

2017

Advertising  
Expenditures  
in Japan

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### **About Dentsu's Advertising Expenditures in Japan**

Dentsu's annual report on advertising expenditures in Japan is an estimate of advertising spending in Japan during the calendar year (January to December), representing the advertising media fees and production costs for the traditional media (newspapers, magazines, radio and television), along with those for the Internet and promotional media categories. It is prepared in cooperation with media companies and production companies. Advertising expenditures in the traditional media are also broken down into estimates for 21 industry categories.

Dentsu had used the same methods and category scope in its estimate of expenditures from 1947 through 1986, but in 1987 the scope of the report was expanded beyond the four traditional media, and figures were revised retroactively to 1985. The scope of estimates was revised again in the 2007 report, with figures revised retroactively to 2005. After Japan switched from analog to terrestrial digital broadcasting in 2011, televisions capable of receiving both terrestrial and satellite broadcasts became the norm. Therefore, starting in 2014, advertising expenditures in Television were redefined to include expenditures in both Terrestrial Television and Satellite Media-Related advertising.

# I. Overview of Advertising Expenditures in Japan for 2017

## Total advertising expenditures rose 1.6%, to ¥6,390.7 billion

Japan's advertising expenditures for calendar 2017 totaled ¥6,390.7 billion, an increase of 1.6% compared with the previous year's figure. Overall advertising expenditure increased for a sixth consecutive year, as the nation experienced the second-longest period of continuous post-war economic growth.

### General Characteristics of Advertising Expenditures during Calendar 2017

1. The 1.6% full-year growth rate for overall advertising expenditures in 2017 was underpinned by sustained, gradual expansion in the Japanese economy, which benefitted from the convergence of an array of positive factors. These include recovery in the global economy, rising corporate earnings, an improvement in the employment environment, weakening of the yen exchange rate, and a vigorous stock market. In particular, robust spending in Internet advertising drove overall expenditure growth. Across the advertising market as a whole, the transformation to digital advertising media advanced on a range of fronts, as integrated communication platforms that leveraged the particular characteristics of each medium became more conspicuous.
2. Broken down by medium, advertising expenditures fell in Newspapers (down 5.2%), Magazines (down 9.0%), and Television (down 0.9%; including both Terrestrial Television and Satellite Media-Related spending), and rose in Radio (up 0.4%). As a result, overall spending in the traditional media posted a decline of 2.3%. In Internet advertising expenditures (up 15.2%), growth of performance-based ads and video ads directed at users of mobile devices was particularly strong. Hence, growth in the Internet medium remained the key driver for advertising expenditures overall. Although spending on Promotional Media decreased (down 1.5%), growth was recorded for Outdoor, POP, and Exhibitions/Screen Displays and other sub-categories.
3. By industry category (for the traditional media, but excluding Satellite Media-Related spending), year-on-year spending rose in 6 of the 21 industry categories.

Major categories posting gains were Real Estate/Housing Facilities (up 8.9% on increased placements for general housing); Energy/Materials/Machinery (up 8.0% on placements for ads related to gas market liberalization); Information/Communications (up 1.7% on increased placements for web content and smartphones); and Automobiles/Related Products (up 1.5% on stronger advertising for station wagons/hatchbacks, K-cars (engine displacement up to 660 cc) and SUVs).

Major categories posting declines included Home Electric Appliances/AV Equipment (down 11.4% on decreased advertising for vacuum cleaners, and hair styling and beauty appliances); Precision Instruments/Office Supplies (down 11.2% on decreased placements for wristwatches and digital cameras); Distribution/Retailing (down 9.7% on decreased placements for general merchandise stores and convenience stores); Government/Organizations (down 8.1% on fewer placements for advertising industry organizations and foreign/Japanese government and public agencies); Apparel/Fashion, and Accessories/Personal Items (down 8.0% on decreased advertising for casual wear).

In calendar 2017, Japan's nominal gross domestic product (GDP) grew 1.4%. Advertising expenditure for the year amounted to 1.17% of nominal GDP, unchanged from the corresponding figure for 2016.

## 1. Japanese Economy Maintains Gradual Pace of Growth

In calendar 2017, the Japanese economy continued to grow at a modest pace. By year's end, real GDP had grown for eight consecutive quarters. The economy expanded 0.3% (1.2% on an annualized basis) in the January–March quarter, 0.6% (2.5% annualized) in the April–June quarter, 0.6% (2.2% annualized) in the July–September quarter, and 0.1% (0.5% annualized) in the October–December quarter. As a result, real GDP grew at an annual rate of 1.6%, recording the sixth consecutive year of positive growth. The main drivers of economic growth were capital investment and exports. Capital investment remained robust, posting five consecutive quarters of expansion through the final quarter of 2017. Exports were strong, underpinned by recovery in the global economy and depreciation of the yen, leading to the sixth consecutive quarter of growth in exports through the end of 2017. Although consumer sentiment recovered as conditions in the labor market improved, the impact of unseasonable weather meant consumer spending remained soft. Investment in housing declined year on year, for two consecutive quarters beginning with the July–September quarter, reflecting the impact of a peaking in new housing starts centering on housing units for rent. Investment in public works for the October–December quarter recorded a year-on-year decline, marking the end of the boost that had resulted from the supplementary budget implemented by the government in 2016.

Compared with the previous year, real GDP grew 1.6% and nominal GDP increased 1.4% during calendar 2017 (according to preliminary GDP quarterly data released on February 14, 2018).

### **Corporate Earnings Favorable; Full-term Net Profits Forecast to Reach Record High**

For listed companies as a whole, 2017 saw a favorable earnings environment, supported by depreciation of the yen and US tax reform. During the first nine months of Japan's fiscal 2017 (April–December), the revenues of listed companies rose 9.0% across all industries (financial sector not included), ordinary profits increased 19.5%, and net profits jumped 35.0%. Aggregate net profits for all listed companies amounted to ¥23,636.4 billion, which was a record for the April–December period. Bolstered by the weakening of the yen, the manufacturing sector performed particularly strongly, while the non-manufacturing sector also put in a sound performance. Based on the April–December performance, analysts are forecasting that, for Japan's full fiscal year ending March 31, 2018, total revenues for listed companies in all industries will rise 6.9% compared with the previous fiscal year, while ordinary profit will increase 12.7%, and net profit 30.1% year on year. Aggregate net profit is expected to reach ¥28,681.0 billion, an all-time high. (These forecasts were published by Nikkei Inc. on February 16, 2018.)

### **Ongoing Improvement in Employment Conditions**

Employment conditions continued to improve. The annual average unemployment rate for 2017 was 2.8%, a decrease of 0.3 percentage points compared with the rate for the previous year. This marked the seventh successive year of improvement. In December, 1.74 million people were registered as being unemployed—190,000 fewer than in December 2016—marking the 91st consecutive month of decrease. Meanwhile, the average effective opening-to-application ratio for 2017 was 1.50, a 0.14 point increase compared with the previous year. (A ratio in excess of 1.00 means there are more job openings than job seekers). The effective opening-to-application ratio for regular employees reached 1.01 in June—the first time the

rate surpassed 1.00 since the government had begun compiling data. For seven consecutive months starting in June, the ratio remained above 1.00, to end the year at 1.07 in December.

### **Yen Depreciates, Stock Prices Bullish, Crude Oil Prices Rise**

In foreign exchange markets, the yen continued its depreciating trend. Over the year, the exchange rate generally remained in the range of ¥110–120/\$1.00. On the final day of trading for 2017, the exchange rate closed at ¥112.64/\$1.00.

Stock prices were bullish during 2017. In early November, the main stock price index reached a level not seen since January 1992. Stock prices reached their highest level since the bursting of Japan's economic bubble in the early 1990s. And on December 25, Japan's Nikkei Stock Average reached 22,939, its highest level for the year.

The price of crude oil recovered following the start, in January 2017, of coordinated production cutbacks by major producing countries. The Dubai Crude benchmark oil price generally fluctuated within the range of \$50–60 per barrel, but exceeded \$60 per barrel in November. Correspondingly, the prices of petroleum products in Japan also increased, with the Japan-wide average retail price of regular gasoline rising to ¥140–142 per liter from late November.

## **2. Domestic Consumption: Renewed Growth in Spending by In-bound Visitors**

Within domestic consumption, although growth was weak owing to such factors as natural disasters and future uncertainty, consumer sentiment recovered during the second half of 2017, reflecting the favorable labor market. In the retail and distribution sector, annual sales at department stores rose 0.1% year on year, the first increase in three years. Sales of high-priced items were robust, reflecting not only growth in consumption by inbound tourists, but also the asset effect driven by stock prices and other asset classes. Meanwhile, sales at supermarkets fell 0.9%, marking the second consecutive year of decline. Unseasonable weather contributed to weak sales of produce and clothing. Sales at convenience stores shrank 0.3%, marking the first year-on-year fall in three years, despite strong sales of prepared deli-food items.

In the household electric appliance sector, bolstered by strong sales in such categories as air conditioners and washing machines, the value of domestic white goods shipments rose 2.0% year on year. Meanwhile, although the value of domestic shipments of audio-visual equipment and other black goods declined 1.8%, the value of 4K television shipments increased.

Despite the impact of shipment disruptions at certain domestic auto manufacturers caused by the discovery of inspection irregularities, domestic sales of new automobiles increased 5.3% for the year, to 5.23 million vehicles. It was the first year-on-year increase in three years. In particular, there was a strong recovery in shipments of K-cars (engine displacement up to 660 cc), which rose 6.8%, to 1.84 million vehicles.

Annual mobile phone shipments totaled 37.35 million units, up 3.6% compared with the previous year. Of the total figure, smartphones accounted for 31.99 million units, up 8.7% year on year to set a new record high, while shipments of feature phones declined 19.3% year on year to 5.36 million units, the lowest level recorded for this classification. Shipments of personal computers during the April–September period totaled 4.92 million units, up 1.6% year on year, marking the second consecutive year of increase. For fiscal 2017 (to March 2018), shipments are forecast to increase 2.0% year on year, to 10.31 million units. Annual domestic shipments of tablet devices totaled 8.63 million units, up 1.4% compared with the previous calendar year's figure, showing a return to growth following the decline seen in 2016.

Domestic annual unit shipments of digital cameras remained at a level similar to that of the previous year, as integral lens camera shipments posted a 2.9% increase, while interchangeable lens camera shipments recorded a 5.0% decrease. However, a market recovery was apparent on a shipment-value basis, as that for integral lens cameras increased 8.1% and for interchangeable lens cameras rose 8.3%. High-performance models posted growth, with strong sales of high-end mirrorless interchangeable lens cameras retailing for over ¥100,000.

Housing starts decreased 0.3% year on year, the first fall in three years. This reflected a decline in housing starts for owner-occupied dwellings, which had previously been robust, along with sluggish growth in housing starts for rental units. The number of condominium units put on the market nationwide increased 0.5%, marking the first rise in four years.

In the travel market, both domestic and international travel by Japanese people was robust. Further, the number of foreign inbound visitors to Japan continued on a rising trend, with the total increasing 19.3%, to 28.69 million people. Although average spending per person decreased, in-bound visitors spent a total of ¥4,416.1 billion for the year, an increase of 17.8% year on year underpinned by the yen's depreciation. A new record was set for in-bound visitor spending for the fifth straight year.

The food services market saw another strong year. Annual sales grew 3.1% (all-stores basis), marking the third consecutive year of increase. The fast food, dinner restaurant, and café categories all performed well.

### **3. Hit Products and Categories Attracting Significant Attention**

The key term trending in 2017 was "Instagrammable." There was a sharp increase in people spontaneously posting photos and videos of products and services on social media, and "Instagrammability" gave birth to a diverse range of hit products and services. For example, a lineup of chocolate bars that featured particularly distinctive and stylish package designs became a hit.

Continuing the trend from the previous year, advanced, future-oriented products and services were also popular. These included a hit desktop game console that can also be used as a portable device, facilities for experiencing virtual reality technology, which attracted large visitor numbers, and theaters in which audience seats can rotate 360 degrees. Other product categories attracting considerable attention included wireless earphones, which saw growth in sales, and smart speakers, which saw a flurry of product releases by major manufacturers through the end of the year. Heat-not-burn tobacco products also gained popularity, and the market for this category expanded. Also attracting interest were products tailored to the needs of the growing population of elderly people, as well as goods and services for Japanese society's increasing longevity.

## II. 2017 Advertising Expenditures Classified by Medium

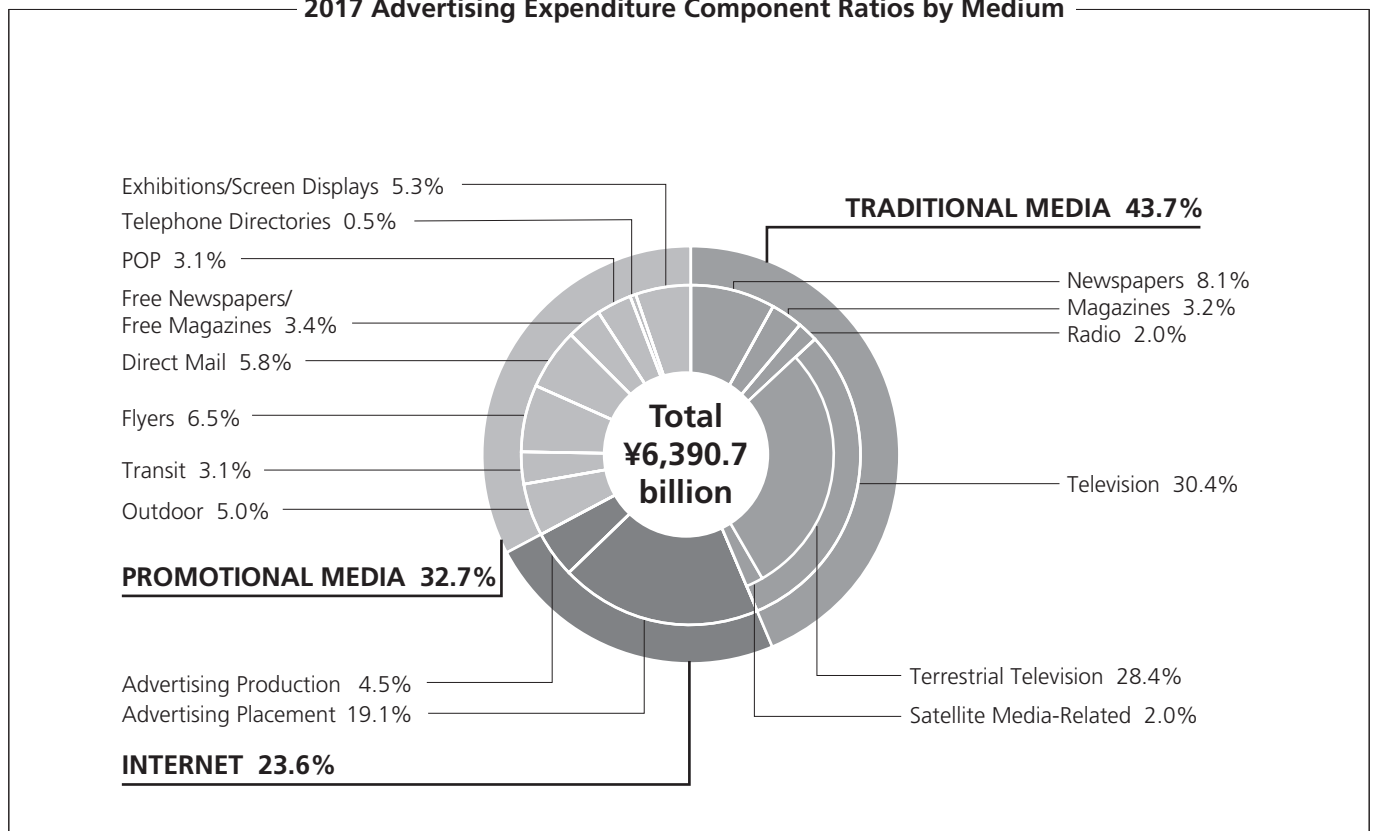
### Internet Advertising Expenditures Post Double-Digit Growth for Fourth Year Running

Broken down by medium, in calendar 2017 Internet advertising expenditures (medium expenditures and ad production costs) increased 15.2% to ¥1,509.4 billion, marking the fourth consecutive year of double-digit growth. In particular, growth further accelerated for performance-based advertising and video advertisements on mobile devices. Internet advertising expenditures accounted for 23.6% of spending in all media, a rise of 2.8 percentage points compared with 2016. Internet advertising medium expenditures increased ¥182.8 billion, or 17.6%, compared with the previous year, to ¥1,220.6 billion.

Advertising expenditures for Traditional Media (including Satellite Media-Related spending) declined 2.3% year on year, to ¥2,793.8 billion, recording the third consecutive year of decrease. However, within this total, Radio advertising expenditures were up 0.4% year on year, to ¥129.0 billion, achieving growth for a second successive year.

Promotional Media expenditures decreased 1.5% year on year, to ¥2,087.5 billion, falling for the third year running. Within Promotional Media, for a sixth consecutive year growth was achieved by two categories: Outdoor and Exhibitions/Screen Displays.

2017 Advertising Expenditure Component Ratios by Medium



## Newspaper Advertising

- Newspaper advertising spending declined 5.2% year on year, to ¥514.7 billion.
- On a full-year basis, the declining trend for expenditures continued, although there were times during the year when expenditures exceeded those of the corresponding period in the previous year—driven by such factors as the House of Representatives election in October 2017 and favorable corporate earnings leading to increased ad placements at the end of the year. The year-on-year fall in spending was attributable to such factors as the previous year's spending having been bolstered by the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro, and unseasonable weather over the summer.
- Industries that recorded an increase in newspaper advertising expenditures in 2017 included Energy/Materials/Machinery, and Government/Organizations. Industries posting a decrease included Automobiles/Related Products, Precision Instruments/Office Supplies, and Finance/Insurance.
- Rather than limiting themselves to printed newspapers, newspaper publishers are implementing a wide range of programs that leverage their diverse functions and assets. This includes initiatives by regional newspapers related to regional revitalization.
- Accompanying the expansion of Internet advertising, digital advertising handled by newspaper publishers steadily grew. As newspaper companies rapidly advanced their respective digital strategies, private marketplaces (PMPs) and other performance-based ad platforms saw growth, as did the number of content marketing programs handled by publishers. There was also an acceleration in collaboration with other media, including campaigns that linked print ads with digital ads.

## Magazine Advertising

- Magazine advertising spending fell 9.0% year on year, to ¥202.3 billion.
- The estimated value of retail sales of printed publications decreased 6.9%, marking the thirteenth consecutive year of decline. Breaking down this total, book sales were down 3.0%, while magazine sales fell 10.8%—recording the first ever double-digit slide in the value of magazine retail sales. Meanwhile, the electronic publications market expanded 16.0%, continuing the rise seen in the previous year. However, this increase was still insufficient to offset the drop in sales of printed publications, resulting in the combined print and electronic publications market recording an overall decline of 4.2% (source: January 2018 issue of the publishing-related monthly magazine, *Shuppan Geppo*).
- Owing to the factors outlined above along with a gradual drop in print-run circulation, throughout the year magazine advertising expenditures fell below the previous year's level, extending the medium's harsh market conditions. In contrast, accompanying expansion in digital media offered by existing publishing companies—which have achieved a sound reputation for the quality of content—posted double-digit growth for the second year running. This growth is expected to continue, driven by the rise of campaigns based on users sharing information on social media platforms that develop and utilize high-quality influencers. Video promotions produced by publishers are also expected to bolster brand presence.
- By genre, only magazines targeted at married women achieved year-on-year ad expenditure growth. Career-oriented fashion magazines and magazines targeting young women—which account for a large share of the overall market—saw ad expenditures slip below the previous year's level.
- By industry, only Government/Organizations grew. However, Apparel/Fashion, Accessories/Personal Items, which accounts for the largest portion of magazine advertising expenditures decreased owing to such factors as a shift to digital campaigns by luxury brands.
- Following on from the trend seen in the previous year, there was strong activity in the area of



digital media launches by publishers. There was also a rapid deepening of collaboration between content publishers and digital media, which saw such developments as the commencement of ad sales operations for online magazines.

## Radio Advertising

- Radio advertising spending grew 0.4% year on year, to ¥129.0 billion.
- Radio advertising expenditures increased for the second consecutive year. Excluding Tokyo, most regions posted growth.
- By industry, placements by Food Services/Other Services—which accounts for the largest share of the radio advertising market—decreased 9.7%, marking the first year of decline in 12 years. In contrast, Information/Communications (up 37.9%), Foodstuffs (up 12.4%), and Automobiles/Related Products (up 0.8%)—three categories that account for major shares of the market—helped to drive growth in the market as a whole.
- The number of premium subscribers for the radiko.jp online radio service showed strong growth, reflecting the growing awareness among consumers regarding the service. In 2017, accompanying the release of smart speaker products that come with radiko preinstalled, the number of service users increased, leading to expectations of a continued expansion in the number of consumers coming into contact with the service.
- In local regions nationwide, community broadcasting is becoming firmly entrenched as part of the media landscape, and the steady increase in advertising revenue is contributing to growth in overall radio advertising expenditures.
- Radio is gradually establishing a solid base as an audio medium, and strengthening opportunities for contact by consumers, regardless of the type of device used. In addition, radio has a high compatibility with live events, leading to greater opportunities for its inclusion in integrated sales promotion campaigns.

## Television Advertising

(Terrestrial Television and Satellite Media-Related spending)

- Television advertising spending fell 0.9% year on year, to ¥1,947.8 billion.

**Terrestrial Television spending** decreased 1.1%, to ¥1,817.8 billion.

- Although there were expectations that terrestrial television would benefit from such factors as robust corporate performance and a recovery in personal consumption, the momentum of ad placements failed to become invigorated.
- Whereas program sponsorship expenditures (down 0.9%) were bolstered by such sports events as the 2017 World Baseball Classic, the 2018 FIFA World Cup Russia™ AFC qualification tournament Round 4, the 2017 World Aquatics Championships in Budapest, the 2017 World Championships in Athletics in London, and the EAFF E-1 Football Championship 2017 Final Japan, for the year as a whole expenditures fell. This reflected the fact that the previous year's performance had been significantly driven by the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro and other events. Among Japan's eight main regions, Sendai and Fukuoka recorded a second consecutive year of increase, while spending was also up in Nagoya and Osaka compared with 2016 figures.
- Throughout the year, spot advertising (down 1.2%) failed to achieve the momentum seen in the previous year, and although some industries did record increases, the overall performance was weak. Among the 32 regions, 27 recorded a decrease compared with the previous year. Nagoya along with four regions in Kyushu (Fukuoka, Nagasaki, Kumamoto and Oita) recorded year-on-year increases.
- Industry categories recording an increase included Real Estate/Housing Facilities, Energy/Materials/Machinery, Automobiles/Related Products, Household Products, Information/

Communications, and Beverages/Cigarettes. In contrast, there was a decline in Cosmetics/Toiletries, which accounts for a major share of television advertising expenditures. Other industry categories recording a decrease included Finance/Insurance, and Distribution/Retailing.

- Although not included in the advertising expenditure figures compiled for this report, ads are increasing in streamed video content—such as those included in streaming services for recently aired TV shows. This reflects an acceleration of programs that combine TV with digital formats.

**Satellite Media-Related spending** rose 1.3% year on year, to ¥130.0 billion.

- Overall spending was bolstered by the performance of BS digital broadcasting. The breakdown in spending was: BS digital broadcasting ¥92.53 billion (up 2.9%), CS broadcasting ¥20.08 billion (down 2.0%), and Cable TV (CATV) ¥17.40 billion (down 2.7%).
- Although the increase in BS digital broadcasting ad spend was bolstered by direct-marketing-related advertising, the type of brand advertising that was a feature in the previous year fell.
- In CS broadcasting, although there were increases in placements within music programs (particularly by IT companies), sports programs, movies, and documentaries, direct-marketing-related advertising overall shrank, leading to an overall decline.
- In CATV, although real estate ads grew in the first half of the year, in the second half of the year the sub-category overall decreased.
- By industry, although health foods and cosmetics rose, automobile and finance-related placements were weak.
- In the pay TV sector in particular, impact from the shift to digital services led to a declining trend.

### Advertising Production Costs for the Traditional Media

(Excluding Satellite Media-Related spending)

Note: Production costs are included in the advertising expenditures in newspapers, magazines, radio and terrestrial television.

- Advertising production costs for the traditional media fell 2.7% year on year, to ¥297.9 billion.
- Production costs for terrestrial TV commercials amounted to ¥217.3 billion (down 0.7%).
- By industry category, those posting an increase included Energy/Materials/Machinery, Real Estate/Housing Facilities, Automobiles/Related Products, and Information/Communications. Those recording a decrease included Distribution/Retailing, Food Services/Other Services, and Cosmetics/Toiletries.

### Quarterly Breakdown of 2017 Advertising Expenditure Growth in the Traditional Media

Looking at a quarterly breakdown of advertising expenditures in the traditional media (including Satellite Media-Related spending), although the October–December quarter (down 0.9%) almost reached the same level as the previous year, the data showed seven consecutive quarters of year-on-year decline.

(Year on year, %)

Advertising Expenditures in the Traditional Media (including Satellite Media-Related spending)	2016 (Full Year)	H1 Jan.–Jun.	H2 Jul.–Dec.	Q1 Jan.–Mar.	Q2 Apr.–Jun.	Q3 Jul.–Sep.	Q4 Oct.–Dec.
		99.6	100.2	99.1	100.9	99.4	98.9
	2017 (Full Year)	H1 Jan.–Jun.	H2 Jul.–Dec.	Q1 Jan.–Mar.	Q2 Apr.–Jun.	Q3 Jul.–Sep.	Q4 Oct.–Dec.
		97.7	97.6	97.8	98.2	96.9	96.5

## Internet Advertising

- Internet advertising spending (medium expenditures and ad production costs) rose 15.2%, to ¥1,509.4 billion.

**Internet Advertising Medium Expenditures** rose 17.6%, to ¥1,220.6 billion.

- Following on from 2016, when spending on Internet media exceeded ¥1 trillion for the first time, in 2017 Internet medium expenditures overall remained robust.
- Expenditures for performance-based advertising<sup>1</sup> amounted to ¥940.0 billion (up 27.3%). On the media side, the shift to performance-based ads from prebooked ad placements advanced even further than in the previous year. As a result, 77.0% of overall spending on Internet media was on performance-based advertising, hence accounting for more than three-quarters of overall expenditures.
- As was the case in 2016, video advertising grew. Parallel with the increased use of mobile devices by consumers, there emerged a greater need for video advertising, which has achieved audience penetration on mobile platforms. Media operators and platform providers reinforced their service lineup of video ad options. As a result, the market steadily expanded. In particular, in the performance-based advertising sphere, centering on social media platforms and video-focused media, video ads targeting mobile users exhibited brisk activity, driving growth. In the prebooked ad placement sphere, which is on a declining trend due to the shift to performance-based advertising, there was a noticeable emergence of video ads targeting mobile users as a new revenue source.
- In the area of performance-based advertising used for branding campaigns, considerable attention was focused on the brand-lift effect of video ads, specifically as regards awareness, affinity, and degree of purchase intention. There was brisk activity in the utilization of performance-based advertising for the purpose of branding, including an increase in the number of media properties that offer brand-lift research functions. Driven by this trend, there was an increase in demand for media planning that links TV spot ads with performance-based video ads.
- Among advertisers, the digital transformation accelerated for national clients. Such industries as automobiles and communications, which traditionally focused on prebooked ad placements, saw advances in the use of performance-based ads. In addition, such sectors as foodstuffs and beverages, which have to date mainly used advertising in the traditional media, the utilization of Internet advertising is beginning to advance.
- Driven by the emergence of brand safety<sup>2</sup> issues overseas, there was greater interest in managing the risk of harm to advertising value. In response, media operators and platform providers increased their efforts to mitigate risk. On the advertiser side, as a means of managing the risk of harm to advertising value, there was increased adoption of vendor services for measuring ad verification.<sup>3</sup>

### Notes:

1. Ad-space sales, tie-up ads and affiliate ads are not included in performance-based advertising.

2. Brand safety: Safety for the advertiser's brand through quality assurance of media in which ads are run. (Source: JIAA [http://www.jiaa.org/topics/brand\\_safety\\_statement.html](http://www.jiaa.org/topics/brand_safety_statement.html).: Japanese only.)

3. Ad verification: A method for managing the risk of harm to advertising value. It also refers to systems for implementing risk mitigation.

## Promotional Media Advertising

**Internet Advertising Production Costs** rose 6.1%, to ¥288.8 billion.

- Maintaining the trend seen in the previous year, Internet ad production costs were robust. This trend is expected to continue as part of the digital transformation of marketing programs among clients.
  - Production costs for promoting web sites, ad production costs for social media, as well as related operational system costs are all increasing. Meanwhile, in content production, a shift has become apparent linking social media and other platforms, in addition to drawing users to owned media.
  - Production costs for video ads were largely on a par with 2016, which was hailed in Japan as year zero for online video advertising.
  - Production costs for banner ads increased for the first time in many years. This is thought to be related to an increase in the types of banner ads used in performance-based advertising, including on data management platforms.
  - There was a conspicuous decrease in production costs for apps used for advertising.
- Promotional Media advertising expenditures fell 1.5% year on year, to ¥2,087.5 billion.

**Outdoor advertising expenditures** rose 0.4%, to ¥320.8 billion.

- Long-term signs (previously billboards): Expenditures were strong, driven by media contract renewals.
- Neon/LED: In neon signs, there was little change in the trend that has continued for several years and according to which most expenditure was used for maintaining and repairing existing signs. Overall, there is a substantial trend to change from neon to LED signs. In addition, a trend became apparent in changes in the ways that people look at signs. This resulted in such phenomena as the adoption of neon specifically as a point of difference, and the use of neon in combination with LED.
- Short-term network signs (previously poster boards): Expenditures were flat. However, the range of industry categories making placements has tended to become fixed over the past several years.
- Short-term signs (previously banner advertising): Expenditures were flat. The trend was similar to short-term network signs.
- Large-screen displays: Ad placements by core advertiser industries—music recording companies and apparel brands—were robust. Media near major railway terminals saw remarkable growth in placements by app publishers and entertainment-related advertisers.
- Sports stadium signs: Accompanying greater interest in viewing sports live and increased attendance at sports events, there was a conspicuous increase in ad expenditures and the entry of new advertisers.
- Commercial facility media: There was a growing increase in new facility openings, as well as in support for, and collaboration with, events held at commercial facilities. Consequently, as in 2016, activity was brisk.

### Outdoor Advertising Media: New Names and Definitions

New name	Previous name	Definition
Long-term signs	Billboards	Advertisements are displayed long-term and are produced using materials other than neon or LED. Signs are installed on walls or roofs of buildings, etc., which are owned by the media company or a third party. This includes store signs and side signboards.
Neon signs	Neon signs	Advertisements are displayed long-term and are produced using neon. Signs are installed on the roofs of buildings, which are owned by the media company or a third party.
LED signs	LED signs	Advertisements are displayed long-term and include digital signage produced using LED. Signs are installed in such locations as roofs of buildings or inside facilities, which are owned by the media company or a third party.
Short-term network signs	Poster boards	Multiple, networked advertisements are displayed short-term (approximately one month), and are produced using materials other than neon. Signs are installed on walls or roofs of buildings, etc., which are owned by a third party. This includes LED and other digital signage.
Short-term signs	Banner advertising	Single advertisements are displayed short-term (approximately one month), and are produced using materials other than neon. Signs are installed on the walls or roofs of buildings, etc., which are owned by a third party. This includes LED and other digital signage.

**Transit advertising expenditures** were mostly unchanged, at ¥200.2 billion.

- Transit advertising overall saw increased activity for in-car and railway station digital signage. In particular, new railway station digital signage installations outside the Kanto region (Chubu and Kansai regions) advanced significantly. Although in-car and railway station digital signage ad revenues increased, printed media (in-car aisle-hanging posters, ads placed above car windows and beside car doors, and station posters) saw a continued decline in revenues compared with the previous year.
- Demand for airport ad placements grew, driven by an increase in inbound tourists. Although there were no major new ad media installations during the year, revenues rose as the overall occupancy rate of available media increased.
- By industry, following on from 2016, placements by the publishing industry continued to decline, and beverages/liquor placements also fell. In contrast, real estate, aesthetic salons, game-related ads, and personnel recruitment saw growth in placements.
- Accompanying an increase in the number of new-model passenger cars introduced by railway operators, ad space on digital signage placed above car windows was sold as a full-fledged media type. In addition, there was an advance in the development of signage that utilizes dynamic digital out-of-home\* (OOH), as well as in ad sales that combine in-car digital signage and railway station ads. The utilization rates for bus shelter signage increased as installations advanced in such favored locations as Fukuoka, Nagoya and Tokyo.

\* Dynamic digital OOH: The term refers to an ad-creative delivery method that enables the display of the optimal ad for a particular moment, place and person through the use of dynamic, instantaneous linkage with a range of external data, such as weather, temperature, time of day and location.

**Flyer advertising expenditures** fell 6.3%, to ¥417.0 billion.

- The number of flyer ads placed and the number of flyer copies printed both declined as newspaper advertising reach fell due to a decline in the number of print subscribers and decreased newspaper circulation.
- The volume of ad placements peaked in March, with the trough in placements coming in

August, which was in line with the usual annual cycle. In March, although some regions saw robust placements driven by such factors as Premium Friday promotions and the release of a new desktop game console, over the year as a whole, placements fell each month in comparison with the corresponding month of the previous year. Excluding Okinawa and Hokkaido, all regions posted year-on-year declines.

- By industry, those on a par with, or performing above the level of, the previous year included drug stores, large electrical appliance retailers, and small supermarkets. Those industries recording a decrease included general merchandise stores, which also decreased in 2016, large-scale volume retailers, clothing stores, automobile dealers, and amusement facilities. Although there was a decrease overall, in the retailers—which accounts for around half the flyer advertisement bookings—flyers maintained their position as an important medium underpinned by their status as a contact point close to consumers.
- Home-delivered flyer distribution services, which extend reach into households that do not have newspaper subscriptions, gradually spread. Furthermore, measures aimed at reducing the burden of flyer-related operations advanced, including the simplification of complex ad-placement rate cards, and the standardization of identification codes for newspaper delivery agents nationwide.

**Direct Mail advertising expenditures** fell 2.7%, to ¥370.1 billion.

- The data marketing-related direct-mail market, which is not included under the definition of this sub-category, is on a growth trend. Collaboration between printed and digital media is becoming more seamless. This includes such developments as a trend to integrate customer relationship management and data management platforms, and measures aimed at increasing the effectiveness of drive-to-web programs based on the penetration of QR codes. The two key points in the utilization of direct mail are: customer databases and advancement of online/offline integration.
- Companies that possess a large amount of customer data, such as e-commerce clients, are utilizing printed direct mail. The following virtuous cycle is advancing: expansion of direct-marketing business → expanded scale of customer data → utilization of customer data → further growth in sales revenue.
- The market for unaddressed mail deliveries grew at a double-digit pace year on year in terms of mail volume delivered. This genre is growing steadily as a medium that can handle area marketing. As a medium with universal reach covering all age groups, its value is increasing. One of the features of the market in 2017 was the increased use of unaddressed mail deliveries for notifications and announcements regarding programs with a high degree of public value.

**Free Newspaper/Free Magazine advertising expenditures** fell 5.8%, to ¥213.6 billion.

- Within the large-scale digital shift, as is the case with other printed media, conditions in this market were harsh. However, by leveraging such attributes as close relationships to local communities and a medium limited to its core target, some free newspapers and free magazine titles achieved steady growth.

**Free Newspaper advertising expenditures** fell 10.5%, to ¥64.5 billion.

- The areas of this market that achieved growth were mainly those related to multifaceted support. This included strengthened measures for guiding readers to owned media and original content by combining with digital media.

- By industry, large-scale placements were seen from such spheres as political parties during the House of Representatives election, foodstuffs, communications, toiletries, and pharmaceuticals/medical supplies. Other industries posting increases included real estate, home renovation, and food service/other services. In addition, in local regions, personnel recruitment ad placements were on a rising trend.
- Food manufacturers utilized multiple owned media, and free newspapers provided innovative support for campaigns in which only product purchasers are eligible to participate, which increased product appeal and led to actual sales. Retailers and toiletry manufacturers utilized free newspapers in programs to encourage store visits by consumers. The key points of such campaigns were meticulous area segmenting, and the ability to substitute the relevant segment-appropriate information for each area. There were several placements related to the liberalization of the gas market.
- The strengthening of owned media was imperative. A significant number of cases highlighted the effectiveness of the secondary use of advertising content and campaigns based on print media, combined with digital media and measures to guide users to external sites. Given the present situation, one urgent task is to strengthen new digital programs, such as video.

**Free Magazine advertising expenditures** fell 3.6%, to ¥149.1 billion.

- The appeal of printed media is also its strength—a full page is there to be used and can be seen at a glance. Publishers have also begun utilizing a strategy to integrate online and offline content.
- There was an increase in the types of free magazines produced, with differentiation by purpose. For example, some titles are targeted at all residents in a specific area, and hence are delivered to every household. Meanwhile, other titles are lavish and aimed at a particular demographic segment.
- There is still a huge demand for reading material that readers keep for reference.
- Publications that promote coupons are well established, and were used as a sales promotion tool that is not Internet-only.
- Trials are continuing in which still images in printed media advertisements are transformed into video using augmented reality.

**POP advertising expenditures** rose 1.2%, to ¥197.5 billion.

- Overall, point-of-purchase (POP) advertising spending increased compared with the previous year, as production of in-store displays for the traditional sales campaign periods grew. There were also campaigns that strove to create new market opportunities by linking POP advertising to social media and other digital media.
- Business segments that use a large amount of POP advertising were robust, including high-volume electrical appliance retailers and drug stores. In particular, at high-volume electrical appliance retailers, in-store displays for such products as home appliances and smart speakers used POP advertising with high unit production costs, such as fixtures and digital POP advertising. At drug stores, there was steady growth in POP advertising for health foods, cosmetics and daily household items, such as shampoos and laundry detergents.
- At general merchandise stores and small-scale supermarkets, POP advertising was centered on creating displays to showcase existing events colorfully. Owing to revisions to the Liquor Tax Law, many stores featured mass displays of liquor products, and POP advertising was used to a great extent for such displays. Convenience stores were busy conducting character



tie-up campaigns, much as had been the case in 2016.

- The trend to polarize POP advertising was unchanged, with POP advertising that, using digital equipment, has high production costs, versus low-cost POP advertising that uses printed materials in innovative ways. However, in printed POP advertising, some displays leveraged technical innovations to produce effective materials that could not be described as simply low-cost.

**Telephone Directory advertising expenditures** fell 8.1%, to ¥29.4 billion.

- The pace of decline in ad sales slowed. A system for delivering directories to all letterboxes—including those of households that do not have fixed-line telephones, and businesses—expanded to cover 80% of the country. Directories came packaged with a supplementary volume that contained such information as a local-area map of evacuation assembly points and disaster-prevention guidelines. There are plans to expand the delivery area during FY2018 to cover the entire country.
- The total ad spend for telephone directories (printed, digital, and other) was ¥38.6 billion (down 7.5%). This total differs from that used when compiling telephone directory advertising expenditure figures for this report.

**Exhibition/Screen Display advertising expenditures** rose 6.1%, to ¥338.9 billion.

- In a continuation from the previous year, advertising expenditures in this medium were strong. Although there were few large-scale projects, expenditures tended to grow centering on tourism. This included spending in response to the increase in in-bound tourists, and projects in preparation for the 2020 Tokyo Olympic and Paralympic Games.
- Categories in which spending increases were notable included redevelopment projects in the Tokyo area and other major cities, projects to strengthen service functions at commercial complexes, airports and railway stations, and production and facility development related to corporate anniversaries, hotels, public relations facilities and showrooms.
- Meanwhile, in local regions, there was an increase in programs aimed at local community revitalization. Regional regeneration initiatives were rolled out in many areas, which were linked to video production, including projection mapping. In education-related content, there were many projects designed to provide imaginative, exchange-based experiences. These projects utilized the latest technology to stimulate children's interest.
- Since 2017 was a motor show year, there was an increase in demand for automobile-related exhibitions. However, in video production for use in exhibitions, the focus on price competition and return on investment was even stronger than in the past.
- In 2017, cinemas drew 174.48 million visitors, and box office sales totaled ¥228.5 billion (down 2.9%). This was the second-highest annual box office total, following the record set in 2016. The top-grossing movie of the year—*Beauty and the Beast*—created considerable interest, but there were no other major hits that came close to its performance. However, 10 films each grossed over ¥4.0 billion, compared with only four in 2016. Hence, the habit among consumers of seeing movies at the cinema started to become more widespread.
- Although there were fewer movies that attracted a high concentration of ad placements, overall placements were robust. This reflected increased demand for movie-linked content to meet the needs of advertisers in sales promotion campaigns and to stimulate consumer interest.
- Movie theaters became a familiar place for the family segment, and ad placements for family-targeted goods became a regular feature at suburban cinema complexes.



- By industry segment, placements for beverages and automobiles were on a par with an average year. However, placements for communication devices, communication services, and foreign airlines saw increases.
- Sampling and experiential events at cinemas, as well as advertising related to public awareness of etiquette attracted attention. Cinema promotions, which are not simply advertisements, are increasing.

### III. 2017 Advertising Expenditures Classified by Industry (Traditional Media Only, Excluding Satellite Media-Related Spending)

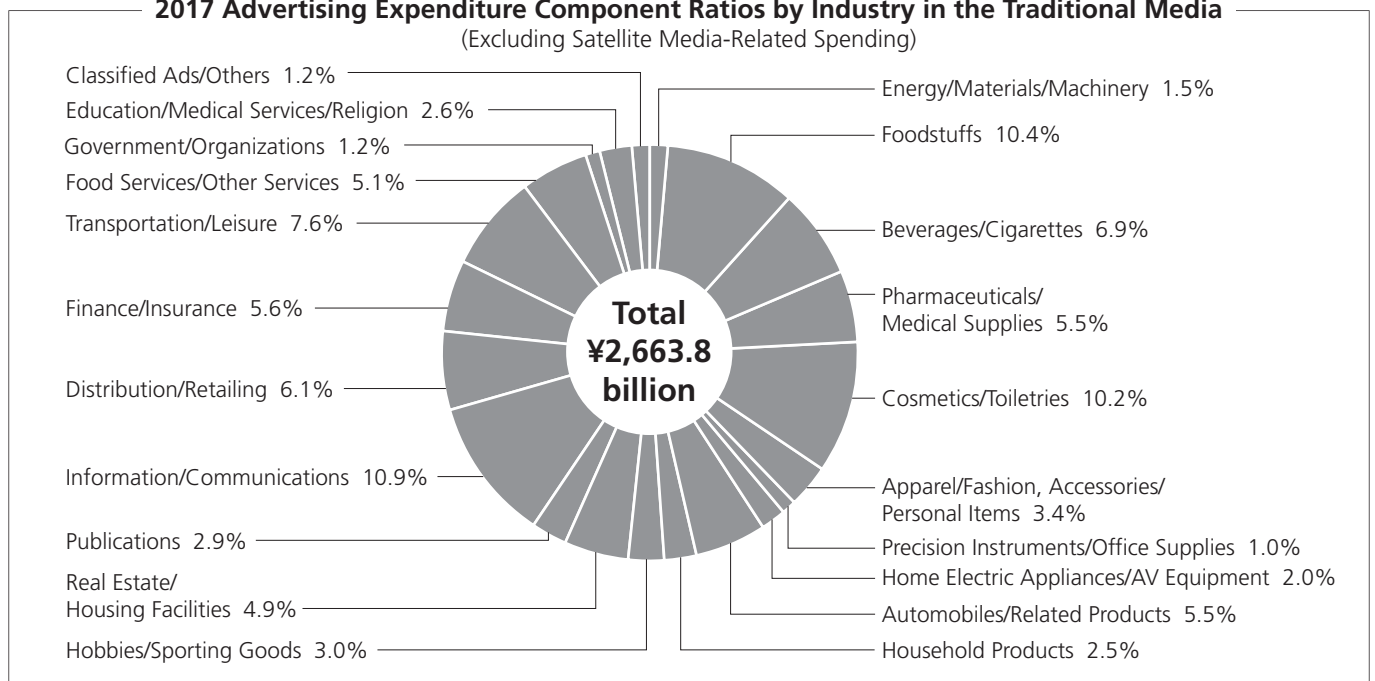
#### Spending increased in six industry categories—Real Estate/Housing Facilities, Energy/Materials/Machinery, Information/Communications, Household Products, Automobiles/Related Products and Beverages/Cigarettes

Advertising expenditures increased in 6 of the 21 industry categories surveyed during 2017, and declined in 15 categories. (The 2016 survey shows that expenditures were higher in 9 of the 21 industry categories, but lower in 12 categories.)

Categories posting gains were Real Estate/Housing Facilities (up 8.9%) on increases in corporate branding advertisements and campaigns for general housing; Energy/Materials/Machinery (up 8.0%) driven by increases in corporate branding advertisements and campaigns related to gas market liberalization; Information/Communications (up 1.7%) on increases in ads for web content and mobile phones/smartphones; Household Products (up 1.6%) on increased placements for insecticides and functional mattresses; Automobiles/Related Products (up 1.5%) on increased advertising for wagons/hatchbacks, K-cars (engine displacement up to 660 cc), and SUVs; and Beverages/Cigarettes (up 0.8%) on increased ads for lactobacillus beverage products, mineral water, and diet/nutritional drinks.

Expenditures declined in the following 15 industry categories: Home Electric Appliances/AV Equipment (down 11.4%) on fewer placements for vacuum cleaners, hair styling and beauty appliances, and digital media devices used in conjunction with televisions; Precision Instruments/Office Supplies (down 11.2%) on decreased placements for wristwatches and digital cameras; Distribution/Retailing (down 9.7%) on fewer ads for general merchandise stores (GMS) and convenience stores; Government/Organizations (down 8.1%) on fewer placements for advertising industry organizations and foreign government and public agencies; Apparel/Fashion, Accessories/Personal Items (down 8.0%) on decreased advertising for casual wear and corporate branding advertisements; Food Services/Other Services (down 6.3%) on fewer placements for restaurants, law firms and corporate branding advertisements; Cosmetics/Toiletries (down 5.4%) on reduced ads for shampoos and conditioners, direct-marketed cosmetic lines for women, and fabric softeners; Finance/Insurance (down 4.5%) on lower placements related to credit cards, cash advances, and direct-marketed insurance products (cancer insurance, auto insurance); Publications (down 3.5%) on fewer placements related to publication releases and specialist hobby magazines; Pharmaceuticals/Medical Supplies (down 3.5%) on decreased placements for corporate branding advertisements, and analgesics and antipyretics; Classified Ads/Others (down 3.4%) on decreased demand for newspaper classified ads; Transportation/Leisure (down 3.2%) on decreased advertising for travel agencies, domestic airlines, and movies; Education/Medical Services/Religion (down 1.7%) on fewer placements for correspondence education programs and schools; Hobbies/Sporting Goods (down 1.1%) on fewer placements for game software and audio recordings; and Foodstuffs (down 1.0%) on decreased placements for direct-marketed products (dietary supplements and health foods).

**2017 Advertising Expenditure Component Ratios by Industry in the Traditional Media**  
(Excluding Satellite Media-Related Spending)



## Breakdown of Advertising Expenditures by Industry

- 1. Energy/Materials/Machinery:** Up 8.0%, with a 1.5% component ratio.
  - Fourth consecutive year of increase.
  - Substantial increase in corporate branding advertisements and campaigns related to gas market liberalization.
  - Large fall in placements for campaigns related to the liberalization of the retail electricity market.
  - By medium, significant increase in terrestrial television placements.
  
- 2. Foodstuffs:** Down 1.0%, with a 10.4% component ratio.
  - Decrease after two consecutive years of increase.
  - Decrease in placements for direct-marketed products (dietary supplements and health foods)
  - Decrease in placements for beauty-related food products, instant noodles and health foods.
  - Increase in placements for frozen foods and snack foods
  - By medium, fall in newspaper and magazine placements.
  
- 3. Beverages/Cigarettes:** Up 0.8%, with a 6.9% component ratio.
  - First increase in three years.
  - Substantial increase in placements for lactobacillus beverage products, mineral water, and diet/nutritional drinks.
  - Increase in placements for direct-marketed diet/nutritional drinks.
  - Large fall in placements for canned coffee and flavored mineral waters.
  - Decrease in placements for Japanese beers, *happo-shu* and sake.
  - By medium, increase in terrestrial television placements.
  
- 4. Pharmaceuticals/Medical Supplies:** Down 3.5%, with a 5.5% component ratio.
  - After the previous year's increase, the trend reversed.
  - Corporate branding advertisements decrease significantly.
  - Placements decrease for analgesics and antipyretics, mouthwash and throat anti-inflammatories.
  - Placements for eyeglasses continued to decline.
  - Placements increase for over-the-counter medicines and health drinks (medicines, quasi-medicines).
  - By medium, decrease in terrestrial television placements.
  
- 5. Cosmetics/Toiletries:** Down 5.4%, with a 10.2% component ratio.
  - After the previous year's increase, the trend reversed.
  - Large decrease in placements for shampoos and conditioners.
  - Decline in placements for direct-marketed cosmetic lines for women and foundation.
  - Fewer placements for fabric softeners and toothbrushes.
  - Increase in placements for direct-marketed all-in-one cosmetics for women and hair growth agents/hair tonics.
  - By medium, decrease in terrestrial television placements.
  
- 6. Apparel/Fashion, Accessories/Personal Items:** Down 8.0 %, with a 3.4% component ratio.
  - Fourth consecutive year of decrease.
  - Substantial drop in placements for casual wear, and corporate branding advertisements.
  - Fewer placements for jewelry and accessories, women's clothing, and handbags.
  - Increase in placements for functional innerwear and sweaters.
  - By medium, decline in all media placements, particularly terrestrial television.

**7. Precision Instruments/Office Supplies:** Down 11.2%, with a 1.0% component ratio.

- Second consecutive year of decrease.
- Large fall in placements for wristwatches.
- Decline in placements for digital cameras and fountain pens.
- By medium, fall in newspaper and terrestrial television placements.

**8. Home Electric Appliances/AV Equipment:** Down 11.4%, with a 2.0% component ratio.

- After the previous year's increase, the trend reversed.
- Large drop in placements for vacuum cleaners.
- Decline in placements for hair styling and beauty appliances, and digital media devices used in conjunction with televisions.
- Increase in placements for audio equipment.
- By medium, decline in all media placements, particularly terrestrial television.

**9. Automobiles/Related Products:** Up 1.5%, with a 5.5% component ratio.

- First increase in three years.
- Placements substantially up for wagons/hatchbacks and K-cars (engine displacement up to 660 cc).
- Increase in placements for SUVs and imported SUVs.
- Significant fall in placements for sedans.
- By medium, increase in terrestrial television placements.

**10. Household Products:** Up 1.6%, with a 2.5% component ratio.

- First increase in three years.
- Large increase in placements for insecticides.
- Increase in placements for functional mattresses and deodorizers.
- Fall in placements for saucepans and kettles.
- By medium, increase in terrestrial television placements.

**11. Hobbies/Sporting Goods:** Down 1.1%, with a 3.0% component ratio.

- After the previous year's increase, the trend reversed.
- Decrease in placements for game software, and audio and video recordings.
- Fall in placements for dolls and toys (popular character toys).
- Growth in placements for pet-related products (cat food, dog food).
- Increase in placements for fitness goods.
- By medium, fall in newspaper and terrestrial television placements.

**12. Real Estate/Housing Facilities:** Up 8.9%, with a 4.9% component ratio.

- Second consecutive year of increase.
- Large increase in placements for corporate branding advertisements.
- Placements rose for general housing, home security equipment, and condominiums that provide care services for seniors.
- Decrease in placements for housing renovation and household fixtures.
- By medium, significant increase in terrestrial television placements.

**13. Publications:** Down 3.5%, with a 2.9% component ratio.

- Fifth consecutive year of decrease.
- Decrease in placements for publication releases and specialist hobby magazines.
- Continuing the trend of the previous year, decline in placements for other publications (English-language learning materials and textbooks, etc.).
- Increase in placements for hardcover and paperback books.
- By medium, fall in newspaper and terrestrial television placements.

**14. Information/Communications:** Up 1.7%, with a 10.9% component ratio.

- Fourth consecutive year of increase.
- Placements robust for web content and mobile phones/smartphones.
- Increased placements for online shops and mobile communication services.
- Significant fall in placements for online games.
- By medium, increase in terrestrial television placements.

**15. Distribution/Retailing:** Down 9.7%, with a 6.1% component ratio.

- Third consecutive year of decrease.
- Substantial fall in placements for general merchandise stores (GMS) and convenience stores.
- Decline in placements for mail order services.
- Increase in placements for department store mail order services and specialist large-volume retailers.
- By medium, fall in terrestrial television placements.

**16. Finance/Insurance:** Down 4.5%, with a 5.6% component ratio.

- Fourth consecutive year of decrease.
- Substantial decrease in placements for credit cards and cash advances.
- Large drop in placements for direct-marketed insurance products (cancer insurance, auto insurance).
- Large increase in placements for direct-marketed insurance products (health insurance, life insurance).
- By medium, decline in all media placements, particularly terrestrial television.

**17. Transportation/Leisure:** Down 3.2%, with a 7.6% component ratio.

- Second consecutive year of decrease.
- Large decline in placements of travel-related advertising (travel agencies, domestic airlines).
- Fall in placements for movies and pachinko halls.
- Increase in placements by publicly managed racing facilities and companies in the Japan Rail Group.
- Increase in placements for leisure facilities and theme parks.
- By medium, fall in newspaper and magazine placements.

**18. Food Services/Other Services:** Down 6.3%, with a 5.1% component ratio.

- Second consecutive year of decrease.
- Decrease in placements for restaurants, law firms and corporate branding advertisements.
- Decline in placements for women's wigs, and door-to-door delivery and moving services.
- Increase in placements for aesthetic salons and temporary job placement agencies.
- By medium, fall in newspaper and terrestrial television placements.

**19. Government/Organizations:** Down 8.1%, with a 1.2% component ratio.

- After the previous year's increase, the trend reversed.
- Substantial decrease in placements for advertising industry organizations.
- Decline in placements for foreign/Japanese government and public agencies.
- By medium, significant decrease in terrestrial television placements.

**20. Education/Medical Services/Religion:** Down 1.7%, with a 2.6% component ratio.

- Fourth consecutive year of decrease.
- Significant fall in placements for correspondence education programs.
- Decrease in placements for education-related advertisements, including schools, vocational and other educational institutions, English conversation and language schools.
- Large increase in placements for hospitals and medical services.
- By medium, fall in newspaper and magazine placements.

**21. Classified Ads/Others:** Down 3.4%, with a 1.2% component ratio.

- Tenth consecutive year of decrease.
- Weakness in the category overall.
- Large decrease in placements for classified ads (including help-wanted ads), and small ads for multiple industries (newspapers).
- By medium, continued decline in newspaper placements.

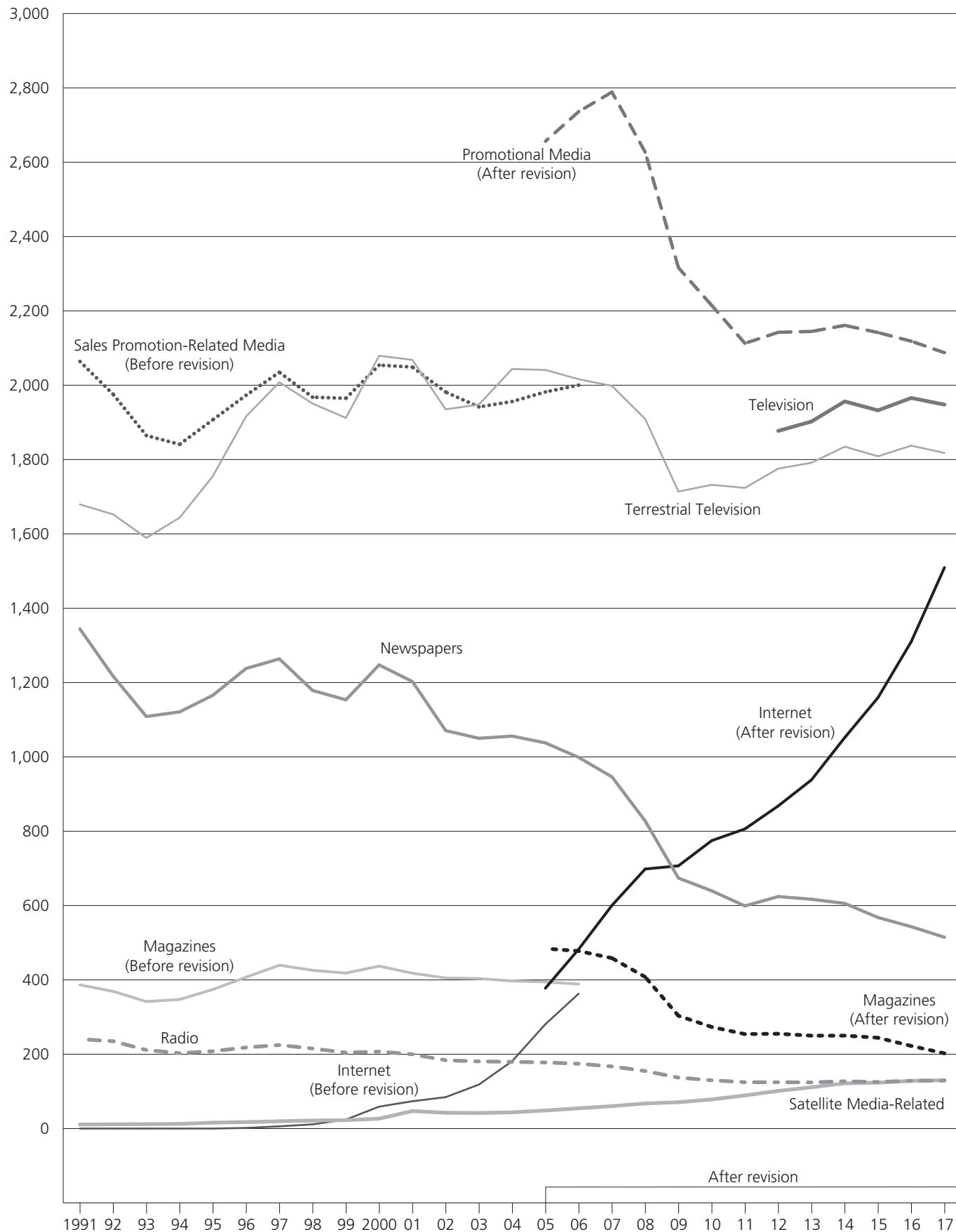
## Advertising Expenditures and Japan's GDP (1991–2017)

Year		Advertising Expenditures (A)		Gross Domestic Product (B)		A / B (%)
		Advertising Expenditures (¥ billion)	Compared to Previous Year (%)	GDP (¥ billion)	Compared to Previous Year (%)	
1991		5,726.1	102.9	469,421.8	106.0	1.22
1992		5,461.1	95.4	480,782.8	102.4	1.14
1993		5,127.3	93.9	483,711.8	100.6	1.06
1994		5,168.2	100.8	495,743.4	101.0	1.04
1995		5,426.3	105.0	512,541.7	102.2	1.06
1996		5,771.5	106.4	525,806.9	102.6	1.10
1997		5,996.1	103.9	534,142.5	101.6	1.12
1998		5,771.1	96.2	527,876.9	98.8	1.09
1999		5,699.6	98.8	519,651.8	98.4	1.10
2000		6,110.2	107.2	526,706.0	101.4	1.16
2001		6,058.0	99.1	523,005.0	99.3	1.16
2002		5,703.2	94.1	515,986.2	98.7	1.11
2003		5,684.1	99.7	515,400.7	99.9	1.10
2004		5,857.1	103.0	520,965.4	101.1	1.12
2005	Before revision	5,962.5	101.8	524,132.8	100.6	1.14
2006	Before revision	5,995.4	100.6	526,879.7	100.5	1.14
2005	After revision	6,823.5	102.9	524,132.8	100.6	1.30
2006	After revision	6,939.9	101.7	526,879.7	100.5	1.32
2007		7,019.1	101.1	531,688.2	100.9	1.32
2008		6,692.6	95.3	520,715.7	97.9	1.29
2009		5,922.2	88.5	489,501.0	94.0	1.21
2010		5,842.7	98.7	500,353.9	102.2	1.17
2011		5,709.6	97.7	491,408.5	98.2	1.16
2012		5,891.3	103.2	494,957.2	100.7	1.19
2013		5,976.2	101.4	503,175.6	101.7	1.19
2014		6,152.2	102.9	513,876.0	102.1	1.20
2015		6,171.0	100.3	531,985.8	103.5	1.16
2016		6,288.0	101.9	538,445.7	101.2	1.17
<b>2017</b>		<b>6,390.7</b>	<b>101.6</b>	<b>545,792.5</b>	<b>101.4</b>	<b>1.17</b>

- Notes:** 1. The method for estimating "Advertising Expenditures in Japan" was modified in 2007, retroactive to 2005.  
2. Please see page 30 for details regarding the above revision.  
3. The above figures for GDP are taken from the Cabinet Office's "Annual Report on National Accounts" and "Quarterly Estimates of GDP." The figures for 1995 onward use revised figures calculated using 2011 as the base year.  
4. All the above figures are for the calendar year.

### Advertising Expenditures by Medium (1991–2017)

(¥ billion)



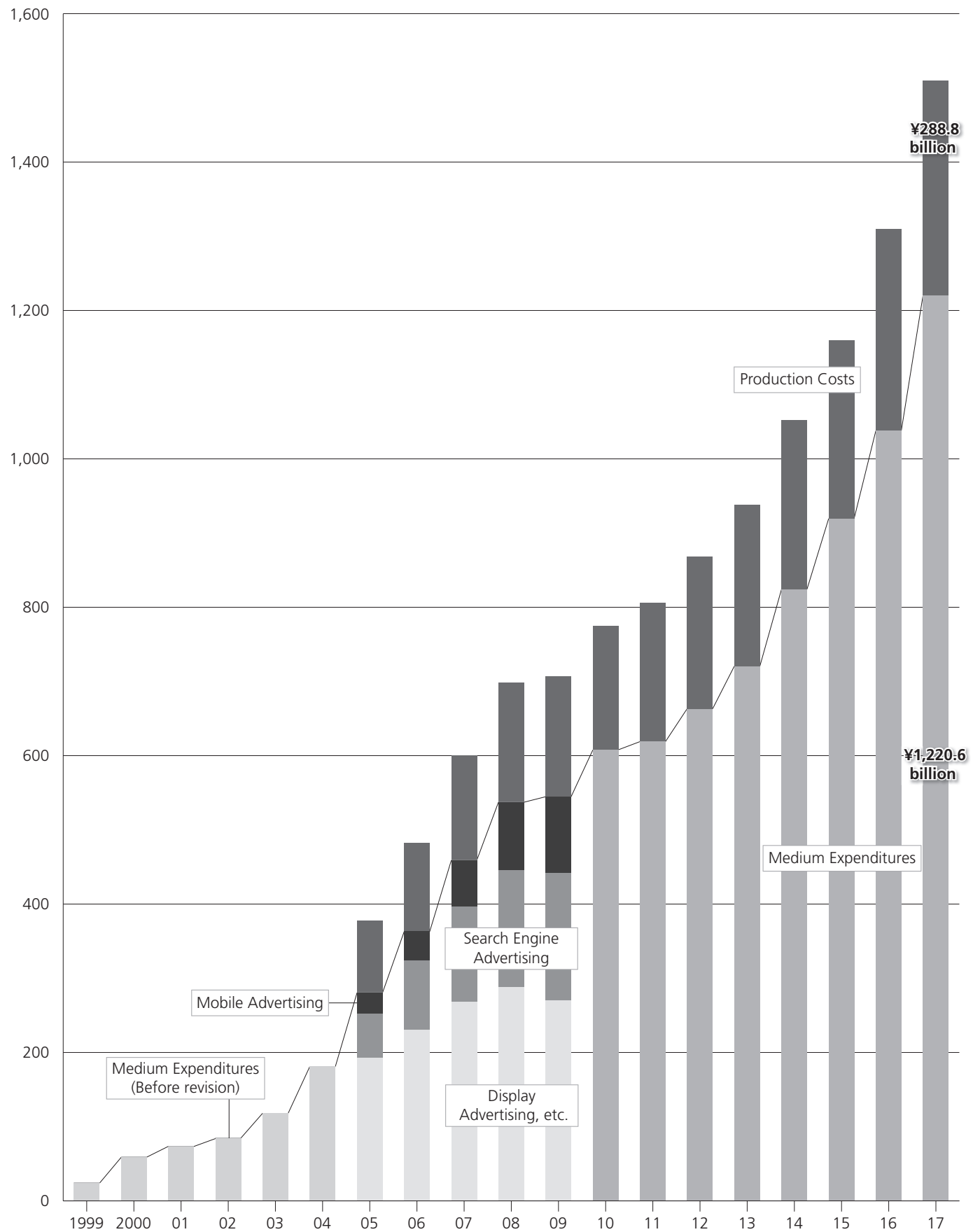


Media	Newspapers		Magazines		Radio		Television						Internet		Sales Promotion-Related Media / Promotional Media		
	Year	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)
1991		1,344.5	98.9	386.6	103.3	240.6	103.0	-	-	1,679.3	104.7	10.9	91.6	-	-	2,064.2	104.2
1992		1,217.2	90.5	369.2	95.5	235.0	97.7	-	-	1,652.6	98.4	11.4	104.6	-	-	1,975.7	95.7
1993		1,108.7	91.1	341.7	92.6	211.3	89.9	-	-	1,589.1	96.2	11.9	104.4	-	-	1,864.6	94.4
1994		1,121.1	101.1	347.3	101.6	202.9	96.0	-	-	1,643.5	103.4	12.5	105.0	-	-	1,840.9	98.7
1995		1,165.7	104.0	374.3	107.8	208.2	102.6	-	-	1,755.3	106.8	15.8	126.4	-	-	1,907.0	103.6
1996		1,237.9	106.2	407.3	108.8	218.1	104.8	-	-	1,916.2	109.2	17.4	110.1	1.6	-	1,973.0	103.5
1997		1,263.6	102.1	439.5	107.9	224.7	103.0	-	-	2,007.9	104.8	19.6	112.6	6.0	375.0	2,034.8	103.1
1998		1,178.7	93.3	425.8	96.9	215.3	95.8	-	-	1,950.5	97.1	21.6	110.2	11.4	190.0	1,967.8	96.7
1999		1,153.5	97.9	418.3	98.2	204.3	94.9	-	-	1,912.1	98.0	22.5	104.2	24.1	211.4	1,964.8	99.8
2000		1,247.4	108.1	436.9	104.4	207.1	101.4	-	-	2,079.3	108.7	26.6	118.2	59.0	244.8	2,053.9	104.5
2001		1,202.7	96.4	418.0	95.7	199.8	96.5	-	-	2,068.1	99.5	47.1	177.1	73.5	124.6	2,048.8	99.8
2002		1,070.7	89.0	405.1	96.9	183.7	91.9	-	-	1,935.1	93.6	42.5	90.2	84.5	115.0	1,981.6	96.7
2003		1,050.0	98.1	403.5	99.6	180.7	98.4	-	-	1,948.0	100.7	41.9	98.6	118.3	140.0	1,941.7	98.0
2004		1,055.9	100.6	397.0	98.4	179.5	99.3	-	-	2,043.6	104.9	43.6	104.1	181.4	153.3	1,956.1	100.7
2005	Before revision	1,037.7	98.3	394.5	99.4	177.8	99.1	-	-	2,041.1	99.9	48.7	111.7	280.8	154.8	1,981.9	101.3
2006		998.6	96.2	388.7	98.5	174.4	98.1	-	-	2,016.1	98.8	54.4	111.7	363.0	129.3	2,000.2	100.9
2005	After revision	1,037.7	98.3	484.2	99.3	177.8	99.1	-	-	2,041.1	99.9	48.7	111.7	377.7	148.0	2,656.3	103.6
2006		998.6	96.2	477.7	98.7	174.4	98.1	-	-	2,016.1	98.8	54.4	111.7	482.6	127.8	2,736.1	103.0
2007		946.2	94.8	458.5	96.0	167.1	95.8	-	-	1,998.1	99.1	60.3	110.8	600.3	124.4	2,788.6	101.9
2008		827.6	87.5	407.8	88.9	154.9	92.7	-	-	1,909.2	95.6	67.6	112.1	698.3	116.3	2,627.2	94.2
2009		673.9	81.4	303.4	74.4	137.0	88.4	-	-	1,713.9	89.8	70.9	104.9	706.9	101.2	2,316.2	88.2
2010		639.6	94.9	273.3	90.1	129.9	94.8	-	-	1,732.1	101.1	78.4	110.6	774.7	109.6	2,214.7	95.6
2011		599.0	93.7	254.2	93.0	124.7	96.0	-	-	1,723.7	99.5	89.1	113.6	806.2	104.1	2,112.7	95.4
2012		624.2	104.2	255.1	100.4	124.6	99.9	1,877.0	-	1,775.7	103.0	101.3	113.7	868.0	107.7	2,142.4	101.4
2013		617.0	98.8	249.9	98.0	124.3	99.8	1,902.3	101.3	1,791.3	100.9	111.0	109.6	938.1	108.1	2,144.6	100.1
2014		605.7	98.2	250.0	100.0	127.2	102.3	1,956.4	102.8	1,834.7	102.4	121.7	109.6	1,051.9	112.1	2,161.0	100.8
2015		567.9	93.8	244.3	97.7	125.4	98.6	1,932.3	98.8	1,808.8	98.6	123.5	101.5	1,159.4	110.2	2,141.7	99.1
2016		543.1	95.6	222.3	91.0	128.5	102.5	1,965.7	101.7	1,837.4	101.6	128.3	103.9	1,310.0	113.0	2,118.4	98.9
<b>2017</b>		<b>514.7</b>	<b>94.8</b>	<b>202.3</b>	<b>91.0</b>	<b>129.0</b>	<b>100.4</b>	<b>1,947.8</b>	<b>99.1</b>	<b>1,817.8</b>	<b>98.9</b>	<b>130.0</b>	<b>101.3</b>	<b>1,509.4</b>	<b>115.2</b>	<b>2,087.5</b>	<b>98.5</b>

**Notes:** 1. The method for estimating "Advertising Expenditures in Japan" was modified in 2007, retroactive to 2005.  
2. Advertising expenditures in Television were redefined in 2014, retroactive to 2012, to include expenditures in both Terrestrial Television and Satellite Media-Related advertising.

### Breakdown of Advertising Expenditures for Internet-Related Spending (1999–2017)

(¥ billion)



Year	Internet Advertising Expenditures		Internet Advertising Medium Expenditures										Internet Advertising Production Costs		
			Categories used from 2005 to 2011								New Category from 2012				
			Display Advertising, etc.		Search Engine Advertising		Mobile Advertising		Performance-Based Advertising's Share of Total						
			¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)			¥ billion
1999			24.1	211.4											
2000			59.0	244.8											
2001			73.5	124.6											
2002			84.5	115.0											
2003			118.3	140.0											
2004	Before revision		181.4	153.3											
2005	After revision	377.7	148.0	280.8	154.8	193.0	–	59.0	–	28.8	–	–	–	96.9	–
2006		482.6	127.8	363.0	129.3	231.0	119.7	93.0	157.6	39.0	135.4	–	–	119.6	123.4
2007		600.3	124.4	459.1	126.5	268.8	116.4	128.2	137.8	62.1	159.2	–	–	141.2	118.1
2008		698.3	116.3	537.3	117.0	288.5	107.3	157.5	122.9	91.3	147.0	–	–	161.0	114.0
2009		706.9	101.2	544.8	101.4	270.7	93.8	171.0	108.6	103.1	112.9	–	–	162.1	100.7
2010		774.7	109.6	607.7	111.5	284.1	105.0	203.5	119.0	120.1	116.5	246.0	–	167.0	103.0
2011		806.2	104.1	618.9	101.8	282.7	99.5	219.4	107.8	116.8	97.3	285.3	116.0	187.3	112.2
2012		868.0	107.7	662.9	107.1	–	–	–	–	–	–	339.1	118.9	205.1	109.5
2013		938.1	108.1	720.3	108.7	–	–	–	–	–	–	412.2	121.6	217.8	106.2
2014		1,051.9	112.1	824.5	114.5	–	–	–	–	–	–	510.6	123.9	227.4	104.4
2015		1,159.4	110.2	919.4	111.5	–	–	–	–	–	–	622.6	121.9	240.0	105.5
2016		1,310.0	113.0	1037.8	112.9	–	–	–	–	–	–	738.3	118.6	272.2	113.4
<b>2017</b>		<b>1509.4</b>	<b>115.2</b>	<b>1220.6</b>	<b>117.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>940.0</b>	<b>127.3</b>	<b>288.8</b>	<b>106.1</b>

- Notes:** 1. The method for estimating “Advertising Expenditures in Japan” was modified in 2007 to include production costs, and the data through 2005 has been retroactively revised.
2. The method of breaking down Internet advertising medium expenditures was modified in 2012, and data through 2010 has been estimated retroactively.

Performance-based advertising refers to advertising methods that utilize platforms to process vast amounts of data for the automatic or instantaneous optimization of advertising. Typical examples include search engine advertising and certain ad networks, as well as the recently developed DSPs, ad exchanges, and SSPs. Performance-based advertising does not include such methods as ad space sales, tie-up ads, or affiliate advertising.

1. Data through 2011 for search engine advertising includes some performance-based advertising that, strictly speaking, does not fall within the scope of search engine advertising.
2. Online ad networks refer to arrangements under which multiple web sites that want to host advertisements are aggregated together to create a network for ad distribution.
3. Demand Side Platforms (DSPs) are systems that help advertisers optimize the effectiveness of their online advertising.
4. Ad exchanges are services that facilitate the sale of online media advertising inventory with prices set through bidding from multiple ad networks.
5. Supply Side Platforms (SSPs) are systems that help media companies to optimize the effectiveness of their online advertising.

APPENDIX 4 Traditional Media Only (Excluding Satellite Media-Related Spending)

**Advertising Expenditures by Industry (2015–2017)**

Industry	Advertising Expenditures (¥10 million)			Comparison Ratio (%)		Component Ratio (%)		
	2015	2016	<b>2017</b>	2016	<b>2017</b>	2015	2016	<b>2017</b>
Energy / Materials / Machinery	2,664	3,755	<b>4,054</b>	141.0	<b>108.0</b>	1.0	1.4	<b>1.5</b>
Foodstuffs	27,069	28,012	<b>27,744</b>	103.5	<b>99.0</b>	9.9	10.2	<b>10.4</b>
Beverages / Cigarettes	19,373	18,354	<b>18,497</b>	94.7	<b>100.8</b>	7.1	6.7	<b>6.9</b>
Pharmaceuticals / Medical Supplies	14,647	15,265	<b>14,738</b>	104.2	<b>96.5</b>	5.3	5.6	<b>5.5</b>
Cosmetics / Toiletries	28,426	28,845	<b>27,291</b>	101.5	<b>94.6</b>	10.3	10.6	<b>10.2</b>
Apparel / Fashion, Accessories / Personal Items	11,067	9,961	<b>9,163</b>	90.0	<b>92.0</b>	4.0	3.6	<b>3.4</b>
Precision Instruments / Office Supplies	3,347	2,884	<b>2,561</b>	86.2	<b>88.8</b>	1.2	1.0	<b>1.0</b>
Home Electric Appliances / AV Equipment	5,444	5,970	<b>5,288</b>	109.7	<b>88.6</b>	2.0	2.2	<b>2.0</b>
Automobiles / Related Products	15,380	14,459	<b>14,683</b>	94.0	<b>101.5</b>	5.6	5.3	<b>5.5</b>
Household Products	6,714	6,456	<b>6,560</b>	96.2	<b>101.6</b>	2.4	2.4	<b>2.5</b>
Hobbies / Sporting Goods	7,951	7,966	<b>7,875</b>	100.2	<b>98.9</b>	2.9	2.9	<b>3.0</b>
Real Estate / Housing Facilities	11,209	11,964	<b>13,032</b>	106.7	<b>108.9</b>	4.1	4.4	<b>4.9</b>
Publications	8,486	8,080	<b>7,798</b>	95.2	<b>96.5</b>	3.1	3.0	<b>2.9</b>
Information / Communications	27,433	28,401	<b>28,891</b>	103.5	<b>101.7</b>	10.0	10.4	<b>10.9</b>
Distribution / Retailing	18,984	18,121	<b>16,361</b>	95.5	<b>90.3</b>	6.9	6.6	<b>6.1</b>
Finance / Insurance	15,973	15,759	<b>15,050</b>	98.7	<b>95.5</b>	5.8	5.8	<b>5.6</b>
Transportation / Leisure	21,635	20,784	<b>20,116</b>	96.1	<b>96.8</b>	7.9	7.6	<b>7.6</b>
Food Services / Other Services	14,638	14,395	<b>13,482</b>	98.3	<b>93.7</b>	5.3	5.3	<b>5.1</b>
Government / Organizations	3,296	3,326	<b>3,057</b>	100.9	<b>91.9</b>	1.2	1.2	<b>1.2</b>
Education / Medical Services / Religion	7,342	6,941	<b>6,822</b>	94.5	<b>98.3</b>	2.7	2.5	<b>2.6</b>
Classified Ads / Others	3,562	3,432	<b>3,317</b>	96.4	<b>96.6</b>	1.3	1.3	<b>1.2</b>
<b>Total</b>	274,640	273,130	<b>266,380</b>	99.5	<b>97.5</b>	100.0	100.0	<b>100.0</b>

## APPENDIX 5 Traditional Media Only (Excluding Satellite Media-Related Spending)

**Advertising Expenditures by Industry in the Traditional Media (2016–2017)**

(Unit: ¥10 million)

Media Industry	Newspapers			Magazines			Radio			Terrestrial Television			Total		
	2016	2017	Comparison Ratio (%)	2016	2017	Comparison Ratio (%)	2016	2017	Comparison Ratio (%)	2016	2017	Comparison Ratio (%)	2016	2017	Comparison Ratio (%)
Energy / Materials / Machinery	556	<b>567</b>	<b>102.0</b>	129	<b>107</b>	<b>82.9</b>	269	<b>298</b>	<b>110.8</b>	2,801	<b>3,082</b>	<b>110.0</b>	3,755	<b>4,054</b>	<b>108.0</b>
Foodstuffs	6,355	<b>5,987</b>	<b>94.2</b>	1,260	<b>1,164</b>	<b>92.4</b>	987	<b>1,109</b>	<b>112.4</b>	19,410	<b>19,484</b>	<b>100.4</b>	28,012	<b>27,744</b>	<b>99.0</b>
Beverages / Cigarettes	1,784	<b>1,769</b>	<b>99.2</b>	1,001	<b>933</b>	<b>93.2</b>	629	<b>632</b>	<b>100.5</b>	14,940	<b>15,163</b>	<b>101.5</b>	18,354	<b>18,497</b>	<b>100.8</b>
Pharmaceuticals / Medical Supplies	1,650	<b>1,698</b>	<b>102.9</b>	522	<b>474</b>	<b>90.8</b>	1,044	<b>1,021</b>	<b>97.8</b>	12,049	<b>11,545</b>	<b>95.8</b>	15,265	<b>14,738</b>	<b>96.5</b>
Cosmetics / Toiletries	2,969	<b>2,942</b>	<b>99.1</b>	2,914	<b>2,652</b>	<b>91.0</b>	336	<b>340</b>	<b>101.2</b>	22,626	<b>21,357</b>	<b>94.4</b>	28,845	<b>27,291</b>	<b>94.6</b>
Apparel / Fashion, Accessories / Personal Items	1,210	<b>1,157</b>	<b>95.6</b>	5,648	<b>5,056</b>	<b>89.5</b>	74	<b>55</b>	<b>74.3</b>	3,029	<b>2,895</b>	<b>95.6</b>	9,961	<b>9,163</b>	<b>92.0</b>
Precision Instruments / Office Supplies	498	<b>427</b>	<b>85.7</b>	1,010	<b>887</b>	<b>87.8</b>	67	<b>74</b>	<b>110.4</b>	1,309	<b>1,173</b>	<b>89.6</b>	2,884	<b>2,561</b>	<b>88.8</b>
Home Electric Appliances / AV Equipment	389	<b>288</b>	<b>74.0</b>	638	<b>570</b>	<b>89.3</b>	137	<b>132</b>	<b>96.4</b>	4,806	<b>4,298</b>	<b>89.4</b>	5,970	<b>5,288</b>	<b>88.6</b>
Automobiles / Related Products	1,109	<b>937</b>	<b>84.5</b>	805	<b>674</b>	<b>83.7</b>	1,128	<b>1,137</b>	<b>100.8</b>	11,417	<b>11,935</b>	<b>104.5</b>	14,459	<b>14,683</b>	<b>101.5</b>
Household Products	960	<b>938</b>	<b>97.7</b>	462	<b>448</b>	<b>97.0</b>	215	<b>213</b>	<b>99.1</b>	4,819	<b>4,961</b>	<b>102.9</b>	6,456	<b>6,560</b>	<b>101.6</b>
Hobbies / Sporting Goods	899	<b>845</b>	<b>94.0</b>	1,225	<b>1,174</b>	<b>95.8</b>	241	<b>258</b>	<b>107.1</b>	5,601	<b>5,598</b>	<b>99.9</b>	7,966	<b>7,875</b>	<b>98.9</b>
Real Estate / Housing Facilities	2,491	<b>2,429</b>	<b>97.5</b>	766	<b>712</b>	<b>93.0</b>	664	<b>661</b>	<b>99.5</b>	8,043	<b>9,230</b>	<b>114.8</b>	11,964	<b>13,032</b>	<b>108.9</b>
Publications	5,019	<b>4,724</b>	<b>94.1</b>	216	<b>196</b>	<b>90.7</b>	814	<b>879</b>	<b>108.0</b>	2,031	<b>1,999</b>	<b>98.4</b>	8,080	<b>7,798</b>	<b>96.5</b>
Information / Communications	2,870	<b>2,815</b>	<b>98.1</b>	853	<b>741</b>	<b>86.9</b>	670	<b>924</b>	<b>137.9</b>	24,008	<b>24,411</b>	<b>101.7</b>	28,401	<b>28,891</b>	<b>101.7</b>
Distribution / Retailing	6,894	<b>6,668</b>	<b>96.7</b>	1,018	<b>872</b>	<b>85.7</b>	831	<b>739</b>	<b>88.9</b>	9,378	<b>8,082</b>	<b>86.2</b>	18,121	<b>16,361</b>	<b>90.3</b>
Finance / Insurance	1,968	<b>1,714</b>	<b>87.1</b>	478	<b>391</b>	<b>81.8</b>	844	<b>713</b>	<b>84.5</b>	12,469	<b>12,232</b>	<b>98.1</b>	15,759	<b>15,050</b>	<b>95.5</b>
Transportation / Leisure	8,678	<b>8,115</b>	<b>93.5</b>	1,832	<b>1,716</b>	<b>93.7</b>	912	<b>922</b>	<b>101.1</b>	9,362	<b>9,363</b>	<b>100.0</b>	20,784	<b>20,116</b>	<b>96.8</b>
Food Services / Other Services	1,892	<b>1,697</b>	<b>89.7</b>	482	<b>463</b>	<b>96.1</b>	1,886	<b>1,704</b>	<b>90.3</b>	10,135	<b>9,618</b>	<b>94.9</b>	14,395	<b>13,482</b>	<b>93.7</b>
Government / Organizations	1,310	<b>1,314</b>	<b>100.3</b>	267	<b>305</b>	<b>114.2</b>	683	<b>650</b>	<b>95.2</b>	1,066	<b>788</b>	<b>73.9</b>	3,326	<b>3,057</b>	<b>91.9</b>
Education / Medical Services / Religion	2,151	<b>1,997</b>	<b>92.8</b>	642	<b>641</b>	<b>99.8</b>	395	<b>411</b>	<b>104.1</b>	3,753	<b>3,773</b>	<b>100.5</b>	6,941	<b>6,822</b>	<b>98.3</b>
Classified Ads / Others	2,658	<b>2,442</b>	<b>91.9</b>	62	<b>54</b>	<b>87.1</b>	24	<b>28</b>	<b>116.7</b>	688	<b>793</b>	<b>115.3</b>	3,432	<b>3,317</b>	<b>96.6</b>
<b>Total</b>	54,310	<b>51,470</b>	<b>94.8</b>	22,230	<b>20,230</b>	<b>91.0</b>	12,850	<b>12,900</b>	<b>100.4</b>	183,740	<b>181,780</b>	<b>98.9</b>	273,130	<b>266,380</b>	<b>97.5</b>

**Component Ratio of Media Expenditures by Industry and Industry Expenditures by Medium for 2017**

(Unit: %)

Industry	Media Expenditures by Industry					Industry Expenditures by Medium				
	Newspapers	Magazines	Radio	Terrestrial Television	<b>Total</b>	Newspapers	Magazines	Radio	Terrestrial Television	<b>Total</b>
Energy / Materials / Machinery	1.1	0.5	2.3	1.7	<b>1.5</b>	14.0	2.6	7.4	76.0	<b>100.0</b>
Foodstuffs	11.6	5.8	8.6	10.7	<b>10.4</b>	21.6	4.2	4.0	70.2	<b>100.0</b>
Beverages / Cigarettes	3.4	4.6	4.9	8.3	<b>6.9</b>	9.6	5.0	3.4	82.0	<b>100.0</b>
Pharmaceuticals / Medical Supplies	3.3	2.3	7.9	6.4	<b>5.5</b>	11.5	3.2	6.9	78.4	<b>100.0</b>
Cosmetics / Toiletries	5.7	13.1	2.6	11.8	<b>10.2</b>	10.8	9.7	1.2	78.3	<b>100.0</b>
Apparel / Fashion, Accessories / Personal Items	2.3	25.0	0.4	1.6	<b>3.4</b>	12.6	55.2	0.6	31.6	<b>100.0</b>
Precision Instruments / Office Supplies	0.8	4.4	0.6	0.6	<b>1.0</b>	16.7	34.6	2.9	45.8	<b>100.0</b>
Home Electric Appliances / AV Equipment	0.6	2.8	1.0	2.4	<b>2.0</b>	5.4	10.8	2.5	81.3	<b>100.0</b>
Automobiles / Related Products	1.8	3.3	8.8	6.6	<b>5.5</b>	6.4	4.6	7.7	81.3	<b>100.0</b>
Household Products	1.8	2.2	1.7	2.7	<b>2.5</b>	14.3	6.8	3.3	75.6	<b>100.0</b>
Hobbies / Sporting Goods	1.6	5.8	2.0	3.1	<b>3.0</b>	10.7	14.9	3.3	71.1	<b>100.0</b>
Real Estate / Housing Facilities	4.7	3.5	5.1	5.1	<b>4.9</b>	18.6	5.5	5.1	70.8	<b>100.0</b>
Publications	9.2	1.0	6.8	1.1	<b>2.9</b>	60.6	2.5	11.3	25.6	<b>100.0</b>
Information / Communications	5.5	3.7	7.2	13.4	<b>10.9</b>	9.7	2.6	3.2	84.5	<b>100.0</b>
Distribution / Retailing	13.0	4.3	5.7	4.4	<b>6.1</b>	40.8	5.3	4.5	49.4	<b>100.0</b>
Finance / Insurance	3.3	1.9	5.5	6.7	<b>5.6</b>	11.4	2.6	4.7	81.3	<b>100.0</b>
Transportation / Leisure	15.8	8.5	7.2	5.2	<b>7.6</b>	40.3	8.5	4.6	46.6	<b>100.0</b>
Food Services / Other Services	3.3	2.3	13.2	5.3	<b>5.1</b>	12.6	3.4	12.6	71.4	<b>100.0</b>
Government / Organizations	2.6	1.5	5.1	0.4	<b>1.2</b>	43.0	10.0	21.2	25.8	<b>100.0</b>
Education / Medical Services / Religion	3.9	3.2	3.2	2.1	<b>2.6</b>	29.3	9.4	6.0	55.3	<b>100.0</b>
Classified Ads / Others	4.7	0.3	0.2	0.4	<b>1.2</b>	73.6	1.6	0.9	23.9	<b>100.0</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>19.3</b>	<b>7.6</b>	<b>4.9</b>	<b>68.2</b>	<b>100.0</b>

**Eleven-Year Trends in Advertising Expenditures by Industry (2007–2017)**

(Unit: ¥10 million)

Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Energy / Materials / Machinery	6,409	4,874	3,272	3,429	2,724	2,624	2,490	2,560	2,664	3,755	<b>4,054</b>
Foodstuffs	29,933	30,145	28,850	28,804	26,619	28,329	27,209	26,350	27,069	28,012	<b>27,744</b>
Beverages / Cigarettes	26,374	24,685	22,701	21,786	19,621	20,987	20,688	21,096	19,373	18,354	<b>18,497</b>
Pharmaceuticals / Medical Supplies	18,288	18,367	16,333	14,597	14,354	14,847	14,745	14,992	14,647	15,265	<b>14,738</b>
Cosmetics / Toiletries	31,145	29,380	27,591	28,792	27,687	28,783	27,985	29,551	28,426	28,845	<b>27,291</b>
Apparel / Fashion, Accessories / Personal Items	12,787	11,582	9,312	10,129	10,818	11,645	11,732	11,382	11,067	9,961	<b>9,163</b>
Precision Instruments / Office Supplies	4,465	4,080	3,073	2,942	2,630	2,886	2,834	3,050	3,347	2,884	<b>2,561</b>
Home Electric Appliances / AV Equipment	8,503	8,188	7,056	7,337	5,449	5,412	5,533	5,926	5,444	5,970	<b>5,288</b>
Automobiles / Related Products	21,691	19,228	13,456	13,163	12,981	16,473	16,710	17,277	15,380	14,459	<b>14,683</b>
Household Products	6,384	6,105	5,899	6,506	6,421	6,496	6,856	7,242	6,714	6,456	<b>6,560</b>
Hobbies / Sporting Goods	15,695	16,925	14,200	12,314	11,061	10,853	10,227	9,414	7,951	7,966	<b>7,875</b>
Real Estate / Housing Facilities	17,304	14,753	11,268	10,294	10,445	10,869	11,503	11,804	11,209	11,964	<b>13,032</b>
Publications	13,712	11,414	9,451	9,267	8,949	9,216	8,988	8,769	8,486	8,080	<b>7,798</b>
Information / Communications	26,675	24,145	20,338	22,091	22,200	24,525	24,332	26,091	27,433	28,401	<b>28,891</b>
Distribution / Retailing	22,348	21,064	19,139	18,226	18,694	20,297	19,273	19,374	18,984	18,121	<b>16,361</b>
Finance / Insurance	24,620	21,296	15,144	15,383	14,121	14,499	16,762	16,437	15,973	15,759	<b>15,050</b>
Transportation / Leisure	28,976	26,944	23,352	21,118	19,527	21,123	20,976	21,172	21,635	20,784	<b>20,116</b>
Food Services / Other Services	15,188	14,425	13,487	13,867	12,356	12,896	14,229	14,504	14,638	14,395	<b>13,482</b>
Government / Organizations	5,413	4,558	4,766	4,082	10,873	3,327	3,149	3,380	3,296	3,326	<b>3,057</b>
Education / Medical Services / Religion	11,926	10,016	8,546	8,177	7,579	7,823	8,069	7,717	7,342	6,941	<b>6,822</b>
Classified Ads / Others	9,154	7,776	5,586	5,186	5,051	4,050	3,960	3,672	3,562	3,432	<b>3,317</b>
<b>Total</b>	<b>356,990</b>	<b>329,950</b>	<b>282,820</b>	<b>277,490</b>	<b>270,160</b>	<b>277,960</b>	<b>278,250</b>	<b>281,760</b>	<b>274,640</b>	<b>273,130</b>	<b>266,380</b>

**Note:** The method for estimating "Advertising Expenditures in Japan" was modified in 2007.

## Sources of Media Expenditures

<b>Traditional Media</b>	Advertising expenditures spent in the traditional media of newspapers, magazines, radio and television.
<b>Newspapers</b>	Advertising rates of national daily and trade newspapers, and advertising production costs.
<b>Magazines</b>	Advertising rates of national monthly, weekly and specialized magazines, and advertising production costs.
<b>Radio</b>	Time rates and production costs of private broadcasting stations nationwide and commercial production costs (but not including event-related costs).
<b>Television</b>	
<b>Terrestrial Television</b>	Time rates and production costs of private terrestrial broadcasting stations nationwide and commercial production costs (but not including event-related costs).
<b>Satellite Media-Related</b>	Advertising expenditures for satellite broadcasts, CATV and teletext (placement and production costs).
<b>Internet</b>	Placement (includes mobile advertising) and production costs (includes production costs for banner ads as well as website set-up costs related to products, services and ad campaigns) for Internet sites.
<b>Promotional Media</b>	Advertising expenditures for sales promotion-related media.
<b>Outdoor</b>	Production and placement costs for long-term signs, neon signs, LED signs, short-term network signs, short-term signs, etc.
<b>Transit</b>	Placement costs for transit advertisements.
<b>Flyers</b>	Insertion costs for flyers in newspapers nationwide.
<b>Direct Mail</b>	Postage and private delivery costs spent on direct mail.
<b>Free Newspapers / Free Magazines</b>	Advertising costs in free newspapers and magazines.
<b>POP</b>	Production costs for point-of-purchase (POP) displays.
<b>Telephone Directories</b>	Placement costs for advertisements in telephone directories.
<b>Exhibitions / Screen Displays</b>	Production costs for exhibitions, expositions and PR centers; production and screening costs for promotional films and videos, etc.

**Note:** The method for estimating “Advertising Expenditures in Japan” was modified in 2007, and the data for 2005 and 2006 have been retroactively revised.

### Contents of the revision:

- (1) The range of “Magazines” included in the traditional media was expanded to include a wider variety of specialty magazines, local magazines, etc.
- (2) “Internet” advertising expenditures include estimated production costs.
- (3) The “Sales Promotion” medium was renamed “Promotional Media,” and the breakdown within it was revised.
- (4) “Outdoor” was revised to include outdoor video screens and poster boards along with billboards and neon signs.
- (5) “Transit” was revised to include airports and taxis along with trains and buses.
- (6) In “Flyers,” the nationwide insertion costs for flyers were revised.
- (7) In addition to postal fees, “Direct Mail” was revised to include delivery fees charged by private delivery companies.
- (8) Estimated advertising expenditures for “Free Newspapers/Free Magazines” are included in the figures.



## Breakdown of Industry Categories

<b>Energy / Materials / Machinery</b>	Electricity, gas, petroleum products, paper, steel, chemical materials, agricultural machinery, construction and civil engineering machinery, machine tools, store equipment, etc.
<b>Foodstuffs</b>	Dairy products, meat products, seasonings, bread, confectioneries, health foods and beauty-related food products, dietary supplements, processed foods, etc.
<b>Beverages / Cigarettes</b>	Alcoholic beverages, non-alcoholic beverages, tobacco products, etc.
<b>Pharmaceuticals / Medical Supplies</b>	Medicines, medical supplies, health drinks, eyeglasses, etc.
<b>Cosmetics / Toiletries</b>	Skin and hair products, makeup and other cosmetics, shampoos and conditioners, razors and razor blades, electric toothbrushes, dentifrices, soap, detergents, feminine hygiene products, disposable diapers, etc.
<b>Apparel / Fashion, Accessories / Personal Items</b>	Clothing, fabrics, home-use textile products, shoes, handbags, umbrellas, jewelry and accessories, etc.
<b>Precision Instruments / Office Supplies</b>	Timepieces, cameras, digital cameras and other optical equipment, office supplies, stationery, etc.
<b>Home Electric Appliances / AV Equipment</b>	Electric cooking appliances and household appliances, home air-conditioning equipment, audio-visual equipment (including digital video cameras), lighting fixtures, hairdressing and beauty equipment, etc.
<b>Automobiles / Related Products</b>	Automobiles, motorcycles, motor scooters, bicycles, motorboats, tires, car navigation systems, etc.
<b>Household Products</b>	Petroleum/gas-related equipment, bedding, interior decoration products, furniture, memorial goods, kitchen accessories, insecticides, mothballs and other insect repellents, air fresheners, deodorizers, etc.
<b>Hobbies / Sporting Goods</b>	Hobby products, game machines and software, audio-visual software, gardening supplies, pet foods, pachinko machines and "pachi-slo" slot machines, sporting goods, etc.
<b>Real Estate / Housing Facilities</b>	Land, housing and other buildings, materials used in building, household fixtures such as toilets, bathtubs, bathroom sink units and kitchen units, solar power generation systems and hot water systems.
<b>Publications</b>	Newspapers, magazines, books, language study materials, other publications.
<b>Information / Communications</b>	Computers, computer-related products, computer software, mobile phones, tablet computers, telephone services, communications facilities and services, Internet, web content, mobile device content, online stores, online games, broadcasting, etc.
<b>Distribution / Retailing</b>	Department stores, supermarkets, convenience stores, direct marketing businesses, high-volume retailers, shopping centers, other retailers, etc.
<b>Finance / Insurance</b>	Banks, securities firms, insurance firms, consumer finance and credit card companies, electronic money, lotteries, Internet banking, etc.
<b>Transportation / Leisure</b>	Transportation facilities and services, travel and hotels, sports and leisure facilities, publicly managed racing, movies, concerts and various events, etc.
<b>Food Services / Other Services</b>	Restaurants, door-to-door delivery and moving services, beauty salons, rental businesses, temporary job placement agencies, wedding planning, security services, legal services, wigs and hairpieces, etc.
<b>Government / Organizations</b>	Government offices, local autonomous bodies, political parties, foreign government offices, advertising organizations, various other organizations, etc. (Organizations operating within a single industry are classified under that industry.)
<b>Education / Medical Services / Religion</b>	Schools, preparatory and tutoring schools, vocational schools, correspondence education, medical-service organizations, medical and nursing services, nursing homes, religion, etc.
<b>Classified Ads / Others</b>	Classified ads (newspaper and magazine), ad-hoc ads, personal notices, multi-advertiser messages, corporate group advertising, etc.



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