

September 30, 2022

Hakuhodo Institute of Shopper Insight publishes Shopping Forecast 2022,
predicting and proposing shopping trends among *sei-katsu-sha*

**“Purpose Buying:” An emerging shopping value among *sei-katsu-sha* in
the SDGs era**

**13% have experienced “purpose buying,”
of whom 52% practice “targeted buying,” deciding what to purchase before going shopping**

Hakuhodo Institute of Shopper Insight (HISI), a think tank affiliated to Hakuhodo Inc., a leading integrated marketing and innovation company headquartered in Tokyo, has long conducted research on the structure and realities of shopping among *sei-katsu-sha*,¹ since its inception in 2003.

Having joined Shopper Marketing Initiative,² a strategic unit composed of nine Group companies including Hakuhodo Inc. in April 2022, HISI has just published Shopping Forecast 2022, which predicts and proposes emerging shopping trends, based on its own *sei-katsu-sha* surveys.

The theme selected for the 2022 report is “Brand purpose and shopping behavior.” “Purpose” has attracted much attention in recent years. We defined “purpose buying” as the experience of purchasing any product in the last 12 months because of the attitude of the brand or because the company is making a positive impact on the world and people’s lives, seeking to identify the impact of purpose buying on shopping behavior.

HISI’s findings on purpose buying point to the emergence of *sei-katsu-sha* who actively choose what to purchase, including through information gathering and targeted buying. It also makes recommendations for companies on how to encourage purpose buying among *sei-katsu-sha*.

Summary of Shopping Forecast 2022

1. 13% have experienced purpose buying, particularly those who are eco-conscious and active communicators

- 13% of respondents say they have experienced purpose buying. By age group, the largest shares are observed among both males and females in their teens and 60s.
- Those who have experienced purpose buying typically enjoy going out and shopping, are highly eco-conscious and actively involved in environmental actions, and want to play the central role in their circle of friends by being the first to get and share new information.

2. Purpose buying means active product selection, distinct from “choiceless shopping”

In our study in 2018, HISI found an increase in shopping stress, or the inability to make appropriate decisions due to the flood of information, products and purchasing channels. To avoid this stress, a majority of *sei-katsu-sha* were moving toward “choiceless shopping.” Nevertheless, shopper behavior indicated that purpose-bought products were subject to active selection.

Impact of purpose-bought products on the purchase funnel

¹ “*Sei-katsu-sha*” is a term Hakuhodo uses to describe people not simply as consumers, but as fully rounded individuals with their own lifestyles, aspirations and dreams.

² Shopper Marketing Initiative is a strategic unit that provides promotion and commerce solutions. It is composed of nine companies: Hakuhodo, Hakuhodo DY Media Partners, Hakuhodo DY Holdings, D.A.Consortium, Hakuhodo Product’s, Hakuhodo DY Outdoor, Cerebrix, Experience D and Backs Group.

- **Active information gathering**

59% of respondents collect information on purpose-bought brands more actively than on other brands of interest.

- **Targeted buying**

52% decide what to buy before visiting the store (or e-commerce site).

3. Affinity with purpose ads boosts purchase amount for more than half of the brands

We defined “purpose-oriented shoppers” as those who are aware of, and feel an affinity with the purpose ad of a brand, and compared them with other clusters of shoppers to analyze any difference in brand buying using purchase data.

We selected nine brands in three categories: three brands from the beauty category, three brands from the food & beverage category, and three brands from the toiletries category.

A purchase rate higher by at least 5 percentage points was observed for four of the nine brands.

A purchase amount higher by at least 10 percent was observed for six of the nine brands.

4. Three recommendations to encourage purpose buying

- **Shift of focus of product purchase selection criteria from functional and emotional values to affinity with purpose**

The selection of products to purchase is now affected by a shift from functional and emotional values of the product to affinity with the purpose of the company or brand.

- **Increased importance of corporate branding**

As the abundance of goods makes differentiation through product branding increasingly difficult, shopper behavior is becoming more characterized by product selection in view of purpose-driven corporate branding.

- **Build sustainable relationships between companies and *sei-katsu-sha***

The ties with brands created by affinity with their purpose are not temporary but durable. The development of such permanent points of contact with *sei-katsu-sha* helps increase revenues.

Survey outlines

HISI Survey on Brand Purpose and Shopping Behavior

Respondents: Males and females aged 15–69

Survey area: Nationwide

Method: Internet survey

Survey period: March 2022

Sample size: 13,311

Conducted by: M-CUBE, Inc.

HISI Survey on Purpose Ads by Product Category

Respondents: Males and females aged 15–69

Categories covered: Beauty, food & beverages, toiletries, fashion and automobiles (purpose ads of five brands presented for each category)

Survey area: Nationwide

Method: Internet survey

Survey period: March 2022

Sample size: 1,000 each for beauty (females), food & beverages (males and females) and toiletries (females), 500 each for fashion (males and females) and automobiles (males and females)

Conducted by: M-CUBE, Inc.

Purchase data: QPR™

■ About Hakuhodo

Founded in 1895, Hakuhodo is an integrated marketing solutions company headquartered in Tokyo, Japan. With offices in 20 countries and regions, and over 10,000 specialists working in Japan and around the world, Hakuhodo is the world's second largest advertising agency according to *Ad Age's* "Agency Report 2022." The company is the core agency of the Hakuhodo DY Group.

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.

With *sei-katsu-sha* insight as its cornerstone, Hakuhodo combines creativity, integrative capabilities, and data and technology to play a leading role in evolving companies' marketing activities and generating innovation for the digitalized era. This enables the company to impact and provide value to *sei-katsu-sha* and society.

Renowned for its creativity, Hakuhodo has won the Grand Prix at Cannes Lions International Festival of Creativity twice, and was named Network of the Year at ADFEST 2021.

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

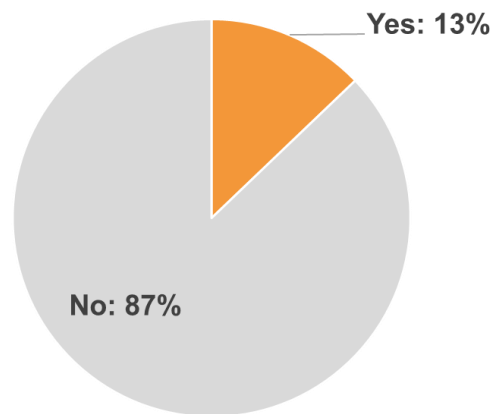
Media contacts:
Corporate Public Relations Division
koho.mail@hakuhodo.co.jp

Details of the findings

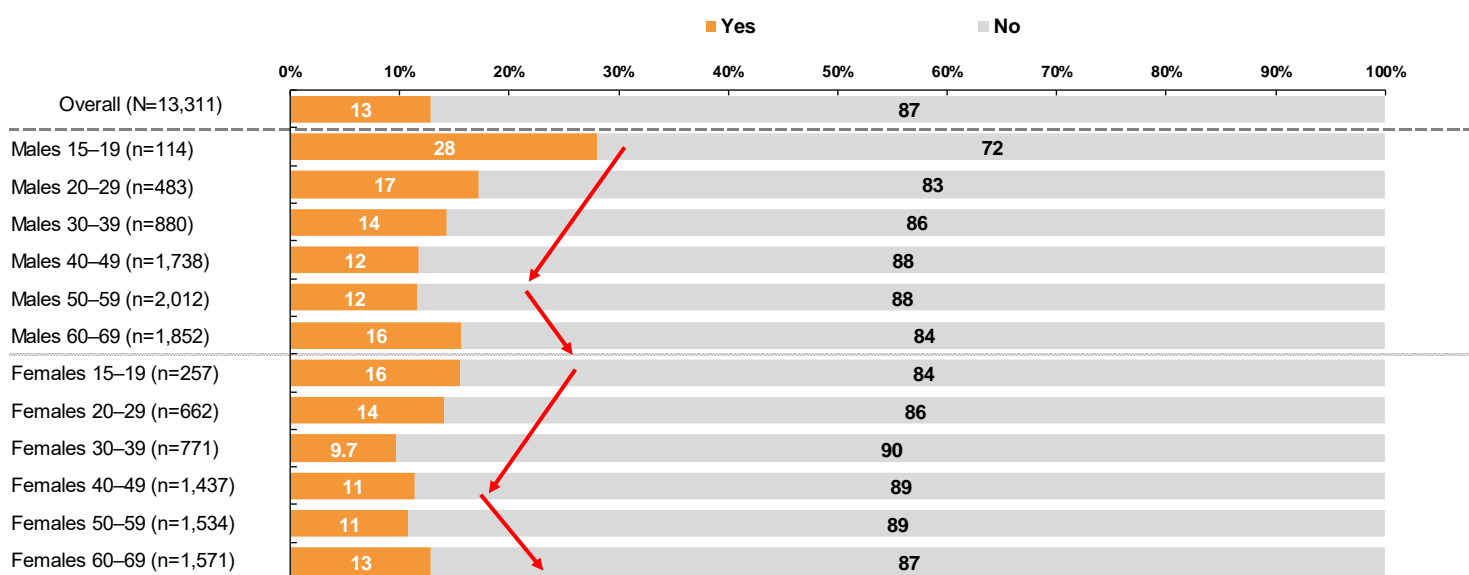
1. 13% have experienced “purpose buying,” particularly those who are eco-conscious and active communicators

- 13% of respondents say they have experienced purpose buying. By age group, the largest shares are observed among both males and females in their teens and 60s.
- Those who have experienced purpose buying typically enjoy going out and shopping, are highly eco-conscious and actively involved in environmental actions, and want to play the central role in their circle of friends by being the first to get and share new information.

Q: Have you experienced “purpose buying” (purchasing any product in the last 12 months because of the attitude of the brand or because the company is making a positive impact on the world and people’s lives)?



(Males and females aged 15–69, N=13,311)



Typical purpose-oriented shoppers

- Love to go out and shop
- Highly eco-conscious and actively involved in environmental actions
- Want to play the central role in their circle of friends by being the first to get and share new information

Interests	<ul style="list-style-type: none"> ■ In free time: Read newspapers (+9.0%), read magazines (+9.7%), go shopping for things other than daily needs (+11.4%) ■ Habitual hobbies: Domestic travel (+13.1%), eating out at various places (+13.6%), shopping (+13.4%), etc. ■ Aware of need to conserve energy and take suitable actions (+16.7%), buy eco-friendly products (+15.8%)
Shopping mindset	<ul style="list-style-type: none"> ■ Mindset as shoppers: <ul style="list-style-type: none"> • Interested in new products (+11.5%) • Love to visit various shops (+11.3%) • Proactively share information obtained on shopping or products (+16.2%)
Sensitivity to information	<ul style="list-style-type: none"> ■ Opinions and attitudes to information: <ul style="list-style-type: none"> • Tend to share new information with others (+17.4%) • Often share useful information with as many people as possible (+19.8%) • Often get new information earlier than others (+18.6%)
Personality	<ul style="list-style-type: none"> ■ Personally: <ul style="list-style-type: none"> • Would like to be the leader of others (+14.2%) • Would like to be of help to society and friends (+17.9%)

* Figures in parentheses () indicate differences in scores between purpose-oriented shoppers and other shoppers.

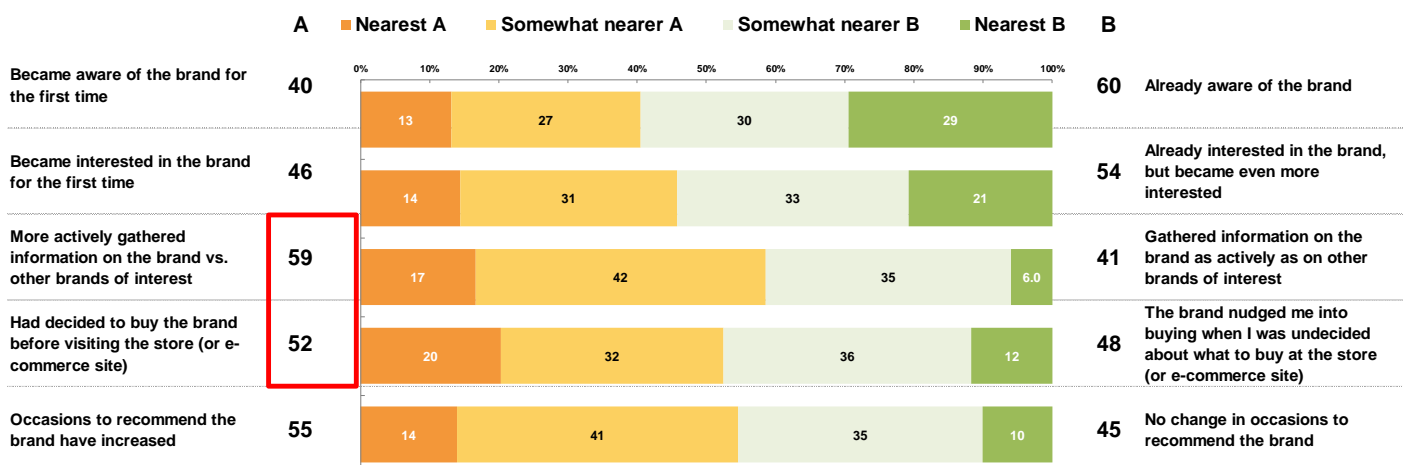
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Impact of purpose-bought products on the purchase funnel

- **Active information gathering**
59% of respondents collected information on purpose-bought brands more actively than on other brands of interest.
- **Targeted buying**
52% decided what to buy before visiting the store (or e-commerce site).

Q: How has purpose buying affected your shopping behavior?



(Males and females aged 15–69, N=1,711)

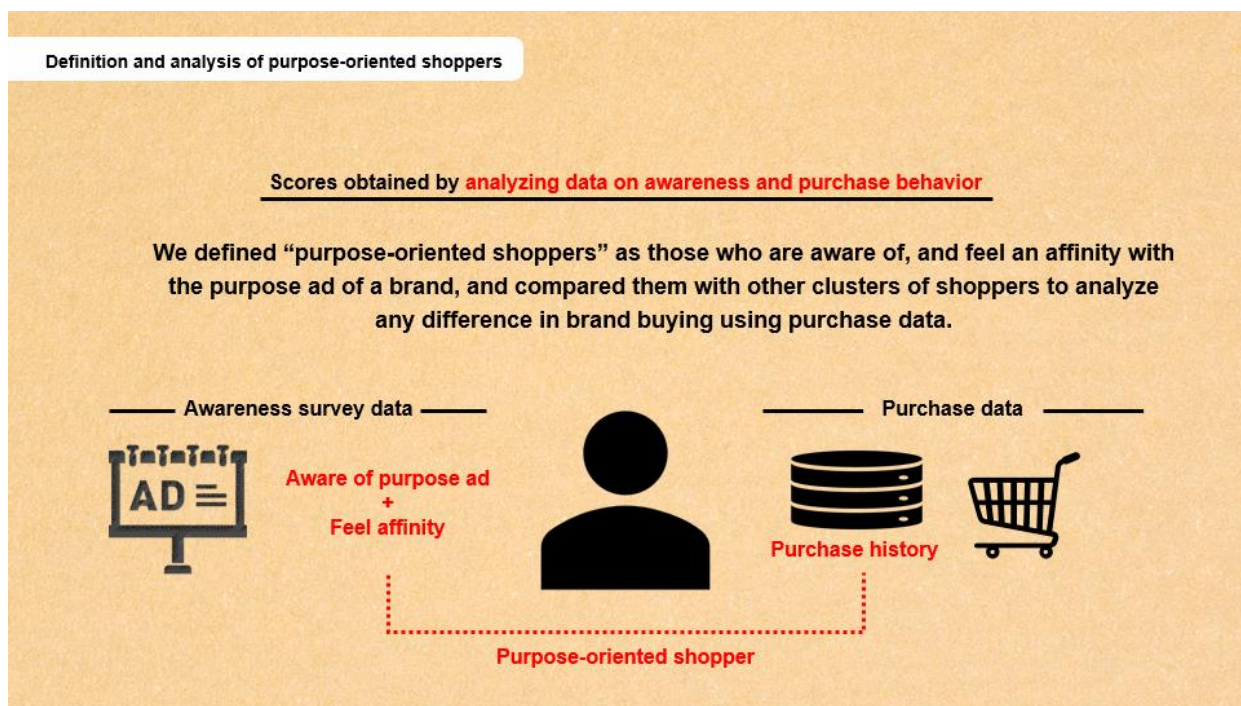
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We selected nine brands in three categories: three brands from the beauty category, three brands from the food & beverage category, and three brands from the toiletries category.

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A purchase amount higher by at least 10 percent was observed for six of the nine brands.



Purchase rate		
Brands with a purchase rate at least 5 percentage points higher among purpose-oriented shoppers than other shoppers	4 brands out of 9 brands	1 out of 3 brands in beauty 2 out of 3 brands in food & beverages 1 out of 3 brands in toiletries
Purchase amount		
Brands with a purchase amount at least 10 percent higher among purpose-oriented shoppers than other shoppers	6 brands out of 9 brands	3 out of 3 brands in beauty 1 out of 3 brands in food & beverages 2 out of 3 brands in toiletries

■ Criteria for selecting purpose ads

- The brand has clearly defined, and expressed a purpose.
- The purpose has helped shape the brand’s business, products, commercial services or communications.

■ Shopping indicators validated by purchase data

- Purchase rate: Share of respondents who purchased the brand during the 12-month period (Mar 2021–Feb 2022) in %.
- Purchase amount: Total amount of the brand's products purchased during the 12-month period (Mar 2021–Feb 2022) in yen.

4. Three recommendations to encourage purpose buying

- **Shift of focus of product purchase selection criteria from functional and emotional values to affinity with purpose**

Our analysis of the survey results shows that purpose-oriented shoppers adopt an active shopping attitude as indicated by behaviors such as active information gathering and targeted buying. They are probably looking to find meaning in their product purchases through their empathy with the purpose of the company or brand that produces it. Rather than the material side of a product and being attracted by its functional or emotional value, they may be looking at the human side of it.

- **Increased importance of corporate branding**

The report considers the influence of purpose on branding. The purpose ads selected for each category in this survey contain at least one corporate-level communication.

As a result of intense product branding in the 1980s and 1990s, the world is still saturated with product branding, making it difficult for any brand to differentiate itself solely based on material aspects. Against this backdrop, purpose has triggered a shopping behavior that focuses on corporate brands when selecting products.

Large-scale actions across the product portfolio are easier at the corporate level, and effectively help win attention, and hence empathy and affinity from *sei-katsu-sha*. It is therefore expected that corporate branding will continue to grow in importance.

- **Build sustainable relationships between companies and *sei-katsu-sha***

The results of the survey show that purpose ads are likely to increase annual purchase amount. This means that the ties with brands created by affinity with their purpose are not temporary but durable. However, *sei-katsu-sha* tend to forget what they really want as they keep being bombarded with information. Brands should develop points of contact that are capable of keeping their customers updated and reminded if they are to reinforce the ties that provide revenue sources.

About HakuHodo Institute of Shopper Insight



HakuHodo Institute of Shopper Insight (HISI) is a hands-on think tank that considers the realities of places where shopping occurs from the standpoint of *sei-katsu-sha* (buyers), rather than companies (sellers). Based on shopper insights including shoppers' real feelings and shopping sweet spots that are thus identified, it builds shopping scenarios that satisfy the desire for shopping, and proposes and executes solutions that bring about new shopping behaviors.

Under the auspices of the Shopper Marketing Initiative, a strategic unit composed of nine Group companies including HakuHodo Inc. offering new shopping experiences to *sei-katsu-sha* both online and offline, HISI has built a new structure with the aim of becoming an “open” research institution on shopping.

Yuki Tarumi

Director

HakuHodo Institute of Shopper Insight



Since joining HakuHodo in 2016, Yuki Tarumi has been involved in marketing strategy and product/service development on FMCGs such as cosmetics, daily goods, beverages and health food. She assumed her current post in 2022. Working toward creating an open research institution on shopping, she is committed to strengthening joint research with various companies and experts, as well as initiatives focused not just on real-life shopping, but digital shopping (live commerce, social media commerce, D2C, e-commerce, etc.), in what we call the Commerce Anywhere Age.

About HakuHodo DY Group Shopper Marketing Initiative



Shopper Marketing Initiative

Shopper Marketing Initiative is a strategic unit formed by nine HakuHodo DY Group companies under the auspices of HAKUHODO DX_UNITED. Mobilizing the expertise of the nine companies and specialists of various disciplines, it functions organically as one team. By contributing to the business results and growth of sales of distributors, retailers and manufacturers in all relevant fields such as retail DX (DX at the store level), commerce DX (DX at the point of purchase level), digital sales promotion, real-world sales promotion and the use of shopper marketing data, the Initiative intends to establish itself as a one-stop shop for value-creating, next-generation shopper marketing, providing *sei-katsu-sha* with a new type of “wow” purchasing experience that is focused on meeting the needs of shoppers.