

***Shù-zì-lì*: China's new high-tech lifestyle trend** **Hakuhodo Institute of Life and Living Shanghai unveils** **“The Dynamics of Chinese People 2018” in Beijing**

Tokyo—December 11, 2018—Hakuhodo Institute of Life and Living Shanghai (HILL Shanghai), a fully owned subsidiary of Hakuhodo Inc., unveiled its sixth set of findings on “The Dynamics of Chinese People” today in Beijing, China. The theme of this year’s research, again conducted jointly with the Communication University of China’s School of Advertising, was high-tech lifestyle trends in China.

Recently China has been busy growing its high-tech industry under its policy of transforming the country from a manufacturing giant into a world manufacturing power. As a result, digital technology is being rolled out in every area of life. With the backing of a national strategy, vast sums of money are being poured into high-tech companies, so that high-tech products and services are now available at very reasonable prices indeed. Owing to these social factors, technology is spreading in China at a speed unparalleled anywhere else in the world, greatly affecting the lifestyle of the individual Chinese *sei-katsu-sha*.¹

To ascertain the impact of the high-tech lifestyle on ordinary Chinese people, HILL Shanghai conducted a wide range of research, including a survey of technology lifestyle trends in China, Japan, and the United States, and interviews with ordinary people and experts. Our research revealed that, in Tier 2 as well as Tier 1 cities, technology has become part and parcel of the everyday lives of people in every demographic, young and old. It also revealed that while people happily incorporate technology into their daily lives, their attitudes and behavior are beginning to change. Instead of simply relying on the power and convenience of technology, they are increasingly keen to meet life’s challenges through their own efforts, without being swept away by technology. We have coined the term *Shù-zì-lì* to denote the insight behind this lifestyle change.

Shù-zì-lì, a portmanteau of *shuzi*, the Chinese word for “digital,” and *zili*, meaning one’s personal abilities, refers to a new approach to solving life’s challenges that has emerged from the high-tech lifestyle.

¹ The term Hakuhodo uses in place of *consumer* to mean the holistic person with a lifestyle, aspirations, and dreams.

shù zì lì

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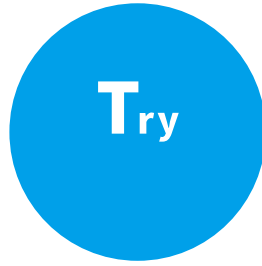


The emergence of this new lifestyle technique, *Shù-zì-lì*, among China's *sei-katsu-sha* has led to new patterns of consumer behavior.

- **Asking** in the quest to resolve one's own pet concerns, which cannot be done simply by gathering whatever information others choose to share.
- **Trying** things out to determine whether they meet one's own pet needs, which cannot be done simply by gathering whatever information others choose to share.
- Instead of adapting to the provider's standards, doing things one's own way (**my way**) by tailoring things to one's own pet requirements, using services that bring technology and human abilities together.

We have christened these three new patterns of consumer behavior "ATM behaviors." And we have coined the term "ATM marketing" to designate a new approach to marketing that takes account of the changes in the *sei-katsu-sha* mindset resulting from the high-tech lifestyle. ATM marketing involves observing the ATM behaviors of *Shù-zì-lì*-enabled *sei-katsu-sha* and catering to their pet concerns, which defy one-size-fits-all solutions, by developing a portfolio of services that meld technology with personal abilities. HILL Shanghai believes that ATM marketing will prove an effective new approach to marketing to today's high-tech *sei-katsu-sha*.

**ATM behaviors: 3 new patterns of consumer behavior
among high-tech *sei-katsu-sha***



ATM marketing

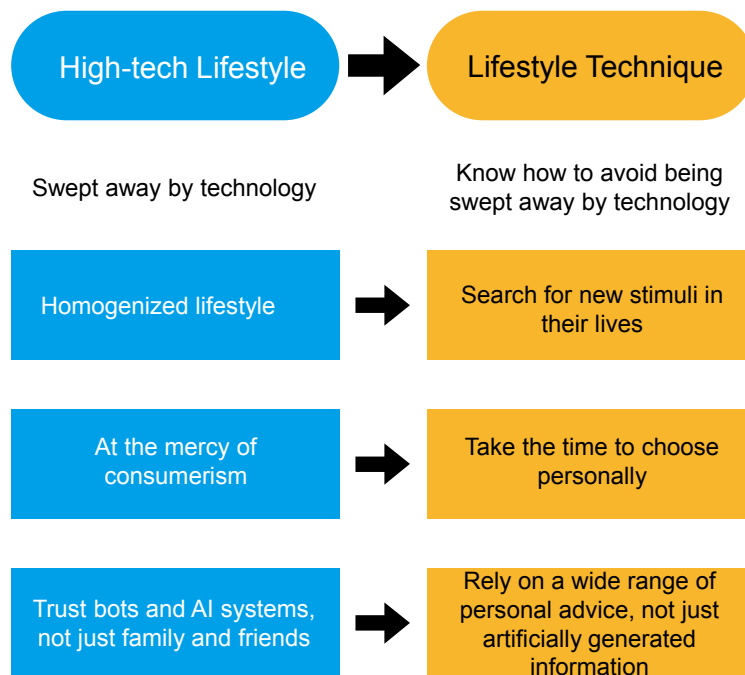
These findings on “The Dynamics of Chinese People” do not just reveal how far ahead the Chinese high-tech lifestyle is; they also reveal that China’s *sei-katsu-sha* are even further ahead in that they now have a new lifestyle technique at their disposal in the form of *Shù-zì-lì*. Hakuodo Institute of Life and Living Shanghai will continue observing China’s constantly evolving *sei-katsu-sha* and offering marketing insights as only we can.

Appendix 1

The significance of the change among China's *sei-katsu-sha*

The spread of technology has given rise to concerns that China's *sei-katsu-sha* could be swept away by technology: that they could end up leading increasingly homogenized lifestyles at the mercy of their consumer urges, implicitly believing the information they get from bots and AI systems. But *sei-katsu-sha* have not let technology get the better of them. They now search for new stimuli of their own accord, so their lives do not become dully uniform. They take the time to choose, so they are not at the mercy of their consumer urges. Instead of just believing the information they get from bots and AI systems, they are expanding their social contacts and turning to people they can trust for advice. Thus Chinese *sei-katsu-sha* do not depend solely on technology; rather, they are beginning to learn a new lifestyle technique to avoid being swept away by it: the art of relying on their own abilities.

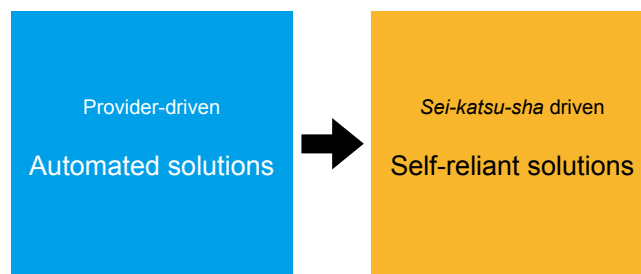
Significance of the change among China's high-tech *sei-katsu-sha*



China's *sei-katsu-sha* want to make use of technology to get the most out of life, but without letting themselves be taken over by the technology providers. In other words, they have a desire to be self-reliant and exercise ultimate control of their own lives so they are not swept away by automated technology. Whereas they used to be content with provider-driven “automated” solutions when using technology, now they want *sei-katsu-sha* driven “self-reliant” solutions. People’s perceptions of technology’s uses have thus changed: self-reliance, not automation, is now the name of the game.

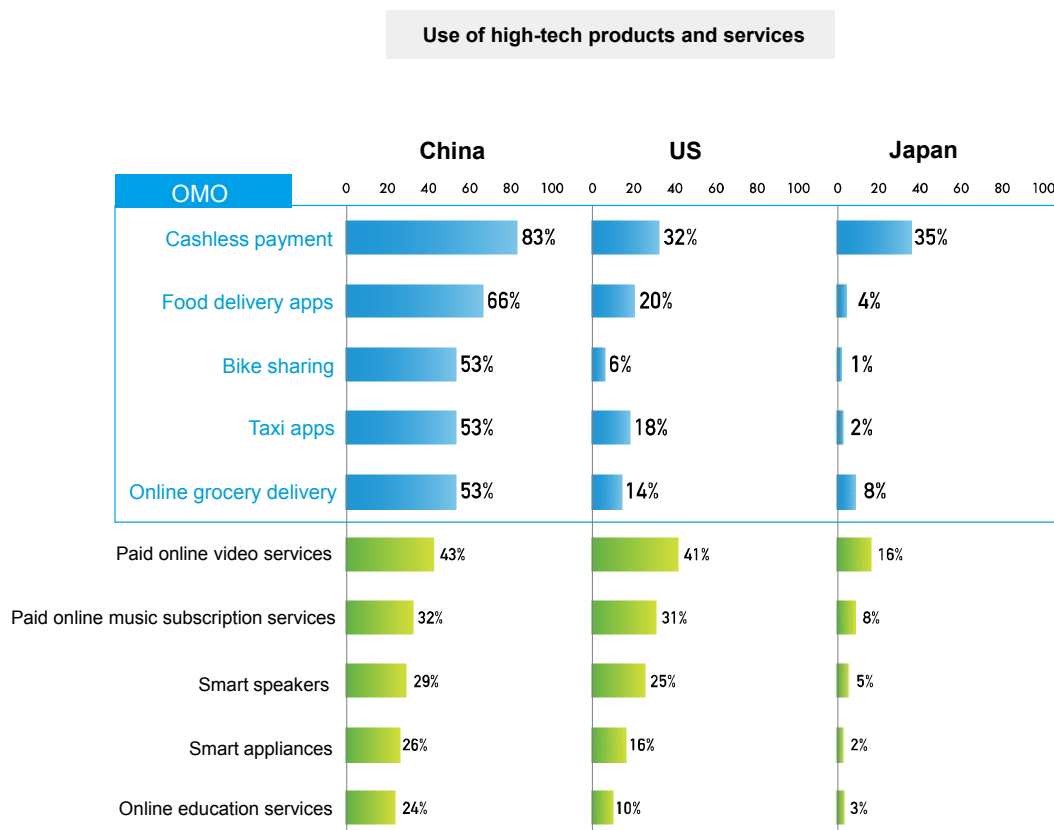
Changing perceptions of technology’s uses:

From **automation** to **self-reliance**



Appendix 2

China is significantly ahead of Japan and the United States when it comes to the penetration of technology in daily life, particularly in the OMO (Online Merges Offline) field.

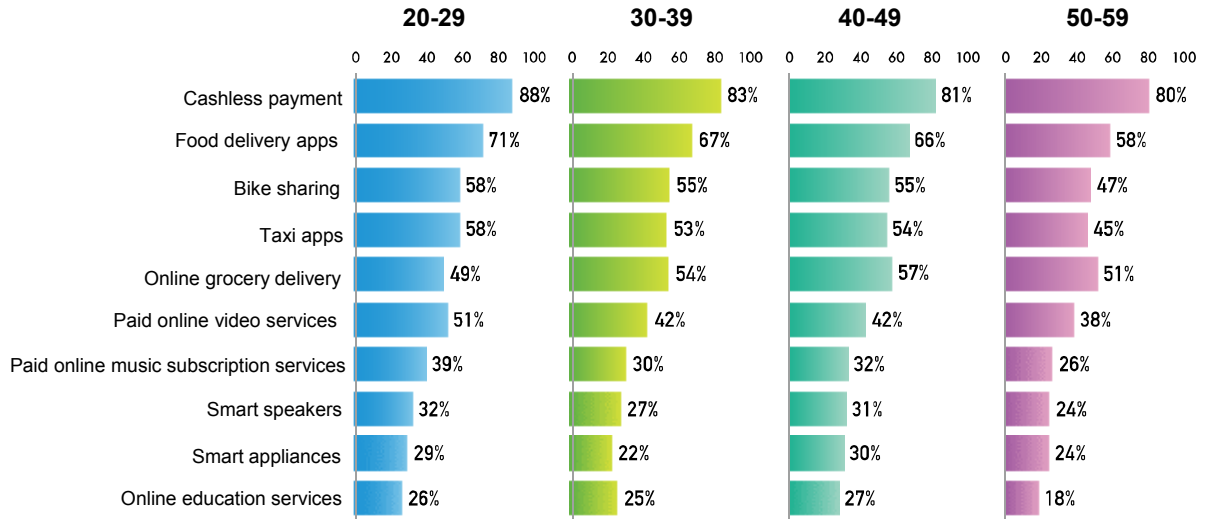


Of people aware of the product or service
*In descending order of total percentages for China

SOURCE: HILL Shanghai, Survey of Technology Lifestyle Trends in China, Japan, and the US

In China, there is almost no disparity in technology use between young and old.

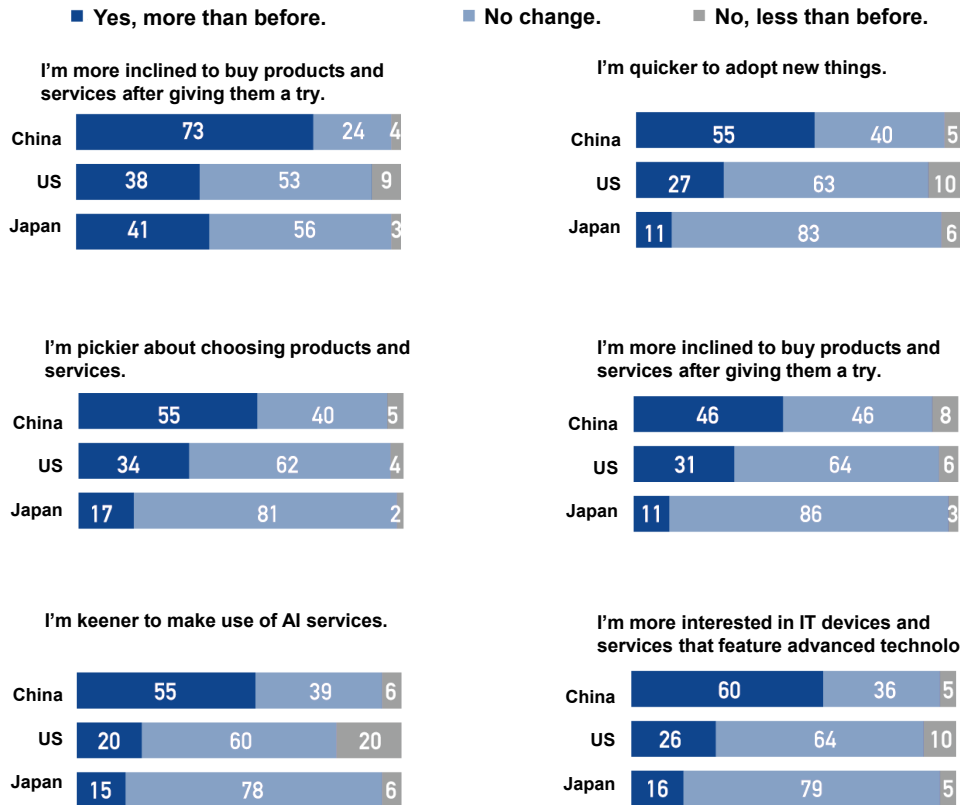
Use of high-tech products and services (by age group)



Of people aware of the product or service
*In descending order of total percentages for China

SOURCE: HILL Shanghai, Survey of Technology Lifestyle Trends in China, Japan, and the US

Q. Have your own lifestyle attitudes and behavior changed due to technology over the past couple of years?



Percentage of all respondents

SOURCE: HILL Shanghai, Survey of Technology Lifestyle Trends in China, Japan, and the US

Survey of Technology Lifestyle Trends in China, Japan, and the US: Survey Design

Countries surveyed

China: Tier 1 cities (Beijing, Shanghai, Guangzhou) Tier 2 cities (Tianjin, Chengdu, Chongqing, Wuhan, Xian, Zhengzhou)

United States: New York, Los Angeles, Chicago

Japan: Kanto, Kansai, Tokai area

Eligibility criteria

Males and females aged 20-59 who personally own a smartphone

China: In Tier 1 cities, monthly family income of 7,000-30,000 yuan; in Tier 2 cities, monthly family income of 5,000-20,000 yuan

NOTE: No income criteria in Japan and the US

Sample size

2,000 in China, 1,000 each in the US and Japan

Methodology

Online survey

When conducted

October 2018

Conducted by

Rakuten Insight, Inc.

Appendix 3

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 their changing wants, and sums everything up in a pithy keyword. *Shù-zì-lì* is the project's sixth set of findings, following Whirlpool Creation in 2013, Information Bees in 2014, Un-framing Consumption in 2015, Title Energy in 2016, and Enjoying the Finer Things in Life in 2017.

HakuHodo Institute of Life and Living Shanghai research publications (in Japanese)

- ***The Dynamics of Chinese People 2018: Shù-zì-lì: China's New High-tech Lifestyle Trend***



Author: HakuHodo Institute of Life and Living Shanghai

Length: 115 pages

Date of publication: December 31, 2018

Price: 2,800 yen (excl. tax)

- ***The Dynamics of Chinese People 2017: Yúlè: Chinese sei-katsu-sha and the Desires Giving Rise to New Cultural Consumption***
- ***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, contact HakuHodo Institute of Life and Living Shanghai at:

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