

JAPANESE CONSUMER BEHAVIOUR - GENERAL VIEW

Iliuta Costel Negricea*

Abstract

Human Society evolution determines adaptation to the modalities thru which the organization is able to know the market. The contact between organizations and consumer is made by the marketing activity, imposing a mutual long term relationship for both parties. The Japanese market had realized many changes in the last few years and in the same time the consumer behavior. To understand the Japanese behavior, their motivations needs you have to take into consideration the Japanese tradition, culture, economical, technological and human influences which are characteristics for Japan.

Establishing a relation mutually advantaged for a long period of time between 2 parties it is depending on value communication of both parties. Building a value is a complex process which implies amplexness of each initial activity. The way of understanding the value perceived by the other is controlling entire communication and mutually activity in our proof of being understands and efficiently communicating for obtaining needed answer.

The consumer is in the middle of all economical activities as individual or organization.

The question is how can you establish a long relation with the consumer? And the answer is simple: activities oriented towards market, towards motivations which may have as result the mutually convenience interaction with the market. Marketing has as result realising activities which will achieve the target and customer satisfaction. On other way, studying the customer behavior¹⁰ is shot for the individulas groups or organisations are selecting, buying or using and they are getting of the goods, services, ideasa and experiences which are satisfactory for their needs and wishes.

A consumer may be considered any entity that is oriented the behaviour towards consumer individual or group status (family, house) needs. Customer

* Iliuța Costel Negricea is Assistant Professor of Marketing at the Romanian American University in Bucharest.

¹⁰ Kotler Ph., *Marketing Management*, Teora, Bucharest, 2005, p. 231

concept¹¹ is not considering only corporally area but also the individual and in principal cognitive process for all the elements that are determination consciously the buying activity.

The organization is in permanent seeking for the *truth* about the way the consumer understands the offer, about the ways of interpreting the messages towards market are understood and are generating an answer.

Having activities in a domain with internal direct human reactions it is difficult to determine the actual activity and the marketing mission. Here we are talking about elementary processes determinations as – perception, attitude, motivation, and decision – which in the acknowledgement present moment are not totally known. Many times it happens that the consumer does not know totally the form of his activities, inscrutability being the definitive word in most of the situations proper for consumer behavior.

In case of organizations we may discuss about a specific behavior which determines the marketing activities, in general. The decisional process in a company is under different influences, some of them coming from external environment and some from company's own departments and personnel.

Out of specific product characteristics, as price, service, operation costs and maintenance, the bidding company should consider the organizational environment and interpersonal influences.¹² Being a far cry from adopting a different, calculated and impersonal attitude the organizational consumers are represented finally by social and human beings which have reactions for all rational and emotional influences.¹³ In this way between the individual consumer behavior and the organizational one there is a strong relation, and the common element is the human being well known and in the same time inscrutable.

In the conditions of these realities what we would like to study are the general conditions of Japanese consumer way of behavior, general characteristics which are identified during time or which appeared following the Nippon society evolution (which may have influence in different situations for consumer behavior) and also a general presentation of Japanese economic environment.

During time there were various tentative from *occidentals* to understand the Japanese universe and how one of the most World Powerful countries has in the same time a strong market. Also to understand the unique characteristics of this country, with strong cultural influences and also to know the source of the Japanese energy – this is the human being.

¹¹ Raffée H., *Das verbraucherverhal ten*, în *Handwörterbuch der Absatzwirtschaft*, Ed. C.E. Poeschel Verlag, Stuttgart, 1974, in Balaure V. (coord.), *Marketing*, Uranus, Bucharest, 2003, p. 183

¹² Louis E. Boone, David L. Kurtz, *Contemporary Marketing*, Harcourt, Orlando, 2001, p. 307

¹³ Philip Kotler, Gary Armstrong, *Principles of Marketing*, Teora, 2004, p.318

Japan is on the second place in the world 'economy with a Gross Domestic Product of 4 897,37 billions USD (which is over 36500 USD/ head) this economical situation is because of strong economical discipline and the technological progress. The most important activities in Japan are the bank activities, insurances, real estate domain, retailing sector, transport and telecommunications. In Japan there is the headquarters of ones of the most important technological companies in the world, the biggest International World Bank Mitsubishi UFJ Financial Group, the second worlds Stock Exchange - Tokyo Stock Exchange, and ones of the most known transnational companies in the world - Sony, Mitsubishi, Toyota etc.

Japan population is 127, 7 millions people and this is one of the reasons for being an important market. . For 2007 they estimated a decrease of number of people rate (for about some thousands of people) and it is estimated that in 2050 the population will decrease until 100 millions people¹⁴. This situation will happened because of young generation which is not looking for having a family or getting married earlier. There are various tentative for straighten this situation, one is immigrations (which are not very popular in Japan) or the advantages for having children being some of the proposals.¹⁵

Other important elements from demographic distribution point of view is distribution on sex categories of people, 63.3 millions of men and 65.4 millions of women and the biggest hope for life in the world with 78.5 years for men and 85.5 years for women.

Most of Japanese society is uniform from linguistically point of view and cultural, with a slam amount of foreign workers: [Zainichi Koreans](#), [Japanese Chinese](#), [Japanese Brazilians](#) and others and some minority groups as: [Ainu](#) și [Ryūkyūans](#), and also other minorities such as [burakumin](#)¹⁶. The budism and shintoism are the most important religions in Japan with approximately 84% from total population. What is important for determine the influences on consumer behavior is also speaking of the second language and this is English. All these aspects are a very important factor for describing the Japanese consumer behavior and market for the form of organizing the activities of the companies' for this market.

The Nippon civilization particularity determines the adaptation of action instruments of companies on this market. Japanese culture is oriented towards groups and team work and not to individualism. The Japanese are not following the strong personalities. The modesty is the main characteristic of Japanese

¹⁴ Statistics Bureau, Ministry of Internal Affairs and Communications, <http://www.stat.go.jp/english/data>

¹⁵ Ogawa, Naohiro. "Demographic Trends and Their Implications for Japan's Future" The Ministry of Foreign Affairs of Japan. Transcript of speech delievered on (7 March 1997). Retrieved on 14 May 2006.

¹⁶ Wikipedia, Japan: http://en.wikipedia.org/wiki/Japan#_note-imf

behavior. When the Japanese have to buy products they select only known products, expensive products which are well known on the market and that may be satisfactory for their need and for obtaining respect in front of the other members of community.

Another significant aspect which is characteristic to the Japanese, connected to the same tight group affiliation, is his preference to conform to the opinions of other people, to talking about their own ideas and opinions. More often than not does this characteristic determine atypical consummation behaviors. During the last years, nevertheless, an opening towards communication has been obvious, towards expressing their own opinion, especially at the younger generation, but also at the other age categories.

When they go shopping, the Japanese would rather accept pieces of advice from their friends or from the sellers regarding the products' choice, than choose themselves. That is why the dealers must be endowed with a very significant characteristic, namely: obligingness and sociality.

The Japanese will never address you directly, because, in their view, it is not polite to address the other directly. Their mentality tells them that having a debate is equal to being impolite. Expressing a different opinion means lack of respect in Japanese tradition. Moreover, there is no such thing as negation in Japanese culture.

The Japanese population would much rather observe the laws and rules than rely on their own judgment. The law system in Japan requires a judge, who shall take the decision pursuant to the law. Being that Japan has lived for a very long time under a dictatorship, Japanese culture is called the "culture of sadness".

The Japanese consumer lays more stress on the finishing of a product than on the performance of that product, and this applies also to any kind of product, clothes, electronic products, houses and so on. The Japanese purchaser either chooses a very expensive product or a very cheap one, but they never show any interest in a middle category product. Thus, the market in Japan tends to have only two market segments: the high prices segment and the low prices segment.

The elements that determines the unique characteristics of Japanese consumer and which have a influence for attitude, design, preferences for products and in general for all challenges of the market are as follows:¹⁷

1. They tend to place themselves in their own exclusive and closed communities. Accordingly, they have introverted personalities and they pay serious attention to harmony and cooperativeness in the group. They feel comfortable with familiar people in the communities they belong to. They developed their sense of allegiance in the group consequent to be exclusive. The behavior of competition and appealing themselves is observed only within their

¹⁷ <http://www.intelbridges.com/japanesedisposition.html>

own community. On the other hand, they are enthusiastic in absorbing or imitating other cultures.

2. Japanese consumer is always adapting to the authorities requests, and this is because of following in cry feeling as a result of Japanese culture.

3. What is surprising is that the Japanese consumers are interested in emotional feelings and decision and not in scientific and rational decisions.

4. Japan has a population of about half of the United States with a land area about 90% of the state of California. Therefore, roads, parks, houses, etc. are designed in miniature size. This environment influences largely their lives. They tend to pay attention to precise details rather than the big picture. They are better at developing transistors than space development projects. Mini-component audio systems are essential in their narrow houses often referred to "rabbit hutches".

5. Japan is a country poor in natural resources but rich in hard-working and diligent people.

During the last few years we can observe a distribution of the Japanese society depending on social evolutions. The generations started to become different to one another. While the old generation is characterized by tradition the young generation is trying to be different to one another and the women are started to become independent. Also the traditional and healthy food is starting now to be replaced by the fast food.

From organizational the point of view for the Japanese consumer we can describe the following aspects which are related to individual aspects:¹⁸

1. Japanese people tend to accommodate others' opinions rather than speak up for themselves. They attach much importance to harmony. Corporate policies are preaching the the importance of harmony.

2. Many corporate systems are structured for cooperative employee performance. An employee submits an application for approval, for such things as a new plan, business trip or purchase (called "Ringisho") to the chief who passes it along to a higher level where it is again passed up the chain of command. If the application is approved, it is sent to accounting section, and then to purchasing section where the order is placed. In this way, responsibility is shared by many people. This system seems very inefficient, however, once the decision is made, the subject is performed in whole organization scale as a company mission.

3. The flagship is the Japanese Government. Companies are transport ships and ministries are the warships to protect and support the transport ships which carry the economy. Private companies are therefore highly regulated by the government.

4. The Japanese employment system has traditionally been operated as lifetime employment. Changing jobs is regarded as a lack of allegiance to the company and is dis-advantageously evaluated by next employer.

¹⁸ <http://www.intelbridges.com/japanesedisposition.html>

5. In Japanese organizations, as in homes, hosts invite their guests to take superior seats. It is supposed that this custom has been passed down from feudal times.

6. Within Japanese organizations, when speaking of other employees, the person's name is said without an honorific title even for high ranking employees. This comes from a strong group consciousness that every employee of a company belongs to the company and is a part of the company, and people are categorized as insiders or outsiders.

The Japanese consumer is characterized by a continuous search for any kind of gadgets, which have the role of keeping their notoriety amidst their acquaintances. Willing to pay significant amounts for the latest technologies, the Nippon consumers base their decisions on the brand's prestige and notoriety. Thus can be explained why brands such as Tiffany's and Louis Vuitton record some of the biggest sales in Japan. Amongst the foreign brands, there can be enumerated: Starbucks, Coca Cola, Haagen – Dazs, the Gap, Microsoft, Disneyland, McDonald's but also Rolex, Coach, Prada, Chanel.

Regarding the distribution modalities, the Japanese consumer would rather remain loyal to the old providers, dealers, even if the new distribution system offers better commercialization conditions and much lower prices.

Approximately half of the daily consumers' expenses are made in small shops in the residence vicinity, with at most five employees (which represent 58% form the total Japan distribution network).

Since 2005, in Japan has been taking place the final stage of the 'marketing reorganization'. At this stage, the advantage that the large Nippon distribution networks such as Daiei and Seiyu had once enjoyed, disappeared, (their importance in the Japan total distribution network decreased 10 %), on the other hand, due to the managerial errors of these corporations and on the other hand due to the difficulties met by the factors of governmental decisions, in the attempt of supporting them. There appeared strong networks at regional level or an extended number of small shops with a universal profile (from electronic products to garment and domestic items).

The important assets are distributed, traditionally, through the larger shops, known for their price reduction policy. The distribution system is characterized by a tight relationship between the importers and the multiple layers of traders and retail sellers. Lately, the direct import, performed by avoiding the larger markets and as many agents as possible, has become a more and more popular reduction method.

The interest that the international companies have for Japan is determined by the colossal purchasing of the Nippon market, the second one from this point of view, following the American one. The purchasing capacity of the Nippon population by means of the distribution networks amounts to 1.040 billion USD (compared to 2.330 billion USD in the USA and only 445 billion USD in China and 385 billion USD in Germany), which means that each Japan inhabitant purchases, every year, on an average, products of over 8.000 USD (similar to the

USA purchasing capacity and almost double compared to England, where every inhabitant purchases, on an average, products in value of 4.600 USD).¹⁹

Culture represents one of the most significant factors which determine the behavior of the Nippon consumer. The access to this market requires the product's adjustment, even if it is a standardized product spread on the international market. There is also the possibility of an undifferentiated demand for the international product, in the case of the consumers who wish to identify themselves with a certain lifestyle.

The Japanese consumer enjoys unique characteristics, regarding the manner of expressing the demand, the manner of perceiving and estimating the products or services, of the reactions to the promotion campaigns and so on. The development of long term activities on this market requires from the Organization the formulation of the marketing strategies adjusted to the features characteristic to the market.

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¹⁹ Business Guide Japan, [http://www.dce.gov.ro/Materiale%20site/Indrumar_afaceri_Japonia.htm#1#\\$1](http://www.dce.gov.ro/Materiale%20site/Indrumar_afaceri_Japonia.htm#1#$1)