

Complain more! Avoid the topic!

You have to love them — the meetings that spin off into a black hole of complaints. The discussions that meander into random tangents.

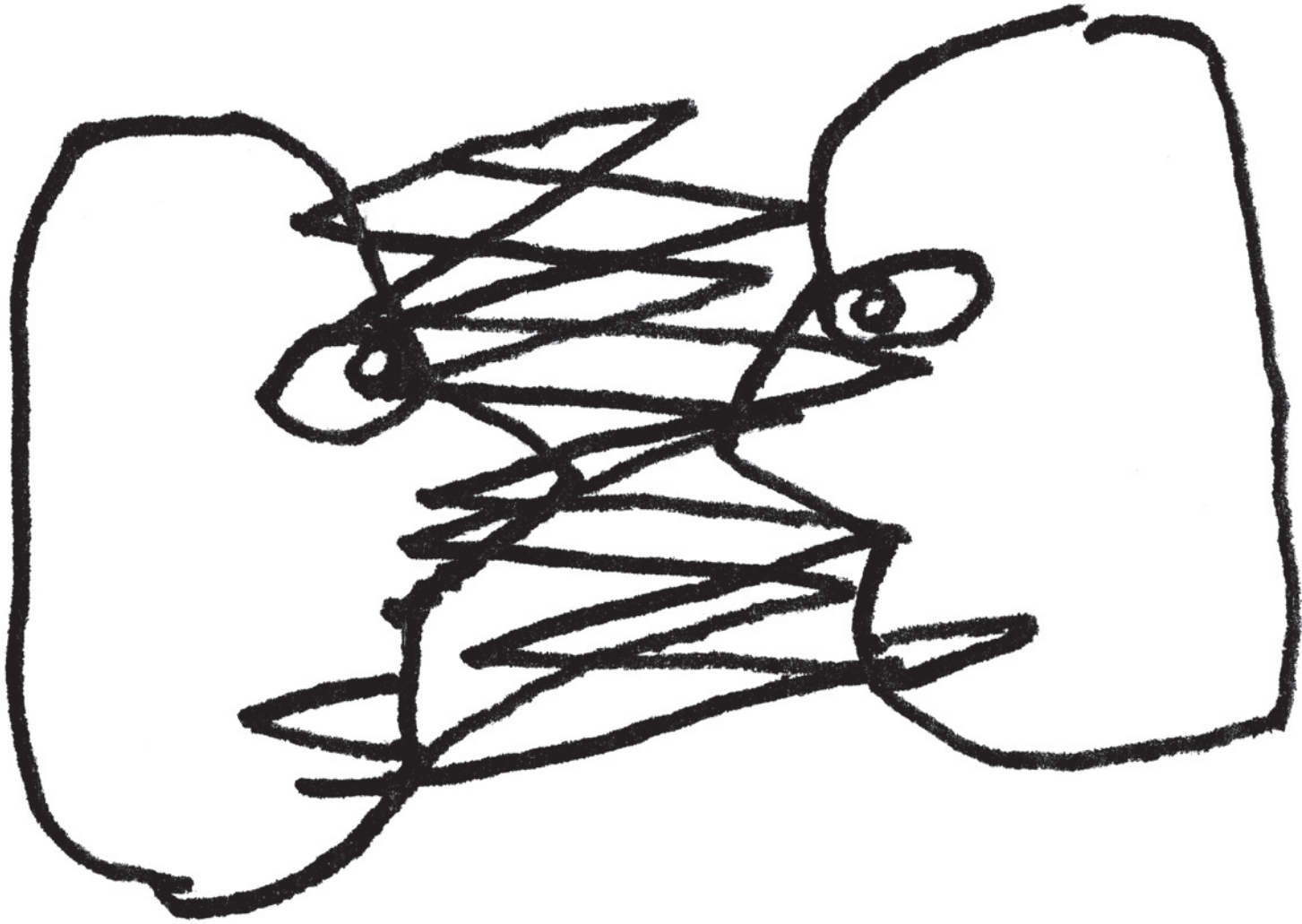
We resent the complainers. We ignore the chatterers.

But haven't you noticed how complaints and flip-pant observations serve a useful purpose?

"That's no good." "This is ridiculous." "Boring!"
Sure, but you know what, complaints have the power to clarify objectives. And clarity is the seed of insight.

“Hey, that reminds me.” “Who’s up for lunch?” “Did you hear the one about...” What comes next may seem off topic, but pay attention and you’ll probably see another thread in the story. Pull on it and you might uncover a new idea, unravel a new innovation, or expose a whole new paradigm.

And if that's not enough, there's another reason to love the endless complaints, odd jokes and verbal doodling: life sure would be boring if we all stayed on topic.



People Experts Introducing the Future



 **HAKUHODO**

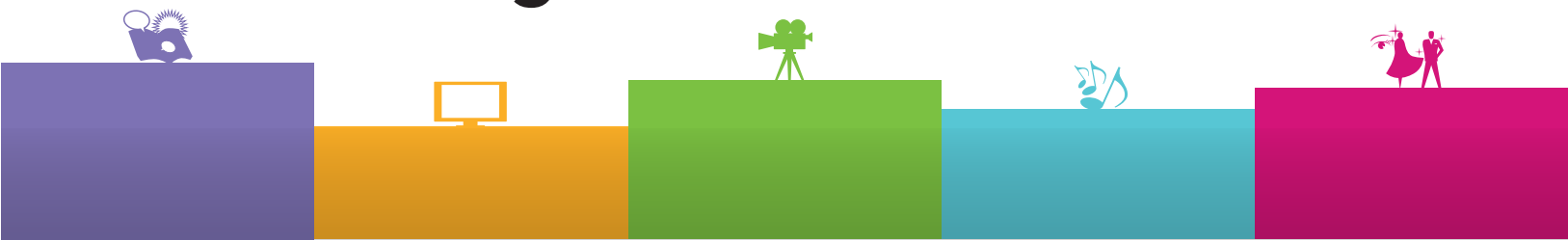
Content market growing in Asia



HAKUHODO

Global HABIT Survey

Content Acceptance in Asian Markets Driving Economic Growth



The content industry’s business environment is changing dramatically everywhere, but especially in Asia. A growing number of countries/regions see the content industry as an engine of growth and are taking strategic steps to foster its development. They believe that a growing content market and content export success will have powerful economic effects, both direct and indirect. These high hopes for the content industry do, however, raise an important question: How do Asia’s content consumers see content produced in their own country or region versus that produced elsewhere? This is the question we attempt to answer, using data from Hakuhodo’s Global HABIT research.

Our comparative analysis of preferences for local, Korean, Japanese and Western content in the five content genres manga/anime, movies, music, dramas and makeup/fashion in 14 cities in Asia revealed the characteristics of each content genre and preferences for each type of content in the 14 cities.

The Data

The data used in this report were collected in 2010 and 2012 through surveys in Hong Kong, Taipei, Seoul, Singapore, Kuala Lumpur, Bangkok, Metro Manila, Jakarta, Ho Chi Minh City, Shanghai, Beijing, Guangzhou, Delhi, and Mumbai. Interviewees were male and female aged 15–54. Total sample numbers were 9,468 in 2010 and 10,932 in 2012.

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. With these 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 500 or 800 males and females aged 15–54 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, consumer habits, hobbies, sports, travel, ownership of durable goods, category and brand perceptions, 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, computers/printers, mobile phones/smart phones, digital cameras, cameras, copiers, wristwatches, game consoles, alcoholic drinks, non-alcoholic drinks, toiletries, cosmetics, and more.

Survey period:

May–August 2012

* *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

Content characteristics and preferences in 14 Asian cities

Local and foreign content

To summarize, our analysis shows that local content is either preferred or frequently consumed in all 14 of the Asian cities we studied. However, in some types of content, non-local content ranks alongside local.

- In manga/anime, Japan’s strength is overwhelming.
- In movies and music, the West is strong.
- In dramas, Korean and Western dramas are strong, although there are differences between cities.
- In makeup/fashion, there is a three-way split between cities that prefer Japanese, Korean and Western looks although, again, there are differences between cities.

Different cities, different content preferences

In-depth analysis of each type of content using time series analysis revealed the preferences of each city.

- In the two cities in India (Delhi, Mumbai), the preference for local content is extremely strong.
- In Hong Kong and Taipei, there is a strong preference for Japanese manga/anime and makeup/fashion.
- In the three cities in China (Beijing, Shanghai, Guangzhou), Korean dramas and makeup/fashion are favored.
- In Singapore, there is a strong preference for Western content in all of the content genres we studied.

MANGA/ANIME



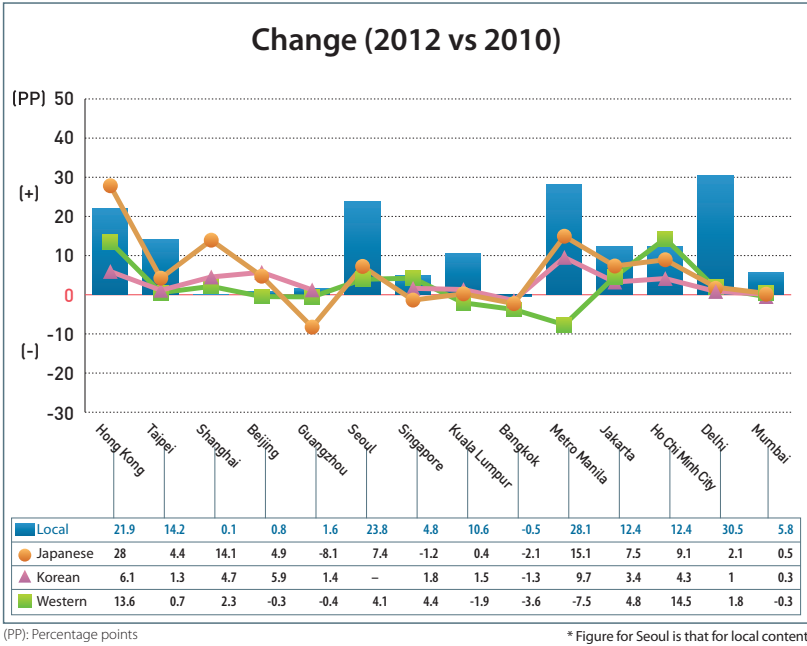
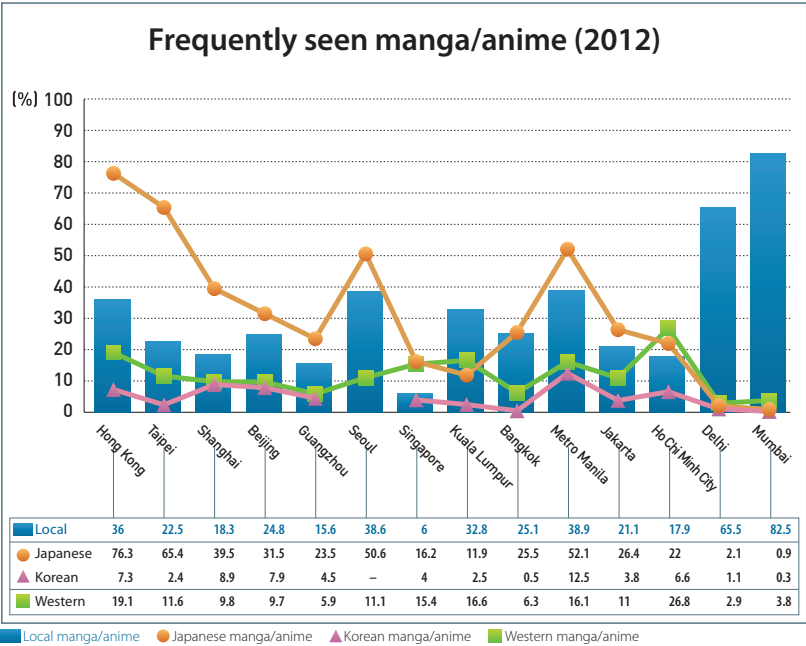
Japanese manga/anime still a powerful force

- Penetration by Japanese manga/anime is higher than that of local alternatives in most of the cities studied. Penetration is especially high in Hong Kong, Taipei, and Shanghai, where it is twice that of local content. In Hong Kong, in particular, the audience for Japanese manga/anime increased more than 20 points between 2010 and 2012. Strong growth is also visible in Shanghai and Metro Manila. One reason for the high acceptance of Japanese manga/anime may be that Japanese cartoon characters are not easily identified as belonging to particular races or ethnic groups. Another may be that many Japanese

manga/anime make the personal growth of the hero, a theme with universal appeal, their central focus.

- High penetration of local manga/anime is most pronounced in Delhi, Mumbai and Kuala Lumpur. Since 2010, moreover, local content has also seen audience growth of 20 points or more in Hong Kong, Seoul, Metro Manila, and Delhi and growth of 10 points or more in Taipei, Kuala Lumpur, Jakarta, and Ho Chi Minh City. The popularity of local manga/anime is growing in most of the cities studied.

Q: Which countries/regions’ manga or anime do you read or watch frequently? (Multiple Answer)



MOVIES

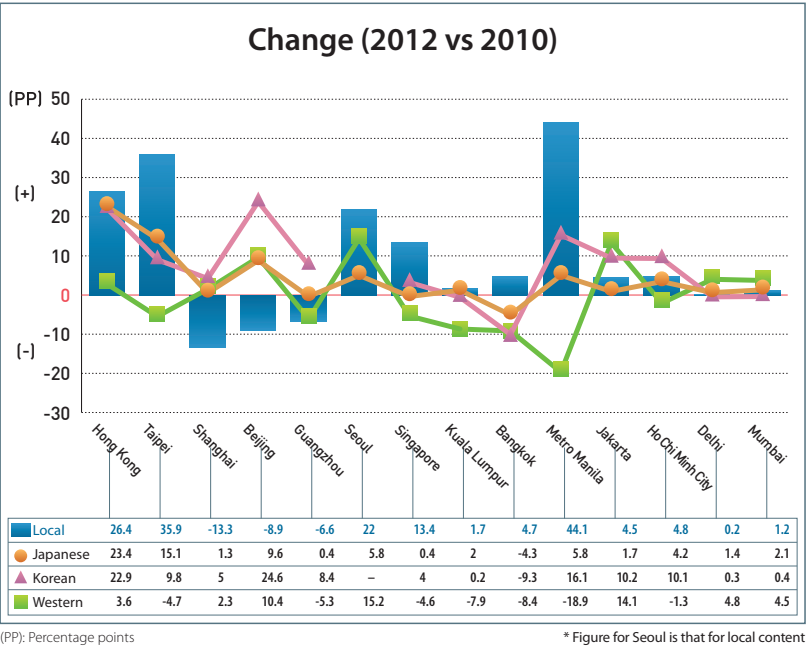
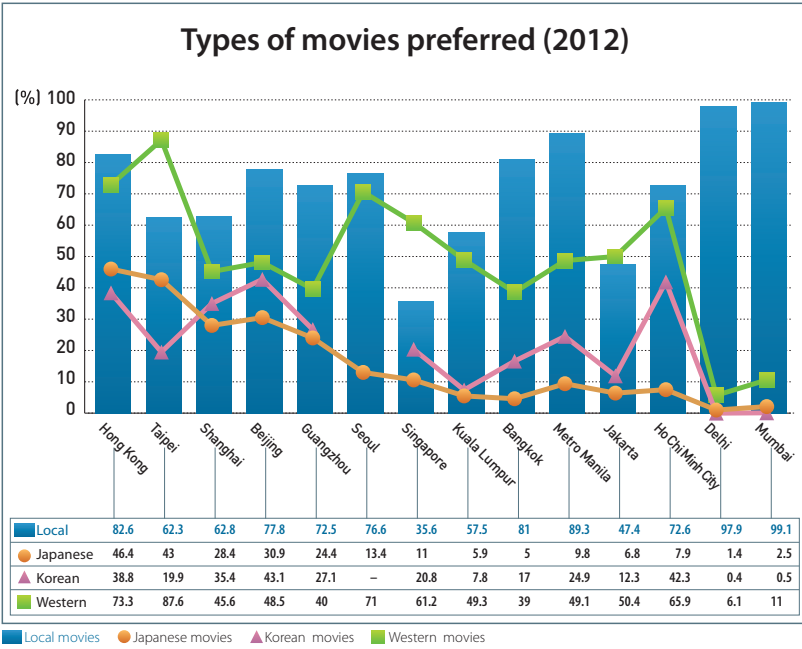


Local and Western movies attract larger audiences

- In 11 of 14 cities, local movies are No. 1. Their audience is up by 20 or more points since 2010 in Hong Kong, Taipei, Seoul, and Metro Manila. In Metro Manila, local movies have captured No. 1 position, dethroning Western movies. Conversely, however, the popularity of local movies is down in Beijing, Guangzhou, and especially in Shanghai, where it is down by more than 10 points.
- Western movies are No. 1 in Taipei, Singapore and Jakarta but are No. 2, behind local movies, in other cities. In Beijing, Seoul, and Jakarta, their audience has

- grown by 10 points or more since 2010.
- Japanese and Korean movies do not score nearly as high as local or Western movies. That said, Japanese movies have shown 10-point or higher growth in Hong Kong and Taipei, while Korean movies have posted similar growth in Hong Kong, Beijing, Metro Manila, Jakarta, and Ho Chi Minh City. Korean movies are expanding their geographical reach.

Q: What types of movies do you like? (Multiple Answer)



MUSIC

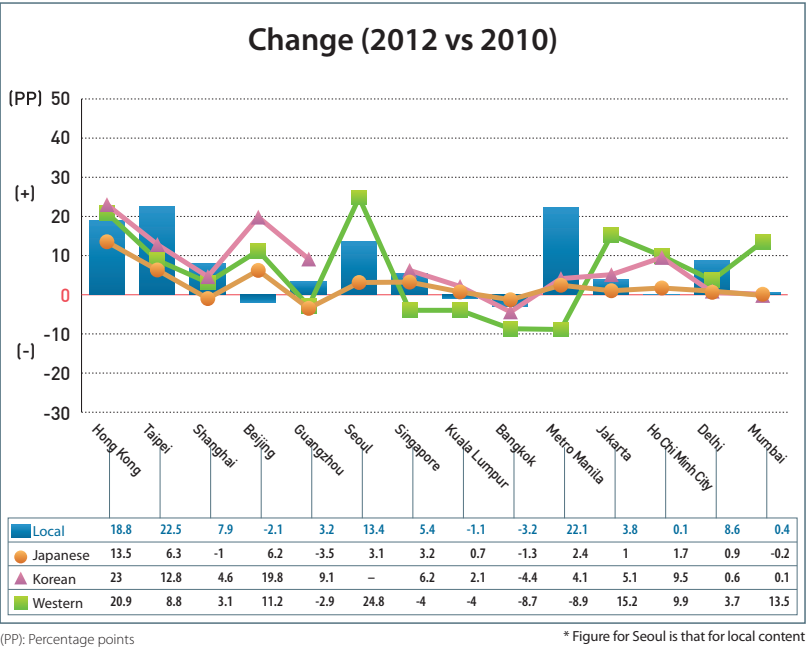
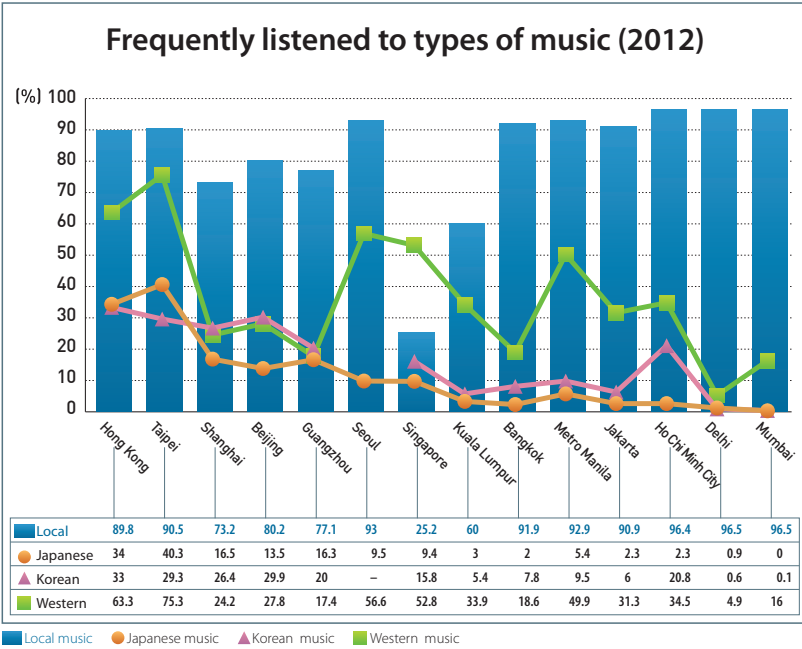


Local No. 1, West No. 2

- Except for Singapore, local music is overwhelmingly the local favorite. In 9 of 14 cities (Hong Kong, Taipei, Seoul, Bangkok, Metro Manila, Jakarta, Ho Chi Minh City, Delhi, and Mumbai), 90% or more of our interviewees listen to local music. Since 2010, local music has seen growth of around 20 points in Hong Kong, Taipei, and Metro Manila.
- Western music is No. 1 in Singapore and No. 2 in 10 of 14 cities. It is listened to by 50% or more of those interviewed in Hong Kong, Taipei, Seoul, Singapore, and

- Metro Manila. Even in Mumbai, where preference for local content is strong, the audience for Western music has grown by more than 10 points since 2010.
- Japanese and Korean music are not as popular as local and Western music overall. But in three Chinese cities, Shanghai, Beijing, and Guangzhou, Korean music has, by a narrow margin, surpassed Western music and become No. 2.

Q: What countries/regions' music do you often listen to? (Multiple Answer)



DRAMAS

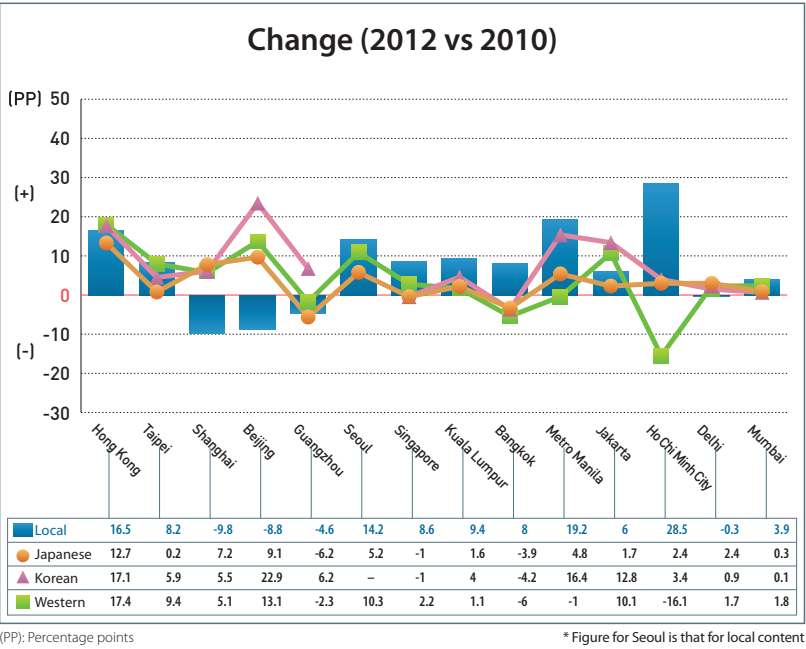
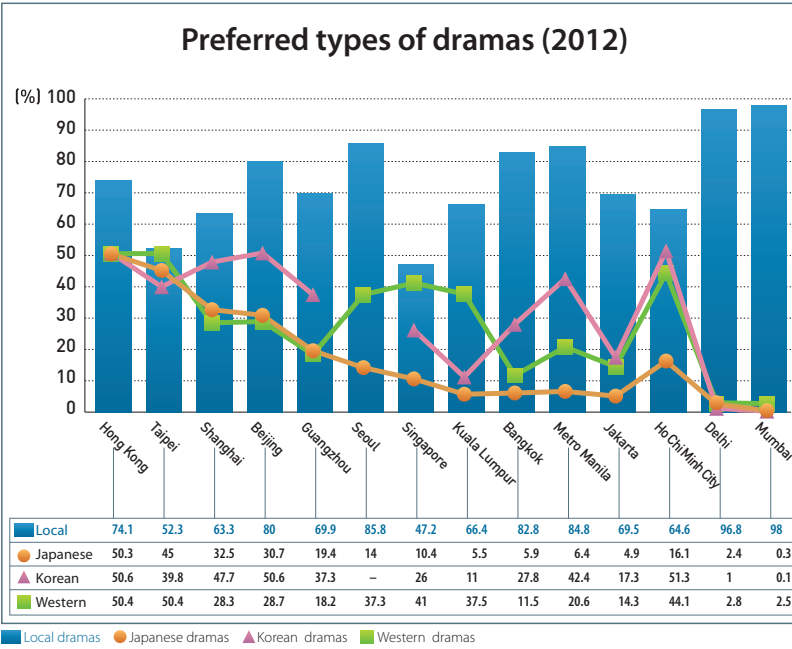


Local and Korean dramas score high marks

- Local dramas are No. 1 in popularity in all of the cities studied. They are more than twice as popular as foreign dramas in Delhi, Mumbai, Jakarta, Metro Manila, Bangkok, and Seoul. In Ho Chi Minh City, the audience for local dramas has risen by more than 20 points since 2010, surpassing that for Korean and Western dramas. In contrast, the popularity of local dramas is falling in the three Chinese cities, Shanghai, Beijing, and Guangzhou.
- Korean dramas are becoming more popular; in Shanghai, Beijing, Guangzhou,

- Bangkok, Metro Manila, Jakarta and Ho Chi Minh City, their audience is now second only to that of local dramas. The growing popularity of Korean dramas is especially striking in Beijing, where their score has risen by more than 20 points since 2010.
- Western dramas are second to local dramas in Taipei, Seoul, Singapore, and Kuala Lumpur, and their audience has increased by 10 points or more since 2010 in Hong Kong, Beijing, Seoul, and Jakarta. In contrast, their audience has declined by more than 10 points in Ho Chi Minh City.

Q: What types of dramas do you like to watch? (Multiple Answer)



MAKEUP/FASHION

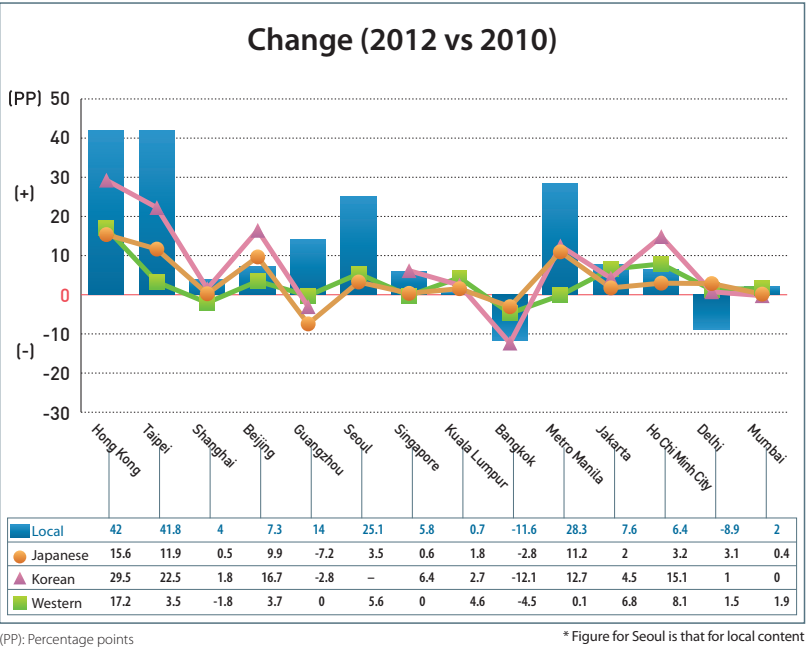
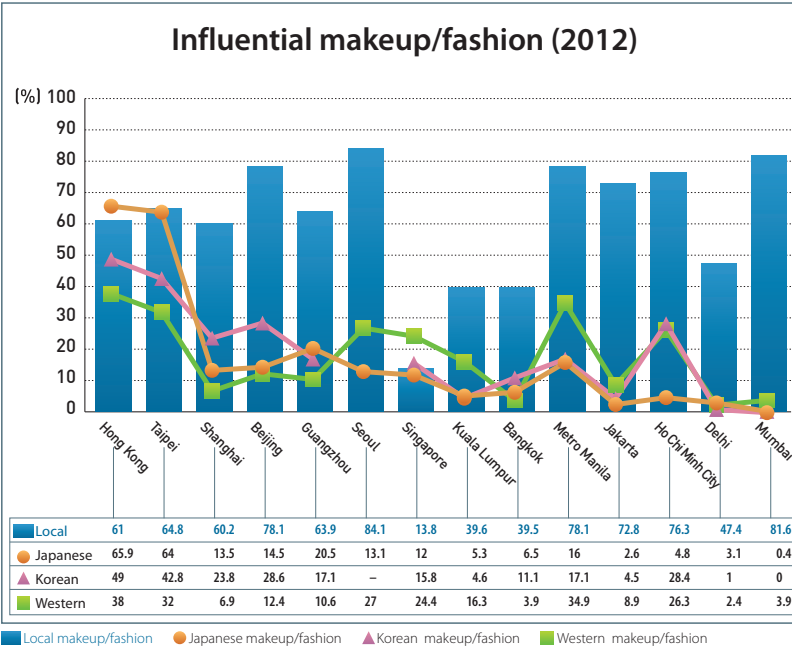


Local makeup/fashion a strong influence, but Japan and Korea also strong

- In virtually all of the cities studied, local makeup/fashion defines the mainstream. Local makeup/fashion's score has risen by more than 20 points since 2010 in Hong Kong, Taipei, Seoul, and Metro Manila.
- In Hong Kong and Taipei, the influence of Japanese makeup/fashion is either on a par with or slightly stronger than that of local products. Since 2010, however, the influence of local and Korean makeup/fashion has increased dramatically, putting strong pressure on Japanese makeup/fashion's leading role.

- The influence of Korean makeup/fashion is rising in Beijing, Metro Manila, and Ho Chi Minh City as well as Hong Kong and Taipei.
- Scores for Western makeup/fashion are not very high compared to those for their Asian rivals, but Western makeup/fashion is No. 1 in Singapore and No. 2 in Seoul, Kuala Lumpur, and Metro Manila, where local makeup/fashion is No. 1.

Q: What countries/regions influence your choice of makeup or fashion? (Multiple Answer)





Products, services and entertainment associated with Korea, Japan, and the USA

Our analysis has revealed that in many cities there is still a strong preference for local content. In some cities, however, the influence of foreign content is rising. But which countries/regions are influential? And what types of content are associated with them? In the tables below, using data from 13-item multiple answer questions, we compare the top five products, services and entertainment

associated with Korea, Japan, and the USA in 2012 with those in 2007. We focus our analysis on Ho Chi Minh City, where Korean content is a rising force; Taipei, where Japanese content is powerful; Singapore, where Western content is more popular; and Jakarta and Mumbai, where local content is strong.

Products, services and entertainment associated with Korea

2012						2007				
	Taipei	Singapore	Ho Chi Minh City	Jakarta	Mumbai	Taipei	Singapore	Ho Chi Minh City	Jakarta	Mumbai
1	Digital Products (PCs, Cameras) (81.8%)	Home Electronics (46.8%)	Fashion (64.8%)	Movies (44.6%)	Home Electronics (14.9%)	Home Electronics (74.5%)	Travel (50.9%)	Movies (63.3%)	Home Electronics (36.2%)	Digital Products (PCs, Cameras) (20.7%)
2	Home Electronics (71.9%)	Digital Products (PCs, Cameras) (46.8%)	Movies (56.9%)	Fashion (29.1%)	Digital Products (PCs, Cameras) (14.8%)	Travel (74%)	Automobiles (47.5%)	Fashion (46.9%)	Digital Products (PCs, Cameras) (31.8%)	Automobiles (16.8%)
3	Travel (66.3%)	Fashion (44.4%)	Home Electronics (54%)	Music (26.1%)	Sports (13.9%)	Digital Products (PCs, Cameras) (73.6%)	Home Electronics (43.2%)	Travel (42.8%)	Automobiles (24.5%)	Luxury Brands (6.8%)
4	Fashion (60.1%)	Automobiles (42.4%)	Automobiles (53%)	Home Electronics (24.5%)	Fashion (13.4%)	Food (57.3%)	Movies (41.8%)	Luxury Brands (33.6%)	Food (16.5%)	Home Electronics (5.2%)
5	Music (56.4%)	Travel (38%)	Digital Products (PCs, Cameras) (52.1%)	Digital Products (PCs, Cameras) (23.6%)	Luxury Brands (12.8%)	Automobiles (52.5%)	Digital Products (PCs, Cameras) (40.5%)	Music (30.7%)	Fashion (15.5%)	Fashion (4.4%)

When they think of Korea

The last five years have seen many changes in top-five rankings. The change has been especially dramatic in fashion. In Ho Chi Minh City, where Korean products are popular, the top-five list now includes home electronics, automobiles and digital products in the durable goods category, as well as fashion and movies. The range of goods associated with Korea is widening. Music has joined the list in Taipei, and both movies and music in Jakarta. In all these markets, Korea now evokes associations with fashion, movies and music as well as digital products, home electronics, and automobiles and other durable goods.

Products, services and entertainment associated with Japan

2012						2007				
	Taipei	Singapore	Ho Chi Minh City	Jakarta	Mumbai	Taipei	Singapore	Ho Chi Minh City	Jakarta	Mumbai
1	Home Electronics (93.3%)	Home Electronics (70%)	Home Electronics (87.6%)	Automobiles (66.4%)	Home Electronics (71.3%)	Digital Products (PCs, Cameras) (94.3%)	Automobiles (83.5%)	Home Electronics (85.4%)	Home Electronics (67.8%)	Home Electronics (27.3%)
2	Digital Products (PCs, Cameras) (90.1%)	Digital Products (PCs, Cameras) (65.2%)	Automobiles (82.8%)	Home Electronics (60.4%)	Digital Products (PCs, Cameras) (67%)	Home Electronics (94.3%)	Home Electronics (78.2%)	Digital Products (PCs, Cameras) (84.2%)	Automobiles (66.5%)	Digital Products (PCs, Cameras) (19.6%)
3	Travel (82.6%)	Automobiles (65%)	Digital Products (PCs, Cameras) (79.8%)	Digital Products (PCs, Cameras) (59.6%)	Luxury Brands (62.9%)	Automobiles (86.3%)	Digital Products (PCs, Cameras) (74.9%)	Automobiles (78.1%)	Digital Products (PCs, Cameras) (57.1%)	Automobiles (13.1%)
4	Food (78.4%)	Food (47.4%)	Medical Care (57.9%)	Manga/Anime (48.3%)	Fashion (56.6%)	Travel (86%)	Travel (49.1%)	Travel (49.6%)	Manga/Anime (34.5%)	Fashion (3.8%)
5	Manga/Anime (75.8%)	Manga/Anime (44.2%)	Manga/Anime (55.4%)	Food (45.1%)	Manga/Anime (52.5%)	Food (79.4%)	Manga/Anime (46%)	Manga/Anime (48.2%)	Food (27.4%)	Manga/Anime (3.6%)

When they think of Japan

Here we see no major changes. Manga/anime continues to score high, together with home electronics, digital products and automobiles. In Taipei, where Japanese content is strong, all top-five items score above 75%. Compared with five years ago, Japanese food products have joined the top five in Singapore, while medical care has joined the list in Ho Chi Minh City. In Mumbai, the association of Japan with manga/anime has grown sharply, from 3.6% to 52.5%. In all cities, such items as manga/anime, food, and medical care are now mentioned along with home electronics, cars, and other durable goods.

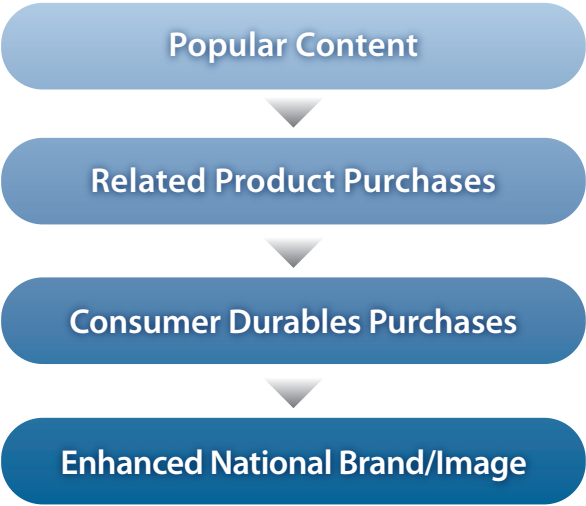
Products, services and entertainment associated with USA

2012						2007				
	Taipei	Singapore	Ho Chi Minh City	Jakarta	Mumbai	Taipei	Singapore	Ho Chi Minh City	Jakarta	Mumbai
1	Movies (82.1%)	Movies (46%)	Automobiles (74.4%)	Luxury Brands (45.1%)	Luxury Brands (50%)	Travel (79.4%)	Travel (54.2%)	Movies (73.2%)	Movies (40%)	Automobiles (16.8%)
2	Music (74%)	Luxury Brands (39.2%)	Home Electronics (71.6%)	Movies (42.3%)	Home Electronics (48%)	Movies (79.3%)	Movies (51.7%)	Home Electronics (64.5%)	Music (39.1%)	Digital Products (PCs, Cameras) (16.4%)
3	Sports (73.9%)	Music (38.6%)	Digital Products (PCs, Cameras) (71.4%)	Music (34.9%)	Fashion (45.4%)	Sports (76%)	Music (44.8%)	Digital Products (PCs, Cameras) (62.9%)	Automobiles (32.2%)	Home Electronics (11.4%)
4	Travel (70.5%)	Travel (36.2%)	Luxury Brands (60.8%)	Automobiles (33.9%)	Automobiles (41.3%)	Automobiles (75.6%)	Automobiles (39.1%)	Automobiles (57.6%)	Travel (31.2%)	Fashion (11.1%)
5	Food (57%)	Home Electronics (35.2%)	Movies (60%)	Travel (31.1%)	Digital Products (PCs, Cameras) (39.8%)	Music (71.6%)	Digital Products (PCs, Cameras) (36.7%)	Travel (50.4%)	Digital Products (PCs, Cameras) (30.5%)	Luxury Brands (6.8%)

When they think of the USA

Movies and music are strong, with movies displacing tourism from the top spot in Taipei and Singapore in the last five years. In Singapore, Ho Chi Minh City, and Jakarta, luxury brands have entered the top five; in Mumbai they are No.1. In Singapore, where Western content is strong, in addition to movies and music, luxury brands and home electronics have risen in rank.

Reflections and Conclusions



Popular content leads to purchase of related products (fashion, cosmetics, food), which leads in turn to purchase of other consumer goods from that country (mobile phones, home electronics, cars), with the final result overall improvement in the country’s national brand and image. There is strong potential for synergistic relationships between content and other industries. One powerful example is the success of Korean dramas in Asia. While watching Korean dramas on TV, viewers see stars wearing Korean makeup and fashions, together with Korean home electronics and automobiles in fashionable settings. The success of Korean dramas fuels aspirations for Korean lifestyles throughout Asia, increasing the popularity of Korean products and stimulating their purchase, in what becomes an on-going cycle. The way in which Korean content producers, the Korean government, and other Korean industries have united to promote Korean culture could become a model for other nations as well.

Effective use of content is not confined to licensed merchandise or events. The effects of content have spread to consumer and durable goods and to services as well. The potential for content to become an effective fusion of soft and economic power is large. For marketers, being alert to cultural marketing perspectives when making effective use of content will become increasingly important.

Content business approaches from Japan

In countries/regions throughout Asia, governments and private industry are working together to improve the competitive edge of locally generated content. Japan is no exception. The government of Japan and private industry work together to develop joint programs and promote Japanese content in localized versions worldwide.

India

A single master license has been created for kid-oriented content broadcast on the local Disney Channel. The license also covers associated merchandizing.*

Suraj: The Rising Star

Jointly produced by Japan and India, this anime is based on the famous Japanese anime Kyojin no Hoshi (Star of the Giants).

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Hong Kong

TOY BANG!, a T-JOY-operated retail outlet in a cinema complex, is the first Japanese content-related merchandise retailer linked to direct-to-cinema distribution of the content itself.*

Singapore

JRunway is the first multi-label store devoted to sales of “real clothes,” primarily Harajuku and Shibuya fashions. It also serves as a platform for supporting Japanese fashion brands entering the overseas market.*

Shanghai

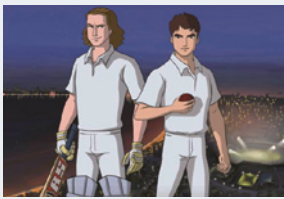
SNH48 is an overseas sister group connected with Japanese popular female idol group AKB48, active primarily in Shanghai, China.



The Genie Family ©Tanundko Production



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* Part of Japan’s Ministry of Economy, Trade and Industry’s “Cool Japan” strategy.