



JAPAN

10 eCommerce Facts

Japan has the world's third largest economy by nominal GDP at USD \$4,413 billion. As the world's fourth biggest B2C eCommerce market, Japan's online sales reached US\$89.55 billion in 2015 and is expected to rise to US\$122.46 billion by 2018 — its growth reflective of a regional and global trend for eCommerce.

1 CONTINUED ECOMMERCE GROWTH TILL 2018

The Japanese retail eCommerce scene will continue on an upward climb (Statista). This is reflective of the APAC B2C eCommerce sales phenomenon, with APAC's numbers surpassing all other regions – USD \$1,152.21 billion of the USD \$2,050.36 worldwide.

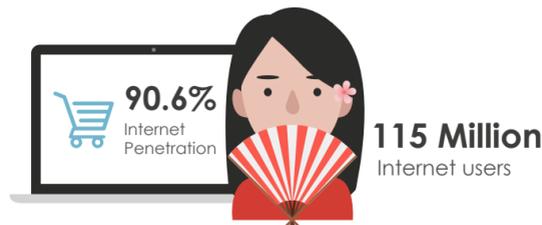
Retail eCommerce sales in Japan from 2015 to 2019:



2 A HIGHLY CONNECTED NATION OF SHOPPERS

Japan enjoys the second-highest Internet penetration rate in Asia at 90.6%, behind only South Korea at 92.3% – internet users (as of Nov 2015) amount to nearly 115 million.

The nation also has the world's second-highest digital buyer penetration, behind only the UK. 82.5% of Japanese Internet users are estimated to have shopped online in 2016, with more expected in the next couple of years.



4 DEEP ACCEPTANCE OF MARKETPLACES

Marketplaces are popular among Japanese online shoppers. This, coupled with very low return rates, make selling on large marketplaces like Amazon and Rakuten easy.

The top 5 eCommerce sites in Japan as of May 2015:



3 AN ADVANCED MCOMMERCE MARKET

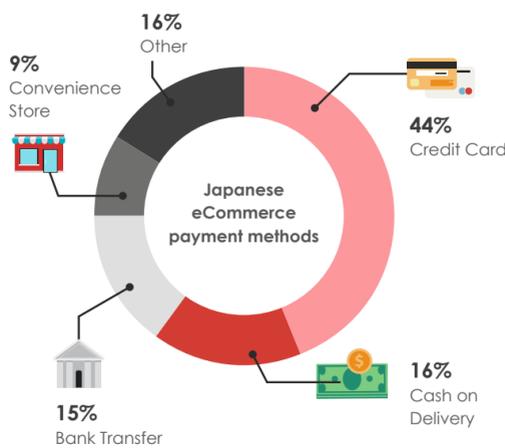
Japan dominates the world in mobile eCommerce transactions. Where mCommerce forms 35% of all eCommerce transactions globally, Japan leads the world in domestic mobile transaction share at nearly 50%, topping major global markets like the US and the UK.

Mobile conversion rates in Japan clock in at just under 300% compared to the US. Most of these are from smartphones, showing that tablets do not always convert better in mCommerce.



6 CARDS DOMINATE PAYMENTS

According to Btrax, Japanese eCommerce payment methods are distributed thus:



24/7 convenience stores, called konbini, also serve as pick-up points for online orders, making partnerships with them key to any eCommerce fulfillment strategy in Japan.

5 RETAINING THE JAPANESE CONSUMER

An Epsilon study in October 2015 revealed that the loyalties of Japanese consumers are inclined towards credit card and multi-merchant rewards programs, and eCommerce platforms. Combining the two is therefore recommended.

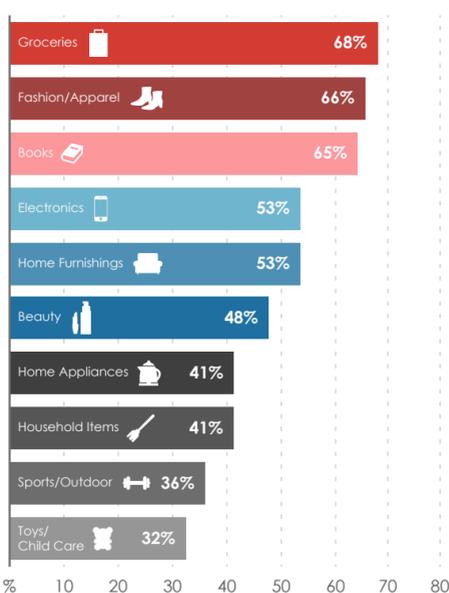


Attitude-wise, value for money is king in grocery and eCommerce, but Japanese pay nearly twice as much attention to product and lifestyle fit when it comes to fashion, food and beverage.

8 TOP PRODUCTS IN SHOPPING CARTS

A 2014 AT Kearney survey of over 900 Japanese online shoppers revealed some of the most popular purchases as follows:

What Japanese Buy Online (by % of purchases during May-July 2014)



7 SOCIAL MEDIA PENETRATION

Mobile is a key channel in Japanese social media usage: 53 million (42%) of the nation's population are active on social media on mobiles (We are Social).

53 Million active on social media on mobiles



LINE dominates Japan's social media scene, followed by Facebook and Twitter, and a collection of others: MIXI, Facebook Messenger, Ameblo, Instagram, Google+, Mobage, and Gree.



10 ECOMMERCE DRIVING LOGISTICS MARKET CHANGES

The upwards eCommerce trend is a bright note not only for online merchants but also logistics firms. Jones Lang Lasalle predicts that higher-grade logistics facilities will emerge in response to Japan's burgeoning eCommerce potential.

This is reflective of a regional trend – in 2015, eCommerce was expected to drive a 51% increase of new logistics space in Asia (CBRE).



SOURCES: Knoema, PR Newswire, Statista, eMarketer, Internet World Stats, Chandler Nguyen, Criteo, Practical Ecommerce, Epsilon, We are Social, AT Kearney, UPS, Jones Lang Lasalle, World Property Journal

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