

Huy Quang Le

Effective marketing strategies in K-pop industry

Case study: TWICE - JYP Entertainment

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SEINÄJOEN AMMATTIKORKEAKOULU
SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

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Thesis abstract

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Author(s): Huy Quang Le

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Twice is currently leading girls group in the K-pop music industry. The group has attracted a significant number of fans not only in South Korea but also all around the world, thanks to spectacular marketing strategies from their managing company- JYP Entertainment.

The aim of this thesis is to have a closer look on what are the key marketing strategies that JYP Entertainment has used to promote for Twice. There are two main parts in this thesis: theoretical framework and empirical study. In the theoretical part, a basic principle of marketing has been introduced as well as digital and social media marketing. Moreover, a brief introduction about K-pop industry, JYP Entertainment, the girl group Twice and their marketing methods has also been presented as well as how K-pop, a music style with vast of audio-visual components has become a phenomenon worldwide.

In the empirical part, a quantitative survey of random 100 people who interested in K-pop music was conducted to analyse the potential customers group and their behaviour. Eventually, the results will help the entertainment companies creating a marketing strategy to attract more fans for their artists.

Keywords: marketing, strategies, K-pop

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Terms and Abbreviations

Term K-pop: South Korean pop music

 Ads: advertisement

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1 INTRODUCTION

K-pop has become more and more popular in the world music entertainment industry. Nowadays, K-pop artists has attracted more fans and attention from Western media than ever before. However, the competition among K-pop groups and artists has also become more fierce compare to the past. In order to stand out from competitors, Korean entertainment companies have to create effective marketing strategies for their groups and artists. As a result, some Korean groups and artists has achieved more success and popularity compare to others.

In this thesis, researcher will discuss how important is marketing in K-pop industry, how entertainment companies use different marketing tools to create competitive advantage and suggest some methods and ideas entertainment companies can adopt to improve even better through an online survey.

The target in this thesis is Twice, the most success and biggest girl group in K-pop in current generation. The reason that researcher choose Twice as the thesis target is because they are a great example of gaining popularity and attention from media through impressive marketing strategies from their managing company, JYP Entertainment.

This thesis aims to have an inside and a closer look at the marketing strategies in K-pop industry. There is a lot of useful information that entertainment companies can refer to improve their business.

2 K-POP INDUSTRY

2.1 K-pop at a glance

K-pop stands for Korean Pop music. K-pop is gaining a lot of success and attention from music fans around the world in recent years. Beside the catchy music, K-pop also attracts views through energetic and fancy choreography as well as fashionable clothes. Some of the K-pop groups and artists are well known worldwide at the moment, for example: BTS, EXO, TWICE, BLACKPINK, PSY, etc. K-pop artists are often represented and trained by entertainment companies. The artists are scouted from audition not only in South Korea but also in foreign countries. After that, they normally train in the Entertainment companies as a trainee for 5 to 10 years. The successful trainees will then officially sign the contract and debut under the companies' name.

Lessons from K-pop's Global Success from Seo (2012, 62) indicated how popular K-pop is viewed on YouTube around the world.

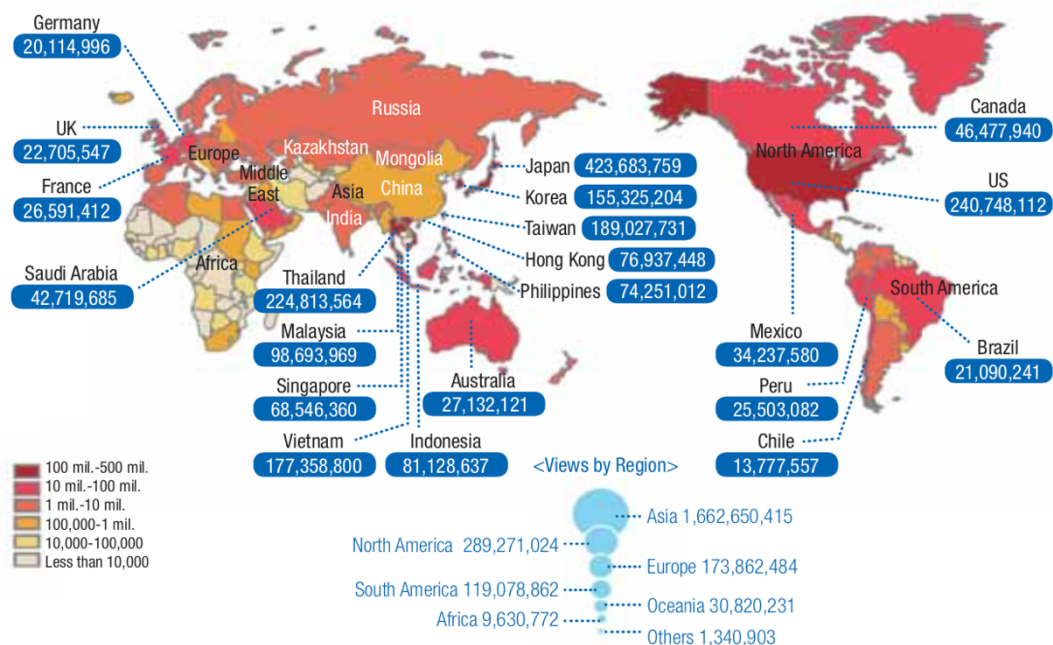


Figure 1. Number of Views of K-pop Videos on YouTube (2011) according to Seo (2012, 62).

Japan, Thailand, Taiwan and Vietnam are the top countries for K-pop. In addition, “The K-pop waves” expanded their coverage to North America and Europe.

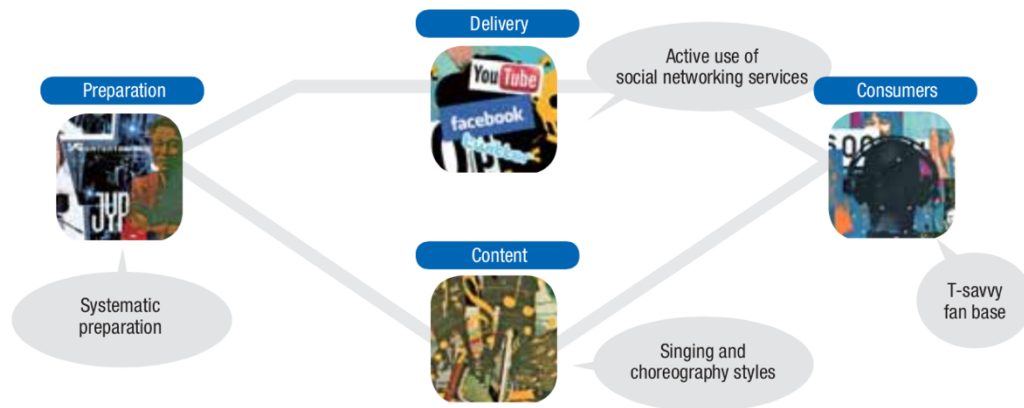


Figure 2. K-pop’s “Diamond” Success Model from Seo (2012, 62).

The reason for the success of K-pop is showed as above figure. All K-pop songs and singer are put into systematic entertainment company for preparation at early stage. After that, the new K-pop songs and image of K-pop band are advertised on social media services alongside with singing and dancing styles, which are emphasis elements from K-pop. Eventually, K-pop reaches to consumers, consisting knowledgeable fan base, which spreads out the product across the population.

2.2 Benefit to the economy

The following figure, which is from research of Seo (2012, 64), illustrates the correlation between K-pop and other industries:

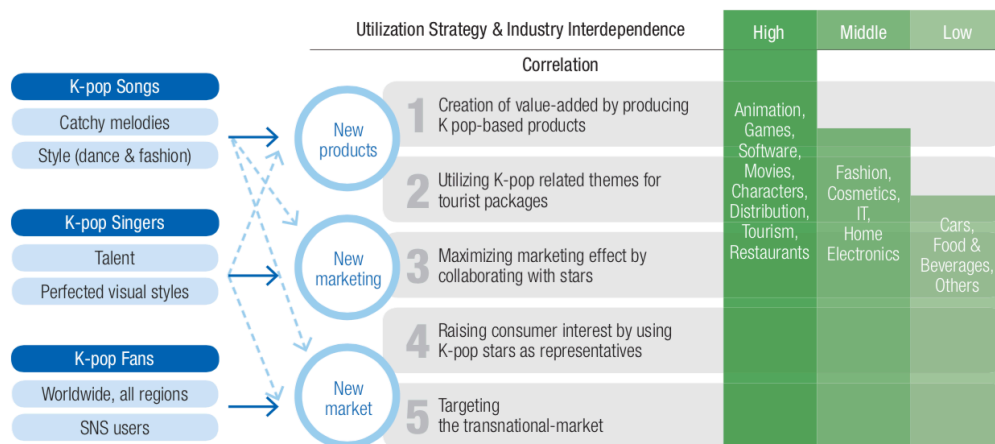


Figure 3. K-pop Utilization Strategy by Component from Seo (2012, 64).

K-pop has contributed a big part to South Korea's economy. Entertainment companies made a great number of revenues every year and added value to the country's income through taxes. In addition, there are a lot of businesses and jobs created by making products that related to K-pop such as cosmetics, fashion, games, movies, etc. The branding effects of K-pop is extremely strong at the moment. Moreover, the popularity of K-pop also brings a lot of new tourists to South Korea. There are a big number of K-pop fans from overseas comes to South Korea to attend shows from favourite group as well as visiting famous South Korea's tourist attractions. K-pop has promoted a positive image of South Korea's tourism by using the artists' appearance.

3 MARKETING STRATEGIES

3.1 Basic principles

Marketing involves in every human activity, ranging from business to culture and other aspects of life, therefore, understanding and manipulating marketing would practically bring benefits to product or service. In basic principle, marketing mix is not a strange concept because it always exists to fill the gap between product or service and final consumers.

According to Kotler, Armstrong, Saunders and Wong (1999, 106), marketing strategy creates a marketing mix by using mechanisms under its control: product, price, place and promotion. The figure below shows specific activities in each “P” and they are all directed to target market.

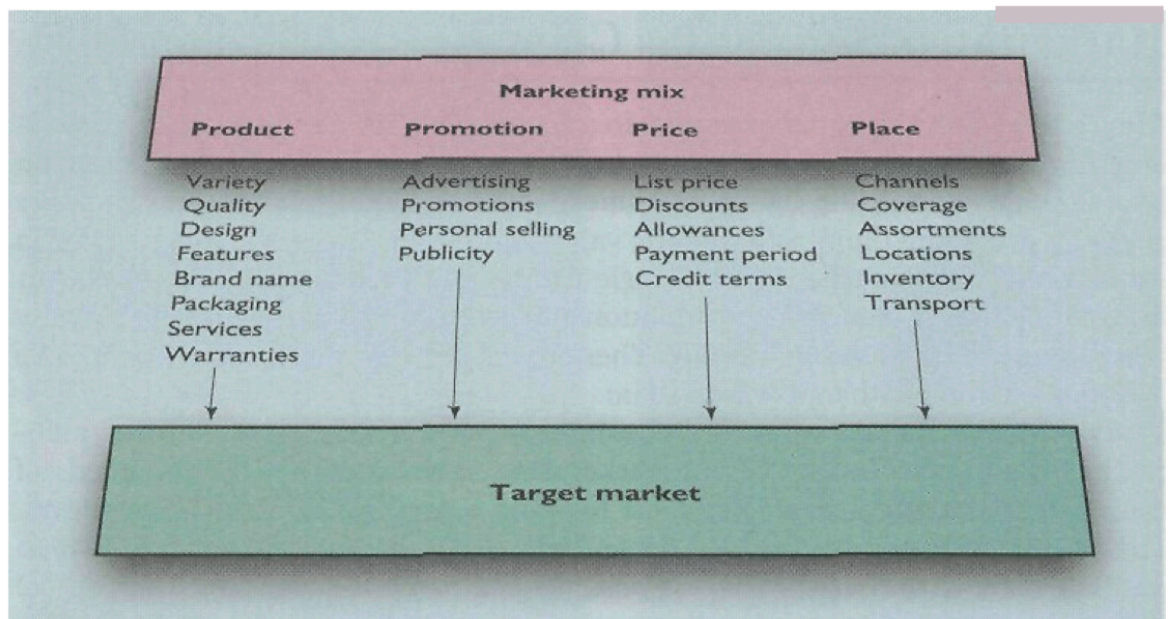


Figure 4. The four Ps: The marketing mix from Kotler, Armstrong, Saunders and Wong (1999,110).

Marketing experts have also continued to add other P's to the marketing mix, such as Process, Physical Evidence, People, etc. for marketing activities. However, this strategy can only be successful if the enterprise plans and deploys objectively from consumers and consumers, not from the subjective perspective of the business.

3.2 Digital and Social Media Marketing



Figure 5. Forms of Direct and Digital Marketing from Kotler and Armstrong (2016, 539).

There are diverse marketing channels that build direct customer engagement and community. In fact, the assumption from Kotler and Armstrong (2016, 538) concluded that the result of digital has given marketers the whole new way to maintain the relationship, to generate values and to engage customers. Both forms of traditional marketing and online marketing are being used popularly, on the other hand, digital and social media marketing promote own strengths in certain fields, for example music, travel, accommodation, graphic design, etc.

With the development of technology, online marketing is utilized at high demand, consequently there are more and more companies move their business to digital market because it is convenient for people around the world to reach product and service by a click. Amazon, eBay and Alibaba are successful companies in digital business platform and they definitely know the effectiveness of marketing online as well as manipulating marketing strategy to approach their potential customers.

Social media contribute a large piece to the success of marketing online. Facebook, Instagram are common for people of all ages. It seems that social media control a part of life as a result of increasing active users in every second on social media platforms. Indeed, information is updated in a blink help people know what is happening and what is trending online, thus making advertisement accessible rapidly.

4 TWICE – JYP Entertainment

4.1 TWICE in brief

TWICE is a K-pop music band that formed by JYP Entertainment company from a live contest called Sixteen in 2015. There are nine girl members in the group, including Nayeon, Momo, Mina, Sana, Jihyo, Dahyun, Chaeyoung, Tzuyu, Jeongyeon. In particular, TWICE members come from different nationalities such as Japan, South Korea and Taiwan. In South Korea, the group is considered as national music group because of its success, especially TWICE has introduced many hit albums, which have been sold rapidly to young adults between 16 to 25 years old. TWICE approaches to music industry with cute concept, which is very much different from the concept of the sexiness and reckless of other girl groups in South Korea; thus, this makes them special and it helps them to come closer to young fans around the world.



Photo 1. Picture of TWICE in a live concert 2018 from Mcjoun Tistory

4.2 Step to success

The success of a music group is not only from talents, but also from intelligent strategies of management company. It is important to mention the name of entertainment company: JYP entertainment corporation, which is one of the biggest entertainment company in South Korea. The company has been established since 1997 by Park Jin-young, who is known as a Korean song-writer, music producer as well as singer.

4.3 Marketing methods

There are various types of marketing for music group, specifically TWICE carried out advertisement and broadened their reputation in different ways.

Since deciding to form the girl group Twice, JYP Entertainment have had clear marketing strategies for the group. The following are some of the good strategies that JYP Entertainment used to promote their leading girl group.

- Choosing members for Twice through the show "Sixteen"

The company wanted to attract as many fans as possible even when Twice haven't debut yet. As a result, the reality show "Sixteen" was created. In the show, there are sixteen trainees from JYP Entertainment competing for 9 places in new group called Twice. Among different episode, the trainees will compete against each other in singing and dancing skills, and the fans will vote for them. The purpose of Sixteen is to help each individual girl having their own fandom even before debut as well as increase number of fans to the whole group. This strategy has worked out nicely since the show has gain a great amount of attention from public and Twice has already have a strong fandom before officially debut.

- Localized product

Japan is an important market for Twice beside South Korea because it is one of the biggest markets in music industry. Moreover, there are three Japanese members in

Twice which is the important factor in attracting a substantial number of fans and viewers in Japan. To expand to Japan, JYP Entertainment decided to release Twice song and album with lyric in Japanese exclusively for this market. In addition, all Twice activities in Japan is organized by JYP Entertainment Japan. As a result, Twice is becoming one of the most popular girl group in Japan with an impressive sales and result. Twice has had a great amount of songs ranked highly in music chart as well as high revenues in album selling. The Twice fandom in Japan is populated and strong.

- Strong and dedicated management team

Earlier this year, during a speech at GAN Accelerator, the founder of JYP Entertainment Park Jin-young has revealed that all JYP artists each now have their own management team. This is different from other competitors who normally have a department taking charge of all their artists activities. This change has contributed heavily in Twice's success since their own management team can concentrate totally on Twice without distract in other artists in the same company.

- Good relationship with fans

The Twice fandom "Once" is one of the most important factors in the success of the group. They are one of the strongest fandoms in South Korea at the moment. Understanding this factor, JYP Entertainment has worked very hard to satisfy Twice fan. Every time Twice has a comeback with a new single or album in both Japan and South Korea, the company has organized multiple fan meeting events where the fans can come and meet the Twice member in real life. In addition to that, the company also create an official membership register in fandom in which there are substantial benefits when joining. For example, the members will get discount on Twice official merchandise, concert tickets and official albums.

4.3.1 Social Media

Social media is known as the most popular method to show people around the world what is happening. Apparently, some famous social media channels are Facebook and Instagram as well as official website on Internet contribute a lot to the effectiveness of branding. Some of social media channels that TWICE puts their brand are shown as follows:

Facebook is used by almost everyone around the world, especially there are approximately one billion people are active on this platform, thus Facebook is a fastest information channel alongside with Instagram, which is also used by one hundred million people every month. It cannot be negated that social media channel is an effective tool for sharing information and advertise the image comprehensively. Besides, official website is considered as a digital model for announcement and merch purchasing. It can be seen that TWICE got special attention from netizen and their fans, to illustrate, they have over two million followers on Facebook and 7 million followers on Instagram, hence it is a great achievement for a K-pop band.

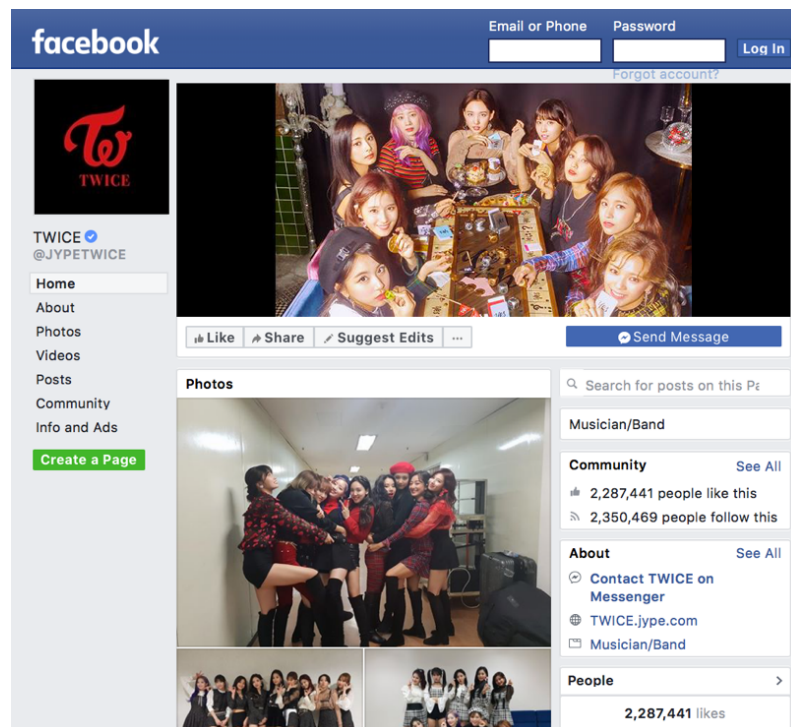


Photo 2. TWICE's Facebook page

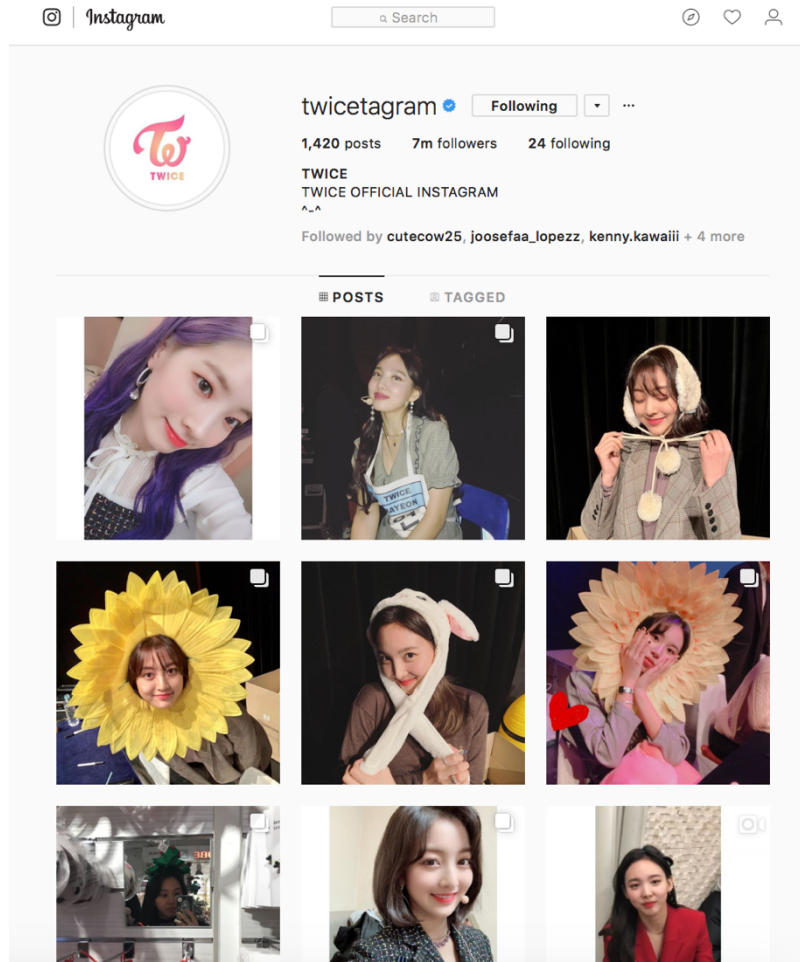


Photo 3. TWICE's Instagram



Photo 4. TWICE's official website

4.3.2 Printed materials

Printed materials are considered as a product, actually it is a way to market the image of real product, which means music. Some of the printed materials such as album, poster, CD, photocards, photobook is common way to market music in South Korea and they are also accepted worldwide.



Photo 5. TWICE's publications from Carousel



Photo 6. Twice album "YES or YES" was released in November 2018 from All K-pop

4.3.3 Live shows



Photo 7. Twice's performance in KCON 2018 Los Angeles from Teen Vogue

In any kind of music, performing is an essential part, especially when artists are on main stage, they are able to deliver the product lively, in different way, people taste the product on market and there is no better way to deliver the marketing messages to customers than this. Touring around the country or in other nations are trend to get more and more customers to music product. In addition, there are banners, light sticks, posters available in a live show in order to expand the image of the band as well as to make atmosphere vibrant.

4.3.4 Streaming

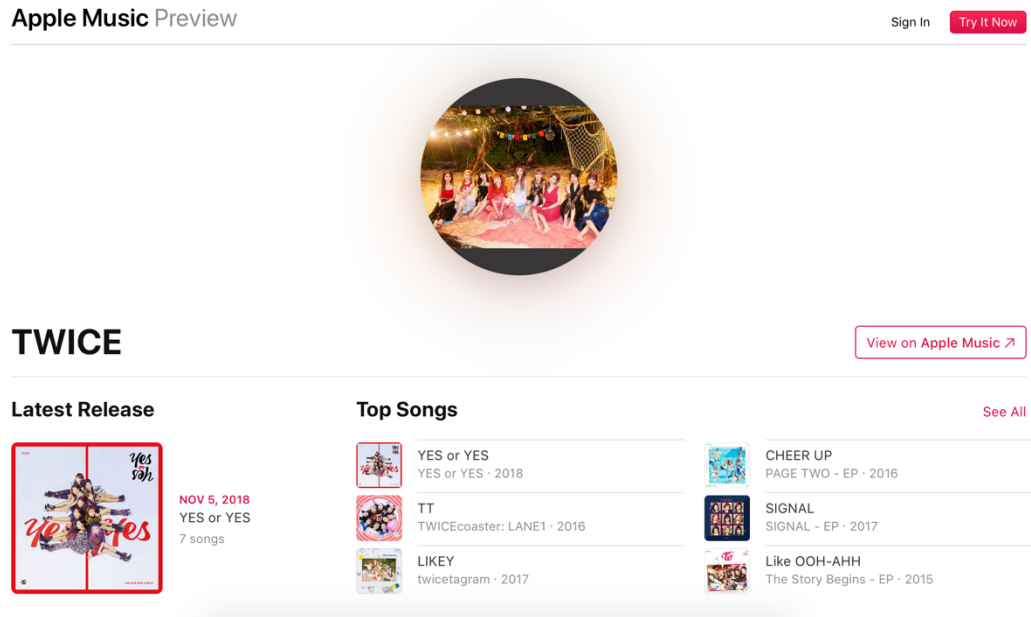


Figure 6. Twice's album on Apple Music

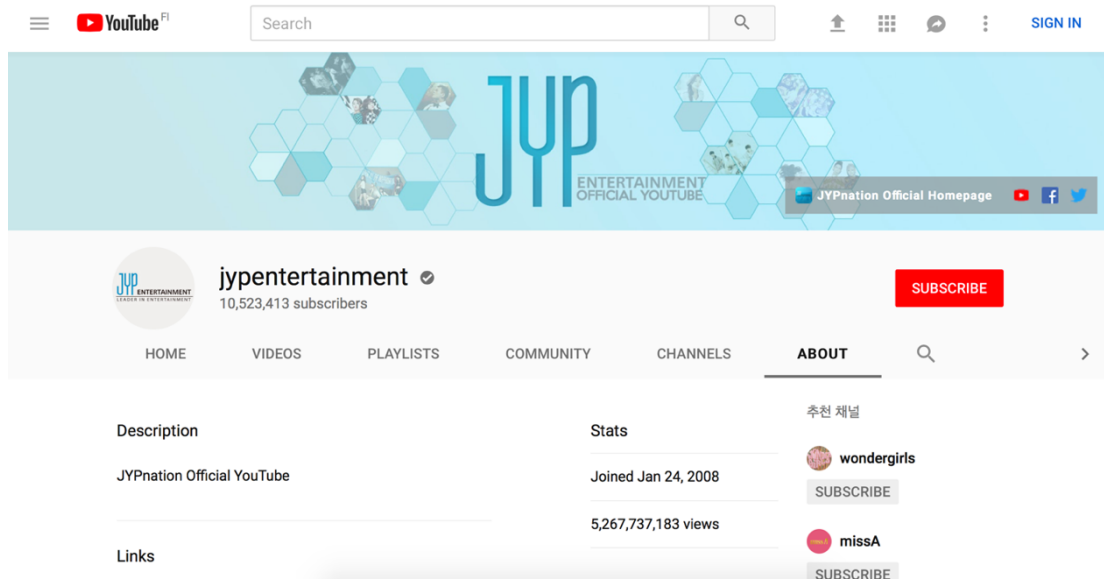


Figure 7. JYP Entertainment's YouTube channel

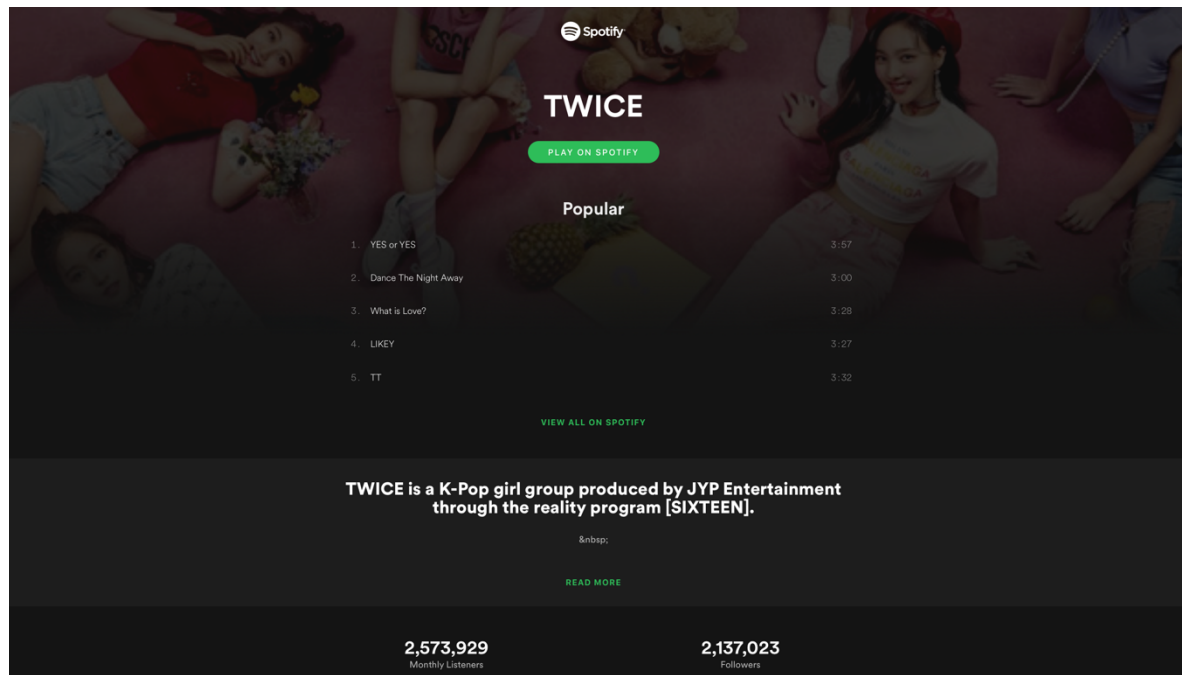


Figure 8. TWICE's Spotify playlist

YouTube, Spotify and Apple Music are digital platforms for people to listen to music as well as platforms for producers to make money through advertisement and subscribe account. It is estimated that there are million people using those platforms to stream music and video, consequently money flows into bags of producers and service companies. Moreover, this is also the tool for marketing online, for instance, Ads are shown to viewers or listeners frequently.

In Apple music, people can play a part of a track for free but to listen to the whole song, they have to pay. With Spotify, people can listen to music free, but they will hear some voice advertisement regularly, however, if they want to listen without Ads, they pay for a subscription. On YouTube, videos are free to watch, but Ads inherently exists between watching time, approximately one or two Ads in every three-minute period.

TWICE is using those streaming tools thoroughly to advertise their music with million followers and subscribers that grow rapidly every time the band releases new music.

5 RESEARCH METHODOLOGY

Survey is one of the most common type quantitative methodology. According to Fowler (2009,2), survey has some typical characteristics such as:

- Aim of survey is producing quantitative description, especially statistics from some aspect of study population.
- Collecting information by handling out questions to people and their answers will be turned into data for further analyzing.
- The collected data is from a fraction of the population

In this thesis, data is collected by giving survey randomly to people, who are interested in K-pop. The statistics from survey will be used to analyze the trend and the way people approach to K-pop music, hence it is able suggest what kind of suitable marketing strategies that can be used to attract different target. For example, marketing action for different age group or applicable advertising channels to boost sales in K-pop music industry.

Allkpop.com is a well-known website for K-pop lovers, especially, there are events, photos, discussions as well as place for public survey, which aims for K-pop research. In practice, user of Allkpop.com website post survey questions in the forum and get the answers random K-pop fans, who are active on website. After a while, user can count how many people have answered the questions, hence, user gets the data to use for own purpose.

6 RESULT

Here is the result after handing out survey to 100 random people, who are interested in K-pop music.

6.1 Ages and Frequency of listening to K-pop

Survey, which has been collected from different age groups and their time spending for listening K pop, is shown as below:

	less than 1 hour	1,5 to 2 hours	over 2 hours
15-20 years old	10 people	12 people	20 people
21-25 years old	12 people	16 people	18 people
over 26 years old	11 people	7 people	4 people

Table 1. Data collected from 100 random people, who answered the question: How many hours per day do you spend for listening K-pop?

According to the data, it is possible to draw the following a 100 % stacked column, which shows the relation between age groups and time spending for K pop music.

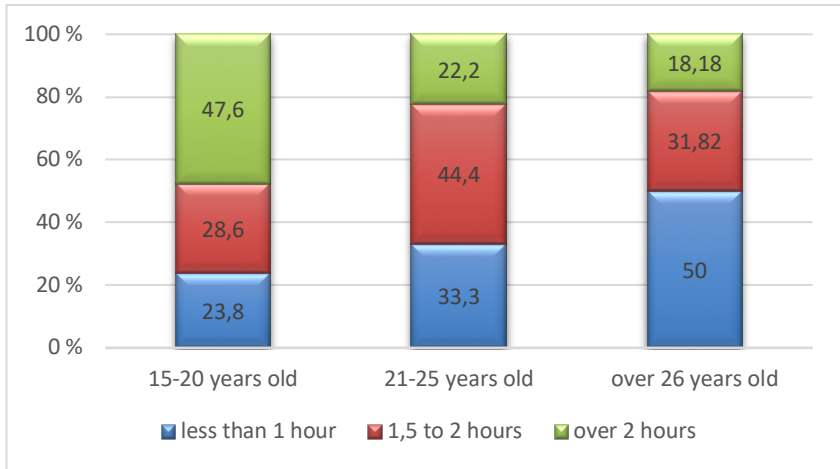


Figure 9. Correlation between Ages and Frequency

According to figure 9, there are 47,6% people from age group from 15-20 years old spend over 2 hour for K-pop music compared to 22,2% in 21-25 years old group and 18,18% in over 26 years old group. This data shows that the younger people group, the more time they spend on listening to K-pop music. This has illustrated that the main target group that K-pop Entertainment Companies need to market their product are group of 15-20 years old people who spend more time for K-pop music. They are the most dedicated fans who will contribute on streaming music and buying albums.

6.2 Accessing to K-pop

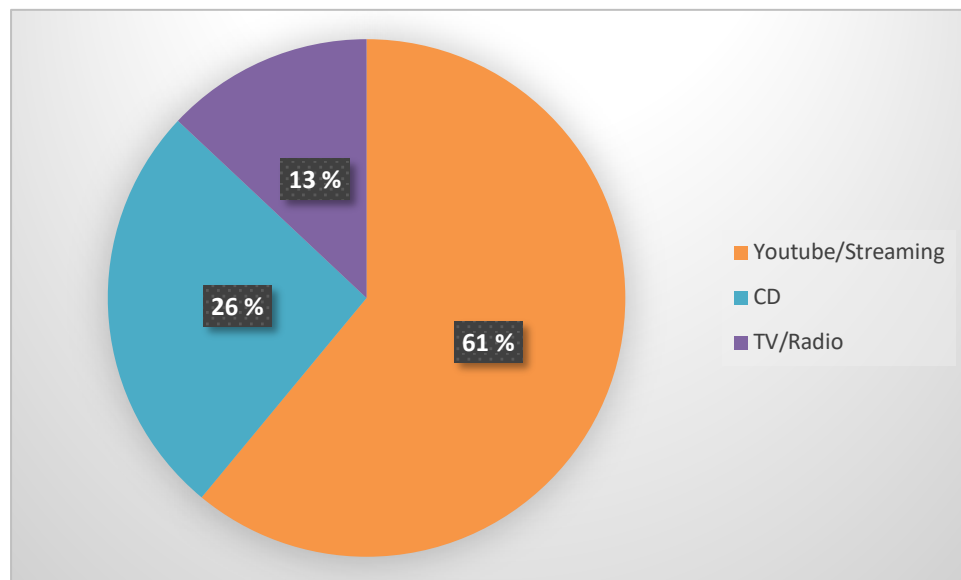


Figure 10. Channels that people use to listen to K-pop

The figure 10 represents three channels that consumers access to K-pop music: YouTube streaming, CD, and TV/radio. As can be seen, the majority number of people access to K-pop through YouTube and other streaming platforms such as iTunes, Spotify, Deezer, etc. with 61%. This result is reasonable according to Figure 2 since there are significantly number of people in the age 15-20 spend more than 2 hours for K-pop music. They are the group that accessing music mostly through Internet, social media and streaming platform compare to older group who prefer to listen music through more traditional tools such as CD, TV/radio and live shows. In general, this information suggests that Entertainment companies should advertise

heavily on YouTube and streaming sites to promote for their artists, so they can access to their target customers.

6.3 Considering factors

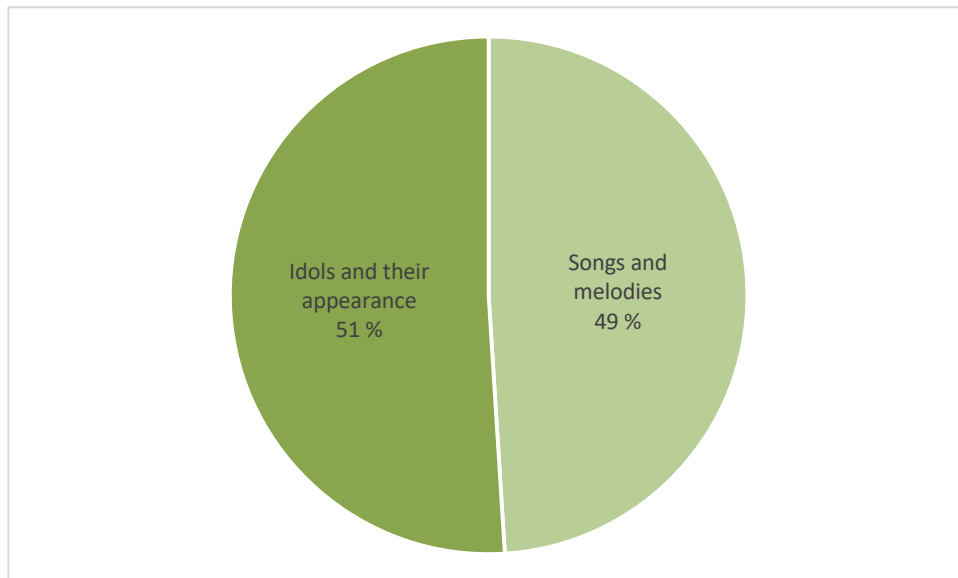


Figure 11. Which factor influences people to listen K-pop

In the figure 11, the pie chart presents information about which factors influences people to listen to K-pop. The chart compares between two factors: Idols and their appearance, and songs and melodies. At a first glance, it is clear that both factors are similarly important for consumers when listening to K-pop music with 51% and 49% respectively. Generally speaking, the data suggests that Entertainment Companies should invest equally on both factors. In the past, music quality is the most important factor in deciding the successful of songs. However, the visual factor is now more and more important than ever before. The appearance of artists is becoming more important nowadays.

7 SUMMARY

The entertainment industry is becoming more competitive than ever, especially in K-pop. Having an outstanding marketing strategy is key to success for every entertainment companies in recent time. In this thesis, the researcher has given information on basic knowledge of marketing, how the case study target “TWICE” doing their marketing, and the research method. Moreover, the conducted quantitative survey was also an effective statistic for entertainment companies to have a concrete views of current music market. As a result, the entertainment companies can adapt and set up their marketing plan for their artists in order to attract new customers and satisfy their current fans.

Through this whole study, the researcher hope that entertainment companies can get benefit from this information and apply to solve their case. The thesis can also use as a study source for students and researchers, who are interested in researching further about this topic.

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TWICE's Spotify playlist . [Web page]. [Ref. 25Nov2018]. Available at: <https://open.spotify.com/artist/7n2Ycct7Bejj7Dj7mel4X0>

APPENDICES

Appendix 1. Questionnaires

These questions below are related to Korean pop. Thanks for your answer.

1. Ages

- 15 - 20
- 21 - 26
- over 26

2. How many hours per day do you spend for listening K-pop?

- less than 1 hours
- about 1,5 to 2 hours
- over 2 hours

3. Which channel do you use mostly to listen to K-pop?

- YouTube/Steaming
- CD
- TV/ Radio

4. Which factors are the most important to be considered from a K-pop band?

- Songs and melodies
- Idols and their appearance

