

velopments since August 1988, when it was published.

For example, based on their analysis of import penetration, the authors argue that Japan's imports were lower than their econometric estimate by 25–45% in 1983 and 1984. Japan's imports increased by 50% in dollar terms and 30% in volume terms in 1987 and 1988 alone, however, accompanied by drastic changes in its import patterns (see the Research and Statistics Department of the Bank of Japan's "Balance of Payments Adjustment Processes in Japan and the United States," Special Paper No. 162, March 1988). Their assessment that stable consumer prices give little indication of inflationary pressure should also be reviewed in light of the recent tight product and labor market conditions. The appreciation of the dollar in 1989 is an additional factor to be considered in regard to monetary policy.

Political circumstances in Japan are changing as quickly. For one thing, public opinion is taking on more of a domestic orientation. Recent polls clearly show that public support for market opening and increases in overseas aid is waning, which may, at least in part, reflect a growing frustration among the Japanese about the protectionist inclination of U.S. political circles.

More of an obstacle to implementation of policy reform at the moment is Japan's political instability, caused by a stock trading and bribery scandal centering on the information conglomerate Recruit Co., in which a number of top politicians are implicated. Prime Minister Noboru Takeshita has stepped down in favor of Souseike Uno in order to restore public trust in politics.

It is to be hoped that the political instability in Japan will only be temporary. A delay in implementing desirable policies would not only be against Japan's own interests but would also have adverse effects on the world economy.

Akinari Horii
Senior Research Fellow
International Institute for Global Peace
Tokyo

The Japanese Market Culture

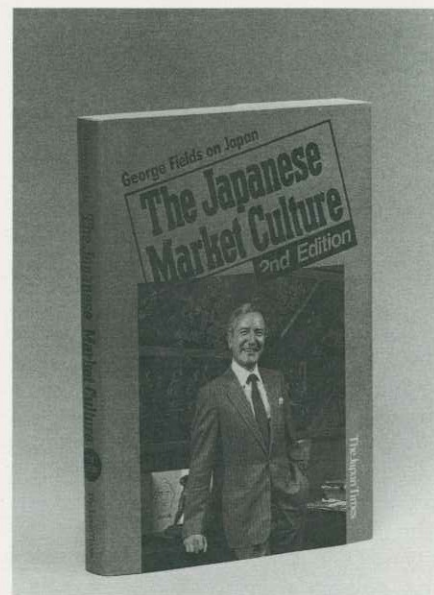
By George Fields
Published by the Japan Times, Ltd.
1989; Tokyo
267 pages; ¥1,600

George Fields is one of the best people there is to explain the Japanese market culture for foreign readers. Not only is he fluent in Japanese, he is able to go beyond the language and understand the culture as well. Having been born here and having lived in Japan for over 20 years, he brings direct personal knowledge to the issues. At the same time, his background and expertise enable him to look at the Japanese market in the global context and to compare developments in Japan with those in North America and Europe. And finally, he is not a casual observer but a professional market researcher determined to go beyond facile half-truths and to get to the underlying aspects that make the Japanese market culture different (or in some cases not so different). His strengths are clearly on display in this informative and highly readable work.

Looking first at the demographic picture, Fields explains how the three generations coexisting in modern Japan differ. "MacArthur's children," he sees as the older generation that came to maturity in the shadow of the Occupation. Solemnly determined to redress their situation, they succeeded at great personal sacrifice.

Their children, who Fields terms the "Tokyo Olympians," came of age as Japan was breaking out of poverty and was coming to be, grudgingly, respected in the world community. These are the optimistic people who experienced Japan's rapid growth and are confident that everything is possible. And then their children are today's "shin-jinru" (new breed) that takes affluence for granted. These generational differences are crucial to understanding the Japanese market, and Fields explains them well.

Part two deals with communicating in the marketplace. Here he reaches back



to historical antecedents to explain why there is so much *katakana* (the phonetic alphabet used, like italics, primarily for foreign words and emphasis) and even so many English words in the roman alphabet in Japanese advertising. Why, for example, does Nissan sell a Cedric but not a Yuzo. The answer, he suggests, is that the foreign name is both attractive in its own right and attractive in avoiding the specificity and associations that a name people understand would have.

Fields is equally informative and interesting on the "uniqueness" of the Japanese market. While many people claim that Japan is unique, Fields notes that Japan is not unique in being unique. Yet even as he rightly scoffs at the omnipresent excuse that "Japan is different," he also notes that the Japanese market—in a country where he says there is no good word for identity except the English word "identity"—is one that thrives on shadings and nuances.

Given this, he is quite correct to forecast the emergence of consumer power. Consumers are becoming an increasingly powerful force in the Japanese market, and are even starting to countervail many of the traditional market leaders. In product after product, consumers are comparing price with perceived value

(including service) and making today's choices based on today's situation. As a result, companies that have long dominated their sectors are having to step lively if they want to avoid getting overtaken by the new entrants. It should be noted here that market-leader Kirin Brewery, which Fields cites several times as having been stung by the "dry" beer craze, has unleashed a powerful blitzkrieg of new labels this year and seems to be making up for lost time.

In this connection, Fields rails at the

continuing inhibitions against the use of coupons. Here I would disagree. While coupons may be one of the most powerful sales promotion tools in the American marketer's arsenal, my experience has been that they will not attain that kind of prominence in Japan.

Underlying all of this book is the discussion of Japan's "internationalization"—and underlying that the question of what internationalization means. While Japanese markets are becoming more like those in other industrial countries, there

are, as he documents, still numerous differences. Thus the reader is forced to conclude that we are seeing Japanese-style internationalization.

This book has much to recommend it. Fields draws on a lifelong expertise on Japan to link the past with the present, and in so doing he gives us a glimpse of the future.

Kenji Mizuguchi
Chairman

Japan Marketing Research Institute

Outside Tokyo

Hagi: History and Charm

In the northwest of Yamaguchi Prefecture in Western Honshu, along the Japan Sea coast, lies Hagi. The city is built on a delta where the Hashimoto and Matsumoto Rivers reach the sea and has historic connections with the Meiji Restoration (1868). Surrounded on three sides by mountains, Hagi is worth visiting not only for its historic ties, but also for its scenic setting and understated charm.

Perhaps the main attraction in Hagi is the ruins of Hagi Castle, built in 1604 by Mori Terumoto and toppled in 1874. Today

some gray stone walls and the moat, complete with turtles and lily pads, are all that remain of the Mori clan castle.

The ruins lie in Shizuki-koen Park, which also includes Shizuki Shrine and the Hananoe Tea House. The park is lined with cherry trees which in the early spring make Hagi a well-known spot for *hanami*, or cherry blossom viewing. It is pleasant to stroll around the park, climbing the castle ruins to admire the view of the mountains or winding one's way around to the edge of the park to look out over the sea.

Horiuchi, near the castle, is a district containing many old traditional buildings which can be appreciated for their distinctive Japanese architecture: high white walls and latticework along the facades of the buildings. Many of these buildings were once home to samurai warriors, wealthy merchants and former politicians, as well as some of those instrumental in the Meiji Restoration.

Hagi is a very flat city and the best way to explore it is by bicycle. There are numerous places where bicycles can be rented (usually the cost is around ¥500 per day), including the youth hostel near the castle or from a number of hotels and shops around town. It is easy to get lost in the maze of narrow streets but one is never lost for long, and pedaling around is the best way to stumble across something interesting and to appreciate the tranquil, charming ambience of the old town.

In May and June the air is perfumed with the scent of *natsu-mikan* blossoms.

These summer oranges, a special product of Hagi, with their green leaves against the high white walls, are a colorful sight, enhanced by the delicate fragrance of the blossoms in season. The *natsu-mikan* are quite sour and are often made into marmalade which can be purchased in various shops around the city.

Hagi boasts a lovely beach, Kikugahama, near the castle. The water is clear and warm and while the swimming season "officially" begins in July and ends early in September, the season can be extended due to the warmth of the water. In summer the beach is never crowded with swimmers or sunbathers, but if one seeks solitude, the further one wanders along the beach and away from the castle, the fewer people one is likely to encounter.

Tickling delicacy

There are a few hotels situated along the beach and all have gift shops good for browsing. The street running parallel to the beach has many coffee shops and restaurants, and the hotel on the beach, nearest the castle, has a rooftop beer garden open until 10 p.m. in July and August. Here one can enjoy a drink while watching the light fade over the sea.

Hagi being a port, fishing is an important part of life there. At night one can watch the lights of the fishing fleet out at sea, pulling in the nets which are set out in the morning.

In March the *shiro-uo* or whitebait fish is in season. At this time, during the Shiro-uo Festival, one can sample this Hagi del-

