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**pingpong**

## Leverage Leading Marketplaces to Win eCommerce in Japan



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Overseas Sales Strategy Group



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PingPong Payments  
US



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# 3 ways to thrive during COVID-19

## 1. Diversification of product

- **Re-evaluate your products and product selection**

## 2. Diversification of channel

- **Reduce your reliance on a single country or single marketplace**

## 3. Re-evaluate and optimize

- **Every penny counts**

# Agenda

1. Japan Market Overview
2. Leading eCommerce Marketplaces in Japan
3. Key Considerations When Expanding to Japan
4. PingPong - Rakuten's Exclusive Payment Partner



# Agenda

- 1. Japan Market Overview**
2. Leading eCommerce Marketplaces in Japan
3. Key Considerations When Expanding to Japan
4. PingPong - Rakuten's Exclusive Payment Partner



# Japan in Numbers

Total  
Population



**126**  
MILLION

RANKING  
**# 11**

GDP



**\$5,110**  
BILLION

RANKING  
**#3**

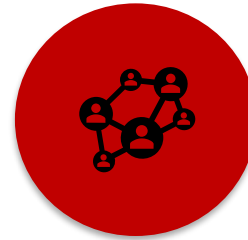
Internet  
Usage



**116**  
MILLION

PENETRATION  
**91%**

Active Social  
Media Users



**78**  
MILLION

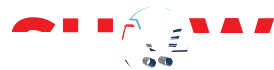
PENETRATION  
**61%**

Retail Sales



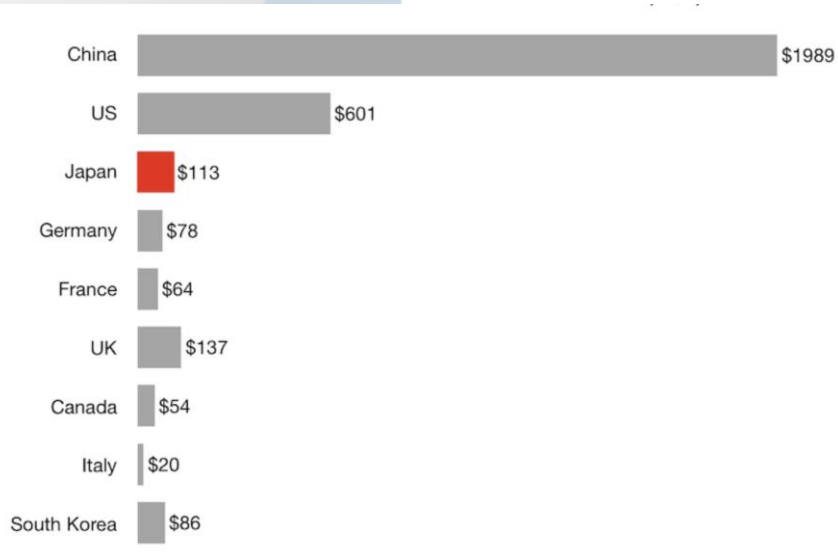
**\$1,301**  
BILLION

RANKING  
**#3**

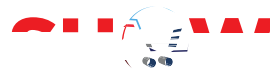
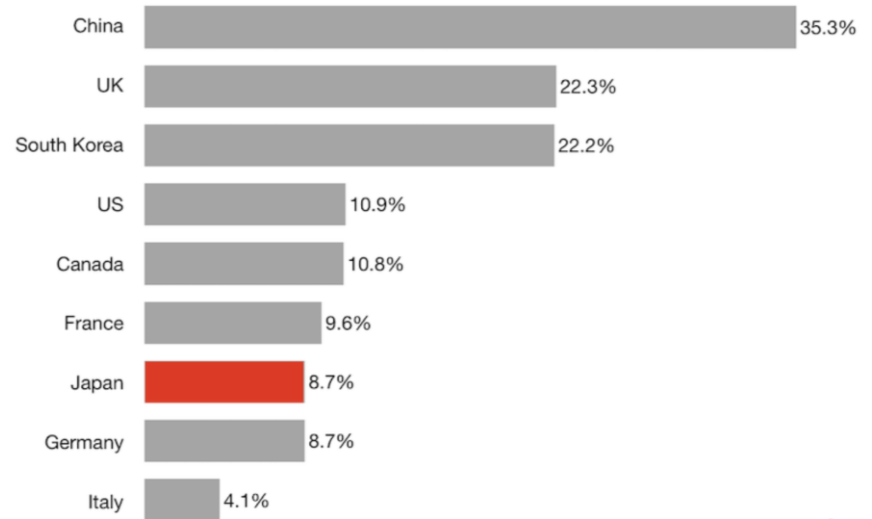


# Japan is the 4<sup>th</sup> Largest eCommerce Market

2019 Retail eCommerce Sales (in \$Bn)

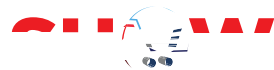
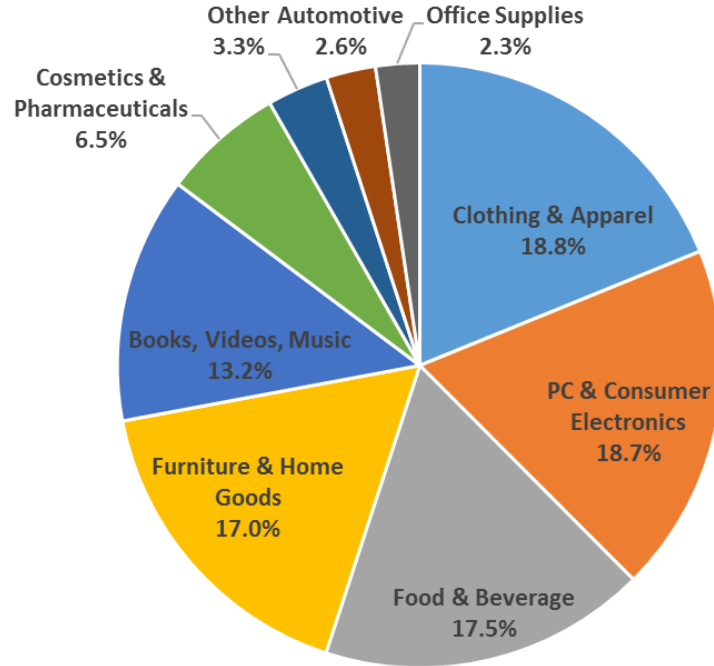


2019 Retail eCommerce Penetration Rate



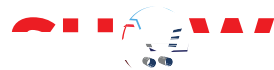
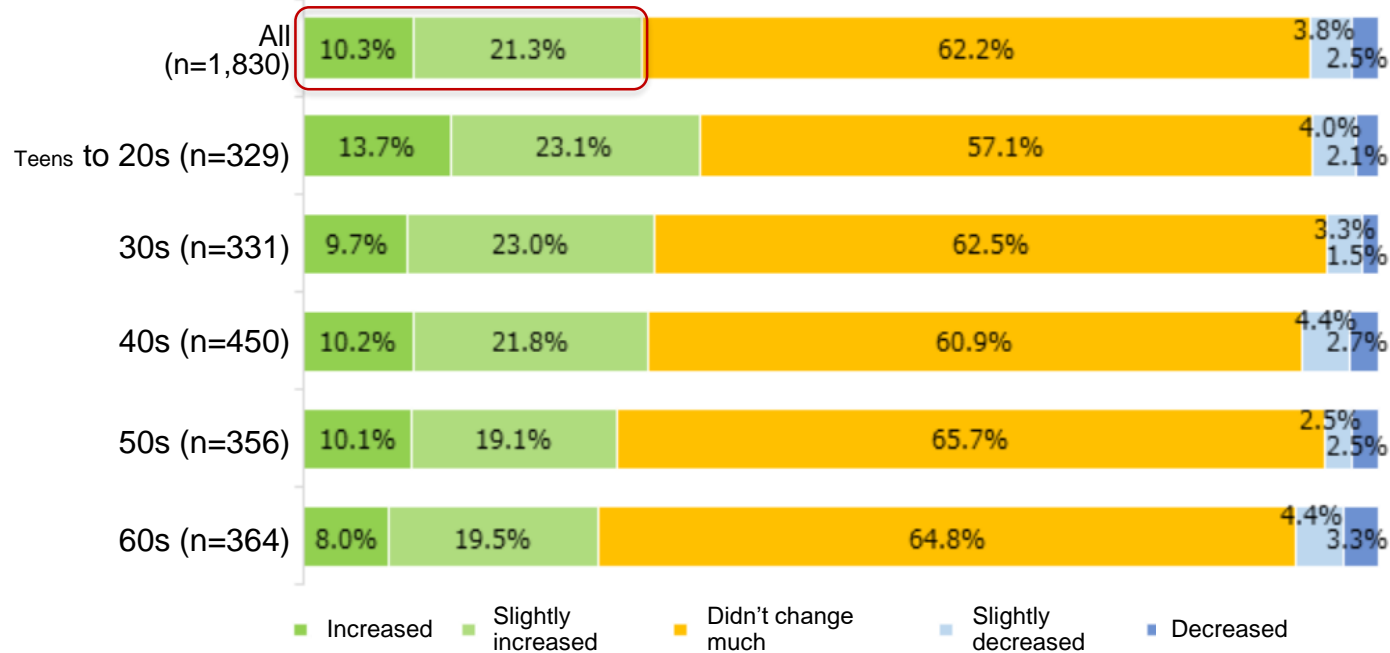


# Japan's eCommerce Market Share by Category



# 31.6% Japanese Increased Purchase from Online Post Covid-19

Survey: Frequency of use of the eCommerce Marketplace compared to before Mar 2020 by age group



# COVID-19 Impact (April) on Domestic EC

## Main categories GMS grows strongly

Sanitary Goods

Daily goods

Toys & Games

Foods

PC & Accessories

Home appliance

Cosmetics

Furniture, etc

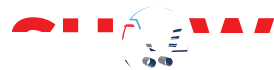
Rakuten  
E-commerce\*GMS

+57.5%

YoY



# Survey: Top Reasons for Buying Cross Border



# Best Selling Items From Overseas Merchants

## Supplement



Brand: My Protein  
Origin: USA

## Beauty

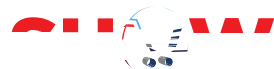


Brand: Ohora  
Origin: Korea

## Personal Care



Brand: Perspirex  
Origin: U.K.



# Price Comparison



**Daniel Wellington**  
Petite Melrose 36mm

US Official Site:

[\\$199](#)

Rakuten Official Store:

[\\$223](#) (12% higher)

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**Calvin Klein**  
Circle Logo Crewneck T-shirt

US Official Site:

[\\$39.5](#)

Rakuten Official Store:

[\\$69](#) (75% higher)



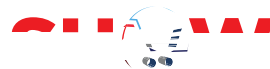
**Adidas**  
Stan Smith Shoes

US Official Site:

[\\$80](#)

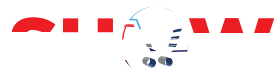
Rakuten Official Store:

[\\$117](#) (46% higher)



# Customer Behavior Comparison

	<b>USA</b>	<b>Japan</b>
<b>Return Ratio</b>	<b>20 - 30%</b>	<b>3 - 5%</b>
<b>Return Policy</b>	<b>Long term</b>	<b>Short term</b>
	<b>No reason needed</b>	<b>Some reason needed</b>
	<b>Return shipping fee paid by Sellers</b>	<b>Return shipping fee paid by Customers</b>
<b>Business</b>	<b>Rational</b>	<b>Risk-averse</b>
<b>Purchase Judgement</b>	<b>Returnable</b>	<b>Safety, Credibility</b>



# Characteristics of Japanese Consumers



Japanese consumers value and require transparency and detailed information making a purchase decision

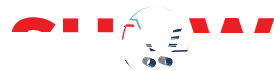
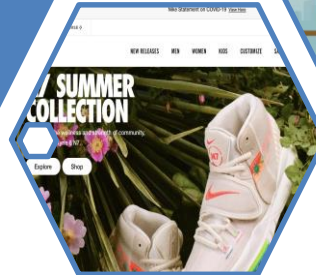
EC marketplaces are overwhelmingly popular among Japanese people due to a high degree of trust and loyalty



Only 10% of Japanese consumers will shop on an overseas website

Japanese consumers expect products to be cheaper online (vs. brick & mortar)

Japanese ecommerce usage is also high among the elderly (1/3 of JP population)







# Agenda

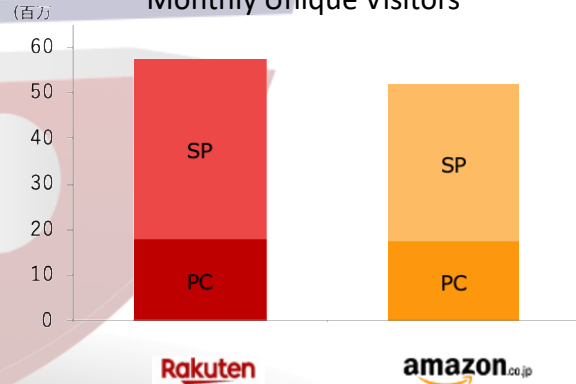
1. Japan Market Overview
- 2. Leading eCommerce Marketplaces in Japan**
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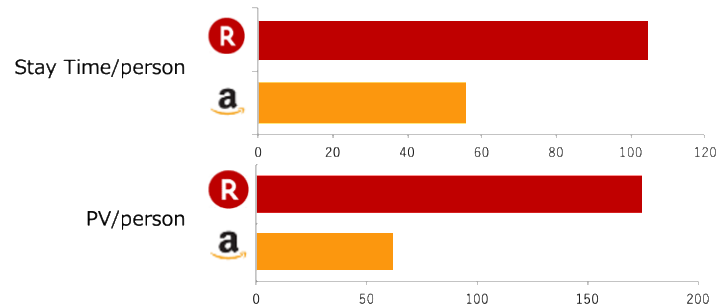
# Leading Marketplaces in Japan

	Business Model	Value	Customer Feature
	Online Mall	"Shopping is entertainment" touch points between merchants and customers	<b>[shop and look around]</b> <b>Browse base customers</b>
	First Party Retailer (+marketplace)	Efficiency, ease of use	<b>[purchase exactly what's in mind]</b> <b>Search base customers</b>

Monthly Unique Visitors



Customer Behavior in PV



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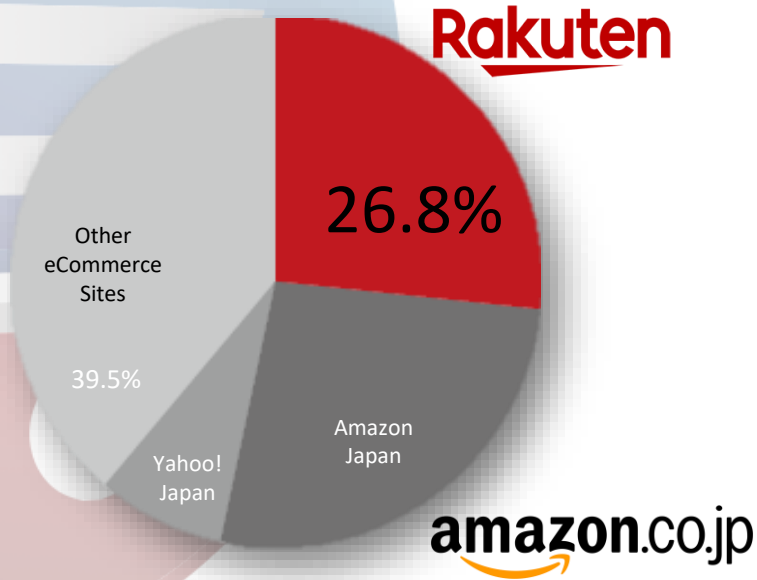


Source : Nielsen NetView 2016

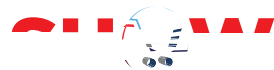
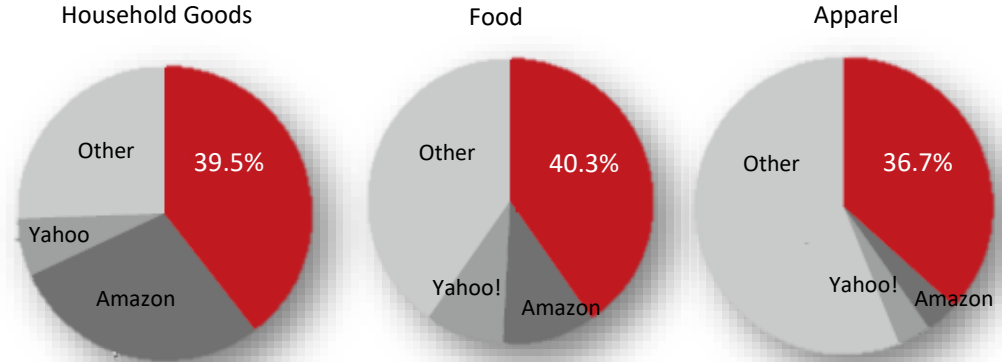


# Market Share and Category Comparison

Top 3 EC Marketplaces in Japan



By Genre Category



# Rakuten Japan eCommerce Key Highlights

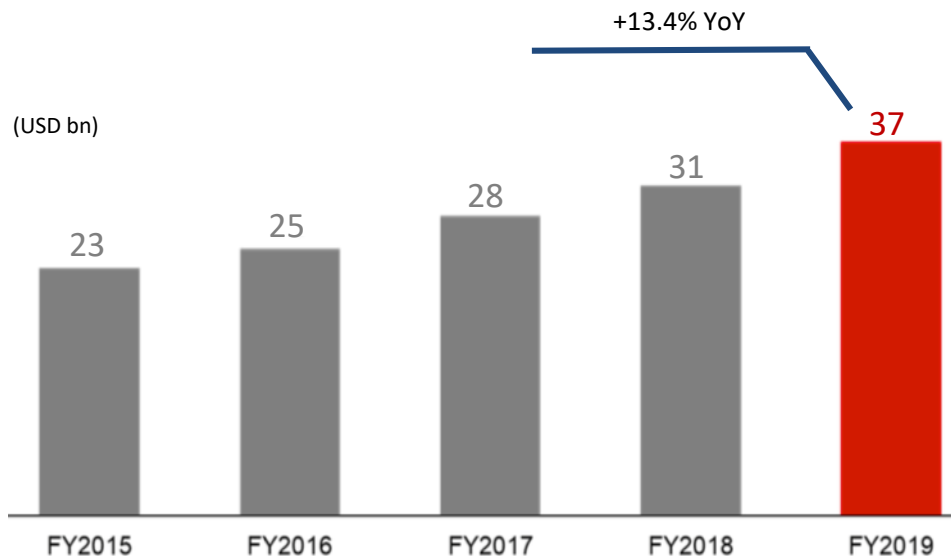
**\$37 Billion** GMV in 2019

**100.7 Million** Users

**+80%** of Japanese Population

**94 Million** Average MAU

**+47,940** Shops



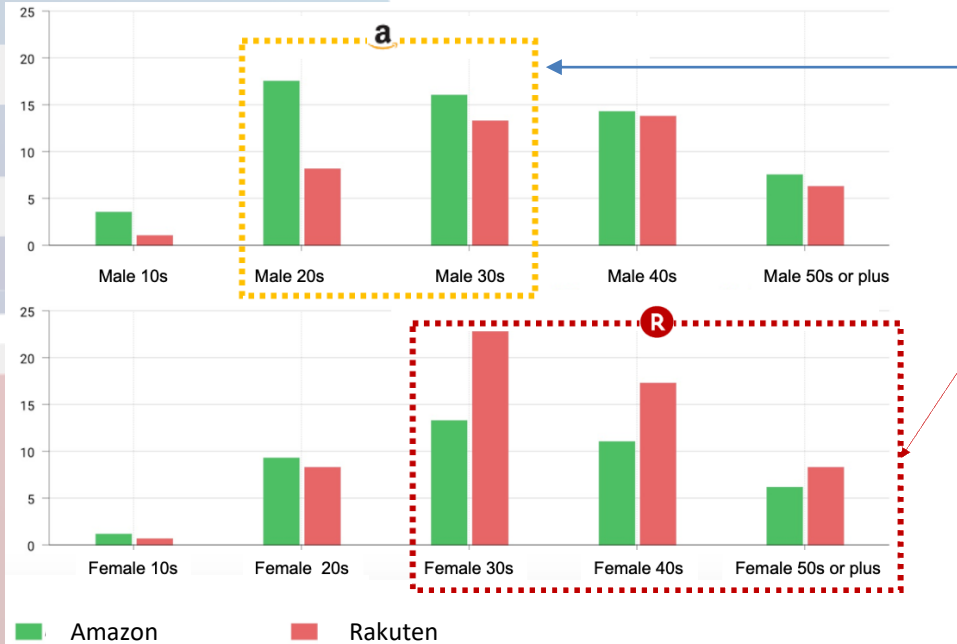
- GMV comprises Ichiba, Travel GTV on checkout basis, Books, Golf, Ticket, Rakuten Fashion, Dream businesses, Rakoo, Beauty, Mart, Delivery, Rakuten Direct, Car Life, Coupon,
- Rakuma, Rakuten Delivery Premium, Rebates, Raxy, Rakuten Seiyu Netsuper, etc.

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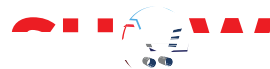
# User Demographics Comparison

Month Users Comparison between Male & Female



Male dominant  
Younger users base  
Electronics, Books and digital contents

Female dominant  
More mature users base  
Household good, food, apparel, etc



# Business Model Comparison

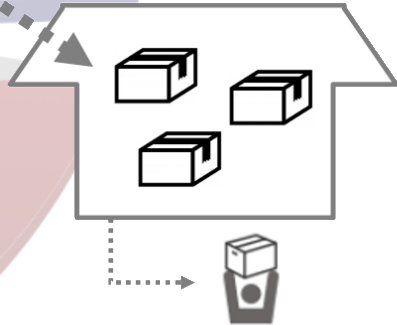
## Product Centric

Register a Product

Seller



amazon.co.jp



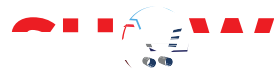
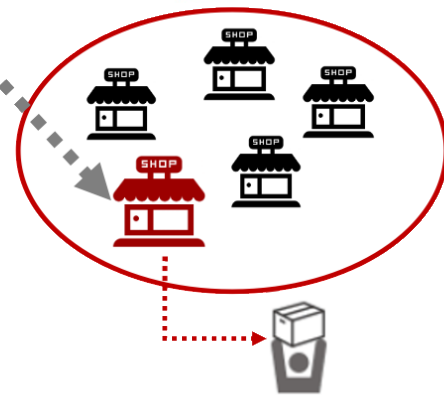
## Store Centric

Create a Store

Seller



Rakuten



# Shop Structure Comparison

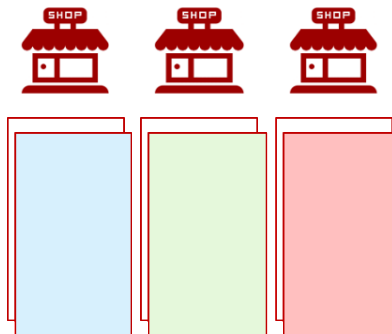
Product catalog/page is shared



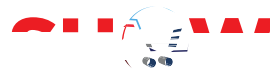
- ✓ Easy to publish items
- ✓ Difficult to differentiate other than price
- ✓ Limited product info

Create an original page

Rakuten



- ✓ Can freely design the store
- ✓ Free to add product features and benefits
- ✓ Takes time to design/create a store



# Page Design Comparison

Shop Centric

Product Centric

L'OREAL PARIS

ルージュシグネチャー  
鮮やかカラーも軽やかに  
透け感マットリップ

PICK UP

#130  
夕焼けのような  
サンセットブラウン

イエローベース  
肌なじみ抜群  
おしゅれ感がUPする  
オレンジブラウン

amazon.co.jp

Amazonプライム

Amazon.co.jp

検索結果 1,000 以上 のうち 1-49件 "ロレアル(L'Oréal)"

Amazonプライム

- 送料別
- 通常配送料無料 (条件あり)
- Amazon.co.jp 送料サービス 2000 円以内の送料が無料 (送料別)

カテゴリー

- ビューティー
- スキンケア
- ヘア美容
- ヘアトリートメント
- 乳液・クリーム
- 日焼け止め
- 顔まみり
- 全身カラー

ブランド

- ロレアル(L'Oréal)

海外配送

配送対象

5%還元

対象商品

Amazon チャージ

最大2.5%ポイント

★最大500円

広告のフィードバック

L'Oréal Paris(ロレアルパリ) エルセーブ ノーシャンプー ラクテム ラヴォン クレンジングクリーム シェア

¥1,980  
20ポイント(1%)  
【まとめ買い】日用品はまとめておトクに！  
prime 配送料無料

L'Oréal Paris(ロレアルパリ) ルージュシグネチャー リキッドリップ マット 口紅 130 サンセットブラウン

¥1,808 ¥1,999  
18ポイント(1%)  
【まとめ買い】日用品はまとめておトクに！  
3点まとめ買いで5% OFF  
prime 配送料無料

L'Oréal Paris(ロレアルパリ) シャインオンツヤリップ 口紅 955 ティーベッシュェ 3g

¥2,200  
22ポイント(10%)  
【まとめ買い】日用品はまとめておトクに！  
prime 配送料無料  
こちらからもご購入いただけます  
¥1,653 (6点の新品)

ロレアル ミッシュオイル 100mlx3本セット(300ml) 洗い流さないヘアトリートメント ロレアルプロフェッショナル

¥5,550 (¥1,850/商品あたりの価格)  
prime 配送料無料  
こちらからもご購入いただけます  
¥5,450 (3点の新品)

ロレアル セリエ エクスパート リスアンリミテッドオイルパーフェクター 125mlx3本セット 洗い流さない

¥4,490 (¥1,497/商品あたりの価格)  
45%OFF キッシュレス払い  
prime 配送料無料  
残り3点、ご注文は早めに

L'Oréal Paris(ロレアルパリ) ロレアルパリ カラークォーンオイルシャドウ アイシャドウ 【マット】 09

¥1,100  
11ポイント(1%)  
【まとめ買い】日用品はまとめておトクに！  
prime 配送料無料  
残り4点 (入荷予定あり)

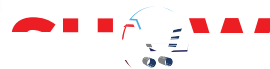
ロレアル セリエ エクスパート アプソルフト リペア ビビディウム シャンプー 1500ml (旅行輸入品)

¥5,340  
53%OFF キッシュレス払い  
残り2点、ご注文は早めに  
こちらからもご購入いただけます  
¥4,550 (1点の新品)

L'Oréal Paris(ロレアルパリ) ロレアルパリ リペア ブラッシュアップ アイライナー 15 パッシュオンタイプ

¥1,650  
17ポイント(1%)  
【まとめ買い】日用品はまとめておトクに！  
prime 配送料無料

Sponsored by: pingpong





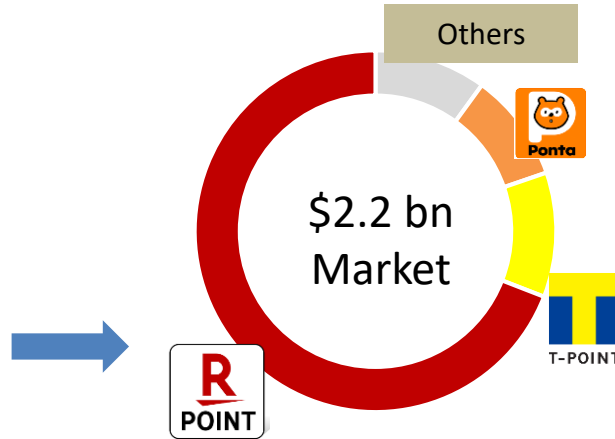
# Japan's Unique Points Market

## Shop to Earn Points



Earn up to **16%** points back  
across Rakuten ecosystem!

## Collect Points



**\$1.5 bn** value  
**70%** of point market share

## Redeem Points

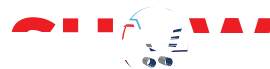
### Online Services

+



### Offline Partners

- ✓ Café
- ✓ Convenient Stores
- ✓ Retail Stores
- ✓ Restaurants



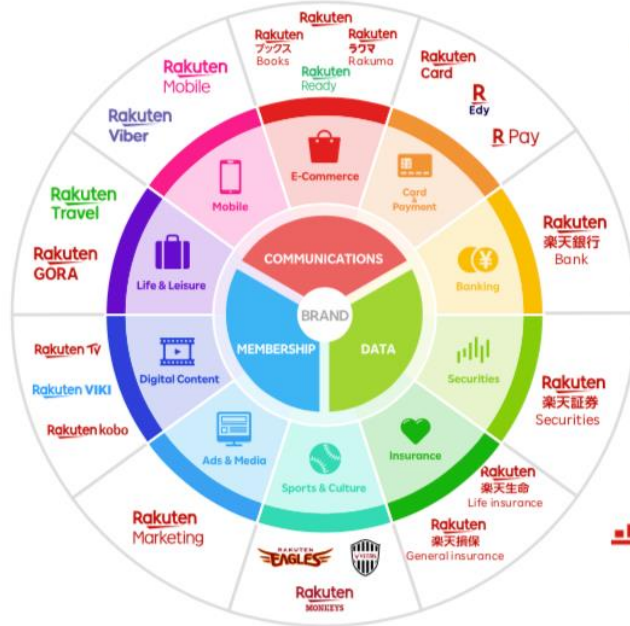
# Rakuten Global Ecosystem Expansion



**Global Membership**  
**1.4bn**



**Annual Points Issued**  
**320bn Points**

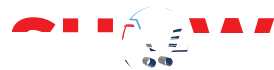


## Global Marketplaces

**Japan**, USA, Germany,  
France, Taiwan



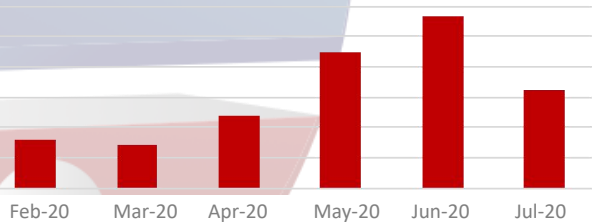
**2019 Global GTV**  
**JPY 19tn**



# Success Case: Ohsayusa

Company Name	Oh Say USA, LLC
Merchant Type	Reseller
Rakuten URL	ohsay
Shop Open Date	2019/11/19
Top 3 Hot-selling Items	Smartwatch, cooling towel, upside down umbrella

2019 GMV from Jan. to Jun.



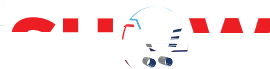
## Strategy to increase sales:

- ✓ Develop a full product page
- ✓ Utilize CPC and coupon advance ads
- ✓ Participate in Rakuten Super Sale Search

Sponsored by: **pingpong**



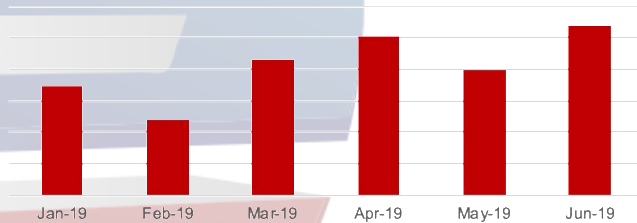
当店は、アメリカのテキサス州を本店とする海外ショップです。  
商品お届けまでに、2-5日程度かかります。  
当店のカード決済代行会社は Rakuten Commerce LLC です。



# Success Case: THETECH

<b>Company Name</b>	<b>TH Tech Solutions, LLC</b>
<b>Merchant Type</b>	<b>Reseller</b>
<b>Rakuten URL</b>	thtech
<b>Shop Open Date</b>	2018/10/30
<b>Top 3 Hot-selling Items</b>	Tablet case, smart phone case, backseat pocket case

2019 GMV from Jan. to Jun.



## Strategy to increase sales:

- ✓ - Increase # of SKU's
- ✓ - Utilize CPC ads
- ✓ - Check customer review and improve communication in product page (shipping, shipping fees, and inquiry)



# Agenda

1. Japan Market Overview
2. Rakuten Ecosystem Introduction
- 3. Key Considerations When Expanding to Japan**
4. PingPong - Rakuten's Exclusive Payment Partner



# Key Considerations when Expanding to Japan

Challenges	Solutions
Japanese Entity	Cross border eCommerce on leading marketplace
Language Barrier	Hiring bilingual expert, TP agency, Free lancer
Operation	
Shipping	Japanese logistic company, Bulk Import
Duty & Tax	Duty free for personal import order under \$150
Regulations & Laws	Consult professionals
Payment	Cross border payment service provider



# Agenda

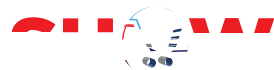
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# Traditional Payment Model



- 4-5% additional fee on the exchange rate
- 3-5 business days for payment to arrive
- Only receive in USD into your bank account





# NEW Payment Model

## Overseas

Consumer



Marketplace Bank  
Account



pingpong

## USA



Withdraw



Real-time FX



VAT Tax Service



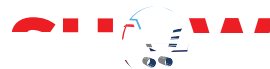
Supplier Pay



Virtual Credit Card

- Real time FX rate with no hidden fees
- Funds available same day or next day
- Multiple uses of the funds – withdraw, supplier payments etc.
- No need to set up multiple entities and bank accounts

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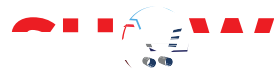


# Fees Saving Example

	Amazon UK	Rakuten Japan	Amazon Japan
Monthly Sales	100,000 GBP	20,000,000 JPY	10,000,000 JPY
Receive from Marketplace	116,722 USD	176,358 USD	88,179 USD
Receive from PingPong	121,637 USD	183,784 USD	91,892 USD
Monthly Savings	<b>4,915 USD</b>	<b>7,426 USD</b>	<b>3,713 USD</b>

\*Exchange rate taken at 12:00 EST 30<sup>th</sup> June 2020

**Total Monthly Savings of 16,054 USD**



# PingPong in Numbers

**No.1**

Ranked cross-border  
payment company

**\$340m**

Peak Daily Volume

**\$15B**

Annual Volume

**600,000+**

Customers

**16**

Publicly traded  
enterprise customers

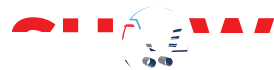
**10+**

Countries & Currencies: UK,  
EU, UAE, CA, SG, US, MX, JP,  
HK, AU





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# Preparing Your Amazon Seller Business for a Possible Second Wave of COVID



**Jerry Kaves**  
3P Marketplace Solutions



**Jason Boyce**  
Avenue7Media



**Michael Sene**  
Deliverr



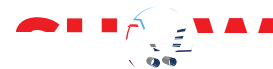
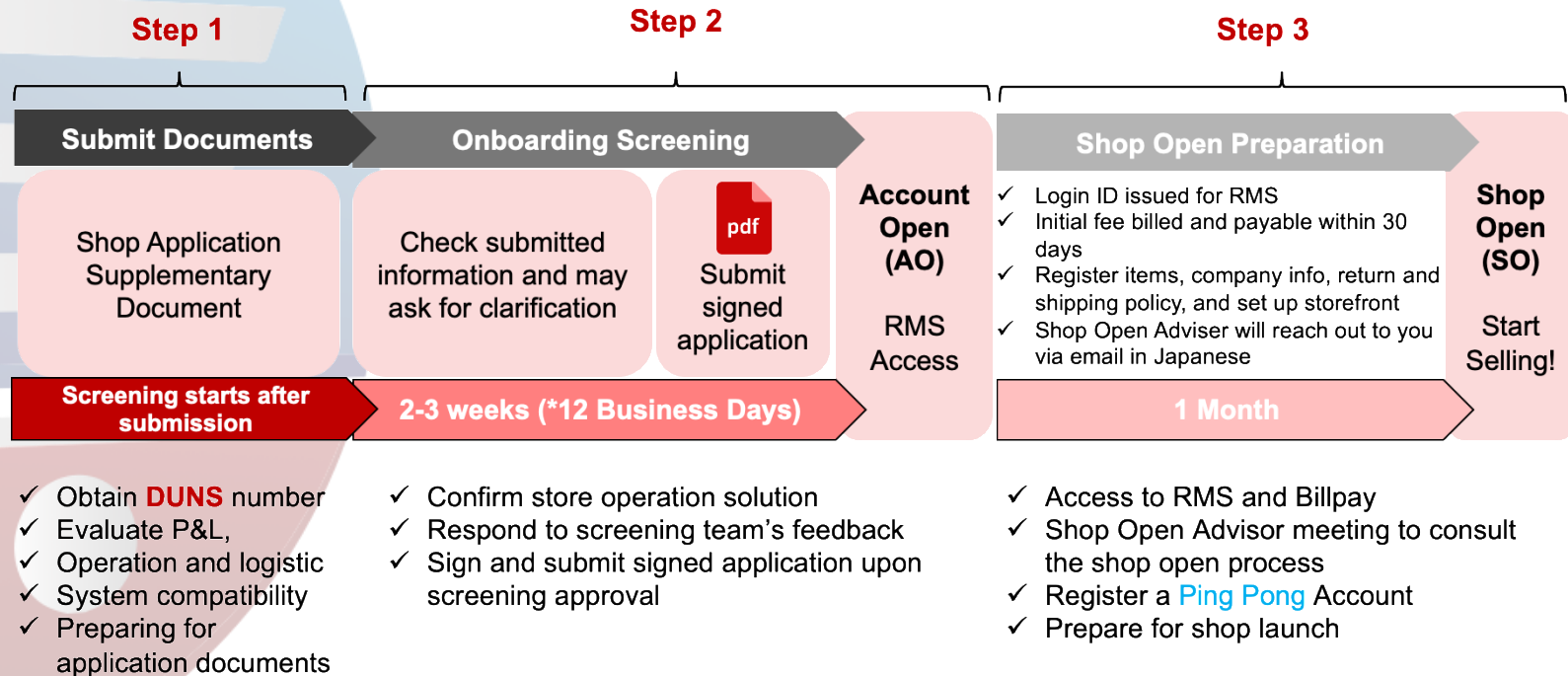
**James Thomson**  
Buy Box Experts

**PROSPER  
SHOW  
WEBINAR**

**Thursday, July 16** 4:00 PM ET

**REGISTER NOW**

# 3 Steps to Launch Your Rakuten Store



# Rakuten Support System

Sharing insights of  
Japanese EC Market

Guiding through  
Merchant Account

Ongoing Account  
Management



## ~Onboarding~ Merchant Dev. Manager

- ✓ Overview of eCommerce Business of Japan
- ✓ Cross Border Trading to Japan
- ✓ Sharing Business Operation

## ~Account Set-Up~ Shop Open Consultant

- ✓ Market insight & knowledge
- ✓ Account setup advice
- ✓ Store design suggestions
- ✓ Merchandising guidance

## ~Driving Sales~ E-Commerce Consultant

- ✓ Performance feedback and improvement consulting
- ✓ Marketing strategies
- ✓ Promotional guidance



# How to Get Started with PingPong:

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1. Sign up for a free account at:  
<https://business.pingpongx.com/entrance/signup?inviteCode=ProsperShow>
1. Receive your virtual bank accounts in 10 countries and currencies immediately.
2. Enter the virtual bank account information into your marketplace seller portal and begin receiving payouts to PingPong in the next payment cycle.
3. Withdraw the funds to your bank account with the real time FX rate or send the funds to your international suppliers.







Sponsored by: [pingpong](#)

