HAKUHODO

On May 1, 2008, Hakuhodo unveiled a radically new visual identity, reaffirming our mission and heralding the beginning of a new era for our 110-year-old agency. The unveiling coincided with the relocation of our headquarters to Akasaka Biz Tower, one of the premier creative business complexes in Tokyo.

The main element of our new VI, which also includes a new logotype and color scheme, is a new group logo, which the agency calls The Big Colon. Just as the punctuation mark colon establishes a relationship between two things, the Big Colon symbolizes our role as a vital link between brands, *sei-katsu-sha**, media and ideas. And just as a colon serves to focus attention on a subject, the Big Colon represents our ability to create buzz around the brands and companies we serve.

Brand : Idea : *Sei-katsu-sha* : Media : At the center of any configuration, Hakuhodo gives more meaning to the relationship, expanding the discourse and creating new avenues of dialogue.

Note : The Japanese term *sei-katsu-sha*, which literally means "living person," is the heart of Hakuhodo's advertising approach. In contrast to the term Japanese marketers typically use for consumer, *sei-katsu-sha* expresses a holistic person with a lifestyle, aspirations and dreams: in other words, an individual.

HAKUHODO

Global HABIT Survey

Youth Oriented 50s in Japan and Asia

Japan—The Fastest Aging Population in the World

What can markets in Asia learn from an aging Japan?

With birthrates falling and populations aging throughout Asia, a growing number of companies have started research projects exploring the implications of population structure change in the next ten or twenty years. Japan, with the fastest aging population in the world, is naturally attracting a lot of attention.

In Japan, the 50-plus segment already accounts for the bulk of consumer spending. Hakuhodo research indicates that its members have the money, the time and the desire to spend. They are eager to remain both physically and mentally young, and what they want are cultured, quality lifestyles. Firms in a wide variety of industry categories are accelerating efforts to develop new products and services to appeal to this increasingly important target.

With populations in Korea, Singapore, China and Thailand also aging sharply, interest in changes in Japanese social structure and corporate activities in response to those changes is sure to increase further.

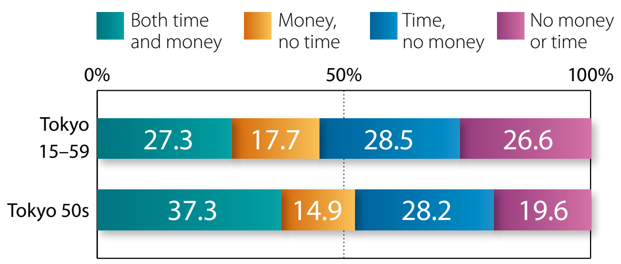
In this report we examine the distinctive characteristics of Tokyo people aged 50–59 and compare them with their counterparts in other major Asian cities. Variation of perceptions across age groups in the cities is also examined. We use quantitative data gathered in domestic and global surveys conducted by Hakuhodo's R&D Division together with research conducted by Hakuhodo's Institute of Elder Knowledge and New Adult Culture during the last decade.

Living in Tokyo, Age 50–59

They have the money, they have the time. Life is good.

Examining self-evaluations of affluence in terms of time and money, we divided Tokyo consumers into four groups. Roughly one in four (27.3%) of all residents of Tokyo (15–59) say they have plenty of both. This figure rises to more than one in three (37.3%) when the age range is restricted to 50–59. These Tokyo 50s are an age cohort with the time and money to do what they like.

Affluence



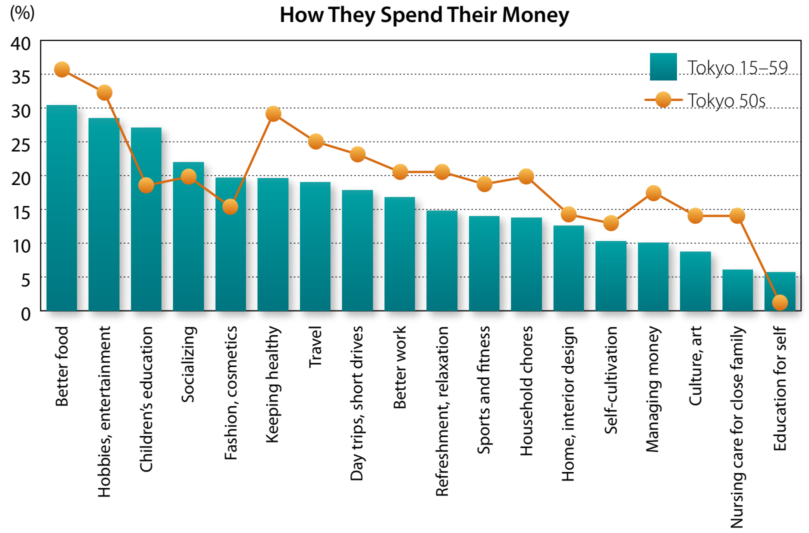
Enjoy life? Yes. But mental and physical fitness and nursing care for family members also take money.

Dividing everyday spending into eighteen categories offers a glimpse of Tokyo 50s lifestyles. They like to eat well, pursue their hobbies, and travel. But they also spend heavily on staying healthy, engaging in activities that refresh mind and body, and on paying for nursing care for close family members. They have to watch out for their own health while taking care of their parents, but still have time to enjoy life.

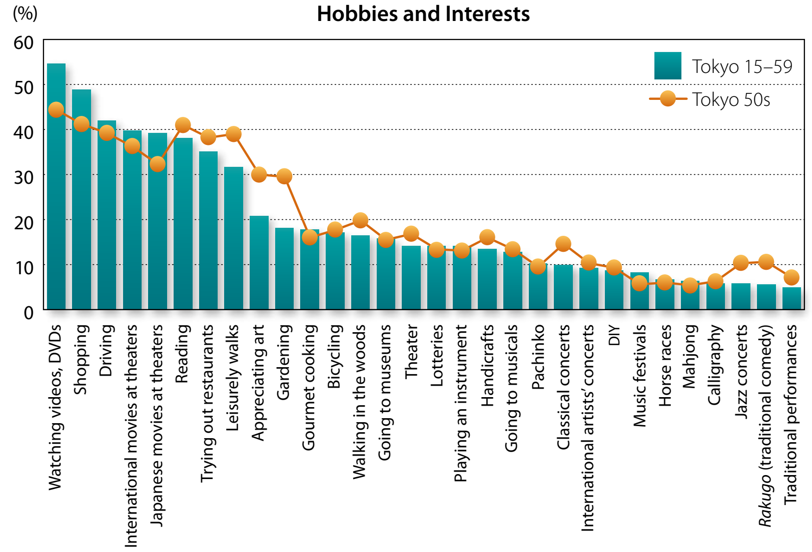
Affluent 50s: pure cultured, quality lifestyles.

Tokyo 50s interests include walking, going to art museums, and gardening, all areas in which they score higher than Tokyo residents as a whole. And while classical and jazz concerts and *rakugo* (traditional Japanese comedy) are only minority interests (less than 10%) for all Tokyo residents, these activities appeal to more than 10% of those in their 50s.

How They Spend Their Money



Hobbies and Interests



* The data on this page are taken from the Hakuhodo HABIT database: Tokyo 15–59, male and female, n=2,624; Tokyo 50–59, male and female, n=536.

Hakuhodo has conducted large-sample, HABIT surveys in Japan every year since 1995. Designed to provide a close-up picture of Japanese consumers, HABIT surveys cover lifestyle values, purchase intentions, product usage, brand evaluation and media contact, using questionnaires filled out by the same subjects eight or nine times per year.

- Areas: Tokyo, Osaka
- Respondents: 12–69, male and female, total n=5,000, subsamples proportional to population size.

HABIT: An abbreviation for Hakuhodo Audience and Brand – User Index for Targeting

HABIT®

Asia's New Adults: Japan Shows the Way

Setsuo Sakamoto Executive Manager Institute of Elder Knowledge and New Adult Culture

Is Japan, the "new adult" leader, pointing the way for the rest of Asia?

As other Asian economies grow rapidly, it is hard to find a field in which Japan is out front of the rest of Asia. There is, however, one area in which Japan is growing faster than anywhere else—its aging population. It may sound like a joke, but it's no joke. The reality is that other countries in Asia also have aging populations.

As Peter Drucker predicted before his death, Japan is leading another global trend by having the world's fastest aging population. Many have spoken before about the problems associated with an aging population, but the fact of the matter is that it also presents a huge opportunity. It isn't the IT industry and it isn't the nation-state. It is, instead, Japan's consumers who hold the keys to tapping that opportunity.

Even Japanese are surprised by how quickly Japan is aging.

Japan is aging rapidly. It isn't going too far to say that even Japanese can't keep up with the speed of this change.

Japan's adult (20-plus) population now numbers around 100 million. Of that 100 million, those who are 50-plus account for 56 million and those who are 40-plus account for 74 million. In other words, more than half of adult Japanese are aged 50 or older, while seven out of 10 are aged 40 or older.

Projections indicate that eight years from now, in 2020, those 50-plus will account for sixty percent, or 60 million, of Japan's adults, while eighty percent, or 78 million, will be forty or older. It is hard to believe but entirely possible that just eight years from now Japan will be a country in which you have to be forty or older to be considered adult. And shortly after that we will see the same phenomenon occurring throughout Asia.

Middle-aged and elderly will disappear. Welcome to the world of the new adults.

What is important here is not the fact that the number of elderly will be increasing. It is the huge transformation in consumer consciousness that this will bring about. When we talk about the middle-aged and elderly disappearing, we aren't saying that middle-aged and elderly people will disappear. We are talking about the extinction of middle-aged and older attitudes in Japan.

In the survey we conducted last year of those in their forties, fifties and sixties, 64.1% expressed a desire to look good in jeans even aged 50 or older. Of those already fifty or older, 61.4% didn't want to get any older, and 82.7% said that they wanted to remain youthful and forward looking, however old they became. More than seventy percent (72.6%) were concerned about their looks and wanted to look young, whatever their age. We heard the same answer from a high percentage (60%) of those already sixty-plus.

Where is this coming from? The single most compelling answer is that Japanese attitudes have changed dramatically since the Baby Boom. Those now in their early sixties are Baby Boomers*, a high proportion of whom have always wanted to look young.

Another important factor is that this generation has time and money to spend. Total individual assets in Japan are said to be around 1,400 trillion yen. The lion's share is owned by those fifty or older. For those in their sixties who wish to maintain a youthful appearance, this means spending on skin care and exercise. And for those who look young, looking young is just the beginning. They also want to enjoy entertainment, dining out, and travel. That, too, takes time and money. In Japan it is this generation that is driving sales of anti-aging cosmetics, big flat-screen TVs, and premium beer.

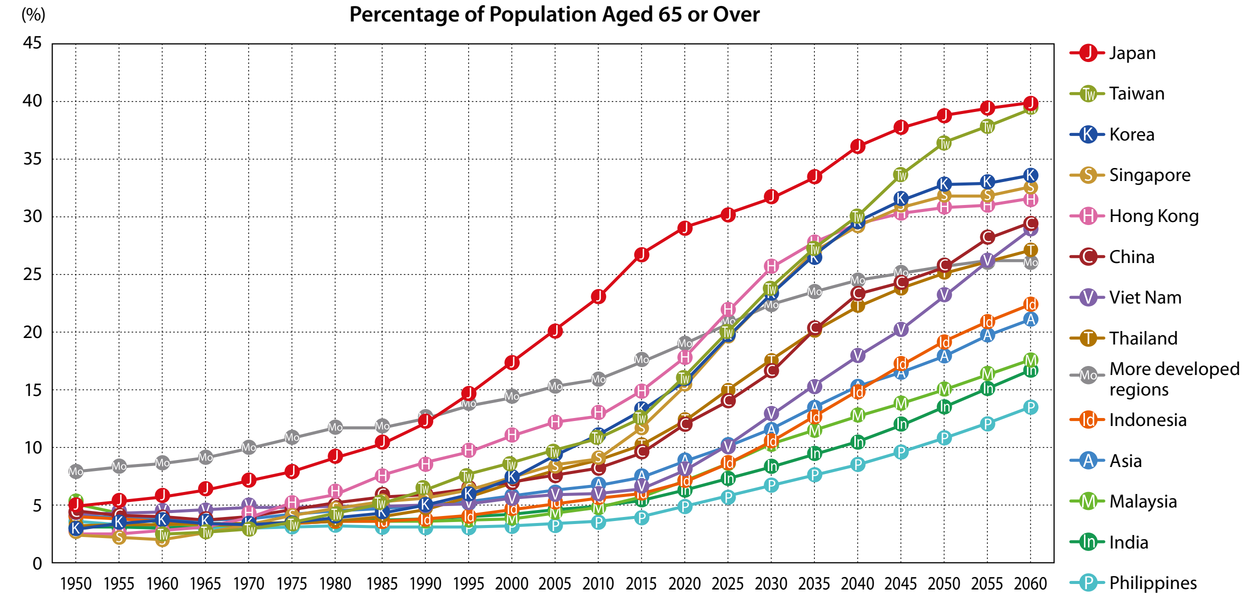
Japan's aging population has most often been talked about as an opportunity for the nursing care industry. Now, however, new products and services that support active lifestyles and address the desire of the "New Adults" to retain a youthful appearance will become increasingly important. We see the spread of new marketing models that target the New Adult segment, whose members have both the money and freedom to spend.

* In Japan, "Baby Boomers" refers to the approximately 11 million individuals born in the five-year period between 1947 and 1951. In the late 1960s, they were the creators of the youth culture that included the Beatles and miniskirts. They began to reach retirement age in 2007 and by 2012 most had retired. They are now in their early sixties.

Institute of Elder Knowledge and New Adult Culture

In June 2006, Hakuhodo created an Elder Business Promotion Unit tasked with accumulating knowledge about changes in lifestyle attitudes among consumers aged fifty and older. Now, a decade later, the focus of the renamed Institute of Elder Knowledge and New Adult Culture has broadened to include consumers aged 40–69, who are having a major impact on Japanese society.

Percentage of Population Aged 65 or Over



Sources: The *2010 Revision* of the *World Population Prospects*, United Nations.
For Japan, however, data for years up to 2010 are taken from the National Census. Projections through the year 2015 are averages taken from from National Institute of Population and Social Security Research population projections (January 2012). For Taiwan, the Council for Economic Planning and Development in Taiwan data are used.
Note: *More developed regions* refers to North America, Japan, Europe, Australia and New Zealand.

Average Life Expectancy at Birth 2010–2015

Country	Total	Male	Female
Japan	83.7	80.1	87.1
Hong Kong	83.2	80.2	86.4
Singapore	81.3	78.9	83.7
Korea	80.7	77.3	84.0
Taiwan	80.1	77.0	83.2
Viet Nam	75.5	73.4	77.4
Malaysia	74.6	72.5	76.9
Thailand	74.4	71.1	77.8
China	73.8	72.1	75.6
Indonesia	70.0	68.3	71.8
Philippines	69.2	66.0	72.6
India	66.0	64.4	67.6

Sources:
The *2010 Revision* of the *World Population Prospects*, United Nations.
For Taiwan, the Council for Economic Planning and Development in Taiwan data are used, and the average for the years 2012–2015 taken.

Tokyo 50s vs Other Asian 50s

How different are they? Tokyo 50s vs other Asian 50s

Youth

More than 70% of Tokyo 50s want to remain both physically and mentally young. A similar trend, though less strong, appears in Beijing and Delhi. In contrast, more than 70% of Jakarta 50s prefer to age gracefully, with appearance reflecting their age. This trend is also visible in Hong Kong and Bangkok.

(%)	Want to stay physically young forever	Want a mature appearance that suits my age
Tokyo	74.4	25.6
Beijing	62.6	37.4
Delhi	48.0	52.0
Hong Kong	40.0	60.0
Bangkok	37.5	62.5
Jakarta	30.0	70.0

(%)	Want to stay mentally young forever	Want to become wiser with age
Tokyo	76.1	23.9
Beijing	59.1	40.9
Delhi	57.0	43.0
Hong Kong	47.0	53.0
Bangkok	37.5	62.5
Jakarta	18.5	81.5

Money

Tokyo 50s want to spend their money on themselves and do not expect to receive financial assistance from their children. They embrace financial independence. In other cities, the 50s generation not only wants to leave assets as an inheritance for their children, they also expect to receive financial assistance if they need it. In Beijing, one in two expect this kind of support.

(%)	Want to leave an estate for the children	Prefer to spend my money on myself
Tokyo	47.8	52.2
Beijing	70.4	29.6
Delhi	69.5	30.5
Hong Kong	75.0	25.0
Bangkok	64.5	35.5
Jakarta	84.0	16.0

(%)	Expect financial assistance from children	Don't want to be an economic burden
Tokyo	3.2	96.8
Beijing	53.2	46.8
Delhi	37.5	62.5
Hong Kong	25.0	75.0
Bangkok	36.0	64.0
Jakarta	26.5	73.5

Consumption

Over 80% of Tokyo 50s prefer brands that suit themselves to luxury brands that everyone knows and give more weight to function than design in making purchase decisions. Hong Kong 50s show similar trends. Beijing 50s, however, show a strong preference for popular luxury brands that everyone knows and pay more attention to design than function in choosing the items they purchase.

(%)	Like popular luxury brands	Like less well known brands that suit me
Tokyo	11.4	88.4
Beijing	41.9	58.1
Delhi	33.5	66.5
Hong Kong	19.0	81.0
Bangkok	29.5	70.5
Jakarta	25.0	75.0

(%)	Design more important than function	Function more important than design
Tokyo	14.4	85.6
Beijing	57.6	42.4
Delhi	32.5	67.5
Hong Kong	20.0	80.0
Bangkok	37.5	62.5
Jakarta	27.0	73.0

Information

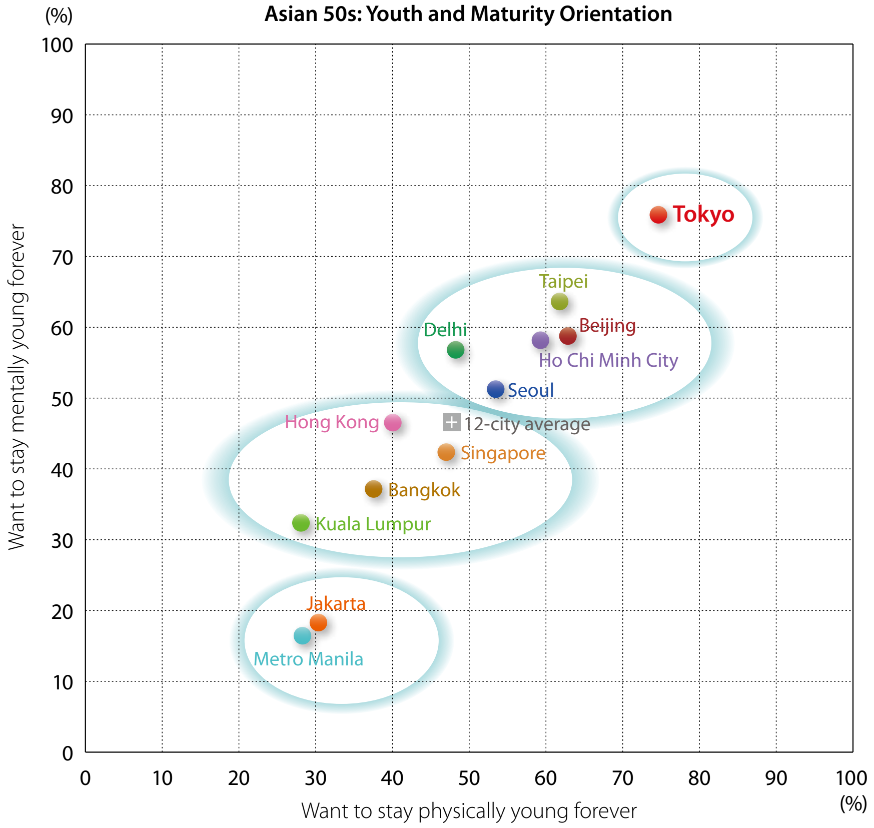
Tokyo 50s search for high quality information and will take the time and effort to get it. We see similar trends among Beijing 50s. Those in their fifties in other cities are split 50:50 when it comes to a choice between quantity and quality of information. Differences appear in willingness to invest serious effort to obtain information. More than 60% of Hong Kong and Bangkok 50s are willing to put in an extra effort, versus just over 30% in Jakarta.

(%)	Quality, not quantity, of information	Quantity, not quality, of information
Tokyo	70.0	30.0
Beijing	63.5	36.5
Delhi	49.0	51.0
Hong Kong	47.5	52.5
Bangkok	48.0	52.0
Jakarta	47.0	53.0

(%)	Spend time to get the right information	Won't spend time to get the right information
Tokyo	61.2	38.8
Beijing	57.6	42.4
Delhi	53.0	47.0
Hong Kong	72.0	28.0
Bangkok	61.5	38.5
Jakarta	35.5	64.5

Staying Young or Showing My Age

Asian 50s: Youth and Maturity Orientation



Tokyo stands out in desire to stay young

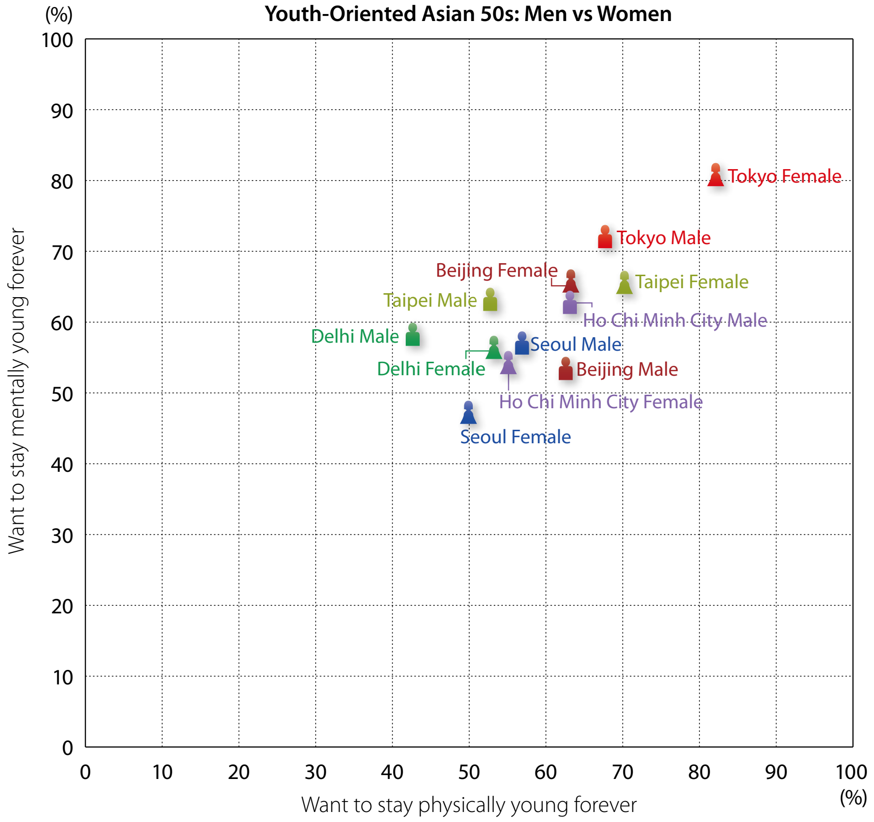
The chart on the left maps desire to remain physically and mentally young among consumers aged 50–59 in twelve Asian cities, including Tokyo. Overall, the distribution is not skewed, indicating a balanced desire to remain both physically and mentally young. It is notable, however, that desire to stay young is not necessarily correlated with economic affluence. Thus, for example, in Singapore, where per capita GDP is in excess of $40,000 the desire to stay young is lower than the average for all twelve cities, while the desire to stay young is stronger in Ho Chi Minh City, where per capital GDP is much lower.

About the Data: Plots the scores on the "Want to stay physically young" and "Want to stay mentally young" dimensions of the tables on the previous page.

On these measures Tokyo stands out for desire for youthfulness, while Metro Manila and Jakarta are at the opposite extreme. The twelve cities can be grouped as follows.

1. Strongly youth-oriented: Tokyo
2. Youth-oriented: Taipei, Seoul, Beijing, Ho Chi Minh City, Delhi
3. Maturity-oriented: Singapore, Hong Kong, Bangkok, Kuala Lumpur
4. Strongly maturity-oriented: Jakarta, Metro Manila

Youth-Oriented Asian 50s: Men vs Women



Among the six cities that are youth-oriented or strongly youth-oriented, we see gender differences: in some cities the desire is stronger for men, in others it is stronger for women. In Tokyo, women score higher in desire to stay young both physically and mentally. We see similar trends in Taipei and Beijing. In contrast, men's desire to stay young both physically and mentally is stronger in Seoul and Ho Chi Minh City.

The data used

In 2011, Global HABIT surveys were conducted in Hong Kong, Taipei, Seoul, Singapore, Kuala Lumpur, Bangkok, Metro Manila, Jakarta, Ho Chi Min City, Delhi and Beijing. Adding Tokyo, the total rises to 12 cities.
Total n= 2,579 (male and female, 50–59).

Hakuhodo Global HABIT is an annual survey conducted in 36 major cities around the world, providing information that allows comparisons between cities and observation of trends in individual cities. This single-source survey focuses on respondents' lifestyles, value systems, media preferences, purchases, and usage of and perceptions toward a variety of brands and goods. Armed with this data, users and supporters (i.e. future customers, adherents, and fans) of brands can be analyzed.

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

Respondents:
Either 540 or 900 males and females aged 15–59 per city. The total number of persons interviewed was 16,000 worldwide. Based on screenings by household income, survey responses were obtained from persons in the middle/high income bracket of each city (50–90% of the urban population).

Power *sei-katsu-sha* account for approx. the top 10% of income earners in each city. Due to their strong spending habits, active lifestyles, and high information awareness, power *sei-katsu-sha* are consumption leaders with significant power in the market. By paying attention to such power *sei-katsu-sha*, it is now possible to analyze the relationships between brands and consumers with strong purchasing power.

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

• *Sei-katsu-sha characteristics**
Demographics, lifestyle, media contact, information gathering skills, consumer habits, hobbies, 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, personal computers, printers, mobile phones, digital cameras, cameras, copiers, wristwatches, game consoles, alcoholic drinks, non-alcoholic drinks, toiletries, cosmetics, and more.

Survey period:
May–August 2011

* *Sei-katsu-sha*
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 consumers' lives.

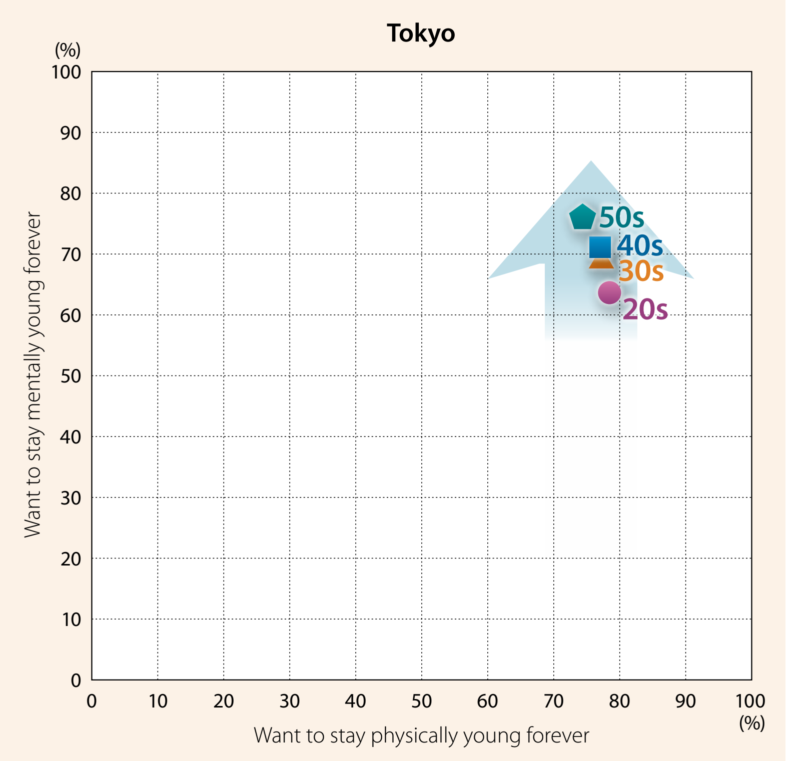
Global HABIT®
Hakuhodo Audience and Brand-User's index for Targeting

Youth Orientation: Comparing Age Cohorts

Now we turn to differences in desire to stay young among different age cohorts in each of our twelve cities. For each city we plot the desire to remain young scores for those in their 40s, 30s and 20s as well as those in their 50s, to see how the younger cohorts compare to those in their 50s. Our data reveal four distinct patterns.

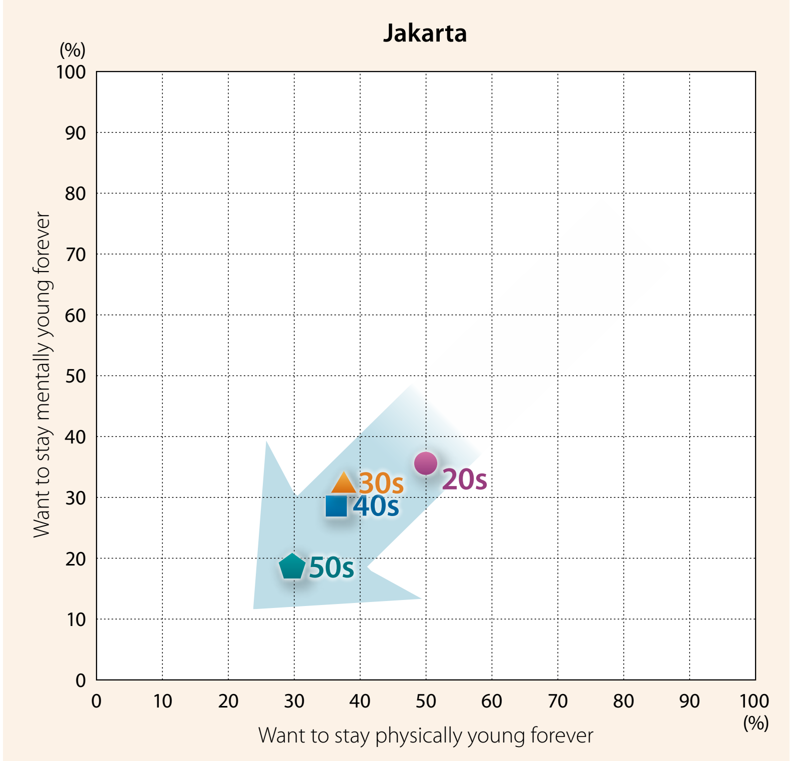
Youth-orientation rising with age: Tokyo and Taipei

In these two cities, there is no real difference in desire to stay physically young across age groups. Desire to stay mentally young is strong among those in their 20s and increases with age, peaking among those in their 50s.



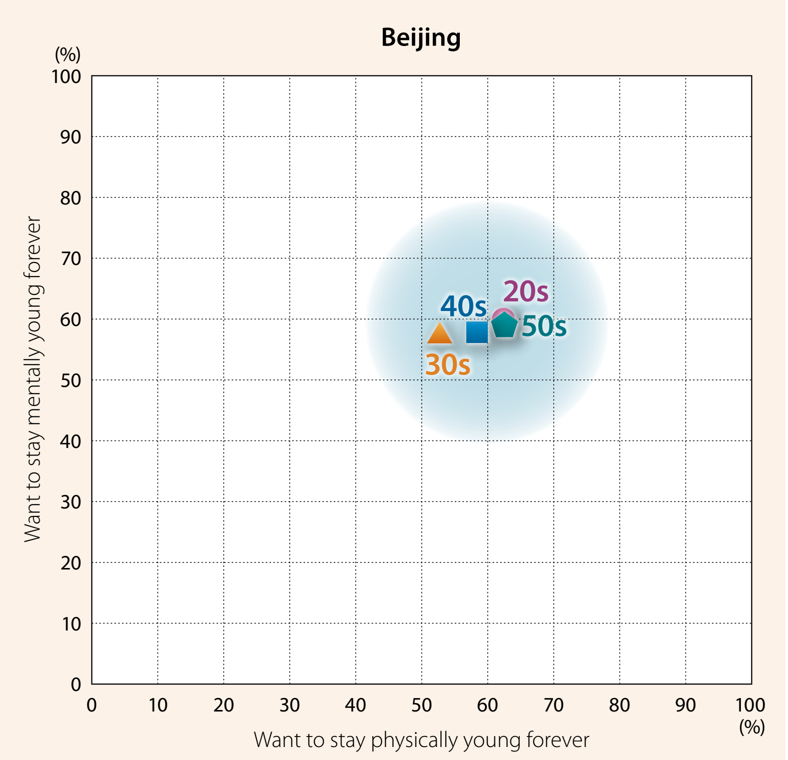
Maturity-orientation rising with age: Jakarta, Kuala Lumpur, Bangkok and Singapore

In these four cities, the desire to stay young declines with age. Instead, people are happy to display the maturity that comes with age, with the 50s scoring highest in this regard.



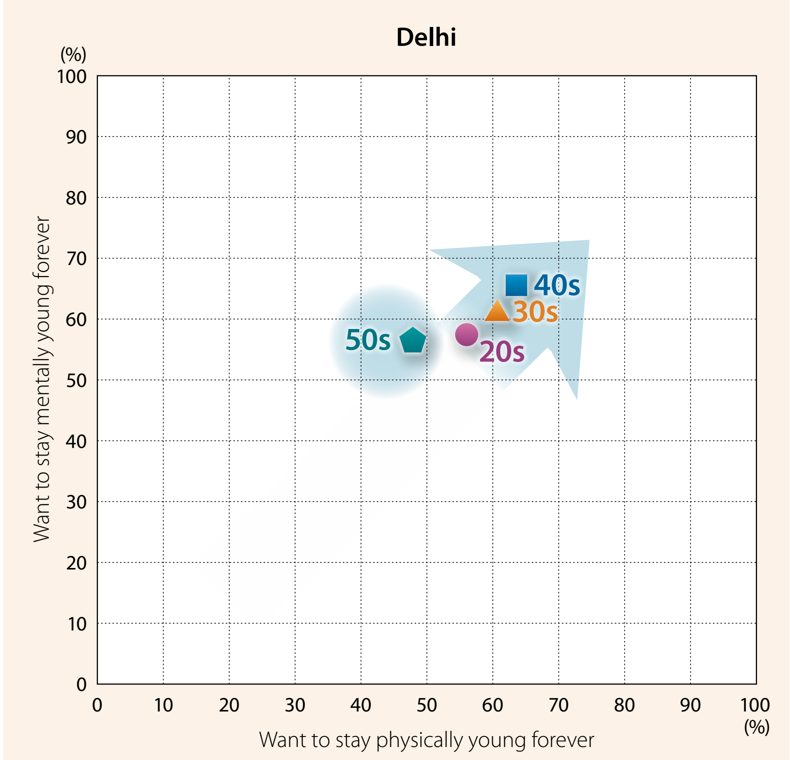
All youth-oriented: Beijing and Ho Chi Minh City

In these two cities, changes in attitudes are small. Those in their 50s, like members of younger cohorts, want to stay young, both physically and mentally.



Different worlds: Delhi and Hong Kong

In these cities, desire to stay physically and mentally young rises with age among those in their 20s, 30s and 40s. But those in their 50s prefer to look and act their age.



Summary and Conclusions

This study reveals clearly two important facts: First, Tokyo 50s have the money, the time, and the desire that make them primary drivers of consumer spending. Second, their desire to stay young is the key to understanding their behavior. Companies that are able to offer products and services that meet their needs will find many new business opportunities in Japan. Many companies in Japan, in industries as diverse as anti-aging cosmetics and hair care, health foods and supplements, apparel, hobbies, recreation, self-cultivation/study, financial services, retailing and housing are already developing products and services that target this segment.

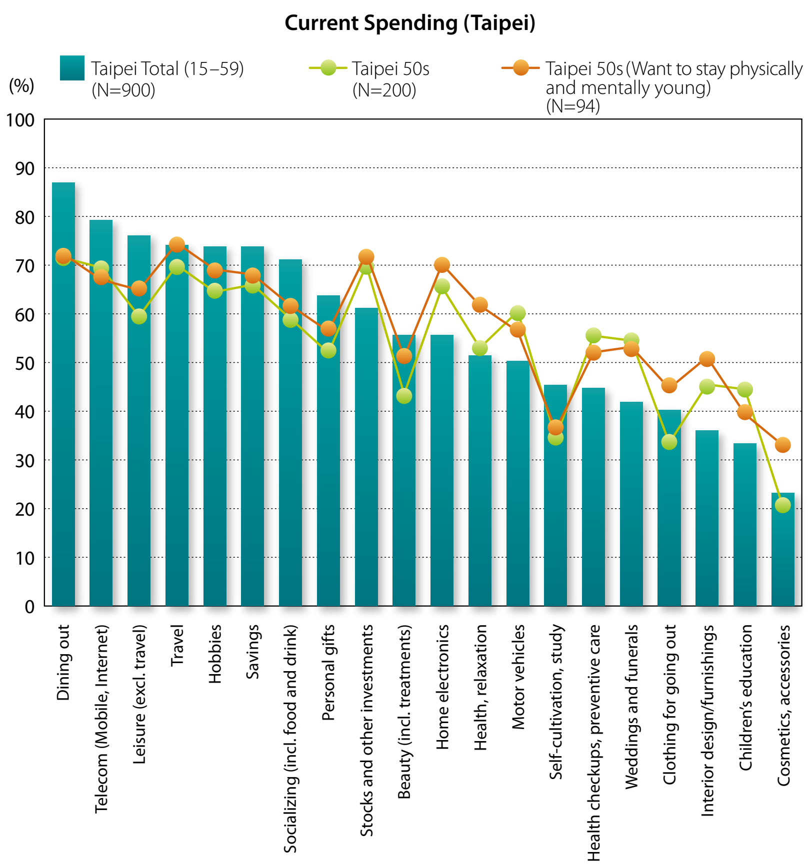
In this report we contextualize these findings by comparing the desire to stay young among consumers aged 50–59 in twelve Asian cities, including Tokyo. Our comparisons reveal two large categories of cities, those in which the desire to stay young is strong and those in which looking your age signals a highly valued maturity. Tokyo 50s score far and away the highest in their desire to stay young, but the 50s in Taipei, Beijing, Ho Chi Minh City, Delhi and Seoul also trend in this direction. In this group, women score higher than men in desire to remain young in Tokyo, Taipei, and Beijing. In contrast, men are more eager to stay young in Ho Chi Minh City and Seoul. We also see differences depending on age cohort. In Tokyo and Taipei, the older people become the more concerned they are about staying young. In Beijing and Ho Chi Minh City there is little difference between age cohorts; both younger and older individuals want to stay young. In Jakarta, the older people are the more they wish to look their age.

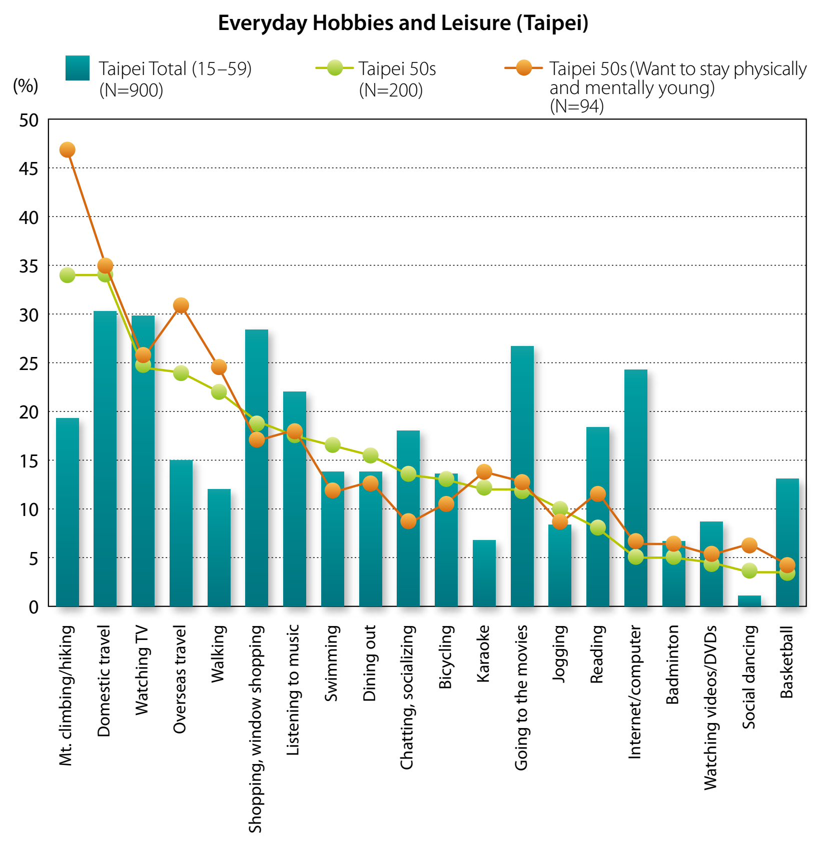
Our analysis reveals that Tokyo and Taipei 50s are highly similar in their desire to stay young. As a case study we looked more closely at spending patterns in Taipei (see charts below). Compared to Taipei as a whole, Taipei 50s are more likely to purchase home electronics, interior design/furnishings, cars, and health and fashion-related items. Those in their 50s score twice as high in their spending on mountain climbing/hiking, overseas travel, and walking-related expenditures, and among those in their 50s, those who wish to remain both physically and mentally young score highest, indicative of their desire to pursue active lifestyles. Goods and services that emphasize "staying young" have strong potential with this group, which itself is likely to become a key driver in consumption overall.

But while "staying young" may be the key to success when targeting consumers in their 50s in Taipei, other appeals may be stronger in other Asian cities with aging populations. Careful analysis is imperative. For Metro Manila or Jakarta, for example, where aging gracefully or displaying maturity are more highly valued, different types of products and services may be required.

Aging populations are, however, an irreversible trend throughout Asia. Successes and failures in the Japanese market may offer useful hints for other Asian markets. All marketers now need to keep a close eye on new trends and developments in Asia.

Taipei resembles Tokyo in desire to stay young





Note: *Taipei 50s (Want to stay physically and mentally young)* refers to those who responded in the affirmative to both items.