Community Business Transformation: A Study of Japanese Local Businesses

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Abstract – This research focuses on the study of the transformation of community business, based on widely accepted community business in Japan that receives a lot of successes in creating and adapting the business model that fits the people's behavior and social trend for years. Therefore, this research was aimed to explore business models of Japanese community businesses to find the factors leading to their success and failure. Additionally, an in-depth study was also done in a selected community business to draw insights which could be used to create recommendations for other businesses who might be looking for a way to solve similar problems.

The exploratory research conducted in this study showed that to fulfil sustainability goals, 4 types of stakeholders: new and old generations, government, and tourists, need to contribute and own a shared value which is "Tradition and Sense of Belonging" as the followings.

1) Old Generation is a group of the locals sharing commitment to present culture and traditional crafting knowledge which are the core service of this business.

2) New Generation can take challenges and be adaptable to modern community which will make immense contribution to leading traditional business to the future.

3) Government needs to share the decision-making authority with people, which will provide the locals a sense of belonging.

4) Tourists can be engaged with the community in the deep level through services that provide a sense of belonging. Tourists should be invited to be part of the community, despite a short period of time.

The insights drawn from this study were used to develop the recommendations which could be used by other communities with similar societal context in their transformation effort, and business model development.

Keywords: Business Model/ Case Study / Community Business / Japan / Local / Sustainable Business

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1. INTRODUCTION

This research project aim is to study transformation of Japanese's canal or riverside social and community local business model, which mostly emerge from small community and reason of success in each community business model. For the purpose of further application among local business community in Thailand and global level.

Community business trade can tackle social problems, improving communities, people's life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community. When they profit, society profits.

2. OBJECTIVE

The study of the community business in Japan will be proceeded in 3 steps, finding ideal community from selected subject, narrowing down, analyzing and concluding into process of developing community business model.

2.1 To study and locate Japanese community to succeed in managing local & community business

The study focused on Kanto region to research and locate a community business in person. This area successful businesses which can sustain the whole community.

The target focus is maximum of 5 communities with different types of product, way of living and business model.

2.2 In depth analysis of Narrowed down community

The research will narrow down field of research by scoping the most ideal community in the way of living, type of community business, including research in-depth in cause of success, history, way of living, business model, collaboration and involvement of people in the community toward overall social business.

2.3 Applied finding and generate prototype community business model process.

The research will develop study from Japan selected sites and comparing community business aspects with Bangmod Community to create and design a self-sustained social enterprise business among the community.

3. EXPERIMENT STUDY

From the study, fundamental data from 5 Japanese community, were collected by method of observation, article, and on-site survey. The comparison of the data from 5 areas is analyzed by following contexts comparing and finding ideal local community for further research.

Table 3.1 Community comparison chart

	Uji	Arashiyama	Fushimizu	Asuke	Yoshino
Population	184,019 people (2016)	50,000 people (2011)	283,982 people (2011)	9699 people (2005)	9397 (2007)
Main business	Matcha Tourism Cultural, Sightseeing Small Scale Agriculture	Complete tourism Souvenir Market Hotel, Onzen Superior Seasonal Sightseeing	Sake Tourism Local Market Cultural, Sightseeing Agriculture	Tourism Local Souvenir market Wild product **Crafting village** Superior Seasonal Sightseeing	Tourism Local Souvenir Superior Seasonal Sightseeing Unique Seasonal Food
Community Layout	Overlap of residential and tourism business	Separate of residential and tourism business	Blend of some residential and tourism business	Blend of residential and tourism business	Blend of residential and tourism business
Community Product manufacturing	Away form tourism area	-	Among tourism area	Among tourism area	Among tourism area
Contribution of local people toward community business	Local people own most of the shop, and sell product form community.	Business, people form another area own the shop, sell regular Japanese product	Local people own most of the shop, sell product form community (sake), but sake community is away form famous sightseeing site.	Local people live among tourism area and own the business, crafting village proceed by local artisan for many generations.	Local people live among tourism area and own the business, mainly focus on unique seasonal food product.

3.1 Arashiyama

It has perfect senses of international tourism site, with products from all over Japan and superior sightseeing location. However, population number is too large to consider as local business, and most of the business is not own by the community's local.

3.2 Uji

Its traditional and agriculture products are original and small enough to be considered local products. Some of locals still work among local tourist business and are developing products, but the population number cannot be compared.

3.3 Fushimi

Its district is large and separated between product manufacturing, market, and famous sightseeing. This results in lack of continuity of community touring, and the population number cannot be compared.

3.4 Yoshino

Its area has many comparable aspects of community sense and business management. Therefore, Yoshino only performs well in high season without any sustainability of the business during offseason.

3.5 Asuke

It has perfect sense of business by the local community, suitable for collecting more data, and can be considered as a small town community. Local's products are crafting preservation, scale of community and business, and idea of re-habitation.

From the analysis and comparison, Asuke is the most significant sample for further in-depth research, due to many similarities in aspects of community layout, contribution of local toward community business, community product manufacturing, population, and main business.

4. RESEARCH FRAMEWORK

For a significant data to learn factor of success in Sanshu Asuke Yashiki, this research will focus on overall characteristics in many aspects, and will proceed various research methodology to acquire a reliable data outcome.

According to research framework research, the area will be divided in to 4 main categories. Research method will include literature review, interview, observation, questionnaire and interpretation.
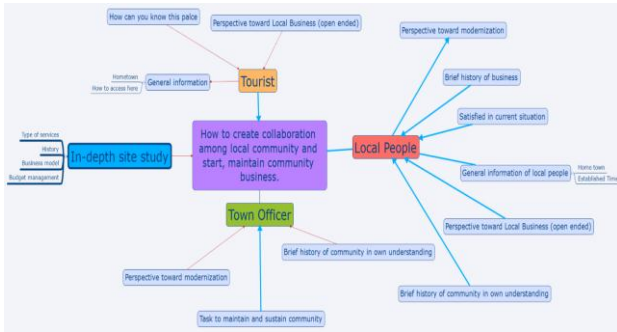
Figure 4.1 Research Framework

According to early research plan, data collection process goal was fulfilled. In terms of quantitative data was collected via questionnaire in format of rearranged Microsoft excel table. The qualitative data via simultaneously method of the questionnaire and interview will be collected in the hybrid form of Microsoft excel table and pre-analyzed sentence log.A video clip was recorded for recheck in further process.

This following data will be rearranged into graphical charts and tables in the further process of data analyzing and finding. Some of the personal data got the legally permission from interviewees for being only displayed in this research.

From early assumption and analysis, the direction of insight from 3 groups of target shows the similar aspect, and significantly displays both causes of success among the community and serious problems that will soon occur within the community business as well. More information will be clearly determined in the next chapter of this research.

5. CONCLUSION

Due to overall research, the combination to create and sustain the community business is the vision of both old generation and new generation from the community, and contributing in its own focusing area.
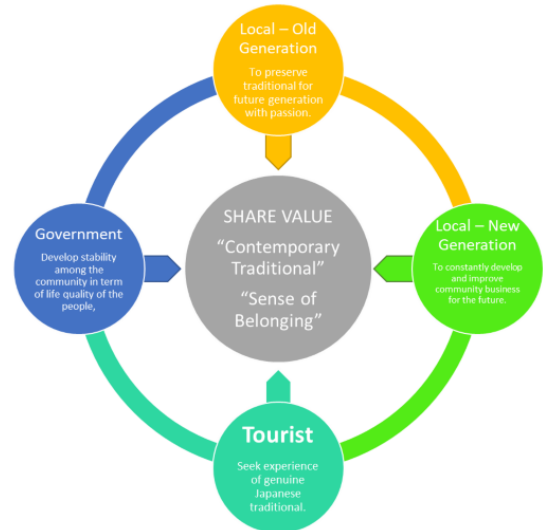
5.1 Role of old generation

Figure 5.1 Stakeholders and Share Value

The older generation has knowledge and strong intention to preserve tradition, which is a core of social business. This group will join the community business with an intention to keep tradition knowledge for the future generation. However, this group will have a problem of developing and adapting themselves to modern world and business competition.

5.2 Role of young generation

The younger generation seeks challenges and can adapt and develop community, following the trend of modernized community. This group needs the freedom of choices and tasks for developing with self-value. The combination of both groups will create a balance between tradition and develop which makes business unique but interesting.

5.3 Role of Government

According to the interview analysis, the mission of the local government is to stabilize the community in terms of life quality, well-being of the people and to preserve genuine Japanese tradition. Government need to share the decision-making authority with people, which will provide the local a sense of belonging.

5.4 Role of Tourist

Tourists seek experience of genuine Japanese tradition and uniqueness. Asuke Yashiki can provide local experience but the current business model needs development to meet its potential for being tourist attraction. Tourist can be engaged with the community in the deep level through services that provide a sense of belonging. Tourists

should be invited to be part of the community, despite just a short amount of time.

5.5   Share value

The share value is the aspect of the community business that every stakeholder can be related to. This can help driving the business forward. According the research and analysis, the share value of Asuke Yashiki can be categorize into two aspects in the following.

A)   Sense of Belonging

Employees or people who work among community business need to have full permission of expressing opinion toward community business. The support of outside source will increase the growth rate of the business. On the other hand, it will remove freedom of development from people in the community, which leads to underdeveloped business model.

The freedom of developing their own business will create motivation among employees, and lead to creating self-value that they are a group of people that move community to success which is the most important core of sustain and develop the community business.

B)   Contemporary Traditional

While preserving tradition is the goal of the old generation, the newer generation seeks development based on tradition. On other hands, the business core is traditional experience. Tradition in Asuke community is unique but requires transformation.

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