



December 22nd, 2020

CCI publishes Internet advertising market trend report for the Second Half of 2020
-Ad spending increases over 30% of the total market, driven by growth in social and programmatic ads-

JAPAN – December 22nd, 2020 - Cyber Communications Inc. (Headquarter: Chuo-ku, Tokyo; Akio Niizawa, President and CEO; hereinafter CCI), a group company of CARTA HOLDINGS Inc. conducted a survey on the trends of the "Internet Advertising Market" trends during the COVID-19 pandemic, towards parties involved in the digital marketing industry in Japan and overseas.

This survey examines how the global pandemic caused by the COVID-19 has changed the Internet Advertising Market. Similar to the survey conducted in [July 2020](#), we conducted a questionnaire survey of marketers in Japan and overseas as well, and compiled a white paper on trends in internet advertising campaign spending during the second half of 2020.

If you would like an access to the white paper, please contact our sales representative or request through the inquiry form below.

Inquiry form – please [click here](#).

*The whitepaper can be download after completing the questionnaire.

<Key Points of Internet Advertising Market Trends in the Second Half of 2020>

1. Market conditions in the second half of 2020 are improving compared to the first half of the year. 36.1% of respondents reported an increase in their internet advertising budget in the second half of 2020. Of those, 9.8% reported a significant increase.
2. Campaign spending increased for social ads (30.3%) and programmatic ads (36.0%). They drives the market.
3. In the programmatic display advertising market, the delivery volume decreased compared to the first half of the year. Overall campaign spending will rebound to 2019 level, but the average CPM for 2020 is 48.23 yen (as of the end of November), which has not recovered to the 2019 average CPM of 51.08 yen.
4. In terms of campaign cost allocation, social advertising is the main advertising method globally, accounting for 35% of the total.
5. 38.0% of respondents expect campaign spending to increase in the first half of 2021 compared to 2020. 2021's internet advertising market is showing positive signs.

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- Part1: Current status of digital advertising during the COVID-19 pandemic (Japan market)
- Part2: Situation during the COVID-19 pandemic by industry <Finance / Insurance, Food, Home Appliances / AV Devices, Transportation / Leisure>
- Part3: Current status of digital advertising in the COVID-19 pandemic (Global market)
- Part4: Issues and future measures by transaction method in the COVID-19 pandemic <Japan and global comparison>

■ Details

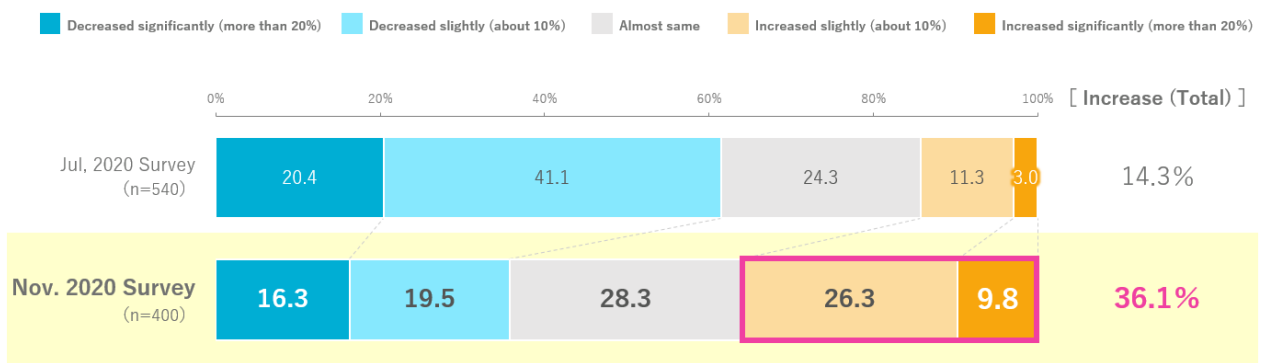
• Comparison of Internet advertising expenditures in the second half of 2020 and the first half of 2020

Market conditions in the second half of 2020 will improve significantly compared to the first half.

36.1% of respondents reported an increase in their internet advertising budget in the second half of 2020 budgets, with 9.8% reporting a significant increase.

Q. Comparing with the first half of 2019, how is the internet ad spending you are involved in changed in the first half of 2020 (Jan - Jun)? (1st half survey)

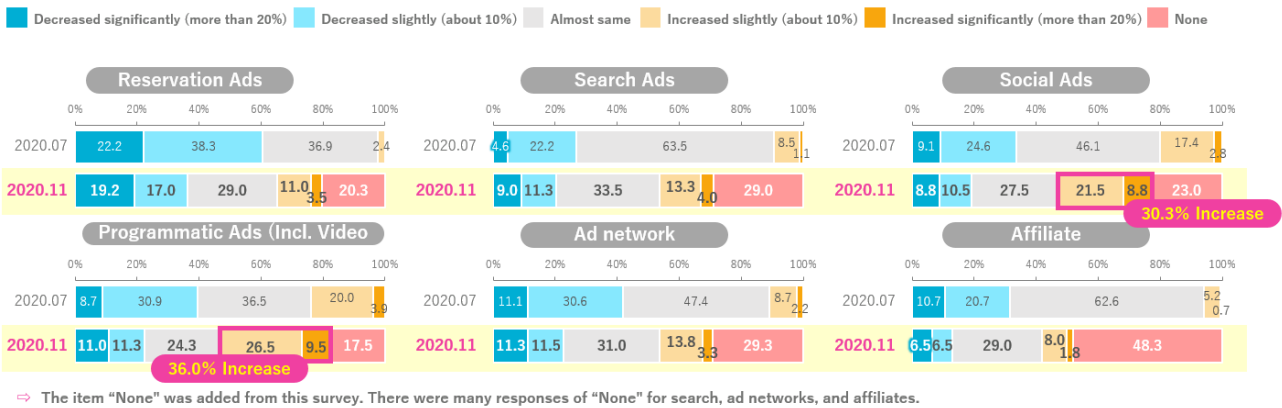
Q. Comparing with the first half of 2020 (Jan - Jun), how is the internet ad spending you are involved in changed in the second half of 2020 (Jul - Dec)? (2nd half survey)



• Changes in campaign spending by internet advertising transaction method for the COVID-19

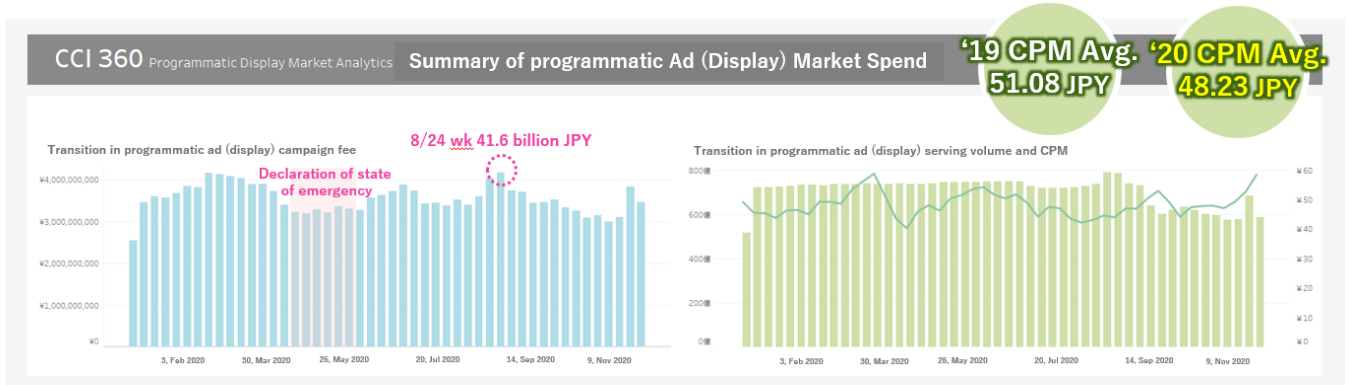
Campaign spending increased for social advertising (30.3%) and programmatic advertising (36.0%), with both transactions driving the market. 36.2% of respondents reported a decrease for reservation ads.

Q. Please tell us how ad spending increases or decreases in the second half of 2020 by ad trading type.



• **Situation of the Programmatic Display Advertising Market in COVID-19.**

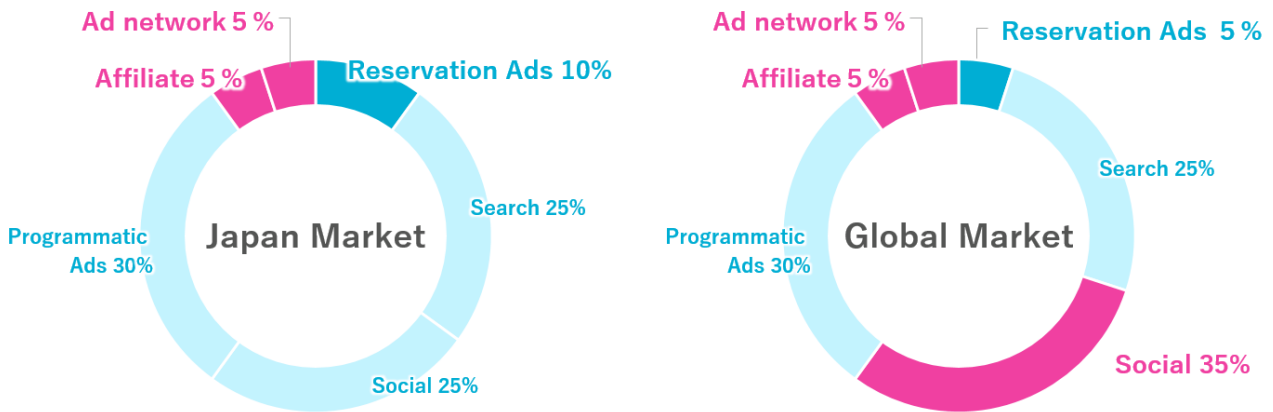
Campaign spending for programmatic display advertising will return to the same level in the week of August 24, 2020 as in the week of December 1, 2019, but the average CPM for 2020 is 48.23 yen (as of the end of November), which is not back to the average CPM of 51.08 yen for 2019. Delivery volume is also on a downward trend in the second half of 2020.



- ⇒ ① In the week of August 24, 2020, the peak in the second half (during the survey period) will be 4.16 billion yen, +10% of the same week last year.
- ⇒ ② After bottoming out during the State of Emergency declaration (nationwide: April 16-May 25), the market is recovering but at a lower level than in 2019.

• **Comparison of domestic and global budget allocations.**

In terms of campaign cost allocation, the global market has a smaller proportion of reservation ads than the Japanese market, and therefore a larger proportion of social.



• Forecast of ad campaign trends by industry

☀️ : Sunny ☁️ : Cloudy ☔️ : Rainy 🌩️ : Stormy

No.	Industry	2020 2 nd Half Forecast	2021 1 st Half Forecast	Remarks
1	Energy & Material & Machines	—	☔️	Rose temporarily in August, but did not return to the level before the COVID-19.
2	Fashion & Accessories	☀️	☀️	Campaign expenses will increase significantly from 2Q 2020. Across the industry, we can see a big EC shift.
3	Food & Beverages	☁️	☔️	Opportunities to go out decreased as the number of infection increased. Campaign fee will continue to decline in the second half of the year due to sluggish demand in the summer.
4	Cosmetics & Toiletries	☀️	☁️	Campaign fee are on the decline as the number of infection increases. The recovery of inbound demand is still far, and the current situation is expected to continue.
5	Household commodities	☔️	☁️	Campaign fee rose significantly in July and August, but have been <u>downhold</u> since September. It is assumed that the company are trying to capture the stay-at-home demand and observe the progress.
6	Household appliances & AV devices	☁️	☀️	Subscription appeals for demand for home gaming devices (PlayStation 5) and specialty home appliances such as cleaning, as well as electronic retail shop's campaign fee can be seen an increasing trend.
7	Eat-out & Various services	☔️	☔️	Includes food services and human resource services. The career-change market remains tough. In addition, there was an upward trend in the restaurant business in September and October, due to <u>GoToEat</u> , but campaign fee declined significantly as the number of infection increased.
8	Public offices & Organizations	☁️	☁️	Campaign fee increased in July and August, but they are now in <u>downhold</u> . Forecast that government announcements, foundations, and other donation-related advertising will be maintained as of sustained COVID-19.
9	Education & medical services & religion	☁️ / ☔️	☁️ ☔️	For Education, there was a lot of spending in March and April when schools were closed, and a downward trend after that. There was a slight increase in campaign spending before the summer vacation in July.
10	Finance & Insurance	☀️	☀️	Recovery to the level before the COVID-19. There has been no drop due to a broad base of factors such as the promotion of cashless transactions and the digital shift of financial institutions.

For other industries, please refer to the whitepaper details.

<Overview of Surveys>

Title: Survey on the “Internet Advertising Market” trends

Survey methodology: Questionnaire survey by emails

Date of survey: November 5th – 18th, 2020



Targets of survey: Advertisers, ad agencies, media, platform companies, ad technology providers (such as DSP, SSP, ad network, DMP, ad verification solutions), media reps, and others involved in the internet advertising market

Survey conducted by: Cyber Communications Inc. and Syno

Number of responses: 592

Responses breakdown: CCI Survey (Japan: 300 / Overseas: 42) Syno Survey (Japan: 100 / Overseas: 150)

<Tool Overview>

Name of tool: CCI 360 Programmatic Display Market Analytics

Overview of tool: CCI 360 is a tool that aggregates data from CCI's supply partners to research on the market scale of programmatic display ads in Japan, and the scale and transition of campaign spending by advertisers who spend large amount of campaign budget on programmatic ads (display).

About CCI

CCI was established in 1996, the year digital advertising first started in Japan. Since then, as a Dentsu Group's digital marketing company CCI has been a pioneer of Japanese digital market offering a wide range of digital marketing services. Today, CCI has business with over 500 leading ad agencies and over 1500 websites, which is the largest scale for the market.

We work with media to provide value to users and enable communication between clients and users through cutting-edge marketing services based on our philosophy of "contributing to a more prosperous information society by providing innovative and reliable interactive communication services".

[\(https://www.cci.co.jp/en/\)](https://www.cci.co.jp/en/)

Inquiry

Cyber Communications Inc.

Hirofumi Kanda

E-mail: cci360_info@cci.co.jp

Press Contact

CARTA HOLDINGS, INC.

Public Relation Office

<https://cartaholdings.co.jp/en/contact-ir/>