



Japan Small Online Business Trade Report

August 2023

ebay



Borderless EC: Cross Border Trade Without “Borders”.

In the past few years, our world has changed dramatically. Restrictions on behavior due to the COVID-19 pandemic have made online transactions more accessible -- anime and movies are now globally distributed in real-time, and advanced AI-based translations have enabled communication for all. This is true for Japan’s cross-border EC environment as well, which has transitioned into a new era. Traditional obstacles within cross-border EC are eroding as corporations innovate to adapt to global disruptions such as COVID-19, geopolitical tensions, and volatile exchange rates.

Logistics barrier: Overnight delivery to NY - A new epoch for logistics and shipping services.

The pandemic dealt a severe blow to supply chains, yet the resilient efforts of courier companies have significantly elevated the quality of services. Firstly, delivery speed has seen a significant increase, enabling goods shipped from Tokyo to reach New York the next day. Secondly, the elimination of weight restrictions has bridged the gap between domestic and international deliveries. Such expedited deliveries contribute to improved customer satisfaction and seller ratings. This positive feedback has propelled a surge in the use of courier services by sellers. A noteworthy advantage

for domestic sellers has been the extensive support from courier companies. These companies have improved customer service, offering detailed responses and introducing SME-friendly services and fee structures, while also reducing remote area fees. This proactive approach has extended the use of courier services beyond corporate sellers to encompass SME sellers.

Language barrier: Mastery of English is no longer a prerequisite for cross-border EC business.

In a 2022 seller survey conducted by eBay, roughly 63 percent of respondents classified their English proficiency at a basic level. With sellers of beginner to intermediate English making up about 85 percent, it’s clear that conducting cross-border transactions is feasible even at these proficiency levels.¹ The exceptional strides in AI have rendered highly accurate translations accessible to all, setting us on path to a future where language barriers could vanish. While some sellers are apprehensive about eBay’s platform specifics and English being the medium of communication with overseas customers, this could be seen as a steppingstone for new sellers to penetrate the international market. Japan’s population may exceed 100 million, but its domestic market is contracting. We are optimistic that eBay, boasting a reach of 132 million active buyers across more than 190 countries, can be instrumental in expanding global sales.

Cultural barriers: Expanding the domestic reach of eBay Academy.

The expansion of cross-border EC can sometimes be hindered by differing business practices. To address this, we have substantially grown our support operations. In the summer of 2021, we initiated customer support in Japanese for all local sellers, thereby enhancing their engagement with our services. We are also proactive in disseminating useful seller information. In 2022, eBay Academy Japan started offering comprehensive learning content in Japanese: our bouquet of services, which includes diverse learning content, troubleshooting support, and seller tips and updates, is available at no charge.

Our commitment to supporting sellers remains strong, with the latest information being disseminated via technological solutions that ensure a safe and secure environment. We strive to keep the seller ecosystem abreast of the latest from eBay. Our commitment to fostering partnerships with sellers and giving them a strong foothold in the global marketplace remains unwavering.

We are excited to fuel the growth of the Japanese market through eBay’s open and boundary-free platform.

Masayuki (Masa) Okada
Managing Director, eBay Japan Cross Border Trade
CEO, eBay Japan K.K.

Masayuki (Masa) Okada is the CEO of eBay Japan K.K., leading development of cross-border ecommerce trade from Japan and Korea. He joined eBay in 2017 after serving as the Head of Market Intelligence for the Far East region in Apple and tasked with launching Apple Pay for Japan. Before that, he worked as a strategy consultant at Accenture, where he developed business and M&A strategies for domestic technology companies. Masa holds an MBA from University of California at Berkeley.

EXECUTIVE SUMMARY

eBay is empowering Japanese small businesses and individuals by providing access to over 132 million consumers across more than 190 countries. With this, it is creating a 21st-century export success story that benefits Japan economically, socially, and environmentally.

Japan is renowned for its wealth of high-quality, unique, and vintage goods, thanks to years of superior manufacturing, influential pop culture trends, and established domestic markets for well-kept luxury and vintage items. However, the key to transforming this wealth into global e-commerce success lies in the hands of digitally connected, entrepreneurial individuals and small businesses, using eBay's marketplace platform.

Previously, international trade was the exclusive domain of sizeable corporations with vast resources. This is no longer the case. In 2021, Japan's eBay sellers emerged as a virtual global export giant, selling to 207 markets. This achievement outpaced the export reach of many of Japan's most recognized brands.

eBay Japan is strategically designed for such cross-border success. It offers valuable assistance to sellers, such as personalized guidance, cross-border shipping and payment tools, troubleshooting support for issues like order returns and cancellations, Japanese language support, and aid in overcoming potential regulatory challenges. Hence, small businesses and entrepreneurs on eBay can confidently engage in cross-border e-commerce.

The resulting export-driven success aligns with several Japanese economic and public policy objectives. The growth of small businesses on eBay Japan contributes significantly to the startup ecosystem. In 2021, nearly 70% of eBay small businesses in Japan were newcomers, having used eBay for less than five years. The average annual growth of eBay small businesses from 2017 to 2021 was 19.3%, greatly surpassing Japan's national GDP growth during the same period.

eBay also provides an avenue for alternative career and work models in Japan. Whether to establish a small business enterprise or as supplementary work, it enables flexible working models, thereby potentially drawing more women into the workforce. Many individual entrepreneurs, including eBay sellers, have reported immense personal satisfaction from their efforts.

Lastly, eBay's role in facilitating the export of a substantial amount of secondhand and vintage goods promotes sustainability both in Japan and globally. This practice, known as "recommerce," encourages the sale and use of pre-existing goods instead of newly manufactured products, thus reducing carbon emissions and reducing waste in Japanese landfills or incinerators.

Key Data Highlights

eBay Small Businesses



Share That Export

29

Average Number of International Destination Markets



Share That Export to 10+ Markets



Share That Export to 4+ Continents



Share That Were Newcomers

INTRODUCTION

Japan has a large, highly connected, digitally proficient population and one of the most vibrant and unique ecommerce ecosystems in the world. At the same time, geographic and cultural factors have resulted in Japan's traditional economy including very large and well-established markets for high-quality and unique consumer products that are desired by shoppers around the world, including specialty, collectible, vintage, and secondhand goods. This report uses eBay marketplace data to show how entrepreneurial Japanese small businesses and individuals are being empowered by eBay's global marketplace to successfully reach over 100 million consumers across more than 190 markets, including buyers in some of the world's most valuable export markets. The result is a 21st century export success story with economic, societal, and environmental benefits for Japan, as well as for the foreign markets served by Japan's eBay selling community.

The cross-border trade analysis in this report is based on data covering transactions on the eBay marketplace in 2021 unless otherwise indicated. When analyzing the activities of small businesses on eBay, the data was limited to transactions by sellers based in Japan with sales of 1.36 million yen (\$10,000 USD) or more annually on the eBay marketplace. In this report, these sellers are referred to as "eBay small businesses" or "eBay-enabled small businesses". When the sales or export activity of sellers in Japan who did not sell at least 1.36 million Yen in a year are discussed in the report, they are called "individuals" or "individual sellers".



Tomoyo Arai

PlusBonBuono K.K.

"Longing for a style of working where and when I wanted, I quit my job as a national government employee and started my eBay business. There are many hidden products in Japan that are in demand from all over the world. I started eBay exporting by specializing in used film cameras among them, and after about seven months, my income exceeded the salary as a government employee. It has already been nine years since I started my eBay business. I really appreciate eBay for helping me realize my ideal style of working. An eBay business allows you to work remotely, and that is the demanded style of working these days. I am an active seller and support people who want to make eBay exporting their career."

Part 1: Japan Poised for Small Entrepreneur Ecommerce Success

Japanese Internet Usage and Ecommerce Markets: Large, but With Unique Factors

Japan enjoys some of the highest levels of connectivity in the world, with 93 percent of the Japanese population online.² And, even that is growing, with 900,000 people in the country coming online for the first time in 2021.³ Japan is the fourth largest ecommerce market in the world after China, the United States, and Great Britain, and 69 percent of the population purchase something via online channels at least once a month.⁴ Although for many years the segment of the Japanese population shopping online was somewhat younger than the population overall, the experience of the COVID-19 pandemic and related policy measures increased the number of older people using the Internet for shopping and it is a practice many say they will continue.⁵

Despite high levels of online connectivity and ecommerce usage, the way numerous Japanese people use the Internet is different than in many markets. Time spent online is relatively low, especially for streaming and social media services, with Japanese Internet users reporting the number one reason they go online is to find information.⁶ Ecommerce sites are some of the most popular in Japan, and users often spend significant time and effort on research before making a final purchasing decision. Other features of ecommerce in Japan that are different than the global norm include the far smaller share of Japanese consumers who have bought products from overseas websites than those markets such as the United States,⁷ and the relatively lower usage of credit cards for payments than in most other advanced economies.⁸

Japan's Unique, Specialty, Secondhand, and Vintage Goods are an Economic Asset

Several factors are widely recognized as contributing to Japan being home to an abundant supply of high-value unique, specialty, vintage, retro, and secondhand goods. Japan has been a global leader in a wide range of high-quality manufactured goods for decades, including consumer electronics, automobiles and other

vehicles, sporting goods, and photographic equipment, many of which are sold in its large domestic market. In addition, the country's pop culture trends, franchises, and products, including those related to video games, anime, manga, comics, and related collectibles, are increasingly popular with consumers across the globe.

Along with valuable new and niche goods being relatively abundant in Japan, the country is home to many very high quality secondhand, vintage, and retro goods. Many well-off Japanese consumers purchase the latest version of high-end consumer electronics, fashion, and luxury apparel before their previous purchases have even begun to wear out.⁹ Several cultural factors further contribute to many of those now displaced high end consumer goods still being in very good condition, especially in comparison to similar items in other markets. For example, Japan's urban lifestyles often involve living in very small residences, where storage for goods is at a premium, contributing to the need to discard even minimally used products when new items are acquired.¹⁰ In addition, consumers in Japan have long been regarded for treating their possessions with very great care, especially in comparison to consumers in most other countries.¹¹ Finally, there is a Japanese cultural value, *mottainai*, assigned to not wasting things, making finding reuse options an imperative for some.¹²

These economic and cultural factors are not new, and subsequently, a wide range of secondhand shops have been a staple of the traditional Japanese economy. Most Japanese cities and towns include hubs with shops that sell antique, vintage, retro, and secondhand goods. Additionally, the same factors that result in an abundance of quality goods coming onto the resale market also mean that local demand for the goods in these shops, and therefore prices for both sellers and buyers, are often low.¹³ Domestic sales of secondhand goods are also moving beyond the traditional stores through a range of smaller and specialty online venues that primarily serve Japanese online shoppers.¹⁴ Looking beyond Japan for new and better markets has even led some large Japanese store-based retailers of secondhand goods to open stores in foreign markets, especially in Southeast Asia, where goods from Japan, whether new or previously owned, carry brand values for reliability and quality.¹⁵ Companies tend to use Southeast Asia as a foothold to expand their overseas operations into regions such as North America and Europe.¹⁶

Part 2: eBay is a Valuable Small Business Export Platform

Businesses that trade tend to achieve higher sales and productivity because they expand the number and size of markets to which they can sell.¹⁷ It has also been well understood, both intuitively and through economic study, that doing business over very large distances is difficult.¹⁸ It is easier to successfully engage with a customer that is nearby rather than one who is 100 kilometers away, or 1,000 kilometers, or on the other side of the world. Therefore, trade on a global scale across huge distances has been dominated by very large companies with vast resources, including in Japan.¹⁹ But, ecommerce is changing that.

eBay's global marketplace has long been at the forefront of helping very small businesses export at rates never before possible.²⁰ Breaking the link between business size and trade is a step towards a more inclusive, balanced, and sustainable economy. Using a global ecommerce marketplace platform, small businesses, and even individuals, can operate in their local community, creating jobs and other benefits, while also having a virtual storefront that can reach vibrant international customer bases and help establish trust and facilitate sales across national and cultural borders.²¹ eBay is committed to helping sellers in Japan export with peace of mind. When asked about challenges faced in their cross-border ecommerce businesses, 56 percent of sellers in Japan noted international shipping costs, 32 percent cited means of shipping, and 36 percent English proficiency.²² eBay supports sellers in Japan in a number of important ways, including valuable one-on-one assistance, tools to facilitate cross-border shipping and payments, help with "Troubleshooting" on issues like returns and cancellation of orders, support in Japanese, and identifying and working to resolve potential regulatory challenges, so that Japanese small businesses and entrepreneurs can work on cross-border ecommerce with peace of mind.

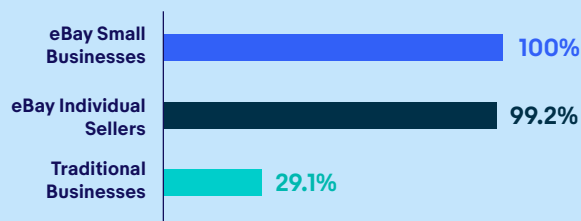
The rest of this section will present findings based on eBay marketplace data to illustrate the very strong level of export activity by small businesses on eBay in Japan.

Share of Enterprises That Export

The share of small businesses exporting on the eBay marketplace is the first and possibly most striking data point that illustrates the impact and reach of global ecommerce platforms in comparison to the traditional model of trade. All the eBay small businesses in Japan were exporters in 2021.²³ Clearly, eBay is a very powerful export platform for small businesses in Japan. However, it is equally valuable for individuals and other entrepreneurs who are not operating a small business, such as someone who aspires to start a small ecommerce business, or someone looking to earn extra money on the side, or an avid hobbyist, expert, or collector, who has a passion and can use eBay to connect with like-minded people in markets around the world. More than 99 percent of individuals like these selling on eBay in Japan exported as well.²⁴ The export rate for both populations far outpaces that of traditional businesses in Japan, of which approximately 30 percent engage in cross-border sales.²⁵

FIGURE 1

Share of Enterprises That Export





Average Number of International Destination Markets

It has been traditionally understood that businesses considering exporting to a new foreign market face additional cost of entry, and therefore expanding their business by exporting to each additional foreign market led to higher and higher entry costs.²⁶ Escalating entry costs meant that small firms generally exported to fewer foreign markets than large firms. However, when examining the figures for eBay-enabled small businesses we see powerful data that shows how the eBay global marketplace, a level playing field for exporting, bridges distance for small enterprises and provides access to markets that have often been unreachable to smaller firms. eBay small businesses in Japan average 29 different export markets in a year.²⁷

FIGURE 2

Average Number of International Destination Markets

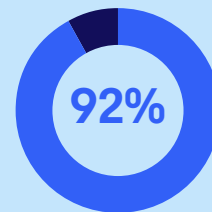
eBay Small Businesses 29

Share of eBay Small Businesses That Reach Ten or More Different Foreign Markets

As another measurement of the scale of eBay-enabled small business exporting activity, we calculated the share that exported to ten or more foreign markets in 2021. As with the previous data point, our findings show that eBay-enabled small businesses defy the traditional understanding that entry costs are a barrier to exporting to additional foreign markets, with a remarkable 92 percent of eBay small businesses in Japan meeting or exceeding the 10-export market threshold.²⁸

FIGURE 3

Share of eBay Small Businesses that Reach Ten or More Different International Markets



JP Company
Monoshare

“The major difference between selling domestically and on eBay is that sellers can do business with buyers from many different countries. Being able to do business with people from different countries is more exciting than doing business only in the Japanese market, which has a sense of stagnation, because I can feel the future possibilities. It is simply fun to deal with people from overseas and make them happy. You can create your own ecommerce site and sell to overseas customers, but eBay’s brand awareness and ability to attract customers is huge compared to your own website. In that sense, I think eBay is the best tool to “start overseas sales easily”. Also, with your own website, you have to solve various problems by yourself. But with eBay, you can receive various kinds of support from eBay Japan staff, which I think is another excellent service on eBay that is not available with in-house overseas sales or other overseas sales.”



Yuuki Shishido

FromNippon

“I have been an eBay seller for 16 years now, and I feel that the range of eBay in Japan has been expanding over the past few years. Due to this influence, in 2022, I was able to befriend many sellers from their 20s to 50s who are working on eBay with dreams and hopes. I enjoy exchanging opinions with them and working on eBay positively and aggressively. eBay gives a sparkle to my life, and I am very happy to be a seller.”

eBay “Global Sellers” – Exporting to Four or More Continents

Although it is a non-traditional measurement of scale and scope of exporting activity, we have calculated the continental reach of eBay-enabled small businesses to provide a unique perspective on the truly global reach of many of these exporters. For the purposes of this analysis, sales were designated to buyers on one of six continents: North America, South America, Europe, Asia, Africa, and Australia. When an eBay-enabled small business exported to a buyer in a country on a continent, they were credited with an export to that continent, including an export market on their own continent. (e.g., a sale from an eBay seller in Japan to a buyer in South Korea is an export to an Asian market). We classify an eBay-enabled small business with sales to four or more continents in a year to be a “Global Seller”. In Japan, 87 percent of eBay small businesses reached this threshold in 2021.²⁹ By comparison, 40 percent of the EU-based eBay-enabled small businesses sellers reached the Global Seller threshold.³⁰

FIGURE 4

Share of eBay-Enabled Small Businesses Exporting to Buyers on Four or More Continents

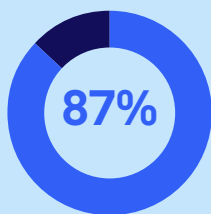


FIGURE 5

Top Five Product Categories Exported³¹

eBay Small Businesses

1. Clothes, Shoes & Accessories
2. Photos & Cameras
3. Toys & Games
4. Collectibles
5. Jewellery & Watches

eBay Individual Sellers

1. Collectibles
2. Toys & Games
3. Photos & Cameras
4. PC & Video Gaming
5. Clothes, Shoes & Accessories

The eBay Small Business Community - A Virtual Export Giant

If one looks to the collective exporting of eBay small businesses in Japan, the total number of markets reached globally is staggering. **Collectively, this eBay community made sales into 207 different markets in 2021.**³² To put this in perspective, this global export reach stacks up with the reported export market reach of some of Japan’s largest consumer brands. For example, Canon’s sales network spans 220 countries and regions through which they offer office equipment, maintenance and print services³³, Shiseido sells its cosmetics products in 120 markets³⁴, Nissin sells its popular Cup Noodles in 100 markets³⁵, and ASICS operates in 62 countries.³⁶



Part 3: Promoting Small Business Trade Advances Other Policy Goals

The trade data from the eBay global marketplace shows that eBay is empowering entrepreneurial Japanese small businesses and individuals to export valuable new, vintage and second goods that are greatly desired by consumers in markets around the world. These sales are helping them grow a small business, create a new or alternative work opportunity, or provide some additional income to their family. These are valuable gains. But, exporting through eBay is also contributing to several important economic and social policy goals of Japanese officials.

Advancing Entrepreneurship and Startups

Japan has experienced a long-term decline in total small business establishments due in part to fewer new enterprises being created in the country.³⁷ This has been widely recognized as a negative trend for the country. For economies globally, the OECD says that the “birth of new enterprises is a key indicator of business dynamism”³⁸ and promotes the competitiveness of a country’s overall enterprise population by stimulating efficiency and innovation. Unfortunately, the rate of new businesses launching in Japan remains behind that in countries like the United States and Great Britain.³⁹ Therefore, boosting Japan’s entrepreneur and startup ecosystem is an economic policy priority of the national government, and some believe that the country’s startup scene is set to make a leap forward in the coming years.⁴⁰

eBay is contributing to helping Japanese entrepreneurs create and grow new enterprises. Look to the “Newcomers” for evidence. We classify an eBay small business as a “Newcomer” when the seller achieved eBay small business status in 2021 while selling on eBay for four or fewer years. In other words, the seller had no sales on eBay in 2017 or later and broke the mark of 1.36 million yen on the marketplace in 2021. Based on this definition, in 2021, **68 percent of eBay small businesses in Japan were newcomers**. As would be expected from the important and positive relationship between new enterprise formation and overall enterprise numbers, the average annual growth rate for

the number of eBay small Businesses from 2017 to 2021 in Japan was 19.3 percent, which far exceeded average annual GDP growth in Japan, which was just 0.01 percent.⁴¹

Expanding Alternative Work Models, Especially to Better Serve Women and Families

Promoting entrepreneurship and small business formation increasingly is linked to the growing view that expanding alternative career and work models in Japan, including those that better support women and healthy families, is a valuable goal. Among its many impacts, some believe that the pandemic lowered hurdles toward becoming an entrepreneur as remote work policies allowed people to work more flexibly and to have more free time to take on a second job.⁴² Whether a local reflection of the global labor phenomenon dubbed the “Great Resignation” or the “Great Reshuffle,” some Japanese workers are clearly now looking for alternatives to traditional company jobs, whether because they feel burned out, or want to pursue more fulfilling and flexible work roles, including those allowing for greater time with family. And it is often a combination of things.⁴³

To be clear, bringing more women into the labor force and elevating their status has long been a policy priority for Japanese administrations. While the number of working-age women in Japan with occupations has increased over the past decade, many are part-timers conflicted by financial needs, family, and cultural expectations.⁴⁴ In countries globally, the Internet has been shown to help business creation by segments of the population traditionally underrepresented in the formal economy, such as women, who often benefit from the greater anonymity of ecommerce business models.⁴⁵ Likewise, a report commissioned by the Japanese Government in 2019⁴⁶ concluded that job satisfaction was higher among self-employed people and freelancers than corporate employees, pointing to benefits from freeing people who feel trapped within less flexible traditional corporate organizations.⁴⁷



eBay Cross-Border Sales Promote Export Diversity and Global Reach

Despite their generally small size, digitally enabled businesses in many countries have proven themselves adept at operating on multiple ecommerce platforms rather than limiting themselves to one.⁴⁸ Different platforms can be used as part of a business strategy to expand export reach. Expanding export diversity promises greater growth and resilience, such as in the event of regional economic downturns. The eBay export data clearly

shows how this can operate in practice. Comparing the Top 10 export markets of Japanese businesses overall, to the Top 10 export markets for eBay small businesses in Japan, reveals the addition of four new markets, those being the United Kingdom, Canada, France, and Italy.⁴⁹ Looking further to the top growth markets for Japanese small business exports on eBay adds Switzerland and Mexico to the list.⁵⁰

FIGURE 6

Top Traditional Business Export Markets vs. eBay Export Markets

Top 10 Export Markets for Traditional Businesses⁵¹

- | | |
|------------------|---------------|
| 1. China | 6. Germany |
| 2. United States | 7. Singapore |
| 3. South Korea | 8. Vietnam |
| 4. Hong Kong | 9. Malaysia |
| 5. Thailand | 10. Australia |

Top 10 eBay Export Markets

- | | |
|--------------------------|-----------------|
| 1. United States | 6. France |
| 2. United Kingdom | 7. Italy |
| 3. Australia | 8. Hong Kong |
| 4. Canada | 9. Singapore |
| 5. Germany | 10. China |

Top 10 eBay Export Growth Markets

- | | |
|--------------------------|-----------------------|
| 1. United States | 6. France |
| 2. United Kingdom | 7. Italy |
| 3. Canada | 8. Switzerland |
| 4. Germany | 9. South Korea |
| 5. Australia | 10. Mexico |



Shun Kawakami

Sneaker Mart

“I am very happy to be appreciated by customers from all over the world even though I live in Japan. Because I started eBay at the beginning of my business startup, I could become financially stable. What if I had not started my eBay business at that time...It’s a little scary to think so.”



Promoting a More Environmentally Sustainable Economy in Japan and Globally

As noted above, eBay is facilitating Japanese small business exports that include a wide range of specialty, vintage, and secondhand goods that are plentiful across Japan, including in shops and households. Many such products in Japan are of very high quality and are valued by consumers overseas. “Recommerce”, a term used to designate sales and use of existing goods in place of buying newly manufactured products, creates benefits for the environment by avoiding carbon emissions from new manufacturing, whether done in Japan or overseas, as well as keeping existing items out of Japanese landfills or incinerators.

Of course, selling existing goods brings economic benefits to sellers, but buyers also benefit. They often pay less than they would for a comparable new product. But many people are

choosing commerce in pre-owned goods for another reason: sustainability. In November 2022, eBay surveyed individual sellers in eight major markets, including Japan, and 93 percent of sellers said sustainability was important to their decision to sell secondhand goods.⁵² As a company, eBay is continually paving the way as a leader enabling economic empowerment and sustainability through our platform. In our most recent Recommerce Report, we projected that the sale of pre-loved and refurbished items on the eBay global marketplace avoided 1.6 million metric tons of carbon, and 73 thousand metric tons of avoided waste.⁵³ eBay corporate impact goals include aiming to avoid 8 million metric tons of carbon dioxide emissions from 2021 to 2025.⁵⁴



Takahiro Wakabayashi

Obsolete Racing JDM

“Gratitude from buyers is my greatest pleasure. For this reason, I always put myself in the buyers’ point of view and act as they should expect. My current success is the result of my desire to meet buyers’ needs and to create a store that will remain in their hearts and minds. Furthermore, while selling on eBay, I realized that there are many people around the world who love and know more about cars than I do, and this has motivated me to learn more about cars. I became familiar with cars that I had not paid attention to before, and I realize that my knowledge has broadened through eBay. For me, eBay is a place where I can experience success and joy through selling, and where I can learn what is important in life. I would like to continue to use eBay for my personal growth.”

CONCLUSION



This paper has outlined how Japan, with its large digitally-connected population and vast access to a wide range of unique, specialty, vintage, and high-quality second-hand goods that are in great demand globally, is poised for growing small business exports over Internet platforms. And, marketplace data reveals that eBay is helping unlock that growth and providing rewarding opportunities to many small businesses and entrepreneurial individuals across Japan. Every small business in Japan on eBay is an exporter, and more than 99 percent of individual sellers are successful exporters as well. Small businesses on eBay have the reach of big companies, averaging sales into 29 different export destinations in 2021 and 92 percent of them selling into at least 10 different markets. Collectively, the community of eBay small businesses in Japan exports like a virtual corporate giant, making sales into 207 markets in 2021, a reach that exceeds many of Japan's most successful consumer brands.

The exporting by small businesses and entrepreneurial individuals over the eBay global marketplace supports several important economic and public policy goals. Small business creation and growth is robust, contributing to a startup ecosystem. Nearly 70 percent of eBay small businesses in Japan in 2021 were "Newcomers" using eBay for four or fewer years, and average annual growth in the number of eBay small businesses was 19.3

percent from 2017 to 2021, which far exceeded the stagnant GDP growth in Japan over those years. Selling on eBay, whether to create and lead a small business enterprise, or as side work or a freelancer, helps expand alternative career and work models in Japan, including flexibility that is beneficial to women and healthy families. Japanese small business exports occurring via eBay are also promoting export diversity and therefore resilience, with top markets including destinations that are not the top markets for traditional Japanese exporters, including the United Kingdom, France, and Italy. Finally, eBay's role in facilitating the export of a sizable amount of secondhand and vintage goods from Japan delivers more than just financial benefits; it is more sustainable "Recommerce" that brings environmental benefits to Japan and global markets as well.

RESOURCES

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