

Landmarks for TV

Broadcasting

The private sector enters Japan's satellite broadcast business for the first time in April, when Japan Satellite Broadcast (JSB) inaugurates satellite telecasts and Satellite Digital Audio Broadcast begins PCM digital music radio broadcasts from orbit. They join the publicly funded Japan Broadcasting Corporation (NHK), which entered the fledgling business in 1988. More than 3 million households had already subscribed to NHK's two-channel satellite service by the end of September 1990. Private-sector satellite services were made possible by the new BS-3A communications satellite, placed into orbit in August 1990.

Another landmark in TV broadcasting, high-definition television (HDTV), is also expected to begin this coming autumn using the BS-3B. A general meeting of the International Radio Consultative Committee (CCIR) last May failed to agree on a single world standard for HDTV scanning lines and field frequency, and instead endorsed both the Japanese and European formulas. The CCIR endorsement has prompted Japanese TV manufacturers to go ahead and start developing HDTV-related equipment using the Japanese standard. A few HDTV receivers are already on the market, although their prices are still prohibitively expensive.

Publishing

Japan's publishing industry is likely to expand slightly in 1990, with increased magazine sales and price hikes offsetting



Japan Satellite Broadcasting, known as Wowow, has signed contracts with three major U.S. film makers, including Warner Brothers, enabling it to televise their new movies.

Photo: Wowow

a rise in remainders resulting from sluggish book sales.

Book sales have declined for a number of reasons, including a paucity of best-sellers in both fiction and nonfiction and a dearth of attractive business books. CD books, with text entered on a compact disk, have also lost their shine after an initial flurry of excitement in 1989 as publishers have inundated the market with similar series.

Magazine sales, meanwhile, increased in both volume and value in 1990. Sales of newly launched publications, mainly targeted on women, were stagnant. But this was more than offset by booming sales of comics, posting double-digit growth over the previous year, and expanded sales of job placement magazines reflecting Japan's worsening labor shortage.

Publication cycles were also shortened from monthly to biweekly, or from biweekly to weekly, prompted by the need to provide information more quickly. Yet another factor behind expanded sales value were the first price rises in 10 years, in-

stituted on the grounds of manpower shortages at publishers, and rising distribution costs. These basic trends in the publishing business are expected to remain unchanged in 1991.

Advertising

Reflecting continued economic expansion, advertising spending in Japan was expected to grow in double-digits in 1990, rising to 1.4% of GNP from 1.3% in 1989. Assembly and processing industries such as electric and precision machinery were the biggest advertisers, in line with such information and service industries as transportation, communications and financing.

Factors on the media side contributing to expanded advertising spending included an increase in the number of newspaper color pages and the inauguration of a number of large-format magazines. Advertising in the electronic media was spurred by new FM radio stations, the start of full-scale satellite TV broadcasts and the spread of cable TV networks using communications satellites.

A surge in special events and conventions in Japan, led by the 1990 International Garden and Greenery Exposition in Osaka, sent spending on sales promotion soaring.

The big targets for the advertising industry in 1991 will be the banking market, worth an estimated ¥100 billion (\$770 million) amid financial deregulation, and the 1992 Barcelona Olympic Games. Both are new and large entries in the market, and fierce competition is expected among ad agencies.

The advertising market in 1991 could be buffeted by a number of unpredictable factors. Uncertain business prospects and the winding down of the series of big expositions will leave income in doubt.

Even so, advertising is expected to play a more important role than ever in corporate management be it for corporate identity activities, corporate differentiation efforts or personnel recruitment. Overall, advertising spending is expected to surge again in 1991.

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Advertising Spending and Sales of Publications

