

Introduction

T THE CARTER GROUP, we've tracked consumer sentiment in Japan every year since 2017. Beginning in 2021, we added over 60 questions covering everyday people's values on issues such as personal confidence and security, the nation's position in the world, how people feel about institutions and powers that be, the roles of science and tradition, as well as the world of work and emergent social and environmental issues.

We apply a statistical method called cluster analysis to pull people who indicate similar values into separate groupings. Within these groups, members are more similar in their worldview to each other than they are to members of other groups.

We created five groups, and the results were *fascinating*. Let us introduce you to them all:

THE SILENT MAJORITY

20TH-CENTURY MODERNISTS

BALANCED TRADITIONALISTS

GREEN PROGRESSIVES

FEARFUL INSECURE





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20th Century Modernists



Silent Majority

42%





See the way society is structured and managed in Japan as being proven and reasonable



Locked in to the current social, economic and political model



Do not want to see change in the workplace



Likely to take a resolutely **moderate point of view** on most topics, and relatively **allergic to change**



Rejects notions of increased accountability in society, preferring the status quo



Do not support efforts for social change and prefer a 'hands off' approach

Government and business should leave well enough alone

Meet Japan's Silent Majority

HE LARGEST GROUP are unwilling to express strong views on their worldview. However, just because they don't express them doesn't mean that these people lack values or a point of view. Indeed, these people are the backbone of the country. We call them the SILENT MAJORITY.

In the world of market research it's well known that Japanese people tend to shy away from the extreme points when answering rating scale questions. You might often find the majority, or at least a plurality, of respondents in your survey bunching at the middle point of the scale.

There are, of course, a range of complicating factors, but Japanese on average will tend to rate the same thing less favorably, for example, than their American counterparts. This can include their likelihood to buy a specific shampoo after watching an ad or their rating of the quality of a typical service experience.

In other words, the Japanese are more equivocal, whereas Americans are more definitive in their point of view. Few who have lived for any length of time in Japan and had to communicate with Japanese over a range of settings would find this to be surprising.

The tendency to hedge covers a wide range of situations, so we have a range of tricks up our sleeve when conducting market research to try and draw out a more discriminated point of view. But at the end of the day, the choice to NOT make a choice says much. In most cases, we ought to respect the right of the respondent not to have a strong opinion.

This equivocality in expressing a point of view probably originates from the conflict-averse nature of Japanese culture.







SO WHAT DO THESE PEOPLE REALLY THINK?

The Silent Majority is the largest segment in the market. It might be tempting to say these people are followers. However, it's hard to imagine them following any leader other than one that essentially maintains the status quo. Welcome to Japanese politics 101!

To get at what the Silent Majority really thinks, we look at how their low pattern of response on worldview dimensions differs relative to other groups. In other words, what are the Silent Majority's distinguishing characteristics? How would we recognize one of these folks if we struck up a conversation in the street?

To start with, they're likely to take a resolutely moderate point of view on most topics and are relatively allergic to change. We would not call them super-conservative, but it would seem fair to say that the Silent Majority is locked into the current social, economic and political model. They believe that the way society is structured and managed in Japan is proven and reasonable. They reject notions of increased accountability in society, preferring the status quo.

They do not want to see a change in the workplace. Further, they do not support efforts for social change and prefer a more aloof, hands-off approach. Regarding trending social issues such as female empowerment, they feel the government and business should probably leave well enough alone.

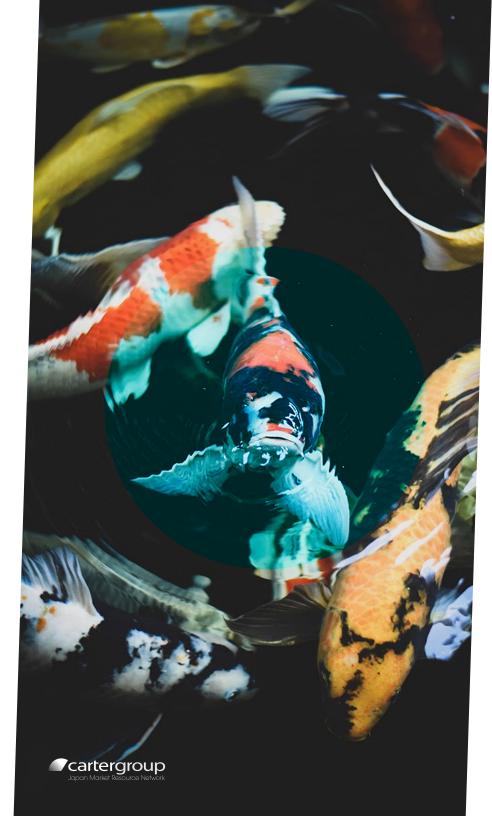
These are people who think:



You know what? Japan is fine. This place works pretty well overall, and there's no need to overthink things. We're okay here; we're fine as we are.

If this firmly-held moderation is the view of the multitude of Japanese, then it is straightforward to see why change is so difficult.





What is even more challenging to people who wish to innovate and enact change is that this group is actually younger (at age 42) than the national average of 48. They are slightly more likely to be female, with above average household incomes. Despite their outward inertia, this characteristic does not imply that they are underprivileged, ignorant or in any way backward. They make up the core of Japan, so it is impossible to dismiss them. Key to managing successfully in this market is the realization that the point of view of people who don't offer you a point of view is also valid. Foreigners tasked with managing Japanese employees will appreciate this conundrum.

On the other hand, my point of view is that if you seek to trailblaze in Japan, you need to focus your intellect and your financial investment on receptive audiences. The segmentation process is often about determining whom we should de-emphasize in our marketing and communications strategies. For example, why would you target mass media spending at people who have no alignment with a progressive mindset and your brand's promise concerning that?

We advise fishing where the fish are, and identifying and engaging with allies. Just who these allies might include is actually quite surprising, and we look forward to sharing more on that in future articles.

20th Century Modernists





Competitive personally and want Japan to be competitive too



Respect strength



Want **flexibility and modernization** in the workplace



Value **science**, technology and knowledge



Can live with social problems to preserve their way of life



Pay attention to innovation and less to tradition



Believe in rationality and efficiency

Young and Going Places

COMPETING DEFINITIONS OF PROGRESS IN TODAY'S JAPAN

NE DEFINITION OF progress is that Japan should move its society from one based on traditional values - highly protective of change and respectful of continuity and stability - to one of openness and free market competition. These values are viewed by many Japanese, fairly or unfairly, as core American values. Certainly, there is an opinion of Japan's level of progress, often articulated by Westerners, that considers the way things are done here at all levels of business and society are profoundly inefficient and not fit for the modern world. There are many Japanese who agree with this.

While some readers may view the meaning of 'progress' as moving to a green, more inclusive society that addresses the excesses of capitalism, others view progress as creating a more competitive, efficient, liberal economy and society – to address the issues that come from a hide-bound traditional society.

It's important to realize that if we accept that Japan remains a traditional society that values continuity above all, the move to a more liberal model is quite radical. Nevertheless, Japanese society has an element that is the natural constituency for liberal reform, and over the years, we have learned much about its value systems.







THE LIBERAL MODEL

We call this constituency for a more free-market Japan the 20TH CENTURY **MODERNISTS**. These people represent around 10% of our populationrepresentative sample aged 15-69. If you detect an irony in the label, it's because their values (which came to the forefront in the 80s in the English-speaking world) are considered already passé by the new woke elites in western countries. But many would argue that Japan has never had a liberal transformation, and if that's something you think is a good thing, you'll be happy to know we believe this is what the challenge of the 21st century will represent.

These 20th Century Modernists, in relation to our other segments' values, hold a pretty 'realistic' view of the world as having a foundation based on competition. Many see the world as a dog-eat-dog place where people only respect strength. Many are also happy to live with some social problems as long as their way of life is preserved. They are not particularly interested in climate change, women's rights, or racism. As far as the workplace is concerned, they believe in the kind of reform that lets them work from home. They are individualists, through and through.

Science, efficiency and competition are critical themes for them. Technology, flexibility, agility, and freedom would appear to hold the answers to the problems that Japan faces. Innovation, including advanced medical innovation, is welcomed, not feared.





YOUNG, SUCCESSFUL BUT NOT SO GREEN

Our 20th Century Modernists are the youngest segment at just under 40 years old on average. Yet their household income is the highest. The gender split is around 60/40 in favor of males. So, young, high-income and male is the 'look'. These are confident folks with the world at their feet, who've benefited from Japan's moves in recent decades to liberalize. They are not so interested in tradition, which probably puts them at odds with many others in Japanese society. Nevertheless, they are the essential movers who are driving economic vitality at the enterprise level.

There is no doubt that the values of the 20th Century Modernists link to better economic outcomes at both the personal and macro levels. This is what our modern capitalist economies are based on. However, the liberal model they embrace does create problems in social equity and the environment. So there is likely to be tension in society if those liberal values come into the ascendant, and partly for that reason there is a natural urge to suppress them among Japanese.

It seems that the story of Japan in the coming decades will be a mainstream tension of what progress means - between traditionalists (who insist on continuity), and divergent views among those who wish for progress - with some viewing progress as greater economic efficiency, and others viewing a green, collectivist future that hews to the SDG model of the society of the future.

Balanced Traditionalists





Relatively conservative on the role of women



See value in traditions and hierarchy; defenders of Japanese culture



Strong believers in national institutions and respect those in power



Support **science** as the answer to contemporary problems



Socially minded, but have a sense of their own power as individuals



However, they have a strong progressive bent:

Favor merit-based hiring

Relatively supportive of internationalization (including increased foreigners)

Strong supporters of sustainability (their own version, presumably)

Navigating the Middle Path

VALUES ARE CHALLENGED BY THE COMPLEXITY OF MODERN LIFE

or Many, one of the toughest challenges in developing one's values set is navigating through extremes. There is a temptation to assume simplistic (or unbalanced) world views that provide a sense of security. Others opt out of the task entirely, preferring to put their heads in the sand. Then there are those who appreciate the benefits of continuity with a rational eye to the future, fully accepting that change is a necessary constant. The beauty of a mindset such as this is that cultural 'babies' are not thrown out with the proverbial bathwater, with problems still recognized and addressed with clear eyes.

RESPECTING THE PAST AND THE INSTITUTIONS THAT MAKE JAPAN WHAT IT IS

From our analysis, we found that about 17% of our population-representative sample aged 15-69 embodied what seemed like a traditional mindset – yet also with progressive characteristics. Relative to the other segments, strength, confidence, and the ability to project power is a crucial view of these people. To a far stronger degree than other segments, they feel that if tried and true ways were respected, we would have many fewer problems today. They believe that respecting the institutions that have stood the test of time will lead to prosperity. Furthermore, they feel that people should respect those in power and that society works best when people hold their role in the hierarchy. Few would argue that these are classical conservative values.







I TRADITIONAL YET OPEN MINDED

Whereas in western societies, 'carrying a torch' for sustainability is seldom viewed as a conservative value, the **BALANCED TRADITIONALISTS** clearly favor the idea that 'sustainability is our only future'. They feel that Japan is not doing enough to combat environmental problems. Furthermore, they are the most likely of our segments, by a wide margin, to be happy to see more foreigners living in Japan. Confident in their outlook and for the country at large, they are not particularly frustrated by the country's politicians, nor do they see Japan as being particularly at risk from exploitation by outside forces. Alongside their calm and practical approach to dealing with Japan's issues, they heavily favor science as the answer to many of today's problems. In the workplace, even though they support hierarchy (presumably on its own merits and because they probably stand to benefit), they also believe the most qualified people should always get the job.

The picture painted of this segment would incorporate surprising characteristics for a traditionalist to many who have witnessed the culture wars of recent years in the west. But, of course, the whole point of cross-cultural research is to uncover the areas where people think differently.

These traditional people are not particularly old either; their average age of around 43 is below the Japanese average. Economically successful, though not as prosperous as the more go-getting 20th Century Modernists, they count many among the current winners in Japan's modern economy. As a group, they are slightly skewed female at 53%, but this is not enough to define them. In gender, as in their views, they are quite well balanced.

GREEN, AND WITH THE CLOUT TO MAKE A DIFFERENCE

The Balanced Traditionalists' views on climate and the environment are particularly fascinating. For example, almost 8 in 10 of them agree that businesses, both Japanese and foreign, should be encouraged by their customers to stop investing in projects which could add momentum to global climate change. This is an even higher agreement rate than our GREEN PROGRESSIVES, among whom 7 in 10 endorse this point.

It's a common hypothesis in climate advocacy organizations that people have become more conscious about the environment (and issues like climate change) since the Covid crisis hit. This is indeed true for 7 in 10 Balanced Traditionalists. However, the result among all the other segments, including the Green Progressives, is 2 in 10. So, it's largely only among our Balanced Traditionalist segment that we see any significant shift in attitudes on this most progressive of issues.

Further, when you ask a Balanced Traditionalist whether they would switch to buying products or services provided by environmental-friendly companies or brands, 7 in 10 agree. In contrast, the rate among Green Progressives is lower than 5 in 10. As the most financially-challenged segment, we understand why Greens are less likely to move their yen to potentially more expensive products. Nevertheless, who then is the more critical change-making group? Is it those with strong views but limited economic power or rather those living active, materially successful lives and willing to put their money where their mouth is?



I HAVE WE FOUND A SWEET SPOT FOR MARKETERS?

The discovery of the Balanced Traditionalists should be hugely encouraging for those who struggle with innate conservatism, apathy or opposition to change when marketing to Japanese people. The reality is that there is a dynamic segment that is both respectful of tradition and motivated by the promise of a brighter future. What better prescription is there for a foreign marketer to act in this market? Gain rapport by respecting what exists in culture and paying heed to what people hold is emotionally essential in their lives, while promising a better future based on rational precepts. We hypothesize that there are many cases where this is the segment for which you should be honing your marketing strategy. It's not impossible that the rest of the market will follow.



Green Progressives

16%





Collectivist in their thinking and concerned with the gap between rich and poor



Supportive of **LGBT rights**



Highly concerned about climate change and dissatisfied with current progress



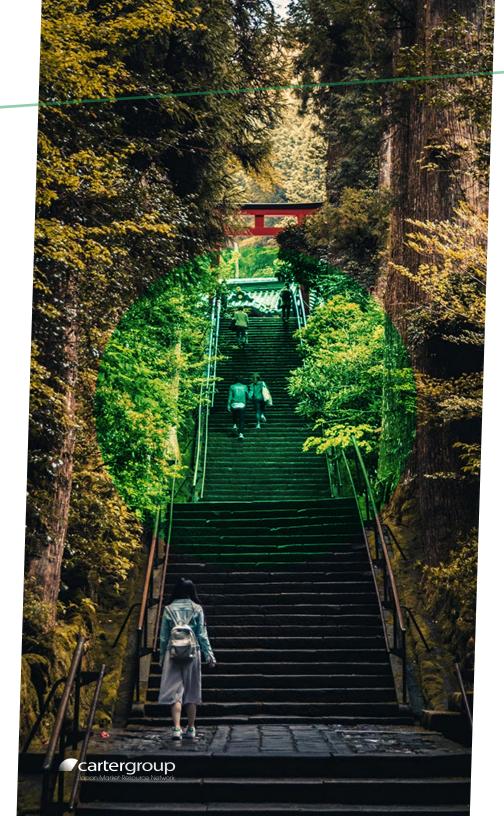
Recognize racism as a problem and are pro-foreigner



Do not support laissez-faire approaches



Concerned with worker protection and domestic violence



Finding Japan's Green Consumer

JAPANESE ARE NOT AS UNENGAGED ON THE TOPIC OF SUSTAINABILITY AS YOU MIGHT THINK

VER THE PAST 10 TO 15 years, Japanese marketers have wholeheartedly embraced the symbology of sustainability. Notions of 'green' and 'eco' and 'human' have proliferated in aesthetic terms. Yet signs of a sea change in consumer attitudes and behavior have been slow to become apparent.

It has typically been a hard road for those who want to activate the Japanese market on issues and commercial enterprises related to the environment and sustainability. Nevertheless, the range of businesses and NPOs with ambitious. progressive goals is growing, and these organizations' objectives in Japan can cover anything from fundraising, campaigning, or launching ethical consumer products.

There are, however, glimpses of hope that indicate that these organizations are not wasting their time. For example, 60% of respondents last year in our annual sentiment survey indicated they were refusing plastic bags at the cashier whenever possible. Initiatives like My Mizu, a PET bottle reduction program that sensibly focuses on incremental change in consumer behavior, are starting to appear. Indeed, We have noticed for a long time that on an issue such as climate change, the Japanese are not as unaware or as soft, on the subject as is generally thought.



IF YOU WANT TO CHANGE HEARTS AND MINDS BE CAREFUL TO STAY IN RAPPORT

There are several characteristics of approaches that are likely to engage successfully. Organizations and brands first need to build rapport and establish their credentials before anyone will listen. Importantly, in this most skeptical of cultures, those who wish to capture hearts and minds (and wallets) need to show evidence they can produce results against their stated organizational objectives. Talking loudly and using shock tactics is not the way to play it in this market. That causes people to fall out of rapport with you and possibly your issue as well. Disastrous publicity and aggressive imagery related to anti-whaling campaigning are easy for skeptics to cite when presented with anything remotely looking like undue pressure related to an environmental issue.

Nowadays, the term 'green' can have a residual, clichéd feeling. But being green (for lack of a better word) is about far more than just caring about the environment. It's a values system that is allencompassing and covers more than one's reactions to a single topic. It's a fundamentally progressive view of life and society and, arguably, is at odds with our notions of what many believe Japanese society, with its traditional characteristics, stands for. Given these values' 'alternative' nature, can we say that there is an identifiable progressive segment in Japan?



GREEN PROGRESSIVES IN JAPAN THINK LIKE GREEN PROGRESSIVES IN MANY OTHER COUNTRIES

These folks hold pretty much the values you would expect of a socially progressive citizen anywhere in the world. It's important to point out that members of this segment are not the only people in society to hold progressive values; it's just that the progressive elements feature particularly strongly in their values set. Let's take a look at how their values look, relatively speaking, compared to the other segments.

They are about what's doing right for society and the planet, and are generally collectivist in their outlook. Climate change, unsurprisingly, is a big concern for them, and they are dissatisfied with the current level of progress in addressing the issue. They believe fundamentally in inclusion and thus are much more likely than other segments to be welcoming of foreigners as residents living permanently in Japan. Indeed, they feel that racism is a problem in Japan.

They believe that too much individualism is bad for the country and instead support a more evolved workplace, including a more inclusive role for women. LGBT rights are important to them. They also firmly believe that domestic violence is a topic that should be tackled head-on.

They are not heavily supportive of science and what is seen as technological progress. Nor do they feel that 'freedom' is a value that has value in and of itself. They're concerned with the gap between rich and poor. The language of a certain type of 'progress' that involves more free enterprise, free choice and dismantling social safety nets in favor of personal responsibility would find little support among them. Worker protection is an important issue for these people. In general, economic efficiency is not a key value for them, and they are more likely to favor a fair workplace than one that is merit-based.

THE TYPICAL GREEN PROGRESSIVE MAY NOT BE WHO YOU THINK

We may have an idea now of these people's values. But how would we know a Japanese green consumer when we see them 'in the wild'? This is the challenge of all segmentations! But we have some clues. Two-thirds of the green segment we found were female, and their average household income was the lowest of all the segments we found. They are employed in a range of situations but also most commonly in the role of homemaker. Their average age is around 50. This relatively high average age is an interesting and possibly counter-intuitive finding. But we have found consistently in project after project carried out in the sustainability space that older people are the most likely to engage. Conversely, we find Japan's youth to be, on the whole, quite conservative.

The generational dynamics of change are probably just around the opposite of what you would find in a developed western country. In a place like Australia, the youth see themselves as the key changemakers, while the older citizens generally are seen to protect what they have and their way of life. This innate conservatism, even smugness on the part of more senior members of society, has driven the 'hey boomer' meme. Nothing equivalent to this exists in Japan. Here, the young are focused on getting on the 'ladder' and doing the things they need to do to establish their lives as productive members of society and, hopefully, get ahead financially. In many cases, young people don't think about society much. Their focus is all on building the foundation for a secure life. This leaves it to the older members to think about society and what they want the future to be like.



We need to put aside our notions of whom we think is a changemaker in Japan. The ally you are looking for might just as likely be a modest homemaker in her 50s in the suburbs as it is a young, well informed, person in their 20s looking to make a difference. Therefore, establishing rapport and building messaging needs to keep this target in mind. The future may belong to the young, but the older members of Japanese society see it as their role to ensure it is a promising future.



Fearful Insecure

15%





Lack confidence in institutions and those who run them



Slow to trust others



Prefer to **buy Japanese**



Frustrated with politicians



See Japan as a whole at risk of exploitation



Slow to trust science, innovation and 'experts'



See the world as a dangerous place



Perceive a general lack of morals



Meet Japan's Fearful Fringe

LIVING IN 'FORTRESS JAPAN'

▼ VERY COUNTRY HAS them, and Japan is no different. I'm talking about "the fearful fringe." These are the people who fundamentally lack trust in their security, either personally or for the country at large. They view their nation as being threatened by outside forces, but they lack confidence that their democratic government is strong enough to do anything about it.

Our analysis found a distinct group that comprises around 10% of our populationrepresentative sample aged 15-69. Let's call this segment the FEARFUL INSECURE. Its members are marked by strong insecurity, believing there is (so) much that can go wrong in life.

Operating from this insecure context, they display a profound lack of trust in established systems and experts. They very much embody the values of a 'fortress Japan' mindset. Tellingly, nine in ten of them feel that Japan is in danger of being exploited by outside forces. And, given the above, in a stark finding that should surprise nobody, the rate of Fearful Insecure people who are happy to see more foreigners living permanently in Japan is only 1 in 100.



PEERING OUTWARD AT A **DANGEROUS WORLD**

Their essential view of the world is that it is a dangerous place. Presumably, because they continually fear the worst, they believe there is a natural limit on how much you can and should trust other people. They are careful about what they eat - possibly not only from a health perspective, but also from the point of view of food safety. They are strong proponents of "buying Japanese."

Despite perceiving myriad problems, they are not looking so much to technology and innovation to help solve those. Nor do they view people currently in positions of power positively.

Reading in between the lines, the institutions and the people that run them have disappointed. They certainly perceive an inability on the part of politicians to do their jobs effectively. Moreover, they perceive a lack of morals in today's society. LGBTQ rights are way down the list of issues they support.

An interesting feature of the Fearful Insecure is their demography, which is really rather average. As a group their age and household income is close to average, and they are pretty evenly split in terms of gender.

In other words, there are not many key markers in terms of gender or socioeconomic position that help us further distinguish them.

Unlike in other countries where insecure mindsets can be strongly associated with lower socioeconomic status, this does not appear to be the case in Japan. Nothing other than mindset is at play here. While they may be not objectively disadvantaged on average, they are the least confident of the segments we found as regards their economic prospects.



CONCERNED CITIZENS WITH THE POWER TO INFLUENCE

The Fearful Insecure provide an interesting contrast to the **GREEN PROGRESSIVES**. Both of these groups are highly concerned about the current status of Japanese society and its trajectory. At the same time, they could not be more different in terms of the solutions we presume that they would prescribe and hope that their governments will enact. It would be plausible to see these segments as forming the right and left wings of society, including more extreme elements. However, even though loud people can be disproportionately influential, it's essential to remember that most Japanese, including in the Fearful Insecure segment, are moderate people in their political expressions and actions. This also goes for the more opinionated among them.

IEMPATHY AND HUMILITY

It is important to understand the Fearful Insecure mindset because it is far from uncommon for isolated - yet strong, unexpected, and possibly irrational reactions to occur when introducing new products, ideas and concepts. This can also be the case when commenting on aspects of Japanese social characteristics, as an outsider. Perhaps some of these reactions come from Fearful Insecure segment members.

Approaching issues and your own objectives with humility, in my experience, is always the best approach as an outsider for engaging with even those that may be happier for you not to. This is not a call to back off, but a call for sensitivity.



