

Concentrates

September 2011



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CONCENTRATES IN SOUTH KOREA - CATEGORY ANALYSIS

HEADLINES

- Concentrates sees off-trade value sales grow by 8% in 2010 to reach Won57 billion
- Powder concentrates with reduced sugar and low calorie content are popular under the health

and wellness trend

- Liquid concentrates registers the fastest sales growth in 2010, rising by 8% in off-trade value terms, while off-trade value sales of powder concentrates increase by 4%
- The average unit price increases by 3% in 2010, mainly due to the launch of new premium products
- While Unilever Korea Co Ltd dominates powder concentrates with a 73% value share, the competitive landscape of the concentrates category as a whole is highly fragmented in 2010
- Over the forecast period, the liquid concentrates category is expected to grow at a CAGR of 3% in constant off-trade value terms

TRENDS

- Concentrates showed healthy growth in 2010 in both powder and liquid concentrates, with an overall rise of 8% in off-trade value sales. Liquid concentrates showed faster growth than powder concentrates. With increasing concerns about health, consumers enjoyed liquid concentrates as nutritional supplements. Grape, balloon flower roots and plum concentrates were perceived as nutritional supplements for health instead of drinks by consumers; most of these products are available in liquid format rather than powder in South Korea. These products are produced from diverse provinces, with some brands only distributed in certain regions. Therefore, players remained fragmented in liquid concentrates, with the category seeing a rise of 4% in RTD volume terms.
- Powder concentrates saw increased RTD volume sales despite the fact that most South Korean consumers were wary of drinking powder concentrates due to their high calorie and sugar content. However, manufacturers introduced new health-positioned powder concentrates with less sugar and without artificial colouring; these new products attracted consumers in 2010. For example, Dongsuh Foods Co Ltd launched a new powder concentrate ice tea brand called Tio, whose reduced sugar content was achieved by adding oligosaccharides and xilitol. The company also emphasised that it did not use artificial colouring in this brand. It aims to challenge the domination of Unilever Korea Co Ltd within the powder concentrates category with its wellness-concept brand. In the response, however, Unilever Korea Co Ltd launched an apple-flavoured powder concentrate. Following these new product developments, powder concentrates showed slightly better total volume growth in 2010 than in 2009, rising by 2%.
- With the continuing popularity of vinegar concentrates, known for their invigorating and antiageing effects among older people, liquid concentrates continued to register healthy 4% total RTD volume growth in 2010. Although manufacturers are not undertaking aggressive marketing promotions, more South Korean consumers became aware of the health benefits of vinegar drinks and liquid concentrates continued to register a good performance in 2010.



COMPETITIVE LANDSCAPE

Within powder concentrates, Unilever Korea Co Ltd maintained its leading position with a 73% share of off-trade volume and value sales in 2010, followed by Nestlé Korea Ltd which held an off-trade volume and value share of 1%. Due to the introduction of new products by domestic companies, the dominant foreign brands lost value share, while the share of "others" within powder concentrates rose by two percentage points in 2010.

PROSPECTS

Over the forecast period, total volume sales of liquid concentrates are expected to grow at a CAGR of 3%. As health-conscious consumption drives the liquid concentrates category, new products with healthy ingredients are likely to continue to be introduced during the forecast period. As major food companies are focusing their attention on liquid concentrates, this category is likely to see faster growth than powder concentrates. However, the growth rate is expected to slow down over the course of the forecast period as the category becomes more mature.

CATEGORY DATA

Concentrates Conversions

Powder concentrates are mostly consumed with a ratio of 1kg to 10 litres in South Korea. Most liquid concentrates are produced using fruits known to have health benefits. Plum is the most popular liquid concentrate flavour, perceived to be beneficial to those suffering with stomach ache; however vinegar liquid concentrate held the majority share of liquid concentrates sales, with the major food companies being active in this category. Vinegar concentrates are consumed in a ratio of 1:1, 1:2 or 1:3. Fruit-based liquid concentrates are mostly consumed in a 1:4 format in South Korea.



Table 1 Concentrates Conversion Factors for Ready-to-Drink (RTD) Format

Powder concentrates $\begin{array}{ccc} 1 \text{ kg} = 10 \text{ litres} \\ \text{Liquid concentrates} & 1 \text{ litre} = 4 \text{ litres} \\ \end{array}$

Source: Euromonitor International

Table 2 Off-trade Sales of Concentrates (as sold) by Category: Volume 2005-2010

2005 2006 2007 2008 2009 2010

Liquid Concentrates (million litres) Powder Concentrates (Tonnes) Concentrates (million

litres)

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Note: Totals exclude powder concentrates

Table 3 Off-trade Sales of Concentrates (as sold) by Category: % Volume Growth

2005-2010

% volume growth

2009/10 2005-10 CAGR 2005/10 TOTAL

Liquid Concentrates Powder Concentrates Concentrates

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Note: Totals exclude powder concentrates

Table 4 Off-trade Sales of Concentrates (RTD) by Category: Volume 2005-2010

million litres

2005 2006 2007 2008 2009 2010

Liquid Concentrates Powder Concentrates Concentrates

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Table 5 Off-trade Sales of Concentrates (RTD) by Category: % Volume Growth 2005-

2010

% volume growth

2009/10 2005-10 CAGR 2005/10 TOTAL

Liquid Concentrates Powder Concentrates Concentrates



Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 6 Off-trade Sales of Concentrates by Category: Value 2005-2010

Won billion

2005

2006

2007

2008

2009

Liquid Concentrates **Powder Concentrates** Concentrates

Source:

Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Table 7 Off-trade Sales of Concentrates by Category: % Value Growth 2005-2010

% current value growth

2009/10

2005-10 CAGR

2005/10 TOTAL

Liquid Concentrates Powder Concentrates Concentrates

Source:

Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Company Shares of Powder Concentrates (as sold) by Off-trade Volume Table 8

2006-2010

% off-trade volume

Company

2006

2007

2008

2009

100.0

2010

100.0

Total Source:

100.0 100.0 100.0 Euromonitor International from official statistics, trade associations, trade press, company

research,

store checks, trade interviews, trade sources

Brand Shares of Powder Concentrates (as sold) by Off-trade Volume 2007-

2010

% off-trade volume

Brand

Company

2007

100.0

2008

100.0

2009

100.0

2010

100.0

Total Source:

Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources



Table 1	0 Company Share	es of Concentrat	tes (RTD) by (Off-trade Volu	me 2006-201	0	
% off-tra	ade volume ny		2006	2007	2008	2009	2010
						4	K C
Total			100.0	100.0	100.0	100.0	100.0
Source:	Euromonitor International fror research, store checks, trade interviews		trade association	ns, trade press, c	company	4	
		of Concentrates ((RTD) by Off-t	rade Volume	2007-2010		
% off-trand	ade volume C	ompany		2007	2008	2009	2010
Total				100.0	100.0	100.0	100.0
Source:	Euromonitor International fror research, store checks, trade interviews		trade association	ns, trade press, o	company		
	Company Share	es of Concentrat	tes by Off-trac	le Value 2006	-2010		
% off-tra	ade value rsp ny		2006	2007	2008	2009	2010
	•						
Total			100.0	100.0	100.0	100.0	100.0
Total Source:	Euromonitor International from	m official statistics, t		100.0		100.0	100.0
				100.0		100.0	100.0
	Euromonitor International from research, store checks, trade interviews		trade association	100.0	company	100.0	100.0
Source:	Euromonitor International fror research, store checks, trade interviews Brand Shares of the control of the con	s, trade sources	trade association	100.0	company	100.0	2010
Source:	Euromonitor International fror research, store checks, trade interviews Brand Shares of the control of the con	s, trade sources of Concentrates I	trade association	100.0 ns, trade press, of alue 2007-20	company		
Source:	Euromonitor International fror research, store checks, trade interviews Brand Shares of the control of the con	s, trade sources of Concentrates I	trade association	100.0 ns, trade press, of alue 2007-20	company		
% off-tra	Euromonitor International fror research, store checks, trade interviews Brand Shares of the control of the con	ompany n official statistics, t	by Off-trade V	100.0 as, trade press, of alue 2007-20 2007	2008	2009	2010
% off-tr: Brand	Euromonitor International fror research, store checks, trade interviews Brand Shares of ade value rsp Curomonitor International fror research, store checks, trade interviews	ompany n official statistics, t	by Off-trade V	100.0 as, trade press, of alue 2007-20 2007 100.0 as, trade press, of alue 2007	2008 100.0 company	2009	2010



Liquid Concentrates (million litres) **Powder Concentrates** (Tonnes)

Concentrates (million

litres)

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Note: Totals exclude powder concentrates

Forecast Off-trade Sales of Concentrates (as sold) by Category: % Volume Table 15

Growth 2010-2015

% volume growth

2010-15 CAGR 2010/15 TOTAL 2014/15

Liquid Concentrates **Powder Concentrates** Concentrates

Euromonitor International from trade associations, trade press, company research, trade interviews, Source:

trade sources

Note: Totals exclude powder concentrates

Table 16 Forecast Off-trade Sales of Concentrates (RTD) by Category: Volume 2010-2015

million litres

2010 2011 2012 2013 2014 2015

Liquid Concentrates **Powder Concentrates** Concentrates

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Table 17 Forecast Off-trade Sales of Concentrates (RTD) by Category: % Volume

Growth 2010-2015

% volume growth

2014/15 2010-15 CAGR 2010/15 TOTAL

Liquid Concentrates Powder Concentrates Concentrates

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Table 18 Forecast Off-trade Sales of Concentrates by Category: Value 2010-2015

Won billion

2010 2011 2012 2013 2014 2015

Liquid Concentrates



Powder Concentrates Concentrates

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Table 19 Forecast Off-trade Sales of Concentrates by Category: % Value Growth 2010-

2015

% constant value growth

2010-15 CAGR

2010/15 TOTAL

Liquid Concentrates Powder Concentrates Concentrates

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources



SOFT DRINKS IN SOUTH KOREA - INDUSTRY OVERVIEW

EXECUTIVE SUMMARY

Premiumisation Leads Healthy Growth

In 2010, soft drinks experienced healthy growth, registering a 6% increase in off-trade value sales and a 5% increase in off-trade volume sales, thanks to a premiumisation trend, especially within bottled water, fruit/vegetable juice, carbonates and RTD coffee. Imported and premium brands of bottled water, carbonated bottled water and fruit/vegetable juice recorded healthy growth rates. In the case of fruit/vegetable juice, the category continued to see declining volume sales but imported premium juice expanded its presence in South Korea. New flavours of carbonates and renewed brands without sugar and preservatives were also popular launches. However, RTD tea and Asian speciality drinks showed volume declines as they fell out of fashion.

Health and Wellness Continues To Attract Consumers

With the growing health and wellness trend, healthy concepts remained popular among South Korean consumers. In particular, various vitamins have been used to target different consumer groups and manufacturers have highlighted the varied functions of different vitamins in their products, targeting sophisticated South Korean consumers. Vitamin B has been marketed for its anti-ageing properties. Vitamin C and collagen remained among the favourite ingredients for skin health. At the same time, manufacturers tried to strengthen "healthy" brands through advertising, the shape of packaging and using brand names to appeal to a sophisticated South Korean consumer base.

Two Leading Companies Maintain Positions

Lotte Chilsung Beverage Co Ltd and Coca-Cola Korea Co maintained the two leading positions in 2010, accounting for a 48% combined share in off-trade value terms. Lotte Chilsung remained in the leading position with 33% of off-trade value sales in 2010. The company strengthened its product portfolio, launching premium fruit/vegetable juice and sports drinks and renewing its well-known carbonates and flavoured bottled water lines, recording a positive growth rate although a decline in share. Coca-Cola Korea also introduced a smaller version of its Coca-Cola brand, Mini Coke, which proved popular among younger consumers.

"sparkling" Becomes Popular

In 2010, "sparkling" was a popular concept within soft drinks. South Koreans generally perceive sparkling drinks to be less healthy, a traditional perception associated with carbonates. However, carbonates have seen continued positive growth since 2008, despite the health and wellness trend. Growing numbers of South Korean consumers looking for refreshing carbonated options in soft drinks have become apparent. New product developments, presented as sparkling versions of fruit/vegetable juice and RTD tea, were introduced during 2010. Carbonated bottled water experienced strong growth in 2010. Furthermore, manufacturers offered health-positioned drinks in a carbonated format to attract consumers who are sensitive to their health needs.



Soft Drinks Will See Rapid Growth But Rapid Change **KEY TRENDS AND DEVELOPMENTS** Premiumisation Continues To Drive Growth **Current Impact** Outlook



Future Impact	
ruture impact	
"sparkling" Well Received by South Korean Consumers	
sparking Well Rederved by Court Refeat Consumers	
Current Impact	
Outlook	



Future Impact
Leading Players Remain in Strong Positions
Current Impact
Outlook



Future Impact	
Specialist Coffee Shops the Entry Channel for Premium Soft Drinks	
Current Impact	
Sunon impact	
Outlook	







MARKET DATA

Table 1 Off-trade vs On-trade Sales of Soft Drinks (as sold) by Channel: Volume

2005-2010

million litres

2005

2006

2007

2008

2009

2010

OFF-trade ON-trade Total

Source: Euromonitor International from official statistics, trade associations, trade press, company

research, store checks, trade interviews, trade sources

Note: Excludes powder concentrates

Table 2 Off-trade vs On-trade Sales of Soft Drinks (as sold) by Channel: % Volume Growth 2005-2010

% volume growth

2009/10

2005-10 CAGR

2005/10 TOTAL

OFF-trade ON-trade Total

Source: Euromonitor International from official statistics, trade associations, trade press, company

research, store checks, trade interviews, trade sources

Note: Excludes powder concentrates

Table 3 Off-trade vs On-trade Sales of Soft Drinks by Channel: Value 2005-2010

Won billion

2005

2006

2007

2008

2009

2010

OFF-trade ON-trade Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Table 4 Off-trade vs On-trade Sales of Soft Drinks by Channel: % Value Growth 2005-

2010

% current value growth

2009/10

2005-10 CAGR

2005/10 TOTAL

OFF-trade ON-trade Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Off-trade vs On-trade Sales of Soft Drinks (as sold) by Category: Volume



2010
million litres
Off-trade On-trade TOTAL

Bottled Water
Carbonates
Carbonates

Carbonates
Concentrates
Fruit/Vegetable Juice
RTD Coffee
RTD Tea
Sports and Energy Drinks
Asian Speciality Drinks
Soft Drinks

Table 5

Source: Euromonitor International from official statistics, trade associations, trade press, company

research, store checks, trade interviews, trade sources

Note: Excludes powder concentrates

Table 6 Off-trade vs On-trade Sales of Soft Drinks (as sold) by Category: % Volume 2010

Bottled Water
Carbonates
Concentrates
Fruit/Vegetable Juice
RTD Coffee

RTD Tea Sports and Energy Drinks Asian Speciality Drinks Soft Drinks

% volume analysis

Source: Euromonitor International from official statistics, trade associations, trade press, company

research, store checks, trade interviews, trade sources

Note: Excludes powder concentrates

Table 7 Off-trade vs On-trade Sales of Soft Drinks by Category: Value 2010

Won billion
Off-trade On-trade TOTAL

Bottled Water
Carbonates
Concentrates
Fruit/Vegetable Juice
RTD Coffee
RTD Tea
Sports and Energy Drinks
Asian Speciality Drinks
Soft Drinks

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources



Table 8	Table 8 Off-trade vs On-trade Sales of Soft Drinks by Category: % Value 2010						
% value analysi	is		C	Off-trade	On-trade		Total
Bottled Water Carbonates Concentrates Fruit/Vegetable RTD Coffee RTD Tea Sports and Ene Asian Speciality Soft Drinks	rgy Drinks					4	
	onitor International from c necks, trade interviews, to		de associatio	ns, trade pres	ss, company research,	3)	
Table 9	Off-trade Sales of	Soft Drinks (as	sold) by C	ategory: Vo	lume 2005-2010		
million litres		2005	2006	2007	2008	2009	2010
Bottled Water Carbonates Concentrates Fruit/Vegetable RTD Coffee RTD Tea Sports and Ene Asian Speciality Soft Drinks	rgy Drinks		Λ				
research	onitor International from on the store checks, trade into spowder concentrates			ns, trade pres	ss, company		
Table 10	Off-trade Sales of 2010	Soft Drinks (as	sold) by C	ategory: %	Volume Growth 20	05-	
% volume grow	th		:	2009/10	2005-10 CAGR	2005/10 T	OTAL
	rgy Drinks			ns, trade pres	ss, company		
	es powder concentrates						

Table 11 Off-trade Sales of Soft Drinks by Category: Value 2005-2010



Won billion 2010 2005 2006 2007 2008 2009 **Bottled Water** Carbonates Concentrates Fruit/Vegetable Juice RTD Coffee RTD Tea Sports and Energy Drinks Asian Speciality Drinks Soft Drinks

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 12 Off-trade Sales of Soft Drinks by Category: % Value Growth 2005-2010

% current value growth

2009/10 2005-10 CAGR 2005/10 TOTAL

Bottled Water
Carbonates
Concentrates
Fruit/Vegetable Juice
RTD Coffee
RTD Tea
Sports and Energy Drinks
Asian Speciality Drinks
Soft Drinks

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 13 Company Shares of Off-trade Soft Drinks (as sold) by Volume 2006-2010

% off-trade volume Company 2006 2007 2008 2009 2010



100.0 100.0 100.0 100.0 100.0 Total

Source: Euromonitor International from official statistics, trade associations, trade press, company

research, store checks, trade interviews, trade sources Excludes powder concentrates

Note:

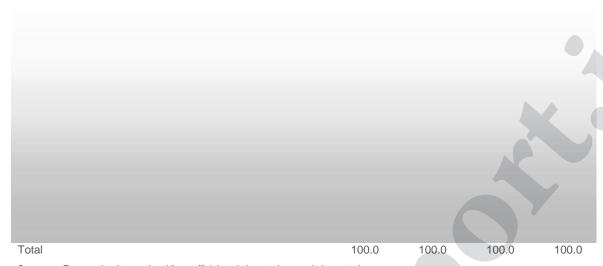
Brand Shares of Off-trade Soft Drinks (as sold) by Volume 2007-2010

% off-trade volume

Table 14

Brand 2007 2008 2009 2010 Company





Source: Euromonitor International from official statistics, trade associations, trade press, company research,

% off-trade volume

store checks, trade interviews, trade sources

Note: Excludes powder concentrates

Company Shares of Off-trade Soft Drinks (RTD) by Volume 2006-2010 Table 15

2006 Company 2007 2008 2009 2010 Total 100.0 100.0 100.0 100.0 100.0





Brand Shares of Off-trade Soft Drinks (RTD) by Volume 2007-2010 Table 16

Source: Euromor store che	nitor International from official statistics, tracks, trade interviews, trade sources	rade associations, trade press, c	ompany research,		1
Table 16	Brand Shares of Off-trade Soft D	Orinks (RTD) by Volume 20	07-2010		
% off-trade volur Brand	me Company	2007	2008	2009	2010
				5	
) 7		



Total 100.0 100.0 100.0 100.0 Source: Euromonitor International from official statistics, trade associations, trade press, company store checks, trade interviews, trade sources Company Shares of Off-trade Soft Drinks by Value 2006-2010 % off-trade value rsp 2006 2007 2009 2010 Company 2008 Total 100.0 100.0 100.0 100.0 100.0 Euromonitor International from official statistics, trade associations, trade press, company research, Source: store checks, trade interviews, trade sources Brand Shares of Off-trade Soft Drinks by Value 2007-2010 % off-trade value rsp Brand 2007 2010 Company 2008 2009





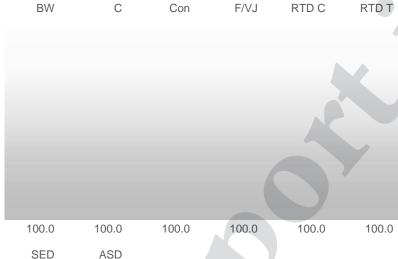
Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Off-trade Sales of Soft Drinks by Category and Distribution Format: % Analysis 2010



% off-trade

Store-Based Retailing **Grocery Retailers** Supermarkets/Hypermarkets Discounters Small Grocery Retailers Convenience Stores Independent Small Grocers Forecourt Retailers Other Grocery Retailers Non-Grocery Retailers Non-Store Retailing Vending Homeshopping Internet Retailing Direct Selling Total



Store-Based Retailing **Grocery Retailers** Supermarkets/Hypermarkets Discounters Small Grocery Retailers Convenience Stores Independent Small Grocers Forecourt Retailers Other Grocery Retailers Non-Grocery Retailers Non-Store Retailing Vending Homeshopping Internet Retailing Direct Selling Total

100.0 100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

Euromorino international normal relational formal relations, that describes the checks, trade interviews, trade sources

BW = bottled water; C = carbonates; Con = concentrates; F/VJ = fruit/vegetable juice; RTD C = RTD

coffee; RTD T = RTD tea; SED = sports and energy drinks; ASD = Asian speciality drinks Key:

Note: Excludes powder concentrates

Table 20 Forecast Off-trade vs On-trade Sales of Soft Drinks (as sold) by Channel: Volume 2010-2015

million litres

2010 2011 2012 2013 2014 2015

OFF-trade ON-trade Total

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Note: Excludes powder concentrates



Table 21 Forecast Off-trade vs On-trade Sales of Soft Drinks (as sold) by Channel: % Volume Growth 2010-2015

% volume growth

2014/15

2010-15 CAGR

2010/15 TOTAL

OFF-trade ON-trade Total

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Note: Excludes powder concentrates

Table 22 Forecast Off-trade vs On-trade Sales of Soft Drinks by Channel: Value 2010-

2015

Won billion

2010

2011

2012

2013

2014

2015

OFF-trade ON-trade Total

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Table 23 Forecast Off-trade vs On-trade Sales of Soft Drinks by Channel: % Value

Growth 2010-2015

% current value growth

2014/15

2010-15 CAGR

2010/15 TOTAL

OFF-trade ON-trade Total

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Table 24 Forecast Off-trade Sales of Soft Drinks (as sold) by Category: Volume 2010-

2015

million litres

2010

2011

2012

2013

2014

2015

Bottled Water

Carbonates Concentrates

Fruit/Vegetable Juice RTD Coffee

RTD Cone

Sports and Energy Drinks Asian Speciality Drinks

Soft Drinks

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Note: Excludes powder concentrates



Table 25 Forecast Off-trade Sales of Soft Drinks (as sold) by Category: % Volume Growth 2010-2015

% volume growth

2014/15 2010-15 CAGR 2010/15 TOTAL

Bottled Water Carbonates Concentrates Fruit/Vegetable Juice RTD Coffee RTD Tea Sports and Energy Drinks Asian Speciality Drinks Soft Drinks

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Note: Excludes powder concentrates

Table 26 Forecast Off-trade Sales of Soft Drinks by Category: Value 2010-2015

Won billion 2010 2011 2012 2013 2014 2015

Bottled Water Carbonates Concentrates Fruit/Vegetable Juice RTD Coffee RTD Tea Sports and Energy Drinks Asian Speciality Drinks Soft Drinks

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources

Table 27 Forecast Off-trade Sales of Soft Drinks by Category: % Value Growth 2010-2015

% constant value growth

2010-15 CAGR 2010/15 TOTAL

Bottled Water
Carbonates
Concentrates
Fruit/Vegetable Juice
RTD Coffee
RTD Tea
Sports and Energy Drinks
Asian Speciality Drinks
Soft Drinks

Source: Euromonitor International from trade associations, trade press, company research, trade interviews,

trade sources



APPENDIX

Fountain Sales in South Korea

Trends

Fountain sales continued positive growth in on-trade volume terms while fountain on-trade volume sales through convenience stores declined during 2010. In South Korea, most fountain sales occurred in the foodservice channel, which accounted for a 97% share of total fountain volume sales in 2010. Fountain sales through convenience stores tend to be subject to seasonality, with demand being higher in summer. As such, few convenience stores offer fountain sales for soft drinks in South Korea. In addition, most convenience stores are limited in their selling space, making it increasingly difficult to site the fountains on the premises. Only a small number around school zones tend to offer fountain sales.



DATA

Table 28 Of	f-trade vs On-trad	e Fountain Sa	les of Soft Dri	nks: Volume 2	2005-2010		
million litres		2005	2006	2007	2008	2009	2010
OFF-trade ON-trade Fountain ON-trade volume through c- Fountain ON-trade volume through fo Total fountain ON-tra volume Total	od store						





Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Note: Total fountain on-trade volume data included in on-trade

Table 29 Off-trade vs On-trade Fountain Sales of Soft Drinks: % Volume Growth 2005-2010

% fountain volume growth

2005/10 TOTAL 2005-10 CAGR 2009/10

OFF-trade ON-trade

Fountain ON-trade volume through c-store Fountain ON-trade volume through food store

Total fountain ON-trade volume

Total

Euromonitor International from official statistics, trade associations, trade press, company research, Source:

store checks, trade interviews, trade sources

Note: Total fountain on-trade volume data included in on-trade

Off-trade vs On-trade Fountain Sales of Carbonates: Volume 2005-2010 Table 30

million litres

2005 2006 2007 2010 2008 2009

OFF-trade ON-trade Fountain ON-trade volume through c-store Fountain ON-trade volume through food store Total fountain ON-trade volume Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Total fountain on-trade volume data included in on-trade Note:

Table 31 Off-trade vs On-trade Fountain Sales of Carbonates: % Volume Growth 2005-

% fountain volume growth

2009/10 2005-10 CAGR 2005/10 TOTAL

OFF-trade ON-trade

Fountain ON-trade volume through c-store Fountain ON-trade volume through food store

Total fountain ON-trade volume

Total

Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Note: Total fountain on-trade volume data included in on-trade



Table 32 Forecast Off-trade vs On-trade Fountain Sales of Soft Drinks: Volume 2010-2015

million litres

2010 2011 2012 2013 2014 2015

OFF-trade
ON-trade
Fountain ON-trade
volume through c-store
Fountain ON-trade
volume through food store
Total fountain ON-trade
volume
Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Note: Total fountain on-trade volume data included in on-trade

Table 33 Forecast Off-trade vs On-trade Fountain Sales of Soft Drinks: % Volume Growth 2010-2015

% fountain volume growth

2014/15 2010-15 CAGR 2010/15 TOTAL

OFF-trade
ON-trade
Fountain ON-trade volume through c-store
Fountain ON-trade volume through food
store
Total fountain ON-trade volume
Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Total fountain on-trade volume data included in on-trade

Table 34 Forecast Off-trade vs On-trade Fountain Sales of Carbonates: Volume 2010-

million litres

Note:

2010 2011 2012 2013 2014 2015

OFF-trade
ON-trade
Fountain ON-trade
volume through c-store
Fountain ON-trade
volume through food store
Total fountain ON-trade
volume
Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews, trade sources

Note: Total fountain on-trade volume data included in on-trade



Forecast Off-trade vs On-trade Fountain Sales of Carbonates: % Volume Table 35 Growth 2010-2015

% fountain volume growth

2014/15 2010-15 CAGR 20·10/15 TOTAL

OFF-trade ON-trade Fountain ON-trade volume through c-store Fountain ON-trade volume through food Total fountain ON-trade volume

Data removed from sample

Total

Source: Euromonitor International from official statistics, trade associations, trade press, company research,

store checks, trade interviews. trade sources

Note: Total fountain on-trade volume data included in on-trade

DEFINITIONS

This report analyses the market for soft drinks in South Korea. For the purposes of the study, the market has been defined as follows:

- ~ Carbonates
- ~ Fruit/vegetable juice
- ~ Bottled water
- ~ Sports and energy drinks
- ~ Concentrates (as sold and ready-to-drink)
- ~ RTD (ready-to-drink) tea
- ~ RTD (ready-to-drink) coffee
- ~ Asian speciality drinks

Trade Associations

Sources used during research include the following:

Summary 1 Research Sources

Official Sources

Financial Supervisory Service

Korea Chamber of Commerce & Industry

Korea Customs Service

Korea Food & Drug Administration

Ministry of Environment

National Statistics Office

Seoul Metropolitan Government

Food & Environment News

International Bottled Water Association International Federation of Fruit Juice

Producers

Korea Food Industry Association

Korea Natural Mineral Water Association

UNESDA & CISDA



Trade Press

AFL News

Beverage Net

Beverage World

BeverAsia

Chosun Ilbo

Daily Food

Digital Chosun

Dong-A Ilbo

Drinks International

Economic Review

Economist

Financial News, The

Food & Beverage News

Food Information Korea

Food Journal Co Ltd

Food News

Hankook Ilbo

Hankyoreh 21

Hankyoreh newspaper

Herald Biz

Japantoday

JoongAng News Daily

Korea Food Economy News

Korea Herald

Korea Times

Kyung Hyang Daily Newspaper

Maeil Business Newspaper

MaeKyung Economy

Money Today

Munhwa Ibo

Reuters

Seoul Economic Daily

Seoul Economy Newspaper

Soft Drinks International

The Dong-a Ilbo

The Food Environment News

The Hankyoreh



The Korea Economic Daily
Th.e Kukmin Ilbo
Weekly Food Bank

Source: Eurornonitor International

