

Japan E Commerce Market and Business Strategy

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Introduction

Japan is one of the largest e-commerce markets in the world and is still growing exponentially every year due to vast economic developments and digital integration (Watanabe and Omori, 2020). The highly urbanized population, single language culture, and high internet penetration are some other factors that contribute to the online conversion of conventional businesses and consumer markets. These developments are even beneficial for small and medium enterprises that can operate smoothly and effectively by providing their services and products through online platforms (Nisar and Prabhakar, 2017).

However, this situation also creates competition among various enterprises to capture the fast-growing e-commerce market of Japan. In this regard, success can only be ensured if companies orient themselves according to consumers' needs and provide attractive solutions to their existing problems that are also economical and accessible. Moreover, efficient leadership skills are also required to run an online business to properly address the employees' concerns and demands that are now perceived quite differently due to recent developments in digital communication technologies.

However, if strategies are implemented effectively, businesses can gain success gradually. For example, Amazon has gained a strong foothold in Japan, while different local companies like Rakuten and Yahoo Japan also stand at the top in e-commerce (Wakana Morlan, 2019). However, long-term success in Japan requires a comprehensive assessment of the many economic and social factors that can influence the new mode of business. For example, Japan has a particularly old population: official estimates put people aged 65 and over at 29.3% of the population in October 2024 and 29.4% in September 2025. This is close to three in ten people, rather than one-third, and it remains an important consideration for e-commerce design.

On the other hand, elderly people spend more money than the younger generation, according to Japan's Ministry of Economy, Trade, and Industry, which makes them potential candidates for any kind of business activity. Thus, considering the massive importance of Japan for e-commerce and innovative start-ups, the following report presents the outline of my business venture, which is establishing an online selling business in the country. The report particularly focuses on the mission of my business and the respective strategies to fulfil that mission by exhibiting strong leadership skills.

Vision

To provide customers with an online platform and replace traditional shops so that people can buy goods from anywhere at any time from all parts of the world.

Mission

To offer people a better experience of using online shopping and selling platforms and thereby provide them an attractive and economical alternative to meet all kinds of needs by connecting consumers and businesses through the internet.

Strategy And Goals

To achieve this vision of a global e-commerce marketplace, it is necessary to establish the business entirely in Japan, which is one of the most economically developed and digitally advanced societies. Therefore, it provides companies and firms with a huge market equipped with advanced digital tools required to attract consumers to online selling and purchasing. However, it is also important to investigate consumer habits and their expectations in order to meet them most effectively. Therefore, for successful online selling. The best strategy is to include product, price, distribution, and promotion as integral parts of the business activities (Seitz, Razzouk, and Takaoka, 2011).

Product Strategy

The fundamentally important point of online selling is to ensure some particular attributes of the product, including non-perishability, sufficient product description, high relative value, and advanced technology. Moreover, it would also be necessary to provide a wide range of products that cover all the basic needs of versatile consumers who seek different goods and services based on their demographics and professional requirements. It is also significant to initially target high-value products such as technology and fashion-related goods that customers are willing to do online research on. Once this has become their habit, they can easily be inclined towards purchasing all other items that meet their needs, such as household items and groceries, etc.

However, it is worth mentioning that for the Japanese market, focusing on [online medicine distribution](#) can provide a significant advantage to staying competitive in the market because the ageing society of Japan has relatively higher medical needs as compared to other countries (QYR Research, 2020). Thus, establishing the proper channel for online medicine will open doors for the sales and purchase of other items as well.

Similarly, services such as repair, maintenance, and logistics can also be purchased online if the right

technology and the right business strategy are implemented. So, once the Japanese market is captured, the business can be expanded to other parts of the world by offering goods and services that are needed in that particular region to grow gradually and increase the productivity of the online marketplace.

Pricing Strategy

Pricing is another critical factor for the success of the business and one of the driving parameters for consumers to buy online. Consumers, on the one hand, find it relatively easier to buy online from the variety of products available, while on the other hand, they seek cost benefits associated with this choice. It is also evident that when business shifts their business online and participate in the online market, they have to offer competitive prices because consumers can access the prices of their competitors on a single click. In this regard, different strategies can be used to attract customers in terms of cost, such as penetration pricing, pricing promotions, and price leadership.

Thus, based on this assessment, I will make sure that the business not only preferably focuses on the products that consumers are willing to buy but also provides competitive prices. This is exactly one dimension of my mission to provide people with a better experience with online purchases.

Distribution Strategy

The distribution channel structure plays a vital role in a successful online business. Not only does this affect the time required to complete a specific service, but it also influences the net cost of the product being offered. Therefore, the optimum strategy would be to reduce the intermediaries and ensure the direct distribution of goods and products from suppliers to customers. The conflict among intermediaries can bring many negative consequences for e-commerce and halt the supply of required items to the consumers, affecting the reputation of the company, which is critical for business success.

Thus, to accomplish my mission of providing an excellent experience of online shopping, I will put my utmost efforts into developing an effective and optimized distribution channel through which required goods can reach customers in the minimum time possible. Moreover, the country's social and economic situation also influences the distribution strategy of e-commerce as underdeveloped countries that are already facing many issues in transportation have many problems with the effective supply of goods. However, this is not the case for Japan, which has a highly advanced logistics set, and therefore, I only need to focus on ensuring the proper communication and collaboration of relevant stakeholders (Dooley, 2020).

Promotion Strategy

For the success of the online business, effective promotion is much needed to attract potential customers towards your market. In this regard, different promotional approaches can be utilized, such as Internet advertising, sales promotions, and Internet public relations Strauss and Frost (1999). Internet advertising involves placing ads on different websites and social media platforms to introduce the products and services of the company, while Internet public relations involves building strong relationships with customers. Similarly, sales promotions are also an effective means of providing a better experience for online purchases. This includes trial sales that customers can enjoy free of cost, and upon their satisfaction, they can properly purchase the required goods. Also, as they purchase more, more incentives in terms of discounts can be provided to earn their trust. However, without these promotional strategies, it is extremely difficult for any e-commerce company to grow itself and make a competitive place in the market (Sukandar, Galinium, and Mukadis, 2017). Therefore, I will implement a proper promotional strategy for my new online venture.

Role Of Leadership

E-commerce is highly affected by internal and external challenges that can only be dealt with through innovative organizational culture, effective management practices, and leadership (Mahdikhani and Yazdani, 2020). Because the dynamic environment of the 21st century influences the structure of a business and corresponding adapted changes. Therefore, considering the deregulation, globalization, rapid change in technology, and eCommerce, the existing management practices need to be evaluated, as changes in the leadership style (Kelloway et al., 2012).

This requires leaders to understand the market and master the essential skills to cope with different uncertain challenges such as weak infrastructure, unstable communication platforms, legal and cultural obstacles, marketing issues, and the absence of required information to benefit from e-commerce. Thus, unlike managers, leaders have a much different role in creating a vision and moving an organization on the path of continuous development and progress by ensuring team participation and complete involvement during this process of innovation (Shehu and Mohamad, 2016).

However, it is important to investigate the most appropriate style of leadership to deal with the dynamic challenges of e-commerce. Different leadership styles, such as transformational leadership, transactional leadership, and laissez-faire leadership, have their respective advantages and disadvantages depending on the situation that leaders have to face. But to run an e-commerce business successfully, the most effective leadership style is transformational leadership, which promotes innovation and productivity and effectively enhances the employees' participation in decision-making to establish the right organizational culture (Beugré, Acar and Braun, 2006).

The concept of transformational leadership originated from modern theories of leadership, such as the theory of charismatic leadership, which focuses on change and innovation to optimize the business

process and operations continuously. In this regard, being a transformational leader, I will develop innovation, increase creativity and convergence, promote teamwork, and enhance the employees' morale by utilizing transformation strategies. Moreover, according to Wang, Kim, and Lee (2016), the theory of transformational leadership highlights the importance behaviour of the leaders not only to achieve the set goals but also to change values, preferences, needs, and goals of the employees as required and motive them to achieve the objectives beyond their power because organizational goals cannot be achieved unless employees are committed to utilizing their maximum potential and skills to cope with the uncertain challenges that business will face.

When the leader exercises their power, it is crucial to comprehend the conditions of the workplace and then observe the most effective attitude that suits the nature of work, characteristics of employees, and description of work. Moreover, to create a culture of innovation, I will utilize my idealized influence, intellectual stimulation, inspirational motivation, and individualized consideration to achieve the expected results and goals through my followers. Transformation leadership also requires collaborative teams of specialized employees to deal with economic and managerial problems effectively and increase the organization's strength and ability to respond in an optimum way to dynamic business changes.

Conclusion

The business environment is continuously changing and subjected to digitalization and globalization. In response, e-commerce has emerged as one of the major technological developments in recent decades. E-commerce has the potential to meet the changing demands of consumers, digitalize business operations, and expand business all over the world. Moreover, it can completely transform the traditional economy into a modern digital economy by eliminating the problem of time and distance in making transactions while also reducing the costs of the production process.

By considering all these factors, this report has presented an overview of how e-commerce can truly transform the existing shop culture in the world. To achieve this mission, the most effective approach is to implement effective product, price, distribution, and promotion strategies. Moreover, the fundamental goal of providing a better experience to customers can only be achieved if an innovative culture is established in the business that promotes creativity to deal with modern economic and business challenges.

In this regard, transformational leadership is the most effective leadership style as it focuses on employees' effective participation in the decision-making process to continuously transform the business and align it with the dynamic needs of the customers and the market.

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