

Newspapers, Advertising and the Japanese Economy:

Early Developments

by

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At present, Japan has the world's second largest economy. One of its national newspapers, the *Yomiuri Shimbun*, has the largest daily circulation in the world. And Dentsu was, until recently, the largest single advertising agency therein. What are the foundations underpinning the growth of the newspaper and advertising industries in Japan and how have these been related to and affected by the development of the Japanese economy? This paper examines the development of newspapers and advertising in Japan after the Meiji Restoration in 1868, when the country opened its doors to Westernisation and modernisation following more than two centuries of comparative isolation. Its aims are to find out the extent to which the history of Japanese print advertising runs parallel to, or conflicts, with that found in Europe and the United States, and in what ways in particular the early development of Japan's advertising industry reflects the growth of the Japanese economy as a whole.

The Growth of Newspapers and Advertising

The prototype of the newspaper in Japan was the 'tile block print' (*kawaraban*), one page flyers printed on wood blocks, which first appeared in 1615 and at irregular intervals reported disasters, lovers' suicides and other sensational events that took place during the Edo Period¹. The country's first modern newspaper, however, was in English: *The Nagasaki Shipping List and Advertiser*² put out by A.W. Hansard in Nagasaki, twice weekly from June 23, 1861. In November the same year, it was moved to Yokohama and renamed *The Japan Herald*³. The first Japanese language newspapers were translations of foreign news items by the Japanese Shogunate's official Bureau of Western Publications (*Yōsho Shirabe-dokoro*)⁴.

As might be expected from their titles, the English language newspapers – like those in England and the United States – relied heavily on advertising. The whole of the first page of *The Nagasaki Shipping List and Advertiser*, for example, and the top half of the first three pages of *The Japan Herald*, were devoted exclusively to advertisements by foreign businesses and companies. Some of these advertisements were then translated and carried in the Japanese newspapers⁵, and before long notices of ships leaving harbour, together with advertisements for teaching and translation services, hotels, equestrian equipment, landscape paintings, warehouse facilities, banks, marine insurance and so on, were all appearing in the same newspaper. In this way, foreign newspapers played an important role in the development both of Japanese

newspapers and of the advertising that came to be used so frequently therein ⁶.

Like many other governments, the new Meiji government initially subjected newspapers to close scrutiny. However, it soon realised their potential advantage and – with the launch of Japan’s first Japanese language daily, the *Yokohama Mainichi* on January 28, 1871 – actively encouraged the growth of newspapers all over Japan since it could use them to inform local populaces of the measures it was taking and of the laws and policies that it was enacting. Government involvement led to the emergence of two types of newspaper during this period. On the one hand, there were the so-called ‘big’ newspapers, like the *Tōkyō Nichi Nichi* and the *Yokohama Mainichi*, which were largely subsidised by political interests, focussed on ‘hard’ political news that towed the government or party line, and were written in a heavy ‘Chinese’ (*kanbun*) style. On the other hand, there were the ‘little’ newspapers, like the *Yomiuri* and the *Asahi*, which wrote in a more readily accessible popular style and tried to maintain financial and political independence by steering clear of politics and by relating, instead, the kind of ‘soft’ events – crimes, accidents, social gossip – that are included as ‘news’ today.

Two factors were crucial to the development of the modern Japanese newspaper. One of these was literacy. That newspaper companies were able to make the transition to a factory mode of mass production was closely connected with increases in readership (and, as we shall see, the advertising that such readership attracted). During the early part of the Meiji period, the ‘big’ newspapers had been read for the most part by intellectuals and the former *samurai* aristocracy, while the ‘little’ ones had tended to address small businessmen and people in the entertainment world. However, the development of industry and compulsory education soon blurred what had been a clear distinction between these two and a general middle-class readership began to emerge. And the more people lower down the social pyramid took to reading newspapers, the more circulations tended to multiply ⁷.

Greater literacy meant more potential readers and therefore greater potential income from sales. Although figures for the early years of Japan’s modern newspapers are not always available, we know that the *Ōsaka Asahi* sold 2,585 copies daily in 1879, rising to 13,802 in 1883 and just over 50,000 by the end of the decade. Circulation increased sharply to 95,364 copies in 1895 and to more than 100,000 three years later ⁸. By 1904 the average daily sales of all 63 of Japan’s newspapers amounted to 1.63 million copies and, by 1911, Tokyo newspaper circulations alone ranged from 70,000 (the *Jiji*) to 150,000 copies (the *Hōchi*), with the *Tōkyō Asahi* occupying the median ground at 100,000. The country’s top selling newspaper at this time was the *Ōsaka Asahi* which had a daily circulation of 260,000 in 1912, rising to 670,000 in 1921 and 1,500,000 in 1930 ⁹.

The second factor crucial to the development of Japan’s newspaper industry was advertising. Although again there are few statistical data to go by, scattered figures suggest that there was a five-fold increase in *volume* for all kinds of newspaper advertising in the 1880s ¹⁰. The growth was partly due to the simple fact that increased circulations enabled newspapers to provide advertisers with access to a fixed target of readers. But continued development was also in large part due to the mechanisation of light industry between the Russo-Japanese (1904) and First World wars, when publishers, the food and drinks industry, soap manufacturers and the newly emerging department stores began to advertise in a big way.

Some idea of the way in which advertising revenues increased can be gained from figures for the *Ōsaka Asahi*, whose daily advertising income was ¥2,778 in 1883, rising to approximately ¥14,500 by the end of the decade, ¥33,485 in 1895, and ¥88,930 in 1898 ¹¹. By 1914, the fifteen newspapers publishing in Tokyo totalled ¥3 million in annual advertising revenues, four others in Osaka ¥2 million, and the country’s 36 regional papers ¥1.5 million – indicating that advertising was coming to occupy a greater proportion of every newspaper’s total

turnover. For example, the advertising-to-sales ratio for the *Ōsaka Asahi* was 20:80 until 1890, and for other newspapers about 40:60 at the turn of the century, rising to 50:50 after the Russo-Japanese war – a proportion that more or less holds good for Japanese newspapers today.

For all this expansion in growth of readerships, development of industries and markets, and demand for advertising, advertisers were still in a buyers' market and newspapers were for the most part – the *Asahi*, *Mainichi* and *Jiji* were exceptions – prepared to give between 30 and 40, occasionally even 50, per cent discounts on published rates. Clearly, newspapers with larger circulations and greater reader purchasing power were able to charge more than those with lesser degrees of both, but some smaller publications with fixed readerships that were known to be actively spending consumers were also able to avoid the advertising rate-cut war. Apart from an obvious desire to increase their incomes by whatever means, newspapers did their utmost to sell space to major national corporations (soap manufacturers like Mitsuwa and Kao, pharmaceutical companies like Takeda Seiyaku, and food and drink marketers such as Ajinomoto and Kirin Beer). This was not simply because of the large budgets that such companies had available for advertising, but because the appearance of a famous brand ad in a particular newspaper's pages gave that paper status, authority and a sense of trust in the eyes of smaller *local* advertisers. Such qualities are still important aspects of the Japanese advertising industry today¹².

As we have seen, all newspapers were in fierce competition for a limited national readership and hoped to cover through advertising the cost of their capital investments in new mass production methods. Development was by no means smooth and a number of publications went into the red for a few years. By 1911, however, every newspaper's advertising income had become reasonably constant – so much so that the monthly magazine *Chūō Kōron* was able to assert that a newspaper's very existence depended on advertising and that Japanese newspapers were in this respect thoroughly 'Americanised'¹³. Not that it was only newspapers' financial stability that was brought about by advertising. To make themselves attractive to advertisers, newspapers had to further increase circulations and, to achieve this, they had to include material that would appeal to the widest possible audience. So editors popularised articles, making them very general in their critical stance and so likely to offend a minimum number of people. In this respect, therefore, advertising can be said to have had a significant effect upon the *content* of newspapers – both in Japan and in other industrialising capitalist countries¹⁴.

Turn-of-the-Century Advertisers

The publishing industry was one of the earliest major advertisers in Japan. One obvious reason for such activity was the fact that the readerships of both 'big' and 'little' newspapers were clearly more 'intellectual', and so more likely to read books. In 1874, more than half the ads carried in some of the 'big' newspapers were publishing-related – for books, rather than for monthly magazines which only came onto the market in large number and variety in the latter half of the 1880s and 1890s. Magazines themselves further stimulated the demand for advertising – especially with the launching of weekly and women's magazines¹⁵ – in the first decades of the twentieth century. Since magazines had a comparatively short life as products, and since there was a tendency then as now for different publishers to aim similar magazines at similar segments of the reading population, publishers *had* to advertise in newspapers, which came out daily, to attract readers' attention.

They also became aware of how advertising could increase readerships. In 1902-3, the bookseller Maruzen ran a campaign for the *Encyclopædia Britannica* and within three months

sold an astonishing 1,125 twenty-five volume sets in the original English, in spite of the fact that the cloth-bound edition was priced at ¥175, and the leather-bound edition at ¥285¹⁶. One reason cited for the sales was that Maruzen placed a large number of advertisements in all major newspapers just prior to the application deadline – a technique already successfully used for the encyclopædia in England and the United States¹⁷. The success of the campaign had two immediate results. Firstly, newspapers began to devote all their front pages to advertising, since even small publishing companies wanted to start placing advertisements regularly for the first time¹⁸. Secondly, manufacturers in the cosmetics, pharmaceuticals and food industries followed Maruzen's lead by advertising individual products both in volume and with frequency.

Another important group of advertisers consisted of the manufacturers of elixirs and cures that came into their own from about 1875. As in the United States and elsewhere, such 'cures' soon led to criticism of their claimed effectiveness and potential harm¹⁹. Nevertheless, the category of 'medicines' – which at first consisted primarily of stomach cures and eye drops before embracing new types of pharmaceuticals and drugs developed during the period leading up to the First World War – overtook publishing as the major advertising industry soon after the turn of the century.

Its pre-eminent position among advertisers was briefly challenged by the cosmetics industry whose share of newspaper advertising increased from eleven per cent in 1908 to 20.7 per cent in 1912, *vis-à-vis* pharmaceuticals' 15.8 and 17.9 per cent respectively. The rise of 'cosmetics' advertising was mainly due to the vast increase in the production of soaps and tooth powders. Soap appeared on the Japanese market in 1877²⁰. The first soap advertisements came out at the beginning of the Meiji period for imported products whose usage was said to stop skin infections and prevent cholera. They were thus primarily *medical* in their appeal. The first Japanese soap was manufactured in 1888, while in 1890 one of Japan's pre-eminent manufacturers today, Kao, first marketed soap in packets of five different coloured bars, claiming both to produce 'a whiter and more beautiful skin' and to be 'effective against skin diseases'.

This early advertising campaign shows that Kao knew the value both of advertising *per se* and of how to use it. In the first year of operation, the company ploughed back 44 per cent of its profits into advertising, followed by another twenty per cent in the next year – more than two thirds of it placed in newspapers, since it was their upper middle and upper class Japanese readers who used soap. Right from the start, therefore, Kao showed that it was aware of who to target. It also knew its media, for it divided its advertising budget proportionately according to the total newspaper circulation in Tokyo and Osaka respectively²¹. In other words, it knew how its market was constituted and where it was distributed geographically. Having established the foundation for its sales, the company then proceeded to broaden its appeal to the masses – by distributing water thermometers embossed with the Kao name throughout the country's public baths.²² Then, in 1895, it advertised on billboards and placards set up along mainline railway tracks between Tokyo, Osaka and the northern Tohoku region, as well as local lines in the Kanto region. With gimmicks such as these, Kao soon became a household name throughout the country.

Kobayashi Tomijirō, founder of Lion tooth powders in 1898, was no less inventive or audacious in his advertising ideas. Apart from placing large advertisements in newspapers, he distributed four or five dozen banners emblazoned with his company's name to small troupes of travelling players who then were paid to travel up and down the Tokaido eastern seaboard route between Tokyo and Osaka entertaining local people and distributing information on Lion tooth powders. At the same time, he adapted the lyrics of two popular hit songs to incorporate and promulgate the qualities of his products – thereby producing Japan's first commercial song. Kobayashi was also the first advertiser to use *sumō* wrestling for advertising when, in 1900, he

bought up a block of seats at one of the tournaments, distributed them free to those who purchased three large bags of his latest product, and still managed to make a profit²³.

As in the United States²⁴, department stores were also active in advertising, and thus subsidized the growth of urban newspapers as they set about creating the idea of 'fashion' in people's minds during the first two decades of the 20th century²⁵. Located in main thoroughfares and opposite busy railway stations in Tokyo and Osaka, the department stores soon livened up city life with their illuminations, show windows and striking posters and billboards. Retailing in Japan had remained more or less the same both before and after the Meiji Restoration until department stores revolutionized the market with their low-cost mass buying methods and advertising campaigns. This was made possible by the development of textiles, clothing, and everyday household goods from around the time of the Russo-Japanese War of 1904, but stores shifted the emphasis on *who* advertised from manufacturer to retailer – thereby spurring on industrial production, and encouraging manufacturers themselves to spend more money on advertising their own products which were now more accessible to a public beginning to consume more products in greater numbers.

Mitsukoshi was the leader among the stores²⁶. As the dry goods store Echigoya, Mitsukoshi was involved in comparatively sophisticated advertising ideas during the Edo period (1603-1868) when it used to supply its own logo-painted umbrellas to customers on rainy days and, from 1715, used *kabuki* actors as a form of celebrity endorsement for its cloths, textiles, teas and cosmetics. In November 1895, the store took its first steps towards putting its goods on display, a policy that it pursued further when its shop was rebuilt in 1900. In 1903, it started publishing its own PR magazine. It also used a store delivery van to take goods to people's homes and immediately became a hit among status-conscious Tokyoites. The following year, it changed its name to Mitsukoshi and in 1905 sent an employee to the United States to study methods of show window dressing, which it recognised as being itself a form of advertising. In 1907, the store introduced goods other than clothing and textiles and, two years later, customers were for the first time able to view and select for themselves all goods bought and displayed by the store. By 1911, its advertising was proclaiming that Mitsukoshi was 'the first department store in the Orient'. Certainly, it was greatly influenced by the latest advertising methods and department store developments in America. It participated in advertising tie-ups with the Teikoku Theatre²⁷, while further study trips by store employees to Europe and the United States in 1911 led to the building of an elevator, and then to the store's first escalator in 1914.

Finally, mention should be made of the tobacco industry. This was one of the new industries to get heavily involved in advertising from the late 1880s and early 90s, when people took to cigarettes because they symbolised the new world in which they found themselves. The Sino-Japanese War, too, further increased the consumption of tobacco as soldiers turned to cigarettes for comfort in battle. There was great competition among the various manufacturers who found themselves involved in their own advertising war as they tried to gain market share for their *Hero*, *Sunrise*, *Three Castles*, *Pirate*, *Star*, *Ohaiyō*, *Tengū* and other brands – placing their ads not just in newspapers and magazines, but on billboards and with entertainment troupes. Unlike in present-day Japan, rivals then were not averse to criticising one another's products to achieve their marketing aims, so that advertising often contained criticism and counter-criticism as companies sought to create brand loyalty among smokers.

However, in April 1904, in order to help solve the country's financial problems caused by the Russo-Japanese War, the government merged all tobacco companies into a single government-controlled monopoly with effect from July of the same year. This had considerable impact on the development of the advertising industry itself. Whereas larger companies had been

placing something like 200-300 centimetres of advertising per month in each of the *Ōsaka Mainichi* and *Ōsaka Asahi* newspapers during the first three months of 1904, by April they had stopped advertising entirely. These newspapers thus lost something like 850 centimetres of advertising columns a month as a result of the government's implementation of a monopoly. Just how large this advertising budget had been can be seen in the fact that the tobacco industry's advertising came to more than that for food and drink and was only just short of that for the cosmetics industry. Moreover, individual ads were extremely large in companies' quest for public attention, so that, once the industry had been taken over by the government and advertising was again being placed in newspapers, the quantity of advertisements, their content and their size, were all on a much smaller and less appealing scale than previously. In this respect, early Japanese tobacco advertising provides a good example of the way in which an advertising medium can be severely affected by government intervention.

Media and the Growth of Advertising Agencies

Although the early development of the advertising industry in Japan was in large part due to the growth of newspapers, other media also came to be used as the country became more modernised and industrialised. Fairly early on after the Meiji Restoration, advertising billboards were to be seen in the countryside, and these proliferated with the building of railway lines first between Tokyo and Yokohama, then Osaka, and the Tōhoku region in the north of Japan. Railway carriages were themselves used to carry advertisements, from the first horse-drawn railways to the subway trains that operated in Tokyo, and advertisements were placed on the backs of tickets as well as in and around stations.

The development of technology also led to the regular mass printing and distribution of illustrated posters from the turn of the century, by means of stone cylinders rather than woodblocks as previously²⁸. The arrival of electricity and the telephone provided advertisers like Jintan with an opportunity to plaster every telegraph pole in the country with their advertisements, while signs themselves became illuminated from the turn of the century²⁹. The widespread availability of electricity also led to the adoption of show windows in shops that used them to advertise their wares for the first time in 1903. The arrival and popularity of films, too, encouraged more advertising, while photography also came to be used in posters.

Other media included sandwich men, picture postcards, matchboxes (still one of the commonest forms of advertising in Japan), ad balloons, and bath thermometers. In other words, as Japan developed the technology to manufacture a greater number and variety of products, all of which needed to be advertised, so did it in the process make products which themselves could be used for advertising³⁰.

The demand for advertising in Japan, especially for space in newspapers, soon gave rise – as in Europe and the United States – to the emergence of the agency as an essential component in the development of the advertising industry. The first Japanese agency was the Kūkidō Gumi, founded in Tokyo's Nihonbashi area in 1880. It was followed by the Kōhōdō in 1886 and, two years later, the Kōkokusha which started out as a subsidiary company of the *Mainichi* newspaper, became independent in 1890, and played an extremely active part in advertising during the period leading up to the Pacific War. Other important agencies launched around this time included Sanseisha (December 1888), the *Ōsaka Mainichi* newspaper's 'house agency' Mannensha (June 1890), and Seirokisha (December 1890). Hakuhodo, currently the second largest agency in Japan, was founded in December 1895 when it began business by placing advertising in specialist educational magazines, before branching out into general magazines put

out by large publishing houses such as Hakubunkan and Shinseisha (now Shinchosha). By comparison, the largest advertising agency in Japan, Dentsu (or Nihon Denpō Tsūshinsha to give it its full name), got off to a late start – being formed by amalgamation and merger in December 1906. By the end of 1908, however, it was already handling more business than any other agency for newspapers like the *Tōkyō Asahi*, *Kokumin* and *Hōchi*, and by the middle of the Taisho Period (1912-1926) had reached its present position as largest agency in the country.

Most of the early agencies were founded after the Sino-Japanese War, although they were referred to as ‘advertising companies’ (*kōkokusha*) rather than ‘agencies’ (*dairigyō* or *dairiten*) as such. By the turn of the century there were more than 150 organizations in business in Tokyo alone. Most of these were little more than ‘bag diplomats’, entrepreneurial individuals who walked the streets soliciting business from whoever was prepared to make a deal with them. This was no easy task; agencies found it difficult not only to secure business, but also to collect the money that they were owed. They were able to survive because the newspapers themselves were actively seeking to expand their advertising revenues and used agencies to this end, although the biggest and most prestigious advertisers still dealt directly with newspapers themselves and did not use the services of agencies.

Of the three major advertisers at that time only the publishing industry was based in Tokyo. The other two, cosmetics and pharmaceuticals, were located in Osaka, and this permitted the rise and success of several agencies in the Kansai region. One of these was Mannensha, which was called ‘Mr Mainichi’ because of its close connections with the *Ōsaka Mainichi* newspaper, even though it also established business relations with the *Ōsaka Asahi* and, unprecedented until then, a number of regional newspapers. Given that almost all pre-war advertising in Japan was print-based, with newspapers responsible for a very great part thereof, Mannensha’s success was closely allied to the success of the *Mainichi* and *Asahi* newspapers themselves. Thus, once cosmetics and pharmaceutical manufacturers started using Mannensha to place their ads in the *Ōsaka Mainichi*, they also contracted the agency to buy up space in regional papers throughout the country – thereby allowing it to conclude special discount agreements with approximately 400 newspapers by the mid-1920s. This led to further contracts between the agency and national mass-circulation magazines, as well as with foreign newspapers, so that Mannensha’s success stemmed primarily from its association with a major successful newspaper.

Another highly successful agency at this time was Hakuhodo, which specialised in placing advertisements on behalf of major Tokyo-based publishers like Hakubunkan and Shinchosha. One big break for the agency came in January 1905 when the *Tōkyō Asahi* newspaper decided to devote the whole of its front page to the publishing industry’s advertisements, and asked Hakuhodo to take on the large part thereof³¹. Hakubunkan readily agreed to make full use of the offer and, before long, most other newspapers had followed the *Asahi*’s example, and came pummelling on Hakuhodo’s door in their desire to persuade the agency to place advertising on their behalf and thus to establish themselves as reputable publications which wanted to advertise equally reputable intellectual reading matter, rather than the questionable ‘quack’ medicines that they had accepted hitherto. There was thus a chain of events starting with the *Tōkyō Asahi* newspaper’s coverage of the Sino-Japanese and Russo-Japanese Wars and leading to increased circulation and a substantial ‘intelligentsia’ readership. This itself encouraged the newspaper to take on publishing-related advertising from highly reputable publishers, who then contracted an agency to buy space on their behalf. This agency, Hakuhodo, itself came to be imbued with an ‘intellectual’ reputation (which has continued to this day), primarily because of the *content* of the advertising (publishing) that it handled. In this it

differed from Mannensha, whose success was tied up with the *medium* (the *Ōsaka Mainichi* newspaper) in which it placed its clients' advertisements³².

A third organisation that should be mentioned here is Dentsu. This agency owed its success to a strategic combination of advertising placement and wire services in its dealings with newspapers and their customers which soon realised the benefits to be gained from an enterprise that was able to relay information one way and advertising the other³³. As a result, Dentsu flourished. Not only did it relay messages that were not in code (as hitherto) and hence readily understandable; it also expanded its network sufficiently to place correspondents in every major city in Japan, and later abroad in Korea and all over China. This expansion included the signing of a news contract with United Press in America in 1918, thereby providing the hitherto unchallenged Reuters with its first competition in Japan. This it was able to do by using a basically unprofitable communications system to drum up advertising business, the profits from which it then invested back into communications. And then the money that the 'advertising' agency owed a newspaper for advertising placed on behalf of its clients was calculated against the money that the same newspaper owed the 'communications' agency for news reports telegraphed by its communications system – a move particularly welcomed by local regional newspapers which, as we have seen, often suffered from a shortage of cash. The agency thus made itself indispensable since, then as now, it would help its clients tide over difficult financial times. Moreover, from its very foundation to the mid-30s when the Japanese government took over communications, Dentsu acted as a 'total communications', rather than merely 'advertising', agency. In this respect, it can be said to have anticipated the form taken today by advertising agencies all over the world.

In spite of this clever combination of advertising and communications, Dentsu clearly needed to make inroads into the advertising business handled by its main rivals, Mannensha and Hakuhodo. One example of a successful campaign, where Dentsu was able to make use of its financial hold over newspapers, was the so-called '¥1 book boom' between 1926 and 1930. As we have seen, Hakuhodo had become the main handler of publishing-related advertising in the major national and regional newspapers in Japan and, in an industry that was prone to financial difficulty, would from time to time pay up on behalf of defaulting advertisers and accept bills of credit from its clients. It was this device that Dentsu used to break Hakuhodo's near monopoly on publishers' advertising and get itself a foothold in the market. In the early to mid-20s, when the publishing industry was in a depression, Dentsu approached Kaizōsha with the idea of a series of books costing one yen apiece. Gambling on the fact that wide-scale advertising would stimulate sales, the agency agreed to a postponement of payments from its client and so secured the publishers' account. The strategy paid off. Although Kaizōsha had printed only 100,000 copies of its first ¥1 book, Dentsu's advertising – with its headline, *One book in every home. Life without art is like a really desolate moor* – brought in 230,000 orders and enabled the publishing house to plough back its profits into further (frequently whole page) advertisements for other books.

Dentsu's success led to fierce competition³⁴. During the course of the next three or four years, it managed to win accounts from Chūō Kōron and Bungei Shunjusha, which in itself led to the leading publisher of the day, Kōdansha, asking for submissions for its accounts with regional newspapers. Dentsu won this as a result of a bid that allowed the agency to recoup large sums of money owed it by newspapers for communications services provided in previous years. Thus low-cost advertising – made lower to the agency as a result of its idea of putting out linked group advertisements in newspapers all over the country, as well as in the Japanese colony of Taiwan – effectively offset these debts *and* ensured that newspapers themselves did not run into financial trouble or go out of business during the depression in the 1930s.

There were several results of Dentsu's incursion into territory hitherto ruled by Hakuhodo. In the first place, the latter found itself obliged to start placing advertisements for industries other than publishing, so that the ¥1 book boom led to Hakuhodo's diversification and so to its becoming the kind of organization which, as Japan's second largest agency, it is today. Secondly, the rivalry between Dentsu and Hakuhodo led to an undercutting of established advertising rates and to a boom in the publishing industry, which once again – if but for a brief couple of years – outstripped the cosmetics industry to become the country's second largest-spending advertiser. Thirdly, because of the ¥1 book boom's success, other agencies began to take their own marketing proposals for new kinds of books and magazines to publishers, so that we find here the beginning of the kind of agency-client strategic marketing planning relations that we encounter in the present-day advertising industry both in Japan and elsewhere³⁵. And, finally, since the ¥1 book boom was to do with publishing and was primarily a hit in Tokyo and the Kanto region, previously pre-eminent Osaka agencies lost out to those based in Tokyo. In other words, the boom led to what has become the domination of Tokyo-based agencies in Japan's modern advertising industry³⁶.

Conclusion

In this paper, I have outlined the early development of newspapers advertising in Japan, after the country embarked upon its numerous processes of modernisation and Westernisation following the Meiji Restoration in 1868. With the gradual mechanisation of Japanese industry and increased production of consumer goods, we find the further promotion, not just of commercially manufactured goods themselves but of a whole range of other things, people and organisations outside the circulation of such goods. This does not mean that such promotion did not exist before industrialisation or mass production – Echigoya's use of *kabuki* actors in 1715 to endorse textiles, teas and cosmetics disproves that. Rather, promotional techniques were used more frequently and more intricately from the turn of the twentieth century as advertising took on greater importance. Indeed, the very first promotional task was for agencies to sell the very idea of advertising to business³⁷; thereafter, pop songs were adapted to include a tooth powder name and the Imperial Theatre found itself linked as cultural institution to a department store, while newspapers themselves promoted the whole world, it seemed, by means of their editorial matter and advertising. In short, we find the beginning of what Wernick has aptly labelled 'promotional culture'³⁸.

So far as advertising is concerned, we have noted a number of parallel developments in advertising practices and players between Japan and certain Western countries. One or two of these – like, for example, the emergence of employment agencies in England, France and Japan in the early seventeenth century, and the widespread use of advertising for patent medicines – were totally independent. Others involving use of media – from handbills to electric signs, by way of billboards, posters and ad balloons³⁹ – emerged separately with the development of new technologies. Yet others, however – especially those affecting the development of the modern Japanese advertising *industry* – have been more directly influenced by the growth of the advertising industry in the United States and elsewhere.

Newspapers, in particular, have played a crucial role in the promotion of advertising and its institutional organisations during the early stages of industrialisation in Europe, the United States and Japan. In all these areas of the world, advertising had been preceded by 'announcements', whose function was 'to identify places, tradesmen, and craftsmen, and to

inform the populace where certain goods and services were for sale. The persuasive message which is characteristic of modern advertising was completely absent'⁴⁰. The appearance of advertising as such, then, was concomitant with the appearance of the first newspapers – traced back to Nathan Tyler's *Intelligencer* in England in 1647 – which by 1725 were firmly established in Europe and the American colonies as the primary medium for advertising by local business concerns, even though everywhere they had started out primarily as party political organs, and advertising had initially been a matter of minor concern⁴¹.

The difference between developments in Europe, the United States and Japan is that the Western advertising industries emerged considerably earlier than their Japanese counterpart. Newspapers in the Europe and the Americas, for example, were being published regularly in the eighteenth century, whereas the earliest Japanese newspapers were not printed until the 1860s. Right from the start, the way in which newspapers had already developed in America and Europe influenced those that came into being in Japan, so that there was in advertising what, in the context of Japanese industrial development as a whole, has elsewhere been referred to as a 'late development effect'⁴². Moreover, the very volume and content of advertising itself depended upon industrial development that was later in Japan than in England and the United States. At the same time, the increasing importance of advertising revenue for newspapers all over the world led to their becoming dependent on advertising for their financial stability, and thus to their adapting their contents to the needs of commerce⁴³. According to this argument, newspapers can be said merely to have changed masters: from politicians to businessmen.

If we move from developments in media to those in the commodities being advertised, we find a similar set of parallels between Japan and its more advanced neighbours in the West. One of the obvious reasons for this is that 'there is inevitably a close relationship between the nature of advertising and the state of trade development, mechanical technique, and general culture'⁴⁴. As Japan modernised and industrialised, it began to manufacture and sell the same sorts of commodities that were being made and sold elsewhere – medicines, books, soaps, bicycles, beers, and so on⁴⁵. There was, in short, a 'democratisation of goods' as they became standardised, easier to use, and were consumed in increasingly public ways⁴⁶. Here we have seen how important certain industries were to the development of advertising in Meiji and Taisho Japan: publishing, tobacco, toiletries, patent medicines, foods, and retailing concerns. Although national statistics are not available for the United States, records kept by one advertising agency, N.W. Ayer & Son, enable us to compare the advertising of commodities in the two countries during the last quarter of the nineteenth and first quarter of the twentieth century⁴⁷. In 1877-78, the advertising of patent medicines and treatments came to 21.6 per cent of the total volume of business conducted by N.W. Ayer & Son, closely followed by printed matter – two industries which also topped the list of advertisers in Japan during the 1870s. By 1900-1901, foods, fuels and lubricants, and education had jumped ahead of patent medicines and printed matter, whereas in Japan in 1908 the top three industries by volume of advertising were patent medicines (15.8 per cent), toiletries and cosmetics (eleven per cent), and publishing (10.9 per cent), while education-related advertising was still an important category. In both the United States and Japan, patent medicines then fell away in importance owing to public disillusion with the advertising practices of the 'quacks' who purveyed them. However, the development of the pharmaceuticals industry led to its taking over top slot from cosmetics and toiletries in Japan in 1919, and in both America and Japan the food and tobacco industries became prominent advertisers⁴⁸. There was thus a fairly close parallel between *what* was most prominently advertised in Japan and the United States – the major differences being that while American consumers were being told a lot about fuels and lubricants, and later automobiles, tyres and accessories, Japanese consumers learned much more about cosmetics and toiletries, as well as

about their country's newly established businesses through corporate announcements.

Finally, let us turn from advertisers to the third institution supporting the advertising industry's tripartite structure: agencies. The first advertising – or, more strictly speaking, newspaper – agency in the United States was that founded by Volney B. Palmer in 1841; the first similar organisation in Japan came into being in 1880, although it was a full ten years later before agencies there began to develop in number. As we have seen, in Japan, as elsewhere, the emergence of independent newspapers, together with the development of more refined advertising techniques, on the one hand, and more complex relations between advertiser and newspaper, on the other, led to advertising being seen as an essential source of revenue and hence to changes which permitted the emergence of the middleman in the advertising 'industry'. The expansion of the market meant that sales had to be promoted over wider areas and that advertisers needed to reach beyond the narrow confines of local regions. This, in turn, meant that they had to arrange for their ads to be placed in newspapers further afield; bargain over the amount to be paid for advertising; give instructions to printers regarding the printing of their announcements; ensure that their ads were in fact properly placed as ordered; and send money in payment (or balance previously existing debits⁴⁹). Thus both advertisers and newspapers came to appreciate the need for a middleman, in the same way that in other industries and areas of business generally a whole range of commission agents, brokers, dealers and financial middlemen came into being to help buy and sell goods and/or services. In the case of advertising, the commodity that the middleman came to deal with was newspaper space, and it was in the buying and selling of such space that he first came to specialise⁵⁰.

The fact that Japanese newspapers were so closely tied to developments in newspaper industries elsewhere meant that those involved in the advertising industry in Japan paid considerable attention to what was happening on the other side of the Pacific Ocean and the Eurasian land mass. Thus the president of the *Tōkyō Yokohama Mainichi* newspaper helped found one agency, Kōkokusha, after visiting Europe and learning about newspaper advertising there⁵¹. The founder of the *Ōsaka Mainichi* newspaper's so-called 'house agency' Mannensha, decided to use the term 'agency' (*dairigyō*) rather than 'advertising company' (*kōkokusha*) after a trip to Europe (in 1910) when it became clear to him that his company should shift its attention from newspapers to clients, for it was the latter who needed to be provided with all kinds of services related to advertising. He also introduced from the United States the so-called 'AE' or account executive system when his agency was awarded the GM Chevrolet account in the late 1920s. Both Waseda and Meiji Universities started up advertising research seminars (in 1918 and 1920 respectively), in which almost everything that was written about advertising in the United States – including *Printers Ink*, Dipper's *Advertising: its principles and practice*, Scott's *The Psychology of Advertising*, and Osborne's *A Short Course in Advertising* – was closely read and analysed. Finally, leading agencies in Japan such as Dentsu and Mannensha, like N.W. Ayer & Son in the United States, started publishing their own advertising and media data, as well as other advertising-related publications, in an attempt to make their newly emerging industry seem more socially respectable⁵².

Such Western influence was also to be found in the Japanese advertising industry's business methods, in particular the role played by agencies in procuring advertisements for newspapers. Although it is not clear whether Japanese agencies passed through the same series of developmental stages as did American agencies⁵³, it seems that they were involved in the same practices. In other words, they acted on behalf of newspapers throughout Japan, solicited orders for advertising, forwarded the copy and collected payment in the form of commission – a means of payment which survives to this day, and which, as I have shown in detail elsewhere⁵⁴,

creates innumerable problems between agency, client and medium concerned.

NOTES

¹ Gregory Kasza, *The State and Mass Media in Japan* (Berkeley: University of California Press, 1988), 4.

² The use of the title *Advertiser* in many English language newspapers owes its origin to the *avertissements* placed by printers advertising their other work in early printed books. Jennifer Wicke, *Advertising Fictions: Literature, Advertisement, and Social Reading* (New York: Columbia University Press, 1988), 6.

³ It was followed by *The Japan Express* (1862), *The Japan Commercial News* (1863), and – the country's first 'daily' – *The Daily Japan Herald* (October 26, 1863).

⁴ The *Batavia Shimbun* and *Chūgai Zasshi* were published in 1862, and the *Kaigai* and *Hong Kong* newspapers two years later in 1864. The Japanese word 'shimbun' was first used as a loan translation of 'newspaper' in February 1862. Yamamoto Taketoshi, *Kōkoku no Shakashi (A Social History of Advertising)* (Tokyo: Hōsei Daigaku Shuppanyoku, 1984), 1-2; Yamaki Toshio, *Nihon Kōkokushi (A History of Japanese Advertising)* (Tokyo: Nihon Keizai Shimbunsha, 1992), 78-79. Much of the Japanese material presented here is taken from these two excellent histories of Japanese advertising (Yamaki) and newspapers (Yamamoto).

⁵ The first advertisement translated from an English-language newspaper was taken from *The Japan Commercial News* and published in the *Nihon Bōeki* newspaper on October 27, 1863.

⁶ The first *Japanese* advertiser was a Yokohama baker and confectioner catering to the foreign settlement, Nakagawaya, which placed an advertisement in the *Bankoku Shimbun* in March 1867, and it was this paper (published by an English missionary called Perry) which was the first to accept advertising on a regular basis. It was also the first to use 'kōkoku' to mean 'advertisement' or 'advertising' in February 1867, although the word did not come into general usage until the end of the 1880s. Yamamoto, *Kōkoku no Shakaishi*, 4; Yamaki, *Nihon Kōkokushi*, 80.

Kōkoku literally means 'informing far and wide', and is probably a translation of the English word 'advertising', resulting from Japanese newspapers' dealings with foreign advertisers (Yamaki, *Nihon Kōkokushi*, 70). Like 'advertise' itself – as well as various forms of *Reklame* (or 'reclaim') used in Germanic, Russian and Scandinavian languages – an earlier Japanese term *hirome* would seem to owe its origins to the religious concept of 'spreading the word' (Yamaki, *Nihon Kōkokushi*, 18-19).

⁷ Yamamoto, *Kōkoku no Shakaishi*, 116.

⁸ Yamamoto, *Kōkoku no Shakaishi*, 25.

⁹ Kasza, *The State and Mass Media in Japan*, 28. The impressive rise in newspaper circulations during the first two decades of the twentieth century was facilitated by the adoption of new roll presses, capable of printing 25,000 four page sheets an hour.

¹⁰ This did not, however, necessarily translate into a similar increase in *cash* terms. Competition among newspapers for what was still a limited number of advertisers meant that

most of them indulged in undercutting their official advertising rates as they tried to persuade publishers and drug manufacturers, as well as the newly emerging cosmetics and soap industry, to place advertisements in their, rather than a rival's, newspaper. Other advertisers during the 1880s were banks and other companies which regularly reported the establishment of new businesses and branch offices, the sale of stocks and shares, recruitment drives and so on – thus exhibiting the close relationship that exists generally between the development of advertising and of capitalism as a whole.

¹¹ In Tokyo, the *Jiji* was earning ¥10,000 a month from all advertisements placed in its pages in 1894; by 1906 the *Hōchi* newspaper's orders from a single advertiser over the same period came to more than this amount.

¹² For an account of the modern Japanese advertising industry, see Brian Moeran, *A Japanese Advertising Agency: An Anthropology of Media and Markets* (London: Curzon, 1996).

¹³ Quoted in Yamamoto, *Kōkoku no Shakaishi*, 121. The *Chūō Kōron* was originally launched in 1887 as the *Hanshōkai Zasshi* and adopted its present name in 1895.

¹⁴ Raymond Williams, *Communications* (Harmondsworth: Penguin, 1962), 25.

¹⁵ Weeklies still published included the *Shūkan Sunday*, *Sunday Mainichi* and *Shūkan Asahi* and women's magazines *Josei*, *Fujin no Tomo*, and *Fujin Kōron*.

¹⁶ Maruzen conducted its campaign on behalf of *The London Times*, whose encyclopaedia set was bought by old aristocrats like the Tokugawas and Hosokawas, as well as by politicians, companies, and universities – primarily as a status symbol. Yamamoto, *Kōkoku no Shakaishi*, 98-102.

¹⁷ Another was that it offered to deliver all 25 volumes for a down payment of just ¥5, followed by monthly payments of ¥10. Maruzen's adoption of these techniques introduced into Japan the two concepts of sales-to-order advertising and instalment or hire purchase.

¹⁸ This agreement has lasted. Even today publishing houses more or less monopolize front page advertising in all Japan's five major dailies.

¹⁹ Ralph Hower, *The History of an Advertising Agency: N.W. Ayer & Son at Work 1869-1939* (Cambridge, Mass.: Harvard University Press, 1939), 55-57. One man who was particularly critical of such 'puffery' was Fukuzawa Yukichi (1834-1901), educator, writer and founder of the *Jiji* newspaper. It was his condemnation of elixirs and patent medicines in the columns of various newspapers and magazines in 1876 that led to the Federation of Medical Suppliers sending a written request to editors that they stop publishing articles on such a controversial topic, on the grounds that people's faith in the efficacy of elixirs was being undermined. As a result, it continued, manufacturers would have no choice but to stop advertising and that – the Federation gently pointed out – would lead to newspapers' own loss of a prime source of revenue.

For the record, we should note that the publications concerned obliged with this request from the very next day. The industry went on to sue the *Jiji* for loss of business as a result of Fukuzawa's writings. Although it initially won its case, the decision was overturned in the *Jiji* newspaper's favour by the Lower House of the Diet in 1885. Yamamoto, *Kōkoku no Shakaishi*, 12-13, 21-22.

²⁰ Soap was probably first used in Japan as a result of foreign trade in the 17th century. It was not, however, used for cleaning the body so much as for making children's soap bubbles.

Yamamoto, *Kōkoku no Shakaishi*, 109.

²¹ Newspaper circulations came to 58 per cent in Ōsaka and 42 per cent in Tokyo. Kao divided its budget for newspaper advertising accordingly in a ratio of 55 to 45.

²² Similarly, Mitsukoshi Department Store linked up with another soap manufacturer, Mitsuwa, to market soap with the store's logo printed boldly on the package. Brian Moeran, 'The birth of the Japanese department store', in Kerrie MacPherson, ed, *Asian Department Stores* (London: Curzon, 1998), 153.

²³ Such ploys, which included a charity payment scheme, were extremely modern in their strategic planning, and Kobayashi used them to spread and create awareness of the Lion name since his company was a latecomer to the tooth powder market started by Shiseido in 1888. Yamamoto, *Kōkoku no Shakaishi*, 108-112.

²⁴ Michael Schudson, *Advertising: The Uneasy Persuasion* (New York: Basic Books, 1984), 152.

²⁵ Witness Shirokiya's PR magazine *Ryūkō (Trends)*, first published in 1906 and designed to increase that store's base of regular customers. Yamamoto, *Kōkoku no Shakaishi*, 109.

²⁶ Mitsukoshi Department Store (*Mitsukoshi Hyakkaten*) is part of the Mitsui Group of business concerns and traces its origins back to Echigoya, a drapery store founded by Mitsui Takatoshi in 1673. In 1871 Echigoya was renamed Mitsukoshi Cloth Store (*Mitsukoshi Gofukuten*) before taking on the Mitsukoshi name in 1904. Moeran, 'Birth of the Japanese Department store', 145.

²⁷ By advertising in the theatre company's programmes, for example, and by putting out, in March 1911, the slogan *Today the Teigoku theatre. Tomorrow Mitsukoshi (Kyō wa Teigeki, ashita wa Mitsukoshi)*. Yamamoto, *Kōkoku no Shakaishi*, 44-5.

²⁸ Kirin Beer did produce one stone cylinder printed poster as far back as 1887.

²⁹ The first illuminated sign was placed on the Shijō Bridge in Kyoto in 1895. The first illuminated advertisement was for Kirin Beer in 1901. Yamamoto, *Kōkoku no Shakaishi*, 199-200).

³⁰ Witness, for example, Kirin Beer's delivery van with a copy of its bottle label printed on its side from 1907. Yamamoto, *Kōkoku no Shakaishi*, 200-204.

³¹ Wicke, *Advertising Fictions*, 3-6, argues that the origins of Western advertising are to be found in the medieval *avertissements* which, though starting out as a kind of antitype of advertisement because they precluded handwritten religious texts from public sale, came to be used – together with their emblem and shop address – by printers at the *front* of their books to announce and describe their work in general. There is thus a parallel here in the way in which both early European books and Japanese newspapers carried front page advertisements for the publishing industry.

³² Yamamoto, *Kōkoku no Shakaishi*, 257-259.

³³ Dentsu originated in the Nihon Kōkoku which was founded in 1901 and whose Board of Directors consisted of a senior member of the Seiyūkai political party and Upper House councillor, together with representatives from the major advertising industries of the time – pharmaceuticals, cosmetics, publishing and tobacco – all of which contributed financially to the establishment of the agency. However, Dentsu's managing director, Kōnaga Hoshirō, was also interested in communications both for its business opportunities and for the prestige that

it would bring to the advertising industry, which was not highly regarded at the time by the general public. In October 1906, he established his own communications company, the Nihon Denpō Tsūshinsha, and in July the following year merged it with Nihon Kōkoku to form the company that is now known worldwide as Dentsu.

³⁴ Competition was not limited to agencies and publishers. The rivalry between two children's book publishers, Kōbunsha and Bungei Shunjusha, during the ¥1 book boom ended up as a competition between the copywriting skills of two famous novelists, Kikuchi Kan, on the one hand, and Akutagawa Ryōnosuke, on the other. Yamaki, *Nihon Kōkokushi*, 120.

³⁵ At the same time, we should note that agencies were not always on target with their ideas and that they occasionally contributed to the financial failure and bankruptcies of publishing houses that were too 'adventurous'.

³⁶ Yamamoto, *Kōkoku no Shakaishi*, 266-274; Yamaki, *Nihon Kōkokushi*, 119-120.

³⁷ Schudson 1984:170.

³⁸ Andrew Wernick, *Promotional Culture* (London: Sage, 1991).

³⁹ Hower, *The History of an Advertising Agency*, 99; Williams, *Communications*, 18.

⁴⁰ Hower, *The History of an Advertising Agency*, 7.

⁴¹ Wicke, *Advertising Fictions*, 22; Hower, *The History of an Advertising Agency*, 8

⁴² Ronald Dore, *British Factory–Japanese Factory: the Origins of National Diversity in Industrial Relations* (Berkeley: University of California Press, 1973), 408-20.

⁴³ Williams, *Communications*, 18-21, 25.

⁴⁴ Hower, *The History of an Advertising Agency*, 7.

⁴⁵ The appearance of different products on the Japanese market can be followed in their advertising: for example, imported bicycles and gramophones in 1897; bicycle tyres and records in 1912; fountain pens in 1913; women's shawls, men's ties, shoe cream, stationery and office equipment in 1916; typewriters, tortoise-shell brushes, cameras and (Oldsmobile) cars in 1918 (Yamamoto, *Kōkoku no Shakaishi*, 67-8).

⁴⁶ Schudson, *Advertising: The Uneasy Persuasion*, 181.

⁴⁷ Hower, *The History of an Advertising Agency*, 213-21.

⁴⁸ Yamamoto, *Kōkoku no Shakaishi*, 8, 34-5.

⁴⁹ We have seen in this chapter how agencies specializing in communications and wire services (*tsūshinsha*) were able to trade news for advertisements placed in Japanese newspapers. Although this particular kind of trade did not, so far as I am aware, exist in Europe or the United States, N.W. Ayer & Son used to trade printing supplies instead of cash to pay for the cost of newspaper advertising. Hower, *The History of an Advertising Agency*, 102-3.

⁵⁰ Hower, *The History of an Advertising Agency*, 9-11.

⁵¹ Another, short-lived, agency functioning in the late 1880s was run by someone who had lived in the United States, operating on a ten per cent commission system received from newspapers in which it placed advertisements.

⁵² Hower, *The History of an Advertising Agency*, 53-4; Yamamoto, *Kōkoku no Shakaishi*, 241, 245; Yamaki, *Nihon Kōkokushi*, 86-87, 113-114. There are also interesting parallels in the way in which the founding presidents of Mannensha in Japan and N.W. Ayer & Son in the United States emphasized discipline and morality among their employees, refused to entertain their clients or to handle the accounts of quack medicine manufacturers who made exaggerated claims

in their advertising. Yamamoto, *Kōkoku no Shakaishi*, 244; Hower, *The History of an Advertising Agency*, 110-116.

⁵³ Hower, *The History of an Advertising Agency*, 16-21.

⁵⁴ Brian Moeran, *A Japanese Advertising Agency*.