

## ***Hallyu 2.0: The New Korean Wave in the Creative Industry***

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Since the mid-1990s, the Korean Wave has become a global sensation.

The Korean Wave has been unique because it indicates the unusual growth of local creative industries in the midst of neoliberal globalization. Once peripheral and small, the Korean creative industries have unexpectedly developed their own local cultural products and services, and Korea's creative industries have been among the most successful contributors to the national economy.

The Korean Wave has especially experienced a significant change with the development of digital technologies and social media, such as YouTube, social network sites (SNSs), and smartphones in the 21st century. Unlike *Hallyu 1.0*, emphasizing the export of local cultural goods to East Asia between the late 1990s and 2007, online gaming and K-Pop have become the two most significant cultural genres in the Korean creative industries and have initiated the growth of *Hallyu 2.0* since late 2007, because K-Pop fans and online game users heavily access these social media to enjoy local popular culture. *Hallyu 2.0* is the combination of social media, their practices, and the uses and affordances they provide, and this new stage has been made possible because Korea has advanced its digital technologies.



Girls' Generation is a popular nine-member South Korean girl group. Formed in 2007, they have sold more than 100,000 copies for each of their six Korean releases.



Online games and K-pop have become the two most significant cultural genres in the Hallyu 2.0 era. Unlike television programs and films, these cultural genres become a global, not regional, sensation.

## **Hallyu 1.0: Cultural Flows to Asia**

The Korean cultural firms had developed many of their cultural products and expanded the exportation of these products to mainly East and Southeast Asia in the *Hallyu* 1.0 era. The Korean cultural products first penetrated the Chinese market with television dramas, *What is Love All About* (1997) and *Stars in My Heart* (1997), becoming popular in East Asia. Korea sold another popular program, *Stairways to Heaven* (a tragic story of a young couple who fall in love and get married) to Japan in 2004. Between 2004 and 2006, two other famous dramas, *Winter Sonata* (a touching love story about a woman and her boyfriend suffering from amnesia), and *Daejanggeum* (the popular period drama series) also became huge hits in Japan and Hong Kong.

Due to the growing popularity of these programs, the total amount of television program exports increased 27.4 times between 1995 and 2007, from \$5.5 million in 1995 to \$150.9 million in 2007. The majority of Korean cultural products were consumed in Asia, especially Japan (57.4%), Taiwan (18.4%), and China and Hong Kong (8.9%). Among television programs exported, dramas accounted for the largest share (87.8%) followed by entertainment (8.4%), while animation consisted of only 0.6% in 2007. The proportion of dramas exported had rapidly increased thanks, in large part, to a period drama series. The nascent Korean cultural products boom in Asia has been further bolstered by the advance of domestic films. Starting in the late 1990s, Korea began to export films to East Asia (such as *Silmido* and *Tae Guk Gi*), and it has extended its export of domestic films beyond Asia in recent years. As with Japanese filmmakers, Hollywood has remade several Korean domestic films. Several TV dramas and films are projected to gain even more success in the future, as they find new audiences in other parts of the world.

## **Hallyu 2.0: The Role of Social Media in the Creative Industries**

Since late 2007, the *Hallyu* phenomenon has experienced a significant shift with the growth of social media. Korea has made innovations in SNSs (e.g., Cyworld) and smartphones (e.g., Samsung's Galaxy), as well as online gaming (e.g., Lineage and Aion), and they become major parts of the Korean Wave. Western-based social media and smartphones have also taken pivotal roles in spreading K-Pop and other cultural genres, because fans in many countries enjoy K-Pop and other cultural products through social media.

The Korean creative industries have indeed witnessed a few new engines of growth since late 2007. With the rapid advancement of broadband services, **online gaming** has become a burgeoning cultural sector with global revenues rivaling those of film and music. Korea exported \$102 million worth of games in 2000; however, in 2010, the country exported as much as \$1.6 billion worth of games. During the period 2000-2010, the export increased 15.7 times. The Korean online game industry has substantially gained status as an empire in the cultural sector and is one of the most significant exported cultural products of Korea.

**K-Pop** has become the most distinct cultural genre in the *Hallyu* 2.0 era. While K-Pop was part of the early growth in the Korean Wave, Korea did not make impressive popularity in the global music markets until recent years. However, K-Pop has been a driver of *Hallyu* 2.0 as Korea exported \$80.9 million worth of music in 2010, a 159% increase from 2009. Furthermore, in 2011, the music

industry exported \$177 million, a 112% increase from the previous year. Online gaming and K-Pop have been the two most significant cultural sectors in the Korean creative industries.

While there are several reasons for the tremendous growth of *Hallyu 2.0*, again, one of the most significant catalysts has been the rapid growth of social media, as global media fans use social media to access K-Pop and games. From user-generated content web sites to peer-to-peer networks, these channels play a central role in global cultural circulation. With youth consumer groups as central figures, SNSs have become the fastest growing platforms to circulate global cultural products. This implies that the cultural markets have rapidly shifted, from virtual goods-driven to access-oriented watching markets, because global consumers watch and play cultural genres through social media instead of buying cultural goods. In the era of volatile changes in global creative industries driven by technological innovation and globalization dynamics, understanding the role of social media and its impact on cultural accumulation is crucial.

One of the major drivers for the growth of Korean creative industries and *Hallyu 2.0* has been the convergence of multimedia and telecommunication technologies and the integration of the means by which creative content is produced, distributed, and consumed in the *Hallyu2.0* era. Korea has harnessed the potential of developing creative content with new technologies in video games, animation, and K-Pop.

The new Korean Wave has been successful; however, the Korean creative industries face challenges ahead. One main issue is the illegal distribution of cultural products and software. Increasing awareness of the contribution and potential of the creative sector for development is a major task for the government. The notion of creative industries certainly pushes the Korean Wave to be more a market-driven cultural phenomenon, and it is a necessary step to fairly actualize IP rights in the digital economy era.

Dal Yong Jin is associate professor of communications at Simon Fraser University. This article is based on a paper he presented at the “*Hallyu 2.0: The Korean Wave in the Age of Social Media*” conference hosted by the Nam Center for Korean Studies at the International Institute (U-M) in April 2012. It is a chapter in the forthcoming book, tentatively titled *Hallyu 2.0*. Dal Yong Jin’s research interests are on globalization and media, new media and online gaming studies, transnational cultural studies, and the political economy of media and culture. He is the author of two books, *Korea’s Online Gaming Empire* (MIT Press, 2010) and *Hands On/Hands Off: The Korean State and the Market Liberalization of the Communication Industry* (Hampton Press, 2011). He is currently analyzing the shifting media business paradigm from convergence to de-convergence in the communication industries, including both audiovisual and telecommunications.