

Joint Buying Groups of Members by Koichi Sato

Tokyo Citizen Consumers' Co-operative Society (Tomin Seikyo) was established in 1957 in one of the housing developments in the northern part of Tokyo. The society has appealed to people to establish the rights of consumers, to fight against inflation and to improve their lives by being "Wise Consumers". As consumer movements grew in the era of Japanese rapid economic growth, the society also grew with the support and participation of many people who were awakened to such problems. Now, Tomin Seikyo has 273 thousand members and is the 5th largest society in Japan.

Fundamental Figures

Its fundamental figures (as at 20th March 1987 or for fiscal year 1986) are as follows:-

* *Sales*: Y61,876 million (£258 million at Y 240/£); **Share Capital*: Y3,908 million (£16.3million, average £60/1member); **Outlets*: 63 supermarkets, 22 joint-buying depots; **Required shares for membership*: Y5,000 (£21), **Patronage dividends*: 0.3%, *Share dividends*: 4%.

Each member may trade with the Society as an individual and also as a participant in a Han group. Such groups provide channels, not only for trade, but for participation by members in the Co-operative movement in various ways. 5 thousand groups deal with the supermarkets and 24 thousand with the joint-buying depots - the latter are responsible for more than half the total sales of the Society and the proportion is still growing.

My intention here is to explain the activities of the groups particularly through the depots in Tomin Seikyo - and they are also common in many other societies in Japan.

The Joint Buying System

- 1) Members of the Society are urged to form Han groups. A Han group has to have at least 3 members at the beginning, and should have more than 5 members within the first 3 months.
- 2) A deliveryman goes to a duty-person's house of each Han group once a week. He brings the goods which are ordered a week before and collects order-sheets of all Han members for next week's delivery.
- 3) There are 258 commodity items on an order-sheet. Some are supplied every week (eggs, milk, rice etc.) and the others every 2 weeks or a month or from time to time.

- 4) The order-sheets are read by optical character reading computers and the data linked to the buying record of each member and to the distribution centres.
- 5) The charge for goods is withdrawn automatically from the bank account of each member once a month.
- 6) In addition to the general patronage dividend once a year, Han members receive the Han patronage discount every 6 months in proportion to their record of buying.
- 7) To promote Han activities, the Society offers a subsidy to every Han group every 6 months. It is 0.3% of the total purchase of each Han group.

Activities of Han Groups

The Society requests every Han group to satisfy these conditions:-

- 1) There are more than 5 members in a Han.
- 2) A Han places an order every week and the order is for more than £42 a week and by more than 3 members.
- 3) A Han chooses a leader from the members, who represents their interests.
- 4) A Han shares in the fundamental democratic operations of the Society:-
 - * A Han leader attends a "Han Leader Meeting" 3 times a year.
 - * A Han holds a "Han meeting" at least twice a year.
 - * Every 5 Han groups choose an area-committee member who takes care of their interests.

To encourage these activities and others, the Society provides the Han groups with various opportunities, such as:

- * Offering the chance to share in tests for developing new Co-op brand goods.
- * Delivering a summary of an annual report for discussing at a Han meeting.
- * Supplying sample goods for a Han meeting.

Why are Han Groups Growing?

There are many easier ways to buy goods and joint-buying does not rest on only its commercial base. It is supported by the participation and co-operation of the members. For housewives, joint-buying Han activities are not only the way to get goods but also the way to communicate with their neighbours. In Tokyo, the rate at which people move is very high, and so sometimes it is very difficult for them to get to know each other. They have need of communication and joint-buying meets that need as well as the demand for goods. A Han is a small "co-operative" community.

The society's research shows the average Han member is a 37 year-old housewife with two children; one third of the members are graduates of college or university and 20% of them have a job; the average income of a family is £26 thousand. They are younger, higher educated and with higher income, than the average.

Why have they joined a Han? How do they feel as members? How do they want to improve Han activities? The survey by the Research Institute of Living Problems in Japan shows, inter alia, the figures as follows:

1) Motive to join a Han

- * To get high-quality goods: 84.5%
- * To get Co-op brand goods: 34.1%
- * To agree with the idea of the Co-operative: 20.6%

2) Feeling after being a Member

- * Have noticed advantages of the Co-operative: 25.3%
- * Want to invite their acquaintances to be a member: 21.7%
- * Not sure: 24.7%
- * Disappointed: 4.3%

These figures show their high loyalty and trust in the Co-operative. Their first motive is the goods - but through the activities, they get to know each other well, and get another satisfaction. So, they can spend their lives more enjoyably.

How Does the Society get New Members?

The Society gets most new members by continual promotions. Each deliveryman has responsibility to get a certain number of new members in his delivery area every week, every month. To realise this aim, they deliver leaflets and call on every house. Often their operations are done in co-operation with activities of the members. Recommending the Society to their acquaintances is the most common participation of the members. The Society spends huge energy to increase its members. Calling on a house with the member's recommendation is the most effective way.

Participation for the Democratic Operation

The Han members are deeply involved in many activities. The Society's important policies, especially changing of main systems or regulations, are decided after discussions of Han groups. As there is only one system of business in joint-buying, a change affects all members and so they are very keen on the democratic operation.

Their opinions are collected through the members' organisation and the figures of their participation are as follows:

- * Attending a Han leaders meeting: 70% of Han leaders
- * Holding Han meetings: 50% of Han groups
- * Attending a Han meeting: 30% of Han members

Activities of the Area Committees

The Society divides the whole area of Tokyo into about 600 small areas each of which includes approximately 50 Han groups. A Han leaders meeting is held in the area and to represent Han groups in the area, they establish an area committee, for which members are chosen at the rate of one to every five Han groups. They have a meeting at least once a month.

The area committees are the real driving force of Han activities. In addition through participating in the committees' activities, many active members are produced. The committee members have a lot of opportunities of learning about the Co-operative Movement and merchandise through their practical expense and through the education which the Society provides for them.

What should be Improved for the Future?

The Society's current aim is to achieve 400 thousand members, which is 10% of all the families in Tokyo. Our achievement so far as already noted is 273 thousand, which is about 7%. To realize the goal, there are two key points. One is a more convenient system of operation and more attractive merchandise. The other is more democratic and easier members' participation. As for the second one, the problems the Society recognizes now are as follows:

- **Difficulty to find Han leaders.* It is impossible to organise a Han without a Han leader or a duty-person.
- **Difficulty to choose arealcommittee members.* A committee member has to attend a meeting at least once a month.
- **Difficulty to get working housewives' participation.* Working housewives have been increasing and reached more than half the membership. The present systems are not necessarily suitable for them.
- **Difficulty to get the participation of Non Han members.* 80% of the members dealing with the Co-operative supermarkets are individual, Non Han members. To operate the Society in a more democratic way, opportunities of participation should be provided for such individual members.

The Society should make efforts to find the solution for these problems.

On the other hand, it should establish a vision for the future. Joint-buying was started by small people only to get trustworthy goods, But as the scale of the Society and the range of members have been getting larger, the demands of the members have been wider and more varied, and the effect of the Co-operative movement on communities has been getting stronger. A few advanced area committees are very active as a force in the civil organisation in their local communities.

The society is going to establish a new vision for the future. Han groups are going ahead to the next stage.

Note of the Author

KOICHI SATO (Tomin Seikyo, 4-1-3 Shakujii-Machi Nerima-ku, Tokyo) after graduation from the university in Japan joined Tomin Seikyo for work in a joint-buying depot; since then he has had experience in the Society as a non-food buyer, store-manager, officer representing the interests of trade unionists and now is a member-relations officer. He has just completed the Management Training Course at the Co-operative College, Stanford Hall.