

Consumption of Fast Fashion in Japan

Local Brands and Global Environment

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Abstract

The post-bubble decade of the 2000s witnessed both the increasing bifurcation of luxury consumption and growing demand for the low-priced brands offered by casual-wear chains Uniqlo (UNIQLO) and Mujirushi Ryōhin (MUJI). These trends coincided with sociological debates about increasing societal inequality and growing concerns among Japanese citizens about how to secure a middle-class future. The initial liberalization of the labour market and the growing number of women who entered and remained in the workforce also characterized this period. This chapter traces recent consumer trends with regard to clothing against the background of a globalized society characterized by increasingly diversified lifestyles and consumer patterns, and argues that low-priced 'fast fashion' items have become integral to the fashion landscape in Japan.

Keywords: fast fashion, social stratification, consumer behaviour, brands, sustainability, ethical consumption

Introduction

A stroll through the Ginza, Tokyo's exclusive shopping district, reveals a succession of exclusive fashion stores. A giant UNIQLO flagship store is situated close to a Hermès retail store. High-end fashion retailers are positioned next to fast-fashion retailers that have been able to expand domestically within Japan as well as globally. Since the beginning of the 2000s, the fashion retail market in Japan has been characterized by an increasing bifurcation of consumption of luxury brands such as Louis Vuitton and Hermès on the one

Figure 2.1 UNIQLO store on the Ginza in Tokyo



Photograph taken by the author on 22 May 2015

hand, and a growing demand for more affordable brands such as UNIQLO and MUJI on the other (Assmann 2005). Affordable and low-priced brands that are now known as ‘fast fashion’ have become an integral part of the fashion landscape, not only in Japan, but also in other industrial nations.

Based on a study of the Japanese retail fashion market conducted in 2000 (ibid.), the purpose of this chapter is to revisit this market fifteen years later to investigate whether fast-fashion retailers have been able to secure their market presence on a long-term basis against the background of a globalized society characterized by diversified lifestyles, biographies, and consumer patterns.

I argue that two significant changes in consumer behaviour patterns have led to a continuing, strong market presence of fast-fashion retailers in Japan. Firstly, larger societal trends, which include a deregulation of the labour market, an increase of unstable working conditions, and a subsequent decline of disposable incomes, have resulted in a rethinking of consumer behaviour and an increasing demand for moderately priced clothing. Secondly, prior to the collapse of the economic bubble, consumption had been closely tied to social stratification, in particular to a high identification of Japanese citizens with the 'middle class'. But during the post-bubble periods of the 1990s and 2000s, the dominance of the middle class came under scrutiny. Consumers placed greater emphasis on consumption as an expression of their individual needs and desires, as opposed to consumption as a symbol of a middle-class living standard. The burst of the financial bubble at the end of the 1980s did not mean the end of consumption, but instead led to a rethinking of consumer behaviour in the post-bubble period. Hedonistic consumption of exclusive brand items did not cease to exist, but hedonism was supplemented by more frugal consumer behaviour patterns that included purchasing moderately priced fashion and outdoor clothing. In 2000, the *Nihon Keizai Shimbun* observed that:

On fashionable streets in Tokyo, for example, it is common to see women carrying expensive Prada bags while wearing 2,900 yen [...] jeans from UNIQLO, a low-price retail chain with original brand clothing, run by Fast Retailing Co., or from a Muji brand shop of Ryōhin Keikaku Co.¹

Background: Social stratification and consumer behaviour

Prior to the bursting of the bubble, Japanese post-war society had often been characterized as a homogeneous, middle-class society, whose members exhibited similar patterns of consumption. Sociologist Motohashi Toyohide (1994) has shown that this identification with the middle class is linked to consumption patterns that targeted the ownership of a house in the suburbs, a car, and a selection of electronic devices that enabled a

1 'Passing the Torch', *Nihon Keizai Shimbun*, 12 June 2000.

comfortable lifestyle and symbolized economic progress. Motohashi's view was supported by sociologist Simon Partner, who has argued that during the economic high-growth period, between 1955 and 1973, the 'creation of a middle-class consuming public' (Partner 1999: 3) was closely tied to the purchase of desirable electronic goods such as refrigerators, washing machines, and black-and-white television sets. These consumer goods used to be considered luxurious, but in the course of the economic high-growth period rapidly became part of the standard equipment of the middle-class lifestyle of a salaried businessman with a family living in urban suburbs.

Consumer goods that were part of the standard household equipment symbolized material progress and security. The close identification of the middle class with consumption was revealed by the results of public-opinion surveys (*yoron chōsa* or *kokumin seikatsu chōsa*) and *SSM chōsa*² that the Japanese government has conducted on a regular basis since 1955. Both surveys include a self-evaluation of Japanese citizens with regard to the social stratum they feel they belong to. According to both surveys, the majority of approximately 90 per cent of Japanese citizens considered themselves to be part of the middle class. In particular, three characteristics were used to determine this identification with the middle class. The first characteristic was the ability to afford a certain material standard. The second characteristic was an equal income distribution, whereas the third characteristic defined equal access to educational and occupational opportunities as part of a middle-class lifestyle.

Today, this close identification with the 'middle class' has not changed. According to the results of the *yoron chōsa* for the year 2014, which the government of Japan's Cabinet Office (Naikakufu) conducted, only 1.3 per cent of the respondents considered themselves to be 'upper class' (*ue*), and a mere 5.2 per cent of all respondents considered themselves to be 'lower class' (*shita*). These data contrast with 12.9 per cent of all respondents who evaluated themselves as belonging to the 'upper middle' (*naka no ue*) class, whereas 56.3 per cent considered themselves to belong to the 'middle of the middle' (*naka no naka*). Another 22.9 per cent of all respondents felt that they belong to the 'lower middle' (*naka no shita*) class (Naikakufu daijin kanbō seifu kōhō shitsu 2015).

Despite the fact that, in 2014, the majority of Japanese citizens still considered themselves to be 'middle class', this strong belief in a homogenous,

2 The abbreviation SSM stands for a terminology taken over from English, namely 'social stratification and social mobility', which is translated into Japanese either as *shakai seisō to shakai idō* (Hamashima, Takeuchi and Ishikawa 1999: 39) or as *shakai kaisō to shakai idō* (Tominaga 1994 [1979]: 4).

middle-class society with a predominantly middle-class lifestyle has come under intense scrutiny since the beginning of the 1990s. This time period is characterized by the burst of the bubble economy, which was followed by the onset of a long-term period of economic decline. In particular, the post-bubble 2000 to 2010 decade witnessed concerns among Japanese citizens and sociologists about the rise of inequality within Japanese society and a growing uncertainty about how to secure a middle-class lifestyle. Sociologist Kōsaka Kenji (1994) questioned the egalitarian income distribution using the Gini coefficient, which measures income differences.³ The Gini coefficient decreased from 1955 (0.426) to 1975 (0.314), which pointed to greater income equality. However, the Gini coefficient rose to 0.358 in 1985, stood at 0.432 in 2000, and climbed to 0.488 in 2009, which underlines an increasingly unequal income distribution (Murata and Aramaki 2013: 4). With regard to equal access to educational and occupational opportunities, sociologist Satō Toshiki (2000) argued that – based on the data of the *SSM chōsa* from 1955 until 1995 – after a period of increasing social mobility between the second half of the 1960s and the first half of the 1980s, access to occupational opportunities since the second half of the 1980s depended more strongly on the education and profession of the father than had previously been assumed (Satō 2000).

This awareness about the rise of inequality in society was the result of a liberalization of the labour market and a gradual erosion of the lifetime employment system, which had previously guaranteed stable employment within the same company to mostly male university graduates. With an ailing economy in the 1990s, the need to raise the competitiveness of Japan's industry resulted in pressure to promote deregulation policies that had enabled companies to freely hire workers as part-time employees, temporary workers, and contract workers.⁴ One example of a neo-liberal reform is the Labour Dispatch Law (*Rōdōsha Haken-Hō*), which was enacted in 1986 and has undergone a number of reforms with regard to applicable occupations and the duration of temporary employment (Yuasa 2008: 108). At the time of enactment, the law affected just thirteen professions; it was expanded to cover 26 professions in 1996. In 1999, the law applied to all occupations except the manufacturing industry (*seizōgyō*), the construction industry (*kensetsugyō*), lawyers, and doctors. In 2004, the Koizumi government lifted

3 In case of completely egalitarian income distribution, the Gini coefficient has a value of 0, whereas in the case of completely uneven income distribution, the Gini coefficient has a value of 1.

4 Non-regular employment includes part-time work up to 35 hours per week (Broadbent 2005: 6), temporary work, dispatched work, contract work, and work that is done from home.

the last remaining ban on temporary work in manufacturing. The incremental deregulation of the Labour Dispatch Law reduced Japan's employment protection for temporary workers to a substantial extent while employment protection for regular workers remained intact (Assmann and Maslow 2010).

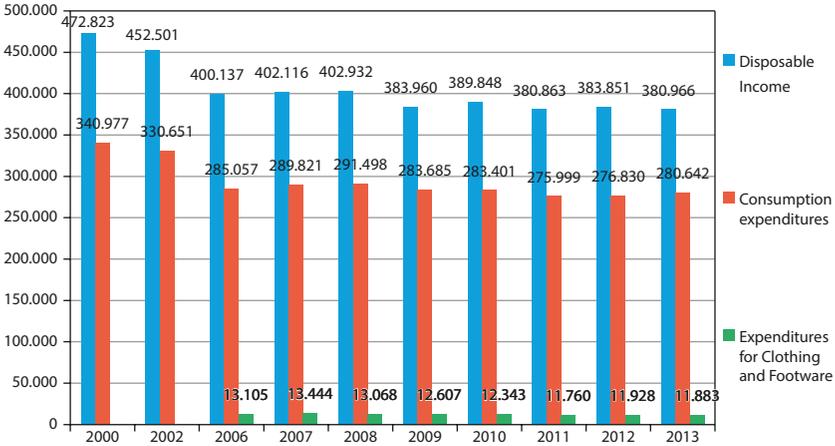
As a consequence of the deregulation of the labour market, the number of non-regularly employed workers has risen. In 2014, the overall rate of non-regular employees (*hi seiki shain*), including both genders, stood at 37.4 per cent, compared to 15.3 per cent in 1984, 32.6 per cent in 2005, and 33.5 per cent in 2007 (Kōsei rōdōshō 2014).

The deregulation of the labour market has also deepened existing gender discrepancies. Non-regular employment patterns in particular affect women who re-enter the labour market, mostly as part-time workers in their late thirties and early forties after a period of family responsibilities (Assmann 2014). Kuba Yoshiko (2011) has pointed out that the employment rate of women has risen from 37 per cent in 1985 to 43.5 per cent in 2008. However, despite the increased visibility of women on the labour market and the enactment of the Equal Employment Opportunity Law (EEOL, *Danjo Koyō Kikai Kintō Hō*) in 1986, women are still subjected to gender-specific differences with regard to recruitment, promotion, and wages. According to data compiled by the Ministry of Internal Affairs and Communications (Sōmushō), employment rates in all age groups remain lower for women than for men. Wage discrepancies between men and women prevail (Kuba 2011: 11). Numbers of female non-regular workers rose from 37.9 per cent in 1999 to 51 per cent in 2003 and rose to 53.6 per cent by 2009. In 2011, 54.4 per cent of all women who were in employment were employed as part-timers or as non-regular employees, whereas just 20.3 per cent of all men who were in employment were part-timers or worked in other forms of non-regular employment (Kōsei Rōdōshō 2011).

Declining incomes and consumer expenditures

The larger trends on the labour market described above were reflected in incomes and in consumer behaviour patterns. Earlier, I mentioned the gradual increase of the Gini coefficient, which points to an unequal income distribution. Along with the rising inequality of income distribution, household incomes have been declining since the early 2000s – a look at disposable incomes (*kashobun shotoku*) and consumption expenditures (*shōhi shishutsu*) confirms that. In correspondence with declining incomes, consumption expenditures have also declined. Consumption expenditures per household stood at ¥340,977 (approx. €3,390) in the year 2000 and have

Table 2.1 Disposable incomes, consumption expenditures, and expenditures for clothing and footwear: Yearly average of monthly disbursements per household (total household)



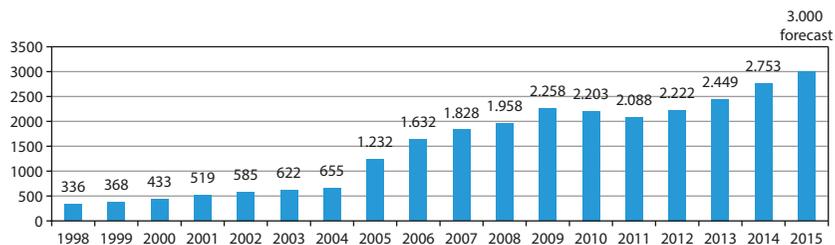
Source: Ministry of Internal Affairs and Communications, Statistics Bureau (2014)

fallen to ¥280,642 (approx. €2,159) in 2013. Likewise, expenditures for clothing and footwear per household have decreased and are between ¥11,000 (approx. €75) and ¥13,000 (approx. €100) between the years 2006 and 2013.

Fast Retailing: The outdoor brand UNIQLO

Despite declining incomes, since the early years of the twenty-first century, Japanese fast-fashion retailers have globally and domestically expanded, and now compete with international fashion brands such as Hennes & Mauritz (better known by the abbreviation H&M) and ZARA. The term ‘fast fashion’ has been defined as ‘low-cost clothing collections based on current, high-cost luxury fashion brands’ (Annamma et al. 2012: 275). Speediness of production and rapid replacement with ever new fashion items are two characteristics of the fast-fashion industry. For example, global fast-fashion retailers such as H&M and ZARA have accelerated the turnaround time from the catwalk to consumers from previously six months to several weeks (ibid.).

One example of a company that was able to expand after the collapse of the bubble economy is Fast Retailing, which was founded in 1963 under the name Ogori Shōji. The company is headquartered in Yamaguchi Prefecture,

Table 2.2 Fast Retailing: Number of stores between 1998 and 2015

Source: Website Fast Retailing; <http://www.fastretailing.com/eng/about/business/aboutfr.html>, accessed 3 May 2015

in western Japan. Fast Retailing offers casual wear and outdoor clothes under the label UNIQLO – an abbreviation of Unique Clothing Warehouse. The first UNIQLO store opened in 1984 in Hiroshima. For a long time, UNIQLO's outdoor clothes were regarded as reasonably priced and practical, but they were not considered very fashionable or attractive. An interview, which I conducted with a 24-year-old female university student in Kyoto in January 2001, confirms this:

Recently, the quality of UNIQLO has improved significantly. We knew UNIQLO when we were children and went to secondary school. UNIQLO has been around for a while, but only recently has [the brand] become more popular. Previously, you went to UNIQLO to buy something cheap; you did not pay much attention to the quality. We hesitated to say: Today, I am wearing clothes that I bought at UNIQLO.⁵

The late 1990s brought a significant change and turned UNIQLO into a more popular brand. In 2014/15, Fast Retailing documented net sales of ¥780.1 billion (approx. €5.37 billion). There were two reasons for that: 1) In 1998, Fast Retailing launched the sale of previously high-end-market products, such as fleece pullovers that were sold at a retail price of ¥1,900 (approx. €12.75) per piece (Porter Prize 2009). The so-called ¥1,900 Fleece campaign generated great interest among consumers; and 2) this campaign coincided with the opening of the first UNIQLO store in Tokyo, in the city's Harajuku district, in November 1998, which symbolized the company's outreach to urban areas in Japan. UNIQLO was the first company in Japan to establish an SPA model, which stands for Specialty Store Retailer of Private Label Apparel,

5 Assmann 2005: 117; interview translated from Japanese by the author.

and encompasses all stages from design and production to distribution and sales to the customers (Nitta 2008: 70-75). The fact that Fast Retailing circumvents the multi-layered wholesale distribution system, which is common in Japan, has enabled the company to position reasonably priced clothing items on the retail market on a consistent basis (ibid.: 70-71).

As the above table shows, Fast Retailing has gradually been able to expand its number of stores in Japan since 1998. In March 2015, Fast Retailing operated 840 UNIQLO stores in Japan (Fast Retailing Website 2015a). A further milestone in the company's history was the opening of the first overseas UNIQLO store in London, which marked the beginning of the company's global expansion. The launch of the first store in Europe was followed by the opening of the first UNIQLO store in Shanghai in September 2002. Since 2002, the company has been able to expand its business in Asia and to launch a number of UNIQLO stores in South Korea, Hong Kong, Singapore, Taiwan, Malaysia, Thailand, the Philippines, and Indonesia. After Japan, UNIQLO is most strongly represented in China, with 345 stores.

Table 2.3 Global expansion of UNIQLO stores

Country	Opening of first store	Location	Number of Stores (as of 31 March 2015)
Japan	1984	Hiroshima	840
United Kingdom	2001	London	9
China	2002	Shanghai	345
South Korea	2004	Seoul	139
Hong Kong	2005	Hong Kong	25
USA	2006	New York	39
France	2007	Paris	8
Singapore	2009	Singapore	22
Taiwan	2010	Taipei	53
Malaysia	2010	Kuala Lumpur	24
Russia	2010	Moscow	5
Thailand	2011	Bangkok	22
Philippines	2012	Mainly Manila	23
Indonesia	2013	Jakarta	6
Germany	2014	Berlin	1
Australia	2014	Melbourne	4

Data compiled from the Fast Retailing website (Fast Retailing 2015a)

Reasonably priced outdoor and casual clothing items accompanied by a rapid domestic and global expansion contributed to the success of Fast Retailing's UNIQLO brand. However, low retail prices alone are not sufficient to secure a stable position on the retail market on a long-term basis. In March 2009, Fast Retailing started a cooperation with the German luxury fashion designer Jil Sander under the name +J, which was successful but was nevertheless terminated in winter 2011.⁶ Brands offered by Fast Retailing include GU and Theory by the company Link Theory Japan, which distributes fashion items and was launched in New York in 1997. French brands include Princesse Tam.Tam, a French lingerie brand, and Comptoir des Cotonniers, an exclusive women's fashion brand.

Ryōhin Keikaku: The label without a label – Mujirushi Ryōhin

Another retailer that has been able to expand its operations amidst the economic downturn is the company Ryōhin Keikaku, which was founded in 1988 as an affiliation of the retail company Seiyū. Under the label Mujirushi Ryōhin (MUJI), which was first established as a private brand of Seiyū in 1980, Ryōhin Keikaku sells a diverse assortment of clothes, household articles, and food. Internationally, the brand has become well known under the name MUJI. Initially, the brand was sold in retail outlets inside Seiyū department stores, but in 1983 the first outlet store under the name Mujirushi Ryōhin opened in Tokyo. Since then, the company has expanded globally. The first MUJI store opened in London in 1991. As of February 2015, Ryōhin Keikaku operates 301 MUJI stores outside of Japan. Ryōhin Keikaku has a particularly strong presence in Asia, with 128 stores in China, 14 stores in Hong Kong, and 33 stores in Taiwan.

Despite the growing acceptance and popularity of moderately priced fast-fashion items, the brand and quality consciousness of Japanese consumers remains. An interview with a 24-year-old female university student in Kyoto in February 2001 addresses the significance of brands:

I do not really have brand consciousness, but to a certain extent I do pay attention to brands, even when I shop at Mujirushi Ryōhin. Mujirushi [Ryōhin] was not a brand to begin with, but eventually [it] developed into one [...]. Yes, if I think about it, I do have brand consciousness to a certain extent. Sometimes, I think that I could purchase an item somewhere

6 <http://www.fastretailing.com/eng/>, accessed 15 October 2015; Nishimura 2010: 67-8.

Table 2.4 Global expansion of MUJI stores

Country	Number of Stores (February 2015)
Great Britain	12
France	12
Italy	9
Germany	8
Ireland	1
Sweden	7
Norway	4
Spain	6
Turkey	2
Poland	1
Portugal	1
USA	9
Canada	1
Hong Kong	14
Singapore	9
Malaysia	4
South Korea	14
China	128
Taiwan	33
Thailand	11
Australia	2
Indonesia	2
Philippines	7
Kuwait	1
United Arab Emirates	3
Total	301

Source: Table compiled based on data available on <http://ryohin-keikaku.jp/eng/corporate/index.html>, accessed 16 June 2015

else for an even lower price, no matter how much less expensive, and especially when I am looking for a simple design, there are certainly stores that are less well known and cheaper, but I choose the stores that are better known. So, I must indeed have some brand consciousness.⁷

Since the 1990s, Japanese consumer behaviour patterns evolved into a new form that combined hedonism and frugality. The above interview revealed that brand consciousness – which was equated with quality consciousness – not only applies to high-end fashion retailers, but also to fast-fashion

7 Assmann 2005: 133; interview translated from Japanese into English by the author.

retailers. For Japanese consumers, fast-fashion brands became a viable alternative to purchasing luxury brands, which Paul and Feroul (2010: 8) have explained as follows:

[N]ew, foreign brands were trying to shake up the market share of existing luxury companies in Japan by offering high quality at competitive prices. [...] The entry of H&M into the market completely revolutionized it. As a consequence, the effectiveness of the business models of brands like Zara, H&M or UNIQLO enabled them to compete with quality brands amazingly quickly. Affordability was a new concept that was radically changing the mind set of Japanese consumers, who were always eager to resemble top fashion models from catwalk shows.

Fast fashion and sustainability

Moderate prices continue to be of importance on the fast-fashion market, but low prices alone are no longer sufficient to secure a stable customer base. Annamma et al. (2012) point to an increasing interest in sustainability and ethical consumption, in particular among younger consumers, who are the main target groups of fast-fashion companies. Sustainability is a contested and often vague concept. However, according to the Report of the World Commission on Environment and Development (1987), which differentiates between environmental, economic, and social sustainability, sustainability 1) acknowledges the needs, in particular the needs of the world's poor; 2) recognizes the limitations imposed by technology and social organizations on the environment's ability to meet these needs; and 3) refers to activities that meet the needs of the current generation without compromising the needs of future generations.

Annamma et al. (2012) point to the contradiction between an increased awareness of sustainability among consumers and the manufacturing and distribution practices of fast-fashion retailers. Fast-fashion companies respond to rapidly changing trends on the fashion market, exhibit a high turnover of fashion, and outsource their production to low-labour-cost countries in order to maintain low retail prices. In other words, fast-fashion companies pursue manufacturing practices such as minimalizing production costs in order to gain maximum profit within a short time. At the beginning of 2015, Fast Retailing was attacked for the harsh working conditions at its supplier factories in China, and the company has struggled with labour disputes at its Chinese production sites (Kawakami 2015).

In order to counterbalance this lack of sustainability, fast-fashion companies have underlined their efforts to contribute to environmental protection and charity. In October 2001, Fast Retailing started the All-Product Recycling Initiative. The Fleece Recycling Initiative (Zen Shōhin Risaikuru Katsudō) was soon expanded to cover all items offered by the UNIQLO and GU brands. Since the launch of the initiative, more than 32.5 million articles of clothing have been collected and more than 14.2 million items donated to 53 countries and regions around the world. Since 2007, Fast Retailing donates used clothes to refugees and displaced persons in cooperation with the United Nations High Commissioner for Refugees (UNHCR). In March 2011, Fast Retailing extended the recycling initiative to South Korea.

Retailer Ryōhin Keikaku also emphasizes its participation in environmental activities on its website. Using the motto 'Creating a pleasant life', Ryōhin Keikaku has pledged to contribute to waste elimination, to the preservation of natural resources, and to the prevention of global warming. Since 2010, the company takes part in a recycling initiative called the FUKU-FUKU Project (FUKU-FUKU Purojekuto: Sen'i Seihin No Risaikuru). This project allows customers to return used textile items, among them clothes (except for underwear), towels, sheets, textile covers, and nylon products, to MUJI outlets or Seiyū outlets four times a year.⁸ These returned items are subsequently recycled and resold. A related project, titled PLA-PLUS Project (Pura Pura Purojekuto: Purasuchikku Seihin No Risaikuru) is a plastics recycling project, which encourages customers to return used plastic items to MUJI outlets.⁹

International competitors: ZARA and H&M

The entry of international fast-fashion brands has had a lasting impact on the Japanese market. Whereas Fast Retailing and Ryōhin Keikaku have stabilized their retail market share in Japan and in East Asia, globally both companies compete with major fashion retailers, among them the Spanish retailer Inditex, the parent company of ZARA, as well as the Swedish fashion retailer Hennes & Mauritz (H&M).

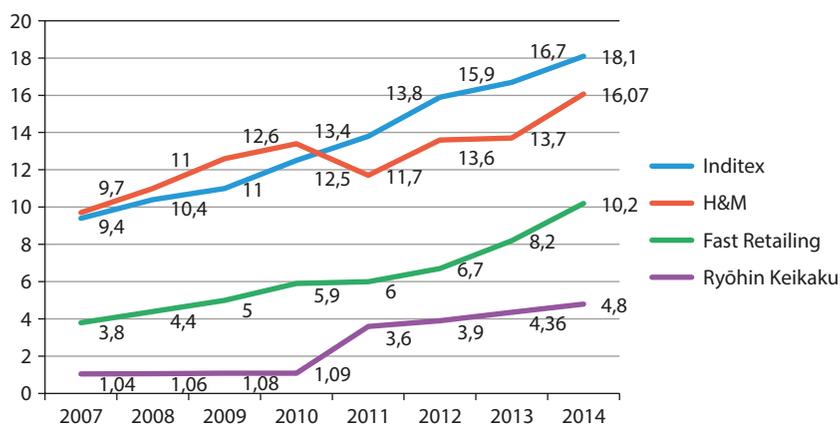
Both fast-fashion retailers have been very successful in Japan. Headquartered in Coruña, Spain, the company Inditex was founded in 1963;

8 http://ryohin-keikaku.jp/eng/csr/list/list_003.html, accessed 15 October 2015.

9 http://ryohin-keikaku.jp/eng/csr/list/list_032.html, accessed 15 October 2015.

their brand ZARA generates 75 per cent of Inditex's profit. In Japan, ZARA was established in 1998. The Swedish retail company H&M was founded in 1947 in Västerås, Sweden. H&M expanded its market presence to Asia and entered the market in Japan in September 2008. Since then, the Swedish fast-fashion retailer has been very successful in Japan: a collaboration between H&M and Rei Kawakubo, the designer of the fashion label Comme des Garçons, led to the launch of an avant-garde collection presented in two newly opened stores on the Ginza and in Harajuku in Tokyo (H&M 2015e: 8). As of August 2016, H&M operates 63 outlets in Japan.

Table 2.5 Net sales of Inditex (ZARA), H&M (excluding VAT), Fast Retailing, and Ryōhin Keikaku (currency: billions of euro)¹⁰



Data accumulated from the websites of Inditex (2015a and 2015b), H&M (2015a, 2015b, 2015c, 2015d, and 2015e), Fast Retailing (2015b), and Ryōhin Keikaku (2015)

A high-end fashion retailer: Louis Vuitton

Fast-fashion retailers in Japan not only compete with international fast-fashion companies, but also with high-end fashion retailers. Despite the economic downturn, luxury brands remain highly sought after by brand-conscious Japanese consumers, in particular female consumers who are in their twenties and thirties. One example of a successful luxury-goods company is the French company Louis Vuitton, which is famous for its leather handbags and suitcases. Net sales figures of Louis Vuitton amount

¹⁰ Figures calculated using exchange rates of the beginning of May 2015.

to US\$10 billion (€8.8 billion).¹¹ The company was established in France in 1854 by Louis Vuitton. The family enterprise gradually expanded and opened its first overseas store on Oxford Street in London in 1885, followed by store openings in New York, Bombay, Washington, Alexandria, and Buenos Aires. By the mid-1970s, the company was overseen by the third generation, Gaston-Louis Vuitton, who advanced the globalization of the company. The market entry in Japan in 1977 commenced with the opening of two Louis Vuitton stores in Tokyo and Osaka. In 1978, Louis Vuitton established shop-in-shops in major department stores such as Seibu and Mitsukoshi. Since then, the company has been represented throughout Japan through individual stores and outlets in department stores. In 1981, Louis Vuitton Japan was founded. The market entry in Japan was followed by market entries in Taipei, Taiwan in 1983 and Seoul, South Korea in 1984.

Whereas fast-fashion companies emphasize sustainability, other marketing strategies contributed to Louis Vuitton's ongoing success in Japan. Firstly, Louis Vuitton was the first global luxury brand to enter the Japanese market without the help of a Japanese distributor (Paul and Feroul 2010: 10). Secondly, Louis Vuitton responded to the economic crisis of 2008 by adjusting retail prices of leather goods, watches, shoes, and accessories by 7 per cent (*ibid.*: 9). Thirdly, Louis Vuitton has succeeded in combining luxury with art and architecture. In an effort to respond to Japanese consumers who combine a consciousness for brands and quality with a taste for novelties, Louis Vuitton embarked on a collaboration with Japanese artist Murakami Takashi for the spring and summer collection in 2003. Murakami created a colourful version of the Louis Vuitton monogram in 33 colours on a black-and-white background (*ibid.*: 11). The Murakami line was a huge success, which led to an increase of Louis Vuitton's profits by 10 per cent. In 2008, Louis Vuitton launched another new product line, called Monogramouflage, which combined the Louis Vuitton brand monogram with print designs by Murakami Takashi and Marc Jacobs (*ibid.*: 12).

Architecture also has had an impact on the company's success. The Japanese architect Aoki Jun designed the Louis Vuitton flagship stores on the Ginza (Louis Vuitton Matsuya Ginza) in 2013, in the Omotesando shopping district in the middle of Tokyo in 2002, and in Nagoya in 1999, in addition to Louis Vuitton stores in overseas locations.¹² On 1 September 2002,

11 'The World's Most Valuable Brands', *Forbes* (2014), <http://www.forbes.com/companies/louis-vuitton/>, accessed 22 June 2015.

12 <http://www.aokijun.com/ja/works/>, accessed 15 October 2015.

the opening of the flagship store in Omotesando attracted 2,800 visitors; the turnover on the first day of the opening amounted to ¥25 million (approx. €2.7 million) (Assmann 2005: 126).

The significance of price, brand, quality, and sustainability: The post-bubble consumer

Exclusive brands such as Louis Vuitton continue to play a significant role in Japan's fashion retail market. But fast-fashion retailers have significantly increased their market presence since the beginning of the 2000s, in the middle of a period of economic decline. Fast-fashion brands such as UNIQLO and MUJI have become attractive brands, particularly in East Asia. In contrast to the early years of the twenty-first century, Japanese fast-fashion retailers now compete with international fashion retailers such as H&M and ZARA, with internationally established retailers taking the lead. Also, in contrast to the decade 2000-2010, Japanese retailers are now increasingly responsive to consumers' awareness of sustainability issues by initiating recycling campaigns that are combined with charity schemes.

Fast-fashion retailers have been able to stabilize their market presence through domestic and global expansion as well as through a diversification of strategies that include a combination of low retail prices, cooperation with high-end luxury designers, and an emphasis on sustainability and environmental consciousness. Two reasons for the ongoing success of fast-fashion retailers can be given here. Firstly, economic factors include the deregulation of the labour market and the fragmentation of employment patterns – non-regular employment has become more common, which has led to lower disposable incomes and a decline of consumer expenditures. The second reason is related to the fact that this decreasing purchasing power has not led to a decline of brand consciousness, but instead has initiated a rethink among consumers who combine the purchase of exclusive fashion items and accessories with low-priced fast-fashion items, while at the same time pursuing sustainability and ethical consumption. The values of Japanese consumers have changed: consumption has become an expression of individual choice and preference and is no longer a symbol of a middle-class lifestyle centred on the possession of a standard set of consumer goods.

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