

# J apanese Consumers Begin to Enjoy Life: A Return to Pre-Meiji Era Pleasure-seeking?

By Sekizawa Hidehiko



What is the present state of consumer activity in Japan? People living abroad must have many questions about this. First of all, they want to know how the people of Japan feel after the expansion and burst of the bubble economy and the recession that followed. How downcast are the Japanese, once elated with "Japan is No. 1"? People abroad must want to know these kinds of things.

The truth is that even though Japan is in a recession, consumption has not suffered that much. Although Japanese economists assert that consumption has declined, the complaints of the Japanese don't attract much sympathy from people familiar with the more severe, recent recessions affecting other nations.

Why are Japanese consumers still buying famous European brands? Why are ocean cruises packed with Japanese tourists? Has the housing situation in Japan, long likened to living in rabbit hutches, improved? We will set out to answer these questions from abroad. To do so, we will use data from the Hakuhodo Institute of Life and Living's periodic surveys of consumer trends. (These data are available on the following homepage: <http://www.hakuhodo.co.jp/hill>)

The Hakuhodo Institute of Life and Living was established in 1981. Since then, it has conducted the "Seikatsu Teiten" (fixed point of life) survey every other year. The same questions are asked in each survey, thereby clearly depicting the changes in people's lives over time. Here we will take a look at the changes that have occurred among consumers and their consumption patterns. (The survey canvasses 2,000 people between the ages of 20 and 69.)

During the expansion and bursting of the bubble economy, the survey revealed changes in Japanese consumers' experiences. The greatest changes experienced by consumers occurred during the bursting of the bubble, or between the years 1990 and 1992. Changes can be divided into three time periods: Changes in lifestyle occurred between 1988 and 1990; a

change in values came between 1990 and 1992; and between 1992 and 1994, the way people felt about a variety of matters changed.

Men changed the most between 1990 and 1992, showing that men were more resilient in the face of the effects of the bursting bubble. Women changed the most between 1988 and 1992. Changes for them lasted longer than for men. Women enjoyed the luxurious lifestyle available during the height of the bubble economy. Then their lives were shaken by the collapse of the bubble. Although men saw profits rise for the companies they worked for during the bubble, their own quality of life did not improve as much as it did for women. The men were affected only when the bubble ended.

Life for the younger generation changed during the years 1988 to 1992 more than it did for older generations. Since 1994, there hasn't been much of a gap between the experiences of different age groups. Although consumer trends in Japan are said to be led by young people, that trait has weakened since 1994.

The year 1995 saw major events in Japan, the Great Hanshin Earthquake and the sarin gas attack by Aum Supreme Truth, that disrupted consumption patterns. But consumers are now feeling more secure again.

For example, although the 1996 survey showed that people's sense of well-being had dropped slightly, around 80% of respondents still reported feeling happy with their lives. Around 60% felt that they live a comfortable lifestyle and 65% reported feeling satisfied with their lives. These answers show that even with the instability of Japanese politics and the economy, the lives of Japanese citizens are on an even keel.

More and more people are taking the optimistic view that even if things are now at their worst, the overall Japanese economy and their personal economic situation will now take a turn for the better. At the same time, however, there are more people who take a negative view of social conditions and their own future. One reason for this negativity is heightened uneasiness over the aging of the Japanese population. Furthermore,

the social instability reflected in the earthquake disaster and the sarin gas attacks has had a deep psychological affect on people.

In response to inquiries about the areas of life that people feel satisfied with, the categories of "family life," "friends" and "interests/sports" came out at the top of the list. Categories where satisfaction has dropped include "harmonious neighborhood relations," "future security" and "the safety of Japanese society."

The areas that Japanese consumers want to emphasize in the future are "housing" and "food." Many women respondents emphasize the area of "leisure lifestyle." Less and less importance is being given to the category of "clothing," especially among men.

The increase in the number of people using computer communications has had a huge impact on many areas of life. There has also been an increase in people answering in the affirmative to the statements, "I use computers and word processors in the home," "I work part-time" and "I enjoy outdoor activities such as fishing and camping."

Let's see where money is being spent. Automobiles is the only area where the amount of money spent by consumers increased between the 1994 and 1996 surveys. The amount of money spent dropped in the categories of "ceremonial occasions," "socializing with acquaintances," "clothes for going out" and "obligatory seasonal gifts." This seems to reflect a declining desire to spend money on socializing and formal affairs.

People wanted to spend more money on travel in 1996. Travel, particularly overseas travel, holds an important position in Japan's consumption patterns, regardless of whether there is a recession or not. In the 1996 survey, 61% of respondents reported having traveled abroad.

Compared to the 1994 survey that showed a strengthening tendency among consumers to stress real quality and real experience over fashion and style, the 1996 survey showed a slight return to showiness.

Three trends were apparent in the area of culinary lifestyle. There is a trend

toward health-consciousness, with a rising number of people watching their diet and frequently using health drinks and vitamins. Next is a trend toward convenience, with a rising number of people eating fast food. Together with the convenience trend is a rise in the number of people interested in fine cuisine, reflected by more people going out to restaurants after reading reviews in magazines or seeing restaurants featured on television programs.

Fewer people wore traditional Japanese clothes in the past year, reported liking Japanese cuisine or finding Japanese-style rooms attractive. This reflects a weakening of the trend toward greater interest in traditional Japanese culture for the first time since the bubble burst.

In the area of leisure activities, more people reported watching videos frequently and more people said they use computers as a hobby. Both of these activities are performed in one's own home and usually alone. Naturally, then, fewer people agreed with the statement, "I enjoy going out for entertainment more than staying at home for entertainment."

In response to the question, "What hobbies or sports do you participate in regularly?", the answers "domestic travel," "eating out," "cycling" and "personal computers" saw an increase, while "reading," "watching sports events," "karaoke," "listening to music," "horse racing," "art appreciation" and "going for a drive" declined. During the bubble economy, eating out became very popular. Therefore, the fact that eating out showed a gain in popularity in the 1996 survey points to a slight recovery from the recession doldrums.

The popularity of socializing with friends and acquaintances is dropping. The number of people responding that they had an extensive network of friends and acquaintances or that they liked to hold parties and invite friends over is declining. People are feeling greater materialistic and psychological burdens associated with socializing, reflected in a slight increase in people who said that socializing is tiresome.

The exchange of presents, which goes

hand in hand with socializing, is also going through a crisis. The number of people who adhere to traditional gift-giving conventions is decreasing as is the number of people who responded that every year they give the traditional summer gift (*ochugen*) and the traditional winter gift (*oseibo*). In addition, fewer people are exchanging presents with friends and family, with fewer birthday presents being given to family members and fewer birthday and Christmas presents given to friends.

Japanese consumers are just beginning to emerge from the long tunnel of the recession. The desire to consume has begun to well up around the hub of quality items. For example, sales of upscale brand name imports, which was the hallmark of the bubble economy period, are increasing. The percentage of respondents who said they just couldn't think of anything that they needed, which had increased steadily since 1990, finally began to fall. More people in the 1996 survey answered in the affirmative to the statements, "I would like to buy something nice even if it is a little expensive" and "If I like something, I will buy it even if it is expensive." Conversely, there was a drop in the number of respondents who agreed with the statement "I am living frugally." Until 1996, agreement with this statement had risen in every survey since the bursting of the bubble.

When economic conditions are difficult, consumers have to carefully select their purchases. They have to watch their purchases even closer in order to maintain their current standard of living. Consumers are trying to make the most appropriate purchases while considering the balance between cost and personal satisfaction. In other words, "selective consumption practices" are increasing.

Fewer people report assiduously comparing prices before making a purchase or visiting many stores to find the best price. However, there has been no change in the number of people who shop at discount shops. Consequently, buying inexpensive items seems to have become an established consumption practice.

Japan's marketing and distribution

structure has changed dramatically over the past several years. More people are importing goods for themselves on their own and frequently shopping by mail order.

Strong personal preferences about the method of shopping and product design are declining. A genuine buying awareness has developed that looks beyond whether a product is a brand name or a discount brand.

The 1996 survey also saw a slight decrease in the number of people who said they have information about a number of products. On the other hand, the number of people responding that the more information they have about a product the better, which has been dropping since 1990, turned upward and the number of people reporting that they purposely go to stores with a large selection of products also increased. Consumers are showing a stronger intention to select products based on their own opinions.

The grand idea that everything in life is relegated by money was most prevalent at the height of the bubble economy in 1990, but has continued to decline since. The idea that high-class goods are necessarily expensive goods—that price is the only yardstick—also continues to wane.

Perhaps reflecting the age of super-low interest rates, there has been a major drop in the number of people who agree with the statements, "I put a certain sum of money into savings each month," "I pay close attention to interest rates" and "I am interested in information which helps me make a profit."

Fewer people reported living within their means and more people reported feeling no resistance to using credit cards. These trends are thought to be the result of a stronger interest in efficient use of money. This positive change in attitudes toward money also backs up the idea of "selective consumption."

When considering Japan's consumption practices, Japanese people's strong awareness and concern with what other people are doing and thinking is often pointed out. Japanese traditionally pay close attention to other people's opinions and behavior and tend not to devi-

ate from what is considered the norm. However, this cultural character trait is changing. The number of people who aren't concerned about being different than others is increasing. Personal satisfaction is becoming more important. Personal identity is becoming the key measure. These trends represent development of the concept of the individual in Japanese society. The ranks of the traditional Japanese personality, a person who worries about being different from others in opinions and actions and tries to behave like others, continue to decline.

Japanese people who don't worry about being different from others are steadily increasing in number. This type of person doesn't act differently from others without necessity, however. Consequently, on the surface they seem just like people who are mindful of what others think, but underneath they are the new type of Japanese person who does whatever they like. If they feel the need, they will do their own thing regardless of what others are doing. In the future, the behavior of Japanese consumers will turn more and more toward individuality. The appearance of this new type of personality is one reason that fewer people now agree with the statement "I believe that following customs and conventions is only natural."

The number of people who do not depend on fate or luck and who do not depend on any group such as a company or club is increasing. These people believe in handling everything by themselves. Dislike of dependence because it means being bound by others, the group or conventional opinions is growing stronger. The traditional Japanese way of thinking that is centered on the cooperative group is disappearing.

Religious inclinations fell in the 1996 survey due to the subway poison gas attacks and other incidents instigated by the Aum cult in 1995. Belief in the ideas of life after death, supernatural powers, the soul and religion declined, as did belief in fate and love. On the other hand, more people than before agreed with the statement "Fate and luck are more important in life than ability." It is no surprise, then, that pachinko, a form

of gambling, is a huge industry in Japan. Also, more companies are using promotional campaigns for products or services that feature the opportunity to win prizes. The value of these prizes has been growing recently, which has made these campaigns even more effective.

Conversely, promotional campaigns featuring coupons are not as effective in Japan as in other countries. In Japan, consumers aren't that concerned with making small savings on purchases. Japanese consumers are more taken with the dream of winning a wonderful prize than with the idea of paying slightly lower prices at the cash register. This same tendency can be seen in the way work is perceived. People who say that they would choose shorter working hours over a pay increase grew in number even during the recession.

The growth of internationalization in Japan has greatly changed the behavior patterns of Japanese consumers. With Japanese people traveling around the globe, the Japanese consumer has developed an advanced knowledge of every nation's superior products. Japan is now an import superpower. Japan's national borders are extremely permeable to imports. Most Japanese feel no reservations about foreign products, services and labor. One example of this is that there has been a rapid rise in people who agree with the statement, "I have no reservations about working with foreigners."

Japan has experienced major turmoil over the past several years, in the form of the Great Hanshin Earthquake, the Aum gas attacks, political instability and the long recession. These events have cut into Japanese people's confidence. Respondents' evaluation of each of the following items concerning present conditions in Japan has deteriorated: "the state of public security," "economic prosperity," "the high level of science and technology," "social stability," "the high level of education," "the industriousness and ability of the Japanese people" and "the degree of Japanese contributions to the global community." The only areas that saw slim increases were "the Japanese people's sense of responsibility" and "the warm-heartedness of the Japanese people."

Does this decline in the Japanese people's self-confidence influence consumption patterns? The answer is no. The Japanese are changing. Japanese consumers are coming to feel that it is important to enjoy their own lives regardless of political or economic trends. They have abandoned the idea held by citizens of developing nations that national development is linked to personal happiness.

Baseball is popular in Japan. Recently, however, soccer has also gained a large following. Soccer, a sport where plays made by the individual are important, is gaining in popularity over a group-oriented sport like baseball, particularly among the younger generation. In nations throughout the world where soccer is popular, one does not see great trust in government but one does see that the people tend to get full enjoyment out of their daily lives. Japan is beginning to show this same trend toward pleasure-seeking.

Japanese baseball is also undergoing change, as reflected by Japanese pitching ace Nomo Hideo's success in the American Major Leagues. The ability of a player to succeed on his own merits, here or abroad, has become more important than blind submission to his team.

The Japanese are becoming more individualistic. Because they don't have an understanding of the personal responsibility that must come with individualism, however, selfish self-interest may be a better term for it. More respondents now agree that "One should stress personal benefit over sacrificing oneself for the benefit of the entire nation." More also believe that "Japan's own interests must be considered first, before consideration of contributions to the global community."

There has also been a slight increase in people who favor the statement, "I look out for my own selfish convenience" over the statement, "I put up with inconveniences for the good of the overall society." At the same time, fewer people responded in the affirmative to the question of whether they were interested in macro trends in Japan. There has also been a steep decline in people who are interested in macro global

trends. An image of people concerned only with their own lives comes to mind.

Japan has emerged from a stage of growth typified by the goal of catching up with Western industrial nations, a stage that dates back to the Meiji Restoration. This current stage harkens back to the Edo Era. Interest in world conditions is falling and people are interested in the quality of their own lives instead. The way of thinking that stressed today over yesterday and tomorrow over today has lost its power. There will probably be more and more people who perceive time as it was seen in the Edo Era, as a perpetual cycle of the seasons. The Japanese people's perception of time is shifting from the linear model to the cyclical model.

The Japanese are traveling, going to see flower gardens, going to the theater—they are enjoying life. Originally, the Japanese were a great pleasure-seeking people. This character trait only changed in the Meiji Era. From now on there will be more people who live their lives to enjoy themselves, like those of Edo.

The best-selling product of 1996 was the cellular phone. Japan has a higher rate of cellular phone ownership than the United States and in 1997 cellular phones are expected to account for half of all telephone circuits. Personal computer ownership lagged far behind the U.S., but is now rapidly increasing. The Internet is also experiencing a boom.

No matter which of these information devices one considers, it turns out that in Japan, as opposed to Europe and the U.S., more people are buying them for leisure use rather than for business purposes. In Japan, a great number of junior high and high school students use pagers to call up their friends, and since the advent of simplified cellular phones, these have become a plaything for teenagers. It is a mistake to see the Japanese consumer market as at all pragmatic. An Edo Era haiku says it all: "I was born to have fun." ■

*Sekizawa Hidehiko is executive director at the Hakuhodo Institute of Life and Living and lecturer in the Literature Department of Keio University.*