

# Wanted: Made in Japan

By Isao ADACHI

Japanese consumer electronics manufacturers have led the global market for a long time. Recently, however, South Korean and Taiwanese competitors are hot on the heels, making many Japanese people feel that their country is on the defensive. But in Tokyo's Akihabara electronic shopping streets lined with large retail stores, tourists from Asian countries, which rival Japan in global electronics trade, are seen buying loads of Japanese appliances. They seek out products with "Made in Japan" markings on them. It may be a blessing to Japanese electronics manufacturers, but it has also put the least expected problem in the limelight.

An Akihabara store manager said Asian tourists in general show high respect for Japanese product quality and safety. Chinese tourists in particular seem to hanker for made-in-Japan goods. Chinese travelers to Japan topped one million in 2008 and 2009. The number may sharply increase in 2010 as a result of fast economic growth in China coupled with the easing of restrictions in July 2009 on sightseeing visas issued for individuals following the same action taken earlier for group tourists. In February 2010, Chinese New Year vacationers stood out across various tourist spots in Japan.

"Chinese tourists who came here for shopping this year seem to have increased by 20% to 30% as compared with last year's Chinese New Year," said another electronic store manager. True to his word, Akihabara stores are desperately looking for attendants proficient in the Chinese language. Chinese tourists want SLR cameras, video cameras, electric rice cookers and cosmetics, among others. Before they buy, Chinese shoppers make sure that goods they want are made-in-Japan products. Many even ask salespeople, "Made in Japan?"

The truth is many Japanese products are now made in other Asian countries, including Malaysia, Thailand and China. A Sony Corp. public relations official explained that only high-end digital cameras requiring high technology are made in Japan, and these are limited to three out of Sony's eight digital camera models on the market. The rest are made in China, according to the official. Some of Sony's product lines are no longer made in Japan. The company began selling TVs and audio equipment in overseas markets decades ago and, as a result, much of their production has been relocated offshore by now.

A Japanese TV program showed a Chinese company owner and his wife shopping in Akihabara one day. They were looking for "a pair of Sony earphones made in Japan" for which their son back home had pleaded with them. The couple failed to find any after visiting many stores. They were telling a store clerk that they would not mind paying twice as much if there were one.

Sony currently sells about 100 models of earphones and headphones, used with products ranging from portable players to hi-fi audio sets. Among them, only one model is made in Japan. It is a large pair of headphones, hand-made with expensive materials – one which a home theater user may want to use in the middle of



*A typical scene of Akihabara: a jumble of signs advertising consumer electronics stores, duty-free shopping corners, game software and other tourist draws*

the night. It is priced at 78,000 yen. There are no such made-in-Japan Sony earphones as the Chinese owner's son wants for his portable player.

An official of the Japan National Tourism Organization's overseas promotion department said: "Some Chinese tourists I talked to said they buy everything they want. The needs for made-in-Japan goods may no longer be ignored even in Akihabara. I see we don't satisfy these needs in many areas. Even at an increased cost, production in Japan and sales restricted to this market could be viable options."

An Akihabara store manager echoed this by saying, "If manufacturers did so in a reversal of their thinking, they could make hit products." The problem is that Chinese tourists' purchases are still too small to warrant mass production by electronics giants.

The Sony official noted the same difficulty, saying, "It is practically impossible to pinpoint this sort of niche market alone." He added, however, that something unexpected is happening in the rapidly expanding Chinese market. Sony previously anticipated that low-end products would sell in China. On the contrary, it is high-end products that are selling well. "We have no data to support that Chinese consumers consciously choose made-in-Japan products," said the Sony official. "If the Japanese retail side began to ask for made-in-Japan products in a move that could be taken as a new trend in the domestic market, we would then have to consider how to respond."

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