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Home Furnishings in South Korea

PROSPECTS

Strong competition in home furnishings

Consistent growth in home furnishings is leading to changes in traditional business territories. Hanssem began to provide a home interiors consulting service through Rehaus from 2016, and Ikea started to offer a home interiors consulting service from 2018. Hyundai Livart acquired Hanwha L&C in 2018, and also Shinsegye acquired Casamia in 2018. Both companies own department stores, where they can display premium home furnishings and suggest luxurious lifestyles using imported interiors products, such as from Williams-Sonoma from the US and Granit from Sweden. Moreover, bathroom companies, which concentrate mainly on home improvement, extended their business into home furnishings, such as Daelim B&Co. Therefore, home furnishings companies and home improvement companies are expected to move across territories to expand their shares over the forecast period.

Sleeping products with IoT technology

High interest in quality of sleep has become a business opportunity in South Korea.

Bedroom furniture and mattress companies are developing products combined with IoT technology, which can even be funded by the Ministry of Trade, Industry and Energy. Motion beds were usually placed in hospitals to help patients be more comfortable; however, such beds are now becoming more popular in the B2C market. Emons and Cherish have introduced motion beds with a sleep sensor embedded in the mattress. Consumers' sleeping patterns can be detected by the sensor and the data is sent to their smartphone or a sleep center run by bedroom furniture companies. These companies can provide the right mattress and home textiles to increase the quality of sleep, which will drive sales of bedroom furniture, especially mattresses, in the forecast period.

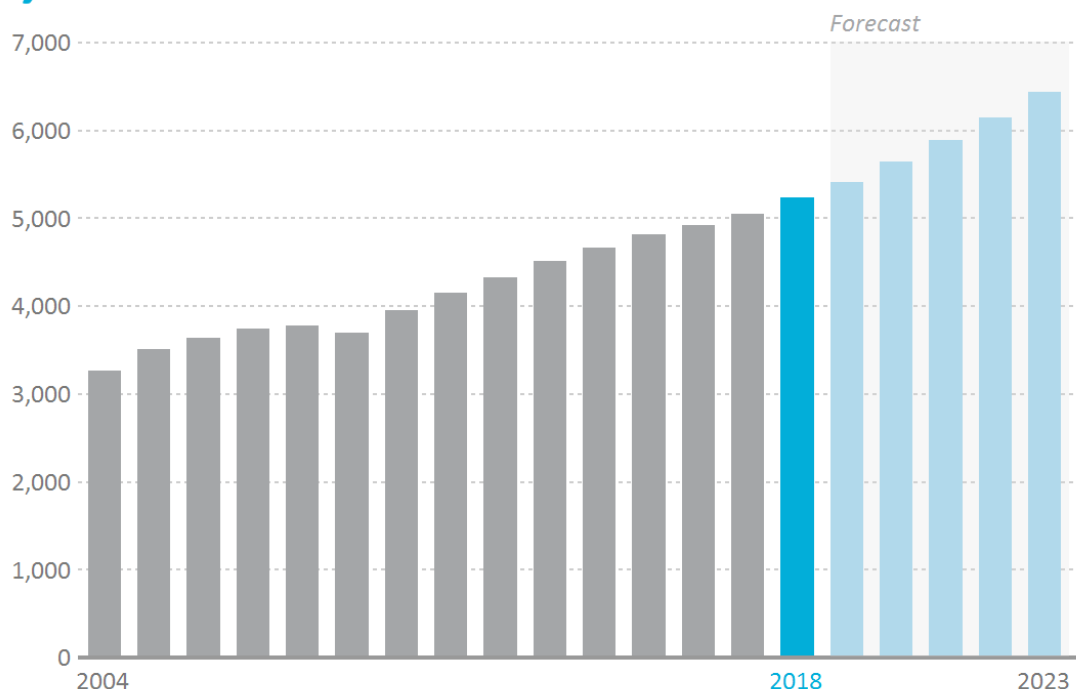
A slow shift from offline to online

Traditional consumers are willing to purchase home furnishings at offline shops because they want to see the furniture to check its size and color and match it with the style of their home interior. However, the increasing number of single-person households and convenient delivery are changing this pattern. The majority of consumers still visit offline shops, but some now purchase furniture

Sales of Home Furnishings in South Korea

Retail Value RSP - KRW billion - Current - 2004-2023

5,213



online after finding the cheapest price. If consumers spend a certain amount online then they receive free shipping, which is an attractive offer. In particular, consumers who live in remote areas who want to buy stylish home furniture do online; therefore, major companies such as Hanssem, Ikea, and Livart keep developing their online channels.

COMPETITIVE LANDSCAPE

Hanssem continues to lead home furnishings

Hanssem remained the leading company in home furnishings in value terms in 2018. Rehaus, Hanssem’s flagship interior consulting service, contributed to the company’s sales. In addition, it sells its products through various distribution channels, especially internet retailing and home shopping. For example, Hanssem promotes kitchen and bathroom furniture sets through home shopping with price discounts. Consumers can also receive comprehensive information over at least an hour, therefore boosting sales through this channel. In addition, Hanssem invested in technology by forming a partnership with LG Electronics and producing furniture with IoT function. However, the strong competition in home furnishings negatively impacted Hanssem’s sales, leading to an overall sales and share decline in 2018.

Ikea Korea follows in second place

In contrast to Hanssem, Ikea Korea witnessed sales growth in 2018, by opening another outlet at Goyang and improving its internet retailing service. Ikea sells Scandinavian home furnishings style to Korean consumers. It also developed a shipping service with a reasonable price, leading to growth in its value sales and share in 2018.

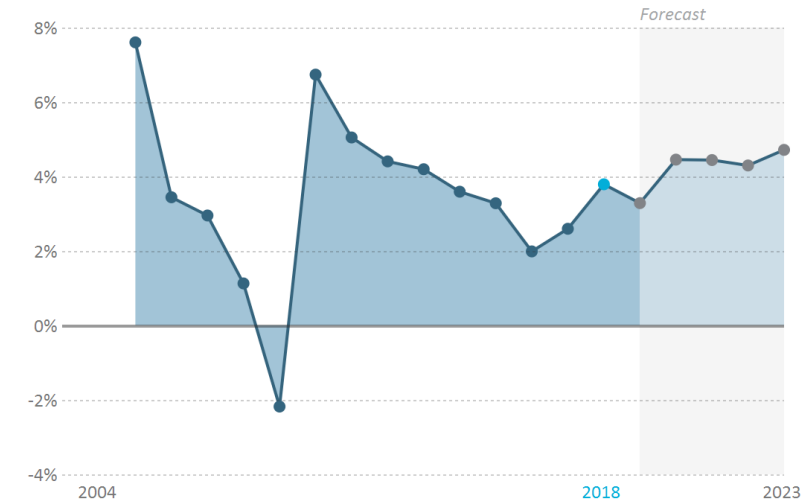
Radonphobia impacts mattresses

Radon, which can cause lung cancer, was found in mattresses in 2018; the nuclear safety and security commission proclaimed that the exposure dose of radioactivity from some mattresses was over nine times the safety threshold. Mattresses produced by Daejin, Casamia, Enex, and Sealy were among those which were found to contain radon; thus, their sales were negatively affected by this issue. Consumers were willing to buy relatively “safer” mattresses, such as Ace and Livart; they began to check the safety guarantee when purchasing a mattress. Therefore, all companies now display their product safety guarantees on their advertising and online sites. Due to such efforts, sales of mattresses are expected to see current value growth over the forecast period. ■

Sales Performance of Home Furnishings in South Korea

% Y-O-Y Retail Value RSP Growth 2004-2023

3.8%

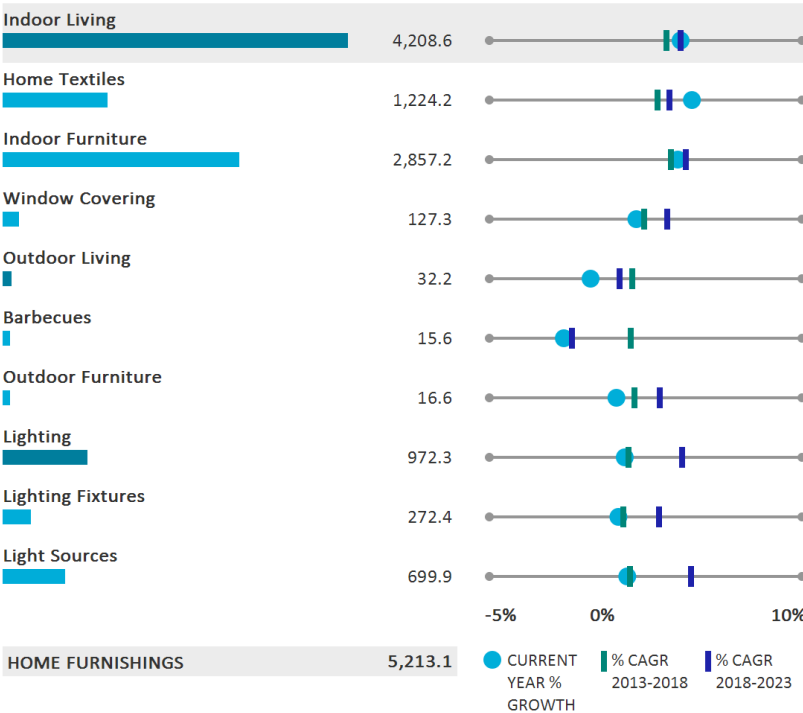


Sales of Home Furnishings in South Korea by Category

Retail Value RSP - KRW billion - Current - 2018

Growth Performance

Click on a Category to update Sales Chart



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