Executive Summary

2019
Consumption Life Indicators in Korea

Korea Consumer Agency

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Ⅰ. Overview : Background & Purpose

□ The Korea Consumer Agency(KCA) produces and publishes Consumption Life Indicators in Korea every two years. This year again, following 2017, KCA gathered the basic data and produced Consumption Life Indicators in Korea in an effort to take a view of Korean consumers' overall consumption life status by investigating and analyzing their perceptions and experiences regarding consumption environments.

□ This year, some of the items which compose Consumption Life Indicators in Korea have been complemented, and more systematic survey and analysis have been conducted to come up with more credible results as follows.

○ First, consistency in terms of the structure and composition(survey items) of Consumption Life Indicators in Korea has been maintained with previous surveys, while the opinions of relevant government authorities, local governments and organizations have been gathered and reflected in the process of producing 2019 Consumption Life Indicators in Korea.

○ Second, the survey items have been improved so that the results can be utilized for identifying major phenomena in Korean people's consumption life as well as monitoring consumer problems on a constant basis.

○ Third, the sample size for each different region has also been optimized so that it becomes more useful for preparing and evaluating customized consumer policies based on the results of diagnosis by regional as well as by age.

2. Major Findings of the Survey

1) Improvement of 2019 Consumption Life Indicators in Korea

□ In order to improve 2019 Consumption Life Indicators in Korea, the Council for Regional Consumption Life Indicators was held to listen to the opinions of experts from both home and abroad, based on which the overall survey items have been reorganized focusing on those with higher priorities and utilization in terms of policy discussions.

□ The consumption areas and product/service items used for investigating the level of consumer satisfaction and the proportion of people who have experienced consumer problems have been also strengthened, reflecting some of the changing factors affecting Koreans' consumption life such as digitization, globalization, and entrance into an aging society

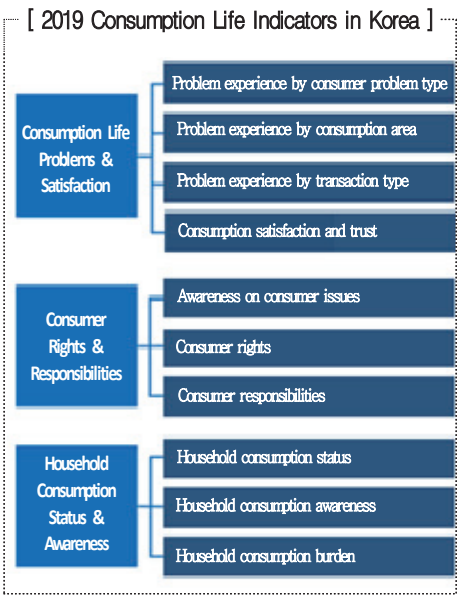
○ In terms of consumption areas/items, Financial·Insurance Products have been further broken down, and some new areas and items such as Delivery·Takeout Food/Food Products, Purchase of Used Cars, Daily Sanitary Chemical Products have been added.

○ In terms of consumption life indicators, a new indicator－Consumer Responsibility Indicator－has been added.

□ In addition, the sample size for the survey has been expanded to 8,000 people to increase the representation of samples, and the minimum sample size (at least 150 people) has been defined for regional analysis.

□ As a result, total 3 Sections, 10 Sub-sections and 89 Individual Indicators have been drawn up from over 40 consumer evaluation items in 11 Consumption Life areas and 26 Representative Products/Services, which compose Korean people's consumption life.

[The Structure of 2019 Consumption Life Indicators in Korea]



[Consumption Life Survey Areas & Representative Items]

Consumption Life Areas (Total 11 Areas)	Representative Items (10 Products & 16 Services; Total 26 Items)
Food · Dining	1) Food
	2) Dining
	3) Delivery · Takeout Food/Food Products
Clothes	4) Clothes · Shoes · Bags
	5) Clothes Laundry · Mending Service
Housing · Furniture	6) Home Appliances
	7) Furniture · Kitchen Utensils
	8) House Repair · Interior Service
Hospital · Medical Care	9) Medicine and Medical supplies
	10) Hospital Treatment · Dental Treatment
Education	11) Books · Teaching Materials(Workbooks, Teaching Materials & Instruments)
	12) Education Service(Private Educational Institutes · Supplementary Education)
ICT	13) ICT Devices(Mobile phones, Smart phones)
	14) ICT(Wired/Wireless Communication) Service
Automobiles	15) Purchase of New Cars
	16) Purchase of Used cars
	17) Car Maintenance · Repair & Inspection Service
Financial · Insurance	18) Financial Service(Saving, Loans, Investment)
	19) Insurance Products
Congratulatory & Condolatory Events	20) Wedding · First Birthday Party Service
	21) Funerals & Ritual Services
Beauty · Sanitation	22) Daily Sanitary Chemical Products(ex. Laundry Detergents, Shampoo…etc.)
	23) Beauty(Hair Dressing, Skin Care, Body Care) Service
Culture · Leisure	24) Cultural Events(Performances · Movies · Sports · Exhibitions)
	25) Domestic & Overseas Tour Service (Package Tour, Vacation Spots, Tourist Sites)
	26) Sports Facilities Service(Gym, Golf Course, Sports Centers)

2) Key Points of 2019 Consumption Life Indicators in Korea

□ The three consumption life areas that Korean consumers consider most important were "Food(Food·Dining)," "Housing(Housing·Furniture)," and "Financial(Financial·Insurance)."

□ **(The importance of Financial·Insurance area in consumption life increased sharply, while Food·Dining area continued to take the first place)** Although the importance of Financial·Insurance area had been steadily increasing, it was the first time since 2013 that this area was included within Top 3 rankings overtaking Clothes. In particular, there was a considerable increase in the number of consumers in their 50s who consider the Financial·Insurance area very important.

□ **(This year, the overall consumption life satisfaction score was approximately 70 points, a decrease from 2017 score)** The overall consumption life satisfaction score for this year was 69.9 out of 100, which can be considered as a "moderate level." This score is lower than 2017 satisfaction score but higher than that in 2015.

□ **(The area with the highest consumer satisfaction score was Food·Dining, while the area with the lowest score was Financial·Insurance)** Consumption life satisfaction score was highest in Food·Dining area followed by Hospital · Medical Care. The areas with the lowest consumption life satisfaction scores include Financial·Insurance and Congratulatory & Condolatory Events.

※ It seems that the lowest satisfaction score in the Financial·Insurance area together with the sharp increase in its importance in consumption life have resulted in the decline in overall consumption life satisfaction score.

□ **(One in every two Koreans has experienced consumer problems over the past two years, and "Delivery · Takeout Food/Food Products" in Food · Dining area was the biggest source of consumer problems experienced by Korean consumers)** The proportion of people who have experienced consumer problems related to 26 product/service items in 11 consumption life areas for the past two years was 52.6%, an increase of 9.2%p from 43.4% in 2017, which means that about one in every two consumers in Korea experienced problems in their consumption life. The area with the highest number of consumer problems was Food·Dining, followed by ICT and then Clothes.

□ **(Consumer Damage)** The item with which the largest number of survey respondents said they had experienced actual consumer damage was "Delivery·Takeout Food/Food Products(7.2%)."

□ **(Wrongful acts of business operators were most frequently observed with Insurance, while false labeling·advertising was the biggest problem with Delivery·Takeout Food/Food Products)** By type of consumer problems, "wrongful acts of business operators" were the

problems most frequently experienced with Insurance, followed by ICT and then Finance, while “false/exaggerated/deceptive labeling & advertising” occurred most often with Delivery ·Takeout Food/Food Products, followed by Dining, Food Products, and Medicine & Medical Supplies.

□ **(By transaction type, the highest proportion of consumer problems occurred with Telemarketing, followed by Overseas Direct Purchases and then SNS Shopping)** Among different transaction types, the usage rate, measured by the average number of usage per month, was highest for Convenience Stores followed by Large Marts, Traditional Markets, Mobile Shopping, Local Food Markets, and Internet Shopping, while the proportion of consumers who have experienced problems was highest with Telemarketing, followed by Overseas Direct Purchases and then SNS Platform Shopping.

□ **(Daegu was the region with the highest overall consumption life satisfaction score)** By region, overall consumption life satisfaction score was highest in Daegu, followed by Busan, Ulsan, South Jeolla, and Gwangju, while the scores were relatively lower in Jeju and South Gyeongsang. Compared to 2017, Sejong, South Jeolla and Gangwon saw increases in their consumption life satisfaction scores, while the rest of the regions revealed overall declining trends with South Gyeongsa, North Gyeongsang and Gangwon recording the biggest decrease in those scores.

□ **(Incheon City showed the highest level of consumer responsibilities including sustainable consumption practices)** The awareness on consumer responsibilities was relatively higher in Incheon than in other regions. Incheon scored high in overall sustainable consumption practices such as energy saving and ethical consumption practices, while it had the highest ratio of consumers who compare information and make informed decisions when they purchase products or services.

□ This seems to have resulted from the fact that Inchon actively pursued various consumer policies including “education for aged consumers” after being selected as a “leading local district in terms of consumer administration” jointly supported by the Korea Fair Trade Commission and the Korea Consumer Agency.