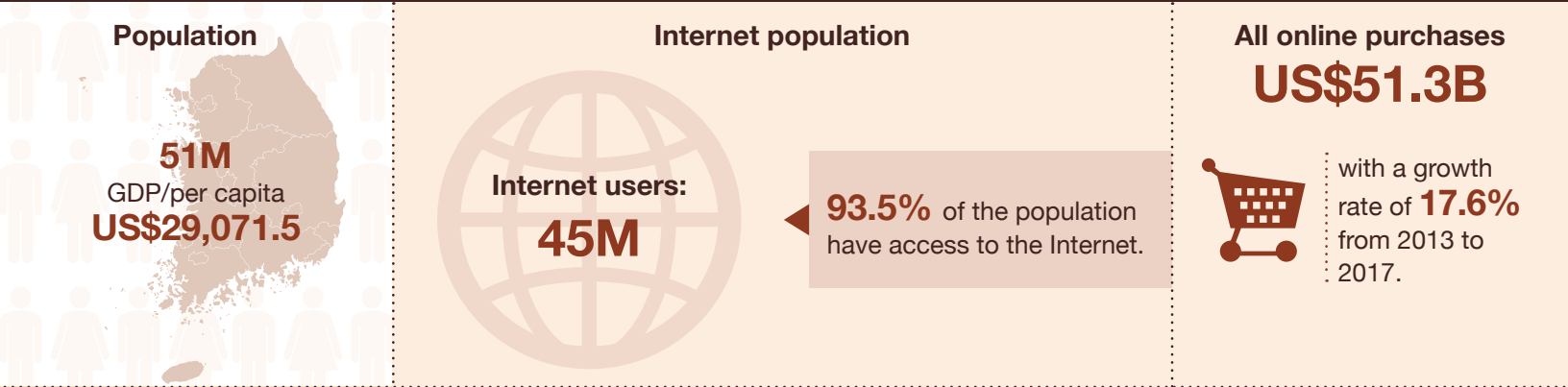


# AN OVERVIEW OF E-COMMERCE TRENDS IN SOUTH KOREA



BASIC ELEMENTS TO CONSIDER FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)  
DOING BUSINESS IN SOUTH KOREA VIA E-COMMERCE CHANNELS

## QUICK FACTS



## CONSUMER SPENDING

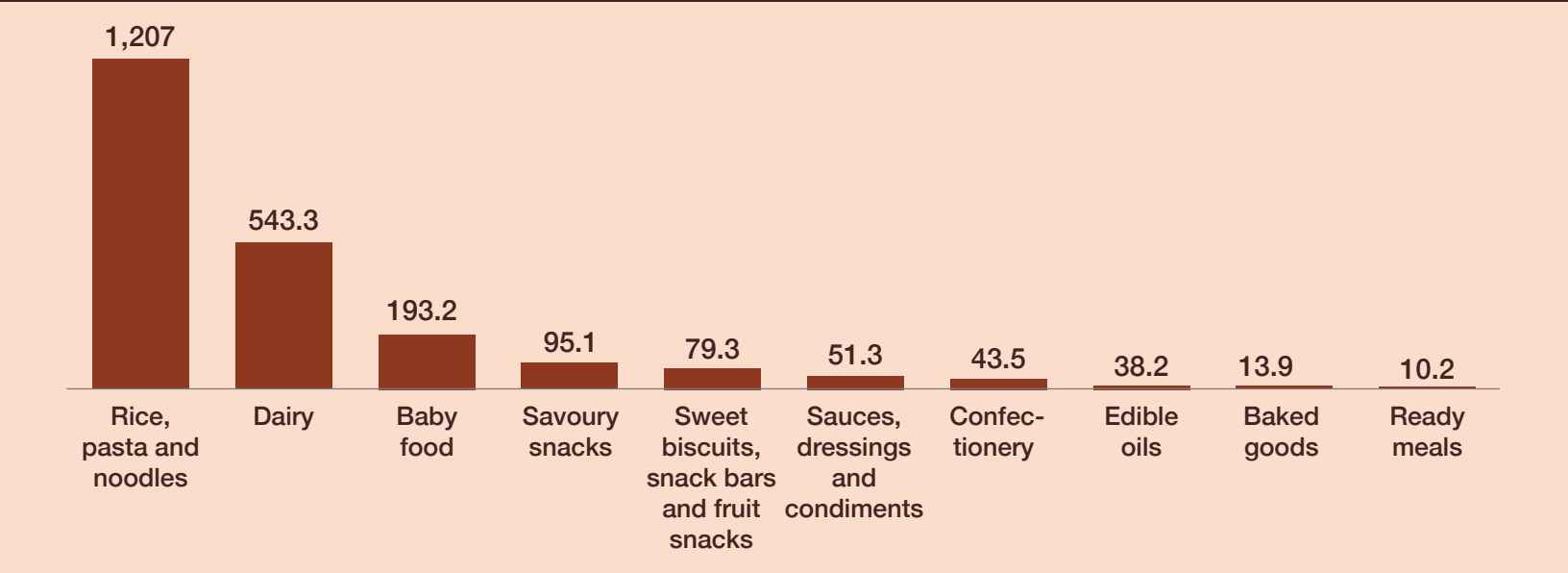


## TOP DEVICES USED FOR MAKING ONLINE PURCHASES 2017



- **M-commerce** devices accounted for **52%** of all internet retail sales in 2017, and is forecasted to grow at a rate of **31%** from 2018 to 2021.
- Wearable digital purchases (i.e. smartwatches) are expected to grow at a rate of **43.6%** from 2018 to 2021.

## TOP PACKAGED FOODS SOLD ONLINE, 2017 US\$M



# SOUTH KOREAN CUSTOMER BEHAVIOUR & TRENDS

South Koreans favour online grocery shopping for its convenience, price deals, and variety. Thanks to these trends, Canadian SMEs can easily do business abroad and optimize on the growing demand for online groceries.

## SOUTH KOREAN SHOPPERS WANT:

- ▶ Fresh and good-quality grocery products
- ▶ Cost-effective goods
- ▶ Best deal in the market
- ▶ Short delivery time



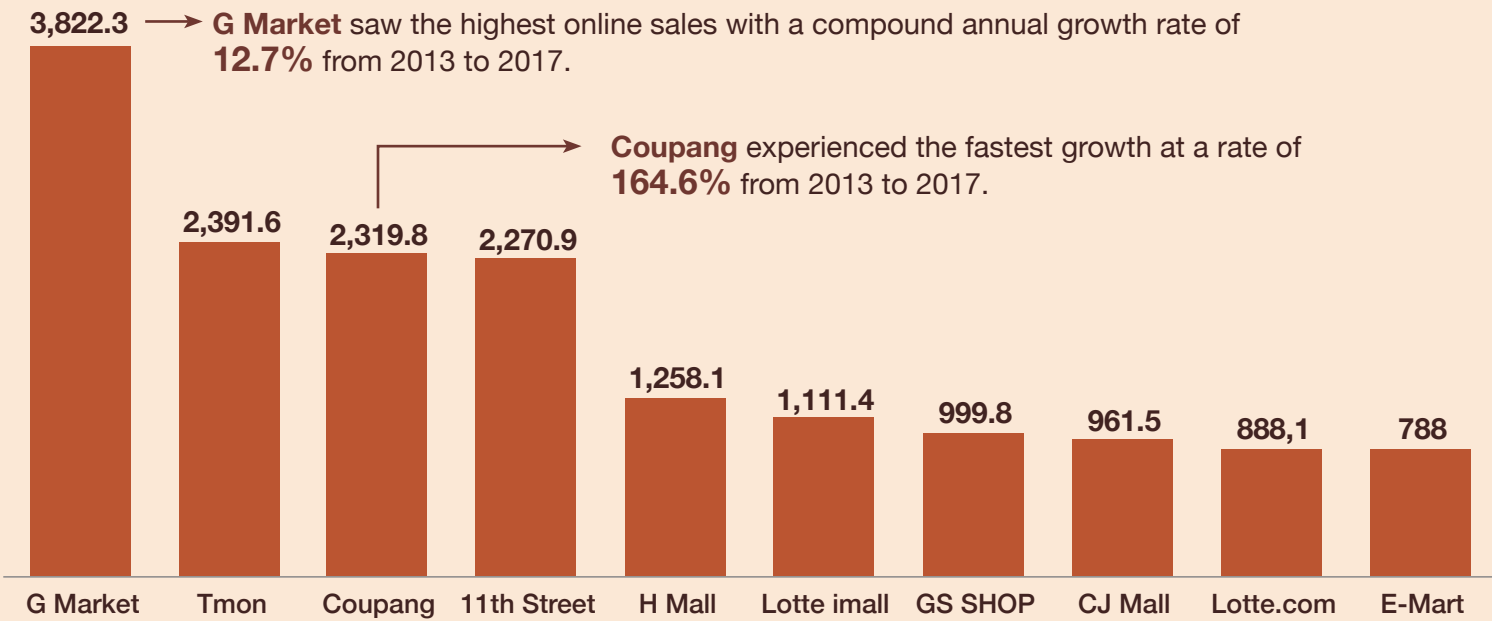
**South Korea** is a highly advanced nation in terms of digital connectivity, ranking high on digital readiness, home and mobile connectivity and convenient mobile payment system.

## UNDERSTANDING SOUTH KOREA’S ONLINE MARKETPLACE



- ▶ Online grocery outperformed other online categories in 2017 as consumers now tend to purchase food and drinks online more mainly due to the growing number of single-person households.
- ▶ Consumers feel it is convenient to shop through mobile devices and operators aggressively developed and launched mobile-friendly shopping applications, mobile shopping sales increased rapidly in Internet retailing.
- ▶ Ambient food and drinks such as HMR (Home Meal Replacements) have been the major driving force for the growth of online grocery shopping so far. However, fresh products including meat, seafood, and fruits which used to be considered as ‘offline-only’ items are also growing in e-commerce as consumer confidence in freshness has gained. Responding to this trend, leading online retailers have launched their own fresh food brands such as ‘G Table’ by G Market and ‘Tmon Fresh’ by Tmon.
- ▶ Mobile shopping is the most used platform for online grocery shopping.
- ▶ Strategies to succeed in online grocery include ensuring a good range of products and providing a fast delivery service as well as cheaper prices. Loyalty programs could also be utilized in order to perform well in the market.
- ▶ Internet retailing companies are expected to adopt offline platforms for a more seamless customer experience through strategies such as click and collect or showrooming.

## SOUTH KOREA’S TOP ONLINE RETAILERS\*, 2017 US\$M



**\*Note:** Only includes top retailers that sell groceries online.  
Data represents total e-commerce sales (i.e. food and other products).

**Source:** Euromonitor International, 2017.

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