

URBANIZING

Six-nificant

Meet
the
URBANIZING SIX

A comparative profiling of the 6 significant emerging provinces of Thailand versus Metro and Urban provinces.

6 urbanizing provinces

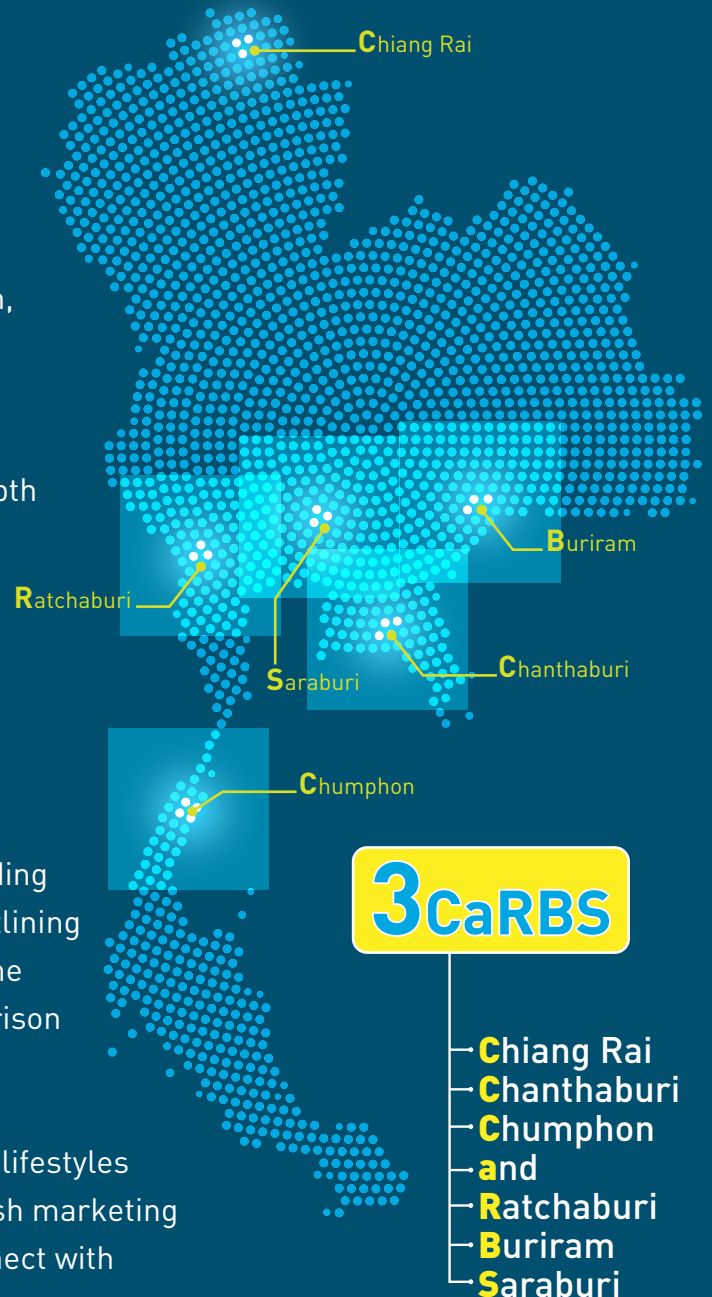
3CaRBS

As big companies aggressively compete with other big companies in Bangkok and other viciously competitive major cities, there are emerging or “**URBANIZING**” provinces that are still relatively free of intense competition, yet are developing at a pace that make them undeniably worth entering.

In our last issue we had identified, through in-depth and comprehensive studies about the emerging **URBANIZING provinces** to look out for in the years to come. These provinces are Chiang Rai, Chanthaburi, Chumphon, Ratchaburi, Buriram and Saraburi. For short, we simply refer to them as the 3CaRBS.

In this issue we will delve deeper into understanding people in URBANIZING regions. This includes outlining the similarities, but perhaps more importantly, the differences of the URBANIZING people in comparison to those in the METRO and URBAN regions.

These key differences reveal insights about their lifestyles and attitude in life, as well as recommending fresh marketing implications for brands to better attract and connect with this emerging region.



THE URBANIZING

Who are they and why they are up and coming

In our research, we looked into the lives of people in Metro, Urban and Urbanizing regions. We found that they differ in several aspects, but two aspects in particular sharply stand out to shape their core characteristics. The first aspect is their spending behavior and the second is their attitudes towards the future. While marketing towards Metro and Urban regions have undeniable, well-acknowledged appeal – it's the Urbanizing regions that hold untapped potential. Here is why we think Urbanizing regions might just be the next big thing.



METRO
THE PRUDENT

Metro people are the most **concerned** about their **future**, showing more **care and thoughtfulness** towards building **future** stability. Faced with higher cost of living, they are also burdened with higher levels of expenses. So, they tend to be more **careful** with how they manage, spend and invest their money as stability is an important focus for them.



URBAN
THE CAREFREE

Urban people are the most **optimistic** towards the future. Their spending behavior tend to reflect a “**live-for-today, tomorrow-will-be-fine**” outlook on life with over 60% of Urban respondents stating that they spend all their income without money left over by the end of the month.



URBANIZING
THE PRACTICAL

Urbanizing people share more **thoughtful** spending behaviors, similar to those in Metro, but have the **hopeful optimism** for the future, similar to people in the Urban regions. Sensible like the prudent Metro but without their worries for the future - they live in the present, **grounded in reality**, all the while making sure their finances are stable and heading in the right direction.

THE 3 REGIONS AT A GLANCE

Below is a summary of 6 aspects measured across the 3 regions. We'll go over the details of each of them and how they subsequently help shape the characteristics of the people in Urbanizing regions, in comparison to the two other regions.



**METRO
THE PRUDENT**



**URBANIZING
THE PRACTICAL**



**URBAN
THE CAREFREE**

| | METRO THE PRUDENT | URBANIZING THE PRACTICAL | URBAN THE CAREFREE |
|---|---|--|--|
| Occupation | Mainly Corporate employee | Mainly Entrepreneur/ Freelancer | Mainly Entrepreneur/ Corporate employee |
| Percent of income set aside for fixed expense | 34% | 27% | 30% |
| Percent of people with money remaining by month's end | 44% | 36% | 17% |
| Percent of people who believe their future life will improve | 44% | 64% | 87% |
| Activity done during free time | Activities which are done alone | Activities done with family as well as activities done alone | |
| Decision maker in the household (male vs. female) | More traditional gender-based decision making roles | Equal participation of women and men in decision making | |

“FLEXIBLE TO BE FREE”

Metro people are predominately corporate employees meaning they tend to have a stricter, more fixed routine on workdays. In contrast, the Urbanizing with over 60% working either as entrepreneurs or freelancers, allows them more flexibility with their time and more freedom to manage their days to better suit their needs.

Occupation



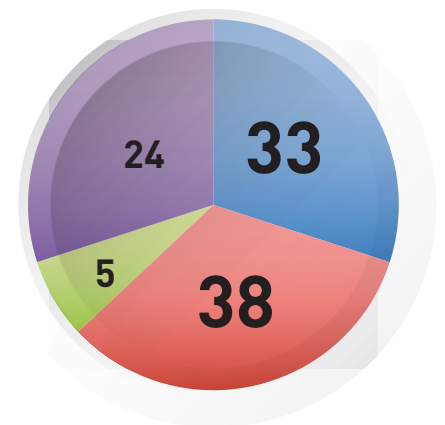
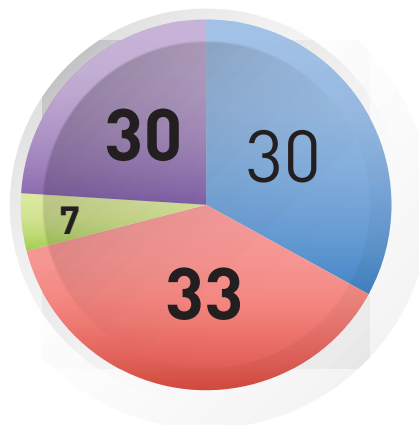
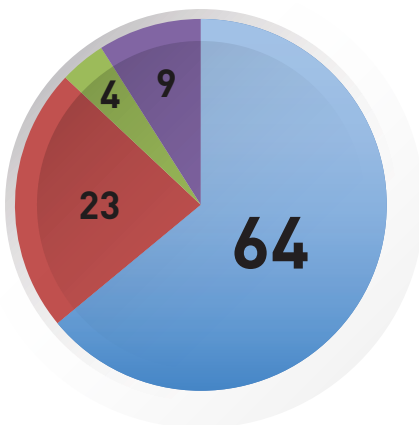
METRO
THE PRUDENT



URBANIZING
THE PRACTICAL



URBAN
THE CAREFREE



● Corporate employee ● Entrepreneur ● Civil servant ● Freelancer

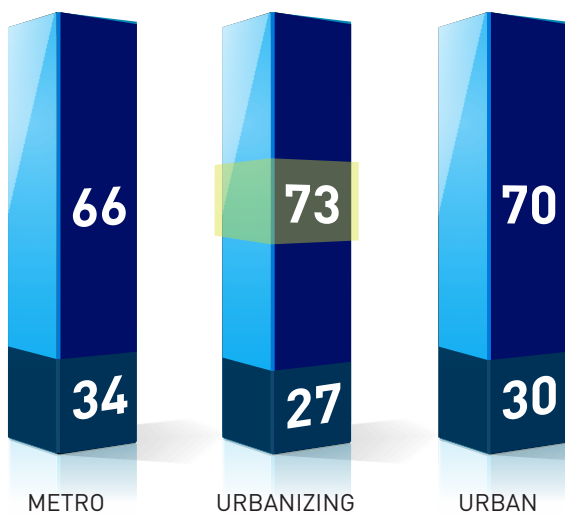
“SMALL EXPENSE WITH SAVINGS IN THE POCKET”

Just 27% of the Urbanizing’s income goes to fixed expenses – the lowest among the 3 regions. This leaves them with 73% of their income for other types of spending. Yet they seem to show restraint in their spending with 36% claiming they have money left over at the end of the month.

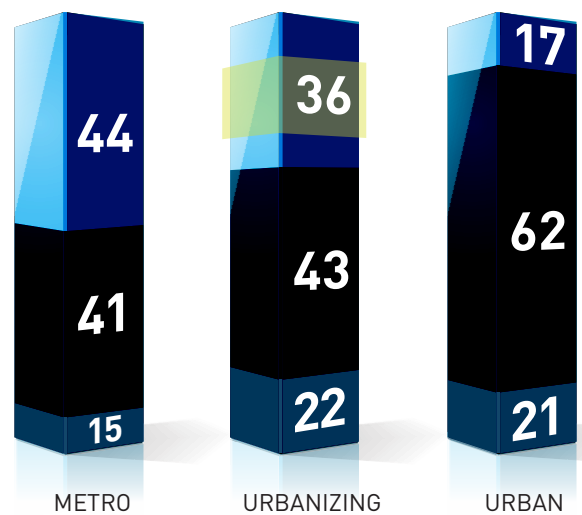
In sharp contrast are the more carefree Urban people, who despite having a low proportion of their income going to fixed expenses, are more financially restricted by the end of the month. Only 17% claim to have money left over at the month’s end.

Then, there are the prudent people in Metro who have the highest level of fixed expense yet at the same time score highest for having money remaining by the end of the month making them the least financially constrained of them all.

Ratio of fixed expense to remaining money (based on personal income)



Sufficiency of remaining money



● Fixed Expenses ● Remaining Money

● Not enough ● Have remaining Money ● Spend all but enough

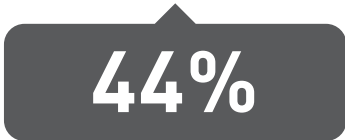
“CAUTIOUSLY OPTIMISTIC”

When looking at Urbanizing’s outlook on life, they are generally optimistic about the future with 64% believing that their lives will improve. Although they are positive, they tend to show more restraint in expressing their optimism if compared to their counterparts. This can be attributed to improved financial situation, healthcare and technological developments in their regions which has yet reached the levels experienced by the urban regions, who are much more positive.

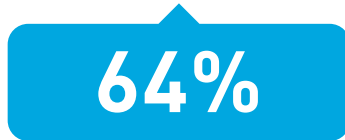
“My life in the future will improve”



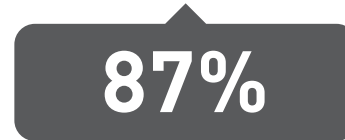
METRO
THE PRUDENT



URBANIZING
THE PRACTICAL

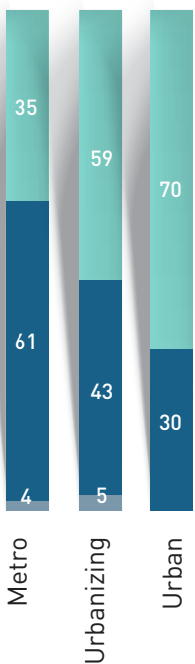


URBAN
THE CAREFREE

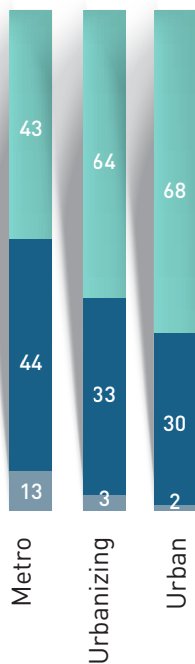


It is possibly due to the faster pace of improvement in their regions. Meanwhile, people in Metro are more wary of the future than other regions with just 44% believing their lives will improve. This can be attributed to the saturated and static state of their finances and infrastructural development.

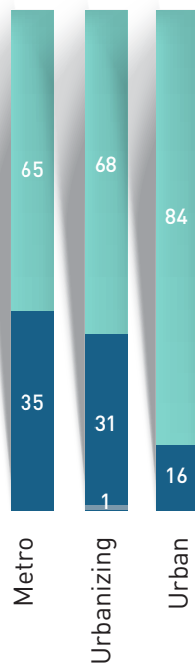
You and your family's financial status



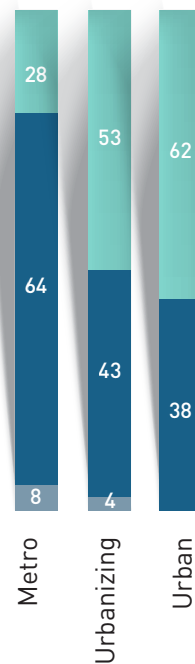
Opportunity to earn income



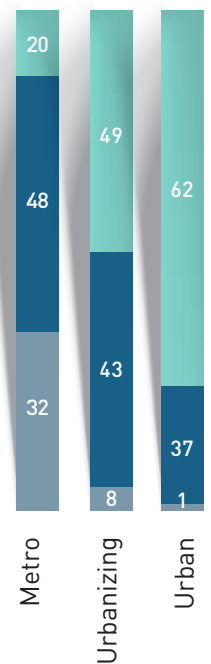
Accessibility to technology to receive information



Access to health care



Life security



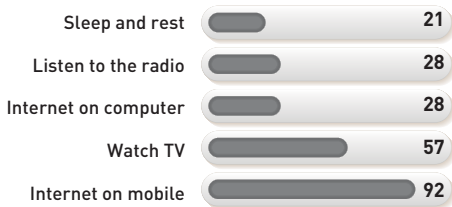
● Worse ● Unchanged ● Improve

“FAMILY-ORIENTED LIFESTYLE”

Despite the differences between the Urban and Urbanizing regions outlined earlier, they do share one clear similarity – they dedicate free time to their families. “Leisure with family” is one of the top 5 activities for both weekdays and weekends. However, they do carve out time for themselves to simply sleep & rest and do other “alone” activities such as using the internet on their mobile phones.

In contrast, people in Metro prefer to spend their free time doing activities alone. This is especially true for the weekdays. Perhaps it’s due to the hectic nature of city living that minimizes the opportunity for family time or simply the need to decompress alone after a busy day.

Top 5 weekday activities



Top 5 weekend activities



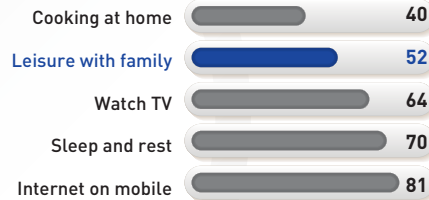
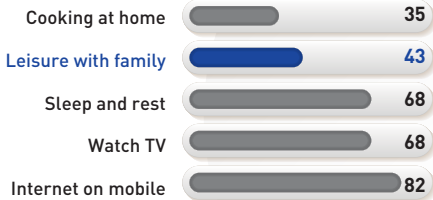
Me and my interest



Me and my family



Me and my family

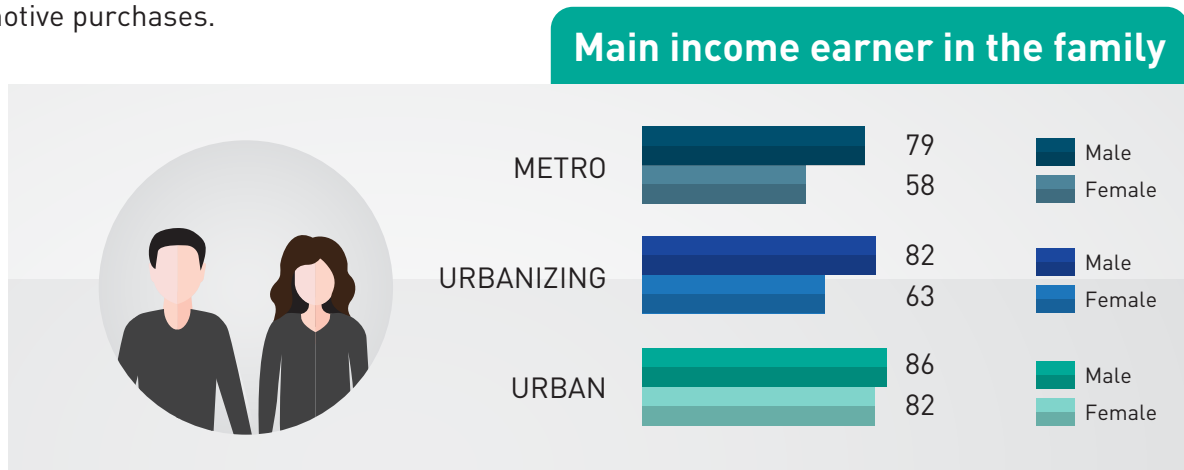


“EQUAL DECISION MAKING POWER IN THE FAMILY”

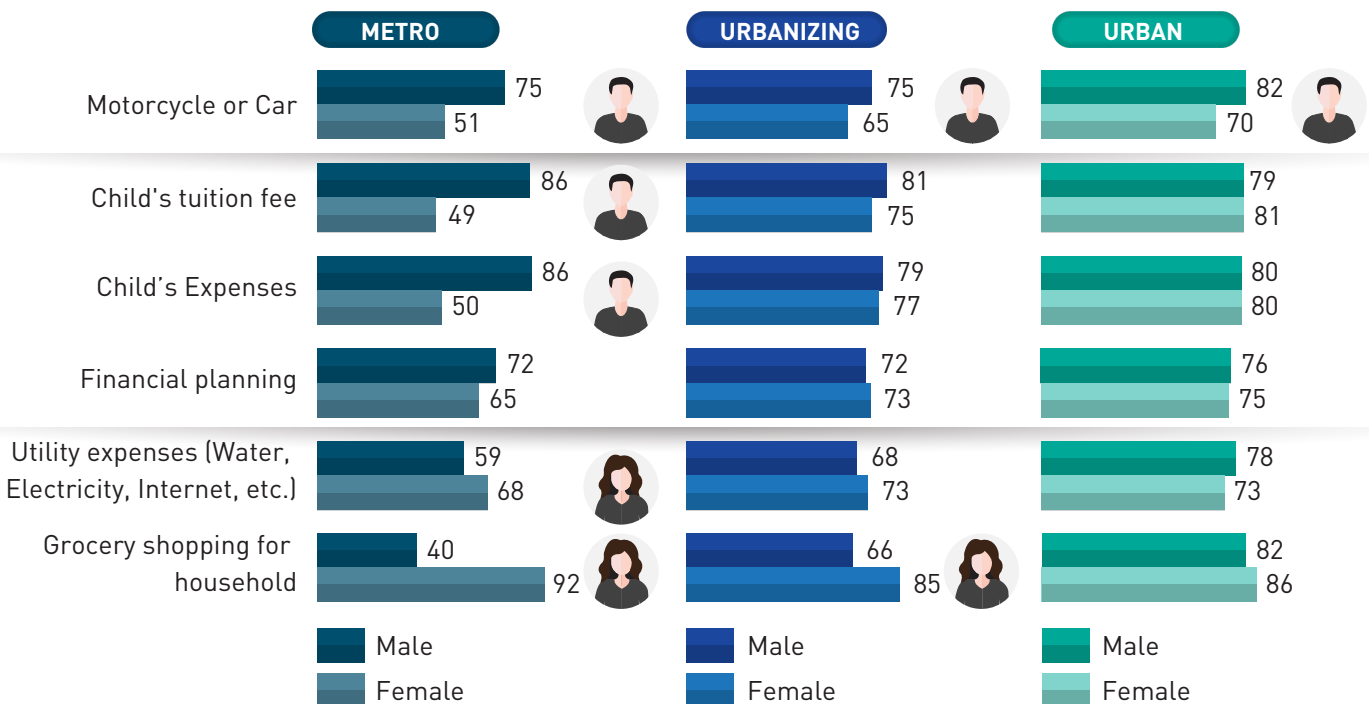
For families in the Urbanizing and Metro regions, male clearly dominates as the main income earner for the household. In Metro, this leads to men taking on more responsibilities for purchases and financial decision making. The only exception pertains to decisions related to household management, namely, paying for monthly utilities and grocery shopping which is taken on more by women.

However, for Urbanizing families, despite income earners being dominantly male – decision making in the household tends to be more balanced. This equality in decision making is also prevalent in Urban regions as well. Simply put, there is more equality in decision making among Urban and Urbanizing families regardless of the gender of main income earner. This is possibly due to the more family-oriented nature of these two regions, while we have seen higher preference for individualism in Metro people.

To note, the exception where men have much larger role in decision making across all 3 regions is automotive purchases.



Responsible person or decision maker in the family



People in Urbanizing regions do show some unique characteristics and attributes which differ from their Metro and Urban counterparts.

These differences, when taken into considerations by marketers and communicators alike, can help create more meaningful relationships with their Urbanizing base.



URBANIZING
THE PRACTICAL

PRACTICAL URBANIZING PEOPLE...

- Have a level of **flexibility with time** attributed to the “self- employed” nature of their occupations.
- Are more **thoughtful with their spendings** so they do have money readily to spend (**flexibility with money**)
- Are cautiously optimistic about their lives and the future ahead of them
- **Value family**, dedicating a good portion of their free time to **family- centric activities**
- Have **equal participation among men and women** when making spending decisions related to the household and family members

IN CONCLUSION

GIVEN WHAT WE KNOW NOW... HOW CAN WE BETTER CONNECT WITH THEM?

RETHINK WHO YOU TARGET

USE THE "INFLUENCING POWER" OF FAMILY MEMBERS TO YOUR ADVANTAGE



With the importance they put on family paired with equality in decision making, in the Urbanizing regions, the person who 'buys' (i.e. the purchaser) isn't always the person who 'wants' or will 'use' the product or services (i.e. the market target) but because family matters - they can be influenced by them.

RETHINK HOW YOU ENGAGE

BE CONSIDERATE TO THEIR FAMILIES. THINK FAMILY-CENTRIC AND FAMILY-FRIENDLY PLACES AND ACTIVITIES.



Keep in mind that they enjoy spending their leisure time with their families so their outings often involve them. Penetrate the places that are family-friendly and engage not with just the individual target but who they are with as well by making events, promotions family-centric - they will appreciate the kind consideration.

RETHINK WHEN YOU ENGAGE

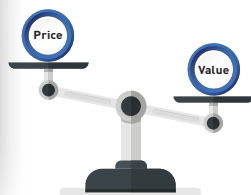
FLEXIBLE TIME AND FLEXIBLE MONEY MEANS THE TRADITIONAL "SELLING PERIODS" DOESN'T APPLY



Their income flow and daily schedules aren't strictly fixed given the "self-employed" nature of their occupations. So, to avoid competing with big brands during "peak" selling or promotional periods, smaller brands can effectively penetrate the market during what most big players consider the "low" sales periods since these rules don't adhere to them.

RETHINK WHAT YOU SAY

THEY'RE WILLING TO PAY MORE BUT GIVE THEM A SENSIBLE REASON WHY



With Metro lifestyle influencing their tastes, an inherent sensibility on how they spend and improved finances - the best value isn't defined by the cheapest priced products or services, it is derived from getting the most functional and emotional value even if it means paying more.

MORE ABOUT THE RESEARCH

Hakuhodo conducted this quantitative research to study the lifestyle and behavior and to better understand the commonalities and differences of people living in Urbanizing regions compared to people living in Metro and Urban areas.

| | |
|----------------------|---|
| Total Sample | N = 800 (100 respondents per province) |
| Areas Covered | Representing Metro: Bangkok Representing Urban: Khon Khaen Representing Urbanizing: C hiang Rai, C hanthaburi, C humphon (3 CaRBS) and R atchaburi, B uriram, S araburi |
| Target | Gender: Male (50%) and Female (50%) SES: A (33%), B (33%), C (33%) Age: 21-30 (50%), 31-40 (50%) |
| Method | Quantitative survey |
| Fieldwork | October 2017 |

About Hakuhodo Institute of Life and Living ASEAN

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

Established in 2014, Hakuhodo Institute of Life and Living ASEAN (HILL ASEAN) is the Hakuhodo Group's new think tank in the ASEAN region. It is dedicated to helping companies with their marketing efforts in ASEAN countries, as well as observing the new lifestyles emerging in this dynamic region and sharing ideas about them.

For more information, visit www.hillasean.com

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