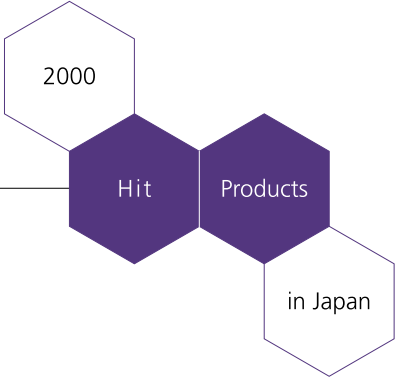
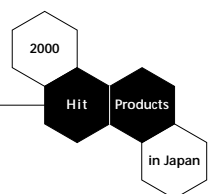


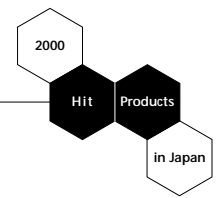
DENTSU Inc.



Contents



■ Humanity Taps Hidden Power to Counter the Digital Invasion	1
— The Digital Invasion	
Digital Functionality Proliferates in a Chain Reaction	2
Digital Overwhelms Analog	3
On-line from the Comfort of Home	4
— Humanity Unleashes Hidden Strength in a Counterassault	
People Back in the Lead Role	5
Living Life to the Full	6
Buying the “Experience”	8
— New Consumption for a New Century	
A Little Touch of Nostalgia	9
Blending the Virtual and the Real	10
Pure and Clean, the Natural Way	12



The final year of the 20th century witnessed steadily declining consumer uncertainty over the future of the economy and a resurgence of “consumption to get pleasure out of life.” Fueled by these developments, the Internet use rate hit 36.2%.* The year 2000 saw an unprecedented increase in the number of consumers enjoying the full benefits of the “digital lifestyle” enabled by the rapidly advancing digitalization of daily life.

Still facing human limitations, however, most people were not able to engineer the quick self-transformation needed to interface successfully with today’s changing world. Both mind and body, forced to pay any price just to keep up with change, suffered excessive levels of stress, leaving people crying out for help. They panicked as good-old Japan, “where the living was easy,” seemed to vanish in the face of the relentless advance of the digital life.

People came to dread the digital domination of their souls. Coping with this apprehension, people entertained fond wishes for a return to the simple and compassionate human way of life left in memory by an earlier age. This longing for the past spawned a rush of hit products, but also thrust the vitality and power of what it is to be human to center stage. Yet, the past could not be completely reclaimed. The best people could do was a “look-alike.” Closer examination revealed elements of the new digital age everywhere, infiltrating the things that seemed old at first glance.

The two powers new and old—digital and human—shared the same stage, and on it the hit products of 2000 made their debut.

* Dentsu’s National Survey on Digital Life, August 2000; n=1,400. The percentage of men and women between 15 and 69 years old who use the Internet more than once a week at home, the office, at school or through a cellular phone.

Digital Functionality Proliferates in a Chain Reaction

Dominating the urban scene was the multitude of digital devices that continued to hit the market this year, surfing the wave of increased Internet penetration. Up through last year, the hot-sellers were dedicated devices, but this year was characterized by a quick succession of new, multi-function mobile devices with Internet connectivity, such as cellular phones, digital cameras, portable music players and wristwatches. Also, the personal computer (PC) began to see competition from other Internet-enabled devices in the home, dropping hurdles to Internet usage for some. Which of these Internet access devices will take the lead in the future? The race to become the recognized next-generation standard has begun.

PDA Market Expands

Until now perceived primarily as a tool for business, the personal digital assistant (PDA) appealed to a wider range of consumers, with a host of PDAs featuring new operating systems and more stylish designs. The debut of a laptop PC with built-in PHS wireless communication foreshadowed new competition for the PDA and mobile phone.

Rapid-fire Launch of Multi-function Mobile Devices

Mobile devices equipped with multiple functionality, such as digital cameras with Internet connection, PHS mobile phones with digital cameras, digital cameras with music players, and a combination wristwatch/digital camera/music player with global positioning system (GPS), came out one after another and were the talk of the town.

Position-sensitive Information Services

Position-sensitive information services, which provide a variety of information tailored for the user's real-time location, spurred interest as a new possibility for mobile devices.

Content Service for Mobile Phones

Among fee-based Web services, sites that offered various ring melodies for download to phones became a big hit. On the game distribution front, one game manufacturer after another launched sites featuring popular game software. With JAVA-compatible models scheduled to be introduced in the future, competition for mobile phone content approaching the quality seen on PCs is expected to heat up.

The First Year of BS Digital Broadcasting

Full-scale digital broadcast by broadcasting satellite (BS) began on December 1, 2000. Dedicated tuners and TV sets with a built-in tuner, introduced to coincide with the start of test broadcasting in September, enjoyed brisk sales despite their considerable price tags. In contrast to PCs and mobile phones, whose widespread penetration was driven mainly by young people, BS digital broadcasting is likely to take root as a user-friendly, interactive communication platform for the middle-aged and elderly.

Internet Connection via Stationary Telephone Device

Amid a rapid increase in Internet access via mobile terminals, an Internet connection service through a conventional, stationary telephone, which needs no PC, is scheduled to commence in the spring of 2001. The service, which also offers e-mail, will face intensifying competition from other terminals for Internet connection.

Internet Access via TV

A device that enables Internet access through a household TV set was released, enjoying strong sales among the middle-aged and elderly. To browse a Web site, users simply input the site's address using a dedicated remote control unit. Because the device eliminates the need for a PC, it captured the hearts of people who are not fluent in information devices but still eager for Internet experience.

- Hard Disk Recording of TV Programs**

The debut of a videocassette recorder that can record up to 30 hours of programming on a built-in hard disk drive received widespread attention. The device enables not only simultaneous playback and recording but also automatic recording of any program associated with a pre-selected key word. Amid the acceleration of trends toward multi-channel TV, including digital broadcasting, this product added a new dimension to the race for innovative video recorder features.
- Popularity of PlayStation2 Contributes to Widespread Use of DVDs**

Sales of PlayStation2 (PS2) topped 3 million units within about five months of its introduction. By attractive non-game features such as DVD player capability, the game console has succeeded in winning the attention of people who are not game enthusiasts. As PS2 tackles the next frontier—Internet connectivity—all eyes are riveted on the battle about to rage across the boundaries of existing categories, such as PCs and television. The popularity of PS2 has also helped DVDs make rapid gains. In one month, DVD software products brought out to the market outpaced prerecorded videocassettes in unit sales.
- Games: “Dragon Quest VII: Warriors of Eden” and “Final Fantasy IX”**

Release of the latest versions of “Dragon Quest” (from Enix) and “Final Fantasy” (from Square), games that become a nationwide rage every time a new version is introduced, demonstrated the latent power of these products. “Dragon Quest VII: Warriors of Eden,” released for the first time since the previous version four and a half years ago, generated record sales for the series, selling 3.8 million units.

Another characteristic feature of this year was that newly introduced digital devices and services outperformed traditional devices and services for the first time ever in terms of the number of units shipped or yen amount of sales. In the telecommunications industry, too, new businesses integrated a variety of conventionally separate services.

- Mobile Phones Outnumber Stationary Phones**

Mobile phone subscribers outnumbered stationary phone users for the first time. The rapid growth in the number of mobile phone subscribers is attributable to the growing variety of non-conversation services such as phone e-mail and bank transfer, due to a proliferation of Internet access services for cell phones.
- Digital Cameras Surpass Conventional Cameras in Sales**

The total yen amount of digital camera sales topped that of cameras using conventional film on a quarterly base for the first time in the first half of 2000. Since the race to maximize the number of pixels has subsided, the added-value features of design, price, Internet connection and music replay capability have become the battleground for competition.
- PC Shipments Beat TV Set Shipments**

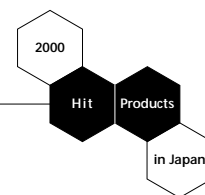
PCs outnumbered color TV sets in terms of unit shipment for the first time. Demand was spurred by penetration of the Internet and availability of low-price models for less than ¥100,000. By type, laptop PCs exceeded desk-top models for the first time, achieving a rapid expansion in their household usage.
- Seamless Communications Services**

In the telecommunications industry, the trend toward realignment accelerated, fueled by the arrival of telecommunications operators that offer comprehensive services covering long-distance and international calls, cell phones and Internet access.

On-line from the Comfort of Home

With the Internet, things that used to be time consuming now happen in an instant. Enter the world of no-waiting, 24-hour-a-day access. As consumers recognized the enormous advantage of these time savings, they became Internet fluent in droves. Enjoying shopping without having to leave home became a reality for many people.

Net Supermarkets and Net Convenience Stores	On-line sales of perishable products and items for daily use were robust. Although consumers had to pay more in some cases because of the addition of a delivery fee, the convenience of these services expanded the market from the elderly and working women to include housewives keen on saving time.
Home Delivery Services	The popularity of home delivery services expanded chiefly among the elderly, working housewives and female office workers. In addition to convenience stores, department stores and family restaurants, store-less home delivery services that sell only over the Internet were launched, and a wider selection of products became available.
Direct Marketing	Direct marketing retailers posted their highest sales since this survey began in 1983. This year's distinguishing feature was that firms specialized in foods and cosmetics demonstrated significant growth. Internet sales doubled year-on-year.
Television Shopping	TV shopping is enjoying a surge in popularity. Shopping programs patterned after ordinary TV programs and broadcasting time increased, which allowed more detailed presentation of products and extended contact time with consumers. TV shopping programs have become worthy of special attention for their ability to capitalize on the interactive function of digital broadcasting.
Direct Sales by Manufacturers on the Internet	More and more manufacturers of home electrical appliances, stationery and cosmetics are starting to sell their merchandise directly on the Internet. They seek to differentiate themselves by offering the low prices characteristic of direct sales, or products customized for individual customers that are difficult to market via the existing distribution network.
On-line Bookstores	A series of on-line bookstores were rapidly launched. Making available an extensive range of services including posting of original book reviews and same-day shipment, the bookstores were well received for the convenience of on-line purchase from the home that they offer.
Net Banks and Securities Houses	Internet securities houses began operations one after another. As a result, individual investors, primarily consisting of salaried workers and women, increased in number, which in turn resulted in a surge in the number of Internet securities accounts opened. Widespread use of mobile terminals for Internet connection also contributed to the increased utilization of mobile banking.



People Back in the Lead Role

In a backlash against the rapid advance of digitalization, real people who exhibited the power of humanity captivated the hearts of the public.

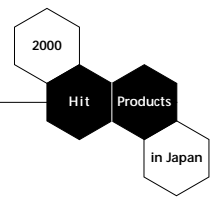
<p>Naoko Takahashi, Ryoko Tamura and the Sydney Olympic Games</p>	<p>The final Olympic Games of the 20th century attracted throngs of Japanese tourists to Sydney, and TV broadcasts of the popular Olympic events all captured high viewer ratings in Japan. In particular, Naoko Takahashi, the first marathon runner to win the gold medal in the history of Japanese track and field, and Ryoko Tamura, who finally fulfilled her desire to become a gold medalist in women's judo, were suddenly all over the news. Their joyous victory comments—"It was a very enjoyable 42 kilometers" and "I've been finally united with my first love"—sent ripples through the public in Japan. The positive impact of the Olympic Games spilled over into a wide range of industries, as exemplified by the increase in sales enjoyed by meal delivery services on broadcast days.</p>
<p>Nagashima vs. Oh—The Japan Series</p>	<p>The Japan Series pitted Sadaharu Oh against Shigeo Nagashima, two rival ex-Giants stars who now both manage their own teams, in a battle dubbed as "The Fight of O&N" that captured the hearts of old-time baseball fans and fueled excitement. Sales staged by Mitsukoshi and Mycal to celebrate the Giants' championship win drew huge crowds.</p>
<p>Sasaki <i>Daimajin</i> and Ichiro</p>	<p>Kazuhiro Sasaki, a pitcher nicknamed <i>Daimajin</i> who was signed by the U.S. Major League team, the Seattle Mariners, won this season's Rookie of the Year award. Ichiro Suzuki, an ex-Orix Blue Wave player who became the first Japanese fielder to play in the U.S. major league, signed a three-year, ¥1.85 billion contract with the Mariners.</p>
<p>Soccer</p>	<p>Japan's national team has been performing better and better on the world stage, winning the championship in the Asian Cup and making it into the top eight in the Sydney Olympics. The media reported that the most impressive players in Sydney might be snatched up by overseas teams. This episode attested that Japanese players are fast approaching a level of world-class skill and appeal. In the J. League, Consadole Sapporo and Urawa Reds, with the enthusiastic backing of their supporters, were promoted to the division, thrilling the locals.</p>
<p>Millennium Weddings and Babies</p>	<p>A total of 68,774 couples married in January 2000, 1.5 times more than the average year, confirming the "millennium marriage" boom. As many as 3,000 couples submitted their official marriage paperwork on January 1 in the 23 wards of Tokyo. The nation's birthrate took a brief respite from its downhill slide for the first time in three years, increasing a marginal 1% over the same month of the previous year.</p>
<p>Independent Candidate Wins Race for Governor</p>	<p>People who do not support any particular political party are growing in number. On the local government political scene, a candidate with no affiliation to a political party won a race for governor with a campaign against the status quo waged partly over the Internet.</p>

Okinawa G-8 Summit	<p>The Okinawa G-8 Summit's major agenda items included the IT revolution, the Korean Peninsula and infectious diseases. A new ¥2,000 banknote featuring Okinawa's 16th-century Shuri Castle, Okinawan cuisine and a Summit theme song sung by Okinawa-born pop star Namie Amuro grabbed the spotlight.</p>
<i>White Out</i>, the Film	<p>Adapted from Yuichi Shinpo's novel and giving the lead roles to Yuji Oda and Nanako Matsushima—a top-ranking actor and actress with huge audience appeal—this mega-hit film drew more than 2.5 million people to theaters.</p>
<i>Buena Vista Social Club</i> Film, the Latin Boom and Dancing Salsa	<p>A documentary film on elderly players of Cuban music became a hit, captivating a wide spectrum of individuals. This was a singular feat for a film screened only at a single theater. Audiences were especially taken with the sorrow and unfeigned joy the elderly players displayed. While film-related CDs became hot-sellers, made-in-Cuba rum, which was featured in the movie, enjoyed a 40% increase in sales over the previous year. Later, when Latin music came into vogue, the number of people taking up salsa lessons rose sharply, especially among young women. In dancing salsa, partners maintain body contact, and this feature—a method of communication not possible in the realm of virtual reality—was attributed as the source of the dance's popularity.</p>
"Beautiful Life," a TV Drama	<p>"Beautiful Life" (Tokyo Broadcasting System), a love story between a popular hairdresser and a woman in a wheelchair, registered a 41.3% viewer rating (in the Kanto region) during the airing of its final episode. The car and motorcycle models driven by the hero also became hot-sellers.</p>

People were not only struck with admiration for the power exhibited by the human body; they also focused their attention back on using their own bodies to the full. People rediscovered a "life with all five senses"—dancing, driving, eating, dressing, getting together, traveling and shopping—that was not possible in the realm of virtual reality.

The Para Para Dance	<p>Musical dance simulation games continued to enjoy widespread popularity. A dance unique to Japan also called "Para Para" caught fire. The dance was wildly popular among young people for the physical exhilaration dancers experienced and the sense of bonding among participants dancing together to the same choreography. Related videos and CDs enjoyed strong sales. Dance events also drew huge crowds.</p>
Kickboards	<p>The kickboard, an urban transport device something like a skateboard with handlebars, caught on among young people. Collapsible bicycles and sneakers with wheels also attracted a lot of attention as new ways to get around town. Portable, cool and eco-friendly, these new inventions were enthusiastically embraced by riders who enjoyed the natural freedom to move on their own power.</p>
Gospel Music and Voice Training	<p>Gospel music courses and voice training courses offered at culture centers were extremely popular, and had long waiting lists. Fans say they like singing gospel because it allows them to express their pent-up emotions. Chie Ayado, a female jazz vocalist born in Osaka who won recognition as a gospel singer after being active in New York for some 20 years, returned to Japan, enjoying public admiration and TV appearances.</p>

New Textures in Snacks	<p>Sweets and snacks that offer new textures and aromas, such as crunchy sticks coated with mousse-like whipped chocolate, an ice cream that contains small, powdery granules of ice and a cinnamon roll with a distinctive sweet smell, gained popularity.</p>
Pashmina Stoles	<p>Large stoles made from the hair of high-mountain goats attracted a huge following because their wearers stay warm without having to put on a coat. Their light, soft touch, coupled with great looks, captivated the heart of young women despite their high price of around ¥30,000.</p>
Outlets	<p>This year saw the opening of one large-scale outlet mall after another, including Premium Outlet in Gotemba, Grandberry Mall in Machida, Rinku Premium Outlet in Osaka and Marine Pia Kobe Port Bazaar. These outlets created a sensation because of their size, their thematic architecture and design, and the big-name brand shops they housed, not to mention their affordable prices. Many malls reported that visitor numbers exceeded original projections.</p>
Shibuya Mark City	<p>Shibuya Mark City, a giant commercial complex, opened in front of JR Shibuya Station. Primarily targeting women in their 20s and 30s, the shopping mall added a new dimension to Shibuya, a town crowded with stores that cater to teens.</p>
Cross Gate	<p>Cross Gate, a commercial complex, opened in Yokohama's Minato Mirai 21 district. The facility, which is conveniently located a one-minute walk from Sakuragicho Station and houses a toy museum called the Yokohama Character Museum, added a new buzz to this district, already an exciting hub of commercial development.</p>
Hoop	<p>Another commercial complex called Hoop opened in Abeno, Osaka and transformed the area into a major shopping zone that ranks just behind the Kita, Minami and Namba areas. The shopping complex became a hot topic because of its tenant composition—made up exclusively of shops that target people in their 20s and 30s—and the building's unique exterior, which features a glass outer wall and a domed roof.</p>
“Happy Monday”	<p>The Holiday Amendment Law, which designated that two national holidays occurring in January and October will fall on the second Monday of their respective months, came into force. The newly created three-day weekends boosted demand for travel, resulting in an increase in the number of people who took a domestic trip to Hokkaido or enjoyed longer trips overseas.</p>
Korean Entertainment	<p>Korea gained prominence not only as a tourist spot but also in cultural realms such as film and music. <i>SHURI</i>, a film that enjoyed phenomenal success in Korea, was also enthusiastically embraced in Japan, generating distribution revenues of ¥1.8 billion. Y2K, a rock band with Japanese and Korean members, was named PR ambassador for the 2002 World Cup, in recognition of its high-profile activities in both Japan and Korea.</p>



Trans-century Limited-edition Products

November and December saw launch of a series of products that commemorate the 21st century, including beers, cup noodles and snacks. These new goods have enhanced the mood of celebration at the dawn of the new century.

Buying the "Experience"

Recent years have witnessed the emergence of companies in the business of delivering an "experience" to consumers. Developed based on the theory that consumers seek products and services that offer a profoundly moving experience, these new ventures aimed to create a mood or atmosphere in which customers perceived value, and to emphasize the value of sharing in that atmosphere with others. This concept was innovative in that it sought to totally satisfy the customer's rational as well as sensual needs by offering a valuable "experience," instead of merely providing products and services.

Classy Chain Coffee Shops

Chain coffee shops offering a brief moment of luxury attracted huge crowds of devotees. Their high-quality coffee, chic interior design and soothing atmosphere brought in a ceaseless stream of customers.

Home Theater

Catching a ride with the popularity of DVDs and the start of digital broadcasting, demand for home theater equipment has expanded sharply, as consumers bring the movie-theater experience to the home. Peripheral devices such as AV amplifiers and speakers enjoyed strong sales. This equipment was most loved by seniors taken with the luxury of being able to enjoy a private screening of any movie, anytime.

Todaimon Market

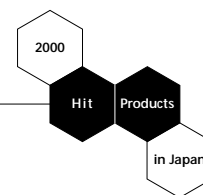
Tokyo's Shibuya welcomed the arrival of Todaimon Market, a giant market full of shops from Seoul, Korea's biggest shopping district, Dongdaemun Market. The market was noted for renewing its stock of low-priced trendy items weekly and allowing shoppers to haggle over prices. Many people had more fun just shopping in a Seoul-like atmosphere and trying to bargain down salesclerks, than in actually looking for something to buy.

Upcoming Openings of Universal Studios Japan and Tokyo DisneySea

Universal Studios Japan (USJ) is slated to open in Osaka in the spring of 2001, offering visitors a realistic experience of the world of hit movies just like its U.S. counterpart. Together with Tokyo DisneySea scheduled to open next to Tokyo Disneyland in the autumn of the same year, the USJ theme park is attracting a good deal of public attention even before it opens.

The Warmth of Chinese Tea

Chinese tea, with its excellent aroma and reputed healing powers, caught on primarily among young women. Small, cute and affordably priced, Chinese tea sets also made nice decorative items. The way to prepare Chinese tea is not very strictly prescribed, enabling people to enjoy it in a relaxed atmosphere, and this was the secret of its popularity.



A Little Touch of Nostalgia

As daily life became increasingly digitized, consumers unable to keep pace with the whirlwind of change showed an almost allergic reaction. In a backlash against the information-is-everything lifestyle, people started to long for the leisurely pace of “good old Japan,” and they became intent on getting back to simplicity. Much as they wished, however, the past could not be completely reclaimed. So, consumers came up with a next-best substitute—a “touch of the nostalgic mood”—using game software that simulated their childhood summer vacations from school, immersing themselves in TV fantasies of blissful love, and enjoying riceballs made out of an ancient variety of rice but sold at modern-day convenience stores.

***Boku-no-natsuyasumi* (My Summer Vacation)**

Boku-no-natsuyasumi (from Sony Computer Entertainment) game software captured an enormous following, especially among people living in urban areas. The game’s main character is an elementary school boy who spends his summer vacation in 1975 in a countryside still abounding in nature and nostalgic scenery. The game became a huge hit with adults who grew up in the 1970s by bringing back the long-since vanished summer vacation experience and because of its playing style free of rules.

Harry Potter

Harry Potter, a novel that described the life of a growing boy magician, captivated the hearts of both children and adults, enjoying worldwide popularity. In Japan, the first volume of the series (translated edition by Seizansha) became a best-seller, with sales topping a million copies.

Vagabond

Takahiko Inoue, the author of *Slam Dunk*, remade Eiji Yoshikawa’s novel, *Miyamoto Musashi*, into a *manga* comic. The comic, titled *Vagabond*, achieved sales of 18 million copies faster than any other *manga* published by Kodansha.

Asian Resorts

Traveling in Asia and Asian sundry goods and cuisine gained popularity. Facilities that played up Asian themes—hotels, restaurants and theme parks—opened one after another. Quite a few people said that Asia refreshed and revived them by conjuring up the nostalgic scenery of traditional Japan, which is now completely missing from today’s city landscapes.

Farmer’s Markets

With an estimated 15,000 nationwide, the number of local farmers’ markets selling fruits and vegetables expanded. Shoppers were reassured by going to the actual “production site,” and this was why these markets became popular among consumers who sought safe or natural foods.

Simple, Frugal Meals

A move to rediscover frugal meals and traditional foods (sesame seeds, vinegar, Japanese apricots, etc.) gained ground. Cooking classes for dishes using natural ingredients as well as hotels that featured natural food menus enjoyed popularity, and related books enjoyed strong sales. This trend reflected the increasing amount of information that cast doubt on the safety of foods, such as genetically modified foods. Frugal meals found favor among young people, who, free from the idea that equated “frugal” with “skimpy,” decided that a frugal meal meant instead a “substantial meal that makes the most of quality ingredients.”



**Ainori and Mirai Nikki
TV Shows**

Love variety shows on TV that featured ordinary people registered high viewer ratings. Facial expressions that showed the real feelings of the people on screen and the thrill of unpredictable story lines captivated the fancy of viewers. Another reason these programs became hits was that they showed regular people getting romantically involved just like stars in a TV drama. Participants simply followed rules set down by the program, quit after winning the love of the person he or she secretly longed for, and then faithfully acted out the scenario.

**Semi-do-it-yourself (DIY)
Hair Salons and DIY
Esthetic Salons**

Long lines formed in front of hair salons where the hairdresser gave only a haircut and customers blow-dried and set their own hair. The great popularity of these salons, especially among young women, was attributed to their combination of low price and natural-looking finish. Esthetic salons that provided cosmetics and appliances, allowing customers to do their own esthetic treatment under the guidance of an esthetician, won the hearts of beginners who were looking for easier ways to look great.

**Custom Option
Automobiles**

Affordably priced small wagons that featured lots of custom options to suit buyers' tastes were well-liked among consumers who wanted to express their individualism through their car. The cars enjoyed brisk sales.

**Revival of
a Long-selling Sedan**

A popular sedan that had remained a best-selling hit year after year came out in a brand-new model. The new model became a record-breaking hit.

**Ready-to-eat Sweet
Roasted Chestnuts**

Small packages of sweet roasted chestnuts without the shell appeared at kiosks and convenience stores and became a spectacular hit. The product was especially welcomed by young women, who liked the convenience of enjoying the nostalgic taste of sweet roasted chestnuts without worrying about staining their hands taking off the shells.

Melon Buns and Curry Buns

Old-time mainstay buns with melon or curry filling came back into vogue. People were willing to wait in long lines outside of bakeries known for baking them the old-fashioned way.

Though the "Net experience" may appear to be virtual at first glance, in reality it encompasses a web of old-fashioned personal interactions. This might be compared to a time-honored railway station that has undergone a renovation. Children and handicapped people, who in the past were often marginalized, can now enjoy new, digital interaction. Virtual reality and real life have stepped into the same ring, and this kind of fusion represents the consumption style of the new century.

Internet Auctions

Internet auctions, which allow buyers to bid against each other over the Internet, caught the eye of many consumers. Sellers can get rid of unwanted items without having to throw them away, while buyers can get an item they want at a reasonable price. Another reason for the popularity of the Internet auction was its bidding process, which offered a game-like enjoyment as buyers tried to place the winning bid. Also gaining popularity were inverse auctions, in which buyers posted prices they were willing to pay and invited sellers to respond.

Net “Encounter” Sites	<p>Encounter sites, venues for meeting like-minded individuals on the Internet, enjoyed rapidly increasing access. People enjoyed the way these sights provided a taste of the unique charm of the Internet, saying typically, “I can run into a variety of people beyond my usual circle of friends” or “I can find a perfect match for me.” These sites also helped to allure novice Internet users, who bought PCs out of a desire to access encounter sites.</p>
Child-raising and Other Community Web Sites	<p>Sites on how to raise children were hot. The sites not only provided new mothers with reassuring advice from experienced mothers but also offered a venue for word-of-mouth communication that helped mothers compare products before purchase. These sites also contributed significantly to the widespread use of the Internet by housewives. Mothers visiting the sites found pleasure in helping others by relating their own child-raising experiences, and this also boosted access to the sites. Other community sites on the Internet, such as hobby sites and sites offering a forum where people exchanged views, also rapidly grew in number.</p>
“Know Who” Sites (People Search Engines)	<p>Sites for search and display of people’s knowledge and information, such as information from experts in a particular subject, or restaurant and specialty store ratings provided by actual customers, are attracting a great deal of attention. Amid the deluge of information resulting from popularization of the Internet, the power of discernment possessed by people who could accurately assess massive amounts of information was in great demand.</p>
PC Classes and Private Schools Specialized in Entrepreneurial Training for Kids	<p>PC classes as a way for children to learn new things were popular. Private schools (<i>juku</i>) specialized in entrepreneurial training for children, which bore comparison with that offered to adults, spread rapidly. They aim to help children acquire not only PC skills but also presentation and Internet communication skills. In the energy drink market, drinks for juniors containing medicinal herbs said to increase power of concentration sold briskly. Thus, the kid market, continuing with the trend toward simulating the adult market, remained buoyant this year.</p>
Digital Products for the Physically Challenged	<p>Software that reads aloud the content of a home page and information devices that allow blind people to input in Braille were developed in rapid succession. The Internet is expected to make a significant contribution to facilitating communication for the physically challenged.</p>
Rediscovery of the Railway Station as a Hub of Life	<p>Specialty stores selling popular casual wear, everyday sundries shops and shops selling ready-to-eat meals opened on the premises of terminal stations in Shinjuku in Tokyo and other areas. Also appearing were local bank ATMs offering comprehensive services as well as a service that rented out lockers at stations to individuals by the month. The convenient location of these shops and services, which made it easy to stop by on the way to school or work, made them a big hit with both consumers and retailers.</p>

Pure and Clean, the Natural Way

No longer content with mere cleanliness, consumers started to want to eliminate completely any substances harmful to health or the environment. This trend was characterized by attempts to clean things naturally using the latest technology but without interfering with the laws of nature.

Exhaust-free Vacuum Cleaners	<p>Vacuum cleaners that release no exhaust proved a sales success. This feature, which not only kept dust particles from being put back into the air, but also cut the peculiar smell of vacuuming, was greeted enthusiastically by consumers. The exhaust-free feature is expected to be important for consumers when purchasing a vacuum cleaner from now on.</p>
Dehumidifiers	<p>A growing trend toward air-tight housing, especially in condominiums, stimulated sales of dehumidifiers. Dehumidifiers built into traditional air conditioning units weren't portable, but these new units were, and consumers liked that. Their sales in 2000 were expected to top the 10 million-unit mark.</p>
Air Purifiers	<p>Amid growing incidences of pollinosis and other allergies, air purifiers enjoyed brisk sales. Shipment during 2000 was expected to surpass one million units. Also new on the market were value-added products with the capability to remove pet odors or generate negative ions. These models captured the interest of comfort-seeking consumers.</p>
Dishwasher/Dryers	<p>Now offering a more compact design, improved performance and low price, dishwasher/dryers, which in the past saw growing demand as an O-157 prevention product, started to fully penetrate the market. Shipment during 2000 was estimated to total about half a million units, and the penetration rate is predicted to reach 10% by the end of 2001.</p>
Yogurts with Helicobacter Pylori-curbing Lactobacilli	<p>Yogurts containing lactobacilli that curb the growth of Helicobacter Pylori, bacteria thought to cause stomach and duodenal ulcers, caught on mainly among middle-aged and elderly people. Reflecting mounting public concern about Helicobacter Pylori, home test kits for it also attracted a lot of attention.</p>
Composting Devices Become a Standard Condominium Feature	<p>Garbage disposers not only addressed increasing concern about environmental issues but also made it possible to recycle food refuse as a fertilizer. Thus, their penetration accelerated. Newly built condominiums more often came equipped with garbage disposers. Affordable prices and local government subsidies gave an extra boost to their popularization.</p>

