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The K-Wave and Its Impact on the South Korean Economy

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THE K-WAVE



- What is the K-Wave?
- Hallyu (한류)
- Popularity in Asia
- Popularity in the West
- Accomplishments
- Cause

NETFLIX'S EXPANSION INTO KOREAN CONTENT



- Goal
 - Increase popularity in South Korea
 - Increase popularity in Southeast Asia
- 2017 production of *Love Alarm*
- 2019 contracts with Studio Dragon and J Contenttree

STUDIO DRAGON



- South Korea's Largest Scripted Production House
- CJENM Group
- Guaranteed 21 Dramas in 3 years
- Revenue Increased 12% in 2020
- Revenue Increased 32.7% in 2022

JCONTENTTREE



- Majority Shareholder of SLL
- Partnered with Netflix, Disney+, and HBO Max.
- Guaranteed 22-23 dramas in 3 years.
- Profits doubled between 2020 and 2021

NETFLIX

- 2021: *Squid Game*
 - Most Watched Series in Netflix History
 - #1 Show in Over 90 Countries
 - Increased Success of Genre
 - Contributed \$900 million in Value
- Awards
 - 6 Emmys
 - 3 BAFTAs
 - 1 Golden Globe

NETFLIX: THE ROLE OF COMPETITION

- Netflix Lead Provider of Korean Content Internationally
- 130 titles launched
- Solid first-mover advantage
- \$2.5 Billion Investment
- Disney+ Entered Asian Markets in 2021
 - Launched 7 K-Dramas
- South Korean Production Expect to Benefit from Competition

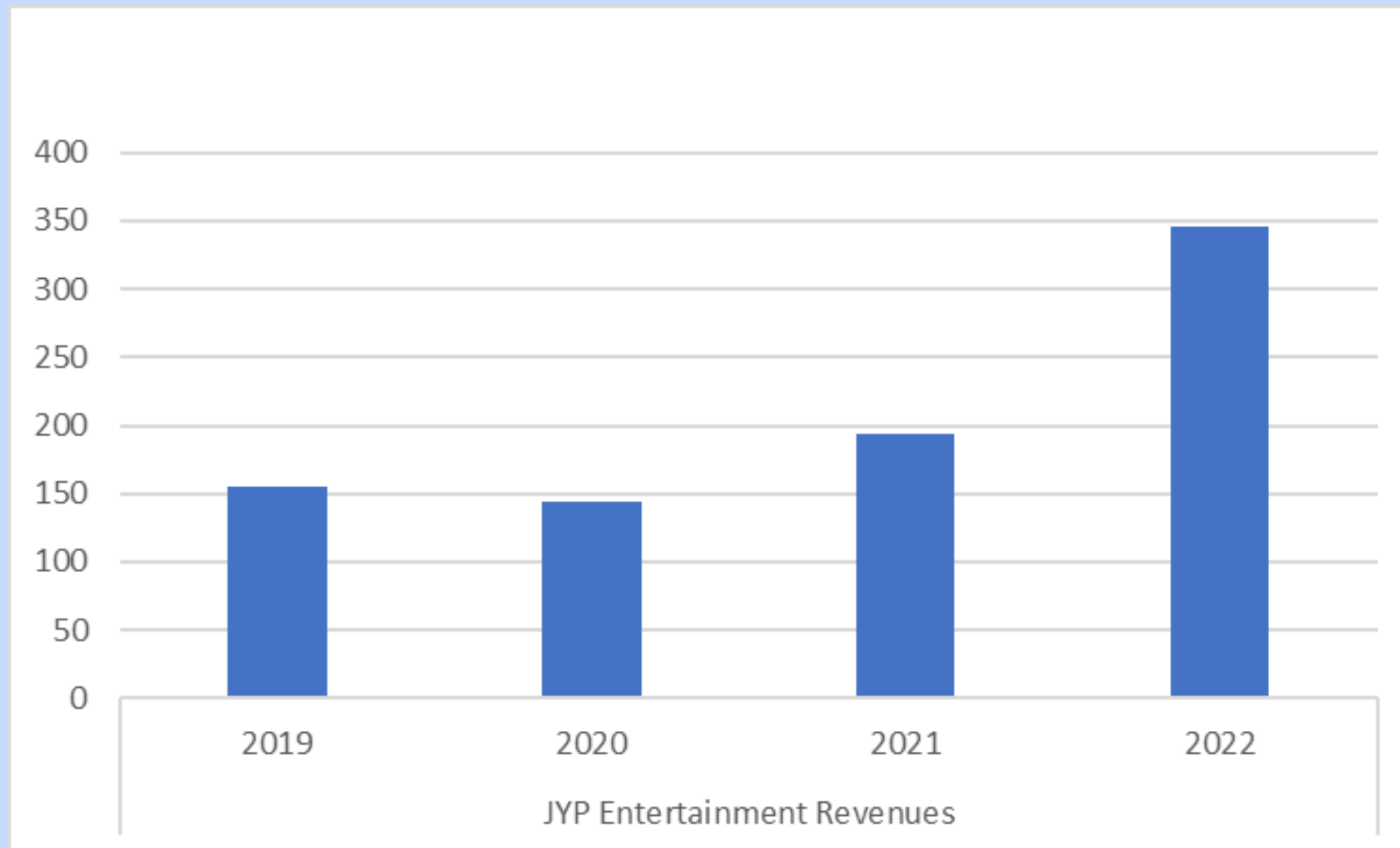
MUSIC INDUSTRY: THE BIG THREE

- K-Pop
 - One of the Biggest Parts of the K-Wave
 - Increased Demand in the West
 - Growth in Industry
- The Big Three
 - JYP Entertainment
 - YG Entertainment
 - SM Entertainment
 - The New Player: HYBE Corporation

JYP ENTERTAINMENT

- Founded in 1996
- 3 International Subsidiaries
- IPO in 2001
 - 70% Growth in 2022
 - Led By Foreign Investors
 - 42.8% of Shares Held by Foreign Investors
- Resumption of Live Events
- Increased Popularity of Groups Overseas
 - 107% Growth in Global Streaming
 - Led by Stray Kids, Twice, and ITZY

JYP ENTERTAINMENT

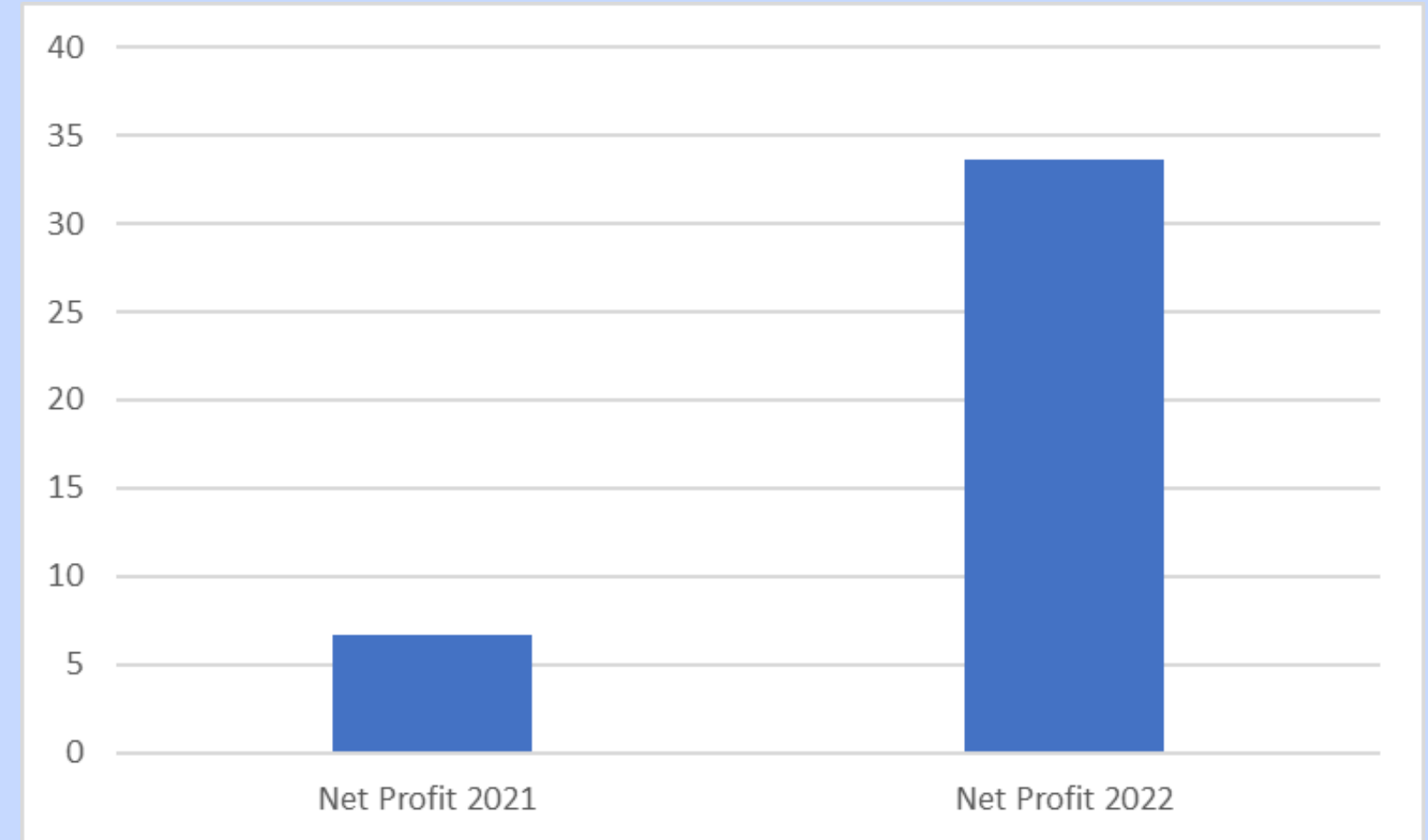
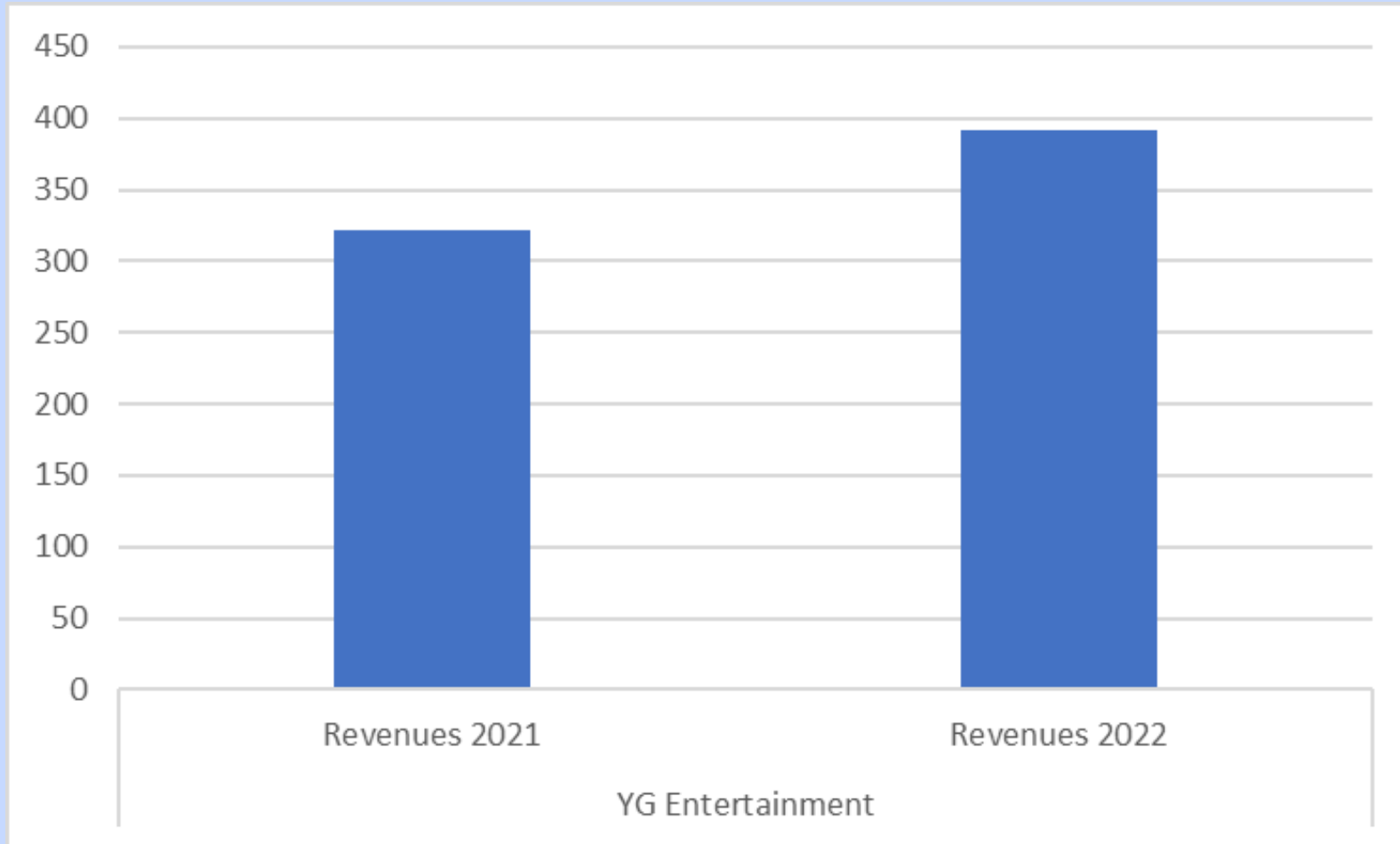


- 75% of Total Streams From Overseas
 - Increased from 52%
- 25% of Total Revenues from Overseas
 - Not Including Japan or China
 - Increased from 8%

YG ENTERTAINMENT

- Founded in 1996
- Initial Growth Led By Psy
 - Hit single "Gangnam Style"
- Continued Growth Led By Blackpink
- 3 International Offices
- Leadership Restructure in 2019
- IPO in 2011
 - 37.97% Growth YTD
 - 2.26% Decrease in Last 12-Months
 - Foreign Investment

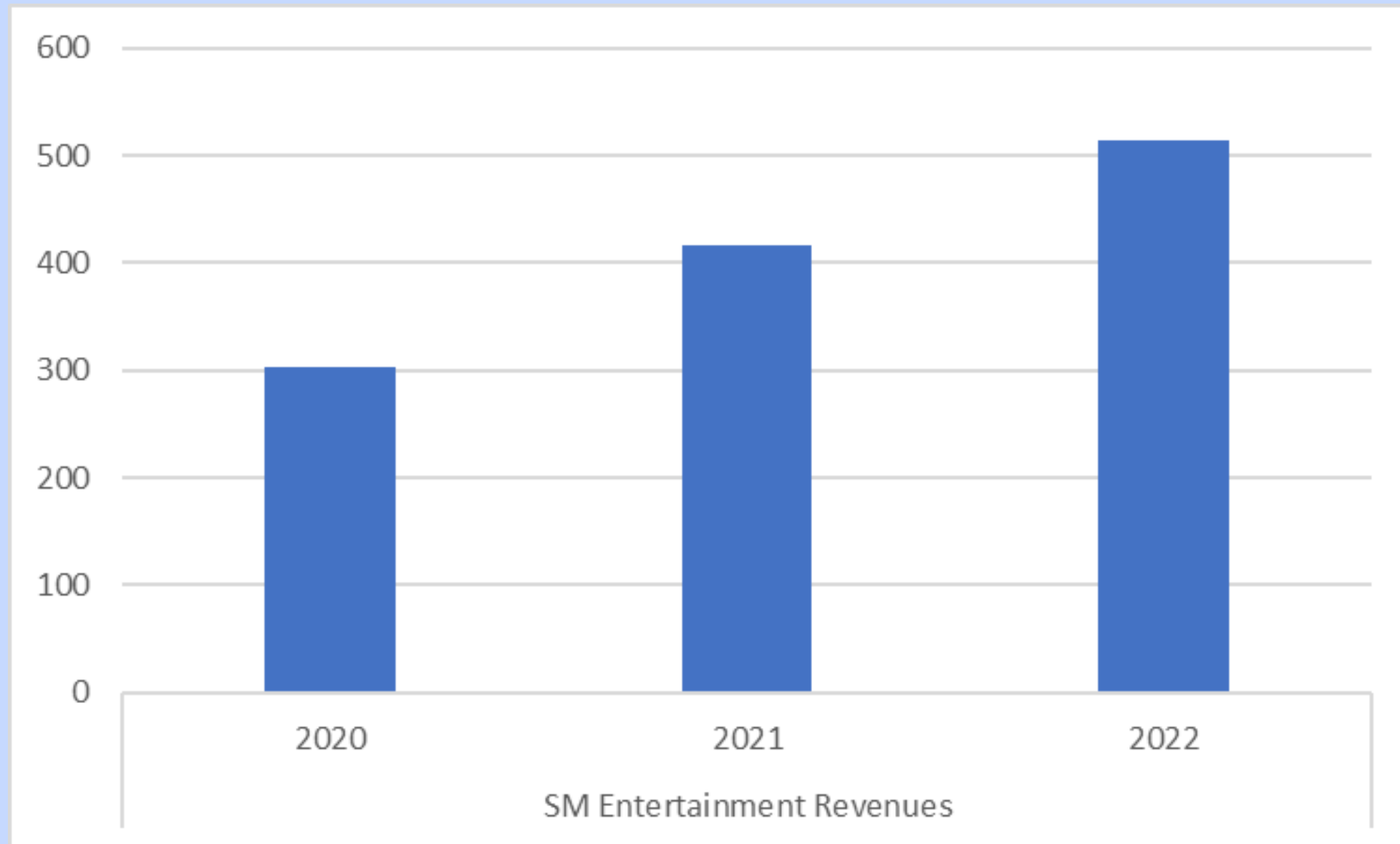
YG ENTERTAINMENT



SM ENTERTAINMENT

- Founded in 1995
- First Entertainment Company to Enter Foreign Markets
- SM Groups Led K-Wave
 - Introduced Systematic Training
- 2 International Subsidiaries
- IPO in 2000
 - First Entertainment Company Listed on the KOSDAQ
 - 27.21% Growth YTD
 - 30.31% Growth in Last 12-Months
 - 17% of Shares Held by Foreign Investors

SM ENTERTAINMENT

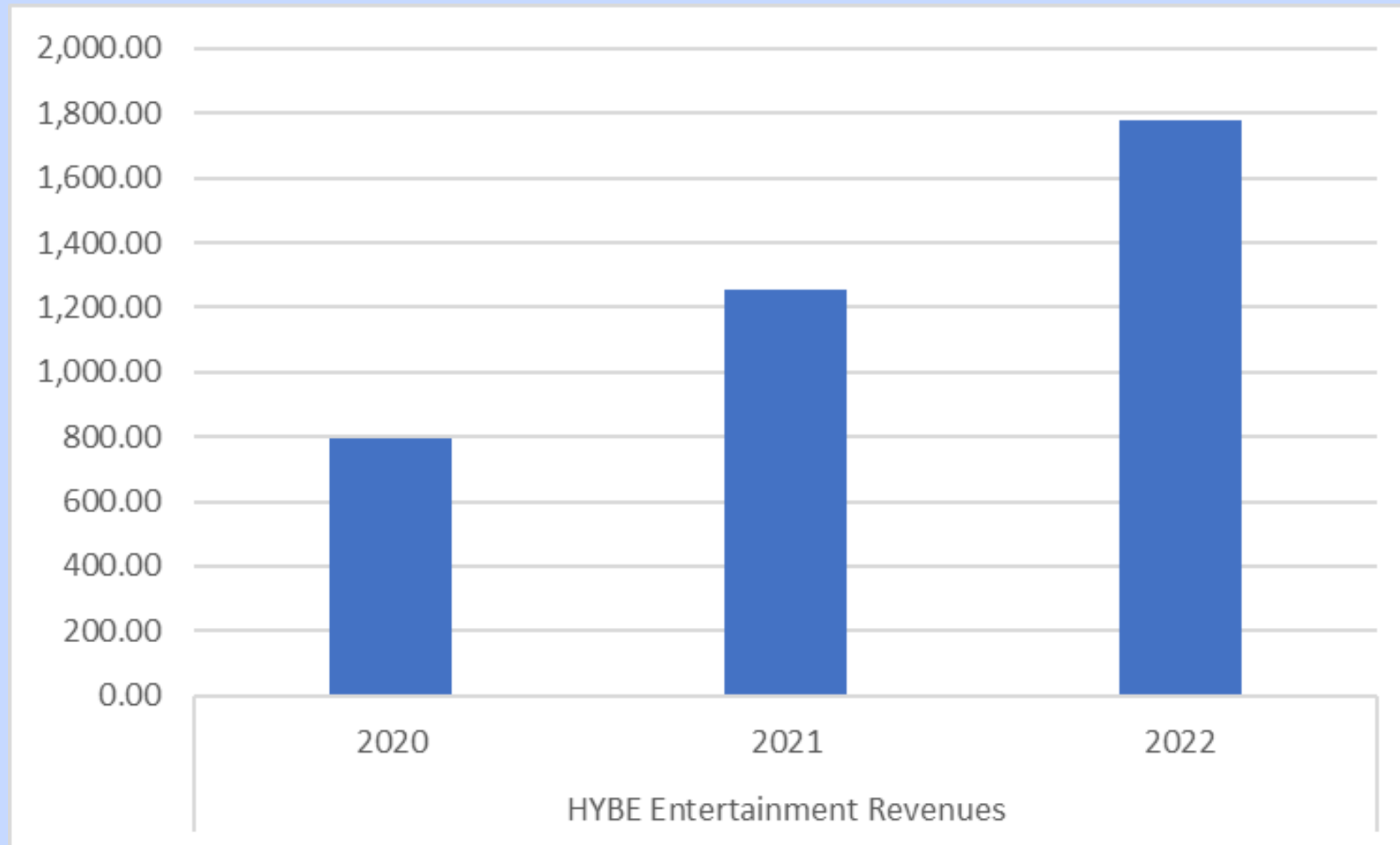


- **Growth From Live Events**
 - Increased 207% Q/Q
 - Totaled ₩26.7 Billion
 - 10.4% Overall Revenue
- **Growth From Album Sales**
 - 78% Growth In America
 - 128% Growth in Europe
 - Totaled ₩80.4 Billion
 - 15.4% Overall Revenue

THE NEW PLAYER: HYBE CORPORATION

- Founded in 2005
- Growth Driven by BTS
 - \$43.5 million in Revenue from Single Event
- Pledis Acquisition in 2020
- Ithaca Holdings Acquisition in 2021
- SM Purchase in 2023
- IPO in 2020
 - Biggest Listing in 3 Years
 - 27.95% Growth YTD
 - 21.69% Decline in Last 12-Months
 - BTS Hiatus
 - 16.44% of Shares Held by Foreign Investors

THE NEW PLAYER: HYBE CORPORATION



- Growth Led By Live Events and Album Sales
- Geographic Revenue Distribution
 - 2017: 72% South Korea 9% North America
 - 2022: 33% South Korea 32% North America

ECONOMIC IMPACT

- Steady Increase in Content Industry Exports Since 2005
- Content Exports Doubled Between 2015-2020
- Increased 16.3% to \$11.92 Billion in 2020
 - Decrease of 5.5% in Overall Exports
- Indirect Impact - Soft Power
 - Increased Reputation
 - Increased Tourism
 - COVID-19
 - Increased Interest in South Korea's Culture and History.

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