

NRI Group Urgent Proposals Regarding Measures for Covid-19 No. 42

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## The Spread of Covid-19 is Changing the Life Values of Japanese Citizens

### — Enhance the Digital Pliability of All Citizens —

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#### ■ Summary

- To ascertain the impacts of the spread of Covid-19 on consumer behavior of Japanese citizens, in continuation of the survey it conducted in March 2020, Nomura Research Institute (NRI) conducted an emergency internet survey of roughly 3,000 Japanese respondents in May 2020. (For an overview of the survey, refer to Reference: Survey Overview below.)
- With people being asked to stay at home and feeling uneasy about an uncertain road ahead, the life satisfaction level of Japanese citizens markedly decreased in May. However, people with a high level of life satisfaction even under such conditions were people who, by utilizing internet services and applications, were benefiting from digital lives that enhanced convenience and enabled them to enjoy their spare time.
- People with a high level of life satisfaction were those who were aware of the conditions for teleworking, were more self-directed and digitally actively, and had a high level of “digital pliability.” People with a high level of “digital pliability” positively used information for personal purposes, and brought significant benefits of the facilitation of the use of information to the state and businesses. To facilitate digitalization for all citizens, it will become even more necessary to provide support to families who do not have an internet environment and provide digital education assistance.

#### ■ The life satisfaction of Japanese citizens has declined in general because of the Covid-19 crisis

To ascertain the impacts of the spread of Covid-19 on the actions and psychological state of consumers, Nomura Research Institute (NRI) conducted an emergency survey of 3,000 Japanese respondents in mid-March 2020 and in the beginning of May. (Note: For the results of the March survey, refer to <https://www.nri.com/en/keyword/proposal/20200331>.) Because of the issuance of a declaration of a state

of emergency for the entire country in April, NRI was able to investigate differences between before and after the declaration of a state of emergency.

In the long-continuing stay-at-home lifestyle, there has been a downward trend in the degree of life satisfaction of Japanese respondents. NRI conducted continuous surveys on the level of satisfaction of people with respect to their daily lives, using the four stages of “satisfied,” “somewhat satisfied,” “not very satisfied,” and “not satisfied”; when the results of the surveys that were conducted in January, March, and then this May are compared, there were no changes in trends in satisfaction levels from January to March, but from March to May, the number of people satisfied with their lives declined (“satisfied” (-2%), “somewhat satisfied” (-11%)), and the number of people not satisfied increased (“not very satisfied” (+5%), and “not satisfied” (+9%)) (Fig. 1).

Because of the spread of Covid-19, since early March, schools have been closed and people have shown a tendency to abstain from leaving their homes and meeting with other people. Then in April, a declaration of a state of emergency was issued, stores etc. were forced to close, and with “stay home” as the key word, people were forced to be in a quarantine mode during Golden Week, something that was unprecedented. In addition to concerns about matters such as their health, income and employment, uneasiness about an uncertain road ahead, and the stay-at-home lifestyle continuing for a long period, a decline in the level of life satisfaction was probably unavoidable. With respect to the sense of unease and impacts on consumer behavior, refer to the separate article titled “Impacts of the Spread of Covid-19 on Japanese Consumer Behavior (2)” ([https://www.nri.com/jp/keyword/proposal/20200526\\_2](https://www.nri.com/jp/keyword/proposal/20200526_2)).

As mentioned in the above proposal, even though there was a downward trend in the level of life satisfaction, about half of the survey subjects responded that they were satisfied with their current lives. This article will present the results of further investigations regarding the types of people with a high level of life satisfaction even during their current stay-at-home lifestyle.

■ **Between people who were satisfied with their lives and people who were dissatisfied with their lives, there were differences in how they used the internet**

As discussed in another NRI proposal titled “Acceleration of Digitalization: Several Years’ Worth of Progress Made in the Last Two Months ” (<https://www.nri.com/jp/keyword/proposal/20200527>), the number of hours of internet use increased because of the of the stay-at-home lifestyle and an increase in the amount of time spent at home; however, after analyzing the number of television viewing hours and the number of internet use hours by the level of life satisfaction in the May survey, it became clear that the number of hours of internet use were long for both people with a high level of satisfaction and those with a low level of satisfaction (Fig. 2).

At first glance, it appears that there is no relationship between Internet use and the levels of life satisfaction. However, persons who were satisfied and persons who were dissatisfied differed in how they used the Internet. People who were satisfied and persons who were dissatisfied with their lives both had a high number of video viewing hours on the Internet, but people with a high level of life satisfaction tended to

use the Internet for shopping, banking, and other services for their convenience while minimizing outings, or to communicate with others. On the other hand, among NRI's survey items, the only item that was higher for people who were dissatisfied with their lives than those who were satisfied with their lives was "social games (free)." Looking at these results, it seems that people who were dissatisfied with their lives only used the internet for aimless net surfing, instead of using the Internet for specific purposes.

■ **Although people with a low level of life satisfaction had a high sense of uneasiness, the uneasiness did not lead to action**

As discussed in the proposal mentioned above, the uneasiness and concerns of Japanese citizens consisted not only of anxiety toward a contagious disease and uneasiness regarding the health of their family members, but also a growing anxiety regarding their jobs and becoming unemployed, and such tendencies were higher with people who were dissatisfied with their lives. However, such uneasiness did not necessarily lead to any action on their part.

Among the items that people would like to consume less going forward, there was a high tendency among people who were satisfied with their lives to hold off consumption related to travel and outings, and in contrast, there was a high tendency among people who were not satisfied with their lives to hold off consumption related to food and beverages etc., which can be said to be daily essentials (Fig. 3). People who were dissatisfied with their lives worried about various things, but their attitude about taking precautions against Covid-19 and their attitude toward finding fulfillment from their restricted stay-at-home lifestyles may have been lower than those of persons who were satisfied with their lives.

■ **People with high levels of life satisfaction enjoyed their digital lives even with their stay-at-home lifestyle**

Perhaps people who are satisfied with their lives use the latest internet services and applications to enhance the level of their life satisfaction. For example, the higher the level of one's life satisfaction, the more likely one was to actually use and to desire to use Amazon Teiki Otoku Bin and other "regular delivery services for the purchase of consumables." Further, the actual amount of use and the intent to use regarding Mercari and other flea market applications were high among people who were satisfied with their lives. Even when shopping for daily essentials and other items was necessary, an environment where internet services can be used was helpful for consumers to shop while staying at home (Fig. 4).

Further, with regard to video and music transmission subscription services such as Amazon Prime, Spotify, DAZN, Kindle Unlimited, and smart speakers such as Amazon Alexa, Google Assistant, and Line Clova, the actual amount of use and intent to use were also high among people who were satisfied with their lives, and they were active in endeavoring to enjoy their free time and making their lives more convenient during stay-at-home periods by linking such services with other services (Fig. 5).

People with a high level of life satisfaction even during their restricted stay-at-home lifestyle can be said to be people who, by wisely using internet services and applications, are taking advantage of their digital

lives to enhance convenience and to enjoy their free time.

■ **“Digital Pliability” sense of value under the new normal**

Because of the Covid-19 crisis, people who were satisfied with their lives were also beginning to change their views about their lives going forward. For example, there has been a significant push in promoting teleworking after the declaration of a state of emergency, and among people who think that “there’s a growing sense that work can be done to some extent without going to the office, and workstyles in Japan will change significantly going forward,” there were many with a high level of life satisfaction (Fig. 6). In the past, jobs were premised on working at set times and at set places, and it can be said that people who work under such restrictions from the time they graduate from school until the time for mandatory retirement are workers who are flexible in terms of organization, but going forward, views on flexibility are likely to change. For the past few years, work-life balance has become more valued and there has been a demand for promotion of “work-style reform,” and the fact that teleworking is becoming more common because of the Covid-19 crisis means that workers will be freed from time and space constraints. With more flexibility in terms of the time and place for work, it will become necessary for individual workers to be self-directed and actively use digital tools for communication etc. with company organizations; thus, having “digital pliability” will become more important going forward.

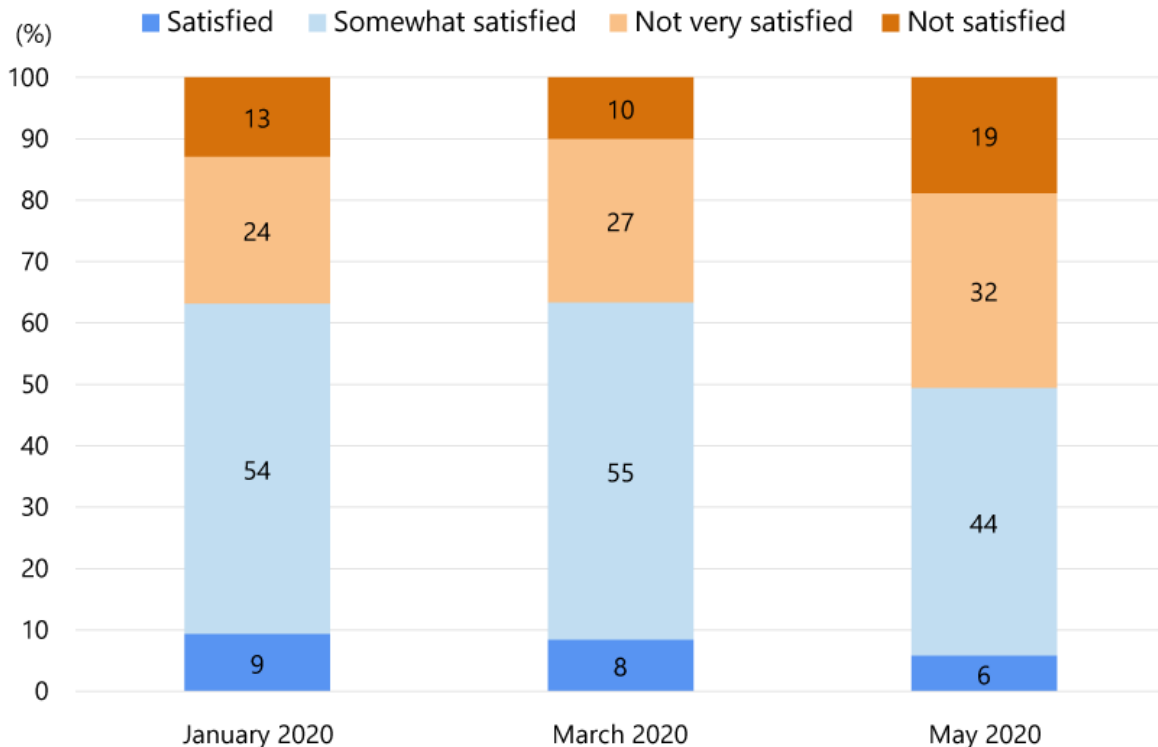
Further, especially among people who felt strongly that “at times of large-scale disasters or other emergencies such as a pandemic, it is unavoidable that the state will place additional restrictions on the private movements or work activities of the population,” there were many who were satisfied with their lives (Fig. 7). There were many people who were satisfied with their lives who felt that use of personal information is permissible for the sake of convenience or other benefits, and because they used the Internet wisely and benefited from such use, they did not mind having their personal information used during the Covid-19 crisis or other emergency, or if there were any benefits from such use. Such people have high “digital pliability,” Heightening digital pliability in such a way will not only make the lives of people more fulfilling, but will also be extremely beneficial to the state and businesses in terms of facilitating the use of information. To facilitate digitalization for all citizens, it will become even more necessary to provide support to families who do not have an internet environment and provide digital education assistance.

**[Reference] Survey Overview**

- Survey name                      Investigations on the Effects of the Spread of Covid-19 Infection on Lifestyle
- Survey period                    March 2020, May 2020
- Survey method                    Internet survey
- Survey subjects                  Men and women aged 15-69 across the country
- Number of valid responses      3,098 people (March), 3,945 people (May)
- Main survey items                ◇ Information gathering behavior

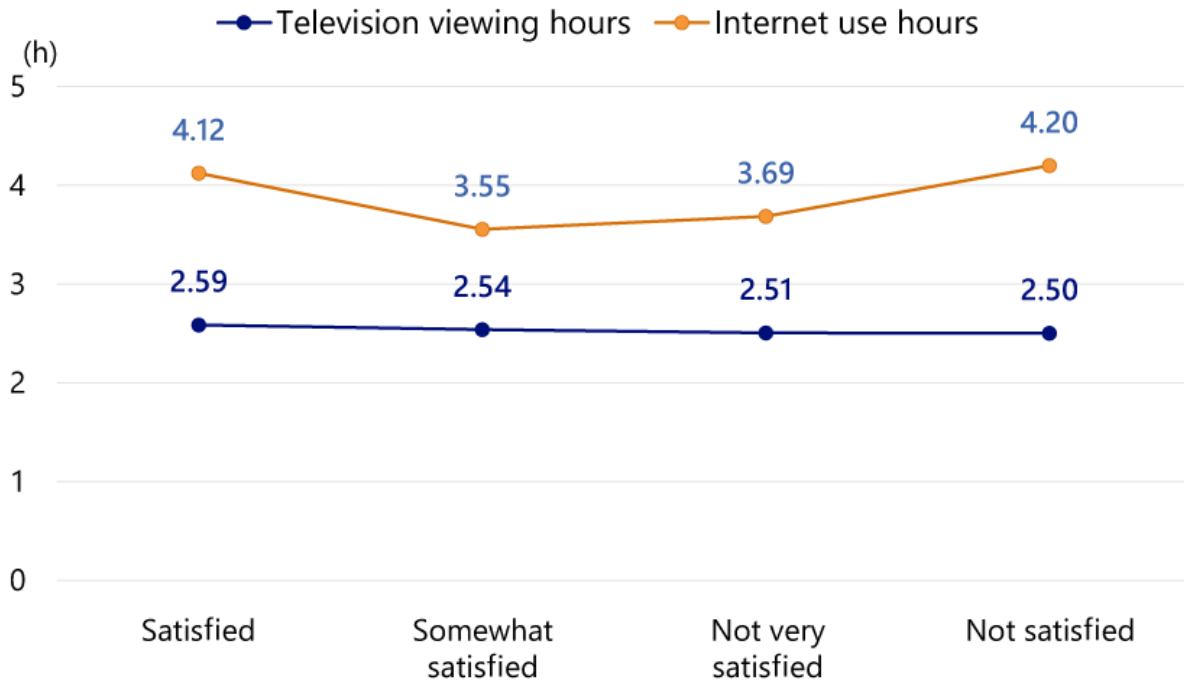
- ...Ways of gathering information, and any changes thereto
- ◇Communication
  - ...Attitudes towards parent-child relationships, marital relationships, local relationships
- ◇Workstyle
  - ...Work conditions, work attitude
- ◇Consumer values
  - ...Attitudes toward consumption, areas where subjects actively want to spend their money going forward
- ◇Actual consumer activity
  - ...Inclination to dine out, use delivery or online services etc., and any changes thereto
- ◇Overall lifestyle, life planning
  - ...Economic/income prospects, any uneasiness or worries currently faced

**Figure 1: Changes to Levels of Life Satisfaction of Japanese Respondents (January, March and May 2020)**



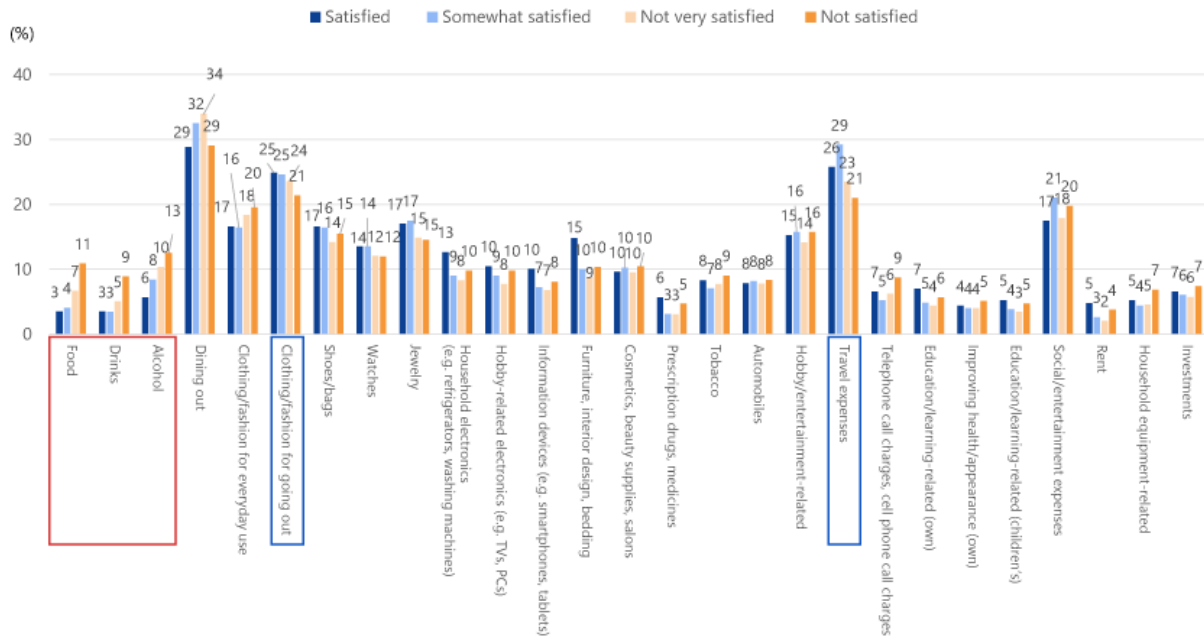
Sources: NRI “Investigations on the Effects of the Spread of Covid-19 Infection on Lifestyle” (March 2020, May 2020)  
NRI “Investigations on Daily Lives of Japanese Citizens” (January 2020)

**Figure 2: Number of Weekday Television Viewing Hours/Internet Use Hours (by Level of Life Satisfaction)**



Source: NRI “Investigations on the Effects of the Spread of Covid-19 Infection on Lifestyle” (May 2020)

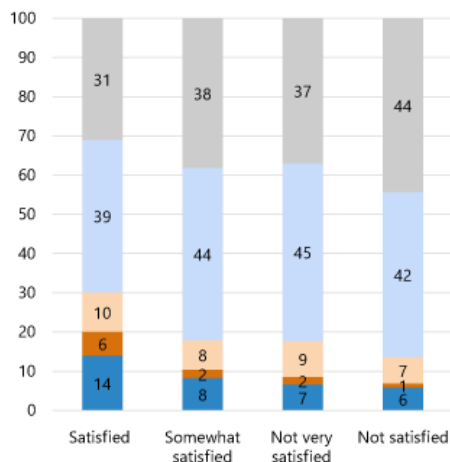
**Figure 3: What Consumers Would Like to Abstain from Purchasing /Spending in the Next Month (by Level of Life Satisfaction; Multiple Answers)**



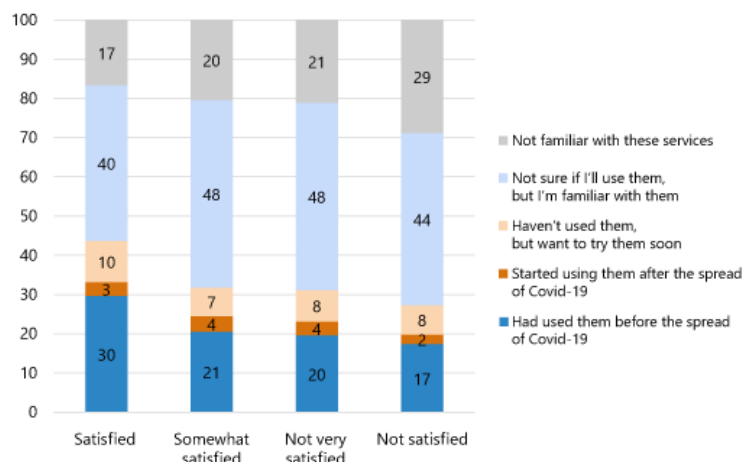
Source: NRI “Investigations on the Effects of the Spread of Covid-19 Infection on Lifestyle” (May 2020)

**Figure 4: Actual Use of Internet Services and Applications (by Level of Life Satisfaction)**

Routine delivery service for consumables

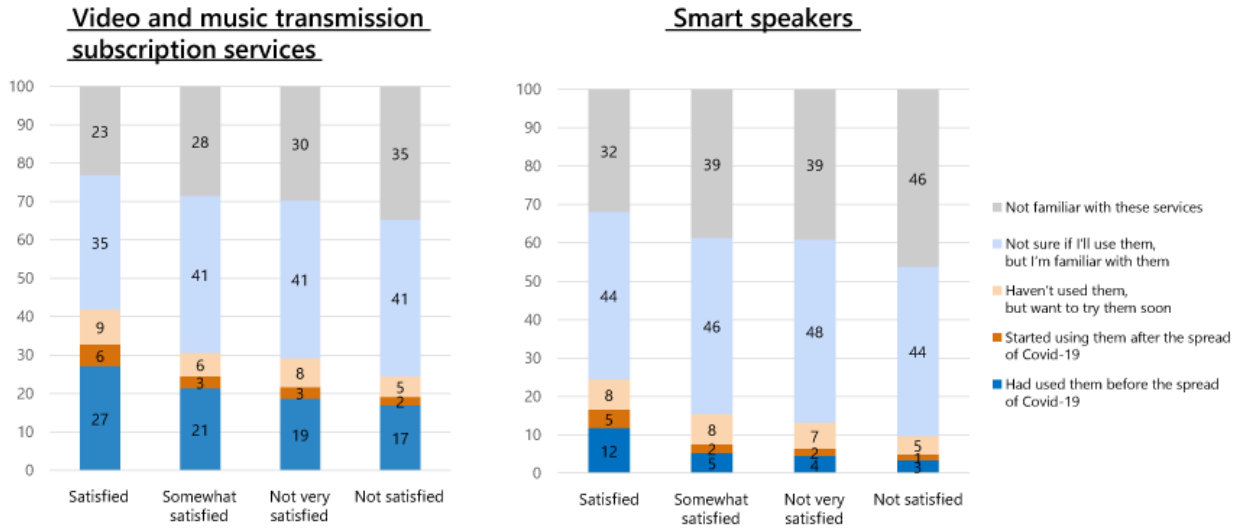


Flea market apps



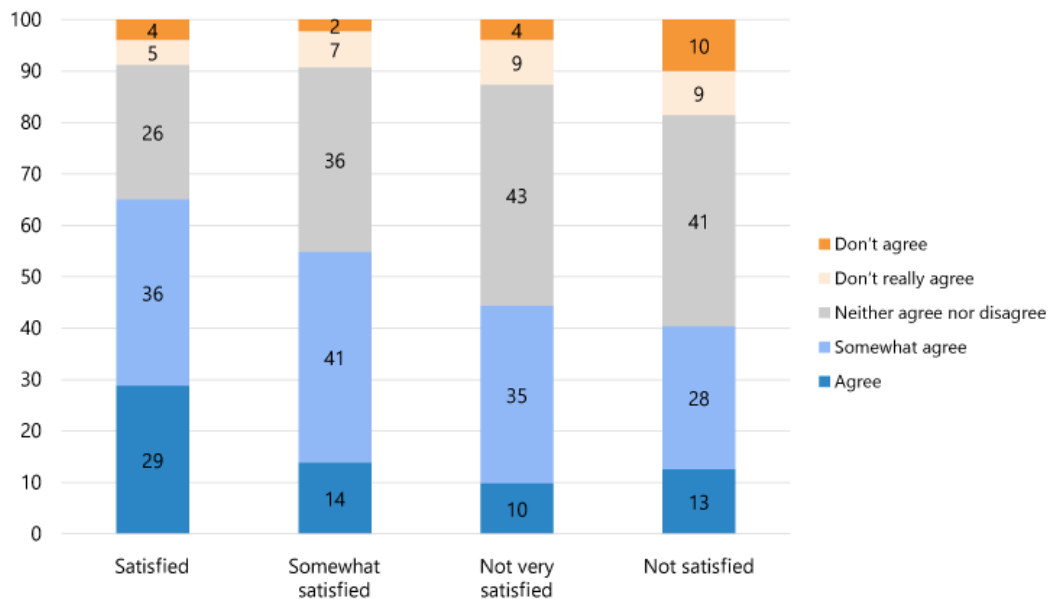
Source: NRI “Investigations on the Effects of the Spread of Covid-19 Infection on Lifestyle” (May 2020)

**Figure 5: Actual Use of Internet Services and Applications  
(by Level of Life Satisfaction)**



Source: NRI "Investigations on the Effects of the Spread of Covid-19 on Lifestyle" (May 2020)

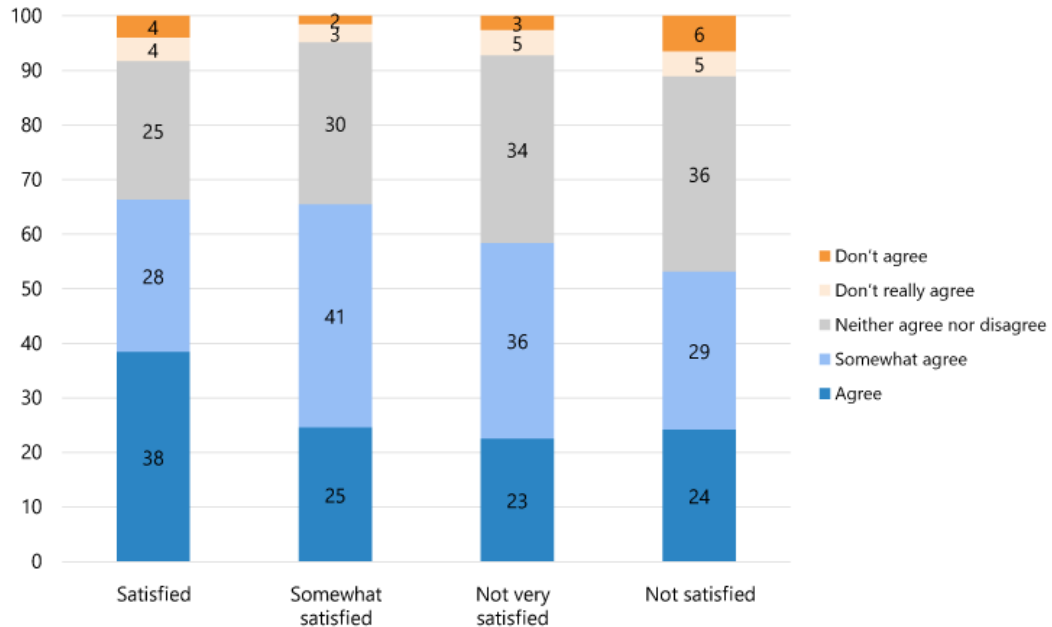
**Figure 6: Views regarding the statement: "There's a growing sense that work can be done to some extent without going to the office, and workstyles in Japan will change significantly going forward."  
(by Level of Life Satisfaction)**



Source: NRI "Investigations on the Effects of the Spread of Covid-19 on Lifestyle" (May 2020)



**Figure 7: Views regarding the statement: “At times of large-scale disasters or other emergencies such as a pandemic, it is unavoidable that the state will place additional restrictions on the private movements or work activities of the population” (by Level of Life Satisfaction)**



Source: NRI “Investigations on the Effects of the Spread of Covid-19 on Lifestyle” (May 2020)

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<https://www.nri.com/en/keyword/proposal>

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