



Print ISSN: 1738-3110 / Online ISSN 2093-7717  
 JDS website: <http://kodisa.jams.or.kr/>  
<http://dx.doi.org/10.15722/jds.20.01.202201.109>

[Short Communication]

## Multichannel Strategies: A Case Study of the Korean Musical *Myeongdong Romance*\*

Sung-sook AHN<sup>1</sup>, Yoon-joo PARK<sup>2</sup>

Received: December 31, 2021. Revised: January 05, 2022. Accepted: January 25, 2022.

### Abstract

**Purpose:** The purpose of this study is to confirm that multichannel distribution strategies may be used for cultural and artistic products such as musicals, just as for general consumer goods, through a case study on the distribution strategy for a musical title. In addition, a distribution strategy for cultural and artistic products is proposed based on the analysis of the case. **Research design, data, and methodology:** Qualitative research methods, such as case study research and in-depth interviews, were used in this study. **Results:** The case study of the Korean musical *Myeongdong Romance* confirmed that multichannel distribution strategies may be used for musicals, including performances at theaters, Naver TV screenings (a service linked to an Internet portal), LGU+ screenings (an IPTV and OTT media service), DVD releases, and screenings of recordings of Romance Hall performances. **Conclusion:** For cultural and artistic products such as musicals, distribution channels can be diversified to incorporate the simultaneous use of multiple channels. New cases involving other cultural and artistic products and services to which this distribution strategy is applicable may be identified, and the strategy may be implemented along with new technologies to reduce costs further.

**Keywords :** Multichannel Strategies, Cultural and Artistic Products, Musical, Videoization

**JEL Classification Code:** M1, D3, C46

### 1. Introduction

The four main elements of a play are the stage, actor, audience, and drama, but this concept is being modified to accommodate the smart stage, which introduces a new production arena. This is the case for the musical *Myeongdong Romance*, the subject of this study.

The art and culture industry significantly affected by the novel coronavirus (COVID-19), as performances have been cancelled and audience numbers have plummeted due to

stringent quarantine measures. For instance, the opening of *The Musical, The Lion King International Tour – Seoul*, scheduled to be performed at the Seoul Arts Center, was postponed by about three weeks due to air logistic problems caused by emergency quarantine measures. Such a situation requires novel amelioration strategies, so that the cultural and artistic world can stay connected to its audience, and audiences can continue to enjoy world-class musicals, concerts, and sporting events. Surprisingly, it appears that there are indeed ways to circumvent this problem through

\* Acknowledgements: We would like to express our special gratitude to the CEO and lead producer, Jang Jae-yong and Lee Yun-na, respectively, at Jangin Entertainment for their sincere interviews for this paper.

<sup>1</sup> First Author. Professor, Department of Service Management, Kyonggi University, Korea. Email: [ahnmonica@Kyonggi.ac.kr](mailto:ahnmonica@Kyonggi.ac.kr)

<sup>2</sup> Corresponding Author. Professor, Department of Service Management, Kyonggi University, Korea.  
 Email: [yj6177@Kyonggi.ac.kr](mailto:yj6177@Kyonggi.ac.kr)

© Copyright: The Author(s)  
 This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<http://creativecommons.org/licenses/by-nc/4.0/>) which permits unrestricted noncommercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

technology with the help of various high-quality online real-time streaming services.

Such platform companies have made it possible for musicals to break away from a single distribution channel, that is, performances at theaters, and use multiple distribution channels instead.

This study aims to confirm the feasibility of multichannel distribution strategies for cultural and artistic products like musicals, just as for general consumer goods, through a case study analysis of a distribution strategy for a particular musical. In addition, a distribution strategy for cultural and artistic products is proposed based on the analysis.

A case study analysis of the multichannel distribution strategies for the musical *Myeongdong Romance* is performed in this study. For this purpose, Korea's current art and culture industry is first considered, followed by a review of previous studies on art and culture marketing, an analysis of the multichannel distribution strategies for *Myeongdong Romance*, and finally, a discussion of the study's implications

### 1.1. Current Status of Korea's Art and Culture Industry

Korea's art and culture industry can be summed up as having two characteristics and orientations in the era of the Fourth Industrial Revolution. First, it is characterized by future innovation and oriented toward online video content. With the recent expansion of the over-the-top (OTT) media service market, competition to secure core content that can increase the number of subscribers to an online-based platform is intensifying. In addition, the establishment of an online-based video content industry ecosystem is becoming increasingly important since more movies and dramas are actively produced using creative webtoons (web cartoons) and web novels, which are already popular in the global market. As can be seen in the case of the movie *Space Sweepers*, which is based on a webtoon, the importance of content that creates added value through dramatization is being emphasized. In addition, more content is actively being produced with consideration of scalability to other content areas even at the early planning stage. For example, at the Sejong Center for the Performing Arts, the musical *Joseon Three Musketeers* was screened as an online performance on Naver TV at 7 pm on December 22, 2021. It was produced with online screening in mind since the time of planning. The performance's video team is known to have worked together from the rehearsal stage, making utmost efforts to produce high-quality video. In addition, live viewing, a form of contactless viewing, has increased due to COVID-19. Online real-time content relay platforms, such as [www.liveconnect.co.kr](http://www.liveconnect.co.kr), are increasingly providing

services that add realism to sports, e-sports, and digital concerts with delay-free, high-definition, high-quality, stable streaming. Second, the pursuit of social values is becoming another goal in the art and culture industry. It is considered important because there is a tendency to neglect the aspect of social values due to the concentration of capabilities in high-tech industries given the acceleration of the digital New Deal. For example, the Arts Council Korea, one of the agencies under the Ministry of Culture, Sports and Tourism, held the 2021 Art Value Forum on November 23, 2021, featuring discussions on the topic "Response and Issues in the Art and Culture Industry in the Era of Eco-Friendliness." In addition, the Korea Arts Management Service hosted the Culture and Arts Social Performance Forum on November 24, 2021, and organized discussions to share and disseminate the culture and arts industry's socioeconomic achievements. Furthermore, the Korea Sports Promotion Foundation held the first Environmental, Social, and Corporate Governance management committee, confirming that more art and culture institutions are making a series of efforts to pursue social values.

**Table 1:** Summary of the arts and culture industry in South Korea

No.	Characteristics	Orientations	Examples
1	Future innovation	Online video content	Musical <i>Joseon Three Musketeers</i>
2	the digital New Deal	Pursuit of social values	2021 Art Value Forum

Source: Developed by the researcher (2022)

## 2. Literature Review

### 2.1. Art and Culture Marketing

"Place" refers to the way in which services are presented and delivered to the customers. Location, building, number of seats, parking facilities, amenities (heating or air conditioning and comfort of the seats), sound quality, maintenance, scene visibility, among others, comprise "place" in the theater (Dickman, 1997). Cultural institutions' influence extends beyond their individual locations through partnerships with other institutions (Kelly, 1993).

Châtelain (1997) asserted that to offer an accessible service to wider audiences, there exist two complementary strategies. The first one is a "pull" strategy to attract audiences to the theater by promoting image features and reputation. The second is a "push" strategy where products are actively promoted via different promotion techniques to facilitate access to the market without identity loss.

However, there is a dearth of studies on the distribution of performing arts products, with the exception of Kim and

Yi (2017). Nam and You (2015) compared performing arts experts' and consumers' differing perceptions about the attributes and expected benefits of performing arts products. Shin and Rhee (2012) studied the effect of consumers' perception of the value of cultural and artistic products on the benefits pursued and product attributes. A case study on distribution strategies for musicals, as in this paper, is even rarer.

The multichannel distribution strategies for the musical *Myeongdong Romance*, as an example of a cultural and artistic product, is examined below, followed by a discussion of the implications.

### 3. The Distribution Strategy of *Myeongdong Romance*

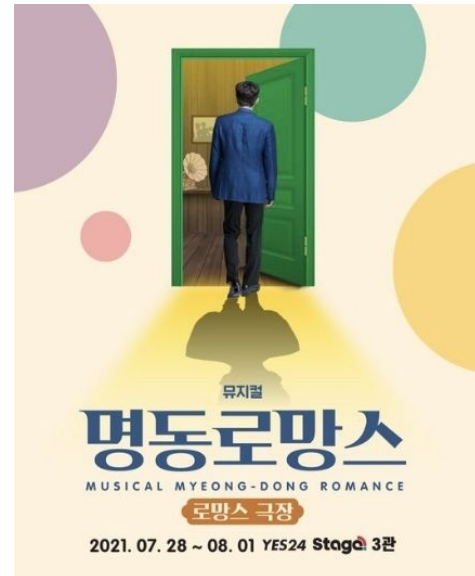
Set in the 1950s, with Myeongdong as the main location, the musical *Myeongdong Romance* is a delightful score using a time slip. It premiered on October 20, 2015 and ended its run on July 25, 2021, after celebrating its success with three consecutive revival runs. The main target audience included women in their 20s and 30s, who tend to be repeat customers, according to the segmentation, targeting, and positioning marketing framework. This target audience has been nicknamed the revolving-door audience in Korea. On December 28, 2021, as part of this study, in-depth interviews were conducted with the CEO and lead producer, Jang Jae-yong and Lee Yun-na, respectively, at Jangin Entertainment, the company that produced this musical. The interviews provided an opportunity to learn about how distribution strategies for the musical were established and implemented, as well as the successes and difficulties encountered; implications were derived.

**Table 2:** Summary of the musical *Myeongdong Romance*

No. of shows	Start date	End date
Premiere	Oct. 20, 2015	Jan. 3, 2016
Encore	Mar. 22, 2016	Apr. 24, 2016
Reenactment	Oct. 2, 2018	Jan. 6, 2019
Three consecutive revivals	Mar. 13, 2021	Jul. 25, 2021

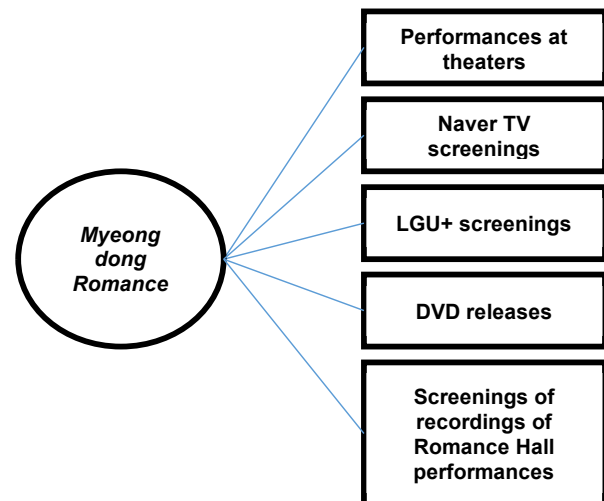
Source: Jangin Entertainment (2021)

Multiple distribution channels were used for the musical *Myeongdong Romance*. Five distribution channels were used: performances at theaters, Naver TV screenings, LGU+ screenings, DVD releases, and screenings of recordings of Romance Hall performances (See Figure 2). The background and reasons for adopting each distribution channel is examined below.



Source: <https://mobile.twitter.com/playjangan>

**Figure 1:** Advertising poster for 'Romance Hall' of the musical *Myeongdong Romance*



Source: Developed by the researcher (2022)

**Figure 2:** Summary of multichannel strategies of the musical *Myeongdong Romance*

#### 3.1. Performance at Theater

“The times are changing, but with prices and production costs on the rise for musical seats in small theaters, it seems that there are not many routes through which musical producers can sell,” said Jang Jae-yong, CEO of Jangin Entertainment. According to him, attracting the general audience incurs huge publicity costs, introducing expenses that are difficult to cover. Although there are enthusiasts who love performances, there are not enough of them to make the numbers work. Against the backdrop of rising

theater rental fees and labor and production costs, ticket sales are limited by the number of theater seats, which prompted him to think about ways to diversify sales. He actually had a longstanding desire to film and distribute performances. Videoization of performances was still popular, but he said that before the COVID-19 outbreak, opinions about it were roughly evenly split between those in favor and those against it.

He said that he dismissed the idea because both the performers and the audience placed importance on watching a live performance. There were also doubts about whether the videoization of a musical and playing it in another theater or watching it on DVD would render the experience of a live performance. This is because the concept of the performance itself would differ. Such requests for videoization were made in the beginning with the expectation of generating more sales revenue, but it was not easy to cover the production expenses. Although it was assumed that only a certain marginal cost would be incurred for local concerts, encore performances, and re-performances, ironically, it cost about the same total amount. It actually cost as much as the performance, as something had to be created out of nothing. All the sets and actors had to start with an empty stage, and while it would seem that things could be reused, the actual recycling percentage was quite low, and 60% to 70% (at times, almost 80%) of the necessities had to be prepared from scratch. He therefore said that no matter where the musical company was invited to perform, or where he went to perform again, the same process would occur, and there would be no way to recover the expenses. However, after the COVID-19 outbreak, things changed slightly because of government support due to the pandemic. The government encouraged videoization and digital distribution of musicals.

**Table 3:** Summary of the audience share of the musical *Myeongdong Romance*

Type of distribution strategy	Audience share
Audience share of this performance	171 times the average (76%)
Audience share of the Romance Theater	6 times the average (3%)
Due to the nature of the musical performance, there was a difference in audience share when the video screening was like a movie, unless it was the main performance, where the actors' movements could be seen.	

Source: Jangjin Entertainment (2021)

### 3.2. Videoization

CEO Jang Jae-yong requested government support, and while it was a bit too much, perhaps because he was new to it, he decided to film all episodes. He recorded all 100 episodes for the season. His plan was to film all three-month performances and do online screenings after that, and so on.

It cost him a lot, and while the filming concluded on July 25, his team was still working on making DVDs.

After finishing a round of filming, he thought that he would find another way to maximize sales. He decided to go ahead and film the maximum amount possible because he believed that the cost of retransmitting them would be lower than the cost of a one-time performance. There is no denying that a live performance is a worthwhile experience, but when the performance cannot be seen again afterward, the issue of rarity arises. In addition, if one of the actors in the performance becomes an international star in the future, it would be useful to have already filmed all the episodes. However, there are also disadvantages in that external hard drives are expensive, and errors might occur, resulting in problems.

Jang then thought about earning money from various venues. The most popular and easiest means was launch Naver TV, as Naver is Korea's top Internet portal service company.

It would have been difficult for Jang to say, "These episodes of the performance will only be played here" if he only had a few recordings of the performance episodes. However, because he had recorded all 100 episodes, he could pick and deliver any combination of episodes. He said, however, that it cost more than he had expected. Although he was able to cover the cost with government subsidies, there was little profit to be made by making and distributing recordings. If he had filmed and distributed specific episodes of the performance, he would have saved due to the subsidies, but since he recorded all the episodes, there was neither a huge profit to be made nor a huge loss incurred. He said that he should have examined it more closely, but thought that he would not incur a loss if he received payment soon because some episodes that had been screened last were also included.

**Table 4:** Analysis of Naver TV's screening of the musical *Myeongdong Romance*

Type of distribution strategy	Naver TV screening
Number of episodes	A total of 20 episodes
Size of audience	Average of 100 persons per episode
Audience characteristic #1	About 46 out of a total of 100 persons were "pure" online viewers
Audience characteristic #2	The remaining 54 persons watched online and even purchased DVDs.

Note: Demand was higher than for theater screenings because audiences could watch performances online.

Source: Jangjin Entertainment (2021)

Jangjin Entertainment's next concern was compensating for the videoization profit shortfall.

Another important matter for them was to find various distribution channels for the existing recordings. They

wanted to find vendors relatively quickly because technical issues could arise in the recordings with the passage of time.

CEO Jang said that he was in the process of finding the right balance between maximizing sales by making the most of the performances and possibly creating a negative image for the company by overconsumption or overexposure and concomitant dilution of a single work of art. He said that having recorded the performances in their entirety, it seemed somewhat burdensome, as not much of it could be used. He reported that based on his experience, he would probably not be able to distribute all the recordings of the 100 performances. Jangin Entertainment predicted that there will be fewer performances to record and that its next task would be to catch its breath.

Romance Hall, which is another distribution channel for the musical *Myeongdong Romance*, started with the concept of capitalizing on video recordings. It began with the reasoning that it might be interesting to create an environment where the audience can watch performances made inside Romance Hall onscreen again in the same place. This was feasible because there was space for rent at the hall.

In Daehangno, which is known as the Broadway of Korea, audiences tend to think that it is actually better to see live performances in theaters. They do not want to watch a video where the actual actor does not appear in person. CEO Jang remarked that while the idea seemed interesting in theory, in reality, sales were disastrous. He said, "I had thought that it would be okay for the audience to come and watch because the recordings of the performance would be different, but ...". Another distribution channel for the musical *Myeongdong Romance* relied on the DVD sales strategy. Although DVD consumers could not see a live performance, online sales of DVDs were decent. In situations where there were restrictions on watching live performances, sales were expected to increase significantly with online screening. CEO Jang remarked that while a new sales channel had opened up, it would be prudent to invest in original show productions, since it costs a lot of money to produce high-quality DVDs.

Even now, CGV ENM Musical, which is a large company, is willing to invest in performances in which Asian stars are cast. It seems that overseas audiences prefer musicals, which combine stories and music, to concerts. This preference seems to be even more pronounced when restrictions are in place. Is it possible to film a performance? This question has already been answered and is no longer relevant. It would be a good idea to film a performance and distribute it online, but is high-quality videoization at a low cost possible, especially when the producer has a smaller budget than that of other small theaters? The CEO of Jangin Entertainment identified that as the problem.

Video teams are now enjoying increased demand. If performances continue to be cancelled due to COVID-19,

producers will have to resort to videoization. Hence, video teams are currently at their busiest, most expensive, and most difficult to enlist. However, video quality cannot be guaranteed because it is difficult to satisfy viewers who already have very high expectations of performances. CEO Jang predicted that the day would soon come when LGU+ will want to invest or play his works as part of a distribution strategy. He also hoped for investment at the production stage. Therefore, he is considering producing performances starring well-known actors.

### 3.3. Next Goals

Currently, DVDs are released every month, and music books and script books are being sold. DVDs are sold individually or in bundles of three or six. Commentary/interviews and/or vertical direct cams are included. A bonus CD with a musical score comes with a bundle of six DVDs. In addition, sheet music and script books have already been released and are being sold.

The next goal is to produce and release audiobooks. CEO Jang said that he was considering it, especially for enthusiasts who are curious about reading scripts, but it is still in the discussion stage because audiobook production requires the consent and cooperation of many staff.

CEO Jang Jae-yong is also worried that too many events may cause audience fatigue. Small business creators are said to have many anxiety-inducing worries, given the pressure to be successful. For example, regarding audiobooks, they worry about whether it will be possible to generate enough revenue to offset the costs.

## 4. Conclusion

In order to conduct a case study analysis of the musical *Myeongdong Romance*, in-depth interviews were held with the CEO and lead producer of the musical's production company, Jangin Entertainment. In addition, the distribution strategies for *Myeongdong Romance* were examined in this paper. The musical utilized multichannel strategies, unlike other cultural and artistic products, which have relied on theater performance as the sole distribution channel. Multichannel strategies implemented for *Myeongdong Romance* included simultaneously executing various routes, such as streaming performance videos in real time, high-quality recording and screening, exclusive screening at exclusive venues, DVD releases, etc.

It is expected that many musical production companies will follow Jangin Entertainment's footsteps and attempt to utilize other methods by introducing more advanced technologies. To facilitate this, the government or their partners must step up and provide small producers

opportunities to challenge themselves. If an environment is created where musical producers can fully focus their efforts on production, large distributors (such as Netflix) that specialize in the distribution of cultural and artistic products may actively invest, allowing producers to make better products. Blockbuster opportunities may also come to small-time creative producers, and a desirable structure may be established that would satisfy everyone, from producers to distributors, in the supply chain. In particular, it is suggested that large companies and local governments take the lead in playing these roles for the socially disadvantaged, which is in line with the trend toward social values.

## References

- Cacovean, C. M. (2015). Marketing—A Way To Increase The Value Of The Performing Arts. *Management and Marketing Journal*, 13(1), 137-150.
- Châtelain, S. (1997). Le marketing-mix en milieu muséal. Une revue de la littérature. In *Marketing des activités culturelles, touristiques et de loisirs*. 57-71.
- Dickman, Sharron (1997), *Arts Marketing – The Pocket Guide*, Centre for Professional Development (Aust.), Sydney.
- Jang, J. Y. (personal communication, December 28, 2021).
- Kelly, R. F. (1993). Le marketing et les musées. *Muse XI/2*, 24-28.
- Kim, S. Y., & Yi, E. S. (2017). A Study on Improvement Plans of Public Support for Performing Arts Industry's Distribution. *Journal of the Korea Academia-Industrial cooperation Society*, 18(11), 176-186.
- Nam, J. M., & You, S. Y. (2015). Comparison of the Perceptions of Professionals and Consumers on the Product Attributes of and the Expected Benefits from Performing Arts. *The Journal of the Korea Contents Association*, 15(5), 66-77.
- Shin, E. J., & Rhee, Y. S. (2012). The Effects of Consumer Value Cognition on Benefits and Attributes of Culture-Art Products. *Asia Marketing Journal*, 14(2), 177-207.