



# Japan: Consumer Profile

October 2024

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Scope

Key findings

Key drivers affecting consumers in Japan in 2023

How developments today shape the consumers of tomorrow

## POPULATION AND SOCIETY

Today 2023: Low birth rate and among the highest longevity fuel population ageing

Immigration fails to offset low birth rate, leading to continued population decline

Among the lowest obesity rates globally leads to reduced prevalence of high blood pressure

Tomorrow 2040: Seniors are the only demographic predicted to rise in number

Despite higher government spending on family initiatives, the population is set to shrink

Smaller cities to decline faster than Tokyo, which offers more economic opportunities

Opportunities for growth

## POPULATION AND SOCIETY

SoftBank and Tempus partner to advance Japanese healthcare with AI treatment plans

## HOUSEHOLDS AND HOMES

Today 2023: Household size is declining as number of childless households rise

In an ageing society, only single person households are projected to grow in prevalence

Despite decreasing household size, Japanese are gravitating towards more spacious homes

Tomorrow 2040: Extended households are set to decrease at the fastest rate

Household heads to age, with persisting gender inequality in household decision-making

Japanese tech-savvy population fuels high digital adoption and rich gaming culture

Opportunities for growth

Void Gaming's INTUITION PS5 controller supports high-skill Japanese gaming

## INCOME AND EXPENDITURE

Today 2023: Inflation outpaced income growth in Japan, reducing purchasing power

Japan set for the largest wage hikes in decades in 2024

Japanese consumers remain cautious on spending, but show increased intent for travel

Tomorrow 2040: Rising income inequality with no progress in closing the gender pay gap

Unlike the global silver consumers trend, Millennials to dominate the top-income bracket

Wage hikes, easing inflation and tax cuts fail to boost Japanese consumption long term

Opportunities for growth

BYD challenges Toyota's dominance as affordable EV sales surge in Japan

## LIFESTYLES

Key findings of consumer survey

Value for money is the top priority across all generations when buying household essentials

Japanese consumers seek discounts to save more but will pay premium for tailored products

Consumers prioritise financial stability over climate concerns, worrying less than global peers

Despite faster short-term wage growth, Japanese consumers remain financially cautious

Job security is key, with early workforce entry supported by a structured job-hunting process

Opportunities for growth

## LIFESTYLES

Lime's affordable seated electric scooters to cater to the needs of senior consumers

## CONCLUSION

Key takeaways

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