

You own a business here in Japan selling goods and you want to start selling online. What are your options?

The benefits of operating an online store are well-documented and mostly obvious. Cost is one obvious example, as running an online store is far less costly than operating an actual "bricks and mortar" shop, with all of the staffing and infrastructure (electricity, rent, etc.) expenses to pay.

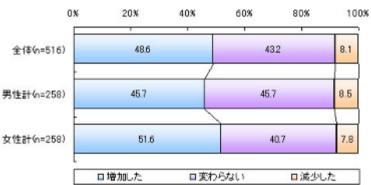
Then there is the matter of business hours. Online shops need never close their doors, meaning you can continue to do business with the world even while your own particular corner of it is asleep.

Convenience is of course also a major factor. Ordering online means customers can order goods from the comfort of their desk or dining room table and have them delivered right to their door. For heavy and hard-to-carry products like wine, for example, this is especially attractive, but this kind of convenience applies to all products and

purchases. When you know what you want, it's nice to be able to just order it and have it show up days later.

The benefits are numerous. 女性計(=258) clearly, which is probably why you are planning to take your store online. The good news for Japan is that Japanese consumers are finally starting to feel much more comfortable shopping on the Net. protecting credit card Concerns about information and personal privacy have diminished in the past few years, and more people than ever are purchasing on the Internet.

The chart to right shows the trend of online shopping over the past year for Japanese men and women. Roughly half of those surveyed indicated an increase in online purchasing



over the past year. Online shopping in Japan is on the rise, and doesn't look to be slowing down any time soon.

So, what are the options?

Your options will largely be defined by the amount of money you are able to invest in your online store. For the purposes of this article we will assume a modest budget of 6 million yen or less. Your other requirements will also play a part here, including the

importance of your webshop's layout and design, and other factors such as language support. Also, this article will not discuss entry-level or mall solutions such as those offered by Yahoo and Rakuten.

At the low-end of the cost scale we have "Software as a Service" (SaaS) offerings, which

Example SaaS Solutions

Makeshop

http://www.makeshop.jp/

Estore

http://estore.co.jp/

ShopServe

http://shopserve.jp/

IVP

http://www.ivp.co.jp/

Wisecart

http://promotion.wisecart.ne.jp/

OneStyle

http://www.onestyle.biz/

Aiship

http://www.aiship.jp/

are hosted e-commerce solutions that allow you to open an online store with little up-front money and essentially "rent" the webshop application as a service. There are many such services currently available and new ones coming out all the time. These turnkey solutions typically provide all of the basic functionality required—product browsing, shopping cart, checkout, payment, and store management—along with assorted other useful and nice-to-have features.

Pricing for these solutions is usually determined by the number of products you plan to sell (or specific features) and can be extremely affordable. With setup charges as low and 20,000 yen and monthly fees of 10,000 yen or less, SaaS solutions are available for almost any budget.

Sounds great! Why doesn't everyone use them?

With these hosted solutions there are numerous limitations in terms of what you can and cannot do with the system. For example, adding a new feature that you may find desirable or necessary is generally not possible. The features and functionality available are simply those provided by the system, and no more. Because all of the system's customers use the same system it is impossible to build-in new features for just one customer, no matter how valuable or necessary it may be to you business.

Design is another area with limitations. These systems typically have a template-based design and layout, meaning you have a limited selection of design and layout options, or in some cases only one! For shops that have specific requirements for things like the presentation of product details, images, etc. it is not always possible to find an SaaS solution that meets them all.

Another factor is domains and keeping your customers "in" your own site, both technically and psychologically. Many ecommerce solutions allow some control over design and layout, but the actual checkout process happens at a completely different site, often with a different URL and look-and-feel. This can be jarring for some customers and cause

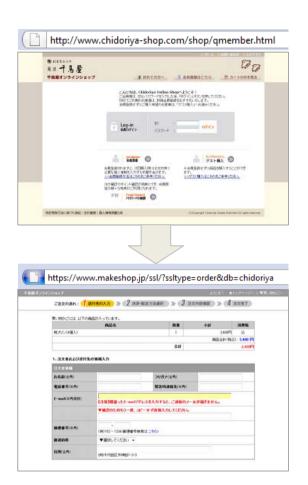
them to feel ill-at-ease about completing the order or providing their credit card details. (Note the difference between the checkout and payment screens to the right.)

Finally, one other disadvantage to SaaS solutions is language support. These services are typically Japanese-only, meaning there is no way to offer content in another language.

Open Source Shopping Carts

Another option for setting up a webshop is to use an Open Source software application. Many of these exist, and their ability to support Japanese and Japan-specific standards is mixed. Some of the more popular or well-known Open Source software application with Japanese capability are Zen Cart, osCommerce, and EC-Cube.

The main issue when considering an Open Source solution is technical support. Because these applications are not formally developed and supported by a specific company or vendor, there is often little in terms of



documentation and technical or user support. As a result, this option is really only viable if you yourself are technically competent or have ready access to someone who is, since someone will need to maintain and periodically update the site.

In short, this is a reasonable solution for tech-savvy shop owners with a limited budget.

Custom Developed Solutions

It is of course also possible to retain the services of a skilled web agency (such as Tokyo-based Netwise) to design and build a custom e-commerce application to your exact specifications. In this scenario you get **exactly** what you want, with no limitations or compromise. The catch? Cost.

Custom-developed webshops can cost anywhere from 2 to 20 million yen to produce. Because this option typically involves designing and building a site completely from scratch, it will be far more expensive than the others. Time to deliver is also greater here with a minimum of 3-4 months before the site is ready to launch.

Nonetheless, you do get exactly what you want, and can also benefit from the very latest in terms of web technologies and user experience. For companies with adequate resources and particular requirements

I'm still not satisfied. Isn't there another option?

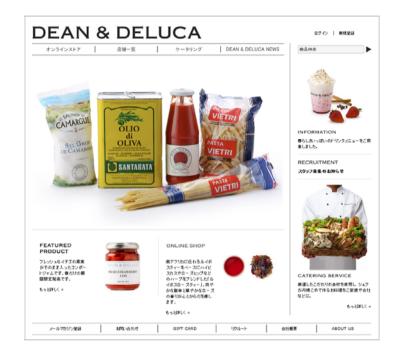
Thankfully, yes. Netwise has developed a new solution that takes the best of the other options and makes it available for a reasonable price. Our Netcart product is an e-commerce engine that provides the core components for developing feature-rich, multi-language webshops and larger-scale e-commerce systems. Moreover, the Netcart solution is fully hosted and supported, meaning no special technical knowledge is required to deploy and use it.

Using Netcart our clients can get the control and customizability of fully custom-developed solutions for a fraction of the cost. Netcart has a robust set of features, some of which are **unavailable** in anything but a fully custom-developed solution. To get a sense of how the different options compare have a look at the following table.

The rest of this document provides examples of online stores that run on Netcart.

Feature	SaaS	Open Source	Custom	Netcart
Ease of Use	0		0	0
Store Setup and Configuration			0	0
Order Processing	0	0	0	0
Order Data Export	0	0	0	0
Mail composition/delivery	0		0	0
Newsletter Subscription	0		0	0
Multiple Address Books		Δ	0	0
Ship to Multiple Addresses		Δ	0	0
Ship One Order to Many Addresses			0	0
Multi-language Support		Δ	0	0
Mobile Website	Δ		0	
Always-on Shopping Cart		Δ	0	0
All transactions in my domain	Δ	0	0	0
Control over look-and-feel	Δ	Δ	0	0
Control over product display and presentation	Δ	Δ	0	0
Payment Methods				
Credit Card	0	0	0	0
COD	0	0	0	0
Bank Transfer	0	0	0	0
Combini	Δ		0	
Post Office	Δ		0	
Fees				
Setup	8	3	3	3
Customization/Design	60	50	0	100
Development	0	0	400	0
Ongoing (Monthly)	1	1	2	2
Total for 3 Years	104	89	475	175

Example Netcart Sites: DEAN & DELUCA Japan



















Interested in learning more? Contact Netwise:

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