

# Hi-Vision Highlight

## Broadcasting

Developments in the field of visual media were the highlight of Japan's broadcasting business in 1989. High-definition television (HDTV) broadcasts, known as "Hi-Vision" in Japan, started on a trial basis for one hour a day in June. Stepped-up broadcasting of HDTV, regarded as the most likely next-generation TV format, is scheduled in 1990 and preparations are in full swing.

As of fall 1989, there were 1.8 million households receiving satellite broadcasts by NHK (Japan Broadcasting Corporation). NHK's immediate task in regard to satellite broadcasts will be to increase the number of users as much as possible, as it has been able to charge for the service since October.

Broadcasts by the "Clear Vision" format, a modification of existing telecasts developed by various commercial TV networks, started last fall.

Multichannel, urban-type cable television, also made big strides during the year, with some programs aired via satellite. It is expected to become popular as a regional media.

The start of Hi-Vision broadcasts, the first in the world, using the *BS-3a* broadcast satellite scheduled to be launched in fall 1990, is attracting the attention of the broadcasting world, which is now in the midst of major change. Improving the quality of programs, rather than techno-

logical development, holds the key to the future of the broadcasting business.

## Advertising

Advertising spending remained brisk in 1989. Despite such negative factors as the introduction of the consumption tax and political instability, the nation's economy continued to expand, driven by strong domestic demand, and this stimulated advertising. Advertising in newspapers and magazines, and on radio and television during the year was expected to rise a robust 8-9%. Advertisements in newspapers, particularly sports newspapers, jumped noticeably, presumably because color advertisements began to produce the intended results.

Reflecting the strong domestic demand, advertisements featuring food, real estate, housing, automobiles and electrical appliances rose sharply. The food, realty and housing industries inherently rely on domestic demand, while the once export-oriented automobile and electrical appliance industries have in recent years reoriented themselves toward domestic demand.

Advertising spending is almost certain to rise as quickly in 1990 as in 1989, supported by active corporate investment in plant and equipment, brisk personal consumption and the further sophistication of the quality of consumer lifestyles.

Another plus factor is, as in 1989, the



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holding of various expositions, conventions and other events by local governments aimed at regional development and internationalization. Advertising firms are fully geared up for such projects. Total advertising outlays are expected to account for 1.2% of the country's GNP, and the weight of advertising in the Japanese economy will continue to rise.

## Publishing

Sales of publications (books and magazines) in 1989 were expected to grow 4% over the previous year to top the ¥2 trillion (\$13.8 billion) mark. The publishing business failed to fully share the benefits of Japan's economic expansion.

While weekly magazines sold well thanks to many big news stories in politics and the entertainment world, monthly magazine sales were slow, primarily due to the slump of newly launched magazines which should have become the driving force of magazine publishing.

There are some bright spots in the publishing business world, however. The rate of books and magazines returned unsold from retailers has decreased from the previous year for the past three years. The return rate is now running at 31% for books and 21% for magazines. Earnings from magazine advertising have also been increasing sharply. This basic trend is believed likely to remain unchanged in 1990. Publishers could hope to expand sales by cutting the rate of unsold copies and by formulating elaborate marketing plans, particularly for the currently vogueish "complete works" series and when launching new magazines.

(Koichi Hasegawa, senior economist)

## Advertising Spending and Sales of Publications

