

Life Enyouthiasts: China's Youthified Sei-katsu-sha

Hakuhodo Institute of Life and Living Shanghai unveils “The Dynamics of Chinese People 2019” in Beijing

Tokyo—December 10, 2019—Hakuhodo Institute of Life and Living Shanghai (HILL Shanghai) unveiled its seventh set of findings on “The Dynamics of Chinese People” today in Beijing. The theme of this year’s research, again conducted jointly with the School of Advertising, Communication University of China, was China’s youthified *sei-katsu-sha*¹.

With binge buying petering out, China in recent years has shifted to a period of stable economic growth. Chinese people’s wild enthusiasm for fintech and “new retail,” or business models that converge digital and offline experiences, also seems to be waning a little. Like other countries, China is now facing low birthrates in tandem with an aging population, and there are more than a few pessimistic forecasts that Chinese people’s desire to spend will stagnate.

But even as Chinese *sei-katsu-sha* face the dawn of this new social environment, Chinese people from a broad range of age groups are now enthusiastically enjoying the same vibrant lifestyles as young people, and having a younger outlook than one’s actual age has become the new norm.

In HILL Shanghai research, Chinese *sei-katsu-sha* indicated that they actively take cues from young people, with 47% saying they believe it has become a more youth-oriented world and 40% saying that they are more influenced by young people than before (Reference Data 1), and there was a clear trend toward Chinese respondents seeing themselves as younger than they are the older their age group, with Chinese people returning the youngest average mental age—31.9 years—in a three-country comparison of people aged 20–59 in China, Japan and the US (Reference Data 2).

In this research, HILL Shanghai first defined “young people” as *those enthusiastic about enjoying life, regardless of their age group*, and “youthification” as *a phenomenon whereby a broad range of age groups are enthusiastic about enjoying life*. It then studied changes in *sei-katsu-sha* desires. The results show that as they face changes at the dawn of a new social environment, Chinese *sei-katsu-sha* feel something lacking in their lives and harbor a desire for things that they can get excited about, with 60% agreeing that they “Want things that excite me” more than before (Reference Data 3).

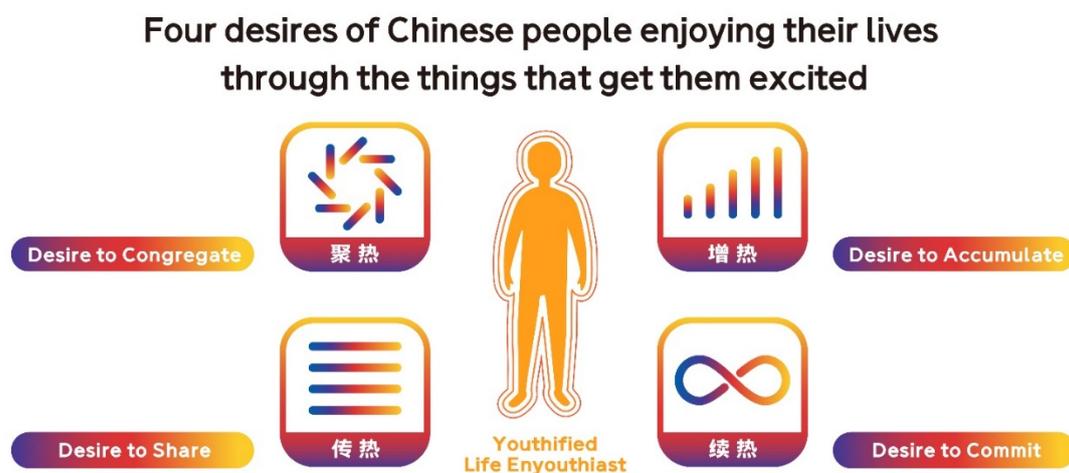


¹ *Sei-katsu-sha* insight is the foundation for Hakuhodo’s thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuhodo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumers’ lives.

HILL Shanghai dubbed Chinese *sei-katsu-sha* who actively seek excitement this way “Life Enyouthiasts,” and divided them into four types based on their desires, proposing marketing methods that neatly address these four desires

■ Four desires observed in Life Enyouthiasts

Analyzing Life Enyouthiasts’ desires, HILL Shanghai was able to categorize them into the following four types: *Desire to Commit*, or the desire to keep doing things they can get excited about; *Desire to Congregate*, the desire to seek encounters through the things they are excited about; *Desire to Accumulate*, or the desire to seek numerous things to get excited about; and *Desire to Share*, the desire to tell others about the things they are excited about.



Life Enyouthiasts, who seek to satisfy these four desires while growing internally and staying young, have now become visible across age groups.

The youthification of all age groups in China has accelerated in recent years, with distinctions between age groups in terms of desire to spend and influence (ability to convey consumer information) almost disappearing. It is now clear that desire to spend and influence are higher the more things a person has that they are excited about (Reference Data 4).

HILL Shanghai analysis suggests that a paradigm shift in marketing may be about to occur, with a shift from the traditional methods targeting young people that have been used until now to methods that target Life Enyouthiasts. It also suggests that the presence of Life Enyouthiasts will have major implications for marketing in China from now on.

■ Marketing methods for each Life Enyouthiast desire

Desire to Commit: “**Habitualization**” activities that make a habit of *sei-katsu-sha*’s excitement about a product or service

A Chinese drone manufacturer has successfully built sustainable ties with *sei-katsu-sha* by not only spurring purchasing with promotions, but also promoting drone filming by creating a video platform.

Desire to Congregate: “Encounterization” activities that promote encounters through the product or service

A Chinese travel site has successfully built sustainable ties with *sei-katsu-sha* by conducting user interactions not just with core users, but also with regular users.

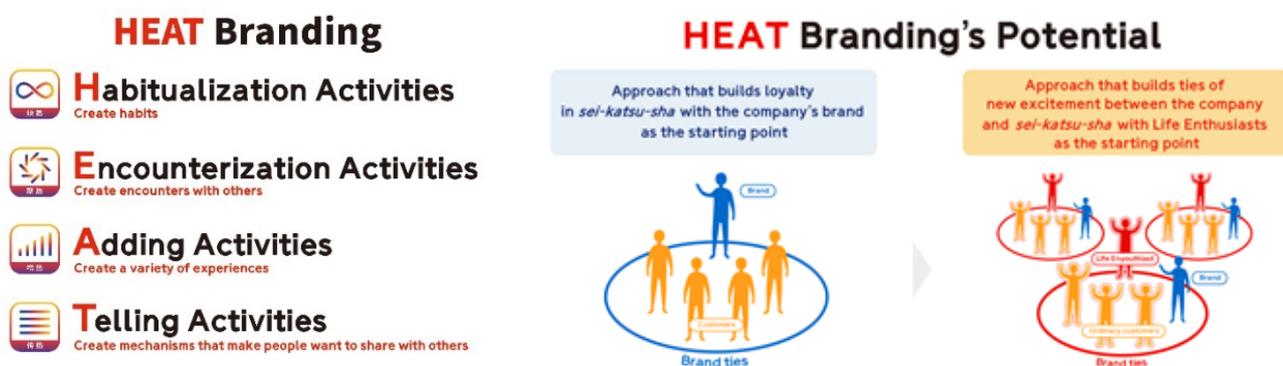
Desire to Accumulate: “Adding” activities that provide *sei-katsu-sha* with a variety of things to get excited about

A Chinese hotel chain has succeeded in building sustainable ties with *sei-katsu-sha* by providing not only high-quality standardized services, but a variety of things to look forward to in various regions, including reading events and ambassadors that provide regional information, among others.

Desire to Share: “Telling” activities directed at *sei-katsu-sha* that support user-initiated brand activities

An English conversation school has succeeded in building sustainable ties with *sei-katsu-sha* by supporting user seminars that leverage students’ particular skills and interests, in addition to providing its bread-and-butter English language services.

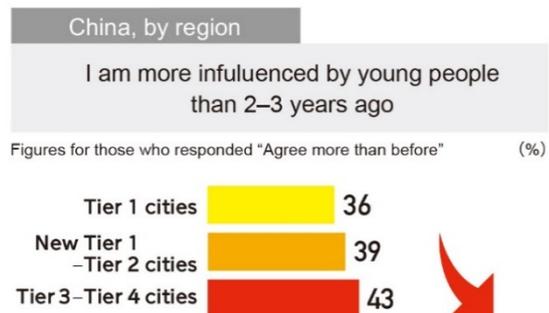
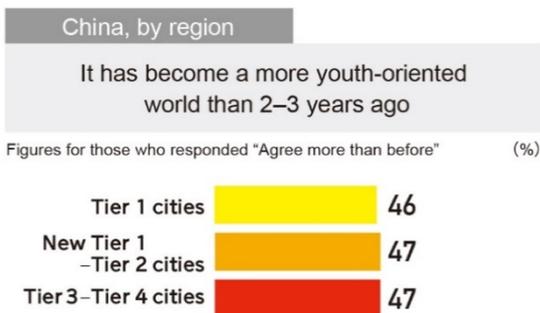
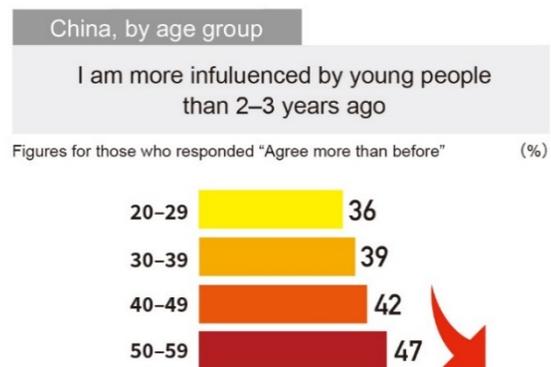
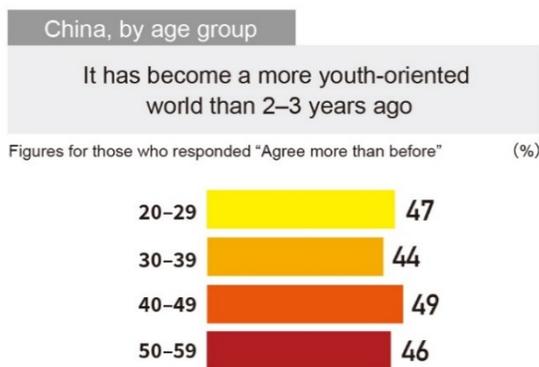
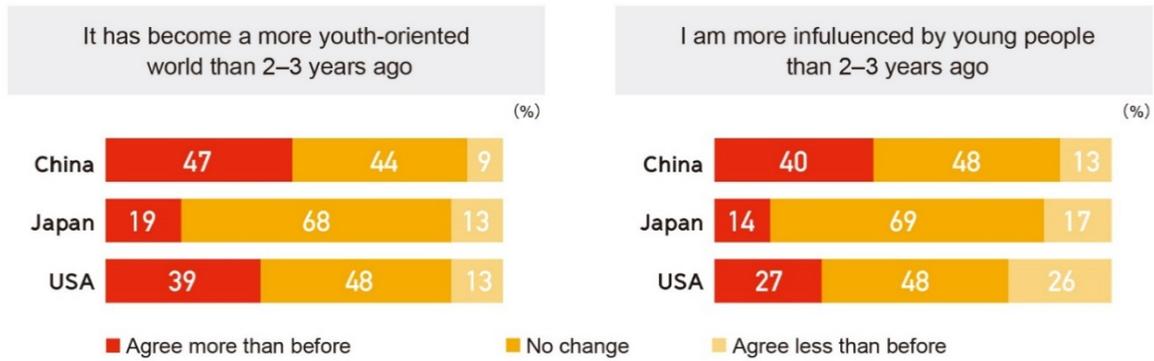
Taking the first letter of the brand activities for each of the four Life Enyouthiast desires, HILL Shanghai has named the branding of the future “**HEAT Branding**.” Unlike traditional branding that builds a static brand image, HEAT Branding sees users as *sei-katsu-sha*, and seeks to integrate the brand into exciting experiences in the lives of *sei-katsu-sha*.



HILL Shanghai believes that by conducting HEAT Branding that addresses the desires of Life Enyouthiasts, companies in tomorrow’s Chinese marketplace will be able to have many strong touchpoints with *sei-katsu-sha* through the things they are excited about and, thereby, realize sustainable growth.

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■ Reference Data 1: Perceptions of young people



Source: Youth Perceptions Survey 2019, Hakuodo Institute of Life and Living Shanghai

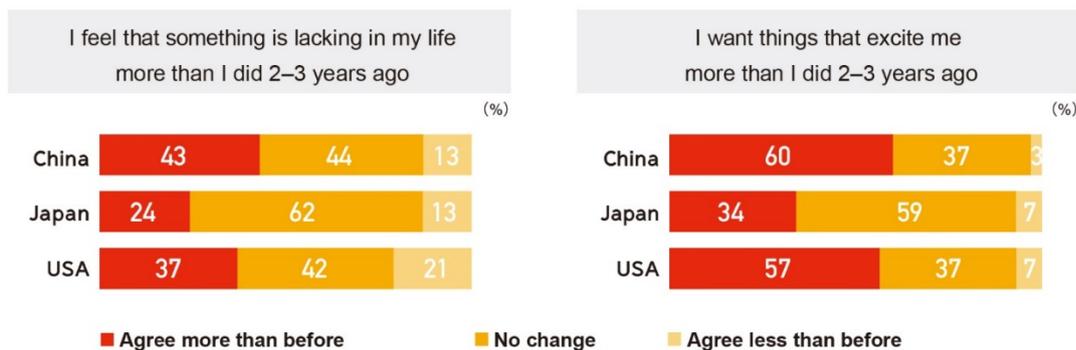
■ Reference Data 2: Sei-katsu-sha's mental age

Q. What do you think your mental age is? Give a number.

By country	(age)	China, by age group	(age)	China, by region	(age)
China	31.9	20-29	26.0	Tier 1 cities	31.8
Japan	32.9	30-39	30.5	New Tier 1 - Tier 2 cities	31.7
USA	37.1	40-49	36.0	Tier 3-Tier 4 cities	32.3
		50-59	41.3		

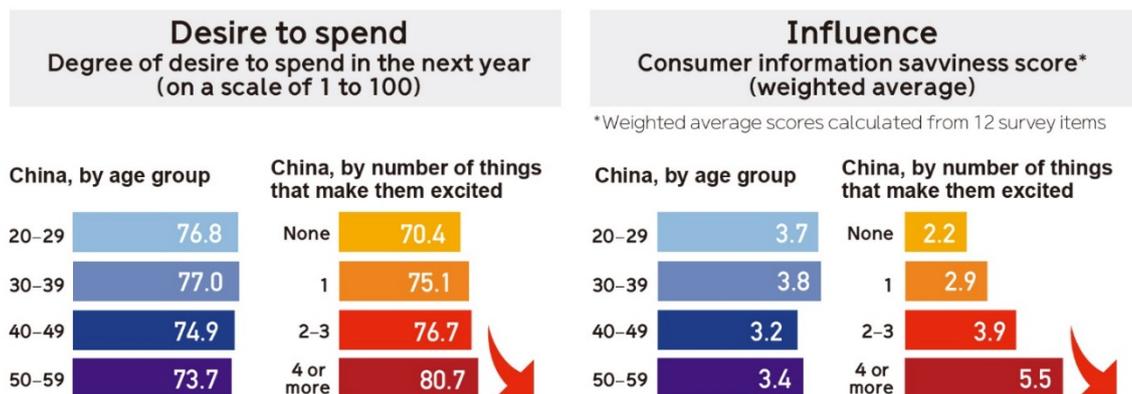
Source: Youth Perceptions Survey 2019, Hakuodo Institute of Life and Living Shanghai

■ Reference Data 3: Changes in *sei-katsu-sha* desires



Source: *Youth Perceptions Survey 2019*, Hakuhodo Institute of Life and Living Shanghai

■ Reference Data 4: Changes in *sei-katsu-sha* desires



Source: *Youth Perceptions Survey 2019*, Hakuhodo Institute of Life and Living Shanghai

Reference material

■ *Youth Perceptions Survey 2019* survey outline

Countries studied

- China: Total of 3,000 samples in Tier 1–Tier 4 cities
- Japan: Total of 1,000 samples in the Kanto, Kansai and Tokai regions
- USA: Total of 1,000 samples in New York, Los Angeles and Chicago

Total sample size of 5,000 for the three countries combined

Respondents: Males and females aged 20–59 who own a smartphone

* In China, there was a monthly household income condition of 5,000–29,999 CNY

* There were no income conditions for Japan or USA

Survey method: Internet survey

Survey period: October 2019

Conducted by: Rakuten Insight, Inc.

■ Hakuhodo Institute of Life and Living Shanghai

Hakuhodo Institute of Life and Living Shanghai, a wholly-owned subsidiary of Hakuhodo Inc. of Japan, is a think-tank established in Shanghai in 2012 to serve the Hakuhodo Group in China. Leveraging *sei-katsu-sha* research know-how amassed in Japan, the Institute supports companies' marketing activities in China, while developing local insights and making proposals on future ways of living in China.

Current key activities

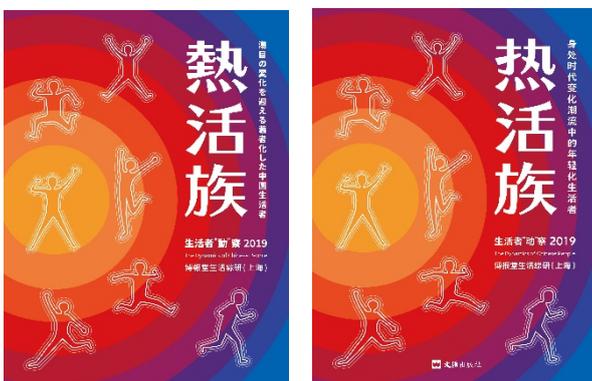
- The Dynamics of Chinese People: Research that intuits the true desires of *sei-katsu-sha* and puts forward ideas for new ways of living
- Developing new methods: Development of new methods for contributing to companies' marketing activities
- Putting forward new viewpoints: Offering new ways of looking at *sei-katsu-sha* and markets

The fruits of these activities are provided to clients through the Hakuhodo Group's offices. Some of the results are also made public by such means as research finding announcements, the Hakuhodo Institute of Life and Living Shanghai's website and publications.

The Dynamics of Chinese People is a joint research project conducted by Hakuhodo Institute of Life and Living Shanghai and the Communication University of China's School of Advertising. The project, whose findings are released once a year, analyzes changes in the behavior and desires of Chinese *sei-katsu-sha*, summing everything up in pithy keywords. *Life Enyouthiasts* is the project's seventh set of findings, following *Whirlpool Creation* in 2013, *Information Bees* in 2014, *Un-framing Consumption* in 2015, *Title Energy* in 2016, *Yúlè* in 2017, and *Shuzili* in 2018.

■ Hakuhodo Institute of Life and Living research findings

The Dynamics of Chinese People 2019: Life Enyouthiasts: Youthified Sei-katsu-sha at the Dawn of a New Age



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