Targeting International Customers in Japanese E-commerce:
A Web Content Analysis of the Marketing Mix in Rakuten and Amazon.co.jp

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Abstract

The thesis examines the marketing strategies implemented by the two biggest e-commerce companies in Japan, namely Rakuten and Amazon.co.jp, in order to address their international customers. Specifically, the study is conducted by means of a multiple-case study design, an interpretivist approach and a qualitative Web Content Analysis on the two firms’ websites in English language. The theoretical framework is based on a revisited marketing mix with a view to applying the so-called “4Ps” in the international online environment throughout the analysis of the websites. The study primarily stems from a lack of research on marketing practices of Japanese e-commerce companies, as well as from an inadequate emphasis on case-study research of marketing operations. Based on the main findings, both companies propose an efficient and secure global shipping system and accommodate a variety of international payment methods, although they partially ensure international payment security. Furthermore, whereas Rakuten is aimed at advertising Japanese products abroad, Amazon.co.jp provides customers with an international return policy. Finally, the thesis reveals that the customized nature of Rakuten’s marketplace and a limited translation into English of the website content in Amazon.co.jp pose challenges in terms of the companies’ implementation of international marketing strategies.

Keywords: E-commerce, Japan, Amazon, Rakuten, International Marketing, Marketing Mix, Web Content Analysis
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1. Introduction

In the last two decades, a sharp rise in online global competition has led e-commerce companies to reconsider their business and marketing strategies at the international scale. Despite the recent economic decline observed worldwide, e-commerce still plays a fundamental role in global business. In Japan, this scenario has concurred with an aggressive rivalry between the biggest Internet shopping domestic firm, namely Rakuten, and the Japanese version of Amazon, the American e-commerce titan. According to a report produced by Ecommerce Foundation (2014, 105), Amazon is the most important online retailer in Japan in terms of unique visitors per month, followed by Rakuten and Yahoo! Japan. However, in 2015 Rakuten registered a domestic market share of 25%, almost double that of Amazon (Zappa, 2015).

Specifically, Rakuten is Japan’s largest e-commerce company and, besides Amazon, represents “today’s most diversified e-commerce company worldwide”, with a vast array of businesses, including marketplaces, Internet services, online advertising, shipping and logistics, as well as payment and financing (Willenborg, 2016, 203). Although foreign markets only account for roughly 10% of its consolidated revenues, the company is increasingly aimed at expanding and shaping international awareness through cross-border sales (Willenborg, 2016, 215). With a view to becoming “the world’s largest Internet service company”, Rakuten is resolutely following its strategy to target high-potential e-commerce markets (ibid.). Nevertheless, according to Einhorn (2015), Rakuten is almost unknown in the U.S. and Europe, where Amazon dominates the market.

In this regard, Amazon.com has changed its mission from representing the world’s largest online bookstore to “aspiring to become the world’s largest online store” (Kotler and Keller, 2012, 38). Indeed, Amazon is very active globally: other than being Europe’s largest online realtor, the American firm generated around $11.68 billion in international sales online in 2009 and has been strengthening its position in emerging markets like China (Turban et al., 2015, 144-145; Singh, 2012, 2). Specifically, since the opening of its Japanese subsidiary in November 2000, Amazon’s initiatives and operations have constituted “a catalyst for investment and progress in Japan’s online retail industry” (Kurt Salmon, 2016). With ¥1 trillion of sales in 2015, Amazon has thus overtaken Walmart Seiyu and has become the largest single overseas retailer in Japan (ibid.).
Hence, the battlefield in the industry of Japanese e-commerce and online services currently involves two main players. On the one hand, Rakuten handles almost one-third of all transactions in Japan’s online retailing and is enhancing its domestic position to expand abroad and compete in international markets, above all in the U.S. (Turban et al., 2015, 142; Qin et al., 2014, 71). On the other hand, Amazon has positioned itself very well in Japan through Amazon.co.jp, proving that foreign Internet companies can enter this country successfully (Toto, 2009).

Overall, at the base of the success achieved by the two firms is a profitable and efficient process of internationalization. With regard to this, companies with a strong e-commerce focus are more prone to gaining rapid global exposure due to the ease of outreach and access (Czinkota and Ronkainen, 2007, 287). Indeed, the global nature of the Internet enables capital-rich companies to start selling internationally from their inception, but also allows firms with limited resources to expand their business globally as the website is launched (Singh, 2012, 40). As a result, the Internet is increasingly perceived as a source of products for both business and customers placing the consumer “in control of marketing and distribution globally” (Cateora et al., 2011, 441).

In fact, international marketing plays a critical role for e-commerce companies aimed at expanding their operations overseas. Nevertheless, previous studies have not analysed in detail the marketing strategies implemented by Rakuten and Amazon.co.jp in order to address their customers internationally.

1.1. Purpose of the Thesis and Research Questions

Since Japanese e-commerce holds an increasingly large influence in the world and considering the recent shift toward global marketing, it is crucial to understand how the two leaders in Japan’s online retailing relate to their international clientele. Furthermore, as Dominici (2009, 20) underlines, “the insufficient emphasis given to case study research on marketing operations” is explanatory considering the rising relevance of marketing strategies for companies operating primarily in the Internet environment. Finally, the majority of studies concerning Japanese e-commerce have focused on consumer-centric approaches with a view to analysing consumer preferences in Internet shopping, as well as Critical Success Factors (CSF) affecting online buying behaviour. Conversely, by means of a Web Content Analysis of
the respective two websites in English language, the present paper is intended to provide a clearer picture of the actual marketing strategies implemented by Rakuten and Amazon.co.jp with the aim of targeting international customers. Particularly, the so-called “marketing mix” will be employed so as to categorize the behaviour of the firms in terms of putting international marketing plans into effect.

Thus, for the purpose of the study, the main research question is:

*What are the marketing strategies implemented by Rakuten and Amazon.co.jp in order to target their international customers?*

In addition, a sub-question is:

*Which issues can negatively impact Rakuten and Amazon.co.jp in their implementation of marketing strategies with regard to international customers?*

1.2. Disposition

Following the introduction, Chapter 2 presents a contextualization of e-commerce by providing general definitions and specifications in global terms and in the Japanese context, before proposing a review of the existing literature on Japanese e-commerce. Chapter 3 presents the theoretical framework with a view to devising an international marketing mix in the online environment. Consequently, Chapter 4 introduces the methodology used in the thesis, along with the ethical considerations and the contribution of the study to the research area. An overview of the case companies’ positions both in the domestic and global market is presented in Chapter 5. Following that, Chapter 6 deals with the analysis of the companies’ websites by showing empirical findings. Finally, Chapter 7 concludes the thesis by presenting a summary of the findings as well as some implications for further research.
2. Literature Review

This chapter is intended to provide a contextualization behind the choice of the research topic. Here, e-commerce will be defined in general and specified in global terms, as well as in relation to the different types of e-commerce companies. The background serves as a helpful starting point with a view to highlighting the importance of cross-border e-commerce for Japan and reviewing the existing literature on Japanese e-commerce.

2.1. Defining E-commerce

In the last two decades, e-commerce (EC) has become the engine of growth in the retail sector, achieving a 16% compound annual growth rate (CAGR) between 2010 and 2014 (Wei, 2016, 111). Sales in retail EC have increased from US$695 billion in 2013 to approximately US$840 billion in 2014; by 2018, they are estimated to reach a value of US$1506 billion (Lim et al., 2016, 402). With a predicted CAGR of 10% over the next few years, by 2019 online sales are expected to account for US$480 billion (Chen et al., 2016, 1).

According to Zwass (1996, 3), EC is based on “sharing business information, maintaining business relationships and conducting business transactions by means of telecommunication networks”. Specifically, it “uses a Web site to transact or facilitate the selling of products and services online” (Kotler et al., 2012, 559). Therefore, EC permits the sale and purchase of goods or services via electronic means, contrary to physical commerce, in which transactions are generally conducted via human contact in physical outlets like stores (Chan et al., 2001, 2). Following the U.S. government’s definition, business activities conducted in EC include advertisements, transactions, payment and services (Qin et al., 2014, 2). On the other hand, The United Nations Commission on International Trade Law (UNCITRAL) perceives EC as “a function that adopts Electronic Data Interchange (EDI) and other communication modes to improve international trade” (ibid.).

2.1.1. Global E-commerce

Due to the extensive adoption of information and communication technology (ICT), the proliferation of the Internet both as a communication channel and in the form of Internet-based economy has proved to be crucial in the worldwide expansion of e-commerce (Shareef et al., 2009, 2). Thus, in the shift toward global marketing, the spread of online shopping
along with other Internet-based low-cost communication methods like e-mailing and social media strongly contributed to facilitate transnational communication and trade (Hollensen, 2011, 22-23). As a result, many EC firms across the world have found fertile ground to broaden their business at the international scale by expanding their operations overseas. In fact, EC paves the way for the development of global businesses without substantial initial capital investment or brick-and-mortar stores, by allowing companies in developing countries to attract a larger set of foreign customers (Kobayashi et al., 2012, 160).

The consequent growth of this trend has contributed to shape a new definition of EC in terms of international expansion, referred to as “global e-commerce”. Specifically, global e-commerce implies leveraging electronic networks in order to penetrate global markets and includes all the transactions conducted in the electronic market space across different countries in the world (Singh, 2012, 1; Qin et al., 2014, 2). Since the mid-1990s, global e-commerce has been enlarging to the extent that several trillion dollars are being annually exchanged over the Web (Alhorr et al., 2010, 6; Singh and Little, 2009, 251). Indeed, EC enables consumers to freely explore the global market, as well as easily compare and efficiently evaluate the best available products (Chan et al., 2001, 14). Hence, consumers have been increasingly enabled to purchase similar products or services across the world (Hollensen, 2011, 23).

As the use of Internet in EC has shaped an effective online shopping environment, consumers are now encouraged to make transactions anytime and anywhere, exchange ideas and compare their experiences with other customers on the website (Yoon and Occeña, 2015, 352). According to Turban et al. (2015, 628), in 2010 nearly 2 billion people worldwide were regular Internet users; now, companies can reach almost 1.9 billion online consumers worldwide through their global Web presence (Singh, 2012, 1). Thus, the huge potential for companies to enlarge their market share through EC is still evident.

2.1.2. Types of E-commerce

Overall, the electronically supported commercial transactions involve both business organizations and individuals (Zwass, 1996, 3). In this regard, a fundamental distinction concerns business-to-business (B2B) and business-to-consumer (B2C) EC companies. In fact, EC is used to market both B2B and consumer services, involving a particular type of direct
marketing from a manufacturer, retailer, service provider or some other intermediary until the final user (Cateora et al., 2011, 441). Hamad et al. (2015, 405) define B2B E-commerce as the set of “business activities fulfilled electronically in order to enhance competitive advantage”, in terms of buying and selling or transferring goods, services and information among organizations. Conversely, in B2C e-commerce the seller of the transaction is constituted by a business organization, whereas the consumer accounts for the buyer (Chan et al., 2001, 6). One of the most evident applications of B2C EC is Internet shopping, which is rapidly expanding its coverage to various business fields worldwide (Atchariyachanvanich et al., 2008, 9).

Furthermore, in business-to-business-to-consumer (B2B2C) EC, a business provides products or services to a client business; specifically, the client business holds its customers, both employees and business partners, to whom a product or service is provided (Turban et al., 2016, 296). Rakuten is one example of a B2B2C EC company using this model over its competitors (Willenborg, 2016, 204). Additional types of transaction are represented by consumer-to-consumer (C2C), that implies a direct negotiation among customers, and consumer-to-business (C2B), where consumers initiate trading with companies (Chaffey et al., 2006, 12). C2C interactions are increasingly common in the form of discussion groups or forums on both B2C and B2B websites, like for example eBay (ibid.).

2.1.3. “Brick-and-click” and “Born Global” Firms

A further differentiation must be outlined with regard to “pure-click” and “brick-and-click” companies. First, brick-and-click (or “move-to-the-Internet”) companies are established retailers operating from bricks-and-mortar stores that “integrated the Internet into their businesses strategically or tactically as a marketing tool or channel to market” (Chaffey et al., 2006, 464). This expression was introduced in 1999/2000 to define traditional organizations and enterprises with a physical existence but limited Internet presence that have consequently added an online site for information or EC (Qin et al., 2014, 279; Kotler and Keller, 2012, 439; Chaffey, 2009, 88). Procter & Gamble, Harley-Davidson, IBM and Lenovo constitute examples of brick-and-click firms (Kotler and Keller, 2012, 440; Qin et al., 2014, 279).

On the other hand, pure-click companies (also known as “born-on-the-Internet” or “born globals”) generally launch a website without any previous existence as a firm (Kotler et al.,
2012, 559). Born global firms are “heavily involved in exporting at inception or shortly after establishment”; as “start-ups” on the Internet and due to their connectivity of Internet-based mediums, they sell to a global audience by means of a centralized EC website (Hollensen, 2011, 90; Singh, 2012, 40). Therefore, born globals pursue a vision of becoming global from their inception and globalize rapidly “without any preceding long term domestic or internationalization period” (Hollensen, 2011, 87). Increasingly, these firms constitute a source of competition for traditional Multinational Corporations (MNCs) within the global economy and are enabled to emerge as leaders by redefining both industries and competition demarcations (Kofinas, 2007, 291).

Overall, born globals are expected to penetrate international markets faster than traditional brick-and-click companies or global brick-and-mortar firms (Czinkota and Ronkainen, 2007, 265). Examples of born global corporations include Amazon, Yahoo! and eBay, which all adopted innovative business models by employing IT for an extensive promotion of their EC business (Kofinas, 2007, 290). Successful firms like Alibaba, Groupon and Amazon have even set as an example for corporates to shift their business model from brick-and-mortar to brick-and-click (Lim et al., 2016, 402). Specifically, Amazon represents one of the earliest “internationalizers” on the Web; in fact, like other e-retailers such as Bluefly.com and Gap.com, Amazon.com has been shipping goods internationally since its inception (Singh, 2012, 39-40).

2.2. Japanese E-commerce

Although online population growth patterns have been recently converging toward emerging economies like India and Brazil, major e-commerce markets still include the United States, China and Japan (Singh, 2012, 1). On the whole, Asia Pacific, including Japan, China, South Korea, India and Australia, contains the largest and fastest growing e-commerce markets; total online retail revenues are expected to nearly double from $733 billion in 2015 to $1.4 trillion in 2020 (Chen et al., 2016, 2). In particular, along with South Korea, Japan recorded the highest B2C sales in Asia in 2010 (Alhorr et al., 2010, 6) and is the third largest market for online shopping in the world, with a total sales volume of around US$120 billion and yearly growth of 7% (Zappa, 2015). Moreover, according to a survey conducted by the Ministry of Economy, Trade and Industry (METI, 2015), the B2C EC market in Japan in 2014 was estimated at ¥12.8 trillion, accounting for a 14.6% annual growth. On the other hand, the
B2B EC market in the same year was estimated at ¥196 trillion with a 5% annual growth (ibid.).

In fact, other than representing the third largest economy in the world after the U.S. and China, Japan is an “Internet-driven society” in which consumers employ differentiated Internet retail shops and auction sites “creating diversification of the purchasing channels available to them” (Moriuchi and Takahashi, 2016, 147). In this regard, 60.1% of Japanese Internet users purchased goods and services online in 2013 (Kobayashi et al., 2013, 165); in addition, the consumer market in Japan is estimated to expand by around 1.5 times from 2015 to 2019 (METI, 2016).

Overall, in terms of online markets Rakuten, Amazon.co.jp and Yahoo! Japan constitute the top three online retailers in Japan (Moriuchi and Takahashi, 2016, 147). As Tsuji (2004, 32) underlines, the categories of generally purchased items in Japanese EC include books, clothing, accessories and food, as well as electronic and media products. Specifically, in 2013, accessories and footwear represented the most popular e-commerce category, accounting for 33% of all the Internet orders in Japan (Ecommerce Foundation, 2014, 105). The category of food ranked second at 21%, followed by media products at 20%, consumer electronics at 9% and household goods at 7% (ibid.). According to Rakuten’s CEO, food and clothing are among the biggest categories of products sold in the website, whereas Amazon is generally more efficient in the fields of books and electronics (Mikitani, 2013, 49).

2.3. Cross-Border E-commerce from Japan

Following the worldwide proliferation of the Internet, in the last few years the scale of cross-border EC has not registered a clearly balanced evolution between developed and developing countries. As Kobayashi et al. (2013, 160) show, even by taking into account the population size, the number of Chinese consumers buying goods from Japanese websites is much larger than the number of Japanese consumers buying goods from Chinese websites. In fact, in 2015 the amount of purchases through cross-border EC by Japanese consumers from U.S. and Chinese business operators accounted for ¥220 billion (METI, 2016). On the other hand, in the same year the value of purchases fulfilled by Chinese consumers from Japanese and Chinese EC firms was ¥1.6 trillion, registering an astonishing increase of 32.7% from the previous year (ibid.). Finally, the total amount of purchases through cross-border EC among
Japan, China and the U.S. is expected to increase to ¥6.6 trillion by 2019 (ibid.). At the root of this trend is the ambitious strategy advanced by Japan to catch up with the economies of Europe and the U.S. through EC and become “the most advanced country in information technology” in the next few years (Qin et al., 2014, 64). Therefore, in spite of the robust domestic consumer market in Japan, for Japanese EC firms increased attention should be placed on targeting customers overseas.

2.4. Previous Studies on Japanese E-commerce

Overall, a considerable amount of previous works has explored the Critical Success Factors (CSF) in the adoption of EC in Japan. For instance, Gibbs et al. (2003) conducted a cross-country comparison to outline the leading global, environmental and policy factors in e-commerce diffusion. As for demographic factors in national environment, wealthier countries like Japan turned out to be most favourable to both EC supply and demand (ibid.). Furthermore, the study showed that B2C EC in Asian countries like Japan, especially among the older generations, is constrained by language differences and issues with Western characters (ibid.).

Sung (2006) identified the CSF for EC in Japan, as well as Korea and the U.S., and consequently investigated the explanatory power of these factors on firm performance. On the one hand, Japanese respondents perceived customer orientation as the most critical success factor, followed by the speed of systems, the quantity of information, in addition to ease of use and “lowprice” of good and services (Sung, 2006, 1169). On the other hand, the process of payment, the security of systems and the delivery of goods or services were detected as the most explanatory critical success factor on firm performance (Sung, 2006, 1172-1173).

Moreover, Atchariyachanvanich et al. (2008) conducted a study on the CSF of Internet shopping in Japan by combining two categories of factors based on two distinct perspectives, namely the customer-centric viewpoint and the website-centric viewpoint. The customer-centric viewpoint relates to subjective factors that affect the consumer’s use of Internet shopping, like the characteristics of customers, their trust in online shopping and their necessities (Atchariyachanvanich et al., 2008, 100). Conversely, a website-centric viewpoint involves factors created by an EC firm to fulfil the marketing strategy and to become a successful website in the EC market, including for example ease of use, information richness.
and product offering (Atchariyachanvanich et al., 2008, 101). Specifically, according to the authors “the website-centric viewpoint factors play a more important role in a customer’s choice of using Internet shopping”, as these variables are more controllable than the customer-centric viewpoint factors (Atchariyachanvanich et al., 2008, 108).

As for consumer behaviour and decision-making in Japanese EC, various studies have relied on the customer-centric viewpoint. In this regard, Moriuchi and Takahashi (2016) examined the evolution of consumers’ consumption patterns in Japanese online shopping, by assessing their repeat purchasing behaviour in terms of satisfaction, trust and loyalty. In order to do so, the study proposed an extended marketing mix model including consumers’ shopping experiences, “as companies move from a company-centric to a consumer-centric model” (Moriuchi and Takahashi, 2016, 147).

Seitz et al. (2005) focused their research on Japanese consumers purchases in B2C EC. Specifically, by first presenting the strategies commonly used for EC success in terms of product, pricing, distribution and promotion, the authors provided insightful implications for Japanese marketers. For example, credit cards were identified as the dominant payment method among EC users, whereas “security” and “confidence in the company or website emerged as fundamental attributes (Seitz et al., 2005, 46). On the other hand, inconveniences of EC encompassed the possibility of leaking private information and the possibility of a wrong charge (ibid.). In regard to this, Lieberman and Stashevsky (2002) acknowledged Internet credit card stealing and supplying personal information as two fundamental perceived barriers to Internet and EC usage. In this study, the authors aimed at outlining guidelines for Internet marketers and Internet solution providers to enhance Internet usage and EC activity by means of more efficient marketing strategies (ibid.).

Khan et al. (2014) identified the inherent challenges in the standardization of global B2B market research by comparing the cross-cultural equivalence of customer satisfaction survey data from Japan and the U.S. with regard to an established MNC. As emerged from the limitations of the study, the authors did not examine the marketing mix strategies advanced by the firm in both countries, thus neglecting the reasons behind the differences in the results of the two countries (ibid.). The discourse revolving around the choice of devising standardized rather than localized (or adapted) marketing mix strategies for a firm operating in global business represents a key issue in international marketing (Singh, 2012, 72). In this regard,
Alhorr et al. (2010) proposed some strategic insights concerning the debate about localization and standardization in global EC. By extending the “standardization versus localization debate” to the Web, Singh et al. (2005) produced a cross-national analysis on the cultural content of websites in Japan, China, the U.S. and India. Specifically, the paper advances a validated cultural value framework that can be employed by marketers either to develop culturally adapted websites and to analyse their international websites and measure the degree of adaptation toward a specific culture (ibid.). Moreover, stemming from the discourse of localization and the cultural models introduced by Hofstede (1980), the cultural impact on users’ perceptions of website design and trust has been investigated in various cross-national analyses involving Japan (Hu et al., 2004; Cyr and Trevor-Smith, 2004; Cyr et al., 2005; Kobayashi et al., 2013; Tigre Moura et al., 2016).

Hence, the majority of previous research on Japanese EC has relied on CSF and consumer behaviour, by stressing a customer-centric approach and by primarily collecting survey data related to domestic consumers. Conversely, literature regarding the marketing strategies implemented by Japanese EC firms in order to target specific segments of customers is limited. More specifically, considering the remarkable impact of cross-border transactions on Japan’s EC market, international consumers fulfilling purchases from Japanese EC firms have not received adequate attention in academic research. In addition to this, Dominici (2009, 20) stresses the “insufficient emphasis given to case study research on marketing operations”.

In order to fill these gaps in the literature, the present work will analyse how the two biggest companies EC firms in Japan, namely Rakuten and Amazon.co.jp, implement their marketing strategies in order to attract overseas customers. With a view to analysing the websites of the firms, the theoretical framework will be based on the “4Ps” of the so-called “marketing mix”. In particular, this instrument will provide a crucial contribution in understanding the underlying strategies of the companies when it comes to address a specific target market.
3. Theoretical Framework

In order to analyse the marketing strategies implemented by Rakuten and Amazon.co.jp with regard to international customers, the theoretical framework will be based on the “marketing mix” theory. Specifically, the theoretical model will be revisited with the aim of proposing a renewed definition of the approach in both the international and Internet environment.

3.1. Target Market

With the aim of implementing its corporate mission and objectives, a company must first define a strategic plan and devise a marketing strategy, namely the marketing logic by which customer value is to be achieved (Kotler and Armstrong, 2012, 48; Mathur, 2008, 243). At the base of any marketing strategy is the definition of a target market, namely “a fairly homogenous group of customers” to whom the firms are willing to address (Perreault and McCarthy, 2002, 46). According to Perreault et al. (2011, 35), target marketing is not limited to small segments of consumers; on the contrary, even a very large market such as the “mass market” can be addressed. In this regard, “the firm’s commitment to coordinate its marketing activities across national boundaries” is defined as global marketing (Hollensen, 2011, 19), namely “the culmination of a process of international market entry and expansion” (Czinkota and Ronkainen, 2007, 189). By developing a global marketing strategy, a firm thus adapts products, services and elements of the marketing mix in order to satisfy the needs of global customers across countries and regions (Hollensen, 2011, 20).

3.2. Marketing Mix

The consequent step in any marketing strategy is directed at satisfying the needs of the established target market, since the firms start assembling the controllable variables that shape the so-called “marketing mix” (Perreault and McCarthy, 2002, 46). Originally stemming from a research on manufacturing companies, the notion of the “marketing mix” was introduced for the first time by Neil H. Borden in 1953 (Borden, 1984; Dominici, 2009, 17). As Borden (1984, 9) stated, the list of the elements in the marketing mix depends on the different subclassifications of the marketing procedures and policies on the basis of which marketing programs are determined. In this regard, the list proposed by Borden comprehended 12 variables (ibid.). However, the major contribution to this approach has been advanced by E.
Jerome McCarthy, who classified many marketing practices into four main indicators representing the basic “4Ps” of marketing: Product, Price, Place and Promotion (Kotler and Keller, 2012, 25; Perreault et al., 2011, 35). Specifically, this “toolkit” of controllable elements can be altered both in the long run and in the short run, to adjust evolving market conditions or corporate goals, as well as to influence customers’ behaviour (Cateora et al., 2011, 12; Hollensen, 2011, 453).

Throughout the second half of the 20th century, the marketing mix has constituted a highly influential approach in describing the evolution of marketing management. Also referred to as “marketing management paradigm” or “4Ps approach”, it “still plays an important role in formulating and implementing marketing strategy” (Candemir et al., 2011, 57). Nonetheless, in the last decades the paradigm has been object of vast criticism. In particular, major critiques have addressed the production-oriented, rather than customer-oriented, definition of the model; the 4Ps approach neglected thus the fundamental relationship with customers (Eid and Trueman, 2002, 58; Dominici, 2009, 18; Goi, 2009, 4; Popovic, 2006, 261; Möller, 2006, 441). According to Perreault and McCarthy (2002, 48), customers represent the target of all marketing efforts; for this reason, the customer’s “C” has not been included in the mix (see Figure 1).

![Figure 1. Marketing Strategy: the 4Ps and the Target Market.](www.marketingmix.co.uk)

Source: [www.marketingmix.co.uk](http://www.marketingmix.co.uk)

3.3. Revisiting the Marketing Mix: An International E-marketing Approach

On the whole, the 4Ps classification has been subjected to several modifications (see for example Van Waterschoot and Den Bulte, 1992) so as to produce renovated definitions of the mix that could encompass the constantly evolving configurations of modern marketing. In this regard, Möller (2006, 447) suggests differentiating among marketing theories, “knowledge” textbooks and practices; specifically, marketing practises shape “complex, multi-layered and historically evolving phenomena”, that are hardly investigated by the different schools of thought. Indeed, in the era of Internet marketing, the basic presumptions of traditional marketing are continually challenged.

According to Chaffey et al. (2006, 10), Internet marketing (also digital marketing or e-marketing) involves the application of digital technologies, like the Web or e-mails, as online marketing channels; therefore, it plays a leading role in supporting marketing activities aimed at pursuing an advantageous acquisition and management of customers. Increasingly, companies operate in a “knowledge gathering” environment by collecting knowledge about the consumer’s lifestyle and preferences through the Web (McLean and Blackie, 2005, 70). On the other hand, for consumers the Internet contributes to greater “knowledge sharing” about different products, companies and services by facilitating conversation among individuals and connectivity (ibid.). Nevertheless, addressing e-marketing results difficult as it combines several elements of traditional marketing, like retail, consumer and relationship marketing, along with some specific new features (Möller, 2006, 440). At the base of this complexity is also a partial understanding of the full potential provided by the new digital technologies for business practices through which online companies can aspire to achieve a higher sophistication (Dominici, 2009, 20). The Internet has in fact modified the strategy and operative impact of marketing on company activity; as a result, the 4Ps are evolving into an area of negotiation between companies and customers due to the emergence of new multimedia tools (Andreini, 2006, 172).

Thus, the Internet as a marketing medium, other than a marketplace for conducting transactions, has been quickly gaining importance since companies aim at attracting and retaining the target customers primarily through their corporate webpages (Candemir et al., 2011, 56; Kalyanam and McIntyre, 2002, 497-498). In fact, websites are an essential instrument for a firm’s marketing strategy, as well as a valuable channel for communication with customers, suppliers and partners. Particularly, websites allow overcoming the borders of
distance and reacting more easily to the necessities of foreign markets. In terms of internationalization through the Internet, companies’ webpages provide a powerful way to address both national and international visitors, by transcending international borders (Guercini and Runfola, 2015, 20).

Hence, overall the Web plays a significant role in international marketing. Nevertheless, the Internet provides a different environment for international marketing and requires a different approach (Eid and Trueman, 2002, 58). With regard to this, the conventional marketing mix is expected to undergo revisions so that e-marketers will be able to devise more effective marketing strategies considering the circumstances posed by the Internet (Candemir et al., 2011, 57). On the other hand, new international marketing paradigms might have to be developed and simultaneously adapted to the digital context (Eid and Trueman, 2002, 58-60). However, after half century, a new widely accepted standard able to fully substitute the traditional 4Ps has not been determined; conversely, the basic construction of the 4Ps is still valid and represents “the core of operative decisions” (Dominici, 2009, 20).

On the basis of these premises, the analysis will rely on the conventional marketing mix. Nonetheless, the 4Ps including Product, Place, Price and Promotion, will be revisited with a view to shaping a preliminary model of an international Internet marketing mix able to address the main marketing strategies advanced in EC websites. In order to do so, the definitions of the “Ps” will be based on both traditional conceptualizations and alternative approaches that have proved to be more suitable for international marketing in the online environment.

3.4. The 4Ps in the International Online Environment

3.4.1. Product

As Perreault et al. (2011, 36) underline, the definition of a firm’s marketing mix is firstly concerned with “developing the right Product for the target market”. In fact, product concerns “anything that can be offered to a market to satisfy a want or need” (Kotler and Keller, 2012, 325). The success of a company strongly relies on the way its product is differentiated from the offerings of competitors; thus, the product is a leading element of the marketing offer. In online shopping, the information-based nature of EC processes enables both the creation of new products and the customization of existing products based on customers’ precise needs.
(Wen et al., 2001, 6). In this regard, Internet merchants can improve their outcomes “by developing a global offer of goods and services” (Colla and Lapoule, 2012, 848). Hence, for an EC company aimed at expanding internationally, proposing a wide set of international brands can prove to be fundamental when addressing overseas customers. On the other hand, international marketers may introduce new products specifically destined for foreign markets and clients in addition to the firm’s “flagship” products and brands (Czinkota and Ronkainen, 2007, 329-330).

Overall, marketed products include physical goods, services, as well as properties, information and ideas (Candemir et al., 2011, 58). Particularly, the purchase of goods is preceded by “the gathering of a significant amount of information” (Pogorelova et al., 2016, 6746). Suitable information related to the product would then include product descriptions and prices, as well as promotional information and graphical images (Chaffey et al., 2006, 467). With a view to optimizing consumers’ choice, product descriptions positively contribute to the firm’s aggregation of valuable information within the shopping service, so that customers can shape a visual picture of the data regarding the desired product offer (Pogorelova et al., 2016, 6755). In regard to international customers, all the information related to a product or a service should be adequately presented in English language. On the other hand, following the purchase, customers are encouraged to provide a positive or negative feedback about the product, the transaction and the firm more in general. Since 1995, ratings and reviews have represented the “cornerstone of e-commerce” as excellent instruments in boosting conversion from surfing a site to buying and enhancing average order value (Turban et al., 2016, 107). Nonetheless, an EC website displaying products’ ratings and reviews solely in the local language is most likely to constrain the procedure of information provision in regard to international customers, by affecting their decision making.

Thus, in order to understand the marketing strategies implemented by Rakuten and Amazon.co.jp in terms of Product the analysis will be based on the following indicators: the availability of international brands or products for foreign markets and the provision of information in English, including products’ descriptions and reviews.
3.4.2. Price

Price is also a key positioning factor that must be established in relation to the target market, the product-and-service assortment mix and the competition (Kotler et al., 2012, 587). Moreover, price is the only “revenue generating” element of the marketing mix; it serves as a communication tool with the buyer and as a basis for estimating the appeal of the offer (Czinkota and Ronkainen, 2007, 354). According to Mathur (2008, 284), price perhaps represents the most important marketing factor as it outlines the buying decisions for most of the products. As Hamill (1997, 305) underscores, the Net is leading to intensified standardization of price across borders as consumers become increasingly aware of the prices required in different countries. Specifically, in international markets the pricing strategy turns out to be more complicated, due to the evolving marketing environment and the different customers’ expectations. In fact, a firm must cope with the mechanics of pricing in a foreign currency and the management of foreign currency transactions (Lewis and Housden, 1998, 107). For international customers visiting a company’s website, it is fundamental to view prices in their own local currency and clear information about the availability and cost of shipping, as well as total landed costs or any other extra charges that may apply (Singh, 2012, 22-23).

In addition to monetary costs, the Price element includes the set of available payment methods (Donovan and Henley, 2010, 33-34). Specifically, with a view to providing maximal value to the selected market segments, customer value can be enhanced by considerable accessibility in the payment procedure, involving credit-card acceptance and online payment (ibid.). Therefore, firms should offer a variety of globally accepted payment methods to their international customers. Among internationally popular online payment options are credit cards like Visa and MasterCard, bank transfers, cash on delivery, e-wallets such as PayPal, direct debits and prepaid cards (Singh, 2012, 23). Overall, online payment methods generally differ from country to country. Particularly, “Japan’s online payment market is dominated by credit and debit cards”, whereas only 19% of Japanese shoppers pay through their Internet banking while 13% use cash or “in-store” payments. Finally, payment systems must be secure and easy for customers to use (Dominici, 2009, 19). Thus, in order to overcome online challenges related to selling products globally, EC firms should assist customers in terms of multicurrency conversions, international transactions and fraud protection (Singh, 2012, 7, 23).
Hence, with a view to examining how Rakuten and Amazon.co.jp target overseas customers in terms of Price, the analysis of the firms’ websites will account for multicurrency options, information about availability and costs of shipping, international payment methods and international payment security.

3.4.3. Place

Furthermore, a fundamental role in addressing the target market is played by the Place, namely the channel of distribution through which a product reaches the customer. Specifically, a distribution channel involves any firms or individuals “participating in the flow of products from producer to final user or consumer” (Perreault et al., 2011, 36, 284). In this process of exchange, the purchasing procedure is perceived as a key feature within the digital context. As the physical place becomes virtual and entails intangible characteristics of the transaction, the purchasing process must be easily fulfilled and should simultaneously allow the firms to build relations with customers (Dominici, 2009, 20). With regard to this, the fulfillment management process involves “all the activities in receiving and approving orders, shipping the goods on time, and collecting payment” (Kotler and Keller, 2012, 34). In fact, for companies selling products online, physical distribution, channel management and logistics highly impact customer satisfaction (Talpau, 2014, 56).

In order to cope with both international distribution and customer relationships, an international market orientation is strongly required (Mathews et al., 2015, 822). As Singh (2012, 42-43) underlines, shipping internationally provides a valuable contribution for companies that wish to penetrate international markets without making massive investments. Therefore, in EC the availability of international shipping along with the provision of extensive information about shipping destinations and conditions is fundamental for overseas customers. With a view to selling and shipping abroad, companies might need to collaborate with freight forwarders, brokers and integrated carriers able to supply “fully scalable solutions for managing import and export programs” (Singh, 2012, 22). The expertise and capabilities of international air carriers can then compensate for firms’ concerns with regard to global marketing environments and international delivery when using EC to export, especially due to international time differences (Czinkota and Ronkainen, 2007, 290).

Overall, with a view to analysing the international marketing practices implemented by
Rakuten and Amazon.co.jp as for Place, the investigation of the two companies’ websites will rely on these indicators: availability of international shipping, information about shipping destinations and conditions.

3.4.4. Promotion

In the electronic environment, the Promotion element comprehends a great variety of communication instruments and activities advanced by the firms in order to persuade the customers to buy the offered products. First, promotion includes personal selling, namely a form of direct spoken communication between sellers and potential customers that may occur face-to-face, over the telephone or via a videoconference on the Internet (Perreault et al., 2011, 37-38). Personal selling can also be conducted by a company through customer service, the personal communication between a seller and a customer who requests to solve a problem with a purchase (ibid.). Although the Internet facilitates the international sale to countries without a local sales or customer service, this tool may still be required for some categories of products (Chaffey et al., 2006, 25-26). In fact, customers generally feel more comfortable speaking directly with people. Thus, it is fundamental for firms to provide customer service through other channels, for example by providing online chat sessions (Bandyopadhyay and Serjak, 2006, 161). More particularly, in order to address consumers at the global scale, companies are encouraged to furnish an adequate customer service in English language by means of various channels.

In addition, sales promotion constitutes an efficient tool to initiate international marketing campaigns. Sales promotion involve short-term marketing activities that stimulate consumer purchases and improve retailer effectiveness by offering a wide set of promotional incentives, like coupons, price-offs or money refund offers (Czinkota and Ronkainen, 2007, 394; Cateora et al., 2011, 454; Onkvisit and Shaw, 2004, 426). Specifically, refunds of the purchase price, the return of defective or unsatisfactory merchandise and product exchanges are fundamental initiatives for a company so as to maintain customer’s trust and loyalty (Turban et al., 2015, 575; Perreault and McCarthy, 2002, 672). In this regard, a company operating in global EC should implement effective return policies when addressing international customers. As Singh (2012, 70) suggests, firms can also build targeted promotions for different countries so that specific offers will only be addressed to a particular segment of consumers.
On the whole, the examination of the international marketing strategies implemented by Rakuten and Amazon.co.jp in terms of Promotion will be directed at analysing how the two companies deal with customer service, sales promotion and international return policies.
4. Methodology

This chapter will first delineate the fundamental reasoning underlying the choice of the research design and method, as well as the units of analysis. Consequently, the different steps of data collection will be illustrated, prior to defining the assessment criteria of the analysed evidence. In addition, limitations and ethical issues emerging from the study are defined. Finally, the potential contributions of the present work with regard to the research area will be advanced.

4.1. Research Design: Multiple-Case Study

The primary aim of this work is to analyse how Amazon.co.jp and Rakuten address international customers in terms of marketing practices. In fact, although extensive research has been conducted on consumer behaviour and the CSF in Japanese online shopping, empirical investigation on the marketing strategies advanced by the leading e-commerce firms in Japan is lacking. With a view to filling this literature gap and compensating for the inadequate attention devoted to case study research on marketing operations (Dominici, 2009, 20), the approach to the analysis will be based on multiple-case study. As Bryman (2012, 67) underlines, the term ‘case’ generally associates the case study with a location, like a community or organization, so as to carry out “an intensive examination of the setting”. Thus, case study involves an in-depth illustration of the case, followed by the analysis of the data for themes or issues (Creswell, 2009, 184). For the purpose of this research, a comparative design in the analysis of the two organizations will be proposed through a multiple-case (or multi-case) approach, implying that the number of the examined case exceeds one.

First, multiple-case study improves theory testing: by comparing two or more cases, the researcher is allowed to more easily establish the conditions in which the validity of a theory will be verified (Bryman, 2012, 74). Moreover, as Yin (2009) shows, the rationale underlying the use of multi-case studies is based on whether findings can be replicated across cases. Specifically, each case has to be carefully selected so that it predicts similar results (literal replication) or expects divergent results but for predictable reasons (theoretical replication) (Yin, 2009, 47; Saunders et al., 2012, 180). If common conclusions can be drawn from the cases even under varied circumstances or contexts, the external generalizability of the findings will increase (Yin, 2009, 53). However, the purpose of the study is not to reveal a
generalizability of the findings. In this regard, quantitative research allows the researcher to generalize the outcomes “beyond the confines of the particular context in which the research was conducted” (Bryman, 2012, 176). Conversely, this paper is aimed at analysing the particular description and themes developed in the context of a specific site by favouring particularization, which according to Creswell (2009, 192) represents “the hallmark of qualitative research”. In fact, case study design often favours qualitative methods as highly helpful methods in the production of an exhaustive and accurate examination of a case (Bryman, 2012, 68). As the whole work focuses on the detailed investigation of Rakuten and Amazon.co.jp, a qualitative research design is preferred to a quantitative approach so as to grasp the peculiarities of the strategies carried out by the two EC companies.

On the whole, the multiple-case study offers a valuable opportunity for the researcher to “examine the operation of generative causal mechanisms in contrasting or similar contexts”, thus to scrutinize similarities and differences between the cases (Bryman, 2012, 74). Within a predominantly qualitative research strategy, case studies generally tend to be conducted by means of an inductive approach to the relationship between theory and research (Bryman, 2012, 69). Nonetheless, the approach advanced throughout the study is primarily abductive, implying a combination of inductive and deductive reasoning. In fact, rather than moving from theory to data as in deduction or data to theory like in induction, an abductive approach moves back and forth between the two forms of reasoning to obtain new insights about existing phenomena (Saunders et al., 2012, 147; Kovács and Spens, 2005, 138). Defined by Dubois and Gadde (2002, 555) as “systematic combining” or “theory matching”, this simultaneous process of data collection and theory building implies a learning loop between theory and empirical observation that is commonly used in case study research (Kovács and Spens, 2005, 138-139). In fact, case studies provide unique means of constructing theory by employing “in-depth insights of empirical phenomena and their contexts” (Dubois and Gadde, 2002, 555). Hence, an abductive approach along with a multiple-case study strategy has provided good rationale for the purpose of deductively applying observations to established theoretical propositions and inductively constructing new verifiable hypotheses. In fact, the analysis will rely on a constant correlation between the theoretical and conceptual propositions based on the “marketing mix” and the empirical findings observable in the two cases.
4.2. Research Method: Web Content Analysis

With a view to examining the marketing practices advanced by the two companies in relation to the marketing mix, the analysis will be conducted on a particular form of documents, namely World Wide Web sites (websites). In fact, for EC companies, Web pages constitute the most efficient instrument to manifest their implementation of marketing strategies. Moreover, due to the vastness and the increasing accessibility of the Internet, Web pages represent potential sources of data for both qualitative and quantitative content analysis (Bryman, 2012, 554, 654). As defined by Baran (2002, 410), content analysis (CA) involves “the objective, systematic and quantitative description of the content of communication” with a view to interpreting documents and texts. While its primary use is to “identify and describe patterns in manifest content”, CA can also be used for advancing inferences about intentions and effects (Herring, 2010, 235) in order to produce both knowledge and understanding about the studied phenomenon (Hsieh and Shannon, 2005, 1278). Furthermore, due to its context-sensitive nature and the explicitness of the method’s procedures, CA is a highly valuable technique when it comes to process significant, informative and representational texts as data, allowing the researcher to treat large volumes of texts (Krippendorff, 2004, 41-42). Carrying out content analysis also facilitates data collection in Web-based content, where large quantities of data are readily available and can be implemented to examine trends and patterns without having to engage with users (Kim and Kuljis, 2010, 370).

In this regard, the thesis is aimed at understanding the observable patterns in the development of marketing strategies through websites, as well as interpreting the intentions of Amazon.co.jp and Rakuten when addressing their international clientele. In order to do so, the research will be conducted by means of an interpretivist position, based on the “understanding of the social world” through the interpretation of context-related empirical phenomena (Bryman, 2012, 380). Therefore, adopting qualitative content analysis (QCA) is adequate so as to recognize the relevance for understanding meaning in the specific context of the analysed items (Bryman, 2012, 291). As a primarily interpretive approach based on an individual’s perspective, QCA is similar to textual analysis and often does not employ statistics for data analysis (Kim and Kuljis, 2010, 370). On the other hand, a quantitative content analysis would restrict the method’s procedure to “numerical counting exercises” (Krippendorff, 2004, 61), thus not serving for the purpose of the work.
On the basis of these considerations, a qualitative Web Content Analysis will be adopted in order to analyse the marketing strategies implemented by the involved Japanese EC firms through their websites. Specifically, the conventional techniques of QCA will be applied to the Web; therefore, the traditional approach to WCA advanced by McMillan (2000 in Herring, 2010, 235) will be followed. Hereafter, WCA will be treated as pure content analysis, although the analysis will concern a website rather than a document.

4.3. Units of Analysis: Purposive Sampling

The units of analysis in this work have been established by means of a purposive sampling approach, as opposed to the probability sampling through which the researcher generally intends to generalize the findings to a wider population (Bryman, 2012, 416). In purposive sampling, organizations within sites are selected on the basis of their relevance to the research questions, which explicitly provide guidelines concerning the categories to be sampled (Bryman, 2012, 418). Indeed, the Web pages of Rakuten and Amazon.co.jp will constitute the focus of attention. As Bryman (2012, 12, 69) suggests, in case study research there may just be one or two units of analysis, as the research goal is to explore the selected case(s) in depth. The aim of this study is precisely to propose an in-depth examination of the cases, rather than seeking a generalizability of the investigation.

4.4. Data Collection

Primary Data

As previously stated, the process of data collection will primarily rely on the WCA of the two firms’ webpages. Specifically, the following conditions have been set and maintained throughout the whole analysis. For the purpose of the study, the respective websites in English language of Rakuten and Amazon.co.jp will be investigated in detail. With regard to Rakuten, the English language version of the website will be accessed from the company’s main Japanese webpage\(^1\), which redirects the user to a new hyperlink referring to Rakuten Global Market\(^2\). Conversely, as for Amazon.co.jp, the English language version is available within the main root of the Japanese website\(^3\). In particular, by clicking on “JP” in the upper

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1. [www.rakuten.co.jp](http://www.rakuten.co.jp) [Accessed 2017-05-15]
navigation bar, the “Language Settings” is accessed⁴. Consequently, English language can be selected by first clicking on “English – EN” and consequently on “Save Changes” to update the page according to the chosen language. This procedure needs to be followed if the website in question is accessed for the first time; therefore, the hyperlinks referenced in the analysis can be referred to the translated version of the website by fulfilling the abovementioned operations (see Figure 2).

![Language Settings in Amazon.co.jp](https://www.amazon.co.jp/gp/customer-preferences/select-language/ref=topnav_lang?ie=UTF8&preferencesReturnUrl=%2F)

**Figure 2. Language Settings in Amazon.co.jp**

Source: Amazon.co.jp


[Accessed 2017-05-05]

Overall, the collected information will be retrieved from the main domains of the two websites, namely Rakuten Global Market (Rakuten hereafter) and Amazon.co.jp. Starting from the two homepages, the content has been investigated by exploring the relative hyperlinks leading to all the subsections within the companies’ Web pages. In fact, as reported by Lim *et al.* (2009, 846), a WCA should include all links and pages that are hyperlinked from the main root address, so that “the results capture the most complete snapshot of the website”. Throughout the analysis, the hyperlinks will be attached in footnotes along with the date of access. On the contrary, links to external websites in relation to the

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The abovementioned webpages will not constitute object of analysis. Overall, the websites will be examined from the viewpoint of a potential customer surfing the page prior to purchasing any products.

Coding Scheme

In qualitative content analysis, language is thoroughly examined for the purpose of classifying large amount of text into “an efficient number of categories that represent similar meanings”, through either explicit or inferred communication (Hsieh and Shannon, 2005, 1278). Particularly, the process of coding allows the researcher to systematize the material in segments of text and create a description for settings, categories or themes that will be ultimately interpreted (Creswell, 2009, 189). In order to classify the text gathered from the websites and to devise a coding scheme, the established 4Ps of the marketing mix, namely Product, Price, Place and Promotion, will be employed as defined categories. In this regard, content analysis is often referred to as an “objective method of analysis” and a very transparent research method; the coding scheme and the sampling procedures can be distinctly arranged to facilitate replications and future studies (Bryman, 2012, 304). Moreover, content analysis is a “systematic technique for coding symbolic content” that can communicate meaning, including text, images, structural features (e.g., message length, distribution of text or image components), as well as themes, links and exchanges. (Herring, 2010, 234, 245). The present analysis will take account of all the abovementioned features observable through the websites’ content.

Secondary Data

In order to provide a comprehensive picture of the marketing strategies implemented by Rakuten and Amazon.co.jp, the data collected through the WCA of the websites will be complemented with secondary data from different types of sources. In fact, marketing reports constitute a valuable source in terms of statistics and information concerning the two companies and EC more in general. Furthermore, secondary data will be obtained from newspaper articles, including interviews conducted with the CEOs of the two companies, as well as up-to-date literature about the topic. In fact, in many cases researchers can hardly find material regarding recent operations or strategies advanced by firms. However, a wide set of companies’ documents are found in the public domain on the Internet, like annual reports, mission statements and press releases (Bryman, 2012, 550). All the mentioned secondary data
will thus provide a crucial contribution throughout the analysis.

4.5. Authenticity, Credibility, Representativeness and Meaning

Despite the inherent potential of the Internet as a source of documents, the researcher must take into account four criteria introduced by Scott (1990), namely authenticity, credibility, representativeness and meaning, which are essential while conducting a content analysis (Bryman, 2012, 306, 544, 554). Thus, in order to assess the quality of the evidence, this meticulous set of criteria will be applied to the analyzed documents. First as Bryman (2012, 551) states, documents stemming from private sources like companies “are likely to be authentic”. Moreover, the criterion of authenticity has been attested since the analysis solely concerns information retrieved from the official websites of the two companies and does not imply the adoption of unauthorized or unofficial material. On the other hand, credibility often constitutes an issue as the examined sources might be biased, and possible distortions could emerge from the investigation; nonetheless, in some cases, the error or distortion is the objective of the analysis (Bryman, 2012, 554). In fact, the present study is intended to depict the behaviour of the firms in terms of marketing, which would inevitably involve a certain degree of bias as EC companies utilize marketing to generate revenue. Possible alterations or inaccuracies will rather provide a valuable contribution in order to test the theoretical propositions. In terms of representativeness, materials are frequently unique and their singularity can even constitute the researcher’s center of attention (Bryman, 2012, 550). Furthermore, in qualitative research the representativeness of a case is not a meaningful matter, as “no case can be representative in a statistical sense” (ibid.). As previously declared, representativeness and generalizability of the findings do not fall within the aims of this study. Finally, as for meaning, the messages exhibited in the examined webpages are expected to be overall coherent and easily understandable. It is in firms’ interest to promote intelligible information content towards both experienced and unpractised customers, especially for retail companies basing their business on the Web. In fact, documents deriving from private companies are commonly meaningful, therefore “clear and comprehensible” to the researcher (Bryman, 2012, 551).

4.6. Limitations

A fundamental limitation to be considered in the analysis concerns the potential transience of websites. As Bryman (2012, 655) underlines, webpages are constantly being modified and
updated or often disappearing, whereas new webpages continuously emerge. In this regard, Rogers (2013, 24) draws attention to “the ephemerality of websites” by pointing out that Internet research is often faced with “unstable objects of study”. Moreover, researchers who rely on websites in their investigation should be aware that the analysed webpages might not exist any longer as data collection is concluded (Bryman, 2012, 655). According to Schneider and Foot (2004, 115), the transience of the Internet as a medium involves two dimensions, namely content and construction. First, the content generated online might be only available for a limited period of time; thus, the persistent change of Web-based content might generate potential problems with data collection by jeopardizing the validity of the research outcomes (Kim and Kuljis, 2010, 370-371). In addition to the constantly evolving nature of websites, new features, interactivity, as well as decentralized and hyperlinked structures, concur to shape challenges in terms of developing valid descriptive categories and sampling frames for the method. (Kim and Kuljis, 2010, 370). Furthermore, “Web content needs to be reconstructed and represented in order for others to experience it” (Schneider and Foot, 2004, 115).

Thus, the Web provides both opportunities and challenges for researchers applying content analysis to Internet-based content. In order to limit the inherent risks stemming from the abovementioned issues, the analysis will follow the convention suggested by Bryman (2012, 656), according to which references to websites should be accompanied by their date of consultation. Indeed, citing the date of access to the source can help the researcher account for a referenced webpage that is not available anymore or has been modified, with a view to subsequent researchers willing to check or follow up the findings (ibid.). However, possible modifications in the websites might serve for the purpose of the analysis by highlighting crucial features in relation to the theoretical propositions.

4.7. Ethical Considerations

The present research has been carried out in line with the ethical guidelines as formulated by Bryman (2012) and with the ethical guidelines described by The Swedish Research Council (ISBN: 91-7307-008-4). Specifically, no interviews were conducted to acquire additional information and no sensitive subject has been addressed; hence, the research did not involve any particular ethical issues associated with this method. On the other hand, according to Bryman (2012, 679), employing the Internet as a method of data collection raises
a series of specific ethical questions, since “the distinction between public and private space on the Internet is blurred and contested”. However, the thesis solely relies on the analysis of the two companies’ websites, which have been deliberatively made available in the public Internet domain and can be used without the need for informed consent. Finally, the research has been conducted by following the guidelines established by The Association of Internet Researchers as for ethical decision-making in Internet Research\(^5\).

### 4.8. Contribution to the Research Area

Due to the “ongoing and burgeoning nature of the Internet and online communication”, the new field of e-research and its impact on social studies are currently difficult to delineate (Bryman, 2012, 654). Moreover, the potential of Internet research methods in the examination of online content has not been fully explored yet. For instance, WCA can provide an important contribution for researchers to examine the configuration of retailers’ e-fulfillment strategies by illustrating a wide set of retail operations employed by a firm (Lim et al., 2009, 840-841). Previous research has relied on this technique for emerging online services, like the health sector, and for product categories with specific retailing strategies such as apparel retailing (\textit{ibid.}). From an Internet marketing perspective, the method of WCA has been employed in a few studies regarding companies’ Web-based strategies (see for example Ju-Pak, 1999; Wen et al., 2001).

Nonetheless, the abovementioned studies do not encompass the constant evolution of websites’ features and the increasing relevance of modern marketing strategies, above all for firms operating in the online retail environment. In fact, as Singh et al. (2005, 133) stated, the use of content analysis to study information content on the Web “is still at an infancy stage”. On the other hand, according to Bryman (2012, 655), the analysis of webpages is “very much in flux”, as new approaches are being developed at a rapid rate. Herring (2010, 246) recalls that innovation “is a vital process in the evolution of any research paradigm” and is especially needed when new phenomena arise in the social world. Thus, as new research on the communicative content of digital media is performed, the newly produced knowledge will enlighten future analyses. As a result, coding schemes designed and validated for Web content will pave the way for findings’ comparison across studies (\textit{ibid.}). In this regard, the present study can contribute as a preliminary step in the production of Internet-based research concerning Japanese firms’ strategies and practices.

5. Case Companies

Prior to the content analysis of the websites, this section presents an overview of Rakuten and Amazon with particular regard to their position respectively in the Japanese and in the global market.

5.1 Rakuten

5.1.1. Rakuten in the Japanese Market

With 95 million registered users in Japan and over US$4 billion of annual sales (Ecommerce Foundation, 2016; Akhtar, 2013), Rakuten is the leading e-commerce player in Japan, as well as one of the largest e-commerce platforms in the world by sales. In 2014 two-thirds of the 90 million Internet users in Japan employed Rakuten for online shopping (Qin et al., 2014, 71). Founded by Hiroshi Mikitani and headquartered in Tokyo, Rakuten began in 1997 as a small start-up initially named “MDM, Inc.” with only five employees (Sato, 2015, 30). In the same year, the company started its Internet shopping mall service, namely Rakuten Ichiba, which offers over 50 million products by more than 33,000 merchants (Singh, 2012, 51; Turban et al., 2015, 112). Specifically, through a B2B2C approach Rakuten bases its model on a shop-based marketing place focusing on the exchange between buyers and sellers. Therefore, it is a platform for individual merchants who are willing to sell their products to individual customers online (Toto, 2009). As Mikitani (2013, 48) claimed, rather than a superstore, Rakuten was more conceived as “a bazaar, where the owners of many small shops would curate the merchandise and interact personally with customers”.

Since its foundation, Rakuten Group has engaged in several business areas with the aim of “becoming the world’s No. 1 Internet services company” (Daidj, 2015, 94). Following the inauguration of a membership-based points program in 2002, over the years Rakuten has in fact become the richest resource for a majority of online services in Japan, including digital goods, travel and securities (Rakuten Inc., 2015, 2; Willenborg, 2016, 215). The company also covers the financial services industry with its credit card and banking business, respectively through Rakuten Card and Rakuten Bank, and offers a full range of Internet banking services like consumer card loans (Willenborg, 2016, 209).
5.1.2. Rakuten in the Global Market

Starting from 2008, the firm developed an internationalization strategy based on the expansion of the overseas activities; specifically, in that year the firm launched its first EC business outside Japan, namely Taiwan Rakuten Ichiba (Daidj, 2015, 94; Rakuten Inc., 2015, 3). In this regard, Rakuten’s global expansion has been fostered by several acquisitions, involving in 2010 both the U.S. global internet shopping portal Buy.com and PriceMinister, a major French EC website (Singh, 2012, 51; Turban et al., 2015, 112, 142). Consequent acquisitions included EC platform providers and businesses from Brazil, Germany, the U.K., Russia and Canada, so that in December 2013 the firm’s international expansions encompassed 193 countries worldwide (Daidj, 2015, 94). Specifically, in 2012 Rakuten penetrated the electronic book (e-book) market with the acquisition of KOBO, Inc. in Canada, as a response to Amazon who had already entered the e-reading business a few years earlier (Willenborg, 2016, 216).

In regard to Rakuten’s enlargement at the international scale, Mikitani stated: “The integration of all of our services, which are anchored around our membership loyalty program, Rakuten Super Points, […] is the core of our international expansion” (Daidj, 2015, 94). One fundamental strategy adopted by the CEO of Rakuten in order to smooth the firm’s path toward internationalization consists in the so-called Englishnization initiative. Since March 2010, in fact, Mikitani ordered that English would become the company’s official business language, an ambitious policy that forced around 7,100 Japanese employees to speak a foreign language on the job (Neeley, 2012, 118). At the base of this decision was the feeling that entering the overseas market could constitute a key success factor for Rakuten to construct a broad worldwide customer base, rather than limiting the business within the domestic market (Sato, 2015, 28). Despite being subjected to great criticism in Japan, according to Mikitani this controversial measure was fundamental in order to bolster the advancement of the company, and even of the country, in the global marketplace (Cavaliere et al., 2014, 163).

Several countries have adopted the business model of Rakuten Ichiba; country-specific stores involve the US, UK, Germany, France, Austria, Brazil, Singapore, Taiwan, Thailand, Indonesia and Malaysia, as well as an overall global market, namely Rakuten Global Market (Willenborg, 2016, 208). Specifically, this global platform is apparently destined for overseas
customers. As stated in the “About Us” section of the page, the goal behind Rakuten Global Market “is to empower local Japanese shops and connect them with customers all over the world” (Rakuten, 2017).

5.2. Amazon

5.2.1. Amazon in the Global Market

Founded by Jeff Bezos, Amazon.com (or more simply Amazon) was launched in July 1995 as the “world’s largest bookstore”, based on a virtual store without any physically owned book (Kotler and Keller, 2012, 443). With the ambitious aim of revolutionizing the retail market, the American firm grew into a huge enterprise with a value of US$300 million in 1999 and by 2005 became a global brand with over 41 million active customers accounts (Qin et al., 2014 11-12; Chaffey et al., 2006, 441). Consequently, in 2013 the company generated revenues of around US$75 billion and registered over 117,000 employees (Turban et al., 2015, 106). The growth of the firm’s share price has also enabled a series of partnerships and acquisitions with a set of companies operating in different sectors, like pharmacy, auctions, furniture and groceries (Chaffey et al., 2006, 444). With over 600 million annual visitors Amazon is now considered as the “king of e-tailers” (Kotler and Keller, 2012, 443; Turban et al., 2015, 106).

According to Kotler and Keller (2012, 443), at the base of the company’s growth is “a willingness to invest in the latest Internet technology to make shopping online faster and easier”. In fact, the firm has successfully positioned itself as a technology company through its wide range of Amazon Web Services (ibid.). On the other hand, Amazon has gained economies of scale by leveraging its EC capabilities to diversify into various products segments, like apparel, music, electronics and shoes, with a view to reaching global markets (Singh, 2012, 3-4; Kotler and Keller, 2012, 443). Economies of scales are achieved when increased production ultimately leads to cost advantages; according to Singh (2012, 3), “gaining economies of scale through online international expansion is a unique capability” that not all companies possess. In this regard, Amazon.com offers several features for international customers, including over 1 million Japanese-language books (Turban et al., 2015, 106). Specifically, the firm operates in 12 (currently 14) countries; each country has a

website in its own language and all international webpages of Amazon.com are properly translated (Singh, 2012, 256; Turban et al., 2015, 106).

5.2.2. Amazon in the Japanese Market

As a retailer selling and distributing physical goods, Amazon decided to run its international business in a decentralized way, by opening and managing local distribution centers and by arranging national subsidiaries in all the major countries staffed with local employees (Le and Rothlauf, 2008, 8; Kofinas, 2007, 291). After having established Amazon.co.uk and Amazon.de respectively in the U.K. and German markets in 1998, Amazon successfully entered Japan in 2000 by setting up Amazon.co.jp (Singh, 2012, 40). According to Tachiki et al. (2004, 24), Amazon.co.jp has been conceived as a “hybrid domestic company” due to the evident subordination from its American counterpart; indeed, Amazon.co.jp is a Japanese website of its American parent company. Specifically, in Japan Amazon’s business was launched via greenfield investment, thus through the establishment of operations “from the ground up” (Le and Rothlauf, 2008, 8; Hollensen, 2011, 394). Contrary to acquisitions that enable a rapid access to existing distribution channels, the greenfield entry requires major resource commitment, involving capital and human resources, in order to set up a new venture (Daidj, 2015, 93). In the case of Amazon.co.jp, the greenfield investment was conducted into a wholly owned subsidiary, which implies the full possession of the stock from the part of the foreign investor (ibid.). Furthermore, since the distribution system in Japan was deemed as “too complex”, Amazon allied with Nippon Express Co., a major domestic parcel delivery service (Le and Rothlauf, 2008, 8).

Currently, Amazon.co.jp collects over 31 million unique page views per month, surpassing thus Rakuten (Zappa, 2015). The firm has also extended its purpose by offering a wider set of goods, like clothes, accessories and even automobiles; furthermore, Amazon.co.jp has launched its own payment service, as well as opened a brick-and-mortar supermarket for food and alcohol (ibid.).
6. Analysis: The 4Ps in Rakuten and Amazon.co.jp

With a view to analysing the marketing strategies implemented by Rakuten and Amazon.co.jp, the previously defined 4Ps will be examined within the two companies’ websites according to established indicators. In terms of Product, the analysis will rely on the availability of international brands or products for foreign markets and the provision of information in English. As for Price, the investigation will account for multicurrency options, information about availability and costs of shipping, international payment methods and international payment security. In Place, the availability of international shipping as well as information about shipping destinations and conditions will be analysed. Finally, as for Promotion, the examination of the websites will concern customer service, sales promotion and international return policies.

6.1. Product

Product in Rakuten

Overall, Rakuten offers 13 categories of products, directly accessible from the homepage together with all the subcategories. Promptly visible at the bottom of the homepage, a varied categorization of purchasable items is offered in the website, including “Top Selling Products” and “Featured Products” (Rakuten, 2017). These categories list both subcategories of Japanese products like “Yamaha Acoustic Guitars” or “Asics” shoes, and international products, such as the French “Chanel Perfume” or “Louis Vuitton Bags” (ibid.). A separate differentiation is made on the right of the homepage with two lists of commodities named “Japanese Brands”, including popular brands in Japan like Nikon or Asics, and “Made In Japan” in order to classify the domestically produced goods (ibid.). Nevertheless, although certain categories of products combine both global and local brands, some categories of goods primarily or solely offer domestic products. In fact, within the “Shoes” category, the variety of sold products comprehends both international and domestic brands. On the other hand, the “Food & Drinks” category exclusively consists of Japanese food products, like instant noodles, *ramen*, cans of seafood and rice (Rakuten, 2017).
Although a wide set of global brands is sold in the marketplace and a specific section is destined for locally produced goods, the firm apparently does not provide any specification regarding the target markets. The products offered in the marketplace may thus be directed at both a local and international clientele. Therefore, it is not possible to adequately interpret the marketing strategy advanced by Rakuten in terms of availability of products for international customers. On the other hand, it may be assumed that Rakuten aims at promoting abroad some specific categories of goods, like food products.

In terms of information provision, certain products are provided with proper descriptions in English language, whereas the information related to other products is mostly or fully presented in Japanese. Another observation concerns the products’ titles: particularly, the considerable length of some products’ names, along with incorrectness in the titles’ constructions, suggests a certain inaccuracy in the translation from the original language. Indeed, as specified in “How to Search Products & Add to Cart”, customers should be aware that “some product names may be slightly different as they may be translated directly from Japanese” (Rakuten, 2017). Therefore, the information related to the products is entirely customized according to the preferences of each merchant, who is selling the item through Rakuten. In this regard, within “I Want to Know More Information About a Product”, Rakuten claims to be unable to answer shop-related questions “as the products, payment, shipment and delivery are all managed by each shop individually”10. Finally, Rakuten clearly displays products’ reviews in English language, by also allowing users to see Japanese reviews in a separate webpage. Nonetheless, imprecisions in the English texts of ratings are evident, suggesting that the content may also be directly translated from Japanese.

On the whole, international customers might be constrained in regard to buying decisions as the provision of information is generally not accurate, although translated in English language. Furthermore, the customization of products’ pages depending on individual shops does not allow us to advance general observations. Therefore, the abovementioned marketing strategies advanced by Rakuten in terms of Product only partially address international customers.

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Product in Amazon.co.jp

The whole set of purchasable products in Amazon.co.jp is subdivided into 18 categories, named “Departments” and comprehending specific subcategories that are listed in the “Full Store Directory” section (Amazon.co.jp, 2017)\(^\text{11}\). Specifically, from the homepage of the website, the 4 categories of products and services proposed within “Popular departments” are “Amazon Devices”, “Amazon Video”, “Digital Music” and “Food & Beverages” (Amazon.co.jp, 2017)\(^\text{12}\). However, like Rakuten, the homepage does not display any particular classification in regard to international brands. For instance, “Food & Beverages” offers above all Japanese products, despite including international brands like Divella or Barilla (Amazon.co.jp, 2017)\(^\text{13}\). On the other hand, “Amazon Video” includes the movies and TV shows proposed through Amazon Prime Video, the streaming service inaugurated by Amazon.co.jp in September 2015 that has been leading the way in the subscription video-on-demand domestic market along with Netflix (Jarnes, 2016). Although this category primarily lists national productions, international video products are also included at the bottom of the page (Amazon.co.jp, 2017)\(^\text{14}\). On the whole, the website presents a highly varied selection of products and services, increasing the possibility for international customers to make purchases. However, the website does not reveal any specific strategy with a view to promoting products destined for foreign markets; hence, the set of products and services might be intended to both local and international consumption.

As for information provision, although all the categories and relative subcategories are listed in English language, the text in “Product Description” of each product is entirely presented in Japanese; the same trend can be also observed in regard to the products’ titles. Therefore, this linguistic limitation negatively affects the possibilities for foreign consumers to buy products that are not introduced and described in a global language like English. Particularly, an interesting exception of this restriction concerns the section “Books, Comics & Audible”, where a distinction among Japanese and foreign language books is applied. Indeed, the “Foreign Language Books” subcategory includes books written in English like English grammar handbooks or tourist guides about Japan; in this section, the products’ titles and descriptions are all exhibited in English (Amazon.co.jp, 2017)\(^\text{15}\).

\(^{11}\)https://www.amazon.co.jp/gp/site-directory/ [Accessed 2017-05-05]
\(^{12}\)https://www.amazon.co.jp/ [Accessed 2017-05-05]
\(^{13}\)https://www.amazon.co.jp/b/ref=br_pdt_msLt? encoding=UTF8&node=57239051 [Accessed 2017-05-05]
\(^{15}\)https://www.amazon.co.jp/%E6%B4%8B%E6%9B%B8-foreign-books-English-books/b/ref=nav_fb?i=UTF8&node=52033011 [Accessed 2017-05-05]
Thus, with the exception of foreign language books, it might be suggested that the majority of products offered by Amazon.co.jp are constrained to a local consumption, due to a limited information provision. The general trend of products’ descriptions is also observable in the reviews, as the majority of customers’ reviews are written by Japanese-speaking people. Thus, the purchasing behaviour of international consumers is most likely to be influenced if they cannot read Japanese language, although they can rely on the number of stars assigned to the product or service. In this regard, apparently Amazon.co.jp does not advance any specific marketing strategies in terms of Product with a view to addressing the international clientele.

6.2. Price

Price in Rakuten

A primary observation about pricing in Rakuten’s website concerns the currency: indeed, the price of all purchasable items is first displayed on the basis of the customer’s location currency and next specified in brackets in Japanese Yen (JPY). In fact, as explained in the Q&A page “Our Prices & Currency”, “prices are converted to local currencies for reference only”, although all payments will be charged in JPY (Rakuten, 2017)\(^\text{16}\). Particularly, the drop-down list at the top right corner of the website allows the users to choose among 32 different currencies worldwide and immediately update the converted price into the selected foreign currency. Thus, this multicurrency option introduced by the firm in each product’s page positively affects the purchasing behaviour of international consumers.

Furthermore, the page suggests the customers to check with their credit card company, online payment service provider or bank “for applicable exchange rates and fees”. Therefore, due to daily fluctuations in exchange rates among currencies, the presence of a fee on the desired purchase may substantially influence the choice of an international customer. In this regard, the page of a selected product has been analysed in two different days as to examine a possible change of the price in the conversion from Yen to Euro\(^\text{17}\). In fact, as shown in Figure 3 and 4, whereas the price of the product has maintained the same value in Yen, the price in


\(^{17}\) The name of the product is: “New! Domestic 21 century rice—only cook with additive-free rice a nutritious dinner J chewy delicious hearty rice and voila”.

Euro has observed a reduction. However, in all items’ details pages the following information is pointed out: “Actual price may vary according to exchange rates”.

As Singh (2012, 21-22) underscores, firms have to acknowledge several issues related to the national economic development that may impact their business expansion in the Internet, including inflation, tariffs and exchange rates. By recognizing that, Rakuten provides relevant information for international customers regarding possible changes in the prices. On the other hand, in Rakuten shipping fees are varied “depending on the destination country and weight of order” and “are managed by each shop individually” (Rakuten, 2017). Nevertheless, as specified in the heading “Shipping Rates (How Much?)”, customers can refer to the estimated weight-based rates of Japan Post’s Express Mail Service (EMS) through a chart showing the shipping rate schedule in Yen according to the item’s weight and the different world zones (ibid.). Therefore, although Rakuten cannot account for each shop’s information about shipping, the website displays estimations of shipping prices that can turn out to be useful for customers from different world areas.

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Another key factor about pricing concerns the payment methods and options accepted for purchases through Rakuten, which are outlined in Q&A (Rakuten, 2017). Specifically, most of the personalized shops in the marketplace accept major credit cards (Visa, MasterCard, JCB, etc.), Paypal, Alipay, as well as bank transfers; nonetheless, “each shop’s payment methods are managed and vary by each shop individually”. From a general observation, the majority of the shops clearly list shipping costs and payment options, including international payment methods, on their customized banners within the “Item Details” pages. Finally, Rakuten declares its assistance to their customers in terms of fraud protection. As stated in the “Help Center”, the firm “handles your personal information with the utmost care and attention”, since the payment processing system “does not allow shops to view your credit card details” (Rakuten, 2017). Although it is not specified, this service is also destined for international customers who might feel insecure while buying online from a foreign website.

Hence, in terms of Price, Rakuten provides considerable assistance to international customers by means of multicurrency options, international payment methods and security, despite partial information about shipping costs due to the customized nature of the marketplace.

Price in Amazon.co.jp

The first crucial limitation observable in Amazon.co.jp about Price refers to currency: in fact, the prices of all the items sold in the website are solely shown in Japanese Yen within the product details page. On the other hand, as stated in “Payment Methods”, the firm offers a helpful tool in order to offset this restriction, namely the Amazon Currency Converter (Amazon.co.jp, 2017). Nevertheless, this instrument only supports 11 foreign currencies (Amazon.co.jp, 2017), accounting for roughly one-third of the available currencies displayed by Rakuten. Furthermore, the employment of Amazon Currency Converter implies applicable exchange rate fees: these charges “are generally inter-bank rates for wholesale amounts and are not available for retail consumers” (Amazon.co.jp, 2017). On the other hand, Amazon puts effort into ensuring competitive exchange rate from the bank service provider so that purchases will still be less expensive than using the card to make the purchase.

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in JPY (ibid.). However, the multicurrency option is not as immediate as in Rakuten. Moreover, the scarce availability of foreign currencies and the applicable costs for the use of the currency converter can negatively affect the choice of international customers.

Overall, Amazon.co.jp authorizes a variety of payment methods: in fact, the website accepts conventional international credit and debit cards, including Visa, MasterCard, American Express, Diners Club, JCB and Union Pay (Amazon.co.jp, 2017)\textsuperscript{24}. Contrary to Rakuten, the available payment methods are valid for the purchase of any item in the website and do not depend on each shop individually. Furthermore, Amazon.co.jp enables its Japanese customers to shop online and pay at their local convenience stores (or konbini), like 7-Eleven, and FamilyMart (Singh, 2012, 91; Ecommerce Foundation, 2016, 22). Specifically, convenience store payment is available in 7 different stores, but is only available within Japan (Amazon.co.jp, 2017)\textsuperscript{25}; therefore, this payment method is not available for international customers living outside Japan. Alternative payment options include the “Pay-Easy” method (ATM payment), Internet Banking, and online payment through e-money (ibid.). On the whole, Amazon.co.jp accommodates a wider set of payment methods compared to Rakuten; however, PayPal does not fall within the accepted options.

As for international shipping rates, the website provides comprehensive information. In “Global Shipping Rates” Amazon.co.jp presents indeed various subpages with details about international shipping fees based on circumscribed world areas (Amazon.co.jp, 2017)\textsuperscript{26}. Each of these pages then contains thorough classifications of variable shipping costs depending on the destination countries and the seller of the items. In particular, shipping rates and rules, as well as eligible items for shipping outside Japan, vary depending on the type of sellers\textsuperscript{27}. Detailed information is here exhibited in regard to shipping fees based on domestic or international shipping, items’ weight/quantity and time required for shipping and delivery (ibid.). Finally, like Rakuten, Amazon.co.jp warns its customers about possible payments scams by providing some suggestions in regard to suspicious phone calls, SMS messages and e-mails as to avoid fraud (Amazon.co.jp, 2017)\textsuperscript{28}. Nevertheless, the website does not explicitly refer to international fraud protection.

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\textsuperscript{24} https://www.amazon.co.jp/gp/help/customer/display.html?nodeId=201895360 [Accessed 2017-05-05]
\textsuperscript{25} https://www.amazon.co.jp/gp/help/customer/display.html?nodeId=202107340 [Accessed 2017-05-05]
\textsuperscript{26} https://www.amazon.co.jp/gp/help/customer/display.html?nodeId=201910850 [Accessed 2017-05-05]
\textsuperscript{27} https://www.amazon.co.jp/gp/help/customer/display.html?nodeId=201910890 [Accessed 2017-05-05]
\textsuperscript{28} https://www.amazon.co.jp/gp/help/customer/display.html?nodeId=202029300 [Accessed 2017-05-05]
Thus, despite the limitation observed in regard to the multicurrency tool, Amazon ensures extensive assistance to international customers through a variety of international payment methods and by furnishing detailed information regarding international shipping fees.

6.3. Place

Place in Rakuten

In terms of shipping destinations, Rakuten’s statement at the top of the homepage is rather explanatory: “We ship worldwide, bringing Japan directly to you” (Rakuten, 2017). As specified in the website, in order to view all the products that can be shipped to a particular destination the “Country” must be selected at the top right corner of the homepage through a drop-down list (Rakuten, 2017). A shop or product that is not displayed following the country selection implies that the shipping cannot reach that destination (ibid.). Nonetheless, if that situation occurs, Rakuten offers a set of Package Forwarding Services, namely international shipping services allowing visitors to make any purchase on Rakuten Global Market (Rakuten, 2017). Specifically, as shown in Figure 5, the orders are sent to a warehouse provided by the Package Forwarding Service and consequently forwarded to the final overseas address (ibid.). The service even enables the consolidation of multiple orders into a unique order; at the bottom of the page, Rakuten’s affiliated Package Forwarding Services are explicitly listed along with a link button to the related websites (ibid.).

Figure 5. The operation of Rakuten’s Package Forwarding Services illustrated in steps.

Source: Rakuten Global Market

(https://ichiba-en.faq.rakuten.co.jp/app/answers/detail/a_id/12955)

[Accessed 2017-05-05]
Among the different export marketing intermediaries, foreign freight forwarders companies act as the exporter’s (shipping) agents and “perform virtually all aspects of physical distribution necessary to move cargo to overseas destinations in the most efficient and economic manner” (Onkvisit and Shaw, 2004, 398; Mathur, 2008, 479). Therefore, with a view to satisfying international customers, the employment of these agents for global shipping can constitute a valuable marketing strategy.

Furthermore, Rakuten provides foreign customers with an additional efficient service. As a result of agreements between the firm and the merchants, the shops with a “We WELCOME Foreign Buyers” logo are willing to furnish a “courteous” service for orders and inquiries received from outside Japan (Rakuten, 2017). In this regard, assistance can be provided in English or in other languages, depending on the stores (ibid.). Thus, the page “We WELCOME Foreign Buyers” encourages international customers to ask for support from the shops as for payment, delivery time and a possible application of the consumption tax (ibid.). Through this strategy, Rakuten is clearly aimed at enhancing international shipment of products, other than accommodating international customers by adequate assistance. Finally, the website informs international customers about applicable customs, import duties and taxes that might be charged as the parcel arrives in the destination country (Rakuten, 2017). Thus, in order to target international customers, Rakuten employs efficient global shipping strategies, as well as offers extensive information and support regarding international orders.

Place in Amazon.co.jp

As claimed in “About International Shipping”, “Amazon.co.jp gladly accepts orders of certain product lines to international addresses” (Amazon.co.jp, 2017). In addition to a regular international shipping service, Amazon.co.jp guarantees global shipping through the AmazonGlobal program. Specifically, this service offers international customers an estimation of customs duties, taxes and fees during checkout, as well as customs clearance on the behalf of the customer for certain eligible countries (ibid.). According to the website, “international shipping is made easy with Amazon Global program”; in particular, this service allows the shipping of eligible items to over 65 countries, which are listed at the bottom of the

Furthermore, “shipping to outside of Japan is exempt from Japanese consumption tax”, as AmazonGlobal calculates the import fee deposit and customers are automatically provided with customs clearance on their behalf (ibid.). In order to facilitate the research of eligible products for international shipping, AmazonGlobal offers a guide in English, accessible at “How to Ship Internationally”, displaying different steps to follow through the items’ selection until the final checkout and payment (ibid.). Hence, the AmazonGlobal program represents for Amazon.co.jp the outcome of an efficient marketing strategy so as to ensure the availability of global shipping for international customers.

Like Rakuten, Amazon.co.jp also presents a page called “Shipping & Delivery” which can be traced within the “Help & Customer Service” section. However, Amazon offers an additional useful tool compared to Rakuten. In fact, in the subsection “About Shipping Carrier Contacts”, the company lists all the various carriers delegated to deliver the purchased items, along with contact information. On the whole, the list includes local express carriers, the Japan Post and international shipping carriers like DHL and ECMS. Specialized in cross-border express deliveries, DHL International is the global market leader in international express, overland transport and airfreight, as well as the world’s leader in ocean freight and contract logistics (Hollensen, 2011, 583). With 8 express logistics centers and 287 strategic parts centers worldwide, DHL links around 120,000 destinations by offering a full range of customized solutions, ranging from warehousing and inventory management services to customer support and Internet tracking (Czinkota and Ronkainen, 2007, 443; Hollensen, 2011, 583). In this regard, the list of carriers engaged by Amazon.co.jp reports all relative tracking websites. Among the excellent navigation features traced in the international sites of Amazon.com is indeed the ability to track the shopping path via a breadcrumb trail (Singh, 2012, 256). Finally, “Global Shipping Times” presents different subpages divided according to continents and main world zones that show estimated shipping times as for the interested areas (Amazon.co.jp, 2017). Overall, the analysis of the website revealed an inclusive provision of information from the part of Amazon.co.jp concerning the availability of international shipping, as well as shipping destinations. Therefore, international customers willing to buy on the website can pre-emptively rely on an effective and secure system of global shipping. Nonetheless, shipment occurs only after the purchase is fulfilled; this analysis cannot indeed account for the actual implementation of all the examined information.

6.4. Promotion

Promotion in Rakuten

As previously observed in the analysis of Rakuten’s website, the “Help Center” provides the users with comprehensive assistance and information in English language regarding several aspects of the purchase. As for customer service, Rakuten offers a valuable instrument called “Live Chat”. As Chaffey et al. (2006, 245) suggest, by means of an online chat the customers are enabled to initiate a real-time chat session with the customer service staff to discuss questions or advance complaints about the product or service offered by the company. Indeed, in “Ask us with Live Chat” the website invites users to start the online chat by specifying their e-mail address and inquiry (Rakuten, 2017). As the page is presented in English language, it might be suggested that international customers are enabled to use this service to communicate with English-speaking people. Nevertheless, the proposed “Start Chat” button along with the question form to insert e-mail address and inquiry are not displayed anywhere in the page (ibid.). Therefore, contrary to what is stated in the page, customers does not seem to be allowed to use the online chat service. Thus, this tool introduced by Rakuten does not effectively target international customers.

In terms of sales promotion, Rakuten offers the possibility to consult the “Special Offers” page containing a vast selection of offers distinguished into specific sections (Amazon.co.jp, 2017). A crucial problem in the analysis of the promotions concerns the transience of Internet content, which has been discussed in the Methodology chapter. In fact, special offers are generally advanced only for a limited period of time. In this regard, despite still being exhibited in this page, all the promotions included in the subsection “Special Offers” except one are marked as “ended” and cannot be accessed (ibid.). In “Brands & Catalogs” the offers’ themes are varied, ranging from recurring events to savings and recommended types of products or brands; specifically, among the first listed promotions is “Happy Mother’s Day” (ibid.). The promotion in question is referred to Mother’s Day, a celebration that occurs in specific dates according to the countries; therefore, it is likely to expire following this recurrence. However, the special offer’s page presents the following headline: “Send a little love from Japan” (Rakuten, 2017). The items offered in this section are predominantly

Japanese products, including incense, green tea sets, plum wine, rice cookers and sets of **yukata**, namely the traditional Japanese garment. Highly similar features can be detected by analysing the special offer entitled “Cherry Blossom 2017”, which comprehends “a selection of sakura-themed products shipped from Japan” (Rakuten, 2017). All selected items, as well as the webpage design and colour, recall the harmonious cherry blossom typical of Japan’s spring (see Figure 6); subdivided in four categories, the products include in fact pattern umbrellas, chopstick holders and petal tea (ibid.). “MEET JAPAN, MEET Kyoto” even provides pictures and descriptions about Kyoto, before introducing the traditional products of the Japanese town like green tea sweets, **yukata** and handcrafted ceramics (Rakuten, 2017). Overall, these special offers all seem to be destined for the same goal: exporting Japanese traditional products and culture outside Japan. Nevertheless, the promotions are not intended to specific target markets and seem to be addressed to a vast group of global consumers. Thus, through this marketing strategy, Rakuten is aimed at advertising Japanese products to international customers.


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Finally, the company offers an extensive service in terms of “Customer Protection”. In particular, this “complimentary refund service for all members” is based on assistance for undelivered and defective products, as well as for counterfeit products (Rakuten, 2017)\textsuperscript{43}. Nevertheless, return policies vary depending on each shop individually and can be found on the shops’ information pages. Overall, the analysis did not detect any particular marketing strategy with regard to international returns policies.

**Promotion in Amazon.co.jp**

In terms of customer service, the heading “Let Us Help You” in the homepage of Amazon.co.jp contains useful links for assistance that are added to a wide set of other helpful sections in “Help & Customer Service”, as observed so far in the analysis. As stated in “Contact Customer Service”, Amazon allows users to contact the service 24 hours a day by selecting an inquiry type, an issue and finally picking the way to contact the firm, either through e-mail, phone or chat (Amazon.co.jp, 2017)\textsuperscript{44}. Therefore, the firm proposes several possibilities for international customers to get in contact with the assistance service. Nonetheless, apart from the information provided in the website, Amazon.co.jp does not accommodate a specific customer service for inquiries regarding international payments and orders.

Furthermore, the language limitation that has been previously encountered in the website can be also traced with regard to sales promotion. In fact, the majority of the sections that include special offers and promotions are solely presented in Japanese language. For example, as Figure 7 exhibits, the page “Campaigns” presents “Mother’s Day”, a promotion apparently comparable to “Happy Mother’s Day” in Rakuten (Amazon.co.jp, 2017)\textsuperscript{45}. Nevertheless, a content analysis of campaigns concerning text and offered products’ categories in Amazon.co.jp cannot be advanced due to this linguistic restriction. Therefore, it is not possible to adequately examine the marketing strategy implemented by the firm in sales promotion.

\textsuperscript{45} https://www.amazon.co.jp/b/ref=s9_acss_bw_cg_95553989_1a1_w?node=4915940051&pf_rd_m=A3P5ROKL5A1OLE&pf_rd_s=merchandised-search-4&pf_rd_r=6V35CVMXPZTHR34M0JG9&pf_rd_t=101&pf_rd_p=6652441d-dca3-4a91-8a39-640724011dd1&pf_rd_i=15754471 [Accessed 2017-05-05]
Conversely, in the “AmazonGlobal” page, the company encourages users to follow the Amazon.co.jp official Facebook account featuring “deals, new releases and other information all in English” (Amazon.co.jp, 2017). Although this instrument did not constitute object of analysis, it is evidently promoted by Amazon.co.jp with a view to targeting international customers.

Finally, in terms of customer protection Amazon.co.jp offers highly detailed information about returns, refunds and exchanges in “Returns Center” (Amazon.co.jp, 2017). More specifically, in “About International Returns”, information about returning items from outside Japan is extensively provided. First, Amazon.co.jp persuades international customers to use DHL as their carrier and to add insurance when returning items from overseas (Amazon.co.jp, 2017). Furthermore, the firm declares not to be legally responsible for any claims and damages for return items and exchanges exported from Japan or imported through the country by means of international package forwarding services (ibid.). Thus, in order to target international customers, the company implemented an international return policy as a marketing strategy.

7. Conclusion

7.1. Summary of Findings

The study revealed both similarities and differences in regard to the marketing strategies implemented by Rakuten and Amazon.co.jp with the aim of targeting international customers through their websites. First, the Web Content Analysis showed that both websites offer a wide set of global products, including domestic goods and international brands, although the target markets are not specified. Thus, it might be suggested that in such global marketplaces the products are offered to a vast group of consumers without any distinctions. In this regard, the two firms do not advance particular marketing strategies in terms of Product. Furthermore, both companies ensure remarkable assistance to international customers in terms of Price by accommodating a variety of international payment methods, although international payment security is partially ensured. While Rakuten proved to be more effective in providing multicurrency options, Amazon seem to focus on furnishing detailed information about global shipping rates. As for Place, both Rakuten and Amazon advance efficient and secure global shipping systems with regard to international customers, as well as offer extensive information and support for international orders. Nevertheless, the two companies present different approaches in terms of Promotion. Whereas Rakuten is particularly aimed at targeting the international clientele through sales promotion with a view to exporting Japanese products abroad, Amazon provides customers with an efficient international return policy. Finally, although customer service is generally effective in the two websites, a channel specifically destined for international customers has not been identified.

On the whole, as emerged from the analysis, the provision of detailed information in English as for international orders, payments and shipping plays a fundamental role in the marketing strategies proposed by Rakuten and Amazon.co.jp. Nonetheless, due to the customized nature of its marketplace, Rakuten cannot account for issues that are managed individually by the merchants’ shops, constraining thus the interaction with international customers. On the other hand, for Amazon.co.jp a linguistic limitation restricts the implementation of some marketing strategies at the international scale. In fact, as observed through the investigation of the products’ descriptions and in sales promotion, the firm’s website is not fully translated into English. Therefore, this issue might negatively affect the purchasing behaviour of international customers who cannot read or speak Japanese language.
7.2. Concluding Remarks and Implications for Further Research

Despite the increasing prominence of international marketing practices for EC companies aimed at expanding overseas, previous studies concerning Japanese Internet shopping have focused on consumer-centric approaches to analyse consumer preferences and Critical Success Factors in terms of online buying behaviour. In this regard, the thesis has contributed to fill a gap in the existing literature on Japanese EC and compensated for the scarce attention placed on case study research of marketing operations.

Through an interpretivist and abductive approach, the study has in fact attempted at understanding the global success of Rakuten and Amazon.co.jp by analysing the marketing strategies of the two firms in regard to their international customers. In order to do that, the marketing mix has been revisited so as to merge traditional conceptualizations and alternative approaches of the conventional 4Ps in an international online context. Overall, the paradigm has adequately served for the purpose of the thesis, as all the Ps have been traced in the analysis of the websites. Nonetheless, some indicators turned out to be less explanatory than others in terms of empirical findings, as observed in the case of Product. In this regard, the operationalization of the concepts might be enhanced by proposing further approaches and definitions within the framework, as well as by including other Ps in the analysis.

Furthermore, despite the transience of Internet content, the websites have constituted a valuable source of data with a view to conducting the Web Content Analysis. Nevertheless, the analysis has primarily relied on the information provided by the two companies in their websites from the perspective of a potential customer visiting the pages without having fulfilled any purchase. Therefore, in order to verify the actual implementation of the observed marketing strategies, a survey-based study could be conducted on a sample of consumers who previously purchased products or services from the webpages.
8. Reference List


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