

Differences and Commonalities in the Marketing Strategies of Chinese and Korean Entertainment Companies

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Abstract: The K-pop trend is currently experiencing a global explosion, and China's entertainment sector is growing at a tremendous pace as well. In order to support the long-term development of China's entertainment industry and establish cultural exports on a stable foundation, this paper will employ research methods such as SWOT and PEST models to analyze the factors contributing to the success of the Korean entertainment field, highlighting key distinctions between the two nations' entertainment industries. Furthermore, it will provide some recommendations for Chinese entertainment companies in the direction of the 4Ps, such as increasing the frequency of official production and sales of celebrity-related merchandise and selecting talent from around the globe. This research aims to offer strategic guidance for China's entertainment industry by identifying key factors behind Korea's global success, helping to enhance China's cultural influence and soft power. By analyzing the differences between the two industries and offering practical recommendations, this study seeks to contribute to the long-term development and international competitiveness of China's entertainment sector, promoting sustainable cultural exports and global market presence.

Keywords: Fan economy, entertainment company, cultural industries, marketing strategies, K-pop.

1. Introduction

It is widely acknowledged that the influence of k-pop extends beyond Asia and has made a significant impact on the the global music scene. Combining elements of Hip-hop, pop dance music, electronic music, and Korean music, K-pop has emerged as a distinctive genre originating from South Korea. The rise of H.O.T (Hi-five of Teenagers), a five-member band formed by SM Entertainment in 1996, marked the beginning of the K-pop phenomenon with their rapid domestic and international success. Since then, numerous idol groups have emerged under different entertainment, companies such as Super Junior from SM, BIGBANG from YG Entertainment, and BTS from HYBE. And in this study, the author aims to explore why these entertainment businesses have been highly effective in promoting K-pop culture through SWOT and PEST backdrop analysis methods. Specifically focusing on Yue Hua Entertainment in China and YG Entertainment in South Korea--two major players in the industry--this research will thoroughly examine differences between artist training programs, merchandise production for artists' souvenirs, and marketing strategies employed by both companies along with other relevant factors. By applying the concept of 4P's of marketing, this paper will further investigate the causes behind the sustained success within the realm of K-pop industry. This paper is

expected to provide insights into both short- and long-term plans for fostering growth within China's entertainment industry.

2. Analysis of the Current Status of Korean and Chinese Entertainment Companies

2.1. Macro-environmental Analysis Based on PEST Model

2.1.1. Political Factors

President Kim Dae-jung of Korea was a prominent proponent of the growth of the Korean cultural sector in 1998 [1]. Since then, the government has provided strong backing to the recently established entertainment corporations SM, YG, and JYP, giving a boost to the developing industry. Thus, Korea has flourished into a fully fledged entertainment industry with influential artists actively participating in many politically related activities. Even Cheong Wa Dae, the former presidential palace and tallest symbol of power in Korea, proudly displays a picture of the well-known girl group BLACKPINK from YG shot on November 22, 2023, during a state banquet hosted at Buckingham Palace. King Charles III of the United Kingdom awarded the members of BLACKPINK the Medal of Honor of the British Empire (MBE) on that day, and also expressed his eagerness to watch a live performance, showing the value and support Korea places on the entertainment sector [2].

Since the official deployment of the SAD anti-missile system by South Korea on July 8, 2016, many Chinese people have strongly boycotted Korean entertainment in China. This has caused a rapid decline in South Korea's economy as a whole, including the tourism industry and headline entertainment companies [3]. Furthermore, in May 2021, it came to light that fans were involved in wasting a lot of resources to secure debuts for artists. Fan group chaos was formally included as a focus of the 2021 "Qinglang" series of special actions on May 8 of that year, at a conference hosted by the State Council Information Office [4]. The action was intended to vigorously rectify the unproductive, uncivilized, unethical, and illegal behavior of the fan group. The entertainment industry's growth has been significantly impacted by regulations.

2.1.2. Economic Factors

The Asian economic crisis of 1997 had a toll on Korea, resulting in business closures and significant damage to the cultural sector. The Korean government began the journey to cultural power right at the onset of the economic crisis by aggressively developing the cultural industry and viewing the entertainment and cultural sector as one of the pillars of economic growth. Instead of depending solely on culture to save the nation, as South Korea did, China has been adamant about not depreciating the CNY, stabilizing the economies of various areas during the recession, and actively using the government's macro-control to boost economic recovery.

It has been demonstrated that both nations have made the right and proper decisions by using different approaches, which they adopted in accordance with their unique national circumstances.

2.1.3. Social-Cultural Factors

Owing to the lengthy history of American cultural export from Korea, European and American music genres have also inspired Korean pop music, with suits, ties, and leather shoes predominating in the genre's stage aesthetic. Its unique and independent internationalized musical style has been formed, and that is what sets its music items apart.

Conversely, Chinese pop music takes an eclectic approach to its development. Chinese musicians frequently exhibit traditional Chinese features on music stages, such as donning "Hanfu" or cheongsams to narrate their stories and utilizing music to express their feelings and produce a form

of classical beauty. Alternatively, incorporating the singing style of traditional Chinese opera into pop music, which deftly blends pop music's elements, the operatic cadence, and traditional Sichuan opera, not only achieves artistic breakthroughs but also establishes a new standard for cultural innovation and inheritance.

2.1.4. Technological Factors

There is also a huge difference in technology development between China and Korea.

In South Korea, Samsung is the biggest conglomerate. On February 2, 2023, Samsung Electronics launched the Samsung Galaxy S23 Ultra, a smartphone. Thanks to its excellent photography capabilities, fans view this phone as a concert essential. It includes a 12-megapixel super wide-angle lens, a 200-megapixel primary camera, and a telephoto lens with optical zooms of 3 and 10 times for a maximum magnification of 100 times [5]. Meanwhile, it boasts a 6.8-inch Dynamic AMOLED 2X full screen that can record stunning moments from concerts in crystal clear detail. This screen has a maximum refresh rate of 120Hz and a resolution of 3088x1440 pixels [5]. It is evident that in order to keep up with the ongoing expansion in the mainstream economy, South Korea has been directing its technological advancements into its entertainment field.

China has to build its own chips badly because of the economic restrictions the US has placed on the country. China's own brand Huawei made a splash at a critical juncture with its high-performance mobile processor, the Kirin chip, which was produced domestically and represented yet another significant advancement in Chinese technology. Huawei's first 7nm+ EUV process Kirin 990 5G SoC chip, which uses less power and lasts longer, is included in the Huawei Mate 30 Series 5G Edition phones. Huawei keeps pushing the boundaries of technical innovation with its cutting-edge features, convenience, and security that win over people's hearts.

2.2. Micro-environmental Analysis Based on SWOT Model

2.2.1. Korean YG Entertainment

YG Entertainment was established by Yang Hyun Suk in 1996 and is one of the biggest entertainment agencies in South Korea as well as the firm with the most hip hop singers [6].

Strengths and Weaknesses: YG Entertainment's corporate identity is one of its strongest points, with a distinct and unmatched style in the hip-hop and rap genre. The company benefits from South Korea's active support for the cultural and entertainment sectors, such as the Five-Year Plan for the Development of Cultural Industries, providing ample opportunities [7]. One of the key elements that determines how an artist develops is their skill level. With their rigorous training program and stringent selection process, YG Entertainment produces performers of exceptional strength who draw in a growing number of global followers. In addition, YG has dedicated a significant amount of time and resources to the creation of artist mementos, which include photobooks, concert support sticks, artist posters, and various other items. Transference is the act of directing one's emotions regarding a significant individual from the past toward a different person in the present [8]. Fans will be eager to buy relevant products for their favorites, based on the Emotional Transfer Theory. Selling a lot of artist derivatives can bring in enough cash to support the company's operations and ongoing innovation. However, YG Entertainment's distinctive characteristics lead to a limited type of audience that will appeal more to the same type of fans. In addition, because it concentrates on exporting to the outside world—including developed countries in Europe and America as well as China, Thailand, and Japan in East Asia—the Korean entertainment sector is greatly impacted by international relations.

Opportunities: Because of the support of the Korean government, YG's artists have a great deal of exposure, including touring the world and running tons of fan meetings. The importance of such opportunities to appear frequently in the public eye is incalculable for artists. Moreover, YG is not

only involved in artist management but also in record distribution, music production, event management, cosmetic brands, and so on. Multi-track development is also a great opportunity for YG to develop in the entertainment field.

Threats: Because the Korean government strongly supports the development of the culture and entertainment industry, it is greatly affected by international relations, which is both an opportunity and a threat, greatly testing the Korean government's control over the direction of international politics. Furthermore, because of the large number of artists and their high exposure, inappropriate comments may have an indelible impact on YG and even Korea.

2.2.2. Chinese Yue Hua Entertainment

One of China's biggest and most well-known entertainment companies is Yue Hua. Additionally, it is a global entertainment corporation that collaborates with numerous prestigious foreign film, television, and entertainment studios [9].

Strengths: Yue Hua is different from YG Entertainment because China has a huge fan base and population base. Even if the per capita spending of fans is not high, the total spending can be a staggering string of figures. On top of that, Yue Hua Entertainment does not have a particularly strong and unique company style and has a broader fan type with a wider audience. The artists are more well-rounded than YG Entertainment, which focuses more on the music side of things, as the company dabbles in acting, music, and hosting.

Weaknesses: Nevertheless, due to the lack of a distinct corporate identity and a cohesive stylistic element among its performers, Yue Hua Entertainment is not well recognized on a global scale. Furthermore, its expansion has been severely hindered by the effect of China's national policy, which also limits the growth of the entertainment field in China. Yue Hua features a more easygoing training style and a looser selection process than YG Entertainment. This consequent deficiency in the artist's stage presence was an unavoidable drawback. Additionally, Yue Hua Entertainment is deficient in the production of artist souvenirs, and the lack of artist-fan connection in this area affects fan loyalty.

Opportunities: Yue Hua Entertainment, like YG, has dabbled in a multitude of industries. By taking a comprehensive approach to developing music, film, television, and hosting, it has been able to establish a bit more of a presence in the entertainment industry. What's more, Yue Hua promotes emerging artists by using well-known and powerful musicians, which increases newcomers' exposure and creates a positive feedback loop.

Threats: Yue Hua, on the other hand, is less special and may be more readily replaced by other businesses and performers, unlike YG Entertainment, which has a unique style of dominating the fashion and hip-pop scene. Meanwhile, given the national circumstances of China, the evolution of Yue Hua Entertainment is intimately associated with China's attitude towards the entertainment industry, which is readily impacted by political variables.

3. Chinese Entertainment Marketing Tactics Suggestions based on 4P Model

3.1. Personnel Selection Strategy Update

In order to select members who possess sufficient strength and potential, Chinese entertainment companies should modernize their selection models. This entails conducting more reliable talent auditions around the country and putting in place a stricter selection procedure that disqualifies candidates based on factors such as financial resources and personal ties, creating a fair and equitable selection environment. Chinese entertainment companies can enhance trainee practice time and implement a more rigorous elimination procedure by leveraging South Korea's artist cultivation approach to unleash their full potential. Although facial attractiveness is crucial in the entertainment field, the companies should also carefully distribute resources to those trainees who have outstanding

abilities and give them more opportunities than they have now. After a trainee is chosen, the business has to offer the best training possible, focusing on the artist's multi-dimensional improvement such as moral development, professional ethics, and overall performance strength. Additionally, Chinese entertainment organizations can choose brilliant individuals not just from China but from around the world as well, broadening the reach of their trainee selection process. As a result of improving the selection process and putting a premium on all-around development to find the best talent, popular Korean groups today are likely to include members from a variety of nationalities and countries. Examples of this include Joshua, a Korean-American in SEVENTEEN, The 8, a Chinese in SEVENTEEN, and Lisa, a Thai in BLACKPINK. This addition of members from different countries also facilitates cultural exchange and promotes cultural development between countries.

3.2. Star Merchandise Repriced and Marketing Tactics

The number of times Chinese entertainment businesses release celebrity-related items needs to be increased. It's uncommon to see officially created celebrity products in China, such as photobooks, postcards, support sticks, and the like, in contrast to the way Korean entertainment corporations conduct business. Launching official celebrity items more regularly, according to the theory of emotional transference theory, can allow fans and celebrities to develop a deeper emotional bond, which is an effective way to stabilize supporters and strengthen their loyalty [8]. Maintaining the market price is also essential for fostering long-term development, and increasing the regularity of official product launches can help manage the premium price issue to some extent. Chinese entertainment firms can use big data and new media as marketing tools to promote their members more widely. What's more, more effort can be put into planning offline events to improve fan connection and communication.

3.3. Tailoring Marketing Strategies to Local Conditions

Different countries and regions have their own unique customs and characteristics, therefore, when developing the entertainment segment, which is currently highly competitive, it is important to develop a marketing strategy based on the local environment. Moreover, during the early stages of trainee training, Korean entertainment companies will offer language instruction services in Chinese and Japanese to lay the groundwork for future international tours, which is indeed an ideal way to interact with local supporters. Yoona Lin, a member of Girls' Generation, has been in China's local APP for several years. According to her microblogging, she has already completed the Chinese language exam level 10 and passed the report card for the Chinese proficiency speaking test (HSKK) in 2020, receiving widespread acclaim in China [10]. To further connect with their followers abroad, Korean entertainment companies occasionally release different language versions of their hit songs, and Korean musicians frequently perform Chinese songs at events hosted in China as well. According to Korean's precious experience, first and foremost, Chinese entertainment businesses should actively support their trainees by providing them with a lot more additional platforms for self-expression and more opportunities to take part in global events and performances. Furthermore, by publishing blessings associated with the nation's distinctive holidays on social media, for example, one can foster deeper contact and emotional ties with followers from different countries and cultural backgrounds by leveraging local festivals, traditions, and languages.

4. Conclusion

Utilizing the PEST and SWOT methods, this article concludes by analyzing the differences in entertainment modes and styles between China and South Korea, taking into account macro factors such as national conditions, economic center of gravity, cultural concepts, and so forth. Further, it

provides examples of two different entertainment companies, Yue Hua Entertainment in China and YG in South Korea, to list the influencing factors from a micro perspective and analyze the differences in trainee cultivation orientation, selection system, and other fields. Finally, based on these variations, the 4Ps of marketing concept offers Chinese entertainment enterprises suggestions for long-term growth along with additional cultural export. However, this thesis does not control variables to examine the unique impact of linked elements on the development of the two countries one by one and lacks professional and precise data support. Furthermore, it excludes more thorough content, such as a more in-depth examination from the standpoint of STP (segmentation, targeting, and positioning). In order to precisely analyze the effects of each factor on the two countries and provide professional and accurate recommendations based on China's national conditions, future research could focus on several key areas to provide more comprehensive and precise insights. First, a more detailed examination of the STP model could be conducted, analyzing how entertainment companies in China and South Korea differentiate their target audiences and position their brands. Additionally, research could incorporate quantitative data analysis to examine the unique impact of specific factors, such as government policies or economic influences, on the entertainment industries of both countries. Surveys and questionnaires could also be employed to gather consumer preferences and perceptions regarding cultural products, enabling a more refined understanding of market dynamics.

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