

Beyond The Music: Understanding K-pop As a Global Business Model

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ABSTRACT: K-pop has grown from a Korean music style into a global industry, reshaping the way people think about pop culture. Its rise is not only about catchy music but also the result of strong business models, government support, digital platforms, and the active role of fans. This paper brings these perspectives together to show how K-pop's success is built on the mix of culture, strategy, and innovation. The study uses a review of existing research and case examples to connect insights from politics, economics, and cultural studies. The main finding is that K-pop's success cannot be explained by looking at any single factor in isolation. Instead, its global impact comes from how culture, business strategies, and fan practices all reinforce one another inside a connected system. Still, issues like artist well-being, profit distribution, and long-term sustainability remain. Future research should focus on smaller agencies, fan communities, and new technologies.

KEYWORDS: Economics, Cultural Economics, Globalization, Business Models, K-pop Industry.

■ Introduction

Over the past two decades, K-pop has expanded from a local Korean music industry into a worldwide cultural force. Its influence is seen not just in music but also in tourism, fashion, and digital media. Scholars have studied K-pop through multiple lenses—politics, economics, cultural studies, and innovation¹—but many of these studies focus on just one angle at a time. This review aims to build a more holistic understanding of K-pop's success by connecting insights across disciplines. It looks at how government policy, copyright law, industry innovation, fandom, and global marketing all interact to make K-pop a sustainable business model.

■ Discussion

An introduction to the K-pop industry and its success – From politics and culture to innovation:

In order to understand the particulars of the K-Pop industry, a thorough review of the relevant literature is required. Messerlin and Shin analyzed the main economic forces behind the remarkable evolution of K-pop in terms of how it spread from South Korea to the rest of Asia, the US, Latin America, and the Middle East.¹ They analyzed industry data like sales, exports, and online visibility (such as YouTube views) to measure K-pop's impact. They used comparative analysis to compare South Korea's music industry with other countries like France, Japan, and the US. They also applied market concentration tools like the Herfindahl index to see how competitive the Korean music market is. Their study looked at pricing models, especially how low online music prices in Korea created pressure to produce more music and go global. K-pop grew fast because of Korea's strong internet, low online prices, and lots of competition between music companies. This pushed K-pop companies to go global and create many different types of songs and groups. Even though the Korean government built

the internet infrastructure, it was small private companies that used it the most to grow K-pop. K-pop also became very visible around the world through free platforms like YouTube. The success of K-pop did not come from governmental support, but from smart business choices. Small companies made the right kind of music and used the internet well. Their focus on visuals and global appeal helped K-pop grow outside of Korea. Messerlin and Shin's study shows that through creative business strategies and the utilization of technology, a big cultural impact can emerge.¹ Despite the important aspects raised by Messerlin and Shin, their paper lacks full data on production internalization and the challenge of measuring visibility as it digitalizes, as they did not discuss this in depth. In addition, their study lacks direct data from K-pop companies. The paper relied heavily on public statistics and secondary sources. Also, most data is from 2006 to 2013, while there is a potential imbalance between the two main aspects discussed in their study (i.e., the economic and emotional factors). The authors challenge other popular explanations on the rise of K-Pop, like public subsidies and cultural proximity, and they highlight the contribution of private sector innovations and the competitive market.¹

In a later study, Parc, Messerlin, and Moon analyzed the relationship between copyright regulations and the rise of K-pop, focusing on how a well-balanced copyright system and piracy influenced the global success of Korean pop music.² Their study uses an economic and business-based approach that includes real-world data, historical analysis, and international comparisons. It applies Porter's Diamond Model to study the competitiveness of the K-pop industry and explore how piracy and copyright laws affected its growth. This framework helps them understand the impact of market conditions, technology, and government policy on K-pop's global rise. The authors find that K-pop's success is linked to weak copyright laws and the spread of pirated music in Korea, especially from the 1960s

to the 2000s. Piracy made global music more accessible to young Koreans, which encouraged creativity and helped develop a unique Korean style. The internet and social media helped K-pop spread globally without relying on strong copyright protection. Instead of depending on album sales, K-pop companies earned money through concerts, merchandise, and fan engagement. The authors argue that strict copyright laws are not always needed for cultural growth. They argue that a well-balanced copyright system that avoids monopolies and allows free access to content can support creativity and innovation. The K-pop case shows that openness to global influences, smart use of digital tools, and flexible copyright policies can help cultural industries grow in a competitive world. Some are implied, such as generalizing Korea's case to other cultural markets, and the lack of deep empirical datasets. The paper mainly focuses on the Korean context and does not offer much comparison with other countries. It lacks quantitative data to support some of its conclusions and does not explore the long-term risks of weak copyright systems in depth. The paper pushes back against the common belief that strict copyright laws always lead to more creativity. Instead, it shows that having more relaxed copyright rules can actually help culture grow and spark innovation in unexpected ways.²

Most recently, Saeji explored how K-pop fans have moved from being just consumers to becoming active producers in what the author calls the "K-pop adjacent industries."³ These include fan-run businesses, content creators, educators, and community builders who operate outside of official entertainment companies. The goal is to understand how these participants influence, support, and benefit from the K-pop ecosystem. The study uses a qualitative approach based on long-term ethnographic research. Saeji conducted both in-person and online interviews with 17 individuals involved in the K-pop adjacent industries, including fans, artists, journalists, YouTubers, dancers, and group order managers. The study also incorporates personal observations, case studies, and analysis of media and fan practices. It was found that K-pop's rise has also given birth to an entire shadow economy made up of passionate fans who turn their enthusiasm into entrepreneurial ventures. The key participants in this context create everything from merchandise and YouTube content to tours and fan events. While they do not produce music directly, their work helps build the image and global reach of K-pop idols. These adjacent industries also act as bridges between idols and international fans. Despite often operating informally or without licenses, their impact on fan culture and the K-pop economy is significant. The paper argues that K-pop adjacent industries play a major role in shaping K-pop's global success. They blend passion with entrepreneurship and fill gaps left by official companies, offering customized, fan-centered experiences. While they exist in a legal grey area, their presence adds richness and interactivity to K-pop culture. These industries highlight how fans can shift from passive consumers to powerful contributors in global pop culture. While the paper offers an important insight into the industry, it does not discuss some challenges, like the long-term sustainability of fan businesses or the legal grey areas they operate in. It also lacks quantitative

analysis and mostly reflects individual experiences, which may not represent the broader industry. The paper builds on central theories like "participatory culture" and "shadow economies," and it adds new insights by focusing on how fan entrepreneurship blurs the line between fandom and the actual industry.³

In 2020, Jin explored how J-pop and K-pop differ in their approaches to hybridity, particularly in relation to globalization and cultural production, while it identified how the mutual influence and divergence between the two industries shaped the identity and global positioning of K-pop.⁴ The author used a comparative discourse analysis, combining textual analysis and political economy. The qualitative approach used in Jin's paper traces the historical transformation of K-pop in relation to J-pop, analyzing content, production systems, idol culture, social media, and copyright practices. K-pop was initially influenced by J-pop, especially in idol training systems and music production, but evolved differently due to its strong digital strategy, social media usage, and more politicized hybrid identity. While J-pop remained domestically focused and restricted by copyright control, K-pop adapted to global markets by embracing English mixing, fan engagement, and visual production. The study also highlights the structural and textual hybridization of both industries, and it concludes that K-pop has moved beyond its J-pop roots by developing its own hybrid cultural space—a "third space"—that blends local and global influences. This hybridization, especially through digital platforms and sociocultural messaging, helped K-pop gain worldwide popularity. In contrast, J-pop's "odorless" and depoliticized approach limited its international reach. The study focuses on discourse analysis and cultural theory without including industry data or fan perspectives. This narrows the analysis to a theoretical level and limits its practical applicability. Jin's study engages with key debates on hybridity, cultural identity, and transnational media, and it contributes to the literature by framing K-pop's rise as part of a larger shift toward hybridized cultural forms in the digital age, which distinguishes it from J-pop's more localized approach.⁴

Business Model and System of the K-pop Industry:

In a recent study, Liu examines how Korea's collectivist culture has shaped the structure and business model of its music industry, and how this has helped K-pop succeed globally.⁵ The paper also considers how the industry may evolve in the face of future challenges and technologies like Web 3.0 and virtual idols. The author uses a literature-based analytical approach, reviewing previous academic sources and industry trends to explain the evolution of Korea's music business models. The paper divides the industry's development into three stages—Music Industry 1.0, 2.0, and 3.0—based on historical shifts in production, digitalization, and fan engagement, and it finds that Korea's idol trainee system, assembly-line production structure, and collectivist mindset created a high-efficiency industry model. This model emphasizes group success over individual creativity. The paper also identifies key strategic phases, including the Global-Local-Global (G-L-G) strategy and its evolution into G-L-G+V (virtual), reflecting the integration of advanced technologies like AI and online

fan platforms. Korea's collectivist and systematic approach has helped the K-pop industry become globally competitive, but it may also limit individuality and creativity. As the industry enters a new digital era, it must balance standardized systems with innovation and authenticity. The author argues that adaptation to virtual platforms and maintaining artist distinctiveness are essential for future sustainability. The paper is largely theoretical and lacks empirical data to support its claims, and it also generalizes the impact of collectivist culture without presenting counterexamples or variability across different K-pop companies. The paper supports the view that K-pop's structure is shaped by Korea's societal values while also offering a framework to assess how those values influence long-term sustainability in a digital era.⁵

Lee compared the competitiveness of entertainment management companies in Korea and Japan, in an attempt to explain why Korean firms, especially those in K-pop, have been more successful in the global market.⁶ Lee's study examines firm strategies, innovation, and market responses and applies a qualitative comparative analysis of entertainment firms in both countries. It uses Porter's Diamond Model to evaluate factors like demand conditions, related industries, and firm strategy. The author also reviews historical development, industry structure, and case studies of companies such as SM Entertainment (Korea) and Johnny & Associates (Japan). The study finds that Korean entertainment companies have been more competitive globally due to greater innovation, openness to foreign markets, and faster adaptation to digitization. In contrast, Japanese firms were slower to digitize, relied heavily on domestic markets, and lacked transparency in management. Korean companies also benefit from training systems, in-house production, and strong global branding. The study concludes that flexible, innovation-driven strategies give Korean firms an edge in the entertainment industry. Korea's ability to embrace globalization and technology helped K-pop grow rapidly, while Japan's traditional models limited international reach. It is recommended that entertainment companies adopt more open, strategic, and consumer-oriented approaches to stay competitive. Despite the important elements considered in the study, the research relies mainly on secondary sources and case comparisons without primary data. It also focuses on only two countries, which limits the global scope of competitiveness analysis. The conclusion connects to broader discussions on globalization, cultural industry strategies, and innovation, and it emphasizes how the open and innovation-driven business models help Korean firms outpace their Japanese counterparts.⁶

Kim and Doo look at how web dramas featuring K-pop idols can make money on Korean portal websites like Naver and Daum.¹⁷ They wanted to figure out if using K-pop idols as lead actors in web dramas helps make those dramas more profitable and what kind of viewer behavior leads to revenue. The authors used big data analysis and focused on actual viewing and engagement data from the two specific web dramas starring K-pop idols: *EXO Next Door* and *I Order You*. They examined data from online platforms like Naver TV Cast and applied statistical modeling to understand the connec-

tion between clicks, views, ad revenues, and idol involvement. They found that having K-pop idols in lead roles significantly boosts viewership and ad revenue. The paper also showed that fan engagement, especially through repeat views and sharing, plays a huge role in making these dramas profitable. Ad placements and tie-in product promotions are also more effective when idols are featured. This study suggests that web dramas can be a solid business model, especially when they feature K-pop idols. This approach benefits both the entertainment companies and the portals by tapping into loyal fanbases and driving monetizable traffic. However, there are a few limitations: the data collection was confined to Mainland China; the star power was measured by the static variable; static data was still used for prediction in each stage, and the time weight of input variables was ignored. The paper contributes to ongoing discussions about how idol marketing, digital media, and fan behavior work together to create new revenue streams in the K-pop industry. It supports the idea that platform-based content strategies and multi-channel branding are central to K-pop's success in the digital age. It also adds to the literature on cultural convergence, which shows how drama and music can merge into a single monetization ecosystem.⁷

Further, Kim studies the internal flaws in K-pop's revenue model, especially how profits are unevenly distributed between music creators and distributors. The author argues that without reform, this imbalance could slow K-pop's creative growth and long-term sustainability. The study uses a policy review and data analysis approach. It compares domestic and overseas music revenue structures and analyzes market patterns using data from Google Trends, government white papers, and inter-industry production tables. In Korea, music creators receive far less of the profit than in Western markets (e.g., 36% in Korea vs. 70% on iTunes). Flat-rate subscription models used in Korea favor distributors and reduce creator earnings. K-pop plays a major role in boosting other industries like fashion, cosmetics, food, and tourism. This means that its sustainability affects the broader economy. Also, the system is overly complex and lacks transparency, discouraging creators and putting long-term quality at risk. For K-pop to remain globally competitive, structural reform is needed to ensure fairer profit distribution. Encouraging collaboration across industries and developing win-win models (like KT Music × Nexon partnership) could help strengthen the industry's sustainability. However, no direct interviews or insider testimonies were used—only data from public and government sources. The research focuses on the system as of 2012, which may not reflect newer platform changes (e.g., global streaming platforms like Spotify or YouTube monetization in the 2020s). This paper adds to discussions about creative labor rights, platform fairness, and digital content economies. It echoes concerns raised in cultural policy literature about exploitation in music industries and supports broader ideas around the economic sustainability of creative industries.⁸

Recently, Cho, Bian, and Lee explored how SM Entertainment, one of Korea's biggest entertainment companies, used digital transformation to change its business model.¹⁵ The authors wanted to show how technology, platforms, and new

revenue strategies helped the company grow and stay competitive in the K-pop industry. The study uses a case study approach. It focuses only on SM Entertainment, collecting data from company reports, industry statistics, and past research. It examines SM's digital strategies in areas like content production, distribution, and fan engagement. The authors found that SM moved away from relying mainly on music sales and concerts to a platform-based model. This included using fan community apps, live-streaming concerts, and selling virtual goods. By expanding into new digital areas, SM was able to connect directly with fans around the world and open more revenue streams. The paper also shows how SM created an ecosystem where music, merchandise, and digital content all work together. SM's case shows that in today's music industry, success isn't just about producing songs—it's about building a digital ecosystem. The authors argue that other companies can learn from SM's focus on platforms, global reach, and innovation to stay sustainable in the fast-changing entertainment market. However, the paper only focuses on one company, SM Entertainment, so the findings might not apply to other K-pop agencies with different strategies or resources. It also relies mostly on secondary sources like company reports and industry data, which can be biased or leave out behind-the-scenes challenges. There's no direct input from artists, fans, or smaller labels, which means some perspectives on the impact of digital transformation are missing. This study adds to the bigger conversation about how digital technology is changing the global music industry. It supports the idea that cultural industries now compete more as platform-based businesses than just content producers. It also connects to discussions on sustainability in K-pop by showing how digital ecosystems can keep revenue flowing even when physical sales drop. This makes it relevant to debates on innovation, globalization, and cultural economics.⁹

And lastly, in 2022, Kim and Kwon explained how K-pop has managed to grow into a global cultural force, focusing on its distinctive production system.¹⁶ The authors aim to show how the way K-pop is made, marketed, and consumed is different from other music industries, and why these differences matter for its worldwide success. The study uses a historical case study method, reviewing past research, industry reports, and company examples to analyze the K-pop production system. It looks at different parts of the K-pop system, including the trainee program, song production, choreography, international promotion, and fan involvement, to show how they all connect into one efficient system. The authors find that K-pop's production system is built on long-term artist training, tight management of group concepts, and strong global marketing strategies. Fandom culture plays a huge role—fans actively promote K-pop companies and adapt content for different countries while keeping a consistent “Korean” identity. The paper also shows how K-pop companies adapt content for different countries by adjusting languages, collaborating with local artists, adding region-specific cultural elements, and tailoring promotions for local media, while still keeping the same “Korean” identity through language influence, performance style, and high production quality. The paper relies only

on secondary sources. It focuses mostly on big, well-known companies like SM, JYP, and YG. This means the results may not reflect the whole industry, especially smaller labels. This research fits into bigger conversations about cultural globalization and the role of industrial systems in creative success. It supports the idea that global cultural influence comes from both the content itself and the way it is produced and marketed. It also adds to debates on how local culture can be adapted for global audiences without losing its identity.¹⁰

Theoretical and strategic developments in the rise of the K-pop Industry:

In a recent study, it was analyzed whether the K-pop industry is truly innovative, and explained how innovation has shaped its development.⁷ The authors apply a new model called the M-ies model. This model looks at how innovators (I) respond to changing environments (E) by using strategies (S) that create innovation over time. Examples from real K-pop companies like SM Entertainment and comparisons to industries like semiconductors are used. The authors use a mix of theory, business history, and real-world case studies to support their ideas. The authors find that K-pop grew through constant innovation, especially during times when the Korean music industry faced challenges. Companies like SM Entertainment used new ideas to create idols, change the business model, and reach global fans through digital platforms. Innovation was not just in the music but also in training systems, marketing, and creating global fanbases. The study shows that innovation gave K-pop the power to compete worldwide and turn threats into new opportunities. Innovation is the main factor of K-pop's success. K-pop companies stayed competitive by creating new products, using smart strategies, and adapting to changes like digitalization. The paper says that for K-pop to stay successful in the future, it must continue to innovate and respond to global trends with creative ideas and technologies. There is a solid theoretical argument provided, but the study does not include detailed data like interviews or industry stats, which does not allow for a wider application of the findings. The study focuses heavily on SM Entertainment and does not fully analyze other companies or recent changes in the K-pop landscape. Also, since the model developed is theoretical, it lacks broad data or global comparisons. The paper positions itself against static economic models like Porter's Diamond and emphasizes the need for dynamic models in analyzing cultural industries, adding a fresh perspective to innovation literature.¹¹

Kim and Kang, in the same year, explored how K-pop became globally successful by looking at two main business strategies: product adaptation and the internationalization of its music supply chain.⁸ Their study focuses on how K-pop adjusted its products for different markets and collaborated with producers and choreographers from other countries to increase its global appeal. The paper is qualitative and draws from historical case studies of K-pop companies (especially SM Entertainment), industry data, and examples from Japan, China, and Western markets. International business and innovation theories are utilized to explain how K-pop adapted to foreign markets and managed upstream partnerships. K-pop succeeded in-

ternationally by adapting its products for local tastes—using foreign producers, creating multilingual idols, and including non-Korean members in idol groups. The authors also highlight the importance of key managers who bridge cultural gaps and guide idols' localization. Through examples like BoA and EXO in Japan and China, the paper shows that K-pop's success is not just about the music—it is about how it is made, promoted, and customized. The authors propose two key ideas: (1) K-pop's global success is linked to its international collaboration in the production stage (like songwriting, choreography, and idol training), and (2) product adaptation—changing the language, image, and style of K-pop for different countries—plays a big role in winning over international audiences. These strategies, combined with effective managers who understand the local culture, have helped K-pop become a major cultural export. The paper admits that it is qualitative and focused only on K-pop, which limits generalization. It also calls for quantitative research and comparative studies with J-pop to further validate the findings. Interestingly, the paper engages with business theories like product adaptation and upstream supply chain management and contributes by applying them to the cultural sector—a novel perspective in K-pop literature.¹²

Earlier in 2021, Lee looked at how K-pop companies have changed their structure and leadership style over time, focusing on the role of “artist-leaders”—founders who were also performers.²¹ The author wanted to understand how these leaders guided their companies from being small, founder-led businesses to large global entertainment corporations. The study uses a narrative analysis approach within a multiple case study design. It examines interviews, public speeches, and historical accounts from the three biggest K-pop companies (SM, YG, and JYP) to see how leaders told stories and created narratives during different stages of organizational change. Lee identifies three main stages of strategic organizational change: the entrepreneurial phase (focused on charisma and personal leadership), the transformational change phase (where leadership narratives shift to handle growth and challenges), and the established phase (focused on a company-wide vision rather than one individual). The research shows that storytelling and branding by artist-leaders were essential in building trust, motivating staff, and maintaining the company's identity as it expanded. The study concludes that while personal charisma and artistic skill were crucial in the early stages, long-term success depended on changing leadership styles and shifting the narrative toward organizational sustainability and shared vision. The research looks only at three major K-pop companies, so it may not reflect the experiences of smaller agencies. It relies on public materials and narrative interpretation, which can be subjective and shaped by what sources are available. It's also focused on the Korean industry, so the findings may not directly apply to other countries' creative sectors. This work adds to conversations about leadership and organizational change in the creative industries. It challenges the idea that charisma alone can sustain a company and shows the importance of evolving leadership strategies as a business grows. It also links to global discussions on how cultural industries adapt when

moving from start-ups to major corporations while keeping their original identity.¹³

Interestingly, Lopes, Oh, and Pyun identified that K-pop's rise can be understood through globalization and postcolonial cultural industries. The authors wanted to explain how Korea, a country that was colonized less than a century ago, could become one of the music markets in the world and compete directly with industries from places like the US and Japan. The paper is a conceptual and theoretical overview. It reviews existing studies and introduces eight articles in a special issue, each examining K-pop from different angles such as music style, fandom diversity, and business strategies. Together, they are used to show how K-pop fits into larger theories of globalization, symbolic capital, and innovation. The authors show that K-pop's success is not just about catchy songs—it is built on a combination of innovative production strategies, diverse and active fandoms, and symbolic value. They highlight how K-pop firms use concrete storytelling, gender diversity, and global collaboration to expand worldwide. The paper also shows that K-pop's achievements challenge old assumptions that cultural dominance only comes from Western countries. K-pop's case suggests that postcolonial nations can build globally competitive cultural industries by combining creativity, strong business strategies, and inclusive fandom cultures. The authors argue that this example broadens how we think about innovation and globalization in music. The article serves mainly as an introduction to a special issue, so it summarizes other research rather than presenting new data itself. Because of this, it doesn't go into deep details about specific case studies. Also, it focuses mainly on Korea, so comparisons with other postcolonial music industries are not fully developed. This paper adds to bigger conversations about cultural globalization, postcolonial studies, and innovation in creative industries. It challenges the idea that cultural exports must come from historically dominant Western powers, which shows how K-pop is reshaping global music markets. It also links to debates on fandom, gender, and symbolic capital by highlighting how non-Western pop can succeed internationally with its own distinct strategies.¹⁴

While Smarnmit explored how K-pop companies use foreign idols, especially Thai idols, to expand into the global market. The goal was to understand the strategies behind including non-Korean members and how that influences fan satisfaction and market growth. The research used a qualitative approach. Data came from in-depth interviews with three groups (Thai fans, non-Thai fans, and people who dislike Thai idols), combined with sentiment analysis of YouTube comments and review of related documents. The generalized double diamond model was used as a framework to explain competitiveness. The study found four main strategies: (1) K-pop's idol production system and emphasis on appearance, (2) using Thai idols plus social media promotion, (3) adapting content to local markets and considering market size, and (4) support from industries like TV and video streaming. Interviews showed that Thai idols such as Lisa, Bambam, and Nichkhun were well accepted because of their looks, talents, and multilingual skills. Having Thai members also helped groups gain recognition in Southeast Asia, China, and beyond. Using foreign idols

is an effective strategy for K-pop companies to strengthen their global reach and create more diverse group images. The paper concludes that while ability and appearance are important, strong company support and effective marketing are equally necessary for foreign idols' success. The study only focused on Thai idols and fans in a few countries, so it may not fully reflect global perspectives. It also relied on online comments and interviews with a relatively small sample size, which cannot capture the whole diversity of fan options. It connects to the globalization of pop culture and how non-Western industries expand abroad. It adds to discussions on cultural hybridity and inclusivity, which shows that foreign members help K-pop stay competitive internationally. It also raises questions about representation, fan perception, and whether this strategy can be sustained long-term.¹⁵

The role of digitalization and globalization in the development and evolution of the K-pop Industry:

In an earlier study, Parc & Kawashima explored how the Korean and Japanese music industries responded differently to digitization, and how those strategies impacted their international competitiveness—especially explaining K-pop's global success and J-pop's relative decline.⁹ The authors applied Porter's Diamond Model to analyze national competitiveness across four areas: factor conditions, demand conditions, related industries, and firm strategy. They break digitization into two phases—Digitization 1.0 (Internet emergence) and 2.0 (smart devices and streaming)—and assess how both industries responded during each. They use a mix of qualitative historical analysis, industry data, and real-world business responses from companies in Korea and Japan. K-pop embraced digitization early by shifting toward digital distribution, streaming, and visual-centered music. Companies restructured internally, adopted global strategies, and lowered costs through integration. In contrast, J-pop clung to physical sales, complex copyright systems, and avoided platforms like YouTube—limiting international access. Korean companies used digital tools to globalize, while Japanese firms focused on their domestic market. They concluded that business strategy—more than market size or cultural quality—determined international success. The Korean industry gained a global edge by embracing digitization and adapting its business models. The paper concludes that timely, business-driven responses to technology are key to cultural competitiveness, offering lessons for other countries navigating the digital shift in creative industries. The study didn't use primary data such as interviews with company executives, and it doesn't reflect post-2018 trends in global music streaming. It also could have benefited from including fan or consumer perspectives. The paper challenged culture-centric explanations and shifted the debate toward economic strategy and industry structure in cultural globalization.¹⁶

Later, Parc & Kim analyzed how the Korean music industry embraced digitization and used it to drive the global success of K-pop.¹⁰ The authors aimed to identify the structural and strategic changes that allowed Korea's music sector to thrive despite piracy and market challenges. The paper applied a revised version of Porter's Diamond Model to explore the

K-pop industry's transformation across four areas: production, distribution, consumption, and performance. The analysis is qualitative and combines historical data, industry observations, and cultural insight to explain how digitization reshaped business, consumer behavior, and industry structure. Korea's music industry transitioned from analog to digital, offline to online, and from album-focused to song- and video-driven consumption. Entertainment companies integrated vertically (distribution training) and embraced platforms like YouTube and streaming services early on. Digitization helped producers target both local and global audiences through collaborations, high-quality visuals, and storytelling. K-pop became not just music but a multi-platform cultural product. The authors argued that embracing digitization rather than resisting it gave Korea a competitive edge. K-pop's rise was not just cultural but also business-driven, fueled by integration, innovation, and adaptability. The study suggests that countries seeking to grow their cultural industries should focus on systematic innovation, not just cultural preservation or subsidies. The paper noted the lack of earlier literature and explained that its findings are based on qualitative insights. Also, the paper focuses mainly on industry and company strategies, but less on fan behavior or a consumer-side perspective. It also doesn't include direct data from stakeholders like artists or producers. The paper connects its findings to broader conversations on cultural exports, digitization, and innovation, contributing a business-focused angle to K-pop research.¹⁷

Most recently, Wirawan & Wibawarta explored how J-pop and K-pop have influenced each other throughout their development and how globalization has shaped their rivalry, collaboration, and adaptation.¹¹ The paper focused on how K-pop surpassed J-pop internationally and how J-pop has responded strategically. This study used a qualitative comparative research method with data collected from books, journals, and online sources. It applied Giddens' theory of globalization and reflexive modernity to examine cultural shifts and industry adaptations between Japan and South Korea. The paper found that while J-pop laid the groundwork for idol culture, K-pop adapted and expanded globally through better use of digital platforms and international marketing. J-pop responded by forming overseas sister groups, integrating traditional elements, and collaborating with K-pop agencies. The analysis also showed how K-pop's proactive digital strategy helped it dominate Japanese charts and influence the local market. The authors concluded that both J-pop and K-pop are products of reflexive modernity, constantly evolving under global influence. While K-pop has taken the lead in global influence, J-pop maintains its cultural identity and adapts through innovation and collaboration. The mutual influence between the two forms of pop culture reflects the dynamic exchange facilitated by globalization. The authors didn't explicitly mention limitations. The analysis relied on secondary sources and general cultural observations without empirical data. It also lacked perspectives from industry insiders or fans, which could have added depth to the comparison. The paper contributed to broader discussions on cultural globalization and reflexive modernity. It aligns with existing scholarship that views K-pop's

rise and J-pop's adaptation as outcomes of evolving global and regional influences.¹⁸

Earlier, Kong provided a comprehensive and structured analysis of K-pop's international success by exploring how external environmental factors and internal business strategies interact to support the global expansion of K-pop. The author used a mixed-methods approach. Quantitative tools like Google Trends and YouTube Music Insights were used to measure global visibility, while qualitative insights are drawn from industry interviews and content analysis. Frameworks like PEST analysis, Porter's Five Forces, and Value Chain Analysis are applied to structure the macro, industry, and internal environment. The author found that K-pop's global rise is due to a combination of strategic industry planning, favorable government policies, and the rise of digital platforms. Korean entertainment firms benefit from centralized systems for talent training, branding, and global promotion. Simultaneously, macro factors like social media, cultural hybridization, and regional partnerships (e.g., in Japan) help K-pop penetrate foreign markets. The thesis concluded that K-pop's globalization is not just cultural but highly business-driven. The industry's ability to align internal structures with changing external opportunities (like YouTube's global reach or government support) creates a model of sustainable cultural export. The paper argued that success comes from the synergy between internal capabilities and external conditions, making K-pop a strong case study in creative industry globalization. The author acknowledged that the research relied mostly on secondary sources, such as company reports, public data, and literature, rather than primary interviews or fieldwork. Also, while tools like Google Trends and YouTube Insights were used, the analysis lacks in-depth qualitative data from insiders (e.g., artists, producers), which would strengthen the claims about internal strategies. The conclusions align with broader discussions on cultural exports, creative industries, and the role of strategic business models in globalization. The author emphasizes the synergy between internal capabilities and external opportunities, reinforcing existing knowledge and ideas about innovation and adaptation in cultural industries.¹⁹

Success factors and the sustainability of the K-pop Industry:

In a study conducted a few years ago, Kim, Jung, Roh & Choi identified the key factors that drive the success and long-term sustainability of the K-pop industry, using both statistical modeling and qualitative insights.¹³ The study focuses on how different internal and external variables influence fan satisfaction and business outcomes. The authors applied a mixed-methods approach. They used a Structural Equation Model (SEM) to measure relationships between variables (e.g., idol image, fandom satisfaction, content quality), and a Fuzzy Set Qualitative Comparative Analysis (fsQCA) to explore different configurations that can lead to success. The data was collected from online surveys of K-pop fans. The SEM results show that content quality and idol characteristics are major drivers of fan satisfaction. Meanwhile, fandom marketing and social media use significantly impact brand trust and loyalty. The fsQCA results suggest that different combinations of fac-

tors can still lead to success, showing that there is no single path to sustainability. These findings highlight the multidimensional nature of the K-pop industry's success. The study concluded that K-pop's sustainability relies on maintaining strong fan engagement, producing high-quality content, and adapting marketing strategies to digital platforms. It also argues that flexible business models are needed, since multiple factor combinations—not just one—can lead to continued success. This suggests that innovation, diversity, and adaptability are key to the industry's future. In the study, the sample is limited to online K-pop fan respondents, which may not represent all fandoms equally. The structural equation model (SEM) is based on self-reported perception, which can introduce bias or subjectivity. The fuzzy set analysis (fsQCA) provides limited generalizability due to the specific conditions tested. The conclusion supports existing research on cultural industry sustainability and fan engagement. It emphasizes that K-pop's success stems from both strategic planning and digital fan interaction. The study also contributes by showing that multiple factor combinations, not just one model, can lead to success.²⁰

On the same matter, Kim, Hwang, and Kim examined which factors in the K-pop production and promotion process contribute most to its sustainability—measured through fan engagement on social media and interest in visiting Korea.¹⁹ The authors used a mixed-methods approach, combining a Structural Equation Model (SEM) and Fuzzy Set Qualitative Comparative Analysis (fsQCA). The SEM identifies statistically significant relationships between six proposed “success factors” and outcomes like SNS citizenship behavior and tourism intention. The fsQCA tests combinations of these factors for more complex causal patterns. The survey data were collected from global K-pop fans across eight countries. The SEM analysis found that casting, producing/promotion, and content quality had the greatest influence on fan engagement (SNS citizenship behavior), which in turn positively affected fans' intention to travel to Korea. Interestingly, social media, training, and producer reputation were not statistically significant in SEM but emerged as influential in the fsQCA. This suggests that different combinations of factors can lead to sustainability outcomes, depending on context. K-pop's sustainability is driven by more than just one dominant factor. Instead, multiple success factor combinations can achieve the same outcomes. This points to the importance of strategic diversity in content creation and fan engagement. The study recommends industry players adopt flexible, context-sensitive strategies to support global growth and cultural tourism. The authors note that their sample was limited to eight countries and that the success factors explored were restricted to six specific dimensions. The study only considers two outcome variables (SNS behavior and tourism), leaving out other markers of sustainability like labor conditions or agency governance. Also, there is no qualitative data from fans or insiders to add depth to the interpretation. However, the paper contributes to broader discussions on fan engagement, cultural tourism, and creative industry sustainability. It supports ideas from prior studies on production strategy and Hallyu branding, but challenges the assumption that social media is always the most influential factor. It also

strengthens the academic link between K-pop and the United Nations' Sustainable Development Goals (SDGs).²¹

Further, Kim *et al.* examined how South Korea's cultural policy has supported the growth of the K-pop industry and what changes are needed to ensure its sustainability.²⁰ The authors argue that Korea must go beyond cultural policy and shift toward policies that consider artist rights, mental health, and ethical management practices. The paper uses a policy analysis approach, reviewing historical government strategies and the evolution of state-supported cultural industries. It draws on secondary sources such as government white papers, industry data, and prior academic literature to evaluate the relationship between state intervention, industry expansion, and ethical gaps in K-pop's system. It was found that the Korean government's early support of K-pop was crucial for its global growth, but current policies lack provisions for labor protection, well-being, and corporate governance. The study highlights structural issues such as contractual exploitation, overwork, and mental health crises, calling for new regulatory frameworks to protect artists while maintaining creative competitiveness. K-pop's sustainability will depend not only on market strategies or technological innovation but also on a policy shift toward ethical, inclusive governance. The authors argue for integrating labor rights, transparency, and participatory governance into the cultural industry model to ensure its long-term viability. However, the study mainly focuses on Korean domestic policy and does not assess how international governance models or global collaborations could influence sustainability efforts. All in all, Kim *et al.* study adds to the literature on cultural policy and sustainability by emphasizing the need for ethical frameworks in global entertainment. It builds on prior debates about the limits of soft power and expands the discussion to include artists' well-being and social responsibility as core pillars of sustainable cultural industries.²²

In a recent study, Min evaluated the factors driving the competitiveness of the K-pop industry and proposed strategies to ensure its long-term sustainability, using the Diamond Model as a framework for industry analysis.¹⁸ The study employs a qualitative, industry-level analysis grounded in Porter's Diamond Model, focusing on firm strategy, demand conditions, supporting industries, and factor conditions. It draws from corporate case studies (especially the "Big 4": HYBE, SM, JYP, and YG), government reports, and secondary data to map the competitive landscape and sustainability concerns in the K-pop industry. The paper identifies multiple drivers of competitiveness: global idol recruitment and training, group branding strategies, artist-fan platform engagement (e.g., Weverse, Bubble), and synergy across K-Wave industries. However, it also highlights governance issues, overreliance on founder-led production systems, and the need to modernize business structures. The study emphasizes the shift toward IP-centered business models and strategic alliances with IT platforms like Kakao and Naver to sustain growth. The study concludes that K-pop's strength lies in platform-based fan engagement, multi-label expansion, and cross-industry collaboration. To maintain global influence, the industry must address internal governance, support artists' well-being, and adopt new metrics beyond

physical album sales. Strategic partnerships and transparent corporate structures are essential for resilience in a fast-evolving digital and cultural market. The paper briefly acknowledges limitations in terms of relying heavily on secondary data and industry reports rather than primary fieldwork or interviews. The analysis centers primarily on the major agencies (HYBE, SM, JYP, YG), which may overlook dynamics in mid-size indie labels. Additionally, there is limited attention to consumer or artist perspectives on sustainability. The conclusions contribute to ongoing discussions around sustainability, governance, and innovation in cultural industries. By integrating both cultural and economic factors, the paper aligns with literature on platformization and global creative competitiveness, offering a practical lens on K-pop's long-term viability.²³

Synthesis:

Considering the aforementioned area investigated in the literature, a synthesized approach to understand the evolution of the K-pop industry is presented here. From the literature, it is evident that K-pop's success is not just cultural—it is business-driven. Studies like Messerlin & Shin show how competition, low music prices, and internet use pushed companies to go global and innovate.²⁴ Copyright and piracy shaped the industry. In particular, Parc, Messerlin & Moon argue that relaxed copyright laws and even piracy gave young Koreans access to global music.²⁵ It boosted creativity and made K-pop more competitive. Certain analytical themes were identified:

1. Innovation is a constant theme: Lee & Pyun explain that K-pop companies survived challenges by innovating in everything—idol training, marketing, and fan platforms—turning threats into new opportunities.⁷

2. Hybridity matters: Jin shows how K-pop borrowed from J-pop but went further by mixing languages, styles, and politics. They created a hybrid cultural identity that appeals globally.²⁶

3. Fans are more than consumers: Saeji highlights how fans started creating businesses, content, and events that support idols—what she calls "K-pop adjacent industries." This shows K-pop's ecosystem is bigger than just companies.²⁷

4. Global adaptation is key: Kim & Kang found that K-pop agencies adjusted music, idols, and even group members to fit different markets, while still keeping a strong "Korean" core.⁸

5. Digitalization gave K-pop the edge: Parc & Kawashima and Parc & Kim show how Korea embraced streaming, YouTube, and digital platforms early, while Japan stuck to CDs. That decision helped K-pop spread all around the globe.^{9,10}

6. Sustainability is essential: Kim, Jung, Roh & Choi found that sustainability depends on many factors, including high-quality content, strong idol images, and engaged fandoms. Different combinations of these factors can still work—there's no single formula.¹³

7. Challenges remain: Researchers like Min and Kim *et al.* point out that governance issues, artist well-being, and fairer revenue distribution need attention if K-pop is going to stay sustainable in the long run.^{18,20}

■ Conclusion

The study brings together different perspectives on K-pop to show how K-pop's rise shows that its success is built on more than just catchy songs or flashy performances. It comes from a mix of smart business strategies, innovations, fan involvement, and Korea's unique cultural background. Companies have a strong training system, global marketing, and digital platforms, while fans help expand the industry worldwide. Still, challenges like artist well-being, fair profit distribution, and sustainability remain. As the industry grows bigger, it cannot rely only on founder charisma or fast innovation. It also has to think about governance, ethics, and how to stay creative without overworking idols. For future research, it can be suggested that more empirical data collection is needed, such as surveys and interviews with idols, fans, and company data, since the most current work relies heavily on secondary sources. Using mixed-method approaches that combine statistical models (like SEM or social network analysis) with qualitative case studies could provide a fuller picture. Theories of cultural hybridity, platform capitalism, and organizational change could also be applied more systematically to explain K-pop's global strategies. Finally, researchers could build new conceptual frameworks that compare large agencies with smaller or independent labels, and explore how new technology like AI, virtual idols, and metaverse platforms will reshape K-pop's sustainability and identity.

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