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Japan goes web crazy : e-commerce and online shopping trend [sic] and future in Japan

Masahisa Hanamura
The University of Montana

Maureen and Mike
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Japan Goes Web Crazy:

E-Commerce and Online Shopping Trend and Future In Japan

by

Masahisa Hanamura

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Maureen J. Fleming

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Dean, Graduate School

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Outline

I. Background

Though Japan is the second largest e-economy behind the United States, it is said that Japan lags behind the US by two years in terms of corporate trading over the internet and four years in the consumer market. According to a survey, business-to-business e-commerce in the U.S. is about two to three times larger than in Japan. In the consumer market e-commerce the U.S. is almost 20 times larger (Nikkei Weekly p7, Feb 21, 2000).

However, after years of languishing, Japan is finally waking up to the wonders of the internet. Unlike conventional internet providing services that charge around 10,000 yen ($93.60)[1] per month, one of the first internet service providers called Bekkoame launched a 2,000 yen ($18.50) per month hosting service in April. And this has finally brought a solution to the problem of high cost of connectivity to the internet in Japan. Japan will experience explosive internet marketing growth as it is predicted that its 20 million Internet users will increase to 60 million by 2003, thus more Japanese people will turn themselves into "netizens" and have more opportunities to freewheel cyberculture.

In Japan consumer purchases via the internet are expected to reach $7.16 billion in 2000. The figure will climb to $56 billion in 2004, or about 20 times the figure estimated for 1999. (See Table #1 in page 4). All e-commerce transactions, including business-to-business transactions and retailing, are predicted to be worth $126 billion by 2002, and $451 billion in five to 10 years. It will change the trend in the consumer market and restructure the economy by cutting out the middleman.

However, there are reasons behind the sluggish internet sales that have hindered the development of online business in Japan. These are cultural differences, the country's poor

[1] $1 = 108 Japanese Yen as of July 14, 2000

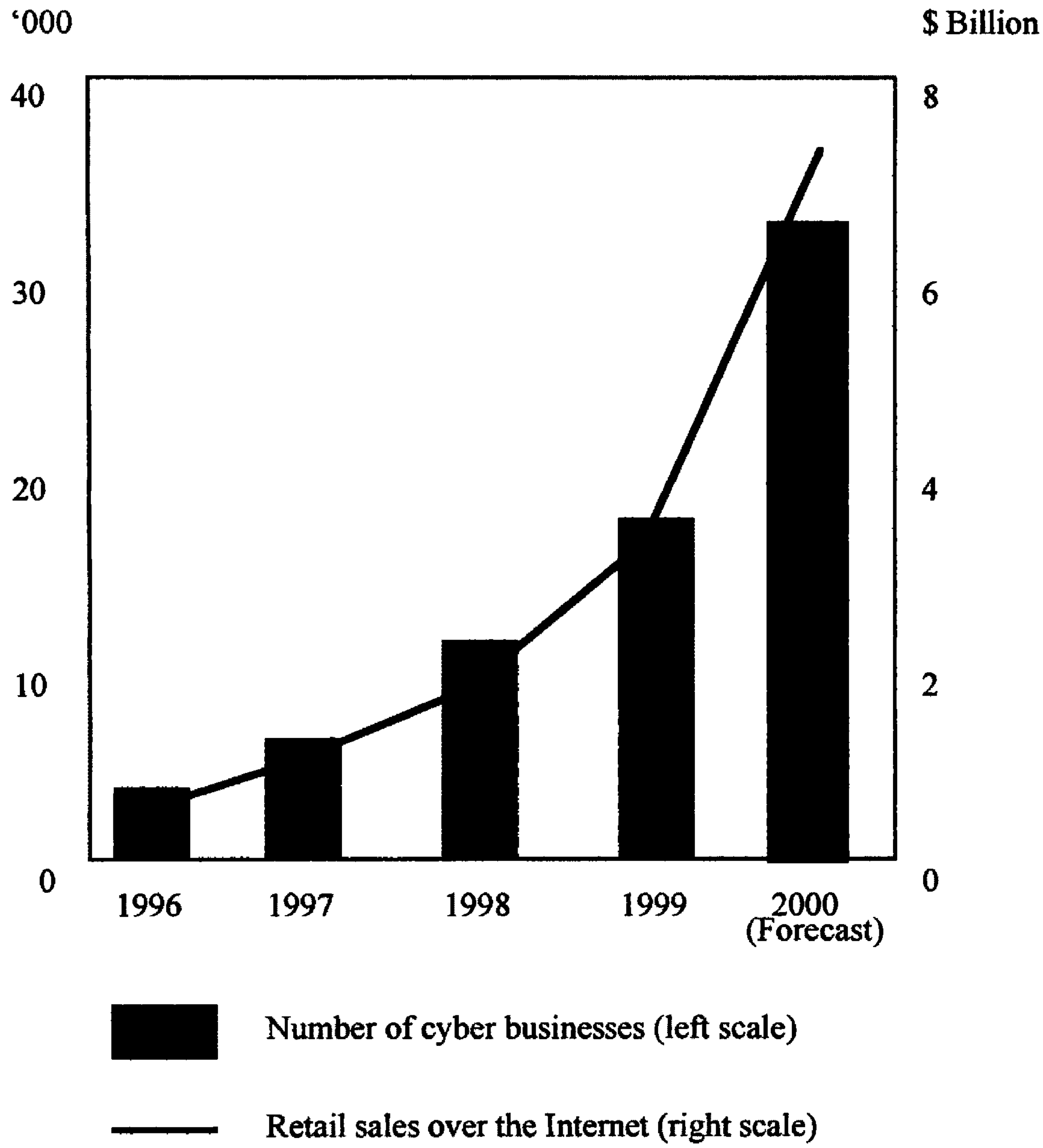
demand for and the investment in information technology (IT), limited PC use among Japanese households, and the cost of connectivity.

One major cultural difference is that many Japanese still prefer cash payment over credit card transactions. This can be solved by making neighborhood retailers vital settings of e-commerce. Convenience stores can be used as a place where consumers can pick up merchandise ordered over the internet and settle transactions.

Despite Japan's lack of investment in IT, a number of big corporations such as Fujitsu, Sony, Matsushita, Toshiba and NEC are rewiring themselves as entrepreneurial machines capable of doing e-business. More companies should come up with unique ideas to give Japanese people more opportunities to experience cyberculture by lending PCs or offering PCs free of charge with certain conditions. For example, Kyodo Vertex Link Corp. and IBM Japan LTd. have already done so.

The paper will discuss the e-commerce boom in Japan including the online shopping trend and its future. It will discuss the development of a Japanese style of e-commerce and online shopping, the change of the consumer market, and the restructure of e-commerce and the e-economy. It will also reveal the problems mentioned above and discuss solutions in more detail.

Table #1: Business Boom (Source: Far Eastern Economic Review, p 9, July 29, 1999)



II. Current Situation

When you want to be successful in doing any business in a foreign country you need to take a pragmatic approach by building a structure that matches the situation in that country. In the case of Japan, the internet is being accessed and used in different ways than in the U.S.

This section will discuss the Japanese style e-commerce and online shopping trend and how Japanese companies came up with different ideas to attract consumers. It will also discuss the impact on Japanese industry and conventional business style and assess how the e-commerce boom will force the economy to restructure.

Japanese Style E-commerce and Online Shopping Trend

In many respects, Japan's internet market tracks America's. One example is Yahoo Japan which is 51% owned by Softbank and 34% owned by America's Yahoo. It dominates the portal business with nine million customers among the 18 million in Japan who use the internet. Yahoo Japan simply copied Yahoo's business strategy and even Website design (Fortune, p115, Feb 7, 2000).

In most other ways, however, Japan's internet works differently from America's. This is apparent in payment and delivery. In Japan, online orders can be placed one day and the goods picked up the next at one of the ubiquitous local convenience stores or a gas station; this allows the use of cash for payment, still preferred by many Japanese over credit card transactions, and a delivery time to suit the buyer's schedule. An obvious beneficiary of this is Seven-Eleven Japan, which, with 8,000 outlets, is the country's biggest convenience-store chain.

When it comes to going online, Americans tend to use PCs. But it is somewhat different in Japan. On the streets of Japanese cities, you are likely to run across young teenagers exchanging e-mail on their cell phones. The Japanese have always had a warm spot for consumer electronics gadgets, and that heritage is telling as the internet develops. The general-purpose PC will probably yield pride of place to "appliances" that do only one or two things and are totally reliant for their power on the network. Those appliances run the gamut from car navigation systems to palm-held devices, to toys like Sony's PlayStation2, or to micro-TVs (Nikkei Weekly, p8, March 13, 2000).

The appliance that will matter most is the mobil phone. For now this is a mere curiosity in America, where the broadband future of the internet seems defined almost in its entirety by fixed-line competition between cable and telephone providers. This seems even more the case after the announcement of the proposed merger between America Online and Time Warner, the nation's second-largest cable company.

Things are different in Asia. Mobile-Phone penetration rates in Japan, approaching 50%, are almost twice those in America. And mobile broadband services not only are just around the corner but also make commercial sense.

The development of a Japanese style of e-commerce, utilizing cellular phones, game consoles and convenience stores, is laying the foundations for an online consumer market.

The number of subscribers to i-mode internet-compatible cell-phone service of NTT Mobil Communications Network Inc. (NTT DoCoMo) is nearing 4 million less than a year after the service was launched and the digital contents it offers are expanding rapidly. It is expected that sometime next year the service may boast 15 million subscribers. Other mobile-phone companies, not yet in the market, but egged on by Hikari Tsuishin[2], may contribute another five million to ten million (Far Eastern Economic Review, p52, June 8, 2000).

Within a year it is likely that every mobile phone sold in Japan will be internet ready, and some enthusiasts predict that by 2003 half of mobile-phone service revenues will come from internet services. The early i-mode services have been elementary: e-mail, news, stock quotes, games; the most popular use has been to download daily horoscopes. But that has not blunted i-mode's appeal, in part because it already has an important advantage: The user is continuously hooked up to the Internet, so there is no need to dial up an ISP to go online (Fortune, p115, Feb 7, 2000).

With today's technology, video games come in handy for access to internet, too. Game consoles with internet compatibility, such as Sega Dreamcast and the Sony PlayStation2 that was launched on March 4, offer another gateway to e-commerce and online shopping, especially for young people.

Meanwhile, as mentioned before, convenience stores are starting to function as a link between the existing commercial infrastructure and online businesses. An e-commerce business that Seven-Eleven Japan Co., NEC Corp., Sony Corp. and others jointly launched in February, called 7dream.com is a case in point.

Equipped with automated teller machines, convenience stores are playing the role of bank outlets, but doing it 24 hours a day, making these neighborhood retailers vital settings of e-commerce where consumers can settle transactions and receive merchandise ordered over the internet.

The venture, called 7dream.com, may offer one of the first comprehensive pictures

[2] The name roughly means "light-speed communications". The company is currently one of the hottest startups in global Internet lore, even though it did not begin as an Internet company at all (Fortune, p115, Feb 7, 2000).

of an e-commerce strategy that differs significantly from the main U.S. models. Analysts say the more than 50,000 convenience stores in Japan could play a key role in e-commerce, because few Japanese use credit cards and because the major store chains already have sophisticated computer and distribution expertise (The Asian Wall Street Journal, p5, Jan 10, 2000).

Seven-Eleven Japan had hinted since last year that it was preparing to offer a wide range of online services, helping its stock price to nearly double in 1999. But until now it had only started an online-books venture with Softbank Corp.

The venture envisions two principal e-commerce channels. One is the 7dream.com Web site to be launched in June, which will offer music CDs, vacation tours, books and other goods. Seven-Eleven Japan plans to target Japan's 60 million mobile-phone users who can access the internet.

Instead of paying by credit card, customers would pick up their tickets or CDs at a 7-Eleven store and pay in cash. That's similar to the setup of the chain's existing online-books venture in Japan, except that the portal for the new services will be controlled by Seven-Eleven Japan, not by Softbank, Japan's giant technology holding company.

The other e-commerce channel will be a terminal placed in all 8,000 7-Eleven stores in Japan by June 2001. The terminal will offer the same services as the Web site, and include a printer for instant printouts of photos taken by digital cameras.

This is a platform well-suited to the lifestyle of Japanese people. Online stores and traditional stores are usually run separately in the U.S., whereas in Japan successful companies will make a link between what is inside the internet and what is outside (The Asian Wall Street Journal, p5, Jan 10, 2000).

Restructure In E-commerce and E-economy

The internet is forcing the Japanese economy to restructure, a much-needed change that has been put off for a decade. Japan is what one might call a middleman economy, and if there is anything the internet is great at, it's killing off the middleman (Fortune, p115, Feb 7, 2000).

Whether it's banking, retailing, or health care, the internet will lower transaction costs, reduce the number of workers, and streamline communications. The possible savings are staggering. Last year the Tokyo office of Mckinsey & Co. jointly did a study with MITI (Ministry of International Trade and Industry) that estimated the internet would produce cost savings in Japanese industry of about $600 billion a year every year from 2003 to 2008 - an amount equal each year to roughly 13% of Japan's GDP (Fortune, p115, Feb 7, 2000).

Dominated by large, conservative companies, Japan's economic system has long stifled entrepreneurialism. But the internet is giving young tech-savvy types an unprecedented chance to build their own businesses. And they're grabbing it while much of Japan Inc. remains on the sidelines. As a result, the internet has the potential to shake up Japan's stodgy business establishment and make distribution and retailing more competitive.

The internet will have a tremendous impact on industry and Japanese society and it will destroy Japan's system of relationships based on seniority (Far Eastern Economic Review, p9, July 29, 1999). Pillars of that system - a rigid hierarchy, lifetime employment, loyalty to the company - are already cracking due to a stubborn recession. They may crumble over the next decade as employees made redundant by technology are axed and skilled workers shop around for the best job offer.

These changes will be painful, but they also promise to breathe new life into an economy mired in a decade-long slump. Online commerce will boost Japan's gross domestic product by an estimated 4% over the next three to five years, and by as much as 13% over the next five to 10 years, according to a recent study commissioned by the partly government-funded Electronic Commerce Promotion Council of Japan (Far Eastern Economic Review, p9, July 29, 1999).

While overall retail sales in Japan fell 4.4% 1998 to $215.18 billion, internet-based sales doubled to $1.36 billion in the fiscal year ended in March, 1999, according to the Ministry of Posts and Telecommunications. It has a long way to grow: E-merchants in the U.S. racked up an estimated $9 billion in sales in 1999. But Japan seems to be heading that way: figures from the ministry show that 11% of all house holds were hooked up to the Internet as of March 1999, four times as many as in 1997. Almost half of these Web surfers have gone shopping on-line (Far Eastern Economic Review, p9, July 29, 1999).

Despite such potential, corporate Japan has cast a wary eye on the Web. Some executives are skeptical of the profit outlook and others worry about undercutting existing sales routes. While they dither, smaller firms are filling the breach. Government statistics show that firms with fewer than 10 employees account for 62% of retail sales on the Web. It takes years for big companies to come up with a business plan and then get enough executives to sign off on it to move ahead (The Asian Wall Street Journal, p 13, October 9, 1999).

Financial and cultural barriers are dissipating and this fact is making e-business entrepreneurs more optimistic. With its speed, reach and growth prospects, the internet is finally lowering financial barriers to being an entrepreneur in Japan. For example, a major hurdle for business mavericks is getting start-up capital: Banks demand a solid track record before lending and the few venture-capital funds that exist tend to be just as conservative. But e-businesses have marginal start-up costs since there's no need to rent prime retail property.

Cultural barriers, too, are weakening. Japanese society traditionally frowns on failures, but also on self-made showboats. "People tend to assume that anyone who makes a lot of money overnight must have done something underhanded," says an attorney who advises start-ups (Far Eastern Economic Review, p9, July 29, 1999). But with the economy in recession, the rewards of working one's way up the corporate ladder are no longer assured. More bright young Japanese are breaking ranks.

Big corporation habits such as deference to elders are not conducive to success in cyberspace. Many top executives are wed to tried-and-true business practices. There's been no change in the corporate mindset (Business Asia, p4, August 21, 1999).

Even top car maker Toyota Motor Corp. is still considering the feasibility of e-commerce and has no plans for direct sales. "We think it will come to Japan slowly - not so fast," says Kosuke Yamamoto, Toyota's executive vice-president (Japan-U.S Business Report, Oct, 1999).

Some big Japanese companies, however, are beginning to dabble in e-commerce. In June last year, electronics maker NEC Corp. announced that it would begin direct sales of low-priced PCs on-line to compete with U.S. rivals such as Dell. The same month, trading house Itochu Corp. and five other Japanese partners linked up with Autobytel.com Inc., a major American Web-based dealership, to sell cars over the Internet. Big banks and brokerages are also wiring up to the Web - Sanwa Bank, for instance, has signed up 10,000 of its 9 million retail customers for internet banking

(Nikkei Weekly, p5, January 10, 2000).

Naoya Yoda[3], a business-administration professor at Rissho University, says it would be unwise to dismiss corporate Japan's ability to make up lost time (Far Eastern Economic Review, p10, July 29, 1999). As the market for e-commerce matures, more firms will follow the lead of the cyber-pioneers onto the internet. They can buy successful start-ups, or tap in-house experience in generating new business lines. Most large companies in Japan are used to creating new businesses internally (Nikkei Weekly, p5, January 10, 2000).

In fact, the main casualties of on-line shopping are less likely to be top-notch enterprises than middlemen and small retailers, who can't match the Inernet's speed, wide product choice and lower prices. Already, a major book wholesaler, Tohan Corp., has come under fire from independent retailers for linking up with Softbank and Seven-Eleven Japan to sell books on the Web and deliver them to neighborhood convenience stores or direct to the doorstep.

Foreign firms also stand to benefit from the spread of e-commerce in Japan. The internet will allow them to circumvent trade barriers they see as discriminatory - such cozy ties among Keiretsu (networks of companies with cross-shareholdings), or floor-space restrictions on large stores. Web-based merchandising keeps a lid on the cost of doing business in Japan, where land and labor costs remain high by world standards (Far Eastern Economic Review, p10, July 29, 1999).

But homegrown internet entrepreneurs will pose the most subversive challenge to established corporate mores. The internet is already changing the way college students make career plans. In other words, you can shop jobs online these days. Before, graduates almost unanimously sought jobs in blue-chip companies; now, more aspire to

[3] Naoya Yoda is the author of *Made in Japan*, a book about leading Japanese manufacturers.

other goals.

A publishing company, Recruit Co. has enhanced its clout by embracing the Web. Its Web site for job seekers, called Recruit Navi, has become the single most important source of information for Japanese college students seeking work. Rival sites have since sprouted, but Recruit Navi still reins supreme among Japan's job-hunting university students. It claims to get 10 million page views a day during peak recruitment season - impressive, considering there are about 410,000 students seeking jobs each year (The Asian Wall Street Journal, p3, March 13, 2000).

III. STATEMENT OF ISSUE

Problems of Sluggish E-commerce and Online Shopping Sales in Japan

This section will discuss a number of problems that have been forcing e-commerce and online shopping sales to be more sluggish in Japan than in the United States. Furthermore, it will discuss possible solutions to the problems.

Limited PC use

One main reason why online shopping sales are still sluggish is attributed to the fact that few Japanese people have access to the internet at home. Compared with 43% of Americans who have access to the internet at home, only 12.9% of the Japanese are online at home (13% for Europeans).

Also, the growth of online shopping is held back by less widespread use of personal computers in Japan compared with the U.S. In the U.S., around 51% of households own PCs, compared with only about 30% in Japan (Billboard, p108, Nov 20 1999). Even so Japan's share of world-wide online consumer retail spending is expected to grow to around 7.5% in 2003 from and estimated 6.2% in the fourth quarter of 1999, when it amounted to $654 million, excluding revenue from online financial services (The Asian Wall Street Journal, p2, Jan 24, 2000).

Solutions

Example 1: A company can lend personal computers free of charge to users. Kyodo Vertex Link Corp., a distributor of high-tech equipment, announced on June

14, 1999 the company would lend 1 million PCs free of charge to applicants for three to four years on condition that the user signs up for DDI Corp's internet connection and buys 10,000 yen worth of goods a month from a virtual shopping mall on Vertex's Web site for at least two years (Japan Computer Industry Scan, June 21, 1999).

Example 2: IBM Japan Ltd., DDI Corp. and other firms jointly planned to give away 10,000 PCs in August, 1999 to promote a virtual shopping mall. The number of PCs awarded was to rise to 30,000 by the end of this year 1999. The two firms collaborated with PC wholesaler Vertex Link Corp. To receive a PC, consumers must first sign a maintenance contract with IBM Japan, subscribe to an Inernet provider service offered by DDI and apply for a Vertex credit card. They must also open a bank account or securities trading account at the mall, or buy a printer from Vertex. The PC is an IBM model worth more than 100,000 yen ($926). After seven months, the PC can be returned or purchased (AsiaPulse News, April, 2000).

As explained above, these strategies are necessary to increase awareness of internet among Japanese people and fuel an online shopping trend, so it will eventually boost Japan's e-economy.

Cost of Connectivity

The internet is often thought to have a unique culture that supersedes local or ethnic distinctions (MIT's Technology Review, p18, Nov-Dec 1997). But in Japan, economic conditions have had a major impact on the evolution of Japanese cyberculture.

A report[4] suggests that while many U.S. Net enthusiasts surf the Web for hours on end, sampling sites jammed with information and elaborate graphic images, a less freewheeling cyberculture has evolved in Japan.

The main reason for this difference is the high cost of connectivity in Japan. Though the world's second-largest economy ranks next to the United States in total numbers of internet users Japan's high phone rates have not diminished Japanese fascination with cyberspace.

In fact, a typical Japanese internet users pays about $100 a month to spend an hour a day online. This charge includes about $40 per month for Internet service, $15 per month for basic phone service, and $48 for 30 hours of telephone time. In the U.S., users spend much less than half for unlimited access. The major difference is that although U.S. users typically pay a flat monthly telephone service fee of around $20 per month to an internet service provider, the phone company allows them to make unlimited local phone calls and spend as much time online as they wish at no extra charge.

Solution

There is only one solution to this, which is to reduce the internet access fee and allow it unlimited access. As mentioned in background earlier in this paper, this is already happening. Internet service provider, Bekkoame Internet Inc., launched a 2,000 yen ($18.50) per month hosting service in April in a challenge to conventional services that charge around 10,000 yen ($92.60) (Nikkei Weekly, p6, June 5, 2000). This will increase Japan's "netizens" and create more active cyberculture.

[4] Available on the Web at www.tkai.com

Online Shopping Trend Held Back by Retail Traditions

Japan's electronics manufacturers are rushing to capitalize on the popularity of the internet, rolling out everything from internet music players to digital cameras to Web-friendly computers. But there is one problem: Very little of this gear can be bought online in Japan.

In the U.S., electronic goods are readily sold online: Dell Computer Corp. says its dell.com Web site generates nearly 50% of its total sales, an average of about $40 million a day as of year end 1999 (The Wall Street Journal, pA22, March 30, 2000). But it is harder in Japan. That's partly for cultural reasons. The Japanese tend to be pickier about what they buy and are reluctant to deal with merchants at a distance.

An even bigger obstacle is a major fortress of Old Japan: Each of the top electronics makers has a nationwide network of exclusive dealers, usually mom-and-pop stores that are long on the personal touch but short on information about up-to-date products.

Manufacturers are reluctant to compete with these merchants, with whom they have long relationships. And small stores and big discounters would object to price cutting on direct sales via the Net. One way to avoid a clash with retailers is to make some products exclusively for internet sale - the strategy adopted by Sony on another of its sites, sonystyle.com (The Wall Street Journal, pA22, March 30, 2000).

Lack of Information Technology Investment and Big Companies' strategies

Japan's e-economy could suffer as a result of the country's poor demand for and investment in information technology (IT). Investment in IT was down 7% in 1998, versus a 6.3% increase worldwide, and is expected to rise by just 4.2% in the four years up to the end of December 2003. According to a senior analyst at International Data Corporation (Massachusetts) Philippe de Marcillac, the Japanese need better products from the IT industry (Asian Business, p31, Dec 1999). Japanese companies also need a change of strategy.

Despite the poor demand for and investment in information technology, Japanese firms are trying to rewire themselves as entrepreneurial machines capable of doing business online and working at warp speed. It is no surprise that the first Japanese firms to move heavily into e-commerce have been the big electronics groups, including Fujitsu, Sony, Matsushita, Toshiba and NEC. The scramble to recast themselves as "portals" - gateways to the internet that are hybrid of shopping mall, news service and entertainment center, as well as acting as a spring-board to the rest of the web - looks like becoming stampede (The Economist, p54, August 7, 1999).

Although they have no intention of forsaking their core businesses, Japan's big electronics groups see internet portals as a way of slashing sales and overhead costs, and gaining access to new markets, as well as of raising their dismal share prices. If they are to be taken seriously, however, they know that their portals will have to get a good deal more than 1 million hits a day - a figure that only two dozen Japanese websites currently achieve (The Economist, p 54, August, 1999). Hence, most of Japan's electronics groups are now busy turning their websites into online shopping malls capable of attracting more Internet traffic.

NEC plans to triple its current 1.4 million hits a day. Over the past six months it has upgraded its "Biglobe" portal with a more powerful search engine and a shopping section that sells wine, cosmetics and roses, as well as software and computers. Sony is hoping for a tenfold increase in traffic to 16 million hits a day. It is strengthening the portal business that it is building around its "So-net" internet-access service, adding original content and improving its search functions. Including the money it makes from Internet access, advertising and online sales, Sony expects to be generating 26 billion yen ($241 million) from its Japanese portal business this year (Nikkei Weekly, p3, Nov 3, 1999).

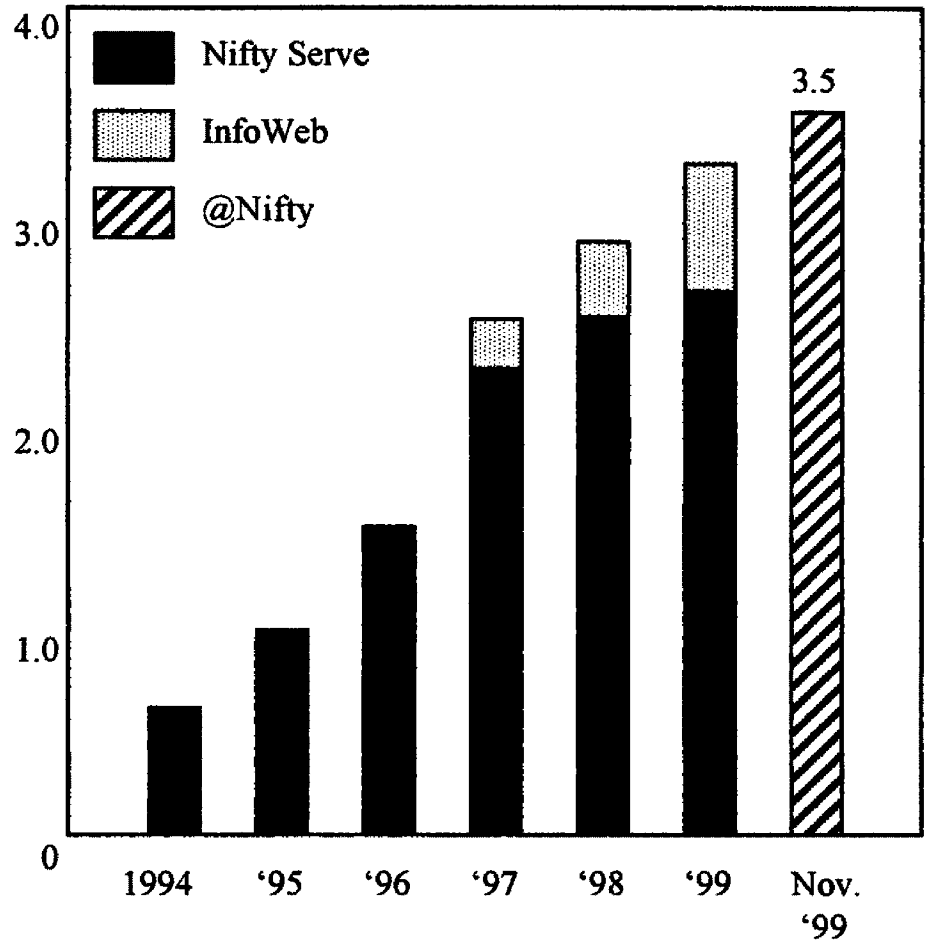
Meanwhile, Toshiba has teamed up with Toppan and Dentsu[5] to create a portal called "FreshEye". Toshiba hopes to attract more than 4 million hits a day by offering only the most up-to-date information. Matsushita has joined forces with microsoft's subsidiary in Japan to build a portal that combines Matsushita's 40 cybershops and its Panasonic Hi-Ho access service with Microsoft's online information service, MSN (Japan-U.S. Business Report, Oct 1999).

But the firm that has plunged deepest into the portal business is Fujitsu. Last year, it bought out its partner, NiftyServe, Japan's largest online information service, which it is now merging with its own InfoWeb access service. The new portal, to be called "@nifty", started last Autumn with 3.5 million subscribers and upwards of 10 million hits a day for its shopping mall, chat rooms and online banking, which will make it the nearest thing Japan has to America Online (Nikkei Weekly, p5, Feb 28, 2000). See Table #2 below.

But the real competition for Japan's digital makers may prove to be local affiliates of foreign portals such as Yahoo!, Amazon, eBay, and AOL, which are used to the internet's relentless change. Will Fujitsu and similar counterparts be able to keep up? Much will depend on whether they can adapt their corporate cultures as quickly as they can turn their websites into fancy portals.

[5] Respectively, big Japanese printing and advertising firms.

Table #2: Users of Fujitsu's Internet Service Provider;
As of March Each Year, In Millions of People



IV. CONCLUSION

Although it is starting from a small base, e-commerce in Japan is growing by 200% a year. Japan might be facing the perfect timing to boost e-commerce despite the sluggish economic growth due to a decade of recession. The Internet is having a tremendous impact on industry and society. The Internet will destroy the country's pillars of system - hierarchy, lifetime employment, and loyalty to the company that are already cracking down due to a stubborn recession, and it will give computer-savvy young people more chances to explore the world of the internet.

E-commerce might be what the country needs to get its economy roaring again. The point for success is it must take a pragmatic approach toward making a success of its e-business by building a structure that matches the situation in Japan, where the internet is being accessed and used in different ways than in the U.S.

In the near future of Japanese e-commerce, it is inevitable that i-mode will be a big hit. It will give users sheer attraction due to the fact that users can receive news and stock prices tailored to their need, send and receive e-mail, shop online, and even get advice on good restaurants in unfamiliar parts of town. Those e-businesses who procrastinate to jump on this new ride may see unexpected huge losses.

Joint ventures of existing major companies will play a big role in e-business, too. Since consumers, especially those who have never experienced online shopping, need a sense of security, the main players in e-commerce in Japan will be likely to be joint venture or subsidiaries of existing major companies. They can wisely create one business unit by utilizing respected expertise. Examples include a successful joint venture, Yahoo Japan, 51% owned by Softbank and 34% by America's Yahoo, and 7dream.com jointly launched by Seven-Eleven Japan Co., NEC Corp., and Sony Corp.

Due to poor investment in IT, Japan will need more investment from foreign firms in order to fuel the e-commerce. More recently, General Electric Co. has set aside $50 million to invest in Japanese internet-related venture companies. GE will use the investment budget - which it has dubbed its "e-fund" - to take shares of 5 - 10% in Japanese companies developing promising technologies, such as systems for online stock trading (The Asian Wall Street Journal, p5, Feb 7, 2000). Separately, J.P. Morgan will invest in start-ups in high-growth areas such as the internet or telecommunications, or restructuring plays in industries such as retail or distribution.

And finally, thanks to Bekkoame Internet Inc., now Japanese people, like Americans, can surf the Web freely without worrying about downloading time or the number of minutes they spend online. Most importantly, 20 million or more Japanese people will have unlimited time to choose merchandises carefully over the internet and realize they could spend money they saved from unlimited access. Then, next, thing all the family members, neighbors, friends and co-workers will be buying merchandise over the internet as American people do, and the e-commerce and online shopping in Japan will be as good as Sushi that you order for lunch over the internet from your office.

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