



Keio Business School

Mercari and Yahoo! Auctions

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On March 2, 2016, Mercari Inc. announced that it had raised a total of 8.4 billion yen in funding with the aim of expanding its smartphone flea market app “Mercari.” The funding included that put forward by its own management team as well as from external sources such as Mitsui & Co., Ltd., the Development Bank of Japan, Japan Coinvest Limited Partnership, Globis Corporation, the World Innovation Lab (WiL), and Global Brain. This round of financing brought the total level of investment since its establishment in February 2013 to 12.6 billion yen.

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Meanwhile, on February 2, 2017, Yahoo Japan Corporation introduced flea market listing on the company’s popular online auction service “Yahoo! Auctions.” Flea market listing can be used on all devices including smartphones and PCs to list fixed-price items without a monthly membership fee. With this service, sellers can list items with a fixed price rather than the existing price-led auction format, which means that buyers can make an instant purchase without waiting until the end of the auction period.

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There is a competitive relationship between the two companies in terms of the consumer-to-consumer (C2C) platform, and future trends are being watched closely.

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Overview of Mercari

Mercari Inc. was established by Shintaro Yamada in February 2013 under the name Kouzoh Inc., and it later changed its name to Mercari in November of the same year. Participating members in the year of establishment included Hiroshi Tomishima, founding member of the Bank of Innovation, Ryo Ishizuka,

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This case study was prepared by Hikaru Yamamoto, Associate Professor at the Graduate School of Business Administration, Keio University, and Hiroumi Oshima (M38) of the Master’s Course in the same graduate school. This case study was developed solely as the basis for class discussion. It is not intended to illustrate effective or ineffective management. We are grateful for the valuable information provided by Mr. Fumiaki Koizumi, COO of Mercari Inc., and Mr. Akihito Ichijo, Unit Manager of Yahoo! Auctions of the Yahoo! Auctions Company, Yahoo Japan Corporation.

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