

On the March

Broadcasting

Trial HDTV (high-definition television) broadcasts of the Seoul Olympics were the biggest news of Japan's broadcasting world in 1988. The trial broadcasts, which preceded full-fledged broadcasts scheduled to begin in 1990, clearly demonstrated the progress that has been made in Japan's broadcasting technology. Yet many problems must be solved before HDTV, known as "Hi-Vision" in Japan, can find acceptance among the general public. Among the obstacles: Hi-Vision receivers are still far too expensive, and there is still no universal standard for the new technology.

The year 1988 also witnessed the opening of five new FM broadcasting stations around Japan, including FM Japan in Tokyo, following a decision by the Ministry

of Posts and Telecommunications to ease its strict limits on the number of commercial radio stations.

CATV (cable television) also made big strides during the year, with the number of households contracting for CATV reaching 5,380,000 at the end of March, up from 5 million in the spring of 1987 when 17% of Japan's TV audience was wired for cable.

CATV in Japan used to be almost exclusively limited to areas with poor TV reception, and was used primarily for relaying the broadcasts of key stations. The new CATV systems being introduced in Tokyo and other urban areas are different, however. They broadcast independent local programming for their own respective areas and retransmit satellite broadcasts and other programs not receivable on normal TV channels. CATV will continue to expand in 1989, raising the CATV diffusion rate and giving the TV audience access to more diversified information.

Publishing

All the business indicators relating to publishing remained bullish in 1988. Book sales, which increased 6.9% in value over the previous year in 1987 following a prolonged slump, rose another 3.9% in January-August over the same period a year before. The uptrend was attributed to the good showing of pocket books as well as the publication of popular novels in hardcovers.

Sales of periodicals were also strong, with comics providing the driving force. Sales of periodicals in the first eight months of 1988 jumped 5.4% in value over the same period of 1987, compared with the 3.0% increase registered for all of 1987.

New periodicals launched early in the year had a difficult start, as seen in an increase in the number of unsold magazines returned to distributors from bookshops. The Seoul Olympics and other big events in the fall apparently turned book and magazine sales around in the closing months of the year, however.

Overall, total book and magazine sales value in 1988 was expected to match the levels reached during the 1987 boom. The



High-definition television still faces problems before finding public acceptance.

current bullish sales of hardcover novels may be a sign that Japanese have begun to regain their interest in reading books, a passion that has flagged in recent years. So long as publishers continue to offer good products, the publishing bull market could continue in 1989.

Advertising

The domestic demand-driven expansion of the nation's economy has meant big business for advertising firms. According to a Dentsu Inc. survey, spending on advertisements in 1987 rose 8.1% over previous-year levels to ¥3,945 billion, while advertising in newspapers, magazines, radio and television, the recipients of 66% of total advertising expenditures, rose 7.7%.

Spending in all categories has continued to grow in 1988, as has spending on sales promotion, which accounts for the remaining 34% of advertising outlays. In 1987, sales promotion rose a strong 8.8% due mainly to increased direct mail and outdoor advertising.

The start of 1988 brought increased advertising by the food industry, led by beer companies. The electrical appliance and automobile industries also began to increase advertising after a lull, while advertising spending by realty firms and financial institutions continued to rise.

As the nation's economy becomes increasingly oriented toward domestic demand, domestic sales competition among industries is intensifying, and this intensifying sales competition is spurring demand for advertisements.

Sponsors are seeking innovative ads to take advantage of expanded color advertising pages in newspapers and the introduction of such entirely new media as billboards mounted on trucks, known in Japan as "running ads."

Advertising spending in 1988 is believed to have outpaced even 1987 levels, while continued economic growth virtually ensures continued growth of the industry. Economic growth spurred by increasing domestic demand is likely to result in higher advertising spending in 1989.

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Facts on Major Media

