

# MILLENNIUM MARKETING IN KOREAN COMPANIES

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## *The Meaning of Millennium Marketing*

Companies in Korea are becoming more and more interested in activities related to the coming new millennium. For example, the Ritz Carlton Hotel in Korea has decided to provide guests at their hotel on December 31, 1999, with gifts to celebrate the new millennium. McDonalds in Korea has been selling their "Big Macs" at the special low price of 1999 won since January 1999. These kind of specific activities to boost sales using the theme of 'millennium', 'year 2000' or 'year 1999' can be called millennium marketing activities.

## *Current Millennium Marketing Activities in Korea*

Compared with the millennium marketing activities by American or European companies, those by Korean have not been booming yet. For example, although more than 2,500 brands related to 'millennium', 'year 2000' or 'year 1999' were launched in the U.S. market by the end of 1998, there were no brands in the Korean market by the corresponding date. Only recently have some

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brands appeared in the Korean market. For example, the Hyundai Industrial Development & Construction company named their new modern village, 'Millennium Village'. In addition, the Hanbul cosmetic company is utilizing 'Y2K (Year 2 Kilo)' as the brand name of their men's toiletries. Instead of their original brand name 'To You', the Orion confectionary company decided to use 'Millennium Love To You' as their leading chocolate product's brand name.

A more generalized activity of millennium marketing in Korea is sales promotion events. Samsung Electronics, for example, decided to provide premiums to their consumers by holding drawings once a month by the end of 2000. Also, the Orion confectionery company made a plan to present their consumers with travelling tickets to the islands of the South Pacific through a drawing. There, those selected consumers could welcome the first rising sun of 2000 earlier than any one else around the world. But when one considers the fact that an estimated 165 billion dollars will be spent on millennium marketing activities in the coming two years in Western countries, we can say that Korean companies' activities are within a relatively narrow scope.

One reason why Korean companies have paid such little attention to millennium marketing activities is the national financial crisis recently suffered. It drove Korean companies not to consider any other things besides restructuring or keeping a healthy financial structure. In other words, the crisis did not permit Korean companies to have room to plan other managerial activities.

In fact, the level of Korean people's understanding about the millennium is very low. According to a survey by a Korean market research company in September, 1998, among 847 respondents, only 13.3% answered correctly the question about the meaning of millennium. 54% related it to Y2K, the computer bug.

However, as Korea's economic situation has been improving rapidly as of late, Korean companies are becoming more and more interested in millennium marketing activities than ever before. Some companies are utilizing millennium as a theme of their image advertising. For example, Samsung is broadcasting new TV advertising titled 'Millennium Frontiers'. LG also adopted 'Millennium Dreams' as a one of their themes. However, the directions of their millennium marketing strategies have not been well defined.

### *The Anticipated Use of Millennium Marketing among Korean Companies*

**A**lthough signs of economic recovery such as the leading or coincident composite index have been rising recently and IMF estimates that the growth rate of the Korean economy in 1999 will be 5%, it is true that domestic aggregate demand still has not fully recovered. Therefore, more and more Korean companies are expected to use millennium marketing as a strategic tool to facilitate the growth of domestic demand. Certain companies are already implementing this kind of strategy, especially based on the rarity value the millennium has. For example, Guess in Korea is using the millennium's rarity value for their blue jeans by making only 1999 pairs of it. More concretely, the company had all jeans get their unique number by assigning each number from 1 and 1999 to each of them. It is known also that, especially in the case of durable goods, some companies are planning to use a similar strategy to Guess's

with a method to let all products in the year 2000 be marked obviously with their unique manufacturing date to increase product's rarity value.

Second, just as Samsung and LG are doing, it is expected that more and more companies will use the theme of millennium for their CI (Corporate Identity) or brand positioning. Because the coming millennium has images such as 'newness', 'prosperity', 'happiness', and 'challenge', it is possible for companies, if they want, to apply millennium's images to their brand's or company's image strategy. Specially, because Korea has been suffering from the national financial crisis since November 1998, those images could be utilized positively to change the Korean market's atmosphere.

Third, global marketing activities using the millennium issue are expected among Korean companies. This

stems from the fact that because the coming of the new millennium is a worldwide event, it is an opportunity for them to develop a worldwide brand. In the U.S., for example, Discover, a credit card company, has made plans to participate in New York City's event, 'Time Square 2000' as a sponsor for the purpose of making a global brand. Discover expects that at least 3 billion people in the world will see their brand name on TV. In Korea, it is known that some companies will use this kind of strategy in the near future.

In conclusion, when one considers that the millennium event is a marketing opportunity people will experience only once over a span of one thousand years, it is expected that more and more Korean companies will participate in millennium marketing activities actively in the not-to-distant future. **VIP**

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