

# A ¥100 Shop in Ginza

By JEF Editorial Section



The local customers' bicycles parked in front of the shop are a rare sight in a downtown area in Ginza

GINZA has been Japan's trend leader since the Meiji government rebuilt the area as a showpiece of modern Japan. It is renowned as the most luxurious shopping area in the country with many designer shops standing in a row. Even during the recession after the bubble economy, various luxury brands from all over the world had opened stores there, and this trend has become more pronounced with the recovering Japanese economy: Valentino established its first flagship store in December 2005, while Dolce & Gabbana, Gucci and Giorgio Armani all plan to open new business hubs in Ginza through 2007.

## Ginza's First ¥100 Shop Opened Last Summer

The Hyper Convenient US.Mart is different from other ¥100 shops that only offer general merchandise. It has a

fishing pond, a beauty salon, a shower room, karaoke facility, an Internet and manga café, a pool hall and darts machines, all packed into a six-story building with a basement. All the services are time charged with a basic rate of ¥100, which is a brand new concept.

One can purchase a variety of groceries, including products by major food company at the US.Mart, thanks to the personal connection of the President & CEO, Taguchi Yoshihiro. By pulling in customers with its ¥100 convenience store, the other services are gaining popularity.

There was, however, a concern that a business offering budget prices would not be accepted in Ginza, but Taguchi thought "There would be a demand for our business even in Ginza because



A fishing pond in the center of the city is a kind of oasis for businesspeople. Parents and children enjoy fishing here at the weekend.



not all the people working or living there are ‘celebrities.’ His ideas were confirmed by the large number of customers visiting his shop, who are mostly office workers.

What was beyond his expectation was the senior customers who live in the neighboring area visiting his ¥100 convenience store. There are thousands of shops in Ginza, but not a single one offered such a variety of products from foods to general merchandise in one place. Convenience is the key to the popularity of his business.

The success of US.Mart seems to be based on the fact that it offers budget prices in the high-end Ginza area, but it is not that simple. A surprising number of wealthy customers, who seemingly would have no interest in low-end products, are dropping by the US.Mart with their fur coats after shopping at luxury brand shops.

A similar phenomenon can be seen at

UNIQLO’s first flagship shop that opened last October in the center of Ginza. UNIQLO shops so far emphasized the company’s variety of low-priced casual clothing and have a warehouse-type atmosphere. The Ginza store is completely different, emphasizing a stylish and cozy feeling in its interior. It creates tie-up products with fashion magazines and sells accessories that were not offered before. The brightly lit exterior looks like a high-end luxury shop. These factors may have caught the attention of wealthy customers both young and old who are visiting the UNIQLO shop with their designer handbags in their hands.

Taguchi analyzes such a consumer trend by saying that “People pay extra and look for quality in a product they care about a lot but for everyday items, they prefer to spend less and to get a lower price.” What we can see in Ginza is a new consumer trend appearing in Japan: Japanese society and its consumer behavior have now matured and a simple bipolarization theory can no longer be applied. **JS**

