

**Voluntary Report** – Voluntary - Public Distribution

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## **Report Name:** South Korea Food Ecommerce Market

**Country:** Korea - Republic of

**Post:** Seoul ATO

**Report Category:** Beverages, Coffee, Dairy and Products, Avocado, Canned Deciduous Fruit, Dried Fruit, Fresh Deciduous Fruit, Fresh Fruit, Kiwifruit, Raisins, Stone Fruit, Strawberries, MISC-Commodity, Agricultural Situation

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### **Report Highlights:**

E-commerce is one of the largest retail channels and an essential component of the overall consumer market in Korea. Food related online sales in 2023 including food, agricultural products, and food delivery services was once again the largest category, occupying about 30 percent of the total online sales for three consecutive years. Korean consumers in their 30's living alone reported that they purchased more groceries online than offline, and purchased food online, on average, five times a month. While shelf-stable food including water, grains, and processed food has been the major food category shopped online, home meal replacement and fresh food categories are growing rapidly. NOTE: This is a corrected report. The previous report was published on December 30, 2024. This report corrects the percentages listed in Figure 2 and Figure 3 on page 4.

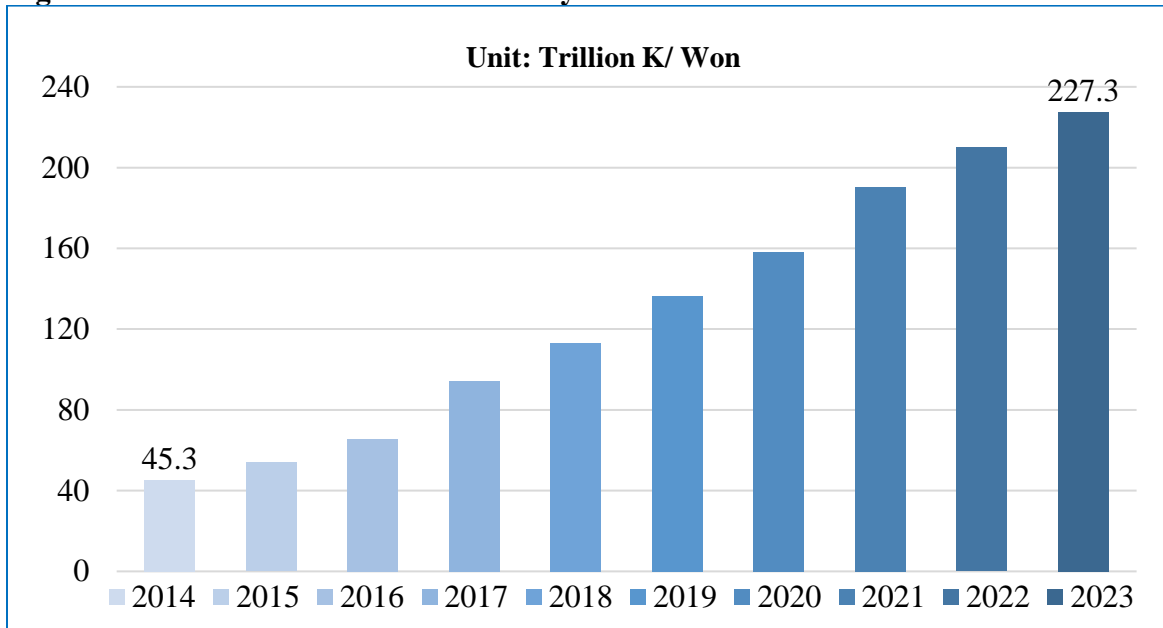
## SECTION I. KOREA'S E-COMMERCE MARKET

As of 2023, including mobile phone uses, 99.97 percent of Korean households had access to the Internet. The expansion of internet service and increased mobile accessibility for Korean households drove the substantial growth (on a transaction value basis) of Korea's e-commerce market over the past decade.

### 1. Online Sales of Korea

While the large distribution companies experienced a slowdown in offline activity during the COVID pandemic, they were hopeful that it would recover as the pandemic ended and social distancing requirements relaxed. However, offline retailers continue to cede sales to e-commerce dealers, likely due to the convenience and variety available online. According to the National Statistics Office, the total e-commerce transaction of Korean retail industry in 2023 reached a record 227 trillion Korean won, showing around a 20 percent Compound Annual Growth Rate (CAGR) over the last 10 years as demonstrated in Figure 1.

**Figure 1 - Online Retail Sales of Korea by Year**



Source: Korea National Statistics Office (NSO, <http://kosis.kr>)

The products most frequently sold online from Korean retailers in 2023 included food and beverage (13.1%), food services (11.6%), travel and transportation services (10.6%), home appliances and electronics (9.3%), clothing (8.8%), household items (7.7%), cosmetics (5.3%), agricultural, livestock and fishery products (4.8%), and e-coupon services (4.3%).

Table 1 shows an analysis of top retail e-commerce sales by product categories along with information on market growth. In 2023, foods e-commerce took the first place of the list showing a 12 percent year-on-year increase and a 21 percent CAGR from 2018 through 2023.

**Table 1 - 2023 Sales of Retail E-Commerce by Product Category**

Category	Category Value (KRW Billion)	Current Year Growth	% CAGR 2018-2023
<b>Foods E-Commerce</b>	<b>40,805.9</b>	<b>12.2%</b>	<b>20.9</b>
Appliances and Electronics E-Commerce	22,598.4	-2.0%	12.3
Fashion E-Commerce	19,742.8	-1.2%	12.4
Apparel and Footwear E-Commerce	14,658.6	-3.6%	11.6
Health and Beauty E-Commerce	14,386.1	7.2%	10.4
Toys and Games E-Commerce	9,373.3	-6.7%	10.3
Beauty and Personal Care E-Commerce	9,272.1	7.2%	10.1
Consumer Electronics E-Commerce	6,975.1	2.1%	15.5
Home Products E-Commerce	6,422.1	4.4%	12.3
Consumer Appliances E-Commerce	6,250.0	1.2%	12.2
Personal Accessories E-Commerce	4,833.2	6.6%	15.1
Drinks and Tobacco E-Commerce	3,901.9	25.0%	34.4
Home and Garden E-Commerce	3,153.2	0.3%	6.2
Consumer Health E-Commerce	2,887.5	11.6%	9.7
Tissue and Hygiene E-Commerce	2,226.5	1.9%	12.4
Pet Care E-Commerce	2,006.9	7.8%	18.9
Home Care E-Commerce	1,262.1	10.3%	25.1
Eyewear E-Commerce	250.9	8.8%	14.7
Other Products E-Commerce	90,788.3	17.6%	16.4

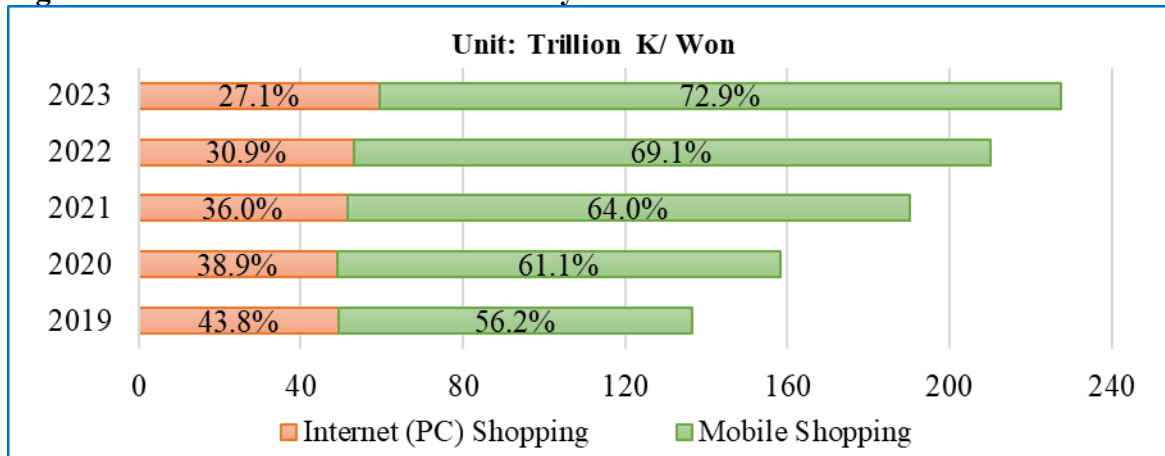
Source: <https://www.portal.euromonitor.com/portal/analysis>

## 2. Mobile Shopping

The recent mobile revolution led by smartphones has transformed the mainstream of Korea's e-commerce market into mobile. According to a study on the uses of telecommunication media in 2022, 93.4 percent of Korean population had smartphones, and almost 100 percent of Koreans between 10 and 49 years old had smartphones<sup>1</sup>. In 2023, purchases from mobile platforms made up 74 percent of the total e-commerce market value while internet shopping on personal computers (PC) took the remainder. Figure 2 shows the mobile shopping versus internet shopping trends in Korea for the past five years.

<sup>1</sup> [Korea Communications Commission \(KCC\)](#)

**Figure 2 - Online Retail Sales of Korea by Tool**

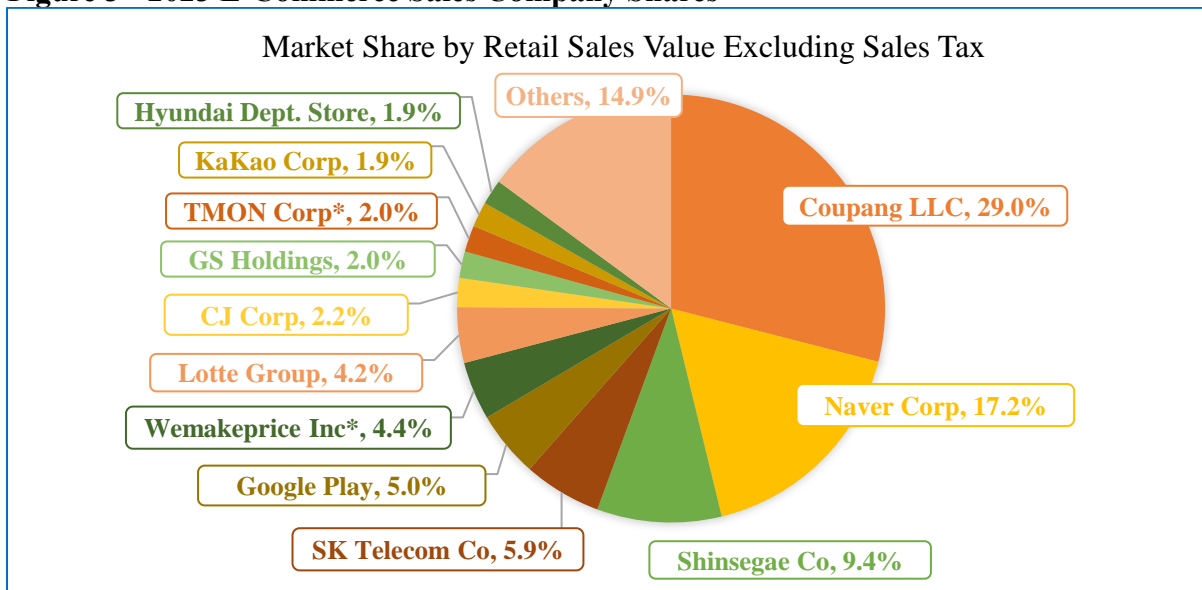


Source: Korea National Statistics Office (NSO, <http://kosis.kr>)

### 3. E-commerce Leaders of Korea

Recent years, dedicated e-commerce companies have taken leadership of the Korean retail market from the large offline-based distributors. Coupang has surpassed E-Mart in both sales and operating profit starting from the first quarter of 2023. Naver, one of the top two internet omni portals of Korea, has been showing steady growth in its e-commerce sales. Based on the retail value excluding sales tax, Figure 3 shows company shares in Korea’s major retail e-commerce industry as of 2023, the latest possible annual data.

**Figure 3 - 2023 E-Commerce Sales Company Shares**



Source: Euromonitor E-commerce Retail Data ([www.euromonitor.com](http://www.euromonitor.com))

\* Two companies are owned by Qoo10 Korea LLC based in Singapore, which received a liquidation order from a Singapore court in November 2024. Qoo10 Korea failed to reimburse the sales values to its dealers including Korea Culture Promotion Agency, due to financial hardship. According to local media, the total unsettled amount of the two companies could reach 1 trillion Korean won as of October 2024.

#### **4. Cross Border E-commerce**

Direct online purchases from overseas have also increased as growing number of price-sensitive Korean consumers purchase more varieties of products through foreign e-commerce platforms. Omni-brand online retailers such as Amazon.com and eBay used to be the most popular foreign online shopping channels for Korean buyers putting the United States as number one partner for many years.

In 2023, however, Chinese e-commerce channels such as Ali Express and Temu reinforced their penetration into the market, more than doubling their sales to Korean consumers. Korea's cross-border e-commerce purchasing value for the year 2023 reached \$5.2 billion and China took a 48.7 percent share, surpassing the U.S. (27.5%) for the first time. During the local economy downturn and resulting stagnation, the influence of Chinese e-commerce platforms armed with price competitiveness is expected to continue.

The most popular products sourced from foreign online retailers by Koreans in 2023 were apparel and fashion goods (45.7%), food and beverage (22.2%), home appliances and electronics (6.3%), and household and automobile supplies (6.2%). The top products sold through this channel vary depending on the originating country. For example, the largest product category that came from the United States was food and beverage (53.9%), followed by apparel and fashion goods (21.9%) while Chinese top product category was apparel and fashion goods (58.4%), followed by home appliances and electronics (8.4%)<sup>2</sup>.

For more detailed information on Korea's cross border e-commerce market, please refer to [International Market Insight \(IMI\) report describing how Koreans purchase via foreign online retailers](#) published by Commercial Service Korea in the U.S. Embassy Seoul in September 2023.

## **SECTION II. KOREA'S ONLINE FOOD MARKET – A KEY CHANGER OF E-COMMERCE**

### **1. Online Food Sales Trends**

When it comes to grocery, Korean consumers have preferred to see them in person before making choices. However, the market situation has changed drastically due to COVID-19 and during the pandemic, food and agricultural products had the highest sales growth for online shopping. Consumers experienced the convenience of purchasing food online which they had unwillingly begun due to social distancing. Throughout and even after the pandemic, Korean consumers continuously purchase their food online, and this type of grocery shopping has now become part of their daily lives. There are many consumers who purchase their routine groceries on-line, rather than occasionally ordering specific items from specialty vendors.

Before COVID-19, food delivery services occupied only 2.2 percent of the total e-commerce sales, while travel and transportation services were the most popular items. However, food delivery services have gained popularity among Korean consumers dining at home during the prolonged pandemic, and food delivery platforms have increased their sales in recent years by partnering with

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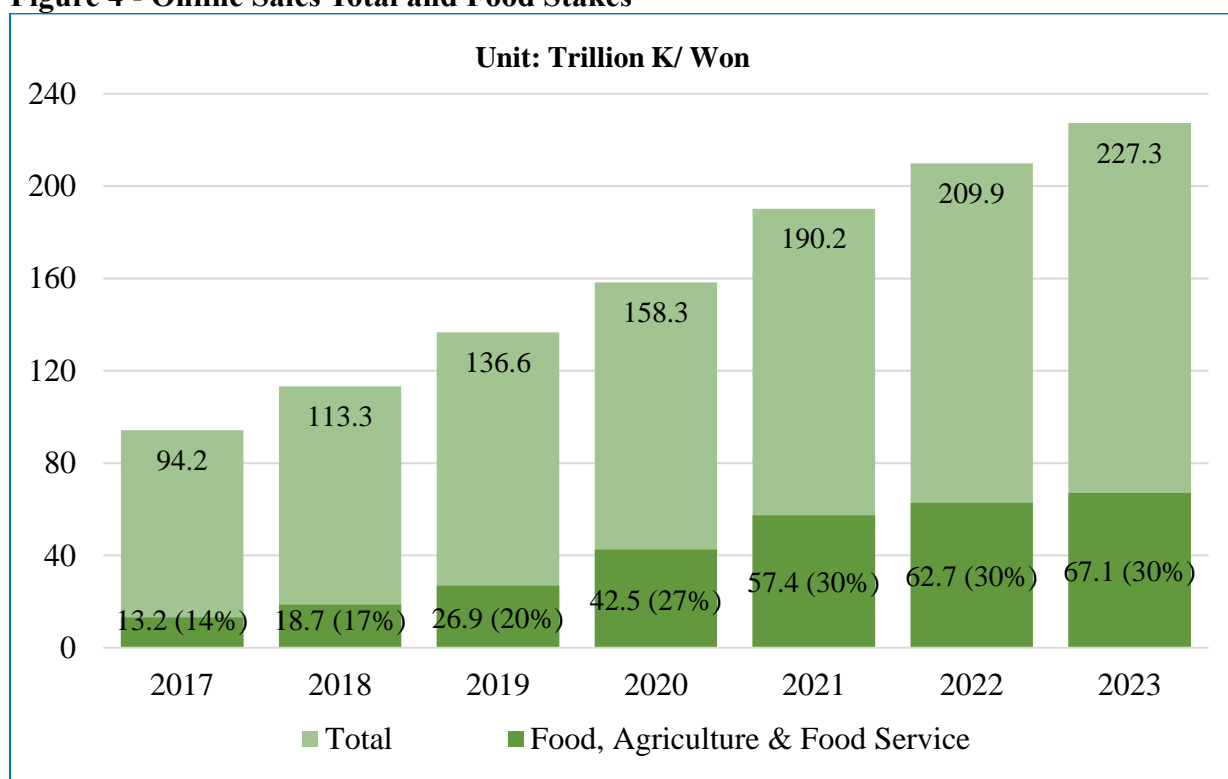
<sup>2</sup> [Korea National Statistics Office](#)

more restaurants and offering wider range of menus. In 2023, food delivery services were one of the top selling categories through Korean e-commerce platforms, representing 11.6 percent of the total e-commerce value.

According to the Korea Statistics Service, food related online sales in 2023 including food, agricultural products, and food delivery services became the largest category sold online occupying about 30 percent of the total sales for the recent three consecutive years.

In 2017, food related online sales took only 14 percent of the total sales but over the course of pandemic, it steadily increased to 30 percent. Figure 4 shows the growth of overall online sales, food related online sales from 2017 through 2023 and the share of food related items in percentage.

**Figure 4 - Online Sales Total and Food Stakes**







Source: Korea National Statistics Office (1 Trillion Won = \$0.75 Billion USD)

## 2. Major Leaders of Online Food Market

In Korea, grocery supermarkets have long been the leading food retail channel. However, over the past year, the landscape of Korean retail industry’s food sales has substantially changed due to socio-economic and demographic changes. As purchasing food through mobile devices becomes a new routine, online sales of grocery items have steadily grown. Retail food businesses have continuously reorganized their physical and on-line channels to correspond with consumers’ rapidly changing buying patterns.

Table 2 lists some major players of Korea’s online food market with annual food sales data for 2023.

**Table 2 - Korea’s Major Food E-Commerce Retailers (2023)**

Company / Brand Name	Food Sales (Billion K/won)	Website
Coupang LLC / Coupang 	5,032	<a href="http://coupang.com">coupang.com</a>
E-mart Co. / SSG.com 	3,002	<a href="http://ssg.com">ssg.com</a>
Kurly Corp. / Market Kurly 	2,100	<a href="http://kurly.com">kurly.com</a>
Oasis Co. / Oasis Market 	333	<a href="http://oasis.co.kr">oasis.co.kr</a>

Source: Company IR reports, company internet homepages, Hana Securities Research Center

For further information about the Korean TV shopping channels selling food through their online malls, please refer to [Korea Retail Foods Report 2024](#).

### 3. Who is Buying Food Online?

As of 2023, the total population of Korea was 51.6 million and households are getting smaller and older. One member households accounted for 35 percent of all Korean households and the average number of family members per household was only 2.33. In smaller households, the “adult” family member(s) maybe working outside and have less time to do grocery shopping offline during the weekdays.

In 2023, Korean consumers in their 30’s living alone reported that they resort to more online channels than offline to purchase grocery items.<sup>3</sup> From the same survey, the average monthly frequency of purchasing food online was 4.96 times. The most frequent online food shoppers were in their 40’s and the more family members they have, the more often they shopped groceries online. This consumer group purchased the most varieties of grocery items online and shopped more instant noodles, processed food, sauces and condiment, and milk and dairy products than any other consumer generation.

Korean consumers from 20-39 more actively purchased dietary and health food online than any other consumer groups.

### 4. What Food is Selling Online?

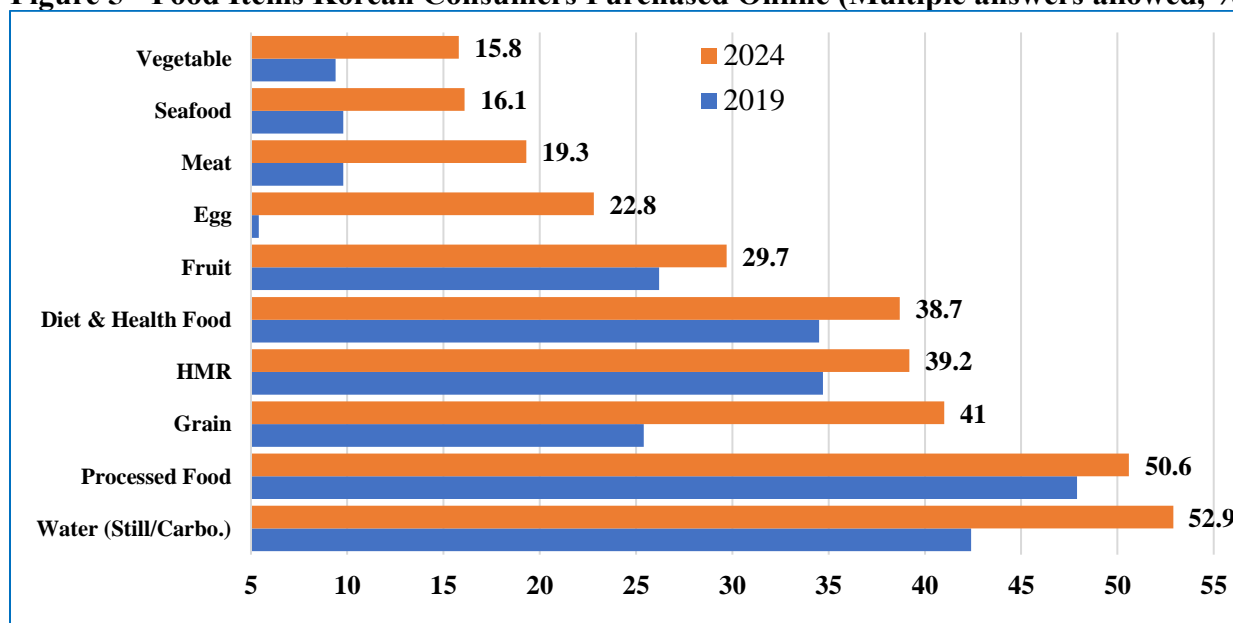
A recent consumer survey in 2024 revealed that the top two important reasons for Korean food shoppers to choose online channels were good price (22.8%) and fast delivery (22.4%), followed by

<sup>3</sup> [www.opensurvey.co.kr](http://www.opensurvey.co.kr)

quality (21%) and convenience (19.5%).<sup>4</sup> With such a highly developed delivery system, Korean e-commerce companies provide almost every food product category online except certain alcoholic beverages. From fresh strawberry to ice cream, Korean consumers order groceries online and get the delivery within a couple of days or even on the same day.

Respondents from the consumption behavior survey replied that they often purchase water (53%) and processed food (51%) online, followed by grain (41%), and home meal replacement (HMR) products (39%). Figure 5 is a comparison of what food items Korean consumers purchased online in 2019 and 2024 respectively.

**Figure 5 - Food Items Korean Consumers Purchased Online (Multiple answers allowed, %)**



Source: Korea Rural Economic Institute (KREI) Food Consumption Behavior Survey 2024

Another noticeable change in the recent online food market from the above chart, is the rapid growth of fresh food category. In the past, shelf-stable processed foods such as precooked rice, instant noodles, and canned foods that are relatively easier to store and deliver while guaranteeing uniform quality were the most popular online grocery items. However, Korean online retailers have developed new packing and handling methods to carry more fresh categories as illustrated in the photos below and online purchase of fresh food including vegetable, seafood, meat, and egg products has considerably grown between 2019 and 2024.



Photo: (L) Purple Box by Kurly.com for fresh/chilled food; (R) Fresh eggs in air cell for safe delivery

<sup>4</sup> [Korea Rural Economic Institute \(KREI\) Food Consumption Behavior Survey 2024](#)



## 5. Major Food Buying Holidays

Korean consumers tend to purchase and exchange more food items as gifts during major traditional Korean holidays. They also celebrate Western holidays, anniversaries, and days with specific themes throughout the year as follows.

Month/Date	Name of the Day	Major Gifted Food Items
January (February)	Lunar New Year's Day <sup>5</sup>	Meat, Health Food, Cooking Oil, Nuts, Traditional Alcoholic Beverage, Wine, Coffee & Tea
February 14	St. Valentine's Day	Chocolate, Sweets
March 14	White Day	Mint Candy, Chocolate
May 8	Parents Day	Health Food, Supplements
September (October)	Chusok (Korean Thanksgiving) <sup>6</sup>	Meat, Fruit, Health Food, Cooking Oil, Specialty Grains, Traditional Alcoholic Beverage, Wine
November	Pepero Day (11/11), Korean College Entrance Examination Day (second Thursday)	Chocolate Dipped Pretzel, Cookies, Sweets, Toffee, Sticky Rice Cake
December	Advent, Christmas Day	Chocolate, Cake, Cookies, Sweets, Cheese, Coffee & Tea, Wine, Hard Liquor

When purchasing from foreign online shopping channels, Koreans also follow foreign countries' buying holidays, such as China's Singles' Day (November 11- Guang Gun Jie) and Black Friday in the United States to enjoy better prices. Korean e-commerce companies also throw heavy sales campaigns under the same or similar titles around these promotion periods.

## SECTION III. OPPORTUNITIES FOR U.S. IMPORTED FOOD AND BEVERAGE PRODUCTS

The outlook for U.S. products in the Korean online retail industry is excellent for a wide range of products, including beef & beef products, pork & pork products, food preparations under HS2106, fresh fruit (orange, cherry, lemon, other citrus), dairy products, tree nuts, coffee beans, processed fruit, chocolate & cocoa products, petfood, and sauces & condiments.

Table 4 shows top 15 consumer ready food products Korea imported from the United States in 2023 and comparison of year-to-date trade values for 2023 and 2024. Out of the 15 product groups, only 3 categories including meat products (guts, offal, and sausage), bakery goods, and wine showed

<sup>5</sup> The date fluctuates between late January and early February following the year's lunar calendar days.

<sup>6</sup> The date is August 15 in lunar calendar every year and fluctuates between late September and early October.

negative growth. The average export growth of BICO Consumer Oriented Agricultural Products to Korea marked 11% for the same period.

**Table 4 - Top 15 U.S. Consumer Ready Food Exported to Korea by Value (\$1,000)**

<b>Rank</b>	<b>Product Description (BICO, 6-digit HS code groups)</b>	<b>CY 2023</b>	<b>CY 2023 (Jan-Oct)</b>	<b>CY 2024 (Jan-Oct)</b>	<b>Growth '24/ '23</b>
<b>1</b>	<b>Beef &amp; Beef Products</b>	2,102,981	1,725,482	1,789,637	<b>4%</b>
<b>2</b>	<b>Pork &amp; Pork Products</b>	621,180	484,352	609,635	<b>26%</b>
<b>3</b>	<b>Soup &amp; Other Food Preparations</b>	362,257	302,016	421,884	<b>40%</b>
<b>4</b>	<b>Fresh Fruit</b>	331,346	311,468	350,789	<b>13%</b>
<b>5</b>	<b>Dairy Products</b>	320,330	266,773	326,694	<b>22%</b>
<b>6</b>	<b>Tree Nuts</b>	269,453	215,760	233,616	<b>8%</b>
<b>7</b>	<b>Processed Vegetable</b>	170,463	140,978	143,617	<b>2%</b>
<b>8</b>	<b>Coffee, Roasted and Extracts</b>	120,870	97,508	109,172	<b>12%</b>
<b>9</b>	<b>Processed Fruit</b>	88,137	74,645	87,801	<b>18%</b>
<b>10</b>	<b>Meat Products NESOI</b>	85,710	70,434	56,914	-19%
<b>11</b>	<b>Bakery Goods, Cereals &amp; Pasta</b>	68,775	57,394	55,051	-4%
<b>12</b>	<b>Wine &amp; Related Products</b>	67,765	56,576	43,861	-22%
<b>13</b>	<b>Chocolate &amp; Cocoa Products</b>	48,314	39,672	42,235	<b>6%</b>
<b>14</b>	<b>Dog &amp; Cat Food</b>	42,410	33,393	38,279	<b>15%</b>
<b>15</b>	<b>Condiments &amp; Sauces</b>	41,164	33,959	35,387	<b>4%</b>

Source: FAS/USDA/GATS/BICO – Standard Query, Compiled by ATO Seoul. FOB value.

## **SECTION VI. KEY CONTACTS AND FURTHER INFORMATION**

For assistance in reaching out to Korean import distributors and retail buyers, please contact [the United States Agricultural Trade Office \(ATO\) Seoul](#). ATO Seoul offers various marketing tools and trade facilitation help to U.S. suppliers and provides up-to-date information about Korea’s food and agricultural market on its website ([www.atoseoul.com](http://www.atoseoul.com)), including:

- Annual reports and periodic briefs on key products and industries
- [Korea’s Agricultural Import Statistics](#): monthly updates on Korean agricultural imports (four-digit HS product code level). Both U.S. export data (FOB value) and Korean import data (CIF value) are provided.
- Local media food news clippings and contact information for industry organizations

Suppliers should also make sure that their products meet Korean food regulations and standards. For assistance in identifying or resolving regulatory issues, please contact [the Office of Agricultural Affairs \(OAA\) Seoul](#).

#### **USDA/FAS Offices in the U.S. Embassy Seoul**

<b>Agricultural Trade Office Seoul (ATO)</b> Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea <a href="http://www.atoseoul.com">http://www.atoseoul.com</a>	Phone: +82-2 6951-6848 Email: <a href="mailto:atoseoul@usda.gov">atoseoul@usda.gov</a>
<b>Agricultural Affairs Office, Seoul (AAO)</b> Address: U.S. Embassy, 188 Sejong-daero Jongro-gu, Seoul, Korea <a href="https://kr.usembassy.gov/agricultural-affairs/">https://kr.usembassy.gov/agricultural-affairs/</a>	Phone: +82-2 397-4297 Email: <a href="mailto:agseoul@usda.gov">agseoul@usda.gov</a>

#### **U.S. Animal Plant and Health Inspection Service Seoul (APHIS)**

Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea  
Phone: +82-2 725-5495                      E-mail: [yunhee.kim@usda.gov](mailto:yunhee.kim@usda.gov)

#### **USDA Cooperators, SRTG, State Offices and AMCHAM in Korea**

[USDA Cooperators in Korea](#)

[U.S. State Regional Trade Groups \(SRTG\)](#)

[U.S. State Offices in Korea](#)

[American Chamber of Commerce \(AMCHAM\)](#)

#### **Host Country Government**

[Ministry of Agriculture, Food and Rural Affairs \(MAFRA\)](#)

[Ministry of Foreign Affairs \(MOFA\)](#)

[Ministry of Food and Drug Safety \(MFDS\)](#)

[Ministry of Trade, Industry and Energy \(MOTIE\)](#)

#### **Attachments:**

No Attachments.