Media Innovation & Changes in Consumer Behavior
Both Key to Future of Ad Industry

By OKU Ritsuya

Changes in Media Environment (Technology & Infrastructure)

The environment surrounding the Japanese mass media community has changed remarkably in recent years. In Japan live 120 million people in about 50 million households. Users of the Internet via personal computers number 87.54 million, and more than 50% of the households are linked to high-speed broadband networks, enabling them to see motion pictures without any stress. Meanwhile, 100 million mobile phones are in use, and those capable of Internet connection number 85.65 million. Television sets are said to number 120 million, meaning the entire 120 million people have a TV each. With the commencement of digital terrestrial broadcasting, "one-segment telecasting" service has started, enabling users to enjoy free of charge the same programs as on the TV by mobile phones, personal computers and car navigation systems. Mobile phones capable of receiving one-segment telecasting total 13.24 million, and this has become their basic function. Overseas industry officials and others concerned are surprised at the speed at which the service is spreading.

Changes in Consumer Behavior (Media Contact, Purchasing Process)

With the media infrastructure thus enhanced, the length of time used by consumers for contact with the Internet is rapidly increasing *(Chart 1)*. According to a 2007 media contact report by Video Research Ltd., the length of time spent on media contact at home per day was 194 minutes (TV), 17.4 minutes (radio), 18.2 minutes (newspapers), 4.1 minutes (magazines) and 30.6 minutes (Internet). Although it is needed to take into account the time spent on simultaneous contact with two or more media, the Internet is ranked second in the share of time with 11.6% after TV's 73.4%.

And the purchasing process is changing from the conventional AIDMA (attention, interest, desire, memory and action) to AISAS (attention, interest, search, action and share).
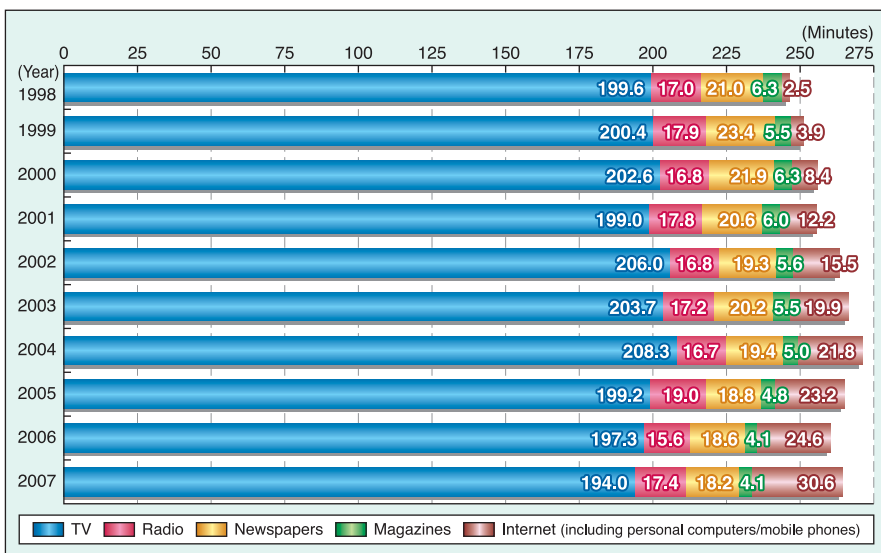
Changes in Advertisers' Needs

With these changes in the behavior of consumers, advertisers' thinking about ad campaigns is also changing. They are now seeking holistic media strategies with the new purchasing process AISAS in mind. Advertisers are not only posting messages on media for notification, but they are also trying to make consumers obtain detailed information about services they are interested in, make comparative studies and share actual feelings of use after purchasing with other consumers (who are considering purchasing). It is necessary to properly respond to each of these contact points. Instead of campaigns only through the conventional four mass media (TV, radio, newspapers and magazines), what has come to be sought is a cross-media type of advertising campaign incorporating websites and out-of-home (OOH) media and thus enabling response to contact points of the purchasing process.
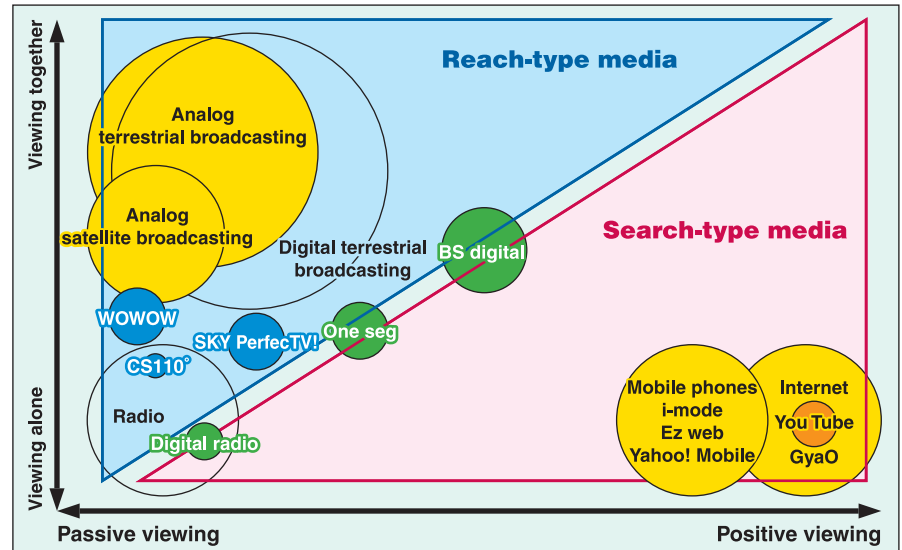
Media's Role Sharing

Chart 2 is a position map according to media services. The horizontal axis is passive viewing (e.g. watching a sport event broadcast live, with a glass of beer in one hand) ↔ positive viewing (e.g. searching for matters of interest). The vertical axis is viewing together (e.g. enjoying with family members or friends) ↔ viewing alone. Terrestrial

Chart 1 Transition of the time of media contact at home *(minutes per day)*

(Year)	TV	Radio	Newspapers	Magazines	Internet (including personal computers/mobile phones)
1998	199.6	17.0	21.0	6.3	2.5
1999	200.4	17.9	23.4	5.5	3.9
2000	202.6	16.8	21.9	6.3	8.4
2001	199.0	17.8	20.6	6.0	12.2
2002	206.0	16.8	19.3	5.6	15.5
2003	203.7	17.2	20.2	5.5	19.9
2004	208.3	16.7	19.4	5.0	21.8
2005	199.2	19.0	18.8	4.8	23.2
2006	197.3	15.6	18.6	4.1	24.6
2007	194.0	17.4	18.2	4.1	30.6

Source : 2007 media contact report, Video Research Ltd.

TV broadcasting is a viewing together/passive viewing type of media, radio is for listening alone/passive listening, and the Internet and mobile phones are for viewing alone/positive viewing.

If each media's original functions are grouped into a *Reach* type and a *Search* type, the triangle in the upper half on the left side is the *Reach*-type media, and the triangle in the lower half on the right is the *Search*-type media. Digital satellite broadcasting, one-segment broadcasting and digital radio broadcasting are situated just on the boarder line between the two triangles (between the *Reach* and *Search* types of media). This is because these three types of media can be linked to data broadcasting and the Internet as broadcasting services, and possess functions of not only the *Reach*-type media but also the *Search*-type media.

Any Meaning for Single Media to Own Both *Reach* & *Search* Functions?

When digital satellite broadcasting started in 2000, broadcasters made a pitch for "high-vision" image quality (high-definition image quality and a wide angle of view) and interactivity (data broadcasting). But there were few viewers who connected their TVs to the Internet. From this unfortunate experience, broadcasters never emphasized interactivity at the start of terrestrial digital broadcasting. Exceptions are one-segment broadcasting and digital radio broadcasting. As mobile phones are capable of sending out digital signals over communication lines as well as receiving these broadcasting services, each broadcasting company is racking its brain for ways of making use of their interactivity for commercial purposes.

On the other hand, the Internet types of media are repeating trials and errors in an attempt to expand their functions to *Reach*-type services while basing their business domain on *Search*-type services. But they have yet to reach a stage to compete independently with the established mass media, although they have greatly increased the number of devices, advertising revenues and paid-for services.

If you closely observe consumer behavior associated with media contact, you will find that viewing patterns called "double windows" and "triple windows" are becoming commonplace. "While watching TV, consumers retrieve detailed information about programs and commercials by mobile phones and personal computers." "They send e-mails while watching TV." Consumers have already "integrated" broadcasting and communication, which are still separated in the business sector. Even if it becomes possible for consumers to do *Reach* and *Search* via one media service, there is almost no merit for them. It is more convenient for them to use a few devices at the same time – simultaneous use of a mobile phone in hand, a personal computer on the desk and a large-screen TV set in the room. Whether they are used simultaneously or not depends probably on whether they are used personally or not. Although consumers may watch TV on their personal computers, they feel a sense of resistance to retrieve e-mails or search for information on the large TV screen.

Media Literacy by Generation

It is generally said that media literacy among young people is high while seniors are unable to use new things. But an interesting tendency is emerging in the use of the Internet. Those in the latter half of their 40s used personal computers at their companies for the first time after becoming members of society. Those in the latter half of their 20s and 30s wrote their graduation theses and seminar papers using the word processor function of personal computers. Not to lag behind these generations, those in their 50s to 70s are becoming able to write e-mails on personal computers.

On the other hand, senior high school and university students at present feel mobile phones are closer to them than personal computers, and regard them as their specialized "must" devices. Functions of mobile phones have rapidly evolved, and what can be done by personal computers can almost be done also by mobile phones. An astonishing result is known in a survey covering young people; they already view personal computers as unnecessary and troublesome. When this generation becomes members of society and reaches the age of raising children, the functions and roles of personal computers and mobile phones will probably have changed. The keywords to read the future of advertisement are technological evolution, diversified services and the literacy of their users. **JS**

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Chart 2 Position map by media services

Source : *Recording Industry Association of Japan (RIAJ)*