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 anti-ageing 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	1 kg = 10 litres
Liquid concentrates	1 litre = 4 litres

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	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 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

Table 8 Company Shares of Powder Concentrates (as sold) by Off-trade Volume 2006-2010

% off-trade volume

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

Source: 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	2008	2009	2010
Total		100.0	100.0	100.0	100.0

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

Table 10 Company Shares of Concentrates (RTD) by Off-trade Volume 2006-2010

% off-trade volume Company	2006	2007	2008	2009	2010
Total	100.0	100.0	100.0	100.0	100.0

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

Brand Shares of Concentrates (RTD) by Off-trade Volume 2007-2010

% off-trade volume Brand	Company	2007	2008	2009	2010
Total		100.0	100.0	100.0	100.0

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

Company Shares of Concentrates by Off-trade Value 2006-2010

% off-trade value rsp Company	2006	2007	2008	2009	2010
Total	100.0	100.0	100.0	100.0	100.0

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

Brand Shares of Concentrates by Off-trade Value 2007-2010

% off-trade value rsp Brand	Company	2007	2008	2009	2010
Total		100.0	100.0	100.0	100.0

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

Forecast Off-trade Sales of Concentrates (as sold) by Category: Volume 2010-2015

	2010	2011	2012	2013	2014	2015

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

Table 15 Forecast Off-trade Sales of Concentrates (as sold) 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
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

“sparkling” Well Received by South Korean 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

Outlook

Future Impact

Marketing Strategies Through Smartphones Become Active

Current Impact

Outlook

Future Impact

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

Table 5 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			
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
Note: Excludes powder concentrates

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

% volume analysis

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

% value analysis

	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 9 Off-trade Sales of Soft Drinks (as sold) by Category: Volume 2005-2010

million litres

	2005	2006	2007	2008	2009	2010
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

Note: Excludes powder concentrates

Table 10 Off-trade Sales of Soft Drinks (as sold) by Category: % Volume Growth 2005-2010

% volume 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

Note: Excludes powder concentrates

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

Won billion

	2005	2006	2007	2008	2009	2010
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

Total	100.0	100.0	100.0	100.0	100.0

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

Table 14 Brand Shares of Off-trade Soft Drinks (as sold) by Volume 2007-2010

% off-trade volume

Brand	Company	2007	2008	2009	2010

Total		100.0	100.0	100.0	100.0

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

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

% off-trade volume

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

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

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

% off-trade volume

Brand	Company	2007	2008	2009	2010

Total	100.0	100.0	100.0	100.0

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

Company Shares of Off-trade Soft Drinks by Value 2006-2010

% off-trade value rsp

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

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

Brand Shares of Off-trade Soft Drinks by Value 2007-2010

% off-trade value rsp

Brand	Company	2007	2008	2009	2010

Total	100.0	100.0	100.0	100.0

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

	BW	C	Con	F/VJ	RTD C	RTD T
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	100.0	100.0	100.0	100.0

	SED	ASD
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, store checks, trade interviews, trade sources
Key: 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
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 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 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.
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DATA

Table 28 Off-trade vs On-trade Fountain Sales of Soft Drinks: Volume 2005-2010

million litres

	2005	2006	2007	2008	2009	2010
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 29 Off-trade vs On-trade Fountain Sales of Soft Drinks: % Volume Growth 2005-2010

% 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			

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

million litres

	2005	2006	2007	2008	2009	2010
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 31 Off-trade vs On-trade Fountain Sales of Carbonates: % Volume Growth 2005-2010

% 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			

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

Table 34 Forecast Off-trade vs On-trade Fountain Sales of Carbonates: 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 35 Forecast Off-trade vs On-trade Fountain Sales of Carbonates: % Volume Growth 2010-2015

% fountain volume growth

	2014/15	2010-15 CAGR	*20·10/15* TOTAL
OFF-trade	Data removed from sample		
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 researcn, 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

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
Trade Associations	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 I bo
	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

www.bizreport.ir