

Design Management Strategies of Japanese Lifestyle Brands: A Comparative Analysis of MUJI and Tsutaya Bookstore

HyeJin Goo 1,*

Received date: 12 January 2025

Revised date: 20 November 2025

Accepted date: 25 May 2026

Published date: 10 June 2026

Copyright: © 2026 by the authors, Licensee ABR, Seoul, Korea.

1 aSSIST University Aalto EMBA; rigelizm@gmail.com

*Correspondence: rigelizm@gmail.com

Abstract: This study analyzes the impact of design management on corporate success using MUJI and Tsutaya Bookstore, two representative Japanese lifestyle brands, as case studies. (1) Background/Purpose: As globalization and digitalization accelerate, Japanese companies have faced competitive stagnation since the 2000s. The Japanese Patent Office's 2018 'Design Management Declaration' called for design to be integrated from the earliest stages of business strategy, prompting many companies to adopt design management. This study aims to analyze how design management, driven by executive leadership, contributes to corporate innovation and competitiveness, and to derive practical guidelines for other companies. (2) Study Design/Methodology/Approach: The study uses literature review and case analysis centered on the SER-M model (Subject, Environment, Resource, Mechanism) to systematically evaluate design management success factors across four dimensions. (3) Findings: MUJI achieved sustainable growth by redefining its brand philosophy through design management during a business crisis, reducing costs and maximizing operational efficiency through the 'Cost Visualization' technique and the MUJIGRAM manual. Tsutaya Bookstore transformed the bookstore concept into a cultural platform based on the philosophy of 'designing a lifestyle,' creating a differentiated consumer-centric brand experience through spatial design, experiential marketing, and data-driven curation strategies. (4) Originality/Value: These two cases demonstrate that design management can enhance corporate competitiveness through the realization of brand philosophy, emotional connection with consumers, and implementation of sustainable management strategies. The SER-M model provides a systematic framework for understanding the integrated conditions necessary for effective design management.

Keywords: design management; lifestyle brand; MUJI; Tsutaya Bookstore; SER-M model; brand philosophy; Japanese design policy; consumer experience; organizational leadership

1. Introduction

1.1. Research Background

Design has established itself in modern corporations as an element that exerts a significant influence on consumer experience and corporate competitiveness, going beyond the external appearance of products. This goes beyond simply pursuing aesthetic beauty or satisfaction, playing an important role in strengthening a company's identity, forming emotional connections with consumers, and building trust and loyalty toward the company and brand. Well-designed products allow consumers to intuitively understand the value of a product and effectively convey the philosophy and message that the brand pursues. Furthermore, design positively transforms the consumer experience by enhancing the usability and convenience of products, and through this,

design can transcend simple functional elements to establish itself as a culture.

As globalization and digitalization accelerate, design management and design thinking are no longer limited simply to the product development stage. These approaches are gaining even greater importance in strategic areas such as knowledge management, organizational innovation, marketing, and branding. Design management contributes to companies finding better problem-solving approaches internally and externally, and thereby achieving differentiation in the market. Moreover, design management strategy can approach problems from a creative and empathetic perspective, integratively reflecting customer needs and market trends. This helps to further solidify differentiation from competitors by providing customer-centric innovative solutions. Design management influences not only the physical form of products but also service design, digital experience, and organizational structure, elevating a company's overall competitiveness.

Butler and Tischer (2015) defined design management as a means of solving corporate problems and strengthening brand value by connecting management strategy, business models, and marketing. In particular, design management plays the role of visualizing brand value to all internal and external stakeholders of a company, and thereby eliciting empathy and integration. According to Gruber et al. (2015), design was emphasized as an important element that helps companies respond to market changes flexibly and quickly in the rapidly changing modern management environment. Best (2015) emphasizes, in relation to corporate management strategy and marketing, the construction of business models capable of solving daily problems.

Japanese companies previously led the global market through technological capability and quality, but have stagnated in global competitiveness since the 2000s. As global companies began to build brand loyalty through design-centered management that stimulates and communicates with consumer sensibilities, Japanese companies began to fall behind in market trends. In order to overcome this situation and secure new competitive advantages in the global market, the Japan Patent Office proposed through the 'Design Management Declaration' in 2018 that executives appoint design officers and integrate design from the earliest stages of business strategy. This emphasized that design plays a central role in achieving a company's vision and strategic objectives, going beyond simple aesthetic elements. Since then, many Japanese companies and local governments have introduced design management and created successful cases. The results of design management do not depend solely on systems or philosophy but are greatly influenced by management's understanding of design, execution capabilities, and leadership.

In particular, Japanese company cases include both successful and unsuccessful cases of effectively utilizing design management. Through numerous trials and errors, each company created its own unique strategy and corporate culture. Representative success cases include MUJI (Mujirushi Ryohin) and Tsutaya Bookstore. MUJI experienced a management crisis in the early 2000s but succeeded in recovering through Matsui's design management strategy and leadership. Tsutaya Bookstore, which was also innovative at the time, built an original brand image through the combination of design management and Masuda's leadership, and both brands grew into globally recognized companies.

This study aims to deeply analyze and derive effective implementation measures on the assumption that the performance of design management depends greatly on management's design knowledge, decision-making, and leadership. In particular, this study aims to explore the influence of management's role on design management performance by analyzing various cases implemented by Japanese companies after the 'Design Management Declaration.' To this end, the study systematically analyzes the degree of design understanding and implementation strategy of management, and the effectiveness of leadership, based on the SER-M model (Subject, Environment, Resource, Mechanism), targeting MUJI and Tsutaya Bookstore, representative design-centered companies in Japan. Through this, the study aims to specifically clarify how design management contributes to corporate innovation and competitiveness enhancement, and to present practical measures that other companies can reference.

1.2. Research Methodology

This research proceeds centered on literature review and case analysis, with comparative analysis utilizing the SER-M model. First, prior research related to design management is reviewed to establish a theoretical foundation, and a conceptual framework is used to analyze the impact of design management on corporate

performance and competitiveness enhancement.

The SER-M model utilized in this study is the core analytical tool, evaluating the success factors of design management divided into four major aspects—Subject, Environment, Resource, and Mechanism. The SER-M model provides a framework that can integratively analyze the various variables occurring inside and outside a company, and through this, clearly grasps the complex and multidimensional impact of design management on corporate performance.

In the case analysis, the specific implementation process of design management and its results are examined in depth, centered on MUJI (Mujirushi Ryohin) and Tsutaya Books, representative design-centered companies in Japan. In the case of MUJI, attention is focused on how design management acted as a core element of corporate recovery in the process of overcoming the severe management crisis of the early 2000s. This company secured new competitiveness in the market by redefining brand value and strengthening emotional connections with consumers through Matsui's design leadership and innovative strategy. On the other hand, Tsutaya Bookstore, breaking away from the traditional bookstore model, created an original spatial experience that reflected customers' lifestyles and emotional needs, leading to success in the global market as a case where design management and leadership were combined.

In the case analysis, the influence of management's design knowledge, decision-making, and leadership on design management performance is explored, and the factors of success and failure are derived by comparing the design management approaches and results of the two companies. Finally, based on these results, practical measures are presented by which management can effectively implement design management.

2. Theoretical Background

2.1. Lifestyle Brands: MUJI and Tsutaya Bookstore

In the VUCA era (Volatility, Uncertainty, Complexity, Ambiguity), design management is an important strategy for strengthening brand philosophy and securing competitiveness. Amid rapidly changing market environments and consumer trends, design management plays an essential role not only in improving the aesthetic elements of products, but in strengthening brands' emotional connections with consumers and laying the foundation for sustainable growth. In modern management, design has established itself as an integrated tool that provides differentiated value in the market, effectively conveys brand philosophy and vision to consumers, and influences all aspects of customer experience and operational efficiency.

In the case of lifestyle brands, they go beyond simply providing products and services to influence consumers' lifestyles, values, and identities. Design management is an essential strategy for establishing brand identity and philosophy and providing consumers with unique and emotional experiences. Lifestyle brands do not stop at simply providing products or services; the philosophy and culture that the brand conveys, and the emotional experience that consumers feel through the brand, are at the center. Lifestyle brands convey consistent messages and images to specific groups of consumers, and consumers come to perceive the brand not as a simple product provider but as a partner that expresses their lives and values.

The relationship between lifestyle brands and design management is very close. Brands actively utilize design management strategies to provide consumers with emotional and consistent experiences. Design is used as an essential tool to visually express the philosophy and values that the brand wishes to convey to consumers. Design is applied not only to the external appearance of products but also to all processes through which consumers interact with the brand, maintaining consistency throughout the consumer experience. Through this, brands can form deep bonds with consumers and succeed in raising emotional satisfaction and loyalty. Lifestyle brands also provide differentiated value to consumers through design management, thereby securing an independent position in the market.

MUJI, a lifestyle brand representing Japan, was born as the PB (Private Brand) of SEIYU, the large distribution company of the Saison Group. The Saison Group, which adopted American marketing early on, had the ideology of enlightening and making consumers independent. For this reason, they respected original ideas and planning and recognized their value, and entrusted the composition of corporate ideology to designers and

creators who were not important in other companies. Inviting first-class designer Tanaka Ikko and copywriter Koike as members, rather than in-house employees, as a result, products were developed with creatively capable people at the center. Design management was adopted as a core strategy from the early days of the brand, emphasizing not simply producing products, but brand philosophy and consumer experience, offering high-quality products at reasonable prices.

However, in the early 2000s, a management crisis occurred, and in the crisis situation, design management was redefined centered on the leadership of former CEO Matsui Tadamitsu. He clearly exposed the problems of the organization through the ‘Business Visualization’ strategy and overcame the crisis based on transparent management. He directly visited stores nationwide to listen to field voices and, based on this, wrote standardized operation manuals. Matsui made bold decisions such as burning inventory and closing outlet stores to improve operational efficiency and reduce unnecessary inventory. He placed talented people in the right positions to maximize organizational efficiency and performance, and also improved global business. Knowing the importance of design, he continuously developed the brand philosophy of ‘bringing out the essence of materials and eliminating unnecessary decoration.’ Through cooperation with the Advisory Board and external designers, he exercised design leadership that reflected not only the aesthetic elements of products but also practicality and philosophical messages.

Tsutaya Bookstore was founded by Masuda Muneaki, who predicted that as economic growth increased people’s incomes and living standards rose, there would be more people who want to enjoy luxury culture and hobbies. He aimed for a business model that responds to the need for self-actualization in Maslow’s five stages of needs. Thinking that ‘a place to find one’s own way of life’ would be needed in the future, Tsutaya, which was created, has been operating with the concept of ‘lifestyle proposal’ until now.

"After the war, Japan developed following Maslow’s stages. First, food companies emerged to satisfy physiological needs, then housing companies pursuing safety emerged, and industries such as fashion and luxury goods also developed. Demand has been satisfied. But people still feel a sense of lack. That is the fundamental desire of ‘what does it mean to be me.’ The place where people with that desire find their true selves—that is TSUTAYA."

He executed design management centered on consumer experience, building an original brand image rather than simple product sales. Tsutaya’s stores were designed not as simple product sales spaces but as community spaces where customers could stay and have experiences. It created a differentiated experience by providing a complex cultural space combining reading, music, and coffee, with a store configuration that considered the customer’s lifestyle. Tsutaya T-Site in Daikanyama, Tokyo is a cultural space centered on sophisticated design and books, providing an experience that goes beyond the role of a traditional bookstore. In 2015, a new store ‘Futakotamagawa Tsutaya Electronics’ combining lifestyle-appropriate interior design, books, and electronics was opened in Futakotamagawa, Tokyo. The strategy based on the concept of ‘lifestyle proposal’ played a major role in increasing consumer satisfaction and strengthening loyalty.

2.2. Japan’s Design Policy and Design Management

The Japanese government is treating design management as a national challenge. The ‘Design Management Declaration’ announced by the Japan Patent Office in 2018 mentioned that Japan is losing competitiveness in major global markets. This is analyzed as a result of manufacturing-based Japanese companies failing to effectively respond to changes of the times.

Modern society is an era where information overflows and similar products and services are rampant. In this situation, consumers have come to value not only quality and price but also experiences such as ‘stories’ and ‘empathy’ that companies convey. Companies are required to shift from USP (Unique Selling Proposition) to MSP (Me Selling Proposition). That is, ‘who sells’ has become more important than ‘what is sold.’

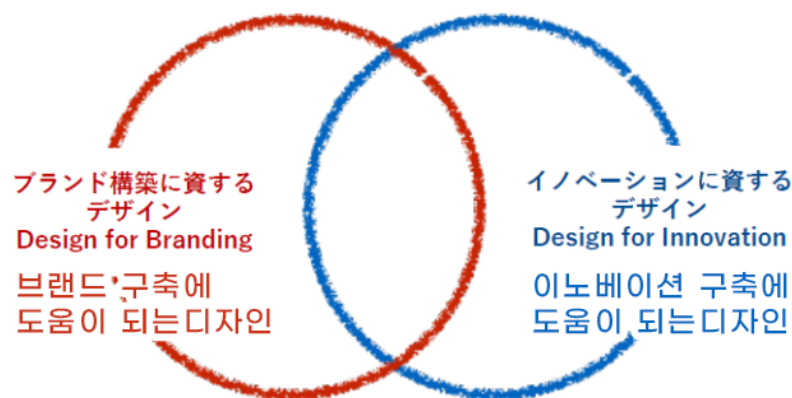
In response, the Japanese government emphasized strengthening corporate competitiveness through design management. Japan’s ‘Design Management Declaration’ pointed out that while the world’s leading companies have placed design at the center of management strategy, Japanese managers have not recognized design as an effective management tool. Therefore, the introduction of design management is essential for Japanese companies to strengthen their competitiveness.

Design management, as defined by Japan's Ministry of Economy, Trade and Industry and the Patent Office, is a management approach that utilizes design as an important management resource for improving corporate value. This refers to a form of management that strengthens brand power and innovation power by utilizing design as a core resource.

The necessary conditions for realizing design management can be summarized in two points. First, there must be a design officer in the management team. Second, design must be involved from the earliest stage of business strategy development. The design officer must have the capability to judge whether products, services, and businesses have been conceived with a customer-centric focus and contribute to brand formation, and to specifically design the necessary changes in work processes. Furthermore, 'design can function as a means to convey consistent messages at all customer touchpoints, not just the external appearance of products, creating brand value.' 'Innovation can be realized by discovering needs that people have not recognized and developing them into businesses.'

From the customer's perspective, by connecting the latent needs discovered in this way to who the company wants to serve and what it wants to do—the fundamental purpose of the company—new business ideas can be conceived that are not bound by existing businesses. This management approach utilizing design is called 'design management.'

[Figure 1. Design Management as presented by Japan's Ministry of Economy, Trade and Industry and Patent Office. Source: https://www.jpo.go.jp/introduction/soshiki/design_keiei.html]



3. Case Analysis

3.1. MUJI (Mujirushi Ryohin): Design Management Analysis

3.1.1. Subject: CEO and Design Leadership

From 2000, MUJI's performance began to decline sharply. Although operating revenue increased, operating profit decreased, and brand power was also declining due to external competitive factors and internal business model problems. Matsui Tadamitsu sensed the crisis in MUJI, which had fallen into management difficulties, and pointed out the problems of the current system, insisting on the need for improvement. In Japanese general corporate culture, criticizing one's superior is considered insubordination, so he submitted his resignation, but the chairman saw this as an opportunity to set MUJI right and appointed him as representative director. Thereafter, Matsui began to rebuild the company by introducing design management.

Matsui first clearly identified problems by 'visualizing' them. Judging that the communication method between employees needed improvement, he visited 107 stores nationwide together with Kanai, the executive in charge of product development, and collected honest opinions from employees. Based on this, he actively introduced appropriate field opinions and success cases from other companies, placed talented people in the right positions and granted them great authority, and built an effective BC strategy. Matsui respected employees' opinions while presenting his own strong vision, simultaneously eliciting trust and motivation. He built trust through close communication with employees, and by setting specific goals for change, presented a direction that all members could agree with.

The biggest problem Matsui recognized was the planning-centered management approach. Management centered on creativity and ideas was not sustainable due to the absence of a business model for generating profits. Accordingly, he set the construction of a business model capable of both raising corporate value and generating profits as the most important task. Matsui introduced the ‘Cost Visualization Technique’ to improve operational efficiency and implemented strategies such as inventory compression, store restructuring, and store operation improvement.

In particular, he expressed a strong will for reform through the performance of burning approximately 10 billion yen worth of inventory to convey the seriousness of the inventory problem. In this way, Matsui gave the organization a strong shock through radical actions and made the necessity for change widely understood.

He did not stop at improving the profit structure through cost reduction, but focused on building new systems and processes for sustainable growth.

Considering the many part-time workers characteristic of retail, he produced the ‘MUJIGRAM’ manual—comprising 13 volumes and 1,780 pages—to secure consistency in store operations. Through this, trust was built with employees and work efficiency improved. He focused on strengthening the capabilities of individual employees, thereby maximizing organizational capabilities. Through the manual, employees could share the brand philosophy and consistently maintain the quality of customer service. This systematic approach became the foundation for strengthening organizational capabilities and accelerating the pace of change.

In the talent utilization strategy, he promoted corporate prosperity by coolly grasping capabilities and deploying talented people. He raised organizational efficiency by carefully evaluating each individual’s potential and placing them in the right positions. Matsui, who emphasized the importance of talent management, also invested in talent development for long-term growth strategy, and strengthened internal capabilities by providing employees with opportunities for self-development and learning.

In terms of design philosophy, he continuously developed MUJI’s core values of ‘bringing out the essence of materials, eliminating unnecessary decoration, and emphasizing simplicity and quality.’ Through cooperation with the Advisory Board and external designers, he exercised design leadership that reflected not only the aesthetic elements of products but also practicality and philosophical messages. Matsui, who emphasized the importance of design, introduced various strategies for continuous innovation to improve product quality and to enhance customer experience.

Matsui’s design management is evaluated as a successful case of a strategy executed based on diverse opinions and information collected, prioritizing corporate prosperity over his own reputation. In particular, he presented a new standard of leadership through strategic thinking, decisiveness, and a field-centered approach. His leadership, which coordinated all members of the organization to recognize the need for change and move in one direction, was the core driving force that relaunched MUJI.

His strong vision and innovative thinking played a decisive role in raising MUJI’s brand value and achieving sustainable growth.

3.1.2. Environment: Responding to Market Competition and Trends

MUJI experienced a serious crisis due to external competition and changes in the market environment. Low-price product sellers such as Matsumoto Kiyoshi and 100-yen shops gained consumer support by emphasizing low prices, and category killers such as Uniqlo and Nitori emerged as strong competitors centered on the clothing and furniture markets.

They introduced the SPA (Specialty store retailer of Private label Apparel) model that integrates manufacturing to retail to reduce costs and expand profits. This business model benchmarked MUJI’s design and quality while attacking the market at lower prices. As a result, the ‘reasonably priced for good reason’ products that emphasized MUJI’s core values were pushed out by competitors’ ‘just cheap’ products, losing market share.

In particular, in 2001, the clothing sector suffered a serious blow with a 67% drop in sales compared to the previous year. This was because as consumers showed a tendency to prioritize price over design and quality, MUJI’s existing strategy could no longer demonstrate competitiveness. As one countermeasure, a strategy of lowering prices was adopted, and in product development as well, the emphasis on cost reduction led to

deterioration in quality and design capability, causing even customers who had supported MUJI to leave.

To respond to such market changes, Matsui built an efficient business model based on design management. Knowing that no matter how much operational efficiency is improved, without high added value in products or services, customers will not support them, he revived the Advisory Board—which had been marginalized in product development and branding—and requested help for brand reconstruction. Here, the brand was redefined as ‘high quality-basic at a reasonable price,’ embodying the philosophy that ‘this is enough,’ and a company-wide innovation was promoted to align with consumer trends of minimalism and sustainability. A strategy was implemented to strengthen brand value across all aspects including product design, store configuration, packaging, and advertising, and to recover competitiveness through cost reduction and operational efficiency.

In this process, MUJI aligned brand philosophy and market trends by integrating design as a core element of management, and created differentiated value capable of responding to competitors’ low-price strategies. These changes are evaluated as the major factors that enabled MUJI’s relaunch in market competition and trend response.

3.1.3. Resource: Utilization of Designers, Technology, and Knowledge

MUJI strategically utilized designers, technology, and knowledge centered on design management, strengthening competitiveness. Through collaboration with external designers, the brand philosophy was materialized, and designs embodying the practicality and philosophical messages of products were realized.

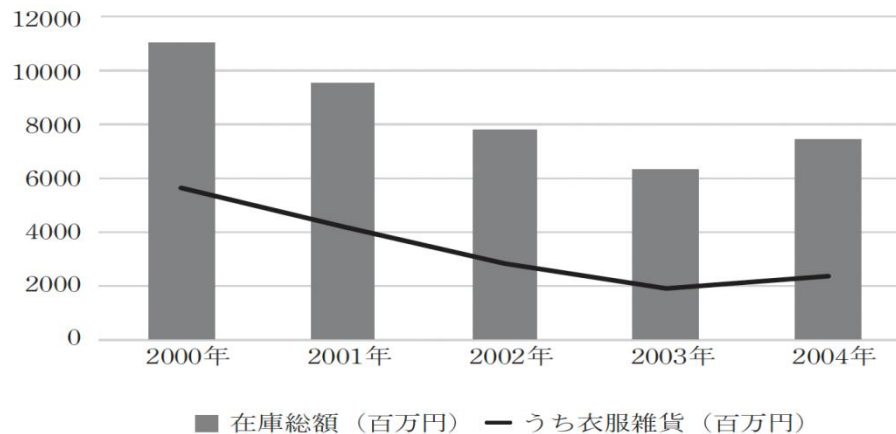
In this process, an Advisory Board was formed to actively reflect the advice of design experts, and a consistent design strategy was maintained from the product development stage. Through this, MUJI satisfied both practicality and aesthetics while strengthening the minimalism philosophy of ‘bringing out the essence of materials and eliminating unnecessary decoration.’ This part was carried out under the leadership of Kanai, who understood the MUJI brand better than anyone. Kanai had many opportunities to interact with Tsutsumi, the founder of the Saison Group, so he persuaded him and also succeeded in product development in the home appliance and cosmetics sectors. He then revived the Advisory Board together with Tanaka Ikko, who laid the foundation for initial design management, and Koike Kazuko, creating the foundation for brand reconstruction. What was created here was the concept of ‘this is enough’—high quality basics at a reasonable price. Kanai then had new members participate in the Advisory Board and exhibited MUJI at the Milan Salone, a world-renowned design festival, to strengthen branding. This succeeded and led to associations with world-class designers such as Jasper Morrison. Furniture designed by them was commercialized as ‘World MUJI,’ and the brand developed the appearance of a global brand. Matsui, who recognized that strong brand power was necessary for MUJI’s revival, granted Kanai considerably free authority to proceed.

Matsui had a long career in human resources and administration and had no contact with overseas business, but since global development is essential for future company growth, he delegated to Matsuzaki, who was in charge of overseas business at SEIYU. By delegating full authority for global business strategy to Matsuzaki, MUJI’s global expansion was successful.

Technology utilization was also one of the important resources. Store managers at each MUJI location made many inappropriate product orders. The stores often misread market and regional needs, ordering products that would not sell; individual errors in sales forecasting had a significant impact. To address this, a system had to be built, and IT-based inventory management and automatic ordering systems were introduced to maximize production process efficiency. Through this, the cost structure was managed transparently, and practical results such as inventory compression, logistics optimization, and store operation improvement were derived. This technology-based operation system contributed to securing competitiveness by simultaneously realizing cost reduction and operational efficiency.

As shown in Table 1, the total inventory in fiscal year 2000 was 10,932 million yen (of which apparel and miscellaneous goods inventory was 5,565 million yen), and by fiscal year 2004, this was reduced to a total of 7,379 million yen (of which apparel and miscellaneous goods was 2,322 million yen).

Table 1. Total Inventory and Apparel/Miscellaneous Goods Totals.

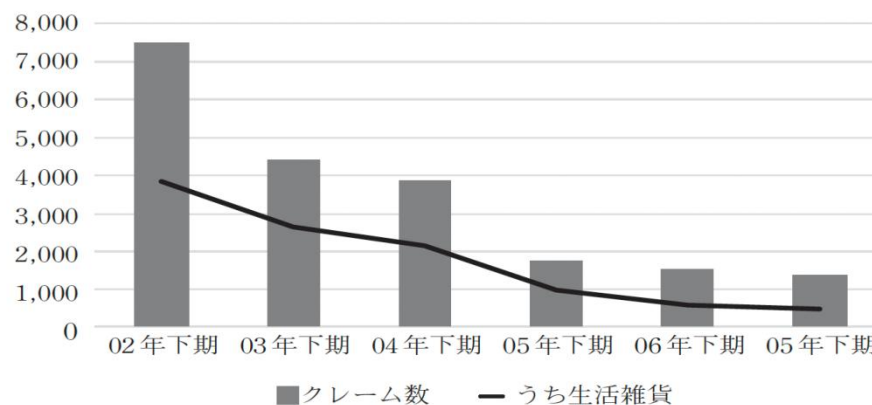


年度	2000年	2001年	2002年	2003年	2004年
在庫総額 (百万円)	10,932	9,433	7,724	6,240	7,379
うち衣服雑貨 (百万円)	5,565	4,143	2,787	1,871	2,322

(松井氏提供資料を基に筆者が作成)

In addition, WH activities were carried out to improve productivity. The method was to double productivity and halve muda (waste). Operations were reviewed to improve efficiency, and IT was utilized to simplify and streamline work. The goal of reducing the number of claims was set to improve productivity. As a result, claims decreased while customer loyalty increased, thereby improving brand power.

Table 2. Trends in Total Claim Count and Household/Miscellaneous Goods-Related Claim Count.



年度下期	02年	03年	04年	05年	06年	07年
クレーム総数	7,497	4,423	3,892	1,780	1,573	1,389
うち生活雑貨	3,842	2,651	2,158	997	603	501

(松井氏提供資料を基に筆者が作成)

3.1.4. Mechanism: Unique Design Management Success Strategy

MUJI started in 1980 as the PB (Private Brand) of SEIYU, building a brand philosophy that simultaneously fulfilled quality and reasonable prices under the banner of ‘reasonably priced products for good reason.’ From the beginning, design was placed at the center of management, and a differentiated strategy emphasizing simplicity and functionality, and environmentally friendly values, was applied. This starting point led MUJI to occupy a different position from competitors in the market, and became the foundation for building a management model that treats design as a core competitiveness. Even when management deteriorated in the 2000s, the brand could be reorganized based on the advantages of this management model.

MUJI’s reorganization began from a structural approach that clearly identified design management problems and implemented solutions. Matsui directly visited stores nationwide to collect employees’ opinions, and made the entire organization aware of the seriousness of problems by visually visualizing the problems found in the field. Through this process, the organizational operation system was reconstructed and strategic direction was

clearly set.

The internal operation system was also reorganized reflecting design thinking. The ‘MUJIGRAM’ manual—comprising 13 volumes and 1,780 pages—was produced to standardize work processes and brand values, allowing all employees including part-time workers to follow the same philosophy and approach. This manual was utilized as an important tool for maximizing employee efficiency while maintaining operational consistency. Beyond simple operational guidelines, it became a corporate cultural foundation that strengthened employees’ capabilities, raised brand loyalty, and simultaneously enabled sustainable growth and innovation.

Matsui Tadamitsu built a business model that, while maintaining the philosophy and values of the brand, strengthened and expanded them in crisis situations. He did not see design as a simple aesthetic element, but realized the true meaning of design management by integrating it throughout management, including brand strategy, store operation, cost management, and customer experience improvement.

3.2. Tsutaya Bookstore: Design Management Analysis

3.2.1. Subject: CEO and Design Leadership

Tsutaya Bookstore is operated under the vision of Masuda Muneaki, representative of CCC (Culture Convenience Club). Based on the philosophy of ‘designing a lifestyle,’ Masuda transformed the bookstore from a simple book sales shop into a cultural platform where one can find one’s tastes. He built a creative and innovative team by having talented people from various fields, including curation experts, spatial designers, and marketing professionals, participate in the organization.

Curators analyze customers’ lifestyles and recommend customized content, and designers meticulously design the bookstore’s atmosphere and flow lines. In addition, through employee education programs, an environment was provided that strengthened interaction with customers and allowed creative work. To this end, employee education programs were systematically operated, allowing design leadership and brand philosophy to naturally permeate throughout the organization. In this process, employees were educated to serve not as simple salespeople but as cultural curators. Such an organizational approach played an important role in realizing brand philosophy.

3.2.2. Environment: Responding to Market Competition and Trends

Japanese consumers are gradually changing away from traditional consumption methods toward placing greater importance on experience and value. In particular, they are placing greater importance not only on buying things, but also on the experience gained in the purchase process and the meaning contained therein. Tsutaya Bookstore, keeping pace with such changes in consumption trends, reinterpreted the bookstore as an ‘experiential cultural space’ beyond the existing bookstore concept, employing a differentiated strategy.

The interior of the bookstore was designed as a complex space combining various cultural elements such as cafes and galleries, breaking away from a space that simply sells books. Through this, customers can enjoy coffee while reading books, or appreciate artwork exhibited inside the bookstore while resting. Such an environment makes consumers feel the time spent in the bookstore as a special experience, beyond simply purchasing products.

While the offline bookstore market is gradually shrinking due to the spread of online bookstores and e-books, Tsutaya Bookstore strengthened competitiveness by utilizing spatial design and customer experience. In particular, T-SITE located in Daikanyama, Tokyo is cited as a representative example showcasing Tsutaya’s philosophy. This venue was designed to precisely reflect the tastes of consumers who prefer a luxurious and sophisticated atmosphere, and gained great popularity as a complex cultural space combining a bookstore, cafe, music, movies, and various lifestyle elements. The success of Daikanyama T-SITE is evaluated as a case where Tsutaya Bookstore overcame the limitations of offline bookstores and presented a new business model.

In addition, Tsutaya Bookstore did not focus solely on individual consumers, but allowed the bookstore to establish itself as a cultural hub of the local community through connections with the local community. By actively holding curations reflecting local characteristics and community events, it provided residents with a place for communication and meetings. This strategy contributed to growing together with the local community

beyond simple sales, and establishing itself as a sustainable cultural space.

Recently, Tsutaya Bookstore is maintaining this philosophy and strengthening its brand image through continuous expansion and renewal work in major regions within Japan. As a representative example, the Tsutaya Bookstore located at the Shibuya Scramble Crossing opened with a new look after undergoing a major renewal. This store emphasized a modern and sophisticated feel through space composition and product curation reflecting the latest trends, targeting customers of various age groups from the younger generation to middle-aged and older. Ultimately, Tsutaya Bookstore is maintaining competitiveness even amid changing market environments by continuously analyzing consumer needs and differentiating space and experience. Going beyond a simple book-selling bookstore, Tsutaya Bookstore, which has established itself as a cultural platform that deeply permeates customers' lives, is establishing an unrivaled position in Japan's lifestyle market and leading new trends.

3.2.3. Resource: Utilization of Designers, Technology, and Knowledge

Tsutaya Bookstore possesses abundant resources. Representatively, interior design utilizing natural materials and warm lighting provides a cozy and sophisticated atmosphere, increasing customer satisfaction. In addition, the building itself was designed symbolically to encourage the visit itself to be an experience. Daikanyama T-SITE is a representative example of such spatial design, having its value recognized by winning the Japan Good Design Award.

In addition, customized recommendations and targeted marketing are executed based on customer data collected through the T-Point membership system. Through this, customers are provided with personalized experiences and loyalty to the brand is strengthened. Beyond this, original products and exhibition content are provided through collaboration with famous brands and artists, and various lifestyle products including not only books but also music, furniture, and design accessories are curated. These resources are strengthening Tsutaya's competitive advantage.

3.2.4. Mechanism: Unique Design Management Success Strategy

Tsutaya Bookstore's mechanism operates by combining design-centered management strategy and spatial branding to create results. Presenting a new business model called 'a bookstore that doesn't have to sell books,' it is designed so that customers can stay in the space and have various experiences.

For example, by combining a book cafe, music listening space, and art exhibition space to provide complex experiential elements, it increases customer dwell time and naturally leads to product purchases. Through experiential marketing, customers experience the value of the space itself and raise their loyalty to the brand.

In addition, customer tastes are analyzed and optimized services are provided through a data-based personalized marketing system. Together with this, purchase patterns are analyzed using the T-Point system, and revisit rates are increased through targeted advertising and recommendation services. Furthermore, expansion continues through overseas expansion and development of new forms of stores (hotel and bookstore combinations, etc.).

4. Conclusions and Implications

4.1. Summary and Conclusions

The design management strategies and their outcomes of Japanese lifestyle brands MUJI and Tsutaya Bookstore were analyzed using the SER-M model. Through this, design management was reinterpreted through four elements—Subject, Environment, Resource, and Mechanism—and by analyzing each field, the role of design management was confirmed. Through the two company cases, it was confirmed how design management can contribute not only to improving the visual completeness of products but also to strengthening corporate brand philosophy and deepening relationships with consumers.

Table 3. Similarities and Differences between MUJI and Tsutaya Bookstore.

Category	MUJI	Tsutaya Bookstore
Brand Philosophy	"This is enough" — high quality, basic,	"A place to find one's own way of life" —

Category	MUJI	Tsutaya Bookstore
	reasonable price	lifestyle proposal
Design Management Focus	Operational efficiency; reinforcement of product essence	Experience-centered spatial design; community formation
Design Management Leadership	Crisis overcoming; problem-solving	Vision-centered
Change Strategy	Cost visualization; operational efficiency; design philosophy and organizational culture	Spatial design; brand experience reinforcement
Customer Experience	Simple, eco-friendly consumption experience	Experience centered on culture and individuality

First, the MUJI case is seen as a successful case of strategically utilizing design management to overcome a management crisis. MUJI recovered consumer trust by clearly defining brand philosophy and strategically implementing it, breaking away from its initial household goods brand. The brand message of ‘this is enough’—minimalism and sustainability—accurately reflected the demands of modern consumers, and design was utilized as a core management resource.

Matsui integrated design as a core management resource for cost reduction and operational efficiency enhancement rather than a simple aesthetic element, and through design management, clearly defined the brand philosophy and continuously strengthened it. He derived practical results through ‘cost visualization’ and ‘efficiency enhancement,’ and created a successful business model structure through design management and leadership. MUJI recovered brand value and achieved sustainable growth by implementing strategies appropriate to brand messages of minimalism and sustainability, aligned with consumer trends. Tsutaya Bookstore is a case that presented a new business model through design-centered spatial branding and experiential marketing.

Masuda, based on the philosophy of ‘designing a lifestyle,’ transformed the bookstore from a simple book sales shop into a cultural platform. A differentiated brand image was built by combining customer experience-centered spatial design and data-based marketing strategies, and through this, consumer loyalty was strengthened and competitive advantage in the market was secured. Through this, Tsutaya transformed the bookstore from a simple sales space into a community where consumers could stay and enjoy.

The cases of MUJI and Tsutaya Bookstore show that design management is a process of clearly defining brand philosophy and connecting it with consumer experience, beyond simply improving the aesthetic completeness of products. In addition, the two cases emphasize that management’s vision, design capabilities, leadership, and execution power are essential for design management to be successfully implemented. They integrated brand philosophy company-wide and achieved sustainable growth through consumer-centric innovative strategies. Furthermore, by integratively analyzing the components of design management based on the SER-M model (Subject, Environment, Resource, Mechanism), it was proved that design management can go beyond the category of simple product design to solve problems in corporate management strategy and contribute to strengthening brand value.

Design management is not a strategy limited to specific industries alone. It must develop into an executable model that reflects various industries and cultural differences. The cases of MUJI and Tsutaya Bookstore showed that design management is a powerful tool capable of realizing consumer-centric innovation and sustainability. Based on this, other companies can also introduce design management to strengthen brand value and secure competitiveness in changing market environments.

Future research should focus on exploring how design management can be applied in other industrial fields and cultural contexts, and developing more comprehensive and specific execution models. Through this, design management will be able to establish itself as a more universal and practical strategy in the global management environment. Design management plays a central role in solving the complex management challenges faced by modern companies and realizing brand philosophy and values, and will continue to be utilized as an important

tool for sustainable growth.

4.2. Implications

Design management is establishing itself as an important strategic tool that goes beyond simply developing and selling products, materializing corporate philosophy and values and strengthening emotional connections with consumers. In the future, design management must develop into an executable strategy that reflects various industries and cultural differences. The cases of MUJI and Tsutaya Bookstore proved that design management is a powerful tool capable of realizing consumer-centric innovation and sustainability. Based on this, other companies will be able to introduce design management to strengthen brand value and secure competitiveness in changing market environments.

Design management is establishing itself as a powerful tool that can strengthen emotional connections between companies and consumers and deliver new experiences and value to consumers beyond simply providing products. Modern consumers do not simply value price and quality, but demand brand philosophy and experience that aligns with their values and lifestyle. This change means that brands must fundamentally reconstruct their communication methods with consumers.

MUJI is a case that recovered trust by responding to consumers' changed expectations, adopting minimalism and sustainability as brand messages. Maintaining consistency from product design to store operation centered on brand philosophy, it provided consumers with a simple and eco-friendly experience. Through this, MUJI built a strong emotional connection with consumers and strengthened brand loyalty.

Tsutaya Bookstore is also a case that proposed new value to consumers through consumer-centric spatial design and experiential marketing. By transforming the space from a place that simply sells books into a platform where customers can experience and communicate culture, Tsutaya further strengthened its relationship with consumers. Tsutaya's stores were designed as spaces where consumers could stay and feel a deep emotional connection with the brand, thereby raising consumer loyalty and strengthening competitiveness.

These two cases prove that design management is an effective tool for strengthening communication with consumers beyond simply improving products aesthetically, centered on brand philosophy and consumer experience, and achieving differentiation in the market. Modern companies can reconstruct their relationships with consumers through design management and strengthen competitiveness by maximizing brand value. Design management is establishing itself as a core strategy that elevates communication between consumers and companies to a new dimension and enables sustainable growth in changing markets.

Design management demonstrates its effectiveness when integratively implemented across brand philosophy and consumer experience as a whole, not limited to a company's products or services. MUJI and Tsutaya Bookstore, through design management, established themselves as brands that convey philosophy and values to consumers rather than simply providing products. This well reflects the fact that modern consumers value not only price and quality, but also experience and value. The two cases show that the success of design management is based on management's vision and deep understanding of design. Matsui Tadamitsu and Masuda Muneaki did not see design as a simple aesthetic element, but built a consumer-centric innovative business model by integrating it with management strategy. Through this, it was confirmed that for design management to be effectively implemented, each element must organically combine. Design management plays an important role in conveying corporate philosophy and values to consumers through design management, reconstructing relationships with consumers, and realizing corporate sustainability. The cases of MUJI and Tsutaya Bookstore clearly show that design management is a powerful tool capable of solving the complex management challenges faced by modern companies and strengthening competitiveness in changing market environments. Design management will continue to be utilized even more importantly as a core strategy promoting corporate growth and innovation.

References

Foreign References

Best, K. (2015). *Design Management: Managing Design Strategy, Process and Implementation*. Bloomsbury

Publishing.

Gruber, M., de Leon, N., Gerard, G., & Thompson, P. (2015). Managing by design. *Academy of Management Journal*, 58(1). Online.

Iwaya, M. (2024). Design management strategy in the VUCA/BANI era [in Japanese].

Miyoshi, J., & Kondo, S. (2021). Sensibility matching in design management: Considerations based on experimental research in small and medium-sized enterprises in Iwate Prefecture [in Japanese].

Nakatani, Y. (2022). The initial stage of Ryohinkeikaku design management. [Journal not specified]

Nakatani, Y. (2023a). Ryohin Keikaku's design management development during a management crisis: Former Chairman Tadamitsu Matsui's strategy. [Journal not specified]

Nakatani, Y. (2023b). Ryohin Keikaku's indigenization strategy and individual store management: Case studies of Naoetsu, Niigata Prefecture and Hakodate, Hokkaido. [Journal not specified]

Reference Websites

Japan Patent Office Design Management Project.
https://www.jpo.go.jp/introduction/soshiki/design_keiei/index.html

Design Management Handbook for Small and Medium-sized Enterprises.
https://www.jpo.go.jp/introduction/soshiki/design_keiei/chusho.html

Ryohin Keikaku IR. <https://www.ryohin-keikaku.jp/news/icIr/>

About MUJI. <https://www.ryohin-keikaku.jp/about-muji/>

CCC Founder President Masuda on Tsutaya's Vision and Strategy.
<https://www.projectdesign.jp/201509/special-lecture/002433.php>

Books

Kabushiki Kaisha Ryohin Keikaku. (2018). MUJI ga umareru “shiko” to “kotoba” [The “Thinking” and “Words” that give birth to MUJI]. Tankoubon.

Masuda, M. (n.d.). Place of designing tastes, Tsutaya [Korean translation]. [Publisher not specified]

Masuda, M. (n.d.). Theory of intellectual capital [Korean translation]. [Publisher not specified]

Matsui, T. (2013). Mujirushi Ryohin wa, shikumi ga 9 wari: Shigoto wa shimpuru ni yarinasai [In MUJI, the system is 90%: Do your work simply]. [Publisher not specified]