RTD Coffe

September 2011

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RTD COFFEE IN SOUTH KOREA - CATEGORY ANALYSIS

HEADLINES

- Sales of RTD coffee increase by 7% in total volume terms in 2010
- Based on the popularity of specialist coffee shops' brands in the retail channel, RTD coffee shows a strong performance
- Sales increase by 11% in off-trade value terms in 2010
- Average unit prices increase by 4% in 2010, mainly as a result of the premiumisation trend within the category
- Lotte Chilsung Beverage Co Ltd continues to lead the category with a 40% value share in 2010
- RTD coffee is expected to see both total volume and constant value sales grow at a CAGR of 6% over the forecast period

TRENDS

- RTD coffee continued to register healthy growth, with total volume sales rising by 7% in 2010. While specialist coffee shops grew in popularity during 2010, RTD coffee has been premiumised and performed very well. As RTD coffee manufacturers actively introduced premium RTD coffee products, specialist coffee shop operators also expanded their presence in RTD coffee; this trend started with Starbucks in 2007 which expanded into local specialist coffee brands, while Angel-in-us Coffee by Lotteria Co Ltd and Café Bene by Café Bene Co Ltd also introduced their branded RTD coffees in 2010 and earned popularity among South Korean consumers.
- The unit price of RTD coffee increased by 4% in 2010, being impacted by the premiumisation through specialist coffee shop brands. Previously, the unit price of canned RTD coffee, such as Let's Be (Lotte Chilsung Beverage Co Ltd), was around Won650 per 175ml pack, while mid-premium RTD coffee was priced at around Won1,200 per 200ml pack, including French Café Cappuccino (offered in cup format) by Namyang Dairy Products Co Ltd and Caffé Latte Barista Smokey by Maeil Dairy Industry Co Ltd, which entered the category in the early 2000s in South Korea. In 2010, however, the unit price of some RTD coffee increased to more than Won1,500 for a 200ml pack, as was the case with Cantata Original Sweet Black by Lotte Chilsung and Starbucks Discoveries Espresso - Milano by Seoul Dairy Cooperative Co Ltd. These high prices are the result of the use of high quality coffee beans, which come with a premium price tag.
- Chained specialist coffee shop-branded RTD coffee, including Starbucks, Café Bene and Angel-in-us Coffee showed strong performance in 2010. Most of these specialist coffee shops are working with packaged food manufacturers, which produce the RTD coffee, having distribution agreements that place the brands in the retail environment. Starbucks has an agreement with Dongsuh Foods Co Ltd, Café Bene is working with Daesang Corp and Angel-in-us Coffee with Lotte Chilsung. These specialist coffee shop RTD coffee brands have been well accepted by young female consumers in their 20s and 30s, as they appreciate being able

to enjoy the same coffee flavours at a lower price at home, with most of those RTD coffee brands available through convenience stores.

COMPETITIVE LANDSCAPE

- Lotte Chilsung Beverage Co Ltd maintained its leadership of the RTD coffee category with a 44% share in off-trade volume terms. Its Let’s Be brand leads the category with a high level of penetration and wide distribution across a range of grocery retailers. However, its value sales decreased by 1% in 2010 as a result of the introduction of other premium brands. Cantata, the company’s other brand introduced in 2007, for example, showed a positive performance in value terms in 2010 as its value sales rose by 20%. This however was not sufficient to stop the company’s share declining overall.

PROSPECTS

- RTD coffee will continue to show healthy growth over the forecast period, with a CAGR of 6% in both off-trade constant value and volume terms. Within the foodservice industry, it is anticipated that specialist coffee shops will grow over the forecast period, meaning that

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consumers' preference for premium coffee will also develop. This trend will affect the RTD coffee category, as manufacturers will try to launch new premium variants to appeal to South Korean consumers who are already familiar with better quality coffee. At the same time, operators of chained specialist coffee shop brands will try to introduce RTD coffee to expand their brands' presence through retail channels.

CATEGORY DATA

Table 1 Off-trade Sales of RTD Coffee: Volume 2005-2010

million litres

	2005	2006	2007	2008	2009	2010
RTD Coffee						

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

Table 2 Off-trade Sales of RTD Coffee: Value 2005-2010

Won billion

	2005	2006	2007	2008	2009	2010
RTD Coffee						

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

Table 3 Off-trade Sales of RTD Coffee: % Volume Growth 2005-2010

% volume growth

	2009/10	2005-10 CAGR	2005/10 TOTAL
RTD Coffee			

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

Table 4 Off-trade Sales of RTD Coffee: % Value Growth 2005-2010

% current value growth

	2009/10	2005-10 CAGR	2005/10 TOTAL
RTD Coffee			

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

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Table 5 Company Shares of RTD Coffee 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

Table 6 Brand Shares of RTD Coffee 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 7 Company Shares of RTD Coffee by Off-trade Value 2006-2010

% off-trade value rsp

Company	2006	2007	2008	2009	2010

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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 8 Brand Shares of RTD Coffee 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

Table 9 Forecast Off-trade Sales of RTD Coffee: Volume 2010-2015

'000 litres

	2010	2011	2012	2013	2014	2015
RTD Coffee						

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

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Table 10 Forecast Off-trade Sales of RTD Coffee: Value 2010-2015

Won mn

	2010	2011	2012	2013	2014	2015
RTD Coffee						

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

Table 11 Forecast Off-trade Sales of RTD Coffee: % Volume Growth 2010-2015

% volume growth

	2014/15	2010-15 CAGR	2010/15 TOTAL
RTD Coffee			

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

Table 12 Forecast Off-trade Sales of RTD Coffee: % Value Growth 2010-2015

% constant value growth

	2010-15 CAGR	2010/15 TOTAL
RTD Coffee		

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

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RTD COFFEE IN SOUTH KOREA
COMPANY PROFILES

HAITAI BEVERAGE CO LTD IN SOFT DRINKS (SOUTH KOREA)

strategic Direction

~ Although Hattai Beverage Co Ltd remained the third-ranked soft drinks operator in 2010, its value sales continued declining. It was acquired by LG Household & Health Care Co Ltd towards the end of 2010 and this will come into effect from 2011_With the support of LG Household & Health Care Co Ltd, Haitai Beverage will focus on new product development and it is expected to engage in various marketing activities in order to expand its share once the acquisition has been settled.

Key Facts

Summary 1 Haitai Beverage Co Ltd: Key Facts

Full name of company:	Haitai Beverage Co Ltd
Address:	917-1 Mok-t-donq, Yangcheon-Gu, Seoul, South Korea
Tel:	+82 (2) 3219 7'114
Fax:	+82 (2) 2651 9084
www~	www.htb.co.kr
Activities:	Manufacturer of carbonates, fruit/vegetable juice, bottled water, functional drinks, RTD tea, RTD coffee, Asian speciality drinks

Source: EuromonitorIntemationalfrom companyreports, trade press, Korea Chamberof Commerce

Summary 2 Haitai Beverage Co Ltd: Operational Indicators

	2008	2009	2010
Net sales	Won292 billion	Won260 billion	253 billion
Net profit (loss)	(Won48 billion)	(Won43 billion)	(Won41 billion)
Number of employees	1,670	1,036	*n/a*

Source: Trade press, companyresearch, Korea Chamberof Commerce

Company Background

~ Haitai Beverage Co Ltd was established in 1973, under the name Pyungcheon Development Co Ltd. In 2000, an international consortium comprising Lotte Chilsung Beverage Co Ltd and four Japanese companies, including H kari Press, took over Haitai Beverage Co Ltd. Hikari Press was the majority shareholder with a 51% stake while Lotte Chilsung in South Korea

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was the third-largest shareholder with 19%. Later in July 2004, Asahi Breweries Ltd acquired a stake in Hikari Press and increased its share to 58%. However, Asahi Breweries Ltd decided to dispose of Haitai Beverage Co Ltd in 2010 and the company was finally taken over by LG Household & Health Care Ltd in November 2010.

~ Haitai Beverage Co Ltd first introduced its orange 100% juice (Family Juice) in South Korea in 1976. It had a licence to use the Sunkist brand from Sunkist Growers Inc in 1982 and it has continued to introduce variants under the Sun kist brand. In May 2008, it formed an alliance with Nestle Korea Ltd for the distribution of RTD coffee under the Nescafe Nesfrappe brand. In 2010, Haitai Beverage Co Ltd launched the energy drink Energi, entering the energy drinks category in competition with the Hot 6 brand from Lotte Chilsung.

Production

~ Haitai Beverage Co Ltd operates three factories: in An-sung, Pyung-chang and Cheon-an. The An-sung factory was opened in 1995, followed by a bottled water factory in Pyung-chang in 1996. The third factory, in Cheon-an, was opened in 1998. The company mostly focused on domestic market in South Korea.

Summary 3 Haitai Beverage Co Ltd: Production Statistics 2010

Location	Brand
Cheon-an	Soft drinks including fruit/vegetable juice (e.q., Sunkist, Sunny Ten)
Pyung-chang	Bottled water (e.q., Spring Water)

Source: Trade press, company research, trade interviews, company website

Competitive Positioning

~ Haitai Beverage Co Ltd was the third-ranked player in soft drinks in off-trade value terms in 2010, registering an 8% share. The company's share has been declining since 2006. Due to this weak performance, GBO Asahi Breweries Ltd opted to dispose of Haitai Beverage Co Ltd in 2010.

~ Haitai Beverage Co Ltd has shown strength within the fruit/vegetable juice category. In the 1980s, the company launched the 100% juice brand, Family Juice. It was then granted a contract with Sunkist Growers Inc in the US to use the Sunkist brand. After that, Haitai Beverage Co Ltd introduced various fruit/vegetable juice products including the Coco Palm juice drink, Crushed Pear Juice and Pandori. Although in other categories Haitai Beverage showed a decrease in value share in 2010, the company recorded a7% increase in value sales to reach a 26% value share within off-trade fruit/vegetable juice.

~ Haitai Beverage has diversified its product range since 2009, as it has become more active in sports drinks and energy drinks, and RTD coffee. In addition to its activities in carbonates and fruit/vegetable juice, the company has sought to expand its share through R&D. In 2010, it launched its new energy. In South Korea, the energy drinks category was created through the launch of Lotte Chilsung's new Hot 6 brand in March 2010. In response, in the following month, Haitai Beverage also introduced Energi within the energy drinks category; however, unlike Hot 6, this offering did not generate strong demand among consumers mainly due to the weak promotional marketing activities for the new product launch in South Korea.

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Summary 4 Haitai Beverage Co Ltd: Competitive Position 2010

Product type	Value share	Rank
Carbonates	4.2%	4
FruiUvegetable juice	26.1%	2
Bottled water	4.6%	8
Sports and energy drinks	1.6%	4
RTD tea	2.1%	9
RTD coffee	2.4%	5
Asian speciality drinks	3.8%	7

Source: Euromonltor Intemational from trade press, *company* research, trade interviews

LOTTE CHILSUNG BEVERAGE CO LTD IN SOFT DRJNKS (SOUTH KOREA)

Strategic Direction

Key Facts

Summary 5 Lotte Chilsung Beverage Co Ltd: Key Facts

Full name of company:	Lotte Chilsung Beverage Co Ltd
Address:	Jamwon-dong 50-2, Seocho-gu, Seoul, South Korea
Tel:	+82 (2) 3479 9114
Fax:	+82 (2) 6234 9004
www:	wwwJottechiisung.co.kr
Activities:	Manufacturer and seller of soft drinks, alcoholic drinks *and* hot drinks

Source: Euromonitor Intemational from *company* reports, trade press, company website

Summary 6 Lotte Chilsung Beverage Co Ltd: Operational Indicators

	2008	2009	2010
Net sales	Removed	Removed	Removed
Net profit	Removed	Removed	Removed

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Number of employees	Removed	Removed	Removed

Source: Financial report of Lotte Chilsung Beverage Co Ltd, Korea Chamber of Commerce

Company Background

~ Lotte Chilsung Beverage Co Ltd was founded in 1950. The company has consistently expanded its portfolio through licensing agreements to distribute major foreign brands such as Pepsi, Gatorade and Del Monte. In 1976, Lotte Chilsung established a syrup bottling contract with PepsiCo Inc, to become the sole bottler, retailer and supplier of the global giant's products, including the Pepsi, Mountain Dew and Mirinda brands, in South Korea. The company also entered into a trademark and technology contract with Del Monte in 1982.

Production

Summary 7 Lotte Chilsung Beverage Co Ltd Production Statistics 2010

Location	Brand	Annual production	
		2009	2010
Removed	Removed	Removed	Removed

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Removed	Removed	Removed	Removed

Source: Trade press, company research, trade interviews, company annual report

Competitive Positioning

Summary 8 Lotte Chilsung Beverage Co Ltd: Competitive Position 2010

Product type	Value share	Rank
Carbonates	Removed	Removed
FruiUvegetable Juice	Removed	Removed
Bottled water	Removed	Removed
RTDtea	Removed	Removed
RTD coffee	Removed	Removed
Sports and energy drinks	Removed	Removed
Asian speciality drinks	Removed	Removed

Source: EuromonitorInternationalfrom trade press, company research, trade interviews

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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.

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Soft Drinks Will See Rapid Growth But Rapid Change

KEY TRENDS AND DEVELOPMENTS

Premiumisation Continues To Drive Growth

Current Impact

Outlook

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Future Impact

“sparkling” Well Received by South Korean Consumers

Current Impact

Outlook

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Future Impact

Leading Players Remain in Strong Positions

Current Impact

Outlook

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Future Impact

Specialist Coffee Shops the Entry Channel for Premium Soft Drinks

Current Impact

Outlook

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Future Impact

Marketing Strategies Through Smartphones Become Active

Current Impact

Outlook

Future Impact

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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

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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

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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

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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

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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

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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

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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

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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 17 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

Table 18 Brand Shares of Off-trade Soft Drinks by Value 2007-2010

% off-trade value rsp

Brand	Company	2007	2008	2009	2010

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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

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Table 19 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

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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

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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

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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 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						

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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

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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	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

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Table 35 Forecast Off-trade vs On-trade Fountain Sales of Carbonates: % 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 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

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

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