1. Social media service

The number of social media users worldwide¹ is expected to increase from 4.9 billion in 2023 to 6.05 billion by 2028 (Figure 2-1-7-1). Social media is being used not only for communication purposes but also for watching video content and live commerce. Additionally, metaverse social media, which allows communication within the metaverse space, is becoming popular, especially among young people. It is anticipated that there will be increased integration and convergence among various social media services in the future.

In Japan, the number of social media users is expected

to increase from 105.8 million in 2023 to 113.6 million by 2028 (Figure 2-1-7-2). Social media is evolving from a communication tool primarily for young people to one used by all age groups, and it is expected to see a gradual increase in the future. While platforms like Facebook, Instagram, and X (formerly Twitter) remain mainstream, many new services are emerging that differentiate themselves from mainstream services through features such as posts that disappear after a certain time, time-restricted posting, and the inability to edit photos or add text.





(Source) Statista²

Figure 2-1-7-2 Changes and forecast in the number of social media users in Japan



* The Number of people who periodically use social media sites and applications at least once a month,

(Source) Statista³

2. E-commerce

134

The global EC market sales continue to show an increasing trend, with an estimated expansion to 812.6 trillion yen in 2023 (a 16.4% increase from the previous year). The average annual growth rates from 2024 to 2028 vary

by country, with the U.S. and India showing high rates, followed by Brazil, China, and Russia. Japan and various European countries (the UK, France, Germany) are predicted to have growth rates of around 6 to 8%.

¹ The people using social media sites and applications at least once a month.

² https://www.statista.com/outlook/amo/advertising/social-media-advertising/worldwide

³ https://www.statista.com/statistics/278994/number-of-social-network-users-in-japan/



Figure (related data) Changes and forecast in sales in the global EC market Source: eMarketer(cited from Statista) URL: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/datashu.html#f00254 (Data collection)



Figure (related data) Growth rate of EC market by country (2024 to 2027) Source: Statista "Statista Digital Market Insights" URL: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/datashu.html#f00255 (Data collection)

3. Searching services

In the world market for desktop search services, Google holds a high share, but its share has gradually decreased to 81.7% as of December 2023. On the other hand, Bing's share is expanding, reaching double digits at 10.5% as of December 2023. Microsoft's browser "Edge" sets Bing as the default search service, contributing to the expansion of Bing's share. In Japan, as of January 2024, Google holds the highest share, accounting for over 70% in both personal computers and smartphones and tablets. Additionally, Bing's share exceeds 15% on personal computers, while Yahoo! holds a share of around 17% on smartphones and tablets, indicating differences in trends by device.



Figure (related data) Changes in global market share of search engines (desktop) Source: StatCounter(cited from Statista)

URL: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/datashu.html#f00258 (Data collection)



Figure (related data) Changes in global market share of search engines (mobile) Source: StatCounter(cited from Statista) URL: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/datashu.html#f00259 (Data collection)



Figure (related data) Market share of searching engines in Japan Source: StatCounter(cited from Statista)

(Data collection) (DRL: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/datashu.html#f00260 (Data collection)

4. Video streaming, music streaming and e-book

The global market for video streaming, music streaming, and e-books has continued to grow, driven by the increasing popularity of subscription-based services and the rise in at-home time due to the spread of the novel coronavirus. It is predicted that the total market size will reach 24.3752 trillion yen in 2023, marking a 27.7% increase from the previous year.



Figure (related data) Changes and forecast in size of global video streaming, music streaming and e-book market Source: Omdia, Statista

URL: https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/datashu.html#f00261 (Data collection)

In Japan, the video streaming market is expected to reach 574 billion yen (an 8.2% increase from the previous year), the music streaming market 116.5 billion yen (an 11.0% increase), and the e-book market 535.1 billion yen (a 6.7% increase) in 2023 (Figure 2-1-7-3). These markets are all experiencing growth trends similar to those seen globally.

135

Figure 2-1-7-3 Changes in the size of the video streaming, music streaming and e-book markets in Japan



(Source) Prepared based on GEM Partners "Video Streaming (VOD) Market Forecast for Five Years (2024-2028) Report"⁴, the Recording Industry Association of Japan "Japan's Recording Industry 2024"⁵ and the Research Institute for Publications (2024) "Publishing Monthly Reports"⁶

5. New trends in the market of ICT services and contents and application services

(1) Alternative data

With the advancement of digitalization, there has been an increase in data to support decision-making. This includes not only traditional data such as company financial information, press releases, IR information, and public statistics, but also non-traditional data like POS data, location information, satellite images, and social media data. The background factors include the digitization of real-world data, the development of AI technology, and the growing need to quickly grasp the current situation.

The market size for alternative data is expected to expand from 2.7 billion dollars in 2021 to 143.3 billion dollars in 2030, a fifty-fold increase (Figure 2-1-7-4).



Figure 2-1-7-4 Market size of the global alternative data

(Source) Institute for International Monetary Affairs7

The advantages of using alternative data include "Differentiation from Existing Data", "Complementarity with Existing Data", and "Promptness". It is believed that companies are seeking to differentiate themselves from others and enhance their decision-making by supplementing traditional data with information that can only be obtained through alternative data (Figure 2-1-7-5).

136

⁴ https://gem-standard.com/columns/789

⁵ https://www.riaj.or.jp/f/pdf/issue/industry/RIAJ2024.pdf

⁶ https://shuppankagaku.com/wp/wp-content/uploads/2024/01/ニュースリリース2401.pdf

⁷ https://www.iima.or.jp/files/items/3510/File/MIYAGAWA_1109.pdf



Figure 2-1-7-5 Advantages of the use of alternative data

(Source) Japan Alternative Data Accelerator Association "Alternative Data FACTBOOK" (Overview)⁸

(2) Metaverse

The global metaverse market is forecasted to expand from 46.1 billion dollars in 2022 to 507.8 billion dollars by 2030 (Figure 2-1-7-6). The largest segment within the metaverse is e-commerce, followed by games and health and fitness. The market is primarily driven by consumer-oriented metaverse services. The market, which is just beginning to take off, is expected to expand about tenfold in less than ten years, holding significant growth potential as one of the use cases for 5G and Beyond 5G.

The Japanese metaverse market (including metaverse platforms, non-platform content and infrastructure, and XR (VR, AR, MR) devices used in metaverse services) is expected to reach 285.1 billion yen in FY2023, a 107% increase from the previous fiscal year, and expand to 2 trillion yen by FY2027 (Figure 2-1-7-7). The initial enthusiastic boom for the metaverse has settled, and business development is expected to proceed on a more grounded basis. From a market perspective, it is anticipated that the corporate market (exhibitions, training, retail, etc.) will first utilize the metaverse as a next-generation platform, forming markets for human resource development and related equipment and services, followed by the full-scale consumer market.

⁸ https://alternativedata.or.jp/wp-content/uploads/2023/11/JADAA_Factbook202311_outline.pdf



Figure 2-1-7-6 Transition and forecast in the size of the global metaverse market

Figure 2-1-7-7 Transition and forecast in the size of the Japan's metaverse market



*1 The total market size is the sum of metaverse platforms, non-platforms (contents, infrastructures etc.), and XR (VR,AR,MR) equipments. Platforms and non-platforms is calculated on a sales, and XR equipment is calculated on a sales price basis.

*2 It applies to the enterprise (corporate) metaverse and consumer metaverse, and excludes game-only metaverse services.

*3 FY2023 is prospect. After FY2024 is prediction.

(Source) Yano Research Institute Ltd., "Metaverse Market Survey in Japan (2023) " (published on August 30, 2023)

(3) Digital twin

A digital twin is a technology that constructs a twin in a digital virtual space based on data collected from the real world, allowing for various simulations. By recreating cities, cars, people, products, and equipment with digital twins, it becomes possible to repeatedly conduct tests that are difficult to perform in the real world, such as traffic prediction, behavior simulation, manufacturing site monitoring, and durability testing.

According to SDKI, the global digital twin market is expected to grow from 9.9 billion dollars in 2022 to 625.5 billion dollars by 2035, which is a 63 times increase (Figure 2-1-7-8).

⁹ https://www.statista.com/outlook/amo/metaverse/worldwide







(Source) Prepared based on SDKI "Market Survey on Digital Twin" $^{\prime\prime}$

¹⁰ https://www.sdki.jp/reports/digital-twin-market/107636