



Empty categories and industry emergence: The rise and fall of Japanese *jibiru*

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1





"Jibiru"

- Deregulated in 1994
- Minimum amount for brewing lowered from 2 million liters to 60,000 liters
- Part of a larger package of deregulation introduced by the Hosokawa administration



Japanese *jibiru* types



Potato Draft



Collagen Pilsner



Wasabi Dry



Milk Draft



Buckwheat Noodle Beer



Scallop Beer



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- Why should professors at a prestigious Japanese University, whose salaries are paid by Japanese taxpayers, study jibiru?
 - Failed industry
 - Makes little money
 - Isn't global



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- A story of new industry emergence
 - A cautionary example of what happens when an industry is created "from the top down" before there are actually consumers or producers
 - An interesting example of the concept of categories, and how words have an unwitting, but strong, impact on how an industry develops and gains legitimacy
 - This paper is forthcoming in *Research on the Sociology of Organizations*



Industry emergence and categories

- Emergence of industries depends not only on technologies, business models, markets, and resources, but also on common meanings and identities that define who is party of the industry and what they produce.
- Industries must gain legitimacy to survive.
- “Categories” represent shared notions of who we are, what we are, what we produce, what we do, that define industries, and the products and services they produce.
- Categories usual consist of simple monikers (minivan, nouvelle cuisine, driverless car, liberal arts university) and associated qualities and characteristics of the category.
- Research in categories has generally shown how they evolve with an industry, and how existing actors work to shape the category and its definition, or how meanings emerge over time, and how this determines subsequent industry dynamics.



What does this mean?

- Industries require legitimacy to survive
- Who can enter an industry and what they produce is not naturally defined, but rather socially constructed. The words and associated meanings used to define an industry are important.
- Categories empower and privilege the actors that shape the categories around their capabilities and resources.



Research questions

- What happens to development of an industry when categories are set by external actors (the state and media) before there are producers and consumers? How does this affect the development of the industry?
- Why did Japanese jibiru brewers make such weird beers?



Research materials

- 325 newspaper clippings on jibiru
- Interviews with 32 brewers and industry experts
- Population history of brewers and their product offerings

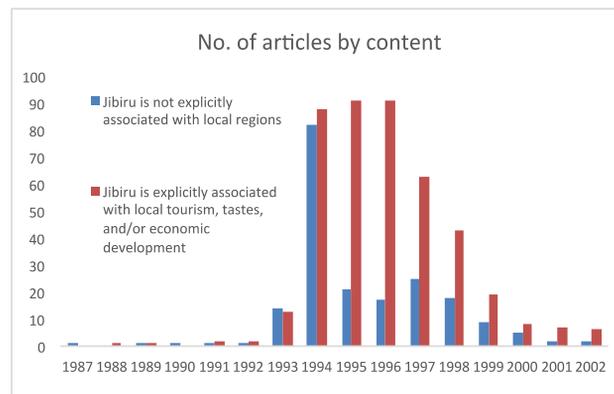


Emergence of the term jibiru

- Pre-1993, talk about microbreweries in other countries, and attempts by Japanese big brewers to make small, local beer. Use various words: microbrewery, jibiru.
- 1993: 337 articles discuss potential of deregulation, all but 7 use "jibiru"
- Jibiru comes from jizake (word for local sake)
- By late 1993, jibiru is not only the overwhelming term for small-batch beer, but is increasingly associated with local, regional characteristics (tastes, products, benefits)



Articles on *jibiru* with and without explicit reference to local tourism, tastes, and/or regional growth





External actors define jibiru

Table 1: Number of internal and external voices on the Japanese microbrewery industry, 1993-2000

	1993	1994	1995	1996	1997	1998	1999	2000
Internal actors total	1	24	24	22	14	15	5	3
Brewer		15	20	19	13	13	3	2
Microbrewery industry association	1	5	3	2	1	2	2	1
Consumer		4	1	1				
External actors total	3	45	28	20	22	14	6	3
Consultant		12	4	6	10	4	3	1
Industrial brewers		7	5	1	1			
Administrators and public servants	3	9	8	4	3	3		
Regional association		7	4	4	2	2		
Academics and researchers		7	5	5	4	5	3	1
Tourism-related		3	2		2			

Note: The table excludes unidentified voices as well as those belonging to the general press and media



Jibiru emerges as an “empty category”

- Category exists with no producers and consumers
- Defined by “external actors” – media, state, consultants, who are distant from the technology of the product, and have their own interests in promoting it
- The name itself “ji” biru leads to associations with local, and the circumstances under which it was deregulated, as part of a “regional revitalization” program also enhance the local meaning



Actors, themes and representative quotes

Actor	Quote	Themes
Regional promotion bodies	<i>"In order to make use of the their local hops, Iwate prefecture started the Jibiru Research Association. The goal is to involve the townspeople and the farmers' skills in revitalizing the town."</i>	Town revitalization Local products/skills
Mayor	<i>"In the end, it's about increasing regional consumption, and we want to do this using the local jibiru."</i>	Regional economic growth Local products/skills
Local farming association	<i>"We use all locally produced hops for the production [of jibiru]. Imported malts would be cheaper and easier. But our goal is to expand the opportunities for farming, so we don't do that."</i>	Local ingredients Regional economic growth
Town Business Association	<i>"Jibiru using our famous water will make our town's name known throughout Japan."</i>	Local ingredients Town revitalization Tourism
Spa owner	<i>"We want to make jibiru the trigger for an increase in tourism"</i>	Tourism
Town Business Association	<i>"We want them to experience good-tasting fresh beer made from our famous local water."</i>	Tourism Town revitalization

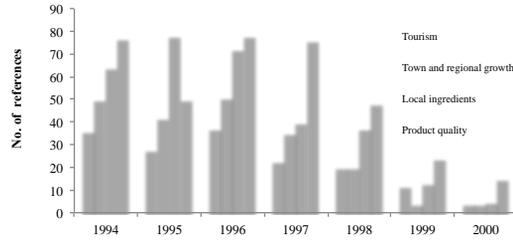


Themes identified in articles on jibiru and their frequency

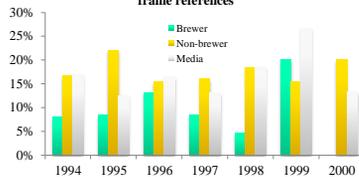
Themes	Representative quote	No. of quotes
Regional rejuvenation	<i>"We're getting a lot of interest from public organizations aiming to use this as a means of rejuvenating the local town." "Local pride...that's why we're doing this...to show people our town." "This product is about our local culture, a way of showcasing our region."</i>	112
Regional ingredients and taste	<i>"It should used only the freshest of local ingredients." "A taste made especially for this town, to be enjoyed here and nowhere else" "...based on our pure water..."</i>	108
Tourism	<i>"Jibiru has the potential for creating a significant increase in the number of tourists." "We want to use this to get people to come visit us" "We will build a theme park around jibiru."</i>	90
Quality	<i>"High quality beer" "An attention to quality" "Quality of our local ingredients"</i>	71



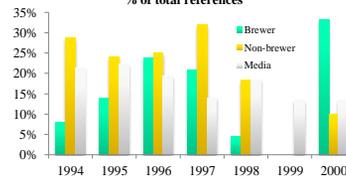
References to different frames, by year

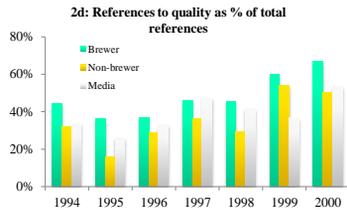
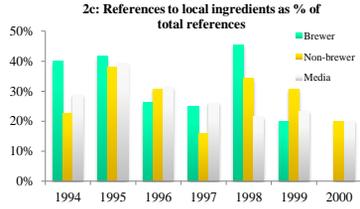


2a: Tourism reference as % of actor's total frame references



2b: References to town and regional growth as % of total references





Characteristics of Japanese microbrewers

<i>Background</i>	<i>Number of entrants (as of October, 2009)</i>
Alcohol related	52
New	43
Tourism and travel	36
Restaurants	22
Food products	13
Industrial companies	22
Other	18



Entrant identity: “Anyone can make beer”

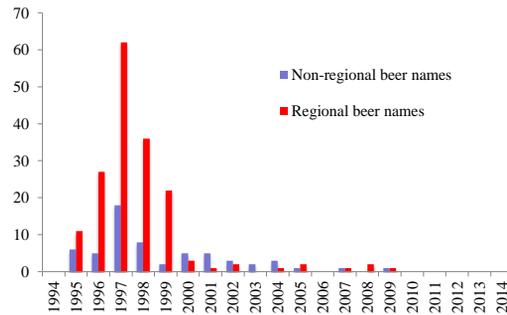
- Microbrewery enthusiasts & new entrepreneurs
 - *Ji-zake* breweries
 - Nakamura Shuzou; Kanezawa Brewery
 - Restaurants, hotels, spas & resorts
 - Tokyo Disneyland
 - Food products
 - Fish-cake companies; dairies; soy-sauce producers; fruit companies
 - Diversifying firms
 - Construction, motorcycle parts, real estate, sanitary napkins, dance troupe, old-age home
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“It will be different from normal beer; we will use our special local ingredients to sell beer that is only available here.”



Brewers signify the “local” in beer names



But what is local?

- Local products
 - Wasabi Dry, Milk Beer, Yuzu Ale, Scallop Draft and Sweet Potato Ale
- Consumed locally
 - Beer of xx onsen, beer of xx city
- Omiyage beer
- Low emphasis on quality of beer itself

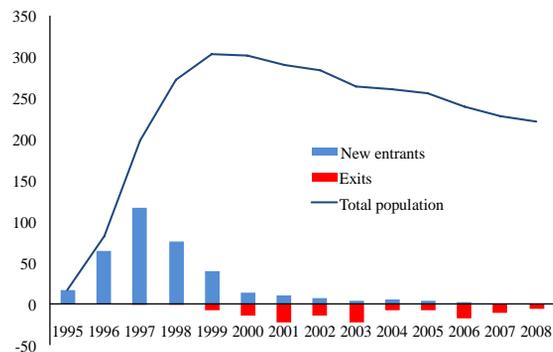


Local emphasis leads to decline

- Competing industry associations, competing prizes, no one can decide on standards for jibiru.
- As long as it's local...



Population dynamics of the Japanese microbrewery industry





“No one calls it jibiru anymore. You should call it “craft beer.”



“Legitimate” before “legitimation”

- Jibiru emerged as an empty category, before there were producers and consumers.
- Name borrowed from a neighboring category (jizake)
- Initially promoted by “external actors” who cared more about regional revitalization and tourism than beer, and knew little about beer
- Category definition affects nature of entrants (as long as they are local!)
- And the entrants strive to make products to fit the definition (what can we do that is local?)

Result? Local beer that is not very good.



What can we learn from jibiru?

- Industries in which categories are determined by external actors look different from those in which categories, and legitimation, come through emergent processes
- These industries may see considerable innovation (e.g. wasabi beer)
- But, they are likely to struggle to agree upon standards
- What is legitimate for the category may conflict with what is necessary for the industry to succeed (hard to build a successful microbrewery industry around wasabi ale that is consumed in Izu or bought as souvenirs).



Similar category formation and industry emergence...

- State encouraged Silicon Valley look-alikes (Silicon Valley in Malaysia, Taiwan, China, etc. etc.)
- Other industrial policy, especially new industry creation
- "Open innovation" "Nanotechnology" "Clean-tech" "Smart Cities" "dotcom"— terms created by media and consultants
- Futurists: driverless cars, underwater cities
- TED talks, World Economic Forum, the 4th Industrial Revolution, 超スマート社会



An age of jibiru...

- With increasing media promotion of new business, the next best thing...
- With TED talks, the expansion and influence of the WEF, management professors striving to be on top of the next new thing
- With Silicon Valley and hero entrepreneurs in fashion
- Industrial policy around the world to encourage entrepreneurship, clean-tech, renewable energy...
- We are likely to see more industries that emerge and decline in a similar way.