



**Asia-Pacific
Economic Cooperation**

2019/CTI/WKSP8/004

Session: 3

Opportunities and Challenges of the E-Commerce Sector – From the Perspectives of Entrepreneurs

Submitted by: Interpark



**Free Trade Area of Asia-Pacific Capacity
Building Workshop on E-Commerce Elements
in Free Trade Agreements and Regional Trade
Agreements
Seoul, Korea
17-18 September 2019**

e-Commerce



INDEX

The background of the slide is a photograph of numerous hot air balloons of various colors (blue, green, yellow, red, and striped) floating in the sky over a landscape of unique rock formations, characteristic of Cappadocia, Turkey. A solid red horizontal banner is positioned at the top of the slide, containing the word 'INDEX' in white, bold, uppercase letters.

- Introduction of Interpark
- e –Commerce Market
- e-Commerce Platform
- Opportunities and Challenges



#1 Introduction of Interpark

“Leading e-commerce player in Korea”

Interpark total **daily average visitors 2.5M!**
25M Interpark members (about 49% of total population)

No.1 Online
Travel Agency



- Air Ticket, Hotel, Touring Service, Things to do



The first online
Shopping mall

- B2C, B2B, C2C
- ChatBot Service
- CBT Service

Interpark



No.1 Online
reservation service



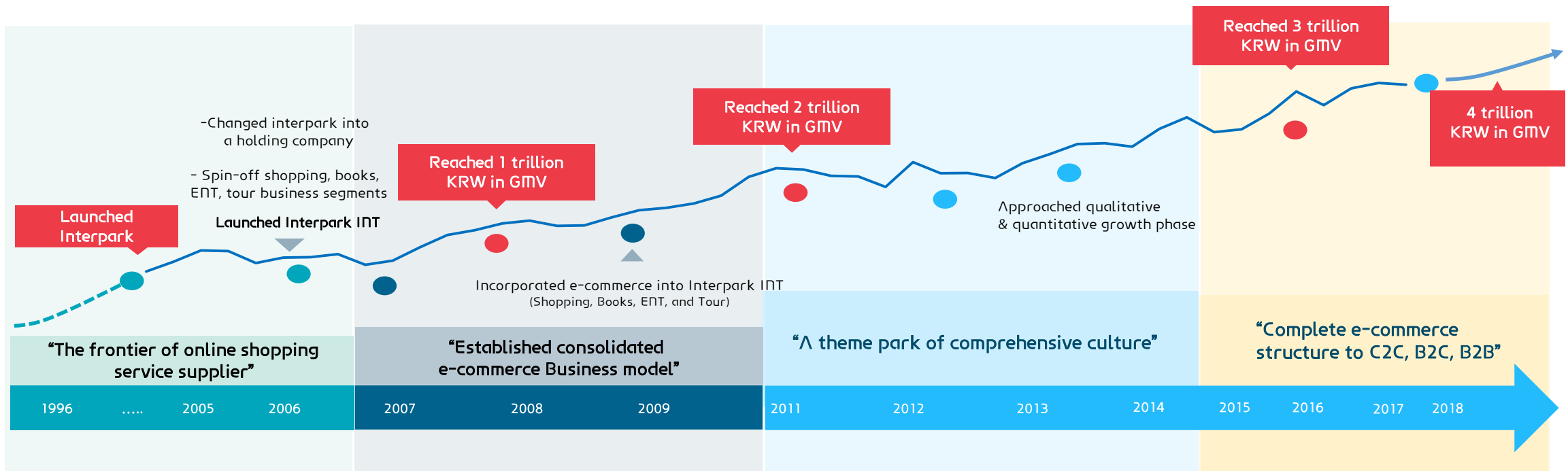
- Own Performance Venues
- Performance Contents
- Global Ticket Selling Platform



No.3 Online
book store

From the frontier of online shopping service to “representative of Korea e-commerce company”

Interpark has navigated e-commerce market as the first online shopping mall





#2 e-Commerce Market

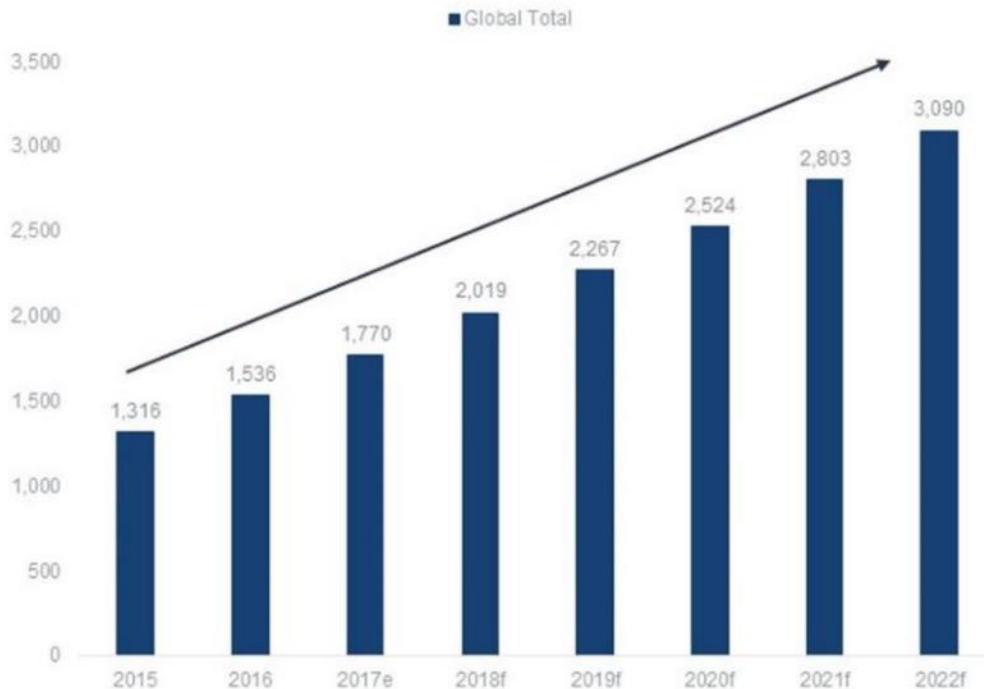
Global e-commerce growth

Global e-commerce sales will continue to grow.

E-Commerce Sales Forecast

Global e-Commerce Market To Hit USD3trn By 2022

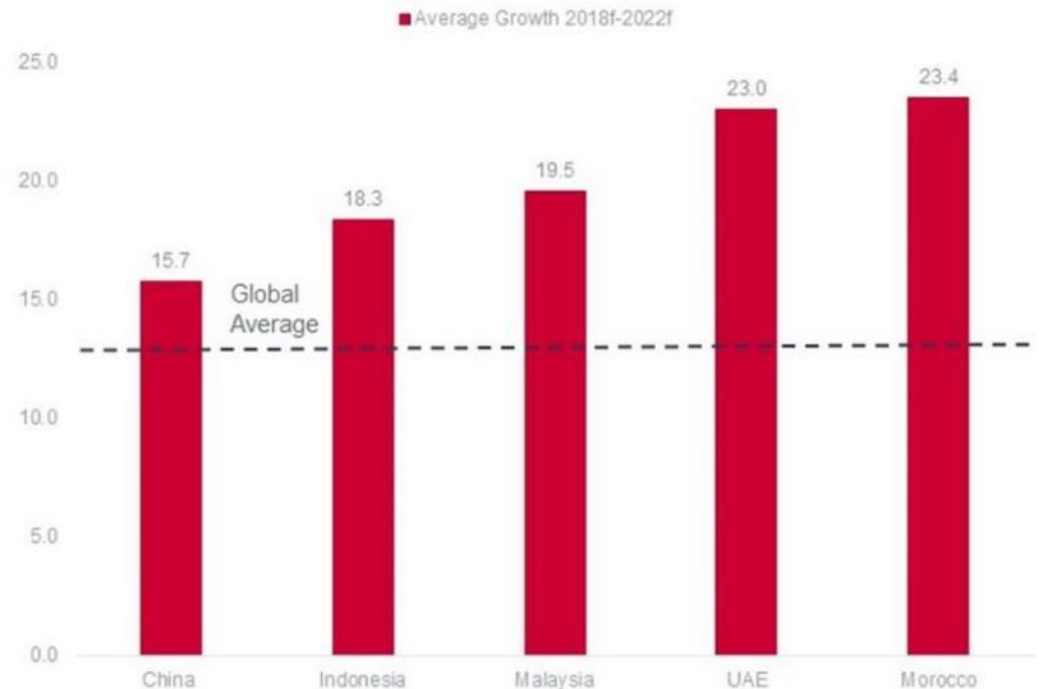
Global e-Commerce Sales (USDbn)



e/f= estimate/forecast. Source: Fitch Solutions

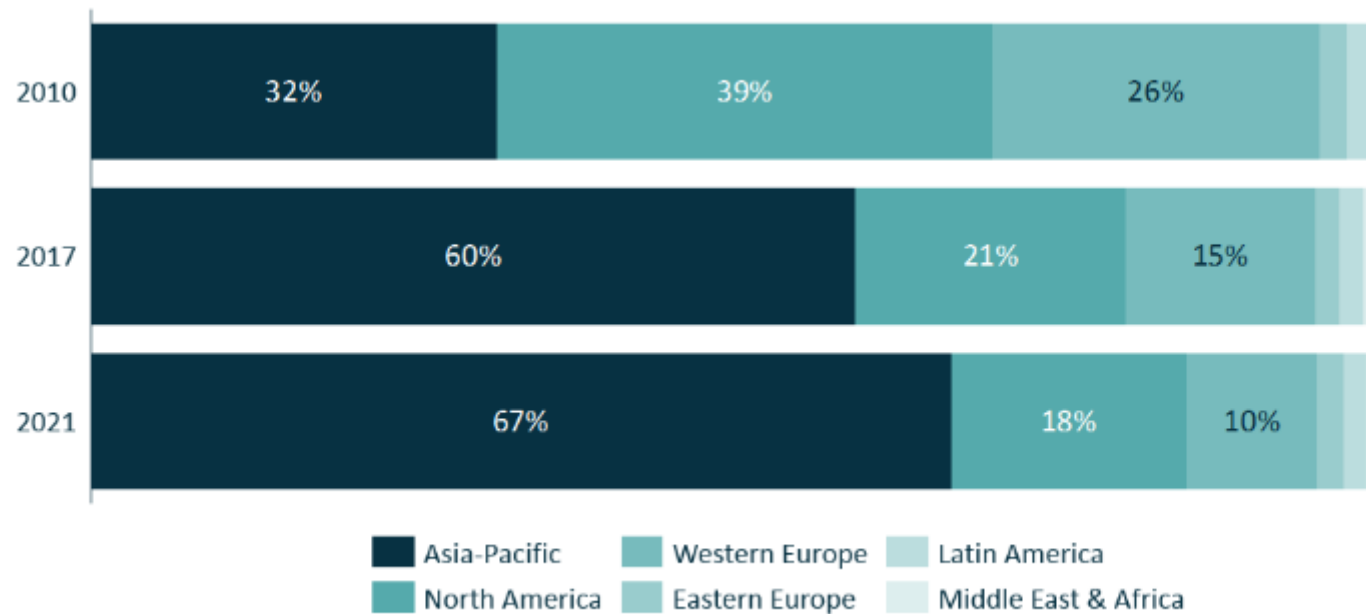
Fastest-Growing Markets Lie In Asia And MENA

e-Commerce Sales Growth, % y-o-y



Global e-commerce growth

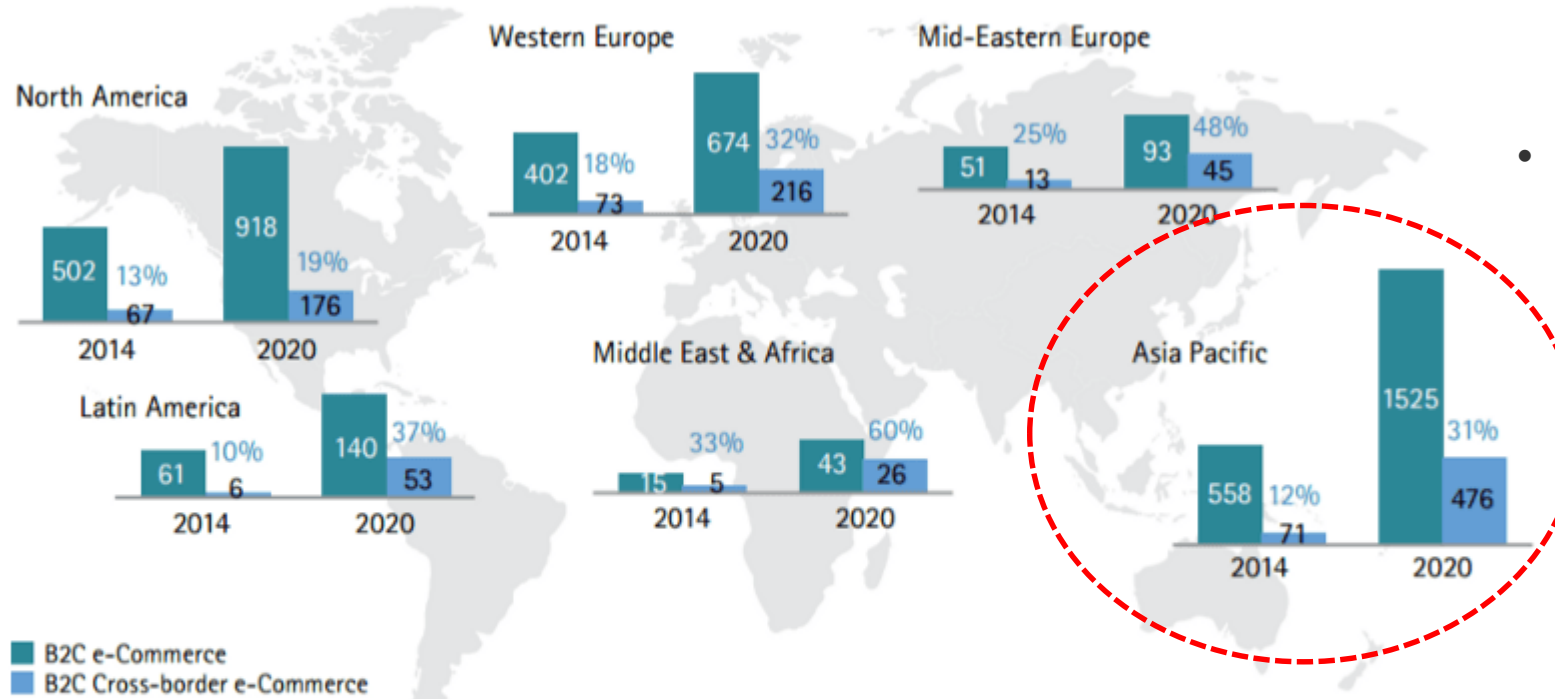
Asia-Pacific region will continue to grow.



Source: <https://www.metaforespress.gr>

Global e-commerce growth

Global cross-border B2C e-Commerce transaction value (US\$ billion)



- Over 2 billion e-shoppers would be transacting 13.5 percent of their overall retail consumptions online, equivalent to a market value of US\$3.4 trillion by 2020. (source: Accneture)

	2014-20 incremental B2C cross-border e-Commerce trade volume (billion dollars)	Contribution of global total incremental trade volume (%)
Asia Pacific	405	53.6%
Western Europe	143	18.9%
North America	109	14.4%
Latin America	47	6.2%
Mid-eastern Europe	32	4.2%
Middle-East and Africa	21	2.7%



#3 e-Commerce Platform

e-Commerce Platform

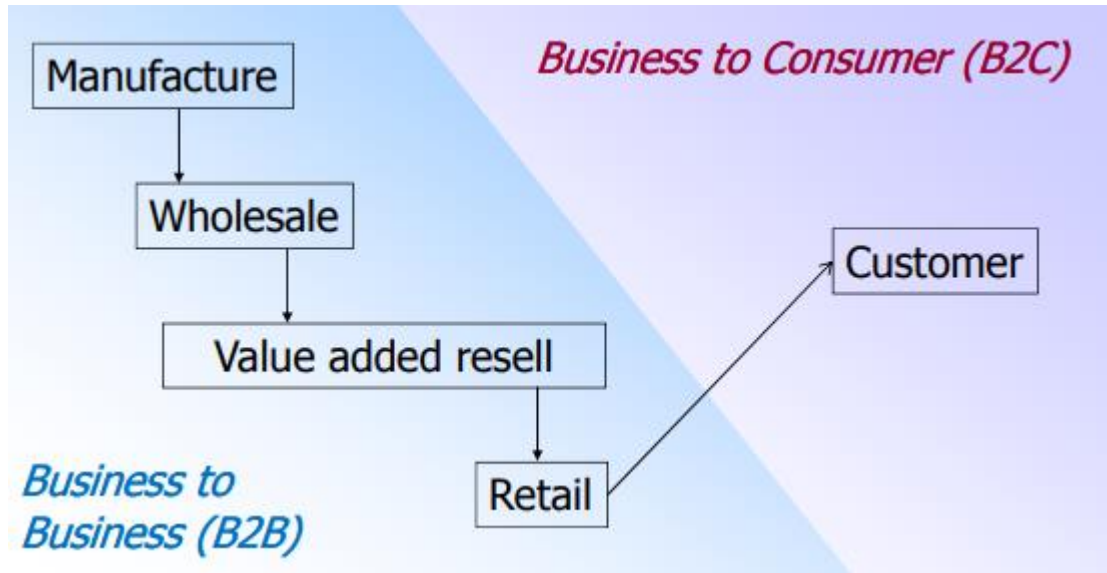
e-commerce platform?



e-Commerce Platform

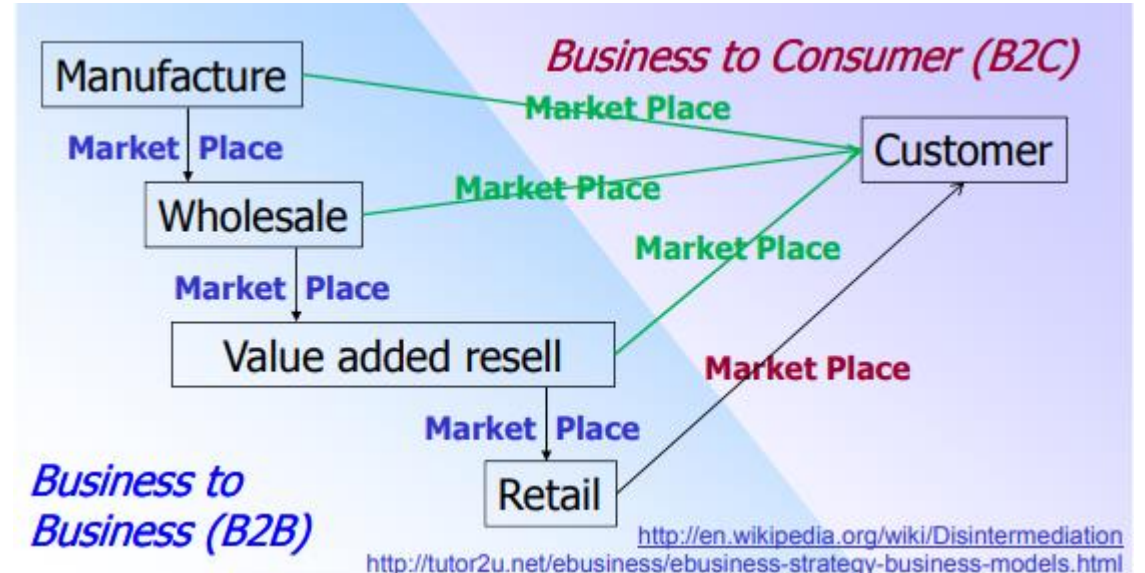
- E-commerce refers to a process of buying and selling products or services over the internet.
- E-commerce activities such as selling online can be directed at consumers or other businesses.

Buyers and sellers meet in the offline market place.



Brick and Mortar

Removal of intermediaries in supply chain : "cutting out the middleman"

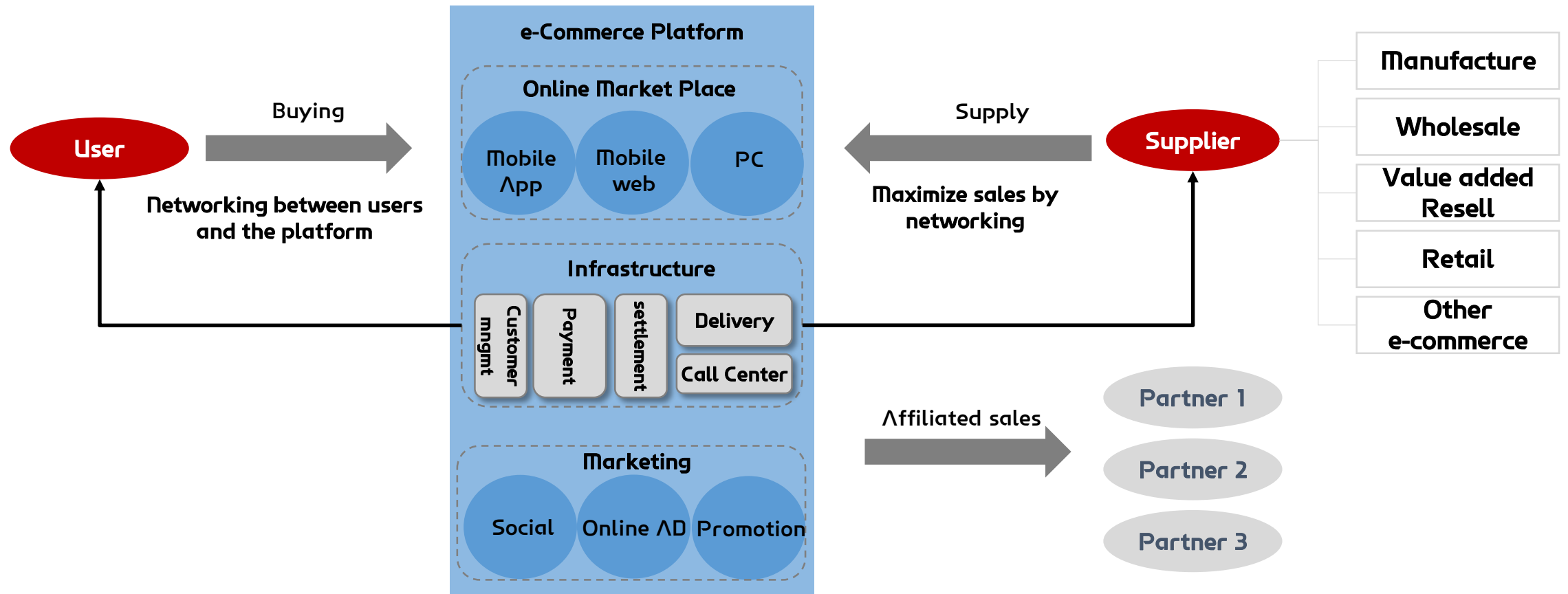


Click and Mortar

<http://en.wikipedia.org/wiki/Disintermediation>
<http://tutor2u.net/ebusiness/ebusiness-strategy-business-models.html>

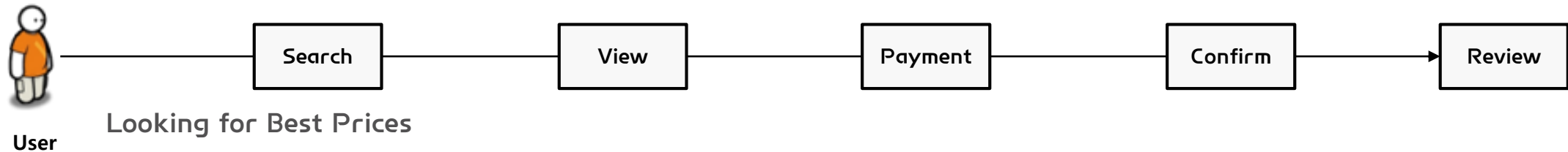
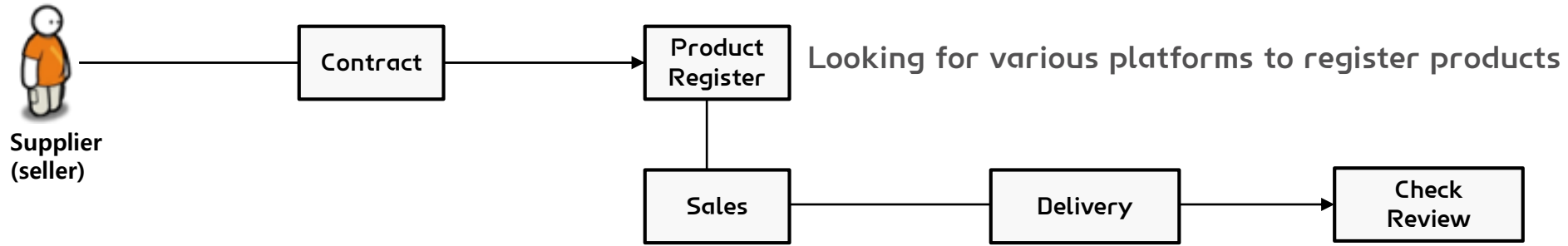
e-Commerce Platform

- Increased users and products will lead to increased in sales.



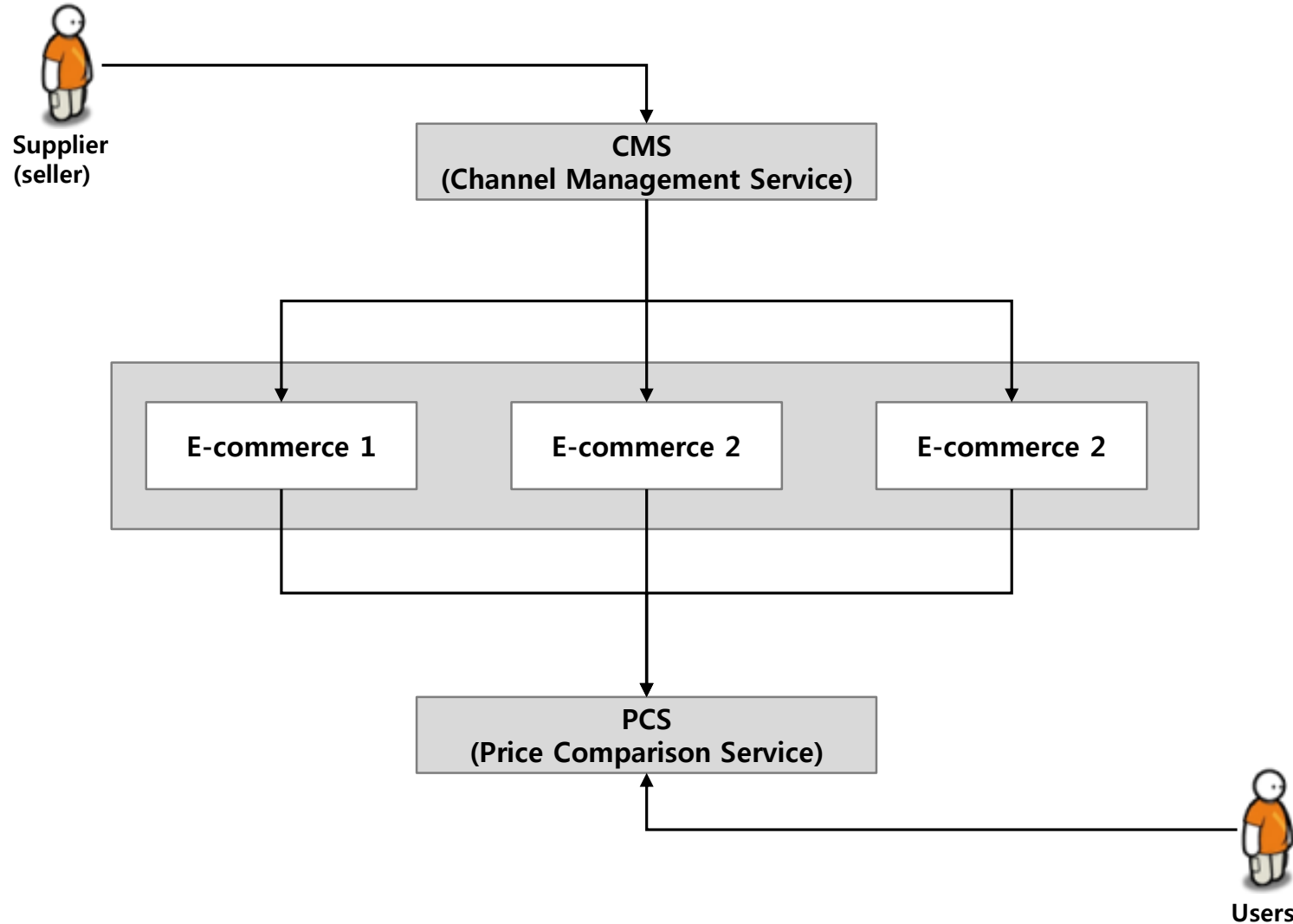
e-Commerce Platform

- Supply & Buying Process make other business on e-commerce.



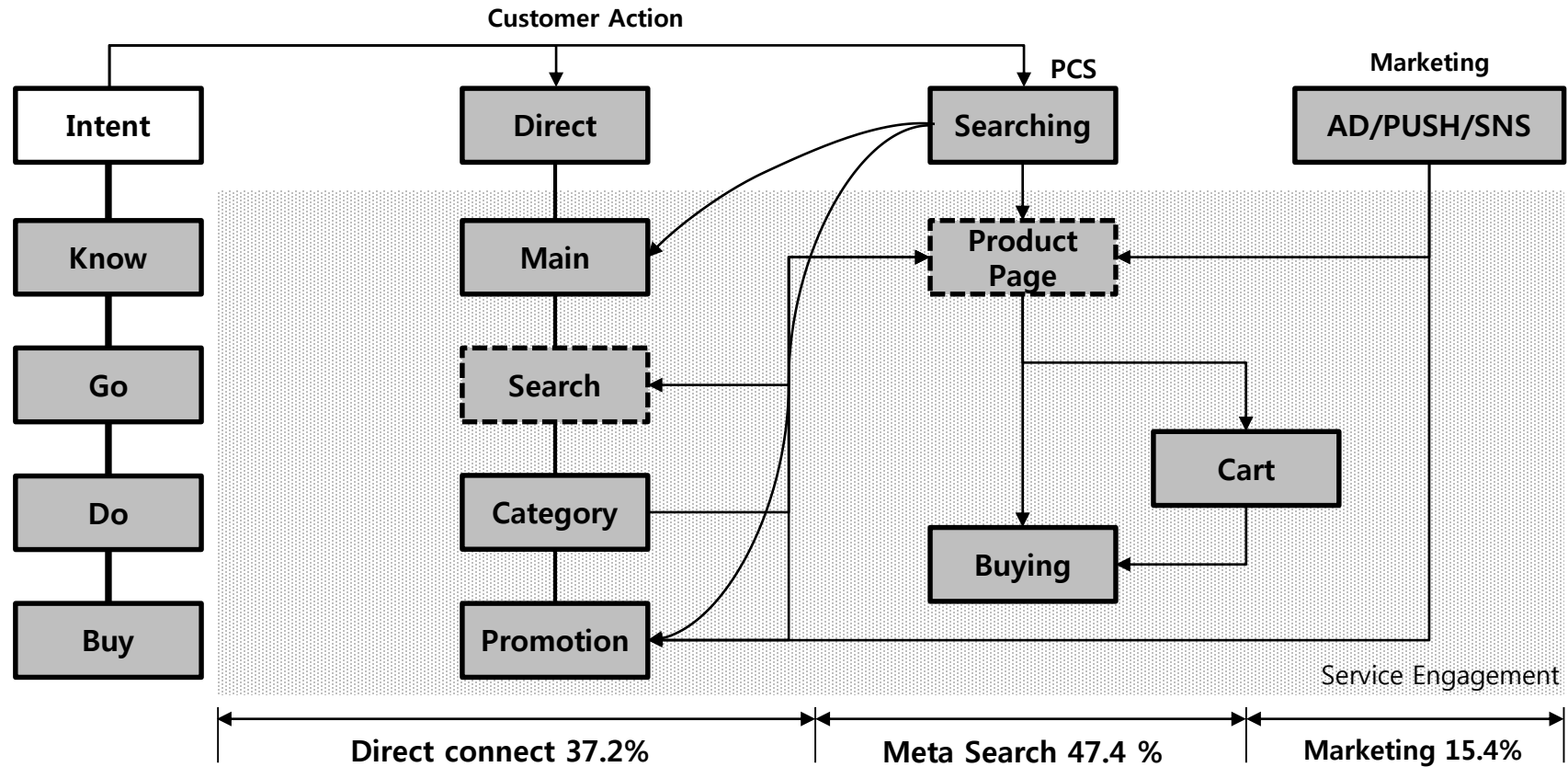
e-Commerce Platform

- Supply & Buying Process make other business model on e-commerce.



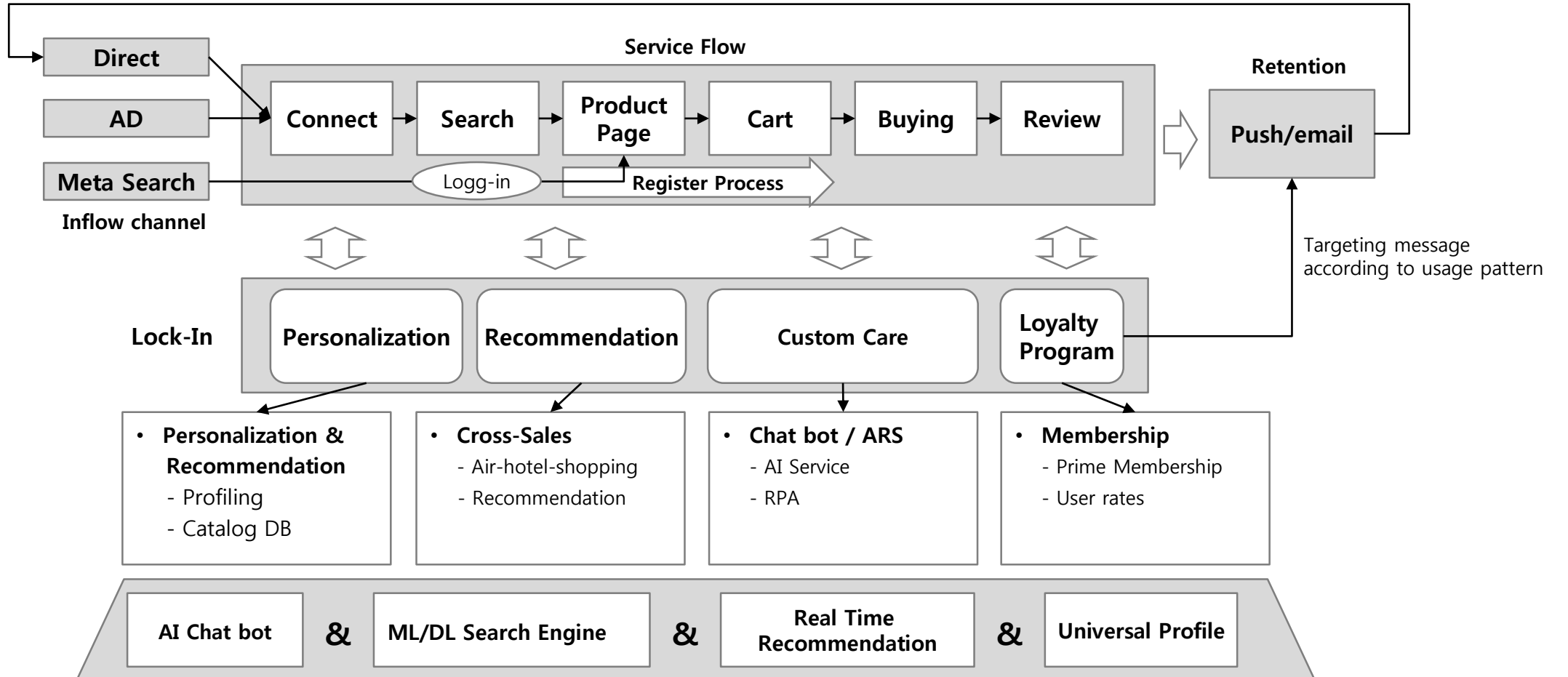
e-Commerce Platform

- Design a superior service model to attract and retain customer into ecosystem.



e-Commerce Platform

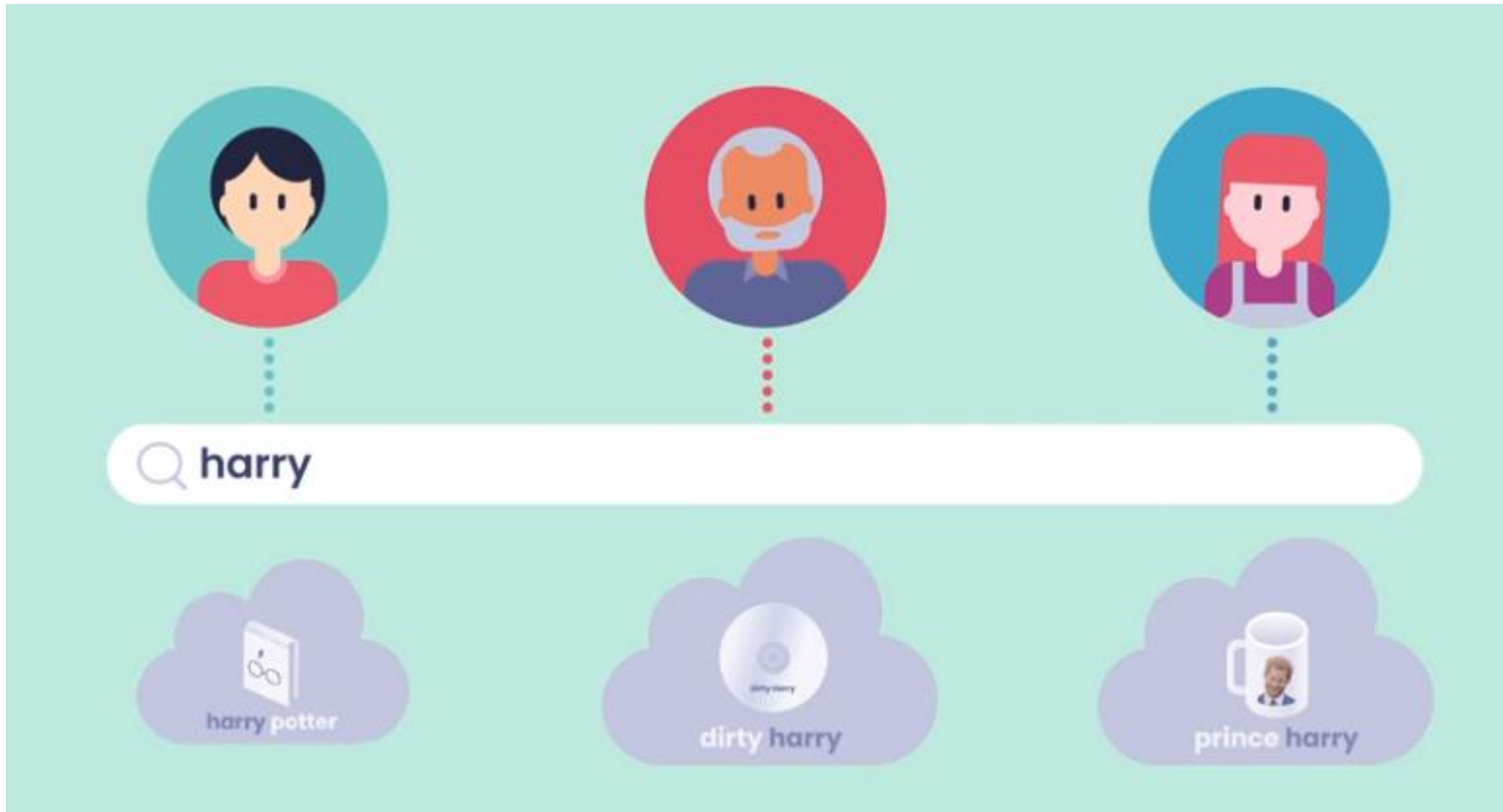
User Lock-In Framework



e-Commerce Platform

- Deliver a digital experience smart enough to know users interests and needs

Personalization & Recommendation



e-Commerce Platform

- Selling products and providing contents

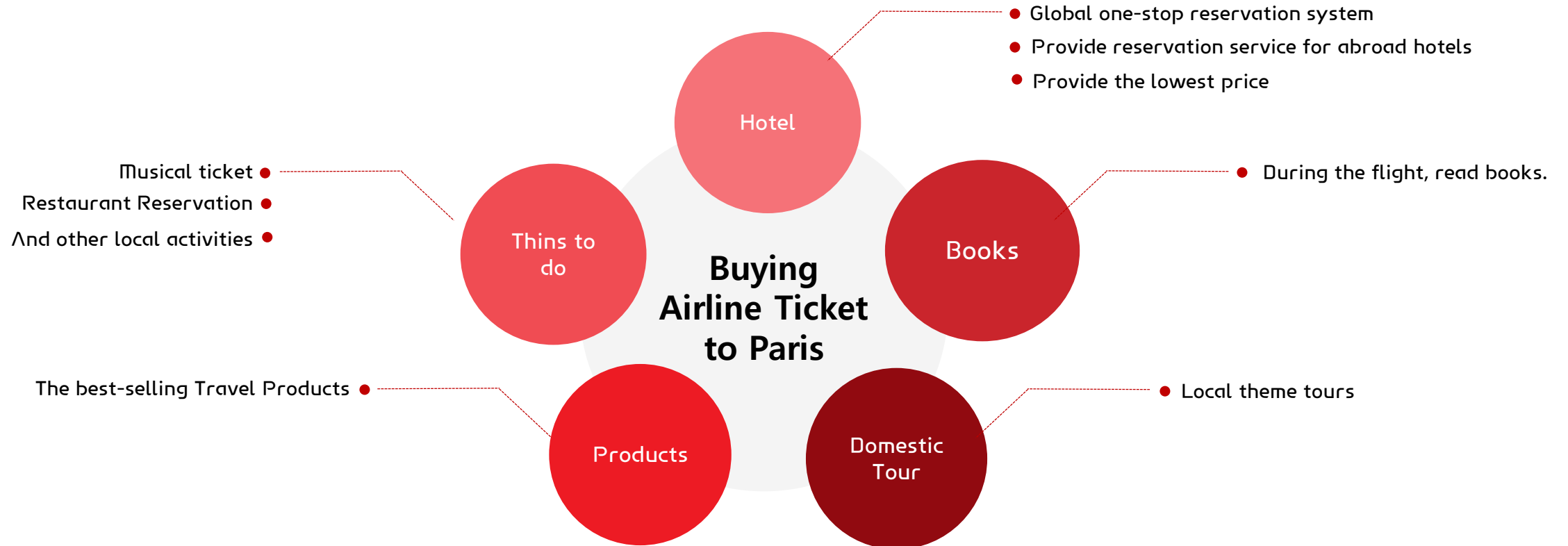
Experience



e-Commerce Platform

- Simple purchase of a product can lead to recommending related products and services.

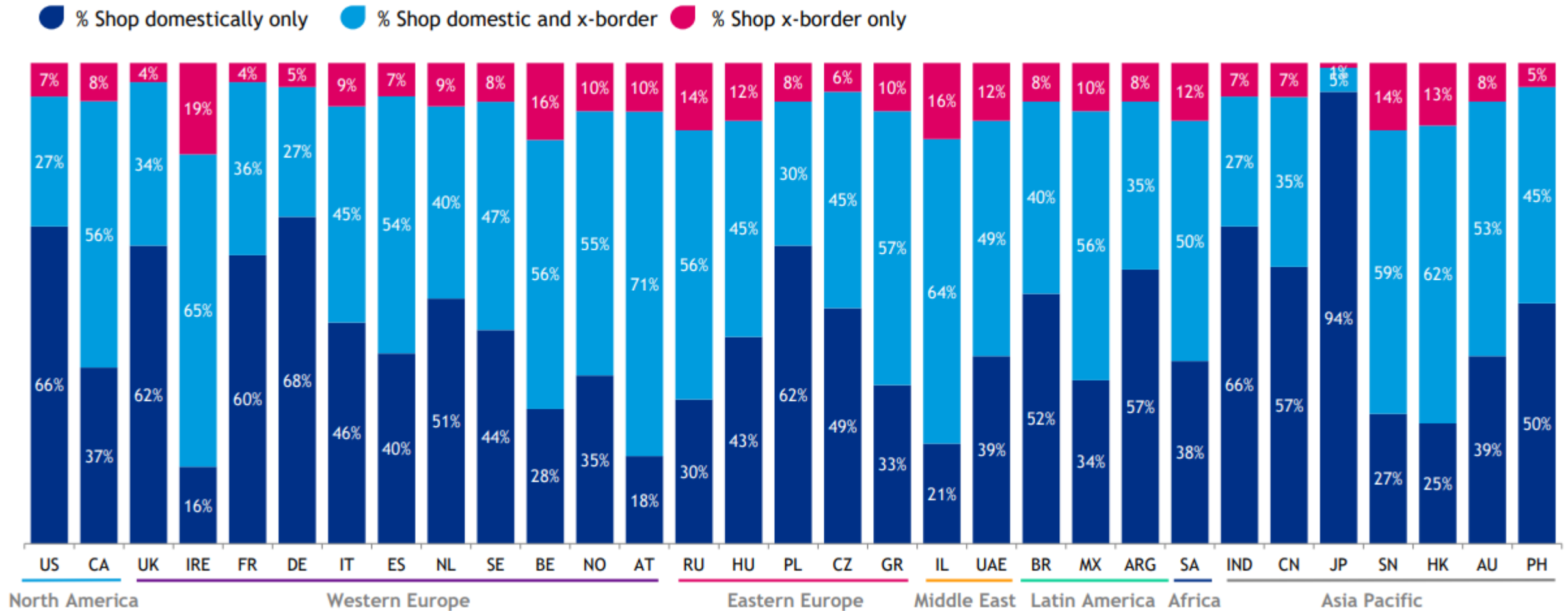
Collaboration





#4 Opportunities and Challenges

Opportunities & Challenges



Opportunities & Challenges



Opportunities & Challenges

JAN
2019

ANNUAL DIGITAL GROWTH IN ASIA-PACIFIC

THE YEAR-ON-YEAR CHANGE IN KEY STATISTICAL INDICATORS

TOTAL
POPULATION



+0.8%

JAN 2018 – JAN 2019

+36 MILLION

MOBILE
SUBSCRIPTIONS



+3.0%

JAN 2018 – JAN 2019

+127 MILLION

INTERNET
USERS



+10%

JAN 2018 – JAN 2019

+203 MILLION

ACTIVE SOCIAL
MEDIA USERS



+12%

JAN 2018 – JAN 2019

+218 MILLION

ACTIVE MOBILE
SOCIAL USERS



+13%

JAN 2018 – JAN 2019

+219 MILLION

Opportunities & Challenges

Yes, there are more customers in the world, **But it is not easy to follow.**



Advanced technology is helping to open up commerce opportunities for everyone – across borders, anywhere, anytime and via any device.

Opportunities & Challenges

- Cross border trading in Korean market

KOREA 2018 CBT, GMV: Million

	Export		Import	
	Number	GMV	Number	GMV
2016	5,855	1,977	17,395	1,635
2017	8,093	2,611	23,592	2,110
2018	9,608	3,252	32,255	2,755

Export	Japan	China	Singapore	USA
	35%	31%	10%	5%
Import	USA	China	EU	Japan
	53%	23%	13%	8%

Export		Import	
Clothing	37%	Healthy Pro	25%
Cosmetic	19%	Clothing	15%
Shoes	3%	Cosmetic	13%
Bag	2%	Electric Pro	13%
Sports good	2%	Shoes	8%
Computer	1%	Toy	7%
Toy	1%	Bag	4%
Jewelry	1%	Book	1%
Glasses	1%	Watch	1%
Other	16%	Other food	13%

- Cross border trading (Interpark)

Export	China	USA	Japan	Singapore	ASEAN
	58%	12%	6%	1%	3%
Import	USA	China	EU	Others	
	55%	25%	15%	5%	

Opportunities & Challenges

- Online consumers in every corner of the world are shopping cross-border for physical goods.

#1 Better Price

#2 Access to items not available in my country

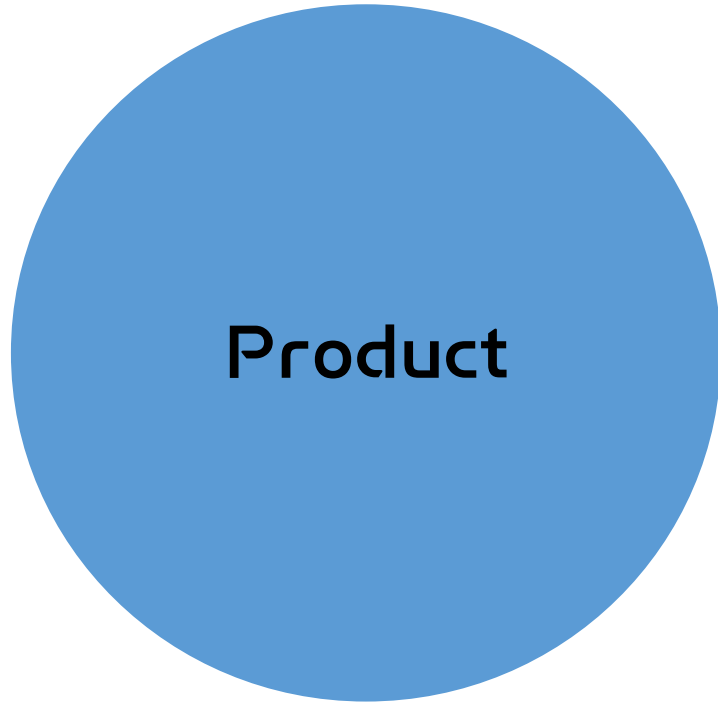
#3 I can discover new and interesting products

#4 Higher product quality

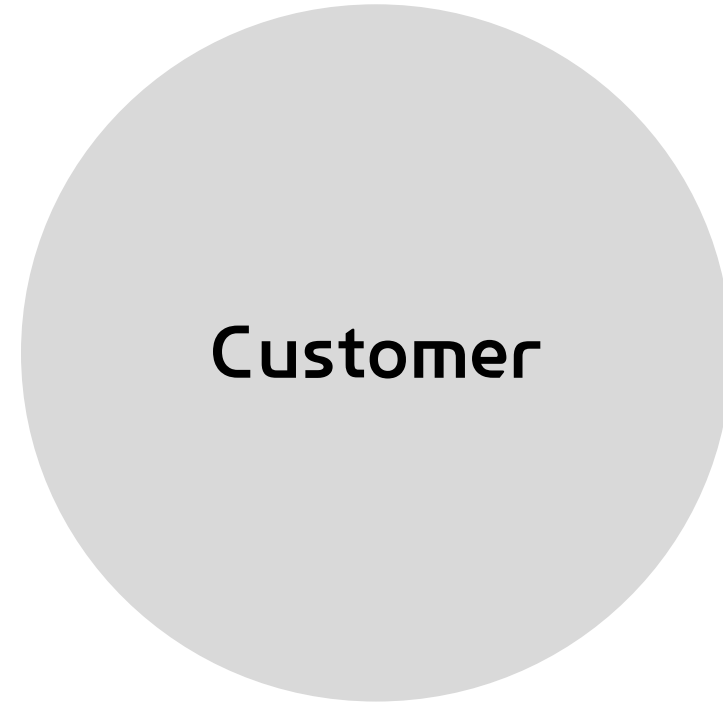
#5 Shipping is more affordable

Opportunities & Challenges

- Intense Domestic Competition



- Import
- Strengthening product availability


















- Export
- Boost gross merchandise volume

Opportunities & Challenges

- CBT (Import for local users)

BEST ITEM

 <p>1 [무료배송] 마살 엑스 2... 305,810원 ★★★★ 리뷰 25</p>	 <p>2 애클릭치3 GFS 38/42mm 280,590원 - ★★★★ 리뷰 25</p>	 <p>3 LG TV 65SM9000PUA 수 1,584,000원 - ★★★★ 리뷰 15</p>	 <p>미국 보핀다노니 라히티안 43,500원 ★★★★ 리뷰 316</p>
 <p>베이베이브라아 프롤러 프로 225,400원 - ★★★★ 리뷰 21</p>	 <p>방비노루크/미니루크 93,000원 ★★★★ 리뷰 48</p>	 <p>르렌즈 박진영 엑스트라 버 44,480원 ★★★★ 리뷰 13</p>	 <p>정woo 루이스톤 PH5 민앤 719,000원 ★★★★ 리뷰 7</p>
 <p>차이슨 디베아 D18 무선 진 53,580원 - ★★★★ 리뷰 2183</p>	 <p>[해외배송] AIONA 아조나 20,500원 ★★★★ 리뷰 894</p>	 <p>Marvis 이탈리아 마비스 85 6,700원 - ★★★★ 리뷰 199</p>	 <p>루임 파르돈탁스 치약 75ml 5,210원 - ★★★★ 리뷰 190</p>
 <p>테라브레스 가글 473ml 대 10,030원 -</p>	 <p>GNC 밀크씨슬 허브 플러스 45,030원</p>	 <p>샤오미 미지아 프로 전동킥 554,900원</p>	 <p>앤드워츠 사마귀 치료제 3 21,990원</p>

- CBT (Export for global users)

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[Premiere] snapback Fine Stripe Red

[Premiere] Drawing AW California Navy

Opportunities & Challenges

- Import CBT (Product)

Searching

Hard to find partners like SME, benders and etc

Contract

Contents

Making contents and translation

Register

Selling

Delivery

Collecting cargos

- Export CBT (User)

Searching

View Product

Confirm

Payment

Local payment service

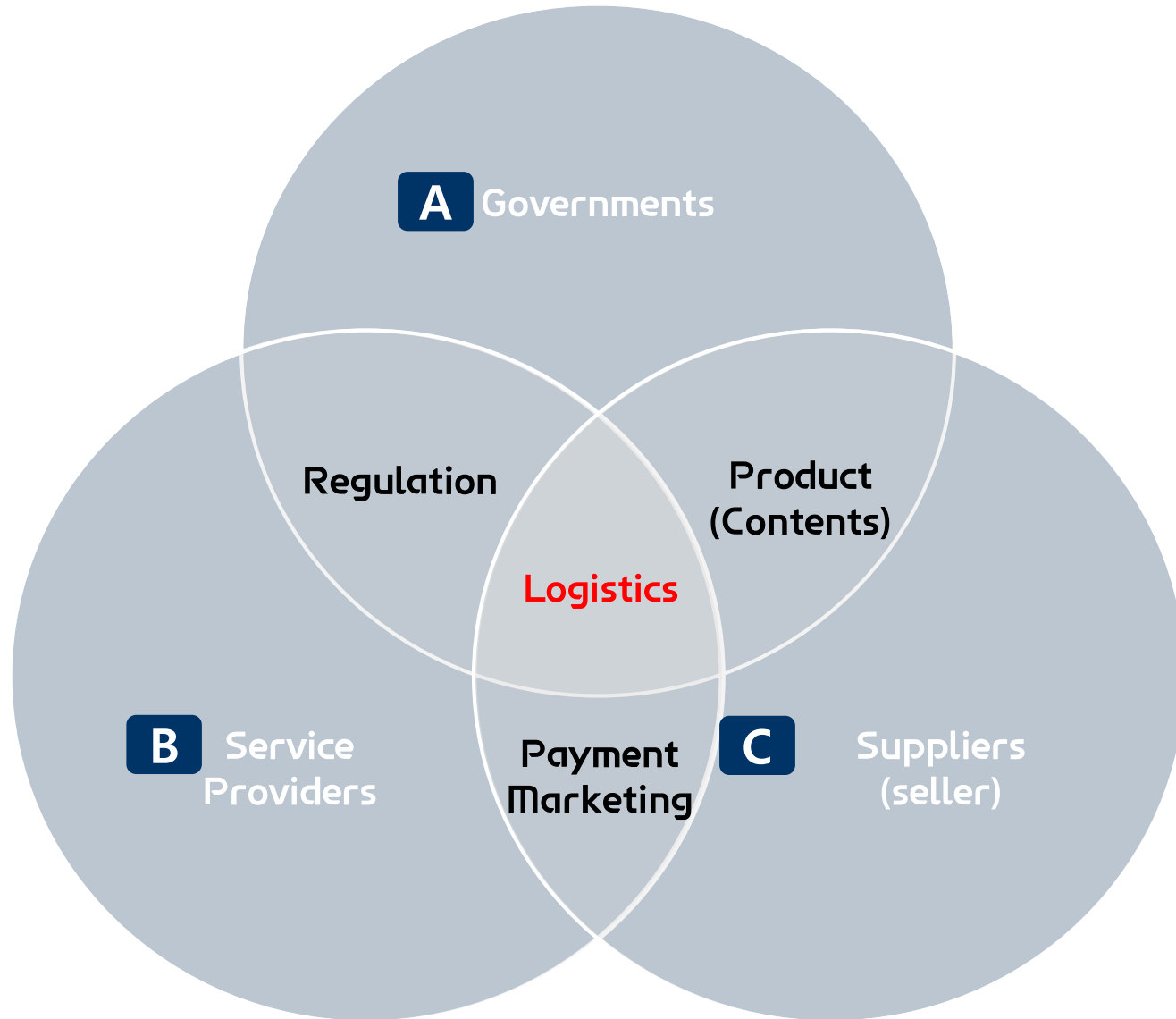
Regulation

List-Clarence & General Clarence

Delivery

bonded warehouse or Drop point
Tracking & Local address

Opportunities & Challenges



A

• Government support

- Investment in logistics' infrastructure.
- Positive legislation for facilitating customs Clearance.
- Offering domestic product information.
- Combating counterfeit products.

B

• Service providers

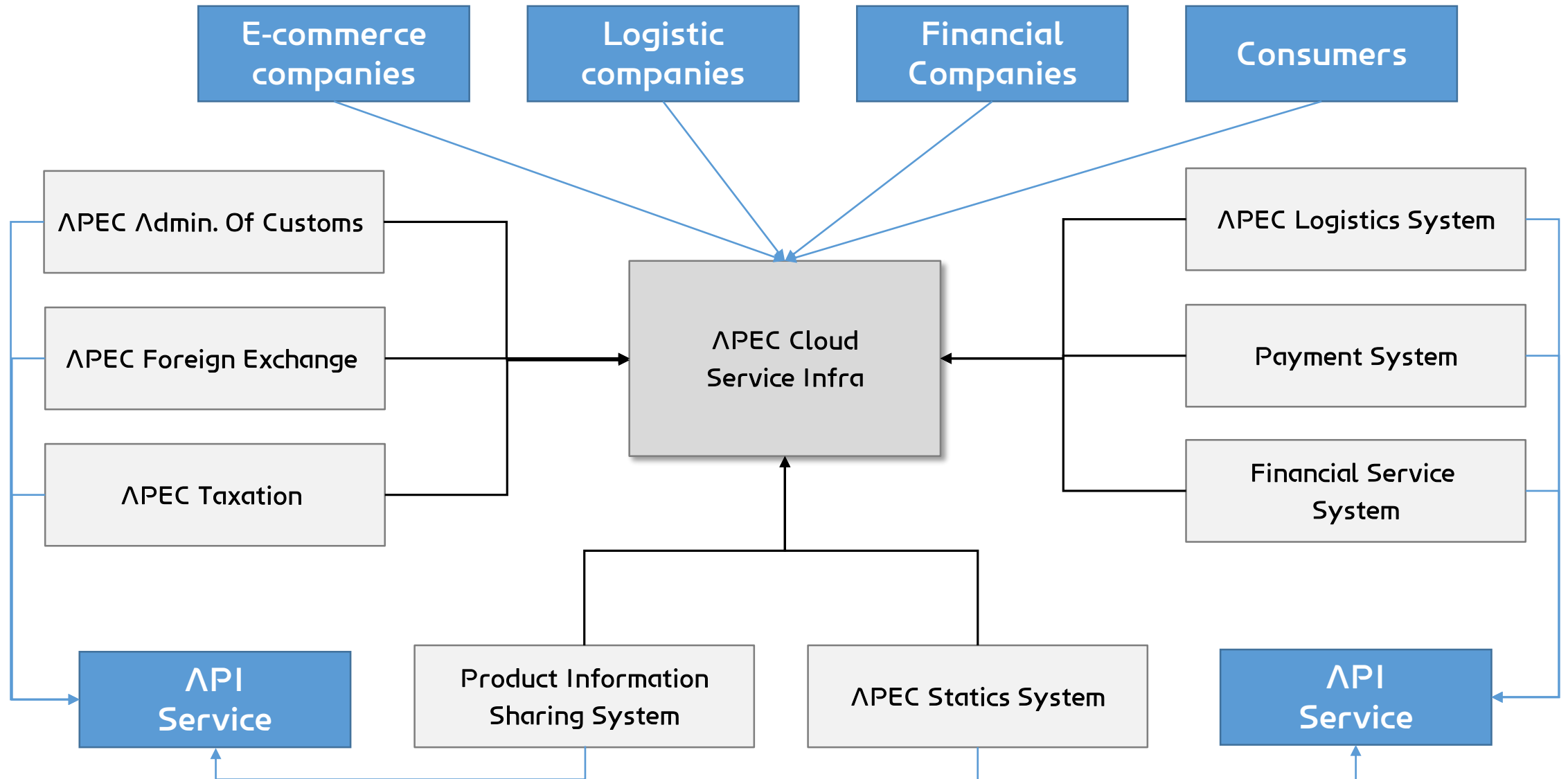
- Payment service
 - . Establish multi-payment options
 - . Improved security and protection from frauds.
- Marketing service
- Logistics service
 - . Fast global service coverage at low prices.
 - . Simple CBT product returns.

C

• Suppliers (seller) support

- Add English and local language.
- Extended local payment options.
- Use local popular channels.
- Set up domestic service center.
- The establishment of call centers in APEC market. (could make AI Chat bot)

Opportunities & Challenges





Q & A