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Exploring Marketing Strategies in Rakuten Ichiba: A Comparative Analysis with Other E-Commerce Platforms in Japan

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Abstract

This paper aims to find out the factors that are influential in choosing Rakuten Ichiba and based on that provide suggestions for attracting new customers and creating a marketing strategy. As well, as comparing Rakuten Ichiba with Amazon, and ZOZOTOWN for a better understanding of where Rakuten Ichiba stands as an E-Commerce platform in Japan. Designed a survey, based on the focus of the study, and distributed online in Japan collected responses from 416 Japanese E-Commerce users, and the collected information was analyzed. For results showed that Rakuten points, one of the most highlighted factors for choosing Rakuten Ichiba's creating a campaign that would spread more information about Rakuten Point, should be the core of Rakuten Ichiba's marketing strategy. Rakuten Points are points earned by using Rakuten services and are a type of discount service. In addition, Rakuten Ichiba should focus on developing Travel services, creating attractive packages, and increasing social media traffic regarding travel content. Lastly, Rakuten TV provision changes to streaming type will motivate the customers choose Amazon because of Amazon Prime to switch and become Rakuten Ichiba customers.

Keywords: Rakuten Ichiba, Amazon, marketing strategy, E-Commerce Platform, customer satisfaction, Japan

1. Introduction

Since the advent of the Internet, people's lives have changed dramatically. Shopping used to mean going directly to a store until 30 years ago, but the Internet has enabled people to buy things in front of their PCs. The advent of smartphones allows people to shop online anytime, anywhere. With the advent of applications, the E-Commerce market has further expanded, and the global E-Commerce market is expected to grow to approximately 700 trillion yen in 2021 and to 1,050 trillion yen by 2025. Japan's E-Commerce market has increased from 15 trillion yen in 2015 to 20 trillion yen in 2021. In recent years, the increase in home time due to corona has led to even greater growth in demand for E-Commerce sites (METI, 2022). As a result, competition among companies is expected to intensify. Except for Amazon, each country has its E-Commerce site. In Thailand, there are platforms such as Shoppe and Lazada, while in Japan, there are platforms such as Rakuten Ichiba, Amazon, and ZOZOTOWN. Among them, Rakuten Ichiba is the largest platform in the Japanese E-Commerce market in terms of sales. In this digital society, how has Rakuten been able to capture such a large share of the Japanese market? In today's rapidly changing digital society, Rakuten's marketing strategy is very important knowledge.

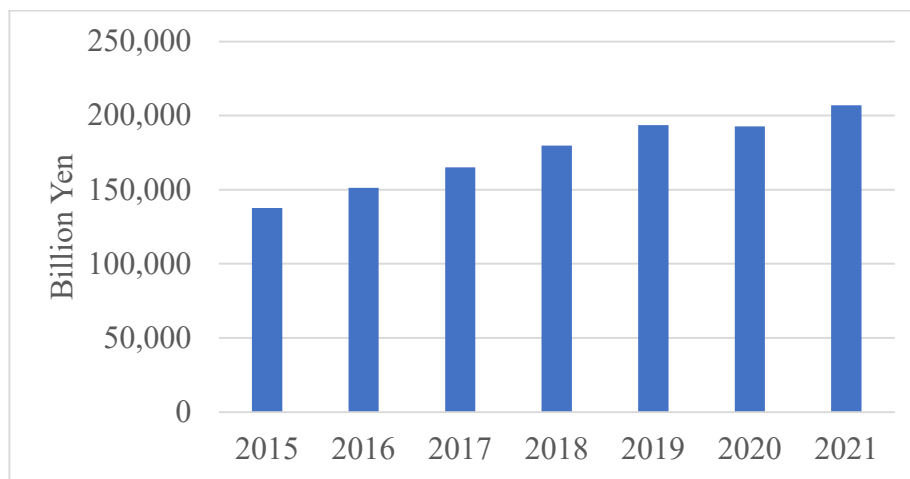


Figure 1 Transition of The Japanese EC Market
 Source: METI/Ministry of Economy, Trade and Industry

The current Rakuten Group's total domestic E-Commerce distribution in 2021 will be 5,011.8 billion yen, a 10.4% increase over the previous year, indicating that it is a very profitable company in Japan (Tezuka, 2022). In 1997, Rakuten launched its E-Commerce platform, Rakuten Ichiba, based on the concept of making it easy for small local merchants and people with limited computer skills to set up shopping sites in Japan, where it was not customary to buy things over the Internet. One of the main reasons for Rakuten Ichiba's growth as a major E-Commerce platform is that it was established in the 1990s when the Internet was on the rise (Rakuten Group, 2023). While other companies did not enter the Internet, Rakuten was one of the first to start selling over the Internet, which generated a lot of profit and allowed Rakuten to develop a variety of businesses. Today, Rakuten offers more than 70 services in a wide range of areas, including Internet services such as E-Commerce platform, travel sites, and digital content; financial services such as credit cards, banking, securities, e-money, and smartphone application payments; mobile services such as cell phone carrier business. These services are centered on Rakuten users. Developing many services was Rakuten's marketing strategy. These services form a unique economic sphere centered on Rakuten users, which people call the "Rakuten Ecosystem Zone".

The Rakuten Ecosystem Zone refers to the fact that consumers use Rakuten for specific services and that these consumers use Rakuten's other services, thereby increasing the profitability of Rakuten as a whole and maintaining the number of Rakuten users (Ono, 2018). For example, customers who use Rakuten Mobile, Rakuten's cell phone business, pay their cell phone bills with Rakuten Card, Rakuten's financial business. In this way, customers use many of Rakuten's services within Rakuten's business, creating a mechanism to attract and retain new and repeat customers. Rakuten Ecosystem Zone is part of Rakuten's marketing strategy. Other marketing strategies Rakuten uses to engage consumers. Japanese people tend to prefer point systems as an alternative to money (Watanabe, 2022). Rakuten was one of the first companies to introduce a point system called "Rakuten Points," allowing customers to use their points as money on Rakuten Ichiba and other Rakuten services. By allowing customers to accumulate and use Rakuten Points, Rakuten retains customers.

Currently, Rakuten Ichiba's sales are increasing every year. However, its competitor Amazon's sales are also growing, and Amazon's sales are projected to reach 3.198 trillion yen in 2021 (Miura, 2023). Currently, Amazon and Rakuten hold a large share of the Japanese E-Commerce platform market. Therefore, by analyzing Rakuten Ichiba and other E-Commerce platforms, this study will identify the factors that influence the marketing strategy of Rakuten

Ichiba to customers, the use of services provided by Rakuten, Potential customers of Rakuten Ichiba and areas for improvement.

2. Objectives of The Study

Customers' habits, income, and other factors are affecting customers' preferences, frequency of shopping, etc. Therefore, it is important to understand and identify those factors in order to be able to create a marketing strategy and/or provide recommendations' regarding actions for increasing the number of customers.

- 1) To identify the factors that are influential on Rakuten Ichiba's customer satisfaction.
- 2) To identify Japanese E-Commerce Platforms (Rakuten Ichiba, Amazon) customers' habits/preferences.
- 3) To find out the most popular Rakuten Ichiba Service, that is chosen by customers.

3. Conceptual Framework

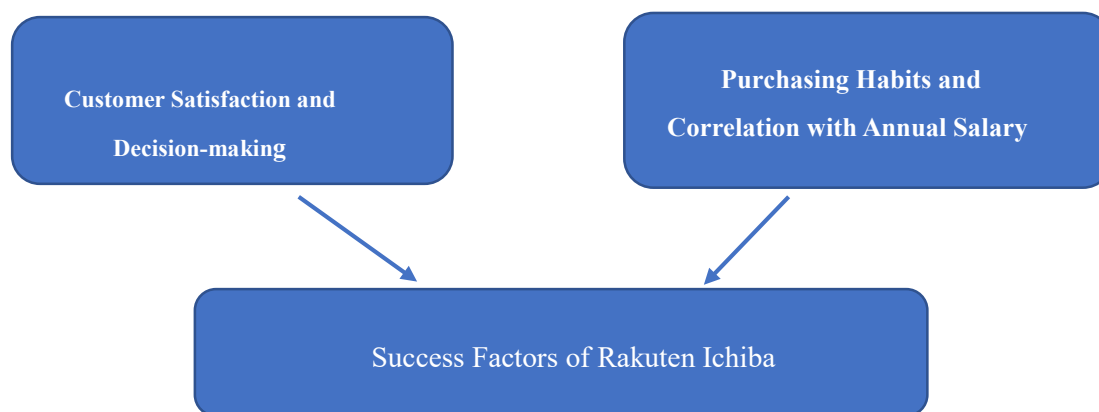


Figure 2 Theoretical Framework

H1: Customers' decision-making process and satisfaction regarding the use of an E-Commerce platform and satisfaction is highly related to marketing strategy, promotions, and rewards in the case of Rakuten, Rakuten Point.

Today, many E-Commerce platforms exist. Therefore, to survive in the competitive electronic environment, a service-focused strategy is needed. Companies must provide customers with a superior service experience so that they will repurchase and remain loyal to the company (Rita et al., 2019). Discounts exist as part of the service and many online retailers provide various promotions such as free delivery or price discounts to attract more customers to their website and thus, increase sales (Faryabi, Sadeghzadeh, and Saed, 2012). Discounted promotions are positively related to impulsivity, hedonic perceptions about the offered product, and negatively related to perceived financial risk about the discounted promotion, and furthermore, there is a negative relationship between purchase intention and perceived financial risk for the discounted product. In other words, discount promotions encourage customers to buy. Therefore, marketing with Rakuten Points is related to the factors that cause customers to use Rakuten Ichiba.

Customer relationships are extremely important for E-Commerce platforms. Customer satisfaction is necessary to build customer relationships, and trust and satisfaction are critical to the success of business-to-consumer E-Commerce business relationships. It is also a necessary component of customer retention, as customer satisfaction is key to future purchasing behavior (Kotler & Armstrong, 2012). Since customers also value the use and products and services (Sung, 2006), Rakuten's marketing strategy is highly related to customer satisfaction.



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H2 The monthly purchase amount of customers on an E-Commerce Platform is positively correlated with their annual income.

It is important to accurately identify customer demographics and consider the impact of purchasing habits in marketing strategies. Furthermore, accurately identifying customer attributes such as annual income and purchase amount can improve the accuracy of customer lifetime value (CLV) modeling and also promote customer retention (Kumar and Rajan 2018),

4. Literature Review

4.1.1 E-Commerce and Its Importance

E-Commerce is commonly referred to as electronic commerce and refers to the electronic media or Internet for companies and organizations to handle their products and services. The transactions are conducted through websites and use payment methods such as credit cards, debit cards, and electronic funds transfers. A further description is as follows: Electronic communications and digital information processes in business transactions are used to create, modify, and redefine value-generation relations between, and between, organizations and individuals (Grandon and Pearson. 2004). The rapid spread of the Internet has led to the rapid adoption of E-Commerce (business-to-business E-Commerce) by global companies. It has allowed consumers to enter the global economy so that they can clearly compare prices, services, etc., offered by many platforms. This means they can gain a clear advantage. Companies and organizations can also quickly adjust their services and pricing of products and content if customers are not satisfied with their prices and services. Vendors also benefit from the fact that they do not need a physical store. (David, 2018).

4.1.2 E-Commerce Benefits

In E-Commerce platforms, the biggest advantage in their use, from the consumer's point of view, is the convenience of being able to access and purchase it freely at any time and from anywhere in the world, saving a great deal of time, as it improves on many things immediately and does not require going to a physical store (Rahayu and Day, 2016).

There are many other benefits for consumers:

- Lower trade rates for stock exchange members.
- Enhanced flexibility - purchases can be carried out 24 hours a day without physical contact with the firm.
- Save time - Consumers will at any time purchase or sell any product online.
- The customer has better access by clicking on the button to search details on numerous pages, easily and continuously accessing information.
- Comfort in both purchases and transactions be made from the comfort that a buyer needs from a home or office.
- Moving to other companies-customers is still easy if the company's operation is unsatisfactory.
- A product that was not available at the local or national market that provides consumers access to a larger product than before could be available to customers.
- A consumer will make feedback on a product to see what others buy or see other clients' review comments before making a final purchase (Jain, Malviya, & Arya 2021).



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4.1.3 E-Commerce Business Types

1. Business-to-Business (B to B): E-Commerce B2B includes all electronic product and service exchanges between businesses; typically, businesses, organizations, producers, and traditional industrial wholesalers adopt the B-to-B model for electronic transactions.

2. Business-to-Consumer (B to C): E-Commerce to consumers through a partnership between a business and its end customer, an electronic company. This is the model in which traditional retail business is typically conducted in electronic commerce, and this business type has considerably expanded this model as there are online stores that offer all kinds of products to customers, including computers, electronics, and financial materials.

3. Consumer-to-consumer (C to C): C-to-C-type E-Commerce includes all electronic goods and services transactions between customers, and this transaction is conducted by a third party that provides a venue for online transactions.

4. Consumer-to-business (C to B): In C to B, the usual context of product exchange is reversed. This method of E-Commerce is often used by crowdsourcing-based companies, where individuals who have a special price on services or items sell them to companies.

5. Business-to-administration (B to A): This part consists of all Internet transactions between businesses and governments. This is a model primarily associated with government, especially for a wide variety of services such as taxation, social care, health care, legal documents, records, etc.

6. Consumer-to-administration (C to A): The C to A model includes all electronic purchases between the government and individuals, making it a model that relates to individuals and the government. It also includes education, social security, and taxes (Jain, Malviya, & Arya 2021).

4.2 Factors Affecting the Diffusion of E-Commerce in Japan

4.2.1 Forces for Globalization

According to macroeconomics, countries with more international economies (economies that are more open with respect to trade and foreign investment), have higher levels of investment in information and communication technology. (Caselli and Coleman, 2001). Japanese firms are less global than their U.S. counterparts, and the Japanese economy is less mutually open to foreign trade and investment (Encanation, 1999). In addition, the forces of globalization have not been as strong in Japan as in the rest of the world, which is due to one of the characteristics of Japan's industrial organization, namely, the use of keiretsu, and corporate groupings. Through corporate groupings, large firms with extensive business links across borders and industries create a potential channel for the spread of E-Commerce. Given such a relational role of affiliated firms in the Japanese economy, one would expect the forces of globalization to work more strongly only in industrial sectors where the presence of affiliated firms is high, and more strongly among large firms than among small and medium-sized firms.

4.2.2 E-Commerce Readiness

The most globalized firms tend to find that moving to an online business model helps them remain competitive (Shih et al., 2007). Affiliates are likely to make large investments in information systems and use a variety of e-commerce technologies. However, the introduction of E-Commerce technologies will not completely replace traditional business practices. Especially in Japan, Internet-based business solutions need to demonstrate tangible benefits compared to existing quality control and EDI systems. It is also expected that there will be functionally equivalent solutions for local conditions. In addition, the domestic and policy environment may constrain or facilitate the forces of globalization. In the case of Japan, the political economy is known as the "Iron Triangle," with institutionalized interactions among political parties, bureaucrats, and businesses. This relational context is expected to form a trade-off between the drivers and barriers to e-commerce and influence business decisions.

4.2.3 Business Impacts of E-Commerce



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If E-Commerce is to become widespread across industries and within Japanese companies, Internet-based business transactions will need to replace traditional human-based business ties. Also, as companies move online, previous studies have shown that E-Commerce improves company performance in three ways. First, increased operational efficiencies result in more efficient processes and higher employee productivity. Second, improved coordination reduces procurement and inventory costs and enhances supplier collaboration. And, expanded commerce is expected to increase sales, expand into broader sales territories, improve customer service, and enhance competitiveness. Thus, to the extent that Japanese firms move online, they can expect improved performance in these three dimensions.

4.3 Rakuten Marketing Strategy

4.3.1 Rakuten Point

Japanese people tend to prefer a point system, with the number of points issued amounting to 1.4 trillion yen annually. The reason for this is that the point system reduces consumers' sensitivity to prices and makes it easier for companies to sell their products. Even if a product at a store that offers points is more expensive than a product at another store, some consumers think that it does not matter if the product is more expensive because they get points. Focusing on this point habit of the Japanese, Rakuten introduced "Rakuten Points" in 2002, which can be used in Rakuten Ichiba. As a result, more and more people started using Rakuten Ichiba to accumulate "Rakuten Points," leading to an increase in the number of users. Today, Rakuten Points can be used as a substitute for money in most Rakuten services. These are marketing strategies to attract new customers for services other than Rakuten Ichiba and to prevent them from leaving Rakuten Ichiba.

4.3.2 Nps System of Rakuten

Rakuten Ichiba has been able to grow so much as a company because they value our relationships with our customers. Currently, there are many platforms in Japan, such as Amazon and ZOZOTOWN. If there are cases where Rakuten Ichiba's current customers use other platforms, Rakuten is not satisfying its customers. Rakuten had been steadily growing its customer base until 2014 but started working on NPS in 2015 because the number of customers did not grow that year. NPS is a metric used to quantify customer loyalty, such as attachment to and trust in a company, brand, or service. When they analyzed the reasons for the lack of growth, they identified a lack of customer orientation and customer satisfaction issues. Therefore, they introduced NPS to more than 40 of Rakuten's business units and first conducted training to understand their customers. As a result, employees understood how difficult their E-Commerce site was to use. Therefore, we created the site from the customer's perspective, not only for the business units but also for the development department. They developed an optimized e-mail newsletter, improved search functions, and a system for shipping products, including shipping costs, etc. The NPS made it possible to visualize what customers were satisfied and dissatisfied with, which led to customer satisfaction, customer retention, and new customer acquisition.

4.3.3 B TO B TO C MODEL

Rakuten Ichiba uses a B to B to C model, B to B to C stands for Business to Business to Consumer, and refers to a business model that does not deal directly with consumers through its own brand but connects with them through a third-party intermediary company. While many business models have been introduced above, Rakuten Ichiba has adopted a B to B to C model because of one major factor. Since Rakuten has a large economic zone and many customers, many companies pay a fee to open a store on Rakuten Ichiba and sell their products on Rakuten Ichiba. Therefore, many companies use Rakuten Ichiba to sell their products because of the large number of products available on the market. Rakuten makes a lot of money by getting a portion of the profits from the businesses that open a store and from the customers who buy their products.

5. Research Methodology

5.1 Respondents

The questionnaire of the survey was designed based on previous studies' focus and directed to the objectives and hypothesis of this study. The questionnaire was tested among Masters of International Digital Business Students and corrected/modified based on responses, and comments, further distributed to Japanese E-commerce platform users/customers.

Table 1 Research Scope & Coverage

Target	Japanese E-Commerce platform users
Number	416
Gender	Male and Female
Sample method	Random

5.2 Sampling Method

To ensure an unbiased and representative sampling of participants from the target population, a strictly random sampling method is employed. By using random sampling, each potential participant from the target population has an equal probability of being included in the sample. This increases the generalizability and reliability of the survey results.

5.3 Data Collection

Data collection was conducted by distributing of questionnaire online, which was created by Google Forms, the respondents were users of the Japanese E-Commerce platforms. The questionnaire will cover a wide range of topics, including customer habits, usage analysis, and Rakuten Ichiba service satisfaction. The questionnaire was also written in English and Japanese. After data collection, the collected responses were subjected to quantitative research. Pie charts and tables were created to visually represent and validate the survey results. For example, customer satisfaction with various Rakuten Ichiba services was graphed using pie charts to provide a clear visual understanding of the distribution of responses.

Overall, the integration of quantitative research methods enabled the utilization of graphs and tables to enhance the presentation and validation of the research outcomes. These visual aids not only facilitate a comprehensive understanding of the data but also contribute to the rigor and credibility of the research findings by providing empirical evidence of the relationships and patterns identified through the quantitative analysis.

6. Results

This section analyzes the effect of Rakuten Marketing on customers. It presents the results obtained from the survey on gender, age, and use of E-Commerce platforms in Japan and by groups.

Table 2 Gender

Male	202	49%(N=416)
Female	214	51%(N=416)

Table 2 shows the numbers of respondents by gender, 202 respondents were male and 214 females. Gender inequality among the respondents could create gender focus on purchase decision-making, which in this case will be omitted and can be considered as gender equality preferences and purchase platform decisions.

Table 3 Age

Under 20age	24	6% (N=416)
21-30age	263	63.% (N=416)
31-40age	31	7% (N=416)
41-50age	47	11% (N=416)
Over60	51	12% (N=416)

Table 3 can be seen the age group of the respondents, from which can be seen that 263 respondents, the majority are 21-30 years old, followed by 41-50 as the second biggest number of respondents, 47, 31-40 age group of respondents are 31 and 24 of respondents are under 20.

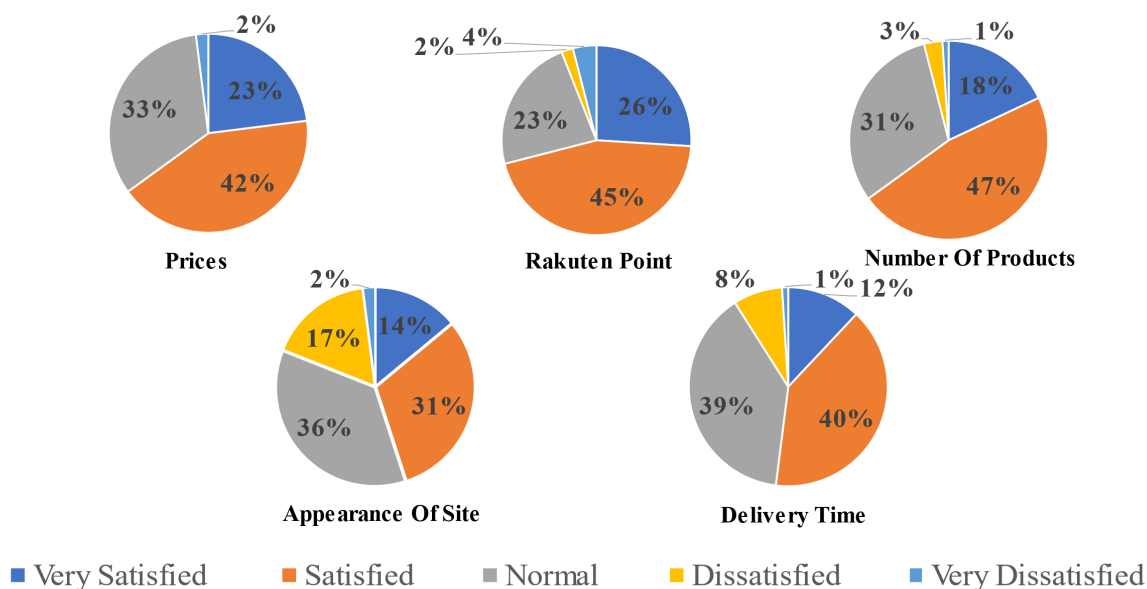


Figure 3 Customer Satisfaction Level with Rakuten Ichiba Services

Since customer satisfaction in any business is an important factor in relation to increasing customer numbers, as stated earlier Hypothesis 1 seeks on finding if customer satisfaction is significantly related to the marketing strategies of Rakuten Ichiba.

Figure 3 shows customer satisfaction with Rakuten Ichiba services, the highest combined percentage of "Very Satisfied" and "Satisfied" was for Rakuten Points. The percentages for each of these services were 71% ("Very Satisfied" and "Satisfied") for Rakuten Points, 65% for Prices, and 65% for the Number of Products. It is followed by satisfaction levels ("Very Satisfied" and "Satisfied") for "Appearance of site" at 45% and "Delivery time" at 52%. The results clearly show that Rakuten points, a marketing strategy of Rakuten Ichiba, has a positive impact on customer satisfaction. In addition, Rakuten Ichiba has adopted a B to B to C model, a business model that connects with consumers through third-party, rather than directly with consumers under its brand, as part of its marketing strategy, and many companies have partnered with Rakuten Ichiba to enhance their product line.

However, "Appearance of the site" and "Delivery time" had a lesser share among the factors for choosing Rakuten Ichiba, which means respondents are less satisfied with those factors. These are the areas for improvement for Rakuten Ichiba, which can bring up the level of satisfaction and create a greater business atmosphere.

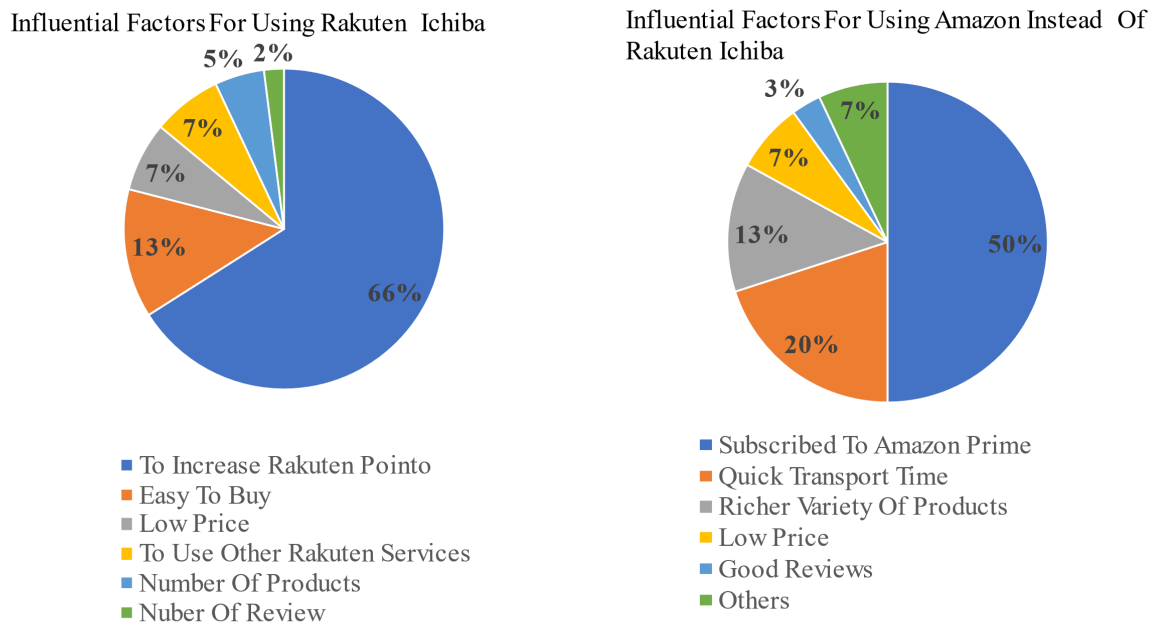


Figure 4 Factors Affecting the Use of E-Commerce Platform

In Figure 4., the pie chart on the right shows that 50% choose Amazon because they subscribe to the "Amazon Prime" video. Rakuten also offers a video-on-demand over-the-top streaming and rental service, called "Rakuten TV," but this service is similar to a traditional rental service, requiring users to pay an amount each time they watch a single video. (Kawaguchi, 2023). Since subscription-based services such as Netflix are currently the mainstream, this video distribution service by Rakuten is considered inferior to Amazon Prime in terms of both quality and price.

As one of the objectives of this study is to identify what are the factors that are influential on the decision-making process of Rakuten Ichiba's customers, respondents were asked to highlight what are those factors for choosing Rakuten Ichiba and what are the factors for choosing Amazon over Rakuten Ichiba. Answer choices are for choosing Rakuten Ichiba: increasing Rakuten points, easy to buy, low prices, using other Rakuten services, number of products (variety), and reviews. For choosing Amazon over Rakuten Ichiba, the answer choices are a subscription to Amazon Prime, quick transportation/ delivery time, a richer variety of products, and good reviews.

The use of Rakuten Points/Promotion System has the highest share among the facts for choosing Rakuten Ichida (see Figure.4). It is clear that Rakuten Points should be considered as Rakuten Ichiba's strongest marketing focus and has a very significant relationship with Decision-making process regarding Rakuten Ichiba.

To have a clear picture of income in Japan and link it to the spending in E-commerce platforms: average income in Japan varies from prefecture to prefecture ranking highest for Tokyo at 574,000 JPY (4,229 USD) and lowest for Okinawa at 390,000 JPY (2,873 USD) (Tokyo Portfolio,2023). These figures will assist in understanding the portion of the salary spent on E-commerce platforms.

Table 4 Relationship between Annual Income and Monthly Purchases on E-Commerce

Annual Income	Amount of Money Spent Per Month on E-Commerce Platform			
	1,000-5,000 Yen	5,000-10,000 Yen	10,000-30,000 Yen	Over 30,000
Under 1 Million Yen	54%	36%	8%	2%
1 Million-3Million Yen	44%	38%	13%	5%
3Million -5Million Yen	26%	40%	29%	5%
5 Million-7 Million Yen	19%	38%	29%	14%
Over 7 Million Yen	19%	31%	14%	36%

Customers' purchases amount highly depends on their monthly income, for that reason respondents' were asked about the range of their annual salary. For understanding, the direction of the company's marketing strategy, and the range of the prices within which the purchases are made, analyzing customers' annual income and purchase amounts can provide an important perspective and directory. This is because customers' annual income is an important indicator of their financial situation and spending power, while purchase amount is an element of their consumption behavior and purchasing power.

Table 4 shows the relationship between respondents' annual income and monthly purchases on E-Commerce platforms. From Table 4 can be seen that customers with higher annual income tend to have higher monthly purchase amounts, which naturally could be concluded. For customers who have an annual income of under 1 million yen, the percentages for the monthly purchase amount are 54% (Monthly purchases of 1,000-5,000 Yen), and 2% (Monthly purchases of Over 30,000). On the other hand, in those of over 7 million yen, the percentages for the monthly purchase amount are 19% (Monthly purchases of 1,000-5,000 Yen), and 36% (Monthly purchases of Over 30,000).

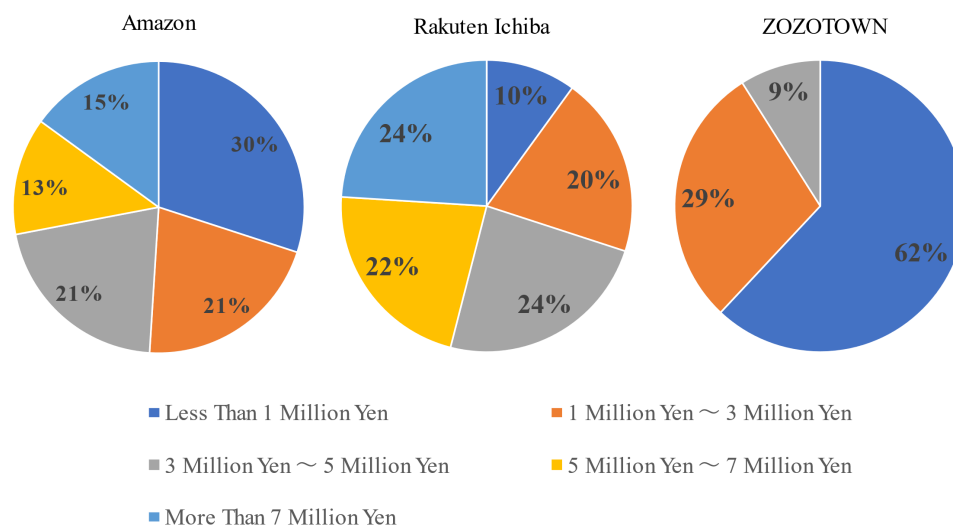


Figure 5 Annual Income of Users of Each E-Commerce Platform

Figure 5 shows the annual income of respondents, and customers of 3 E-Commerce platforms: Amazon, Rakuten Ichiba, and ZOZOTOWN. If we combine two categories, the highest ranges of the respondents' annual income: "5 million yen ~ 7 million yen" and "More than 7 million yen" the highest share belongs to Rakuten Ichiba customers, followed by Amazon customers, and lastly ZOZOTOWN customers.

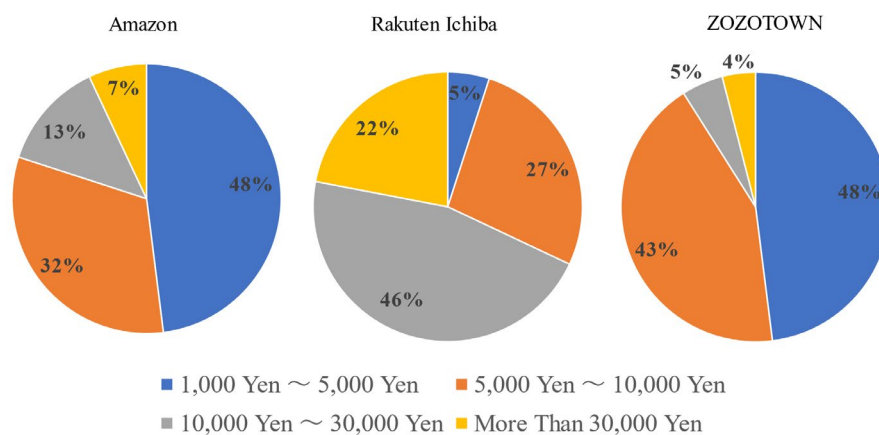
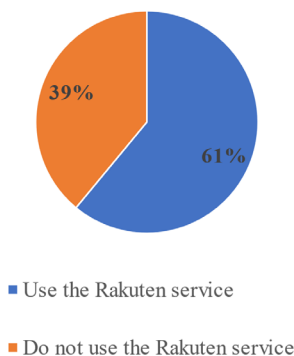


Figure 6 Number of Purchases per Month by Users of Each E-Commerce Platform

Figure 6 shows the monthly purchase amount per respondent/EC platform user. the highest percentage for combined categories: "10,000 yen ~ 30,000 yen" and " More than 30,000 yen" for the amount of the monthly purchase belong to Rakuten Ichiba. The percentage share of the combined categories respectively is 68% ("10,000 yen ~ 30,000 yen" and " More than 30,000 yen") for Rakuten Ichiba's users/customers, 20% for Amazon's users, and 9% for ZOZOTOWN's users.

Usage Of Rakuten's Services By E-Commers Platform Users Who Do Not Use Rakuten Ichiba



What Rakuten Services Are Used By E-Commerce Platform Users Who Do Not Use Rakuten Ichiba?

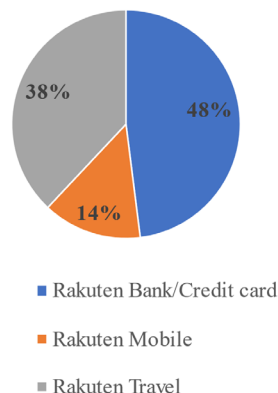


Figure7 Customers' Choices of Rakuten Ichiba Services

Figure 7 shows that 61% of the overall number of respondents use Rakuten Ichiba Services. Among them, as shown in the right pie chart in Figure 7, the usage rate of "Rakuten Bank" and "Rakuten Credit Card" is 48%. This can relate to the ease with which students can establish accounts and obtain "Rakuten Bank", and "Rakuten Credit Card" respectively. Rakuten Travel is also among the popular services (38% of overall respondents), which should gain more attention and development by Rakuten Ichiba Management and Marketing Teams.

7. Conclusion/Suggestions

From Figure 3 can be seen that Rakuten Ichiba customers are satisfied with Rakuten points and it is a motivation for choosing Rakuten Ichiba, since gained points can be used for other services, and purchases. This proves H1, the marketing of Rakuten Ichiba should focus more on Rakuten Point and spread the info more intensively, as well as create an extra points system with the products and services that are new or need an extra push for becoming popular in the market.

From Table 4 and Figure 5 can be seen that the annual income is not only positively correlated with the purchasing amount in E-commerce platforms (proves H2), but also that Rakuten Ichiba has a bigger portion of customers with higher income. The number of Rakuten Ichiba customers might be lower compared to other E-commerce platforms but still make similar turnover considering purchase amounts

Significant correlation between the marketing strategies employed by Rakuten Ichiba and customer satisfaction. By analyzing the data and evaluating customer satisfaction with Rakuten Ichiba services, as shown in Figure 4.4, notable findings emerged. The highest combined percentage (71%) of "Very Satisfied" and "Satisfied" was observed for "Rakuten Points," followed by "Prices" and "Number of Products," all of which attained a high satisfaction level (65%). These results indicate that customer satisfaction with "Rakuten Ichiba" is influenced by "Rakuten Points" and the BtoBtoC model.



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A strong relationship between the decision-making process of customers in choosing an e-commerce platform and the adopted marketing strategies. It was revealed that 66% of Rakuten Ichiba users selected Rakuten Ichiba for the purpose of increasing Rakuten Points. The total of the other five factors (Easy to buy, Low price, To use other Rakuten services, Number of products, and Number of reviews) is 34%, which emphasizes how Rakuten points are a high percentage and an important factor in customer usage.

The major findings of this study are:

The comparison of the income of the Rakuten Ichiba customers to other E-Commerce Platform customers showed that Rakuten Ichiba customers' income is higher compared to other E-Commerce platforms, which can bring to assumption, that even if the purchases numbers may be less than for Amazon, still can generate similar turnover because of a larger budget.

The customer's decision-making process regarding the use of E-Commerce platforms and customer satisfaction is highly related to marketing strategy, in the case of Rakuten, the key attracting factor is Rakuten Point, the marketing strategy of Rakuten Ichiba should be built around Rakuten Points, which focuses on spreading more information about it, work on making it visually more attractive. Since advertising plays an important role in service awareness (Berry, 2000). It will be important in one type of marketing strategy to deepen awareness of Rakuten points and create advertisements that attract customers

As mentioned in the result section customers are not satisfied with the appearance of the site and delivery time, special attention should be given to these two factors that are influencing the satisfaction of customers of Rakuten Ichiba. Website quality positively influences customer satisfaction and customer willingness to buy (Bai, Law and Wen, 2008), and improved delivery options result in higher online customer satisfaction and online sales (Rudansky, 2014). By improving these factors, Rakuten can expect new customer flow and expansion of the market.

Moreover, the factors/factors that are mentioned by customers regarding preferring Amazon instead of Rakuten, should be taken into consideration. The global market for subscription-based video distribution like Amazon Prime is expanding significantly, from \$10.74 billion in 2015 to \$101.56 billion in 2023 (forecast value). On the other hand, the global market for traditional rental service distribution, such as Rakuten Ichiba, has not expanded much, from \$4.54 billion in 2015 to \$8 billion in 2023. (Fuwa,2021). In other words, since the subscription system has become the modern mainstream for video distribution, as mentioned earlier, Rakuten TV should change the provision format and become a subscription platform, which again can be a way of attracting new customers.

And lastly, tourism is recovering from the COVID-19 era in the world. In Japan, the travel experience rate, the percentage of the Japanese population who made at least one trip in a year, in 2019 before the Corona era was 52%, and dropped to 28% in the 2020-2021 Corona period. However, in 2022, the travel experience rate recovered to 43%. (Itsukida, 2023). To attract customers from the recovering tourism market, the fact that one of the Rakuten Services is Travel Services, a development plan should be created for this field of the Rakuten Business.

8. Limitation/ Future Study

The study collected responses from 416 Japanese e-commerce platform users, but the sample size is limited. A larger sample may allow for the generalization of results to a broader population. Also, while this study collected data within a specific time frame, user behavior and market conditions may change over time. A study conducted over a longer period of time may yield more comprehensive results.

Data collection was limited to a 2-month period of time, which made collection of a larger number of the responses unlikely possible.

Future research will examine specific solutions to the issues highlighted in this study, including an analysis of what factors, if any, can increase customer satisfaction with respect to the E-Commerce platform, delivery time, and site appearance. In addition, the most effective marketing strategies to further expand Rakuten's customer base should be examined by analyzing the impact of advertising on customers and the factors that drive usage of travel applications in future promotional activities for Rakuten Points and Rakuten Travel.



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Future researchers should focus on diverse sampling and adopt quantitative methods for data analysis. In this case, the analysis was conducted on a few EC platforms, Rakuten Ichiba. Analyze user information more in-depth and compare within platforms, investigate marketing and customer characteristics of each service, and use relevant studies to track customer behavior in light of the post-COVID-19 recovery.

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