ASIAN POP The Gadget Gap
Why does all the cool stuff come out in Asia first?

by Jeff Yang, special to SF Gate
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Sidebar: Our Top Japan-Only Gizmo Picks

Let's call him Johnny Sokko. A deputy assistant office manager and aspiring rock guitarist, Johnny lives in Tokyo in a cramped three-bedroom apartment shared with his parents and his teenage sister. Upon waking up in the morning, Johnny stumbles to the bathroom to answer the call of nature using the household's amazing Matsushita-brand Smart Toilet, which automatically measures his weight, body fat, blood pressure and urine sugar and sends the results to the Sokko family physician via the Internet. Over breakfast, he checks his daily schedule on his Sharp Zaurus SL-C3000 -- the first PDA to feature a 4-gigabyte internal hard drive -- and confirms he's free until noon. Great; he can spend the morning trying to beat the Puzzle Bobble Pocket high score his sister rang up on his brand-new Sony PlayStation Portable.

Meanwhile, back in the U.S. of A., John Smith rises from his bed before dawn, roused by the crowing of the family rooster. He splashes some creek water on his face, then hikes out to milk the goats. Before he returns from the barn, he checks the suspension on the family buggy and makes sure...
the horses are properly shod -- it's market day, and if the weather's fine, he might get the chance to ride into town with Pa ...

Not the fairest of contrasts, given that the Amish actually make up a very small percentage of the U.S. population, but the fact remains: there's a tremendous divide between the average Japanese consumer and his Stateside counterpart. Call it the gadget gap or the device deficit -- call it what you will, as long as you recognize that, where cool high-tech stuff is concerned, America is light-years behind its counterparts in the Far East.

"I've been going to Akihabara [Tokyo's renowned electronics district] for 20 years, and I'm still amazed at the vitality of the scene -- the number of incredible toys you can find there," says David J. Farber, distinguished career professor of computer science and public policy at Carnegie-Mellon University and former chief technologist of the U.S. Federal Communications Commission. "You have stores that specialize in selling nothing but little robots. You have your tiny electronic devices -- cameras, music players. You have incredibly convenient kitchen gizmos. Every time I come back, I bring home something new."

Japan's trade surplus with the United States remains astronomically high, at over $6 billion; yet any regular reader of technophile Web sites such as I4U, Engadget or Gizmodo knows that the world's biggest exporter of consumer electronics regularly keeps its most innovative and exciting widgetry to itself, selling it only to the domestic market. Cell phones that do everything but make toast (although appropriate attachments are probably available from third-party accessory vendors). Gigapixel digital cameras. Laptops so tiny that "My dog ate my homework" is once again a valid excuse. And, of course, the most incredible toilets in the history of humankind.

Some of these devices eventually plod over to U.S. shores months or even years after they've become obsolete in Japan. But many never arrive here at all. Why is it that Japanese manufacturers (and, increasingly, those in Korea and China as well) have such a death grip on consumer-electronics cool? And why are Americans deprived of the choicest fruits
of this technological bounty?

The answers to these questions offer an intriguing look at how culture shapes technology -- and vice versa.

May the (Market) Forces Be with You

Japan's gizmo utopia exists in part because of a happy harmonic convergence between its domestic market and its industrial sector: Japanese consumers are intensely style and status conscious, willing to pay more for better and cooler features and motivated to upgrade their core electronic devices at least annually, and sometimes even every six months.

"Japanese consumers tend to fall into one of two categories: they're either luxury seekers who are looking for symbols of conspicuous consumption or bleeding-edge-tech seekers who are looking for the most powerful and convenient tools they can find to make their lives easier," says Douglas Krone, CEO and founder of J-tech retailer Dynamism. "And, of course, many consumers are both. Here in the U.S., corporate buying tends to drive innovation -- technology goes where business wants it to go. In Japan, technology is largely driven by individual consumers. They save a lot, but when they spend, they buy the best. I mean, Louis Vuitton racks up over a third of its total global sales in Japan, and that's true for a lot of the luxury brands."

America has its share of early adopters, but they tend to be the exception rather than the rule; the average U.S. electronics consumer is driven more by cost and value than by features and technological sophistication.

"We're much more Wal-Mart," says Carnegie-Mellon's David J. Farber ruefully. "We buy our electronics from big-box stores where the salespeople know nothing about what they're selling -- they know how to swipe a credit card, and that's it."

Geek Chic

Consumer behavior is learned young (as any parent of a child devoted to SpongeBob can attest), and America's relatively low-tech outlook is in part due to a fundamental difference in youth culture in the United States and Japan.

"Consumer behavior in Japan is totally driven by the teenagers," says Manfred "Luigi" Lugmeyer, editor in chief of the global gadget e-zine I4U. "They're not just buying toys -- they're buying electronics. They're competing in school to have the coolest stuff. American kids are into sneakers. Japanese kids are into technology."

Dynamism's Douglas Krone agrees: "Being cool in high school in Japan is all about having the right cell phone. And we're not just talking about brands or styles here. You need to have the functions, the features -- megapixel cameras, and so forth."

The cell-phone craze was born soon after the launch of NTT DoCoMo's wildly successful i-Mode wireless Internet service in
1999 gave rise to a phenomenon known as "keitai [mobile-phone] culture," fed by a generation of kids known as oyayubisoku, or "thumb tribes," whose handset addiction has shaped public health (as more and more "thumb princes and princesses" succumb to repetitive stress injuries); sexual mores (as enterprising schoolgirls subscribe to cell-phone "dating services," where they are introduced to lonely and generous older men); media consumption (as magazine vendors and bookstores find that browsers now snap high-quality cell-cam pictures of articles they want to read rather than purchasing their products); and impulse commerce (as Japanese cell phones increasingly become equipped with "e-money" devices that allow them to be used to purchase small items).

Unlike in the United States, where consumer electronics is an overwhelmingly male-driven industry, the critical vector in the propagation of keitai culture was its embrace by adolescent girls. That this demographic drives the market is no coincidence. Like many Japanese marketers, NTT DoCoMo had determined that i-Mode would live and die based on whether teen fashion queens adopted the handsets as the season's must-own accessories. A year and a half of aggressive marketing later, with 30 million active users, DoCoMo became the world's largest Internet access provider, surpassing longtime leader America On-Line. More than 10 million of these users are young women.

"A couple of months ago, Newsweek Japan did a special issue that listed the 100 most influential Japanese people in history," says Douglas Krone with a chuckle. "Along with ancient emperors, best-selling authors, inventors and scientists, they listed 'Japanese Schoolgirls,' because they've been so influential, inside of Japan and out."

House of Tiny Gadgets

Taste isn't the only thing driving Japanese gizmo-vation. As the old saying goes, necessity is the mother of invention; in Japan, the corollary might be that skyrocketing real estate prices are the godparents of cool consumer tech. Because the price of shelter is so expensive -- even after the collapse of the housing market, average real estate prices in Tokyo are the most costly in the world, at about $1,271 per square foot (New York, by comparison, averages out at a paltry $890 per square foot) -- Japanese apartments tend to be remarkably cramped.

"My wife and I lived in Tokyo for three months," says David J. Farber. "Our apartment there was around 360 square feet, and we quickly got to appreciate small, integrated devices."

Japanese manufacturers became experts at miniaturizing and creating multiple-function devices (like, say, refrigerators that let you browse the Web) simply because the average consumer really needs the room. "Space is everything," says Farber. "Many years ago, I sat down with a person -- an American -- who was trying to sell telephone extensions into
the Japanese market. His sales pitch was that every family needs five phones -- one for every room in your house. Japanese people looked at him and said, 'Well, my apartment is so small that when my phone rings, I just reach across the room and pick it up.' He wasn't doing so well."

There's a subtle secondary manner in which real estate prices have shaped consumer behavior in Japan: housing is so expensive that young people have virtually no means of renting or owning their own homes; even after they've joined the workforce, they continue to live with their parents for years or even decades after graduation. Given that the average American spends up to one-third of his or her take-home wages on shelter, by sponging off Mom and Dad, young Japanese men and women have significantly more disposable income to spend on themselves; a $600 Louis Vuitton purse -- or a $3,000 ultrathin 1.2-pound laptop -- becomes instantly affordable when you're living rent free.

It's the Infrastructure, Stupid

There's another basic reason Japanese gizmos are cooler than ours, and a reason many of the best tech pickings are restricted to the domestic market. Simply put, Japanese companies (aided by government subsidies and cheap financial-sector loans) have spent billions of dollars in building out key infrastructure -- for example, widespread ultra-high-speed cell-phone networks and readily available broadband Internet access. (Japan is, after South Korea, second in the world in fast-Internet access penetration; the United States is 10th, behind such global tech giants as Belgium.) America's mediocre digital foundation means that devices like DoCoMo's bleeding-edge FOMA phones -- capable of such feats as mobile videoconferencing -- wouldn't work here even if they were available.

We're Just Not That into It

The hard truth is that even though a relative handful of gadget mavens, like this reporter, rail against the injustice of a world where the latest and sexiest gear is barred from entry into the United States, the vast majority of American consumers prefers to window shop -- experiencing new technology by proxy rather than shelling out the cash necessary to really own it. Web sites such as I4U provide a daily updated peephole into an exotic world of fanciful contraptions; but although I4U editor in chief Luigi Lugmeyer says the site is self-sustaining and profitable, it's still more of a labor of love and a technological test bed than a burgeoning commercial enterprise.

Even Douglas Krone, who started Dynamism right after graduating from Northwestern University when he realized his imported superslim laptop was drawing the equivalent of wolf whistles from everyone he knew, says his company is designed to fill a very defined, high-end niche. "We like to think of ourselves as a kind of technology concierge," he says. "We import top Japanese products that aren't available here and language localize them so that they're 100 percent in
English, and then we offer unlimited lifetime toll-free tech support. We do well at our niche, but it's not about huge volume -- it's about offering really intense service for people who want best-of-class products."

As Krone points out, if he started moving thousands of units of something, it would rapidly be available in your local Best Buy. But he hasn't yet had to face that kind of competition. Nor is he likely to soon.

"The way business works here is simple," says David J. Farber. "In America, if you have a potential product, you do research, you try to figure out the size of the potential market. And if it's a totally new, totally innovative thing, where no one has any idea of the size of the market, and there's no guaranteed return on a large investment, well, forget it. No American company will touch it. In Japan, it's usually quite the opposite: manufacturers know that the home market loves new stuff; they'll take risks there, hoping that something will catch fire and take off. The only U.S. company that's doing that is Apple, and, honestly, I don't think that even Steve Jobs, in all of his infinite wisdom, thought that the iPod was going to take off the way it has."

Which means that for the foreseeable future, American technophiles will continue to experience a chronic case of gadget envy. Hey, is that a brand-new buggy whip I see under the Christmas tree?

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Seven from Gadget Heaven: Jeff Yang's Top Japan-Only Gizmo Picks

1. Sony PSP (Playstation Portable): It's only the most anticipated handheld gaming device ever -- a portable wonder that packs all the power of the original PlayStation in one palm-size package. And it doesn't just play games: according to Sony, it'll also deliver music and MPEG-4 video, display photos and offer 802.11 Wi-Fi connectivity for wireless gaming and messaging. It's going on sale in Japan this weekend. The United States, however, doesn't get it until March 2005 at the earliest. Envy factor: 4.5 out of 5.

2. Sharp Zaurus SL-C3000: For the hardcore gadget geek, the SL-C3000 is the latest in Sharp's heavy-duty Linux-based handhelds; more of a palmtop computer than a PDA, the SL-C3000 has an internal hard drive, a razor-sharp full VGA screen with zoom-in capabilities and a full QUERTY keyboard to go along with its swiveling touch screen. Plus, it looks damn good. Get it in a full-English version at Dynamism now. Envy factor: 4 out of 5.

3. DoCoMo "Mobile FeliCa" Payment System: A product, not a service, this e-payment system lets you buy stuff from convenience stores, software publishers, concert-ticket kiosks and train stations by transmitting virtual cash from your i-Mode-equipped phone. The system works in Japan because it's riding on the back of FeliCa, an existing, wildly popular
smart-card payment system; here in the United States, we don't even have smart cards, much less i-Mode. Envy factor: 3.5 out of 5.

4. The NEC V601N: Sure, it'll display live broadcasts for only about an hour before its batteries give up the ghost, but this first-ever combination TV/cell phone also lets you grab screen shots and video off programs being played on its bright but tiny screen and browse TV guides to schedule programming, and it can even be used as a remote control for external devices. Japan gets it later this month; we get it, uh, never. Envy factor: 3 out of 5.

5. SONY Clie VZ-90: Sony gave up on making PDAs for the U.S. market but has continued to build new versions of its best-of-breed Clie in Japan. This edition is the first PDA to offer an OLED screen, producing brilliant, neon-sharp colors that can't be duplicated by LCDs. Sony has positioned the VZ-90 not just as an organizer but also as a portable media storage and playback device, with stereo speakers, multiple types of memory slots and integrated Wi-Fi; Dynamism has it, but, unfortunately, not yet in an English-language localized version. Envy factor: 3 out of 5.

6. Takara's Dream Factory: The geniuses behind the Bowlingual and the Meowlingual (universal translators for dogs and cats that turn woofs and purrs into human-intelligible speech) have created a product that allegedly helps you turn your nightmares into delightful dreams using musical tunes, sweet perfumes and prerecorded, whispered phrases. We'll be dreaming of the Sony PSP. Envy factor: 2.5 out of 5.

7. Sony HMP-A1 Portable Media Player: Wish your iPod could play back movies? Sony hopes you do. Its new HMP-A1 PMP offers 20 gigabytes of MP3 and MPEG-4 playback goodness; it even has a video-out jack so you can watch your flicks on a big-screen TV instead of its embedded sharp but tiny 3.5-inch screen. Envy factor: 2.5 out of 5.

Jeff Yang is author of "Once Upon a Time in China: A Guide to the Cinemas of Hong Kong, Taiwan and Mainland China" (Atria Books) and co-author of "I Am Jackie Chan: My Life in Action" (Ballantine) and "Eastern Standard Time" (Mariner/Houghton Mifflin). He lives in New York City.