

Hakuhodo Global HABIT 2006: Survey of Consumer Perceptions in 32 Major Cities Worldwide

Electronics, Passenger Cars & Anime Epitomize Japan

Image of Japanese products: High quality and interesting/enjoyable.

The Internet the second biggest media in Seoul, London & New York.

Tokyo—April 4, 2007—To support marketing communication in the global market place, Hakuhodo has conducted its Global HABIT survey of *sei-katsu-sha** each year since 2000. The survey database has now grown to include some 25,000 respondents in 32 major centers in Asia, Europe and the US.

In our 2006 survey, we added questions on the product, services and entertainment respondents associate with each country. Key findings of this research are presented below.

Key findings

1. Products, services and entertainment associated with each country
 - Appliances/electronics, digital products, passenger cars and anime/manga are strongly associated with Japan. In Taipei, tourism is also firmly associated with Japan, as is anime/manga in Shanghai, passenger cars in Bangkok, movies in Mumbai and food in London
 - Japanese appliances/electronics, digital products, passenger cars, and anime/manga also do well across the cities of Asia when compared with products manufactured in other countries. In passenger cars, German cars have a stronger image in some cities.
2. Image of products by country of manufacture
 - Throughout the world, and particularly in Taipei and Hong Kong, Japanese products boast a quality and value-for-money image
 - Japanese products are also strongly seen as interesting/enjoyable and pioneering/innovative. But in Hong Kong and Shanghai, Japanese and Korean products are neck and neck in pioneering/innovative image.
3. Ownership of durable consumer goods/ Information perceptions/ Media contact
 - Household LCD/plasma TV ownership tops 30% in Taipei, London, New York and Tokyo, while ownership of digital cameras is over 60% in Hong Kong, Taipei, Seoul, London, New York and Tokyo
 - Word of mouth is seen as an important means of communicating information by a majority in most cities, while more than 50% of respondents in Taipei and New York obtain information from corporate web sites, evidence of their growing role in information transmission and gathering.
 - In Seoul, London and New York, the Internet is second only to TV as a frequently used media.

* *Sei-katsu-sha* 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 our commitment to a comprehensive, 360-degree perspective on consumer's lives.

Findings

1. Products, services and entertainment associated with each country

- **Appliances/electronics, digital products, passenger cars and anime/manga are strongly associated with Japan. In Taipei, tourism is also firmly associated with Japan, as is anime/manga in Shanghai, passenger cars in Bangkok, movies in Mumbai and food in London**

A new question from this year's Global HABIT survey asked *sei-katsu-sha* in each city to name the products, services and entertainment they associate with Japan. Appliances/electronics and digital products (computers, mobile phones, digital cameras) generally came at or near the top in most cities, while passenger cars and anime/manga also made a good showing in nearly all countries.

More than 25% of respondents in Hong Kong and Taipei name-checked all 12 product, service and entertainment categories, while the same proportion selected 9 categories in Bangkok and London, showing the extent to which Japanese products have penetrated these markets.

There were some differences in the products, services and entertainment associated with Japan in each country: Tourism was high in Taipei, anime/manga in Shanghai and London, passenger cars in Bangkok, and food in London.

– Products, Services & Entertainment Associated with Japan

	Hong Kong	Taipei	Shanghai	Seoul	Bangkok	Mumbai	London	New York
1	Digital products (92.9%)	Appliances/Electronics (90.9)	Appliances/Electronics (71.8%)	Digital products (45.1%)	Passenger cars (62.0%)	Digital products (53.2%)	Digital products (54.2%)	Digital products (54.6%)
2	Appliances/Electronics (92.0%)	Digital products (90.5%)	Digital products (65.7%)	Appliances/Electronics (45.0%)	Appliances/Electronics (59.5%)	Appliances/Electronics (47.4%)	Food (50.8%)	Passenger cars (51.8%)
3	Passenger cars (88.5%)	Tourism (82.1%)	Anime/Manga (62.0%)	Passenger cars (38.4%)	Digital products (53.8%)	Movies (45.6%)	Anime/Manga (48.8%)	Appliances/Electronics (41.4%)
4	Food (83.9%)	Passenger cars (79.5%)	Passenger cars (42.1%)	Anime/Manga (33.9%)	Anime/Manga (38.9%)	Food (44.3%)	Passenger cars (46.6%)	Anime/Manga (30.2%)
5	Anime/Manga (81.9%)	Food (69.6%)	Tourism (18.3%)	Tourism (18.1%)	Food (36.4%)	Passenger cars (41.4%)	Appliances/Electronics (42.2%)	Food (25.2%)
6	Fashion (80.6%)	Fashion (69.3%)	Food (16.1%)	Fashion (10.9%)	Fashion (34.6%)	Anime/Manga (36.0%)	Tourism (37.2%)	Tourism (25.2%)
7	Tourism (78.4%)	Anime/Manga (60.4%)	Fashion (11.8%)	Furniture/Furnishings (9.4%)	Movies (34.3%)	Fashion (34.4%)	Movies (35.0%)	Fashion (17.8%)
8	Music (55.8%)	Music (51.5%)	Movies (11.7%)	Food (9.1%)	Luxury brands (28.5%)	Furniture/Furnishings (24.6%)	Luxury brands (33.0%)	Movies (15.0%)
9	Movies (53.6%)	Movies (44.3%)	Music (10.6%)	Luxury brands (8.6%)	Tourism (26.0%)	Luxury brands (21.3%)	Fashion (29.2%)	Luxury brands (13.4%)
10	Luxury brands (43.0%)	Luxury brands (40.1%)	Furniture/Furnishings (9.3%)	Music (6.0%)	Furniture/Furnishings (22.6%)	Tourism (18.0%)	Sports (24.8%)	Music (11.0%)
11	Sports (28.5%)	Sports (34.6%)	Sports (9.1%)	Sports (4.9%)	Sports (22.3%)	Sports (18.0%)	Music (23.0%)	Sports (10.4%)
12	Furniture/Furnishings (26.8%)	Furniture/Furnishings (26.3%)	Luxury brands (6.8%)	Movies (4.4%)	Music (20.9%)	Music (11.8%)	Furniture/Furnishings (17.8%)	Furniture/Furnishings (9.8%)

Notes: Products, services and entertainment associated with Japan by at least 25% are surrounded by a heavy black line. The top 4 categories overall are shaded.

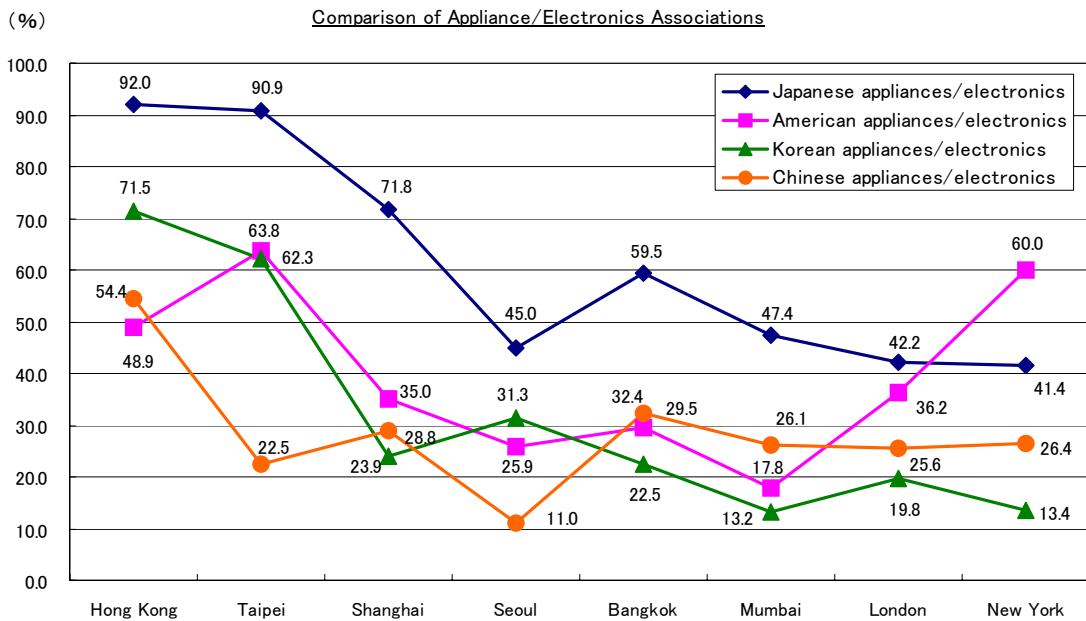
- **Japanese appliances/electronics, digital products, passenger cars, and anime/manga also do well across the cities of Asia when compared with products manufactured in other countries. In passenger cars, German cars have a stronger image in some cities**

While the association of appliances/ electronics, digital products, passenger cars and anime/manga with Japan was high across the board in Asia with the exception of passenger cars in Shanghai, New Yorkers more strongly associated appliances/ electronics, passenger cars and anime/manga with their own country.

In the case of passenger cars, the strongest association for respondents from Hong Kong, Taipei, Bangkok and Mumbai respondents was with Japan, but in Shanghai and London German cars give Japanese cars a run for their money.

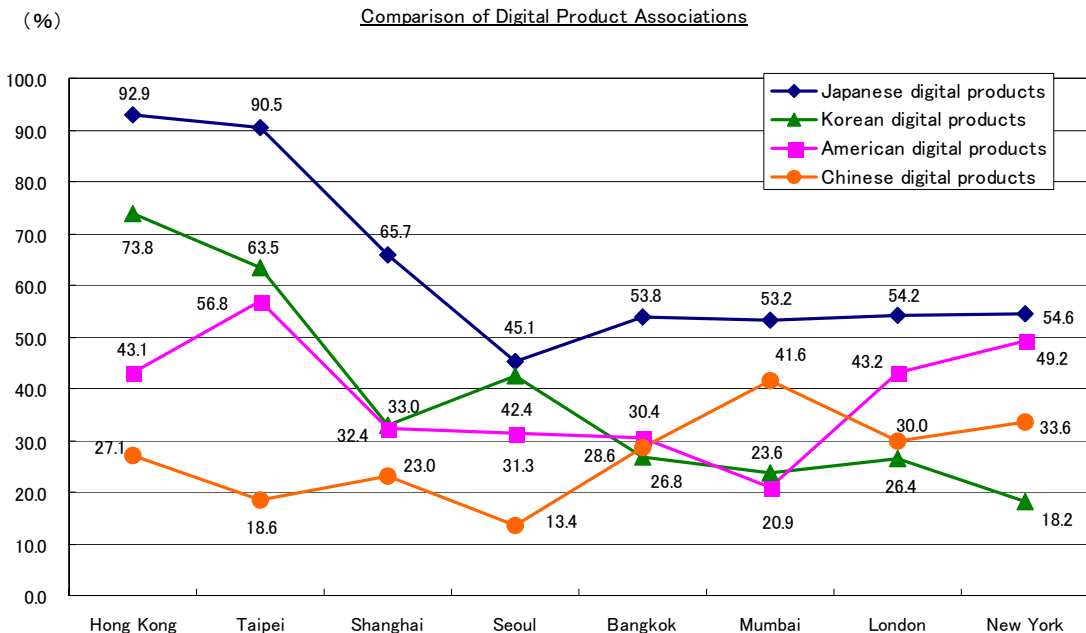
– **Comparison of appliance/electronics associations**

Associations of appliances/electronics with Japan were high except in New York.



– **Comparison of digital product (computers, mobile phones, digital cameras) associations**

The association with Japan was highest in all cities.

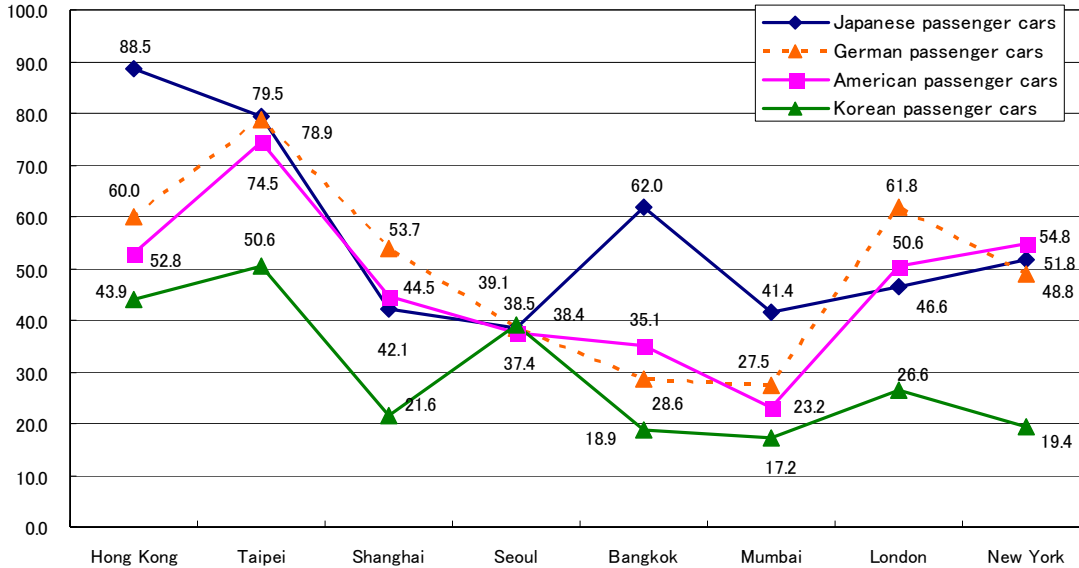


– **Comparison of passenger car associations**

While the top association was with Japanese passenger cars in Hong Kong, Taipei, Bangkok and Mumbai, German cars came out on top in Shanghai and London, and American cars in New York. In Korea, the four countries' cars were neck and neck.

(%)

Comparison of Passenger Car Associations

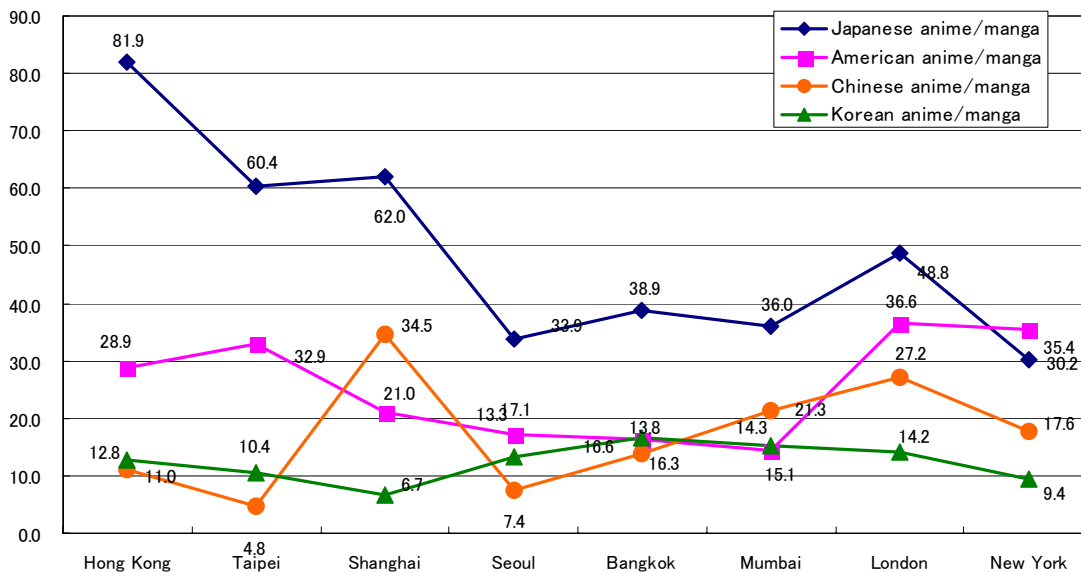


– **Comparison of anime/manga associations**

Aside from New York, the association of anime and manga with Japan was overwhelming. Chinese anime/manga also polled well in Shanghai.

(%)

Comparison of Anime/Manga Associations



2. Country of manufacture image

Looking at the responses in each city to images of different places of manufacture, Japanese products ranked at the top in terms of excellent quality/features across Asia, and a close second in London and New York. Japanese products also made a strong showing overall in value for money, pioneering/innovative and interesting/enjoyable. These strong images likely give extra impetus to the strong associations people have of appliances/electronics, digital products, anime and other products with Japan. Notably, more than 80% of Hong Kong and Taipei respondents gave Japanese products top marks for their quality/features.

In London and New York, however, local products received top marks for quality/features, indicative of the confidence Londoners and New Yorkers have in locally-produced wares. It is also worth noting that Chinese products are seen as the best value for money in Shanghai, Seoul and New York.

While Japanese products are seen as the most interesting/enjoyable in most cities, it is a close call between Korean, American and Chinese products in Shanghai.

- **Throughout the world, and particularly in Taipei and Hong Kong, Japanese products boast a quality and value-for-money image**

	Excellent quality/features					Value for money				
	Japanese products	American products	European products	Korean products	Chinese products	Japanese products	American products	European products	Korean products	Chinese products
Hong Kong	①87.6	64.6	76.4	48.4	11.0	①52.8	32.9	36.5	43.6	32.5
Taipei	①89.6	53.8	71.8	28.3	3.5	①70.6	52.9	55.9	33.9	15.0
Shanghai	①55.4	40.9	34.1	19.3	23.2	11.6	9.9	11.7	25.2	①46.1
Seoul	①34.4	22.8	17.0	32.1	6.3	8.3	10.5	8.5	29.6	①42.0
Bangkok	①58.0	45.4	37.8	21.0	20.9	①33.9	17.5	17.6	28.5	31.3
Mumbai	①29.6	22.1	15.1	11.6	20.9	13.3	①18.2	12.0	11.4	13.2
London	51.8	43.2	①55.2	25.2	26.4	①39.6	32.0	25.0	31.8	33.8
New York	45.6	①46.6	31.6	14.8	22.2	25.6	26.0	12.0	17.2	①29.6

- **Japanese products are also strongly seen as interesting/enjoyable and pioneering/innovative. But in Hong Kong and Shanghai, Japanese and Korean products are neck and neck in pioneering/innovative image**

	Pioneering/innovative image					Interesting/enjoyable				
	Japanese products	American products	European products	Korean products	Chinese products	Japanese products	American products	European products	Korean products	Chinese products
Hong Kong	65.4	44.8	47.0	①65.9	42.9	①64.1	36.5	46.0	30.0	8.3
Taipei	①68.9	48.6	50.3	45.6	5.6	①71.9	56.4	56.3	37.1	9.0
Shanghai	31.1	22.8	27.1	①35.1	34.4	18.5	21.7	17.8	①23.9	20.7
Seoul	14.1	①22.8	21.1	13.5	8.8	①23.1	17.3	18.8	22.0	16.6
Bangkok	①37.9	31.4	27.0	21.1	26.3	①31.8	25.8	26.6	26.6	21.1
Mumbai	①28.4	27.1	19.1	16.2	24.4	①18.0	15.1	12.4	11.2	14.5
London	①37.2	33.2	36.4	16.8	14.6	①30.2	29.0	24.0	13.0	15.2
New York	①31.8	23.8	15.0	11.2	18.8	21.0	①24.4	14.0	6.6	13.0

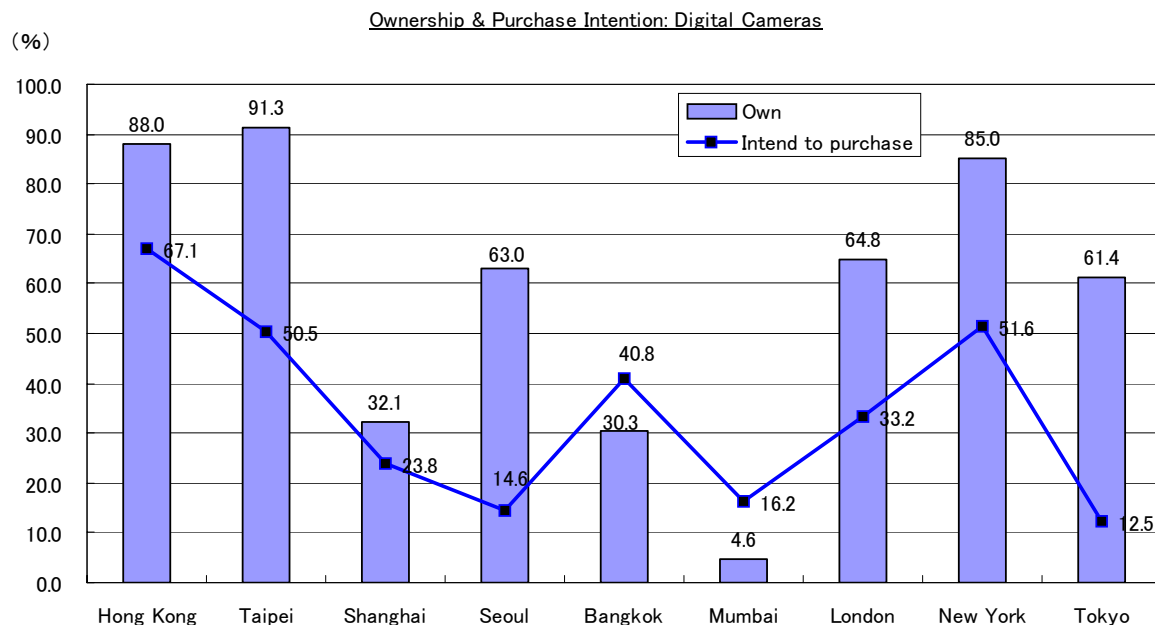
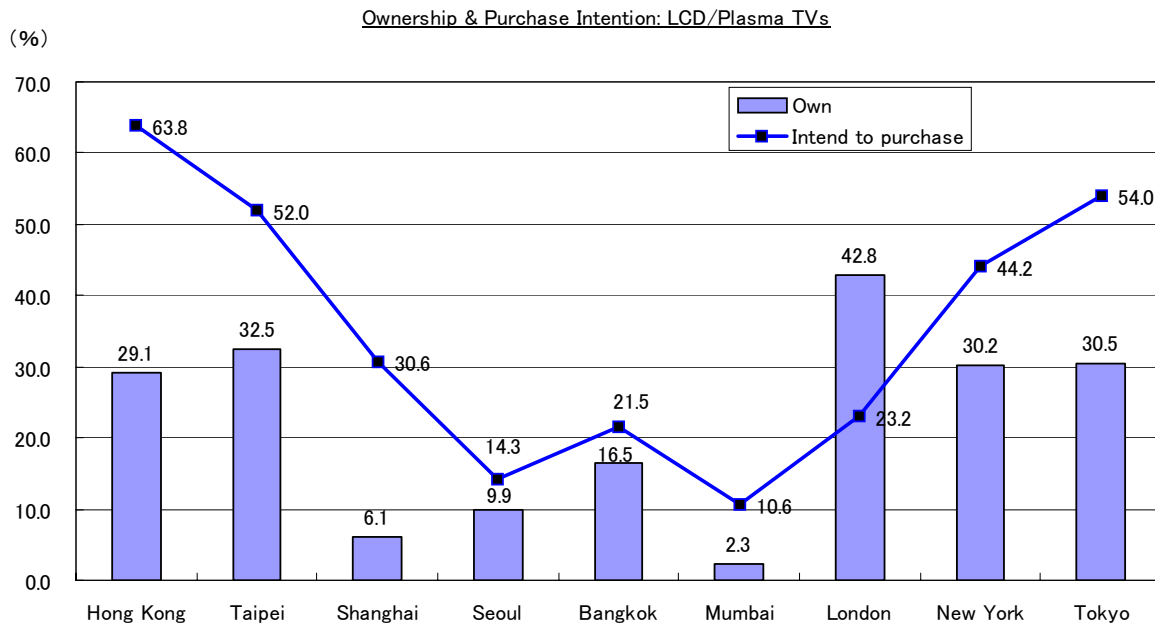
3. Ownership of durable consumer goods/ Information perceptions/ Media contact

- LCD/plasma TV ownership tops 30% in Taipei, London, New York and Tokyo, while ownership of digital cameras is over 60% in Hong Kong, Taipei, Seoul, London, New York and Tokyo

Household ownership of LCD/plasma TVs is over 30% in Taipei, London, New York and Tokyo, while purchase intention exceeds ownership in every city except London, hinting at further growth in this market in the future.

Household digital camera ownership is extremely high at 60%+ in Hong Kong, Taipei, Seoul, London, New York and Tokyo. Although ownership is still fairly low in Shanghai, Bangkok and Mumbai, the market in these cities is almost certain to grow given their high rates of purchase intention.

Ownership & Purchase Intention: LCD/Plasma TVs



- **Word of mouth is seen as an important means of communicating information by a majority in most cities, while more than 50% of respondents in Taipei and New York obtain information from corporate web sites, evidence of their growing role in information transmission and gathering**

The desire to have information before others is high in Mumbai and Taipei, and low in Shanghai and Tokyo. Word of mouth is seen as an important means of communicating information by a majority in most cities, while more than half of respondents in Taipei and New York seek information from corporate web sites. At least one in four in all cities except Tokyo pays attention to product information in stores.

	Think word-of-mouth is an important means of communicating information	Try to get information before others	Often get information from corporate web sites	Value product information at the supermarket/ department store
Hong Kong	72.5	25.0	43.0	45.0
Taipei	77.6	38.6	56.3	39.4
Shanghai	50.7	12.4	13.4	36.0
Seoul	36.1	29.1	27.0	30.4
Bangkok	23.4	22.8	8.4	25.1
Mumbai	51.6	49.3	22.2	60.7
London	63.0	24.4	38.6	38.8
New York	68.2	21.6	50.4	45.4
Tokyo	54.3	12.8	25.2	12.5

Note: Shading indicates scores of 50% or higher

- **In Seoul, London and New York, the Internet is second only to TV as a frequently used media**

The Internet is the second biggest media following TV in Seoul, London and New York. Outdoor advertising was a high-contact media for those in Hong Kong, Shanghai and Tokyo, while transit advertising was in Hong Kong, Mumbai and Tokyo.

– Frequently used media

	TV	Newspapers	Magazines	Radio	Internet	Outdoor advertising	Transit advertising (incl. station & on-board advertising)
Hong Kong	① 97.0	② 91.0	75.6	74.0	67.1	57.9	78.1
Taipei	① 95.4	② 78.8	67.9	41.9	73.4	46.0	53.9
Shanghai	① 99.3	② 83.0	63.2	25.1	36.3	50.6	49.8
Seoul	① 92.6	40.9	10.3	15.1	② 54.1	16.9	29.5
Bangkok	① 97.9	② 71.0	32.6	59.1	16.8	32.8	28.8
Mumbai	① 99.0	② 80.9	62.9	72.1	24.0	37.1	63.8
London	① 82.4	44.8	41.8	47.8	② 56.0	23.0	29.8
New York	① 80.2	55.0	50.0	56.4	② 62.2	15.8	13.0
Tokyo	① 89.7	87.1	② 88.0	49.3	72.8	57.2	70.2

Hakuhodo Global HABIT 2006 Survey Outline

• Survey frame

Cities surveyed: Shanghai, Beijing, Guangzhou, Dalian, Shenyang, Wuhan, Chengdu, Fuzhou (China); Hong Kong; Taipei (Taiwan); Bangkok (Thailand); Seoul (Korea); Singapore; Kuala Lumpur (Malaysia); Metro Manila (Philippines); Jakarta (Indonesia); Ho Chi Minh City (Vietnam); Delhi, Mumbai (India); New York (USA); London (UK); Milan (Italy); Tokyo, Osaka (Japan)
* Previous surveys include Los Angeles, Chicago (USA); Berlin, Frankfurt (Germany); Paris (France); Moscow (Russia); Madrid (Spain); Sydney (Australia)

Population: Outside Japan: 500–900 males/females aged 15–54 per city; Japan: 5,000 males/females aged 15–54 in Tokyo and Osaka. Total n = 21,200.
Samples from Shanghai, Beijing and Guangzhou have been added to 1,221 Chinese Power *Sei-katsu-sha* (defined as males/females aged 25–44 with monthly household incomes of at least 6,000 RMB)
All respondents were screened for household income to include those in the mid–upper income bracket (the top 50–85% of the city’s population).
Since 2005, 100+ *sei-katsu-sha* perception questions (on clothing, food, housing, entertainment, work, life, etc.) have been added to the surveys of 4 Chinese cities (Shanghai, Beijing, Guangzhou, Chengdu) as the Lifestyle Survey of the Chinese People

Survey method: In-home interviews (Asia, except Hong Kong, Taipei), personal interviews at a central location (Hong Kong, Taipei), computer-assisted personal interview surveys (US, Europe), in-home interviews/postal surveys (Japan)

• Main survey items (some only in Asian and Chinese cities)

Demographics/Lifestyle

Demographics, lifestyle, country image, media/information contact, shopping, interests, sports, durable consumer goods ownership, category perceptions, touchpoints, travel, housing

Product/Service usage

Insurance, credit cards, airlines, fast food, passenger cars, motorcycles, AV equipment, home appliances, computers/printers, mobile phones, cameras/digital cameras, copiers, wristwatches, game consoles, non-alcoholic beverages, foodstuffs (instant foods, snack foods), alcoholic beverages (beer, etc.), cigarettes, toiletries, cosmetics, personal care products, batteries, tires

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■ About Hakuhold Inc.

Founded in 1895, Hakuhold Inc. (www.hakuhold.jp) is the second largest advertising company in Japan, and the tenth largest core agency in the world according to *Advertising Age's* agency report 2006. Today, innovation and creativity are still at the heart of its operations. Hakuhold shares with its clients an unmatched depth of knowledge about the relationship between people and brands – knowledge that has grown from the concept of *sei-katsu-sha* (“consumers with a heartbeat”) which Hakuhold pioneered in advertising. Through its global network, Hakuhold provides comprehensive marketing and communications services and solutions for some of the best-known brands in the world. Hakuhold has 64 offices in 16 countries/regions, and approximately 5,000 employees.

Sei-katsu-sha insight is the foundation for Hakuhold's thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuhold introduced this term in the 1980s to emphasize our commitment to a comprehensive, 360-degree perspective on consumers' lives.

Hakuhold is one of three advertising agencies under the umbrella of Hakuhold DY Holdings Inc. (TSE: 2433) (<http://www.hakuholdody-holdings.co.jp/english/index.html>) a holding company which was established in 2003 through the management integration of Hakuhold Inc., Daiko Advertising Inc. and Yomiko Advertising Inc. Hakuhold DY Holdings Inc. was listed on the first section of Tokyo Stock Exchange in 2005.

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