

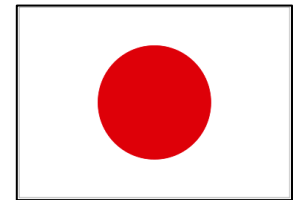
Synovate Hotspots Japan



lifetolife



Bringing
Japan
to life



Bringing Japan to life

- This document is designed to give you an overview of Japan, its people and some of the key issues and trends Synovate is observing.
- The core source of information is 'LifeWorlds' (Synovate's ethnographic approach) supplemented by Synovate's broader understanding of this country's culture.
- Our discussion has three main parts:
 - "Big Ideas": insights into Japanese culture and consumers
 - Implications for research
 - Data



Section I: Big Ideas

Bringing Japan to life: “Big Ideas”

Insights into Japanese culture and consumers

- The Comfort of Sameness: In Japanese society, “the nail that stands out is hammered down” -- Japanese feel best when they are part of a crowd and actively seek out the comfort of sameness.
- The Customer is King: Japanese consumers expect and receive the highest levels of customer service.
- Generation Gaps: The Dankai generation embodies the values Japan is famous for – e.g. tremendous work ethic, high levels of personal consumption – but Dankai Jr is coming into their own and bringing societal change with them.
- Team-Building and Team-Drinking: After-hours socializing is an extension of the workplace.
- The Power Behind the Throne: Japan may appear male-driven on the surface, but women hold most of the nation’s purchasing power
- Eco Power: Green is not just good in Japan, it is hip.
- Urban Revival: After years of fleeing to the suburbs, more Japanese are seeking out cities and urban living.

Bringing Japan to life: “Big Ideas”

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- Urban Living

Big Idea:

The comfort of sameness

- Influenced particularly by the media, notably television, where the collective imperative in Japan is fueled; everyone knowing the same thing as everyone else, and having and doing the same as everyone else.
 - Publicity about new commercial complexes such as the Maru Building, Shin Maru Building, Roppongi Hills, Roppongi Midtown, Omote Sando Hills, and Yurakucho ITOCiA has turned these into meccas for the masses.
 - In the quest to acquire particular products publicized on television Japanese consumers form queues outside relevant stores on the day the products go on sale.
 - Announcement in a fashion magazine about “this season’s look” spawns a multitude of model lookalikes on the streets of Japan, all sporting the same attire and look as the model featured in the magazine.



Omotesando Hills



Shin Maru Building

Long queue in front of Krispy Kreme Doughnuts



Fashion model's autograph session



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But becoming a more polarized society?

- The desire for “sameness” is challenged by traditionally middle-class Japan’s transformation into a more polarized society. The middle class is being eroded as Japan becomes increasingly economically stratified, with a growing gap opening up between the extremely wealthy at one end of the spectrum and the large numbers of increasingly poor at the other end.
 - In particular, there has been a significant increase in rates of youth unemployment, leading to what is known as the NEET or ‘Internet Refugee’ phenomenon. ‘Internet Refugees’ are low-income, often homeless people, who spend their nights in Internet cafes. A striking feature of this ‘Internet Refugee’ group is that they are not defined by any socio-economic background or education level.

Private jet



Premium car



Tokyo Midtown Residence
Luxury apartment in the heart of Tokyo



“Internet Refugee”



Stay up all night with one cup
of coffee at McDonald's



Coin locker to keep
belongings

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Big Idea: The customer is King!

- Customers at restaurants in Japan are given hand towels and drinking water for free, as a matter of course.
- If customers have to queue at a restaurant or event they are offered comforts such as a coffee or a rug to put over their knees whilst sitting and waiting.
- Having purchased items at a clothing store or fashion department customers are accompanied to the door and 'farewelled' by staff.
- When it is raining customers at car dealerships are greeted by a sales representative holding an umbrella. Similarly, when they leave the dealership they are ushered to their vehicle by a salesperson holding an umbrella over their head.
- Taxi doors open and close automatically.
- Customers are offered samples of foods and beverages in the basement food departments of department stores.
- If a customer has a problem or issue with a store product or service the head of the store visits the customer in their home to apologize, bearing a conciliation gift.



Farewelled by staff



**Hand towels given at
restaurants**



Automatic taxi door



Food tasting

Bringing Japan to life: “Big Ideas”

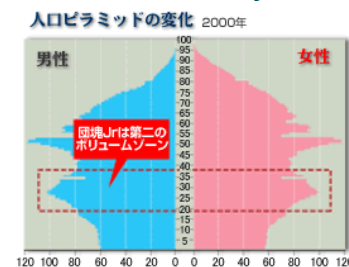
Insights into Japanese culture and consumers

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Big Idea: Generation gaps

Dankai vs Dankai junior

- The Dankai generation, the post-war baby-boomer generation (born 1947-49), is the generation at the forefront of post-war democracy. The first generation to be reared on television, educated in an environment where men and women were given equal access to education, and involved in antiestablishment movements when they were students, this is a generation aware of its power to achieve reform. As workers in the 1970s they fueled Japan's economic growth and they have driven personal consumption and the establishment of quality of life that the Japanese now expect. Their values are progressive, they are competitive, and they have a strong sense of self and respect for individuality.
- In contrast, the Dankai Junior generation, the second-generation baby-boomers (born 1971-74), whilst adopting the values of their baby boomer parents, are also characterized by a strong focus on themselves and the pursuit of their own fulfilment in the form of 'ME-ism.'
- The large population of both the Dankai and Dankai Junior generations means that these are significant consumer segments. In particular, 2007 marks the start of mass retirement of the Dankai generation as they start to turn sixty. This will have significant implications for Japan's economy, including a significant loss of labor and financial pressure on many industries as companies are required to make large-scale severance payouts.



Population pyramid



Targeting at Dankai Junior who became father/mother

Generation gaps : Increased focus on life-Work balance

- It is common knowledge that the Japanese work extremely long hours, and in recent years this has manifested in death rates from overwork becoming an issue among increasingly younger workers; not only those in their 40s and 50s, but increasingly those in their 30s. This has drawn attention to the importance of life-work balance, resulting in increasing focus on making the most of private / personal life.
 - Taking classes / learning new things; acquiring qualifications.
 - Popularity of activities such as Yoga and Pilates, and of goods and services dubbed 'Healing Goods (services)' in Japanese, an expression that denotes a plethora of goods and services that promise to soothe and comfort the soul, from soft toys to vitamin supplements to massage services to particular types of housing.
 - ➔ Japanese consumers get a sense of satisfaction and "a high" from spending time and money on the above.
 - • • "For me work is not the be all and end all. I make sure that I live my private life to the max as well."
- Given the belief that good health and wellbeing are crucial to making the most of personal time, Japan remains in the throes of a health boom.
 - As evidenced by the popularity of products such as Healthia Green Tea with its claim to "reduce body fat" and Kuro (Black) Oolong Tea with its claim of "restraining fat absorption during meals," which are strong sellers despite their comparatively high price.



Carlos Ghosn (Nissan's CEO)
claiming the importance of
Life Work Balance



Yoga lesson



Marathon



**English conversation
class**



Healthia Green Tea

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Big Idea: Team-building and team-drinking leisure is work

- Typical after-five activities are going out drinking and/or dining. Activities such as these are instrumental to communication; to building and consolidating relationships.
 - White-collar working males, in particular, frequently go out drinking with colleagues rather than go straight home after work, meaning that they do not typically eat evening meals at home with their family ... nor do they spend evenings relaxing at home with their families.
- The most frequent response to “What do you do on weekends?” is “go shopping”.



White-collar working males going to izakaya (Japanese style pub) after work

Drinking with colleagues after five



Shopping



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- The Power Behind the Throne-driven on the surface, but women hold most of the nation's purchasing power
- Eco Power
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Big Idea: The power behind the throne women control purchasing power

- Whilst in many ways Japan remains a male-dominated society in which women face many restrictions, in fact in typical Japanese households the purse strings are held by the wife.
 - While husbands are confined to so-called “one-coin lunches” (lunch at a cost of a single ¥500 - US\$5 - coin) their full-time housewife spouses are out enjoying extravagant lunches with their friends in upmarket hotels.



Salaried men & “One-coin lunches”



Housewives & Extravagant lunches in upmarket hotels

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Big Idea: Eco power

Environmental awareness is seen as “Hip”

- Environmental issues and eco-friendliness, coined as ‘Eco’ in Japanese, have been prominent in Japanese media in recent years. For example, media gives extensive coverage to issues such as the Japanese government initiative “TEAM Minus 6%”—a national campaign aimed at reducing global warming by reducing greenhouse gas emissions to a level of 6% below the level of 1990 from 2008 to 2012.
- Environmental issues are also taught at school and awareness of environmental issues is increasing regardless of generation.
- Although eco goods are becoming popular, at the present stage Japanese consumers’ focus on ‘eco’ is driven by its image as “fashionable” rather than deep-rooted understanding of environmental issues
 - Eco Bags:
A few thousand Japanese consumers formed queues outside department stores when so-called ‘eco-friendly’ bags from leading foreign designers went on sale in Japan.
 - Eco Cars:
Aided by publicity about famous Hollywood actors driving hybrid cars ‘eco cars’ are seen as a symbol of stylishness and cool.



Toyota Prius
World’s first hybrid car



Velotaxi



**Queues for
‘eco-friendly’ bags**

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- Urban Revival: After years of fleeing to the suburbs, more Japanese are seeking out cities and urban living

Big Idea: Urban revival

- Japan's era of rapid economic growth (1955-1975) intensified the Japanese dream of home ownership, specifically, ownership of a house with a garden or a detached house. This saw a fall in urban populations as consumers spread further into the suburbs in pursuit of their dream. However, there has been a turnaround in recent years, with the Japanese increasingly returning to urban living. Urban real estate has become more affordable with the collapse of the economic bubble and decline in land values and with increased penetration of high-rise apartments, and there has been a revival of appreciation of the benefits of city living.
- Specific benefits of urban living are:
 - Less commuting time, and closer proximity to cultural and entertainment hubs (theater, art galleries, etc.).
 - Benefits that are key considerations for aging consumers = easy access to shopping even without a car and access to excellent medical and health facilities such as major hospitals.



Urban apartments



Urban museums



**Easy access to
public transportation**



**24-hour
supermarket/convenience store**



Section II: Implications for research



Implications for qualitative research in Japan synovate Research reinvented

1. As for conducting the group/interview of full-time workers on weekdays, the start time is 7 pm, ideally 7:30 pm.
2. It will depend on the topic, but mixing the genders in a group is not recommended.
3. The ideal number of respondents per group is 6.
4. Due to the Personal Information Protection Law, delivering the video tape is not allowed.

Launching products in Japan

- There is greater opportunity for new products in Japan if the below are taken into account ...
 - Quality is important.
 - Detail is important.
 - Word of mouth is important.
 - Not 'cheap looking'.
 - Variations are important. (e.g. color, shape, format, etc)
 - Since almost all the products available in the market have the same benefit/function, emotional benefit is important in order to differentiate the product from competitors' ones.

The background is a solid teal color. On the left side, there are several abstract, overlapping shapes in a lighter shade of teal. These include a large, curved shape that resembles a stylized 'P' or a bracket, and a smaller circle at the bottom left.

Section III: Data

Sources



This data is assembled from a Synovate telephone survey of a representative sample of adults conducted in April 2006.

It is supplemented with some basic country facts, as well as economic population and communications data from the Central Intelligence Agency World Factbook.

Some numbers

- Total Population : 127 million (2007)
- Top 4 prefectures and populations (2007)
 - Tokyo: 12.7 million
 - Kanagawa: 9 million
 - Osaka: 9 million
 - Aichi: 7.3 million
 - Ethnic mix: Japanese
- Age profile
 - Under 25: 24%
 - 25 – 50: 33%
 - 50+: 42%
- Average monthly income
 - JPY340,000 (US\$3,300)

Top 10 Japanese brands (Global sales, 2008)

1. Toyota (automobile)
2. Mitsubishi Corporation (import/export)
3. Mitsui (import/export)
4. Itochu Corporation (import/export)
5. Honda (automobile)
6. Sumitomo Corporation (import/export)
7. Hitachi (electronics)
8. Nissan (automobile)
9. NTT (telecommunication)
10. Marubeni Corporation (import/export)
11. Panasonic (electronics)
12. Sony (electronics)
13. Toshiba (electronics)



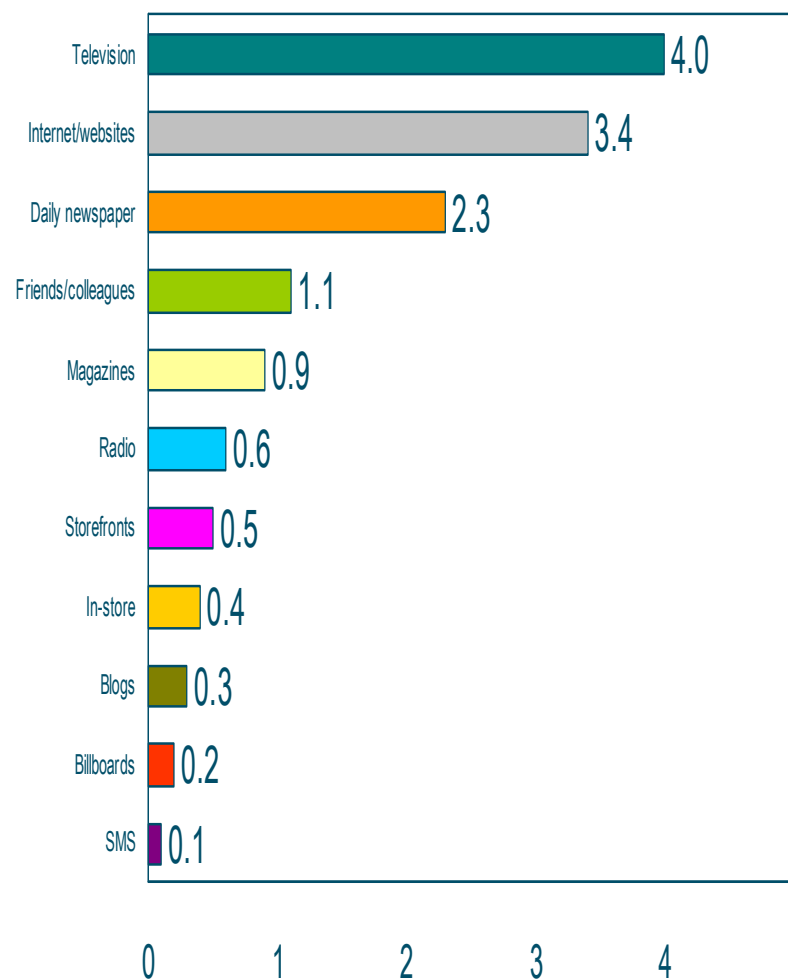
Source: NIKKEI NET



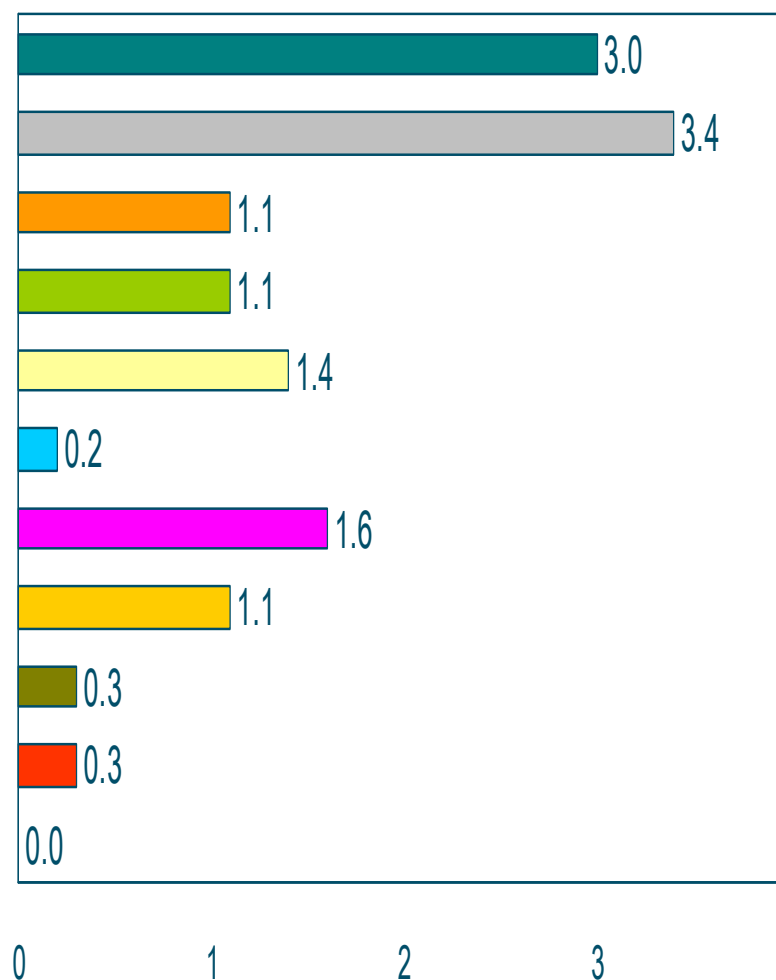
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Most important media sources (5= Most important)

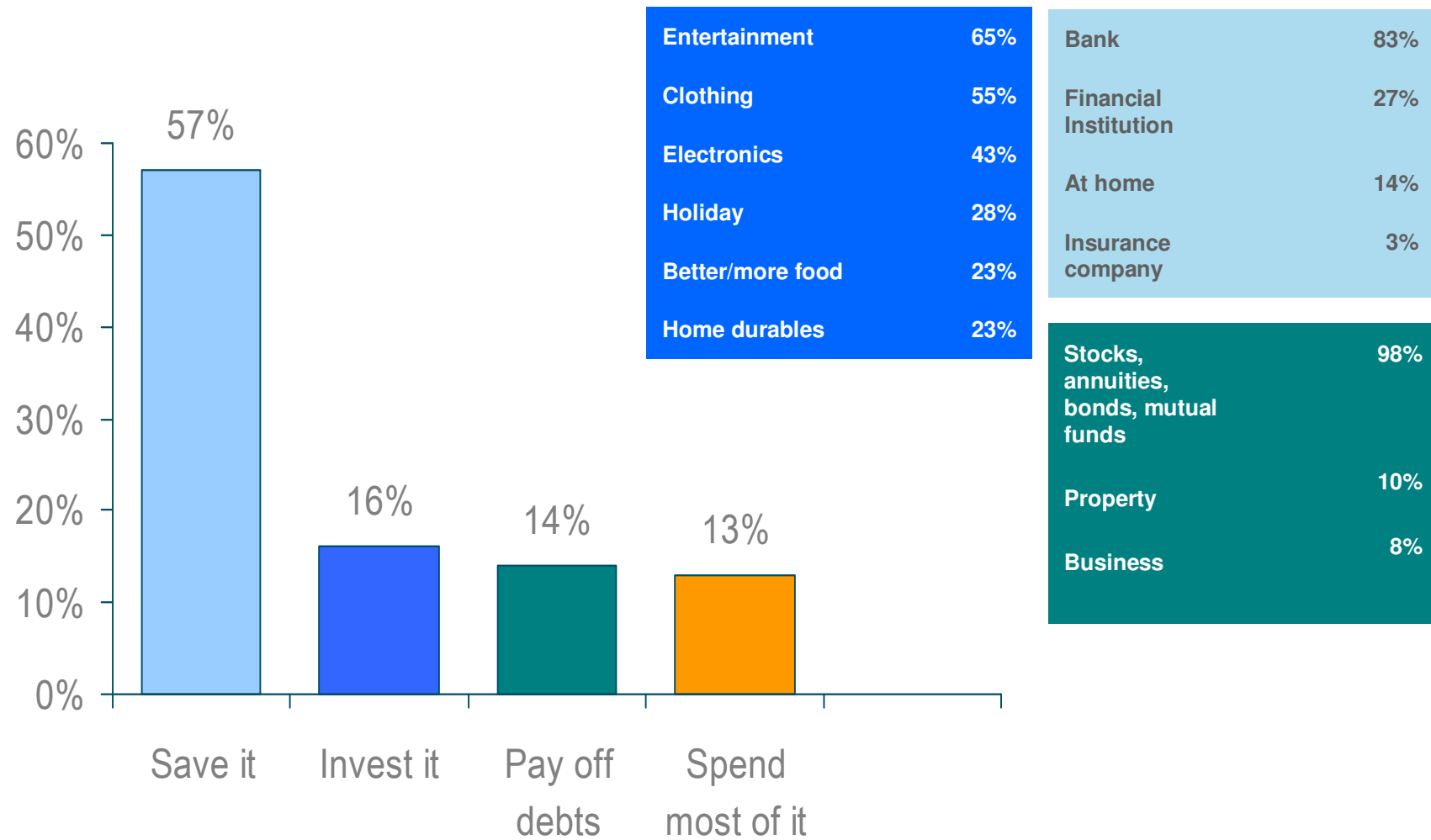
Most Important For News



Most Important For Product Information



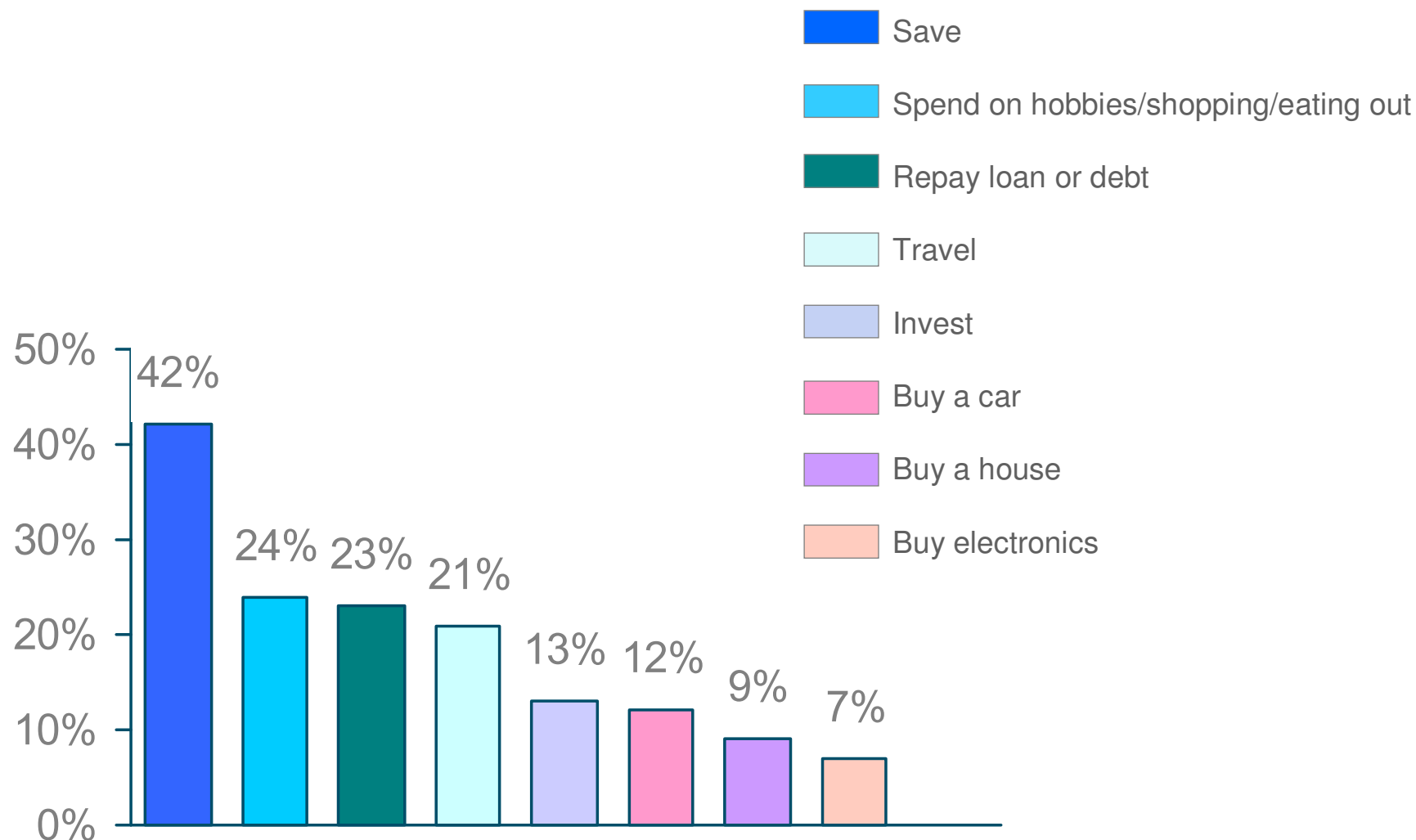
What would you do with 20% more household income?





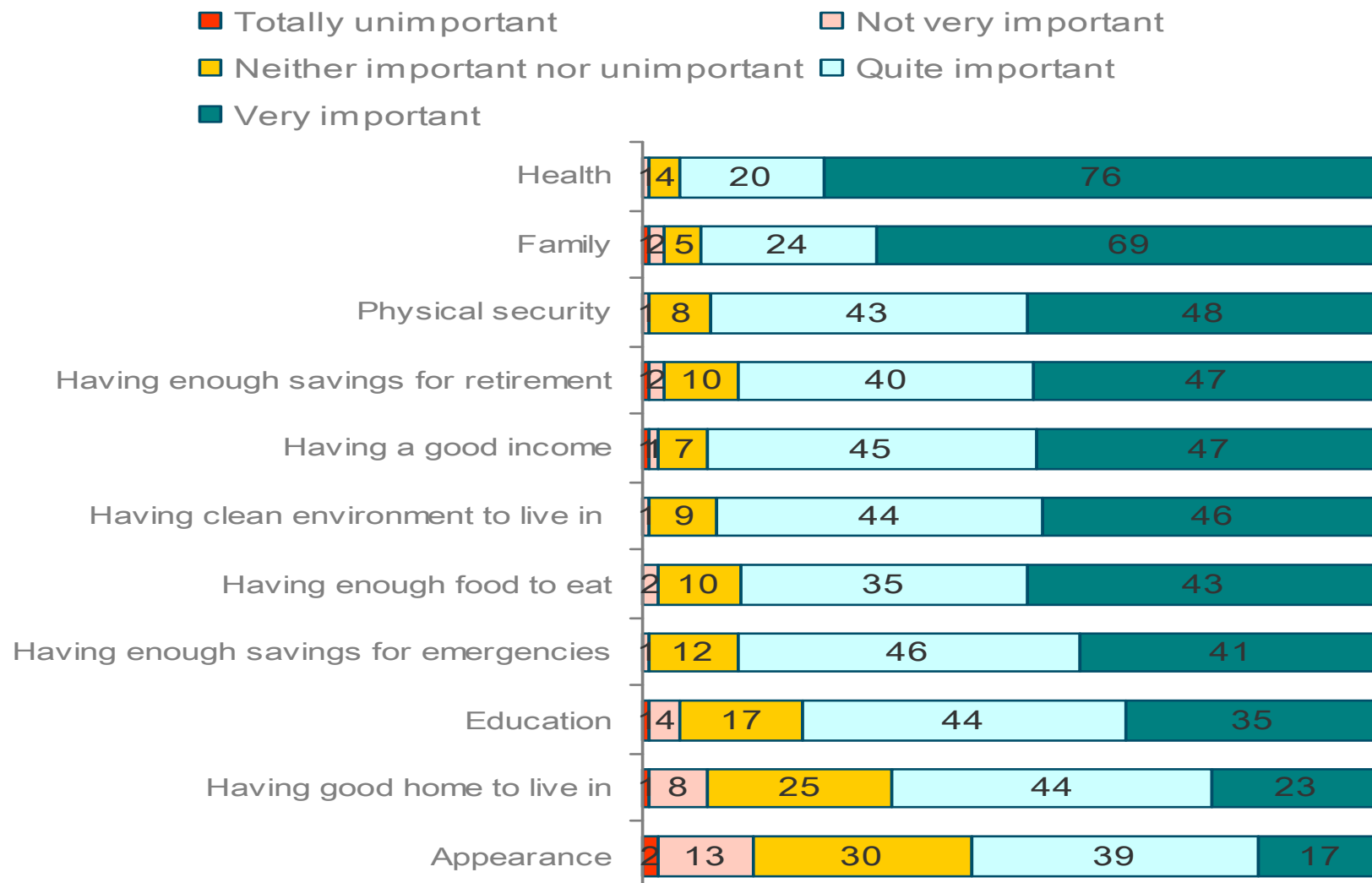
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What would you do if you won ¥12,000,000* in a lottery? *approx US\$ 100,000








Lifestyle personal importance

(Numbers in percent)





Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Travel		
Airline	 21%	ANA
Hotel group	 15%	JAL
Alcohol		
Beer	 42%	Kirin
Whiskey/Scotch	 7%	Suntory
Brandy/Cognac	 3%	Hennessy



Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Soft Drinks		
Cola	 43%	Coca-cola
RTD Coffee	 41%	Georgia
RTD Tea	 37%	Gogoro-kocha
Fruit Juice	 25%	Coca-cola
Auto		
Fuel for your car/ motorcycle	 36%	Eneos
Motorcycle	 6%	Honda
Car/Pick-up Truck/ SUV	 1%	Toyota


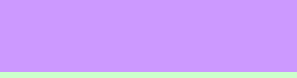
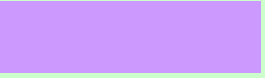
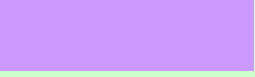
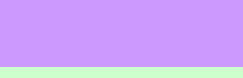


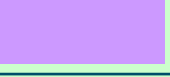



Products and services – usage during past three months and brand image

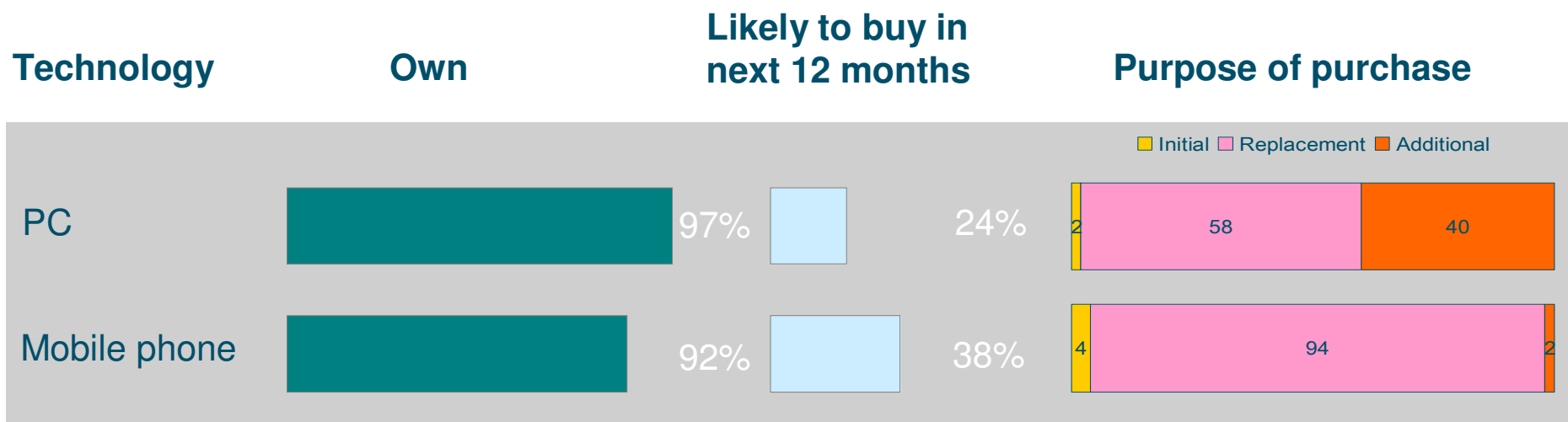
	Used past 3 months	Best Brand
Retail		
Everyday clothing store	31%	Unigo
Designer clothing store	12%	Takeo-Kikuchi
Fast food chain	58%	McDonald's
Technology		
Mobile phones	59%	Domoco
MP3 player	15%	Apple iPod



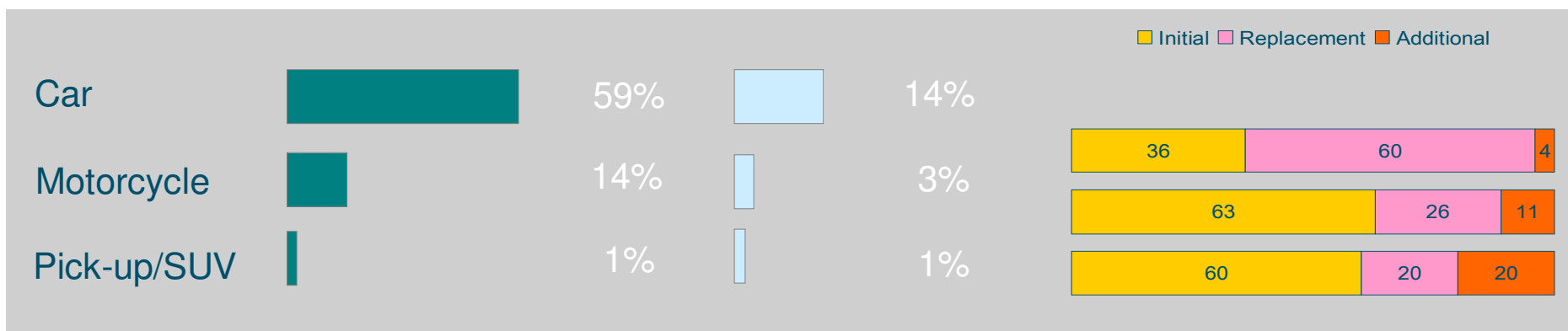
Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand
Personal Care		
Shampoo	 58%	Lux
Conditioner	 44%	Lux
Facial Cleansers	 36%	Kao
Shower Gel	 35%	Lux
Facial Moisturiser	 32%	Shiseido
Soap	 24%	Kao
Face make-up	 23%	Shiseido
Lipstick	 19%	Shiseido
Eye make-up	 19%	Shiseido

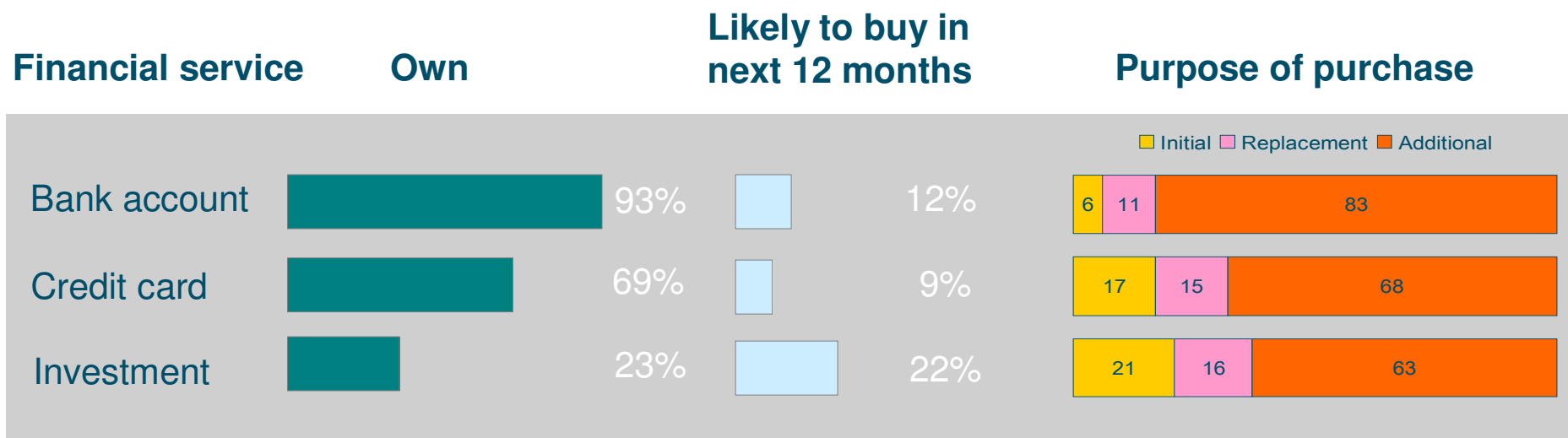
Product ownership



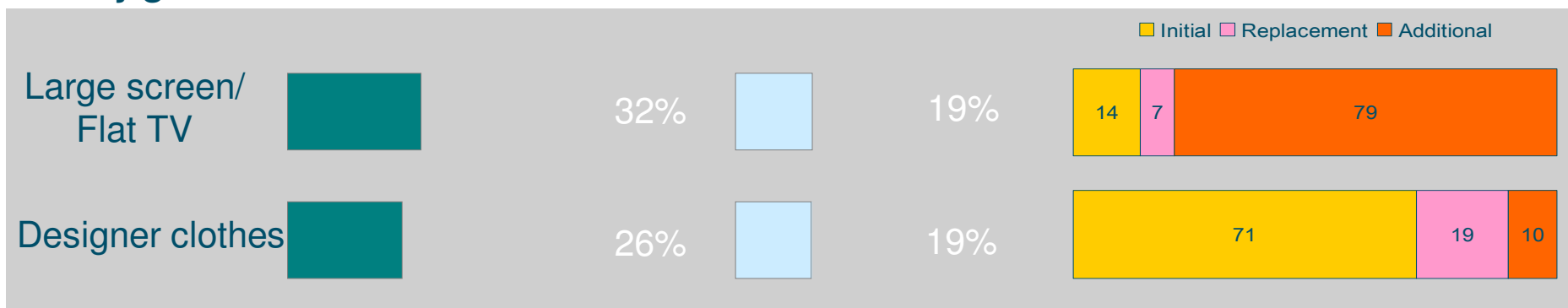
Vehicle



Product ownership



Luxury goods



Global retailers' image

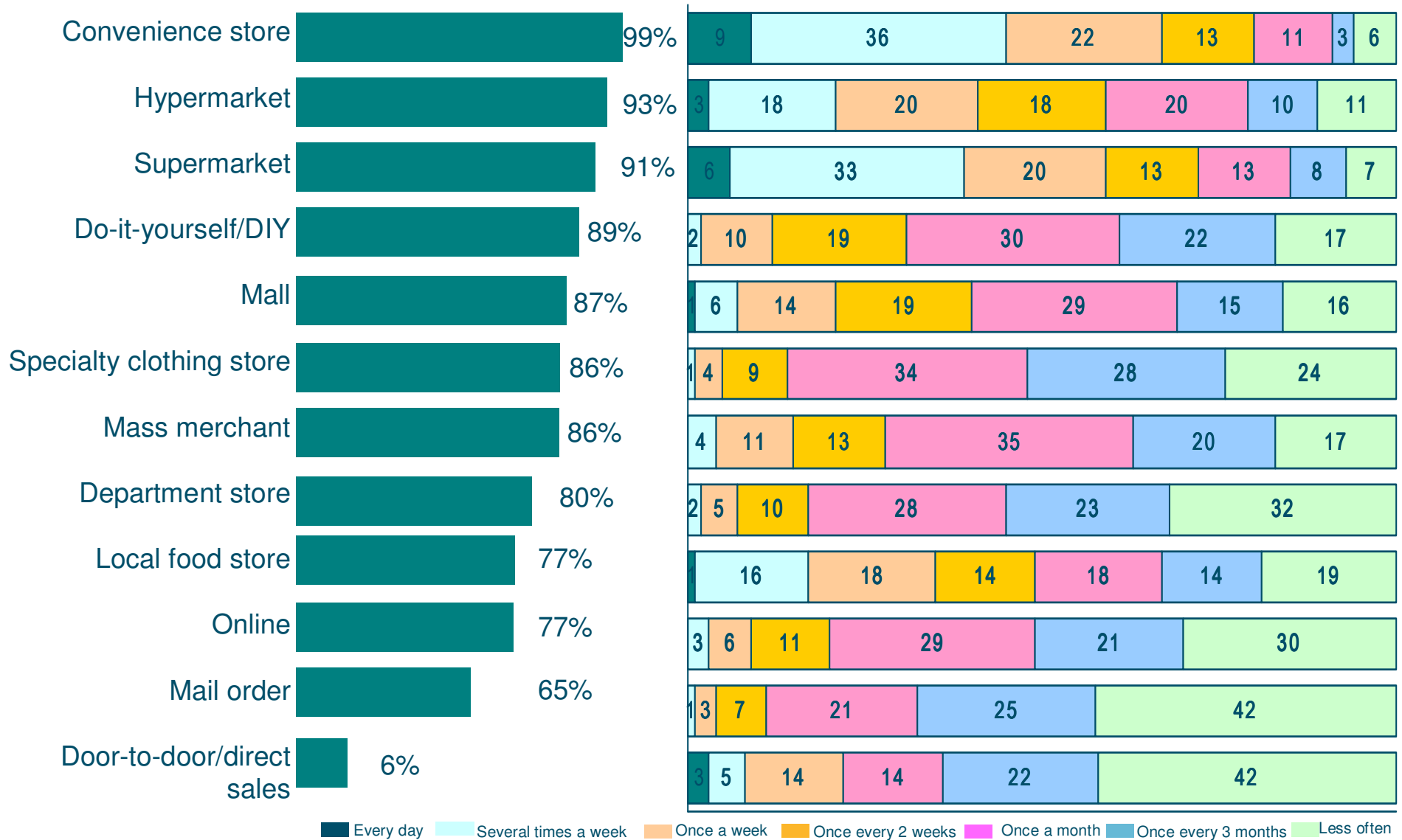
	Awareness	Very positive	Positive	Neutral	Negative	Very Negative
Carrefour	46	4	28	63	4	0
Wal-Mart	41	4	19	71	5	0
Tesco	20	4	14	79	1	2

How do I spend my weekday/weekend (Hours)

	Media/Information			Sleeping
	Reading newspapers/magazines	Surfing the Internet	Watching TV	
Weekday	0.6	2.9	2.4	6.5
Weekend	0.7	3.4	3.4	7.8

	Working/school			Exercising/ Playing sports	Staying at home
	Commuting	Housework	Work/school		
Weekday	0.6	1.1	6.1	0.5	11.4
Weekend	0.1	1.2	1.2	0.7	12.9

Retail penetration and frequency (Past year)



Local or international

Locally manufactured brands are just as good as international brands



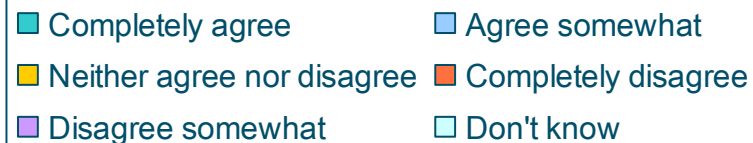
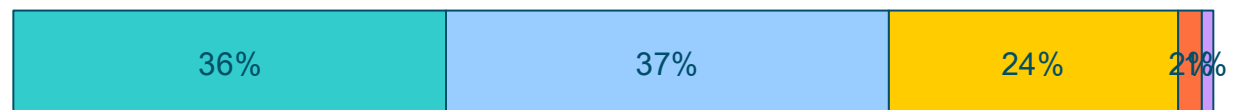
Local retailers are just as good as international retailers



Most people don't know the difference



If a local and international brand are of equal quality and price, I would prefer the local brand

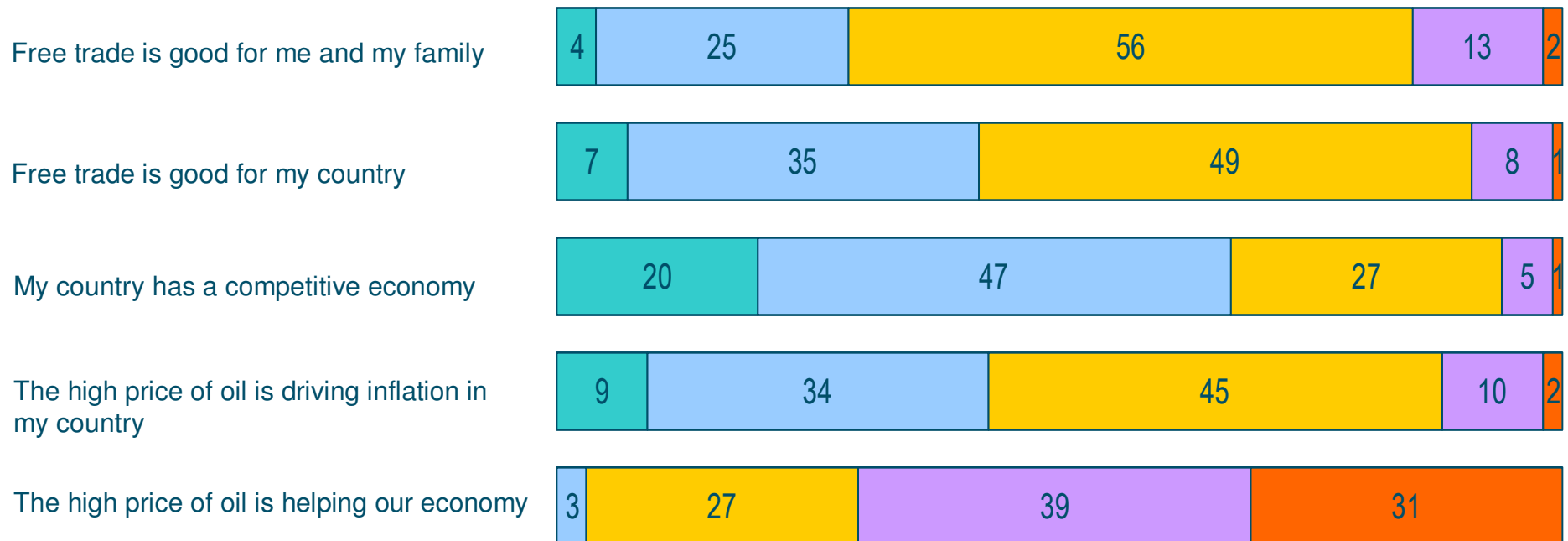


Have you experienced any of these distressing situations in the past year? (Figures in per cent)

	Total
Had to accept a pay cut	8
Lost your primary job	6
Been sick and could not afford medical attention	5
Had to skip a meal because you did not have money for food	5
Been a victim of discrimination	3
Been the victim of a crime	2
Been sick and could not get medical attention	2

Attitudes (Figures in percent)

Economy

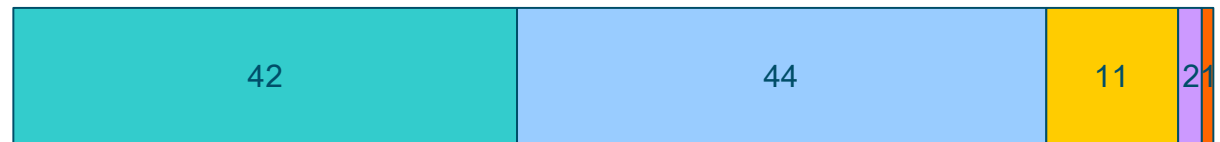


■ Completely agree ■ Agree somewhat
■ Neither agree nor disagree ■ Disagree somewhat
■ Completely disagree ■ Don't know

Attitudes

Environment

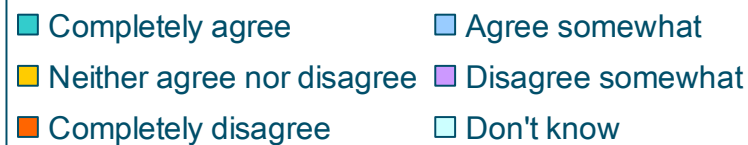
Environment degradation is a major issue in my country



The environment in my country is too polluted today



There is a good chance that my country will suffer a major natural disaster in the next 12 months



Attitudes

Personal

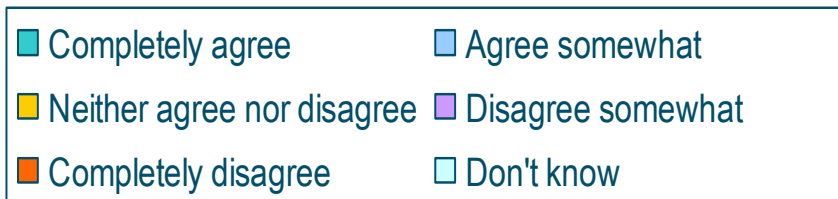
Five years ago things were better for me



In five years time things will have improved for me



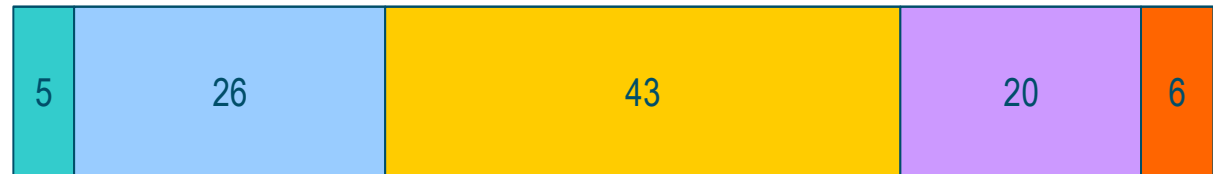
Today life is good to me and my family



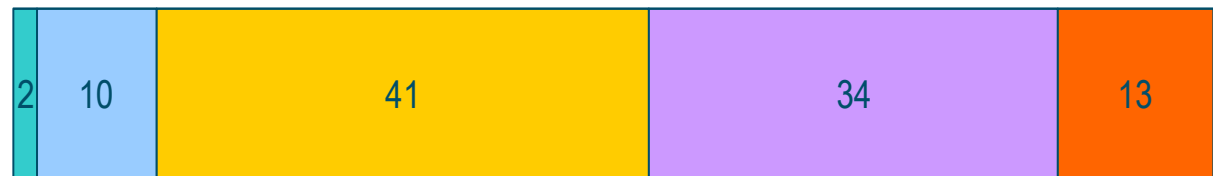
Attitudes

Social

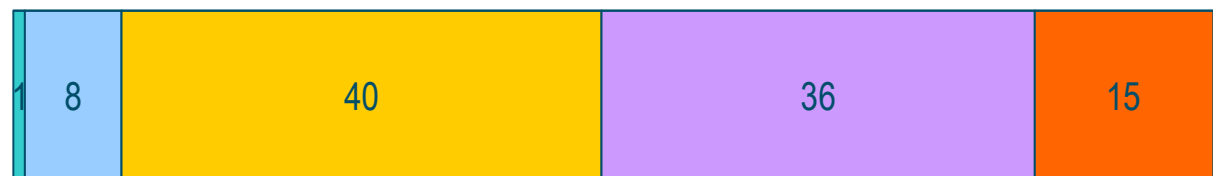
I am proud of what my country has achieved



My country has a bright future



My country is innovative



Bringing lifetolife



Thank you