

## On-line Shopping on the Increase: KCCI Survey

The number of people visiting social commerce for online shopping is increasing, according to a 2011 Survey on Internet Consumer Trend conducted by the Korea Chamber of Commerce and Industry (KCCI).

The KCCI, in association with Rankey-dot-com researched the '2011 trend of internet consumers' through the data of approximately seventeen-thousand visitors of online shopping malls. A summary of the major findings of the survey are outlined below.

The number of social commerce visitors increased 124.6% compared to last year and the 'internet shopping malls operated by large supermarket chains'(38.5%), 'open market'(13.1%), 'comprehensive shopping malls' (8.3%) visitor number also increased.

Some 42.3% of the social commerce visitors was shown to be in their 30s, 34.7% were in their 20s, mostly the younger generations, 14.7% were in their 40s, and 4.8% were in their 50s or beyond, with only 3.5% of teenagers.

The KCCI said "as new IT cultures such as smart phones and SNS are spreading, visits by consumers with high information power have increased" and also analyzed that "the marketing strategy of social commerce, such as randomly changing discount products and providing extraordinary discount rates, have stimulated the curiosity and expectations of the young generation."

An official in online business community analyzed that "general online shopping malls are mostly utilized in afternoon hours to make price comparisons for purposeful

purchases such as clothing, home appliances, and foods. Social commerce mostly checked in the morning hours is due to the anticipation and anxiety resulting from the fact that the discount products change everyday with the time and quantity limited."

'Large Market Shopping Malls' operated by large supermarket chains also had an increased number of visitors (38.5%). A KCCI representative interpreted that the "online sales, which initially started for the purpose of diversifying business due to the slowdown of the growth of large supermarket industry, are receiving a positive response from the consumers" and "thus the business is rapidly growing around busy young working couples because delivery service for repetitive purchases of daily necessities or heavy items to homes is convenient for the consumers."

In the case of specialty malls, which sell certain products, the number of visitors increased the most in 'cell phone shopping malls' (59.3%) which seems to have been boosted by the popularity of smart phones, followed by 'cosmetics and beauty products' (56.4%), 'food and health' (48.7%), 'fashion and accessories' (38.4%), and 'luxuries' (31.0%).

President of the KCCI Institute of Distribution and Logistics Kim, Moo-young said that "as purchasing by internet became routine and the form of online shopping is rapidly evolving, establishing competitiveness solely by offline stores is limited" and advised that "not only large enterprises, but also small and medium sized enterprises should amplify contact points with consumers through various channels, such as internet and mobiles, in order to survive in the market."