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## **K-pop and K-Car: The Underpinnings of 21st Century Korean Cultural/Industrial Successes**

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# K-pop and K-Car: The Underpinnings of 21st Century Korean Cultural/Industrial Successes

## 1. Introduction

In 2020, the South Korean (hereafter Korean) movie “Parasite” (Korean: 기생충) was the first non-English speaking movie to win the Academy Award for Best Picture (Bicker, 2020). The movie had previously won the Palme d’Or at the 2019 Cannes film festival (Pulver, 2019). Along with the increased fame of Korean pop bands such as BTS (BBCNews, 2018a; Parc and Y Kim, 2020), it exemplifies how Western culture has embraced contemporary Korean products.

The growth and global appreciation of Korean popular culture (especially K-pop) started in the early 2000s, just after sales of Korean cars (hereafter K-cars) in the US soared (CSB, 2020; Hyundai, 2020; KIA, 2020a). At that time, Korean automobile popularity showed a strong peak, which fell to similar sales increases compared to other car manufacturers by 2003 (Figure 1). K-cars started following a similar sales increase profile to other car manufacturers afterwards, except perhaps for an earlier recovery from the global financial crisis in 2009 and a decrease in sales around 2017 (Figure 1).

[Figure 1 about here]

Although the first K-pop performers also entered the US market in the 2000s, K-pop’s soaring sales started later, with a first peak for YG entertainment in 2016 (Figure 2). Currently, its popularity is still on the rise, with SM Entertainment, JYP Entertainment and BigHit Entertainment showing peaks in sales compared to international companies such as Universal Music Group and Warner Music Group (Figure 2). It therefore appears K-pop might not have reached its peak yet or that its popularity may be prolonged compared to K-cars’ (Benjamin, 2020; Messerlin and Shin, 2017).

[Figure 2 about here]

The rise of K-pop as a cultural and K-cars as an industrial phenomenon suggest some similarities between them. And it would be a mistake to ignore that there are unquestionably industrial aspects of K-pop and popular cultural aspects of K-cars. Research has suggested that they are the evolutionary outcomes of artistic/cultural and social/industrial traditions unique to Korea, respectively (Ahrens, 2016; Chen, 2016; Chung et al., 2015; Jang and Paik, 2012; Messerlin and Shin, 2017; Parc et al., 2017; Shim, 2006; Yim, 2002). While the social/industrial claim is correct, the artistic/cultural claim is not. Historical conditions in Korea have indeed led to the K-pop and K-car phenomena, but the specific implementation of those phenomena has little or nothing to do with traditional Korean art or culture. Korea's unique ability is to deploy its industrial machinery to transform bolder, edgier performances and designs originating elsewhere into forms that are perceived as being inoffensive and therefore have broad cross-cultural appeal.

Although originating from similar social/industrial phenomena, K-pop's delayed, but continuing growth in US (and other Western) sales revenues shows its hold on these markets has remained robust compared to K-cars. We argue that, apart from strong awareness to evolutions in the music industry from Korean labels (Parc and Kawashima, 2018), this is caused by current K-pop b(r)ands' better ability to provide original and relevant contributions to consumers' identity projects (Holt, 2002). Perceived brand authenticity (PBA) plays an important role in the recognition of a brand as a catalyst of self-identification in the current market culture (Morhart et al., 2015; Swaminathan et al., 2020). We will demonstrate that K-pop brands have adhered more strongly to the four dimensions of PBA (continuity, credibility, integrity, symbolism) identified by Morhart et al. (2015) compared to K-car brands. These dimensions will be identified based on (changes in) product design, brand behavior and the brands' communications about their roots and virtue.

## 2. Theoretical Background

### *2.1 K-pop and K-cars: Is Korean (national) culture the source of their success?*

Based on Hofstede's work on cultural dimensions in corporations (Hofstede, 1994), many studies have attempted to explain the success of Korean (and other East Asian) businesses through investigating national cultural differences between these and other countries, such as legislation regarding copyright, application of Confucian philosophy in business strategies or product design, and hybridization of local with Western values (Ahrens, 2016; Chen, 2016, 2016; Chung et al., 2015; Jang and Paik, 2012; Messerlin and Shin, 2017; Parc et al., 2017; Shim, 2006; Yim, 2002). Yet, if embodiment of Confucian cultural values in products and/or hybridization with Western principle would be the sole argument explaining success of Korean products, it is difficult to explain why this success has not occurred with products from other countries which incorporate local culture such as Czech or Polish (pop) music. Moreover, how would the same argument explain the bumpy evolution of K-cars' popularity in the USA (Figure 1) as well the seemingly continuous rise of K-pop's popularity (Figure 2)?

Recent studies, mostly focusing on K-pop, have tackled this conundrum by investigating the evolution of Korean industries based on Porter's diamond (Parc and Kawashima, 2018) and double diamond (Parc and Y Kim, 2020; Parc and Moon, 2019) models. These studies show that the Korean music industry quickly adapted to recent changes in technology and techniques of producing and marketing music driven by Western businesses influencing the sector, such as the use of online video channels (VLive, YouTube) and focusing on promotion of individual songs, rather than albums (Parc and Kawashima, 2018; Parc and S D Kim, 2020; Parc and Y Kim, 2020). Similarly, the Korean car industry has adapted Western strategies to improve its market (Kim, 1998). These papers also claim that initiatives for growth of Korean products was mostly driven by companies, and that, apart from some legislative interventions, the Korean government only "took a ride along" with the

success to promote Korean traditional culture being embedded in these products (Parc and Moon, 2019).

While we agree with this work suggesting that traditional Korean cultural phenomena cannot explain the success of Korean products, the quick adaptation of Korean manufacturers to novel strategies does not sufficiently explain the global success of Korean products. Car manufacturers and music producers from other “non-Western” countries, be it India, China or the Czech Republic, had equal opportunities to (and often did) adapt to these new strategies, which therefore should have led to similar success (Sardy and Fetscherin, 2009). However, although having local success, Indian and Chinese car manufacturers (or music producers) have not been able to gain strong footholds in the Western world, unless through the take-over of a Western manufacturer and producing cars under this Western name. And again, only looking at social/industrial improvements in Korean business cannot on its own explain K-pop’s boom, while simultaneously explain the more fluctuating success of K-cars. This paper will argue that not only the Korean government, but also Korean industries have used the claim of traditional cultures embedded in their products to maintain brand success. Furthermore, although the Korean government may be accused of using recent successes in K-pop and other Korean products to promote itself and Korean nationalism (Parc and Moon, 2019), this paper will show that governmental initiatives in organizing and collaborating with Korean business and industries after the Korean War have contributed to the success of Korean products.

This paper will further expand the thesis that it is not the cultural/artistic phenomena that explain the success of Korean products, but rather Korean social/industrial traditions that allowed K-pop to thrive and that sometimes increased K-car success while at other moments limiting its potential. Nevertheless, we highlight that Korean companies *claiming* traditional values are incorporated in products are important contributors to success and attract new

customers. To achieve this, we expand the analysis of K-pop and K-car from current business evolutionary models (Porter's diamond (Parc and Kawashima, 2018; Parc and S D Kim, 2020; Parc and Y Kim, 2020)) by analyzing perceived brand authenticity embedded in commercialization of K-pop and K-cars. It will also show how similar strategies could be developed by other (Central European) industries to break the hegemony in oligopolistic markets.

## ***2.2 Korean Traditional Values***

Traditional Korean values were developed during the Chosun dynasty, which lasted from 1392-1897 (Kim and Vanheusden, 2019). During this period, Confucianism developed and became the main philosophical doctrine in Korea, paying strong attention to an individual's role as a member within the family, community, nation and natural world (Liu and Stening, 2016). One particular Confucian framework that came to orchestrate everyday life was the principle of Yin-Yang, which describes the quest for finding harmony within and between opposites (Chen and Miller, 2011). The idea of this dual paradox as a main ruler of life forced Koreans to maintain a certain flexibility in making choices in life, and accommodating for and interpreting life events, as the world is considered in constant flux (Chen, 2001). In other words, trying to maintain a balance between Yin and Yang ensures a balanced life. Optimal choices in life can therefore defy logic and intuition is considered a valid approach to arrive at a (scientific) conclusion (Li, 2012). Allowing both logical and intuitive pathways for explaining events became the cradle for current practices in Korean (and other Asian countries') medicine, cultural values, business and social justice (Li, 1998; Little, 2009).

This interplay and quest for balance between opposites differs from the main Western philosophical principles which developed during the same period (Burt, 1953). Unlike Confucian perspectives, Western society developed stronger attention towards the individual and individual desires within society. Furthermore, Western societies rebuked intuition as a

pathway to arrive at a conclusion: appropriate conclusions should always be based on logic. Only in the last decades, with the increased globalization,

Although Western principles have entered Korean society, especially since the Korean War (Kim and Vanheusden, 2019), Korean society still demonstrates strong connections with traditional values, which were mostly driven by social and financial crises occurring during periods when strong changes towards Western perspectives were induced (Kim et al., 1999; Lee and Lee, 2003; Warner, 2016). During these crisis periods, Korean society always appeared to return to more traditional values, thereby trying to find a balance between Western (individualism) and Confucian (collectivism) values. Some researchers have argued that Korean contemporary society can therefore be considered a form of Confucian capitalism (Mitu, 2015).

### ***2.3 Influence of Traditional Values on Contemporary Korean Business and Society***

Contemporary Korean society is an amalgamation of Confucian and capitalist values, which can be seen in the operation of Korean conglomerates, known as *Chaebols* (Chung, 2016; Kim, 2019; Lee and McNulty, 2003; Noland, 2012). Korea started its independent industrialization process late compared to other industrialized countries due to consequences of Japanese colonization and the Korean War. Although Japanese colonization led to the development of industrial plants for improving (Japanese) economy, Korea only developed its own industrial conglomerates in the 1960s (Lee and McNulty, 2003). By that time, other countries had already taken the benefits of growing technology in mass production and distribution and realized the need for product diversification. The complexity of decisions required to coordinate a company within this industrial landscape led to the development of the M-form organization in which “a group of managers would oversee activities within different parts of the company” (Chandler Jr, 1982). Companies would invest in wholesale and rely on dedicated marketing and sales offices to promote their products to an international



customer base (Chandler, 1984). These marketing and sales offices, and provision of goods to franchised sellers, would again be under the control of a management team (Chandler Jr, 1982). Branded products became widely visible in society, and companies became more involved in developing an identity for their brand through advertisement and designing products through which customers could perceive their own socio-cultural values within the products and company (Holt, 2002; Low and Fullerton, 1994). As such, the car and cultural (e.g. film) industries, amongst others, became an oligopoly: dominated by a small group of large companies with excessive managerial hierarchies (Low and Fullerton, 1994). In the USA and later Europe, this led to the creation of large conglomerates. When Korea started its industrialization process, its industries were forced to adapt themselves into this globalized culture, leading to the creation of *Chaebols* (Samsung, LG) in the 60s and 70s (Yoo and Moon, 1999). The Korean government, however, exercised tight control on the proceedings and growth of Korean industry, organizing its growth in successive Five-Year Economic Development Plans (Yoo and Moon, 1999). This provided a platform for morphing Confucian and capitalist values. Confucianism strongly discourages pursuing a career in business and seeking financial profit or fame. To avoid social conflicts, the Korean government started portraying the search for industrial and economic growth as goals that benefit the nation. As such, making money became an acceptable way of life for Koreans (Noland, 2012; Park, 2010). To further emphasize the claim that industrial growth benefits the nation, traditional Confucian values such as strict discipline and behavior according to hierarchical rules and contribution to the nation as a motivation to work were implemented in *Chaebol* business strategies and continue to be very evident within Korean working environments (Kee, 2008; Kwon and Kim, 2014; Liu and Stening, 2016; Mitu, 2015; Yun, 2010).

On the other hand, seeking a harmonious life with others and with nature also remains an important part of everyday social interactions in Korea (Chung, 2016; Mitu, 2015). To

claim being “authentically Korean”. Korean brands started actively searching for ways to represent these values to national and international consumers.

#### ***2.4 Developing and Maintaining Brands***

In contemporary culture, consumers look for brands that contribute to developing their identity projects (Holt, 2002). Music and cars cover two types of products that are often involved in these projects. Examples are an affection to punk rock for showing anti-establishment beliefs (Dunn, 2008) or purchasing a Porsche to show a high position on the social ladder or self-confidence (Hennighausen et al., 2016).

One way for brands to contribute to a consumer’s identity project is by inducing social interactions and acting as a reference for social trends or societal symbols (Holt, 2002) (Hesmondhalgh, 2008). To achieve this cultural symbolism, brands can implement and maintain references to particular traditional values or concept related to their country of origin or country to which they export their products (Cayla and Eckhardt, 2008; Chen, 2016). Appropriate implementation can positively influence brand authenticity perception, which can help consumers in shaping their identity (Holt, 2002; Morhart et al., 2015). This may make consumers more likely to purchase the brand’s products.

Morhart et al. (2015) identify four dimensions to perceived brand authenticity (PBA): continuity (a brand’s faithfulness to itself), credibility (brand’s faithfulness to customer), integrity (brand’s willingness to adhere to moral values) and symbolism (brand’s ability to support consumers in being true to themselves). These dimensions can be measured through the analysis of indexical (authenticity through inherent qualities), iconic (authenticity through projections of one’s beliefs and expectations) and existential (authenticity through being true to one’s self).

### 3. Methodology

In the following sections, the claims that K-cars' and K-pop's successes are based on social/industrial and/or artistic/cultural phenomena unique to Korea will be evaluated based on politico-historical perspectives on the origin and design philosophies that evolved in both the Korean car and music industry.

Afterwards, changes in success of K-cars (Hyundai/KIA) and K-pop (SM Entertainment/YG Entertainment/JYP Entertainment/BigHit Entertainment) in the US market will be evaluated through the lens of PBA using company features or (inter)national events affecting K-cars' and K-pop's PBA. For each of the four PBA dimensions, specific industry features or (inter)national events related to the industry/companies will be compared (Table 1).

[Table 1 about here]

### 4. Results and Discussion

#### 4.1 *The origins of K-pop success*

Korea encountered Western popular music for the first time during the 1950s, with American soldiers in the Korean War bringing along their favorite songs from Frank Sinatra, Patti Page or Les Paul (Russell, 2012). Prior to this, most popular music in Korea consisted of folk songs and traditional instrumental music (Lie, 2012). In the 1970s, both types of music were banned, as folk songs often included messages against the dictatorship of General Park, and popular music was considered too loud and to lead to a decadent lifestyle, incompatible with Confucian values (Lie, 2012).

Pop re-entered mainstream Korean music during the 1980s, albeit mostly in the form of ballads (Shim, 2006). K-pop saw its first success with Seo Taiji and Boys in 1992 (Lie, 2012). Around the same time, Lee Soo-Man started up SM Entertainment (Shin and Kim,

2013), after being influenced by American pop songs and music videos during his studies in the USA (Lie, 2012). Along with other entertainment houses, Lee set up a framework of cultural technology that the Korean government supported in its drive to expand Korean export products after the 1997 Asian financial crisis (Chen, 2016).

The first success stories of K-pop export were acts such as H.O.T. (High Five of Teenagers) and BoA (Lie, 2012). Within 2 years, Korea was the second largest music market in Asia with \$300 million in album sales per year (Shim, 2006). From these successes, the “Big 3” K-pop entertainment houses attempted to gain a foothold in the global market with bands such as BigBang and 2NE1 (YG Entertainment), Wonder Girls (JYP Entertainment) and Girls’ Generation (SM Entertainment) (Shin and Kim, 2013). Although these bands organized global tours and appeared on *Late Night* shows (G Kim, 2017; Lie, 2012), K-pop’s global breakthrough only came after the (online) success of Psy’s “*Gangnam Style*” in 2012 (Kwon and Kim, 2014), a song which does not exactly fit (and almost mocks) K-pop (Ballardie et al., 2019; Park, 2016).

In 2016, K-pop global sales reached a record \$4.7 billion (S Kim, 2017; KOCCA, 2017). And in May 2018, Korean boyband BTS (Bangtan Boys, Hangul: 방탄소년단; Revised Romanization: Bangtan Sonyeondan) became the first K-pop artist to reach number one in the American album charts (BBCNews, 2018a). Well-known for their meticulously choreographed dance performances and “cute” boyish looks, the seven-member group is currently one of Korea's best-selling musical exports (BBCNews, 2018b; Benjamin, 2020). Their aggressively devoted fans have formed a distinct social group, calling themselves BTS ARMY (Ballardie et al., 2019; BBCNews, 2018b; Salsby, 2020). Besides BTS, the girl band BLACKPINK has become the latest YG Entertainment product to reach global success (Herman, 2019).

From a musical style and band setup perspective, some researchers have attempted to locate the roots of K-pop in Korean culture and musical traditions (Cruz et al., 2019; Jang and Paik, 2012; Kim and Bae, 2017). Bands usually have a leader, who acts as the spokesperson for the group during interviews and starts the vocals in most of the songs (Bhutto, 2019). This superficially resembles the traditional Korean music group setup. Lead and follower(s) lyrics let a lead singer sing a song with other singers or the audience following along to create harmony (Jang and Paik, 2012). This structured performer-audience interaction is also observed during current live performances of K-pop bands, with the audience shouting specific catchphrases or lyrics at well-timed moments during a song or moving their souvenir concert lights along with the beat (Ballardie et al., 2019). However, many Western bands also have a spokesperson (e.g. Beyoncé for Destiny's Child or Bono for U2 (Petit, 2011; Schuman, 2014)) and thrive on interactions with the audience (Barkhuus and Jørgensen, 2008). As such, these structures in band organization and performance setup can hardly be called traditional Korean.

It has further been claimed that K-pop maintains Korean authenticity through exemplification of Confucian values, which are asserted to be the source of its success across Asia (Cho, 2011; Messerlin and Shin, 2017). According to the traditional Confucian worldview, K-pop stars avoid the use of violent, drug-related, and generally immoral lyrics (Cho, 2011; Kim, 2016). They are also strongly controlled to maintain a socially respectable lifestyle eschewing drugs, sex, and tattoos (Choi and Maliangkay, 2014; Messerlin and Shin, 2017; SERI, 2012; Wong, 2018). The themes of most songs are related to love, and a group's appearance emphasizes cuteness or coolness (Choi and Maliangkay, 2014; Messerlin and Shin, 2017; Oh and Lee, 2014). These characteristics appeal to both young fans and their parents (Ballardie et al., 2019; Lie, 2012; Salsby, 2020).

On the other hand, many aspects of the Confucian worldview are neglected in K-pop. A major example is that in traditional Confucianism, a worthy life is an honorable life, of which singing or artistic performance would only be a small part of the learning process to become a well-respected citizen. As such, entertainers devoting their lives to entertaining others are considered honorless (Morelli, 2001; Shim, 2006, 2008). Yet because of the success of K-pop, the most desirable careers for the contemporary young Korean generation are to become singers or dancers (Lie, 2012).

It is also clear that mainstream K-pop bands adopt their styles and fashions from mainly American and European pop and might only subtly flavor the features of these styles with Korean elements (Parc et al., 2017). To avoid being considered Asian copies of Western R&B and hip-hop, K-pop bands will attempt to blend their music's melodies, sounds, and tunes with Korean lyrics as well as traditional Korean rhythms and musical instruments. For example, the sound of the *gayageum* (Hangul: 가야금), a zither-like string instrument, is becoming a familiar part of K-pop (Cho, 2012; Messerlin and Shin, 2017; Park, 2016). Yet the core of the songs is very similar to those of current Western pop. By mixing English and Korean lyrics, though, K-pop songs create a sort of complexity and difficulty in decoding the lyrics, making the songs appear to be both English and Korean (Lie, 2012). Through such slight hybridization of music styles and languages, K-pop remains sufficiently new and innovative to expand and spread its boundaries (Parc et al., 2017).

K-pop is not just about the music. Early on, the Korean entertainment industry sought to surmount any real or perceived language barriers through accompanying music with visually intensive performances emphasizing dancing over singing. Prior to 2000, these visually-focused performances were disregarded in the global music market (Messerlin and Shin, 2017) but subsequently played a major role in the widespread success of the genre (BBCNews, 2018b; Messerlin and Shin, 2017; Parc et al., 2017). K-pop first attracted public

attention through music videos on YouTube that provided more entertainment content than just the music itself (Cruz et al., 2019; Meza and Park, 2015). Now, both song and dance performance are considered equally important, and considerable capital is invested in creating unique choreographies for individual songs as well as high-content music video clips. Along with behind-the-scenes and daily-life videos, these clips are widely distributed through social media such as Daum/Naver (Korean web portals), V Live, Facebook, Instagram, Twitter and YouTube (Messerlin and Shin, 2017).

K-pop stars also pay considerable attention to fashion (Choi and Maliangkay, 2014; Lie, 2015; Oh and Lee, 2014; Sawangchot, 2016). Band members typically dress themselves stylishly to look impressive and powerful. Their clothing is a combination of luxury designer brands and Korean streetwear, tailored to ensure that the clothing does not obstruct their dance performances. With the powerful competition between K-pop stars, it is necessary not to wear the same clothing twice and thereby reinforce the image of living successful and luxurious lives. Being well aware of how paparazzi can be used to improve their images, many bands devote considerable time to selecting their optimal outfits when traveling. This has led to the lucrative fashion business called “airport outfit” (Hangul: 공항 패션) (Lee and Kim, 2014).

Finally, the rise of online music content has led to a major reduction in the sales of singles and album CDs/DVDs in the music industry (Messerlin and Shin, 2017). To maintain public interest in this market, Korean entertainment companies provide exclusive material with the hardcopy, for example, a different album cover for each band member such that fans can select images of their favorite member(s) (Ballardie et al., 2019). Furthermore, the K-pop bands publish a high number of mini-albums (Messerlin and Shin, 2017). This might help popularity and keeping the band in the spotlights (Wong, 2018). Mini-albums show similarities to the Western concept of EPs in the era of vinyl, but EPs never appeared to be

produced as frequently as K-pop mini-albums (Rodriguez, 2015). Apart from this, bands produce an enormous amount of accessories and necessities for fans to purchase as part of their concert experience or following the lifestyle of their idols (Ballardie et al., 2019).

K-pop, established in South Korea in the 1990s and promoted as a Western-Asian hybrid, is now a multi-million-dollar industry with many young bands winning audiences around the globe (Choi and Maliangkay, 2014; Messerlin and Shin, 2017). Although some have claimed to find evidence of Korea's artistic and cultural heritage in K-pop, that is, the presence of musical structures and Confucian values (Cho, 2012; Jang and Paik, 2012; Lie, 2012; Yim, 2002), the evidence is slim. Use of Korean language lyrics and instruments notwithstanding, there is nothing about K-pop that could not have been created elsewhere. The important point, though, is that it was not created elsewhere but in Korea. Governmental initiatives to promote Korean culture and the quick adaptation of Korean music labels to the rise of social media has greatly influenced the global recognition of K-pop and other Korean cultural products (Bhutto, 2019; Jin, 2006, 2016; Kim and Nam, 2016; Parc and Kawashima, 2018; Parc and S D Kim, 2020).

#### ***4.2 The origins of K-car success***

Only relatively recently have efforts been made to attribute Korean success in global automobile sales to the vehicles' aesthetic roots in Korean tradition. Hyundai's current design philosophy is self-described as "fluidic sculpture" (Chung et al., 2015; Lee, 2010; Lee et al., 2012) which is explained as being inspired by nature ("an aesthetic as unrestricted as flowing water and as free as the wind") and executed with the simplicity characteristic of Eastern art. Despite the artistic references, it is clear from other sources that the inspiration for the design was not nature but rather German and Japanese automobiles (Ahrens, 2016; Choi and Bok, 2009; Chung et al., 2015; Kim, 1998). This adaptation of foreign ideas in car manufacturing is especially apparent in the history of Hyundai (Choi and Bok, 2009; Kim, 1998; Minchin,



2017; Sohal and Ferme, 1996), which is also the main shareholder of KIA since 1998 (KIA, 2020b; Minchin, 2017).

Hyundai started assembling Ford compact cars on a knockdown and later semi-knockdown basis, while at the same time developing its own engineering skills to manufacture cars (Kim, 1998). After a government initiative supporting the development of Korean cars, Hyundai developed the Pony, which was made almost completely in Korea (Kim, 1998). This was followed by the development of its first front-wheel drive cars based on technology obtained from Mitsubishi. During the 1980s, Hyundai followed other Asian car manufacturers and entered the US market (Hyundai Motor Manufacturing Alabama, 2020).

After issues related to the 1997 Asian financial crisis and 1998 strikes in Korea making the company incapable of meeting export demands, Hyundai started up manufacturing plants in the USA and other countries (Minchin, 2017). Simultaneously, it extended its car portfolio from compact cars to mid-size and full-size cars as well as luxury cars, most of which found parts of their design originating from other manufacturers (Choi and Bok, 2009; Kim, 1998).

In contrast, KIA originated as a bicycle manufacturer, developing its first cars in 1974. After being forced to cease passenger car manufacturing in 1981, it re-entered the market after partnering with Ford in 1986 (Kia of LaGrange, 2019). In 1992, KIA entered the US market (Kia of LaGrange, 2019). Up until then, cars were mostly based on foreign technology, and only in 1993 KIA started paying more attention to research and development (Sohal and Ferme, 1996). After Hyundai's takeover in 1998 (Kia of LaGrange, 2019), KIA followed into Hyundai's footsteps, expanding its manufacturing sites and setting up its first North American plant in 2010 (Minchin, 2017).

Even after achieving the ability to develop their own cars, Hyundai and KIA continued to develop cars based on imitation and adaptation of foreign design and technology (Choi and

Bok, 2009; Jun and Park, 2016; Kim, 1998). In his book *Seoul Man*, Frank Ahrens provides some specific examples of Hyundai adapting foreign design and technology (Ahrens, 2016). As Hyundai's previous Director of Communications, his language obviously is that of a seasoned public relations executive but nonetheless worth quoting in full. First conceived in 2007:

... in 2009 in one grand and unexpected flourish, Hyundai shocked the auto industry when it debuted a ground-breaking new design on its big-selling Sonata sedan. Called "Fluidic Sculpture," the look was all curves and swoops. In one move, Hyundai had leaped from bland fast follower to industry design leader, forcing competitors such as Nissan and Toyota to overhaul or at least examine their own cars' designs ... Critics favorably compared the new Sonata's design to the Mercedes C-class. A bold character line swept along the side of the Sonata—Hyundai designers called it the "orchid stroke"—and it arced like a javelin in flight, giving the car a look of tension and velocity (Ahrens, 2016).

Along with Mercedes Benz and other foreign manufacturers being worthy design exemplars, there are other reasons for the similarities; Hyundai has made it a special point to acquire German expertise when possible (Choi and Bok, 2009; Kim, 1998). In 2006, Hyundai hired Peter Schreyer, the designer of the Audi TT. Subsequently in 2013, he was put in charge of Hyundai design as well (Ahrens, 2016). And in 2017 the Hyundai Motor Studio in Goyang, South Korea, was designed by the German firm Atelier Brückner, which had previously designed the new BMW Museum in Munich (Ahrens, 2016; Lee et al., 2012).

German—or at least European—automobile design was and is indeed a very familiar reference point for Hyundai. Returning to Ahrens' observations:

My first thought was that the designers had pulled a trick on me and driven in an Audi A7, one of the most beautiful cars on the road. Nope. This was the next Genesis ... Genesis had a brushed-chrome hexagonal grille. Car companies spend a lot of money and time—years, even—thinking about and perfecting their grilles ... Think of the "twin kidney" BMW grilles, the three-pointed star in the Mercedes grille, and the diagonal bar

across the Volvo grille ... The Genesis hood was long, a characteristic of high-performance rear-wheel-drive European sedans like Jaguars (Ahrens, 2016).

Similarly, subsequent design decisions regarding the Sonata certainly raise further questions regarding Hyundai's originality:

The new Sonata was sitting next to a new Genesis. It was undeniable, for the first time in Hyundai's history, that these two cars belonged to the same family in the way it is undeniable that all Audis and Benzes belong to the same family, [German manufacturers served again as a reference point, and yet] ... Hyundai's designers had taken the powerfully arcing "orchid stroke" character line on the previous Sonata's side—the one that drew comparisons to the Mercedes C-class—and flattened it out, Honda-style ... The buzz around the company was that the previous Sonata, which had wowed the pants off of American motoring journalists and made it a success among American customers, was too wild for Korean customers (Ahrens, 2016).

Regarding this "fluidic sculpture", there is no question that the 2010 Hyundai Sonata (Figure 3) was bland and that the 2011 Sonata (Figure 4) was more striking.

[Figure 3 about here]

[Figure 4 about here]

Hyundai was also not reluctant to attribute considerable success to "fluidic sculpture". At 2012's Detroit Motor Show, Hyundai Motor America announced that design excellence had contributed around 40 percent toward the hugely increased sales volumes of the YF Sonata and the fifth-generation Elantra, as compared with the sales volumes of previous models (Chung et al., 2014). In 2013, Interbrand (Global Brand Consultancy) indicated that Hyundai Motor Company had attracted emotional purchases with its strategy of transformation into a design-led brand (Chung et al., 2015). From the work of Chung et al. (2015), it appeared that "the brand perception had now gone beyond a pure value play to develop a premium halo."

And yet there is no question that the 2015 Sonata (Figure 5) dialed back the dramatic flair of the “orchid stroke.” Even though the company claimed success through (re)design, yearly increases in US sales revenues do not show it outperforming any of the other American or Asian manufacturers during the 2011-2015 period (Figure 1). Hyundai’s unique car side treatment cannot be regarded as design leadership either, because no other company followed.

[Figure 5 about here]

This incident illustrates what it is that Hyundai does best, offer attractive but inoffensive versions of bolder vehicles from elsewhere that might not be a buyer’s first choice but would still be on that buyer’s list of possibilities. The Korean automobile industry is therefore comparable to the K-pop playbook: removing the violence, drug references, and immorality from lyrics and replacing them with larger doses of romance. Alternatively, removing the tattoos from performers and polishing them up with shiny veneers of cuteness leaves a product that is also attractive and inoffensive. In some way, K-pop and K-car followed in the footsteps of (Japanese) J-pop and J-cars (Freedman and Blair, 2010; Mōri, 2009). But unlike K-pop outperforming J-pop (Herman, 2018a, 2018b; Hong, 2012), K-cars continue to be outperformed by J-cars (at least in the US market) in market share (Cain, 2017; Hill et al., 2011).

If K-cars’ artistic design aspects did not give these manufacturers an edge over their competitors, as for example shown by the 2010-2016 sales increases (Figure 1), it is unlikely that these artistic/cultural elements were responsible for the sales increase in the late 1990s and early 2000s, or the increased sales in 2008. KIA’s increased sales in the 1990s can be explained by the company’s entrance and expansion into the US market (Kia of LaGrange, 2019). This expansion might have been hampered by repercussions related to the 1997 Asian financial crisis and Kia’s subsequent takeover by Hyundai. Hyundai itself however struggled to maintain its position in the US market due to major strikes and inability to meet export

demands in 1998 and 1999 (Hyundai Motor Manufacturing Alabama, 2020; Jun and Park, 2016; Kia of LaGrange, 2019; Minchin, 2017; Yoo and Moon, 1999). As with K-pop, governmental initiatives after the 1997 financial crisis to protect the Korean industry will also have contributed to the ability of Hyundai and KIA to continue to focus on developing and improving their car portfolio (Park and Lee, 2002). It therefore appears that social and industrial actions by the car and music manufacturers and the Korean government have been responsible for increased sales, rather than embedding Korean artistic or cultural values within these products.

The question therefore remains why K-pop reached global success and K-cars did not, although both generate inoffensive versions of known Western products and received Korean governmental support. In the following paragraphs, it will be shown that although neither K-pop or K-car is authentically Korean, both claim authenticity and it is the perceived closer relation of K-pop to traditional Korean culture (compared to K-car) that provide the brand's success.

#### ***4.3 Maintaining Success: (the loss of) brand authenticity***

This section will contrast K-pop's and K-cars' perceived brand activity based on the framework developed by Morhart et al. (2015) as outlined above.

##### ***4.3.1 Continuity***

Since K-cars entered the American market, they have been considered manufacturers of affordable cars of questionable quality (Homer, 2008). To improve their image, and perhaps attract a consumer group beyond working class Americans who prefer buying American or US-manufactured products (Essoussi and Merunka, 2007; Levin et al., 1993) and have shown hatred towards foreign manufacturers (Frank, 2002), Hyundai (and Kia) decided to give their cars a more luxury design (Homer, 2008). Apart from changing the car side

frames, the front (face) of the car also received a make-over (Figures 3-5). Hyundai took on a hexagonal grill (Figure 5) compared to their usual rounded trapezoid (Figures 3-4), which can be considered a bold move by any car manufacturer, as studies have shown that the front (face) of a car is most important for brand recognition (Burnap et al., 2016; Choi and Bok, 2009). By removing a recognizable aspect of the “affordable, low-quality Hyundai”, the company might have felt in a better position to attract new customers. The grille would increase its distinction from other (luxury) car manufacturers such as Mercedes, BMW or Cadillac and help advertise Hyundai, and especially its Genesis, to a new customer group of high-earning professionals (Choi and Bok, 2009; Ranscombe et al., 2012). However, as for the “fluidic sculpture”, this change in design might have alienated traditional customers in both the USA and Korea, and did not lead to the expected growth in market share or sales increases (Cain, 2017). The Genesis and other Hyundai models, even though *looking* luxurious, must be *perceived as* luxury.

On the other hand, K-pop is branded in such a way that it continues to be perceived as Korean by non-Korean consumers, and Western to Korean consumers (Lie, 2012; Messerlin and Shin, 2017). This “perception gap” gives K-pop characteristics of being something new and innovative, which will have helped developing its success (Burnap et al., 2016; Messerlin and Shin, 2017). K-pop bands will bring songs with Korean lyrics about non-violent themes, combining melodious sections with rap, incorporated in an energetic choreography performed live or as part of high-technological music videos full of symbolic meaning (Ballardie et al., 2019; Lie, 2012; Salsby, 2020; SERI, 2012). These seemingly Korean aspects make K-pop recognizable for audiences around the world, and contrast with the earliest attempts of K-pop bands such as Wonder Girls to break through in the USA with English versions of their songs (Hodoyan-Gastellum, 2016), or CL’s style being considered a Korean version of Nicki Minaj (Kwak, 2016). American music fans were not enthused by nor interested in Korean copies of

American bands and performers, which may help explain why these bands were not able to achieve the success of current bands.

#### *4.3.2 Credibility*

To boost its credibility, the development of the luxury car Genesis might have convinced some customers about the quality of Hyundai products (Choi and Bok, 2009; Knowledge at Wharton, 2009). Besides this, Hyundai attempted to improve its quality perception by advertising 7- and 10-year warranty plans for specific models and advertised a new brand personality, albeit with limited success in changing consumer perception (Homer, 2008). Hyundai has showed openness to its customers when faced with technical issues, informing them about issues with overestimated miles per gallon rates in 2012 (Chung and Kim, 2014). Yet none of these initiatives are unique to Hyundai and KIA compared to other car manufacturers and therefore would not likely improve the perceptions about K-car's authenticity.

For K-pop idols, transparency and willingness to show their daily life have always been prerequisites to please their Korean fans (Chen, 2016; Lie, 2012). This need for a ubiquitous presence was easily expanded to their global fan base through social media. Giving fans the experience to follow everything idols do in their lives is almost unique to K-pop, and goes well beyond biographic documentaries developed by Western artists. (Yoon, 2018). The willingness of K-pop bands to interact with fans also appears stronger compared to Western artists, with for example BTS frequently referring to their ARMY fan base during concerts, documentaries, social media posts and speeches (Jin and Yi, 2020; Jin, 2018). Idols will often endorse their fans to maintain this community or join them during charity events (Chen, 2016; Low, 2019).

### 4.3.3 Integrity

Interestingly, both KIA and Hyundai showed a faster rebound from the repercussions of the 2008 financial crisis compared to competitors. One argument that led to this could be increased sales due to the introduction of Hyundai's Assurance Program. This program provided customers with the possibility to return their car in case they lost their job due to the repercussions of the financial crisis (McAllister, 2010). Simultaneously, KIA's announcement to build a US plant during times when American manufacturers were closing their own plants might have had a positive influence on American customers' perspectives on Korean car manufacturers (Minchin, 2017). These initiatives could be perceived as K-car manufacturers caring for their working-class customers by providing them with employment and ways to get cash in case of losing employment. However, it quickly became clear that KIA had received significant tax reductions and incentives to build its plant in Georgia, similar to Hyundai receiving incentives for building its manufacturing plant in southern USA in the 2000s (Minchin, 2017). Furthermore, Georgia was chosen for building the plant due to a weaker presence of workers' unions in this state, especially compared to northern USA or Korea (Minchin, 2017). Adding to this, KIA promised prioritizing employing the local community, yet it quickly became clear that the company did not follow up on this promise (Minchin, 2017). Finally, senior management of Hyundai was accused of fraudulent behavior in Korea, and although making changes in management, there have been many "clashes of culture" between Korean senior management and Americans managing the US plant in recent years (Kiley, 2008; Minchin, 2017). Both KIA and Hyundai therefore do not appear to apply their traditional Confucian values of seeking harmony in design in their management, nor do they seem to behave as a generous father to their community or consumers (Cha, 2003; Li, 2006; Low and Ang, 2012)

For K-pop, with the many social rules that idols have to adhere to in order to maintain an appropriate—and very prominent—presence in social media, their lives are necessarily



governed very rigidly by the entertainment companies (Chen, 2016; J Kim, 2017; Wong, 2018). Even before becoming an official member of a K-pop band, prospective performers are expected to live at residences close to or at their company and to participate in long and intensive training schemes (Parc et al., 2017). Social engagements such as dating are in most cases not allowed for fear of losing fans' attraction. This leads to high pressure on budding Korean entertainment stars as they understand that even slight deviations from expected behavior could lead to a sudden collapse in fame and immediate removal from the K-pop scene (Ballardie et al., 2019; J Kim, 2017; Wong, 2018). One band that suffered loss of fame due to inappropriate behavior is 2NE1, which collapsed after allegations of drug smuggling by one member (Salamat, 2020). BigBang also saw a possible return to fame after completing their army duties crushed by allegations of one member's involvement in a sex scandal (Hollingsworth and Seo, 2020). However, with the global expansion of K-pop, some of the rules seem to be relaxing, and it appears now possible for BTS members to wear piercings or tattoos, which would have been considered intolerable seven years ago (Ballardie et al., 2019). As such, it seems that as long as idols show refrainment from violence or other unlawful behavior and lyrics and maintain a strong interaction with their fans through (social) media, the integrity of K-pop will be maintained (Chen, 2016; Jin and Yi, 2020; Lie, 2012; McLaren and Jin, 2020; Oh, 2020).

#### *4.3.4 Symbolism*

To become a part of consumers' lives, K-car manufacturers (continue to) follow a post-modernistic approach to branding, providing cultural resources with which their customers can identify themselves (Holt, 2002). An important part of this campaign has focused on what Holt describes as "coat-tailing on cultural epicenters" with which working class members identify themselves (Holt, 2002). As a high number of the working class watches sports, sponsorship of sporting events can nurture the association with a brand (Jhally, 1989;

Wenner, 1989; Woods, 2015). To explore this opportunity, Hyundai became an official sponsor of FIFA in 1999 (Hassan, 2018). Furthermore, the organization of the 2002 FIFA World Cup by Japan and South Korea might have increased interest of the (American) public in Korea, leading to a better awareness of the products designed and manufactured in Korea and increasing the perception of quality products manufactured in both countries (Horne and Manzenreiter, 2004; Kim and Morrision, 2005; Kim and Nam, 2016). More recently, KIA started sponsoring the NBA and other sports organizations (Hassan, 2018). Both companies have also engaged with influencers that affiliate with Korea or Korean culture. One example would be Korean Englishman promoting the features of the KIA Stinger (Englishman, n.d.). However, the lack of integrity shown by Hyundai and KIA (as described above) and the easy recognition of influencers as brand agents might have thwarted the efforts made by both manufacturers to appear authentic and reduced the effect of their branding as affordable luxury cars (Choi and Bok, 2009; Holt, 2002).

In this sense, the rapid removal of immorally behaving idols might help K-pop maintain its symbolic meaning of the innocent alternative to Western hip-hop or R&B. However, it can also be demonstrated that K-pop has better adapted to the post-post-modernistic approach to branding through providing original, relevant cultural material that consumers can use to develop their identity. K-pop bands often have a high number of members (compared to western bands), all of whom have their own personality and are allowed to engage with individual music or performance projects (Parc et al., 2017; Shah, 2020). This idea of being able to be yourself within a group has been explored less by Western bands, but appears to attract the younger generations and appears especially praised by BTS' global fan base (Ballardie et al., 2019; Salsby, 2020). Especially BTS has strongly advocated to fans to find their "own voice" and to understand everyone's life has good and bad moments through their "Love Yourself" series (Wickman, 2018). They further promote

and sponsor campaigns that promote inclusivity, which may further contribute to the perception of the band members promoting their fans to develop their own identities (BBCNews, 2020). However, to maintain this image, K-pop will need to tackle concerns that are currently raised with how entertainment companies treat their pedigree (Choi, 2015; J Kim, 2017; Lie, 2015; Wong, 2018), and some further loosening of the strict rules idols have to comply with might be required to confirm the ability to be one's self in contemporary society (Ballardie et al., 2019). Similarly, the expectations of K-pop fan bases for their peers to act and react in specific ways to calls for action or during concerts might induce contradictions with the potential to experience concerts according to one's individual desires.

In summary, it can be argued that K-pop might have had to remove the stigma of early K-pop bands trying to break through globally as copies of western music styles, but has now developed cues that increase their perceived authenticity. Moreover, the industry quickly reacts to situations and events that might challenge its symbolic meaning, integrity or credibility. Attempts of K-car manufacturers to remove lower perceptions of the quality of their products have only led to limited success and their inconsistent behavior towards customers and employees may have thwarted their ability to develop authenticity. The current success of K-pop might however be creating new opportunities for K-cars to increase their US market share and recognition as a good quality brand that cares for its consumers.

## **5. Conclusion**

Korea's history of culture adaptation (rather than embedding its own culture within a product) appears to be a driver of the success of both K-pop and K-car. From having acquired considerable foreign culture in its recent past, Korea has developed a unique skill in not only making it its own but also in doing so in a way that other cultures would find equally acceptable. Together with successful business strategies and attention to providing inoffensive and attractive alternatives, they have now become established products in global markets. It is

likely that there is even an advantage in there being almost nothing “Korean” about these products. What it means for something to be identified as part of Brand (South) Korea is to be a globally competitive product without the encumbrance of anything descended from traditional Korea.

Competitive does not necessarily mean popular, however, and popularity cannot be enforced easily upon consumers. One aspect that affects brand popularity is its perceived authenticity. Based on the dimensions of perceived brand authenticity identified by Morhart et al. (2015), the paper argues that K-pop has created a more authentic image of itself compared to K-cars through developing innovative ways of contributing to a consumer’s identity project, transparency of idols to fans and maintaining its moral values as well as aspects that can be perceived as being “Korean”. As such, the paper provides insights in appropriate strategies for brands originating from peripheral countries to engage with a global consumer community.

## **6. Implications for Central-European Industries**

Similar to other work in the field of the emergence of Korean products (Parc and Kawashima, 2018; Parc and S D Kim, 2020), the intention of this paper is not to glamourize the Korean automobile or music industries but to demonstrate potential frameworks involving both private and governmental initiatives to allow companies to break the West-European, Anglo-Saxon hegemony in these industries. Too often, arguments for success of non-West European or Anglo-Saxon industries are based on the emphasis within these industries on maintaining traditional arts or cultural values. As such, many studies have based the reason for the success of the Korean automobile and music industries on the embodiment of Korean traditional values within these products. This paper has shown that, although Korean products might be able to induce a *perception* of traditional values, the true reason behind their success is an interplay between industrial and governmental forces that led to an evolution of Korean

industry and the Korean economy towards a more Western approach, while maintaining a form of familiarity with traditional values during this process (e.g., by emphasizing the support to the nation through developing high-profit, multinational businesses). In product design, this led to the development of Westernized products (such as luxury cars or boybands) with a “Korean” flavor, making the products less bold and therefore easier to adapt to for Korean and non-Korean consumers.

As such, Central European industries wishing to develop into an international market could adapt and, for example in the case of Skoda, have adapted approaches of embedding hints towards traditional values into their design of West-European and Anglo-Saxon products. However, to reach full success, this paper argues the need for a strong links between industry and government in making decisions on which industries to target their efforts towards, ensuring an optimal marketing strategy while limiting potential clashes of further “Westernizing” the economy and industry with traditional values strongly integrated in society. Achieving an appropriate interplay between maintaining social and cultural values whilst designing and branding local products towards an international market can improve the position of Central European industries and allow them to penetrate global industries currently dominated by a small number of companies.

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<i>Dimension</i>	<i>K-car</i>	<i>K-pop</i>
<i>Continuity</i>	Car design	Korean lyrics and band members
<i>Credibility</i>	7-year warranty programme, social media notifications	Behind the scenes and daily life documentaries, charity work
<i>Integrity</i>	Fraud scandals and discouraging workers' unions Customer care programmes	(Challenges of) maintaining moral values
<i>Symbolism</i>	Affordable luxury Part of everyday life	"Love Yourself" and promotion of inclusivity, maintain morality



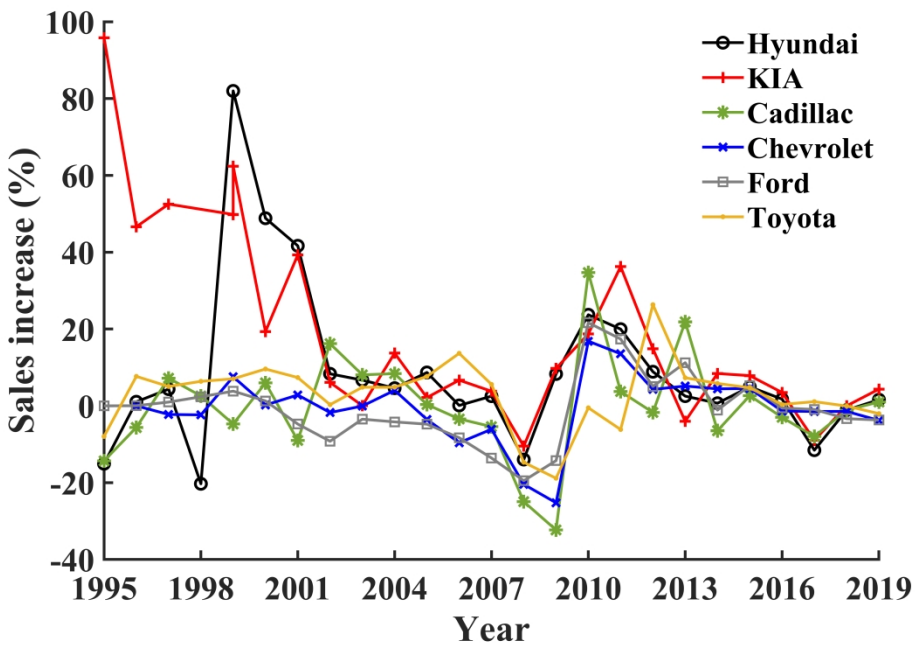


Figure 1: Sales increase (%) of car manufacturers in the US market (Data obtained from Hyundai (2020), KIA (2020a) and CSB (2020)).

254x172mm (600 x 600 DPI)

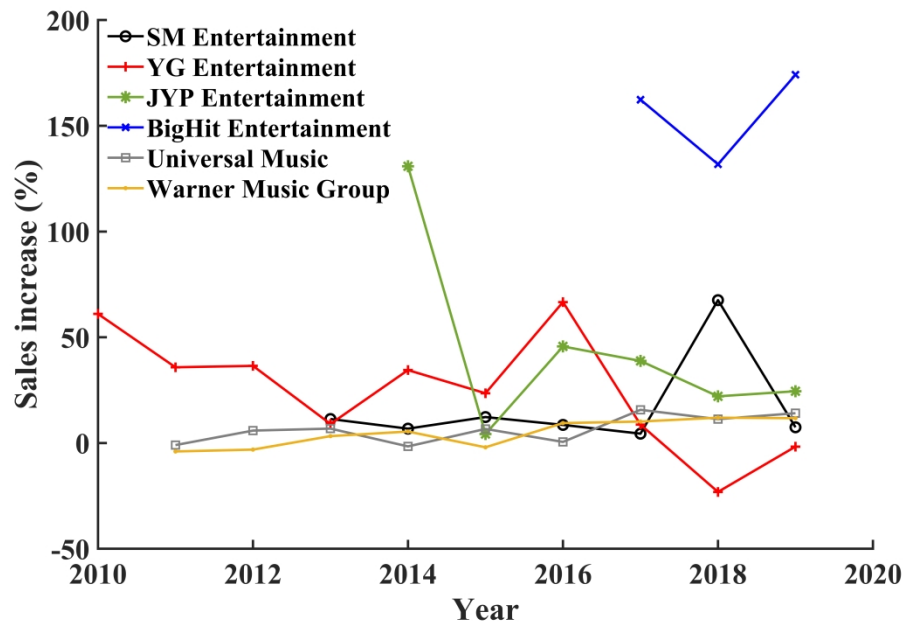


Figure 2: Global sales increases (%) of music and entertainment companies (Data obtained from Markets Insider (2020), Reuters (2020b), Yahoo! (2020), Reuters (2020c), Statinvestor (2020), Reuters (2020a), Entertainment (2020b), Vivendi (2020) and Warner Music Group (2020)).

291x191mm (600 x 600 DPI)



Figure 3: 2010 Hyundai Sonata.

135x75mm (300 x 300 DPI)



Figure 4: 2011 Hyundai Sonata.

134x90mm (300 x 300 DPI)



Figure 5: 2015 Hyundai Sonata.

162x87mm (300 x 300 DPI)