Success Factor Analysis of New Korean Wave ‘K-POP’ and A study on the importance of Smart Media to sustain Korean Wave

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Abstract This study focuses on the phenomenon that K-POP has become spotlight as killer contents which can be spread over the world beyond Asia. In order to identify critical factors of successful impact of K-POP on other cultures, the influence of the change in media on the globalization of popular culture was explored and the related requirements were analyzed. Furthermore, the potential markers for K-POP, a core field of the Korean Wave, were also analyzed and specific factors such as effective infrastructure of among producer of contents, platform subscriber, network provider, terminal enterprise and retailers for building new businesses model were investigated in detail.

Key Words : Smart Media, Potential Markets, Korean Wave, Realistic Contents, K-POP contents

1. Introduction

1.1 Study Background and Purpose

A blended word ‘한류’ called Korean Wave has been widely used as popular culture preference in the last few decades. It also refers to continuous self-evolution in terms of keeping pace with rapidly changing trends[1]. Korean Wave begins in East Asia such as China, Taiwan and Vietnam, mainly among young generations, and they try to learn it with Korean music, movie, drama, etc[1].

In the viewpoint of humanities and management, it is closely related to economic growth and socio-cultural change in Asia countries, which contributed to the creation of a
large number of jobs along with the enormous budget for improving the quality of Korean Wave contents development[2].

The new cultural icon of Korean Wave, K-POP, has emerged as a content in the limelight, and not only Asian but also European has shown their passion for K-POP through a variety of events like flash mob performance. Especially, social media plays a significant role to spread to the world in that it is easily accessible in the aspects of both visual and auditory, and anyone can share the information[3-5].

Accordingly, this study will analyze the success factors and risk factors by examining the current status and trends of K-POP leading the new Korean wave craze. Based on this, it will be enhanced that the new Korean Wave, K-POP, is a valuable and meaningful killer content that aims to provide an alternative that can grow into sustainable contents for the world. In addition, with the fact that the expansion of physical and temporal use caused by changes in the smart media environment has made Korean Wave more active, there will be discussions on how to use smart-based immersive contents and tasks that can create the popularity of K-POP as tangible–intangible added value and also maximize its value[6-8].

1.2 Study method and Scope

This study aims to explore the challenges for successful globalization and sustainability of K-POP, which is leading the new Korean Wave, and seek strategic methods. From this point of view, first, the development process and characteristics of the existing Korean Wave, and the direction of the existing research have been examined. Then, second, the latest research data and literature related to the current status and trends of the new Korean Wave have been collected and reviewed with case analysis using social media. In particular, in-depth plans and business models for sustainable growth and revitalization of K-POP have been presented by analyzing global success cases of global pop singers and building a realistic content ecosystem–centered on smart media technology[9-11].

2. Characteristic and Success Factor

Analysis of K-POP

2.1 Development of Korean Wave and Research Trends

The Korean Wave is such a prevalent phenomenon that certain fields, such as Korean culture and art, are in vogue, and this term is now used in the same sense in European and Asian countries. At present, the Korean Wave encompasses all aspects of Korean culture, including popular music, movies, fashion, games, starting with dramas[12,13].

<table>
<thead>
<tr>
<th>Table 1. Range of Korean Wave</th>
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<tbody>
<tr>
<td>Korean Wave Type</td>
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<tr>
<td>Broad</td>
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</table>

The favorable impression of the Korea Wave does not come from nation branding 'Korea', but a sentiment created by the Korean entertainment industry. Thus, as a consumer of pop culture, fans tend to be attracted to and consume the product itself rather than to be aware of the nation[14,15].

However, due to the Korean style, thinking and lifestyle that are exposed to the bottom of popular culture, interest in Korean popular culture is spreading to interest in the country of Korea. So, how to develop this is the key to the development of the Korean Wave[16].
Table 2. Development stage of Korean Wave

<table>
<thead>
<tr>
<th>Feature (Expansion)</th>
<th>1st Period</th>
<th>2nd Period</th>
<th>3rd Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Word</td>
<td>Starting</td>
<td>Deepening</td>
<td>Diversification (K-Culture)</td>
</tr>
<tr>
<td>Term</td>
<td>1997–2000</td>
<td>Mid of 2000s</td>
<td>After late 2000s</td>
</tr>
<tr>
<td>Movie, Game</td>
<td>Cartoon, Food, etc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area (Expansion)</td>
<td>China</td>
<td>Asia</td>
<td>Europe, America, etc</td>
</tr>
</tbody>
</table>

As shown in Table 2, in the late 2000s, the trend of the Korean Wave changed from drama-centered to K-POP-centered, and entered 3rd period of Korean Wave which emphasized diversification. According to the Korea Contents Agency whose research direction focuses on Korean Idol groups’ origin and activities, K-POP was influenced by American and European pop music, but it was evaluated that K-POP has changed in its own way[17,18].

Since then, organizations such as the Korean Culture and Information Service(KOCIS) have conducted research on the recognition of K-POP use behavior, national preferences, and changes in the intention to visit Korea[3]. In this respect, the ministry of Culture, Sports and Tourism published a report on the results of research to develop K-POP and expand them into K-cultures for the diversification of the Korean Wave[19].

2.2 Case Analysis of Success Factors of K-POP by changing media environment

With the recent development of smart media, it has become possible to spread Korean Wave contents rapidly. This resulted that the new Korean Wave led by K-POP has created a global boom covering America, Europe and south America through social media since late 2000s. Unlike in the past, when contents were distributed through local distribution networks such as overseas exports, domestic TV broadcasts, in the 3rd period of the Korean Wave, expanded distribution networks-centered on social media such as YouTube, iTunes, Facebook, Twitter and blogs have been formed[20].

Table 3. Changes in Korean Wave Paradigm

<table>
<thead>
<tr>
<th>Area</th>
<th>Past</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Asian</td>
<td>Global</td>
</tr>
<tr>
<td>Fandom</td>
<td>Middle age</td>
<td>All ages</td>
</tr>
<tr>
<td>Propagation</td>
<td>Analog</td>
<td>Digital</td>
</tr>
<tr>
<td>Means</td>
<td></td>
<td>(IT&amp;CT combination)</td>
</tr>
</tbody>
</table>

For the success of the Japanese market, BoA took 5 years and TVXQ took 4 years. On the other hand, Girls’ Generation was in the Oricon chart with the release of the first regular album. Globally, there has been a great perception of digital content consumption due to the rapid change of SNS and spread. As a result of using digital media such as releasing the music videos on YouTube, not homepage, the music and images of Girls’ Generation have already become accustomed to overseas fans, meaning that there is no need to have a new concept for localization. In other words, the reason why the multiple simultaneous consumption of K-POP worldwide could be possible is the power of SNS media[8]. Accordingly, it can be analyzed that the release of music video through YouTube before the release of the album has become a kind of official custom in the domestic music industry[21,22].

3. Sustainability Plan for K-POP using Smart Media-based Realistic Content

3.1 Characteristic Analysis of Realistic Content Commercialization Technology

The proliferation of K-POP is closely related to the smart TV environment. The global content industry has sparked a craze for smart content with the advent of smart phones, pads and TVs, which is accelerating endless competition without borders. Furthermore, as the realistic media field has been combined with
application markets such as augmented reality (AR), virtual reality (VR), mobile, and computer graphic (CG), products that support S3D functions have been launched not only in smartphones, but also in tablet PCs. Google has already launched a 3D virtual community 'Lively' in 2008 and is conducting a beta service. Sony Computer Entertainment also opened the 3D virtual space community 'Home' all over the world.

Fig. 1. Open STB (Set Top Box) Platform[19]

Like Psy’s Gangnam-style music video, the content can be created and used as a new type of content that is repurposing, remediating, recreating, and reaction UCC according to media evolution. Thus, K-POP contents can be created not only with music videos but also with various types of new contents such as games or CF advertisements.

Therefore, if a company, which has excellent smart media technology in Korea, and an institution such as a broadcaster, a content producer, and a domestic entertainment planner, jointly form consortium and prepare together, it will be able to create a competitive Korean Wave brand image.

3.2 Sustainability Plan for K-POP by building Media Ecosystem

In order to continue the K-POP popularity, current problems and weaknesses must be solved, and for the development of K-POP, it is necessary to quickly adapt to changes in the media environment. Indeed, the diversification of media due to digitization causes separation of media and contents, and this trend is because the dominance of various contents holders can be strengthened rather than media holder[9]. As distribution channels diversify, the center of the content business is expected to change from distribution to production. In particular, the market dominance of operators with killer contents is expected to increase, and competition for securing quality contents on multiple platforms will increase.

Table 4. Phased BM of K-POP Smart Platform

<table>
<thead>
<tr>
<th>Global Customer Acquisition</th>
<th>K-POP + Legacy Model</th>
<th>Ecosystem Leadership Securement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing global customers through K-POP's global media distribution and Korean Wave image</td>
<td>Spread of other BM and convergence based on secured Korean Wave Power, and Expansion of Korean Wave BM area</td>
<td>Evolving into Korean Wave smart platform and providing smart service</td>
</tr>
<tr>
<td>CJ HelloVision Tving</td>
<td>SocialCommerce + Korean Wave</td>
<td>Realistic Media + KoreanWave</td>
</tr>
<tr>
<td>L-Electronic K POP Zone</td>
<td>App ecosystem + Korean Wave</td>
<td>Entertainment planner + producer + distributor + electronics</td>
</tr>
<tr>
<td>KakaoTalk + Korean Wave</td>
<td>Media Ecosystem + Korean Wave</td>
<td></td>
</tr>
</tbody>
</table>

Therefore, it is analyzed that more realistic and immersive contents will be increased by utilizing 3D and various immersive media technologies[11]. S3D stereoscopic image that provides a sense of reality and realistic content technology that makes you feel the touch of a real object provide high quality contents that can interact with human beings. In addition, the core technology includes a facial capture technology for data of human facial expressions and an emotion capture technology for reading and expressing changes in emotions. Although these technologies are difficult to implement and expensive to manufacture, the products introduced through the new media environment will be more suitable for K-POP Korean Wave's business model because they gain more important value from the Rich Market rather than the Mass Market[12].
In addition to the IT-based policy innovation that will be accepted by the new government's Ministry of Creative Science and Future, the legal distribution structure market reform should be introduced by spreading convergence services. Like the 'Ultra Violet' service released by Hollywood and British distributor Tesco presented in Table 5, it is necessary to create a legal paid distribution market through contents distribution advancement[13]. When operating a fixed membership system, it is also necessary to consider how to earn rewards by advertising composition and premium service suitable for rich market. In the case of premium services, it is necessary to be cautious because there is a risk of price loss and profitability deterioration when bundled in unconditionally[14]. It would be efficient to decide the price according to the type of service and to give selectivity to consumers targeting the rich market in the form of mixed bundles as shown in Table 6[15].

Table 5. Creating a legal pay movie distribution market(US)

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Ultra Violet Service Configuration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domain Devices</td>
<td>Unlimited content download to 12 devices</td>
</tr>
<tr>
<td>Remote Streaming</td>
<td>3 Streaming services available online at the same time</td>
</tr>
<tr>
<td>Physical Copy</td>
<td>1 Physical copy can be duplicated</td>
</tr>
<tr>
<td>Family Sharing</td>
<td>6 persons can be registered per domain account (content sharing among families)</td>
</tr>
<tr>
<td>Contents Transcoding</td>
<td>Automatically include the lower resolution (SD provided when purchasing HD)</td>
</tr>
</tbody>
</table>

4. Conclusion and Implication

The purpose of this study is to suggest ways to utilize smart media-based realistic contents technology through in-depth interviews with experts for the sustainability of K-POP Korean Wave. The change of smart environment and the spread of social media play a decisive role in spreading K-POP fever going beyond Asia to the world. The main reason for this is that it is possible to consume and communicate culture directly by delivering news to fans in real time. Through cyber space using digital products and services, new things can be created and shared, and through these activities, it has become the "Digital Nomad" era that builds life[18].

In the case of Korea's cultural contents market such as K-POP, it is indispensable to develop overseas market of contents and create new profit structure based on new smart media due to domestic market constraints unlike Japan and the United States. In particular, it is time to establish a policy to continue the Korea-Japan relations, as the companies in Japan have been currently earning copyrights for sound recordings. In addition, for the Chinese market where it is

Sony, a leading Japanese consumer electronics company, stays in the old media, which operates as the center of their devices, while Nintendo has developed a new business model, Old Plus Media, which bundles game devices and software[16].
difficult to realize royalty income due to the proliferation of illegal distribution, public relations and cooperation for improving mutual benefits should be actively considered. Accordingly, it will contribute to the activation of sustainable K–POP contents by normalizing the price of K–POP contents and restructuring the distribution of copyright fees and revenue.

We are in a rapidly changing digital media environment, so smart media is important to sustain Korean Wave. The distribution structure and price setting of the music market are obstacles to sustain Korean Wave. In order to solve this problem, structural reform is necessary. In other words, We must produce competitive killer contents continuously and make both stable profit structure and legal system. In addition, it is necessary to quickly adapt to ‘Media ecosystem’, which is a new ecosystem based on expansion, convenience, and coexistence. For example of the Media ecosystem like window effects, it can raise added value by forming various related markets such as content providers, platform providers, network operators, and handset manufacturers. Sonic Pictures produced 3D content and S company advertised smart TV in Korea, like this, competitors need to build a system that expands and reproduces their businesses by using and harmonizing different resources.[19].

As implied by the limitations of the current study, the following factors are recommended for further studies. The service environment of the proposed type was actually implemented and the impact could not be analyzed. Therefore further research on audience perception survey and ripple effects analysis will be further discussed. This study can be used as an important reference data for establishing the smart media ecosystem and K–POP contents business strategy, and is expected to contribute to interdisciplinary comparative research for sustainable K–POP Korean Wave.

REFERENCES


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