

2016

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 2016

## Total advertising expenditures rose 1.9%, to ¥6,288.0 billion

Japan's advertising expenditures for 2016 totaled ¥6,288.0 billion, an increase of 1.9% compared with the previous year's figure. The gradual expansion of Japan's economy in calendar 2016 saw overall spending on advertising post year-on-year gains for a fifth consecutive year.

### General Characteristics of Advertising Expenditures during Calendar 2016

1. Factors that had been expected to have a positive impact on advertising expenditures in 2016 include gradual growth in the Japanese economy; the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro; the G7 2016 Ise-Shima Summit; and an upswing in marketing activities, in particular driven by the expansion of Internet advertising. However, expectations were dampened by such factors as weak domestic demand, thought to have been caused by natural disasters, uncertainty concerning the future, and other factors; a slackening in corporate performance accompanying appreciation of the yen and falling stock prices; as well as the emergence of such risk factors as terrorism and a protectionist climate worldwide. Together, these factors contributed to advertising expenditure growth of 1.9% for the full calendar year.
2. Broken down by medium, advertising expenditures fell in Newspapers (down 4.4%), Magazines (down 9.0%), Radio (up 2.5%), and Television (up 1.7%; including both Terrestrial Television and Satellite Media-Related spending). As a result, overall spending in the traditional media posted a slight decline of 0.4%. In the Internet advertising market (up 13.0%), ads directed at smartphones, as well as video ads and ads using new advertising technologies and data applications continued to expand. Thus growth in the Internet medium remained the key driver for advertising expenditures overall. Although spending on Promotional Media decreased (down 1.1%), growth was recorded for Outdoor as well as Exhibitions/Screen Displays and other sub-categories.
3. By industry category (for traditional media, but excluding Satellite Media-Related spending), year-on-year spending rose in 9 of the 21 industry categories.

Major categories posting gains included Energy/Materials/Machinery (up 41.0% on campaigns for electric power companies (new market entrants) and gas companies); Home Electric Appliances/AV Equipment (up 9.7% on increased advertising for hair styling and beauty appliances, refrigerators and 4K televisions); Real Estate/Housing Facilities (up 6.7% on increased placements for general housing and kitchen units); Pharmaceuticals/Medical Supplies (up 4.2% on increased advertising for general health supplements, contact lenses and general gastro-intestinal medicines); and Foodstuffs (up 3.5% on increased placements for direct-marketed dietary supplements, health foods and chocolate).

Major categories posting declines included Precision Instruments/Office Supplies (down 13.8% on decreased placements for wristwatches and digital cameras); Apparel/Fashion, Accessories/Personal Items (down 10.0% on decreased advertising for women's clothing and casual wear); Automobiles/Related Products (down 6.0% on weaker advertising for K-cars (engine displacement up to 660 cc), imported station wagons/hatchbacks, and station wagons); Education/Medical Services/Religion (down 5.5% on fewer placements for correspondence education programs and schools); and Beverages/Cigarettes (down 5.3% on lower placements for beer-like alcoholic beverages).

In calendar 2016, Japan's nominal gross domestic product (GDP) grew 1.3%. Advertising expenditure for the year rose to 1.17% of nominal GDP, compared with 1.16% in 2015.

## 1. Japanese Economy in Recovery Mode

Although the government postponed the consumption tax rate increase planned for April 2017—resulting in a lack of extra demand that had been anticipated in the lead-up to the increase—the economy continued to recover, albeit at a very modest pace. Real gross domestic product (GDP) growth stayed in positive territory throughout 2016, with the economy expanding 0.6% (2.3% on an annualized basis) in the January–March quarter, 0.4% (1.8% annualized) in the April–June quarter, 0.3% (1.4% annualized) in the July–September quarter, and 0.2% (1.0% annualized) in the October–December quarter. Uncertainty about the future direction of the economy led to sluggish growth in consumer spending and corporate capital investment. However, investment in housing was robust in 2016. Although exports fell in the April–June quarter—reflecting such factors as appreciation of the yen and a slowdown in China’s economic growth—exports recovered during the second half of the year. A range of issues continued to affect household finances, including increases in prices for agricultural products owing to the impact of natural disasters and other factors. As the year closed, developments in the global political situation seemed to indicate that the world was heading into an era fraught with uncertainty, with the US presidential election reflecting a growing protectionist trend. The Japanese government implemented fiscal stimulus measures totaling ¥28 trillion, and this became a factor driving up economic growth through investment in public works.

Compared with the previous year, real GDP grew 1.0% and nominal GDP 1.3% during calendar 2016 (according to preliminary GDP quarterly data released on February 13, 2017).

### Corporate Earnings Decreasing

Overall, corporate earnings were on a downward trend driven by appreciation in the yen’s value. After a long spell of robust corporate results, earnings deteriorated. The revenues of listed companies fell 6.3% across all industries (financial sector not included) during the first half of Japan’s fiscal 2016 (April–September) and, during the same period, consolidated ordinary profits decreased 12.3% compared with the corresponding period of the previous year, while net profits declined 10.9%. The manufacturing sector, in particular, was weak as a result of the yen’s appreciation.

### Employment Conditions Continue to Improve

Employment conditions saw further improvement, as the monthly unemployment rate (seasonally adjusted) remained around 3.2% from January through June. From July through November, the rate hovered at around 3.0–3.1%. With 2.05 million people registered as unemployed in November, the figure remained low. Meanwhile, the effective opening-to-application ratio continued to improve—from 1.28 in January to 1.41 in November. The highest ratio in over 25 years and four months, this was a level not seen since July 1991. The size of employed population and the number of employees were both growing, as was employee compensation in real terms.

### Yen Appreciating, Stock Prices Weak, Crude Oil Prices Rising

In foreign exchange markets—but excluding the yen’s depreciation in the wake of the US presidential election—the yen appreciated during the year. The average exchange rate for 2016 was approximately ¥108 to the dollar.

Although stock prices rose following the US presidential election, Japan's Nikkei stock average ended the year at 19,114 (December 30), 80 points higher than at the previous year's end.

The price of crude oil was on a gentle recovery track, and the Japan-wide average retail price of regular gasoline was in the ¥110–120 range per liter for part of the year. The average retail price at the end of the year (December 26) stood at ¥130.3 per liter, the year's highest level.

## **2. Domestic Consumer Sentiment Generally Weak, Housing Investment Robust**

Consumer spending continued to be affected by weak sentiment driven by anxiety about economic prospects. Looking at the distribution and retail sector, sales at department stores declined 2.9% compared with the previous year (on a comparable stores basis). This marked the second consecutive year of decrease. High-priced items, such as jewelry, as well as apparel recorded weak performances, while sales of duty-free items to overseas tourists also declined year on year. Sales at supermarkets fell 0.4%, marking the first drop in two years. Although foodstuffs performed strongly, clothing and other categories struggled. Meanwhile, sales at convenience stores grew 0.5%, marking the second consecutive year of increase for that channel. Prepared deli-food items were particularly strong.

In the household electric appliance sector, driven by robust sales of such major product categories as air conditioners, refrigerators and washing machines, the value of domestic white goods shipments rose 4.6% year on year. The value of domestic shipments of audio-visual goods, including 4K televisions and car audio-visual systems, increased 3.5% during the April–December period.

Domestic sales of new automobiles decreased 1.5% over the year as a whole, to 4.97 million vehicles. It was the first time since the Great East Japan Earthquake in 2011 that the total had fallen below five million vehicles. Continuing the declining trend seen in the previous year, unit sales of K-cars (engine displacement up to 660 cc) were down 9.0%, to 1.72 million vehicles.

Mobile phone shipments in the April–September period totaled 15.18 million units, down 10.9% compared with the corresponding period of the previous year. Of the total figure, smartphones accounted for 12.16 million units, down 8.4% year on year, while shipments of feature phones declined 19.7% year on year to 3.02 million units.

Shipments of personal computers during the April–September period totaled 4.85 million units, up 2.3% year on year. However, for fiscal 2016 as a whole (to March 2017), shipments are expected to decrease 1.0% year on year, to 9.80 million units. Domestic shipments of tablet devices in the April–September 2016 period were down 13.0% compared with the same period in the previous fiscal year, to 3.88 million units. For the full fiscal year to March 2017, shipments are expected to total 8.70 million units, for a year-on-year decrease of 3.7%.

Domestic shipments of digital cameras in the January–November period saw a 32.9% year-on-year decline for integral lens cameras, while shipments of interchangeable lens cameras decreased 23.6% on the year. Overall digital camera shipments recorded a large decline, falling 29.8% compared with the corresponding period of the previous year.

Housing starts continued to rise, driven by falling interest rates on housing loans. Cumulative new housing starts in 2016 increased 6.4% year on year, marking the second consecutive year of growth. Housing starts for rental units were particularly strong, recording a 10.5% increase. Rental housing is attracting attention as an investment category, driven by

such factors as inheritance planning and the low interest rates on deposits. In contrast, condominium unit sales were weak in large urban areas, reflecting the impact of rising prices.

In the travel market, although the average amount spent per trip declined, both domestic and overseas travel were robust. While the number of Japanese people traveling overseas had been decreasing owing to depreciation of the yen, total numbers rose thanks to the appreciation of the yen in 2016. Setting a new record, the number of in-bound visitors to Japan increased 21.8% compared with the previous year, for a total of 24.03 million. Despite the pause in overseas visitors' spending growth, owing to the yen's appreciation, in-bound visitors spent a total of ¥3,747.6 billion for the year. However, the annual rate of growth in spending—at 7.8%—was much slower than in 2015 (71.5%).

The food services market saw a strong year. Annual sales grew 2.8% (all-stores basis), marking the second consecutive year of increase. In the fast food sector, which had been experiencing a slump, there were recoveries in both Western- and Japanese-style categories. Sales at family restaurants and cafés remained stable, and were robust at dinner restaurants.

Cinema box office sales increased 8.5% year on year to ¥235.5 billion, marking the third consecutive year of growth. This was the highest total since 2000. Major movie hits included *Your Name* and *Godzilla Resurgence*, reflecting a strong performance by Japanese films.

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

- 2016 Summer Olympic and Paralympic Games in Rio de Janeiro
- Functional chocolate
- Smokeless tobacco / vaporizers
- Jogging pants
- Non-underwire bras
- Skircho
- High-priced hair driers
- Automobiles with autonomous driving technology
- Pokemon Go
- "Pen-Pineapple-Apple-Pen" (PPAP pop song)
- Photo-centered social media
- Flea market apps
- Virtual reality goggles
- Internet-based TV channels
- AlphaGo
- Selfie apps
- Hokkaido Shinkansen
- Japanese movies, such as the anime title *Your Name* and *Godzilla Resurgence*
- Fintech (financial technology)
- Central League win by the Hiroshima Carp professional baseball club
- G7 Ise-Shima Summit
- Voting rights for 18- and 19-year-olds

## II. 2016 Advertising Expenditures Classified by Medium

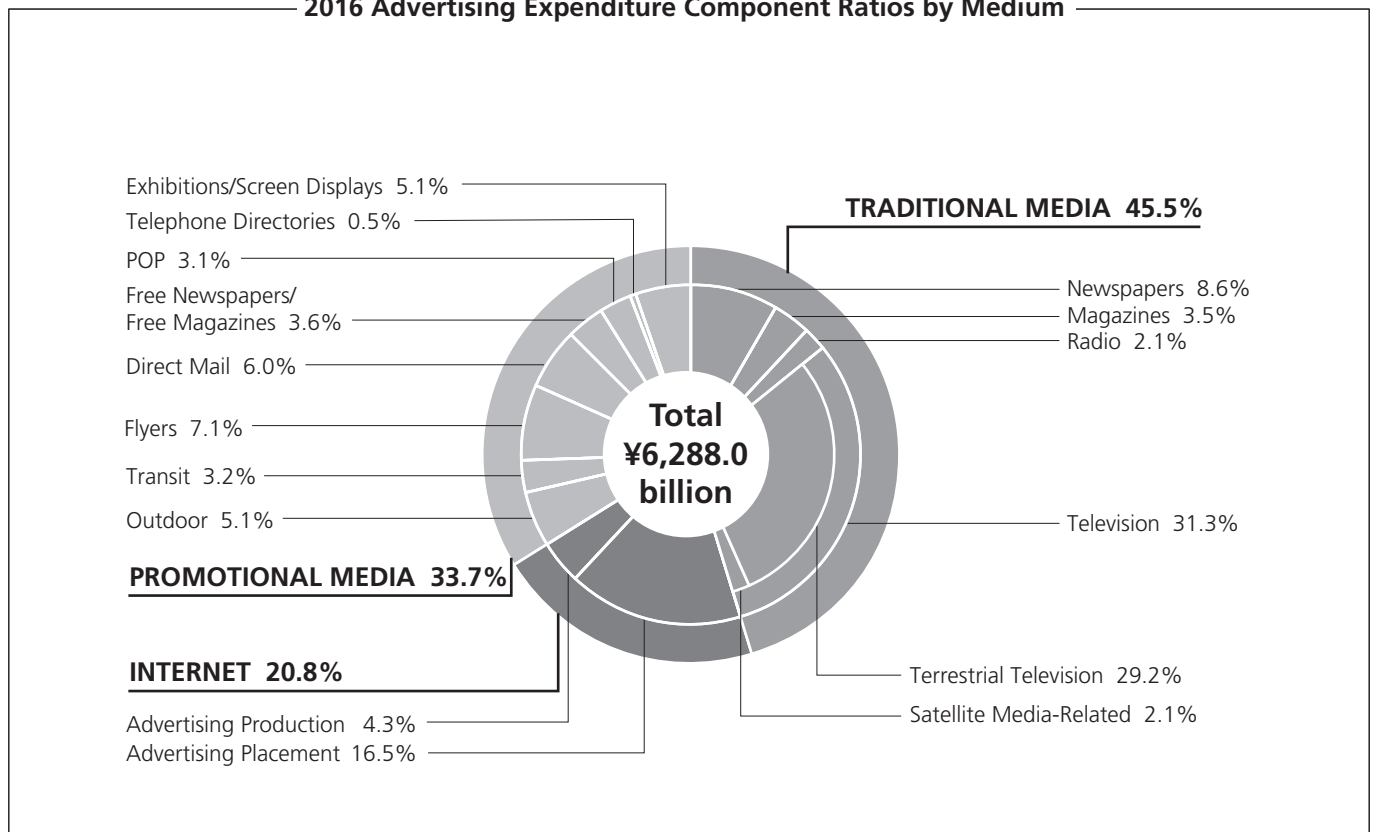
### Internet Advertising Medium Expenditures Exceed ¥1 Trillion, Drive Overall Expenditures

Broken down by medium, in calendar 2016 Internet advertising expenditures (¥1,310.0 billion, up 13.0%) recorded double-digit growth for the third year running, and the pace of growth increased compared with that of 2015. This robust performance by Internet advertising once again drove growth in the ad market as a whole. Key factors contributing to the performance included growth in the mobile ad market, strong demand for video ads and the widespread adoption of ad delivery systems that leverage new technology. Internet advertising expenditures accounted for 20.8% of spending in all media, a rise of 2.0 percentage points compared with the figure for 2015. Of particular note is the fact that Internet advertising medium expenditures exceeded ¥1 trillion for the first time since Dentsu began publishing estimates, reaching ¥1,037.8 billion.

Advertising expenditures for Traditional Media (including Satellite Media-Related spending) declined 0.4% year on year, to ¥2,859.6 billion, recording the second consecutive year of decrease. However, within this media segment, radio advertising expenditures (up 2.5% year on year) and television advertising expenditures (up 1.7%) achieved growth during 2016.

Promotional Media expenditures decreased year on year (¥2,118.4 billion, down 1.1%), despite positive growth once again in such categories as Outdoor and Exhibitions/Screen Displays.

2016 Advertising Expenditure Component Ratios by Medium



## Newspaper Advertising

- Newspaper advertising spending declined 4.4% year on year, to ¥543.1 billion.
- Throughout the year, spending was lower compared with the corresponding period of the previous year. The trend was a continuation of that seen in the previous year.
- Although a positive impact was generated by several factors—including an improvement in corporate earnings, the House of Councilors elections, the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro, and promotions launched in preparation for the 2020 Tokyo Olympic and Paralympic Games—newspaper advertising expenditures continued to shrink. The decrease not only reflected the long-term declining trend in the number of newspaper subscriptions, but also short-term factors, such as unseasonable weather in midsummer and delayed demand owing to the postponement of a planned increase in the consumption tax rate.
- Industries that recorded an increase in newspaper advertising expenditures in 2016 were Government/Organizations, Distribution/Retailing, Foodstuffs and Cosmetics/Toiletries. Industries posting a decrease included Precision Instruments/Office Supplies, Information/Communications, Classified Ads/Others, Automobiles/Related Products and Finance/Insurance.
- One notable new development was advertising demand from such industries as Internet-based television content providers and video game manufacturers. Previously, these industries had tended not to use the newspaper medium for advertising. In addition, there were moves to utilize many of the newspaper companies' diverse functions and assets, which are not limited to newspapers as a printed medium. Regional newspapers were also involved in projects aimed at stimulating local revitalization.

## Magazine Advertising

- Magazine advertising spending fell 9.0% year on year, to ¥222.3 billion.
- A decrease in estimated magazine retail sales, marking the twelfth consecutive year of decline by value (down 3.4% compared with the previous year; source: January 2017 issue of the publishing-related monthly magazine, *Shuppan Geppo*) reflected the continuing harsh operating environment for the magazine industry. However, the electronic magazine publishing market grew significantly (up 27.1%; source: *Shuppan Geppo*), particularly driven by such services as fixed-rate subscriptions offering unrestricted access. Such data provides firm evidence regarding changes in the way people are reading magazines.
- By genre, lifestyle-related titles targeting middle-aged and senior males saw growth in ad placements. In contrast, magazine titles that target women in general and young women—and which account for a large proportion of sales—saw shrinking ad spending.
- By industry, placements for Real Estate/Housing Facilities, Distribution/Retailing and Government/Organizations recorded growth. However, placements for Apparel/Fashion, Accessories/Personal Items—major categories of magazine advertising—fell significantly. This reflected the impact of such factors as a slump in sales of domestic-brand apparel and a deceleration in demand driven by inbound tourists.
- There was a steady stream of new title launches and title revivals outside the conventional printed magazine medium. Publishers stepped up efforts in digital media and migrated mainstay titles to digital editions. There was also an acceleration in the fusion of publishing content and digital advertising media, as magazine publishers' digital media advertising revenues grew at a double-digit pace.

## Radio Advertising

- Radio advertising spending increased 2.5% year on year, to ¥128.5 billion.
- Performance was robust throughout the year.
- By industry, placements by Food Services/Other Services—which accounts for a large share of



## Television Advertising (Terrestrial Television and Satellite Media-Related spending)

the radio advertising market—increased 10.5%, marking the 11th consecutive year of growth. Other industries that recorded growth included Real Estate/Housing Facilities (up 6.8%) and Automobiles/Related Products (up 5.2%).

- The industry category recording the steepest rate of year-on-year decrease was Apparel/Fashion, Accessories/ Personal Items (down 14.0%).
  - Continuing the trend seen in the previous year, the monthly number of unique users for the radiko.jp online radio service and the number of radiko premium subscribers grew at a robust pace. In October 2016, a new on-demand service for radio programs was launched that attracted many new listeners.
  - By region, growth was recorded across most of Japan, and advertising demand was dynamic.
- Television advertising spending rose 1.7% year on year, to ¥1,965.7 billion.

**Terrestrial Television spending** increased 1.6%, to ¥1,837.4 billion.

- Overall terrestrial television advertising expenditures achieved year-on-year growth throughout the year.
- Program sponsorship expenditures (down 0.2%) benefited from the holding of several major sporting events, including the Asian Football Confederation's (AFC) U-23 Championship Qatar 2016, as well as the men's and women's indoor volleyball world qualification tournaments for the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro. However, in the first half of the year (January–June), ad spending declined slightly compared with that in the same period of the previous year (down 0.7%). In the second half of the year (July–December), such events as the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro and the 2018 FIFA World Cup Russia™ AFC qualification tournament Round 3 helped to drive ad spending, leading to a slight increase compared with the previous year (up 0.3%). Among Japan's eight main regions, Fukuoka, Hokkaido, Sendai and Hiroshima recorded increases compared with 2015 figures.
- Spot advertising (up 2.8%) grew significantly centered on the first half of the year. The first quarter (January–March) in particular was buoyed by robust corporate earnings. However, despite an increase in advertising for low-priced smartphones and game apps in the July–September quarter, spending in the second half declined, reflecting such factors as the appreciation of the yen—which dampened sentiment—and spending on program sponsorship for the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro. However, spending was robust in the October–December quarter, led by cosmetics and smartphone-related advertising. Among the 32 regions, 25 recorded an increase compared with the previous year (Tokyo, Osaka, Nagoya total: up 3.4%; total of local regions: up 1.3%).
- By Industry category, the categories posting an increase included Information/Communications, Cosmetics/Toiletries, Foodstuffs, Energy/Materials/Machinery, Home Electric Appliances/AV Equipment and Real Estate/Housing Facilities. Those recording a decrease included Precision Instruments/ Office Supplies, Distribution/Retailing, Apparel/Fashion, Accessories/Personal Items and Automobiles/Related Products.

**Satellite Media-Related spending** rose 3.9% year on year, to ¥128.3 billion.

- For the first time in two years, all three media sub-categories—BS digital broadcasting, CS broadcasting and Cable TV (CATV)—increased compared with the previous year.
- The breakdown in spending was: BS digital broadcasting ¥89.93 billion (up 4.0%); CS broadcasting ¥20.50 billion (up 3.7%); and CATV ¥17.88 billion (up 3.4%).

## 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.

## Quarterly Breakdown of 2016 Advertising Expenditure Growth in the Traditional Media

- Direct-marketed product categories, such as health foods and basic skin care products, grew strongly. In the January–March quarter, this growth was focused on BS digital broadcasting, while starting in April, CS broadcasting and CATV also posted growth.
- Starting in April, sports-related documentaries and information programs increased ahead of the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro. Ad placements increased as a result. Such demand seems to have been driven in part by preparations for the 2020 Summer Olympic and Paralympic Games in Tokyo.
- By industry, apart from direct-marketing-related advertising—which grew across all three media sub-categories of BS digital broadcasting, CS broadcasting and CATV—growth was seen in BS digital broadcasting, with financial services, office equipment and music-related advertising increasing. In CS broadcasting, there was growth in ad placements within sports and music programs targeting younger age segments by advertisers for information technology, beverages and pharmaceuticals.
- In CATV, growth in the number of subscriber households drove increases in demand for advertising for direct-marketed health foods and cosmetics.
- In CS broadcasting and CATV, 2015 had seen some advertisers refrain from placing ads while they awaited the revision of the labeling guidelines for functional foods. However, in 2016, advertising increased in this product category, reflecting a rebound as the types of creative expression used became more settled.

- Advertising production costs for the traditional media fell 0.2% year on year, to ¥306.1 billion.
- Production costs for terrestrial TV commercials amounted to ¥218.8 billion (up 2.0%).
- For the traditional media as a whole, although production costs in the first half of the year put in a strong performance, the second half saw a deceleration, leading to a slight decline on a full-year basis.
- By industry category, those posting an increase included Hobbies/Sporting Goods, Home Electric Appliances/AV Equipment, Information/Communications, Pharmaceuticals/ Medical Supplies, Foodstuffs, Cosmetics/Toiletries and Government/Organizations. Industry categories recording a decrease included Automobiles/Related Products and Education/Medical Services/Religion.

A quarterly breakdown of advertising expenditures in the traditional media (including Satellite Media-Related spending) shows that the January–March quarter was up 0.9% year on year, while the remaining three quarters recorded a slight decline.

(Year on year, %)

Advertising Expenditures in the Traditional Media (including Satellite Media-Related spending)	2015 (Full Year)	H1 Jan.–Jun.	H2 Jul.–Dec.	Q1 Jan.–Mar.	Q2 Apr.–Jun.	Q3 Jul.–Sep.	Q4 Oct.–Dec.
		97.6	96.7	98.6	96.4	97.0	98.7
	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

## Internet Advertising

- Internet advertising spending (medium expenditures and ad production costs) rose 13.0%, to ¥1,310.0 billion.

**Internet Advertising Medium Expenditures** rose 12.9%, to ¥1,037.8 billion.

- The shift to Internet media continued, as spending on Internet media exceeded ¥1 trillion<sup>1</sup> for the first time.

- Expenditures for performance-based advertising<sup>2</sup> amounted to ¥738.3 billion (up 18.6%). Factors driving the robust showing by performance-based advertising included an increase in the number of advertisers that attach greater importance to data and technology; greater attention being focused on the data-linkage potential of performance-based advertising; and performance-based advertising beginning to take on roles in such areas as reach and branding, driven by advances in functionality.
- The needs in the area of video advertisements continued to expand across the board in the market. On social media platforms, which are driving growth in video advertisements, performance-based advertising is the dominant ad mode. The rising relative importance of display ads vis-à-vis the well-established mode of search engine advertising is driving video advertisements—particularly in-feed ads<sup>3</sup> for smartphones—to a new phase of growth. Hence, competition in performance-based display ads has intensified.
- Looking at advertising by type of user device, smartphones continued to grow and the shift to mobile devices meant that there was a decline in advertising on ad networks focused on portal sites catering to PC users. The market growth driver is transitioning from dominance by PC-focused media to a new paradigm dominated by mobile media. Based on this shift, media that has to date monetized traffic focused on PC users is now seeing a full-fledged migration to performance-based advertising. There was strong activity by publishers adopting performance-based advertising delivery platforms.
- The domestic market saw an acceleration in the penetration of private marketplaces<sup>4</sup> (PMPs). There was brisk activity among advertising agencies and media representatives, which launched new PMPs and expanded their lineups of ad products. Another recent trend observed was that of cooperation among groups of publishers utilizing systems provided by platform operators. Under such arrangements, publishers utilize first-party data,<sup>5</sup> while carrying out sales activities related to PMPs.
- The spotlight was also on an increase in demand for campaigns that combine TV spot ads with performance-based Internet video ads. Furthermore, there was an increase in media planning projects based not only on current location information, but also information on users' past stays and visits. This included the strengthening of geo-targeting (based on user location information and area information) functionality by vendors of demand-side platforms<sup>6</sup> (DSPs), and the further strengthening of location-based marketing by ad agencies and media representatives.
- Not only is the market seeing increasing needs in the area of advertisers' use of data management platforms (DMPs)<sup>7</sup> but, as a means of responding to such needs, performance-based advertising is evolving. Such advertising is emerging as the main, overall driver of the current Internet advertising market.

**Notes:**

1. The combined total of Internet advertising medium expenditures and production costs exceeded ¥1 trillion for the first time in 2014.
2. Ad-space sales, tie-up ads and affiliate ads are not included in performance-based advertising.
3. On web sites and in apps designed to allow users to view content (content feed) while scrolling down the screen, in-feed ads are displayed between content items.
4. PMPs: Rather than the open-auction system (automated ad transaction markets that allow buyers and sellers unrestricted participation) traditionally used in the sphere of performance-based advertising, PMPs allow participation of a limited number of buyers and sellers in automated ad transactions. That said, the definition used around the world by the advertising industry to describe PMPs is still somewhat fluid.
5. First-party data: This refers to various types of proprietary data held by advertisers and publishers gathered from their own sites. It includes such categories as site access data, users' purchasing histories and user membership data.

## Promotional Media Advertising

6. DSPs: Ad delivery systems that support the maximization of advertising effectiveness, as seen from the perspective of the advertiser.
7. DMPs: Data management platforms and delivery systems that optimize ad delivery. DMPs link such data as log data gathered by advertisers on their own sites and external audience data held by publishers and other parties.

**Internet Advertising Production Costs** rose 13.4%, to ¥272.2 billion.

- Continuing from the previous year, growth in the sphere of advertising production remained robust. Production that links companies' marketing and promotional activities increased. This required the utilization of media owned by clients in tandem with the production of sites and content linked with offline programs, and production related to site management based on data analysis.
  - By ad format, production of video ads grew substantially, with the format becoming one of the market mainstays. Although video ads have been increasing over the past several years, we saw the client base for video ads broaden significantly. It now includes not only major clients active on a nationwide level, but also small and medium-sized clients, outside the main urban areas, that have begun to utilize the video ad format.
  - By production category, mobile production (catering to feature phones) was on a declining trend. This was driven by the spread of smartphones and an increase in companies that produce both mobile and PC sites.
- Promotional Media advertising expenditures fell 1.1% year on year, to ¥2,118.4 billion.

**Outdoor advertising expenditures** rose 0.2%, to ¥319.4 billion.

- Billboards were stimulated by buoyancy in the domestic economy, and the category overall grew, albeit slightly. Industry trends have become somewhat fixed over the past several years, and a large number of advertisements were seen for information/communication services, beverages, imported automobiles, music recordings, TV programs and movies. Communication equipment also stood out.
- Neon/LED: The migration from neon to LED signs accounted for a large number of projects, as LED sources maintained the growth trend of the previous year. Sign management and maintenance work increased.
- Large-screen displays: There was a strong performance by music and apparel brands, which are regular advertisers in this format. Smartphone apps and entertainment-related sponsors also put on a robust performance.
- Sports stadium billboards: Activity was dominated by annual contract renewals by existing advertisers, leading to flat spending in a continuation of the trend seen in the previous year.
- Commercial facility media: There was an increase in support and collaboration relating to regular and special events throughout the year, resulting in a brisk level of activity.

**Transit advertising expenditures** fell 2.0%, to ¥200.3 billion.

- Railway station and in-car digital signage continued the robust growth of the previous year, with contributions from new installations in the Kansai and Chubu regions. There was an increase in the number of cars equipped with in-car video displays, which helped drive a brisk level of activity. By contrast, there was a decline in spending on printed media such as in-car aisle-hanging posters, ads placed above car windows and beside car doors, as well as on station posters.

- Although airport placements have shown robust growth in recent years driven by the increase in inbound tourists, in 2016 there was only a slight increase, reflecting the limited amount of space available for new placements.
- By industry, beverages/liquor saw a fallback after the strong growth seen in the previous year. Electric appliances and job recruitment-related ads increased.

**Flyer advertising expenditures** fell 5.1%, to ¥445.0 billion.

- In a continuation from the previous year, spending on flyer advertising fell as newspaper circulation declined and the number and size of flyers decreased.
- Throughout the year, spending followed a negative trend, with April being the only exception as spending then saw a year-on-year increase. The largest year-on-year decline was recorded in May. This was probably attributable to such factors as event cancellations and postponements following the Kumamoto earthquake in April, and restrictions placed on amusement facilities during the period of the G7 Ise-Shima Summit. Although a slight recovery was seen in June, it was not enough to reverse the overall decline.
- On a regional basis, with the exceptions of Shikoku and Okinawa, placements fell year on year nationwide.
- By industry, those retailers that cater to daily shopping needs—such as small-scale supermarkets and drugstores, as well as mail-order companies—put on robust performances continuing the previous year’s trend. Placements decreased from general merchandise stores (GMSs), large-scale volume retailers, real estate companies, education providers, amusement facilities and apparel marketers.

**Direct Mail advertising expenditures** fell 0.7%, to ¥380.4 billion.

- One of the factors driving growth in the awareness of direct mail as a conversion media that leverages customer databases to effectively influence purchasing behavior was the expanding e-commerce mail order market. As in the previous year, 2016 saw many companies reassess the media value of direct mail.
- By industry category, increases in the use of direct mail were seen in Information/Communications, health foods and other mail-order products (direct-mail samples were popular) and Finance/Insurance.
- The market for unaddressed mail deliveries continued to grow. Highly focused area-based marketing became a brisk area of activity, with the scope of campaigns spreading nationwide from Tokyo.
- The use of direct mail in the form of postcards that include the offer of a prize draw or coupons grew as a means of attracting customers to stores.
- There were cases in which advertisers utilized membership information held by other companies to develop new customers.
- Accompanying the increasing level of customer data, there was aggressive use of direct mail as one of the customer relationship management tactics available.

**Free Newspaper/Free Magazine advertising expenditures** fell 1.6%, to ¥226.7 billion.

- Overall, this medium is declining, and 2016 proved to be a difficult year for distribution via both permanently installed stands and delivery. However, there were regional disparities, with some areas posting increases.

**Free Newspaper advertising expenditures** fell 1.2%, to ¥72.1 billion.

- Although expenditures fell in this medium over the year as a whole, there were several bright spots. Telecommunications carriers conducted campaigns to publicize new fee plans and appeal based on services announcements were issued by electric power and gas companies accompanying the liberalization of the retail electricity market in April. The House of Councilors elections in July had a positive impact as free newspapers were used to target female readers who are difficult to reach using general newspaper advertising. Although in March and December advertising demand received a boost from robust corporate financial results, demand continued to contract over the full year, recording a year-on-year decline.
- Despite an increase in the use of free-newspaper advertising by local governments as a means of promoting regional revitalization, overall the market was somewhat weak outside the Tokyo area.
- In some regions, restaurant and food service advertising was robust.

**Free Magazine advertising expenditures** fell 1.7%, to ¥154.6 billion.

- Although this medium continued to track downward in the main urban areas nationwide, some regions showed increases in circulation. In a continuation of the previous year's trend, a robust performance was exhibited by certain publications. These included magazines aimed at particular demographic segments (high-income segments), magazines catering to specific areas (information magazines that provide a distinctive perspective due to the tight area on which they focus) and titles aimed at readers with specific hobbies and interests. However, coupon-focused publications saw a decrease in circulation as the genre saw further migration to the web.
- Within a market where many titles ceased or suspended publication over the course of the year, some publishers launched new free magazine titles, targeting high-income males, and distributed these via their own independent channels.
- By industry, tutoring schools and mail order services were prominent.
- Advertising overall—as well as in regionally based free magazines—on the part of companies with close ties to local regions was conspicuous. However, if free magazines are to help revitalize local economies, the medium must evolve further, and a nationwide information network needs to be developed.

**POP advertising expenditures** fell 1.0%, to ¥195.1 billion.

- Point-of-purchase (POP) advertising spending declined, reflecting the impact of lower earnings at retailers, particularly GMSs and high-volume electrical appliance retailers. One of the causes of the decrease was a trend to allocate more of the sales promotion budget to media, to attract customers to stores.
- There was an increase in POP advertising used for product explanations. This centered on digital signage aimed at presenting products in an attractive way. There was also an increase in retail space-related POP advertising involving an experiential dimension. These stores sought to differentiate themselves from the e-commerce market.
- An increase was seen in the trend to manage sales promotion on an area or single-store basis—rather than the head office having full control—and this is likely to expand.
- Products that have achieved strong sales through mail order services—particularly health foods and cosmetics—are beginning to appear in the drugstore channel. In such cases, there was an increase in non-regular POP advertising, such as special product display stands. At

small supermarkets and GMSs, there was an increase in POP advertising to promote existing events in a colorful way. The use of character-based POP advertising at convenience stores also became more established.

- As in the previous year, polarization was apparent in POP advertising production budgets. There was a clear split between POP advertising that uses digital signage and has relatively high production costs, and printed POP advertising materials that have been designed to keep production costs down.

**Telephone Directory advertising expenditures** fell 4.2%, to ¥32.0 billion.

- Efforts were made to raise the media value of telephone directory advertising, which led to an increase in the number of areas in which circulation was higher than it had been during the previous year. The steps taken included the use of cover designs that leveraged an area's distinctive features, the editing of directory text, delivery of directories to all homes and offices, and publication of supplement editions that provide information on disaster prevention. As a result, the overall rate of decline in expenditures slowed.
- The comprehensive value to users was improved through such developments as the evolution of web-based editions that enable users to do searches based on their location at the time, and the inclusion of added-value information in advertisements.

**Exhibition/Screen Display advertising expenditures** rose 4.3%, to ¥319.5 billion.

- Spending was robust, driven by such factors as programs to promote Japan as a major inbound tourist destination, regional revitalization projects, an increase in the number of tourists visiting Japan, and facility refurbishment projects accompanying infrastructure development programs. Several other developments also helped drive increases in spending. These included the opening of the Hokkaido Shinkansen line; the unveiling of the emblem for the 2020 Tokyo Olympic and Paralympic Games; the hosting of the G7 Ise-Shima Summit; the holding of the first national elections (House of Councilors elections) in which 18- and 19-year-olds were eligible to vote; as well as the hosting of the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro.
- Display-related projects experienced brisk activity. This included: the opening of bus terminals attached to railway stations; airport facility and other infrastructure development; retail space development for imported-brand stores; refurbishment of large commercial complexes accompanying the redevelopment of areas surrounding railway terminals in major urban centers; refurbishment of hotels and amusement facilities; the opening of history museums; and the inclusion in corporate sales promotion programs of invitee-only events and dedicated showrooms. In the area of screen displays, there was an increase in tourism promotions to highlight the attractiveness of regions. Many such promotional programs utilized video displays as part of regions' branding strategy.
- By region, in the Nagoya area, automobile-related as well as information technology-related activity was strong. In addition, there was robust demand driven by the redevelopment project for the area surrounding JR Nagoya Station in preparation for the opening of the Chuo Linear Shinkansen line. The project involves the development of new commercial facilities and the design and development of spaces in the vicinity. In Hiroshima, the visit of United States President Barack Obama and the holding of a parade to honor the Hiroshima Carps professional baseball club—for having won of the first league title in 25 years—contributed to robust spending. In Fukuoka, demand related to inbound tourism was high: the tourist industry as well as the meetings, incentives, conferences, exhibitions (MICE)

industries performed strongly, centered on Asian markets. Even in Kumamoto, which experienced a major earthquake in April, spending on store displays grew.

- By industry, in the Government/Organizations category, public works projects were on an upward trend. In local regions, spending held steady, underpinned by such events as character-focused events, marathons and art-related occasions on a regular basis. The events were often linked to regional heritage, including historic castles.
- Cinema advertising expenditures grew as the total number of cinema visitors exceeded 180 million for the first time in 42 years, with box office sales for the year the highest on record for Japan's cinema industry. The year saw the release of a large number of movies, for which expectations were high. The movies included *Star Wars: The Force Awakens* and *Yo-Kai Watch* (released at the end of 2015), *Your Name*, *Godzilla Resurgence* and *Detective Conan: The Darkest Nightmare*. Another factor driving the increase in cinema promotion, centering on cinema advertising, was the growing need of advertisers for more effective advertising during movie screenings. This centered on advertisers that executed tie-up ads featuring the movie being screened or characters from the movie. By industry, ad spending increased for beverages, automobiles, communication equipment and telecommunication services. Family-targeted advertisements at cinema multiplexes also increased. There was an increase in the number of screens that are non-standard, such as 4DX and IMAX screens. Consequently, advertising demand on such screens is expected to increase.



### III. 2016 Advertising Expenditures Classified by Industry (Traditional Media Only, Excluding Satellite Media-Related Spending)

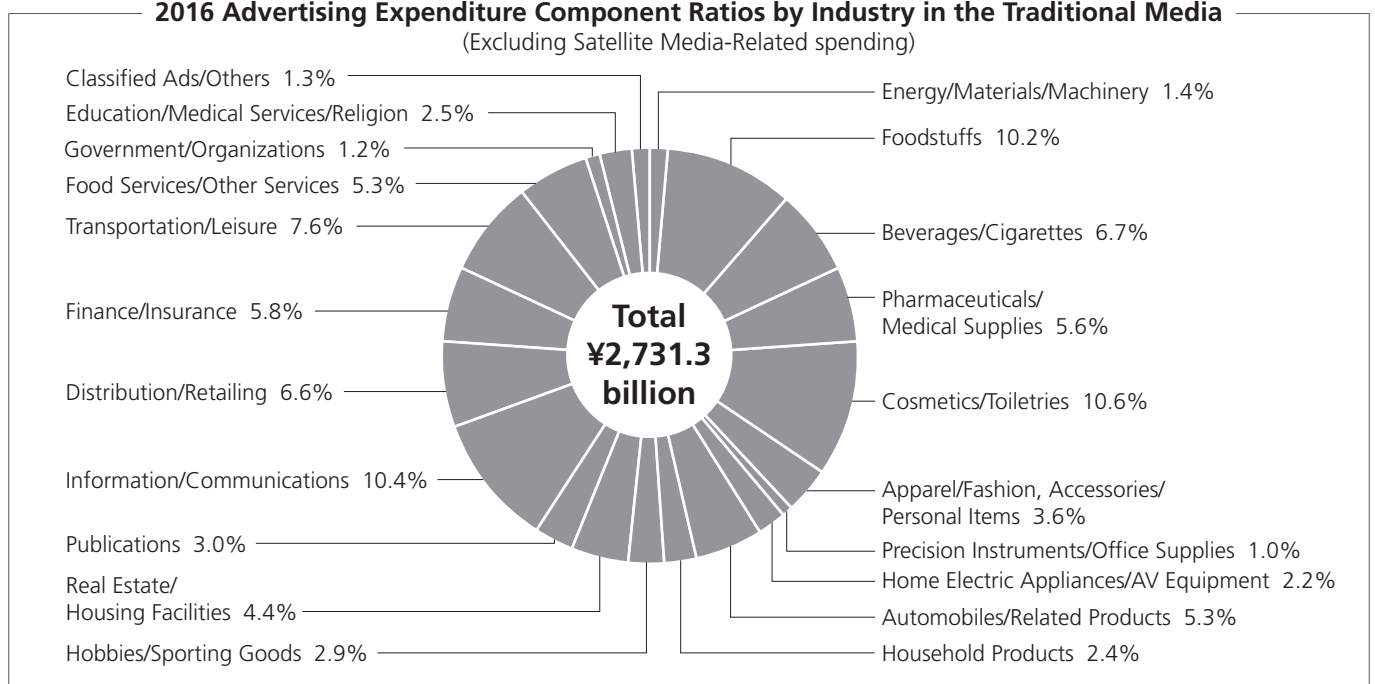
#### Spending increased in nine industry categories—Energy/Materials/Machinery, Home Electric Appliances/AV Equipment, Real Estate/Housing Facilities, Pharmaceuticals/Medical Supplies, Foodstuffs, Information/Communications, Cosmetics/Toiletries, Government/Organizations and Hobbies/Sporting Goods

Advertising expenditures increased in 9 of the 21 industry categories surveyed during 2016, and declined in 12 categories. (The 2015 survey shows that expenditures were higher in 6 of the 21 industry categories, but lower in 15 categories.)

Categories posting gains were Energy/Materials/Machinery (up 41.0%) on strong demand for campaigns related to the liberalization of the electricity market; Home Electric Appliances/AV Equipment (up 9.7%) on increases in ads for hair styling and beauty appliances, refrigerators and 4K televisions; Real Estate/Housing Facilities (up 6.7%) on increased placements for general housing and kitchen units; Pharmaceuticals/Medical Supplies (up 4.2%) on increased advertising for over-the-counter medicines, contact lenses and general gastro-intestinal medicines; Foodstuffs (up 3.5%) on increased placements for direct-marketed products (dietary supplements and health foods), and chocolate; Information/Communications (up 3.5%), driven by ad placements for web content and mobile communication services; Cosmetics/Toiletries (up 1.5%) on increased ads for fabric softeners, skin lotions and laundry detergents; Government/Organizations (up 0.9%) on increased ad placements by local governments, political parties and political organizations; and Hobbies/Sporting Goods (up 0.2%) on a rise in placements for cat food and fitness goods.

Expenditures declined in the following 12 industry categories: Precision Instruments/Office Supplies (down 13.8%) on a fall in placements for wristwatches and digital cameras; Apparel/Fashion, Accessories/Personal Items (down 10.0% on decreased advertising for women’s clothing and casual wear; Automobiles/Related Products (down 6.0% on weaker advertising for K-cars (engine displacement up to 660 cc), imported station wagons/hatchbacks, and station wagons); Education/Medical Services/Religion (down 5.5% on fewer placements for correspondence education programs and schools); Beverages/Cigarettes (down 5.3%) on lower placements for beer-like alcoholic beverages and nonalcoholic beer; Publications (down 4.8%) on fewer placements related to general newspapers and specialist hobby magazines; Distribution/Retailing (down 4.5%) on decreased placements for general supermarkets and large-scale retailers; Transportation/Leisure (down 3.9%) on decreased advertising for membership sports clubs, and placements for railways and overseas airlines; Household Products (down 3.8%) on decreased placements for household scales and room deodorizers; Classified Ads/Others (down 3.6%) on decreased demand for classified ads; Food Services/Other Services (down 1.7%) on lower placements for aesthetic salons, male hair pieces and other services; and Finance/Insurance (down 1.3%) on lower placements related to direct-marketed health insurance and cancer insurance, and lotteries.

**2016 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 41.0%, with a 1.4% component ratio.
  - Third consecutive year of increase.
  - Advertising related to the liberalization of the retail electricity market performed strongly.
  - Continued substantial decline in placements by petroleum companies.
  - By medium, significant increase in terrestrial television placements.
- 2. Foodstuffs:** Up 3.5%, with a 10.2% component ratio.
  - Second consecutive year of increase.
  - Placements robust for direct-marketed dietary supplements and health food products.
  - Large increase in placements for chocolate, combined seasonings, instant miso soups and clear soups.
  - Decrease in placements for candies and caramels, soups and chewing gum.
  - By medium, increased placements in terrestrial television, newspapers and magazines.
- 3. Beverages/Cigarettes:** Down 5.3%, with a 6.7% component ratio.
  - Second consecutive year of decrease.
  - Continued significant fall in placements for other fermented liquor (beer-like alcoholic beverages).
  - Decrease in placements for beer-like nonalcoholic beverages, *happo-shu* and pre-mixed cocktails.
  - Placements up sharply for canned coffee, energy and beauty drinks, and green tea.
  - Strong performances by flavored mineral waters and carbonated beverages.
  - By medium, fall in newspaper and terrestrial television placements.
- 4. Pharmaceuticals/Medical Supplies:** Up 4.2%, with a 5.6% component ratio.
  - First increase in two years.
  - Substantial rise in placements for over-the-counter medicines and contact lenses.
  - Strong performances by gastro-intestinal medicines, mouthwash, throat anti-inflammatories, supporters and masks.
  - Placements for eyeglasses continued to decline.
  - By medium, increase in terrestrial television placements.
- 5. Cosmetics/Toiletries:** Up 1.5%, with a 10.6% component ratio.
  - First increase in two years.
  - Large increase in placements for skin lotions and moisture creams.
  - Placements increased substantially for fabric softeners and laundry detergents.
  - Increased placements for baby diapers, toothpaste and hair treatments.
  - Sharp decrease in placements for shampoos and conditioners.
  - By medium, increase in newspaper and terrestrial television placements.
- 6. Apparel/Fashion, Accessories/Personal Items:** Down 10.0 %, with a 3.6% component ratio.
  - Third consecutive year of decrease.
  - Large drop in placements for women's clothing and casual wear.
  - Decrease in placements for men's clothing, jeans and functional innerwear.
  - Placements increased for stockings and tights, and men's and women's shoes.
  - By medium, decline in all media, particularly terrestrial television.

**7. Precision Instruments/Office Supplies:** Down 13.8%, with a 1.0% component ratio.

- After two consecutive years of increase, the trend reversed to a sharp decrease.
- Placements for wristwatches declined substantially.
- Placements for digital cameras and fountain pens also decreased.
- By medium, sharp decrease in newspapers and terrestrial television placements.

**8. Home Electric Appliances/AV Equipment:** Up 9.7%, with a 2.2% component ratio.

- First increase in two years.
- Placements for digital media devices for use with televisions increased substantially.
- Increase in placements for hairdressing and beauty equipment, massage machines for home use, and 4K televisions.
- Decrease in placements for vacuum cleaners, and electric pots and hot plates.
- By medium, large increase in terrestrial television placements.

**9. Automobiles/Related Products:** Down 6.0%, with a 5.3% component ratio.

- Second consecutive year of decrease.
- Continuing the trend from the previous year, large fall in placements for K-cars (engine displacement up to 660 cc) and imported station wagons/hatchbacks.
- Ongoing weakness in placements for station wagons, minivans and vans.
- Substantial rise in placements for sedans.
- Robust placements for station wagons/hatchbacks and sports coupes.
- By medium, large decrease in terrestrial television and newspaper placements.

**10. Household Products:** Down 3.8%, with a 2.4% component ratio.

- Second consecutive year of decrease.
- Large decline in placements for home-use scales.
- Placements decreased for specialized mattresses, polyethylene kitchen wrap and aluminum foil.
- Fall in placements for deodorizers, moth-proofing agents and insecticides.
- Placements rose for aromatic agents and water purifiers.
- By medium, decline in newspapers and terrestrial television placements.

**11. Hobbies/Sporting Goods:** Up 0.2%, with a 2.9% component ratio.

- First increase in eight years.
- Strong performance by placements for pet-related products (cat food and veterinary pharmaceuticals).
- Increase in placements for fitness goods, dolls and toys (toys related to popular characters).
- Decrease in placements for audio and video recordings.
- By medium, rise in television placements.

**12. Real Estate/Housing Facilities:** Up 6.7%, with a 4.4% component ratio.

- First increase in two years.
- Significant increase in placements for general housing and real estate brokerages.
- Within housing-related facilities and equipment, large increase in placements for kitchen units.
- Decline in placements for housing renovation and toilet facilities.
- By medium, large increase in terrestrial television placements.

- 13. Publications:** Down 4.8%, with a 3.0% component ratio.
- Fourth consecutive year of decrease.
  - Sharp decrease in placements for general newspapers and specialized 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 pocket paperbacks, general magazines and entertainment magazines.
  - By medium, fall in newspapers and terrestrial television placements.
- 14. Information/Communications:** Up 3.5%, with a 10.4% component ratio.
- Third consecutive year of increase.
  - Substantial increase in placements for web content and mobile communication services.
  - Robust placements for commercial broadcasting and corporate branding advertisements.
  - Placements declined for satellite broadcasting.
  - By medium, increase in terrestrial television placements.
- 15. Distribution/Retailing:** Down 4.5%, with a 6.6% component ratio.
- Second consecutive year of decrease.
  - Continuing weakness in placements for general merchandise stores (GMSs) and department stores.
  - Decrease in placements for large-scale retailers.
  - Placements robust for mail order services.
  - By medium, sharp decline in terrestrial television placements.
- 16. Finance/Insurance:** Down 1.3%, with a 5.8% component ratio.
- Third consecutive year of decrease.
  - Placements fell significantly for direct-marketed health insurance and cancer insurance, lotteries and non-life insurance.
  - Sharp decrease in securities-related placements.
  - Placements strong for direct-marketed life insurance and credit cards.
  - By medium, fall in newspaper, magazine and radio placements.
- 17. Transportation/Leisure:** Down 3.9%, with a 7.6% component ratio.
- After the previous year's increase, the trend reversed.
  - Large decrease in placements of travel-related advertising (railways, foreign airlines and travel agencies).
  - Decline in placements for membership sports clubs and concerts.
  - Placements rose for Japanese airlines, events and seminars.
  - Robust placements by leisure parks and theme parks.
  - By medium, decline in all media placements, particularly terrestrial television.
- 18. Food Services/Other Services:** Down 1.7%, with a 5.3% component ratio.
- Decreased after four consecutive years of increase.
  - Sharp decline in placements for women's wigs and hair pieces for men.
  - Placements for aesthetic salons and other services fell.
  - Robust placements for memorial services and law offices.
  - By medium, decline in newspapers and terrestrial television placements.

**19. Government/Organizations:** Up 0.9%, with a 1.2% component ratio.

- First increase in two years.
- Large increase in placements for political parties and election-related political organizations.
- Increase in placements for local government agencies and advertising organizations.
- By medium, increase in newspaper and terrestrial television placements.

**20. Education/Medical Services/Religion:** Down 5.5%, with a 2.5% component ratio.

- Third consecutive year of decrease.
- Placements decreased sharply for education-related advertising, including correspondence education, schools, and vocational and other educational institutions.
- Increase in placements for preparatory and tutoring schools, English conversation schools and language schools, and facilities for the aged (nursing homes).
- By medium, decline in all media placements, particularly terrestrial television.

**21. Classified Ads/Others:** Down 3.6%, with a 1.3% component ratio.

- Ninth 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 in newspapers.
- By medium, continued decline in newspaper placements.

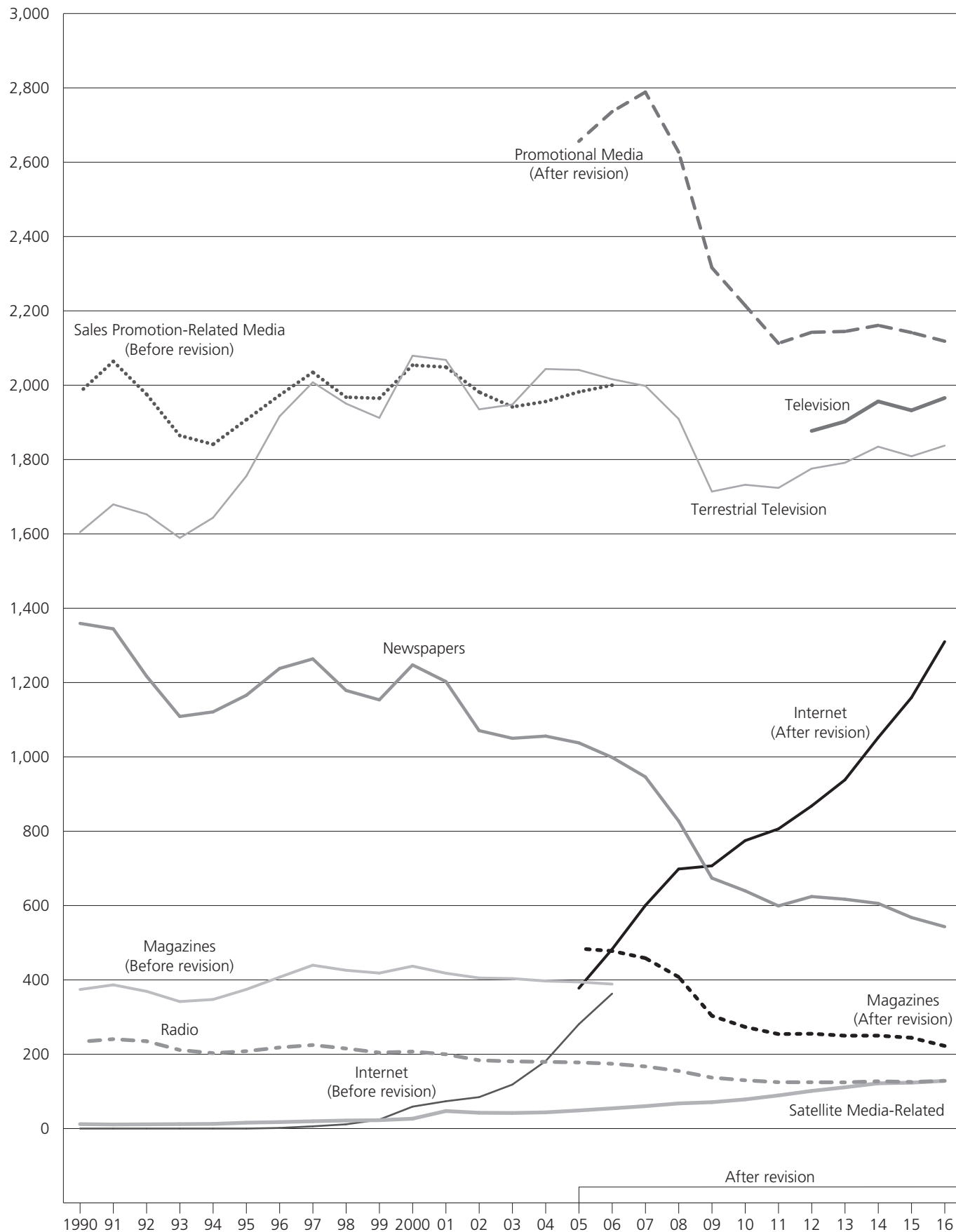
## Advertising Expenditures and Japan's GDP (1990–2016)

Year		Advertising Expenditures (A)		Gross Domestic Product (B)		A / B (%)
		Advertising Expenditures (¥ billion)	Compared to Previous Year (%)	GDP (¥ billion)	Compared to Previous Year (%)	
1990		5,564.8	109.7	442,781.0	108.0	1.26
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		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		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	513,698.0	102.1	1.20
2015		6,171.0	100.3	530,545.2	103.3	1.16
<b>2016</b>		<b>6,288.0</b>	<b>101.9</b>	<b>537,311.2</b>	<b>101.3</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 27 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 (1990–2016)

(¥ billion)



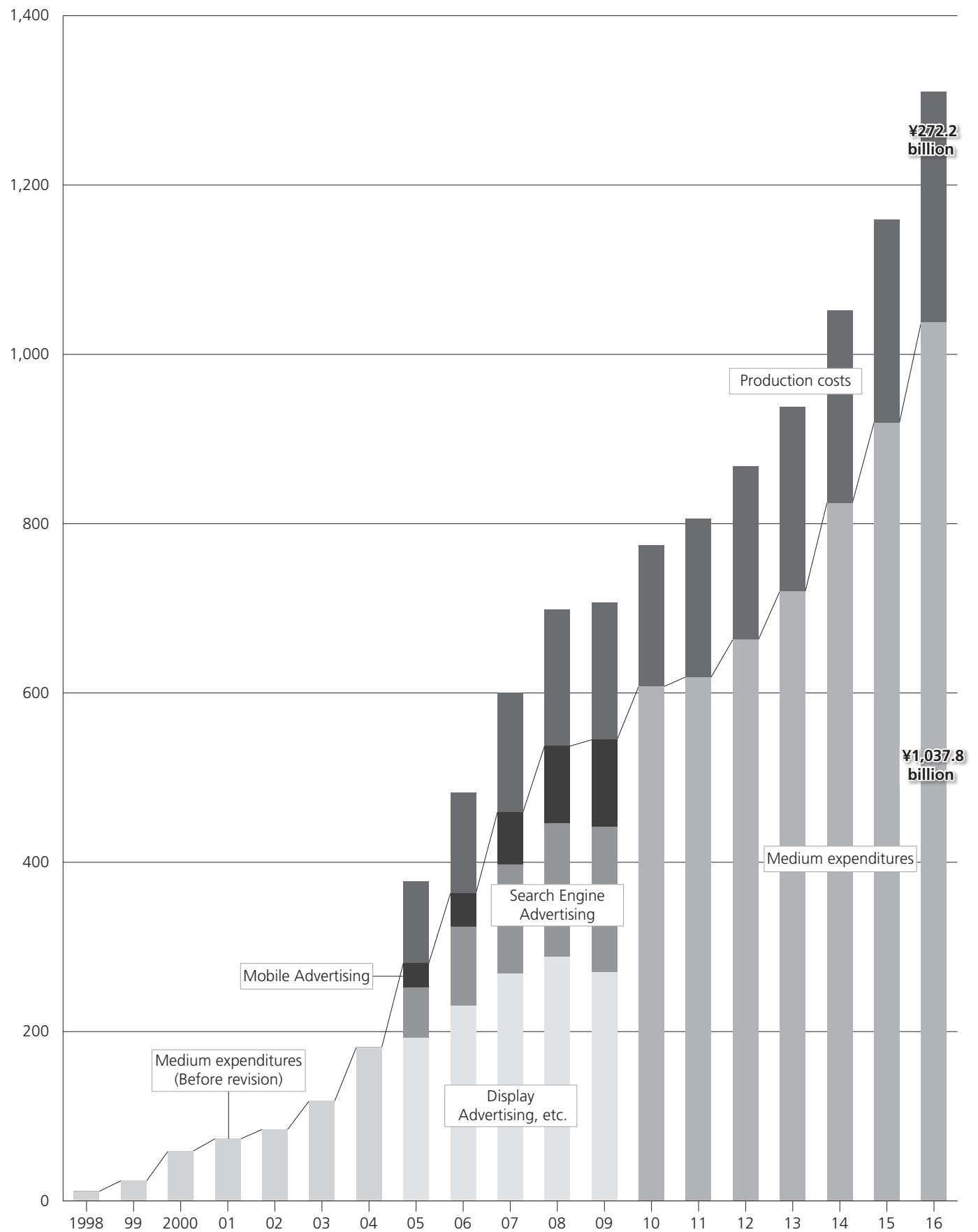
Media	Newspapers		Magazines		Radio		Television						Internet		Sales Promotion-Related Media / Promotional Media		
	Year	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)	¥ billion	Comparison Ratio (%)
1990		1,359.2	106.8	374.1	111.5	233.5	112.0	-	-	1,604.6	109.7	11.9	125.3	-	-	1,981.5	111.1
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
<b>2016</b>		<b>543.1</b>	<b>95.6</b>	<b>222.3</b>	<b>91.0</b>	<b>128.5</b>	<b>102.5</b>	<b>1,965.7</b>	<b>101.7</b>	<b>1,837.4</b>	<b>101.6</b>	<b>128.3</b>	<b>103.9</b>	<b>1,310.0</b>	<b>113.0</b>	<b>2,118.4</b>	<b>98.9</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 (1998–2016)

(¥ 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
1998				11.4	190.0										
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				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
<b>2016</b>		<b>1,310.0</b>	<b>113.0</b>	<b>1037.8</b>	<b>112.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>738.3</b>	<b>118.6</b>	<b>272.2</b>	<b>113.4</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. DSP stands for Demand Side Platform. Demand Side Platforms 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. SSP stands for Supply Side Platform. Supply Side Platforms are systems that help media companies to optimize the effectiveness of their online advertising.

**Advertising Expenditures by Industry (2014–2016)**

Industry	Advertising Expenditures (¥10 million)			Comparison Ratio (%)		Component Ratio (%)		
	2014	2015	<b>2016</b>	2015	<b>2016</b>	2014	2015	<b>2016</b>
Energy / Materials / Machinery	2,560	2,664	<b>3,755</b>	104.1	<b>141.0</b>	0.9	1.0	<b>1.4</b>
Foodstuffs	26,350	27,069	<b>28,012</b>	102.7	<b>103.5</b>	9.4	9.9	<b>10.2</b>
Beverages / Cigarettes	21,096	19,373	<b>18,354</b>	91.8	<b>94.7</b>	7.5	7.1	<b>6.7</b>
Pharmaceuticals / Medical Supplies	14,992	14,647	<b>15,265</b>	97.7	<b>104.2</b>	5.3	5.3	<b>5.6</b>
Cosmetics / Toiletries	29,551	28,426	<b>28,845</b>	96.2	<b>101.5</b>	10.5	10.3	<b>10.6</b>
Apparel / Fashion, Accessories / Personal Items	11,382	11,067	<b>9,961</b>	97.2	<b>90.0</b>	4.0	4.0	<b>3.6</b>
Precision Instruments / Office Supplies	3,050	3,347	<b>2,884</b>	109.7	<b>86.2</b>	1.1	1.2	<b>1.0</b>
Home Electric Appliances / AV Equipment	5,926	5,444	<b>5,970</b>	91.9	<b>109.7</b>	2.1	2.0	<b>2.2</b>
Automobiles / Related Products	17,277	15,380	<b>14,459</b>	89.0	<b>94.0</b>	6.1	5.6	<b>5.3</b>
Household Products	7,242	6,714	<b>6,456</b>	92.7	<b>96.2</b>	2.6	2.4	<b>2.4</b>
Hobbies / Sporting Goods	9,414	7,951	<b>7,966</b>	84.5	<b>100.2</b>	3.3	2.9	<b>2.9</b>
Real Estate / Housing Facilities	11,804	11,209	<b>11,964</b>	95.0	<b>106.7</b>	4.2	4.1	<b>4.4</b>
Publications	8,769	8,486	<b>8,080</b>	96.8	<b>95.2</b>	3.1	3.1	<b>3.0</b>
Information / Communications	26,091	27,433	<b>28,401</b>	105.1	<b>103.5</b>	9.3	10.0	<b>10.4</b>
Distribution / Retailing	19,374	18,984	<b>18,121</b>	98.0	<b>95.5</b>	6.9	6.9	<b>6.6</b>
Finance / Insurance	16,437	15,973	<b>15,759</b>	97.2	<b>98.7</b>	5.8	5.8	<b>5.8</b>
Transportation / Leisure	21,172	21,635	<b>20,784</b>	102.2	<b>96.1</b>	7.5	7.9	<b>7.6</b>
Food Services / Other Services	14,504	14,638	<b>14,395</b>	100.9	<b>98.3</b>	5.2	5.3	<b>5.3</b>
Government / Organizations	3,380	3,296	<b>3,326</b>	97.5	<b>100.9</b>	1.2	1.2	<b>1.2</b>
Education / Medical Services / Religion	7,717	7,342	<b>6,941</b>	95.1	<b>94.5</b>	2.7	2.7	<b>2.5</b>
Classified Ads / Others	3,672	3,562	<b>3,432</b>	97.0	<b>96.4</b>	1.3	1.3	<b>1.3</b>
<b>Total</b>	281,760	274,640	<b>273,130</b>	97.5	<b>99.5</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 (2015–2016)**

(Unit: ¥10 million)

Media Industry	Newspapers			Magazines			Radio			Terrestrial Television			Total		
	2015	2016	Comparison Ratio (%)	2015	2016	Comparison Ratio (%)	2015	2016	Comparison Ratio (%)	2015	2016	Comparison Ratio (%)	2015	2016	Comparison Ratio (%)
Energy / Materials / Machinery	565	<b>556</b>	<b>98.4</b>	127	<b>129</b>	<b>101.6</b>	257	<b>269</b>	<b>104.7</b>	1,715	<b>2,801</b>	<b>163.3</b>	2,664	<b>3,755</b>	<b>141.0</b>
Foodstuffs	6,307	<b>6,355</b>	<b>100.8</b>	1,334	<b>1,260</b>	<b>94.5</b>	944	<b>987</b>	<b>104.6</b>	18,484	<b>19,410</b>	<b>105.0</b>	27,069	<b>28,012</b>	<b>103.5</b>
Beverages / Cigarettes	1,864	<b>1,784</b>	<b>95.7</b>	1,259	<b>1,001</b>	<b>79.5</b>	585	<b>629</b>	<b>107.5</b>	15,665	<b>14,940</b>	<b>95.4</b>	19,373	<b>18,354</b>	<b>94.7</b>
Pharmaceuticals / Medical Supplies	1,745	<b>1,650</b>	<b>94.6</b>	663	<b>522</b>	<b>78.7</b>	1,024	<b>1,044</b>	<b>102.0</b>	11,215	<b>12,049</b>	<b>107.4</b>	14,647	<b>15,265</b>	<b>104.2</b>
Cosmetics / Toiletries	2,981	<b>2,969</b>	<b>99.6</b>	3,025	<b>2,914</b>	<b>96.3</b>	377	<b>336</b>	<b>89.1</b>	22,043	<b>22,626</b>	<b>102.6</b>	28,426	<b>28,845</b>	<b>101.5</b>
Apparel / Fashion, Accessories / Personal Items	1,254	<b>1,210</b>	<b>96.5</b>	6,517	<b>5,648</b>	<b>86.7</b>	86	<b>74</b>	<b>86.0</b>	3,210	<b>3,029</b>	<b>94.4</b>	11,067	<b>9,961</b>	<b>90.0</b>
Precision Instruments / Office Supplies	644	<b>498</b>	<b>77.3</b>	1,096	<b>1,010</b>	<b>92.2</b>	66	<b>67</b>	<b>101.5</b>	1,541	<b>1,309</b>	<b>84.9</b>	3,347	<b>2,884</b>	<b>86.2</b>
Home Electric Appliances / AV Equipment	452	<b>389</b>	<b>86.1</b>	636	<b>638</b>	<b>100.3</b>	130	<b>137</b>	<b>105.4</b>	4,226	<b>4,806</b>	<b>113.7</b>	5,444	<b>5,970</b>	<b>109.7</b>
Automobiles / Related Products	1,345	<b>1,109</b>	<b>82.5</b>	872	<b>805</b>	<b>92.3</b>	1,072	<b>1,128</b>	<b>105.2</b>	12,091	<b>11,417</b>	<b>94.4</b>	15,380	<b>14,459</b>	<b>94.0</b>
Household Products	1,083	<b>960</b>	<b>88.6</b>	535	<b>462</b>	<b>86.4</b>	210	<b>215</b>	<b>102.4</b>	4,886	<b>4,819</b>	<b>98.6</b>	6,714	<b>6,456</b>	<b>96.2</b>
Hobbies / Sporting Goods	937	<b>899</b>	<b>95.9</b>	1,338	<b>1,225</b>	<b>91.6</b>	226	<b>241</b>	<b>106.6</b>	5,450	<b>5,601</b>	<b>102.8</b>	7,951	<b>7,966</b>	<b>100.2</b>
Real Estate / Housing Facilities	2,590	<b>2,491</b>	<b>96.2</b>	744	<b>766</b>	<b>103.0</b>	622	<b>664</b>	<b>106.8</b>	7,253	<b>8,043</b>	<b>110.9</b>	11,209	<b>11,964</b>	<b>106.7</b>
Publications	5,202	<b>5,019</b>	<b>96.5</b>	255	<b>216</b>	<b>84.7</b>	721	<b>814</b>	<b>112.9</b>	2,308	<b>2,031</b>	<b>88.0</b>	8,486	<b>8,080</b>	<b>95.2</b>
Information / Communications	3,382	<b>2,870</b>	<b>84.9</b>	970	<b>853</b>	<b>87.9</b>	641	<b>670</b>	<b>104.5</b>	22,440	<b>24,008</b>	<b>107.0</b>	27,433	<b>28,401</b>	<b>103.5</b>
Distribution / Retailing	6,738	<b>6,894</b>	<b>102.3</b>	1,004	<b>1,018</b>	<b>101.4</b>	830	<b>831</b>	<b>100.1</b>	10,412	<b>9,378</b>	<b>90.1</b>	18,984	<b>18,121</b>	<b>95.5</b>
Finance / Insurance	2,150	<b>1,968</b>	<b>91.5</b>	573	<b>478</b>	<b>83.4</b>	870	<b>844</b>	<b>97.0</b>	12,380	<b>12,469</b>	<b>100.7</b>	15,973	<b>15,759</b>	<b>98.7</b>
Transportation / Leisure	9,122	<b>8,678</b>	<b>95.1</b>	1,870	<b>1,832</b>	<b>98.0</b>	955	<b>912</b>	<b>95.5</b>	9,688	<b>9,362</b>	<b>96.6</b>	21,635	<b>20,784</b>	<b>96.1</b>
Food Services / Other Services	1,984	<b>1,892</b>	<b>95.4</b>	542	<b>482</b>	<b>88.9</b>	1,707	<b>1,886</b>	<b>110.5</b>	10,405	<b>10,135</b>	<b>97.4</b>	14,638	<b>14,395</b>	<b>98.3</b>
Government / Organizations	1,278	<b>1,310</b>	<b>102.5</b>	260	<b>267</b>	<b>102.7</b>	766	<b>683</b>	<b>89.2</b>	992	<b>1,066</b>	<b>107.5</b>	3,296	<b>3,326</b>	<b>100.9</b>
Education / Medical Services / Religion	2,273	<b>2,151</b>	<b>94.6</b>	764	<b>642</b>	<b>84.0</b>	426	<b>395</b>	<b>92.7</b>	3,879	<b>3,753</b>	<b>96.8</b>	7,342	<b>6,941</b>	<b>94.5</b>
Classified Ads / Others	2,894	<b>2,658</b>	<b>91.8</b>	46	<b>62</b>	<b>134.8</b>	25	<b>24</b>	<b>96.0</b>	597	<b>688</b>	<b>115.2</b>	3,562	<b>3,432</b>	<b>96.4</b>
<b>Total</b>	56,790	<b>54,310</b>	<b>95.6</b>	24,430	<b>22,230</b>	<b>91.0</b>	12,540	<b>12,850</b>	<b>102.5</b>	180,880	<b>183,740</b>	<b>101.6</b>	274,640	<b>273,130</b>	<b>99.5</b>

**Component Ratio of Media Expenditures by Industry and Industry Expenditures by Medium for 2016**

(Unit: %)

Industry	Media Expenditures by Industry					Industry Expenditures by Medium				
	Newspapers	Magazines	Radio	Terrestrial Television	Total	Newspapers	Magazines	Radio	Terrestrial Television	Total
Energy / Materials / Machinery	1.0	0.6	2.1	1.5	<b>1.4</b>	14.8	3.4	7.2	74.6	<b>100.0</b>
Foodstuffs	11.7	5.7	7.7	10.6	<b>10.2</b>	22.7	4.5	3.5	69.3	<b>100.0</b>
Beverages / Cigarettes	3.3	4.5	4.9	8.1	<b>6.7</b>	9.7	5.5	3.4	81.4	<b>100.0</b>
Pharmaceuticals / Medical Supplies	3.0	2.3	8.1	6.6	<b>5.6</b>	10.8	3.4	6.9	78.9	<b>100.0</b>
Cosmetics / Toiletries	5.5	13.1	2.6	12.3	<b>10.6</b>	10.3	10.1	1.2	78.4	<b>100.0</b>
Apparel / Fashion, Accessories / Personal Items	2.2	25.4	0.6	1.7	<b>3.6</b>	12.2	56.7	0.7	30.4	<b>100.0</b>
Precision Instruments / Office Supplies	0.9	4.5	0.5	0.7	<b>1.0</b>	17.3	35.0	2.3	45.4	<b>100.0</b>
Home Electric Appliances / AV Equipment	0.7	2.9	1.1	2.6	<b>2.2</b>	6.5	10.7	2.3	80.5	<b>100.0</b>
Automobiles / Related Products	2.0	3.6	8.8	6.2	<b>5.3</b>	7.7	5.6	7.8	78.9	<b>100.0</b>
Household Products	1.8	2.1	1.7	2.6	<b>2.4</b>	14.9	7.2	3.3	74.6	<b>100.0</b>
Hobbies / Sporting Goods	1.7	5.5	1.9	3.0	<b>2.9</b>	11.3	15.4	3.0	70.3	<b>100.0</b>
Real Estate / Housing Facilities	4.6	3.4	5.2	4.4	<b>4.4</b>	20.8	6.4	5.6	67.2	<b>100.0</b>
Publications	9.2	1.0	6.3	1.1	<b>3.0</b>	62.1	2.7	10.1	25.1	<b>100.0</b>
Information / Communications	5.3	3.8	5.2	13.1	<b>10.4</b>	10.1	3.0	2.4	84.5	<b>100.0</b>
Distribution / Retailing	12.7	4.6	6.4	5.1	<b>6.6</b>	38.0	5.6	4.6	51.8	<b>100.0</b>
Finance / Insurance	3.6	2.2	6.5	6.8	<b>5.8</b>	12.5	3.0	5.4	79.1	<b>100.0</b>
Transportation / Leisure	16.0	8.2	7.1	5.1	<b>7.6</b>	41.8	8.8	4.4	45.0	<b>100.0</b>
Food Services / Other Services	3.5	2.2	14.7	5.5	<b>5.3</b>	13.1	3.4	13.1	70.4	<b>100.0</b>
Government / Organizations	2.4	1.2	5.3	0.6	<b>1.2</b>	39.4	8.0	20.5	32.1	<b>100.0</b>
Education / Medical Services / Religion	4.0	2.9	3.1	2.0	<b>2.5</b>	31.0	9.2	5.7	54.1	<b>100.0</b>
Classified Ads / Others	4.9	0.3	0.2	0.4	<b>1.3</b>	77.5	1.8	0.7	20.0	<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>19.9</b>	<b>8.1</b>	<b>4.7</b>	<b>67.3</b>	<b>100.0</b>

**Eleven-Year Trends in Advertising Expenditures by Industry (2006–2016)**

(Unit: ¥10 million)

Industry	Revised										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Energy / Materials / Machinery	5,621	6,409	4,874	3,272	3,429	2,724	2,624	2,490	2,560	2,664	<b>3,755</b>
Foodstuffs	29,893	29,933	30,145	28,850	28,804	26,619	28,329	27,209	26,350	27,069	<b>28,012</b>
Beverages / Cigarettes	27,651	26,374	24,685	22,701	21,786	19,621	20,987	20,688	21,096	19,373	<b>18,354</b>
Pharmaceuticals / Medical Supplies	17,791	18,288	18,367	16,333	14,597	14,354	14,847	14,745	14,992	14,647	<b>15,265</b>
Cosmetics / Toiletries	31,932	31,145	29,380	27,591	28,792	27,687	28,783	27,985	29,551	28,426	<b>28,845</b>
Apparel / Fashion, Accessories / Personal Items	12,320	12,787	11,582	9,312	10,129	10,818	11,645	11,732	11,382	11,067	<b>9,961</b>
Precision Instruments / Office Supplies	4,236	4,465	4,080	3,073	2,942	2,630	2,886	2,834	3,050	3,347	<b>2,884</b>
Home Electric Appliances / AV Equipment	9,192	8,503	8,188	7,056	7,337	5,449	5,412	5,533	5,926	5,444	<b>5,970</b>
Automobiles / Related Products	23,503	21,691	19,228	13,456	13,163	12,981	16,473	16,710	17,277	15,380	<b>14,459</b>
Household Products	6,257	6,384	6,105	5,899	6,506	6,421	6,496	6,856	7,242	6,714	<b>6,456</b>
Hobbies / Sporting Goods	16,523	15,695	16,925	14,200	12,314	11,061	10,853	10,227	9,414	7,951	<b>7,966</b>
Real Estate / Housing Facilities	16,680	17,304	14,753	11,268	10,294	10,445	10,869	11,503	11,804	11,209	<b>11,964</b>
Publications	14,313	13,712	11,414	9,451	9,267	8,949	9,216	8,988	8,769	8,486	<b>8,080</b>
Information / Communications	26,853	26,675	24,145	20,338	22,091	22,200	24,525	24,332	26,091	27,433	<b>28,401</b>
Distribution / Retailing	23,486	22,348	21,064	19,139	18,226	18,694	20,297	19,273	19,374	18,984	<b>18,121</b>
Finance / Insurance	30,478	24,620	21,296	15,144	15,383	14,121	14,499	16,762	16,437	15,973	<b>15,759</b>
Transportation / Leisure	28,804	28,976	26,944	23,352	21,118	19,527	21,123	20,976	21,172	21,635	<b>20,784</b>
Food Services / Other Services	14,847	15,188	14,425	13,487	13,867	12,356	12,896	14,229	14,504	14,638	<b>14,395</b>
Government / Organizations	4,367	5,413	4,558	4,766	4,082	10,873	3,327	3,149	3,380	3,296	<b>3,326</b>
Education / Medical Services / Religion	12,880	11,926	10,016	8,546	8,177	7,579	7,823	8,069	7,717	7,342	<b>6,941</b>
Classified Ads / Others	9,053	9,154	7,776	5,586	5,186	5,051	4,050	3,960	3,672	3,562	<b>3,432</b>
<b>Total</b>	<b>366,680</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>

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

## 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 billboards, neon signs, LED signs, outdoor video screens, 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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