

Country notebook for south korea essay sample

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BUSTER**

In 1997, Outback entered the South Korean market through the franchise agreement with Aussie Chung Inc. Currently there are 101 Outback Steakhouse locations throughout South Korea. I recommend continued expansion in South Korea and would target the city of Busan in the southern region of the country. Busan is city with over 2 million in population with a highly educated population who have expendable income available for entertainment. South Koreans spend about 18 percent of their expendable salary on entertainment.

Outback Steakhouse if marketed properly could become the third place that educated working South Koreans frequent other than work and home.

Koreans are big on freshness and most of their food is made from fresh products that are never frozen. Outback meets this requirement perfectly since they never use frozen products, and everything is made fresh every day and disposed of that same day if it is not used. The freshness of the food could be used to pull in customers since it what they expect and enjoy in their culture. Beef is the most prized of all meats, with the cattle holding an important cultural role in the Korean home.

The benefits of opening additional Outback Steak House are listed below: *

Expand the Outback Steak House brand in South Korea

* South Koreans spend a large amount of expendable income on dining out *

Outback makes everything fresh and does not use any froze products * They also toss out any unused food items each day ensuring freshness, which aligns with Korean culture * Steak and meat products are seen as luxury items and Outback could market the restaurant towards these items * Family

is the most important thing in South Korea and Outback Steak House could market to this by representing itself as the place where families get together

About 48% of the population lives in Korea's six biggest cities. Outback Steak House should focus its expansion efforts to have restaurants located in each of these cities. These cities are all very populated and can support more than one restaurant due to their size. South Koreans are highly educated and skilled society and rank 5th in the world in education. They could target college students as their workforce since they typically are good staff members in the United States. Outback will have to make sure they are educated on the local laws since workers are not allowed to exceed 80 hours in a two week period. Etiquette follows strict rules in South Korean society. The bow is still practiced, with the person of lower status bowing to the person of higher status. Korea is one of the few countries in which ethnicity and nationality coincide. The only immigrant ethnic minority group is a Chinese community of about 20, 000 that is concentrated mainly in Seoul.

The business ethic is based on developing a personal relationship with the business partner. This is often done through informal gatherings, which involve much eating and drinking. It is proper business etiquette to make an appointment 3 to 4 weeks in advance. Outback Steakhouse could also capitalize on this opportunity by designing their new restaurants for casual dining and a business lunch or dinner meeting location. Outback Steak House needs to continue expansion in South Korean cities based on their past successes.

Culture Analysis

Introduction

Outback Steakhouse is an Australian themed steakhouse restaurant. Although beef and steak items make up a good portion of the menu, the concept offers a variety of chicken, ribs, seafood, and pasta dishes. The Company's strategy is to differentiate its restaurants by emphasizing consistently high-quality food and service, generous portions at moderate prices and a casual atmosphere suggestive of the Australian Outback. OSI Restaurant Partners, LLC, headquartered in Tampa, Florida was founded in 1988 by those who believe in hospitality, sharing, quality, being courageous and having fun! OSI Restaurant Partners, LLC is a company of restaurants that owns and operates Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, Roy's Restaurant and Fleming's Prime Steakhouse & Wine Bar. When you're in the mood for adventure, Australia delivers big time. You'll be sure to discover fresh new experiences, natural wonders and friendly faces. The same is true for Outback Steakhouse. Spend some time here in the Fresh Zone and have a little fun without the long plane ride. Brief discussion of the country's relevant history

An independent Korean state or collection of states has existed almost continuously for several millennia. Between its initial unification in the 7th century – from three predecessor Korean states – until the 20th century, Korea existed as a single independent country. In 1905, following the Russo-Japanese War, Korea became a protectorate of imperial Japan, and in 1910 it was annexed as a colony. Korea regained its independence following Japan's surrender to the United States in 1945. After World War II, a Republic of Korea (ROK) was set up in the southern half of the Korean Peninsula, while a <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

Communist-style government was installed in the north (the DPRK). During the Korean War (1950-53), US troops and UN forces fought alongside soldiers from the ROK to defend South Korea from DPRK attacks supported by China and the Soviet Union. An armistice was signed in 1953, splitting the peninsula along a demilitarized zone at about the 38th parallel. Thereafter, South Korea achieved rapid economic growth with per capita income rising to roughly 17 times the level of North Korea. In 1993, KIM Young-sam became South Korea's first civilian president following 32 years of military rule. South Korea today is a fully functioning modern democracy. President LEE Myung-bak has pursued a policy of global engagement since taking office in February 2008, highlighted by Seoul's hosting of the G-20 summit in November 2010. Geography setting

Location: Eastern Asia, southern half of the Korean Peninsula bordering the Sea of Japan and the Yellow Sea. Area: Total: 99, 720 sq km, country comparison to the world: 109, land: 96, 920 sq km, water: 2, 800 sq km.

Area Comparative: Slightly larger than Indiana.

Land boundaries: Total: 238 km, border countries: North Korea 238 km

Coastline: 2, 413 km

Climate: Temperate, with rainfall heavier in summer than winter Elevation

Extremes: lowest point: Sea of Japan 0 m, highest point: Halla-san 1, 950 m

Natural Resources: Coal, tungsten, graphite, molybdenum, lead, hydropower potential Natural Hazards: Occasional typhoons bring high winds and floods;

low-level seismic activity common in southwest. Volcanism: Halla (elev. 1, 950 m) is considered historically active although it has not erupted in many centuries. Social Institutions

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Family:

The family is the most important part of Korean life. In Confucian tradition, the father is the head of the family and it is his responsibility to provide food, clothing and shelter, and to approve the marriages of family members. The eldest son has special duties: first to his parents, then to his brothers from older to younger, then to his sons, then to his wife, and lastly to his daughters. Family welfare is much more important than the needs of the individual. Members of the family are tied to each other because the actions of one family member reflect on the rest of the family. In many cases the family register can trace a family's history, through male ancestors, for over 500 years. Education

Education in South Korea is viewed as being crucial for success and competition is consequently very heated and fierce. A centralized administration oversees the process for the education of children from kindergarten to the third and final year of high school. Mathematics, science, Korean, social studies, and English are generally considered to be the most important subjects. Normally physical education is not considered important as it is not regarded to be education and therefore many schools lack high-quality gymnasiums and varsity athletics. South Korea was the first country in the world to provide high-speed internet access to every primary, junior, and high school. Vocational high schools offer programs in five fields: agriculture, technology/engineering, commerce/business, maritime/fishery, and home economics.

In principle, all students in the first year of high school (10th grade) follow a common national curriculum, in the second and third years (11th and 12th grades) students are offered courses relevant to their specialization. The number of students in higher education had risen from 100, 000 in 1960 to 1. 3 million in 1987, and the proportion of college-age students in higher-education institutions was second only to the United States. The institutions of higher education included regular four-year colleges and universities, two-year junior vocational colleges, four-year teachers' colleges, and graduate schools. The main drawback was that college graduates wanted careers that would bring them positions of leadership in society, but there simply were not enough positions to accommodate all graduates each year and many graduates were forced to accept lesser positions. Ambitious women especially were frustrated by traditional barriers of sex discrimination as well as the lack of positions. Literacy Rates: At the age 15 that can read and write is: total population: 97. 9% (male: 99. 2% female: 96. 6%).

Political System

The Republic of Korea (commonly known as “ South Korea”) is a republic with powers nominally shared among the presidency, the legislature, and the judiciary, but traditionally dominated by the president. The president is chief of state and is elected for a single term of 5 years. The 299 members of the unicameral National Assembly are elected to 4-year terms; elections for the assembly were held on April 9, 2008. South Korea's judicial system comprises a Supreme Court, appellate courts, and a Constitutional Court. The judiciary is independent under the constitution. The country has nine provinces and seven administratively separate cities—the capital of Seoul, <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

along with Busan, Daegu, Daejeon, Gwangju, Incheon and Ulsan. Political parties include the Grand National Party (GNP), Democratic Party (DP), Liberty Forward Party (LFP), New Progressive Party (NPP), Pro-Park Alliance (PPA), and Renewal Korea Party (RKP). Suffrage is universal at age 19 (lowered from 20 in 2005). Korea maintains an embassy in the United States and consulates are located in Atlanta, Boston, Chicago, Honolulu, Houston, Los Angeles, New York, San Francisco, Seattle, and Hagatna (Agana) in Guam.

Korea also has a mission to the United Nations. The Korean tax system is comprised of both national and local taxes, the latter of which are imposed by provinces, countries and municipalities. Examples of local taxes include property tax, automobile tax, license tax and registration tax. National taxes, on the other hand, are currently made up of internet tax, custom duties, and education tax, international tax, which consists of direct tax and indirect tax, is thus the most significant type of tax payable in Korea. Meanwhile, the 1990 tax reform was undertaken to enhance the equity of the tax burden, to strengthen the competitiveness of the manufacturing sector and to finance education and local governments. A joint-venture company established in Korea with a Korean partner are wholly-owned Korean subsidiaries, as well as Korean branch of a foreign company, are treated as domestic corporations for Korean tax purposes a foreign corporation is liable to pay corporation tax only on the income derived from sources within Korea.

However, no corporation tax is levied on the liquidation income of a foreign corporation. Corporation tax on income from domestic sources of a foreign corporation is assessed and collected in the same manner as that applied to <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

a domestic corporation. With respect to the income from domestic sources of a foreign corporation which has no domestic place of business, the full amount of corporation tax withheld thereon at source is payable to the government. Legal System

Because Japan occupied Korea from 1910 to 1945, the Korean legal system resembles the Japanese system. After the occupation however, there were attempts to adopt many aspects of the American legal system. It should be remembered that the first civilian government commenced only in 1993, and thereafter, increasingly more democratic reforms have taken place.

Constitution: Adopted on July 17, 1948 after emancipation from Japan. Korea has three (3) governmental branches: legislative, executive and judicial. Six Basic Codes and Other Laws

The Six basic codes in Korea are: the Constitution, the Civil Code, the Commercial Code, and the Code of Civil Procedure: 1) Constitution First promulgated on July 17, 1948 and frequently amended thereafter, indicating the past, turbulent political history of Korea. 2) The Civil Code The Civil Code is divided into five books covering the following topics of law: the general part, real property rights, obligations, family law and succession.

3) The Commercial Code

Was promulgated to meet the needs of new, socio-economic constraints, particularly in the field of economic regulations. Contains laws regarding corporations and partnerships. 4) The Code of Civil Procedure

Divided into seven books

5) The Criminal Code

Enacted in 1953 and divided into two Books. Book One sets out rules of general nature, which apply to all crimes. Book Two deals with individual crimes. 6) The Code of Criminal Procedure

Promulgated on September 23, 1954 and is divided into five Books. Court System: Supreme Court, high courts, district courts, family courts, patent courts and administrative courts. Supreme Court: consists of a Chief Justice and 13 Associate Justices who are appointed by the President for 6-year terms. Only the Chief Justice cannot be re-appointed. Appeals from decision by second level of district courts or appeals from decision of High Courts are heard by the Supreme Court. Social Organizations

Exploring the customs, culture, and business habits of the people of South Korea is a fascinating process. South Korea is a country with deep-seated traditions; varying greatly from those of the United States. An understanding of these differences is essential in any effective business relationship. Family is of ultimate importance in Korean life. The well-being of the family is more important to the South Korean than individual rights. Family is deeply respected and revered. Many families can trace their ancestors back for more than 500 years. Confucianism regards the actions of people towards one another based on their relationship. Relationships considered are: 1) husband – wife 2) parent – child 3) brother – sister 4) friend – friend. The basic concepts are duty, loyalty, honor, respect for age, and sincerity. Ancestors are held in high regard by South Korean culture and feeling of people towards one another based on their relationship. A special holiday, Chusok is celebrated in honor of Korean ancestors. Food is prepared and set out to honor ancestors. Kibun refers to pride, feelings, and state of

mind. You should never do anything to hurt the Kibun or make someone lose face.

Etiquette follows strict rules in South Korean society. The bow is still practiced, with the person of lower status bowing to the person of higher status. In meetings and social gatherings, one should wait to be introduced and say goodbye to each person individually. If you are invited to a South Korean's home, always remember to remove your shoes before entering. If you are offered a meal, try a little bit of everything, refuse second helpings, and clean your plate. Koreans share a common culture, but a sense of regionalism exists between northerners and southerners and also between southeasterners and south westerners in customs and perceived personality characteristics. Some suggest that this regionalism dates back to Three Kingdoms of Koguryo. In South Korea politicized regionalism has emerged between the southeastern and southwestern regions since the late 1960s as a result of an uneven pattern of development that benefits people in the southeast. Korea is one of the few countries in which ethnicity and nationality coincide.

The only immigrant ethnic minority group is a Chinese community of about 20, 000 that is concentrated mainly in Seoul and has existed since the late nineteenth century. Since the Korean War, the continued presence of the United States Forces-Korea has resulted in the immigration of over one hundred thousand Korean women to the United States. The business ethic is based on developing a personal relationship with the business partner. This is often done through informal gatherings, which involve much eating and drinking. It is proper business etiquette to make an appointment 3 to 4

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weeks in advance. South Korean's are direct communicators. With questioning and answering, it is better to be direct and not vague. People with high power positions do not intermingle with those of lower status such as in social functions. It is normal in the United States for executives to gather with all employees at a company function. This is highly irregular behavior in South Korea. Religion

As a result of constitutional guarantees of freedom of religion, there is a wide range of religious beliefs, from shamanism, Confucianism, and Buddhism to Christianity, Islam, and other religions. Indigenous folk beliefs and shamanism have co-evolved, sharing a fundamental belief in the existence of a myriad of gods (such as the mountain gods, the house gods, and the fire god) and spirits of the dead, all of which may influence people's beliefs. Korean Buddhism has both doctrinal and meditative traditions. Buddhists believe that human suffering is caused mainly by desire. Thus, some Buddhists try to obtain enlightenment by cultivating an attitude of detachment, while others seek to fulfill their desires by offering prayers of requests to Kwanum, the Bodhisattva of Compassion. Confucianism is a political and social philosophy that emphasizes the virtues of in, usually translated as "human-heartedness and hyo or filial piety, which is expressed through ceremony such as ancestor rites.

The Confucian concept of heaven is an impersonal yet willful force in nature and society, and is beyond human control. Early Korean Catholics who embraced Catholicism as part of Western Learning, suffered persecution during the Choson Dynasty for renouncing their ancestral rites as "pagan" rites. Christianity, including both Catholicism and Protestantism, has become

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a major religion. Lay Christians seek material and spiritual richness through fervent prayers, while some theologians have advocated new theologies focusing on the plight of the underprivileged (the “ masses”) and/or women. Ch’ondogyo (the Teaching of the Heavenly Way), which began as Tonghak (Eastern Learning), founded by Ch’oe Che U in 1860, is a syncretistic religion that grew on the grassroots level. “ Humanity and heaven are one and the same” is its basic tenet, which emphasizes human dignity and gender equality (Countries and Their Cultures, 2008). Shamans derive their power from their ability to serve as a medium between the spirit world and their clients during kut (shaman rituals). The Buddhist and Christian clergy derive their power from their knowledge of scripture. Another source of power for the clergy of major religions is the wealth their churches have accumulated from the contributions of followers.

The activities of the Christian clergy include not only sermons but also routine personal visits to the homes of their congregants. Buddhist monks may perform personalized prayer services in return for monetary donations. Many Koreans believe in ancestral spirits and observe Confucian rituals concerning funerals, mourning practices, and memorial services. Folk beliefs about the afterlife are somewhat influenced by Buddhism but are characterized by diversity. Mourning periods vary, depending on the social status of the deceased, from one day to two years. Selecting good grave sites according to geomantic principles is regarded as important for both the ancestral spirit and the descendants. Modern literature started in the mid-nineteenth century as a result of the new Western-style education and the Korean language and literature movement. The themes of twentieth-century

literature reflect the national experiences colonization, postliberation division of the homeland, the Korean War, urbanization, and industrialization.

Translations of literary works began to appear in foreign countries in the 1980s. The novelists whose works have been most widely translated are Hwang Sun-won and Kim Tong-ri. Traditional brush paintings include realistic landscapes; genre paintings of flowers, birds, and the daily lives of ordinary people; and calligraphic presentations of Chinese phrases extolling Confucian virtues such as filial piety and loyalty decorated with designs and pictures. Traditional sculptures in bronze, stone, and rock were inspired by Buddhism. The Sakyamuni Buddha in the rotunda of the Sokkuram Grotto is regarded as a national masterpiece. Korean music and dance evolved over three thousand years from the religious ceremonies of shamanism and Buddhism and often were linked to the agricultural cycle. Traditional music has two genres: Chong'ak ("correct music"), a genre of chamber music with a leisurely tempo and a meditative character, and minsok'ak (folk music), characterized by spontaneity and emotionality.

P'ansori as a category of folk vocal music is a unique combination of singing and storytelling by a single vocalist with the accompaniment of a changgo (traditional drum). There are two categories of traditional dance: court dances and folk dances performed by farmers, shamans, and villagers. Kut and nong-ak (farmers' festival music), which combines music and dance with ritual and entertainment continue to be popular. Mask dances performed by villagers combined dance with satiric drama, making fun of erring officials and monks for entertainment and ethical edification. The Traditional Dance Institute of the Korean National University of Arts was established in 1998 to

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educate future generations in the traditional dance heritage. Living

Conditions

Diet and Nutrition

Korean cuisine is largely based upon rice, vegetables, and meats. Traditional Korean meals are noted for the number of side dishes that accompany steam-cooked short-grain rice. Kimchi is served often, sometimes at every meal. Commonly used ingredients include sesame oil, soy sauce, salt, garlic, ginger, pepper flakes and fermented red chili paste. Ingredients and dishes vary by province. Many regional dishes have become national, and dishes that were once regional have proliferated in different variations across the country. The Korean royal court cuisine once brought all of the unique regional specialties together for the royal family. Meals are regulated by Korean cultural etiquette. Meat and fish in antiquity, most meat in Korea was likely obtained through hunting and fishing. Ancient records indicate rearing of livestock began on a small scale during the Three Kingdoms period.

Meat was consumed roasted or in soups or stews during this period. Those who lived closer to the oceans were able to complement their diet with more fish, while those who lived in the interior had a diet containing more meat. Beef is the most prized of all meats, with the cattle holding an important cultural role in the Korean home. The cattle were valuable draught animals and were regarded more as servants than for consumption. Chicken is often served roasted or braised with vegetables or in soups. All parts of the chicken are used in Korean cuisine. Pork has also been another important land-based protein for Korea. Records indicate pork has been a part of the Korean diet back to antiquity, similar to beef. Fish and shellfish have been a

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major part of Korean cuisine because of the oceans bordering the peninsula. Evidence from the 12th century illustrates commoners consumed a diet mostly of fish and shellfish, such as shrimp, clams, oysters, abalone, and loach, while sheep and hogs were reserved for the upper class. Housing

Korean cuisine uses a wide variety of vegetables, which are often served uncooked, either in salads or pickles, as well as cooked in various stews, stir-fried dishes, and other hot dishes. Commonly used vegetables include Korean radish, Napa cabbage, cucumber, potato, sweet potato, spinach, bean sprouts, scallions, garlic, chili peppers, seaweed, zucchini, mushrooms and lotus root. Several types of wild greens are a popular dish, and other wild vegetables such as bracken fern shoots (gosari) or Korean bellflower root (doraji) are also harvested and eaten in season. Housing

Korea's characteristic traditional straw- or tile-roofed houses are quickly being replaced by boxy houses and high-rise apartment buildings that all look alike. In the past, the norm was to have several generations of one family living under one roof. However, the modern generation favors a nuclear family, and the demand for new housing far exceeds the supply, driving up housing prices in the cities. Unlike apartments in the U. S. or other countries, tenants buy apartments in Korea (although they can rent them out to others after they take possession). Usually taller than 5 floors, apartment complexes often contain several apartment buildings. Larger complexes even have their own supermarkets, tennis courts, sports centers, playgrounds, and underground parking structures. A management office takes care of maintenance and security for the apartments. Most Koreans prefer apartments to houses or villas because of the convenience associated

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with apartment life. Schools, supermarkets, video stores, and businesses offering almost every other daily need are usually located within a short walking distance.

Having central maintenance also means not having to hire an external plumber or electrician for minor problems. Individual houses also exist to rent and buy that offer their own benefits by allowing families to build their home according to their own tastes. Most houses have a gate and a garden and many have a parking area for cars. Houses for English teachers tend to be impractical unless you share the increased size with a number of roommates. Clothing Although most people prefer Western clothes like suits and jeans, the national costume, hanbok, is worn by many during national holidays. Traditionally people wore white clothes reserving colors for the upper class or during festive occasions. Rubber shoes and sandals have been replaced by designer shoes and sneakers; however, even these are removed when entering a house or other area where shoes are not permitted.

Recreation, sports, and other leisure activities Football (soccer) is the most popular sport in South Korea. South Korea, which competes internationally under the name of " Korea Republic", has qualified for eight FIFA World Cup finals including the most recent 2010 tournament (Asian record), and co-hosted the 2002 World Cup, finishing in 4th place.

Also in 2010, the country's under-17 women's team won the 2010 FIFA U-17 Women's World Cup in Trinidad and Tobago, claiming South Korea's first-ever title in worldwide. Baseball is also a popular sport in South Korea. It was introduced in 1905 by American missionaries and carries a strong following today. Professional teams owned by large conglomerates (chaebols)

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compete in the Korea Professional Baseball league. Korea won the Gold Medal in baseball at the 2008 Olympic Games. Korea is also a regular participant in the World Baseball Classic, and is considered one of the best baseball countries in international competition. Several Korean players have gone on to play in Major League Baseball. Badminton is played by many Koreans. Badminton nets can be found in many outdoor recreation parks. Korean players often reach the finals in regional and world championships. Other activities besides sports are dining at restaurants, hiking, and swimming. South Koreans time for leisure activities has increased. In the last ten years, household leisure expenditure has increased from 10% to 25% of total household disposable income.

About 48% of the population lives in Korea's six biggest cities; 11 million people live in Seoul, the capital and the largest city. Since 1960, the population of Seoul has increased from 10% to represent almost 23% of the total Korea population. The South Korean's have become very saving conscious and are saving more of their disposable income in the past largely because of the push from the government for Koreans not to over consume. I find this interesting since it is such a big contrast from the American government which wants consumers to feel confident so they go out and spend their expendable income. Given the disparity in incomes, a degree of polarization is reflected in consumer spending patterns. While low-price shopping outlets such as Dongdaemoon, Namdaemoon market and other discount stores are on the increase, shopping places offering higher priced goods and luxurious brands are also on the increase. For department stores, one of the strategies for surviving the recent depression was to try to

divide the existing luxury market into old luxury (super premium) and new luxury. The South Korean social security mirrors the United States and Koreans are eligible to start drawing social security at the age of 60. Their system also offers disability pension for people who become injured and unable to gainfully achieve employment as a result.

The Korean system also mirrors the United States system since they both offer survivor pension as well for dependents under the age of 19 or 22 if they are going to a college or university. A number of different Korean dialects are spoken in the Korean peninsula. The peninsula is extremely mountainous, and each dialect's "territory" corresponds closely to the natural boundaries between different geographical regions. Most of the dialects are named for one of Korea's traditional Eight Provinces. Economic Analysis Introduction The working-age population (15 years or above) numbered 34.7 million, and 62.2 percent (21.6 million) of those people were in the labor force in 1997. More than two thirds of them were employed in the service sector in 1997. Growth accelerated between 1955 and 1966 to 29.2 million or an annual average of 2.8%, but declined significantly during the period 1966 to 1985 to an annual average of 1.7%. Thereafter, the annual average growth rate was estimated to be less than 1%, similar to the low growth rates of most industrialized countries and to the target figure set by the Ministry of Health and Social Affairs for the 1990s.

As of January 1, 1989, the population of South Korea was estimated to be approximately 42.2 million. South Korea faces the problem of a rapidly ageing population. In fact, the speed of ageing in Korea is unprecedented in human history, 18 years to double ageing population from 7 – 14% (least <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

number of years), overtaking even Japan. Statistics support this observation, the percentage of elderly aged 65 and above, has sharply risen from 3.3% in 1955 to 10.7% in 2009. Economic Statics Activity * 0–14 years: 16.8% (male 4,278,581/female 3,887,516) * 15–64 years: 72.3% (male 17,897,053/female 17,196,840) * 65 years and over: 10.8% (male 2,104,589/female 3,144,393) (2010 est.)Gross National ProductSouth Korea has a market economy which ranks 15th in the world by nominal GDP and 12th by purchasing power parity (PPP), identifying it as one of the G-20 major economies * GDP PPP: \$1.423 trillion (2010 est.) * Nominal: \$1.007 trillion (2010 est.) GDP growth 6.1% (2010 est.) GDP per capita PPP: \$30,200 (2010 est.) * Nominal: \$20,265 (2010 est.) GDP by sector agriculture (3.0%), industry (39.4%), services (57.6%) (2008 est.) Inflation (CPI) 3% (2010 est.) * Population below poverty line 2% (2004 est.)Minerals and ResourcesMineral resources in South Korea are meager.

The most important reserves are of anthracite coal, iron ore, graphite, gold, silver, tungsten, lead, and zinc, which together constitute some two-thirds of the total value of mineral resources. Deposits of graphite and tungsten are among the largest in the world. Most mining activity centers on the extraction of coal and iron. Surface TransportationTransportation in South Korea is provided by extensive networks of railways, highways, bus routes, ferry services and air routes that criss-cross the country. Development of modern infrastructure began with the first Five-Year Development Plan (1962–66), which included the construction of 275 kilometers of railways and several small highway projects. Construction of the Gyeongbu Expressway connects the two major cities of Seoul and Busan was completed on 7 July

1970. 1970s saw increased commitment to infrastructure investments. The third Five-Year Development Plan (1972–76) added the development of airports, seaports. Subway system was built in Seoul, highway network was expanded by 487 km and major port projects were started in Pohang, Ulsan, Masan, Incheon and Busan.

Communication Systems Communications services improved dramatically in the 1980s with the assistance of foreign partners and as a result of the development of the electronics industry. The number of telephones in use in 1987 reached 9.2 million, a considerable increase from 1980, when there were 2.8 million subscribers (which, in turn, was four times the number of subscribers in 1972). Radio, and in more recent years television reached virtually every resident. The Japanese established a radio station in Seoul in 1927; by 1945 there were about 60,000 radio sets in the country. By 1987 there were approximately 42 million radio receivers in use, and more than 100 radio stations were broadcasting. Working Conditions Korean people are known for their intelligence and work ethic. It is no wonder why the country has one of the highest average annual work hours. If you're planning to find employment in South Korea, you need to be prepared to put in lots of hours and work.

You will be glad you did this because most Korean businesses offer generous bonuses and ample paid vacation time. Fortunately recent law changes have dropped the maximum workweek down to 40 hours and adopted a 5-day workweek system. Unless you are planning to work for a smaller company (with 5 regular employees or less), the new law applies. Although some contracts do allow for minor adjustments in hours, the average workweek in <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

any 2-week period is not to exceed the maximum 40 hours. Also, workers may not be required to work more than 12 hours in any given day. The Ministry of Labor in Korea has implemented a system in which all workers who do not miss a day of work in one week receive one paid holiday. Employees who do not miss a day of work in a full year are entitled to a 15-day paid vacation. There are 15 national holidays and most of them are observed by the majority of offices and businesses.

These are: * January 1st and 2nd: New Year's Day * March 1: Independence Movement Day * April 5: Arbor Day * April 8: Buddha's Birthday (Seokka Tanshin-il) * May 5: Children's Day * June 6: Memorial Day * July 17: Constitution Day * August 14-16: Harvest Moon Festival (Chuesok) * August 15: Liberation Day * October 3: Foundation Day * December 25: Christmas Day * December 31-January 2nd: New Year's (Seol-nal) Principle

Industries GDP (purchasing power parity): * \$1. 459 trillion (2010 est.) Country comparison to the world: * \$1. 375 trillion (2009 est.) * \$1. 373 trillion (2008 est.) * note: data are in 2010 US dollars GDP (official exchange rate): * \$1. 007 trillion (2010 est.) * GDP – real growth rate: * 6. 1% (2010 est.) country comparison to the world: 50 * 0. 2% (2009 est.) * 2. 3% (2008 est.) GDP – per capita (PPP): * \$30, 000 (2010 est.) country comparison to the world: 45 * \$28, 300 (2009 est.) * \$28, 400 (2008 est.) note: data are in 2010 US dollars GDP – composition by sector: * agriculture: 2. 6% * industry: 39. 3% * services: 58. 2% (2010 est.)

Foreign Investments South Korea developed rapidly after the Korean War, fueled by high savings and investment rates, and a very strong emphasis on science and business education. The nation became the 29th member
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country of the Organization for Economic Cooperation and Development (OECD) in 1996. Foreign investment in South Korea was tallied at \$654.2 billion as of the end of last year, up 21.3 percent from a year earlier, the Bank of Korea (BOK) said. Also, securities investment, which accounts for most foreign investment in South Korea, rose 14.6 percent to \$357.3 billion, while direct investment grew 12.5 percent year-on-year to \$118 billion.

International Trade Statistics Below are statistics on import and export goods for South Korea: Exports| \$466.3 billion (6th; 2010 est.)| Export goods| semiconductors, wireless telecommunications equipment, motor vehicles, computers, steel, ships, petrochemicals| Main export partners| China 23.2%, United States 10.1%, Japan 5.8%, Hong Kong 5.3% (2009 est.)| Imports| \$417.9 billion (8th; 2010 est.)|

Import goods| machinery, electronics and electronic equipment, oil, steel, transport equipment, organic chemicals, plastics| Main import partners| China 16.8%, Japan 15.3%, United States 9%, Saudi Arabia 6.1%, Australia 4.6% (2009 est.)| Gross | \$380.6 billion (31 December 2010 est.)|

In the last twelve months, the Korean Won has exchanged 1072 won to 1 U. S. dollar, to 1174 to 1 U. S. dollar. Trade Restrictions South Korea is one of Asia's liveliest democracies and the world's 15th largest economy. In the years since South Korea's transition to democracy in 1988, the economy has been dominated to a significant extent by large conglomerates, or chaebols. President Lee Myung-bak, who took office in 2008 with a large electoral majority, vowed to liberalize the economy further through freer trade, deregulation, and the privatization of major industries. South Korea's economic freedom score is 69.8, making its economy the 35th freest in the <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

2011 Index. Its score remains essentially unchanged, with gains in fiscal freedom and monetary freedom largely offset by a decline in freedom from corruption. South Korea is ranked 8th out of 41 countries in the Asia-Pacific region. Labor Force South Korea was known for having the world's longest working hours. In 1986 the Korean worker averaged about 54.7 hours a week.

This situation was the natural consequence of the low wage system that necessitated extended hours and extra work to earn minimum living expenses. There were, however, dramatic increases in wages in 1988 and 1989. Labor stoppages in the manufacturing sector, coupled with a scarcity of labor, led to 20-percent salary increases for workers in the manufacturing sector in 1988 and 25-percent salary increases in that sector in 1989. The raises later spread increasing wages across the entire economy 18.7 percent in 1989. By 1989 some South Korean economists were worrying about the effect that skyrocketing wages would have on the cost of domestic-made goods and the consequent impact on export prices. South Korea is experiencing rapid population ageing. Businesses will face skills shortages and increased costs of doing business. Consumer markets targeting young consumers will decline as older people become the main consumer group. However, consumer businesses that can adapt to the changing consumer profile can benefit from the demographic change.

The number of people aged 65 and above reached 4.4 million in 2006, which made up 9.2% of the population, compared to 5.4% in Vietnam. The fertility rate, which represents the average number of children born per woman, stood at 1.08 in 2005, down from 1.16 in 2004. This compares to Japan's 1.16. <https://assignbuster.com/country-notebook-for-south-korea-essay-sample/>

26 figure in 2005, and their well-documented problem with ageing. The ageing population will affect businesses since they face a declining work force. Consumer businesses, however, can benefit from this demographic change if they adapt to the changing consumer profile. Unemployment rates are extremely low at 3.4%. Inflation Rates The inflation rate in South Korea was last reported at 4.2 percent in November of 2011. From 1966 until 2010, the average inflation rate in South Korea was 8.35 percent reaching an historical high of 32.51 percent in October of 1980 and a record low of 0.17 percent in February of 1999. Developments in Science and Technology Like most other regions in the world, science and technology in Korea has experienced periods of intense growth as well as long periods of stagnation.

As of 2008 South Korea ranked 5th highest in terms of R&D. Seoul is ranked as the world's leading digital city" and a "tech capital of the world. South Korea is also among the world's most technologically advanced and digitally-connected countries; it has the third most broadband Internet users among the OECD countries. In robotics, the Korea Advanced Institute of Science and Technology (KAIST) competes with the Japanese company Honda with its humanoid robot HUBO. Honda's ASIMO and KAIST's HUBO lines are the two of very few humanoid robots that can walk. The first HUBO was developed within a span of 3 years and cost 1 million USD. The Korean automobile industry is currently the fifth largest in the world in terms of production volume and the sixth largest in terms of export volume. While its initial operations were merely the assembling of parts imported from Japan and the

United States, Korea is today among the most advanced automobile-producing countries in the world.

Market Audit and Competitive Analysis
Product
The relative advantage that Outback Steak House enjoys in South Korea is the fact that Koreans see beef as a high end luxury food. If Outback Steak house can capitalize on the freshness and quality that they are customer to, this could be a big advantage over competitor Friday's who is also has restaurants in South Korea. The products that Outback Steak house offer are compatible with the market with probably the exception of the blooming onion. I don't think many Korean's would order it. I don't foresee any problems or resistance based on the analysis and my persona experience of living in South Korea for a year in the city of Seoul. The military assigned there frequent the restaurant often since it allows them to get a task of home while being so far away from the United States. The Market and Advertising
The market focus needs to be on the six major cities that over 40% of the populations resides. Internet access is very common and it could be used as a powerful marketing tool as a result.

South Koreans enjoy dining out and are comfortable spending their expendable income doing so. Why not maximize this opportunity and market heavy by giving out coupon, flyers, internet, TV, military base newspapers, to bring customers in who can then go out and market the restaurant even further by word of mouth. Almost all of the international markets are franchised, so this is really up to the franchise organization that owns each group of stores. Outback and its South Korean partner have added 19 locations this year, bringing the total to 69. It employs 6, 000 people. Annual
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turnover among restaurant management averages 1 percent, versus 22 percent in Outback's U. S. steakhouses. The low turnover will be huge help with the marketing to make sure it is consistent and aligned with the direction of the corporate office in the United States. Finding the right local partner is critical in Marketing and advertising.

Many U. S. companies make the mistake of settling for the first moneyed native who comes calling. A few brazenly try to build abroad without local aid, oblivious to local customs and cuisine. In South Korea, Outback did neither. It found a proven pro - Chung Intae, who had successfully developed 17 stores as the franchisee for TGI Friday's - and lured him away. Chung's is the office with 150 picture frames. Compare to CompetitionThe Australian-themed, Outback Steakhouse chain remains rock-solid, posting \$3. 1M average per unit sales. Outback is not only leading the steakhouse segment in overall customer satisfaction, but also ranks No. 1 among the 85 full-service chains included in a national ranking. In the survey, Outback also ranked top in service and cleanliness. Competitors in the big steak chain segment include Lone Star Steaks, Longhorn Steaks Restaurants and Saloons, and Steak & Ale. In addition, Outback competes in the casual-theme casual dining segment, which includes Applebees, Red Lobster, Olive Garden, and Chili's Grill.]

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