



# Japan B2C E-commerce Report 2016

Facts, Figures, Infographic & Trends of 2015 and the 2016 Forecast of the Japanese B2C E-commerce Market of Goods and Services



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# Our Report Partners

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The Ecommerce Foundation is a non-profit organization founded by Ecommerce Europe. It conducts research and studies in the field of e-commerce and provides for benchmarking and reports on e-commerce facts and figures. It also serves as Ecommerce Europe's research institute. In this role, the Ecommerce Foundation was commissioned by Ecommerce Europe to develop the European B2C E-commerce Report and more than forty national e-commerce reports.

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Ingenico is the most knowledgeable global Payment Service Provider in the world, processing international e-commerce payments for more than 600 of the world's most recognized e-commerce brands in the digital goods and services, travel, retail and video gaming industries, among many others. Ingenico's business intelligence tools, Managed Fraud Services and more than 400 payments experts help our clients elevate their payment strategies to become a strategic asset to their companies.



Webhelp is a global business process outsourcer (BPO), specializing in customer experience and payment management in addition to sales and marketing services across voice, social and digital channels. From 21 countries with a 30,000-strong team, our focus is on engineering performance improvements and delivering a real and lasting transformation in our clients' operating models to generate financial advantage. We partner with some of the world's most progressive brands.

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Asendia is one of the world's top three international mail, shipping and distribution organizations, delivering your packages, parcels and documents to more than 200 destinations across the globe.

Formed as a partnership between La Poste and Swiss Post in 2012, the Asendia business employs more than 1,000 people worldwide, has offices in 15 countries and a global network of delivery partners to get your package where it needs to be, when it needs to get there.



MarketShare, A Neustar Solution, helps marketers grow revenue. Combining advanced analytics technology, scientific leadership and deep domain expertise, MarketShare enables large companies to measure, predict and dramatically improve Marketing's impact on revenue—typically generating a 20%-30% improvement in marketing effectiveness and 3%-4% revenue increase, yielding a 3x-50x first-year ROI. Widely considered the market leader, MarketShare helps direct tens of billions of marketing investment dollars globally.

# Japan B2C E-commerce Report 2016

## Preface



### Ecommerce Foundation

At the Ecommerce Foundation, we believe that sharing knowledge is essential for the continuous growth of the e-commerce industry. For this reason we have recently developed two initiatives with the aim of helping e-commerce companies improve. The [EcommerceWiki](#) is an international platform on which we strive to gather as much relevant e-commerce content as possible, with the help of many experts worldwide. In addition, we have set up the [Ecommerce Benchmark](#), a useful tool for companies to compare their e-commerce performance with their direct competitors in a safe and anonymous way.

Through this report we want to share our knowledge on B2C e-commerce in Japan. We have gathered these facts, figures and insights through thorough desk research and with the help of various partners. This results in an elaborate report which will definitely offer valuable information to parties that trade cross-border in Japan or have intentions to do so.

Naturally, we could not have realized these reports without the help of others. Therefore we want to use this opportunity to express our gratitude to Asendia, Ingenico and Webhelp, who have enabled us to make our reports widely available and to GfK for their close cooperation and involvement.

For any additional information about the Ecommerce Foundation and its products, please contact us through our website [www.ecommercefoundation.org](http://www.ecommercefoundation.org) or send us an email at [info@ecommercefoundation.org](mailto:info@ecommercefoundation.org).

### Director of Ecommerce Foundation

Jorij Abraham

A handwritten signature in black ink, appearing to read "Jorij Abraham", written over a light blue grid background.



### Chief Editor at Ecommerce Foundation

Richard van Welie

A handwritten signature in black ink, appearing to read "Richard van Welie", written over a light blue grid background.





# Japan 2015 Key E-commerce Facts at a Glance



**110.3mn** people are over the age of 15



**100.3mn** people use the Internet (**91%**)



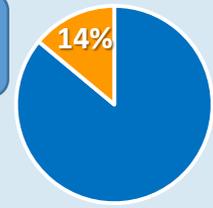
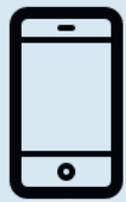
**76.9mn** people shop online (**70%**)

Total GDP of **\$4,123.3bn**



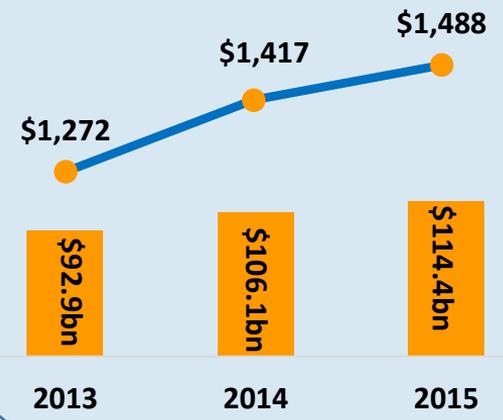
E-commerce GDP of **2.80%**

**54%** of the population uses a smartphone



Share of mobile in online sales

B2C e-commerce revenue and average spending per e-shopper



Country report sponsored by:



# Demographic indicators

## Country Report Japan

 Area: 177,955 km<sup>2</sup>  
Capital: Tokyo  
Currency: Yen (JPY)

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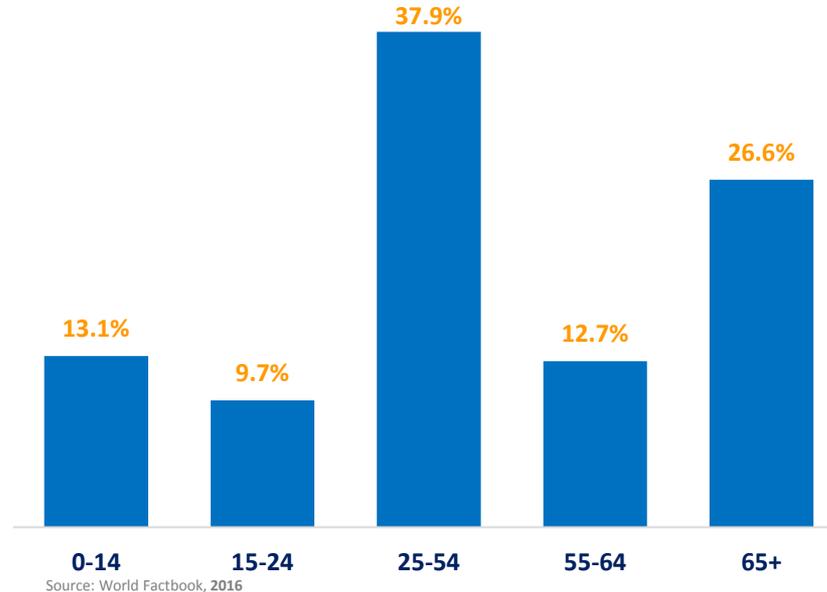


Institution: A parliamentary government with a constitutional monarchy  
Internet access: 91%  
URL country code: .jp  
Official languages: Japanese  
Dialing Code: +81

Sources: Worldbook and Wikipedia, 2016

### AGE STRUCTURE

Population by age category, 2016



Total population: 126,958,000

Median age: 46.5 years

Male: 45.2 years

Female: 47.9 years

### Population growth



-0.14%

Sources: Worldfactbook, 2016

# Japan's total GDP continued to decline in 2015

## Country Report Japan

### TOTAL GROSS DOMESTIC PRODUCT

GDP at market prices, 2011-2015

Year	GDP (in millions of US dollars)	GDP (in millions of Japanese Yen)
2015	\$4,123,258	JPY578,702,072
2014	\$4,596,157	JPY618,074,920
2013	\$4,908,863	JPY750,077,362
2012	\$5,957,250	JPY744,000,828
2011	\$5,909,989	JPY692,343,560

Source: IMF and Worldbank, 2016

Year	GDP per capita (in US dollars)	GDP per capita (in Japanese Yen)
2015	\$32,477	JPY4,551,985
2014	\$36,153	JPY4,853,790
2013	\$38,550	JPY5,880,124
2012	\$46,701	JPY5,820,816
2011	\$46,230	JPY5,405,978

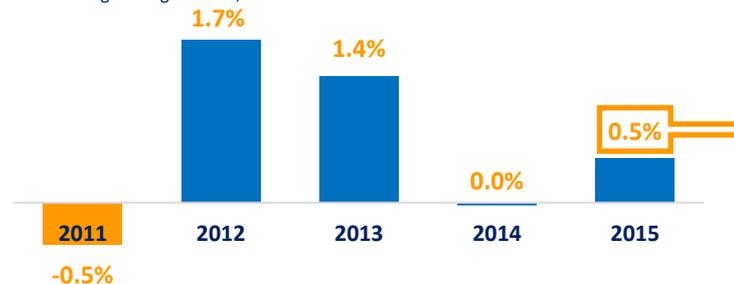
Source: Worldbank, 2016

E-commerce share of GDP

2.80%

### GROSS DOMESTIC PRODUCT REAL GROWTH RATE

Percentage change of GDP, 2011 - 2015



-0.5%

Source: Worldbank, 2016

### Explanation

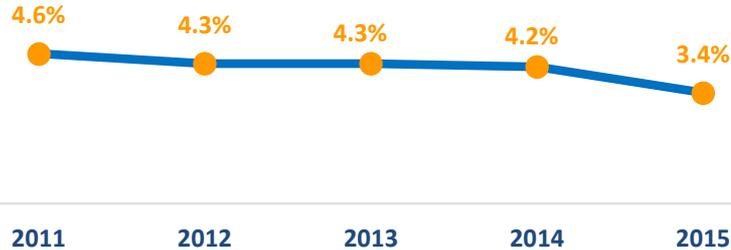
The Japanese GDP grew by 0.5% in 2015. This real growth rate takes the inflation rate into account.

# Japan's unemployment rate declined to less than 4% in 2015

## Country Report Japan

### UNEMPLOYMENT RATE

Percentage of the total labor force, 2011-2015



Source: Ministry of Internal Affairs and Communication, 2016

### INFLATION RATE

Annual change on Consumer Price Index (CPI), 2011-2015



Source: Worldbank, 2016

### CONSUMER CONFIDENCE INDEX

CCI on a three-month basis, 2014-2015



Source: Tradingeconomics, 2016

# Japan ranks sixth on the global E-Government Index

## Country Report Japan

### Logistical Performance Index

The LPI overall score reflects perceptions of a country's logistics based on, among other things, efficiency of customs clearance process, quality of trade- and transport-related infrastructure and ease quality of logistics services.



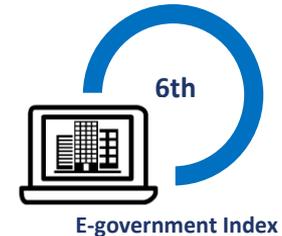
### Ease of Doing Business Index

A high ease of doing business ranking means the regulatory environment is more favorable for the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 equal topics.



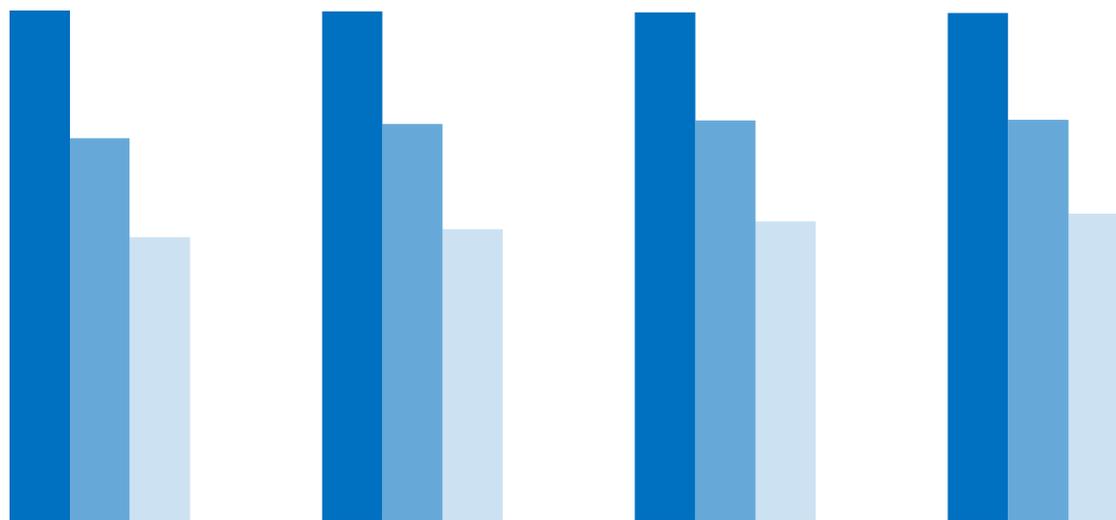
### E-government Index

The UN's E-Government Index provides a comparative assessment of the e-government development of UN Member States. Important factors contributing to a high level of e-government development are concurrent past and present investments in telecommunication, human capital and provision of online services.



# The number of Internet users and e-shoppers is growing slowly

## Country Report Japan



	2012	2013	2014	2015
Total Population	127,561,489	127,338,621	127,131,800	126,958,472
Population online (15+)	95,664,356	99,259,564	100,092,646	100,287,163
Number of e-shoppers (15+)	71,000,000	73,000,000	74,900,000	76,900,000

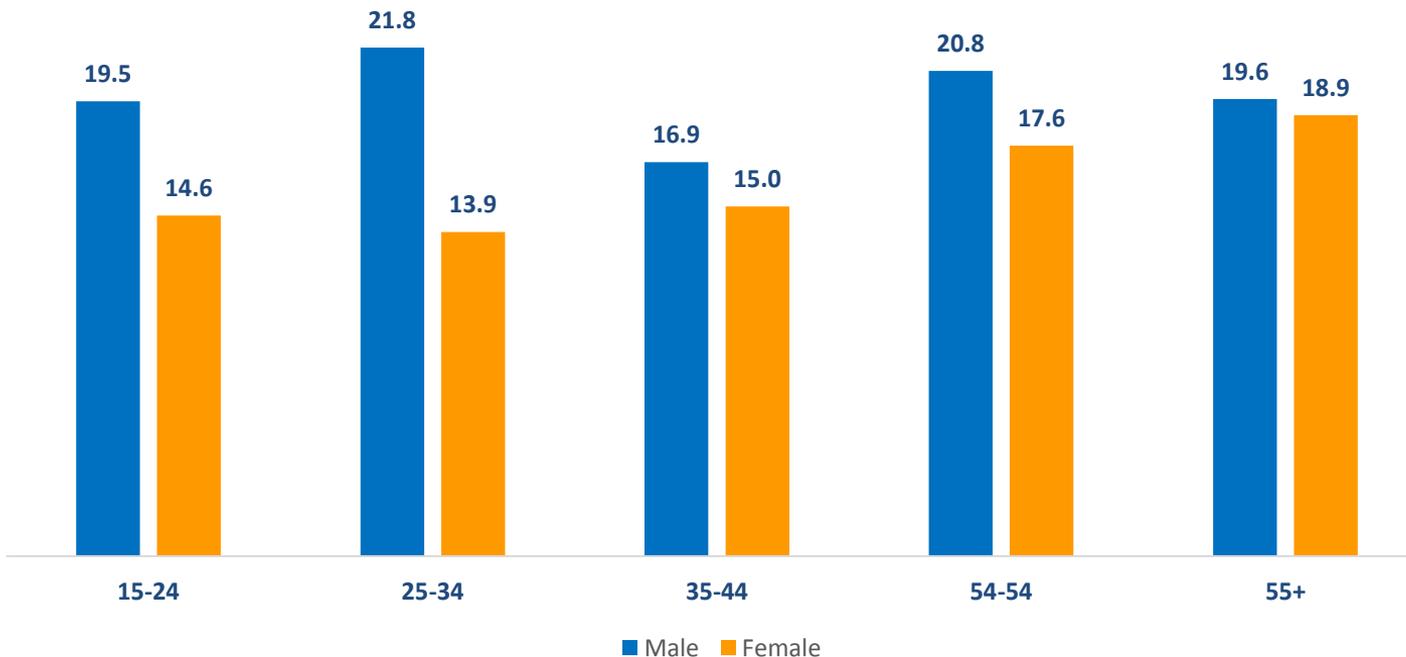
Source: Worldbank, Internetlivestats, Statista and Ecommerce Foundation, 2016

# People aged 55+ spend the most time on the Internet of all age groups

## Country Report Japan

### AVERAGE ONLINE HOURS OF INTERNET USERS

Monthly online usage in Japan, by gender and age group, May 2015



Source: ComScore, 2016

**What are the greatest challenges for foreign companies when they want to enter Japan's market?**

Regionally, Japan is a relatively big market, but it is still dwarfed by other global economies when it comes to e-commerce volumes. In terms of payments, Japanese consumers were early and enthusiastic adopters of credit cards, which remain the most popular form of payment.

Japanese consumers are especially keen on e-commerce marketplaces: Rakuten has 95 million registered users in the country, for instance, and a market share of around 28%. Being comfortable working within the marketplace environment is therefore a major advantage for any business keen to sell in Japan.

**Do you have any tips for (online) merchants in terms of delivery and returns?**

According to a recent survey, many brands and retailers in Japan are not transparent about the return process. "While all luxury brands in the survey offered return instructions, 83% of appliance and furniture retailers did not. Overall half the firms surveyed did not offer a return label in the shipment," it said.

Click and collect is still an underdeveloped option in Japan, as is locker pick-up, although Rakuten is making strides in developing its network. As for home delivery, customers now expect to be able to set the delivery time and date for the majority of purchases, so retailers need to take that into account.

**What developments and aspects related to delivery and returns should they take into account in Japan?**

Japanese consumers have famously high expectations of online retailers. Given the size of the country, typical shipping distances involved are small for domestic retailers. As a result, and given that Japan's transport and postal infrastructure is superb, retailers are expected to expedite fast, reliable delivery.

Japan has historically had a low returns rate, which consequently helps to keep operating costs down for most retailers, and allows them to sell on the large marketplaces with little difficulty. While international and luxury brands enforce high free shipping thresholds, the addition of Amazon and its effect on shipping rates is likely to be downwards. Amazon now offers same-day delivery to just under 80% of Japan's population – about 100 million people – and next-day delivery to 95.1% .

Anyone shipping to Japan from overseas must make it clear to customers that the order will take longer to arrive. In a country where many consumers expect to receive goods the same day of purchase, managing those expectations is critical.

***“Japanese-speaking support is important when managing customer orders. Some platforms even demand that retailers offer support in Japanese in order to sell”***



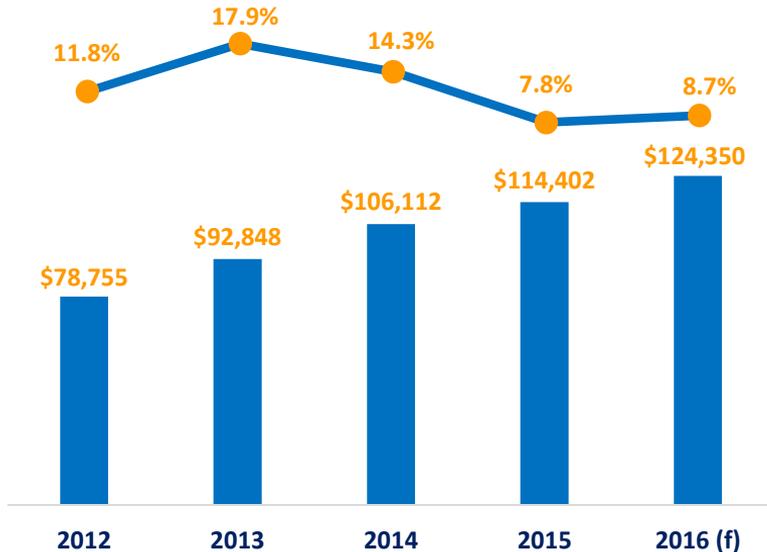
**Alexey Loginov**  
Business Intelligence  
Manager,  
Asendia

# The B2C e-commerce growth rate decreased considerably in 2015

## Country Report Japan

### B2C E-COMMERCE REVENUE AND GROWTH RATE

Total online sales of goods and services, in millions of US dollars, 2012-2016 (f)



Source: Ministry of Economy, Trade and Industry and Ecommerce Foundation, 2016

### B2C E-COMMERCE SALES

Total online sales of goods and services, 2012-2016 (f)

Year	B2C e-commerce turnover (in millions of Japanese Yen)
2016 (f)	JPY15,000,000
2015	JPY13,800,000
2014	JPY12,800,000
2013	JPY11,200,000
2012	JPY9,500,000

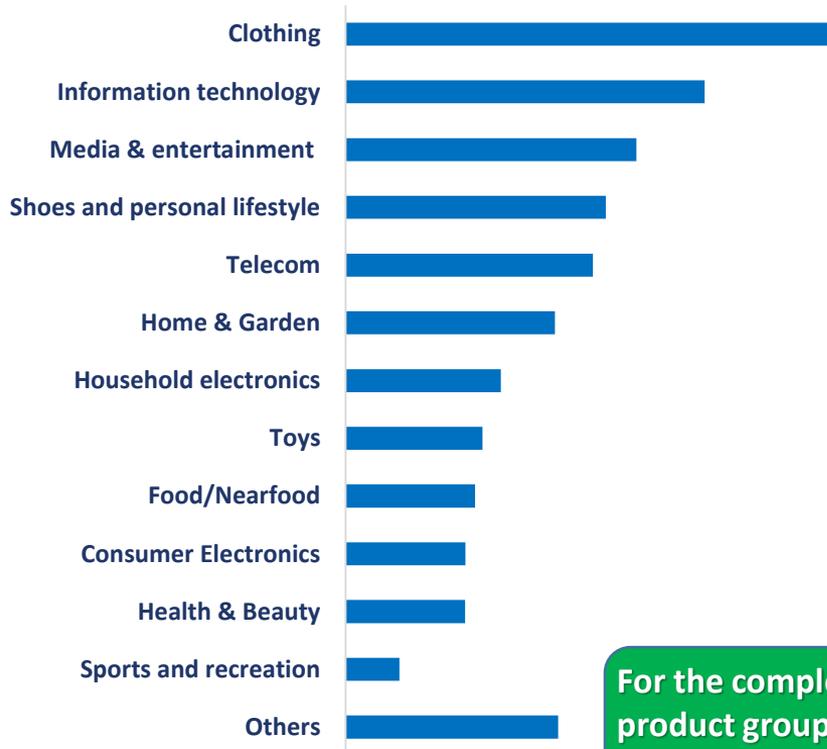
Source: Ministry of Economy, Trade and Industry, 2016

# Clothing maintains its position as leading product group

## Country Report Japan

### OVERVIEW OF POPULAR PRODUCT GROUPS

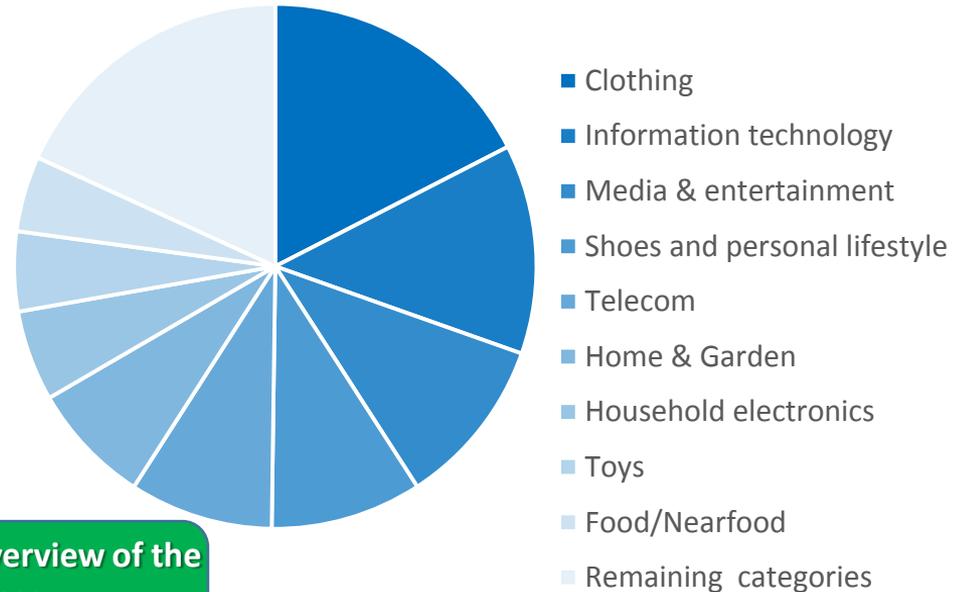
Estimated online sales of popular product groups in millions of US dollars, 2015



Source: Ecommerce Foundation and Statista, 2016

### MARKET SHARE

Market share of the most popular product categories in 2015



Source: Ecommerce Foundation, 2016

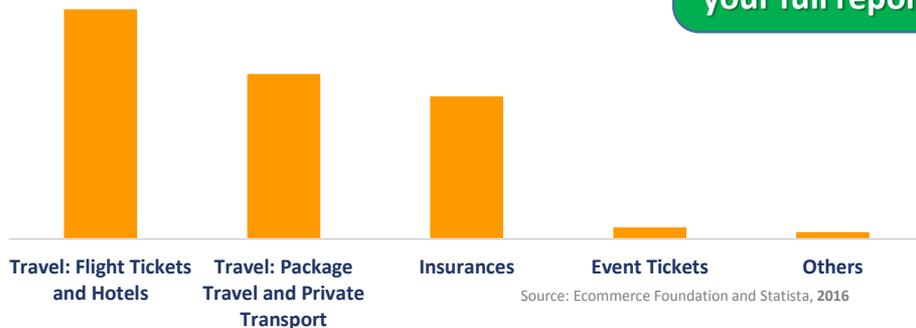
For the complete overview of the product groups, please order your full report here (€95)

# Travel is by far the most popular online service group

## Country Report Japan

### OVERVIEW OF POPULAR SERVICE GROUPS

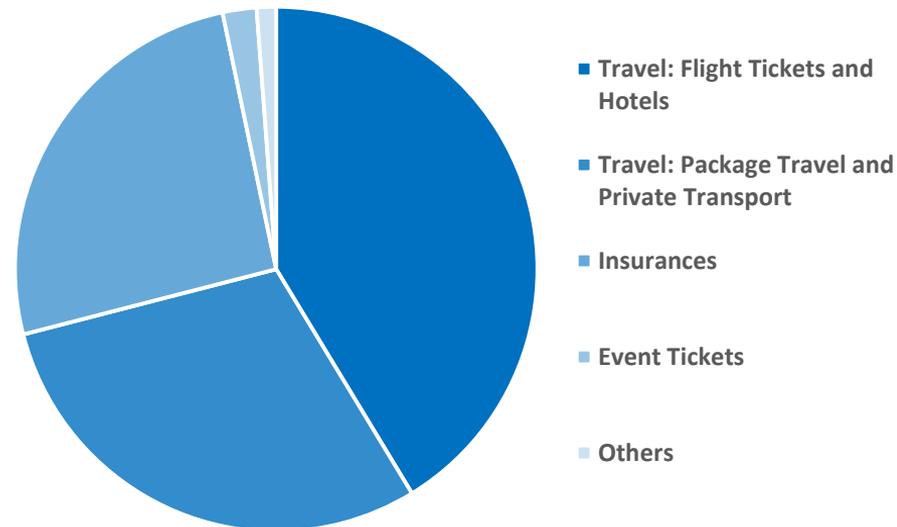
Estimated online sales of popular service groups in millions of US dollars, 2015



For the complete overview of the service groups, please order your full report here (€95)

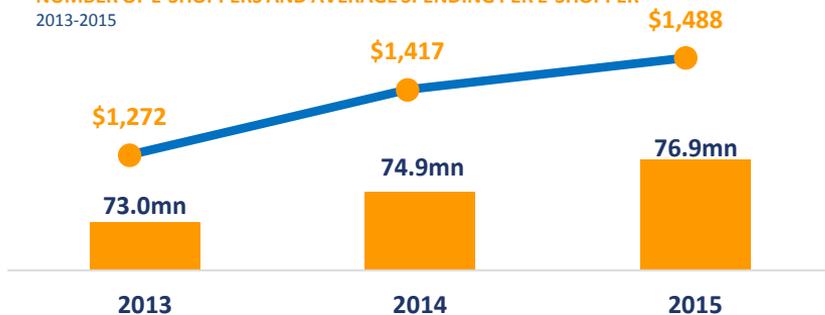
### MARKET SHARE

Market share of the most popular service categories in 2015



### NUMBER OF E-SHOPPERS AND AVERAGE SPENDING PER E-SHOPPER

2013-2015



Source: Ecommerce Foundation and Statista, 2016

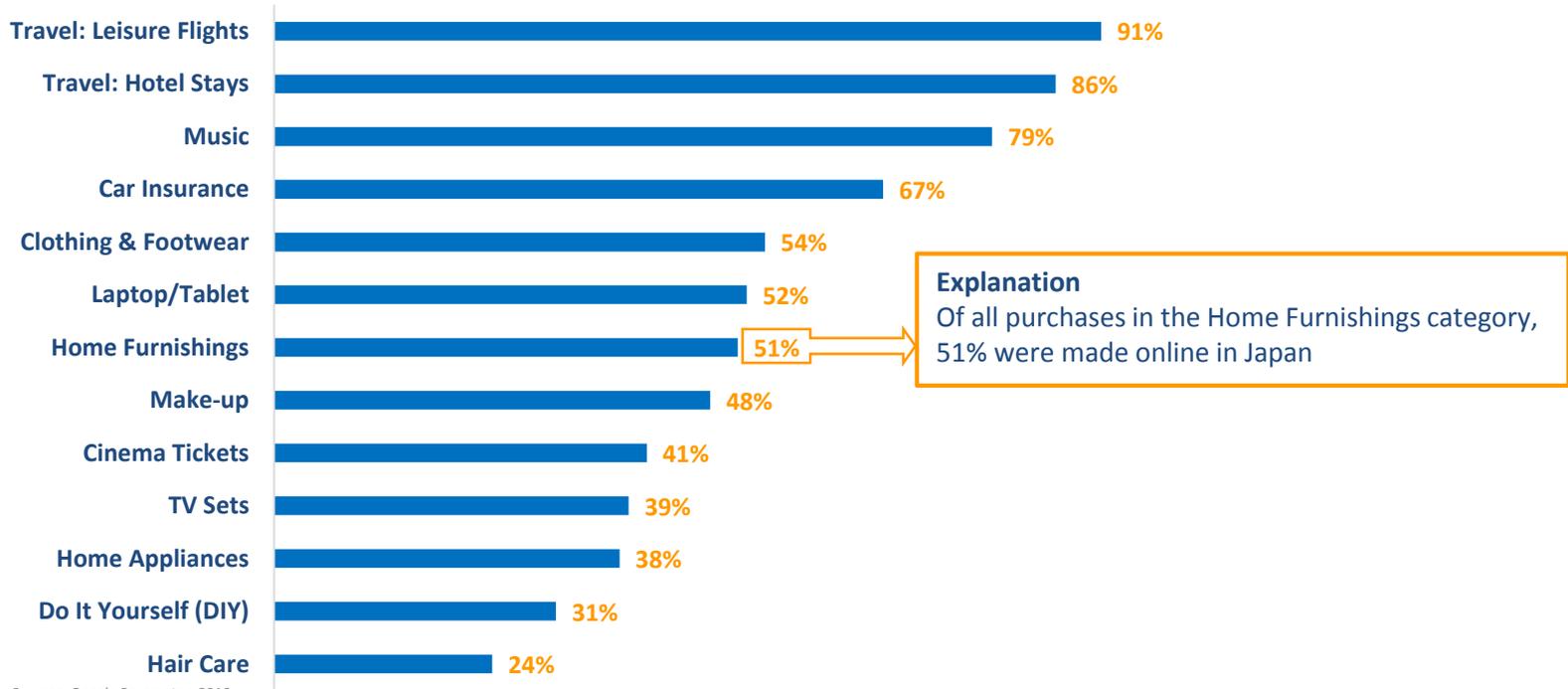
Source: Ecommerce Foundation, 2016

# Japanese consumer mostly buy their travel services online

## Country Report Japan

### ONLINE B2C SALES PER SERVICE/PRODUCT GROUP

The percentage of online B2C sales in each service/product group, 2014-2015



Sources: Google Barometer, 2016

## An omni-channel approach is insuperable

Whether their business is online, in physical stores or both, all retailers face similar challenges. They have to deliver a seamless customer experience at every touchpoint, maximize sales across every channel and device, and live up to their promises regarding product availability and delivery. In order to create a strong retail brand to which consumers will return, they must turn shopping into retail therapy – effortless, relaxing and ultimately enjoyable.

Customer experiences should not happen by accident, but must be engineered. This means that one should really understand his customer's journey and its moments of truth, and base his next best actions on smart and predictive data analytics. An omni-channel approach to service and sales is powering the retailers' ability to win hearts, minds and revenue share.



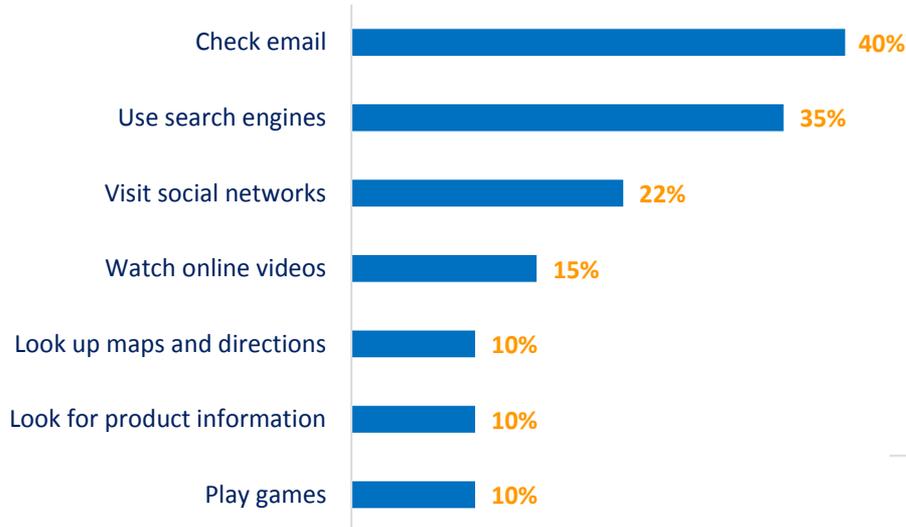
Gert-Jan Morsink  
Member Executive Board at Webhelp Group

# Japanese smartphone usage is growing rapidly

## Country Report Japan

### WEEKLY SMARTPHONE ACTIVITIES

By smartphone users



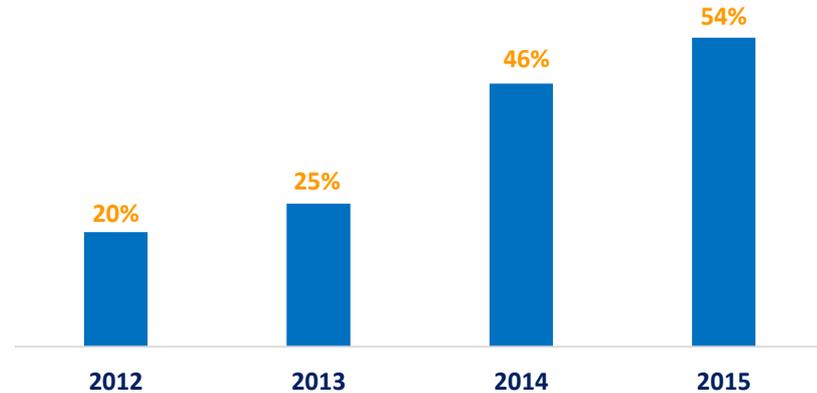
Source: Google Barometer, 2016

Total mobile sales of

**\$16,130mn**

### OVERVIEW OF SMARTPHONE USAGE

Percentage of population that uses a smartphone, 2012-2015



Source: Google Barometer, 2016

# Better availability is the main reason to shop online abroad

## Country Report Japan

### REASONS FOR NOT BUYING ABROAD

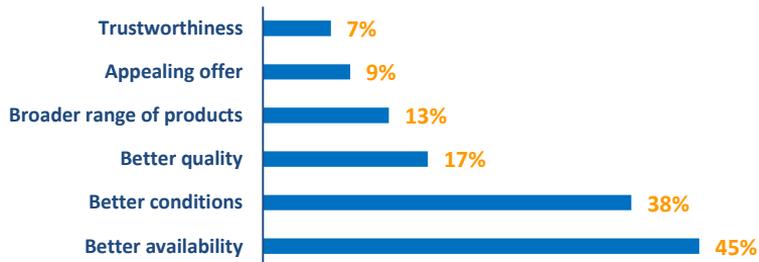
Reasons why Japanese e-shoppers are hesitant to buy cross-border



Source: Google Barometer, 2016

### MOTIVATIONS FOR BUYING ABROAD

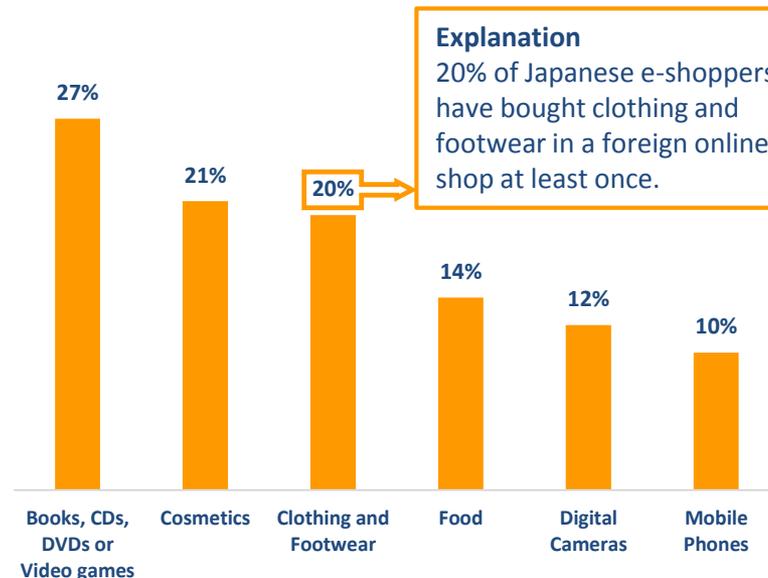
Reasons why Japanese e-shoppers buy cross-border



Source: Google Barometer, 2016

### MOST POPULAR PURCHASES FROM FOREIGN COUNTRIES

Most popular products for cross-border shopping



Source: Google Barometer, 2016

# Credit and debit cards clearly form the most popular online payment method

## Country Report Japan

### VAT OVERVIEW

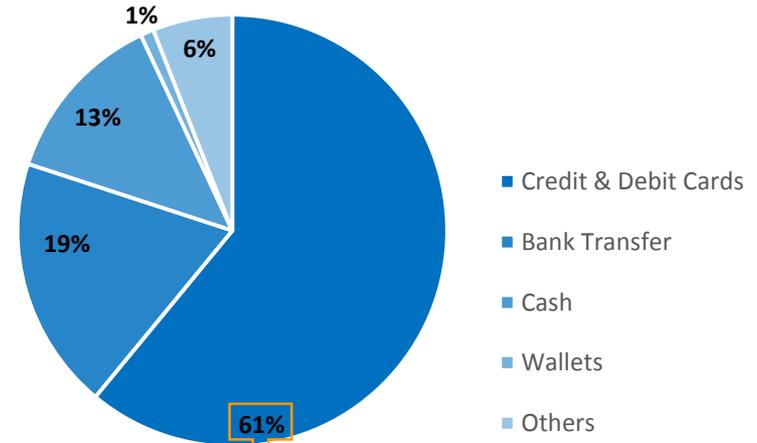
Information on Japanese VAT

VAT overview	Japan
Threshold for registration	JPY 10,000,000
Standard VAT rate	8%
Where to register	National Tax Agency Japan
Relevant websites	<a href="http://www.mof.go.jp/english/index.htm">http://www.mof.go.jp/english/index.htm</a>

Source: PwC, 2016

### TOP ONLINE PAYMENT METHODS

In percentage of total online purchases



Source: Worldpay, 2015

### Explanation

61% of Japanese online purchases were made through credit and debit cards.

## Japanese payment market is dominated by credit and debit cards

Japan's online payment market is dominated by credit and debit cards. However, besides Visa and MasterCard, merchants should also consider to offer JCB as a credit card payment option. JCB is the strong domestic card brand (it is also issued in other countries but their share is limited there compared to MasterCard and Visa).

Besides cards, Japanese shoppers pay through their Internet banking (19%) and by means of cash or "in-store" payments (13%). The most common alternative payment solutions in Japan are "Pay-Easy" (bank transfer, ATM payment) and "Konbini". By checking out with Konbini, the shopper can pay at participating convenience stores throughout Japan (such as 7eleven, Lawson and FamilyMart) by means of cash or card.

Internationally operating merchants – without a local Japanese presence – can tap into Japan by simply using an international payment provider offering MasterCard, Visa and JCB. There seems to be no additional benefit of having local card processing (no substantial impact on approval rates). In order to accept Pay-Easy and Konbini for more conversion, a local business registration is required.



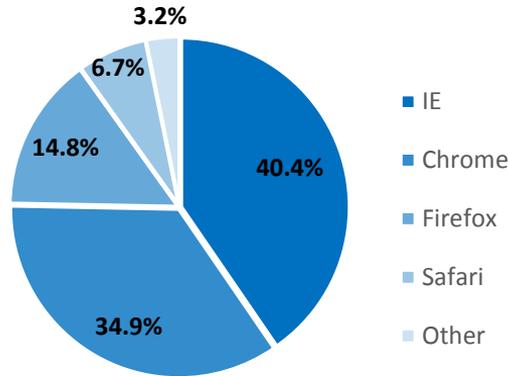
Erik van den Heuvel  
Chief Marketing Officer at About-Payments

# iOS is clearly the most-used operating system on mobile devices

## Country Report Japan

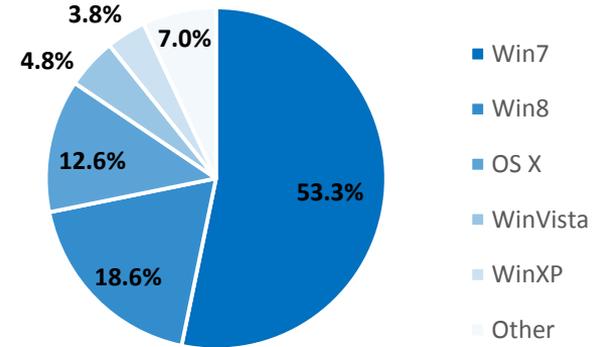
### INTERNET BROWSERS DESKTOP

Share of Internet browsers visiting Statcounter sites, 2016



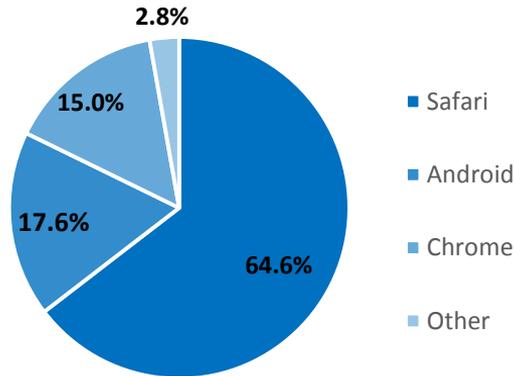
### OPERATING SYSTEMS DESKTOP

Share of operating systems visiting Statcounter sites, 2016



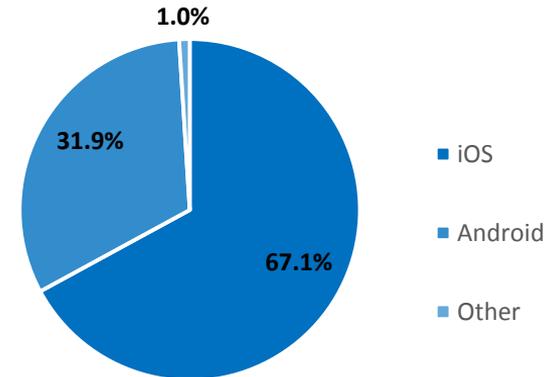
### INTERNET BROWSERS MOBILE

Share of Internet browsers visiting Statcounter sites, 2016



### OPERATING SYSTEMS MOBILE

Share of operating systems visiting Statcounter sites, 2016



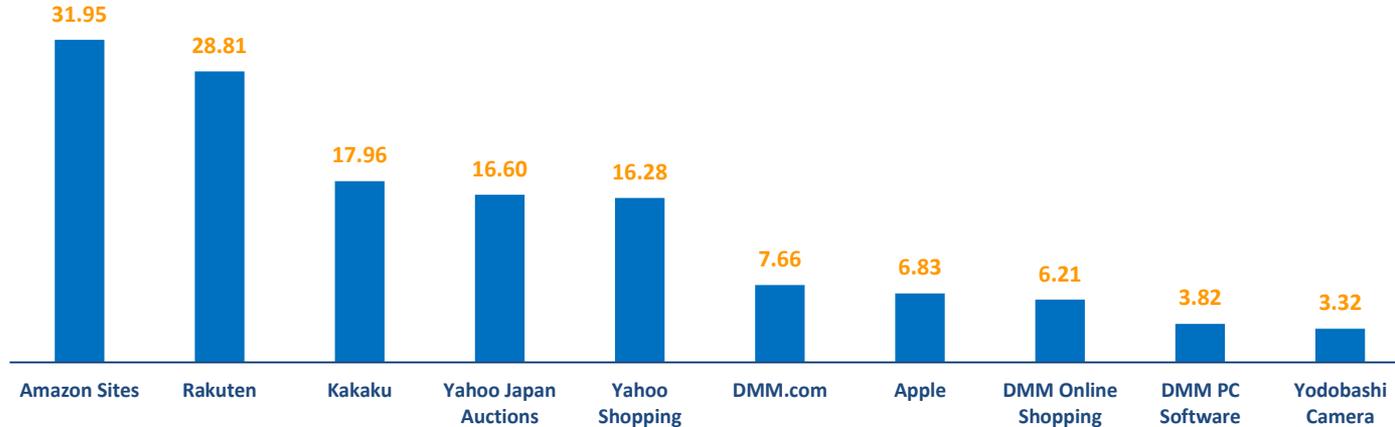
Source: Statcounter, 2016  
See the Definitions page for Statcounter's research method

# Amazon is the most visited online retailer, followed by Rakuten

## Country Report Japan

### MOST POPULAR ONLINE RETAILERS

Based on number of unique visitors, May 2015



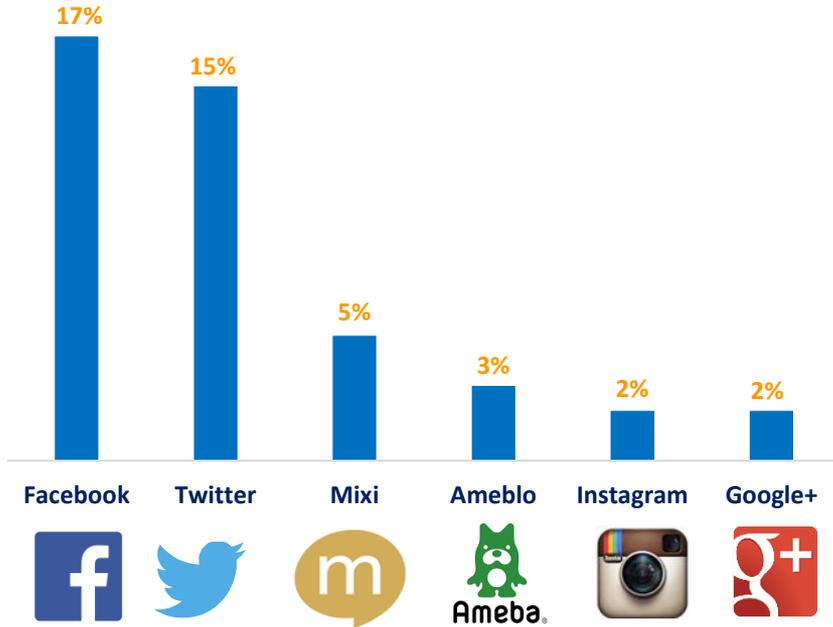
Source: Comscore, 2016

# Facebook surpassed Twitter as the most-used social media platform in 2015

## Country Report Japan

### SOCIAL MEDIA USAGE

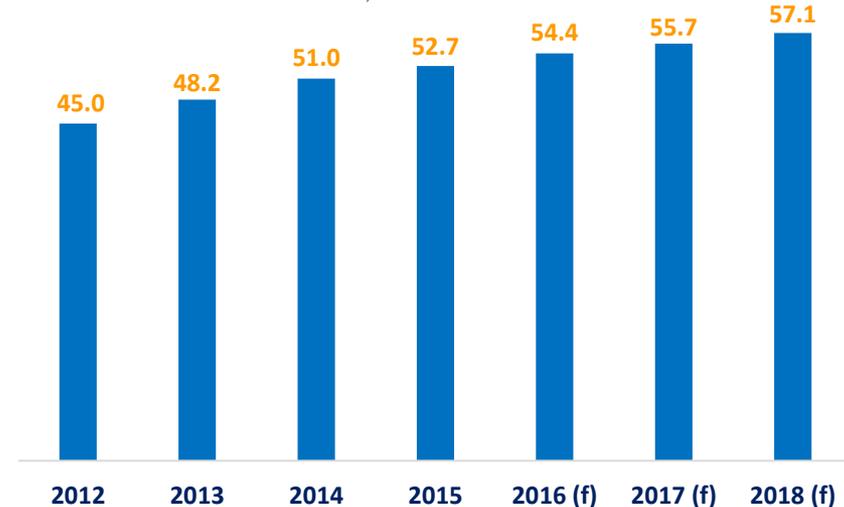
Share of the total population, Q4 2015



Source: Wearesocial, 2016

### NUMBER OF SOCIAL MEDIA USERS

Number of social media users in millions, 2012-2018



Source: Statista, 2016

# General tips and tricks

## Country Report Japan

Every country has its own **social habits and rules**. Therefore, when doing business in a foreign country, you should be aware of the **DOs and DON'Ts** of that particular nation.

Below, you will find some **tips and tricks** that might help you when doing business in Japan.

- ✓ A hard-sell approach will not succeed in Japan. Replace the high-pressure, confrontational approach with a more gentle, persuasive presentation that showcases the virtues of what you are proposing
- ✓ Make sure you do not express anger or aggression. These traits are equated with losing face in Japan, which is something you do not want to happen. Also stick to neutral subjects in conversations; private lives are kept private
- ✓ Remember to use last names with the honorific -san when addressing people. Also, hierarchy matters to the Japanese, so make sure your job title and/or rank is indicated on your card
- ✓ Understand that the Japanese prefer not to use the word “no”. If you ask a question, they may simply respond with a “yes” but clearly mean “no”. Understanding this is critical in the negotiation process
- ✓ Never flick, throw, slide, lob or otherwise push your Japanese business card across the table – always present your Japanese business card holding it with both hands
- ✓ Always arrive 10 minutes early for a meeting, and even more if the meeting will be with senior executives.

Below, you will find some **practical tips** for online merchants who want to sell products and/or services in Japan.

### Tips for online merchants

- ✓ Brand name, quality and product features have traditionally been considered the most important aspects when making a purchasing decision. As economic conditions have become more difficult, price has become an increasingly important consideration for Japanese consumers
- ✓ Customer service aspects, such as technical explanations and adherence to delivery dates, are important elements in a sale
- ✓ While Japanese consumers have been rather reluctant to buy foreign products in the past, they have become progressively more open to them over time. Japanese consumers are highly diverse in their interests and tastes, which range from traditional needs to more westernized desires.
- ✓ The physical packaging of products should be of high quality, with the product meticulously presented. A product's instructions for use should be included and highly detailed.
- ✓ In case of foreign entrepreneurs (not having an presence in Japan), it is exempted from consumption tax obligation in a Taxable Period if its taxable sales in the Base Period for the Taxable Period are equal to or less than 10 million yen, since it will not pay any salary to resident employees in Japan.

Source: Ecommerce Foundation, PwC and Santander, 2016

### Opportunities and barriers

Naturally, Japan offers both opportunities and threats for e-commerce companies. Below, we provide a short overview of some important opportunities and threats that you have to take into account when you are thinking about opening an online shop in Japan.

#### Opportunities:



- One of the largest e-commerce markets worldwide. Japan has the highest e-commerce turnover, and is only behind China and the USA.
- Japan has a good geographical location, with important markets such as China and Korea in its vicinity.



#### Threats:



- A very ageing population, with an average age of 46.5 years. With this, Japan has one of the oldest populations worldwide. In general, older people shop online less often, due to trust issues, for instance.



- A satisfied Internet penetration and a slowly growing number of e-shoppers. As a result, there is little to no growth in the number of Internet users.

# About Ecommerce Foundation

Information about the Ecommerce Foundation and its Reports



## Ecommerce FOUNDATION



Commissioned by



Executed by



# Ecommerce Foundation

## About Ecommerce Foundation

### Ecommerce Foundation

The Ecommerce Foundation is an independent **non-profit organization**, co-founded by Ecommerce Europe and working in partnership with national e-commerce associations worldwide. In addition, the Ecommerce Foundation cooperates with online and omnichannel selling companies from industries such as retail, travel & finance. Its mission is to facilitate the development of **practical knowledge**, insights and learnings **for** which individual **institutions, associations and B2C selling companies** do not have the (financial) resources and/or capabilities.

By combining collective goals and efforts, the Ecommerce Foundation is able to **realize** e-commerce research, reports, benchmarks and studies that could **not** have been **possible** on an **individual basis**.



# Ecommerce Foundation's Research Services

## About Ecommerce Foundation



The **Ecommerce Benchmark** allows companies to compare & improve their e-commerce activities. Compare your performance with that of others in your industry at [www.ecommercebenchmark.org](http://www.ecommercebenchmark.org)



The **EcommerceWiki** is *the* online e-commerce guide for online retailers, corporate digital experts and students. Read all about e-commerce-related topic at [www.ecommercewiki.org](http://www.ecommercewiki.org)



**Custom research** is performed for a diverse set of companies, both co-branded and white-labeled. For more information, please go to [www.ecommercefoundation.org](http://www.ecommercefoundation.org)



Our **E-commerce Reports** provide facts & figures on the most important e-commerce markets in the world. Download the light version or order the full versions through [www.ecommercewiki.org](http://www.ecommercewiki.org)

# Information about the Reports

## About Ecommerce Foundation

### About the reports

The **B2C E-commerce Reports** are published by the **Ecommerce Foundation**. They provide overviews of the mature and emerging markets and of the major European and global statistics in the field of e-commerce.

In total, the Ecommerce Foundation will publish 12 country reports, covering the most important e-commerce markets worldwide. These include the United States of America, the United Kingdom, China and Brazil. In addition, it will publish a European and global overall report. For publication dates and prices, please see the table on the right.

#### Personalized report

It is also possible to have a tailor-made e-commerce report made, completely based on your wishes and requirements. This can be ordered through [info@ecommercefoundation.org](mailto:info@ecommercefoundation.org).

#### Light reports

Ecommerce Europe also publishes light reports, which contain a summary of the full reports. These light reports can be downloaded for free through [www.ecommercewiki.org](http://www.ecommercewiki.org)

### 2016 prices and publication schedule

#### European overview report (€790)

- May 30

#### Global overview report (€790)

- September 29

#### Country reports (€95)

- |                   |              |
|-------------------|--------------|
| • The Netherlands | April 7      |
| • Belgium         | April 14     |
| • United Kingdom  | April 21     |
| • United States   | April 28     |
| • Germany         | May 12       |
| • France          | May 19       |
| • Australia       | June 23      |
| • Russia          | July 7       |
| • Japan           | July 21      |
| • China           | September 15 |
| • Brazil          | October 13   |
| • India           | October 27   |

\*The reports are free of charge for all company members and business partners, as well as for the members of our Nationals Associations.

[Click here to order your full reports through our order form](#)

# Global Online Measurement Standard for B2C E-commerce (GOMSEC)

## About Ecommerce Foundation

**GOMSEC** aims to provide **guidelines for measuring and monitoring B2C e-commerce**. As a result, **all countries worldwide** are able to provide data with respect to the penetration of B2C e-commerce in a standardized way. All Ecommerce Foundation figures and estimates are based on GOMSEC, unless stated otherwise. The data and research by GfK is also in accordance with GOMSEC.

The GOMSEC reports on sales figures for the total B2C e-commerce worldwide and for each country separate in the country profiles, **based on total sales of goods and services**.

These total sales of goods and services are based on the **areas/sectors/classification of areas and sectors, as stated on the next few pages**.

All data reported in **the national currency of the country involved** is converted into euros according to **the average (annual) rate of exchange** as provided by, preferably, **the European Central Bank (ECB)** or the **national bank** of the particular country. The reference period that is used for this was from **1 January 2015 to 31 December 2015**. Growth rates are calculated and measured by the B2C e-commerce sales in the national currency.

### Definition of B2C e-commerce sales

**“Any B2C contract regarding the sale of goods and/or services, fully or partly concluded by a technique for distance communication.”**

**Technique for distance communication:** means that can be used for communication regarding the offer made by the trader and the conclusion of a contract, without the necessity of the consumer and trader being in the same place at the same time.

**Contract:** a contract whereby use is made, either solely or in part, of one or more techniques for distance communication within the framework of a system organized by the trader for the distance sale of goods and/or services, up to and including the moment that the contract is concluded;

### Classification of B2C e-commerce

The following classification on the next few pages provides an overview of areas and sectors included in GOMSEC.

Online purchases of the following items are **excluded from GOMSEC**:

- Transactions between private individuals/consumers (C2C), such as auctions and marketplaces, and between businesses (B2B)
- Online gambling and gaming
- Cars and other motor vehicles
- Houses and real estate
- Utilities (e.g. water, heating and electricity)
- Mortgages, loans, credit cards and overdrafts
- Savings accounts, funds, stocks&shares and bonds

**B2C e-commerce** therefore **includes** all online transactions between businesses and consumers using desktop computers, laptops, tablets, smartphones, point-of-sales and smart-wearables, for instance through online shops, physical stores (“online instore”), email, QR codes, catalogs, etc. B2C e-commerce includes Value Added Tax (VAT) or other sales tax, delivery costs and apps, but excludes returns.

# Global Online Measurement Standard for B2C E-commerce (GOMSEC)

## About Ecommerce Foundation

Media & Entertainment
Music (physical, download & streaming)/Spotify based on new subscriptions
Video (DVD, Blu-ray, downloads)
Games hardware & games software
Books & e-books
Apps
New subscriptions newspapers and magazines (no single copy sales)

Fashion	
<i>Clothing</i>	<i>Shoes &amp; Personal lifestyle</i>
Underwear & Upperwear	Shoes
Children's wear	Jewelry, Bijoux, Watches & others
Swimwear & Sportswear	fashion accessories (e.g. sunglasses)
Nightwear & legwear	Bags, wallets, suitcases

Toys
Indoor and outdoor toys

Electronics		
<i>Consumer Electronics</i>	<i>Information Technology (IT)</i>	<i>Household Electronics</i>
Photo equipment	IT hardware (PCs, laptops, tablets, etc.)	MDA: air-conditioning, dishwashers, wash machines and other white goods
Audio equipment	Computer Software	
TV/video equipment	Music instruments	
Car electronics (navigation, audio, etc.)	USB sticks, DVD/CD-recordable, ink cartridges, computer accessories	SDA: equipment for personal care, home comfort, kitchen appliances

Sports & Recreation
Sports hardware (e.g. soccer shoes, tennis rackets)
Bicycles & accessories
Articles for camping and recreation

# Global Online Measurement Standard for B2C E-commerce (GOMSEC)

## About Ecommerce Foundation

### Home & Garden

Furniture and kitchens  
Floor and window coverings (e.g. curtains and blinds)  
Home textiles  
Cookware (sets), kettles and oven equipment  
Table and kitchen articles  
Articles for cleaning, wash and store  
Decoration  
Lamps and fixtures  
DIY-articles  
Garden articles  
Flowers and plants (in home)

### Telecom

Smartphones, mobile phones & mobile devices  
Telefax and answering machines  
Headsets & Accessories (mobile) phones  
Prepaid cards and tariffs of new phone subscriptions

### Food/Nearfood/Health

<i>Food/Nearfood</i>	<i>Health &amp; Beauty</i>
Food & Beverages	Personal care & Hygiene
Fresh produce	Baby care
Packaged consumer goods	Perfume
Detergents/household cleaning	OTC
Animal feed	
Tobacco	

### Other: Products

Cars components  
Glasses and contact lenses  
Stationery  
Pictures and photo albums  
Pet supplies  
Erotica

# Global Online Measurement Standard for B2C E-commerce (GOMSEC)

## About Ecommerce Foundation

Insurance		
<i>New indemnity, Life and Health Insurances</i>		
Liability insurance	ANW-gap insurance	Health Insurance – Base
Car insurance	(insurance for receiving a payment in addition to a survivor's allowance)	Health insurance – additional
Fire and theft insurance		
Bike/caravan/motorbike/ Scooter insurance	Annuity insurance Pension	Disability insurance – entrepreneurs
Accident insurance	Life insurance	Disability insurance – private
Boat insurance	Funeral insurance	Mortgage-related disability insurance
Legal assistance insurance	Endowment insurance based on savings	Mixed insurance (=endowment insurance + life insurance)
Home insurance	Endowment insurance based on investments	
Travel insurance (continuous/annual + short term)		
Insurance package		

Travel	
<i>Package Travel</i>	<i>Flight Tickets &amp; Accommodations</i>
Package travel	Flight Tickets
Private transport if booked through a tour operator	Hotel stays Apartment/bungalow/camping site -> all of the above not booked in combination with other travel-parts

Event Tickets
Tickets for concerts and festivals
Tickets for (movie) theaters
Tickets for zoos and amusement parks
Tickets for museums
Tickets for sports games

Other: Services
New subscriptions to dating service
Other services

# Definitions related to the Internet, E-commerce and Online Retailing

## About Ecommerce Foundation

- **Broadband access:** the availability of broadband is measured by the percentage of households that are connectable to an exchange that has been converted to support DSL technology, to a cable network upgraded for Internet traffic, or to other broadband technologies. It includes fixed and mobile connections (source: Eurostat)
- **Cross-border e-commerce:** percentage of e-commerce purchased at foreign sites
- **Ease of Doing Business Index:** The Ease of Doing Business Index is developed by the World Bank, and averages the country's percentile rankings on nine topics. It is made up of a variety of indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2010. The Index covers 185 countries.
- **E-commerce (or electronic commerce), a subset of e-business:** any B2C contract on the sale of products or services fully or partly concluded by a technique for distance communication.
- **E-commerce GDP:** total amount of goods and services online divided by the total Gross Domestic Product (GDP).
- **Economic Freedom Index:** the Index of Economic Freedom is an annual guide published by The Wall Street Journal and The Heritage Foundation, Washington's No. 1 think tank. For over a decade, the Wall Street Journal and The Heritage Foundation have tracked the march of economic freedom around the world with the influential Index of Economic Freedom. There are 5 categories, ranking from Free (with a score between 80 and 100) to Repressed (between 40 and 49.9).

- **E-households:** number of households that use the Internet for personal gain.
- **E-household expenditure:** expenditure per household that bought goods or services in the past year.
- **Global Online Measurement Standard for B2C E-commerce (GOMSEC):** aims to provide guidelines to measure and monitor B2C e-commerce in order to enable all European countries to provide data with respect to the penetration of B2C e-commerce in a standardized way.
- **E-Government Index:** The UN's E-Government Index provides a comparative assessment of the e-government development of UN Member States. One of the primary factors contributing to a high level of e-government development is concurrent past and present investment in telecommunication, human capital and provision of online services.
- **Gross Merchandise Volume:** the total sales facilitated by a third party, such as a market place.
- **E-services or electronic services:** "Deeds, efforts or performances whose delivery is mediated by information technology. Such e-service includes the service element of e-retailing, customer support, and service delivery." This definition reflects three main components: service providers, service receivers and the channels of service delivery (i.e. technology). (Jennifer Rowley, Professor Information and Communications, Manchester Metropolitan University, UK)
- **Inactive online population:** users that have access to the Internet but have not (yet) purchased goods or services online in the past year.

# Definitions related to the Internet, E-commerce and Online Retailing

## About Ecommerce Foundation

- **Market place:** online platform on which companies (and consumers) sell goods and/or services.
- **Logistics Performance Index (LPI):** The Logistics Performance Index (LPI) measures the “logistics friendliness” of 155 countries. It helps countries identify the challenges and opportunities they face in their trade logistics performance and what they can do to improve this. The Index is developed by the World Bank and is based on a worldwide survey of operators, such as global freight forwarders and express carriers.
- **Mobile commerce (or m-commerce):** the ability to conduct commerce using a mobile device e.g. a mobile phone, a PDA, a smartphone, a tablet or other (emerging) mobile equipment.
- **Mobile subscriptions:** mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provide access to the public switched telephone network. Post-paid and prepaid subscriptions are included (source: Eurostat).
- **Networked Readiness Index (NRI):** The NRI measures the tendency for countries to exploit the opportunities offered by information and communications technology (IT). The NRI comprises three components: the environment for IT offered by a given country or community, the readiness of the country's key stakeholders to use IT, and the usage of IT among these stakeholders.
- **Online buyer (or e-shopper, e-buyer):** an individual who regularly bought or ordered goods or services through the Internet.

- **Online expenditure:** spending per user who purchased goods or services online.
- **Online Retail (or e-retail, electronic retail or retailing or even e-tailing):** the selling of retail goods and services on the Internet. In the limited sense of the word, sectors such as online leisure travel, event tickets, downloading music or software are not included. Online-only retail shops are often referred to as pure players.
- **Penetration levels:** the percentage of a population using the Internet, mobile phones, smartphones or tablet devices.
- **Real economic growth rate:** a measure of economic growth from one period to another expressed as a percentage and adjusted for inflation. The real economic growth rate is a measure of the rate of change that a nation's gross domestic product (GDP) experiences from one year to another.
- **Retail sales:** the selling of mainly goods from businesses to individuals from a traditional or so-called bricks-and-mortar shop.
- **Statcounter research method:** Statcounter is a web analytics service and their tracking code is installed on more than three million sites globally. These sites cover various activities and geographic locations. Every month, Statcounter records billions of page views to these sites. For each page view, they analyze the browser/operating system/screen resolution used and they establish if the page view is from a mobile device. They calculate their Global Stats on the basis of more than fifteen billion page views per month, by people from all over the world onto more than three million member sites.

**The sources consulted for the creation of this report include:**

- CIA Worldfactbook
- Comscore
- Countrymeters
- GfK
- Google Barometer
- IMF
- Internetlivestats
- Ministry of Internal Affairs and Communication
- Ministry of Economy, Trade and Industry
- PwC
- Santander
- Statcounter
- Statista
- Tradingeconomics
- Wearesocial
- Worldbank
- Worldpay

**Sources**

This report could only be realized by consulting a great number of valuable sources. These were available in various countries and regions in Europe and around the globe. The wide variety of sources include public domain publications, blogs, websites, industry and financial specialist publications, regional and local news, annual reports, and press releases.

Sometimes the information sources are contradictory and sometimes different figures and data were given by varying sources within the same country, for example due to different definitions. In our reports we have mentioned the different sources, definitions and outcomes of such reports, studies and interpretations.

This report is based on information that we consider reliable, but we cannot vouch for it being completely accurate or complete, nor should it be relied upon as such. Opinions expressed are our current opinions as of the date of this report.

# About the Authors

## About Ecommerce Foundation



### **Roald Willemsen, Researcher E-commerce**

Roald Willemsen (1991) has worked for Ecommerce Europe and the Ecommerce Foundation since 2015, and graduated in Business Management from the University of Applied Sciences in Ede.

He is involved in the research of the global e-commerce market and is developer of the National E-commerce Reports.



### **Jorij Abraham, Director Research & Advice**

Jorij Abraham (1972) has been part of the international e-commerce community since 1997. He was an E-commerce Manager at Bijenkorf, TUI and Sanoma Media and Director of Consulting at Unic.

Since 2013 he has been Director of Research & Advice at Ecommerce Europe. He is also director of the Ecommerce Foundation, a research institute offering practical e-commerce research and benchmark services.



### **Richard van Welie, Chief Editor**

Richard van Welie (1979) has worked for Ecommerce Europe and the Ecommerce Foundation as a chief editor since March 2014. In his role, he is responsible for the National E-commerce Reports and the EcommerceWiki. In addition, he is involved in the Ecommerce Benchmark and other projects.

After graduating in Communication Sciences in 2004, he studied American Studies at Radboud University Nijmegen and graduated in 2008.

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## About Ecommerce Foundation

Address: Ecommerce Foundation  
Raadhuisstraat 22  
1016 DE Amsterdam - the Netherlands

Website: [www.ecommercefoundation.org](http://www.ecommercefoundation.org)  
Contact: [info@ecommercefoundation.org](mailto:info@ecommercefoundation.org)  
Twitter: @Ecomfound

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# Japan B2C E-commerce Report 2016



Ecommerce  
FOUNDATION

Ecommerce Foundation  
Raadhuisstraat 22  
1016 DE Amsterdam, the Netherlands

Website: [www.ecommercefoundation.org](http://www.ecommercefoundation.org)  
Information: [info@ecommercefoundation.org](mailto:info@ecommercefoundation.org)  
Twitter: @Ecomfound

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