

Sei-katsu-sha* Values and Consumption Behavior in 31 Cities Around the World*Excerpts from HakuHodo Global Habit 2004**

In contrast to the rest of the world, in Tokyo people are more environmentally conscious, want to stay physically young forever, leave no assets to their children, and don't leap to try new products.

From a European or American perspective, Japanese products are seen as pioneering. From a Chinese perspective, however, Korean products are superior in energy and style.

Tokyo – April 4, 2005 – HakuHodo has since 2000 conducted an annual Global HABIT survey to support creation of global marketing communication strategies. In FY03 eight cities in China were added to the markets surveyed. At present these surveys gather data from 25,000 subjects in 31 cities in Asia, Europe, and America as well as Japan. This report summarizes the results of the FY04 survey, revealing differences in values and consumption behavior. The analysis in this survey compares values and consumption behavior in Europe and America versus those in Asia, and highlights the distinctive features of values and consumption in Tokyo.

Key Findings

1. Comparison of values, lifestyles, and consumption attitudes
 - ◆ Americans are health conscious and eager for challenges. In contrast, Japanese and Chinese prefer to avoid risk.
 - ◆ Tokyo is the most environment-conscious city in the world.
 - ◆ People in Asia want a slow-paced retirement. In contrast, Europeans and Americans want to remain active. Tokyo is No. 1 in desire to stay physically young.
 - ◆ In Milan and Tokyo, people want to enjoy the present moment. In Shanghai, Singapore, and Hong Kong, they give priority to preparing for the future.
 - ◆ Tokyo is distinctive in that fewer than half of our subjects want to save to leave something to their children instead of spending their money on themselves.
 - ◆ America and Hong Kong score high on desire to try new products. In contrast, people in Tokyo have relatively little interest in new products. They do, however, hate having the same things as other people, contrasting in this respect with China, where resistance to having the same things is low.
2. “Made-in” images
 - ◆ Japan's reputation for high-quality products remains robust. Products made in America are No. 2 on this dimension.
 - ◆ Europeans and Americans give Japanese products high marks for being pioneering. From an Asian perspective, however, Korean products score higher on energy and vitality.
 - ◆ Japanese products are perceived as stylish. But Americans and Europeans have confidence in American and European products.
 - ◆ In China, Korean products are seen as superior to Japanese products on every dimension but quality.

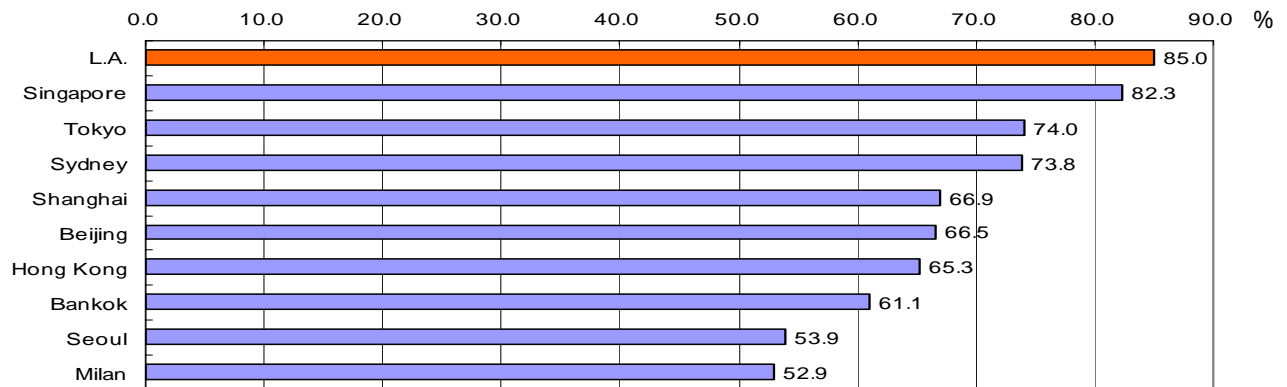
Results

1. Comparison of values, lifestyles, and consumption attitudes

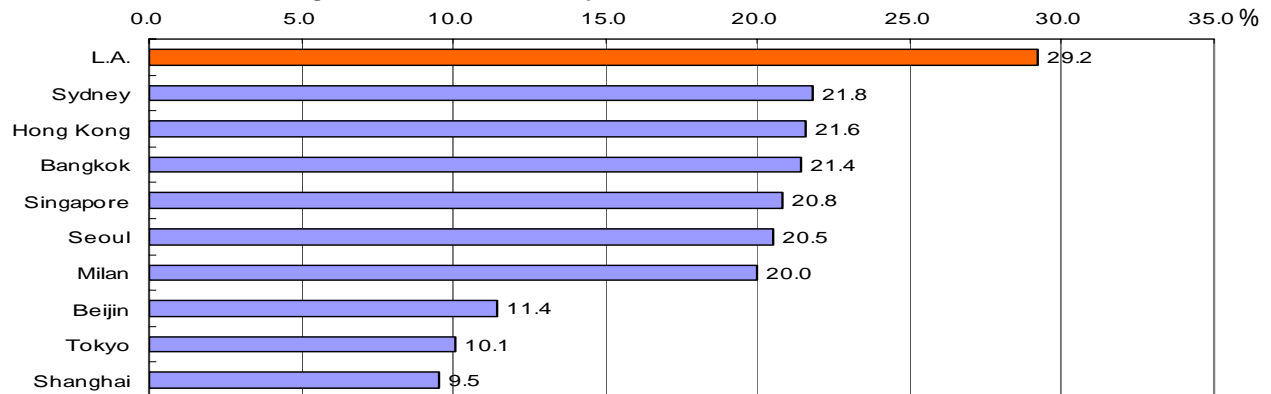
- ♦ **Americans are health conscious and eager for challenges. In contrast, Japanese and Chinese prefer to avoid risk.**

People in large cities want to stay physically healthy, but Los Angeles is particularly notable in this regard. Los Angeles is also No. 1 in wanting new challenges even if these involve risk. In contrast, people in Tokyo, Shanghai and Beijing are risk-averse.

Want to Stay Physically Healthy



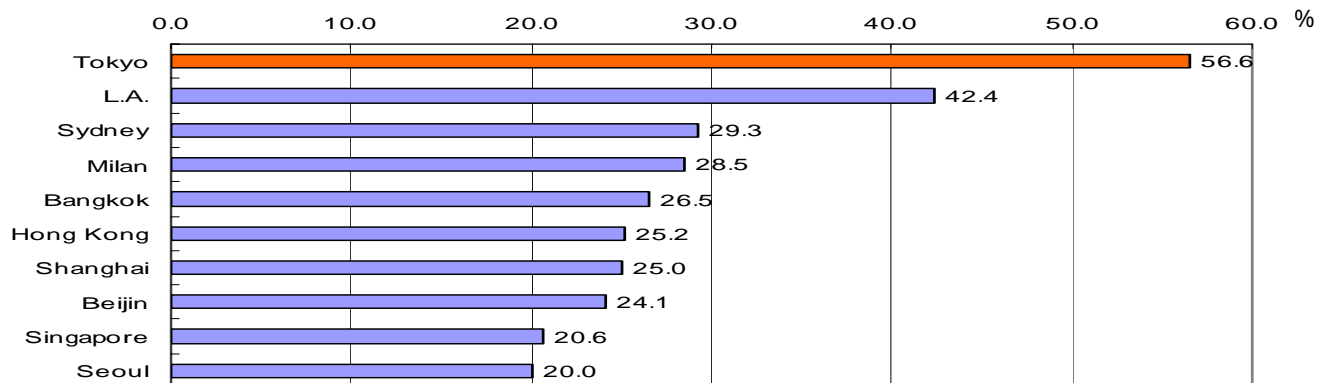
Want New Challenges Even If They Involve Risk



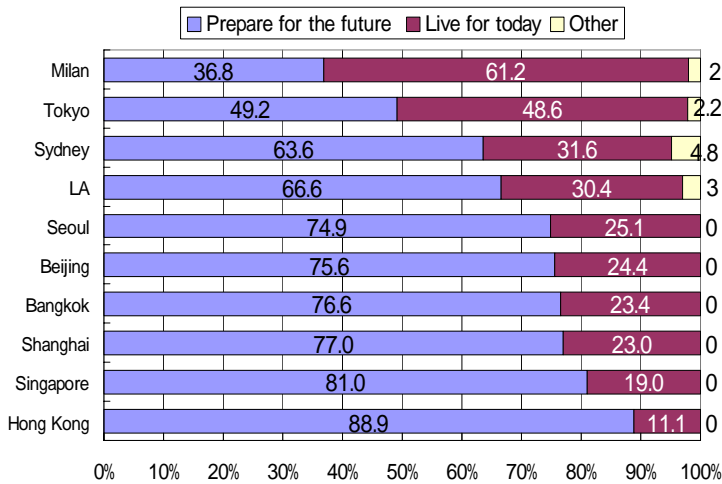
- ♦ **Tokyo is the most environment-conscious city in the world.**

Overall, concern for the environment is high in Europe and low in Asia. Tokyo is a notable exception in this regard.

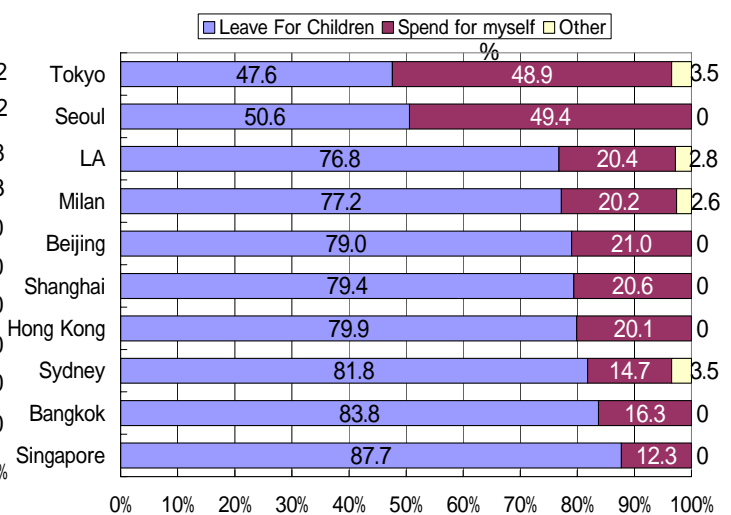
Environmental Issues will Become Important in My Local Area



Prepare for the future vs. Live for today



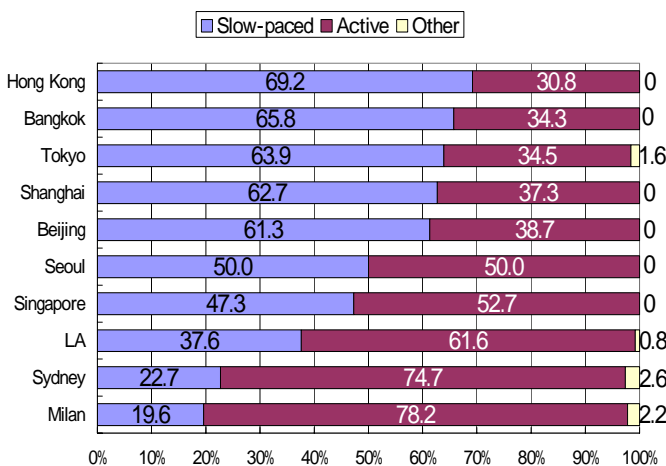
Use of Assets



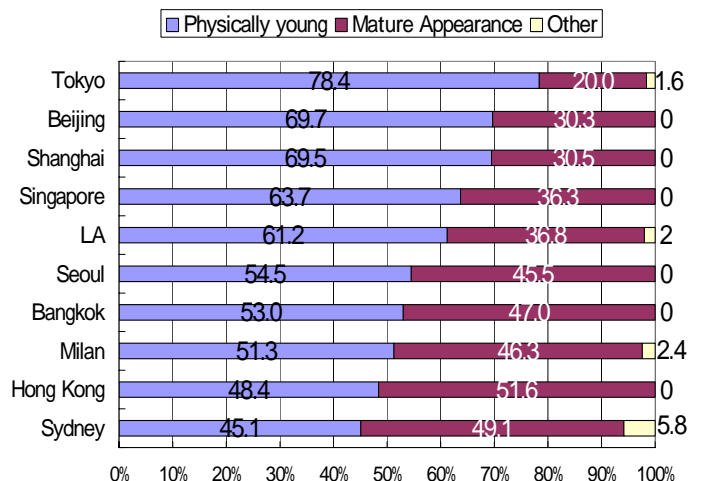
- **People in Asia want a slow-paced retirement. In contrast, Europeans and Americans want to remain active. Tokyo is No. 1 in desire to stay physically young.**

When they look to the future, Asians prefer to make solid preparations for a relaxed, slow-paced retirement. In contrast, Europeans want to enjoy themselves and remain active in retirement. Tokyo stands out for strength of desire to stay physically young.

Slow-paced vs. Active Retirement



Physically Young vs. Mature Appearance



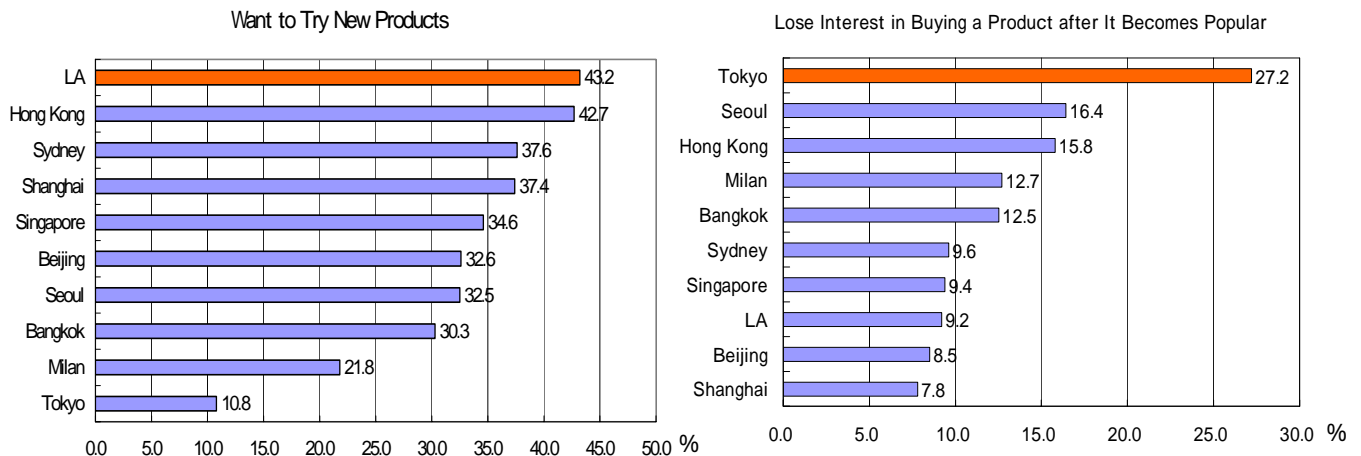
- **In Milan and Tokyo, people want to enjoy the present moment. In Shanghai, Singapore, and Hong Kong, they give priority to preparing for the future.**
- **Tokyo is distinctive in that fewer than half of our subjects want to save to leave something to their children instead of spending their money on themselves.**

People in Europe and America want to enjoy the present moment. In Asia, only people in Tokyo share this tendency. Tokyo is also exceptional in that fewer than half of its residents want to leave an inheritance to their children.

- **America and Hong Kong score high on desire to try new products. In contrast, people in Tokyo have relatively little interest in new products. They do, however, hate having the same things as other people, contrasting in this respect with China, where resistance to having the same things is low.**

Comparisons of consumption behavior show that in contrast to America and Hong Kong, where interest in new products is high, in Tokyo interest is low. On the other hand Tokyo scores highest of all on dislike of having the same things as others. Products don't have to be new, but they do have to be unique. In contrast, in China there is little resistance to having the same things as others.

2. "Made-in" images



- ◆ **Japan's reputation for high-quality products remains robust. Products made in America are No. 2 on this dimension.**
- ◆ **Europeans and Americans give Japanese products high marks for being pioneering. From an Asian perspective, however, Korean products score higher on energy and vitality.**
- ◆ **Japanese products are perceived as stylish. But Americans and Europeans have confidence in American and European products.**
- ◆ **In China, Korean products are seen as superior to Japanese products on every dimension but quality.**

When it comes to product images, Asia differs somewhat from Europe and America. Especially noteworthy is the high reputation of Korean products in China.

City \ Product	High Quality					Pioneering				
	Japan	Korea	China	USA	Europe	Japan	Korea	China	USA	Europe
Shanghai	48.4	12.9	14.3	27.6	25.9	23.6	25.8	28.5	17.1	13.4
Hong Kong	81.0	36.1	9.9	62.9	65.5	57.0	60.4	40.1	28.8	32.9
Seoul	43.6	28.6	1.5	23.1	21.5	21.9	18.1	4.4	25.3	21.5
Bangkok	59.8	18.8	14.4	56.5	48.4	45.0	23.3	26.6	22.4	20.5
L A	57.8	9.2	9.6	53.0	22.4	41.4	9.0	9.4	34.8	11.8
Milan	33.9	1.8	1.8	21.4	60.4	33.5	11.9	8.5	15.0	19.6

City \ Product	Energy & Vitality					Stylish, Good Taste				
	Japan	Korea	China	USA	Europe	Japan	Korea	China	USA	Europe
Shanghai	16.8	25.7	32.8	16.9	12.7	27.5	31.4	10.0	23.0	26.9
Hong Kong	49.9	72.0	55.2	28.6	35.4	80.9	61.0	5.1	25.7	35.9
Seoul	21.1	40.6	27.9	18.9	19.6	31.8	28.0	4.5	22.5	24.4
Bangkok	46.3	33.9	34.4	33.6	30.6	60.5	25.6	18.5	40.5	41.1
L A	32.2	22.2	20.8	36.4	16.8	36.2	8.6	11.0	45.0	22.4
Milan	22.0	8.5	5.0	11.5	36.3	10.7	1.0	1.0	19.2	67.2

* Europe Product figures for Milan are an adjusted total of "Home country products" and "Other European products."

Outline of Global HABIT 2004

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, Bombay), USA (Los Angeles), Italy (Milan), Spain (Madrid), Australia (Sydney), Japan (Tokyo, Osaka).

*In 2003 surveys were conducted in the USA (New York), UK (London), France (Paris), and Germany (Frankfort). 2001 surveys included Germany (Berlin) and USA (Chicago).

Respondents: Male/female, 15–54. 500–800/city, except in Japan where total for Tokyo and Osaka is 5,000. Total n = 21,534. In Shanghai, Beijing, and Guangzhou, an additional “Chinese Power Consumers” (Household income 6,000-plus RMB, male/female, 25–44) survey was also conducted.

Method: Visit interviews (Asia except Hong Kong, Europe); individual interviews at central location (Hong Kong), mailed questionnaire (USA), mailed questionnaire and visit interviews (Japan).

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