



**NEW ZEALAND**  
**TRADE & ENTERPRISE**  
Te Taurapa Tūhono

# PET FOOD IN SOUTH KOREA

EAST ASIA MARKET RESEARCH

NOVEMBER 2022



# About this report

## Background

This report has been prepared by NZTE's East Asia Market Research team, with the aid of NZTE's Seoul office.

This report is intended to present an overview of the pet food industry in South Korea for the benefit of New Zealand exporters.

The report focuses on dog and cat food only. All other types of pet food and pet care products are out of scope.

## Definitions

For the purposes of this report, **pet food** refers to **dog and cat food only**, and excludes other types of pet food.

## Methodology

This report primarily uses data from Euromonitor, Korea International Trade Association (KITA), and ITC Trade Map.

Data from these sources has been supplemented with desk research and expert industry interviews sourced via the OnFrontiers expert network.

All sources are listed in the footnotes at the bottom of each page.

## Limitations

Import and export figures have not been adjusted for re-exports and must be read with caution.

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# Key takeaways



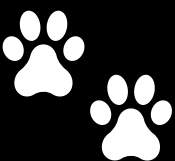
## Imported brands enjoy an advantage

South Korea's pet food industry is dominated by imported pet food, and the value of imports has been rising. Korean consumers have a high level of trust in the quality of imported pet food.



## Domestic brands are growing stronger

Consumer perception of domestic brands is rapidly improving and local brands are gaining popularity. Wooriwa has a solid presence in the economy segment, while Natural Core and Harim making inroads in the premium segment.



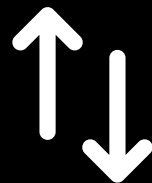
## Toy dogs preferred, cats on the rise

Toy dogs, especially white or cream coloured dogs, are especially favoured by Koreans. While dogs are more common than cats, the cat population is increasing significantly, and the market for cat food is forecast to surpass dog food in 2025.



## Pets are members of the family

South Koreans are increasingly viewing companion animals as family members. The trend of humanisation is driving increased spending – not only on pet food, but pet care in general, including pet treats and supplements.



## Consumer spending is polarising

Mid-range brands stand to lose out, as consumers either trade up to premium or super premium brands, or opt for economy brands. Overall, consumers are demanding higher quality, safe and nutritious products for their pets.



## E-commerce is king

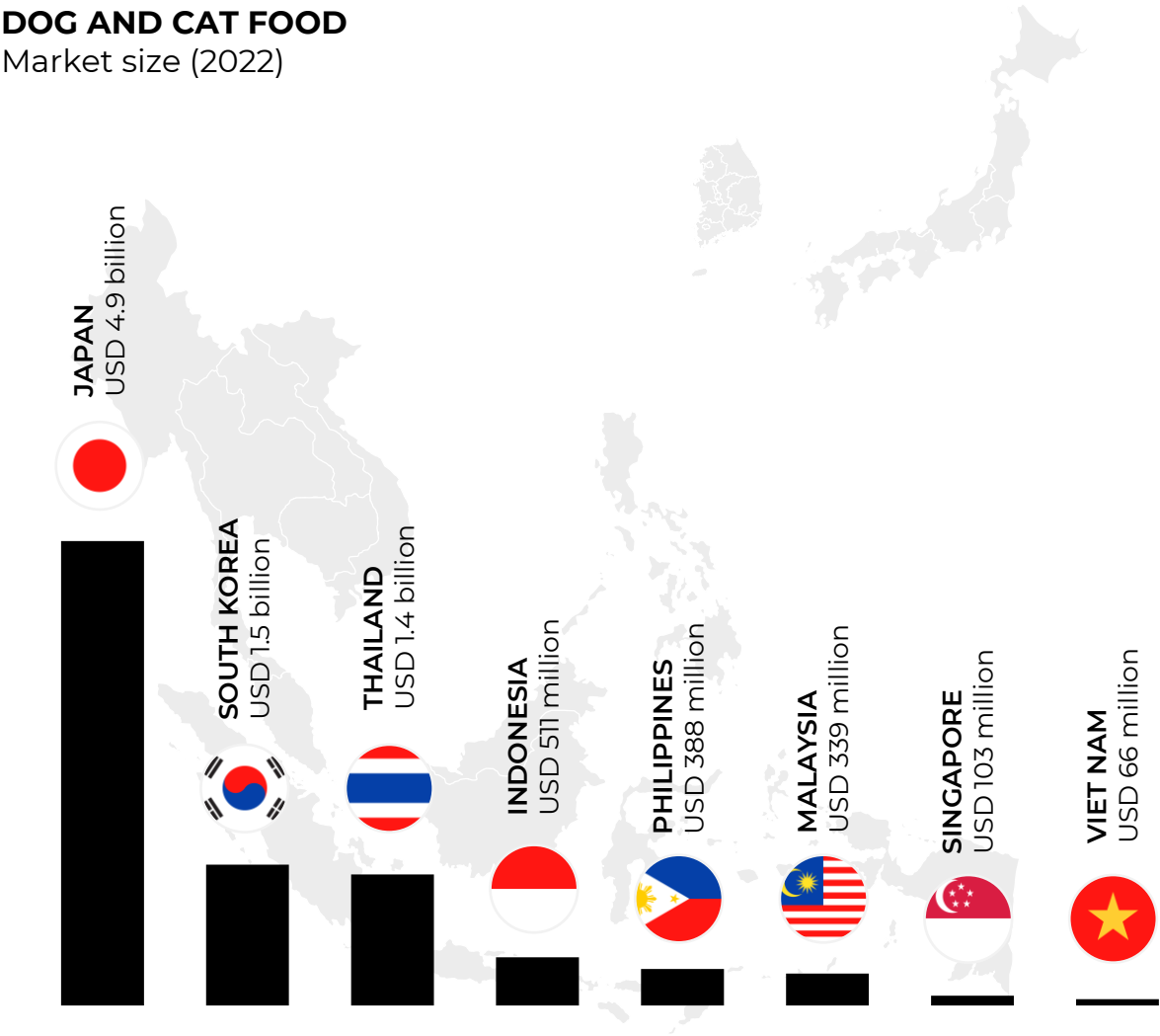
E-commerce is now the top distribution channel for pet food, at the expense of bricks-and-mortar channels. Major e-commerce platforms **Naver**, **Coupang**, **11<sup>th</sup> Street** and **CMarket** dominate in South Korea, alongside a great many pet-specific e-commerce websites.

SECTION 1

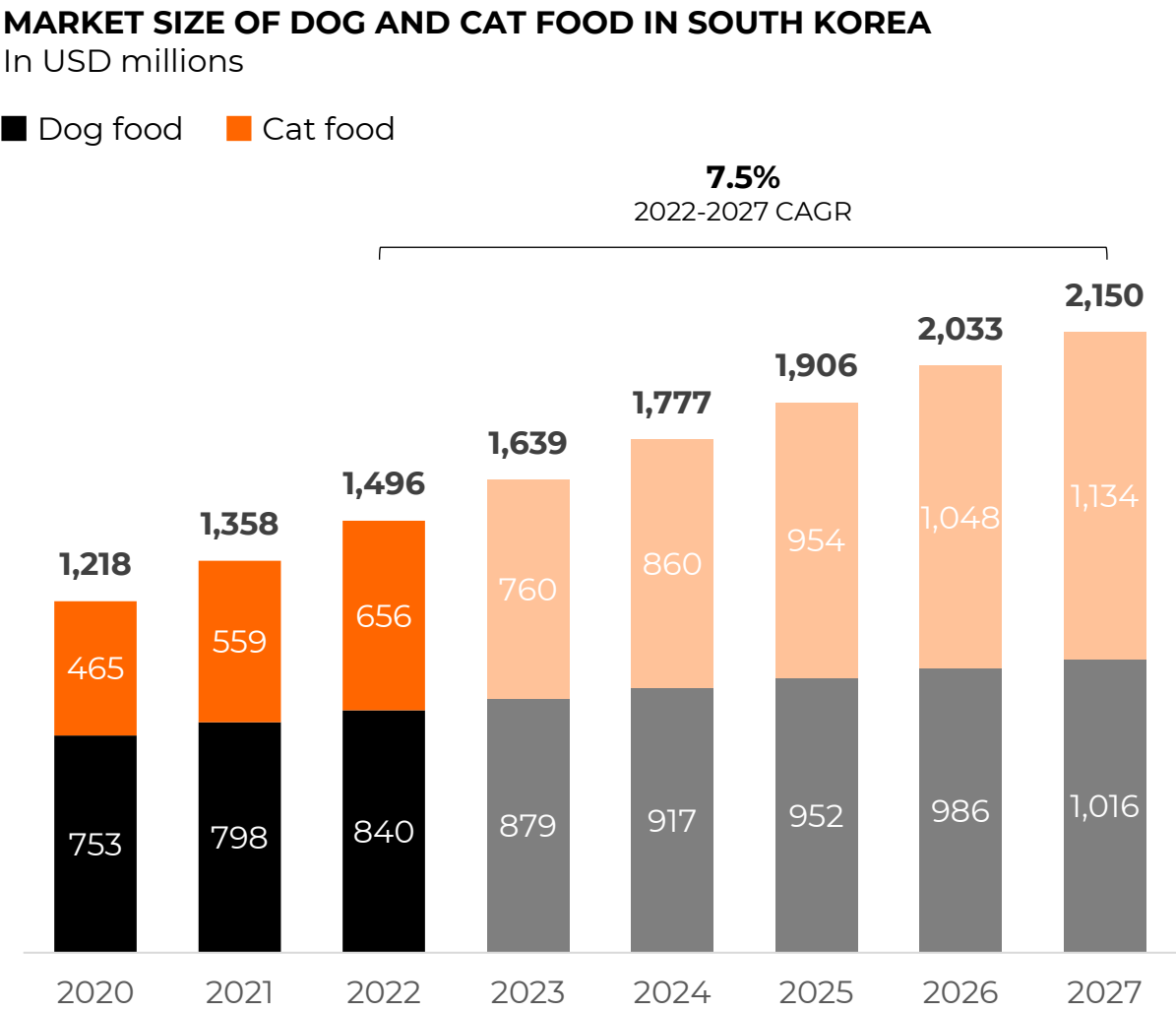
# MARKET OPPORTUNITY

# South Korea is the second largest market for pet food in the East Asia region, cat food is expected to drive much of future category growth

**DOG AND CAT FOOD**  
Market size (2022)

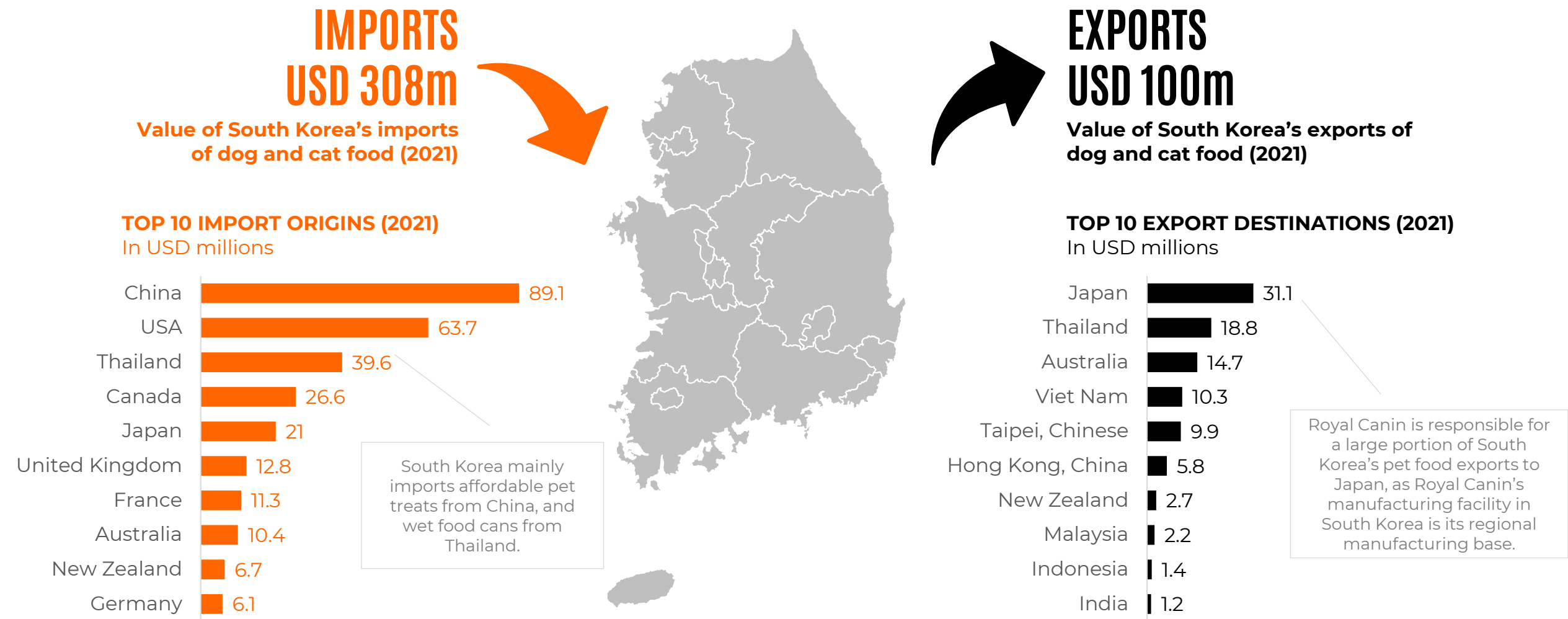


**MARKET SIZE OF DOG AND CAT FOOD IN SOUTH KOREA**  
In USD millions



Source: Euromonitor

# South Korea imports three times as much pet food as it exports, primarily from China, USA and Thailand



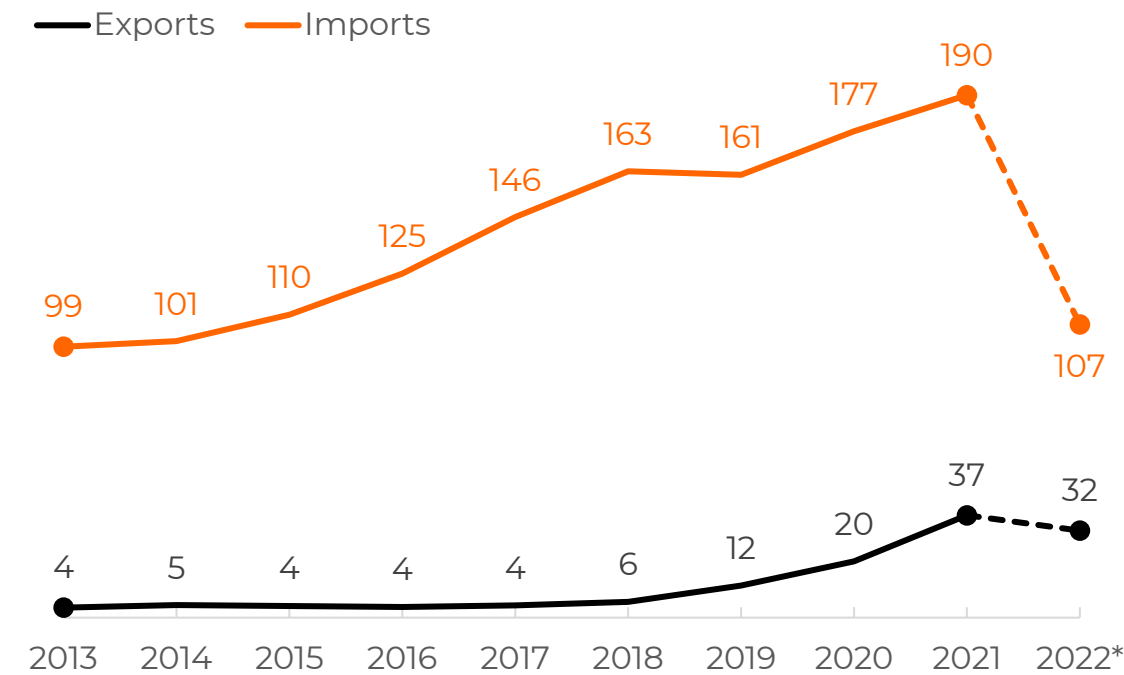
Source: ITC Trade Map  
Notes: Re-exports have not been accounted for.

# South Korea’s imports of dog and cat food continue to grow in value due to price increases and rapid growth in high value treats and supplements

Imports of dog food reached a high of USD 190 million in 2021, while cat food reached USD 118 million. South Korea’s exports are also on the rise as domestic manufacturers look to export markets for growth.

**SOUTH KOREA’S IMPORTS AND EXPORTS OF DOG FOOD**

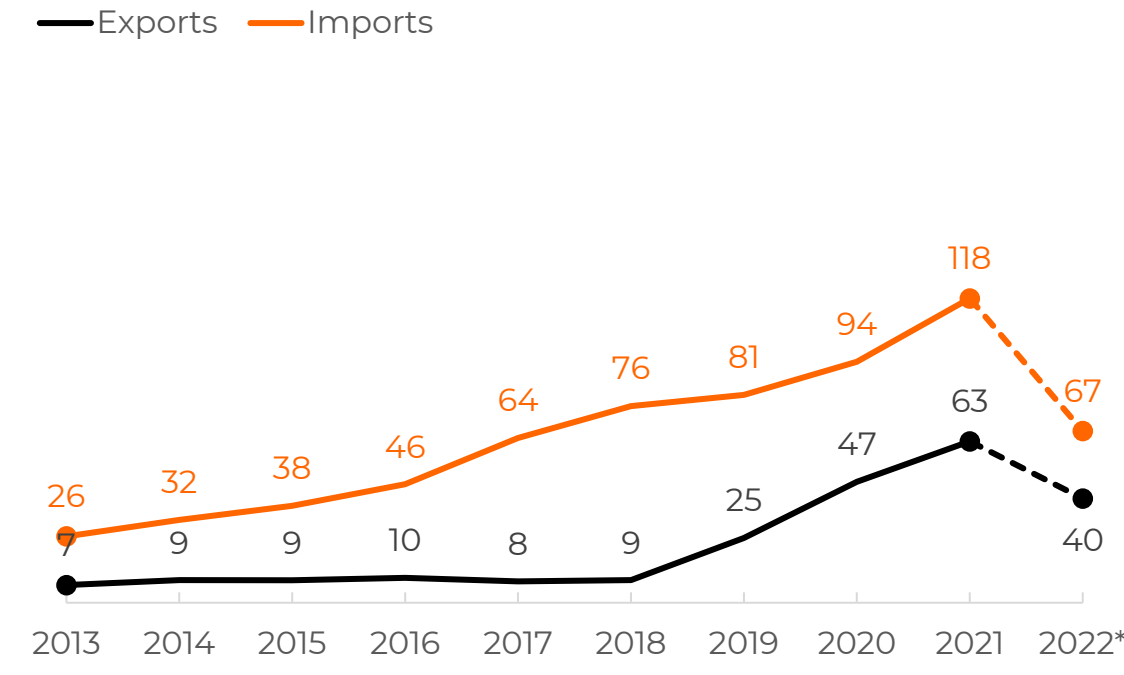
In USD millions



\*January to June 2022

**SOUTH KOREA’S IMPORTS AND EXPORTS OF CAT FOOD**

In USD millions



\*January to June 2022

Source: Korea International Trade Association (KITA)  
Notes: Dog food (HS 2309101000); Cat food (HS 2309101000). Re-exports have not been accounted for.

# South Korea has a sizeable domestic pet food industry, but local brands do not command as much of a price premium as imported brands

Based on the latest available full year production statistics, domestic industry accounted for 62% of the market by volume in 2019. The domestic industry in South Korea is sizeable, and will increase as local players ramp up manufacturing capacity and more companies enter the industry. However, most domestic brands mainly play in the economy segment, and domestic brands do not command as much of a price premium as imported brands.

DOMESTIC | 62%

% of total market by volume

PRODUCTION

109,740 tonnes

According to the Ministry of Agriculture, Food and Rural Affairs (MAFRA), South Korea produced **109,740 tonnes** of dog and cat food in 2019.

EXPORTS

13,166 tonnes

Assuming that all of South Korea's exports of dog and cat food are domestically produced, **96,574 tonnes** theoretically remained in the market.

minus

IMPORTS | 38%

% of total market by volume

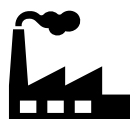
IMPORTS

58,641 tonnes

According to the Korea International Trade Association (KITA), South Korea imported **58,641 tonnes** of dog and cat food in 2019.

# Well-known international brands considered superior to domestic pet food brands, but reputation of domestic brands is improving

Industry insiders estimate that **by value**, imported pet food accounts for **between 65% to 70%** of the market.



## Domestic pet food industry led by large food companies

Most of the domestic pet food companies in South Korea are subsidiaries of major FMCG or F&B conglomerates.

- The leading domestic pet food company, Wooriwa, is owned by Daehan Flour Mills, one of the oldest milling companies in South Korea. Daehan Flour Mills also owns the industrial animal feed manufacturing company, Daehan Feed.
- Dongwon F&B, which manufactures the Nutriplan brand, is South Korea's largest canned tuna company and is a household name in South Korea.
- Harim Pet Food is part of the conglomerate Harim Group, which owns industrial feed manufacturer Jeil Feed.



## Domestic manufacturers are investing in higher production capacity

In recent years, domestic pet food companies have begun setting up separate manufacturing facilities for pet food. However, these plants have only been operational for a handful of years, and more time is required to build trust with South Korean consumers.

- Factories belonging to Harim and Wooriwa, both well-known pet food companies in South Korea, became operational in 2017 and 2020 respectively.
- Royal Canin set up a manufacturing plant in South Korea in 2018, which is now the production base for Royal Canin in the Asia Pacific region.



## High level of trust in quality standards of imported pet food brands

South Korean consumers believe that international pet food manufacturers adhere to superior quality and manufacturing standards, compared to the domestic industry.

In South Korea, pet food manufacture is governed by the Feed Management Act, which is designed for industrial animal feed.

Korean consumers opt for imported pet food due to:

- Wider selection of premium products
- Better nutrition
- Trust the quality and manufacturing process
- Better labelling of ingredient and origin

SECTION 2

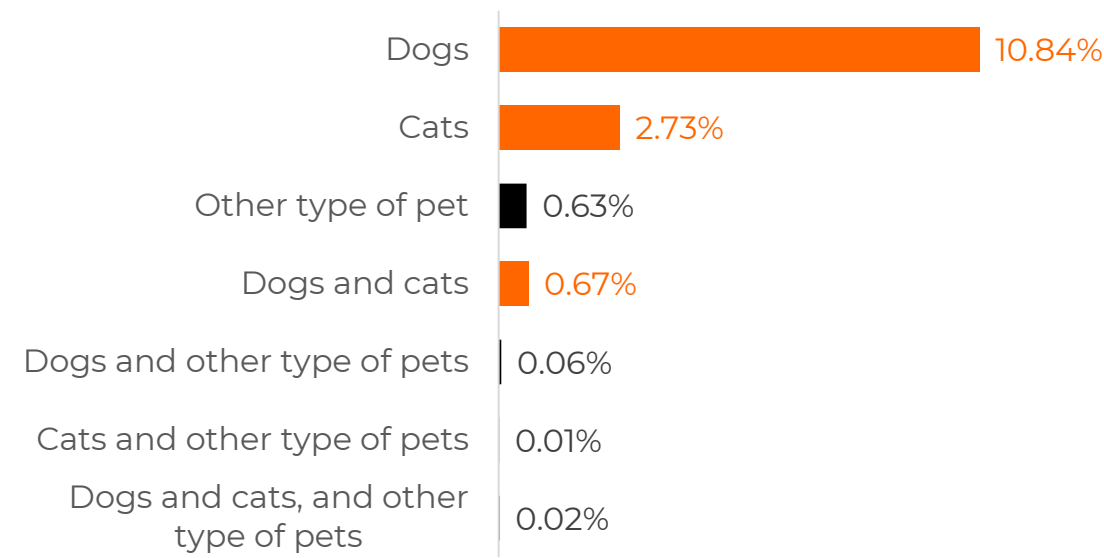
# PETS AND PET OWNERS

# Dogs are the most popular type of pet in South Korea

According to the 2020 Population and Housing Census conducted by Statistics Korea, **15% of households** (or about **one in seven** households) raise pets in South Korea. However, industry experts believe this could be underestimated, and up to as many as a third of households own pets in South Korea.

**HOUSEHOLDS WITH PETS, BY TYPE OF PET**  
% of total households

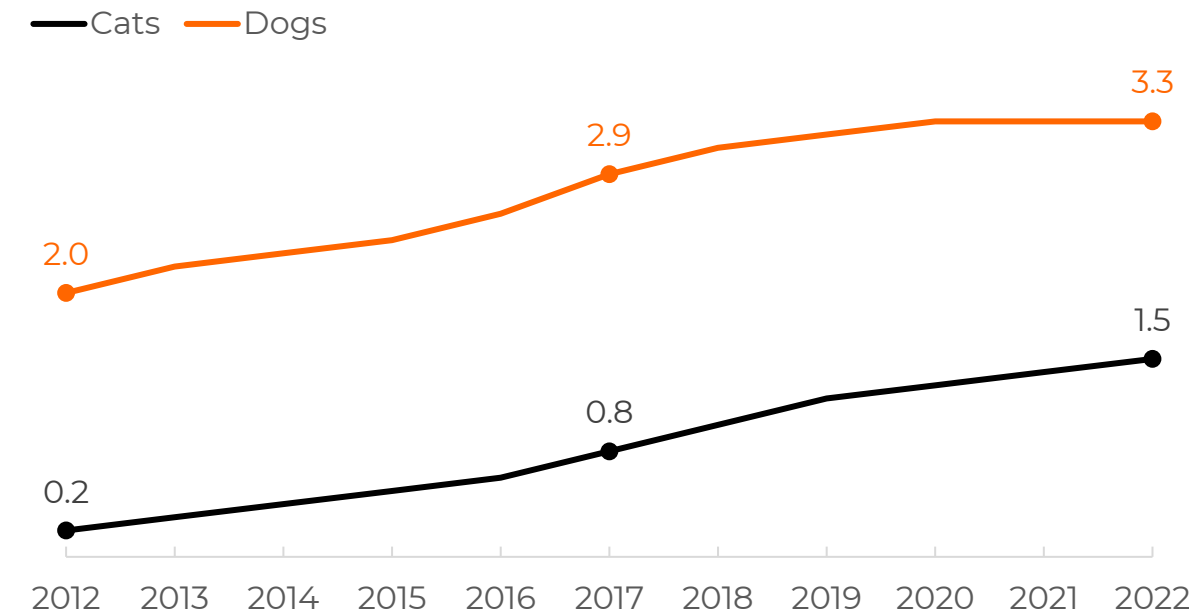
Dogs are the most common type of pet, by far. Only 2.7% of households in South Korea own a cat.



Sources: Statistics Korea, Euromonitor

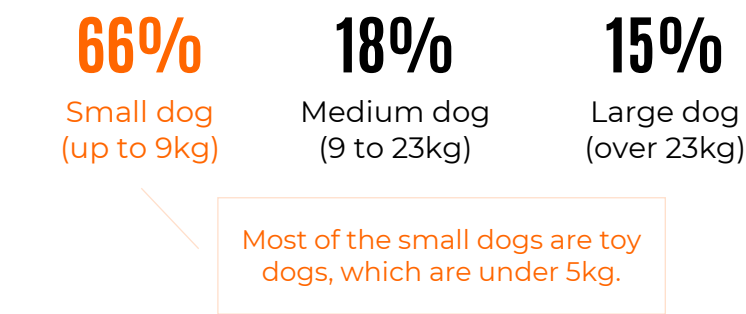
**POPULATION OF DOGS AND CATS IN SOUTH KOREA**  
Millions of animals

From 2017 to 2022, the dog population grew at a CAGR of 3%, whereas the cat population grew at a CAGR of 13%.

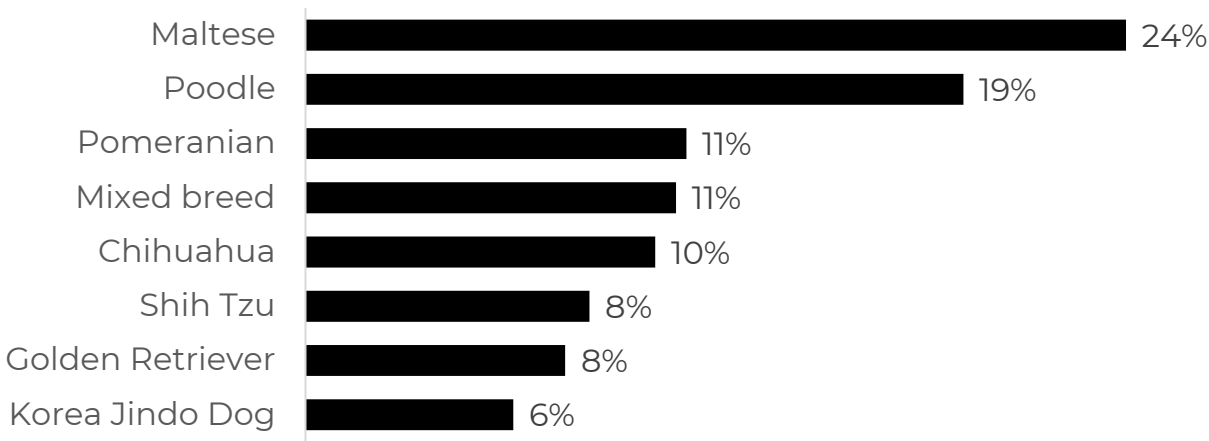


# Small dog breeds and cats are incredibly popular in South Korea due to appearance and lack of space in apartments

**DOG POPULATION BY SIZE**  
% of total dog population

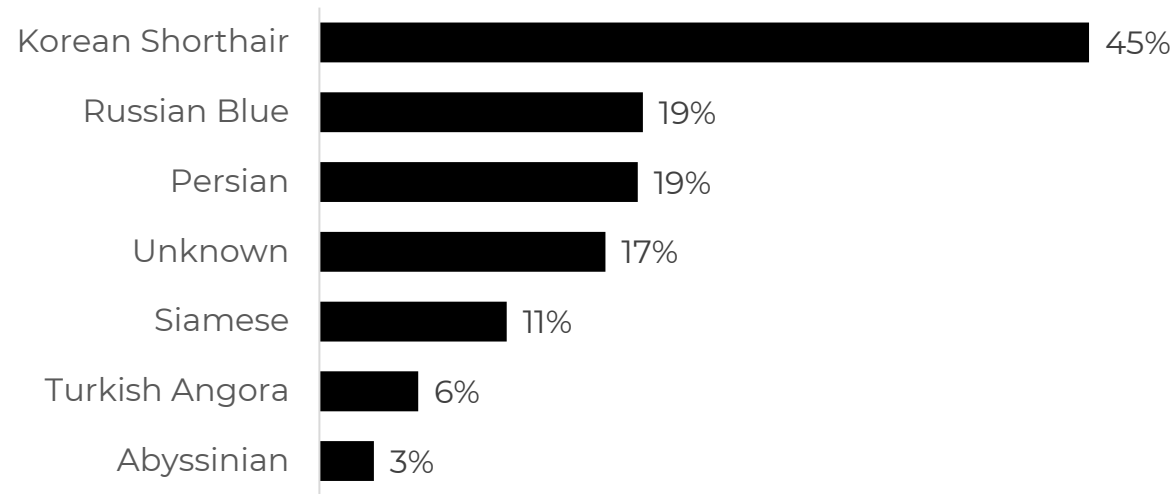


**TOP DOG BREEDS**  
% of respondents



The Korean shorthair refers to the non-pedigree, mixed breed cats commonly found across the country. Fur patterns, colouring and markings vary widely.

**TOP CAT BREEDS**  
% of respondents



## **Small dogs, especially white or cream coloured dogs, are favoured by South Korean consumers.**

Pet owners treat their beloved pets as family members or children, and therefore are increasingly willing to spend on pet food with better nutrition. Small dogs, which consume less food, allows consumers to trade up to premium brands.



# Industry experts believe that female consumers tend to be the main decision makers and buyers of pet food

The demographics of pet owners in South Korea are not well-researched, with discrepancies arising between surveys. However, industry experts believe that females are the target consumer group as they tend to be the main decision makers and buyers of pet food, and are more likely to splurge on their pets.

## 2020 Population and Housing Census

The 2020 Population and Housing Census in South Korea is the most reliable source, as it surveys 20% of households in South Korea and has the largest sample size.

However, the census does not track the gender of the pet owner, and only tracks the gender of the head of the household, which skews the results to males.

According to the census, male-led households accounted for 65% of households with pets, while female-led households accounted for the remaining 35%.

However, **15.8% of female-headed households raised pets, higher than 14.5% of male-headed households**, suggesting that females are likely to be a key consumer segment for pet products.

## MAFRA

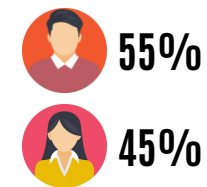
The Ministry of Agriculture, Food and Rural Affairs (MAFRA) in South Korea runs an annual Animal Protection Perception Survey.

The survey is run across 5,000 adult men and women aged 20-64 across 17 cities in South Korea.

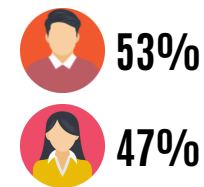
The sample size is far smaller than the national census. Furthermore, the results of the MAFRA survey have already been called into question due to discrepancies between the MAFRA survey and the national census. Hence, results of this particular survey should be read with caution.

Based on a sample of 945 dog owners and 243 cat owners, it seems that pet owners in South Korea skew slightly towards males. However, note that the MAFRA survey is also likely to be affected by the same issues as the national census, to some degree.

### DOG OWNERS



### CAT OWNERS



However, the MAFRA survey did find that **74.2% of surveyed females identified as the main caretaker, compared to only 60.7% of surveyed males.**

# Expect digital channels to become important avenues of information and influence on South Korean consumers

When we last surveyed pet owners in February 2020, recommendations from family, friends and veterinarians were among the top motivations driving the first trial of a new product. However, the way that Korean consumers access and consume information is shifting rapidly, and we expect digital channels to gain importance.

## MOTIVATIONS DRIVING FIRST TRIAL (TOP 10)

% of respondents

Why did you first start feeding your dog/cat with the product you feed currently? Please select all that apply.



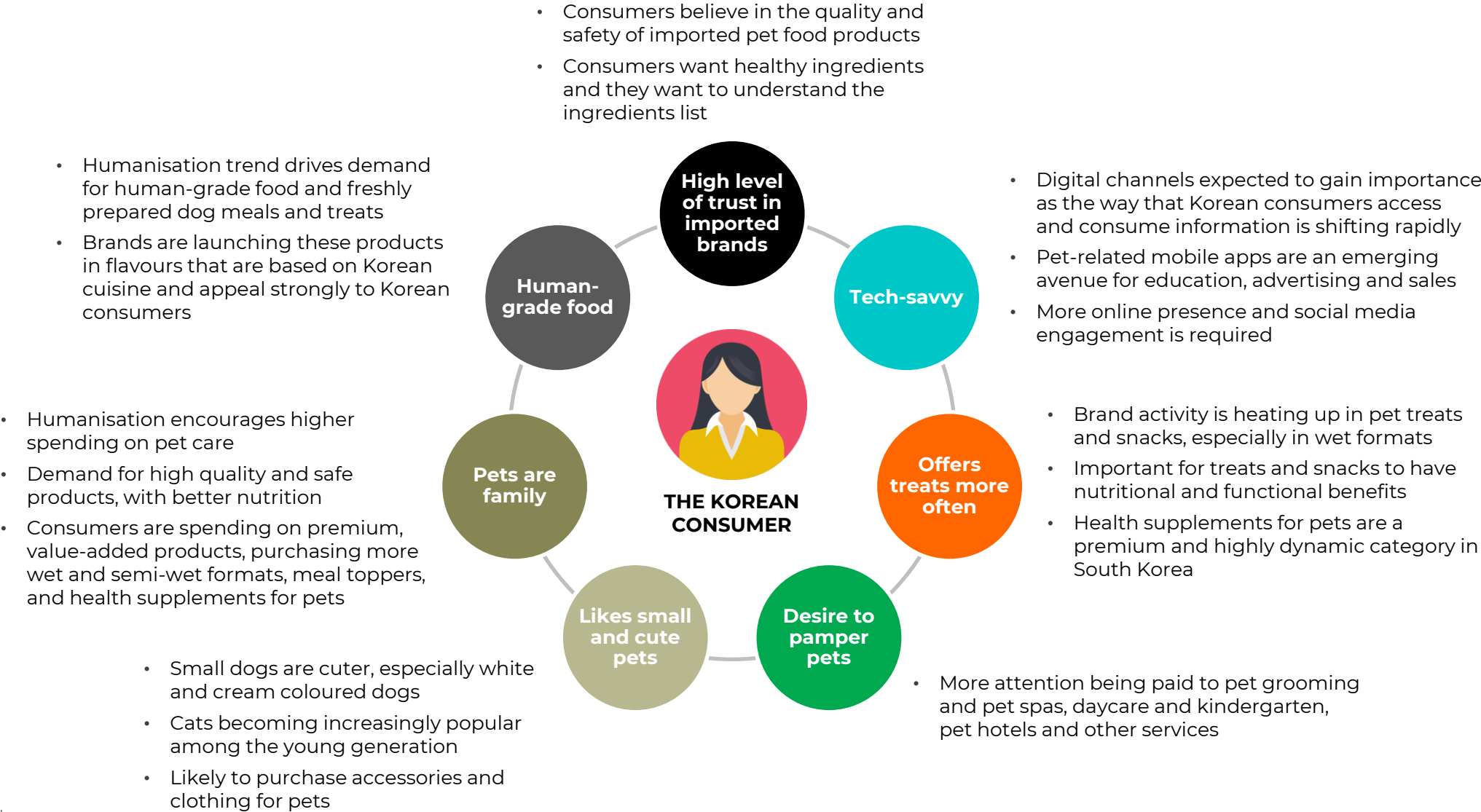
## Pet-related mobile apps are an emerging avenue for education, advertising and sales

Pet-related mobile apps are proliferating in South Korea, with apps addressing everything from **healthcare** (TTcare by AI FOR PET, Dogibogi) and **smart technology** (Catmos), to **pet services** (Petner, Dog Master, 21gram, Pet Price, Petfins) and **pet-specific social media** (BlockPet, Pobl, Hola Pet).

More importantly, mobile applications are beginning to overtake e-commerce websites as go-to destinations for shopping for pet food and pet supplies. Some of these apps also allow pet owners to key in details about their pets and receive personalised nutritional advice and brand recommendations.

- **FitPet:** A healthcare start-up for companion animals, which allows pet owners to monitor their pet's health and test for health conditions. The platform makes personalised product recommendations using each pet's health data.
- **Pet Friends:** Widely acknowledged to be the leading online pet store in South Korea. Offers one-hour delivery for pet supplies. (<https://www.pet-friends.co.kr/>)
- **Bite Me:** Online marketplace for pet supplies (<https://www.biteme.co.kr/>)
- **Doggerbox:** Personalised nutrition and feed advice (<https://doggerbox.com/>)
- **Petlike:** Trial and product review platform for pet food (<http://www.petlike.net/>)

# Key takeaways



SECTION 3

# TRENDS AND DEVELOPMENTS

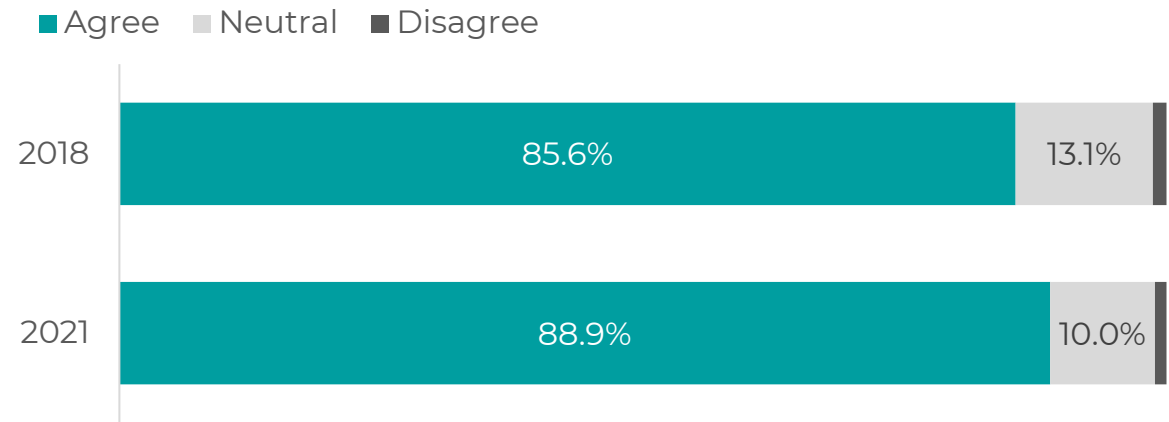
# The humanisation trend gains momentum; South Koreans are increasingly viewing companion animals as family members

## An increasing number of pet owners and the general population agree that a pet is a member of the family

This shift in attitudes is present even among the general population, of which 64.3% agreed that a pet is a member of the family in 2021, up from 58.6% in 2018.

### “A PET IS A MEMBER OF THE FAMILY”

% of pet-owning households



Sources: Korea International Trade Association (KITA), OnFrontiers expert interviews

## Emergence of neologisms that reflect a new pet-inclusive household dynamic

- **PetPam** is a portmanteau, coined from the words ‘pet’ and ‘family’. This term has gained prominence in mainstream discourse, and refers to pet owners who treat their beloved pets as family members or children.
- **DINK+Pet** refers to couples who choose to have pets instead of children.
- **Jibsa** is a term that some pet owners (particularly cat owners) use to refer to themselves. Jibsa, which is roughly translated to ‘servant’ or ‘butler’, is jokingly used by cat owners to describe themselves as servants of their cats.

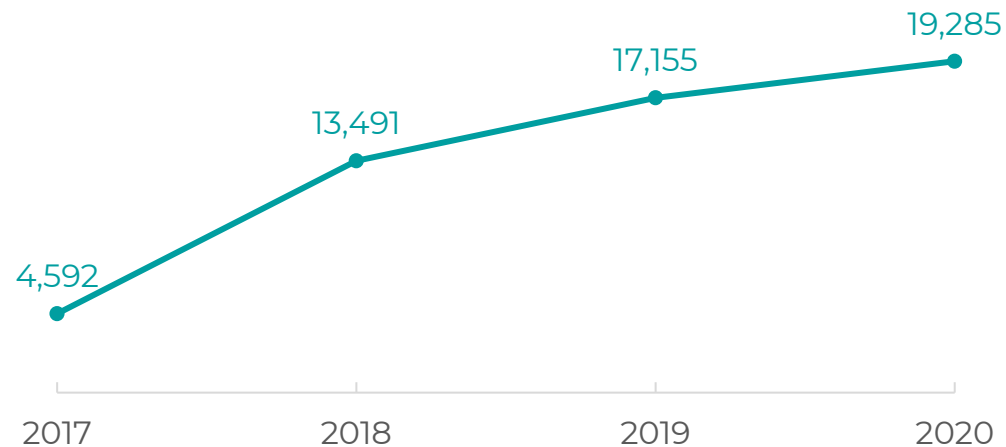
## Amendments to the law reflects a wider societal shift in the value of companion animals

- The Korean government has amended the law to grant companion animals a separate legal status from industrial animals. This will provide greater protection for pets under the law, as a harsher punishment will be meted out to an individual who harms a companion animal.
- Pet registration and microchipping is becoming a new priority for the Korean government. Mandatory registration for dogs and cats was introduced two years ago, and the government will be pushing to achieve full registration and microchipping of pets in the coming years.

# Tremendous growth in pet-related products and services, as a result of humanisation and greater willingness to spend on pets

Number of pet-related businesses in South Korea has skyrocketed

## NUMBER OF PET-RELATED ESTABLISHMENTS



Pet-related products and services are burgeoning as companies target pet-loving consumers

- Mountaineering clothing and supplies brand **Black Yak** has inked a partnership with pet food manufacturer **Rayfarm Korea**. The two companies intend to collaborate on a range of outdoor clothing and supplies for the pet market.
- Luxury brands **Hermes**, **Louis Vuitton**, **Prada**, **Fendi**, and **Tiffany & Co** have begun selling apparel, accessories and collars, and food bowls for pets.
- **Lotte Hi-Mart** launched its Hi-Made Pet Foot Cleaner & Massager, a product which is designed to wash and massage the pet's feet after walks. Lotte Hi-Mart has previously launched products such as automatic pet feeders, water dispensers, and pet dryers.
- Lotte Mart's pet specialist store **Colioli** has launched a multi-function hair clipper with a cleaning function as well as an automatic leash, car seat, and stroller.
- Kindergartens for pets are becoming increasingly popular in South Korea. **Howl Pot Care Club** was reported to have generated an average of KRW 100 million in sales per month, six months of opening. The kindergarten has a cafe, a food hall, and a beauty salon. 30 animals are assigned to a class, and trainers run socialisation classes, games, and physical education for pets. The company also offers one-on-one coaching and training academies for pet owners.

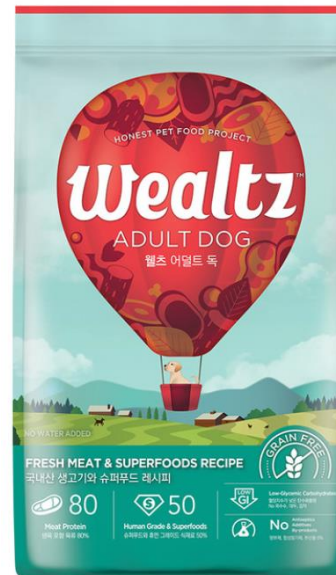
# Consumers are demanding human-grade pet food, better ingredients and better nutrition for their pets

The trend of humanisation has driven the demand for human-grade pet food. This is particularly important to South Koreans, as up until recently, domestic manufacturers produced pet food in industrial animal feed factories. Consumers want to ensure that their pet food contains high quality ingredients fit for human consumption.

**The Real is a line of raw, 100% human-grade pet food manufactured by Harim Pet Food**



**Wealtz, owned by Wooriwa Co Ltd, sells human-grade, grain-free pet food enhanced with superfoods**



**Dongwon F&B, manufacturer of dog and cat food brand Nutriplan, sells 100% human-grade canned wet food**



# Foodservice companies jump on the bandwagon for human-grade pet food and treats

## Burger King's 'The Real Dogpper'

- Burger King collaborated with Harim Pet Food to offer the 100% human-grade 'Real Dogpper' (a play on the 'Real Whopper') as part of a promotional menu in 2019. This was well-received by consumers and generated a significant amount of social media buzz. When Burger King offered free Dogppers in May 2019, home delivery orders increased by 20%.



## Foodservice companies sell treats and toys for pets

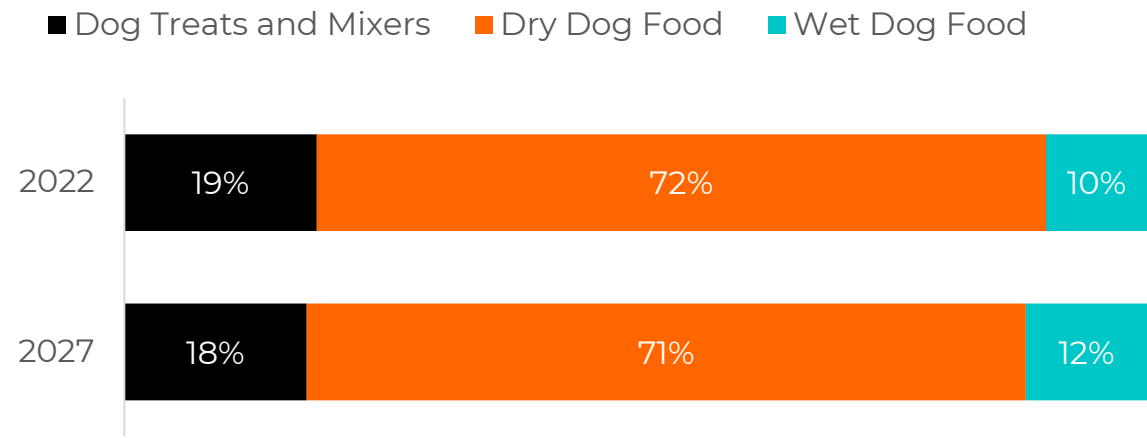
- Shake Shack** outlets in South Korea sell dog treats and toys. In 2021, Shake Shack partnered with local pet products company Howlpot to create a range of stuffed toys in the shape of burgers, fries, and milkshakes to represent Shake Shack's menu. These stuffed toys are sold at all Shake Shack outlets in South Korea, in addition to 'Bag 'o Bones' – a bag of 5 bone-shaped dog biscuits.
- In July 2021, **Dunkin' Donuts** collaborated with local pet product company Bacon Box and launched a limited edition outdoor tent for pets, and a set of stuffed pet toys.
- Coffee Bean Korea** is piloting pet-friendly stores where dog cushions and dog tableware is available for rent. Pet milk for dogs is also sold in stores.
- Fried chicken franchise BHC began selling a pet treat shaped like a chicken leg in 2021. The BHC Mung Cookie treats are sold for KRW 4,500 for a pack of six.
- Pizza chain **Mr. Pizza** introduced Mr. Petzza, a pizza formulated for dogs and cats in 2019.
- Paris Baguette** introduced a premium bakery 'FAVA DOG' at its Pangyo outlet in May 2021. It sells croissants, bread, baguettes, and pretzels for dogs.

# Wet formats will see strong growth over the next five years, particularly for cat food

Wet formats are increasingly popular for dogs as well, but the penetration of wet formats in cat food is higher due to a widespread belief that cats do not drink water. Cat owners incorporate wet food with a higher moisture content to ensure that their cats are properly hydrated.

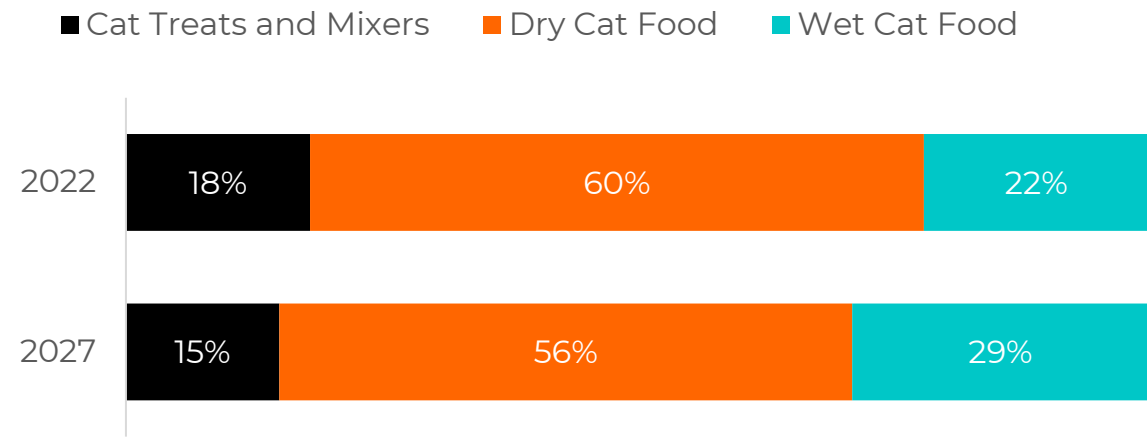
### DOG FOOD BY TYPE

% of value sales



### CAT FOOD BY TYPE

% of value sales





## Traditional Korean cuisine revolves around white rice served with an assortment of side dishes.

When feeding their pets, owners view dry food as the core component of the meal, much like white rice.

Wet food is regarded as the side dish, which should be served together with dry food.

# Pet owners believe that wet food provides better nutrition, is more easily digested, and allows them to introduce variety into their pet’s meals

Pet owners in Korea want to feed meals to their pets that resembles the food they eat – another effect of humanisation. Pet food now comes in traditional Korean-style dishes like ginseng chicken, radish soup, seaweed soup, and also in Western-style dishes like Bolognese, chopped steak, etc.

## Harim Pet Food: The Real Cuisine

The ginseng chicken porridge retails for 100g for KRW 4,500 (approximately NZD 5.35).



## The Dog: The D&C Noble Club

Korean brand **The Dog** sells wet dog food in flavours like bulgogi, pumpkin curry, seaweed soup, etc.



## Petsgreen: Freeze-Dried Soup Cubes

Petsgreen sells freeze-dried stew cubes that can be easily prepared in 3-5 minutes by adding water. The Freeze-Dried Pollack Stew retails at KRW 22,000 for 70g. The company also manufactures green-lipped mussel soup cubes from New Zealand mussels.



# Brands launch pet food and treats with alternative proteins, but animal welfare is still a niche positioning

**Domestic brands corner the market for novel proteins, but note that alternative proteins are mainly marketed for pets with allergies, rather than from a sustainability angle**

- **Bug's Pet** is a local edible insect company that manufactures dog food and treats. A 50g pouch of vegetable flakes retails for KRW 5,000 (approximately NZD 6.10).
- **Lapog Real Insect** is a brand of insect-based, hypo-allergenic dog food designed for pets that are allergic to traditional protein sources. 1kg retails for KRW 21,000 (approximately NZD 25.50).
- **Pet Guard** is another domestic brand that manufactures mealworm-based pet food. A 1.8kg bag retails for KRW 20,264 (approximately NZD 24.10).
- **Natural Core** sells mealworm-based dog food designed for dogs with sensitive skin that are allergic to traditional protein sources. 1.2kg retails for KRW 25,500 (approximately NZD 30).
- **Fabre Bio** manufactures dental chews made with crickets. A pack of 14 x 14g chews retails for KRW 11,200 (approximately NZD 13.30).
- **Pulmuone Amio** sells dog treats made of insect protein and tofu.

## Animal welfare is a tough sell in South Korea

- In 2020, Korean brand **Pulmuone Amio** launched 3 products under a new line called **Natural Food**. The chicken product is made with breast, tenderloin and leg meat from healthy chickens raised in open-style coops.



# Vegan pet food is very niche, and is led by domestic brand Natural Core

## Natural Core leads the market for vegan pet food

- **Natural Core** is a domestic brand that sells a wide range of pet food based on various protein sources, including chicken, beef, deer salmon, lamb, duck and turkey.
- Natural Core manufactures one type of vegetarian dog food for dogs with allergies, but it is not the brand's core focus.
- The **Eco 10 Vegetarian Dog Food** kibbles retail for KRW 15,000 for 1kg (approximately NZD 17.80).
- The **Sensitive Care Vege Meat Treats** made from soybean meat are claimed to be low allergen and hypoallergenic, made with food-grade vegetables and plant-based proteins. 48g costs KRW 4,500 (approximately NZD 5.40).
- Likewise, it is key to remember that vegetarian and vegan pet food is usually marketed for pets with allergies, and the products are often branded as 'hypoallergenic' or 'sensitive care'. Sustainability messaging does not feature strongly on the packaging.



# Pet milk is a niche category that initially took off among a small segment of consumers; both domestic and imported brands are available

## Milk for pets

**Seoul Milk Cooperative** has been selling iPet Milk since 2017. Imported brands, such as TopLife and Zeal are available in the market as well.



## Flavoured and herbal milk

**Food Master Group** manufactures various flavours of pet milk formulated for different life stages of pets under the **Dr Holli** brand. For the variant fortified with red ginseng, it retails for 200ml for KRW 2,300 (approximately NZD 2.70).



## Plant-based soy milk for pets

Korean company **Bobsnu** sells a 100% human-grade plant-based pet soy milk. A box of 10 x 50ml packs retails for KRW 14,000 (approximately NZD 16.60).



# Pet nutritional supplements are a high-growth segment of the pet market

The marketplace for pet nutritional supplements is extremely competitive due to a steady stream of pharmaceutical companies launching products in recent years. The barrier to entry for new entrants is low as South Korea’s strict regulations on health supplements for humans do not apply to pet products.

## ORAPHARM

Probiotics for pets



## LABIVET

Probiotics for pets, manufactured by Chong Kun Dang (one of South Korea’s leading pharmaceutical and probiotics companies) and Eagle Vet



## MEPET

Lutein supplements for pets



## BIOVITA

Ildong Pharmaceutical, which is a well-known manufacturer of probiotics for babies, launched probiotics for cats under the same brand name, BioVita

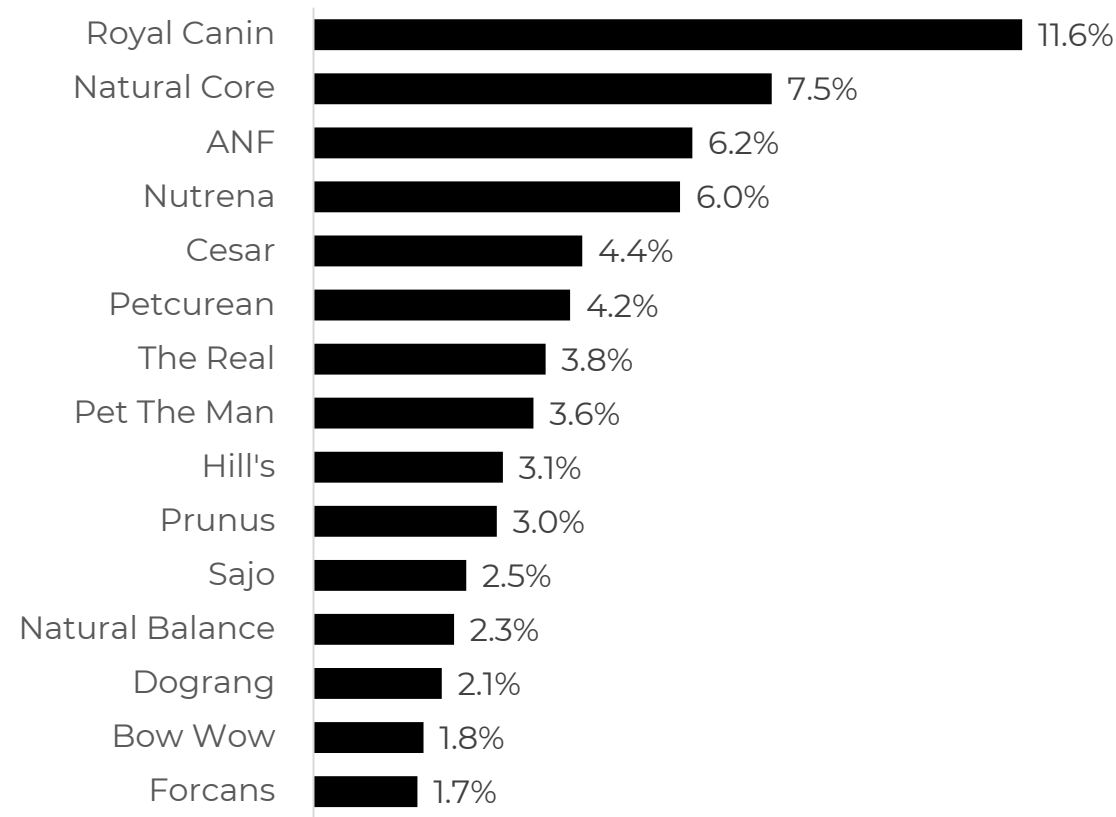


SECTION 4

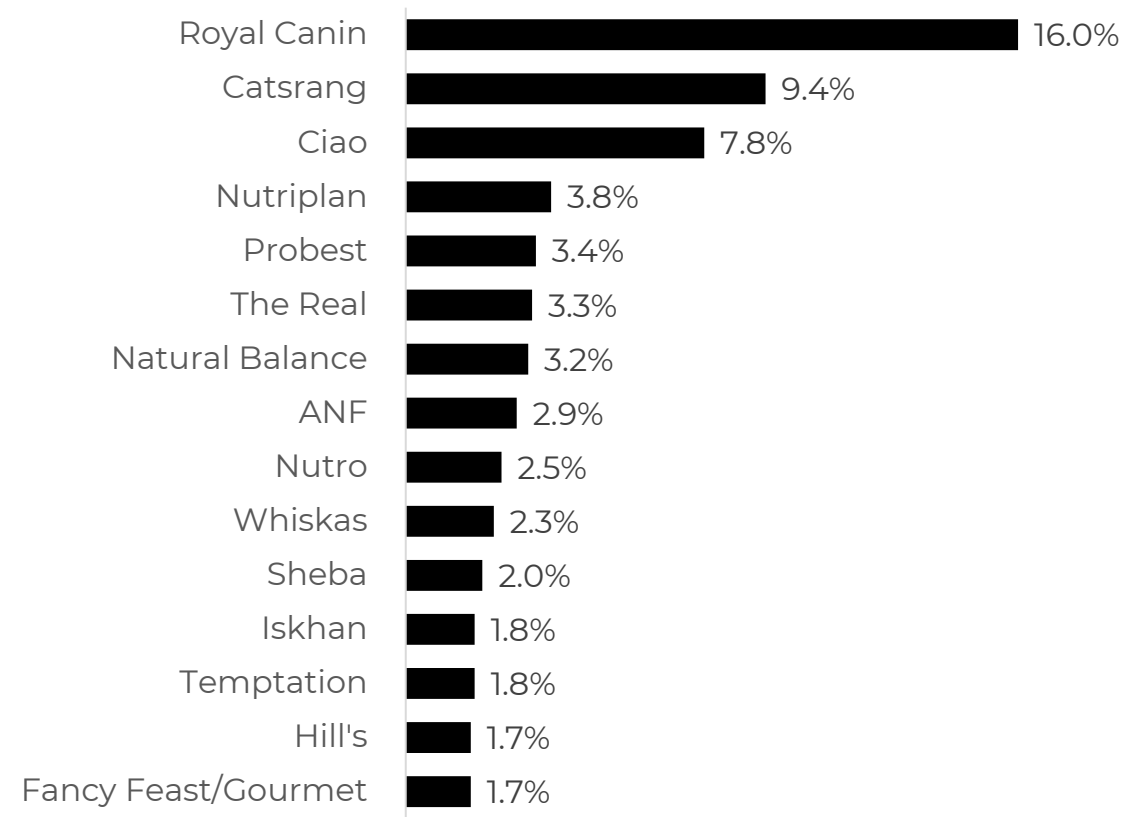
# COMPETITIVE LANDSCAPE

# Royal Canin is the leading pet food brand in South Korea

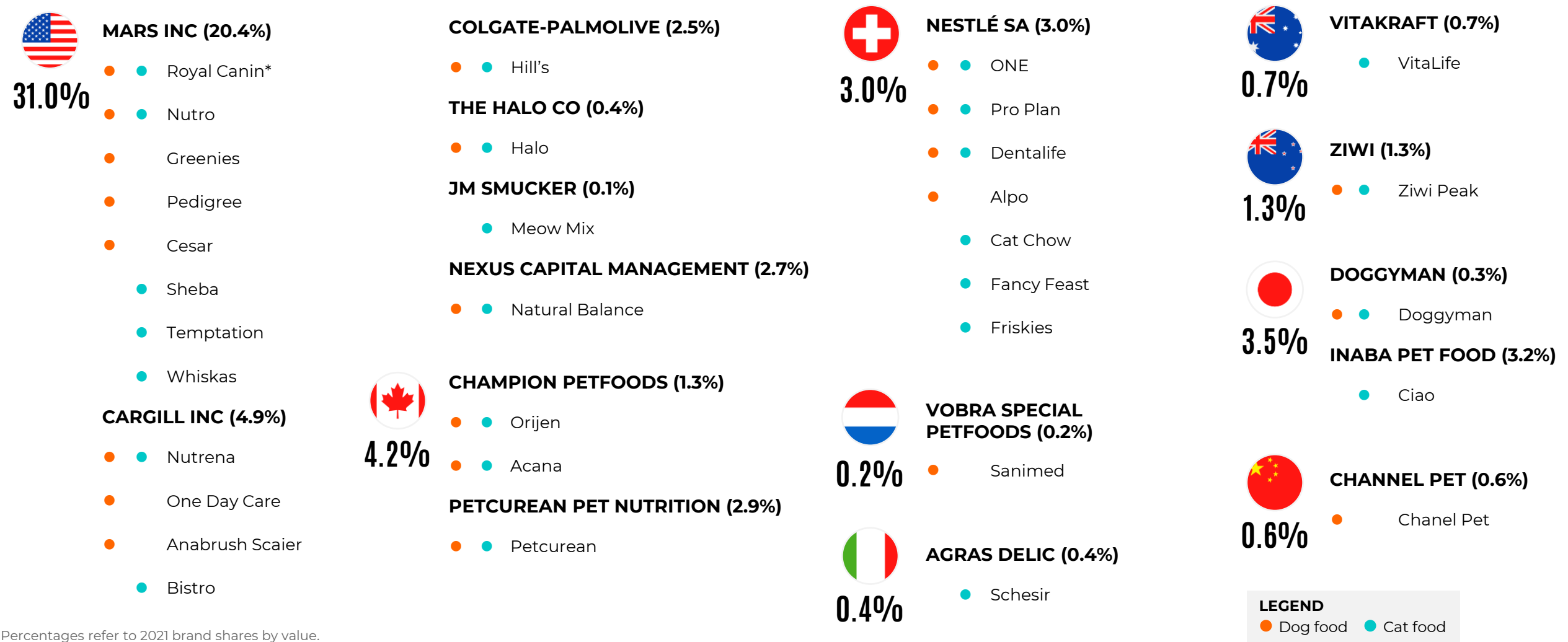
**TOP 15 DOG FOOD BRAND SHARES (2021)**  
% of value sales



**TOP 15 CAT FOOD BRAND SHARES (2021)**  
% of value sales

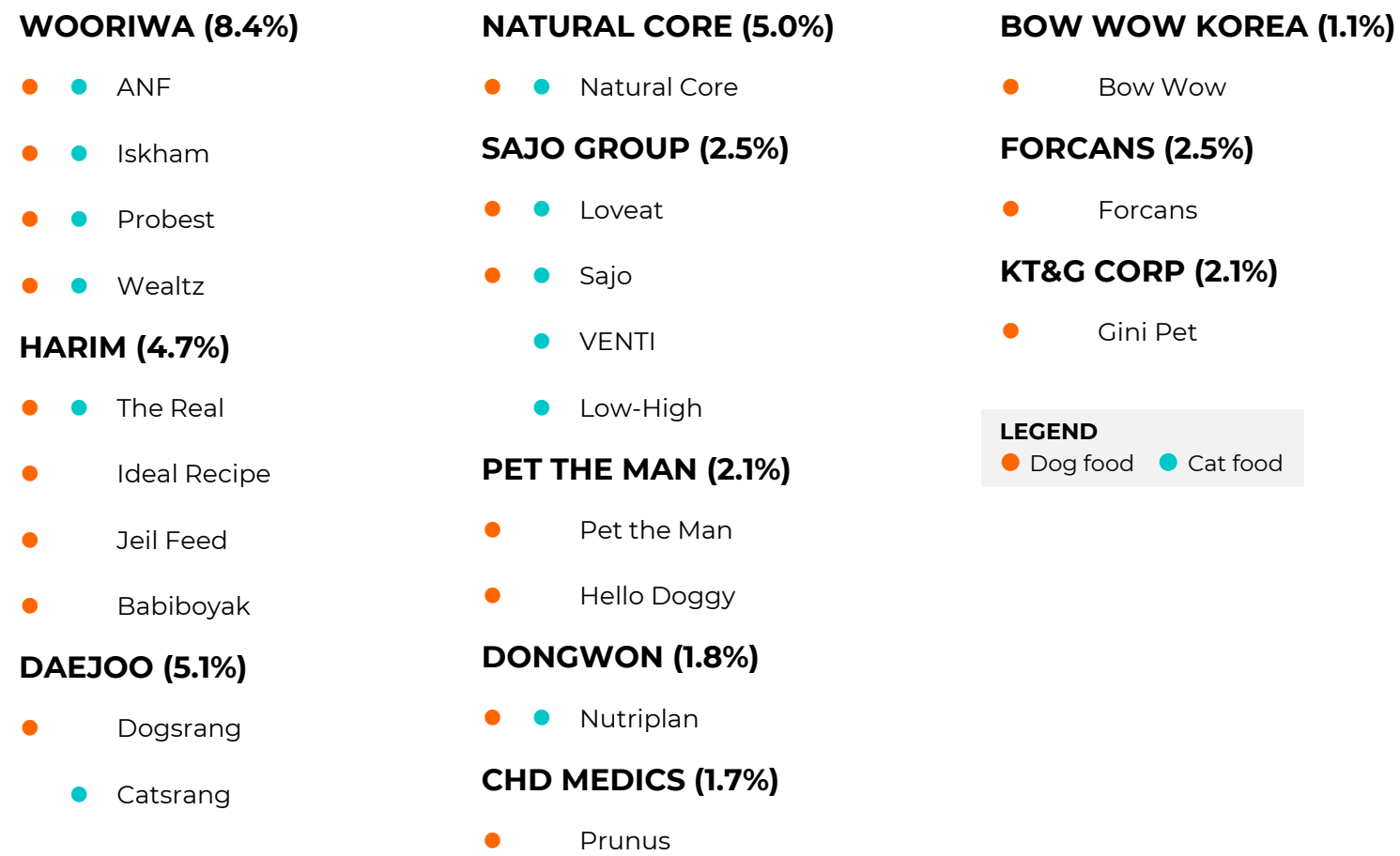


# International pet food brands accounted for 45% of the market in 2021



Percentages refer to 2021 brand shares by value.  
\*Royal Canin is a foreign brand but is manufactured in South Korea

# Domestic pet food brands are increasingly positioning themselves in the premium segment, particularly Wealtz, The Real, and Natural Core



Percentages refer to 2021 brand shares by value.

# Domestic pet food companies in South Korea

## Wooriwa

<http://www.wooriwa.com/>

- Established in 1952, parent company Daehan Flour Mills is one of the oldest milling companies in South Korea. Daehan Flour Mills owns Daehan Feed, an industrial animal feed manufacturer.
- Daehan's pet food subsidiary, **Wooriwa**, was established in 2018. In the following year, it became South Korea's leading domestic pet food company through the **acquisition of Daesan & Company**, which owned **ANF** and **Halo**.
- Wooriwa is an integrated manufacturer, distributor and pet services company. Wooriwa operates an e-commerce website **Irion Mall**, manages the **Irion Animal Hospital** chain, and offers pet services such as grooming, kindergarten and boarding.
- Wooriwa manufactures the **Wealtz** brand in its factory, which commenced operations in 2020 and has a production capacity of **150,000 tonnes** per year. The factory is HACCP certified, and recently received organic certification in 2021.

## Harim

<https://harimpetfood.com/>

- Harim Pet Food entered the pet food industry in 2017 upon the completion of its factory located in Chungcheongnam-do. Production capacity is an estimated **24,000 tonnes** per year. The company is reportedly planning an expansion to strengthen its wet feed line.
- The majority of Harim's sales come from **The Real**, its premium, 100% human-grade pet food brand.
- Harim had initially targeted revenues of KRW 20 billion within the first year of its launch. However, this proved overly ambitious as it closed 2017 with KRW 200 million in sales.
- By 2020, revenues had reached KRW 19.8 billion, just shy of its initial target. The significant investment in its production facility and Harim's insistence on using high quality ingredients meant that the company first succeeded in turning a profit in 2021.
- Harim Pet Food is part of the conglomerate **Harim Group**, which owns industrial feed manufacturer Jeil Feed.

## Dongwon F&B

<http://www.dongwonpet.com/>

- Dongwon F&B manufactures **Nutriplan**, a brand specialising in wet canned dog and cat food.
- Dongwon F&B is a household name, as it is South Korea's largest canned tuna company. Armed with years of expertise in canned food production, Dongwon F&B entered the pet food market in 2014 with the launch of the Nutriplan brand.
- The company is investing heavily in its pet food production facility, which had a capacity of 10 million wet food pouches per year. The facility was expanded in 2019, and further expanded in the first half of 2022 to increase production of wet canned food for dogs.
- Dongwon's global sales of Nutriplan wet canned food for cats has reportedly crossed 40 million units per year. **Dongwon is targeting sales of KRW 100 billion by 2025.**

# The pet food industry is becoming overcrowded as non-pet food companies diversify into the industry

## Cosmetics companies are looking to the pet industry for growth as sales of cosmetics slow

- **COSMAX:** Cosmetics company COSMAX has announced its ambitions to enter the pet food business. In May 2022, it established its pet food division Cosmax Pet, and it targets to have 20% of the market by 2024. The CEO of Cosmax Pet has stated that it was attracted to the pet food market as it has been growing more than 10% year-on-year. Cosmax's pet food manufacturing plant will start production in October 2022. The plant is 2,000 square meters and is located in Goesan, North Chungcheong. The facility will manufacture both wet and dry pet food, and health supplements.
- **TONY MOLY:** Cosmetics company TONY MOLY will enter the pet food market with its acquisition of Ocean, a manufacturer of pet food and snacks, in March 2021. TONY MOLY believes that there is synergy between cosmetics and pet food, as the main purchase decision makers for both categories are women in their 20-40s.
- **AMOREPACIFIC:** Amorepacific has launched a premium companion animal lifestyle brand called 'PooPooMonster'. It sells vegan pet shampoos that are pH neutral. Since then, it has branched out into other pet care products, such as deodorant sprays, towels, and other items.

## Other entrants to the pet food industry

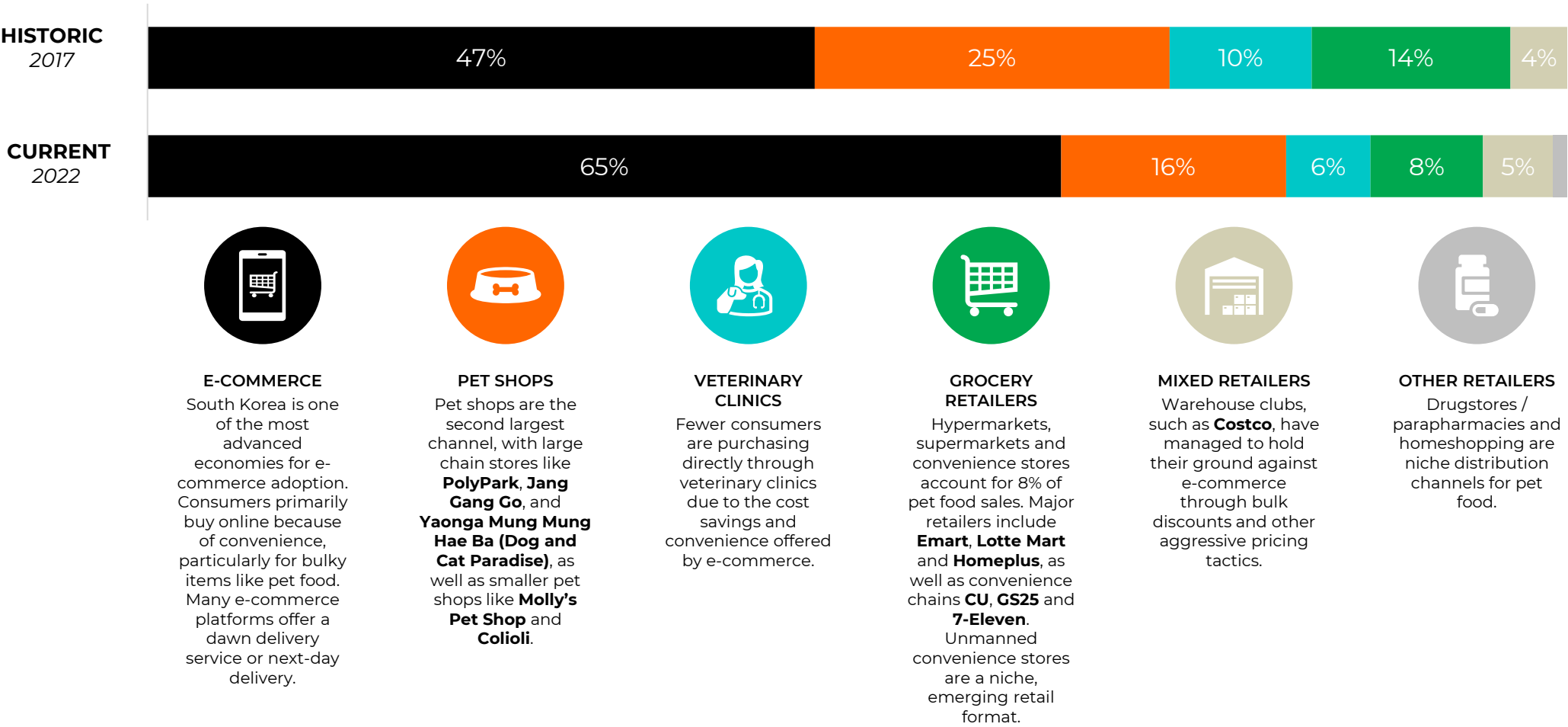
- G&Food, the operator of a large fried chicken franchise brand, entered the pet food industry in 2019 with the launch of its pet food brand, **Dhuman**. Its manufacturing plant became operational in April 2021, and it has an **annual capacity of 4,500 tonnes**.
- Home appliance company **Cuckoo** has been launching pet appliances, such as automatic feeders and pet air showers and dryers, since 2020. The company has bold ambitions to generate 20% of its total revenue from pet appliances in the future.



SECTION 5

# DISTRIBUTION CHANNELS

# 65% of pet food is sold through e-commerce in South Korea



Source: Euromonitor, [Kyunghyang Business](#)

# Bricks-and-mortar retailers must reinvent to stay relevant

## Veterinary Clinics

Fewer consumers are purchasing directly through veterinary clinics due to the cost savings and convenience offered by e-commerce.

The veterinary channel is dominated by imported brands such as **Royal Canin**, **Hill's**, and **Science Diet**.

There are also a few smaller brands, such as **Dr Healmedix**, that distribute pet food and treats exclusively through the veterinary channel.

Products sold through veterinary clinics often are targeted at senior pets, pets with allergies, or pets with joint, health, weight, and skin issues.



## Pet Shops

Faced with stiff competition from e-commerce retailers, pet shops are starting to evolve into **one-stop destinations for pet care**.

Pet stores are focusing on improving the in-store experience, curating product offerings to respond to the demands of pet owners, and **integrating a wide range of pet services** such as daycare and boarding, grooming, and veterinary services.

In 2021, Lotte Mart opened **Colioli**, a pet store that provides a full range of services from veterinary services to grooming, pet insurance, and funerals. Colioli stocks a wide range of functional food and health supplements for pets, as well as pet appliances and pet furniture.

Lotte Department Store operates **Francois Pet**, a total pet care store with 10 outlets in Seoul. It offers a full range of services such as kindergarten and daycare, boarding, grooming, activity center, and pet training. Francois Pet specialises in premium imported products, and offers a curation service where its staff can recommend products based on the needs of each individual pet.

## Grocery Retailers

Unmanned convenience stores for pets are becoming more common in South Korea. These fully automated convenience stores are open 24 hours a day, and are able to serve customers in urgent need of pet supplies.

**24 Hour Gangaji Goyangi Pyeon-uijeom** (Dog and Cat Convenience Store) is the largest chain with 60 outlets. **PETFLLT** is a smaller chain with 5 outlets.



Store interior of 24 Hour Gangaji Goyangi Pyeon-uijeom  
<http://www.petstore24.co.kr/about.php>

# E-commerce is the preferred channel for millennials and Generation Z

Major e-commerce platforms **Naver**, **Coupang**, **11<sup>th</sup> Street** and **GMarket** dominate in South Korea, and each brand will typically open its own online store on these e-commerce platforms. However, brands must choose their channel partners wisely and discuss ways to cooperate as some platforms adopt a lowest-price policy. There are also numerous online malls that specialise in pet products:

## Pet Friends

<https://www.pet-friends.co.kr/>

Pet Friends is one of the leading online stores for pet products in South Korea.

As of August 2022, Pet Friends had **1.9 million app downloads** and 4 million cumulative orders. The company recorded KRW 39.1 billion in sales in the first half of 2022, up 49% from KRW 26.3 billion in the same period last year.

Pet Friends is expanding into services like pet insurance and pet sitting.

In March 2022, the company also launched its private label, **Made By**, which involves consumers in the product development process.

Around 2,000 consumers were involved in the development of its first product, a bentonite sand product for cats.

## About Pet

<https://aboutpet.co.kr/shop/home/>

About Pet is an online shopping mall for pet products that was acquired in 2018 by GS Retail, operator of the convenience store chain GS25 in South Korea.

About Pet aspires to be the leading vertical e-commerce retailer for pet products. In May 2022, it received a KRW 10 billion investment from Naver, which will be used to invest in IT and logistics infrastructure.

AboutPet reported a net loss of KRW 9.1 billion in the third quarter of 2021, three times higher than the same period last year.

However, GS Retail is still pushing hard for AboutPet to succeed, investing KRW 21.5 billion with SBS in August 2021, and a further KRW 8 billion in December.

## Dog President

<https://dogpre.com/>

Founded in 2008, **Dog President** is one of the earliest e-commerce websites for pet products.

FunNC, which owns Dog President, also operates **Cat President**, a separate website for cat products (<https://catpre.com/>).

Dog President and Cat President have a cumulative membership base of 1 million, and cumulative sales have crossed KRW 280 billion.

FunNC have invested in a logistics facility measuring approximately 9,917 square meters, as well as an upgraded warehouse management system. Logistics improvements will facilitate the platform's dawn delivery service, which commenced in April 2022.

## Jang Gang Go

<http://gang2.co.kr/>

Jang Gang Go is a large pet store chain that has 134 outlets across South Korea. It is operated by **Interpet Korea**, a company specialising in pet food and supplies.

In addition to a strong bricks-and-mortar presence, consumers can purchase products through its online store.



SECTION 6

# APPENDIX

## Appendix: Pet fairs and events in South Korea

Pet expos and pet fairs are useful venues to showcase pet products to buyers and consumers, and to distribute product samples to consumers.



### Korea Pet Show

One of the longest-running pet shows in Korea  
<https://www.kopet.com/en/>



### K-Pet Fair

<http://www.k-pet.co.kr/>



### Seoul Pet Show

<https://www.seoulpetshow.co.kr/main>



### Gung Di Pang Pang

The largest cat fair in Korea  
<https://www.gdppcat.com/>

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