


**KOREAN WAVE (HALLYU) – THE RISE OF KOREA’S CULTURAL ECONOMY & POP CULTURE
PART 2 – GROWTH OF HALLYU**

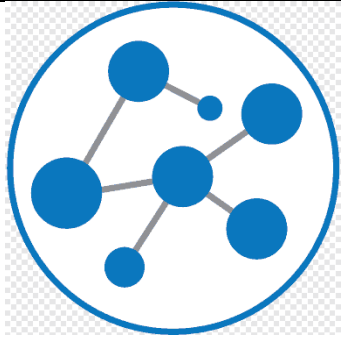
In the Jul-Sept 22 edition of the Learning Link, we read about the origins of the Hallyu – how it came to be, and now we move on into its exponential growth and the factors leading to it.

Hallyu has consistently and exponentially grown since 1999, when it surfaced as a major cultural phenomenon. But the growth of this wave has not been totally spontaneous and unplanned, rather, the sustained growth and popularity of this wave has been well managed by all its chief stakeholders.

Four important factors have been crucial for maintaining the popularity of Hallyu and further boosting its potential to expand into other markets:

	<p>Growing popularity of Korean brands: Samsung and LG have been the forerunners in creating world class brands in the consumer electronics industry. In the recent annual 2019 ranking by Interbrand of the world’s top 100 brands, Samsung was listed as the 6th brand in the world with brand value of USD 61.1 billion. LG has transformed itself from a manufacturer of cheap products to a brand of repute. Hyundai and Kia brands are creating a similar revolution in the car industry.</p> <p>On a collective level, the acceptance of these brands in the international market has improved the overall perception of its country of origin – South Korea. This new interest in Korea has been a great driver of Hallyu.</p>
	<p>Increased R&D in design, production and overall quality: The popularity of leading Korean brands across the world including the US has highlighted certain key dimensions of success for Koreans – superior quality, cutting edge designs and a contemporary feel for the products and services.</p> <p>This lesson has been absorbed by almost all business sectors and has resulted in increased investment in research and development in creating products of superior quality. This newfound focus on quality has enticed many new customers and helped sustain the popularity of movies, music, and dramas, which are the main products driving the Korean wave.</p>

According to a report by the Korean Foundation, there were 89 million hallyu fans in 113 countries in 2019. Out of these, over 70 million live in Asia and Oceania, 11.8 million live in the Americas and 6.6 million in Europe. This speaks volumes about the explosiveness and the way that Korean pop music has proliferated the globe in the last 15 years.



Effective management of all touch points: Even though multiple factors have tremendously influenced the birth and evolution of Hallyu, one of its drivers is careful and effective management of all possible touch points.

Touch points are the numerous instances where the customers come into contact with Hallyu. The entertainment industry, the different organizations involved in movies, music companies, online gaming companies, Korean chaebols and the Korean government have meticulously orchestrated their efforts in ensuring a consistent experience. Large event organizers such as the 2018 PyeongChang Olympics and Winter Paralympics have also helped to build a more positive perception of Korea.

All these players have ensured portrayal of the interesting aspects of Korean culture in their respective media. They have also effectively optimized the use of new Korean celebrities to further the cause of Hallyu across the region.



Continuous support from the Korean government: Korea is probably one of the only countries in the world that has a Ministry of Culture (Ministry of Culture, Sports and Tourism to be exact). A division of the ministry, the Popular Culture Industry Division, focuses on Korean pop music, fashion, mass entertainment, comic books, cartoons, and other key products. The division along with three other divisions are referred to as the Cultural Content Office. Its budget is a staggering USD 5.5 billion, with the aim to boost economic growth particularly through growing the country's cultural industry export industry.

Additionally, the Korean government sponsors 20-30% of a USD 1 billion investment fund earmarked to nurture and export popular culture. The remaining funds comes from investment banks and private companies and are managed by the Korean Venture Investment Corporation.

	<p>One of the strategies of managing Hallyu is the careful study of its target audience – mostly people in Asian countries. The Korean government and its divisions follow these Asian countries and cultures closely to understand which Korean Wave products would have the best probability of success in different markets. The secret is that no one understands these markets better than Korea.</p> <p>The entertainment industry has been very proactive in feeling the pulse of the masses and producing appealing movies and dramas. The Korean Tourism Organization (KTO) has made the best use of this huge interest in Korea by offering very attracting tour packages to tourists. These packages involve trips to locations made famous by the Korean dramas, travel to exclusive shooting locations and so on.</p> <p>The Korean government has also built and opened “K-Culture Valley” in Goyang, a Hallyu inspired theme park which would house everything from film studios, Korean restaurants, live music concerts to movie galleries, hotels, shopping malls selling Korean celebrity merchandise and even a Korean theme park at a cost of USD 1.2 billion. The purpose of this theme park has been to put in one place all the interesting components of Hallyu for visitors.</p>
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Conclusion

All in all, there is no doubt that Hallyu has catapulted Korea on to the global stage. With so much international attention on Korea and its pop culture scene and its creative economy, it is imperative for the Korean government to leverage on all its entertainment and cultural products to further drive the brand equity of Korea as a country.

The growth of the Korean Wave over the past 2 decades has been a fascinating one, and it is still unfolding. Moving forward, it will be interesting to see how Korea continues to innovate and tap on the massive potential and popularity of the Korean Wave to sustain its appeal to global audiences. This could further enhance the nation brand equity of Korea, and contribute to the continued success of the Korean society, economy and culture.

Read the complete article at: <https://martinroll.com/resources/articles/asia/korean-wave-hallyu-the-rise-of-koreas-cultural-economy-pop-culture/>