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Research on Core Competence of Cultural Industry in Korea

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Abstract

Purpose - This paper will go deep into the analysis of Korean Cultural industry development, and the result of the analysis shows that the cultural value of cultural product, competitive product lines and mature Market Mechanism are core competences of Korean Cultural industry.

Research design, data, and methodology – This is a case study in the era of knowledge based economy, Cultural industry has become a new increasing point of economic development. Cultural industry, commonly regarded as an industry with high-ended value, is occupying more important role in economic development and social welfare promotion process.

Results - Moreover the increasingly important role of cultural industry will hopefully help to promote industrial upgrading process and finally become a driving force for economic growth and technological innovation. During the process of cultural development, improving core competence of Cultural industry is a key consideration to help the development of Cultural industry in a positive way.

Conclusions - From the study above, we find that in order to ensure sustainable development of Cultural industry, emphasis should be put on finding and improving core competence. Core competence of Korean Cultural industry is important and inspiring to the development of Chinese Cultural industry and regional integration in the East Asian area.

Keywords: Korea Cultural Industry, Core Competence, Chinese Cultural Industry, Korean Drama.

JEL Classifications: J50, L10, M10.

1. Introduction

Cultural Industry is an emerging industry after entering information society; it is a kind of knowledge intensive industry. In the era of knowledge-based economy and information domination, cultural industry has become a new increasing point of economic development. Cultural industry is not only of great economic value, but also represents the soft power of a country. Therefore, Cultural industry gradually became strategically core industry in 21st century. As a result of that, governments and enterprises put emphasis on developing local Cultural industry, and the key point of developing Cultural industry is to develop core

competences.

This article will firstly illustrate and analyze current status of Korean Cultural industry development, and research on core competences of Korean Cultural industry, the aim of this article is to better understand Korean Cultural industry development and to further inspire Chinese Cultural industry development and to support close cooperation between China and South Korea.

2. Core Competences of Korean Cultural Industry

Cultural industry refers to the various businesses that produce, distribute, market or sell products that belong categorically in creative arts. This industry is a very large category for certain types of businesses.

From the aspect of Cultural economy, Cultural industry considers culture and art as sources of products, industrial

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behaviors about exchange, buying and selling, within the big environment of market.

If we assume that the products from other industries meet our basic needs as human beings, then the products from Cultural industry meet human beings' needs for cultural and mental healing, which impact people's lifestyle in a significant way.

Porter (1990) considers product competence as the ability to gain more market share and actual interest than opponents under certain circumstances. The ability to earn interest as much as possible is the key to product competence. While Hua (2005) thinks that, creativity determines the ultimate value of the whole product line because the core value of the Cultural industry is the original cultural contents, without creativity or innovation, the products are worthless, no matter how many they are. Therefore, creativity and innovation are the most important parts in the Cultural industry development.

Zhao (2006) and Sun (2010) believe that the compete about Cultural industry is actually equal to compete about Cultural value. A series of cultural value integrate and compose human's senses of worth, which will further be the base of competence of Cultural industry. Cultural industry, like other industries, is determined by market regulation, or we may say demand and supply. So, we can draw the conclusion that competing mechanism and cultural value, or creativity are the core competences in Cultural industry. Analysis of Korean Cultural industry using the case of Korean drama will be further explained below.

2.1. Cultural value of Korean drama

Cultural industry produces spiritual products with the source of culture, which contains value, emotion, society of a country and composes the inner side of a country, and this inner side is the core of the competence in Cultural industry.

The rapid development of Korea's cultural industry can be seen from the emergence of the created word, "Korean Wave".

"The boom started with the export of Korean television dramas (mini-series) to China in the late 1990s. Since then, South Korea has emerged as a new center for the production of transnational pop culture, exporting a range of cultural products to neighboring Asian countries. More recently, Korean pop culture has begun spreading from its comfort zone in Asia to more global audiences in the Middle East, Africa, Europe, and the Americas." (The Korean Wave, 2011).

The Korean government has tried to take advantage of the Korean Wave as a policy tool to improve its cultural and public diplomacy at the same time. (Jang & Paik, 2012)

The influence of Korean Wave is admittedly significant to Asia, especially China. Korean dramas gradually became popular among Asian countries since 1990, some of them

even created sensational effect worldwide. From the earlier <what is love>, <Autumn in My Heart >, <Dae Jang Geum> to the latest hit dramas <The Heirs>, <Man from the Stars>, the Korean dramas renewed viewing rates of Asian countries, its great influence and popularity draw broad attention worldwide.

With the rapid development of Internet and Social Network Service website, by 2009 approximately 90% of network consumers are using or showing a willingness to use SNS website, which is a significant transformation from the previous status of SNS cultural infertility.

Moreover, the increasingly mature Internet and SNS website is helpful for Korean dramas to reach the Chinese customers who live in the central part of China and those without overseas background. Some Korean drama lovers from China know the meaning of several Korean words although they have never been abroad. Therefore, there still remains huge development potential for Korean dramas to reach wider range of people in China.

Korea and China enjoy many cultural similarities such as traditional Confucius thought. After investigation and study, I discovered that positive Confucian school cultural value and sensational emotion expression are crucial reasons explaining why Korean dramas are so popular in East Asian area.

First of all, Korean dramas express Confucian school based cultural value in a very subtle and easy-to-accept way. Confucianism was originated from China and still, has a great influence among Asian area, which lay the foundation for the broadcasting of Korean dramas.

We can see that in Korean dramas, Respect for elders is an important societal value. Respect for others according to age or position is a pillar of Korea's Confucian traditions. Almost all the characters in Korean dramas follow the traditional orders no matter how poor or rich they are. Scenes which are against social justice, morality or ethics such as sexism and violence can seldom be seen in Korean dramas, while such scenes can be frequently seen in Chinese dramas. We can expect that if the audience faces this kind of immoral dramas everyday they will feel upset about social reality.

Another feature noteworthy to say of Korean dramas is that the ultimate subjects of almost all the Korean dramas are around an English saying: 'One good return deserves another', which means that good will be rewarded and evil will be punished. And this not only reflects the cultural values of Confucianism and Buddhism, it also in accordance with the social moral standards that most people hold. So, it is certain that Korean dramas are popular among audience.

Secondly, subtle and dedicate emotional expression is another core cultural value of Korean dramas. Love for family, friend and lover are always main emotional topics that Korean dramatists use to touch audience's heart. Furthermore, in every scene of Korean dramas, audience may find that their talented dramatists know a special way

to make trivial pieces of life as attracting as possible.

2.2. Competitive product lines and market mechanism

Three most powerful TV stations inside Korea are KBS, MBC, SBS, and their drama playing time periods are overlapping—after the news. When that time arrives, audience has to make a choice from KBS, MBC, and SBS, which requires producers to make more competitive dramas.

Korean dramas in the previous time were usually organized, invested and made by TV stations, with the great increase of the need for dramas; TV stations gradually outsource this process to the spectacular outsourcing companies. In 2000, there were only 300 outsourcing companies in Korea, while in 2008, the number became more than 1000. (Xu, 2014)

The chance to make their dramas shown in three main TV stations became incredibly precious so that they have to make more competitive products.

The competence of Korean dramas is mostly decided by creativity, or we can say the script, is another deciding factor for the success of Korean dramas.

In Korea, Scriptwriter plays an incredibly important role during the drama making process. As you may know, a good script is an important foundation and support for the whole drama, which is a key factor distinguishes Korean dramas and also significant difference between Korean and Chinese drama making process. Scriptwriter is highly approved and often regarded as the soul of the whole making team.

There is a clear Pyramid structure in Korea in which scriptwriters are divided into three level according to audience rating and respond of the drama they produce. Top-ranked scriptwriter such as Ensoo-Kim, who is famous for romantic fantasy she portrayed and produced the viewing miracle of classical Korean drama like <Lovers in Paris> and recent hit drama <Descendants of the Sun>, <The Heirs>, can be seen as the core competence of production company in Korea. A senior scriptwriter even has the right to decide the actors or actresses. The opinion to change the script will be revised until the formal discussion is made, which means that the drama will basically follow the original structure of the script. While in China, on the contrary, the drama will not go to the same direction with the original script in the most occasions. Directors and actors, not the scriptwriters, direct the running of the story and personalities

of characters, which will obviously affect the quality of the drama in a negative way.

In recent years, producing dramas in Korea has been a mature industrialization process. Actors, directors, and scriptwriters (most of whom usually go through a long and tough intern period before they become famous), they all experience the stress of hard work and studying, which matches the intensity of this profession. So, there is no doubt that they will produce dramas in a high quality. The high pressures they are going through can be unimaginable to Chinese dramatists.

3. Conclusions

Cultural industry is indeed becoming a developing point and driving force for economic growth. We may conclude from the case of Korean cultural industry, which development is much more mature, that cultural industry can generate huge economic profits and further help to promote economic growth and social welfare. Furthermore, under the concept of soft power, or smart power strategy, increased investment in cultural industry such as drama and music may become a key point to raise the image of the country abroad. Therefore, there exists significant meaning to develop cultural industry in Chinese market based on the experience of cultural development in Korean market.

It has now been more than a decade since Korean drama has made a massive inroad into East Asia and, subsequently, other Asian countries. Korea has become the fifth largest cultural power worldwide, while China, another superpower with abundant cultural resources, is still at the primary stage of Cultural Industry development. The strong demand and potential for cultural market in China makes China a perfect destination for cultural consumption and development, which provides great opportunities for cultural development inside local market of China. But when and how to transfer abundant cultural resources into cultural competences is a question worth consideration.

The core competences of Korean Cultural Industry are decided by cultural value of cultural products, competitive product lines and mature market mechanism and so on. We believe that in the future, China may learn from Korea development experience and explore a development path in accordance with Chinese actual conditions.

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