

Affiliate Marketing in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic affiliate marketing market with the following conditions:

1. Research period: May to December, 2017
2. Research objects: Leading affiliate marketing service providers, operators of reward websites or point reward online malls
3. Research methodologies: Face-to-face interviews by the expert researchers, surveys via telephone/email, and literature research

What is Affiliate Marketing?

Affiliate marketing is a type of performance-based marketing where a company (advertiser) that wants to advertise places a link of its own company websites within some media such as blogs, websites, and mail magazines, and gives rewards to the owners of such media when a visitor or a customer registers membership or purchases a product of the advertiser via that link.

There are four types of affiliate marketing business: ASP (Affiliate Service Provider) style, where ASPs act as agents that go between advertising clients and affiliate website owners; Shopping mall style, where virtual shopping mall operators provide affiliate services; Stand-alone type, where an online shopping owner becomes an advertiser and provides itself an affiliate function in order to promote their own products; and Platform type where ASPs and advertisers are provided with platforms equipped with tracking systems and analysis tools needed for affiliate marketing.

What is the Affiliate Marketing Market?

The size of the affiliate marketing market in this research is calculated by totaling the expenses spent for advertisement using affiliate marketing, which are total amounts of rewards, commission charges, and other costs (i.e. initial costs, monthly costs, and option expenses).

◆ Key Findings

■ Affiliate Marketing Business in FY2017 Projected to Attain 227.587 Billion Yen, 113.5% on Y-o-Y Comparison

The sales of each ASP (Affiliate Service Provider) have been steadily growing, due not only to expanding use of affiliate marketing by advertisers, but also to increase of customers who were attracted through smartphones, and to improvement in conversion. The domestic affiliate marketing market size in FY2016 is estimated to have attained 200.477 billion yen (117.2% on Y-o-Y basis), which is likely to rise to 227.587 billion yen by FY2017 (113.5% on Y-o-Y basis).

■ Urgent Measures Against ITP Required by ASP

In spite of stable growth of the affiliate marketing market, it has a challenge to respond to ITP (Intelligent Tracking Prevention) introduced in Safari by Apple. ITP sets a limit to tracking functions available through specific browsers, so that ASPs are required to take measures such as using tracking methods that do not use Cookie.

■ **Affiliate Marketing Market Projected to Expand to 405.8 Billion Yen by FY2021**

Because increase of advertisers from various fields of demand being expected to newly adopt affiliate marketing, in addition to sales expansion at existing advertisers due to further expansion of the ecommerce market, the size of the domestic affiliate marketing market is likely to continue increasing until 405.8 billion yen by FY2021.

◆ **Report Format:**

Published Report: “Affiliate Market 2018”

Issued on: December 28, 2017

Language: Japanese

Format: 185 pages in A4 format

Price: 180,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

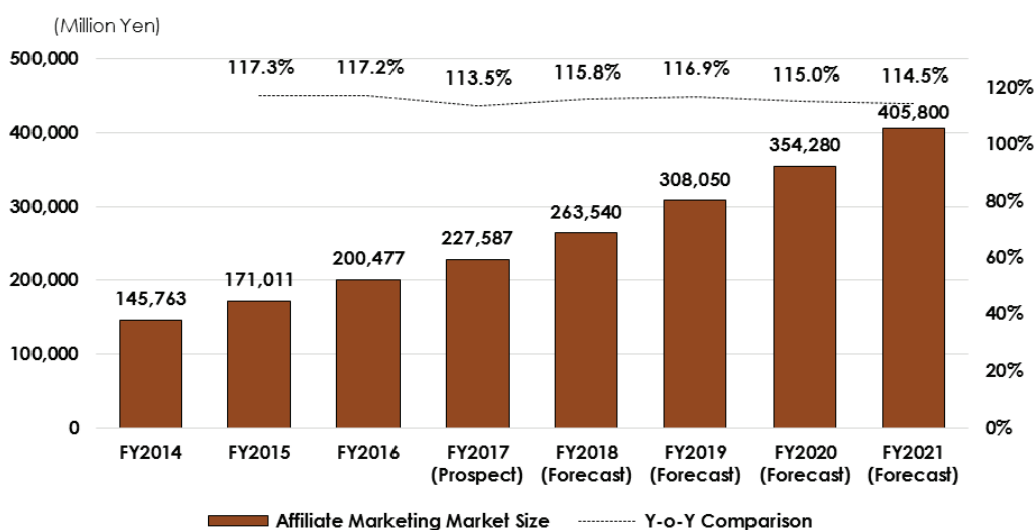
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■ **Figure 1: Transition and Forecast of Domestic Affiliate Marketing Market Size**



Estimated by Yano Research Institute

Notes:

1. The size of the affiliate marketing market in this research is calculated by totaling the expenses spent for advertisement using affiliate marketing, which are total amounts of rewards, commission charges, and other costs (i.e. initial costs, monthly costs, and option expenses).