From the Center of Different Peripheries:
Constructing Cultural Content in a New Age of Diversity

AE GYUNG SHIM
University of New South Wales

ABSTRACT
This paper analyses some of the convergent and divergent marketing and promotional strategies that the Korea Culture & Contents Agency (KOCCA) has developed and implemented in the Beijing and Los Angeles branch offices. This paper is a timely study because of KOCCA’s recent efforts to develop new strategic inroads between the creative and cultural industries in Korea, China and the US as a type of panacea for rescuing Korean content production, which has suffered from ailing ancillary markets and piracy, among other things. It is hoped that the preliminary findings in this paper will offer new insights into a possible research framework for investigating cross-cultural linkages between the Korean, US and Chinese audio-visual and creative industries with a view toward developing successful future collaborations in the Asia-Pacific region.

It is commonly known that the transcultural spread of Korea’s popular culture, so-called Hallyu, began experiencing momentum in the late 1990s. Since then, Korean content has been appreciated for its simultaneous universality and ‘Korean-ness’. Since this time we have seen a transnational ebb and flow – in the soft-power ways that Nye (2004) explains – into other Asian countries such as China, Taiwan, Vietnam and Japan, among others. In return, the expansion of these markets invigorated Korea’s cultural industries to thrive and to systematize a foundation for further development. In fact, Hallyu has overflowed into other industry sectors such as food, fashion and computer gaming, drawing an increased base of tourists to Korea who are eager to study and travel in the ‘Land of Morning Calm’ as well as dine at Galbi Jeeps – perhaps looking for a glimpse of Dae Jang Gum in the kitchen. Here are a few images of the Korea Tourism Organization’s annual tourist information booklet published in English – auspiciously named ‘Hallyu’ – which promote sites related to top-selling drama and filming locations as well as music and cultural events. All in all, Hallyu has transformed Korea’s image from a little-known part of Asia to a thriving trendy place to be, to know and to experience.

This international spotlight on Korea has been well-discussed within numerous ‘Hallyu’ conferences, refereed journals and the popular press in and outside of Korea. Clearly, a long history of cultural policy in Korea, accentuated differently by various government administrations such as Korean Cultural Content Agency (KOCCA) and Korean Film Council (KOFIC), has provided a sturdy backbone to the rise of this Korean Wave and a new age of transnational cultural flows. In this paper I explore the overall nature of Korea’s policy support to the cultural industry and where KOCCA belongs. I particularly examine KOCCA’s convergent and divergent marketing strategies that have been developed and implemented in Beijing, Tokyo, the UK and Los Angeles offices since it was created in 2001 under the guidance of president Kim Dae-jung (a.k.a. the ‘Cultural President’). It examines the KOCCA’s endeavor for international collaboration between the creative and cultural industries in China, Japan and the US in an attempt to
increase its competitiveness against these other countries’ bigger-budget media products and to gain access to larger markets under the classification of a co-produced ‘domestic’ product (which Brian’s paper discusses in more detail).

This paper particularly explores what is less-known, that is, how in each place and in each case soft power flows of popular Korean culture have manifested themselves in different ways. Divergent circumstances in each city have resulted from geographical specificity in which consumer consumption patterns, market peculiarities and larger bilateral trade relations between Korea and the aforementioned nations are in flux: Beijing has its larger-than-life audiences of closely-monitored and government-approved content coupled with the current overwhelming consumption of unofficial/pirate Korean DVDs and CDs; Tokyo has its young and middle-aged female fandom toward Hallyu stars such as Bae Yong-joon, Lee Byun-heon and Rain; and Los Angeles offers one of the largest Korean Diasporic communities and consumers of Korean cultural content as well as Korean-American content creators’ and other producers’ making valuable contributions to ‘the scene’. In the realm of film, Gina Kim (Never Forever), Grace Lee (American Zombie) and Michael Kang (West 32nd Street) come to mind, as well as hundreds of other Korean works across the audio-visual entertainment and IT industries. These three cities are strategic centers from which the Korean government has launched aggressive cultural industry-promotional initiatives. Here I refer to the establishment and maintenance of offices, public venues and events run by KOCCA in each of these cities. KOCCA has experienced different challenges for achieving its aims in different markets, as discussed shortly. It is hoped that the preliminary findings in this paper will offer new insights into cross-cultural linkages between the Korean, and other countries’ audio-visual and creative industries with a view toward developing successful future collaborations in the Asia-Pacific region.

**POLICY SUPPORT**

Back in 1999 after realizing the cultural and economic benefits of the rise of *Hallyu*, Korea’s Ministry of Culture and Tourism (MCT) began ramping up its budget for creative and cultural industry activities and initiatives. The Basic Law for the Cultural Industry was established in 1999 to foster development of this domestic industry. Since then and through the Roh Moo-hyun government, Korea’s cultural policy has relaxed or removed regulations that have threatened to weaken the legs on which the cultural industry stands (2008 MCST). In 2000, for the first time in history, cultural budgets exceeded 1% of the government’s total budget, which boosted cultural infrastructure for libraries, museums, and cultural centers (Kim, Lee and Son 2003). Over a ten-year period, the government doubled its financial commitment toward the arts and culture more generally.²

In a somewhat cyclical way, the MCT has both funded and become enlightened by KOCCA, KOFIC, Korea Broadcasting Institution (KBI) and Korea Game Industry Agency (KOGIA) about the impact of soft power and the value of Korea’s cultural content as a core national export item. These organizations attempted to offer efficacious support for the domestic industry while raising world recognition of Korean culture, that is, of the generating-income kind. Since its inception, KOCCA, and the governments of Kim Dae-jung, Roh Moo-hyun and Lee Myung-bak for that matter, have all walked a fine line between cultural and economic imperatives – particularly in regards to the Screen Quota

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¹ The MCP later became known as the Ministry of Culture, Sport and Tourism (MCST) since 2008.
² Cultural budgets have steadily increased from: 47.6 billion won (0.63% of the total budget) in 1994 to 120 trillion won (1.3% of the total budget) in 2004 (MCST 2008).
System (SQS) and larger trade negotiations with the US: many of us know that in early 2006, Korea’s SQS was cut in half from 146 days to 73 days. Rather than competing against the US on these types of complex trade matters, the Korean government has found innovative strategies and pathways for developing its domestic industries – and KOCCA is one of them. Simply speaking, KOCCA is designed ‘to help promote Korean programs and products abroad’ (Russell 2008: 122). KOCCA aims at nurturing cultural industry and cultural technology in support of areas such as planning, merchandising, and delivering cultural content. The rise of KOCCA since 2001 is part of a wider, long-term government vision in which the cultural content industry is a core part of the nation’s advancement for the future – or so the government believes.

In what feels like an unprecedented ranking – certainly unprecedented for somewhere such as Australia – the creative and culture industries are now regarded as significant for national development, as in the case of the Bio-tech, Nano-tech, environmental and space industries. According to KOCCA (2007), in 2003 the cultural industry generated 66 trillion won (3.8%) out of a combined profit of 1,741 trillion won generated by all industries. This added value ratio increased two-fold between 1990 (3.2%) and 2003 (6.5%). Seo Bying-moon (2005), director of KOCCA’s home base in Seoul, has gone on record as saying: “to create cultural production worthy of $100 million US dollars, all the cultural industry needs is paper and pencil, whilst other industries need the import of raw materials in producing domestic goods.”

KOCCA’s hosting various showcases of Korean cultural contents at venues such as the International Digital Content Conference (DICON) and Seoul Character Fair aims at enhancing the recognition level of Korean cultural industries and their products, and accordingly providing regional, national and international networking and business opportunities under one space. Across these 3 major cities, though in slightly different ways, The KOCCA officially supports: manhwa (Korea’s manga), character, animation, music and digital content (e.g. fashion, e-learning, mobile content and edutainment). Nonetheless, having these diverse areas to support, KOCCA has had difficulties in catering for the different needs arising from different industries, and its lack of efficiency and specialization were criticized by members of industry.

KOCCA’s chaebol-like supporting style, which concerned all content areas without specializing in a certain field, often induces conflicts with other organizations for overlapped activities, causing unnecessary use of funding. For example, the KOCCA USA office shares the office space with the KOFIC, often causing conflicts with each other when the KOCCA included films as part of its promotional campaigns. It was heard that

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3 KOCCA’s key objectives are: 1) making a foundation for content creation; 2) fostering overseas market expansion and exports; 3) nurturing creative talents; 4) developing cultural technology – in an IP (owned by Korea) sense; 5) facilitating financial investments and loans; and 6) maintaining a policy framework.

4 In 2001, 2003, 2005 and 2006, CT was selected as one of the promising future industries by the government. President Roh Moo-hyun announced a new vision for the cultural industry in 2003, mandating that the government would help the cultural industry become one of five cultural majors in the world (The Hankyoreh 13 August 2003).

5 The number of known employees in the cultural content industry soared from 200,000 in 1990 to 490,000 in 2003. Compared to other growing industries such as manufacturing or the IT industry, the cultural industry creates more added values and provides more employment.

6 Apart from these annual meeting spaces, an internet website Koreacontent.org attempts to offer a B2B e-Marketplace to connect buyers and sellers around the clock and around the world.

7 These complaints were raised in 2005 at the national inspection of the KOCCA, by manhwa, character, animation and music industries (Monthly Digital Content October 2005).
one film professor living in LA was pursued by the KOFIC and KOCCA at the same time, making him feel uncomfortable working with either of them. Film, broadcasting and software have not been part of KOCCA’s domain because they are already supported via organizations such as the Korean Film Archive and others previously mentioned. The MCT envisioned from the start in 2001 that KOCCA works with these institutions on the level of the OSMU (one source multi-use) model,\(^8\) which has become one of the MCT’s mantras. KOCCA seems to struggle to balance the ideal and the reality in its administrative efforts. It has been the same with the operation of KOCCA’s overseas branches as global marketing centers. They have collected local industry intelligence and facilitated networking to continue globalization of Korean cultural content. While their objectives were the same, each branch office had to develop its own strategies, best fitting to their working environment.

**KOCCA CHINA**

Established in 2001, the KOCCA China office has attempted to become the business information center for all one’s need-to-know about China, answering the content industry’s strong desire to open roads into this rich yet unexplored market. Apart from offering market intelligence and networking opportunities, KOCCA China is now prioritizing cooperation over export-driven marketing, that is, focusing on the exporting of popular culture. Until 2006, KOCCA China appeared relatively relaxed because Korean content was hot among local audiences and consumers, thus, it only focused on exporting popular culture rather than proactive strategies of servicing complaints of clients and furthering networking. However, as the Hallyu began slowing in China primarily because of an increased hostility towards Korea (Kim *Korea Times* 5 May 2008),\(^9\) this nonchalant business approach was challenged.

The noticeable change in KOCCA’s approach to China is most notable in KOCCA’s a pocket-sized booklet *Chinese Cultural Industry Business Guide* (2007). This book, distributed free for Korean content companies interested in the Chinese market, gives an overview of the local cultural industry and the types of entry strategies, as well as legal and copyright information. While it explains how some individual companies have already entered the Chinese market on their own – with varying degrees of success – without alternating previous market approaches from Korea, this book focuses on how to adapt to the ‘Chinese way’ and how to deal with copyright issues. The first half of the book (Chapters 1, 2 and 3) is about how to make contracts with a Chinese partner and explains a contract process, necessary documents, government offices to contact and censorship and regulatory policies. Even though the book does not give names of contact people, and numbers and addresses of the pertinent institutions, it gives ideas about where to start. The second half of the book (Chapters 4 and 5) is about copyright violation. It introduces case studies of copyright violations that occurred between the Motion Picture Association of America (MPAA) and Business Software Alliance, reinforcing for Korean content creators that they should aggressively protect their copyright as US companies do. It seems natural to follow the footsteps of the US institutions, because of their prior knowledge about China, which has been identified by the MPAA as the number one

\(^8\) OSMU refers to the production and promotion strategy that spins-off a variety of products (Dora pencil cases, shoes, backpacks, etc.) and tie-in campaigns (McDonald’s kids meals, etc.) from one program – aka the ‘Spielberg’ or ‘George Lucas’ full-service marketing thing.

\(^9\) According to the Ministry of Culture, Sports and Tourism, in 2007 Korea exported $1.4 billion worth of cultural products. While it is higher than that of 2005, the export of dramas, films and music has declined. In 2006 export reached $177 million, showing about 20 percent decline from 2005.
piracy theft, with the 90% rate of piracy (MPAA Press Release 2006). As the KOCCA China’s director Kwon says, the Chinese government recently shows more attention to the copyright protection because it sees piracy as an obstacle to the local content industry’s growth (Seong 2006), but in the meantime Korean content creators should still be alert to protect their rights. This book ensures that it is a separate issue from understanding the Chinese way.

In September 2008 the KOCCA sponsored the 7th annual Korea-Japan-China conference, focusing on strategies and cooperation. Compared to the same event held in 2007 that consisted of the business matching and the government policy meetings with an obvious focus on Korean product export into china, the 2008 event was different. Now cooperation is the key word, because it is the only way into the Chinese market, which is heavily protectionist as a result of its censorship and regulatory policy. So co-investment and cooperation is now the only way forward. KOCCA China tries to bridge the gap between Korea’s and China’s views of the world, which includes creative imagination. So, what the KOCCA China office has to do is bring people together who can potentially bridge this gap: it is a go-between, not a gap-filling role.

Here is a case demonstrating how cooperation between Korea and China came to fruition in a positive way. In China, TV is still the primary content distribution channel and the protectionist policy requires the Chinese content on TV in the prime time hours. Thus, Korea-China collaboration has a much greater success rate when it is fixed on television. The KOCCA China’s emphasis on television is different from the US strategy in this sense (Kwon 2008). For example, in the children’s animation market, foreign animations have to appear on TV after 9:00pm. Jin Delong, head of the Publicity Management Department at the State Administration of Radio, Film and Television, observes that more than 1,000 television channels in China, with hundreds of millions of adolescent audiences are having difficulty finding locally-produced animations of good quality (China.org.cn. 28 February 2007). By collaborating in productions between Korea and China, Korean and Chinese bi-cultural product can go on prime time television. Understanding this, Korean animation companies have developed working relationships with Chinese partners since 2003. Space Hip Hop Duck was the first official co-produced animation to occur in 2003 between Sunwoo Entertainment and Shanghai Animation Entertainment Studio and it was aired on the CCTV in China. Since then, many Korean animation companies jumped into this new-found blue ocean with the support from KOCCA China. One of the recent cases is the production of 3-D animation Tao the Magical Chinese Kid by Korea’s G&G Entertainment and China’s Motion Magic Digital Entertainment in China in 2007, and this project has a merchandise plan coming along with it, aiming to utilize the KOCCA’s much emphasized OSMU model.

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10 It is different from Korea where Internet has been rising as a main content distribution channel and thus internet laws dealing with it have been fixed.
KOCCA Japan

The KOCCA Japan office was established in 2001, and since then KOCCA Japan has hosted industry events such as Korea-Japan Cultural Contents seminar, Drama Original Sounds Korea 2007, Korea-Japan Visual Business Forum in order to support promotion of K-pop to the Japanese market, connecting Korean and Japanese content creators and fans. As KOCCA Japan’s director, Hong Jeong-yong states in the website, its main goal is expanding the industrial relationship between Korea and Japan through hosting and participating in various cultural events. According to KOCCA, Japan’s marketing manager Isojaki Taichi (Goh 2006), the KOCCA’s sponsoring big events for free has provided spaces for content creators from both countries to get together and also has been inspiring the Japanese government, which benchmarked KOCCA’s supporting scheme. Due to the spread of Hallyu, Korea’s image in Japan has been positively turned around and this has been an advantageous point in pursuing KOCCA Japan’s operation.

The KOCCA Japan’s transformation in 2005 should be understood in the same context. It is renamed the Korean Cultural Content Center, with an obvious mission of reinforcing the spread of Hallyu and maximizing profit from the existing Hallyu content such as Winter Sonata and Dae Jang Geum by following the OSMU model. This change was due to the government’s recognition of the weight of Japan in the cultural content market – number two in the world, followed by the US – and the increased consumption of Korean content in Japan (Park 21 Digital Times January 2005). This invigorating action was ironically timely because Korean the content’s winning streak over the Japan market nosedived in 2006. For example, Korean film exports decreased 50 percent in 2006 compared to that of 2005, which was largely due to a dramatic drop in film exports to Japan.

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11 According to the KOCCA Japan’s survey about the recognition level of Korean contents in Japan, the recognition level of Korean cultural contents increased 20.7% compared to 2 years before (Lee Digital Times 13 December 2006).
12 Between two products, ten profit models were developed: 1) TV broadcasting; 2) DVD; 3) VOD; 4) publishing; 5) merchandising; 6) main character’s right of likeness; 7) OST; 8) musical; and 9) animation.
KOCCA Japan had to work harder to support Korean content to enable it to be consumed and perceived in a positive way. In a much smaller way than the *Chinese Cultural Industry Business Guide* discussed above, KOCCA Japan gives attention to how to do business in the Japanese way by publishing a report entitled *Entering Japanese Market With Strategic Killer Contents* (2009). Here, cooperation is again a key word for the ideal business model based on the win-win situation. It analyses current trends in the Japanese cultural industry/market and achievements of Korea’s contents within it so far, lists cases of successes and failures, and recommends ways of doing business in Japan. For example, it is recommended for a Korean content creator to gain trust from the business partner: he/she should be patient and spend at least two years showing continued interest in the Japanese market before having an official business meeting with a potential partner.

**KOCCA USA**

Compared to the Chinese and Japanese markets in which the recognition level of Korean products is higher, thanks to *Hallyu*, the KOCCA USA office has to deal with a market in which the *Hallyu* effect does not exist. Korean cultural content, even if it is good quality, is nothing in the US. Hence, its main job is to enhance the recognition level of Korean products to the US industry by hosting promotional events and participating in annual international showcases such as the Asia Pacific Entertainment and Media Summit. Hee-sun Seo, director of KOCCA USA, says the main task is networking with the US cultural industry people (*Jeong Miju Hanguk Daily* 1 October 2008). In order to achieve this goal, KOCCA USA has hosted and participated in a number of industry events including: an international marketing professional training program; film/animation screening; Korean contents showcases; a Korean digital contents (online game) contest; and the establishment of the annual Dari Awards ceremony, which was for Americans who bridged Korea and US culture (*dari* in Korea means bridge).

However, seeing the KOCCA’s going to the US market manifested in the website written in English, it is clear that there is a gap between the ideal and the reality. In her welcoming statement, director Hee-sun Seo talks of figures to address how attractive the US market is to Korean content creators: ‘US represents the largest market for the entertainment industry … a success in US translates to a worldwide success of the project.’ Even though it is understood that this statement was aimed at Korean content creators (*Dear Leaders in the Korean Cultural Contents Business!*), it is hard to miss the reality that the KOCCA considers the US as a place to conquer rather than a country to seek partnerships. At the same time, if it is for Korean content creators, the question is why the website is not operated in Korean as well as English. The ideal expressed in this opening statement is different from what KOCCA USA is really doing, which is networking, showing that KOCCA USA has a long way to go to redesign its strategies.

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13 In 2005, Japan purchased 74.1 percent of Korean film exports and in 2006 this ratio dropped to 50.1 percent (KOFIC 2007).
14 It has hosted a number of events including: an international marketing professional training program; Korean contents showcases; an annual Dari Awards ceremony for Americans who bridged the gap between Korean and US culture (*dari* in Korea means bridge); and a Korean digital contents (online game) contest.
CONCLUSION: LIMITATIONS & FUTURE PROSPECTS

Since the late 1990s, the cultural industry has grown in both quality and quantity. The government’s support with raised budget allocation enabled this growing industry to facilitate overseas market exploration. The KOCCA was in the middle of this change. The rise of creative and cultural industry and a nation’s support to it is not something found only in Korea. For example, the UK also supports the growth of creative and cultural industries for the same reason, that is, a significant source generating employment and profit (DCMS 2007). Nonetheless, differences also exist. The UK perceives itself as a ‘strong’ player in a global cultural market and has to get ready for fierce competition rising from other countries (2007), and thus its support plan also focuses on ‘unlocking creative talent’ and ‘helping creative talent flourish’ (DCMS 2008). Compared to the UK, Korea, which probably is one of the rising competitors, prioritizes to reach out to the world because even though Korea has quality cultural products, its global recognition level is much lower than that of the UK, the US and Japan. Hallyu exposed Korean contents to the larger Asian market, enabling Korean content creators to dream of going global.

The KOCCA has been hell-bent on reinvigorating Hallyu, that is, international conspicuous consumption and overt awareness of Korean cultural content production, which since early 2006 has suffered from ailing ancillary markets and piracy, among other economic and industry challenges. KOCCA China and Japan’s transformation occurred while coping with these challenges. In the meantime a new understanding of Hallyu came: it is no longer the spread of Korean cultural content in only one way, but was the trigger that opened up two-way cultural flow in Korea and other countries through collaboration.

In a realistic sense, KOCCA cannot force local industry practitioners in China and the US for instance, to partner Korean content creators. In addition, KOCCA cannot guarantee that the governments of China or the US will warmly accept international collaboration projects, which is one of the major pitfalls that Brian’s paper discusses. The KOCCA China and Japan’s late realization, that is, ‘when in Rome, do as the Romans do’ may sound the very basic, but significant milestone for all content creators in Korea. KOCCA’s decade-long overseas activities seemed to come to a conclusion, finding a new direction of going forward.

In 2008 the Lee Myung-bak government was established and impacted on the cultural administration. The MCST (2008) criticized the previous Roh government because it did not invest more in the cultural industry compared to what the IT industry was given. Ironically, the funding for KOCCA actually decreased in 2008 compared to 2007. In 2009 the Lee Myung-bak government merged the KOCCA and four other associations (Korean Broadcasting Institute, Korea Game Industry Agency, Cultural Contents Center, and Digital Business Group under Korea SW Industry Promotion Agency). While the name KOCCA is retained, it has become a larger umbrella organization. The MCST announced this move, aimed at removing overlapping investment in between these five organizations and thus enhancing efficiency in pursuing

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\(^{15}\) The size of the UK’s creative industries is now comparable to that of its financial services industries, which consist of 7.3 per cent of the economy. It employs 1.8 million people, including those working in related industry sectors (DCMS 2007).

\(^{16}\) According to the KOCCA website, the government funding decreased from 51,228,000 won in 2007 to 47,028,000 won in 2008.

\(^{17}\) The new organization is going to be in charge of a total of a 186 billion won budget in order to carry out its projects (Hankyung Daily 19 April 2009).
promotional activities. Nonetheless, this move gives cause for concern for the members of the industry because it may lead to losing areas of expertise some institutions already had achieved.\textsuperscript{18} While KOCCA China and Japan shows that catering for different market needs is important in further developing the spread of Korean cultural contents, the creation of a mega-organization seem to be out of synch with this revelation. The cultural roadmap of the Lee government is just being shaped now. It is still too early to predict where it will go and what it will achieve. KOCCA’s further development also depends on this.

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\textsuperscript{18} The decision of making this mega-organization was protested by the Korean Broadcasting Institute and Korea Game Industry Agency, which claimed that this plan is executed without consultation process as a top-down action (Han Digital Times 9 September 2008).


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