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The South Korean Music Industry: A Literature Review

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This literature review was initially motivated by issues raised during media and trade press discussion of the South Korean Music Industry and the economic and cultural success of the 'Korean wave' and K-Pop phenomena, along with a sense that writing about K-pop was not informed by substantive scholarship on the music industry. In part, it was an attempt to follow up claims that the Korean government had supported its culture industries in using K-pop to generate revenue flows into Korea, along with suggestions that South Korea had developed an approach to music production, and cultural production more generally, that could provide a 'model' for other nations, particularly as this issue was being discussed in the Chinese media (see, for example, Nip & Choi, 2012).

The literature review surveys the range of information and debates being addressed in writings published in English on Korean popular music and its industry, identifying and outlining salient issues addressed by existing research. It interrogates this literature in terms of the agenda alluded to above and points to potential avenues for future research. It draws some tentative conclusions about the relevance of this research to debates about creative production, the emerging digital economy and new business models. The aim was to produce a selective, focused and concise literature review, condensing material into key points and issues rather than to engage in extended interrogation, debate and analysis. The term music industry refers to all those businesses and organisations with a commercial interest and stake in the production, circulation and consumption of music. The review concludes with some reflections on significant issues that are not addressed in the current literature, along with possible avenues for future research.

The review highlights the following issues:

1. Business practices need to be researched and understood within their specific historical and geographical circumstances rather than as abstracted, generalizable 'models'.
2. The success of K-pop in generating revenue was facilitated by a relatively brief period during which the Korean government and industry organisations introduced and strictly enforced copyright legislation and significantly counteracted the 'piracy' of digital recordings.
3. The success of the South Korean music industry is premised upon a very specific approach to stardom and the idol system, producing South Korean or Asian 'girl' and 'boy' identities. Since mid-late 1990s, entertainment production companies (rather than record labels or music companies) have been involved in all aspects of a band member's or an individual performer's training, production and marketing, significantly shaping the development of the contemporary music industry.
4. The economic success and increased international profile (or 'globalisation') of K-pop was premised upon the legacies of a particular type of idol fandom and the prior predisposition of audiences towards South Korean and Asian popular culture.
5. Research conducted on behalf of the Korean government and industry organisations has accorded the state an important role in providing a technological and economic infrastructure whilst facilitating and stimulating the growth of the K-pop industry. This argument has been repeated in some academic accounts. Further independent research could substantiate the extent to which there was a direct causal relationship between government intervention into the creative sector and the success of K-pop.

6. IT and telecommunication companies have been able to exert a significant impact over the circulation and dissemination of music, influencing the shift from a recorded music business premised upon sales of individual 'products' (CDs and tracks) to a 'model' of revenue derived from subscription packages of streamed musical 'content'. Hence, more attention should be devoted to understanding music and cultural production in relation to other industries with an interest in using music (particularly IT and phone manufacturers).

General related issues

The following review selects only those sources that make some reference, in direct or usefully indirect ways, to the South Korean music industry (it excludes many sources that refer only to musicians, performers, images and audiences). It also excludes commentary and speculation that is not based on any significant research. The majority of writings about South Korean popular music are focused on stardom, audiences and questions of identity. This review starts by selecting from this literature those sources that make some reference to the music industry, as context for then moving on to outline the research that more directly addresses the music business. As with all literature reviews, many articles and books overlap and cover more than one theme. Hence, sources are identified in terms of the salient approach in the book, article or collection.

Artists and the star making process. Due to the international success of K-pop (a term that will be used unproblematically without digression into the various debates about the value of this term), considerable attention has been paid to images and texts. Literature here often describes Korean identity by making reference to notions of globalization and cosmopolitanism, but with little research into the business practices involved. Many articles in scholarly journals and popular media have focused on the 'Korean wave' and K-pop phenomena when referring to the 'manufactured' character of singers and artists. This is frequently moralistic in tone, often couched in vague and general terms, and without critical interrogation or conceptual clarification of the notion of 'manufactured' acts and with little or no reference to a long history of 'manufactured' pop music (and debates about this). A notably more substantive intervention is Yeran Kim's article (2011) that highlights the importance of gender divisions and an aesthetic of 'Lolita nationalism' that informs the way South Korean 'girl industries' have been constructed. Kim makes three pertinent points that are substantiated with theoretical discussion and empirical evidence. First, she argues that a highly selective version of young girl bodies and identities has been systematically constructed and strategically commodified in the creation of 'girl industries'. Second, she suggests that an 'ambiguous' and 'innocent' form of sexuality has been disseminated and normalised in visual representations and idol practice as the required mode for performers, and their fans to present themselves. Third, this 'girl identity' has been exploited both within Korea and globally as a form of 'Lolita nationalism' and as an integral part of the 'idol republic'. Kim calls for a feminist critique of the normalisation of this exploitative commercial process, and an assessment of its consequences for how girls and young women in Korea act and present themselves. She also calls for an assessment of the impact of this on international perceptions of Korean female identity. Contrasting in tone, but containing insightful material, is John Seabrook's 'Factory Girls' which blends the author's (seemingly wry) infatuation with the group Girls' Generation with details of the historical growth of the agencies and talent / idol system which facilitated the 'manufacture' of groups. Both articles give an insight into the way representations of male and female beauty are grounded in an all-embracing system of talent and idol production. Both Kim and Seabrook highlight the important role of entertainment production companies (referred

to below) in the construction and representation of masculine and feminine Korean pop identities.

Representation and identity. South Korean popular music is often discussed alongside studies of the presentation of national and regional identities in TV drama and music, a typical collection being Chua Beng Huat's and Koichi Iwabuchi's (2008) edited collection *East Asian Pop Culture: Analysing the Korean Wave*. As in Yeran Kim's article, cited above, various concerns are voiced in this collection about how the South Korean culture industries work with narrow ideals of masculine and feminine beauty. There is considerable pontification on what constitutes the representation of an 'Asian' or 'Korean' identity or Korean-ness, with occasional reference to how these changing identities may be manifest in song lyrics. Approaches in this area tend to follow previous studies that deconstruct images in the manner of work on stardom in cultural studies with attention paid to visual appearance rather than the industry 'behind' the stars.

Audience reception. Overlapping with some of the research mentioned, research on audiences for Korean wave products addresses music alongside a more substantial body of writings devoted to television drama. A number of studies examine the reception and interpretation of Korean identities in different nations in Asia (where the 'Korean wave' first became internationally successful) and in other nations around the world. There is a fair amount of research here, again drawing from the cultural studies tradition of investigating audience understandings and interpretations in different territories. The vast majority of this type of research is concerned with images in TV, with a small amount of work on music (often on music video). Again, there is little attention paid to the audio-visual industry that is involved. This is so even in a book with the title *K-pop: The International Rise of the Korean Music Industry* (Choi & Maliangkay, 2015). The title of the introduction signals the substantive content: 'Why fandom matters to the international rise of K-pop'. Fans, it is argued, influence the form that K-pop takes as it is produced for 'global' audiences (in Australia, Latin America, Japan, Indonesia, China). Fans are important in 'defining the meaning' of K-pop (for example, the apparent multiple meanings that the band Girls' Generation have generated around the world), and are important in contributing to the representation of K-pop. Like so many books focused on the reception of media products, there is a tendency to read back from consumption to production and to be uncritically accepting of 'consumer sovereignty' explanations of markets. This is extended to the apparent influence of fans on artistic production, manufacturing, and meaning without an evaluation of the merits of such an argument in relation to the industrial process and practices of specific business and industries. Inkyu Kang's chapter in Choi's and Maliangkay's edited book is an exception, focusing more on the industry, and is referred to below.

The most extensively researched study of K-pop audiences is Haekyung Um's study of fandom in the UK, Germany and Austria (2014), supported by the Korea Foundation of International Culture Exchange, and incorporating the work of various researchers. This study provides ample important details of the companies, organisations and institutions that facilitate and sponsor fan events – including Samsung, the Korean Culture Centre and SM Entertainment. It vividly illustrates how fan events are crucially important to the music industry and government. If anything it provides evidence to challenge the claims (alluded to above) that fans have an influence over production. It suggests, instead, that fans are constructed, or organised, by the industry and that their practices and the meanings they attribute to idols are far from voluntary and significantly influenced by advertising, marketing and public relations.

Theorising the Korean wave. A body of scholarship mentions the music industries and K-pop when approaching the subject via abstract concepts of globalization, cosmopolitanism, diaspora, cross border identity and hybridization. Scholars also argue that the Korean wave can be viewed as an illustration or manifestation of 'reflexive modernity', 'precarious individualism', and 'decentred cosmopolitanism' (see most of the chapters in Kim, ed, 2013). Whilst such discussions make passing references to the importance of interventions from the South Korean government, the significance of YouTube as a means of distributing cultural meanings, and whilst this type of literature may or may not make significant contributions to cultural studies theorising, they offer little specific insight into the music industry, nor do they engage with systems of production in any substantive manner.

The music industry

As mentioned in the above section, the literature on stardom, image and audiences occasionally references the music industry in passing, with authors criticising business for producing exploitative images, and for processing musicians according to 'production line' techniques. With notable exceptions (Kim, 2011) arguments are often based on anecdote or read off from the image.

At the time of writing, only two scholarly books consider the contemporary music business in an international context. Arthur Bernstein, Naoko Sekine and Dick Weissman (2007) in *The Global Music Industry* offer a general descriptive overview of the key institutional structures and regulatory issues in different regions and devote chapters to the United States, Canada, Latin America and the Caribbean, Africa, Europe and Asia. This broad-brush approach highlights general tendencies in each of these six regions. South Korea is given around 20 pages or so and identified for its 'new business style through IT', alongside China as a potential 'sizeable market' and Japan as a nation that is potentially expanding its 'mobile business'. However, the regions are not dealt with in depth and few details are provided. Lee Marshall's (2013) edited collection *The International Recording Industries* provides historical and contextual overviews of the recording industries in general and then much more selective case studies of national territories (Japan, France, Brazil, Finland, South Africa, Czech Republic, Ukraine). The book makes no mention of South Korea, the territory not even warranting an entry in the index. The literature that focuses directly on the South Korean music industry can be divided according to the following themes.

Regulatory infrastructure. There is no substantive critical, analytical and scholarly study of the development of the regulatory rights infrastructure in the South Korean music industry. Insights can be gleaned from a range of scattered fragments across trade press, journalistic and blog commentary (such as Mulligan, 2013). A number of industry reports could be used as primary materials to build up a narrative and to begin constructing an outline of the development of rights law and rights management in South Korea. This could include market case studies by the International Federation of the Phonographic Industry (IFPI) (2011); unpublished research by Performing Right Society (PRS) (Donnelly & Quercioli, 2014); reports from The Recording Industry Association of Korea (2014); Korean Copyright Commission (2013); a report on a possible role for the European Union in South Korea (Fisher, 2014); and a report on copyright enforcement collaborations in Asia Pacific from IFPI (May-Seey, 2011).

All of these industry sources emphasise that the South Korean music market is or has been 'leading the world' in the move towards a completely digital 'model', and sometimes

suggest that this may provide 'lessons' (Mulligan, 2013) for the rest of the world. The exact 'lessons' tend to be alluded to in vague terms rather than spelt out precisely. This is clearly an area where further research could be conducted. A brief trawl through industry trade sources, notably back copies of *Music and Copyright*, suggests significant patterns to developments in South Korea informed by important international relationships which I will briefly summarise as follows:

During the 1990s there were pressures and lobbying (from the RIAA in the US and IFPI in Europe, amongst other organisations) for Korea to take measures against what was perceived as 'rampant piracy'. South Korea was placed on the 'Priority Watch List' by the International Intellectual Property Alliance (a US based organisation). Furthermore, additional demands were made of South Korea with requests for the country to relax the regulatory restrictions that constrained how overseas companies could set up subdivisions in Korea along with demands for a lifting of restrictions on foreign investment (*Music & Copyright*, 1996). As copyright was introduced and increasingly enforced, a process that can be tracked over this period, the revenue from the 'soundcarrier industry' was reported to have increased by over 50 per cent 'in US dollar terms' by 2001 (*Music & Copyright*, 2001) and by 2004 it was reported that the country had 'a strong copyright regime' (*Music & Copyright*, 2004). By 2005 business commentators were writing of a conspicuous shift towards internet and mobile use and asking if Korea provided 'a model for the future?' (*Music & Copyright*, 2005). From 2007 we can begin to see evidence of increasing deals between music and mobile / data companies. Hence, over a period of under 15 years South Korea shifted from a nation perceived by outsiders to be allowing or evading almost unmanageable piracy to a technologically sophisticated country in which copyright was rigorously enforced, providing what a number of commentators referred to as a digital 'model for the future'. Charting further details of the dynamics of this historical change would add considerably to our general knowledge of these important shifts in the global music business.

Cultural policy and the role of the Korean Government/ State. Many sources argue that the South Korean government has played an important role in the growth of its cultural industries. A number of discussions of this issue draw on recent theories of 'soft power', a power that 'co-opts ... rather than coerces', that 'entices and encourages' (Nye & Kim, 2013, 31). The collection edited by Youna Kim is informed by the claim that the Korean government targeted the creative industries and cultural production as part of a strategy informed by notions of 'soft power'. Yet the book does not discuss the music industry in any depth. The notion of soft power is also deployed in much material produced by the Samsung Economic Research Institute, which also produces papers advocating the way K-pop may be used to further develop Korean government cultural policy, including suggestions that K-pop may increase tourism to the country and be used to facilitate demand for Korean manufactured products in the middle East and Latin America (Seo, 2012). Soft power ignores the 'hard' power of economic incentive and control over production, the imperatives introduced by new technologies, along with the enforcement of rights and sanctions against infringement. In short, it does not fully address the implied relationship between soft and hard power.

Scholars also highlight how cultural policy has shifted from a more self-contained nationalist agenda, a policy from the 1960s which prioritised 'national economic development' (Kwon & Kim, 2014), to a global approach in which the Korean Government has sought to generate income whilst also promoting and seeking to change perceptions of the 'nation brand' (Lee, D 2013; Hong, 2014). The use of K-culture and K-pop has also been discussed as a form of 'cultural diplomacy' (Jang & Paik, 2012). A number of

sources, most supported by government funded research, argue that international perceptions of South Korea have changed from notions of an oppressed, traditional country dominated by the spectre of the North and the Demilitarised Zone to a youthful, vibrant, hi-tech and innovative nation (see various reports and notices issued by the Samsung Economic Research Institute - <http://www.seriworld.org>). However, this may be a case of a government seeking evidence to legitimate its own policies. There is no doubt that perceptions of South Korea have changed. The questions concern how much this is down to government involvement in the construction and promotion of the Korea 'brand'.

According to Euny Hong (2014), in 2012 Korean Government 'funds constituted over 25 per cent of all venture capital money disbursed in Korea' and 'one-third of venture capital in Korea is spent on the entertainment industry' (7). Again, this would seem to indicate 'hard' economic power rather than 'soft' power. Regardless of the accuracy of claims about the effectiveness of state intervention, this type of state cultural policy has been condemned for favouring popular commercial cultural production. Critics have argued that cultural policy should embrace a wider range of both high and traditional art forms, and should be more democratically incorporated into civil society rather than engaging mainly with commercial formulae and business interests (see Lee, H-K, 2013, 2014).

A few sources make substantive reference to the importance of the Asian financial crisis of 1997-98 (Kang, 2015; Kwon & Kim, 2014; Shin 2009) as a turning point in South Korean Government policy (many more sources reference this in passing with little substantive discussion). This is highlighted by Kim (2013) who discusses how, as a response to the financial crisis of the late 1990s, the government reassessed its approach to modernisation, refocusing modernisation as a global rather than national project. Here, it is worth noting the dramatically short period during which modernisation has occurred in Korea, theorised as a dynamic of 'compressed modernity' (Kyung-Sup, 1999), a process that has generated a range of tensions and conflicts between traditional/ Confucian and modern/ western value systems (Koo, 1999). Ingyu Oh & Hyo-Jung Lee (2013a) suggest that K-pop has both contributed to and mirrored these 'post-developmental' tensions by offering young people a set of values which embrace celebrity culture and fame rather than traditional careers in the professions and business. One consequence might be that the music industry has been able to attract talented and skilled personnel who would not previously have considered working in this sector, thus influencing the practices and the perceptions of cultural production.

Nissim Otmazgin (2011) also identifies the period of 1997-98 as crucial. He provides some details on how the South Korean government strategically responded to the Asian economic crisis by developing a digital and internet based infrastructure along with dramatically increased high speed broad band access, and various schemes to encourage state and private investment in the media, entertainment and computing industries. Otmazgin and others (Kwon & Kim, 2014) also note that South Korean government investment was directed towards infrastructures relevant to a broad range of industries (not just creative or cultural production). This also included satellite systems, education and training courses, and schemes to ensure that venture capital was available to support entrepreneurial activity. In many respects, state policy could be interpreted as driven by 'hard' economic and political imperatives as much as it might be given the gloss of 'soft power' associated with international promotion of Korean identity and support for events celebrating Korean culture. There is certainly a need for a more careful analysis of the interrelationship between 'soft' and 'hard' power (or ideas/ values and economics/ political imperatives).

There is evidence to support the claim that various government organisations support popular music. The Korea Creative Content Agency (Koca) presents itself as an important agent in promoting acts (although opinions of music industry personnel about its necessity and effectiveness are mixed). For example in 2015 it took the decision to promote so-called K-indie at a number of festivals (Min-Ji, 2015). Koca chose 12 'non-mainstream acts' and promoted them at festivals in Canada, Singapore and France. Musicians chosen were not part of the large corporate SM Entertainment or JYP Entertainment, YG entertainment: 'These three agencies have enough capital to provide their artists with an opportunity to enter the foreign music industry' according to Song Sung-gak, President of Koca. Whether or not this is an indication of a new more pluralistic policy, encompassing other genres, remains to be seen. Whether this has any impact, both within the country and internationally, is also a moot point. Staff in two of the aforementioned large entertainment companies (spoken with informally) were sceptical about its value, but perhaps they would be. The claims made for the significant impact of government intervention into the production and promotion of artists and repertoire need more critical and careful evaluation if South Korea is to provide a 'model' for other nations.

Music and Entertainment production companies. The most influential labels, both started by South Korean musicians and entrepreneurs are SM and JYP Entertainment. Star Museum (SM) Entertainment, first began operating as a studio in the 1980s then developed further as an entertainment company covering everything from songwriting, production, recording to live performance and subsequently operating as talent agency, production company, management company and concert promotion company from the mid 1990s (discussed extensively in Russell, 2008). JYP Entertainment (started by Park Jin-young) traces its history back to the mid-1990s and soon began to adopt the model established by SM Entertainment (see Seabrook, 2012), as did YG Entertainment (formed by Yang Hyun-suk or 'Yang Goon'). At the time of writing, there is no comprehensive history of these companies and their varied interests and the changes that they have undergone over the years.

The key point stressed in the literature about these companies is that they have never operated as conventional 'record labels'. They have driven the direction of the South Korean popular music by adopting a way of working that seeks to deal 'in-house' with all aspects of a performer's education and music and performing skills. In certain respects this might be seen as an extension or elaboration of both the classic Hollywood studio system and the production methods developed by Motown Records in early 1960s Detroit. It might also be viewed as a precursor to a type of in-house 360-degree deal arrangement (or multiple rights contract), in which a company seeks to be involved in and profit from every revenue stream within an artist's portfolio of activities.

However, this entertainment production model has also developed in very specific historical and geographical circumstances. Some writers suggest that it may entail a more collective and social approach to creativity than elsewhere in the world, with staff crossing boundaries between distinct roles of 'songwriter-arranger, recording engineers, managers, design coordinators' (Shin, 2009). Hyunjoon Shin has suggested that this system 'has East Asian characteristics ... that ... cannot easily be found outside the region' (510). Shin is alluding to the way that a very specific pop and idol groups system developed in Asia.

A brief, schematic historical survey of how this approach to music production has developed is provided by Keith Howard (2014), who notes the importance of organisational legacies from when the music industry was under Japanese domination, and changes influenced by the United States, introduced during a period of 'post-

Liberation' (1945-1992). However, when Howard refers to more recent pop production, from 1996, he characterises the industry as an 'assembly line' producing 'pre-masticated formulae' (p408). Howard's neo-Adornian judgement is perhaps paralleled in Inkyu Kang's (2015) political economic critique which views K-pop as a response to the South Korean state's embracement of 'neo-liberalism' (which may not be the most accurate way of describing the state's intervention here). Adorno's phantom stalks an argument about how young Koreans who are employed in low paid work seek escape through popular music, and any subtleties that might or might not be apparent in George Ritzer's theory are bluntly deployed to declare that 'K-pop ... is the McDonaldisation of the music business' (62).

Whilst South Korean musicians have felt aggrieved enough to legally contest their contractual relationship with music and entertainment companies (in a manner not dissimilar to cases involving numerous UK and US musicians, such as Prince or George Michael), in order to understand these production dynamics and aesthetic issues we require more than uncritically received ideas about workplace rationalisation and production lines. In contrast to images of standardisation and assembly lines, Robert Barry evokes the innovative use of technology when arguing that K-pop is an 'extension of South Korea's high-tech culture' and represents 'some of the most innovative music currently being made' (2012, np). Equally contrasting with such claims about assembly lines and McDonaldisation, is Michael Fuhr's study (2013, 2015). Fuhr locates production in a far more nuanced and sophisticated context by highlighting the complex 'asymmetrics' and wider historic-geographical contexts (rather than 'assembly line') within which Korean popular music has developed.

Global' strategy and globalisation. Whilst much of this literature does little more than uncritically deploy familiar tropes about globalisation, the term being a short hand for stating that the production and consumption of pop music does not take place within the borders of the nation, some writings give a more analytical insight into the particular ways that the 'global' is configured for South Korean musicians and music industry personnel.

A useful starting point for discussion of this issue is Hyunjoon Shin's (2009) case study of Rain (the stage name of Jung Ji-Hoon) in which he explores how the singer was produced, marketed and promoted outside of Korea and details the process and dynamics involved in attempting to 'globalise' a specific musician. Based on research and interviews with music industry personnel, Shin analyses how JYP Entertainment sought to re-position Rain by transforming him from a regional 'Asian star' and developing a plan to promote him in the United States. Shin highlights the vastly contrasting critical reception that Rain received in the USA when compared with Asia. He highlights how US critics adopted an ethnocentric view of US superiority and authenticity in popular music culture. Commentators responded to Rain's music and performances by using phrases such as 'imitative', 'inauthentic', 'emulation', 'cloning of American pop' (509). Pejorative dismissal of non-US musicians as 'inauthentic' and 'imitative' has been a recurrent theme since the rock'n'roll era of the 1950s and can probably be traced back further. Whilst a critical engagement with this discourse and history is beyond this literature review, Shin highlights this aspect when writing of 'the serious difficulty of commodifying Asian pop in the American market' (2009, 516). The implication of Shin's argument is that it was not just an Asian musician being exported but also an Asian star system, a culture of production that clashed with the way US critics perceived 'authentic' cultural production.

Shin's article is a useful antidote to the claims that K-pop has simply 'globalised' in any straightforward manner. He highlights the endurance of local, regional and international dynamics shaping the production, dissemination and consumption of popular culture.

Korean pop can sell in Asia but has difficulty in the 'west' (or perhaps the US). It is sobering to read Shin's nuanced and sceptical account alongside that of Seo Min-Soo's celebratory paper produced for the Samsung Economic Research Institute in which it is claimed that 'K-pop move[d] from the fringes of the world pop music market to succeed globally, despite language and cultural barriers' (2012,1). One of Min-Soo's criteria that has apparently made K-pop successful is 'a systemized process of nurturing stars' and the 'methodically organised' production system. Yet, this would seem to be, on Shin's account, one of the criteria that actually impedes and limits K-pop achieving 'global' status in a region as important as the USA.

Min-Soo identifies the important ways that the South Korean music industry has used 'global sourcing', a practice that entails drawing songwriting and production expertise from around the world. But this, in itself, does not mean that the resulting product can be 'global' in any straightforward and immediate way. So-called 'global sourcing' is also used in the film, software and games industries for products that are by no means global. Oh (2013) makes a similar point in an article that is more critical of the pronouncements about globalization, particularly those that also deploy notions of 'hybrid' culture. Oh draws attention to the way production companies, notably SM Entertainment, have developed deliberate 'export management' strategies but makes the general point that this is how the global music industry operates (it is not specific to South Korea): Songwriters, composers, producers and session players are mobile, and K-pop has made use of expertise from Sweden, the UK, the USA and Japan to name the most cited places. But, the end product is not necessarily 'global'. Oh, like Shin, is attuned to the difficulty that Korean musicians have confronted when participating in the global music industry. He proposes a G-L-G model (Global-Local-Global) as a way to explain the success of K-pop (whilst recognising that this model could be applied to other places, such as Taiwan, that might attempt to use the same approach without a degree of international success). He argues that the G-L-G model was developed in Europe and entails locating common and familiar global pop content, modifying it locally and then re-exporting it. This might be a useful way of approaching how production is 'global', using networks of talent from around the world, even if consumption may not eventually be 'global' in terms of being consumed by a transnational audience.

Likewise, it has become something of a commonplace of much writing about K-pop to argue that 'social media' has contributed to its global success. But, social media by and of itself is not global. Oh, writing with Gil-Sung Park (2012) and Lee (2013b) has suggested that international consumer engagement with K-pop in nations outside of Korea has significantly been influenced by a prior predisposition towards Asian cultural forms (such as manga or anime) rather than the availability of K-pop on social media. In addition, studies of audiences would suggest that K-pop is also a niche market for the Korean and South East Asian diaspora. There is a need here for further research that can explore the 'global' dynamics that inform production (bringing together expertise from different nations and continents) and distribution (circulating sounds and images) and consumption (connecting with South Korean diasporic communities and non-Korean consumers) and weigh up the disjunctures and differences.

Digital technology. Although digital technology is mentioned in many articles about the Korean culture industries and K-pop, there is only one substantively researched scholarly essay that addresses the issues directly in relation to popular music and the recording industry. Jung-yup Lee (2009) discusses how digital technology has been central to the re-organisation of the Korean music industry. Noting the widely reported fact that South Korea was the first music market in which digital sales overtook physical sales, he traces

new patterns of concentration and integration across the music, entertainment and ICT industries. Lee explains how Korean pop music has been mediated by information and communication technologies, and how corporations from these sectors have played a critical role in redefining the character and value of popular music recordings.

Providing details of the major telecommunications companies (SK, KTF, LG) and emphasising the ever-increasing importance of mobile sales, Lee analyses how 'mobile service providers focused on music services as a way to expand data service revenues' (493). Music was recognised for its value as a means of attracting users and generating data. This is a pattern that has very quickly been reproduced in other territories around the world, as traditional wholesalers and retailers have been displaced and recorded music circulation becomes 'largely controlled by mobile platform providers' (494). Lee details, and partly speculates on, the consequences and provides a glimpse of how recorded music becomes reconfigured on the mobile phone with playlists replacing the idea of albums. Lee argues that the phone and other mobile devices have 'dethroned' records and television, and posits that 'star identification' (a characteristic of non-interactive broadcast media) has been replaced by the use of music for 'socialization and personal expression' (495). This raises an interesting question about whether this has changed star identification beyond the use of recordings in phones and ICT. Anecdotal evidence would suggest that star identification is very much alive in concerts and product endorsements and branding, and that star identification is central to social media.

Social media. Closely related to discussions of technology and globalisation, a number of scholars argue that the success of K-pop and the Korean music industry internationally (and Korean popular culture more generally) has been facilitated by new social media, with particular attention devoted to YouTube (and its blurring of record industry produced promotional video, advertising of products using music, and user generated content), along with Twitter and Facebook (Kim, 2013). Useful overviews of how K-pop has benefited from and used the shift from 'conventional media' to social media - from the consumer buying physical artefact to the 'virtual audience' accessing YouTube - is provided by Oh and Park (2012) and Oh and Lee (2013). Focusing on changing business practices, Oh and both his collaborators set out to understand whether social media has played any part in the success of K-pop as a style and then investigate its very specific movement outwards to Japan, China and other Asian nations, and then Europe. Challenging a number of other studies, they argue that social media may be more significant in the music industry for the way it facilitates business to business exchange and communication (B2B) rather than for the way it allows communication between business and consumer (B2C) and, of course, the much celebrated consumer to consumer (C2C). Although most of their evidence is provided from interviews with fans, they seem to be suggesting that the pivotal impact of YouTube has been how it has allowed business strategies to be developed based on uploading content without the need of producing physical artefacts. The point being that this has benefitted the work of marketing and promotion staff, most notably, within corporations regardless of its influence on viewer/ listener behaviours. In short, social media may be more important for business strategies or models than in the field of music consumption – again, this is an issue that begs further research to support or challenge this claim.

Reflections: issues for further research

The above are key themes given varying degrees of emphasis in existing literature. This review has identified areas that may usefully produce important further insights if supported with additional research. I conclude with some more general reflections,

informed by additional discussions with scholars and practitioners in the UK and South Korea.

Social, historical and geographic circumstances. The South Korean music industry has developed according to a specific history and set of political, social and cultural experiences. Important here has been the influence of Japanese political domination and occupation during the first part of the twentieth century, followed by the influence of popular culture from the United States in the second half of the twentieth century, particularly after the Korean War. There is a yet to be written potentially rich geo-historical narrative of the development of South Korean popular culture within this international context. A hint of one element of this can be found in Oliver Boyd-Barrett's (2013) largely abstract argument about a relationship of inter-dependency between South Korea and the United States. Evidence for this inter-dependent relationship can be found in details dispersed across a range of sources detailing how Korean filmmakers and musicians, along with producers and record executives have spent time in the United States, in order to learn about how the industry works and as a way of negotiating deals with various non-Korean companies. However, there are also references to visits to Japan and to countries of North Western Europe. A few trade magazine articles, and anecdotes, suggest that the entrepreneurs who established the main three music entertainment production companies in South Korea have created their operations within a very specific Korean corporate context shaped by post-Korean War reconstruction and development, yet also as a result of knowledge and expertise acquired from travels to and meetings with musicians and executives in other parts of the world.

Hence, rather than extract from this review a set of general 'business models', we might benefit from more detailed and richer historical accounts of the way that music industries have developed in quite specific ways around the world. We could then explore how such histories shape local business practices in particular places.

Links between music production and other industries. Of crucial importance to contextualising any business models should be an understanding of the historical origins of the links between big corporations and the previously authoritarian governments in South Korea: how the specific system of business conglomerates, the *jaebeol* or *chaebol* - which facilitated the growth of companies such as Hyundai and Samsung - may also have created the conditions for the growth of the cultural sector. Mark James Russell, in his richly detailed popular account of the Korean Wave, suggests that these businesses, which 'were protected by government, and in return were controlled by it' (2008, 19), have played an important part in creating the conditions that allowed popular culture to develop and flourish. A similar point, extended to Samsung specifically, is made by Euny Hong in her wry and chatty popular book *The Birth of Korean Cool* (2014). She argues: 'Samsung is a crucial part of the overall Hallyu ecosystem... the popularity of Korean music and movies is hard to separate from the confidence that Samsung has created in Korea the Brand ... Samsung helped buoy the Korean economy, which allowed the government to finance popular culture products; Korean pop culture, in turn, benefits Samsung, which in turn benefits Korea as a nation' (234).

The basic details, let alone a more substantive analysis, of these types of relationships with non-cultural sector industries are conspicuously neglected in the English language research. I can find no substantive scholarship on any enduring relationships between companies such as Samsung and the music industry (apart from Lee's article on the more recent links between ICT, data and phone companies and the music industry). In general, the inter-relationship between other industries and popular music production in Korea is

under researched. I could find only a handful of trade and journalistic sources which made passing reference to links with games, mobile services, fashion and electronics, often only in anecdotal terms.

Equally, whilst Samsung has received some attention in business magazines and trade journals (notably for the way it competed and collaborated with and 'copied' both Sony and Apple), there is very little systematic analysis of how it might have facilitated the growth of Korean popular culture and its strategic use of this connection in product innovation, marketing and staff recruitment. We must rely on occasional examples and anecdote to support the argument for the importance of this issue. For example, in an article outlining how Samsung had come to acquire the largest market share of the smartphone market in 2012 (28 per cent, above Apple, Nokia and Blackberry), Sterling Wong (2013) argued that in many Asian countries the fashionable characteristics of Korean wave culture had helped Samsung promote and sell its phones, particularly in Singapore, Hong Kong, China, Thailand and Cambodia. In 2013 Jay-Z's album *Magna Carta Holy Grail* was released internationally via a licensing and endorsement partnership with Samsung. The album was made accessible to Samsung Galaxy users 72 hours before it became available to purchase as download or physical CD through the Def Jam label. This was the first time that an album had been released through a mobile phone brand prior to being made available by a record label, and it is perhaps significant that it was a South Korean corporation that was taking the lead here. In 2015 it was reported in the South Korean media that Samsung was employing K-pop stars in filmed advertisements as a way of recruiting new young employees. Such anecdotal evidence might provide a starting point for more systematic research.

Role of government. In the review above I have also drawn attention to the often-repeated claim about the significant role played by the South Korean government in facilitating the development of entertainment production. Additional research might be used to ask two additional questions here. First, how accurate is this account? Much of the evidence and argument here is from research funded and reported by South Korean government supported organisations. Second, how does this 'model' of successful state intervention operate as a 'truth' that guides behaviour, relationships and strategic decisions about cultural production?

In the above review I have suggested that changes in the music industry might be illuminated via a detailed history of copyright has been introduced and managed. If an understanding of the historical development of the commercial dynamics of production is important for interrogating the generalisations and abstractions of business models, so an understanding of regulation would benefit from a comparison of South Korea's approach with different national models, particularly in light of claims that this can provide a model of rights management and state intervention which might be followed by China.

The Korean government's approach can, in general terms, be contrasted with the 'national models' of the USA and UK. In the USA basic state regulation prevents illegal production and enforces copyright within a 'free market', with various regulations that support safety of working environments etc, without any significant intervention to support repertoire (which tends come from commercial sponsors and philanthropists). The UK is more interventionist, providing state support to finance classical music, and various forms of minority music (brass bands and Welsh language music, for example). The Korean model entails much more extensive intervention and covers all aspects of technological infrastructure. In recent years, the South Korean model has been recognized as one of the most salient examples of intervention into the cultural economy both nationally and

internationally, with structured symbiosis linking the economic interests of major businesses with the state. The South Korean government has supported its music industry for over 15 years, subsidising commercial and technological infrastructure, prioritising K-pop repertoire and facilitating synergies between sales of music and hardware, and diligently enforcing copyright legislation. Korea's model has received much comment from the Chinese media, and was reported to be influencing state agendas in 2014 (anecdotal evidence suggests that Chinese agendas may have shifted since then). If business models provide guides to action, then what are the consequences of the 'Korean model' for other nations? Is China going to follow the 'Korean model' (as has occasionally been reported in the media)? Is there even a transferable 'model here', or is it particular to one place and period in history (as I have suggested above)?

UK repertoire in Korea. Finally, a question asked from a UK perspective concerning the relevance, or irrelevance, of non-Korean repertoire (particularly from the UK) in Korea. Does South Korea represent a viable source of revenue for UK based musicians and industries? The first thing to note here is that there is no substantive scholarship that addresses the issue, in terms of the experiences of UK musicians and industries in South Korea. The most recent IFPI edition of the *Recording Industry in Numbers* containing details of the repertoire split in national markets covers 2010. Later issues of this IFPI report do not contain this data, possibly because it is for 'physical sales only'. The report for 2010 gives the figures as domestic 72 per cent, international 15 per cent, classical 10 per cent and compilations 3 per cent. So, UK artists would be somewhere within that 15 per cent 'international' along with the USA, Japan and other nations. IFPI has occasionally used the nationality of the top 10 albums of a year as evidence of national repertoire; in 2013 all of the top ten were by South Korean musicians. These figures support comments made to me in two music entertainment companies in Seoul: The general belief is that very few UK or Western musicians have much relevance in South Korea. Established musicians can play festivals, but need to be demonstrably successful in other parts of the world first. Names mentioned included Oasis, Muse and Paul McCartney.

One obvious explanation is the proximity of South Korea to other near Asian nations with closely related cultural values, norms, practices and the way similar global forms have been incorporated and adopted with a clear Asian identity. Geographically, China is perhaps beginning to surpass Japan as the nearest cultural reference and point of commercial cultural exchange. China represents a significant market for Korean acts, with many tailoring themselves for the Chinese audience, by singing in Mandarin, for example. Korea is also a focal point for Chinese aspirations. Chinese tourism to Korea has recently been increasing and academics I spoke with recounted anecdotes about noticeable changes in signs appearing outside restaurants in Korean and Chinese (rather than Korean and English). There is little doubt that China and South Korea are entering an interesting period that will entail cultural, economic and possibly aesthetic exchanges in the field of popular culture. Whether this has any economic, stylistic or business consequences for UK music remains to be seen. If there is a lesson to be learnt from the South Korean 'model' then it is perhaps about the importance of an infrastructure providing problem free access to 'digital content' in the broader sense, within which recorded music is only one aspect. It is clear that China and South Korea are at very different stages of growth and development. South Korea dealt with the need for hardware and software infrastructures and issues of digitalisation and piracy during the period from 1997 – 2005. The government has presented the nation to the world as successfully maintaining support for the production and international promotion of South Korean popular musicians, producers and repertoire. China is still at the stage of dealing with the implementation and regulation of copyright within a country much greater in size than South Korea, as

discussed further in a companion CREATE working paper (see Street, Zhang, Simuniak, Wang, 2015). The implication of this literature review is that 'models' cannot simply be abstracted and 'applied' from one place to another without an understanding of the social, technological, historical and geographical circumstances of that specific nation or territory.

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