

Consumption Trends and the Maturing Japanese Society

By Iwasaki Ieo

Japanese Consumer Society in Its Mature Stage

In the early 21st century, Japanese society is showing signs of rapid maturation. As of 2005, Japan's population started to decrease earlier than predicted. Japanese corporate society – which has supported the growth of Japan to date – is also undergoing great changes with the IT revolution, the advancing information network society and the globalizing corporate activities. Moreover, major change in social frameworks and systems has brought a shift toward a society of self-responsibility, which destroys many of the myths that have supported the Japanese corporate community. Such a shift is substantially affecting the Japanese employment structure which had long been supported by lifetime employment and seniority-based wages. The position of companies in society and the employees' sense of belonging are also changing. The around 10 million "baby boomers" will start to reach retirement age, and gradually disengaging themselves from the workforce from 2007 to 2010. What impact will this have on Japanese consumer society in its mature stage? The total sum of retirement bonuses will be huge, and how that money will be spent will have a phenomenal impact on Japanese consumer society. Recently, there has been a conspicuous rise in the number of the baby boomers applying to reenter universities and postgraduate schools and, in an attempt to survive the travails of the declining birthrate, universities are also expanding their quotas for adult students and establishing new postgraduate programs. This is an investment in the search for a purpose in life, and an increase in self-fulfillment-related consumption is a typical sign of a maturing society. Such trends will gain further momentum after 2007. Further signs are seen in the current spread of e-learning and e-trade, as well as the increased popularity of blogs among not only the young but also the middle-aged.

The Realities of a "Lower-Class Society"

Miura Atsushi's *Karyu Shakai* (Lower-Class Society) has become a bestseller among recent business books. Miura uses a diverse range of surveys to analyze the increasing income-based stratification in Japanese society and, by paying particular attention to the behavior and attitudes of the baby boomer juniors and the younger generation, it introduces a new social strata appearing in Japan. The term "lower-class society" has taken off in media circles and is fast establishing itself as a buzzword in general weekly and business magazines that feature analysis of the present mature consumer society.

Up to now Japan has been thought of as a homogeneous, "middle-class society." Of course, differences have existed in terms of income and assets, however, the vast majority of people have seen themselves as belonging to the "middle-class," because there has been relatively little difference in terms of lifestyle and earnings, partly thanks to the income redistribution and welfare system that supported such a society.

Differences within Homogeneity

Japanese people's subconscious desire for homogeneity is symbolized by the catchphrase used in an automobile advertisement at the end of the 1960s: "The neighbor's car looks small." This advertisement was created by the manufacturer, which released a new model with a 1100cc engine in response to their competitor's 1000cc engine vehicle. It was an attempt to appeal to the homogeneous, middle-class consumers, looking for a slightly bigger car. This car, with an engine capacity just 100cc larger than its competitor, was the longest-reigning bestseller in the history of Japanese automobile sales. It was the Toyota Corolla and its rival was the Nissan Sunny. Both vehicles were

adored by Japan's average "new families" mostly comprised of the baby boomers, who created the new middle classes. The concept behind this car was "80%-ism" – namely a consumer society which did not expect perfection and was happy with 80%, reflecting the framework of Japan's homogeneous middle classes.

Japan's extremely homogeneous middle-class society appeared in the latter 1950s and developed through the period of Japan's high economic growth that continued until the first "oil shock" of the 1970s. Expo'70, held in Osaka, can be described as a celebration of the Coming-of-Age of Japan's middle-class society (the Japanese style high-mass consumption society). From the mid-1970s into the 1980s, Japan experienced a period of comparatively stable growth, and following the Plaza Accord of 1985, it headed into what was later to be known as the "bubble economy." The Japanese economy should have already been entering its mature phase from the mid-1980s, but the bubble economy and the "lost decade" of the 1990s camouflaged the mature economy by recession and deflation. Nevertheless, at the same time, the maturing process was relentlessly advancing in the background.

The First Signs of Maturity Appear in the 1990s

Early signs of the maturity appeared everywhere in the 1990s. While department stores and general merchandise stores were closing one after another in the suburbs and near terminal stations, convenience stores and discount "¥100 shops" were increasing in number. In addition, on the back of land price drops following the burst of the bubble economy, foreign luxury brand stores opened their branches in central Tokyo such as Ginza and Nihombashi in the late 1990s. This trend has continued beyond 2000 with such expensive stores being opened successively in the redeveloped

areas of Marunouchi and Roppongi Hills. The difference between the current “Hills Tribe” and the “new rich” of the bubble economy is that while some degree of luck may have been involved, the wealth of the “Roppongi Hills Tribe” was acquired through their own effort, in contrast to that of the bubble new rich, whose wealth was merely the result of the increased value of their assets.

The Stratification and Maturing of Japanese Society

Is Japanese society really experiencing the class bipolarization that Miura mentions in his book? Will the “middle” decrease in size as the “high” and “low” ends increase? Miura differentiates between “low classes” and “lower classes” and defines “low classes” as being “lower middle.”

This bipolarization of consumption was also discussed during the bubble economy, as in Ozawa Masako’s *Shinkaiso Shohi no Jidai* (The Age of New Class Consumption). Just as the expression “new rich” became popular, the middle class were attracted by the myth of ever-higher land prices, putting themselves into debt under the impression that acquiring assets, such as real estate, stocks or golf club memberships, would allow them to join the wealthy class. Behind all this was the fact that, during the bubble economy, the polarization of the social strata was advertised as hinging on the possession of assets. Japanese consumer behavior was to change greatly with the collapse of the asset-bubble economy in the early 1990s and the protracted recession and rush of restructuring that followed. Nakano Koji’s antithesis to the bubble economy, *Seihin no Shiso* (The Philosophy of Honest Poverty) became a bestseller at that time, and discount shops, home DIY centers and factory outlet stores of luxury brands appeared one after another in the suburbs. Around the same time, ¥100 shops and the Don Quixote discount shop chain (a late-night shop appealing to young people) greatly increased in number.

Women in their 40s Driving Japan’s Mature Consumption in the New Millennium

So which stratum of society is driving the current mature consumption? One thing is certain: it is not the baby boomers who are about to reach retirement, or the following generation. Neither is it the baby boomer juniors or those who were born after them, groups symbolized by NEETs (people Not in Education, Employment or Training) and otaku culture. It is the people in their 40s, the middle generation between these two groups – more specifically, those between 35 and 45 years old.

They are characterized by women who lead the import brand boom when they were in their 20s and early 30s during the bubble economy, the so-called “Hanako Generation” named after the popular fashion magazine. This group is the key player in the current mature consumption. Women sparked the anti-aging and supplement boom as well as the surge in interest in South Korean movie/TV stars. A report by Daiko Advertising Inc. in February 2005, which surveyed women in their 40s, offers the following conclusion: “There is a very positive mood in the background of their consumer behavior. The role model is Kuroki Hitomi (a popular actress), who is happily married, still young-looking, attractive and constantly facing up to new challenges. These women evaluate themselves as to whether or not they are ‘cool’ and undertake a range of activities to prevent themselves from being seen any other way.”

It also states that, “For the very reason they are a generation that has so many enjoyable memories of their involvement in the consumer and information society, they will continue to develop their own self-oriented mature consumption, centered around the key words of ‘realizing self-oriented goals,’ ‘zeal,’ ‘self-love’ and ‘satisfaction through all five senses.’”



The Direction of Japan’s Mature Consumer Society

Japanese society is becoming mature with its population started to decrease from its peak in 2005 with a declining birthrate and aging population. The Japanese model of a mature society is supported by a comparatively strong economy. Its style of consumption is also supported by a desire for self-fulfillment and a proactive mature style of consumption to better oneself both intellectually and physically. There is no doubt that in a mature society we may not be able to ask for more in the material sense, but there is a great potential for becoming a society in which we can add values by pursuing improvements on the psychological side, in terms of the quality of our life fulfillment. Now, if we review our situation from the viewpoint of mature consumption, the fact that consumption trends are manifesting themselves in slightly different ways from the past, in particular that it is women in their 40s, not the young, who are pulling consumption, is a clear indication that Japanese society is on the road to becoming a prosperous mature society. In addition, how the self-fulfillment oriented lifestyle of the retiring baby boomers will impact on future consumption trends is extremely interesting in terms of determining the direction of Japan’s mature consumer society. **JS**

Iwasaki Ieo is the Chairman of JILCoM Association (NPO for the Information Security & Risk Management). He is also a lecturer in “Modern Advertising” at the Institute of Mass Communications and “Media Studies” at the Department of Law, Komazawa University.