# Ideas made possible.

*South Korean—*

## Retail innovation.

Part one.

# WHY SOUTH KOREA IS **STILL** A LEADER IN RETAIL INNOVATION.

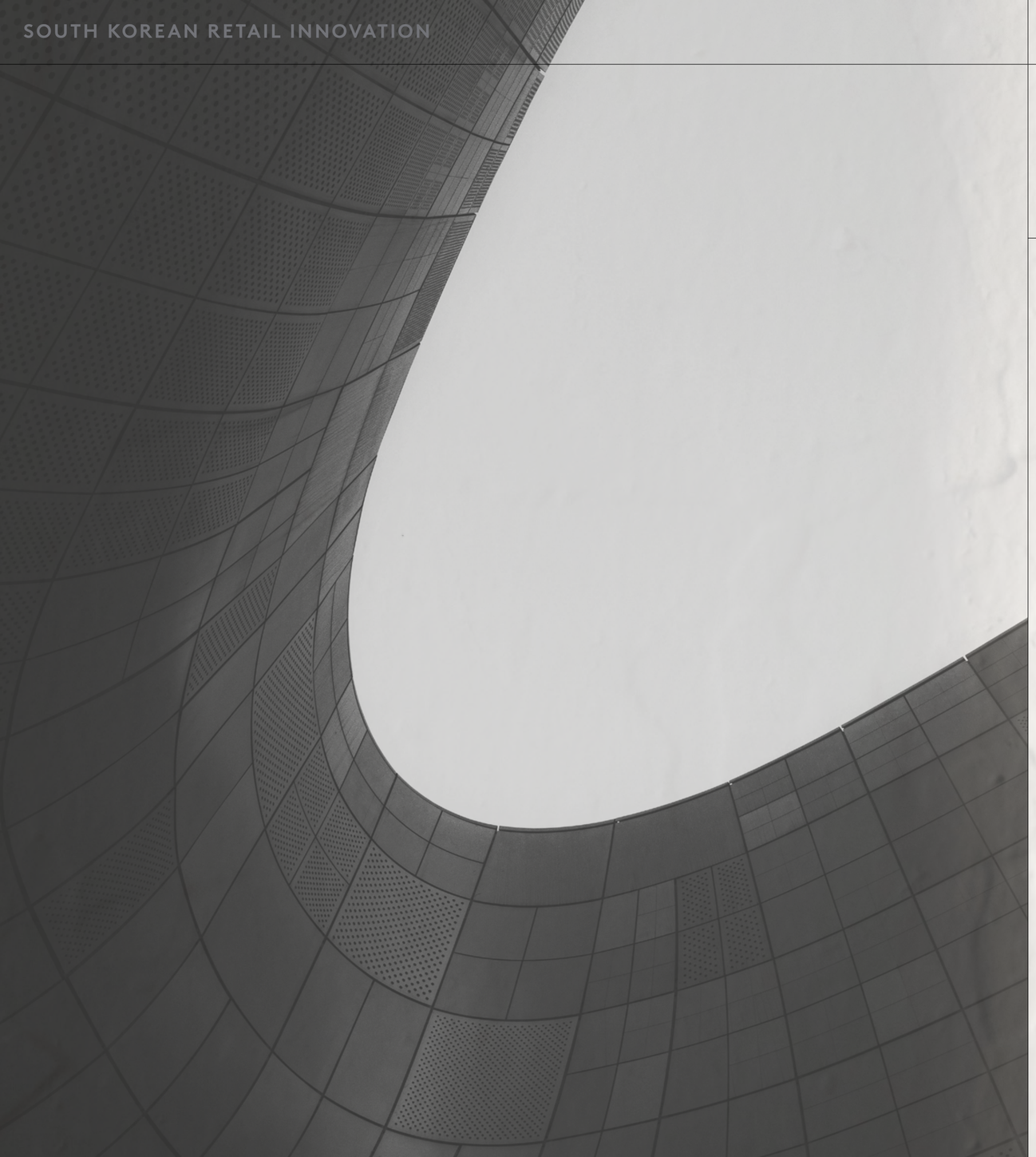
In this report, we explore *how*, and *why* retail innovation is prevalent in South Korea. Discover what makes South Korea a leader in *retail experience* and what global retailers and brands can learn from *best-in-class*, K-Retail customer experiences.

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# Introduction.

# The worldwide retail experience has evolved dramatically in the last decade; shifting to an experience first landscape, yet K-Retail has, and still is, pushing boundaries and creating spaces that inspire the retail world.



# On S.Korean innovation.

Back in the year of 2019 we visited Seoul, immersing ourselves in the innovative shopping experiences and cutting-edge design trends across sectors such as beauty, fashion, tech and hospitality.

We were both amazed and inspired by our experiences there, which opened our eyes to a world of new possibilities for retailers and brands alike.

5 years on we take a look at how and the reasons why, South Korea is still at the forefront of creative, memorable and experience-led retail.

"The South Korean retail market size was valued by *GlobalData's* retail intelligence at KRW 440.5tn in 2022. The market is expected to grow at an annual growth rate of *more* than 5% during 2022-2027."

SOURCE — RETAIL INSIGHT NETWORK

EXPLORE THE SOUTH KOREAN

# Retail Landscape.

K–RETAIL

# EXPLORING THE K—RETAIL LANDSCAPE.






South Korean retail, much like the country's cultural exports, is a powerful, global phenomenon showing no sign of slowing down in popularity & hype. Examples such as K-Pop (*BTS*), K-Dramas / TV series *(Squid games)*, Movies (*Parasyte*) Cutting edge tech giants (*Samsung*), Automotive & Engineering (*Hyundai*), Delicious Cuisine (*Tteokbokki, Kimchi & Soju*) and Retail brands (*Gentle Monster & Adererror*) have taken the world by storm.

Celebrated for it's lively pop culture, internationally acclaimed boy bands and innovative K-Beauty trends, South Korea has sparked a cultural phenomenon, drawing attention from across the globe.

The capital city, Seoul, has become a fashion centre, with prominent luxury brands such as Gucci and Louis Vuitton showcasing their collections in spectacular events amidst the city's vibrant atmosphere, alongside Korean brands that have gained global standing such as Gentle Monster and Adererror.

# According to a 2020 report by Bain & Company, the luxury market in South Korea reached about $12.3 billion, marking a growth rate that outpaces much of the world.

SOURCE — ONTHELIST, 2023

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# K—RETAIL LANDSCAPE; ON POPULARITY & CULTURAL EXCHANGE

‘K-Beauty’ has been gaining momentum outside of the country too, with brands like pureseoul, Laneige, Dr Jart+, Peach and Lily seeing a surge in sales. The appetite for these brands alone in Korea is worth over $10bn*.

In a digital decade, physical retail has again become attractive to foreign investors, witnessed in a deal brokered by Thai and South Korean Department store developers.

This collaboration focused on creating a shopping experience that highlights Korean culture, featuring elements like K-pop, K-food, and K-fashion, designed to appeal to both Thai customers and tourists with an interest in South Korea.

The experience of consumers in retail environments has shifted from mere browsing and purchasing to actively generating co-branded user-generated content that enhances brand visibility.

Retail locations have become centres for the creation of user-generated content, aiming to engage online consumers in addition to those physically present.

The objective is to design stores that can achieve viral status on social media, thereby attracting greater consumer interest and transforming patrons into both purchasers and content creators.

In South Korea, retail environments have progressed from simply displaying merchandise to serving as vibrant platforms for social media interaction and spaces to dwell, building authentic communities and destination experiences that local and global travellers base their plans around.

[*Source: Retail Insight Network]



# Hallyu: The Korean Wave – a significant cultural phenomenon characterised by the global dissemination and popularity of various facets of South Korean culture.

# SOCIO—DEMOGRAPHIC ANALYSIS; INFLUENCER RESURGENCE

A report by Dr Nethal Hashim looked at the growing impact of South Korean Influencers in the UK and US. The study surveyed 2001 candidates and looked at various aspects of Korean culture that consumers have had exposure with.

Generally, it found a huge growth in popularity with South Korean Culture, with an increase in demand from brands and products in this space.

Of the respondent group, 30.1% said they have had exposure to South Korean fashion/clothing, with 32% saying they are aware, or have used South Korean Beauty Products.

South Korean Fashion has been gaining popularity with Gen Z'ers in both the US and UK, with 52.8% saying they have had at least some exposure to Korean fashion Brands.

**Growth in South Korean Influencer Popularity**

77.2% have an increase level of interest in Korean Culture, with 71.5% saying they would purchase a product that they are promoting. The data from this study indicates that cultural influence is a powerful motivator for consumer behaviour.

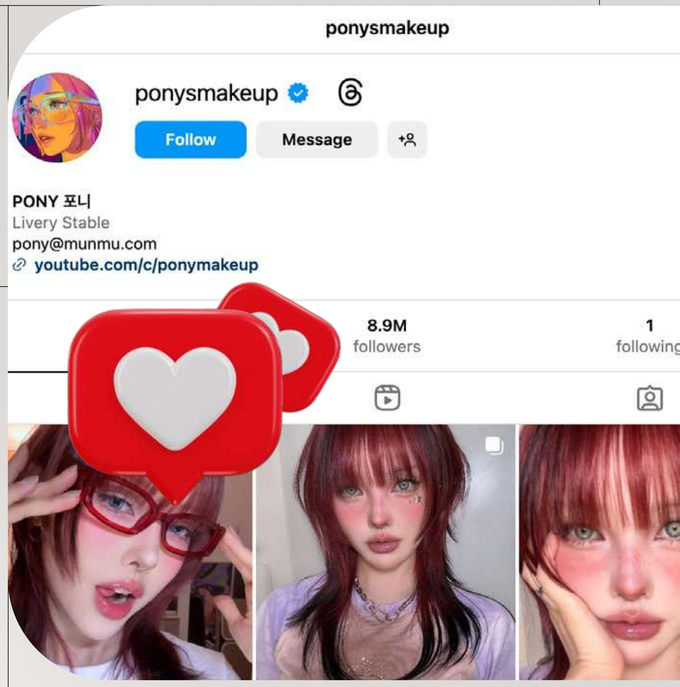
The Korean Wave has not only heightened interest in the culture but also increased consumers' willingness to purchase products associated with it.

Overall, these statistics highlight the strong link between cultural influence and consumer behaviour, emphasising the economic potential driven by the global popularity of Korean culture.

In addition, it could also be said that K-pop and cultural influencers are proving to be more effective in driving sales and fostering brand loyalty in Korea compared to their Western equivalents, both in local and global contexts.

While Western markets have faced backlash against influencers who prioritise product promotion, South Korean influencers are actively building deeper connections with their audiences.

**Having visited in 2019, its evident South Korea is still leading the way in retail and has a unique advantage in the global market. Join us as we highlight our top 10 favourite recent K-Retail activations.**






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TOP 10

# K—Retail Experiences.

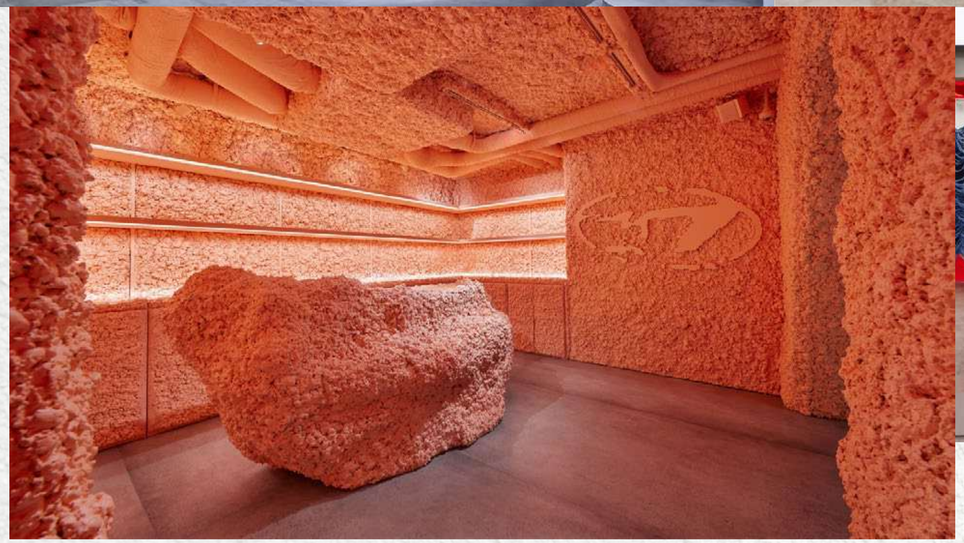
BEST-IN-CLASS RETAIL

No.10

# Diesel – Flagship, Seoul.








"We *love* this store for the contrast it strikes between the *hyper-urban* and the *surreal*."

Diesel is a brand that takes creative risks globally in their flagship stores, often taking an approach that is relevant to its surroundings.
The brand's latest flagship in Seoul reflects it's urban setting, amplifying the metropolitan domain to hyper-physical status.

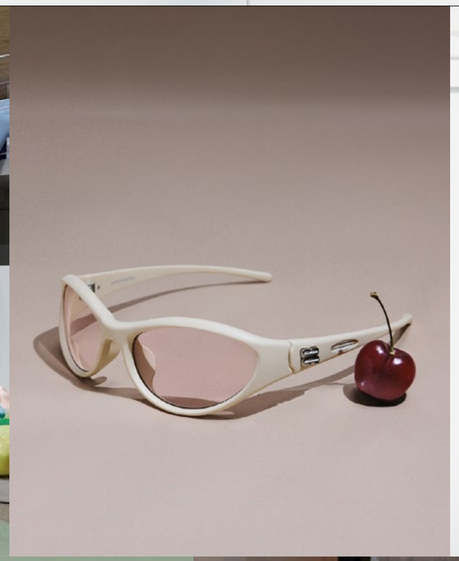
Huge metal counters adorned with dents and impacts contrast the solidity and permanence of the polished concrete environment. The concept speaks to the rise of the 'Gorp-core' trend, utilitarian yet esoteric in aesthetic. This sets the scene for an unexpected flash of Diesel's brave attitude in the form of a monocolour room with maximum impact.

This store is a great example of the trend of hyper-physical stores that evoke a sense of 'selfie everywhere', or a wholly instagrammable space. Hyper-physical spaces such as these offer a fully immersive experience to explore both brand and product, as well as to make content within.

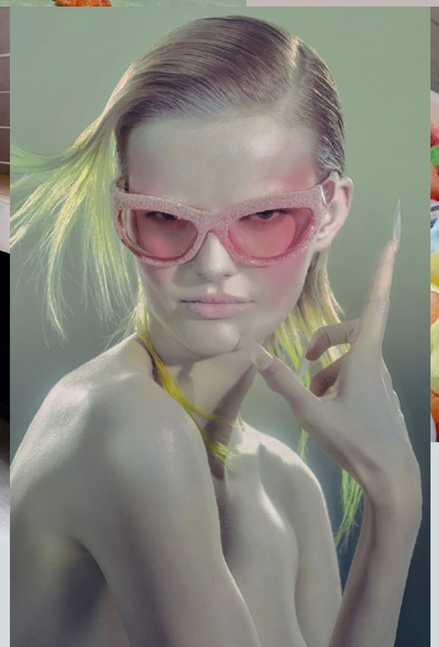
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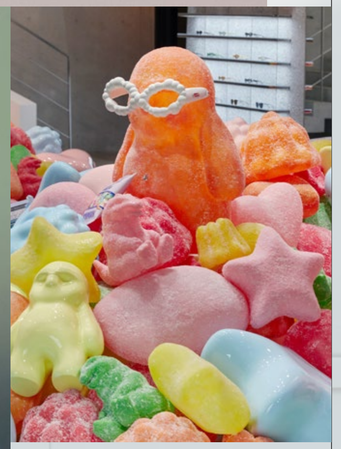
# Gentle Monster - SS'24 *'Gentle Jelly'* Pop-up.







## "Gentle Monster turn retail spaces into artistic wonders. A master-class in hyper-physical engagement."

Gentle Monster launched their SS'24 collection with a campaign entitled 'GENTLE JELLY'. It reveals a bold line of eyewear that whimsically captures the unique characteristics of jelly. As an innovative changemaker in the eyewear industry, they have challenged what it means to be both a brand and what a shop should and can be, making waves beyond eyewear.

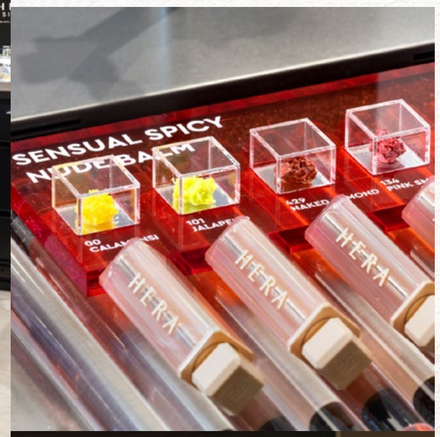
Gentle Monster seem to always deliver on esoteric narrative building, crafting worlds that inspire and build affinity for their range of products. The SS'24 'GENTLE JELLY' pop-up takes their tried and tested formula of creating unexpected visual and narrative disruption to a new level.

The brand demonstrates how to truly create reasons to visit physical retail spaces over online convenience sales. Part art exhibition, part movie set, and part accessory wardrobe for the fashion forward. Gentle Monster promises to wow, drive retro / introspection and create unexpected destination spaces.

No.08

# Hera –The Hyundai, Seoul.

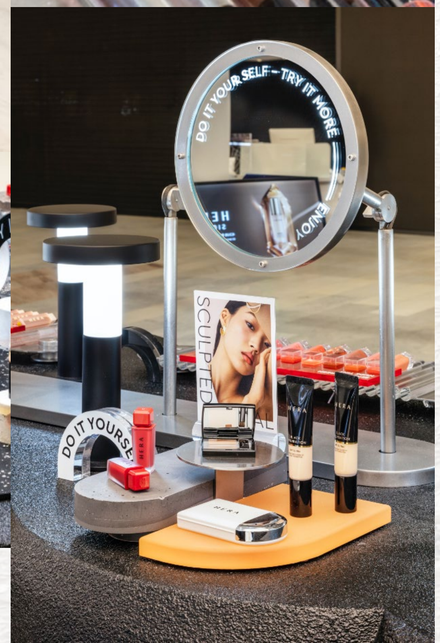









"Based on 3 key tenets, creative expression, sensorial exploration and tailored expert advice."

The Hyundai is a prestigious multi-storey department store that showcases the best in Korean and global goods, and Hera is no exception to that rule. On a superficial level, standing out in the Hyundai multi-branded space is a challenge, yet Hera have managed to do so in style.

For Hera, black *is* the new black, creating visual disruption through form, texture and materiality, allowing the colourful cosmetic products to stand out. The bold and unconventional counter form acts as a brand anchor for the space and visually attracts shoppers to its core.

An 'online top 10' display makes it easy to pick out best sellers and browse the range, whilst empowering tone of voice inspires experimentation and encourages a DIY approach. Sensorial & visually tactile showcases present raw cosmetics, revealing the rich colour and sumptuous textures of the product.

No.07

# Espoir– House of Make-Up Creation, Seoul.




HOUSE OF MAKEUP CREATION
#CreateyourBe( )




WE TALK OF CREATIONS.
MAKEUP BRAND INSPIRES WITH JOY
AND NEW CHALLENGES.

CONSULTING ZONE














STORAGE ZONE

"A space that embodies a work in progress aesthetic, supporting hands on experimentation."

A striking aesthetic attracts shoppers into the 'House of make-up creation' by beauty brand Espoir, but it is the promise of sensorial service that keeps shoppers coming back.

Prefaced by a WIP pseudo-urban aesthetic, the beauty flagship Espoir has created connotes an sense of rawness, a place to explore creatively without fear of needing to be polished or follow traditional notions set by the global beauty industry.

Once inside, shoppers are led on a journey around multiple zones of activity that encourage and reward engagement. Live powder mixing adds theatre and empowers shoppers to express themselves creatively, producing products that are uniquely them, which the brand is known for.

The collaborative process and journey of creation are as important as the end product, supporting content creation and brand affinity, whilst providing a service that can't be bettered online.

No.06

# Paris St.Germain Flagship, Seoul.





















## "A cultural exchange, where Parisian football meets the fan-base of Seoul. —A club destination. "

The cultural exchange between S.Korea and France is symbolised by the Parisian football club, PSG's re-imagining of their flagship club shop situated in the heart of Seoul. Despite being far away from home turf, the club makes a home for fans of the club and game.

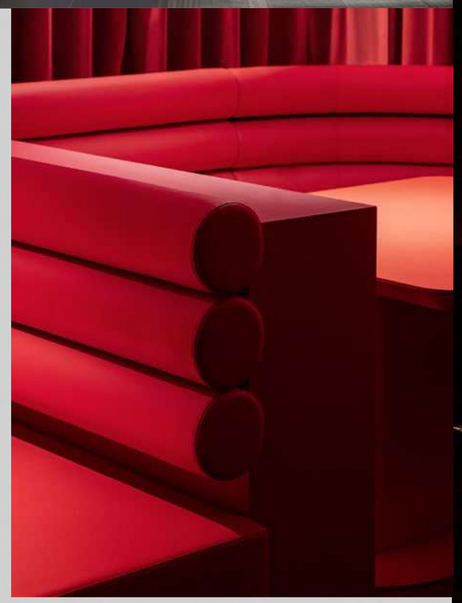
The new flagship space is comprised of multiple floors each with a different activity or function, allowing the club to focus the customer journey on specific moments. From a kit and apparel shop on the ground floor, to a café and bar on the upper floors, the flagship enables fans to dwell, shop, seek refreshment and consume club media.

It is the building of a holistic club lifestyle through multi-facetted experiences that empowers fans to engage with the club. Creating what is more than simply a shop, but a meeting space and a destination for any avid supporter of the club and the sport.

No.05

# *'All That Jazz'*, Yongsan, Seoul.











## "The allure of a *secret speak-easy* club with the polish of an elevated cocktail lounge bar"

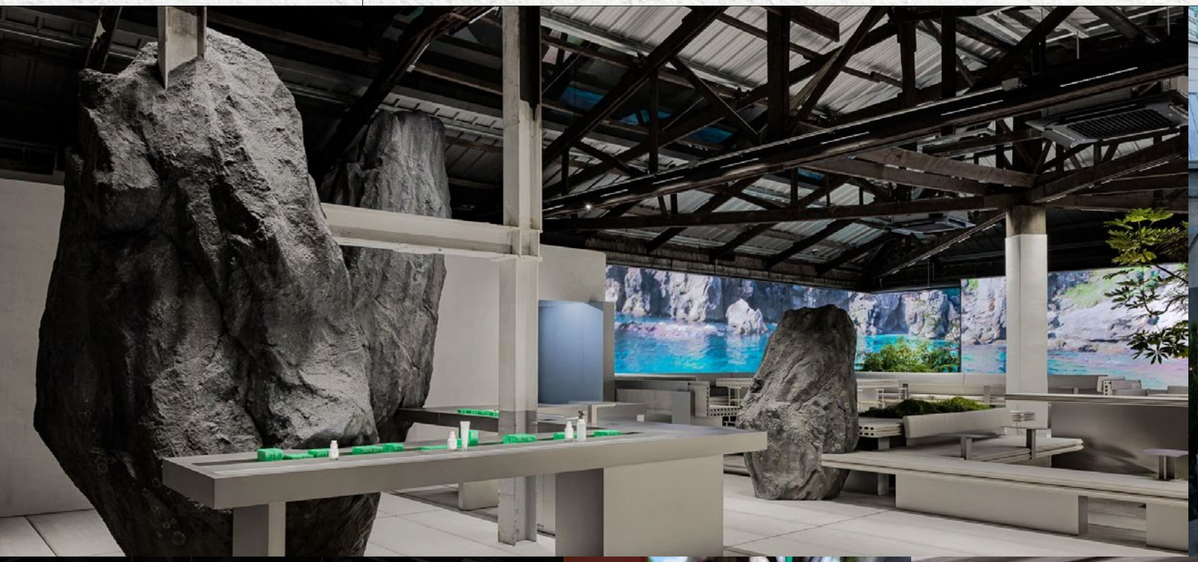
More a music venue and hospitality environment, than strictly a retail space, 'All That Jazz' as a music club expresses important learnings for building an unforgettable and dramatic customer journey. The club is a cult jazz institution in Korea and has been famed as a key spot in the country since 1976.

A sense of exclusivity is instantly built through the understated, yet iconic red door. Once through the unassuming threshold, guests are rewarded with an otherworldly entrance corridor. This transitional space enrobed in red illumination and curved glass acts as a portal, allowing guests to decompress and leave the world behind them, moving through to the richly designed club within.

The main interior of the club has a bold use of black and red, creating different zones through the application of colour and texture, realising intimate spaces to imbibe in a drink, enjoy live music and meet with others.

No.04

# Innisfree — *The Isle*, Seoul.













"Re-inventing the skincare store formula, a space to learn, come together as a community and imbibe."

Innisfree is a highstreet staple across S.Korea, with over 470 stores across the country. However, 'The Isle' is one of the most impressive due to an elevated offer that leads with a gourmet patisserie and beverage mixology offer, dialling into customer service before product. The brand has created a destination for skintellectuals and foodies alike, acting as a meeting and dwell space in the middle of Seoul.

The space is lightly merchandised and focusses on staff interaction in a less formal environment than a store. Almost acting as a café first, the space offers gourmet delights in the form of artisanal patisserie and complex yet cute drinks you might expect to find in a high end cocktail bar.

The environment is unexpected in it's vernacular too, as it embraces a dystopian calm through urban patina and the juxtaposition of monolithic boulders, nature content and biophillic moments throughout the space.

No.03

# Lador Flagship, Seoul.
















"Transforming the haircare industry, in the same way K-Beauty made skincare fashionable globally."

Haircare is the next big market benefiting from the wellness boom. It can be argued that S.Korea is one of the key reasons for innovations in the skincare and beauty market in both product and brand activation, and L'ador are doing the same within the haircare market.

From shampoo and scalp treatments to hair styling products, the brand is building affinity and desire for products that were previously seen as simple commodities. The Lador flagship store in Seoul amplifies product desire by connecting shoppers to the sensorial evocation of water and a more comfortable bathing routine.

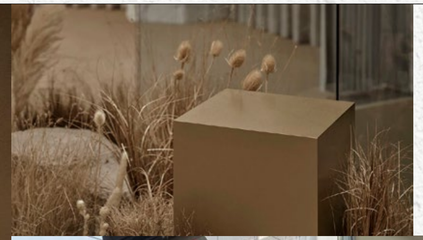
Featuring instagrammable zones such as an outdoor shower that cleverly draws shoppers deeper into the store; to an in-store bath using sky blue tiles. The bright and airy space speaks to the aesthetic of a spa, and the feeling of clean freshness following the perfect bathing routine, and the ideal environment for trying out the product.

No.02

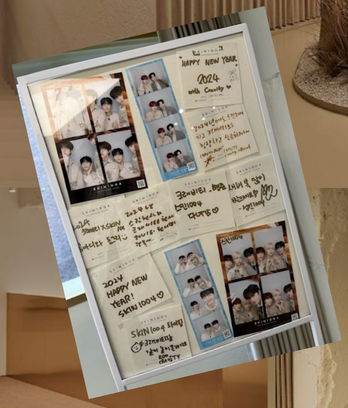
# Skin1004 — Myeong Dong, Seoul.
















## "Is it an AI generated store? Is it *real*? The answer is *yes*, this store is a master-class in the hyper-physical."

You could be forgiven for mistaking this store as an AI generated fever dream, passing it off as something not possible in a retail environment. However, you'd be surprised that Skin1004, is both real and as spectacular as the press photos reveal online.

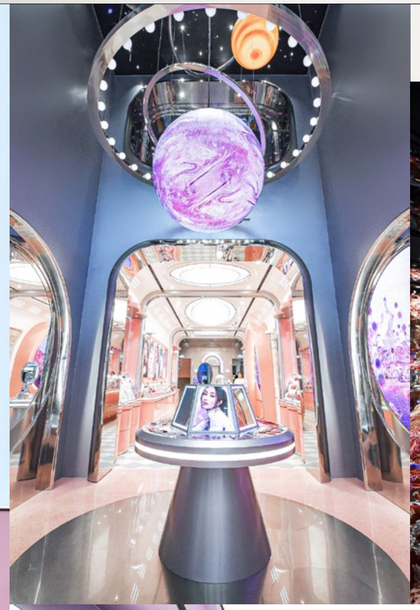
From the street, this store looks to be hewn out of an arid rockface, creating a naturalistic yet, dramatically disruptive curb appeal. Inside, the aesthetic amplifies further, using giant rocky elements to drive flow around the space and zones of discovery by obscuring the view to everything at once.

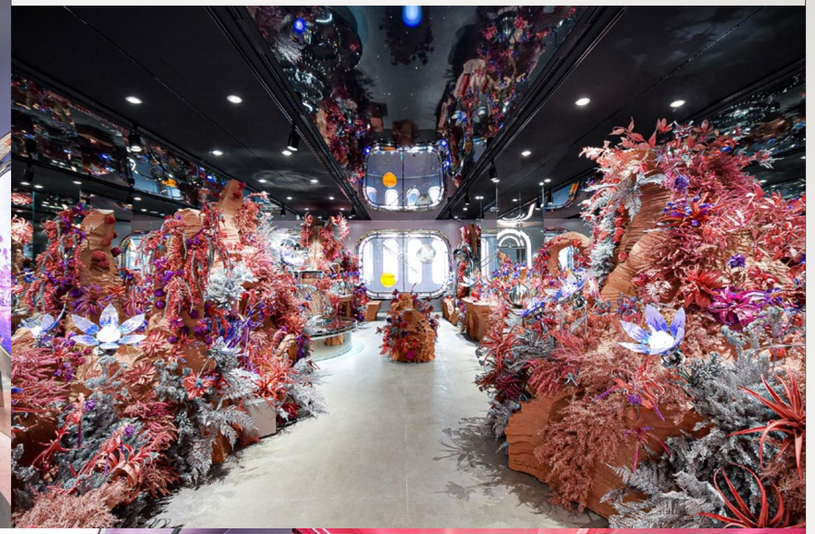
Skin1004 reinvents conventional expectations of biophillic design, opting to stray from the common lush green jungle aesthetic or mycelial trends, instead creating a connection to the nature of an arid desert landscape. This aesthetic choice builds a unique environment for shoppers to explore and calms the visual abundance letting the product stand out despite being displayed in such a visually rich space.

No.01

# 3CE Style Nanda, Pink Space hotel, Seoul.















"From the *Pink Hotel* in 2019, to the *Pink Space Hotel* today, the brand have beamed us to the future."

Back in 2019, when we paid a visit to Seoul for inspiration, the 3CE Style Nanda 'Pink Hotel' flagship was one of the highlights of our trip. However, the brands transformation from where we last saw it, is truly immense and something to behold.

The store transports us from the inside of a space station, to an alien biophillic garden, a starship bridge, and a casino reminiscent of Quark's bar & games house from the Star Trek DS9 universe. It is this commitment to a spectacular theme, with whole floors of discovery that gives it an undeniable wow factor.

This store is more than just visually powerful, it is escapism, with transportative story-telling, hyper-physical design and a plethora of activations that keep shoppers engaged beyond the initial impact. Product is integrated into the narrative, woven serendipitously throughout the various zones of activation, punctuating the store's journey.

OUR EXPERIENCE

# South Korea x D4R

D4R K—RETAIL PRJOECTS

# Pureseoul.

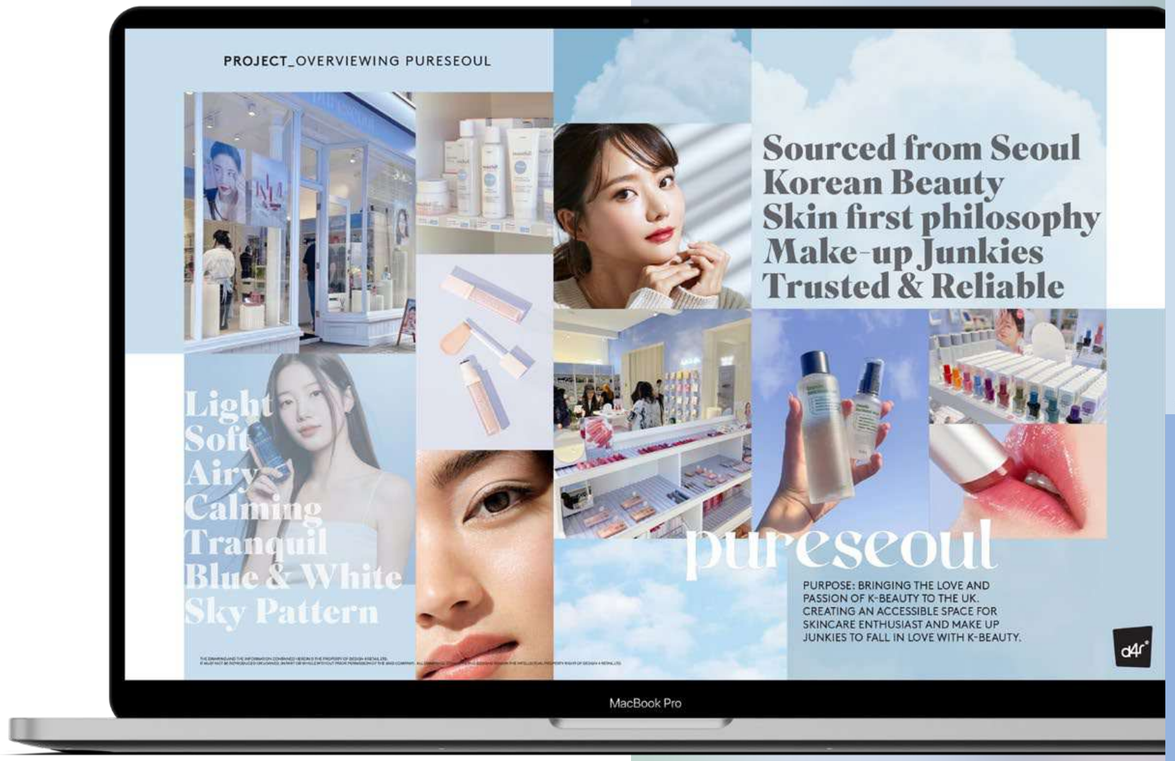
## *From South Korea to the UK...*

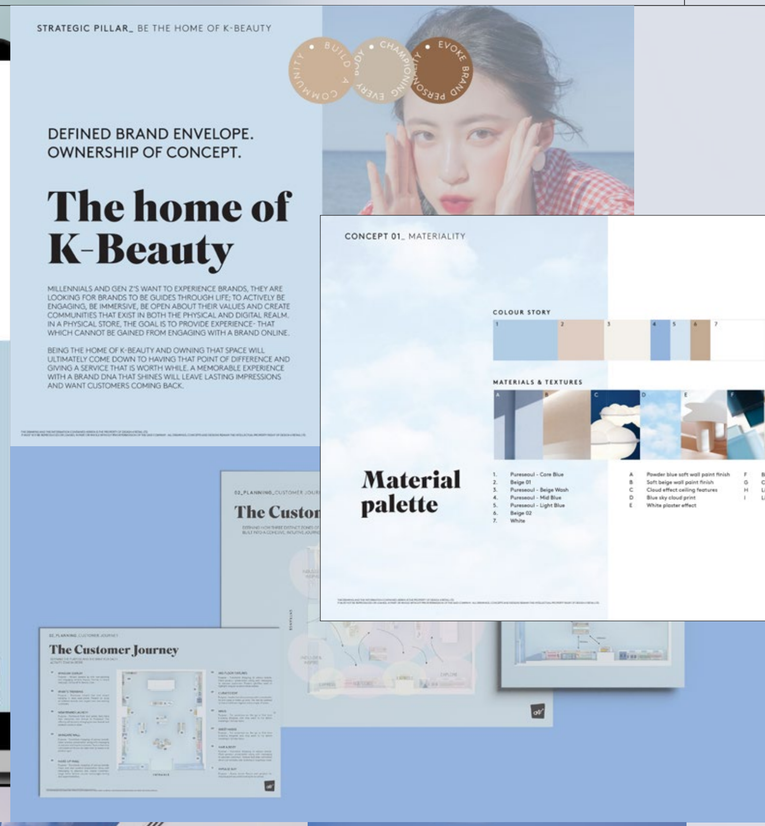
Pureseoul looked to D4R to create a store that established them as the go to destination for everything K-Beauty; a hub of expertise and knowledge that celebrates an extensive range of Korean brands.

The beauty retailer challenged D4R to create an accessible space for skincare enthusiasts and makeup junkies to fall in love with Korean cosmetics.

The store needed to be calm and inviting, welcoming in existing K-Beauty fans as well as introducing the K-Beauty world to new shoppers.

A key focus on the retail concept was that the store design had to include a display framework which was fully customisable for changing stock levels, new emerging brands, and products that are hot on socials.













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# Etude House.

## *A house of beauty, a pink dream space.*

Etude House launched the successful House of Colour Play retail identity which explored a new direction for the brand. Although this existing store concept's aesthetic suited the brand's recent focus on colour, Etude House wanted to revisit the sweet and playful aesthetic of the brand's roots with a renewed store identity.

To appeal to today's more digitally native customers we were asked to transform the retail store environment focusing on the experience and introducing digital content from the brand's online world, alongside experiential activations that get customers experimenting and engaging.

Working collaboratively with the Etude House team out in Seoul, we delivered a concept that brought the clients vision in pink to life for loyal fans of the brand.

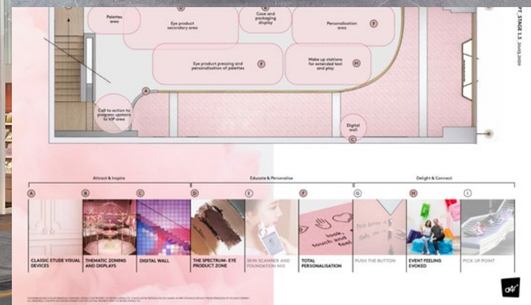




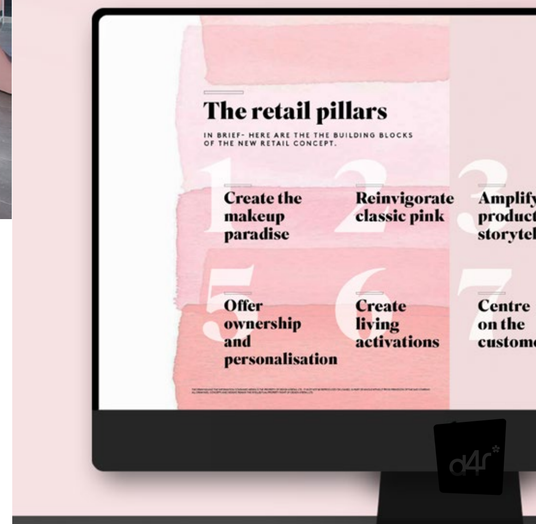











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WANT TO TAP INTO
THE SUCCESS OF K-RETAIL?

# Stay tuned...

## *Part two,* coming soon!

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