

## A Turning Point for Fast-food Business in Japan: Mos Burgers' Challenges During the Pandemic

Language Level: Advanced/4th Year Japanese

Time needed: 8 classes (75 minute per class)

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### Abstract:

Mos Burger, a Japanese fast-food restaurant established in 1972, had experienced a huge drop in sales before the COVID-19 pandemic. However, it has seen a 23.5% increase in sales during the pandemic when many restaurants/food businesses were suffering. This increase was higher than the sales of major fast-food chains such as McDonald Japan. This case study explores factors accounting for decreases in sales and profits that Mos Burger experienced before the pandemic, and their marketing strategies to recover during the pandemic. It also explores what businesses in the New Normal era can learn from Mos Burger's business model.

### Case (Japanese):

2020年4月、日本政府は新型コロナウイルス感染拡大のため、全国に緊急事態宣言を発令しました。飲食店や外食業者には、営業時間の短縮や午後8時以降の酒類の販売禁止など、きびしい規制が課せられました。その後も何度か、感染者の多い都道府県で緊急事態宣言が発令され、多くの飲食店が、経営困難、または、廃業に追い込まれました。特に大きな打撃を受けたのが、小規模な個人経営のレストラン、カフェ、バーなどです (<https://www.nikkei.com/article/DGXKZO64353870Z20C20A9EA2000/>)。

その一方で、テイクアウトとデリバリーを主なサービスとするファストフード業界は、比較的売上げが好調でした。しかし、日本のファストフード業界は競争の厳しいところです。世界的なフランチャイズのマクドナルドやKFCジャパン、さらに、古くから日本人に愛されている寿司、おにぎり、弁当、牛丼、菓子パンやサンドイッチ業者など、競合企業がたくさんあります。日本には、ユネスコの無形文化遺産に登録された伝統的な和食文化もありますが、ファストフードの文化もあります。日本の生活は忙しく、人々はコンビニ、立ち食い店、駅の売店などで、そば、ラーメン、カレーライス、唐揚げなど、おいしくてさっと食べられる様々なファストフードを利用しています。ハンバーガーも若い消費者に人気がありますが、高齢者には好まれているとは限りません。日本は高齢社会で、年配の消費者の好みも大切な要因です。

モスバーガーは、1972年に創業した日本のファストフードの会社です。その前年に、世界的なファストフードチェーンのマクドナルドが、東京の銀座に日本第一号店をオープンしています。モスバーガーは、日本の消費者の好みに合ったハンバーガーを開発してきました。主な人気商品は、しょうゆと味噌で味付けしたテリヤキバーガー、米で作ったパンではさんだライスバーガー、特製トマトソースの定番モスバーガーなどで



す。モスバーガーは創業後 25 年間、売り上げを順調に伸ばし、マクドナルドに次ぐ日本第 2 位のハンバーガー企業に成長しました。

しかし、モスバーガーの売り上げは、1990 年代後半をピークに、その後、伸び悩みました。そして、2018 年、長野県上田市をはじめとする全国各地のモスバーガー店で、計 28 件の食中毒が報告されました。上田店は地元の保健所から 3 日間の営業停止処分を受けました。モスバーガー社の財務報告によると、2019 年の営業利益は 86.2%減少しました ([https://www.mos.co.jp/company/ir/finance\\_results/0101/](https://www.mos.co.jp/company/ir/finance_results/0101/))。

しかし、2020 年 11 月のモスバーガーの売上高は、前年度より 23.5%増加しました。これは、マクドナルドや KFC ジャパンなど、コロナ渦でも好調だった大手フランチャイズより高い伸び率です (Diamond Online, 2020/12/31; <https://diamond.jp/articles/-/257090>)。モスバーガーは、短期間でどのように売り上げを回復させたのでしょうか。コロナ渦という大変な時期に、中村栄輔社長 (2016 年就任) はどのような経営戦略を推し進めたのでしょうか。新しいヒット商品は、なぜ、どのように開発されたのでしょうか。

このケーススタディでは、モスバーガーがコロナ渦以前から売り上げが伸び悩んでいた原因と、コロナ渦になって回復、躍進したそのマーケティング戦略について考察します。ディスカッション・クエスチョンは次の 4 つです。

1. モスバーガーは、なぜ、食中毒やコロナ渦が起きる前の 1990 年代後半から伸び悩んでいたのでしょうか。テリヤキバーガーやライスバーガーなどの人気商品が伸び悩んだ理由は何でしょうか。何が根本的な原因だったのでしょうか。
2. 食中毒は、売り上げにどのような影響を及ぼしたのでしょうか。2019 年の大幅な減収減益は食中毒だけが原因だったのでしょうか。モスバーガーはどのような打開策を打ち出したのでしょうか。
3. 多くの飲食店や外食業者が緊急事態宣言にともなう厳しい営業制限で打撃を受ける中、モスバーガーが好調だったのはなぜでしょうか。コロナ渦でどのようなマーケティング戦略がうまくいったのでしょうか。
4. コロナ渦でも売り上げが安定していた外食業者のマーケティング戦略には、何か共通する要因があるのでしょうか。

ダイヤモンドチェーンストア (2021/6/9; <https://diamond-rm.net/management/85565/>) によると、コロナ渦でも好調だった外食業者のマーケティング戦略には、共通する要因が 3 つあるそうです。それは、(1) テイクアウトサービス改善、(2) デジタル対策の強化、(2) 店舗と商品の多様化です。本ケーススタディでは、この 3 つの観点から、モスバーガーの新商品とマーケティング戦略を考察します。そして、コロナ渦で苦しむ飲食店への提案プランを考えます。

最後に、モスバーガーをはじめ大手ハンバーガーチェーンがコロナ渦でも好調だったのを受けて、新しくハンバーガー事業に参入する飲食店や外食業者が増えているそうです (日経, 2022/6/4; <https://www.nikkei.com/article/DGXZQOUC024B50S1A600C2000000/>)。本ケーススタディでは、モスバーガーのマーケティング戦略が、他の飲食店や外食業者にも応用できるのか、その可能性と限界を考察し、「ニューノーマル」時代の外食産業のビジネスモデルを探ります。

## Case (English):

In April 2020, the Japanese government declared a nationwide state of emergency due to the COVID-19 pandemic with strict restrictions imposed on restaurant and food-service businesses. Since then, the government has declared several more states of emergency imposed on selected densely populated prefectures

with stricter emergency measures including shortening business hours and a ban on alcohol serving after 8pm. As a result, many establishments, especially small-scale, privately-owned restaurants, cafes, and bars, have been suffering from management crises or went out of business (<https://www.nikkei.com/article/DGXXZO64353870Z20C20A9EA2000/>).

Fast-food businesses whose main services are takeout and delivery, however, remain relatively strong during the pandemic. Yet, there are many strong competitors in the fast-food industry in Japan, including world leading fast-food franchises such as McDonald Japan and KFC Japan and other Japanese food-service companies selling fast food preferred by Japanese people such as *sushi*, *onigiri* (rice balls), *obento* (lunch/dinner boxes), *gyuu-don* (beef bowl), and various kinds of pastries and sandwiches. Japan has a fast-food culture and also celebrates a traditional cuisine, *washoku*, which is registered as an UNESCO Intangible Cultural Heritage. Japan is a busy society. People in Japan enjoy a variety of delicious, convenient fast food offerings, such as *soba/ramen* noodle, curried rice, and *karaage* (fried chicken), sold in convenience stores, food stands, and kiosks. Hamburgers are also popular among young consumers but may not necessarily fit the taste of elderly Japanese that constitutes the majority of the Japanese population.

Mos Burger is a Japanese fast-food restaurant business founded in 1972, a year after the major global fast-food chain McDonald opened their first restaurant in Japan, at Ginza, Tokyo. Mos Burger's mission was to produce burgers that fit the taste of Japanese consumers. Their hit products include *teriyaki* burgers with meat patties flavored with soy sauce and *miso* (bean paste), rice burgers with buns made of rice, and regular Mos burger with special tomato sauce. Mos Burger's sales increased steadily for a quarter century after establishment, and they have grown to the second largest burger company in Japan, following McDonald Japan.

However, Mos Burger's sales and profits peaked in the late 1990's and started to decrease afterward. In addition, in 2018, a total of 28 food-poisoning cases attributable to dining at Mos Burger restaurant in Ueda City, Nagano Prefecture, and other locations in Japan were reported. One of the restaurants in Ueda suspended operations for three days, following an order from the local public health office. Their 2019 financial report shows an 86.2% drop in revenue ([https://www.mos.co.jp/company/ir/finance\\_results/0101/](https://www.mos.co.jp/company/ir/finance_results/0101/))

However, Mos Burger showed a 23.5% increase in sales in November 2020 according to Diamond Online (2020/12/31; <https://diamond.jp/articles/-/257090>). This increase was higher than the sales of major global companies such as McDonalds Japan and KFC Japan, which were already doing well during the pandemic. How did Mos Burger recover from the huge drop in sales in a short period of time? What marketing strategies did Mr. [Eisuke Nakamura](#), who became the President in 2016, adopt during the COVID-19 pandemic? What are their hit products? How and why were those products developed?

This case study explores factors accounting for the decreases in sales and profits Mos Burger experienced before the pandemic, and their marketing strategies that helped them recover and expand during the pandemic. Specifically, it seeks answers to the following questions:

1. Why did Mos Burger experience decreases in sales and profits in the late 1990's before the food-poisoning incidents and the pandemic? What happened to their popular products such as *teriyaki* burger and rice burger? What were the underlying factors that account for the decreases?
2. What was the impact of the food-poisoning incidents on sales and profits? Can the incidents per se explain the huge drop in profits in 2019? How did Mos Burger attempt to recover and expand its business?

3. Why was Mos Burger doing well during the pandemic when most restaurants and food-service businesses suffered from strict restrictions imposed by the government? What marketing strategies worked well during the pandemic?
4. Are there any common factors that can be observed in marketing strategies used by food-service businesses that maintain stable sales during the difficult time?

According to Diamond Chain Store (2021/6/9; <https://diamond-rm.net/management/85565/>), three common factors can be observed in marketing strategies used by food-service businesses that maintain stable sales during the pandemic: (1) improvement of takeout service; (2) strengthening digital measures; and (3) store/product diversification. This case study will examine Mos Burger's new products and marketing strategies in terms of these three factors and propose an action plan for struggling restaurants.

Lastly, following the success of Mos Burger and other major fast-food chains during the pandemic, other restaurants and food-service companies have started burger business (Nikkei, 2022/6/4; <https://www.nikkei.com/article/DGXZQOUC024B50S1A600C2000000/>). This study will examine the applicability of Mos Burger's marketing strategies to other food-service businesses and explore what restaurant/food-service businesses in the New Normal era can learn from their business model.

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## **Learning Objectives:**

### **Language and culture goals:**

- to develop knowledge of current business trends and practices in Japan and topics related to Japanese companies' marketing strategies;
- to understand and discuss authentic printed/audio-visual materials featuring a Japanese company's marketing strategies;
- to obtain information from and explain data (e.g., graphs, charts, figures) provided by Japanese government offices and companies;
- to discuss and express students' own thoughts and opinions on business-related issues, both orally and in writing, using business vocabulary and expressions learned from the course materials;
- to improve analytical and problem-solving skills through business case studies.

### **Content-specific goals:**

- to describe favorite Japanese fast foods, their ingredients, and occasions during which people in Japan enjoy fast food;
- to obtain information about the target companies, their major products, and financial indicators (e.g., operating costs, sales, and profit) from their official sites;
- to understand data (e.g., graphs, charts, and tables) provided by target companies and government offices and describe trends drawn from the data;
- to understand and critically analyze TV programs and commercials featuring a target company, their products, and/or their marketing strategies;
- to comprehend newspaper and magazine articles on topics related to business trends during the pandemic and a target company's marketing strategies;

- to discuss, plan, and present orally and in writing potential options for solving a company's problems, using business vocabulary and expressions learned from authentic printed/audio-visual materials;
- to discuss what restaurant/food businesses the New Normal era can learn from the target company's business model.

## Lesson Plan:

Class	Preparation / Documents needed	In-class Activities / Tasks	Quiz / Assignment
1	<a href="#">Worksheet 1</a>  <a href="#">Expressions: Describing Graph</a>	<p>Intro/Warm-up:</p> <ul style="list-style-type: none"> <li>• Discuss favorite Japanese food: What do students know and not know about Japanese food?</li> <li>• Describe Japanese fast food using <a href="#">images</a>: What it is, its ingredients, when to eat, target consumers, etc.</li> </ul> <p>TV commercials:</p> <ul style="list-style-type: none"> <li>• Watch and compare the TV commercials of <a href="#">McDonald</a> and <a href="#">Mos Burger</a>.</li> <li>• Discuss differences between the two commercials: Who is the target audience? What images does each commercial try to create? What do students think about each commercial as consumers?</li> </ul> <p>Graph description:</p> <ul style="list-style-type: none"> <li>• Describe the graph in <a href="#">Worksheet 1</a> (the one comparing hamburger spending per household by gender and age), using <a href="#">learned expressions</a>, and discuss trends.</li> </ul>	Write a one-page description of the graph and trends, and post it on Canvas
2	Obtain basic information about Mos Burger using <a href="#">Worksheet 2</a>  <a href="#">Reading 1</a> <a href="#">Worksheet 3</a> <a href="#">Word list</a>  <a href="#">Kanji-word worksheet</a>	<p>Introduction to Mos Burger:</p> <ul style="list-style-type: none"> <li>• Information sharing: Basic information about <a href="#">Mos Food Service</a></li> <li>• Using <a href="#">Worksheet 2</a>, examine Mos Burger's sales and profits in the past five years and compare them with those of the other fast-food chains</li> </ul> <p>Reading 1: Food poisoning:</p> <ul style="list-style-type: none"> <li>• Read “<a href="#">モスバーガーで食中毒、営業停止処分 小学生ら4人感染</a> [Food poisoning at Mos Burger: Business suspension: 4 elementary school students affected]” (Asahi</li> </ul>	Kanji-word quiz: <a href="#">Kanji-word worksheet</a>  Complete <a href="#">Worksheet 2</a> and submit it in Canvas

		<p>Digital, 2018/9/10) and complete <a href="#">comprehension questions</a></p> <ul style="list-style-type: none"> <li>• Discuss factors accounting for the huge drop in sales and profits in 2019</li> </ul>	
3	<p><a href="#">Reading 2</a> <a href="#">Worksheet 4</a> <a href="#">Word list</a></p>	<p>Reading 2: Pandemic:</p> <ul style="list-style-type: none"> <li>• Read “<a href="#">外食の倒産とは コロナ関連、業種別で最多</a> [Pandemic-related bankruptcy in food-service industry: Highest in all industries]” (Nikkei, 2020/9/29) and complete <a href="#">comprehension questions</a></li> <li>• Discuss reasons why the pandemic has severely affected restaurant/food-service businesses</li> </ul> <p>Discussion:</p> <ul style="list-style-type: none"> <li>• Brainstorm possible countermeasures to deal with the crisis</li> <li>• Identify/clarify problems/issues Mos Burger has to deal with during the pandemic</li> </ul>	<p>Reading quiz: <a href="#">Reading 1</a></p> <p>Complete <a href="#">Worksheet 3</a> and <a href="#">Worksheet 4</a> submit them in Canvas</p>
4	<p><a href="#">TV documentary</a> <a href="#">Worksheet 5</a> <a href="#">Word list</a> <a href="#">Transcript</a></p>	<p>TV documentary: <a href="#">カンブリア宮殿</a> [Cambria Palace]:</p> <ul style="list-style-type: none"> <li>• Watch “<a href="#">知らない間に大変貌！モスバーガー復活の舞台裏</a> [Great change without knowing: Behind the scenes of Mos Burger’s revival]” (テレ東 BIZ, 2021/7/2) and answer <a href="#">comprehension questions</a></li> <li>• Using <a href="#">Worksheet 5</a>, identify Mos Burger’s new/featured products and discuss how/why those products would attract new customers</li> <li>• Discuss Mr. Nakamura’s strategies to revive Mos Burger</li> </ul>	<p>Reading quiz: <a href="#">Reading 2</a></p> <p>Complete <a href="#">Worksheet 5</a> and submit it in Canvas</p>
5	<p><a href="#">Reading 3</a> <a href="#">Worksheet 6</a> <a href="#">Word list</a></p>	<p>Reading 3: Strategies:</p> <ul style="list-style-type: none"> <li>• Read the first half of “<a href="#">コロナ禍でも増収増益の「モスバーガー」が見据える次なる一手</a> [Mos Burger’s next move after their increased sales and profits during the pandemic]” (Diamond Chain Store, 2021/6/9) and complete <a href="#">comprehension questions</a></li> <li>• Describe the graph in the article and discuss differences in sales between Mos Burger restaurants in various regions</li> </ul> <p>Discussion:</p> <ul style="list-style-type: none"> <li>• Class divides into 3 groups, read the second half of the article within each group, make outline with main ideas</li> </ul>	<p>Reading quiz: <a href="#">TV documentary</a></p> <p>Upload an oral summary of the selected graph using VoiceThread</p>

		<p>and details, and discuss each topic with the whole class</p> <ul style="list-style-type: none"> <li>○ Group 1 discusses takeout service</li> <li>○ Group 2 discusses digital measures</li> <li>○ Group 3 discusses store/product diversification</li> </ul>	
6	<p><a href="#">Reading 3</a>  <a href="#">Worksheet 6</a>  <a href="#">Word list</a></p>	<p>Reading 3 (continued):</p> <ul style="list-style-type: none"> <li>● Read the second half of the article with the whole class and complete <a href="#">comprehension questions</a></li> </ul> <p>Discussion:</p> <ul style="list-style-type: none"> <li>● Pair work: Using <a href="#">Worksheet</a> (p.2), obtain information about Mos Burger’s new products featured in the TV documentary and the articles read in class, and discuss factors that made the products successful/unsuccessful, risks and improvements</li> <li>● Class discussion: Share the outcomes of the pair work with the whole class, and discuss success strategies and possible improvements</li> </ul>	<p>Reading quiz:  <a href="#">Reading 3</a>  (the first half)</p> <p>Complete <a href="#">Worksheet 6</a> and submit it in Canvas</p>
7	<p><a href="#">Reading 4</a>  <a href="#">Worksheet 7</a>  <a href="#">Word list</a></p>	<p>Reading 4: Food Business in New Normal:</p> <ul style="list-style-type: none"> <li>● Read through <a href="#">“外食がハンバーガー業態に期待 ロイヤルHD や鳥貴族 [Restaurants' expectations for hamburger business: Royal HD and Torikizoku] (Nikkei 2021/6/4)</a>, and identify factors that make it difficult to newly enter hamburger business market</li> </ul> <p>Discussion:</p> <ul style="list-style-type: none"> <li>● Using <a href="#">Worksheet 7</a>, discuss merits and demerits of starting hamburger business for major food-service chains and small/private owned restaurants</li> <li>● Class divides into 3 teams, craft an action plan proposal for restaurants suffering from business restrictions imposed on them in terms of one of the following areas: <ul style="list-style-type: none"> <li>○ Team 1: takeout service</li> <li>○ Team 2: digital measures</li> <li>○ Team 3: store/product diversification</li> </ul> </li> <li>● Prepare for team presentation (orally and in writing)</li> </ul>	<p>Preparation for team presentation</p> <p>Share presentation materials in Canvas</p>

8	Rubrics for peer/teacher feedback and self-evaluation	<p>Team Presentations and discussion:</p> <ul style="list-style-type: none"> <li>• Questions &amp; Answer</li> <li>• Peer feedback for action plan proposals</li> <li>• Reflections on peer and teacher feedback and self-evaluation</li> </ul> <p>Wrap up:</p> <ul style="list-style-type: none"> <li>• Discuss what we learned from the case study</li> <li>• Discuss what restaurant/food businesses the New Normal era can learn from the case study</li> </ul>	<p>Post the team's action plan on Canvas</p> <p>Comment on the other teams' action plans</p>
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