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K-Pop and K-Dramas: A Billion Dollar Business

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ABSTRACT

The paper demonstrates how the South Korean Pop music and TV-dramas have proven their mark around the globe. With the ever growing popularity of these entertainment methods from Korea, they are not only topping music and tv charts but also evolving into a business worth billions of dollars and most importantly it looks sustainable with the innovation and disruption they are bringing into the world market.

Keywords: Pop Music, TV-Dramas, South Korea, Disruption, Innovation.

INTRODUCTION

When in the 1990s diplomatic relations were made between China and South Korea, South Korean soap dramas like 'What is Love' began airing on Chinese television. It soon gained a lot of popularity, with millions of Chinese tuning in to watch the show with their friends and family. Cut to some years later in the 2000s and now in the second decade of this century, there are hundreds of Korean TV series and Korean Pop bands making waves internationally. It is therefore evident how the impact fully the South Korean culture is being propagated across the globe. Being a country that boasts of heavy exports of cellphones and gadgets as such as well as cars and other automobiles have now added K-Pop and K- soaps in the leading export industry, quite possibly on the 2nd or 3rd place.

[Heading 1]

Although the pop music and the dramas had been around for a quite a long time, a major breakthrough came in 2012 with Psy's Gangnam Style, a pop music video. According to Forbes, the video had earned over 2 million USD in 2014 from just YouTube ads and 8-9 million USD by the end of the year from the iTunes, official CDs and DVDs, some brand endorsements and live shows.

Then again, if it has to come to Korean Pop music then various other bands have made it huge both in popularity and business. An all boy band named Big Bang made a staggering 44 million USD in 2015, Harvard Business Review reported. Among the ones doing the most business worldwide are Exo, 2NE1, BTS, Twice etc. K-Pop popularity has brought in big tech players like Samsung into the purview of means of promotion. Samsung which contributes about 1.5 trillion to South Korea's economy, joined hands with G Dragon the priority act of Big Bang and features them in the fashion section of the company. Samsung's digital wallet also features some Kpop groups on their apps and websites. But it's not just the Korean companies which are showing a business interest in the Korean music industry. Multinationals like Amazon Inc, AT&T have also signed a lot of K-Pop bands for music festivals to be held in the USA.

In Korea itself, K-Pop can even turn the stock market around. This is because the big wigs in the angel investing and already established brands are diversifying into putting their money in K-Pop artists and their popular acts. For instance, the CJ Group is about an 18 billion conglomerate. But seeing the growth chances in the fields, it started units of biotechnology, hat of logistics and finally of entertainment through which they support one of the most successful bands Idol School. Also, record label themselves have chosen to become publicly traded companies thus making the contribution of the entertainment industry in the share market of significance. Hyun Suk's about 635 million dollar company is publicly traded and they are the drivers of the band Big Bang.

K-Pop music as a key export

South Korea is well known for its exports in automobiles, electronics, steel, ships, semiconductors and other commodities. But since past few years, the revenue the country has collected from K-Pop exports has surpassed all major ones and bagged the number two or number three spot. This is because of high demand overseas which is all thanks to the internet and its video and content sharing websites through which the music of South Korea is reaching every screen in the remotest corners of the world and their fan base has seen a tremendous increment. Cars and smartphones put South Korea in the General Knowledge lessons for school and college children around the fast developing and developed countries but now K-Pop, possibly the third most known export from S. Korea is drawing attention to this Pacific nation more than ever.

The export business involving K-Pop CDs, merchandise, the passes to their bands live concerts, as well as streaming music on various online platforms, have reported growing fifty percent from 2011 to 2012 and 112% from 2010 to 2011 and by the end of 2012, the estimated figure for the gross money earned from all these ventures was well over 295 million dollars according to an article dated 2013 on CNN's website. Korea Creative Content Agency and Cultural wings of the government also keeps a record of how much the art forms are contributing to the nation's economy. According to their reports, the USA, Japan and China have become the largest markets of the K-Pop content and in 2013 they purchased about 5 billion dollars' worth of it only among these 3 countries. And this is reaching a lot as in markets like China, piracy is rampant and there are bleak laws regarding copyright infringement. This is obviously stopping any kind of creative content from making the money they otherwise be getting but despite that, the legally purchased sales number are sky rocketing as reported by the South Korean government. Bloomberg in August 2017 reported that a trillion won constituted the GDP of S.Korea which was all K-Pop and related licensing, franchising and marketing projects. The government also marked last year that their country with the population of just over fifty one million has become the 8th largest country-market of recorded music in the world by revenue. China's Tencent Holdings owned QQ music, Apple owned iTunes and Spotify have all created separate channels which stream exclusively Kpop music and are available in all the countries where these services are provided.

K- TV Dramas

When Billboard magazine's Jeff Benjamin was interviewed he revealed that it's not just the pop music that was catching eyeballs around the globe, but the TV Dramas and sitcoms gathered an audience that made a lot of producers in the USA television industry adapt some of Korean series and remake them as the USA version often handing a lot of money to the Korean producers, buying the rights of these shows and even giving a part of the profits to them after earning from the beauty products, mugs, t-shirts and stationary associated with the shows.

Starting from 'What is Love' on the Chinese television in 1997, the Korean Tv dramas have come a long way to now shows like 'What's with this Family' and 'Unkind women' being broadcasted internationally. These shows are dubbed into 15- 20 different languages to suit the understanding of their varied lingual audiences and also their spin offs and advertisements account for their income from Europe, USA and countries of Asia which enjoy their content.

But it is not just merchandise and episodes of these shows which are responsible for earnings worldwide. Film sets and recording studios are owned by some Korean producers and production companies in Japan and USA. These attract tourists and fans every day of every week and are sources of more money for the Koreans in the entertainment industry. For instance, the drama Winter Sonata's shooting locations in the early 2000's had hundreds of fans visiting and paying for souvenirs. When in 2002 Winter Sonata became a chart topping show it was requested to be streamed in Japan and thus rights of the show were bought at an estimated 100,000 US Dollars per episode and thus in totality it made some 2 million USD. Then, China wanted the rights too and to them, it was sold at about 222,000 US Dollars per episode. Later on, the rights to publish the episodes of this show were sold to producers in over 30 different countries ranging from Aukland to Middle Eastern nations and Germany.

These Dramas gained popularity in the mid of the first decade of 2000. A massive hit among Koreans during 2003, Dae Jang Geum was so popular that it was exported to 87 countries and was very well received by Islamic countries where the biggest fascination was said to be the representation of the customary life style in Korea. Later, the drama called Love Rain was also exported to Japan for what is said to be for 9 bn Korean Won.

The food of Korea has been popularized by their daily TV shows streaming abroad and thus restaurants of the theme are gaining solid ground in Latin America, stats if US, Japan, China and Pacific Island nations. McDonald's for one has advertisements of the soap stars of Korean shows which have helped them gain some international customers because of the inclusion of the culture. When the famous American TV Show Modern Family aired an episode of getting their adopted Vietnamese daughter familiar with her roots and took her to a Vietnamese restaurant, the New York Times reported that due to 'all Asians belong to the same country' thought process in US teens, the sale of food and traffic at three Los Angeles restaurants increased manifold due to the episode. Celebrities especially in the USA are quite vocal about their interest in Korean entertainment and have helped propagate the idea that K-Pop and K-Drama is now mainstream music and TV and the popular choice. Freddie Highmore was so influenced by the Korean Drama 'The Good Doctor' that he brought the idea to the British TV with him in the leading role and bought the rights to the show. Artists like Snoop Dogg and Pitbul have signed collaborations with Korean bands and TV stars to feature in their videos and gain a wider audience in Asian nations.

In April 2016 DramaFever the famous online video streaming platform was sold to the USA major Warner Brothers. Now, the Korean can be switched on from any country on this website. On another media platform named iQiyi which witnesses traffic from China had a record 1.7 billion of the drama 'Descendants of the Sun' which is greater than even the population. This is evident to the fact that K-Drama has exploded overseas and is seeing an audience ranging all ages because of the violence free storytelling.

The Korea Held noted that Descendants of the Sun might be the lone factor contributing about 261 million dollars to the Gross Domestic Product of South Korea by juicing the extra revenue from the tourism they promote and also beauty products as well as bags that sell out because any character on the show put it on. Seeing how intensely the dramas are influencing the commoners, brands have taken advantage of promoting their products on these shows which is marketing for them, and money for the show producers through advertisement. Samsung has this way, marketed their phones and music players in more than 10 drama shows and thus it has become a status symbol to hold their electronics in one's hands. Hyundai too put their money in the TV series Song and throughout the series, their Tucson car was featured which gave them a rise of 10% in sales domestically. John Kim, an investment PR at Kotra noted that in mid of March'15 the sales of South K cosmetics had increased twenty two percent from the previous year in the markets around the world.

CONCLUSION

For the investors, the South Korean entertainment industry can prove nothing short of a gold mine. Because China signed a Free Trade Agreement with South Korea, an increment from the Chinese investors in the entertainment business of Korea stood at about 2 billion dollars in 2015 according to Korean Herald. Youth connect is and was the major target and is being achieved by Koreans skillfully by the power of their talent and appeal which is climbing ladders every day. But the older generations are also engaging though various K- Dramas and product placements are resulting in sky rocketing sales for the companies. The future of this industry is bright, and the so called Korean Wave seems to be eternal.

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