Three New "Invisible Family" Consumption Patterns

—Possibilities of tapping new potential markets—

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Primarily in cities, we see an increasing number of "invisible families," which is a form of family members who do not live together but live within a certain distance that enables them to readily visit each other. The members are loosely connected and support each other both financially and emotionally. With changes in the social environments, such invisible families are expected to proliferate.

This increase in the number of invisible families has led to changes in consumer behavior. Consumption by invisible families can be classified into three patterns—"support," "shared" and "derived" consumption. Careful attention must be paid to the differences in the focus of marketing approaches suitable for each pattern. In specific terms, identifying target consumers is important for support consumption, product development is the key for shared consumption and communication with consumers (making proposals to consumers) is effective for derived consumption.

All three consumption patterns that emerge from invisible families offer the potential of creating new markets. Although it is likely to be highly difficult for companies to successfully deal with these new forms of consumption patterns, this promising theme is nevertheless worth the challenge.

I Spread of "Invisible Families" Gains Attention

In 2007, Nomura Research Institute (NRI) published *2015 nen no nihon—aratana "kaikoku" no jidai e* (Japan 2015—Towards an Era of a New Country Opening to the World) (Toyo Keizai Inc.), in which the term "invisible family" was first coined. Such a family does not actually live together. However, members of this family live within a certain distance that enables them to readily visit each other. They are loosely connected and support each other both financially and emotionally.

When parents and children live close together, there tends to be a loose connection in their consumption patterns. The March 2008 edition of *Knowledge Creation and Integration* carried a paper written by the author entitled "*Invisible family (miezaru kazoku) shohi no kakudai* (Increased Consumption by Invisible Families)," which focused on calling attention to the existence of invisible families. In this paper, the author discusses how businesses should deal with new consumption patterns that emerge with an increase in the number of these invisible families, particularly from the perspective of the marketing approaches that should be adopted.

1 Cities See Increasing Cases Where Offspring Households Live Close to or Nearby Their Parents

With a stagnant domestic market for which no relief seems to be in sight, together with the increased anxiety brought about by the global financial crisis that occurred in the autumn of 2008, households have been keeping a very close rein on their purse strings. In addition, we are faced with the ongoing decline in population, which peaked in 2004, the smaller number of younger people who have always formed the core of the domestic market and the decrease in the number of households, which will peak in 2015—all of these are realities that we cannot ignore. For businesses that must continue to seek "market expansion" and "increased sales," these changes in the environment have negative implications that will gradually come as a body blow to the achievement of their objectives.

When we simply enumerate these realities, the scene that comes to mind is that of small households that pepper Japan's domestic market and the impression we have is that targeted consumer groups are extremely limited. Is this, in fact, true? Isn't the market exhibiting new trends that we cannot actually observe, which surely opens up the possibility of new business opportunities?

Based on this concept, NRI has come to notice the rise of the invisible family, with family members constituting separate households in terms of statistics, but behaving together in consumption patterns.

Every three years since 1997, NRI conducts the "NRI Questionnaire Survey of 10,000 Consumers[1]" as part of its own research activities. One of the questions in the survey examines how far responding consumers live from their parents after getting married. There has been a rapid increase in the number of respondents who live "close or nearby" (within walking distance to no more than an hour away by bus/train one way) in major cities.

Figure 1 shows that in 1997, the percentage of such respondents in major cities having populations of

Figure 1. How far apart consumers live from their parents by city size (nationwide)
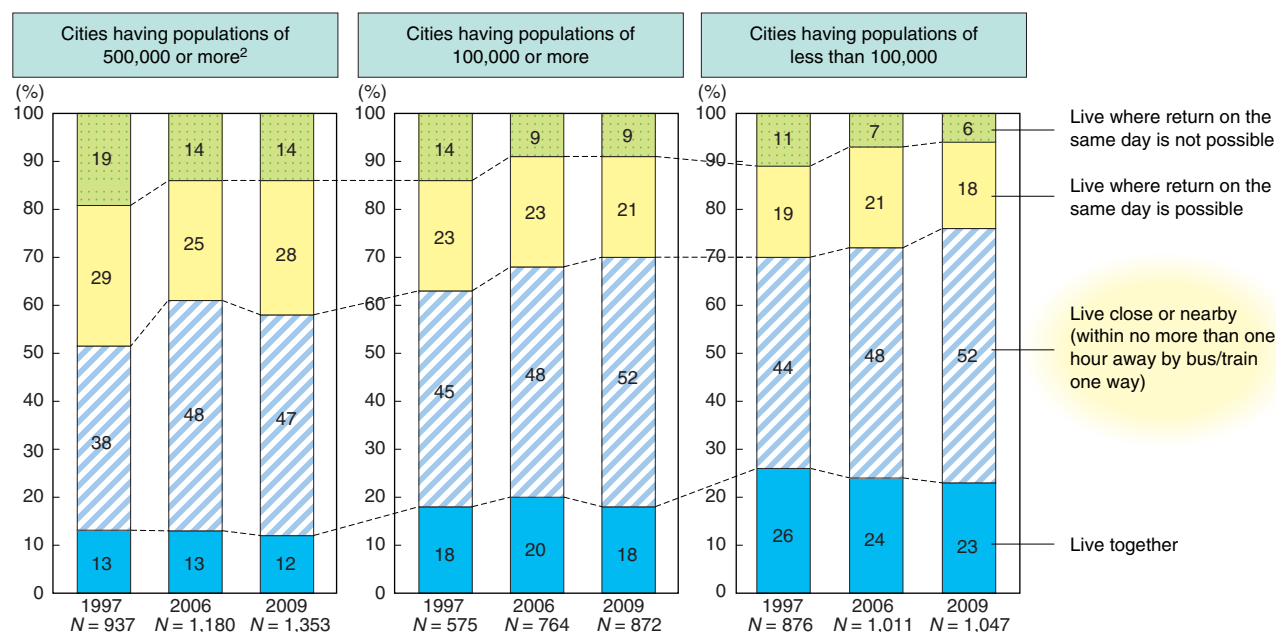
Notes: 1) Respondents: Consumers whose parents are alive and who live with their spouses. 2) The 1997 survey covered only 13 cities (Saitama, Shizuoka and Sakai were not covered).
Source: Compiled based on the results of the NRI Questionnaire Survey of 10,000 Consumers conducted by Nomura Research Institute in 1997, 2006 and 2009.

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500,000 or more and being designated by government ordinances was 38 percent. In the 2006 survey, however, the percentage had risen 10 points to 48 percent. The figure for the 2009 survey was almost the same as that for 2006.

Such an increase clearly cannot be ignored as a notable change in the composition of families.

2 What is an Invisible Family?

In this section, a specific example is used to explain the forms that an invisible family takes. Assume four households in Tokyo, as shown in Figure 2. If Mr. A's invisible family members are seen statistically, there is one single-person household (Household C; Mr. A's sister), two married couples with no children at home (Households B and D; the parents of Mr. A and Mrs. A) and one married couple with an unmarried child living at home (Household A; Mr. A's nuclear family).

Actually, however, these four households are closely related to each other. Household B (the parents of Mr. A) looks after taking Household A's 5-year-old child to a nursery school, and Household A often enjoys vacationing with Household D (the parents of Mrs. A). Food and daily necessities for Households A, B and C are often bought together on the weekend, which greatly helps Ms. C, a single woman living alone, in terms of her cost of living. In this sense, Household A is also benefited from joint purchases.

In this way, while these households are independent from a statistical point of view, they are actually loosely connected and are dependent on each other. While this kind of family composition has arisen out of necessity, there are of course advantages to everyone involved.

For the parent households, the greatest advantage is "peace of mind." It is natural for us to worry more about our everyday lives as we age. Whenever assistance is needed, if the children are able to help, parent households can rest somewhat easier rather than having to rely on others. For the households of the parents' children, the greatest benefit is being able to draw on help from the parents for "housework and childcare support." In the future, the number of women staying in the workforce after marriage and childbirth will increase and working styles will diversify, which will see ever increasing needs for help with housework and child raising. Living close to or nearby the parents' home is likely to become more and more attractive.

3 Background behind the Increasing Number of Invisible Families

In understanding the new family make-up that is referred to as the invisible family, another important point in evaluating its importance is whether the increase in the number of such families will continue in the future.
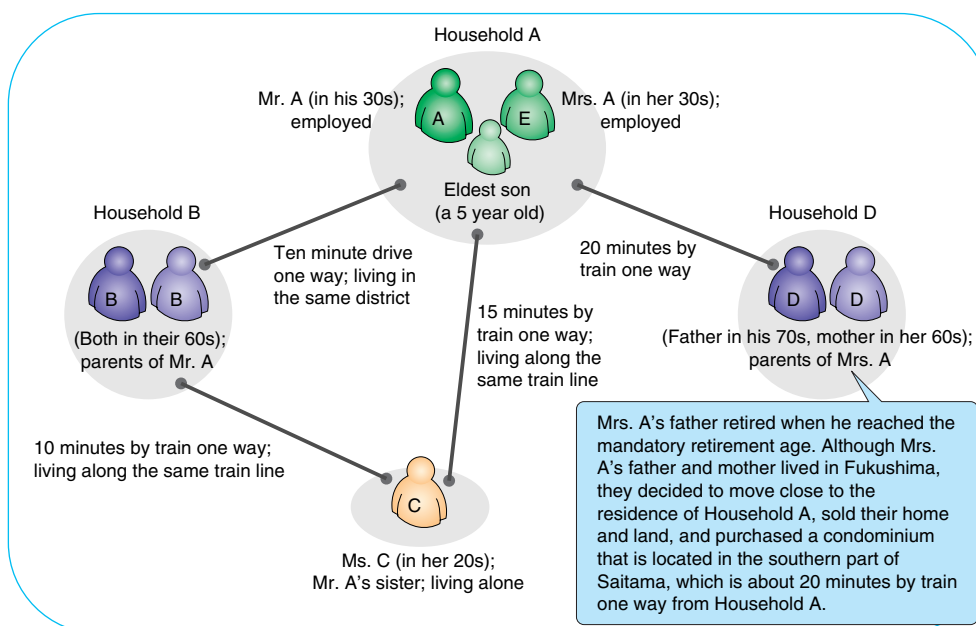
Before examining whether this trend will continue, let's look at the background and factors behind the increase in the number of invisible families. Consideration is then given to the prospects for future growth.

The increase in the number of invisible families can be attributed to the following three main factors:

(1) Baby boomer juniors becoming independent
(2) The declining birth rate
(3) The rise in the female employment rate

Behind Factor (1) is the fact that compared to baby boomers (those born between 1947 and 1949), baby boomer juniors (those born between 1971 and 1974)[2] are much more likely to be living in the areas where they

Figure 2. Overview of Mr. A's invisible family members living close and supporting each other

Household A

Mr. A (in his 30s); employed

Mrs. A (in her 30s); employed

A   E

Eldest son (a 5 year old)

Household B

B   B

(Both in their 60s); parents of Mr. A

Ten minute drive one way; living in the same district

20 minutes by train one way

15 minutes by train one way; living along the same train line

Household D

D   D

(Father in his 70s, mother in her 60s); parents of Mrs. A

10 minutes by train one way; living along the same train line

Mrs. A's father retired when he reached the mandatory retirement age. Although Mrs. A's father and mother lived in Fukushima, they decided to move close to the residence of Household A, sold their home and land, and purchased a condominium that is located in the southern part of Saitama, which is about 20 minutes by train one way from Household A.

C

Ms. C (in her 20s); Mr. A's sister; living alone

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were born. "Living in the areas where they were born" is nearly identical to that where young people become independent and set up homes close to their parents' homes, leading to the "close or nearby" response to the NRI survey.

Let's look at Figures 3 and 4. Figure 3 shows the number of people by prefecture in terms of birthplace and current residence among baby boomers; Figure 4 shows the same data among baby boomer juniors. These figures clearly show that, compared to baby boomers,

Figure 3. Birthplaces and current residences of baby boomers (those born between 1947 and 1949)
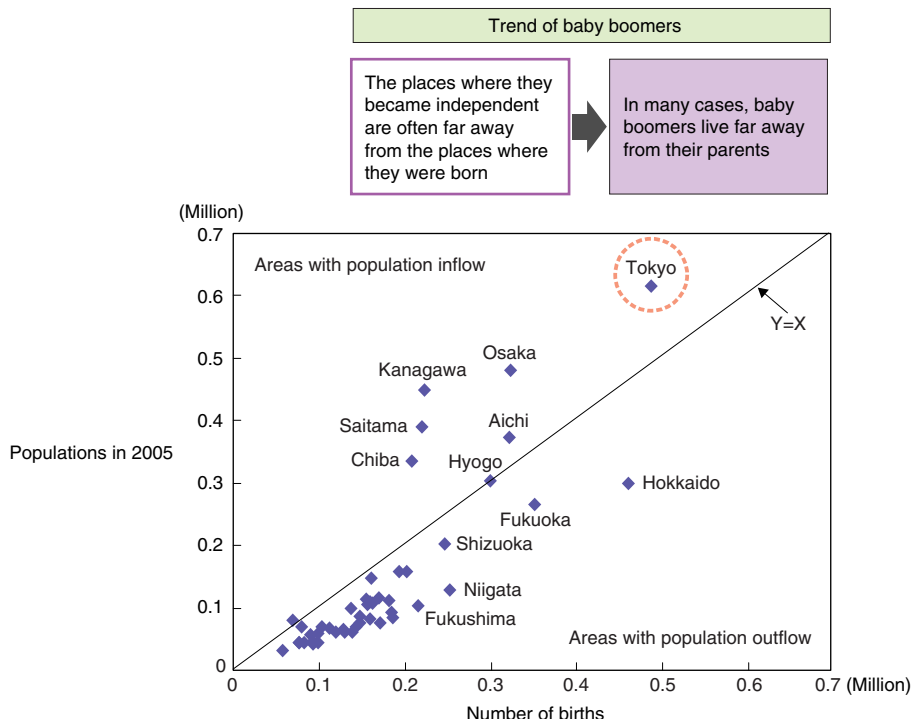
Note: Overall, in this generation, the number of births is greater than the number of deaths.
Sources: "Trends in Vital Statistics by Prefecture in Japan for 100 Years" is used for the number of births. "2005 Population Census of Japan (results of first basic complete tabulation)" is used for populations in 2005.

Figure 4. Birthplaces and current residences of baby boomer juniors (those born between 1971 and 1974)
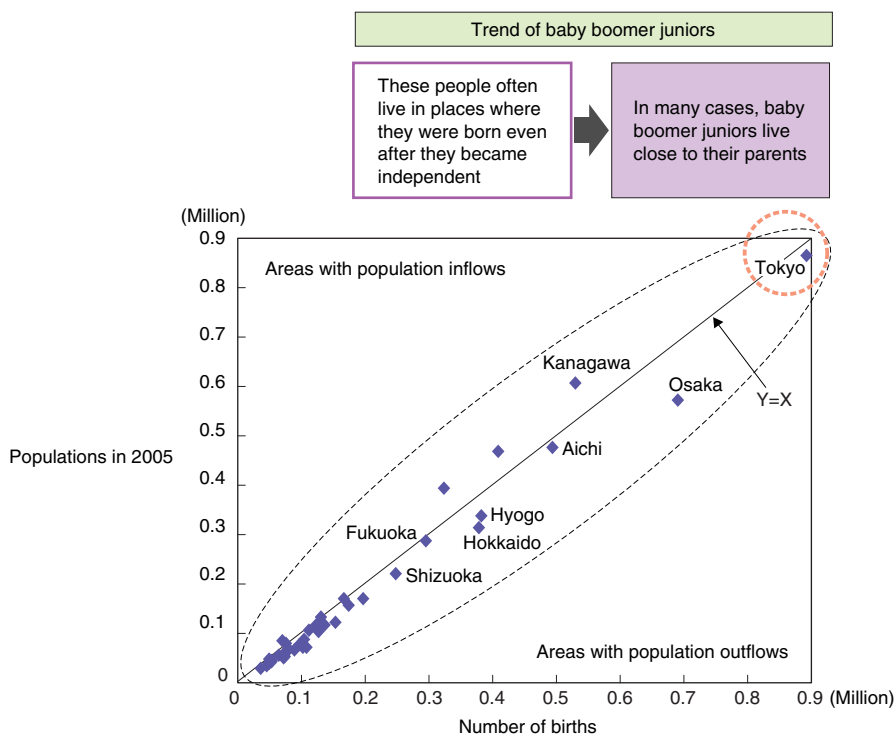
Note: Overall, in this generation, the number of births is greater than the number of deaths.
Sources: "Trends in Vital Statistics by Prefecture in Japan for 100 Years" is used for the number of births. "2005 Population Census of Japan (results of first basic complete tabulation)" is used for populations in 2005.

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there is very little difference between the birthplace and current residence populations among baby boomer juniors. This implies that it is very likely for baby boomer juniors, even after leaving home and becoming independent, to live close to their places of birth.

If we consider the background to this trend, we can say that when baby boomers (who are now parents) left home and became independent, it was a time of high economic growth. As such, many people left their places of birth and migrated to major cities such as Tokyo and Osaka where it was easier to find jobs. It is well known that the baby boomer workforce came to be known as the "golden eggs" at that time. However, baby boomer juniors (most of whom are children of baby boomers) often find themselves being born in major cities. Accordingly, they do not need to travel far to find employment. As a result, baby boomer juniors generally have no reason to move far from their places of birth.

Therefore, the increase in the number of households living close to or nearby the parent households over the last ten years is thought to be attributed to the increase in the number of baby boomer juniors who left their parents' homes and set up their households. When the ratio of households that became independent but live in the same areas as those of their birthplaces increases, the ratio of people living "close or nearby" also naturally increases.

The declining birth rate, which is Factor (2), is clear from the fact that although the total fertility rate (TFR) in the baby boomer generation was 4.3 to 4.5, this rate had halved to 2.1 by the time the baby boomer juniors came along. It should also be mentioned here that, since 2000, this rate has fallen even further to 1.4 or below.

In Japan, traditionally, one of the families of the children has lived either with the parents or near the parents' home to take care of the parents. As the birth rate continues to fall, however, there are fewer siblings in any one family. As a result, the number of sibling households that

can freely choose where they want to live is reduced. This means that the percentage of households that live in the same house or nearby to take care of the parents increases. This is considered another factor behind the increase in the number of "close or nearby" responses.

With respect to Factor (3), comparison between the 1970s when female baby boomers were of child-raising age and the latter half of the 1990s to 2008 when female baby boomer juniors were at such a stage of life indicates a substantial increase in the female employment rate (Figure 5). As a result, children (baby boomer juniors) are motivated to live in the vicinity of their parents to balance their work with child care in the hope of being benefited from the help and support of their parents for household chores and child care.

The above-mentioned factors are thought to be behind the increase in the number of invisible families in recent years. The next question is whether the number of invisible families will continue to increase in the future.

NRI projects that this trend will continue for some time. The reason for this estimate is threefold.

First, baby boomer juniors are expected to continue becoming independent. According to the NRI Questionnaire Survey of 10,000 Consumers, as of 2009, 43 percent of people in their 20s and 30s throughout the country were unmarried, with 81 percent of these people living with their parents. In other words, they will form another independent family in the future. If baby boomer juniors continue becoming independent, we can expect that the number of households living in or close to their places of birth will also increase. It is highly likely that this trend will structurally boost the composition ratio of living "close or nearby."

The second point stems from the long-term declining trend in the birth rate. At the very least, if we look at the situation that is likely to occur around ten years from now, households will be made up of fewer siblings than ever before.

Figure 5. Female employment rate (1968 – 2008)
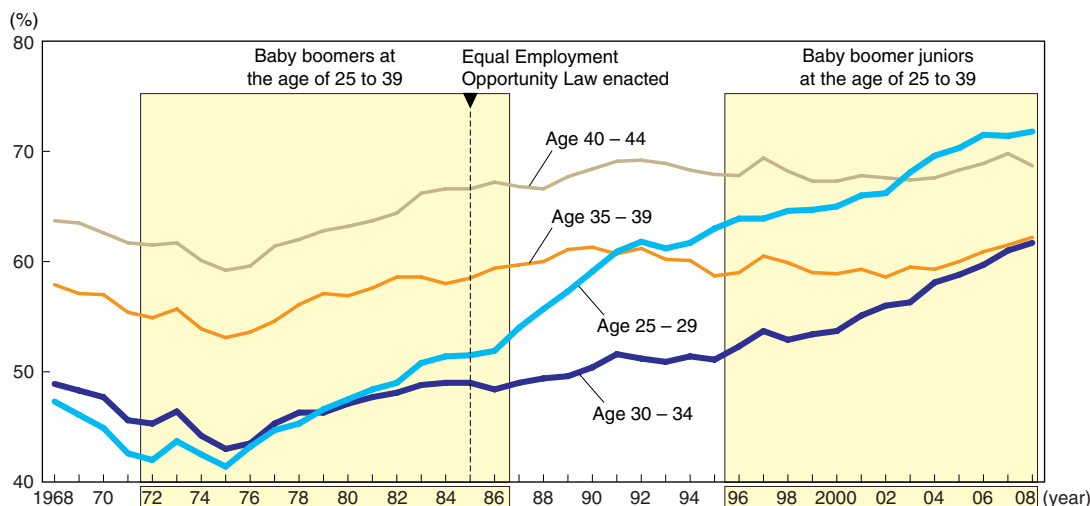
Note: Employment rate = (Number of employed persons/population aged 15 or older) × 100.
Source: The Labor Force Survey conducted by the Statistics Bureau, the Ministry of Internal Affairs and Communications in 2009.

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The third point centers on there being no sign of a decrease in the female employment rate. With the reduction in workforce size in line with the fall in population, together with job insecurity caused by the prolonged economic downturn and the sense of unease with individual households' economic situations, it is expected that more and more women will hope to remain in the workforce. As a result, the number of women who remain in the workforce will increase, which is highly likely to be a great motivation for those families with children to set up homes close to their parents.

Given the above three points, our analysis points to the high likelihood that the number of invisible families will continue to increase in the future. This means that consumption patterns reflecting such loose family connections will also increase. In sum, for companies, there are new business opportunities bubbling just under the surface.

4 Three Changes Precipitated by the Increase in the Number of Invisible Families

What influence will this increase in the number of invisible families have on the environment in which companies operate? NRI believes that there will be three major changes (Figure 6).

The first major change relates to an increase in the working population because women continue to work even after childbirth and the corresponding increase in family income. This change is supported by the fact that working couples can look to their parents to provide help with "chores and childcare," as described above.

Companies can expect two effects: a larger workforce and an increased number of customers. In particular, considering the increase in the number of customers, those households where the wife continues to work could constitute a promising target market for highly convenient and high value added products and services. Any increase in family incomes, which is brought about by both husband and wife working and their resulting busier day-to-day lives, will lead the couple to attaching

greater value to convenience and their being willing to pay accordingly.

The second change, whereby parents and their children support each other, leads to a greater sense of satisfaction in terms of the quality of life. As mentioned above, the aging parents can enjoy a greater "sense of security" while the children can look to their parents for help with "chores and childcare." This situation does not, in itself, directly affect a company's business activities. Even so, based on the assumption that the sense of insecurity about the future may cool down consumption, this change can be considered as a factor that encourages people to increase their consumption.

The third change involves the new consumption patterns that result from this loose connection between families. NRI refers to this as "invisible family consumption." There are many different patterns of invisible family consumption, including consumption resulting from parents financially supporting their children, consumption related to the two households spending time together and consumption by parents that directly results from having their children living nearby. Because there are so many different patterns, they are difficult for companies to identify. Nevertheless, these diverse consumption patterns might present companies with potential new business opportunities.
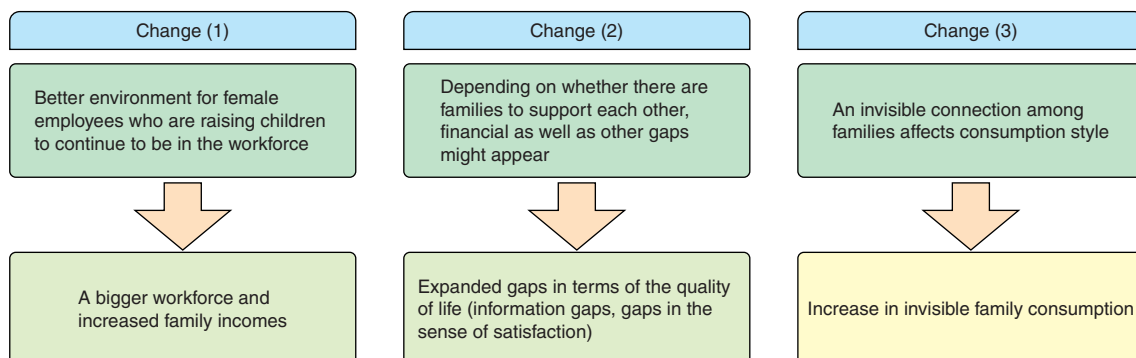
In the next chapter, the invisible family consumption patterns are classified, and consideration is given to the direction of the approaches that should be adopted for each.

II Invisible Families Give Rise to Three Consumption Patterns (Support, Shared and Derived)

1 Classification of the Patterns of Invisible Family Consumption

From their standpoint, many companies often face the dilemma of reading reports on "promising new customer

Figure 6. Three changes precipitated by the increase in the number of invisible families

Change (1)	Change (2)	Change (3)
Better environment for female employees who are raising children to continue to be in the workforce	Depending on whether there are families to support each other, financial as well as other gaps might appear	An invisible connection among families affects consumption style
A bigger workforce and increased family incomes	Expanded gaps in terms of the quality of life (information gaps, gaps in the sense of satisfaction)	Increase in invisible family consumption

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target found" and "new styles of consumption," but find themselves thinking "just what do we do about this?" Similarly, this invisible family consumption is well named, as most companies would find it basically impossible to visualize or identify.

At the first step in trying to determine how to approach this trend from a marketing perspective, we classified the different patterns of invisible family consumption.

As mentioned in Chapter I, invisible family consumption can be considered as resulting from loose connections among related families, which can be broadly divided into two types, namely, "connections arising when a product is purchased" and "connections arising when a product is used."

Figure 7 illustrates the concept of the classification of invisible family consumption patterns from the perspective of the person who pays for a product or service (the

purchaser) and that of the person who uses it (the user). Based on this concept, invisible family consumption is classified into three patterns, which NRI has dubbed "support," "shared" and "derived" consumption (Figure 8).

The following sections define these three patterns of invisible family consumption and describe their features, look at some case studies and examine how to address each pattern from a marketing perspective.

2 Three Invisible Family Consumption Patterns

**(1) Support consumption**
• Definition and features
Support consumption refers to purchasing products and/or services for use by a member of a connected family.

A feature of support consumption is that because the person who purchases a product or service is different

Figure 7. Classification of invisible family consumption patterns

Figure 8. Three invisible family consumption patterns

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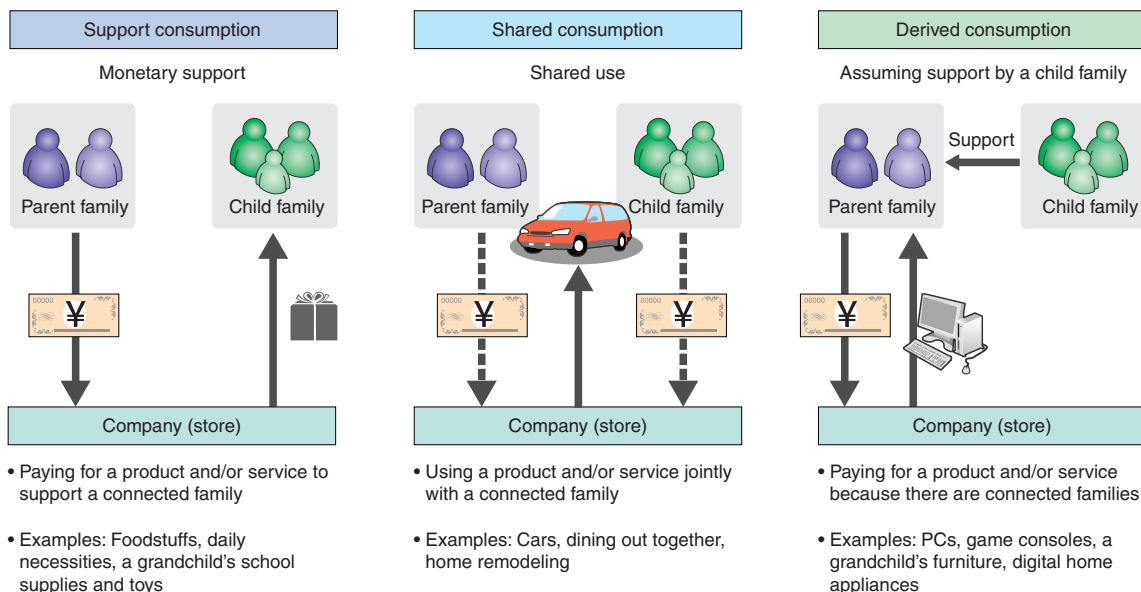
from the person who uses it, the purchaser is frequently not clear about the required criterion of a product or service. Accordingly, on the part of companies, measures such as reviewing target customers, developing new ideas for sales promotional activities and establishing a customer support system when selling products/services will become even more important.

While the "six pockets" idea of grandparents supporting their grandchildren is not new, and is itself a form of support consumption, there is no denying that qualitative changes come about as a result of families living close to each other.

The NRI Marketing Navigator Questionnaire Survey of 10,000 Consumers[3], which was conducted as part of NRI's research activities, revealed that in addition to typical consumption for grandchildren such as purchasing grandchildren's clothing as well as paying the expenses for annual events (the girls' festival called *hina matsuri* and boys' festival called *tango no sekku*, school graduation and entrance celebrations, etc.), grandparents are also partially contributing to regular meals out, leisure, foodstuffs and daily necessities. These expenses are incurred because the parent and child families live nearby and frequently visit each other and do things together (Table 1).

This support consumption is not, of course, limited to grandparents helping with their grandchildren. For example, in a two-income family where both parents are busy with their jobs, their parents might help by buying and dropping off food and other daily necessities. At the same time, the children support their parents by shopping online for items such as expensive imported wine, which the parents would not otherwise be able to obtain. Particularly, in product fields such as food and daily necessities, families can support each other in such a manner as lessening each other's burden because they live in the same area.

• Case study: Support of purchases of household goods
As an example of support consumption, let's look at a specialty company that sells baby and maternity goods.

At each store of the leading baby and maternity specialty company, Akachan Honpo, the staff stocks the shelves every day before the start of business, so that sales personnel and other staff members have plenty of time to spend with customers while the store is open[4].

Particularly in the case of baby products, there are many products for which it is necessary to explain how to use them, as well as advise on and propose related products. Recently, these stores are seeing more and more grandparents involved in the raising of children who are either shopping with their daughters (mothers of grandchildren) and grandchildren or even shopping alone.

Most notable is the case where only the grandparents come to the store to buy products that their grandchildren's parents need. While this is a perfect example of support consumption, with the grandparents helping in the raising of their grandchildren, the types and quality of baby goods on the market now are very different from those that were available when the grandparents were raising their own children. Therefore, the grandparents are often puzzled and confused, not knowing what various products do, or having no idea on how the products they used in the past have changed.

In such cases, if the store staff can take enough time to advise the grandparents and propose what to buy, the customers will be able to leave the store with the right products, and support consumption can be successful. Consequently, this attentive service will significantly contribute to the promotion of sales. Furthermore, demand can be stimulated by providing a selection of products and arranging the shelves in such a way that the grandparents find it easier to locate the products they want, which will lead to increased sales.

In addition, Akachan Honpo has recently been seeing more and more grandparents joining a loyalty card system and accumulating points. Accordingly, approaches such as issuing new cards for grandparents and providing them with special benefits can function as effective strategies for future sales. For example, by analyzing grandparents' purchasing data, the company can better understand who wants what, who chooses what and who actually makes payments at its stores. Such information will enable companies to facilitate support consumption needed by consumers, and will lead to increased opportunities to stimulate demand.

Table 1. Support consumption: Annual total expenses spent by a parent family (grandparents) for a child family (grandchildren)

Unit: Yen

	Consumption for grandchildren		Consumption to support a connected family			Total
	Grandchildren's clothing	Event expenses for grandchildren	Regular meals out, leisure activities	Cost of living such as that for utilities	Food, daily necessities	
Living nearby grandchildren	18,494	26,915	41,030	28,546	64,273	179,258
Living far from grandchildren	19,525	32,411	33,209	18,769	46,428	150,342

N = 1,246

Notes: Respondents are in their 40s to 60s and have grandchildren. Living nearby: Respondents in their 40s to 60s having grandchildren; a child family lives within walking distance to no more than an hour away by bus/train one way. Living far away: Respondents in their 40s to 60s having grandchildren; a child family lives more than an hour away by bus/train one way.
Source: Compiled based on the results of the NRI Marketing Navigator Questionnaire Survey of 10,000 Consumers conducted in 2007.

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In addition, identifying who controls the purse strings (the core household) will become important in considering approaches towards support consumption. Currently, support consumption often involves the households of children in their 30s and 40s being supported by their parents, the majority of whom are in their 60s or older. However, this role will spontaneously reverse as the parents get older, and the time will come when the core household of support consumption shifts from the parent household to the child household. As it becomes more difficult for the parents to go out on their own, the children will take over by purchasing food and daily necessities for their parents, reversing the direction of support.

• Points in considering marketing approaches

What is important for a company from the marketing point of view once it realizes that this support consumption has started to occur among its customers is to identify target customers who are actually selecting and using products and/or services and to determine which is the core household that controls the purse strings (pays for the products and/or services)—the parent household or the child household.

In the case of support consumption, there is the possibility that the persons at whom advertising and sales promotional measures have so far been targeted are not actually the persons who are buying the products at stores. Conversely, the persons who have not been the targets of advertising in the past can be new customers if they find the products in the stores appealing.

Greater care than ever before will be necessary in identifying target customers.

(2) Shared consumption

• Definition and features

Shared consumption is the behavior wherein the parent and child households cooperate in the purchase of products and/or services, with both households making use of such products and/or services. When we see that an "elderly couple has a large dining table and a large car," the chances are that shared consumption is the reason.

The main feature of shared consumption is that a product is also used by other than the person who buys it. Therefore, at the product planning and development stages, care must be taken not to set the range of target customers too narrow. Instead, the company should be aware that a wider segment would be using the products, which requires it to be flexible and broaden its outlook.

Products that are most likely to be the subject of shared consumption are those such as houses that serve as infrastructure where families spend time together and products whose usage opportunities and usage frequency are somewhat limited and for which there are greater needs for high quality such as cars, both of which are expensive. Consumer durable goods are typical examples. Shared consumption is, again, made possible by families living in close proximity of one another where

they can easily go from one house to another. This consumption pattern can be seen as a growing consumer need in the future.

For example, the paper mentioned in Chapter I entitled "*Invisible family (miezaru kazoku) shohi no kakudai* (Increased Consumption by Invisible Families)" introduced the notion that many invisible families select a minivan. The selection of a minivan implies the possibility that the vehicle is used jointly by more than one family—the household that purchased it and connected households.

In the sense of "sharing" things and time, other examples of shared consumption include *shushoku* (eating together) where multiple families get together in one house to eat, dine out, travel and participate in other leisure activities.

• Case study: Home remodeling to enable families to spend time together

As an example of shared consumption, this case touches on home remodeling.

These days, it is common to hear of grandparents remodeling their homes so they can spend more time with their children and grandchildren.

Research by the Lifestyle Labo of Mitsui Home Remodeling Co., Ltd. shows that the number of renovations being done so that connected families can live close or nearby each other has recently been on the increase[4]. In particular, there is a greater need for places to gather. Specific requests made by many people include opening up the kitchen to make it easier for everyone to use, increasing the size of the dining room and installing movable partitions so that space can be enlarged when connected families get together.

In addition, any remodeling design has to take important points into account such as the need for a space to place a large (50-inch or more) flat-screen TV (where people can gather around the TV), a place to install a personal computer (an open space where the PC is easily accessible by a child family) and a place for a household Buddhist altar (positioned on a wall). These requirements reflect increasing needs for design assuming a parent household (grandparents) being frequently visited by a child family (grandchildren) and spending time together.

INAX[4], Japan's leading manufacturer of tiling, building materials and sanitary fixtures, points out that larger than normal bathtubs and round tubs with steps that let a person only semi-submerge are becoming popular as "tubs that let one easily bathe with one's grandchildren." Those tubs with a step make it easy to bathe even with small children as the step area provides them with a place to sit and play.

Also popular with grandparents who are frequently visited by their grandchildren are "vanity units that can easily be used by three-generation family members" with drawer-type storage on which children can stand to

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wash their faces or brush their teeth, as well as tankless toilets that leave enough space for a parent and small child, even in a standard-size toilet enclosure (Figure 9).

To allow families to comfortably spend time together in living and dining rooms, INAX proposes the creation of space where it is easy for the grandparents to interact with their grandchildren by making use of products such as a dining table with an integrated kitchen range (Figure 10). These products are introduced in brochures and at showrooms.

Within invisible families, once the grandchildren grow to reach school age, they will be capable of walking by themselves to their nearby grandparents' home. It is very likely when both parents are working that we will see an increasing number of cases where grandchildren eat their evening meal at their grandparents' home, do their homework there and then are collected by their parents who take them back to their own home. Conventionally, grandchildren may have met their grandparents only during the New Year holidays and/or during the summer obon holidays. However, the relationship between grandparents and grandchildren is completely different in these invisible families. Rather than just "seeing the grandchildren," grandparents are able to "spend time

with their grandchildren." This change will have an increasing influence on the purchase of related products and services. Home remodeling is an excellent example of consumption that arises from families not living together, but living close by one another.

• Points in considering marketing approaches

Once a company believes that shared consumption has started to occur among its customers, from a marketing standpoint, it is important for the company to move away from assuming a narrow market or limited customer base at the product planning and development stages. Instead, the company should assume a much broader user base. At the concept development stage, it will also be necessary to develop hypotheses from a perspective of how invisible families would use the product or service. Naturally, the same approaches are necessary for the subsequent communication and promotion stages. Furthermore, as we have seen in the above-mentioned activities at the INAX showrooms, directly proposing shared consumption is likely to be a highly effective approach.

(3) Derived consumption
• Definition and features

Derived consumption occurs because demand is stimulated by the existence of connected families that live close to one another. While this pattern of consumption is most difficult to visualize, we can expect the greatest market expansion from this type of consumption depending on the marketing approaches that are adopted.

The principal feature of derived consumption is that the purchaser and the user appear to be the same. While neither the parents nor the children set out to provide the other with financial support, overall consumption scenes proliferate as a result of connected families living close to each other. However, because this derived consumption involves much behavior that has never been seen

Figure 9. Example of a product popular among families where grandchildren frequently visit

INAX's "SATIS," tankless toilet

• A tankless toilet provides extra space in the front.
• Because a small child often needs help putting on/taking off underwear, this extra space is considered convenient by families where grandchildren often visit.

Figure 10. Example of shared consumption as seen in home remodeling

Ordinary face-to-face plan

Stage type

Dining table with integrated kitchen range
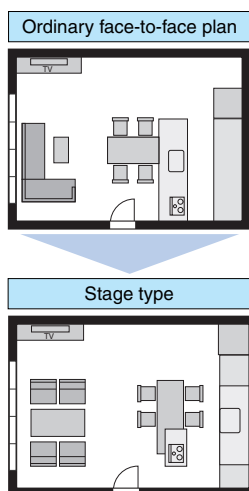
The integration of dining and kitchen space can widen living room space. It also contributes to providing space where time is spent together with grandchildren

At showrooms and in brochures, in addition to a product description, a proposal is made for a new style of dining in which close relationships are maintained among family members such as grandparents cooking in front of their grandchildren and then eating together

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before, consumers themselves often cannot envisage how this consumption occurs, or they go unnoticed with respect to the possibility of this type of consumption.

From a marketing standpoint, therefore, it becomes increasingly important to develop communication measures to propose consumption scenes that expand with the existence of connected families living nearby.

• Case study: "Relaxation consumption" and purchases of digital devices and nursery goods that are enabled because connected families live nearby

For derived consumption, three examples are introduced.

The first involves the derived consumption that is highly likely to arise in a child's household. For example, by asking the grandparents to take care of their grandchildren, it is no longer impossible for parents to go out to dinner, take a trip or take lessons, giving rise to a new consumption pattern. This is called "relaxation consumption."

Although paid childcare services are available, the cost involved would keep many from being able to use such services. However, being able to rely on grandparents gives rise to relaxation consumption that previously was not possible, and which we therefore refer to as derived consumption. This type of consumption hinges on grandparents who live close enough to be able to take care of their grandchildren.

The second case of derived consumption is one that may arise from both households. The consumption of both is influenced by information that they exchange with each other.
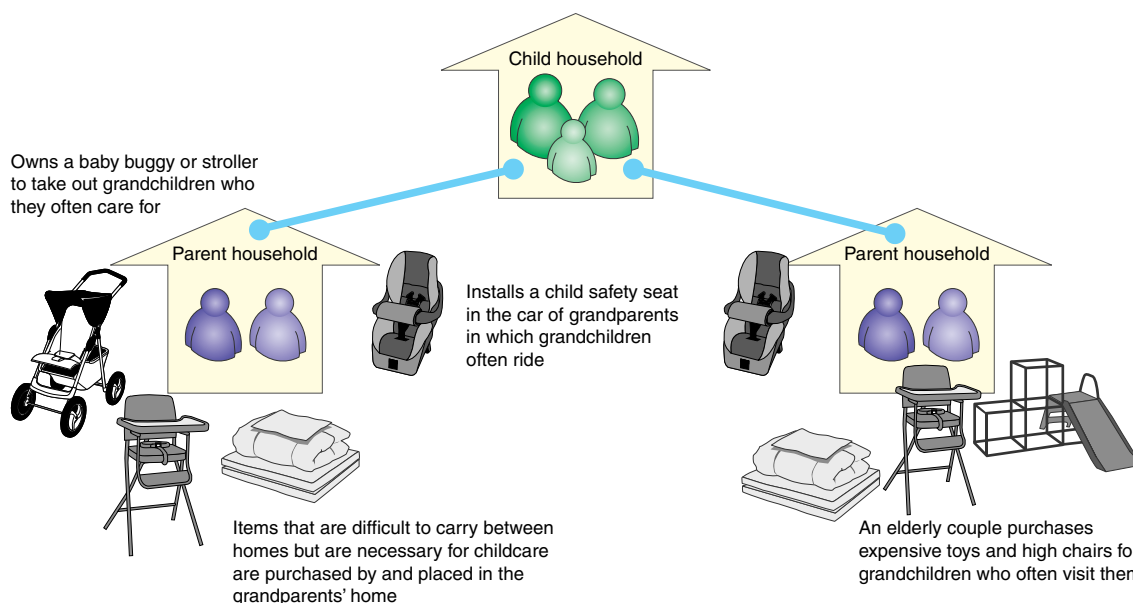
By way of example, grandparents may well use PCs and the Internet, printers, digital video cameras for taking and editing video images and portable audio players. However, when grandparents first come to buy and use such digital devices, they often look to their children as sources of information.

The children not only help the parents select suitable products, but also take part in the preliminary stage of stimulating need by letting them know that "a new product is available that you will find useful." Grandparents are often uncomfortable about buying products whose functions they do not really understand and which are difficult for them to set up. However, if their children live nearby and can be relied upon for help, such anxiety can be greatly alleviated, which will facilitate the purchases of products that they would otherwise not buy. In addition to the increased exchange of information and knowledge between the grandparents and their children, due primarily to their living nearby, we can also assume that the children would provide their parents with support after they have bought such a product. These consumption activities are totally dependent on the existence of connected families.

The third case refers to the derived consumption that is likely to be generated by the grandparents (Figure 11). As was mentioned in the description of home remodeling as an example of shared consumption, invisible families often visit one another. Given that the grandchildren often spend a lot of time at their grandparents' home, the grandparents find themselves buying products that they would not normally buy, such as toys, game consoles, furniture, school supplies and various other necessities of life. At first sight, it seems strange that an elderly couple's home is replete with products for children who do not actually live there.

In particular, childcare environments are expected to proliferate. As the trend where a child is also cared for by the grandparents increases, the child will be "at home" in both his or her own home and that of the grandparents. When this occurs, it is likely that families will buy multiples of products that are difficult to carry between homes so that each of the connected families will have one.

Figure 11. Example of derived consumption as seen in nursery goods (proliferating childcare environments)

Child household

Owns a baby buggy or stroller to take out grandchildren who they often care for

Parent household

Installs a child safety seat in the car of grandparents in which grandchildren often ride

Parent household

Items that are difficult to carry between homes but are necessary for childcare are purchased by and placed in the grandparents' home

An elderly couple purchases expensive toys and high chairs for grandchildren who often visit them

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In the case of the Akachan Honpo baby goods store, mentioned when the example of support consumption was introduced, sales of wooden high chairs to grandparents have increased, despite them being rather expensive. To the question about the reason for such a purchase, respondents said that they bought the products for their grandchildren who do not live with them but who frequently visit. In addition to expensive toys and bedding, grandparents are equipping their homes with commodities that no one would imagine appearing in an elderly couple's home, such as diapers and baby bottles. As the phenomenon of invisible families with parents and their offspring living close by one another becomes more commonplace, the number of cases in which a childcare environment is needed will also increase.

• Points in considering marketing approaches

From a marketing perspective, once a company believes that derived consumption has begun to occur among its customers, it is important to give rise to new needs by proposing usage methods and scenes that consumers (customers) are unaware of.

Conversely, if the company were to stick to traditional approaches aiming only at existing target consumer segments and to concentrate on limited personal and household attributes, there is a very good chance that the company would lose market share. However, by being flexible, the company could identify target segments that have been overlooked in the past. If new needs can be created, new business opportunities can also be developed.

Companies should facilitate the creation of new needs by suggesting ways for consumers to use products that they have not yet noticed, and by proposing new values.

III Suggestions for Marketing

1 Where Should Companies Begin?

The points related to the three patterns of invisible family consumption as described in Chapter II are summarized in Table 2.

The key point of support consumption is that the household using the product or service is not the same as the one purchasing it. Therefore, marketing approaches should focus on identifying target consumers and reviewing sales promotional activities accordingly.

The key point of shared consumption is that products or services are also used by consumers other than those who are assumed by the company. Accordingly, at the product design and development stages, the company must develop ideas assuming invisible users.

The key point of derived consumption is that the existence of connected families is assumed, and that consumers themselves are often not aware of this pattern of consumption. Therefore, there is a need for proposing new ways of consumption that might arise among families just because they are connected.

Once the necessary approaches for these three patterns have been recognized, a company should apply the following three steps.

• Step 1

The company should determine which of the three patterns of invisible family consumption its products and services best fit.

• Step 2

By considering the respective features of the three patterns of consumption, the company should determine specific approaches.

• Step 3

After reviewing the current measures, the specific approaches determined in Step 2 should be implemented; the company should gradually move ahead by monitoring the effect of the respective approaches.

Purpose and intention differ depending on each pattern of invisible family consumption, as do the consumption scenes and value proposals. However, with invisible consumption, because it is difficult to envisage the actual processes, it is also difficult to consider appropriate approaches to such consumption. Because these consumption patterns are mostly based on connections and moves that cannot be expressed either numerically or statistically, it is also basically impossible to accurately

Table 2. Important points for each of three invisible family consumption patterns

	Definition	Points		Approaches
Support consumption	Products and services are purchased for connected families	The household that uses a product/ service may differ from the core household that makes the purchase	→	Sales promotion by identifying target consumers; reviewing advertisement media and message
Shared consumption	One product/service is shared between parent and child households	Products/services are also used by other than visible customers	→	Product design that also takes into consideration invisible users (example: home remodeling)
Derived consumption	This consumption arises because there are connected families	With connected families living near each other, consumption scenes proliferate	→	Making proposals by considering proliferating consumption scenes as potential customer segments (example: digital home appliances (game consoles))

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forecast demand. However, consumers have definitely begun to make such purchases that are invisible from a conventional marketing perspective.

What is first necessary to identify these new consumer moves and use them to attract customers includes "reviewing target consumers" and "reevaluating their needs."

2 Stimulating Invisible Family Consumption is the Key to Increasing Sales

Invisible family consumption offers the possibility of creating new customers due to the interrelationships among family members.

In the case of support consumption, purchasers buy goods thinking "not that we need it ourselves, but because they (parents or children) will use it," whereas with shared consumption, the purchasers tend to think that "we wouldn't buy this just for ourselves, but will if they'll use it, too." Derived consumption is the most difficult of all to visualize, but involves purchasers who "will buy something if they teach us how to use it or if they choose it for me" or "will buy because they come to visit our home." All of these cases present new business opportunities and possibilities of acquiring customers from the markets that are beyond those that we would normally assume. Returns could be considerable if new customers could be successfully acquired.

While "reviewing target consumers" and "reevaluating their needs" might, at first sight, appear to be a small step for companies, whether or not they choose to do so could make a huge difference in their future success. Given that many companies are feeling the pressure from shrinking markets, discovering market segments that have so far been overlooked, as well as their potential needs, could provide companies with not only the breakthrough they have been looking for but also a major step forward in pursuit of growth.

Notes:
1   "NRI Questionnaire Survey of 10,000 Consumers" is a door-to-door survey conducted by NRI every three years as part of its own research activities that targets people aged 15 to 69 across the country. The number of respondents was: $N = 10,052$ for 1997, $N = 10,021$ for 2000, $N = 10,060$ for 2003, $N = 10,071$ for 2006 and $N = 10,252$ for 2009.

2   The term "baby boomer juniors" refers to the offspring generation of baby boomers. Accordingly, limits are not set for the years of their births. In this paper, the first generation of baby boomer juniors who are in the relatively immediate degree of consanguinity of baby boomers is targeted.

3   "NRI Marketing Navigator Questionnaire Survey of 10,000 Consumers" was conducted by using Internet Research Service (NRI True Navi) in October 2007 as part of its own research activities, which targeted people aged 15 to 69 across the country.

4   Interview surveys of the following companies were conducted in January 2010:
   • Akachan Honpo Co., Ltd.
   • Mitsui Home Remodeling Co., Ltd.
   • INAX Corporation

References:
1   Nori Kawazu, "*Invisible family (miezaru kazoku) shohi no kakudai* (Increased Consumption by Invisible Families)," *Knowledge Creation and Integration*, March 2008.

2   Nori Kawazu, "*Invisible family kara umareru atarashii shohi to target zo* (New Consumption Patterns and Target Consumers that Emerge from Invisible Families)," *Japan Marketing Journal No. 113*, June 2009, Japan Marketing Association.

3   "*Kinkyo, rinkyo de tsukuru dokuritsu oyako no kizuna—ikuson, kaigo kara jikka no yakuwari wo kangaeru* (Independent Parent-Child Relationships Created by Living Close to or Nearby Each Other—Considering the Role of Parents' Homes in Terms of Grandchild Care and Nursing Care)," *Mitsui Life Style Labo Report Vol. 05*, September 2009, Mitsui Home Remodeling.

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