

## RETAIL MARKET ASSOCIATIONS IN JAPAN\*

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Japan has one and one third million retail outlets (Bureau of Statistics 1964). This gives Japan the greatest number of stores per capita in the world. Most of these are small, family operated, specialized, purely retail shops along high density "store streets" or shotengai, in low density shopping streets that extend away from the shotengai, or along the corridors of the market building called ichiba. In certain traditional lines one still finds the craftsman's shop and peddlers along the shotengai. Department stores (144 to 400 in 1964, depending on the criteria used in definition) and supermarkets (383 "supermarkets" and 2,682 other large self-service stores in 1962), although relatively few in numbers, are of some importance in terms of their share of the volume of business (Dentsu Advertising Company 1964:45).

This paper will focus on the most important kind of common-interest association in the retail marketplace, the shotenkai. However, I will comment about other kinds of associations.

For our purposes, department stores are out of the association picture. They behave generally like large companies. They have broad programs internally that provide associational activities for their own staff and external affiliations of a purely economic nature.

Another kind of large market, the ichiba, is of some interest in associational terms. An ichiba is a collection of family operated shops in a single large building, a kind of shotengai along the walkways of a building. The shops usually lease their space while the ichiba management handles for the whole ichiba such things as physical maintenance, advertising, trading stamp plans, and the development of a "spectrum composition" of shops. An ichiba may have two fruit shops, two bakery outlets, and so on. That is, it may have internal competition. The ichiba

management tries to avoid this and at the same time to create a shopping center with the diversity to attract customers. Thus, the ichiba management actively recruits very particular replacements for the vacant shop spaces within the ichiba building. For example, if an ichiba loses its only bean curd shop it could lose much of its total business so the management goes into the broader community to find a bean curd retailer who will be willing to move his shop into the ichiba.

Beyond the contractual relations between the shops and the management, common-interest associations often develop from among the shop operators within an ichiba. These associations are usually non-economic types such as sports teams or domestic arts classes. Externally, ichiba typically belong to the local federation of shotenkai.

Two kinds of merchant associations should be mentioned before passing to a more detailed discussion of shotenkai. These are the shokokai or chamber of commerce and industry and the norenkai or elite store association.

Shokokai are organized by some districts (machi or shi) and by all prefectures, which in turn form a national organization. They tend to be involved with politics, taxes, and business research. They serve as the major liaison between the individual retailer and the government. Prefectural shokokai produce detailed annual statistical reports on the state of business and industry within their prefectures. Additionally, they produce some of the best research on Japanese business. It is my impression from visiting several shokokai in the prefectures of Osaka and Ishikawa that the industrial arm of these associations tends to be stronger than the commercial arm.

Norenkai are associations of older, and supposedly more famous, shops within a marketplace. A noren is a short split curtain bearing a dyed emblem that historically identified which merchant kin-group the retailer belonged to. Noren have been used for over two centuries at the entrances of shops. Today, each norenkai shop has a sign that announces its membership in a particular norenkai, but the use of the old distinctive

noren symbols has lost much of its previous quality connotation through commercialization.

The norenkai in my case study town of Ishibashi in northern Osaka was established in 1956. Eleven older shops along the main part of the market street joined. There was an informal agreement that the shops would specialize enough so that they would avoid duplicating the goods that any other shop carried, but that collectively they would provide a full range of food and clothing items. The main active function of the norenkai is the operation of a trading stamp lottery. One specially printed green stamp is given for every 50 yen purchase at any of the norenkai shops. When a customer acquires 60 stamps and pastes them into all of the blanks on a special card he can then go to the current head of the norenkai, who keeps the lottery machine, and win a gift certificate valued from 50 to 1,000 yen (14¢ to \$2.78) in any norenkai shop.

While shokokai promote a district or a prefecture and norenkai are competitive associations within a marketplace, shotenkai are the basic, multipurpose, common-interest associations in the marketplace. They are comparable to the agricultural co-operatives that in rural Japan handle everything from credit to social welfare to recreation. In 1960 there were 3,082 shotenkai in Japan.

The reason that the shotenkai is so important and so diverse in functions revolves around the fact that the retailer lives in his market street. In Ishibashi in 1965 I found that 86% of the shops had connected living quarters. Even service shops such as medical clinics, barber shops, and realtors had connected living quarters. Thus, the shotenkai serves as both a residential neighborhood association and a business organization.

Residential neighborhood associations (tomari gumi) are very widespread in Japan. In my own residential community near Ishibashi the neighborhood association included 23 households. It was a few months before I realized that the association existed because my own family had something of the status of a guest and was excluded from some of the

practical and social problems in the community. Finally, the community informally decided that we were going to be around for a long time and should be treated like everyone else. The association made a house-to-house collection of 80 yen (approximately 22¢) every month to pay the electric bill for the street light in the neighborhood and to buy gifts for weddings, births, or other special events in the community. The association sponsored a moon viewing ceremony in October and a new year celebration.

The retailer works together with his neighbors through the association to improve the physical conditions of the market street. While the association may pressure the local government into paving the market street, the street lighting and the electric bill are typically paid for by the market association. One of the popular projects of shotenkai in the last several years has been the construction of a glass or plastic arcade to cover the narrow (15 to 30 feet wide) market street. In 1960 Ishibashi completed an arcade 235 meters long at a cost of \$23,000, all of which was assessed from the association members.

The Ishibashi Shotenkai has an initiation fee of 3,000 yen (\$8.33) and regular fees of 850 yen (\$2.36) per month. With these funds the Shotenkai provides flowers for a new shop that becomes a member of the association, gives gifts or financial aid at the weddings or funerals of its members, and sponsors a Spring and a Fall picnic for all of its members. When a shop was damaged by fire the association gave 3,000 yen as a condolence. When a heavy snowfall damaged large sections of the arcade of a marketplace several miles away the Ishibashi Shotenkai helped to raise a fund to rebuild the arcade by asking their members to donate 1,000 yen a month. In connection with the mid-summer and year-end sales the Shotenkai decorates the whole street with colored bunting and seasonal motifs and holds a lottery. Some shotenkai have a trading stamp service, operate combined deliveries, make joint purchasing, have common employee training, and even common employee lodgings.

The Ishibashi Shotenkai has a permanent office with a manager and a secretary who handle the financial and advertising affairs of the Shotenkai. Ninety of the Shotenkai shops belong to a sub-section (a bukai) that has the office produce an advertising flyer twice a month and make announcements over the loudspeaker system in the market street about sales in the member shops. These ninety members pay an additional 600 yen a month for this service. The loudspeaker advertising is prerecorded by the Shotenkai secretary, interspersed with music, and played most of the day.

The shop composition along the market street is quite varied and the market street is conceived of as something like a lengthwise department store that offers a little of everything in Japan. As in the ichiba and the norenkai, one of the functions of the shotenkai is to secure an adequately varied balance, a spectrum composition, of shops so that competition can be kept to a minimum and the customer can select from a wide variety of goods and services.

The Ishibashi Shotenkai has 160 members in seven numbered geographical groups of shops. Each of these seven groups pays its own monthly street lighting electric bill. Each of the groups has a head who collects the dues of the members in his group. The office of the group head rotates from one shop to the next every six months or once a year, according to local arrangements. The several group heads form a council that elects a president of the Shotenkai and that has the power to hire and fire the manager and secretary, set Shotenkai policies, and plan the annual events. There is one full member meeting each year in February in which the individual shop owners report on their business for the past year and discuss problems common to the market community.

There are shops in the store street that are not members of the association and did not pay assessments for the street covering and lighting though they receive the benefits of covering and lighting. These families tend to claim poverty as a reason for non-participation. Poverty is accepted as a legitimate excuse for non-participation, but it carries

with it a role of humility and a low social station. Along the main market street the people who do not participate in the Shotenkai tend to be on the lowest social level, the general Shotenkai members are in the middle, and the norenkai members tend to be the social and economic elite.

Only 46% of the total retail shops in greater Ishibashi belong to the Shotenkai, but 76% of those along the main market street belong and 84% of those in the part of the market street that is covered by the arcade belong. The reasons behind this are that the community esprit de corps is greater in the center of the marketplace among those who built the arcade in 1960 and secondly that the new shops that built on the outer fringes of the marketplace are not encouraged to join. In fact, one of the current problems in the market community is the entrance of new members in the Shotenkai. One Shotenkai faction does not want new members because "The current members are the older shops with their own tradition." and "The Shotenkai has built up a fund of money which we do not want to share. The new shops want to enter without putting up an equal share." The other Shotenkai faction claims that the money matters are unimportant, tend to talk of the Shotenkai as a friendship association, and are trying to bring all shops into the association. The third group of shops, those not in the Shotenkai, claim they have nothing to gain by joining and that it would be a useless expense. The Shotenkai membership, as a result, had a net gain of only one shop in six years although the total number of retail shops in Ishibashi almost doubled in that time.

#### CONCLUSIONS

Voluntary or common-interest associations thrive with urbanization (Dotson 1951, 1953; Little 1957; Anderson and Anderson 1962; Norbeck 1962). They are new kinds of malleable primary groups that partially substitute for declining kinship ties and the ascriptive primary groups of traditional society. Common-interest associations have had a particularly florescent development in industrial societies such as Japan "that provide long-established models, such as age-graded groups, co-operative work

groups associated with irrigation, and the like" (Norbeck 1962:81). With the spread of urbanization into the agricultural areas of Japan common-interest associations became particularly important, even more important probably than in the cities. Norbeck (1962:75) mentions the great growth of common-interest associations in twentieth century Japanese rural communities or buraku. He wrote that "Customarily, the number of associations to which buraku members belong ranges between fifteen and twenty-five." The most important rural association is the agricultural co-operative, a multipurpose association concerned with such things as credit, marketing, and agricultural education. In many communities the agricultural co-operative building becomes the major social center in town. Most of the co-operatives have auxiliaries that stress recreation and education in the domestic arts and civil affairs.

Urban Japanese have an even greater range of common-interest associations that they can potentially join than the rural resident. Also, the residential neighborhood association (tomari gumi), although very informal, is almost universal in urban Japan. However, common-interest associations are not as important for the average urbanite as they are for those in agricultural communities. The reasons for this seem to be the greater availability of purely commercial alternatives for recreation, education, and so forth in the city and the fact that companies in Japan fulfill many of these associational functions. Large companies in Japan typically develop life-time employment and company loyalty through a broadly based paternalistic program that may include company housing, a savings and loan association, group vacation trips with other company members, athletics, and so forth. There is a pressure to become a "company man" even in one's spare time. Probably the majority of urban common-interest associations are primarily for women. The residential neighborhood associations, for example, are run by women.

Retail market associations flourish in those sectors of the market where the shops are small, where competition is keen, and where retailers live in their shops. Through an elite store association or

norenkai the operators of the older shops in a marketplace may advertise and economically support their higher social status. Through the basic market association or shotenkai the marketplace community improves and maintains the physical features of the marketplace and serves as a media for the personal expressions of the shopkeepers. For some, the shotenkai is a business association while for others it is a friendship association, but for all of its members it becomes an important primary social group.

In addition to the role of urbanization in stimulating the development of voluntary associations, the comparative literature deals with such things as membership by sex and social class. In a study in Guadalajara, Mexico, Dotson (1953:385) found that "Less women participate than men, and women's memberships are overwhelmingly concentrated in church affiliated associations." Voluntary associations are more numerous in Japan than in Mexico and women participate very extensively in these. Based on field work in both Japan and Mexico, I would judge that Japanese women are more emancipated than Mexican women. Women do the majority of both retail buying and selling in Japan. In a survey of Ishibashi, for example, I (Price 1967:137) found that 60% of the personnel tending shops were women. Thus, although they do not predominate, women participate along with the men in the operation of both shotenkai and norenkai.

Dotson (1951:688), in summarizing research on voluntary associations in the United States, wrote that "these investigations indicate that the higher a person's income and class status the greater his social participation." Anderson and Anderson (1962) found that the voluntary associations of European villages were generally segregated by class, but villages in six of the eleven countries studied had lower class associations with an upper class leadership. They felt that this arrangement intensified the association's effectiveness by being broad in representation and experienced in leadership. They stressed the political action role of these European associations.

The present paper has focused on voluntary associations that are developed by communities of retailers in Japan. The economic action



of these associations is clear. For example, in 1961 and 1962 the Ishibashi Shotenkai ran an unsuccessful campaign to undersell and force out of business a new supermarket that was built at the end of the market street. Through a long campaign of political and legal action, the shotenkai of the neighboring town of Ikeda has successfully prevented the building of a supermarket in the town. However, social class also enters into the organization of these voluntary associations, as it does in the United States and Europe. Lower class retailers tend not to join a shotenkai; the majority of the membership can be considered either lower-middle or middle-middle class; and, although there is some democratic rotation of offices, the upper-middle class tend to be the leaders within the shotenkai and the only members of a norenkai. There are virtually no upper class people in this kind of retailing in Japan.

#### NOTES

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