

## K-CONTENT PRODUCTION AND GLOBAL DISTRIBUTION STRATEGIES

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**Abstract:** The purpose of this study is to analyze the production characteristics of K-content and find ways to make it sustainably competitive for global distribution. The research questions of this study are as follows: First, what are the characteristics of K-content production? Second, what are the global distribution strategies for the sustainable development of K-content? The results of the study show that PDs of K-content, which has recently become popular in OTT, have developed their production capabilities in an organizational culture that tolerates failure and provides many opportunities. The fierce environment of the Korean content industry has made K-content more competitive, and the combination with global platforms has also played an important role in its growth into global content. In the current OTT-centered video content ecosystem, the domestic video industry is losing its competitiveness. To strengthen the competitiveness of K-content in the future, new creators must enter the digital content ecosystem to realize a virtuous cycle of continuous creation.

**Key words:** K-content, Production, Global Distribution, OTT, Drama

### 1. Introduction

In recent years, global interest in K-content has risen significantly, with increasing viewership of K-content on global OTT platforms such as Netflix and Disney Plus. According to Netflix, more than 60% of its global members watched a Korean show or movie in 2022, and K-content regularly appears on the global top 10 lists in more than 90 countries (CNN, 2023.1.16). Reflecting the competitiveness of K-content, Netflix's CEO announced plans to invest \$2.5 billion over four years (CBS, April 25, 2023). Four of the 10 most-watched non-English-language TV shows on the streamer were Korean ("Squid Game," "All of Us are Dead," "The Glory," and "Extraordinary Attorney Woo") (CNN, 2023.4.24).

Currently, the Korean media market is dominated by OTT platforms, and the competition among content companies to secure media users is becoming more intense as not only domestic platforms but also global companies join in. Although the spread and use of global services have made it possible to meet the diversity of content production and distribution, the domestic media market is experiencing significant shifts in content competitiveness from planning, production, distribution, and consumption (Han, 2023). The problem is that the market for digital platform services, which is changing into a commodity, is becoming increasingly monopolized and connected, and there is a growing concern that it is creating restrictions on competition not only in the digital

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platform market but also in adjacent markets, contrary to the net effect of enhancing innovation and improving user welfare (Lee, 2022).

Therefore, this study focuses on the phenomenon that Korean content is attracting global attention in the era of OTT platforms, analyzes the production characteristics of K-content, and explores ways to distribute K-content globally for sustainable competitiveness.

## 2. Theoretical Discussion

The concept of K-content can be defined as an industry (including services) that creates added value through the planning, development, creation, production, and consumption of Korean content, according to the Basic Act on Promotion of Cultural Industry and the Act on Promotion of Content Industry. Research on K-content is mostly presented through case studies, although there are a few studies on the phenomenon of Korean content's global popularity that examine the Korean wave from a macro perspective (Lee, 2021; Lee & Yun, 2020).

The media industry, which relies on content as its main resource with a high investment burden, is typically characterized as a risky industry (Noh, 2024). The K-content industry has a very large economic ripple effect on related industries, including production-inducing effects, value-added effects, and job-creation effects. Considering the positive externality of the content industry, it needs more support than other sectors (Kim, 2022). The positive externalities generated by the media industry are very significant in a country like Korea, which is highly dependent on exports.

Currently, K-content exports are concentrated in Asian markets, mainly China, Taiwan, and Hong Kong. Although Korean cultural products are gaining global popularity, there are regional differences in terms of national interests. It is time to diversify the market. The overall content market grew at a CAGR of 5.1% from 2017 to 2021 and is expected to grow at a similar rate of 5.2% from 2021 to 2026 (Korea Creative Content Agency, 2023).

## 3. Research Problem and Research Method

In this study, we operationally define K-content as Korean video content and limit the scope of the study. Currently, K-content exports are concentrated in Asian markets, mainly China, Taiwan, and Hong Kong. Although Korean cultural products are gaining global popularity, there are regional differences in terms of national interests. It is time to diversify the market. While the influence of K-content is still strong in Asia and the Middle East, the response to K-content is not as strong in the Americas, Europe, and Africa. It is necessary to strategically focus more on regions outside of

Asia. Based on this realization, the following research questions were derived:

Research Question 1: What are the characteristics of K-content production?

Research Question 2: What is the global distribution strategy for the sustainable development of K-content?

As a research method, we secondarily analyzed data such as the '2023 Overseas Hallyu Survey (as of 2022)' published by the Ministry of Culture, Sports and Tourism and the Korea Council for International Cultural Exchange.

to practice what their predecessors, the enlighteners wanted, that is, the enlightenment of the people» (2020) were made several errors. Firstly, the verb «want» belongs more to spoken vocabulary rather than to written vocabulary; a semantic violation is present in the expression «to want to realize... the enlightenment of the people»; there are also many stylistic errors in the text of the article, such as in the phrase «The Jadids received further development in those places where they were in strong opposition» (the Jadidism movement may have received development, but not the Jadids themselves). Headlines of articles such as «The Attitude of Turkestan's Jadids to Technologies Entering the Country» by A.A. Yusupov, published (2022), «Reflection of the Overthrow of the Bukhara Emirate in "Tarikhi Nofei" by Mukhammad Baljuvani» M.M. Khalifaev, published in «Scientific Notes of Khujand State University named after. acad. B. Gafurov» (2016) also stylistically suffer. Politicization, inappropriate for scientific work, is present in the annotation to this publication about the overthrow of the Bukhara Emirate, which is also devoted to the participation of the Jadids: the author clearly sympathizes with one of the parties of the military-political conflict of a hundred years ago when he says that «Mukhammadali Baljuvani, as an eyewitness of many historical events, cites important information about the relationship of Bukhara with the Soviet government, about the process of preparing Alimkhan for the war against Soviet Turkestan, the comprehensive assistance of the imperialist states to the Bukhara emir, the connections of the Bukhara emirate with Afghanistan and Khiva», etc. In the same way, the obvious politicization and stylistic shortcomings are not very consistent with scientific tasks in the title «Uzbekistan and Russia — Time-Tested Strategic Partners: Cultural and Historical Experience» of the article by D.V. Alinazarova published (2019): the style of the first part of the title would be more appropriate when used in poster art.

The reasons for the above shortcomings should obviously be attributed not least to the fact that the authors of most Russian-

language publications were not native speakers of the language of these publications; Russian was not their native language. However, inappropriate politicization, also noted in some publications should not be referred to this reason.

Let us turn to the most important indicator of publication's citation rate for assessing publication activity, in our case — to its influence on the development of the topic of Jadidism outside the national territory and the entire Central Asian region, on the interest in the topic itself in the Russian-speaking scientific community.

The calculation of the citation rate of published works from the mentioned total number of 300 publications gave the following results: 221 publications (out of 300) were not cited even once («zero» in the indicators in Fig. 3); 23 publications were cited once; 11 publications — 2 times each; 14 — 3; 5 — 4; 10 — 5; 5 — 6; 9 — 7 and 2 publications — 8 times each. In addition, the percentage ratio of the total volume of publications to their citation rate is visually demonstrated in Fig. 3: almost 74% of the 300 considered publications are not cited even once; about 8% were cited once; about 4% — twice; about 5% — three times; further in descending order.

At the same time, there are the ones that have collected a record number of citations in the considered volume of publications: three publications of this type were found, and even though they should be viewed only as exceptions to the general ones shown in Fig. 3, let's give them. Firstly, the monograph by A.R. Navruzov «Jaridad Dagestan — Arabic-language Newspaper of Caucasian Jadids» (2012) collected 12 citations; the article by A. Bustanov and D. Dorodnykh «Jadidism as a Paradigm in the Study of Islam in the Russian Empire» (2017) earned 14 citations; the article by V.P. Lebedev and V.M. Pavlenko «Coin Circulation of the Golden Horde City of Madjar» (2008) was cited 16 times (the topic of Jadidism in which is not dominant).

Whether the publication activity on the topic of Jadidism will decrease in the future, or remain in the foreseeable future just a tribute to political fashion, or, conversely, whether its analysis will serve as the basis for practical conclusions, for the introduction of the advanced views of Jadid — enlighteners into science as a whole, into pedagogical activity, into journalism — this is a question that the scientific community as well will have to answer.

#### **4. Conclusions and Recommendations**

##### *4. 1. Analyze the K-content Creation Case*

1) Physical: 100

The director of “Physical: 100” is Jang Ho-ki, a PD at MBC.



According to him, the success of “Physical: 100” is due to the organizational culture that tolerates failure and gives many opportunities to try different things like a startup. The success of “Physical: 100” is since a documentary PD planned and directed an entertainment program. As an entertainment program, “Physical: 100” contains human and nature documentary elements. The format and genre of “Physical: 100” are hybridized as it contains the characteristics of both entertainment and real documentary.

As an investor, Netflix also functions as a startup incubator. According to PD Jang, Netflix outsources a lot, so they have a good system in place to ensure that external creators can produce quality content. It guarantees them time and money so they can focus on creating content and provides a lot of support to ensure that they deliver content that meets the standards Netflix requires (Hong, 2024: 116).

At the planning level, since the subject of "body" does not require translation, it can be said that the content of “Physical: 100”, which depicts the participants' quests to be recognized as the most perfect body, was recognized as the number one in the world. The elimination of unnecessary subtitles can be seen as an element of a nature documentary. Subtitles require a lot of cultural background. Subtitles physically cover a lot of the screen, so we chose to show the 'body' without subtitles so that anyone can watch it without interruption.

The success of “Physical: 100” can also be attributed to its lack of celebrity obsession. Famous MCs and famous performers are only relevant in Korea. Overseas, it's not an issue of interest at all. Therefore, it can be said that it worked because it did not rely on celebrities and just focused on 100 unusual people competing for a goal with pure passion.

The Korean content industry itself is very competitive, and the level of perfection has increased. As the Korean content industry has experienced fierce competition to survive in the Korean market, its infrastructure and know-how have grown, and its latent capabilities have exploded as its visibility has increased. The investment in production costs, sophisticated production systems, and combinations with global platforms have also played an important role in the growth of K-content into global content.

## 2) Weird Lawyer Woo Young Woo

The director of the drama “Extraordinary Attorney Woo” is PD Yoo In-sik. He cites the balance of power and harmony between the agency, writer, and director as the secret to the drama's success (Hong, 2024: 52). Another key to the success of “Extraordinary Attorney Woo” was the director's choice of actor Park Eun-bin, who has great acting ability.

Directing requires a constant balancing act between humor and

caricature, traditional clichés, and new techniques. PD Yoo says that “Extraordinary Attorney Woo” would have been a much more conservative drama if it had insisted on being broadcast on terrestrial television. Terrestrial broadcasters must go through various review and deliberation processes from the planning stage, making it very difficult for challenging content that breaks social norms and new formats to be approved for production. Media audiences also have a preconceived notion that dramas on terrestrial broadcasters should be more serious, calm, and universal, while original series on OTT platforms should be rough, hard, and provocative.

#### *4. 2. Government Support for K-content Creation*

In 2023, the Ministry of Culture, Sports and Tourism announced in its major work plan that it will provide full support to foster global content IP to secure the competitiveness of K-content and foster it as a national strategic industry. The government has set a vision of "National Leap Forward, National Happiness Led by K-Culture," and has set a goal to increase K-content exports from \$12.4 billion in 2021 to \$22 billion by 2027, to strengthen its position as a K-content export powerhouse. To strategically expand K-content exports, the government is providing the largest policy financial support (K-Content Fund) in history, as well as promoting and organizing fairs and marketing for K-content exports. The proposed budget for the content sector of the Ministry of Culture, Sports, and Tourism in 2023 is KRW 974.3 billion, accounting for 14.5% of the total budget of KRW 6.07 trillion.

#### *4. 3. K-content Distribution Status and Issues*

As OTT has become the primary window for content consumption, the distribution structure of content is changing to pre-release, simultaneous release, and exclusivity. OTT is also allowing for the free movement and flow of talent between the film and OTT production markets, blurring the lines between genres.

There are also structural causes within the movie industry, such as the market for fostering creators, risk aversion of content investors, and the burden of viewing fees on users, and it is necessary to identify the causes and prescriptions to overcome the current crisis in the movie industry (Roh, 2023). In the distribution market, the positive view that OTTs can stably recover their investments through exclusive contracts coexists with concerns about content monopolization by large OTT platforms. Unlike the offline distribution of video content, the online distribution market has low barriers to entry, and many new players, including big tech companies, have quickly entered the market, turning it into a red ocean. Under these market conditions, video content service

providers have been immersed in a race to secure quality content and have been forced to take investment risks to quickly supply original works from creators to their platforms.

If this situation develops, video service platforms owned and operated by foreign big tech companies will occupy an uncontrollable position in the Korean video industry ecosystem, given the current inability of the Korean government to control the unfair behavior of foreign big tech companies in the domestic market. OTT platforms such as Netflix and Disney Plus have an incentive to engage in business strategies that directly target the market structure to expand their profits, such as producing their content and acquiring existing content producers. In the case of non-traditional platform markets, there are issues such as monopolistic pricing after monopolization and discrimination against users and competitors, which can be referred to as "lure and extortion" strategies (Lee, 2022: 92).

### **5. Conclusion and Implications**

Korean cultural content, which started with K-pop, opened the era of K-content, culminating in Netflix's "Squid Game," which led to music, webtoons, and videos. However, domestic OTT platforms, which are now late to the video OTT business, have been in a structural vicious circle, as they are in a large deficit due to the entry of big tech companies such as Netflix, which has large funds and a global market lead, and are not sure when they will realize a profit.

This is a natural consequence of the digitalization of the cultural content industry (Choi, 2023). The cultural industry ecosystem consists of a value chain of creators, distributors, and consumers. If any of the three components of the value chain fails, overseas cultural industries will take their place. The video content industry has more value-added economic significance for a country than any other industry. When domestic video content platforms collapse and domestic creative activity shrinks, the damage is passed on to domestic cultural consumers. If foreign big tech platforms dominate the domestic content market, which the Korean government cannot control, they can demand high prices for cultural content consumption.

In the current globalized video content ecosystem, the domestic video industry is losing its competitiveness. To strengthen the competitiveness of K-content in the future, new creators must enter the digital content ecosystem and realize a virtuous cycle of continuous creation. In the case of China, a differentiating strategy is to use the ASEAN market as leverage. While China itself is a large market, there are synergies to be gained by considering the Southeast Asian market when planning your approach to China. As K-content is maturing, it is essential to think about further

market expansion.

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