelihood.

Table 5.13: *Spearman Correlations Between Perceived Product Attribute Importance and Purchase Likelihood*

Product Attribute	Spearman ρ	p-value	N
Quality & durability	0.41***	< .001	82
Materials feel & comfort	0.36***	< .001	82
Sustainability / eco-friendly production	0.27*	0.014	82
Price	-0.21	0.060	82
Minimalist / timeless design	0.09	0.405	82

Note. Spearman rank-order correlations. ** $p < .001$, * $p < .01$, $p < .05$.

Source: Author's own survey data (2026).

Spearman rank-order correlations were conducted to examine the relationship between purchase likelihood and the perceived importance of selected product attributes.

Significant positive correlations were found between purchase likelihood and the importance attributed to quality and durability ($\rho = 0.41$, $p < 0.001$) and to materials, feel and comfort ($\rho = 0.36$, $p < 0.001$). This implies that respondents who consider these attributes more important are more likely to intend to purchase.

For sustainability / eco-friendly production, a smaller but still statistically significant relationship was found ($\rho = 0.27$, $p = 0.014$).

In contrast, the importance attributed to minimalist / timeless design ($\rho = 0.09$, $p = 0.405$) was not significantly associated with purchase likelihood. The negative but not statistically significant correlation between price importance and purchase likelihood ($\rho = -0.21$, $p = 0.060$) suggests that respondents who are more price sensitive are slightly less likely to intend to purchase. While this relationship does not reach conventional levels of statistical significance, its direction suggests that higher price sensitivity may reduce openness to new or premium brands.

In conclusion, the bivariate findings suggest that functional and quality-related attributes have a stronger direct association with purchase likelihood than aesthetic considerations. The role of price appears to be less pronounced at this stage of the analysis.

5.4.2 Regression Models

5.4.2.1 Model 1: Product Attributes

In Section 5.4.1, initial insights into the bivariate relationships between perceived product attribute importance and purchase likelihood were analysed. However, Spearman correlations do not account for potential intercorrelations among predictors. Due to the conceptual relation of the functional attributes (e.g., quality, material feel, sustainability), their effects may overlap. A multiple linear regression analysis was conducted to examine whether the observed associations hold when controlling for the simultaneous influence of all attributes. This approach allows the estimation of each product attribute's unique contribution to purchase likelihood while holding the remaining predictors constant. Compared to bivariate correlations, regression analysis provides a more precise assessment of the explanatory power of each individual factor. The results of this multivariate analysis are presented in Table 5.14.

Table 5.14: *Multiple Linear Regression Predicting Purchase Likelihood*

Product Attribute	B	p-value
Quality & durability	5.06	0.384
Materials feel & comfort	7.98	0.088
Minimalist / timeless design	1.46	0.607
Sustainability / eco-friendly production	5.91	0.119
Price	-8.28*	0.015

Note. Linear regression. DV = Purchase likelihood (0–100). ** $p < .001$, * $p < .01$, $p < .05$.

Source: Author's own survey data (2026).

To examine the simultaneous effects of perceived product attribute importance on purchase likelihood (0–100 scale), a multiple linear regression analysis was conducted. All five attributes were entered into the model as independent variables.

The results in Table 5.14 show that, when controlling for the other attributes, price importance is the only statistically significant predictor of purchase likelihood ($B = -8.28$, $p = 0.015$). The negative coefficient suggests that respondents who are more sensitive to price have a lower purchase likelihood. Substantively, a one-unit increase in perceived importance of price (on the 1–5 Likert scale) is associated with an average decrease of approximately 8.3 points in purchase likelihood on the 0–100 scale, holding all other variables constant.

The perceived importance of quality and durability ($B = 5.06$, $p = 0.384$), materials feel and comfort ($B = 7.98$, $p = 0.088$), minimalist / timeless design ($B = 1.46$, $p = 0.607$), and sustainability / eco-friendly production ($B = 5.91$, $p = 0.119$) did not reach conventional levels of statistical significance ($p < 0.05$).

The coefficients for quality, materials, and sustainability are positive, suggesting a directional tendency toward higher purchase likelihood, but these effects are not statistically distinguishable from zero in the multivariate context.

This stands in direct contrast to the bivariate correlation results reported in Table 5.13, which demonstrated that quality and materials were significantly associated with purchase likelihood. The regression model's loss of statistical significance suggests potential predictor overlap.

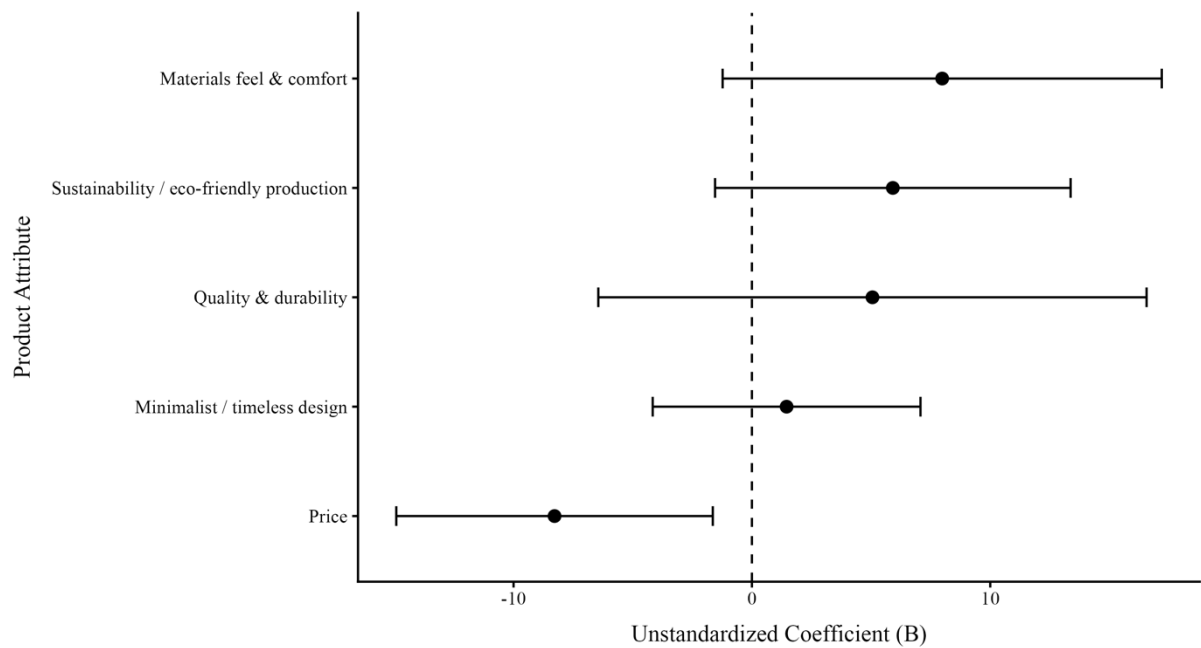
From a contextual perspective, this finding may also reflect the high baseline quality standards prevalent in the Japanese textile market. In a market where product quality is generally expected rather than perceived as a differentiating attribute, its importance may not translate into an independent increase in purchase likelihood. Accordingly, quality may function as a necessary condition for market entry rather than as a distinct driver of stated purchase intention.

In other words, the positive effects observed in the correlation analysis may be attributable to shared variance among functional attributes rather than to independent predictive effects. The regression analysis indicates that price sensitivity is the primary independent predictor of purchase likelihood when multiple attribute perceptions are evaluated concurrently. In contrast, quality- and sustainability-related factors do not demonstrate independent effects beyond their shared variance with other attributes.

Given the conceptual relatedness of functional product attributes, potential multicollinearity was assessed using Variance Inflation Factors (VIF). All VIF values ranged from 1.03 to 3.17, remaining well below commonly applied threshold levels ($VIF < 5$). This indicates that multicollinearity does not materially distort the estimated regression coefficients and supports the stability and interpretability of the multivariate results.

These findings emphasise the necessity of distinguishing between bivariate relationships and multivariate effects when evaluating determinants of purchase intention.

Figure 3: *Regression coefficients predicting purchase likelihood (0–100 scale).*



Source: Own calculation and visualization based on primary survey data ($N = 82$).

Figure 3 visualises the regression results presented in Table 5.14. The plot displays the unstandardized regression coefficients (B) along with their 95% confidence intervals. The vertical dashed line at zero represents the absence of an effect. Coefficients whose confidence intervals intersect zero are not statistically distinguishable from the null hypothesis at conventional significance levels.

Consistent with the numerical results, price importance is the only predictor whose confidence interval does not overlap with zero. The negative coefficient indicates that respondents who attach greater importance to price exhibit significantly lower purchase likelihood.

In contrast, the coefficients for quality and durability, materials feel and comfort, and sustainability / eco-friendly production are positive in direction but not statistically significant in the multivariate model. Their confidence intervals include zero, indicating that they do not exert independent predictive effects once shared variance among attributes is controlled for. The coefficient for minimalist / timeless design is negligible.

The graphical representation further highlights the contrast between the bivariate correlations reported in Table 5.13 and the multivariate regression findings. While quality-related attributes demonstrated significant positive associations in the correlation analysis, these effects diminish when entered simultaneously into the regression model. This suggests that the previously observed effects may partly reflect overlapping perceptions of functional attributes rather than independent determinants of purchase likelihood.

Overall, the figure confirms that price sensitivity emerges as the most robust independent predictor in Model 1.

5.4.2.2 Model 2: Product Attributes and Attitudes Toward Foreign/Premium Brands

While Model 1 examined the concurrent effects of perceived product attribute importance on purchase likelihood, it did not consider the broader attitude toward foreign and premium brands. Since the willingness to consider a new EU brand may depend not only on functional product evaluations but also on general brand attitudes, an extended regression model was estimated. To investigate whether the effects observed in Model 1 remain robust after accounting for attitudes toward foreign/premium brands, a second multiple linear regression analysis was performed. In addition to the five product attribute importance variables, the composite attitude scale toward foreign/premium brands (mean score, 1–5) was included as an additional predictor.

The results are presented in Table 5.15.

Table 5.15: *Multiple Linear Regression (Model 2) Predicting Purchase Likelihood*

Predictor	B	p-value
Quality & durability	5.21	0.368
Materials feel & comfort	6.93	0.142
Minimalist / timeless design	0.37	0.899
Sustainability / eco-friendly production	5.24	0.168
Price	-8.25*	0.015
Attitudes toward foreign/premium brands (scale)	5.98	0.197

Note. Multiple linear regression (Model 2). DV = Purchase likelihood (0–100). Predictors include Q11 attribute importance (1–5) and the attitude scale (Q12 mean score, 1–5). ** $p < .001$, * $p < .01$, $p < .05$.

Source: Author's own survey data (2026).

To examine the combined effects of product attribute importance and attitudes toward foreign/premium brands on purchase likelihood (0–100 scale), Model 2 was estimated.

Similar to the findings of Model 1, price importance remains the only statistically significant predictor of purchase likelihood ($B = -8.25$, $p = 0.015$). The magnitude and direction of the coefficient remain virtually unchanged compared to Model 1, indicating that the negative effect of price sensitivity on purchase likelihood is robust even when incorporating the attitude scale. Substantively, a one-unit increase in perceived price importance (on the 1–5 Likert scale) is associated with an average decrease of approximately 8.3 points in purchase likelihood, holding all other predictors constant.

The attitude scale toward foreign/premium brands shows a positive but statistically non-significant association with purchase likelihood ($B = 5.98$, $p = 0.197$). While the direction of the coefficient suggests that a more positive attitude toward foreign/premium brands may be associated with higher purchase likelihood, this effect does not reach conventional levels of statistical significance ($p < 0.05$). This indicates that general brand attitudes do not exert independent predictive power once product-related evaluations are considered simultaneously.

Model 2 further shows that the coefficients for quality and durability ($B = 5.21$, $p = 0.368$), materials feel and comfort ($B = 6.93$, $p = 0.142$), minimalist / timeless design ($B = 0.37$, $p = 0.899$), and sustainability / eco-friendly production ($B = 5.24$, $p = 0.168$) remain statistically non-significant. The inclusion of the attitude scale does not materially alter the pattern observed in Model 1.

5.4.2.3 Model 3: Product Attributes, Attitudes, and Perceived Barriers

Model 2 did not explicitly consider structural or logistical barriers that might affect consumers' willingness to purchase a new EU textile brand in Japan. It only accounted for perceived product attribute importance and general attitudes toward foreign/premium brands.

Considering the structural characteristics of the Japanese textile market outlined in Chapter 4, perceived barriers such as shipping costs, import duties, and the inability to physically assess materials may negatively influence purchase likelihood. To determine whether such perceived barriers exert an additional effect beyond product-related evaluations and brand attitudes, a third multiple linear regression model was estimated.

In addition to the five product attribute importance variables and the attitude scale toward foreign/premium brands (mean score, 1–5), an index of perceived barriers was included as an additional predictor. This index reflects the number of barriers selected by each respondent (higher values indicate a greater perception of barriers).

The results of Model 3 are presented in Table 5.16.

Table 5.16: *Multiple Linear Regression (Model 3) Predicting Purchase Likelihood*

Predictor	B	p-value
Quality & durability	5.36	0.359
Materials feel & comfort	6.73	0.161
Minimalist / timeless design	0.42	0.887
Sustainability / eco-friendly production	5.28	0.167
Price	-8.45*	0.015
Attitudes toward foreign/premium brands (scale)	5.87	0.211
Perceived barriers (index)	0.62	0.767

Note. Multiple linear regression (Model 3). DV = Purchase likelihood (0–100). Predictors include Q11 attribute importance (1–5), attitude scale (Q12 mean score, 1–5), and a perceived barriers index (count of selected Q18 barriers; higher values indicate more perceived barriers). ** $p < .001$, * $p < .01$, $p < .05$.

Source: Author's own survey data (2026).

As shown in Table 5.16 and consistent with Models 1 and 2, price importance remains the only statistically significant predictor of purchase likelihood ($B = -8.45$, $p = 0.015$). The magnitude and direction of the coefficient remain highly stable across model specifications, suggesting a robust negative relationship between price sensitivity and purchase likelihood. Substantively, a one-unit increase in perceived price importance (on the 1–5 Likert scale) is associated with an average decrease of approximately 8.5 points in purchase likelihood, holding all other variables constant.

The perceived barriers index does not show a statistically significant effect ($B = 0.62$, $p = 0.767$). The small and positive coefficient indicates that, in the multivariate context, there is no meaningful relationship between the number of perceived logistical barriers and purchase likelihood.

Perceived structural constraints therefore do not independently reduce consumer purchase intentions once product evaluations and brand attitudes are controlled for.

The attitude toward foreign/premium brands remains positive but statistically non-significant ($B = 5.87$, $p = 0.211$). The same applies to quality and durability ($B = 5.36$, $p = 0.359$), materials feel and comfort ($B = 6.73$, $p = 0.161$), minimalist/timeless design ($B = 0.42$, $p = 0.887$), and sustainability / eco-friendly production ($B = 5.28$, $p = 0.167$). The inclusion of the barrier index does not materially alter the pattern observed in Models 1 and 2.

Overall, the results show that adding perceived market barriers does not meaningfully improve the explanatory power of the regression model. Although Model 3 exhibits a slightly higher R^2 value compared to Model 2, the increase in explained variance is negligible ($\Delta R^2 \approx 0.001$) and not statistically significant according to the nested F-test.

This indicates that perceived logistical barriers provide no additional explanatory value beyond product attribute importance and general brand attitudes.

Across all regression models (Models 1–3), Variance Inflation Factors remained below 3.20, indicating no evidence of problematic multicollinearity and supporting the stability and interpretability of the estimated coefficients.

5.4.2.4 Model Comparison

To investigate whether including additional predictors beyond the perceived importance of product attributes provides additional explanatory power, a series of model comparisons were conducted. Model 1 included the five product attribute importance variables. Model 2 additionally included the attitude scale toward foreign/premium brands (mean score). Model 3 further extended the specification by including a perceived barriers index (count of selected barriers; higher values indicate more perceived barriers).

Model 1 explained 27.7% of the variance in purchase likelihood ($R^2 = 0.277$).

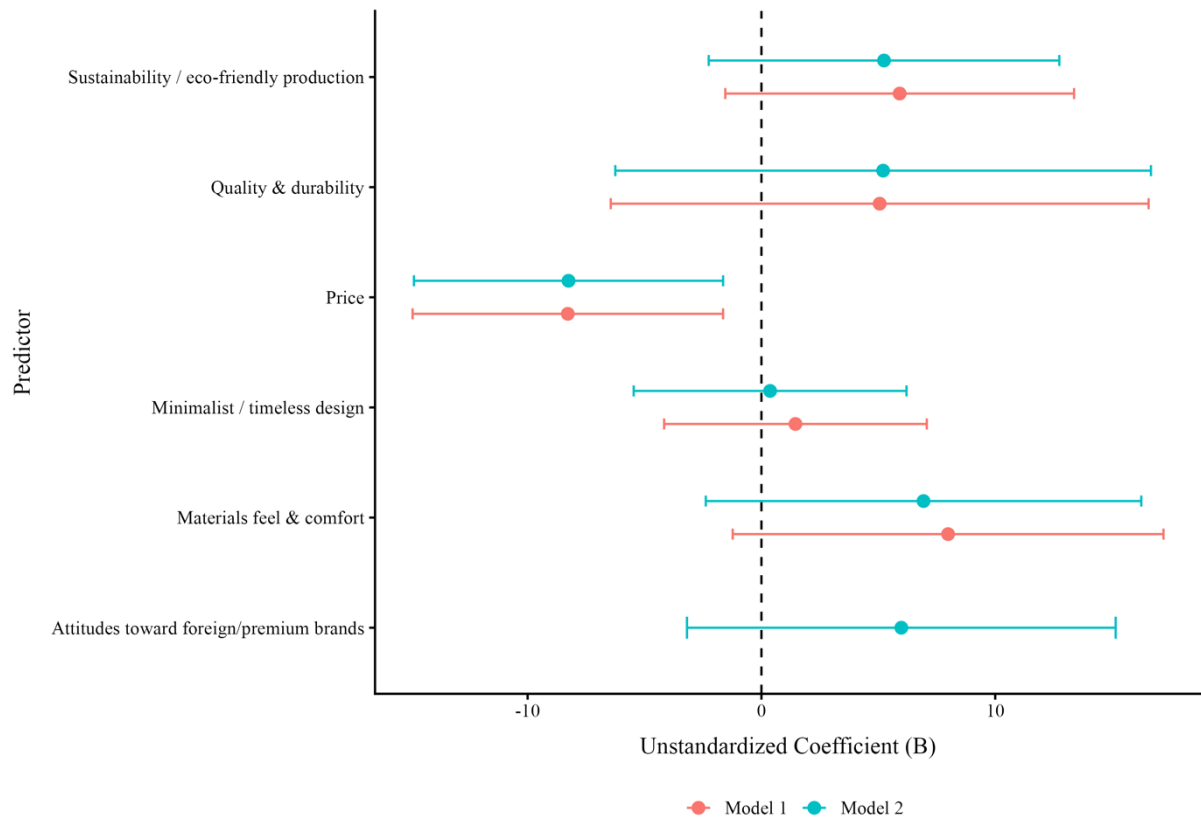
Model 2 then added the attitude scale, which led to a slight increase in explained variance to 29.3% ($R^2 = 0.293$), corresponding to an incremental change of $\Delta R^2 = 0.016$.

The nested F-test comparing Model 1 and Model 2 was not statistically significant, $F(1, 75) = 1.69$, $p = 0.198$. This indicates that the inclusion of attitudes toward foreign/premium brands does not significantly improve model fit beyond the attribute importance variables. Although Model 2 shows a higher R^2 , the increase is small in magnitude and statistically non-significant, suggesting limited incremental explanatory value of the attitude scale.

In Model 3, the perceived barriers index was added. The explained variance increased only marginally from $R^2 = 0.293$ in Model 2 to $R^2 = 0.294$ in Model 3, corresponding to $\Delta R^2 = 0.001$. The F-test comparing Model 2 and Model 3 was also not statistically significant, $F(1, 74) = 0.09$, $p = 0.767$. Thus, perceived barriers do not provide additional explanatory power once product attributes and general brand attitudes are controlled for.

Across all three specifications, the negative effect of price importance remains stable and statistically significant, while the coefficients for quality, materials, sustainability, minimalist design, attitudes toward foreign/premium brands, and perceived barriers remain non-significant. The hierarchical comparison therefore indicates that neither general brand attitudes nor perceived barriers significantly improve model fit beyond the perceived importance of product attributes. Overall, price sensitivity emerges as the only robust independent predictor of purchase likelihood across all model specifications.

Figure 4: Comparison of regression coefficients across Model 1 and Model 2.



Source: Own calculation based on regression models.

The regression coefficients of Model 1 and Model 2 shown in Figure 4 illustrate the effect of including the attitude scale in Model 2 on the magnitude and direction of the attribute coefficients. The analysis shows that this inclusion does not result in meaningful changes.

In particular, the negative effect of price importance remains stable and statistically significant in both models. The coefficients for quality, materials, sustainability, and minimalist design remain non-significant, and their confidence intervals overlap with zero in both specifications. Furthermore, the additional predictor introduced in Model 2 (attitude toward foreign/premium brands) does not exhibit a statistically significant effect. The visual comparison supports the results of the nested model test and confirms that Model 2 does not offer a significant improvement in explanatory power compared to Model 1.

Although Model 3 additionally included the perceived barriers index, the overall coefficient pattern remained largely unchanged compared to Model 2. For clarity, only Models 1 and 2 are visualised in Figure 4.

6. Discussion

6.1 Integration With Literature (Qualitative Interpretation)

The empirical findings presented in Chapter 5 confirm the theoretical expectations presented in Chapter 2 largely, but additionally refine several central assumptions regarding market entry into Japan. These findings are also consistent with previous empirical studies on the Japanese consumer market presented in Chapter 4, which highlight high quality expectations, structured price evaluation, and strong buyer awareness within mature retail environments (Yano Research Institute, 2023; Ministry of Economy, Trade and Industry, 2014; Ivanov, 2023).

In accordance with the literature on *monozukuri* and Japanese quality consciousness (Haghirian, 2010; Ministry of Economy, Trade and Industry, 2014; Salsberg, 2008), the highest importance was assigned to material feel, comfort, and durability by the participants of the survey. This empirical prioritization directly mirrors earlier Japanese market analyses that emphasize craftsmanship, tactile product evaluation, and long product life cycles as dominant purchase drivers in the home textile sector (Yano Research Institute, 2023; Salsberg, 2008).

The assumption that craftsmanship and functional excellence are essential in the Japanese textile market can be confirmed due to the positive bivariate correlations between these attributes and purchase likelihood. However, it becomes recognizable in the multivariate regression analysis that these quality-related factors do not exert independent predictive effects once price perceptions are controlled for. Thus, quality in this context appears to function as a necessary baseline rather than a differentiating ownership advantage in a mature and highly competitive market environment. This interpretation aligns with prior Japanese retail studies indicating that quality is perceived as a minimum market standard rather than a unique selling proposition in saturated domestic industries characterized by established incumbents (Haak & Haak, 2008; Yano Research Institute, 2023).

From the perspective of OLI theory (Dunning, 1988), product quality and sustainable production constitute ownership advantages for Marshmellow Fabrics. However, these advantages alone do not guarantee competitive superiority unless they are translated into locally justified value propositions.

The significant role of price sensitivity shown in the results provides strong empirical support for Porter's (1980) framework. The Japanese home textile market is characterized by established domestic players and informed consumers. Furthermore, it is a market with high buyer power and intense rivalry. From a consumer perspective, new entrants are evaluated through a

strict price–performance lens rather than symbolic brand narratives alone, which can be observed in the negative association between price importance and purchase likelihood. This result is consistent with empirical observations of Japan’s highly transparent retail and e-commerce environment, where price comparison platforms and detailed product information increase consumer bargaining power and reinforce rational evaluation patterns (Ivanov, 2023; MIC, 2024).

But at the same time, the willingness to pay more for superior materials is demonstrated by descriptive evidence, which confirms that Japanese consumers are value-conscious rather than purely price-minimizing. Salsberg’s (2008) concept of the “New Japanese Consumer,” who combines aesthetic sensitivity with rational economic evaluation, is consistent with this perspective. Comparable findings in Japanese consumer behavior research suggest that premium pricing is accepted when accompanied by demonstrable functional quality, trust signals, and material transparency (Ministry of Economy, Trade and Industry, 2014; Yano Research Institute, 2023).

In terms of internationalization, this finding supports a careful adaptation logic consistent with the Uppsala model (Johanson & Vahlne, 2009). Price strategy and value communication must be adapted to local needs and expectations step by step. It is not suggested to transfer the existing positioning without modification into the Japanese market.

The results obtained from the study provide a precise interpretation of institutional and cultural distance, aligning with the CAGE framework (Ghemawat, 2001). The respondents identified shipping costs, import duties, and the inability to physically assess materials as major perceived barriers. This finding confirms the relevance of geographic and administrative distance, particularly in cross-border e-commerce contexts. This corresponds with earlier Japanese e-commerce analyses that identify logistics reliability, tariff transparency, and tactile product evaluation as decisive trust-building factors in online purchasing environments (Ivanov, 2023; JETRO, n.d.).

However, the multivariate analysis does not indicate a significant effect of the perceived barrier index or general attitudes toward foreign/premium brands on purchase likelihood. This nuance refines previous assumptions in the Japanese market literature suggesting strong structural entry barriers, indicating that consumer-level resistance may be less pronounced in digital B2C contexts than distribution-level constraints described in earlier studies (Ojala & Tyrväinen, 2007; Haak & Haak, 2008).

It can therefore be hypothesized that the concept of liability of foreignness (Zaheer, 1995; Haak & Haak, 2008) may manifest more strongly at the structural and distributional level than at the consumer attitudinal level in digital B2C channels.

With regard to this topic, the results support elements of the born-global perspective, as digital entry modes reduce certain institutional frictions but still require careful localization of logistics, price transparency, and service standards (Sharma & Blomstermo, 2003; Schaefer & Cabral, 2016). The present study suggests that successful market entry in Japan depends less on overcoming cultural resistance and more on aligning ownership advantages with local values and operational adaptation.

The research questions formulated in Chapter 1 are addressed through the integration of empirical findings and theoretical frameworks.

Research question 1, which deals with market opportunities and challenges, is primarily answered by identifying price sensitivity as a central market mechanism alongside quality as a fundamental expectation. Research question 2, which focuses on suitable internationalization strategies, is supported by the relevance of value communication, logistical adaptation, and digital market entry forms. Finally, research question 3 is answered by empirical confirmation that Japanese consumers evaluate new market entrants primarily on the basis of price–performance ratio rather than solely on the symbolic positioning of foreign brands.

In the following section, the theoretical findings are translated into concrete strategic implications for Marshmellow Fabrics, and a market entry approach is outlined that is tailored to the identified structural and consumer-specific characteristics of the Japanese market.

6.2 Strategic Recommendations for Marshmellow Fabrics

Considering the empirical evidence presented in Chapter 5 and its integration into the theoretical framework in Chapter 2, a structured test market rather than an aggressive expansion target is suggested for the Japanese market for Marshmellow Fabrics.

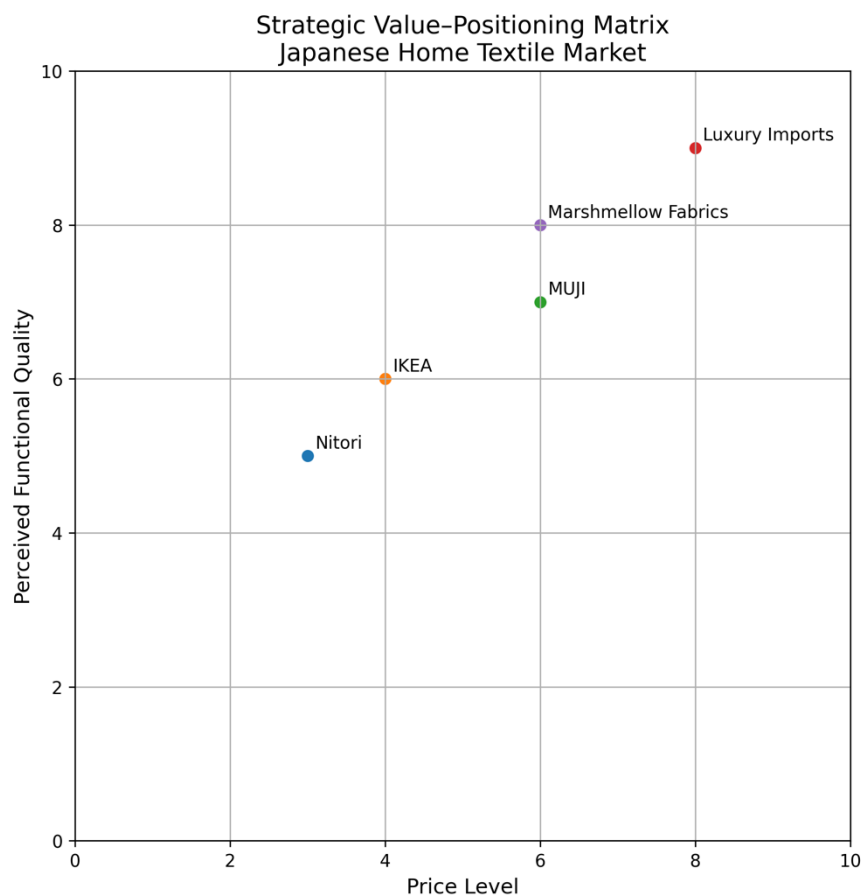
Price sensitivity was identified through the regression analysis as the only robust independent predictor of purchase likelihood.

On the other hand, no statistically independent effects were shown for quality characteristics, sustainability orientation, or positive attitudes toward European brands once price perception is taken into account. This leads to the conclusion that Japanese consumers do not primarily evaluate foreign market participants on the basis of symbolic brand stories or prestige related to origin, but rather through a rational price–performance analysis.

Consequently, market entry should not be based on a purely tradition-based European premium positioning, but rather on a premium strategy that is oriented toward value fairness and transparently aligns price with functional quality. This implies that Marshmellow Fabrics cannot rely solely on its Portuguese production standards or its commitment to sustainability to justify higher prices in the Japanese market. Instead, careful positioning within the mid-price segment of established Japanese competitors is required.

Given the relatively small size of the organization, with only four employees, transferring existing European price levels without prior adjustment would represent a disproportionately high strategic risk. A moderate price adjustment in the market entry phase can therefore be considered justified in order to test price elasticity and customer response. Validation of the positioning and learning from the market should be the goal in this phase rather than maximizing profit immediately.

Figure 5: *Strategic value–positioning matrix in the Japanese home textile market.*



Own elaboration based on empirical results and theoretical frameworks discussed in Chapter 2.

***Note:** The positioning within the matrix represents a conceptual synthesis of the empirical survey findings (importance of quality attributes and price sensitivity) and the secondary market analysis presented in Chapter 4. The numerical scale values are illustrative and serve analytical interpretation purposes rather than reflecting directly measured brand-level survey scores.*

Marshmellow Fabrics should position itself within the mid-premium segment as illustrated in Figure 5. As identified in the descriptive analysis, the recommended entry mode should be a digital-first approach due to strong online purchasing behavior.

At the same time, the regression analysis indicates that once price considerations are taken into account, perceived foreignness and institutional barriers do not significantly reduce purchase intentions. This observation suggests that Japan should not be viewed as a culturally resistant market, but rather as a structurally competitive market. This yields a feasible opportunity for low-commitment entry through a localized digital presence, which can be particularly useful for start-ups facing resource limitations.

Marshmellow Fabrics should start by offering a limited product assortment, a Japanese landing page, and clearly communicated shipping and return conditions, taking into account the results of the regression analysis. This approach not only maintains financial caution but also aligns with incremental internationalization logic.

A comprehensive overhaul of cultural branding is not recommended. Instead, from an operational perspective, it may be a more efficient measure to reduce visible cost frictions.

Priorities should lie in transparency regarding overall pricing, predictable delivery times, and clarity regarding return procedures.

Once digital validation has been achieved and initial data have been collected, a supplementary credibility-building mechanism can be achieved through selective participation in relevant industry fairs such as “Interior Lifestyle Tokyo”. However, measures to increase offline visibility should only be implemented after digital product–market fit has been proven and not before.

Once initial product market fit has been established through digital channels, a gradual transition toward an omnichannel presence may be considered to strengthen brand visibility and distribution depth. In this later phase, targeted visits to Japan by the founders or business development team could support direct market feedback collection and relationship building within relevant retail and industry networks.

Following a phased and data-driven entry strategy will provide the most balanced pathway between opportunity and risk, given the structural competitiveness of the Japanese home textile market.

6.3 Summary of Key Findings

Even though the present study provides structured empirical insights into consumer evaluation patterns in the Japanese home textile market, its explanatory scope remains limited by the non-probability convenience sampling approach and sample size.

The empirical results indicate that Japan should not be interpreted as a culturally inaccessible expansion target. Rather, the market environment can be described as rational, mature, and price-sensitive, in which competitive success depends on transparent value communication and controlled strategic adaptation.

The regression analysis demonstrates that price importance remains the only statistically robust independent predictor of purchase likelihood, even though Marshmellow positions itself as a premium sustainable brand rooted in Portuguese craftsmanship.

Even when controlling for quality perceptions, sustainability orientation, and brand attitudes, increasing price sensitivity significantly reduces purchase probability, as shown by the negative coefficient. Thus, once price perception is taken into account, craftsmanship and sustainable production do not independently drive purchase intention. Rather, these attributes appear to function as necessary baseline expectations within a mature and competitive market environment. The differentiated price tolerance across categories should be reflected in product prioritization. As shown by the data, duvet covers have the highest acceptance within the upper price range, whereas bath textiles (towels, etc.) are associated with stronger price sensitivity.

High shipping fees and the inability to physically assess material quality were identified as barriers. These concerns do not indicate resistance toward foreign brands; rather, they reflect structural risk perceptions. The “Made in Portugal” label may serve as a credibility signal; however, its effectiveness depends on being embedded within a broader framework of service reliability and risk reduction.

7. Conclusion

7.1 Overall Conclusion

The overall goal of this thesis is to develop a theoretically grounded and empirically informed strategy for Marshmellow Fabrics' entry into the Japanese market. Through the integration of several internationalization theories and quantitative consumer data, the findings demonstrate that Japan represents a structurally competitive but not culturally inaccessible market for a sustainable European SME.

Furthermore, the results show that the only robust independent determinant of purchase likelihood within the multivariate models lies in price sensitivity. This can be regarded as the central empirical insight. Once price perception is controlled for, other factors such as quality, sustainability, and positive attitudes toward foreign brands no longer independently predict purchase intention, even though these attributes are descriptively valued.

Given these findings, assumptions about Japanese consumer behavior can be refined. Respondents appear to evaluate new entrants through a rational price–performance framework consistent with Salsberg's (2008) characterization of the “New Japanese Consumer”, rather than being primarily driven by hierarchy or symbolic brand loyalty.

From a theoretical perspective, the findings support an incremental adaptation logic consistent with the Uppsala model. Ownership advantages such as Portuguese craftsmanship and sustainable production must therefore be translated into locally justified value propositions rather than transferred without modification.

Digital entry modes reduce certain institutional frictions; however, they do not eliminate the need for operational localization in pricing transparency, logistics, and customer service.

In accordance with the mounting environmental consciousness in Japan, sustainability and minimalist aesthetics reinforce credibility but do not independently justify premium pricing.

In order to achieve long-term success, Portuguese heritage must be synchronized with Japanese expectations regarding functional excellence, price fairness, and service reliability.

7.2 Limitations and Future Research

Despite its structured theoretical foundation and quantitative modelling approach, this study includes several limitations. The use of non-probability convenience sampling results in limited generalizability and leads to a bias in the sample composition. Even though multi-channel recruitment was applied to ensure heterogeneity, the sample remains skewed toward younger and digitally active consumers, which may influence channel-related findings.

Furthermore, while the present cross-sectional research design allows for the identification of statistically significant correlations, it does not permit causal inferences. The regression models identify robust predictors of stated purchase probability, but behavioral dynamics over time cannot be observed within this framework.

Thirdly, the empirical focus lies on the perceptions of B2C consumers. The analysis of structural market mechanisms, in particular distribution networks and power structures in the retail sector discussed in Chapter 2, is primarily based on secondary data and not on primary qualitative evidence.

Future research projects could expand this framework by incorporating expert interviews with Japanese distributors or retail buyers to deepen the understanding of network-based barriers to market entry. Longitudinal studies that track actual digital market entry would allow for the observation of switching behavior and price elasticity over time. This represents an improvement compared to considering only stated intentions.

Finally, Marshmellow Fabrics could initiate the deepening of B2B relationships by entering partnerships with boutique hotels or retailers with a design focus. This may reveal complementary entry strategies that combine brand visibility with operational stability.

References

- Agarwal, S., & Ramaswami, S. N. (1992). Choice of foreign market entry mode: Impact of ownership, location and internalization factors. *Journal of International Business Studies*, 23(1), 1–27. <https://doi.org/10.1057/palgrave.jibs.8490257>
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Anderson, E., & Gatignon, H. (1986). Modes of foreign entry: A transaction cost analysis and propositions. *Journal of International Business Studies*, 17(3), 1–26. <https://doi.org/10.1057/palgrave.jibs.8490432>
- Anderson, J. C., & Narus, J. A. (1990). A model of distributor firm and manufacturer firm working partnerships. *Journal of Marketing*, 54(1), 42–58. <https://doi.org/10.1177/002224299005400103>
- Ballon, R. J. (1992). *Foreign competition in Japan: Human resource strategies*. Routledge. <https://doi.org/10.4324/9780203845745>
- Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.
- Consumer Affairs Agency. (2016). *Household goods quality labeling act* (Outline). Government of Japan. https://www.caa.go.jp/policies/policy/representation/household_goods/pamphlet/pdf/pamphlet_03_0001.pdf
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297–334. <https://doi.org/10.1007/BF02310555>
- De Vaus, D. (2014). *Surveys in social research* (6th ed.). Routledge. <https://www.routledge.com/Surveys-In-Social-Research/DeVaus-deVaus/p/book/9780415530187>
- Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). Wiley.

- Dunning, J. H. (1988). The eclectic paradigm of international production: A restatement and some possible extensions. *Journal of International Business Studies*, 19(1), 1–31. <https://doi.org/10.1057/palgrave.jibs.8490372>
- EU–Japan Centre for Industrial Cooperation. (2024). *EPA export handbook: A guide to help EU SMEs export to Japan*. <https://www.eu-japan.eu/eubusinessinjapan/library/publication/epa-export-handbook-guide-to-help-eu-smes-export-to-japan>
- Ford, J. B., & Honeycutt, E. D. (1992). *Japanese market entry: Planning and strategy*. Quorum Books.
- Artino, A. R., Jr., Gehlbach, H., & Durning, S. J. (2011). AM last page: Avoiding five common pitfalls of survey design. *Academic Medicine*, 86(10), 1327. <https://doi.org/10.1097/ACM.0b013e31822f77cc>
- Ghemawat, P. (2001). Distance still matters: The hard reality of global expansion. *Harvard Business Review*, 79(8), 137–147. <https://hbr.org/2001/09/distance-still-matters-the-hard-reality-of-global-expansion>
- Grant, R. M. (2019). *Contemporary strategy analysis* (10th ed.). Wiley.
- Haak, R., & Haak, C. (2008). *Managing multicultural teams in Japan*. Springer.
- Haghirian, P. (2010). *Understanding Japanese management practices*. Business Expert Press.
- Hofstede, G. (2001). *Culture's consequences* (2nd ed.). Sage.
- Holtom, B. C., Mitchell, T. R., Lee, T. W., & Eberly, M. B. (2022). Turnover and retention research: A glance at the past, a closer review of the present, and a venture into the future. *Academy of Management Annals*, 16(1), 1–52. <https://doi.org/10.5465/annals.2020.0010>

- H&M Group. (2025). *H&M Group annual & sustainability report 2024*.
<https://hmgroup.com/wp-content/uploads/2025/03/HM-Group-Annual-and-sustainability-report-2024.pdf>
- IKEA Japan. (2024). *About IKEA Japan*. IKEA Japan.
<https://www.ikea.com/jp/en/this-is-ikea/about-us/about-ikea-japan-pub3c09f721/>
- Ivanov, S. (2023). *E-commerce in Japan: Digital transformation and consumer behaviour*. Routledge.
- JETRO. (n.d.). *Setting up business in Japan*. https://www.jetro.go.jp/en/invest/setting_up/
- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm. *Journal of International Business Studies*, 8(1), 23–32. <https://doi.org/10.1057/palgrave.jibs.8490676>
- Johanson, J., & Vahlne, J.-E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411–1431. <https://doi.org/10.1057/jibs.2009.24>
- Johnson, G., Scholes, K., & Whittington, R. (2008). *Exploring strategy* (8th ed.). Pearson.
- Jotex Japan Store. (2024). *Jotex Japan online store*. <https://www.jotex.jp>
- Japan Customs. (2025). *Customs tariff schedule*. <https://www.customs.go.jp/english/tariff/index.htm>
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1–22. <https://doi.org/10.1177/002224299305700101>
- Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson.
- Marshmellow Fabrics. (2025). *Marshmellow Fabrics*. Retrieved February 27, 2026, from <https://marshmellowfabrics.com/>

- Ministry of Economy, Trade and Industry (METI). (2014). *Monozukuri (manufacturing) white paper*. https://www.meti.go.jp/english/policy/mono_info_service/overall/index.html
- Ministry of Economy, Trade and Industry (METI). (2022). *Clean energy strategy*. https://www.meti.go.jp/english/policy/energy_environment/global_warming/pdf/clean_energy_strategy.pdf
- Ministry of Internal Affairs and Communications (MIC). (2024). *Information and communications in Japan (White paper)*. https://www.soumu.go.jp/english/dgpp_ss/seido/whitepaper/index.html
- Monroe, K. B. (1990). *Pricing: Making profitable decisions* (2nd ed.). McGraw-Hill.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38. <https://doi.org/10.1177/002224299405800302>
- Messe Frankfurt Japan Ltd. (2026). *Interior Lifestyle Tokyo*. <https://interiorlifestyle-tokyo.jp.messefrankfurt.com/tokyo/en.html>
- Nitori Holdings Co., Ltd. (2024). *Annual report 2023/24*. <https://www.nitorihd.co.jp/en/ir/library/annual.html>
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.
- OECD. (2024). *OECD economic surveys: Japan 2024*. OECD Publishing. <https://doi.org/10.1787/41e807f9-en>
- Ojala, A., & Tyrväinen, P. (2007). Entry barriers of small and medium-sized software firms in the Japanese market. *Thunderbird International Business Review*, 49(6), 689–705. <https://doi.org/10.1002/tie.20167>

- Pan, Y., & Tse, D. K. (1996). Cooperative strategies between foreign firms in an overseas country. *Journal of International Business Studies*, 27(5), 929–946. <https://doi.org/10.1057/palgrave.jibs.8490157>
- Peng, M. W., Wang, D. Y. L., & Jiang, Y. (2008). An institution-based view of international business strategy: A focus on emerging economies. *Journal of International Business Studies*, 39(5), 920–936. <https://doi.org/10.1057/palgrave.jibs.8400377>
- Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. Free Press.
- Root, F. R. (1987). *Entry strategies for international markets*. Lexington Books.
- Ryohin Keikaku Co., Ltd. (2024). *Annual securities report*. <https://www.ryohinkeikaku.jp/eng/ir/library/securities.html>
- Salsberg, B. (2008). The new Japanese consumer. *McKinsey Quarterly*. <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/the-new-japanese-consumer>
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson.
- Schaefer, K., & Cabral, J. E. (2016). Born-global firms: A systematic literature review and research agenda. *Review of International Business and Strategy*, 26(3), 350–372. <https://doi.org/10.1108/RIBS-03-2016-0010>
- Sharma, D. D., & Blomstermo, A. (2003). The internationalization process of born globals: A network view. *International Business Review*, 12(6), 739–753. [https://doi.org/10.1016/S0969-5931\(03\)00059-9](https://doi.org/10.1016/S0969-5931(03)00059-9)
- Statista. (2024a). *E-commerce market size of household utensils, furniture and interior goods in Japan from 2019 to 2028*. Retrieved February 27, 2026, from <https://www.statista.com/statistics/1420507/japan-household-utensil-furniture-interior-e-commerce-market-size/>

- Statista. (2024b). *Revenue of Ryohin Keikaku Co., Ltd. (MUJI) in Japan from 2012 to 2023*. Retrieved February 27, 2026, from <https://www.statista.com/statistics/671499/japan-muji-sales/>
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. [https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7<509::AID-SMJ882>3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z)
- International Trade Administration. (2024). *Japan country commercial guide*. U.S. Department of Commerce. <https://www.trade.gov/japan-country-commercial-guide>
- Vatabout. (2025). *Japanese home textile market overview*. Vatabout Market Insights. <https://www.vatabout.com>
- Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omni-channel retailing. *Journal of Retailing*, 91(2), 174–181. <https://doi.org/10.1016/j.jretai.2015.02.005>
- Yano Research Institute. (2023). *Textile & home furnishing market in Japan 2023 report*. Yano Research Institute.
- Zaheer, S. (1995). Overcoming the liability of foreignness. *Academy of Management Journal*, 38(2), 341–363. <https://journals.aom.org/doi/10.5465/256683>
- Zaichkowsky, J. L. (1985). Measuring the involvement construct. *Journal of Consumer Research*, 12(3), 341–352. <https://doi.org/10.1086/208520>
- Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2018). *Services marketing: Integrating customer focus across the firm* (7th ed.). McGraw-Hill Education.

Appendix

Appendix A: Survey Questionnaire

Block 1 – Consent & Screener

Consent. Do you agree to participate?

☐ Yes

☐ No

Q2. What is your country of residence?

☐ Japan

☐ Other (please specify): _____

Q3. What is your connection to Japan?

☐ I live in Japan

☐ I am Japanese living abroad

☐ I am not Japanese but interested in Japan

Block 2 – Category Engagement

Q6. Have you purchased bedding, bath, or loungewear in the last 12 months?

☐ Yes

☐ No

Q7. What is your usual spending per item (e.g., duvet cover, bath towel, or robe)?

☐ Under ¥5,000

☐ ¥5,000–¥9,999

☐ ¥10,000–¥19,999

☐ ¥20,000 or more

☐ Not sure

Q8. How often do you buy the following items? (Never – Rarely – Sometimes – Often – Very often)

• Bedding

- Bath towels
- Robes / Sleepwear

Q9. Please select 'Often' (attention check).

- ☐ Never
- ☐ Rarely
- ☐ Sometimes
- ☐ Often
- ☐ Very often

Block 3 – Purchase Behavior & Preferences

Q10. Where did you buy your last item?

- ☐ Department store
- ☐ Specialty store
- ☐ Online brand store
- ☐ Marketplace (e.g., Rakuten)
- ☐ Other (please specify): _____

Q11. How important are the following attributes when buying bedding or towels? (1 = Not important at all, 5 = Very important)

- Quality & durability
- Material feel & comfort
- Minimalist / timeless design
- Sustainability / eco-friendly production
- Price

Block 4 – Attitudes Toward Foreign / Premium Brands

Q12. To what extent do you agree with the following statements? (1 = Strongly disagree, 5 = Strongly agree)

- I prefer timeless, minimalist home aesthetics.
- Sustainability influences my purchase decisions.
- I trust foreign premium brands in home textiles.
- I am willing to pay more for higher-quality materials.

Block 5 – Value Proposition Test

Q13. Imagine a premium bedding & bath brand from Portugal offering minimalist design, high-quality cotton, transparent European supply chain, 3–5 day delivery to Japan, free returns, and optional monogram (+¥1,500).

Q14. How likely would you be to buy from this brand? (0 = Extremely unlikely, 100 = Extremely likely)

Q15. Where would you prefer to purchase this brand?

- ☐ Brand's own website
- ☐ Marketplace (e.g., Rakuten)
- ☐ Department store
- ☐ Select boutique
- ☐ Other: _____

Q16. At which price would each item feel acceptable?

- Duvet cover
- Bath towel
- Terry robe

Q17. Which features would most convince you to try a new European brand?

- ☐ Superior material feel
- ☐ Sustainability proof
- ☐ EU craftsmanship
- ☐ Free & easy returns
- ☐ Bundle discounts
- ☐ Personalized monogram
- ☐ Gift-ready packaging

Block 6 – Barriers

Q18. What are the biggest barriers to trying a new EU brand online?

- ☐ High shipping fees
- ☐ Import duties / return costs
- ☐ Cannot feel the material
- ☐ Price
- ☐ Trust / after-sales service
- ☐ Other (please specify): _____

Demographics

Q19. Age

- ☐ 18–24
- ☐ 25–34
- ☐ 35–44
- ☐ 45–54
- ☐ 55+

Q20. Gender

- ☐ Male
- ☐ Female
- ☐ Non-binary / third gender
- ☐ Prefer not to say

Q21. Household

- ☐ Single
- ☐ Couple
- ☐ With children
- ☐ Other

Appendix B: Construct Operationalization

Appendix B: Construct Operationalization					
Construct	R variable	Survey items	Scale	Coding / aggregation	Source
Purchase likelihood (DV)	purchase_likelihood	Q14_1 (slider)	0–100	Numeric, higher = higher likelihood	Own survey design
Product attribute importance	q11_1–q11_5	Q11_1–Q11_5	1–5 Likert	1=Not at all important ... 5=Very important (entered separately in models)	Own survey design (informed by literature)
Attitude toward foreign/premium brands	scale_q12	Q12_1–Q12_4	1–5 Likert	Mean of 4 items (higher = more positive attitude)	Ajzen (1991); Keller (1993)
Perceived barriers (index)	barrier_index	Q18 multi-select	Count index	Count of selected barriers (excluding 'Other', if applied)	Own survey design
Willingness to pay	q16_1–q16_3	Q16_1–Q16_3	Price ranges	Descriptive only (no aggregation)	Own survey design

Appendix C: Reliability Analysis

Appendix C: Reliability Analysis

Scale: Attitude toward Foreign / Premium Brands (Q12_1–Q12_4) | Cronbach's $\alpha = 0.65$ | N =

Item	α if item deleted	Item-total correlation (r)
Q12_1: Preference for minimalist aesthetics	0.71	0.24
Q12_2: Sustainability influences purchases	0.52	0.53
Q12_3: Trust in foreign premium brands	0.51	0.51
Q12_4: Willingness to pay more for quality	0.55	0.47

Note. Items coded on a 1–5 Likert agreement scale (1 = Strongly disagree, 5 = Strongly agree).

Appendix D: Full Regression Output

Appendix D: Full Regression Results									
Dependent variable: Purchase Likelihood									
Predictor	M1_B	M1_SE	M1_p	M2_B	M2_SE	M2_p	M3_B	M3_SE	M3_p
q11_1	5.058	5.775	0.384	5.205	5.750	0.368	5.362	5.809	0.359
q11_2	7.984	4.626	0.088	6.934	4.675	0.142	6.733	4.752	0.161
q11_3	1.455	2.820	0.607	0.371	2.929	0.899	0.420	2.951	0.887
q11_4	5.913	3.745	0.119	5.243	3.763	0.168	5.284	3.789	0.167
q11_5	-8.281	3.334	0.015	-8.251	3.319	0.015	-8.450	3.406	0.015
scale_q12	NA	NA	NA	5.984	4.602	0.197	5.868	4.646	0.211
barrier_index	NA	NA	NA	NA	NA	NA	0.622	2.086	0.767
R ²	0.277	NA	NA	0.293	NA	NA	0.294	NA	NA
Adjusted R ²	0.230	NA	NA	0.237	NA	NA	0.227	NA	NA
F statistic	5.830	NA	NA	5.190	NA	NA	4.410	NA	NA
N	82.000	NA	NA	82.000	NA	NA	82.000	NA	NA
<i>Note.</i> Unstandardized coefficients reported. Significance based on p-values.									