

Hit Consumer Goods in 1989

By Satoshi Otomo

Though sustained economic prosperity has boosted incomes, skyrocketing land prices have made it an impossible dream for ordinary working people to own their own house in the Tokyo metropolitan area. In big cities, most condominiums cost more than ¥100 million (\$690,000 at the rate of ¥145/\$), far beyond the reach of salaried workers.

Probably to compensate for the fact that they will never be able to own their own home, an increasing number of people who have been saving for their dream house are now using that money to buy luxury cars and purchase designer and character brand goods. Overseas travel continues to boom, and more than 10 million Japanese traveled to other countries in 1989. Many people routinely spend their weekends enjoying golf, fishing, tennis, skiing or their audio-video equipment. As a result, goods related to these hobbies are selling well.

Trend information magazines, such as the *Nikkei Trendy*, *DIME* and *Mono Magazine* carry detailed information about consumer goods that are big hits. Twenty items that were among the biggest hits of 1989, based on information contained in these magazines and weeklies, are listed in the table on page 23.

All trend information magazines said that Sony's video camera "Handycam 55" (¥177,000) was the No. 1 hit product of 1989. In the past, the most popular type of video camera was one which had the lens section projecting from the front of the body. The Handycam 55 revolutionized

video camera design by miniaturizing the diameter of the lens barrel and placing it on the side of the camera body. Sony made the base of the camera body a four-layer structure that houses most of the main wiring. The distance between the lens and the finder has been shortened to half that in Sony's smallest conventional video camera, the V-88, and the weight, minus batteries, is 110 grams less at only 790 grams.

Travelers' video

Sony designed this compact "video camera for traveling" to match the current overseas travel boom. By using popular actress Yuko Asano to advertise the Handycam 55, Sony succeeded in winning over people making overseas trips by stressing the "passport-size" of the camera. Sony started marketing the camera on June 21 last year and sold 150,000 by the end of September. Faced with a continuing shortage of the Handycam 55 on the market, Sony increased monthly production from the initial 30,000 to 60,000 in September, and further to 100,000 toward the end of last year.

Newly emerging authoress Banana Yoshimoto, born in Tokyo in 1964, captured the top three places in the list of the 10 best-selling books of 1989 with *TUGUMI*, *Kitchin* and *Shirakawa-yofune*. She also wrote *Utakata/Sanctuary*, which ranked 7th, and *Kanashii Yokan*, which was 9th. Sales of her five best-selling books in 1989 unbelievably exceeded 5 million copies. This is being called the

"Banana Yoshimoto phenomenon," and Yoshimoto's hit books have become the object of envy and admiration in the publishing industry. It is said they have a "picture-book sense," and 90% of her fans are teenage girls and women in their 20s.

"Flower Rock" (¥3,800) marketed by a toy maker, Takara, was a major success as soon as it hit the market in December 1988. Flower Rock are artificial flowers that move rhythmically in response to sounds. Modeled after rock musicians, the flowers twist and turn as a sound-reacting sensor moves the wire stem of each flower as it reacts to sound. Takara produces 1 million sets of Flower Rock every month, and they are selling like hotcakes.

One estimate put the scale of the nonalcoholic drinks market in Japan at ¥2.24 trillion (\$14.5 billion) in 1989. Thanks to the hot weather from the latter half of July through midsummer as well as to a lingering heat wave after September, demand for nonalcoholic drinks was inflated in the latter half of 1989. Total demand in 1989 increased by as much as 9% over the preceding year.

Fruit juice drinks increased 44% over the year before thanks to the natural fruit juice boom. Some brands described as "100% natural juice" were a big hit and their sales increased by as much as 75% over the preceding year. The aggressive efforts of all manufacturers to increase demand for fruit juice in anticipation of the import liberalization of oranges in April 1991 has succeeded in shifting demand to natural fruit juice. Demand for fruitade, nectar, fruitade containing segments of fruit and condensed lactic drinks, which used to prop up the market, continued to stagnate due to the diversification of soft drinks and the health and fitness boom.

A rollback by "Coca-Cola light," smooth growth in consumption of "Fibe-Mini," and the success of "Oligo CC," combined to boost sales of carbonated drinks in 1989 by 3.8% over the year be-

The No. 1 hit product of Japan in 1989—Sony's Handycam 55 video camera.



Flower Rock, a novelty made by Takara Co. in which the "flower" moves in response to sounds, was the No. 2 hit product in 1989.

fore. Among the new types of soft drinks, the growth of sports drinks and canned coffee drinks slowed, while oolong tea and black tea drinks continued to register high growth. In the nonalcoholic drinks industry, the emergence of "functional" drinks, the big hit scored by "honey and lemon" drinks, and the rapid growth attained by 100% fruit juice became major topics of the industry.

Songs and games

Popular singer Hibari Misora, who died on June 24, 1989 at the age of 52, became the first woman ever to win the National Honor Award posthumously. In her memory, CDs, videocassettes, still pictures, albums and books were put on sale. The No. 1 memorial item was the "Collection of Hibari Misora's Songs" marketed in August by Nippon Columbia and consisting of 517 songs. It came in two versions, CDs and audiocassettes, each priced at ¥60,000 (\$414). By the end of the year 90,000 sets had been sold, and they are still selling well. Because production could not keep up with the flood of orders, Nippon Columbia commissioned the production to its affiliate factory in the United States.

Nintendo, well known for its big hit with the "Family Computer" electronic game machine, in April 1989 marketed "Game Boy," a palm-sized game machine fitted with a liquid crystal display screen, at ¥12,500 (\$86). Electronic games can now be played anywhere and at any time by inserting a software cartridge (around ¥2,500) into the machine and pressing buttons. If a cable is used to connect the machine to another Game Boy, two players can play against each other. Within six months of it going on the market, 1 million machines had been sold in Japan, and 780,000 in the U.S. Game Boy was selling so well that Nintendo increased its monthly production from the initial 300,000 to 500,000 in January 1990, to alleviate shortages on the market. Nintendo plans to expand its production

setup and supply 10 million Game Boy machines to the Japanese, American and Canadian markets in 1990.

"Dyna Book," which was marketed by Toshiba in June 1989 at ¥198,000 (\$1,365), is a book-size (A4) laptop computer that can be carried tucked under one's arm, as it weighs only 2.7 kilograms. Though extremely small, Dyna Book is compatible with Toshiba's famed J-3100 series personal computers and has become a big hit. Toshiba at first planned to produce 60,000 a year, but due to strong demand revised the annual production target upward to 90,000.

In the videodisc market, the diffusion of low-cost compatible players (capable of playing laser discs, compact disc videos and CDs) is progressing rapidly. Sony took an early lead with its "MDP-111" (¥88,000) in April 1989. In May, Pioneer marketed the "CLD-100," whose ¥79,800 price shocked the industry. It is popularly believed in the industry that when the price of audio-video equipment falls below the ¥100,000 (\$690) level, sales start picking up. The Sony and Pioneer players helped expand the Japanese videodisc market. Their sales in August 1989 increased 120% over the corresponding month the preceding year, and their aggregate sales during the first eight months of 1989 reached 370,000 units.

Videodisc battle

Subsequently, Nippon Columbia and Hitachi, Ltd. obtained a supply of CLD-100 compatible players from Pioneer under an OEM (original equipment manufacturing) arrangement. Nippon Columbia marketed it at ¥79,800 in July and Hitachi also at ¥79,800 in September. Also in September, Marantz Japan Inc. marketed the "CDV-390" at ¥75,000 (\$517), the cheapest of all the compatible players sold in Japan.

It seems that the price war between compatible videodisc player manufacturers will intensify in the future. The increasing number of videodisc titles and the introduction into the market of low-cost models boosted domestic shipments of videodisc players in 1989 to 700,000 units. Demand for compatible

players is expected to continue to expand sharply amid the bipolarization of the models into high-grade machines costing around ¥150,000 (\$1,030) and low-priced machines.

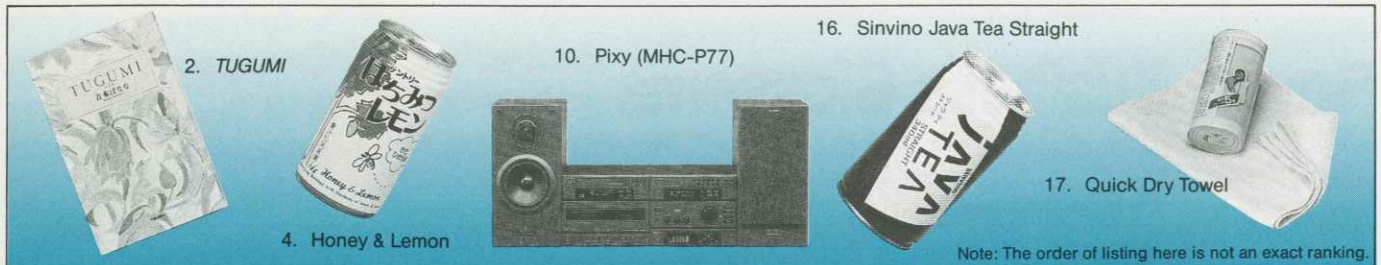
In the audio equipment market, sales of mini-component audio sets began to slow down in the latter half of 1988. What sustained the market in 1989 were machines known as "post-minicompos." They are very small, attractive and simple in design. The "Tiffany Excellence AST-C30" (¥178,000) marketed by Yamaha Corp. won the 1989 grand prix in the audio-visual division of the products selected by the Ministry of International Trade and Industry as being of outstanding design. Yamaha clearly is the pace-maker in this market segment.

Sony marketed the "Pixy MHC-P77" (¥110,000) in April 1989. The Pixy is a personal component audio system which is also extremely well designed. Sony's initial production of the Pixy was 15,000 sets a month. But it soon found that production could not keep up with demand, which had been stimulated by an advertising campaign. From October last year, Sony increased its monthly production to 20,000 sets. In the personal component audio sets market, keen competition is developing between the models marketed by such makers as Sharp, Sanyo Electric, Kenwood, Panasonic, Aiwa and Victor Co. of Japan. With its corporate image firmly imprinted in the minds of consumers, Sony enjoys a big lead in this field.

The year 1989 saw an array of new car models arrive on the market. They included Nissan Motor's "Fairlady Z" and "Skyline GTR," and Mazda Motor's "Eunos Roadster." These models are so popular that their production cannot keep up with orders. Markers now have six months' backlog of orders.

The Eunos Roadster is a lightweight, open, two-seater sports car, fitted with a 1,600cc DOHC engine. It is not a car for those who just want to drive fast, but a pleasure car for enjoying the "feel" of the road and the sensation of driving. Whereas the Fairlady Z and the Skyline GTR cost ¥4 million (nearly \$27,600), the Eunos Roadster is only ¥1.7 million

List of 20 Best-selling Consumer Goods in 1989



Note: The order of listing here is not an exact ranking.

	Trade name	Manufacturer	Date of marketing	Specifications
1	Handycam 55 (CCD-TR55)	Sony Corp.	June 1989	Small, lightweight multi-functional 8 mm video camera.
2	TUGUMI	Banana Yoshimoto (author)	March 1989	Best-selling book of 1989. Yoshimoto's works also ranked 2nd, 3rd, 7th and 9th on the 1989 list of best-selling books.
3	Flower Rock	Takara Co., Ltd.	December 1988	Artificial flowers "dancing rock'n'roll" in response to sounds.
4	Honey & Lemon	Suntory Ltd.	September 1986	Hot drink targeted at women and children. Its name and healthy image appealed to consumers.
5	Regain	Sankyo Co., Ltd.	August 1988	Tonic drink. A tongue-in-cheek TV commercial for Regain urging businessmen to be fit enough to work 24 hours boosted its sales.
6	Collection of Hibari Misora's Songs	Nippon Columbia Co., Ltd.	August 1989	Collection of CDs issued in memory of popular singer Hibari Misora who died last summer.
7	Game Boy	Nintendo Co., Ltd.	April 1989	Portable electronic game machine. Some 10 million sets were sold by the end of 1989.
8	Dyna Book (J-3100SS)	Toshiba Corp.	July 1989	Low-priced laptop personal computer.
9	CLD-100	Pioneer Electronic Corp.	May 1989	Low-priced fully compatible videodisc player.
10	Pixy (MHC-P77)	Sony Corp.	May 1988	Mini-sized, space-saving and high-fidelity audio component set.
11	Eunos Roadster	Mazda Motor Corp.	September 1989	Two-seat open car. Unconventional styling and low price appealed to young people.
12	Star Tours	Tokyo Disneyland (producer)	July 1989	Simulator which can create sensation of being on a space flight. The facility in the Tokyo Disneyland can accommodate up to 2,540 persons per hour.
13	TN-L70	Victor Co. of Japan, Ltd.	February 1989	Cordless telephone answering machine, which triggered a boom for such machines.
14	Oligo CC	Calpis Food Industry Co., Ltd.	February 1989	Drink to improve digestion, which contains oligosaccharide, a substance extracted from soybean.
15	Voice Storage Service	Nippon Telegraph and Telephone Corp.	April 1988	Telephone message service which earned NTT ¥6.9 billion in 1989.
16	Sinvino Java Tea Straight	Otsuka Beverage Co., Ltd.	May 1989	Tea containing no sweetener. It appealed to calory-conscious young people who have grown tired of the once popular oolong tea.
17	Quick Dry Towel	Kobayashi Pharmaceutical Co., Ltd.	November 1988	Targeted at the increasing number of young people who shampoo their hair in the morning before going to work or school. After Kobayashi's product became a hit, many textile makers entered the market.
18	XV-100Z	Sharp Corp.	June 1989	Small, lightweight liquid crystal projector which can project an image of up to 100 inches. Some 20,000 units shipped to domestic market in 1989.
19	Doda	Gakusei Engokai Inc.	January 1989	Job information magazine. Its circulation soared amid a manpower shortage and the Recruit scandal, which adversely affected Recruit Co., the publisher of a rival job information magazine.
20	Pao	Nissan Motor Co., Ltd.	January 1989	Minicar for pleasure driving, targeted at young people. Sold only to order.

(\$11,700), and is very stylish. It is not surprising that the model is popular among young people. The Roadster was put on sale in September last year, and over 11,000 cars were ordered that month alone. Mazda's initial plan was to assemble 5,000 Roadsters a month at its Hiroshima plant, export 4,000 of them to the U.S. and supply 1,000 to the domestic market. Unable to meet the rush of orders, Mazda revised its initial plan and

began assembling 7,000 cars a month in January this year.

Most of the 20 commodities which became big hits in 1989 were oriented toward women and young people. This shows that women and young people are the leaders of consumer trends in Japan. An exception was the Collection of Hibari Misora's Songs. The buyers undoubtedly were middle-aged people. Consumer goods which scored big hits in

1989 may be classified into high-performance goods patronized by young people, health-oriented goods, and trendy goods bought by consumers according to their mood of the moment.

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