

Synovate Hotspots Korea



lifetolife

Bringing Korea to life



Photo Source: Sparkling Korea



Bringing Korea to life

- This document is designed to give you an overview of Korea, its people and some of the key issues and trends Synovate is observing in the country today.
- The core source of information is 'LifeWorlds' (Synovate's ethnographic approach), but it is complemented with Synovate's broader understanding of this country's culture.
- Our discussion has three main parts:
 - "Big Ideas": insights into Korean culture and consumers
 - Implications for research
 - Data



Section I: Big Ideas

Big Ideas

- Group behavior supersedes individual preferences, therefore change happens quickly
- The Internet will change our lives in the future and in Korea that future is already here
- Well-being is not a new fact, it is a long standing way of life
- Traditional roles dominate modern behaviour
- Education is not just a goal, it is the goal
- Myself reflected in others' eyes is very important

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Group behavior dominates



When drinking on-premise:

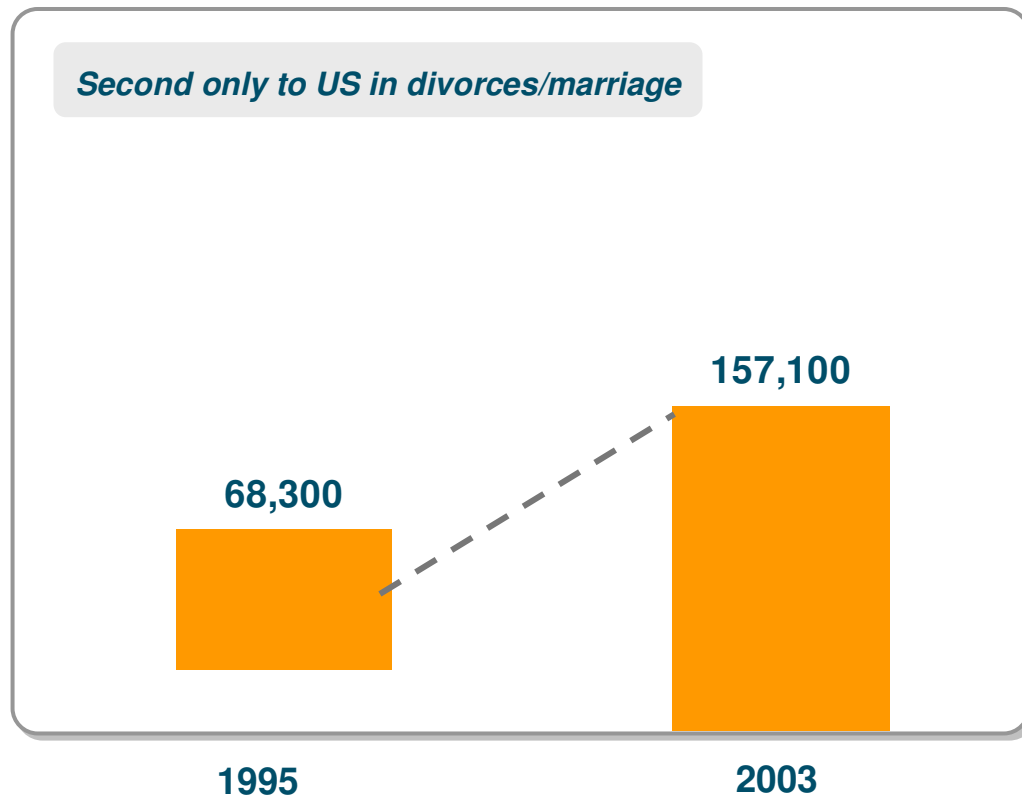
- You order large bottles, not single serve.
- You order the same beer for everyone.
- You pour for someone else, never for yourself.
- For special events you share the glass.

They like wearing the same clothes

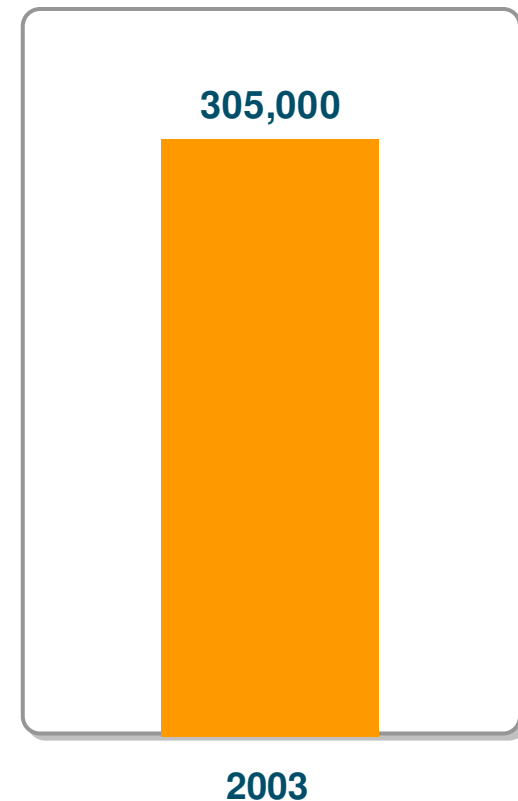


So change happens quickly

Divorces



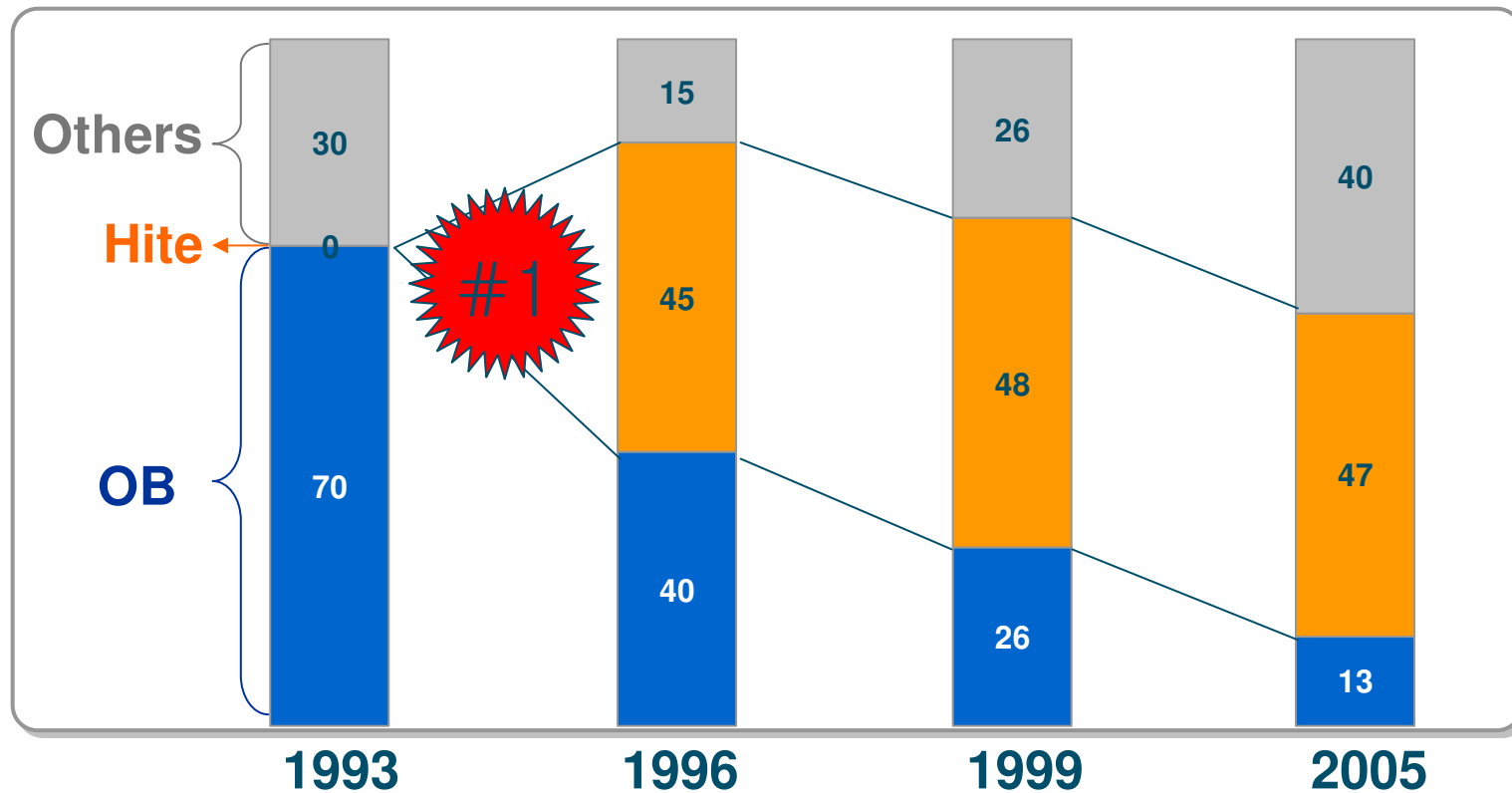
Marriages



Source: People's daily online, Korea Focus

Hite grew quickly

Beer Brand Market Share, Percent



Source: Synovate Beer tracking study, age 19~49, Total Korea; Press clippings

The rise and fall of a trend occurs quickly

- Korean consumers are curious and enthusiastic to try new products
- The speed and the scale of trend changes are fast and large



It is unusual to see women wearing styles that were trendy a couple of years ago



The fastest changing product cycle (1.5 years for mobile phones) and enthusiastic consumption make Korea a test market for high-technology products, i.e. mobile phones and digital cameras

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Korea: The future of the internet



About 25,000 PC “bangs” (internet café) in 2009

- The increasing number of PC bangs is largely propelled by the popularity of online games, such as The Kingdom of the Winds, Star Craft, Lineage, Aion, World of Warcraft

- **95%** is the diffusion rate of **broadband at home**. This is the highest rate in the world, Singapore comes in second at 88%.
- **1.5 million** was estimated as the number of **IPTV in use** at the end of **2008**.
- There are **more than 57,000 blogs** in Korean language in 2008. **85%** of them are operated by **10's and 20's**.

Source: Jooang Ilbo, Korea Communication Commission, E-daily, Blogyam

Gaming dominates leisure

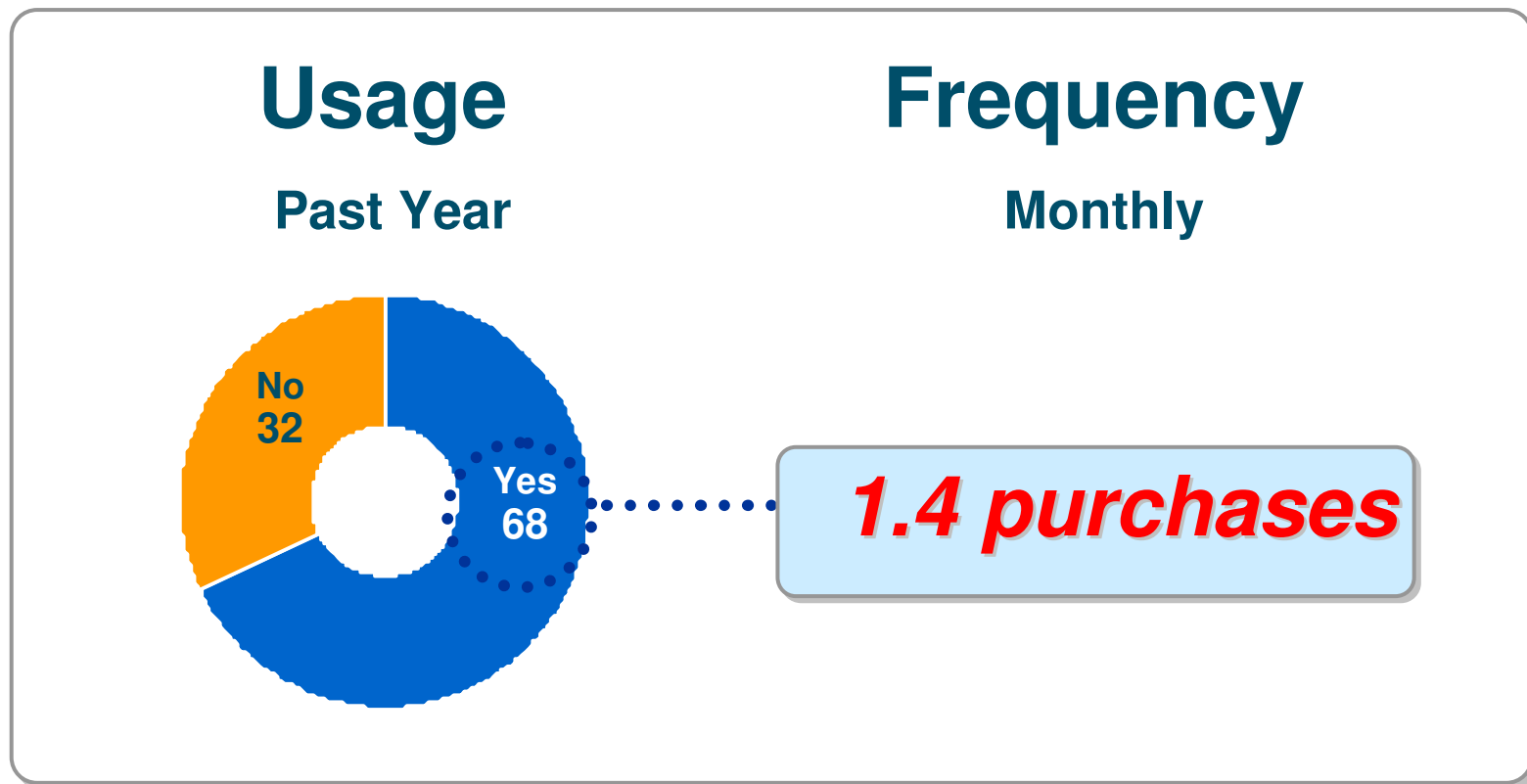


<Korea WCG Champions>

Source: Korea Foundation Newsletter

- It is estimated that 1 million Koreans are online every day playing games
- More 30% of the population are registered for online gaming
- In Korea, it is not Manchester United or David Beckham, it is the Star Craft Champions
- There are two online game-specialized CATV channels which broadcast professional players' battling 24/7
- There are thousands of professional game players registered at the Korea e-Sports Association

Online purchasing is widespread



Source: Synovate Hot Spots Survey

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Core diet is quite healthy



- National dish is Kimchi
- Sell 7 million Yakult per day
- Koreans push for nutrition over taste. They often purchase food products because of high nutrition even though it might not taste so good.

Well-being affects on healthy ingredients

영양성분
1회 분량 1개(35g)
중 12회 분량

표시 영양소의 종류
영양성분으로는 열량,
탄수화물, 단백질,
지방, 나트륨 함량이
표시되어 있습니다.

영양소 함량
식품의 단위 중량 당
포함된 각 영양소들의
함량입니다.

영양소	1회 분량 당 함량	%영양소기준치
열량	150kcal	
탄수화물	22g	7%
단백질	2g	3%
지방	6g	12%
나트륨	55mg	2%
칼슘	15mg	2%

*%영양소기준치: 1일 영양소기준치에 대한 비율

영양표시 제목
'영양성분' 또는
'영양정보'라고 적힌
표를 찾습니다.

표시기준분량
식품의 단위 중량을
확인합니다.

%영양소기준치
1일 영양소 기준치에
대한 비율로, 하루에
먹어야 할 분량에 비해
얼마가 들어있는지를
쉽게 알 수 있습니다.

- Consumers' interest in nutrition and ingredients have exploded

- Gradually, increasing numbers of consumers check the nutritional information on product packages when they select and purchase them



- Products with low calories, low fat, and no chemical ingredients are becoming more and more popular
- Some TV programs and books are continuously debunking harmful materials in food and beverages

Not everything is healthy..



50% of Korean women in their 20s have undergone plastic surgery.

Source: Seoul style online magazine

Especially regarding drinking

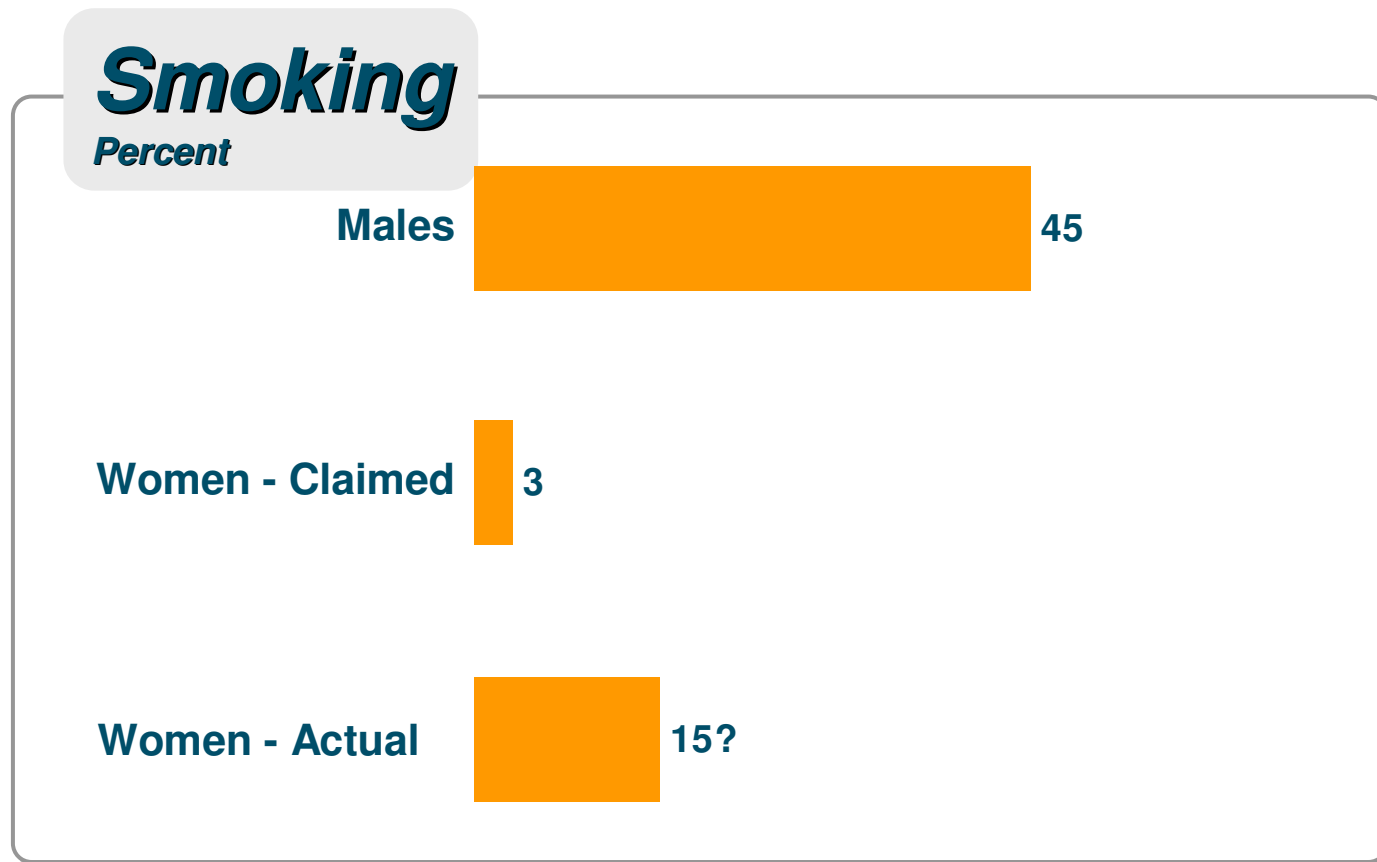


- It's accepted to be drunk in public and on any day during the week.
- Soju is the national “drink”. Its purpose is to get drunk quickly and cheaply

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Tradition frowns on female smoking



Source: Tobacco continuous tracking study

Hierarchy defines you



- You are introduced as Kim Bujang, not Mr. Kim or by your first name.
- Titles are same in every company.

Religion is omni-present



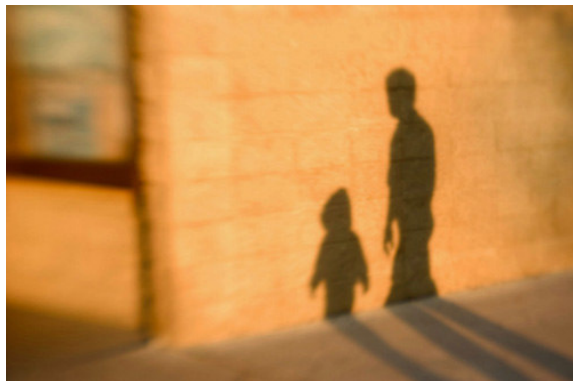
- Yoido gospel church is the largest Christian church in the world with more than 800,000 members.
- 60,000 churches in Korea.



Source: Wikipedia

Collisions between traditional roles and modern behaviour

Collisions are occurring between men and women, between young and old generations

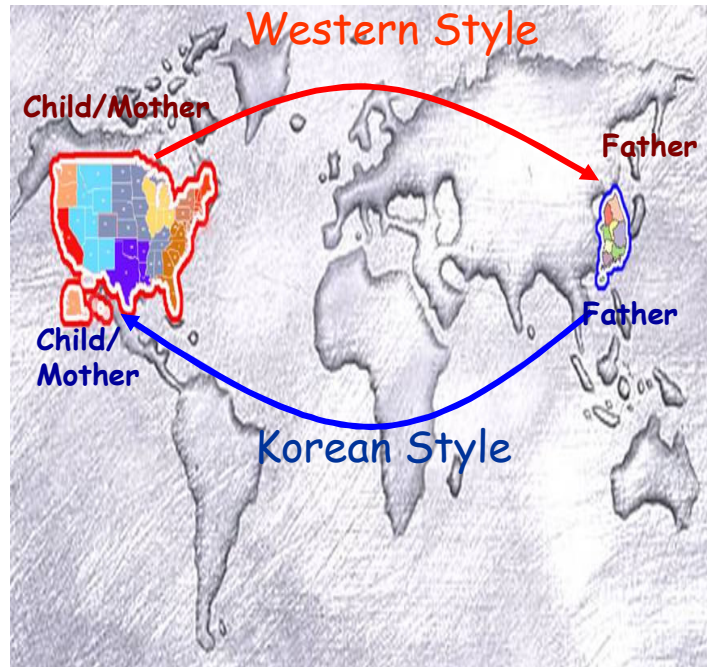


- As a growing number of women begin to work, they flee from doing housework and child care and ask their husbands to get involved
- However, many of them still retain the duty of a faithful housewife and mother
- Middle-aged men, mainly fathers, are often described as “homeless souls”, as they are often discredited at home and at work
- Loss of traditional authority as a father has caused a reduction in fathers’ roles at home. In this context, many fathers in their 40’s suffer from depression.

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Education separates families



- In Korean families the mother and child move for education while the father stays at home
- The father left at home is called a 'wild goose' father (because he has to be migratory on each vacation)
- 48.3% of parents want to send their children to study abroad (in 2008)
- The purpose of doing this is to give the education of children an international dimension (including English proficiency) and dislike of the current education system in Korea
- English ability is seen as an important way to get a decent job and to step up the social ladder

Education is the mother's "life duty"

- Education of children is perceived as a mother's ultimate mission
- Korean mothers tend to think the education of their children is the inevitable route to being a great mother
- Thus, mothers force children to take a lot of extra classes (private education)



Mom as a good education provider of this age:

"Mom should provide a good education which is directly linked to kids success."

Spending extensive, burdensome

- Korean parents spent \$25 billion on private education in 2005; that is 50% more than the government education budget.
- More than 70% of households (aged 30 or more) with students have felt the burden of educational expenses since 2000. It hit 80% in 2008. The largest share came from expenses on extra classes



Source: Cato Organization



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Enormous enforcement of education causes side effects

- The number of children who are sick of studying and see psychiatrists is growing
 - The main reason is the great pressure to study inflicted by their parents
 - Another is excessive early education that is beyond the children's capacity



Burden of Getting High Score ***Percentage***

Students aged 15~18 those who worry about their academic score

81

Source: Korea National Statistical Office, Social Survey 2008

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In appearance, I have to be healthy and pretty

- Koreans are highly conscious about being good-looking
 - To be a more attractive person, they try to use several ways from use of many cosmetics to plastic surgery



- 50% of Korean women in their 20's have undergone plastic surgery
- Typical Korean women use around 5 cosmetics products for their basic make-up, which is 2~3 more than consumers overseas
- On the demand stimulated by celebrities for a slim body shape, the number of fitness centers has been stiffly rising since the year 2000

Symbolic struggle of a recognized social being

- Sensitivity to being seen as prestigious causes a high preference for premium or luxury brands (and looks)



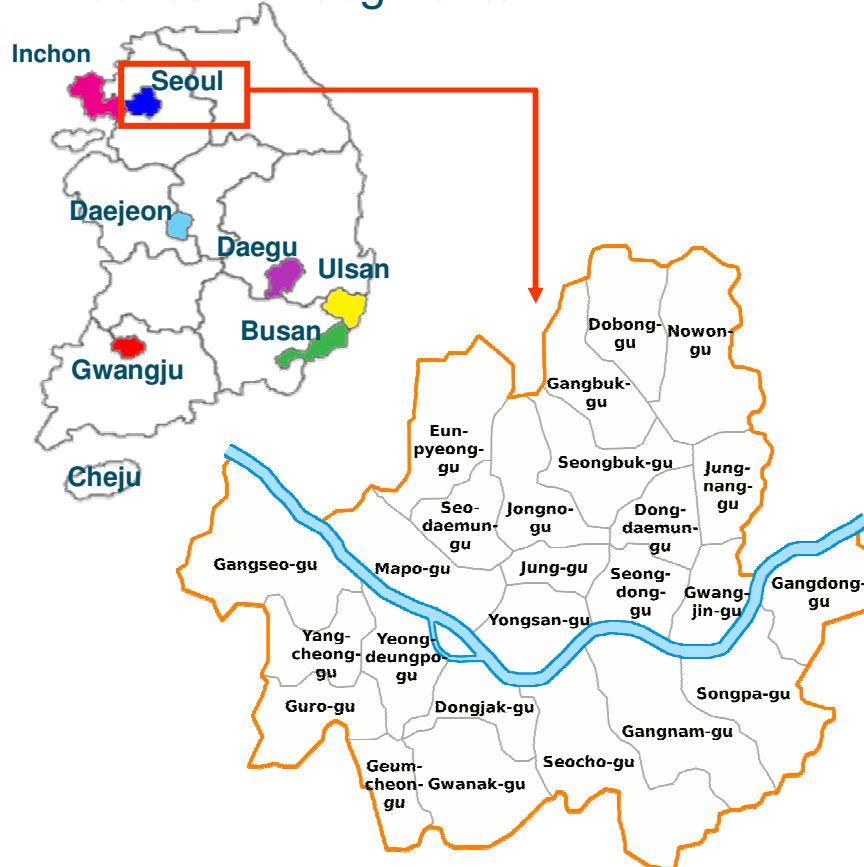
- When you come to Korea, you will find and ask “why are all the cars on the roads silver-grey or black?”
- Showing-off through cars is the one of the most important codes in car purchase and driving
- Korean consumers’ preference for premium and luxurious brands is very high
- A premium and luxury brand is translated as “명품(名品, myeong-pum)”, which is widely used to indicate quality commodities (both goods and services), gorgeous body shapes, etc.



Section II: Implications for research

Research area in Korea: Seoul

- Seoul and the greater area is the representative city/area of Korea due to its large population, leading place of cultural trends & change, and various consumer segments



- Seoul has 43% of the entire Korean population, made up of a variety of cultural backgrounds.
- A lot of changes in trends and consumption burst out from Seoul.
- Various types of consumers exist in this area from premium/luxury commodity consumers to inexpensive commodity consumers, from early adopters to laggards.
 - Divided by the Han River, people in the southern area tend to be more affluent and well-educated, in general. In consideration of this, a mix of both areas residents in recruitment is carried out.
- In this context, all research agencies are based in Seoul meaning that most of the fieldwork, especially qualitative work, is mainly done in Seoul
- Meanwhile, nationwide quantitative surveys cover 5 major cities; Seoul, Busan, Daejeon, Daegu, and Gwangju in part.

Things to be considered in group composition

- **Gender and age are still the most significantly defining criteria.**
 - On many issues, the opinions of males and females can be very different. At the same time, they hardly ever find the presence of the opposite gender comfortable.
 - This tendency is even stronger among teenagers who are generally very shy with strangers.
 - Seniority is the major theme defining who they are and how they socialize, so same age groups is the bottom line requirement to boost interaction and active involvement in discussion.

Life Stage	Age for Males	Age for Females	Tips
High School Students	16~19		<ul style="list-style-type: none"> ▪ After graduation from high school at 16~19 years of age, mostly graduates (about 90%) enter university or college ▪ There is mandatory military service of about 2 years for males who join the service in the middle of the 4 year academic courses
Univ. Students	20~28	20~25	
Working as a Junior	26~35	24~30	<ul style="list-style-type: none"> ▪ This is the period of starting to work as a single person ▪ Consumers in this stage seek to spend their money on themselves in relation to leisure & social activities
Marriage, Having Family & Kids	30~55	26~50	<ul style="list-style-type: none"> ▪ The average age of marriage is 31 for males and 28 for females
Retired	55~65		<ul style="list-style-type: none"> ▪ Many Koreans tend to retire right before their 60s, or soon after ▪ After 65, their verbal expressive ability might not be perfect

Timing for qualitative fieldwork

- Here are some tips for scheduling qualitative FW times.

Types of Respondents	Recommended Time	Tips
High School Students	5:30 PM	<ul style="list-style-type: none"> High school students generally finish their classes around at 4 PM. Considering the time to move from school to the facility, 5:00 PM is the earliest starting time. However, summer (Jul ~ Aug) and winter (Dec ~ Jan) vacations enables earlier groups.
Univ. Students	After 4:00 PM Not in exam period	<ul style="list-style-type: none"> Most university students stay on campus until the end of the afternoon, so this should be a starting time for them. <ul style="list-style-type: none"> However, they are available all day during vacations. In the exam period (early May, end of June, mid October, end of December) they hardly ever participate in interviews.
Working People	7:30 PM	<ul style="list-style-type: none"> On average, working people finish their work from 6:00pm to 6:30pm.
Full-time Housewives	11:00 AM	<ul style="list-style-type: none"> Housewives can take their own time after sending their husband to work and children to school. However, they generally prefer late morning or early afternoon.

Tips for on-site interviews & observation



- **When visiting homes, the recommended number of visitors is fewer than 4**
 - Since Korean houses are fairly small compared to western standards
 - Also, Koreans hardly ever invite strangers to their homes



- **Male visitors are generally less welcome than female visitors, because interviewees can feel quite anxious**
 - In case of shops or particular venue visits, interviews should be permitted by the shop or venue hosts in advance





Section III: Data

Interesting facts - quiz

- In which year was the Seoul Olympics held?
- Which currency would you use if you were in South Korea?
- Name the Korean company which is the largest shipbuilders in the world?
- In which year was the Republic of Korea established?
- How far from Seoul is the DMZ?
- Original spelling of country name?

Interesting facts - quiz

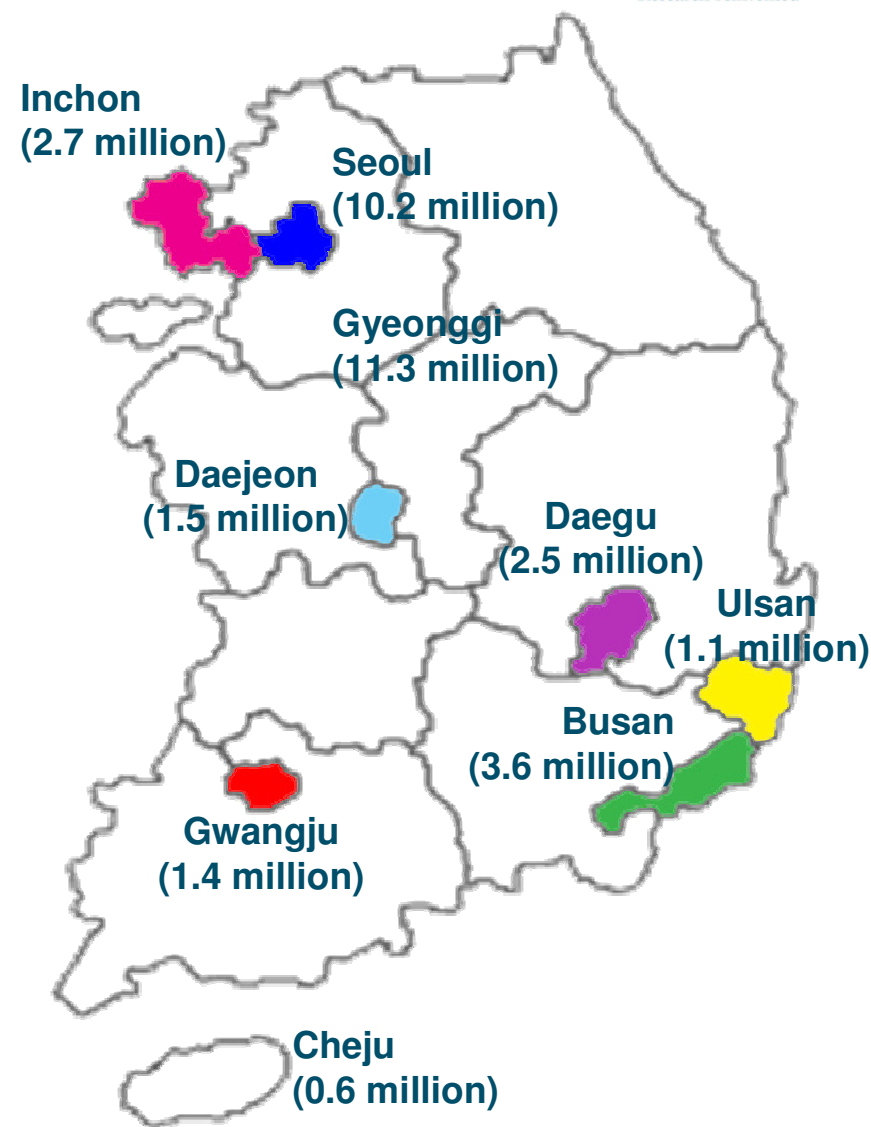
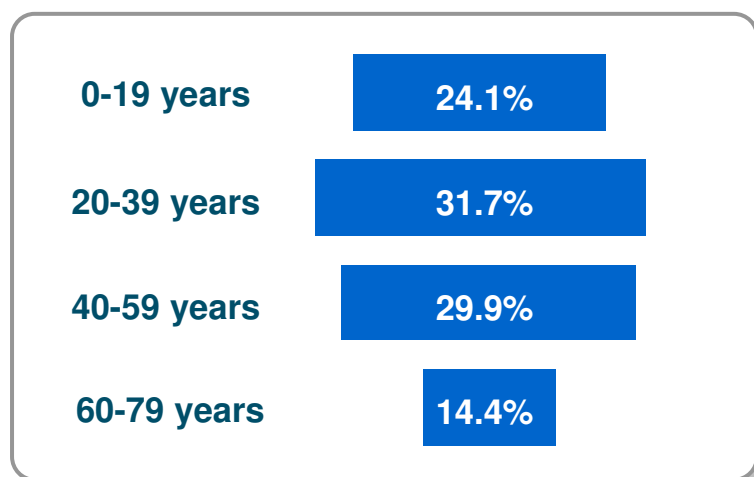
- In which year was the Seoul Olympics held? 1988
- Which currency would you use if you were in South Korea? Won
- Name the Korean company which is the largest shipbuilders in the world? Hyundai
- In which year was the Republic of Korea established? 1945
- How far from Seoul is the DMZ? 30 miles
- Original spelling of country name? Corea



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Geography

- Population: 49,540,367
 - 43% of the total population belongs to Seoul & Gyeonggi Province.
- Annual Growth Rate: 0.55%
- Total Area: 99,678 sq km (in 2007)
- Ethnic Groups: Korean
- Official Language: Korean
- Literacy: 98%
- Age Distribution:



Source: Korean Statistical Information System (2008), The Statistics Year Book of Construction & Traffic in 2007

Economy

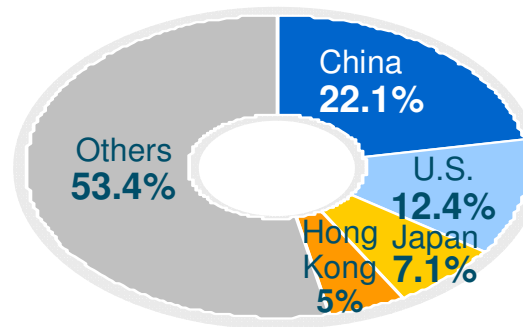
Billion USD, 2008

GDP



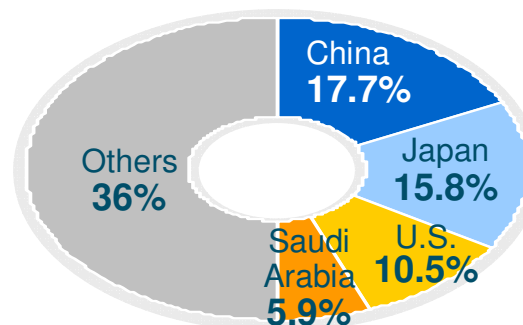
**4th in Asia
15th in the world**

Exports



semiconductors, wireless telecommunications equipment, motor vehicles, computers, steel, ships, petrochemicals

Imports

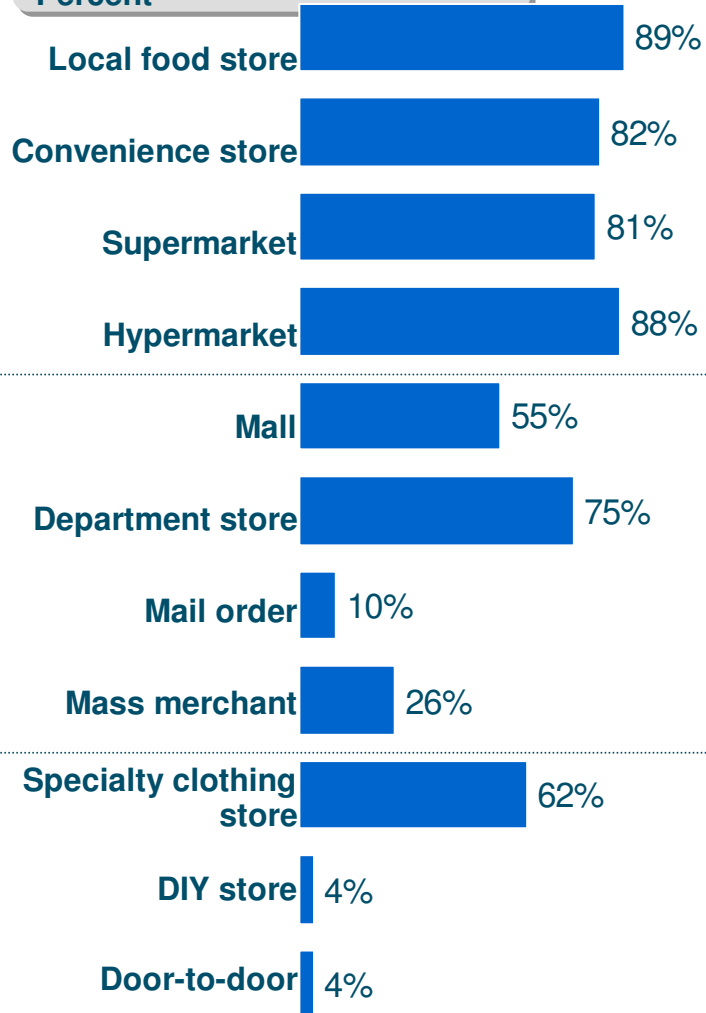


machinery, electronics and electronic equipment, oil, steel, transport equipment, organic chemicals, plastics

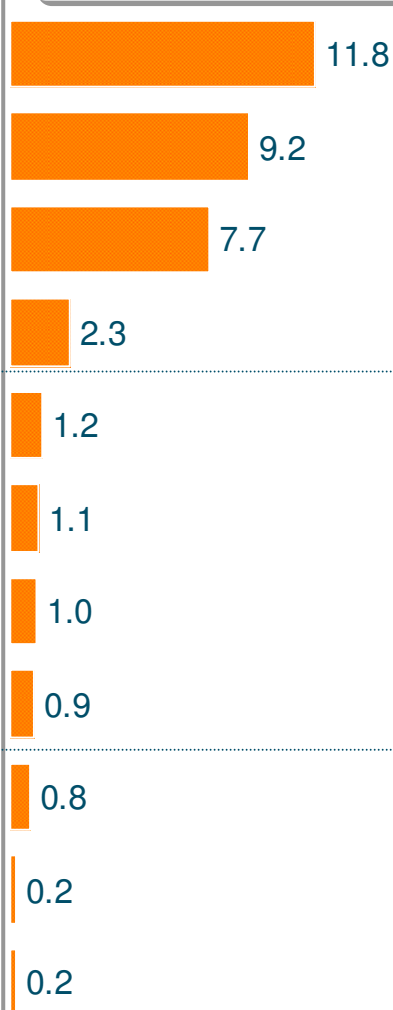
Source: Bank of Korea, CIA Fact Book

Retail industry

Usage, past year Percent



Frequency, past month Visits



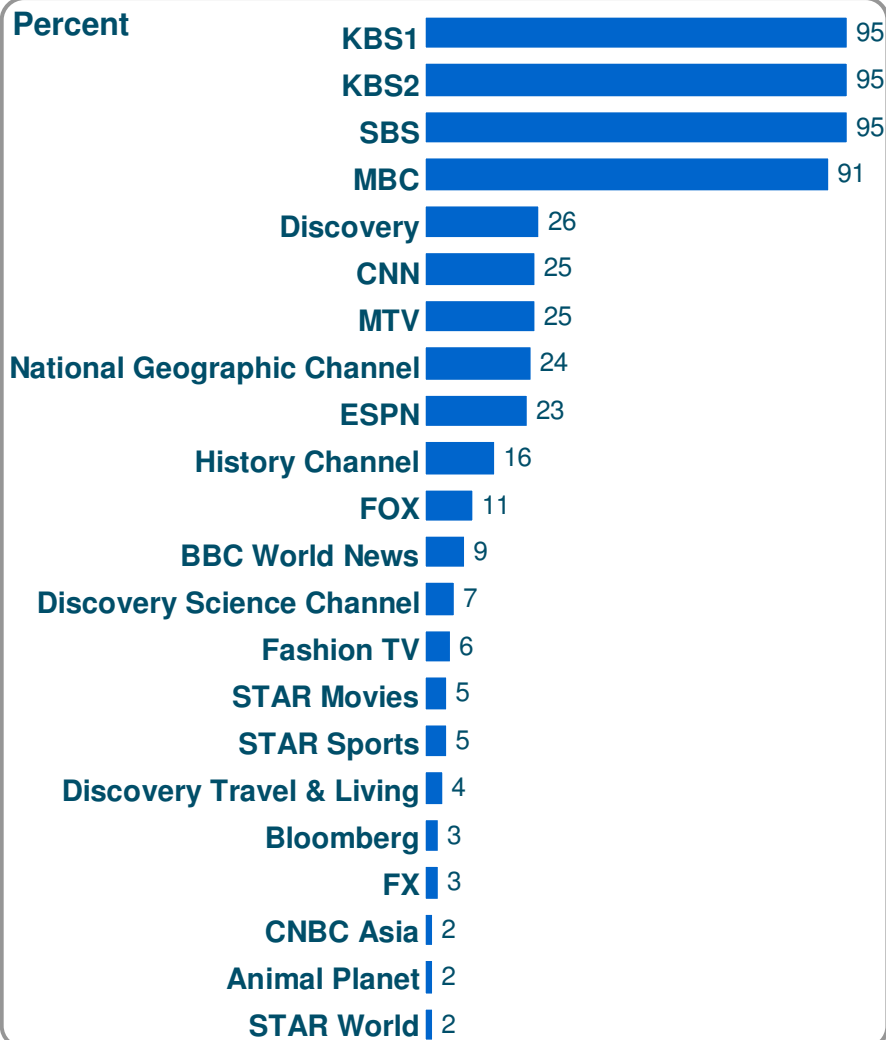
2006 News

- Wal-Mart sold all 16 outlets to Shinsegae for US\$ 882 million
- Carrefour sold all 32 outlets to E-Land for US\$ 1.85 Billion

Source: Synovate Hot Spots Survey, New York Times 2006

Affluent media usage

Channel Watched, Past 30 days



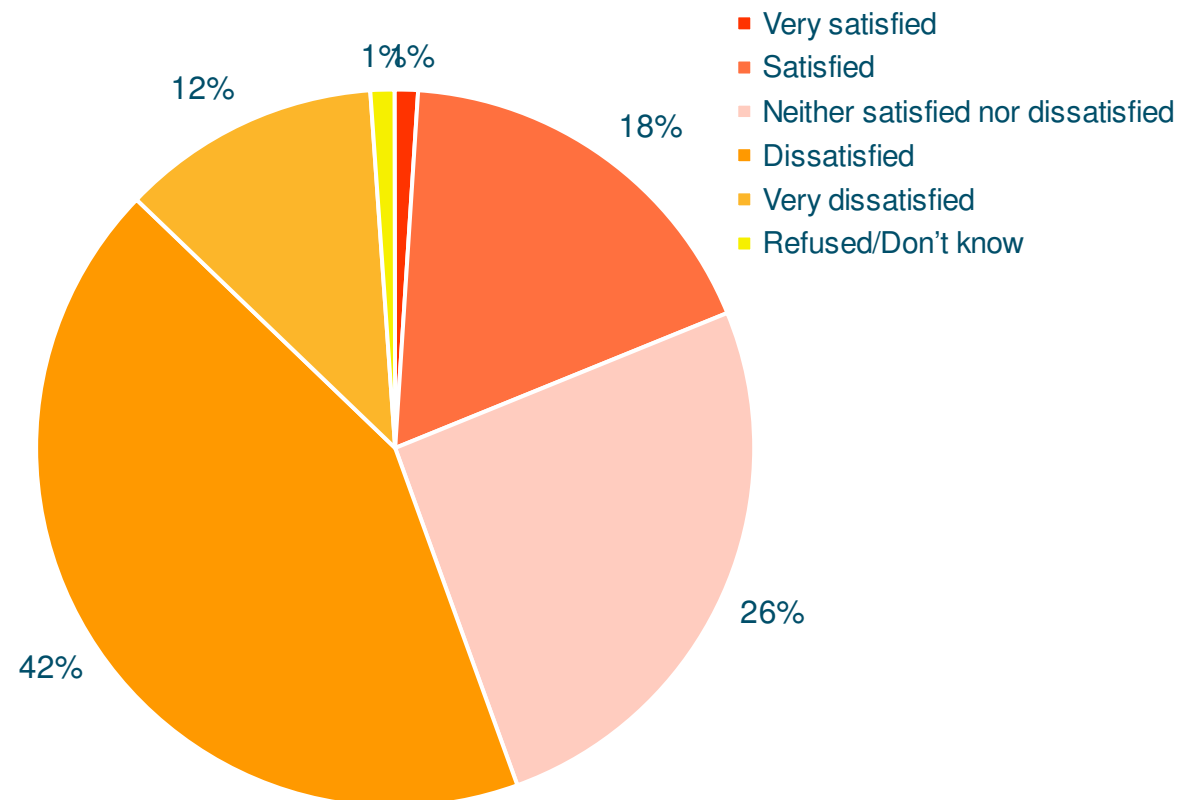
Newspaper/Magazine Read, Past 12 months



Source: Synovate PAX Survey 2009, n=131

How content are you with your present personal economic situation?

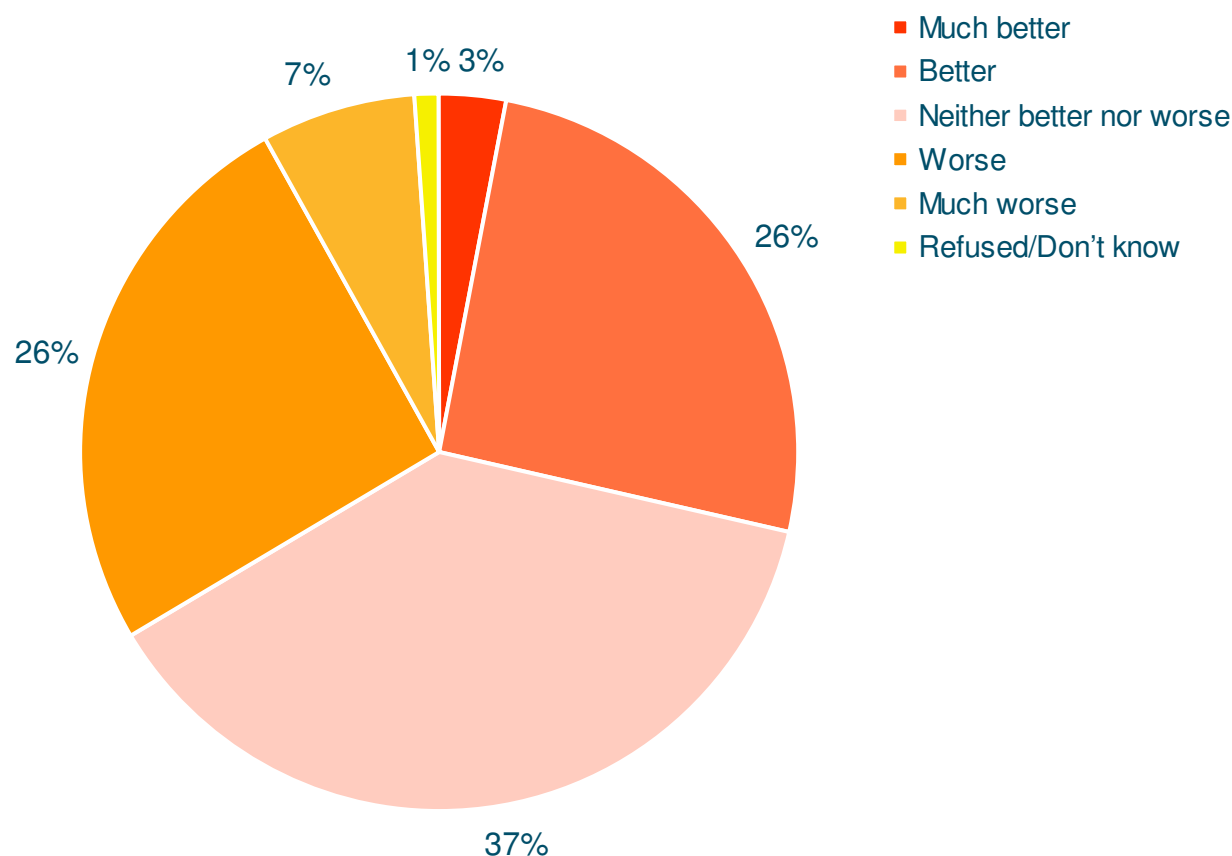
Percent, N=904



Source: Synovate Hot Spots Survey 2006

How do you think things have changed for you economically over the past year?

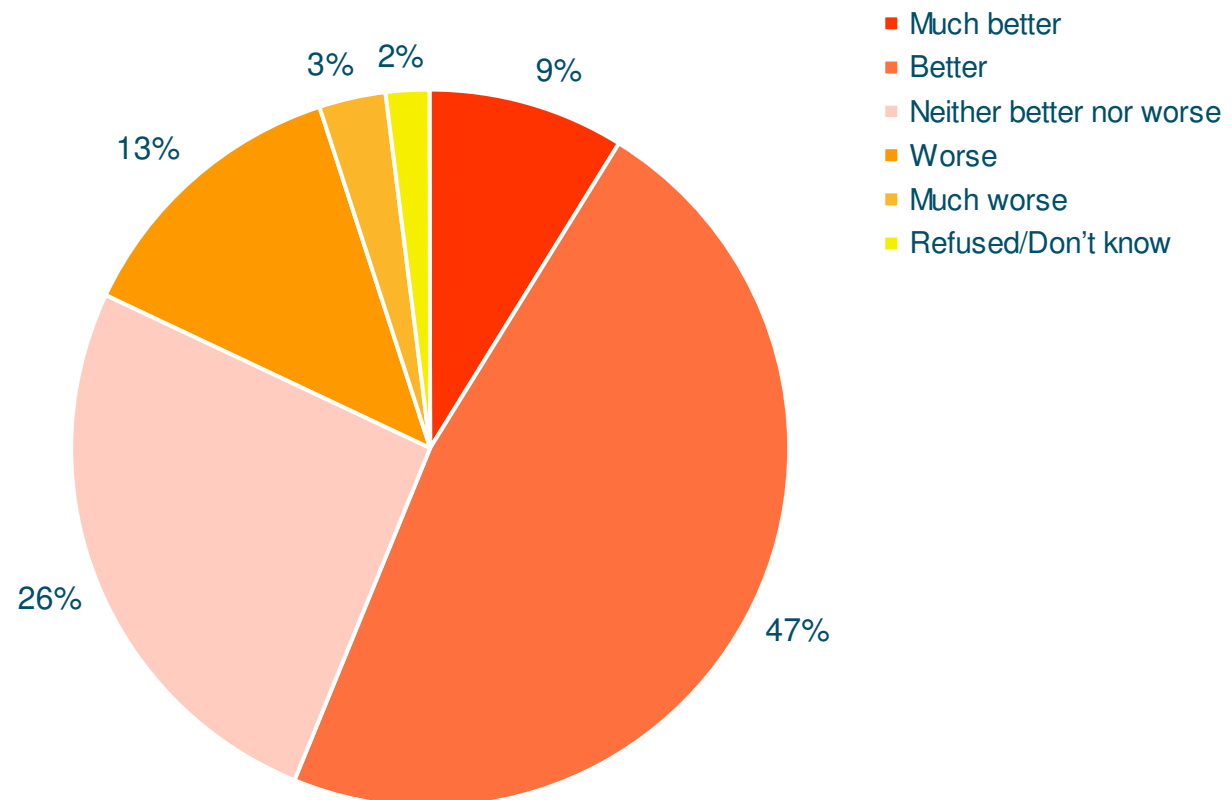
Percent, N=904



Source: Synovate Hot Spots Survey 2006

How do you think things will change for you economically over the upcoming year?

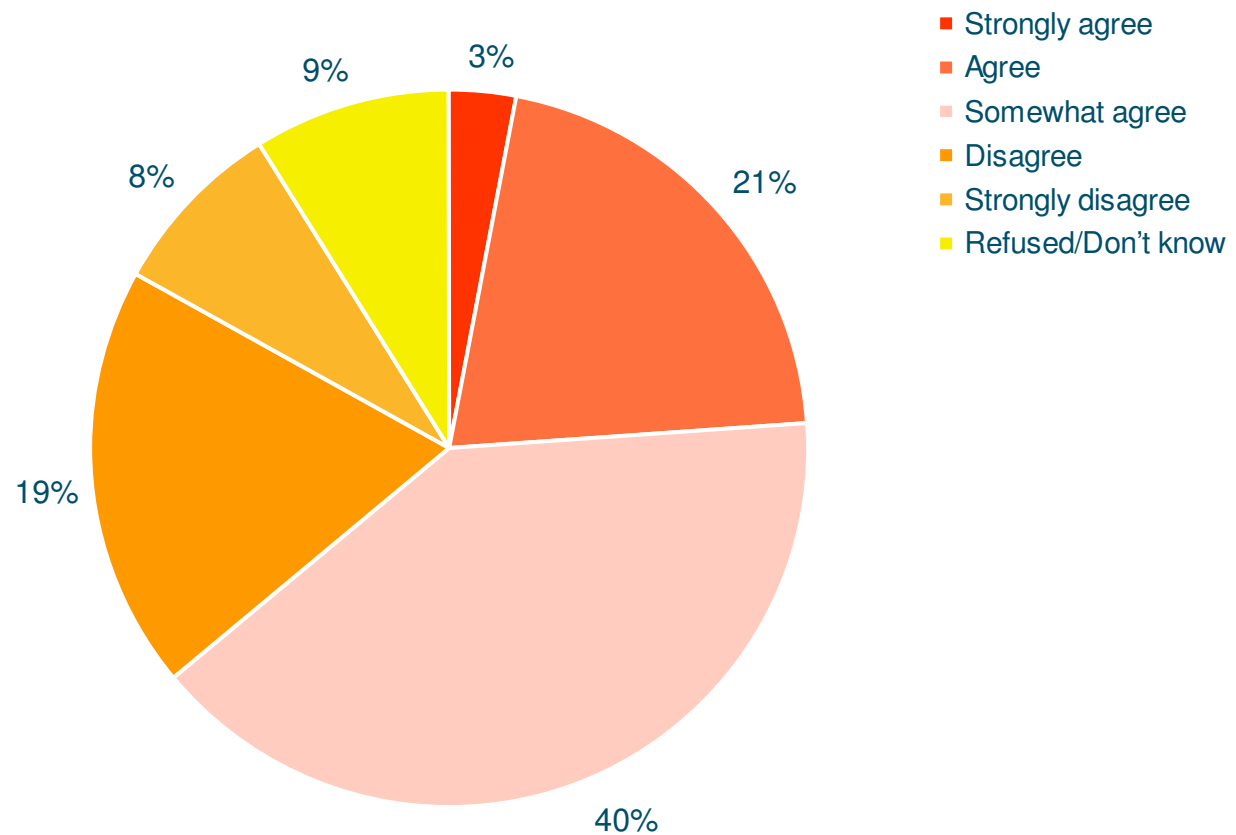
Percent, N=904



Source: Synovate Hot Spots Survey 2006

The increasing involvement of multinational companies has helped

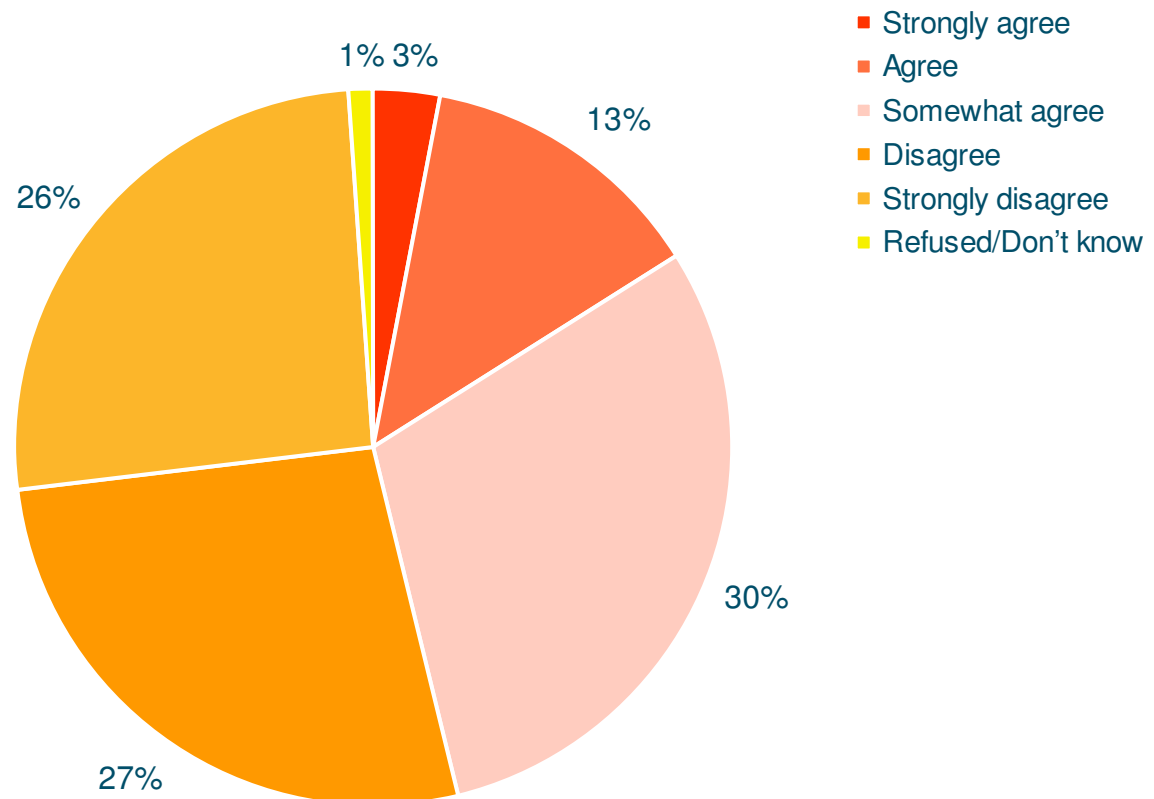
Percent, N=904



Source: Synovate Hot Spots Survey 2006

Imported products are usually a better value than local products

Percent, N=904



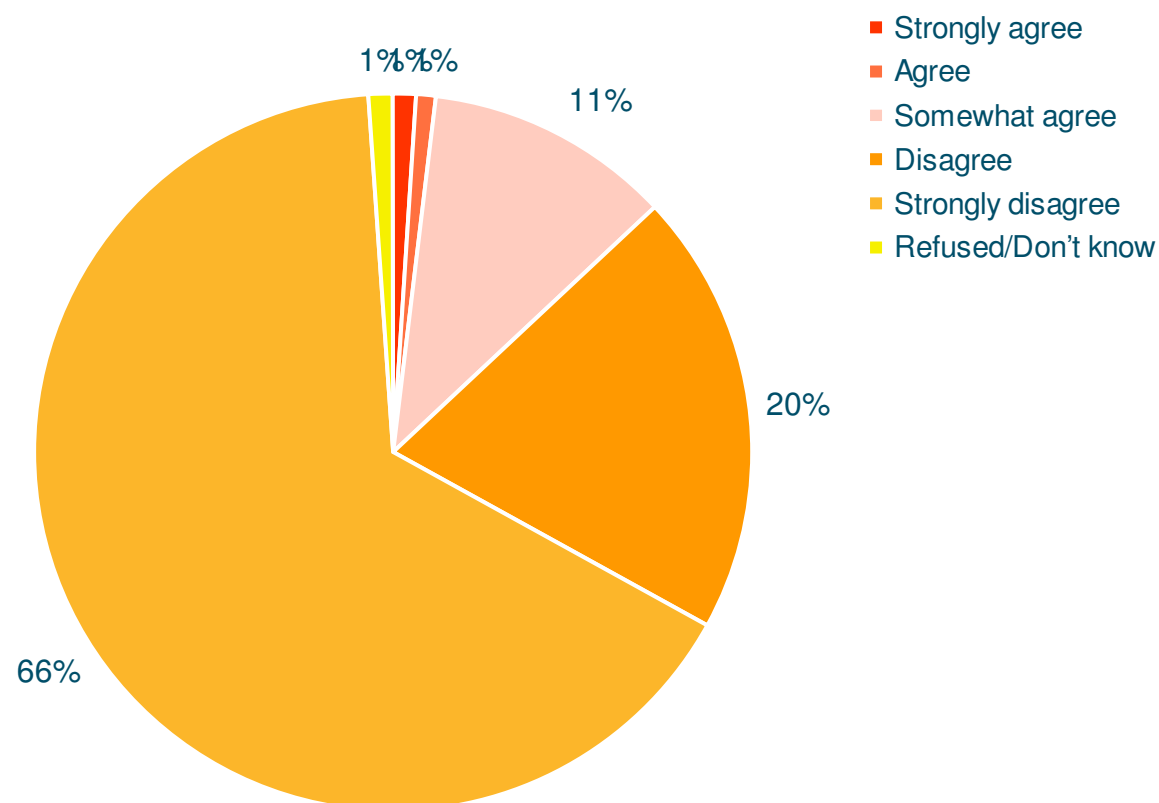
Source: Synovate Hot Spots Survey 2006



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I go out of my way to purchase products that are made by South Korean companies

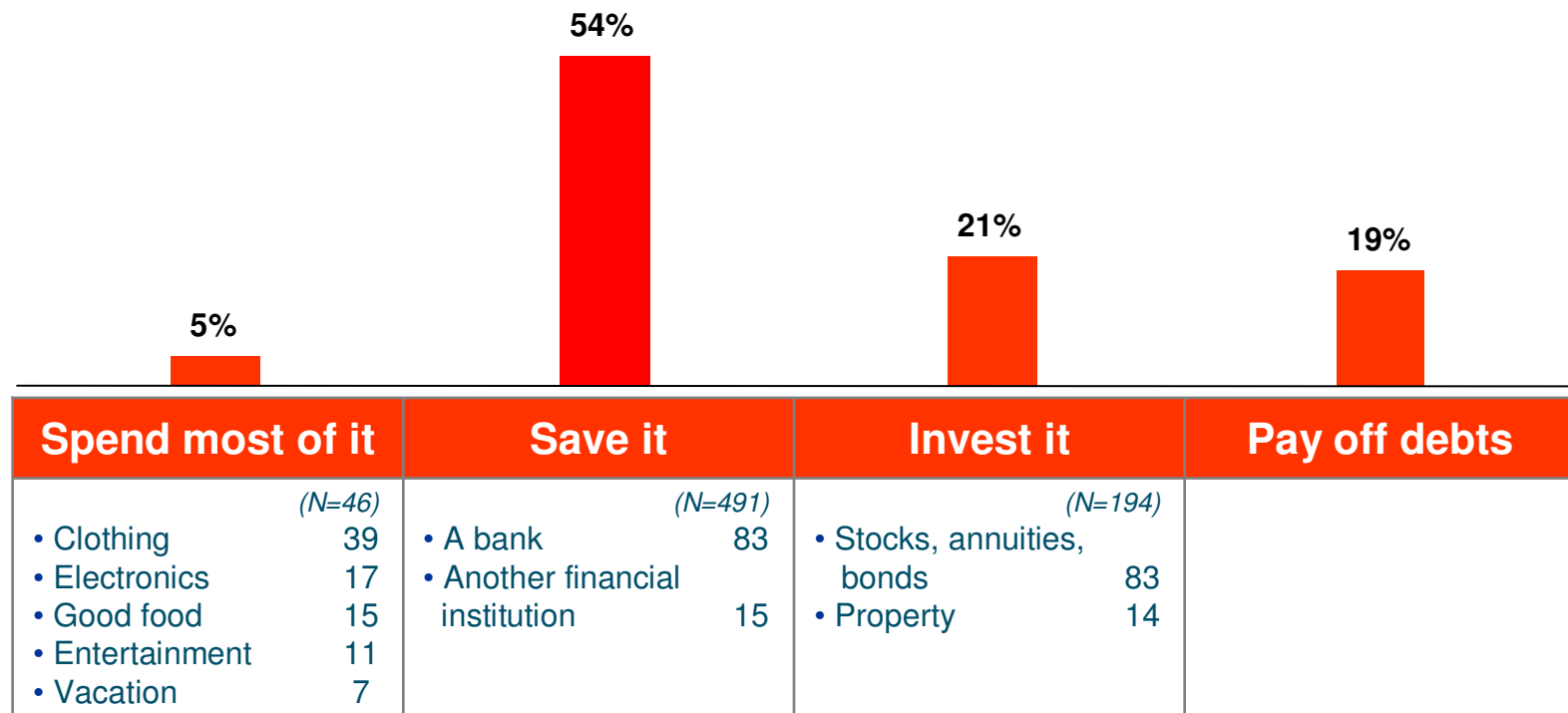
Percent, N=904



Source: Synovate Hot Spots Survey 2006

What would you do with 20% more household income?

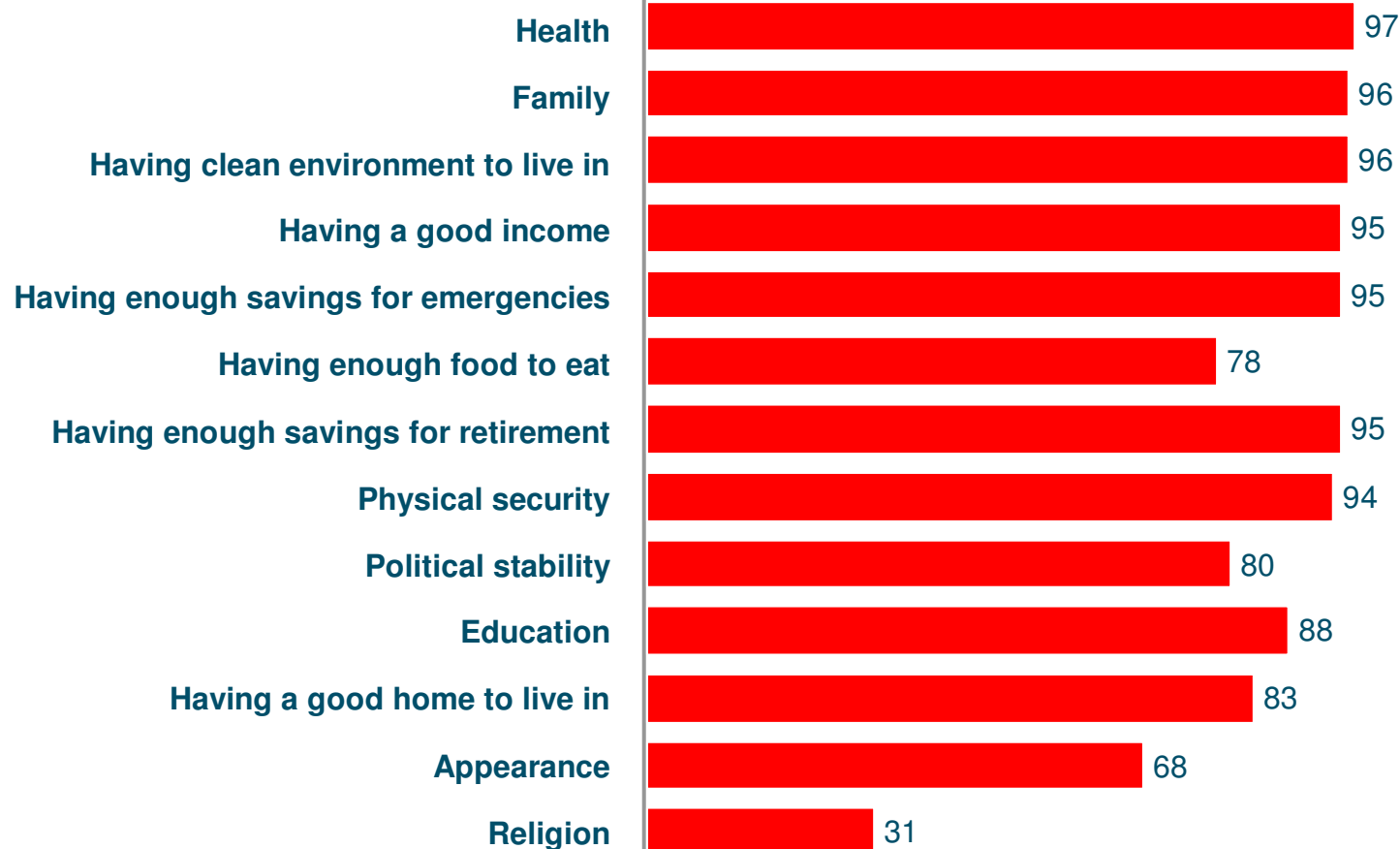
Percent, N=904



Source: Synovate Hot Spots Survey 2006

Lifestyle personal importance

Top 2/5, Percent, N=904



Source: Synovate Hot Spots Survey 2006

Attitudes

Top 2/5, Percent, N=904

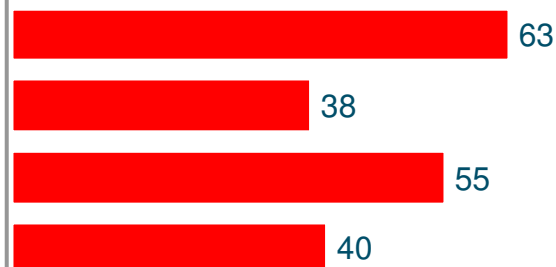
Environment

The environment in my country
is too polluted today
Environment degradation is major
issue in my country
There is good chance that my
country will suffer a major natural
disaster in the next 12 months



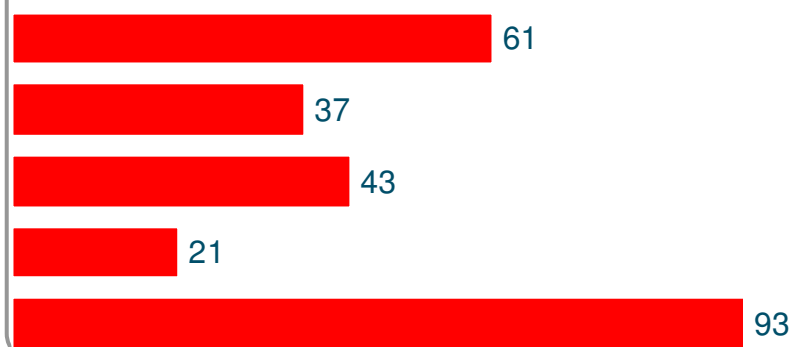
Personal

In five years time things will
have improved for me
Today life is good to me and my family
I would like to live and work
in another country
Five years ago things
were better for me



Social

I am proud of what my
country has achieved
My country has a bright future
My country has a
competitive economy
My country is innovative
In this country, the poor are getting
poorer and the rich are getting

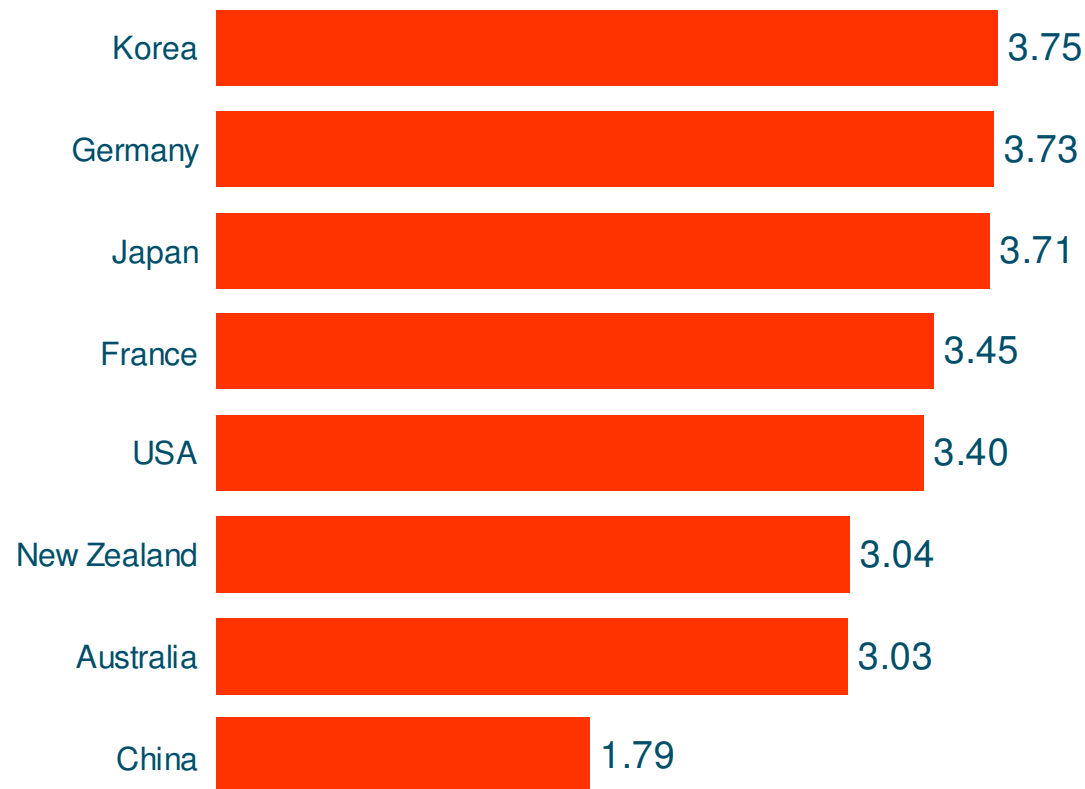


Source: Synovate Hot Spots Survey 2006

Koreans have a very positive opinion of Korean products

Question: How do you rate the Quality of Product of Various Countries

Rating, 5 point scale, N=904



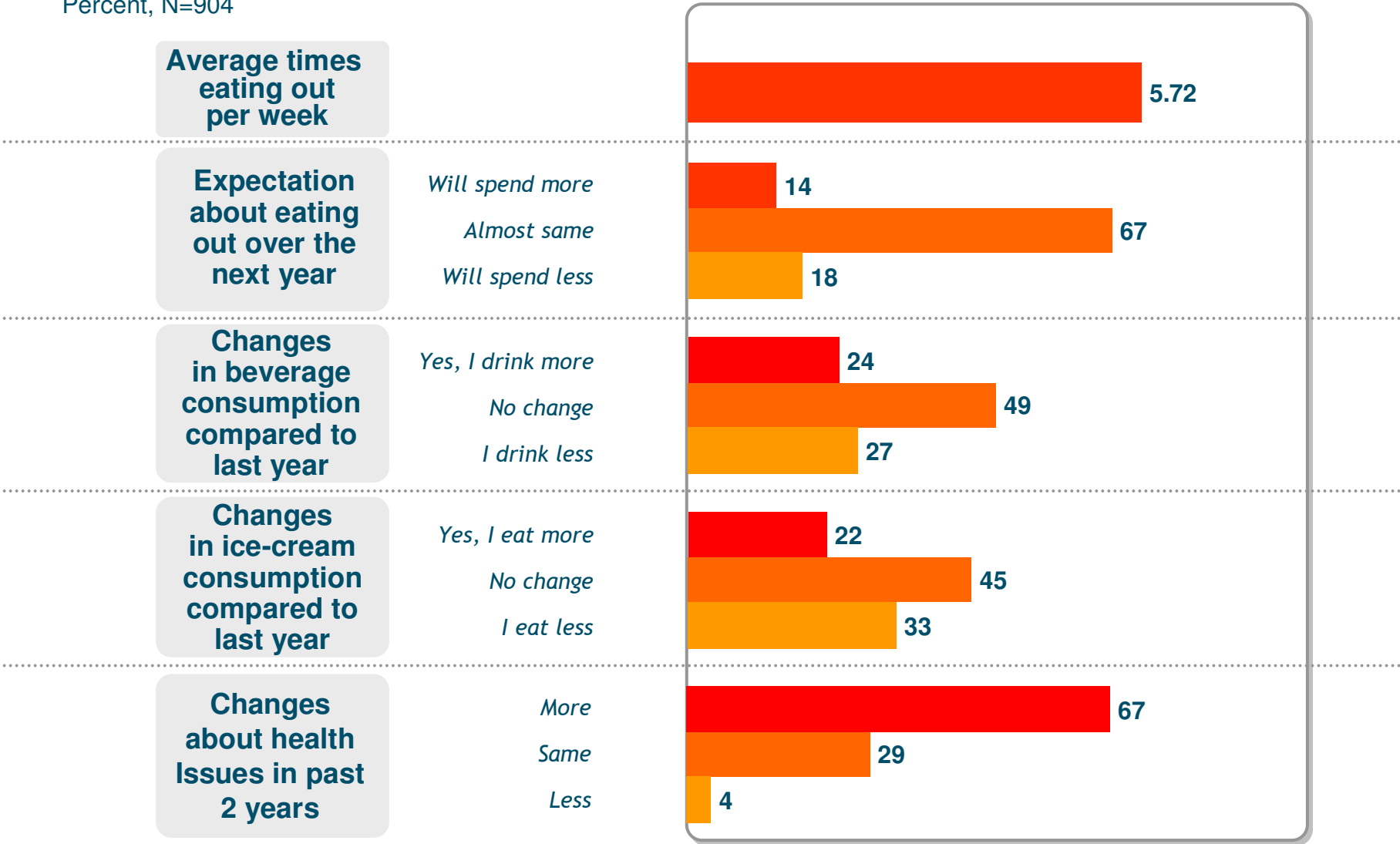
Source: Synovate Hot Spots Survey 2006

Eating out in Korea is different

- Informal Korean restaurant / Casual Sit down dominate lunch time period with highly competitive price offering (5,000 / 6,000 won), fast service, and menu variety.
- Family restaurants still represent a small share but occupy increasingly more space for dinner occasions. An immense variety of loyalty cards and credit cards allow to obtain discounts. They are heavily used by Koreans.
- The Fast Food actors, both local and international have closed stores whereas bakery and CVS shops have substantially grown.
- Korean consumers are attracted by spicy dishes and also mixture of sweet & salty ingredients (Pizza dressings in Korea can be very original as an example, etc...). Beef is extremely expensive in comparison to Pork therefore less consumed or perceived as a premium dish.
- Food sharing is very commonly applied in restaurants (barbecue and other type of meals). Koreans order dishes to be shared, not for their personal use only. There are placed in the middle of the table where everybody can access them.
- Koreans are very much health oriented and generally take care of their nutrition. Fruits are very expensive (and served in night clubs !).

Changing eating and health habits

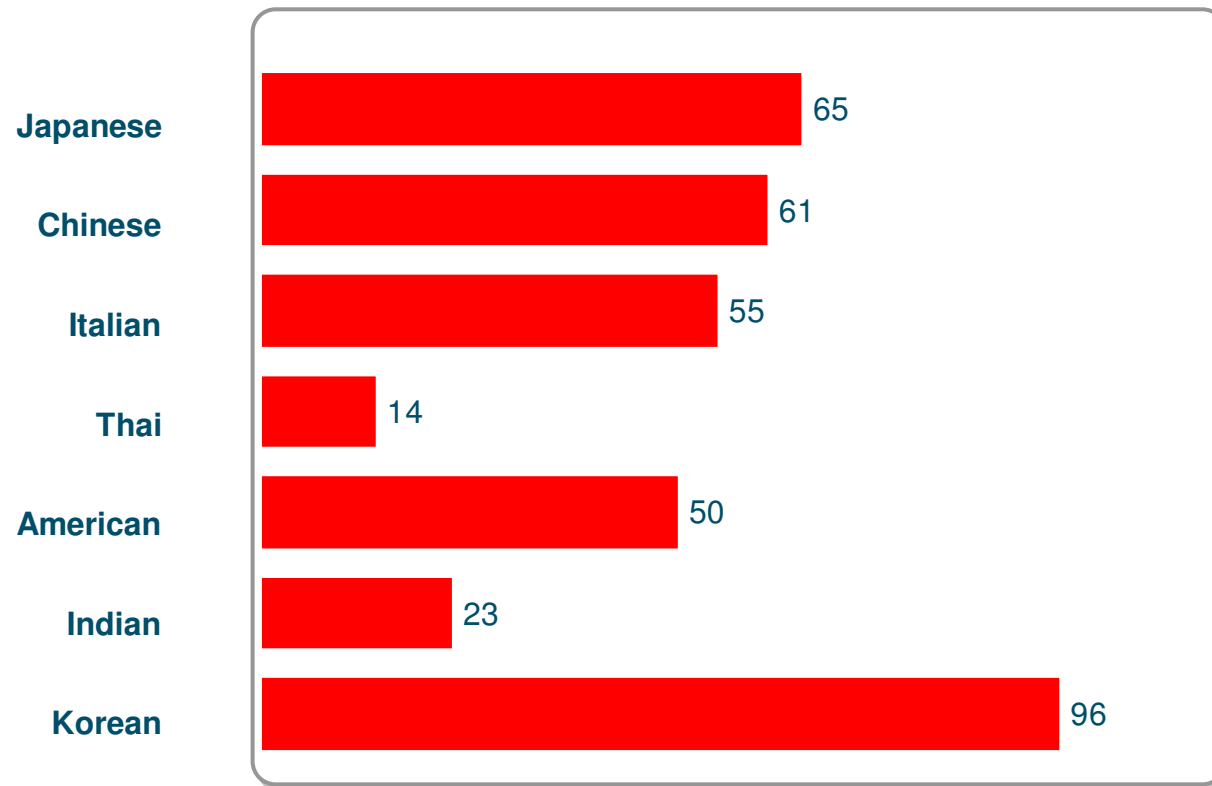
Percent, N=904



Source: Synovate Hot Spots Survey 2006

Cuisine preference

Top 2/5, Percent, N=904



Source: Synovate Hot Spots Survey 2006

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Thank you