



E-Commerce Industry, Foundation of Smart Logistics

The e-commerce industry benefits the most from the development of smart logistics and also leads the development of the smart logistics industry at the same time. Smart logistics, which aims to improve delivery speed and accuracy using AI, has dramatically improved e-commerce delivery speed and accuracy. Also, it has attracted more consumers to the e-commerce industry.

Invest Korea will take a look at Korea's e-commerce industry, which is leading the global market.

Korea at a Glance



* Source: Bank of Korea, Statistics Korea, emarketer.com

Korea's E-Commerce Industry

Paradoxically, social distancing during the pandemic has led the growth of the e-commerce market in Korea. Before the pandemic, e-commerce was regarded as the exclusive property of young people in Korea, but during the pandemic, the middle-aged population's use of e-commerce was expanded and the growth of the e-commerce market was accelerated. In 2022, Korea's e-commerce market possess 32.2% (Source: emarketer.com), ranking third in the world after China (46.3%) and the UK (36.3%).

E-Commerce Market in Korea

(Unit: USD bil.)



Recent E-Commerce Market Trends in Korea

Starting with group buying-based social commerce, Korea's e-commerce market has evolved into open markets. Gmarket and Auction, led by foreign-invested company eBay Korea, were the leaders of the open market, while Korean platforms such as 11th Street appeared as latecomers.

The Korean e-commerce market, which mainly operated as a B2C (Business to Consumer) market, has recently evolved into a C2C (Consumer to Consumer) market. One-person media based on SNS is developing into a one-person market, and various items such as special offer products and used goods are traded in the C2C market.

The spread of fast delivery services, including so-called “rocket delivery” and “dawn delivery,” is also noteworthy. Fast delivery services started by startups such as Coupang and Kurly are gradually expanding their scope of use, and online retailers are expanding cooperation with the fulfillment industry to improve delivery efficiency.

Key E-Commerce Platform

All of the top five e-commerce companies are in the open market. Coupang, a leading company, started as a social commerce platform in 2013, and has evolved into an open market company and continued to grow with aggressive investment. SSG, a Korean offline distribution conglomerate, recently acquired Gmarket and Auction, the second and fourth largest companies, from U.S. company eBay, and is gradually expanding its online market share.

Top 5 E-Commerce Sites

					
Operator	Coupang	SSG	Eleven Street	SSG	Interpark
Type	Open Market				
Establishment	2013	2000	2008	2000	1997
Annual Revenue*	USD 11.60 B	USD 1.04 B	USD 0.45 B	USD 1.04 B	USD 0.14 B
Website	www.coupang.com	www.gmarket.com	www.auction.com	www.11st.co.kr	www.interpark.com

* Selected according to the number of PC site visitors in Feb. 2022 by koreanclick.com

* Source: Kisline (Annual revenue is not just for the website, but for the operator)

A Cornerstone of E-Commerce Growth, the Fulfillment Industry

The fulfillment industry collects customer's order information from various marketplaces in real time and links it to its warehouse management system to handle order processing, inventory management, and delivery services. It is based on digital technologies such as cloud and artificial intelligence (AI), which allow information sharing of the entire supply chain.

E-commerce companies in Korea deliver about 60 percent (Source: Eugene Investment) of e-commerce transactions, excluding non-serviceable items such as service and fresh food, using full-film services.