

Consumption Patterns among Young Japanese

By Nakamura Hiromi

RECENTLY kimonos have become extraordinarily popular among Japanese women in their 20's and 30's. But it is not the ordinary classic garb that is all the rage, but rather, vintage kimonos that were everyday wear

around the 1910s to 1920s which evoke Taisho romanticism and a Showa mood, available at second-hand kimono shops. Kimonos used to be everyday wear for Japanese, but these days, only a few people wear kimonos in their daily lives.

Japanese people today view kimonos as a kind of special attire reserved for weddings, funerals and other formal affairs. Kimonos are usually expensive, stiff to move around in, and people cannot put them on without some degree of special training. Therefore the average person is not likely to regard the kimono as a casual piece of clothing that can be easily worn. So why this incredible popularity?

Photo: Kimono Café/ Masaru Yagi

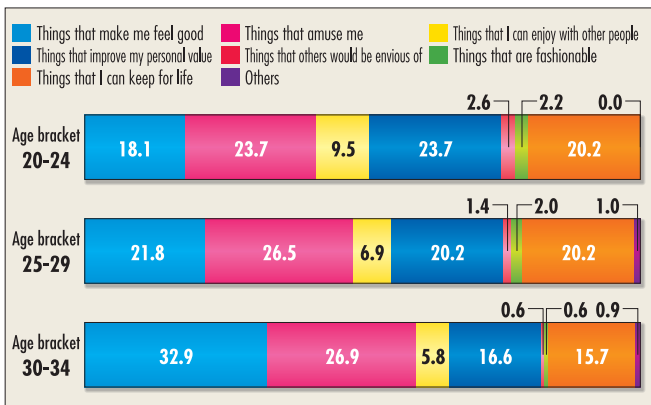


Young women wearing vintage kimonos

Selecting Personal Taste to Express Individuality

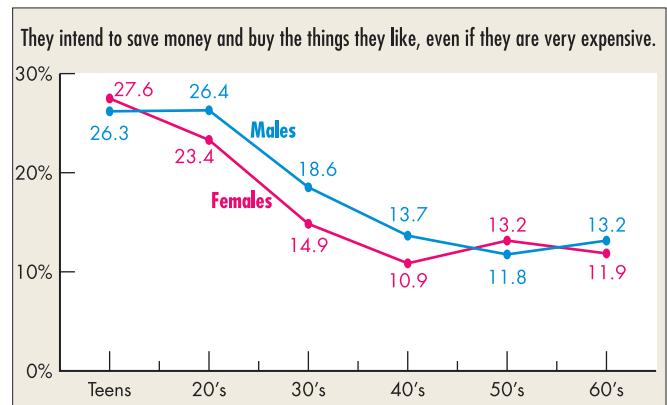
“Being myself” is the most important value among young Japanese people today. It begins with a sense of self and expands beyond. They are pursuing an identity as Japanese individuals, and are re-evaluating Japanese culture. Japanese things such as foods, patterns or “zen” images are now in style. The popularity of vintage kimonos is one obvious facet of this “Japanese boom.” Vintage kimonos are characterized by bold hues and patterns not found in modern kimonos or western clothing. They present an opportunity to coordinate in ways that express originality beyond anything found in western attire, and they also allow people to define their

Figure 1 What do they feel an affinity towards?



Source: Trends among single people in their 30's
LiveBridge Inc. Kurashi How Institute, 2002

Figure 2 Practice of indulging in one luxury amid an environment of sluggish consumption



Source: The Survey of 10,000 consumers, Nomura Research Institute 2000

Table 1 Breakdown of the Monthly Allowance, 2003

Employed single males in their 20's	N=100
1, Food	¥ 24,050
2, Savings and Investment	¥ 18,175
3, Clothes and Shoes	¥ 9,390
4, Communications	¥ 7,580
5, Hobbies	¥ 5,180

Employed single females in their 20's	N=100
1, Savings and Investment	¥ 30,470
2, Food	¥ 20,960
3, Clothes and shoes	¥ 19,910
4, Communications	¥ 8,097
5, Cosmetics (Hair-Care)	¥ 7,445

Source: Young People's Life Style Survey 2003-04

own individuality. For young Japanese, when talking of fashion, instead of simply putting on ready-made clothes, it is only natural to coordinate with vintage pieces or to create one's own style, by taking elaborate care over designs and fabrics. "Whether the item suits me," is a key point, and individual sensibilities, rather than price and quality, are becoming the deciding factors when making purchases. "Insistence" is the key word depicting young people's consumption behavior.

For the Future: Young People Saving More

In the past, the working generation under the age of 30 represented the leading consumer group, but nowadays people in their 40's to 50's are sustaining consumption, and the purse strings of young people are much tighter. They spend lavishly on things which they regard as personal must-haves, but for everything else, they contemplate necessity. Conservative consumption is a characteristic of this group. One explanation for this is that this generation witnessed the collapse of the bubble economy in their teens and later graduated from college during the employment "ice age." They are also questioning the structure of the national pension program and have an indescribable anxiety about their future. Their saving ratio is also high. The average amount of savings for "OLs" ("Office Ladies" or employed women), whose average age is 26.8 is ¥2,099,985 for those who live on their own and ¥1,821,235 for those liv-

ing with their parents.¹ This clearly shows a definite trend toward saving money. According to the results of the "Young People's Lifestyle Survey 2003-2004" sponsored by Tokyo FM, a radio station, there is a rising trend in "Savings and Investment" among those who are single, employed and in their 20's. Employed single males in their 20's save an average of ¥18,175 per month, and employed single females in their 20's save an average of ¥30,470 per month. These figures represent the highest share of monthly disposable income.

No Hasty Purchases without Gathering Information First

While economical retail outlets like 100 yen shops and UNIQLO are popular, there is a move toward bipolarization, with high-end beauty creams costing more per gram than gold and imported luxury brands such as Hermès and Louis Vuitton enjoying brisk sales. The consumption pattern shown here is both steady and prudent: people spend lavishly on things they feel they need, but they carefully mull over every purchase.

For example, it is common sense to look for the lowest price when it comes to products such as home appliances, which vary from store to store. "kakaku.com," a word-of-mouth Internet site, lists prices, indicating which store is the cheapest, and also gives consumer product reviews. For cosmetics, there is a consumer review site called "@cosme" managed by istyle, Inc. Prior to making an actual purchase,

one can research how a product rates through word-of-mouth, consider which one is best suited to one's own skin and preferences, and ensure satisfaction with one's selection. A total of 520,000 users are registered at this site, and as of May 2003, the number of consumer reviews had exceeded a million. The website also serves as a place to connect users and companies by producing joint product development.

In Tokyo alone, there are plenty of free coupon magazines such as *Hot Pepper*, published by Recruit, targeting individuals in their 20's and providing discount coupons for restaurants and aesthetic salons. Effective utilization of these and keen awareness of price savings is another characteristic of young people these days.

Conservative Impulse Buyers

Although young Japanese people often purchase things after careful research, as mentioned earlier, it is also true that when they get busy or feel stress, they sometimes buy things on impulse without considering logically whether they need the item or not. Most of the items they buy are fashion items such as clothes and bags. Though the ratio of impulse buying is higher for females, according to research, 54.8% of young Japanese people in their 20's, both male and female, recognize that they have a tendency for impulse buying. The other study shows that 77.5% of people in their 20's feel happy when they do shopping.² Such a reaction is an outlet for their stressful lives in Japan.

Notes : 1) CAZ net "marumie-datakan" FUSO Publishing Inc.
2) Mega Library, Intermarcom, Inc.

Photo: NTT DoCoMo, Inc.

Mobile Shopping – Whenever, Wherever

Money spent on mobile phone usage among those in their 20's is second only to that of the generation in their late 40's to early 50's.³ The market scale of mobile shopping, which utilizes mobile phones as a means of product purchasing, namely the downloading of toll services and content popular among young people such as “chakuta” (receiving a singing voice as a ringtone), and other content such as games and screensavers, is expected to expand to ¥358 billion in 2004.⁴ Unlike conventional stores, with the emergence of online mobile shopping, it is possible to make purchases anywhere, at any time. It is now also easy to purchase



Mobile phone with built-in IC card functions

specialty goods such as exclusive online merchandise or special local products directly from the supplier manufacturer, to compare prices for items, and to check user reviews prior to purchasing. Among online shoppers, stores that offer low product prices and shipping fees, a variety of services and strong

security systems appear to be the most popular. With NTT's July release of mobile phones with built-in IC card functions, mobile shopping will likely lead to further market expansion. **JS**

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Electronic Money and Changes in Consumption

Photo: East Japan Kiosk

UTILIZATION of electric money is on the increase, with pocket-sized IC cards that carry cash value used increasingly for shopping, ticket-less train travel and the like. With over one-million transactions posted in its first three months, Suica's new shopping service for stores inside railway stations introduced by JR East in March 2004, continues to grow in popularity. The “ekinaka” (inside the station) stores located inside ticket gates include a wide range of businesses such as restaurants, bookstores, variety stores, clothing stores and aesthetic salons. Stations, once merely transit sites, are now turning into venues for generating profit. “Suica” cards which can complete a payment transaction with just a swipe across a special sensor, appear poised to gain many more users. JR East is slated to join forces with the JAL Group to release the “JAL Card Suica,” which will feature both mileage and IC card functions. Ten thousand miles can be converted into ¥10,000 in card value up to twice a year, and then used for purchases on the IC card. Other plans include making “Suica” available for shopping in the entire railway station building and convenience stores.



On the other hand, “Edy,” which utilizes “Felica,” a non-contact IC card technology developed by Sony, has found a wide range of applications at convenience stores, supermarkets and department stores since the launch of full-fledged services in November 2001. 3.4 million cards have been issued with this “Edy” function. “Edy” can be “recharged” on the Internet using special hardware. It can also be used to make payments for online shopping. Many shops offer discounts on purchases made with “Edy.” bitWallet, Inc., which manages “Edy,” is planning to deploy an electronic money service that combines i-mode “Felica”-equipped mobile phones with “Edy.” In addition to vending machines and shops, the new devices will be used as airplane and movie tickets, or residential keys. By incorporating the electronic money function, mobile phones, which have thoroughly penetrated the market among young people, are poised to bring about the dawn of an entirely new consumption scene.



Photo: bitWallet, Inc.

Notes : 3) The Household Consumption Survey conducted in April 2003

4) According to market scale predictions made by the Mobile Computing Promotion Consortium