



August 6th, 2020

CCI publishes transition in the internet ad market in 1st half of 2020 and forecast of ad campaign trend by industry in 2nd half of 2020 amidst the COVID-19 Pandemic

JAPAN – August 6th, 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 “Internet Advertising Market” trends during the COVID-19 Pandemic towards parties involved in the digital marketing industry in Japan, in early July 2020.

The purpose of this survey was to find out how the COVID-19 has brought changes to the internet advertising market, especially the changes in advertising budget. In addition to the results of this survey, while using the “CCI 360 Programmatic Display Analytics”^{*} – a programmatic display ad market research tool developed by CCI – to survey conditions of ad campaign, we also conducted social survey analysis on certain industries, and published a white paper on the transition of internet ad campaign fee during the first half of 2020, and internet ad serving trends during that period based on consumers’ responses on the SNS.

If you would like access to the white paper, please contact our sales representatives or request through the enquiry form.

Enquiry form - please click [here](#).

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

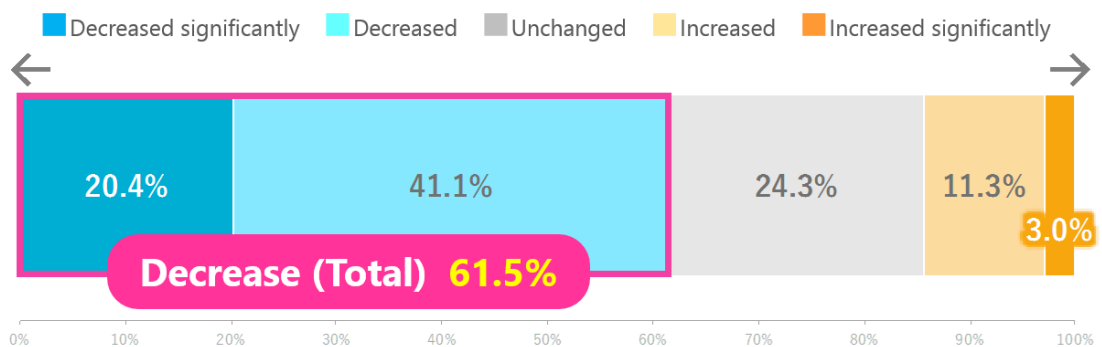
1. 61.5% of all respondents indicated that their internet ad budgets declined compared to the first half of 2019. In addition, 20.4% replied that campaign fee decreased significantly, which indicates that the situation was very severe.
2. By internet advertising transaction method, 60.5% of respondents responded that campaign fee for reserved ads decreased; while many indicated that campaign fee for search ads and affiliate ads remain unchanged.
3. In the programmatic display advertising market, campaign fee had been declining for 12 weeks since the week of March 9, but has been recovering since June.
4. A significant 43.5% replied that the industry in which campaign fee had decreased was “Transportation and leisure”. This indicates that the industry is largely affected by the stay-at-home advisories.

■ **Details**

• **Comparison of internet advertising campaign fee between the first half of 2020 and first half of 2019**

The COVID-19 pandemic became very serious in the first half of 2020. Compared with the first half of 2019, internet advertising budget decreased by 61.5%. Further, 20.4% of respondents replied that their campaign fee had decreased significantly, indicating that it was a very tough situation.

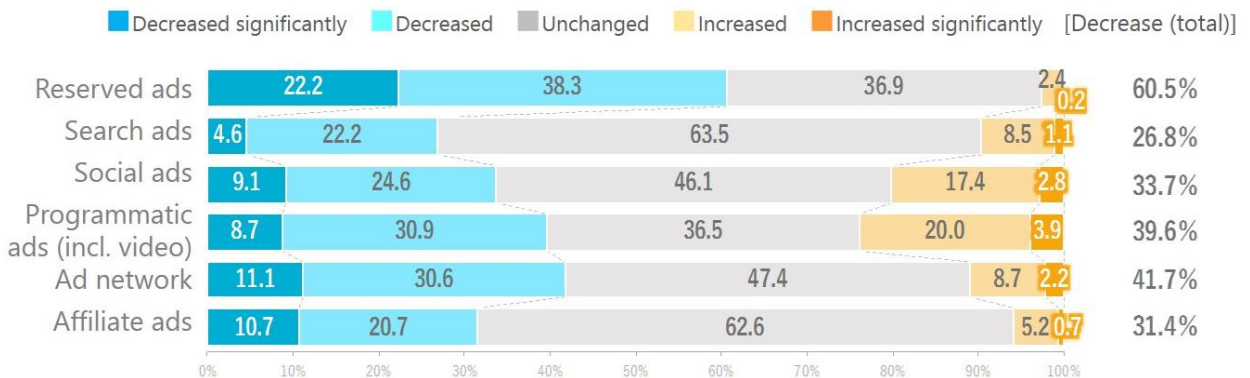
Q: Please select the situation that best describes your related internet ad spending in the first half of 2020 (January~June) as compared to first half of 2019.



• **Increase / decrease in campaign fee by internet advertising transaction method during the COVID-19 pandemic**

Many reported lower campaign fee in transaction types other than search ads and affiliate ads. In particular, 60.5% of all respondents that reserved ad spending had declined.

Q: Please select the changes (increase/decrease) in ad spending on internet media.

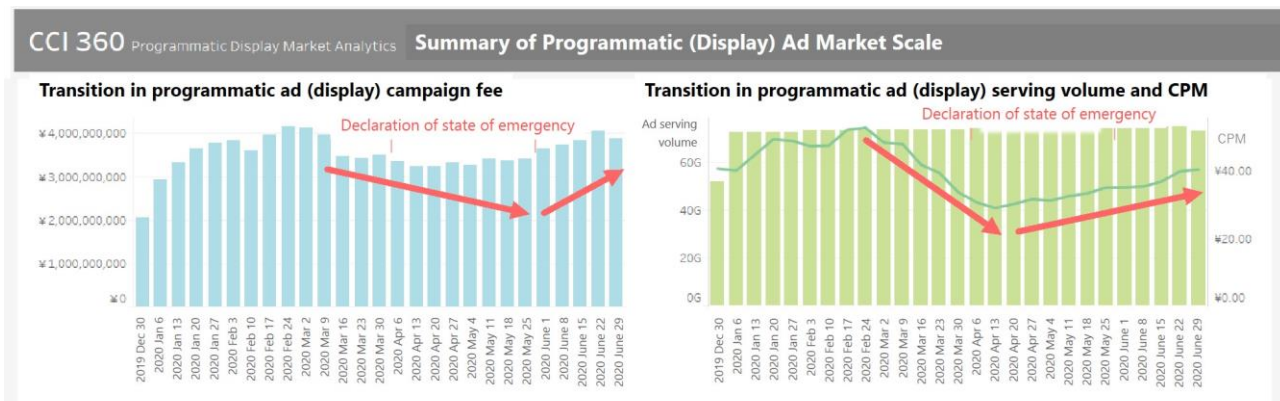


Transaction types that saw a decline came in the order of – reserved ads (60.5%), ad network (41.7%),

programmatic ads (39.6%) and social ads (33.7%); while over 60% of all respondents reported that search ads and affiliate ads remain constant.

▪ **Situation of programmatic display ad market during the COVID-19 pandemic**

It had been declining for 12 weeks from the week of March 9, but had been recovering from June. We can say that it had hit the bottom. However, CPM remains low, implying that large advertisers with high ad unit price have yet to recover.

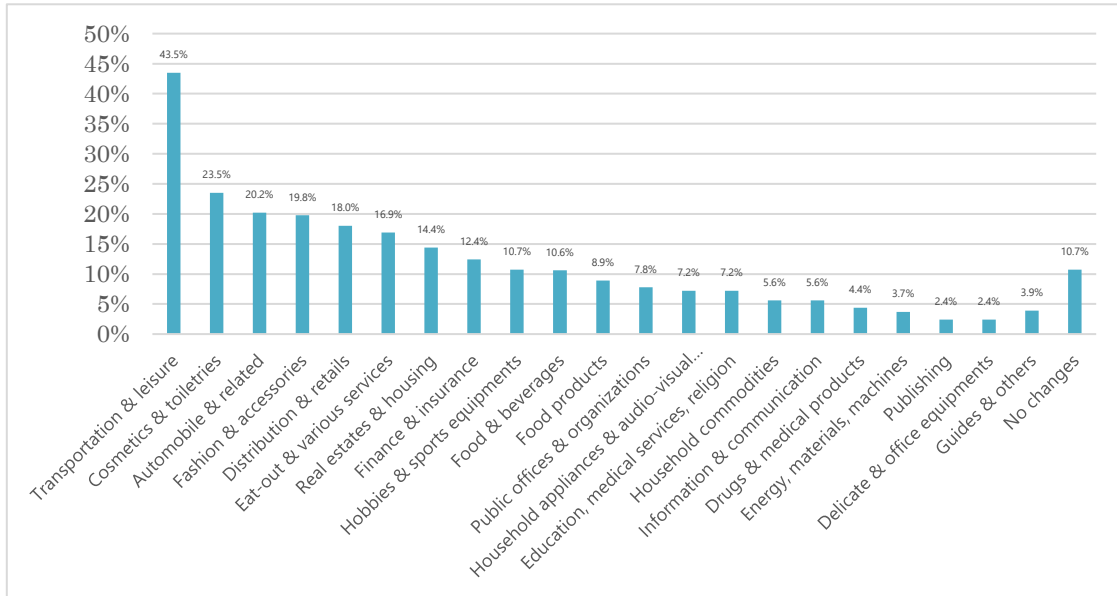


1. Campaign fee for programmatic display ads had been declining from the week of March 9, 2020. In the week of April 20, it dropped approximately 26% as compared to the week of February 24 before the COVID-19 pandemic.
2. CPM had also been declining since the same week. It dropped approximately 46% as compared to the week of February 24 before the COVID-19 pandemic.
3. It began to recover from the week of May 18, and the recovery trend became more remarkable from June. By the week of June 22, it resumed to the pre COVID-19 level (February).

▪ **Industries in which campaign fee decreased**





A significant 43.5% reported decrease in campaign fee in the “transportation and leisure” industry. This implies that it was greatly affected by the stay-at-home advisories after the declaration of state of emergency in April and May.





Q: Please select industries that show a decrease in internet ad spending that your company is involved. (※Multiple-choice)



• Forecast of ad campaign trends by industry



No.	Industry	Campaign forecast	Remark
1	Fashion and accessories		Major brands are making a big leap from the beginning of June. The number of companies to kick-off e-commerce business is also expected to increase in the future.
2	Food and beverages (F&B)		Opportunities to go out of home decreased due to the increasing numbers of COVID-19 infections. It is forecasted that summertime demand will be sluggish and the prospect is uncertain.
3	Cosmetics and toiletries		Department stores resumed business. Besides, we can expect the companies' ad campaigns to show a big turnaround from June.
4	Household commodities		Certain advertisers are likely to resume large ad campaigns, but we don't expect significant recovery from COVID-19 pandemic in the overall industry

5	Household appliances and audio-visual devices		Demand for household appliances is high during stay-home period and ad campaigns are resuming, but have yet to recover to as much as pre COVID-19.
6	Eat-out and various services		The eating-out and food-related industries including delivery services seem to be holding back ad campaigns probably due to the excessive demand for such services.
7	Education, medical services, religion		Ad campaign from education sectors was high in March and April when schools were closed, and is gradually declining. The beauty and medical industries are not recovering yet due to the reduced budget during COVID-19 pandemic.
8	Finance and insurance		Budget is increasing from May and will resume to pre COVID-19 in the overall industry. Uncertainty over the future has brought higher demand for insurance and finance services.

Please refer to the white paper for details on other industries.

<Overview of Survey>

Title: Survey on the “Internet Advertising Market” trends

Survey methodology: Questionnaire survey by emails

Date of survey: July 6~17, 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

Number of responses: 540

Survey conducted by: Cyber Communications Inc.

*1<Overview of Tool>

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/)

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