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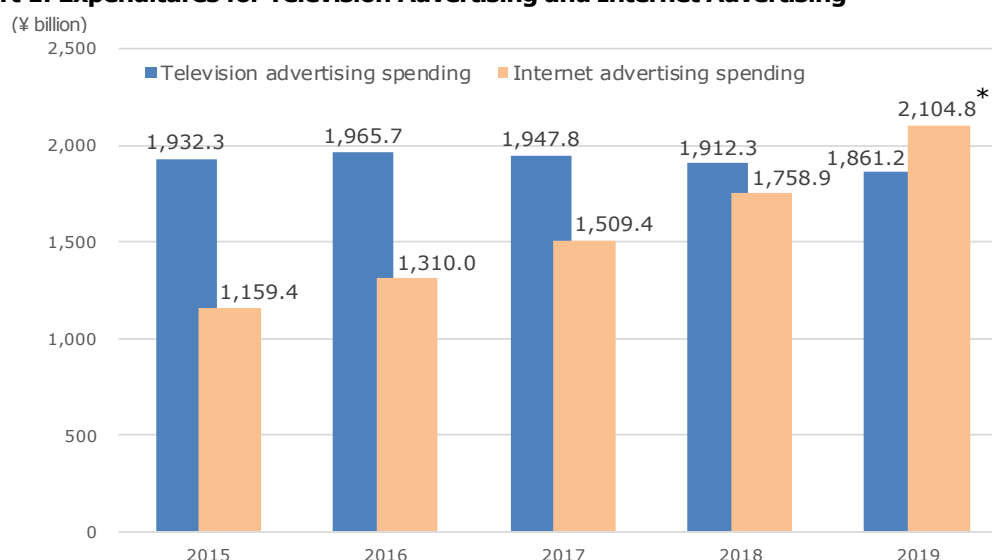
## 2019 Advertising Expenditures in Japan

—2019 Advertising Expenditures in Japan Expanded to 6,938.1 Billion Yen; Using the Same Estimation Method as for 2018, Advertising Expenditures Would Have Amounted to 6,651.4 Billion Yen (Up 1.9%, Posting Year-on-Year Growth for the Eighth Consecutive Year);<sup>1</sup> Expenditures on Internet Advertising Surpassed Television Advertising Expenditures (Chart 1); Advertising Expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan<sup>2</sup> (Newly Established Category) Amounted to 106.4 Billion Yen; Events/Exhibitions/Screen Displays<sup>3</sup> (Revised Category) Amounted to 567.7 Billion Yen—

Dentsu Inc. (Headquarters: Minato-ku, Tokyo; President & CEO: Hiroshi Igarashi; Capital: 10,000 million yen), today released its calendar year 2019 annual report on advertising expenditures in Japan, including an estimated breakdown by medium and industry.

With the addition of growing advertising expenditures for Merchandise-related EC platforms and event domain estimates, Japan's advertising expenditures for 2019 totaled 6,938.1 billion yen.

**Chart 1: Expenditures for Television Advertising and Internet Advertising**



\* 2019 Internet advertising expenditures include 106.4 billion yen from advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan.

- Notes: 1. Advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan and Events were added to the 2019 estimates. If calculated using the same estimation method as for 2018, advertising expenditures in 2019 would be 6,651.4 billion yen, up 1.9% compared with 2018.
2. Advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan only include advertisers with stores and advertising transactions carried out by those advertisers for products on merchandise-related EC platforms such as household appliances, miscellaneous goods, books, clothing, and office supplies. Those expenditures do not comprise the overall Internet advertising expenditures in the EC platforms category.
3. Events/Exhibitions/Screen Displays indicate the total production costs for various events handled by the advertising industry, including promotional campaigns, exhibitions, expositions and PR venues, production and screening costs for cinema advertising and promotional videos. Advertising expenditures (180.3 billion yen in 2019) for Events within Advertising Expenditures in Japan are defined as follows: Production costs for sales promotions, pop-up stores, sports events, PR events and other events excluding displays, PR venues and promotional video production in event areas handled by the advertising industry.

## **Overview of Japanese Advertising Expenditures during 2019**

- ◆ In 2019 overall advertising expenditures, with additional estimates of advertising expenditures for Merchandise-related EC Platforms within Japanese Advertising Expenditures and Events/Exhibitions/Screen Displays, grew for the eighth consecutive year, amounting to 6,938.1 billion yen (up 6.2%; if calculated using the same estimation method as in the previous year, advertising expenditures would be 6,651.4 billion yen, up 1.9%). Given that the Japanese economy is facing strong headwinds—including uncertainty in the global economy, a series of natural disasters, a decline in personal consumption due to changes in the consumption tax rate, and weak inbound consumption—ongoing growth in the Internet advertising and event-related domains was the driver of advertising expenditures overall. In addition, Internet advertising expenditures exceeded Television advertising expenditures to become an advertising market of about 2,000 billion yen. Further advances in digital transformation and the evolution of digitally integrated solutions within existing media were turning points in the advertising industry.
  
- ◆ Traditional media advertising expenditures (including Satellite Media-related spending) were 2,609.4 billion yen (down 3.4%), declining for the fifth consecutive year. Broken down by medium, advertising expenditures fell in Newspapers (down 5.0%), Magazines (down 9.0%), Radio (down 1.4%), and Television (down 2.7%; including Terrestrial Television and Satellite Media-related spending combined). As a result, overall spending in the traditional media posted a decline of 3.4%.
  
- ◆ Internet advertising expenditures, driven mainly by major platformers and the additional estimation of advertising expenditures for Merchandise-related EC

Platforms within Advertising Expenditures in Japan (106.4 billion yen in 2019), resulted in expenditures of 2,104.8 billion yen (up 19.7% and accounting for 30.3% of spending in all media), achieving the sixth consecutive year of double-digit growth. This is the first time spending has surpassed the 2,000-billion-yen mark, exceeding Television expenditures. Internet advertising media expenditures were 1,663.0 billion (up 14.8%), including expenditures on digital advertising carried by traditional media companies of 71.5 billion yen (up 22.9%), an increase of 215.0 billion yen compared with the previous year.

- ◆ Promotional Media spending increased, amounting to 2,223.9 billion yen (up 7.5%) with advances in digital signage and increases in Outdoor, Transit and Events/Exhibitions/Screen Displays, a new estimate of the event area from the perspective of the advertising industry (Chart 2). Events/Exhibitions/Screen Displays grew for the eighth consecutive year. (Moreover, Events within Advertising Expenditures in Japan amounted to 180.3 billion yen.)

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Contact:

Corporate Communications Division

E-mail: [global.communications@dentsu.co.jp](mailto:global.communications@dentsu.co.jp)

The full text of *2019 Advertising Expenditures in Japan* is currently being compiled and will be available on Dentsu's website at the end of April 2020. For reference, please refer to the tables on the following pages.

**Chart 2: Advertising Expenditures by Medium (2017–2019)**

Media	Advertising Expenditures (¥ billion)			YoY Comparison Ratio (%)		Component Ratio (%)		
	2017	2018	2019	2018	2019	2017	2018	2019
<b>Traditional Media</b>								
Newspaper	514.7	478.4	<b>454.7</b>	92.9	<b>95.0</b>	8.1	7.3	<b>6.6</b>
Magazines	202.3	184.1	<b>167.5</b>	91.0	<b>91.0</b>	3.2	2.8	<b>2.4</b>
Radio	129.0	127.8	<b>126.0</b>	99.1	<b>98.6</b>	2.0	2.0	<b>1.8</b>
Television	1,947.8	1,912.3	<b>1,861.2</b>	98.2	<b>97.3</b>	30.4	29.3	<b>26.8</b>
Terrestrial Television	1,817.8	1,784.8	<b>1,734.5</b>	98.2	<b>97.2</b>	28.4	27.3	<b>25.0</b>
Satellite Media-related	130.0	127.5	<b>126.7</b>	98.1	<b>99.4</b>	2.0	2.0	<b>1.8</b>
Subtotal	2,793.8	2,702.6	<b>2,609.4</b>	96.7	<b>96.6</b>	43.7	41.4	<b>37.6</b>
<b>Internet</b>								
Digital advertising carried by traditional media companies <sup>1</sup>		58.2	<b>71.5</b>		<b>122.9</b>		0.9	<b>1.0</b>
Newspapers Digital		13.2	<b>14.6</b>		<b>110.6</b>		0.2	<b>0.2</b>
Magazines Digital		33.7	<b>40.5</b>		<b>120.2</b>		0.5	<b>0.6</b>
Radio Digital		0.8	<b>1.0</b>		<b>125.0</b>		0.0	<b>0.0</b>
Television Media Digital		10.5	<b>15.4</b>		<b>146.7</b>		0.2	<b>0.2</b>
Television media-related video advertising		10.1	<b>15.0</b>		<b>148.5</b>		0.2	<b>0.2</b>
Merchandise-related EC Platforms within Advertising Expenditures in Japan <sup>2</sup>			<b>106.4</b>					<b>1.5</b>
Subtotal	1,509.4	1,758.9	<b>2,104.8</b>	116.5	<b>119.7</b>	23.6	26.9	<b>30.3</b>
<b>Promotional Media</b>								
Outdoor	320.8	319.9	<b>321.9</b>	99.7	<b>100.6</b>	5.0	4.9	<b>4.6</b>
Transit	200.2	202.5	<b>206.2</b>	101.1	<b>101.8</b>	3.1	3.1	<b>3.0</b>
Flyers	417.0	391.1	<b>355.9</b>	93.8	<b>91.0</b>	6.5	6.0	<b>5.1</b>
Direct Mail	370.1	367.8	<b>364.2</b>	99.4	<b>99.0</b>	5.8	5.6	<b>5.3</b>
Free Newspapers/ Telephone Directory	243.0	228.7	<b>211.0</b>	94.1	<b>92.3</b>	3.9	3.5	<b>3.1</b>
POP	197.5	200.0	<b>197.0</b>	101.3	<b>98.5</b>	3.1	3.1	<b>2.8</b>
Events <sup>3</sup> /Exhibitions/ Screen Displays	338.9	358.5	<b>567.7</b>	105.8	<b>158.4</b>	5.3	5.5	<b>8.2</b>
Subtotal	2,087.5	2,068.5	<b>2,223.9</b>	99.1	<b>107.5</b>	32.7	31.7	<b>32.1</b>
<b>Total<sup>4</sup></b>	6,390.7	6,530.0	<b>6,938.1</b>	102.2	<b>106.2</b>	100.0	100.0	<b>100.0</b>

Notes: 1. Digital advertising carried by traditional media companies has been estimated since 2018.

2. Advertising expenditures for Merchandise-related EC Platforms within Advertising Expenditures in Japan started to be estimated in 2019.

3. In 2019, Events within Advertising Expenditures in Japan were estimated to be 180.3 billion yen.

4. Total advertising expenditure figures include these additional estimate areas. If estimated using the same method as in the previous year, the year on year comparison ratio is 101.9%.

TABLE 1

**Japan's GDP and Advertising Expenditures (2015–2019)**

Year	Gross Domestic Product (B)		Advertising Expenditures (A)		A / B (%)
	GDP (¥ billion)	Compared to Previous Year (%)	Advertising Expenditures (¥ billion)	Compared to Previous Year (%)	
2015	531,319.8	103.4	6,171.0	100.3	1.16
2016	535,537.2	100.8	6,288.0	101.9	1.17
2017	545,897.4	101.9	6,390.7	101.6	1.17
2018	547,125.5	100.2	6,530.0	102.2	1.19
<b>2019</b>	<b>554,462.9</b>	<b>101.3</b>	<b>6,938.1</b>	<b>106.2</b>	<b>1.25</b>

**Notes:**

- The above figures for GDP are taken from the Cabinet Office's "Annual Report on National Accounts" and "Quarterly Estimates of GDP."
- All the above figures are for the calendar year.

TABLE 2

**Advertising Expenditures by Industry in the Traditional Media (2018–2019)**

(Unit: ¥10 million)

Industry	Newspapers			Magazines			Radio			Terrestrial Television			Total		
	2018	2019	Comparison Ratio (%)	2018	2019	Comparison Ratio (%)	2018	2019	Comparison Ratio (%)	2018	2019	Comparison Ratio (%)	2018	2019	Comparison Ratio (%)
Energy / Materials / Machinery	514	<b>481</b>	<b>93.6</b>	120	<b>117</b>	<b>97.5</b>	284	<b>261</b>	<b>91.9</b>	2,993	<b>3,369</b>	<b>112.6</b>	3,911	<b>4,228</b>	<b>108.1</b>
Foodstuffs	5,313	<b>5,312</b>	<b>100.0</b>	1,037	<b>970</b>	<b>93.5</b>	1,200	<b>1,220</b>	<b>101.7</b>	17,899	<b>18,003</b>	<b>100.6</b>	25,449	<b>25,505</b>	<b>100.2</b>
Beverages / Cigarettes	1,788	<b>1,385</b>	<b>77.5</b>	641	<b>617</b>	<b>96.3</b>	651	<b>447</b>	<b>68.7</b>	14,373	<b>14,322</b>	<b>99.6</b>	17,453	<b>16,771</b>	<b>96.1</b>
Pharmaceuticals / Medical Supplies	1,729	<b>1,787</b>	<b>103.4</b>	435	<b>363</b>	<b>83.4</b>	997	<b>992</b>	<b>99.5</b>	11,671	<b>11,269</b>	<b>96.6</b>	14,832	<b>14,411</b>	<b>97.2</b>
Cosmetics / Toiletries	2,653	<b>2,235</b>	<b>84.2</b>	2,507	<b>2,238</b>	<b>89.3</b>	323	<b>338</b>	<b>104.6</b>	20,796	<b>19,218</b>	<b>92.4</b>	26,279	<b>24,029</b>	<b>91.4</b>
Apparel / Fashion, Accessories / Personal Items	1,030	<b>724</b>	<b>70.3</b>	4,542	<b>4,063</b>	<b>89.5</b>	55	<b>57</b>	<b>103.6</b>	2,727	<b>2,692</b>	<b>98.7</b>	8,354	<b>7,536</b>	<b>90.2</b>
Precision Instruments / Office Supplies	383	<b>348</b>	<b>90.9</b>	845	<b>811</b>	<b>96.0</b>	89	<b>69</b>	<b>77.5</b>	1,837	<b>1,463</b>	<b>79.6</b>	3,154	<b>2,691</b>	<b>85.3</b>
Home Electric Appliances / AV Equipment	229	<b>192</b>	<b>83.8</b>	461	<b>391</b>	<b>84.8</b>	112	<b>79</b>	<b>70.5</b>	3,980	<b>3,838</b>	<b>96.4</b>	4,782	<b>4,500</b>	<b>94.1</b>
Automobiles / Related Products	792	<b>753</b>	<b>95.1</b>	579	<b>518</b>	<b>89.5</b>	1,182	<b>1,100</b>	<b>93.1</b>	11,472	<b>11,547</b>	<b>100.7</b>	14,025	<b>13,918</b>	<b>99.2</b>
Household Products	851	<b>816</b>	<b>95.9</b>	487	<b>465</b>	<b>95.5</b>	213	<b>201</b>	<b>94.4</b>	4,848	<b>4,676</b>	<b>96.5</b>	6,399	<b>6,158</b>	<b>96.2</b>
Hobbies / Sporting Goods	829	<b>856</b>	<b>103.3</b>	1,049	<b>956</b>	<b>91.1</b>	273	<b>252</b>	<b>92.3</b>	5,201	<b>4,616</b>	<b>88.8</b>	7,352	<b>6,680</b>	<b>90.9</b>
Real Estate / Housing Facilities	2,155	<b>2,006</b>	<b>93.1</b>	648	<b>604</b>	<b>93.2</b>	692	<b>638</b>	<b>92.2</b>	8,676	<b>8,068</b>	<b>93.0</b>	12,171	<b>11,316</b>	<b>93.0</b>
Publications	4,348	<b>4,154</b>	<b>95.5</b>	160	<b>139</b>	<b>86.9</b>	556	<b>540</b>	<b>97.1</b>	1,739	<b>1,693</b>	<b>97.4</b>	6,803	<b>6,526</b>	<b>95.9</b>
Information / Communications	2,613	<b>2,509</b>	<b>96.0</b>	703	<b>655</b>	<b>93.2</b>	921	<b>1,020</b>	<b>110.7</b>	24,254	<b>22,379</b>	<b>92.3</b>	28,491	<b>26,563</b>	<b>93.2</b>
Distribution / Retailing	6,557	<b>6,297</b>	<b>96.0</b>	823	<b>740</b>	<b>89.9</b>	849	<b>721</b>	<b>84.9</b>	7,928	<b>8,211</b>	<b>103.6</b>	16,157	<b>15,969</b>	<b>98.8</b>
Finance / Insurance	1,632	<b>1,413</b>	<b>86.6</b>	385	<b>371</b>	<b>96.4</b>	659	<b>639</b>	<b>97.0</b>	12,531	<b>12,660</b>	<b>101.0</b>	15,207	<b>15,083</b>	<b>99.2</b>
Transportation / Leisure	7,634	<b>7,588</b>	<b>99.4</b>	1,610	<b>1,402</b>	<b>87.1</b>	957	<b>1,106</b>	<b>115.6</b>	9,268	<b>9,118</b>	<b>98.4</b>	19,469	<b>19,214</b>	<b>98.7</b>
Food Services / Other Services	1,516	<b>1,463</b>	<b>96.5</b>	419	<b>392</b>	<b>93.6</b>	1,654	<b>1,699</b>	<b>102.7</b>	10,434	<b>10,262</b>	<b>98.4</b>	14,023	<b>13,816</b>	<b>98.5</b>
Government / Organizations	1,101	<b>1,310</b>	<b>119.0</b>	272	<b>280</b>	<b>102.9</b>	658	<b>740</b>	<b>112.5</b>	975	<b>1,575</b>	<b>161.5</b>	3,006	<b>3,905</b>	<b>129.9</b>
Education / Medical Services / Religion	1,908	<b>1,734</b>	<b>90.9</b>	618	<b>601</b>	<b>97.2</b>	412	<b>406</b>	<b>98.5</b>	3,990	<b>3,760</b>	<b>94.2</b>	6,928	<b>6,501</b>	<b>93.8</b>
Classified Ads / Others	2,265	<b>2,107</b>	<b>93.0</b>	69	<b>57</b>	<b>82.6</b>	43	<b>75</b>	<b>174.4</b>	888	<b>711</b>	<b>80.1</b>	3,265	<b>2,950</b>	<b>90.4</b>
<b>Total</b>	<b>47,840</b>	<b>45,470</b>	<b>95.0</b>	<b>18,410</b>	<b>16,750</b>	<b>91.0</b>	<b>12,780</b>	<b>12,600</b>	<b>98.6</b>	<b>178,480</b>	<b>173,450</b>	<b>97.2</b>	<b>257,510</b>	<b>248,270</b>	<b>96.4</b>

TABLE 3

## Sources of Media Expenditures

<b>Traditional Media</b>	Advertising spending 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>Digital advertising carried by traditional media companies</b>	Total of newspapers digital, magazine digital, radio digital, and television digital ads.
<b>Newspapers Digital*</b>	Internet advertising expenditures for digital ad space offered by newspaper companies. * Not included in newspaper advertising expenditures.
<b>Magazine Digital**</b>	Internet advertising expenditures for digital ad space offered by magazine companies. ** Not included in magazine advertising expenditures.
<b>Radio Digital†</b>	Internet advertising expenditures for digital ad space offered by radio media companies. † Not included in radio advertising expenditures.
<b>Television Media Digital‡</b>	Internet advertising expenditures for digital ad space offered by television media companies (including satellite media-related expenditures). ‡ Not included in television media advertising expenditures.
<b>Television media-related video advertising</b>	Internet advertising expenditures for video streaming-type media, including catch-up TV services and simulcast services.
<b>Merchandise-related EC Platforms within Advertising Expenditures in Japan</b>	Internet advertising expenditures for advertisers with stores and advertising transactions carried out by those advertisers for products on merchandise-related EC platforms. These expenditures do not comprise the overall Internet advertising expenditures in the EC platforms category.
<b>Promotional Media</b>	Advertising expenditures for sales promotion-related media.
<b>Outdoor</b>	Production and placement costs for short- and long-term billboards, neon signs, LED signs, outdoor video screens, etc.
<b>Transit</b>	Placement costs for transit advertisements in trains, buses, taxis, airports and other public transportation.
<b>Flyers</b>	Insertion costs for flyers in newspapers nationwide.
<b>Direct Mail</b>	Postage and private delivery costs for 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>Events/Exhibitions / Screen Displays</b>	Production costs for sales promotion, pop-up stores, sports events, PR events, exhibitions, expositions, and PR venues; production and screening costs for cinema advertising and promotional videos, etc.