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Japanese Consumer Dynamics

Edited by

Parissa Haghirian
Associate Professor of International Management, Sophia University

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Contents

Tables

9

Beyond Sushi and Tempura: An Overview of the Japanese Food Market

Stephanie Assmann

The current state of the Japanese food market in the light of consumer trends

Offering fresh vegetables, fruits and daily food items such as milk and eggs, Fujitake Fresh Shop in Sendai, a city of approximately one million inhabitants in Northern Japan, caters to customers living in the immediate neighbourhood. Housewives especially visit the store on a regular basis to shop for daily small amounts of fresh food, which also provides them with an opportunity for a chat with the owners of the store, a married couple in their fifties. In contrast, located a few miles away in a busy commuting area surrounded by a co-op store,[1] a video rental shop and a number of restaurants and fast food eateries, the large-scale supermarket *Seiyu* – which is part of the US retail giant Wal-Mart – offers quite a different view. Vegetables and fruits are followed by pre-packaged fish and meat, a tofu corner, and a large section with dairy products, rice and noodles, including Italian pasta. At the other end of the supermarket, pre-sliced breads are available, followed by beverages, including a fine selection of imported wines and an assortment of ready-made meals. Seiyu is open 24 hours all year round, and its retail prices are slightly lower than those at Fujitake. For example, one litre of low-fat milk costs 163 yen ($1.79) at Fujitake, whereas Seiyu offers one litre of low-fat milk at 158 yen ($1.74) along with a weekly low-price offer of fresh milk at 99 yen ($1.09). Selling one litre of low-fat milk at 209 yen ($2.3), the convenience store Lawson is a third and more expensive food retailer within walking distance of Fujitake. Also open 24 hours all year round, Lawson offers ready-made meals, *bentō* (lunchboxes), frozen foods, fast food items, beverages and practical household items. Recently, the assortment has been augmented by a variety of fresh vegetables and fruits, and frequent deliveries during the day ensure the freshness of the food. Despite higher retail prices, the store is always filled with customers, younger people in particular, who purchase smaller quantities of food for immediate consumption. Another example of a food retailer is the local department store Fujisaki, in downtown Sendai, which operates an exclusive food market as a shop-in-the-shop system in the basement of the store. Founded in 1819, Fujisaki is the local department store and operates affiliations in various prefectures of the Tohoku Region such as Akita, Morioka, Yamagata and Fukushima. Fujisaki is more than a shopping outlet. The department store also serves as a popular meeting point and is used for socializing in the in-store coffee shops or in frequent exhibitions taking place in the department store. A walk through the food market located in the basement of Fujisaki leads to an adaptation of a French bakery that sells Japanese interpretations of French and German breads, pastries with sweet fillings, curry breads, and slices of pizza and quiche. Further exploration of the food market reveals elaborate gift boxes in different sizes filled either with cakes or with Japanese rice specialties (*senbei*), followed by a bakery selling refined cakes such as strawberry cakes or cream tarts. A delicatessen market at the end of the food market offers a selection of regional food items such as a variety of *sake* (Japanese rice wine) from the Tohoku region in Northern Japan next to a selection of European wines, several kinds of Sendai *miso* (bean paste) characteristic of the region that are available next to a fine selection of French and German cheeses and hams.

The food retailers described above offer contrasting examples of the fragmented structure of the food retail sector in Japan, which is characterized by a coexistence of small family enterprises such as Fujitake Fresh Shop, supermarkets, department stores, convenience stores, discount stores, drugstores and a number of food speciality stores. The description of food retailers also highlights differences in food consumer behaviour. Small stores such as Fujitake represent typical mom-and-pop shops that are still popular with quality-conscious homemakers, who tend to shop for smaller amounts of fresh food on a daily basis instead of purchasing larger quantities once a week, whereas larger food retailers cater to increasing demands for convenience, ready-made meals and a diversity of domestic and international food products.

The aim of this chapter is to illuminate the changes and the current state of the Japanese food market through identifying recent trends in food consumer behaviour and developments on the food retail market that correspond with transformations in food consumer behaviour. The first part of this chapter will examine trends in food consumer behaviour, particularly in the light of demographic developments and lifestyle changes such as a diversification of eating habits. Taking these changes of food consumer behaviour into account, the second part of this chapter provides an overview of major food retailers and key market players in the Japanese food market, such as department stores, supermarkets, drugstores, food speciality stores, and the ubiquitous convenience stores. Despite the existence of diverse food retailers, expenses on food consumption are currently declining in Japan. Data compiled by the Bank of Japan show a decline in per capita food consumption from 310,470 yen ($3,004) in 2006 to 307,713 yen in 2007 ($2,978) (BMI, 2009, p. 19). Also, the number of food retailers in Japan is declining. As data on food consumption compiled by the Japanese government show, the number of food retailers in Japan has been falling, from a total of 1,300,057 retail outlets in 2002 to 1,238,049 retail outlets in 2004 (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25). A closer look at individual company data of retail forms such as department stores (see below) reveals that a number of food retailers have been struggling for a longer period of time with gradual declines in sales. However, newer retail forms, such as the convenience stores and supermarkets that were established during the 1960s and 1970s, have become an integral part of the food retail market in Japan and are even showing signs of expansion. Furthermore, food retailers have responded to falling sales with the introduction of low-price systems, own-label systems and an expansion of retail outlets overseas.

The impact of demographic changes and lifestyle changes on food consumer behaviour

An analysis of the Japanese food retail market needs to be seen in the light of demographic changes and the changing lifestyles of Japanese consumers. Demographic changes include the birth of fewer children. The Japanese are increasingly delaying marriage and parenthood. In 2006, the average age for first-time marriage was 30.0 years for men and 28.2 years for women (Cabinet Office, Government of Japan, 2009). In a country where single-parent families remain a rarity, the average age for a woman to have her first baby was 29.2 years in 2006. As a result, Japan's total fertility rate has been declining since the 1970s. After reaching a first-time record low of 1.57 in 1989, the total fertility rate further declined to 1.32 in 2006 and currently resides at an average of 1.26 (Cabinet Office, Government of Japan, 2007). However, despite the delay of marriage and parenthood, conventional patterns of family life persist once people eventually do get married. Women account for 41 per cent of the workforce in Japan, but – as legal expert Shibata has pointed out in his study on equal employment opportunities for both genders – approximately 70 per cent of all women in full-time employment withdraw from the workforce upon the birth of their first child in order to dedicate time to family responsibilities (Shibata, 2007, p. 34). As a result, despite a high participation in the workforce, employment patterns of women are still characterized by full-time employment from early until late twenties, followed by a period of family responsibilities, before women re-enter the workforce, mostly as part-timers.

These demographic transformations have had an impact on food consumer behaviour. The rising labour participation of women and the delay in marriage and parenthood have created a demand for more convenience in the form of ready-made meals, snacks and frozen foods. This trend toward a higher demand for convenience is reflected in the existence of food retailers that cater to different needs of consumers, with 24-hour convenience stores being the most rapidly expanding retail form despite higher retail prices and recent declines in sales. Other retail outlets that cater to new customer demands for speciality foods, health and diet food products as well as food gifts include supermarkets, department stores, drugstores and food speciality stores. Once the knot has been tied, Japanese families follow a more conventional pattern of family life, with the wife and mother either being at home or being occupied in part-time employment. Hence, the need for supermarkets and small family enterprise food retailers that sell fresh foods on a daily basis is likely to continue to coexist with the need for convenience of full-time working consumers. With regards to demographic changes[2] the ageing of society is also likely to create a greater demand for convenience and shopping possibilities for less mobile persons. Home delivery services have been offered by consumer cooperatives (co-ops) that were founded in the 1950s in Japan on a communal basis to consumers living in particular vicinities, but such services have also been taken up by other food retailers, such as department stores, that increasingly use modern communication technology such as the Internet in their distribution of food products. Using innovative distribution channels that enable consumers to do their grocery shopping from home will play a significant role in the food consumer behaviour

of ageing citizens. The convenience of home deliveries will not merely be a luxury but will become a necessity for older consumers.

Changes of eating habits

Demographic changes and associated lifestyle changes are significant aspects of food consumer behaviour. Among these lifestyle changes are the transformations of eating habits in Japan that have taken place over the past century. As Katja Schmidtpott shows in her work on milk consumption in Japan, nutrition in Japan in the 1920s mainly consisted of three major staple foods: rice (415 g), fruits and vegetables, especially vegetables (374 g) and potatoes, in particular sweet potatoes (213 g) (Schmidtpott, 2000, p. 122). Over the hundred years since then, a comprehensive diversification of eating habits has taken place, including a shift from a decrease in rice consumption to an increased consumption of meat, eggs, milk, and wheat products, in particular bread and noodles (Schmidtpott, 2000, p. 126). Culinary influences from abroad have had some impact on the nutritional shifts that have been adapted and integrated into Japanese food culture. For example, a major change in nutritional habits occurred at the end of World War II, when the US food aid programme coordinated the provision of school lunches (*kyūshoku*) for Japanese school children of all ages during the occupation period (1945–52); these consisted of powdered milk and bread, and replaced rice as a major component of school lunches. These school lunches shaped the eating habits of an entire generation, who grew up accustomed to milk and wheat products and incorporated these food products into their adult eating habits (Cwiertka, 2006, pp. 157–9; Schmidtpott, 2000, pp. 124–5). Age plays an important role in the acceptance of diversified food practices. For example, the younger generation of Japanese are likely to embrace a Western-style breakfast consisting of toast, coffee, eggs and sausages instead of a traditional Japanese breakfast consisting of a *miso* (soy bean paste) soup, rice, fish and pickles, whose preparation is more time-consuming.

A tangible change, along with the diversification of eating habits, is the decreased consumption of rice – traditionally Japan's major staple food. Since the 1960s, the consumption of rice has been gradually declining from a share of 48.3 per cent in the daily diet of a Japanese adult in 1960 to 30.1 per cent in 1980. In 2004, rice amounted to only 23.4 per cent of the daily diet of a Japanese adult. In the same time period, the intake of meat increased from a mere 3.7 per cent in 1960 to 12 per cent in 1980, and is currently at 15.4 per cent of the share of a person's daily diet. Likewise, the consumption of oil and fat rose from 4.6 per cent in 1960 to 14.2 per cent in 2004 (MAFF, 2008; Suematsu, 2008, pp. 44–6). The increasing acceptance of milk and wheat products is reflected in the variety of food retailers, such as supermarkets and convenience stores, that offer a selection of breads and milk products such as cheese and yoghurt. A further shift of nutritional habits occurred with the arrival of fast food chains such as McDonald's in 1971 and the establishment of Japanese interpretations of fast food restaurants. The restaurant chain Mos Burger – established in 1972 – is a prominent example of a Japanese fast food eatery that offers teriyaki chicken burgers and burgers served on rice instead of a bun. The arrival of the American coffee house chain Starbucks in 1996 marked further acceptance of American fast food culture. Fast food has become an integral part of the food market in Japan, and is not only sold by fast food eateries such as McDonald's but is also available to take away from convenience stores and some supermarkets.

Food nostalgia: resurgence of native and regional foods

Despite the widespread acceptance of fast foods and processed foods, the attention paid to fresh foods is closely related to a particular alertness to food safety, which has become a sensitive issue in Japan, in particular since the occurrence of food scandals such as the Morinaga milk incident in 1955,[3] and has been further challenged in the past decade as a number of food scandals have been revealed. Food safety scandals occur in different variations and include the use of expired and/or tainted ingredients, the use of illegal or contaminated additives and pesticides, the mislabelling of food ingredients, and the falsification of production dates and expiry dates. In 2000, the company Snow Brand Milk Products sold contaminated milk products, which led to food poisoning cases involving 14,000 people. In June 2007, the president of a Hokkaido based meat-processing company, ironically named Meat Hope, had to confess that he had mislabelled croquettes (*koroke*) made of minced beef, pork, and chicken as 100 per cent ground beef croquettes for a period of several years before this was discovered. In the same year, the confectioner Fujiya had to halt its production after admitting the repeated use of expired ingredients and the mislabelling of use-by dates on its products (BMI, 2009, p. 28). Also in 2007, an investigation of the Mie prefectural government revealed that the confectioner Akafuku, based in Mie prefecture, had falsified production dates of its popular bean-jam sweets (*Japan Times Online*, 2 March 2007 and 21 October

2007). In 2008, this series of food-related incidents culminated in the discovery of imported Chinese dumplings that were contaminated with pesticides, which led to food poisoning involving at least 10 people in Hyogo and Chiba prefectures (MHLW, 2008; Yoshida, 2008).

These incidents have recently triggered an interest in supposedly safer native foods. Interestingly, despite the fact that a number of food scandals have involved products manufactured and distributed by Japanese food companies as opposed to only imported food products, Japanese consumers tend to equate food safety with the consumption of domestic products (*kokusan*). Food scandals such as the scandal of tainted dumplings imported from a Chinese manufacturer in 2008 have shaken the trust of Japanese consumers in imported food products. As a telephone survey conducted by Kyodo News on 9 and 10 February 2008 revealed, 76 per cent of the respondents intended to avoid Chinese food products after this food scandal (*Japan Times Online*, 11 February 2008). Distrust in imported food products has also become apparent in the Japanese government's recent decision in June 2009 to suspend imports of frozen beef from the United States of America after two packages of the imported beef had shown the presence of spinal column material, which has been banned due to the fear of the outbreak of mad cow disease (BMI, 2009, p. 24). Protectionist measures such as import bans on American beef are augmented by a call for a return to supposedly safer domestic food products, as a recent special edition dedicated to the consumption of local and reasonably priced food products in the magazine *Takarajima* documents (Takarajima-sha, 2008). Partially in response to food-related incidents, governmental initiatives such as Food Action Nippon are beginning to market regional agricultural products such as vegetables, fruits and cattle that are cultivated in specific regions of the country (Assmann, 2009).

One reason for the emphasis on domestic and local food products lies in the fact that these products are associated with high traceability and transparency of distribution channels and origins. This trend is being reflected in the diversification of choices now being offered by convenience stores and supermarkets, including organic food products[4] and fresh local foods such as vegetables and fruits cultivated in different regions in Japan (for instance, apples from Aomori prefecture or leek onions from Miyagi prefecture in Northern Japan).[5] Further, some food enterprises have responded to the anticipated need for food safety of Japanese consumers. For example, the Japanese fast food chain Mos Burger – a Japanese interpretation of a fast food chain – began to use organically grown vegetables and inform their customers about the origin of their vegetable supplies long before the outbreak of the recent series of food scandals in order to enhance the transparency of origins of the food products they used. As early as 1997, Mos Burger started cooperating with 2,000 farmers, using their agricultural products for their fast food menus under the motto 'fresh vegetables of Mos' (mosu no nama yasai) and 'vegetables that reveal the faces of producers' (seisansha no kao ga mieru yasai) (Mos Burger Japan, 2008).

The second reason for the preference of domestically grown produce is the enactment of food laws that place an emphasis on food quality checks, such as the Food Safety Basic Law (*Shokuhin anzen kijun-hō*) and the Food Sanitation Law (*Shokuhin eisei-hō*), which aims to ensure food hygiene and investigations of food products. Apart from food scandals in Japan, a further reason for the recent embrace of domestic and regional foods is the concern about the country's food self-sufficiency, which has been politicized in the media (Takarajima-sha, 2008). The reasons for the gradual decline of the food self-sufficiency rate lie in a complicated relationship between the diversification of food practices, which has necessitated imports of food items not available in Japan, and a decline of farming.[6] According to data released by the Ministry of Agriculture, Forestry and Fisheries (MAFF) for the year 2003, Japan currently has the lowest food self-sufficiency rate among the major industrialized countries, at roughly 40 per cent, and remains highly dependent on food imports from China, the United States of America, Australia and Canada.[7] By comparison, the United States of America had a food self-sufficiency rate of 128 per cent in 2003, while Australia's self-sufficiency rate was 237 per cent in the same year.[8] The calorie-based food self-sufficiency rate gradually declined from 78 per cent in 1961 to 50 per cent in 1987 and reached a record low of 37 per cent in 1993 (MAFF, 2008). Even though Japan can be considered a global food paradise, especially in metropolitan areas, it is intriguing that the country is struggling with long-term food security and food safety issues.

The first part of this chapter has provided an overview of recent trends in food consumer behaviour, including the impact of demographic changes and an embrace of native and regional food products. The second part of this chapter seeks to illuminate how food retailers cater to the diverse demands of consumers. Food retailers of the high-end market, such as department stores and food speciality stores, promote exclusive food products, luxury foods, imported food products and food gifts that play a significant role in a gift-giving-oriented society such as Japan, whereas newer retail forms such as supermarkets and convenience stores market food products needed in daily life.

Drug stores cater to the needs of health-oriented and diet food products, which is significant in a society conscious of body weight and lifestyle-related diseases. Starting with convenience stores, the second part of this chapter will introduce prevalent food retailers, their key market players, marketing concepts and diversification strategies in correspondence with consumer demands.

Convenience stores

As a new way of catering to the needs of consumers for convenience, convenience stores (*konbiniensu sutoa* or *konbini*) entered the Japanese food market in the 1960s. Interestingly, convenience stores as distributors of processed and pre-packaged food products, and in that sense supposedly the enemy of local food producers, have started to take up recent demands for fresh food, organic food products and local foods as new business concepts. An example for a fresh food-oriented convenience store is the retailer Lawson, which has – in addition to its standard convenience store operations – expanded in the discount food sector and the fresh food sector. The company launched a discount convenience store concept under the name Lawson Store 100 in the year 2000 and has recently opened fresh food and health food-oriented convenience stores under the name Natural Lawson (BMI, 2009, p. 67). This diversification of business concepts allows convenience stores to counterbalance the fierce competition in the food retail market and to target new consumer groups in an unfavourable economic climate.

Convenience stores are self-service mini-supermarkets with a sales area between 30 m^2 and 250 m^2 and opening hours of more than 14 hours per day (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25). Most convenience stores are open 24 hours a day, 7 days a week. A characteristic of convenience stores is their location in the centre of cities, at train stations and in the suburbs, which makes them a ubiquitous sight throughout the country. As the earlier description in the introduction documented, convenience stores sell processed foods and drinks, including alcoholic beverages, fast food items and fresh foods. Recently, convenience store retailers such as the enterprise Lawson have diversified their offering by including fresh foods such as vegetables, eggs and seasonal fruits. In addition to food items, convenience stores offer a number of services such as banking, postal and copy services. Convenience stores represent the most rapidly expanding food retailer in Japan. In 2004, the number of convenience stores increased from 41,770 outlets to 42,738 outlets operated throughout the country, with yearly sales rising from 671.36 billion yen to 692.22 billion yen (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25).

The four big convenience store retailers that dominate the Japanese food retail market are Seven Eleven, Lawson, Family Mart and Circle K Sunkus. In 2009, Seven & I Holdings occupied 34 per cent of the convenience retail market share in Japan, followed by Lawson Inc., which operates approximately 9,625 convenience stores throughout Japan with additional operations of 294 outlets in Shanghai and occupies a retail market share of 19.7 per cent (BMI, 2009, p. 58; Lawson website, 2010). Family Mart follows with a market share of 15.1 per cent and Circle K Sunkus with 11.1 per cent (BMI, 2009, p. 58). The American business concept of convenience stores proved to be very successful in Japan. After acquiring a licence from the US retailer Southland, Seven Eleven Japan opened its first outlet in Japan in 1973 (Meyer-Ohle, 1994, p. 178). In 2003, the number of Seven Eleven stores in Japan had topped 10,000 outlets; in 2004 the first Seven Eleven store opened in Beijing (Ito-Yokado Website). The retail group Seven & I Holdings currently operates an estimated 11,750 convenience stores in Japan with an additional overseas network of 6,000 stores in the United States of America and operations in Hawaii and Beijing (BMI, 2009, p. 66).

What are the reasons for consumers preferring convenience stores despite their higher retail prices? First, locality and convenience play an important role. According to a survey conducted by Marketing Communications Opi-net Community in July and August 2006 among 4,336 people about the use of convenience stores, almost 70 per cent of the respondents replied that they favoured convenience stores since these were close to either their home or workplace, whereas 56.5 per cent of the respondents used convenience stores because they were able to use them day and night. The possibility of conducting financial transactions and using postal delivery services seemed attractive to 44.3 per cent of the interviewees (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 136). A closer look at the food items sold at convenience stores reveals that ready-made meals, snacks and soft drinks are among the most popular. Despite the decline of rice consumption mentioned earlier, interestingly, convenience stores offer a popular fast food made of rice. According to the survey cited above, the most popular food item, purchased by 47.6 per cent of the respondents, were *o-nigiri* – rice balls pressed into a triangular form wrapped in seaweed with different fillings (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 137).[9]

The supermarket

Like convenience stores, supermarkets (*sūpā*) are a newer retail form, established in the 1960s and 1970s. Supermarkets are also large-scale retail outlets that tend to be concentrated in suburbs and are easily accessible for daily shopping needs. Unlike food markets at department stores, which offer exclusive and expensive food specialities, supermarkets sell basic food items needed for daily life. There is a difference between general supermarkets (*sōgō sūpā*), medium-size supermarkets (*chūgata sūpā*) and food supermarkets (*shokuryōhin sūpā*), whose range consists of more than 70 per cent of food items. In 2004, the number of food supermarkets amounted to 18,485 stores in Japan (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō, 2009*, p. 25). Supermarkets play an essential role in food distribution in Japan with regards to choice and location. However, despite their vital role as a key player in the food market, supermarkets have also suffered declines in sales. According to data from the Japan Chain Stores Association, supermarket sales have declined by 3.4 per cent to 1.08 trillion yen in August 2009 (BMI, 2009, p. 51).

The two key players in the supermarket sector are the Japanese companies Aeon Co. Ltd. and Seven & I Holdings. Seven & I Holdings is the leading player, with sales figures of 5,649.9 billion yen (US$ 60.8 billion) (BMI, 2009, p. 66). The retailer operates the supermarket chain Ito-Yokado and a network of 11,750 convenience stores in addition to an extensive network of 6,000 convenience stores in the United States and Beijing (BMI, 2009, p. 66). The retail giant Aeon was founded in 1969 and operates 900 retail outlets in Japan with sales figures of 5,230.8 billion yen (US$56.3 billion) as of February 2009. Aeon operates different food retailers, among them the supermarket chain Aeon and the supermarket chain Saty, as well as 2,000 convenience stores such as the convenience store chain Ministop and 2,500 drug stores such as the drug store chain CFS (Aeon website, 2010; BMI, 2009, p. 68). However, this retailer is best known for its general merchandise supermarket chain Jusco, which operates 292 retail outlets in Japan and has also developed a presence overseas in China, Malaysia and Thailand.

Drug stores

A retail form that does not primarily focus on food items, but has included food items in its range, is drug stores. The key market player among drug stores is Matsumoto Kiyoshi, which operates a network of 653 stores in Japan and occupies a market share of 14 per cent (Matsumoto Kiyoshi website, 2010). The products offered at drug stores consist mainly of prescription-free medication, household items and beauty products, but drug stores also offer a variety of food products, especially a number of vitamin drinks, sports drinks, and health-related and diet food products (*kenkō shokuhin*). Some food products are not actually foods but vitamin, calcium and iron supplements. Interestingly, despite the slight decline in the number of drugstore outlets from 14,664 outlets in 2002 to 13,095 drug stores in 2004, sales figures increased from 249.5 billion yen to 258.7 billion yen in the same time period (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25).

The department store

As opposed to convenience stores that operate on small sales areas, department stores (*hyakkaten* or *depāto*) are large-scale retail outlets whose sales areas extend above 1,500 m², and between 3,000 m² and 6,000 m² for large-scale department stores (*ōgata hyakkaten*) (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25; see also Meyer-Ohle, 1994, p. 175). As self-service retail outlets, between 10 and 70 per cent of their range of merchandise consists of clothes, household items, furniture and food items. Food items are an integral part of department store sales. According to data from the Japan Department Stores Association, the sales of food items (*shokuryōhin*) amounted to 26.1 per cent of department store sales in 2008 (JDSA, 2009/2010). In addition, department stores operate restaurants, beer gardens and coffee shops that account for 2.7 per cent of department store sales (JDSA, 2009/2010). Including sales of food items and catering services, food sales account for almost a third of department store sales. Department stores – as the example of Fujisaki in Sendai demonstrates – represent an exclusive retail form in Japan. In the course of several economic downturns such as the collapse of the 'bubble economy' in Japan and the outbreak of the current global economic crisis in 2008, this retail form has experienced difficult times since the beginning of the 1990s. Recently established shopping malls that concentrate in the suburbs of cosmopolitan areas and are popular with younger consumers pose further challenges to department stores. For example, in Sendai, two major shopping malls that are located on the outskirts of the city compete with conventional food retailers. The number of department stores in Japan has been gradually falling since the early 1990s. In 1991, 455 department stores operated in Japan, whereas the number of department stores in 2002 amounted to only 362, and further fell to 308 retail outlets in 2004 (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25; see also Meyer-Ohle, 1994, p. 175). Likewise, according to recent data from the Japan Department Stores Association (JDSA), sales figures of department stores have gradually declined from 8.99 trillion yen (US$ 99.12 billion) in 1999 to 7.38 trillion yen (US$ 81.45 billion) in 2008 (JDSA Website, 2009/2010). Key market players in the department store sector are Mitsukoshi Isetan Holdings, with sales figures in March 2009 of 1.426 billion yen and a sales share of 17.2 per cent in the department store market segment. The well-known Japanese department store group Mitsukoshi was founded in 1673, and currently operates 13 department stores within Japan as well as 22 department stores overseas in major cosmopolitan locations such as Paris, London, Taiwan and Shanghai. Despite the recent economic malaise and the growing popularity of suburban shopping malls, Japanese consumers display a high sense of loyalty to retailers that have a long history, such as Mitsukoshi, which represents high-quality products that have transformed the department store into a nationally and globally marketed brand. The retailer has included innovative distribution channels in addition to standard in-store retail operations, such as online shopping, home delivery and mail order services, including the online distribution of food items through these channels (Mitsukoshi website, 2010). Mitsukoshi Isetan Holdings are followed by Japan Front Retailing (JFR), which operates the department store chains Daimaru and Matsuzakaya. Japan Front Retailing occupies a sales share of 13.2 per cent, with sales figures of 1.09 billion yen as of 2008. Daimaru and Matsuzakaya department stores concentrate primarily in the major population clusters of the country, in the Kantō Region around Tokyo, the Kansai Region around Kyoto, Osaka and Kobe, in Nagoya and to a lesser extent in Kyushu. Daimaru and Matsuzakaya operate their own supermarkets in the basements of their retail outlets. Third in line are Seven & I Holdings, which operate the department store chain Seibu – which merged with the department store chain Sogo in 2009 – with 15 retail outlets in the country.[10] Seven & I Holdings occupy a sales share of 12 per cent with sales figures of 993 million yen, closely followed by the department store Takashimaya, which occupies a share of 11.8 per cent with sales figures of 976,117 million yen.[11] Takashimaya is another department store with a long history; it was established in 1919 and operates 20 retail outlets in Japan as well as three department stores overseas.

The proximity of department stores to the centre of major cities and train stations contributes to the continued importance of department stores as an accessible retail outlet for commuters who shop for food items or a *bentō* on their way home. As the example of the local department store Fujisaki demonstrated, department stores are more than mere retail outlets. Department stores are used as meeting points and for socializing, which is of particular importance since cultural events such as exhibitions are held in department stores. As opposed to supermarkets selling food items for daily needs, exclusive food markets in department stores operate food markets mostly located in the basements of department stores as a shop-in-the-shop system, with a variety of food speciality stores such as bakeries, confectioners, regional delicatessen markets, supermarkets and imported food stores. It is important to note that food markets usually do not offer restaurant services, which are usually located on the top floors of department stores, are dedicated to eating out and consist of a variety of Japanese, Korean, Italian, Thai and French restaurants. However, food sold at food markets is not meant to be consumed on the spot. Freshly made delicatessen and *bentō* are part of the standard assortment of food markets in department stores, as are elaborate gift boxes containing, for example, Japanese sweets (*wagashi*) and Western sweets (*yōgashi*), rice snacks (*senbei*), or coffee and tea specialities. Department stores continue to play an essential role in the Japanese food market, in particular with regard to the distribution of exclusive food items and the custom of gift-giving, which is deeply embedded in Japanese culture. Foods as gifts play a vital role in Japan as a souvenir (*omiyage*) brought back home by travellers. In addition, the mutual exchange of gifts, including food items, is of particular importance during the two main gift-giving seasons in Japan in the summer (*ochūgen*) and at the end of the year in December (*seibo*). These gift-giving seasons are tied to the bonus seasons in June and December, when private companies and public employers pay their employees a bonus that amounts to double or sometimes even triple the regular monthly salary and is an integral part of the salary package. Department stores use these bonus seasons to advertise gifts and further encourage the purchase of point cards whose use results in slightly cheaper purchases when sufficient points are accumulated. The custom of mutual gift-giving among colleagues and acquaintances is essential in Japan, since it reflects mutual dependency and obligation and the integration of individuals into hierarchical networks. When selecting a gift for someone, it is vital to choose a present for a superior that reflects the hierarchical status of the gift-giver as well as the receiver. As cultural anthropologist Millie Creighton describes, 'Gift giving acknowledges the embeddedness of individuals in groups, the importance of social hierarchy, and the centrality of giri (duty and obligation)' (Creighton, 1992: 45).

Food speciality stores

Another food retailer at the high-end market is food speciality stores that market exclusive domestic food products and imported foods. In 2004, 190,788 food speciality stores (*shokuryō senmonten*) operated in Japan, with yearly sales of 702.31 billion yen (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25). Food speciality stores are defined as self-service retail outlets whose range consists of over 90 per cent of food items such as alcoholic beverages, meat products, fish, dried foods, vegetables, fruits, sweets, bread, milk products, tea, coffee and tofu (*Shokuseikatsu Dēta Sōgō Tōkei Nenpō*, 2009, p. 25). Self-service food speciality stores offer a range that consists of more than 90 per cent of food items such as alcohol (*sake*), meat, fish, dried foods, vegetables and fruits, sweets, bread, rice, milk, tea, tofu and cooking utensils. As mentioned earlier, food speciality stores often operate in the food markets of department stores in the form of a shop-in-the-shop system. Among those food speciality stores are also imported food stores such as the exclusive retailer Meijiya, which was founded in 1885 in Tokyo after the Meiji Restoration (1868), when Japan had just begun to embrace other Asian and European foods. Currently, Meijiya operates 13 stores throughout Japan in major cities such as Tokyo, Kyoto, Nagoya, Sendai, Yokohama and Kobe, and a store in Amsterdam (Meijiya website, 2010). The range consists of imported food products from Europe, the United States of America and a number of Asian countries such as Thailand and Vietnam. Meijiya also offers a fine selection of alcoholic beverages such as European wines, sparkling wines, beers and whisky. Taking a stroll through the Sendai branch of Meijiya takes the visitor first to a corner with beverages such as Italian coffee and espresso products, a number of cooking herbs from different origins, and a corner with noodles and pasta in addition to pasta sauces. Fruits and vegetables are also part of Meijiya's range, as are a number of fine imported chocolates from Switzerland and Germany. Asian countries are represented with a variety of spices from Thailand, dried fruits from the Philippines and noodles from Vietnam.

Trend: fewer people strive for high-quality foods and convenience

This chapter has provided an overview of transformations and recent trends in food consumer behaviour. A number of tasks remain for future research. It will be essential to study the impacts of demographic changes on food consumer behaviour more intensively in the form of the identification of particular food products and suitable distribution channels for people living in small-sized households. In addition, this chapter has examined a diversification of food retailers and distribution strategies that cater to the need of consumers for convenient shopping possibilities, in particular for professionals and older and less mobile consumers, but also families. Here, this study has revealed that a fragmented food retail market includes the coexistence of family-owned food retailers and convenience food retailers. In this context, future research will benefit from identifying specific food products that are attractive for older consumers. A further trend of significance is the embrace of local food products. It will be vital to analyse how a demand for convenience on the one hand and for fresh foods and local foods on the other will complement each other, and to observe whether and how native and regional food products will be integrated into the mix of diverse food retailers, especially in the context of changing lifestyles, increased mobilization, and demographic change. The focus on the food retail market thus also functions as a lens for examining the current challenges and transformations that confront Japanese society.

Notes

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1. Consumer co-operatives (co-ops) such as the Japan Consumers Cooperative Union (JCCU) (Seikyō) were founded in the 1950s and 1960s through networks between food retailers, distributors of organic food products and consumer co-operatives, partially in response to concerns about food safety. Consumer co-operations operate retail outlets and home delivery services of non-brand food products, fresh and organic food on a communal basis to private households at lower prices than supermarkets (Cwiertka, 2006, pp. 169–70).
2. Japan is undergoing significant demographic changes. Japan's population is declining. The population of Japan amounted to 128,085 million inhabitants as of 2005. According to forecasts by the UN Population Division, the population will decline to 124,489 million people in 2020 and is expected to fall further to 118,252 million people in 2030 (BMI, 2009, p. 71). Japan's population is also ageing. Life expectancy is among the highest in the world, at 78.3 years for males and 85.3 years for females (BMI, 2009, p. 71). The number of persons aged 65 years and over is expected to continue rising until 2030. For example, according to estimates by the Japanese government, the number of females in their mid-eighties is forecast to rise to 800,000 women (Japan Statistical Yearbook, Population Pyramid). http://www.stat.go.jp/data/nenkan/pdf/z02–2.pdf (accessed 24 March 2010).

3. The Morinaga milk incident in 1955, involving arsenic contamination of milk products, was one of the first food safety scandals to attract public attention (Jussaume *et al.*, 2000, p. 218).
4. Organic foods are defined as foods that are produced without the use of chemicals, including pesticides, additives and fertilizers, or hormones given to livestock. Furthermore, organic foods are defined in that their methods of production are not environmentally harmful or damaging. A certification system of organic food products has been developed in a number of countries in order to ensure that only food products that fulfil these criteria are marketed as organic products. Source: Organic Food for Everyone: http://www.organic-food-for-everyone.com/definition-of-organic-food.html (accessed 24 March 24, 2010).
5. In that regard, it is important to distinguish between domestic food products such as *miso*, which is available nationwide with regional interpretations, and regional food products such as specific vegetables, fruits or cattle that are only cultivated and available in one particular region of the country.
6. One reason for the decline of food self-sufficiency can be seen in the decline of farm households since the beginning of the economic high-growth period in Japan. The number of farm households declined from 5.4 million in 1970 to 3.3 million in 1998 (Rath, 2007, p. 486). Correspondingly, the number of farmers has declined from 37.7 million in 1950 to 14.8 million in 1998 (Rath, 2007, p. 486).
7. According to statistics compiled by the Japan External Trade Organization (JETRO) based on data of the Ministry of Finance (MOF) for 2009, Japan imported 25.1 per cent of its food products from the United States and a share of 13.1 per cent from China, followed by 7.0 per cent from Australia (JETRO, 2010).
8. Data for other industrialized countries were as follows: Canada 145 per cent, France 122 per cent, Germany 84 per cent, Italy 62 per cent, The Netherlands 58 per cent, Spain 89 per cent, Switzerland 49 per cent, and Great Britain 70 per cent (MAFF, 2008).
9. For a detailed discussion of the *o-nigiri* in Japanese convenience stores see Whitelaw (2006).
10. Millenium Retailing Inc., Sogo Co. Ltd and the Seibu Department Stores Ltd merged on 1 August 2009, with Sogo Co. Ltd being the surviving entity. Millenium Retailing Inc. and the Seibu Department Stores Ltd were dissolved. Sogo Co. Ltd changed its name to Sogo & Seibu Co. Ltd. Source: Consolidated Financial Results for the Nine Months ended November 30, 2009, Seven & I Holdings Ltd:http://www.7andi.com/en/news/pdf/fresult/2010_0107kte.pdf (accessed 27 March 2010).
11. These data were taken from the following website: Gyōkai dōkō [Trends in the World of Commerce], http://gyokai-search.com/3-dept.htm (accessed 23 March 2010). For data on Mitsukoshi Isetan Holdings, the following website was consulted: Mitsukoshi Isetan Holdings (ed.), Annual Report 2009, http://www.imhds.co.jp/english/ir/pdf/annual_report/imhds/2009/2009_ar_e_15p.pdf (accessed 24 March 2010). Data on Japan Front Retailing were taken from the following source: Japan Front Retailing (ed.), Annual Review 2009, http://www.j-front-

retailing.com/ir/annual_review/jfrnowe02_03.pdf (accessed 24 March 2010).

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10

Fashion, Self, Postmodern Consumer Culture and *Sex and the City*

Aiko Yoshioka

Introduction

The American TV series *Sex and the City*, produced by HBO (Home Box Office), ran from 1998 to 2004. The programme received seven Amy Awards and attracted audiences in 200 countries. When the film *Sex and the City* was released in 2008, this worldwide audience took the opportunity to revisit the original TV drama (Beard, 2008, p. 40). In Japan, the cable TV station WOWWOW broadcast six seasons between 2000 to 2004, and each season was repeated more than 10 times.[1]

The series concerns the lives of four single women who live in Manhattan, New York: the columnist Carrie Bradshaw (Sarah Jessica Parker), the lawyer Miranda Hobbes (Cynthia Nixson), the art dealer Charlotte York (Kristin Davis) and Samantha Jones (Kim Cattrall), the manager of a PR company. The stories concern their friendships, romances and sexualities, and the film portrays the heroines 4 years after the events in the TV series. Aside from the actresses themselves, fans also paid great attention to the work of the stylist Patricia Field, who was in charge of costumes for both the TV series and the film.

Sex and the City (henceforth *SATC*) visibly infuses its audiences with notions about certain lifestyles and the aestheticization of everyday life in postmodern consumer society. Its influences bear on various phenomena of contemporary consumer culture such as celebrity culture, fan culture, globalization, the spread of fashion, and the coordination of cross-media.

Fashion and feminism have not traditionally been seen as compatible. However, it is impossible to explain the global success of *SATC* if