Best Korea Brands 2016

The Anatomy of Growth

Interbrand
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For the fourth consecutive year, Interbrand is proud to announce the 2016 Best Korea Brands, which features the Top 50 brands of Korea. Since its initial launch in 2013, the Best Korea Brands ranking has become a key index for many companies in Korea.

As existing markets reach maturity and the rapid evolution of information technology gives birth to new business opportunities, it is more important than ever to think about how your brand can stand out in the marketplace.

This year, we plan to highlight the Anatomy of Growth of Korea’s most successful brands. Some of these brands have managed to expand through their ability to provide creative experiences, some through their ability to sense new opportunities in global markets, and others have done so by bringing products and services to market faster than their competition can.

We are indeed living in an era of turbulence, where yesterday’s competitors are quickly rendered obsolete or replaced by those of today—an era where borders between categories and industries, off- and online, are being constantly challenged and redefined. For these reasons and others, it is important for companies and individuals to embrace the idea of collaboration, seek new partnerships, and ensure that the brand and business are aligned for maximum impact.

Interbrand has recently redefined our reason for existence as “Bringing people together to grow brands and business.” Our vision implies that the brand and business are not two distinct entities, but a common asset for the company to manage and nurture. We hope that the insights provided in this report and our seminar will help you as you navigate your brand through 2016’s rapidly changing environment.

Introduction

Jihun Moon
CEO / Interbrand Korea
It’s why we hold brands to such high expectations—for better choices, richer experiences, meaningful narratives, one-on-one attention, new form factors. As data and technology have helped optimize every experience, as GAFA brands (Google, Apple, Facebook, and Amazon) have changed the definition of service and connectivity, and as people have gained access to greater and more nuanced choices, our expectations have been fundamentally retrained. Brands are now expected to move at the speed of people’s demands—at the speed of their lives.

Brands in Micro Moments

But to move at the speed of people’s lives, brands have to understand that they are experienced in micro moments. No matter how unified a brand’s ecosystem, no matter how holistic its experience, people’s connections with brands are fragmented—they move from one to the next, interacting with thousands upon thousands a day. But those micro moments are critical, because in each, people judge a brand as a whole—every micro moment is evaluated against significant macro expectations.

That means the most successful brands—the ones with the most presence in a person’s life—are designed to live in moments, even as they scale, try new things, and push boundaries. They often stand out by blending in, because people measure the entire experience by how much it adds to their lives and how little it disrupts it. They empathize with an individual’s priorities, figuring out how and when to meet people exactly where they are, and tailor to how people move through their worlds.

Designing Mecosystems

And that’s how we define mecosystems: a select set of brands that create customized experiences around a single individual, where every brand in consideration slots in seamlessly, and where the most valuable micro moments are curated, connected, and choreographed.

As people shape their mecosystems—as they explore and, just as importantly, edit—they are constantly being redefined, meaning that brands need to earn the right to stay in this set every minute of every day. So how does a brand earn a lasting role in this all-important mecosystem? By anticipating and evolving along with people’s personal expectations. Dri ves of digital data, refined analytics, and real-time, multi-platform interactions help brands discover what people want—even before they do—and cater to them quickly, reorganizing around these insights, because, in the Age of You, people are the bottom line.

The Age of You began with an age-old truth: people want to be in control of their lives and, specifically, to personally design the life they want to live. And people are using brands to do it, because brands are the vehicles through which things happen. As a result, brands are expected to move at the speed of people’s demands—at the speed of their lives.

Business Moving at the Speed of Life

For brands to truly move at the speed of life, it means completely rethinking what speed means within an enterprise. It’s not about forward movement, but holistic evolution. It means understanding that data is not just about insight, but a marketable commodity that will change the definition of trading. It’s running highly focused and integrated businesses that explore and attract unexpected partnerships, seamlessly crossing existing and emerging platforms. It’s elevating design as the most valuable enterprise tool for building truly connected experiences. And it’s engaging with a new breed of customers and consumers who are more than just co-creators, but editors and producers.

As businesses adapt to this new age, as mecosystems give people greater opportunity to design their lives, we start to see an interesting white space emerge. People can use their mecosystem to reimagine their time, how they spend it, and how that makes room for the pursuit of their passions. What brands can help people imagine—and make real—with this time is what will ultimately shape and define this new age. And this is what has the potential to make the Age of You the most creatively satisfying of all our times.
The Four Ages of Branding

Stuart Green
CEO Asia Pacific / Interbrand

The Age of Identity
“Branding” began as a mark of ownership, trust, and quality, and evolved into a more sophisticated symbol of differentiation and identification in the post-World War II era. As commerce became global and markets became saturated with products and services, the need to differentiate increased, as did the need to help customers identify and choose. Companies adopted slogans and mascots, built a presence on radio and television, and, by the 1970s and ’80s, manufacturers fully recognized the way in which consumers developed relationships with their brands—and how they could infuse them with a clear proposition, values, and special qualities to broaden their appeal. In the Age of Identity, the purpose of a brand was to serve as a market positioning identifier, setting businesses and individual products apart from the crowd, both visually and verbally. These foundational characteristics of a great brand are still valid today, but the world became more demanding.

The Age of Experience
With the recognition of brands as valuable, strategic assets, came a deeper appreciation of the role brands play in delivering satisfying and differentiated experiences to consumers. Benefitting immensely from the rise of digital and mobile technology, category killing brands like Google, Amazon, Facebook, and Apple have reset customer expectations and significantly raised the bar for brand experiences. Interactions are seamless, contextually relevant, and increasingly based around creating an ecosystem of integrated products, services, information, and entertainment: both physical and digital.

In this information-saturated age, it’s no longer enough to have big data. These vast data sets must be mined for big insight, big empathy, big intuition, and big dialogue. The frequency of and immense opportunities for communication require higher degrees of internal clarity and commitment to the brand to ensure consistency across organizations and enable speed to market. Further, the customer—empowered by social media in the Age of Experience—now has more control than ever. In the world of two-way conversations, advocacy, influence, and engagement are the new rules for brand building.

The Age of You
As digital technology continues to weave its way into every aspect of our lives, and more of who we are is captured on servers and hard drives, the Age of Experience is giving way to a new era—one of ubiquitous computing. When ecosystems are fully integrated and sensors (on our bodies, in our homes, and in our devices) can talk to each other in new ways, supply chains will reorganize around individuals and ecosystems will become Mecosystems. Connecting businesses to people—and people to each other—brands will then serve as enablers of both business and personal value creation.

From the way we manage our personal brands and share pieces of ourselves through various social media platforms to the increasingly personalized world of commerce—which uses purchase histories and location-based services to tailor products, events, services, and offers to whoever we are, wherever we are—our data selves are known, communicating, and growing every day. Brands that seek to lead in the Age of You will have to recognize the human in the data, uncover genuine insights, and create a truly personalized and curated experience—an ecosystem to satisfy the Mecosystem.

The Anatomy of Growth
These two brands have managed to solidify their leadership in core business areas while at the same time successfully expanding their influence overseas. GS Retail and SM Entertainment have rightfully earned their place in the Best Korea Brands table as newcomers. Both brands have redefined their business areas based on their core competencies. Aside from these four brands, CJ E&M, LG Household & Healthcare, Hanssem, and Naver have shown tremendous growth in the double digits through their ability to expand brand experiences by transcending borders in both geographic and business terms.

Interbrand has defined these as “brands that transcend borders” and analyzed their activities to better understand their Anatomy of Growth. Upon reviewing their sources of growth, both in terms of brand and business, these brands show three common characteristics:

1. Creative Experience
2. Strategic Globalization
3. Speed to Market

Every year, Interbrand announces the Best Global Brands ranking to highlight the achievements of the world’s most successful brands. Since its introduction in 2000, the Best Global Brands index has become a key KPI for CEOs and CMOs of the featured corporations. Furthermore, the rankings have garnered attention from the media and continue to generate increasing exposure as the years go on.

However, owing to some of the criteria required for Global Brand evaluation—global presence, awareness, regional sales ratio, etc.—it has been difficult to properly gauge the value and status of many prominent Korean brands. It is for this reason that, in 2013, Interbrand Seoul began evaluating the Best Korea Brands. It is with great pleasure that we announce, for the fourth consecutive year, the ranking of Korea’s most valuable brands.

From a macro perspective, throughout the history of the Best Korea Brands, there has not been a year where brand value was so closely related to business potential. Traditionally, an increase in brand value—which was a measure of the earnings generated by a brand in the long term—meant that the brand would maintain growth. Now, as we find ourselves living in an age of turbulence, we recognize that brands are also influencing short- to mid-term business results.

Upon closer examination of the rankings, Samsung, Hyundai, and Kia continue to dominate the table’s top three spots. Among the top risers, two brands have garnered wide attention: AMOREPACIFIC and Coway.

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An IT brand that used to provide us with state-of-the-art mobile devices and computers has introduced a wristwatch to complement our daily lives. A brand that is familiar to most of us as a search engine has introduced a glass that transcends reality and virtual reality. Traditional definitions that separate industries, business areas, and communication channels are becoming obsolete, and adhering to them can inhibit growth.

In order to keep up with the changing needs of consumers and survive in a saturated marketplace, brands have to open themselves up to situations where today’s business partner becomes tomorrow’s competition; they need to consider collaborative partnerships with lifelong competitors. Consumers no longer have the patience to wait for brands to conduct conventional R&D to produce better solutions; brands need to think “Who can we work with to create new experiences and enter into new business areas of growth?” rather than “How can we single-handedly develop the next revolutionary product/service?”

Retailers have already reached out to manufacturers to develop product brands that pose a threat to traditional national brands. Further, they are integrating their online and offline experiences in an attempt to occupy more of consumers’ life share. The first step in creating new and unexpected experiences is to throw away old ways of thinking—to think out of the box and transcend defined boundaries. This small change will enable each brand to provide memorable experiences, leaving a lasting impression in people’s hearts.
Globalization. Already 10 years have passed since this term has become a topic of interest for Korean brands. Until the early 2000s, global expansion was a topic of interest for a select few, and true expansion was limited to companies with OEM businesses. Today however, no brand can dream of sustainable growth without a solid global expansion strategy.

Identified as one of the secrets to sustained growth in 2016 through our ‘Anatomy of Growth’ analysis, Strategic Globalization has been key to the success of many brands within the TOP 50.

The analysis of the Best Korea Brands 2016 reveals the answers to successful global expansion. 1) Was it their customization strategy based on in-depth understanding of the local market? Or was it a campaign designed around a powerful central Brand Identity which has contributed to success? 2) Is it wiser to make quick decisions or to wait until the proper amount of information has been gathered? 3) Should a brand expand after the brand has secured strong market presence in Korea, or should the brand be built overseas to guarantee success? These are some of the key questions each brand needs to address based on their status and capability.

Needless to say, Samsung, Hyundai and Kia, which dominate the ranking table have managed to keep their global portfolio healthy. Further Amore Pacific, Coway, LG Household & Healthcare, Naver which are among the Top Risers this year, have also successfully expanded to markets such as China, Japan and Asia. Even New Entrants which include SK Hynix, CJ E&M, NCsoft, SM Entertainment have expanded their businesses to earn their rightful place among the TOP 50. On the other hand, brands which not been able to expand globally are facing diminishing brand value, as represented by the Financial and Telecommunications industry.
Brands at the Speed of Life: this was the keynote speech given during our Best Global Brands seminar in 2015. It revealed that brands had to keep up with the changes in consumer lifestyles or otherwise be rendered obsolete.

Our analysis of the most successful Korean brands in 2016 revealed that those who have managed to bring new products and services to market faster than their competition have made a significant impact in the marketplace.

For instance, Kakao has combined its vast consumer base with the expertise of its recent merger with Daum in the navigation field to bring the Kakao Taxi service to life. In less than a year, the service has generated more than 50 million calls on the Kakao platform.

On the retail front, E-mart was the first to set up an innovation lab, which gave birth to its No Brand line of products that deliver great value for the money for deal seekers. Similarly, GS Retail took the initiative to consolidate its existing product brands and develop an integrated product brand called YOUUS, which is recognized as a key driver of growth for the GS line of convenience stores and supermarkets.

Coway has expanded its sphere of influence with its IoCare effort, which integrates its product and service offerings and provides smart Water Care, Air care, and Health Care. As a result, Coway has received eight awards despite just having first appeared at the CES show in 2016.

Regardless of the size of the company, speed to market is becoming an essential asset for success as competition becomes ever fiercer.
The intensifying competition in the smartphone market in 2015 posed some challenges for Samsung Electronics. Nevertheless, the company saw the successful performance of its semiconductors, smart TVs, and related devices. In order to maintain its growth momentum, Samsung Electronics released products that completely redefined its existing product categories and focused on taking utmost advantage of B2B opportunities.

With the Galaxy S6 and S6 Edge smartphones and Galaxy Note5 and Galaxy S6 Edge Plus phablets, Samsung Electronics clearly differentiated its offerings from the iPhone, its main competing product. In this way, the company has made consistent efforts to maintain its competitiveness in the mobile phone market. In response to the recent mobile payment trend, Samsung Electronics launched Samsung Pay in countries around the world. Samsung Pay is a mobile payment service that can be used in conjunction with existing credit card readers and devices. The service is currently attracting international attention for its ability to be used on a wide variety of devices.

Also, to solidify its reputation as a leading Korean brand and confirm its seventh-place standing in Interbrand’s ranking of the Best Global Brands in 2015, Samsung Electronics spent 2015 focusing on the theme of “newness.” The company’s “Next is Now” global campaign highlighted the new functions of the most recent addition to the Galaxy product line just prior to its release, raising the expectations of potential customers. Through an advertisement unveiled at the 2015 Oscars, the company emphasized the level of humanity that it had instilled in the new technologies of the Galaxy Note5 and SUHD TV, which features the highest resolution in the world. Through such public campaigns, Samsung Electronics showed how its products can help users engage in creative means of communication and emphasized its corporate philosophy, which is based on the belief that the digital revolution will enrich human life. Also, the “Launching People” campaign, a storytelling project that shows how ordinary people use Samsung products to realize their dreams and goals, received seven awards at the 2015 Cannes Film Festival.

Samsung Electronics is also diligently maintaining its dominant position in the software market through its Open Innovation Centers (OICs) in Seoul, California, and New York, and is preparing to rapidly expand into the Internet of Things (IoT) market. At the 2015 Consumer Electronics Show (CES), Samsung announced that, soon, 90 percent of its products (including TVs and mobile devices) will be Internet connected. Since this announcement, the company has been busy preparing for the release of the Gear S2 (Samsung’s seventh smartwatch), an Internet-connected washing machine, SleepSense (a sleep-measuring device placed underneath the mattress), and the second generation of the SmartThings home-automation hub and sensors.

Samsung Electronics, which puts a great deal of effort into ensuring consistent brand growth, is now the focus of significant attention for developing products designed to give users more freedom in their everyday lives and dream of a better future, as well as for the steps it has been taking to enter new markets, transcending its role as solely a developer of smartphones. It is expected that, through these various efforts, Samsung Electronics will further solidify its standing as a brand long respected and beloved by its customers.
Amid intensifying competition among automobile manufacturers in the global market, Hyundai Motor Company has chosen to focus on three factors: performance, design, and experience. Also, it continues to strengthen the competitiveness of its global brand and is now ranked in the top 30 of Interbrand’s 2015 Best Global Brands, serving as proof of its rising status.

In order to strengthen customer familiarity with the Hyundai brand in the global market, Hyundai has steadfastly devoted itself to the fundamentals of its business since 2012. Under its brand slogan “Modern premium,” the company’s first attempt to promote customer trust was the founding of Hyundai Motorsport GmbH, which revealed the company’s commitment to the development of high-performance cars. The Hyundai Genesis is now recognized by global companies for its excellent safety features, and has made a significant contribution to establishing the company’s image as a leader in quality. Also, Hyundai Motor Company was one of the first companies in the industry to commercialize fuel cell vehicles (FCEV), proving itself as a leading company in the alternative fuel sector. Since then, it has carried out other innovative projects under the theme of “Sustainable Mobility,” including the autonomous navigation function of the Tucson ix35 FCEV, which is now in testing.

Hyundai’s visual identity is also constantly evolving. In 2014, it unveiled its new design philosophy, “Fluidic Sculpture 2.0,” bringing a distinctive and widely applauded “family look” to its products. This design philosophy reflects Hyundai’s core values of simplicity, creativity, and caring, while also offering a more intuitive and customer-centered design experience. In addition, the philosophy has created a significant halo effect for the Hyundai brand.

With the goal of giving customers more opportunities to interact with the Hyundai brand in their everyday lives, Hyundai Motor Company constantly aims to provide creative brand experiences. Starting with the standardization of its “Global Dealership Space Identity,” it launched the Hyundai Motorstudio and Hyundai Motorstudio Digital. Hyundai Motor Company simultaneously presents a consistent brand message together with experiences tailored to individual customer needs. Furthermore, Hyundai’s various efforts to apply the “Modern premium” experience to not only cars but customers’ lifestyles in general have been increasing the relevance between its customers and the Hyundai brand image.

One of the world’s fastest-growing automotive brands, Hyundai devotes a great deal of effort to addressing its customers’ needs, especially simplicity and customer-tailored experiences. As a brand that offers unique brand experiences to each and every one of its customers, expectations are running high regarding Hyundai Motor Company’s future activities in the global market.
For global automobile manufacturer Kia Motors, the year 2015 was a busy one spent strengthening the company’s global competitiveness. The Soul EV and Sorento both received Red Dot awards for product design, and the Soul EV received an award in the electric car/plug-in hybrid category at the Vincentric (a US market research company) Best Value in America Awards.

Such recognition from global organizations has confirmed the success of Kia Motors’ efforts to position itself as a brand that makes attractive and reasonably priced cars. Kia Motors’ Chief Design Officer Peter Schreyer said, “On top of a foundation of quality and trust, Kia Motors has instilled an emotional factor into its unique designs.” While conducting the second season of its “Re:Design” campaign in 2015, Kia Motors communicated that it would not only focus on designing the outside of its cars, but also make efforts to enhance each moment that customers spend inside, further strengthening the company’s overall commitment to design. Kia Motors highlighted its design potential in 2015 through the release of special-edition cars (tailor-made models, including sales and service programs, for target customer groups) and a K5 in two different designs, offering customers greater choice. Kia Motors’ car designs, from the funky Soul to the luxury K9 sedan, are the reason why such a diverse customer base chooses to buy from Kia and form the backbone of the brand’s message of consistency.

Furthermore, through localized communication activities, Kia Motors has consistently acknowledged the preferences of its customers in various parts of the world. For example, the Soul EV advertisement released in the US features the now-famous “hamster lab,” while in China, where the Soul EV is viewed as a premium brand, the ad features a middle-aged male model in a suit, creating a much more restrained and formal mood. Furthermore, Kia Motors regularly sponsors famous sporting events, such as the FIFA World Cup, Australian Open Tennis Championships. It also participates in VidCon (a global online video conference) with digital companies such as Twitter and Panasonic, never ceasing in its efforts to enhance global awareness of the Kia brand.

Recognizing the ever-increasing importance of customer experience in the automotive industry, Kia Motors has been improving its internal training programs for employees and dealerships. In 2014, 260 dealer representatives from 110 countries gathered in Seoul for a workshop, where they shared their opinions with one another and held discussions. In addition, Kia established the “My Sales” program, an intensive training program designed to increase employees’ engagement with the brand in the Americas and Europe, and the “My Kia” program for dealership owners. In this way, Kia Motors is continuing to develop new training programs based on a digital platform with the goal of increasing the degree of connectedness between employees and the Kia brand. These varied efforts, both internal and external, are what have allowed Kia Motors to secure its global standing and serve as the driving force for further growth.
Having maintained its position in 2015 as the leader of Korea’s telecommunications industry, SK Telecom conducted two advertising campaigns based on its vision statement “Partner for New Possibilities”—the “The Power of Connectivity” campaign, which emphasized its desire to connect people, and the “Let’s Be Stranger” (“Isanghaja”) campaign, featuring a play on words involving the Korean word isang, which can mean either “strange” or “ideal,” that expresses the message of creating an ideal company through strange (unusual) attempts at new things. Also, it consistently promoted its message that it will serve its customers as a telecommunications company determined to move forward through innovation.

SK Telecom’s “The Power of Connectivity” campaign was released in two editions: “Penniless Journey with Connectivity” and “Connections of New Song Releases.” Both editions were highly successful and popular with viewers, owing to their emotionally resonant message that technology can bring people together. The slogan “Let’s Be Strange” was applied at various angles in both advertisements and drama content, piquing the curiosity of consumers. As a result, the “Let’s Be Strange” campaign was noted in the Korea Broadcast Advertising Corporation (KOBACO)’s 2015 Media and Consumer Research (MCR) report as the most memorable ad campaign of the year.

In 2015, SK Telecom released the Luna mobile phone model, designed for customers seeking a more practical mobile phone. Also, having been the first in the industry to offer payment plans (“band data Ting payment plan” and “band data senior payment plan”) with benefits tailored to particular age groups, SK Telecom attempted to differentiate itself from its competitors. In a 2015 telecommunication service quality evaluation report by the Ministry of Science, ICT and Future Planning, SK Telecom was named the LTE service provider with the highest average speed among the three major telecommunications companies in Korea. Based on such positive results, SK Telecom was ranked number one on a number of customer satisfaction indices, the (KNPS), the Korean Customer Satisfaction Index (KCSI), the National Customer Satisfaction Index (NCSI), and the Korea Standard Service Quality Index (KS-SQI). It also received a ranking of “superior” on a customer protection evaluation conducted by the Korea Communications Commission (KCC), resulting in five awards related to customer satisfaction.

In addition to its existing telecommunications technology, SK Telecom continues to release new technologies and services, including smart home, smart car, and wearable devices. With its release of the UO (united object) Lifewear brand and launch of Device Supporters—an internal organization tasked with overseeing all work related to the Internet of Things (IoT) and smart devices—it showed its desire to become the unrivaled leader of the IoT industry. SK Telecom is also at the forefront of the establishment of an Internet Communications Technology (ICT)-based social safety net. Utilizing SK Telecom’s ICT technology and ultra-high-speed Internet network, the company released T Care (a service that monitors the location of senior citizens suffering from dementia) and package services designed to help improve the educational environment of children from low-income families.

SK Telecom’s efforts to achieve its three values—connectivity, expandability, and sustainability—throughout all of its business areas have been the focus of considerable attention, leading many to anticipate the new value the company will create in the future. As such, expectations are high regarding the future of SK Telecom, which aims to make itself known as a company that is active in both telecommunications and IoT.
No longer merely Korea’s “No. 1 internet search portal” with the largest number of domestic users, but a company striving to establish itself as an integrated global IT platform, Naver aims to become a company that connects not only networks but people with people and the present with the future. Naver has been consistently releasing new services with the goal of becoming a familiar and trustworthy guide in an online world in which people are more closely connected to one another. Through numerous advertisements and social contributions designed to communicate its philosophy, the company has been solidifying its brand in order to achieve this aim.

Naver is maintaining its position as a market leader by consistently launching new content and services optimized for online and mobile environments while constantly seeking out new business opportunities. In order to provide users with a seamless shopping experience, it upgraded the Naver Shopping service to enable users to enter the name of a desired product in the search box, compare prices, and make purchases entirely within the Naver site. Also, it launched Naver Pay in June and added a membership management function to Naver Checkout (its existing online payment system), allowing users to purchase multiple products from various distributors in a single window. Naver also released TalkTalk, a chat platform exclusively for Naver Shopping users, through which it hopes to bring the online shopping experience closer to that of shopping in a brick-and-mortar store by facilitating real-time Q&A between shoppers and merchants.

Recently, Naver entered the smartphone-based navigation market, which had thus far been dominated by Kakao Talk’s Kingosia and SK Planet’s T Map, and is preparing to compete with other companies in the market by adding a road direction function to Naver Map, which is a service with a user base of 10 million people. Despite its forays into new areas, Naver’s primary role as a search engine has remained unchanged. Starting in early 2016, Naver will be developing and introducing a “live search” function, which offers users search results based on their personal interests and search preferences.

Naver also devotes significant attention and resources to the creation of online sharing communities as a means of providing assistance to those in need and leading positive change within society. Utilizing its IT platform, which is the largest in Korea, Naver has operated the donation portal Happybean (where users can make donations to desired causes easily and conveniently) for 10 years, collecting donations from a total of about 12 million donors. Having hosted the developer conference Deview, which has provided opportunities for developers to share their experiences and expertise in IT production since 2008, Naver is actively promoting the realization of partnered growth. Another notable example of Naver’s contributions to society is the subway route map it developed for people with color blindness, which received the highest honor in the social responsibility category of the 2015 Red Dot Award. And the company also continues to make significant advancements in terms of design.

According to Maeil Business News, in 2015, Naver became the first Korean software company to earn more than KRW 1 trillion in sales in overseas markets. The biggest earner was Line, Naver’s mobile messenger service, which currently has a monthly average of 200 million users, but the company also consistently brings in profits through its content businesses (e.g., videos, webtoons). In the near future, Naver will be focusing on offering broadcasting content, featuring hallyu celebrities in the Southeast Asian market, through “V”, the live streaming service it launched in August 2015. Expectations remain high concerning Naver’s activities and performance in the global market in the years to come.

The Anatomy of Growth

NAVER

BEST KOREA BRANDS 2016

NAVER
While aggressively redefining the main goal of the life insurance industry through its business concept “Nurturing People with Greater Love to Build Better Financial Security,” Samsung Life Insurance has been striving to realize its vision of becoming “a global life partner focused on its customers.” Despite the inherent difficulty of increasing customer satisfaction in the insurance sector, throughout 2015, Samsung Life steadily pursued its core values, represented by the terms customer, people, professional, challenge, and communication. Along with the “People, Love” campaign since 2011, Samsung Life actively communicated the “Golden Balance” campaign that delivers the importance of having insurance to protect oneself against an uncertain future.

Although it is the top company in the insurance market, Samsung Life refrained from emphasizing its unrivaled standing in the market in favor of strengthening customer trust in its brand. Based on the belief that “the basis of a company’s existence is its customers,” it took steps to make all work processes and systems more customer centered. One major example of this is the Customer Love Payment Service, which expands the availability of Samsung Life’s computerized evaluation system (it conducts all required evaluations on the computer) and reinforces face-to-face evaluations conducted at customer service windows rather than focusing on those done at headquarters. This service led the same-day insurance payment rate to rise to 50 percent and, more importantly, enhanced customer convenience and satisfied customer demand for timely and rapid insurance payments.

Samsung Life Insurance has established a new call center dedicated exclusively to insurance payments and strengthened its in-house application submission service, through which consultants can submit requests for insurance payments on behalf of customers. This eliminates the previous inconvenience of customers having to make in-person visits to service counters. The processing procedure for the company’s partial pre-payment of death benefits service, which provides customers with funds to cover urgent expenses (e.g., funeral costs), was also greatly simplified, leading to increased customer satisfaction.

Also, Samsung Life was actively engaged in brand communication activities through social media channels. Its “Time Remaining for You” campaign, which was designed to show viewers how the value of family has been forgotten in our hectic daily routines, received three awards, including the silver prize in the video advertisement category, at the 2015 Korea Advertising Awards. As it effectively conveyed an emotional message that resonated with and consoled viewers, the ad campaign was highly successful. Within one week of its release in late 2014, the ad exceeded four million views on multiple social media channels (YouTube, Facebook, etc.)—evidence of its meticulous and context-appropriate planning.

Amid widespread expectations that the size of the life insurance market would expand in line with the increase in the number of patients suffering from chronic diseases as Korea’s population ages, Samsung Life Insurance has managed to maintain its standing as the number one company in the life insurance industry category of the Korean Customer Satisfaction Index (KCSI) for 11 consecutive years. In doing so, it beat out competing companies in numerous categories, including the attitude of employees involved in customer service, customer convenience management, work processing concerning insurance payments, and corporate reliability. In 2015, Samsung Life Insurance became the first Korean insurance company to be included on the Dow Jones Sustainability Indices (DSJI) World Index with the highest possible grade on Evaluation for four consecutive years, proving its potential as a leading domestic brand.
LG Electronics

In line with its corporate slogan, “LG, Life’s Good,” LG Electronics aims to make everyday life more convenient and satisfying for all of its customers. Its management philosophy holds customer satisfaction as the greatest goal for a company to achieve. This harmonizes with LG’s logo, a “face of the future” that embodies its five major “concepts and sentiments”—represented by the terms world, future, youth, human, and technology—and emphasizes LG’s people-centered management philosophy.

Throughout 2015, LG practiced a creative, aggressive, and highly proactive style of communication with its consumers around the world. It installed a massive advertisement billboard made up of 140 55-inch OLED display screens on the ceiling of Incheon International Airport and an OLED lighting advertisement at LG Twin Towers (the company’s headquarters in Seoul’s Yeouido district) to promote its OLED television. Also, it advertised its washing machine through a musical-style performance in New York’s Times Square and its G4 smartphone through Digital Information Display (DID) electronic signage installations at various subway stations in Seoul, targeting young, fashion-conscious consumers. In response to the retro trend started by the television drama Reply 1988, LG aired a remake of an advertisement from 10 years ago (its Lucky Goldstar days), reviving the copy “A momentary decision determines the next 10 years.” Kim Sung-kyun, one of the characters of the TV series Reply 1988, appeared in the advertisement as the owner of a Lucky Goldstar agency/store.

These promotional efforts throughout 2015 led LG to win a number of awards for product design, technology, and innovativeness as well as in other areas. It received the Best Smartphone award at the Mobile World Congress (MWC) 2015 for the LG G3, while two of its smart watch designs (LG Watch Urbane LTE and LG Watch Urbane) received a combined total of nine awards from prominent foreign media outlets. In addition to receiving a gold Edison Green Award (at the Edison Awards, a prominent invention awards ceremony in the US) for the LG OLED TV, it won the Excellence in Design award for its refrigerator and smart air conditioner module from the US B2B magazine Appliance Design, making it the only Korean company to receive an award from the magazine in 2015. LG was also the first Asian company to receive The Red Dot Award: Brand of the Year in the communication design category. This led experts to say that, while the Red Dot Award prizes received by LG Electronics thus far have been mainly for product design, winning the Brand of the Year award is the outcome of the company’s consistent investment in R&D in software, hardware, and user experience (UX).

The company is also thoroughly prepared to deal with rapidly changing trends and business environments. Having entered the mobile payment market following the forays made by Samsung Electronics and Apple, LG Electronics released LG Pay and entered into partnerships with major domestic credit card companies in order to accelerate its preparations for providing mobile service in the market. Also, although not directly reflected in 2015’s evaluation, LG Electronics will be displaying the G5 and Friends (accompanying plug-in modules) at the 2016 MWC under the slogan “Let’s make a really fun mobile world,” combining eight types of hardware modules into combinations never before seen on the mobile market. The projects LG is planning to carry out based on the G5 and Friends as well as the company’s multivarmed efforts to strengthen its brand are set to make 2016 a year full of promise and anticipation for the company.

The Anatomy of Growth
In pursuit of its goal to become a leading global bank in the Asian financial community, KB Kookmin Bank kept itself quite busy in 2015. Building on its existing competitiveness in retail finance, it gradually increased its range of business areas, including non-face-to-face channels, asset management, and corporate banking. As of late September 2015, KB Kookmin Bank’s total assets amounted to KRW 320 trillion, with 29.7 million active customers. Known as “the bank where more than half of all Koreans do their banking,” KB Kookmin Bank is promoting its customer-centric corporate vision through diverse media formats under numerous catch phrases, including “For the People” and “For Our Customers.”

One of the most talked-about topics in the banking sector in 2015 was the implementation of the bank account switching system. This system allows users to search for and cancel any personal automatic transfers they have set up with different banks and consolidate them under one account with a single bank. Having realized the threat that such transfer systems may pose to banks, given the deteriorating profitability caused by low interest rates and low economic growth, KB Kookmin Bank released its KB ONE Collection in conjunction with the opening of its bank account switching system, leading it to receive the grand prize in the bank category of the 2015 Hankyung Advertising Awards. The image of a cat’s cradle string arrangement made up of stars, the symbol of KB Kookmin Bank, accurately conveyed the characteristics of its bank account switching package, emphasizing the fact that the package consists of many smaller parts. The simple and catchy advertising copy “The More You Connect, the More You Collect, and the Greater the Benefits” was well-received by consumers for effectively enhancing understanding of the product.

Another popular topic in the banking sector was the growth and expansion of mobile banking, also referred to as fintech. According to Korea Herald, KB Kookmin Bank was the first bank in the world to introduce an e-chip based mobile banking service. Standing with its reputation, KB Kookmin Bank enjoys unrivaled brand power as the top bank in the smartphone banking market, and is effectively leading the changes there, where the boundaries between different business areas are beginning to blur (e.g., fintech, online-off-line integrated stores, mobile payment services). By signing a memorandum of understanding (MOU) in October 2015 with fintech company Mobile (operator of the Zumma Slide mobile app), the bank has become engaged in partner-based growth marketing that reduces apartment maintenance costs. In July 2015, KB Kookmin Bank became the first bank in Korea to introduce a smart onetime password (OTP) system, which features a new kind of security device that greatly enhances customer convenience.

In contrast to its competitors which are actively seeking overseas expansion, KB Kookmin Bank is taking a more prudent stance. While many are emphasizing the necessity of entering foreign markets as a means of securing new sources of profit and foreign currency, given the maturation of the domestic banking industry, KB Kookmin Bank is focused on carefully and thoroughly preparing itself for engaging in overseas markets by establishing a global mid- to long-term strategy for the entire KB group (including non-bank partner companies), rather than prematurely targeting such overseas markets. The steps that KB Kookmin Bank will take in this regard in the near future are sure to be a subject of great interest.
One of Korea’s most representative cosmetics companies and a pioneer of the global K-beauty trend, AMOREPACIFIC is achieving continuous growth, guided by its corporate philosophy of globally promoting the value of “Asian beauty.” As in 2014, the company was active in many business areas in 2015, both domestically and internationally, and recorded more than KRW 5 trillion in annual sales, proving its potential as what it calls the “Asian Beauty Creator.”

Despite the global economic downturn, AMOREPACIFIC expanded its presence in foreign markets at a consistent pace, mainly based on the success of the company’s five “global champion brands”—Sulwhasoo, Laneige, Mamonde, Etude House, and Innisfree. This ambitious expansion resulted in a 41 percent increase in the sales of cosmetics overseas since 2014. In particular, it was the company’s promotion of key brands through aggressive localized marketing in China and North America and the Chinese debut of its next “global champion brands”—Iope and Hera—that ensured the growth of AMOREPACIFIC in the global market.

In the domestic market, the company carried out diverse marketing activities for the premium brands Iope, Laneige, and Aritaum, aiming to promote each brand’s key assets. Iope released an improved version of Bio Lab, a comprehensive service first launched in 2014 that provides professional skin-care solutions, and opened a pop-up store selling cushion compacts to allow more customers to experience its “bio science” philosophy. Laneige focused on providing consumers with a diverse range of brand experiences by expanding its offering of online and off-line content (e.g., Beauty Mirror and Beauty Camp), while Aritaum, AMOREPACIFIC’s official cosmetic store, enhanced its online and off-line business environment and services. With the launch of its integrated online/off-line experience/space Omni store, Aritaum is providing not only convenient shopping experiences but also fun and useful information on cosmetic products, making it very popular with customers. Innisfree continues to achieve remarkable growth based on its differentiated brand story concept. With a clearly defined brand concept for each of its product lines, Innisfree has launched a series of hit products, such as its The Green Tea Seed Serum and Super Volcanic Pore Clay Mask, significantly narrowing the gap between it and The Face Shop (the current leader among “road shop” (low-priced) cosmetic brands in Korea).

AMOREPACIFIC also devoted significant effort to strengthening its customers’ relationships with particular brands through improved communication with both domestic and foreign customers. In September 2015, it opened the Beautysumer website as a means of generating more customer feedback. All AMOREPACIFIC members can access the website to post product reviews and make suggestions regarding new products. Also, to promote Korea as a tourism destination and advertise the AMOREPACIFIC corporate brand, the company invited 200 foreign opinion leaders on a familiarization (FAM) tour through which it conveyed its beauty philosophy and corporate vision.

AMOREPACIFIC was designated one of “the most admired companies in Korea in 2016,” was ranked number one on the Korean Customer Satisfaction Index (KCSI) for the 10th consecutive year, and was presented with awards by various international fashion magazines. By receiving such international recognition in various areas, AMOREPACIFIC upheld its reputation as a prominent global beauty brand and promoter of Asian beauty.
While Shinhan Card spent 2014 establishing a foundation for “Big to Great,” the slogan indicating the change in the company’s goal from being the largest company to the “greatest” company in the industry, it spent 2015 making a tremendous effort to see things from the customer’s perspective in order to achieve its new goal of becoming “great.” As part of the strategy to achieve this goal, Shinhan Card created new corporate values based on big data management, strengthening its analysis capabilities based on the data of its 22 million customers (as of 2015).

Having been the first local company in the industry to build a big data management center, Shinhan Card was able to issue more than three million new credit cards in 2014 through its new Code9-based products (Code9 is a big data-based customer classification system). This resulted in an increase in market share and sales growth. Considering the fact that, in the credit card industry, achieving even a minor increase in market share requires significant investment in marketing, Shinhan Card seems to have done the impossible by applying its Code9 Matching Solution (a big data-based customer analysis tool introduced in early 2015) to marketing. For new customers, credit cards are recommended based on age, sex, and consumption patterns per region, while existing customers are analyzed using an algorithm that creates a priority listing based on consumption patterns. Shinhan Card’s use of the Code9 Matching Solution, which matches customers with products that best fit their needs, resulted in a 10.7 percent increase in spending by new customers and a 40.8 percent increase among existing customers.

In 2015, the company’s use of big data management prompted efforts to improve its corporate culture. Dividing walls between departments were eliminated, and unofficial groups based on “cell” units were established in order to create a corporate culture more suited to an environment based on big data. The creation of this new type of community helped facilitate effective communication, and the revitalization of its in-house information portal, Shinhan-Pedia, helped establish a “collective intellect” based on communication.

Shinhan Card is actively responding to the trends in the mobile market as well, with its two-track strategy of issuing both mobile-app-based credit cards and Universal Subscriber Identity Module (USIM) mobile cards. In November 2015, it launched Visa cloud-based payments (VCP), Visa Card’s mobile card solution, which allows users to make payments by touching a smartphone to a terminal without running a mobile application to enable near-field communication (NFC)—after saving credit card information on the credit card company’s server, users receive details of a single-use virtual credit card and encryption key via their smartphone. Through this development, Shinhan Card has become a leader in the fintech industry, allowing customers to make payments in a safer, more convenient way. With approximately 50 percent market share of the mobile credit card market, the company exceeded 3.6 million customers (accumulated) in the second half of 2015.

At the 2015 Korea Service Grand Prix (KSA), hosted by the Korea Standards Association (KSA), Shinhan Card received the grand prize in the credit card category. It also became the first domestic credit card company to operate a “customer panel system.” Currently, approximately 75 customers are actively offering their opinions on the company’s products by sharing service evaluations and suggested improvements in real-time via online cafes and social media channels. The Icheongdeusikim program, which aims to reflect customer feedback in Shinhan Card services, is also a part of the company’s efforts to use customer feedback to create management resources. Such services serve as proof that Shinhan Card is moving one step closer toward its goals of human-centric finance and customer satisfaction.
1. 2016 Best Korea Brands Trend: Overall

The aggregate sum of the brand values of the 2016 Best Korea Brands has reached KRW 128 trillion, which represents a 3 percent increase compared to last year. In general, the growth of Korea’s brands has underperformed the growth of global brands, which have grown by an average of 7.4 percent.

In addition, the brand value of the Top 50 Best Korea Brands is approximately 19.9 percent of total market capitalization and 13.5 percent of total revenue. This is a slight increase compared to last year, which means that the influence of the brand is steadily increasing for many businesses.

### Analysis

#### Brand Value compared to Revenue / Past Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Brand Value</th>
<th>Revenue</th>
<th>Past Year</th>
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<tbody>
<tr>
<td>2016</td>
<td>128,284,193</td>
<td>13.5%</td>
<td>3%</td>
</tr>
<tr>
<td>2015</td>
<td>125,154,986</td>
<td>12.6%</td>
<td>7%</td>
</tr>
<tr>
<td>2014</td>
<td>116,933,728</td>
<td>13.3%</td>
<td>13%</td>
</tr>
</tbody>
</table>

#### Brand Value compared to Market Capitalization

<table>
<thead>
<tr>
<th>Year</th>
<th>Brand Value (excluding non-listed companies)</th>
<th>Market Capitalization</th>
<th>BV/MKTCAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>116,555,498</td>
<td>584,507,498</td>
<td>19.9%</td>
</tr>
<tr>
<td>2015</td>
<td>113,033,487</td>
<td>573,247,303</td>
<td>19.7%</td>
</tr>
<tr>
<td>2014</td>
<td>104,787,184</td>
<td>574,204,900</td>
<td>18.2%</td>
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</table>

2. Industry Trend

The 2016 Best Korea Brands can be categorized into 11 industries. Among them, the technology industry (which includes electronics and IT) takes up the greatest portion with 46.9 percent of the total value, and the automotive and financial services industries take up 16.8 percent and 15.4 percent, respectively.

The New Entrants category in this year’s table features three brands from the technology industry (SK hynix, NCsoft, LG Display), one from the retail industry (GS Retail), and one from the media industry (SM Entertainment). The overall growth rate is lower compared to last year, especially for B2B companies, which include the diversified and energy industries. These industries have been heavily affected by the stagnating global economy and show the biggest contrast between brands that have managed to adapt to the changing environment and those that have failed to do so.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Brand Value (2016)</th>
<th>Brand Value (2015)</th>
<th>% Total</th>
<th>BV/Revenue</th>
<th>BV Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>56,978,351</td>
<td>57,304,045</td>
<td>46.9%</td>
<td>68%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Automotive</td>
<td>21,433,467</td>
<td>20,332,866</td>
<td>16.8%</td>
<td>11%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>19,669,116</td>
<td>19,559,792</td>
<td>15.4%</td>
<td>20%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Diversified</td>
<td>5,508,060</td>
<td>6,730,555</td>
<td>4.3%</td>
<td>5%</td>
<td>-18.2%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>6,456,530</td>
<td>7,164,903</td>
<td>5.1%</td>
<td>12%</td>
<td>-9.9%</td>
</tr>
<tr>
<td>Retail</td>
<td>5,951,017</td>
<td>5,601,615</td>
<td>5.0%</td>
<td>22%</td>
<td>6.2%</td>
</tr>
<tr>
<td>FMCG</td>
<td>5,285,906</td>
<td>4,102,503</td>
<td>4.1%</td>
<td>29%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Energy</td>
<td>590,495</td>
<td>694,358</td>
<td>0.5%</td>
<td>1%</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Beverage</td>
<td>891,558</td>
<td>845,798</td>
<td>0.7%</td>
<td>22%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Hospitality</td>
<td>535,623</td>
<td>469,360</td>
<td>0.4%</td>
<td>18%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Media</td>
<td>457,776</td>
<td>371,761</td>
<td>0.7%</td>
<td>37%</td>
<td>23.1%</td>
</tr>
</tbody>
</table>

BV Growth does not include New Entrants.
1) Technology : Closer to Human Life

- As revealed during the 2016 Mobile World Congress (MWC), smartphones are no longer competing for technical specifications; rather the competitiveness of each brand lies in its ability to integrate additional devices that enhance the quality of life in general. Samsung has focused on augmenting its camera performance, improving its waterproof features, and integrating its phones with its Gear VR technology to bring virtual reality closer to consumers. LG has focused on its LG Friends initiative, which features different attachable modules that expand its smartphones’ camera and audio performance. These are examples of the smartphone evolution, which has taken a turn toward technology that improves sensorial and emotional experiences.

- The online to off-line (O2O) convergence, led by Kakao and Naver, has become a threat to traditional leaders in many industries. Beginning with Uber (which eventually pulled out from Korea), we suddenly find ourselves surrounded by food-delivery, lodging, and transportation O2O services. With the successful launch of Kakao Taxi and Coupang’s Rocket Delivery, the advent of the sharing economy poses a real and imminent threat to traditional players.

- The end benefit of all technological innovation is consumers’ convenience and enjoyment. In this regard, while the next-generation OLED display developed by LG Display and the mobile games being launched by NCSoft are different in form and content, they serve the same purpose, which is to enhance the quality of life for everyone. In many ways, technology is moving closer to human life.

2) FMCG : Branded Expansion

- Despite the global economic recession, the industry that continues to flourish is cosmetics. Both AMOREPACIFIC and LG Household & Healthcare have achieved record sales due to the performance of overseas divisions. At the heart of their success lies the rising popularity of K-culture, which is influencing China, broader Asia, and even the Americas. To push their global expansion even further, AMOREPACIFIC has identified its five Global Champion Brands to spearhead expansion. Today, Korean brands are relying more than ever on their brand image and competitiveness.

- Further contributing to the growth of Korean brands in the fast-moving consumer goods (FMCG) sector is the fact that Korea’s cultural heritage has become richer and more authentic. Today, Korean brands can use their local heritage to leverage trust and advocacy in overseas markets.

- Korea Tobacco & Ginseng Corporation (KT&G) is responding to the changing market environment by launching new brands, such as Africa and Lamborghini, in addition to their traditional portfolio of The One and Bohem. These are times when the strategic management of traditional assets requires balancing with the launch of new initiatives to keep the brand portfolio as healthy as possible.

3) Media : Choice is yours

- The roles of content providers and media are beginning to overlap in the media and entertainment industries. Companies such as CJ E&M are using their broadcasting power to integrate high-quality content through the acquisition of record labels and celebrity management companies. Companies such as SM Entertainment are moving beyond their traditional roles as record producers and expanding to off- and online channels to provide additional content. As consumers are provided with ever more options to choose from, the battle to secure the best content, both internally and externally, has become the most important agenda for many brands.

- The thirst for rich and quality content extends beyond the media and entertainment industries and affects the advertising industry as well. The exposure of brands within the advertising industry is also evolving toward strategic product placements (PPL) and branded content creation that aims to generate viral content.
Top Risers

Among the 50 brands in the 2016 Best Korea Brands, Coway, AMOREPACIFIC, LG Life Sciences, Naver, Hanssem, and CJ E&M were chosen as the Top Risers: the brands that have shown the highest value increase.

Coway increased its brand value by 44 percent in 2015, earning its spot as the biggest riser among the 2016 Best Korea Brands. In 2015, Coway redefined its brand essence as “Caring Happiness,” while at the same time proclaiming its brand vision to become “The Life Care Company.” Not only did Coway lead an internal training program about understanding the brand’s direction more systematically, but it also worked on improving its on-the-spot CODY consultants service, which is the company’s core touchpoint with its consumers. These efforts helped generate sales of KRW 2.3 trillion and an operating profit of KRW 0.46 trillion last year, breaking an all-time record for Coway. Despite having entered the Consumer Electronics Show (CES) for the first time only this year, Coway was awarded eight CES Innovation Awards for home environment products under its concept of “Be Free, Be Lazy.” To bring its newly defined brand vision into reality, Coway plans to connect all future products with Internet of Things (IoT) technology, aiming toward becoming Korea’s greatest big-data platform for home environment and health.

In 2015, AMOREPACIFIC earned its highest-ever sales result of KRW 5.7 trillion, and also saw a 41 percent increase in brand value. The company is stabilizing its growth in both domestic and international markets, covering various business sectors in not just cosmetics but also fast-moving consumer goods (FMCG), and beverages. Last year’s sales of KRW 5.3 trillion was the highest recorded since the company’s foundation, and its brand value also showed an astonishing growth rate of 29.75 percent compared to the previous year. These results owe to the success of the cosmetic brands Whoo and Sum in the Chinese market. At the same time, its FMCG and beverage sectors have also grown by 5 percent, displaying stable growth. In 2015, LG Household & Healthcare made many efforts to follow its vision of becoming a leading company in lifestyle and culture that helps customers realize their beauty and dreams. For example, it extended its product portfolio by launching new cosmetics brands and also opened TOMARU Station with a new beauty-shop concept for the 2030 generation. Since its launch in the Chinese market in 2006, LG Household & Healthcare continues its expansion within the country as a brand leading the K-beauty trend. Targeting top-class consumers, the company is strengthening its position in department stores in major cities, thereby differentiating from other premium cosmetics brands in the Chinese market. LG Household & Healthcare also established a research lab inside the Shanghai Beauty business unit, to improve its understanding of the Chinese market and provide better beauty solutions for Chinese customers.

Naver—a company transforming its identity from Korea’s representative search engine, with the highest user base, to a global IT platform—is also a Top Riser. In 2015, Naver reported a sales record of more than KRW 3 trillion for the first time, with KRW 1 trillion coming from overseas markets. The company’s LINE service has now become a global messenger brand with more than 200 million monthly users from around the world. Besides LINE, Naver also plans on boosting its global sales through Whoscall, a service for filtering spam calls, and V, a global broadcasting service. With this solid base in the global market, Naver will also expand its online-to-off-line (O2O) business in the future. The company’s Shopping Window service recorded transaction sales of more than KRW 100 billion last year, enhancing total sales forecasts for this year.

In 2015, Hanssem solidified its number one position in the Korean furniture market, despite concerns over IKEA’s launch in Korea. It recorded the highest sales result since its foundation, and the brand value showed a 25.7 percent increase over last year. With changes in the market’s competitive composition, Hanssem reacted quickly by extending its product portfolio, helping to expand the domestic home-furnishing market and increasing the total furniture industry in Korea. To maintain its position, Hanssem refused to stay within its game by actively diversifying its business to include products such as beds and office furniture and opening online channels. It also made efforts to enhance consumers’ experiences in furniture and distribution channels. Hanssem will continue its mission of “Contributing to Human Development through the Improvement of Residential Environment.”

Throughout 2015, people laughed with, enjoyed, and were touched by CJ E&M. Driven by continuous success with the Reply 1988, Mi-Saeng, and Three Meals a Day: Fishing Village TV series, CJ E&M’s brand value was boosted by a remarkable 23.1 percent over the previous year. This success was a result of flexible corporate culture, decisive investment in its people, and vertical integration of content production, broadcasting, and distribution.

The company became famous not only for its active recruitment of renowned producers, but also for its culture of encouraging its people to think outside the boundaries of genre and category for new programs. Recently, CJ E&M took over AOMG, an independent hip-hop label, as another approach to keeping its position as Korea’s content leader. The company is also developing its content power via vertical integration—producing and broadcasting programs with its own celebrities and staff. Unlike any other cable channel provider, CJ E&M proved its potential as a distributor of online content, through the success of the New Journey to the West series. Based on a track record of success, it will likely continue to rise to the challenges of meeting viewers’ needs in the new media era.
New Entrants

Among the 50 brands in the 2016 Best Korea Brands, Coway, Amorepacific, LG Life Science, Naver, Hanssem, and CJ E&M were chosen as the Top Risers, which have shown the highest increase in their brand values.

LG Display—whose CEO, Dr. Sang-Beom Han, said that “Display technology will change our lives” during the IFA 2015 keynote speech—is another new entrant in 2016. The driving force behind LG Display began with the pioneering commercialization of OLED TV, which is often referred to as the next-generation display. With this, it has extended its business into wearable devices, display components, B2B partnerships, and vehicle telematics. LG Display successfully positioned OLED as the next-generation display technology by overcoming limitations in form and quality of existing display technology at the 2016 Consumer Electronics Show (CES). Further, it has invested more than KRW 10 trillion to build the largest OLED factory in the world to realize its vision.

SM Entertainment

The brand that laid the foundation of the K-pop boom and is taking the world by storm, SM Entertainment is also the largest domestic entertainment company in terms of market capitalization. SM Entertainment continues to elevate its status as a global brand via its expert production system, use of celebrities to foster content expansion, and attracting investment from the Alibaba Group—a testimony to its success in China. In 2015, it opened SM Town, a differentiated complex culture space that showcases SM artists. Recently, it launched SMT SEUL, a fusion restaurant that features different concepts on each floor. SMT TOKYO and SMT LA are also scheduled to open within this year as part of its global expansion.

GS Retail

GS Retail is a leading retail company in Korea that operates GS25, a familiar convenience store brand, and GS Supermarket. Last year, various changes took place in the retail market: GS Retail was quick to act and provided differentiated services to match customers’ needs. The most noticeable change in the convenience store industry over the past year was the surge of product brands (PB). GS Retail consolidated its position as an industry leader by launching a series of successful PB brands and collaborating with celebrities and manufacturers. Some of its most popular products include Kim-Hye-Ja lunch box, Hong-ramen, and Yakult Grand. In 2016, GS Retail took this initiative further, creating an integrated PB brand called YOUUS to further strengthen its competitiveness in the PB sector.

SK hynix

SK hynix’s annual sales increased by more than 10 percent compared to the previous year, reaching KRW 18.8 trillion, placing it in the top three global semiconductor companies. After changing its company name to SK hynix, following acquisition by SK Telecom, its business performance continues to improve through sales growth and enhanced profit. As a leading B2B company in Korea, SK hynix is also dedicated to improving its brand image in addition to its strong business performance. It’s building a strong brand foundation by communicating with a younger generation. Some of these initiatives include the broadcasting of the “Strange Youth Counseling Center” online, for young people who are worried about their uncertain futures, and hosting events such as “Youth Brunch,” which invites mentors from society to support the dreams and ambitions of a younger generation.

NCsoft

NCsoft, one of Korea’s leading game companies, is another new entrant in the 2016 Best Korea Brands. In addition to developing a new CI, which signifies its vision for innovative change and growth in the global market, it has expanded its global service for the Blade & Soul and Guild Wars 2: Heart of Thorns online games, while actively communicating with customers. NCsoft continues to extend its business into varied areas, including game, character, Web toon, toy, and e-sports.
## Authors & Contributors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jez Frampton</td>
<td>CEO</td>
<td>Global</td>
</tr>
<tr>
<td>Stuart Green</td>
<td>CEO</td>
<td>Asia-Pacific</td>
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<td>Mike Rocha</td>
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<td>Brand Design</td>
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### More Information on Brands

- [www.interbrand.com](http://www.interbrand.com)
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Creating and managing brand value

Founded in 1974, Interbrand is the world’s leading brand consultancy with a network of 33 offices in 27 countries. Interbrand’s combination of rigorous strategy, analytics, and world-class design enables it to assist clients in creating and managing brand value effectively.

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### Special Thanks

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