

# Cross-Border Payments and Ecommerce Report 2022-2023

Latest Insights into B2C and B2B Commerce and How to Sell Successfully across Borders



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## South Korea – Ecommerce Challenges and Opportunities in ‘the Land of the Morning Calm’



**Roman Tazetdinov** is the Head of Geo Expansion at Worldline's Digital Commerce division servicing enterprise level merchants. He has been a key driver of the company's exclusive payments acceptance in new geographies. Roman is a full stack online payments development leader with 17 years of experience.

Roman Tazetdinov ■ *Head of Geo Expansion* ■ Worldline

Boasting the third largest ecommerce market in Asia and the tenth largest economy globally, South Korea is a truly high-tech, cultural behemoth with an affluent population, superior infrastructure, and one of the most advanced smartphone markets in the world. Of a population in excess of 50 million, 85% have smartphones, and the country itself enjoys the highest internet penetration rate in Asia, at some 97%.

These impressive statistics, among others, help to underpin an ecommerce marketplace valued at USD 96 billion in 2020 and estimated to exceed USD 242 billion by 2025. In addition, mobile shopping now accounts for over 65% of the total value of the wider ecommerce marketplace ([according to Statista](#)) – and looks set to continue on this remarkable growth trajectory. The rapidly growing community of tech-savvy and increasingly wealthy South Korean consumers are also becoming sophisticated purchasers of everything from lifestyle goods and luxury travel to gaming.

Against this backdrop, it is not surprising to note that ever more ambitious international businesses are being drawn to the region and its potential for growth. However, let us examine some of the key payment trends, challenges, and opportunities likely to be faced by businesses hoping to capitalise on this rapidly expanding marketplace.

### A unique local payment landscape

From the very outset, online businesses seeking success in South Korea need to develop a thorough understanding of the local payment landscape. This would include, for example, recognition

that over 80% of the online payment marketplace is dominated by cards – and that half of these are local cards, while the remaining 50% are co-branded.

Recognising South Korea's potential as a highly lucrative market, credit card companies there are moving rapidly to develop a safer and more convenient international payment system for domestic consumers. Credit card companies such as KB Kookmin Card, Lotte Card, and Shinhan Card have developed a wide array of benefits through collaboration with assorted internet retailers, including offering discounted prices if the consumer pays with a specific credit card ([source: Austrade](#)).

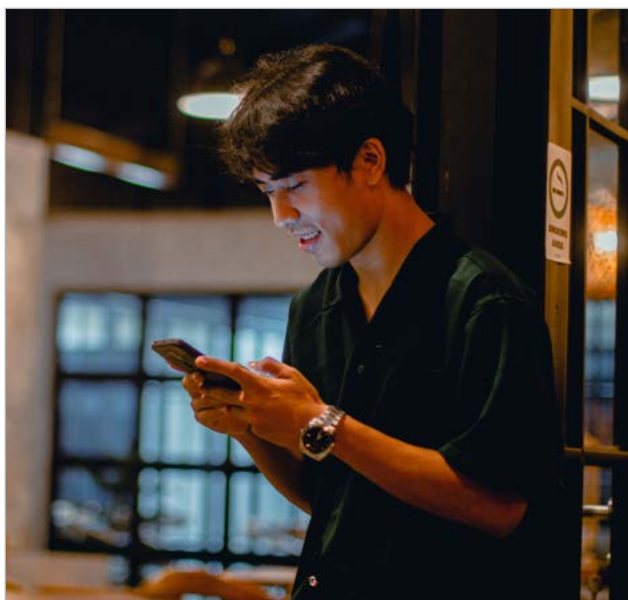
Through our deep understanding of the South Korean marketplace, Worldline can maximise the opportunities for international internet retailers and digital service providers, helping them avoid the pitfalls facing their unwary or unsophisticated competitors.

### Significant ‘barriers to entry’

Most often, in a predominantly card-based market, a local entity is needed to process payments locally. Such is the case for South Korea unless businesses partner with a payment service provider with a local solution. Businesses that go at it alone should be aware of the complexity involved, especially when they are unfamiliar with the country's language, culture, business practices, and local regulations. Setting up a local entity also means increased time-to-market and investment required before you can expand your operations abroad. →

Localisation is more than just translating your website and communication channels. It also implies offering your customers their preferred local payment methods and currency; failure to do so will lead to lower conversion rates and a suboptimal payment experience. We strongly recommend offering Korean customers their preferred payment methods in their local currency. Doing so, you will be able to increase your potential number of approved transactions, while ensuring a fully optimised payment experience for them.

A further benefit to processing payments locally is that businesses are not required to pay card fees arising from international card schemes, and consumers do not need to pay additional cardholder surcharges that arise from paying through such methods. From a consumer perspective, this increases payment conversion since some buyers who are not aware of this surcharge from the outset question these additional charges once they appear on their bank statement.



Finally, the South Korean Won (KRW) is a highly restricted currency, which means that fund transfers in this currency are not allowed outside the country. Again, working with a payment service provider like Worldline – that can offer guaranteed foreign exchange capabilities in combination with their payment solutions – can limit potential risks and enable you to receive funds across borders.


### Making the right partnership decision – the key to optimising access

South Korea is clearly one of today’s most interesting global economies and an increasingly sophisticated one. Consumers are becoming ever more demanding in the level of service they receive throughout the purchasing process. They expect slick yet efficient options for how, when, and where they pay, particularly online. Any merchant seeking to capitalise on this tremendous pent-up demand needs to understand the rules, follow the trends, and deliver on expectations. **Partnering with Worldline** can help them achieve and deliver upon these very ambitions.

**WORLDLINE** 

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**Worldline** [Euronext: WLN] is a global leader in the payments industry and the technology partner of choice for merchants, banks, and acquirers. Powered by 18,000 employees in 40 countries, Worldline provides its clients with sustainable, trusted, and innovative solutions fostering their growth. Services offered by Worldline include in-store and online commercial acquiring, highly secure payment transaction processing, and numerous digital services. In 2021, Worldline generated a proforma revenue close to EUR 4 billion.

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<p><b>Year founded</b></p>	<p>1973</p>
<p><b>Head office</b></p>	<p>Tour Voltaire, 1 place des degrés, CS 81162, 92059 Paris la Défense Cedex</p>
<p><b>Core solution</b></p>	<p>Our solutions ensure secure payments and trusted transactional services along the entire payments value chain, enabling sustainable economic growth. We provide an extensive range of merchant acquiring, payment processing, and business solutions to financial institutions, merchants, corporations, and government agencies. Our continuously growing portfolio of solutions is environmentally friendly and supports trust and social transformation.</p>
<p><b>Target market</b></p>	<p>Merchants (retail, luxury and specialised brands, hospitality, travel, transportation, entertainment), marketplaces, PSPs, fintechs, banks</p>
<p><b>Geographical presence</b></p>	<ul style="list-style-type: none"> <li>• Geographical presence in 40 countries – and commercial activities in more than 170 countries.</li> <li>• <b>EUROPE</b> – Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Romania, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom</li> <li>• <b>AMERICAS</b> – Argentina, Brazil, Canada, Chile, Mexico, United States of America</li> <li>• <b>ASIA-PACIFIC</b> – Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New-Zealand, Singapore, Taiwan</li> </ul>
<p><b>Licence type</b></p>	<p>Payment service provider</p>
<p><b>Member of industry associations and/or initiatives</b></p>	<p>EMVCo, W3C, FIDO Alliance, EDPIA, EPI, MAG (ECB)</p>
<p><b>Payment methods supported</b></p>	<p>&gt;150</p>
<p><b>What is unique about your company?</b></p>	<p>We offer best-in-class payment services to nearly one million merchants and 1,200 banks and financial institutions, and our deep operational and go-to-market expertise across all market segments meet the local and global payments needs of our clients, wherever they are.</p>
<p><b>Future developments</b></p>	<p><b>Stablecoins: Next generation regulated digital currencies</b></p>
<p><b>Main clients/references</b></p>	<p>c.1.1 million merchants like Accor Hotels, Spotify, Subway, TOTAL + more than 320 financial institutions such as BNPP, Commerzbank, ING, UniCredit</p>
	<p>View company profile in online database*</p>
	<p>*The data present at the time of publication might be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our <a href="#">online company database</a>.</p>