

## **Chinese *sei-katsu-sha* aged 20-39:**

### **Excerpts from Hakuhodo Global HABIT 2003**

**Think about the future instead of enjoying today.**

**Choose Japanese products for high quality. Choose Korean products for style.**

Tokyo - April 12, 2004 - Hakuhodo has conducted annual Global HABIT surveys since 2000 to generate information for use in developing marketing communication strategies for use in global markets. In 2003, Global HABIT research was conducted in eight cities in China, in addition to cities in Japan, Europe, America, and other parts of Asia, twenty-five cities in all. This report analyzes 2003 data on *sei-katsu-sha* aged 20-39 in these eight cities in China.

Global HABIT research in 2002 included only three Chinese cities, Shanghai, Beijing, and Guangzhou. To address the growing interest in doing business in China and to provide more detailed analysis of urban consumer behavior in China, Dalian, Shenyang, Wuhan, Chengdu, and Fuzhou were added to the list of cities covered in FY03. Now, in addition to data on trends affecting China as a whole, Global HABIT offers insights based on distinctive characteristics of each of the eight cities.

This interim report focuses on individuals aged 20-39, identifying city-by-city differences, not only in attitudes toward consumption but also in values and perceptions of what is important in life.

These results can be summarized in the following key points:

For both men and women, the ideal individual is one who values both work and family.

The most family-focused are found in Shenyang, the most independent in Beijing. Those who value both work and family are most numerous in Wuhan and Fuzhou.

The strong, solid type more focused on thinking about the future than enjoying today, is the largest group everywhere.

To Chinese, the ideal way to grow older is to grow wiser while staying physically young.

The strongest response to new products is found in Guangzhou, Wuhan, Beijing, and Shanghai.

Price-consciousness is highest in Beijing.

In the three largest cities, Beijing, Guangzhou, and Shanghai, interest in environmental issues is low. Interest in environmental issues is strongest in Wuhan and Fuzhou.

Diffusion of color TVs, washing machines, and fixed-line telephones is 90% or more. Diffusion of cable TV and cell phones is 80% or more.

The most desired durable good for purchase within the next year is the cell phone, followed by the motorcycle and the personal computer.

While Japanese products are perceived as high in quality, they lag behind products from Korea

in such measures as “stylish,” and Korean and Chinese products in such measures as “energetic,” and “pioneering.”

Nearly 50% have traveled within the past year. However, almost all travel was to destinations inside China. More than 50% want to travel to Chinese destinations. Just less than 30% want to travel to Japan.

### **Hakuhodo Global HABIT 2003**

Cities: China (Shanghai, Beijing, Guangzhou, Dalian, Shenyang, Wuhan, Chengdu, Fuzhou), Hong Kong, Taiwan (Taipei), Thailand (Bangkok), Korea (Seoul), Singapore, Malaysia (Kuala Lumpur) Philippines (Metro Manila), Indonesia (Jakarta), Vietnam (Ho Chi Minh City), India (Delhi, Mumbai), USA (New York), UK (London), France (Paris), Germany (Frankfurt), Japan (Tokyo, Osaka).

Respondents: Males/females, 15-54, n=500-800/city, except in Japan where total for Tokyo and Osaka is 5000, for a grand total n=20,634.

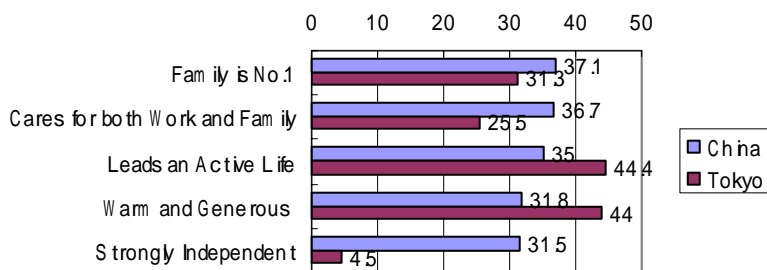
Method: Visit/interview (Asia); Visit/interview/left questionnaire (Europe); mailed questionnaire (USA); Visit/interview/mailed questionnaire (Japan)

## Major Findings

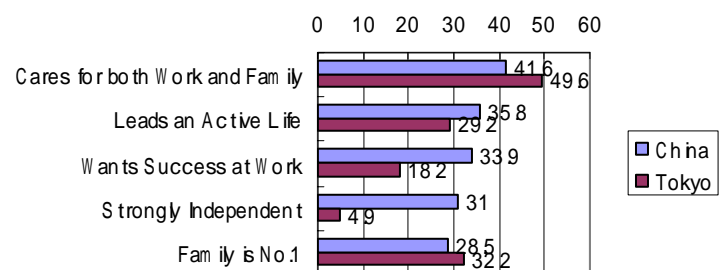
In China, the ideal for both men and women is someone who cares about both work and family. However, desire for success and independence is also strong.

When men and women are asked what they want to become, in China the top five answers are those indicated below. For men, the No. 1 ideal man is the same as in Tokyo, someone who cares about both work and family. There are striking differences, however, in the Chinese and Japanese scores for “Success at work” and “Strongly independent.” In the case of women, comparison of scores for “A woman for whom family is No. 1” and “A woman who cares about both work and family” suggests that Tokyo women are more individualistic, while Chinese women are more family-oriented. Nonetheless, given the No. 5 ranking of “Strongly independent” among Chinese women we find, as in the case of men, a clear difference between Chinese and Japanese.

Women's Ideal Woman



Man's Ideal Man



Looking at breakdowns by city, Shenyang is the most family-oriented. “Strongly independent” scores highest in Beijing. “Work and family” scores highest in Wuhan and Fuzhou.

· Overall, Chinese are more family-oriented than Japanese in Tokyo. We do, however, see significant variation among Chinese cities.

· In Wuhan and Fuzhou, “Cares for both work and family” is No. 1 for both men and women. “Family is No. 1” is the top choice in Shenyang.

· In Chengdu and Dalian, “Cares for both work and family” is No. 1 for men, but for women “Warm and generous” is No. 1 while “Family is No. 1” also scores highly.

In Shanghai, “Family is No. 1” is top for women, but “Leads an active life” is No. 1 for men.

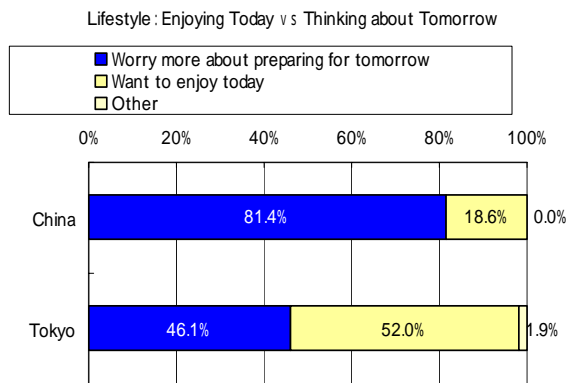
· In Beijing, “Strongly independent” is No. 1 for both men and women, scoring higher than “Family and household.”

In Guangzhou “Leads and active life” is No. 1 for women, “Success at work” is No. 1 for men.

	Women's Ideal Woman (No. 1)	Men's Ideal Man (No. 1)
Shanghai	Family is No. 1	Leads an active life
Beijing	Strongly independent	Strongly independent
Guangzhou	Leads and active life	Wants success at work
Chengdu	Warm and generous	Cares for both work and family
Dalian	Family is No. 1	Cares for both work and family
Fuzhou	Cares for both work and family	Cares for both work and family
Shenyang	Family is No. 1	Family is No. 1
Wuhan	Cares for both work and family	Cares for both work and family

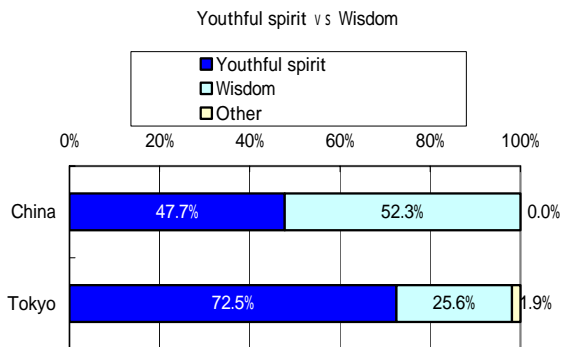
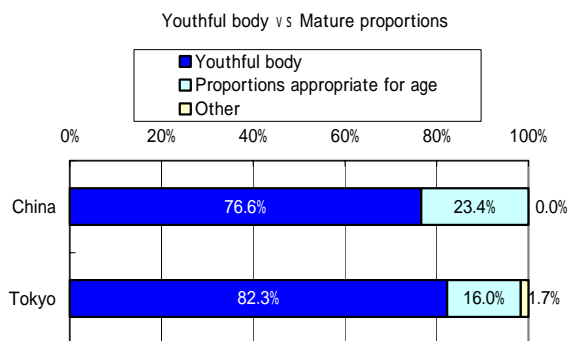
Most Chinese are the strong, solid types that think about tomorrow instead of enjoying today.

When it comes to managing assets, the difference with Tokyo is striking. In Tokyo, there are more people who want to enjoy today instead of thinking about tomorrow. In China the reverse is true.



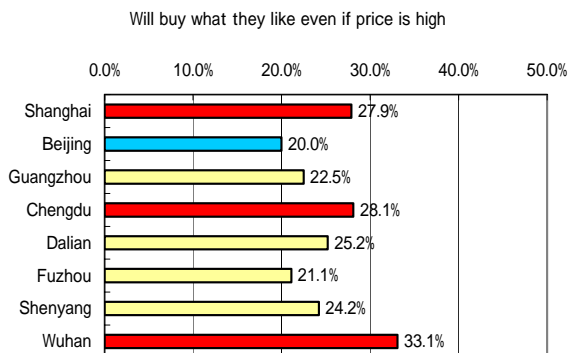
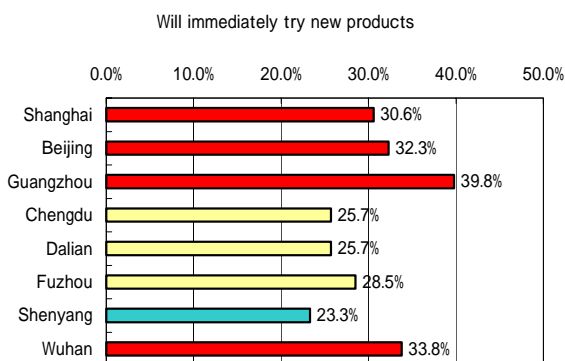
To Chinese, the ideal way to age is to grow in wisdom while the body stays young.

The ideal Chinese elder has both a youthful body and a wise, deeply thoughtful spirit. In contrast, Japanese who live in Tokyo want to remain youthful in both body and spirit.



Strong response to new products in Guangzhou, Wuhan, Beijing, and Shanghai. Price-consciousness in Beijing.

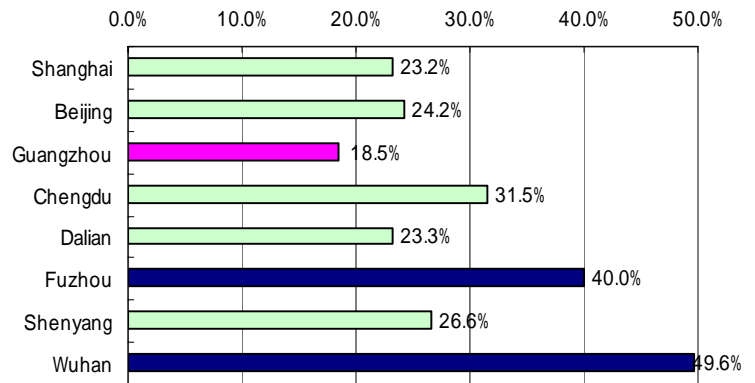
We find small differences among cities in attitudes toward consumption. In Shanghai and Wuhan we find strong response to new products coupled with acceptance of higher prices. In Beijing and Guangzhou, strong response to new products is paired with severe price-consciousness.



Beijing, Guangzhou, and Shanghai, China's three largest cities, all score low on environmental concern. Wuhan and Fuzhou score high.

We don't find much much nascent concern about environmental issues in Beijing, Guangzhou or Shanghai. The tendency is especially strong in the case of Guangzhou. In contrast, scores for both environmental concern is twice as high in Wuhan and Fuzhou.

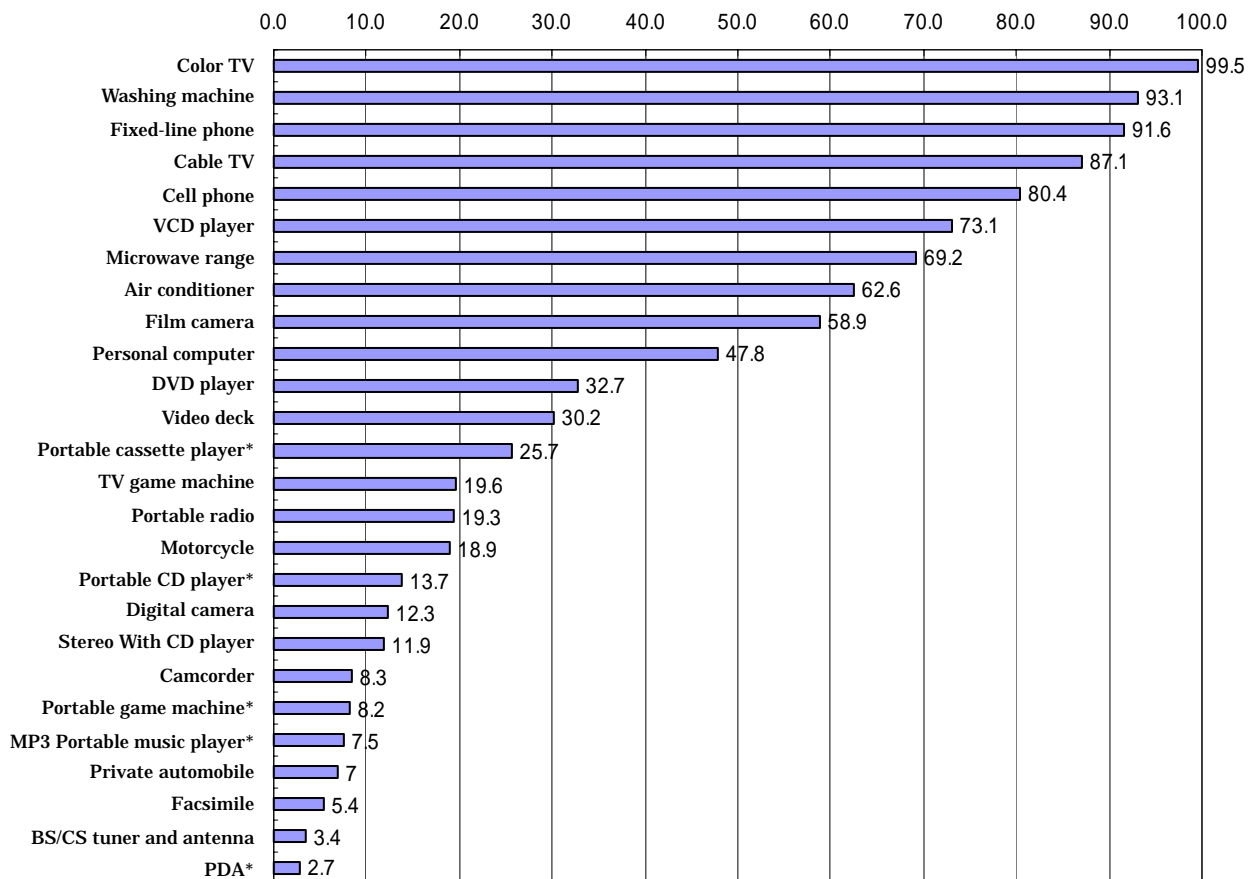
Are environmental issues becoming important in your neighborhood?



More than 90% of urban Chinese own a color TV, washing machine, and fixed-line telephone. More than 80% have cable TV and cell phones.

When we look at durable goods ownership, we find that diffusion of color TVs, washing machines, and fixed-line telephones is 90% or more. Diffusion of cable TV and cell phones is 80% or more.

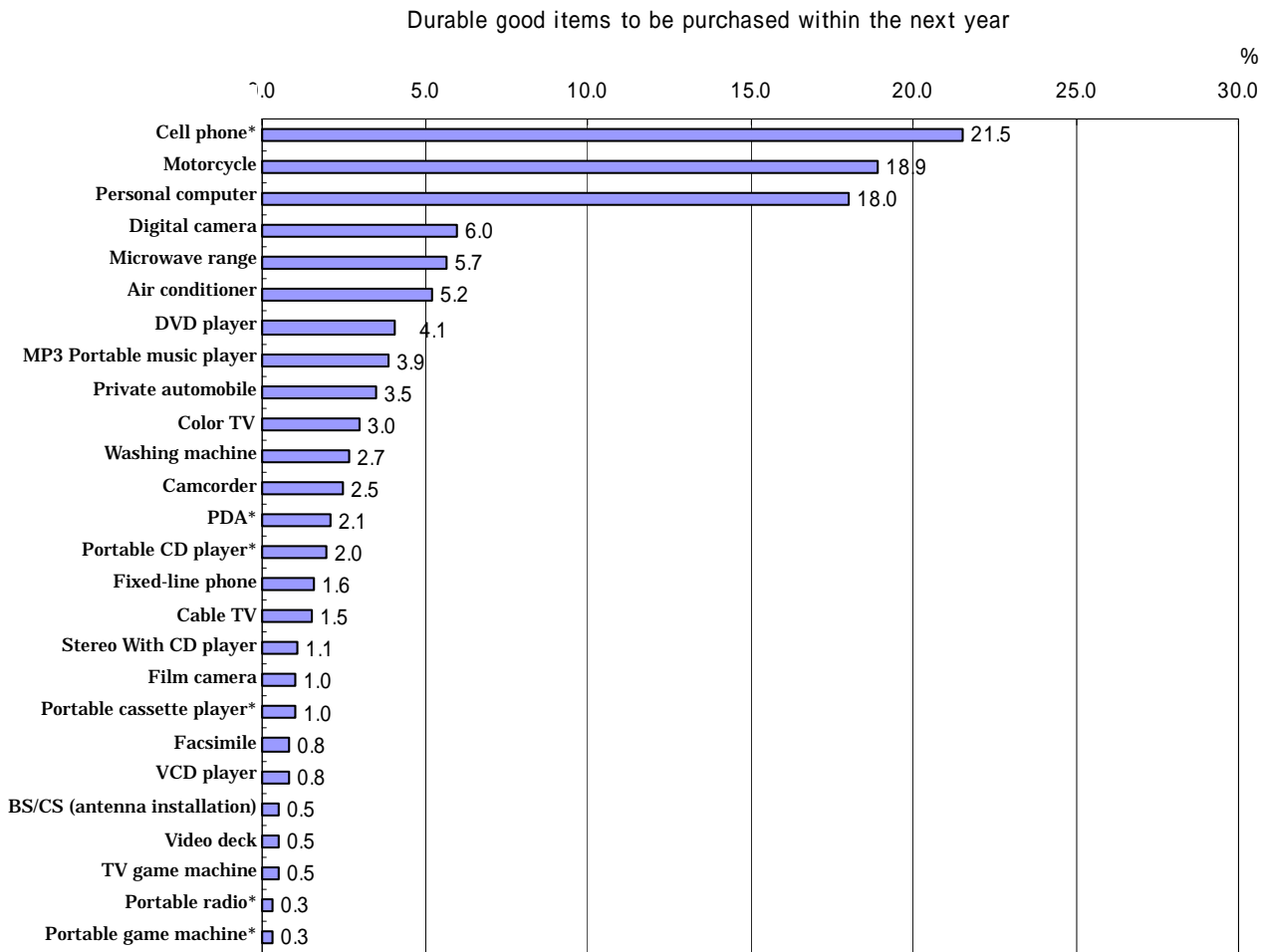
Durable Goods Owned



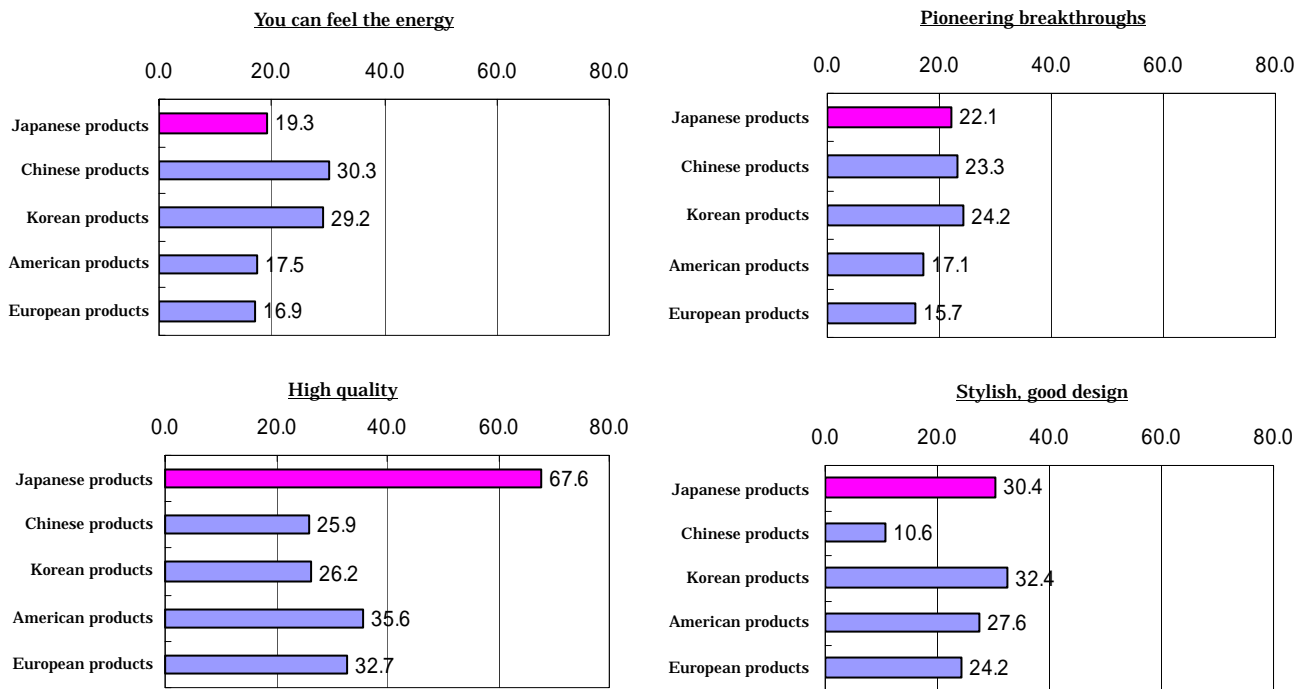
\* = Individually owned. Unmarked items are owned by households.

The most wanted durable good for purchase within the next year is a cell phone.

A cell phone is the most desired purchase within the next year, followed by a motorcycle and a personal computer.



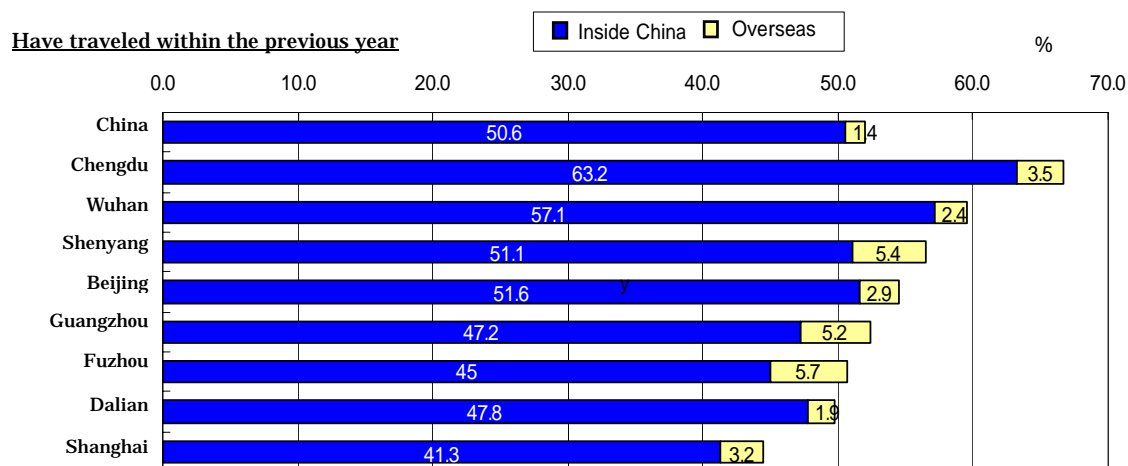
Products made in Japan are perceived as high quality but score lower than Korean products on “style,” and lower than Korean and Chinese products on “energy,” and “pioneering” dimensions. Japanese products are perceived as No. 1 in quality, but slightly inferior to Korean products in style and good design. They lag behind both Korean and Chinese products in market energy and new breakthroughs.

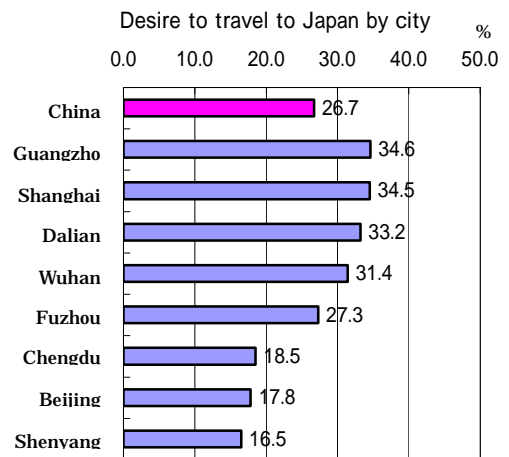
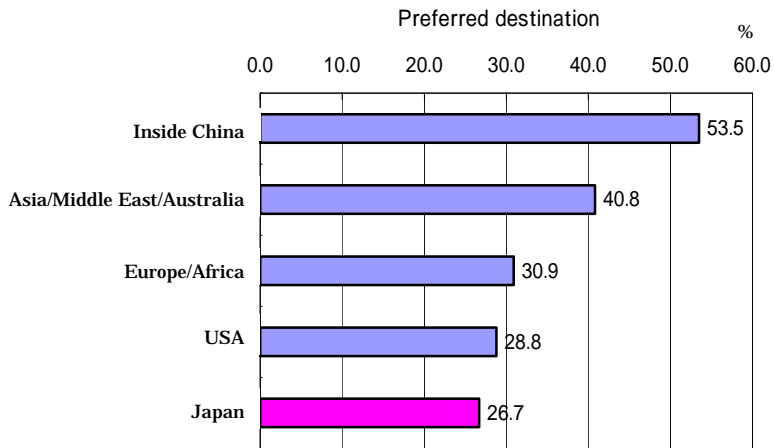


Nearly 50% have traveled within the past year. However, almost all travel was to destinations inside China. More than 50% want to travel to Chinese destinations. Just less than 30% want to travel to Japan.

Chengdu scores highest (65%) for travel within the previous year. Shanghai scores lowest (40%). However, almost all travel is to domestic destinations. Overseas travel is rare. More than 50% want to travel to destinations inside China, 40% want to travel to other parts of Asia, the Middle East or Australia. Japan is the preferred destination of just less than 30%.

Guangzhou has the highest percentage of people who want to travel to Japan, closely followed by Shanghai.





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