

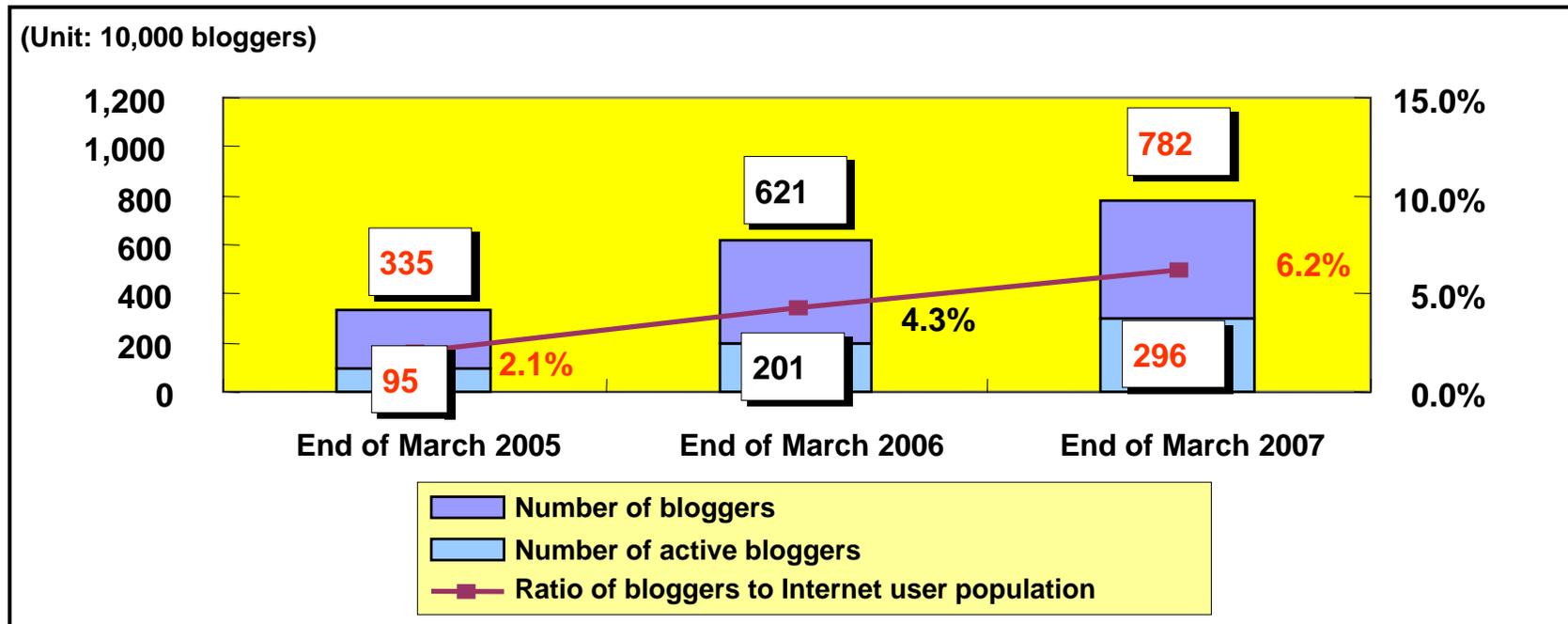
# Analysis on Current Status of and Forecast on Blogs/SNSs

**May 2005**

**Ministry of Internal Affairs and Communications**

# 1-1 Number of blog users, or bloggers (number of bloggers/active bloggers)

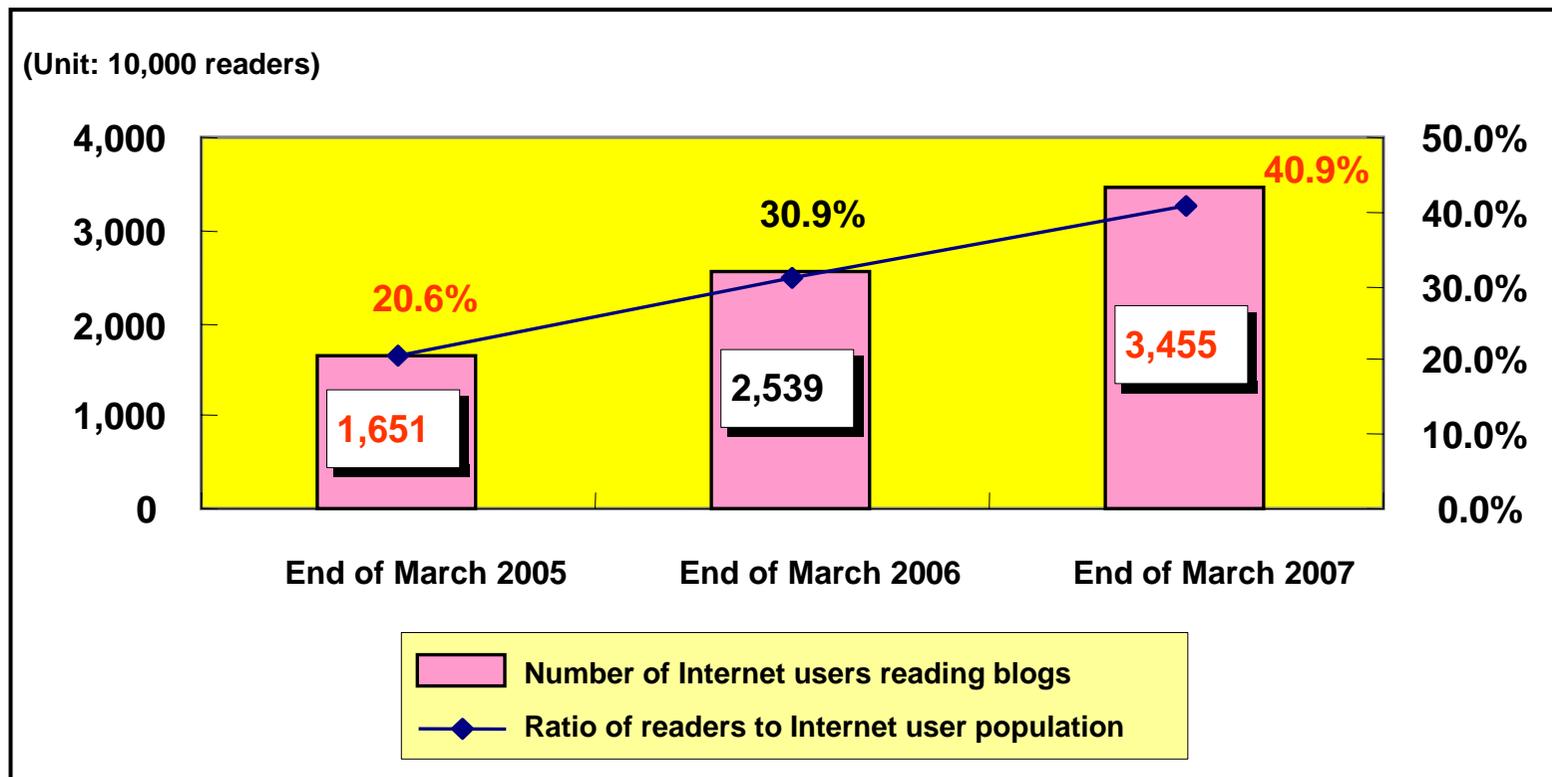
- The cumulative number of bloggers (Internet users who maintain their blogs) in Japan is about 3.35 million (when considering bloggers who maintain two or more blogs, the net number of bloggers is about 1.65 million.) as of the end of March 2005. The cumulative number of active bloggers (of bloggers, those who update their blogs at least once a month) is about 0.95 million.
- The MIC Study Group forecasts that by the end of March 2007, those numbers will increase to about 7.82 million and about 2.96 million, respectively.



Note: The "Ratio of bloggers to Internet user population" indicates the "Ratio of net number of bloggers to Internet user population."  
 Source: "Internet User Population" MIC

## 1-2 Number of blog readers (number of Internet users visiting blogs)

- As of the end of March 2005, the number of Internet users reading blogs (Internet users reading blogs at least once a month) is about 16.51 million.
- The MIC Study Group forecasts that the number will increase to about 34.55 million by the end of March 2007.



Source: "Internet User Population" MIC

# 1-3 Characteristics and activities of bloggers

## 1 Characteristics of bloggers

- At the initial stage, advanced users were maintaining web sites and they transferred all or part of their web sites to blogs. Later on, when the term "blog" has become popular, Internet users who could not create web sites despite of their interests therein and general Internet users who did nothing active have become bloggers at a rapid pace.
- Bloggers are mainly younger generation and women in comparison with user configurations of existing Internet services.

## 2 Methods to open blogs

- Almost all bloggers open their blogs by utilizing ASP-type services offered by Internet service providers. Bloggers who open their blogs by installing their own software into servers, etc. are very few.

## 3 Trends in blogs

- The number of well-planned blogs, not diaries, has been increasing and they have become influential.
- Postings on blogs tend to interlock social events.

## 4 Tendency of holding blogs

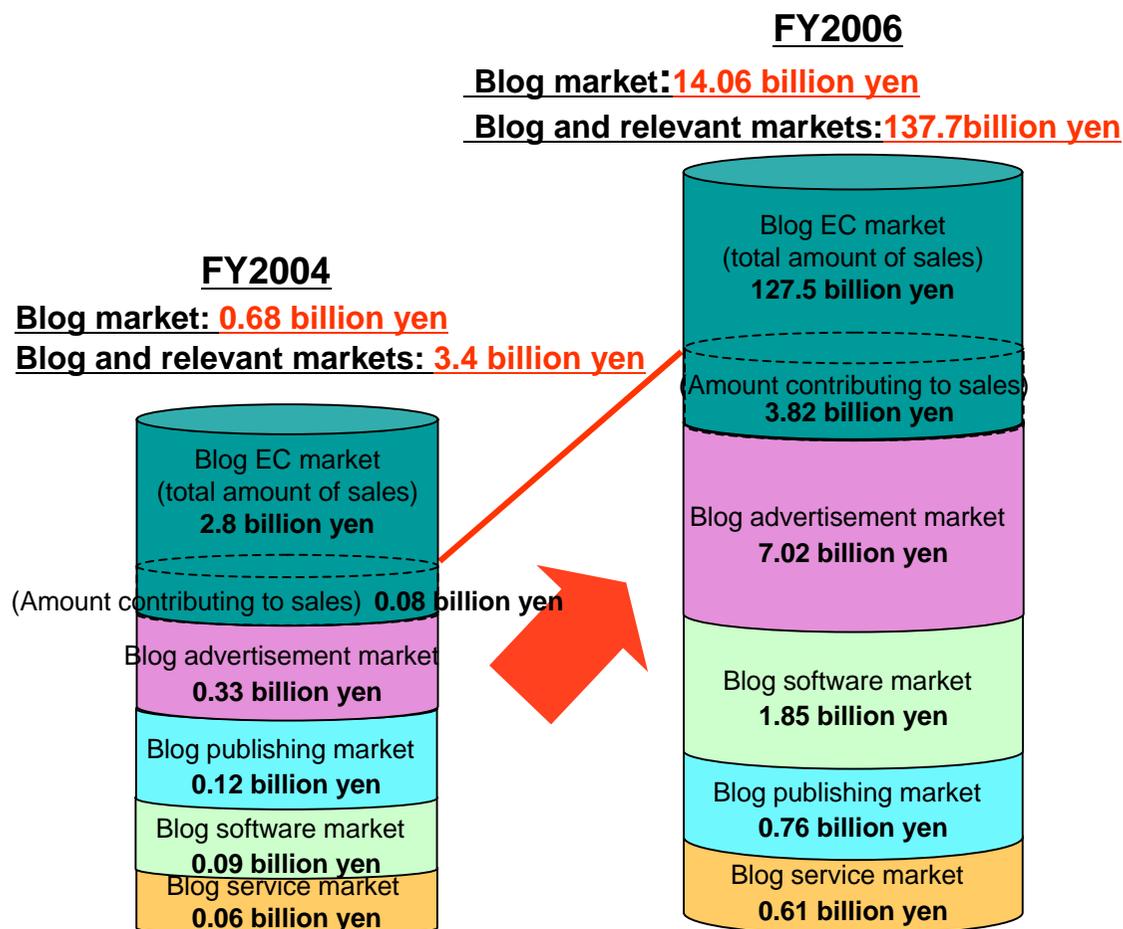
- In pursuit of new and useful service, many bloggers move from one service to another.
- It seems that one blogger registers about 2 services on average. On the other hand, very few bloggers update their plural blogs.
- The ratio of bloggers who register plural blog services decreases with increase of the general users.

## 5 Update of blogs

- The more community aspects blogs have, the more frequently the blog are updated.

# 1-4 Sizes of blog and relevant markets

- The blog market size in FY2004 is estimated at about 0.68 billion yen, and when including its relevant market, at about 3.4 billion yen.
- The blog market size in FY2006 is forecasted at about 14.06 billion yen, and when including its relevant market, at about 137.7 billion yen.



- Blog service market**  
==> Provision of pay blog services
- Blog advertisement market**  
==> Advertisement through use of blogs
- Blog software market**  
==> Sales of blog software for corporate users
- Blog publishing market**  
==> Publishing utilizing blog content
- Blog EC (e-commerce) market**  
==> EC utilizing blogs

**Blog market size**  
= blog services + blog advertisements + blog software + blog publishing + blog EC (amount contributing to sales)

**Blog and relevant markets size**  
= blog services + blog advertisements + blog software + blog publishing + blog EC (total amount of sales)

Note: EC: EC stands for electronic commerce. Transactions on networks, including the Internet.

## 1-5 Future trends in blog business

- As of May 2005 in Japan, **115 providers**, including small-sized ones, are providing users with blog services.

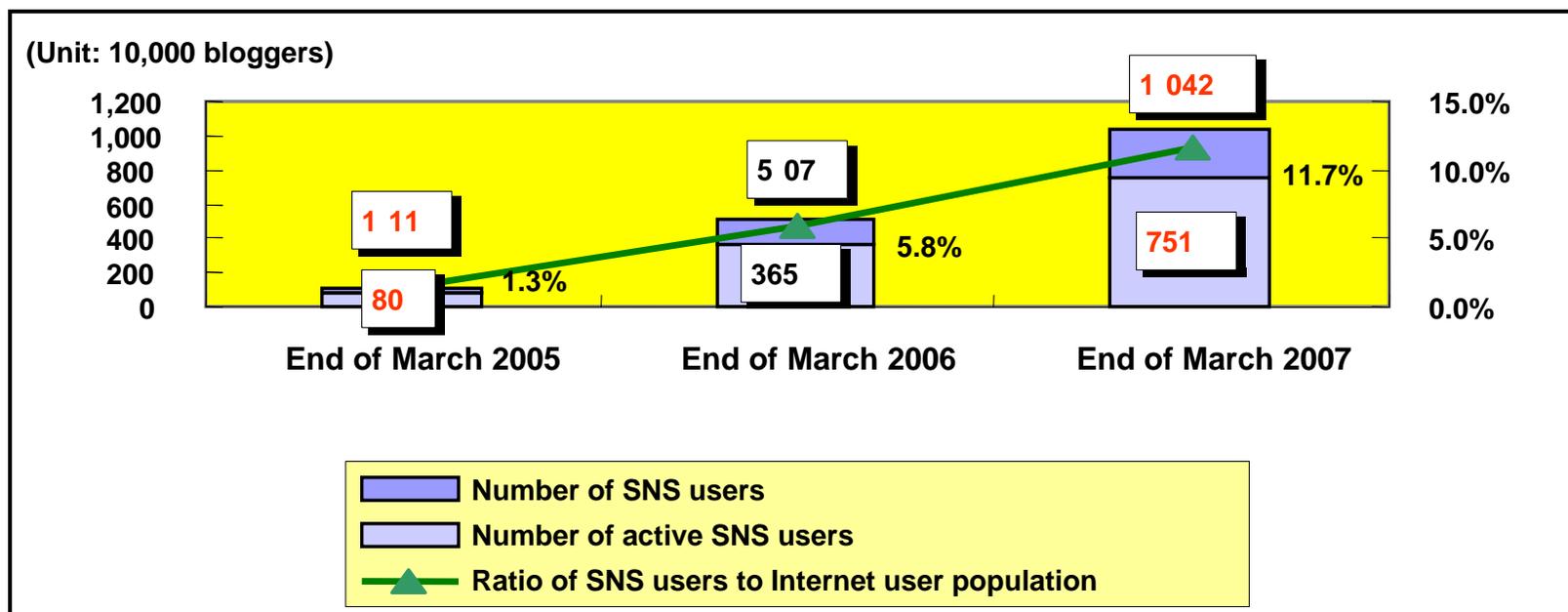
[Types of blog service providers]

- ISPs
- Portal site and/or EC service providers
- Other blog related-service providers (hosting, advertisement, etc.)
- Service providers specializing in blog services

- + Almost all blog services are free of charge. Thus, it is essential to establish profitable business models.
- + **Portal site and/or EC service providers and other blog related-service providers** will continue making efforts to provide blog services.
- + It is burdens for **ISPs**, except for some major ISPs, **and service providers specializing in blog services** to operate blog services.
- + Henceforth, users will opt for preferable blog services. As a result, **selection and concentration of service providers** will be accelerated.

## 2-1 Number of SNS users (numbers of SNS users and active SNS users)

- The cumulative number of SNS users (Internet users who are registered as SNS members) in Japan is about 1.11 million (when considering SNS users who maintain two or more memberships, the net number of SNS users is about 1.05 million.) as of the end of March 2005. The cumulative number of active SNS users (of SNS users, those who use SNSs at least once a month [diaries, e-mails, BBS, etc.]) is about 0.8 million.
- When considering introduction of SNS into member groups of corporations, etc., influx of blog users and possibilities of SNS as general-purpose tool (mailer, BBS, etc.), by the end of March 2007, it is forecasted that the cumulative numbers of SNS users and active SNS users will increase to about 10.42 million and about 7.51 million, respectively.



Note: The term "Ratio of SNS users to Internet user population" indicate the ratio of the net SNS users.  
 Source: "Internet user population" MIC

## 2-2 Characteristics and activities of SNS users

### 1 Characteristics of SNS users

- SNS users of major service providers are mainly in their late 20s and early 30s, and undergraduates and graduates.

### 2 Purposes of SNS use

- 10 - 20% of SNS users are utilizing SNS as communities for meeting someone or hobbies. The rest of SNS users are utilizing SNS as communication tools between acquaintances.



It is expected that SNS will strengthen features of instant messenger and mailers.

- SNS users are utilizing SNS as portal sites integrating functions of BBS, mailer and diary.

### 3 Differences from blogs

- An SNS user can feel a sense of unity from using the same SNS service.
- As SNS users are asked to join SNS services, users feel free to join such services in comparison to procedures for establishing blogs.
- SNS users are allowed to continue joining SNS services in a passive manner.

### 4 Frequency of SNS use

- With respect to SNS services offered by major service providers, the ratio of users who re-log in SNS services within three days from the day of the last log-in surpasses 70%. About 100,000 diaries per day are being up-dated.

### 5 Awareness of SNS services

- The ratio of persons "who don't know" exceeds the majority (55.3%).

## 2-3 Future trends in SNS business

- As of May 2005 in Japan, **75 providers**, including small-sized ones, are providing general users with SNS services.

[Types of SNS service providers]

- Service providers specializing in SNS services (majority)
- Portal site and/or EC service providers
- General service providers

- + Profitable models are not established even for major SNS service providers.
- + Henceforth, selection and concentration of service providers, **mainly small- and medium-sized service providers, specializing in SNS services** will be accelerated.
- + On the other hand, from the viewpoints of enclosing customers, etc., it is forecasted that cases that **general service providers organize membership groups, etc. as SNS members** will increase.