

Reference materials:

Souzoh, Inc.

Attitude Survey about Producers'/Small Business Owners' Online Storefront Usage

Souzoh, Inc. conducted this “Attitude Survey about Producers'/Small Business Owners' Online Storefront Usage” targeting farmers and small business owners.

The e-commerce market has been expanding since the start of the COVID-19 pandemic, as more consumers spend time at home, and demand for online shopping options grows. While the shortening of business hours and loss of tourism has driven many traditionally offline businesses online, the Japanese market has seen only 6.76% of businesses make the move to online.¹

This survey looked at 824 producers (farmers) and 824 small business owners (sole proprietors with five or fewer employees) to find out how they are currently using online storefronts and what challenges they face.

¹Percentage of all transaction amounts (by market share) that are e-commerce transactions, “FY2019 E-Commerce Market Survey”, Ministry of Economy, Trade and Industry (July 2020)
https://www.meti.go.jp/policy/it_policy/statistics/outlook/r1_betten.pdf

Summary of Survey Results

- Approximately 90% of producers and 70% of small business owners have not opened online storefronts
- Among small business owners who have an online storefront, approximately 1 in 4 has had success selling
- When asked why items weren't selling, the most common response from both producers and small business owners was that they couldn't attract customers
- Among those who have not opened online storefronts, approximately 60% of producers and 70% of small business owners have no intention of opening an online shop in the future
- For producers and small business owners who have not yet started an online shop but who would like to, when asked why they have not opened an online shop yet, more than 40% answered that they lacked the technical experience and knowledge or that they had no staff who could be in charge of running and managing the site

Survey Overview

Survey Period: Friday, April 23, 2021–Saturday, April 24, 2021
Survey Method: Online survey
Respondents: 824 producers (farmers); 824 small business owners*
*Sole proprietors with five or fewer employees

Detailed Survey Results

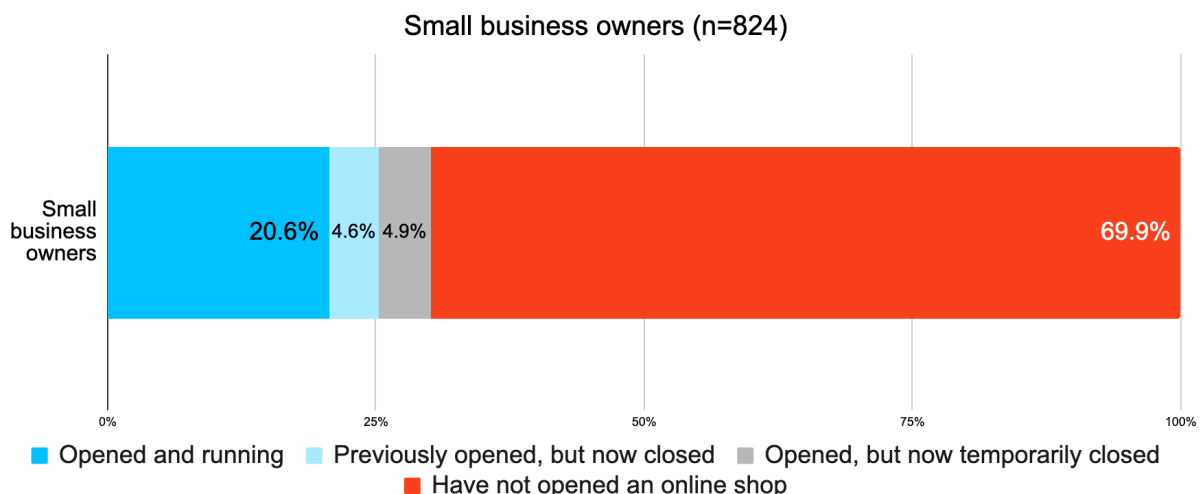
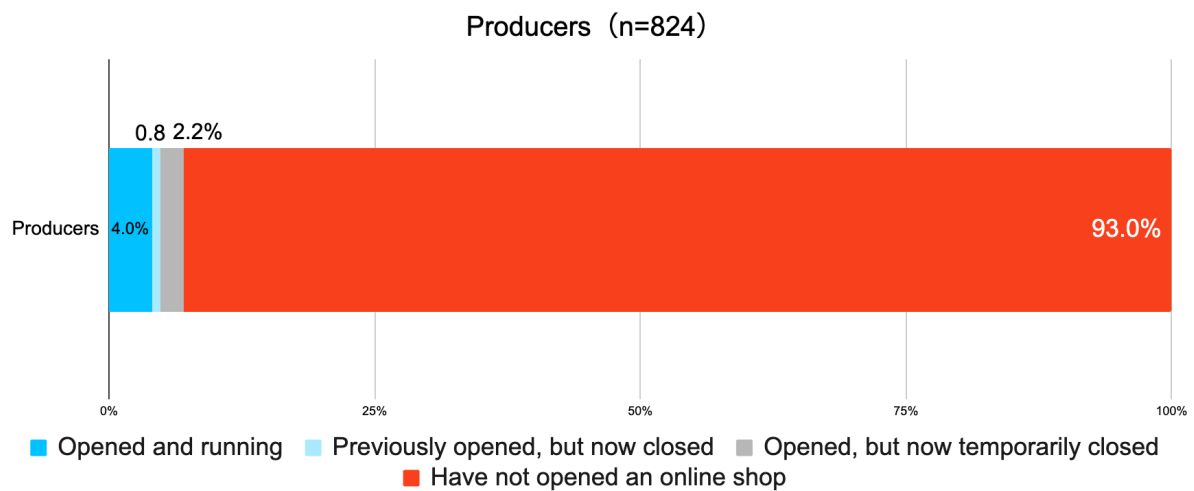
■ Percentage of producers/small business owners who have started online shops: Approximately 90% of producers and 70% of small business owners have not opened online storefronts

When asked about whether they had opened an online storefront for their main business, approximately 90% of producers and 70% of small business owners said that they had not, leading us to believe that the majority of producers and small business owners have not opened online shops.

Q. Have you opened an online shop for your main business?

*"Online shop" here does not refer to a business's homepage or other site which introduces its products or stores; rather, it refers to a site where the business's products can be purchased.

*Includes any online storefront you opened yourself; online shops created using an online storefront like Base, Stores, or Shopify; or online storefronts listed on major shopping sites like Amazon, Yahoo! Shopping, and Rakuten.

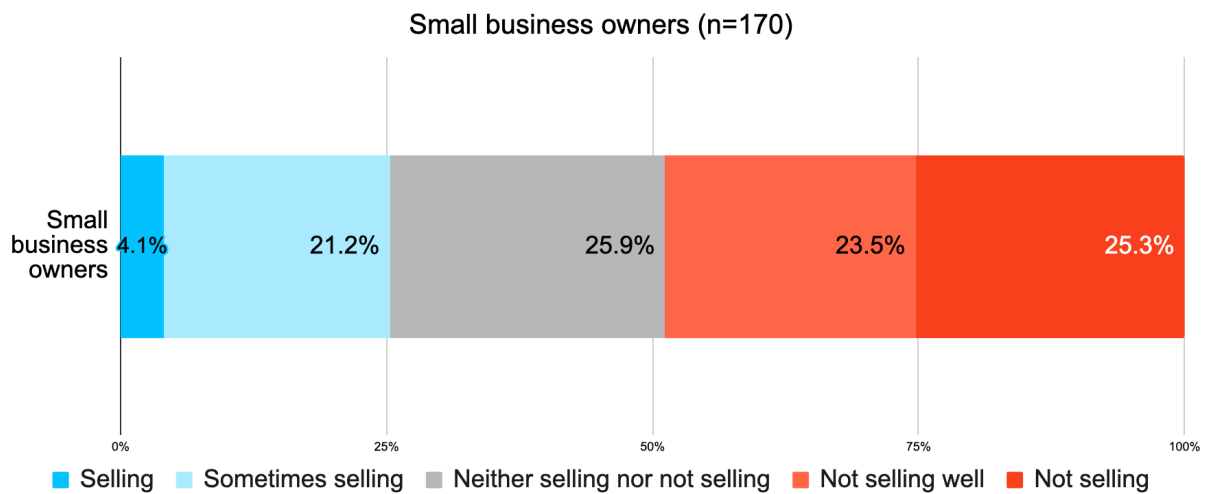
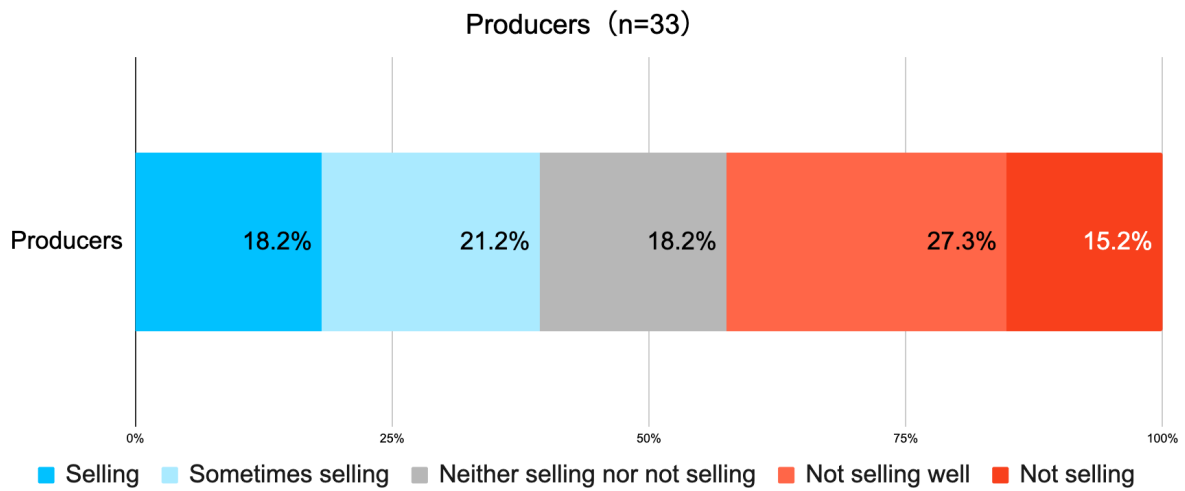


■ **Percentage of producers/small business owners who have started online shops:**
When asked about sales at their online shop, only approximately 1 in 4 had success selling their items.

Q. How well are items selling through your online shop?

*"Online shop" here does not refer to a business's homepage or other site which introduces its products or stores; rather, it refers to a site where the business's products can be purchased.

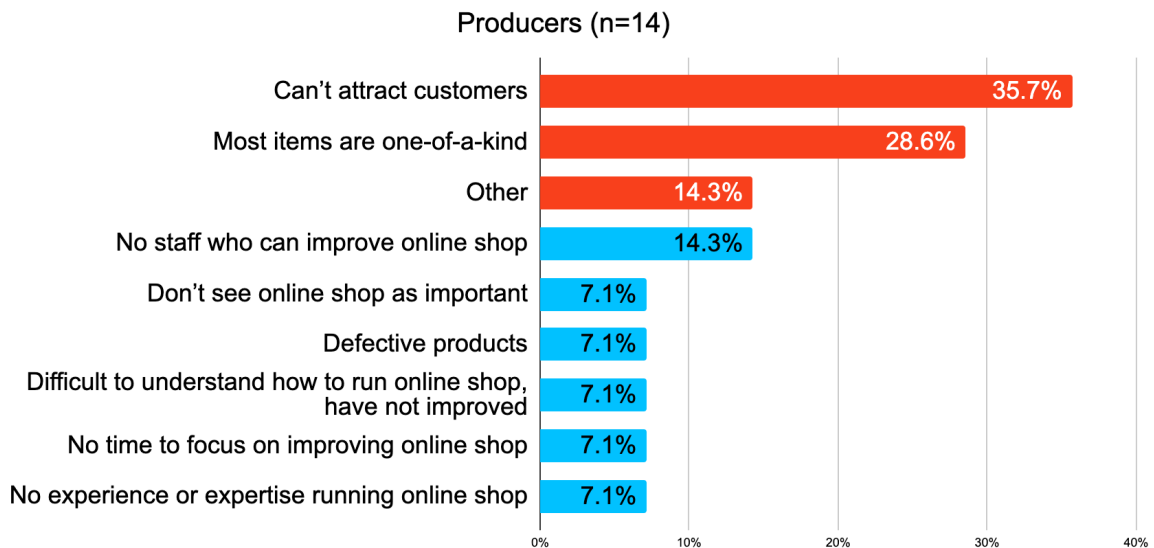
*Includes any online storefront you opened yourself; online shops created using an online storefront like Base, Stores, or Shopify; or online storefronts listed on major shopping sites like Amazon, Yahoo! Shopping, and Rakuten.



■ Reason why items on online shop won't sell: The most common response from both producers and small business owners was "can't attract customers"

To anyone who answered "Not selling well" or "Not selling," we asked why. The biggest reason given was "Can't attract customers" at 35.8%, indicating that an inability to attract customers is the biggest issue facing those who have not found success selling online.

Q. Which of the following best describes the reason why you have little success selling through your online shop? (Select all that apply.)



■ **Reasons why producers/small business owners who want to open an online storefront have not yet: More than 40% of both producers and small business owners answered “Little to no knowledge and experience regarding how to use tech” or “No staff who can run or manage online shop.”**

To anyone who answered “Want to open an online shop” or “Somewhat interested in opening,” we asked why they had not opened one already. The most common responses were “Unsure items will sell” at 48.5%, “Don’t know how to set up” at 47.5%, and “Little to no knowledge and experience regarding how to use tech” at 44.4%. It became clear that the biggest challenges in opening an online shop are the difficulty of opening the shop itself and concern over whether items would actually sell.

Q. Which of the following best describes the reason you have not yet opened an online shop? (Select all that apply.)

