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국제학석사학위논문

# **A Comparative Study of Japan and Korea's Idol Industry**

: Focusing on the production process of major agencies

한국과 일본의 아이돌 음악산업 비교  
-주요 기획사의 생산과정을 중심으로-

2023 년 2 월

서울대학교 국제대학원

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Alice Jiye Lee

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이 논문을 국제학 석사 학위논문으로 제출함  
2023년 2월

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# **Abstract**

## **A Comparative Study of Japan and Korea's Idol Industry : Focusing on the production process of major agencies**

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As BTS became an undisputable sales juggernaut, the Korean idol industry also get global attention. When looking at the share of each country in the global idol market, Japan dominated until the early 2000s. However, the Korean idol industry, which grew through benchmarking Japan, has been receiving attention in Asia since the 2000s, and in the 2020s, it is receiving worldwide attention. The economic ramifications of Korean idols are huge, and what they eat, use, and the places they visit to attract the attention of fans and extend to other industries such as K-beauty and K-foods.

This thesis analyzed the idol industry in South Korea and Japan. Among the three main actors that make up the idol industry which is 'idols (celebrities) - fans - agency', this research subject is limited to the agency or the production side. The research also focused on the management aspects of the agency, that is, the activities of the agency in the production process, to analyze the success factors of the two countries. It proves that the process of developing the idol industry in the two countries is very different. Specifically, the success of idols in both countries was explained in the framework of thorough management strategies and training systems of major agencies, the producers. First, in the management strategies of agencies, it argued that Korea had grown in a strategy keeping pace with globalization, glocalization, and localization, and a strategy of storytelling using global platforms like YouTube, while Japan had grown in a strategy keeping pace with localization, and storytelling strategy that focused analog methods. Second, in terms of the training system, it argued that the industry grew in Korea through boot-camp style training, the pursuit of perfect idols-total manufacturing-, and a rat-race system based on meritocracy while in Japan, it grew through individual training, the pursuit of developing type idols-consuming intimacy- and a rat-race system based on human egalitarianism.

**Keywords:** Idol, Globalization, Localization, Glocalization, Logalization, Entertainment Industry, Korean entertainment agency, Japanese entertainment agency

**Student Number:** 2020-29936

# Table of Contents

<b>I. Introduction.....</b>	<b>1</b>
1. Background.....	1
2. Literature Review.....	6
2.1 <i>Hallyu</i> (Korean Wave) and Japanese Culture.....	7
2.2 Localization, Globalization, Glocalization, and Logalization.....	14
2.3 Organizational Cultures.....	17
3. Research Methodology.....	20
<b>II. Music Market Environment and Entertainment Agencies in Korea and Japan.....</b>	<b>23</b>
1. Music Market Environment .....	23
2. Characteristics of Talent Agencies in Korea and Japan.....	29
2.1 <i>JYP, YG, and HYBE</i> in Korea & <i>Hello Project!</i> and <i>AKB series</i> in Japan.....	29
2.2 <i>SM Entertainment</i> and Johnny’s Associates.....	38
2.2.1 <i>SM Entertainment</i> .....	39
2.2.2 <i>Johnny’s Associates</i> .....	46
<b>III. Strategies of Korea and Japan’s Agencies.....</b>	<b>54</b>
1. Management Strategies.....	55
1.1 Glocalization & Logalization (Korea) vs. Localization (Japan)...	55
1.2 SNS Strategies of both countries.....	65
2. Organizational Cultures.....	72
2.1 NFOB vs. FOB .....	72
2.2 Modularization vs. <i>Shokunin</i> .....	75
3. Training Strategies.....	77
3.1 Boot-camp style training vs. Individual training.....	78
3.2 Total manufacturing vs. Consuming “Intimacy” .....	82
3.3 Rat-race.....	85
<b>IV. Conclusion.....</b>	<b>90</b>
<b>Bibliography.....</b>	<b>93</b>
<b>Abstract in Korean.....</b>	<b>100</b>

## **List of Figures**

- Figure 1.** Google Trends graph comparing K-Pop and J-Pop's Interest over time worldwide (2004~2022)
- Figure 2.** Google Trends graph compared K-pop and J-pop's Interest by region (2006)
- Figure 3.** JYP, YG & HYBE's idol table by generations
- Figure 4.** Japanese female idols table by generations
- Figure 5.** SM Entertainment's idols table by generations
- Figure 6.** Johnny & Associates' idols table by generations
- Figure 7.** Korea's management strategies by generations
- Figure 8.** Japan's management strategies by agencies
- Figure 9.** Korea's training system by generations
- Figure 10.** Japan's training system by generations

# I. Introduction

## 1. Background

After South Korean (hereafter Korea) idol group, BTS(방탄소년단, *Bangtan Sonyeondan*) single *Dynamite* gained ground on a handful of Billboard charts in 2020, BTS remained an undisputed sales juggernaut. The Korean pop septet collected two No.1 albums on the Billboard 200 in 2020 and sent three different songs to the top of the Billboard Hot 100: “Dynamite,” “Life Goes On,” and a remix of Jawsh685 and Jason Derulo’s “Savage Love<sup>1</sup>.” An estimated 1.7 trillion Korean won (US\$1.43 billion) worth of economic ramifications is expected to be created just by K-pop sensation BTS’ conquest of the Billboard Hot 100 chart<sup>2</sup>. In 2021, their singles, *Butter*, and *Permission to Dance* stood a steady presence on the top of the Billboard charts. In 2022, they did not only sweep seven awards at the “2022 The Fact Music Awards” but also got nominated in two categories for the 2022 American Music Awards (AMA); BTS continued to prove their superstardom.

Along with the success of BTS, the Idol business is no longer categorized as business, but it became an industry in Korea. The impact of Korean pop music trends over the past few years is undeniable. The economic effects of idol groups that drive the Korean Wave (한류, hereafter *Hallyu*)<sup>3</sup> in K-pop create added value beyond direct sales such as albums and performances. Fanatic K-pop fans from all over the world have created ripple effects in consumer goods and tourism beyond music and star content consumption. According to the recent report from the Korea Foundation, a public diplomacy arm of Seoul’s Foreign Ministry, there are 1,835 overseas *Hallyu* clubs globally, with about 100 million people within<sup>4</sup>.

First, Korea knuckled down to expand the idol industry since the 2004s. As Lee Si-lim (2019) pointed out, entertainment agencies that produced 1<sup>st</sup> generation idols with high profits in the late 1990s, became large agencies based on economic and social capital. They set up a ‘total management’ strategy that solves not only

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<sup>1</sup> Rolli, B. (2020.11.30). BTS top the Billboard hot 100 with 'life goes on,' once again proving they're in a league of their own. *Forbes*.

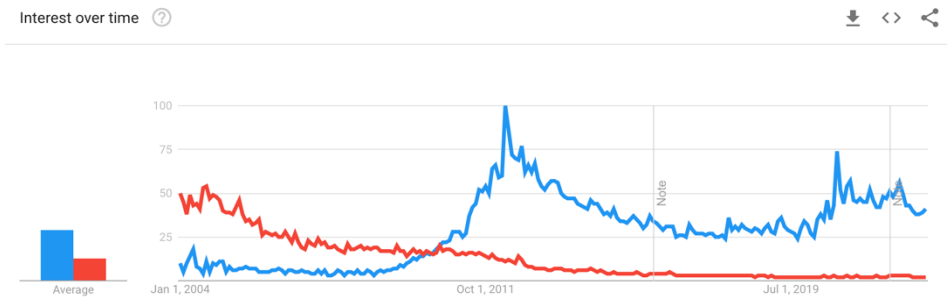
<sup>2</sup> 김보람. (2020.09.07). BTS' billboard win expected to create economic effect worth 1.7 TLN won: Report. *Yonhap News Agency*.

<sup>3</sup> Korean Wave or *Hallyu* (한류) is a term coined in China after K-drama gained prominence in Asian region in the 1990s. Now it became the term that encompasses K-pop, K-drama, and other Korean-made products such as fashion and food.

<sup>4</sup> Im, E. (2021.01.16). Korean Wave fans surpass 100 million: report. *The Korea Herald*.

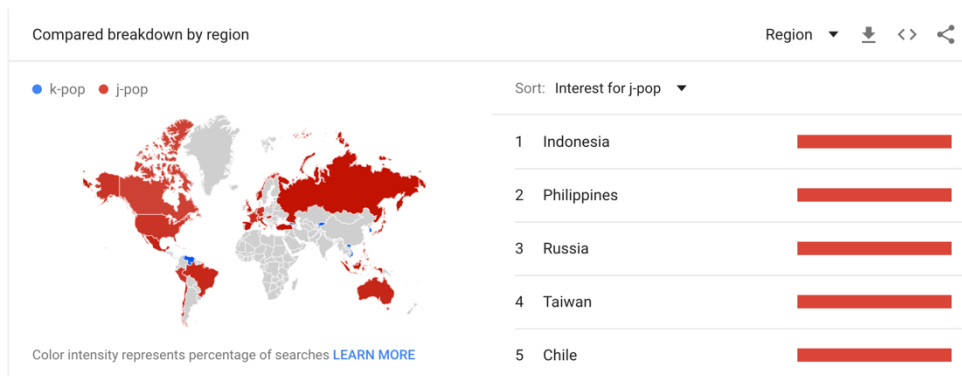


production and management, but also marketing, promotion, and recording engineering process under the same management system, and developed into a large enterprise organization (2011). Especially, there are agencies like SM, JYP, and YG have grown by repeating the process of continuing to debut subsequent idol groups based on the stable establishment of the 2<sup>nd</sup> generation idols in the industrial ecosystem. Since then, the number of entertainment agencies has increased as members who have learned or worked with them have become second movers in the industry; for example, HYBE, an agency of BTS, which is now a large and a listed company, is also considered as a second mover. As late-stage entertainment agencies continued to be established and the number of trainees aspiring to be idols increased though the success of 1<sup>st</sup> and 2<sup>nd</sup> generation idols, these demands combined to create many new entertainment agencies and idol groups, which intensified competition in the idol industry in Korea.



**Figure 1. Google Trends graph comparing K-Pop (blue) and J-Pop(red)’s Interest over time worldwide (2004~2022)<sup>5</sup>**

<sup>5</sup> Interest over time represents the highest point-to-point search interest in the chart based on a specific region (here is worldwide) and time period (2004~present). “A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means there was not enough data for this term.” Extracted from Google Trends explanation.



**Figure 2. Google Trends graph compared K-pop and J-pop's Interest by region (2006)**

Looking at figure 1, K-pop popularity began to exceed J-pop's starting from 2009-2010 and reached its peak in April 2012. As presented in figure 2, J-pop's popularity did not rest only domestically in the 2000s but also did once grab worldwide attention, especially among Asian regions. From these trends, it can be said that in the past, J-pop was more recognized more in the global market, but with the radical growth of K-pop which began in 2009, K-pop continues to prove its fabulosity in the market.

Though current phenomena gave the general public a fallacy that K-pop pioneered the idol industry, K-pop idols took over the spotlight where J-pop has reigned before; the idol industry has been started in Japan. Galbraith (2012) insisted that as Japan enjoyed economic prosperity or the so-called bubble economy in the 1980s, the idol system reached maturity and its first peak. The female idols, led by Yamaguchi Momoe, saw a surge in popularity from the 1970s to 1980s; not just her songs but her hair and clothing were also got fads among young Asian people. As Lee Ji-won (2022) illustrated, the influence of J-pop can also be seen at the Tokyo International Popular Song Festival (東京国際歌謡音楽祭), which has been held since the 1970s. Sponsored by Japan's leading companies and government organizations and hosted by world-renowned Japanese instrument maker Yamaha Corporation, this festival was so successful that 44 teams from 38 countries participated. The Carpenters, a famous American pop duo, also came to perform at the show time which was held late at night after the festival.

The second peak that shows the great success of Japanese idols was in the late 1990s as SMAP, Amuro Namie, Utada Hikaru, Kinki Kids and more because of superstars among Asian regions. Ng (2004) posited that Taiwan and Hong Kong were the two main consumers and distributions of J-pop. For example, Johnny's Fan club in Taiwan has recruited 30,000 members and 20-35% of Cantonese pop songs made in Hong Kong were cover versions of Japanese songs in the early 1990s and *First Love* album by Utada Hikaru which was released in 1999, sold more than 500,000 copies in Taiwan. Likewise, many J-pop artists' albums got in the local music charts and sell more than a hundred thousand copies in Taiwan and Hong Kong. Jin (2020) also said that J-pop was welcomed by young Asian people, including China, Korea, Thailand, and Malaysia during this period. As Ng (2004) demonstrated, J-pop attained popularity also captured in Singapore: 19 Japanese artists entered the top 10 albums in the Singapore music chart in 1999 and 2000. This J-pop craze even witness in Korea where was the country banned Japanese popular culture until 1997. As such, the popularity of J-pop is evidenced everywhere in Asia.

However, in the 2010s, the tremendous popularity of Japanese idols seems only limited to the domestic market. According to IFPI in 2012, the Japanese music market was revitalized by reaching 4.3 billion USD in the record and download sales which was the first time surpassed the U.S. market since 1973. The main actor of this number was AKB48, a Japanese female idol group, but this success within Japan did not translate to global recognition.

Contrary to Korea's perception that singers are their main jobs, idols are known as 'idols = general entertainers' in Japan. The word, 'Idol' is commonly used in Japanese popular culture to express fanatic phenomena of idolizing, especially among teenagers. In 2019, the size of the Japanese idol market was estimated to be 261 billion yen based on user consumption (Japanese Economic Daily). The concept of Idols in Japan became popular during the 1980s. After the bubble economy of the 1980s, Japan suddenly experiences a serious recession. The job market was also shocked by the collapse of the bubble economy, and young people who were in the second baby boom or Dankai Junior (団塊ジュニア)

generation<sup>6</sup> (1971-1974), despaired from the lack of jobs and isolate themselves. Many of the Dankai juniors did not get proper jobs even when they got older and rather became temporary workers.

According to the Netflix documentary *TOKYO IDOLS* (2017), the idol culture boom was revealed under the surface with this kind of social characteristics of Japan. This mainly affected Japanese males a lot, and the lively power of the idols who "make fans happy" was consoling those people who were suffering from stingy relationships. In this regard, the Japanese idol market has been pioneered as a haven from harsh reality. Japanese idols have grown to a different level from 'singers,' focusing on the energy that makes people happy rather than showing the perfect performance as content.

With this background, Galbraith and Karlin (2012) posited that idols are a type of entertainer produced and 'sold for image, attractiveness, and personality' in Japanese pop culture. Some Japanese entertainment agencies often make their idols' debuts with no harsh training to gain more support from their fans by exposing idols' non-professional figures. They also said that the main purpose of an idol is to 'sell a dream' or to give fans the pleasure to escape from the pains of daily life.

*SM Entertainment* (hereafter SM) and founder Lee Soo-man in Korea kicked off the K-pop idol phenomenon. SM first pulled up a reputable 'trainee system' while creating tremendous added value by entering the overseas market for the first time. However, SM can be seen that they referred to Japan's successful idol system; Lee Soo-man labels drew inspiration from Japan's talent agency, *Johnny's Associate* (hereafter Johnny's) model.

Therefore, comparing Korea where idol industry currently reached its peak, and Japan where the idol industry has risen, and why Japan is heading for 'Galapagos Syndrome'<sup>7</sup> while Korea is recognized globally are meaningful. Suggesting different management strategies that the two countries adopted in the

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<sup>6</sup> A generation of children of the Dankai generation, Usually Japanese born before 1970 to 1974 are Dankai junior generations, who spend their adolescent in international competitions such as the 1986 Asian Games and the 1988 Summer Olympics, with a maximum of 2.1 million born in 1973, Kazuo, Y. (2005). The Effect of the Baby Boomer Generation on Japan. *JAPAN SPOTLIGHT*, 500, 10-1.

<sup>7</sup> 'Galapagos Syndrome' is the economic term that was first coined by Takeshi Natsuno from Keiogiijuku University. It is a metaphor for the isolated nature of the Japanese economy and culture from the rest of the world. (Wakabayashi, D. (2010.09.27). 'Galapagos,' Japan (and Sharp's) Buzzword. *The Wall Street Journal*.)

idol culture industry, which are influenced by each country's socio-cultural factors, will provide important implications for overlooking Korea's future idol industry and strengthening her strategies. Although the entertainment field has now become one of the leading industries in Korea and is recognized globally, the study analyzing its success, especially focusing on management strategies and training systems, is understudied. Moreover, overlooking Japan's idol industry which reigned before the K-pop idol industry, will give possible implications to Korea to continue its heyday.

This thesis is designed to provide a comprehensive and systematic analysis of the past success of J-pop and the current rise of K-pop's international popularity and global circulation. The main research question of this paper is, "Why J-pop idols are in 'stagnation' while K-pop idols are recognized globally and rising?" There are also several questions follow: "Why does Korea undergo glocalization and localization while Japan undergoes localization?", "What strategies the two countries have developed in the idol industry?", "What are the socio-cultural factors that affected two countries' strategies in the idol industry?"

## **2. Literature Review**

As Chakravarty(2008) pointed out, due to its existence of an affluent domestic market, Japanese media industries were more focused in localization strategy than in exporting their cultural products when Japan began to grab global attention, especially early to mid-1990s. Along with Japan's long-lasting historical imperialism and countereffect from World War II, Japanese popular culture first did strongly influence by American cultures, but soon, Japan indigenized this influence for the development of local production so that Japan can avoid hyperactive indigenization of "America." Therefore, Japan created its own media materials aiming the Japanese audience while practicing localization. This localization strategy is also shown in the Japanese idol industry, which became prominent in the 1970s and 1980s.

In contrast, Korea's globalization had its antecedents in the early 1980s but particularly guided by Kim Young-sam and Kim Dae-jung administrations, Korea kicked its country into gear for globalization. Former President Kim Young-sam

not only participated Asia-Pacific Economic Cooperation (APEC) summit meeting in 1994 to affirm the necessity of economic cooperation between Australia and Korea but also began to liberalize the cultural market in South Korea<sup>8</sup>. Even in 1997, after Kim Dae-jung was sworn in as the 15<sup>th</sup> president, he insisted the core concept of globalization in his inaugural address: “The information revolution is transforming the age of many national economies into an age of one world economy, turning the world into a global village<sup>9</sup>.”

Since then, along with the opening of Korean society and the economy, and the globalization trend, an influx of foreign popular culture has been captured in Korea. Not to mention the importation, the exportation of Korean popular culture has also developed with its growth. The huge phenomenon of Korean popular culture, named Korean Wave-*Hallyu*-(meaning the flow of Korea), came into vogue in the late 1990s, especially in the East Asian region, including Japan and China. With globalization, Korean popular culture gained its presence, and later, especially with K-pop sensation BTS, Korea became a new cultural powerhouse not just through globalization but also glocalization and localization.

This chapter aims to elucidate how Korea and Japan have developed the idol pop culture industry in different ways. To analyze the idol culture industry in Korea and Japan, first, it is crucial to understand the theological frameworks of the two countries’ development in the idol industry. This goal will be accomplished by fulfilling the following questions: First, what are localization, globalization, glocalization and localization respectively, and second, what are the different organizational cultures of Korea and Japan.

## 2.1 *Hallyu* (한류) and Japanese Media Culture

Since the late 1990s, popular cultural products such as Korean pop songs, TV dramas, and movies began to spread worldwide beyond Asia such as Japan, China, Taiwan, the Philippines, and Vietnam. *Hallyu* mainly refers to this Korean content captivating global audience phenomenon, in which Korean pop culture’s overarching diffusion in Asia, and now even in the world. Han Young-kyun (2021) explained that since the *Hallyu* phenomenon originated abroad and the term

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<sup>8</sup> 이세강. (1994.11.17). 김영삼 대통령, "한국-호주 상호 보완 협력". *KBS NEWS*.

<sup>9</sup> Samuel S. Kim. (2000), *Korea and Globalization*, koreasociety.org

referring to it was also first used by foreign media, Korean society regarded the *Hallyu* as a temporary phenomenon or even questionable to its substance. However, as the consumption trend of K-pop culture continued and expanded its sphere of influence, the term *Hallyu* was widely used in Korean society and the same name was used mainly in East Asia such as Japan and China, where sharing Chinese character culture. According to Kim Bok-rae (2015), *Hallyu* history is divided into four; *Hallyu 1.0* (K-drama) and *Hallyu 2.0* (K-pop music) which already happened, and ongoing, *Hallyu 3.0* (K-culture), and *Hallyu 4.0* (K-style) which are foreseeable.

Various Korean media outlets use the term ‘Japanese Wave-*Illyu*-’ when comparing it with the *Hallyu* or talking about the influx of Japanese culture. According to Kim Jeong-mee (2010), it is the term first used to describe its boom or popularity among the Korean public. The Japanese Wave is labeled by Korean media to show negative connotations with the concern that Japanese culture would erode Korea. Although in Japan, concepts such as ‘Cool Japan<sup>10</sup>’ and ‘Wapanese<sup>11</sup>’ have similar notions to *Hallyu*, it is difficult to find exact terms compared to the *Hallyu*. This paper, thus, will directly use the term ‘Japanese media culture’ to compare with *Hallyu*.

As Kim Jeong-mee (2010) posited, there are many different discourses among *Hallyu* origins, so, therefore, in this chapter, I will adopt Kim Bok-rae (2015)’s definition of *Hallyu 2.0* or idol music and Japanese culture, mainly focusing on elaborating the development of J-pop to explore their history. Knowing the history of the Japanese Wave, which was once loved all over Asia, and *Hallyu*, which emerged as a global agenda is needed. Therefore, in this chapter, I will be shortly examined what flow and in what form the *Hallyu* and Japanese media culture have developed.

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<sup>10</sup> In the terms of Japanese culture, it’s a term that refers to the phenomenon in which the soft power field is evaluated internationally and the term for its content itself. It is used in the Japanese government’s foreign culture promotion and export policies. It imitated ‘Cool Britannia’ promoted by the British Tony Blair regime in the 1990s.

<sup>11</sup> It’s the new Western term for referring to Westerners who are immersed in Japanese culture, especially white people. The term was first coined in the West in the early 2000s, but nowadays it has been replaced by “Weeaboo” and its abbreviation, “Weeb.”

### <Korean Wave (*Hallyu 2.0*)>

As Psy's "Gangnam Style" began to produce results in 2012, which was marketed through YouTube, the fandom of BTS which formed in mid-to-late 2010, began to grow exponentially, and eventually topped the Billboard chart, becoming a world-class star. Furthermore, by appearing as a special speaker at the UN Group of Friends of Solidarity for Global Health Security, BTS clearly showed how influential they are. Even after BTS' "Dynamite" topped the Billboard HOT100 chart in 2020, *Savage Love* also topped the Billboard HOT 100 chart, setting a record of winning first and second place at the same time. The number of idol groups like BLACKPINK, NCT127, and Monsta X, etc. contributed to enhancing the status of K-pop worldwide by getting good marks in the West and appearing on many famous American live shows. In 2021, BLACKPINK member Lisa's first solo album surpassed 73.6 million YouTube views within just 24 hours of its release, recording the most views per day among the world's solo artist music videos. It is also worth paying attention to the format exporting of music variety TV shows. *Produce 101* series which was produced in Korea in 2016, was copyrighted by Tencent (腾讯), a Chinese internet and technology conglomerate, aired under the title *Produce 101 China* (创造 101, *ZhuangQiao*) in China, and also launched in Japan under the title PRODUCE 101 Japan, by co-producing with Korea's CJ E&M.

Not just among K-pop, Korean cultural content also has powerful popularity in dramas and movies. For example, the Netflix original series, *Squid Game* (오징어 게임) has topped the world ranking for 46 consecutive days from September 23<sup>rd</sup> to November 7<sup>th</sup>, being No.1 of the longest time on Netflix's ranking charts<sup>12</sup> and director Bong Joon-Ho's *Parasite* (기생충) won the Palme d'Or award at the Cannes Film Festival in 2019. In this regard, some analysts even say that it is influential enough to be called 'The Korean Invasion.'<sup>13</sup> As such, the movement of *Hallyu 2.0* becomes the example of the 'Korean Invasion.' Korean cultural content

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<sup>12</sup> 김정진. (2021.11.09). 넷플릭스 최장 1위 기록한 '오징어 게임'...46일 만에 2위로. *연합뉴스*

<sup>13</sup> An evaluation made by Sue Mi Terry, a senior researcher at the U.S. think tank Research Institute on Strategic International Studies (CSIS), in a contribution to the U.S. diplomatic journal *Foreign Affairs* on October 14, 2021.



which includes dramas, music, and movies is showing a steadily rising tendency in various entertainment fields, the so-called global craze.

However, in the early phase, the *Hallyu* only gained popularity within Asian regions, because the cultural discount<sup>14</sup> rate is relatively low. The concept of economies of scale and cultural discount in the production and distribution of cultural products is important for the international distribution of cultural products. An economy of scale refers to a phenomenon in which the average production cost of a product decreases as production increases, and the profit increases as the scale increases. The marginal production cost of additional production after the original plate production cost is low, so the average production cost decreases as production increases. Transnational media corporations are expanding their market by targeting the world to maximize profits. On the other hand, when state-made cultural products are accepted in foreign countries, cultural differences between countries create barriers to acceptance for consumers. To understand this barrier of acceptance, the concept of cultural discounts is essential. No matter how small the market size is, and the productivity of cultural products is low, consistently producing one's own culture acts as a force for cultural discounts to offset the economies of scale logic of developed countries. Thus, transnational companies usually use strategies to lower cultural discount rates by appealing to universal human emotions.

In line with this cultural discount rate, the rapid economic growth of East Asia, especially China and Vietnam, helped to form a new consumer layer. When economic growth is achieved, demand for media and cultural products also rapidly increases. Under the circumstance, where media and cultural products were insufficient, Korean popular culture meet this demand. There is also a different interpretation that since the start of the *Hallyu* boom overlaps with the collapse of Hong Kong's cultural industry, *Hallyu* replaced the vacancy of Hong Kong cultural products. There is also an interpretation that the lack of cultural content in the Chinese-speaking countries and the Korean content, which has relatively less political resistance than Japan, temporarily filled it. However, it is also true that the

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<sup>14</sup> Cultural discount which is the term coined by Hoskins and Mirus (1988), refers to the phenomenon that "will have a diminished appeal elsewhere as viewers find it difficult to identify with the style, values, beliefs, institutions, and behavioral patterns of the material in question (p.500)".

*Hallyu* has not rested on her laurels of the early 1990s but has improved the quality of its content. With democratization in the late 1980s in particular, censorship of the government eased, creative talents jumped into the popular culture market, and the market rapidly developed. In 1996, the Constitutional Court's decision to unconstitutionally pre-deliberation of movies and albums: the abolition of censorship also helped develop Korean popular culture. Some say that it is the result of the Korean government's long-standing efforts, including the Kim Dae-jung administration. The capital of large conglomerates was also invested in the cultural industry. The opening of the cultural market let the influx of global culture in Korea, and the range of cultural experiences of the public has also expanded. Unlike the 1990s when Asia was main-centered, *Hallyu 2.0* in the 2020s shifted its influence drama to K-pop idols, which are represented by BTS. K-pop is a cultural product with great 'charm' and 'convincing power', which are the conditions of being soft power. K-pop idols in the 2020s have emerged as representative soft power industry, becoming a successful model of *Hallyu*.

### <Japanese Media Culture >

Japanese culture has already gained worldwide fame in modern times. Japanese art became known in Europe around the 19<sup>th</sup> century and influenced Western art, and Japanese poetry such as Haiku gained popularity in the West around the 20<sup>th</sup> century. Japanese culture had had several influences on other countries before modern times, but it was in the 1950s that popular culture began to become renowned to the world in earnest like the *Hallyu*. In the 1950s, followed by director, Akira Kurosawa, Japanese movies earned a great presence globally and animation and Japanese games began to become worldwide trends during the 70s to 80s. In the United States, much content borrowed from Japanese culture, such as *Power Rangers*, was created, and cartoons and movies based on Japanese games were produced, creating Japanese culture fanatics. In 2003, *The Last Samurai*, the movie in which Tom Cruise fought in Japanese samurai costumes was released in Hollywood, and in *Kill Bill: Volume 1*, an animation sequence of Mamoru Oshii made by Production I.G. was inserted, and numerous Japanese movie scenes were blurred. Director Quentin Tarantino dedicated *Kill Bill* to Japanese director Kinji Fukasaku and praised his 2000 action-thriller film *Battle Royale*.

In Korea, the impact of the Japanese media culture was also significant. In the 70s and 80s, despite the local authorities' ban, each house had a special antenna and watched Japanese broadcasts. Among teenagers, movie magazines such as *Screen*, *Road Show*, and among young women, fashion magazines such as *Non-no*, *An An* were popular. Japanese pop songs like "Bluelight Yokohama" that were illegally copied also swept red light district<sup>15</sup>. With an internet connection, Japanese contents become easily accessible, which resulted in great interest in Japanese culture. Since the overall opening of Japanese popular culture in 2004, the Japanese Wave has expanded further as Japanese TV dramas have been easily accessed, hairstyles like shaggy cut, makeup, fashion, and music exposed in the drama culturalized in Korean society. Starting in 2007, Japanese dramas also resonated with popular culture in conjunction with American dramas. The domestic market of the cultural industry has decreased due to the continued economic downturn since 2010, and Japanese popular culture's overall quality slipped, but it still boasts one of the world's leading cultural content markets. However, the size of the domestic market and the popularity gained from foreign markets are a horse of another color.

The Japanese media culture industry is still dominant, but its retained elements embrace insularity. Speaking of Japan's entertainment Industry, Japan focused on stable profits because its market is large and solid. Johnny's male idol groups such as SMAP, V6, Kinki Kids(キンキキッズ), and Arashi(嵐) have dominated music, dramas, and variety shows since the 1990s; despite their tremendous popularity, Johnny's hogged over the industry. AKB48, the girl group that gained popularity in 2010, swept all broadcast programs, magazine covers, and pictorials. As the animation *Neon Genesis Evangelion* gained ground in the animation industry by selling out every product released such as DVD, original soundtracks, and figures, the industry focused on targeting Otaku, who guarantees stable profits. As the content that suits the taste of the Japanese, the specific target audience, is overflowed, only the genres that can make profits on a low budget survived, and the rest have become downsized. Idol agencies also don't utilize global platforms like YouTube properly. As such, among Japanese cultures, the idol market and

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<sup>15</sup> [문화비평] '일류'와 '한류'(2009.01.12), *부산일보*

Japanese live-action films are no longer compatible with today's global reality. Since 2010, the Abe Shinzo administration has launched the Cool Japan strategy with the aiming overseas expansion of Japan's soft power. Attempts are quite full-fledged, such as appointing Cool Japan minister, creating funds, and investing 50 billion JPY in cultural projects. Along with government efforts, Japan's exports of broadcasting content are rapidly increasing from 66.3 billion JPY in 2010 to 104.3 billion JPY in 2012, 182.5 billion JPY in 2014, and 519.4 billion JPY in 2018, and primary export contents are animation<sup>16</sup>.

There is a widespread analysis that Japanese popular culture in 2020 is becoming lethargic and stagnant since they are chasing only after steady sources of income due to a lack of social vitality and slowed economy. However, Japan's economy and culture have large scale, not only majors but also non-mainstream cultures have systematically grown. Film field, that have already stagnated since the 1960s and has been treated as a fringe group of Japanese popular culture, has also been developed by producing outstanding independent films. 'Love Letter' by director Iwai Shunji in 1995, which box-office hit in Japan and many East Asian countries, also was a long-term screening Indie film at mini-theater. Japanese independent films continue to produce good works and there are many experimental Japanese dramas. Netflix originals like 'Followers' and 'The Naked Director' are unique and intense. In the music field, singers such as aiko(あいこ) and Siina Ringo (椎名林檎) still play an active part in musical circles and unique musicians such as Aimyon (あいみょん) and Wednesday Campanella (水曜日のカンパネラ, *Suiyōbi no Kampanera*) are currently the biggest draws on the Japanese music scene<sup>17</sup>.

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<sup>16</sup> 김병규. (2017.04.11). 한국, 방송콘텐츠 수출 세계 3위...日 “한류따라잡겠다”. 연합뉴스.

<sup>17</sup> 김봉석. (2021.01.14). 일본 대중문화는 왜 낡은 미래가 되었나. 아레나움플러스.

## 2.2 Localization, Globalization, Glocalization, and Logalization

Localization, globalization, and glocalization; these terms might sound similar but did contain subtle distinctions. Globalization is the key term to explain other concepts, so this chapter will mainly demonstrate the concept of globalization along with localization, glocalization, and logalization.

First, looking into globalization from the viewpoint of culture, the globalization word itself existed since the 1940s, and economists began to adopt the word in the year 1981. Theodore Levitt first suggests the word, globalization from his book, *Globalization of Markets* to explain marketing strategy. It was created to explain the phenomenon of economies of scale, economic integration between countries, and the integration of the world into one through the expansion of new media areas in transnational corporations, production, and distribution. According to Beck (2000), the concept of globalization came from a theory that mainly emphasizes economic factors that closely correlate the global economy with the global trend of capital. Wallerstein, on the other hand, stipulated that world culture does not exist. World culture is just an ideology, and globalization of culture is a concept used as an ideology to justify or conceal the structure of inequality in countries at the international level under the capitalist system. Bourdieu (2000) also had a similar argument; globalization is a deviation from the justification used by policies to rationalize individual traditions by powerhouses such as the United States, which is in an economic and political dominant position. Likewise, the globalization of culture came from the end of the imperialist era and efforts by advanced powers to expand their sphere of influence and expand their clout in political or cultural ways instead of military methods. For example, transnational companies such as Coca-Cola, McDonald's, Microsoft, Michael Jackson, CNN, and Nike have become a symbol of the cultural power of the developed countries, that is, the United States. Among the transnational industries of advanced capitalist countries that make the whole world one market and dominate it, people can easily feel in their daily lives that the most important driving force behind popular culture and globalization is transnational media giants such as Walt Disney and Time Warner.

To understand globalization from an economic perspective, it is necessary to know the logic of economies of scale and cultural discount in the international

distribution of cultural products and the production and distribution of cultural products. An economy of scale refers to a phenomenon in which the average production cost of products decreases as production increases, and the profits increase as the scale increases. Transnational media corporations are trying to maximize their profits by expanding the market beyond the scope of a country to the world, so they must understand economies of this scale to understand the movements of transnational corporations. On the other hand, when state-made cultural products are accepted in foreign countries, it is difficult for consumers to opt for them easily due to cultural differences between countries, which is called cultural discounts. Cultural discount which is the term coined by Hoskins and Mirus (1988), refers to the phenomenon that “will have a diminished appeal elsewhere as viewers find it difficult to identify with the style, values, beliefs, institutions, and behavioral patterns of the material in question (p.500)”. No matter how small the market size is, and the productivity of cultural products is low, producing their own culture constantly acts as a force for cultural discounts to offset the economic logic of the scale of developed countries. Strategies to lower the cultural discount rate by appealing to human common sentiment/universal emotion are widely exerted.

After all, globalization refers to a phenomenon in which cross-border trade, investment, and exchanges increase interdependence between countries, and strengthen multilateral consultations, coordination, and cooperation. It is a process in which the capital of transnational corporations moves freely across borders, the market expands to a global level, and resultant international standardization of systems and rules is achieved. For example, there is the sale of various cultural products such as news, movies, music, dramas, and advertisements in globalized markets. The spread of lifestyle and cultural tastes of advanced countries in cultural products around the world also can be an example. Especially, this phenomenon has been accelerated with the rapid development of information and communication technology since the 1990s.

On the other hand, localization is the process of adapting a product or service to a specific target market. In other words, it focuses more on local tastes and customs to satisfy local needs rather than targeting a bigger audience. Grigorescu and Zaif (2017) insisted that it takes more into consideration the specific demand

and integrates quality and values rather than quantity. As explained above, globalization can be said that a phenomenon that combines “de-localization” and “re-localization” at the same time, so localization is the result of globalization, not a coexistence phenomenon. In other words, localization is a by-product of globalization from an exclusive and self-defense stand against the forces of globalization.

Then what is glocalization, another axis of globalization? Glocalization is a phenomenon that portrays the inextricability of two tendencies appearing: global and local. Though the concept was first coined by sociologist Roland Robertson in the Harvard Business Review in 1980, the founder of Sony, Akio Morita (1921-1999), emphasized this strategy for the first time by talking about the indigenization of multinational corporations that seek to maximize synergy by simultaneously achieving globalization and localization in corporate management. Manfred Lange first raised this term to illustrate the goal of the 1989 Global Change exhibition to present the interconnection between the different levels of perception—local, regional, and global. Then, British sociologists Roland Robertson and Zygmunt Bauman popularized this concept of glocalization. Robertson introduced this term in a social science discourse in 1992 as, “the simultaneity—the co-presence—of both universalizing and particularizing tendencies<sup>18</sup>.” This glocalization concept has been actively emerging in various studies since 1995. From a corporate perspective, glocalization pursues globalization while adapting to the local culture, and to satisfy the characteristics and needs of local customers, many Korean talent agencies have utilized the glocalization strategy. Among them, SM first systematized a glocalization strategy to attract more global audiences.

‘*Logalization*’ is the opposite strategy of glocalization; it is not top-down but, bottom-up globalization, so it is a process that reverses the trend of localization. Kim, Lee & Stoel (2017) used this term to explain Lyu and McCarthy (2014) introduced that, unlike glocalization which is a top-down foundation, logalization initially began as a bottom-up, independent from the globalization process, but evolved so that what was ‘local’ is connected to the globalization process. Most of

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<sup>18</sup> Robertson, R. (1994). Globalisation or glocalisation? *Journal of international communication*, 1(1), 33-52.

the previous research on industrialization in underdeveloped countries such as China usually focuses on the top-down globalization process related to foreign direct investment (FDI) of transnational corporations, however, the authors in this paper reinterpreted the phenomenon by focusing on the bottom-up process in China. As an example, they adopted a case study on the Shiling (*Shīlǐng*) leather industrial district in Guangzhou, China. Shiling started independently from global forces but achieved so-called bottom-up globalization, in which the process of localization evolved into a process of globalization. Kim, Lee & Stoel (2017) also explains how world-class distributors can maintain their competitive advantage by creating innovative retail methods based on various information from various host markets based on local taxes based on localization. Kim, Lee & Stoel (2017) also described that localization operates in a completely different manner from glocalization. Glocalization uses local-particular country- information as a resource for developing a standardized strategy at the global level. However, 'localization' works through bottom-up knowledge flow. Local sources (employees of the host market) send ideas to the headquarters to use them for developing standardized global strategies and emphasize the importance of micro-ideas as seeds of innovation for standardization at the global level. Glocalization is derived from the top-down strategy direction and incorporates the local context to best adapt the established global strategy to local-level conditions. Therefore, it was explained that 'localization' is fundamentally different from that of glocalization.

This bottom-up globalization coincides with the unusual success of PSY's *Gangnam Style* and a series of processes in which HYBE (formerly Big Hit), a small and medium-sized company, received attention in the global market.

### **2.3 Organizational Cultures**

According to Ouchi and Wilkins (1985), organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members. This paper concentrates on investigating how Korea and Japan's idol industries have been developed in similar but different pathways in the terms of the production side. According to Penrose (2002), a corporate is a collection of productive management resources. In other words, profit maximization is the definition of corporate. Since production is directly related to



sales, corporates create missions, visions, values, and strategies that fit them. Therefore, in terms of production, it is necessary to look at organizational cultures.

Therefore, this chapter first briefly discusses the meaning of organizational culture. Second, out of the many traits of organizational cultures that Japan and Korea have, this paper mainly focuses on the characteristics of family-owned businesses (hereafter FOB) vs. nonfamily-owned businesses (hereafter NFOB) and modularity vs. *Shokunin* to explain their strategies to develop their business.

Organizational culture was explicitly discussed in the 1980s and 1990s and is still considered a significant concept. Though there are attempts to establish both conceptual and operational definitions from enormous researchers, Schein (1990) pointed out that organizational culture is a relatively recent concept since culture itself has been explicitly used since the 1910s. Organizational culture is ubiquitous and hard to conceptualize but when put the term into the setting of a company, it can be explained as a helpful tool to understand “the differences that arise between what is formally and officially declared by managers and what actually happens within the company<sup>19</sup>.” In other words, the term is the collection of values, expectations, and practices that guide and inform the actions of people who are affiliated with a typical organization. As Smirich (1983) insisted, organizational culture plays a role in conceptually connecting the micro-analysis level and the macro-analysis level of organizational behavior as well as organizational behavior and management strategy. Therefore, organizational culture influences an organization in all directions and even suggests an orientation and momentum of one organization, because it can effectively explain management strategy, human resource management, organizational performance, and organizational change in terms of organizational behavior.

Giving recognition to Hofstede (1980) and Peters and Waterman (1982), who pioneered much of giving the personalities and characteristics of business organizations, there are multiple dimensions to illustrate the corporate characteristics; but this paper will primarily focus on FOB and NFOB which are distinctively presented in Johnny’s and SM. The definitions of family-owned business (hereafter FOB) and nonfamily-owned business (hereafter NFOB) have

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<sup>19</sup> Neagu, E. R., & Nicula, V. (2012). INFLUENCE OF ORGANIZATIONAL CULTURE ON COMPANY PERFORMANCE. *Revista Academiei Fortelor Terestre*, 17(4).

not been fixed, but rather broadly discussed. Michael et al. (1997) explained both terms from a quasi-generalized perspective such as managerial interest, fate, organizational performance, decision-making, and succession. FOB is often run by the founders or their descendants so, they mostly share the fate with the company and unlikely steps down their titles. FOB is directly influenced by long-term investment and corporate works over generations made by family members. On the other hand, NFOB likely aims for temporary and short-term profits because a temporary professional manager is hired under an employment contract, and there is even a possibility that they quit midway through the contract.

According to the resource-based view, which is a theory that helps to observe the specificity of a corporation to understand the competitive advantage of a FOB, family involvement in a FOB can be a core competency. The peculiarities of FOB, such as involvement, shared values, culture, faith, and reputation, can be a competitive advantage and provide strategic resources and capabilities for long-term growth. Furthermore, such valuable, rare, difficult-to-imitate, and hard-to-replace resources can bring a sustainable competitive advantage which helps create excellent results. This can be interpreted in the way that why FOB's organizational cultures focus on the founders of the corporation, or their influence is tremendous.

On the contrary, NFOB's organizational cultures are different from FOB's. In NFOB whose ownership and management are separated, there is hard to guarantee that the interests of shareholders and management are consistent. As Shleifer and Vishny (1997) postulate, NFOB continuously meets or even enhances competitiveness through business professionals or management experts. If they are determined to be incapable of management, the company brings in a new expert or leader and carries out new management activities. Amid these changes, the ideology of a company inevitably changes. In other words, organizational culture is only bound to change continuously and reflects the voices of more people compared to FOB.

*Shokunin* is usually translated as a craftsman or artisan, however, the translation itself is not sufficient to describe the meaning. *Shokunin* which led the analog era, especially Japan's, literally refers to a person who making things as a job but does have deeper connotations; the word includes not just technical skills but even social consciousness and obligation. *Shokunin* simply refers to people

socially obligated to work best for the general welfare of the people both spiritually and materially. In modern Japan, it is also referred to as a person who performs his or her duties honestly and sincerely. When one forms a positive Habitus<sup>20</sup> on their work both in their family and local community, one continues to experience the improvement in skills and become an all-fledged human through their work. *Shokunin*, who build their own unique world through such experiences, also forge a unique world for the use and succession of their own skills or techniques. Thus, it is a collective virtue after all.

On the other hand, the importance of modularization<sup>21</sup> in Korea was emphasized as the digital generation has been dominating the public. As the standardization of components has been enforced, module technology has become important. In other words, when a product was designed, the functions were used to decide on the size, design, and structure of the product. Although components or parts that achieve these functions were designed and manufactured, these functions began to be standardized as industrialization is underway over the world. Modularization is namely the way to standardize major core functions, pre-manufacture, and combine necessary functional components to make products.

As Kim Hyun-chul (2010) stated, during the analog era, the concept of *Shokunin* and their experiences carry great prestige. According to his explanation, no matter how capable the newly joined employee in his 20s, he could not compete with the senior employee who was around their 60s. The senior employee, who has had numerous experiences for a long time, is even skilled in the parts that are not shown in the manuals or explicit knowledge since sense and experience or implicit knowledge along with fine adjustment and integration skills were important in the analog era. However, as our society entered the digital era, many parts have been standardized. In other words, design and module technologies have become more

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<sup>20</sup> The first term used by Pierre Bourdieu, a representative French sociologist of 20<sup>th</sup> century. Habitus refers to the second nature formed by the socio-cultural environment with tastes, habits, and aura that distinguish one from others. Bourdieu defined that it is the way and attitude of living the world and distinguishes social classes.

<sup>21</sup> Modularization is the concept that is usually utilized by industrial companies to faster product development to cope with the complexity of systems and technical products. By applying modularization, a company not only can leverage current production efforts across future production but also develop efficiency in production and reduce general development costs. (Sered, Y., & Reich, Y. (2003). Standardization and modularization driven by minimizing overall process effort. International Design Engineering Technical Conferences and Computers and Information in Engineering Conference.)

important than any other technologies. Such a phenomenon does not simply apply to the manufacturer, but also to the idol industry. Johnny's still produces the idols under an idiosyncrasy of Johnny Kitagawa's-the founder- and SM produces the idol in the way of maximizing efficiency, the modularization.

### **3. Research Methodology**

The qualitative methodology will be adopted in this paper, specifically, the research will include various case studies to support my claim. This paper primarily consists of secondary analysis on data research on online and offline theses, news, articles, homepages, various search sites, related books, documentaries, social media, and domestic and foreign websites. Furthermore, by adopting various references and cases from Japan and Korea, this paper will try to sustain fair perspectives.

There are many different variables did not contain in this paper that have influenced the development of Korea and Japan's idol industries: production and consumption, cultural backgrounds, political and social factors of the idol phenomenon, and more. For example, there are the three main actors that make up the idol industry are 'idols (celebrities) - fans – agency,' however, this paper is only limited to the agency or the production side's strategies and did not address the consumption side which is represented by fandom culture. Moreover, the production and consumption process of fandoms in both countries and their interactions also did not include.

SM, one of Korea's leading agencies renowned for dominating both domestic and overseas markets, achieved great success by strategically targeting the music market by discovering versatile artists, careful planning, and thorough training. Meanwhile, Johnny's, which has only dug into the field of male dance idols, is famous for its pioneering Japanese agency that buckles down to planning the concept of a group that dances and sings together. In Japan, there is a widespread perception of 'male dance idol = Johnny's,' and they have produced many popular male idol groups such as SMAP, Kinki Kids, V6, and Arashi, almost monopolizing the male idol management industry in Japan. The characteristics of the Johnny's are the training system for their artists, diversification activities, and the 'family

system' of fans. Therefore, this paper will be limited the sphere to SM and Johnny's where the leading agencies in the idol industry to investigate their strategies. However, there are still many different agencies both in Korea and Japan that contributed to the development of the idol industry, therefore, in addition to SM and Johnny's, this paper also briefly looks into Korea's BIG 4 other than SM: JYP, YG, HYBE, and Japanese idol girl groups: *Morning Musume* and Akimoto Yasushi's '*AKB Series*' to get deeper implications.

In detail, there are previous studies that do exist in the idol industry, however, many of them are only looking into specific idol groups or focusing on only one entertainment agency, the growth of the idol industry, fandom study, or only examining idol groups within one country. For example, Cho (2019) focused on examining one specific group, IZ\*ONE. She discussed the uniqueness of Korea's idol system which is distinct from the Japanese one by adopting the case study of IZ\*ONE. She claims that the success of the K-pop idol system can be found not only through accepting diverse cultures and strong performance capacity but also by the effective utilization of the new technological environment. And Lee (2014) mainly explored one big entertainment agency. She discussed how SM entertainment, which is one of the biggest talent agencies in Korea, made inroads into the global (Asian) market. She first provided a general study of the Korean entertainment industry and global market strategies. Other scholars like Oh and Lee (2014) discussed how the Korean popular music-*kayo*- industry has developed in Korea's post-developmental society.

So first I will suggest the music market environment and entertainment agencies along with their characteristics in Korea and Japan to overview the idol market. Second, by looking through the literature review to go over different discussions on the entertainment field while trying to find out related evidence for my argument: Korean and Japanese idol systems, and sociocultural backgrounds that have influenced their strategies. Third, I will suggest the main strategies that each of the countries focuses to get success in their idol businesses especially discussing major agencies.

## **II. Music Market Environment and Entertainment Agencies in Korea and Japan**

### **1. Music Market Environment**

#### **<Korea>**

With the advent of digital technology, the form of music products continued to change with the commercialization of the Internet and mobile, and these changes affected the consumption and enjoyment patterns of popular music consumers. In 1968, the music market, which faced a settlement period after the promulgation of the music release law through license contracts with foreign recorders, faced a Renaissance due to the overall increase in the media industry since the 1980s and served as an opportunity for sales of Music Cassette, which was introduced in Korea in the mid-1970. In the 1990s, the business model itself changed significantly in the popular music industry. With the establishment of a new broadcast station, SBS, a competitive structure between broadcasters has been set and faced up phase in the music industry through music award programs. In the 2000s, a new digital music market overtook the existing offline market such as ringtone and coloring services and the recent development of mobile devices is creating new added value in the music market. In the past, when an album was released abroad, it took a considerable amount of time for the audience to consume the album; the album was delivered from the singer's management company to the management that signed a domestic distribution contract, and the album was distributed to record distribution stores nationwide. However, with the development of the Internet and the digitalization of music, if a singer releases an album and registers a digital sound source or uploads a music video on the internet the world can access the music at the same time, and even consumers can enjoy stage videos shared on the Internet without visiting the physical site. Distribution of music and sharing of information between consumers/fans are very immediate. Moreover, the COVID-19 era created virtual contactless concerts, so-called

“Ontact<sup>22</sup> concerts,” and set the system that allows artists to enjoy concerts in their respective places and even communicate directly with fans on the spot.

The popular music market in the new era is expanding its scope, focusing on the digital market which distributes music sources in real-time through individual Internet of mobile music units, and the distribution of music videos through YouTube. Music nowadays is not just audio but enjoyed with the eyes. The market has changed from Ownership to Access, and with the emergence of business models such as new advertising-based free streaming services and cloud-based streaming services, it is expected to create more added value by enlarging the size of the market from a medium- and long-term perspective.

Internet service has brought about a revolution in the music market. Korea, the country of the world’s highest internet penetration, the speed of music purchases by consumers shifting from purchasing behavior of existing offline albums to digital music sources was extremely fast. According to a survey held by the International Federation of the Phonographic Industry (IFPI), Korea’s music market ranks sixth in the world after the United States (34.9%), Japan (15.0%), the United Kingdom, Germany, and France as of 2018. The size of the market for streaming services, the most important trend in the music market in the 2020s, recorded 3.7% which ranked seventh after the United States (41.4%), the United Kingdom(7.7%), Germany (5.4%), China (5.4%), Japan (4.0%) and France (4.0%), respectively.

The music market is sensitive to economic fluctuations and continues to rise and fall by field according to the trend or fad of the times. However, if the artists succeed in achieving holy grails through developing a strong fan base and agency’s production capabilities, the profit-making effects have a much greater added value than other industries. As a result, there is fierce competition as the leading domestic conglomerates and foreign major recorders made inroads into the music market. The intensified competition made the domestic music market quickly saturated and actively extended their business abroad. At that time, the broadcasting station was limited to SBS, KBS, MBC, and CJ Media(M.net) in Korea, whereas the number of talent agencies was much higher than that of

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<sup>22</sup> The term created in Korea during COVID-19 year, which combined untact that refers virtual, and online. (Giuliani, J. (2020.06.17). ‘Untact’ and ‘ontact’ marketing in South Korea. *Marketing Magazine*.)

broadcasting stations, and the broadcasters had much more power in negotiating media appearance terms. Many agencies were forced by the broadcasters to put their artists on *Hallyu* concerts under low payments and poor conditions, and if the agencies refused to comply, the broadcasters threatened them by excluding the affiliated celebrities from the cast list of the broadcasters. Talent agencies, which represent affiliated entertainers in the entertainment industry and whose main duty is to provide the chance to appear on TV for promotion, had no choice but to comply with broadcasters' unreasonable demands. To cope with this situation, SM entered the Asian music market. Compared to the efforts to nurture artists, the demand in the domestic music market was too small, so SM decided to expand its management strategy to the Japanese, Chinese, and other Asian markets, where the music market environment is better, and demand is high. This strategy stood out and created a boom, called Korean Wave-*Hallyu*-. Along with the *Hallyu*, the idol industry market began to develop in the 1990s; a dance group targeting teenagers has formed a huge fandom. In the 2010s, idol music became one genre representing Korea and idols played a key player in globalization. Gaon chart, which provides official statistical data related to the music industry, shows that 49 of the top 50 lists of record sales compiled over the year in 2018 were idol albums. It may be fairly said that the domestic music market revolved around idol fandom. In terms of market logic, it is natural for corporations to target specific consumers and provide customized products. Thus, it is also a rational choice for the domestic music market to identify idol fandom as the main target audience to introduce planning and marketing. Furthermore, SM is the pioneer of systematizing this fandom culture and expanding the idol industry market.

### <Japan>

Japan has its own characteristics in the Japanese music market that are different from Korea. The market size of Japan's music industry is almost 7,414 billion USD (음악산업백서-MUSIC INDUSTRY WHITE PAPER, 2020) which is the largest Asian music market. Moreover, along with the US, Japan has always stayed within the top two for recorded music in the International Federation of the Phonographic Industry (IFPI) history. Although Western music, especially American popular music, has always led the global music market in the 20th



century, the proportion of domestic works and content in Japan was always higher than that of major foreign companies (Universal, Columbia, etc.). Looking at the trend of Japanese and Western music in the Japanese music industry, there has never been a time when the Western surpassed the Japanese. In other words, the Japanese market prioritizes its work, while maintaining a large market world widely because of its huge music market industry.

With its huge market, the Japanese music industry formed different from Korean music industry. The Japanese music industry consists of entertainment agencies to which individual entrepreneurs such as lyricists, composers, and singers produce songs or the artists affiliated, record labels in charge of music production and distribution, and music publishers that manage and use copyrights. Usually, artists affiliated with music production or entertainment agencies, and agencies foster, promote, and manage their artists as well as negotiate contracts, and plan concerts. Artists also sign a three-way contract with the record label, and all royalties are paid to the agency. Although agencies have the title of a record company, their main tasks are planning, production, propaganda (promotion), manufacturing (press), and sales of music content, and recently, production, manufacturing, and sales have been outsourced. Japanese mainstream record companies include the world's top three major Japanese subsidiaries which are UNIVERSAL Music, SONY Music Entertainment, and Warner Music Japan, and there are also domestic independent companies like Avex Group Holding, King Record, and Victor Entertainment. Recently, record companies affiliated with entertainment agencies such as J-Storm under Johnny's have also emerged, while indie record companies specializing in music planning and production due to musical freedom such as band and amateur music also claim a certain market share.

Japan has its own characteristics in the Japanese music market. According to the global music market sales report by IFPI in 2019, Japan ranked second after the United States, which ranks first in the music sales market. Although Western music, especially American pop music, has always led the global music market in the 20<sup>th</sup> century, the proportion of domestic works and contents in Japan was always higher than that of overseas works provided by major foreign companies (Universal, Columbia, etc.). This phenomenon continues in the Japanese music market. In fact, looking at the trend of the ratio of Japanese and Western music in the Japanese

music market, there has never been a time when Western music surpassed Japanese music<sup>23</sup>. In other words, the Japanese market maintains a large market worldwide while prioritizing domestic works. Then, why did this happen? First of all, the Japanese and global music markets have very different music sales revenue structures. According to IFPI, sales by physical media outlets such as CDs and DVDs are about 40% and online download sales are about 60% while Japan has the reversed ratio which more than 70% are physical media outlets and 30% are online<sup>24</sup>.

In 2012, Billboard of the United States analyzed why Japan, which has a population of less than half that of the US has a huge market compared to that of the US, and whether music spending per capita is more than doubled. They found that the characteristic of the Japanese music market lies in the peculiarity of distribution and consumption of physical media outlets such as CDs<sup>25</sup>. In Japan, albums are sold at relatively high prices, their ranges are from 3,000 to 5,000 JPY, and record companies have added their value to CDs with bonus tracks, DVDs, and photo books for cost justification. As a result, several singers are devoted to providing the perks, such as releasing the same song in different versions and attaching live videos, making DVDs, and 40-page photo books. After the late 2000s, idol groups such as AKB48 have emerged showing a unique business model that grants the product value of ‘experience’: monetizing fans’ affections through handshake tickets, event participation tickets attached CDs, fan signing. While the commercialization of such music packages is evaluated as Japan’s distinctive countermeasure against declining package sales worldwide, there are also criticisms that it leads to a decline in the musicality and a decrease in interest in the music of the consuming public who are not the fans. As a result, fanatic fans saw a dynamic change on their consumption behaviors by buying different editions of album jackets to add to their collections or buying multiple CDs for perks in the album. This was a situation that can only be seen in Japan, and it can be assumed that it affects the dominance of CD sales in the Japanese music sales ratio.

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<sup>23</sup> 生明俊雄. (2016). 20 世紀日本レコード産業史: 米英メジャー企業の日本市場への戦略的進攻を中心に.

<sup>24</sup> ジェイ・コウガミ. (2020.05.06). 全世界の音楽産業が、5年連続プラス成長。200億ドルを久々突破、日本市場の成長は？. *Yahoo!*ニュース.

<sup>25</sup> みずほ銀行産業調査部. (2014). ‘音楽産業分析’みずほ産業調査.

Another reason that physical media was able to maintain high sales since streaming services covering a vast number of songs akin to iTunes/Apple Music of the US and Melon Music<sup>26</sup> of Korea did not exist until the late 2010s. In 2006, a music delivery service for mobile phones in Japan was launched. NTT Docomo, Japan's largest carrier, provided 'Uta · Hodai,' a music streaming service affiliated with Napster Japan<sup>27</sup>, while KDDI, Japan's second-largest latecomer under mobile phone brand au, provided 'LISMO' services. At that time, unlike Korea, Japan had its own streaming service affiliated with telecommunication companies, so consumers could not freely choose streaming service sites. Services linked to telecommunication contracts were difficult to spread throughout Japan, and dependence on physical media such as CDs continued. In 2015, foreign streaming services such as Apple Music and Spotify entered Japan, and AWA, a streaming service established by Avex Group and one of the nation's largest music companies, supplied the services in an easier format than the existing one to begin a business in Japan. This is very late compared to the United States, where consumer transition to various music streaming services began in the early 2000s, and Korea, where music utilization began to be online with the start of Melon service in 2004<sup>28</sup>.

The Japanese music industry is already embraced insularity, which is, aligned with the domestic market. Japan, which has grown its market with various ancillary 'packages' to CDs, was passive to the overseas market. A representative example of this typical structure of the Japanese music market can be said *Johnny's* which has monopolized the male idol market.

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<sup>26</sup> One of the biggest music platforms in South Korea.

<sup>27</sup> The first widely used P2P sharing service as an online music file sharing service.

<sup>28</sup> Despite its late departure, Japan is also rapidly progressing the online transition of music services. According to statistics from the Japan Record Association, in 2018, the Japanese music content market showed 157.6 billion JPY which was 9% of the year-on-year decline in the audio record market, including CDs. On the other hand, the music online streaming market rose 13% year-on-year to 64.5 billion JPY. The number of music transmission service users in Japan is estimated to be about 19.8 million as of the end of 2018, 21.6 million as of the end of 2019, 22.8 million by the end of 2020, and 23.7 million by the end of 2021 (パーソナルIT. (2019). 2019年 定額制音楽配信サービス利用動向に関する調査.)

## **2. Characteristics of Talent Agencies in Korea and Japan**

As reported by IFPI, the Japanese Music market size has always been topped of the five lists, and even in 2010, its size surpassed the U.S.' On the contrary, the Korean music market size first ranked 10 in 2013, and since then its size is indeed increasing but never ranked in the top five. It can possibly be said that Japan's huge music market size allows Japan to build up its unique structure, not reaching out to the global market but rather focusing on the domestic market.

In this regard, by virtue of its distinctive structure and its large market size, the Japanese idol music industry still was able to create guaranteed profits and there was no need for oversea expansion. However, since Japanese idol music's popularity did not confine to the domestic market, there always were some attempts to reach out to the overseas market. Therefore, it's insufficient to explain the current phenomena in the idol music industry, in which Korea's idol music is gaining more attention than Japan's since the 2010s. In other words, the differences in management strategies, organizational cultures, and training systems of Korean and Japanese agencies where one of the agents that form the industry should be investigated to understand the current phenomenon.

### **2.1 JYP, YG, and HYBE in Korea & Hello Project! and AKB series in Japan**

As of 2022, there are so-called BIG4 talent agencies in Korea, including SM. In Japan, while Johnny's represents male idols, *Morning Musume* and Yasushi Akimoto's 48 series each represent the past and present of the female idol group. This chapter briefly deals with talent agencies that have driven idol culture in both countries except SM and Johnny's.

By Generations	JYP [1996]	YG [1998]	HYBE Labels (Big Hit)[2005]
1 <sup>st</sup>	g.o.d(1999), Rain (2002) [Solo]	-	-
2 <sup>nd</sup> (localization)	Wonder Girls(2007) 2PM, 2AM(2008) MissA(2010)	Big Bang(2006) 2NE1 (2009)	-
3 <sup>rd</sup>	GOT7 (2014) DAY6 (2015) Twice(2015)	WINNER (2014) IKON (2015) BLACKPINK (2016)	BTS (2013) SEVENTEEN* (2015-Pledis) fromis_9* (2017-Pledis)
4 <sup>th</sup>	Stray Kids(2018) ITZY(2019) NiziU (2020) NMIXX (2022)	TREASURE (2020)	TXT(2019) ENHYPEN (2020-BE:LIFT) LE SSERAFIM* (2022-Source Music) NewJeans* (2022-ADOR Co.)

\*are the groups that joined HYBE due to its acquisitions in 2022

\*\* () refer to their debut year.

**Figure 3. JYP, YG & HYBE’s idol chart by generations**

### <JYP, YG, and HYBE in Korea>

JYP Entertainment (hereafter JYP), YG Entertainment (hereafter YG), and HYBE Corporation (hereafter HYBE) are also leading agencies in the idol music industry and have a sense of rivalry with SM.

First, JYP is an entertainment corporation established by initializing artist and CEO Park Jin-young’s English initials. To borrow the introduction of its website, “JYP has introduced, popularized, and lead K-pop’s dominance by expanding the activities of our artists to the global music industry... not only focuses on ordinary business-like planning and creating music and video contents, finding and managing artists, conducting online, mobile and overseas business but also strives to scout creative talents.” It was established in April 1996, and in August 2001, stocks were listed on the KOSDAQ market. Like many entertainment corporations, their main businesses are entertainment activities (commercial and drama appearances, performances, etc.), albums (CDs), and the production and sale of music of their celebrities<sup>29</sup>. In the early 2000s, JYP called the two prominent corporations with SM and produced Wonder Girls and Miss A, famous girl groups. Wonder Girls gained nationwide popularity with their megahit song, “Tell Me”, and kept releasing hit after hit (“So Hot”-“Nobody”). Miss A also won the Rookie of the Year and the grand prize together for their debut song, ranking first on

<sup>29</sup> JYP Ent. Annual Business Report

Melon's annual chart, one of Korea's largest music charts, and used to have a record that winning first place on a music show in the shortest period for an idol girl group. A third-generation idol girl group TWICE also has made a series of hits since its debut in late 2015, with record sales that can compete with male idol groups. TWICE won the Golden Disc Music Awards in 2016 which are the indices of fandom size and their popularity and was the only girl group to win the Main Award for streaming and album at the Golden Disc Awards for three consecutive years. ITZY, the fourth-generation idol, won first place on a music show, *Show! Music Core* 10 days after debut which was beating Miss A's record. ITZY, which debuted in February 2019, recorded the highest number of views in the 24-hour debut group of 14 million with its debut song, "DALLA DALLA (달라달라)" music video, and became a super rookie with the title of surpassing 100 million views in the shortest period for the debut girl group music video.

JYP's male idol groups were also successful. g.o.d. earned the nickname of a 'Nation's Group', and Rain, who firmly defended the title of the top male solo singer in Korea upon his debut, is also from JYP. Second-generation idol, 2AM is a successful vocal group and 2PM also marked a milestone in the history of male idols by creating a character called 'Beastly Idol<sup>30</sup>.' Third-generation idol, GOT7 became a Thai national male idol group that sells out the Arena Tour in Thailand, and successfully did the world tour in the summer of 2018 with selling out the concert scale of 180,000 spectators. With its successful concert performance in the US, GOT7 was the only Asian group to be listed on the Billboard Hot Tour List Top 10 since BTS. A fourth-generation idol, Stray Kids sold out the paid debut showcase, which attracted 3,000 people and marked a spectacular start by ranking third in the initial album sales record of idol debut albums. Stray Kids also held its showcase arena tour in Asia, selling out its showcase tour in North America and Europe, which is unusual for a first-year male idol group.

YG is an entertainment corporation founded by Yang Hyun-suk in 1996, originally a member of Seo Tai-ji and Boys, a former first-generation K-pop group. It has entered the field of album planning/production and has produced several famous idols, including Big Bang. Since early 2009, actor management has been

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<sup>30</sup> New term made by fans and media to connote the manly figure of male idols.

resumed to strengthen its capabilities as a comprehensive entertainment company. On November 23, 2011, it was the second entertainment company to be listed directly on the KOSDAQ. Current artists are Big Bang, BLACKPINK, Winner, and more. Former artists include Psy and 2NE1. YG also has subsidiaries The Black Label and YGX and their partners include M-boat, which specializes in R&B music, and CJ E&M (M-net Media). In cooperation with M-boat, music planning oversees M-boat while investment and marketing oversee YG, which is similar to the structure of the Japanese music market. In cooperation with M-net Media, YG takes a win-win strategy by securing distribution networks while M-net Media secures quality content. In the early 2000s, vocal singers such as Wheesung, Gummy, and Big MaMa achieved success through partnerships with M-boat. YG tends to produce only hip-hop sounds in its beginning, but idol groups such as Big Bang and 2NE1 were produced. However, YG still has maintained the identity of music by producing music based on hip-hop or black music (a mixture of electronica sounds following the recent global music trend). YG ultimately aims to foster comprehensive entertainers, and it is a company that is gaining popularity not only in Korea but also abroad, reflecting the trend of the entertainment industry where multi-players who are versatile in various fields are in the spotlight.

HYBE is a music-based entertainment company founded in 2005 by composer and producer Bang Si-hyuk, who was a former producer of JYP, as Big Hit Entertainment Corporation changed as of March 31, 2021. According to the company's introduction, HYBE is "a company that innovates the business model of the music industry under the mission of We Believe in Music," and "a company that aims to be the world's best entertainment lifestyle platform under music." According to CBO Min Hee-jin (former SM director), HYBE symbolizes expansion, connection, and relationship, and the symbol 'H' contains the identity and value of a company that starts from music and expands to various areas as the staff notation with various chords is expressed in a compressed form with one horizontal line. HYBE has a friendly relationship with JYP so far, and until the early 2010s, Bang Si-hyuk worked as an internal producer of JYP. Until the early 2010s, the HYBE was a paltry agency in the idol industry, but as of 2022, the first male idol group BTS showed an upward trend, and its position is astounding. BTS, which debuted in 2013, did not receive much attention at the beginning, but

gradually began to gain popularity in 2015 with their *The Most Beautiful Days in Life* ( *화양연화*, *Hwa Yang Yeon Hwa*) album series. Along with huge hits on their *WINGS* album in 2015 and *YOU NEVER WALK ALONE* released in February 2017, BTS is showing tremendous results: an invitation to the 2017 BBMAs, Billboard No.1, AMAs performances, and more. In 2016, when BTS was just on the rise, sales alone were known to be 36 billion KRW and NOPLAT<sup>31</sup> of 11 billion KRW, which was the largest except for the other three major agencies and several mid-sized listed entertain corps. In 2017, HYBE sales amounted to 92.4 billion KRW, operating profit to 32.5 billion KRW, and net profit to 24.6 billion KRW, surpassing the three major entertainment corps in NOPLAT in 2017<sup>32</sup>. Compared to 2016, they showed a 162% profit increase and a 215% net profit increase. HYBE's remarkable performance is attributable to HYBE's breadwinner BTS who successfully held a world tour and a surge in sales in all other sectors, recording a million sellers for the first time since the early 2000s as a single album in 2017<sup>33</sup>.

HYBE extended its size by first launching male idol group, TOMORROW X TOGETHER (TXT) in March 2019, and second, becoming the largest shareholder of record label Source Music Entertainment in 2019, home to famous girl group, Girlfriend, and PLEDIS Entertainment, home to famous male idol groups, Seventeen and NU'EST, in May 2020. On April 2022, HYBE even acquired a 100% stake in Ithaca Holdings, a US-based integrated media company that manages artists like Justin Bieber and Ariana Grande<sup>34</sup>; this bold and historic M&A deal between HYBE and Ithaca Holdings gives the opportunity to achieve inorganic growth. As of 2021, KB Securities Co., Ltd said HYBE's third-quarter sales would rise 80.3% year-on-year to 342.5 billion KRW and operating profit to 66.1 billion KRW, below the operating profit consensus of 73.3 billion KRW by 9.8%<sup>35</sup>. It is basically the highest performance ever.

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<sup>31</sup> Net Operating Profit Less Adjusted Taxes

<sup>32</sup> 정강훈. (2017.02.14). 빅히트엔터, 영업이익 100억 돌파...VC·호mut. *더벨(the bell)*.

<sup>33</sup> 정지원. (2018.03.22). [공식입장] “창사 이래 최고”... ‘방탄 소속사’빅히트, 2017년 매출액만 924억. *OSEN*.

<sup>34</sup> Shirley Halperin, P. F. (2021.04.02). BTS Label Owner HYBE Merges With Scooter Braun's Ithaca Holdings for \$1 Billion (EXCLUSIVE). *Variety*.

<sup>35</sup> 장지영. (2021.11.01). “하이브, 3분기 사상 최대 실적 전망...목표가↑”. *아시아투데이*.



**<Hello Project! and AKB series in Japan>**

Japanese female idols began as a solo, not as a group. In the 1970s, there was Momoe Yamaguchi who is the start of the sensational idol boom. There were Kyoko Koizumi and Hedemi Ishikawa both born in 1982 who are the symbolic figures of the 1980s that show the splendid atmosphere of the bubble economy, Seiko Matsuda who lead the culture of the current Fandom (親衛隊). By the 1990s, artistry female idols such as Namie Amuro and Hikaru Utada were born. By the 2000s, female idols moved away from the notion of a solo to groups.

<b>Generations</b>	<b>Japanese Female Idols</b>
1970s: First ‘Idol’	Momoe Yamaguchi
1980s: Symbolic figures that show the colorful atmosphere of the bubble economy	Seiko Matsuda Akina Nakamori Hanano 82 Nengumi (Kyoko Koizumi, Hedemi Ishikawa, Chiemi Hori, Kaoruko Arai, Atsuko Kwawda)
1990s: Artist	Namie Amuro and Hikaru Utada
2000s: Idol Groups	Morning Musume
2010s: Commercialized	AKB48

**Figure 4. Japanese female idols table by generations**

Morning Musume (モーニング娘。 , Mōningu Musume), who led the boom of Japanese female idol groups, is a group belonging to the ‘Hello! Project,’ a generic term for a female idol group affiliated with the Japanese entertainment agency Up-Front Promotion (hereafter Up-Front). When Morning Musume was a big hit in the early 2000s, Up-Front conducted large-scale auditions such as open auditions for Morning Musume’s new members and Hello! Project Kids auditions for young children. As the number of recruited sources through auditions increased, Up-Front created the integrated brand ‘Hello! Project (hereafter *Haropro*),’ to support promotion and derivation of sales of their groups. With producing famous female idol groups such as Morning Musume, Cute, and Berryz Kobo, Haropro used to be a representative of Japanese female idols until the early and mid-2000s, but its reputation has not been the same since the late 2000s, as Yasushi Akimoto produced 48 series led by AKB48 came on female idol scene. Mitsuo Terada,

known by his stage name Tsunku (つんく♂), has been charged with writing, composing, and producing all songs since its establishment in 1997. However, as his laryngeal cancer and vocal cord extraction hindered his music career in 2014, he stepped down as the main producer and just remained as a Sound Producer of Morning Musume<sup>36</sup>. By all means, Morning Musume is the basis for the establishment of the Haropro, so this chapter will only cover this group.

Morning Musume is a group formed in 1997 as a five-member group on a televised talent show competition, ASAYAN (浅草橋ヤング洋品店, lit. "Asakusabashi Young [Western style] Products Store), aired from October 1995 to March 2002, on TV Tokyo, one of Japan's top five private broadcasting stations. At that time, the program aired for an hour every Sunday night, and the theme of the audition kept changing. For example, auditions of all genres were held, including auditions for fashion designers, for celebrities seeking a comeback in sports. Soo-young who is more familiar as a member of the Girls' Generation, was participated in this program and debuted as a singing duo called *Route 0* (ルート・ヨソ) in Japan<sup>37</sup>. Among those auditions, there was a rock vocalist audition where Sharam Q and Tsunku were composing and producing records. Tsunku saw the potential of a participant named Natsumi Abe, who was eliminated and decided to form a girl group with the other four runners-up. The five people made their debut on January 28, 1998, with a song called "Morning Coffee," and this project is the beginning of Morning Musume. In May 1998, producer Tsunku suddenly announced the recruitment of the second generation at ASAYAN to add new life to the group, and from then, the joining and graduation system which is a characteristic of Morning Musume has been operated. In 1999, Morning Musume recruited the third-generation member, Maki Goto, and recorded its first million sellers with the seventh single, "Love Machine." Another single "Koi no Dance Site (恋のダンスサイト, Dance site of love)," released in January 2000, also became a million-seller which gave the title of double million seller group. Riding

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<sup>36</sup> つんく♂の総合P“卒業”後、ハロプロはどう変化する？節目の楽曲と次世代作家を分析. (2015.09.11). *Real Sound*.

<sup>37</sup> 加藤千絵. (2019.02.14). "本当に大切な人は誰なのか、考えるきっかけにほしい 少女時代のスヨンさん「デッドエンドの思い出」に主演. 好書好日 | *Good Life With Books*.

high on their popularity and profits, the group showed a stagnant appearance in 2001 with the recruitment of 5<sup>th</sup> generation members. Every previous singles released were reached a million-seller for about two years, but the sales of “The Peace! (ザ☆ピ〜ス !)” sharply dropped to 680,000 copies. Although the sales volume was determined by the popularity of the song since not many companies tapped into a lucrative marketing gimmick, the single ‘Mr. Moonlight’ only sold 510,000 copies and the next single sold 440,000 copies. Moreover, with the departure of Maki Goto, who was the ace, as of September 2002, the decline in popularity has been on a steep slope, and Morning Musume ended its splendid heyday. Of course, between 2007 and 2009, there was a time called the ‘Platinum Era’ that produced high-quality content with sophisticated songs, choreography, and costumes among fans, but it still fell behind its heyday. Likewise, the biggest feature of Morning Musume is that its members continue to change with the times. Auditions are consistently held, members are kept changing, and graduated members actively perform as solos, models, and actors. Morning Musume was a national girl group representing Japan from the late 1990s to the early 2000s.

As mentioned earlier, the ‘48 Series’ is a group led by the Japanese famous producer Yasushi Akimoto. It is female idol groups that put commerciality over musicality, different from Haropro which values skills, though performance execution is relatively lower than Korean idols. However, the ‘48 Series’ which has occupied the Japanese female idol market since the late 2000s, and has been mass-produced since AKB48, is currently an icon of Japanese female idols. AKB48 is also the basis of this ‘48 Series,’ so here will only cover AKB48.

Originally, in Japan, many idol singers gained popularity due to the idol boom in the 1980s, but since the early 1990s, they have looked at idol music from a negative perspective. In addition, due to the discontinuation of music programs after the collapse of the bubble economy, and with the band boom, the so-called idol ice age emerged which took idols away and only let the entertainment-oriented idols survive from the media. At this time, theater performance-oriented idols began to be born. Idols that expand their fan base by performing mainly at small local theaters or live clubs and holding handshake events at halls located in

department stores. On top of that, local idols slowly emerged as the influence of the Japanese performance market, where various small performing venues flourished in the provinces, and so-called ‘underground idols (地下アイドル)’ began to be called ‘live idols.’ Well-established local broadcasting stations in each region<sup>38</sup> and enormous live cafes even in the rural areas let those local idols were able to continue to perform through those outlets. Idol producers start to think that they can earn profits with the support of idol maniacs by selling goods and indie albums while focusing on small performances, and taking advantage of the good accessibility, unlike major idols. After this concept of local and underground idols was created, the current AKB48 and its derivatives have grown along with famous producer Yasushi Akimoto and the influx of various sponsors and large-scale capital.

AKB48, a female idol group formed in 2005 emphasizes ‘friendliness.’ A theater that can accommodate up to 250 people was built on the 8<sup>th</sup> floor of the *Don Quijote* store in Akihabara, Tokyo, and officially debuted in January 2006. It is a group produced by Akimoto, a famous broadcast writer, lyricist, and producer, and made its brand name like product development number, which is derived from Kotaro Shiba’s *Shi* (4 in Japanese) and *Hachi* (8 in Japanese), the president of Office48, home of AKB. Since the concept is a regional-based idol, there are not only AKB48 in Tokyo, but also sister groups such as SKE48 (Aichi Prefecture base), NMB48 (Osaka), HKT48 (Fukuoka), NGT48 (Nigatashi), and STU48 (Seto Inner Sea, 瀬戸内海). Akimoto developed a strategy of a ‘live singer,’ in which purchasing multiple CDs by creating a ‘regular (核となる顧客)’ performing every day in a small theater. He also made general election events that select popular members which caused fans to consume money and time on their ‘bias (推し).’ It established an AKB48 theater in Akihabara under the concept, “Idols you can meet,” and attracted fans by performing at all times. Since 2008, it has gained popularity through sales gimmicks: encouraging overlapping purchases through enclosing tickets for a ‘handshake event,’ where fans can shake hands with their biased idol member and voting rights to choose 16 members who can appear on TV

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<sup>38</sup> For example, Hokkaido’s local broadcasting station HTB’s self-produced popular entertainment show, ‘*Suiyo doudesho*’ has gained popularity across Japan with huge ratings.

on the album. In 2010, AKB48 topped the annual search word ranking of person category in *Yahoo! Japan* (Japan's largest market share portal website) for two consecutive years and appeared everywhere including commercials, dramas, variety shows, morning shows, radio, magazines, cartoons, animation, games, and even in horse racing shows in their prime. On the Internet, there was a joke saying, "I see AKB48 wherever I go in Japan" which pointed out the ripple effect that AKB48 had made. Since the 16<sup>th</sup> single, "Ponytail and Shushu (ポニーテールとシュシュ)" released in May 2010 which recorded initial sales of 560,000 copies, AKB 48 became Japan's top idol group with sales of one million copies per single they released. The 25<sup>th</sup> single "The Wind Is Blowing(風は吹いている)" recorded 10 million sellers, which made them record 13 times of million-seller, the most among Japanese female artists. Although AKB48 has been on a downward trend since 2014, it is still in the top five girl groups in Japan, ranking second in total sales of artists during the Heisei period (平成) in Japan<sup>39</sup>.

## **2.2 SM Entertainment and Johnny's Associates**

SM, one of Korea's leading agencies renowned for dominating both domestic and overseas markets, achieved great success by strategically targeting the music market by discovering versatile artists, careful planning, and thorough training.

Meanwhile, Johnny's, which has only dug into the field of male dance idols, is famous for its pioneering Japanese agency that buckles down to planning the concept of a group that dances and sings together. In Japan, there is a widespread perception of 'male dance idol = Johnny's,' and they have produced many popular male idol groups such as SMAP, Kinki Kids, V6, and Arashi, almost monopolizing the male idol management industry in Japan.

In this chapter, the paper will focus on what groups SM and Johnny's have launched and what strategies they used by each generation.

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<sup>39</sup> ORICON. (2019.04.11). 【オリコン“平成セールス”ランキング】シングルはSMAP、アルバムは宇多田ヒカルが1位 “平成No.1”アーティスト別セールスのBからはコメント到着.  
<https://www.oricon.co.jp/confidence/special/52827/2/>

### 2.2.1 SM Entertainment

The corporate name of SM which was founded by Lee Soo-Man in 1995, stands for Lee Soo-Man's initials and Star Museum. After the launching of the male idol group, H.O.T., which was the very first attempt in Korea targeting adolescents, SM began to gain popularity. Unlike previous talent agencies which just support record/album sales, SM was in the vanguard of star marketing by participating in the process of finding and producing artists. SM, which marks its 26<sup>th</sup> anniversary, has many top domestic stars and is a comprehensive entertainment agency that reached out to TV programs as well as music production. In April 2000, SM was listed on the KOSDAQ (Korea Over-the-counter Stock Market) and even became a corporation. SM is the first Korean music company to introduce the systematized concept of marketing in album planning and sales. As a result of putting forward a strategic and thorough marketing for the launching artists, SM participated in the music market late compared to other companies, but now it has a fairly high share of the domestic record market. SM is one of the largest talent agencies in Korea with a market capitalization in August 2020 is about 841.8 billion KRW, sales in the second quarter of 2020 are 135.9 billion KRW, and an operating profit is 13.2 billion KRW<sup>40</sup>.

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<sup>40</sup> 김소연. (2020.10.11). 구관이 명관...코로나 위기 이겨낸 SM 의 어닝서프라이즈. *한국경제신문*.

<b>By Generations</b>	<b>Contents</b>
<b>1<sup>st</sup> Generation</b>	H.O.T.(1996): Forming the concepts of ‘Idol’ and ‘Hallyu’ S.E.S(1997): First SM-style girl group BoA(2000)[Solo]: First success case of SM localization in Japan
<b>2<sup>nd</sup> Generation</b>	TVXQ(2004): First foreign idol group topped the Oricon chart and pioneer <i>Hallyu</i> Super Junior(2005): Frist group applied ‘rotational unit’ SNSD (2007): An exemplary idol girl group SHINee(2008): First Korean idol who performed in the UK, showed the Hallyu beyond the Asian region. Worked with famous overseas composers & choreographers from their debut. F(x)(2009): Multinational girl group known for their electric, electropop-based sound who first K-pop group to perform at renowned music festival SXSW (South by Southwest)
<b>3<sup>rd</sup> Generation</b>	EXO(2012): Debuted by separated into EXO-K, performing music in Korean, and EXO-M, performing music in Mandarin. Red Velvet(2014): The group with many prestigious accolades, still has been active so far in 2022
<b>4<sup>th</sup> Generation</b>	NCT(2016): A group characterized by ‘openness’ and ‘expandability’, Currently consists of 23 members and forming into various sub-units. Aespa(2020): The most recent girl group to debut, a multinational group that marks the beginning of SM-style future entertainment. Top-tier among 4 <sup>th</sup> generation idols.

**Figure 5. SM Entertainment's idol table by generations**

**<1<sup>st</sup> generation idol groups: H.O.T., S.E.S>**

After *H.O.T.*, five-member male idol group made their debut in 1996 and complete the definition of an idol group, the idol era has emerged. As soon as they came out, they became a sensation; not just conquered the Korean pop music industry but also captivating the Chinese market in the late 1990s. For example, tickets for the concert held at Beijing Workers’ Gymnasium(工人體育館) in February 2000, sold out 90% at the reservation stage despite the expansive price of 80 to 1,000 CHY, and even ticket scalpers charge an exorbitant amount of money for tickets<sup>41</sup>. Based on the success of the Korean music market in 1998, H.O.T. entered China and created the concept of Hallyu for the first time by the Chinese

<sup>41</sup> 유상철. (2000.01.31). 중국서도 H.O.T 열풍...베이징콘서트 표 동나. 중앙일보.

media. S.E.S strategically casted members who grew up in Korea, the United States, and Japan, especially aiming for a pan-Asian female group as the first female idol group designed to enter global stages from the beginning. The fixed members were Korean Bada, Korean American Eugene, and Japanese Korean Shu, and they entered the Japanese music market in the same year as H.O.T.. Although it was hard to say that it was successful, through this move, SM realized the importance of language problems, partner selection, securing a distribution network, and market research.

### **<1.5 generation: BoA>**

In August 2000, SM launched solo artist, BoA with thorough planning and preparation targeting Asia and the global market. What BoA first did was move to Japan in 1999 and learned Japanese from an NHK announcer before her official debut in Japan. This is because SM saw that the artist's success would be hard to guarantee if they could not appear on various local variety shows or music programs without knowing the local language. BoA also received systematic training of singing, acting, and dancing from HORIPRO, Inc. (ホリプロ) which is one of the biggest Japanese management companies for artists. In the preparation stage of the album, she was taught choreography by Japan's top dancers Sakuma Masahide and Nagasawa Kazuhiro. SM, to differentiate BoA from the representative Japanese female singers such as Amuro Namie and Utada Hikaru who show relatively static stage manner with soft J-pop music, made BoA train to cover a wide range of genres from R&B to dance music while dancing powerfully. SM also partnered with Avex, Japan's leading music company, first, to compensate their lack of expertise and network in the Japanese music industry and, second, to utilize Avex's outstanding marketing strategies which suit for the local market. BoA eventually erased the colors of Korea and became living proof of the success of localization. Two years after BoA's debut in Japan, both albums released recorded a million sellers, selling 2.6 million copies, and she earned about 100 billion KRW from album sales alone, including an average of 300,000 single sales. On top of that, BoA also had tremendous economic value by advertising contributions from Honda Motors, an automobile and motorcycle MNC, and Sketchers, the global sneakers brand; concert revenues from Osaka, Nagoya, and



Tokyo in Japan; and royalties received from the sale of games like ‘*BoA in the World*.’

**<2<sup>nd</sup> generation: TVXQ, Super Junior, Girls’ Generation, SHINee, f(x)>**

Although BoA achieved great success in Japan, SM faced a big crisis due to the disbandment of the first-generation idol groups. SM planned a new idol group with the goal of targeting the Asian music market, including Japan, based on the know-how learned from BoA. The representatives of the second-generation of idols are TVXQ, a 5-member male idol group and *Girls’ Generation*, a 9-member female idol group. TVXQ was designated as TVXQ (東方神起) to make it easier for Japanese and Chinese audience to call it, and used the four letters stage names such as ‘최강창민 (最強昌珉, Max Chang-Min)’ ‘유노윤호 (瑜允允浩, U-know Yun-Ho)’ like Japanese. In addition, TVXQ start from scratch though they reached stardom in Korea. They were already a top seller in Korea, but SM made the debut as a rookie in Japan after trained for overseas markets and enter Japanese music market like BoA’s case.

Avex, a strategic alliance with SM, oversaw TVXQ’s management, which had a big problem; Avex is a company specializing in female singers. Furthermore, since the Japanese male idol market is dominated by Johnny’s, a foreign male idol group debuts not through Johnny’s means that appearing on major variety shows and music award programs could be blocked. Nevertheless, TVXQ only had the choice to make a debut with Avex, and implemented a different strategy; SM positioned TVXQ as a talented artist with excellent singing skills, not as an idol group, to avoid direct competition with existing Japanese male idols. TVXQ was introduced as a talented A cappella group and made themselves known to the Japanese music market. After two years of hard work, TVXQ’s popularity gradually began to rise from 2007. TVXQ’s high-quality singing skills differentiated them from other Japanese male idol groups. As a result, they topped the Oricon chart with *Purple Line* in 2008, and became the first foreign male idol group that appeared in ‘*NHK Red and White Song Battle* (NHK 紅白歌合戦, NHK Kōhaku Uta Gassen),’ a renowned annual New Year’s Eve TV special show, and performed at the Tokyo Dome in July 2009. SM Japan, a Japanese subsidiary of

SM, revealed that TVXQ's Japanese tour, 'TVXQ Live Tour 2012' generated nearly 100 billion KRW in sales. TVXQ topped the *Oricon Single Weekly Chart* for the first time as an overseas singer with 320,000 single albums, four full-length albums, and one best album<sup>42</sup>. In October 2013, they made headlines for beating top star Hamasaki Ayumi on the finale stage at 'A-Nation,' a joint performance by Avex singers. TVXQ's outstanding appearance and sophisticated SM-style performance have attracted fans' attention, and they are still riding high on their popularity.

Girls' Generation (少女時代, SNSD) which debuted in 2007, named the team not only in Korean and Chinese characters but also in English so that anyone in the world can easily understand it. Girls' Generation now became the role model of many other groups due to their successful careers in the entertainment industry, planned as a 'pan-Asian group' that could target not only domestic but also the overseas market. Girls' Generation began their activities in Japan after their debut showcase in 2010, attracting a total of 22,000 spectators. In September 2012, they achieved 5<sup>th</sup> place in the Oricon Daily Single Ranking on the day of release with their domestic hit song "GENIE" and broke the record for the best appearance ever with initial album sales of more than 45,000 copies<sup>43</sup>. They have been famous since their debut in Japan due to their YouTube marketing, held a total of 13 arena tours in six Japanese cities, including Saitama, Tokyo, Hiroshima, Nagoya, and Fukuoka, attracting 140,000 spectators.

SM has produced many second-generation idols other than TVXQ and Girls' Generation. Debuted as a 13-member group in 2005, Super Junior initially was the first rotation group in Korea, replacing members in the admission and graduation system. Although the system failed because of strong opposition from fans, it became visible in the fourth-generation idol NCT. After their success in Korea, Super Junior made their entry into the Chinese and other overseas markets, with Chinese member Han-Kyung as a key member. All the members of Super Junior also used two-letter names such as Hee-Chul, Ye-Sung, and Dong-Hae, which was easy for the Chinese to call. In line with the trend of the K-pop market in Japan as well as China, SM expanded its partnership to Avex, Universal Music Japan, and

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<sup>42</sup> 이은정. (2011.09.05). SM 日公략 10년...보아부터 샤이니까지, 도쿄연합뉴스. *연합뉴스*.

<sup>43</sup> 김원겸. (2010.09.14). 日 오리콘도 소녀시대! 동아일보.

EMI Japan to put diversity in the line-up of artists. Super Junior released their hit song “Beautiful Woman (Bonamana)” as the first Japanese Single, and they ranked second on the Oricon Single Weekly Chart as the album surpassed 100,000 copies in sales without album promotions and activities.

SHINee has also worked with famous overseas composers and choreographers from the beginning, signed a contract with EMI Japan after their success in Korea, and held a performance celebrating their Japanese debut at Abbey Road Studio in London, England, in June 2012. SHINee had done more than five Japanese albums and more than 100 concerts, and their member Tae-min has boosted his career by releasing a solo album and performing at musicals in Japan. F(x), a multinational girl group that debuted as a 5-member group in 2009 as a 2.5<sup>th</sup> generation idol, also continued to follow these steps. The group name is a mathematical symbol  $f(x)$ , which is ‘function formula,’ meaning that they will carry out various activities in Asia based on various charms and concepts of the members, like an equation that changes the results depending on the  $x$  value. Along with this ambition, they have proven their global group status by starting with the release of their domestic hit song “Hot Summer” in 2012 and held a solo concert tour in Japan in 2016 after signing a contract with Avex at the end of 2010.

### <3<sup>rd</sup> generation: EXO, Red Velvet>

Third-generation idols EXO and Red Velvet are also groups launched with the planning of overseas expansion. EXO, a 12-member male idol group featuring dynamic perfectly synced dance<sup>44</sup>, was sensational not just in Korea, but also in different countries. EXO held their showcase in Seoul and Beijing in 2012 by dividing the group into six ‘EXO-K’ who will perform in Korea as main stage and six ‘EXO-M’ who will perform in China as main stage but has now become a nine-member group as their Chinese members left. While second-generation idols TVXQ and Super junior led the Hallyu as pioneers of overseas markets, EXO planned to enter overseas markets upon its debut. In Asia, including china, which has been targeted from the start, they have enjoyed great popularity since after the

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<sup>44</sup> Also known and 칼군무(*kal-gun-mu*) which directly means knife group dance. The term is used to illustrate the dancing aspect of performances; when idol group nailed their performance with perfectly synchronized movements, many commentators use this term to praise them.

“Growl,” their song, craze in 2013. EXO, of course, which was originally designed to aim at overseas markets, successfully made its debut in Japan in 2015. Japan’s debut single, *Love Me Right Romantic Universe* topped the Oricon Daily Single Chart and, in the same year, set a milestone of holding its first Tokyo Dome concert in the shortest period in history as a foreign artist. Moreover, in North America and Europe, EXO gained popularity with “CALL ME BABY” in 2015 and “Monster” in 2016 and has grown their popularity in the West after their “Ko Ko Bop” performance at the 2018 PyeongChang Olympics<sup>45</sup>. Even in the Middle East region, as “Power” has been used as a piece of background music for the fountain show held in the United Arab Emirates for about a year since 2018, EXO’s fan base has become stronger<sup>46</sup>.

Red Velvet originally debuted as a four-member female idol group in 2014, but new member, Ye-ri joined in 2015 and became a five-member group. Irene, Seul-gi, Wendy, and Ye-ri who were SM Rookies, a pre-debut program for SM trainees, have been known to the public even before their official debut. Due to the high recognition as SM Rookies, Red Velvet’s debut music in 2014 ranked seventh in the Melon entry rankings, which was unusual for a rookie. In 2019, they made their debut in Japan with a digital single “SAPPY” with other three mega-hit songs in Korea. Despite releasing only albums without any promotions, they made successful achievements such as going on an arena tour.

#### **<4<sup>th</sup> generation: NCT (*Neo Culture Technology*), Aespa (*æspa*)>**

NCT, a male idol group that can be called a fourth-generation idol, also planned to enter overseas markets. NCT, the abbreviation for ‘Neo Culture Technology, is a group characterized by ‘openness’ and ‘expandability’ in which numerous units can be created under the brand name of NCT. As their greeting says ‘To The World,’ NCT is expected to aim for localization around the world. As of 2021, seven units have already been created under the brand NCT, including NCT U, NCT DREAM, NCT 127, and WayV. In 2020, NCT 127 sold 830,000 albums, and NCT DREAM sold 670,000 albums, and in 2021, both teams have

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<sup>45</sup> 이상현. (2014.01.23). 북미는 엑소, 유럽은 샤이니, 아시아는 에프엑스. *연합뉴스*.

<sup>46</sup> 김영록. (2018.01.17). "중동까지 엑소얌이"...!과워', 韓최초 두바이 분수쇼 주제곡 선정. *조선일보*.

successfully surpassed three million album copies<sup>47</sup>. WayV aimed at the Chinese market gained fair success by topping the QQ charts and iTunes charts for Chinese Music and NCT 127 released the song “Chain” in Japan and a domestic hit single “Cherry Bomb” in the U.S. by translated into English in 2018. Also in September 2020, NCT introduced a new Japanese member named ‘Shotaro’ which made fans to predict that NCT will launch a Japanese group soon.

Aespa, who made their debut in November 2020, also cast members from Korea, China, and Japan and made their debut as a four-member group. SM Chairman Lee Soo-man mentioned SM Culture Universe (SMCU) as the core value and vision of future entertainment, saying that the future world will be a world of celebrities and robots. Aespa is basically the first project to announce the start of future entertainment. They are a four-member group based on their ‘universe’ or storyline of “meeting another self, avatar, and experience a new world,” but there actually are a total of “eight” members, including the members’ avatars= $\infty$ <sup>48</sup>. By releasing the member teaser and music video on YouTube, and as of November 2020, they have a new record of 214,000 views for 24 hours of music videos for all debut songs. As a rookie launched by SM, aespa is causing a stir. As of 2021, Aespa, who made consecutive hits with “Next Level” and “Savage,” is solid enough to be called the fourth-generation idol first-class.

### 2.2.2 Johnny’s Associates (ジャニーズ事務所)

Johnny & Associates, a Japanese entertainment company founded in 1962, pioneered the domestic male idol market in the early 1960s and 1970s. Based on the founder Johnny Kitagawa’s passion for stage art, Johnny’s has provided entertainment and educational services by providing accommodation to young adolescents who joined the company, including their first artist, Johnny’s. Johnny’s established a fostering system called ‘Johnny’s Jr.’ which let trainees taste the broadcast system by experiencing a backup dancer for their senior concerts, appearing in plays, musical works, or broadcast programs before their official debut. This system also influenced the Asian entertainment field, and SM also

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<sup>47</sup> Kubrick, K. (2021.11.08). NCT 127 and NCT DREAM Successfully Reach 3 Million Album Sales in 2021. *Somag News*.

<sup>48</sup> 이재훈. (2020.11.15). [초점] SM 걸그룹 ‘에스파’, 개인맞춤형 ‘아바타 실험’ 성공할까. *NEWSIS*.

introduced a similar pre-debut system, which unveiled trainees before their official debut, 'SM Rookies' to that of Johnny's Jr. in 2013.

Johnny's is not just an agency, but under their label, J-Strom, which was founded in 2001, also working on producing and selling albums of their affiliated groups, including Arashi. However, different from the establishment, now the number of Johnny's artists affiliated with domestic and foreign record label companies such as Avex, SONY Music, and Universal Music is also increasing. As such, it is also a characteristic that each artist contracts and collaborates with different record companies. Another characteristic is the closure of corporate forms, sales distribution, and media contributions. First, in terms of the corporate form, Johnny's is an unlisted company because it has been managed by founder Johnny Kitagawa and his relatives, and company information is still private to this day. Photos or voices of artists belonging to Johnny's, called 'Johnny's Portrait Rights,' cannot be distributed anywhere without permission of the Johnny's. Therefore, one must pay 'money' for any media exposure, regardless of broadcasting, magazines, albums, or online, of Johnny's artists. For example, the homepage of the drama starring Johnny's artists cannot use their photos, and all SNS photos uploaded by their acquaintances must be deleted. Johnny's artists, of course, cannot hold photo time at movie or drama press releases. As such, Johnny's strictly managed the portrait rights of their artists in sales distribution and media appearances, moreover, they even have been operating with a confined company policy, such as not only enclosing any videos and music online but also requiring CD purchases to watch music videos. However, as of 2018, Johnny's artists are now allowed to post their photos on the Internet media. Publication began around August 2017 due to the easing of restrictions on portrait rights of Johnny's artists to the Internet, and photo publication was allowed in magazines and books from April 2018. Regarding music streaming service, Arashi's music began streaming online in 2019, and some artists' music videos began to be disclosed on YouTube, but it is very limited compared to other domestic and overseas agencies. In addition, ticket sales for concerts and stages of their artists are also only for the Fanclub, which needs a membership fee, called Johnny Family Club, and a closed fandom formed around this 'family system.' Even now, Johnny's is passive in selling tickets for the fans who are not part of their family system through external ticket sales services.

<i>Timeline</i>	<i>Contents [debut year]</i>
<b><i>Idol culture formation: 1960s</i></b>	Johnny's(ジャニーズ), Four Leaves(フォーリーブス)
<b><i>A Mature Stage of idol market: 1970-80s</i></b>	Kondō Masahiko (近藤真彦), Shonentai (少年隊)
<b><i>'Multitalented Tarento (celebrity performer): 1990s</i></b>	SMAP, Arashi(嵐) [1999]
<b><i>Market dominance decline (Monopoly Easing): 2010- Current</i></b>	Kis-My-Ft2 [2011], Sexy Zone [2011], A.B.C-Z [2012] Johnny's West [2014], King&Prince [2018] SixTONES [2020], Snowman [2020] Naniwa Danshi (なにわ男子) [2021], Travis Japan [2022] ** Popular female idol groups such as AKB48 and Nogizaka46 appear ** The influx of Korean and Chinese pop music due to globalization

**Figure 6. Johnny & Associates' idol table by generations**

< **Idol culture formation: Johnny's(ジャニーズ), Four Leaves(フォーリーブス)**>

Founder Johnny Kitagawa was born in 1931 in Los Angeles, USA, as a second-generation Japanese American. After World War II burst out, he went to Japan but returned to the US to learn American entertainment while working at a theater in Los Angeles. After completing his military service after being conscripted for the Korean War in 1962, he worked as an interpreter of the U.S. military corps in Japan and lived in Washington Heights (currently Yoyogi Park), a U.S. military facility in Tokyo. Local children were fond of Kitagawa because he had a lot of American-made items of a novelty in his house and he made a Johnny's Boy Baseball Team with those local boys. After watching a movie, *West Side Story*, he was impressed enough to decide to enter the entertainment industry. With four boys who were interested in singing and dancing from the baseball team, he produced the first group called, 'Johnny's (初代ジャニーズ).'

Kitagawa challenged the 'male idol' genre that an unexplored field in Japan in the 1960s. The leading agencies of the time rarely touched the male idol market because the 60s was the time that the Japanese economy was carried by young men, so most companies targeted young men as their target audience, not women. However, Kitagawa pioneered a new market by targeting young women. After producing the male idol group Johnny's, Kitagawa planned to raise their reputation at once by debuting the group in the U.S. but did not work out due to some problems with the promotion film and the LP. After this failure, the group

disbanded without much success. Nonetheless, Kitagawa did not give up and consecutively introduced a new artist; Four Leaves who originally were group Johnny's backup dancers. Since their debut in 1968, Four Leaves was the first successful case of a male idol group in the agency, attracting many fans by appearing on popular shows. Furthermore, in 1972, when the Four Leaves was still the most active in the male idol field, Hiromi Go, who later became Johnny's biggest solo star made his debut. With their high performance, Johnny Associates dominated the male idol market and ranked as one of the largest domestic talent agencies. This period served as giving the perception that Johnny's is a distinctive agency in producing male dance idols in Japan.

#### < A Mature Stage of idol market: Kondō Masahiko (近藤真彦)>

Since the late 1970s, TV has become more common, creating a new lifestyle of enjoying the extraordinary experience from 'home' where people enjoy their daily lives. The first person who join this new trend was Johnny's artist, Kondo Masahiko who made his debut in 1980. Kondo first began his career as an actor but later also performed as a singer. The strategy of getting public awareness as an actor and extended his activities as a singer was successful. Along with the success of the cast drama and his song "The Fool (愚か者)" won a grand prize at the 29<sup>th</sup> Japan Record Awards which boasted the highest authority among Japanese music awards until 1987, Kondo was acknowledged as a popular idol. He kept showing the aspect of a comprehensive entertainer: his reckless and scatterbrained character from variety shows was attractive and his released songs of various genres such as disco and rock were stranded out. The successful expansion of the scope of male idols' activities which Kondo made during this period, set the direction for junior idol groups.

In the 1980s, with the popularization of male and female idols, not only 'skills' such as singing and dancing but also 'attractiveness' such as personality and the concept of the team has been required for both female and male idols. At the same time, the Johnny's Jr. system, fostering trainees before their debut, has been settled in Johnny's and through Johnny's Jr., the group's concept planning was actively carried out. Other than Kondo, Shibugakitai (The Cool Kid Trio, シブがき隊),



who debuted in 1982, pursued the music concept of Japonism<sup>49</sup> to overcome the lack of their singing and dancing skills. Since skills were also essential in the Japanese idol market until the 1980s, Shonentai (少年隊) who debuted in 1985, presented musical works that utilized their singing and dance skills, and Hikaru GENJI (光 GENJI) who debuted in 1987, gained popularity by their roller skates performances on the stages.

<‘Multitalented *Tarento* (celebrity performer)’: SMAP, Arashi(嵐)>

In the 1990s, Hikaru GENJI’s popularity declined as the demand for fictionality, including becoming para-social relationships<sup>50</sup> and feeling love, gradually declined. SMAP is a group formed in April 1988, held their first concert at the Japanese martial arts museum in January 1991, and made their CD debut with “Can’t Stop Loving” in September of the same year. SMAP started with a fancy concept similar to Hikaru GENJI, but profits continued to remain sluggish. To break through this situation, Johnny’s adopted a ‘multi-talent’ strategy that actively appears in various media such as variety shows, TV dramas, and radio rather focusing on singer career. From SMAP, Johnny’s began to cast people with fit the group’s image or character and neglecting skills.

SMAP’s ‘friendly’ image that was exposed in comedy and variety shows let them gain huge popularity. This image of a group that is ‘in progress’ rather than being a ‘perfect’ idol made their narratives sympathize with the idol group. This strategy became an example for all of Johnny’s idols and male idols in the 2000s, and Johnny’s began to monopolize the male idol scene in Japan. After SMAP, Arashi, TOKIO, KinKi Kids, and V6 also enjoyed an influx of fans through the same strategy; first, groups attracted new fans by working individually, second, made those fans into fans of the group, and lastly made big believers in Johnny’s itself. Through these steps, Johnny’s built up the so-called *Johnny’s fandom*.

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<sup>49</sup> Japonism which hit Europe in the 19<sup>th</sup> century, means not only being attracted to Japanese-style trend but also paying attention to Japanese ways of thinking and aesthetics. In 1872, the French art critic Philippe Burty named the term “Japonism” to describe the enormous influence of Japanese art on the European art (Fukai, A. (1996). Japonism in fashion. *Japonism in Fashion*, 16-27.).

<sup>50</sup> A psychological relationship experienced by an audience in their mediated encounters with performers in the mass media. Fans of idol group began to consider them as friends, though, they did not interacted with idols in person.

Second only to SMAP, Arashi, a five-member idol group formed in 1999, became a group that properly showed this strategy of being multitalented *Tarentos* and narratives. All of the members jumped to stardom upon their first single release based on their high recognition as key players during the ‘Golden Age of Johnny’s Jr.’ which gained sensational popularity in the late 1990s. Though they started with a flourish, soon got away from public interest until 2005, which was the year megahit drama *Boys Over Flowers* came out. Matsumoto Jun who played the main role enjoyed tremendous popularity and even the main theme song of the drama, ‘Love So Sweet’ by Arashi ranked fourth on the Oricon annual single chart in 2007. Not only Matsumoto but also other members also became huge this year and the group reached the peak of popularity in its 10<sup>th</sup> year; Ninomiya Kazunari made his Hollywood debut with the Japanese-language American war film, *Letters from Iwo Jima* (硫黄島からの手紙) directed by Clint Eastwood and Sakurai Sho also cast as a news anchor in 2006, appearing in the news program *News Zero* every Monday. Since 2015, every single member topped CM rankings every quarter, maintaining the highest favorability and influence in the Japanese entertainment industry, and no other artists yet beat its tremendous records and activities, including the highest number of Japanese concert mobilization and the highest number of topping Oricon singles chart. Social welfare contributions continued, such as releasing cheering songs for the National High School Baseball Championship and donating to the disaster victims. As the company expanded, activities in various fields were actively carried out, including the introduction of advanced technologies such as mobile stages and the latest sound systems for concerts. In addition, Johnny’s hosted overseas performances around Asia began as part of international exchange projects during this period. V6 performed in Taiwan in 2001 and Korea in 2002, and SMAP also performed in China in 2011. Most of these performances are characterized by international exchange events such as projects to commemorate the normalization of diplomatic relations between China and Korea, and the Korea-Japan Friendship Year (2005).

### <Market dominance decline (Monopoly Easing)>

Since the 2010s, Johnny's popularity and influence have gradually declined because of: the privacy issues of their artists, the emergence of male idol groups from other agencies such as EXILE and JSOUL Brothers, the emergence of female idol groups represented as AKB48 or Nogizaka 46, the influx of Korean and Chinese pop music due to globalization, strict management of portrait rights not suitable for the 21<sup>st</sup> century, and passive use of SNS. Moreover, as the number of artists belonging to Johnny's increased, criticism on Johnny's media control, such as exploiting Johnny's leverage to prevent other male idol groups from appearing under the condition of Johnny's group's appearance. The disbanding of SMAP in 2016 particularly brought social consequences on Japan, with various social reviews related to issues such as large-scale fan CD purchase campaigns and singing activities, speculation of Internet media, and massive criticism of some members. The problem stems from a confrontation between founder Johnny Kitagawa and sister and chairman Mary Kitagawa, versus the manager in charge of SMAP, which eventually resulted in the resignation of the manager and some members, and even rose the issue of a private structure due to its unlisted, family-organized management. Since then, an unstable environment has caught around the company, with a series of withdrawals of the affiliated group and resignations of the agency.

Especially since the death of Johnny Kitagawa, the founder, producer, and general manager of the agency in July 2019, the contract termination of Johnny's artists accelerated. Johnny's is now hard to cope with its precarious situation among artists who led the company's performance: TOKIO became independent, Tomohisa Yamashita, who was active in all aspects, including acting, singing, dancing, and variety shows, resigned, and Arashi decided on a long hiatus in 2020, and V6 disbanded in 2021. Hideaki Takizawa of Johnny's, who once dominated the era, strived to change the current situation after announcing his retirement as a celebrity and following up on the intention of Johnny Kitagawa as a "successor" in 2018. He was inaugurated as the president of a subsidiary in charge of fostering Johnny's Jr. called *Johnny's Island* which is Johnny's new training school plus, appointed as vice-president of Johnny's and launched a YouTube channel to upload videos in September 2019. Takizawa performed well as a producer and

director; he successfully made the debut of SixTones and Snow Man in 2020 which are male idol groups that enjoy fair popularity in Japan. Furthermore, a very recent group made their debut in 2022, Travis Japan made a contract with Capitol Records, an American record label founded in 1942, to expand their activities to the overseas market<sup>51</sup>. However, still, all the groups' popularity only stays within the country, and the overall effect of the changes made within Johnny's is minimal.

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<sup>51</sup> Yumi. (2018.10.04). ピタッと揃ったシンクロダンスが魅力! 実力派ジャニーズJr.「Travis Japan」. *My Navi News*.

### III. Strategies of Korea and Japan's Agencies

The Ministry of Culture, Sports and Tourism, and Overseas Culture Promotion Agency conducted an online survey called “Research on National Image of South Korea 2021” of 11,500 people from 23 countries, including Korea and Japan. As a result, in the field of ‘familiarity with Korea under nation branding’ sector, K-pop recorded 59.2% which was the highest<sup>52</sup>. K-pop possibly can say that a representative image of Korea and at the heart of such K-pop, there are BTS and other idol groups. The main agent for this result is entertainment agencies (hereafter agencies). In other words, there are efforts of agencies to develop successful idol groups with systematic management and training strategies.

According to Kim Yong-sup and Lee Sun-ho (2009), entertainment is one of the cultural industries that produces and manages overall activities to entertain many people. Management or management strategy can be explained as taking charge of training celebrities, content production, promotion, and star management by planning, managing, and maintaining the celebrities’ acting profile, record production, and commercial shot for the purpose of generating profit. In the end, management can be said to be the meticulous pre-arranged plan of the agency. The agencies hold public auditions to create idol groups or select suitable people(members) to fit the group’s image. What is needed for this selection is “training.” Powerhouse agencies particularly have a thorough training system. Usually, trainees who have established ability through long-term training are selected, and they are given roles such as “main vocal,” “leader,” or “main dancer” in artificially processed teams during the build-up to the debut. In this process, systematic training such as choreography, singing, rap, stage manners, acting, language, etc. is continued to hold. Agencies utilize not only group composition and planning but also management strategies to deploy professional personnel such as composition, lyrics, and choreography for successful debuts and training strategies to select suitable people for the group image set by the agency.

The beginning of Korea’s thorough idol system is SM Entertainment (hereafter SM). SM has grown by establishing a proper “trainee” system and making inroads into foreign countries for the first time, creating tremendous added value.

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<sup>52</sup> 해외문화홍보누리집 (www.kocis.go.kr)

Japan's idol culture in the 1960s and 1970s is famous; a singer named Yamaguchi Momoe established the concept of "idol." Along with a razmataz of the bubble economy, the idol culture blossomed especially during the 1980s with the formation of cheering fandom known as royal bodyguards (親衛隊, *shin'eitai*). Especially, there is Johnny's Associates (hereafter Johnny's) at the beginning of Japanese male idol culture. Johnny's, founded in 1962, has provided various entertainment education to teenagers who joined the agency as "trainees", including the first artist Johnny based on the founder Johnny Kitagawa's passion for stage art.

Korea's entertainment industry started by imitating Japan's but as of 2022, different cultures in the two countries have eventually led to different strategies in the industry. The purpose of this paper is to find out other strategies implemented by major agencies in Korea and Japan. To do so, this chapter will examine the management strategies and training strategies of both countries. For the management strategy section, each different management strategy of each country will be first explained by Korea's glocalization and logalization and Japan's localization. Second, this chapter will overlook the SNS storytelling strategies commonly used by the two countries. Lastly, this chapter will focus on the organizational culture that influenced the strategies. In the training strategy section, the three other training strategies of both countries are identified by the concept of boot-camp style and personal training, total manufacturing and slow-grown methods of rearing idols, and different forms of the rat race.

## **1. Management Strategies**

Korean agencies are fostering idols who are leading the K-pop craze and successfully aiming global market with aggressive marketing strategies. SM has been expanding its business to the global market since its establishment, and it is noteworthy that it currently rates high among entertainment agencies in terms of profitability. Johnny's, an agency that pioneered Japanese male idol culture, has promoted its business by becoming a trendsetter in tune with the times. Meanwhile, Japan succeeded in the idol industry by focusing more on the localization strategy, a characteristic Japanese enterprise strategy, centered on domestic demand and physical media packages such as CD albums or magazines. Since the

aforementioned Japanese music market boasts the second largest scale after the U.S., it is possible to analyze that many Japanese agencies only focus on localization strategy and are still able to survive in the music market.

As such, Korean agencies had two management strategies to consolidate their market position: 1) glocalization and localization and 2) SNS storytelling strategies. Meanwhile, Japanese agencies also had two management strategies different from Korea's: 1) localization and 2) analog way of storytelling strategies.

## 1.1 Glocalization & Localization (Korea) vs. Localization (Japan)

### <Glocalization and Localization>

<i>Globalization (SM: Glocalization)</i>	<i>1<sup>st</sup> generation (1990s~)</i>	<i>1.5 gen.</i>	<i>2<sup>nd</sup> gen. (2000s)</i>	<i>3<sup>rd</sup> gen. (2010s)</i>	<i>4<sup>th</sup> gen. (2020s)</i>
<i>Enter oversea markets by using globalization strategies</i>	<ul style="list-style-type: none"> <li>- HOT to China</li> <li>- SES: multicultural members</li> </ul>	<ul style="list-style-type: none"> <li>- Teach Japanese</li> <li>- practice under professional choreographers</li> </ul>	<ul style="list-style-type: none"> <li>- Use translated song which already domestically succeeded</li> <li>- Educate foreign languages</li> </ul>	<ul style="list-style-type: none"> <li>- Use translated song and release an overseas album separately</li> <li>- Recruiting multinational members</li> </ul>	<ul style="list-style-type: none"> <li>- Same as 3<sup>rd</sup> gen.</li> </ul>
<i>SNS Strategy &amp; STORYTELLING</i>	- -	<ul style="list-style-type: none"> <li>- Use documentary video to show artists' growth</li> </ul>	<ul style="list-style-type: none"> <li>- 'SM Rookies' System</li> <li>- Utilized reality shows</li> </ul>	<ul style="list-style-type: none"> <li>- 'Free' marketing through YouTube (+PSY case)</li> <li>- BTS's phenomenal success (<i>Localization</i>)</li> <li>- Public audition and reality shows</li> <li>- Forming a story within the album itself: A story that the listeners(fans) can relate</li> </ul>	<ul style="list-style-type: none"> <li>- Actively using global platforms</li> <li>- ONTACT concerts</li> <li>- Using app like LYSN to interact with fans</li> <li>- World-building (Having a fantasy setting)</li> </ul>

*Figure 7. Korea's management strategies by generations*

SM did not only consider the Korean market from the naming stage of their launching groups. After winning success in Korea, SM chose to enter the global market; SM has taken the so-called glocalization strategy. As can be found in SM's management vision, "Entertainment & Media group representing Asia," there always is the intention of overseas expansion. As the first step toward globalization, SM's artists like BoA and the second-generation idols who considered dominating the Japanese music market, thus, SM expanded their partnerships to Avex,

Universal Music Japan, and EMI Japan to accelerate the diversification of the lineup of artists in line with the trend of the K-pop market in Japan.

SM also chose to debut in Japan with ‘translated songs,’ not new pieces but songs that have already proved their commerciality. For example, in September 2012, Girls’ Generation made their debut in Japan with the domestic hit, “GENIE (Tell Me Your Wish)” by changing to Japanese lyrics. Super Junior released the domestic hit, “Beautiful Woman (Bonamana)” to the Japanese as their first singles in Japan, which surpassed 100,000 sales and ranked second on the Oricon Single Week Chart without any promotions and activities. Funnily enough, SM not only translated all the lyrics into the language of the country but also inserted Korean into the lyrics. SHINee also debuted with a domestic hit song, “Replay: You are my everything (君は僕の everything).” 910,000 copies were sold in the first week of its release and entered the second place on the Oricon weekly singles chart on July 4<sup>th</sup>. This is the best record in the history of a Korean group that debuted in Japan, and SHINee also ranked first in the sales rankings of Korean idol debut singles without any promotion.

NCT is an example of integrating all strategies such as the partnership with local agencies and releasing translated songs. NCT, the most recently launched male idol group by SM, is the group that shows the main producer, Lee Soo-man’s most recent glocalization strategy, as he directly evaluated the group as “the new future of SM Entertainment.” As explained earlier, NCT has no limit on the number of members and established a unit with different members from country to country and even song by song. As the organization is free to form, it is possible to flexibly devise strategies to target new markets. It already operates other units such as NCT U, NCT DREAM, and NCT 127 and even planned to establish follow-up units in Japan, Thailand, Vietnam, and Indonesia. In China, a male 7-member idol group WayV was already launched as the unit organization of NCT by jointly working with a Chinese company, Label V, in January 2019. NCT 127 sold 1.21 million official albums in May 2019, recording a million sellers, and in line with the title of aiming for globalization, they held overseas performances including Japan, the USA, Canada, Mexico, Russia, and United Kingdom, France, and Singapore, starting with Seoul in January 2019.



SM's incubating system also seeks glocalization. In the beginning, SM taught foreign languages to indigenous Korean trainees. BoA made her debut in Japan as a perfect bilingual. Not only music shows but also various entertainment programs, she carried out all the schedules alone without an interpreter. Second-generation idols are also similar to BoA. TVXQ also made its debut as a group that can speak both English and Korean by recruiting a Korean American member, Micky Yoo-chun. Before stepping up their activities in Japan, all of the members learned Japanese and as a result, they freely converse in Japanese in many variety shows. Likewise, Girls' Generation included members who are bilinguals: Tiffany is a Korean American, Jessica spent her childhood in the U.S., Soo-young who can speak Japanese since she debuted in Japan before as Girls' Generation; Seo-hyun is the youngest received Chinese language training. Even after its debut, member Yoon-ah learned Chinese and got the main role in Chinese dramas. All the members of SHINee also can speak Japanese, so they worked without difficulty in various Japanese entertainment shows. As such, SM planned and formed a group with members who experienced multinational or multiculturalism.

From the 2.5<sup>th</sup> generation idols, SM put a slightly different complexion on the incubating system. In the strategy of educating language and fostering Korean trainees, SM began to scout foreigners. Among the 2.5<sup>th</sup> generation idols, F(x)'s Victoria (Chinese), Ember (a dual citizen of USA and Taiwan), and among 3<sup>rd</sup> generation idols, EXO's Luhan (Chinese), Kris (Chinese), Tao (Chinese) are representative idol members. Both F(x) and EXO made their debut after learning Korean culture and teaching Korean to foreign members during their trainee period. Since there were Chinese members in the first place, easier to make a splash in China. Their broken Korean language felt "cute and funny" to Korean fans, which even helped create/ a new winning attribute. In the case of Victoria, she drove the popularity of F(x) by overtaking various entertainment shows with her 'cute' broken Korean and dance skills. JYP's 2PM is also another example. Nichkhun from Thailand was the main driver of the 2PM's popularity. Moreover, with Korean American member Jaebom, who left the team now, and Taecyeon who emigrated at a young age to the US, there was no problem with English communication.

According to Lim (2013), for the global production of regional aspects, the third-generation idols are boldly implementing globalization, while functions such as composition, choreography, and production are procured in the global market. SM began buying songs from overseas composers and producers, not just relying on domestic ones, several years ago. Among them, EXO has produced both Korean and Chinese versions of the album and music video since its debut and has released songs with Chinese lyrics to Chinese fans. Through Chinese lyrics, Chinese fans relate with Korean fans, eliminating the sense of heterogeneity and gaining huge popularity from both countries. In addition, in 2018, they made comeback with the title song “TEMPO”, received from foreign composers such as Leven Kali and Adrian McKinnon from the US. JYP’s TWICE also recruited three Japanese and one Taiwanese to communicate well in the local language, giving local consumers a friendly feeling. Moreover, TWICE received the title song “YES or YES”, which was released in November 2018, by foreign composers David Amer and Andy Love. They are also continuously participating in the TWICE album as composers of the follow-up title song “Heart Shaker”.

This phenomenon continues for the 4<sup>th</sup> generation idol NCT and Aespa. NCT is the first group in Korea to put the concept of an idol system with no limit on the number of people and currently has 23 multinational members. It is picked members from Korea, Japan, China, Thailand, etc. which has a pan-Asian characteristic, leaving room for more members of nationality to be included, given that the number can continue to increase. In 2018, NCT gained popularity in China by launching a ‘Greater China idol’ group, WayV whose most members are from Chinese-speaking countries. Aespa, whose made their recent debut at SM, includes all members of Korean, Chinese, and Japanese nationalities, showing that this strategy continues.

In one documentary show, Lee Soo-man talked about BoA’s success; He trained BoA in a way that was Korean but not like Korean, not Japanese but like Japanese. As such, SM promoted a globalization strategy, but at the same time, it took a strategy that did not miss anything Korean. There was, of course, the purpose of enhancing greater profitability by promoting globalization and aiming for the Korean market together, but SM accomplished greater success by maintaining a Korean culture and differentiating itself from other countries.

As discussed earlier, globalization usually operates in a top-down manner. Logalization is the same as glocalization in that it pursues globalization and localization at the same time, but it's an opposite strategy in that it is a bottom-up rather than a top-down manner.

Psy, who was part of YG in 2012, was the first to land a serious hit single in the American market after his "Gangnam Style" music video on YouTube unexpectedly went viral. HYBE's BTS deepened this situation. Unlike EXO and TWICE, BTS consisted of all Korean members, and the same tracks and music videos produced in Korean were released in the global market. The Korean language has been recognized as a barrier to entering the global cultural market, but it is BTS that broke it. Rather than pursuing convergence with the local culture of the region through local members or staff, BTS created a global fandom by resonating with them under the theme of problems common to all younger generations around the world through musical or non-musical activities. Through this bond of sympathy, all BTS members participated in writing and composing their own songs, unlike other idol groups, and they mainly presented music based on hip-hop, a genre that allows expressing the concerns of peers well. In this respect, BTS implemented a logalization strategy, which can be called high-level globalization that melts a common theme of similar generations into music and transmits "uniquely Korean" to the world as they are.

### <Localization>

Johnny's, an agency that pioneered Japan's male idol culture, has promoted its business by expanding conceptual activities to keep pace with the times since its establishment. Meanwhile, it is also interesting that the business was successful in a form that emphasized the domestication-oriented and real media package-oriented strategies which are the characteristics of typical Japanese entertainment companies. It's possible to see that Japan's music market boasts the second largest scale after the U.S., so focusing on localization strategy alone is sufficient to make profits, and plus, domestic works dominate overseas' in the Japanese domestic market due to their consumer ethnocentrism. In Johnny's prosperity, there are two strategies emphasizing closeness contrary to Korea's: the first is the development

of sales and performances centered on Japan market, and the second is a strict management strategy for a wide range of fandom.

	<i>Johnny's (male)</i>	<i>Morning Musume (female-late 1990s)</i>	<i>AKB48 (female-2010s)</i>
<i>Cleave to domestic market</i>	-Closed distribution, media development, and performance strategies focusing domestic market -Wide range of fans but closed fandom	-Concentrating on domestic market -Recruited foreign members (Chinese and Korean) but all failed	-Concentrating on domestic market
<i>SNS &amp; STORYTELLING</i>	-	-Open Auditions -Barely using SNS	-“How a local indie band becomes a popular band” -Targeting domestic fans through handshakes event and theatre performances.

**Figure 8. Japan's management strategies by agencies**

***Cleave to domestic market: Closed distribution, media development, and performance***

Johnny's characteristics in terms of sales distribution and media appearance is strict portrait rights and strong correspondence to the works of its artists. Specifically, it has taken extreme responses to prevent misuse of copying, such as strictly managing media, including advertisements such as music or magazines, past works, and projects, and even voice data such as radio, and moreover, even did not release any videos or music online. Thus, fans had to purchase a real CD because they were impossible to download music, and a real book because no photos of artists were published in Internet news or online magazines. Fans also need to purchase DVDs attached to CDs to watch music videos, which made them remarkably dependent on analog media. This promoted purchase behavior resulted in fans consuming real media including movies or dramas starring Johnny's artists, fetching Johnny's a profit.

Currently, restrictions on the use of photos on the Internet have been eased, and publication began around August 2017 as well as magazines and books have been allowed to be published since April 2018. Music streaming is slightly improved; Arashi's tracks began streaming online in 2019 or other Johnny's artists' music videos began to be uploaded on YouTube, though still limited compared to

Korean and overseas agencies. In addition, the same method is taken for sales, distribution, and media development abroad, so Korea, China, and Taiwan sell packages with the same contents as Japan in the form of entrusting them to local record companies. For example, in Korea, each artist's album is sold on consignment to SM, but the content is the same as that sold in Japan, not localized at all.

Stage performances and concerts are also based in Japan. Usually, overseas artists are widely holding overseas tours, but Johnny's overseas tours are very limited. Japanese critic Yano Toshihiro (2016) pointed out that artists can still make enough profit just by holding domestic performances because Japan has large-scale concert halls in cities other than metropolitan area such as Tokyo and Osaka, and the culture of going to see performances is mature nationwide. As mentioned earlier, the overseas activities of Johnny's artists are carried out only on very special occasions, such as international exchange events. Johnny's total number of overseas performances is about 30, and if calculated for each group, only a few overseas performances were achieved.

AKB48, which also represents Japan's idol market, is also continuing a closed strategy centered on its own country. They started as an idol group with theater performances and now have become a brand by forming intimacy by directly communicating with fans such as domestic theater performances and handshake events. In addition, sister groups of local ties are mass-produced, and such a reproduction strategy is also applied to overseas localization. Rather than exporting AKB48 itself overseas, they produced sister groups in the same format as AKB48 which made JKT48 born in Jakarta, Indonesia, in 2011 and SNH48 in Shanghai, China. AKB48's localization strategy is not a global strategy to create global standards, but a special format to suit each country's market environment and four basic formats: (1) Idols you can meet, (2) 28 members consisting of three teams of 16 teenage girls, (3) Wearing uniforms, using Akimoto songs, and (4) Survival from trainee to graduation.

### ***The formation of a wide range but closed fandom***

Another feature of Johnny's is the peculiarity of the situation surrounding the fan. The idol fanbase mainly consists of women in their teens to 20s, but after

SMAP, Johnny's aims to become a multi-talent of its artist secured a fanbase through individual activities of each member in the group and expanded to an all-fan format that supports all members of the group. By building up the friendly image, they not only broke down the walls of the age groups but also created many "hardcore fans." The continued relationship between fans and artists, shifting from the parent generation to the child generation, formed a new fan culture of parents and children cheering together. According to Tokuda Maho (2010), this phenomenon led to Johnny's success in gaining favor from the public with the artist's personality, which led to the expansion of the fandom irrespective of sex or gender. Johnny's 'hardcore fans' created as such, can be seen as a success factor in attracting a wide range of fans.

Meanwhile, services for fans are private and closed. Tickets for Johnny's concerts and stages are only eligible for members of a paid membership fan club called the Johnny's Family Club. Ticketing does exist for non-members through external ticketing services, but it is only through restrictive routes, such as receiving phone reservations, to wit, the purchase of performance tickets is fundamentally only for members. Furthermore, notices sent through this Family Club are a kind of privilege that only members can enjoy, which are treated as confidential and not disclosed to the media. By maintaining these privileges, Johnny's prevents any mishaps such as members' withdrawal from the fan club, and existing fans also do not leak any of the contents of the Family Club. It is a function to clarify the boundary between fans and the general public, increase the value that fans can enjoy, and maintain the fandom of their artists. As a result, closed fandom continues to form through this 'Family Club' system.

Morning Musume and AKB48 were also active only in the domestic market, not much different from Johnny's artists. In the case of Morning Musume, unlike Johnny's, when interest within Japan fell significantly compared to its heyday, it attempted to enter overseas markets in the late 2000s as a breakthrough. Haropro made an epoch-making movement to scout foreign members. First, two Chinese members, Ringring and Junjun were joined as the "8th generation," but those members just played the role of backup dancers without making a strong presence which led to quick graduation. Second, in 2009, *Dream Girl* (대동경소녀), a

female idol survival audition program jointly with *Mnet*<sup>53</sup> was held. At that time, 2,500 teenagers applied for the audition and selected a trainee named Jang Da-yeon out of 15 people who passed the final screening and she made a contract to Haro-pro as a trainee<sup>54</sup>. However, with the success of Girls' Generation and Wonder Girls in Korea, talented Korean trainees only knocked on the door of Korean agencies, and only those who did not have a proper understanding of Japanese idol culture participated in the show. As a result, the participants' lack of qualities and the poor environment of Haropro became a shabby audition. Even the finally selected member was only affiliated to *Haro-pro* as a trainee for four years and disappeared without making a debut. In Taiwan, it showed a more direct movement and held an audition program called '早安家族 New Star' with a sub-label. Groups such as Ice Creamsume (アイスクリー娘。Chinese: 冰淇淋少女組) and Francis & Aiko (Chinese: 大小姐) made their debut from this audition<sup>55</sup>, but they did not gain popularity but soon disbanded. Morning Musume, whose all movements have come to nothing, is currently composed of only Japanese up to the 16<sup>th</sup> generation members who were selected in 2019, so the main stage of activities is also in Japan. Moreover, its status collapsed in 2003, and until AKB48 succeeded in 2010, the Japanese female idol market was even called the 'Ice Age' for seven years.

Recently, Morning Musume gets averaged with Japan-friendly movement, but the group that comes to mind when it comes to female Japanese idols is Yasushi Akimoto's '48 Series'. Indeed, this '48 Series' shows Japan-based activities. As mentioned earlier, the biggest feature of AKB48 is "Idols You Can Meet." To keep up this feature, performances must be always held, and there is a need for an exclusive theater where fans can see the idol members dancing and singing in person. Each of AKB48 and its sister groups operates an exclusive theater in their hometown, and except for some closed days, they perform for about two hours almost every day. It is now difficult to watch theater performances after 2008 after they went viral and became national idols. The size of the theater varies depending on each group, but it is only about 2-300 seats, similar to Live House, the smallest size among the concert halls, but there are overflowing people who want to see the

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<sup>53</sup> One of the Korean cable broadcasters

<sup>54</sup> 나유나. (2009.06.22). 장다연, 한일합작 오디션 '대동경소녀'낙점. *세계일보*.

<sup>55</sup> ORICON. (2008.12.26). ハロプロ初の海外グループ・アイスクリー娘。がデビュー. *ORICON NEWS*.

performances, so the fans have to apply and can get a ticket only when they win. A special long-distance lottery system is in operation for overseas tourists, but it can't be easy for them to win a lottery that is difficult for local fans. On the Internet, AKB48 even hears sarcastic remarks about being an 'idol who cannot meet.'

## 1.2 SNS Strategies of both countries

### <Korea>

SM has actively used storytelling since the first generation of idols. It has developed by using different storytelling strategies from time to time. BoA, the starting point of storytelling, appeared on a documentary program, showing her track record of how much effort she has made. Two years after her debut in Japan in 2003, she became a top star in Japan, and at that time, she swept the Japanese market by selling out nationwide tours in Japan every time, recording a total ticket revenue of 2.5 billion KRW. In July 2003, SBS's *The Its Know: BoA. Gobbling Up Japan* highlighted her success and clearly showed that this success was not luck. The documentary transmitted BoA's past and present: four years of severe training system and thorough localization strategy of SM with BoA's own efforts of studying abroad in Japan to learn the language. The appearance of a young 13-year-old girl dancing day and night, practicing singing, and striving for her dream was suitable for appealing to the public. The tears and burdens that a young girl had to bear behind her great success made people support her even more.

After BoA, who can be considered as 1.5<sup>th</sup> generation, planted narratives after great success, but from the 2<sup>nd</sup> generation idols, it shows a slightly different pattern; SM used the pre-debut system and built narratives through reality shows. A reality show, *Girls, Go to School* (소녀, 학교에 가다) which aired from July to September 2007, dealt with the daily lives and harsh practices of the nine-member rookie group, Girls' Generation which fiercely practicing ahead of their debut. By highlighting the process of preparing for the debut of nine girls in the format of a real documentary, they showed themselves until they became "stars," appealing to the public one by one. In the wake of the popularity of the show, it was originally planned for eight episodes but was extended to nine, and nine girls successfully debuted as Girls' Generation. Super Junior, which debuted in 2005, exposed several members to the media before its official debut, laying the framework for



the so-called ‘pre-debut system.’ SM promoted the brand value of Super Junior by including Ki-bum and Hee-chul, who already gained amazing popularity with the TV drama for teens, *The Sharp* (반올림) in the group. As such, the 2<sup>nd</sup> generation idols did not properly set the framework, but they began getting the framework.

The narrative-making, which began with Girls Generation and Super Junior, can be found better in SHINee, which is considered as the 2.5<sup>th</sup> generation. Reality shows, which illuminate each group member, are used ancillary and create a “storyline” on the album to be released. SM began to use a strategy that made fans and the public wait for the next album as if they were waiting for the next volume of the novel. Starting with the fourth mini-album, SHINee delivered a new concept and changed the image while putting an image of ‘boys’ at the forefront before. SHINee developed the story under the theme of “SHINee’s Story of Finding the ‘inner-self,” from their 4<sup>th</sup> mini-album, *Sherlock*, 3<sup>rd</sup> full-length album which is divided into chapters 1 & 2, and 5<sup>th</sup> mini-album<sup>56</sup>. In the fourth mini-album, *Sherlock*, a detective character, was borrowed to explain the act of ‘finding,’ and the hippie concept, one of the social cultures of young Americans in the 1960s, was used as a photo concept to further strengthen the narrative of “Boys Finding Themselves.” The four later albums, *Misconception of you*, *Misconception of me*, *Everybody*, and *Misconception of us* formed a story under the same theme of “building identity.” Utilizing the main keyword of “misconception,” the album itself depicted a SHINee’s identity crisis between what the public wants and what they want. To represent this, *Spoiler*, the first track of the 3<sup>rd</sup> full-length album, *Chapter.1 Mission of You*, takes and transforms the intro of the 4<sup>th</sup> mini-album, *Sherlock*, showing the continuation of the stories. In order to explain a somewhat philosophical and ambiguous subject, materials such as Sherlock, Medusa, Pegasus, and Pied Piper which have a number of original works, were reflected in music videos and choreography. However, SM did not give a clear answer or plot to the story of the lyrics or music videos but rather, let fans and the public who consumed albums and watch music videos interpret those by themselves and create various interpretations, which made fans joyfully come up with own theories and communicate with other fans or signers.

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<sup>56</sup> 김문정, & 김면. (2018). K-POP 아이돌 음반의 스토리텔링 전략 사례 분석. 한국엔터테인먼트산업학회논문지, 12(1), 27-36.

The 3<sup>rd</sup> generation idol, which started with SHINee, shows a more active use of storytelling that creates “identity” by inserting a fictional “story” into a group away from focusing on a person’s narrative. SM began to use fictional elements as a basic framework of forming groups. For example, EXO debuted in 2012 and is very famous for its unique storyline. As can be seen from the teaser video at the time of debut, each member has 12 different superpowers, including light, wind, fire, teleportation, power, and ice. EXO had the basic concept that 12 superpowered aliens who crash-landed on Earth from outside the solar system called EXOPLANET. These superpowers are the basis of all albums so stories unfold as they release albums, and these fictional stories are gradually transformed according to the philosophy and value pursued by each album. In addition, the theme of each album is re-stipulated through a logo designed based on the letters of the group name, E, X, O, and basic shapes. For example, in the first full-length album *KISS&HUG*, which was released in 2012, EXO set the overall keyword for the entire album as ‘school’ which made their stage costumes with school uniforms and album designed with school yearbook and notebooks concept. According to an interview with SM’s art director, the album was created with the background of school in line with the setting of “What do 12 boys from an alien planet do on Earth?”<sup>57</sup> Even when the so-called “universe collapse” happened because several members left the team, a large promotion event, *PATHCODE* was held on the album *EXODUS* to establish a new outlook again. At MAMA, a popular music award show hosted by Mnet in 2014, the teaser video showed 10 beads that escaped the maze and the remaining two beads which represents the withdrawal of two members. It was a promotion like a game in which fans directly participated by solving the clues and problems uploaded on Twitter<sup>58</sup>. This interactive storytelling strategy has given fandom a role in the creation of a huge fictional story so that their own derivative works can be continuously produced. It is a strategy that allows fandom, not an agency, to act independently as producers or prosumers, instilling fun and inducing loyalty to the group.

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<sup>57</sup> 독창적인 아이디어로 가요계의 흐름을 바꿔놓은, SM 아트 디렉터 민희진. (2013). *큐비즘 매거진*, 8월호.

<sup>58</sup> 임수연. (2015.03.30). ‘Pathcode’는 어떻게 EXO의 초능력을 되찾아주었나. *ize*.

This storytelling strategy shows that it has been strengthened in the 4<sup>th</sup> generation idols. Since its debut, Aespa has a storyline of growing up by interacting with members existing in the ‘real world’ and mysterious avatar members in the ‘virtual world’ with the concept that has an outlook of “Meet another self: avatar and experience a new world.” With Aespa, SM is presenting a totally new concept. Aespa has a story that the members of the ‘real world’ and the members of the ‘virtual world’ which is the avatar called ‘æ’ have AI brains as different organisms, so they can interact with each other, be assistants or friends, and share information about each world through SYNK. An æ is another self in the virtual world created based on human data, and is a being who thinks and lives in their own way. They live in ‘FLAT’ in ‘KWANGYA(광야)’. In KWANGYA, the best friend is referred to as *MY*, and also *MY* is their name of fandom. *Nævis* is a mysterious being in the virtual world that serves as a reliable supporter and guide to help Aespa and their avatars in the virtual world. The connection between the Aespa members and the avatar members is called SYNK, and SYNK develops from text to voice, and if it continues further, face-to-face ‘REKALL(리콜)’ occurs and the avatars can manifest in the real world. Although such a difficult storyline or outlook like a blockbuster movie, makes the entry barriers for the public high, it is also true that Aespa’s fan base is increasing rapidly lured by its unique story at the same time. Lyrics of the songs “Next Level” and “Savage”, were tailored to Aespa’s universe; there is no-love-story-lyrics which was a pro-longed characteristic of K-pop. In line with the new song, videos of avatar members and real-world members making choreography together and the universe explanation videos for storytelling are continuously uploaded on YouTube to deepen the formation of their universe.

To effectively spread this story, SM actively utilized SNS. In light of the changing times and new social trends, SM used global platforms such as YouTube to use a major differentiation strategy. Starting with the 2.5<sup>th</sup> generation idols, SM used YouTube as a key medium. Focusing on the rapid increase in YouTube users as the penetration rate of smartphones soars, SM focused on video promotions employing SM’s strength, visual beauty. Before officially releasing the album, a teaser video that only reveals only a part of the song and music video is posted on

the official SM channel. Furthermore, for the first time in Korea, SM uploaded dance practice videos or showed artists' daily lives by producing a video of a friendly appearance. In fact, the Girls' Generation easily achieved successful cases of entering Japan with this strategy. Since then, SM has turned to 'enter' with content produced through a domestic system to foreign markets rather than a 'debut' through localization. Girls' Generation's success was possible because SM strategically released videos on YouTube to create a stable fan base. In other words, SM conducted free marketing through YouTube, a world-class platform, breaking away from the convention of directly releasing videos of their artists. Girls' Generation already held a 22,000-spectator debut showcase in Japan in August 2011 securing potential fans in Japan through YouTube and Facebook.

EXO's 100-day promotion is an example that shows that SM has used its SNS strategy in earnest. After EXO confirmed the group's name in December 2011, it released a total of 23 different teaser videos for nearly three months, which was from December 23, 2011, to March 3, 2012, on SM's official website. SM revealed the videos also through *Facebook*, *Kakao Talk*, *YouTube*, and China's *Weibo*, *Sina*, and *Sohu* to go viral on SocMed (Internet forums) which was a marketing strategy. EXO, also called evolved version of Super Junior, was launched with a forecast that the period of recognition to spread overseas will take 100 days along with simultaneous targeting of Korea and China markets. With a thorough strategy, despite being a rookie, teaser videos received great attention, surpassing a total of 30 million views<sup>59</sup>.

SNS strategy has been further strengthened with COVID-19. It created a new profit model by developing "non-face-to-face" content in the post-COVID era. SM implemented an ingenious SNS strategy using "communication," the biggest advantage of SNS; utilized a fan community application called 'LYSN,' developed by SM. Dear U. Bubble (hereafter Bubble), which is a paid service within LYSN, has been in operation since February 2020 under the slogan of "Favorite and only private messages with my bias member." By Bubble, fans can feel having a 1:1 conversation with an artist belonging to SM with a subscription fee of 4,500KRW a month. Since it is in the form of a personal chat room, users can change the name

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<sup>59</sup> 양자영. (2012.03.23). 100일 프로모션 마친 EXO, 韓中 쇼케이스 시작으로 4월 핫데뷔. *한국경제*.

of the celebrities like *Kakao Talk/Snap Chat*, reply to celebrities' messages, or set the nickname of the user freely. When the user set the nickname, all the 'subjects' of the celebrity's message are replaced by that nickname, giving fans the feeling of having a private conversation with the celebrity. Through *Bubble*, celebrities send a variety of content, including their mundane daily lives, selfies, and voice messages, which have not been disclosed anywhere. It allows not only "two-way communication" that all fans desire, but also anniversaries with their bias, enabling para-social relationships.

SM also presented a new profit model that achieves music, performances, and interactive communication, by breaking away from the stereotype that online performances are free through the paid online performance, *Beyond LIVE*. SuperM, a dream team that gathered key members of SM's male idol groups such as SHINee Tae-min, EXO Kai and Baek-hyun, NCT Tae-yong, Mark, Lucas, and Ten, showed a very successful outcome as the first runner of *Beyond LIVE*; they attracted 75,000 viewers and recorded 2.5 billion KRW in one-time sales. It is estimated that the amount was set at 33,000 KRW, about a third of offline concerts, attracting more audiences and earning more than three times the profit. Since then, NCT CREAM, TVXQ, and Super Junior have all shown successful "*Un-tact Performances*."

### <Japan>

According to statistics on the use of SNS by the Japanese Ministry of Internal Affairs and Communications, the most popular messenger application in Japan is *Line* of *Naver Service*. *Line*, Japan's most occupied service, surveyed 620,588 users (about 620,000 people) in their teens to 60s on the popularity of idols in 2019. As a result of the survey, the group that ranked first in the overall ranking of favorite idols was Arashi of Johnny's. Even Arashi who did not utilize SNS until recently continued its popularity in the country. Rather than leaning on SNS, it is "drawing" the process of becoming a national idol by focusing on the members' "personal stories" to create their own "characters."

Japanese idols are different from Korean idols. Unlike Korea, which pursues a "perfect or complete" image of the idol from the beginning, Japanese idols aim for a "steady-grown" idol that grows with fans as their experience piles up. Due to this

characteristic, Korean idols are not often treated as idols, but as artists when they perform in Japan. As such, “Let’s grow together” is a kind of modifier and a storytelling strategy that many Japanese idols use. Therefore, unlike Korean 3<sup>rd</sup> generation idols, Japanese idols rarely build up their own “universe” or put plots into their albums. However, unlike Johnny’s, the storytelling strategy used by 2<sup>nd</sup> generation Korean idols can be found on Morning Musume. Morning Musume, the beginning of Japan’s female idol group, was formed in 1997 on an audition program ASAYAN, which aired on TV Tokyo, one of Japan’s top five private broadcasting stations. At that time, all-female idols who were active in J-pop were solo, thus, Morning Musume was born at a time when it was difficult to find a group that fully claimed/advocated an idol girl group. They were composed of five dropouts from the audition program planted with a story from the beginning. The story that they had to sell more than 50,000 copies to make their debut, attracted public attention and gave them support. The group also was implemented the so-called “admission” and “graduation” systems that continuously recruit and remove members. Furthermore, by adopting the “open audition” system, which transmits the process of selecting all members, it showed the member selection to short-term training processes without any filtering, which made viewers focus on and fall into the “narratives” of each member. The same goes for AKB48. Producer Akimoto wanted to plant a story that contains the “process of a local indie band becoming a huge pop star” from the planning. AKB48 is aimed at a growth-type idol that grows during activities. Therefore, even when selecting members of AKB48, even if most of the interviewers oppose, but a single interviewer evaluates a trainee as “attractive,” the trainee gets in the group, which is the scouting system that cannot be found in Korea.

As such, Japan uses a storytelling strategy that only focuses on the charm of the member themselves, rather than using SNS. Even if SNS is used, it is only the self-utilization of the members themselves, and the agency does not thoroughly intervene and systemize its functions like Korea.

## **2. Organizational Cultures**

### **2.1 NFOB vs. NFOB**

Most Korean entertainment/talent agencies are listed stock companies, and they are characterized by NFOB. There is a CEO, but in the end, management is carried out by the decision of shareholders. For instance, there is a case in which a new auditor recommended by small shareholders was appointed at the SM shareholders' meeting held in March 2022. At the 27<sup>th</sup> regular general meeting of shareholders, there was a proxy fight between executive producer Lee Soo-man and small shareholders of Align Partners Capital Management, and at the shareholders' meeting, the approval of financial statements, the stock dividend resolution, and the approval of remuneration limit for the directors and auditors were passed as originally proposed. The appointment of internal and external directors and auditors, which was the core agenda of the shareholders' meeting, was withdrawn due to the candidate's voluntary resignation, and the appointment of a new auditor was made by a person from the small shareholders' side; it was a complete victory of small shareholders. Small shareholders of Align Partners Capital Management, which rebelled against majority stockholder, Lee Soo-man-centered governance structure, raised the agenda of appointing auditors through a general shareholders' meeting and encouraged shareholders to exercise voting rights through a proxy fight<sup>60</sup>. SM also shows another trait of NFOB. Lee Soo-man, the founder of SM, is the most influential shareholder with a 19.21 stake (as of April 2021), but he is only affecting SM as "executive producer," the actual management is under someone else's control<sup>61</sup>. There also are six other executives in addition to Lee Soo-man; Kim Young-min who is head of Group Cooperation, Lee Sung-soo (CEO) and Tak Young-joon who are co-chairmen, Kim Min-jong who is former director, and Yoo Young-jin, Ahn Chil-hyun, and Kwon Bo-ah who are unregistered executives. With Lee Soo-man stepping down from the management front lines and concentrating on producing, Kim Young-min oversaw SM's center, including SM's group president, board chairman, and CEO (served until March 2017).

Lee Sung-soo, who officially joined SM as an A&R (Artist & Repertoire) employee in 2005, has also concentrated to establish SM's unique A&R system

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<sup>60</sup> 박세연. (2022.03.31). SM 주총서 소액주주 측 감사 선임...이수만 중심 지배구조 '견제'. *매일경제*.

<sup>61</sup> 최필우. (2021.04.09). 콘텐츠 총괄 자회사 설립...주주행동 의식했다. *더벨 (the bell)*.

after his promotion as the head of the department, group leader, and production head directly under Chairman Lee Soo-man, respectively, since 2015. Tak Young-joon, who joined SM in 2001, rises through the ranks of a singer management director, and producer to become the current CMO (co-CEO). He is also one of the key players who contributed to SM's growth by managing the rookies to become global pop stars by strengthening K-pop performance and establishing a subunit system of SM's representative artists, including SHINHWA, Super Junior, Girl's Generation, and EXO<sup>62</sup>. Likewise, Korean entertainment agencies thoroughly systemize the roles of employees when they handle the management, rather than reflecting one- or two people's intentions.

However, Japanese entertainment agencies are different from Korean. Unlike Korean ones that list to form a corporation after they get bigger, Japan is a country with many FOBs remaining. For instance, there are Suzuki Motor Corporation (founded in 1909), Matsui Securities Co., Ltd (found in 1931), and Suntory Holdings Limited (founded in 1899). Thus, Japan is a unique case in today's market where the founder's family hardly continues to manage due to the transfer of management rights or mergers and acquisitions, as Vikas, Morck, and Randall (2011) suggested. According to Vikas Mehrotra, a professor from University of Alberta, this Japanese style of succession of business possibly can be happened because Japanese society accept 'adoption' as an heirship strategy, unlike Korean *chaebols* that allow the second or third generations to receive business administration training. When there is no descendant or lineal succession for traditional family business, "adoption" takes place to teach management or family business. This Japanese tradition is known as *Muko-yoshi* (向吉) which means son-in-law adoption; it is similar to Korea's *Deril Sawi* custom (테릴사위), meaning promising to adapt a man into his wife's family. Vikas Mehrotra also explained that *Muko-yoshi* is why the Japanese family business remains competitive. In addition, though there are lineal descendants if it seems that their general management skills are insufficient, 'adoption' is considered. Vikas Mehrotra

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<sup>62</sup> 김신성. (2013.09.17). [주목, 이사람] 탁영준 SM엔터테인먼트 가수 매니지먼트실 실장. *세계일보*.



analyzed that this unique adoption system and competition allow Japanese FOB to select qualified people who can run the business more competitively<sup>63</sup>.

Johnny's which is the long-standing agency that leads the Japanese male idols market is famous for family management. First, FOB has a corporate governance structure in which a family community with consistent interests controls both ownership and management. As Shleifer and Vishny (1986) suggested, its definition is usually interpreted as an enterprise that is controlled primarily by the founder and his/her family or that is controlled by both ownership and management by the controlling shareholder and his/her family. Due to this hierarchical structure, FOBs have advantages such as shareholders being able to easily monitor executives, having lower agency costs between shareholders and executives since they have a stake in the company, and being more likely to manage the company with long-term prospects than NFOBs. For example, Johnny's shows the management of FOB; the agency is managed by Johnny Kitagawa and his relatives. Johnny Kitagawa, the first president of the agency, started Johnny's with a business tie-up with Watanabe Productions, but after becoming independent in 1965, Johnny's was officially incorporated in 1972. From its foundation, Johnny Kitagawa devoted himself to directing and casting management, and Mary Y. Kitagawa(メリー喜多川), the vice-president, oversaw practical management activities such as financial management, negotiation, and hospitality. She was also in charge of stage costumes including feathers, glitter, and trousers for all types of concerts, which now became representative features of Johnny's costumes. The current president of Johnny's who took the office in 2019, is Julie K. Fujishima (藤島ジュリー景子), the niece of Johnny Kitagawa, and the daughter of vice-president Mary. The former vice president Hideaki Takizawa (滝沢秀明), was also a former idol and actor who joined Johnny's in April 1995. After Johnny Kitagawa's death, he remained in the agency as a successor, and in accordance with the will of Johnny, focuses on training and producing Johnny's Jrs<sup>64</sup>. However, according to a record company official, after the deaths of Johnny Kitagawa and

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<sup>63</sup> Ibid.

<sup>64</sup> ライブドアニュース編集部. (2018.08.30). ジャニー喜多川氏が滝沢秀明を後継者に指名 週刊文春が報じる. *livedoorNEWS*.

Mary Kitagawa, the agency was expected to be managed by two different superpowers, current President Julie Fujishima, and Takizawa, but it was whispered that Takizawa had been dissatisfied with the Fujishima's dominance of the agency which eventually led up to Takizawa's resignation<sup>65</sup>.

## 2.2 Modularization vs. Shokunin

Likewise, Japan breakthrough in the idol culture industry by utilizing the spirit of *Shokunin* (craftsmanship) which forges Shokunin's own world, while Korea breakthrough in the industry by utilizing traits of modularity that can be disseminated, not only works for specific classes.

First, SM grew up with Lee Soo-man's dream. During the analog era, Lee Soo-man adapt Johnny's entertainment style to grow up his business; he grew the SM by intervening in a series of processes including planning and marketing. However, as SM is gradually taking on the form of a large conglomerate, he only maintains the title as an executive producer. He is not to intervene in business. Still the person who comes to mind when thinking of SM is Lee Soo-man, but Korea has made his dream more systematic, and now the focus is on the system of the agency rather than on one person's idiosyncratic character. The A&R team, which exists in common among entertainment agencies such as SM, JYP, and YG, is a core department of entertainment agencies. A&R stands for Artist and Repertoires, a department that selects and manages people (artists) and music (repertoire) within the agency. Depending on the capabilities of the A&R team, good songs and artists can be selected and presented to the public. The A&R department has two main tasks; the first is collecting songs and the second is artist selection and management which is called the *rookie development team*. SM specifically is the company that most firmly systemized the concept of the A&R department. About 10 A&R team members are assigned under each artist so that they can collect songs optimized for the concept of the artist's newly released album. They are not limited their scope to domestic but expand their scope overseas to collect songs. For example, Girl's Generation's "Genie," "Hoot," and SHINee's "LUCIFER" were foreign songs or

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<sup>65</sup> 「ジャニーイズムの後継者」元副社長・滝沢秀明氏が退社して……これからジャニーズ事務所が恐れる「送られてくる履歴書の激減」. (2022.12.30). *Yahoo!* ニュース.

foreign songs that rub minds with a domestic songwriter. Likewise, SM released K-pop songs that overseas fans don't have aversion which eventually contributed to the globalization of K-pop. The SM's *rookie development team* also systemically recruit talented youths through large-scale auditions and public audition, which is known as "Weekly Audition." Since there are many veterans who have worked with Chairman Lee Soo-man for more than 10 years within the rookie development team, they are adequate to recruit new trainees who are suitable for SM<sup>66</sup>. It can possibly say that the digital era made this change. In the digital era, design and module technologies have become more important than coordination and integration technologies<sup>67</sup>. As the world entered a new era of modular, many Korean companies also aim for a cutting-edge organization that emphasizes efficiency. As such, entertainment agencies also increase their efficiency by aiming at the domestic and overseas markets simultaneously from their planning stage when they launch new idol groups.

Meanwhile, the Japanese idol culture industry all has symbolic leaders. In other words, all the *shokunins* expressed their identities within the production of idols; Tsunku(つんく♂) who produced the *Morning Musume*, and Akimoto Yasushi (秋元康) who produced the AKB series, became the group's identity and led their heyday. The Johnny's developed their business tremendously during the analog era, even more stands out. According to Kim Hyun Chul (2011), the analog era was an era in which the skills and experience of craftsmen were important; it was difficult for newbies who had just joined the company to equally compete with who had experienced numerous things for a long time.

In this analog era, Johnny Kitagawa and his dream became Johnny's ideology itself. Johnny's two biggest characteristics are that first, Kitagawa, a talented entertainer with a unique background, fostered teenagers who scouted with his own sensibility, and second, Johnny's has developed in a combination of 'consuming intimacy' strategy through media appearances and closed fandom. In other words, Johnny's is not a general entertainment agency, but Johnny Kitagawa himself. The business that started with one person's dream has not changed but still operating

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<sup>66</sup> 이현우. (2013.03.12). "SM JYP YG 핵심부서"··A&R을 보면 회사가 보인다. *매일경제*.

<sup>67</sup> Ibid.

under Kitagawa's will, since its establishment in 1962. His unique sensibility affected the business, and its business now became Galapagosization, furthermore, it became an ideology to the agency itself. However, if the unique figure disappears, the special sensibility also disappears. In fact, upon Kitagawa's decease in 2019, artists who have affiliated under Johnny's began to leave the agency. Moreover, Johnny's closed business model assessed as outdated and does not fit into current digital era. Recently, Johnny's is trying to make a new transition, such as selecting concepts or producing content using marketing that does not rely on one individual, opening sales and distribution and media response, or entering overseas markets, to maintain its position in the male idol market.

As such, Japan has grown the agency with the independent sensibility of the leader and has released products tailored to their large domestic market. Although they successfully launched idol groups that resonate greatly with Japanese people, they still have raised entry barriers for overseas fans by making profits through a closed fandom known as the "family system."

### **3. Training Strategies**

Korea had three training system strategies. It is divided into; first, harsh military-style training, second, total manufacturing, and finally rat race. Contrary to Korea, Japan has private training, secondly, the use of friendliness, and a rat race which is different from Korea. In this training system, different socio-cultural factors of each country have played a role to some extent. This chapter introduces Korea and Japan's training systems and explains the socio-cultural factors affecting such strategies.

#### **3.1 Boot-camp style training vs. Private training**

<b>Training System</b>	<b>1<sup>st</sup> gen.</b>	<b>1.5 gen.</b>	<b>2<sup>nd</sup> gen.</b>	<b>3<sup>rd</sup> gen.</b>	<b>4<sup>th</sup> gen.</b>
<b>Boot-camp style training</b>	-	-Ave. 2.5 years of trainee period -Slave Contract	-Ave. 2-3 yrs. of trainee period -Slave contract	Ave. 4-5 yrs. of trainee period	Ave. 4-5 yrs. of trainee period
<b>Total-manufacturing</b>	-	-singing, dancing, language education -Aiming for perfection in performance	-Singing, dancing, lang. education -Aiming perfection in performance -Plastic surgery & Make-up	Same as 2 <sup>nd</sup> gen.	Same as 2 <sup>nd</sup> and 3 <sup>rd</sup> gen.
<b>Rat-race (Meritocracy)</b>	-	-	-Monthly evaluation (expel if one didn't show progress -Audition	Same as 2 <sup>nd</sup>	Same as 2 <sup>nd</sup> and 3 <sup>rd</sup>

**Figure 9. Korea's training system by generations**

	<b>Johnny's (male)</b>	<b>Morning Musume (female-past)</b>	<b>AKB48 (female-current)</b>
<b>Training System</b>	-Pre-debut system=Johnny's Jr. -Being backup dancers for senior groups -Until 1980s, 'artistic talents' were important.	-Selected through Open auditions but short-term training (memorizing basic choreography)	-Selected through Open auditions but short-term training (memorizing basic choreography)
<b>Anti-manufacturing (Consuming intimacy)</b>	-Appealing natural attractiveness (based on the phenomenon that idols with poor skills gain popularity)	-Appealing natural attractiveness	-Appealing natural attractiveness
<b>Rat-race (Human egalitarianism)</b>	-Johnny's Jr.	-Open Audition -Hello Project Egg=trainee idols	-Senbatsu Election (選抜総選挙) -AKB48 Kenkyusei(研究生) = trainee idols

**Figure 10. Japan's training system by generations**

**<Boot-camp style training>**

Trainees who enter the debut group will be given the “best” teacher. During her trainee years, BoA has also received a thorough education from the best dancers and an NHK announcer of the time. Many idols also share their tough trainee episodes after their debut, and the episodes indirectly show their rough trainee days by sharing the stories that they live in rural areas struggled to travel 3-

4 hours daily, practiced secretly with the lights off because of the fixed practice room time, or couldn't eat full due to the price of meals set to the upper limit.

Idols from many agencies spent up to 10 years severely in their teens. If a trainee can't present their improved skills on a "month-end evaluation," conducted monthly, he or she will be expelled from the agency and their future will not be compensated. Only those who survived in an exhaustive/intensive system are on their way to debut. This harsh system was possible because, as the New York Times considered Korea the country with the highest enthusiasm for education in the world<sup>68</sup>, Korea was familiar with an environment that absence of "freedom" due to enormous educational enthusiasm. In addition, the nationality of Koreans with "a persistent survival instinct and a temperament of a competitor who is not afraid of competition" played a part.

Given that such "freedom" is suppressed, Korean trainees are demanding "boot-camp-style" training to be idols. The status of an idol trainee is close to the "private 1." After their debut, idols have to live together, and even they gained some popularity, they must live under surveillance by managers or company officials.

BoA participated in the SM audition in 1998 and became a trainee. She dropped out of school, moved to Japan, and received systematic singing, acting, and dancing lessons at *Horipro*, a celebrity training school in Tokyo. When she prepared her debut, Sakuma, one of Japan's best dancers, coached the dance, and Gazu, who also appeared in the American TV dance program *Soul Train*, took charge of the choreography of the first album song. She also learned Japanese from tutors and did homestay at an NHK announcer's house while staying in Japan to practice accurate pronunciation. Not just practicing singing and dancing, but also learning Japanese and English, BoA went through nearly two years of trainee period and made her debut 15 August 2000, when she was 15 years old. In March 2001, SM announced BoA's expansion to Japan which gained huge success, which proved that this harsh educational method was successful<sup>69</sup>.

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<sup>68</sup> 조철환. (2014.09.12). 한국, 세계에서 교육열 가장 높은 나라. *한국일보*.

<sup>69</sup> 최지향. (2003.04.15). 보아 / 철저한 현지화 전략 日최고스타로 우뚝 "경제가치 1 조" 평가. *한국일보*.

Since BoA, other groups have also been raised in the same training system. TVXQ, which involved long-term efforts and massive capital outlay, is an example. They debuted as a five-member group on December 26, 2003, were originally planned to debut as ace members in different groups as SM's so-called "top 5," but debuted as the same group with a strategy to create a team that will surely succeed. TVXQ was the team that has been trained for an average of two years and two months, and Xia-Junsu, the longest trainee on the team, has spent a long period of four years and two months. They were the ones who survived in a tight competition system since were trainees and were to be trained in musicality, where all members could sing, to the extent that the first idol group used the nickname "A cappella group," as well as tall and handsome. It is the Girls' Generation that has been properly "made or manufactured" by culminating in this training system. When they debuted in August 2007, Girls' Generation, consisting of members aged 15 to 19 dreaming become artists, belonged to SM for an average of five years. Jessica, Sooyoung, and Hyoyeon were the first to join SM in the fifth grade and went through about seven years of training. Seo-hyun, who was the last to join, also had spent three years of training, showing that SM had been prepared for a long time. They practiced under a thorough and harsh system to the point where their debut song, "Into The New World (다시 만난 세계)", was said to have resonated in the SM practice room for a year before their official debut. The need for this system has become more important, as the groups launched after Girls' Generation—EXO (Suho-7 years), Red Velvet (Seulgi-7 years), NCT (Johnny-9 years), and Aespa (Ningning-4 years)—all recognized that it is difficult to debut without going through harsh training. The longer the trainee period, the more debuted with proper skills, the public often evaluated that the lack of capability is due to the shorter training. Only the group that survived the intense Korean top-down trainee system made a successful debut, and the agency was able to put the groups that had undergone thorough training on the top.

In addition, the relationship between idols and agencies is vertically integrated, having a hierarchical order. With the disbandment of TVXQ in 2009, the problem of 'slave contracts' based on this vertical structure became an issue. Idols, of course, write contracts with agencies before their debut. There is an 'annex agreement' in a standard form of contract. The biggest problem with this contract is

that the timing of the contract is not clear. The agency extends the contract period for many reasons: an extension due to exceeding the initially planned record production period in the process of producing or promoting an album, an extension due to cases in which the album preparation period is excluded from the contract length, an extension due to the hiatus after album promotion, an extension due to the couldn't carry out schedule because of the disagreement between the singer and agency, an extension due to several albums specified in the contract fail to release, etc. As such, various unfair cases occur frequently.

### **<Private Training>**

It is hard to find in Japanese idols that train while living together, and no separate commute like Korea. The members of Idol groups are often defined as a business relationship, and there are many reactions that Johnny's Arashi, who formed a close relationship, is surprising. As such, Japan has a different training system which is different from Korea's boot-camp style training.

Japanese idols often work on a "monthly salary system." It is very different from Korean idols who can get paid only when they break even based on so-called salvage contracts. Of course, some companies implement a profit distribution system like in Korea or renew their contracts as a profit distribution after getting experience, but it is said to be a characteristic of the entire Japanese entertainment industry. In Japan, agencies are absolutely the top dogs, so there is no payment system like in Korea. Tsuyoshi Kusanagi of SMAP, Japan's top idol, also said that it was a salary system<sup>70</sup>. Kei Yasuda, a member of Morning Musume's heyday, also said that she had never received CD sales. In other words, unless they become a popular idols atop, they cannot receive a proper allowance. Korean idols are virtually unpaid workers at the beginning of their debut because there is no basic salary, but when they reached stardom, they start to get paid and receive n% of the profits. Therefore, top idols make a lot of wealth, but unknown idols who do not earn a penny are poor enough to do side jobs. On the other hand, Japanese idols make fewer profits than Korean idols in similar positions because they have a salary system even if they are at the top. However, this also means that unpopular

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<sup>70</sup> SMAP해체설, 초난강 “자니스 시스템 월급제, 열심히 하면 인상. (2016.01.13). *아시아투데이*.



idols that are not sold, still receive salaries, and guarantee a minimum livelihood. One interesting aspect is that one of the differences between Korean and Japanese companies is the accommodation and transportation system, which also applies to entertainment agencies. In Korea, accommodation costs are treated as expenditures and settled excluding sales, but Japanese agencies handle accommodation rent and transportation costs like welfare costs at companies. As a result, popular idols sometimes pay monthly rent houses that are as expensive as their salaries, and sometimes commutation tickets or Shinkansen tickets to and from the company are also provided. It depends on the popularity of the group, so in 2012, when was the year that Atsuko Maeda, the heyday member of AKB48, graduated, the plush mansions with a monthly rent of 300,000 to 1 million JPY were provided, but after its precipitous falls in 2018, the rent is not provided at all. In addition, buses and meals on the way home are also different from their heyday<sup>71</sup>.

### **3.2 Total manufacturing vs. Consuming “Intimacy”**

#### **<Total-manufacturing (churning out)>**

The origin of the strict idol development system is the American Motown label. Founder Berry Gordy Jr. taught his artists not only singing and dancing but also how to laugh and walk and even how to smoke cool. As a believer in Fordism, he also referred to such a curriculum as “quality management.” This is because sales were more important than the artists’ distinct individualities. This process of producing ‘products’ also is found in Korea. K-pop which is represented by idols is a product built through this unique star system. Among its characteristics, the education and training system is the biggest feature, and based on this, entertainment companies embrace and control all fields and processes from planning and production to management. This is related to the entertainment company’s adoption of the so-called “one-source multi-use” strategy as a huge complex organization. Therefore, as time passed, the scope of discipline was expanded/divided not only to singing, dancing, or acting but also language skills, and even included personal aspects such as ‘variety show skills’ or correction of

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<sup>71</sup> ニコニコニュース. (2018.06.21). 全盛期AKB48のヤバい待遇 高級エステ、マンション家賃全額負担etc... 「AKBメンバー、たとえば食事が無料」. *livedoorNEWS*.

outward appearance. This background can be found in the public who demand that Korean idols be “all-around.” It is basic to sing and dance well at the same time in live performances, acting skills must also be high-quality, and must have an adequate gift of tongues and individual skills like voice mimicry. That’s why powerhouse agencies have a great casting team. They discover and train so-called “pretty and handsome” children so that they begin training with appearance factors that become the basis for gaining popularity.

SM particularly is famous for having many artists with attractive visuals, so-called “SM faces,” among fans. As such, the structure of the supply and demand of Korean celebrities is progressing from casting to fostering or manufacturing. SM especially has systematized Korea’s first-star management system and has continued to produce “manufactured” idol starts in an exhaustive training system different from previous singers. In a thorough system, the skills, appearance, and even personality are all “remodeled/rebuilt.”

All the idols also need to stay fit. They measure their weight every week and sometimes require plastic surgery before their debut. Even after their debut, the “Girls’ Generation Diet,” which continues to manage their body shape by limiting their diet only to 900 calories per day, once in the hype. They also must change their personality as well as their appearances. Idols should play a “character” that is suggested by the agency. For example, in order to maintain a “mysterious” image, BoA had to take the cat named, Sarah (which also was the title of her song) with her when she was working on the schedule. TVXQ’s Hero Jaejoong is also said to have been educated not to talk in variety shows to pursue mysticism when he was a rookie. SM’s Aespa is the best representative example of this manufacturing. From the debut, they approached the public with an unfamiliar but unrivaled concept, “AI.” They are drawing favorable responses like, “Aespa is more AI-like than their avatar characters,” and “The members’ beauty is like CG,” among fans, though this AI itself is a concept tailored to “manufacturing” rather than being natural.

### < *Consuming “Intimacy”* >

Japan pursues a “growth type” idol, which made the selection criteria ambiguous. In the first place, Japanese idols refuse the training system. There is no proper training system like in Korea, but just requires only a minimum of

memorization of choreography. Morning Musume and Johnny's aims for "all-live" and requires some extent of skills, but the level falls short of Korea's thorough system. Morning Musume only strengthens the minimum amount of fundamental skills to be on stage, and Johnny's also focused on high-profile performances such as acrobatics or entertainment characters that show the members' charms, but does not systematically strengthen the skills through "education."

From the beginning, Akimoto mapped out a group with a large number of members with an idea that "it would be fun if all students in one class of school became an idol group" which was breaking away from the concept of an idol known in Korea and added the concept of "idol you can meet<sup>72</sup>." Through regular performances at the theater, the fandom was developed based on intimacy, such as providing fresh stages and contents every time and continuously imprinting the names of the members to fans. Through the strategy that performing in exclusive theater daily and increasing exposure, Akimoto boosted the consumer confidence of fans toward their favorite members, made fans form fandom, and made them purchase AKB48's album. As the number of consumers increased, AKB48 achieved great success in 2012 and was positioned as a national idol. These exclusive theaters not only enabled direct communication between fans and AKB48 but among fans. In other words, this exclusive theater itself created a sense of familiarity and solidarity between idols& fans and fans & fans. The fandom formed in this way naturally grew on its own, and the core value of AKB48 became "the unfinished idol group's continuous exposure to the public<sup>73</sup>" through an exclusive theater. In sum, it only emphasizes the familiarity of each idol member and there is no training system like Korea, and it avoids perfect performance in the first place. Akimoto evaluates that it is also professional that K-pop idols can maintain the constant high quality of performance, but stresses that the selling point (charm) of AKB48 is different from that of K-pop idols. Since the members are just ordinary girls, so it is hard to maintain a certain quality all the time, but since dozens of such members are gathered, they can show a kaleidoscope (ever-changing) appearance as a result<sup>74</sup>.

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<sup>72</sup> 片岡飛鳥. (2012.12.01). めちゃ2イケてるッ! SP,秋元康Talk. めちゃ2イケてるッ!..FujiTV.

<sup>73</sup> 宇野常寛. (2011). リトル・ピープルの時代. 幻冬舎.

<sup>74</sup> BLOGOS編集部. (2022.03.30). 日本のコンテンツはなぜ海外で勝てないか——AKB48生みの親、秋元康氏が語る - BLOGOS編集部. *livedoor NEWS*.

The Wall Street Journal of US reported that “Fans can watch the progress of unfinished AKB48,” and the Sankei Newspaper of Japan also described this uniqueness as a ‘culture attracted to incompleteness.’ The most important aspect in this concept of incompleteness is the transaction of “intimacy,” and performing every day in an exclusive theater is a request to fans to watch the growth of the members together. In other words, unlike idols in the 1990s, when Japan put charisma and mystery on the top, Japan was moved by AKB48, which felt the same intimacy as the girl next door. Hidetomi Tanaka, an author of *AKB48’s Economics*, described this phenomenon as consumption of the mind and analyzed that “the consumption of the public’s mind toward idols born in the era of recession has spread to social phenomena.”

### 3.3 Rat-race

“When I first joined the SM, there were nearly 80 trainees. I was nervous because I didn’t know when I’d get eliminated. There were 12 spots opened for debut as Super Junior and I couldn’t laugh and talk while I was practicing but had to risk everything since I perched precariously on the passing mark/borderline.” This was what Super Junior’s Ye-sung, who appeared as a mentor to an idol survival program called *Under Nineteen* which aired on MBC, said while teaching the trainees. The competition rate of Korean trainees is unimaginable. Idol trainees and aspirants exist from at least 10 years old to up to 30s, and the number of heads can be tens of thousands of people. According to Channel A’s show, *Heard It Through the Grapevine-All About Idols* episode, which aired on January 8, 2018, there are about 1,200 trainees belonging to an entertainment agency, and the competition rate for selection as trainees is about to be 800:1. It is a much higher competition rate than Korea’s fierce employment rate. Especially, as the status of K-pop is rising worldwide, and idol groups are formalized as ‘K-pop groups,’ more and more foreign idol aspirants are coming to Korea to become idols. Whether foreign or Korean, only some or a few teams a year appear on the broadcast and only a few of them gains popularity and clearly make their presence felt. According to NewsAid, there is a panel in front of the rookie development team office that records attendance and reward points for each trainee, which does not directly

affect their debut, but the policy emphasizes the importance of attitude and character education. The weekly timetable in front of the practice room shows the trainees' status, and the practice room's available time is tightly organized from 1 to 10 p.m. Moreover, vocal and dance training is divided by level, and the names of trainees and trainers are assigned together. Weekly or monthly evaluations continue as this intense schedule continues. Normal or general trainees who have not decided on their debuts, practice freely by taking basic skills lessons such as acting, vocal, dance, and rap to prepare for the evaluation, while debut group trainees take additional classes, including English or Chinese classes, interviews, instruments such as guitar and keyboard lessons, work-out sessions and even characteristic education, sex education, and speech practice are also conducted. In addition, trainees who are mostly students, need to get fair grades at school. JYP prohibited trainees from practicing if a certain level of grades is not achieved. In this harsh environment, the fight continues to improve skills with no set standards, without knowing when it will end. Trainees kept competing for a slim chance of success.

The only similar aspect between Korea and Japan is that both are operated under an infinite competition system, rat-racing. But one other aspect is whether there is competition within the same group or not. Once Korea debuted as a group, it has a strong perception that they are 'one team.' Since they have already made their debut as veterans, the solidarity within the team is also regarded as a trait to achieve success. For example, the group appeals to the public with good chemistry among members to show the solidarity of the group. Because of this relationship or the chemistry between the members, people became fans. However, it is also true that before these teams were formed, competition among trainees was enormous in Korea, and since the members who have been in the spotlight since their debut are different, there will be unwitting checks among teenage girls. However, it is a little different from Japanese idols' rat race; AKB48's system itself shows the competitive structure within the team.

The characteristic of Morning Musume and Johnny's is that each album has the most popular, "push" member in the group. Morning Musume is located the push member in the center of the album jacket and gives the most singing part. In other words, it is common for unpopular members to harmonize discreetly, and

only popular members are assigned singing parts. Johnny's is similar. Singing parts are always distributed to popular members, and put the popular members at the center, and schedules are also centered on popular ones. Popular members often appear in dramas and movies, while unpopular members often seem to have a little schedule. Furthermore, since they do not live together, even if they are in the same group, they have significantly less time to meet each other, and hard to build kinship among members compared to Korean idols. Although they are in the same group, the competition system is established because TV exposure and the treatment vary depending on who becomes a popular member.

While Morning Musume and Johnny's have 'push' members, it is AKB48 that properly operated with a unique competitive system. First, AKB48's recruitment consists of auditions and drafts. The qualifications for the audition are women who do not belong to any agencies from the age of 11 to 18 (formerly 10 to 22), and the screening consists of first documentation, second, video call audition or interview, and third, interview with dance singing screening, etc. The screening criteria do not have a certain standard but put diversity in personality and appearance atop rather than excellent dance-singing ability or good looks since one man's trash is another man's treasure. 7,924 people applied for the founding member audition and 45 people passed the second screening, of which only 24 passed the final screening. Only 19 members from 11,892 to 19 passed in the 2<sup>nd</sup> generation, and only 12,828 to 20 in the 3<sup>rd</sup> generation passed, and after that, it was changed to a trainee selection system, and about 10 trainees were selected every time until the 15th generation<sup>75</sup>. The draft system is an audition for all members of the AKB48 and sister groups in Japan, imitating the Major League Baseball Draft. It is a way of nominating the nominated candidates as a new member through consultations between each captain of each team (the leader) and the theater manager who manages the theater performance, and if nominated by multiple teams, it will be decided through a lottery. In February 2014, a draft meeting (ドラフト会議) was also held, and 30 candidates were nominated one to two from each team, with 19 people joining each team. With such fierce auditions and drafts, AKB48 continues to compete even as a member.

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<sup>75</sup> 안창현, & 하운금. (2015). 일본 아이돌그룹의 비즈니스모델과 현지화 전략. *KOCCA포커스*, 15-01호.

AKB48 is divided into Team A, Team K, and Team B, with a total of 48 members and about 20 trainees (研究生). Each team has a leader to lead the team, and all its sister groups operate on the same system. The sister groups of the same AKB48 should compete on yearly basis. What clearly shows this competitive advantage in AKB48 is the 'general election (選抜総選挙)' that began in 2009. The general election is a fan participation popularity vote that induces fans to become competitive consumers and immerse themselves in the competition system of girls. In other words, AKB48 fans are not simply exercising their right to vote, but they jump into the competition system of girls and create a sense of community. In addition to competition by group and team, the ranking is set once a year in the general election according to individual popularity, so members must continue to compete to capture fans' hearts, and even if they are popular members, they should continue to mesmerize fans to keep their ranks. If one wins first place in the general election, she can become a "center" of the new song, and the members in the top 16 who are also called *senbatsu*, can appear in a variety of shows and music programs. In addition to the 'All stars (選抜, selection)' participating in the new song, other ranks also are announced: the 17<sup>th</sup> to 32<sup>nd</sup> places as 'Under Girl,' 33<sup>rd</sup> to 48<sup>th</sup> places as 'Next Girl,' 49<sup>th</sup> to 64<sup>th</sup> places as 'Future Girl,' and 65<sup>th</sup> to 80<sup>th</sup> places as 'Upcoming Girl.' The competition system based on the 'fandom of expenders' is the current state of AKB48, because these voting rights are included in single CDs, thus, enthusiastic fans purchase dozens to hundreds of single CDs so that their bias can be at the top.

Though the general election stimulates each member to continue to improve their skills and develop a better relationship with their fans, it still shows a brutal competitive system that requires members to compete within the team even after their debut since the ranking is determined by the popularity among their fans. Moreover, this general election even stirs intense competitiveness of internal products (each member) with the principle of competition that anyone can be ranked high if they try which is based on human egalitarianism, by involving fans. Followed by this competition, trainees become popular and always can become the center of the group at any time if they are in the top ranks in the general election. On the contrary, if popular members neglect fan management and not showing any

effort, they get downgraded at any time. This exhaustive competition system is running all year round between AKB48 and its sister groups.



#### IV. Conclusion

Woo-Joong Kim, former chairman of Daewoo Co., Ltd., said, “The world is wide and there is a lot to do.” Some say that SM had no choice but to enter overseas markets because it was difficult to make profits only in the domestic market. In fact, SM, which succeeded in entering the Japanese market, earned more than 50% of its sales in 2010 in the name of overseas royalties. Overseas royalties, which have a profit margin of 70%, are the leading contributor to the dramatic development of SM’s current profit structure<sup>76</sup>. After making money through overseas markets, SM has drawn international attention by releasing products tailored to global standards that premise overseas expansion. Under the goal of glocalization, the group was fostered under a Korean training system, commercialized with global standards such as group naming, recruiting multinational members, and using domestic hit songs, and continued marketing through global SNS platforms.

On the contrary, Japan has grown its corporation with the independent sensibility of the leader and has released products tailored to the domestic market. Although the launched groups earned huge popularity among the Japanese, its secular management like the ‘Family System’ only raised the market entry barrier to overseas fans. However, is Japan only satisfied with the success of the domestic market? Looking at Jonny’s current movement, it does not seem that Japan is only aiming for the Japanese market. Johnny’s now keeps uploading the so-called national idol, Arashi’s music videos and promoting concert videos through YouTube, and even Arashi received a song by world-class singer Bruno Mars and sing English lyrics song. In view of this direction, it gives the impression that Japan is no longer only satisfied with the domestic market but is following Korea’s mode based on globalization strategies.

The success of the domestic market is closely connected to global success. SM has always entered overseas markets after success in the domestic market. From an economic point of view, SM, which has focused on glocalization, and BTS, which kept showing great performances on the Billboard chart, have succeeded. In other

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<sup>76</sup> Lee, Moon Haeng. (2014). Penetration Strategies of SM Entertainment in Global Market. 한국 IT 서비스학회지, 13(3), 77-92.

words, it clearly shows that products tailored to ‘glocalization’ can catch more target audiences and attract attention than products that are localized.

The idol culture industry is one of the leading industries in Korea, and its scale is growing year by year. Japan had an overwhelming share of the idol market until the 1980s, but Korea’s idol industry, which has grown up imitating Japan, has attracted attention in Asia since the 2000s and has received global attention since the 2020s.

For Korea to grow, it initially referred to Japan’s management and training strategies, but the two countries’ different environments led to different strategies. In Japan, where the domestic market was large, the idol industry also grew in line with localization (domestication). On the other hand, Korea, like other manufacturing industries, was inevitable to enter overseas markets to increase profitability. SNS was also utilized by both countries, but Korea, which has high internet accessibility, has more actively surpassed the idol industry through SNS, and Japan, which is familiar with analog sensibility, has less SNS usage than Korea. Training strategies also showed different patterns in Korea and Japan. Korea has fostered idols in a boot-camp style to increase the ‘chemistry’ between idol team members more quickly and to coordinate efficient practice times since they pursue faster growth. Large agencies have fostered ‘perfect idols’ through thorough education in a ‘manufacturing’ manner. The Korean training system was conducted in a highly efficient military style, such as conducting all kinds of education within the agency. On the other hand, rather than presenting a systematic program on the agency’s side, Japan pursued a ‘growing’ method rather than aiming for perfection, after idols made their debuts. Since Japan values individual life utmost, they fostered idols by focusing on their ‘slow-grown’ even if they were less profitable in the beginning due to commuting fees and the “salary system.” In sum, Japan and Korea created different training strategies with the different cultural characteristics of their countries.

The different corporate cultures of the two countries also buttress these strategies. Korea, which belatedly entered the idol industry, has grown the industry based on a culture that emphasizes practicality such as non-family management, modularization, and meritocracy. On the other hand, Japan which created a Japanese-style idol culture adheres to the idol industry by reflecting its own culture

of family management, craftsmanship, and human egalitarianism. As such, Korea and Japan have bridged the idol culture industry in different ways; the different corporate cultures of the two countries have influenced the idol industry to grow with different strategies.

Although the beginnings were similar, the idol culture industries of the two countries, which are moving in different directions, are expected to continue in the future. As of the 2020s, Korea's idol culture industry is in the spotlight world-wide which means that Korea's strategy is more working or alive than Japan's strategy. However, for Korea to continue to develop in the future, Japan's strategy should also be referred to. Because well begun is half done.

The current study is limited to socio-cultural factors in the idol industry, but it's difficult to fully apply socio-cultural factors to the idol industry since the paper only concentrated on the production side (organization culture), not the consumption side. For future studies, socio-cultural research will be possible, especially in drama areas such as those presented in *Squid games* rather than idols. Because dramas are one of the biggest examples of consumption side and reflect psychological, social, and anthropological aspects, therefore, they are more suitable than idols.

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## 국문초록

방탄소년단(BTS)의 세계적인 성공과 함께 21세기 아이돌 산업은 한국을 견인하는 산업의 하나로 해를 거듭할수록 그 규모가 커지고 있다. 글로벌 아이돌시장에 있어 각국의 점유율을 살펴보면 1980년대까지만 해도 일본이 압도적이었다. 그러나 일본을 벤치마킹하면서 성장해 온 한국의 아이돌 산업은 2000년대부터 아시아에서 주목을 받고, 2020년대 이르러서는 세계적인 관심을 받고 있다. 한국 아이돌이 갖는 경제적 파생 효과는 엄청나며 그들이 먹은 것, 사용한 것, 가본 곳 등이 팬들의 관심을 끌고, K-beauty, K-foods 등으로 타산업에까지 영향을 뻗힌다.

본 연구의 목적은 한국 아이돌산업은 왜 성공하고, 일본은 왜 정체하는지를 알아보는 것이다. 특히 왜 일본은 지역화의 길을 걷고, 한국은 세계화의 길을 걸었는지, 한국의 대표 기획사들의 전략은 무엇이고, 일본의 대표 기획사들의 전략은 무엇인지를 보다 깊이 알아본다. 아이돌 산업을 구성하는 3대 주체는 ‘아이돌(연예인) – 팬 – 기획사’이다. 이 가운데 연구 대상을 기획사로 한정하고, 연구 내용 또한 기획사의 경영적 측면, 즉 생산과정에서의 기획사의 활동을 중심으로 양국 아이돌의 성공 요인을 분석하며 양국의 아이돌 산업을 발전시켜온 과정이 매우 다르다는 사실을 입증한다.

구체적으로는 양국 아이돌의 성공을 생산자인 주요 기획사들의 철저한 경영전략과 훈련시스템이라는 틀에서 설명하는데, 첫째 기획사들의 경영전략에 있어 한국은 국제화와 세방화(glocalization)에 발맞춘 전략과 세계적인 플랫폼 YouTube를 이용한 SNS 스토리텔링 전략으로, 일본은 국내화와 아날로그 방식에 치중한 스토리텔링 전략으로 성장하였다고 주장했다. 둘째 훈련시스템 측면에서는 한국은 군대식 훈련, 완성형 아이돌 추구, 실력주의에 기반한 무한경쟁체제로, 일본은 개별 훈련, 성장형 아이돌을 추구하면서, 인간평등주의에 기반한 무한 경쟁체제로 산업을 키웠다고 주장한다.

**주요어:** 아이돌, 국제화, 지역화, 세방화, 방세화, 엔터테인먼트 산업, 한국 기획사, 일본 기획사

**학번:** 2020-29936