

Hakuhodo Institute of Life and Living Shanghai unveils
The Dynamics of Chinese People 2022

Yùn yù: Chinese *Sei-katsu-sha* Proactively Managing their Environment to Create their Desired Lifestyle

In the next 10 years, Chinese *sei-katsu-sha* will shift from overconcentrating in metropolises to migrating to cities that suit their desired lifestyle

Tokyo—January 11, 2023—Marking its 10th anniversary in 2022, Hakuhodo Institute of Life and Living Shanghai (HILL Shanghai) today announced the 10th set of findings from The Dynamics of Chinese People, a joint research project conducted with the School of Advertising at the Communication University of China. **The theme of the research this year was “Where and how will Chinese *sei-katsu-sha*¹ seek to live in the next 10 years?”**

The population of China as a whole is peaking, and has already begun to decline in some cities. Other cities, however, are still experiencing net inflows. The latest demographic statistics point to a **non-registered population² of 376 million, up 170% in the last 10 years** (Seventh National Population Census, National Bureau of Statistics of China).

Internal migration in China has almost always meant movement from inland to coastal areas, and rural areas and small regional cities to metropolises. Asked about their intended migration patterns in the future, however, *sei-katsu-sha* who are thinking about migrating in the next 10 years responded that they will **focus less on overconcentrating in large cities**. Indeed, **some of them are considering relocating to a smaller city or living and working in multiple places** (Data 1).

Many of these *sei-katsu-sha* also expect that the convenience of life in regional cities will improve to the level of Tier 1 cities³ like Beijing, Shanghai, Guangzhou and Shenzhen, and that the evolution and development of facilities for the elderly will reduce the burden of care-giving (Data 2), highlighting another trend among Chinese *sei-katsu-sha*, which is a focus on aspects other than economic development, such as history, culture, recreational opportunities, climate and the environment, when selecting a city in which to live (Data 3).

To take a closer look at the changing attitudes among *sei-katsu-sha*, we conducted in-depth interviews and a quantitative survey of those actively involved in inter-city migration, and identified the following three emerging lifestyles.

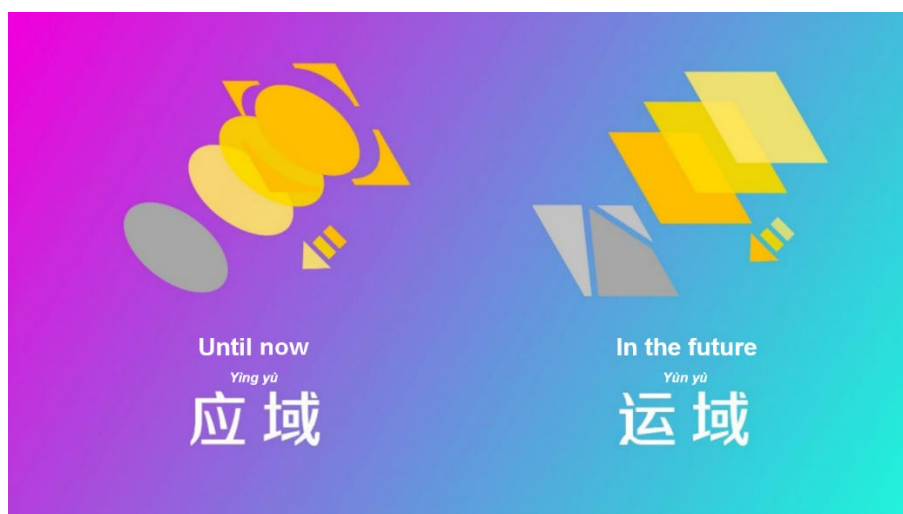
¹ “*Sei-katsu-sha*” is a term Hakuhodo uses to describe people not simply as consumers, but as fully rounded individuals with their own lifestyles, aspirations and dreams.

² In China, each city has its own population register. “Non-registered population” refers to those who have left their city of registration and live in another city where they are not registered.

³ Chinese cities are classified into five tiers. Tier 1 cities include Beijing, Shanghai, Guangzhou and Shenzhen.

- (1) **Husband and wife each having an independent living space**, prioritizing their own career and freedom (Data 4)
 “I’m not willing to sacrifice my career for my family. (Living separately and) having fewer opportunities to see my child and husband makes me cherish the moments when we are together, particularly because of a sense of guilt, thus helping to maintain our family ties.” (Ms. L, 32, married with a child, Xianyang)
- (2) **Pursuing relative quality of life** by moving to a city with a lower cost of living, even at the risk of lower pay (Data 5)
 “I feel relaxed at work (thanks to my previous experience). I can focus on quality of life, delineating between my work and personal life. I can afford a house and car here.” (Mr. Y, 49, married with a child, Fushun)
- (3) **Migrating to/between cities** to optimize their pace of life (Data 6)
 “For me, migration means changing my mental and physical pace and regulating the pace of life. Despite the stress of relocating, I believe it will bring positive benefits in the long run, in terms of skills and life experience.” (Ms. H, 26, single, Shanghai)

In China up until now, people generally remained “adaptive,” adapting (yìng) to the environment (yù) of their hometown or a large city after migration. While adapting, they had to change themselves by suppressing their individuality and developing unfamiliar habits and new skills. Improvements in infrastructure and greater convenience in regional cities, accompanied by the evolution of values among *sei-katsu-sha*, however, have enabled many to choose a city that suits their lifestyle or to move between different cities depending on their purpose. HILL Shanghai envisages an **increase in the number of *sei-katsu-sha* who seek a yùn yù life, in which they more proactively decide and manage (yùn) the region and environment (yù) in which they live.**



At the unveiling of the findings of The Dynamics of Chinese People 2022, we presented a detailed picture of these new *sei-katsu-sha* enjoying *yùn yù* lifestyles characterized by inter-city migration, and identified hints for companies’ marketing activities in a future China with a rising number of *sei-katsu-sha* whose lives straddle multiple cities.

Please email HILL Shanghai for a summary report on the research (available in Japanese, Chinese and English) and a seminar video (in Chinese) at:

<https://www.shenghuozhe.cn/>

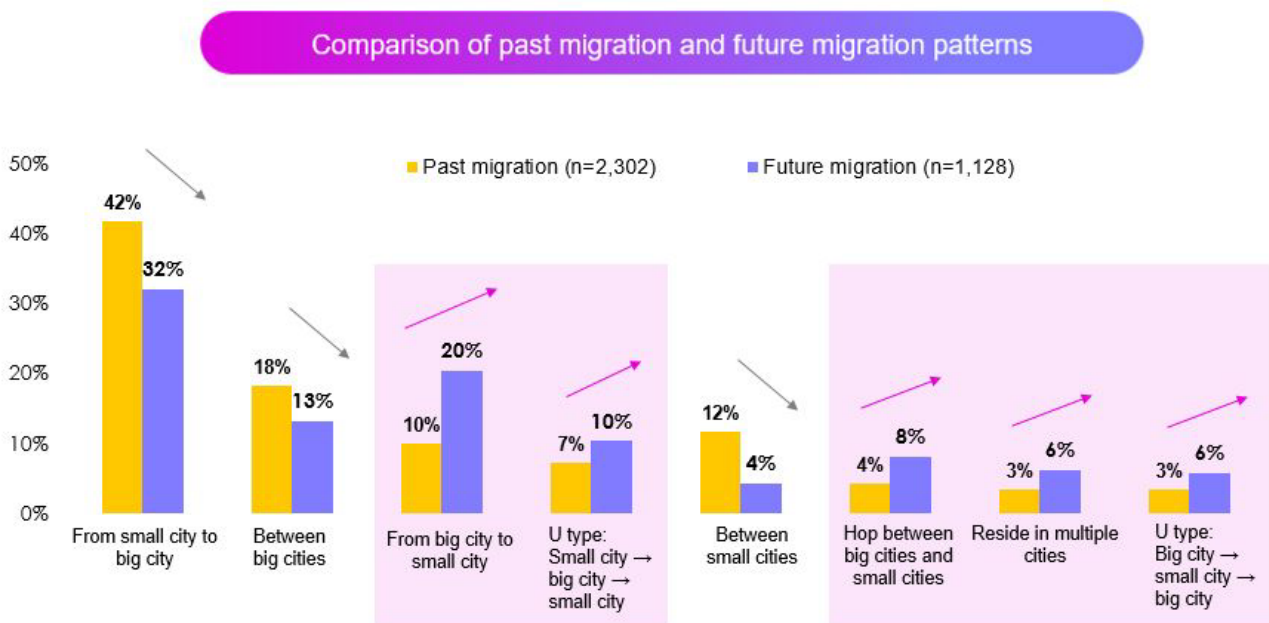
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Data

Data 1: *Sei-katsu-sha* now ready for various patterns of inter-city migration, with less focus on big cities

We examined past migration patterns of *sei-katsu-sha* who have migrated between cities, and future migration patterns of those who plan to migrate to a different city within 10 years. The results show that in past migration, migration from small cities to big cities and between big cities were dominant, whereas in future migration, there is a 10-point reduction in migration from small cities to big cities and movement in the opposite direction doubled. Some respondents even envisage hopping between big cities and small cities or residing in multiple cities.



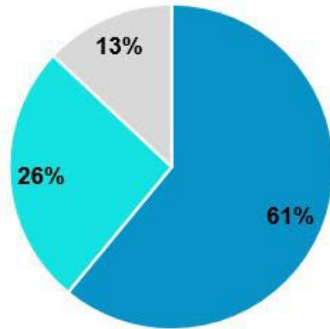
Source: "Survey on Current and Future Migration of *Sei-katsu-sha* 2022," Hakuho Institute of Life and Living Shanghai

Data 2. Chinese *sei-katsu-sha*'s vision of 2030 will impact future city selection

In order to understand what kind of society and lifestyle Chinese *sei-katsu-sha* envision in the future, we presented possible scenarios for 2030 on a range of topics including infrastructure, healthcare, care-giving and workstyles, and asked them whether they are likely to come true, and if so, whether each of the scenarios would affect their future life.

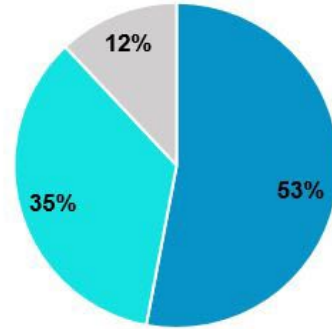
Almost 90% of respondents believe in the scenario that the evolution of logistics will raise the convenience of Tier 2 and 3 cities to the level of Tier 1 cities by 2030, and more than 60% expect that this will have an impact on their future life. Also, more than 50% of respondents agree with the prediction that the development and expansion of facilities for the elderly will extend healthy life expectancy, effectively shortening the length of time that the elderly will have to depend on their children. A majority also expect that this will affect their future lives.

The evolution of logistics will raise the convenience of Tier 2–3 cities to the level of Tier 1 cities



- Will come true and will affect my future life
- Will come true but will not affect my future life
- Will not come true

The development and expansion of facilities for the elderly will extend their years of independent living



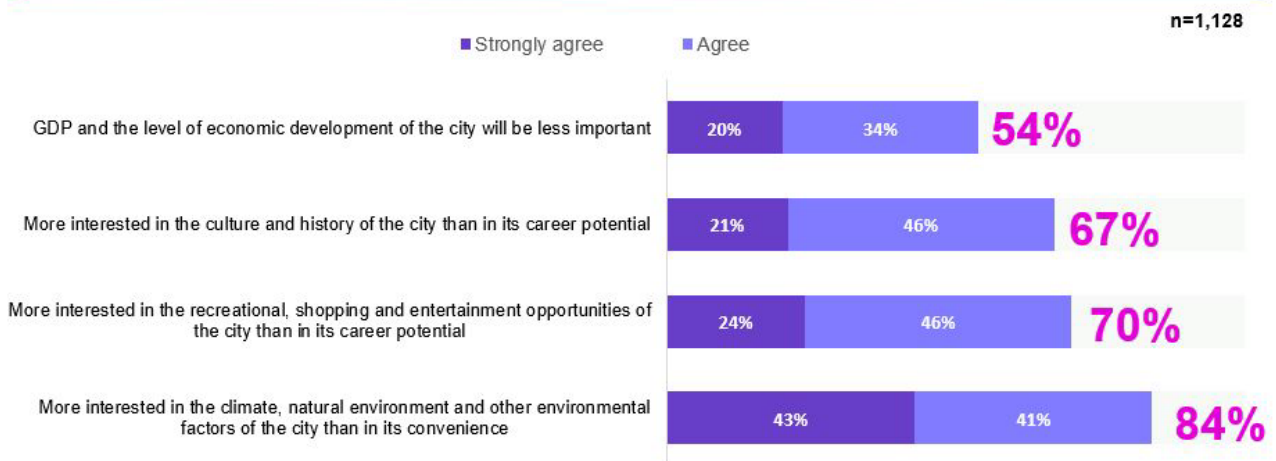
- Will come true and will affect my future life
- Will come true but will not affect my future life
- Will not come true

Source: "Survey on Current and Future Migration of *Sei-katsu-sha* 2022," Hakuodo Institute of Life and Living Shanghai

Data 3. Changing criteria for selecting a city to live in

We asked those *sei-katsu-sha* who are thinking about inter-city migration in the future about their criteria for selecting a destination. A majority of respondents agree (Strongly agree+Agree) that GDP and the level of economic development of the city will be less important. Around 70% agree that they are more interested in the culture and history of the city, and the recreational and entertainment opportunities to be found there, than in its career potential, while over 80% will be more interested in the climate, natural environment and other environmental factors than the convenience of the city. These new criteria for selecting a city are very different from those of the era when *sei-katsu-sha* were exclusively focused on job opportunities and the local infrastructure when deciding where to live.

Criteria for selecting a city in which to live in 2030



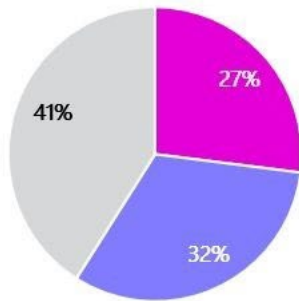
Source: "Survey on Current and Future Migration of *Sei-katsu-sha* 2022," Hakuodo Institute of Life and Living Shanghai

Data 4. Emergence of new ideas about family life

In our in-depth interviews, we found some cases where the husband and wife live in different cities. Assuming that a change of attitude toward family ties underlies the emergence of such families, we conducted a quantitative survey on the extent to which people find it acceptable for a husband and wife to live in different cities or houses, how much they agree with the conjecture that family ties are not affected by physical distance, and if they believe that such sentiments are held more strongly by *sei-katsu-sha* than previously. The results indicate that around 60% of respondents accept a husband and wife living in different cities or houses, and over 80% agree that family ties are not affected by physical distance. We thus found that fewer and fewer people are sticking to the traditional ideal of the family living together in one house.

It is acceptable for a husband and wife live in different cities or houses

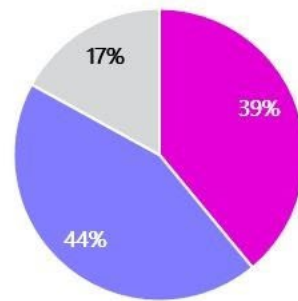
N=1,000



- Agree and think the sentiment is stronger than 5 years ago
- Agree
- Disagree

Physical distance between family members does not affect family ties

N=1,000



- Agree and think the sentiment is stronger than 5 years ago
- Agree
- Disagree

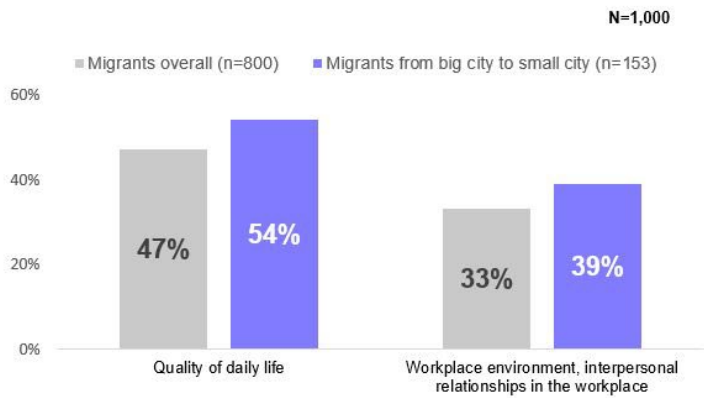
Source: "Survey on Values & Lifestyle 2022," Hakuodo Institute of Life and Living Shanghai

Data 5. Good places to live can be found by leaving a metropolis for a regional city

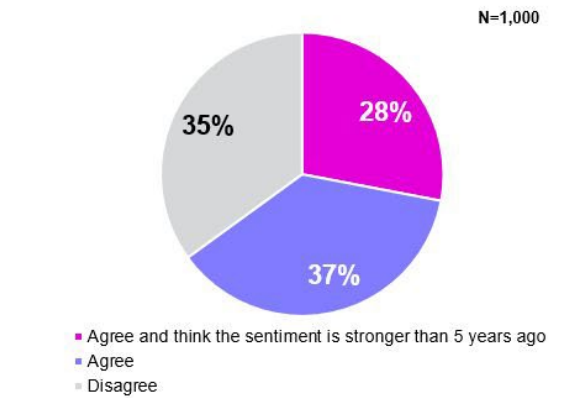
We compared the life satisfaction of *sei-katsu-sha* who have migrated from a big city to a small city and those who have simply migrated from one city to another in the last five years. According to the findings, those *sei-katsu-sha* who migrated from a metropolis to a small city enjoy a higher quality of daily life and are more satisfied with their workplace environment and relationships in the workplace.

The share of *sei-katsu-sha* who would like to migrate to a less competitive city to avoid the cutthroat competition of a big city, even at the risk of lower pay, is approaching 70%, highlighting the accelerating movement away from metropolises in search of better working and living conditions.

Satisfaction with current quality of life and workplace environment after migrating (Very satisfied)



It is acceptable to move to a city with less competition and a lower salary to avoid fierce competition

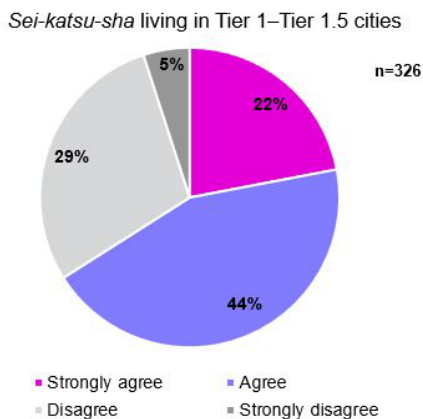


Source: "Survey on Values & Lifestyle 2022," Hakuodo Institute of Life and Living Shanghai

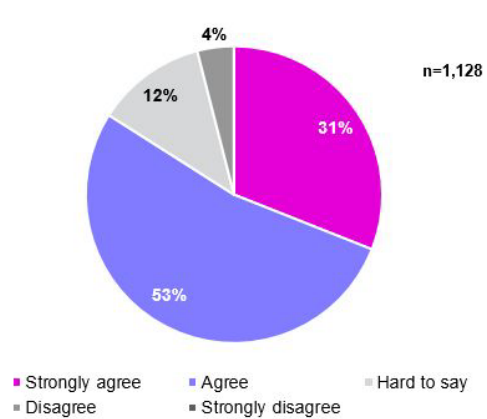
Data 6. Sei-katsu-sha looking to relocate to a city where they can find their own pace of life

Almost 70% of *sei-katsu-sha* living in Tier 1 and Tier 1.5 cities find the pace of their life too fast and exhausting (Strongly agree+Agree). Some of the respondents in our qualitative survey have actually moved to a regional city to take time away from the frantic pace of a big city, only to come back after regaining their energy. In the quantitative survey, we asked respondents if they would like to adjust their pace of life by moving to different cities. Over 80% agreed with the proposal (Strongly agree+Agree), including over 30% of respondents who strongly agreed with it.

The pace of my life is too fast and exhausting



I would like to adjust the pace of my life by moving to different cities



Source: "Survey on Values & Lifestyle 2022," Hakuodo Institute of Life and Living Shanghai

Source: "Survey on Current and Future Migration of *Sei-katsu-sha* 2022," Hakuodo Institute of Life and Living Shanghai

Reference

■ Outline of Survey on Current and Future Migration of *Sei-katsu-sha*

Sample size:	5,000
Respondent qualifications:	Males and females aged 20–59
Survey method:	Internet survey
Survey period:	August 2022
Conducted by:	Macromill China

■ Outline of Survey on Values & Lifestyle

Sample size:	1,000
Respondent qualifications:	Males and females aged 20–59
Survey method:	Internet survey
Survey period:	November 2022
Conducted by:	Macromill China

■ Outline of Interviews with Migrating *Sei-katsu-sha* in China

Sample size:	30
Respondent qualifications:	Males and females aged 20–65 with previous experience of multiple inter-city migrations, or with living in multiple cities in the last 12 months, and a household income of 1 million RMB or less
Survey method:	One-on-one in-depth interviews
Survey period:	August–December 2022 (some respondents were interviewed multiple times)
Conducted by:	Intage China

■ Hakuodo Institute of Life and Living Shanghai

HILL Shanghai, a wholly-owned subsidiary of Hakuodo Inc. of Japan, is a think-tank established in Shanghai in 2012 to serve the Hakuodo 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.

Key current activities:

- The Dynamics of Chinese People: Research that identifies the true desires of *sei-katsu-sha* and puts forward ideas for new ways of living
- New viewpoint proposal: Offering new ways of looking at *sei-katsu-sha* and markets
- Consulting & recommendations: Advice on *sei-katsu-sha* insight-based marketing activities

The Dynamics of the Chinese People is a joint presentation of research findings by HILL Shanghai and the School of Advertising at the Communication University of China. Held annually, The Dynamics of the Chinese People research presentations analyze changes in the behavior and desires of Chinese *sei-katsu-sha*, and put forward unique key words. *Yùn yù*: The Rise of *Sei-katsu-sha* Proactively Managing their Environment to Create their Desired Lifestyle is the project's 10th set of findings, following Whirlpool Creation: Insights into New Behaviors of Young Urbanites in 2013, Information Bees: China's New Information Transmitters in 2014, Un-framing Consumption: China's New Consumption Landscape in 2015, Title Energy: Consumers as Providers of New Goods and Services and Their Impact in 2016, *Yúlè*: Chinese *Sei-katsu-sha* and the Desires Giving Rise to New Cultural Consumption in 2017, *Shù-zì-lì*: China's New High-tech Lifestyle Trend in 2018, Life Enyouthiasts: Youthified *Sei-katsu-sha* at the Dawn of a New Age in 2019, *Duówù*: Scaleable Shopping in 2020 and *Xī yuǎn*: Post-00s Tapping the Power of their "Far Circle" in 2021.