



Welcome to

Webinar - Expanding to South Korea: Explore the Dynamic and Innovative Culture

CUBE IN - Introduction

Vasco Barros, CUBE IN
Ségolène Leloutre, GCC

July 6th, 2021

CUBE IN stands for **C**ultural **U**nderstanding for **B**usiness **E**xpansion and **I**Nnovation. The aim of the CUBE IN platform is **to give you the tools you need to prepare yourself and your business for operating in an unfamiliar business environment.** The platform focuses on a selection of emerging economies, which have been defined as within the scope of the project, including **South Korea.**



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The goal of this platform is to help you with anything related to culture when doing business in emerging markets. Get started by selecting one of the three main sections below.

TEST
Yourself

Choose from a selection of self-assessment tools - are you ready?

Tools

LEARN
about Culture

Read texts on country cultures and topics related to business and innovation.

Library

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a Webinar

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CUBE IN

LIVE WEBINAR



Expanding to South Korea Explore the dynamic and innovative culture



ALEX EUNKYEONG YU

Associate Partner of Hofstede Insights
Executive Coach and Organizational Development Consultant
Doing business in South Korea - Why culture matters



SYLVAIN GLEIZES

Chief Commercial & Marketing Officer at MartiDerm Group
Back to MartiDerm's experience in exporting to South Korea

July 6th, 2021
11.00 CEST

Alex is an **executive coach and organizational development consultant** who focuses primarily on global leadership development, executive team development, culture change, intercultural management, emotional intelligence, and other subjects related to organizational effectiveness. Alex is an ICF Professional Certified Coach (PCC) and a Korean Facilitators Association Certified Professional Facilitator (CPF)

Sylvain Gleizes is the **Chief Commercial & Marketing Officer** at MartiDerm Group. MartiDerm Group is a Dermocosmetic laboratory originating from a pharmacy in Barcelona specialized in Master Formulas.

INNOWWIDE: European INNOvative business solutions in WorldWIDE markets – Final Event

Paving the way for European SMEs to go global

The INNOWWIDE consortium is organizing this final event to present and highlight the INNOWWIDE programme scope, goals, results, achievements and impact in terms of efficiency (appropriateness of the instrument) and effectiveness (actual collaborative product & market development) and set the basis for future work in this field.

Event date: July 7th, 2021 10:00 – 12:30 CET

Registration link: https://zoom.us/webinar/register/WN_RVsZs-jmT_GbbOb2_pdLLw

Agenda

- | | |
|-------|--|
| 10h00 | Welcome and introduction
Presentation of the event and its organization, scope and goals
Speaker: Francisco Rocha, International Consultant at SPI |
| 10h05 | The INNOWWIDE programme essentials
Viability Assessment Projects (VAPs), international technological cooperation, innovative product-market development, co-creation and future bilateral RTDI
Speakers:
Carlos Garcia Delgado, Head of Sector at CTA
Isabel De Vera, Project Monitoring Coordinator at Eureka Secretariat |
| 10h20 | The INNOWWIDE VAPs as a door opener for internationalisation of European SMEs
INNOWWIDE programme results and metrics and panel discussion on the programme impact, leverage effect, efficiency, and effectiveness
Host: Oliver Rohde, DLR
Speakers:
Heikki Uusi-Honko, Head of International Networks at Business Finland
Danila Conte, Project Advisor, Unit REA C1 - Inclusive Society
Monika Vrbková, Head of Technological Cooperation Team at JIC, Brno (EUBIC South Moravian Region) |
| 10h45 | The INNOWWIDE programme Strategic Assessment
Views from the INNOWWIDE External Expert Advisory Board (EEAB)
Host: Luis González Souto, Deputy Director of Technology Cooperation at CDTI
Speakers:
Brigitte Ecker, Managing Director of WPZ Research
Jana Kolar, Executive Director of Central European Research Infrastructure Consortium |
| 11h00 | Break |
| 11h15 | The INNOWWIDE reality – Focus on European SMEs International Outreach
Views from VAP beneficiaries
Host: Faith Blakemore, International Project Manager at Steinbeis 2i GmbH
Speakers:
European SMEs that successfully implemented their VAPs in Developed Countries
Developing Countries and Large Emerging Economies |
| 11h45 | INNOWWIDE: innovation and international cooperation policy
Views from the EC and the Eureka Initiative
Host: Javier Ponce, General Director at CDTI
Speakers:
Anna Panagopoulou, Director, Directorate J - DG Research and Innovation European Commission
Miguel Bello, EUREKA Chairman - Portuguese Presidency
Ulrich Schuh, EUREKA Chairman – Austrian Presidency |
| 12h05 | Taking European Innovation Global with ENRICH Centres and CUBE IN
Host: Francisco Rocha, International Consultant at SPI
Speakers:
Svetlana Klessova, Director, Research and Innovation Partnerships G.A.C. Group - Innovation & Performance for Impact
Egbert Schram, CEO of Hofstede Insights |
| 12h20 | Conclusions and closing remarks
Speakers:
Luis González Souto, Deputy Director of Technology Cooperation at CDTI
Danila Conte, Project Advisor, Unit REA C1 - Inclusive Society |

The international clusters network dedicated to cosmetics industry

- **International clusters collaboration**
 - Sharing experiences and content
- **The gateway to SMEs internationalization**
 - Networking events : Business and innovation
 - Webinars ...
- **Be international reference for cosmetics expertise**
- <https://cosmeticsclusters.com/>





Partners



European cooperation

Cluster Go International - COSME programme

→ To boost SMEs international business opportunities toward foreign markets

→ 5 target markets: **India, Mexico, South Korea, UAE, USA**

→ **24 months EXPORT ACCELERATION PROGRAM**

#1 Market Intelligence

#2 Capacity building action

#3 International Trade and Partnerships

#4 Funding opportunities



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THANK YOU!

Questions and Answers

Visit CUBE IN website:

<https://www.cubein.eu/>

Visit Global Cosmetics Cluster website:

<https://globalcosmeticscluster.eu/>



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Hofstede
Insights

Introducing Dynamic Korea for CUBE IN

Alex Eunkyeong Yu, PhD
alex.yu@hofstede-insights.com

JULY 6, 2021

Agenda

QUICK PULSE:

3 words associated with Korea

DYNAMIC KOREA

- Korean Leveling
- Unique or Uniform?
- K-Entertainment/K-Beauty
- Cultural enablers

3 Words Associated with Korea



- What comes to your mind when you hear “Korea” or “Koreans”?
- Go to **menti.com** and use the code **5040 5641**

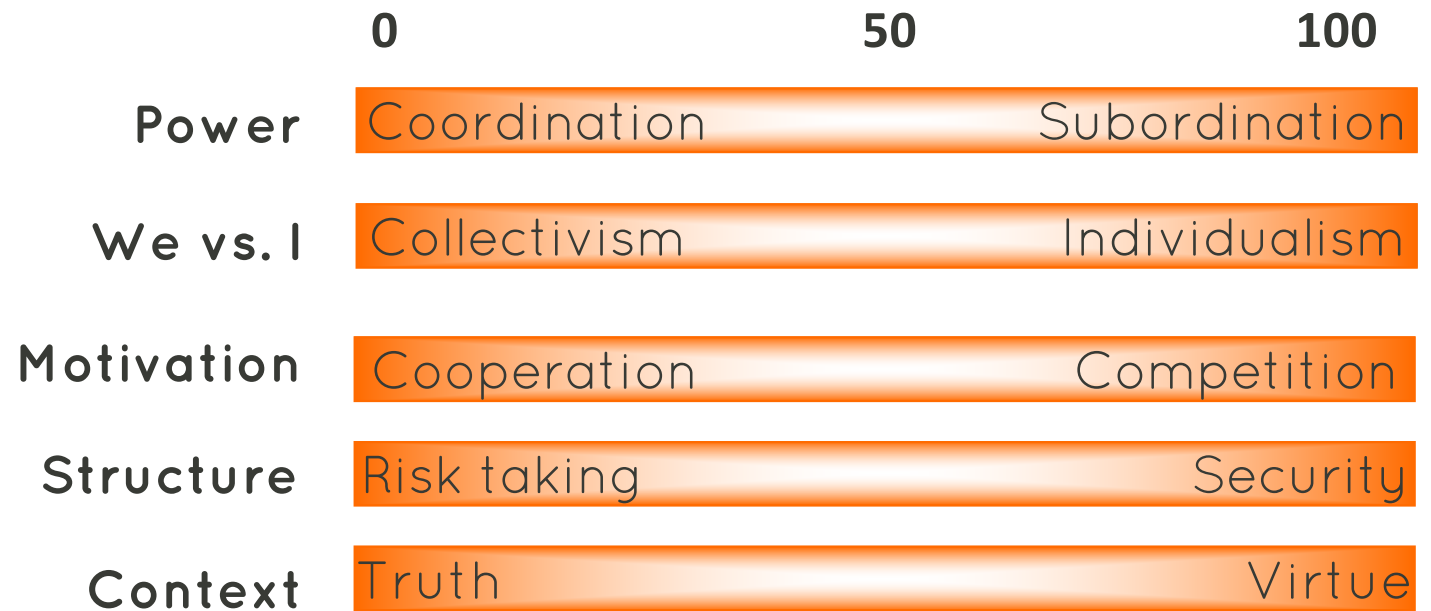
Dynamic Korea



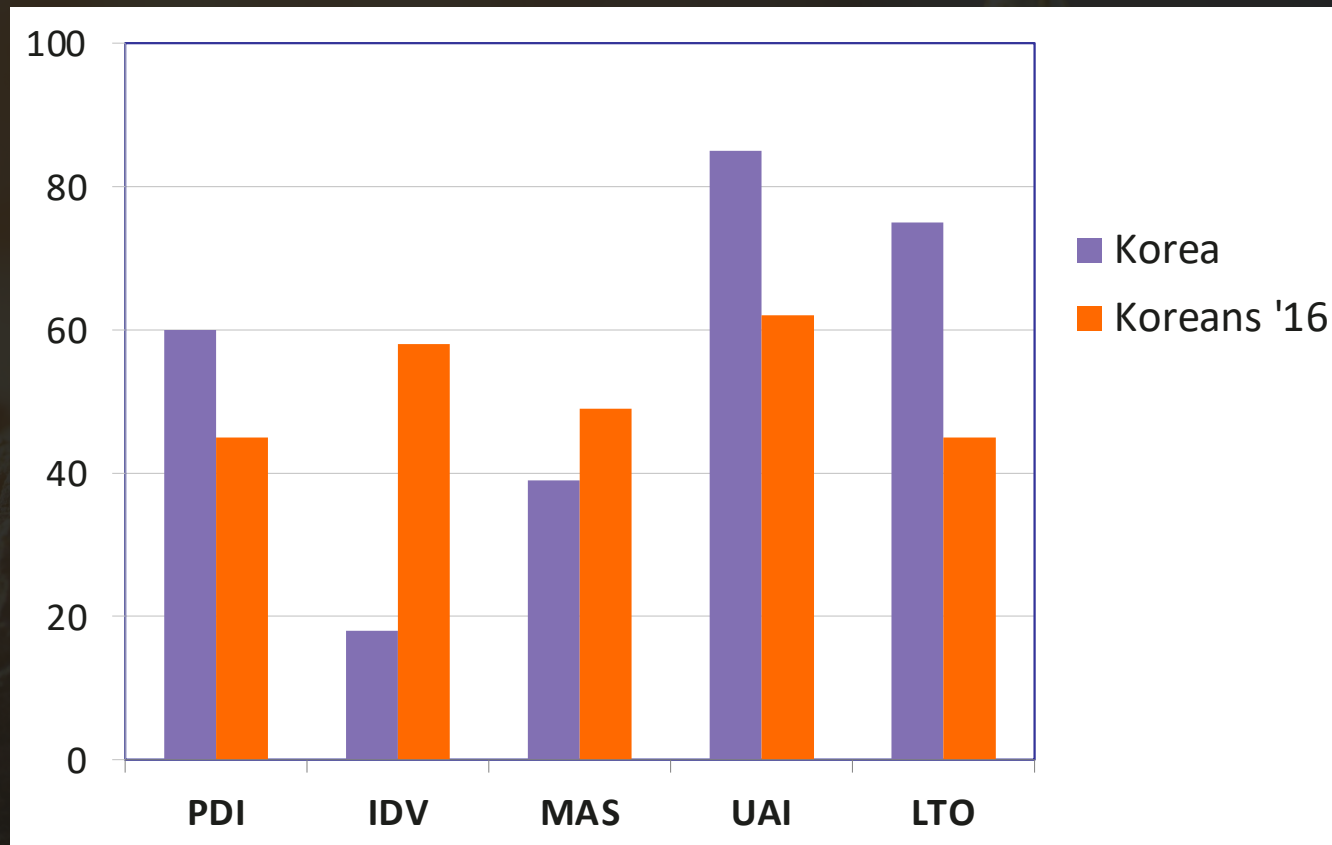
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The 6D Model

Value differences between countries can be explained by the following “dimensions of national culture”



Where Korea Stands in the Model - Changing Cultural Landscape



AFTER ALL WHAT HAPPENED: NEW KOREANS

CONDITIONS

- Homogeneity
- Congestion
- Super high speed intensive economic development

PHENOMENA

- Korean leveling
- Uniformity
- Centralization
- Extremity
- Urgency
- Dynamic

(Adapted from Yeong Myeong Kim, "A New Korean Study")

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Confucianism Academia

2016 Candlelight Vigil for Impeachment

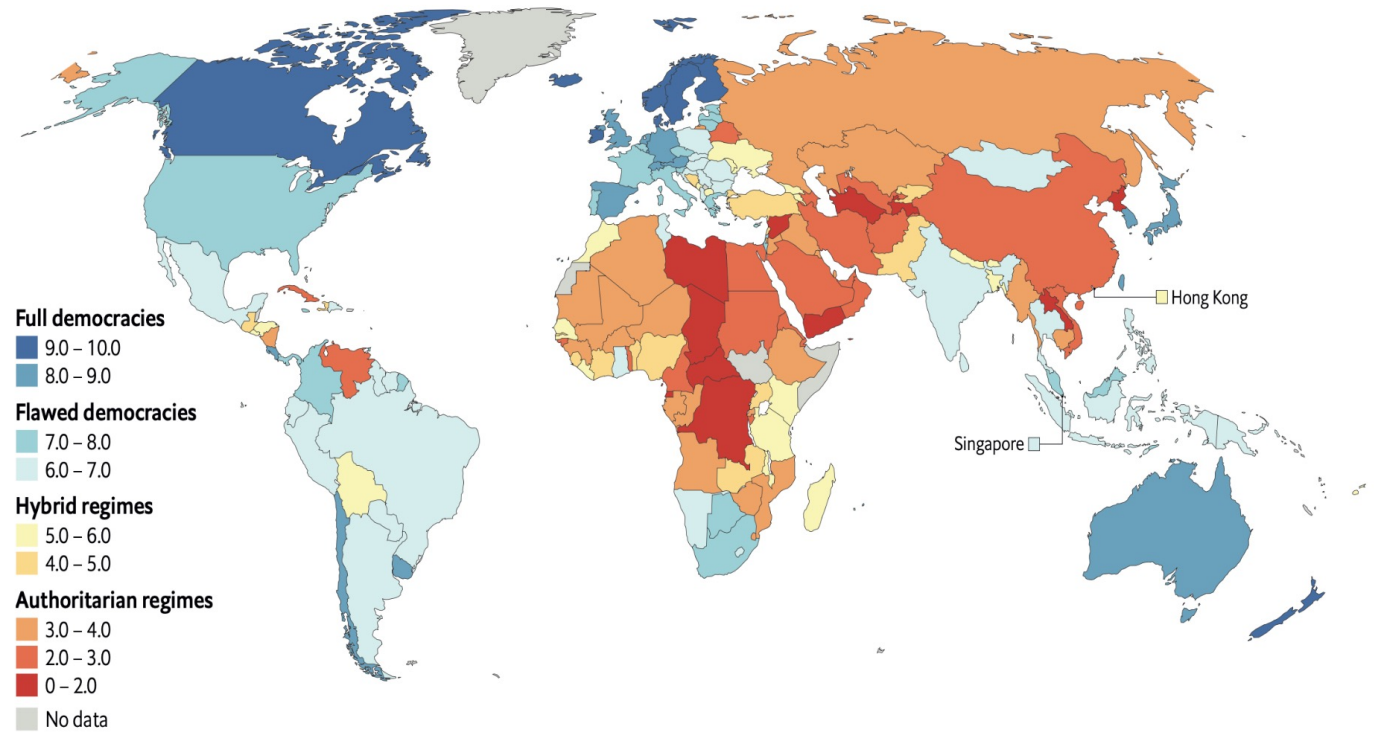


Source: <https://www.labortoday.co.kr/news/articleView.html?idxno=141412>

Democracy Index 2020



Chart 1. Democracy Index 2020, global map by regime type



Source: The Economist Intelligence Unit.

KOREAN LEVELING/ EGALITARIANISM

- You have rumble in your stomach when your cousin buys land.
- Fairness & Justice
- Super demanding customers
- Korea as a test bed market

ATTENTION TO STATUS OR FORMALITY?



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Interesting Details

Individuals are willing to sacrifice their interests for the benefit of the company.

	Yes	It depends	No
Korea	56.6%	16.8%	26.6%
China	34.6%	13.4%	52.0%
Japan	14.8%	19.8%	65.4%

(Kwon et al. "Organizational Behaviors in Korea, China & Japan , 2005)

Korean Ways of Building Relationship

- Drink/eat together
- Doing sports together; The same hobby
- Keep regular contact
- Participate family occasions – wedding/funeral
- Talk; Praise; Listen; Respect; Listen with your heart; be frank with good intention
- Soft communication; keep harmonious relationship with counterparts; modest language/behavior
- show personal interest (family, etc)
- Invite to home; Ask where is this person from (hometown)
- Make up after big fight
- Sharing something personal (stories)
- Stay late with the colleagues; help his/her work
- Going through difficult projects together
- Keep promise (trust)
- Make a common enemy
- Add value to the work; show your competence

(Compilation of workshop discussion)

Advice from Foreign Nationals

- You have to show you can work hard
- You have to stick your principle to be flexible
- Good judgment
- Provide protection
- Give all the credits to Koreans
- Understand cultural barriers
- Beware of the way they do in Korea
- Be involved in good causes
- Be careful of using humor
- Eat Korean food (tell Koreans you love Korean food)

(Compilation of workshop discussion)



Uniform or Unique
or
Uniformly Unique?

X, M, or Z?

Portrait of a new generation

Crazy for devices

People in their 20s spend an average of 3 hours and 44 minutes on mobile devices, which accounts for 22 percent of daily time, aside from sleeping.

Information on the go

Books and TV are passe. Among people in their 20s, 92.4 percent said mobile internet searches are their primary source of information, while the figure was 78.8 percent for 40-somethings and 61.6 percent for 50-somethings.

Doesn't put a ring on it

The average marriage age in Korea keeps going up. Last year, the average woman married at 30 and man at 32.6 due to economic hardships and difficulties getting a good job.

Staying connected

The most used apps are for messaging, followed by browsing web portals and gaming.

Splurge-worthy

People in their 20s and 30s said they spend freely on IT products, desserts and cosmetics.

Risk averse

Millennials are known for having a conservative approach toward investment, preferring safe assets over high risk, high return products.

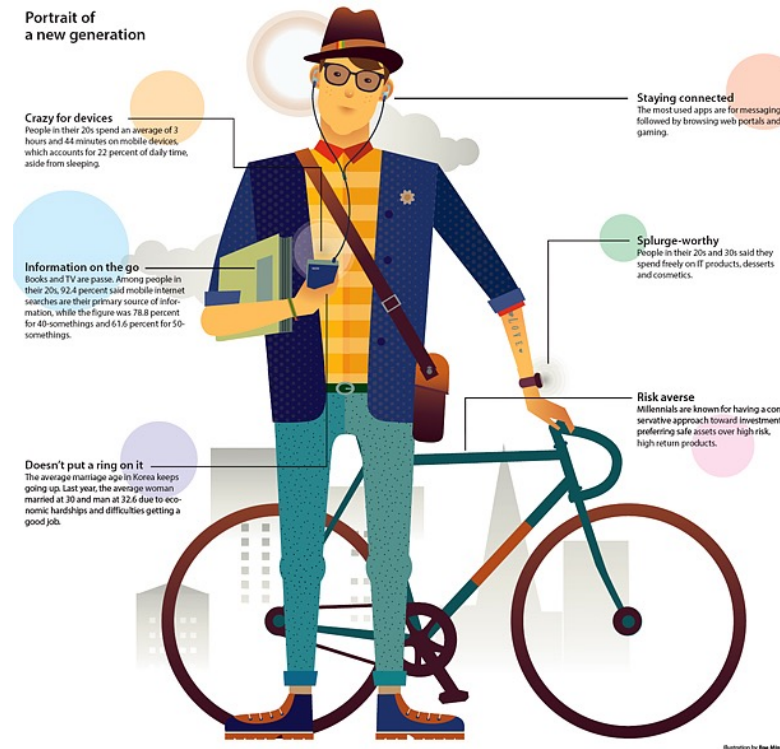


Illustration by Kim Min-ho

Source: <https://koreajoongangdaily.joins.com/2016/10/16/etc/16th-Anniversary-Special-Millennials-grow-up-to-be-Koreas-future/3024993.html>

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(Adapted from Yeong Myeong Kim, "A New Korean Study")

CHANGE OF KOREAN SENTIMENTS

한

(Han)

Internalized, intense, pent-up feeling of deep sorrow, regret, remorse, bitterness, resentment, etc.



흥

(Heung)

Explosive excitement, fun, merriment, groove, etc.

“An Eastern tribe who loves drinking, singing & dancing”

K Beauty

THE ULTIMATE 10 STEP KOREAN SKINCARE ROUTINE

- 1 Make up remover**
Remove your makeup & sunscreen with oil/balm based remover.
- 2 Cleanser**
There are either water or foam based cleanser. It is use to remove dirt and impurities from your skin.
- 3 Exfoliant**
Scrub help to slough away any dead skin cells & gives your skin a smoother & radiant glow. Scrub at least twice a week.
- 4 Toner**
Toner is important as it design to hydrate and balance your skin PH.
- 5 Essence**
Essence is most important part of Korean Skin Care routine also known as "Miracle Water". It gives the skin that glowing, lit from within look.
- 6 Serum / Ampoule**
Your serum is a treatment and should have plenty of active ingredient to tackle specific skin problem.
- 7 Sheet Mask**
Spoil your skin with more freshness of mask, several times a week.
- 8 Moisturizer**
Whatever skin type you have, you need to moisturize to further nutrient & hydrate your skin.
- 9 Eye Cream**
Eye creams address issue like puffiness and dark circle.
- 10 SPF**
Sunscreen use can help prevent skin cancer by protecting you from the sun's harmful ultraviolet rays

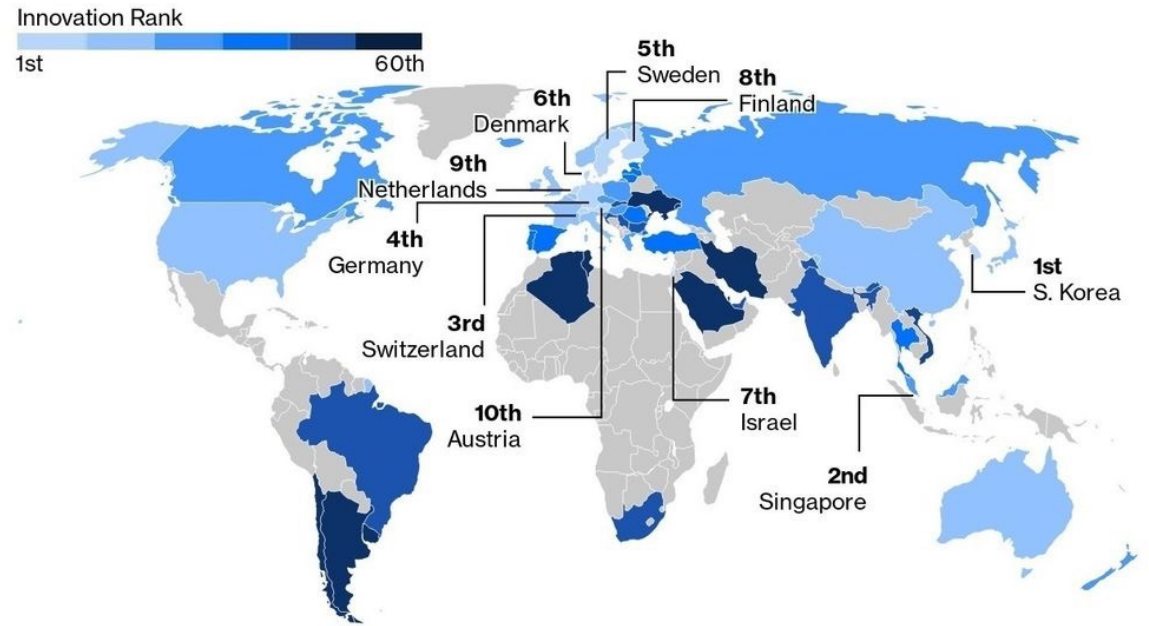
KBeauty
STORE



Bloomberg Innovation Index 2021

World's 60 Most Innovative Economies

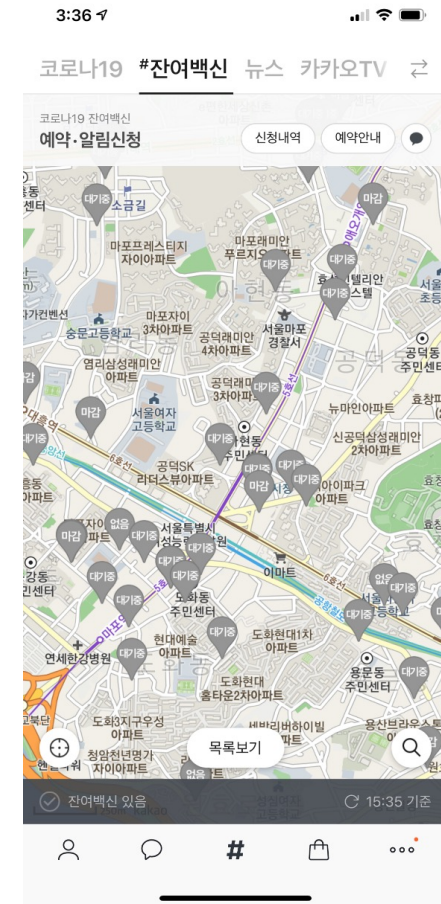
South Korea, Singapore and Switzerland lead the index in 2021



Sources: Bloomberg, International Labor Organization, International Monetary Fund, World Bank, Organisation for Economic Cooperation and Development, World Intellectual Property Organization, United Nations Educational, Scientific and Cultural Organization

Bloomberg

COVID Innovation



Catching Up with Trends in Korea



Ten Keywords

- 013 Coming of 'V-nomics'
- 047 Omni-layered Homes
- 069 We Are the Money-friendly Generation
- 095 Best We Pivot
- 123 On This Roller Coaster Ride
- 147 Your Daily Sporty Life
- 171 Heading to the Resale Market
- 201 Everyone Matters in the 'CX Universe'
- 225 'Real Me': Searching for My Own Label
- 251 'Ontact', 'Untact', with a Human Touch

(Rando Kim & SNU Consumer Trend Center,
2021 Consumer Trend Insights)

What is your Cultural Enablers?

CULTURAL ENABLERS AND DISABLERS:

- What cultural topics do you want to focus?
- What are their impacts on your leadership/business?
- How do you want to address the challenge?

REFLECT BOTH AT INDIVIDUAL & ORGANIZATIONAL LEVEL

DEVELOPMENTAL FRAME OF CULTURAL COMPETENCE

Managers

Executives



Knowledge of one's own and other cultures and understanding of cultural consequences at workplaces (Hofstede, 2001)

The relationship of culture and individual as a matter of selection and proactive negotiation of cultural reality in intercultural management (Friedman & Antal, 2005)

Creating a bigger context to embrace the spectra of difference (Rathje, 2007)

(Alex E Yu, 2013)

How much do you know?

Your team has a weekly conference call with your Korean team in Seoul. During the call, you often face a long silence from you Korean colleagues frustrating to some of your local team members. How might you interpret their silence?

- A. They are not well prepared for the meeting.
- B. They did not understand your English.
- C. They don't like your idea.
- D. They are reflecting on the conversation and concentrating on your comments.
- E. You did not give enough space for Koreans to respond.

SPEECH PATTERN

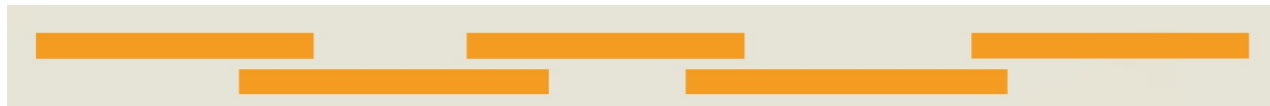
Sequential turn taking

- Task oriented, focused type of discussion style

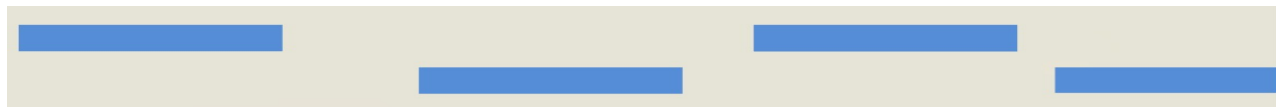


Simultaneous turn taking

- Creative and relationship-enhancing



Intermittent turn taking



COMMUNICATING ACROSS CULTURES

Mr. Cooper: The new tracking procedure hasn't worked, has it?

Mr. Han: There were some small problems.

Mr. Cooper: Whose idea was it anyway?

Mr. Han: We need to learn from this lesson.

Mr. Cooper: Yes, it came from Mr. Kim's division, didn't it?

Mr. Han: Many people worked on the proposal.

(Storti, *Cross-Cultural Dialogue*)

KEY CONCEPTS TO UNDERSTAND KOREANS

- FACE

- Total sum of one's social ego
- Determinants of Face:
 - Hierarchy: position, age
 - Achievements: education, accomplishments, conduct
 - Reputation: respect given to me by others, company reputation
 - Connections: family, company, who I know, whom I know, etc.
- Obligation to your in-group
- Losing face = Losing the connection in your in-group
- Causing someone to lose face can damage his/her effectiveness, and your business relationships
- Giving face

Face - directed communication strategies

- Non-confrontation
 - Disqualifying as a competent critic
 - Indirect approach
 - Sandwiching the criticism
- Compliance strategies
 - Honor the hierarchy first, your vision of truth second
- Provisional response
- Using intermediaries
 - Impartiality and face saving
- Gossiping
 - More substantive private conversation

Mutually Exclusive yet Equally Compelling...

- Pause Reflect Choose
- Ask questions
- Explore meanings behind (together)
- Cultural humility
- Getting the best of all worlds





MARTIDERM

IN

SOUTH KOREA



Doing business in Korea...

... is doing business with Koreans ;-)



Factors of success

2015: A vision to build business in Asia & Korea (key cosmetic market)

2016: ...Transformed proactively into:

- Opportunistic recruitment of Korean Area Manager (BCN)
- Strategic search & choice of a committed local partner (Korea)

2016 – 2017: Introducing a new concept & category in Korea

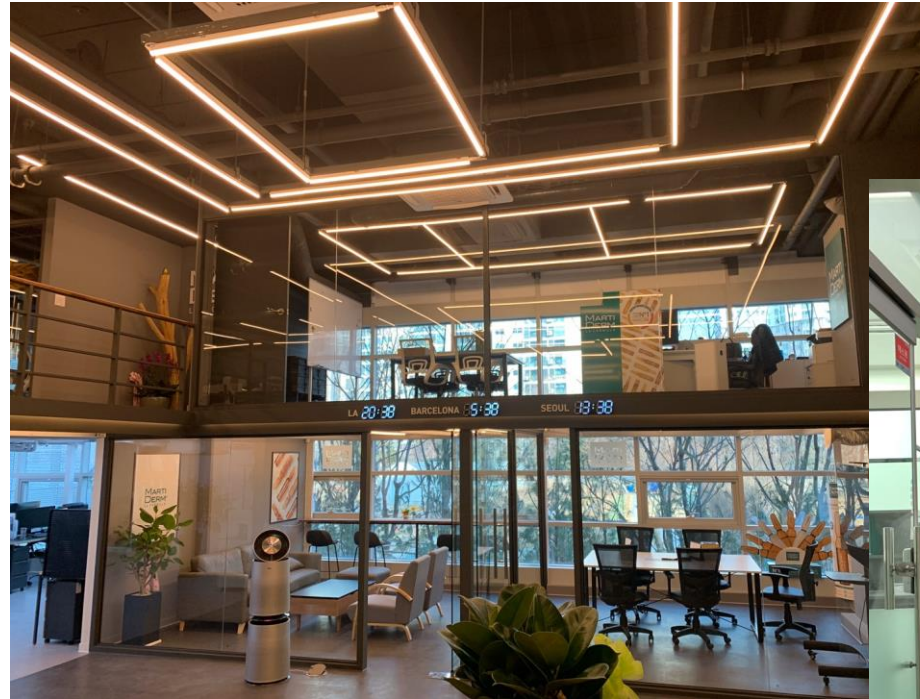


2017 – 2021: “Learning by doing” on product & channel management

Factors of success



Doing business through a Korean Area Manager, and a partner being “one more of MARTIDERM”



Merry N B offices



Business model

A Spanish laboratory with

- No experience then in Asia, but strong will to expand internationally
- A great portfolio: Smart Aging dermocosmetic ampoules
- Ready to take risks & invest
- Ready to adapt business model

Choice of a distributor in Korea with

- Experience in dermocosmetics
- Limited brand portfolio, i.e strong FOCUS
- Brave enough to launch glass ampoules
- Ready & able to invest, assuming risks & hurdles
- Innovating in sales channels

TRUST



Sales channels

Phase 1: Duty Free (+ E-commerce)

- Very powerful chains in Korea
- Key image driver & international “showcase”: Global Brand, Medical premium
- Online & Offline
- Ampoule focus



Lotte duty free



Shilla duty free

- Own e-commerce
- Key e-commerce platforms

Sales channels

Phase 2: Home shopping

- TV: many hurdles, very long process => usually refused by brands
- Brave step, lots of efforts to launch successfully in Sept 2017.
- Great sales driver



Sales channels

Phase 2: Doctor channel

- Medical premium brand => needed to address doctors
- Initially launched with MartiDerm premium range only
- Not exclusive enough => launch of a specific medical brand



“Reverse innovation”

Nota: Product adaptation from Korean insights: Easy opener



Sales channels

Phase 3: current Home TV & e-commerce

- COVID: boom of online shopping => sales increase on e-commerce platform
- Home TV still key for business



Next?

- Product range diversification
 - Target segmentation
 - Still room to expand into new channels :
 - Representing Spanish Beauty in the market
-
- Maintaining our strong partnership in Korea
 - Great experience of working in Korea
 - Korea as global showcase => international expansion





Thank you!



감사합니다

MartiDerm:

<https://martiderm.com/en/>

<https://www.linkedin.com/company/martiderm/mycompany/>

Sylvain Gleizes

[linkedin.com/in/sylvaingleizes](https://www.linkedin.com/in/sylvaingleizes)