

Spending More on Fewer Kids

By Hideo Takayama

The children of the baby-boom generation that was born immediately after World War II are now mostly in senior high school; soon they will be university students. Companies have kept their eyes on this relatively large age group, which forms a lucrative consumer market.

Since the appearance of this generation, however, the number of births in Japan has fallen drastically. According to the Prime Minister's Office, the number of children under 14 years of age stood at 22.83 million as of April 1, 1990, a decline of 760,000 from the previous year. The ratio of children in the total population registered another postwar low of 18.5%. In 1989 there were 1,246,800 births in Japan, giving a birthrate of 10.2 per 1,000 of population—the lowest figure since Japan began compiling accurate population statistics in 1899.

Success of electronic games

The shrinking population of children means that Japan is going to have some serious social problems to deal with in the near future, including the aging of the population, a shortage of young workers and a loss of social vitality. And never mind the near future. The decline in the number of children is having an effect in the present, too.

Already some private maternity clinics and kindergartens have been forced to close because of the so-called structural depression—the drop in the numbers of births and thus of kindergartners. And businesses producing, for example, powdered milk and feeding bottles for babies, picture books for infants, and academic magazines for elementary school children have their backs to the wall and are competing vigorously to maintain their share of the market.

Despite these trends, however, since the late 1980s a string of children's goods have become best-sellers, thereby helping to revitalize the children's market and at-



Electronic games have grabbed the hearts of Japanese children.

tract firms from a diverse range of industries into the expanding and potentially rewarding kids' business.

Far and away the biggest success has been achieved by electronic games, the most popular being the Family Computer video game developed by the now world-famous Nintendo, which began life as a small company manufacturing cards. The Family Computer caused a sensation when it appeared in 1983, first among elementary school boys, then among their female classmates and teenagers. From 1983 to the end of 1990 Nintendo sold an amazing 15 million units of the Family Computer in Japan alone.

Nintendo followed this up in 1989 with a portable version of the Family Computer called the Game Boy, a hand-held game machine with a liquid-crystal display that can be played "by yourself, anytime, any place." The Game Boy has been so popular, especially among elementary school children, that supply could not keep pace with demand for a while.

Nintendo also exports the Family Computer and Game Boy, which, together with the game software for them, dominate the top places among best-selling toys in the United States.

Household appliance, audio and precision equipment makers have been eagerly venturing into the children's market, too, developing various kinds of audio-visual equipment for kids and selling them through toy distribution channels. The most popular goods have been Sony Corp.'s My First Sony series, Sanyo Electric Co.'s Robo series and Casio Computer Co.'s Sound Kids. Especially popular as a present for young children has been Sony's Graphic Computer, which sells at ¥18,000 (\$128 at the rate of ¥140/\$) and enables infants to draw pictures on a television screen.

Figure 1 shows that the shipment value of toy goods in Japan has nearly doubled over the last five years. While the shipment of electronic toys trebled during the period, however, the shipments of other

toys remained at the same level or dropped off slightly. The Family Computer and other electronic toys sold exceptionally well in the late 1980s, bringing a structural change to the lifestyle and play pattern of the nation's children.

Also expanding is the market for clothes for children, especially infants. With the market for domestic-made designer and character clothes for women shrinking, several famous apparel makers have joined toy manufacturers in entering the children's wear market. Many children's boutiques have opened in major cities, including Dear Kids Laforet in Harajuku and Children Museum in Jiyugaoka, two of the most fashionable districts in Tokyo. Fancy stores selling top-quality children's wear and miscellaneous goods for youngsters have become a central feature of department stores and large shopping centers.

Growing children's market

There are several factors behind the growing children's market. First, the decline in the number of children and increase in the number of elderly people in



A boutique specializing in children's wear in Harajuku, Tokyo's most fashionable district.

the population mean that the number of adult and elderly relatives per child has risen. So the number of presents given to children on various occasions during the year has increased, and the quality has improved.

In Japan, children receive money or gifts on such occasions as their birthday, Christmas, New Year's, entry to kindergarten and elementary school, and the traditional *Shichigosan* festival every November 15, when boys aged three and five and girls aged three and seven dress up in their best outfits and go with their parents to a Shinto shrine to pray for the child's continued growth.

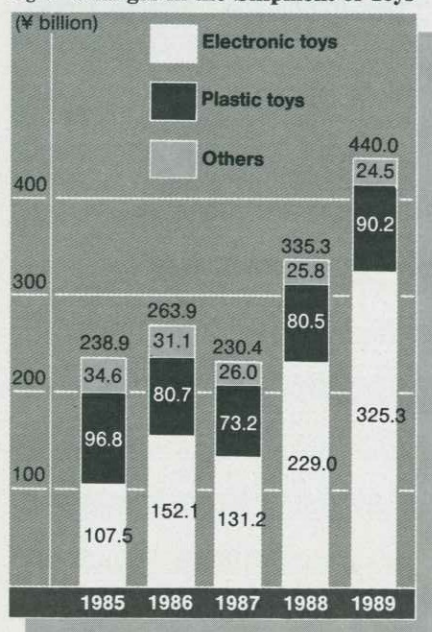
With single-child and two-child families becoming more common, parents are more willing to spend money on a child's education and cultural activities. Always keen to buy presents for their grandchild-

dren, elderly people are playing a significant role in expanding the market for children's goods, too.

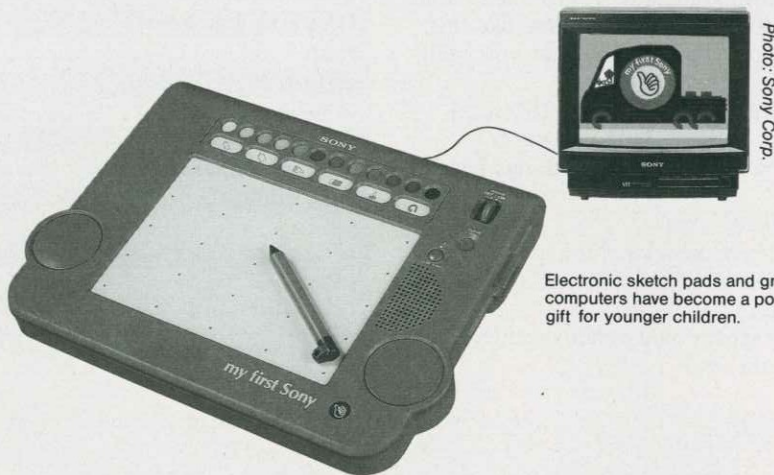
Second, a qualitative change has taken place in the attitude of young parents, and especially mothers, to everyday life and consumption. Today's young parents, born in 1955 or after, grew up in the 1960s, when Japan experienced a period of rapid economic growth; spent their adolescence in the 1970s, when Japan endeavored to become a more mature society following the oil crisis of 1973; and reached parenthood in the 1980s, which were marked by the trend toward internationalization, the growth of the electronics industry and a heightened awareness of fashion.

Unlike mothers of the previous generation, who willingly sacrificed their own lives for the sake of their young children

Fig. 1 Changes in the Shipment of Toys



Source: Statistics on miscellaneous goods, Ministry of International Trade and Industry



Electronic sketch pads and graphic computers have become a popular gift for younger children.

and were not fashion-conscious at all, today's young mothers want to make their family lives as colorful as possible. They like to dress their infants in clothing that matches their own when they go out, buy fancy tableware and other goods for their children, and decorate the children's room colorfully. They even choose the places where they eat out more carefully, too. When today's young mother makes a purchase, she chooses something that is not only practical and functional but also fashionable.

This change in the values of young families is likely to have an influence not only on goods used by the children themselves, such as toys, stationery, clothing and confectionery, but also on child-related household consumption in general, such as audiovisual equipment, furniture, household utensils, eating out, leisure and automobiles.

There also has been a revival of character goods that were popular back in the 1960s, when today's young parents were kids. The parents' nostalgia for such television characters of the 1960s as "Ultra-man," the spaceman hero of an action drama series featuring vivid special effects and "Sally the witch," a cute heroine of an animated cartoon, and the appetite of today's children for new heroes have combined to turn these characters into big hits again. The attraction of these character goods is that they give pleasure to parents and children alike.

The children's market in the 1990s

Recently a group interview was held to ask fourth-graders in Tokyo about what they want. It went something like this:

Q: Is there anything that you really want at present?

A: Really want? Well... (Silence.)

Q: Is there nothing you want?

A: No, there's a lot of things I want, but...

Q: Well, what?

A: There are a lot of things I want, but if I'm asked what I want most of all, I'm not sure.

Q: I see. So you're not sure what you want, are you?

Table 1 Durables Possessed by Elementary School Children

(%)

	Total	Third graders		Sixth graders	
		Boys	Girls	Boys	Girls
Bicycle	90.8	88.0	89.0	97.0	89.0
Wristwatch	76.3	66.0	76.0	72.0	91.0
Video game machine	51.8	68.0	30.0	75.0	34.0
Bed	37.5	29.0	29.0	45.0	47.0
Unicycle	31.3	8.0	45.0	16.0	56.0
Radio-cassette tape recorder	21.5	11.0	15.0	22.0	38.0
Personal stereo	20.3	11.0	7.0	24.0	39.0
Piano	19.8	8.0	27.0	8.0	36.0
Camera	16.5	19.0	11.0	22.0	14.0
Own TV set	16.3	21.0	8.0	26.0	10.0
Electronic keyboard	16.3	9.0	24.0	5.0	27.0
Hair drier	14.3	9.0	10.0	13.0	25.0
Videocassette recorder	13.8	24.0	12.0	13.0	6.0
Astronomical telescope	7.0	10.0	3.0	13.0	2.0
Word processor	4.8	7.0	2.0	5.0	5.0
Stereo player	4.5	4.0	4.0	7.0	3.0
CD player	4.3	1.0	1.0	5.0	10.0
Personal computer	2.5	3.0	1.0	4.0	2.0
Laser disc player	1.5	1.0	2.0	2.0	1.0
Private telephone	1.0	—	2.0	2.0	—

Note: Survey conducted by the Children Research Institute in July 1989 on 400 children in the Tokyo metropolitan area, 100 each from third and sixth grade of both sexes.

Table 2 Durables Elementary School Children Want to Possess

(%)

	Total	Third graders		Sixth graders	
		Boys	Girls	Boys	Girls
Own TV set	36.3	36.0	43.0	34.0	32.0
Private telephone	24.0	17.0	26.0	14.0	39.0
Bed	22.8	23.0	41.0	12.0	15.0
Personal computer	20.8	30.0	14.0	29.0	10.0
Video equipment	18.5	22.0	16.0	23.0	13.0
Astronomical telescope	15.0	27.0	9.0	16.0	8.0
Personal stereo	14.5	17.0	10.0	12.0	19.0
CD player	13.5	7.0	5.0	22.0	20.0
Camera	13.5	10.0	17.0	9.0	18.0
Word processor	12.0	11.0	13.0	11.0	13.0
Video game machine	8.8	17.0	9.0	9.0	—
Piano	8.0	2.0	23.0	—	7.0
Wristwatch	7.8	11.0	10.0	7.0	3.0
Unicycle	7.3	4.0	20.0	1.0	4.0
Laser disc player	7.0	13.0	1.0	8.0	6.0
Electronic keyboard	6.5	2.0	10.0	2.0	12.0
Stereo player	6.3	5.0	5.0	6.0	9.0
Bicycle	5.3	5.0	7.0	6.0	3.0
Radio-cassette tape recorder	4.3	3.0	3.0	4.0	7.0
Hair drier	1.5	—	4.0	—	2.0

Note: Survey conducted by the Children Research Institute in July 1989 on 400 children in the Tokyo metropolitan area, 100 each from third and sixth grade of both sexes. They were asked to choose three from among those on the list.

Children have a hard time explaining what they really want. Flooded by all kinds of goods and information, they cannot possibly get everything they want, so they are very dissatisfied. Nevertheless, when they are asked what they would really like, they cannot give a clear answer, because they have already coaxed their parents and grandparents into buying them "everything they want." Dissatisfied on the one hand and overloaded with toys on the other, children are unable to decide what they really want. This ambivalence affects today's consumers in general, as well as children.

The changing role of television has brought about a major transformation in children's needs. Up to the end of the 1970s, television for children was a screen in front of which they sat and passively watched cartoons, dramas, musical variety shows and other programs. In the 1980s, however, the popularity of the Family Computer and videos turned television into an audiovisual tool on which

children could actively play video games and record programs on videocassettes. By pressing buttons, they became able to control the picture on the screen. Using the Graphic Computer, infants can now use the television screen as a canvas for drawing pictures.

Table 1 shows the top three durables owned by Japanese children: bicycles, wristwatches and the Family Computer, which is especially popular among boys. For older children, the main durables possessed are personal items: beds, radio cassette players and Walkman personal stereos. Noticeably, more than 20% of older boys have their own television. TV is changing from a family to a personal possession.

Table 2 shows that boys most wish for their own television set and personal computer, while girls long for their own telephone and television. Even among elementary school children, the trend is toward private rooms equipped with a television, telephone, personal computer,

video and bed. Table 3 shows that today's teenagers, the children of the postwar baby-boom generation, are even more earnest in their desire for their own room complete with high-tech audiovisual equipment.

The typical children of the 1990s will probably be cooped up in their own room, but they will be plugged into the latest information and will be in contact with their peers through their telephone and personal computer communications.

From what has been described above, it might appear that the children's market in Japan is on a one-way march toward higher quality and more expensive goods, but actually this is not the case. After all, young families do not enjoy such a high income, housing costs in Tokyo and other major cities take a huge bite out of the household budget, and the cost of a child's schooling continues to rise. Parents who give in to their children's demands and buy them what they want really have to tighten their belts.

What has happened is that the children's market has polarized, with people buying cheaper goods for everyday use and expensive presents for special occasions. In the case of toys, young parents usually buy for their child inexpensive items costing less than ¥1,000 (\$7). As a result of this polarization, toy manufacturers have a hard time selling toys that are priced in the medium range of around ¥1,500 to ¥2,000 (\$10-\$14).

Similarly, mothers do not always go shopping for children's clothing in fancy boutiques and department stores. They often purchase children's wear for everyday use at neighborhood supermarkets and discount shops.

In the 1990s, it will become even more important to take the time, place and occasion factors in children's daily lives into consideration in marketing and setting prices for children's goods. At the same time, grandparents will play an increasing role in accelerating the tendency to provide children with high-quality and high-priced goods.

Hideo Takayama is president of the Children Research Institute, which he founded in 1965.

Table 3 Durables Junior and Senior High School Students Want to Possess (%)

	Total	Second graders of junior high schools		Second graders of senior high schools	
		Boys	Girls	Boys	Girls
Private telephone	47.3	39.0	59.0	41.0	50.0
CD player	44.8	46.0	57.0	29.0	47.0
Large-screen TV set	39.8	46.0	27.0	48.0	38.0
Laser disc player	38.3	43.0	32.0	49.0	29.0
Motorcycle	36.8	36.0	30.0	47.0	34.0
Personal computer	36.3	54.0	34.0	30.0	27.0
Stereo player	35.5	39.0	32.0	34.0	37.0
Word processor	34.0	42.0	34.0	33.0	27.0
Videocassette recorder	32.0	32.0	23.0	42.0	31.0
Personal stereo	30.8	33.0	36.0	32.0	22.0
Small liquid crystal TV set	26.8	42.0	31.0	21.0	13.0
Private room	27.5	30.0	42.0	19.0	19.0
Camera	23.8	30.0	36.0	18.0	11.0
Synthesizer	22.0	28.0	23.0	22.0	15.0
Skiing equipment	18.8	24.0	10.0	16.0	25.0
Sports motorcycle	15.3	24.0	9.0	21.0	7.0
Radio-cassette tape recorder	11.5	13.0	14.0	12.0	6.0
Surf board	11.5	21.0	11.0	9.0	5.0
Tennis equipment	11.0	20.0	6.0	6.0	12.0
Home video game	9.3	14.0	8.0	11.0	4.0
Piano	9.0	13.0	11.0	8.0	4.0

Note: Survey conducted by the Children Research Institute in July 1988 on 400 students, 100 each from second grade of junior high schools and second grade of senior high schools of both sexes. They were allowed to make multiple choices.