A Comparative Analysis of Japanese and U.S. Beverage Consumption and Usage Situation

An Honors Thesis (HONRS 499)

by

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Purpose of Thesis

This research was conducted to compare the situations in which beverages are consumed by Japanese people with consumption and usage situation by people in the United States. Background information on the Japanese culture is provided as well as data concerning beverages that are and are not selling well in Japan. A small study was conducted to supplement the research, the findings of which are reported. Finally, there is a discussion of the findings and the marketing implications for marketers wanting to target the Japanese market.

Acknowledgements

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prepared by Jeni Palmer
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According to Meredith (1993), 90 percent of the 700 new beverages launched in Japan in 1992 failed. Why did this happen? It is probable that the manufacturers incorrectly guessed at the markets' readiness for the products. Such mistakes can damage a firm financially, considering the ample size of the Japanese market. With a population of more than 125 million, Japanese consumers spend over $40 billion annually on beer and liquor (Meredith, 1993). Likewise, according to Meredith, the Japanese soft drink and tea markets are substantial with annual sales of $26 billion and nearly $9 billion, respectively. This paper has been developed to address the issue of properly identifying consumer beverage consumption in different markets. The purpose of the research is to compare beverage consumption and usage situation in the U.S. with that of Japan. It is proposed that the consumption differences, and therefore the criteria for segmentation, are to be found with the situations in which beverages are consumed.

INTRODUCTION

An attempt will be made to draw the attention of beverage marketers toward accurately segmenting the markets they want to serve. Specific statistics will be offered concerning the Japanese beverage market and the needs of Japanese consumers. However, a thorough understanding of Japanese consumers' needs requires, first, a basic knowledge of the Japanese culture and any changes occurring in the Japanese lifestyle. The following section provides marketers with general background information about current trends in the Japanese culture.

The Japanese work among the longest hours in the industrialized world--- an average of 65 days a year more than Germans and 25 more than Americans (Makihara, 1991). In an effort to get the Japanese workforce to take time off, both private companies and the government are offering incentives. In a nation of workaholics, this has been no easy task. It has required much effort and, like most
things in Japan, organization. For example, Mazda Motors holds an annual “Dream Vacation Contest.” Participants describe their ideal vacation and the winners have their dreams come true at company expense (Makihara, 1991).

Taking time off is easier for young people, as they have not been directly touched by the “hard times” of previous generations. Older Japanese need all the incentive they can get to break their devotion to work. It is the post-world war II workaholics that the Japanese MITI (Ministry of International Trade and Industry) has in mind. The MITI encourages corporations to have full-time advisors to help “novice vacationing” employees plan their free time. The National Recreation Association of Japan offers classes to train such “leisure counselors.” About 1200 are currently studying ways to overcome barriers to leisure (lack of time, money or traveling companions) so as to be “expert” vacation advisors (Makihara, 1991).

There is a trend emerging that is calling businessmen from running the “urban rat race” to running a farm. As Japan’s recession trims jobs in the city, farm living has suddenly taken on a new light with urbanites (Ono, 1993). Many towns are taking advantage of farming’s new trend in order to increase their populations. For example, Akita Prefecture is helping new farmers get started by offering two-year agricultural study programs free of charge to younger people. Currently, half of Japan’s farmers are over 60 years of age (Ono, 1993). Towns are also offering free cattle, herb gardens, houses and entire farms to new homesteaders.

BEVERAGE MARKETING

In Japan, the three major beverage categories include soft drinks, alcoholic beverages and milk beverages, soft drinks being the largest of the three. The soft drink category includes drinks such as carbonated colas, carbonated water drinks, fruit juice, fruit flavored drinks, tea, coffee drinks and sports drinks. In 1989, non-carbonated soft drinks outsold carbonated drinks nearly 3:1 (Sfiligoj, 1991). In the past few years, consumption of black tea, coffee drinks and sports drinks have soared. A few examples include ginseng tea, oolong tea, a tea to relieve certain menopausal symptoms and one made with seven fresh vegetables. Since 1992, more Japanese than ever have been enjoying orange juice, due to the removal of import quotas on orange-juice concentrate. The quota was removed in April of 1992, causing orange-juice prices to drop from about $3.00 a liter to about $1.70 a liter (do Rosario, 1993).

The second major beverage category in Japan is alcoholic beverages. Disposable income is at the highest levels in the country's history (Pepper, 1990), allowing more Japanese to travel abroad and bring back tastes for exotic drinks. Product diversification has been growing to meet the sophisticated tastes of consumers.

For example, in the early 1980s, the domestic sake industry experienced decreased sales as consumers turned to wine and other non-traditional beverages (Pepper, 1990). The sake industry underwent a massive image change. Manufacturers began producing variations in the traditional sake and marketed the new category drinks as novelty sake. Two examples are “gold-flaked sake,” which has tiny flakes of pure gold foil in the liquor, and “leisure sake,” that is backed by a strong promotional strategy encouraging people to increase their leisure time. A revision of the tax on alcoholic beverages has helped to increase sales of all alcoholic drinks. The system was implemented in April, 1989, greatly simplifying and clarifying liquor
taxes (Hoga, 1990). Both consumers and producers are likely to find sales and purchases of liquor much more convenient.

The third major beverage category is milk beverages. Milk beverages, which include cows milk and fermented milk, comprise a sizable market. The milk products have already spawned a "me-too" drink from Coca-Cola called Ambassa Water (Sfiligoj, 1992). Milk, milk beverages and yogurt drinks have been popular (especially with children) for over 20 years. The popularity of these milk products is closely associated with Japanese eating habits. The Japanese diet is rich in cereals, vegetables, and fish and lower in protein, fats and sugar than the American diet. Therefore, milk beverages better compliment Japanese meals, as opposed to the fried, processed, sugary foods that comprise meals in the United States.

FUNCTIONAL AND NEW AGE DRINKS

Across the globe, functional beverages and New Age drinks are springing up every day, particularly in Japan. Functional beverages are specialty beverages intended to provide healthful benefits. Functional drinks can be found in the soft drink, milk, and alcohol beverage categories. As of 1992, Japan leads the soft drink industry in the formulation and production of functional beverages. According to the Beverage Marketing Corporation, nearly half of the 200 companies that produce functional beverages are Japanese (Sfiligoj, 1992).

Some of Japan's more interesting functional soft drinks include a cola which contains the vitamin C equivalent to three lemons; fruit drinks which offer a variety of benefits such as iron to help prevent anemia or a mixture of collagen and other vitamins for a good complexion; an herb cocktail made with ten herbs containing 5% alcohol to "freshen up the user's mood" (Sfiligoj, 1992). The more esoteric drinks Japan boasts include fermented milks and vitamin drinks. Functional versions of tea are also common.
Included in the functional drink category are vitamin drinks. One popular drink called Amino Up is a powder mixed with water and is promoted as being useful in suppressing allergies as it contains plant extracts (Sfiligoj, 1992).

A new fad in the beverage market has been found with New Age drinks. Beverage Marketing Corporation defines a beverage as New Age if it is relatively new in the market, perceived by consumers as "good for me", and all-natural or perceived as such (Sfiligoj, 1993). Three major categories encompass New Age drinks, all-natural sodas, sparkling flavored waters, and sparkling juices. Consumer perception is the key determinant for New Age drinks. For example, Crystal Pepsi would not meet the criteria because it is marketed and perceived as a cola.

FAILURES

There have been many beverage failures in Japan. Suntory, a food and beverage powerhouse in Japan, had developed a new fruit beer for the female market (Meredith, 1993). It went down in agonizing defeat. Some other failures include BE, a pink beer sold in a fancy bottle, Bourbon Street, a low-alcohol bourbon and cola mix, and a banana flavored carbonated soda (Meredith, 1993). Traditionally popular beverages, such as carbonated drinks and fruit drinks, have in the last few years experienced slightly increased sales or remained unchanged.

The Coca-Cola Company is one example of a company that has had to learn from its failures abroad. Coke enthusiastically launched its low-calorie Clear Tab cola in Japan. Out of curiosity, consumers rushed to try the drink. But few people came back for more. In less than six months Coke decided to halt sales of Clear Tab in Japan (Ono, 1994). The failure of Clear Tab in Japan occurred for possibly three reasons. First, original Tab had little brand recognition; second, the novelty of a clear cola did not excite consumers; and lastly, diet drinks are just starting to gain attention, as the sweet after-taste puzzles many consumers (Ono, 1994).
SUCCESS STORIES

Drinks that are selling well include mineral water and milk drinks (with new flavors)---which have been introduced only recently. In 1992, Japan's mineral water market leapt to nearly $320.8 million (Kimura, 1993). This is about four times the level of 1986. Also in 1992, imported mineral water increased nearly 40 times the 1986 figure of 312 gallons (Kimura, 1993). The beverage products that have found success in Japan seem to have some common attributes. Those beverages have addressed four consumer needs: health concerns, convenience, variety and calorie control (Meredith, 1993).

Two innovations addressing the health concerns of Japanese are functional drinks and the tonic ("Genki") drinks. Tonic drinks are favored by those wanting a good, strong boost in the morning. Likewise, there are many other drinks to make one feel "genki" (rejuvenated, energetic) such as fruit drinks, fiber drinks, calcium drinks and caffeine drinks (Sfiligoj, 1992).

The second consumer need is convenience. Marketers have responded to the demand for convenient drinks with an abundance of vending machines. Nearly one-half of all soft drink sales are made from the 1.95 million vending machines covering Japan (Ishii, 1993). The innovations of vending have been extended to the coffee and tea market. A multitude of flavored teas are available in a can, and coffee can be dispensed hot or cold. Likewise, the ability of vending machines to sell new-category hot drinks in the winter has caused seasonal fluctuations in sales to decrease.

Variety is the third consumer need. There are a multitude of flavors offered to tea and coffee drinkers seeking a variation from traditional teas and coffees. In addition, innumerable varieties of functional and New Age drinks are now being introduced. While there are two predominant brands of beer in Japan, seasonal beers are introduced every winter.
The last consumer need is calorie control. Although the diet cola market is rather small, as more Western food is consumed by Japanese, the need for calorie control will probably grow (Meredith, 1993). As mentioned earlier, the diet beverage, Tab Clear, did not fair well in Japan. Its failure can be explained in part because of the sweet after-taste it leaves in consumers' mouths. Currently, a popular low-calorie drink is canned green tea, which is not sweet at all.

With such a variety of flavors from which to choose, worldwide beverage marketers will find their quest for the next popular drink an increasingly difficult task. It is of utmost importance, then, for beverage manufacturers to properly identify the market segments to which their advertising will be directed. And when international markets are the foci of U.S. manufacturers, careful marketing research is mandatory. In the soft drink industry, the greatest sales opportunities lie outside the U.S. Coke garners upwards of 80% of its income from sales abroad ("Beverage Marketing Index for 1991," 1992).

Often companies seeking foreign sales introduce their ideas to the new market overlooking one vital element---the consumer. A decision that could be fatal to the success of a product often occurs when the item is sold to foreign markets simply because it has done well domestically. That is, no change in either product or promotion is made; what works domestically is expected to find success abroad. This marketing technique is a viable option, yet marketing experts consider this a less effective alternative for many products (Terpstra and Sarathy, 1991; Boyd and Walker, 1990).

SEGMENTATION

Before marketing managers make decisions concerning which segments of the market they will target, product positioning, and image strategies, they must identify the segments existing in the market. Often, segmentation decisions made for the domestic
market are applied to international markets. For some products this method is fine (i.e. tires, power transformers, steel), but other products must be carefully marketed to select markets. The beverage market in Japan is an instance where products should not necessarily be marketed the same as in domestic markets.

The Japanese are a unique group of people with customs and tastes different from American customs and tastes. Therefore, beverage marketers in the U.S. (and in other countries) should be aware of the differences in beverage consumption that exist between domestic consumers and Japanese consumers. In addition to determining what beverages are preferred, the situations in which beverages are consumed must be evaluated.

In order to examine the differences in consumption patterns of U.S. versus Japanese beverages, it is necessary to look at usage situation patterns. Until the late seventies and early eighties, most market segmentation techniques relied on descriptive factors to predict consumer purchasing behavior. For example, demographic variables (such as age, gender, income, occupation and race) and psychographics (activities, interests and opinions) were commonly used. Yet the need to consider non-descriptive factors to determine purchase behavior was realized prior to the seventies. According to Haley (1968)," the benefits which people are seeking in consuming a given product are the basic reasons for the existence of true market segments."

In order to market a product effectively, there are many factors that must be evaluated. Beyond the fundamental needs that a product satisfies lie several others that marketing managers should consider. Green and Wind (1975) believe marketers must determine the importance of each attribute of a product. Danko and Schaninger (1990) suggest that traditional market segmentation strategies may not adequately reflect today's demographics. They propose using the updated Gilly-Enis model as a
useful segmentation tool. The updated household life cycle model, originally proposed by Gilly and Enis (1982), reveals consumption differences across household life cycles. Therefore, Danko and Schaninger (1990) suggest that marketers should cultivate their customer base over time, as it progresses through several life cycle categories.

Even more recent researchers propose further defining a market segment according to the benefits sought as well as the particular situation in which the product will be consumed (Dickson, 1982; Ball, Lamb and Brodie, 1992). As demand results from the interaction of a person with his or her environment, a segmentation perspective that includes both the person and the situation is needed to explain demand and target marketing strategy (Dickson, 1982). The notion that usage situation can be used to segment a market has been around since mid 1970s, yet during the twenty years that have followed, little attention has been given to usage situations as defining target markets. According to Dickson (1982) "buyers can be described and categorized just as naturally by the situations in which they will use the product as by demographics, personality traits, or attitudes."

Dickson has developed a very useful person-situation segmentation matrix. This method involves a nine-step process. In following the framework, marketers are able to construct a person-situation matrix. The matrix is a concise means of highlighting the most important attitudes and behavior of groups of consumers in certain situations. At a glance, one can see some of the benefits desired by a particular group of people or those most wanted in a particular situation.

The matrix proposed by Dickson was chosen for use in this paper. Since beverage consumption is likely to be determined by situations as well as by demographics or psychographics, this matrix is appropriate for use in this research.
This particular research project demands going beyond obtaining WHAT is consumed by WHOM, to determine WHAT is consumed, WHEN, by WHOM.

**KEY INFORMANT TECHNIQUE**

Qualitative and descriptive data were needed in this research. Due to constraints of limited time, limited budget, and inaccessibility of the Japanese market, a method of sampling had to be chosen which was flexible enough to conform to such restrictions. The key informant method of sampling was selected. The key informant technique refers to the reliance of a small number of knowledgeable participants who observe and articulate the behavior of others (as opposed to their own behavior) for the researcher (Seidler, 1974). The informants are chosen not randomly, but because they have qualifications such as a particular status, knowledge, or access to the researcher (Phillips, 1981.) This method is particularly suited to gathering the type of data needed in this study as key informants can provide a description of the social and cultural patterns of their group (which could be a particular race, country, religious group, etc.).

According to Seidler (1974), "since informants are asked to do the summarizing for the researcher, subjects do not need to represent all members when they are acting in the informant role." This means of obtaining data is supported elsewhere. According to McDaniel and Gates (1991), this means of "judgment" sampling is a fully-acceptable method of nonprobability sampling.

**SAMPLE**

This study was restricted to those Japanese and U.S. citizens residing in Muncie, Indiana. This particular region was chosen as other alternatives could not be pursued. There were two major reasons for this: lack of funding and methodological complexity. International and cross-cultural studies are expensive, difficult and more complex than are domestic studies. Therefore, the subjects of the research were
chosen by opportunistic availability. The number of subjects totaled twenty-one, eleven were Japanese respondents and ten were respondents from the U.S.

**PROCEDURE**

Each of the twenty-one participants were interviewed on a one-on-one basis by the researcher. Respondents were informed that individual responses would in no way be linked to names. The only personal information requested of each subject was gender and age (both recorded after receiving consent of subjects). Subjects were asked to respond from the perspective of their native country as a whole, and not remark on personal habits or preferences.

The interview questions were developed from Dickson's person-situation matrix. Both demographic and situational categories were selected by the researcher with the intention of including categories common to both the Japanese and U.S. cultures. Demographic categories (columns) included the following groups: children (kindergarten through last year of high school), young adults (females and males aged 19 to 34 years), adult women (aged 35 years and older), adult men (aged 35 years and older), and business men (any age). There were eight situational (row) categories: breakfast, lunch, dinner (evening meal), public festivals, holidays, religious rituals, watching a sports event and participating in a sports event. A copy of this matrix was used for each interview; the researcher simply filled in the matrix with the responses provided by the subject. Any comments or additional information provided by the subject was recorded separately on paper along with the demographic information asked of each subject. It should be noted that the responses of informants are, to some extent, judgmental. Therefore, findings should not be expected to be validated by census data or other quantitative facts.
FINDINGS

Results of the research were compiled from the responses of the individuals on all the matrices (See Figures I and II). There were many different answers given for any one matrix cell. The answers mentioned by six or more respondents were considered as six represents a majority number of subjects. Responses mentioned by fewer than six respondents are not reported. The responses considered are the consensual opinions of the respondents, thus the expected behaviors of the populations they represent. The following section begins with the findings of the Japanese respondents, followed with findings of the U.S. respondents.

JAPANESE RESPONDENTS

For breakfast, Children drink milk and milk products, or green tea; Young Adults drink green tea, coffee, or milk products; Adult Women prefer green tea, coffee or other teas; Adult Men drink green tea or coffee, as do Businessmen.

For lunch, Children drink milk; Young Adults drink cola, coffee, or tea; Adult Women prefer green tea, coffee or other tea; Adult Men and Businessmen also drink green tea, coffee or other tea.

During the evening meal, Children drink water or green tea; Young Adults drink green tea, as do Adult Women; Adult Men drink green tea, beer, or other alcoholic drinks; Businessmen drink the same beverages as Adult Men.

During public festivals, Children drink cola or juice; Young Adults drink beer, cola, or other alcoholic drinks; Adult Women drink tea, or alcoholic drinks (especially sake); Adult Men and Businessmen also drink tea or alcoholic drinks (especially sake).

During holidays, Children drink cola or alcoholic drinks (note: only teenage children would be permitted to drink alcohol); Young Adults drink sake, wine, cola, or other alcoholic drinks; Adult Women drink sake, wine or other alcoholic drinks; Adult Men drink sake, beer or other alcoholic drinks as do Businessmen.
<table>
<thead>
<tr>
<th>SITUATION</th>
<th>CHILDREN (k-12)</th>
<th>YOUNG ADULTS (19-34 years)</th>
<th>ADULT WOMEN (35+ years)</th>
<th>ADULT MEN (35+ years)</th>
<th>BUSINESSMEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>milk, juice</td>
<td>juice, coffee, water, milk</td>
<td>juice, coffee</td>
<td>coffee, juice</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunch</td>
<td>milk, juice, cola</td>
<td>milk, juice, cola</td>
<td>cola, water, coffee</td>
<td>cola, water, coffee</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dinner</td>
<td>milk, cola</td>
<td>cola, water, coffee, wine</td>
<td>cola, water, iced tea</td>
<td>cola, coffee</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>alcoholic drinks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Festivals</td>
<td>cola, juice</td>
<td>cola, alcoholic drinks</td>
<td>cola, alcoholic drinks</td>
<td>cola, alcoholic drinks (especially beer)</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td>Holidays</td>
<td>cola, punch</td>
<td>cola, alcoholic drinks, eggnog</td>
<td>cola, alcoholic drinks</td>
<td>cola, alcoholic drinks (especially beer)</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td>Religious rituals</td>
<td>A. wine, grape juice</td>
<td>A. wine</td>
<td>A. wine</td>
<td>A. wine</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td></td>
<td>B. cola, punch</td>
<td>B. cola, punch, alcoholic drinks</td>
<td>B. cola, punch, alcoholic drinks</td>
<td>B. cola, punch, alcoholic drinks</td>
<td></td>
</tr>
<tr>
<td>Watching a sports event</td>
<td>A. cola, juice</td>
<td>A. cola, beer</td>
<td>A. cola, beer</td>
<td>A. cola, beer</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td></td>
<td>B. cola, water</td>
<td>B. cola, beer, water</td>
<td>B. cola, beer, water</td>
<td>B. cola, beer, water</td>
<td></td>
</tr>
<tr>
<td>Participating in a sports event</td>
<td>water, sports drinks</td>
<td>water, sports drinks</td>
<td>water, sports drinks</td>
<td>water, sports drinks</td>
<td>same as 'adult men' responses</td>
</tr>
</tbody>
</table>

*(FIGURE I)*

**Beverage Consumption in the U.S.**
<table>
<thead>
<tr>
<th>SITUATION</th>
<th>PERSONS:</th>
<th>Children (k-12)</th>
<th>Young Adults (19-34 years)</th>
<th>Adult Women (35 + years)</th>
<th>Adult Men (35 + years)</th>
<th>Businessmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>milk products</td>
<td>green tea, milk</td>
<td>green tea, coffee, milk</td>
<td>green tea, coffee, other</td>
<td>green tea, coffee, other</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td>Lunch</td>
<td>milk</td>
<td>cola, coffee, tea</td>
<td>green tea, coffee, other</td>
<td>green tea, coffee, other</td>
<td>green tea, coffee, other</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td>Dinner</td>
<td>water, green tea</td>
<td>green tea</td>
<td>green tea</td>
<td>green tea, beer, other</td>
<td>other alcoholic drinks</td>
<td>same as 'adult men' responses</td>
</tr>
<tr>
<td>Public Festivals</td>
<td>cola, juice</td>
<td>beer, other alcoholic drinks, cola</td>
<td>tea, alcoholic drinks (especially sake)</td>
<td>tea, alcoholic drinks (especially sake)</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
<tr>
<td>Holidays</td>
<td>cola, alcoholic drinks</td>
<td>sake, wine, cola, other alcoholic drinks</td>
<td>sake, wine, other alcoholic drinks</td>
<td>sake, beer, other alcoholic drinks</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
<tr>
<td>Religious rituals</td>
<td>A. nothing</td>
<td>A. sake</td>
<td>A. sake</td>
<td>A. sake</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. juice, cola, alcoholic drinks</td>
<td>B. sake, beer, cola, other alcoholic drinks</td>
<td>B. sake, beer, other alcoholic drinks</td>
<td>B. sake, beer, other alcoholic drinks</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
<tr>
<td>Watching a sports event</td>
<td>A. cola, juice, tea</td>
<td>A. cola, tea, beer (especially beer), tea</td>
<td>A. tea, coffee</td>
<td>A. alcoholic drinks (especially beer), tea</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. cola, juice</td>
<td>B. cola, beer, other alcoholic drinks</td>
<td>B. alcoholic drinks</td>
<td>B. beer, other alcoholic drinks</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
<tr>
<td>Participating in a sports event</td>
<td>water, sports drinks</td>
<td>water, sports drinks</td>
<td>water, sports drinks</td>
<td>water, sports drinks</td>
<td>same as 'adult men' responses</td>
<td></td>
</tr>
</tbody>
</table>

*(FIGURE II)*

**Beverage Consumption in Japan**
Religious ceremonies allow Children to drink nothing, and sake for Young Adults, Adult Women, Adult Men and Businessmen. During receptions held for religious rituals, Children drink juice, cola, or alcoholic drinks (again, only teenage children drink alcoholic drinks); Young Adults drink sake, beer, cola or other alcoholic drinks; Adult Women drink sake, beer, or other alcoholic drinks; Adult Men and Businessmen will also drink sake, beer or other alcoholic drinks.

While watching a sports event at home, Children drink cola, juice or tea; Young Adults drink cola, tea, beer; Adult Women drink tea or coffee; Adult Men drink alcoholic drinks (especially beer) or tea, as do Businessmen. When watching sports events at a sports facility, Children drink cola or juice; Young Adults drink cola, beer or other alcoholic drinks; Adult Women drink alcoholic drinks; Adult Men and Businessmen drink beer or other alcoholic drinks. When participating in a sports event, Children, Young Adults, Adult Women, Adult Men and Businessmen drink water or sports drinks.

U.S. RESPONDENTS

For breakfast, Children drink milk or juice; Young Adults drink juice, coffee, water or milk; Adult Women drink juice or coffee, as do Adult Men and Businessmen.

For lunch, Children drink milk, juice or cola; Young Adults drink milk, juice or cola; Adult Women drink cola, water or coffee; Adult Men drink cola, water or coffee, as do Businessmen.

For the evening meal (dinner), Children drink milk or cola; Young Adults drink cola, water, or coffee; Adult Women drink cola, water, iced tea or alcoholic drinks; Adult Men drink cola, coffee, or alcoholic drinks, as do Businessmen.

During public festivals, Children drink cola or juice; Young Adults drink cola or alcoholic drinks; Adult Women drink cola or alcoholic drinks; Adult Men drink cola or alcoholic drinks (especially beer), as do Businessmen.
During holidays, Children drink cola or punch; Young Adults drink cola, or alcoholic drinks, as do Adult Women; Adult Men and Businessmen drink cola or alcoholic drinks (especially beer).

During religious ceremonies, Children drink either wine or grape juice; Young Adults, Adult Women, Adult Men and Businessmen drink wine. During receptions held for religious rituals, Children drink cola or punch; Young Adults drink cola, punch or alcoholic drinks; Adult Women, Adult Men and Businessmen also drink cola, punch or alcoholic drinks.

While watching a sports event at home, Children drink cola or juice; Young Adults drink cola or beer, as do Adult Women, Adult Men and Businessmen. When watching a sports event at a sport facility, Children drink cola or water; Young Adults, Adult Women, Adult Men, and Businessmen drink cola, beer or water. When participating in a sports event, people in all categories drink either water or sports drinks.

**DISCUSSION**

The findings from the research highlight the influence culture seems to play concerning the situations in which beverages are consumed. Information obtained from subjects as recorded on the comment sheets were used to supplement the findings for a complete discussion. When eating “Western” meals, Japanese consumers may choose to drink “Western” drinks such as cola or whiskey. However, when eating traditional Japanese meals for breakfast, lunch or dinner, green tea (also known as Japanese tea) is the acceptable beverage to drink.

Japanese children drink milk for breakfast, as do American children. In Japan, however, other types of milk-based beverages are very popular with children. Yogurt drinks have been popular with Japanese children for over twenty years. Today, yogurt and milk drinks are still a preferred beverage and are available in many flavors.
For lunch, American children may choose to drink milk, juice, or cola, but Japanese children are limited to milk. Almost all Japanese elementary, middle and high school children eat the lunches provided by the schools, which offer only milk to drink.

Japanese consumers enjoy tea of all types—Japanese, Chinese, English, etc. Yet even certain teas are appropriate for certain occasions. Japanese tea is served for traditional occasions and traditional meals; for situations that are “odd,” or nontraditional, such as watching a sports event on television, other types of tea are drunk.

During the evening meal, adult men and businessmen often choose to drink alcoholic beverages. Similarly, American adult men (and businessmen) choose to drink alcoholic beverages for dinner. However, in Japan, men will enjoy their alcohol before dinner, and then opt for tea or nothing to drink while eating the meal. In the United States, men may drink alcohol before, during, and after the meal.

In both the United States and Japan, large amounts of alcohol are consumed. In the U.S., legal restrictions on the drinking age are strictly adhered to, whereas Japanese alcohol retailers are not so restrictive. Vending machines sell alcohol on the streets in Japan with only a label on the machine to restrict underage customers from buying. Likewise, those under the legal drinking age of 20 years are not usually asked to show identification at retail liquor stores. Moreover, there is no negative connotation associated with alcohol consumption in Japan. Drinking is a way to relax and escape from the strict hierarchy of society—it invites everyone to be on the same level. In addition, alcohol has almost no perceived relation to violence.

People of all ages will drink cola in the United States, and for nearly all occasions. The Japanese consider cola to be a drink for young people. Young people in their teenage years through their 30s are the most likely consumers to drink cola.
Likewise, there are certain times when cola is not appropriate even for young people. For example, Japanese people consider the evening meal the most important meal of the day. Therefore, it is most appropriate to drink traditional green tea for this meal. Cola would not be acceptable as it is very sweet and could tarnish the taste of the fine meal.

Water and sports drinks are the preferred beverages in both Japan and the U.S. to drink while participating in sports activities. And, although Japanese adult women will choose these beverages when they exercise/play sports, the probability that adult women would exercise/play sports is extremely low. Young adult Japanese women exercise a little more often than do adult women. This is because most elementary schools arrange extracurricular activities for mothers of young school children. Such "Mom's Clubs" offer mothers an opportunity to develop relationships with other mothers by playing on sports teams such as volleyball. Therefore, the idea of aerobics, jazzercise, jogging, or other forms of exercise commonly practiced (or compelled to practice) by American women is not so in Japan.

One last note must be made concerning a beverage that was not recorded in this study. "Genki drinks" were discussed in the background information at the beginning of this paper. Although these drinks were mentioned by several of the Japanese respondents, they were not mentioned enough to be considered the consenting opinion of most Japanese consumers. It was discovered (via notes taken from each interview) that these drinks are not drunk during any particular meal. Rather, they are consumed at any time a person may need extra energy. Genki drinks are concentrated, expensive beverages in small containers, usually sold in convenience drug stores (comparable to the American Hook's, Rite Aid, or Osco). These drinks are purchased to provide energy for the day and are associated with
hard-working individuals such as businessmen and students preparing for college entrance exams.

CONCLUSION

Most companies do not have the resources to be the best for all possible customer groups. In order to be truly superior, they must make careful decisions as to which customer groups, or segments, to serve. Likewise, even if a company has the resources to serve all consumer groups, a segmentation approach may be preferred. This research has been successful in providing strong evidence of the existence of differences in beverage consumption by usage situations in the U.S. compared to Japan.

This information will be most helpful for beverage marketers wanting to know more about Japanese beverage consumption. Marketing managers may find this information useful when their concern is to properly identify person-situation consumption of consumer goods.
REFERENCES


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