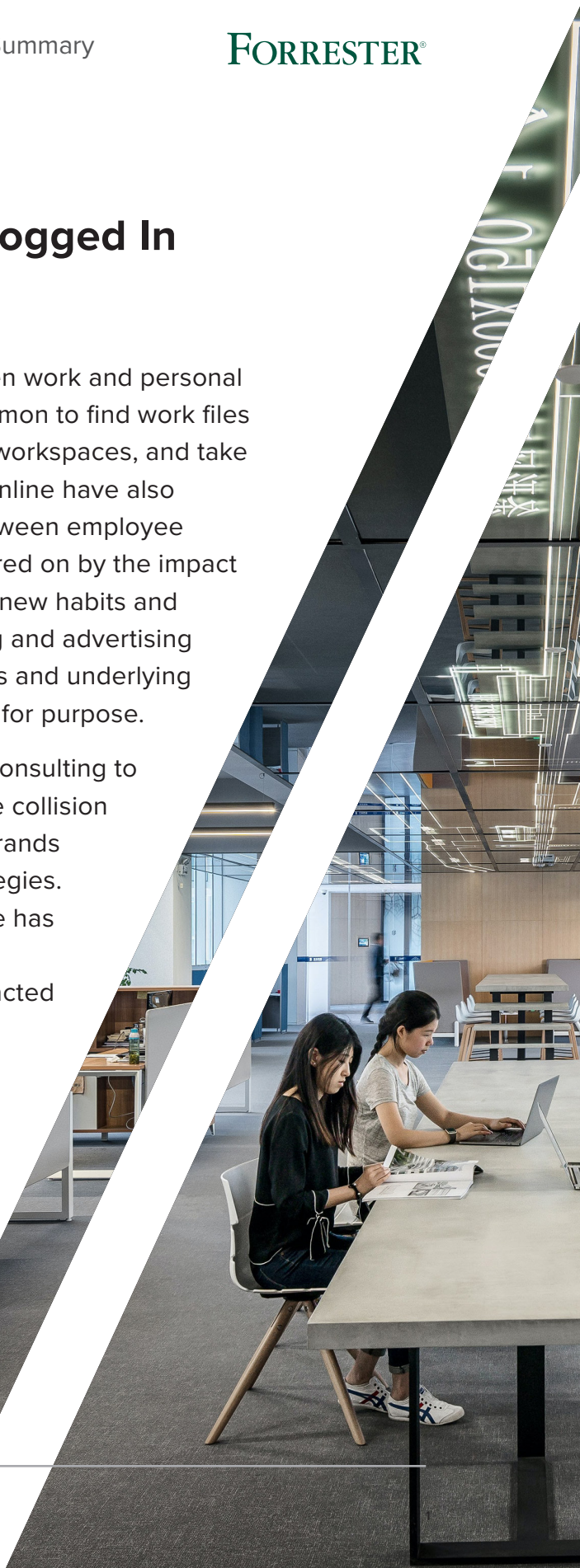


The Workday Consumer Has Logged In

EXECUTIVE SUMMARY FOR JAPAN

In the anywhere-work world, the boundaries between work and personal life have blurred.¹ In the physical world, it's now common to find work files on kitchen counters, use guest rooms as makeshift workspaces, and take conference calls from the garden. The boundaries online have also blurred, and many people switch back and forth between employee mode and consumer mode during work hours. Spurred on by the impact of the COVID-19 pandemic, consumers have forged new habits and preferences. Brands rushed to adapt their marketing and advertising strategies, and they found their pre-pandemic tactics and underlying assumptions about buyer personas are no longer fit for purpose.

In March 2022, Microsoft commissioned Forrester Consulting to evaluate the consumer behaviors emerging from the collision of work and personal lives in Japan, and how well brands in Japan have adapted their online advertising strategies. We found that the blending of work and personal life has fueled the rise of a new buyer persona in Japan: the Workday Consumer. However, brands have not yet acted on this opportunity because of outdated consumer personas and targeting strategies and challenges around driving decisions with customer data insights while balancing privacy requirements and personalization. Although brands are steering their online advertising toward consumer expectations, they must update their persona-design assumptions and rethink their online targeting strategies to attract, convert, and retain the Workday Consumer and other emerging personas.



The Rise Of The Workday Consumer In Japan

While work and personal lives were increasingly moving online during the last decade, the pandemic provided rocket fuel for this shift. The mass move to remote working spawned the anywhere-work world, and companies are now under pressure to provide the technology, culture, and leadership that their employees need to work away from the office.² For consumers, the pandemic rapidly accelerated the necessity for and expectations surrounding digital delivery of products and services, from everyday groceries to healthcare. This forced brands to light a fire under their digital transformation efforts. In surveying more than 530 employed online consumers in Japan who had made a PC purchase during the previous six months, we found that they:

- **Blend their work and personal lives.** Fifty-three percent of respondents say they mix work and personal tasks in their worktime, and 56% consider work and personal tasks to be of equal importance during work hours (see Figure 1). This is slightly below the global average (60%).
- **Use work devices for personal purposes.** Sixty-four percent of respondents spend more time on their work PC now than before the pandemic (see Figure 1). Additionally, 61% said they use work tools for personal purposes, which is higher than global average of 56%.
- **Spend more time on personal tasks since the pandemic.** Around 42% of surveyed consumers spend an hour or more on personal tasks during the worktime, with nearly half stating that the amount of worktime spent on personal tasks has increased since the pandemic began.

SAY HELLO TO THE WORKDAY CONSUMER

The Workday Consumer spends time during their work hours researching or purchasing products and services, along with performing personal tasks such as doing household chores, managing finances, and consuming entertainment. Nearly two-thirds of consumer respondents (61%) in Japan

Consumer respondents in Japan are **more likely** to say they use work tools for personal purposes (61%) than the global average (56%).



Figure 1

“To what extent do you agree or disagree with the following statements?”

● Strongly agree ● Agree

I spend more time on my work PC (desktop or laptop) than I did before the pandemic.



I use my work tools (e.g., work laptop, videoconferencing) for personal tasks.



My personal tasks (e.g., paying bills) and work tasks (e.g., client calls) are of equal importance during my worktime.



I prefer not to switch devices when doing personal tasks during my worktime.



I do personal tasks during my worktime because it gives me a short break from work.



I balance family and home management (e.g., childcare, cooking, laundry, meal prep) alongside my work tasks during the day.



I typically have a mix of work and personal tasks in my to-do list during my worktime.



I do personal tasks during my worktime because it is convenient.



I try to complete personal tasks during my worktime so that I have free time when I'm not working.



Base: 535 employed consumers in Japan aged 18+ who have made online purchases via a PC (desktop or laptop) in the last 6 months
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2022



Meet the Workday Consumer:
61% of consumer respondents in Japan are regularly researching or purchasing products and services during their worktime.

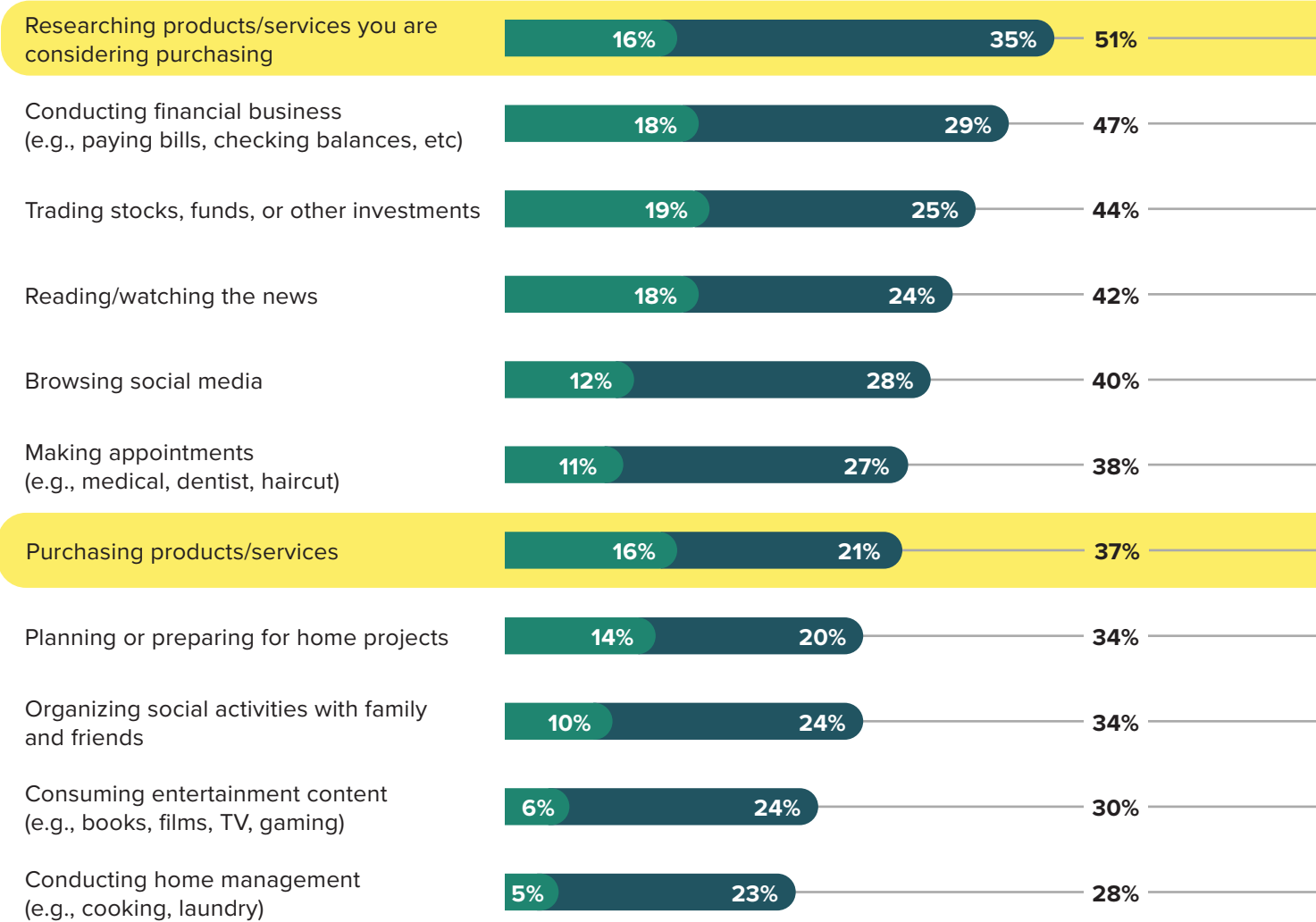
are in this category because they regularly research or purchase products and services during their worktime (see Figure 2).

Workday Consumers in Japan seek high-consideration purchases: The top categories that consumers are researching and/or purchasing during their worktime include travel, financial products/services, electronics, and cars. Respondents also indicated they prefer PCs for researching and purchasing high consideration categories, particularly financial products or services and cars.

Figure 2

“How often do you do the following tasks during your worktime?”

● Always ● Often



Base: 535 employed consumers in Japan aged 18+ who have made online purchases via a PC (desktop or laptop) in the last 6 months
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2022

Brands Must Mature Advertising Strategies To Keep Pace With Online Consumer Behavior

Marketing and advertising decision-makers at brands know that new consumer behaviors should prompt them to change their online advertising strategies. Changes in consumer behaviors (77%) top of the list of brand respondents' most important factors affecting online marketing and advertising strategies during the next 12 months, followed by budget changes due to the pandemic (72%). However, respondents have mixed confidence in their organizations' abilities to reach online consumers at the right moments on the right channels with the right advertising tactics. Over half of respondents do not consider their brands as experts when it comes to the ability to connect data sources, understand customer journeys across digital channels, use the right combination of digital ad tactics, and target online ads at the right moments on the right channels.

BRANDS FACE CHALLENGES WITH INSIGHT-LED DECISIONING AND DATA PRIVACY REQUIREMENTS

Brands in Japan struggle to make insights-driven advertising decisions as well as identifying and understanding the most valuable channels for spend. This is all while also wrestling with privacy, personalization, and data quality and access issues (see Figure 3). Challenges with online advertising will continue to change and new ones are likely to emerge through regulatory changes or market shifts. But the emergence of the Workday Consumer creates a strong imperative for brands to tackle challenges and capitalize on these new opportunities.

Brand respondents in Japan highlight challenges similar to global respondents: **driving decisions with consumer insights** and **balancing privacy and personalization** are top of mind across the board.



Figure 3

“What strategic challenges does your organization face with online advertising?”

Driving decision-making with customer insights



Deriving actionable insights from customer data



Navigating the complexity of the online advertising landscape



Determining the most valuable channels on which to focus ad spend



Attributing marketing performance to individual programs, campaigns, or channels



“What data challenges does your organization face with online advertising?”

Personalizing experiences across channels



Balancing data privacy requirements and expectations with the right level of personalization



Poor data quality



Lack of access to real-time data



Relevant data is unavailable

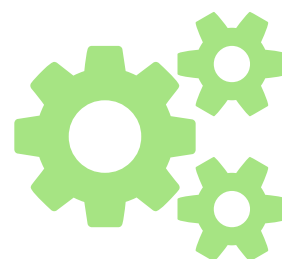


Base: 134 marketing and digital advertising decision makers at companies in Japan
Note: Showing top five results
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2022

BRANDS PLAN TO STEER ONLINE ADVERTISING TOWARD CONSUMER EXPECTATIONS

Brands in Japan recognize the importance of adapting marketing and advertising to align with consumer trends. The top consumer trends they plan to prioritize with new or updated advertising strategies over the next 12 months include: consumer expectations for seamless digital experiences (53%), consumer expectations and preferences for relevant content (53%), and the mix of devices used in online journeys (51%). Just under half of brand respondents are recognizing behaviors attributed to the Workday Consumer, including purchase journeys that combine work and personal devices (49%), and the mixing of work and personal tasks during worktimes (47%). To keep pace with consumer trends, brands are investing in upgrading their skills and tools and evolving their mixes of online advertising tactics. Brand respondents said their companies plan to:

- **Acquire specialist capabilities and tools.** Brands plan to build capabilities that enable consolidated media buying (47%) and orchestration of total brand experiences online by designing, building, and implementing digital experiences (44%). They also plan to hire for specialist skills in marketing (47%) and acquire specialist agencies (43%). Over 40% also plan to upgrade tools and technologies and embed a range of marketing technology to handle shifts in consumer behaviors and marketing needs.
- **Boost budgets for digital channels.** The mass migration to digital channels is permanent in many ways, and it's reflected in brands' redistribution of paid media budgets.³ They are redirecting ad budgets from traditional channels such as TV, print, and out-of-home to digital channels including search, social, online video, and online display. Although 60% of total paid media budget went to digital pre-pandemic, this is set to rise to 74% during the next 12 months, while the portion going to traditional media will fall to 26%.



Brands in Japan are less focused on hiring for **specialist skills** (47%) and **upgrading tools** (43%) compared to global averages (57% and 49%).

- **Emphasize social, search, online video, and online display.** The mix of advertising tools and tactics that are important to tackle consumer trends have shifted. Brand respondents reported that social (76%), search (72%), online video (64%) and online display (53%) have all become more important for their company's online advertising strategies. As a result, 60% or more respondents said their organizations plan to increase advertising spend on these channels over the next 12 months (see Figure 4).

As the emergence of the Workday Consumer shows, consumer behavior and preferences continually evolve in response to short-term and medium-term disruptions such as the pandemic and long-term trends such as hybrid working. Brands must adapt online marketing and advertising strategies to account for these shifts and prepare for future ones. They must refine target consumer personas to account for working mode and mindset, optimize content and ads for search and native campaigns on PC, rethink targeting strategies to balance personalization and privacy requirements, and prepare to target new and emerging personas across their online purchasing journey by utilizing partner-provided insights.

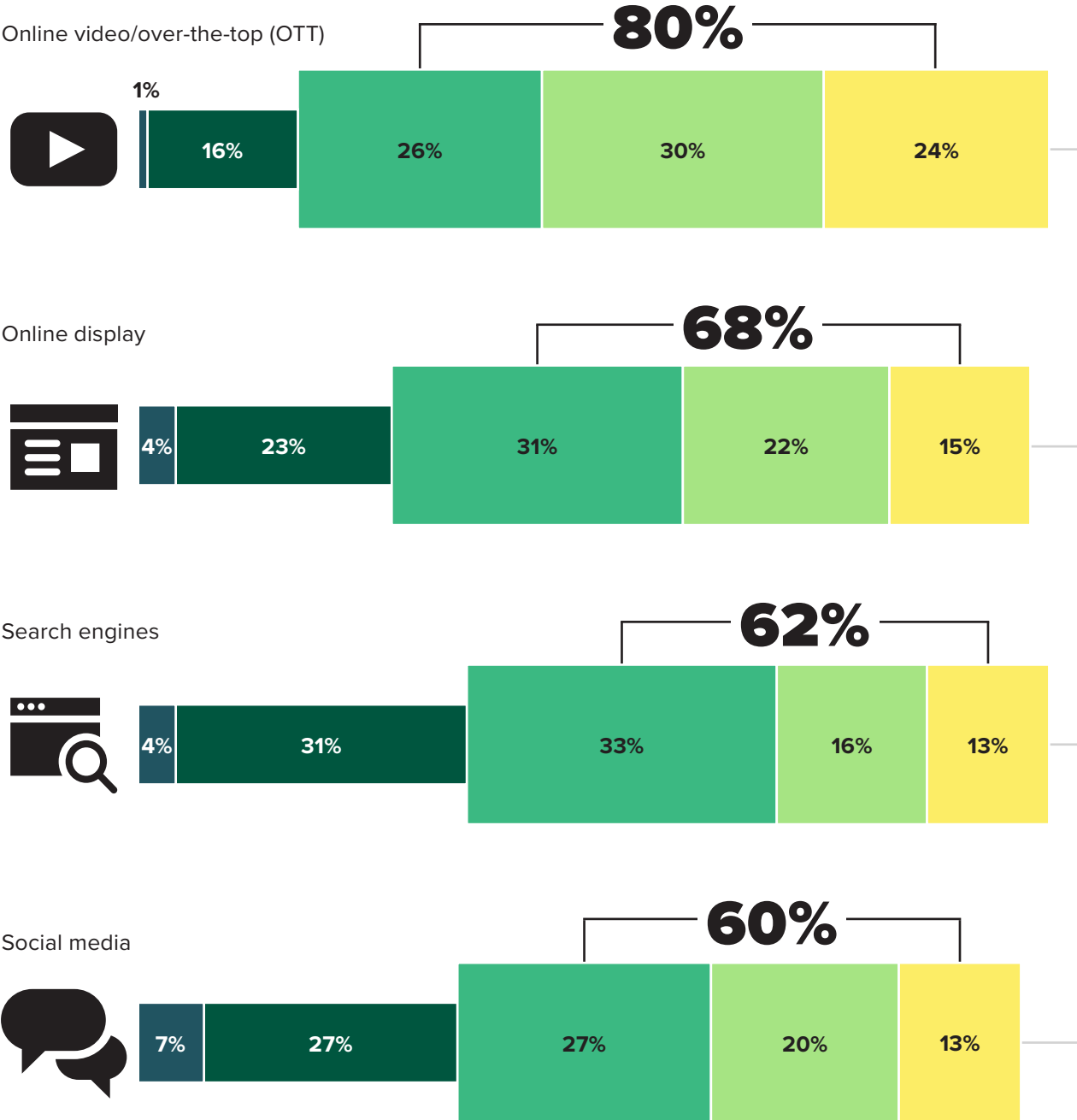
Brands in Japan are much more likely to be increasing budgets for **online video** (80% are increasing spend), **online display** (68%), and **social** (60%) advertising than the global average (61%, 59%, and 53%, respectively).



Figure 4

“How do you expect your organization’s media advertising budget across the following to change over the next 12 months?”

- Decrease
- Stay the same
- Increase by 1% to 5%
- Increase by 6% to 10%
- Increase by over 10%



Base: 134 marketing and digital advertising decision makers at companies in Japan
 Note: “Don’t know/does not apply” responses not shown.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2022

METHODOLOGY

Microsoft commissioned this study to understand attitudes to personal tasks and purchasing during worktimes and evaluate how the COVID-19 pandemic shifted those attitudes.

To achieve these objectives, Forrester conducted an online survey with 535 employed consumers in Japan and another with 134 marketing and advertising decision-makers in Japan.

To read the full results of this study, please refer to the Thought Leadership Paper commissioned by Microsoft titled, “The Workday Consumer Has Logged In.”

Project Director:

Asha Dinesh, Senior Consultant

Contributing Research:

Forrester’s CMO research group

ENDNOTES

¹ Source: “Predictions 2021: Employee Experience,” Forrester Research, Inc., October 29, 2020.

² Source: “Use The Lessons Of 2020 To Create Your Anywhere-Work Strategy,” Forrester Research, Inc., November 17, 2020.

³ Source: “Predictions 2022: Consumer,” Forrester Research, Inc., October 27, 2021.

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester’s Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on the best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. [E-51424]