

Payment Cards in Japan

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Abstracts

Introduction

Payment Cards in Japan is an invaluable guide to one of the world's most complex card markets. The report provides statistics on market size, competitor market shares and forecasts. It also provides an overview of regulation, competitor activities, issuer strategy and product innovation including developments in contactless, mobile payments, online and prepaid cards.

Scope

- Data and analysis provided on debit cards, credit cards and deferred debit and charge cards.
- Historic market data and competitor market shares are presented for 2004-2008, H1 2009, with forecasts presented to 2014.
- New for 2010 includes data covering transactions by merchant category, premium card branding, benefits per card, card primacy and repayment behaviour.
- Includes a detailed analysis of developments in the areas of e-money, contactless, mobile, online and prepaid cards.

Highlights

The Japanese payment market remains dominated by cash, with consumers using that payment form even for high value transactions. Despite this, credit cards are continuing to show positive levels of growth with a CAGR of 2.5% between 2004 and 2008. Pay now cards however remain almost exclusively used at ATMs, with use at the POS in

active decline.

The competitive situation in Japan is in a state of flux as a result of new regulations restricting APRs and issuer margins. Acquisitions and mergers are currently running high as the industry restructures itself. Despite this, the market remains dominated by JCB, who hold a 34% share of the market, a full 20% more than its nearest competitor.

Contactless, mobile, and prepaid payments are at an advanced state of development in Japan in the form of e-payments, typically on a contactless card or on a mobile phone handset. A large proportion of the market also holds transport ticketing functionality. E-money has gone truly mainstream with over 100 million cards in issue.

Reasons to Purchase

- Learn how payment cards in Japan work, and how they have developed over the past five years.
- Understand recent developments in Japanese payments in terms of consolidation, new entrants and product/technology innovations.
- Plan your future strategy effectively with Datamonitor's five year forecasts across all product categories.

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The revised Money Lending Business Law became fully enacted in June 2010

The consumer credit market is experiencing dramatic shifts as a result of the new law

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Value of transactions

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Value of transactions

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Forecasting the pay now card market

Forecasting the revolving credit card market

Forecasting the charge and deferred-debit card market

Contactless, Mobile, Online and Prepaid Payments

Overview

Alternative payments are now mainstream

Japan has the most advanced e-money market in the world

e-money can be used on cards or phones

The majority of consumers now use e-money

There were 105 million e-money cards in issue by March 2009

Transaction values and volumes are also rising as consumers spend more using e-money

The majority of e-money transactions are for less than JPY1,000

Most e-money re-loads are for a value between JPY1,000 to JPY5,000

Although characterized by a variety of players, e-money is dominated by a select few firms

Branding remains a critical feature of the e-money market

Transport related cards hold a regional presence

Suica leads the market for e-money, with a 30.3% share of the market in H1 2009

Convenience is the primary driver of e-money use in Japan

Mobile payments remain niche in Japan

NTT DoCoMo's success in mobile has been driven by its effective domestic monopoly

Mobile players are focusing on incentivising use

FeliCa's dominant position may be a drawback

Online spending remains relatively low in relation to Japan's online presence

30.2% of all online shopping in Japan is for airline tickets and hotels

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AAGR

Affinity card

CAGR

Co-branded card

Credit card

Deferred-debit and charge card

EMV

EPC

ePurse

Merchant service charge

Pay now cards

POS terminal

Private-label cards

Methodology

Cards and payments database

Financial Services Consumer Insight is new to our offering, providing new and valuable insight

Forecasting methodology

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Disclaimer

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