



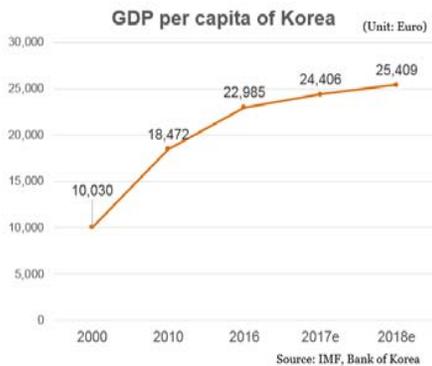
MARKET OPPORTUNITY KOREA

Contemporary European Design



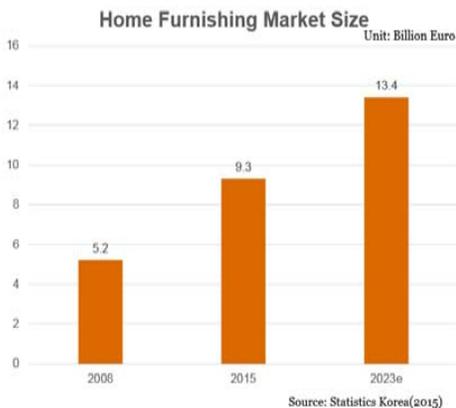
OVERVIEW

- Korea's home furnishing market was worth €9.2 billion in 2015 and is growing steadily.
- High interest in foreign brands and partnerships from Korean furniture manufacturers and distributors to remain competitive as they continue to expand their business locally.
- High demand for design-oriented lifestyles driven by an increase of disposable incomes, highly individualised lifestyles and the upsurge in one and two person dwellings.



Key business opportunities for EU companies

1. With highly reputable brands: entry into the Korean market can be facilitated independently or jointly with Korean companies.
2. Offering minimalism-driven design and/or multi-functional furniture – e.g. sofa-beds, chair-bookshelves, etc. The Korean market is showing high preferences for design and practicality.
3. Able to provide small-quantity customised production, and/or offer specialised workshops with good design and branding; the latter is become more prevalent owing to the needs and characteristics of the market.
4. With products that express personality – these can be most effectively advertised through Social Network Services (SNS).
5. Offering mid- to low-priced living necessities targeted at newlyweds and young people, i.e. consumer segments that are more attuned towards reasonable pricing for beds, sofas, dining tables, desks, interior lighting, etc.



Sector characteristics

- Home furnishing covers all interior design products, e.g. furniture, wallpaper, lighting, decorative items.
- Korea's €9.2 billion home furnishing market is forecasted to expand to €13.4 billion by 2023.
- Korea's purchasing power has increased: GDP per capita is at €22,985 (2016) and growing.
- The number of single and double-occupancy households have increased, with residents preferring to furnish according to personal tastes and expressing individual lifestyles.
- The main consumers base are in their 20~40s, with high tendencies toward sharing information and visuals on social networks: self-decorated personal spaces and individual styles experience high traffic on Instagram and Korean Social Network Services.
- Minimalism is trending, along with demands on home decoration at reasonable prices.
- Large corporations and conglomerates are driven to expand on their branding, establishing platforms to further connect with their consumer base.
- Small corporations strive to open new business by establishing co-brands with the support of local governments.



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Major Korean brands



HANSSEM is a full service interior company provides furniture, appliances, household accessories, fabric products and etc. It established 'HANSSEM flag shop' specializes in total home interior.



Hyundai LIVART focuses on furniture and wooden products and established 'LIVART Home' as the total living style brand.



JAJU is a home furnishing brand operates by Shinsegae International. Around 150 shops are located inside emart in the form as shop in shop.



MODERN HOUSE is a home furnishing brand operates by Eland retail. Also operates fancy living SPA brand 'Butter'. Around 51 shops are located in Korea.

Examples of European brands in Korea



IKEA, Swedish brand, designs and sells furniture, kitchen appliances and home accessories. Started the business in Korea in December 2014 and has two stores in Korea.



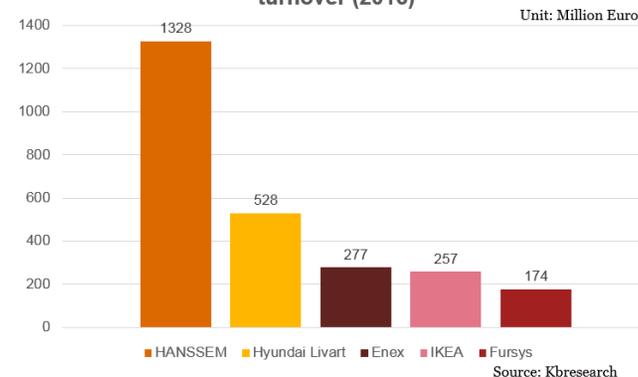
ZARA HOME belongs to the Spanish Inditex group dedicated to the manufacturing of home textiles.

Swedish brand, H&M HOME offers large selection of top quality interior designs and decorations.

(Others)

Life-style concept shops with the selection of various brands are also active. Normally introduces Italian, French and Northern European brands.

Leading home furnishing companies' turnover (2016)



Number of Single and Two person Households

