Chapter

# Creative Industry Strategies in a Globalized and Digitized Media Landscape: The South Korean Blueprint

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## Abstract

Many analysts had initially anticipated that digitalization and the proliferation of internet usage would diversify international media consumption. However, the opposite has generally held true. Despite individuals now having greater choice and ease of access with regards to the media they consume via platforms such as YouTube and Netflix, the prominence of domestic output in many countries has diminished relative to the rapid growth of US-produced English language content. This growth has been supercharged by digitalization, the internet, and crucially—the global superiority of US big-tech firms. However, one country has bucked this trend to an extraordinary extent: South Korea has emerged over the past two decades as an unlikely cultural superpower, with media output from the country not only dominating domestically, but also permeating global markets. This chapter will analyze and explore South Korea's decades-long digital revolution and creative industry strategies as fundamental drivers of this success, while assessing the extent to which these can be replicated by other nations seeking to utilize the internet's potential in their domestic mediascapes.

**Keywords:** Korea, digitalization, internet, media, Hallyu, globalization, cultural industries, creative economy

## 1. Introduction

In 2021, 57% of global internet traffic was attributable to just six big tech firms—Google, Netflix, Facebook, Apple, Amazon, and Microsoft [1]. The growth of this dominance has been exponential in recent years, with 2021's share representing an increase of 33% from pre-covid figures in 2019.

Several contentious issues have surfaced in light of this uneven online power balance, such as fair competition [2] and the sustainability of shared contributions to network infrastructure [3]. However, less discussed is the fact that the internet's lopsided evolution has also resulted in substantial repercussions for culture and entertainment, impacting both domestic and global media marketplaces. With each of the

aforementioned six firms based in the United States, English language content has secured a formidable prominence within the global online mediascape—inevitably at the expense of locally produced media content and platforms. Internet content now represents the United States' third largest export, while the market cap of its big tech platforms exceeds the nominal Gross Domestic Product of all but five of the world's national economies [4].

This unipolarity is particularly pronounced in the context of video streaming services, with the popularity and spread of video content now being largely determined on a select number of online platforms, such as YouTube, Netflix, Amazon Prime and Apple TV. Prior to the digital age, domestically produced video entertainment had generally operated within a recognizable and comparatively placid television-based media ecosystem, centered around linear programming [5]. TV channels based in a particular country would generally broadcast a range of local content, covering all genres of conventional video entertainment and programming. With linear-program television providing the predominant medium via which video content was distributed amongst the population and consumed, the prominent status of local content was thus to a large extent protected by default. However, with the accelerated shift towards a digitally dominated content system, on-demand services, and unparalleled freedom with regards to the media viewers consume, domestic media is now effectively competing not only in a national marketplace, but an international one. These tensions are reflected in dwindling figures for national TV broadcasts around the world [6], as well as instances of financially struggling local media firms and creative producers [7]. These issues have been exacerbated by the status of English as the world's de facto lingua franca and the growth of English language proficiency around the world, alongside the increased availability of subtitles in a range of widely-spoken languages, such as Chinese, Hindi, Spanish, French, Arabic, Russian, and Japanese (**Figure 1**).

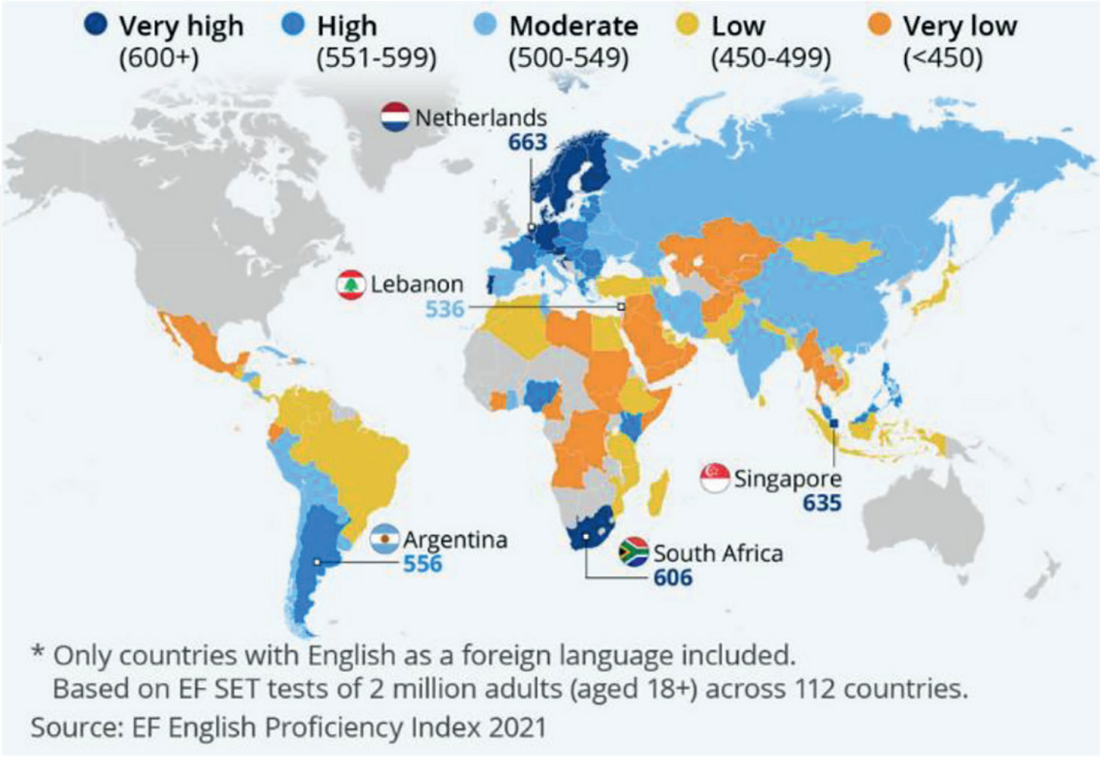


**Figure 1.**
*Worldwide English proficiency levels by nation in 2021 (in index points). Source: [8].*

### 1.1 Media globalization and cultural imperialism

Despite the increased attention these issues have garnered in the digital age, concerns regarding the uneven distribution of media and US dominance are far from new. The 'cultural imperialism thesis' gained considerable traction in the early phase of media globalization, encompassing concerns regarding the spread of American and Western popular media into the developing world. This thesis contends that media globalization is primarily the proliferation of US-based cultural hegemony, constituting a one-directional flow of culture from West to non-West [9].

However, an increasing amount of counterevidence would suggest that the cultural imperialism theory is either outdated or logically inconsistent with contemporary technologies and globalization trends. Hong Kong [10] and India [11] provide two examples of non-Western countries that have successfully exported film content to regional and global markets. A number of Mexican and Brazilian 'telenovelas' have found considerable success in the Latin American market [12], while a range of Turkish drama series have garnered immense popularity in the Middle East and countries across Central-South Asia [13].

The globalized media experience of Japan provides arguably the closest example to South Korea's (hereafter Korea) success, with Japanese popular culture imparting a substantial and lasting impact on regions as varied as Asia, North America, and Europe. However, the success of the Japanese cultural industries in the global marketplace peaked in the 1990s, based predominantly around animation productions. Other cultural exports from Japan, such as music, drama, and film have borne mostly intermittent success stories, and have struggled to substantially penetrate beyond Asia [14].

### 1.2 Hallyu: Korean wave

Hallyu, meaning 'Korean Wave', can contrastingly be understood as an all-encompassing term describing Korea's emergence as "one of the most recognizable non-Western cultural hubs for the production of vibrant transnational popular culture and digital technologies [14]." Indeed, when compared to the experience of other countries, Hallyu can be understood as an unparalleled success, with Korea effectively representing the very first "non-Western country to strategically export a wide range of cultural genres and forms, such as television programs, films, pop music, animation, online gaming, and smartphones, to both Western and non-Western countries [14]." The global popularity and success of Korean films (such as 2020 Oscar-winning *Parasite*), dramas (such as 2022 record-breaking Netflix production *Squid Game*), and K-pop (with its plethora of global, record-breaking superstars such as *BTS* and *Blackpink*) have solidified Korea's role and status as a global producer, innovator, and distributor of cultural media. Hallyu should nonetheless be understood as a phenomenon far more extensive than such mainstream productions, with the wave also encompassing fashion, gaming, and even food amongst other facets of Korean culture. Beneficiaries of Hallyu are not just large-scale production companies, but also small-scale and independent creatives who are well-positioned to capitalize on a strong national and international affinity for Korean content [15].

It should be noted here, particularly in relation to the issues raised earlier in this introduction, that Hallyu is as much a domestic phenomenon as it is a global one [16]. Inevitably, Korean content would not have been embraced abroad if it had not first been popularized by its own native audience [17]. This is part of a wider symbiosis

by which the domestic popularity of Korean content boosts its international profile, which in turn further cements its dominance in the domestic media marketplace. The lessons to be taken from the Korean experience are thus not just limited to nations with international ambitions, but are also fundamental for the consideration of countries seeking to address issues faced by their own local content creators within a domestic context.

### 1.3 Digital-cultural convergence

This chapter will focus on the Hallyu as a whole, rather than limiting itself to content genres which are directly related to video and TV. The reason for this is the complex ways in which Hallyu embodies the phenomenon of 'transmedia'. Transmedia refers to the convergence of different media types through genre and format synergy, which is often manifest via evolving consumer practices and perceptions of mass media [18]. For example, although K-pop is primarily considered a genre of music, its music videos and idol-fan engagement content are considered integral and defining components of the subculture, which is consumed predominantly on video-hosting sites such as YouTube and Instagram. Also, media formats such as webtoons (digital comics) have direct implications for video-based industries, given that webtoon stories have provided considerable inspiration to producers, writers, and directors in the realms of film and drama. Similarly, digital technologies that form part of Hallyu, such as Korean social media app KakaoTalk, are central to the ways in which the culture of consuming and disseminating Korean content has evolved to become distinctly digital in nature [14].

This point is key to the analysis of this chapter. It is undeniable that excellent standards of production, creative storytelling and branding, meticulous talent sourcing, and a finely-tuned balance between cultural distinctiveness and mass global appeal are all central to the ways in which Korean and international audiences have embraced Korean content in its various formats and genres [19]. However, the timing and context within which the Hallyu has taken form, as a distinctly digital cultural flow, is crucial to a holistic understanding of the groundwork that has enabled the success of Korean media. Indeed, much of the systems and policies that have provided the groundwork for Hallyu are not part of the creative industries per se, but are rather related to the communication tools that creative industries utilize and the communication systems within which they operate.

Digitalization refers to "the adoption of increase in use of digital or computer technology by an individual, organization, industry, and country", which therefore means that the process itself is centered around the ways in which various aspects of social life are "constructed and restructured around digital media" [20]. The next section of this chapter will outline the historic context within which Korea's cultural content became intrinsically tied to a digital ecosystem, culminating in Korea finding itself perfectly poised to take advantage of the twenty-first century's newest phase of globalized media. Building upon this, the chapter will then outline the ways in which Hallyu must be understood as a wave that is as 'Digital' as it is 'Korean', with digital audience participation serving as the driving engine behind its expansion both at home and abroad. Finally, the chapter will tie the preceding analysis together with the concept of 'creative industry strategies', in which contemporary popular cultural content for the digital age can be conceptualized as a 'commodity', which must now find innovative ways to compete in a highly internationalized marketplace.

## 2. Digital Korea: Crisis as catalyst

Considerable analysis across various disciplines has been dedicated to the extraordinary transformation of the Korean economy. This transformation has been noted as remarkable for both the speed and intensity with which the country evolved from an agrarian society with least-developed status to a highly developed global leader in manufacturing and high-tech industries [21]. While the 'Miracle on the Han River' that encompasses this growth refers to most of the latter half of the twentieth century, it is pertinent for this chapter's analysis to focus specifically on the period following the Asian Financial Crisis of 1997.

The Asian Financial Crisis can be understood as a critical juncture from which Korea collectively propelled itself towards a high-tech digital economy. The crisis itself and the widespread economic damage it caused exposed the vulnerabilities of South Korea's industrial export-oriented economy, highlighting the need for economic diversification and a future-oriented shift towards cutting edge technological industries. Responding to the crisis, government and industry elites had the foresight to recognize the importance of fostering innovation and technological advancement as a means of both recovery and longer-term sustainability [22]. This ultimately resulted in a wave of reforms and initiatives aimed towards a digital reorientation of the national economy [23].

The Korea Information Infrastructure (KII) project was launched in March 1995 by Kim Young Sam's government, which sought to transform Korea into a knowledge-based economy. Korea's status as a global trailblazer of digital growth and emerging technologies can be traced back to the early development of broadband, which was introduced to the country in June 1998. This enabled several telecommunications providers to revolutionize the country's digital landscape via the introduction of high-speed internet services [24]. By as early as the year 2000, Korea had achieved the astonishing feat of having the world's highest broadband penetration rate. The KII project played a crucial role in building a more advanced information technology-based economic model, which culminated in a network infrastructure that was the result of "collaboration among the industry, citizens, the market, and the government" [25]. See **Figure 2**.

Subsequent administrations, whether liberal or conservative, including the Kim Dae-jung government (1998–2003), the Roh Moo-hyun government (2003–2008), the Lee Myung-bak government (2008–2013), the Park Geun-hye government (2013–2017), and the Moon Jae-in government (2017–2022) have continued to prioritize digital technologies as an integral engine for economic growth [20]. Policymakers have not shied away from bold decision making in this realm, as exemplified by the Lee Myung-bak government's decision to terminate an analog TV system via the introduction of the digital TV system in 2012 [20]. The Creative Economy Initiative, launched in 2013, aimed to promote convergence between different industries while cultivating a culture of innovation [27]. Furthermore, the government has provided financial incentives for start-ups, facilitated access to funding and venture capital, and established research and development centers to support scientific research and collaboration between academia and industry. The government's Digital New Deal initiative, launched in 2020, has further accelerated digital transformation and stimulated investment in emerging technologies such as Artificial Intelligence and 5G connectivity [28].

Although the disproportionate power and influence of 'chaebols' (family-run business conglomerates) over Korea's economy and society have long been contentious

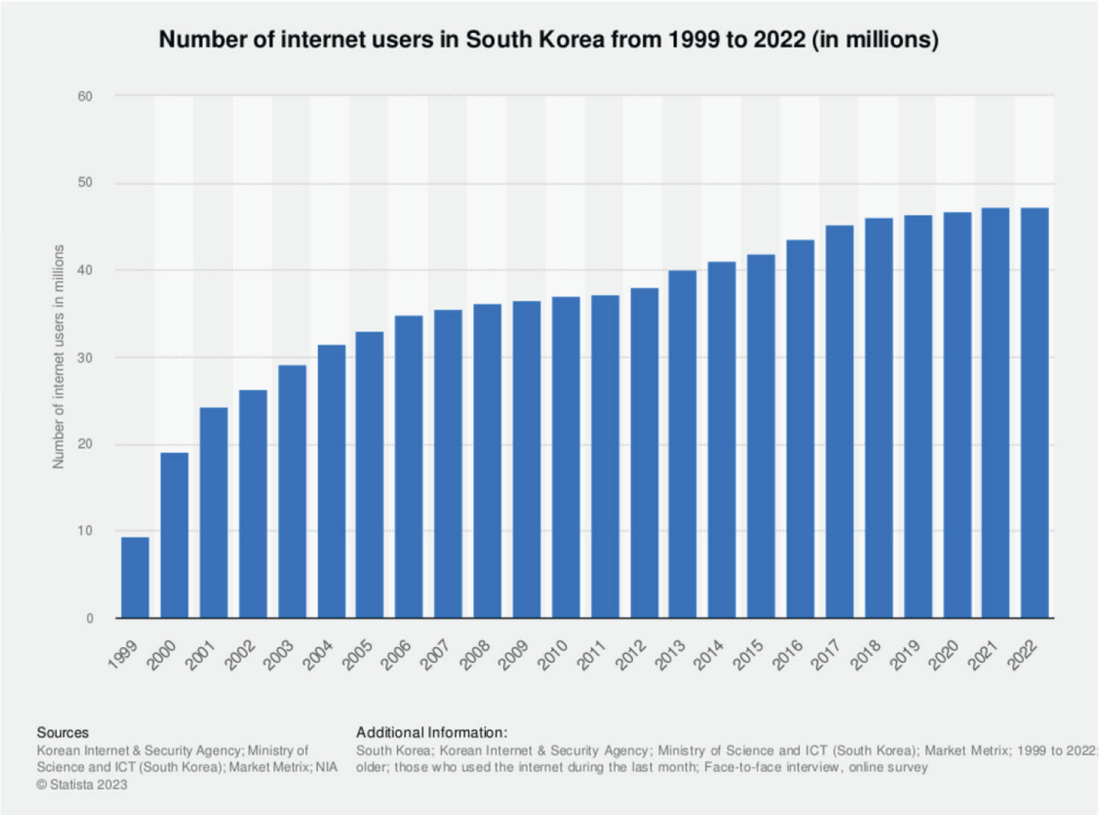


**Figure 2.**
*Number of internet users in South Korea from 1999 to 2022 (in millions). Source: [26].*

issues [29], the close relationship between the government and chaebols has to an extent served to protect and advance the domestic IT market in the face of formidable competition from international competitors [20]. WIPI (Wireless Internet Platform for Interoperability) was a potent example of this protectionist state-led interventionism during the pre-smartphone era. This WIPI platform enabled phones to run applications, regardless of manufacturer or carrier. The specification that all mobile phones sold in the country include the platform constituted a legal and technical barrier for foreign makers to effectively penetrate the Korean market [20], thus bolstering the position of domestic manufacturers.

## 2.1 Digital natives and digital nationalism

One unique aspect of Korea's digital economy when compared to its international counterparts is the extent to which domestic apps and websites dominate the national online ecosystem. This is particularly significant, because unlike countries such as China where a regulated internet is in operation, foreign apps and platforms are generally free to enter and operate within the Korean marketplace. Korean companies have developed popular and widely used platforms that have gained significant market share. For example, Naver, a Korean search engine, has long been established as the go-to platform for internet searches, surpassing global giants such as Google in terms of domestic market share [30]. Additionally, messaging app KakaoTalk has gained immense popularity throughout the country, offering a convenient and feature-rich communication platform that outrivals international competitors like WhatsApp [31].

This dominance of domestic apps and platforms can be attributed to several factors [14]:

1. These platforms have been tailored to cater to the specific needs and preferences of the Korean market, offering localized services, content, and language support.

2. Early market entry and strong user adoption have given domestic apps and websites a competitive edge, making it challenging for international players to gain significant traction.

3. Korean companies have strategically leveraged partnerships and collaborations with local content providers, further solidifying their market position.

The success of domestic apps and websites has not only contributed to Korea's digital economy but has also cultivated a distinctive sense of national digital identity and fostered a vibrant digital culture. The historic popularity of Cyworld, a South Korean prototypical social network service launched as far back as 1999, is just one example that provides a powerful insight into the extent to which Korean citizens were remarkably early embracers of digital modes of communication, content sharing, and networking, even when compared to their counterparts in the U.S. [14].

In many ways, the seamless and intrinsic hybridity between Korean popular culture and digital communication culture can trace its roots to the earliest days of Korea's digital revolution. One of the indirect consequences of the widespread unemployment that followed the Asian Financial Crisis was an exponential development in digital skills and knowledge amongst the general public, which provided a foundation for digital innovation and entrepreneurship. Without work, many newly unemployed workers had begun to spend considerable time in 'PC Bangs' throughout the country. These distinctly Korean internet cafes emerged in the late 1990s and have played a significant role in fostering South Korea's internet and digital growth, while influencing the country's distinctive digital culture [32]. As affordable places from which high-speed internet connections and the latest gaming technologies could be accessed, PC Bangs were a crucial component in laying fertile groundwork for a cultural and societal proclivity for embracing emerging technologies and innovative media. This, combined with a strong national emphasis on STEM education, resulted in the emergence of a highly tech-literate populace benefitting from an extraordinarily high rate of internet penetration [33]. In hindsight, it was thus inevitable that the digital realm would become the primary medium of sharing and consuming cultural content in Korea, considerably earlier than international competitors.

Various IT companies in Korea, such as Samsung, LG, Naver, and Kakao, have taken advantage of this conducive national context by making significant strides in pioneering new digital technologies. Concurrently, Korean consumers have displayed remarkable agility in adapting to the evolving media landscape, often surpassing the global average in their demand for state-of-the-art digital technologies. For Koreans, the utilization of digital technologies is associated with the notion of connecting and collaborating digitally as a collective, rather than on an individual basis. This collective approach has enabled users to work together, engage in shared leisure activities, and even organize social and political events via digital platforms [20]. In the past, users were understood to be mere consumers of media infrastructure and content but have now emerged as major content creators themselves [14]. This active engagement from users has, to some extent, shaped the direction of research and development efforts

within the Korean IT industry, which has reinforced a digital culture of user engagement and collaboration.

It is feasible that culturally distinct features of Korean society have also contributed to this relationship. 'Ppalli ppalli' (meaning hurry up or faster), is an expression encompassing the culture of speed and haste in Korea, which is reflected in the pace of technological advancement. 'Na do' (meaning me too) is associated with a form of 'keeping up with the Joneses', which has been identified as contributing to forms of sociocultural homogeneity. This is reflected in the tendency for the general public to swiftly follow trends set by early adopters of digital technologies [20].

Although core digital technologies such as the Internet, broadband, and smartphones were not invented in Korea, the Korean "adaptation, development, and penetration of these digital technologies" has been "highly innovative [20]." The growing recognition of this significance reflects a gradual shift in technology studies, which has developed a more holistic understanding of the nature of technological change. Goldsmith et al. make the case that Korea has become a proving ground for "the deployment and penetration of digital technologies, as well as an important locus of innovation in mobile and consumer digital technologies and practices" [34], while Holroyd suggests that the fruits of Korea's digital transformation can be framed as the technological groundwork upon which the digital content industry in Korea was able to expand and flourish [35].

This convergence of technological advancement and a vibrant user culture sheds light on the close relationship between the Digital Hallyu phenomenon and Korea's thriving IT industry. As will be demonstrated in the next section, the Korean Wave itself and the plethora of content it has generated, both domestically and globally, is fundamentally inseparable from the 'Digital Wave' that has determined its size and directed its trajectory.

## 3. 'Hallyu 2.0' as a participatory process of cultural-digital hybridity

The term 'Hallyu' (Korean Wave) was reportedly first used in 1997, during a time when the expansion of Korean cultural industries was limited to the countries of East Asia [14]. As mentioned in the introduction, Hallyu refers to a process that is both domestic and global, with the historic expansion of Korean content fandom progressing from national > regional > international.

There are generally understood to be two distinct phases of Hallyu, with the latest phase being referred to as Hallyu 2.0 or the New Korean Wave, which is understood to have commenced at some point between the late 2000s and early 2010s. This 2.0 version of the Korean Wave is distinguished from both its previous form and other cultural flows due to its identity as a 'Digital Wave', distinct for its "extensive digital technology integration" and the ways in which it "signals the multiple routes in cultural globalization and participatory audience engagement" [14].

### 3.1 Media convergence and the social mediascape

Jin and Yoon deploy the term 'social mediascape' to refer to the social and digital media environment within which Hallyu has been seamlessly integrated [36]. As a consequence of Hallyu's considerable integration into this social mediascape, "its scope and speed of circulation often far exceed that of the official cultural market" [14].

Related to this, 'media convergence' refers to: "the merging of different types of mass media such as Traditional Media, Print Media, Broadcast Media, New Media and the Internet as well as portable and highly interactive technologies through digital media platforms [37]". The smartphone represents arguably the most powerful symbol of media convergence in the modern era, due to the ways in which it provides seamless and simultaneous access to a wide range of media formats and content.

The interplay between media convergence and the social mediascape has played a defining role in the expansion of Hallyu through multiple channels. Domestic and global fans have consumed and disseminated Hallyu content via smartphones, apps, and social media platforms such as Facebook and YouTube, in tandem with native digital platforms from Korea. Social media has long been established as an incredibly powerful and efficient platform for the dissemination and growth of Hallyu content—virality, online word of mouth, and sophisticated algorithms have aided the popularity of Korean media [36]. This system of mass peer-to-peer communication bypasses the more traditional reliance on broadcast media, exemplifying what Lukács describes as "alternative (bottom-up) practices of media circulation" [38]. Social media has enabled Korean fans, diasporic Korean fans, and fans of other nationalities to converge, network, and collaborate in ways that have influenced the development of content and popular culture itself [39].

The growth of the app economy in Korea during the 2010s has intensified parallel to the intensified momentum of Hallyu 2.0. This app economy encompasses a wide range of economic activity, including app sales, advertising revenues, and transactions involving digital goods designed for app usage [40]. Within this context, two prominent instant mobile messaging apps, KakaoTalk and LINE, have become deeply embedded in the everyday lives of Korean users. KakaoTalk has emerged as the most popular messaging app within the Korean market, while LINE has achieved significant popularity in Korea and neighboring Japan. These platforms have become primary conduits for numerous applications and services [14].

KakaoTalk, launched in 2010 and operated by the Korean platform giant Kakao, rapidly attained widespread adoption in Korea, popular for its integrated provision of free instant messaging, social media features, and gaming services. KakaoTalk allows users to engage in person-to-person and group chats without any limitations on the number of participants, and without requiring registration procedures [36]. While KakaoTalk is predominantly utilized by Korean users and Korean diaspora, it has increasingly attracted overseas Hallyu fans, facilitating their engagement with Korean popular culture [41].

Another prominent instant mobile messaging app, LINE (operated by Korean search engine giant Naver), has gained significant popularity, being used by hundreds of millions smartphone users across various Asian countries, including Japan, Thailand, and Taiwan. Both KakaoTalk and LINE have played pivotal roles in disseminating the Hallyu phenomenon by facilitating information sharing and transmedia app activities amongst Asian users and the Asian diaspora. These activities include online gaming, accessing webcasts and posts by K-pop idols, and connecting with fellow Hallyu enthusiasts. Notably, these apps have also garnered attention from global users beyond the Asian diaspora, owing to their user-friendly interfaces, appealing design elements, and integration with other Korean games and music applications [14]. Notably, K-pop fans are increasingly utilizing these Korean-developed apps to establish more intimate and immediate connections with their favorite idols. Some K-pop idols actively employ the KakaoTalk and LINE platforms, alongside major social media platforms, to regularly update their fans, thereby attracting overseas

fans to engage with these platforms as well. As Jin et al. succinctly note: "These digital technologies have sometimes closely connected with popular culture and at other times individually played a key role in the realm of Hallyu. [14]." It thus becomes logical to make the case that Korea's digital technologies have evolved to become not only vehicles through which Hallyu is transmitted, but constituent components of Hallyu in their own right.

Further exemplifying this convergence, Afreeca TV, a P2P based streaming service, is a platform which in addition to retransmitting TV channels, allows users to upload and broadcast their own shows and videos. The platform has evolved to become a powerful base for independent content creators across a variety of genres and niche interests. The live chat and discussion board functions are also key features of the platform, often utilized by content creators, idols, influencers, and other medium-to-high profile figures as a platform for engagement with fans and/or the general public [42].

Another integral example of digitally driven audience participation in Hallyu is the phenomenon of 'fansubbing', by which fans will voluntarily provide subtitles translated into a number of languages, bypassing any cost or labor for content producers. While this does not impact large productions hosted on platforms such as Netflix, independent creators on platforms such as YouTube have benefitted from this type of Hallyu-inspired crowdsourcing. Also, the translation of non-drama/film content such as interviews, variety shows, and documentaries has long played a vital role in maintaining Hallyu momentum and growing the reach of its fandom around the world [43].

Digital technologies have empowered media consumers to simultaneously act as consumers, creators and disseminators of content both within and across borders. As McKelvie and Picard succinctly summarize [44], "the media space was previously controlled by media firms; however, it is today increasingly controlled by consumers. It is no longer a supply market but has become a demand market."

### 3.2 Piccoma as an archetypal transmedia

In 2021, it was reported by market intelligence company Sensor Tower that in terms of revenue generated, the world's third largest non-gaming app (behind TikTok and YouTube) was the Japan-based webtoon app Piccoma [45], owned by the Korean IT giant Kakao, Inc. This was a remarkable achievement for an app virtually unknown outside of Japan, Korea and its spheres of Hallyu influence. Piccoma provides an archetypal embodiment of transmedia and media convergence, illustrating the ways in which all aspects of Hallyu as a digital wave feed into and reinforce one another. Piccoma has been credited with revitalizing Korea's once struggling webtoon industry, providing a revolutionary user experience tailored for digital comics to be read in the smartphone era via vertical scrolling [46]. The significance of this relates to the transmedia storytelling element of webtoons. Due to their relatively low-production costs and the availability of immediate feedback, webtoons have a long history in Korea of providing invaluable resources and inspiration to TV producers, game developers, and filmmakers. Instances of webtoon-inspired video content include numerous highly successful films and dramas, such as: *Misaeng* (2014); *Steel in the Rain* (2017); *Hell is Other People* (2019), and *All of Us Are Dead* (2022).

### 3.3 Netflix and pizza

The unparalleled success of Korean media in outcompeting high-profile US content has arguably come full circle with US-based firms now strategically investing

heavily in Korean productions. In 2017, the drama series *Love Alarm* (incidentally also based on a webtoon), was announced as Netflix's first ever Korean original series. This trend has grown exponentially since then, with a number of hit Korean films and drama series being produced by the American tech giant—e.g. *Okja* (2017); *Kingdom* (2019); *Extracurricular* (2020); *The School Nurse Files* (2020); and most famously, *Squid Game* (2021).

In April of 2023, it was announced that Netflix would be investing 2.5billion USD in South Korean film and television productions over the course of 4 years [47]. CEO Ted Sarandos made this announcement after meeting with President Yoon Suk-yeol himself during a state visit to the United States, encapsulating the significance of Korea's creative economy in both national and international contexts.

It is somewhat both telling and ironic that Korea has been able to attract such substantial investment while successfully protecting its domestic markets and without kowtowing to international big tech platforms. For instance, in order to ensure fair competition and sustainability in the face of competition from global internet behemoths such as Google, Facebook and Netflix, Korean lawmakers have begun taking steps to level the playing field, with regulations being proposed to ensure that broadband network usage costs are adequately covered by both domestic and foreign content providers [4].

Netflix's collaboration with South Korea's creative industries is also a reminder of the highly internationalized nature of modern media, and the cutting-edge realities of national media marketplaces. Longer term, some will likely harbor concerns that greater involvement from platforms such as Netflix could potentially lead to a 'crowding out' of lesser-known or emerging production companies, artists, and creative entrepreneurs, while also impacting the 'authenticity' of Korean content trends and evolution. Short-term however, this convergence between national and international creators will inevitably serve to strengthen Hallyu both at home and abroad. The term 'pizza effect' in sociological studies refers to a process by which a culture is transformed or more fully embraced elsewhere, before being 're-exported' to its nation of origin. The term has its origins in the ways that the transformation of pizza in the US impacted how pizza was conceptualized and consumed in its birthplace of Italy [48]. Similar effects have been observed with the rejuvenation and transformation of Yoga in India following its popularity abroad [49]. In the Korean context, the global popularity of shows such as Netflix's *Squid Game* have directly impacted the perception and consumption of popular content in Korea itself and is a phenomenon likely to intensify in the coming years.

## 4. National creative industries and policies in the digital era

Despite the importance of various areas of policy and development, it is crucial to comprehend that Hallyu is not the end-product of any particular framework or singular set of policies, either at governmental or corporate level. It is impossible to identify a singular strategy that set out to create Hallyu or something resembling it, and the success of Hallyu as it exists today has surpassed the expectations of even the most optimistic Koreans. Besides the digital foundation discussed in this chapter, Kim [50] identifies four other factors that made Hallyu possible: the competitiveness of Korea's culture industries, the persistent ambition of Korean show business entrepreneurs, economic development and political liberalization in East Asian countries, and 'fragmentary' governmental support. It is within the scope of this chapter to focus on the latter of these factors.

### 4.1 Ministry of culture & Hallyu's humble beginnings

In the mid-1990s, the Korean government established a culture industry bureau and began supporting the Korean record industry's expansion into international markets. They collected information on major music fairs worldwide and encouraged Korean companies to participate, while a public booth exclusively for Korean record companies was set up at overseas music fairs. The Ministry of Culture invested 42 million won in producing promotional CDs and pamphlets to introduce Korean pop musicians to foreign buyers [50].

In 1999, the Ministry made a more significant effort to help the Korean music industry enter the global market by funding a project to create sample K-pop CDs for distribution abroad. Three compilation CDs were produced, featuring popular Korean songs performed by original K-pop singers with translations in Chinese, Japanese, and English, which were then sent to entertainment-related organizations in China and neighboring countries. Additionally, the Korean government sponsored pop band H.O.T's concert in China in 2000, overcoming travel restrictions for young Korean men who had not completed military service [50].

The Ministry of Culture took further measures to support the introduction of Korean pop music in several Asian countries. They sponsored music programs like "Seoul Vibration", which was widely broadcast across Asia, and "Listening to Korea," a joint production between Korean and Chinese companies aired in Southeast Asian countries and China. The government also published booklets in Chinese, Japanese, and English in order to promote Korean pop music and the record industry to international markets [50].

Korea's Ministry of Culture has been instrumental in guiding the Korean government's approach to the cultural industries, fulfilling both its traditional role of overseeing the sector from a public welfare perspective and an additional responsibility of acting as an industrial developer since the 1990s [51]. This dual role has shaped the cultural industry policy during this period, and with the cultural industry becoming a significant contributor to the economy, the Ministry's role as an industrial developer has only increased in prominence over time. Recognizing the cultural industries' pivotal position in the new economic development framework, the Ministry has also taken on the central role of coordinating support for various government agencies involved in the growth of electronics, information and communication technology (ICT), and cultural sectors. The Korean government acknowledges that a diverse range of cultural industries, including film, television dramas, gaming, animation, and music, can have far-reaching impacts on other sectors, mainly due to their reliance on advancements in electronics and ICT [51]. As discussed in previous sections, this demand from cultural industry businesses has spurred innovation and the development of new products in Korea's electronics and ICT industries.

### 4.2 Hallyu content as commodity

The Hallyu phenomenon provides arguably the most insightful case study on the increasing significance of cultural exports and the creative arts in the global economy, particularly in the digital age. While industrial policies have traditionally prioritized sectors such as manufacturing, the creative industries have emerged as integral and potentially vast drivers of economic growth, job creation, and cultural influence.

Building upon the digital groundwork covered in the preceding analysis of this chapter, Korea has cemented the sustainability of its cultural media through the

successful implementation of a national creative industries strategy. The country's approach can be traced back to the 1990s when policymakers were first beginning to recognize the potential of exporting cultural content alongside more traditional goods, transforming its perception of cultural industries as something to be controlled to something that is central to its export-based national economy [51].

The country's industrial policies, which had propelled it to become a global leader in areas such as electronics and automobiles, were extended to nurture the growth of its creative sectors. Strategic subsidies and investments were made to foster innovation, talent development, and the marketing of Korean cultural products. In terms of policy implementation, Korea struck a balance between providing an enabling environment for creative industries to thrive and avoiding excessive micromanagement of the marketplace [4]. This point is particularly crucial if it is to be acknowledged that public policy has as much capacity to stifle the growth of creative industries as it does to boost them. Freedom of expression is also a key component of cultural development, as exemplified by the early success of K-pop, which was seen as non-threatening by Korea's military regime and thus allowed to express and develop organically [51].

During Park Geun-hye's inaugural address in 2013, the newly elected President defined the creative economy as the "convergence of science and technology with industry, the fusion of culture with industry, and the blossoming of creativity in the very borders that were once permeated by barriers [52]". Referring back to the opening remarks of this section which made the case that Hallyu cannot be traced back to any singular policy or corporate framework, the significance of this definition of the creative economy is the recognition of a much wider ecosystem, in which business, technology, policy, and industry must support the entire ecosystem, as opposed to favoring one part of the ecosystem over another.

Shain Shapiro, founder and executive Director of the Center for Music Ecosystems, reflects this sentiment by making the case that K-pop is the result of "an intentional, top-down and bottom-up strategy that aligned a number of collective interests—fostering investment, promoting tourism, educational advancement and soft power. Over time, it infiltrated more than the music economy, becoming what it is now and that combined, structured approach is what supported that to happen, through patience, direct investment and content [4]".

The approach taken by Korea in nurturing its creative industries has not gone unnoticed. Other countries, such as Thailand, Mexico, Zimbabwe, Belize, and the Philippines, have been inspired to develop their own national strategies for fostering creative sectors while harnessing emerging technologies. UNESCO has also recognized the importance of national creative industries strategies and has provided a template that focuses on areas such as human capital, business models, and financing [4]. It is crucial to note however, that Korea's cumulative approach took decades of persistence and gradual growth to bear fruit, and thus the challenges faced by these countries is likely related to the viability of sustaining the necessary human, political, and financial investment in these endeavors over the long-term, particularly given the fickle nature of political and economic agendas.

### 4.3 Prioritizing people-first policies

Despite the multifaceted success of Korea's digital revolution in joining forces with its cultural rejuvenation strategy, the outcomes of this transformation as a whole should not be mistaken for some kind of digital utopia. Invasions of privacy, digital

addiction, online bullying, social isolation, and public divisiveness are just some of the negative/unintended consequences of digitalization that countries across the world are increasingly grappling with. These issues have inevitably become particularly prominent in Korea [20]. However, what the digital-cultural convergence analyzed throughout this chapter does suggest is that the potentials of emerging technologies are most positively harnessed when intentional, forward-thinking, and bold strategies are in place that are centered around user experience and collaboration—particularly in ways that integrate and enhance core aspects of social life, rather than neglecting them to be left behind in the technological march forward. These lessons are significant not just for countries seeking to replicate Korea's success, but for Korea itself as it confronts the growing sociopolitical and sociocultural challenges of inequality, underemployment, falling birth rates, and an increasingly fragile geopolitical environment.

## 5. Conclusion

Korea's success story serves as an example of how intentional policy frameworks, strategic investments, and a collaborative ecosystem can foster the growth of creative industries, bolster cultural exports, and drive industry-level development. By leveraging the power of digitalization and embracing global markets, the Korean example demonstrates how nations can not only protect local creative media, but also position themselves as key players in the global creative economy.

This chapter has demonstrated that the Hallyu phenomenon has not been the result of a linear, one-dimensional effort to 'boost local media' or 'promote Korean content and cultural industries.' In fact, such an approach would likely have inadvertently stifled factors that have been essential to creative development, such as competitiveness within the national cultural industries and innovative approaches to content production and distribution. Rather, the Korean experience demonstrates that an understanding of the emerging technologies, platforms, consumer habits, and wider mediascape via which popular culture content is perceived and consumed is paramount. It is only via comprehensive, future-oriented, and innovative support to the various industries that underpin these aspects that a vibrant domestic mediascape is possible in the modern era. Support for these industries should also not be isolated or fragmented, but rather interlinked in ways that ensure the relevant industries reinforce and build upon one another.

Hallyu represents the ultimate embodiment of the convergence between culture and technology. Although some may view the timing of Hallyu as fortuitous, it is only through the intentional development of a world-leading digital ecosystem that Korea found itself perfectly placed to capitalize on the consumer-driven digital-based era of media consumption. Korea's approach took decades to come to fruition, and thus other countries must already be considering the ways in which popular content will be engaged and transmitted in the future, alongside the nascent technologies that will make this possible.

Although the economic value of the Hallyu is substantial, to measure it conventionally in terms of media content sales and consumer demographics would paint an incomplete picture. Rather, Hallyu should be understood and analyzed as an essentially "new means of transnational production, distribution, and consumption of popular culture" [14]. Hallyu has proven the immense potential of content as a commodity, and governments would do well to appreciate the value of cultural

products as a potentially limitless source generated from ideas of the mind, as opposed to commodities sourced from raw materials in the ground. The line between commodification and loss of authenticity and originality is a fine one, but Korea has thus far retained distinctive brands of popular culture and storytelling.

Korea's example is a unique one based on a specific set of circumstances that will simply not be replicated like-for-like elsewhere. Also, even if the blueprint and strategies are followed by other countries, it is no guarantor of success. This is particularly so in the case of creative content, with creativity fundamentally linked to human emotions which cannot be systematically accounted for. However, as the great Korean-American video artist Paik Nam-june once remarked [50], "there can be no creation without uncertainty." It is in the realms of uncertainty that the seeds for Hallyu were planted, and it is in the realms of uncertainty that similar countries must now look to the future in order to give their local cultural industries a fighting chance in an increasingly competitive and globalized marketplace.

Korea's experience has demonstrated to the world that this is best done by considering the entire ecosystem within which media operates, rather than focusing on content in isolation. Korea has upturned long-held assumptions about media globalization and has shattered the conventional paradigm of global cultural flows. Ultimately, the Korean model may not work everywhere, but it has illustrated what could be possible anywhere.

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