

Distribution Structure in Post-War Japan: Recent Trends and Business Innovation in Wholesale Trades

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The present article tries to analyze adaptations made by wholesalers to cope with the steady development of the Japanese economy in the post-war years and to show the way for future business innovation in wholesale trades.

Wholesaling is the sector in Japan's post-war distribution structure least accorded correct evaluation. The so-called distribution revolution, which started in the late 1950s, seemed to offer enough ground to predict for a sharp decline in the number of wholesalers. As far as commercial statistics are concerned, however, not only the number of wholesalers but also the number of employees working in them have been showing a steadily increasing trend. Even in full consideration of the limitations inherent in commercial statistics, there is no denying the fact that the predictions for a sharp decline in the number of wholesalers as a result of the distribution revolution were built on a variety of false conceptions.

It is true that, while wholesalers as a whole have been on a constant increase in the post-war years, not all types of wholesalers have achieved uniform numerical gains. A look at different types of wholesalers and different stages of distribution alone shows a fairly rapid change taking place in the Japanese wholesaling industry. Reasons for aggrandizement of wholesaling, moreover, are by no means simple. Some reasons are based on economic, social and managerial factors, while the others are based on the problems inherent in computations of business establishments in Japanese commercial statistics.

The decline in wholesalers' role has been symbolically conspicuous in traditional wholesaling and that handling mass-produced commodities. In such fields, groupings, mergers and outright takeovers have been quite brisk. It is doubtful, however, that every single

commodity will move toward mass production and mass distribution, especially in view of the fact that a low economic growth period is here to stay to influence the nation's production and consumer activities. Now that the new age is demanding the reunion of small-lot production and consumption of manifold products against the background of maturing and changing mass markets, wholesalers are urgently required to positively adapt themselves to the changing needs of manufacturers and retailers (or users) through aggressive business innovation moves.