

TRENDS

Redesigning Art and Science in Daily Life A New Era in which Aesthetics and Meaning are Sources of Value

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Major changes are underway in which the wellspring of business is shifting away from utility (function) and toward story-telling (meaning). At the same time, what people value is also becoming ever more diverse. For the companies that provide products and services, this means nothing less than the arrival of a new era in which they must compete on the basis of value perceptions very different from those of the past. Shu Yamaguchi has made a name for himself with bestselling books such as “*Sekai no elite wa naze bi-ishiki wo kitaerunoka?* (why do global elites study the liberal arts?)” When considering this paradigm shift, he sees its origin in “aesthetics” the concept that has been moving people emotionally since the dawn of history. Kaori Kashimura spoke with Mr. Yamaguchi about the mindset essential for a provider of products and services that touch people at an emotional level, asking whether the answer lies in aesthetics and how much we need to encourage reform.



Interviewer

Kaori Kashimura

Board Director, Chief Lumada Officer (CLO), and Division Executive of Life Solutions Division, Hitachi Global Life Solutions, Inc.

Joined Hitachi, Ltd. in 1990 and worked in the Design Center. Engaged in user research aimed at improving the experience and usability of products and services. After positions heading the Design Division and the Global Center for Social Innovation – Tokyo, she was appointed project leader of robot & AI projects in the Future Investment Division in 2017. She was appointed a Board Director, Chief Digital Officer (CDO), and Division Executive of the Business Strategy Division of Hitachi Appliances, Inc. in April 2018 prior to taking up her current position in April 2019.

Changing Values with the End of Modernism

Kashimura: Your books such as “*Sekai no elite wa naze bi-ishiki wo kitaerunoka?* (why do global elites study the liberal arts?)” talk about a shift in the business world away from customer-focused design thinking and toward an approach informed by art, making the point that a sense of aesthetics is very important for modern business leaders. What can you say about this business trend when it is translated into daily life?

Yamaguchi: Speaking about people’s way of life, one thing I find significant from the past is the rapid spread of televisions, washing machines, and refrigerators during the fourth and fifth decades of the Showa era (from the late 1950s to the mid-1970s), products that came to be known in Japan as the “Three Sacred Treasures.” If you look at figures from the late 1950s, the proportion of households with these appliances was only a

Born in Tokyo in 1970. After working in strategy development, cultural policy formulation, and organizational development at Dentsu Inc., Boston Consulting Group (BCG), and elsewhere, he went out on his own and started a business. His most recent publication is "Newtype no jidai (newtype era)". He graduated with a BA in Philosophy and MFA from Keio University. He lives in Hayama, Kanagawa Prefecture.



few percent for refrigerators, about 20% for washing machines, and 10% for (monochrome) television. By the mid-1970s, in contrast, televisions had gone from monochrome to color and were now found in almost every home. From there, the world kept moving in the direction of greater convenience and efficiency, with washing machines, for example, being equipped with drying functions and then becoming fully automatic.

This is not something that only happened during Japan's era of rapid growth. Taking the long view, the Renaissance got underway in 14th century Italy and ever since a lot of effort has gone into relieving people of the burdens of everyday life, with a variety of new technologies having been developed from the recent past to the present day. In other words, the last several hundred years can be characterized as a time when making life more convenient was a generator of value.

However, a number of developments have emerged that suggest this perception of value that prevailed in the past is now finally coming to an end. The cars that have traded at higher prices than any others in recent times are prestige-brand vintage cars, with reproductions of notable vehicles from the past built in response to a dedicated core of enthusiasts being so popular that they quickly sell out. In the case of cameras, a market in which digitalization is well advanced, rare examples of famous-brand single-lens reflex and other

such models go for very high prices. Likewise in music, hi-fi enthusiasts are buying expensive turntables so that they can listen to recordings on analog vinyl.

I myself, rather than a heater, use a wood-burning stove to heat my home in winter. I am nothing special in this regard. Many households in the vicinity of Hayama in Kanagawa Prefecture where I live stock up on firewood or chop their own wood to provide fuel for their fireplaces.

While using firewood for heating is a medieval practice, it is also fair to say that this trend is a repudiation of modernity in the sense that, rather than using one of those advanced products for which engineers like myself have put a lot of study into developing efficient mechanisms for heat transfer, I have chosen instead to put up with the inconvenience of a wood-burning stove. Indeed, I believe this is essentially the same phenomenon as that of old cars from the 1960s selling for a higher price than brand new models packed with the latest technologies.

What I believe this tells us is that the pursuit of convenience has gone as far as it can go. We are in the midst of a shift in priorities from convenience to emotion and from newness to nostalgia, such that things that induce an emotional response are valued more highly than convenience and novelty.

Aesthetics as a Source of Value

The Ever More Diverse Market for Significance

Kashimura: As people come to value those things that move them more highly than convenience, you have emphasized the point that beauty, among other things, is crucial. Why is that?

Yamaguchi: Given that it is possible to put numbers on those things we find convenient, they are amenable to being addressed through logic and science. Quantifying things like a heightened emotional response or expressions of “cool,” on the other hand, is a lot more difficult. In a sense, achieving such things can be thought of as equivalent to a creative act, like writing a poem or story. This is why I believe that the study of literature and art is essential.

In a nutshell, the study of art is the study of human beings. On first meeting a person, for example, being presented with data such as their height and weight, body fat index, IQ, academic record, and employment history tells us little about their character. On the other hand, given knowledge of what they love, what sort of objects they keep around them, what their dislikes are, and what it is that moves them emotionally, we can acquire a more rounded understanding of who they are.



Similarly, if you want to learn about human beings, rather than theoretical texts or numerical data, you can get a better sense of who they really are by finding out what it is that moves them emotionally. With art, while each work is an expression of what moved the individual artist involved, it is those works that induce such a response in large numbers of people that remain with us over time. That is why an appreciation of art is important. If you wanted to explain humanity to a visitor from outer space, I would say that showing them artwork that many people have found emotionally moving would be more likely to convey an understanding than if you presented bare numerical data. That is why, if we accept that value comes about through those things that affect us emotionally, then I believe that learning about art is an effective approach to adopt in these times when functionality and convenience are no longer a path to worth.

Kashimura: “Things that move us emotionally...” I expect this covers a vast range. What do you believe is the best way to get at the value and significance of these?

Yamaguchi: Given that value comes in such diverse forms, it presents itself in many different ways. Taking the example of vintage cars or reproductions of past models, that these fetch high prices, I believe, comes about not so much from their being a convenient form of transportation as from the meaning people find in working hard to be able to purchase the vehicle, being enthused simply by seeing the vehicle in one’s driveway or finding value in taking it out for a drive on the weekend. It is not that this particular option is for everyone, rather that certain people appreciate its meaning and find a special value in it.

Since perceptions of value vary widely like this, with everyone wanting something different, asking people what sort of value they are looking for has no more meaning than asking them what sort of artwork they prefer. This is because artwork has no value in terms of utility. To put it another way, the question itself is predicated on the attitudes that prevailed back when

convenience was the sole criteria. The same applies to luxury items. The product category with the widest range at convenience stores is cigarettes, with more than 200 different choices available. While smokers have their own favorite brand, it is nearly impossible to articulate and make sense of the value each of them finds in their particular preference.

Achieving Exclusivity amid Commodification of the Optimal

Kashimura: Many Japanese companies, ours included, have yet to find a way through their bewilderment at this rapidly changing market.

Yamaguchi: While lifestyle products made by Japanese companies feature numerous functions and excellent performance, it seems to me that very few of them have achieved desirability in terms of individual preferences and tastes.

What prompted me to write the book about the relationship between the global elite and aesthetics was the sense of oddity I encountered when, a dozen or so years ago just after I got married, I went to a home appliance retailer with my wife to buy a microwave oven. Looking at all of the ovens lined up on the shelves, I was overcome by the impression that they all looked much the same, with products from different companies being all but indistinguishable from one another in both design and function. As it turned out, we could not find any Japanese-made ovens that we liked and ended up paying three times the price for an imported model that was much more visually appealing. It was this feeling that led me to pick up my pen and start the book: that something weird was going on, such that, we have reached a time when there is no value added by getting things right.

Kashimura: It is certainly the case that optimal solutions have become commodified.

Yamaguchi: Yes. I think it is due to the elimination of disparities through everyone acquiring the skills

for analytical and theoretical information processing. Mobile phones are a prime example. There was a time when the flip phone was the default design for a mobile phone, with a large screen on the top half and a keypad below, with all of the different manufacturers selling models that offered similar designs and functions. When touch-screen smartphones subsequently appeared, they turned the global mobile phone market on its head as their appealing form won enormous popularity. Even though this smartphone know-how was immediately copied, products from the leading manufacturers nevertheless remained highly competitive. What I believe underlies the strength of these companies is the story and worldview that accompanies their brand. This is because, while it is easy to copy the appearance or technology of a product, copying its story and worldview is impossible.

Another similar example is Patagonia, Inc., a company that sells outdoor sportswear. This year, which happens to be the 30th anniversary of their arrival in Japan, it attracted notoriety by updating its mission statement to “We’re in business to save our home planet.” In other words, it is presenting itself as a company that protects the global environment. The previous mission statement was, “Build the best product, cause no unnecessary harm, use business to inspire



and implement solutions to the environmental crisis.” While this, too, talked about addressing the environmental crisis, the new statement is simpler and makes it clear that protecting the global environment is the company’s top priority.

For all that, this seems somewhat outside the scope of a profit-driven business, the company has ardent fans around the world and is doing very well commercially. I believe its competitive advantage lies not in the features and designs of its products, but in the way that people find meaning in being able to empathize with its mission.

What Sort of Humanity is Needed in a Digital Society?

Kashimura: As you say, the world of today is experiencing dramatic change. To adapt to these changing times, Hitachi embarked, around 2008, on initiatives that sought to identify the embryonic signs of this societal change by envisaging the future, with the designers at our design division playing a central role. One outcome, however, that has greatly exceeded our predictions from that time is the advance of digitalization. What new forms of value do you believe will be needed in a world where digitalization is ever more a factor?

Yamaguchi: Certainly, the advance of the digital society has been remarkable, with startling decreases in the cost of computing. It is looking like artificial intelligence (AI) will be able to take over some of the work that is currently done by people. While some parents are having their children learn programming in order to prepare them for such a world, chances are that will only make them co-workers with AI, or even a resource to be used by AI. Personally, I believe there is more to be gained by doing things that a computer cannot, such as painting pictures or writing poems.

For example, there have been many experiments, dating back to the previous AI boom, looking at whether computers and AI can compose music. Indeed,

a present-day AI trained on large numbers of Mozart’s works is able to produce facsimiles of his music with high fidelity. What I find interesting, however, is how AIs are unable to find appropriate ways to end a composition such that, in the absence of some form of human support, they just go on churning out more music. I see this as indicative of how, for a tune to be considered music, it calls for a form of creativity that is based on humanity, with a beginning and an ending, life and death, being essential to a composition.

On the other hand, there are fields where the capabilities of AI are overwhelmingly superior to those of human beings, as exemplified by AlphaGo beating the world’s best player of Go. Incidentally, whereas a weakness of AlphaGo was that it had been fed records of past games between humans, AlphaGo Zero developed in 2017 boosted its level of skill up to a very high level purely by playing against itself. Its range of capabilities was then broadened to encompass other games like chess and Shogi (Japanese chess) with the aim of making it more general-purpose.

In other words, computers have demonstrated overwhelming capabilities in domains where mathematical solutions exist and this progress looks destined only to continue. What they are not able to do, however, is to produce art such as music or paintings that people find emotionally moving. Putting it another way, this demonstrates just how difficult and sophisticated the act of artistic creation actually is. The farther digitalization goes, I believe, the more the role of human beings will be concentrated in the realms of aesthetics that touch people in the heart.

The Agenda Itself is Important

Kashimura: While it has long been noted that our increasingly digital society is bringing a shift in consumer needs from tangible to intangible goods, how do mindsets need to change if Japanese companies are to

shake off their manufacturing-oriented attitudes from the past and deliver value globally in a future where aesthetics are more important than ever? Can you finish up by giving me your thoughts on this question?

Yamaguchi: In his 1930 book, “La Rebelión de las Masas (the revolt of the masses),” the Spanish philosopher José Ortega y Gasset made the point that the practical problems of living faced by the general public have largely been resolved. In today’s world, nearly 90 years later, it may well be that most of the problems amenable to solution within the market have already been solved. On the other hand, those problems that exist outside the market have become commensurably larger, problems where market mechanisms do not function well, such as the global environmental issues, poverty and hunger, and the increase in mental illness. Overcoming these external problems will deliver considerable benefits. As it says in the Bible, “man shall not live by bread alone,” and people’s wants are not satisfied merely by being able to live for the day in safety and comfort.

Looking at the cities of the developed world, for example, the undergrounding of electricity distribution is close to 100% in places like Paris, London, Berlin, and Hong Kong, but a mere 8% in Tokyo. European countries in particular place a high priority on the visual environment and treated undergrounding as an important part of the modernization process. If recognition of how the beautification of cities generates value was to spread in Japan, no doubt the undergrounding of cables would become an important priority in Tokyo also. If people are to enjoy relaxed and fulfilling lives and lifestyles in beautiful surroundings, there are still many problems that remain to be solved.

Meanwhile, accidents are the second highest cause of death among Japanese people in their teens and twenties, with traffic accidents still being a major problem for society that cannot be brushed aside. Reports of accidents caused by elderly drivers are also a pressing issue at this time. Being able to build vehicles that

avoid accidents would improve people’s quality of life and be of very great value to future society.

We only have to look at what is going on in the world to see that numerous challenges remain, and that overcoming these challenges will deliver major benefits. The key to innovation lies in those things in the reality before our eyes that seem odd or feel wrong. Turning such innovations into a business demands an ability to imagine how things ought to be. In that sense, for all of the various solutions they have provided, many Japanese companies have in the past lacked a clear agenda identifying where the challenges lie. In the future, along with solutions, they also need to develop the ability to set an agenda.

Hitachi boasts excellent technologies and human resources and operates its Social Innovation Business globally. As such, I look forward to seeing you doing more than ever to resolve the challenges of society, by setting your own distinctive agenda and adopting a story and worldview that is uniquely your own.

Kashimura: Hitachi currently has researchers and designers working all over the world and is engaging in open innovation with a wide variety of partners that takes as its starting point the challenges facing societies in particular nations and regions. Along with this steady progress, we also aim to set an agenda that meets your expectations and come up with new life solutions that arise out of it. Thank you for your time today.