

International Gas Union Research Conference 2011

**HIERARCHICAL NEEDS ANALYSIS
FOR EFFECTIVE GAS MARKETING**

Lifestyle of the “Twenties”

– What do people in their twenties value in home life today? –

M.OGIWARA

C.NAKATSUKA

Y. KIMURA

Urban Life Research Institute,
Technology Planning Division, Tokyo Gas Co., Ltd
JAPAN

ABSTRACT

This research has clarified their potential needs or what kind of benefits we should provide, based on the analyses in the following three points of view.

(1) Cultural background of their times and its influence

The characteristics of their minds have been identified as follows:

- “Preferring stability or risk free” when facing the harsh reality of these day’s bad economy.
- “Prioritizing personal life and being conscious of gender equality” because of their times or education they received.
- “Bound by new communication network” resulting from the spread of mobile phones or the internet.

(2) Their mindsets, behaviors, or preferences

This research has adopted a “hierarchical” approach (Fig. 1)

1) What kind of life they want to live (BE needs)

The characteristics of those people in their twenties are: “an abundant life”, “blessed with love life”, “cozy and heartwarming life”, “pleasant life”, and “self-upgrading life”.

This research defines characteristic needs of a generation as items which gave higher scores than the average in their absolute or relative values.

2) Specific needs necessary to realize the life they want (DO needs)

These DO needs can be classified into two types: I. respect of myself and II. Good relations with close people.

What is characteristic for the twenties, among those DO needs, is “looking good”. They just want to look good not only for themselves but also try to be looked good to join or accepted by the group to which they belong.

(3) Key words for products or services they choose

The Twenties want to express or show themselves, while minding or even anxious about how they are going to be looked by the members of the group. That will decide their behavior, fashion, and what kind of products they buy.

The key word to understand their DO needs is “Appearance”. Good design of product is one of the most important factors for successful marketing, and products or services which lead to help them “look good”, such as good ways of bathing, are to be highly valued.

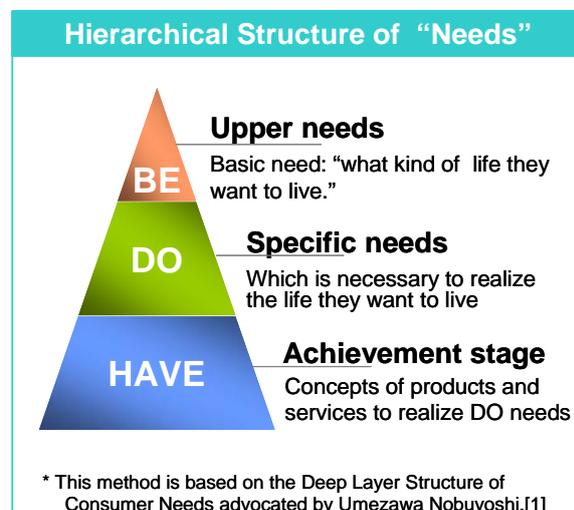


Fig.1 Hierarchical Structure of "Needs"

TABLE OF CONTENTS

ABSTRACT

TABLE OF CONTENTS

1. Introduction
2. Research Approach
3. Current Situation of the Twenties and their Cultural Background
 - (1) Current situation – The twenties in statistics
 - (2) Cultural background of their times and its influence
4. Structure of the Twenties' Needs
 - (1) Everyday needs extrapolated from life needs
 - (2) Needs they want to realize in life
 - (3) Identifying "DO" needs for the realization of "BE" needs
 - (4)-1 How they show respect for themselves
 - (4)-2 How they maintain good relations with close people
 - (4)-3 The "self" lies at the heart of needs: The main concern is self-protection
 - (5) Key word for products or services they choose: "Appearance"
5. Conclusion
6. Reference
7. List of Figures

PAPER

1. Introduction

Gas industry in Japan has faced competition with power industry in recent years. Gas itself is not a commodity and, unlike other products, it is intangible and invisible. Therefore, in order to promote gas sales, it is important to find ways to make consumers realize benefits of gas usage like comfort, convenience or cost saving. And it is necessary to enhance the level of customer's perception and satisfaction.

We have started from figuring out what customers want in their daily life and identifying customers' potential needs to use gas (in kitchen, dining room, bathroom, or in other spaces), in order to clarify what kind of products or services to provide.

This research has selected a segment of people who are now in their twenties. They will be our customers when they get married or independent from their parents and purchase or build their houses. They will also have a strong influence on their children, who will be the main users in the next generation.

2. Research Approach

Quantitative Survey (1): "Lifestyle Survey" 1 (August 2009)

Survey method: Internet survey

Target group: 3,299 males and females aged 15-69 living in Greater Tokyo

Survey period: August 2009

Qualitative Survey

Survey method: Combination of Diary Survey and Individual Interviews

Diary Survey

Target group: 24 men and women in their 20s living in Greater Tokyo

Survey period: August 2009

Individual Interviews

Target group: 13 men and women selected from Diary Survey respondents

Survey period: September-October 2009

Quantitative Survey (2): "Lifestyle Survey" 2 (January 2010)

Survey method: Internet survey

Target group: 2,257 males and females aged 15-69 living in Greater Tokyo

Survey period: January 2010

*Of the targets of the quantitative surveys, this report analyzes those in their twenties and above. The target population (N) is therefore 2,999 in Quantitative Survey (1) and 2,052 in Quantitative Survey (2).

3. Current Situation of the Twenties and their Cultural Background

(1) Current situation – The twenties in statistics

- 1) Declining married ratio, around 80% single
- 2) High educational level, majority are university graduates
- 3) Low income levels, even lower than 10 years ago

(2) Cultural background of their times and its influence

To understand today’s twenties, it is important to take stock not only of characteristics based on their age and life stage, i.e. characteristics common to people in their twenties in all eras (physical characteristics due to age and social status), but also the cultural background of the times in which they grew up, and to grasp and analyze their awareness and trends on this basis.

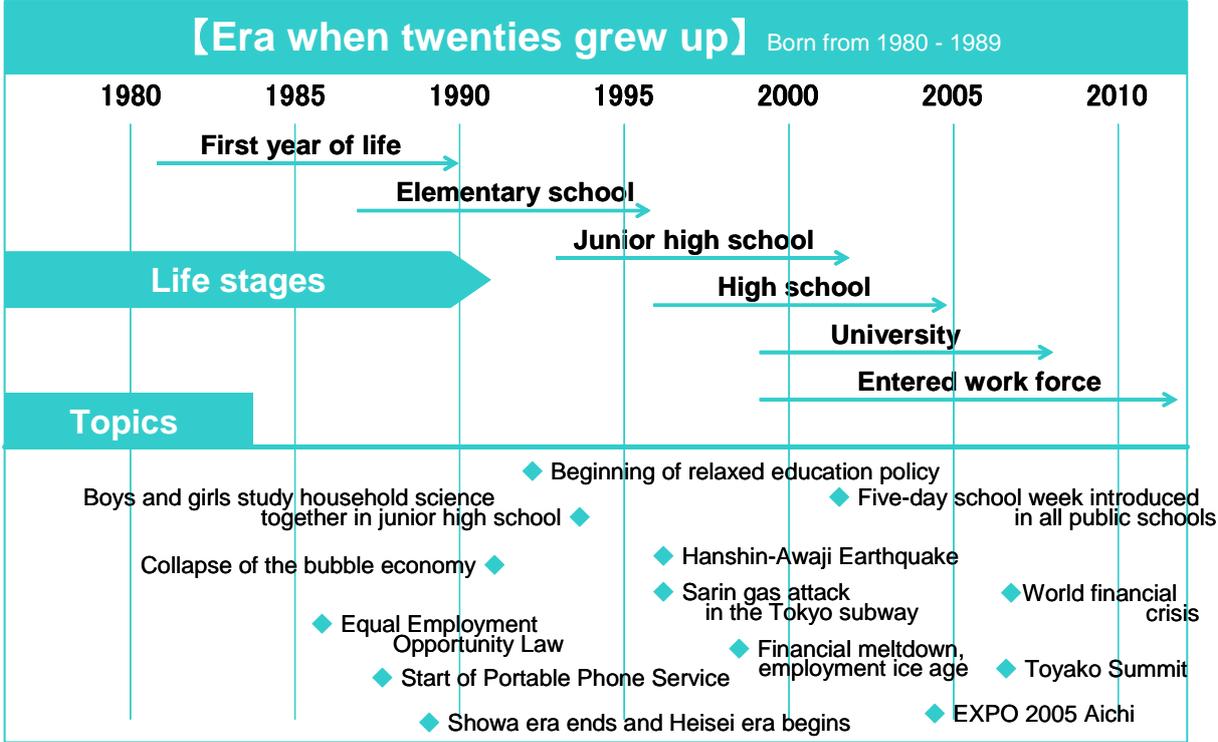


Fig.2 Era when twenties grew up

1) “Preferring stability or risk free” due to economic stagnation from earliest memory

Around the time when they entered elementary school, Japan’s “bubble economy” collapsed; during their junior and senior high school days, there was a financial crisis, and this was followed by an “employment ice age” as they started their working lives.

2) “Prioritizing personal life and being conscious of gender equality” because of the education they received (both school and home education)

Today’s twenties were educated in an era in which “relaxed education” started, followed by the process until full implementation. They have been taught the mindset that individuality is valued above competition and the important thing is to be true to yourself. Moreover, the Equal Employment Opportunity Law came into effect at around the time they were born, and before they entered junior high school boys and girls started to study home economics together. In other words, they were brought up amid growing awareness of gender equality, and during their school education boys and girls were no longer treated differently.

3) “New communication” modes made possible by mobile phones, the Internet, etc.

Another characteristic of the twenties is that they have been familiar with new modes of communication since infancy. Again, as symbolized by the launch of Windows95 in 1995, the Internet spread rapidly in this era, and came to be generally used in schools and ordinary homes. Having been in contact with these devices since their infancy, they are perfectly at home with such new tools, as indicated by the description “digital native”.

In this research, we will ascertain the awareness and attitudes of today’s twenties and clarify their needs, based on this kind of cultural background of their times and its influence.

4. Structure of Twenties Needs

(1) Everyday needs extrapolated from life needs

In this research, we will use the method of extrapolating specific lifestyle needs (“DO” needs) from basic life needs (“BE” needs) to clarify the values sought by twenties in their home life.

Using this method, we explore the needs of people in their twenties in a three-layered hierarchical structure of “BE needs”, “DO needs” and “HAVE needs”. To uncover deeper needs, we first ascertain the “BE” needs or upper needs (i.e. the kind of life people want to live), then identify the specific “DO” needs for realizing these in the home, and finally propose “HAVE” needs as ideas for products and services that may satisfy their preferences based on the “DO” needs.

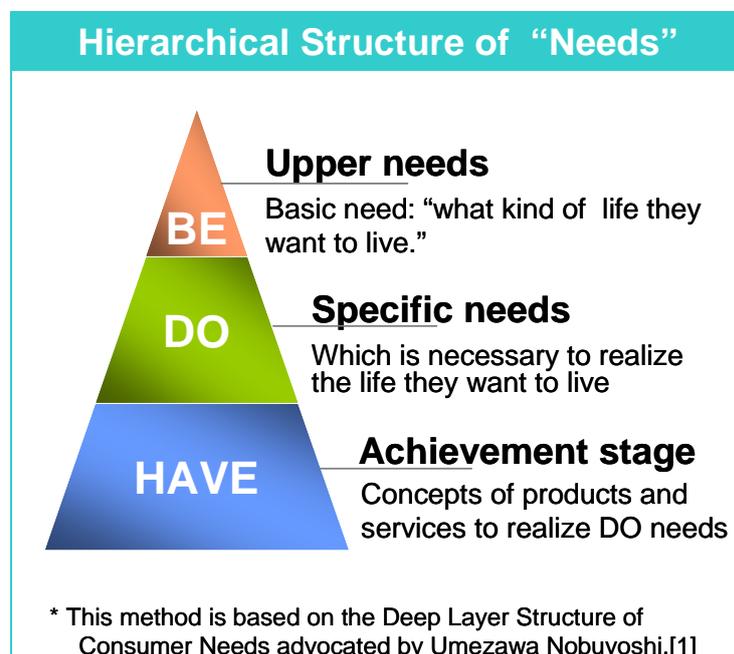


Fig.3 Hierarchical Structure of “Needs”

(2) Needs they want to realize in life

We clarified “BE” needs or life needs by asking the question “What kind of things do you want to enjoy in your daily life at home?” (multiple answers, up to 3 allowed).

BE needs (life needs) consist of the following 10 items.

“Abundant life”, “Respected and appreciated life”, “Self-upgrading life”,
“Blessed with love life”, “A healthy life”, “Living true to myself life”, “Pleasant life”,
“Exciting and thrilling life”, “Cozy and heartwarming life”, “A comfortable life”

From: Nobuyoshi Umezawa, *Shohisha Niizu no Shinso Kozo*

(Deep Layer Structure of Consumer Needs)

Characteristic BE needs are:

“Abundant life”, “Blessed with love life”, “Cozy and heartwarming life”, “Pleasant life”, “Self-upgrading life”

Fig.4 shows the BE needs of the twenties in general. The vertical axis represents the absolute value of the ratio of twenties who aspire to each respective BE need. The horizontal axis shows the relative value of the ratio of twenties who aspire to each respective BE need when the overall ratio of twenties to sixties who aspire to each respective BE need is 100. Items in which both the absolute and relative values were above the average value (i.e. those in the upper right square of the diagram) were defined as characteristic BE needs for the attributes in question (here, twenties in general).

From Fig .4, we see that “Abundant life” and “Blessed with love life” are the characteristic needs of the twenties in general.

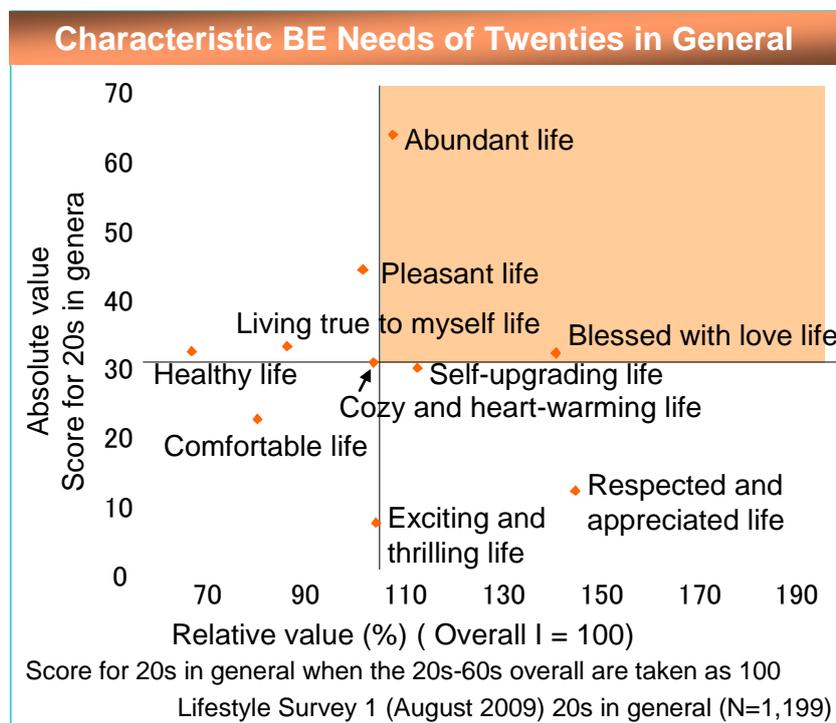


Fig.4 Characteristic BE Needs of Twenties in General

Similarly, Figure 5 shows the results of the analysis by gender and marital status in their twenties.

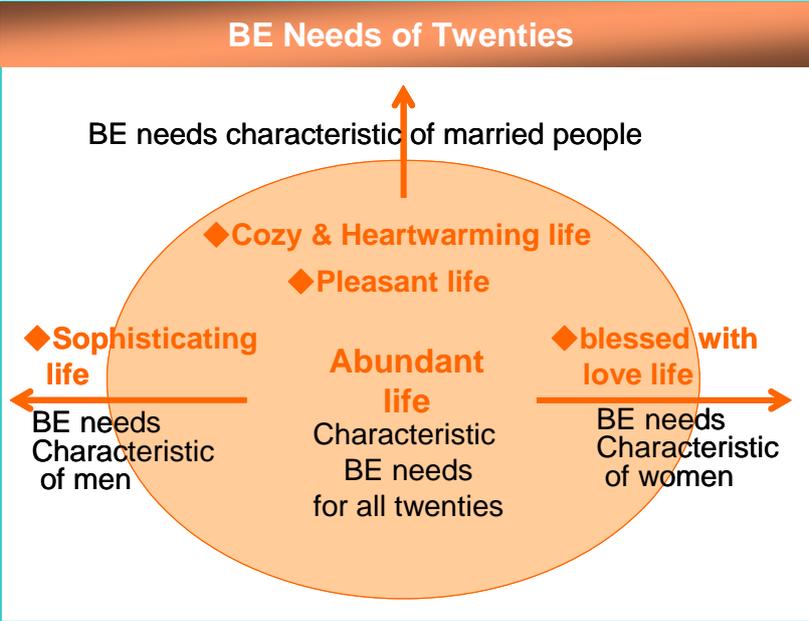


Fig.5 BE Needs of Twenties (Needs Sought in Life)

(3) Identifying “DO” needs for the realization of “BE” needs

DO needs are specific needs that must be satisfied to realize BE needs. We carried out the following analysis to clarify the DO needs corresponding to each BE need.

In Quantitative Survey (1), firstly, we canvassed open statement responses from respondents on the question “What do you need to realize your BE needs at home?” We then classified a total of 4,800 statements received into 27 DO needs elements, which we verified quantitatively in Quantitative Survey (2).

27 DO Needs Elements for the Realization of BE Needs

- | | |
|--|--|
| 1. Time with my family | 15. Not to be easily led by those around me |
| 2. Time with my partner | 16. To love someone |
| 3. Time with my children | 17. A considerate nature |
| 4. Time with close friends | 18. A cheerful mood |
| 5. Time with my lover | 19. Stress reduction |
| 6. Connections with other people | 20. Exercise |
| 7. Information or knowledge, better skills | 21. Closer attention to health |
| 8. Beautiful appearance and features | 22. Home improvement |
| 9. Decent life | 23. Dining and cooking |
| 10. Relaxation | 24. Sleep |
| 11. Hobbies, recreation | 25. Cost saving |
| 12. My own time | 26. Cleaning, tidying things around me |
| 13. To avoid over-exertion | 27. Avoidance of undue effort and wastefulness |
| 14. Respect for myself | |

DO needs statements by respondents in their twenties, canvassed in Quantitative Survey (1) (FA response results / total 4,800 statements) and classified into 27 DO needs.

Fig.6 27 DO Needs Elements for the Realization of BE Needs

We then went on to calculate the absolute and relative values of the 27 DO needs elements for each of the five characteristic BE needs of twenties, and defined items that were higher than average values in both needs as DO needs corresponding to those BE needs.

As a result, we found that the following DO needs elements must be satisfied in order to realize the characteristic BE needs (life needs) of twenties in the home.

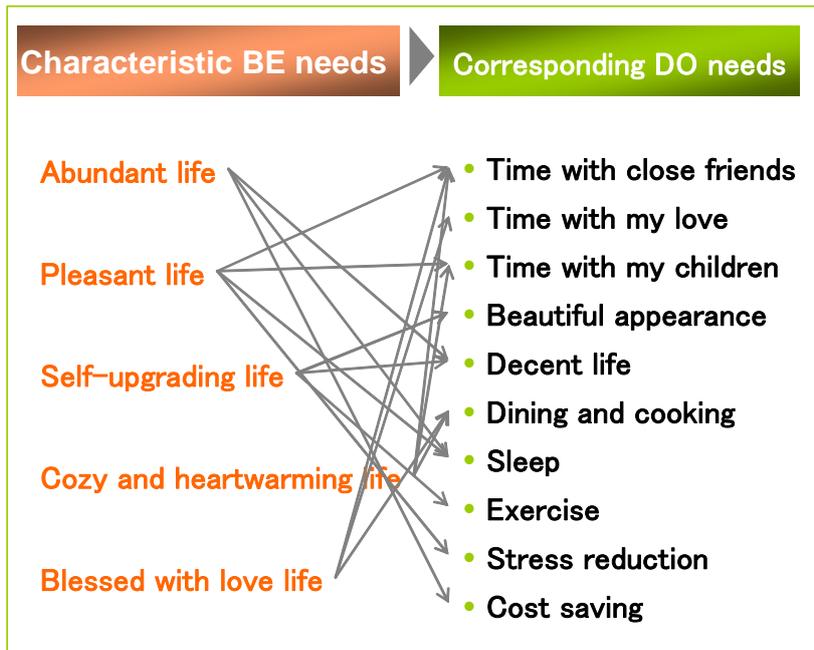


Fig.7 Characteristic BE and DO Needs of Twenties

If we explore the meaning of the 10 DO needs obtained through this kind of analysis, in conjunction with the results of the Qualitative Survey conducted in parallel with the Quantitative Survey, we can summarize the DO needs of the twenties into two types – I. “**Respect for myself**” and II. “**Good relations with close people**”.

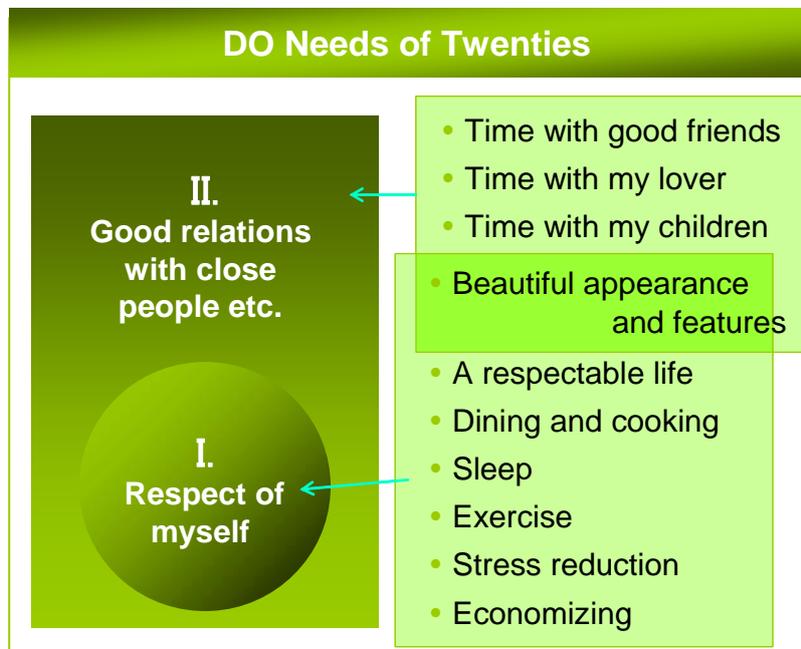


Fig.8 Summarized DO Needs of Twenties

1) “I. Respect for myself”: Protect themselves in a stable lifestyle while grooming their appearance and being true to themselves

This type corresponds to the DO needs “Beautiful appearance and features”, “Decent life”, “Dining and cooking”, “Sleep”, “Exercise”, “Stress reduction” and “Cost saving”. At its root lies a vague wish to protect themselves against future anxiety, to strengthen protection and feel reassured. This awareness is thought to be affected by the generational traits of the twenties, brought up in an age of uncertainty over the future.

2) “II. Good relations with close people”: Only get on with familiar people close to them, who are valuable in helping them to protect themselves

This type corresponds to the DO needs “Time with my family”, “Time with my children”, “Time with close friends”, “Time with my lover”, “Connections with other people” and “Beautiful appearance and features”. This is an awareness of valuing family members, close friends and other close people, and placing emphasis on maintaining good relationships.

3) Common to both “I. Respect for myself” and “II. Good relations with close people”: Maintain an attractive appearance not only for their own satisfaction but also to gain peer approval

Common to both “I. Respect for myself” and “II. Good relations with close people” is the DO need “Beautiful appearance and features”. As well as the wish to maintain “Beautiful appearance and features” for their own personal satisfaction, this also entails the wish to maintain “Beautiful appearance and features” to win the approval of their peers and be included as one of them, in order to have “II. Good relations with close people”. As such, it is a common element to both types.

(4)-1 How they show respect for themselves

1) I want to save money for the future, have a career and feel secure.

Today's twenties have a strong wish to deal with a vague anxiety over the future. This is thought to be influenced by the fact that they were brought up in an age of economic stagnation; it suggests a feeling of wanting to make firm preparations by having a career and saving money, thereby reducing anxiety.

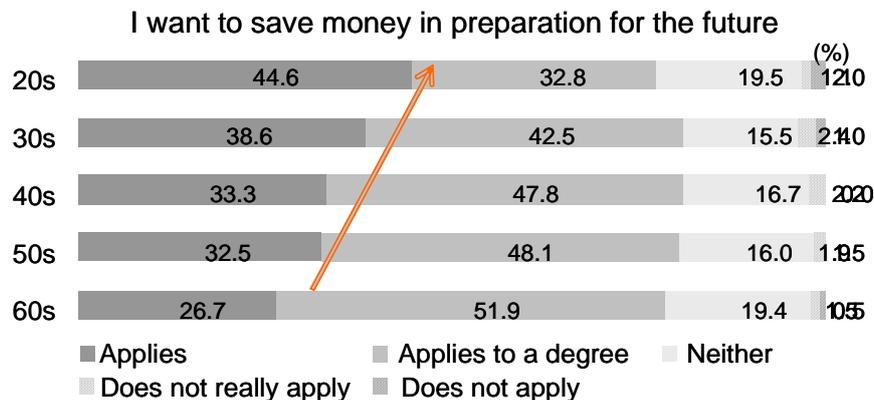


Fig.9 I want to save money in preparation for the future

2) I will cook for myself if it saves money.

The awareness of wishing to deal with a vague anxiety over the future also expresses itself in actual lifestyle behavior; just under 30% responded that they "Try to make savings in daily life".

As the reason for cooking meals, the highest response is "Because it saves money", around 70% giving this answer.

3) I want to avoid over-exertion and denying my needs as much as possible.

Since they answer "I don't like the same things as other people", they would appear to want to express their individuality for that reason. On the other hand, they have a strong awareness of wanting to "avoid over-exertion and denying needs as much as possible", and want to be different within a range that is manageable without over-exerting themselves.

4) I value my individuality, but to avoid being hurt, I don't assert myself too much.

Today's twenties, however, see themselves as being quite reserved at the same time. While twenties in the past may have expressed their individuality through self-assertion, those of today seem to be reserved on the outside, tending rather to value their individuality within themselves. Expressing individuality through self-assertion carries the risk of being rejected for their individuality. Today's twenties seem keen to avoid such risks and to jealously protect their individuality without being hurt.

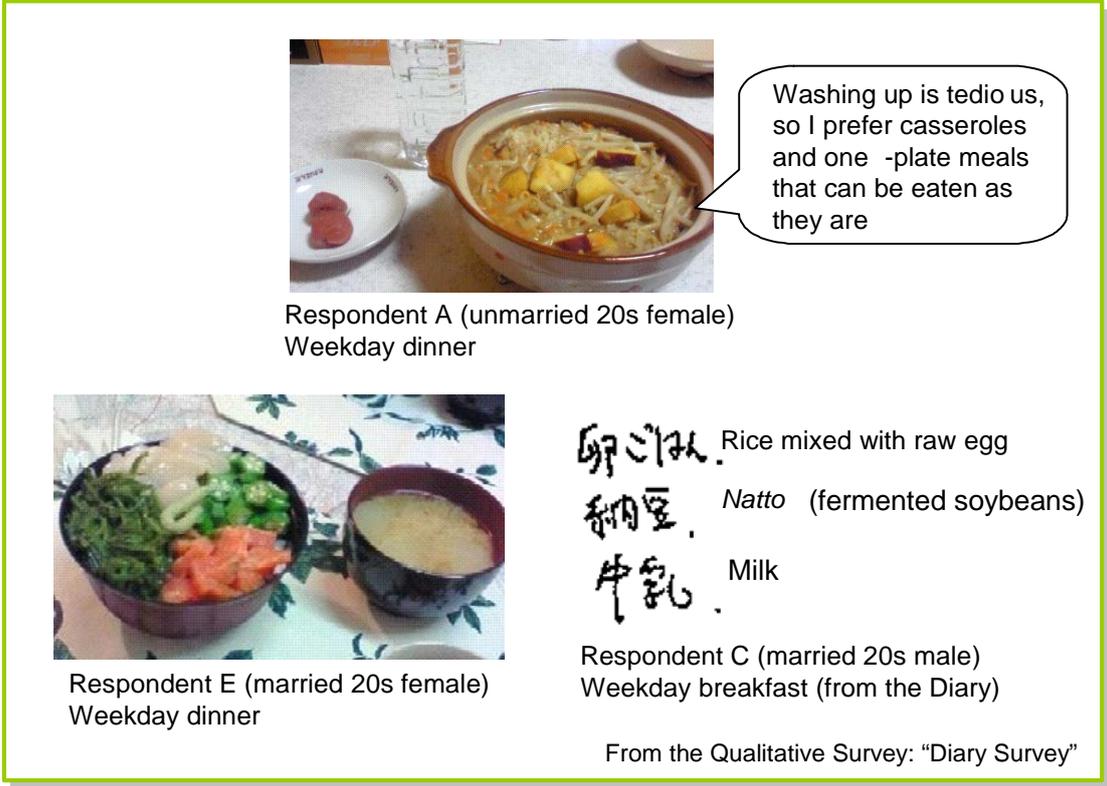
5) I avoid tedious chores; I cook meals, but I dislike excessive effort.

To people in their twenties today, spending time on chores that seem tedious goes against the

policy of “Trying not to make too much effort but being natural”. Therefore, they try to spare themselves the time and effort involved in these chores.

In cooking and eating situations, they want to avoid spending time and effort on the troublesome work of preparing food, clearing away and washing up.

According to the Qualitative Survey, the types of food they make on a regular basis often involve “sprinkling”, “stirring”, “topping”, “stir-frying” and “pasta”. In other words, they prefer meals that require little or no preparation and hardly any heating or slicing, but merely stirring and placing.



Respondent A (unmarried 20s female)
Weekday dinner

Washing up is tedious, so I prefer casseroles and one-plate meals that can be eaten as they are

Respondent E (married 20s female)
Weekday dinner

卵ごみ. Rice mixed with raw egg
納豆. Natto (fermented soybeans)
牛乳. Milk

Respondent C (married 20s male)
Weekday breakfast (from the Diary)

From the Qualitative Survey: “Diary Survey”

Fig.10 Reduce time and effort involved in preparing and clearing away by “mixing, topping, stir-frying, sprinkling”

6) I can’t bear uncleanness, but I don’t want to spend time or effort on bathing.

They favor cleanliness; more than 80% of them bathe themselves and wash their hair every day. But while the practice of bathing daily is firmly established, fewer of them spend time soaking in the bath than other age groups. Although they see daily bathing and hair washing as essential for cleanliness, they seem reluctant to spend time and effort on filling the bath and soaking in it every day, but tend to be satisfied with showers alone.※

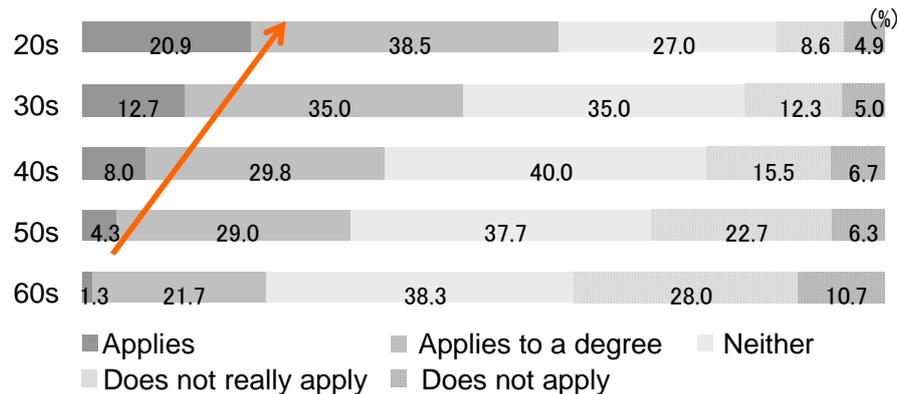
※Typical Japanese bath rooms have both bath tub and shower. The bather washes outside the bath, which takes time to fill with an immense amount of steaming hot water. The bath is only used for ‘soaking’.

(4)-2 How they maintain good relations with close people

1) I value “reading situations” to avoid being left out by close acquaintances.

To maintain good relations with close people, they firstly need the approval of their peers and at the same time make sure they are not ostracized. As a result, many of them are concerned about how they are perceived by friends and acquaintances, and they have a strong tendency to adjust their views to suit those of their peers.

Concerned about how I am perceived by friends and acquaintances



Lifestyle Survey (1) (January 2010)

Fig.11 Concerned about how I am perceived by friends and acquaintances

2) My parents are like valuable friends. I want to get on with them and value them.

They value their parents very highly, as people they can have good relations with. In terms of exchanges with their parents, many maintain email contact and there is a strong wish for a friendly parent-child relationship.

3) I always want to live near those close to me. Living near parents is useful for childcare.

Today's twenties have a strong local orientation, and a strong awareness of wanting to live being surrounded by people close to them. They also have a strong desire to live near their parents, and seem to want to value human relations in the local areas that have become familiar to them.

4) I want to maintain close exchanges with friends and have good relations with them.

They prefer time spent with friends to being alone, and the frequency of inviting friends to their homes or being invited by friends is highest in this age group.

5) I want to make and eat food like barbecues and pot-cooked meals with them and get on even better with them.

Today's twenties seem to want to spend time with their families and friends while making and eating meals. The desire to have enough space in their kitchens to make food together is highest in this age group.

(4)-3 The “self” lies at the heart of needs: The main concern is self-protection

If we analyze detailed attitudes concerning the twenties' DO needs “Respect for myself” and “Good relations with close people”, it becomes clear that the “self” is always placed at the heart of the twenties lifestyle.

Having been educated from infancy to value individuality and being true to themselves, they have a high awareness of respect for themselves. Moreover, having been brought up in an era of economic stagnation from as early as they can remember, they have a strong attitude of wanting to protect themselves. The “self” is always the center of awareness and behavior of the twenties who have respect for themselves and maintain good relations with people close to them as a form of protecting themselves.



Fig.12 Core of DO needs of twenties

(5) Key word for products or services they choose: “Appearance”

This research has revealed that twenties have DO needs of “Respect for myself” and “Good relations with close people”. The lifestyle that realizes these is one of “living stylishly”. The awareness and attitude of “living stylishly” include two aspects, namely “external appearance and impression” and “stylish possessions and home”; the twenties are characterized by focusing on “Appearance” as a way of realizing both of these. “Appearance” as the means of “living stylishly” is the key word for their HAVE needs.

“I want to live stylishly” – 1: Insistence on looks – even their actions must be stylish

Point 1: Insistence on looks in order to be approved of by friends

The reason why today’s twenties are concerned about their looks is not only the usual awareness of stylishness peculiar to young people but is also characterized by a strong awareness that they don’t want to be disliked by their friends.

Point 2: Men also insist on appearance and grooming, and want to be stylish.

They are characterized by a high level of concern not only for their clothes, hair and other style features but also aesthetic considerations like the state of their skin. In some cases, they care for themselves using substances such as beauty lotion and sun-block cream.

Point 3: I always want to smell good.

The twenties are sensitive about “smell”. “Good smell” seems to be perceived as something that creates a good impression on people around them and prevents them from being disliked by their friends; it is regarded as indispensable to “living stylishly”.

Point 4: Cooking is tedious. Therefore, people who can cook are stylish.

Although the twenties avoid tedious chores in everyday cooking and eating situations, they think that “being good at cooking is stylish” and have a high inclination towards improving their cooking skills.

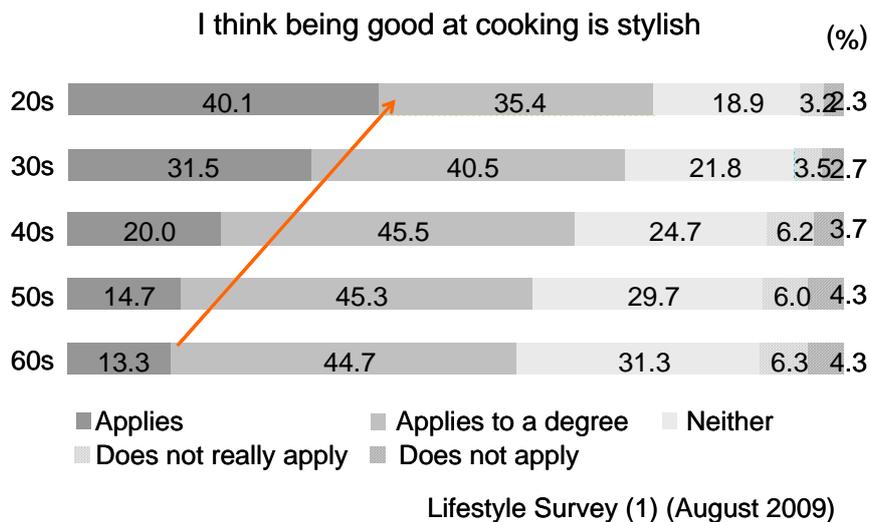


Fig.13 I think being good at cooking is stylish

“I want to live stylishly” – 2: Insistence on the objects and space around them – they must also look good

Point 5: I want to live in a space which is fresh, clean and nice-smelling.

Today’s twenties, cleanliness-oriented and sensitive to “smell”, pay attention to “sterilization” and “deodorization” in their homes and possessions. They have a strong wish to keep their home environments clean and rid them of unpleasant odors.

Point 6: Emphasis on appearance of possessions; insist on design sense, must look good.

People in their twenties have a strong awareness of design, and generally prioritize design sense in the things they buy.

They realize “stylish living” by taking cheap, basic products and arranging them in their own style, without overstretching themselves in terms of both money and effort.

Point 7: A certain amount of care over appearance in food situations

Although they tend to spare effort over cooking and clearing away, they insist on the design sense of appliances and utensils used in their kitchens. They add little touches and arrangements in their own style, are attentive to the presentation of food, and thus seem keen on designing food and table settings that “look good”.

5. Conclusion

In this research, we have revealed the following.

Characteristic behavior and awareness of the twenties include paying attention to their appearance not only for their own satisfaction but also to be approved of by their friends, men having a sense of personal aesthetics close to that of women, being sensitive to “smell” and strongly inclined to remove unpleasant odors and surround themselves with pleasant smells, prioritizing the design sense of things around them, and arranging things or adding their own touches to create a slight difference from others.

The characteristic lifestyle of people in their twenties could be seen as one that satisfies DO needs representing things valuable to themselves, i.e. “Respect for myself” and “Good relations with close friends (people)” in order to protect themselves, expressing their wish to realize these by “living stylishly”.

Moreover, in order to “live stylishly”, they are aware of “appearance” in different situations, and the basic criterion of “appearance” is always thought to exist in their choices of products and behavior. For this reason, “Appearance” is the key word when considering ideas for products and services to satisfy the HAVE needs of the twenties.

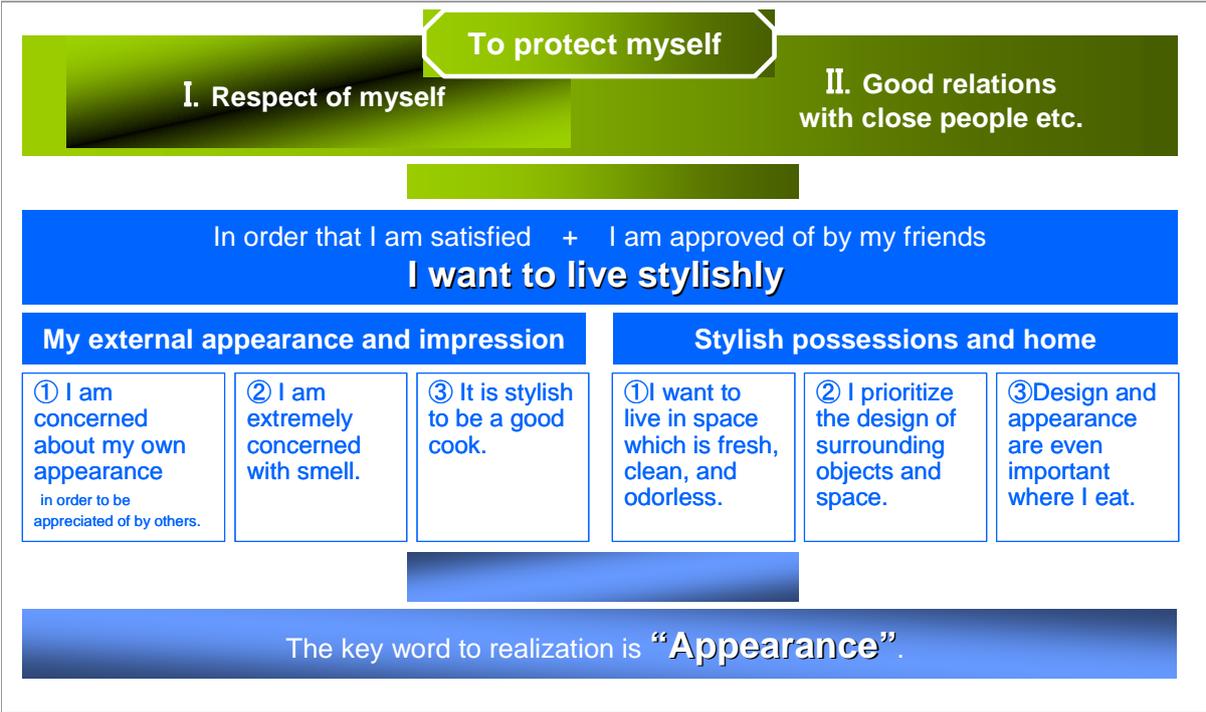


Fig.14 Life Style and Key Word to Achieve DO Needs of Twenties

In order to develop products or services and to know the appealing point for advertising, segmented marketing research is necessary. In Japan, consumers’ needs are diversifying and it is difficult to find out what they are. It is, therefore, important to look for specific needs in their daily life carefully, and to clarify their significance for them, instead of focusing only on the desired products or services that consumers mentioned.

6. Reference

[1] Umezawa Nobuyoshi. 『Manual for development of product concepts』 – JMA Research institute inc. (1988)

7. List of Figures

Fig.1 Hierarchical Structure of “Needs”

Fig.2 Era when twenties grew up

Fig.3 Hierarchical Structure of “Needs”

Fig.4 Characteristic BE Needs of Twenties in General

Fig.5 BE Needs of Twenties (Needs Sought in Life)

Fig.6 27 DO Needs Elements for the Realization of BE Needs

Fig.7 Characteristic BE and DO Needs of Twenties

Fig.8 Summarized DO Needs of Twenties

Fig.9 I want to save money in preparation for the future

Fig.10 Reduce time and effort involved in preparing and clearing away by “mixing, topping, stir-frying, sprinkling”

Fig.11 Concerned about how I am perceived by friends and acquaintances

Fig.12 Core of DO needs of twenties

Fig.13 I think being good at cooking is stylish

Fig.14 Life Style and Key Word to Achieve DO Needs of Twenties