

Study of Social Entrepreneurship and Innovation Ecosystems in South East and East Asian Countries

Case Study: Wozoo, South Korea

The Japan Research Institute

Office of the Multilateral
Investment Fund

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Ecosystems in South East and East Asian Countries**

CASE STUDY

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Jeon Hoon, Secretary General of Community Design Lab

Jeahyun Na, Manager of Community Design Lab

Tomohiro Hamakawa, Co-founder & Managing Director of Earth Company

1. Introduction

Name: Woozoo	
Description	The pioneering share-house provider in South Korea that aims to solve “housing poverty” issues particularly for youth living in Seoul.
Founded	2012, Seoul City, Republic of Korea
Legal format	Social Welfare Corporation
Num. employees/volunteers	N/A
Geographical reach	Seoul Metropolitan City
Certifications/ awards	The founder was awarded; Winner of the 'Social Enterprise Competition' 201 (the Ministry of Employment and Labor) in 2010. The 2011 President's Award for Republic of Korea Talents Young Entrepreneur of the Year 2013 (Korean government and Forbes) First Korean to appear on the list of 'The Social Entrepreneurs of the Year' by the Schwab Foundation in 2015
Social innovation variables	
Innovation type	Woozoo engaged the Seoul Metropolitan Government to formulate policies enhancing the co-living business market and opening it up to other providers.
Social impact	Woozoo offers cash-strapped urban youth with low-cost, high-quality housing options. The number of clients has reached over 300 renters.
Financial sustainability	Woozoo's main revenue sources include rent from residents and commission fee from house owners.
Key partners and support ecosystem players	The Seoul Metropolitan Government is the most critical partner offering support to obtain land for share houses and provide loans with favorable conditions.
Scalability and replicability	Woozoo has yet to reach optimal scale; it needs to expand its properties and services. Government policies have opened up the share-house market to competitors for replication.
References	www.woozoo.co.kr



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2. Local Social Issue and the Challenge

In South Korea, finding affordable housing is a significant social issue, particularly for youth under the age of 35 years living in large cities including the Seoul Metropolitan City. Currently exceeding 10 million, the highly dense population in Seoul has soared four times within the past 30 years due to population influx from rural areas. This has resulted in the shortage of housing and thus the rising prices in the rental market.¹

In addition, the Korean traditional rental guarantee mechanism, named *chon-se*, is a heavy burden for youth to secure places to live. This *chon-se* mechanism has a unique effect on the housing financing industry. Under the *chon-se* mechanism, property renters in Korea need to pay an exorbitant deposit to property owners before moving: a half of the property sales price. Property owners invest this significant deposit to earn profits, which essentially serve as the rental fee. In other words, once the deposit is paid, residents do not need to make monthly or regular rental payment. Generally, the deposit is returned to renters at the completion of contracts that usually expire in two years.² However, given the sharp rise in real estate prices in recent years, some property owners charge monthly rent in addition to the *chon-se* deposit.

The soaring property market and the traditional guarantee system produced a new term “housing poverty” in large cities like Seoul that refer to “people living in properties that are not legally certified as condominiums or houses” including attics and dormitory-like residences called *gosiwon*. *Gosiwon*³ is an apartment building with several small rooms of 3.3 to 6.6 square meters that are furnished with a desk and a bed. Residents share all other facilities including kitchen, bathroom, etc. that tend to be of low quality. Privacy is limited in such a residential environment. According to a citizen group in Seoul, one out of five youth living in Seoul reside in such property as well as other uncertified residences, i.e. the “housing

¹ (<http://www.ocaji.or.jp/pdf/branch/OCAJI101011.pdf>) [Accessed 11 Feb 2016] (in Japanese)

² If the person doesn't afford such a high guarantee fee, he or she can deposit “*Wolse*”, a cheaper guarantee than “*Chonse*” and pay monthly rent fee. “*Wolse*” is around 0.2% of “*Chonse*” and returned fully when the residents move out. Because of the hike of housing costs, “*Chonse*” is also soaring. Also expected investment yields have decreased. Those economic surroundings make more people choose “*Wolse*”. (IBID)

³*Goshi* refers to an old civil servant examination in South Korea. Based on this word, *gosiwon* means a place where young people studied for the exam and slept during the exam season. Today, regardless of whether taking the exam or not, many young individuals including university students, international students and part-time workers live in *gosiwon* residences. (IBID)

poverty”.

3. Solution and Social Impact

In order to solve the poor living conditions including the gosiwon arrangement, Sharehouse-Woozoo, commonly known as Woozoo, launched its co-living business in 2012. Woozoo leases entire apartment buildings from property owners and renovate them to be co-living spaces. Property owners have two options in terms of partnerships with Woozoo – full lease or service provider - that will be discussed in more detail below in Section 4 (Business Model). These co-living spaces enable youth to access quality apartments at reasonable prices and give property owners the opportunity to secure stable revenue sources in times of unstable economies.

Woozoo is the first “themed share house” provider in South Korea. A “themed share house” is a co-living property designed with specific concepts such as travel, music and tradition convening individuals with common interests. In such a property, residents can not only secure an affordable, private living space, but also enjoy a higher quality of life with like-minded housemates and neighbors in communal spaces.

Woozoo currently dominates the share-house market in South Korea, while many followers with similar businesses have emerged.

4. The Social Entrepreneur

Mr. Jung-Hyun Kim, the founder of Woozoo, is one of the most well-known social entrepreneurs in South Korea. Born in 1986, Kim studied business management in Catholic University of Korea where he first encountered the concept of social enterprises. After graduating from university, he and his friends launched a social enterprise in 2010 called Delight that provides low-cost hearing aid. Delight received a B-corp certification in 2011. Once the business reached sufficient scale, a pharmaceutical company decided to invest in Delight to support its further growth.

Figure 1 Mr. Jung-Hyun Kim, the founder of Woozoo



(Photo by Seoul Digital Forum Website)

His success with Delight propelled him to fame in the social enterprise world, contributing to his awards and recognitions in Korea and beyond:

- The Young Entrepreneur of the Year by the Ministry of Knowledge in 2012
- The Entrepreneur of the Year from Forbes Korea in 2013
- First prize in the Korea Social Enterprise Competition held by Ministry of Employment and Labor in 2010
- A member of the World Economic Forum's Global Shapers Seoul Hub.
- The Social Entrepreneur of the Year by the Schwab Foundation for Social Entrepreneurship in 2015, as the first Korean social entrepreneur to win.

While running a successful business in hearing aids, Kim held a strong motivation to start another venture. He formed a team within Delight to focus on seeking new business ideas and also hired professional staff to enhance the team capacity. Based on the team's research, he turned his eyes to social issues among young people. Because Delight hosted university student-interns who came from rural areas, Kim took an active interest to understand the situation of these student-interns. This led to discovering the interns' difficulties in finding reasonably priced places to live and their terrible conditions that they were forced into with regards to contracts with apartment owners. This discovery pushed Kim to decide to tackle the housing issues for young people and became convinced that a social enterprise in this space would generate significant social impact.

"At that time, I did not have sufficient knowledge of real estate industry and of course, the business model and customs of rental house. Building a business model that made both financial

profits and social benefits with low rental fee was very tough part and team had so many discussions. Finally we decided to go with co-living space model.” Kim said. Idea of “themed share house” was derived from Japanese share house businesses that offered very unique co-living spaces for “animaniac” (people who love cartoon) and for people loving digital gadget.

After two years of test marketing since the launch of Woozoo in 2013, Kim evaluated the business model of the “themed share house” as fully profitable and decided to roll it out.

5. Business Model

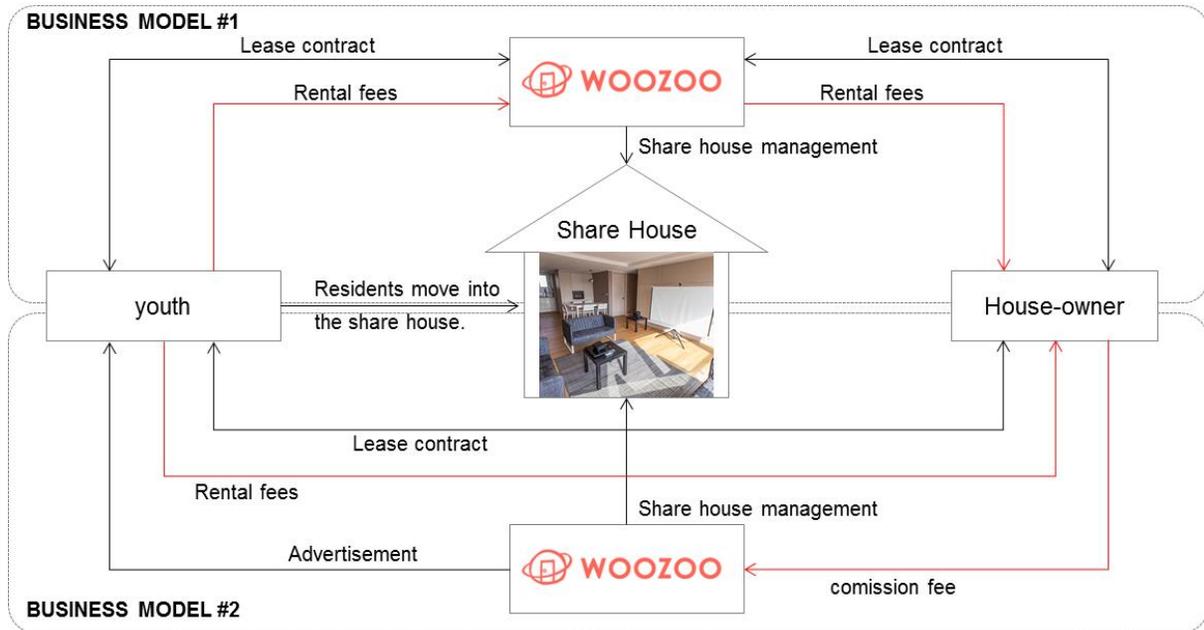
As mentioned above in Section 3 (Solution and Social Impact), Woozoo leases entire apartment buildings from owners and turn them into co-living spaces through renovations. There are two partnership models for Woozoo and property owners:

- (a) The first arrangement involves Woozoo to directly lease the property from its owner. For example, for an apartment with 6 rooms, Woozoo pays a monthly fee of USD⁴ 1250 to the owner, then rents out the room to six residents at a monthly rate of USD 290 to 330.
- (b) The second arrangement makes Woozoo the operator of the co-living space commissioned by property owners. In this model, Woozoo takes a commission fee from the owner, while each resident directly contracts with the owner.

During the process of renovating the property, Woozoo advertises the share house through its website to recruit residents.

⁴ Unless otherwise stated, the exchange rate of USD 1=KRW 1100 is applied throughout this report.

Figure 2 Conceptual diagram of Woozoo's business model



5.1 The Features of Business Model

5.1.1 Quality rental room with reasonable price:

In order to provide quality rooms at reasonable prices, Woozoo decided to enter the co-living market. The figure below shows an example of a co-living space that Woozoo operates. A total of eight residents live together in the apartment of five rooms: one room with three beds, one room with two beds and three rooms each with a single bed. The monthly rent for a room with three beds averages out to be around USD 350 per person. The two-bed room option comes out to be slightly higher in price: around USD 390 per resident. The monthly rents for the three single-bed rooms range between USD 300 and USD 480. Sharing a living room, kitchen, and bathrooms helps keep the monthly rent low.

Figure 3 A sample of a Wozoo-managed co-living space



(Quoted from Wozoo website)

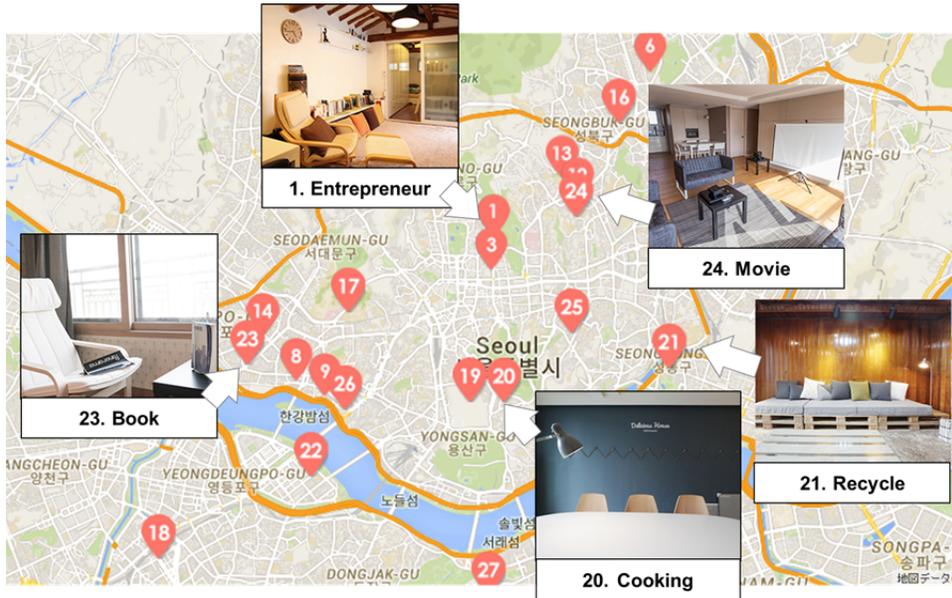
5.1.2 Decreasing financial risks for owners:

For property owners, operating apartments as co-living spaces helps mitigate the vacancy risk. Generally, property owners need to manage vacant rooms until the next resident moves in and cannot earn any income in the meantime, thus leading to lower overall investment yields. Instead of this all-or-nothing rental scheme, the co-living rental business allows for a higher likelihood of some people partially renting out the property, guaranteeing a less volatile business.

5.1.3 Themes and sub-themes:

What makes Wozoo's share houses unique is their themed nature ranging from art & works, culture, food, job, leisure, to tradition, with each theme broken down into sub themes. For example, a property with the sub-theme of movies under the culture theme would be equipped with a big screen and projector in its common space. Thus, residents who enjoy watching movies can spend time together to share experiences. As a result, Wozoo believes it contributes to developing communities and improving their quality of life.

Figure 4 Examples of Wozoo share house



(source: Wozoo website)

Table 1 Number of share houses by theme in Seoul

Theme	Number of houses in Seoul
Movie	3
Book	2
Cooking	2
Flower	2
Baseball	1
Bicycle	1
Camping	1
Entrepreneur	1
Exercise	1
Gardening	1
Job	1
Photography	1
Recycle	1
Tradition	1
Travel	1

(source: Wozoo website)

5.1.4 Provision of additional services:

Apart from Woozoo's core business of providing affordable housing, the social enterprise provides various support services to residents, including conducting orientations to facilitate interactions among each other, organizing open house parties, and holding house clean-up days. Woozoo even offers discount coupons to English cram schools nearby and lottery tickets to give away chances to travel and study abroad.

5.2 Fee Structure

As explained above, Woozoo enters into one of two partnership models with property owners. Under the full lease model, Woozoo profits from the difference between the monthly rent it charges to residents and the lease fee paid to property owners. Under the service provider model, Woozoo earns commission from property owners in exchange of operating the co-living spaces. In both models, Woozoo charges additional fees for service and utilities to each resident. From a resident's perspective, the following expenses should be budgeted upon moving in:

Table 2 Fee for service and utilities (per person)

Monthly rent	USD 270 – USD 480
Deposit	Two months' worth of rent
Basic service fee	USD 27 per month for internet, water purifier, cleaning, and other maintenance costs
Utility fee	Woozoo receives a fixed monthly amount of USD 27 to 48 in advance for electricity, gas, water and building management. Woozoo reconciles the paid amount against actual usage, then either reimburses or deducts from the deposit when residents move out.

These figures compare favorably against dormitory-like gosiwons in Sinchon, the main student district in Seoul, that charge a deposit of USD 4,500 and monthly rent of USD 360 on average⁵. While the rent levels are similar, the required deposit is significantly less at Woozoo share houses. According to Kim, residents of Woozoo pay approximately 80% of the average rent of legally certified properties in Seoul.

⁵ <http://www.gosione.net/> [Accessed 16 June 2016] (in Korean)

5.3 Target Beneficiaries

Woozoo's current target beneficiary is the youth of "housing poverty" in large cities and only accepts people under the age of 35. Woozoo sets this age limit to serve those who really need affordable housing options and to maintain the quality of communities in each co-living space.

5.4 Scale

Woozoo has managed to scale up its business as well as enhance its social impact through the following three ways.

5.4.1 Collaborating with the Seoul Metropolitan Government:

In its early days, Woozoo negotiated with apartment owners to increase the number of share houses. However, it was not easy to find those who agree and support Woozoo's vision. From Woozoo's perspective, negotiations with owners proved to be an extremely time-intensive process and thus not an inefficient way to scale up. As such, Woozoo shifted its strategy to directly negotiate with the Mayor of Seoul who had already stated his commitment to increasing the number of affordable rental options. Woozoo held similar conversations with the Seoul Metropolitan Government at the same time. These efforts succeeded in the formulation of two key policies for the co-living market: one on land lease (Policy of governmental land lease for social houses), the other on low-interest loans (Public Loan with low interest rate for building social house).

(a) Policy of governmental land lease for social houses (2015~)

Under this new policy of governmental land lease for social houses, the Seoul Metropolitan Government provides its own land for social houses at lower leasing fees to property managers. If property managers would like to build a social houses on real estates that the Seoul Metropolitan Government does not own, and if it succeeds in reducing the land cost to less than USD 1.1 million after negotiation with the land owner, the Seoul Metropolitan Government can purchase the land with maximum 330 m² and lease it for at least 30 years to the property manager. Each property manager can apply up to two places to the Seoul Metropolitan Government.

(b) Public loan with low interest rate for social housing business (2015~)

The other key policy enabled the Seoul Metropolitan Government to provide low-interest loans to business entities that become involved in government-sponsored social housing projects. This five-year loan with a two percent interest charge per annual can be utilized for building a new social house or renovation of existing houses. Certified social enterprise and nonprofit organization working to solve the poor living conditions can apply. The lending limitation is 70% of total building or renovation expenses⁶.

Thanks to Woozoo's significant lobbying efforts, these two policies have managed to open up the co-living housing market to more companies, thus creating healthy competition.

5.4.2 Diversifying the menu of services

Woozoo provides various services to its residents including organizing orientation, open house parties, and clean-up days. Woozoo also supports those preparing for the TOEIC exam by providing discount coupons to English cram schools. Woozoo is currently planning another support program for university students to interact with experts. For instance, in one share house where law school students live together, Woozoo plans to invite professional lawyers to give career counseling seminars or other high-profile lecturers from various fields on a regular basis. In addition, Woozoo is development a partnership with financial institutions to offer financial support program for residents.

According to Woozoo, the co-living business market has been growing due to its scalable merits. As the number of rental properties increases, the number of customers increases rapidly, management costs decrease, and the vacancy risk decreases. However, it is difficult for property managers to increase the rental margins or commission fees much higher than the market rate. Given the limited profitability of the rental service alone, Woozoo is now placing emphasis in developing additional services to expand the overall revenue stream.

5.4.3 Expanding its client base

While Woozoo currently focuses on youth as its main clientele, the social enterprise aims to

⁶ <http://www.newstomato.com/ReadNews.aspx?no=661722>[Accessed 16 June 2016] (in Korean)

expand its target segments to include others suffering from the issues surrounding “housing poverty” such as the elderly with low income, single parents, etc.

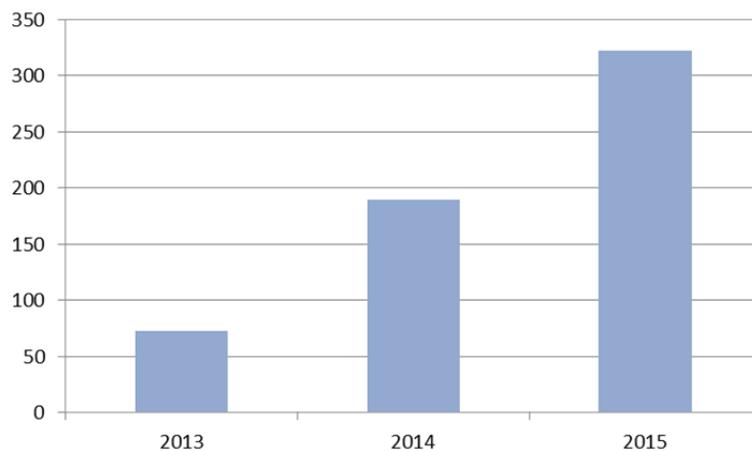
6. Social and Financial Performance

6.1 Social Performance

6.1.1 Social impact achieved

Woozoo aims to solve the “housing poverty” issues among youth through its share house model. In this sense, the cumulative number of residents in Woozoo-managed properties represents its reach. The number has increased from 73 individuals in the first year of operations (2013) to 189 in 2014 and 322 in 2015.

Figure 5 Cumulative number of residents in Woozoo-managed properties (2013-2015)



Moreover, contribution to enact two policies, Policy of governmental land lease for social houses and Public loan with low interest rate for social housing business was recognized as significant social impact that Woozoo achieved. The policies opened the share house market widely to many business entities. Although number of competitors for Woozoo has grown, Woozoo made substantial progress to realize its social mission of solving the poor living conditions in particular of youth in Seoul metropolitan city.

When the founder of Woozoo Kim started lobbying for social housing, he has already earned high recognition as the most successful social entrepreneur in South Korea through his Delight business and had a broad network among social enterprises, social investors and governmental agencies. Those “assets” soon brought him a connection to Mayer of Seoul

Metropolitan city who publicly stated his commitment to solving housing issues for vulnerable people. “We discussed many times social housing and share house model, how it works for solving the issues that vulnerable people faced, and what public supports we need. All discussions went very positively and Mayer proactively worked for launching the policies”, Kim said.

6.1.2 Social impact measurement

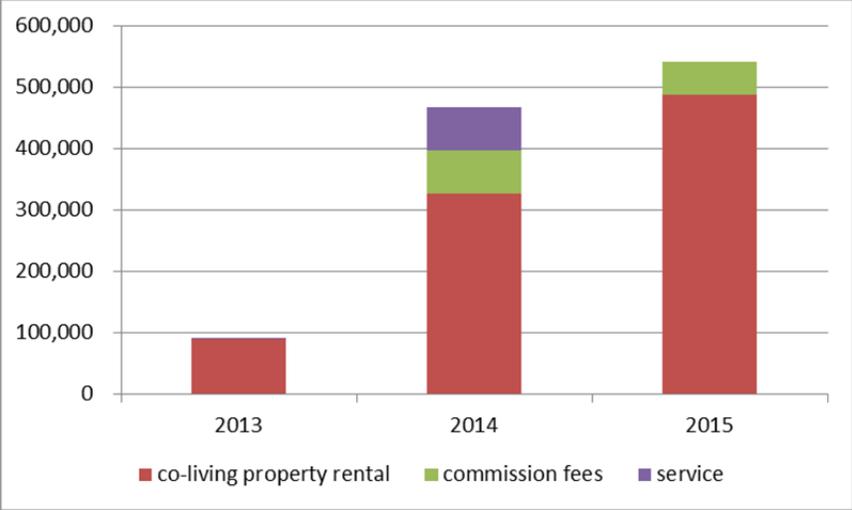
While Woozoo conducts small pieces of research to understand the needs of residents and develop new services, Woozoo does not have any specific plans to assess its social impact on the residents.

6.2 Financial Performance

6.2.1 Revenue & expenses

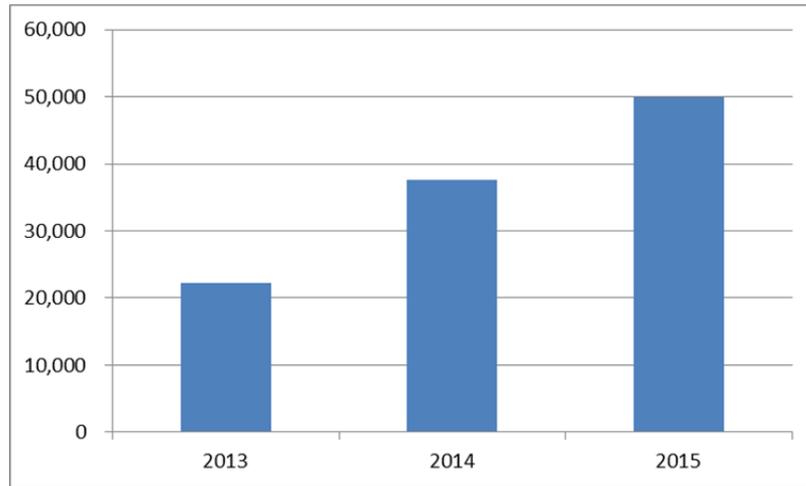
Woozoo has managed to increase its sales revenue in each of the first three years, reaching USD 542,000 in 2015. As described earlier, Woozoo’s main revenue comes from co-living property rental, commission fees for operating share houses on behalf of property owners and services fees including providing consulting to other entities engaged in the share house business. Woozoo also received subsidies from government including Social Enterprise Promotion Agency and Seoul Metropolitan Government that were utilized mainly for human costs and acquiring properties.

Figure 6 Woozoo’s Business Revenue Trend (USD)



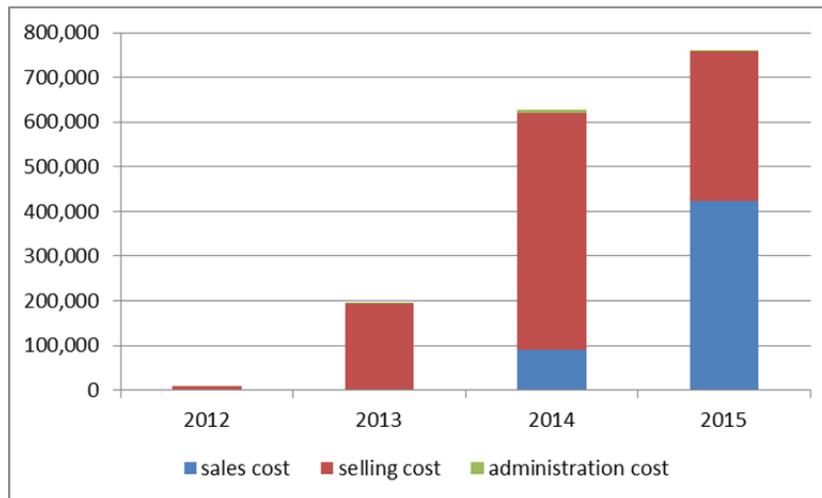
	2013	2014	2015
co-living property rental	99%	70%	90%
commission fees	0%	15%	10%
service	1%	15%	0%

Figure 7 Subsidies from government (USD)



The term “share house” was a quite new for South Korea market at the time of Wozoo started the business. Wozoo had to put their energy on marketing and advertisement in the early stage, and that resulted in relatively high selling cost. Wozoo strongly expects that public policies enacted in 2015 will help them save administration costs, and enable them to focus more on developing new share houses.

Figure 8 Wozoo’s Business Expense Trend (USD)



	2012	2013	2014	2015
sales cost	0%	0%	14%	56%
selling cost	100%	99%	85%	44%
administration cost	0%	1%	1%	0%

7. Business Development and Ecosystem Evolution⁷

7.1 Seed Stage (Until 2013)

7.1.1 Business milestones

The original idea behind Woozoo was conceived when Kim was running his first social venture Delight. Driven by a strong motivation to build socially impactful businesses, Kim set up a new team within Delight to seek innovative business ideas. Thanks to the effort of the team as well as interns from universities, Kim turned his attention to affordable housing issues for the youth. At that time, Kim lacked sufficient knowledge of real estate management and therefore struggled to negotiate well with apartment owners.

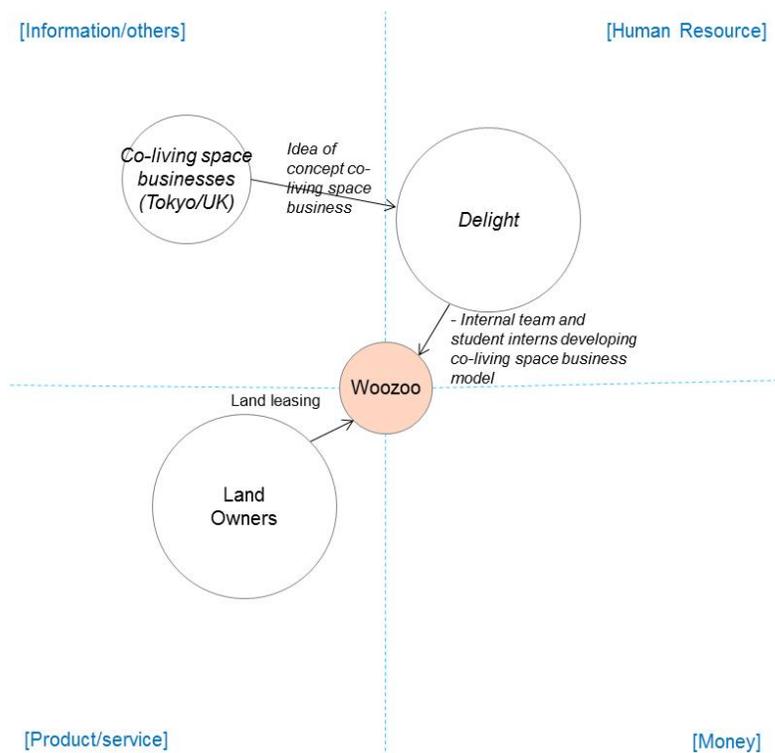
In order to overcome this challenge, Kim began studying real estate business and also learned from similar businesses in other countries, particularly Japan and the United Kingdom. In Japan, more specifically in Tokyo, themed share houses were on the rise at the time, with notable examples such as the “geek house” where game -and anime- lovers live together and the “cooking house” that has a large, well-equipped kitchen for cooking fans. Such businesses were unprecedented in South Korea, but Kim and his team believed in their potential not only in terms of market demand but also to achieve significant social impact for “housing poverty”.

Soon after Woozoo started to advertise its first share house with occupancy of three people, more than 100 applications were received. This helped the Woozoo team become convinced about the business potential.

⁷ **Start-up stage:** a preparation period for setting up a business or an enterprise. An entrepreneur’s team develops a business idea and a business model. In some cases, they have product/service prototypes which are not fully developed or tested. **Early stage:** A period from business initiation until business scale-up. An entrepreneur’s team may first deliver its products/ services in a test market to examine its business model. Also, the team may file patents or obtain licenses, if necessary. Once the business model is consolidated, it starts its business. However, the business remains quite small due to lack of capacity and resources. It may reach a breakeven point at the end of this period. **Growth stage:** A period after scaling up the business. The business exceeds the breakeven point and increases its sales, number of beneficiaries, the market share etc. The team revises the business model in order to sustain and/or expand the business, if necessary. In some cases, the team starts to investigate new products/services.

7.1.2 Key ecosystem player

Figure 9 Woozoo’s key supporter mapping in its Start-up stage (before 2013)⁸



The basic concepts of the Woozoo model were gradually formulated by Kim and his team at Delight. Kim emphasizes the importance of developing in-house capacity in the management of finance and contracts when starting up new businesses. This means that external experts are brought in when building the capacity of the internal team. Given this approach, Woozoo’s key external supports in the seed stage were limited to property owners who deeply understood the core mission of Woozoo and offered their properties.

Unlike other start-ups, Woozoo did not need external finance for its launch. Founder Kim could cover the founding cost of USD 108,000.

⁸ How to look at this key supporter map:

- The name inside the circle represents the key supporters.
- Depending on the kind of support they provide (HR, Product/ services, money, information), the circles are located in respective zones.
- The brief descriptions of the support are written on the arrows.
- The size of the circle expresses the level of impact (high, medium, low).

7.2 Early Stage (2014-Present)

7.2.1 Business milestones

At the beginning of this stage, Woozoo did not pursue to obtain the social enterprise certification in South Korea although the Woozoo concept clearly focused on social impact. For the Woozoo team simply did not see the need or incentives for such certification.

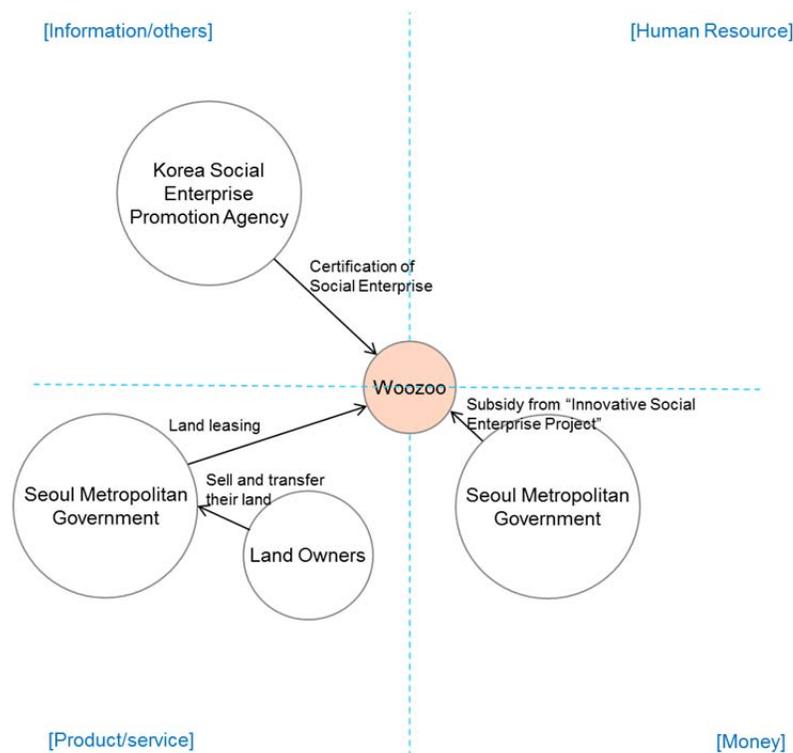
Once the two new policies came into effect, however, the situation changed for Woozoo. In order to enjoy the benefits of the new regulatory framework set forth by the Seoul Metropolitan Government, Woozoo now required its certification as a social enterprise if it wished to receive financial support from the government. As such, Woozoo obtained a common enterprise certification from the Seoul Metropolitan Government in 2015 and a social enterprise certification from the Korea Social Enterprise Promotion Agency in June 2015. These certifications enabled Woozoo to access business expansion support from the Seoul Metropolitan Government.

In addition, Woozoo managed to win support from the Seoul Government's Innovative Social Enterprise Project in which a selected social enterprise receives up to USD 46,000 upfront and another subsidy up to USD 37,000 based on the result of business assessment conducted six months later. In August 2015, Woozoo was selected as one of ten innovative social enterprises in the first year of the project. This financial support enabled Woozoo to launch two share houses as prototypes on government-owned land in 2015. Woozoo now plans to collaborate with the Korea Land & Housing Corporation and the Seoul Housing Corporation for further expansion of its co-living business.

The Woozoo team perceives that it is now standing at the entrance of the growth stage. In addition to increasing the number of share houses it manages, Woozoo is preparing to (1) launch new services and (2) expand its client base. For (1), Woozoo plans to increase additional services for residents including the provisions of seminars by professionals. For (2), Woozoo aims to expand its target segments to include others suffering from the issues surrounding "housing poverty" such as the elderly with low income, single parents, etc.

7.2.2 Key ecosystem player

Figure 10 Woozoo's key supporter mapping in its early stage (2014 to Present)



The Woozoo team identifies its collaboration with the Seoul Metropolitan Government, particularly its mayor, as the key for growth in the early stage.

Woozoo made significant contributions in the formulation of relevant housing policies through discussions with Mr. Won-Soon Park who has been the Mayor of Seoul since 2011. Park was formerly a lawyer and social activist and worked on the founding of the People's Solidarity for Participatory Democracy, a major citizen group in South Korea. He also served as the former chairman of the Hope Institute, a nonprofit policy think-tank. In 2000, Business Week magazine selected Park as one of 50 Asian leaders promoting social innovation. Given his background in civil society and social enterprises, the Seoul Metropolitan Government under Park's leadership has managed to develop an environment conducive for the growth of social enterprises.

8. Scalability and Replicability

Woozoo currently adopts a two-tiered approach to achieve scale: increasing the number of share houses and expanding services to residents.

(a) Increasing the number of share houses

By the end of 2015, Woozoo has served 322 residents. Woozoo understands well that there is still tremendous need for low-cost, high-quality apartments not only in Seoul, but also in other large cities. In order to meet this need, Woozoo clearly needs to construct or renovate more apartment buildings. However, finding appropriate properties remains a challenge even in Seoul where the government provides support. One of the main reasons behind is “the best places has been already developed or dealt by large real-estate corporations”, Mr. Kim said. To complicate the issue further, the two new policies have opened up the co-living market to other entities, thus creating competition in a once vacant market. According to Mr. Kim, estimated share houses in Seoul currently number around 2,000 and are anticipated to rise from here on out. Nevertheless, the Woozoo team does not necessarily see replication by its competitors as a bad thing; Kim welcomes replication by other companies and nonprofits as they are all working towards the common goal of addressing affordable housing issues.

(b) Expanding services to residents

As mentioned above, Woozoo plans to launch new services to the residents in order to secure additional revenue sources. Because its main client base is cash-strapped youth, Woozoo’s main challenge lies in developing attractive services at reasonable prices.

9. Final Reflections

(a) Formulating new policies to create and open up markets

Even though dominating the market was not its primary objective, Woozoo benefited greatly from the two new policies on affordable housing implemented by the Seoul Metropolitan Government. However, more importantly, the policies have helped open up the co-living market to other business entities, which in turn contributing to solving the overall “housing poverty” issues.

It is notable that these policies do not provide direct subsidies to market actors; the policies allowed for social enterprises in the sector to access government loans with favorable conditions. This means businesses need to generate sound financial results to survive in addition to the challenges of finding suitable properties, negotiating with property owners, designing share houses, and managing services.

(b) Improving the quality of lives, empowering youth

If providing affordable rental apartments was its main objective, Woozoo could simply improve the quality of the dormitory-style goshiwons. This might have been appealing to many students unsatisfied with the current housing options. However, Woozoo aimed to bring dramatic change to the sector by promoting the idea of themed share houses and improving the quality of life of residents. Woozoo designs each co-living space to enable the development of a community around shared interests and also offers various services such as career counseling. Therefore, the element of youth empowerment is a unique value of Woozoo.

(c) The power of serial social entrepreneurs to foster social innovation

Kim and his team at Delight, a successful social enterprise at the time, developed the initial ideas behind Woozoo. Experiences and knowledge accumulated in Delight, as well as personal networks, enabled them to start a new social enterprise efficiently. Furthermore, Woozoo utilized those valuable assets to convince the Seoul Metropolitan Government to pass the new policies. Therefore, this case points to the role of a serial social entrepreneur in achieving financial sustainability of new ventures and fostering social innovation.