

## Hakuhodo Institute of Life and Living's Locality Lifestyles of the Future Survey

# More than 70% are satisfied with the locality they live in

The 8 Locality Preferences and 5 Locality Lifestyle Models that contribute to satisfaction with a region

Tokyo — May 15, 2007 — Hakuhodo Institute of Life and Living (HILL) researches future changes in the way people live by turning the concept of “locality” around and looking at it from *sei-katsu-sha*\* perspectives. HILL's most recent research on this topic involved three nationwide internet surveys of *sei-katsu-sha* carried out in June and November 2006, and January 2007. Results of this research show that more than 70% are satisfied with the locality they currently live in. Our analysis of the things that *sei-katsu-sha* find satisfying about their locality revealed 8 priorities — which we call the 8 Locality Preferences — that contribute to contentment with an area. With these in mind, we classified Japan's 47 prefectures and analyzed the Locality Lifestyle Models *sei-katsu-sha* hope to live in the future. Key findings of the research are presented below.

### Key findings

- More than 70% of *sei-katsu-sha* are satisfied with the locality they currently live in
- Just under 30% of *sei-katsu-sha* still live in the locality they were born in. Less than 20% of those who had relocation experience moved to their location of choice
- Close to half of *sei-katsu-sha* intend to live all their lives in the area they currently live in. Both men and women with relocation experience have lived an average of 10 years in their new location. The older they become, the more likely people are to stay in a single locality
- The 8 Locality Preferences that *sei-katsu-sha* have for their locality lifestyles are: Convenience, Appearance, Personality, Community, Safety, Peace & Quiet, Nature, and Affordability
- Analyzing the 47 Japanese prefectures based on these 8 Locality Preferences, we discovered 5 Locality Lifestyle Models: Convenient Urban, Nature/LOHAS†, Value for Money, Value for Money/LOHAS, and Balanced.

Having identified these five locality lifestyles, we then went on to discover what locality lifestyle is seen as the most desirable, independent of locality of current residence. We learned that:

- Balanced was the most desirable locality lifestyle model
- The Convenient Urban and Nature/LOHAS models were relatively more attractive to those in their 50s — including Japanese baby-boomers — while the Value for Money/LOHAS model was relatively more appealing to those in their 20s and their 60s.

\* *Sei-katsu-sha* are more than simply consumers, just as people's lives and lifestyles include more than just shopping. Hakuhodo introduced this term in the 1980s to emphasize our commitment to a comprehensive, 360-degree perspective on consumer's lives.

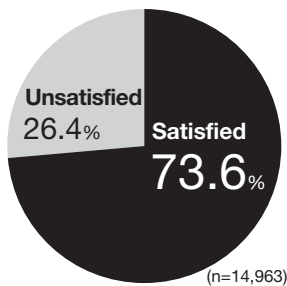
† Short for “lives of health and sustainability”

# Survey Results

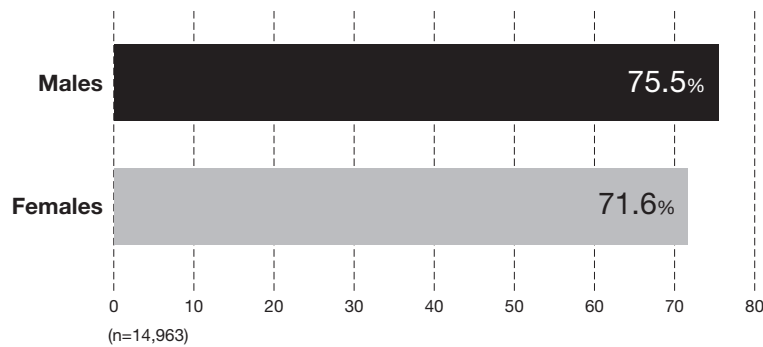
**Overall, more than 70% of *sei-katsu-sha* are satisfied with the locality they currently live in** (from second quantitative survey results)

Some 73.6% of *sei-katsu-sha* responded positively when we asked them whether they are happy with the locality they live in. There was little difference by gender, with 75.5% of men and 71.6% of women responding positively. Likewise, positive responses were received from 70-80% of respondents in all age groups. It seems that most people are happy with the locality they live in.

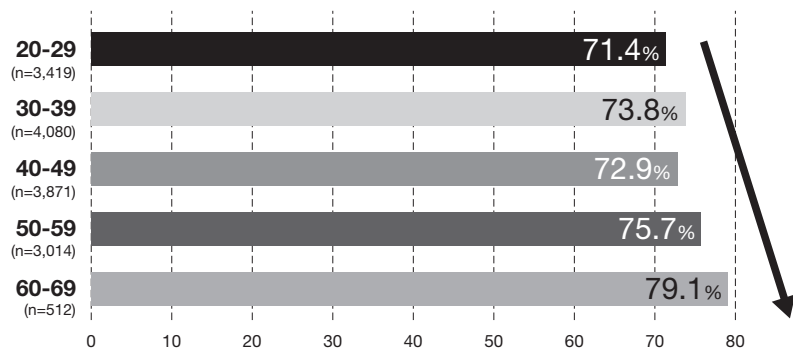
## Satisfaction with locality



## Satisfaction with locality by gender



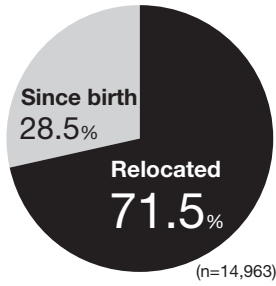
## Satisfaction with locality by age



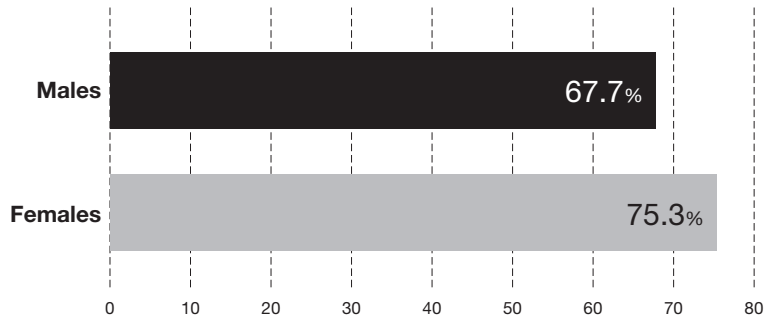
**Just under 30% of *sei-katsu-sha* have lived in the locality they currently live in since they were born. Slightly less than 20% of those who have relocation experience relocated to their location of choice** (from second quantitative survey report)

When we asked when they started living where they currently live, 71.5% of *sei-katsu-sha* had relocated to their current locality. We also discovered that slightly more women (75.3%) than men (67.7%) had relocated, perhaps due to relocating after marriage, etc. Moreover, when we asked whether they (or their families) actively chose the area they currently live in, just 18.0% said it was their first choice, considerably lower than the 46.5% who said they had had to move there due to a job transfer or similar reason, and the 35.5% for whom the area was one of several choices. By gender, slightly more women were living in their area of choice (20.9%) than men (14.9%), while there was virtually no difference in the moved for external reason (such as better access to work or school) rates of men (46.8%) and women (46.2%).

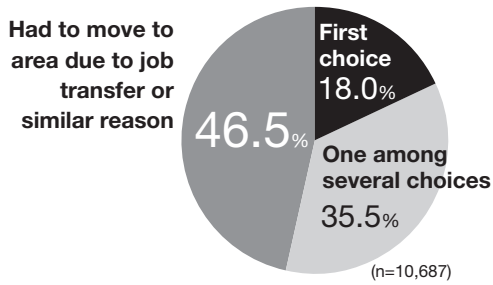
### Length of residence



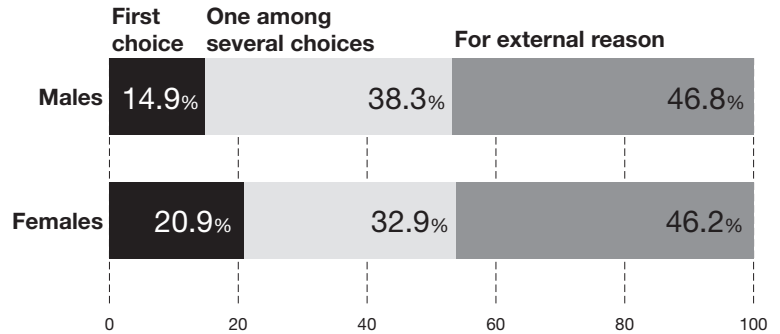
### Relocation rate by gender



### Rating of area of relocation



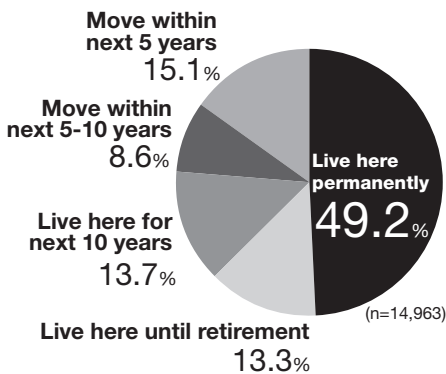
### Rating area of relocation by gender



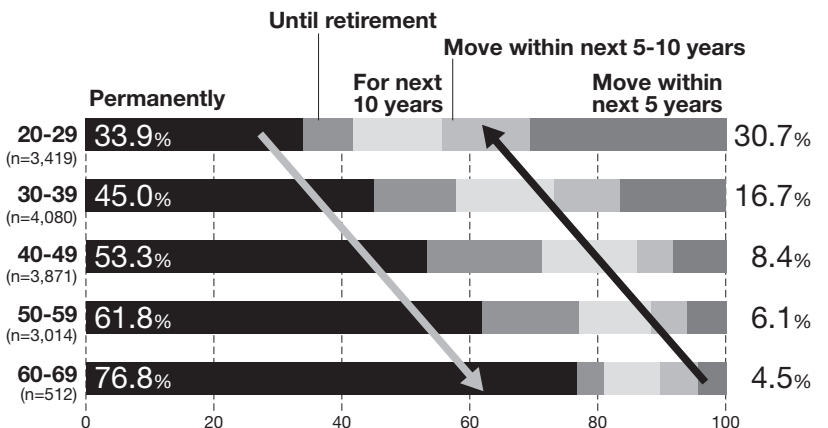
**Close to half of *sei-katsu-sha* intend to live permanently in the locality where they currently live. Both men and women with relocation experience have lived an average of around 10 years in their new locality. The older the person, the more likely they are to remain in their locality (from second quantitative survey report)**

Asked whether they intended to continue living in the locality where they currently live, 49.2% said they intended living there permanently, a surprisingly high score considering the low number of people for whom the location was their first choice. Perhaps a place grows on you once you live there. There was almost no difference between men (48.1%) and women (50.5%) in this. By age, while there were differences between the groups, in all age groups more intended to live in the area permanently than planned on moving within the next 5 years.

### Intention of continuing to live in current locality



### Trend toward permanent residency by age

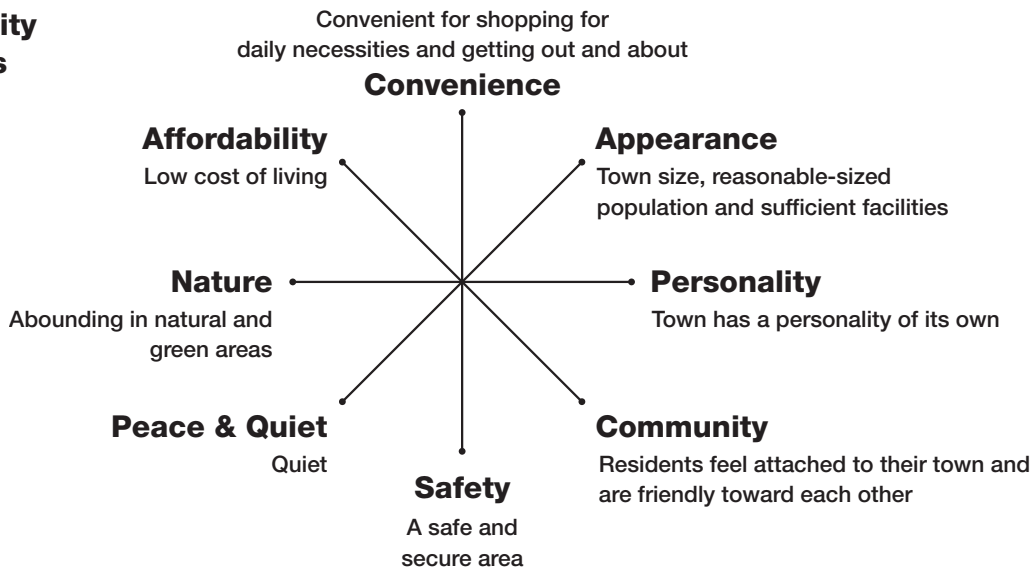


# The 8 things *sei-katsu-sha* want from locality lifestyles — what we call the 8 Locality Preferences are: Convenience, Appearance, Personality, Community, Safety, Peace & Quiet, Nature, and Affordability

(from first quantitative survey results)

We asked those *sei-katsu-sha* happy with the locality they currently live in to name 5 reasons for their satisfaction with where they live. Classifying the 4,233 free responses received, we discovered 8 desires that *sei-katsu-sha* have for locality lifestyles. We called these the 8 Locality Preferences.

## The 8 Locality Preferences



## Analyzing Japan’s 47 prefectures based on the 8 Locality Preferences, we uncovered 5 Locality Lifestyle Models: Convenient Urban, Nature/LOHAS, Value for Money, Value for Money/LOHAS, and Balanced

(from second quantitative survey results)

Based on the 8 Locality Preferences, we asked *sei-katsu-sha* in each of Japan’s 47 prefectures which of the priorities the region they live in satisfies, uncovering 5 major Locality Lifestyle Models. We introduce the 5 below.

## The 5 Locality Lifestyle Models

### Convenient Urban model

- High convenience, appearance and personality scores
- Distribution centers on Japan’s 11 major “designated cities” (a total of 11 prefectures)
- Top scores for locality lifestyle satisfaction and rate of relocation (having relocated to the current area from elsewhere). Lowest score for intention of living in locality permanently. In other words, people are happy to have moved to and be living in the location, but have no plan to stay there for good.

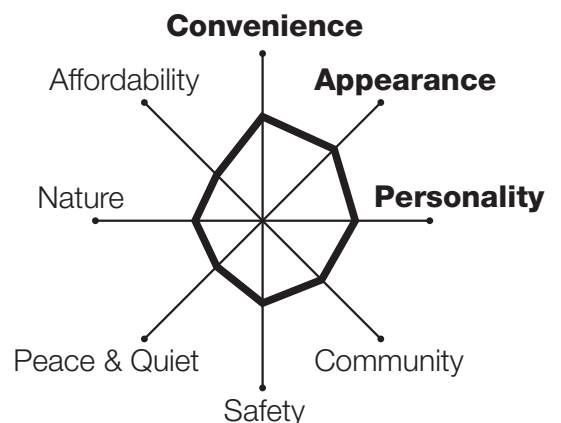
**Convenient Urban prefectures:** Aichi, Chiba, Fukuoka, Hiroshima, Hyogo, Kanagawa, Kyoto, Okinawa, Osaka, Saitama, Tokyo

**Locality lifestyle satisfaction:** 83.5%

**Rate of relocation:** 80.9%

**Intention of living in locality permanently:** 40.7%

**Representative example:** Hyogo Prefecture



(n=320)

## Nature / LOHAS model

- High nature and peace & quite scores
- Distribution centers on prefectures without a major city (12 prefectures)
- Top score in had to relocate to locality; 4th in satisfaction

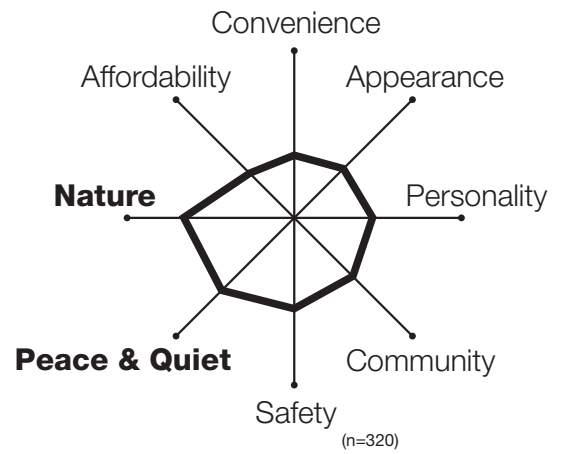
**Nature/LOHAS prefectures:** Aomori, Fukui, Fukushima, Iwate, Kagoshima, Kochi, Nagano, Nagasaki, Shimane, Shizuoka, Yamagata, Yamanashi

**Locality lifestyle satisfaction:** 67.1%

**Had to relocate to locality:** 52.8%

**Intention of living in locality permanently:** 51.7%

**Representative example:** Nagano Prefecture



## Value for Money model

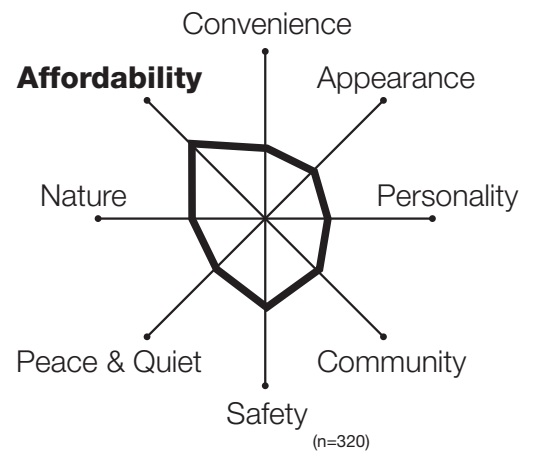
- High affordability score
- Distributed in areas adjacent to major urban centers (6 prefectures)
- Third of the 5 models for satisfaction and intention of living in locality permanently

**Value for Money prefectures:** Gifu, Gunma, Ibaraki, Okayama, Tochigi, Tokushima

**Locality lifestyle satisfaction:** 67.1%

**Intention of living in locality permanently:** 51.7%

**Representative example:** Gunma Prefecture



## Value for Money / LOHAS model

- High scores for nature and peace & quiet in addition to affordability
- Distributed widely from north to south (6 prefectures)
- Top scores for intention of living in locality permanently and relocation first choice, but lowest satisfaction score

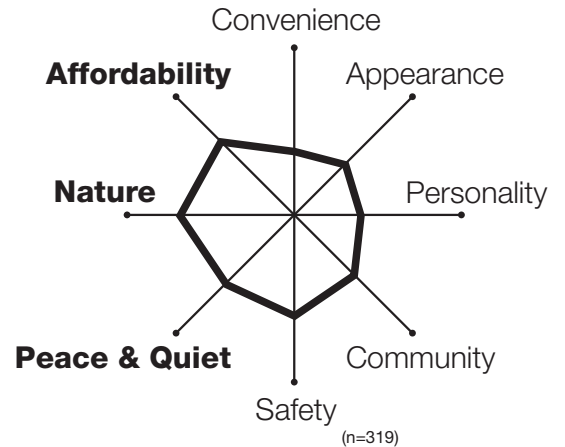
**Value for Money/LOHAS prefectures:** Akita, Miyazaki, Tottori, Toyama, Wakayama, Yamaguchi

**Locality lifestyle satisfaction:** 65.2%

**Relocation first choice:** 19.4% (of relocators)

**Intention of living in locality permanently:** 56.6%

**Representative example:** Toyama Prefecture



## Balanced model

- Fairly high scores overall
- Distributed broadly nationwide from north to south (12 prefectures)
- Lowest score for relocation first choice but other scores are fair

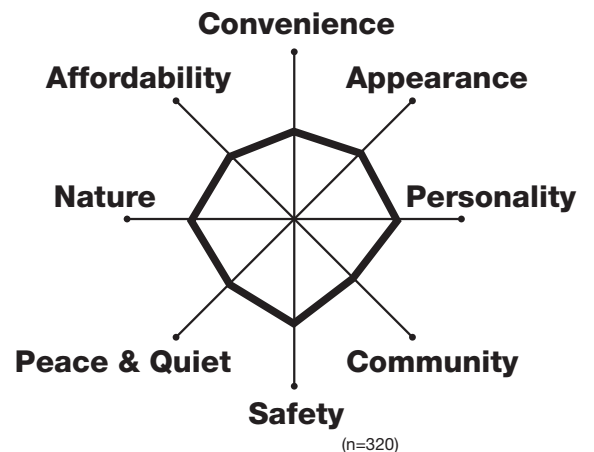
**Balanced prefectures:** Ehime, Hokkaido, Ishikawa, Kagawa, Kumamoto, Mie, Miyagi, Nara, Niigata, Oita, Saga, Shiga

**Locality lifestyle satisfaction:** 76.2%

**Relocation first choice:** 17.1%

**Intention of living in locality permanently:** 50.4%

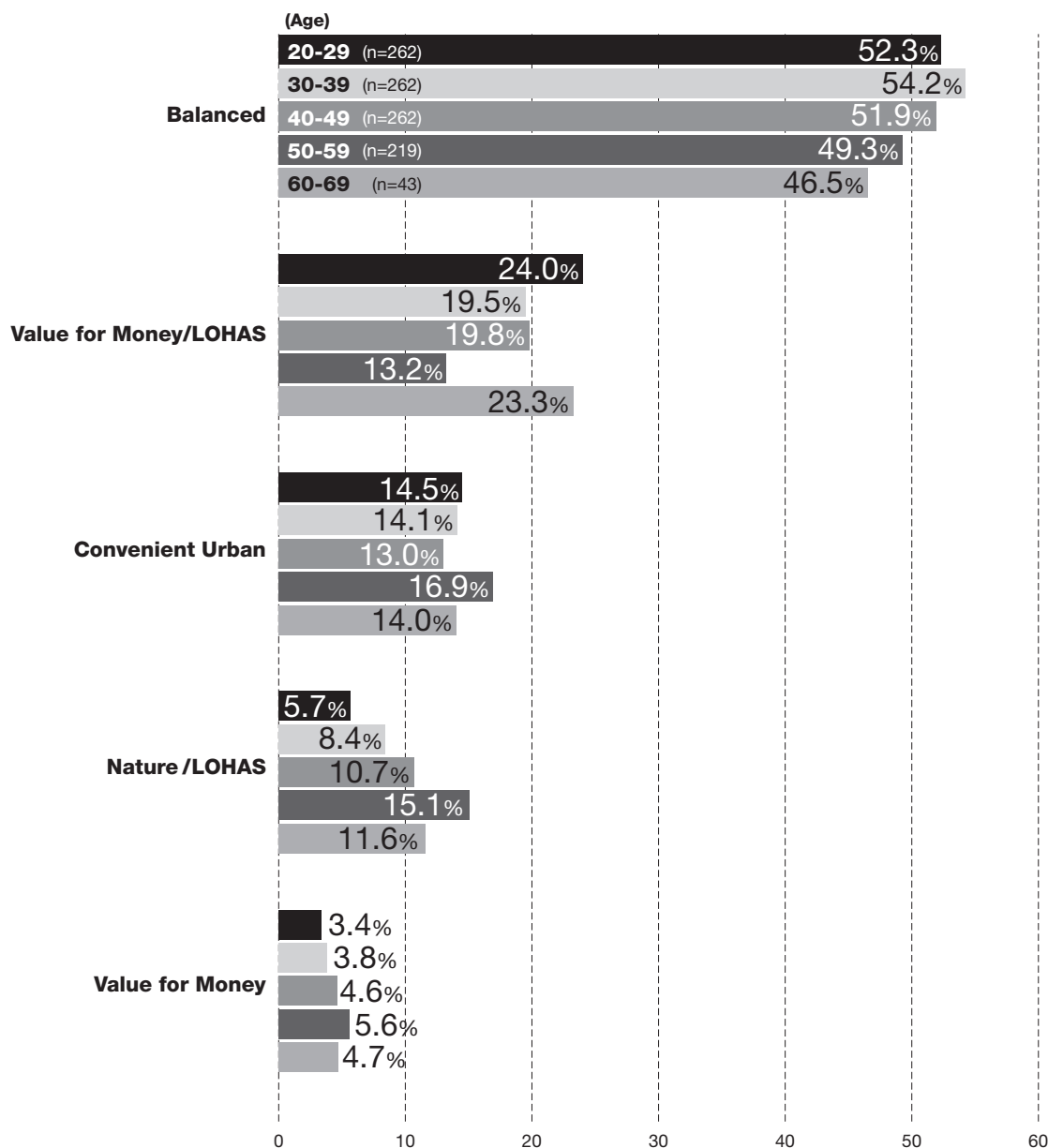
**Representative example:** Ishikawa Prefecture



**The locality lifestyle model most *sei-katsu-sha* would like to live is the Balanced model. By age, the Convenient Urban and Nature / LOHAS models are relatively more preferred by those in their 50s, including Japanese baby-boomers. The Value for Money/LOHAS model is relatively more desirable to those in their 20s and their 60s. (from third quantitative survey results)**

Having identified these five Locality Lifestyle Models, HILL then asked people to choose their most desirable locality lifestyle. We discovered that *sei-katsu-sha* rate desirability of locality lifestyles quite independent of how they feel about the locality they currently live in. Imagining they had no constraints of current residence and were completely free to choose among the locality lifestyles, the Balanced model was top with all age groups, accounting for around half of respondents in each group. While the age groups showed very similar trends, it is possible to discern certain characteristic differences between them. The Convenient Urban and Nature/LOHAS models were comparatively more popular with those in their 50s, while the Value for Money/LOHAS model was comparatively more appealing those in their 20s and in their 60s.

### Locality lifestyle model would most like to live (%)



## Prefectural distribution of locality lifestyle models

### **Convenient Urban** (11 prefectures)

Aichi, Chiba, Fukuoka, Hiroshima, Hyogo,  
Kanagawa, Kyoto, Okinawa, Osaka, Saitama, Tokyo

### **Nature/LOHAS** (12 prefectures)

Aomori, Fukui, Fukushima, Iwate, Kagoshima,  
Kochi, Nagano, Nagasaki, Shimane, Shizuoka, Yamagata, Yamanashi

### **Value for Money** (6 prefectures)

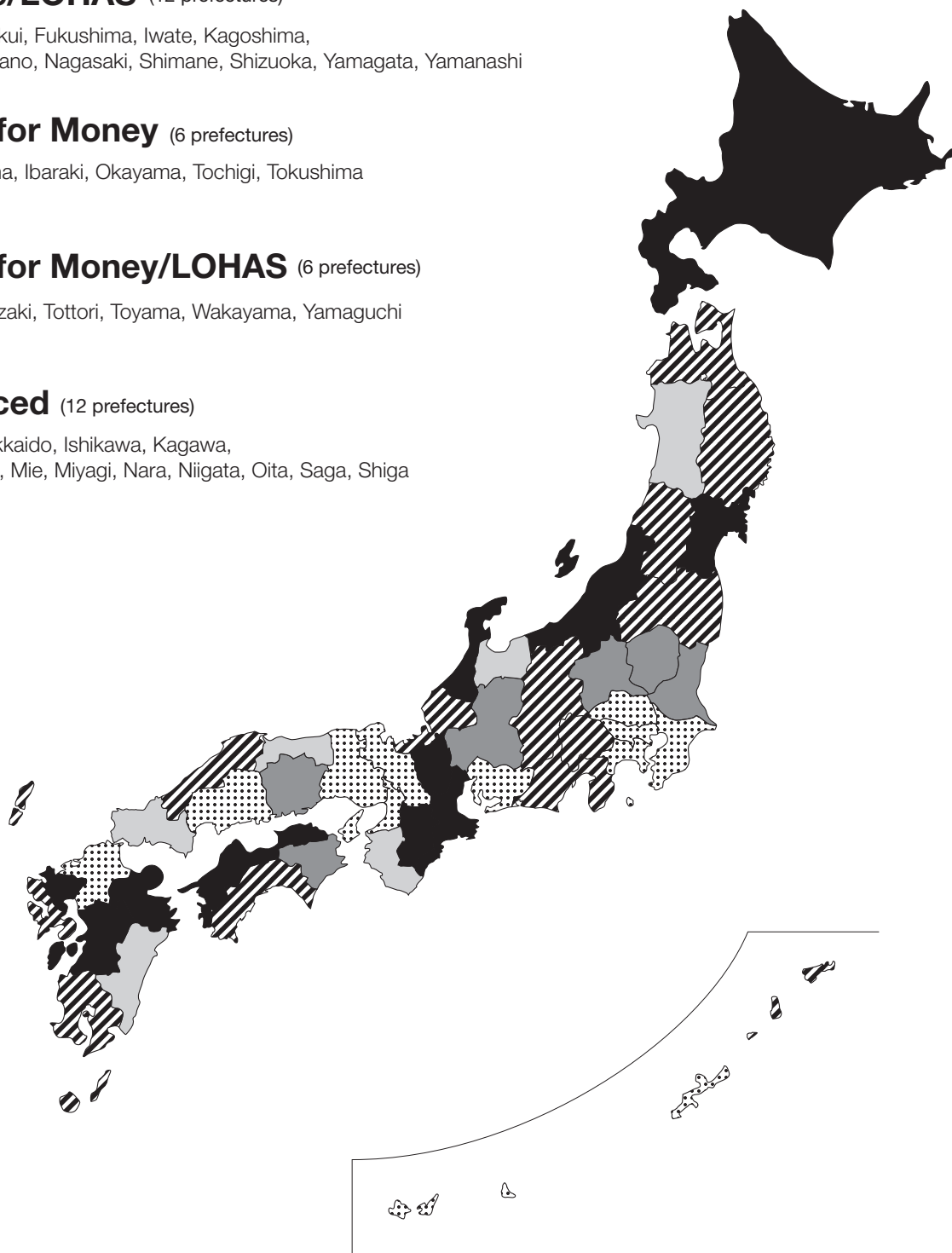
Gifu, Gunma, Ibaraki, Okayama, Tochigi, Tokushima

### **Value for Money/LOHAS** (6 prefectures)

Akita, Miyazaki, Tottori, Toyama, Wakayama, Yamaguchi

### **Balanced** (12 prefectures)

Ehime, Hokkaido, Ishikawa, Kagawa,  
Kumamoto, Mie, Miyagi, Nara, Niigata, Oita, Saga, Shiga



## Survey outline

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<b>First quantitative survey</b>	<p>To learn <i>sei-katsu-sha</i> benchmarks for locality lifestyles. Uncovered 8 Locality Preferences</p> <p><b>Territory:</b> The 47 prefectures of Japan</p> <p><b>Population:</b> Males and females aged 20-69 (householders or their spouses)</p> <p><b>Sample size:</b> 1,048</p> <p><b>Sample allocation:</b> Based on population distribution after dividing Japan into 7 areas (Chubu, Chugoku, Hokkaido, Kanto, Kinki, Kyushu, Okinawa, Shikoku, Tohoku)</p> <p><b>Method:</b> Internet survey</p> <p><b>Period:</b> June 2006</p>
<b>Second quantitative survey</b>	<p>Classified Japan's 47 prefectures based on the 8 Locality Preferences. Uncovered 5 Locality Lifestyle Models</p> <p><b>Territory:</b> The 47 prefectures of Japan</p> <p><b>Population:</b> Males and females aged 20-69 (householders or their spouses)</p> <p><b>Sample size:</b> 14,976 (at least 300 respondents from each prefecture)</p> <p><b>Method:</b> Internet survey</p> <p><b>Period:</b> November 2006</p>
<b>Third quantitative survey</b>	<p>Uncovered Future Locality Lifestyle Models within the 5 Locality Lifestyle Models</p> <p><b>Territory:</b> The 47 prefectures of Japan</p> <p><b>Population:</b> Males and females aged 20-69 (householders or their spouses)</p> <p><b>Sample size:</b> 1,048</p> <p><b>Sample allocation:</b> Based on population distribution after dividing Japan into 7 areas (Chubu, Chugoku, Hokkaido, Kanto, Kinki, Kyushu, Okinawa, Shikoku, Tohoku)</p> <p><b>Method:</b> Internet survey</p> <p><b>Period:</b> January 2007</p>

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## **About Hakuhodo Inc.**

Founded in 1895, Hakuhodo Inc. ([www.hakuhodo.jp](http://www.hakuhodo.jp)) is the second largest advertising company in Japan, and the tenth largest core agency in the world according to *Advertising Age's* agency report 2007. Today, innovation and creativity are still at the heart of its operations. Hakuhodo shares with its clients an unmatched depth of knowledge about the relationship between people and brands — knowledge that has grown from the concept of *sei-katsu-sha* (“consumers with a heartbeat”) which Hakuhodo pioneered in advertising. Through its global network, Hakuhodo provides comprehensive marketing and communications services and solutions for some of the best-known brands in the world. Hakuhodo has 64 offices in 16 countries/regions, and approximately 5,000 employees.

*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 our commitment to a comprehensive, 360-degree perspective on consumers’ lives.

Hakuhodo is one of three advertising agencies under the umbrella of Hakuhodo DY Holdings Inc. (TSE: 2433) (<http://www.hakuhodody-holdings.co.jp/english/index.html>) a holding company which was established in 2003 through the management integration of Hakuhodo Inc., Daiko Advertising Inc. and Yomiko Advertising Inc. Hakuhodo DY Holdings Inc. was listed on the first section of Tokyo Stock Exchange.