

How the wealthy and semi-wealthy in Yangon, Myanmar, live

Over 90% have “the 3 essentials” (TV, fridge, washing machine)
and around 50% have a car.

However, utilities like electricity and water are still developing.

TV is far and away the top among media. TV scores well
in terms of enjoyableness and reliability of information.

Over 70% have a smartphone, and accessing the Internet from a smartphone
tops accessing it from a computer.

To support marketing communication in the global market place, Hakuhodo has conducted its Global HABIT survey of *sei-katsu-sha*¹ each year since 2000. Conducted in 35 major cities in Asia, Europe and the United States, the survey polls middle- and high-income earners. Yangon, Myanmar, a market that is currently in the spotlight, was added to the cities polled from the most recent survey (conducted in 2013). We analyze Global HABIT data from a variety of perspectives to present hints about potential opportunities in the global marketplace. This report presents findings on how the wealthy and well off in Yangon live.

Sample for analysis: 275 males and females aged 15–54 living in Yangon. Monthly household income of at least 500,000 MMK (approx. 50,000 JPY) + SEC A–B (see page 8)

Social class segmentation used: A five-strata classification system (classes A–E) based on income level and ownership of durable consumer goods based on standards set by a local research company in Myanmar.

1. Ownership of “the 3 essentials” (TV, fridge, washing machine) is over 90%, and ownership of a car around 50%

Household ownership of TVs and refrigerators is 100%, while ownership of washing machines is 90.5%, and air-conditioners 82.5%. However, ownership of voltage regulators and private power generators is also high, due unstable power supply. In purchase intentions, LCD TVs rate highly.

Household ownership of private passengercars is around 50.5%, with some owning 2–3 cars. Over 90% of cars were purchased used. Purchase intention is 61.5%.

2. Personal ownership of smartphones is over 70%. Lower-priced models are the most typical

Smartphone ownership is 75.3%. In purchase price, 100–199 USD is 44.9% and 200–299 USD 18.8%.

3. Japanese products have an image of excellent quality. The top 3 Japanese products in purchase intention are passenger cars, household appliances/ audio-visual devices and digital products. There is a trend toward liking products made in Japan.

In the top 3 product groups, products made in Japan are highly popular, with scores over 10 points higher than those for products made by Japanese companies, regardless of place of production.

Meanwhile, Korean products receive high scores for smart/fashionable image and interesting/enjoyable.

4. In media evaluation (access/watch/read/listen to often, enjoyable medium and has reliable information) TV has far and away the highest scores.

TV is the highest scoring medium by far in acces/watch/read/listen to often. TV is followed by journals, a paper medium unique to Myanmar, and outdoor billboards. In enjoyable media, TV is No. 1 and journals No. 2. TV is the No. 1 medium for reliable information, followed by newspapers. The Internet is accessed more from smartphone than from computer.

5. Utilities infrastructure is still developing

Although electricity supply is widespread there are frequent outages, and use of water services in the home is around 70%.

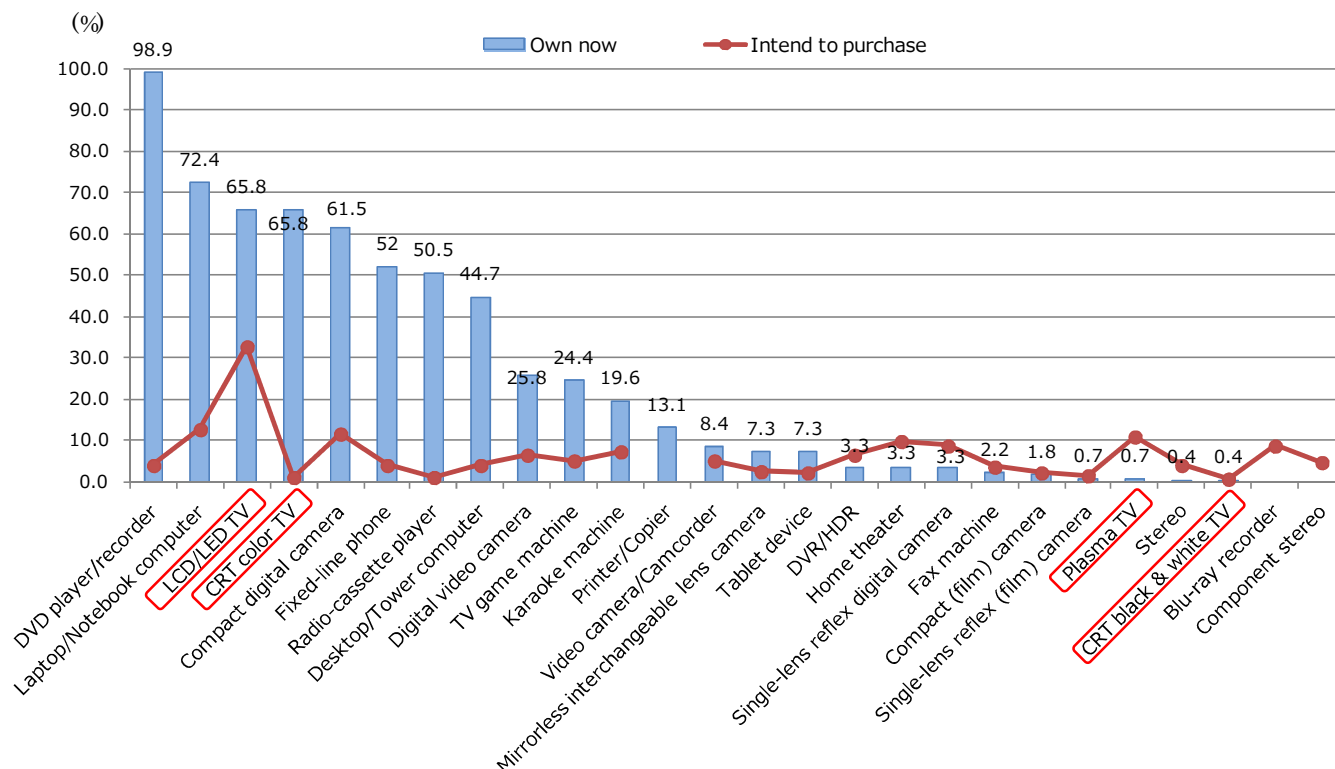
¹ Since the 1980s, the centerpiece of Hakuhodo's philosophy has been *sei-katsu-sha* insight. *Sei-katsu-sha*, which literally means “living person,” stands in contrast to the word Japanese marketers typically use for consumer, *shohisha*. “*Sei-katsu-sha*” expresses the holistic person—an individual with a lifestyle, aspirations and dreams. All the branding work we do in partnership with our clients follows from *sei-katsu-sha* insight.

1. Durable consumer goods: Home electronics & home appliances

Home electronics: Household ownership & purchase intention

Household ownership of one or more from among LCD, CRT (color or B&W) and plasma TVs is 100%. In purchase intention, LCD TVs rate highly.

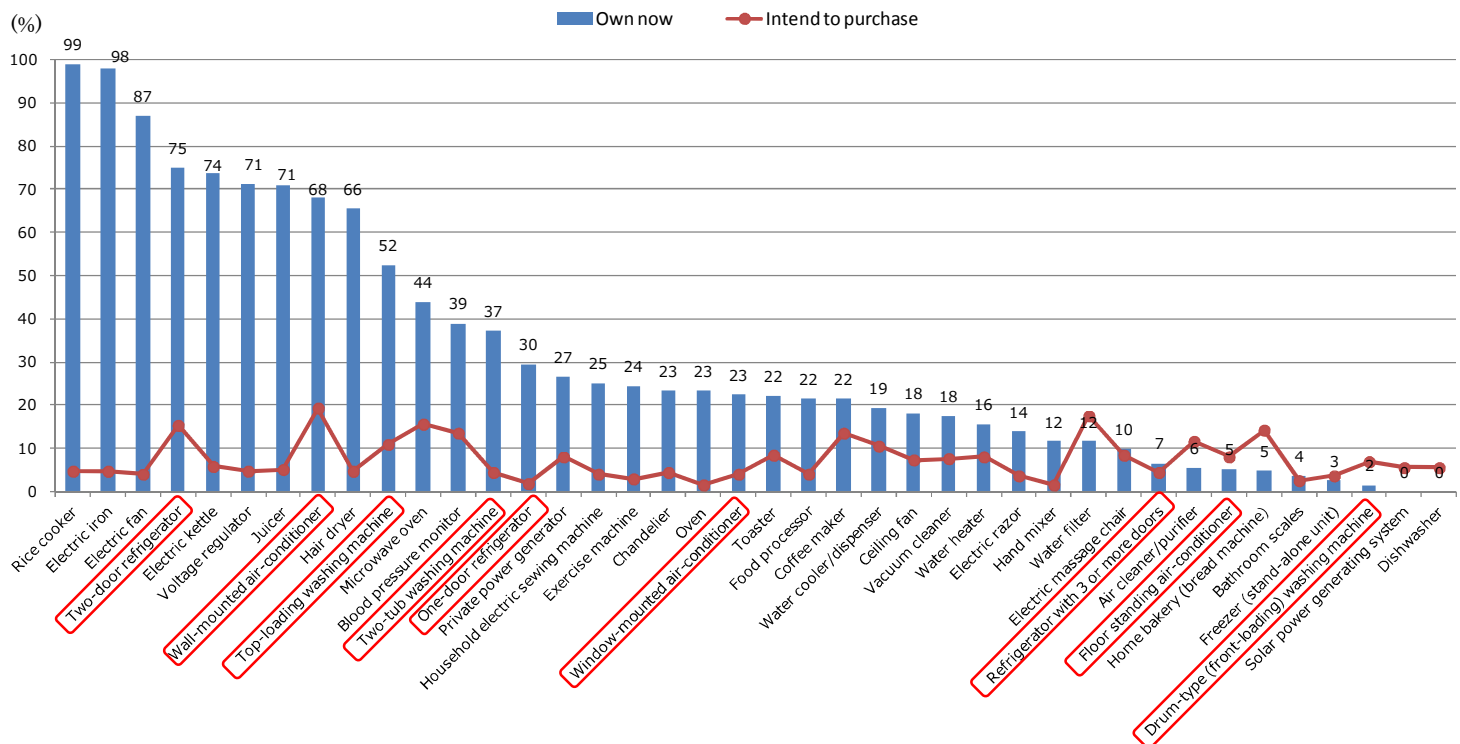
- Household ownership of DVD players/recorders, laptop/notebook computers, LCD TVs, CRT color TVs, compact digital cameras, fixed-line phones and radio-cassette players is 50% or higher. In purchase intention, LCD TVs are No. 1.



Home appliances: Household ownership and purchase intention

One hundred percent of households have one or more from among 1-door, 2-door and 3-door refrigerators, while 90.5% have one or more from among twin-tub, top-loading and front-loading washing machines. 82.5% of households have one or more from among wall-mounted, window-mounted or floor standing air-conditioners.

- Rice cookers, electric irons, electric fans, 2-door refrigerators, electric kettles, voltage regulators, juicers, wall-mounted air-conditioners, hair dryers and top-loading washing machines all have household ownership rates of at least 50%. Ownership of voltage regulators and private power generators is high due to unstable power supply.
- In purchase intention, wall-mounted air-conditioners is No. 1.



1. Durable consumer goods: Passenger cars

Household ownership of private passenger cars is 50.5%, with some households owning 2–3 cars. Over 90% of cars are were purchased used.

Total ownership of passenger cars by SEC A and B is 50.5%. Ownership among SEC A only is 89.1%. And some own 2–3 cars.

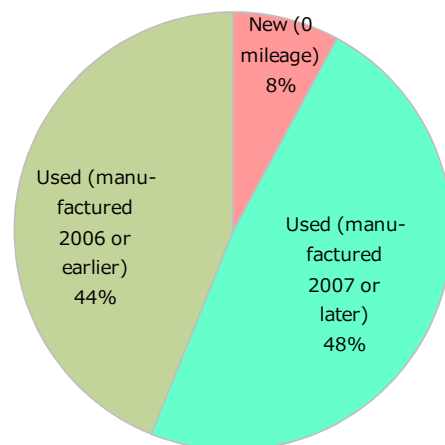
Over 90% of cars used most frequently were purchased used, with less than 10% purchased new.

Household ownership/Purchase intention: Cars

	Own now (%)	Intend to purchase (%)
SEC A/B (n=275)	50.5	61.5
SEC A (n=55)	89.1	50.9
SEC B (n=220)	40.9	64.1

Household car ownership	1 car (%)	2 cars (%)	3 cars (%)	4 or more cars (%)
SEC A/B (n=139)	77	18	5	0
SEC A (n=49)	75.5	12.2	12.2	0
SEC B (n=90)	77.8	21.1	1.1	0

Condition of car when purchased (SEC A+B)



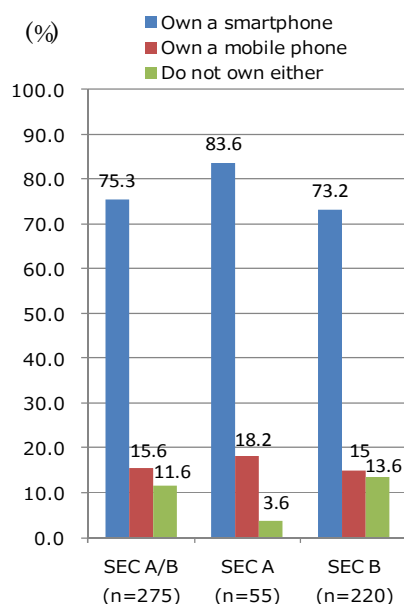
Condition at time of purchase of car used most often

2. Smartphones

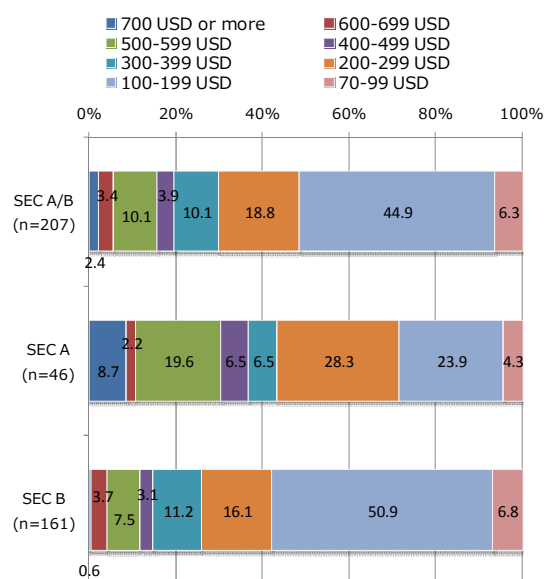
While personal ownership of smartphones is over 70%, most are lower-priced models

Personal ownership of smartphones is high, with the total for SEC A and B 75.3%. In purchase price range, 100–199 USD is 44.9% and 200–299 USD 18.8%. Among SEC A, ownership of high-end models is also high, with scores for 500–599 USD 19.6% and 700 USD or more 8.7%.

Personal smartphone/mobile phone ownership



Purchase price of most used smartphone



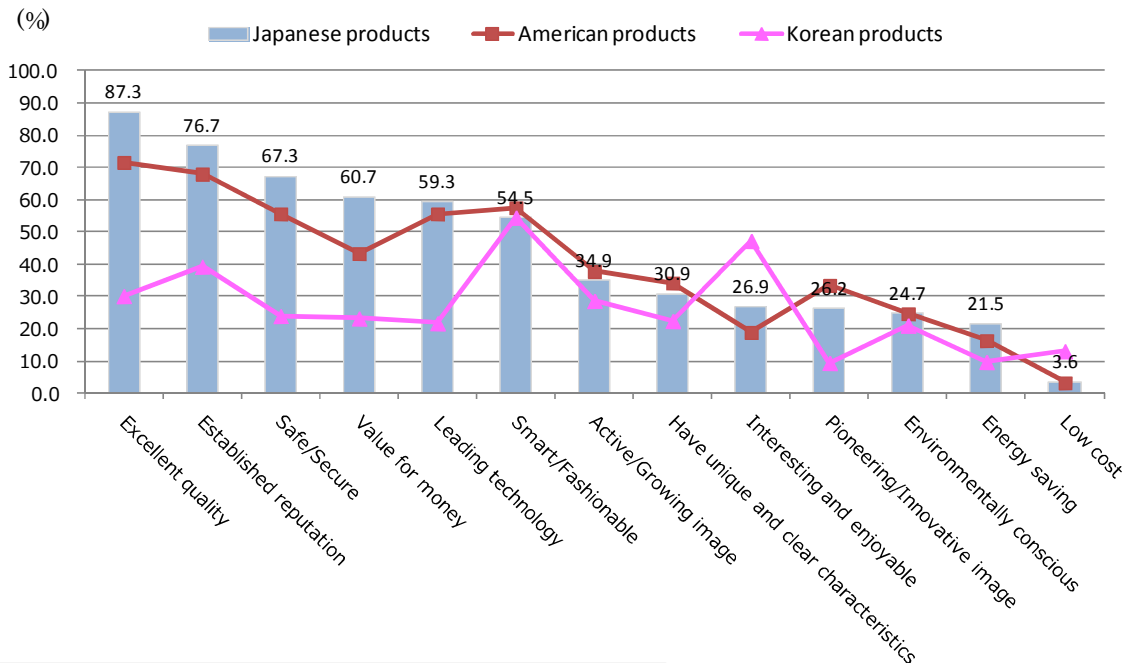
3. Image of Japanese products / Japanese products would like to purchase

Image of Japanese products

Japanese products have an image of excellent quality.

■ The top 3 responses in image of Japanese products are excellent quality (87.3%), established reputation (76.7%) and safe/secure (67.3%). These are followed by value for money and leading technology (both around 60%) and smart/fashionable (54.5%).

■ The image of American products is, overall, quite similar to that of Japanese products. Korean products receive high scores for smart/fashionable and interesting/enjoyable.

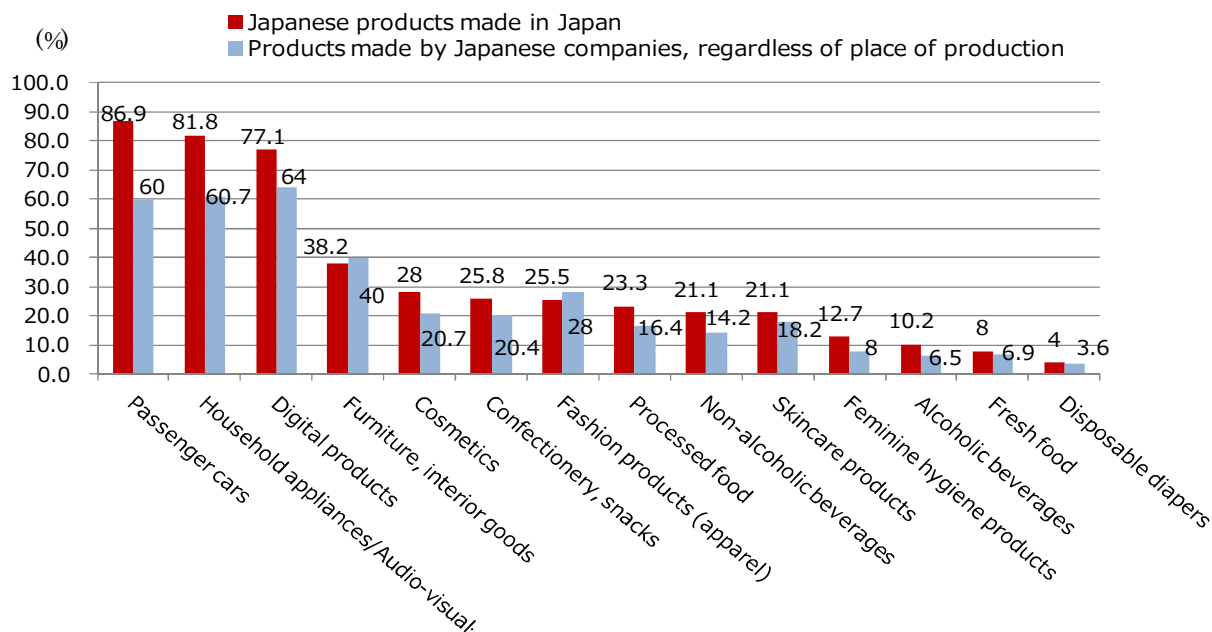


Japanese products would like to purchase

The top 3 Japanese products in purchase intention are passenger cars, household appliances/audio-visual devices and digital products.

■ In these three product groups, products made in Japan are highly popular, with scores over 10 points higher than those for products made by Japanese companies, regardless of place of production.

■ There is little difference in the scores for products made in Japan and products made by Japanese companies, regardless of place of production for products ranked No. 4 and lower.

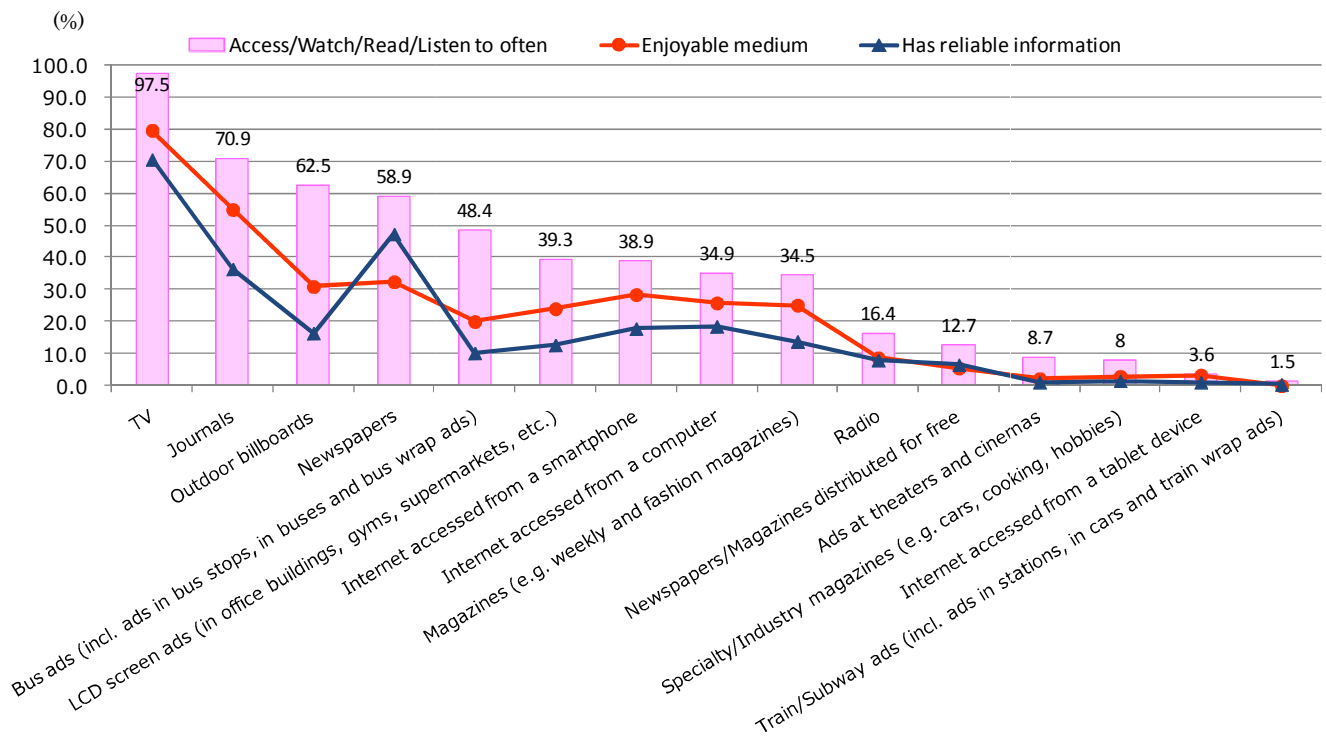


4. Media

Media evaluation

In media evaluation (access/watch/read/listen to often; enjoyable medium; and has reliable information) TV gets far and away the highest scores.

- In access/watch/read/listen to often, TV is No. 1. Journals, a paper medium unique to Myanmar, outdoor billboards and newspapers follow in 2nd, 3rd and 4th place.
- In enjoyable media, TV is No. 1 and journals No. 2. No. 1 in has reliable information is TV, followed by newspapers.
- Internet is accessed more from smartphone than from computer.



Myanmar has four main newspapers. They are all owned by the government, decreasing trust in newspapers a little.

Journals are weekly newspapers that are mostly published independently and popular. They are divided into news, business, sports, entertainment and other genres. There are nearly 200 journals in print.

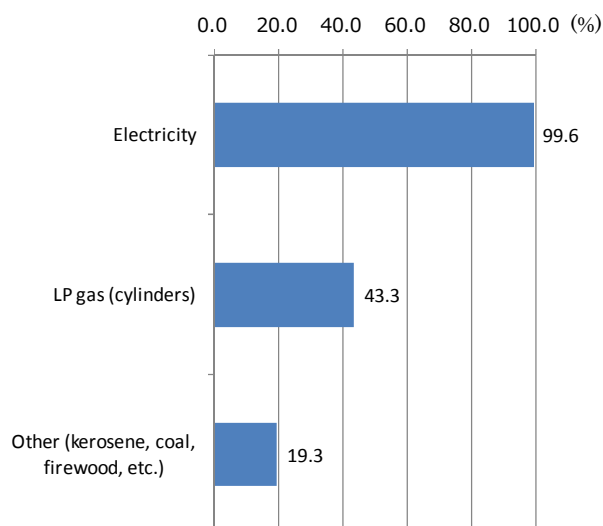
Journals on sale on a street corner

5. Utilities infrastructure

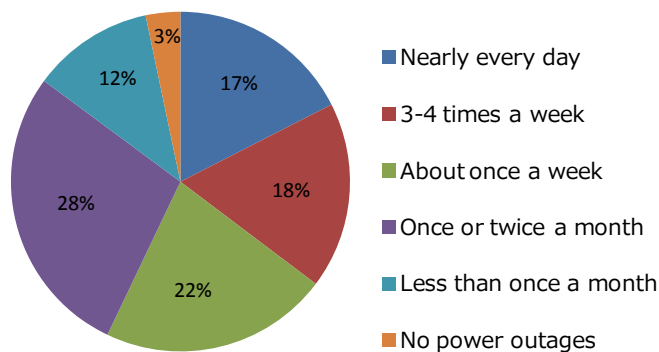
Utilities infrastructure is still developing. Electricity supply is widespread, but there are frequent outages. Use of water services at home is 70%

- Almost all households have electricity. However, around 60% of households experience outages at least once a week.
- Seventy percent of households have running water. Households that do not, use well water.
- In toilet type, 70.5% have traditional toilets (without seat) and 47.3% Western toilets (with seat).

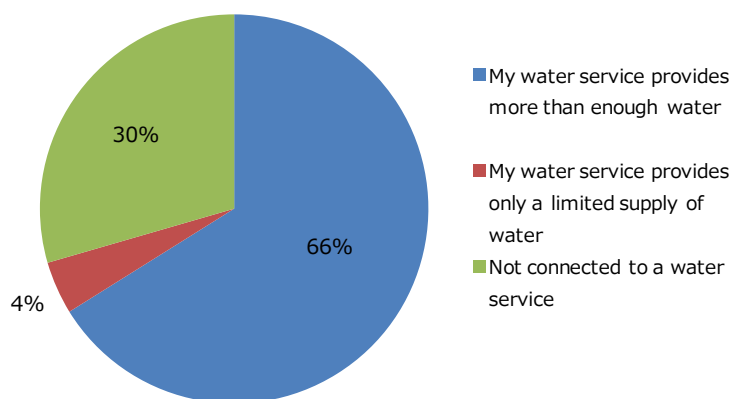
Energy sources used in the home



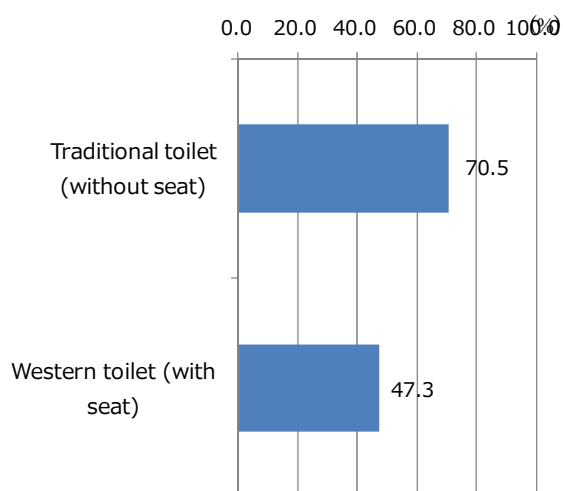
Frequency of power outages in area of residence



Connection to a water service



Toilet type



Reference: Demographics of survey respondents

• SEC social strata evaluation standards vary between research companies, but the most commonly used standard is monthly household income + ownership of household durables (HDs). In assessing ownership of HDs, both type and number of durables owned are taken into consideration.

The breakdown of Yangon's SEC population based on these standards is: Class A: approx 8%, Class B: approx 33%, Class C: approx. 34%, Class D: approx. 19%, Class E: approx. 6%.

• This analysis defines those with monthly household incomes of at least 500,000 MMK as SEC A–B (see area bolded and shaded pink in the graph on the right).

Although the data was not used in this analysis, Global HABIT contains data from respondents in SEC C and above, who have monthly household incomes of 300,000 MMK or more.

		Score of Household Durables				
		84+	50-83	22-49	9-21	0-8
HH Monthly Income (Myanmar Kyats)	Above 1,000,000	A	A	B	C	D
	500,001 - 1,000,000	A	B	C	D	D
	300,001-500,000	B	C	D	D	E
	150,001-300,000	C	D	D	E	E
	Under 150,000	D	D	E	E	E

Monthly household income

(%)

	Over 3,000,000 MMK	2,750,000-2,999,999 MMK	2,500,000-2,749,999 MMK	2,250,000-2,499,999 MMK	2,000,000-2,249,999 MMK	1,750,000-1,999,999 MMK	1,500,000-1,749,999 MMK	1,250,000-1,499,999 MMK	1,000,000-1,249,999 MMK	900,000-999,999 MMK	800,000-899,999 MMK	700,000-799,999 MMK	600,000-699,999 MMK	500,000-599,999 MMK
SEC A/B (n=275)	2.9	1.8	0.4	0	2.2	1.8	7.3	9.8	49.8	1.8	4.7	5.5	5.1	6.9
SEC A (n=55)	10.9	0	0	0	5.5	0	10.9	12.7	60	0	0	0	0	0
SEC B (n=220)	0.9	2.3	0.5	0	1.4	2.3	6.4	9.1	47.3	2.3	5.9	6.8	6.4	8.6

Highest level of education attained

(%)

	Post-graduate or higher	University	Technical/Vocational school	Senior high school (11 years of schooling)	Junior high school (9-10 years of schooling)	Elementary school (5-8 years of schooling)	Unofficial school/Did not complete elementary school
SEC A/B (n=275)	18.9	48.7	1.1	24.4	6.9	0.0	0.0
SEC A (n=55)	20.0	61.8	1.8	12.7	3.6	0.0	0.0
SEC B (n=220)	18.6	45.5	0.9	27.3	7.7	0.0	0.0

Working status

(%)

	Full-time (more than 30 hours/week)	Part-time (15-30 hours/ week)	Less than 15 hours/week	Student	Homemaker	Retired	Unemployed
SEC A/B (n=275)	50.2	8.4	1.1	15.3	18.2	1.5	5.5
SEC A (n=55)	54.5	5.5	0.0	16.4	20.0	0.0	3.6
SEC B (n=220)	49.1	9.1	1.4	15.0	17.7	1.8	5.9

Job title/Position

(%)

	Company owner (excl. small companies)/ Officer (senior management to board member)	Small company owner (50 employees or less)	Management level	Specialist (medical doctor, teacher, accountant, etc.)	White-collar worker (office worker)	Blue-collar worker (factory worker, sales clerk)	Self-employed	Civil servant	Other
SEC A/B (n=164)	0.0	0.0	6.7	11.0	8.5	8.5	59.1	0.6	5.5
SEC A (n=33)	0.0	0.0	6.1	21.2	9.1	15.2	33.3	0.0	15.2
SEC B (n=131)	0.0	0.0	6.9	8.4	8.4	6.9	65.6	0.8	3.1

Global H A B I T[®]

Hakuhodo Audience and Brand-User's index for Targeting

Global HABIT is a comprehensive Hakuhodo survey and database that has grown to cover 35 major cities worldwide since 2000. Survey data is collected every year, enabling not only comparisons between cities, but also time-series comparison of single cities. Single-source Global HABIT surveys probe individual *sei-katsu-sha* lifestyles, values, media contact, purchase attitudes and use, and perceptions of brands in many categories. This enables analysis not only of brand users, but of brand supporters at differing levels of perception (would consider purchasing, favor brand, brand fans, etc.).

Overview of Global HABIT 2013 survey

Cities surveyed: Hong Kong; Seoul; Singapore; Kuala Lumpur (Malaysia); Bangkok (Thailand); Metro Manila (Philippines); Jakarta (Indonesia); Ho Chi Minh City (Vietnam); Yangon (Myanmar); Shanghai, Beijing, Guangzhou (China); Delhi, Mumbai (India); Moscow (Russia)
The cities Dalian, Shenyang, Wuhan, Chengdu, Hangzhou, Ningbo, Xian, Fuzhou (China); Sydney (Australia); Frankfurt, Berlin (Germany); Paris (France); Milan (Italy); Madrid (Spain); New York, Los Angeles, Chicago (USA); London (UK) and Sao Paulo (Brazil) were surveyed in 2012 or earlier.

Respondents: Either 500 or 800 males and females aged 15-54 per city

- In Shanghai, Beijing and Guangzhou, an additional 1,800 male and female Chinese Power *Sei-katsu-sha* aged 25–54 with incomes of at least 15,000 RMB are also surveyed.
- In Delhi and Mumbai, an additional 1,000 male and female Indian Power *Sei-katsu-sha* aged 25–54 from SEC A2 or higher with monthly household incomes of at least 40,000 INR are also surveyed.

Responses were obtained from persons in the middle/high income bracket of each city (50-95% of the urban population) based on screening by household income.

Survey period: May–early August 2013

Survey method: In-home interviews (Asian cities other than Hong Kong, Taipei, Seoul; Moscow)
Individual interviews at a central location (Hong Kong, Taipei, Seoul)

Main items surveyed (some apply only to China and other Asian countries):

Demographics and lifestyle

Demographics, lifestyles, environmental awareness, country-of-origin image, media/information contact, shopping, hobbies, sports, durable consumer goods ownership, category perceptions, travel, housing

Product & service usage

Insurance, credit cards, convenience stores, airlines, passenger cars, motorcycles, AV products, home appliances, mobile phones & smartphones, computers & printers, digital cameras & digital video cameras, copiers, watches, game consoles, alcoholic & non-alcoholic beverages, foodstuffs (instant foods, snack foods), toiletries, cosmetics, personal care products, sanitary products & disposable diapers

Contact:

Ken Odaka, Corporate Public Relations Div., Hakuhodo Inc.

Tel: +81-(0)3-6441-6161 E-mail: KEN.ODAKA@hakuhodo.co.jp