



Enjoying the Finer Things: New Cultural Consumption in China Hakuhodo Institute of Life and Living Shanghai unveils “The Dynamics of Chinese People 2017: *Yúlè*” findings in Beijing

Tokyo—December 20, 2017—Hakuhodo Institute of Life and Living Shanghai (HILL Shanghai), a fully owned subsidiary of Hakuhodo Inc., unveiled its fifth set of findings, “The Dynamics of Chinese People: *Yúlè*” on December 20 in Beijing, China. The theme of this year’s research, again conducted jointly with the Communication University of China’s School of Advertising, was Chinese *sei-katsu-sha*¹ and the desires giving rise to new cultural consumption. Everyday culture is expanding in all forms in China—homes, fashion, dining, travel, sports, learning—and the new middle class has been particularly avid in adopting it; this phenomenon we have defined and analyzed as the spread of cultural consumption. Cultural consumption among the new middle class is driven by a desire for what we have dubbed *Yúlè* or “enjoying the finer things in life.”

Besides consuming the arts in such forms as music, theater, and paintings, more and more Chinese these days are enjoying culture in the broader sense in such forms as food, sports, and Japanese anime, comics, and games (ACG). The market for such things is expanding rapidly. What appears to lie behind that development is this: increasing economic affluence has led to the growth of a new middle class that aspires not just to material prosperity but also to spiritual fulfillment, and people’s appetite for cultural consumption is becoming more voracious by the day.

To better understand the desires driving cultural consumption among the new middle class, HILL Shanghai surveyed cultural consumption habits among Chinese *sei-katsu-sha* and at the same time conducted individual interviews with a variety of experts. As a result we identified seven desires² among China’s new cultural consumers: (1) everyday quality; (2) education; (3) cultural interests and skills; (4) practical co-creation; (5) slow life; (6) craftsmanship; and (7) the *nouvelle chinoise*.

1. *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 its commitment to a comprehensive, 360-degree perspective on consumers’ lives.

2. See Appendix 1.



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Yúlè (Enjoying the finer things)

Our research on these trends has led us to conclude that the many *sei-katsu-sha* driving cultural consumption of late have an underlying desire to become their own unique person by developing their interests, and to enjoy the leeway (*yú*) to take pleasure (*lè*) in experiencing culture and expanding their emotional and intellectual horizons. We have combined those two Chinese words into a neologism, *Yúlè* to describe what they seek: enjoyment of the finer things in life.

Yúlè is pronounced the same as the Chinese word for “amusement,” but it is not merely an amusing way to kill time; it values what is superfluous and time-consuming and seeks to enrich the spirit through enjoyment of them.

Hakuhodo Institute of Life and Living Shanghai will continue working on this project, observing Chinese *sei-katsu-sha*, and offering new insights on them, from its own unique vantage point.

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Appendix 1

• **Cultural consumption and seven desires among the new middle class**

China's new middle class, estimated at 320 million people in 2017, will balloon to 480 million by 2022. All those people will doubtless enlarge the market for cultural consumption. Cultural consumption among the new middle class takes many forms; Hakuodo Institute of Life and Living Shanghai focused specifically on a distinctive type of cultural consumption that has become pronounced over the past two or three years. We analyzed the desires that have led *sei-katsu-sha*, particularly those of the new middle class, to become consumers of culture in today's China by exploring the feelings that underlie their behavior. We interviewed people with expertise relating to cultural consumption, as well as *sei-katsu-sha* who actually practice such cultural consumption themselves, and drew on their testimony to isolate seven *sei-katsu-sha* desires.

• **Rundown of the seven desires**

(1) Everyday quality

Instead of splurging on expensive merchandise, using high-quality, tasteful items in everyday life—being a stickler for stylish stationery, for example, or buying enamelware that's not only highly functional but also beautifully designed.

(2) Education

The desire to become more knowledgeable, refined, and accomplished in order to get greater enjoyment out of life—visiting factories or industrial museums when traveling abroad, for instance, or taking up a hobby like oil painting or playing an instrument upon retiring.

(3) Cultural interests and skills

Focusing on interests likely to be of benefit in the long term even if not at first glance directly related to work, such as taking up French—whereas before people wanted to master practical subjects of immediate benefit on the job or in the classroom.

(4) Practical co-creation

Preferring to have a genuine good time with others in the same physical space—rather than just network and make friends—as typified by music festivals and so-called 2.5 dimensional events where people with common interests come together to share in the excitement.



(5) Slow life

Seeking satisfaction in taking your time, say, making pour-over coffee at the office after grinding the beans yourself—though generally people look at their smartphones as soon as they have a free moment.

(6) Craftsmanship

An admiration for things that are not high-tech or have a handmade feel. The word “craftsmanship” has become something of a buzzword over the past year or two, though Chinese *sei-katsu-sha* have typically shown a strong preference for products featuring the latest technology.

(7) Nouvelle chinoise

A new design sensibility, *nouvelle chinoise*, combining things quintessentially Chinese with fresh elements, which has taken root around town and in people’s lives. At Chinese restaurants, for example, wine bottles line the walls, jazz plays on the speakers, and the dishes themselves consist of traditional cuisine with Western ingredients added.

• The desire underlying cultural consumption

Cultural consumption, we believe, is underlain by the fundamental desire of Chinese *sei-katsu-sha* to become their own unique person by developing their interests, and to enjoy the leeway (*yú*) to take pleasure (*lè*) in experiencing culture and expanding their emotional and intellectual horizons. We have combined those two Chinese words into a neologism, *Yúlè*, to describe what they seek: enjoyment of the finer things in life. This desire for greater leeway (broader emotional and intellectual horizons), coupled with the strong yearning they previously had for greater affluence (more possessions tangible and intangible), may be compared to an hourglass. As the sand (affluence) fills the bottom, the space above (leeway) increases, and the desire for affluence contracts. If you pay attention not only to the falling sand but also to the growing space at the top, the passage of time seems to slow down, producing inner contentment.

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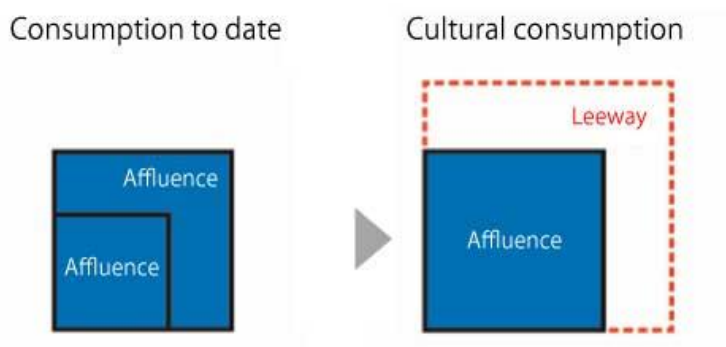
Yúlè (Enjoying the finer things in life)



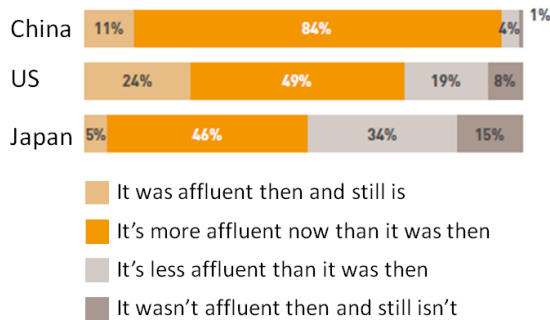
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• **Changes in consumer attitudes**

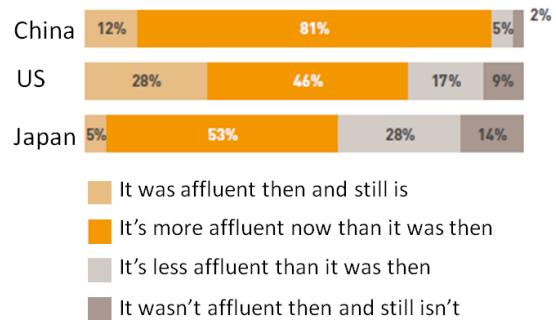
Think of it this way. Consumption to date, which has been all about quantity, can be considered the pursuit of affluence. Cultural consumption, on the other hand, gives people leeway by expanding their emotional and intellectual horizons. Affluence here refers to the visible world of things; leeway refers to the invisible world of the mind. In fact, however, the desire for sheer quantity remains strong in China, so leeway is increasing even as affluence grows. Thus people are seeking both.



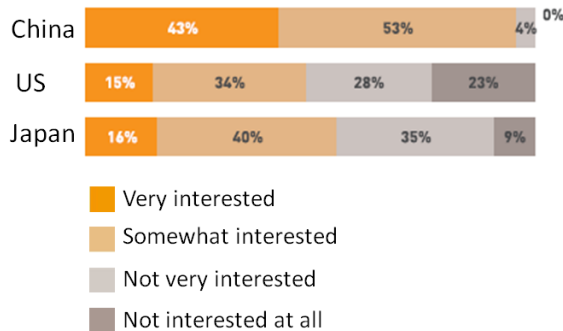
Q. Materially speaking, is your lifestyle more affluent now than it was 4–5 years ago?



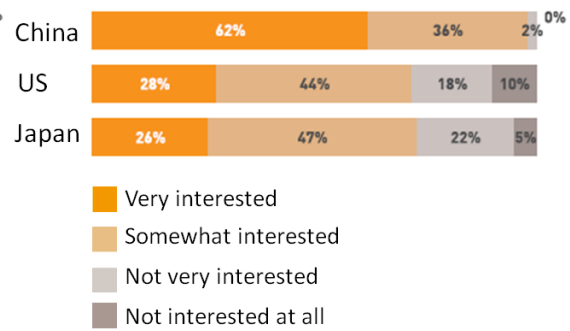
Q. Culturally speaking, is your lifestyle more affluent now than it was 4–5 years ago?



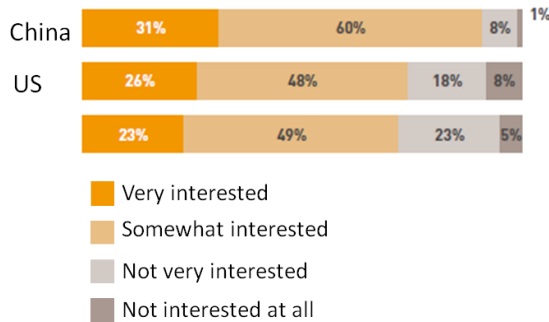
Q. How interested are you in the culture of fashion?



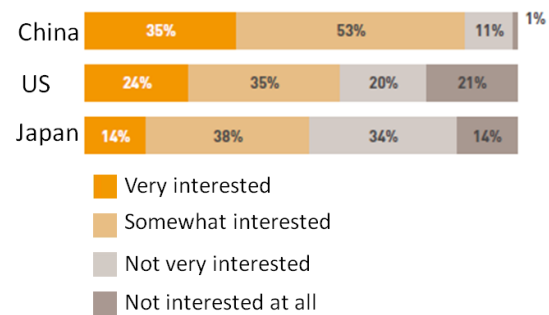
Q. How interested are you in the culture of food?



Q. How interested are you in the culture of learning?



Q. How interested are you in the culture of sports?



Data source: Survey of Attitudes to Cultural Consumption in China, the United States, and Japan

Cities surveyed:

China: Beijing, Shanghai, Guangzhou; Japan: Tokyo, Osaka; US: New York, Los Angeles

Survey eligibility criteria:

All countries: Males and females aged 20–59

China: Monthly family income of 12,000–35,000 yuan

Japan: Annual household income of 5–10 million yen

US: Annual household income of 50,000–100,000 dollars

Sample size: 900 in China, 600 in Japan, 600 in the US

Survey method:

China: Street interviews

Japan and the US: Online survey

When conducted: October 2017



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Appendix 2

Hakuhodo Institute of Life and Living Shanghai

Hakuhodo Institute of Life and Living Shanghai (HILL Shanghai), a wholly owned subsidiary of Japan's Hakuhodo Inc., is a think-tank established in Shanghai in 2012 to serve the Hakuhodo Group in China. Leveraging the expertise on *sei-katsu-sha* that Hakuhodo has amassed in Japan, the Institute supports companies' marketing activities in China while offering insights and ideas on new Chinese lifestyles of the future.

The Institute's main activities are currently these:

- The Dynamics of Chinese People: Analyzing the true desires of Chinese *sei-katsu-sha* and offering new lifestyle ideas.
- Developing new techniques to help companies market more effectively.
- Proposing new ways of looking at *sei-katsu-sha* and markets.

The fruits of these activities are provided to customers through the Hakuhodo Group's offices. Some of the results are also made public via research presentations, the HILL Shanghai website, publications, and other means.

The Dynamics of Chinese People is a joint research project conducted by HILL Shanghai and the Communication University of China's School of Advertising. This project, whose findings are released once a year, analyzes Chinese *sei-katsu-sha* behaviors, traces changes in their desires, and sums up the latest trends in a pithy keyword. *Yúlè* (Enjoying the Finer Things in Life) is the project's fifth set of findings, following Whirlpool Creation in 2013, Information Bees in 2014, Un-framing Consumption in 2015, and Title Energy in 2016.

Hakuhodo Institute of Life and Living Shanghai research publications

- ***The Dynamics of Chinese People 2017: Yúlè: Chinese sei-katsu-sha and the desires giving rise to new cultural consumption*** (in Japanese)



Author: Hakuhodo Institute of Life and Living Shanghai

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- ***The Dynamics of Chinese People 2016: Title Energy: Consumers as Providers of New Goods and Services and Their Impact***
- ***The Dynamics of Chinese People 2015: Un-framing Consumption: China's New Consumption Landscape***
- ***The Dynamics of Chinese People 2014: Information Bees: China's New Information Transmitters***
- ***The Dynamics of Chinese People 2013: Whirlpool Creation: Insights into New Behaviors of Young Urbanites***

To learn more about these publications, visit the Hakuhodo Institute of Life and Living Shanghai website at: news@hakuodo-shzy.cn

■ About Hakuhodo

Founded in 1895, Hakuhodo is an integrated advertising and communication agency headquartered in Japan. The core agency of the Hakuhodo DY Group, Hakuhodo is the world's 6th largest advertising agency according to *Advertising Age's* "Agency Report 2017."

The Hakuhodo Group has offices in 20 countries and regions, and over 10,000 specialists working in Japan and abroad. Hakuhodo is strengthening its structure in emerging countries, particularly those in Asia, as it prepares to further expand its business across the region.

Sei-katsu-sha insight is the foundation for Hakuhodo'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. Hakuhodo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumers' lives.

Renowned for its creativity, Hakuhodo has twice won the Grand Prix at Cannes Lions International Festival of Creativity, and was the only agency headquartered in Asia to be awarded a Special Lion commemorating Cannes Lions' 50th anniversary in 2003.

To learn more, visit: www.hakuhodo-global.com



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