



"Revitalizing a Conservative (Stagnant) Industry with New Technology"

How we succeeded in new mattress business
with innovative marketing

EE 402T

Entrepreneurship in Asian High-Tech Industries

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weava japan inc.



Introduction

weava japan (WJ): Mattress manufacturer.

Subsidiary of Nippon Kouatsu Electric Co., Ltd. (NKE)

NKE: One of the top manufacturers of power distribution equipment and supplier to major electric power and railway companies.

WJ and NKE: What's in Common?

Both support the social infrastructure. WJ for human infrastructure by assisting people's health maintenance through good sleep. NKE for energy infrastructure by providing reliable power distribution equipment.



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Introduction

Origin of WJ: Maker of plastic injection molding machine for fishing line. The company was run by my relative.

In 2005,

- Succeeded the company and converted its business to mattress manufacturing which has large potential.
- Started developing a new type of mattress made with resilient material produced by the molding machine.

In 2007, the development was completed and WJ launched the airweave® product.



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Mission

To create a whole new sleeping environment
for people around the world.

There has been little technical innovation in mattress industry.
In the last 100 years, coil spring (e.g. pocket coil produced by Simmons),
water and urethane mattresses have come out. However, the functionality
has not been improved so much.

airweave makes a difference.



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Technology

airweave® material: Fine resin fibers three-dimensionally woven and casted.

airweave®: Overlay mattress made of the new resin material developed by weava japan. Provides never experienced comfort for sleepers.



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Four Merits

“airweave®” has four merits,
that are never realized by other mattresses.

- Easy to Roll Over While Sleeping
- Excellent Dispersion of Body Pressure
 - Stable Sleeping Environment
 - Washable



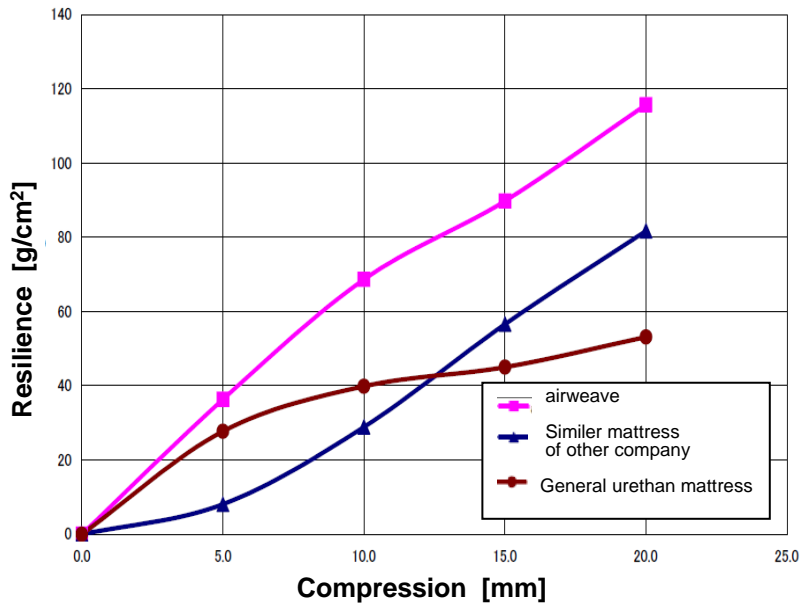
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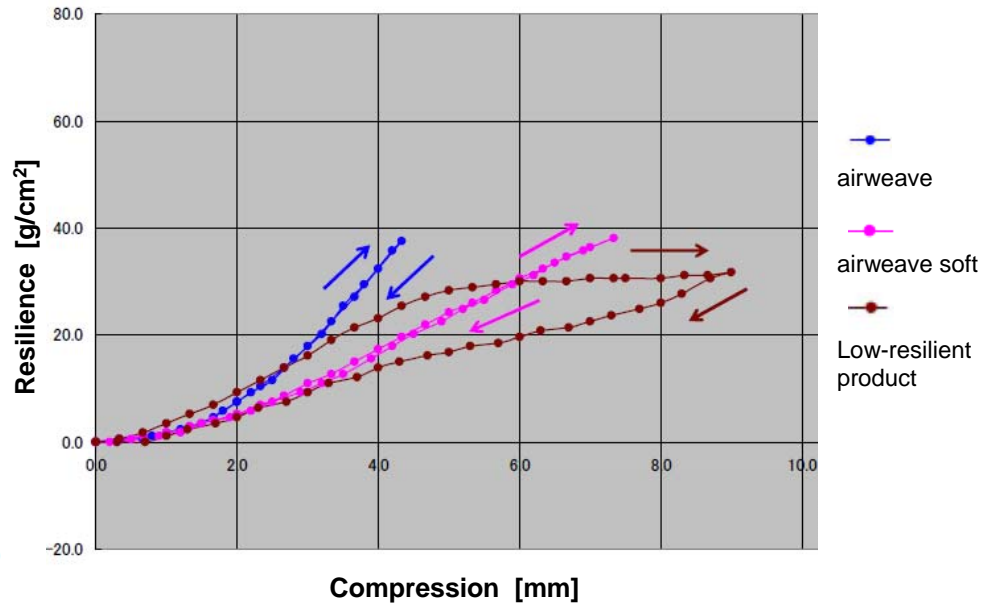
Four Merits

- Easy to Turn Over While Sleeping
High resilience, realized by airweave material, makes move and turn-over easier.

Resilience Comparison between airweave and Other Products



Comparison with Other Overlay Product

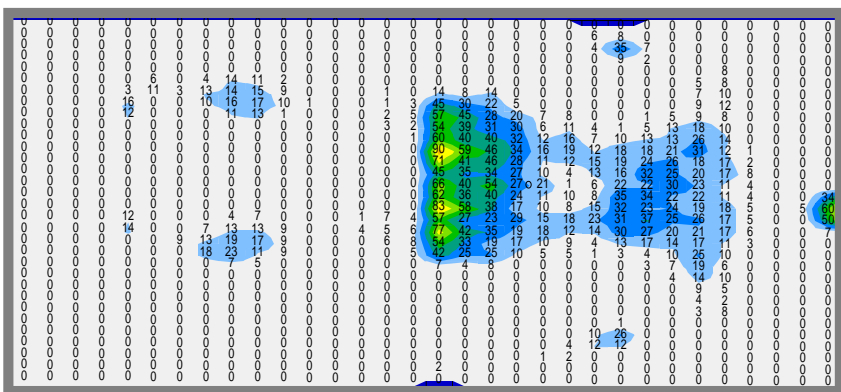




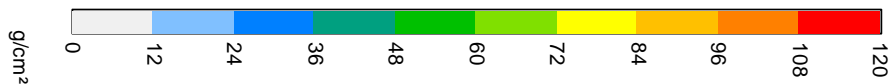
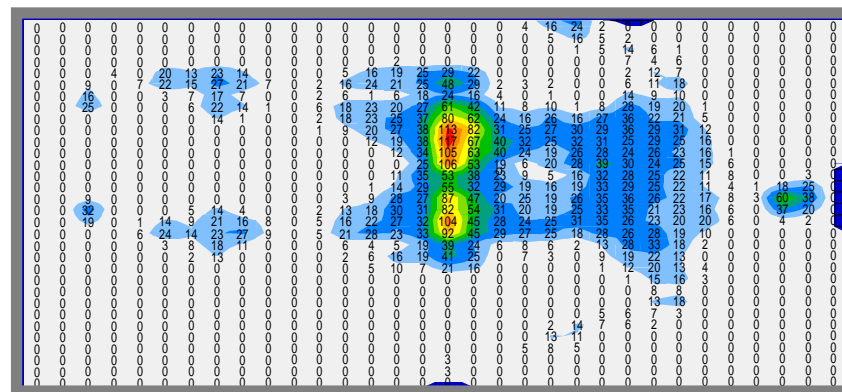
Four Merits

- Excellent Dispersion of Body Pressure
It prevents physical strain.

Moderately hard (55-50)
[Bed + airweave]



Urethane 35t
[Bed + 35t urethane]

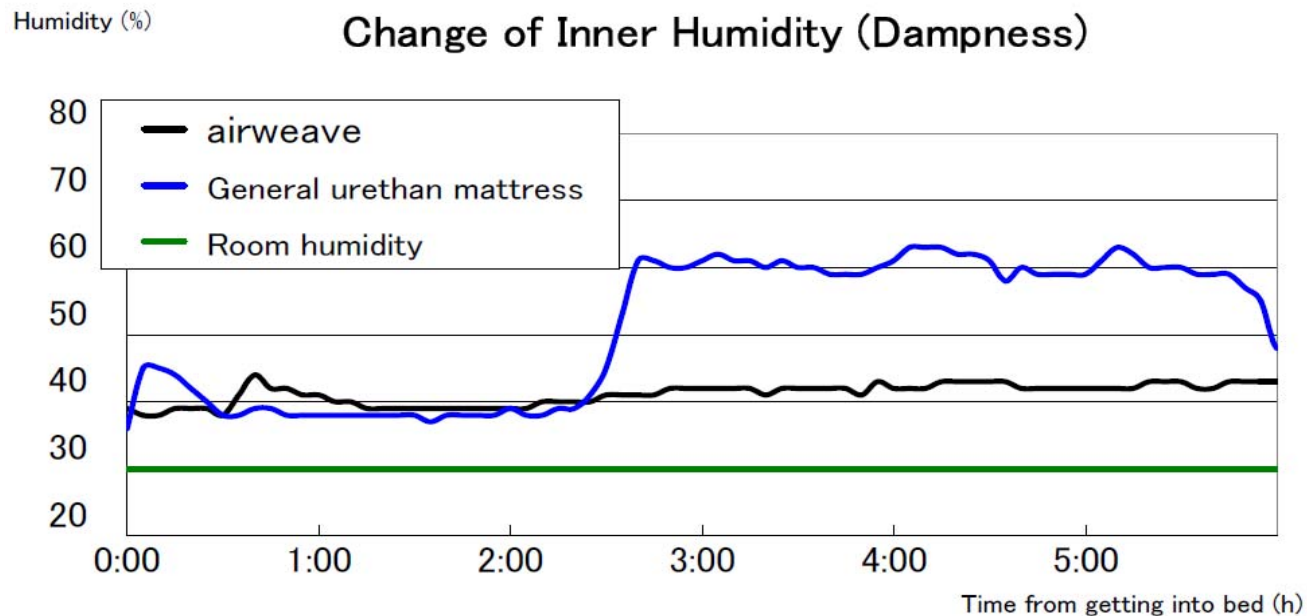




Four Merits

- Stable Sleeping Environment

The sleeping condition with airweave® is not affected by temperature and humidity.



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Four Merits

- Washable
Not only the outer cover
but also the mattress core are washable with water.

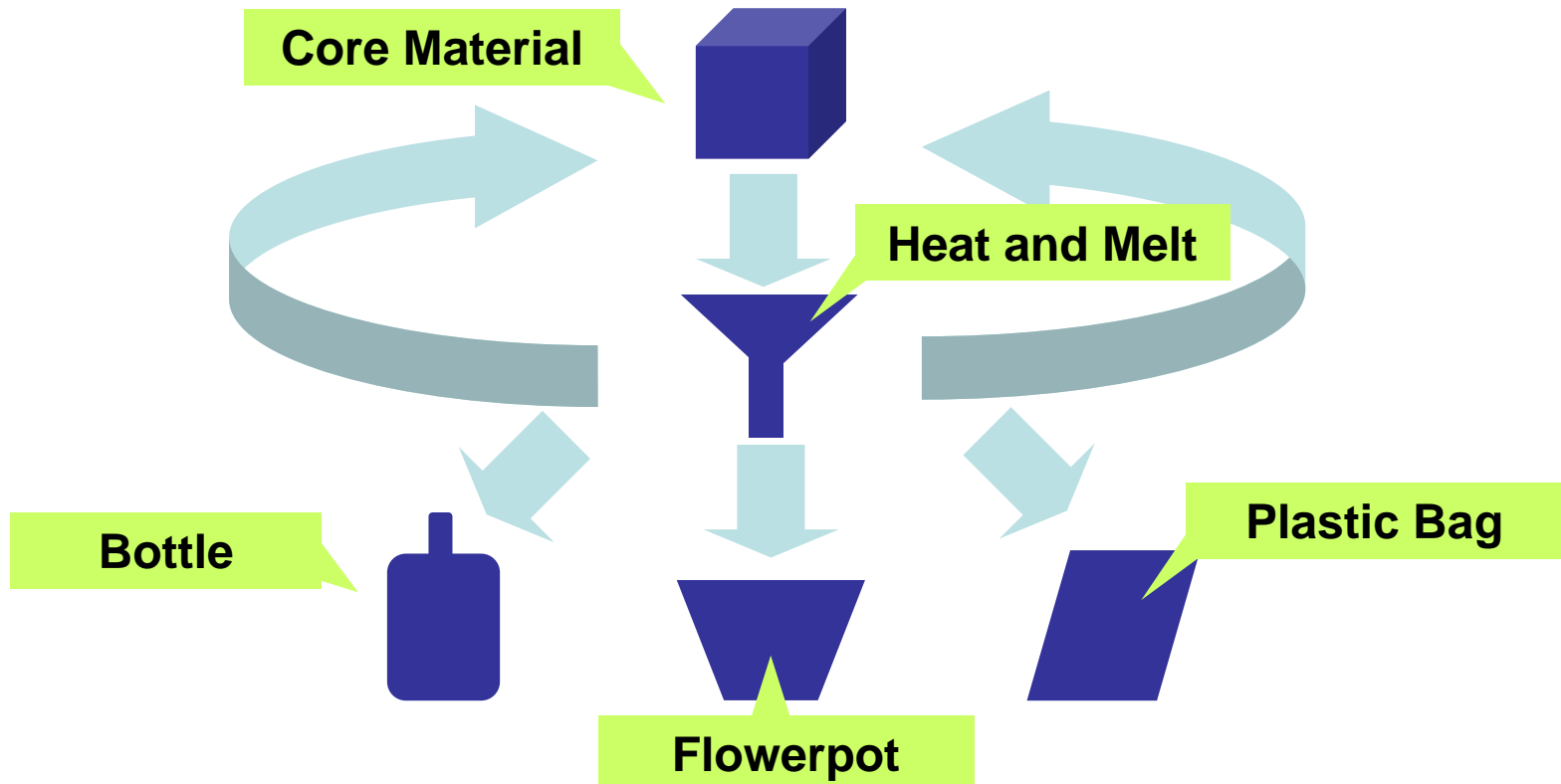


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Other Merit

- Recyclable Core Material



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Business Strategy

- ✓ Development of B2C and B2B markets
- ✓ Synergy between the markets
- ✓ Clearly distinguished concept for each market to avoid competition
- ✓ Different brand name for each market

B to C

airweave



- Overlay mattress
- Thinner than 50mm

B to B



- Material supply
- Thicker than 50mm
- For use other than mattress

Makers using our material must insert our logo clearly in their advertisement.

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Marketing Strategy

Developing airweave brands in B2C and B2B at the same time realizes the synergy.

B to C
Product business

Strengthen brand awareness, selected by high-end users

airweave



B to B
Material business

Exposure of airweave brand in OEM reinforces further brand awareness and credibility.



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Marketing Strategy

- Unlike pillow, most people buy few mattresses. Basically, the mattress industry is very conservative. The brand credibility is one of the biggest reasons when customers select a product.
- Push Marketing has been long used in this market, but we have newly applied Pull Marketing.

Other Bedding Makers

- Many sales staff
- Large variety of items
- All distribution channels
- Sales promotion activities
(incentive, discount...etc.)
- Low profitability



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- Minimum skillful sale staff
- Selected distribution channels
- Selected items by segmentation
- Advertisements & PR
(creating hot topics)
- High profitability

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Marketing Strategy

1. Strengthens the product's credibility
2. Gives people chances to check the quality and expands the mass market

Athletes

JISS, Beijing Olympic Athletes, Vancouver Olympic Athletes,
Japan National Soccer Team for South Africa World Cup

ANA First-Class Seat

Luxury Hotels, Ryokan*

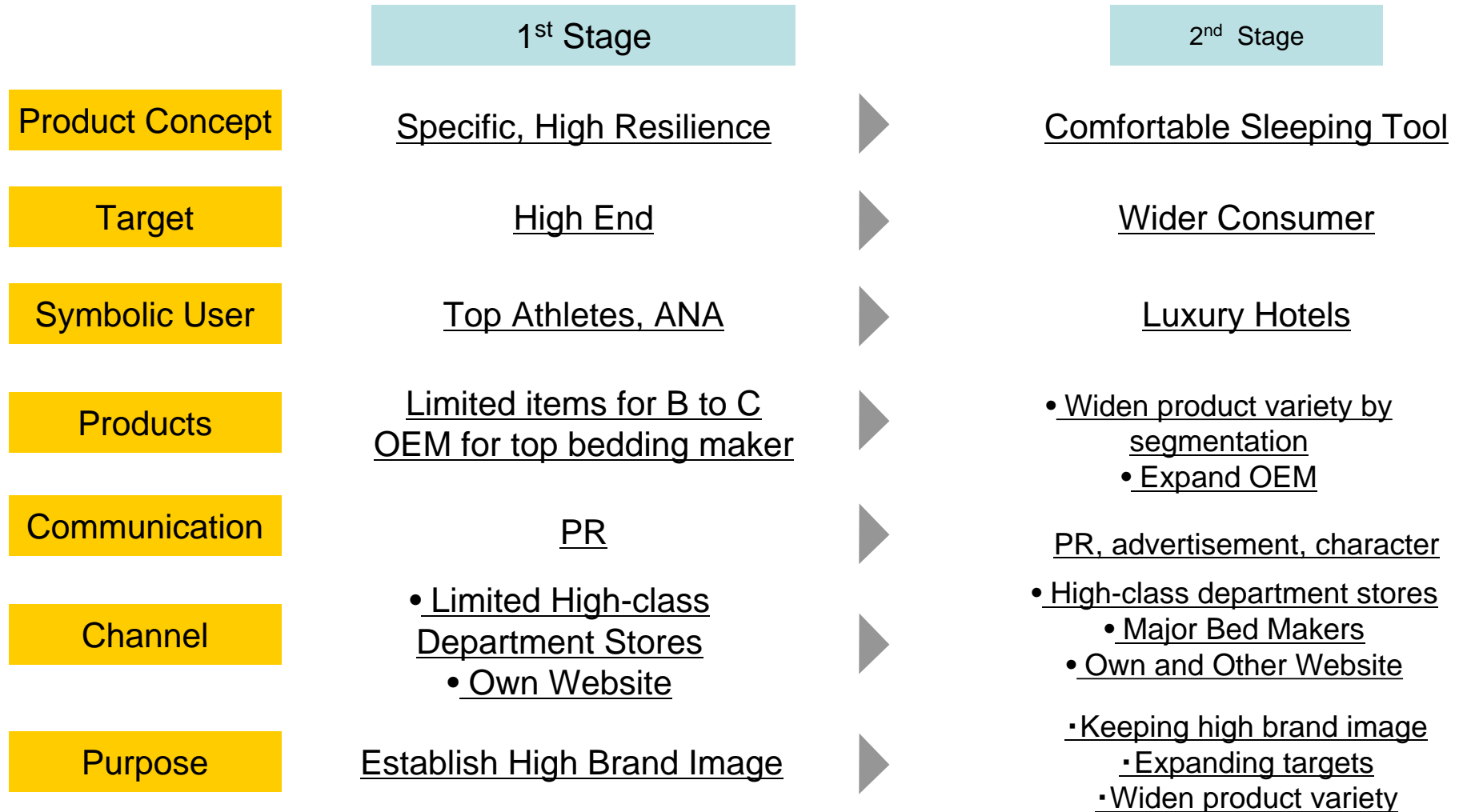
The Ritz Carlton Tokyo,
Four Seasons Hotel Tokyo at Marunouchi
Kagaya Ryokan

* Ryokan is Japanese traditional style inn, most rooms have Tatami (straw mat) flooring.

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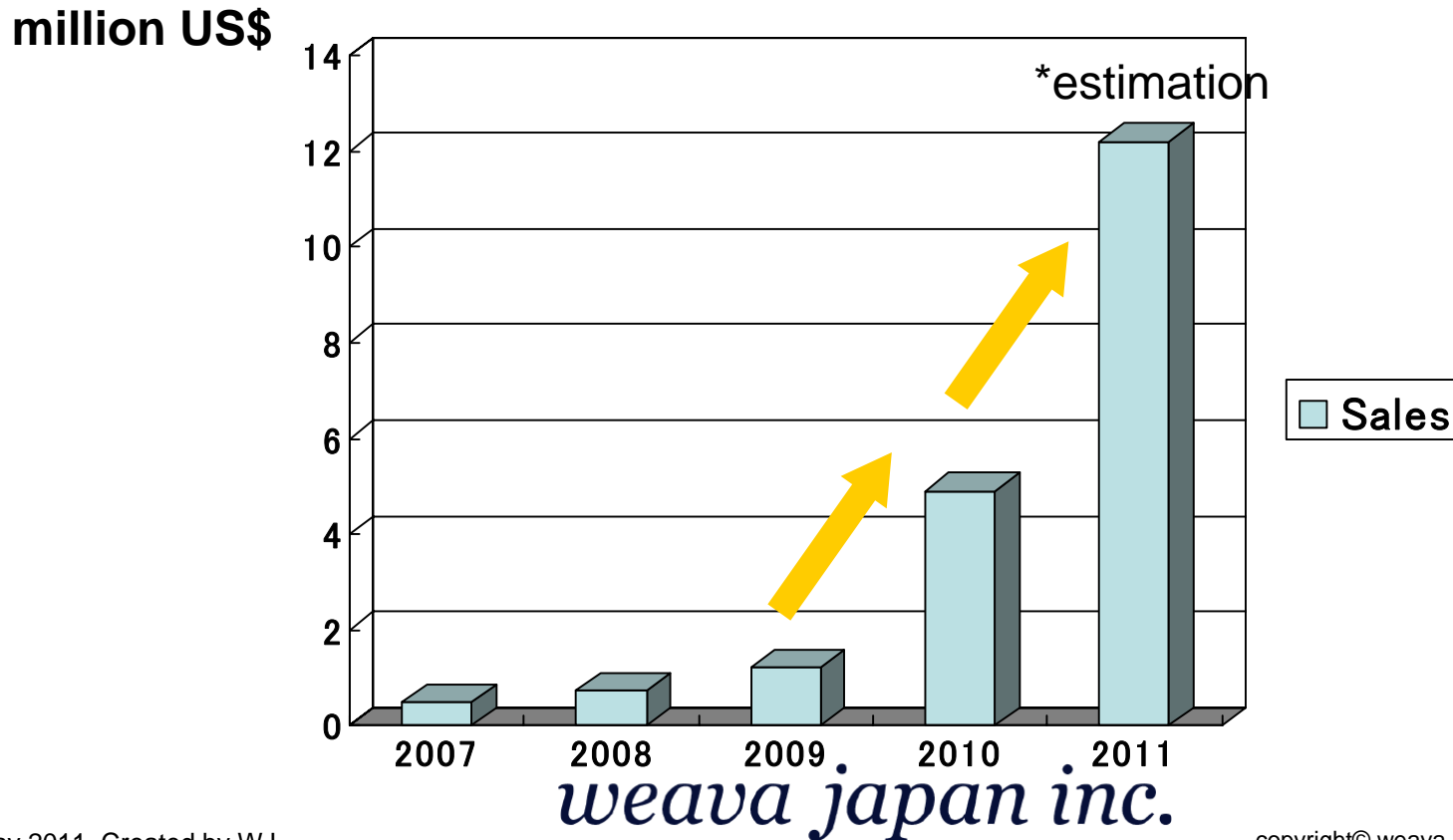
Marketing Strategy





Conclusion

- Our sales in 2010 has become four times compared to last year.
- About 10 thousands mattresses have been sold in 2010.
- Sales estimation in 2011 is about 12 million US\$.





Next Step of Our Business Strategy

B to C

Keeping high brand image and expanding consumer.

B to B

Expanding B to B business with leading companies.

Global
Expansion

Challenging to global markets



Next Step of Our Marketing Strategy

B to C

Widen Department Store
Customized Items
Advertising Character

B to B

Major Bedding Makers Bed Pad for Spa
Child Safety Seat Seats for Vehicles
Dental Chair

Global
Expansion

World Wide Hotels
China, Asia, USA, EU
Support for Foreign Young Athletes, Sports Team, Actress
Exposure in Salone, International Furnishing Exhibition
Sleeping Research with Stanford University

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