

S. Korea chain opens 'virtual' store in subway station

August 31 2011, by Jung Ha-Won



A major South Korean retailer has opened what it claims is the world's first virtual store geared to smartphone users, with shoppers scanning barcodes of products displayed in a Seoul subway station.

A major South Korean retailer owned by British giant Tesco has opened a virtual store in a busy Seoul subway station, for increasingly sophisticated smartphone users to order groceries and more.

Homeplus, which bills the shopping experiment as a world first, offers 500 items including food, electronics, office supplies and toiletries at its "store" at Seolleung station in the south of the city of 10 million.

Seven pillars and six platform screen doors have been plastered with images of life-size store shelves filled with goods -- such as milk, apples, a bag of rice or school backpacks -- which each carry a small barcode.

Shoppers download a related application on their [smartphone](#) and make purchases by taking photos of the [barcodes](#).

"You place an order when you go to work in the morning and can see the items delivered at home when you come home at night," said a spokeswoman for Homeplus, the country's second-largest discount chain.

Homeplus was established in 1999 in a joint venture between British-based giant Tesco and South Korea's Samsung but is now 100 percent owned by Tesco.



South Korea has 15.4 million smartphone users, more than 30 percent of the population. A state telecommunication official has estimated this will rise to 70 to 80 percent within three to four years.

"This will help increase our sales via smartphones, which will be the next big sales generator," the spokeswoman told AFP.

Homeplus already operates an online store for smartphone users which garners modest sales of 30 million won (\$28,000) a week, but hopes it can get a big boost from some 200,000 people who pass through the station daily.

The company says sales at Seolleung, which opened on August 25, are

small at present -- declining to reveal the actual figure -- but that the experiment is part of a long-term investment in a sector that will only keep growing.

Online sales of all types last year were worth 160 billion won out of Homeplus's total revenue of 11 trillion won.

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Orders placed by smartphone at Seolleung are sent to the Homeplus store nearest to the delivery address and anything ordered before 1pm will be delivered the same day, retailer says.

"This new store, which integrates current online and offline shopping space, has vast potential," said the spokeswoman.

The virtual store lured few shoppers during a visit this week, with a handful of young people taking photos of the unusual display but not making any purchases.

Hwang Won-II, a 40-year-old manager at a mobile payment system developer, said he had his doubts about the new retail experience.

People may have to spend "a good five to 10 minutes just to complete an order to buy five items", he told AFP.



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"This is a novel experiment... but I wonder if people are willing to spend that much time in the middle of a busy subway station," he said while trying out a purchase.

Hwang, a regular Homeplus customer, was out of luck when he attempted to use his iPhone. The app won't be available on Apple's store until mid-September although other smartphone operators already offer it.

"The whole new setting looks so unfamiliar and even intimidating, but I might buy a computer keyboard here if the price is good," said Kim Sang-Wook, a 30-year-old farmer, gazing at the image of a keyboard.

The idea might catch on, he said. "Many young people won't miss the opportunity as long as the price is good."

Restaurant manager Im Kyung-Hee said she would be happy to buy a few items on her way to work if she was too busy to go grocery shopping in the evening.

"It'll be nice if I can see food delivered at my door when I come home," she said.

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