Hakuhodo DY media partners

NEWS RELEASE

**Institute of Media Environment announces Dynamic Bundling as its
future media business concept at the Media Business Forum 2016:
Using media and data to capture dynamic "sei-katsu-sha"**

Dynamic Bundling

Hakuhodo DY Media Partners Institute of Media Environment announced that its future approach media and the advertising business would address the question of how to understand and utilize data on scattered, dynamically changing "sei-katsu-sha"* information and media behaviors—data whose usage has been evolving dramatically as of late. The announcement was made at the Media Business Forum 2016, which was held on November 10 at the Tokyo International Forum. (The HDYMP Institute of Media Environment is headquartered in Minato-ku, Tokyo, and headed by Masataka Yoshikawa.)

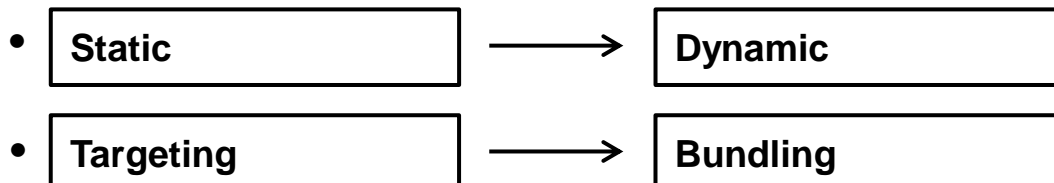▪ **Why Dynamic Bundling? Increasingly scattered "sei-katsu-sha" behaviors**

According to the results of the Annual Media Consumption Report announced by the Institute of Media Environment in June 2016, daily media contact time among "sei-katsu-sha" has risen over the last decade to 393.8 minutes. Meanwhile, the popularization of smartphones leveled off in 2016 at 70.7%, only slightly higher than the 2015 figure of 69.5%. As mobile devices become a natural part of life for "sei-katsu-sha", actual forms of media contact have become more and more subdivided, including not only TV and newspaper in general but also their digital editions and social media sites, individual websites, and apps. Ways of living have also become more diverse overall in terms of "sei-katsu-sha" interests, demands, lifestyles, and more.

At the same time, "sei-katsu-sha" groups that were previously defined by gender and age, for example, are becoming scattered at a faster pace. How are companies to understand these "sei-katsu-sha" enough to successfully do business with them? We believe that these are pressing challenges facing not only media companies, but all enterprises.

Our answer to these challenges is "Dynamic Bundling". Dynamic Bundling solves media business issues by answering the questions of how leverage the power of media and data to capture or "bundle" today's "sei-katsu-sha", and how to scale business activities.

▪ **What is Dynamic Bundling?**

The Dynamic Bundling approach goes beyond scattered "sei-katsu-sha" demographics as well as fixed value systems and lifestyles with an added focus on constantly-shifting "sei-katsu-sha" conditions, interests, and ways of living. It then captures or "bundles" these aspects not to target individuals, but to create categories that can be scaled for successful business.

- **Static** → **Dynamic**
- **Targeting** → **Bundling**

- **Three approaches to Dynamic Bundling**

	1. Use content to bundle dynamic "sei-katsu-sha" conditions	2. Use crossover business activities to bundle dynamic "sei-katsu-sha" interests	3. Use cross-industry collaboration to bundle dynamic "sei-katsu-sha" lifestyles
Concept	This approach bundles "sei-katsu-sha" into groups by providing optimum content that targets fleeting customers (e.g. due to rising "sei-katsu-sha" emotion or needs) and shifts in line with the changing external conditions in which "sei-katsu-sha" live (weather, temperature, stock prices, exchange rates, sports wins and losses, traffic conditions, common cold outbreaks, etc.).	With new information coming out every minute, it is difficult to capture large segments of interest in the lifestyle categories (such as fashion, beauty, health, education, and food) that seem to move continually in real time using individual brands (businesses) or vehicles. This approach bundles "sei-katsu-sha" by capturing groups likely to form amidst shifting interests with cross-cutting brands (businesses) or vehicles related to these lifestyle categories.	Dynamic living is largely the result of the vast freedom to collect and control information using voice input features and new devices, and "sei-katsu-sha" are no longer limited by former media device placement—which in turn leads to a desire for information in a variety of lifestyle categories. This approach makes it possible to bundle "sei-katsu-sha" by working with companies in other lifestyle categories rather than those in the same categories to design and provide single services that cut across these sectors.
Case examples and key points	**Blending two changing external conditions to distribute optimized advertising messages** By identifying two changing factors in real time, such as weather and positional information or favored sports teams and game outcomes, advertisers can use optimum content to bundle "sei-katsu-sha". Fleeting conditions in particular (e.g. the moment that a favored sports team makes a comeback in a game) tend to excite the emotions, making it easy to inspire purchases. **More sophisticated content marketing to capture larger bundles of "sei-katsu-sha" through content (theme) contact points rather than brand contact points** An example of this is the increased customer draw of food-themed sites (e.g. a recipe site) rather than food brand sites along with an increase in customer data. If companies can establish stronger links to this third-party data, it will allow them to more dynamically and continuously bundle customers.	**Developing branded content that cuts across broadcasting and publishing within media groups** Companies can bundle women's interests using a cross-section of women-focused publications and then use this information to produce a branded video. There are an increasing number of examples overseas where the bundled interests have been built into even larger-scale marketing strategies. **Application to digital marketing strategies in real time** Companies can use site visitor data, app user data, and so on to cut across brands and collect/analyze certain kinds of lifestyle category data. This will allow them to formulate dynamic personas that maximize "sei-katsu-sha" interest in real time; these can then be utilized in building digital strategies.	**Information (media) lifestyles meet lifestyles on the go** New services, such as a joint home and car platform born from a cross-sectoral tie-up between the media industry and the auto industry, are demonstrating increasing potential. Voice intercoms are likely to be a powerful trigger in the functionality of these emerging services. **Information (communication) lifestyles meet financial lifestyles** Interindustry cooperation is likely to continue moving forward through the combined use of "sei-katsu-sha" data found in marketing communications and financial technologies. One of the highest potentials appears to be in new services that are closely tied to daily living and aimed at local "sei-katsu-sha".

*Note: For details on Dynamic Bundling: Using media and data to capture dynamic "*sei-katsu-sha"*, please visit the Institute of Media Environment website at http://www.media-kankyo.jp/news/forum/20161130_3474.html*

*sei-katsu-sha
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.