SOUTH KOREA 10 eCommerce Facts

1. SOUTH KOREA’S ECOMMERCE GROWTH POTENTIAL

South Koreans are the pioneers of mobile commerce. Online spending in South Korea is forecast to reach an estimated 25.4 billion USD by 2015, driven by the increasing use of smartphones. According to Forrester, mobile commerce will account for 2% of total consumer spending by 2014.

2. SAME DAY DELIVERIES

SOUTH KOREAN SHOPPERS EXPECT

Coupang offering free delivery within two days. Same day delivery is a common option for eCommerce stores, with major players like Rakuten and eBay offering similar services.

3. SOMETHING USAGE IS DRIVING MOBILE COMMERCE

According to a study by A.T. Kearney, smartphones are the preferred choice for online shopping. In Q2 2013, South Korea had the world’s highest smartphone penetration rate, with 106% of the population owning one.

4. THE ROLE OF SOCIAL MEDIA

In 2014, 74% of South Korea’s internet users, or 41.6 million people, are active users of social media. Social commerce is a trend being quickly adopted by younger shoppers, who represent the largest proportion of digital penetration. Social media networks like KakaoTalk are becoming a tool for connecting consumers with retailers.

5. PRODUCT SELECTIONS FOR ONLINE PURCHASES

As of 2013, popular product categories in South Korea were electronics (20.2%) and computers (15.9%). This shows a strong preference for technology and entertainment products.

6. KEY ECOMMERCE PLAYERS IN SOUTH KOREA

South Korea’s eCommerce space is comprised of several local sites, including Naver Shopping, a leading web portal that offers price comparisons and product reviews. In 2013, Naver Shopping was the top value search engine for this purpose.

7. SOUTH KOREANS PREFER TO SHOP AT...

When asked about their preferred shopping destinations, South Koreans choose online retailers over traditional brick-and-mortar stores. In 2013, 81.2% of 20-29 year olds purchased products online in 2013, while 20% of internet users in this age group purchased products online in 2013.

8. THE SOUTH KOREAN SHOPPER

South Koreans have a high preference for international retailers, with 65% of internet users saying that they shopped abroad in 2013. Cross-border transactions grew by 47% to almost USD $1 billion in 2014, according to the Korean Customs Service.

9. SOUTH KOREANS SHOPS ON OR MORE

According to a 2013 report by A.T. Kearney, South Korea ranks as the 5th most attractive market for global e-commerce. This is due to the high internet penetration rate and the increasing use of social media.

10. GROWING CROSS BORDER COMMERCE

In 2014, South Korea saw increases in international transactions, with 20% of internet users stating that they shopped abroad in 2013. Cross-border shopping is expected to continue growing as more consumers become comfortable with this purchasing method.

SOURCES:

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- Euromonitor
- Forrester
- Statista
- KakaoTalk
- Naver Shopping
- Korean Customs Service
- World Stat samsung
- Market Insight
- Payvision
- The Daily – L2
- The Payers
- yStats
- AIP Corporation
- Alexa
- Bank of Korea
- BBC
- Borderfree
- DHL
- Ekos Global
- eMarketer
- Euromonitor
- Forrester
- Google Customer Barometer
- ICT Development Index
- Internet Books, magazines or newspapers
- Payvision
- Pitney Bowes
- Statista
- The Daily – L2
- The Payers
- yStats