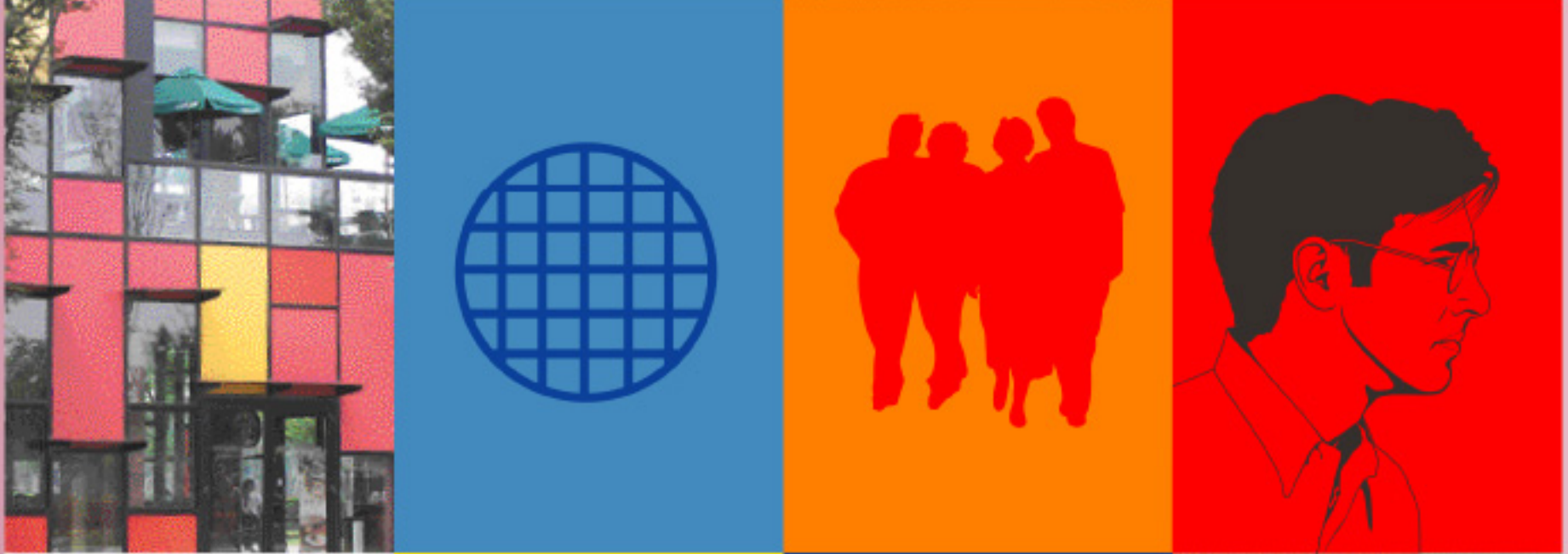




The latest data from HakuHodo Global HABIT research



***Asian Values? Yes.
Different Values? Yes.***



HakuHodo Global HABIT

Asian Values? Yes. Different Values? Yes.

Global HABIT (Hakuhodo Audience and Brand-user's Index for Targeting) is a series of surveys in 32 major cities around the world, with a total sample of 21,000 individuals. Putting Global HABIT data from China and Japan into global perspective reveals a number of striking contrasts.

Shared Asian Values

- Like American consumers, Chinese and Japanese consumers are highly health-conscious. But Americans are also risk takers. Their Chinese and Japanese counterparts prefer to avoid risk.
- In both China and Japan we find a preference for a relaxed, slow-paced retirement, in sharp contrast to Europe and America, where retirees prefer active lifestyles. Japanese consumers are exceptional in the strength of their desire to remain physically youthful.

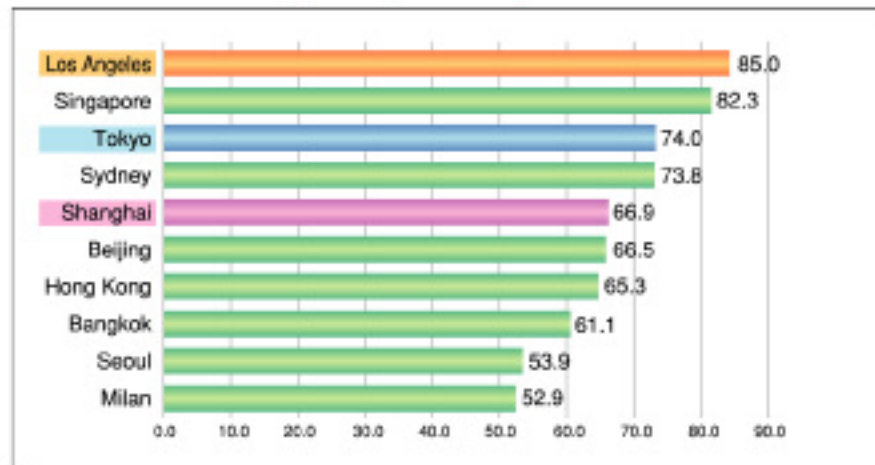
Chinese vs. Japanese

- In Hong Kong, Singapore, and Shanghai, we find consumers who save for the future. In contrast consumers in Tokyo prefer immediate enjoyment.
- In America and China, we find a strong desire to try new products. In Japan this desire is weak; "New" is a weaker value.
- Japanese are more likely than Chinese to lose interest in products owned by other people.
- In contrast to China, in Japan more than half of the respondents are more interested in spending money on themselves than in leaving their children an inheritance.
- Consumers in Tokyo and Osaka are far more environment-conscious than those in other major cities.

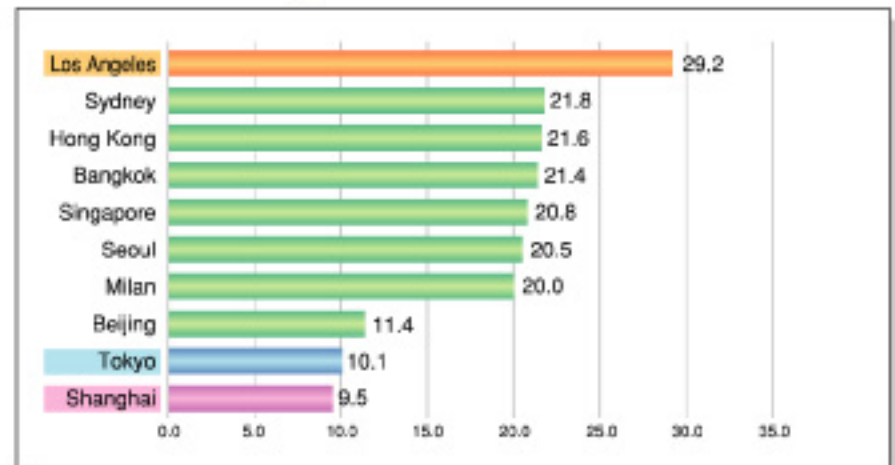
In the following charts, we explore the evidence for these findings.

Health-Conscious Risk Avoiders

Want to Lead a Physically Healthy Life



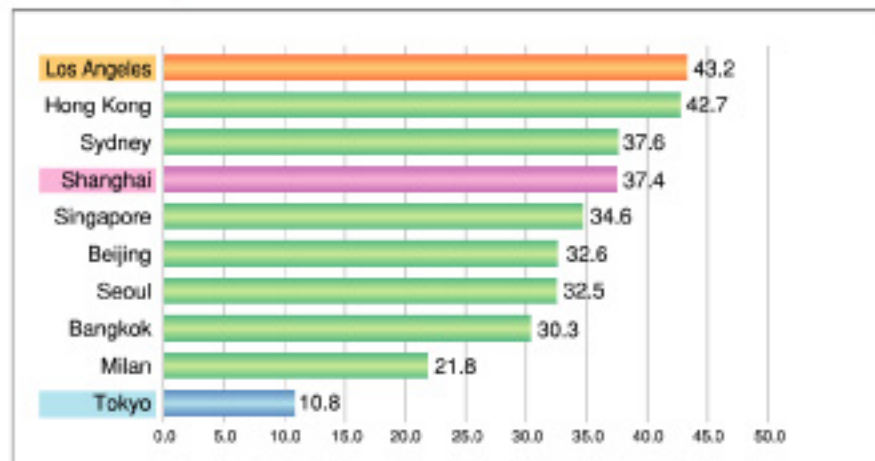
Want New Challenges Even If Risk is Involved



People around the world want to stay physically healthy, but in America a healthy life might include extreme sports. Chinese and Japanese consumers strongly tend to avoid risk. The proportions willing to take risks in Beijing (11.4%), Shanghai (9.5%) and Tokyo (10.1%) are only around a third of Los Angeles (29.2%).

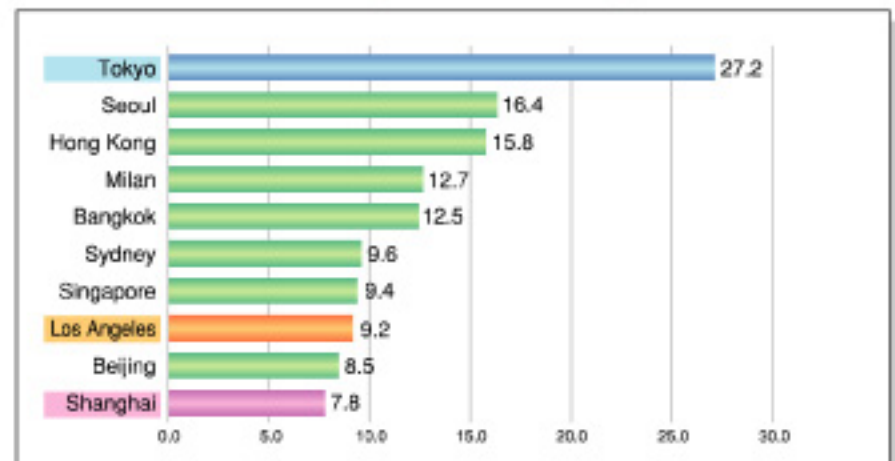
Is "New" Exciting or Old Hat?

Want to Try New Products



In Tokyo, only 10.8% of our sample is likely to try new products immediately, in contrast to 43.2% in Los Angeles, 42.7% in Hong Kong, and 34.6% in Singapore.

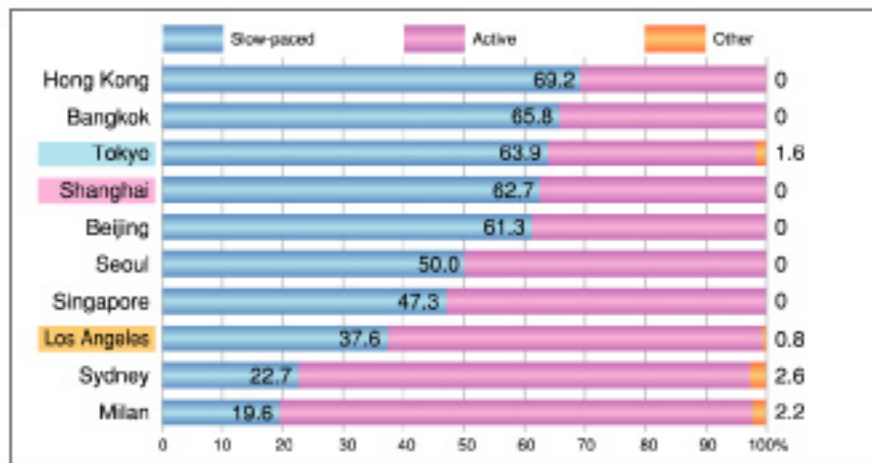
Not Interested in Having the Same Things as Others



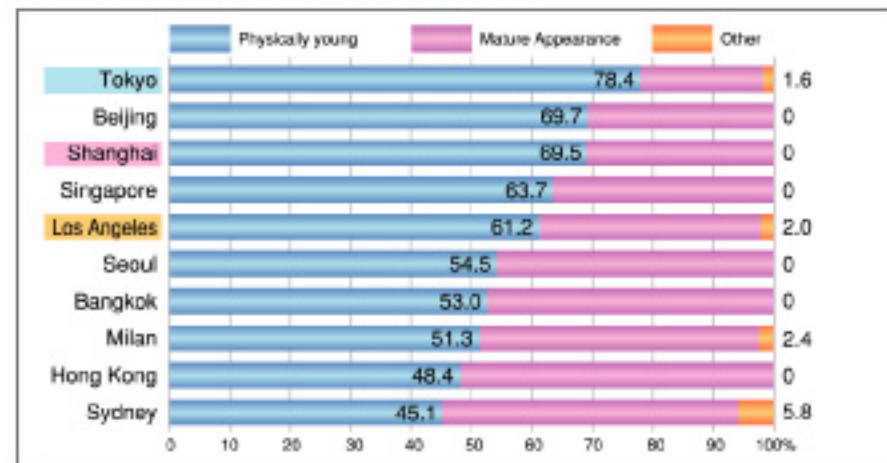
Tokyo, a far higher proportion (27.2%) loses interest in products that many other people own than in Singapore (9.4%), Beijing (8.5%) and Shanghai (7.8%).

To Accept or Reject Being Old?

Relaxed vs. Active



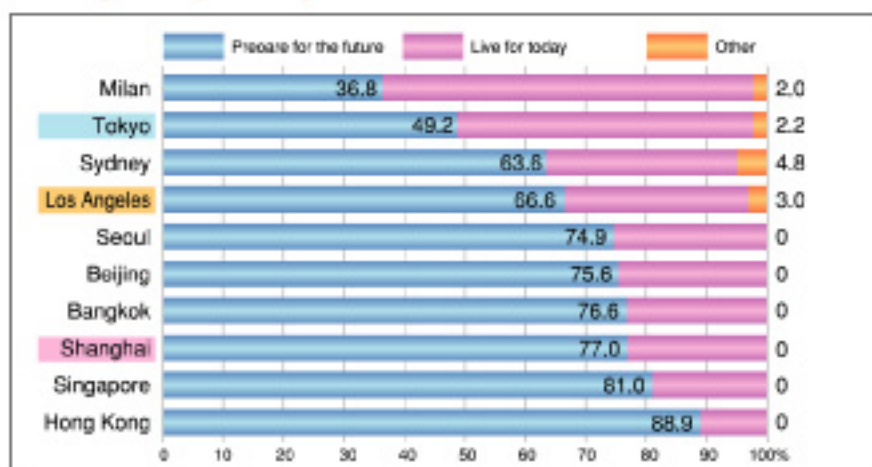
Youthful Body vs. Aging Gracefully



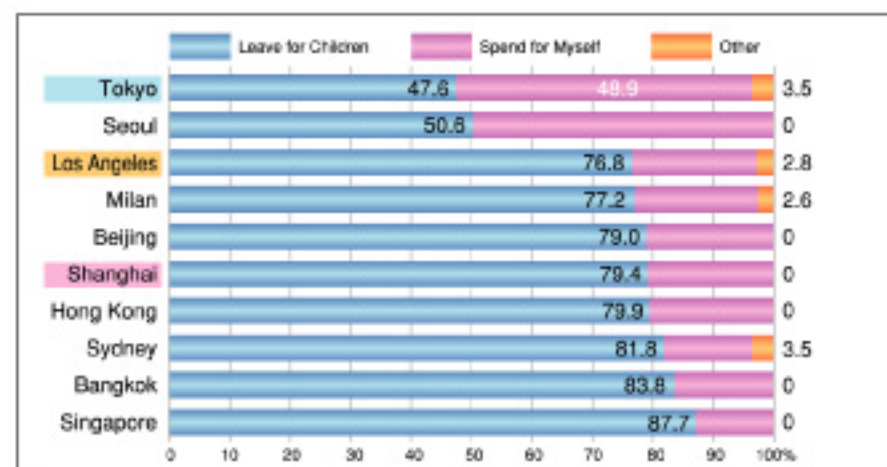
In our Asian samples, from one half to two thirds of the respondents look forward to relaxing after they retire. A quiet, slow-paced life is preferred. In contrast, in Europe and America we find a strong preference for staying active in retirement. Japan stands out, moreover, in the strength of desire to remain physically youthful (78.4% in Tokyo, compared to 69.7% in Beijing).

Enjoy Myself or Save for the Kids?

Saving vs. Spending Now



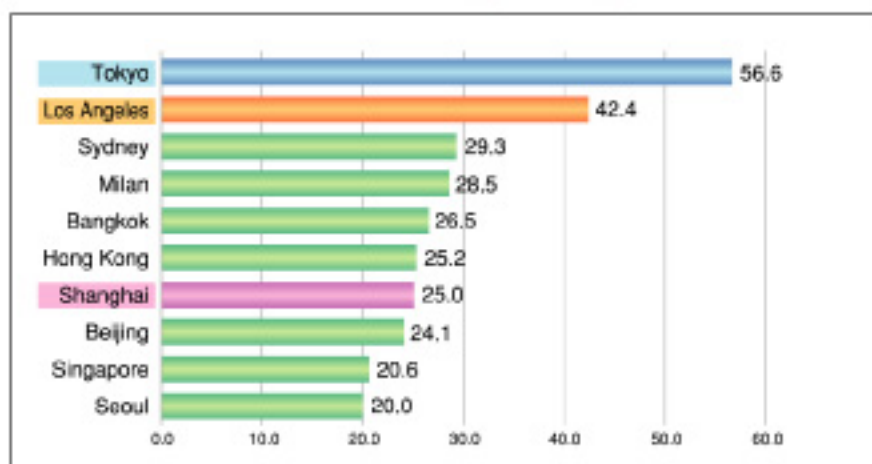
How to Use Assets



In Tokyo fewer people (49.2%) are more interested in saving for the future than in current spending. The contrast with China (Beijing, 75.6%; Shanghai, 77.0%; Hong Kong, 88.9%) and Singapore (81.0%) is strong. Tokyo is No. 1 (48.9%) in the proportion of individuals who prefer to spend what they have on themselves instead of building assets to leave to their children. The contrast with China (Beijing, 79.0%; Shanghai, 79.4%; Hong Kong, 79.9%) and Singapore (87.7%) is striking.

Japanese More Environment-Conscious

Environmental Issues Are Becoming More Important Where I Live



In Tokyo (56.6%), more than twice as many of our subjects concerned about the environment than in Hong Kong (25.2%), Shanghai (25.0%) or Beijing (24.1%).

Hakuhodo Global HABIT Survey

Cities: 32 cities

Shanghai, Beijing, Guangzhou, Dalian, Shenyang, Wuhan, Chengdu, Fuzhou, Hong Kong, Taipei, Bangkok, Seoul, Singapore, Kuala Lumpur, Manila, Jakarta, Ho Chi Minh, Delhi, Mumbai, Sydney, New York, Chicago, Los Angeles, London, Paris, Frankfurt, Berlin, Madrid, Milan, Moscow, Tokyo, Osaka

Respondents:

15-54-year-old males and females;
500-800 people per city; in Japan a total of 5,000 people in Tokyo and Osaka

Approx: 21,000 samples in total

"Chinese power sei-katsu-sha" (25-44-year-old males and females with a monthly household income of 5,000 RMB yuan or more) are added to the survey samples for Shanghai, Beijing and Guangzhou.

Main Items Surveyed

● Sei-katsu-sha's characteristics

Demographics, life-style, contact with media, information-gathering behavior, consumption behavior, sports, travel, possession of durable goods, category perception

● Products and Brands

Product usage, brand evaluation (Hakuhodo's original gauge: Bonding & Voice)
private cars, bicycles, audio-visual products, personal computers and printers, mobile phones, electronic and electrical home appliances, cameras, copy machines, watches and clocks, video games, beer, nonalcoholic beverages, cigarettes, toiletries, cosmetics, etc.

*Sei-katsu-sha

Sei-katsu-sha are more than simply consumers, people whose lives and lifestyles include more than shopping. Hakuhodo introduced this term in 1980s, to emphasize our commitment to a comprehensive, 360-degree perspective on Japanese consumers' lives. It has since been picked up and widely used by the Japanese government and in other spheres of Japanese society.

How Do We Feel About Ourselves? Chinese vs. Japanese

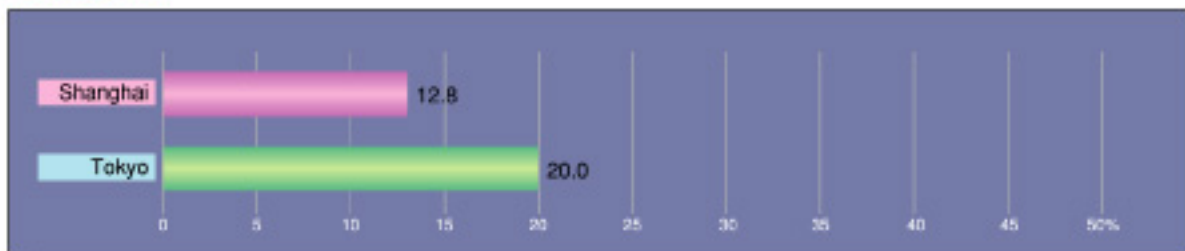
Since 1986, the Hakuhodo Institute of Life and Living (HILL) has conducted an original consumer insight panel survey, the Hakuhodo *Seikatsu Teiten*, to track changes in Japanese self-perceptions, lifestyles and values. From 2004, we began conducting the *Seikatsu Teiten* survey annually in China, in Beijing, Shanghai, Guangzhou and Chengdu. Our intention is to continue this survey in parallel with the *Seikatsu Teiten* in Japan. The result will be a growing body of longitudinal data that will allow us not only to track changes in Chinese self-perceptions, lifestyles and values but also to offer direct quantitative comparisons with Japan. The following examples are just a taste of things to come.

Shanghai vs. Tokyo, Life on the Leading Edge

DIFFERENCES

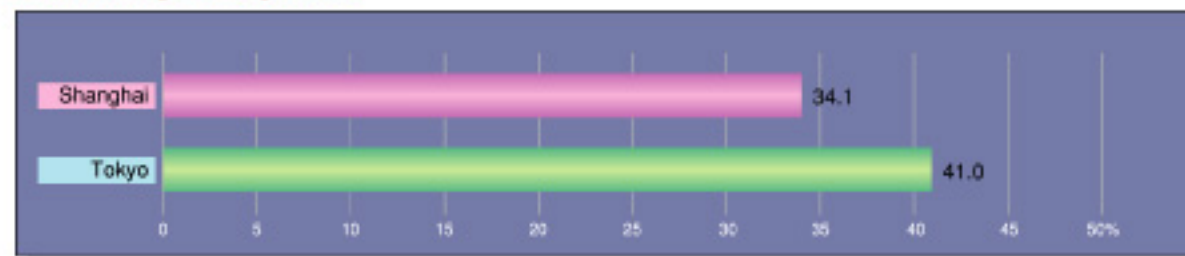
In both Shanghai and Tokyo, trendsetters are style-conscious and willing to pay more for products that offer extra value. In Shanghai, husband and wife are more likely to share purchase decisions. Tokyo workers are more likely to grumble that they ought to be paid more, considering how hard they work. We are also intrigued to observe that Shanghai residents are more likely to have e-mail buddies whom they have never met except for on-line.

I'm Stylish



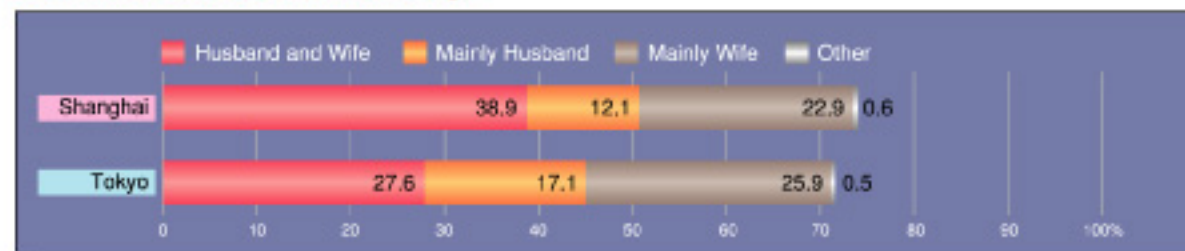
In Tokyo, more of our subjects (20.0% vs. 12.8%) see themselves as stylish. Given the now near instant access to fashion information in both Shanghai and Tokyo, it is likely that Tokyo simply has more affluent *sei-katsu-sha* able to afford the styles they like.

I'm Willing to Pay More



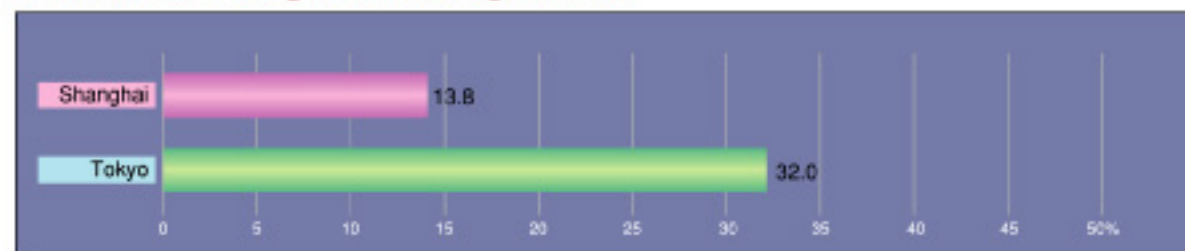
A larger pool of affluent *sei-katsu-sha* may also be the reason that more of our Tokyo subjects (41.0% vs. 34.1%) are willing to pay a more to purchase a better product.

But Who Decides What to Buy?



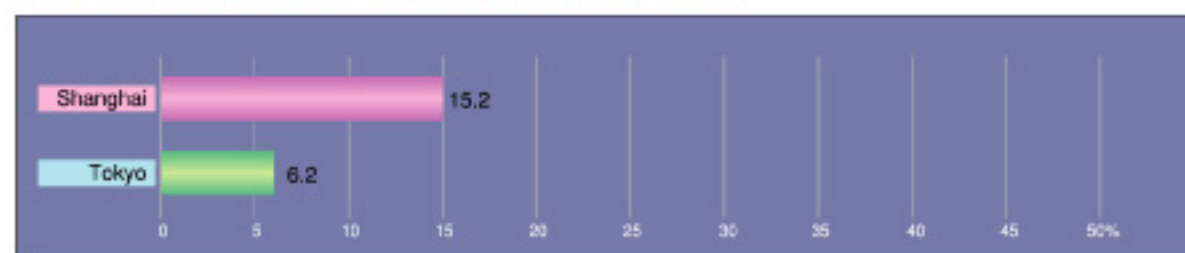
Shared purchase decisions are far more characteristic of couples in Shanghai (38.9%) than in Tokyo (27.6%).

I'm Not Paid Enough for Working So Hard



The gap between Tokyo (32.0%) and Shanghai (13.8%) when it comes to feeling overworked for what I'm paid is relatively high. We wonder if there is any difference in how much work counts as too much. It may be the result of how you imagine the future, dark or bright.

E-mail Buddies Whom I Have Never Met Off-line

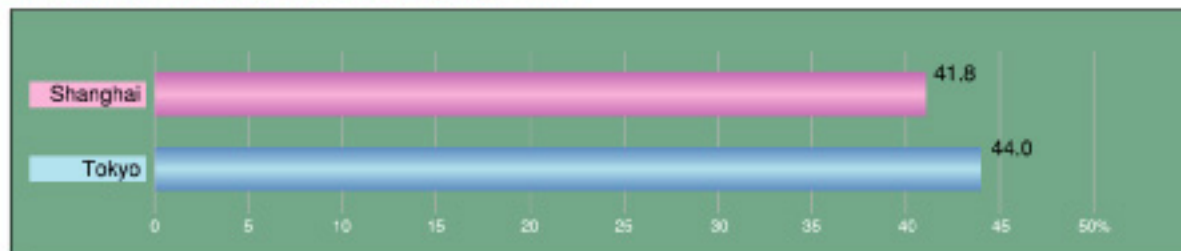


More than twice as many of our Shanghai (15.2%) than Tokyo (6.2%) subjects make virtual friends through e-mail. This may be an example of how Chinese *sei-katsu-sha* tend to be more socially connected than their Japanese counterparts. It may also reflect Chinese being less anxious about encounters with strangers.

SIMILARITIES

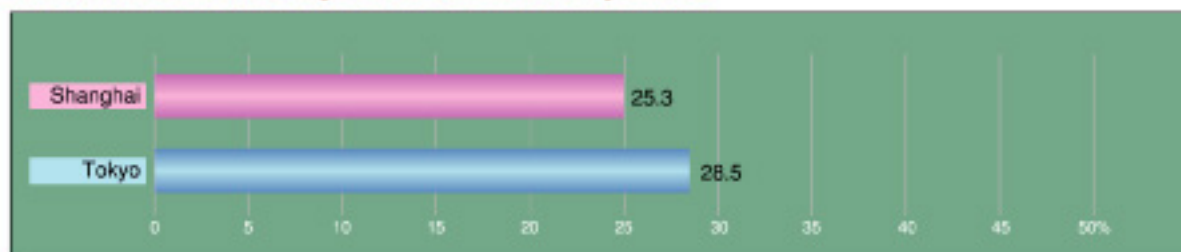
Staying slim is something to worry about in both Shanghai and Tokyo, where nearly a third of the population is also concerned about the global environment and a hard-charging 20% are eager to be the first to know the latest information. We also find it fascinating that so many in both cities agree that the husband should pay for household expenses, even if both husband and wife are working. Are these husbands paying their wives for the housework that husbands don't do?

Nearly Half Worry About Staying Slim



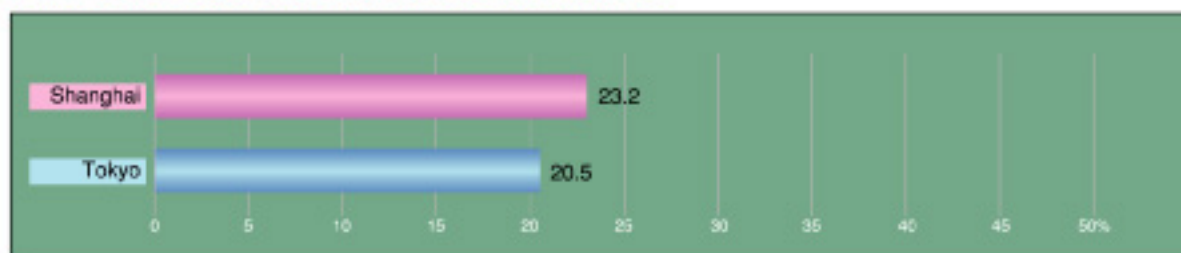
Nearly half our subjects in both Shanghai (41.8%) and Tokyo (44.0%) worry about their weight and want to stay slim. In this respect they both seem like trendsetters the world over.

Husbands Should Pay for Household Expenses



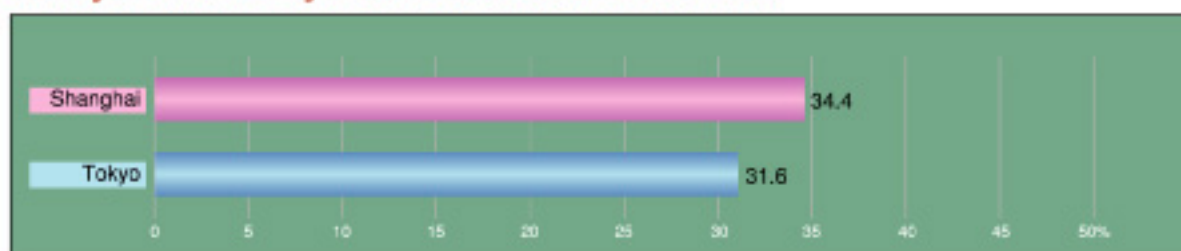
In Tokyo 28.5% of our subjects agree with this statement, 3.2% more than in Shanghai. Nearly three-quarters in both cities believe that both members of working couples should contribute to household expenses.

Want to be First with the Latest Information

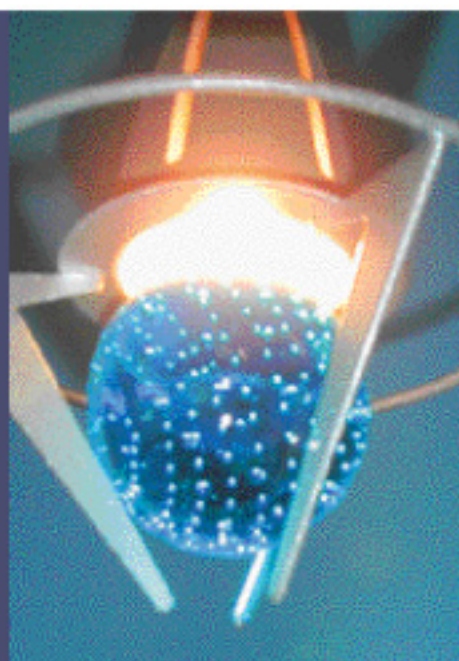
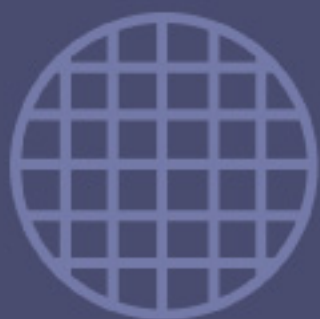


Roughly a fifth of our subjects (23.2% in Shanghai, 20.5% in Tokyo) are eager to be the first to know when new information appears. Here is where you will find opinion leaders, picking up and driving new trends.

Nearly a Third Worry About the Global Environment



Roughly a third of our subjects (34.4% in Shanghai, 31.6% in Tokyo) make an effort to minimize the trash they produce. That means, of course, that two-thirds don't.



Seikatsu Teiten Survey

CHINA

Cities: Beijing, Shanghai, Guangzhou, Chengdu
 Respondents: Male, female, 15 – 59, with monthly household income of 1,500 RMB or more (except for Chengdu where monthly household income is 1,000 RMB or more).
 Sample: 900 per city, total n=3,600

JAPAN

Cities: Tokyo, Osaka
 Respondents: Male, female, 20 – 69
 Sample: 1,000 each, total n= 2,000

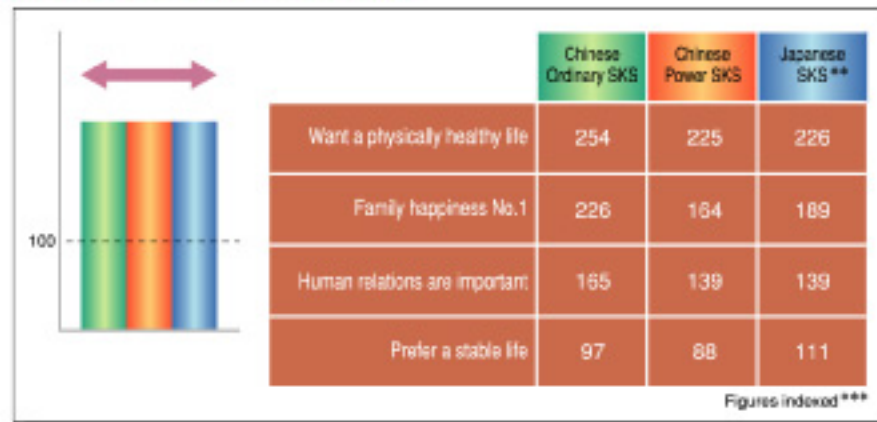
The Brander's Challenge: Communicating to a Multitude of Countries

Today's global branders cannot escape the fact that they need marketing and communications that straddle a number of countries. But how should they view a given group of countries as a whole in order to find a focus for their communications? What perspectives do they need to apply to see similarities and differences that result from each country's market, economic position and culture? And how should they reflect these country-specific insights in their marketing and communication activities? Hakuhodo conducts extensive research around the world to make sure we can provide the answers to questions like these. As an illustration, we present a comparison of Japan and China below.

Analysis and Results

We compared the data we collected in China and Japan. First, we looked for items with high scores in all three samples, Chinese ordinary *sei-katsu-sha*, Chinese power *sei-katsu-sha**, and Japanese *sei-katsu-sha*.

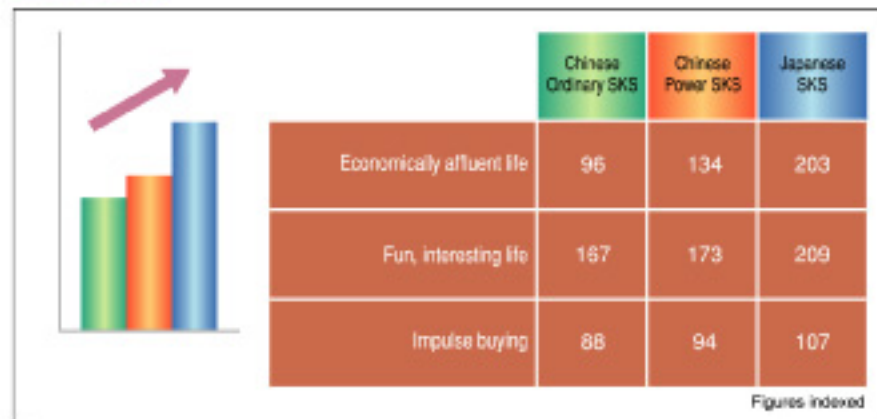
High Scores in All Samples



Here we find a common core of shared Asian values:

- Health
- Family
- Stability
- Human relationships

Increasing



Here items whose scores increase from one group to the other includes:

- Economic affluence
- Fun and enjoyment
- Impulse purchase

Decreasing



In contrast, items whose scores decrease steadily includes:

- Living my way
- Meeting new people
- Preferring shops with a wide selection
- Immediately trying out new products

China High, Japan Low



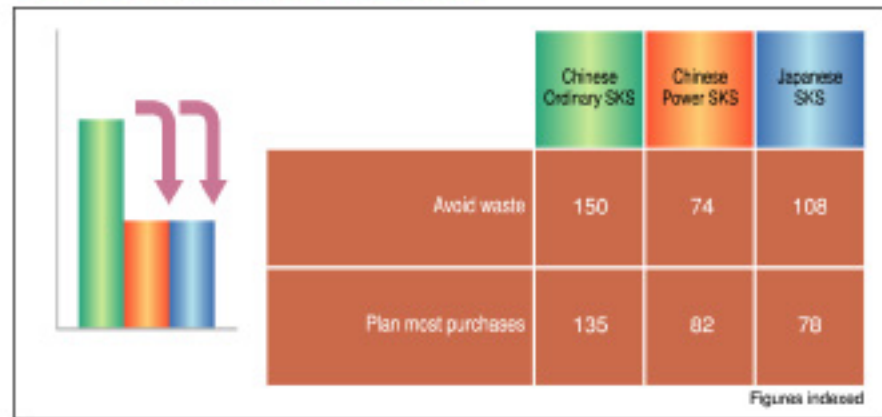
Here we find items specifically high in Chinese:

- Carefully planned life
- Hard work is rewarded
- Money equals success
- Know details of lots of products
- Continued use of a single brand
- Social status symbolized by price-band of products bought

SKS: *sei-katsu-sha* *Index: Average response rates were normalized to 100 to compensate for differences in Chinese and Japanese samples.

In the last stage of our analysis, we look for items specific to each of our three samples, items where one group scores high while the others score low.

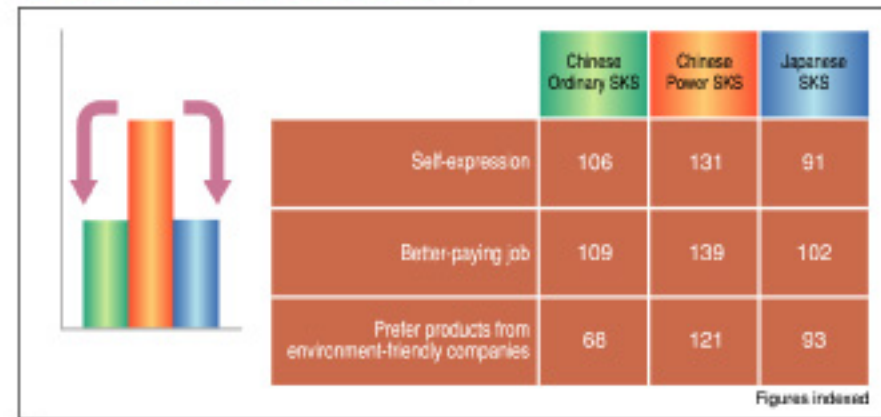
Chinese Ordinary *sei-katsu-sha*



Chinese ordinary *sei-katsu-sha* score higher on two items:

- Avoiding waste
- Planning purchases

Chinese power *sei-katsu-sha*



Chinese power *sei-katsu-sha* score higher on three items:

- Desire for work that allows self-expression
- Desire for higher-paid work
- Purchase from environment-friendly companies

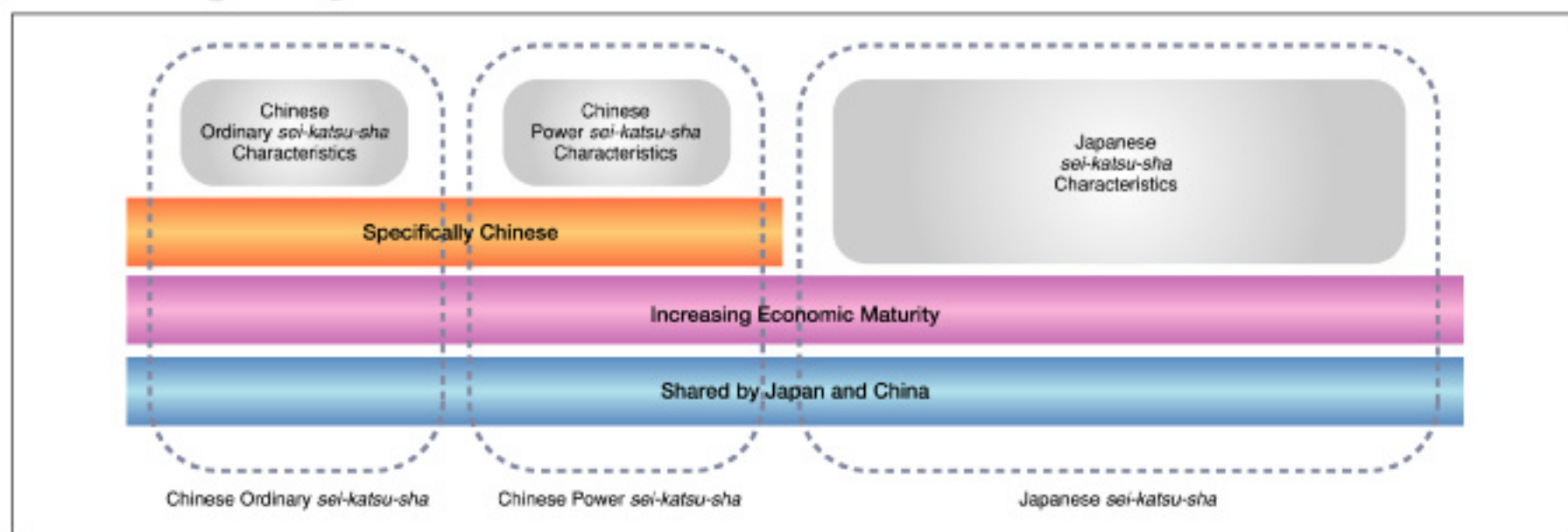
Japanese *sei-katsu-sha*



Japanese *sei-katsu-sha* score higher on six items:

- Self-cultivation
- Valuing fun more highly than work
- Friends who understand them
- Willingness to pay for quality
- Tendency to buy what they like at any price
- Preference for stores that give helpful advice

Summing It Up



Using Global HABIT this way, we are able to uncover commonalities between countries, trends that become more or less pronounced in line with economic development and *sei-katsu-sha* affluence, and characteristics particular to specific countries.

At Hakuhodo, this is just one of a variety of approaches and methods we use to help branders meet the challenges they face in conducting branding and marketing and communication activities across multiple countries in the Asian and global marketplaces. Now branders need no longer be in the dark as to what perspectives to use to look at markets as a whole or individually, and what perspectives will assist their marketing and communications. In today's global age, respecting elements unique to each country and culture is just as important as taking advantage of the commonalities between them. By doing both, we believe, companies become more able to bring joy to the lives of *sei-katsu-sha* everywhere.

Sei-katsu-sha

Sei-katsu-sha are more than simply consumers, people whose lives and lifestyles include more than shopping. Hakuhodo introduced this term in 1980s, to emphasize our commitment to a comprehensive, 360-degree perspective on Japanese consumers' lives. It has since been picked up and widely used by the Japanese government and in other spheres of Japanese society.

Chinese power *sei-katsu-sha

The primary drivers of consumption in China: university graduates, business people, aged 25–44, with monthly household incomes of 8,000 RMB or more.