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Comparison of JYP and YG's Globalization Strategies: Marketing and Management Analysis of the Korean Entertainment Industry

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Abstract. As K-pop continues its global expansion from its South Korean origins, the internationalization strategies of South Korean entertainment companies have received increasing attention. This article takes JYP Entertainment and YG Entertainment as the research objects, focusing on the two paths of "system-driven" and "star-driven", comparing the differences in the two companies' globalization strategies and their impact on brand image and market performance. The study used SWOT analysis and the SCP model, integrating information such as company annual reports, industry and platform annual reports, to systematically compare the two companies' brand management, market layout, cooperation strategies, and social media use. The research results show that JYP's systematic management model has more advantages in long-term sustainable development, while YG's star strategy is more prominent in short-term communication power and brand exposure. This study reveals the diverse paths of globalization for Korean entertainment companies and provides useful insights for the internationalization strategies and brand management of cultural enterprises.

Keywords: K-pop, Globalization, Marketing strategy, Cultural industry, Entertainment management

1. Introduction

"K-pop is a new buzz word in the global music industry. Korean pop singers such as TVQX, SNSD, Wonder Girls, and Psy currently attract unprecedented followers in Asia, Europe, and North America" [1]. K-pop has transformed from a music trend into a global cultural phenomenon, influencing various sectors in South Korea such as fashion, beauty, and media. While previous research has focused on fan culture, this paper analyzes differences in globalization strategies of entertainment companies, specifically JYP Entertainment and YG Entertainment. JYP employs systematic training and long-term brand management, whereas YG leverages star power and visual appeal for rapid expansion, highlighting the importance of corporate strategy in the success of the Korean Wave. This article will focus on comparing the two companies' differences in brand management, market layout, and social media communication to reveal the characteristics and effectiveness of the "system-driven" and "star-driven" models. The study adopted the SWOT and

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SCP models and combined the company's annual reports, industry reports, and social media data for analysis. By comparing the globalization strategies of JYP and YG, this paper aims to reveal the diverse paths of K-pop companies' internationalization and provide a reference for understanding the globalization mechanism of Korean culture and the brand management of entertainment companies.

2. Analysis of the current status of the industry and companies

2.1. Overview of global expansion

Since the late 1990s, K-pop has evolved through three stages: initial domestic focus in the 1990s to early 2000s with groups like H.O.T.; regional expansion in the mid-2000s with acts like Wonder Girls; and true globalization in the 2010s led by groups such as TWICE and BTS. This transformation is driven by entertainment companies' strategic marketing and significant government support establishing K-pop as a key component of national soft power through policies aimed at enhancing South Korea's cultural image. The interplay of these influences underscores K-pop's role not only as entertainment but also as a diplomatic and economic asset that fosters national pride and identity [2].

2.2. Macro-environment analysis

External factors and technological innovation drive K-pop's globalization, as highlighted by Kong. The international expansion of K-pop results from strategic planning by entertainment companies and the rise of social media. Digital media's adoption has enhanced the cross-border circulation of music, with platforms like YouTube and Facebook facilitating immediate fan interactions and creating a cross-regional dissemination network. K-pop's spread has transitioned from traditional media reliance to a fan-centered online model, allowing global fans to engage in content creation and dissemination. Kong's PEST analysis identifies political, economic, socio-cultural, and technological factors as pivotal in K-pop's internationalization, noting government support, the entertainment industry's growth potential, cultural acceptance among youth, and technological advancements that reduce dissemination barriers [3]. Overall, K-pop's globalization demonstrates a dual-track model combining "top-down strategic promotion" with "bottom-up user participation," relying on both institutional support from the government and businesses and the network dynamics of fan communities.

2.3. SWOT analysis

JYP and YG stand as representatives of two typical globalization models within the K-pop entertainment industry. Among them, JYP is renowned for its systematic management and collaborative operations, with its core strengths lying in its standardized training system and international partnership network. As Lie points out, the training center under JYP Entertainment offers 67 courses for trainees covering vocal music, dance, language, and acting. This multi-dimensional training mechanism embodies the core logic of a "system-driven" approach, ensuring the stability and internationalization of artist output through an institutionalized process (selection, training, production, and marketing) [4]. According to JYP Entertainment's 2024 financial report, the company's revenue reached 601.8 billion won, a year-on-year increase of 6.2%, and its net profit reached 97.8 billion won, demonstrating its sustainable operating capacity amidst steady expansion. This systematic strategy enables JYP to maintain brand consistency in the Asian market and achieve

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international expansion through localized projects [5,6]. In contrast, YG Entertainment adopts a dual-track strategy of “star-driven” and “visual branding”. As Jin notes, YG is known for its hip-hop and electronic music styles, with representative groups such as BIGBANG and 2NE1 successfully cultivating unique visual symbols and forming a highly recognizable brand image [7]. This strategy promotes global dissemination by strengthening the symbolic power of individual artists, establishing a distinct cultural appeal in the European and American markets. According to YG Entertainment’s annual report, YG achieved operating revenue of approximately 403 billion won and operating profit of approximately 38 billion won. Although it maintains a steady growth momentum, it is still constrained by practical challenges such as high dependence on core artists and rigid cost structure [8]. Overall, JYP’s systemic model emphasizes long-term stability and coordinated expansion, while YG’s star-driven model emphasizes the dissemination of cultural symbols and short-term explosive power. Together, these two reveal the dual logic of the globalization of K-pop companies.

3. Comparison of globalization strategies

3.1. Market positioning and goals

Using the SCP (Structure–Conduct–Performance) model, a comparison of JYP and YG's globalization strategies reveals distinct approaches. JYP employs a multidomestic strategy aimed at internationalization through subsidiaries in the USA, China, and Japan, focusing on precise market segmentation and long-term planning. Conversely, YG emphasizes brand scarcity and visual communication, relying on a limited number of influential artists to create competitive barriers. Their market conduct also diverges, with JYP adopting a "system-driven" approach characterized by artist training and collaboration, while YG follows a "star-driven" model, leveraging individual artist appeal. This management model enables JYP to achieve sustainable development in a low-volatility, high-efficiency manner. YG's operational mechanism carries higher risk while delivering greater explosive potential, with its core focus placed on enhancing artists' personal brands and narrative communication. Sarjono et al. pointed out that YG Entertainment—one of South Korea’s leading entertainment companies—encountered severe crises involving scandals and financial setbacks, which led to a sharp decline in its stock value and investor confidence [9]. The study further analyzes the recovery strategies YG adopted to rebuild its brand image and stabilize its financial performance after these incidents [10]. This case highlights YG's strategy of crisis response and "reputation repair-brand renewal," contrasting with JYP's focus on steady growth and global cultural adaptation. The Korean entertainment industry is dominated by the "Big Four," which maintain industry structure through artist development and brand management, creating unique group identities that foster fan loyalty. JYP's system ensures long-term reputation and market position, while YG enhances brand value through star narratives and visual innovations. Together, these two models represent the dual growth approach of the Korean entertainment industry, offering insights into K-pop's globalization [11].

3.2. Path to globalization

JYP and YG have adopted distinct models in their globalization strategies. JYP focuses on systematic management and international collaboration, achieving sustainable growth through standardized training and content production, emphasizing institutionalization and long-term brand development. Conversely, YG centers on the charisma of its stars and visual brand communication,

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creating "global idols" and building a strong brand identity through artists like BIGBANG and BLACKPINK, accompanied by collaborations with luxury brands. This approach showcases YG's strengths in innovative digital platforms and visual storytelling [4]. Overall, JYP has established a stable international presence through systems and collaborations, while YG has rapidly increased global recognition through visual appeal and star power. Together, these two have driven the diverse global expansion of K-pop.

3.3. Strategic discovery

In the global entertainment market, JYP and YG exhibit contrasting strategies indicative of the Korean Wave"s dual logic: system-driven and star-driven. JYP's approach focuses on a long-term growth trajectory through its structured training system and international collaborations, promoting "replicable globalization" and adaptable cultural expressions across regions. This method supports a low-risk, scalable internationalization strategy. Conversely, YG emphasizes visual storytelling and the influence of stars, relying on strategies like debuting new bands and renewing contracts to recover its brand's capital and public interest. While YG's model can achieve quick rebounds through star power, it poses risks to long-term stability given its dependence on public opinion and celebrity exposure [4,10]. In contrast, Kim et al.'s empirical research, from a sustainability perspective, concluded: "In summary, results confirmed that, except producers, the five K-pop success factors: casting, training, producing/promotion, social media, and content, are crucial to sustainability and to increasing tourist behavioral intention" [12]. This finding highlights the importance of systematic training and multi-dimensional communication for sustainable growth in the K-pop industry, particularly reflecting JYP's system-driven approach. In contrast, while YG excels in visual arts and cultural symbolism, it lacks a structured system. JYP fosters competitiveness through systematic collaboration, whereas YG builds market influence via star storytelling and visual branding. Together, these approaches illustrate a dual growth model of "structured production" and "symbolic dissemination," showcasing the benefits of a systematic strategy for sustainability and brand resilience in K-pop globalization.

4. Marketing and management strategies

4.1. Brand and identity

Brand image is central to an entertainment company's globalization strategy. It not only influences its market positioning but also determines fans' long-term loyalty to artists and content. The differences in brand identity between JYP Entertainment and YG Entertainment fully demonstrate the contrast between the "system-driven" and "star-driven" globalization philosophies. JYP Entertainment prioritizes ethics and social responsibility as its core corporate philosophy. As its official website states, "JYP Entertainment will abide by laws, morals, and social norms and fulfill its responsibilities as a company leading the entertainment industry to become a respected and trusted company" [13]. Over the past 25 years, the company has consistently adhered to the philosophy of "truth, sincerity, humility, and love," establishing a transparent and fair corporate management system. These values permeate the entire process of artist training and public communication, closely linking JYP's brand image to the attributes of "wholesomeness, sincerity, and responsibility." Artists such as TWICE and DAY6 present upbeat public images, reinforcing the brand's "family-friendly" image. This systematic ethical brand strategy not only builds cultural trust in the East Asian market but also fosters emotional resonance with fans. By consistently channeling

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key narratives like “warmth” and “unity” on social media, JYP has successfully extended its corporate culture into recognizable collective emotional symbols, establishing long-term trust and cross-cultural affinity. In contrast, YG Entertainment has established its international recognition through a “premiumization and celebrity-focused” brand strategy. According to Li, “the brand value of celebrities is the key to maintaining brand loyalty,” and celebrity brand value directly drives consumer loyalty and global reach [14]. This logic is particularly evident within the YG system, where artists like BLACKPINK and G-Dragon embody a “Korean Wave luxury” image through luxury brand collaborations. YG's unique brand value is maintained via visual identity, scarcity, and luxury symbols, creating a strong sense of belonging among fans through artistic packaging and limited releases. In contrast, JYP focuses on sustainable trust through ethics and sincerity for a “healthy brand.” This comparison highlights the diverse strategies of K-pop companies in developing brand identity globally, emphasizing cultural affinity for JYP and individual strength for YG, and how the Korean entertainment industry leverages brand storytelling for cultural output and value resonance [15].

4.2. Technology and platform

Digital technology platforms are essential for the globalization strategies of K-pop companies, particularly TikTok, YouTube, and Instagram. TikTok functions as a key engine for spreading K-pop globally through algorithmic and short video content, exemplifying 'platformed glocalization' by intertwining Korean pop culture with local contexts [16]. YouTube helps companies build brand narratives and foster fan engagement, with specific characteristics like information quality and interactivity affecting viewer satisfaction [17]. Meanwhile, Instagram focuses on visual marketing and impulsive engagement, appealing to younger users. Collectively, these platforms create a "short-deep-beautiful" digital communication matrix, allowing K-pop brands like JYP and YG to enhance their global influence by balancing data logic with cultural sentiments [18].

4.3. Cross-border cooperation and channel layout

In the globalization of K-pop, three main strategies have been identified as crucial for brand extension and market penetration: cross-industry collaborations, cross-cultural marketing, and localized channel strategies. Cross-industry collaborations enhance brand value through partnerships with well-known brands, boosting economic returns and solidifying brand symbolism. YG's BLACKPINK, for instance, collaborates with luxury brands like Dior to embody "high-end female power," while JYP artists partner with mass brands to project youthful innovation. Cross-cultural marketing allows K-pop to resonate with international audiences by adapting content, such as incorporating English lyrics and Western aesthetics. This strategy builds emotional connections and loyalty among fans through direct engagement on platforms like YouTube and TikTok. Finally, a localized channel strategy is essential for retaining international market share, with companies like JYP and YG establishing localized production and distribution to cater to local tastes and preferences, thereby fostering cultural respect and acceptance within diverse markets [11,19]. In summary, cross-border collaborations expand K-pop’s commercial influence, cross-cultural marketing deepens the brand's emotional connection with global audiences, and a localized channel strategy ensures the brand's long-term stability in the global market. Through this three-dimensional strategy, JYP and YG have achieved a high degree of integration between cultural communication and commercial operations, setting a model for the internationalization of K-pop companies.

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5. Conclusion

This article compares JYP Entertainment and YG Entertainment regarding their globalization strategies and brand management within the Korean Wave entertainment industry. It highlights two approaches: system-driven (JYP) and star-driven (YG). JYP focuses on standardized training and collaboration for sustainable growth, while YG emphasizes visual symbols and star narratives for rapid success. The findings indicate that competitiveness lies in balancing innovation with institutional development and brand narrative, with JYP fostering market trust through responsible governance, and YG enhancing cultural identity through visual branding and strategic partnerships. Future K-pop companies should balance robust systems with innovative narratives to balance long-term stability with short-term reach. The study also emphasizes the crucial role of digital platforms. TikTok, YouTube, and Instagram form the "K-pop digital communication triangle," driving content sharing and visual identity. Companies leverage algorithms and fan participation to create a "platformed glocalization" model, which boosts cultural production via cross-cultural partnerships. Fan re-creation significantly contributes to the spread of K-pop. In the future, K-pop’s globalization will continue to expand towards virtualization and intelligentization. Virtual idols and AI-powered creations will reshape the boundaries of the idol industry, but emotional authenticity and cultural resonance remain key issues. Companies must strike a balance between technological efficiency and humanistic warmth, using systematic management and cultural innovation to propel Hallyu from “cultural export” to “cultural co-creation” and achieve sustainable global development.

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