

Groundbreaking study reveals Asian consumers' psychological make-up

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A new study by the Institute on Asian Consumer Insight (ACI) at Nanyang Technological University (NTU) has decoded the psychological make-up of Asian consumers. They value the family, believe in hard work, and are financially conservative. They desire respect for the tremendous progress they have made, and yet shun flashy expressions of wealth.

Even as personal incomes have increased exponentially, in tandem with the region's economic growth, the inaugural "Pan-Asian Wave Consumer Study: Asian Marketing Trends and Consumer Insights" finds that traditional values continue to hold sway among Asia's [consumers](#) – and companies would do well to appeal to these values in building their brands in the region.

A research institute focusing on studying Asian consumers which was launched last year, the ACI is jointly set up by NTU and Economic Development Board as a national institute to help Singapore capitalise on the long-term trend of Asia's growing wealth.

ACI's inaugural study for the Asian region polled almost 7,000 consumers from ten key economies in the region, in an extensive investigation of their needs, values, priorities, and beliefs. A multi-country, multi-demographic approach was undertaken to gain deep insight into fundamental cultural and social trends that can be used to build brands, from all sectors, that appeal to Asian consumers from across the region.

The six-month-long study was conducted in 14 languages, and received sponsorship from Blackberry, Coca-Cola, DBS Bank and Unilever. The research was led by Professor Rajeev Batra, S.S. Kresge Professor of Marketing at University of Michigan's Ross School of Business.

Professor Batra is an internationally recognized expert on branding, marketing communications, emerging markets and consumer research. An author of seven books and over 50 widely-cited academic journal articles, he has served as consultant to many global corporations and the US government.

Professor Bernd Schmitt, Executive Director of ACI, said, "As Asia increases in importance as a growth engine of the global economy, companies all over the world, not least Western multinationals, are looking towards Asia for their future. To build a strong brand in Asia, they need to offer more than just functional superiority. The brands that understand, leverage and fulfil the emotional and expressive needs of the pan-Asian consumer are those that will succeed in the Asian marketplace."

Four distinct Asian consumer profiles identified

The study found that despite tremendous geographical and religious diversity, Asians, by and large, share a strong emphasis on family, with a high orientation towards savings, thriftiness and future planning, and hard work. Proper behaviour, fun and enjoyment, and nature are also highly regarded. But they are less keen on popularity, celebrities, accumulating material wealth and envying the rich.

Nonetheless, there is substantial variation among Asian consumer values across geography and age groups in several areas. These include attitudes towards religion and tradition, fun and enjoyment, work success, interest in other cultures, and material wealth.

Four distinct segments of consumers were identified:

- Inner-Directed Traditionalists (19% of population), who value religion and tradition, tend to be thrifty and less materialistic;
- Outer-Directed Strivers (29% of population) tend to have lower education and incomes. They value work success highly, seeking endorsement in the form of fame and material wealth, just like the celebrities they admire;
- Survivor Oriented (13% of population) consumers tend to be older, less educated, with lower incomes, and are financially less optimistic; and
- Mainstream Asian Values (39% of population)

Inner-Directed Traditionalists make up more than half the consumers in Indonesia, the Philippines and Thailand, as these populations are highly religious. Outer-Directed Strivers made up 59% of India's consumers and 25% of those in China. Survivor-Oriented consumers are found mostly in Japan and South Korea, reflecting these countries aging populations.

Professor Batra said, "Singapore consumers tend to value creativity and the need to be different and unique. They are also more supportive of gender equality. And perhaps in response to the hectic lifestyle here, Singaporeans yearn for more free time for themselves."

In India, celebrity culture is markedly more highly valued. Consumers there tend to place a greater importance on the need to impress others, and on following and even seeking celebrity status for themselves. Indian consumers are also found to spend the most time and money on arts, music and culture.

Consumers in China, India, Thailand, and the Philippines show the greatest willingness to spend on self-treats and luxury, quality brands,

while those in Indonesia, South Korea, Japan, and Hong Kong are less willing. Interest in foreign cultures and brands is highest in China, Hong Kong and India, and lowest in Indonesia, Japan and Malaysia. Fun, enjoyment, leisure time are more strongly desired in Japan, South Korea, China, and Hong Kong than in India, Malaysia and Thailand.

Divergences across age groups lend insight into possible future trends

Comparing consumers under 25, and those above 45, there is little difference in attitudes towards the importance of education; hard work; high savings and debt-aversion; value-seeking; consuming inconspicuously; fun, enjoyment and leisure; and the importance of one's larger social groups.

But younger consumers notably show less emphasis on duty; religion and tradition; thriftiness and financial insecurity; gender inequality; ethnocentrism and local brands.

Instead, they place greater value on work success and recognition, money and possessions, impressing others, admiring the rich, following celebrities, luxury, and higher-quality brands. On top of online shopping and socialising, they are more interested in arts and culture, foreign cultures and lifestyles, and creativity and self-expression. Surprisingly, the young are not big advocates of environmental causes and pro-social behaviour.

Professor Batra said, "Over time, we can expect the population percentage of Outer-directed Strivers to grow since there are a larger number of young consumers in that group."

The survey also examined what Asians miss most in their lives today and

the top five yearnings are:

- Cleaner and less polluted environment
- Free time, rest and relaxation
- Closer friends to spend time with
- Success in work and career
- Excitement

Professor Schmitt said, "Asia is undergoing a massive transformation. And Asian consumers are going to have new hopes and dreams. Their values are changing and there are growing tensions between tradition and modernity; saving versus spending, fitting in versus standing out from the crowd."

"Understanding the behaviour of Asian consumers is a vital, ongoing study to which we seek to contribute as the region's foremost research institute on Asian consumer insight."

Provided by Nanyang Technological University

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