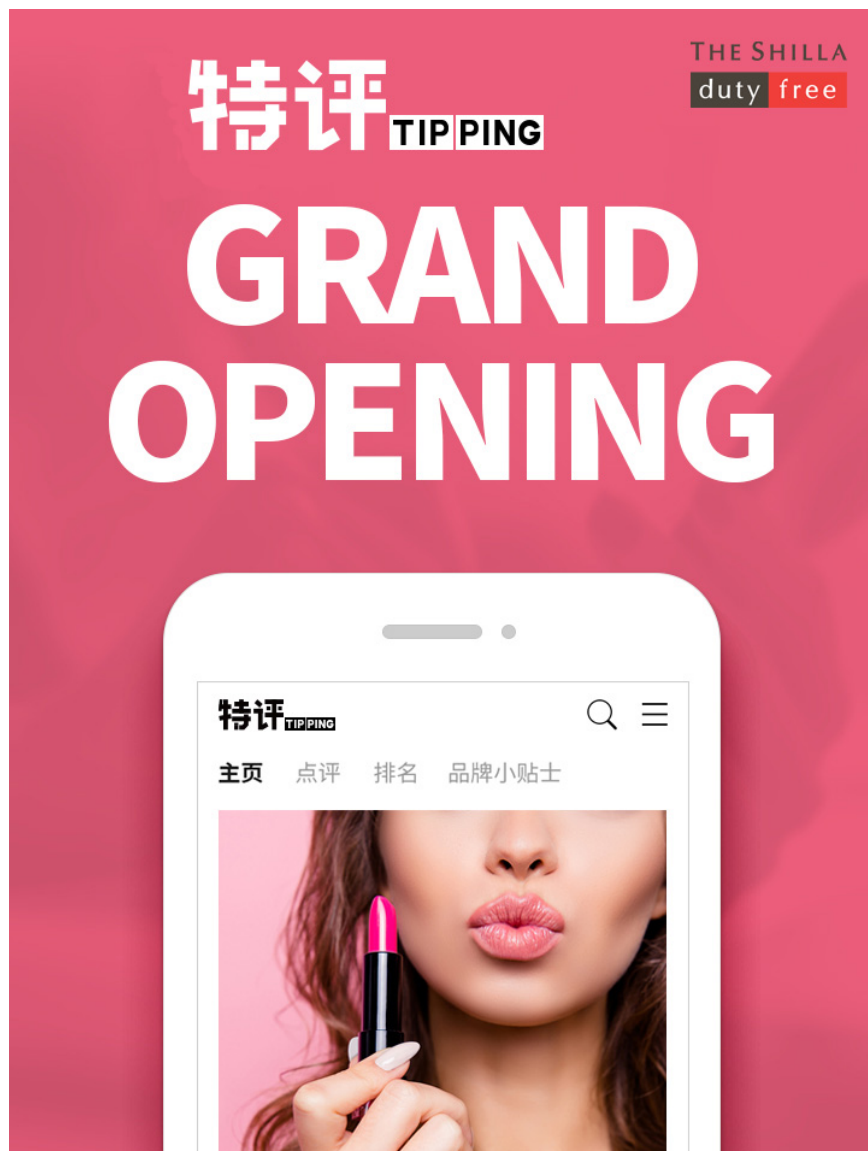


The Shilla Duty Free expands mobile review service Shilla Tipping to target foreign customers



The new global Shilla Tipping app will be introduced in Chinese, followed by Japanese and English

The Shilla Duty Free is expanding its mobile review service “Shilla Tipping” globally to target foreign customers, rebranding the service as “Global Shilla Tipping.” Global Shilla Tipping will also be expanding its multi-language services progressively, beginning with Chinese, Japanese and English respectively. This move comes as the retailer is aggressively promoting K-beauty brands and trends to foreign customers planning to visit South Korean duty-free shops.

Introduced in September 2019, the Shilla Tipping is a marketing channel that enables brands to connect with the key customers of duty-free shops, such as millennials and women. It primarily targets millennials who rely on user-generated reviews as part of their decision-making process for online purchases.

Currently, 80,000 people use Shilla’s Tipping service every day on average, with a daily maximum of

about 120,000. So far, there are more than 150,000 customer reviews on about 40,000 products on the platform. Of those reviews, more than 40,000 reviews have led to other customers' purchases, with more than 30 members generating over 100 million KRW (USD\$86,442) in sales.

Global Shilla Tipping's new Chinese-language service automatically translates over 150,000 reviews already stored in Shilla Tipping's existing system, including new reviews posted in real time by users, and then provides them to Chinese consumers. This enables Chinese consumers to learn about the latest South Korean beauty trends more quickly through product reviews written by South Korean consumers.

Any member of The Shilla Online Duty Free can leave reviews using photos and videos, and when sales are generated through a review written by a member, the member is given a cashable reward that can be of an amount up to 3% of the sales.

The Shilla Duty Free plans to hold "Brand Week" for Global Shilla Tipping as well, in a bid to consistently introduce lesser known Korean and other global brands to its foreign customers. Shilla Tipping has held brand weeks featuring not only with renowned global brands, such as the Estée Lauder Companies, L'Oréal Group and LG Household & Health Care, but also with medium-sized Korean brands, such as Milk Touch, CNP and I'm from. All the brands that participated in Brand Week saw at least a two-digit increase in sales on average during the event period.

A Shilla Duty Free spokesperson said: "Foreign customers who use The Shilla Duty Free mobile app are either scheduled to visit South Korea or highly interested in South Korean cosmetics. We will strive to promote K-beauty across the world through Global Shilla Tipping."