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Analyzing the competitiveness of K-pop and J-pop’s business strategy by applying the ABCD model

ABCD 모델 활용을 통한 K-pop과 J-pop의 비즈니스 전략 경쟁력 분석

2017년 8월

서울대학교 국제대학원

국제학과 국제통상전공

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이 논문을 국제학석사학위논문으로 제출함

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서울대학교 국제대학원
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이 한 솔

이한솔의 석사학위논문을 인준함

2017년8월

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위원 문휘창
ABSTRACT

Analyzing the competitiveness of K-pop and J-pop’s business strategy

by applying the ABCD model

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This paper analyzes the competitiveness of K-pop and J-pop’s business strategy based on the analysis by the comprehensive methodology, the ABCD model. K-pop, which sweeps the world nowadays, has been developed since the late 1990’s by emulating J-pop’s production system and music styles. In the meantime, J-pop, which was an emulation target of K-pop and 2nd largest music market in the world, has lost the glory in the past and is even penetrated the domestic market by K-pop. In a respect that J-pop holds better-off factor endowments such as larger music market, longer pop history, wider variety of musical genres compared by K-pop, the success of K-pop and failure of J-pop in global music markets have no basis in factor endowments but business strategies.

Thus, the paper examines and compares business strategies of K-pop and J-pop in comprehensive aspects of Moon’s (2016) ABCD model, which is composed of Agility, Benchmarking, Convergence and Dedication. Based on the analysis, it demonstrates that how K-pop penetrated the global markets by utilizing comprehensive business mixes while J-pop was not attuned to the changing music industry by adhering to existing strategies. And by extension, it proves the previous concerns regarding K-pop as a passing fad are wrong, given that K-pop is a composite art, which cannot be simply imitated by other competitors.

Keywords: K-pop, J-pop, Music Industry, Business Strategy, Competitiveness, the ABCD model
Student Number: 2015-25140
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1. Introduction

In 2001, Boa, sixteen years old Korean female singer, successfully debuted in Japan with a song called “ID: Peace B”. This young Korean female singer, who could perfectly sing and dance simultaneously and speak Japanese fluently, was hugely spotlighted by many Japanese media by being called “The post Amuro Namie”. Her debut album was ranked in the top 20’s of Oricon Chart. This record was already worthy to be called success. But she was still hungry for the bigger success. And, finally, in 2002, her album “Listen to my heart” took the first place of daily and weekly Oricon Chart for the first time in Oricon history as a Korean singer. This album, afterwards, was sold more than millions and went to platinum. (sisunnews, 2016) And this was a starting signal of which K-pop would sweep the J-pop industry, the 2nd largest music market in the world; and it turned out true as ever since the success of Boa, many Korean singers such as Kara, Girls Generation and AOA, have taken the first place of Oricon Chart. (Donga, 2016)

This was a great success in a regard that although since the late 1990’s Korean culture has been exported to other Asian countries
such as China, Taiwan and Southeast Asian countries, Korean pop culture started from importing Japanese culture to learn from them. (Media Today, 2016) Thus, K-pop’s success in Japan was unthinkable at that time and it meant that K-pop finally swept the whole Asia and became the most representative cultural contents in Asia.

However, in 2012, K-pop made an unprecedented success as Psy’s “Gangnam Style” took the 2nd place of Billboard Chart in US for 7 weeks in a row. The world music fans were frantic of the funny song and cheesy dance moves by Asian guy from unknown Asian country called South Korea located between powerful nations: China and Japan. Psy’s “Gangnam Style” consecutively took the 1st rank of I-tunes chart in many different western countries such as US, England, Netherlands, Poland, Belgium and Denmark. The song was even listed in the Guiness Book as the most “liked” in YouTube history and the video has had more than 2.55 billion views since it was uploaded. (Asiae, 2012; IFPI, 2016; OSEN, 2017) This was the moment when K-pop was in the full glare of publicity and the fever of K-pop finally swept the world.

While K-pop was worldwide hits, J-pop was thoroughly out of the limelight. In 1990’s, J-pop, indeed, was a trend amongst young
Asians but ever since the popularity reached the peak in the late 1990’s, many of them have turned their attention to K-pop. (Lie, 2012) While K-pop successfully penetrated foreign markets regardless of the East or the West, J-pop shorn of glory in the past regressed to maniac culture, enjoyed only by small groups of people. (Chosun, 2016)

Moreover, J-pop was even threatened in their domestic market as K-pop songs dominated the top ranks of Oricon Chart. However, K-pop cannot be compared by J-pop in a sense that J-pop holds way superior factor endowments in many senses. J-pop market sized approximately 20 times bigger than K-pop (KOCCA, 2016a; KOCCA, 2016b); and J-pop has a longer history than K-pop (Mori, 2009; Shim, 2005); and by taking advantages from the sizable market and the grand history, it has a wider variety of music genres compared with K-pop. (Hankyoreh, 2000)

In addition, in accordance with the fame as the world 2nd largest market, J-pop has specialized and advanced business systems compared with K-pop. (Baek, 2012) Thus, in conditional terms K-pop’s success over J-pop was never allowed to happen. The global success K-pop happened under relatively poor factor conditions. But, by adopting business strategies, K-pop overcame relatively poor
factor endowments compared with J-pop. And thus, to correctly understand K-pop’s success over J-pop, the comparative analysis should be based on business strategies rather than factor endowments.

Thus, in this thesis, I will compare business strategies of K-pop and J-pop by adopting the comprehensive analytical tool: the ABCD model. Firstly, I will go over previous literatures and analyze how it misled the success factor of K-pop over J-pop, which either focused on factor endowments or partially contributed on studies by only addressing sub-factors of the ABCD. And based on this constructive analysis of previous literatures, I will explain the validity of using the comprehensive ABCD model for the research topic. Finally, I will apply the comprehensive ABCD model to compare K-pop and J-pop’s business strategies to see which strategic factors resulted in the difference of current statuses of K-pop and J-pop: the former as a global cultural content, while the latter as a domestic and maniac cultural content.
2. Literature Review

2.1 The definition of Korean Wave

The global fever of K-pop is a partial phenomenon of Korean Wave. Thus, in order to understand K-pop’s popularity in the world, the understanding of Korean Wave should be preceded. Korean Wave has been a special term to call the fever of Korean culture in abroad from the late 1990’s. It is divided into 3 periods and Korean Wave in each period shows distinguishable characteristics. (Liu, 2012)

In the late 1990’s, the first and second Korean waves were started mainly in China and East Asian Countries such as Taiwan, HongKong, Thailand and Philippines and the fever was led by Korean dramas. During the 1st period of Korean Wave, although K-pop groups such as HOT and SES made inroads into foreign markets, K-pop’s contribution on Korean Wave was modest. During the 2nd period of Korean Wave, however, K-pop became popular in Asian markets including Japan, where K-pop never seemed to achieve success. K-pop emerged as a major contributor of Korean Wave along with Korean Drama. (Donga, 2016; Lee, 2017; sisunnews, 2016)

From the late 2000’s to the present, Korean Wave is on the 3rd period. In this period, Korean Wave is distinctive compared with one
in previous two periods as follows: (1) K-pop became the most crucial factor of Korean Wave rather than Korean Drama, (2) In sync with the digitalization, K-pop was spread all over the world and enjoys borderless popularities while the fever of previous periods was confined only to Asian countries, and (3) fans of Korean Wave desired to consume the whole lifestyle of Korean stars and it created synergy effects by developing other non-related industries such as cosmetic, restaurant, apparel, electronics and Korean characters. Thus, in this period, K-pop finally advanced as a global culture, which had been dominated by the West over past decades. (Cho and Cho, 2013; Lee, 2017; Limb, 2013; Liu, 2012)

2.2 The definition of K-pop

K-pop is an abbreviation of “Korean pop music”. Its root is traced back to 1992, when Seotaiji and Boys made their breakthrough debut. Beforehand, although there had been also a few high quality folksongs and ballads such as Cho, Young-Pil, Korean music was majorly confined to Ppongjak, mostly singing about love. (Limb, 2013; Liu, 2012)

The Seotaiji and Boys represented a young and new Korean generation in 1990’s, called “Sinsedae”. The advent of Seotaji and
Boys was a transitory incident in K-Pop’s history in a regard that they contributed on the diversification of K-pop by daringly mixing different genres of music, such as “*rap, soul, rock and roll, techno, punk, hardcore, and even ppongijak and crossover*”. As a result K-pop became hybrid music. In addition, they sang about adolescents’ thoughts and emotions by criticizing the society and overcame Ppongjak’s lyrical confinement to love. (Shim, 2005)

In addition, national popularities of Seotaji and Boys contributed on the expansion of K-pop market. There had been a lot of copy groups of Seotaji and Boys. As a result, domestic records were sold 4 times more than foreign records. And in 2002, the market size of K-pop was ranked the second in Asia, selling $300 million albums. (Shim, 2005)

Seotaji and Boys, moreover, distinguished themselves from previous singers by becoming the first multi-entertainer in K-pop history. To bring up a multi-entertainer, since Seotaji and Boys, star management system has appeared in K-pop and afterwards nourished singers made an appearance successively. Especially, in late 1990’s SM entertainment, established the star management system in K-pop. They introduced nourished idol groups to public such as H.O.T and S.E.S. (Limb, 2013)
Even since star management system was started from Seotaji and Boys and carried over by SM entertainment, it has been developed successively. And particularly since BoA, a delicate star management system has become generalized in K-pop by contributing high quality performances of K-pop artists on the stage. (Lee, 2017; Limb, 2013; Liu, 2012; Shim, 2005)

2.3 The definition of J-pop

Japan is a symbolic country in popular music history, as the advent of Sony’s “Walkman” in the late 1980’s enabled people to own an individual music player. This change of sound sources from a common player to an individual player enabled people to listen music to suit own tastes. And it laid a base of development of the popular music industry. (Donga, 2011a)

J-pop is an abbreviation of Japanese pop. Since 1980’s, it has been developed from “sub-genre of edgy Japanese popular music but sounds like Western music.” The advent of J-pop was approximately 10 years ahead of K-pop. J-pop is a distinctive music genre from previous ‘Enka’. The term J-pop was firstly made by FM radio station J-WAVE in Tokyo in 1988. At that time, it was loved by fashionable young Japanese generations as western-sounded
Japanese music satisfied trend setters, who seek breakthrough music. These songs later on named J-pop. J-pop expanded categories and nowadays all kinds of contemporary Japanese music, such as rock, techno, hip hop, are sorted as J-pop. The period from 1988 to 1998 is referred as ‘the golden age of J-pop’. And Utada Hikaru’s album ‘First Love’ released in 1998 symbolizes the peak time of J-pop in a respect that ever since her album, J-pop market began to decline for the first time in history and ever since that time, this declining tendency has been continued. However, In spite of its leading role in popular music industry and the huge popularities in Asian countries in 1980’s and 1990’s, nowadays, J-pop is challenged by other Asian pops such as K-pop and C-pop. (Mori, 2009)

2.4 The Business Industry of K-pop and J-pop

This part was written by referring two reports: Korea Creative Contents Agency’s Content Industry Statistics 2016 and International Contents Market Research 17(3). For an equal comparison, a market size considered only 3 factors: CD, Online Music and Concert sales.

According to KOCCA (2016a; 2016b), in 2015, a market size of J-pop was 4,615 million USD. While the corresponding market size of K-pop in the same year was 2,332,464 million KRW. And these
figures show that K-pop market is approximately 20 times smaller than J-pop market.

**Figure 1. K-pop and J-pop’s profit Rates among business categories**

As taking a closer look at profit rates among categories, K-pop generated 57% of profits from digital music but only 7% from traditional physical music. On the other hand, J-pop’s profit structure is completely opposite because they turned 62% of profits from traditional physical music while making the smallest profits from digital music, which was 14%.
Figure 2. K-pop and J-pop’s sales by sector

K-pop Sales by sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Physical Music</th>
<th>Digital Music</th>
<th>Concert Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>153,035</td>
<td>667,900</td>
<td>15,070</td>
</tr>
<tr>
<td>2014</td>
<td>157,156</td>
<td>753,490</td>
<td>16,372</td>
</tr>
<tr>
<td>2015</td>
<td>160,872</td>
<td>837,567</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Physical Music</th>
<th>Digital Music</th>
<th>Concert Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3221</td>
<td>950</td>
<td>550</td>
</tr>
<tr>
<td>2014</td>
<td>2960</td>
<td>1025</td>
<td>620</td>
</tr>
<tr>
<td>2015</td>
<td>2884</td>
<td>1092</td>
<td>639</td>
</tr>
</tbody>
</table>

Source: KOCCA (2016a), KOCCA (2016b)
In addition, over past 3 years, digital music sales and concerts of K-pop marked 12% of annual growth. On the other hand, there showed relatively insignificant growth of physical music, 4.3% on average during the past years in K-pop. Meanwhile, although most of the profits of J-pop generated from physical music, sales of physical music have been continuously declined over 3 years; especially, in 2014, it decreased 8.1% compared with the previous year while on average 5.35% of decrease over 3 years. On the other hand, sales from digital music and concerts have increased respectively by 4% and 7.15% on average compared with the previous 3 years.

As examining on business structure in industry, K-pop and J-pop show similar structure, as a few leading EMCs (Entertainment Management Company) occupy the whole industry. For K-pop, SM Entertainment, JYP Entertainment, and YG Entertainment represent Korean EMCs while J-pop market is dominated by Avex, Universal Music, EMI and Sony. (Aska, 2010; Baek, 2012; Limb, 2013)

2.5 The ABCD Model

The ABCD model was introduced by Moon (2016). This section will apply this model to the analysis of K-pop. The ABCD model is a fresh and comprehensive method to create both corporate and
national competitiveness by utilizing the given factor conditions. It is useful, particularly, to understand nations or firms that outperform than others even with similar comparative advantages or even worse factor endowment; and the ABCD model best explains in a particular case, overcoming poor factor conditions by adopting competitive business strategies. The ABCD model gives comprehensive understanding by including 4 components and 8 sub-factors: Agility (Speed and Precision), Benchmarking (Learning and Best Practice), Convergence (Mixing and Synergy Creation), and Dedication (Diligence and Goal-Orientation).

**Agility –Speed and Precision**

Due to developed technologies, the business environment is rapidly changing and thus firms are no longer able to sustain in a market in a regard that a product which is competitive nowadays cannot guarantee a future competitiveness. As a result, a prompt adaptation to a market becomes a pivotal factor for the survival. However, as a global market much concerns regarding quality, speed should be accompanied with precision in order to satisfy customers in globalized societies, where having more options to select and thus concerns regarding quality are required as well.
Benchmarking—Learning and Best Practice

Unlike the previous notion of Benchmarking, which is a mere imitation of previous ideas, at here benchmarking involves two parts: learning and best practices. Besides the emulation of previous ideas, it adds plus alpha, which is an innovation so as to create competitiveness and outperform than competitors. An innovation does not mean a disruptive innovation or radical changes but incremental changes, which creating a crucial commercial value of satisfying consumers.

Convergence—Mixing and Synergy Creation

A competitive advantage comes from the mixture of resources and capabilities rather than from a single component. Convergence includes two sub-factors: Mixing and Synergy Creation. Mixing strategies is about firms’ business related and unrelated diversification. By utilizing excessive resources from one sector to the other sector, a firm can maximize benefits and exploit synergies.

Dedication—Diligence and Goal-Orientiation

Dedication is regarding organizational culture and employee’s engagement in a regard that dedicated workers can create more
values and competitiveness than less dedicated workers. A firm could enhance motivations of workers by adopting methods such as supervision, incentives, and working conditions and capabilities through like training and career development.

**Figure 3. The ABCD Model**

<table>
<thead>
<tr>
<th>Agility</th>
<th>Benchmarking</th>
<th>Convergence</th>
<th>Dedication</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Speed</td>
<td>• Learning</td>
<td>• Mixing</td>
<td>• Diligence</td>
</tr>
<tr>
<td>• Precision</td>
<td>• Best Practice</td>
<td>• Synergy</td>
<td>• Goal-Orientation</td>
</tr>
</tbody>
</table>

Source: Moon (2016)

### 2.6 Evaluation of Existing Studies

As K-pop’s popularity becomes global, numerous scholars defined K-pop’s competitiveness. However, many scholars showed limitations on two points: some scholars focused on factor endowments while others defined the partial business strategies of K-pop and thus failed to suggest comprehensive understandings of K-pop’s success.

Liu (2012) analyzed the competitiveness of K-pop by adopting
the comprehensive Diamond Model. However, in a sense that J-pop possessed better-off factor conditions compared with K-pop but K-pop had a lead on J-pop in global markets, this is an inappropriate approach to understand the case of K-pop and J-pop. In addition, Baek (2012) highly regarded J-pop EMCs’ delicate and developed management system, which is a cut above K-pop. And, it suggested a dark vision of K-pop. But, his prediction of K-pop became wrong by only focusing on factor endowments.

On the other hand, others contribute on the studies by examining unique business strategies of K-pop. But, all of them included only partial components of the ABCD model. Oh and Park (2013) contended that K-pop could make a global success by adopting new-media friendly marketing strategies, which allows free distribution of K-pop via new media. K-pop strategically employed new media for a method of the promotion. He also pointed out that K-pop assured high quality contents. He considered agility (speed and precision) as K-pop’s success factors.

Also, Jung (2011) contended that K-pop could attain success thanks to social media, which is applicable to Speed of the ABCD. In addition, Shim (2005) attributed K-pop’s success to the hybrid music. K-pop became appealing in the world because K-pop learned diverse
music from the West and Japan and skillfully recreated their own music. His point is applicable to Benchmarking (learning and best practice). Siriyuvasak and Shin (2007) contended that K-pop became a transnational and representative regional culture of Asia by mixing diverse cultures and thus blurring the national identity. His points accorded with Convergence (mixing and synergy creation). But, his opinion holds proved incorrect because since Psy’s Gangnam sytle, K-pop’s popularity also has reached to the West. Ho (2012) considered strong goal-orientation of parents and children as K-pop’s success factors, which are applicable to Dedication (diligence and goal-orientation).

On the other hand, there have been scholars, suggesting comprehensive understandings of K-pop’s success over J-pop but still included partial components of the ABCD model. For an example, Limb (2013) included three K-pop’s success factors: (1) the active employment of social media and high quality contents (Agility—speed and quality), (2) star management system copied from J-pop (Benchmarking—learning) and (3) high proximity to foreign markets thanks to global production (Convergence—mixing and synergy creation).

To conclude, some previous scholars made a wrong analysis by
examining factor endowments and thus failed to explain the K-pop’s global success over J-pop. Other scholars contended business strategies but failed to suggest comprehensive understandings only including subsets of the ABCD by following the Table1. Thus, the application of the comprehensive ABCD model is valid to precisely understand K-pop’s global success over J-pop.
Table 1. Existing Studies and the ABCD model

<table>
<thead>
<tr>
<th>Factors</th>
<th>Sub-Factors</th>
<th>S1</th>
<th>S2</th>
<th>S3</th>
<th>S4</th>
<th>S5</th>
<th>S6</th>
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</thead>
<tbody>
<tr>
<td>Agility</td>
<td>Speed</td>
<td>Social Media</td>
<td>Social Media</td>
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<td></td>
<td>Precision</td>
<td>High Quality Contents</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmarking</td>
<td>Learning</td>
<td>Western and Japanese pop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Star Management, 360 degree</td>
</tr>
<tr>
<td></td>
<td>Best Practice</td>
<td>Hybridity of Contents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>management</td>
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<tr>
<td>Convergence</td>
<td>Mixing</td>
<td>Asianization</td>
<td></td>
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<td>Global mix of talent</td>
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<tr>
<td></td>
<td>Synergy</td>
<td>Hybridity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>development and acquisition</td>
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<td>Creation</td>
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<td></td>
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<td></td>
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<td>strategy</td>
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<tr>
<td>Dedication</td>
<td>Diligence</td>
<td></td>
<td></td>
<td></td>
<td>Spartan Training System</td>
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<td>High proximity to local</td>
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<td>Goal-orientation</td>
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<td>K-pop star as a new symbol</td>
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<td>market</td>
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<td></td>
<td></td>
<td></td>
<td>of success</td>
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</tbody>
</table>

Note: S1: Shim(2005); S2: Siriyuwasak and Shin(2007); S3: Oh and Park(2012); S4: Jung(2011); S5: Ho(2012); S6: Limb(2013)
3. Analysis

3.1 K-pop

3.1.1 Agility: Speed and High Precision

In 2016, for the first time in record industry, digital music revenues (45%) surpassed physical music revenues (39%) all over the world. (IFPI, 2016) However, it was not surprising news because ahead of it, in 2011, the market size of digital music surpassed traditional music in US. However in Korea, in 2004, such reversal phenomenon already happened. And it implied that due to the development of the internet, possessing music becomes meaningless and the characteristic of music changed from music to possess to music to access. (Limb, 2013)

Given that people prefers listening music in the digital form, the importance of physical presences disappears in terms of the consumption of music happens on the internet. As listeners can access to any music in the world, as far as quality is assured, any music has a chance to be popular. And unlike the previous physical music, digital music can be easily shared on the internet and thus quickly spread through SNS. Therefore, the development of digital music led the importance of SNS as a new form of promotion. (Oh
and Park, 2012; Zhao, 2016)

In addition, the significance of new media increased in terms of that in Web 2.0, users are no longer passive consumers. They can produce own contents in a diverse format such as parody video and cover-dance video, reaction video and Flash Mob. And these activities can bring another advertising effect by forming giant Fandoms. (Jung, 2011; Limb, 2013; Oh and Park, 2012) Therefore, new media opens up new opportunities for 3rd world music; and for EMCs, it justifies importance of strategic utilizations of new media for a method of the marketing.

K-pop promptly perceived the changing media environment and reacted to the trend. Financial Times (2012) highlighted the global influence of K-pop by stating that K-pop finally swept Europe and America. And this was possible because Western fans were able to discover exotic K-pop through Social Media. However, this was not a mere coincidence. But, this was an outcome of K-pop’s active and striving new media marketing strategies to the changing media environment.

To illustrate specifically, K-pop EMCs established and implemented diverse marketing mixes, which utilize new media for the global expansion of K-pop. For an example, each K-pop EMCs,
at base, have their own channels and accounts of famous SNS such as YouTube, Facebook and twitter as a means for promotion. (Liu, 2012) And EMCs apply strategies by using these SNS accounts. For an example, EMCs hold diverse contests through SNS to attract global fans’ self-directed participations. In 2012, TVXQ hold a cover dance contest by giving a chance for fans to become a prosumer. And, fans, who want to take part, could upload their dance videos on the internet websites of SM. (OSEN, 2012) Moreover EMCs used live show functions in Facebook and V-app for the intimate interaction between artists and fans. As the show is on the spot, artists can read and mention comments from fans immediately during the live show. And it tightens a fellowship between artists and fans. (Joongang, 2016) As a result, in 2011, SM entertainment, for the first time in Korea, was nominated as ‘Facebook Celebrity’ and renowned a worldwide recognition. (Donga, 2011b)

In addition, accompanying with speed, quality wise, K-pop catered for new media. Cho and Cho (2013) contended that the pivotal competitiveness of K-pop’s success at Web 2.0 era is qualitative contents. And they also stated the development of IT technologies spurred the expansion of digital music and it led the necessity of music to watch rather than to listen. And K-pop
successfully accorded to the trend by increasing the visual factors but decreasing linguistic factors.

In particular, regarding lyrics, K-pop reduced narrative components while strengthening phonetic components to reduce language barriers. In previous studies, some scholars considered that the inclusion of English words in lyrics reduced language barriers. (Aska, 2010) However, looking at the case of K-pop, K-pop did not merely include English words in lyrics but adopted skills of writing lyrics, which effectively surmounts language barriers. In Specific, K-pop composed the lyrics with repetitive catchy phrases and phonetic sounds by reducing narratives and thus minimizes the role of meaning in language. (Liu, 2012) As an example of repetitive catchy phrase, in Wonder Girls “Nobody”, the single word “Nobody” appeared 62 times with easy-to-follow dance moves. (Park and Lee, 2008) Also, by looking on Red Velvet’s rookie, by singing a non-narrative but phonetically harmonized refrain,

“Rookie rookie my super rookie rookie rookie matji matji geu neukkimjeokin neukkim neukkim.” (Jo, 2017)

it decreased the significance of meaning in language but increased the beauty from phonetic components.

In addition, K-pop strengthened visual effects through
synchronized dance moves and high-edge styling. Since K-pop was under influence of J-pop in the beginning, most of K-pop singers are grouped instead of solo acts. (Liu, 2012) And this opened a possibility of dynamic performances and K-pop made this to be a reality by showing ‘knife-like’ synchronized dance moves among members. Following the interview by EXP edition, a foreign K-pop group, attributed reasons of loving K-pop to K-pop’s fancy dance moves and its knife-like perfect synchronization in keeping the beat time. (Edudonga, 2017) In addition, one of the success factors of BTS, Korean Idol group awarded ‘Top social artist’ from Billboard music awards, is pinpoint accurate choreography by perfectly synchronizing even a finger joint, accompanying with K-pop’s trendy sound, which was fresh to foreign fans. (Donga, 2017)

Besides, K-pop artists take a role of a trend setter through their stage costumes. Stage costumes of K-pop artists are self-designed to dramatize the visualization; and these costumes are not mere clothing but symbolize motives of songs. For an example, according to an interview by K-pop idol’s stylist, a K-pop singer ‘Gain’ put on a costume for an album ‘Paradise Lost’, shaping a snake with the motif of ‘Adam and Eve’; and for this, it was 100% self-produced by a stylist. (Allure, 2016) In addition, nowadays, it is not difficult to see
idols with luxury brands. Following the article Joongang Daily (2017), while looking at outfits of Idols, it gives an impression of looking through ‘Lookbook’. They often put clothing from fashion collections. For an example, since 2012, BigBang has often worn some of clothing from Yves Saint Laurent collections, and even called ‘children of Yves Saint Laurent’.

3.1. 2 Benchmarking: Learning and Best Practice

K-pop emulated the production system of J-pop. The production system of J-pop is composed of 5 steps: planning, casting, training, producing and marketing. And the former 4 called production stages. The A&R team, stands for Art and Repertories, takes the leading role during the production stages by selecting and managing artists and songs. The capacity of A&R departments works as a crucial factor of business competitiveness. (Cho and Cho, 2013)

This Japanese production system is unique and worthy to be compared with U.S production system. In U.S, singers are discovered by the scout managers through diverse channels such as YouTube, demo-tapes and auditions. And thus, potential singers must advertise themselves to make a contract with an entertainment agency. Ever since scouted by an agency, all singers are sorted as artists in a
sense that basically all of them can create a song for their albums by themselves. Also, in U.S, management and production companies are divided and accordingly authorities of each of them decrease unlike Japanese and Korean EMCs. And thus, U.S artists are relatively much independent from their agencies compared with Japanese and Korean artists. (Limb, 2013)

On the contrary, in Korea, as following the J-pop’s production system, entertainment companies take a leading role to scout potential singers by using diverse recruiting methods such as audition and competition. After casted, potential singers should endure producing stages which are planned by entertainment companies in their own way. (Zhao, 2016) By following J-pop’s production system, K-pop singers are targeted for diverse sales purposes besides earning profits from music but from such as advertisement and appear on broadcasting. And thereby they are nurtured to become a multi-entertainer, skilled at diverse spheres besides music. (Limb, 2013)

However, based on the emulation of Japanese production system, K-pop upgraded the system through the delicate segmentation and the addition on the original system. To create distinguishable contents, K-pop EMCs made a special system of training in diverse
aspects. Ho (2012) described the training system as follows: “daily
dawn-to-dusk schedules are tightly filled with lessons on singing,
dancing, mock commercials, personal grooming, body weight (and
shape) management, foreign language lessons and at times even
cosmetic surgery.” In particular, inseong gyoyuk (personality
training), which is about inculcating in students “desirable” attitudes
and behaviors such as humility, loyalty and gratitude, is a unique
lesson in K-pop. Like this, K-pop production system is not a mere
copycat of J-pop production system but developed it to a delicate
and comprehensive system.

In addition, music wise K-pop emulated the Western and
Japanese music. However, based on the emulation, K-pop developed
and created a fresh genre by mixing and playing with different music.
In previous studies, many scholars highly remarked hybridity of K-
pop music. Shim (2006) stated that K-pop is Koreanized Western
music while Oh and Park(2012) contended that the creation of K-pop
goes through 3 steps of “localization-globalization-localization”. And
Siriyuvasak and Shin(2007) highly valued the hybridity of K-pop
music by saying that K-pop cleverly Asianized Western music. All of
these remarks revealed the best practice of K-pop, which created
own music by escaping from the mere emulation of Western and
Japanese music. In addition, the global success of Psy’s Gangnam style proves the K-pop’s global appeal and thus demonstrated that the cultural proximity theories were wrong. And K-pop proved its power as a complicated form of transnational genre. (Hankyoreh, 2011)

One popular music reviewer evaluated K-pop in this way: the most interesting point of K-pop is that it mixes of totally different ideas, genres, and atmospheres in one song and sometimes applies all of these mixes even in a single phrase. But, surprisingly it is very natural to listen. (GQ, 2015) In this way, one of the powers of K-pop songs is the creation from far-out and smart mixing of different genres from the emulation.

3.1.3. Convergence: Mixing and Synergy Creation

In 1997, Asian Crisis hit Korea and it affected on regression of K-pop industry. And, accordingly, K-pop EMCs averted their eyes to the overseas market. After the Success of H.O.T, in the late 1990’s in China and in East-Southern Asia, K-pop EMCs became confident of K-pop becoming global music, and afterwards they planned and produced music targeting for overseas markets. Ironically, the eruption of the domestic market worked as a chance to drive K-
pop’s export. With a clear purpose of making a K-pop as a global product, K-pop EMCs selected Talent Acquisition Strategy, which sources composition, choreography, visuals, producing and recruitment globally to fulfill both domestic and global fans’ tastes. (Limb, 2013)

One of the most often adopted strategies, in detail, is a global recruitment of artists by hosting global auditions. It resulted in diverse nationality mixes of artists within groups by composing groups together with foreigners. And it enabled them to carry out activities in foreign markets efficiently. (Limb, 2013) For an example, F(x) represents global mixes of nationality within group members. They are composed of 4 members of Luna, Krystal, Victoria, and Amber: representing Korean, Chinese, and Chinese American. (Segye, 2012) As having 3 native languages, Korean, Chinese, and English, while carrying out overseas activities, by singing and conducting interviews by themselves in local languages, they eliminated the incompatibility caused by different nationalities.

Besides, K-pop globally sources components such as choreography and composition as a means to reflect the global trends. Especially, SM entertainment possesses a global pool of composers. 450 composers out of 500 SM’s composers are
foreigners. SM, regularly, host a distinctive event, called ‘Song Camp’. During the event, composers gather from all over the world and collect creative ideas from different groups of composers. This enables them to create unique images and attractive sounds based on fresh melodies and daring chord progressions. (Oh my news, 2017)

The most comprehensive case of K-pop’s global processing is BoA. Rather than adopting global sourcing for partial components, BoA, from the beginning, was planned, trained, and managed by both Korean and Japanese entertainment companies and it enabled her to penetrate J-pop market successfully although she is not Japanese. (Limb, 2013)

On the other hand, according to Limb (2013), the free distribution of K-pop contents through diverse Social Media palpated to business diversification to compensate those loss from other sectors of business by using images of K-pop stars. At the same time, the global popularity of K-pop stimulated K-pop fans’ to copy the whole life-style of K-pop stars, and it caused spill-over effects on other non-related business sectors. In other words, the spread of Korean Wave contributed on the increase of demands on Korean goods by creating added values.

For these reasons, Entertainment companies diversified their
business to other business sectors and conglomerated themselves to earn additional profits. For an example, according to Sisajournale (2017) in 2016, sales of YG entertainment reached 300 billion KRW, which was the 2nd time ever as a K-pop EMC following the SM entertainment. In particular, besides entertainment business, YG entertainment started cosmetic and food business, ‘CoDECoSME’ and ‘YG FOODS’. Amongst Korean Wave fans, it is no wonders to recall YG with food and cosmetic. In addition, YG entertainment addressed that in the near future, they will independently produce contents and for a method of it, they started casting famous producers. Besides, by becoming the 2nd shareholder of the most influential portal site, NAVER, they hold a stable platform to air their contents.

3.1.4 Dedication: Diligence and Goal Orientation

Many previous studies attributed the success of K-pop to a thorough dedication by potential K-pop singers. (Cho and Cho, 2013; Ho, 2012; Liu, 2012; Oh and Park, 2012) In detail, unlike other pop industries, such as US-pop, where an artist begins their career from the bottom by advertising themselves to public and potential agents, and J-pop, where potential singers are exposed to public and forming own fandoms before the major debut, K-pop never reveals
unprepared potential singers to public. But, only after the completion of processing stages, K-pop singers can finally meet public. (Cho and Cho, 2013; Zhao, 2016)

Because of that, potential singers of K-pop must endure long training periods. For an example, all the group members of Black Pink spent, on average, 4 to 6 years for training; and during training periods, they were coming and going only from a booth camp to a practice room and vice-versa. Due to long lasted tough training periods, lots of trainees failed to survive but dropped off in the middle but only one who endured all these processes and hold enough capacity could debut as a singer. (Seoul, 2016) One of distinctive systems in K-pop is in-house system. As a means to increase effectiveness of hard-training, the chosen few members begins living together in a house provided by a company. And this makes it possible to manage singers twenty-four seven. (Shin, 2009)

Trainees could endure such tough Spartan training system because due to the global success of K-pop, a K-pop star became a prestigious and respectable career in Korea. Under the circumstance, when the amount of money is equal either preparing to enter into prestigious universities or to become a K-pop star. But the latter case, after making a success, the reward is far weight than the
former case, a K-pop star became a profession, which parents support their children to be and thus they handle the educational cost of star academies by tightening their belts on households in accordance with global renown of K-pop stars. (Ho, 2012) And this remarkable social status of K-pop star caused even excellent students in class dream to become a K-pop star.

Therefore, in recent years, it becomes no wonders to see K-pop singers either who were excellent in class before or graduated prestigious universities. For an example, a famous Korean female singer IU, during her primary school days, was a top student in her class and was elected as the president of the student council. (The Fact, 2017) In addition, the group members of Peppertones, both graduated from KAIST, one of the most top-ranked universities in Korea and singers such as Beenzino, Vernalzint, became a K-pop star even with the academic background of Seoul National University.

Besides, the active export-oriented strategy led K-pop’s global success. Due to a minuscule size of domestic market, from the beginning K-pop was oriented to target foreign markets. Since the late 1990’s, K-pop EMCs has produced contents to fit into global tastes. Especially, K-pop was able to recover from the crisis in music industry, which was caused by IMF, by attaining success in
foreign markets. Since that, K-pop continuously has chosen export-oriented strategies. (Limb, 2013)
3.2 J-pop

3.2.1 Agility – speed and precision

The growth of digital music industry resulted in the downturn of J-pop market. It required them to find other sources to fill the loss from selling CDs and DVDs. While K-pop actively utilized new media by promptly adapting to the new changing media environment, J-pop took a passive tendency. In an article titled “How Korean pop conquered Japan” mentioned that a common stereotype about Japan is that “it’s a nation stubborn to change.” (The Atlantic, 2011) J-pop posed a conservative stance to employ social media as a marketing method. According to the interview of director of JASRAK(Japanese Society for Rights of Authors, Composers and Publishers), they elaborated their DB and system, which enables to filter even a small part of lyrics and to track the original blog source of copied song to censor J-pop songs on YouTube. (Etnews, 2008)

However, unlike the general belief of the negative annotation of piracy, the piracy during the early stage of globalization in K-pop contributed on Korean listeners’ access to diverse foreign music. In 2006 Korea enacted a copyright regulation law but in a balanced-
way to give an access to foreign fans to K-pop. And it worked as a major force of K-pop’s global success. (Parc, Messerlin, and Moon; 2016) Thus, the response of J-pop against new media by strengthening a copyright law is an excessive and inefficient restriction, which interrupts the growth of J-pop in the world. PD journal (2016) contended that the success of K-pop aligns to the failure of J-pop. The writer stated that J-pop failed because they passively utilized new media. And in turn they lost their massive Asian J-pop fandoms from K-pop. Due to cautious traits of Japanese society, they stick to traditional stance such as protecting a copyright. As a result, J-pop failed to take a leading role in digital music industry.

Unlike K-pop, which was agile to adapt to the new changing environment and flexibly enacted a copyright law by responding to chronological changes, J-pop stubbornly clung to traditional marketing strategies. According to KOCCA (2012), instead of utilizing social media to fill the loss from decreased physical music market, J-pop adopted a retro strategy: a live performance. But concerts and television marked even higher levels of inconvenience than CDs to the audience in a sense that it requires a spatial existence at certain
time. (Oh and Park, 2012) And thereby it even increased a barrier of international fans’ access to J-pop.

In addition, besides speed, quality wise in a digitalized and internationalized music industry J-pop is less competitive than K-pop. As the market enlarged the scope from a region to the world, producing contents, enjoyed beyond borders, becomes a crucial factor to take competitiveness in a globalized music industry. Thus, to earn the global popularity, music should change the characteristics from music to listen to music to watch. (Donga, 2011a) J-pop contents, however, are thoroughly nationalized. J-pop is self-oriented in a sense that “it targets first and foremost the Japanese market” and thus music production is mainly targeted to local listeners. (Aska, 2010) And thus J-pop’s production system is confined to only domestic channels. (PD journal, 2016) As a result, J-pop’s cultural contents hold unfavorable traits to international audiences such as high narratives and language exclusiveness.

J-pop songs about diverse life affairs such as love and emotions but most of lyrics are composed in Japanese and high narrative components. (Aska, 2010) And it builds high language exclusiveness and in turn works as barriers to attract international fans. In addition,
J-pop reflects the reading culture of Japan and thus containing difficult lyrics is loved. (Hugh, 2002) And thus J-pop lyrics generally contain difficult narrative factors such as worldview, which could work as an attractive factor to listen J-pop for local listeners. (Channel yes, 2016) But, on the other hand for foreigners in a way that it is not understandable and hard to follow, it works as a negative factor to listen J-pop by decreasing the accessibility to J-pop.

3.2.2 Benchmarking: Learning and Best Practice

As J-pop created an independent star management system, there had been a non-existence of benchmarking from other pop industry regarding the system. J-pop, however, also, emulated the western pop in the beginning in a sense that the formation of J-pop is based on the Western pop dated back in the late 1980’s. J-pop is coined for songs that sound similar to western pop music but made in Japan and played and sang by Japanese artists. From 1990’s, the concept enlarged its scope and all contemporary music made in Japan are named J-pop. This is the period of the indigenization. (Aska, 2010; Mori, 2009)

Later, J-pop developed into diverse genres such as J-rock, J-rap
and J-reggae by recreating the music for domestic listeners and originated variety of sub-genres under the name of J-pop. (Aska, 2010) Hankyoreh (2000) stated that all different and diverse genres, which do not share same characteristics, have independently developed under the name of J-pop. J-pop holds richness of music genres. One notable fact regarding J-pop’s richness in genres is that in J-pop, a matchless singer does not exist because J-pop’s genres, such as Rock, R&B, Techno, Dance etc, are amazingly diverse and thus there are groups of top talent singers in each J-pop genre.

In addition, besides the emulation of Western pop, J-pop creatively made own music. A part of the creativity of J-pop is rooted at DIY (Do it Yourself) culture. The DIY culture, imported from UK and US, began in Japan in 1970 and boomed in late 1980’s bubble economy due to the increase number of freeters. Freeters are people aged 15-40 without having a proper job but a part-time job. During the bubble economy, they did a part-time job during the day but worked as an armature singer at night. The advent of them contributed on the development of J-Rock. DIY culture flourished again in 2000’s thanks to the technological development, which helped musicians easily create own music. And the trend of the society encouraged people to be creative in their own life despite of
harshness in their working life through supportive lyrics of musicians. (Mori, 2009)

Thus, the lyrics of J-pop music tightly connected to the daily life of domestic listeners and unique worldview of a musician is reflected on it. (Channel yes, 2016) For an example, to examine the lyrics of BoA’s ‘I see me’, which was released in 2011 in Japan, through lyrics the singer delivered her own perspectives and philosophy on life. And accordance with it lyrics became high narrative.

"Instead of tracing a sketch of the future I’ll just hold things that I’ve lost, things that I’ve gained…The days I broke out of are weaving the road toward tomorrow. This bitter taste is the signpost on my road.” (Jpoptime, 2011)

However, these reflections of singers’ serious thoughts and high dependency on narrative lyrics could increase the language barriers of foreign listeners for who does not understand the language. It is notable in a regard that J-pop developed a variety of independent music genres from the emulation of western music and holds richness of music. But on the other hand, these developments excessively centered on the domestic market only by containing high
language barriers. And this resulted in the failure in foreign markets despite of its richness in musical genres.

3.2.3 Convergence: Mixing and Synergy Creation

J-pop EMCs conglomerate their business. Compared with K-pop EMCs, J-pop EMCs returned major profits from other sectors. For AVEX, management business is not the major source of profits but they expanded their business to the whole music related sectors and other unrelated sectors. They earned 55% of their profits from music related sectors and the other left from unrelated sectors. On the other hand, Up-Front Entertainment earns one third of their profits from real estate. (Lee, 2017)

One of the mixing strategies, which J-pop the most often adopts for domestic market, is a ‘tie-up’ marketing strategy. Tie-up sells music to CM as background music. Tie-up forms a close imagery connection between a product and music and lasts a strong impression on a product while people unconsciously recognize music. Thereby it creates synergies for both a product and music. Tie-up boom started in 1980’s and since that it has situated as one of the most profitable business model of J-pop. For an example, from 1991 to 1998, the peak era of J-pop in history, 40 out of top 50 singles on
Oricon’s Charts were tied-up songs. And this business model, until the present, is actively used in J-pop and thus a close relationship continues to exist between music and TV. (Carolyn, 2011)

However, J-pop passively confronted a global market by adopting the minimum level of marketing strategies. Basically, when it comes to export, J-pop sells either a license of an album or Japanese management system to foreign markets, instead of exporting their artists directly by employing GVC (Global Value Chain). For an example, the main role of Magic Stone as one of subsidiaries of AVEX JAPAN is selling licenses of popular songs from AVEX Japan to global markets. They do not have their own physical entities in foreign countries, but they exist only by selling licenses. By doing so, they can reduce the cost of retaining branches in foreign countries and risks of entering into less profitable foreign markets by leaving the most profitable and 2nd largest domestic market behind. However, this caused AVEX’s high dependency on foreign partner companies because foreign companies took decisive rights regarding publishing albums once they purchased licenses from AVEX. (Iwabuchi, 1998)

On the other hand, SNH 48 is a representative case of J-pop’s the other international marketing strategy, which is exporting
Japanese management system to foreign markets. SNH 48, based in Shanghai, is one of the sister groups of AKB 48. They purchased licenses of AKB 48 system but they operates the group their own self. They receive an advice regarding the operation of the system from Japan, but local companies take an independent and pivotal role of guiding and marketing the group in China. However, by leveraging the independency SNH48 produced other Chinese sister groups such as BEJ48 and GNZ48 without any notice to AKB 48. AKB 48 strongly insisted that it is a clear violation of the contract but as SNH 48 addressed that they will independently expand their business to Xinjiang, Tibet and Hong Kong, (Ejinsight, 2016)

J-pop’s two representative global marketing strategies could reduce risk and cost of expanding their business to abroad but these strategies are peril in a sense that once purchasing licenses, the major rights go to partner companies and thus J-pop, the original creator, lost its right of their contents. In addition, if they directly export J-pop stars to abroad, they can earn additional profits which generated by selling images of global stars to other sectors such as advertisement, appearance film, events etc. And thus, in this sense, they would reap less profit they can earn by producing a global star.
3.2.4 Dedication: Diligence and Goal Orientation

Becoming a J-pop star also requires severe competitions. For an example, Johnny’s Entertainment has own pool of potential singers, called ‘Johnny’s Junior’. Every month, on average, ten thousands of resumes and photos are sent by potential singers with a dream to become a J-pop star. (Cho and Cho, 2013) In a sense that only chosen few from Johnny’s juniors can attain major debut, there is no guarantee to become a J-pop star even chosen as Johnny’s juniors through tough competitions.

However, though becoming a J-pop star is difficult, it is hard to be considered competitive in a same manner of K-pop stars, as these competitions largely depend on a personal attractiveness and a little bit of luck rather than performing skills. As an example, according to Cho and Cho (2013), Johnny’s entertainment is famous for not requiring an audition for recruitments of potential singers but a photo attached on a resume works as the most critical factor to select potential singers. In a regard that most of applicants are aged 10–15 years, whose age is young enough to be without any impressive previous experiences, effectively the first impression from a photo is the only decisive factor of the selection.
Besides auditions, there are many different routes to become a J-pop star. For an example, AKB48 has unique methods of recruitments. The concept of AKB48 is an idol who can go to meet. Since AKB48 family includes all sister groups including SKE 48 in Nagoya, NMB48 in Osaka, HKT48 in Fukuoka, NGT 48 in Nigata, STU48 in Setouchi and JKT48 in Jakarta, a selection of a few members for each album is inevitable. (The Japan Times, 2017)

For a method of selecting members, along with the decision by a main producer, they adopt two other methods: an election and a rock-paper-scissors. Once a year, AKB48 host an election by giving a voting right to whom purchase a newly released single album right before the election; or is an official fan-club member; or is a charged member of an official I-Phone and Android application. During the election campaign period, all the group members have a chance to appeal themselves to fans by attaching posters and showing on YouTube electoral channels and political broadcast. (Cho and Cho, 2013) However, to elect a supportive candidate, fans started to stockpile albums to attain more voting powers. And it becomes a popularity vote and thus a candidate, who is personally attractive, takes an advantage rather than selecting candidates unbiased based on performing skills. (Ilyo, 2016)
Moreover, AKB48 adopted a rock-paper-scissors as a means for recruitments for a purpose of affording a chance to become a chosen member even for obscure members as well. (BBC, 2017) However, in the sense that the selection is wholly dependent on luck rather than their perspiration, it could breed lackadaisical state of mind among idol members. Thus, J-pop potential singers also should endure unguaranteed waiting to become a J-pop star but unlike K-pop potential singers whose selection is wholly based on performing skills resulted of strict and systematic scoring system and thus which demand complete dedication and perspiration of them. But J-pop’s recruitments focus on a personal charm and luck rather than performing skills and their perspiration.

The reason of demanding a personal charm than performing skills is derived from J-pop idol’s goal-orientation. Unlike K-pop idols, aiming for a heartthrob of an ordinary person by showing flawless performing skills and fabulous styling, J-pop idols are oriented to providing two main components for fans: proximity and humanity. For an example, SMAP, who enjoyed the longest popularity in J-pop history, was famous for inability at singing. Their performances frequently became fodder for jokes by their fans. However, for Japanese fans, performing skills are not the decisive
factor to become a fan since the prototype of a J-pop idol is “a girl or a boy next door, who are chosen to become a lucky star by chance.” Thus, the distance between a singer and the public is short. And as they are symbolized ‘lucky one’ who is actually not different from average people in ability and talent, the image of an idol is humanized. (Fabienne, 2004)

In addition, as J-pop potential singers are exposed to the public before debut, fans share all the growth process. Unlike K-pop stars, which are exposed to the public at a completed stage, J-pop stars make up their deficiencies of performing skills by communicating with fans. (Cho and Cho, 2013) And thus, J-pop idol’s market vitality is strongly dependent on fandom. (Hugh, 2002) However, these fan’s proximity to singers could bring out singer’s excessive subordination to their fans which in turn less focus on improving performing skills but much on meeting the needs of fans. In 2013, there was a scandal of 20-year-old Minami Minegishi, a key member of AKB48. The photo, which was taken when she left the house of her boy-friend, was spread to public. In the sense that J-pop idol take a sales point to ‘virtual love relationship’ between a fan and an idol, the scandal was fatal to her image. To calm the furious public, she made an apology on their YouTube channel by shaving her head and demoted
her position to a trainee. (Aju business daily, 2013) Because of this, instead of perspiring with the most efforts, J-pop idols much put their efforts on satisfying and communicating with their fandoms by failing to be professionally perceived.

Moreover, J-pop implemented the domestic oriented strategy. This is because, J-pop market is 2nd largest record market in the world and 75% of market share is occupied by the national music. Due to their sizeable domestic market and complicatedly related music industry, Japan has a little motivation for international expansion and thus they mainly concentrate on a domestic market. (Cho and Cho, 2013; Huang, 2011; Lie, 2012) The high attractiveness of the domestic market made both J-pop entertainment companies and artists to be reluctant to actively enter into foreign markets, which require taking a risk of uncertain success. (Iwabuchi, 1998)

However, it is hard to consider that Japan was indifferent in globalizing their culture but rather they failed to predict the impact of globalization on a music industry and the growth of Asian market. According to Donga (2011a), Japan did not expect that Asian market would make such a fast economic growth and thus they disregarded the market while severely competing in a domestic market. Because, in 1990’s, the whole Asian market sized two to three states of Japan
and it depressed Japan to involve in a Asian pop market. And it states that it was a huge lapse in judgment in a regard that Asian music, especially K-pop, even conquer the western pop market.

In addition, due to a fast rush of globalization, Japan perceived the influence and importance of cultural contents for diplomacy and business as a soft power. (Hugh, 2002) Thus, it is not explanatory to consider Japan lack of interest in global music market and so they do not actively involved in exporting J-pop. Contrary, they recognized the value of overseas market. But, according to Huang (2011), the previous J-culture fans loved it without any particular marketing strategies of Japan since most of them are ardent consumers. Thus, it is right to understand in that way Japan does not know which strategies to adopt at a changed market environment, where they should continuously appeal themselves.
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<td>Precision</td>
<td>High visualizations and reductions of language barriers</td>
<td>High narrative components and high language barriers</td>
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<td>Benchmarking</td>
<td>Learning</td>
<td>J-pop’s production systems and US and Japanese music styles</td>
<td>Western pop’s music styles</td>
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<td>Best Practice</td>
<td>An elaboration of J-pop’s production systems and creations of hybrid music genres</td>
<td>A creation of diverse music genres through the indigenization</td>
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<td>Convergence</td>
<td>Mixing</td>
<td>A global sourcing, business diversifications</td>
<td>Business diversifications</td>
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<td>Synergy</td>
<td>Highly globalized localized contents and spillover effects on other business sectors</td>
<td>Conglomerated entertainment companies but small profits from global markets</td>
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<td>Creation</td>
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<td>Dedication</td>
<td>Diligence</td>
<td>Sparta training system</td>
<td>Dependency on personal attractiveness and a little bit of luck</td>
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<td>Goal</td>
<td>K-pop star as a prestigious job, export-oriented</td>
<td>Friendly idols, domestic-oriented</td>
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<td>Orientation</td>
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4. Conclusion

There had been numerous studies regarding K-pop’s success factors but most of them failed to suggest comprehensive explanations on it. Some studies undervalued K-pop by contending that K-pop is a passing fad or a mere output of export-oriented strategies and Spartan training system. However, in this study, by applying the ABCD model, it becomes clear that the success factors of K-pop cannot be attributed to a certain single factor but to comprehensive marketing strategies, which contributed to overcome relatively poor factor endowments compared by J-pop.

Firstly, K-pop was actively employed marketing mixes, which utilize new media by promptly adapting to the changing media environment. Besides speed, by reducing language barriers while increasing visual components, quality-wise K-pop produced the best suitable contents to internationalized media environment. On the other hand, J-pop persisted to stay at the existing traditional media by strengthening copyright law against new media and took a retro marketing strategy of concert sales to offset a loss from traditional CD sales. Along with that, quality-wise they refused to conform their music to international fans’ taste by including high narrative components and thus increasing language barriers.
Besides, though K-pop was begun by the emulation of Japanese production system, based on the emulation, they developed and created the new system by elaborating training systems. Also, music-wise based on previous pop and J-pop, by mixing with more diverse genres, K-pop created new hybrid genres of music, which satisfy music fans regardless of nationalities. J-pop also emulated Western pop in the beginning but later on created various genres by enriching J-pop given the diversities of music. However, even with the richness of music, by including high level of cultural and language aspects, they by themselves disrupted global fans from accessing to J-pop.

In addition, by employing GVC, K-pop efficiently produced music by following global tastes and in turn beloved globally. K-pop fans further demanded to consume not only music but the whole life style of K-pop stars, which spurred K-pop EMCs to diversify their business and enjoy synergy effects from music to other business sectors by taking advantages of images of global K-pop stars. In the meantime, J-pop EMCs passively reacted to global markets compared by active marketing strategies for the domestic market and thus they returned a meager profit from foreign markets.

Lastly, potential singers of K-pop give their best shot by
enduring Spartan training system to have the best quality performing skills. A global renown of K-pop star worked as a driving force of such endeavors by making even parents support their children to become a K-pop star. Besides, to overcome a small domestic market, from the beginning K-pop was targeted to global markets as well. Meanwhile, J-pop, instead of recruiting potential singers based on systematic scoring system, chose potential singers highly depending on personal attractiveness and luck and aims to producing friendly image idols. And as a result, they failed to produce professionally skilled idols but caused a strong subordination of singers to fandoms.

One of the news article published in 2016 pointed out the reality of that J-pop EMCs came to field trip to Korea to learn K-pop's production system and it shows that the shoe of K-pop and J-pop is totally on the other foot: now, J-pop is learning from K-pop's developed management system. (Edaily, 2012) Some express concerns regarding K-pop by stating that once K-pop system is copied by J-pop or C-pop, K-pop will soon lose the competitiveness. However, in this paper, it is proven that K-pop cannot be copied easily by other competitors in a short time because K-pop is not a mere music but a sophisticated composite art resulted by comprehensive ABCD factors. The other competitors could emulate a
few factors of K-pop but it is impossible to copy the whole system of K-pop exactly due to their cultural and social factors. And it means that due to complexity of factors, exact duplication and application of the system is impractical under their cultural and social conditions. Thus, unlike the concerns regarding K-pop, which were on the rise of previous studies, K-pop is not a temporary fad. But, K-pop has built the sustainability by revolutionizing itself to a composite art.
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국문초록

ABCD 모델 활용을 통한 K-pop과 J-pop의 비즈니스 전략 경쟁력 분석


키워드: K-pop, J-pop, 음악산업, 비즈니스 전략, 경쟁력, ABCD 모델