

INFORMATION SERVICE ACTIVITIES
INCLUDING ADVERTISEMENT, PRESS AGENCY ACTIVITIES

A. General Comments on Classification of Information Service
Activities including Advertisement, Press Agency Activities

1. In the first complete draft of the ISIC Rev.3, information service activities are classified into two categories: "85 Computer and related activities" and "89 Other business activities".

According to Fritz Machlup, the information sector is divided into five categories: (i) education; (ii) media of communication; (iii) information machines; (iv) information services; and (v) other information-related activities which are not covered by the precedings. Such a sector covering these categories is considered to be identified as a new independent industry, i.e., the fourth industry, which includes both knowledge and information industries.

However, to set up the fourth industry as such should be postponed for the time being, because: (i) from an international point of view, it may be still premature to establish such classification as the extent of the development of information industries varies from one country to another; and (ii) it is not desirable to change statistical classification too radically in view of the importance to assure the continuity of international statistics.

2. As the weight of information industries in the national economy has been increasing year after year, it is desirable that the following groups or classes which are all service activities directly related to information itself among those groups or classes assigned to Japan, be integrated into one single division.

This division of information service activities includes both computer related information service activities and other information service activities. Information service activities specified here, consists of those activities which present actual information as it is without adding any views or creative knowledge, and those auxiliary activities. Business and management consultancy -- concerning, tax, accounts, management and so on which involve creative processing of information are excluded from this division. On the other hand, market research and public opinion polling, which purely report the actual situation without any additional information, should be included in this division as well as advertisement other than PR and CM.

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As regards computer related information services, since Maintenance and repair of computers are "goods" related services, those activities should be classified in appropriate class like maintenance and repair of other goods (i.e. motor vehicles, personal and household goods, etc.).

Statistics Sweden proposed that data base should be classified in a class including libraries in view of the function of information providing. Although we sympathize with the point that those activities are information related activities, we think that data base services are new type of activities using high technology, so they should be distinguished from usual libraries. For considering industrial statistics, the degree of technology used, weight of those activities in the economy, and those international comparability are very important. Therefore these concepts must be well organized and classified respectively.

- 85 Information Service Activities
 - 851 Computer related information service activities
 - 8511 Computer and software consultancy
 - 8512 Software supply
 - 8513 Data processing
 - 8514 Data-base services
 - 8519 Other computer related information service activities
 - 852 Investigation
 - 8521 Market research and public opinion polling
 - 8522 Business research
 - 8529 Other investigation
 - 853 Advertising
 - 8531 Advertising agency activities
 - 8532 Outdoor advertising
 - 8539 Other advertising
 - 854 Press agency activities
 - 8540 Press agency activities

855 Publishing (?)
8550

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B. Proposed Classification of Information Service Activities
and R & D

85. Information Service Activities

851. Computer related information service activities

Although Computer and Related Activities are classified into one category as group 850 in the draft ISIC Rev.3, it is appropriate to establish a group which includes those Information Activities only, because of the said reasons.

8511. Computer and software consultancy

This class includes consultancy on type and configuration of hardware and associated software application. The consultancy typically involves analysing the user's needs and problems and presenting the most economic solution.

Exclusions: Similar services carried out by computer producing or selling, renting or leasing units as an integrated part of the equipment delivery contract.

8512. Software supply

This class includes activities in connection with analysis, design and programming of systems ready to use. This usually involves the analysis of the users' needs and problems and offering the most economical solution and producing the necessary software to realize this solution. Also included is the simple writing of programs following directives of the user. Specifically, these activities involve development, production and supply of order-made software based on orders from specific users and easy-order and ready-made software for unspecific customers.

8513. Data processing

This class includes the processing or tabulation of all types of data on a fee or contract basis. This may consist of complete processing and preparation of reports from data supplied by the customer or may be specialized such as key-punching or other input preparation, conversion such as card to tape, etc., optical character recognition and others. It may involve the processing of accounting, financial, statistical, scientific, economic, mathematical, engineering or technical data using chiefly digital computers and computer-related hardware but also mechanical or electric adding and calculating machines. The services may be supplied either over-the-counter or via remote access terminals and may employ either the customer's or a proprietary program. Included is the provision of such services on an hourly or time-share basis. Also included is

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the management and operation of data processing facilities of others on a continuing basis.

Exclusions: Rental and leasing in connection with computers and computer-related hardware and adding and calculating machines is classified in group 8414 (Renting of office machinery and equipment).

Computer systems development and programming is classified in class 8511 (Software supply).

8514. Data-base services

This class includes the provision of data in a certain order or sequence. The data can be written, numerical or visual information of any kind such as financial, economic, statistical or technical. They are usually stored by the same unit that provides them. The data may be accessible to everybody or to limited users. This class covers establishments which construct data-bases, those which provides on-line services of the constructed data-bases, and those which retrieve the data-bases efficiently in place of users. Sources of data to be provided are divided into two kinds of data-bases: one including newspapers, magazines, etc., and the other including economic statistics, financial data of enterprises, etc.

8519. Other computer related information service activities

This class includes establishments which provide other computer related information services which are not elsewhere classified.

Exclusions: Maintenance and repair of computers

The situation in Japan is such that most of enterprises set up computers under lease and rental contracts and thus maintenance and repair of those computers are carried out by the lease and rental companies or otherwise enterprises producing those computers. Consequently, there are very few establishments whose specialities or main economic activities are maintenance and repair of computers. Therefore, we do not think it necessary to establish one independent class for the activities in view of the state in Japan. If it is necessary to do so in view of other goods' repair in ISIC like cars, vehicles, electric instrument and so on, it would be appropriate to classify the activities in section 2 or 6.

852. Investigation

Considering the growing weight of Information activities which are carried out through various kinds of investigations such as Market research, we think it necessary to establish one independent group for these activities by regrouping the classes concerned.

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8521. Market research and public opinion polling

This class refers to those establishments which conduct investigation on market potential, acceptance, and familiarity of products and buying habits of consumers for the purpose of sales promotion and development of new products, and those which conduct investigation on collective opinions of the public about political, economic and social issues.

Market research and public opinion polling should be deleted from class 8913 (Business and management consultancy activities).

8522. Business research

This class refers to those establishments which conduct investigations to provide grading of credibility (assets holding and payment ability) and business practice, of individuals and companies as prospective business partners, for financial-lease companies, commercial-loan companies, credit-card companies, and other financial institutions who need the grading when they give loans to or do other business with those partners.

Credit investigation should be deleted from class 8999 (Other business activities, n.e.c.).

8529. Other investigation

853. Advertising

While the draft ISIC treats collectively all the establishments which conduct advertising activities, it is characteristic of Japanese advertising industry that there are a lot of establishments which advertise for their clients based on contracts with advertising media companies to buy space or time of the media. These establishments are advertising agencies which, with a large scale of business and personnel, use periodicals, newspapers, radio and television as media for their advertising activities.

They are apparently different from those advertising establishments which only prepare outdoor posters, billboards, etc., in terms of types of media used, business magnitude, and enterprise methodology.

Therefore, we think it desirable to divide group 894 (Advertising) into the following three classes.

8531. Advertising agency activities

This class refers to establishments which produce, edit and conduct advertisement in various types of media such as periodicals, newspapers, radio and television for their clients, contracting with advertising media businesses for space or time of the media.

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Exclusion: Market research is classified in class 8521 (Market research and public opinion polling).

Public relation activities is classified in class 8913 (Business and management consultancy activities).

Production, recording and filming in connection with commercial messages for radio, television and film are classified in group 961 (Motion picture, radio, television and other entertainment activities).

8532. Outdoor advertising

This class includes establishments which display the outdoor advertisement. These activities mainly include the preparation of poster displays and painted and electric spectacular displays on panels, bulletins and frames, window dressing, showroom design, car and bus carding services and so on. These establishments sometimes prepare posters, bulletin boards and so on and conduct maintenance and repair of them.

Exclusions: Production of electorical advertising equipment is classified in group 235 (Manufacture of electrical machinery and apparatus).

Printing of advertising materials is classified in class 3422 (Printing not connected to publishing).

8539. Other advertising

This class refers to those establishments which conduct advertising services such as postal advertisement services, sample distribution that are not elsewhere classified.

Exclusions: Direct mailing activities are classified in class 8999 (Other business activities, n.e.c.).

854. Press agency activities

8540. Press agency activities

The same as in the draft ISIC Rev.3.

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