



June 2019

Hallyu: Riding the Korean Wave

Cross Category Trend Report



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Introduction

The wave of Korean culture, known as Hallyu, is sweeping across the Western world. This cross-category report looks at how this huge cultural trend started. It dives into K-Beauty – one of the big manifestations of the trend, and the Themes, Ingredients and Products driving it. And explores how Korean Culture is transcending other categories like Snacking, Beverages and Alcohol.

You'll also discover how we utilise AI and Social data to surface game-changing insights and scientific trend predictions which help brands understand and action what's most important in their category, both now and in the future.

The information in this report is derived from our Skincare, Beverages, Alcohol and Snacking datasets which are built by analysing millions of publicly available digital consumer conversations from sources including: Twitter, Forums, Blogs, News publications and Reviews. This data is up to date to 31st May 2019.

To find out more information or how you can access our datasets and products please visit: blackswan.com

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Propelling Korean culture onto the global stage



The South Korean government started championing the exportation of its popular culture with tax breaks and financial backing.



The latest statistics show that thanks to K-Pop 14,000 students are learning Korean in the US, compared to only 163 two decades earlier



Social media and the explosion of YouTube brought Korean culture onto the global mainstage through the medium of K-Pop.

#1990s



South Korean TV shows (K-dramas) were the original driver of Hallyu.

#2010s



K-Pop boy band BTS became the first K-Pop group to win a US Billboard music award.



Korean culture spreads – TV, Music, fashion, games, comics, cuisines, alcohol, cosmetics and beauty standards.



Food as medicine

A core concept of Traditional Korean medicine (TKM) is that food and medicine are not separate things.

3000 BC

TKM can be traced as far back as 3000 BC to the story of a tiger and a bear who wanted to reincarnate in human form. They believed eating sacred food, wormwood and garlic would help them achieve this.

Today

Western culture is waking up to functional ingredients and demanding the natural, beneficial and organic products Koreans have been using for centuries.

The rise of K-Beauty

Korean Beauty, or K-Beauty as it's commonly known, is a trend that's manifesting high within our Personal Care datasets. But why has Korea spurred such a worldwide beauty phenomenon?

The Korean beauty aesthetic is very different to that of Westerners. It focuses more on health and hydration that nourishes the skin from within, instead of using make-up to cover up flaws.

Celebrity culture

As Korean celebrities have become more visible, so Western consumers are increasingly seeking to emulate their pristine skin.

Functional cosmetics

Korea is one of the only places in the world that has functional cosmetics. This is a label that certifies beneficial properties, such as anti-wrinkle, elasticity-boosting, pigment-fading and sunscreen. Functional cosmetics are subject to more stringent evaluation than general cosmetics.

Cosmeceuticals

K-Beauty products have become known as 'cosmeceuticals' – cosmetic products with bioactive ingredients purported to have medicinal benefits. Key to these ingredients is a focus on hydration.

Public perception

K-Beauty is perceived as both affordable but special, and simplifying the complicated.

Skin protection

Tanning is taboo. Koreans prefer a lack of pigment and wear sun protection all year round.

In the next section we will deep-dive into the key Skin Routine theme - central to K-Beauty - and then identify some of the ingredient and product trend manifestations which we are witnessing in our data.

The 10-step Skin Routine

With its 'more is more' skin philosophy—the hotly coveted 10-step Korean skin regimen is hailed as the reason so many Korean women boast flawless, glass-like skin. This is in stark contrast with the Western skincare regime which has on average 3.5 steps.

It's not about having more products, but the right products that do the right things and using them in the right order.

This routine is a lifestyle that's becoming a global phenomenon and is what's driving the K-Beauty trend. So it's no surprise that the 10-step skin routine is the #1 theme within our Personal Care datasets.



TPV rank: #1 of 184 themes

314,850 **+32%**
Conversations Year-on-year

Top Associated Benefits

45%
Clear Skin

23%
Better Skin

9%
Toning

Social posts



What is TPV?

Trend Prediction Value (TPV) is a scientific ranking metric that helps brands identify which trends to prioritise. It assigns a comparative value to each of the thousands of conversation trends taking place within a category, enabling trends to be objectively ranked and prioritised based on their predicted importance in +6 months' time.

You can find out more about our unique AI approach to trend predictions on page 34-35.

Centella Asiatica

Centella Asiatica is a native Asian plant used in cooking. Rich in amino acids, beta carotene, fatty acids, and phytochemicals, it's also particularly beneficial for improving skin elasticity.

Fans of K-Beauty will know this ingredient as a hydrating skin-saver included in numerous moisturisers from Korean brands. And unsurprisingly, as a high ranking ingredient it's also garnering interest from Western beauty brands.



TPV rank: #10 of 2319 ingredients

4,830
Conversations

+35%
Year-on-year



Top Associated Benefits

25%
Soothes Skin

23%
Repairing

21%
Medicinal

19%
Restoring

19%
Firming

Social posts



Hyaluronic Acid

Hyaluronic Acid occurs naturally in the human body, but depletes as we age. The substance works as a magnet for moisture, helping cells retain as much as possible so that skin feels and appears hydrated, plump and healthy.

Although this is not a new skincare ingredient, it's an extremely popular ingredient in Korea because of its ability to add long-lasting hydration back into the skin, making it a growing ingredient trend within K-Beauty.



TPV rank: #201 of 2319 ingredients

698
Conversations

+18%
Year-on-year



Top Associated Benefits

17%
Plumping

16%
Hydrating

9%
For Sensitive Skin

8%
Firming

6%
Toning

Social posts



Snail Secretion Filtrate

Korean skincare is full of weird and wonderful ingredients and snail slime is one of them. In ancient Greek times, snails were crushed into an ointment that was then rubbed into the skin as a healing remedy.

Snail slime is proven to have antioxidant properties, as well as the ability to stimulate collagen production, enhance wound healing, improve the appearance of fine lines, wrinkles and sun damage. It's also rich in Hyaluronic Acid.



TPV rank: #535 of 2319 ingredients

504 Conversations **-1%** Year-on-year



Top Associated Benefits

19% Hypo-allergenic

20% Reduces Wrinkles

18% Soothes Skin

18% Replenishing

17% Anti-ageing

Social posts



What Personal Care products are we seeing within K-Beauty?

Pristine, perfected skin is a measure of Korean beauty, so the products that come out of Korea have high specific standards to enable this.

Another key strength of K-Beauty products is the experience. Formulas often have fun, unique textures or flexible methods on how to use them. Take a look at the K-Beauty products that are growing within our data.



Cleansing Oil

To do the most thorough job of eliminating impurities, the two-step cleansing method is an essential and increasingly popular part of Korean skincare. This consists of an oil-based cleanser followed by a water-based formula. When massaged into the skin, cleansing oils melt makeup, sunscreen and other impurities away.



TPV rank: #8 of 370 products

92,190 **+9%**
Conversations Year-on-year



Top Associated Benefits

54%
Facial Cleansing

21%
Waterproof

13%
Toning

16%
Brightening

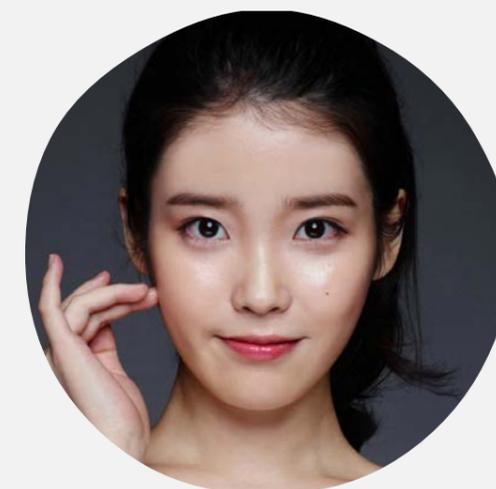
12%
Replenishing

Social posts



Face Serum

K-Beauty regimes often suggest using serums that are rich in natural active ingredients. These serums have a strong foothold in the natural world as they are almost always made with organic ingredients and natural oils.



TPV rank: #40 of 370 products

52,290 **+3%**
Conversations Year-on-year



Top Associated Benefits

21%
Antioxidising

19%
Firming

19%
Anti-wrinkle

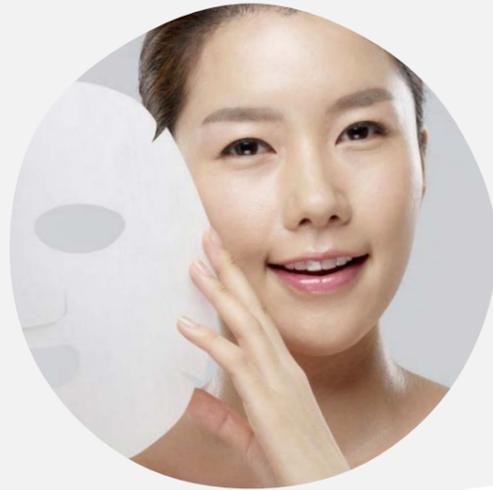
16%
Rejuvenating

14%
Anti-Ageing



Sheet Masks

Known as the 'soul' of Korean Beauty, Korean sheet masks are one of the latest beauty innovations to sweep across the Western beauty world. They are contoured to the face to infuse it with moisture and active ingredients.



TPV rank: #71 of 370 products

442,330 **+11%**
Conversations Year-on-year



Top Associated Benefits

23%
Hydrating

21%
Brightening

12%
Skin Boosting

13%
Firming

10%
Exfoliating

#47

Social posts



What next for Hallyu?

K-Beauty and its associated Themes, Ingredients and Products have been flying the flag for Hallyu in recent years.

But adoption of Korean culture is penetrating Western Culture on a wider scale and becoming increasingly important within consumer conversation in adjacent categories, including Beverages, Snacking and Alcohol.





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Korean Beverages

Reflecting the Korean culture of wellbeing, many Korean drinks have specific functions, from treating indigestion and colds to fatigue and hangovers.

Portion sizes are generally smaller than Western counterparts, and are designed to be fully consumed during a break or resting period.

Colour is also a key part of Korean beverages, which not only makes them both exciting to look at and offers a unique experience, but indicates their functional benefits too.

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Butterfly Pea Flower Tea

Used for centuries in Southeast Asia, this blue, caffeine-free herbal tea, or tisane, is infused with Clitoria Ternatea plant leaves and dried lemongrass. It distinctively changes colour when the pH balance changes. For example, when lemon juice is added it turns purple.

The tea is popularly used for showmanship in cocktails and also in punch bowls where its frozen into ice cubes and dissolves into what's called a mood ring.

Thanks to its high antioxidant content and ability to fight obesity, enhance memory and even reduce stress, the tea is gaining global attention, making it an ingredient to watch.



TPV rank: #46 of 1689 ingredients

3,460

Conversations

+21%

Year-on-year



Top Associated Benefits

18%
Medicinal

17%
Rejuvenating

15%
Refreshing

14%
Reduces Stress

11%
Soothing

Social posts



Yuzu

Yuzu is a citrus fruit and plant from the Rutaceae family. Mixed with honey, it's a go-to for colds and winter ailments. In Korean cuisine it's called yuja and is commonly used to make yuja marmalade, yuja tea and a dessert based on a fruit punch. Yuja is also a common ingredient in Korean-style western food, such as salads.



TPV rank: #47 of 1689 ingredients

4,940

Conversations

+12%

Year-on-year



Top Associated Benefits

21%
Refreshing

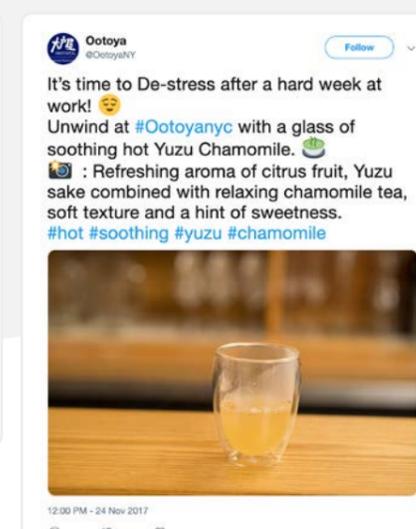
16%
Reduce Stress

16%
Uplifting

13%
Comforting

12%
Warming

Social posts



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Korean Alcohol

Traditional Korean alcoholic drinks are mostly rice wines, fermented with yeast and nuruk, a traditional Korean fermentation starter. There are lots of varieties but the main ones are clear rice wines (cheongju), milky rice wine (takju), distilled liquor (soju), fruit wine (gwasil-ju), flower wines, and medicinal wines.

This is a growing space, with a few products paving the way.



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Soju

Soju is perhaps the most obvious example of a product that has started to make waves in Western culture. This clear, colourless distilled beverage originating from Korea, is usually consumed neat.

Significantly, Soju is the world's no.1 selling liquor by volume and is continuing to grow. However, until recently, it was largely ignored in much of Western culture. In the US, Soju has been seen as a distilled spirit that doesn't follow the rules of a distilled spirit and is almost watered down.

Part of the current excitement around Soju is thanks to the popularity of the Soju Bomb, where a shot of Soju is balanced on two chopsticks above a pint of beer. Drinkers slam their hands either side of the pint glass until the shot falls in, and then drink the mixture.



TPV rank: #61 of 377 ingredients

27,590

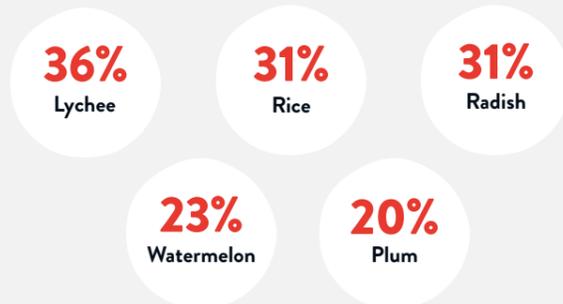
Conversations

+18%

Year-on-year



Top Associated Ingredients



Social posts



Dawn 808

Korea claim to have created the world's first hangover cure, Dawn 808. Containing a mixture of Asian herbs and spices it has a bitter, sweet and sour medicine taste. It's recommended to be consumed before drinking alcohol to stave off an oncoming hangover.

Although this isn't currently appearing in our datasets, it's likely this 'miracle cure' will soon be emerging on Western supermarket shelves.



Social posts





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Korean Snacking

In the wider food space, a number of other Korean influences have emerged. The best-known Korean dish in the US is kimchi. A staple in Korean cuisine, this is a traditional side dish made from salted and fermented vegetables.

The snacking space has perhaps been less fruitful in terms of Korean influence. However, we have seen trends in the past, most notably seaweed. Other East Asian influences are starting to emerge in this category too, suggesting that Korean snacks could break in the US and other Western markets in the not too distant future.

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Summary

To summarise, Hallyu is showing strong growth across many categories, particularly Personal Care, Alcohol and Beverages, and could also be an area of growth within the Snacking space.

K-Beauty is a prime area for innovation and shows potential for continued growth, with the Korean Skincare Routine our #1 ranking theme within Personal Care.

The Korean drinks categories are also ripe areas for growth with Soju ranking highly in Alcohol and ingredients like Yuzu and Butterfly Pea Flower Tea emerging within Beverages.

And as the global drivers of K-Pop and K-Beauty continue to capture the attention of the Western world, the wave of Korean culture shows no sign of slowing any time soon.

This report was created by our Insight team to showcase a sample of the type of work we do by combining Social data and trend prediction to understand a category's future landscape. Read on to find out more about our approach. For more information, please get in touch with our team.



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Our unique approach

Transforming unstructured data into scientific predictions

Using AI, we build 'bottom-up', best-in-class category taxonomies and datasets from the world's Social data. It allows us to observe 'actual' consumer behaviour on an unprecedented scale and apply machine learning algorithms to surface and predict emerging consumer trends earlier, and more accurately than anyone else. We call this Social Prediction™

How we answer this challenge

- 1** Our data platform ingests millions of real-time, publicly available conversations from a variety of social data sources.
- 2** Irrelevant content and noise are removed, whilst clustering analysis and Natural Language Processing tools structure the data into a consumer defined category taxonomy.
- 3** The data is scanned for emerging and unknown topics and trends. Each isolated trend is analysed by a variety of factors, including how volume, growth rate, sentiment and associations are trending over time.
- 4** Our Trend Prediction Value (TPV) algorithm analyses each trend's maturity and calculates its future growth potential based on seven years of historic category data.
- 5** All category trends are ranked against each other using their TPV score, giving you one global metric by which to prioritise new and emerging trends
- 6** Brands can access this data and analysis through our Horizon and Trendscape solutions, or commission bespoke projects with our world-class team.

Our unique metrics

TPV essentially asks three questions at once:

- 1** What maturity phase is this trend in now? Is it emerging, or already mature?
- 2** How has the trend been growing?
- 3** Is it forecast to grow in the future?

A high TPV can be interpreted as a trend that's both in the right phase of its growth (emerging or growing) and is predicted to grow over the next +6 months.

TPV is what enables us to surface new and emerging ingredients that are demonstrating growth before anyone else.

Trend Associations

As well as scientifically identifying trends, our algorithms identify associations and relationships that consumers are making in conversation between trends – e.g. the benefits associated with an ingredient. These associations are given a percentage value of how strongly they're attached.

For example, 0% value means that the associated subjects are found together by chance, so there's no association. While 100% value means that two subjects are always found together in the data, giving the highest chance of association.

This metric helps decode 'The Why' behind what's driving a trend and enables brands to build stronger new product concepts and communication programs.

Please get in touch to find out more

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