

NACF e-commerce portal



www.NHaMarket.com

**2015 Kunming Asia-Pacific
Co-operative E-business Summit
10 October, Kunming, China**



**NATIONAL AGRICULTURAL
COOPERATIVE FEDERATION**

1. Overview

2. NACF Agri-Businesses

3. NHaMarket

History

1960s

- Established NACF out of a merger of Agricultural Cooperatives & Agricultural Bank of Korea

1980s

- Changed 3-tier organization to 2-tier one consisting of individual cooperatives and their federation

1990s

- Initiated independent operation of Marketing & Supply and Banking & Insurance divisions

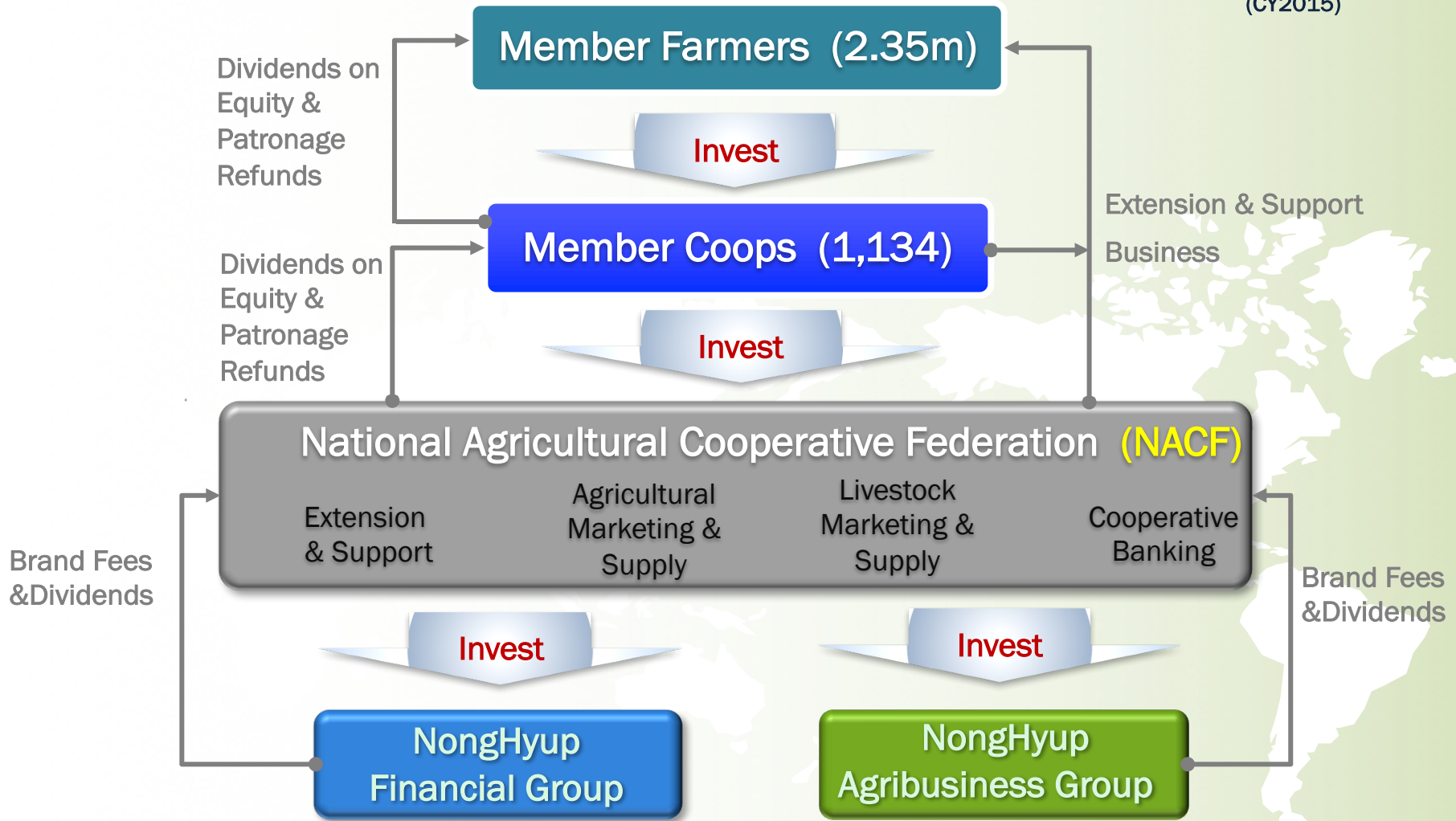
2000s

- Launched integrated NACF with the merger of federations of the agricultural, livestock, and ginseng cooperatives

2010s

- Spun off into one NACF and two holding companies: namely, its NongHyup Financial Group and NongHyup Agribusiness Group

(CY2015)



Structure of Agricultural Business

(Data as of 2013 end)



Operating the Most Number of Retail Store and Manufacturing Facility



Distribution & Processing



Retail Store

Hanaro Mart : 2,114



Agri Food Processing Infrastructure

Agri Processing Ctr : 336
Rice Processing Ctr : 155
Ginseng Processing Manufactory : 13



Wholesale Distribution Center

Logistics center : 3
Joint Agri-Products Market : 81



Manufacturing



Namhae Chemical

Manufactory : 1
Business Office : 12



NongHyup Chemical

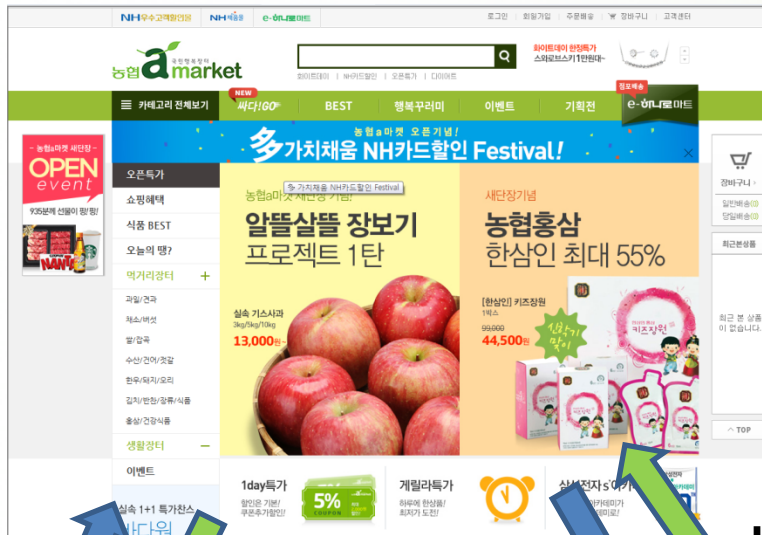
Manufactory : 2
Business Office : 14



Nongwoo-Bio

Raising of Seeding Laboratory : 2
Biotech Laboratory : 1

Connecting farmers & co-ops to customers



Korean Agricultural Co-op systems representative on-line shopping mall

NO.1 on-line store specialized in agricultural products and foods

More than 1 million customer and 80,000 employee members

Browsing
&
Order

delivery

Order

delivery

delivery





MARKET MENU



category	Sub-menu
Foods	Fruits/Nuts, Vegetables/Mushrooms, Rice/Grains Fish, Meats(beef/pork/chicken/duck) Processed Foods(Kimchi), Red Gingeng/Supplements
Daily Durables	Electronics/Computers, Fashion/Cosmetics Mother/Baby, Furniture/Interior, Living/Kitchen Bathrooms, Sports, Gifts
Family Mall	NH Frequent Customers Mall, NH Cheum Mall Restaurant Mall, MRO, FC, e-Meat
Partnership	Flowers, Stationary, Travel, Books
Theme Mall	Happy Bundle, Eco-friendly, Provincial Specialties

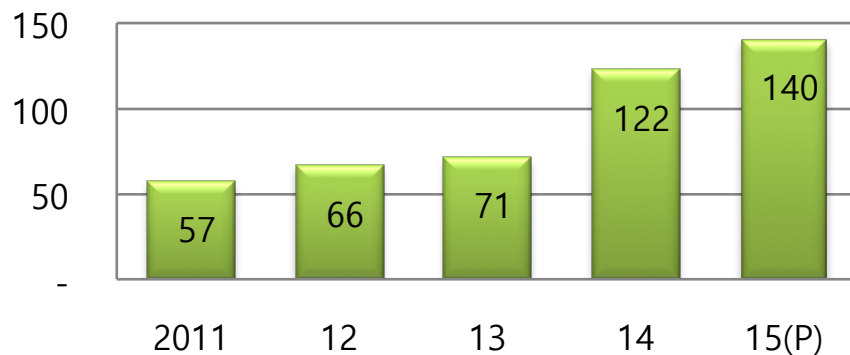
Business Volume

(unit: thousand, USD)

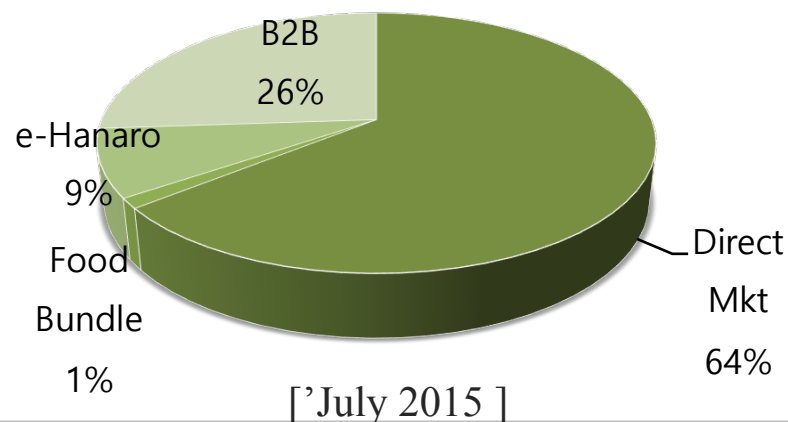
	2013	2014	July. 2015
# of members	910	981	1,014
Visitors/day	11	8	10
Orders	572	765	376
Transaction Amt/ customers	124	156	189

Turnover

Bil. KRW



Biz category



strategies

- 1 Innovation on Direct Marketing
- 2 Providing One-Stop Shopping expanding daily goods
- 3 Expanding e-Hanaro
- 4 On-line Marketing Strategies for turnover increase
- 5 Increasing MRO market share
- 6 Omni-Channel Strategy integrating on and off-line

1. Innovation on Direct Marketing : Delivery

Utilizing the Ansung Logistics Center as a NHaMarket Delivery-Hub

Partnership w/ coupang for the rocket delivery



- ✓ NongHyup Mall in the coupang mall
- ✓ Using coupang rocket delivery



Items for RD

- ✓ Grains, Vegetables, Fruits
- ✓ Processed and Frozen Foods

1. . Innovation on Direct Marketing : Kku-Rou-Mi

Food Bundles for Regular Delivery

Delivery Option

- ✓ Family Size, Frequency
- ✓ Seasonal, Organic,
- ✓ Event : Party, Camping, Health
- ✓ Gift, Employees Benefit(SK Corp. Ltd)
- ✓ Sisterhood Program
- ※ farmers benefit : sustainable demand



1. . Innovation on Direct Marketing : Food Safety

Providing Food Safety and Traceability Information

www.farm2table.kr

www.naqs.go.kr

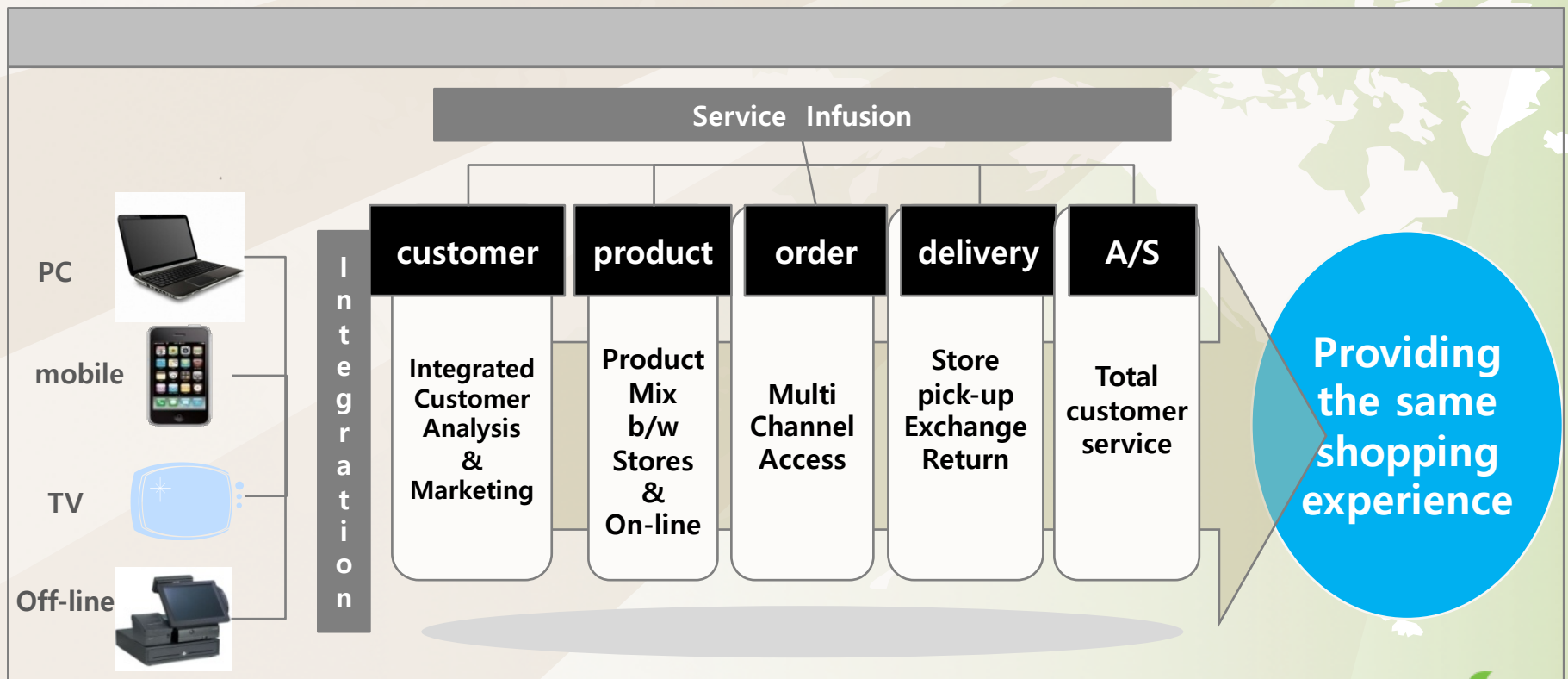
National Agricultural Products
Quality Management Service



6. Omni-Channel Strategy : Integrating On & Off-line

Integrated Total Service

- same shopping conditions
- efficient shopping experience
- customized service





Thank You

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