Thetical and Antithetical Business Management

Eizo Kinoshita
(Meijo University, 4-3-3 Nijigaoka, Kani-shi, Gifu 509-0261, Japan)

Abstract: In this paper, the author discusses the theme “Thetical and Antithetical Business Management”. “Thetical Business Management” signifies “a management style in which an objective function, expressing consumer expenditure of service goods, is minimized, with a constraint condition expressing a guaranteed level of expenditure.” While “Antithetical Business Management” denotes “a management style in which an objective function expressing consumer satisfaction concerning service goods, is maximized, with a constraint condition denoting the limits of their tolerance of payment for service goods.” In other words, “Thetical Business Management” can be formulated as Primal Problem of Linear Programming, whereas “Antithetical Business Management” can be formulated as Dual Problem of Linear Programming.

Key words: thetical and antithetical business management; service science

JEL code: M000

1. Introduction

The paper aims at explaining the ongoing polarization in consumption structure, based on the concept of duality. A mathematical analysis of the polarization in consumption structure, utilizing a formulated model, has never been conducted in the past, although the issue has often been discussed in the media including newspapers and magazines. Thus, the author formulates two different management strategies to present mathematically how the polarization in consumption structure can be deduced as a result of analyzing the duality of the two management styles. It is a significant task of contemporary management to understand how consumption structure is being polarized, and how it constitutes our economic structure today, and to take it into consideration in forming corporate management strategies. Therefore, the author believes that by presenting a theory concerning the polarization in consumption structure, he could make great contributions to the advancement of (Kansei) affective engineering, which deals with the development and appraisal of consumer products.

In doing so, the author, first, demonstrates two new models, or “Thetical Business Management” and “Antithetical Business Management”, with the former aiming at “gaining income by lowering prices”, and the latter aiming at “maximizing consumer satisfaction”. He then formulates the respective management strategies. Secondly, the author proves how the two models brought about the polarization in consumption structure, focusing on the duality of the two models. The author also demonstrates that the polarization in consumption structure is a rational economic outcome, by explaining its economic background. Lastly, the author discusses what future corporate management strategies can be by giving some examples.
2. Polarization in Consumption Structure

In this section, the author explains the polarization in consumption structure through examples.

After experiencing the so-called “Lost Two Decades”, or the prolonged depression Japan went through since the beginning of the 1990s, when the country was stuck in long-term deflation, companies across Japan fell back on such a strategy as to attract consumers by cutting the prices of their products. However, during the two decades, surplus money, produced by the government’s monetary easing measures, tended to flow into financial products (gold, yen currency, government bonds). Such a trend has become even more conspicuous recently, with the start of “Abenomics” (extreme monetary easing measures), which Shinzo Abe promoted since his inauguration as prime minister, with more money flowing into such financial products as stocks and mutual funds, which is pumping up stock prices. As a result, Japanese consumption structure came to be polarized between “affluent groups” and “impoverished groups” just like the United States. At the moment, “management strategies” targeting this “high-income brackets” are coming on line in Japan. In other words, it is vital for Japanese companies to be creative and ingenious in order to stimulate new demands, by offering new products with additional values.

The author demonstrates the examples of three firms, which successfully “gained income by lowering prices”, to substantiate his discussion. The first example is Yoshinoya, a major beef-bowl franchise firm. In October 2012, the company opened a test shop called “TsukijiYoshinoyaKiwami”, in Tokyo’s Itabashi Ward. The shop only serves beef bowls, except for morning set meals and side dishes, but at prices lower than the other branch shops (Excite News, 2012). It sold a “medium size” bowl for 250 yen, cheaper by 130 yen than those at the other shops, in 2012. And since January 1, 2013, it has been sold for 280 yen. It is a successful case of cutting costs and gaining income by offering a limited range of dishes in order to increase customer turnover rate. Yoshinoya is a noted example which tells the fact that more and more Japanese companies started looking for ways to survive the long-term deflation. The second example is “low cost carriers (LCC)” (Japan Airlines, 2011; Jetstar, 2012; Peach Aviation, 2012; SankeiBiz, 2013a). The year 2012, when three domestic subsidiaries of All Nippon Airways and Japan Air Lines began operation of low-cost carriers, is considered as the beginning of low cost carrier business in Japan. As a result, one-way airfares of both domestic and international flights went down to a several-thousand yen level. Foreign competitors also joined the Japanese LCC market in 2013, when China’s Spring Airlines announced it would operate domestic flights by October that year. Because Japanese LCCs are planning to expand their operation networks, many expect that airfares in Japan are likely to be slashed even further. The third example is convenience stores (SankeiBiz, 2013b), which have been in the vanguard of offering services and products with higher values during the deflationary period. They keep growth by attracting supermarket customers by offering private-label products, such as clothes, foods and daily items, at lower prices. Making the best use of their nationwide networks and the buying power of their customers, each franchise chain produces higher-quality, lower-priced, private-label products with the cooperation of various manufacturers. There is much to gain for a manufacturer to ally with a major convenience store chain, because doing so enables the firm to secure a channel to sell its products nationwide. Thus, more major manufacturers are willing to tie up with convenience store chains, promoting the production of more qualified products. This has totally helped eradicate the conventional image “you get what you pay for”.

Kagaya, one of Japan’s prominent traditional “Ryokan” — style hotels, on the other hand, is an example of “maximizing customer satisfaction by offering higher-quality, more expensive services and products”. Kagaya, in Nanao City, Ishikawa Prefecture, is seen as the best, in the quality of services, of all the hotels and ryokans in
Japan. It is substantiated by the fact that it has captured the first place on the list of “top 100 hotels and ryokans in Japan, selected by nationwide travel companies”, an annual rating survey conducted by RyokoShimbunsha, for the 34th successive year (Kagaya, 2014a). The rating is based on the evaluations of four categories, or “hospitality”, “cuisine”, “facility” and “planning”. Kagaya has always been given high ratings, with its meticulous “hospitality” drawing attention from many different walks of life. It can be said that “hospitable spirit” is among the most distinguishing features of services offered by Kagaya, although how high the level of each of its services is visible through the afore-mentioned ratings of the four categories. What makes Kagaya service special is its novelty. The essence of its service is expressed as follows on its website: “Kagaya’s paid workers, who are well-trained professionals, are required to offer accurate service to customers, and to satisfy and impress them.” That is to say, Kagaya places a high value on serving timely and accurately the needs of customers, and thus they weigh heavily on “hospitality spirit”, by always putting themselves in customer’s shoes. To be more precise, Kagaya is making efforts to live up to the following five rules (Kagaya, 2014b):

(1) To be as accurate as possible — understanding correctly what a guest requests (what types of services a guest expects us to offer), to serve him or her properly.

(2) To live up to guest expectations — trying to be thorough in handling a guest request when serving him or her.

(3) Never to forget hospitality — always trying to be in the shoes of a guest, while retaining a hospitable mind.

(4) To serve a guest as perfectly as possible so that no guest would raise any complaints — trying one’s best to prevent any possible fault and to rectify them, if any, while making constant efforts to improve the qualities of our duties.

(5) To make the best use of IT technology — all the simple tasks in serving dinners to guests are being carried out by utilizing IT technology (using robots), in order to devote all the energy and attention to cooking dinners and to serving them.

The above-mentioned rules are an eloquent example which denotes “higher-quality products for maximizing customer satisfaction”. The Gion entertainment district in Kyoto and Ritz-Carlton hotel in Osaka, both being operated through the system similar to Kagaya’s, are also well known for providing equally qualified services to their guests.

Kanebo Cosmetics, which offers “higher-quality products for maximizing customer satisfaction” through daily service goods (Kanebo, 2012), is another example. In September 2012, the company announced that it would sell a renewed version of its high-quality foundation powder named “Impress” for 12,600 yen at department stores. As of November 2012, its overall sales increased by 70 percent from the same period in 2011. The author believes that many customers choose where to shop, depending on the variety of products each shop offers, and that there is a good chance for people to buy even expensive products at a shop of their choice. These examples signify that Japanese consumption structure has also been polarized after the “lost two decades”.

Same tendency can be observed also with land prices (Bloomberg, 2013). Real estate markets in urban areas (also including Kansai region), which have remained stagnant since 2008, began to pick up recently. More people purchased condominium units prior to the consumption-rate hike in April 2014, encouraged by low-interest rates. Some are purchasing them expecting a rise in asset prices in the future, a move which was prompted by “monetary ease policies” of the Abe administration. Overseas funds also returned to the Japanese real estate market, expecting it to pick up and boom again. An official at one of the Japanese real-estate subsidiaries of overseas
companies, states, “Overseas funds are increasing the amount of investment in Japan. And the number of overseas inquiries and clients who visit Japan is on the rise since April this year.” However, many in the real estate businesses agree that the market has been “polarized”. To take office buildings, for example, they say, “People are willing to rent them if they are newly built and earthquake-resistant, but many old buildings are left unoccupied.” This means that investors invest only in blue-chip properties, through which they can expect income growth by higher rent. The same tendency can be observed in the sales of condominium units. Regardless of age groups, people’s demands for condominium units concentrate mostly on conveniently located urban areas. Thus, more owners of houses in suburban areas, where reasonably priced houses were available, are selling them. This is because those properties are often not within the walking distance from the nearest train station, and when the owners grow old, they prefer to live in condominium units, which are easier to take care of than houses, located near a train station. This also accelerates “polarization in land prices”.

The above-mentioned “polarization in consumption structure” and “polarization in land and real-estate prices” represent the two sides of the same coin. That is to say, “polarization in consumption structure” and “polarization in land and real-estate prices” signify the same thing, as is shown in the next chapter.

3. Thetical Business Management and Antithetical Business Management

In the previous chapter, the author discussed how the polarization in Japan’s consumption structure grew distinctive after “the lost two decades”, by demonstrating several examples. In this chapter, the author goes on to analyze the polarization in consumption structure. In doing so, he examines two different business management strategies, or the one focusing on “gaining income by cutting prices”, and the other focusing on “the maximization of customer satisfaction by providing higher-quality products”. In formulating these strategies, the author names the former “Thetical Business Management” and the latter “Antithetical Business Management”. In the course of discussion, the author verifies that the two business management styles form a relationship of “primal problem” and “dual problem” of linear programming in operations research, and demonstrates that this duality is embodied by the polarization in consumption structure.

In “Thetical Business Management”, the focus is on “gaining profit by cutting price”. Thus “minimization of consumer payment” is set as an objective function, and “consumer aspiration level (minimum level of service quality consumers expect to be guaranteed)” as a constraint condition, as shown in Formula (1) (proposed by Kinoshita).

Objective function (minimizing consumer expenditure)

\[
\text{Min } \gamma^T x
\]

Constraint condition (aspiration level of consumer \(i\))

\[
Ax \geq \beta
\]

\[
x \geq 0
\]

In other words, “Thetical Business Management” can be expressed by the minimizing objective function (the amount of consumer payment), under the constraint condition (securing the level of consumer expectation) as shown by Formula (1). In Formula (1), element \(x_j\) in vector \(x = [x_1, \cdots, x_n]^T\) denotes the ratio of payment for service goods \(j\), and element \(\gamma_j\) in vector \(\gamma = [\gamma_1, \cdots, \gamma_n]^T\) signifies a payable amount concerning service good \(j\), element \(a_{ij}\) of matrix \(A\) with row \(m\) and column \(n\) signifies satisfaction of consumer \(i\), concerning a unit of service goods \(j\), element \(\beta_i\) of vector \(\beta = [\beta_1, \cdots, \beta_m]^T\) signifies the anticipation level of consumer \(i\) for overall services.
Whereas in “Antithetical Business Management”, by focusing on “the maximization of customer satisfaction by providing quality products”, “the maximization of service satisfaction of consumers” is set as an objective function, and “limits of consumer payment” is set as a restrained condition. This is shown in Formula (2) (proposed by Kinoshita).

Objective function (maximization of consumer satisfaction for services)

\[ \text{Max } \mathbf{u}^T \beta \]

Constraint condition (limits of payment of consumer \(i\))

\[ A^T \mathbf{u} \leq \gamma \]
\[ \mathbf{u} \geq 0 \]

In other words, “Antithetical Business Management” can be expressed by maximizing the objective function (service satisfaction of consumers), under the constraint condition (limits of consumer payment), as is shown by Formula (2). In Formula (2), element \(u_i\) in vector \(\mathbf{u} = [u_1, \ldots, u_m]^T\) signifies the amount of payment required to increase the satisfaction of consumer \(i\) by a unit.

Examining these formulas from the angle of linear programming, Formula (1) deals with an issue of minimization, and Formula (2) handles its dual problem, or an issue of maximization. That is to say, the symmetric property shown by the two formulas can be expressed as “primal problem and dual problem” of linear programming.

The author then focuses on consumption. In Formula (1) and (2), \(x_j\) and \(u_i\) are variables and \(\alpha_{ij}, \beta_i, \gamma_j\) are invariables. That is to say, in Formula (1), it is expected to reduce consumption (in other words, making efforts to minimize payment ratio \(x_j\)), whereas in Formula (2), it is expected to increase consumption (in other words, making efforts to maximize the amount of payment \(u_i\)).

Next, the author focuses on “payable amount concerning services and aspiration level,” which denotes the quality of services. In Formula (1) and (2), \(\beta_i\) and \(\gamma_j\) are variables, and \(\alpha_{ij}, x_j\) and \(u_i\) are invariables. That is to say, it is expected to lower the quality of services (in other words, minimizing \(\beta_i\) and \(\gamma_j\)) in Formula (1), whereas in Formula (2), it is expected to enhance the quality of services.

The values of Formula (1) and (2) are consistent, in the sense that their values of objective functions are consistent, in case there is an optimal solution for the two formulas (duality theorem of linear programming). However, each of the two formulas heads for precisely the opposite direction in such actions like designing the qualities of consumption and services, as shown in Figure 1.

<table>
<thead>
<tr>
<th>Thetical Business Management</th>
<th>Antithetical Business Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>duality</td>
<td></td>
</tr>
<tr>
<td>minimizing customer payment</td>
<td>maximizing customer satisfaction</td>
</tr>
<tr>
<td>McDonald</td>
<td>Gion</td>
</tr>
<tr>
<td>Starbucks</td>
<td>Kagaya</td>
</tr>
<tr>
<td>fast food</td>
<td>Ritz-Carlton, Osaka</td>
</tr>
</tbody>
</table>

Figure 1  Duality Brings Polarization in Service Goods
In the examples in Figure 2, the behavioral principle of “Yoshinoya” and various fast-food chains, which seeks to minimize customer payment, and that of “Kagaya” and “Ritz-Carlton, Osaka”, which seeks to maximize customer satisfaction, form a relationship of duality (one is precisely the opposite of the other). As a result, “polarization in service goods” comes into being, bringing about “polarization in consumption structure”. The author shows the polarization in the elements of management in Figure 2.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Thetical Business Management</th>
<th>Antithetical Business Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>minimizing product unit price</td>
<td>maximizing customer satisfaction</td>
</tr>
<tr>
<td>Constraint</td>
<td>researching aspiration level concerning customer satisfaction</td>
<td>researching limit of customer payment for product</td>
</tr>
<tr>
<td>Condition</td>
<td>minimizing added value of product</td>
<td>maximizing added value of product</td>
</tr>
<tr>
<td>Publicity</td>
<td>publicize</td>
<td>shuns publicity</td>
</tr>
<tr>
<td>Customer</td>
<td>try to maximize the number of customers</td>
<td>turn away first-timers, adopt advance reservation system</td>
</tr>
</tbody>
</table>

Figure 2 Service Goods Duality

The author then confirms that “Thetical Business Management” and “Antithetical Business Management” form a relationship of duality, by checking each of the elements, as shown in Figure 2. “Purpose” of the former, or “Thetical Business Management”, is to “minimize unit price of product”, while that of the latter, or “Antithetical Business Management” is to “maximize customer satisfaction”. As to “constraint”, the former needs to “research aspiration level concerning customer satisfaction”, and the latter needs to “research the limit of customer payment for a product”. As to “condition”, the former seeks to “minimize added values of a product”, while the latter seeks to “maximize added values of a product”. In “publicity”, the former actively seeks to “publicize”, while the latter shuns it. As to “customer”, the former seeks to “maximize the number of customers”, while the latter tends to “turn away first-timers, and adopt advance reservation system”.

4. Economic Background Accelerates Polarization in Consumption Structure

The author Kinoshita has earlier stated that there are major two economic phases, or “normal economy” and “depressed economy”, in macroeconomics, after analyzing Japan’s Heisei Depression known as “the lost two decades” and the global stock selloff triggered by U.S. Sub-prime loan crisis (Kinoshita, 2009a; Kinoshita, 2012a; Kinoshita, 2013; Kinoshita, 2012b; Kinoshita, Suzuki, & Sugiura, 2012). According to the author, private firms with sound financial foundation strive for the maximization of profit by investing in plants and equipments, in a “normal economic” phase, which leads the economy to expand further (see Figure 3).

However, once in several decades, an economic bubble, swelled as a result of complex mixture of dreams and desires of the private sector, would burst, bringing the economy to enter into a “depressed economic” phase. In this phase, investment efficiency would be lower than market interest rate for private companies with huge debts, because of a plunge in the value of their assets, which they purchased by taking loans during the bubble economy. As a result, they cease to invest in equipments, and head towards the minimization of debts instead of the maximization of profits in this economic phase. In other words, they head towards such a direction as to drive the economy into contraction (see Figure 4).
Theoretical and Antithetical Business Management

**Figure 3  Normal Economy**

- **consumption**
- **circulation of money**
- **consumer**
- **bank**
- **company**
- normal level of interest rate
- deposit
- loan
- companies take loans for investment

**Figure 4  Depressed Economy**

- **consumption**
- **the sum of consumer deposit and corporate debt repayment corresponds to deflationary gap**
- **consumer**
- **bank**
- **company**
- low interest rate
- deposit
- repaying debt
- money is tucked away in banks
- companies head towards debt repayment to avoid insolvency

**Figure 5  An Economic Cycle**
In “a normal state economy”, encouraged by sound flow of money, “polarization in consumption structure” as was stated in Chapter 2 hardly occurs, and the two different management strategies, or “Thetical Business Management” and “Antithetical Business Management”, tend to converge. In “a depressed economy”, however, people’s income tends to be “frozen”, instead of being “equalized”, because money is “tucked away in financial institutions”. Thus, “polarization in consumption structure” as was stated in Chapter 2 evolves further in “a depressed economy”. The author believes that “polarization in consumption structure” is being accelerated both in Japan and in the United States today, because the economies of both countries are in this typical “depressed” phase. Figure 5 shows such structural change in an economic cycle.

5. Corporate Strategies for Countering Polarization in Consumption Structure

Companies in many walks of life in Japan tended to head towards price cuts amid the prolonged “deflation” during the “lost two decades”. But the author believes that depending exclusively on cutting of prices as a means for survival could spoil corporate management strength, as it might be less effective in attracting customers over time, bringing down corporate performance. On the other hand, some value-added products, such as “expensive anti-aging nutritional supplements”, are hailed with delight by consumers, and are enjoying excellent sales. The sales of products offered at high-end restaurants and department stores remain strong. Business performances of leisure venues are also strong. Thus, it can be concluded that “polarization” in consumption in Japan is making further development. During the high economic growth period, it is well known that consumer electronics and cars, namely so-called 3C (car, cooler = air conditioner, color TV) products, spread throughout Japan. Today, Japanese consumers, who already own all the goods necessary for everyday life, now tend to “be more selective” about goods and services. Japanese people’s values have also become more diversified. Under such circumstances, helped also by the prolonged deflation, amid a growing sense of economic uncertainty, the “polarization” is developing in an aggressive manner at the moment.

As a result, private companies are required to focus on “adding higher values” and on “differentiation” in creating their business strategies. Thus, figuring out how they can “add values” and “differentiate” their “usual (common)” and “unusual (uncommon)” products and services would be prerequisite for planning their strategies. In doing so, not only products but also the act of shopping itself should be treated as “products”. Planning “value added commercial establishments” and “sightseeing spots providing visitors with unusual experiences”, for examples, could be among such strategies.

Table 1 is a classification list of “service goods” proposed by the author, with an aim of helping understand the future direction of corporate management strategies (Kinoshita, 2009b; Kinoshita, 2011). Physics, established in the 17th century, matured with the development of such concepts as “distance”, “speed” and “acceleration”. Meanwhile, the study of economics, established in the latter part of the 20th century, matured with the development of such concepts like “asset”, “income” and “growth rate”. This means that it is necessary to take the development process of “modern physics” and “modern economics” into consideration, in classifying services for the establishment of service science. This brings the author to propose three categories of services, or “stock service” (a concept equivalent of the concept of “distance” in physics, and “asset” in economics), “flow service” (a concept equivalent to “speed” in physics, and “income” in economics) and “flow rate of variability service” (a concept equivalent to “acceleration” in physics, and “growth rate” in economics). “Stock service” signifies infrastructure- and institution-related services, including social infrastructure and information infrastructure, to be
provided by the government. “Flow service” denotes day-to-day, routine services, provided directly to customers and citizens both by the government and private firms. “Flow rate of variability service” means uncommon, irregular services provided by the private sector. It is significant to focus on “flow service” (daily service goods) and “flow rate of variability service” (uncommon service goods) among the above-mentioned “service goods”. This is because “polarization of consumption structure”, as is discussed in this paper, refers to the fact that service goods are being polarized between “common service goods” and “uncommon service goods”. And strategies for “gaining income by cutting prices” are being applied for more “common service goods”, while “uncommon service goods” tend to be more upscaled, and offered at higher prices. At the moment, such change is developing in an extreme manner. Thus, what is needed for each company is to acknowledge this ongoing tendency, or paradigm shift, and to decide on its basic policy for future “management strategies”.

<table>
<thead>
<tr>
<th>Mathematics</th>
<th>Physics</th>
<th>Economics</th>
<th>Service goods</th>
<th>Service Examples</th>
<th>Angle of Measuring Service Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original variation</td>
<td>distance</td>
<td>Asset (stock)</td>
<td>Stock service</td>
<td>Government Service</td>
<td>Measurement of Stock Service Values</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Social Security System</td>
<td>Integrating with time axis: cost-benefit analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Social Infrastructure</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Information Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Differentiate once with time</td>
<td>speed</td>
<td>Income (flow)</td>
<td>Flow service (common service)</td>
<td>Fast food</td>
<td>Measurement of flow service values</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Convenience stores</td>
<td>Differentiating with time axis: CS research</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yoshinoya’s “beef bowls” etc.</td>
<td></td>
</tr>
<tr>
<td>Differentiate twice with time</td>
<td>acceleration</td>
<td>Growth rate (Flow rate of variability)</td>
<td>Flow rate of variability service (uncommon service)</td>
<td>Kagaya</td>
<td>Measuring Value of flow rate of variability service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ritz-Carlton, Osaka</td>
<td>Comfortable variation: fractal measurement</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gion</td>
<td></td>
</tr>
</tbody>
</table>

6. Conclusion

The author in this paper presented the mathematical formulation of two business management strategy models, or “Thetical Business Management” and “Antithetical Business Management”, and confirmed that duality represented by the two management styles brings about the polarization in consumption structure.

The author believe that presenting this theory of polarization in consumption structure would make great contributions to the advancement of (Kansei) affective engineering, which deals with the development and appraisal of consumer products, and that it is vital to do so in order to consider the directions of future corporate management strategies.

Ikenaga pointed out that the Japanese labor market, where the number of employed workers grows both in high-wage, high-skill types of work sector (knowledge-intensive labor) and low-wage, low-skill types of work sector (manual labor), is being polarized (Ikenaga, 2009). Takamiya focuses on Japan’s eyeglasses market, and analyzes that the behaviors of the Japanese consumers are being polarized both in terms of income and consumption, by classifying them using axes: the one representing the volume of information, and the other denoting the amount of income (Takamiya, 2011). And (Boston Consulting, 2007) suggests a benefit of creating value-added cheaper products, referring to the fact that both the market for less qualified and cheaper products, as well as the one for higher-qualified, more expensive products, are growing. On the contrary, it says, the one for those which are on neither side in terms of quality and price remains unsuccessful. Nagasawa and Fukunaga take “Gucci,” for an example, and discuss how this luxury fashion and leather goods brand successfully controlled its
products, prices, distribution channels and promotional efforts, in creating and re-creating the brand, while referring to the fact that it attempted fierce innovation both at its start and during the regeneration phase, while it continued sustainable innovations throughout its history. They also focus on “Uniqlo” to insist the validity of a flagship shop strategy and a marketing mix (4Ps) strategy (Nagasawa & Fukunaga, 2012; Nagawawa & Suganami, 2012). As to the examples of actual service appraisal, Yamaguchi et al. propose a quantification technique for the improvement of service production, by clarifying the relation between operation process and service quality, and by decomposing and classifying services into operational processes, based on their survey of Japanese-style pubs which need to offer face-to-face services.

Thus, the author believes that acknowledging the fact that the polarization in consumption structure constitutes economic structure of Japan today, and that reflecting it onto corporate management strategies is a significant task of contemporary management.

The author thinks that the paper is of innovative value because it demonstrates that it was different corporate management strategies that caused the polarization in consumption structure, while concluding that companies should focus on “added values” and “differentiation” in creating management strategies in the future, by demonstrating concrete examples.

The author considers that his future task is to prove the validity of “Thetical Business Management” and “Antithetical Business Management” through more examples.

References:


