

# Net Enthusiasts in Asia Reach for a New Lifestyle



Hakuhodo Global HABIT

Over the past several years the Internet has increasingly influenced the daily lives of people in Asia. This booklet examines how the Internet relates to lifestyles there, focusing primarily on persons who make wide use of the Internet on a daily basis.

The data in this booklet is part of the Global HABIT annual survey conducted by Hakuhodo. Viewed in its entirety, the information paints a broad picture of the Asian lifestyle, examining how the increasing pervasiveness of the Internet is changing Asian attitudes towards different media. Ultimately, the data will assist in discovering future trends in Asia.

## Computer and Internet Usage

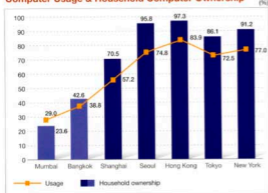
### Computer boom in Asia

Computer ownership in Asia varies from city to city. In Seoul and Hong Kong, nearly every household has a computer, while in Shanghai the estimate is closer to seven in ten.

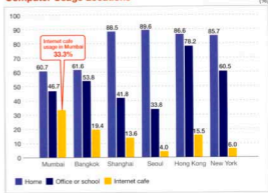
At the other end of the scale, our survey shows that less than three in ten households in Mumbai have a computer. This figure, however, does not accurately represent overall computer usage since access to computers outside the home, such as in offices, schools, and Internet cafes, is increasing. For example, although the number of households with computers is relatively low, more than 30% of computer users in Mumbai access computers at Internet cafes—a number which suggests a far larger percentage of computer users than the data for household computer ownership seem to indicate.

What appears to be driving increased computer usage in Asia is a change in people's perception regarding the Internet as a medium for information exchange.

#### Computer Usage & Household Computer Ownership



#### Computer Usage Locations

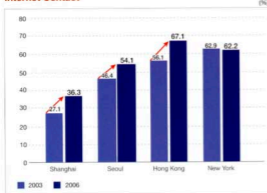


Note: Among computer users

### Internet use on the upswing

Between 2003 and 2006, the number of people with some form of access to the Internet increased. In Seoul and Hong Kong this number exceeded 50% of all respondents. In Seoul in 2006, the Internet was also second only to television as the most frequently accessed media.

#### Internet Contact



#### Frequently Accessed Media Ranking

	Shanghai	Hong Kong	Seoul	New York
1	Television	Television	Television	Television
2	Newspapers	Newspapers	Internet	Internet
3	Magazines	Magazines	Newspapers	Radio
4	Bilboards	Radio	Bus ads	Newspapers
5	Bus ads	Bus ads	Bilboards	Magazines
6	Internet	Internet	Radio	Bilboards
7	Radio	Train ads	Train ads	Bus ads
8	Train ads	Bilboards	Magazines	Train ads

## Net Enthusiasts: Recreational Internet Users

### The emergence of the Net Enthusiast

In 2003 people used the Internet primarily to send e-mail, find information, and play games. In 2006, however, Internet usage had become more diverse, comprising activities such as downloading music and movies, online chat, and more. This increased diversity has created a new kind of Internet user—one who actively makes use of the Internet in daily life as a form of recreation. Hence, we have defined a person who uses computers (inside or outside the home) and has an interest in the Internet as a hobby as a "Net Enthusiast." We will examine the demographics, lifestyles, and attitudes of Net Enthusiasts over the following pages.

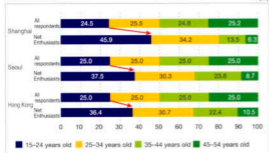
### Percentage of Net Enthusiasts

In major Asian cities where household computer ownership is 70% or more, Net Enthusiasts comprise more than 30% of all respondents.

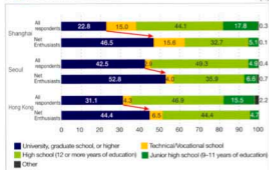
### Who they are

Net Enthusiasts are most commonly found in the 15- to 24-year-old age group, with more than 30% of them sharing this characteristic. In Shanghai, nearly half of all Net Enthusiasts are in this age group. For both Shanghai and Hong Kong, the percentage of male Net Enthusiasts is slightly higher than that of their female counterparts. In Seoul the ratio is nearly equal. Also, while not shown in the graph below, a comparison of 15- to 24-year-old Net Enthusiasts shows that the ratio of males to females is nearly equal. A large percentage of Net Enthusiasts, between 40 and 50%, have undergraduate or graduate degrees and most are white-collar workers.

### Age Group



### Highest Level of Education



### Hobby/Leisure Ranking

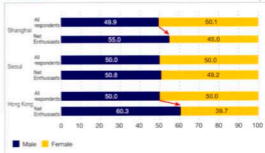
	Shanghai	Seoul	Hong Kong	New York
1	Television	Television	Shopping	Videos/DVDs
2	Shopping	Internet	Internet	Music
3	Meeting friends	Meeting friends	Television	Television
4	Music	Shopping	Music	Eating out/cafes
5	Internet	Music	Reading	Internet
6	Cooking	Videos/DVDs	Swimming	Reading
7	Reading	Video games	Movies	Radio
8	Videos/DVDs	Eating out/cafes	Videos/DVDs	Meeting friends
9	Eating out/cafes	Mountain climbing/hiking	Video games	Theater
10	Radio	Movies	Badminton	Shopping

### Household Computer Ownership and Net Enthusiasts (%)

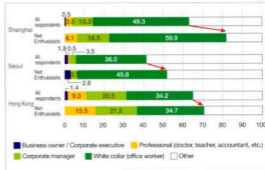
	Shanghai	Seoul	Hong Kong	New York
Computer Ownership	70.5	95.8	97.3	91.2
Net Enthusiasts	40.6	37.6	34.6	36.6

Note: Among respondents in survey.

### Gender



### Occupation



Note: Students and the unemployed not included.

## Trendy with an Urge to Splurge

Net Enthusiasts in Hong Kong, Shanghai, and Seoul—where they account for at least 30% of all respondents—all share certain similarities, not least among them an obsession with the latest trends and deep pockets to satisfy their urge to spend.

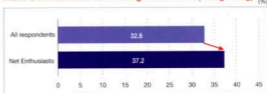
### ● A thirst for information

Compared with all respondents, Net Enthusiasts show a stronger tendency to seek information. Over 30% of Enthusiasts in Hong Kong responded that they “try to obtain information before others.” Due to the dynamic, ever-changing nature of the Internet and its continual updates, Net Enthusiasts are always on the lookout for new information. Additionally, they are proud of their skills in ferreting it out. The Net Enthusiast makes full use of the Net’s vast information pool to find out what they need to know. This trend, while not shown in the graphs below, is quite prominent among Enthusiasts in the 15- to 24-year-old age group.

#### Try to Obtain Information before Others (Hong Kong)



#### Have Own Methods for Finding Information (Hong Kong)



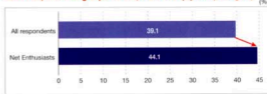
### ● A fun, trendy lifestyle

Net Enthusiasts are more strongly inclined to seek out new experiences than all respondents. In Shanghai, close to 30% of Net Enthusiasts stated that they “want a trendy lifestyle.” In the 15- to 24-year-old Net Enthusiasts group (not shown), approximately 40% stated similarly—evidence that Net Enthusiasts exhibit a strong desire to enjoy life. Amongst all respondents in Shanghai, while the percentage of persons who want to “seek fun, interesting experiences and enjoy life” was high at close to 40%, an even higher percentage of Net Enthusiasts responded similarly. In the 15- to 24-year-old Enthusiasts group (not shown), this rose to more than 50%.

#### Want a Trendy Lifestyle (Shanghai)



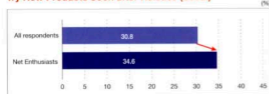
#### Seek Fun, Interesting Experiences; Want to Enjoy Life (Shanghai)



### ● New products motivate buying

Compared to others, Net Enthusiasts have a strong tendency to try out new products soon after they are released. Close to 35% of Net Enthusiasts in Seoul responded that they “try new products soon after they are released.” In the 15- to 24-year-old age group (not shown), this number was closer to 50%. Additionally, the Net Enthusiast is prone to impulse buying. Nearly 40% of Enthusiasts in Seoul said they “often purchase on impulse.” Again, amongst 15- to 24-year-old Net Enthusiasts (not shown), this percentage was higher, with more than 40% responding in this way.

#### Try New Products Soon after Release (Seoul)



#### Often Purchase on Impulse (Seoul)



## Net Enthusiasts and the Media: The Case in Hong Kong

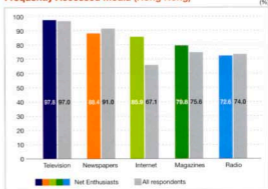
Computer usage in Hong Kong is very high, with a correspondingly large number of Net Enthusiasts. This does not mean, however, that Enthusiasts in Hong Kong rely only on the Internet for information. The following section explores the relationship between Net Enthusiasts and the media.

### A balanced media mix

Net Enthusiasts in Hong Kong are not overly reliant on the Internet for information, having a fairly equal amount of contact with other media as well, such as television, newspapers, magazines and radio. The exposure rate for each medium was 70% or higher, with the rate for television over 97% and that for newspapers about 88%.

As a whole, Net Enthusiasts displayed a higher rate of exposure to television, the Internet, and magazines than all respondents; their Internet exposure rate, in particular, was nearly 20 points higher than that of all respondents.

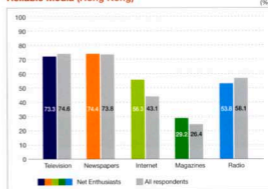
#### Frequently Accessed Media (Hong Kong)



### High trust in newspapers and television

Over 70% of Hong Kong Net Enthusiasts felt that information from newspapers and television was reliable, while a still relatively high more than 50% said the Internet and radio were also reliable sources. There was a striking difference between Net Enthusiasts and all respondents regarding the Internet, with the reliable media rating for Net Enthusiasts more than 10 points higher than that of all respondents. This seems to indicate that daily and frequent recreational use of the Internet increases one's trust in it.

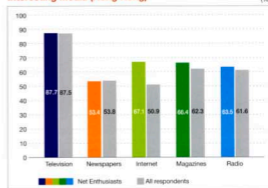
#### Reliable Media (Hong Kong)



### Television still king

Close to 90% of Hong Kong Net Enthusiasts rated television as an "interesting medium." Following television was the Internet, then magazines and radio, each of which garnered ratings of more than a 60% amongst Enthusiasts. These ratings were at least 10 points higher than that received by newspapers. There was no significant difference in the ratings for each medium given by Net Enthusiasts and all respondents except as regards the Internet, which Net Enthusiasts gave an "interesting medium" rating that was close to 20 points higher than that of all respondents.

#### Interesting Media (Hong Kong)

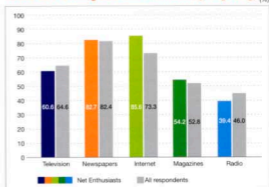


## Net Enthusiasts and the Media: The Case in Hong Kong (continued)

### ● The Internet and newspapers for business news

Hong Kong Net Enthusiasts rated the Internet and newspapers high for obtaining business information, with more than 80% saying these sources provided "business information of value." The next most valued sources of business information for Net Enthusiasts were television and magazines. In the business world, where dramatic changes can occur at any time, great importance is placed on having the latest information. It is safe to assume that this is why the Internet, which enables users to quickly and easily obtain the latest business information, is valued so highly.

Valued for Providing Business Information (Hong Kong) (%)



### Net Enthusiasts and the media in the future

As the availability of computers increases and Internet services improve, the number of Net Enthusiasts in Asia can be expected to grow, too. It is unlikely, however, that Asia will rely on the Internet as its sole source of information, even as it becomes more pervasive and increases in ranking as a reliable medium. Net Enthusiasts clearly grasp the differences between media and will likely continue to pick and choose amongst them depending on their lifestyles and usage intentions.

## Mobile Phones: A New Way to Surf

### ● Mobile phones dominate

As was described earlier, rates of computer ownership vary greatly between cities in Asia, however, there is much less difference as regards mobile phone ownership. Even in Mumbai, which has the lowest rate of mobile phone ownership, it is still above 50% of all respondents. In other cities the rate exceeds 80%.

For all cities in Asia, more people own mobile phones than computers. In Mumbai and Bangkok nearly twice as many people own mobile phones as own computers. Specifically in Bangkok, where computer ownership is less than 50% of all respondents, the rate of mobile phone ownership is above 80%, making it similar to Shanghai, where computer ownership is over 70%.

Computer and Mobile Phone Ownership (%)



### ● Mobile phones and the Internet

Other than making phone calls, people most commonly use their mobile phones for sending e-mail, followed by taking photos and playing games. Surfing the Internet via mobile phone is not that common. In Hong Kong and Shanghai, however, close to 20% of mobile phone users surf the Internet with their phones.

Mobile Phone Service/Function Use (%)



## Mobile Phones: A New Way to Surf (continued)

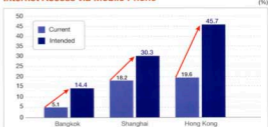
### Mobile phone Internet access set to increase

The number of people intending to access the Internet via mobile phone is high. In Hong Kong, Shanghai, and Bangkok the number of people intending to use this service is around double the number of people that are currently doing so. In Hong Kong, especially, the rate of intended usage was extremely high, at more than 40% of current mobile phone owners. Even in Bangkok, where the rate of computer ownership is less than 50%, nearly three times the number of current mobile Internet users said they intended to access the Internet through their mobile phones in the future.

### Net Enthusiasts keen on surfing via mobile phone

In Hong Kong, where computer and mobile phone ownership rates are nearly 100%, a survey of intended mobile phone Internet usage revealed a high degree of intent among all respondents. Among Net Enthusiasts the level of intent was even higher, with over 50% expressing an interest in using this service. Additionally, more than 30% of Enthusiasts expressed further interest in Internet banking and more than 20% in mobile stock trading and online shopping.

### Internet Access via Mobile Phone



Note: Among mobile phone owners

### Mobile Phone Service/Function Use (Hong Kong)



### Mobile phone Internet access expanding

Considering the portability of mobile phones and the ease with which they can be used to access the Internet, it is fairly safe to assume that their role as a tool for accessing the many services on the Internet will continue to expand. Instant Internet service anywhere and at any time provides not only easy, round-the-clock access to e-mail but also to music downloads, information searches, Internet banking services, mobile stock trading, online shopping, and much more.

Currently, Internet access is left primarily to computers. As mobile phone services develop and improve, we believe that Internet access via mobile devices will increase in popularity, a trend that in Asia will be led mainly by Net Enthusiasts.

**Hakuhodo Global HABIT** is an annual survey conducted in 32 major cities around the world, providing information that allows comparisons between cities to be made and trends of individual cities to be observed. This single-source survey focuses on respondents' lifestyles, value systems, media preferences, purchases, usage of a variety of brand name goods and consumer-oriented tendencies.

Armed with this data, users and supporters (i.e. future customers, adherents, and fans) of brand-name goods can be analyzed.

#### Cities:

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

#### Respondents:

Between 500 and 900 males and females aged 15-54 per city, except in Japan where 5,000 persons in total were interviewed in Tokyo and Osaka. The total number of persons interviewed was 21,000 worldwide. Based on screenings by household income, survey responses were obtained from persons in the middle/high income bracket of each city (50 to 85% of the urban population).

Chinese power *sei-katsu-she* (25- to 44-year-old males and females with monthly household incomes of at least 6,000 RMB) are added to the survey samples for Shanghai, Beijing, and Guangzhou.

#### Main Items Surveyed (some apply only to China and other Asian countries):

##### • *Sei-katsu-she*\* characteristics

Demographics, lifestyle, media contact, information gathering skills, consumer habits, hobby, sports, travel, ownership of durable goods, brand recognition, travel, housing, and more.

##### • Products and brands

Product usage and brand evaluation (using Hakuhodo's own Bonding & Voice branding metrics): Passenger cars, motorcycles, AV products, home electrical appliances, PCs, printers, mobile phones, digital cameras, cameras, copiers, wristwatches, video games, alcoholic drinks, non-alcoholic drinks, cigarettes, toiletries, cosmetics, and more.

##### Survey period:

June-September 2006

\* *Sei-katsu-she*

*Sei-katsu-she* are more than simply consumers, just as people's lives and lifestyles include more than just shopping. Hakuhodo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumer lives.

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Hakuhodo Advertising and Research User's Index for Targeting



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