

Japanese Consumer Behavior

Driven by robust domestic demand, the Japanese economy has continued to expand, despite a gradual deceleration in the rate of growth since the second half of 1990. If the expansion continues beyond August, it will become the nation's longest economic boom since the end of World War II.

Personal consumption, accounting for a full 60% of the nation's GNP, has been

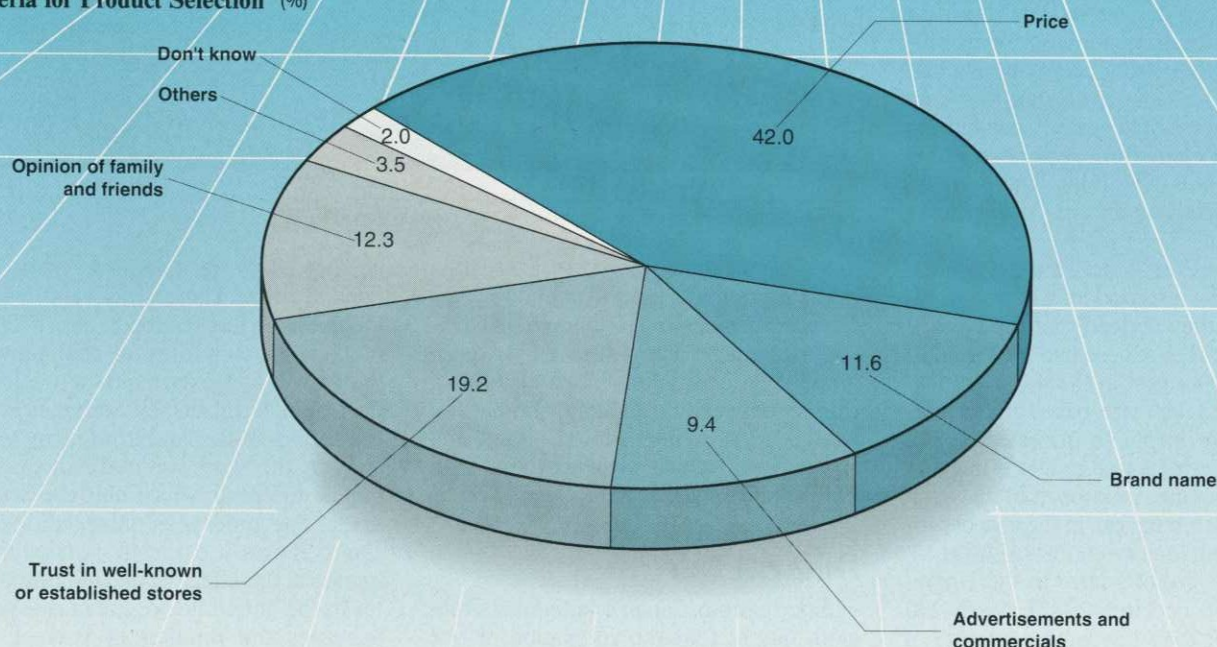
the powerhouse behind this expansion.

Japan is one of the most affluent countries in the world, and it is flooded with goods from around the globe, enough and more to satisfy the insatiable appetite of Japanese consumers, who are said to be particularly conscious of the quality of products.

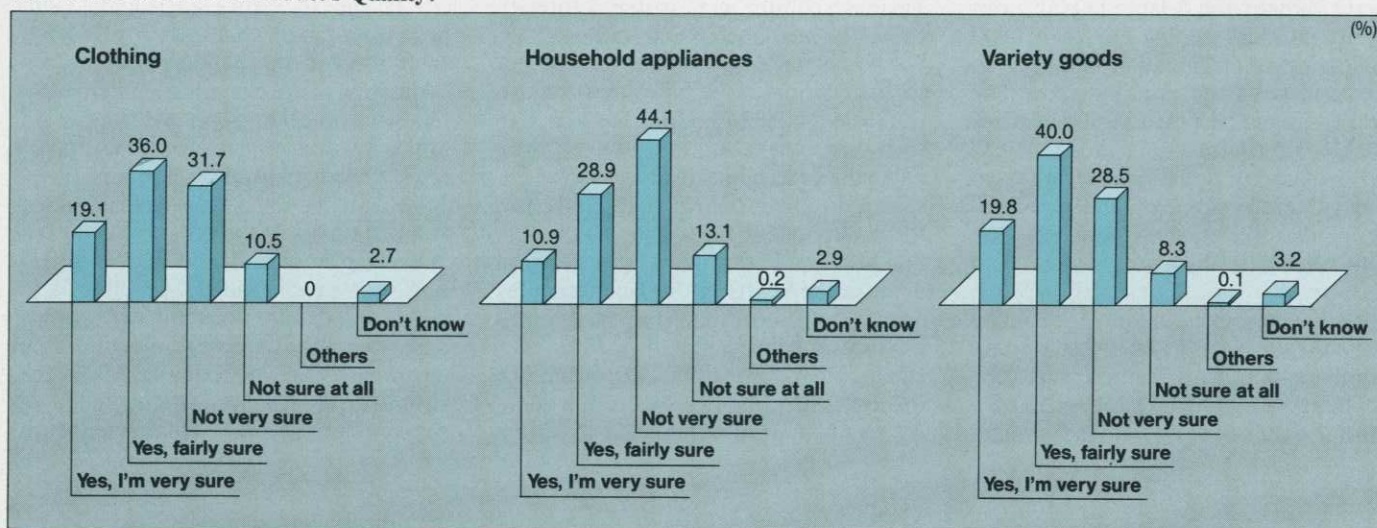
A survey conducted by the Prime Minister's Office in 1988 sheds light on the

psychology of Japanese consumers: how they select products, and how they judge product quality. They have a penchant for high-quality goods—products with famous brand names or those sold at famous shops. Japanese consumers are also well informed about what they buy.

Criteria for Product Selection (%)



Can You Determine a Product's Quality?



Note: Conducted February 1988 nationwide; subjects were 3,000 individuals aged 20 and older (2,353 responded).
Source: Public-opinion surveys by the Prime Minister's Office