

**10<sup>th</sup> World Telecommunication/ICT  
Indicators Meeting (WTIM-12)  
Bangkok, Thailand, 25-27 September 2012**



---

*Contribution to WTIM-12 session*

**Document C/25-E  
26 September 2012**

**English**

**SOURCE:** Korea Association for ICT Promotion (KAIT), Republic of Korea

**TITLE:** e-Commerce in Korea



**Contents**

- I. e-Commerce in Korea
- II. Measuring Methodology
- III. e-Commerce & ICT Policy in Korea
- IV. Implication
- V. Appendix

- 2 -

## I. e-Commerce in Korea

### History of e-Commerce in Korea

- 1992

• Introduction to the concept of e-commerce
- 1996

• Founded 'INTERPARK', the first cyber shopping mall in Korea
- 1999

• Established and revised e-Commerce regulation
- 2011

• e-Commerce transaction reached KRW 999 trillion(US\$886 bn)

- 3 -

## I. e-Commerce in Korea

**Usage of e-Commerce**  
(no. of usage, %)

Year	Use (No.)	Use (%)	Non-Use (No.)	Non-Use (%)
2009	632,134	19.4%	2,632,648	80.6%
2010	684,890	20.8%	2,608,662	79.2%

**20.8% of companies uses e-Commerce**

**Sales effect through e-Commerce implementation**  
(No. of companies, %)

Effect	No. of companies in 2010	Ratio in 2010 (%)
Reduction of treatment cost	59,844	53.1
Reduction of treatment time/speed up	56,345	50
New customer acquisition	48,999	43.5
Increase of customer and sales	32,612	28.9
Overcome market geography limitation	32,172	28.6
Maintenance with competitors	24,864	22.1
Improvement of customer service	23,996	21.3
New product and service launch	15,720	14
Customized service	12,415	11
No effect	5,539	4.9

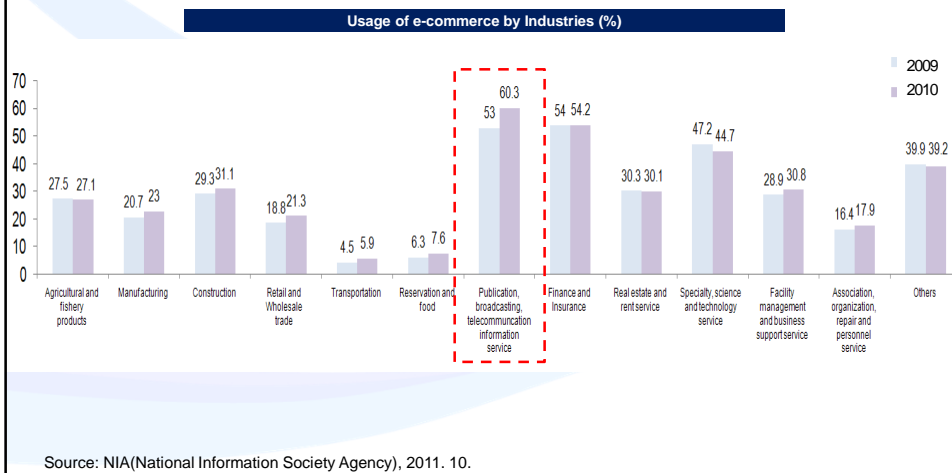
**Reduction of Treatment Cost (53.1%)**

Source: NIA(National Information Society Agency), 2011. 10.

- 4 -

## I. e-Commerce in Korea

### Usage of e-Commerce by Industries



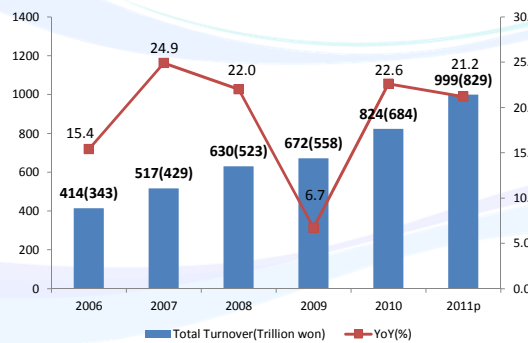
- 5 -

## II. e-Commerce in Korea

### Scale of e-commerce

Total e-commerce turnover was KRW 999 trillion (US\$ 829bn) in 2011

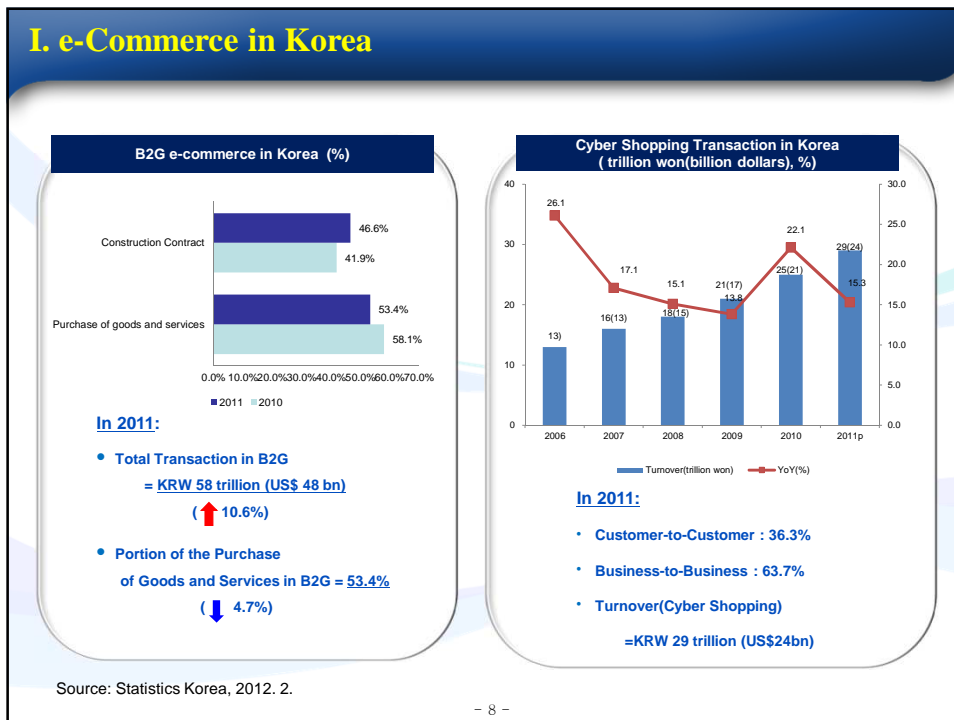
Status of e-commerce in Korea (trillion won(billion dollars), %)



- 6 -



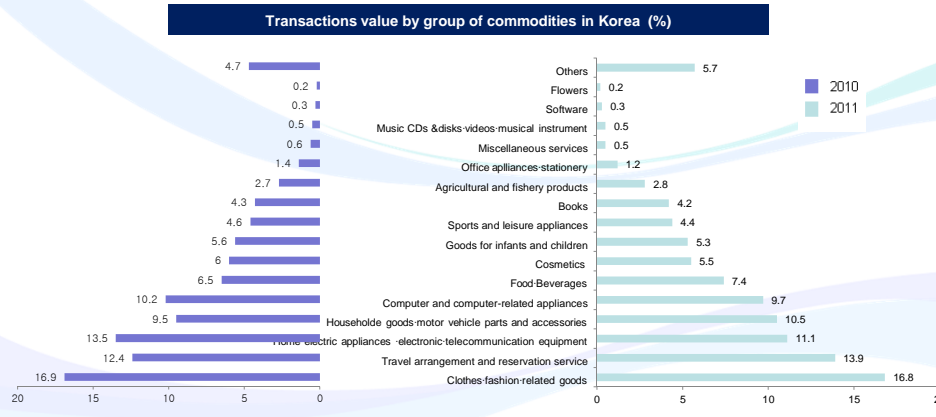
- 7 -



- 8 -

## I. e-Commerce in Korea

### Transactions Value by Group of Commodities



Source: Statistics Korea, 2012. 2.

- 9 -

## I. e-Commerce in Korea

### Factors of e-Commerce Vitalization in Korea

- **Advanced broadband and high level of internet users**
- **Secured personal identity authentication**
- **Tightened Regulation for the Consumer Protection**
- **Strategic Significances of e-commerce to all sized businesses**

- 10 -

## II. Measuring methodology

### Measuring Methodology of e-Commerce

#### e- Commerce Survey

##### Method of e-Commerce Survey

- **Interviewing Survey** by Statistics Korea's regional and branch offices
- **Electronic Survey** using CASI(Computer-Assisted Self-Interviewing)

Category	Classification	Detail	Survey
e-Commerce Survey (Quarterly)	B2B	<ul style="list-style-type: none"> <li>• Complete enumeration survey(1,368 Companies)</li> <li>• Listed companies, KOSDAQ * listed companies, Public companies, e-market places, other e-Commerce companies</li> </ul>	<ul style="list-style-type: none"> <li>• Total buying and selling transactions</li> </ul>
	B2G	<ul style="list-style-type: none"> <li>• Public Procurement Service, Defense Acquisition Program Administration, Korea Post</li> <li>• Administration data of Public Procurement Service are used</li> </ul>	<ul style="list-style-type: none"> <li>• The transaction value of 'Purchase of goods and services' and 'Construction contract'</li> </ul>
Cyber Shopping mall Survey (Monthly)	B2C, C2C	<ul style="list-style-type: none"> <li>• Sampling Survey(cyber shopping malls with ability to sell products over the internet)</li> <li>• 1,026 Cyber Shopping malls(2<sup>ND</sup> Quarter, 2012)</li> </ul>	<ul style="list-style-type: none"> <li>• The transaction by products, payment mode, delivery mode.</li> </ul>

\*Korea Securities Dealers Automated Quotation

- 11 -

## II. Measuring methodology

### Issues of e-Commerce Survey

- **Lack of Monitoring Systems**
  - Companies continuously come and go
- **Selection of Survey respondents**
  - Quality of Survey
- **Need of Cooperation Network**

- 12 -

### III. e-Commerce & ICT Policy in Korea

#### The effect of e-commerce on ICT Policy in Korea

- **Reform the Regulation in e-Commerce**
  - Use as political information
  - Legislation (e.g. Act on the Consumer Protection in the Electronic Commerce Transactions)
- **Introduce the scheme to vitalize the e-Commerce**
  - Respond to consumers demand
  - Contribution to the development and innovation of ICT

- 13 -

### IV. Implication

- **Outstanding ICT Infrastructure in Korea**
- **Combination of traditional commerce and other e-commerce**
- **Needs of Provisions for Information Protection**

- 14 -



## V. Appendix

### Korea Association for ICT Promotion

- **Established in 1987**
- **An Affiliated organization of Korea Communications Commission**
- **Manages and controls ICT policies in Korea**
- **Produces and analyzes ICT statistics & Indicators**

- 15 -

## V. Appendix

### ICT Trend in Korea

#### Trend of the ICT industry growth rate (unit : %)

- **ICT became the core tool to proactively cope with future uncertainty and crises.**
- \* ICT made the greatest contribution in overcoming the IMF crisis in 1998 and the world financial crisis in 2008.
- **The ICT industry occupied 8.0% of the domestic GDP in 2011.**
- \* The ICT industry achieved a 9.6% annual average growth rate since 2006, which was far above the GDP growth rate of the same period (3.8%).

Source: Bank of Korea & KAIT(Korea Association for ICT Promotion) (2012)

#### Trend of the ICT Imports and Exports (unit : US\$ 1bn, %)

- **Korea recorded a trade surplus in ICT goods and services of US\$ 78 billion in 2010, and US\$ 75 billion in 2011.**
- **Comparing this amount with Korea's total trade surplus during the same year of US\$ 33 billion gives a very good idea just how important the contribution of ICT is.**

Classifications		2006	2007	2008	2009	2010	2011
Exports	Total exports	325	371	422	364	466	558
	ICT exports	119	130	131	121	154	157
	ICT's share of total exports	36.6%	35.0%	31.0%	33.3%	33.0%	28.1%
Imports	Total imports	309	357	435	323	425	524
	ICT imports	65	70	73	62	76	82
	ICT's share of total imports	21.0%	19.6%	16.8%	19.2%	17.9%	15.5%
Overall trade balance		16	15	-13	40	41	33
ICT trade balance		54	60	58	59	78	75

- 16 -

