



University of Wisconsin-Madison
Consortium for Global Electronic Commerce
"Helping Industry Gain Competitive Advantage Through E-Commerce and E-Business"
www.cgec.org

Project Report:

Expansion Strategy Proposal in South Korea

Project Sponsor:

Lands' End

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Executive Summary

The purpose of the project is to suggest strategies for Lands’ End to penetrate the apparel market in South Korea. This report includes general information about South Korea, the use of Internet in South Korea, an analysis of the apparel market and online apparel market in South Korea, and recommendations for Lands’ End business expansion in South Korea.

South Korea ranked after Germany as one of the countries with the highest number of Internet users with shopping as one of the main Internet usage. The top purchase category for shopping is fashion and general merchandise and women seem to account more for sales in this category. Due to the country’s supportive e-commerce infrastructure, there is low cost in web promotions. The country imposed an acceptable duty of 13% for imported apparel and 10% value added tax for items more than \$60. Finally, delivery methods and payment methods are similar to those in the United States.

Based on the research done for this project, the project team has made several recommendations for penetrating the South Korean market. Overall, the biggest challenge that Lands’ End would have to face if the company decides to enter the South Korean market would be the limited brand awareness. The company should start developing brand awareness in South Korea by promoting their brand through the most popular media, the search engine and web portals. In addition, Lands’ End should also consider developing its own website in Korean to overcome the language barrier and reduce long-term cost of promotions.

The reasoning behind these recommendations are discussed in detail within the report

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