

# HAKUHODO Institute of Life & Living ASEAN

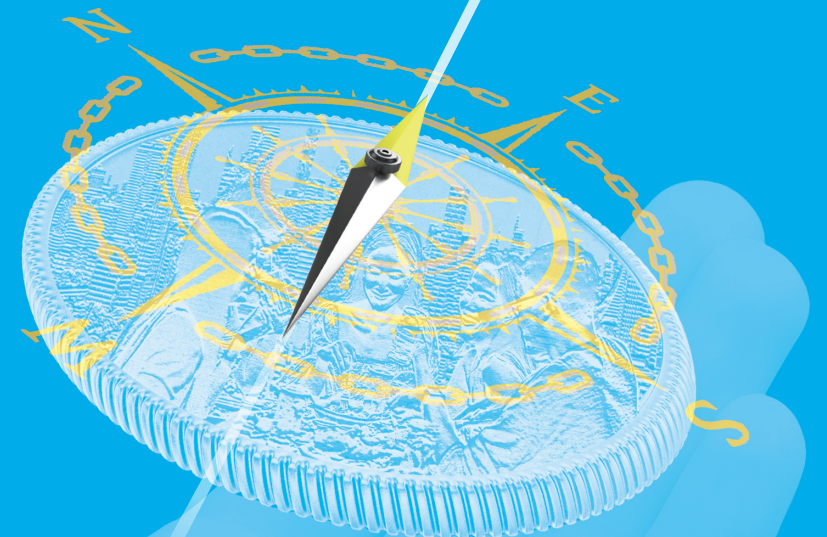
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•HAKUHODO•

ASEAN  
SEI-KATSU-SHA  
STUDIES  
2023

Emerging  
Affluent

Discovering the Invisible Class in ASEAN



## Executive summary Who are the ASEAN Emerging Affluent?

### Emerging Affluent Psyche

In 2023, HILL ASEAN made a discovery: there is an unexplored segment between the elite and middle class in ASEAN. After exploring six nations and applying our InsightOut® approach to the research, we arrived at several conclusions regarding the behavior, motivations, and lifestyles of this undiscovered *sei-katsu-sha* class referred to as the Emerging Affluent.

#### Background: A Mindset Forged Early

ASEAN Emerging Affluent were not raised with significant means. Some have had to adapt to responsibilities and hardship early in life which has led them to an awakening that they must be better in the future. They are fiercely determined individuals who grab any opportunity they can find. Their hyper-awareness of the value of money helps them play the long game because they are always thinking long-term.

#### Progress Is Their Measure of Happiness

One thing that makes ASEAN Emerging Affluent unique is that they're very competitive with themselves. They compare their former achievements with their current ones to track their progress. The more progress and growth they've achieved, the better they feel. For this *sei-katsu-sha* class, growth is happiness. However, ASEAN Emerging Affluent accept that progress is never just about themselves. They thrive when they are able to lift up those around them as well.

#### The "Invisible Hand" Affects Them All

Regardless of their religious or spiritual background, the majority of ASEAN Emerging Affluent believe in "paying it forward" either to their family or society. Because they didn't always start on their own, many ASEAN Emerging Affluent recognize that skills and effort are not the only things that have brought them to where they are. There's always someone or something that helped them, be it in the form of people, network, God, luck, karma, etc.

#### Their "Runner Up" Mindset Keeps Them Running on All Cylinders

ASEAN Emerging Affluent often consider themselves runners-up or number 2! It's not because they lack confidence, but because they are self-aware and are constantly finding new peaks to reach. If they are on top, there's nowhere to go from there. The "Runner Up" Mindset is important for them because of two functions: first, it drives them to keep aiming higher; and second, it grounds them in the growth mindset of learning from mistakes rather than trying to be perfect.

#### They Fly Under the Radar

Having emerged from the middle class, ASEAN Emerging Affluent may be tempted to live a more lavish lifestyle. But to them, stability is still key. One of their top priorities is to create a strong foundation on which to build the future of their families. With this goal in mind, they purposely keep a low profile. This benefits their cash flow while avoiding unwanted attention. It serves the purpose of relieving the pressure of having to keep up an image of wealth.

#### They are "Omni-bitious" and Have a Horizontal Life Asset Building Strategy

For ASEAN Emerging Affluent *sei-katsu-sha*, success is not vertical, it's broader than that. They are not just ambitious, but *omni-bitious*. They strive to create a broad base of knowledge, experience, skills, and talent maximizing their growth potential and thereby achieving fulfillment in all aspects of their lives. They are setting up fortresses that will last, not skyscrapers made to dazzle. They are thinking of long-term endurance rather than quick flash-in-the-pan solutions. This is why connecting the most important aspects of their lives is the real key to their success.

### Shopping and Media Behavior

#### They are Smart-sumers looking for Functional Luxury

ASEAN Emerging Affluent are willing to pay luxury prices as long as that value buys something more than just a name. The luxury product must have functionality as well—it needs to provide a superior benefit, last longer, look better, have a certain cache, etc. It must have *luxe rationale*. Technology and innovation also provide *luxe rationale*. When ASEAN Emerging Affluent indulge in an investment piece, they are looking for quality, scarcity, specialization, or resale value.

#### To Them, Brands are Social Passports

For ASEAN Emerging Affluent, luxury brands and trends are not their go-to's. Instead, they prefer brands that prove their credibility. Brands to them are their passport to this new economic class. Fitting in is necessary, but the products they invest in must also reflect who they are.

#### Consumption Triggers Include Spending on Family and Experiences

While being Functional in their brand choices, ASEAN Emerging Affluent's trigger to consume often comes from an emotional place. They are often willing to spend on their family or experiences. Consumption for their families is often praised and respected so it serves as a point of pride. Spending on experiences, such as a staycation or a trip abroad, is also popular among ASEAN Emerging Affluent as they are less likely to attract negative criticism when compared to material consumption.

#### They are Mavens

ASEAN Emerging Affluent relish their position as knowledgeable and are keen to share their know-how with their friends and extended social circle. As knowledge and information are primary elements of their growth, ASEAN Emerging Affluent are often too well informed to fall for "Fake News" and other distractions. They are very concerned with privacy and can be careful about what they allow people to see about them online.

### Why you should consider the ASEAN Emerging Affluent

HILL ASEAN is proud to share its findings: There is a rung between the established classes that has been overlooked as its own class with its own behaviors. ASEAN Emerging Affluent are *omnimizers*, people who connect all aspects of their lives and use that foundation to propel their growth. They rely on that interconnectivity to become the best version of themselves. ASEAN Emerging Affluent develop a broad base of knowledge and support to ensure stability. They take pride in long-term thinking and pursuing horizontal success rather than vertical. If you are looking to cater to the ASEAN region, keep in mind that cookie-cutter strategies might not work. This undiscovered class demands bespoke approaches that fit their needs to a tee. ASEAN Emerging Affluent is an option that bears consideration.



# Get into the ASEAN Emerging Affluent

## Discovering the invisible class in ASEAN

Hakuhodo Institute of Life and Living ASEAN (HILL ASEAN) conducts research on ASEAN *sei-katsu-sha*—the term we use in place of “consumers” to mean real people with their own lifestyles, aspirations, and dreams. Our focus in this report is on the ASEAN Emerging Affluent.

This market segment is sandwiched between the wealthy class and the middle class. Sociologists refer to it as the upper middle class. The term “upper middle class” may bring to mind people trying to emulate the lifestyles of the wealthy within limited financial resources. Perhaps you think of them simply as members of the middle class with a bit more money but no other distinguishing characteristics.

But our research on ASEAN *sei-katsu-sha* reveals a more interesting story. The people in this segment have, thanks to their determination and drive, made tremendous strides forward. As a result, they’ve increased their incomes and climbed to the top of the middle class. And they differ greatly from both the wealthy class and the middle class in their values and brand choices. This report spotlights this hidden and little-studied segment. It terms them the “ASEAN Emerging Affluent.”

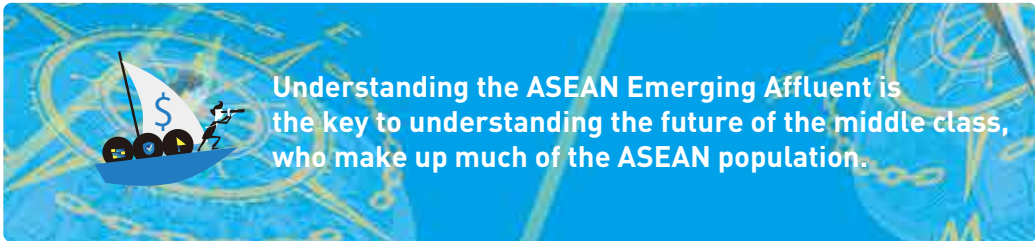
## Why the Emerging Affluent are Worth Understanding

The ASEAN Emerging Affluent will become the role model for the middle class.

ASEAN enjoys a high GDP growth rate, and some estimates suggest that its GDP size will approach that of Japan by 2030\*. A deep understanding of the background and inner workings of the behavior of the affluent ASEAN *sei-katsu-sha* will lead to opportunities to capture new markets.

What’s more, the ASEAN Emerging Affluent are the success story to emulate for the ASEAN middle class as they aim higher and aspire to become wealthier. The middle class lacks the economic resources to imitate the lifestyles of the wealthy, even if they wanted to. But if they work hard enough, the ASEAN Emerging Affluent lifestyle is within their reach. The ASEAN Emerging Affluent will become the role model for the middle class’s lifestyles, brand choices, and consumer behavior.


\* Source: “Japan Business Federation(2022) [https://www.keidanren.or.jp/journal/times/2022/0324\\_07.html](https://www.keidanren.or.jp/journal/times/2022/0324_07.html)”



# Defining the ASEAN Emerging Affluent

In formulating a definition, we considered economic circumstances in each of the ASEAN countries and referred to definitions in existing studies and surveys. The monthly household incomes (household expenditures in the case of Indonesia) of the ASEAN Emerging Affluent studied by HILL ASEAN were as follows.

Thailand



Wealthy

Above 150,001 Thai Bahts

Emerging Affluent

65,001-150,000 Thai Bahts

Middle

24,001-65,000 Thai Bahts

Philippines



Wealthy

Above 130,001 Philippine Peso

Emerging Affluent

100,001-130,000 Philippine Peso

Middle

60,001-100,000 Philippine Peso

Indonesia



Wealthy

Above 40,000,001 Indonesian Rupiah

Emerging Affluent

25,000,001-40,000,000 Indonesian Rupiah

Middle

8,000,001-25,000,000 Indonesian Rupiah

Malaysia



Wealthy

Above 12,001 Malaysian Ringgit

Emerging Affluent

10,001-12,000 Malaysian Ringgit

Middle

5,001-10,000 Malaysian Ringgit

Vietnam



Wealthy

Above 60,000,001 Vietnamese Dong

Emerging Affluent

22,500,001-60,000,000 Vietnamese Dong

Middle

8,000,001-25,000,000 Vietnamese Dong

Singapore



Wealthy

Above 15,001 Singapore Dollar

Emerging Affluent

11,001-15,000 Singapore Dollar

Middle

7,501-11,000 Singapore Dollar

## Survey Design

<div><b>Quantitative survey</b> (questionnaire)</div>	<p><b>Methodology:</b> Online survey</p> <p><b>Sample size:</b> 2,290</p> <p><b>Target population:</b> Male and female aged 20–49, SEC A–C, distributed into 3 segments: ASEAN Wealthy Class, Emerging Affluent, and Middle Class</p> <p><b>Survey area:</b> Thailand, Indonesia, Malaysia, Philippines, Vietnam, Singapore, Japan</p> <p><b>Survey period:</b> December 2022</p>
<div><b>Qualitative survey</b> (interviews)</div>	<p><b>Methodology:</b> Home visits</p> <p><b>Sample size:</b> 44</p> <p><b>Target population:</b> Male and female aged 20–49, ASEAN Emerging Affluent</p> <p><b>Survey area:</b> Thailand, Indonesia, Malaysia, Philippines, Vietnam, Singapore</p> <p><b>Survey period:</b> September–October 2022</p>

# The ASEAN Emerging Affluent Lifestyle

Here is a profile of the ASEAN Emerging Affluent visited by HILL ASEAN.  
Who are they? What lifestyles do they lead?

## WHO ARE The ASEAN EMERGING AFFLUENT?

### Casual, plain clothes

#NoLogo



#SimpleIsBest

### Enrich life through well-planned travelling

#Self-investment



#Well-planned

#ForExperience



### They invest in high-tech appliances

#IOTechs



#FoodTech



#KaraokeMachine

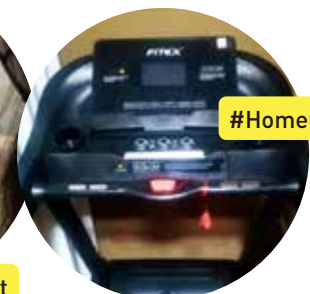


#CleanEating

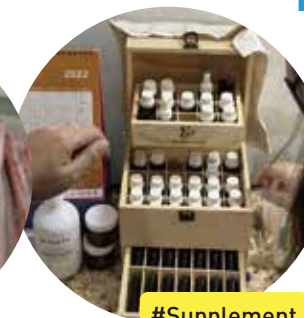


### Health is wealth

#HomeGym



#Supplement



### Believe in higher power

#Art

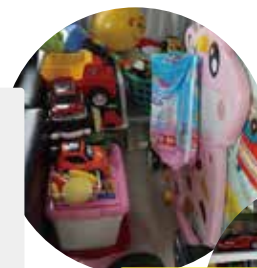


#Shrine



### Invest in children's education

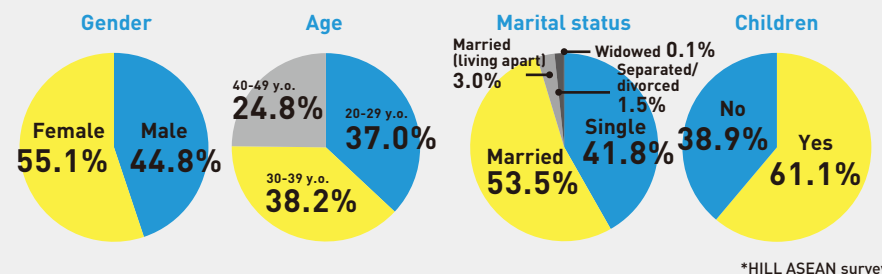
#EducationalToy



#MotivationalPhrase



### Basic info on the ASEAN Emerging Affluent





# Background and Values of the ASEAN Emerging Affluent

## Background

### STRONG MOTIVE TO BECOME WEALTHY

Most ASEAN Emerging Affluent faced constant adversity growing up. They know what it's like to struggle financially: being unable to pay the medical bills for a sick or injured family member, not getting the education they wanted, having difficulties getting the necessities of life. Some of them decided to leave home at a young age because of conflict with their parents. Something unforgettable has happened in their lives that gives them a strong motive for wanting to be wealthy one day, to fundamentally change themselves, to improve in a particular way.



"When my parents got sick, they didn't have enough money at home and couldn't afford insurance, so they didn't get adequate medical care."  
40y.o., Malaysia



"I was doing family business, but I was tired of relationship there. My dad got mad at me when I decided to run my own business. So I need to be successful."  
42y.o., Thailand



## Core values

### Self-reliance

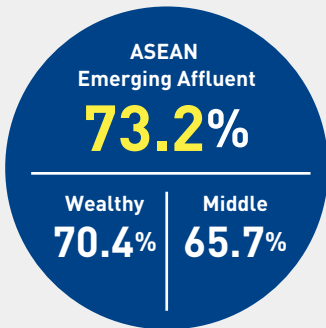
#### THE DETERMINATION AND DRIVE TO ACHIEVE A BETTER LIFE

Having had a rough upbringing, the ASEAN Emerging Affluent possess a determination to create a better life for themselves through their own efforts. And they have the drive to achieve it. Their determination is born of a desire never to experience the ordeals of the past again and not to let their kids and relatives go through what they went through. It comes from a wish to build a better life. That determination has made them men and women of action. They think pragmatically, possess the skills to formulate a life plan and strategy for the longer term, and have the willpower to steadily execute them.



"I have posted my goals at home."  
35y.o., Thailand

Q "I believe I can become wealthy by my own efforts"



Q What are the important traits that led to your success

ASEAN Emerging Affluent

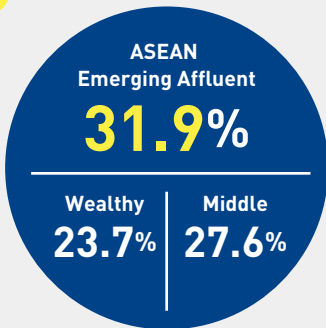
Persistence	29.1%
Determination	25.9%
Continuous learning	23.3%
Money management skills	22.5%
Honesty	20.8%
Blessed by God	16.6%
Adaptability	15.4%

### Reliance on a greater power

#### RESPECTFUL OF AN INVISIBLE HAND

Despite being realists, some among the ASEAN Emerging Affluent were found to share a strong belief in an invisible hand (divine power or fate), though they call it by different names depending on the region where they live: God, destiny, Heaven, qi, fortune, karma, or whatever. They attribute their success not only to their own hard work but also to fortune, good karma, or divine guidance. This belief instills humility, but it also makes them fearful about the future and apprehensive about what the invisible hand might bring at any time. The ASEAN Emerging Affluent are all the more cautious and pragmatic about their life planning because of this constant anxiety.

Q "I cannot become successful from my own efforts alone"



"Key of my success is luck. I'm lucky that I met my wife who can manage money and wealth."  
36y.o., Vietnam



"Money and talent are given by God. If we don't use them correctly and give back to society, God may take them away tomorrow."  
37y.o., Indonesia

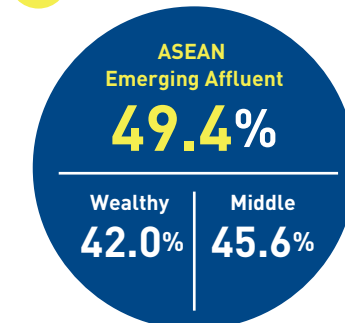


# Attitudes to Life among the ASEAN Emerging Affluent

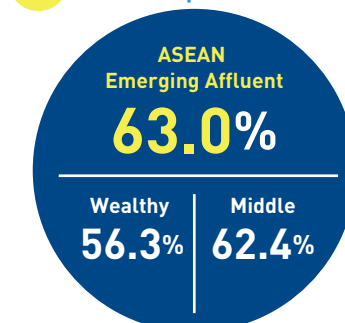
## THE HORIZONTAL LIFE ASSET BUILDING STRATEGY

The ASEAN Emerging Affluent are strategic thinkers and doers with a realistic life strategy for the longer term. They're looking for stability in life by trying to increase their safety buffers in the form of knowledge, skills, savings, and insurance, reinforcing the foundations of their livelihood. It's like building a house on level foundations, supported by multiple pillars for extra stability, so they're prepared for any eventuality such as economic crisis or unexpected accidents. Their life goals differ greatly from the vertical aspirations of the wealthy, who aim purely to be successful in business and to scale the social and financial heights as a family.

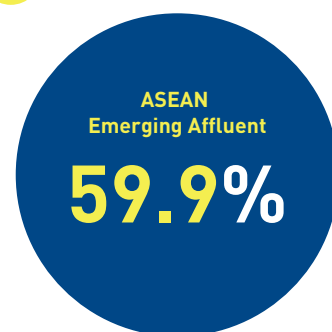
Q "Happiness is being without financial worries"



Q "More money means more independence"



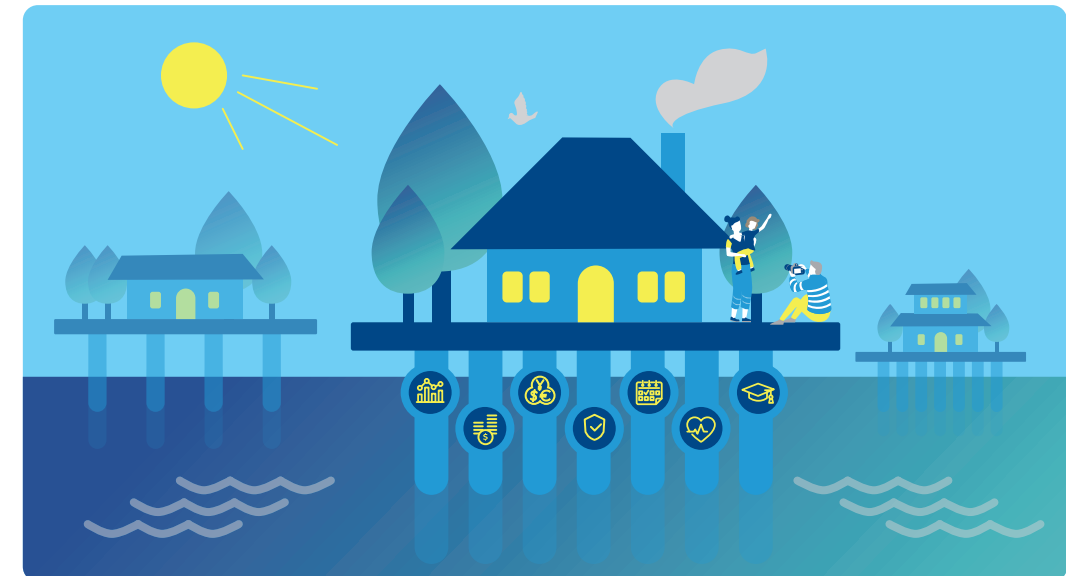
Q "I think it's okay to be number two because I don't want so much pressure"



"It is hard to be in the number one group. Instead, I would rather be about number two and live a comfortable and happy life with my family."  
40y.o., Singapore

## "RUNNER UP" MINDSET WHILE STRIVING TO BECOME THEIR BEST SELF

The ASEAN Emerging Affluent don't seek to make it to the top like the wealthy, but it's not that they are unambitious. The first reason is that they are aware that given present economic and social conditions, it's extremely difficult to join the wealthy class on their own. They also know that the process of doing so takes a heavy toll on one's life. That's why, being number two is a sweet spot for them. They aim to do better at work, in their family lives, as well as their passion and inner fulfillment while still having a space to breathe. They steadily build up a host of assets and resources and systematically make their preparations for the ultimate goal of achieving better, more stable life for themselves and their family.



## FLYING UNDER THE RADAR

Despite having a certain level of assets and income, the ASEAN Emerging Affluent don't lead a particularly ostentatious lifestyle. At first glance, they might be mistaken for the middle class. They resist the temptation to splurge on extravaganzas and continue to live modest lives. Why? First, they are aware that they are still only halfway there, so they should not spend excessively. They are also concerned about the negative consequences of leading a flashy lifestyle, which could attract unwanted attention. Since they come from middle-class backgrounds themselves, their middle-class neighbors might resent them or pester them for money. Therefore, they have made up their minds not to indulge in high living until they achieve greater stability in life.

"I'm choosing a brand that is a bit more premium than the so-called 'mass' option, as I believe the materials are better"



32y.o., Malaysia

"I don't have luxury items, but I have wealth."



40y.o., Thailand

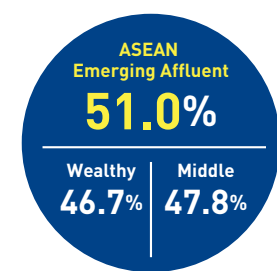


# Consumer Behavior and Attitudes of the ASEAN Emerging Affluent

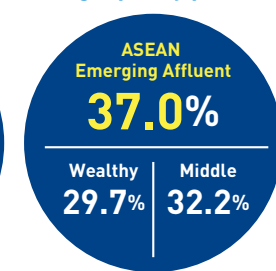
## Smart-sumers looking for FUNCTIONAL LUXURY

The ASEAN Emerging Affluent don't always shop solely based on a brand's image—whether “high-end,” “super-popular,” or whatever. When deciding what to buy, they assess the functional benefits for themselves and their families in a dispassionate manner. Is the product durable enough to use for a long time? Does it feature the latest technology? As they have less money to spend than the wealthy, they insist on cost-effectiveness. And because they're keenly aware of the need to prepare for the unexpected, they also consider a product's resale value when choosing it.

Q “I choose durable and long-lasting items”



Q Benefit of luxury: Enrichment through high quality products



“I carefully choose items that have functionality, premium quality, durability, and resale value. It makes more sense to invest in or use for my children, rather than wasting money on buying expensive things.”  
45y.o., Malaysia

## BRANDS AS SOCIAL PASSPORTS

In the ASEAN region, a person's social status and good character are judged by their appearance and belongings. What brand to choose is therefore critical. The ASEAN Emerging Affluent don't shop extravagantly. They shop for brands just right for who they are as a way to prove their position and status to others. They look for reasonably priced brands that will guarantee their status and ensure they're trusted.



“I bought a premium pen to support my image and reliability to client”  
31y.o., Indonesia



[About a brand shirt he was wearing] “I like it because the material is good quality, and it was at a great price point, considering it is a premium brand.”  
42y.o., Thailand

## “FOR THE FAMILY” IS A CONSUMPTION BOOSTER

The ASEAN Emerging Affluent are generally reluctant to loosen their purse strings because they don't yet think of themselves as wealthy. However, when it comes to their family, it's a different story. There's no limit to the amount they'll spend on things that family members want or need. In the ASEAN culture, family ties take precedence over all else. They are proud of being able to provide whatever their family desires, which is different from when they spend on themselves as some might even feel guilty doing so.

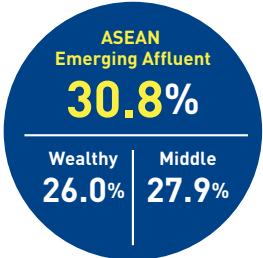
Q Who, and on what, do you spend money on?

ASEAN Emerging Affluent	
My parents	38.1%
My health (physical, mental)	38.1%
My partner and/or children	30.5%
A stable life	28.7%
My own pleasure	24.2%
My children's education and skill improvement	22.0%

## EXPERIENCES A PRETEXT FOR SPENDING

Surprisingly, only a handful of ASEAN Emerging Affluent own high-end brand products. However, when it comes to experiences such as traveling, staying in a hotel, or eating out, they take the opportunity to spend more. Rather than spending on luxury items, they prefer indulging in valuable, exclusive experiences. The reason is that buying luxury goods may make others jealous, but enjoying luxury experiences is less likely to draw criticism.

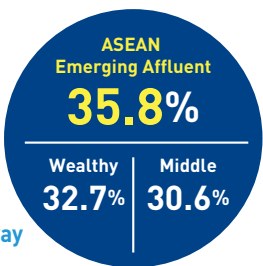
Q What have you spent money on recently? A: Travel



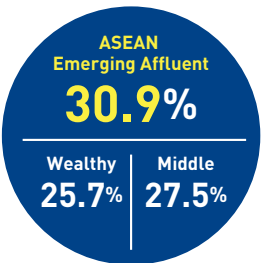
## HAPPY SHOPPING STRATEGISTS

ASEAN Emerging Affluent love to shop. They are also skilled shoppers who enjoy gathering information about new products and sales through their own research and reviews. They carefully decide what and when to buy while seeking the best value. They are even willing to go the extra mile to find the best-valued store. Thanks to their knowledge and enthusiasm in shopping, it is no surprise that people often turn to them for shopping advice.

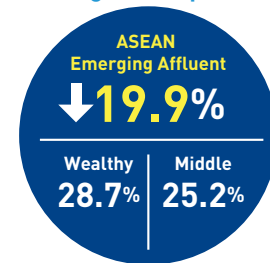
Q What is the benefit of luxury to you? A: Being able to have unique experiences that ordinary people cannot have



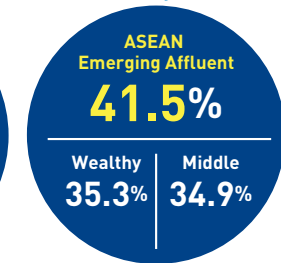
Q Shopping itself is fun and I like it



Q I think good quality things are expensive



Q I shop at cheap stores even if they are far away





# The ASEAN Emerging Affluent and the Media

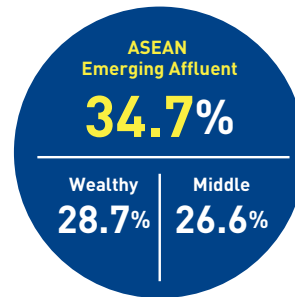
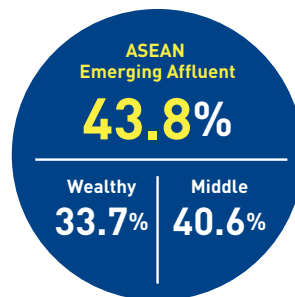
## Emerging Affluent are A Maven

### Info getter and sharer

The ASEAN Emerging Affluent are characterized by pragmatic, strategic thinking when gathering information. They're also enthusiastic gatherers of information on financial services for wealth-building purposes. But they don't just keep the information they gather to themselves, they are share it with the people around them.

**Q** I proactively collect information by myself

**Q** What kind of content do you like to view on social media?  
(A): Finance, investment



"I bought an application to collect and calculate all my cars' fuel information to save fuel fee."  
36y.o., Thailand



"I sold my hobby collection and started buying only when it's cheaper"  
35y.o., Vietnam

## HUMBLE BRAGGERS

### Share "Good Experience" as a show-off without worries of social criticism

The ASEAN Emerging Affluent are always humble when posting on social media. They do their best to avoid posting anything relating to brand-name goods or high-end items they've bought, because it might attract unwelcome attention. On the other hand, they proudly show off their spending on family, such as taking trips together. If family is the justification, even posts about staying in a luxury hotel tend to earn lots of likes without provoking the resentment of others.

**Q** What social media apps do you use frequently?

**ASEAN Emerging Affluent**

Facebook	70.0%
YouTube	61.8%
Instagram	43.5%
WhatsApp	33.5%
TikTok	26.5%
Twitter	17.3%



"I enjoy posting photos from my family trips because it tends to receive a lot of LIKES!"  
36y.o., Thailand

# Summary Who Are the ASEAN Emerging Affluent?



## Background

Strong motive for becoming wealthy, coming from their upbringing

The determination and drive to achieve a better life

Respectful of an invisible hand



## Life Values

The horizontal life asset building strategy

"Runner up" mindset, while striving to be best self

Flying under the radar



## Consumer Attitudes and Behavior

Functional Luxury

Brands as social passports

"Experiences" and "For the family" is a consumption booster

Happy shopping strategists



## Attitudes to Media

Emerging Affluent as A Maven

Very active in collecting information on financial topics

Humble Braggers  
Share "Good Experience" to show-off but avoid trouble



# The Omnimizer

ASEAN *sei-katsu-sha* who, by systematically developing a full array of tangible and intangible assets and skills, stabilize and strengthen their livelihood and achieve sustainable growth.  
Humble but driven people that know what they want

The ASEAN Emerging Affluents are unique in the sense that their aim is to optimize shared wealth and relationship potentials. They strengthen the various foundations of their lives to ensure stability, longevity and their continuous growth. They widen their horizons first before making the next step in climbing the ladder of socio-economic classes.

This coined term by HILL ASEAN in 2023 could also be used as a verb.

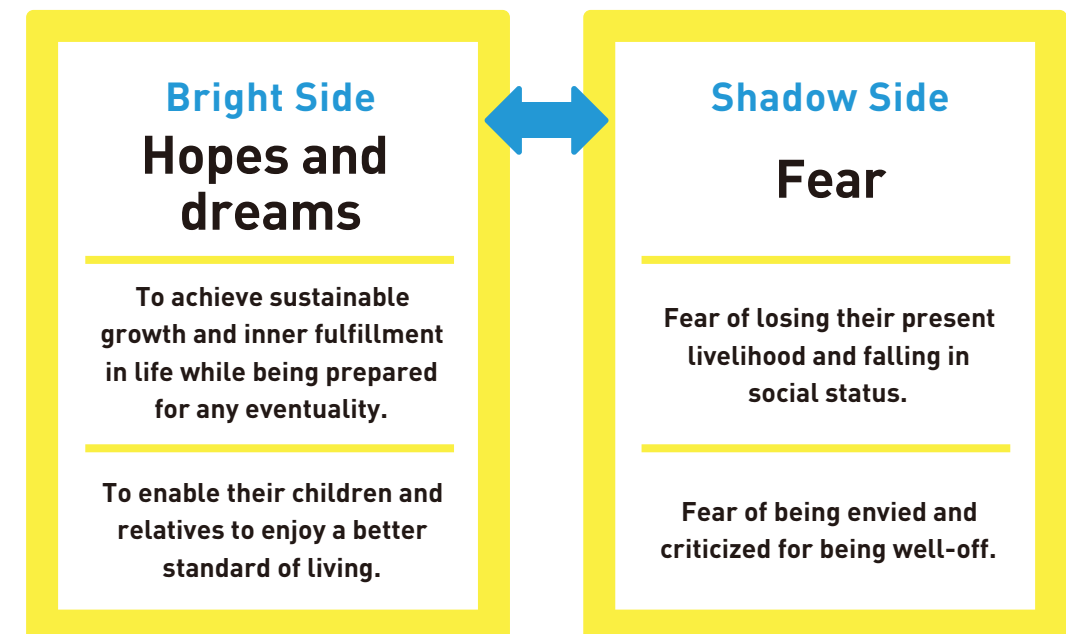
“To omnimize” means to succeed across all the pillars in one Emerging Affluent’s life, and this could be in any pillar. They can be life omnimizers, progress omnimizers, and even spiritual and social omnimizers.





## Three Keywords



One of the traits of ASEAN *sei-katsu-sha* in general is enjoying living for the moment. But the ASEAN Emerging Affluent take a longer-term, strategic view of things. Their first priority is to achieve stability in life. And they don’t become boastful just because they’re better-off. They calmly take action to achieve their goals, without losing their humility.

## The bright and shadow sides of the ASEAN Emerging Affluent



	Wealthy class	ASEAN Emerging Affluent	Middle Class
 Aim in life	Create more wealth for the next generation	The horizontal life asset building strategy	Want to live their ideal lifestyle
 View of success	Something passed down	Something achieved through their own work and surrounding support	Something acquired through their hard work
 View of money	A means of privilege and mark of status	A means to preserve stability	A means to display desired lifestyle
 Consumer attitudes	Enjoy the finest merchandise, exclusive products and experiences	Enjoy consuming experiences with family. Seek maximum functionality	Enjoy buying items to display their upgraded lifestyle

## Marketing Implications

### What companies and brands need to deliver to the ASEAN Emerging Affluent: The 3 L's

1

#### Low-key

#### Offer maximum functionality, not flashiness



The ASEAN Emerging Affluent tend to shun luxury items, for two reasons. They think of themselves as not wealthy enough to own high-end products and they want to avoid being criticized by others. They're extremely logical, and not swayed by trends. However, they're happy to pay money for products that offer the best functionality. Maximally functional products, especially in categories like consumer electronics, cars, and devices, are seen as worth investing in because they create greater convenience for ASEAN Emerging Affluent families and enrichen their lives. So offer brands and product lines with superior specs tailored to the low-key personality and selection criteria of the ASEAN Emerging Affluent.

2

#### Longevity

#### Become life planner and life consultant for the entire family

One of the things that motivates the ASEAN Emerging Affluent is a desire to avoid anxieties in the family. They're concerned about the various unknowns that could happen to themselves and their family in the future, and they take action to prevent them.

Your brand therefore needs to do more than sell them a product or service. It needs to be a trustworthy consultant who listens sympathetically and advises them on all aspects



of their lives. So always be there for them in life. Determine what worries they have about the future, join them in devising ways to address them, and deliver solutions. Becoming a means of eliminating their worries will increase customer lifetime value for your brand.

3

#### Love-tribution

#### Offer ways to enjoy and demonstrate their and their family's affluence

The ASEAN Emerging Affluent are happy to spend lots of money on family. Having a satisfied family is a great way to enjoy the feeling of being well-off. Plus being "for the family" functions as an excuse. It takes the guilt out of spending money. Consumption with family also has another advantage for the ASEAN Emerging Affluent. They can show it off to everyone. Posting about it on social media tends to attract likes (and not envy).

The ASEAN Emerging Affluent typically only engage in demonstrations of affluence when traveling or eating out. So design actions in your category or across the entire market that will let them do just that. This will motivate them to spend extra and lead them to purchase related fashion or other items. For example, create commemorative occasions complete with actions (special events involving consumption).



Hakuhodo Institute of Life and Living ASEAN offers a full range of expertise and solutions for winning over the ASEAN Emerging Affluent. For planning advice, please contact your regular Hakuhodo Group representative or Hakuhodo Institute of Life and Living ASEAN.



## By Nation Findings

Our researcher's analysis of the Emerging Affluent in their own country and the marketing implication. We abbreviate "Emerging Affluent" as "EA" in this part.



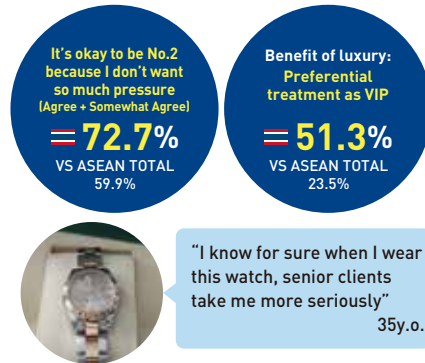
Thailand

### THE HUMBLE HUSTLER

Making sure to blend in, while strategically take advantage of luxury materials to push further in life in order to ensure the stability of family and risk-free future

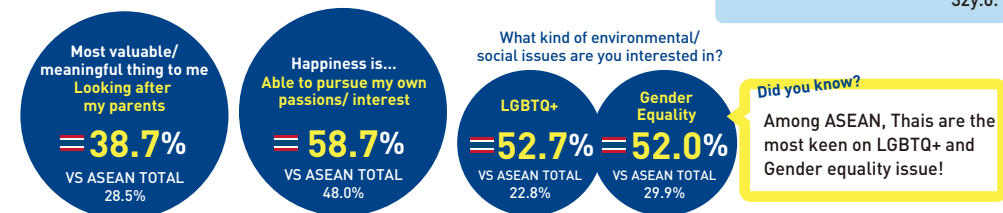
#### Key Findings #1 Luxury materials to shield themselves from fear of social judgement

Thai EA may appear to be a show-off type, but that is not because they want to be the center of attention. On the contrary, Thais prefer a peaceful and stable life without too much pressure to always be on top. But in a society where societal gap is so severe, for them to move forward in building their career and financial stability, they must "act the part." To them, usage of luxuries are not for bragging, but a tool that will give them respect and preferential treatment and connection. In other words, shield them from insecurity of being judged by their circle, which may slow them down or make them go back to their previous lifestyle.



#### Key Findings #2 Prioritize self, to provide the best for family

In Thai culture, taking care of family and especially parents are of the most meaningful things in life. But for Thai EA to be truly happy, it seems they're making sure that their personal wants and needs are being met. It could be that they realize they cannot give from an empty cup, so they make sure to fulfill themselves, keep their body and mind in a good state, so that they can continue to provide to others in a sustainable, healthy way.



\*Base: ASEAN Emerging Affluent

#### Marketing implication "Subtle VIP experience" Membership program for me and my loved ones

Thai EA are logical and realistic, but an occasional "subtle VIP" treatment would be a positive boost to their confidence and symbolize as a prove that they have somehow made it. Brand can assist this by creating a membership program that provides not only promotion, but also a special VIP experience that allow them to choose whether they want to go subtle, or a little extravaganza. Most importantly, this privilege should be extendable to not only their direct families, but also their loved ones to show brand's understanding of Thais' openness to diversity.



Indonesia

### THE NURTURING PLAYMAKER

With an eye on the big picture, they have the skills to lead and empower everyone around them to move forward with strength into a better future.

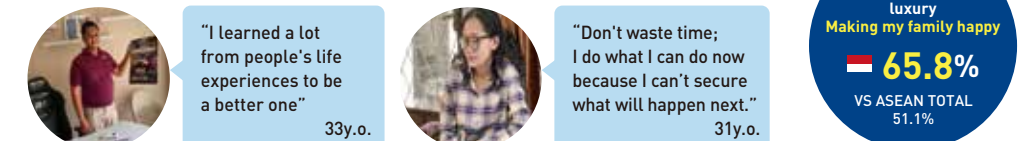
#### Key Findings#1 Returning favors to God and people around them will reinforce them to go further

Indonesian EA often believe that success cannot be achieved by their own efforts alone, but only with the existence and help of God and people around them. Hence, they feel that they must return the favor to show their gratitude. With this dynamic of receiving and reciprocating, they are able to look far into the future and dream big. Not just for their own sake, but also to become a leader – a catalyst for positive change for the people around them.



#### Key Findings#2 Help the next generation move forward without difficulty by sharing tips from their own experience

Indonesian EA have passed through the "surviving" phase to the current stage of "Increasing prosperity for their own wealth and family." They think of strategies to move forward for the mid to long term. Having said that, they are not overly optimistic and have fear that the next generation will experience the same hardship that they did in the past. To address that, they share with their children and the next generation the "shortcuts to success" (knowledge, relationship-building skills, etc.) that they have learned and acquired to ensure a smoother journey for their loved ones.



\*Base: ASEAN Emerging Affluent

#### Marketing implication After-sales support to make mid- and long-term life partners for themselves and their families

Indonesian EA put more focus on "future" and "family" interests rather than "current" and "self" interests. How does buying the brand or product lead to "mid- to long-term" happiness of "people around me, including myself"? This is an important factor to whether they will continue to choose a brand. For example, as part of after-sales support, brand can conducts planning and consulting activities for the customer's "medium- to long-term life planning" (within the scope of the product category), e.g., "food - health," "family relationships," and so on. By becoming a "partner" that supports the customer for a long time along with the product, the brand will be able to maintain a deep relationship with the emerging wealthy Indonesian market.





Vietnam

## THE PROUD MIND-FREEDOM SEEKER

Vietnamese EA are proud that they have succeeded in achieving a “lifestyle of freedom that is uniquely their own” as a result of their hard work and belief in their abilities and destiny. However, they are not overly proud of their current status and are willing to work harder for further personal growth.

### Key finding #1 Hard-working to achieve privilege of freedom

An unique characteristic of Vietnamese EA is that they see the greatest benefit of being wealthy as being able to have freedom. This is due to the Vietnamese belief that unless you have achieved certain goals (e.g. financial success, the ability to support a family, etc.), you are not allowed to choose a lifestyle as you wish. Vietnamese EA are proud and happy to be able to choose their own lifestyle now that they have achieved success as a result of their hard work and success.

The benefits of luxury  
Freedom to do  
whatever I want  
★ **56.7%**  
VS ASEAN TOTAL  
43.0%



### Key finding #2 The ability to plan and act, no matter the size of the dream

Vietnamese EA are extremely hard-working. Whether they have a simple dream (e.g. to live peacefully on a mountain top) or a big dream (e.g. to build a mental help centre), they boldly act with a clear plan to realise it, and are willing to go through the hardships of the present.

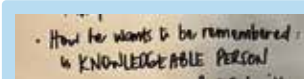


“Dare to dream, work to win” tattoo 32y.o.

Money Value  
I'm willing to work  
extremely hard to earn  
more money  
★ **52.0%**  
VS ASEAN TOTAL  
42.5%



“I want to build a Happy Village for people who are mentally unwell to come and heal themselves” 40y.o.



\*Base: ASEAN Emerging Affluent

### Key finding #3 Never ending self-growth

Vietnamese EA actively invest in learning, as they are oriented towards 'personal growth' as a benefit of becoming affluent. One possible explanation behind this is the influence of Confucianism in Vietnam which put high value on knowledge and education. Another possible historical perspective is that learning was the only way to step up socially in the agrarian culture. Vietnamese EA are keen to continue their learning journey, not only to acquire wealth of knowledge through their hard work, but also as a hobby and as role models for the next generation.

### Marketing Implication Become the “personal-growth partner” to broaden Vietnamese EA's world

Vietnamese EA are not satisfied with the status quo and continue to aim higher through self-improvement. By creating “learning platform/experiences,” such as in-stores event or online courses that provide knowledge worth learning and unique to the brand, it will stimulate their motivation and catch their attention. Help expand the world of Vietnamese EA and become a brand that accompanies them in their personal growth journey. (e.g. food and beverage - nutrition, consumer electronics: interior and lifestyle design)



Philippines

## THE RELATIONSHIP AMPLIFIER

They choose the people they connect with and the relationships they build because if each connection is strengthened and works to their advantage, they can positively affect their, and their family's, future.

### Key finding #1 Discreet, but Very Selective, People Choosers

They may seem like very extroverted people who can talk to almost anyone in the room, but they actually make sure that they stay close to the people who would one day benefit them. For example, many Filipino parents are enthusiastic in sending their children to more prominent schools to ensure that they build the network they would need in the future. But, they do this in a very discreet manner to ensure that they still appear inclusive and non-discriminating. For Filipino EA, it's a smaller world when you make the right connections.

Relationship Value

I can become friends  
quickly, even with  
someone I have met  
for the first time  
★ **39.0%**  
VS ASEAN TOTAL  
28.9%

I like socializing  
★ **45.0%**  
VS ASEAN TOTAL  
28.2%

### Key finding #2 Ambitious in all life aspects

Filipino EA are inclined to invest in several aspects of their lives — from career, hard & soft skills, relationships, hobbies, to investments. They are the type to make sure to create a certain balance between those aspects because they believe that maintaining that sort of balance will keep them satisfied in general. They also acknowledge that these different life aspects compliment each other.

Prefer safety and  
stability over risk  
(Agree + Somewhat Agree)  
★ **58.0%**  
VS ASEAN TOTAL  
43.2%



“I make sure to save 23-25% so I have a safety net for difficult times, but I make sure to watch out of opportunities to invest that would benefit me and my family.” 43y.o.

\*Base: ASEAN Emerging Affluent

### Marketing Implication People Marketing: brand community for connection

Filipino EA value their connections and they know they have the means to build good relationships with them, there is an opportunity to let them know the kind of people they can connect with through a product or service in order to fit their long-term goals by organizing online and offline community events to provide a special brand experience and also gather feedback and ideas about the brand straight from the source.

By focusing on the people first and the product or service second, the more our target market will feel inclined to try it.





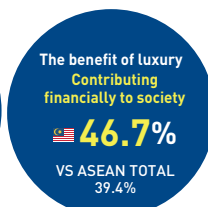
Malaysia

## THE THRIVING UPLIFTER

Humble in attitude and successful in mindset, they believe that there is always room to build strong foundation and grow into a “Role Models” who can pass on their legacy to the next generation.

### Key finding #1 “Progress-oriented” mindset: Always moving forward to ease fear of slowing down

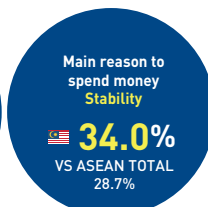
Despite having achieved a certain degree of success, Malaysian EA are always aiming for personal growth. They grew up insecure of their situations as they grew up comparing themselves with people more fortunate than them. Their “sense of growth” comes with the ability to accomplish more and that is what makes their lives worth living. They see hardship as opportunity, and they are tenacious and proactive in tackling new challenges head on. They are also active in social contribution activities, seeing it as their duty to contribute not only to their own personal growth but also to the growth of their societies communities.



Life is sometimes difficult, but I am happy that I am growing through hardship every day.  
32 y.o.

### Key finding #2 Building a legacy as a blueprint for future generations to refer back to

Malaysian EA have a strong desire to provide and enable their children and parents with the privilege of doing things they always wanted, but may not have been able to do in their early lives. To do this, they place the a big priority on building a strong economic foundation that will enable their families to survive through all of life’s possible circumstances that include preparing for a financial crisis or sudden illness.



“When my family broke his arm, we couldn’t afford the medical bills and we had to make ends meet. I put the whole family on insurance so that my children wouldn’t have to go through that.”  
40 y.o.

\*Base: ASEAN Emerging Affluent

### Marketing implication Product and service experiences that allow families to feel a “sense of growth” together

In pursuit of “growth,” Malaysian EA constantly strive for a better life for their families. In order to enrich their lives, products and services that can “grow with the whole family”. For example, a sporting goods manufacturer could offer a program that helps the whole family develop the habit of exercising together. If you are a beverage manufacturer, you may have an opportunity to design an experience that allows the whole family to share the effort of “staying healthy” and enriching their lives together, such as a program to track the daily hydration of the whole family.



Singapore

## THE MULTI CAPABILITY BUILDER

No worries about retirement, thanks to the country’s excellent pension system. After frantically worked to acquire the “Big Items” (houses, marriages, and cars), now is a bonus time for Singaporean EA where they can shift their focus on deepening their spiritual richness.

### Key finding #1 Adept at steadily increasing assets to be considered successful in competitive society

Due to Singapore’s small land size and government regulations, it costs a fortune to purchase a house and a car. Thanks to strong interest in finance, Singaporean EA have developed the habit of growing their wealth through saving and investing. Our research shows that 50% of Singaporean EA like to browse financial content on social networking sites, and 65% save money on a regular basis. This is reflective of Singapore’s competitive society, and the value that wealth is the biggest indicator of a person’s success.



“I actively seek expert advice on managing wealth and investment. and I bought a condo with cash!”  
41y.o.

### Key finding #2 Maintaining material wealth while shifting to emphasize experiences that fulfill the heart

Singaporean EA spend more on experiences than goods. 50% said “the value of luxury is to travel abroad often and enjoy the experience.” Growing up in competitive environment, they aimed to be at the top for education, employment, and wealth while frantically earning money. Once they have financial stability and essentials, they want to be spiritually fulfilled through experiences, as their mindset shifted to believing that always trying to be No.1 is exhausting and so second best is enough. Since family ties are strong in Singapore, experiences that can be enjoyed by the whole family is valued important.



“I had my backpacking days. it was an eye-opening experience that I can carry for a lifetime. I want to travel with my wife to create that experience for her too.”  
38y.o.

\*Base: ASEAN Emerging Affluent

### Marketing implication Pursuing effect of “investment vs. family satisfaction”

Singaporean EAs are characterized by the importance they place on family relationships (their own household and extended family) and their meticulous research when it comes to spending. They have a keen eye for minimizing wastefulness, so it is important to emphasize the unique cost-effectiveness of your product/service offering. The “effectiveness” they seek is not just cost-related, but also implications such as, “What is the meaning or value of this investment?,” “I wonder if I can exceed my family’s expectations and bring them happiness,” or “I wonder if my family would be proud of me.” They have strict criteria, but they are willing to invest and spend for something they are convinced of, which makes them an attractive target.

# What is Hakuhood Institute of Life and Living ASEAN?

## A think tank dedicated to studying *sei-katsu-sha*

Hakuhood Institute of Life and Living ASEAN (HILL ASEAN) was established in 2014 as the Hakuhood Group’s think tank in the ASEAN region.

By studying the new lifestyles of *sei-katsu-sha*—our term for the holistic person—emerging in this region and sharing marketing ideas about them, we hope to help companies with their marketing efforts in ASEAN countries.

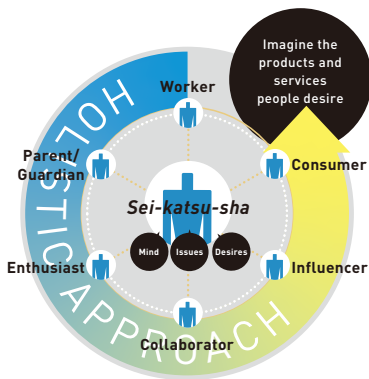
## Hakuhood’s *sei-katsu-sha* Insight philosophy

At Hakuhood, we describe people not simply as “consumers” but as *sei-katsu-sha*—fully rounded individuals with their own lifestyles, aspirations, and dreams.

“Consumer” is a producer-centric term that refers only to one facet of people’s lives.

Human beings don’t exist solely to consume. They do much more than just shop. They are workers, residents, citizens, somebody’s son or daughter, and perhaps also a parent.

At Hakuhood, we use the term *sei-katsu-sha* to go beyond the consumer to understand the whole person and develop marketing approaches based on their true desires.



# Why study ASEAN *sei-katsu-sha*?

The formation of the AEC (ASEAN Economic Community) has given further impetus to the flow of people and goods within the region and heightened interest in ASEAN as one big market.

ASEAN is a patchwork of countries that differ in language, religion, and cultural background. However, identifying commonalities among ASEAN *sei-katsu-sha* that transcend these differences makes it possible for us to gain a bird’s eye view of the entire ASEAN market.

Determining what ASEAN *sei-katsu-sha* have in common also serves as a useful yardstick for understanding how each country differs.

Gain a bird’s-eye view of the overall ASEAN market as it becomes more integrated through the AEC

Understand what makes each country’s *sei-katsu-sha* distinctive

- Survey, research, and presentation
- Hakuhood Institute of Life and Living ASEAN (HILL ASEAN)
- Farhana E. Devi Attamimi (Indonesia)
- Yuko Ito
- Tomoka Takada
- Prompton Supataravanich (Thailand)
- Eka Harithsyah (Indonesia)
- Jade “Jedd” P. Ilagan (Philippines)
- Inayati Suryani (Indonesia)
- Supapen Chirakwanchay (Thailand)
- Bavontut Udomwong (Thailand)
- Touchchai Kleebbua (Thailand)
- Narawit Kongko (Thailand)
- Songkran Chirayunon (Thailand)
- Teeramet Nitichanyawong (Thailand)
- Rinnatha Thanlap (Thailand)
- Sanu Pratomo (Indonesia)
- Kumiko Horiba (Singapore)
- Louis Chan (Singapore)
- Maria “A.I.” Tolentino (Philippines)
- Patricia “Summer” Siao (Philippines)
- Ananda Swinburne (Malaysia)
- Ha Le Uyen Phuong (Vietnam)
- Nguyen Kim Thanh Thao (Vietnam)
- Chisa Uhira (Japan)
- Hakuhood Institute of Life and Living (Tokyo)
- Shuzo Ishidera
- Hiroshi Hori
- Akemi Natsuyama
- Design and creative direction
- Musubi Co., Ltd.
- Masafumi Mizutori
- Survey work
- YI Consulting
- Feifei Suo
- Overall direction
- Hakuhood International
- Shuntaro Ito
- Hideaki Sato
- Teruhisa Ito