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Christmas is Even More Enchanting by  
Shopping Live 'K-MAS 2021' with SMEs Products

- Plans for Shopping Live 'K-MAS 2021' were announced. This is an event dedicated to easing the economic damage to small business owners caused by COVID-19 by encouraging the public to purchase their products, which will take place from December 18 to 26.
- 'K-MAS' is an online, non-face-to-face event that will take place on online platforms (40 platforms), in traditional markets (400 markets), and in SME and small business owner stores (approximately 40,000 stores)
  - \* Up to 50% off for live commerce, up to 40% off for online malls, and 10% off with Onnuri gift certificates
- The event will take place in an "online space" at the Mapo Festival Street, featuring "100 special products" voted by the citizens. The selected products are those that have contributed to the community, will support vulnerable groups, or were made by youth business owners in hopes of overcoming their business closures
- It is expected to become a part of private-cooperate joint efforts to provide an opportunity to accelerate digital transformation for small business owners

The Ministry of SMEs and Startups (Minister KWON Chil-seung, hereafter referred to as "MSS") is organising the Shopping Live 'K-MAS 2021' from December 18(Sat) to 26(Sun).

Since 2019, the MSS has annually hosted online and offline Christmas markets to improve the digital competitiveness of small business owners and SMEs and to invigorate the domestic economy. The event marks its third year this year, and has great significance as it will encourage the public, who has reduced consumer spending due to the ongoing COVID-19 pandemic since 2020, to purchase various products.

The market targets Christmas consumption, joined by online platforms (40 platforms), traditional markets (400 markets), and SME and small business owner stores (approximately 40,000 stores). There are many promotions online.

‘K-MAS’ focuses on supporting the growth and recovery of small business owners, with a focus on the keywords, “online” and “digitalisation.”

During the event (December 18~26), “online market” for small business owners is in operation at the Festival Street in Mapo-gu, Seoul, featuring unmanned sales of products from SMEs and small business owners. Also Shopping Live Streaming is available.

Digital transformation has accelerated revolutions in commerce, which resulted in both business a crisis and an opportunity for small business owners. Nonetheless, small business owners have failed to respond successfully.

\* Use of online channels: 7.3% (March 2021, Small & Medium Business Distribution Center), use of digital technology: 15.4% (September 2020, SEMAS)

In addition, with greater difficulties faced by small business owners due to COVID-19, the government has implemented measures this year, including “K-Sale (June),” “Loss Recovery Fund (October),” and “Additional Support (November),” to aid the recovery of small business owners from COVID-19. As a result, the business situations began showing slight signs of improvement for small business owners due to disaster relief funds and a positive consumer attitude.

\* Consumer Sentiment Index (Bank of Korea): (September) 103.8 → (October) 106.8 → (November) 107.6

Perceived Economy by Small Business Owners, Business Survey Index (BSI) (Small Enterprise And Market Service): (September) 57.6 → (October) 62.5 → (November) 66.2

However, considering the criticism that the “Campaign to Encourage Consumption” must take place while complying with the stronger quarantine measures following another wave of COVID-19, the “Consume for Support” store (market) for small business owners will open with strict compliance to the “Quarantine Pass.”

**In detailed information regarding the K-MAS Live Market 2021 are as follows.**

#### Fundamental Goals

- ① **(Format)** Cooperate with private platforms to ease the pain for small business owners and support mass digital transformation to plan a non-face-to-face online event to encourage consumption
- ② **(Participant)** Businesses that have experienced difficulties due to COVID-19, including SMEs and small business owners, traditional marketplaces (stores), local supermarkets
- ③ **(Location)** Open up an online space at the Mapo “Festival Street” for digital and online promotion, and suggest future direction for growth and recovery for small business owners



#### <Merry Christmas with Shopping Live, ‘K-MAS’>

- QR codes shaped like snowflakes and presents signify the hopes to encourage both the online and offline consumption of products (food) from SMEs and small business owners
- **Focused** on campaigns such as challenges and making videos with the theme of Christmas

## **① Encourage Sales for Small Business Owners and Marketplaces**

Amidst the online consumption, encouraging event\* that focuses on major commercial areas that were hit the hardest by COVID-19 including traditional marketplaces and stores,

\* On-site Live Commerce, light decorations, cultural and healing attractions, etc.

there will also be marketing events concurrently taking place with local contents created by local creators (approximately 20 creators).

Events include special discounts with Onnuri gift certificates (10% discount, a total of KRW 150 billion in discounts), discounts for products purchased online\* (up to 30%), promotions for youth business owners, free deliveries, and more promotional programs.

\* Online grocery shopping services (NAVER, Nolja, etc.), online traditional marketplaces (Post K Mall, etc.), etc.

In addition, as part of efforts to encourage domestic consumption, the agricultural consumption coupon discount limit will be increased temporarily to a maximum of KRW 20,000 during the event period. There will also be sales held voluntarily by local supermarkets around the country.

There will also be support measures, including supporting delivery fees and promotional services for small business owners going through difficulties maintaining their brick-and-mortar stores in cooperation with the private sector (approximately 3,000 stores). Lastly, there will be events for consumers who use ZeroPay.

## **② Encourage Online Sales for SMEs and Small Business Owners**

‘K-MAS 2021’ will take place non-face-to-face online. To create an initial sense of excitement and encourage participation from the public, “100 Special Christmas Products” were carefully selected by online votes with support from the public (57,000 votes and supporting messages).

- \* 100 Special Products: Food (62 products), beauty (18 products), lifestyle (14 products), fashion (6 products)
- Entry (November 1 – 7, 1,507 products) → Screened by experts (November 11 – 12, 200 products) → Citizen vote (November 22 – 28, 100 products)

100 special products that will be offered in the market and other products for SMEs and small business owners will be available up to 50% off at the Shopping Live ‘K-MAS’ Special Event (60 sessions or less)” organised together by public and private platforms\*.

- \* NAVER, Shinsegae TV Shopping, Home & Shopping, Grip, etc.

Also, the “Unique Christmas Sale” participated by 40 channels including e-commerce startups, major online shopping malls, and home shoppings will feature various promotions including a discount of up to 40% off.

- \* idus, Tmon, Baemin, CJ Mall, Interpark, Auction, 11 St, GMarket, Coupang, etc.

## **③ Non-face-to-face “Online Space” at Mapo “Festival Street”**

As the more prolonged COVID-19 pandemic is threatening the lives of Korean citizens and the survival of small businesses, the heartwarming and special task of the K-MAS has become more important than ever.

Accordingly, there will be an “online space” at the Mapo “Festival Street,” one of the major commercial areas of Korea, where there will be digitalised and online stores in operation.

Excellent products from SMEs and small business owners will be available for non-face-to-face purchase by scanning QR codes (260 businesses), and participating businesses will be able to share their digital transformation policies and strategies online. The space will be an opportunity to support the growth and leap of small business owners.

There will also be live broadcasting programs that introduce heartwarming stories about overcoming COVID-19, shared growth, and the spirit of sharing, and offer useful information for small business owners including tax and legal affairs.

Deputy Minister for Micro-Enterprise Policy CHO Ju-hyeon stated, “With another wave of COVID-19, we are deeply concerned about the difficulties and challenges faced by the small business owners.”

He added, “In response to the stricter quarantine regulations amidst hopes that we would return to our everyday lives, the ‘online space’ at the Hongdae Festival Street will implement a stronger ‘Quarantine Pass’\*.”

\* Less than 500 people at a single location → Less than 300 people

He also stated, “I hope that ‘Happiness for Everyone on Christmas! Shopping Live, K-MAS’ will be a special holiday gift for the citizens and small business owners. It is my hope that the event will become an opportunity to help small business owners overcome the crisis and find a new direction for growth.”