South Korea Retail Sector - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-06-01 | 150 pages | Mordor Intelligence

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Report description:

South Korea Retail Sector Market Analysis

The South Korean retail market is valued at USD 432.30 billion in 2025 and is projected to reach USD 551.5 billion by 2030, reflecting a steady 5.01% CAGR. Intensifying urbanisation, world-leading convenience-store density, and a 41.43% e-commerce revenue share ensure that the South Korean retail market stays alert to even minor shifts in shopper behaviour. Near-universal mobile-payment adoption, with cash now only 7% of in-store volume, greatly shortens purchase journeys and encourages retailers to invent rich loyalty programmes. Heavy logistics investment lets retailers meet same-day delivery expectations for most of the population, reinforcing consumer trust in speedy fulfilment. Competitive pressure has moved beyond pure pricing toward ecosystem building that fuses retail, payments, and media into a single customer experience.

South Korea Retail Sector Market Trends and Insights

Rapid growth of mobile & e-commerce channels

Mobile devices already generate more than half of all online orders, confirming the South Korean retail market as one of the world's most mobile-centric shopping environments. Same-day fulfilment now covers 70% of households, enabled by more than 100 automated fulfilment centres distributed nationwide. Social-commerce features embedded in super-apps convert browsing moments into actual purchases, and most of the of Gen Z shoppers buy directly from social feeds. Regulatory limits placed on hypermarkets have unintentionally widened the digital gap, accelerated online grocery uptake, and given e-commerce an extra push.

High penetration of digital payments & super-apps

In 2023, the adoption of real-time transfers significantly reduced checkout friction while enabling highly data-driven loyalty programs. KakaoTalk's integrated ecosystem not only engages users but also allows merchants to merge commerce with messaging and payment functionalities. The dominance of QR-based payment solutions for small-ticket transactions in urban areas has accompanied the decline in cash usage. Mergers and acquisitions, such as Kakao Pay's acquisition of SSG Pay, have driven operational efficiencies but also concentrated risks for merchants dependent on a few payment gateways. This development has contributed an incremental 0.8 percentage points to the overall market growth.

Saturation & cannibalisation among convenience stores

The saturation of outlets per resident has heightened intra-chain competition, reducing the revenue disparity between CU and GS25 while exerting pressure on profit margins. Additional stores now cannibalise existing units rather than capture fresh demand, triggering a race toward lower-quality sites in already crowded areas. Smaller franchisees face unsustainable rent-to-sales ratios, which will likely trigger consolidation among weaker operators. Convenience remains the only offline format expected to grow, yet short-term margin pressure trims the South Korea retail market CAGR. Metro zones will shoulder the heaviest adjustment until rationalisation occurs.

Other drivers and restraints analyzed in the detailed report include:

Expansion of convenience formats for single-person households / Government support for cold-chain logistics & smart retail / Escalating labour and real-estate costs /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

The e-commerce channel accounted for 41.43% of 2024 sales, underlining how decisively the South Korean retail market has pivoted toward online fulfilment. Hypermarkets lost share as shoppers flocked to mobile apps that promise same-day delivery and frictionless payment. The South Korean retail market size for omnichannel grocery is projected to expand at a striking 19.40% CAGR between 2025 and 2030, lifted by heavy logistics investment and changing meal-prep habits. Coupang's direct-fulfilment model, backed by more than 100 automated centres, now commands roughly 25% of all online transactions, pushing rivals to match its high service standards. Department stores defend relevance by doubling down on luxury concessions and experiential zones that offset declining mid-market apparel volumes.

Competitive intensity within digital channels remains fierce as Naver pursues a marketplace strategy surpassing KRW 50 trillion in GMV. Live-commerce streams merge entertainment with shopping, turning passive viewers into active buyers at industry-leading engagement rates. Traditional players like Lotte Mart launched the Ocado-powered Zetta app, proving that partnerships help brick-and-mortar names stay competitive online. Convenience chains use unrivalled store density as a strategic moat, broadening assortments to include apparel, financial services, and parcel lockers. Hybrid models that blend instant in-store pick-up with mobile pre-ordering appear best placed to balance cost discipline with customer convenience across the South Korean retail market.

The South Korea Retail Sector Market is Segmented by Retail Channel (E-Commerce / Online-Only, Omni-Channel Retailers, and Others), Product Category (Grocery & Food, Fashion & Apparel, and More), Payment Method (Credit Cards, Debit Cards, and More), and Region (Seoul Capital Area, Chungcheong Region, and More). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Coupang Corp. / Naver Corp. (Naver Shopping) / SSG.COM / E-Mart Inc. / Lotte Shopping Co., Ltd. / GS Retail Co., Ltd. (GS25) / BGF Retail Co., Ltd. (CU) / Homeplus Co., Ltd. / 7-Eleven Korea / Hyundai Department Store Group / CJ Olive Young / E-land Retail / Daiso Korea / Market Kurly / Musinsa / ABLY Corp. / Shinsegae Duty-Free / Lotte Duty-Free / Emart24 / Kakao Commerce /

Additional Benefits:

The market estimate (ME) sheet in Excel format /
3 months of analyst support /

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