

HEARTBEATS TREND REPORT



DAVID CHANG is a member of the Heartbeats Movement and founder of inmD Inc., the first and biggest social media marketing agency in Seoul, Korea. They work with many Korean leading brands, such as Samsung Imaging for social media marketing. David also leads the publishing of **'Sounds like Branding'** in Korean. Below he shares his insights in marketing and social media with us.

David, are you seeing any major marketing trends in Seoul right now?

Many Korean brands are working with 'Hallyu stars' in their marketing campaigns. For those who are not familiar with 'Hallyu', the term refers to the significantly increased popularity of South Korean culture around the world. (Read **'The Economist'** for further details) There are even Hallyu focused global communities like **Soompi.com** with more than 4.5 million visitors per month. Some people even say that 'Girl's generation' – a Korean girl group, not Samsung, is the power brand of Korea.



Chinese, Japanese, Taiwanese, etc. Hallyu definitely provides a great way for Korean companies to go beyond the local market.

As regards social media, what platforms are in top in Seoul, and why?

Twitter and Facebook are growing fast since last year (Facebook is reported to have 3.5 million users in Korea) but Cyworld still dominates the local social media market with more than 25 million users. (Korea's total population is 50 million). Daum's Agora is something to look out for. It's basically an open platform for discussions. People write and debate on social, political issues there very actively. Social commerce is another big thing in the Korean social scene. After watching the first mover's success, there are now more than 500 social commerce sites in Korea.

How do you think social media will develop within the next 5-10 years?

As mobiles are becoming huge in Korea, since early 2010, when the iPhone was introduced, mobile social networking is growing.

Kakao talk, a mobile app for group chatting and social networking, has attracted 7 million users (Korea's total smart phone users are less than 10 million). The importance of mobile in social networking will increase in the future, for sure.

What is the reason behind this Korean marketing trend?

Companies target not only the Korean market but the whole Asian market by working with Hallyu stars. For example, Markolli, a traditional Korean liquor, launched a new product in Japan co-promoting with Hallyu star 'Yon-sama'. Diageo Korea also leveraged the popularity of Korean actor 'Lee Byung Hun' and the product sells so well to Japanese tourists. Local cosmetic brands such as LG Care and Amore Pacific leverage the popularity of Hallyu stars as well. If you go to brand shops in Myung-dong, the big shopping area in Seoul, 80% of the buyers are either from China or Japan. The Korean touring government also features Hallyu stars to attract



When it comes to marketing, what media is on top in Korea?

As regards the Korean ad market, it is worth USD\$7.6 billion. TV is on top with 23% share, Newspapers 20%, and Internet 18%. However, the Internet is the fastest growing market with 24.5% growth this year.

What about music then, how do people in Korea consume it and how will they consume music in the future, do you think?

Korea is the only nation in the whole world where digital music revenue takes more than 50% of total music revenue, and subscription based music streaming is the main revenue driver. Actually, Koreans don't understand why Spotify is regarded as the most innovative model, since this kind of technology and subscription model already existed in Korea when Spotify became known worldwide.

Last, but not least, which place is the most trendy place to 'hang out' in Seoul and why?

Hongdae (Hongik University area) and Garosu-gil (Tree-lined street) are hip places. Fashion leaders and trend setters are hanging out there. And many clubs are also located in these areas.



For more insight into the fields of music branding and communication strategies, visit www.soundlikebranding.com and www.heartbeatsinternational.com