



btrax White Papers

2008

South Korea

Web Trends

Summary

South Korea is best described as the world's most connected society. It consistently tops key rankings such as internet access, broadband penetration, and mobile phone ownership. An astounding 90 percent of the country is 3G connected, and there is nation-wide coverage of South Korea's version of Wimax. South Korean mobile operator SK Telecom also launched the world's first commercial 3.5G service in 2008.

Despite being the easiest country in which to access the Internet, the government is discussing measures to curb online anonymity and debate. Although this makes it the first democratic government to do so, many predict the unpopular measures will fail.

The market has almost reached saturation in South Korea , with nearly the entire population carrying at least one mobile phone. This has proven to be a large factor driving South Koreans enthusiastic embrace of online shopping – the highest in the world with 99% of Internet users having purchased through a web store.

The downside to the above trends is that South Korea's economy has been stuck in low gear since the Asian economic crisis in the early part of the millennium. Disposable income is still limited, meaning online spending still focuses largely around gaming and low-margin high-volume products. According to ZenithOptimedia, internet ad spending reflects a thriving but competitive environment with its 40% growth to nearly \$10 billion.

Want to know more? Please visit www.btrax.com or email us at info@btrax.com

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [btrax, Inc.](http://www.btrax.com) is prohibited.

Statistics

Population	<u>49.2 million (2008)</u>
Urban Population	<u>38.7 million (2005)</u>
	<u>39.9 million (2010)</u>
Korean-Americans	<u>1.3 million (2000)</u>
Korean Speakers (primary/native speakers)	<u>77 million</u>
Korean Speakers (secondary/non-native speakers)	<u>2 million</u>
Korean Speakers in U.S.	<u>1.8 million</u>
Number of Internet Users	<u>34.4 million (2007) 67% pop.</u>
Internet User Growth	<u>82.9% (2000-2008)</u>
Home Internet connections	<u>95% (2008)</u>
Mobile Phone Subscribers	<u>38 million</u>
Number of 3G users	<u>6.3 million</u>
Users Accessing Internet with Mobile Devices	<u>22.14 million (2007)</u>
Number of Domains	<u>64.3 million (2008)</u>
Number of Blogs	<u>15 million (2005)</u>

Want to know more? Please visit www.btrax.com or email us at info@btrax.com

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [btrax, Inc.](http://www.btrax.com) is prohibited.

Top 10 Highest Traffic Sites

- 1) Naver
- 2) Daum
- 3) Yahoo! Korea
- 4) Cyworld
- 5) Empas
- 6) Nate
- 7) Youtube
- 8) Google
- 9) Google Korea
- 10) Tistory

Top 3 Search Engines (2008)

- 1) Naver
- 2) Daum
- 3) Empas

Gross Domestic Product (GDP)	<u>\$957.1 billion (2007)</u>
Total ad spending	<u>\$7.77 billion (2006)</u>
Online ad spending	<u>\$10 billion (2007)</u>
Mobile ad spending	<u>\$684 million by (2012)</u>
Income Per Capita	<u>\$14,780 (2008)</u>
Disposable Income Per Capita	<u>\$12,888 (2008)</u>
Growth in Disposable Income	<u>1.1% (2008)</u>
Average Annual Amount Spent Online Per User	<u>\$408 (2006)</u> <u>\$762 (2010)</u>
Retail E-commerce	<u>\$278 million (2002)</u> <u>\$390.3 million</u>

Want to know more? Please visit www.btrax.com or email us at info@btrax.com

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [btrax, Inc.](http://www.btrax.com) is prohibited.

Summary



A long-standing pioneer in mobile technology, the Asian region has matured into a dominant force in the growing online economy. This voracious rise has been fueled by the dropping cost of web access and extensive new infrastructure investments. An increased focus on web strategies by Asian businesses has also sparked a wave of native startups capable of taking on and beating giants such as Google.

China, Japan and Korea have all experienced rapid increases in broadband connectivity and the number of Internet users. Key trend indicators only point upwards as Asia's Internet penetration rates still average only 15% compared to 30% in the rest of the world. These three countries also collectively represent the largest mobile phone subscriber base in the world, mirroring their break-neck growth in desktop-based Internet usage.



Economists have highlighted that more people online does not automatically translate to Asian users following the online habits of their Western counterparts. As businesses' reliance on online revenue climbs, user experience, localization and cross-cultural branding become increasingly critical for growth and success.

Engaging non-English speaking audiences not only reaches target country audiences, but also taps the large pools of immigrants and expatriates abroad. The business opportunities stemming from that are most apparent in the United

Want to know more? Please visit www.btrax.com or email us at info@btrax.com

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [btrax, Inc.](http://www.btrax.com) is prohibited.

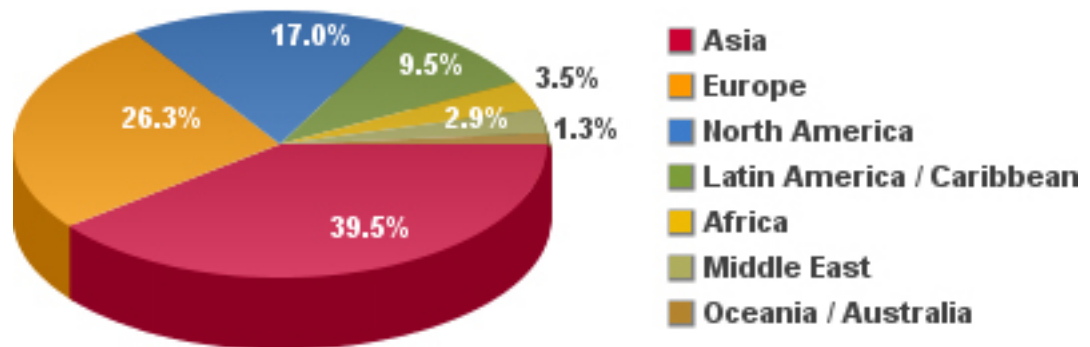
btrax White Papers

ASIA OVERVIEW

States. According to the most recent census, Asian-Americans have a lower median age and higher median income compared against the total U.S. population.

Asia has a healthy online business environment that still has underdeveloped niche audience markets. Grabbing even small slices of this massive pie translates into lucrative sources for both traffic and revenue. Japan is the biggest market in the region with annual online sales averaging \$38.4 billion, making it more than 1/3 the size of the US market. Second is South Korea with sales of \$6.3 billion, followed by China and Taiwan tied for third, each with about \$1.1 billion.

World Internet Users by World Regions



Source: Internet World Stats - www.internetworldstats.com/stats.htm
1,463,632,361 Internet users for June 30, 2008
Copyright © 2008, Miniwatts Marketing Group

Want to know more? Please visit www.btrax.com or email us at info@btrax.com

btrax White Papers

ASIA OVERVIEW

Statistics

Estimated Population	<u>3.8 billion (2008)</u>
Number of Internet Users	<u>529.7 million (2008)</u>
Internet Penetration	<u>15.3% (2008)</u>
Broadband Internet Connections	<u>105.8 million (2007)</u>

Top Countries by Internet Users

<i>Country</i>	<i>Number of Users</i>	<i>% Growth (2000-2008)</i>
1) China	253 million	1,024.4%
2) USA	220.1 million	130.9%
3) Japan	94 million	99.7%
4) India	60 million	1,100%
5) Germany	52.5 million	118.9%
6) Brazil	50 million	900%
7) UK	41.8 million	171.5%
8) France	36.2 million	325.3%
9) South Korea	34.8 million	82.9%
10) Italy	34.7 million	162.9%

Number of Broadband Subscribers (2007)

<i>Country</i>	<i>Broadband Subscribers</i>	<i>% of Country's Internet Users</i>
1) United States	66,213,257	21.9 %
2) China	48,500,000	3.7 %
3) Japan	27,152,349	21.1 %
4) Germany	17,472,000	21.2 %
5) South Korea	14,042,728	27.4 %

Want to know more? Please visit www.btrax.com or email us at info@btrax.com

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [btrax, Inc.](http://www.btrax.com) is prohibited.

btrax White Papers

ASIA OVERVIEW

Number of Domains (2008)

1) 1,428,582,349	United States
2) 238,248,010	United Kingdom
3) 157,202,978	China
4) 147,679,910	Japan
5) 103,896,733	Germany
6) 80,689,620	France
7) 73,727,193	Canada
8) 64,361,101	South Korea
9) 40,817,650	Netherlands
10) 39,699,241	Italy

Top 10 Internet Languages

- 1) English
- 2) Chinese**
- 3) Spanish
- 4) Japanese**
- 5) French
- 6) German
- 7) Arabic
- 8) Portuguese
- 9) Korean**
- 10) Italian

Countries by Percentage of Users Shopping Online

- 1) South Korea (99%)**
- 2) UK (97%)
- 3) Germany (97%)
- 4) Japan (97%)**
- 5) US (94%)

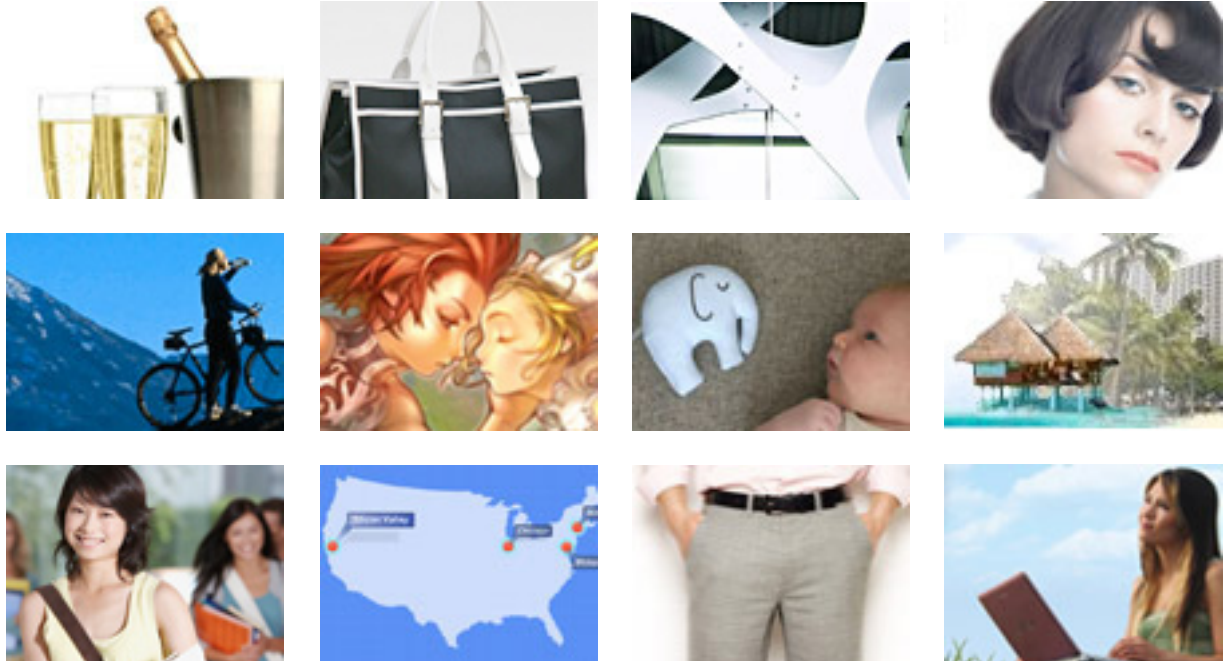
Want to know more? Please visit www.btrax.com or email us at info@btrax.com

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [btrax, Inc.](http://www.btrax.com) is prohibited.

btrax White Papers About Us

btrax is a global web strategy and creative agency based in San Francisco. Our team members have backgrounds working for Google, Sony Entertainment, Fujitsu, Oracle, MIT and the United Nations. All of btrax's staff are bi-lingual or tri-lingual to ensure culturally relevant and practical business advice. Our native Japanese, Chinese and Korean professionals can provide comprehensive Asian consultation.

Recent Projects



Contact Us

btrax, Inc.

665 3rd Street, Suite 505, San Francisco, California 94107

415.344.0907

415.344.0957 (Fax)

[**info@btrax.com**](mailto:info@btrax.com)

[**www.btrax.com**](http://www.btrax.com)

©2008 btrax, Inc. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of [**btrax, Inc.**](http://www.btrax.com) is prohibited.