

MARKET INSIGHTS

JAPAN



POWER UP
YOUR POTENTIAL



JAPAN

AT A GLANCE

QUICK INTRODUCTION

Population: 127 million

Currency: JPY

VAT: 8%

GDP per Capita: US\$38,282

92.7%

Internet penetration

US\$892.53

Average spend per shopper

US\$79.2bn

B2C e-commerce turnover

32.6%

Growth e-commerce market

76%

Of the population shops online

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- According to a November 2016 MasterCard survey, crossborder accounted for 17.5% of digital purchases in India and 19.9% in Japan.
- According to Ministry of Economy, Trade and Industry (METI) - Japan data issued in 2017, online buyers in China spent \$3.92 billion in the US and \$0.21 billion in Japan during 2016. This is much less than buyers in the US and Japan spent in China: Those from Japan spent \$9.53 billion on sites in China and \$5.66 billion in the US.
- The largest and fastest growing e-commerce and cross border e-commerce markets are all in the Asia-Pacific region, with China being the leader. Higher internet penetration, increasing mobile usage, a rising middle class, and improved delivery infrastructure are some of the triggers of this rapid growth.

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E-COMMERCE ENVIRONMENT





Japan is a popular cross-border destination for Asian countries, especially for India and South Korea. Owing to their aging population, it is the Japanese over 55 years who spend most time online.

People
over the
age of
over **55**
spend the most time online

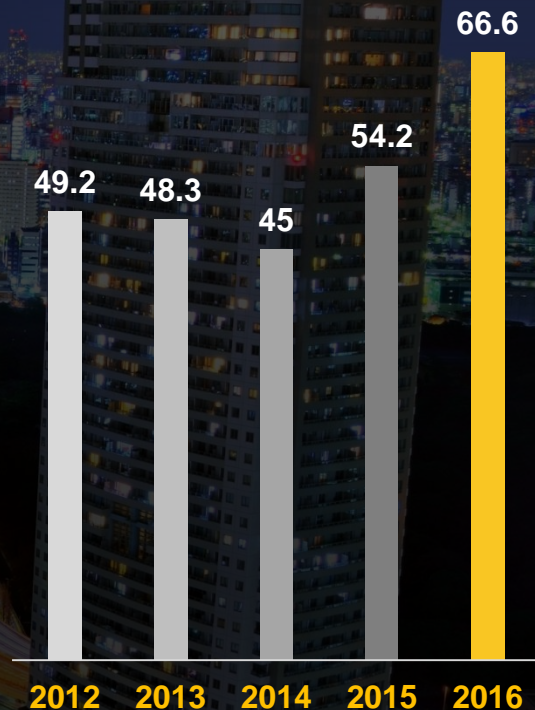
TOP ONLINE PAYMENT METHODS

Credit cards:	56%
Other:	20%
Bank transfer:	13%
Cash on delivery:	7%
eWallet (PayPal):	2%
Debit cards:	1%

SOCIAL MEDIA USAGE

 17%	 2%
 15%	 2%

E-COMMERCE SALES (US\$, billions)



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DELIVERY PREFERENCES



Signature Release

10%



Neighbor Delivery

1%



Scheduled Delivery

85%



Signature Form

0%



Vacation Hold

1%



Service Point Delivery

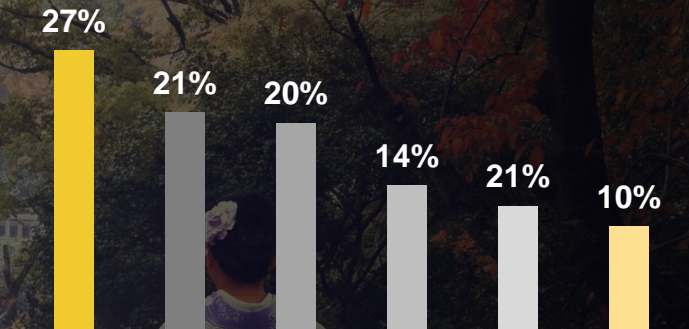
5%



Alternate Address

1%

MOST POPULAR PURCHASES FOR CROSS-BORDER SHOPPING



SHIPPING TO JAPAN

2-3 Days transit time

1,145 DHL Service Points

JPY 10,000

De minimis value

ON DEMAND DELIVERY

ODD Options Available:

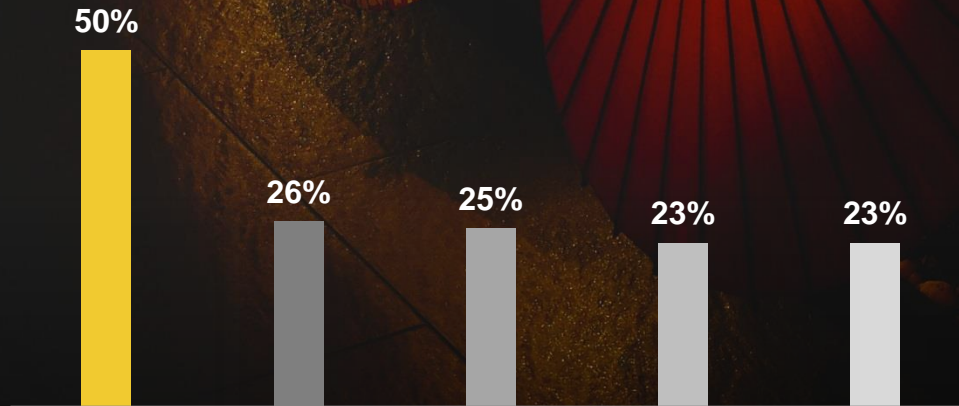
1. Signature release
2. Neighbor delivery
3. Scheduled delivery
4. Signature form
5. Vacation hold
6. Service Point delivery
7. Alternate address

For products of EU preferential origin, you can benefit from the EU-Japan Economic Partnership Agreement (EPA) which eliminates/ reduces import tariffs (depending on product HS code). Find out more: <https://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/>



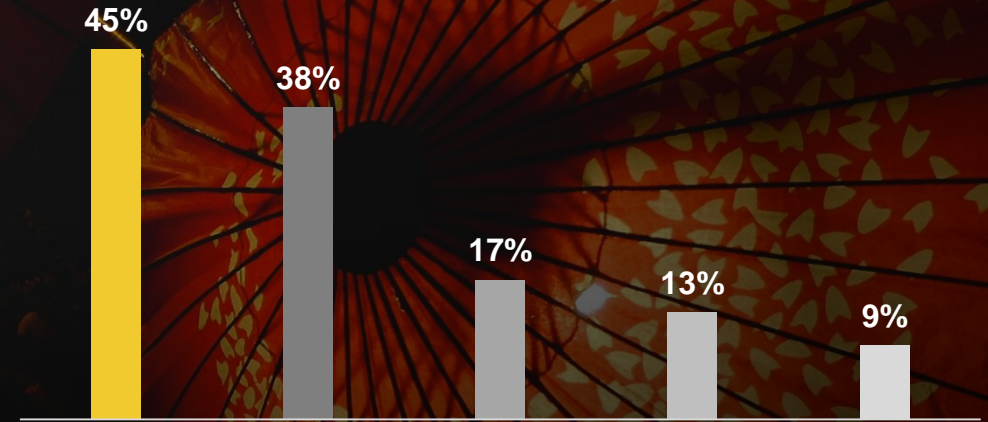
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REASONS FOR NOT BUYING ABROAD



- Own country meets my needs 50%
- Assume will struggle with language 26%
- Assuming difficult to return/costly 25%
- Assuming delivery takes longer 23%
- Not trusting foreign sites 23%

REASONS FOR BUYING ABROAD



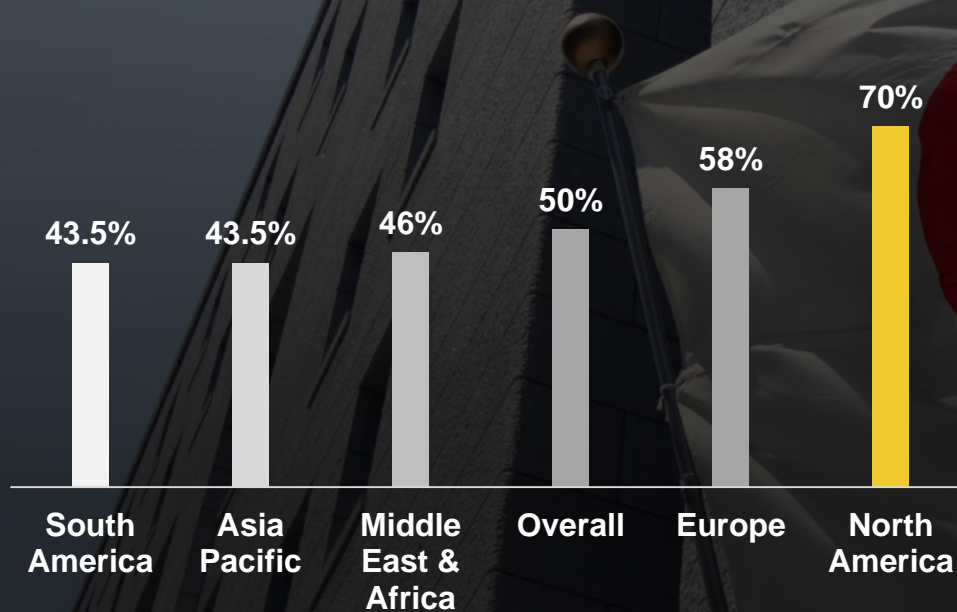
- Better availability 45%
- Better conditions 38%
- Better quality 17%
- Broader range of products 13%
- Appealing offer 9%

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FACTS AND FIGURES

E-SHOPPER PENETRATION REGIONAL

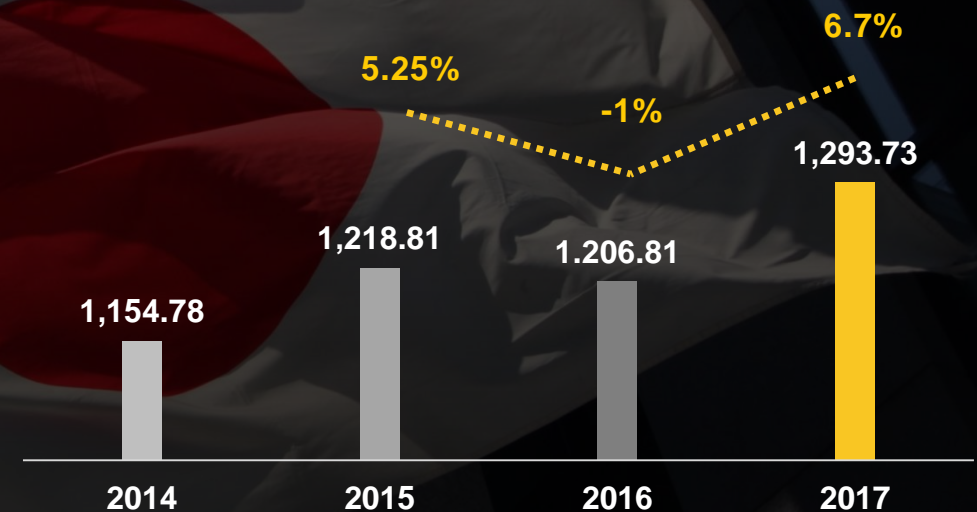
Share of internet users shopping online, regional 2017(f)



North America has the highest share of e-shoppers at **70%**.

E-SHOPPER SPENDING GROWTH

Average amount spent per e-shopper, per year, Asia Pacific, 2014 - 2017(f); e-shopper spending growth rate, Asia Pacific, 2015 - 2017(f), in US\$



Average spending per e-shopper is increasing in Asia Pacific.

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- Using credit and debit cards is the most preferred payment method, while bank transfer is their second choice.
- Twitter is used by 36% of the Japanese population. Japanese online shoppers engage with brands on social media to get coupons and free products.
- With rapidly growing mobile usage, online transactions on mobile platforms make up nearly 60% of all purchases, with sales of \$16 billion.
- Japanese shoppers are generally risk averse so they only look for brands they know and trust. Low return rates and excellent customer service are expected in their purchases.
- Japan is a popular cross-border destination for Asian countries, especially for India and South Korea.
- E-commerce takes a share of 2.8% of Japan's \$4123 billion GDP. With the aging population, Japanese people over the age of 55 spend the most time online amongst all age groups.
- Rakuten, Amazon Japan, and Yahoo Japan Shopping are the three biggest marketplaces in the country, with around 50% of the total Japanese annual e-commerce revenue in 2015.



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THANK YOU

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