

## 4 Family Restaurants

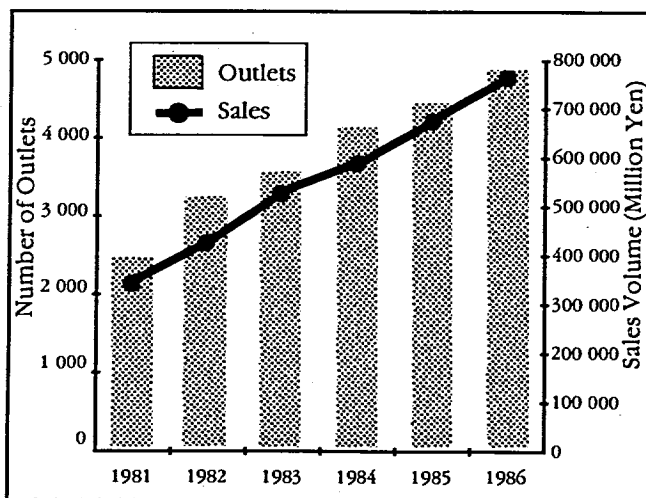
Japan's family restaurants are limited menu restaurants generally patterned after North American restaurant chains such as Denny's. Meals are served at the customer's table and consist of such fast food fare as hamburgers, steaks, deep fried seafood and salads. The layout of family restaurants is substantially different from most other restaurants in Japan in that they are large, spacious and bright, with large windows. Prices are reasonable with the average customer spending ¥1 021 (\$9.82 Cdn) for a meal. Family restaurants have enjoyed the extra novelty of being the only restaurants to offer free coffee refills, not a factor without impact in a country where a cup of coffee alone often costs \$2 to \$4 (Cdn).

Family restaurants are usually located on major traffic thoroughfares or near major highway intersections. These restaurants rely heavily on the car-driving public and, with their large parking lots, represent a new trend in the Japanese restaurant trade. The chains are often open 24 hours a day. The menus in any particular chain will be the same for that chain's outlets all over the country, and this element of familiarity has added to the chain restaurant's appeal.

Clearly, the most remarkable factor regarding family restaurants has been their tremendous growth over the last decade. Ten years ago the term "family restaurant" hardly existed, but by 1986 this type of restaurant made up fully 55 per cent of all Western-style restaurant sales in Japan. Between 1981 and 1986 the increase in total sales volume averaged 19 per cent compounded annually, while total outlets rose from about 2 600 to over 4 800. (See Figure 3.)

Figure 3

Family Restaurant Market Growth



Source: *Gaishoku Marketing Binran '86*, Fuji Keizai.

The popularity of family restaurants is due to a number of factors, including:

- the growing need for food services to cater to an expanding car-bound public;
- the increasing popularity of Western food in general;
- menu standardization and cost effectiveness, so that customers can expect a good meal at a good price;
- the bright spaciousness of the restaurants;
- convenient locations with long operating hours.

Family restaurant chains in Japan can be divided into two categories: Japanese-based and foreign-based. The foreign-based chains, such as the U.S. chains of Denny's and Captain Cook, or the German chain, Volks, are affiliated with Japanese companies who oversee the licensing and manage the operations. The foreign-based chains, while making some concessions to Japanese tastes in their menus, still offer basically the same food as is in the home countries. The Japanese-based chains, on the other hand, provide more Japanese food and Japanese-style Western food. In most other areas the restaurants (be they Japanese or Western-based) are very similar in service, style and decor. The Japanese chains have clearly studied the foreign chains' business procedures and have developed a very similar approach. At present, most of the largest chains are the Japanese-based chains such as Skylark and Royal Host. The only large foreign-based chain is Denny's.

## 5 Fast Food

Fast food, spurred by the rapid growth of the Western fast food chains, has been booming in Japan over the last decade. It is now possible to find, along with the hundreds of McDonald's hamburger shops and Kentucky Fried Chicken outlets, a full selection of foreign-based fast food shops in Japan, including Mister Donut, Dairy Queen, Dunkin' Donuts, Arby's (roast beef sandwiches), Baskin and Robbins, and Haagen Dazs, among many others. There are also an even greater number of locally developed fast food chains that are often virtual copies of the American originals, and which are also proving highly successful.