



# Monthly Picks

---

July 2023 / Issue 07

Social Trends &  
Marketing Insight

by  
INNOCEAN



## Contents

### Trend Hunter

Exploring social and cultural trends going viral in Korea and across the world.

---

### Space-EX

Visiting trendy places to look for the reasons for the popularity and insights.

---

### Issue Discovery

Analyzing selected marketing topics.

---

### Creative Highlight

Introducing attention-grabbing creatives.

---

The number of individuals embracing a vegan lifestyle is growing in Korea, and attitudes toward veganism are shifting to become more positive. Notably, the market for vegan products is witnessing remarkable expansion. Now, let's explore the popularity of veganism in Korea, along with the driving factors behind this trend.

# The Rising Tide of Veganism

Making It into the Mainstream, No Longer a Subculture



From Unsplash

# The Future is Vegan!

Once considered a lifestyle trending overseas, veganism has now become an integral part of our daily lives in Korea.

Vegan products are readily available on the food aisles of convenience stores we visit on a daily basis, with them becoming a cash cow for brands. In response to this growing popularity of veganism in Korea, Korean Air introduced a Korean-style vegan menu inspired by traditional temple food, alongside western, eastern, and Indian vegan options that once only catered to preferences of foreign consumers.

As such, veganism is no longer a niche lifestyle adopted by a select few; at a time when people seek a sustainable world where harmony between humans and nature prevails, it's quickly expanding its impact to a wide array of industries as a mainstream culture.

In this month's Trend Hunter, we explored how different businesses are responding to veganism and analyzed where veganism stands in Korea in terms of the size of its population and market, as well as factors that are driving the popularity.

From convenience stores, fast food chains, Italian restaurants to Makgeolli... We can now find vegan products everywhere

# It's Easier to Find Vegan Products in Daily Lives

## Convenience Store Vegan Products

### CU's Vegetarian HMR Using Egg Substitutes



From BGF Retail

### Seven Eleven - CJ PlanTable Vegetarian HMR



From KG News

The realm of veganism, initially driven by a commitment to animal welfare, has now broadened its definition from vegan in its strict sense to include flexible vegetarian options, known as flexitarian. This expanding scope of veganism is making it easier than ever to find vegan products, which were once rare in our daily lives.

The rise of vegan products in convenience stores highlights how veganism has entered the mainstream in Korea. CU, in particular, became the first convenience store chain to launch a dedicated vegetarian brand, 'Vegetarianism.' Ever since, CU has been committed to offering an array of vegetarian HMR lines, featuring meat and seafood alternatives, as well as more recently, egg substitute, recording a cumulative sales of 5.5 million products as of early 2023. Seven Eleven has also introduced three vegetarian products by partnering with CJ's vegan brand, PlanTable. The launch was successful: these products ranked among the top three best-selling items in their category and achieved sales of 1 million units within just 10 days of their launch.

## Vegan Options at Fast Food Chains or Restaurants

### No Brand Burger's Better Burger



From SHINSEGAE FOOD

### The Better Vecchia e Nuovo



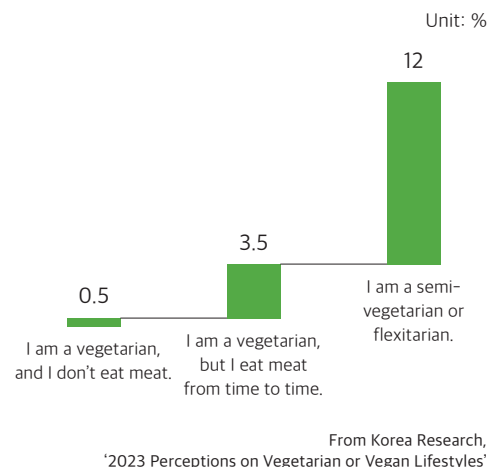
From SHINSEGAE FOOD

We can now easily find vegan products in places that are part of our daily lives, including fast food chains. Notably, Lotteria has been offering a vegan burger featuring a plant-based patty since 2020. Another burger brand, 'Better Burger,' owned by Shinsegae Food, has gone a step further by introducing 'Better Burger,' which replaced four main ingredients—patty, bread, cheese, and sauce—with 100% plant-based alternatives. This initiative makes them the first burger chain globally to offer an all-vegetarian burger that includes plant-based cheese. Moreover, Shinsegae Food is actively exploring the concept of offline stores dedicated to meat substitute. The company operated the 'Better Meat' pop-up store in Apgujeong, Seoul, from July to the end 2022. The pop-up store garnered immense success, attracting more than 13,000 visitors and receiving a deluge of requests to extend its duration. In response, Shinsegae Food opened a permanent Italian restaurant called 'The Better Vecchia e Nuovo' in Chungdam, Seoul, in January of this year, featuring dishes centered around meat alternatives.

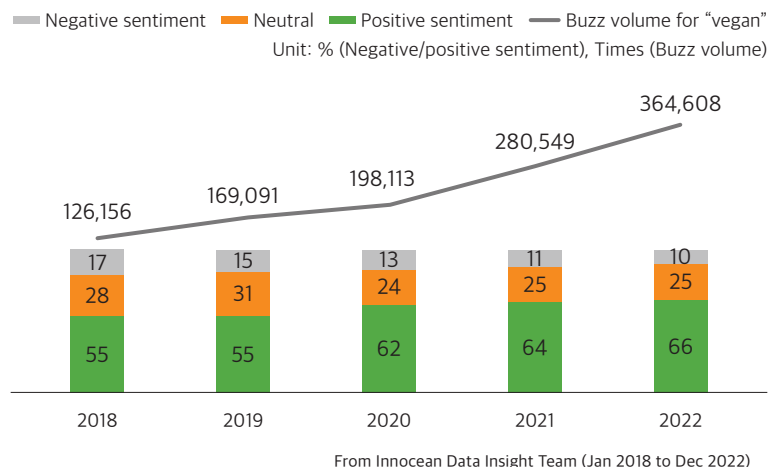
16% of adult men and women have embraced either a vegetarian or semi-vegetarian diet! The vegan population in Korea has grown to become a force to be reckoned

# The Number of Vegetarians in Korea and Social Data Trends Related to Vegetarian Diet

The Proportion of Vegetarians in Korea

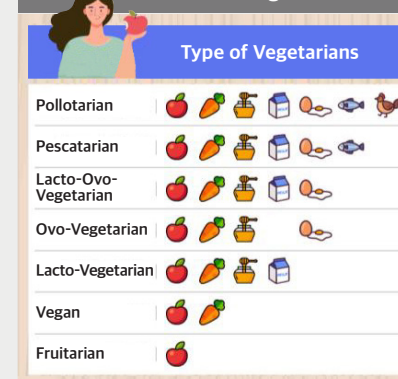


Vegan-Related Social Buzz and Changes in Positive or Negative Sentiments



The number of vegan population in Korea has grown significantly. According to a survey conducted in May, around 4% of respondents aged 18 or older identified themselves as vegetarians, while 12% identified as semi-vegetarians. Applying the results to the general population, we can estimate that there are approximately 1.76 million vegetarians in Korea, and a total of 7.27 million people practice a vegetarian diet, including semi-vegetarians.<sup>1)</sup> However, it's worth noting that the share of people who identify themselves as vegetarians and don't eat meat stands at 0.5%. The interest in the vegan lifestyle among consumers is consistently growing. An analysis of five years of social buzz volume from 2018 to 2022 reveals a remarkable increase, with the buzz rising 2.9-fold during that period. In 2018, there were 126,000 mentions of veganism on social media, which surged to 364,000 mentions in 2022, reflecting an average yearly increase of 30.4%. In addition, there has been a notable shift in social media users' sentiments toward veganism during the same period. An analysis of social media sentiment reveals that positive attitudes toward veganism steadily increased from 55% in 2018 to 66% in 2022, indicating a more favorable view of the vegan lifestyle. Conversely, negative attitudes toward veganism saw a significant decline, decreasing by half from 17% in 2018 to 10% in 2022.

## Quick Facts: Understanding Different Tiers of Vegetarian Diet



From DoctorKitchen

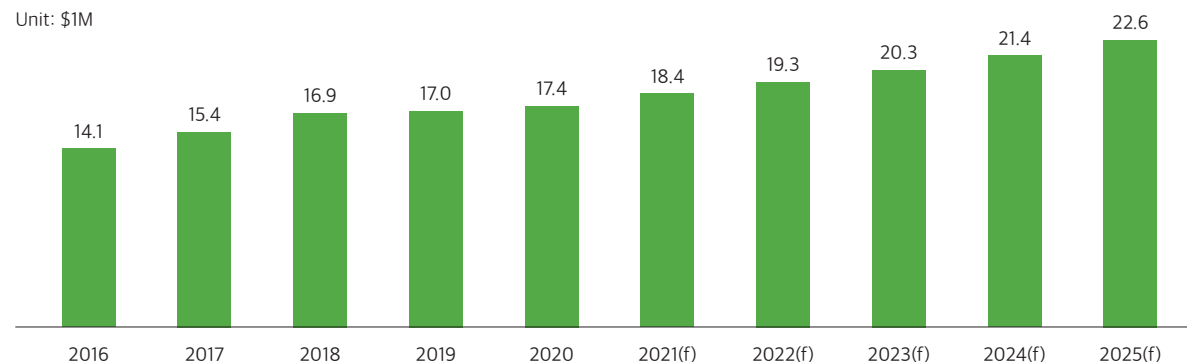
Vegetarians can be categorized into seven different types based on their dietary choices regarding poultry, fish, eggs, dairy, honey, and vegetables. These classifications range from fruitarians, who solely consume fruits and seeds, to pollo vegetarians, who include fish and poultry in their diet. It's important to note that while the term 'vegan' is often used to refer to any vegetarian diet, it specifically represents a type of vegetarianism that only includes fruits and vegetables in the diet. Additionally, individuals who occasionally consume meat are sometimes included in the classification of vegetarians as 'flexitarians.'

The high acceptance of veganism among younger consumers in their 20s and 30s led the explosive growth of the vegan market

# The Growth of Vegan Market Driven by Consumers in Their 20s and 30s

The Growth of Plant-Based Alternative Meat Market in Korea

Unit: \$1M



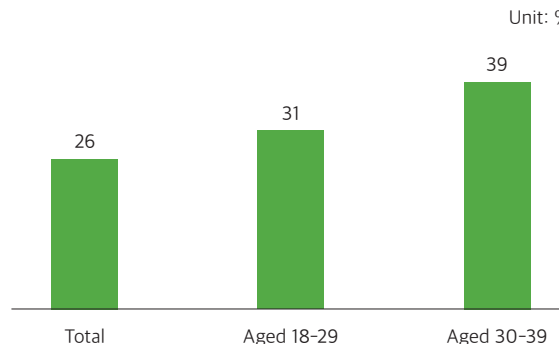
From GlobalData (2022): Global Market Data  
\*Data from 2022 and onwards are estimates.

As the vegan population grows and interest in veganism continues to surge, the market for vegan products is experiencing significant growth. In Korea, the market for plant-based meat alternatives reached a value of \$17.4 million (KRW 20.89 billion) in 2020, marking a notable 23.7% increase from 2016. Projections indicate that this market is set to continue its upward trajectory and is estimated to reach \$22.6 million (KRW 27.1 billion) by the year 2025. As for the milk alternatives market, which has seen even more activity, it is projected to be valued at KRW 50 billion as of 2022.\*

Around 26% of consumers have reported buying vegan food products in the past year, showcasing the remarkable growth of the market. Particularly, younger consumers in their 20s and 30s have played a crucial role in driving this expansion. Comparing the percentage of consumers who purchased vegan foods in the recent year across different age groups, those aged 20 to 39 showed a significantly higher rate of adoption. Another survey further confirms the high acceptance of vegan products among younger consumer groups. According to Shinsegae Food, approximately two-thirds of respondents aged 20 to 39 expressed positive attitudes toward purchasing meat alternatives, with only 15% stating no intention to buy.

Experiences of Buying Vegan Products in the Recent Year Among Those in Their 20s and 30s

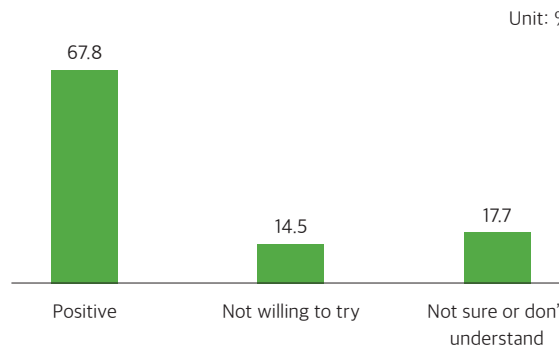
Unit: %



From Korea Research, '2023 Perceptions on Vegetarian or Vegan Lifestyles,' July 2023

Attitudes Toward Alternative Meat Among Those Aged 20-39

Unit: %



From Consumer Survey of Shinsegae Food, May 2023

\* From Hankyung "Cannot Miss Out on the 80 Trillion Market"... Food Companies' Genuine Commitment to 'Vegan' Products (July, 2022)



Values-based consumption and the practice of actively expressing one’s beliefs, known as the “meaning-out”<sup>\*</sup> trend in Korea, is driving the expansion of vegan culture

<sup>\*</sup> **Meaning-Out** A term used in Korea blending the words ‘meaning,’ which denotes significance and beliefs, with ‘coming-out.’ It represents the act of openly expressing one’s political and social values through consumption practices.

# Values-Based Consumption and Widespread Use of Social Media Among Consumers in Their 20s and 30s are Driving the Popularity of Veganism

Top 10 Keywords Related to Values-Based Consumption

From Jan 2020 to Dec 2022, Unit: Times

Rank	Keyword	Mentions
1	Value	8,065
2	Environment	7,600
3	Eco-friendly	6,873
4	Brand	6,425
5	Trend	4,636
6	Sustain	2,361
7	Food product	2,302
8	Fashion	2,032
9	Vegan	2,023
10	Earth	2,011

From Innocent Data Insight Team (Jan 2018 to Dec 2022)

The rapid growth of the vegan market can be attributed to the rising popularity of values-based consumption as a mainstream culture. An analysis of social media data reveals the significant trend of values-based consumption, with mentions of the term ‘value-based consumption’ on social media more than doubling in the past three years (4,311 in 2020, 8,018 in 2021, and 10,117 in 2022). Key terms associated with ‘values-based consumption’ included ‘food products’ and ‘vegan,’ indicating a strong correlation between values-based consumption and veganism.

Reasons for Buying Vegan Products (Recent Year)

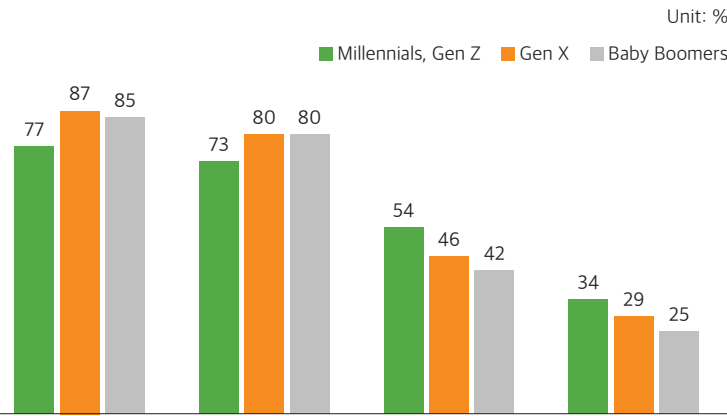
Unit: %

	Total (390)	Aged 20 to 39 (166)
Protect the environment	42	43
My health	38	23
Out of curiosity	30	36
Product quality	24	29
Recommended by friends and family	24	23
Protect animals	23	28
Allergies	8	8
Religion	3	5

From Korea Research, ‘2023 Perceptions on Vegetarian or Vegan Lifestyles’

When consumers were asked about their reasons for buying vegan products, the top response (42%) was ‘to protect the environment,’ related to their values, with around 23% them citing ‘to protect animals’ as the main reason. Approximately 38% stated that they purchased vegan products for their own health, which ranked slightly lower than ‘environmental protection’ as the primary motivator for their purchases. These survey findings suggest that values-based consumption plays a pivotal role in driving the demand for vegan products.

Experiences of Engaging in the “Meaning-Out” Trend by Different Generations



From Lotte Members Lime ‘Survey on Meaning-Out Consumption’ (May 2022)

Consumers are increasingly embracing the values-based consumption trend through a new practice known as ‘meaning-out.’ This involves making purchasing decisions that align with their beliefs or buying products with labels that express certain values and sharing photos of the products they buy on social media. One particularly popular topic for ‘meaning-out’ among younger generations is veganism. According to a survey, an impressive 54% of Millennials and Gen Z have engaged in ‘meaning-out’ to express their commitment to veganism. This percentage is significantly higher than that of other generations.

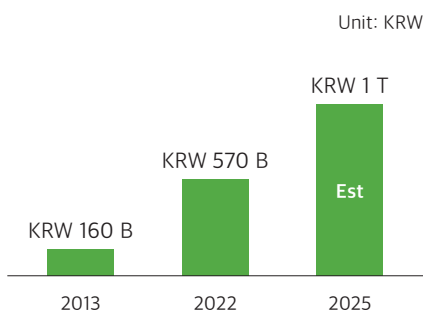


Thanks to the increase in the number of flexitarians and a diverse range of products offering a vegan experience, veganism is now ready to take a leap forward

# Veganism is at a Turning Point, Ready for Further Expansion

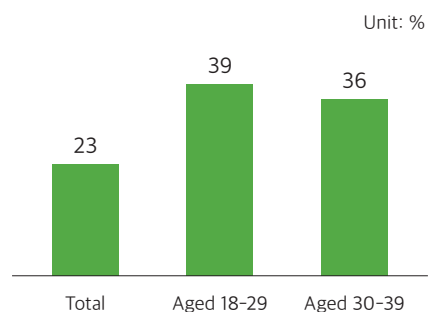
## Vegan Cosmetics to Follow the Steps of Vegan Food

The Size of the Vegan Cosmetic Market in Korea



From Korea Agency of Vegan Certification and Services

Experiences of Buying Vegan Beauty Products in the Recent Year

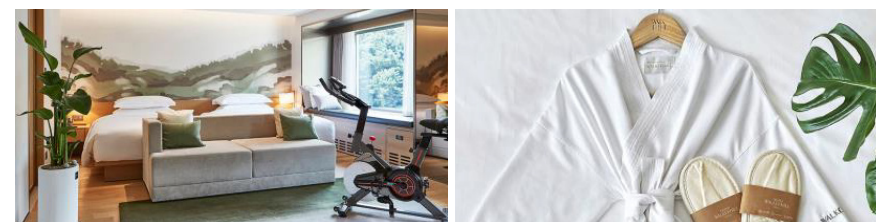


From Korea Research, '2023 Perceptions on Vegetarian or Vegan Lifestyles,' (July 2023)

Veganism has reached a crucial turning point for further growth, driven by the increasing vegan population, the surge in popularity of veganism, and the introduction of a diverse array of vegan products. While in the past, veganism was mainly embraced by strict vegetarians deeply committed to environmental and animal rights protection, the market is now broadening its scope due to the rising presence of flexible vegetarians or flexitarians—individuals who practice a vegetarian diet without entirely eliminating meat from their meals. This flexible approach to veganism includes adopting a vegan diet on specific days of the week rather than adhering to it strictly every day. Veganism is on the verge of a significant breakthrough, particularly in terms of the wide variety of vegan products now available in the market. Beyond vegan food products, the vegan cosmetics industry is also experiencing rapid growth. According to the Korea Agency of Vegan Certification and Services, the market for vegan cosmetics has surged in value, reaching KRW 570 billion in 2022. This represents an impressive four-fold increase from KRW 160 billion in 2013. Projections indicate that the market is expected to continue expanding and is estimated to be valued at KRW 1 trillion by 2025. Vegan cosmetics have now become an integral part of daily life for younger consumers, with approximately 40% of those in their 20s indicating that they have purchased vegan beauty products within the past year.

## Hotel and Car Brands Embracing Veganism

### The Walkerhill Hotel's Grand Vegan Suite



From Walkerhill

### Hyundai Motor's IONIQ 5 and G80 EV Featuring Vegan Materials



From Hyundai Motor Group

The hotel industry is also jumping on the bandwagon. The Walkerhill Hotel offers dedicated vegan rooms known as 'Grand Vegan Suites.' These rooms ensure that everything from the interior designs to the amenities and food provided is entirely vegan-friendly. The hotel also provides a unique 'vegan energy' service, allowing guests to charge their phones using an indoor bike placed within the suite.

Likewise, the car industry is actively embracing veganism, integrating vegan materials into their interior designs. Hyundai Motor's IONIQ 5 model, for instance, features bio TPO derived from sugarcane in various components, such as the door, dashboard, and ceiling. The steering wheel and buttons are painted with eco-friendly paint that includes oil extracted from rape flowers and corn. The G80 EV model from Genesis, Hyundai's high-end brand, boasts seats, center console, and second row armrests made with naturally dyed leather.

Overnight delivery platform, Kurly, organized a full-scale offline festival, marking the first time since its inception eight years ago.

The event saw participation from 85 partner companies of Kurly and 130 F&B brands. Let's delve into the intriguing experience of engaging with the online platform Kurly in the offline world.

# 2023 Kurly Food Festa

An Invitation to a Special Journey: Discover Your Taste



# 2023 Kurly Food Festa

## An Invitation to a Special Journey: Discover Your Taste

Today, online platforms are venturing into the offline realm. This demonstrates the importance of increasing customer touchpoints and providing unique brand experiences by offering physical spaces for customers to see and explore their products. It creates an opportunity for brands to transcend mere customer-brand relationships to forge deeper connections and build devoted fandoms.

Kurly recently held a full-scale offline event at the Dongdaemun Design Plaza in Seoul. However, this was not Kurly's first offline activity. Last September, they launched the 'off Kurly' offline store, where customers can immerse themselves in curated content on taste, humanity, and art, carefully selected to align with distinct themes for specific periods, ultimately enhancing the overall offline customer experience.

The 2023 Kurly Food Festa was an F&B industry exhibition, surpassing the offerings and scale of its 'off Kurly' store. The event successfully gathered Kurly's 85 partner companies and an impressive lineup of 130 diverse F&B brands. While typical industry exhibitions primarily concentrate on fostering B2B relations and exploring business opportunities, the Kurly Food Festa took a different approach by placing a strong emphasis on consumers, generating immense excitement. The result was remarkable, with over 20,000 visitors participating in Kurly's offline event within just three days.

Let's explore the values and experiences that the online platform dedicated to food culture aimed to provide through its 2023 Food Festa.



**As visitors entered the Kurly Best Zone, they were warmly welcomed by well-known brands**

# Captivating Visitors with Small Events like Tastings

Kurly's Food Festa took place at the Dongdaemun Design Plaza Art Hall, decorated with a purple theme. The venue was packed even during the daytime on a regular workday. The scale of the event was impressive, encompassing both Art Hall 1 and 2. To gain entry to the festival, visitor must purchase a KRW 24,000 ticket, which was available at a discounted rate through the Kurly app for presale tickets. This clever promotion aimed at attracting new customers to the online app. Upon arrival at the Art Hall's entrance, attendees can exchange their ticket with a wristband, which allows them to freely reenter the festival throughout the day.



- 1 — The entrance of Art Hall 1.
- 2 — Kurly Food Festa photo spots.
- 3 — The place to pick up the welcome gift in Art Hall 1.
- 4 — CJ CheilJedang's roulette event where everyone can win something.
- 5 — The 'Earth Diet' experience offered at the Pulmuone booth.
- 6 — A display of Harim's the Mishik products.

As visitors enter Art Hall 1, they can receive welcome gifts packed in Kurly reusable bags, which included Kurly wet wipes and a Choco Pie. The assortment of diverse products immediately justified the ticket price. The first hall, named the 'Kurly Best Brand Zone,' showcased beloved brands favored by Kurly customers. Esteemed names like CJ CheilJedang, Pulmuone, and Harim warmly greeted the visitors. At the CJ CheilJedang booth, attendees were treated to samples of their newly launched products, including Hetbahn, Bibigo, and It's Protein. In addition, the brand conducted a poll, encouraging consumers to express their anticipation for prospective products. Listening to brand stories allowed visitors to collect stickers, enabling them to participate in a roulette game where every participant was a winner. Pulmuone's booth focused on providing samples of its popular brands, including its sustainable food brand 'Earth Diet.' What drew my attention was Harim's move to distance itself from being solely a poultry company. The company showcased its ham brand 'Cham' and premium HMR brand 'The Mishik,' offering visitors a chance to taste them and participate in a draw event during which everyone can win gifts. As I explored the booths of these prominent companies, my Kurly reusable bag quickly filled up with the gifts received from participating in various events. The beginning of the exhibition was marked by delicious tasting events and enjoyable experiences, creating an immersive atmosphere that captivated the visitors.

Unlike other industry exhibitions, Kurly's festival focuses on delivering experiences to consumers

# Not Just an Industry Exhibition, but a Place to Discover Your Taste



- 1 — The Charcuteria that offered tasty salamis.  
 2 — The HAKOYA tasting booth's Curry Udon.  
 3, 4, 5 — Kurly's 'Brand Experience Zone' that provided information about food ingredients.

Towards the inner corner of the 'Kurly Best Zone,' visitors can explore booths of premium food brands not typically found in other grocery stores, such as Samihun, HAKOYA, Joseon Hotel Kimchi, Flahavans, and The Charcuteria. In addition to its renowned overnight delivery service, Kurly takes pride in its ability to curate an extensive selection of food products, setting it apart from other grocery delivery platforms. The exhibition seemed to emphasize Kurly's exceptional curation. Offering a wide range of options, the festival seemed more like a place to discover your unique taste, rather than a typical industry exhibition. As I listened to the stories behind products that I used to purchase without much thought, simply by browsing the list of best-selling items, and sampled various offerings, these brands took on a special charm. After spending time visiting over 20 booths, what truly caught my attention was the 'Kurly Brand Zone,' where we could uncover our individual taste preferences in terms of food ingredients, just before proceeding to the second Art Hall.

The zone guided visitors to discover and savor food ingredients like apples, pasta, cheese, and bread. I was particularly intrigued by the 'Apple Identification System,' which categorized different apples based on their texture and sweetness. Being a fan of hard and sweet apples, I learned that varieties like 'Hongro,' 'Shinano Gold,' and 'Busa' fall into these categories. At the 'Formula for the Perfect Pasta' booth, Kurly matched various pasta types, such as capellini, linguine, lasagna, and fettuccine, with different spaghetti sauces like oil, ragu, cream, and basil pesto. This experience made me realize that a single ingredient can significantly influence our food preferences. Moreover, visitors can find a dedicated space for coffee, a staple dessert in Korean culinary culture. The exhibition organized Korea's favorite coffee bean brands like Blue Bottle, Hakrim Dabang, and Momos Coffee in chronological order on a timeline. As I engaged myself in these spaces, I felt a deeper connection with my unique taste preferences.



For small and medium-sized brands, the festival was an opportunity to appeal to consumers

# A Branding Opportunity for Smaller Brands



- 1 — The entrance of the hallway that connects Art Hall 1 with 2.
- 2 — The hallway featured picture frames with explanations about food ingredients.
- 3 — The Maison M'O booth, which offered scrumptious madeleines.
- 4 — Wood & Brick where we could try freshly baked bread.
- 5 — Mohyun Shop offered a taste of a thick cut of salmon.

As visitors walk out of the 'Kurly Best Zone' in Art Hall 1, they enter a hallway that leads to Art Hall 2. While the hallway was quite long, it featured picture frames showcasing tasting notes of vinegar, rice, and various sauces, creating a seamless experience. It almost felt like I could taste the ingredients just by reading those descriptive notes. Upon reaching Art Hall 2's 'Kurly Only Zone,' visitors are greeted by various brands exclusively available on Kurly, such as Wood & Brick, Richemont Bakery, TaeWoo Korean Beef, and Mohyun Shop. Some of these brand names were new to me, but the festival presented an opportunity to explore the charm of these unique offerings as the friendly staff members encouraged visitors to try out their samples. The Kurly Food Festa played a vital role for small and medium-sized brands to showcase their brand value, as marketing costs can often become a heavy burden for them. Kurly's strategy of actively partnering with these smaller brands is a crucial part of their long-term vision. The Commerce Committee at Kurly assesses the quality and brand appeal of each product. This emphasizes the platform's dedication to curating valuable brands for its consumers, positioning itself as more than just a transactional platform connecting sellers with buyers. Throughout the Kurly Food Festa, it became evident how effectively it demonstrated Kurly's core values of culinary expertise and curation ability.



Kurly cleverly attempted to replicate the experience of using the Kurly app

# Efforts to Deliver an Online Experience in an Offline World



- 1 — Consumers can conveniently compare various products and purchase fresh meat through the app.
- 2 — Visitors can explore a wide range of vinegars and make online purchases.
- 3 — The brand showcased humorous reviews to pique curiosity about their products.

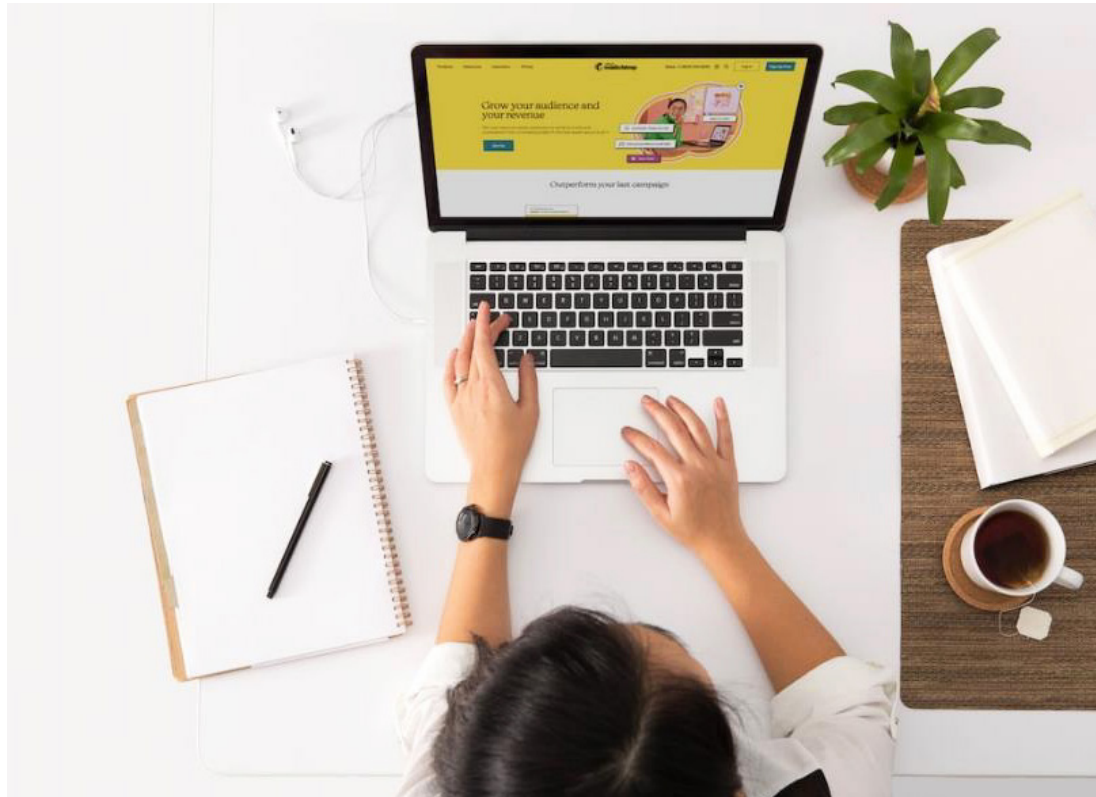
Towards the end of the 'Kurly Only Zone' in Art Hall 2, visitors will find another 'Kurly Brand Zone,' distinct from the one in the first hall. While the brand zone in Art Hall 1 focused on guiding visitors to learn and savor food ingredients, the one in the second hall is designed as a warehouse-style store to provide a shopping experience. At this zone, various food products specially curated by Kurly were displayed on plates or as replicas, accompanied by detailed explanations and QR codes. When I scanned the QR code next to a review titled 'a taste that my roommate from Daegu approves of,' which was presented on a plate, it directed me to the corresponding HMR Daegu Makchang product on the Kurly app.

I thought it was a brilliant move by Kurly to encourage visitors to make purchases on its app through the display of humorous user reviews in the offline store. What made it even more remarkable was the irresistible 30% discount offered on the app. Adding food products to their baskets on the Kurly app, making payment, and having the products delivered to their homes was a seamless process. The 'Kurly Brand Zone' was effortlessly connecting visitors to the online platform, starting with an engaging offline experience. Every brand experience should be connected to their business. Kurly ensured that every consumer experience it provided left a lasting impact. By replicating a daily shopping environment, Kurly successfully delivered a truly unique platform experience for its customers.

Stricter privacy laws have led to the emergence of a cookieless world. Forced to phase out third-party cookie tracking, digital marketers have shifted their focus towards adopting retail media.

Let's take a closer look at retail media—a strategy that propelled the e-commerce giant Amazon to become the third-largest digital ad seller in the United States.

# Opportunities That Retail Media Brings



From unsplash.com

# The Third Wave of Digital Advertising

After searching for a product from a specific brand on a web portal, we find ourselves bombarded with ads from that very brand while browsing on social media. Since the rise of search ads in the 2000s, the digital advertising market has grown with an emphasis on ‘personalized and targeted ads.’ However, stricter privacy laws implemented by governments worldwide, policies like App Tracking Transparency (ATT) policy introduced by Apple in April 2021, as well as Chrome's decision to phase out third-party cookie support by 2024, have curtailed the use of third-party data\* for personalized advertising. As a result, businesses are shifting their focus towards the utilization of first-party data\*\* that they collect directly from their customers. Amidst the surge in e-commerce during the pandemic, there has been a notable rise in the interest in retail media advertising offered by retailers that possess valuable first-party data on the shopping behavior of online users. The growth of the e-commerce market has consequently amplified the value of advertising space on online shopping platforms. Moreover, the ability to present users with ads precisely at the moment of purchase, resulting in a higher conversion rate has positioned retail platforms as a sought-after advertising channel.

In this month's Issue Discovery, our focus will be on examining the current state of retail media, which Insider Intelligence has dubbed the third wave of digital advertising, succeeding search engines and social media.

---

\* **Third-party data** Customer data collected by data aggregators from various sources across a diverse range of media, such as news outlets and online communities. The data is obtained without any direct engagement with the customers themselves.

\*\* **First-party data** data collected directly by businesses through their own platforms. This data is gathered based on actual customer activities, such as purchases and searches, and is not solely obtained for the purpose of providing information.



## Issue Discovery

Opportunities That Retail Media Brings

Retail media enables effective advertising by providing valuable information on consumers' purchase behavior to advertisers

# Outline of Retail Media

## What is Retail Media?

Retail media refers to advertisements displayed on e-commerce retailers' websites, akin to a digital version of traditional advertisement flyers and display ads in brick-and-mortar retail stores. Thanks to the availability of first-party data, search engines have insights into our interests, social media platforms are privy to our social connections, and retailers possess knowledge about our past and intended purchases. This is what makes retail media such an alluring advertising option. As users visit retail platforms with the clear intent of making purchases, retail media can display ads precisely at the point of sale. By directly securing customer touchpoints during the consideration phase, bypassing the awareness step of the customer journey, brands can significantly reduce the likelihood of customers abandoning their purchase, thereby increasing the conversion rate.

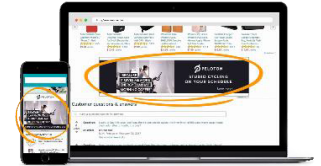
### Offline In-store Ads on Display



### Offline Store's Paper Coupons



### Ads on Online Shopping Sites



### Online Shop's Promo Coupons

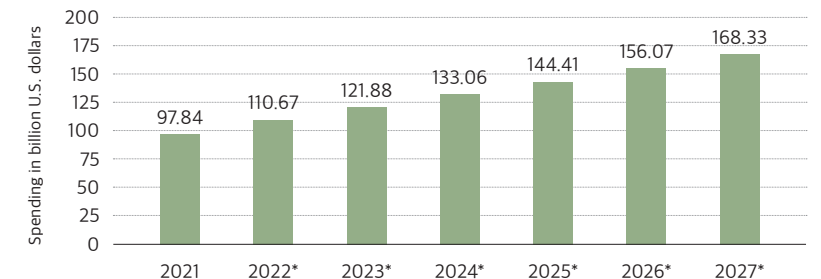


## The Global Retail Media Market

Retail media advertising emerged when Amazon launched Amazon Ads in 2012. However, it wasn't until 2020 that retail media truly came under the spotlight, driven by the rapid expansion of the e-commerce market, restrictions on third-party data usage, and emphasis on cost-effective and high-efficiency marketing strategies due to the economic downturn. The global retail media market is projected to reach a substantial valuation of \$156 billion by 2026, marking an impressive 40% increase over four years from its \$110.6 billion worth in 2022. According to McKinsey & Company,\* the impact of retail media extends far beyond retailers alone, as it will have significant implications for travel agencies and publishers as well. In the upcoming section, we will take a closer look at the leading player in the retail media market, the United States, and examine specific businesses that have embraced retail media. Additionally, we will explore the case of Korean businesses.

\* Data from McKinsey & Company, Commerce media: The new force transforming advertising. July 2022

### The Value of the Global Digital Retail Media Advertising Market



Data from statista

## Issue Discovery

Opportunities That Retail Media Brings

In pursuit of enhanced profitability, a wide variety of retailers are venturing into the retail media market, driving its growth

# Retail Media in Today's US Market

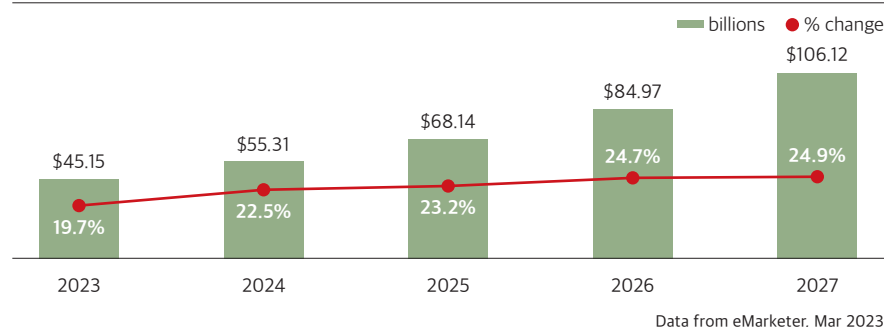
## The Retail Media Market is Rapidly Growing

In 2023, the American retail media market is anticipated to reach a valuation of \$45.15 billion, signifying a notable 20% year-on-year increase. Looking ahead, the market is projected to reach a substantial worth of \$106.1 billion by 2027, which will account for more than a quarter of the total digital advertising spending.

A breakdown of digital advertising profit growth by businesses reveals the increasing prominence of retail media enterprises. Retailers, recognizing the potential to enhance profitability beyond the traditional business model centered around selling consumer goods with high cost of goods sold (COGS), are spearheading the expansion into the retail media market. Notably, Walmart, Instacart, and Amazon are experiencing exceptional growth.

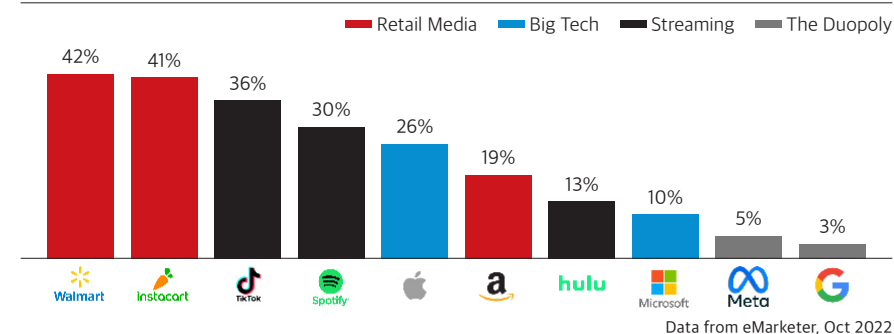
## Retail Media Ad Spending

US, 2023-2027



## US Digital Ad Revenue Growth, by Company, 2023

% change



## Retail Giants with Diverse Product Categories and Rich Data Hold a Competitive Edge

Over the past two years, more than 25 new companies have entered the US retail media market. However, it has become evident that not all retailers can effectively capitalize on the opportunities presented by retail media. As advertisers with limited budgets seek cost-effective advertising channels, they have started scrutinizing the scale and quality of data available. The businesses that have successfully thrived in the retail media space are those with high market share, a broad customer base, and a diverse range of product categories. These retailers possess a competitive edge in the market, not only due to their database of purchase information but also because of their capacity to analyze and identify intricate customer behaviors like purchase frequency and cross-category purchase patterns.

On the contrary, clothing company Gap closed down its retail media business within a year due to the restricted availability of data, which was limited to only their own brands. Similarly, retail giants that specialize in electronics face challenges in acquiring extensive customer information due to their longer sales cycles. As a result, the businesses making significant strides in the retail media market are e-commerce giants like Amazon and Instacart, alongside brick-and-mortar retailers with a widespread physical presence across the country, such as Walmart, Target, and Kroger.

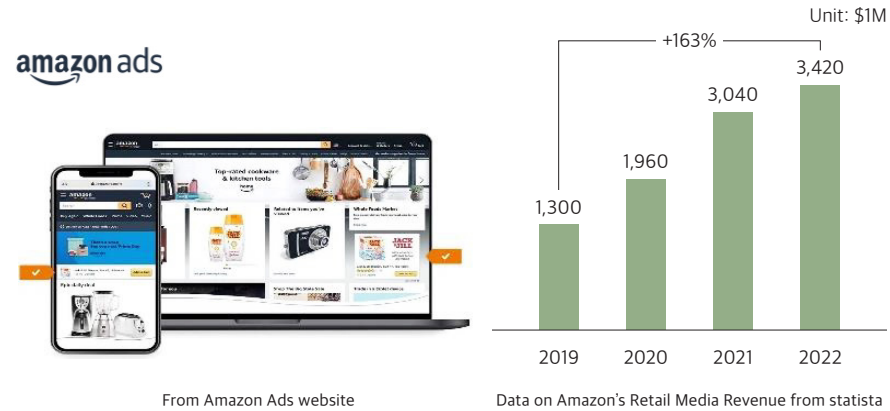
## Issue Discovery

Opportunities That Retail Media Brings

Retail giants with a competitive edge on scale and quality of data are leading the market

# Key American Players in the Retail Media Market

## Amazon, the Forerunner in the Retail Media Market



Amazon, the retail giant responsible for creating the retail media market, has witnessed a staggering 163% increase in its ad revenues over the past three years. This has propelled Amazon to claim the third-largest share of digital advertising revenue. Meanwhile, Meta has faced a decline in ad revenues, hit the hardest by Apple's (ATT) policy. In contrast, Amazon's ad business is expected to maintain its momentum, fueled by the ongoing expansion of the retail media sector, thereby narrowing the gap with Meta, which currently holds the position of the second-largest ad seller. In the retail media market, Amazon's biggest strength lies in its unparalleled influence over product-related searches. According to research\* conducted by Jumpshot, approximately 54% of consumers prefer to search for products directly on Amazon, bypassing traditional search engines. Furthermore, 90% of users who read Amazon's product reviews end up on the review page after conducting a direct search on the Amazon platform. The impact of Amazon's dominance is further evidenced by the shift in ad spending from Google to Amazon by advertisers.

\* Data collected by Research Firm Jumpshot in 2019 by analyzing around 100 million devices.

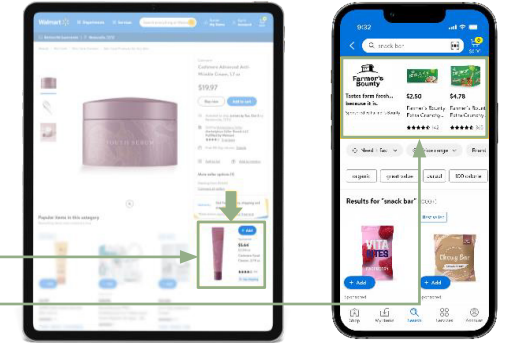
## Walmart, a Retailer That Secured a Growth Momentum



More than media. Meaningful connections.

Sponsored products  
Displaying the information right before making the final purchase decision.

Sponsored brands  
Occupying the top premium spot.



From Walmart Connect website

The world's largest retailer, Walmart, has established its advertising business through Walmart Media Group's Walmart Connect. Walmart Connect has emerged as the fastest-growing division within Walmart, drawing particular attention for not only achieving faster growth in advertising than its core retail business but also delivering higher margins, as emphasized by its CFO. Notably, in 2022, Walmart Connect launched a partner program that included businesses like TalkShopLive, TikTok, Snapchat, and Roku, signifying that Walmart's growth momentum is primarily propelled by its retail media business. The projections indicate that Walmart's ad revenues are set to reach \$3.16 billion in 2023, representing a substantial 42% y-o-y increase. While these figures may fall short of Amazon's ad revenues, the industry is closely monitoring Walmart, as its ad business is expected to continue its growth trajectory, witnessing a surge of 38.5% in 2024 compared to 2023 figures, followed by another impressive 38% increase in 2025 y-o-y. In particular, Walmart boasts a competitive edge by capitalizing on its 5,000+ offline stores that offer in-store advertising opportunities compared to e-commerce-focused Amazon.



## Issue Discovery

Opportunities That Retail Media Brings

In Korea, businesses are adopting retail media in a way that suits their needs

# Retail Media in Korea and Key Players

## The Korean Market Today

The retail media advertising market in the US currently accounts for 12% of total e-commerce revenues, and it is projected to witness continuous annual growth of more than 20%. By 2027, its share is expected to expand further to reach 18%. In contrast, the retail media market in Korea currently stands at KRW 2.5 trillion, representing only 1% of total e-commerce revenues. Nevertheless, the market is anticipated to evolve into a KRW 12.6 trillion market within the next 3 to 5 years\*, capturing 5% of total e-commerce revenues. Businesses are already venturing into this market.

Unlike the US market, Korea's existing largest ad sellers, including NAVER and Kakao, have already established promising e-commerce businesses, which poses a challenge for retailers to establish their unique competitive edge. Let's focus on the activities of businesses worth noting in the fiercely competitive Korean retail media market.

## Coupage, Leading the Korean Retail Media Market



From the Coupang Marketplace website

Coupang, closely following in Amazon's footsteps, has introduced various services, including fast delivery, subscription options, and a streaming service. Demonstrating its commitment to providing an advertising service akin to Amazon, Coupang

hired an advertisement specialist from Amazon to serve as its marketing VP in 2021. Furthermore, the company established Coupang Media Group, a dedicated division focused on ad business, much like Amazon's Amazon Media Group. With an impressive user base of 28 million MAU\*\* and access to rich purchase data, Coupang's retail media offering has been recognized as the best in Korea. Nevertheless, Coupang is actively seeking ways to gather even more comprehensive customer data. The company is reinforcing its subscription service and diversifying its connected services, such as Rocket Delivery, Coupang Play (OTT service), and Coupang Eats (food delivery service), all designed to lock in users.

## Karrot Market, Preparing for New Leap with the Foray into Retail Media



From Karrot Market

Karrot Market, which is advancing its ad service primarily focused on local ads, is emerging as the rising star in the Korean retail media market, drawing considerable attention. Despite offering the ad service for a relatively shorter period, the platform's strength comes from strong user engagement, grouping them into different

neighborhoods and customer loyalty, resulting in users staying on the platform for longer durations compared to other retail platforms. Currently, Karrot Market offers both feed ads and search ads, enabling advertisers to implement targeted marketing by selecting specific regions, genders, ages, and user preferences to display their ads. Moreover, the platform shares data on the ad's effectiveness, including metrics such as the number of views and user interest, with advertisers. Such approach has made Karrot Market a preferred choice among small local business owners.

\* From McKinsey & Company, South Korea's next sales frontier: Retail media networks, Mar 2023

\*\* MAU Monthly Active Users

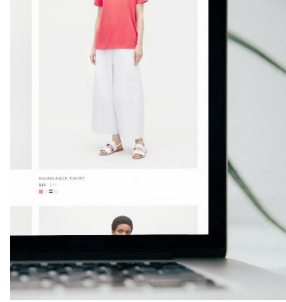
## Issue Discovery

Opportunities That Retail Media Brings

**It is essential to stay committed to the fundamentals of e-commerce, ensuring products are presented to customers in the best way possible**

# Factors Crucial for the Growth of Retail Media

## Optimize the purchase journey experience



From unsplash.com

From a customer's standpoint, excessive exposure to numerous ads can raise concerns. When retail platforms inundate users with ads for various products, it creates doubt in the minds of customers whether the platform is trustworthy enough to buy from them. When

customers struggle to differentiate genuinely popular, high-quality products from sponsored ones, it can have a negative impact on their overall shopping experience. Furthermore, when advertisers excessively invest in running ads on these platforms, it can result in price hikes for products, thereby discouraging price-sensitive e-commerce users from engaging with them.

## Aim to offer more compelling media content



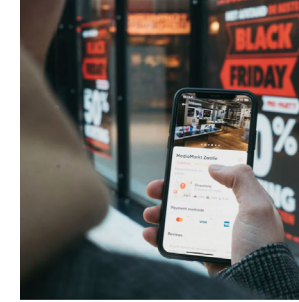
From unsplash.com

Online retailers serve as a platform for customers to search and find products they need, rather than a place to pass time out of boredom. In essence, e-commerce platforms are not typically perceived as media outlets. To attract customers who are not

actively seeking products to purchase, retailers must create new channels. By engaging users through diverse channels and content, they can seamlessly integrate ads into the user journey without compromising the overall customer experience.

Retailers can learn from social media platforms. Social media platforms leverage content uploaded on their platforms to subtly expose users to sponsored products. For instance, if a user shows interest in a video of Disneyland fireworks and clicks to watch it, the platform can discreetly display an ad promoting discounted Disneyland tickets. By leading customers to discover products tailored to their preferences, retailers can generate substantial traffic.

## Customize customer experiences based on individual purchase journeys



From unsplash.com

Retailers can craft an advertising product that seamlessly connects customers directly to their purchases by blending various retail media elements. They can design a product that entices customers to their platform, offers relevant promotion coupons, and triggers

purchases. In addition, integrating offline stores with online platforms to replicate online experiences within physical stores opens up a wealth of opportunities for the evolution of retail media advertising. For instance, upon arriving at a brick-and-mortar store, customers can be greeted by an online app that sends targeted notifications as they shop and reminds them of products they may have forgotten as they leave, providing a comprehensive service.

As industry insiders predict that established retail giants will continue to dominate the retail media market, retailers that stand out by offering unique customer experiences in terms of product offerings, services, or personalization will have the potential to expand their advertising business significantly.

Cannes Lions 2023 marked the first festival since the pandemic without any restrictions. It witnessed a notable resurgence of various brands that had maintained a low profile during the pandemic, submitting enriching campaigns, resulting in a higher number of submissions than in 2022.

This year's Cannes Lions festival placed a strong emphasis on promoting diversity, equity, inclusion, and sustainability, encouraging submitted campaigns to reflect these critical topics and recognizing campaigns that celebrated these principles.

Building upon the June article that explored major award winners, let's dive into creatives and campaigns that shed light on values emphasized by Cannes Lions 2023.

# Cannes Lions 2023

## DE&I, Sustainability





## Cannes Lions 2023 DE&I, Sustainability

Since its inception in 1954, Cannes Lions has continuously evolved, introducing new award categories and updating its assessment criteria. By doing so, the festival has ensured that it stays attuned to the ever-changing global industry trends and the transformative impact of creative campaigns. As a result, analyzing the award-winning Cannes Lions campaigns of a particular year offers valuable insights into the prevailing trends during that period.

This year, Cannes Lions introduced several new categories and made significant changes to its evaluation criteria. Notably, the festival highlighted two essential principles that it urged all submissions to embrace across all categories. The first principle emphasized by Cannes Lions is 'Diversity', 'Equity', and 'Inclusion' (DE&I), which the festival considers a top priority. Cannes Lions encouraged all campaigns to actively promote DE&I values, not only by reflecting these themes in the campaigns themselves but also by incorporating these principles throughout the entire process of creating the campaign. The second principle emphasized by Cannes Lions is 'Sustainability'. Brands were urged to maintain a mindful approach to sustainability throughout the entire campaign creation process. These initiatives demonstrate how a prestigious and popular award like Cannes Lions seeks to contribute to positive changes in our society.

Which creatives and campaigns received recognition for effectively reflecting the values emphasized by Cannes Lions?

Cannes Lions trophies for the SGDs (Sustainable Development Goals) Lions trophies, promoting sustainability.  
The trophies are made out of plastic material created from reclaimed fishing nets.  
From Cannes Lions

## Creative Highlight

Cannes Lions 2023  
DE&I, Sustainability

Campaigns and creatives that shed light on and devoted significant resources to the foreign refugee issue received recognition



**'Where to settle'**  
<https://www.youtube.com/watch?v=uO7gM9XIZQA>

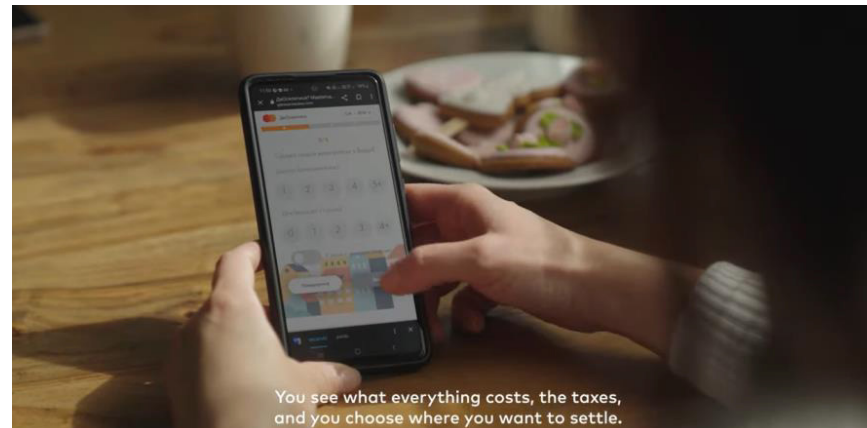


**'Exhibit A-I'**  
<https://www.exhibitai.com.au/home>

# Diversity

## Master Card 'Where to settle'

Sustainable Development Goals Grand Prix



Following the War in Ukraine, tens of millions of Ukrainian refugees fled to Poland, posing a challenge for the country in terms of accommodation and integration. However, a significant problem arose as most refugees preferred to settle in densely populated cities with high living costs. To address this issue, Poland needed to disperse the refugees to smaller towns and cities. In response, Mastercard took action and launched the "Where to Settle" platform, aiming to provide Ukrainian citizens with suitable neighborhoods for relocation. The platform utilized Mastercard's financial data, regional data from Statistics Poland, and information from a job-searching platform to recommend appropriate cities and towns based on user input, such as occupation and family size. Additionally, the platform allowed smaller towns facing labor shortages to promote themselves, attracting refugees seeking a new place to settle. Thanks to the "Where to Settle" platform, 25% of Ukrainians seeking refuge in Poland were successfully able to find a suitable place for relocation.

## Maurice Blackburn Social Justice 'Exhibit A-I'

Sustainable Development Goals Silver



Lawyers from the social justice law firm Maurice Blackburn in Australia made a troubling discovery. Asylum-seekers, who crossed the border on boats seeking refuge, known as 'boat people,' are being held in offshore detention centers located on various islands, with the Australian Navy being involved in their exploitation. These refugees have endured being incarcerated, assaulted, and subjected to torture in these detention centers for more than a decade. However, the reality of their situation has remained concealed from the public eye due to a ban on photography and restricted access for journalists imposed on these offshore detention facilities. To create a powerful visual impact and gather photo evidence, the law firm conducted interviews with former detainees. Drawing from the first-person accounts of their harrowing experiences, Maurice Blackburn collaborated with a generative AI specialist and a professional photojournalist to generate compelling images. These images shocked Australians both online and offline, reaching an astounding audience of over 340 million people within just one week of their release. The images have been compiled into a booklet, intended for use by the Department of Immigration Australia during policy reviews.

## Creative Highlight

Cannes Lions 2023  
DE&I, Sustainability

Some campaigns promoted a balance between physical and mental health by shedding light on marginalized issues



**'The last photo'**  
<https://www.youtube.com/watch?v=NEIXQJnMKAY>



**'Dogs without border'**  
<https://www.youtube.com/watch?v=UwUo2vaM3VE>

# Equity

## ITV 'The last photo' Brand Experience & Activation Gold



In 2018, British free-to-air network ITV made a profound impact on the minds of people unaware of the severity of suicide issues with its 'Project 84' campaign. However, fast forward to 2023, and a disturbing figure has been released: the combination of prolonged pandemic lockdowns and inflation in the UK has led to a significant increase in suicide rates, with 125 people taking their own lives every week. Surprisingly, as the British population has grown accustomed to secluded lifestyles, individuals are turning a blind eye to the tragedies unfolding around them, and discussions about suicide have been evaded. Following a series of interviews with families who had lost loved ones to suicide, ITV gained a profound insight: people who end up taking their own lives don't appear to be suicidal. Inspired by this idea, the network decided to celebrate 'the Happiest Day of the Year' by showcasing pictures of seemingly happy individuals with their names and ages. The exhibition was filled with images of people who appeared joyous, generating significant excitement among visitors. However, the shocking revelation came at the end of the exhibition when attendees discovered that those pictures were, in fact, of suicide victims. The impact of the campaign was substantial, sparking a 33% increase in online discussions about suicide prevention and a remarkable four-fold surge in donations to suicide prevention organizations.

## SFBO 'Dogs without border' Brand Experience & Activation Silver



While 55% of the global population lives in cities, approximately 45% reside in remote areas where access to healthcare is severely limited. In these remote villages, residents often have to walk hundreds of miles or travel for days on a donkey to reach a doctor in larger cities. Addressing this critical issue, the Society of French-Brazilian Oncology (SFBO) and KDOG, a group that studies trained dogs to detect cancer, joined forces to launch the "Dogs Without Borders" campaign. This initiative not only focused on saving lives in remote areas lacking healthcare facilities but also rescued dogs on the verge of being euthanized in shelters to be trained as medical detection dogs. The trained dogs are then sent to the remote areas equipped with odor detection kits to identify medical diseases, significantly improving public health in vulnerable regions with limited medical infrastructure. SFBO and KDOG are now expanding the scope of detectable diseases to include malaria, diabetes, and Parkinson's disease and are preparing to implement this innovative method as an official part of the healthcare system in Brazil.



## Creative Highlight

Cannes Lions 2023  
DE&I, Sustainability

There were campaigns that put spotlight on social inclusion by raising awareness on people with disabilities



'There's nothing comic about Dyslexia'  
<https://www.nothingcomicaboutdyslexia.com/>



'Ridiculous excuses not to be inclusive'  
<https://www.youtube.com/watch?v=6NBJ3GIUTps>

\* This part of the article is written in Comic Sans.

# Inclusive

## \*Dyslexia Scotland 'There's nothing comic about Dyslexia' Industry Craft Silver



Comic Sans, one of the most basic fonts for the alphabet, is often looked down upon, particularly by design professionals. Its whimsical and asymmetric style gives the impression of being childish and unsophisticated. Surprisingly, though, Comic Sans is a favored font among people with dyslexia. The irregular and asymmetric design of this typeface makes it easier for them to distinguish between letters. In an effort to promote more widespread use of the font, Dyslexia Scotland launched a campaign to raise awareness among designers who work with fonts daily. To pique the curiosity of design professionals, the group sent messages written in Comic Sans to them via social media and displayed print posters featuring the typeface in various locations. Subsequently, Dyslexia Scotland explained the connection between dyslexia and the font to designers who showed interest, encouraging them to create dyslexia-friendly fonts. The impact of this campaign is projected to be significant, potentially benefiting around 780 million people with dyslexia worldwide by providing better access to information.

## CoorDown 'Ridiculous excuses not to be inclusive' Social & Influencer Silver



Parents raising children with Down Syndrome have become accustomed to facing rejections when trying to enter places like restaurants, libraries, or participate in popular events like summer camps for their children with disabilities. However, those who turn them down never explicitly cite "because of Down syndrome" as the reason, as it would signify discrimination against individuals with disabilities. In response to this issue, the nonprofit group CoorDown launched a campaign in conjunction with World Down Syndrome Day, shedding light on the absurd excuses that people have received for excluding individuals with Down syndrome from various aspects of daily life. People with Down syndrome and their families shared their personal experiences on TikTok using the hashtag #RidiculousExcuses. Some of the excuses included "I'm sorry, but we already have a child like you in the group" or "we closed registration literally just ten minutes ago," among the 3,000 excuses shared. The campaign effectively criticized those who hypocritically pretend not to hold prejudices against people with disabilities. Within just 10 days of its launch, the campaign garnered over 60 million views and received official recognition from the UN.

## Creative Highlight

Cannes Lions 2023  
DE&I, Sustainability

Campaigns that took an intuitive approach to climate change garnered significant attention



**'The Copenhagen bench'**  
<https://www.youtube.com/watch?v=ViFY9KB6090>



**'The first digital nation'**  
<https://www.youtube.com/watch?v=IXpeO5BgAOM>

# Sustainability

## Denmark TV2 'The Copenhagen bench' Outdoor Bronze



While climate change has long been a challenging issue for humanity, people often remain insensitive to its impact as the changes are slow and intangible. Even in Denmark, a country with extensive coastlines, climate change struggles to receive significant attention. In response, the Danish free-to-air network TV2 devised a brilliant idea to make the consequences of climate change tangible and grab people's attention. TV2 changed the design of benches installed in Denmark: they elevated the bench by 85 centimeters, symbolizing the estimated rise in sea levels by the year 2100 under current circumstances. This change immediately caught the attention of the public, with people sharing photos of the unique benches on social media. Upon learning the significance behind the 85-centimeter elevation, Danish citizens began to recognize the severity of climate change and the potential impact of rising sea levels. The social media posts featuring the Copenhagen benches reached an astonishing audience of over 360 million people, effectively raising awareness about climate change among 35% of them and sparking discussions about climate change.

## The Government of Tuvalu 'The first digital nation' Titanium Grand Prix



The island nation of Tuvalu is one of the countries most severely affected by the rise in sea levels. If the current trend continues, the entire country is expected to be completely submerged by the year 2050. In an effort to raise global awareness about this crisis, Tuvalu's Minister of Foreign Affairs, Simon Kofe, delivered a speech while standing in the water at the 26th Conference of the Parties under the UNFCCC (COP26). However, his appeal seemed to have little effect. In response, Minister Simon Kofe outlined a plan during his speech at COP27: Tuvalu aims to become the world's first digital nation, preserving its history, culture, and records by moving them to the cloud. The minister also announced the country's determination to be recognized as the first nation without physical territory, an essential factor for a country's existence, by creating a virtual representation of its land. "We must act today. Otherwise, within a lifetime, Tuvalu will only exist here," as Minister Kofe emphasized during his speech, it was revealed that he had been delivering his speech in the Metaverse, raising awareness in the international community. Following his speech, nine countries agreed to officially recognize Tuvalu's digital nation.

# INNOCEAN

Insight Strategy Division

---

Any unauthorized alteration and distribution of this material is prohibited.