Japanese Art Industry Market Research Report 2016

February 2017

Art Tokyo Association

In partnership with Platform for Arts and Creativity

Contents

Survey Organizer: Art Tokyo Association http://art-tokyo.jp

Survey Co-organizer: Platform for Arts and Creativity http://www.pac.asia

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ARTS COUNCIL TOKYO

Chapter 1: Report Summary

1-1: Background and Aims

In recent years, the art industry has attracted attention as a growth industry with high value added, especially in cities and nations in Europe and North America. As such, information on the state of the industry has been collected by governments and related organizations (auction houses, art fairs, etc.) as well as researchers.

In Japan, like other developed nations, as the previously key industries reach peak growth, we can expect the art industry to grow further and also have a knock-on effect on other industries. However, information allowing us to understand the industry is still greatly lacking and even reliable data on the scale of the market is not yet available.

As such, Art Tokyo Association, which organizes ART FAIR TOKYO, in partnership with Platform for Arts and Creativity, which offers consulting services on industrial policy related to arts and culture, conducted the Japanese Art Industry Market Research Survey 2016. This survey provides information on the state of sales of works of art (Chapter 2 of this report), the market scale of the art industry per art type and sales channel (Chapter 3), and the values that are associated with art purchases (Chapter 4). Along with appropriately understanding the state of the art industry in Japan and its characteristics, the survey aims to set indicators for monitoring the industry in the future.

1-2: Survey Methodology

The survey was fundamentally based on a questionnaire conducted with respondents provided by an online questionnaire service. The survey was conducted in two stages: the first and second surveys. **The first survey collected 20,541 samples**, while the second survey collected 143 samples from the first set of samples that answered that they had purchased a work of art with a price of 1 million JPY or more in the past 3 years, and were business owners or executives, or self-employed or store managers.

In order to estimate the scale of the market across the whole of Japan, the first survey was distributed over the country in terms of age (6 groupings), employment status (employed, unemployed) and income (12 classifications of personal income for the employed or household income for the unemployed[1]) based on 2015 data on the labor force from the Ministry of Internal Affairs and Communications. In addition, since people with high incomes can be considered more likely to purchase works of art, more samples were collected from those with incomes of 7 million JPY or above than the actual distribution of income, which was then weighted during the analysis according to the distribution across Japan.

Criteria were set for data from the original collected sample that demonstrated a contradiction or unrealistic result[2] in regard to the amount of a purchase, and as necessary removed from the subject of analysis.

Each of the 2 surveys had 10 questions. Summaries of the questions are shown in Chart 1 below.

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[1] Since the number of unemployed persons cannot be distributed by personal income, the survey aimed to distribute them by household income. However, due to the absence of data on gender and age for the head of household, an estimate was made based on personal income and employment rate.

[2] For example, cases where the total purchase amount per type of artwork and total purchase amount per sales channel did not match, or respondents whose purchase amount was high for art-related items and museum shop purchases, or respondents whose purchase amount was low for auctions.

Chart 1: Basic Design of Survey

Survey Method	Questionnaire survey targeting respondents belonging to online questionnaire service
Survey Period	September 26th – October 2nd, 2016 (1 USD = 102.41 JPY)
Survey Target	First Survey: Gender, age, employment status (employment, unemployed) and income (personal income for the employed, household income for the unemployed) distributed approximately across the whole of Japan, based on government data Second Survey: Conducted with respondents from the first survey who had purchased a work of art with a price of 1 million JPY or more during the past 3 years, and who were business owners or executives, or self-employed or store managers
Valid Samples	First Survey: 20,541 samples Second Survey: 143 samples
Survey Questions	First Survey: - Experience of purchasing works of art or art-related products - Amount of purchased works of art or art-related products per type of art and sales channel - Frequency of visits to art museums and museums Second Survey: - Funds at the time of purchasing work of art - Reason for or aim of purchasing work of art; artwork type; artwork price - Problems related to owning a work of art

Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

1-3: Basic Attributes of Respondents

The basic attributes of respondents to the first survey can be seen in the following table. They are distributed evenly around Japan in order to weight the figures for gender, age and personal income (employed persons). The classification of regions and household annual income does not deviate greatly from the distribution across Japan.

Chart 2: Basic Attributes of Respondents to First Survey (Sample as Proportion of Overall)

Gender					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Male	10,180	50%	8,674	48%	48%
Female	10,361	50%	9,326	52%	52%

Age					
Category	Simple Aggregate		After Weighting		Distribution in Japan
15 – 24 Years Old	1,307	6%	1,978	11%	11%
25 – 34 Years Old	2,841	14%	2,251	13%	13%
35 – 44 Years Old	3,691	18%	2,958	16%	16%
45 – 54 Years Old	3,902	19%	2,702	15%	15%
55 – 64 Years Old	4,458	22%	2,626	15%	15%
65 Years Old and Over	4,342	21%	5,486	30%	30%

Regional Classification					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Hokkaido	886	4%	889	5%	4%
Tohoku	950	5%	949	5%	7%
Kanto	9,318	45%	7,396	41%	34%
Hokuriku	606	3%	584	3%	4%
Chubu	2,155	10%	1,955	11%	13%
Kinki	3,918	19%	3,588	20%	18%
Chugoku	933	5%	902	5%	6%
Shikoku	451	2%	454	3%	3%
Kyushu	1,324	6%	1,284	7%	11%

Personal Income (Employed)					
Category	Simple Aggregate		After Weighting		Distribution in Japan
None	367	3.1%	324	3.1%	17.8%
Under 1 Million JPY	1,468	12.3%	1,516	14.6%	
1 Million - Under 2 Million JPY	1,798	15.1%	1,970	19.0%	19.0%
2 Million - Under 3 Million JPY	1,558	13.1%	1,720	16.6%	16.6%
3 Million - Under 4 Million JPY	1,349	11.3%	1,513	14.6%	14.6%
4 Million - Under 5 Million JPY	1,012	8.5%	1,080	10.4%	10.4%
5 Million - Under 6 Million JPY	656	5.5%	658	6.4%	11.5%
6 Million - Under 7 Million JPY	523	4.4%	530	5.1%	
7 Million - Under 8 Million JPY	557	4.7%	301	2.9%	6.9%
8 Million - Under 9 Million JPY	397	3.3%	225	2.2%	
9 Million - Under 10 Million JPY	324	2.7%	189	1.8%	
10 Million - Under 15 Million JPY	1,236	10.4%	245	2.4%	2.4%
15 Million JPY and Over	668	5.6%	90	0.9%	0.9%

Household Income					
Category	Simple Aggregate		After Weighting		Distribution in Japan
Under 3 Million JPY	5,173	25%	8,770	49%	34%
3 Million - Under 5 Million JPY	4,356	21%	3,383	19%	23%
5 Million - Under 7 Million JPY	3,051	15%	2,331	13%	16%
7 Million - Under 10 Million JPY	3,616	18%	2,130	12%	15%
10 Million - Under 15 Million JPY	2,835	14%	1,017	6%	9%
15 Million JPY and Over	1,510	7%	369	2%	3%

Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Chapter 2: State of Sales of Works of Art

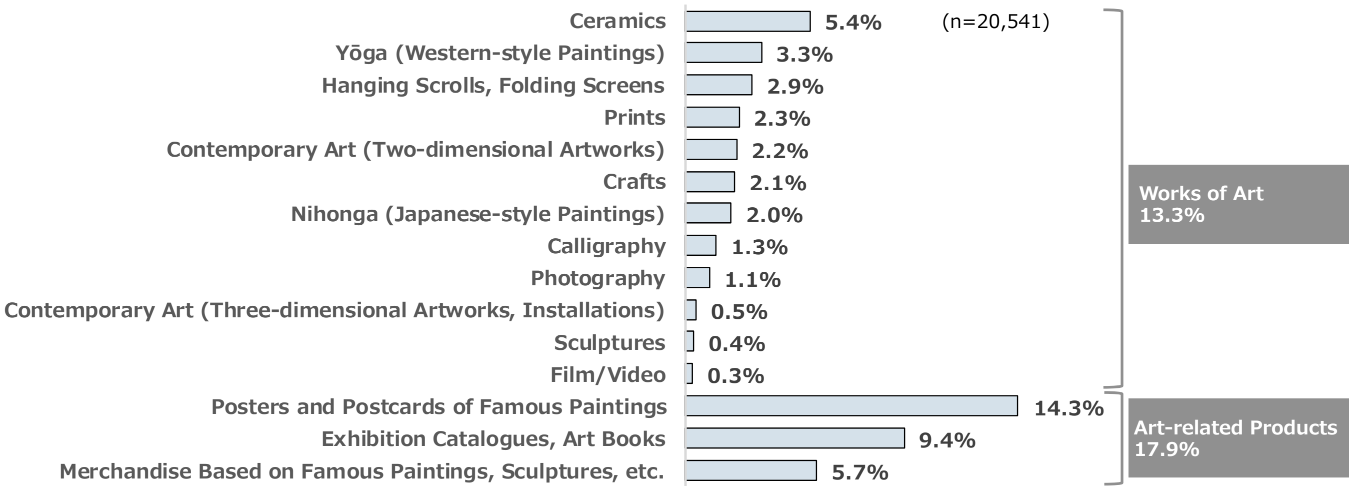
2-1: Experience of Purchasing Works of Art or Art-related Products

Experience of purchasing works of art[3] and art-related products[4] is shown in Charts 3 and 4. The type of work of art that people have the most experience of purchasing is ceramics (5.4%). For art-related products, the most commonly purchased type of product is posters or postcards of famous paintings (14.3%).

13.3% have experience of purchasing a work of art and 17.9% have experience of purchasing art-related products. People with experience only of purchasing art-related products account for 12.3%, indicating that there is potential for these kinds of consumers to purchase works of art.

3.5% of people have experience of purchasing "contemporary art" (meaning two- and three-dimensional artworks, installations, photography, and video or film works), while 8.1% have experience of purchasing "antiques" (meaning ceramics, crafts, calligraphy, hanging scrolls, and folding screens). 1.3% has experience of purchasing both categories. In addition, the proportion of people with experience of purchasing the various forms of contemporary art as well as antiques is relatively high (36% of people who have purchased contemporary art).

Chart 3: Experience of Purchasing Works of Art or Art-related Products (Per Type of Art)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

[3] "Works of art" are here defined as *nihonga* (Japanese-style paintings, excluding contemporary art), *yōga* (western-style paintings, excluding contemporary art), sculptures (excluding contemporary art), prints (excluding contemporary art), contemporary art (two-dimensional artworks), contemporary art (three-dimensional artworks, installations), photography, film and video works, ceramics, crafts, calligraphy, hanging scrolls, and folding screens.

[4] "Art-related products" are here defined as posters or postcards of famous paintings, art exhibition catalogues or art books, and merchandise based on famous paintings and sculptures (e.g. figures, clothing, tableware, interior items, etc.).

Chart 4: Correlation Between Types of Purchase

		Art-related Products		Total
		Purchase	No Purchase	
Works of Art	Purchase	5.6%	7.7%	13.3%
	No Purchase	12.3%	74.4%	86.7%
Total		17.9%	82.1%	100%

		Ceramics, Crafts, Calligraphy, Hanging Scrolls, Folding Screens		Total
		Purchase	No Purchase	
Works of Art	Purchase	1.3%	2.2%	3.5%
	No Purchase	6.9%	89.6%	96.5%
Total		8.1%	91.9%	100%

Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

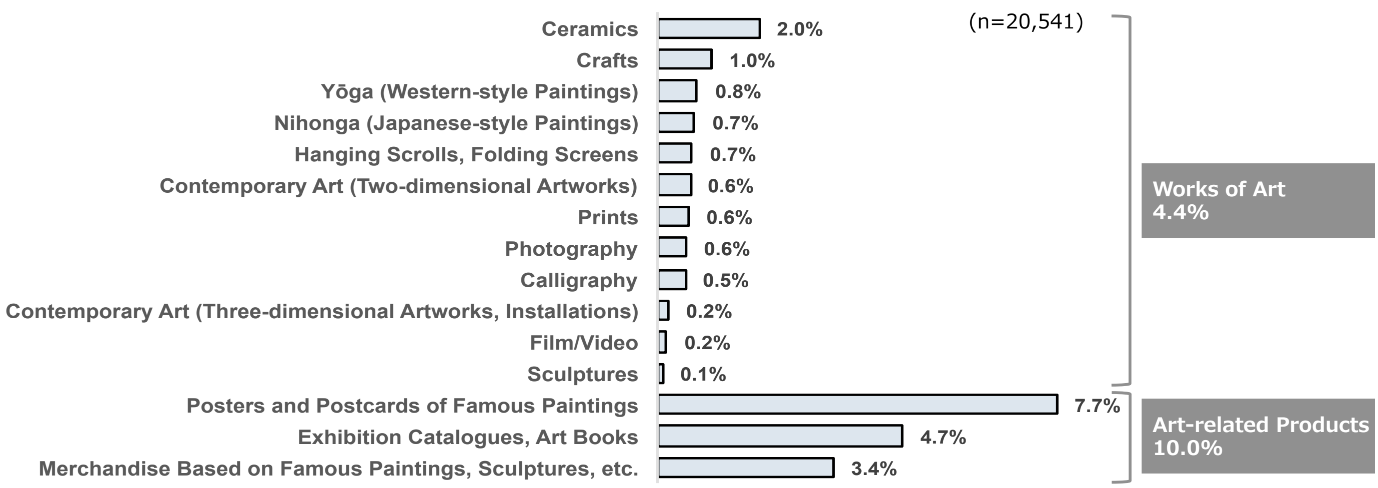
2-2: Purchases Over Past 3 Years (Per Type)

The purchasing rate for works of art or art-related products over the past 3 years per type is shown in Chart 5. The aforementioned experience of purchasing works of art is highest for ceramics, *yōga* (western-style paintings, excluding contemporary art), hanging scrolls, folding screens, and prints, though when examined over the past 3 years it is ceramics, crafts, *yōga* and *nihonga* (Japanese-style paintings, excluding contemporary art) that are the highest.

The purchasing rate for works of art is 4.4% and 10% for art-related products. The purchasing rate for contemporary art is 1.3% while it is 2.4% for antiques.

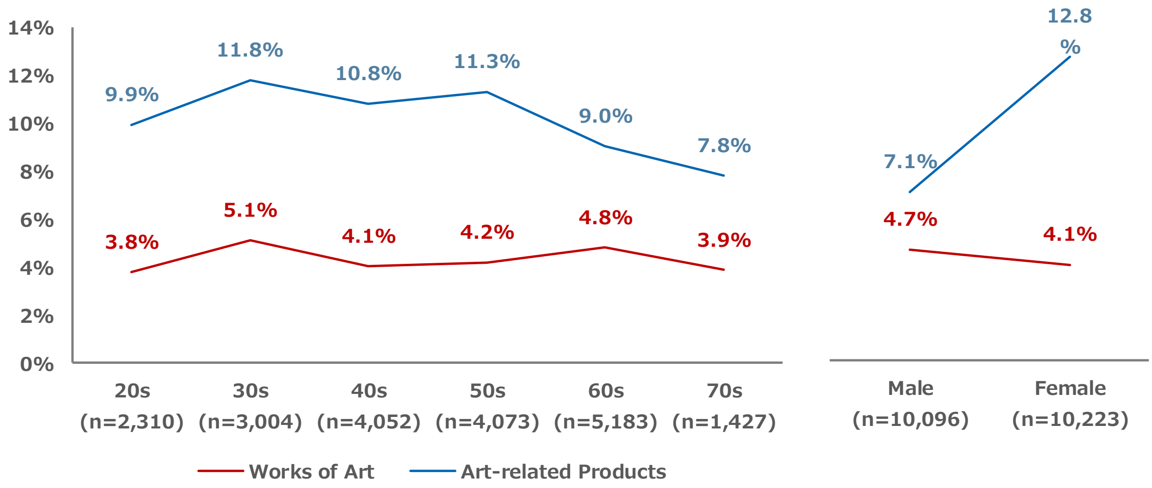
The purchasing rate for works of art or art-related products over the past 3 years per age and gender is shown in Chart 6. **For both works of art and art-related products, the highest number of people with purchasing experience are those in their thirties.** For works of art, the highest after people in their thirties is people in their sixties. In terms of gender, the purchasing rate for men is higher for works of art, but for art-related products the purchasing rate for women is much higher than for men.

Chart 5: Purchasing Rate of Works of Art or Art-related Products Over Past 3 Years (Per Type)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

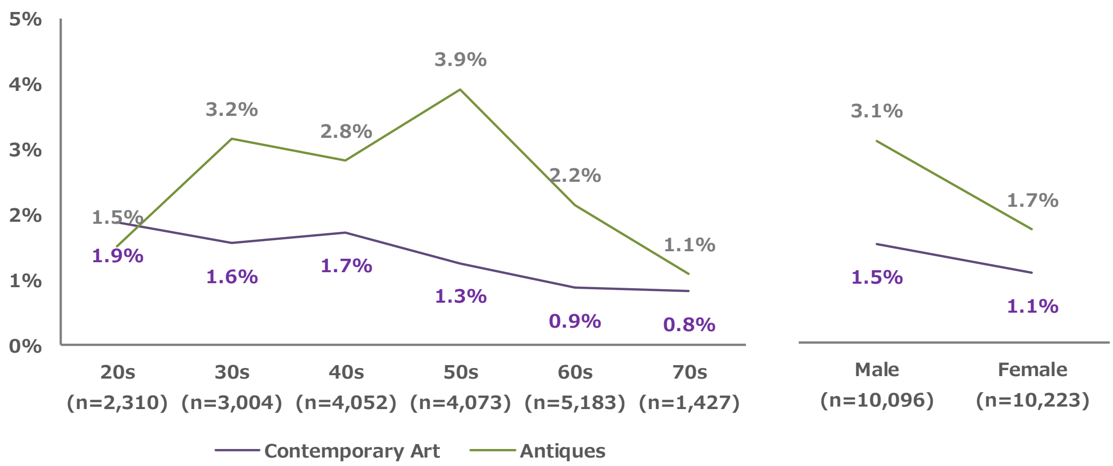
Chart 6: Purchasing Rate of Works of Art or Art-related Products Over Past 3 Years (Per Age and Gender)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

For contemporary art, the purchasing rate is higher for younger generations, while it is highest for antiques with people in their fifties (3.9%). For both contemporary art and antiques, the purchasing rate tends to be high for people in their thirties. In terms of gender, men are more likely to purchase than women, with the disparity particularly high for antiques.

Chart 7: Purchasing Rate of Works of Contemporary Art or Antiques Over Past 3 Years (Per Age and Gender)



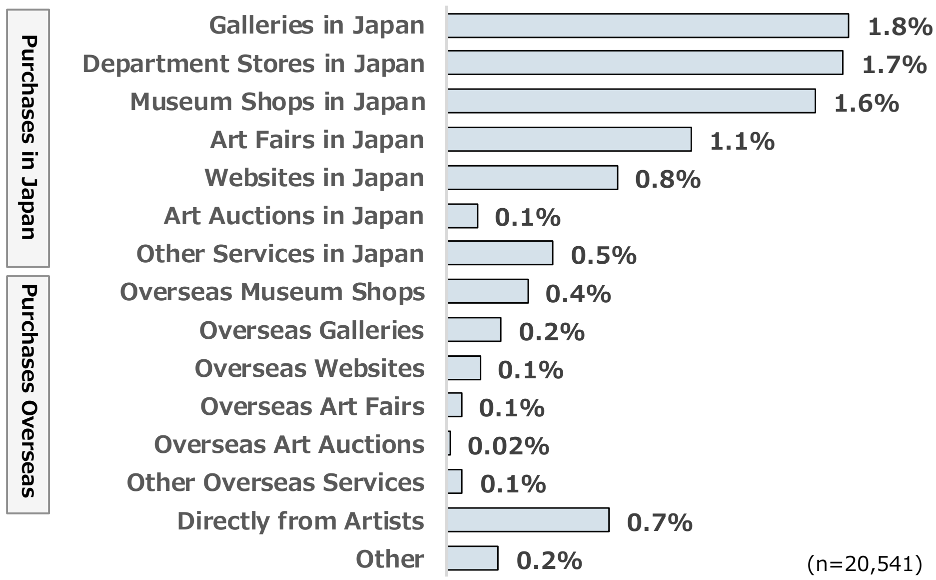
Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

2-3: Purchases Over Past 3 Years (Per Sales Channel)

The purchasing rate for works of art or art-related products over the past 3 years per sales channel is shown in Chart 8. **Galleries in Japan are the most frequently used sales channel (1.8%), followed closely by department stores in Japan (1.7%).**

Since the custom of buying works of art at department stores is uncommon in North America and Europe, this distribution channel can be regarded as distinct to Japan.

Chart 8: Purchasing Rate of Works of Art Over Past 3 Years (Per Sales Channel)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

1.8% of people purchase works of art only at art galleries in Japan, while 1.7% purchase only at department stores. In addition, 1.8% of people purchase works of art through both sales channels. As Chart 9 shows, approximately half of people who purchase works of art from each of the sales channel make use of both channels, indicating the possibility of coordination between the two channels.

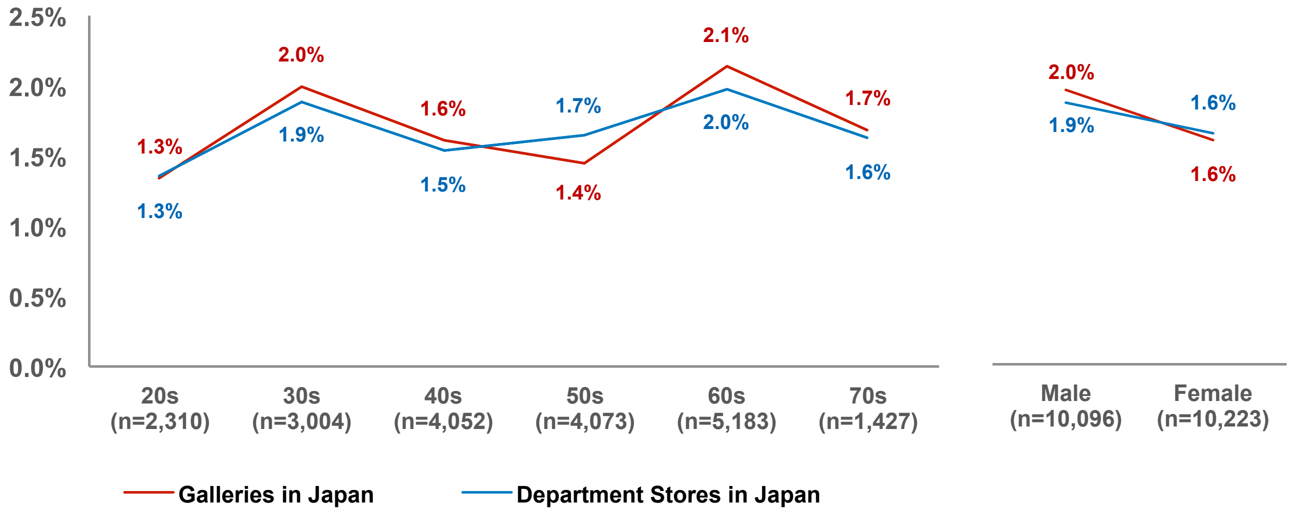
The purchasing rate for works of art over the past 3 years for art galleries and department stores in Japan per age gender and sales channel is shown in Chart 10. Age and gender do not reveal a large disparity between the sales channels.

Chart 9: Correlation Between Different Types of Purchasing Experiences

		Department Stores in Japan		Total
		Purchase	No Purchase	
Galleries in Japan	Purchase	1.8%	1.0%	1.8%
	No Purchase	0.9%	79.5%	98.2%
Total		1.7%	98.3%	100%

Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Chart 10: Purchasing Rate of Works of Art Over Past 3 Years (Per Age, Gender and Sales Channel)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Chapter 3: Market Scale of the Art Industry

3-1: Methdology for Estimating Market Scale

The survey defines total values for the art industry and market according to the following: the market for works of art; the market for art-related products; and the market for art-related services.

Chart 11: Summary of Methodology for Estimating Market Scale

<table>
<tr><th>Market Type</th><th>Estimate Subject</th><th>Estimate Method</th></tr>
<tr><td>1. Market for Works of Art</td><td>Purchases of the following kinds of works of art via the following kinds of sales channels by residents of Japan:
・Galleries, department stores, art fairs, art auctions, museum shops, websites, directrly from artists
・Works of art (nihonga, yōga, sculptures, prints, contemporary art, photography, video/film, ceramics, crafts, calligraphy, hanging scrolls, folding screens)</td><td rowspan="3">This questionnaire survey[5]</td></tr>
<tr><td>2. Market for Art-related Products</td><td>Purchases of the following kinds of art-related products by residents of Japan:
・Posters and postcards of famous paintings
・Exhibition catalogues and art books
・Merchandise based on famous paintings, sculptures, etc.</td></tr>
<tr><td rowspan="2">3. Market for Art-related Services</td><td>・Admission fees for visits to art museums and museums by residents in Japan</td></tr>
<tr><td>・Consumption related to visits to major art projects</td><td>Individual reports</td></tr>
</table>

The market for art-related services comprises two sections: admision fees for visits to art museums and museums by residents in Japan (hereafter “art museum and museum admission fees”) and consumption related to visits to major art projects (hereafter “art projects consumption”).

Art museum and museum admission fees were surveyed in regard to the number of visits (only for events with admission fees) annually for art museums and museums, from which an average admission fee was estimated.[6] Art projects consumption was estimated by annualizing the direct consumption expenditure for major art festivals (only those with public reports[7]) held since 2013, based on their frequency (biennale: every 2 years; triennale: every 3 years), and then calculating a total.

[5] Sales figures for art auctions in Japan used the total highest bids for auction houses in Japan published annually in *Art Collectors’* magazinze (Seikatsu no Tomo Co.).

[6] Estimated by the average ticket price per person (1,241 JPY) from visitor numbers and ticket prices (general advance) for major exhibitions at national art museums (National Museum of Modern Art, Tokyo; National Museum of Modern Art, Kyoto; National Museum of Western Art; National Museum of Art, Osaka; National Art Center, Tokyo) and national museums (Tokyo National Museum; Kyoto National Museum, Nara National Museum; Kyushu National Museum) in 2015.

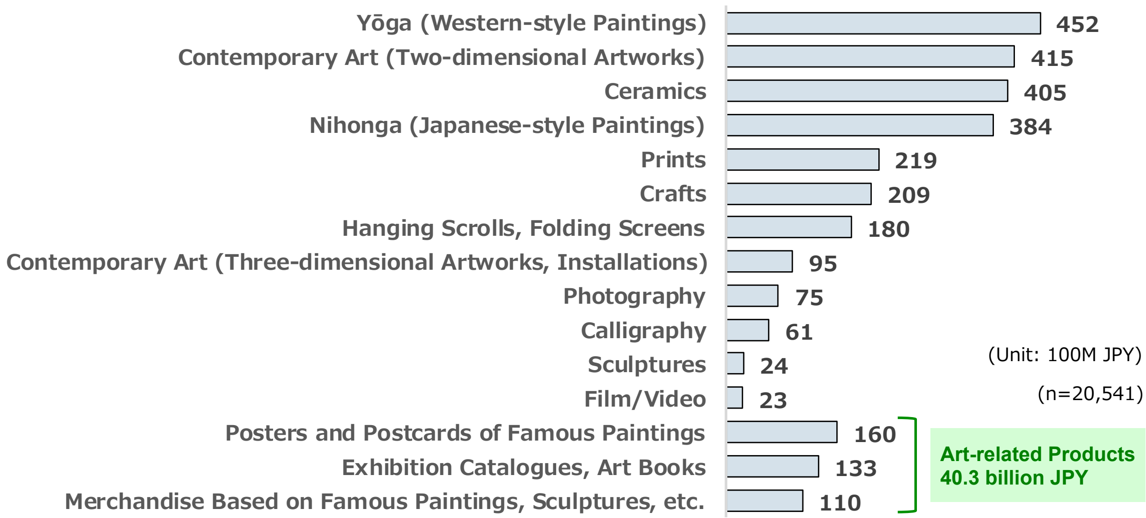
[7] Yokohama Triennale, Aichi Triennale, Sapporo International Art Festival, Parasophia: Kyoto International Festival of Contemporary Culture, Echigo-Tsumari Art Triennial, Setouchi Triennale, Ichihara Art x Mix, and Beppu Contemporary Art Festival Mixed Bathing World, etc.

3-2: Market Scale Estimate Results

The estimated results for the market scale per type of art are shown in Chart 12. *Yōga* is the largest with 45.2 billion JPY, followed by ceramics and contemporary art (two-dimensional artworks). The combined total for contemporary art, photography and film/video is 60.9 billion JPY. **The market for art-related products is estimated at 40.3 billion JPY.**

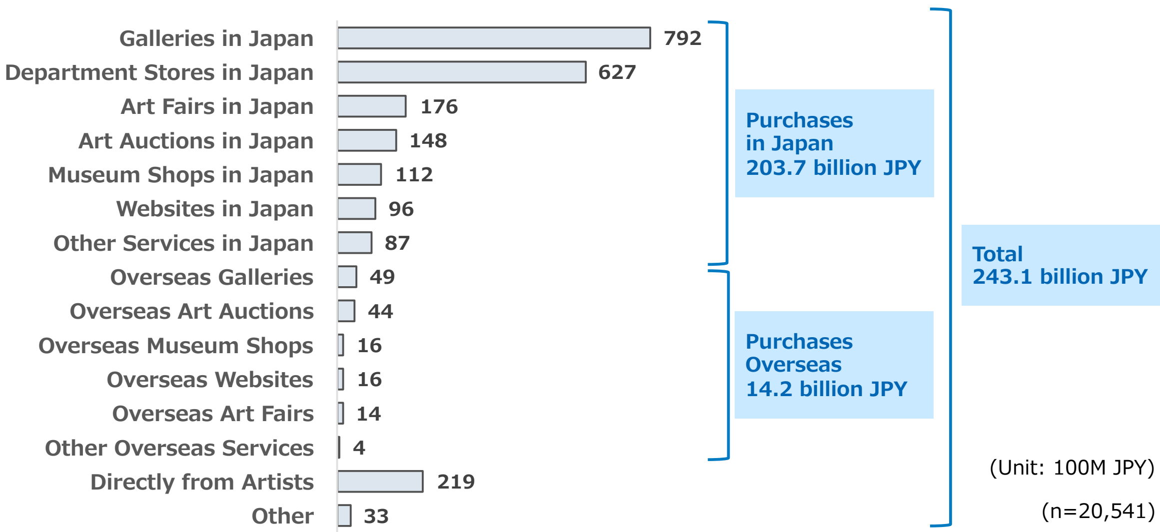
The estimate results for the market scale per sales channel are shown in Chart 13. **Purchases for works of art when viewed by sales channel are estimated at 241.1 billion JPY, of which 203.7 billion JPY are purchases from Japanese businesses. The two largest channels are galleries in Japan (79.2 billion JPY) and department stores in Japan (62.7 billion JPY)**, though there are also many purchases made directly with artists (21.9 billion JPY).

Chart 12: Market Scale for Works of Art and Art-related Products (Per Type)[8]



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Chart 13: Market Scale for Works of Art (Per Sales Channel)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

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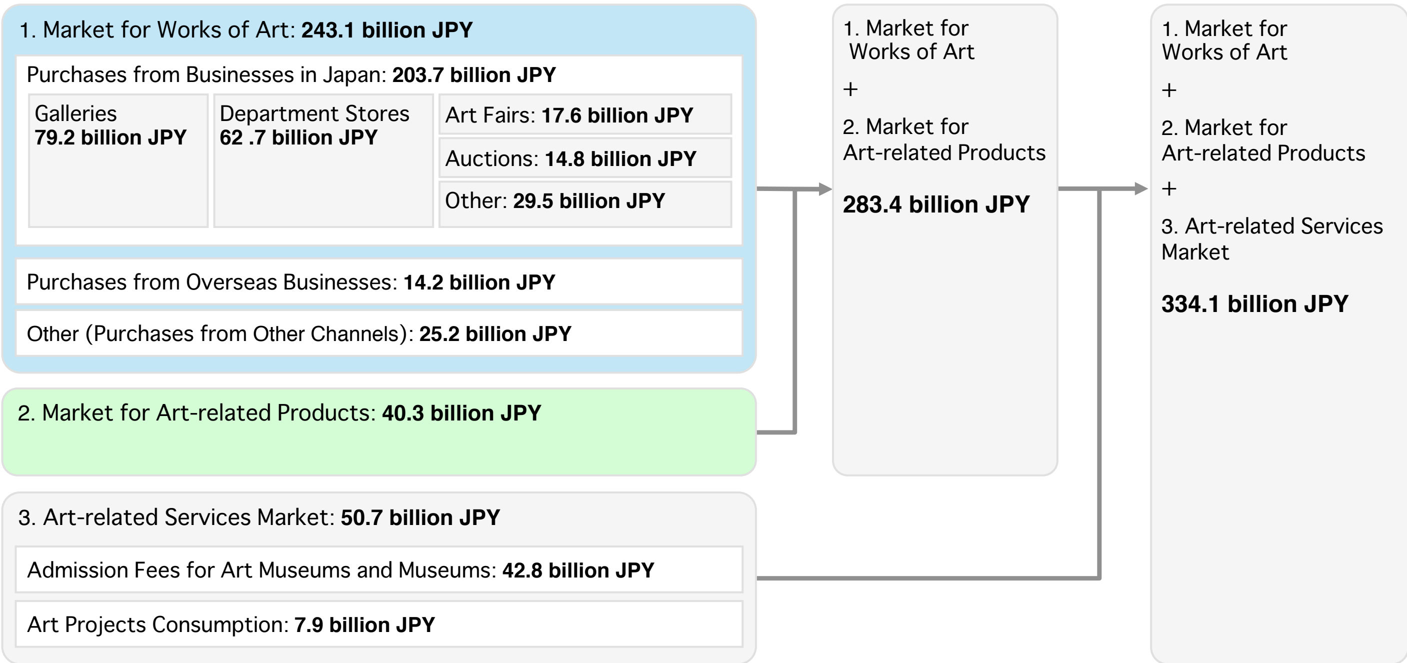
[8] The figures for purchases per type include duplicates, meaning the total for purchases of works of art here differs from the total of purchases of works of art per sales channel.

In regard to the market for art-related services, admission fees for art museums and museums have an estimated total of 42.8 billion JPY, while art projects consumption is 7.9 billion JPY. Together they total 50.7 billion JPY.

Combining the totals for the market for works of art (241.1 billion JPY),[9] art-related products (40.3 billion JPY) and art-related services (50.7 billion JPY), the overall market scale of the art industry is estimated at 334.1 billion JPY.

Chart 14: Overview of Art-related Market Scale



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Comparing with the market scale of various content industries, the scale of the art industry market (approx. 300 billion JPY) surpasses the markets for cinema (approx. 200 billion JPY) and game software (approx. 200 billion), and is on par with concert admission fees (approx. 300 billion JPY).[10]

[9] The figures per type of art and per sales channel differ, which likely results from multiple answers for purchases per type of art (for example, a work of art that may fall into more than one category). As such, the figure for purchases per sales channel was used to estimate the market for works of art.

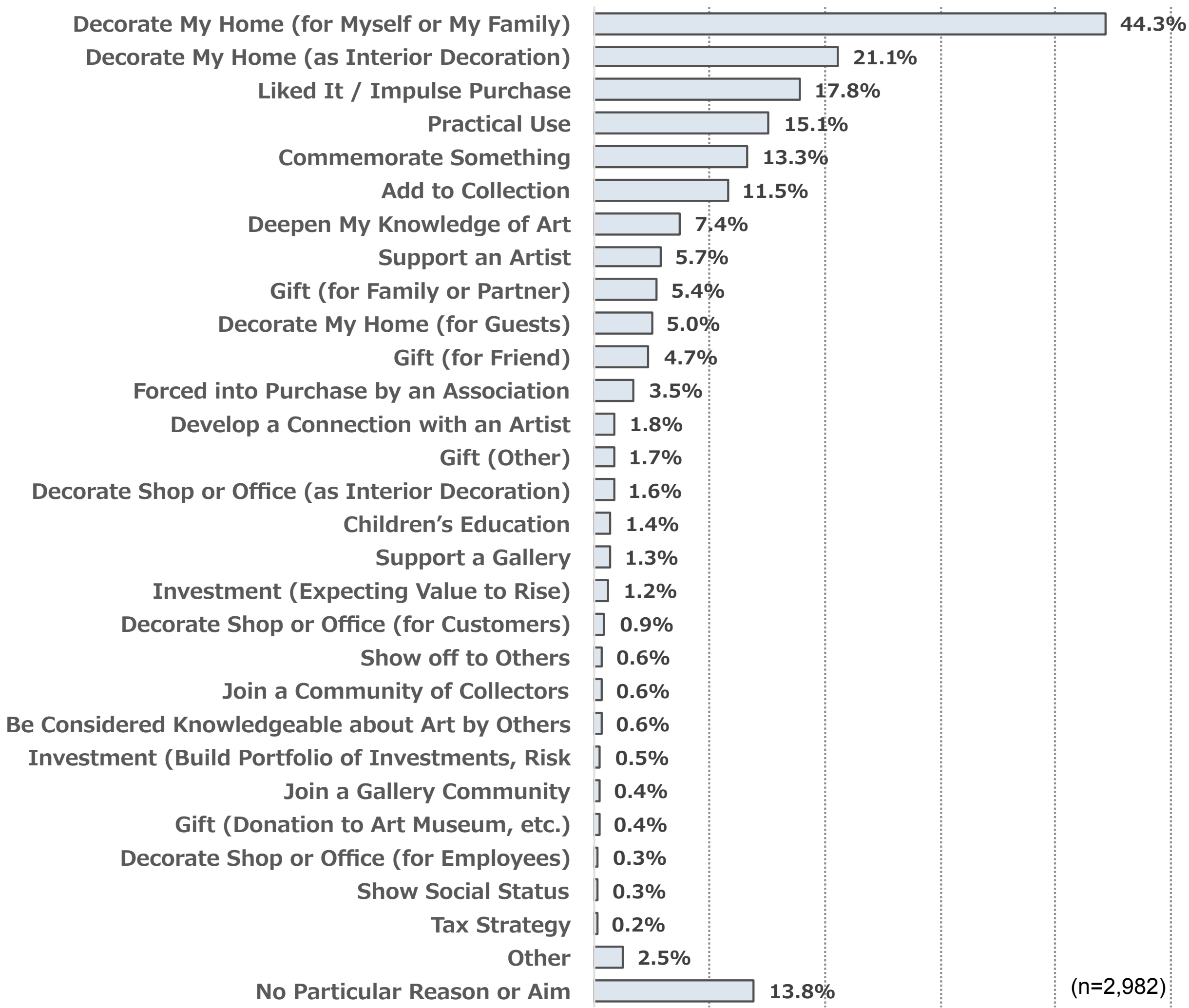
[10] These figures for the scale of other markets are included in Digital Contents White Book 2016 (Digital Content Association of Japan). Since the market scale investigated by this survey and the logic behind its calculations may differ from others, these comparisons are provided only as approximate references.

Chapter 4: Values Associated with Art Purchases

4-1: Aims of Purchasing Works of Art

The survey results for the reasons or aims of people purchased works of art in the past are shown in Chart 15. **The most commonly given aim of purchasing a work of art is to "decorate my home (for myself or my family)" at 44.3%, while "decorate my home (as interior decoration)" and "liked it / impulse purchase" were also common with, respectively, 21.1% and 17.8%.** It is clear that there is a tendency to purchase works of art for reasons of private pleasure or personal tastes or preferences.

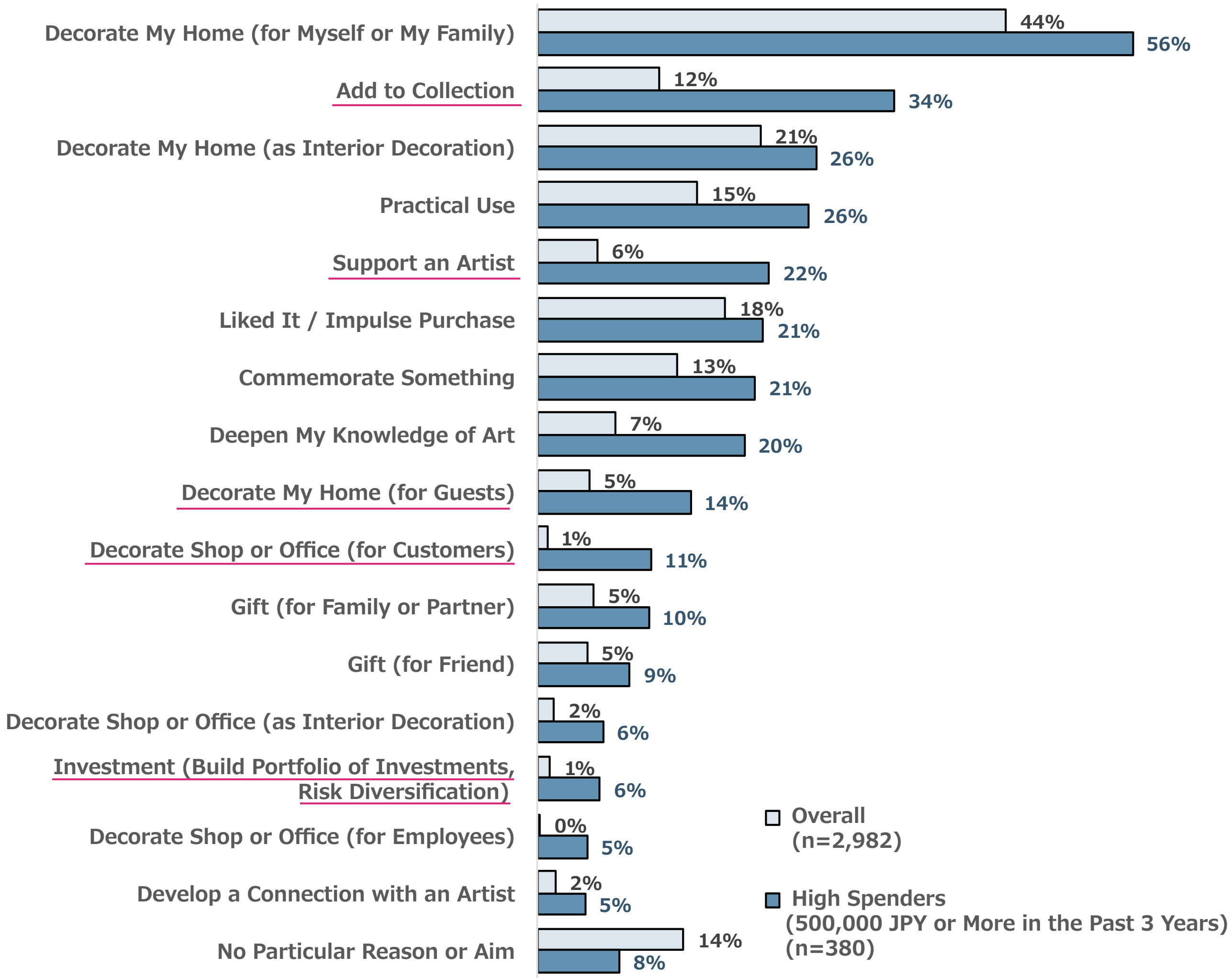
Chart 15: Aims of Purchasing Works of Art



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

These results as compared with "high spenders" (people who purchased works of art in the past 3 years for 500,000 JPY or more) are shown in Chart 16. **Here we can see a higher proportion of people purchasing for the following reasons: "add to collection," "support an artist," "decorate my home (for guests)," "decorate shop or office (for customers)," "decorate shop or office (as interior decoration)" and "investment (expecting value to rise)."** From this we can see a tendency for high spenders to purchase works of art for reasons other than private pleasure.

Chart 16: Aims of Purchasing Works of Art
(Comparison of Overall with High Spenders on Works on Art)[11]



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

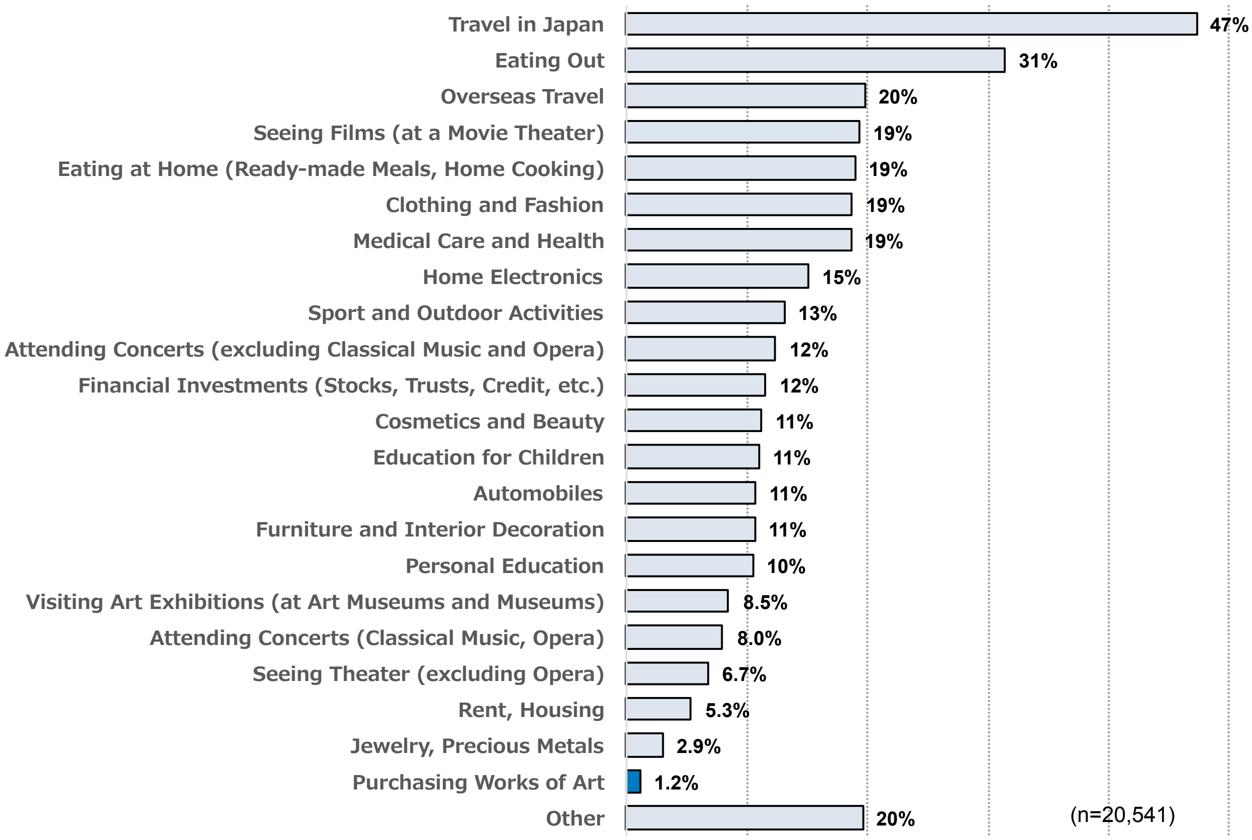
[11] Of the 30 aims, only the top 16 aims for high spenders are shown along with "no particular reason or aim."

4.2: Consumption Intention for Products and Services

The survey also investigated the area where people want to spend money on products and services in the future, as shown in Chart 17. The most common area or activity is "travel in Japan" (47%), selected by around half of respondents, followed by such activities as "eating out," "overseas travel," "seeing films (at a movie theater)," "eating at home (ready-made meals, home cooking)," "clothing and fashion," and "medical care and health." Among the activities, "purchasing works of art" (1.2%) is the least popular. As such, we can see that the existing needs for purchasing work of arts as a means of consumption are limited.

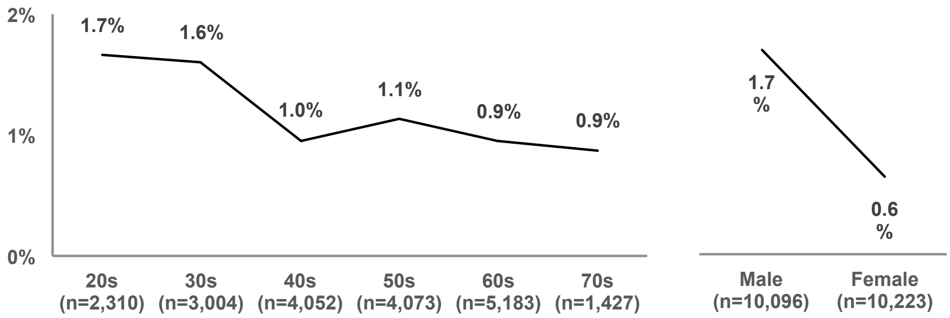
Respondents who answered that they wanted to spend money actively on purchasing works of art are shown by age and gender in Chart 18. We can see that consumption intention for works of art is proportionally higher for younger generations and highest for males.

Chart 17: Areas to Spend Money Actively in the Future (Multiple Answers)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Chart 18: Proportion of Respondents Who Answered "Purchasing Works of Art" (Per Age and Gender)



Source: Japanese Art Industry Market Research Report 2016 (Art Tokyo Association, Platform for Arts and Creativity)

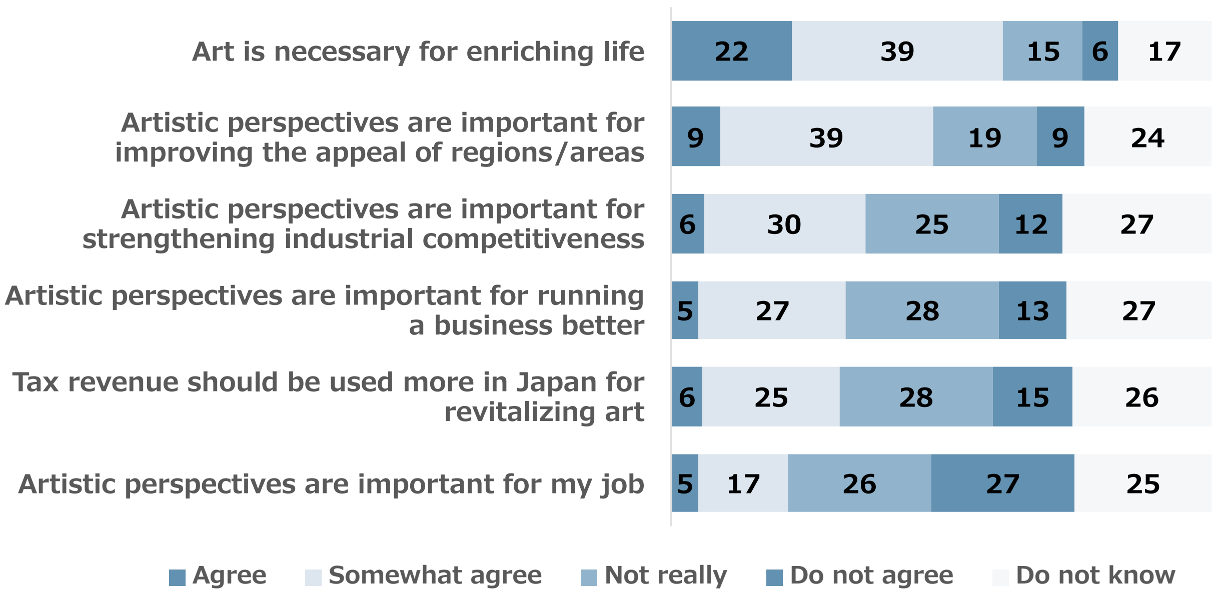
4-3: Values Associated with Art

The survey also investigated what kind of values people associate with art, as shown in Chart 19. 62% of people supported the statement “Art is necessary for enriching life” as either “agree” or “somewhat agree” (hereafter collectively indicated as “support”) as opposed to just 21% who answered “do not agree" or “not really” (hereafter collectively indicated as “non-support”).

In addition, the statement “Artistic perspectives are important for improving the appeal of regions/areas” also gained more support (48%) than non-support (28%).

However, other statements were not supported: “Artistic perspectives are important for strengthening industrial competitiveness” (support: 36%, non-support: 37%); “Artistic perspectives are important for running a business better” (support: 32%, non-support: 41%); and “Tax revenue should be used more in Japan for revitalizing art” (support: 31%, non-support: 43%). And for the statement “Artistic perspectives are important for my job” (support: 22%, non-support: 53%), non-support greatly exceeded support. This would indicate that, although in general the importance and necessity of art is recognized, this is actually connected to the personal activities of only limited numbers of people.

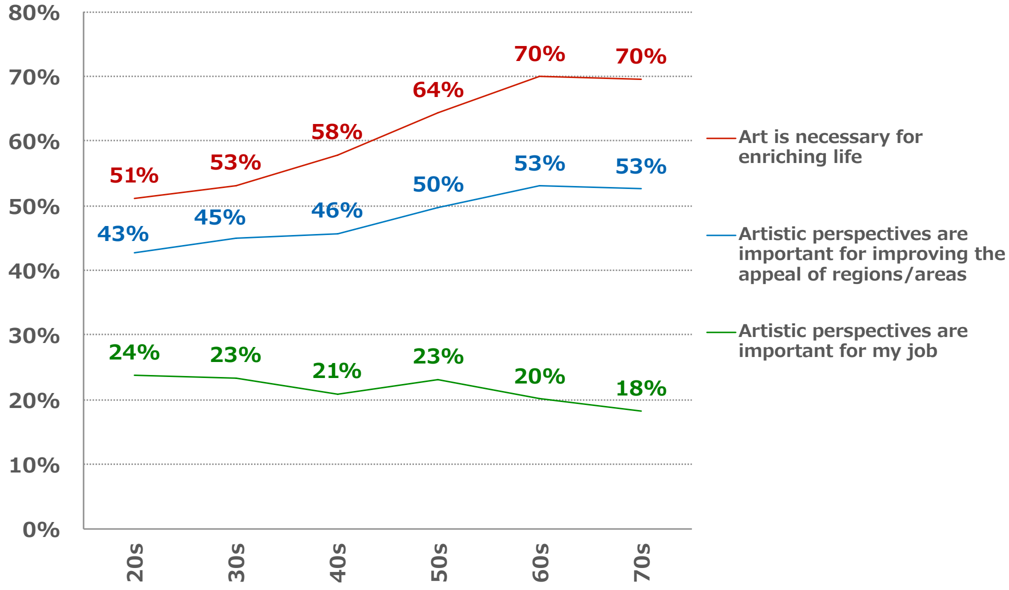
Chart 19: Values Associated with Art (%)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

In Chart 20, we can see some of these values associated with art separated by age. It shows that for the statements “Artistic perspectives are important for strengthening industrial competitiveness” and “Artistic perspectives are important for running a business better,” older people tend to be more supportive, though the statement “Artistic perspectives are important for my job” is supported more by younger people. As such, we can surmise that the younger generation tends to find artistic perspectives important on a personal rather than general basis.

Chart 20: Values Associated with Art per Age (Support)



Source: Japanese Art Industry Market Research Survey 2016 (Art Tokyo Association, Platform for Arts and Creativity)

Closing Remarks

This report compiled partial analysis from the results of the Japanese Art Industry Market Research Survey 2016. Based on this survey, Art Tokyo Association plans to continue its analysis with a range of approaches by cross-correlating the basic attributes of respondents (gender, age, occupation, income, place of residence, etc.), and publish further findings at later junctures.

The survey is intended to continue on an annual basis. From the next survey, part of the published results can be expected to offer fixed-pointed observations of the same area of analysis.

At ART FAIR TOKYO, which is organized by Art Tokyo Association, further surveys and analysis is planned in conjunction with the fair, based on the unique features of the art industry in Japan with its history and diversity of antiques, modern art and contemporary art. Disseminating this both in Japan and internationally as fundamental information will contribute to the development of the art industry.

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