Master's Thesis of International Studies

An Analysis of the Korean Video Game Industry

E-sports and video games as cultural ambassadors

한국 게임 산업의 분석

문화 홍보대사로서 e스포츠와 비디오 게임

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Graduate School of International Studies
Seoul National University
International Commerce Major

Mathieu Quentin Touly

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Professor Moon Woo-Sik

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Mathieu Quentin Touly

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Chair Rhee, Yeongseop (Seal)
Vice Chair Han, JeongHun (Seal)
Examiner Moon, Woo-sik (Sea

Abstract

This paper examines the Korean video game industry, its genesis, and its evolution. Surveys conducted by national agencies are used to draw a portrait of the industry as of 2021. It is found that Korean consumers mainly consume mobile and pc online games. Hence, after explaining the reasons behind this specific consumption pattern in Korea, this paper analyzes the profile of Korean consumers of mobile and PC games, followed by the analysis of the Korean internet café: PC bang. The analysis of PC bang serves this paper for the last chapter of this paper, treating e-sports in Korea. From governmental efforts to promote e-sports in the country to the place Korea occupies in the e-sports scene and how e-sports is becoming an ambassador of the Korean culture to millions, if not billions in the near future, of e-sports and video games enthusiasts.

Keyword : Video game industry; e-sports; PC bang; Korean culture; online games; IT.

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Chapter 1. Introduction

1.1. Study Background

South Korea has seen a remarkable rise in popularity worldwide for the past 20 years. The country suffered a lot in the first half of the 20th century and was one of the poorest on earth after decades of Japanese domination and war. Seventy years after the war ended, South Korea is now ranked 10th in terms of GDP as of 2021[1]. Decades of industrialization and massive exportation of industrial and consumer goods led Korea to join the OECD in 1996. More recently, it was recognized as a developed country by the United Nations, and it now serves as an example for developing economies worldwide.

The country was known for achieving impressive development in less than two generations thanks to a state–led economy based on massive exports of industrial and consumer goods (Park, 2003). Korea is also the land of powerful conglomerates such as Samsung and Hyundai, SK Group, and LG, which accounted for 58.3% of the country's GDP in 2021[2].

Between the late 1980s and the late 1990s, the previously mentioned Korean conglomerates, also known as "Chaebol," became global R&D leaders, changing the direction of the South Korean

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[1] 2021 PPP Adjusted GDP in Current International Dollars: $2.43 trillion, Investopedia
[2] Korea Financial Telecommunications & Clearings Institute.

government's policies from the heavy industry to the IT industry, which eventually led the country to become one of the leading IT nations (Campbell, 2012).

During the past decade, Korea has also become famous for its culture. Like the United States, Korea has developed a powerful soft power. The "K-culture" is now a global phenomenon: from music to food and fashion, Korea's soft power is spreading worldwide. Tourism in Korea has doubled, from about 8 million tourists in 2010 to more than 17 million visitors at the end of the decade in 2019[3]. In the middle of all the cultural resources Korea has, K-pop happened to be one of the loudest and the most mediatized. Fans around the world are shouting their idols' names and trying to learn Korean to understand the content of their songs (Lee D. , 2014).

However, an important yet not too mediatized component of this "K-culture", closely related to the development of information technologies in the country, seems to be missing in the equation and often forgotten: the video game industry.

Several reasons have motivated the choice of South Korea to analyze the development and state of the video game industry. The industry's total revenue on a global level is $180 billion in 2021. As of 2022, Korea is ranked 4th in the world, behind China and the United States and Japan (Newzoo). Amongst the top countries in terms of revenue, Korea has one of the highest shares of video game

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[3] Korea Tourism Organization

consumers in their population with approximately 33.8 million players, for a population of more than 51 million citizens. As shown in *table 1*, Korea has one of the highest revenues per player.

Table 1: top 10 markets by game revenues.

Market	Revenue (Billion USD)	Players (million)
China	50,18	742,19
United States	47,62	197,16
Japan	22,01	78,1
South Korea	8,48	33,8
Germany	6,84	49,76
United Kingdom	5,73	39,1
France	4,27	39,34
Canada	3,64	21,91
Italy	3,12	37,64
Brazil	2,69	100,74

Source: Newzoo

Another motivation for choosing South Korea is the absence of any mentions of Korean video games that often occurs in the Korean wave (also called Hallyu). Korean pop music, TV shows, and cinema are regarded as pillars of the Korean soft power. However, the share of video game contents in the contents industry is one of the highest. According to the Korea Creative Content Agency (KOCCA, 한국콘텐츠진흥원 in Korean), the video game industry accounts for 14.1% of the total revenue of the contents industry in 2020, slightly behind TV broadcast which accounted for 17.1%, but much higher than the music and film industry that respectively accounted for 4.7% and 2.3%. Korean games are also the most exported, accounting for 68% of the total export of the entire Korean content industry in 2020 (Ministry of Culture, Sports and Tourism).

Moreover, from a personal perspective, Korean video games, without even knowing it at the time, were the very first contact I had with a culture I had almost never heard of for most of my life growing up in France. Korea is well known for developing and consuming online games. It is through the prism of one of these online games, *Guild Wars* [4], that I unconsciously had my first experience with Korean cultural products.

From a young age I have been playing video games, however, popular games in France are mostly from western and Japanese companies. *Table 2* illustrates very well the state of the French market and consumer preferences. Half of the games that generated the biggest revenue in France in 2021 were published (and produced) by Japanese publishers, and the other half, by western publishers.

Table 2: Top 20 sales revenues from physical and dematerialized games in France, 2021.

GAME	PUBLISHER	REVENUE
FIFA 2022	ELECTRONIC ARTS	96 656 886 €
CALL OF DUTY VANGUARD	ACTIVISION BLIZZARD	32 552 671 €
MARIO KART DELUXE	NINTENDO	24 437 798 €
SUPER MARIO 3D WORLD + BOWSER'S FURY	NINTENDO	21 142 500 €
ANIMAL CROSSING: NEW HORIZONS	NINTENDO	20 574 408 €
POKÉMON DIAMANT ÉTINCELANT NINTENDO	NINTENDO	17 659 543 €
RING FIT ADVENTURE	NINTENDO	17 617 654 €
FIFA 21	ELECTRONIC ARTS	16 923 300 €
CALL OF DUTY: BLACK OPS COLD WAR	ACTIVISION BLIZZARD	16 242 024 €
FAR CRY 6	UBISOFT	13 767 674 €

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[4] MMORPG developed by ArenaNet and published by NCsoft in 2005

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MARIO PARTY SUPERSTARS	NINTENDO	13 275 776 €
BATTLEFIELD 2042	ELECTRONIC ARTS	12 027 036 €
SPIDER-MAN: MILES MORALES	SONY INTERACTIVE ENTERTAINMENT	12 026 537 €
ASSASSIN'S CREED VALHALLA	UBISOFT	11 874 750 €
POKÉMON PERLE SCINTILLANTE	NINTENDO	10 471 216 €
THE LEGEND OF ZELDA: SKYWARD SWORD HD	NINTENDO	10 384 037 €
GRAND THEFT AUTO V	TAKE-TWO INTERACTIVE	10 215 197 €
RESIDENT EVIL VILLAGE	CAPCOM	10 056 503 €
THE LEGEND OF ZELDA: BREATH OF THE WILD	NINTENDO	9 147 651 €
NBA 2K22	TAKE-TWO INTERACTIVE	8 744 953 €

Source: French Syndicate of Leisure Software Publishers, SELL.

There is no visible sign of Korea in mainstream game consumption in France. Korea's absence is explained by the fact that Korea mainly produces online games. However, online game producers often follow particular business models to make revenue out of their games that do not fit in such ranking.

South Korea is a significant producer of online video games and consumer of them in various forms (mobile, PC). The market preferences and the consumption of video games in France differ from Korea. France is an important consumer of console games compared to Korea. Korea, excluding mobile games, mainly consumes PC games and very few console games. 54.2% of Korean players play PC games, and France estimated 41%, making the share of players on this platform high for both countries. On the other hand, only 17.9% of Korean players play console games, and 44% of the players in France. Despite Korean games' quality, the French market is much more

exposed to Japan and other western countries' influence as they share similar consumption patterns[5].

Graph 2: Share of video game players per platform (source: SELL (2021), KOCCA (2021))
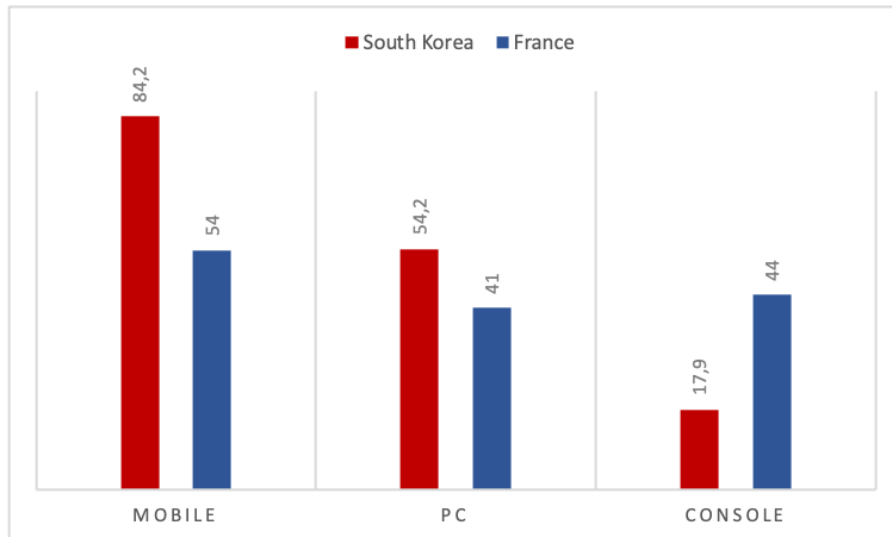
For years I played Korean video games on PC without realizing it, and it was only later that, thanks to a non−Korean game called *League of Legends*, that I first became interested in Korea and its culture. *League of Legends* may not be a Korean game, but Korea is a pillar of its e−sports scene. Korean professional players showed impressive performances [6] and consistency in the professional competitive scene compared to other regions[7]. Thanks to Korea' s excellence at playing this game, and international events held there,

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[5] The share of each platform of video games (Mobile, PC, console, etc) is almost the same in North America, Europe and Japan. KOCCA's report on foreign video game industry, 2021.
[6] In 12 years of the annual world championship, Korea won 7 times. *Riot Games.*
[7] Other major regions include: Europe, North America, and China.

I heard the Korean language for the first time and saw images of Korea that I had never pictured in my mind as a teenager.

I originally had no interest in other cultural products Korea had to offer, but it sparked a fire in my heart and in conclusion, video games were a port of entry for me into Korea, which is now my home, and explains my first motivation for conducting my master's thesis on this topic.

Cultural practices (such as e-sports) and new social norms (illustrated by pc rooms or "pc bang") reflect the importance and the weight of video games in Korean society (Chee, 2005). Video games are so important culturally (hence economically) that the Korean government has, with China[8], been the only one for years to support e-sports and recognize it as a new cultural trend[9], years before other governments on the planet dared to put one step into this industry (Jeong, 2009).

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[8] E-sports was recognized as a national sport by the Chinese General Administration of Sports in 2003.
[9] Foundation of the Korea e-Sports Association (KeSPA) in 2000

1.2. Literature Review

Literature on the video game industry in Korea chiefly centers on online video games, i.e. games that require an internet connection to be played and which gameplay (the interactive content and player experience in the game) gravitates around that online feature. It includes competitive games that will match different players on dedicated servers where they compete against each other or cooperate. However, to understand the reasons behind this particular development, it is essential to review the roots that led to the prominence of online games in South Korea.

The Korean government played a central role in the development of the video games industry in the country. It is therefore crucial to understand the government's role in the Information Technology (IT) industry and the effort Korea put into becoming a leader in the sector. South Korea had to rebuild from almost nothing after the war, and after decades of progressive industrialization, the government focused on IT solutions from the 90s. In his 2012 article: "Building an IT Economy," Joel R. Campbell details the evolution and creation of the Korean IT industry. Under the authoritarian regime, the state was already preparing for the future by creating government-run research institutions, a technical university, and a central research park. Meanwhile, the private sector slowly developed its applied research capability. *Chaebols* (Korean conglomerates) would heavily invest in R&D, which led to the government's full privatization of the

industry, promoting liberalization of the sector and attracting new firms. Campbell lists the state's efforts in six points including strong relationships between the private and public players, the use of wired and wireless broadband networks to build infrastructures or even the introduction of a "Gold Visa" to attract foreign IT researchers.

These efforts ranked South Korea on top of the world in IT development. The ICT index that evaluates the IT development of countries ranked South Korea first for two decades. Campbell does not mention the relevance of the government's actions for the development of the video games industry; however, it helps understand the genesis of IT infrastructures that was determinant in the future of the video games industry in Korea.

In 2018, in "Governing Video Games in South Korea," Jongmin Yang analyzed the political implications and responses of the South Korean government regarding the video game industry's rise in the country. He acknowledges that the government was crucial in the apparition of the industry and its moral and economic development. However, this study only focuses on the governance side and does not explore the cultural or societal reasons that could explain the industry's growth and the governmental actions.

Florence Chee, in her 2005 paper, conducted an ethnographic study analyzing the relationship between sociocultural factors in the Korean game community and the place of video games in Koreans' everyday life. She conducted multiple interviews with Korean PC

bangs users to learn more about their habits and relation with PC bangs. Chee refers to PC bangs as third places, neither work nor home, qualified as places for psychological comfort and support, frequented by people with similar mindsets and interests. Her study shows divergent motivations for Korean people to go to the PC bang. Some will go because it offers them opportunities to enjoy media use with groups of friends and stay away from parental restrictions and regulations, which is uncommon in Korean homes. For young couples, it is a way for them to spend time together indoors for a relatively low price compared to other indoor activities. Some players would confess that even though they play an average of 5 hours per week, they do not like to play and only go to pc bangs to stay with their friends. Chee, therefore, introduces the concept of "*wang-tta*."A *wang-tta* (왕따) defines an outcast within a group of individuals: the one that is not as good as the others, the one that has different tastes and does not enjoy doing the same things as the other members of a group. In the case of video games, many young Koreans would feel peer pressure and fear to be considered a *wang-tta*. Such apprehension and fear would force them to be involved in video game playing, too scared to be left behind. Chee's paper shows that some players play for the only purpose of being with others. Going to the pc bang with friends has become a social phenomenon in South Korea. Playing video games, and more importantly, playing well, can be mandatory for some individuals to be part of a group where they will be accepted and respected.

In this research, the appellation "*pc bang*" (meaning pc room), referring to an internet café, is mainly used, as the Korean version of cybercafé is particular to Korea, different in form, number, and use compared to most countries. Hence the Korean word is continuously used throughout the paper in opposition to internet cafés, which are by nature the same concept but serve fundamentally different purposes in Korea compared to the rest of the world.

To illustrate the major differences between pc bang and traditional cybercafé in the world, let us remind ourselves of what is a cybercafé (or internet café). A place where people access a computer, browse through the internet and can drink coffee. In the late 90s and early 2000s, with the rise of the internet and before the apparition of smartphones, internet cafés were trendy. Modern literature on cybercafés mainly comes from developing countries in Africa and South East Asia. This predominance of literature from these regions is very interesting because it shows that internet cafés are crucial in people's lives that have not many options to access the internet.

Stephen Mutula described the cybercafé industry as it was in Africa until 2003. With only 1% of the African continent having access to a pc in the early 2000s, the growth of internet cafés infrastructures allowed more people to access the internet in Africa. Internet cafés would attract mostly businessmen that would conduct money transfers for their business and college students who would come to study.

More interesting, a study by Mark Kaigwa in 2017 shows the downfall of cybercafés' frequentation and popularity amongst those who could afford it after the introduction of 3G between 2007 and 2011 in Kenya. The introduction and spread of mobile phones, coupled with the apparition of optical fiber, resulted within 12 months in most people shifting from cybercafés to mobile phones.

Smartphones have marked a turning point in the history of internet cafés as they were quickly left behind after one could access the internet via a smartphone. Such a trend had already happened in most developed countries where internet cafés were common in cities. The number of internet cafés rapidly decreased after home-based email and internet access points were expanded.

A small part of the literature allows us to picture the different destinies of internet cafés depending on the world region. The spread of personal computers, home-based internet access points, and mobile phones led the internet café industry close to extinction in numerous countries. Logically Korea should have shared a similar destiny. As mentioned earlier, the country ranked first in the OECD in terms of IT development and households' internet accessibility. It is now relevant to dig more into the literature surrounding *pc bangs* to understand the cultural and societal reasons lying its popularity and sustainability.

Such societal phenomenon as described by Chee, is related to another essential part of the South Korean gaming spectrum: e-sports. E-sports or electronic-sports refers to video games sportive

and competitive side. Top players will be enrolled in esports organizations and compete nationally or internationally. Sahoon Kim and Michael Thomas analyzed in 2015 the South Korean e-sport scene to develop a stage theory model of professional video game players. Their study analyzed the development of the relationship between professional players and the game they play, showing that the entertaining side of video game playing tends to disappear to let room for more anxiety, stress, and pressure, just like any other job.

Dal Yong Jin, in 2021, did a complete historical review of the birth and evolution of the esports scene in South Korea by focusing on the reasons behind its growth. Initialization by the government and the creation of national leagues and broadcast of esports competitions on national TV favored the rise of spectatorship. However, despite picturing the South Korean esports model as a model for the rest of the world, this study does not try to show the benefits South Korea can get from developing its esports scene worldwide.

Jin and Chee (2008) proposed a critical interpretation of the Korean online game industry. Tracing back to the tragic historical relationship after decades of colonization by Japan for decades[10], resulting in the long-standing concern with Japanese cultural invasion, the Korean government had, until 1998, banned Japanese cultural products, which included console games, films, and music

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[10] From 1910 to 1945.

(Lee K. , 2002). Despite Japan's position as a leader in video game-making on consoles manufacturing, most Koreans did not have access to it. However, they would still try to replicate Japanese consoles and sell them on the black market without much success (Yang, 2018).

Along with the 1997 Asian crisis that laid off many workers in the IT industry, online pc-gaming became the most reliable and enjoyable option for Korean consumers. PC bangs spread in the country, and playing games became a social need for many Koreans. They explain that the questions as to why Koreans became socially involved in playing video games in PC bangs can be answered by understanding the background of contemporary Korean society. First, by the fact that Koreans spend more time nurturing social networks compare to other countries (Yee, 2000). Secondly, the country's rapid industrialization and the focus on IT adoptions in the 90s have left Korean youth with a relatively limited range of activities. PC bangs offered them an affordable and convenient activity to do as a group after class. Interviewees from their study would state that despite having a computer at home, they would play at the PC bang, essentially for the social contact it offers.

Lastly, Parc and Moon (2019) established a new concept for classifying cultures, by separating the "accumulated" and the "accumulable" cultures following the recent universal exposure of the Korean culture thanks to the Korean Wave. Accumulated cultures refer to the more traditional, old, limited, localized, and preserved cultures, such as traditional music, food, and fashion. Whereas

accumulable culture refers to the new culture, with a more universalistic scope and improvable cultures. These include pop culture such as pop music and cinema for instance. Parc and Moon decided to focus on the case of public and private initiatives toward K-pop. They argue that private initiatives are more efficient than public ones in promoting K-pop as, despite the government support, it seems to utilize the international popularity of K-pop to boost the brand of Korea. But the study is limited to the case of K-pop music and does not explore any other industry.

1.3 Methodology & purpose of research

This study is based on a qualitative methodology that consists of data collection from official organizations, such as the Korea Creative Content Agency, which publishes yearly reports and white papers on the content industry. Another source of data collection is Newzoo, a data provider specializing in the global video game industry. This study also forges its argument on existing literature and interviews with industry professionals to draw a picture of Korea's current video game industry and its image inside and outside of the country. This research aims to know whether video games are part of the Korean culture and whether it can serve as a platform to promote Korean culture or enhance the country's national brand.

Based on the existing study background this paper believes that:

Hypothesis 1: Video games are part of the Korean culture. In other words, that video games are produced and consumed in a way that relates to a set of material and ideological phenomena that characterize an ethnic group or a nation, a civilization, as opposed to another group or another nation.

And:

Hypothesis 2: Video games and esports have the potential to become a cultural representation of Korea on the international scene. Meaning that Korea is (or can become) relevant, acknowledged and appreciated internationally for/thanks to its video games and its esports scene, hence becoming beneficial for Korea's national brand.

Chapter 2 consists of a comprehensive analysis of the South Korean video game industry on all types of platforms, PC bangs, and game developers. The historical background of the development of the industry as well as the consumption patterns of video games in Korea give us an argument to claim that video games are part of the Korean culture and that the Korean game industry can be a pillar of the Korean wave.

Chapter 3 focuses on the cultural side of this industry, and argues that despite not being culturally iconic on the international scene with video games unlike Japan, a smaller part of the whole game industry, e-sports, has the potential to become a relevant piece of the Korean pop culture.

Chapter 2: Video Game Industry in South Korea

This chapter aims to draw a detailed picture of the structure and environment of the South Korean video game industry. The different sectors of the industry are analyzed and put into context to show their specificities and possible links with existing studies.

2.1: Video games

2.1.1: Arcade and console games

Video games first appeared in South Korea the same way they appeared in most countries in the early days of video games, through arcade game machines. You could find arcade machines in amusement parks as side attractions in the early 1970s. Arcade machines' business model is based on a coin-operated system and is one of the only games that use such a model (Osathanunkul, 2015)In the 1980s, arcade rooms[11] began to bloom in the country, and Koreans started frequently visiting these places. Such enthusiasm did not fail to alarm the government, which rapidly tried to regulate the frequentations of these rooms, especially for the younger ones, as the government judged it to be potentially dangerous to health (Yang, 2018). It remained popular despite the government's efforts to restrain people from using arcade machines. Korea was still not involved in game

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[11] 전자오락실 ''jeonja oraksil '' meaning electronic amusement room.

development at this period, and most games came from overseas such as the extremely popular Galaga, published by the Japanese Namco (Kim S. , 2005).

However, arcade popularity worldwide decreased severely with the apparition of game consoles and the spread of personal computers. In 2020, the number of electronic amusement rooms was only 5.4% of the existing PC bangs[12] and accounted for only 36 billion KRW in revenue in the same year[13].

Console Game

Soon after the explosion of the arcade, Korea introduced game consoles. A more affordable and smaller hardware on which one can play a selection of games (many being arcade games at first). In the mid-1980s, game consoles were well received by the public as they offered an alternative for young people to enjoy game playing without having to go to amusement rooms. Parents were relieved, as their child would now play from home in a physically and ethically safer environment (Yang, 2018). However, conglomerates like Samsung Electronics, Hyundai Electronics, and Daewoo electronics never invented their game consoles. Instead, they sold consoles by licensing existing ones (mostly from Japan). It is important to note that the licensing of existing Japanese consoles results from historical resentment from Korea towards Japan, with the Korean government

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[12] 525 arcade rooms, for 9 770 PC bangs, KOCCA.
[13] White paper on the video game industry, KOCCA.

being concerned about the influx of Japanese cultural products. An "import diversification" trade policy was imposed. This policy did not allow Japanese tangible goods to be imported into Korea [14]. Nevertheless, parts of Japanese products could still be imported, which led conglomerates to import parts of licensed Japanese consoles and sell the consoles on the market with different names [15].

Despite a couple of arguments in favor of the game console in Korea, trade relations with Japan seriously hindered the development of a console game market in Korea (Jin & Chee, Age of new media empires, 2008) (Yang, 2018) (Jin, 2021). Restrictions from the Korean government favored the apparition of a black market where people would trade smuggled and pirated hardware with a price advantage compared to the licensed console hardware sold by conglomerates.

In 1993 smuggled consoles had no less than a market share of 76%[16], illustrating the complete market failure of console hardware in South Korea. Incapable of competing with the black market, conglomerates eventually withdrew their console hardware from the market. Later on, the console game market only subsisted in the black market, but establishment of Sony Computer Entertainment Korea Inc. put an end to it. Sony's arrival in Korea was made possible after abolishing the "import diversification" policy in 1998 (Jin & Chee,

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[14] National Trade Estimate Report on Foreign Trade Barriers p.236, Office of the US Trade Representatives, 1997.
[15] The *Gam-boy*, originally the Master System (Sega). The *Com-boy*, originally the NES (Nintendo).
[16] "Market share of console hardware in the South Korean market," Game Champ Magazine, May 1993: 104.

2008). The Korean market was without official console hardware manufacturers from 1998 until 2002 with the release of Sony's PlayStation 2 in 2002 (Cho, 2012a).

Despite opening the market to foreign console manufacturers, governmental lack of regulation in the sector allowed the black market to remain prominent, making the Korean console market unattractive to console manufacturers as pirated software was still mainly used in the country. A report from the KOCCA shows that the ratio of games purchased per console owner is only 2 while being around 7 per console owner in Japan and the United States (Yang, 2018).

Now the industry is more regulated but is considered underground because console gaming never managed to step back from it and explode like it did in the US and Japan, for instance (Wi & Rho, 2007). In 2021, a report from KOCCA showed that only 21% of video game consumers played console games in Korea. Reports show that people in their 30s (20.9%) or 40s (20.2%) are the most involved in console game playing. It is the same generation that grew up when Korea first introduced game consoles. On the other hand, only 7.2% of the respondents in their 10s said they were engaged in console games playing.

In 2021, console games accounted for no more than 5.8% of the total revenue of the industry in Korea. However, console game consumption increased dramatically during the pandemic for two reasons: the release of new generation of gaming consoles: Sony's PlayStation 5 and Microsoft's Xbox Series, and the government's decision regarding social distancing to shut down PC bangs for a long

period of time. Exceptional conditions during the pandemic boosted console game consumption in Korea. A white paper published in 2021 from the KOCCA shows a 57.3% sales revenue increase between 2019 and 2020, from 6.95 billion won to 10.92 billion won. On the PC bang side, we note that for the same period, PC bang businesses experienced a notable decrease of 11.9% in their revenue from 20.1 billion won to 17.97 billion KRW.

South Korea did not introduce consoles in the best possible manner. Governmental regulation made it impossible to import console hardware and favored the emergence of a black market that further reduced the hopes for a stable and dynamic market, even after lifting import restrictions and the official release of the PlayStation 2. Console games lie at the bottom of the industry, with only a 5.8% share of the video game market[17]. In comparison, Japan console market accounted for 18% of the whole game industry in 2019, with a revenue of 33.3 million dollars[18]. At the release of their new console, the Xbox ONE X, Microsoft Korea did not even have enough budget to advertise the new console[19]. Microsoft and Sony expressed for years their unwillingness to conquer the South Korean market with their respective consoles as PC and mobile games largely dominate the market. However, as the console game market becomes more dynamic in South Korea due to the overall higher quality of games developed on console hardware than on mobile, younger generations are

[17] 2021 대한민국 게임백서, 한국콘텐츠진흥원 p.28
[18] PwC (2021), 2021 해외 콘텐츠시장 분석 p.222
[19] Gameple, '예상 밖 고전' 신기종 출시 후 애타는 한국MS (2018.01.19)

manifesting a growing interest in consoles (Wi Jong Hyun, Korea Game Society President). Furthermore, for the first time in history, the two giants Sony & Microsoft are willing to conquer the Korean market[20] amid its recent dynamization and expected constant growth of an average of 20% every year post covid (KOCCA, 2021).

2.1.2 PC Games

So far, we briefly discussed the evolution and history of two video game platforms, arcade games, and console games. As explained, as time went by, arcade games became less popular due to the apparition of other, gaming platforms, more convenient and technologically advanced, and the apparition of PC bangs. The next part focuses on the most relevant portions of the industry in Korea: Mobile and PC games.

Graph 3 shows the evolution of the industry's total revenue for almost 20 years. The industry's size was, as of 2021, about six times bigger than in 2002. The development of IT allowed the online pc game sector to take over a consequent part of the market (Jin & Chee, 2008); (Yang, 2018), and the technological progress in computer technologies, as postulated by Intel's co-founder Gordon E. Moore's law[21], is

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[20] Yonhap News, S. Korea becomes latest battleground for console wars (2020.11.12)

[21] In 1965, Intel Co-founder Gordon E. Moore postulated that the number of transistors that can be packed into a given unit of space would double every two years.

extremely fast. PC hardware evolved faster than any other platform and rapidly became the leading platform for game consumption in South Korea, as shown in *Graph. 4*.

Graph 3: Total revenue evolution of the South Korean video game industry (inflation adjusted, base 2010)
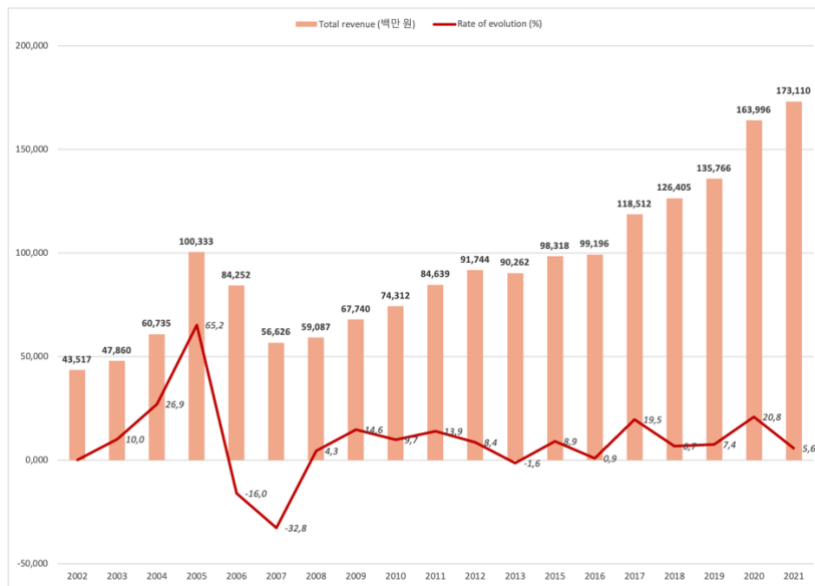
Source: Korean Creative Contents Agency Reports (2002-2021)

Graph4: Revenues evolution per sector in the Korean video game industry (in the table, total revenue in millions of KRW)

|	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2015	2016	2017	2018	2019	2020	2021
PC games	10,475	12,786	17,149	20,471	25,192	28,755	38,332	47,793	60,878	64,457	50,985	48,766	42,600	40,948	44,437	41,892	42,560	40,645
Mobile Games	1,801	1,929	2,251	2,713	2,788	3,226	2,685	3,167	4,072	7,534	21,616	31,950	39,426	56,001	58,874	67,468	94,054	102,485
Console Games	2,754	2,226	2,534	1,550	4,651	5,311	5,412	4,268	2,580	1,514	0,869	1,523	2,392	3,367	4,675	6,055	9,487	11,069
Acarde Games	3,852	5,492	11,207	7,957	0,390	0,664	0,636	0,715	0,708	0,744	0,766	0,435	0,741	1,621	1,640	1,949	1,973	1,773
PC bang	20,895	20,004	23,125	21,169	23,031	20,394	19,911	17,601	16,499	16,869	15,432	15,225	13,355	15,871	16,172	17,790	15,605	16,805
Arcade rooms	8,083	18,180	44,068	30,391	0,574	0,736	0,766	0,768	0,733	0,626	0,593	0,419	0,683	0,703	0,607	0,613	0,317	0,333

Source: Korean Creative Contents Agency (2002-2021)

Online games became the genre of predilection for most players. However, arcade machines and consoles only offered interesting online features on the first Xbox (Microsoft) with the Xbox Live, which was released only on October 10th, 2003, in Korea. But still, Microsoft never managed to get through Korea's heretic console market.

In this section, we are going more in-depth into the current PC game market and South Korean consumers' behavior and preferences

to draw an accurate representation of the industry via statistics published by the Korean Creative Content Agency.

Graph 5: Demographic repartition of pc games consumers
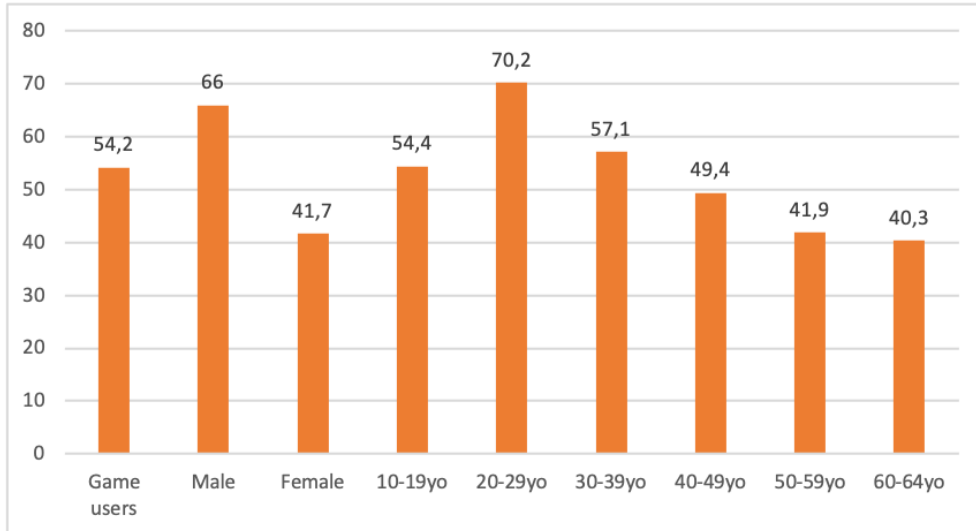
Source: Survey on Game users, KOCCA, 2022.

In 2022 in Korea, 54.2% of all game users play PC games. Most are men, as 66% of all male game users consume PC games. To complement this demographic analysis, it is worth noting that PC games are more popular amongst the youngest. 70.2% of the respondents in their 20s are playing PC games, 54.4% and 57.1% of those in their 10s and 30s. Less than 50% of those aged 40 and above are involved in pc game playing.

About one-third of players play two to three times a week. Daily use is rarer as only 17.7% are playing daily. The average playing time during the week is 89.4 minutes and 157.8 minutes during the weekend. Single sessions (single playing sessions without any interruption) last in average 81.5 minutes during the week and 139.4

minutes during the weekend.

Graph 6: Frequency of PC game usage
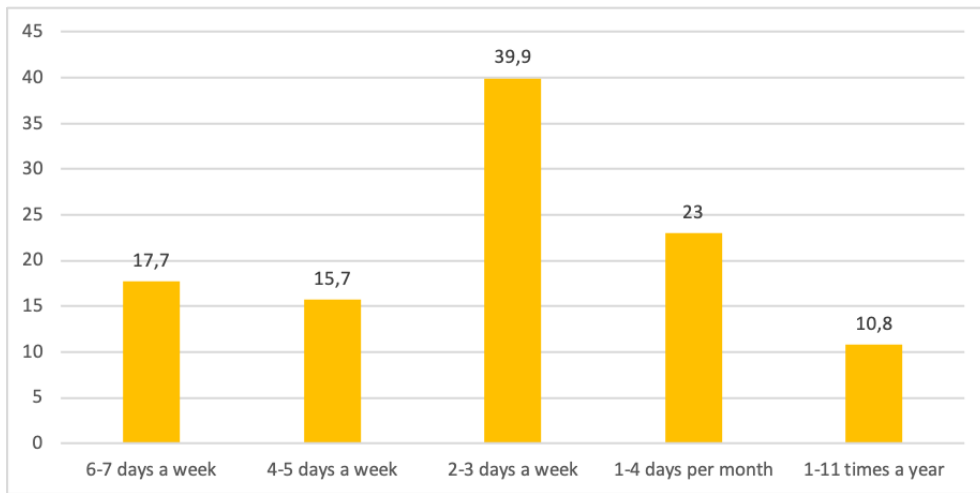
Source: Survey on Game users, KOCCA, 2022.

Some games offer in-game services and content that require spending real money. 63.8% of all PC game users have already spent money on a game, with an average spending of 20 000 KRW. 72% and 75.3% of those in their 30s and those in their 40s spend money on in-game purchasable items or content.

Graph 7: Demographic reparation of consumers spending money on in-game content
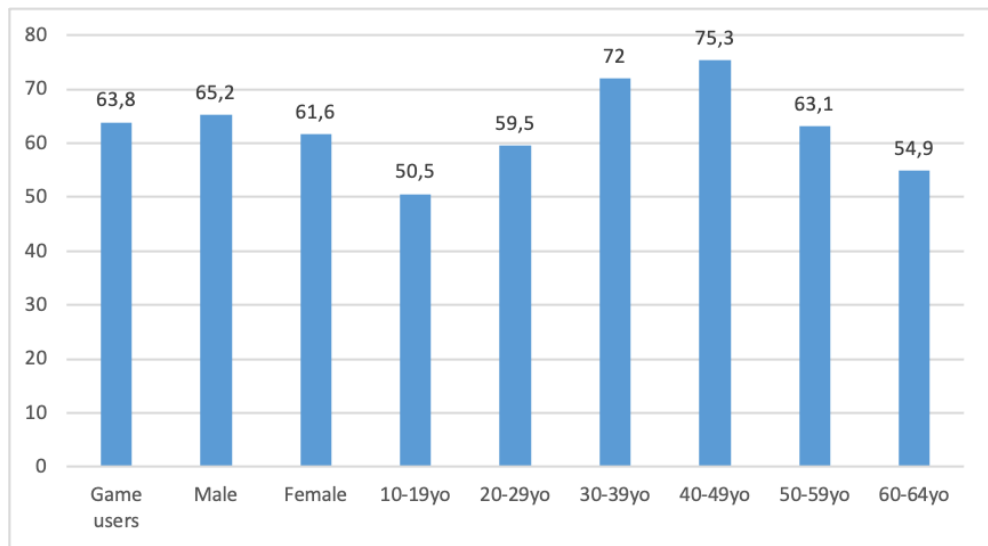
Source: Survey on Game users, KOCCA, 2022.

Lastly, 61.3% of PC game players play solo games (without any online interaction with other players of the same game), and 60.2% of them play online games with other players. Interesting to note that the share of players playing either online or/and solo games follows a particular trend. Indeed, the share of online games players is higher as they belong to a younger age category, meaning that the share of players amongst young people is higher than amongst older ones. The reverse is also true. The share of solo game players gets higher and higher amongst the oldest age categories.

Table 3: Preferred type of game by age range (source: KOCCA)

Age	Play solo games	Play online games
Total	61.3	60.2
10-19	34.4	81.5
20-29	61.9	64.8
30-39	65.6	59.5
40-49	68.0	53.5
50-59	73.3	44.7
60-64	76.7	30.4

As for the reason why Korean PC game consumers play PC games, 56.8% of them had as the main or second reason the desire to complete the game's story, followed by simply killing time 38% of them, and finally, 30.2% would go to play with their significant other or their friends. The most played genre of games on PC is MMORPGs (41%), shooting games (35.3%), and sports games (27%)[22].

In conclusion, as of 2021, the PC game sector accounted for roughly 23% of the video game industry in Korea, it is the second most dominating sector behind mobile games, and main consumers are relatively young, with more men than women. Most players only play 2 to 3 times a week and spend on average between 1 hour 30 minutes and 2 hours 30 minutes, depending on whether it is during the week

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[22] The share considers the first and second choice of respondents. It is relevant to take into consideration two choices as most people's tastes are not limited to one genre only. For games, one could spend the same time playing one genre by himself and another with his friends.

or the weekend. Half of PC game players consume PC games because they are interested in the story of a specific game, followed by killing time and spending time with friends.

2.1.3 Mobile games

Evolution

As shown in graph 4, within ten years, mobile games became the uncontested dominant of the video game industry. From a 4.8% market share in 2011 to almost a 60% market share and a revenue of more than 100 billion KRW as of 2021, mobile games surpassed traditional PC games, and future revenue estimations seem to be in favor of its perpetual reign[23].

Mobile games market share stagnated between 2.5% and 5% for a decade until 2012, when it suddenly almost doubled (85% increase in revenue and market share increase of 3.4 percentage points from 4.8 to 8.2.), followed by an average 50% annual revenue growth rate from 2012 to 2021. What can explain such exponential growth?

The apparition of smartphones certainly has something to do with it. Smartphones in the video game industry changed many things, but one can objectively say that it was never a drastic revolution for the industry itself. Indeed, smartphones only made it possible to have higher-quality software running on the device. Better games could be played on smartphones. Better in the sense that many creative

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[23] Game Industry White Paper 2021, Korean Creative Contents Agency.

2 9

possibilities were unlocked thanks to smartphones. For instance, touch screens allow smartphone users to play games more user-friendly way than on tiny buttons. Smartphones also came with implemented stores. Apple's App Store on the iPhone opened in 2008. The app store allows users to have a centralized marketplace to download software, easy to access and ergonomic. However, smartphones did not allow to push the limits of game making such as a PC or Virtual Reality could do. One of the turning points for the industry was the implementation of in-app purchases.

In-app purchases drastically changed how we consume mobile games. They allowed developers to monetize their games in different ways, allowing players to play the game for free, with some in-game (optional or not) monetized content. Even though Apple released the iPhone in 2007, followed by Samsung and the Samsung Galaxy series two years later in 2009, the mobile games market share was still low. The reasons are that the transition did not immediately happen. In 2011, only 21.6% of South Koreans owned a smartphone. The following year, in 2012, the ownership rate doubled, as 49.3% of the population owned a smartphone[24].

Smartphones are one of the main reasons for mobile games' success, offering more possibilities, higher quality games, and a store for developers to sell their games. Nevertheless, one may ask why, in Korea, the mobile games sector has become relevant only after 2012.

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[24] Ownership rate of smartphones in South Korea from 2011 to 2021, Statista, KISDI.

South Korea has been seriously engaged in Information and Communication Technologies since the mid-1990s. Korea rapidly became a leader and an example on the international stage regarding ICT (Campbell, 2012). Korea never stopped investing in IT solutions and infrastructures, leading the country to be one of the first to invest in 4G mobile telecommunications and the very first to develop a functional 4G mobile telecommunication system in 2011. Thanks to 4G adoption, data transition was 60 times faster than its predecessor, the 3G, and spread through South Korea starting from July 2011[25]. As more and more people adopted the 4G, even more adopted the smartphone leading to an 89.6% ownership rate of smartphones in Korea by 2019 (KISDI). The adoption of 4G was also an opportunity for mobile game developers, data transition being immensely faster, and it favored the development of online games for mobile phones. It made it easier to download games on the designated stores (App-store, Google Store).

To briefly sum up, the technological advancements that brought smartphones and 4G to life, as well as the possibility to adopt a new type of business model thanks to in-game purchases, led mobile games to dominate the industry in South Korea.

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[25] S. Korea develops world's first 4G mobile system, *Yonhap News*, 2011.01.25

Mobile games in Korea

Reports from the KOCCA allow us to analyze mobile game consumption in Korea and to understand its characteristics better, hence its differences from PC games consumption. Mobile games accounted in 2021 for 59.2% of the video game industry market, with a total revenue of 102 billion KRW. 84.2% of total video game consumers play mobile games in 2022, a slight majority being women (51.2%), accounting for 88.6% of the total female video game consumers. Mobile games are the most played amongst consumers from 30 to 64 years old.

Graph 8: Demographic repartition of mobile game consumers
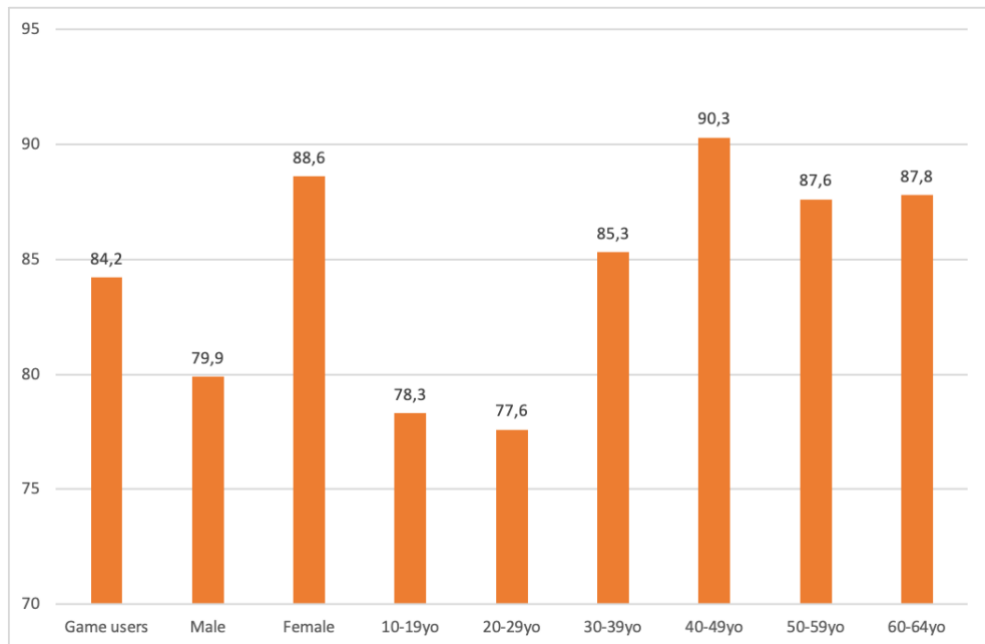
Source: Survey on Game users, KOCCA, 2022.

The frequency at which mobile game consumers play is high. A third (33%) responded that they played from 6 to 7 days a week, with an average playing of 81.1 minutes during the weekdays and 117.9 minutes during the weekend. The average time played for a non-interrupted single session is 64.4 during the week and 93 minutes during the weekend.

Graph 9: Frequency of mobile games usage
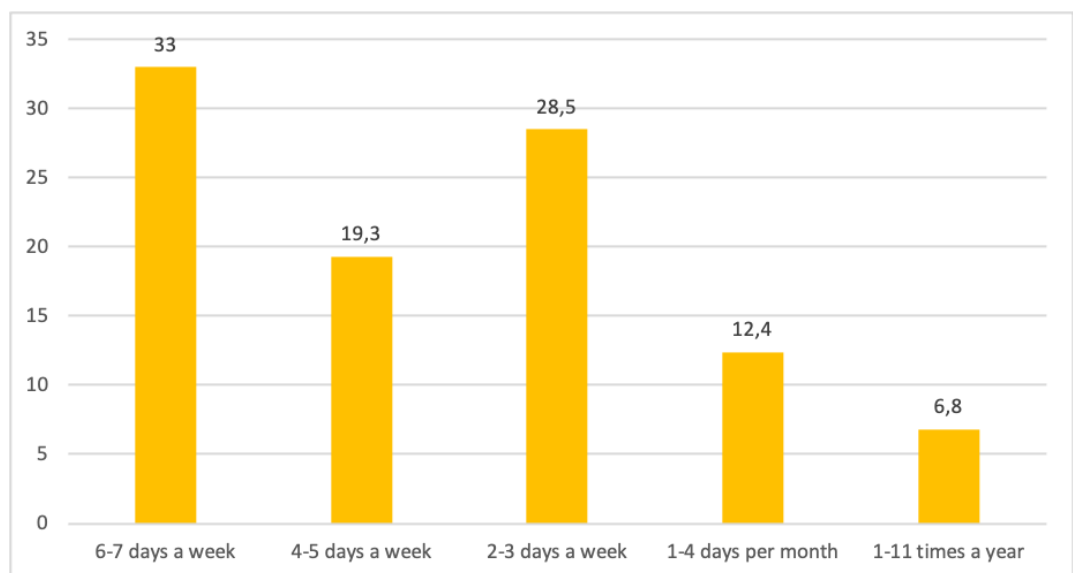
Source: Survey on Game users, KOCCA, 2022.

Respondents designated the places where they were more likely to play mobile games. But first, it is important to note that considering at least the first two choices is relevant due to the "mobile" nature of mobile games. Unlike almost every other gaming hardware (except mobile consoles that share the same "mobile" feature), which will mainly be used at home or at PC bangs for the case of Korea, mobile games can be played anytime, from anywhere. Hence, one can expect that most mobile game players are not limiting themselves to

only one place but have the occasion to play in multiple places from their home or inside a plane, for instance. Respondents' first and second place of predilection to play mobile games combined, a majority, 89.5%, play at home. 41.3% of them play at places where they can take a break, such as a lounge, café, and other private offices. Among them, 56.7% of those aged between 10 to 19 years old and 52.7% between 60 and 64 years old. The third place of predilection for mobile game usage is in public transport, with 38.7% of mobile game users, particularly famous amongst consumers aged between 20 and 29 (50.3%). Lastly, 28.2% play mobile games at school or in the office, with a third being between 30 and 49 years old.

As mentioned before, mobile games heavily rely on in-game buyable content, whether the game is free or not. Many games will offer the possibility to buy upgrades to become stronger, cosmetics to look prettier, or even boosts to play more or advance faster in the game. 39.5% of mobile game players spend money in-game, with an average of 15 000 KRW. 84.4% of those who spend money for in-game content said that they would spend money on mobile games to get a specific item or character previously locked in the game. 72.1% would spend money to level up their in-game character.

Finally, mobile games' most popular genre is puzzle games, accounting for 45.6% of respondents' first and second choices. MMORPG follows them with 32.7% of players. Once again, we observe demographic disparities. 60.7% of female mobile game players play puzzle games, that are especially famous amongst older women (53.5%,60.7%, and 64% of women in their 40s, 50s, and between 60

and 64 years old). On the other side, 39.9 of male mobile game players play RPG or MMORPG games on their mobile phones, particularly famous amongst the younger ones, with 51.4% of those between 10 to 19 years old playing MMORPG mobile games. As for why they play mobile games, 49.4% play to kill time, followed by 39.8% who play because they can play everywhere.

Table 4: Demographic reparation by game genre consumption
(Source: KOCCA)

Gender/Age	Puzzle	RPG/MMORPG
Total	32,7	45,6
Male	39,9	29,7
Female	25,9	60,7
10-19yo	51,4	28
20-29yo	32,8	34,4
30-39yo	37,3	39,9
40-49yo	29,9	53,5
50-59yo	19,7	**65**
60-64yo	18,9	**60,7**

In conclusion, 84.2% of all game players play mobile games, which are more popular amongst women and people between 30 and 64. Mobile game players average between 1 hour and 20 minutes to almost 2 hours of play, depending on the day. They like that they can play from many places, mostly at home but on public transportation and from their workplace, mostly to kill time.

2.2 PC bangs

In Korea, a PC bang is usually situated in a basement or on one of the higher floors of a building, rarely on the first floor. No windows, or if any, covered ones. It is rare to see the sunlight from inside a PC bang. The configuration inside is generally the same everywhere. Numerous gaming computers are geared up with some of the latest computer technologies, wide monitors, shiny mouses, keyboards, and headphones to offer or try to offer a premium gaming experience on medium to high-end hardware. Most PC bangs also offer a smoking room. The price is usually 1.000 KRW for 50 minutes. Seating on relatively comfortable leather gaming chairs, it is possible to play a large variety of games, mostly online games, but also browse through the internet or access a large selection of streaming services such as Netflix and Disney+ to watch movies or series. It is possible to order drinks or food directly from the computer at any time. In conclusion, PC bangs offer a comfortable environment for people who want to spend a short or long-time playing games or access a computer for a low price.

The COVID-19 crisis has been challenging for many PC-bang businesses in South Korea. Restrictions due to social distancing in the country, especially in the Seoul metropolitan area, where social distancing regulations were the most severe, put many businesses in difficulty. This contrasts with the rest of the video game industry, which had an exceptional year in 2020 with a 26% increase in revenue

for PC, mobile, and console games combined[26]. However, the year was not as satisfying for everyone. PC bangs' revenue decreased by 16% in 2020 compared to 2019. According to a survey conducted by the Korean Creative Content Agency, 73.1% of the respondents (PC bang owners) responded that their businesses had deteriorated due to the COVID-19 situation in the country. The Korean government had shut down PC bangs for weeks, and their business operating hours were also shortened by the government's efforts to fight the pandemic.
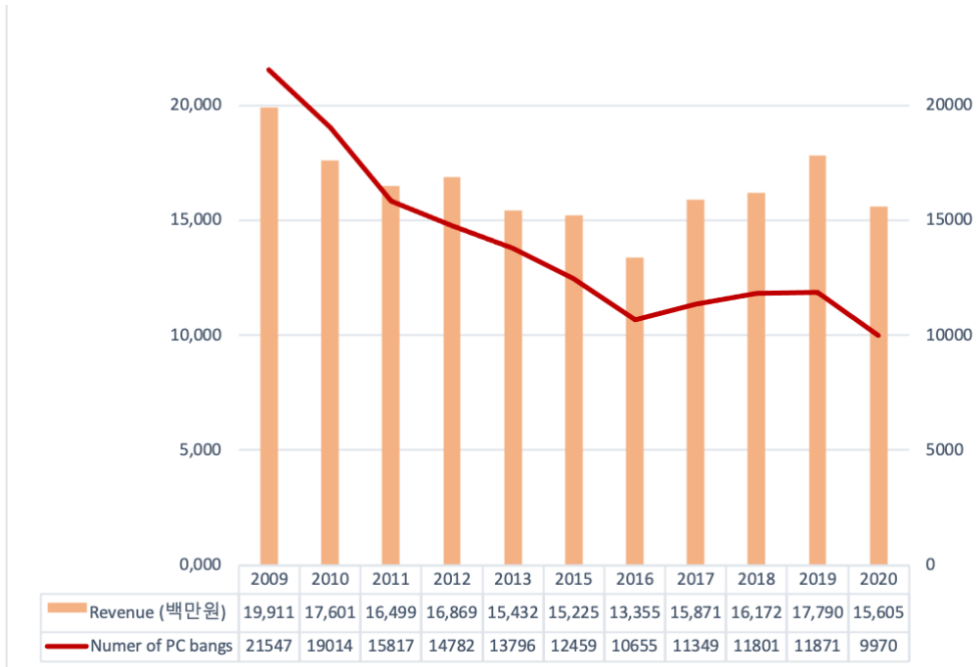
Put the COVID-19 situation aside, the number of PC bang businesses has been decreasing dramatically for the last decade, as there were 2.1 times more PC bangs in 2009 than in 2020, as shown in *graph 10*.

The graph also shows the evolution of PC bangs revenues. There is a positive yet disproportionate correlation between the evolution of both revenue and the number of businesses. Indeed, the revenues seem to follow a descending trend in the number of PC bangs. However, revenues have not, proportionally decreased to the number of PC bangs, which dropped by half as of 2020. The PC bang sector is volatile. In 2020, 86.5% of the PC bangs were six years old or less, and 26.8% were one only year old. The competition between PC bangs is tough, and the sector is saturated. Only the most competitive ones survive, as illustrated by graph 10, with a decreasing number of PC bangs but an increasing revenue per PC bang.

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[26] 2022 Game Industry White Paper, KOCCA.

Graph 10: Evolution of PC bangs revenue and number.

	2009	2010	2011	2012	2013	2015	2016	2017	2018	2019	2020
Revenue (백만원)	19,911	17,601	16,499	16,869	15,432	15,225	13,355	15,871	16,172	17,790	15,605
Numer of PC bangs	21547	19014	15817	14782	13796	12459	10655	11349	11801	11871	9970

Source: KOCCA.

To remain competitive, PC bangs must look at the consumers' expectations. The highest priority for 35.4% of PC bang users is the interior look of the shop. To be competitive, PC bang owners must pay particular attention to the interior. Such expectations can reflect the particular relation Korean people have with PC bangs. Once again, Chee's (2005) study is helpful. Chee defines PC bangs as third places that are neither home nor work or school. These third places can be relevant in the social life of many, in Chee's case, young people who play with their friends, or couples. As these people come to PC bangs not only to play games but also for cultural and social reasons, staying in a welcoming and comfortable environment is necessary.

Moreover, PC bang users spend there an average of 130 minutes

during the week. 32.8% stayed for less than 2 hours, and 47.7% stayed for 2 to 3 hours. On the weekend, the frequentation time rockets. 37.2% spend from 2 to 3 hours, and 42.6% spend from 3 to 4 hours at the PC bang. PC bang users spend a significant amount of time in the same place, which explains the desire for a good interior. Desires that mirror those of traditional café enjoyers (Kim & Jang, 2016).

Mostly online games are played in PC bangs, reflecting these places' social aspects. *League of Legends* from the Americans of *Riot Games* gathers nearly all PC bangs users, with 89.9% playing the game. *Riot Games*, the studio behind *League of Legends*, is responsible for most of PC bangs' revenue, as 75,2% of it comes from the credits bought by consumers to play for hours on the computers. The remaining quarter of their revenue mainly comes from food and beverages. *League of Legends* has become culturally important in South Korea, as almost 20 million accounts exist on the Korean server as of 2022[27]. The second most played game is *Player Unknown's Battlegrounds*, from the Koreans of *KRAFTON*, with 58.1% of the players. In third place, we have the Korean NCsoft's Lineage, played by 17.2% of the players.

PC bangs occupy a sweet spot in Korean gaming culture. From the late 90s, it allowed the youth to be introduced to computer games thanks to the accessibility and low price of staying in a PC bang. (Chee,

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[27] League of Legends Player Count Stats, Riftfeed. August 2022.

2005) (Jin & Chee, 2008). Young people frequently have to decide between engaging in commonplace activities like gaming that are a part of everyday life and abstaining from it, at the risk of distancing themselves from a common activity of the social group (Jin & Chee, 2008). Jin and Chee's study took place in the early days of PC games and PC bangs, and one may think that Korean society has evolved and such social phenomena are no longer valid. However, this study quantitively supports their observations. A quarter of daily PC bang users comprises people between 10 and 19 years old, and the top 1 criterion when choosing a PC bang is the interior. This a sign that PC bang is not only about playing games but also a place of socialization for people, in the same way as a traditional café or restaurant where people consider spending hours talking, eating, and drinking (Kim & Jang, 2016).

2.3 Game producers

So far, I have drawn a picture of the development of each game platform in the industry as well as their consumption patterns in Korea. This part allowed us to understand, what and how video games are consumed in South Korea by 33 million players[28]. This part will focus on the video game companies, and argues that the local market was essential in the development of the market in the country.

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[28] Top 10 Countries/Markets by Game Revenues, Newzoo, 2022 estimations.

The biggest Korean game studios include *Netmarble, NCsoft, Nexon, Pearl Abyss,* and *KRAFTON.* Online games represent the majority of these studios' catalogs, including the biggest hits from each studio. NCsoft became popular in the late 90s with the game Lineage. The Massively Multiplayer Online Role Playing Game (MMORPG) rapidly became a hit in the early 2000s (Park K. , 2005). In 2001 the game generated gross revenue of ₩122.593 billion[29], and soon after *NCsoft* opened servers outside of Korea to allow foreign players in Taiwan, Japan, and the US. As of 2012, Korea held 25% of the global online game market[30] and *NCsoft* was not the only player in this industry. *Nexon* is the developer of a successful online role play game called *Maple Story* that has accumulated, as of 2020, since its release in 2003, a total of $3 billion in sales revenue[31]. The game is available in 60 different countries and the company is making almost half of its revenue (47%) outside of Korea, with China as the second biggest market for the company. One of the most recent international hit from South Korea is *Player Unknown Battleground* (*PUBG*). *PUBG* was released in December 2017 on PC, consoles (first on the Xbox One, and followed a year later on the PlayStation 4) and mobile in early 2018. In 2021, 75 million[32] copies were sold worldwide since its release in 2017. *KRAFTON* started hosting esports tournaments and

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[29] Dart annual report, NCsoft Corporation, 30th March 2001
[30] K-game's Spark in European Market, Korea IT times, 2012
[31] Q2 2020 Investor presentation, August 6 2020, Nexon Co.,Ltd.
[32] Lifetime unit sales generated by PUBG: Battlegrounds worldwide as of December 2021, Statista.

leagues gathering millions of viewers and the mobile version of the game will be part of the medal event list of the Hangzhou Asian Games 2022[33]. Following the success of the franchise, CH Kim, CEO of *KRAFTON* said that a dedicated stadium for PUBG Esports is planned to open its doors to esports enjoyers in the first half of 2024, in South Korea. CH Kim added in the same intervention: "*KRAFTON* will ramp up its efforts to take PUBG Esports and turn it into an iconic and cultural brand" while "defining our unique brand identity of PUBG esports and pursuing diverse collaborations". With its global hit, the Koreans of *KRAFTON* are willing to turn their game into a culturally relevant product through esports[34].

Economically speaking, video games have been a source of great economic performance. As of 2020, the country exported about $8.2 billion, with China as one of Korea's biggest as shown in *graph 11* Korea only imported $270 million of game content the same year, resulting in a trade surplus of $7.9 billion which accounts for 17.5% of the country's total trade surplus. The industry represents the highest share of exports in the content industry in terms of revenue according to the KOCCA, 12.05 times higher than the music industry (*table 4*).

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[33] *Asian Games 2022: Esports to make debut; FIFA, PUBG, Dota 2 among eight medal events*, Rahul Venkat, olympics.com.

[34] Natus Vincere crowned PUBG Global Championship 2022 winners, KRAFTON press release, November 2022

Table 5: Total exports in the content industry. (Unit: US dollar)

Classification	2016	2017	2018	2019	2020	Share
Publication	187,388	220,951	248,991	214,732	345,96	2.9
Manhwa	32,482	35,262	40,501	46,01	62,715	0.5
Music	442,566	512,58	564,236	756,198	679,633	5.7
Cinema	43,894	40,726	41,607	37,877	54,157	0.5
Video Games	3,277,346	5,922,998	6,411,491	6,657,777	8,193,562	68.7
Animation	135,622	144,87	174,517	194,148	134,532	1.1
Broadcast	411,212	362,403	478,447	539,214	692,79	5.8
Advertisement	109,804	93,23	61,293	139,083	119,935	1.0
Character	612,842	663,853	745,142	791,338	715,816	6.0
Knowledge & Information Resources	566,412	616,061	633,878	649,623	691,987	5.8
Content Solutions	188,495	201,508	214,933	227,881	233,196	2.0
Total	6,008,063	8,814,442	9,615,036	10,253,881	11,924,284	100.0

Source: KOCCA

Graph 11: Share of each destination of exports of video games from South Korea.
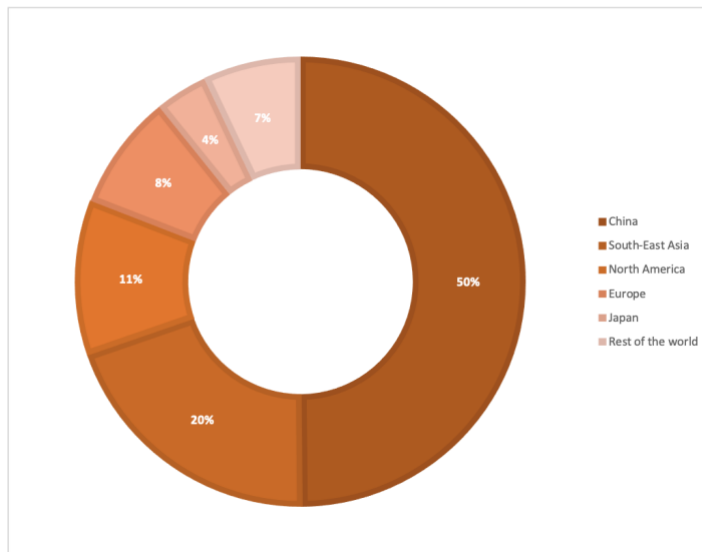
Source: KOCCA

Chapter 3: Video games and culture

Hypothesis 1 assumes that video games are part of the South Korean culture, but it is first important to ask ourselves what is culture. Parc & Moon (2019) proposed a new typology of culture based on the Foucault[35]- and Barnett[36]-type culture. The former describing a culture shared within a defined space which shapes the people's daily life, and the later describing the one that evolves with technological advancement. Parc and Moon then classified culture into accumulated (for the Foucault-type culture) and accumulable (for the Barnett-type culture) culture. This typology opposes traditional to contemporary, old to new. Culture has always embraced and evolved with new technologies. When the Lumière brothers invented their film camera, the cinématographe, it marked the beginning of a new form of art. When Léo Fender built the Fender Stratocaster in the 50s, it was followed by a new era of music genres and creation. Video games are no exception to the rule, and the research conducted in Chapter 2 demonstrates by the historical development of the industry and the consumption of video games in Korea, that video games are part of the Korean culture. Import restrictions on Japanese cultural products slowed the development of the industry at first, followed by the

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[35] Foucault, Michel. "Technologies of the Self." Technologies of the Self: A Seminar with Michel Foucault, edited by Luther H. Martin, Huck Gutman, and Patrick H. Hutton, U of Massachusetts P, 1988, pp. 16–49.
[36] Barnett, Clive. "Culture, Government and Spatiality: Reassessing the 'Foucault Efect' in Cultural-Policy Studies." International Journal of Cultural Studies, vol. 2, no. 3, 1999, pp. 369–397.

emergence of computer technologies, as well as IT infrastructures in Korea, which shaped the somewhat unique video game industry of South Korea. And the uniqueness of PC bangs as well as the consumption habits of roughly 74% of the Korean population demonstrate that video games are now part of most people's daily life. This chapter focuses more on the cultural aspect of the video game industry, by briefly analyzing another country's case, Japan's, followed by the case of Korean video games abroad, to finish with the most significant sub-culture of the industry: esports.

3.1 Japan and Video games

Japan is one of the most, if not the most notorious country in the video game industry. As of 2022, Japan's video game market ranked 3rd in terms of market size, behind China and the United States. The country is a pioneer in video game console making and has been the uncontested leader since the 1980s thanks to console manufacturers and game developers such as Nintendo, Sega, and SONY. It is hard to dissociate Japan from video games considering the place that some of the Japanese franchises, such as Mario or Pokémon, occupy in the popular culture of many countries.

Studies were conducted to understand how did Japan become a leader in the industry and how did Japan produce video game franchises popular worldwide. Aoyama & Izushi (2006) argue that the creative foundations in cartoons and animation films, as well as cross-

industry links to consumer electronics, have functioned as important foundations for the video game industry to emerge in Japan. The historical and cultural background of Japan in manga and animation coupled with the rise of high technologies and electronics in the country, allowed the industry, through a transfer of creative resources to succeed despite a lack of support from public institutions.

As previously mentioned, Pokémon is a great example of a successful franchise from Japan and is very representative of the strength and synergy of the Japanese creative industry (Hatayama & Kubo, 2000). The game franchise created in 1996 rapidly became a global hit and was used for several movie and manga adaptations that facilitated the growth of the video game market and industry. The IP[37] was also declined in many other forms such as a card game and toys. The franchise was tuned into any possible form and made it part of many children's life as well as being part of many countries' popular culture (Bainbridge, 2014). Pokémon has even become a source of touristic attractions with the Pokémon centers all around the world but especially in Japan and Tokyo, that basically are stores where all kind of Pokémon merchandise is being sold. There is also a parade of dozens of the iconic Pikachu organized yearly in Yokohama. Lastly, for the FIFA 2014 Football World Cup Brazil, one of the most viewed sport events in the world, the same Pikachu was the official mascot of the Japanese national team.

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[37] Intellectual property.

Pokémon is not the only successful Japanese franchise on the international scene. Japanese games are very popular worldwide and inalienable from the video games culture and industry. Chi-Ying Chen (2013) asked himself the question of whether video games can serve as a cultural vehicle in the case of Taiwan and Japan. This study resulted in a positive correlation between heavy consumption of Japanese video games and a positive identification with Japan, and also showed that those same users were more in favor of consuming media products from Japan. Some interviewees from the same study also described Japan with positive and gratifying adjectives and showed their desire to learn the Japanese language or visit the country.

3.2 Korea and video games

Japan stands on top of an empire as a historical producer of game consoles and franchise that became part of the popular culture in most parts of the world through the years. If the highest-grossing entertainment media franchise of all time[38] comes from Japan, is there any iconic franchise on the international scene from Korea, that could turn video games into a cultural vehicle like in Japan?

It seems that Korean companies created popular IPs at the beginning that made them successful but have shown a lack of effort

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[38] The Pokémon franchise had grossed more than $92 billion as of 2018 since its creation in 1996 from diverse sources such as games, merchandising, training cards, etc. TitleMax.

in producing new IPs[39]. In their latest investor relations presentations[40], both *Nexon* and *NCsoft* have shown their reliance on already existing IPs. Most of *Nexon*'s revenue growth comes from already existing games or releases of the mobile version of existing IPs such as *Kart Rider* or *Dungeon & Fighter*. As for *NCsoft* the company's latest releases were mobile versions of *Lineage* and *Lineage 2*, both 23 and 18 years old. Before that their youngest IP, *Blade & Soul*, is already 9 years old. The same presentations also show a polarization of the revenue's region of origin: the domestic market being responsible for more than half of the companies' revenue, followed by China and, for the case of *Nexon*, barely 14% of the revenue from the rest of the world in the first quarter of 2022. Such results from Korea's biggest game companies show that Korean games are still struggling to expand globally, and are still part of the niche.

Hence it is difficult to imagine a Korean franchise becoming as culturally relevant to Korean culture, as Pokémon or Mario are to Japanese culture for instance. For the past two decades, it seems that Korean game companies have been mainly targeting the domestic market, or have failed to attract significant attention from the foreign audience. High and low consumption of Korean games in some countries can be explained by the fact that Korean companies have been producing games based on a specific genre (mostly online role-play games) and on a specific platform (PC that requires a high

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[39] *Korean game firms target global market with IP portfolio*, The Korea Economic Daily, Feb 17, 2021.
[40] NCsoft IR presentation Q4 2022/ Nexon IR Q3 2022

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broadband speed, followed by mobile from the mid-2010s). Data from the KOCCA on Korean games consumption outside of Korea[41] shows that, in Europe, in 2022, consoles were preferred by a majority of consumers, a platform where most Korean games are not published. On the other hand, mobile and PC online games are highly preferred in China, a country that shares a lot with Korea in terms a preferred genre and platform, which explains why is China *NCsoft* and Nexon's first clients in terms of exports[42].

Even though Korean game companies still haven't come up with globally well-known franchises such as Mario Bros. or Pokémon in the case of Japan, the industry is seizing new opportunities as Korean culture spreads outside of Korea. Netmarble, one of the biggest Korean companies developed two mobile games that feature the Korean K-pop idol band, BTS, with *BTS World* and *BTS Universe Story*. In the meantime, Nexon has done several collaborations with K-pop artists on *Maple Story* that allowed the company to bring more players into the game[43]. Pokémon was adapted on several media platforms, such as manga and anime. Here, a similar cross-media adaptation between the music and video games industry was put in place.

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[41] Survey on Korean games users in foreign markets, KOCCA, 2021.
[42] NCsoft IR presentation Q4 2022/ Nexon IR Q3 2022.
[43] K-Media reports about the "JIN EFFECT" in MapleStory collaboration, allkpop, Aug 22, 2022.

3.3 Video games and tourism

Many studies have shown the linkage between media and tourism (Gartner, 1993); (Iwashita, 2008) (Lee, Scott, & Kim, 2008) (Dubois & Gibbs, 2018). The representation in a book, a series or a movie of an environment, a city, a monument or even a celebrity's birthplace has become a motivation for many of the billions of tourists every year. In their study on video games-incented tourism, Dubois & Gibbs (2018) for similar motivations as film-induced tourism, video games can motivate travelers to visit specific places. Although this study mainly focuses on the possible correlation between tourism and realistic video games, i.e. games where the action takes place in an existing place, and environment or during historically accurate events, once again, the case of Japan and the Pokémon franchise shows us that a franchise itself, realistic or not, can drive tourism.

As for the case of Korea, the country has not been a very popular source of representations inside video games throughout history. This can be explained by the fact that Korea was not a well-known nor attractive place of tourism for international travelers until recently. Tourism in Korea more than tripled since 2000[44], and has become a significant driver of economic growth in Korea, accounting for 4,7% of the country's GDP in 2018[45]. Whether video games have contributed to the growing interest in Korea is hardly quantifiable,

[44] World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.
[45] OECD, Tourism Trends and Policies 2020.

even though media-driven tourism such as film or drama-inducted tourism has shown to be a reality in recent years (Kim & Wang, 2012) (Ng & Chan, 2019); (Kim, Agrusa, Lee, & Chon, 2007), representation of Korea or the Korean culture was not prominent. Famous Korean games that were exported outside of Korea since the late 1990s such as *Lineage*, *Guild Wars*, or *Maple Story* follow the codes of the MMORPG genre and mostly take place in fantasy or medieval environments, hence do not try to make an accurate representation of Korea that could induce some game consumers to go to Korea to see those virtual places in reality, like in the research of Dubois& Gibbs (2018).

Chapter 4: The potential of e-sports and its implication for South Korea

While Japan is the birthplace of many important video games franchise of domestic and global pop culture, there is a part of the industry where Korea rules as a leader compared to its neighbor: e-sports. Korea is often referred to as the birthplace of e-sports[46] or the home of e-sports[47]. Naz Aletaha, Global head of e-sports at *Riot Games*, called South Korea "a trailblazer in the e-sports industry"[48]. South Korea is not the place where e-sports, which consist of matches or competitions on a video game, first emerged as it already existed in the United States, Germany, and Australia, with LAN-based leagues such as the Professional Gamers League (PGL) and the Cyberathlete Professional League (CPL) emerged in the US from 1997 (Jin, 2021). However, it is in Korea that the e-sports industry found its roots no later than in 1999 with the apparition of *StarCraft: Brood War*, a game by *Blizzard Entertainment*. The enthusiasm of Koreans surrounding this game was unprecedented, and e-sports, as it is consumed worldwide now, was created.

But there are no coincidences. As already mentioned, in the late 1990s, Korea had in mind to become a leader in ICT. Coupled with the 1997 crisis, the development of IT in the country led to the apparition of PC bangs. The rapid growth of PC communication and PC bangs

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[46] Esports Insider.
[47] The Korea Herald.
[48] "*MSI 2022 is Heading to South Korea!*", LoL esports

contributed significantly to the growth of e-sports, particularly thanks to the creation of online communities for the first time in history. The *StarCraft* scene exploded; leagues, where professional players could compete with each other, were created and were for the first time in history broadcasted directly on national TV. Later on, with the development of streaming platforms in the late 2000s, the broadcast of e-sports, in the same fashion as Korea's way of consuming and producing e-sports emerged in other countries (Sell, 2015). Conglomerates such as Samsung rapidly invested in the esports industry, which helped it grow from an underground practice to a cultural boom (Jin, 2021). The development of IT made possible the development of leagues (Hutchins, 2008), but esports most valuable asset was its spectatorship, as it served as a foundation for its growth.

In 2012, the Korean government enacted and implemented the "Act on Promotion of E-sports (Electronic sports)" as the basis for supporting the e-sports industry. In the same act, e-sports is defined as "players that compete with one another for a score or victory with game products." Utilizing the provision of Article 29/1 of the "Game Industry Promotion Act": according to the structure and composition of the esports industry, e-sports is a business area closely related to the game industry but with its own characteristics, which is included in the category of the game industry because it presupposes that it is an activity through games, but it is evolving into a business area with its own characteristics.

Like more traditional sports such as football and basketball, esports popularity relies on its fandoms and the number of spectators

watching e-sports competitions on TV or any other streaming platform such as YouTube and Twitch. In this chapter, we analyze the Korean e-sports industry, from its place on the global market to its cultural impact, and why it can be Korea's actual cultural weapon to extend the reach of its soft power.

4.1 Korea in the global esports industry

In 1958, French author Roger Caillois, in his essay "Man, Play and Games," claims that games differ from work in that they are a free, entertaining activity that does not lead to any creation of value from an economic point of view. Indeed, at the end of a game of chess or bridge, the player does not have more wealth than at the beginning. The author also specifies that gambling is no exception to the rule since they only allow a displacement of wealth and not a creation of value: the losses of some are the gains of others. Sixty-three years later, esports generated $1,384 million globally and is expected to generate $1,866 million by 2025[49]. In the middle of this, Korea accounts for about 14,6% of the industry, with a revenue of 1,204.1 billion KRW in 2021[50]. Newzoo defines the revenue of the esports industry as: the amount the industry generates through sponsorship, media rights, live streaming, ticket sales, merchandising, and publisher fees. It is also taken into account direct-to-fan monetization, i.e., digital merchandising, loyalty programs, and education. Finally, some

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[49] Newzoo, Global esport market report.
[50] KOCCA.

esports organizations went public through IPO to generate another revenue stream from the financial markets.

Esports gathered 532 million viewers as of 2021, and they expect the audience to rise to 640.8 million by 2025. Game live streaming, i.e., the simultaneous diffusion of game content on the internet, gathered an audience of 921.2 million people in 2021. By 2025 the audience should reach 1,412 million viewers worldwide.

Graph 11: Share of revenue sources in the Korean e-sports industry
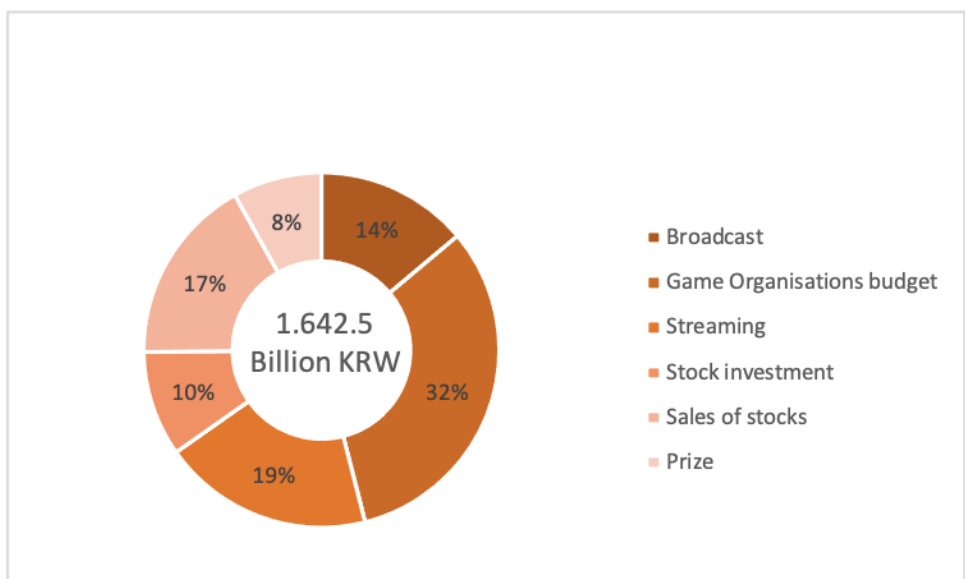
Source: KOCCA

One particularity of Korea is that conglomerates are directly involved in the sponsorship of e-sports teams and organizations. Samsung, Korean Telecom (KT), South Korean Telecom (SKT), CJ, and Jin Air all associated their brand image with an e-sports team at

some point in their history[51]. Similar phenomena happened in Europe, but with football teams (PSG, Schalke 04). Sponsoring esports competitions and supporting teams and players helps boost the image of sponsoring companies and promote their brands and products. Regarding the sponsorship program offered the LCK (the Korean League of Legends main league), A representative from the Sono Hotel & Resorts even said "We hope to expand esports culture as well as make new millennial generation customers through the global infrastructure of the LCK franchise system". The brands' name can even be part of the team's name, like Samsung, which used to own a League of Legends team called Samsung Galaxy and won several world championships[52].

The e-sports scene was for a long time centralized in the Seoul region (Jin, 2021) as most broadcast stations are located in Seoul, and the Seoul region itself accounts for eight of the eleven different e-sports stadiums. The Ministry of Culture, Sports, and Tourism decided to expand the e-sports infrastructure concentrated in Seoul to promote esports across the whole territory. They wanted to secure a foundation for enjoying esports anywhere in Korea, which could promote the living culture of esports and induce local branches of regional sports councils. As of 2021, esports permanent stadiums in three regions, Daejeon, Gwangju, and Busan[53], have completed their

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[51] See LCK (League Championship Korea).
[52] LCK franchise model attracts conglomerates and celebrities, The Korea Herald, Jul 29, 2020.
[53] Esports arena opens in Busan, first outside greater Seoul, The Korea

opening and are carrying out various activities. In the Gyeonggi region, Seongnam is also building a dedicated stadium through investment in Gyeonggi-do[54].

   In 2021, in South Korea, there were 49 esports organizations, for a total of 86 different teams and 414 professional players. An organization mainly comprises a coaching staff, professional players, supporting staff for the players, management, and contents creator. With the rise of esports, the traditional interpretation of game consumption, like Caillois's (1958), is no more valid. Video game competition is a source of value creation. For many professional players in Korea, playing games is not just a way of killing time anymore but a full-time job (Kim & Thomas, 2015) where they train on average 12 hours a day[55].

   StarCraft gave birth to the e-sports scene in Korea (Jin,2021) and in internationally as we know it. South Korea was the first to broadcast video game competitions. Moreover, the burning passion of esports spectatorship in Korea crowned the country as the kingdom of esports. The government has been putting efforts for more than a decade into making esports a national and cultural discipline by spreading its access to e-sports throughout the whole country. In the next part, we show how culturally important e-sports is for Korea and how they can

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Herald, November 17th 2020.
http://www.koreaherald.com/view.php?ud=20201117000795
[54]Seongnam city website:
https://www.seongnam.go.kr/city/1000060/30005/bbsView.do?idx=221337
[55] The 2021 Survey on the Korean e-Sports Industry, KOCCA.

become important for Korea's international image.

4.2 E-sport as a cultural weapon.

Korea was one of the first countries to recognize e-sports as a cultural trend. However, e-sports professionals and government officials, considering the cultural importance of e-sports, are willing to have esport recognized as a "sport" in its traditional definition. In 2009, a report from the National Assembly Budget Office called "Analyzing the economic effects of official sports events" stipulated that to be adopted as an official event of the Korea Sports Association, e-sports should have broadcasting effects and see the emergence of e-sports academies. Many academies, like the Gen. G Global Academy, flourished in the country and are training the future talents of the Korean e-sports scene.[56] However, it was only after the 2018 Jakarta Asian Olympic Games that public opinion realized the true potential of esports for Korea. Indeed, professional e-sports players came back home from the Olympics with two Olympic medals (Gold and silver). Jakarta Asian Games only featured six games (*Clash Royal, Hearthstone, StarCraft II, PES 2018, Arena of Valor,* and *League of Legends*). However, the next Asian Games of Hangzhou 2022 should feature two more games for a total of 8 games, including a Korean game: *PUBG*[57].

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[56] Inside the 'Deadly Serious' World of E-Sports in South Korea, NY Times.
[57] Asian Games 2022: Esports to make debut; FIFA, PUBG, Dota 2 among eight medal events, www.olympics.com

Korea accounts for eleven esports stadiums in the country, mainly in Seoul, but has recently created multiple stadiums outside of the Seoul area. Busan hosted one of the two yearly international competitions of *League of Legends*[58], which gathered several millions of spectators and thousands of visitors[59]. It is not the first time Korea has hosted an international competition of *League of Legends*. In 2014 they hosted the knockout stages of the world championships in Busan and Seoul. In 2018 South Korea hosted the entire competition. The Finals peaked at 11 million viewers for the former and 44 million for the latter[60]. Moreover, what is interesting for us is that both opening ceremonies featured traditional Korean elements. Millions of spectators could listen to traditional percussion performances in both shows. In 2018, the official theme of the World Championships was a K-pop song[61] interpreted by a K-pop inspired band formed just for the occasion. These two events show how international esports competition can be, just like traditional sports (the Football World cup, for instance), a way to show the world a country's capabilities (in organizing a world-class event) and part of their cultures (traditional music, dance).

On May 7th, 2020, the Ministry of Culture, Sports, and Tourism announced a comprehensive plan to promote the game industry. In this

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[58] 다시 한 번 세계의 중심으로, K-Esports
[59] Esportschart, MSI 2022.
[60] Riot Games, LoL esports.
[61] K/DA – POP/STARS on YouTube.

plan, the government acknowledged that Korea is leading the e-sports culture and that as the host country of e-sports, it is hoping to create a new Korean Wave boom. According to the government, the population enjoying this sport is rapidly increasing and transforming into a daily sport (Football 53%, Baseball 51%, e-sports 41%[62]) especially among young people. E-sports is also adopted as an international sports competitive event and many studies have shown a positive relationship between e-sports and tourism. Sport has long been a significant component of tourism, and so has tourism been for sport (Hinch & Higham, 2001). According to DiLek (2019) tourists that are willing to travel to other countries or cities in order to attend e-sports events has continuously been increasing for the past decades. E-sports audiences can vitalize local economies by spending on food, accommodations, transportation, and possibly tourist attractions and can improve the brand value of host cities (Hansen, Neuburger, & Signe, 2017); (Kim, Nauright, & Suveatwatanakul, 2020). Korea is ready for e-sports tourism, the country already has many e-sports stadiums in Seoul and in other regions of the country, and has already successfully hosted international e-sports events.

The government's plan also included two promotion strategies related to e-sports: Creating an e-sports ecosystem, expanding the enjoyment base, and establishing international standards for e-

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[62] Nielsen Korea.

sports[63]. The first strategy can be directly linked to the construction of stadiums across every region to extend the ecosystem within the country. Building a solid ecosystem can be a way to reach more potential talent that will represent Korea worldwide through their excellency at playing a video game. Regarding establishing international standards for e-sports, it regards Korea's effort to provide better guidance and support. They aim to create an industry with more protection, elaborating standard agreements to offer educational support and legal and accounting advice, and establish the e-Sport Fair Practice Commission to treat e-sports players' complaints[64]. Korea has already proven its excellency in competitive game playing. However, it has yet to show the world an example of good managemental ethics, which could be essential for Korea's e-sports industry's sustainability, as China is dangerously rising as the one and only leader in esports[65].

After showing impressive results on the international scene in games such as League of Legends, PUBG, StarCraft, and Overwatch, Korean players and coaches became very praised in other countries for their skills and the belief that Korea rhymes with success and victory. 414 professional esports players and 163 coaches are playing

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[63] 2021 e-Sports Policy Research, KOCCA.
[64] Announcement of Comprehensive Plan for the Promotion of the Game Industry, Kim & Chang Lawyer Firm.
[65] More Than a Hobby: Understanding the Esports Market in China, October 28th 2022, China Briefing.

in Korea, but Korea exports half of these numbers overseas: 254 professional players and 75 coaches. The most considerable importation of Korean players comes from North America (108), followed by China (53) and, Japan (43), then Europe (17). As for coaching staff, the highest foreign demand for the Korean coaching staff is, again, from North America, with half of the exported coaches, 37 out of the 75 exported coaches in total in the world. Other importers are China (17), Japan (13), and South East Asia (5). While Korea exports many of its talents abroad, on the other hand, Korea barely imports any talent from abroad to join one of their team[66]. In the recent League of Legends world championship, Korea was the most represented nationality. 38 South Korean players out of a total of 126 were competing, as Korean players would compete for other regions (including China, North America, Europe, Oceania, South America, and Japan). Massive import of Korean talents is a synonym for quality. Indeed, Korea holds an excellent reputation on the international esports scene, and Korean culture is often pointed out as one of the reasons to explain its outstanding performances[67].

Internationally, Korean e-sports best practices are benchmarked by other regions in the hope of becoming successful[68]. Imports of

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[66] First foreign head coach of LCK continues his magic, The Korea Herald, July 13th 2020
[67] Why So Many Esports Pros Come from South Korea, Wired, October 27th 2020.
[68] Korean LoL players who join teams abroad face very different environments, The Korea Herald, January 26th 2021.

Korean talents are good for Korea's promotion and reputation. More people hear about Korea through the achievements of such players abroad and Korean cultural background. Korea shines on the international e-sports scene and has much potential to spark an interest in Korea and its culture in the mind of the potential 532 million viewers. In most definitions of the Korean wave (Hallyu), music, cinema, drama, food, and fashion are seen as ambassadors of Korean culture. However, considering e-sports' global popularity and the rising interest around, coupled with the fact that Korea is at the center of its cultural impact, e-sports can already be considered a mean for Korea to spread its culture and bring in more people into the Korean wave. Yeom Jung-ho, head of future finance projects at Hana Bank "In the past, esports was regarded as something only people interested in games enjoyed, but it has become part of mainstream culture," and added that "Hana Bank will take a leap forward by expanding customer base to the younger generation, making Hana One Q's brand known throughout the world and expanding the financial product field using esports."[69] E-sports is recognized in Korea and in the world as mainstream culture and Korea occupies a central place of this culture.

Thanks to Korea's notoriety in e-sports, Korean culture is now more represented inside video games. In League of Legends, Riot Games formed a whole K-pop group, and their first music video

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[69] LCK franchise model attracts conglomerates and celebrities, The Korea Herald, Jul 29, 2020.

reached half a billion views on YouTube[70]. The creation of this band was followed by the release of in-game cosmetics highly inspired by Korean pop culture, as well as a playable in-game character entirely inspired by the concept of Korean idols. Another example can be found in *Activision Blizzard's Overwatch*, a popular game in Korea (fourth most played game in PC bangs in 2020[71]). *Activision Blizzard* released an entire map based on the city of Busan where players would compete in 2018. The map features several cultural aspects of Korea. Traditional ones, such as a traditional Korean Buddhist temple, and more modern ones, such as the neighborhood of Busan Station, filled with karaoke, an arcade room, and a faithful representation of Korea's iconic bullet train: the KTX. After only releasing cosmetics inspired by Chinese culture to celebrate the Lunar Year, they released a whole collection of cosmetics inspired by Korean culture for the playable characters. Cosmetics featured the traditional costume of Korea: Hanbok, a Sanye[72], Tal[73], a Samul nori outfit[74], and even a representation of Hong Gil Dong[75]. Following the release of these cosmetics, the Korean government even thanked the studio behind

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[70] [Herald Interview] Pop stars and 'MORE': Girl group K/DA comes 'ALL OUT' with first EP, The Korea Herald, December 29th 2020

[71] White Paper on the Korean Game Industry 2021, p.302

[72] 산예. There originally no Lions in Korea, but the rumor of its existence had already spread in the Korean peninsula since ancient time. Sanye is the traditional and ancient representations of lions in the peninsula.

[73] 탈. Korean traditional masks used for different purposes such as dance or shamanistic practices.

[74] 사물놀이 is a Korean traditional music genre

[75] 홍길동. Hong Gil Dong is the hero of the eponym novel, considered to be the oldest Korean novel ever found.

Overwatch for promoting Korean culture[76]. *Overwatch* gathers millions of monthly players[77], millions of players that indirectly connect with parts of the Korean culture daily. The reason why having Korea-inspired cosmetics for the lunar new year is quite exceptional is that no other countries but China and Korea are usually represented, even though the lunar new year is celebrated in a few other East Asian counties, including Vietnam, Malaysia, Singapore, and Indonesia. However, unlike Korea, none of these countries have had the privilege to be represented at the event.

In conclusion, Korea has much weight in the e-sports industry. E-sports is becoming part of the mainstream culture and has the potential to be advantageous for Korea in the promotion of its culture (both gaming and traditional culture) and tourism. E-sports organizations worldwide are craving Korea's players, and it is the most exporting nation of talent in the industry. Korea is automatically associated with success which could positively impact the perception of the country from abroad. In *League of Legends'* e-sports scene, every North American tournament-winning team for the past six years had at least one Korean player or Korean coaching staff member in their squad. The same happened for the world championships. For the past ten years, Korean teams have won seven times. Only three times has China won the tournament but had 2 to 3 Korean players on their

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[76] https://overwatch.blizzard.com/ko-kr/news/23181147/: 블리자드가 '꽃가마 D.VA' 스킨으로 문화체육관광부의 '한복사랑' 감사장을 수상했습니다!
[77] https://activeplayer.io/overwatch/

roster, each time. Korea is respected worldwide. Its influence extends the barriers of e-sports as both its traditional and modern culture are now represented inside and outside the games.

Hypothesis 2 assumed that: Video games and e-sports have the potential to become a cultural representation of Korea on the international scene. Even though Korea has not yet managed to create a globally popular franchise, leaders in the industry like NCsoft have shown interest in developing new non-MMO franchises on platforms other than PC and mobile to reach a wider audience on the international scene. Still, gaming in Korea is strongly inked in the modern culture of Korea, so the Korean way of consuming video games itself (PC online games domination; going to the PC bang with friends, for instance) can be seen as a cultural specificity of Korea. On the other hand, Korea is presented as the birthplace and a strong nation of e-sports. Public and private sectors see it as an important cultural trend in Korean pop culture and several government policies are helping the development of e-sports by building stadiums around the country to form a true nation of e-sports where the discipline is considered the same as a traditional sport. The development of e-sports in the country can be a driver for tourism (Hansen, Neuburger, & Signe, 2017) (Hinch & Higham, 2001) and the importance of video games within the Korean society (Chee, 2005) (Jin & Chee, Age of new media empires, 2008) (Yang, 2018), as well as the dominance of Korean players on the international scene of some e-sports games (Jin, 2021), have increased the representation of Korea inside the

games. Therefore, we can state that video games and e-sports can be seen as "elements" of Korean culture internationally.

Conclusion

In this study, motivated by a personal experience with the Korean video games and e-sports scene, I drew a narrower picture of the Korean game industry, from its history to its future potential. This study goes through the determinants of its creation to the profile of game consumers, depending on the platform. The Korean video game industry is unique because of its early development in IT and its non-exposure to Japan's cultural products until the late 1990s. While Japanese consoles and games influenced other countries, the Korean industry developed on its own, with its social codes and own cultural practices. Korea is one of the only countries to consume online games mainly. For more than 20 years, young Koreans have not only been playing games from home but also from third places called PC bangs. E-sports as we know it today was born in these third places. Korea reigns as a king in the industry as it produces some of the best players on the planet. However, e-sports has more to offer to Korea than trophies and recognition of its peers. This study showed how important e-sports could be culturally speaking for the country. Korea shines through the eyes of millions of e-sports viewers and enthusiasts. The government and conglomerates understood its potential at a very early stage. Public initiatives are promoting the industry by ameliorating the conditions of professional players and expanding access to e-sports through creating new stadiums and academies and even recently lifted a ban on playing time for young Koreans at night, boosting the potential

number of new talents [78]. Meanwhile, Korea is regarded by many as a sign of success and victory, promoting Korea's values, cultures, and practices on an international level. The promotion of Korea through e-sports goes beyond the achievements of Korean players. Korea's history and potential in the industry allowed the country to host several international competitions. An occasion to show the world part of Korea's culture, including music, dance, and technological advancement, but also more traditional and ancient aspects of the country through representations of traditional Korean outfits such as the Hanbok and architecture through Korean Buddhist temples. Korea is represented in some of the most popular e-sports games and has the potential to be as influential as other components of the Korean wave. E-sports is still at an early stage of development, in a near future maybe the world will see e-sports at the Olympics, and Korea will have a major role to play in this side of history.

This study is limited as it focuses only on the Korean case. Its cultural background is unique, and the implications of e-sports for other countries, such as France or the United States, are not to be considered the same. For instance video games are also very popular in France but there are such things as "French-games" nor a competitive e-sports scene. Korea has risen in popularity in recent years but still has much room to expand its reach and influence; e-sports can help Korea achieve it. On the other hand, France and the

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[78] Esports talent in Korea gets boost from big business, easing of gaming ban, The Korea Times, October 28th 2021

United States already have strong enough soft power. Such countries have less to gain from popularity on the e-sports scene as they are well-known countries already. This study bases its arguments on governmental surveys and observations from the industry evolution and Korea's role in it. Further studies may conduct more detailed research on non-Korean video game consumers and e-sports enthusiasts to quantify the impact of Korea's video game industry on their perception of the country and their overall interest in it and quantify the role it played in the boom in tourism in the past decade.

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Abstract

본 논문은 한국의 비디오 게임 산업과 그 기원, 그리고 그 진화를 고찰한다. 국가기관이 실시하는 설문조사는 2021년 기준 산업의 초상화를 그리는 데 사용된다. 한국 소비자들은 주로 모바일과 PC 온라인 게임을 소비하는 것으로 나타났다. 따라서 본 논문에서는 이러한 한국의 구체적인 소비패턴의 배경을 설명한 후 한국의 모바일 및 PC게임 소비자들의 프로필을 분석하고 이어서 한국의 PC방에 대한 분석을 진행하였다. PC방에 대한 분석은 본 논문의 마지막 장인 한국의 e스포츠를 다루는데 의미가 있다. 본 논문은 국내 e스포츠를 알리기 위한 정부의 노력부터 한국이 e스포츠 현장에서 차지하는 위치까지, 어떻게 e스포츠가 가까운 미래에 수십억은 아니더라도 수백만 명의 e스포츠 및 비디오 게임 마니아들에게 한국 문화의 홍보대사가 되고 있는지 분석한다.

An Analysis of the Korean Video Game Industry

E-sports and video games as cultural ambassadors

Professor Moon Woo-Sik

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Graduate School of International Studies
Seoul National University
International commerce Major

Mathieu Quentin Touly

Confirming the master's thesis written by
Mathieu Quentin Touly
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Chair Rhee, Yeongseop (Seal)
Vice Chair Han, JeongHun (Seal)
Examiner Moon, Woo-sik (Seal)