

# Finding a Niche for a Novelty

By Shozo Maeda

To the casual observer it might seem that the success and growth of a new business hinges on the innovative ideas of the founder and simple good luck. Yet a more careful analysis of changing times and people's perceptions shows that the new businesses which succeed do not do so by chance. From the very beginning they have what it takes to ride the current of the times.

New businesses are constantly springing up in Tokyo, both a commercial sphere with 30 million consumers and a city of highly educated, high-income citizens. Their changing lifestyles and transformations in the management of both corporations and the city have brought into existence six important new consumer segments. These segments could be termed (1) the new family, (2) new ladies, (3) new senior citizens, (4) the new rich, (5) the new company and (6) the new country. It is these six groups that are the main targets of new businesses. And the ones that have been most successful are those that have enlarged on the traditional customs of Japan to create new services with high growth potential.

## Home delivery

*Demae*, or home delivery, has been a part of the Japanese economy for centuries. *Demae* can range from the routine delivery services provided by sushi and noodle shops, liquor dealers, rice shops and laundries to peddling by Omi merchants in Shiga Prefecture and the medicine salesmen of Etchu-Toyama, the present Toyama Prefecture popularly known as Etchu district, which dates back to the Edo period. Now, though, consumer demands for convenience, the aging of the population and an increase in working women is turning *demae* into big business. To succeed in this age, companies must go out and aggressively court their customers, and *demae*, once an incidental

service offered by merchants who sold goods at their stores, has taken on a commercial value of its own.

An example is the increasing popularity of *demae* parties. Holding parties at home is a familiar tradition in the West that spawned the catering industry. Now it is spreading to Japan, and without all the snobbish upper-class connotations of catered parties in New York and other Western cities. Catering services which allow housewives to enjoy relaxing with friends without worrying about washing dishes and cleaning up afterwards are growing tremendously. Food is often only part of the package. Popular these days are *demae* Spanish cuisine complete with flamenco dancers, *demae* of mini classical music concerts, and even *demae* of bath water from famous hot spring spas.

Another popular new *demae* product is books. Book *demae* was inaugurated by major trucking firm Yamato Transport Co. in a tie-up with Kurita Publishing Co. This service delivers books to homes about three days after they are ordered for only ¥300. Distribution channels in Japan's book and publishing industry are long and complex. Bookstore owners only order books not on their shelves grudgingly, and to make matters worse, it

takes some two weeks for the orders to arrive. Yamato Transport's new book *demae* service offers information about all books in print by field of interest, and is having a great impact on the publishing industry. Major bookstores and publishing houses have started their own home delivery services to keep up, breathing fresh air into the hide-bound industry.

Now the *demae* industry is shifting from delivering goods to providing other services. Once a week, for instance, the Seibu Nissan car showroom in Hamadayama in Tokyo becomes a neighborhood aerobics school. All the cars on display are moved outside, and housewives come to the showroom and dance under the guidance of an instructor. Women have a strong say in family car purchases and this showroom reports greatly increased car sales.

Life today goes on around the clock. For many young people in their 20s, morning and night are when you feel like it and not when the clock tells you. To cater to people up and about in the middle of the night, many new businesses have cropped up. It is a big market. In fact, one out of every five young men in their 20s does not sleep in the hours after 1 a.m. (see Table 1).

Western foods like pizza have joined the traditional Japanese-style *demae* (home delivery) food items.





A 24-hour bookstore in Tokyo. Big changes are being made in the business hours of Japanese shops in response to consumer needs.

The Japanese have been criticized by people of other countries for working too hard. Now that many homes are equipped with a full range of labor-saving electrical appliances, however, a Japanese housewife is said to need only three hours a day to perform her household chores. The popularization of housekeeping services is cutting that down even further, creating a promising new business opportunity in offering housewives advice on how to use their spare time. Studying the time dimension of new businesses, it is evident there are abundant opportunities for "niche time" businesses in time slots

where no other commercial services are presently available.

There are basically two types of new businesses to help people spend their spare time. One provides services in the early morning and late-night hours. These include early morning English conversation classes, aerobics classes and early-morning discount sales at shopping centers, department stores and supermarkets. Some new businesses for the after hours are night-time equestrian clubs (popular with female office workers) and night golf (popular with salaried men). In addition, there has been a sharp increase

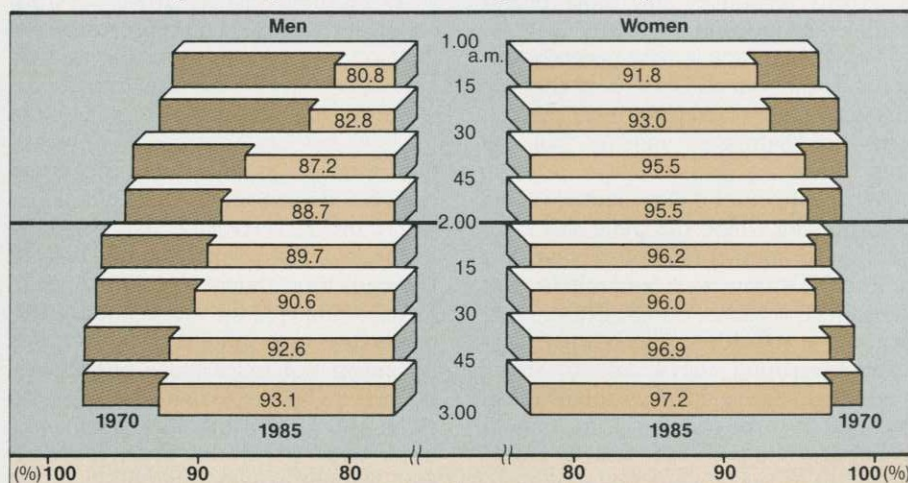
in restaurants, bookstores, convenience stores and rental shops staying open around the clock. Closing times at art museums, galleries and movie theaters used to be so early that workers leaving their offices had to rush to get there before they closed. Now some have changed their opening hours to 9 p.m. or even 10 p.m.

## Amusement parks

Tokyo Disneyland, opened in 1983, is booming. Every year more than 10 million visitors tramp through its gates. In the past, Japanese fathers were expected to exercise total leadership over the family, even in planning recreational activities. But at Tokyo Disneyland, father doesn't have to know best. At Tokyo Disneyland, members of the family discuss which attractions they want to see.

Following the opening of Tokyo Disneyland, new recreational parks with unique themes of their own have been spilling from the drawing board. Amusement parks used to be an incidental business of railway and real estate companies, and were all much alike. Today, they represent a full-fledged industry in their own right. Imported directly from the U.S., the industry is now trying to boost its growth potential with such Japanese-style additions as educational and high-tech features. The Tama Sanrio Communication World, for example, scheduled to open in 1989, incorporates educational elements and employs the innovative idea of introducing a reservation system to prevent congestion outside pavilions. "Leisure World" (tentative name), to be constructed in Kobe, will cost almost as much as Disneyland at ¥150-200 billion, but will be much larger. Scheduled to open five years from now, the amusement park is yet another sign of how changing lifestyles and values can mean big opportunities for new businesses.

Table 1 Percentage of People in Their 20s Asleep after Midnight



Source: "Survey on People's Life Hours" by NHK

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