



**Asia-Pacific
Economic Cooperation**

2022/CTI/WKSP2/005

Session 6a

Effectiveness Verification and Best Mix Method of Online and On-Site Business Matching

Submitted by: Japan



**Workshop on New-Normal Model of Trade
Promotion in the Post Pandemic Era
4 March 2022**



Effectiveness verification and best mix method of online and on-site business matching

4th March 2022

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1. Activities of JETRO's overseas business support

(1) JETRO provides services to customers based on four priority items.

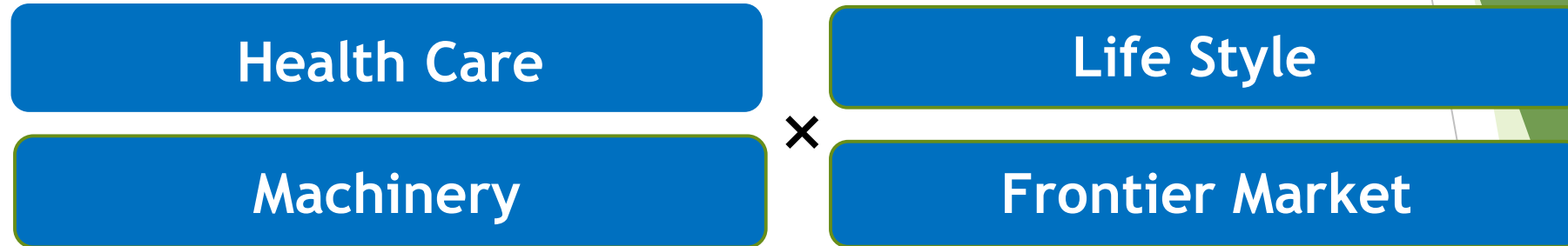
- ① Facilitating innovation through inward foreign direct investment (FDI) in Japan and supporting the overseas expansion of startups
- ② Supporting exports of Japanese agricultural, forestry, and fishery products and food
- ③ Supporting export by small- and medium-sized Japanese enterprises (SMEs) in overseas markets
- ④ Contributing to the activities and trade policies of Japanese companies through surveys and research

(2) Supporting export by small- and medium-sized Japanese enterprises (SMEs) in overseas markets.

- ① Exhibiting at overseas trade fairs and hold business meetings
- ② Exhibiting at cross-border EC markets around the world, business matching through a unique digital catalog site “Japan Street”
- ③ Experts provide hands-on support for high potential companies to enter overseas market.
- ④ Support for recruiting highly-skilled foreign human resources, training for Japanese businessmen for doing business overseas
- ⑤ Advice for overseas investment and new market development by domestic and foreign experts
- ⑥ Operation of a major trade fair information database (J-Messe) and business matching site (E Venue) of domestic and overseas companies

2. Exhibiting at overseas trade fairs and holding B to B events between Japan and overseas

(1) Our Project team in 4 priority sectors



(2) Our Project details

Participated in on-site exhibition of Japanese booth at overseas trade fairs

★ Case of FY2019

Health Care : MEDICA(DE), BIO Intl(US)

Life Style : Maison et Objet(FR),
Milano Unica(IT)

Machinery : Aeromart(JP), MR&M West(US)

Frontier Market : Business Expo@TICAD 7

- Number of exhibitions : 35
- Number of companies supported by JETRO : 893

On-site business meeting inviting overseas buyers

★ Case of FY2019

Health Care : Japan-China Senior Citizens Industry Exchange

Life Style : B to B with invited foreign buyer at Hokuriku - Kansai region

Machinery : B to B with potential distributor / buyer at International Robot Exhibition 2019

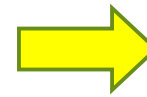
- Number of events : 33
- Number of companies supported by JETRO : 1,012

3. Groping for opportunities to provide business support due to the negative impact of Covid-19

(1) Drastic decrease in on-site events

Lockdown and travel / movement restrictions occur in many economies

On-site exhibition to be exhibited(52 events in FY2020 as of whole JETRO)



**More than 80%
Canceled or Postponed**

On-site business meetings with invited overseas buyers



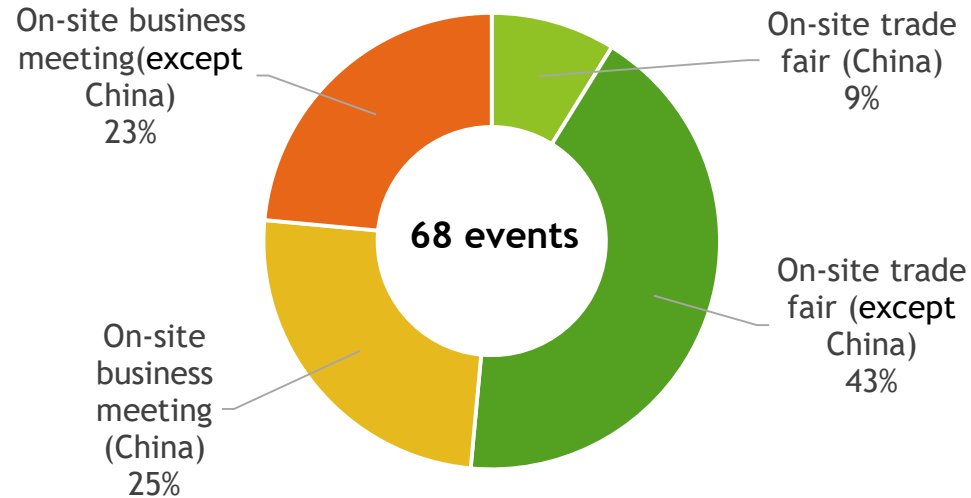
Canceled

(2) Policy change for events to secure “BtoB” business for companies

- ◆ Utilizing for an “on-line platform” to be provided by event organizers in trade fairs
- ◆ Early arrangement and holding of online business meetings to be replaced by trade fairs/on site business meetings
- ◆ Careful and efficient support for companies by utilizing digital tools
- ◆ Intensive on-site business matching projects in China from the second half of 2020, which is recovering early from the pandemic crisis

(3) Utilizing digital tools to support the development of overseas sales channels for companies as much as possible

FY2019 Number of events by sector wise



FY2020 Number of events by sector wise



Result of FY2020 events (Market Development and Trade Fair Dept only)

- ◆ Events : 68 (Compared to FY19 before Corona pandemic : 0%)
- ◆ Supported companies : 2,015 (Compared to FY19 : +5.8%)
- ◆ Contract completion rate of business meetings : 28.9% (Compared to FY19 : +12pt, including prospects)
- ◆ Expected Contract Value : 198.3 billion yen (Compared to FY19 : 2.7 times)

4. Characteristics and challenges of online BtoB events

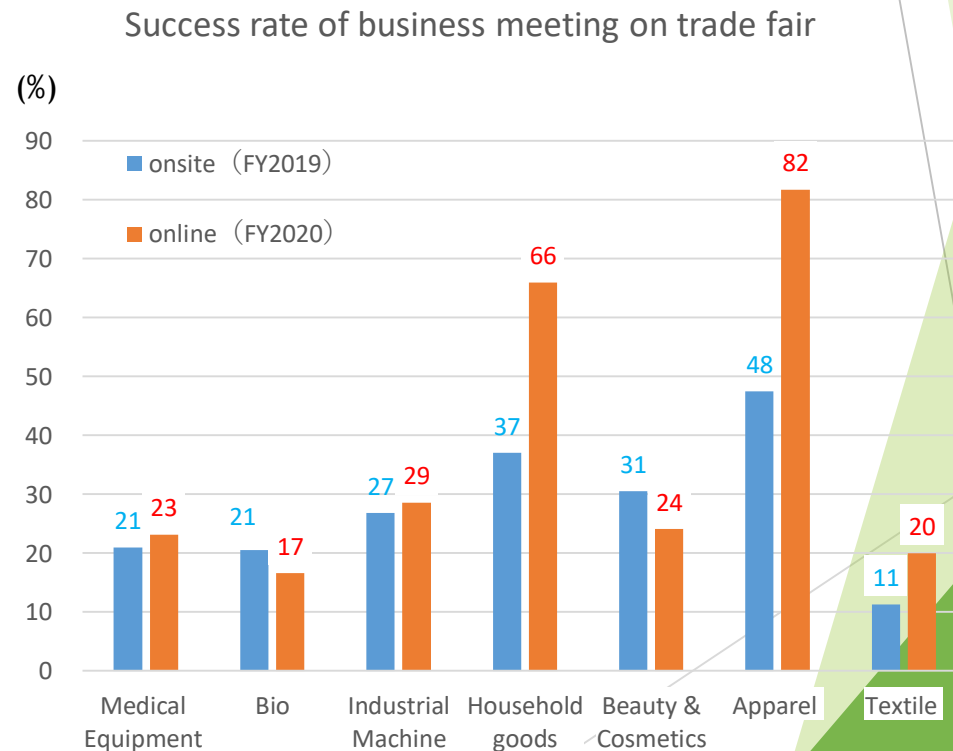
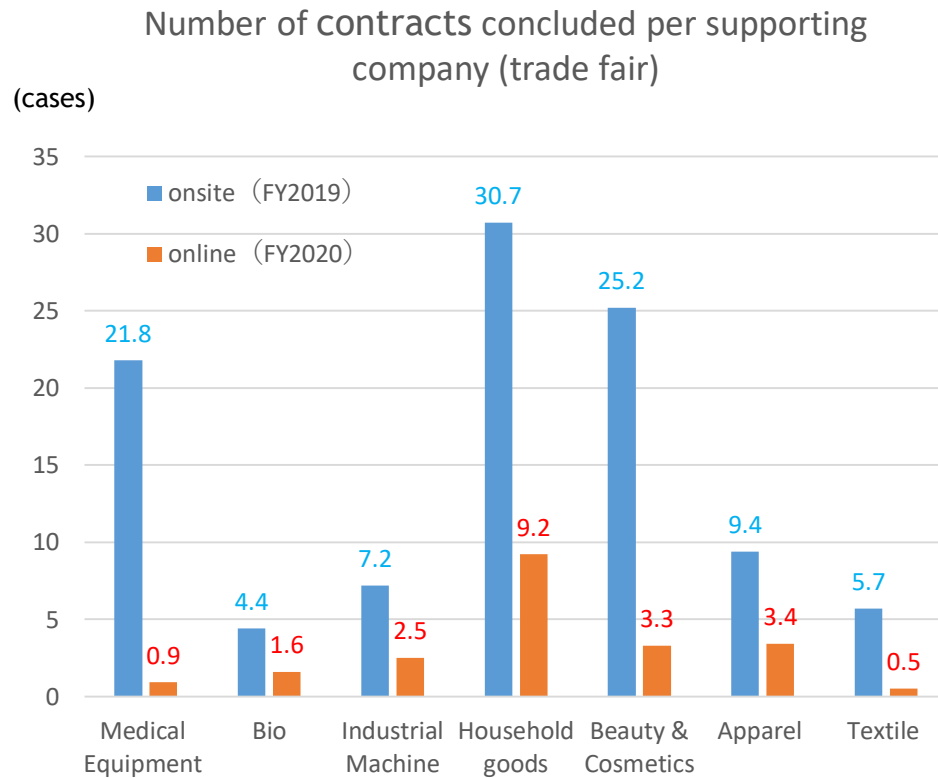
(1) Comparison of results by event type

- The number of contracts concluded at online trade fairs (per company supported) is one-third that of those on-site, but the BtoB contract rate is over 40%.
- The number of online business negotiations closed is half that of on-site negotiations, but the business negotiation closing rate has risen to nearly 60%.

Event type	Number of Event (Unit)	Number of contracts / number of supported companies (Unit)	Expected contract completion rate / business meetings (%)
On-site trade fair (FY2019)	35	10.9	15.4
On-site b to b meeting (FY2019)	33	2.5	26.4
On-site trade fair (FY2020, Hybrid inclusive)	9	10.9	17.4
On-site b to b meeting, other (FY2020)	7	3.2	26.1
Online trade fair (FY2020)	18	3.3	42.6
Online b to b meeting (FY2020)	34	1.4	57.6
Total (FY2019)	68	6.5	16.9
Total (FY2020)	68	3.0	28.9

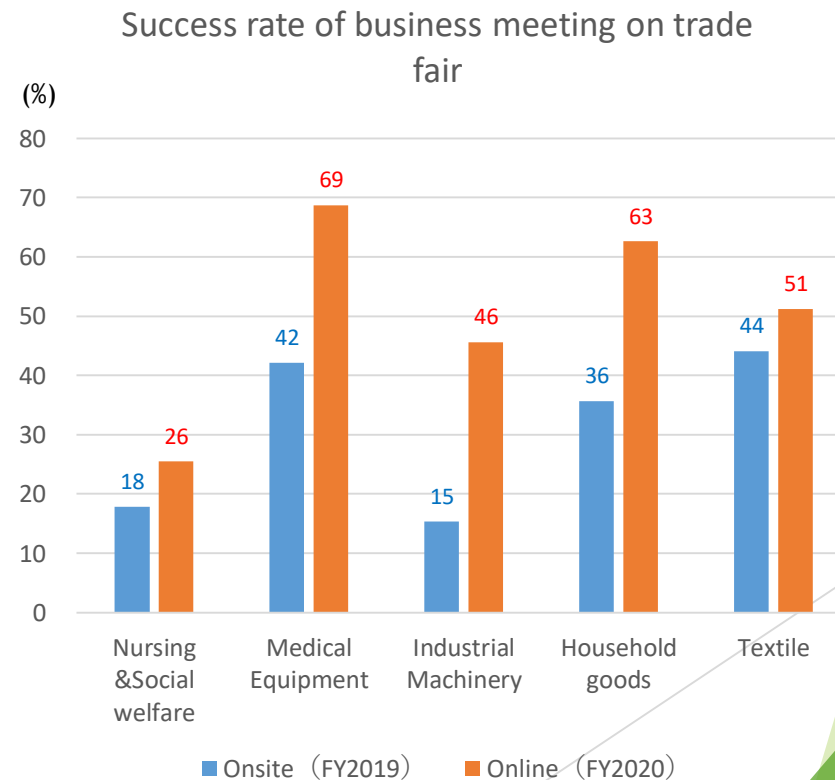
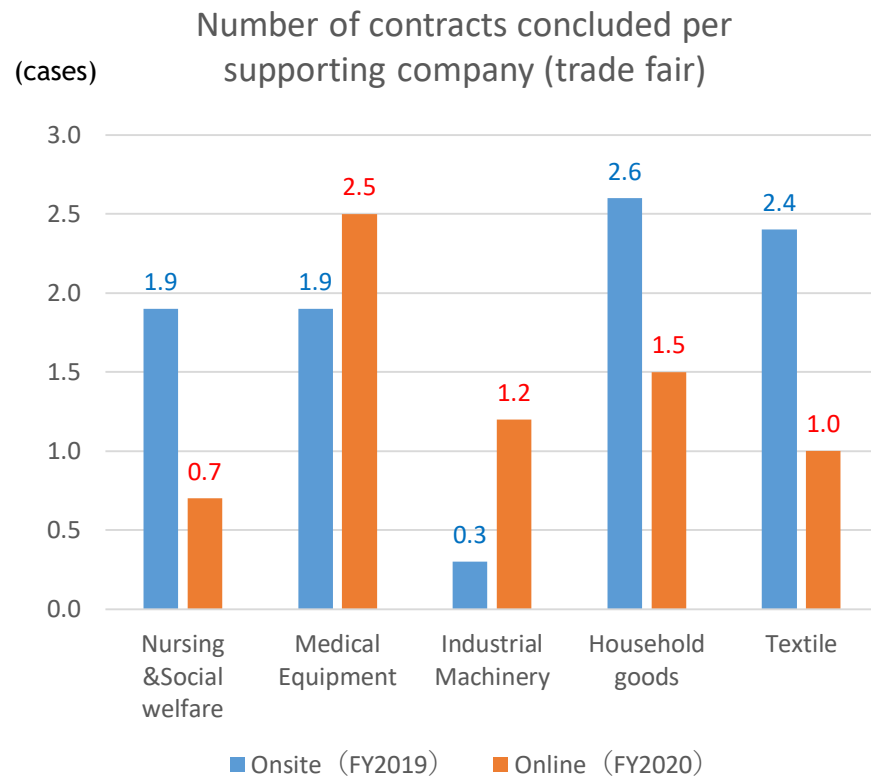
(2) Comparison of characteristics of deals from the viewpoint of trade fairs

- The number of contracts concluded by supporting companies is higher for on-site exhibitors across multiple sectors.
- Consumer goods have a high contract rate when exhibiting online. The key is that it is easy to imagine the function, design, and usage.



(3) Comparison of characteristics from the online/on-site BtoB events

- The scale of the number of contracts concluded depends on the type of sector. Unlike cases such as trade fairs, even in the case of business meetings where it is difficult to bring in machines, the machinery sector also has certain results through online BtoB.
- The contract rate for online BtoB is higher than that on-site in all target sectors.



(4) Advantages and challenges of online event

Advantages

- Possible to provide more BtoB opportunities to companies all over Japan
- The business target area can be expanded
- Agile business creation is possible.
- Market-in BtoB with highly accurate results can be realized
- Anytime matching is possible via the digital catalog
- Reduction of cost and man-hours
- Reduction of travel costs of participants
- Free from travel and domestic movement restrictions

Challenges

- Decrease in the number of contracts concluded per company (trade fair: 70% down, BtoB: 44% down)
(Cause)
 - Foreign buyers preferentially select Japanese business partners
 - Disappearance of opportunities for contingent business meetings with visitors, which is unique to off-site trade fairs
 - Disadvantageous for products whose characteristics can only be understood through sight, touch, and usability
- Disparity of digitalization among client companies
- Acquisition of new potential customers

(5) Pursuit of on-site and online meetings, best mix BtoB events

In FY2021, we are addressing online event issues and formulating / demonstrating a new business event that incorporates advantages of both on-site and online methods.

Time difference

- The event will be held in the single market of China, which has a small time difference with Japan
- If it gets on track, we will expand the model to other Asian markets.

Increasing business contracts

- Sample transportation, exhibition at permanent showrooms and on-site/online BtoB
- Constant online business matching via electronic catalog

Digitization support

- Overview of participating companies and products are made into an electronic catalog, and product explanation videos (local language support) are also posted.
- Holding a webinar that includes business negotiations and understanding of market

Ability to attract customers

- Publicity of electronic catalogs and events through SNS and web advertisements
- Introduction of products listed in catalogs using KOL and KOC, and transmission of comments

China Hybrid Caravan Event (JETRO Tokyo & JETRO Offices in China)

Outline

- ◆ Implementation period: June 2021 to March 2022
- ◆ Target Sector: Daily goods / daily goods (hygiene goods, cosmetics beauty related goods, baby / maternity goods, crafts, pet goods), character contents
- ◆ Participants: 186 companies (group support)
- ◆ Annual target number of business negotiations: 1,500

Detail

Depending on the business stage of each company, it can participate by selecting from the following menu.

1. Sending samples ➡ Local showroom exhibition ➡ Online catalog (product explanation video posted)
➡ Web public relations activities (SNS, Web AD, KOL & KOC) ➡ Online business negotiations (year-round and constant)
2. Participation in off-line events (year-round)
 - Send samples to 7 trade fairs in China and organize BtoB events
 - Using the sample showroom, hold three online BtoB events with local buyers.
3. BtoB preparation support
 - Webinars / workshops on markets, legal affairs, export practices, negotiations knowhow, etc. (10 times a year).
 - Individual support for formulating marketing strategies to strengthen overseas sales capabilities



Sample Showroom



b to b at Sample Showroom



Digital Catalogue Chinese Version

Thank you for your attention.