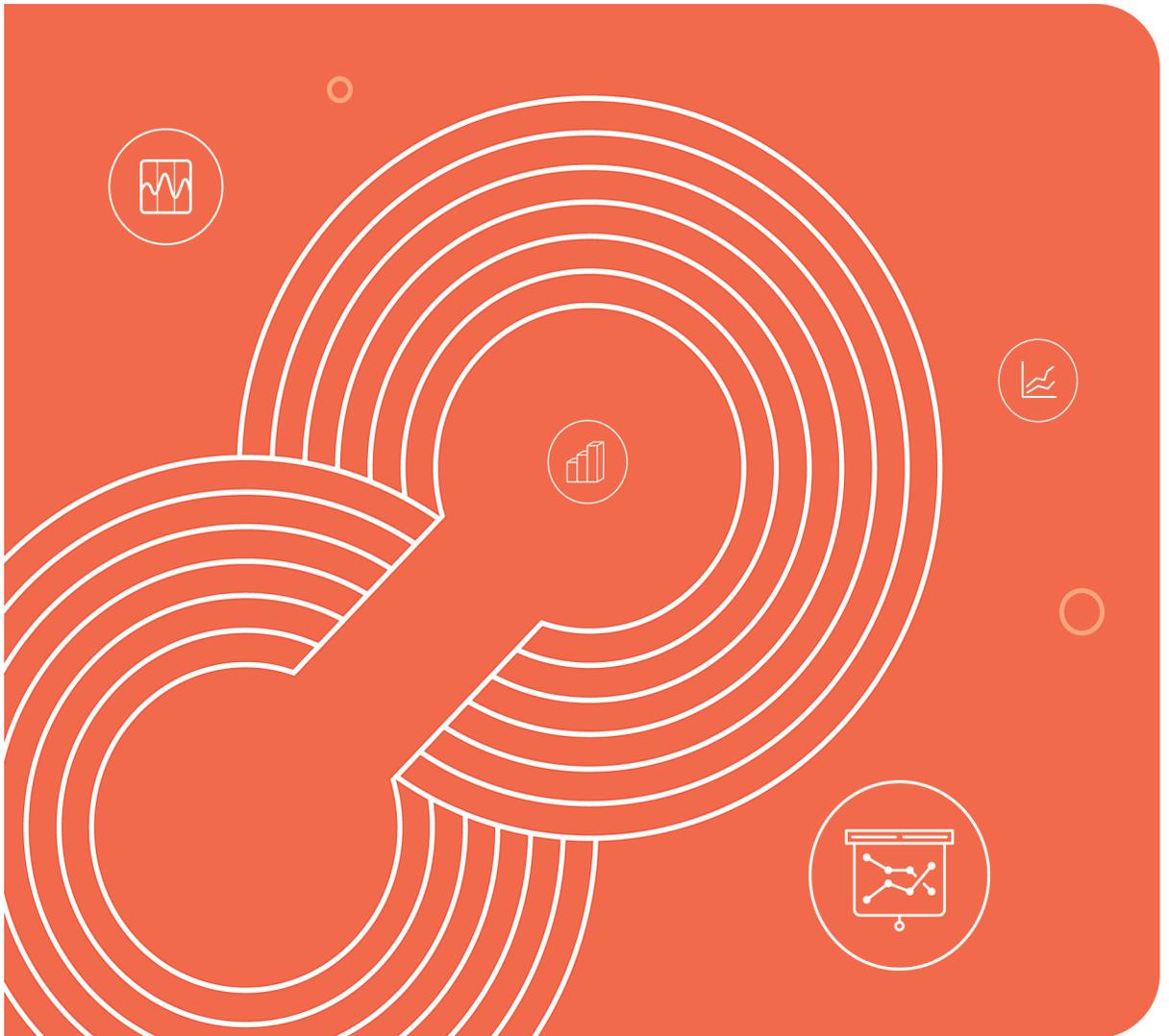


Executive Summary

2015 Consumption Life Indicators in Korea



Executive Summary

1. Overview

Concept	A tool for diagnosing Korean people's consumption life environment and experience and understanding consumer problems
Purpose	Designed to build and provide basic statistics and materials to establish positive consumer policies
History	Old Indicators were published in 1991, 1994 and 1997, and New Indicators were published in 2013 and 2015.
Structure	<pre> graph TD subgraph "Consumption Life Environment" HCE[Household Consumption Environment] CE[Consumer Environment] CPE[Consumer Policy Environment] HCE --- HCS[Household Consumption Stabilization] HCE --- HCB[Household Consumption Burden] CE --- ECR[Exercise of Consumer Rights] CE --- ACD[Acceptance of Consumer Duty] CPE --- ECTA[Enhancement of Consumer Transaction Adequacy] CPE --- SCSS[Securement of Consumer Safety] CPE --- CEI[Consumer Education and Information] CPE --- RFD[Remedies For Consumer Damage] end subgraph "Consumption Life Experience" PDCA[Problems and Damages by Consumption Area] UDS[Usage and Damage Status by Transaction Type] CS[Consumer Satisfaction] PDCA --- CPEXP[Consumer Problem Experience] PDCA --- PECA[Problem Experience by Consumption Area] PDCA --- CDEXP[Consumer Damage Experience] UDS --- UET[Usage Experience by Transaction Type] UDS --- DET[Damage Experience by Transaction Type] CS --- SV[Satisfaction on Consumption Volume] CS --- SE[Satisfaction on Consumer Empowerment] CS --- SCL[Satisfaction on Consumption Life] end </pre>
Composition	Total 110 Individual Indicators in 2 Sections, 6 Areas, and 16 Sub-areas
Statistics	「Survey on Consumption Life Indicators in Korea」Statistics (90 indicators, 81.5%), Statistics of Consumer Administration Performance (20 "consumer policy environment" indicators, 18.5%)
Survey	Interviews were conducted among 2,575 adults, 20 years of age or older, living in Korea during the month of April, 2015(Level of Confidence: 95%±1.94%p)
Publication	Survey on 110 individual indicators and analysis on the survey results by consumer characteristics

2. Major Findings of the Survey

- **(Proportion of people who identify themselves as middle class in consumption life)** It was 65.2%, up 2.7%p from 2013. The rate has decreased in “upper middle class” and increased in “lower middle class”
- **(Consumption Polarization Index)** Consumption polarization index in 2015 was 167, a big jump from 100 in 2007.
- **(Year-on-year Income-Consumption Variation Disparity Rate)** The rate was 5.7%, up 0.8%p from 4.9% in 2013, and the financial status of households has worsened.
- **(Proportion of people who feel relative deprivation in consumption life)** The rate was 42.0%, which was especially low among those in their 50s, low income class, single households, retirement stage, and those living in Gangwon & North Kyongsang Province.
- **(Feeling of economic burden for each expenditure item)** The expenditure item with highest rate was food, followed by sheltering, medical expense, and repayment of debt (principal & interest). Economic burden on repayment of debt has increased, while that on all other items has decreased.
- **(Proportion of people who have experiences or intention of participating in consumer education)** 10.4% of people have participated in consumer education, while 41.3% of people had intention of participating in consumer education. The proportion was higher among people with higher education and income level and with larger number of family members.
- **(Proportion of consumers who have changed their purchase behavior based on media information)** The rate was 45.6%, up 6.6%p from 2013.

- **(Proportion of consumers with experience of making complaints or raising issues)** 39.3% of consumers have experienced making complaints while 57.7% have experienced raising issues to business owners, up 5.8%p and 1.8%p from 2013, respectively.
- **(Proportion of consumers who have filed consumer disputes due to unsatisfactory response of business owners)** The proportion was 21.0%, down 7.2%p from 28.2% in 2013.
- **(Actions to exercise sustainable consumption)** The score was 63.7 points out of 100, 9.4 points up from 54.4points in 2013
- **(Number & proportion of corrective orders against unfair or deceptive labeling and advertisement)** 61 corrective orders were given in 2013, which accounted for 37.2% out of all corrective orders.
- **(Number & proportion of Consumer Centered Management (CCM) certification acquired by small-and-middle-sized companies)** 14 certifications were acquired by small-and-middle-sized companies in 2014, which accounted for 50%)
- **(Number of companies equipped with hazardous product sales prevention system and number of the system users)** In 2014, the number of companies was 54,954 and the number of users was 2,333, which increased by 27.5%p and 24.3%p, respectively, when compared with the same period of the previous year.
- **(Number of participants in consumer education and participation rate among vulnerable people)** In 2013, 266,907 people participated in consumer education, and the participation rate among vulnerable people was 91.5 %(244,147 people).
- **(Number of consumer counseling per 1000 people aged 20 or older)** The number of consumer counseling per 1000 people was 21.3 cases in 2014, 0.3 case or 1.4%p up from the previous year, but the rate of increase has declined since 2011.

- **(Proportion of people who have experienced consumer problems for the year)** The proportion for the year was 59.6%, with highest rate recorded in the area of telecommunication service, followed by clothes and food service)
- **(Proportion of consumer problem types experienced by consumers for the year)** The rate was highest with overpriced products for their quality (25.5%), followed by consumer information shortage (12.6%), quality defect (11.9%), and unfair and deceptive labeling and advertisements (10.6%).
- **(Consumer anxiety over food hazards for the year)** The score was 63.3 points out of 100, 10.2 points down from 73.5 in 2013.
- **(Consumer anxiety over safety incidents of transportation for the year)** The score was 59.2 points out of 100, 5.8 points down from 2013.
- **(Experience of consumer problems during financial and insurance transactions for the year)** The score was 65.2 points, 2.1 points up from 63.1 in 2013
- **(Proportion of using leisure facilities and experiencing safety incidents for the year)** Total usage rate was 48.7%, 19.3%p down from 2013, while the rate of people who have experienced safety incidents was 5.1% which is 0.1%p lower than the previous year.
- **(Proportion of people who have experienced consumer damage for the year)** The rate was 13.6%, with higher proportion among people with lower age and higher education and income level.
- **(Proportion of experiencing damage by consumption life area for the year)** Food 5.7%, clothes 5.4%, housing 2.6%, and medical service 2.5%

- **(Average value of damage per person who has experienced consumer damage for the year)** Average value of damage per person for the year was KRW 601,694 won and average damage rate against purchase price was 55.3%.
- **(Proportion of transaction types used by consumers for the year)** Out of total 14 transaction types, usage rate was highest for large marts (94.6%), followed by convenience stores (84.8%), traditional markets (82.0%) and internet shopping (81.3%).
- **(Proportion of transaction types with which consumers experienced consumer damage for the year)** Out of total 14 transaction types, telemarketing occupied the highest percentage of 31.7%, followed by multi-level marketing (29.2%), door-to-door sales (24.1%), and continuative transaction (15.3%)
- **(Satisfaction on consumption volume for the year)** The score was 52.7 points out of 100, with 10.8% of people said it was “satisfactory” while 41.2% said it was “unsatisfactory”
- **(Satisfaction on consumer capacity for the year)** The score was 57.2 points out of 100, 0.8 points down from 58.0 points in 2013
- **(Importance of each consumption life area)** Food 24.2%, housing 17.4%, clothes 11.2%, medical service 11.2%, and education 8.5%
- **(Satisfaction on Consumption Life for the year)** The score was 63.8 points out of 100, 7.8points lower than 71.6 points in 2013.

3. Implications

Based on the results of survey on consumption life indicators, the following have been suggested as policy implications: 1) Policies related to remedies for consumer damage should be determined based on the scale of consumer disputes; 2) Higher priorities of consumption policy should be put on such areas as sheltering, information communication, and financial service; 3) It's necessary to pay more attention to transaction types with increasing usage rate and higher rate of experiencing consumer damage; 4) Corresponding measures to encourage more active consumer responses and behaviors should be prepared; 5) It's important to consider vulnerable consumer groups in terms of consumption life environment and experience.