Global Superstardom: Applying a Multinational and Quantitative Approach to Explain the Success of the Korean Pop Music Industry

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Abstract
Korean pop music (K-pop) has exploded in popularity around the world, first spreading to neighboring countries before successfully expanding into countries with greater cultural distances, challenging conventional wisdom. This thesis explains the factors that drive K-pop's unique success in the United States. By applying qualitative models like CAGE and Mode of Entry models from multinational management, this study finds that K-pop firms have relied on strategic partnerships to distribute music and mitigate cultural and administrative risks, but future goals of owning digital platforms and exporting the K-pop business model will require a stronger presence.

This study also extracts sonic features from Spotify and uses machine learning techniques to perform a logistic regression and determine if the novelty or typicality of K-pop songs compared to popular American songs is predictive of international success. This research then performs a Latent Dirichlet Allocation (LDA) topic model on K-pop song lyrics to determine if there are differences in topic distributions between internationally successful K-pop songs and just domestically successful K-pop songs. The results are compared against those of another topic model performed on Billboard song lyrics. The findings indicate that typicality is a positive, statistically significant predictor of international success, and internationally successful K-pop songs over-represent specifically on topics that also appear in American songs compared to domestically successful K-pop songs. These findings shed light on aspects of K-pop firm actions and music that may be more critical to international success and carry managerial implications for firms looking to appeal to a global audience.

Keywords
k-pop, music, popular culture, international expansion, natural language processing

Disciplines
Business | Business Analytics | Business Intelligence | Data Science | International Business | Management Sciences and Quantitative Methods | Music Business
GLOBAL SUPERSTARDOM: APPLYING A MULTINATIONAL AND QUANTITATIVE APPROACH TO EXPLAIN THE SUCCESS OF THE KOREAN POP MUSIC INDUSTRY

By

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ABSTRACT

Korean pop music (K-pop) has exploded in popularity around the world, first spreading to neighboring countries before successfully expanding into countries with greater cultural distances, challenging conventional wisdom. This thesis explains the factors that drive K-pop’s unique success in the United States. By applying qualitative models like CAGE and Mode of Entry models from multinational management, this study finds that K-pop firms have relied on strategic partnerships to distribute music and mitigate cultural and administrative risks, but future goals of owning digital platforms and exporting the K-pop business model will require a stronger presence.

This study also extracts sonic features from Spotify and uses machine learning techniques to perform a logistic regression and determine if the novelty or typicality of K-pop songs compared to popular American songs is predictive of international success. This research then performs a Latent Dirichlet Allocation (LDA) topic model on K-pop song lyrics to determine if there are differences in topic distributions between internationally successful K-pop songs and just domestically successful K-pop songs. The results are compared against those of another topic model performed on Billboard song lyrics. The findings indicate that typicality is a positive, statistically significant predictor of international success, and internationally successful K-pop songs over-represent specifically on topics that also appear in American songs compared to domestically successful K-pop songs. These findings shed light on aspects of K-pop firm actions and music that may be more critical to international success and carry managerial implications for firms looking to appeal to a global audience.

Keywords: K-pop; music; popular culture; international expansion; natural language processing
INTRODUCTION

This paper examines the global success of Korean pop music (abbreviated K-pop). K-pop is a music and dance genre that originated from South Korea. It hybridizes elements of Asian pop and Western genres like pop, hip hop, and electronic dance music and is known for upbeat, euphoric melodies, colorful choreography, and high production value. Over the course of the past decade, K-pop has been a key driver to the rise of Korean pop culture (also known as Hallyu, or Korean wave) worldwide. BTS, arguably the most recognizable group, debuted a recent single “Butter” at Number One on the American Billboard Hot 100 chart, its fourth Number One over the previous nine months (Trust 2021). In spite of cultural barriers and geographic distances, K-pop has achieved true global commercial success. It has gained mass appeal across multiple countries and languages, and along with Reggaeton, it is one of the first non-English music genres to gain widespread recognition in the United States.

This recent trend leads to the core research question of this thesis: why has K-pop been able to appeal successfully to audiences of different nationalities and cultures? While literature on the topic is growing with descriptive evidence for K-pop’s recent meteoric rise, most have focused on aspects like its hybridization of different genres and its embrace of digital platforms, and there is little focus on the environment that K-pop firms faced when expanding abroad, K-pop firms’ strategic responses, or the music itself. Shedding light on these aspects of K-pop’s success is critical. As the international expansion of cultural or intangible goods becomes more common, managers need to understand how these types of goods spread, especially as attention-based goods and services become more prevalent globally.

Specifically, this thesis will examine K-pop from two perspectives. The first will take on a macro analysis of K-pop in the context of international trade, understanding the international
distances K-pop firms have faced to achieve global popularity. Models from international management will be used to explain the characteristics that facilitated K-pop’s success, supported by descriptive evidence. The second section will analyze K-pop on a micro level, specifically examining the music. Here, I apply quantitative analyses to individual songs and determine whether specific features of the songs contribute to their international success. Specifically, the first of two proposed methodologies is running a logistic regression model to determine whether K-pop’s song typicality is associative or predictive of international success. The second is running topic models to compare the distribution of lyric topics of K-pop songs that succeeded only domestically in South Korea to that of the K-pop songs that achieved success abroad. This thesis also intends to analyze how those topics compare to topics found on the Billboard Hot 100 chart.

I find that K-pop firms face major cultural distances when expanding into the United States, given the large difference in cultural values between the two countries, and firms face risks of appropriating other cultures as they continue to experiment with mixing different genres. K-pop is also uniquely exposed to geopolitical risks between the two countries due to the close relationship between the Korean government and the industry. To address this, firms have traditionally relied on strategic partnerships to distribute music abroad, but they will require a more permanent presence as they look to export their business model and create universe opportunities. Analyzing the music, I find that Billboard Typicality is a positive, statistically significant predictor of U.S. Billboard chart success for K-pop songs, and K-pop songs that are successful abroad in the U.S. have lyrics emphasizing topics that also appear in the American Billboard chart, while only domestically successful K-pop songs emphasize topics that do not appear at all in the Billboard chart.
This thesis makes several important contributions to research. K-pop’s global success is an unusual phenomenon given that the genre is primarily non-English speaking. In the music industry, genres from countries where English is not the primary language have historically only found success with their domestic audiences (Ferreira and Waldfogel 2013), and music tends to spread across borders where countries have the same language or culture (Verboord and Brandellero 2018). The first contribution to the field is that this thesis attempts to more comprehensively explain why K-pop has succeeded where other genres have failed. It is rare for non-Western artists to achieve global popularity on a consistent basis. Additionally, while there are many qualitative theories that attempt to explain K-pop’s success, few attempt to quantify it. This thesis aims to use quantitative analyses to identify factors explaining K-pop’s success.

Second, most literature on international trade and global strategy focus on tangible goods despite the growing importance of intangible goods and services. Cultural goods have only recently become a topic of interest, particularly given that digitization has changed how content is consumed (Parc and Kim 2020b). While this thesis focuses on how K-pop successfully crossed national borders, this topic is also relevant for other entertainment mediums. Goods like movies, TV shows, sports, and video games are all increasingly looking to navigate and sell on an international scale. The managerial implications from K-pop should be relevant as a case study for how stewards of cultural goods can successfully appeal to a global audience.

Third, and more generally, international expansion is difficult for any firm, which makes K-pop firms unique in their success. Although the “good” offered in this context is a cultural good, K-pop firms face the same challenges and issues that any firm looking to expand abroad would face. While researchers have published literature that examine technological or cultural
factors that contribute to K-pop’s success, researchers have not yet focused on applying an explicit multinational expansion lens, nor have they systematically analyzed the music itself.

Finally, this thesis focuses on the expansion of non-Western firms into foreign markets. The literature from these fields is typically based on the empirical evidence of American or Western multinational firms looking to expand abroad, and researchers have not yet fully applied existing models and frameworks to other non-Western contexts.
The increasing popularity of K-pop is a part of a larger trend known as Hallyu (Korean Wave), which refers to the dissemination of Korean popular culture all around the world. There are multiple waves of Hallyu. The earlier wave, which came about the 1990s, focuses on the spread of movies and Korean dramas to neighboring countries like Japan or China. During this time, the modern iteration of K-pop was born with the introduction of a band group called Seo Taiji and Boys. Because music prior to Seo Taiji was limited to romantic Korean ballads or folk songs, Seo Taiji became wildly popular with its experimental mixture of genres like rap, soul, rock and roll, and pop (Shim 2006, 36). The hybridization of different subgenres in K-pop is an enduring trend that continues to this day.

Lee Suman, recognizing the potential of the new “genre,” decided to industrialize the music-star-making process by scouting and choosing aspiring stars by their looks, singing, and dancing abilities (Shim 2006, 38). He also began training them. In addition to putting trainees through rigorous multi-year training on dance and singing, trainees were to go through foreign language training on languages like Japanese. Lee Suman’s firm, SM Entertainment, along with two other major firms, was founded around the late 1990s, and these firms are commonly referred to as the Big 3: SM Entertainment, YG Entertainment, and JYP Entertainment.

A unique feature of the more recent Hallyu success is the spread of K-pop beyond Asia. K-pop firms, focusing first on digitization and platforms like YouTube, began to make inroads in English-speaking countries. In 2012, Psy’s “Gangnam Style” became the first music video on YouTube to hit one billion views. The genre has seen more enduring success beginning in the mid 2010s with the introduction of groups like BTS and Blackpink, but the path to global success was not without challenges. Artists like Rain and CL failed to establish a presence in the
United States, with reasons ranging from creative differences between stakeholders to confusion over how to differentiate oneself with an international audience (Shin 2009).

The K-pop industry, like many other industries in South Korea, is oligopolistic in nature. It has historically been dominated by the Big 3 agencies or firms, although recently, BTS’s agency, Hybe, has become one of the dominant players. One key difference between K-pop agencies and American music label firms is that K-pop agencies dictate every aspect of the process in K-pop, which includes talent acquisition and training, songwriting, dance choreography, production, distribution, and marketing (Seabrook 2016). Artists, who are better known as idols, have little say in artistic choices like songwriting or choreography, and typically before a group’s debut, each member is given a persona. The lifespan of an idol’s career tends to be fairly short at under a decade. A heavy emphasis is placed on youth and novelty.

There is also a strong connection between the government and the industry. In the wake of the 1997 Asian Financial Crisis, the South Korean government formed a Ministry of Culture and began investing millions of dollars into the industry, targeting the export of cultural goods as a new source of foreign revenue (Chow 2015). This makes K-pop a relatively well-protected industry by the government.
BACKGROUND

Past literature on K-pop has involved qualitative studies and case interviews that view its success as a genre from a cultural or technological perspective. Jin and Yoon (2014) found that a strong fan culture and the hybridization of different cultures and genres have contributed to K-pop’s global popularity. Oh and Park (2012) examined how K-pop firms fully embraced a business model transition from relying on physical CD or DVD sales to providing free online content on social media and collecting advertising revenue.

At the macro level, literature on multinational expansion has predominantly focused on American multinational firms expanding overseas, and literature on trade flows has focused mainly on inflows and outflows of physical goods and services (Gopinath, Helpman and Rogoff 2014). Literature on global music flows shows that the Gravity model, which demonstrates that bilateral trade is proportional to size (measured by the country’s GDP) and inversely proportional to distance, also holds true for music, but there tends to be a bias towards domestic music consumption (Ferreira and Waldfogel 2013). This indicates that the consumption of K-pop from countries outside of South Korea may be unusual, and some researchers have applied Porter’s diamond model to explain how digitization helped its success (Parc and Kim 2020b). Porter’s diamond has four components (Porter 1990). According to this application of Porter’s diamond, some factors that have allowed the Korean pop music industry to gain a competitive advantage include:

1. Factor conditions: training English-speaking musicians, collaborating with foreign composers/songwriters, emphasis on visual aspect of choreography

2. Demand conditions: focusing on a few standout tracks to cater to shifting consumer demand, releasing smaller digital-first albums, focusing on access online
3. Distributors: embracing digital distribution alongside offline releases to maximize diffusion, adapting to lower subscription fees (and consumer willingness to pay) leading to cost advantage for domestic streaming services compared to foreign entrants

4. Business context: diversifying into unrelated businesses, vertical integration (distribution, production, and concert operations)

Although this analysis provides an examination of how K-pop firms were able to expand internationally, the digitization story, by itself, is incomplete. For one, it’s reasonable to assume that the Korean music industry was not the only nationwide music industry to take advantage of digitization, yet it remains incredibly difficult for non-English genres to break into the American chart. Second, the only other non-English genre, Reggaeton, did not digitize to the same extent as K-pop, yet it has also successfully broken through the American chart. It’s clear that there’s more to the success of these non-English genres beyond Parc and Kim’s (2020b) analysis.

On a micro level, there exist few quantitative studies on the music of K-pop itself, but it’s possible to draw on existing literature that studies music and the music industry more generally. One study shows that viral content tends to cause arousal in emotions (Berger and Milkman 2012); additionally, the more topically differentiated or atypical the lyrics of a given song are compared to the genre it is in, the more popular it tends to be (Berger and Packard 2018). This atypicality-success relationship is also observed for other features of music. Literature finds that successful pop songs are optimally differentiated; popular songs tend to have differentiated sonic features that make them stand out to other songs, but they cannot be too different and introduce completely unfamiliar features (Askin and Mauskapf 2017).
Although the current literature provides useful insight into K-pop’s success, there are a few limitations. First, most of the prior literature does not explicitly focus on the international nature of K-pop’s success nor examine it through a multinational expansion lens, and there is not a lot of literature that applies multinational management to cultural goods like K-pop. Second, while prior literature has looked at pop songs and drivers behind their success, there are few studies that quantitatively and comprehensively analyze K-pop specifically. Therefore, this thesis brings a new perspective to this phenomenon and comprehensively bridges the gaps within multiple fields of study. This thesis intends to focus on a more rigorous examination of the unusual success of K-pop abroad.

This thesis focuses on K-pop's international expansion into the United States market. The U.S. is a cultural powerhouse for music worldwide; 40% of all world exports of music in the 2000s was from the U.S. (Ferreira and Waldfogel 2013). Artists from abroad view successful expansion into the U.S. as a milestone of international success, so studying K-pop’s expansion as an export to the U.S. should produce meaningful results.
APPLICATION OF MULTINATIONAL MODELS TO K-POP (MACRO PERSPECTIVE)

Description of Models

The descriptive evidence to support the macro analysis comes from previous academic literature, supplemented by news articles and press releases because K-pop’s international success is relatively recent. It is likely that there are a few salient examples that will be representative of industry trends. To extend beyond Porter’s diamond, there are two main parts to explore with descriptive evidence: CAGE distances and Mode of Entry.

CAGE Distances

In order to examine barriers to international entry in a systematic manner, Ghemawat’s (2001) CAGE distances is one of the most effective tools for analysis. These distances refer to different types of distances firms face when looking to expand abroad, beyond just geographic distance, and greater bilateral distance makes international transactions between two countries more costly. These distances include Cultural, Administrative, Geographic, and Economic distances. Cultural distances include languages, ethnicities, religions, values/social norms, and level of trust. Administrative distances include colonial ties, trade agreements, currency, legal system, political hostility, work permit requirements, and corruption. Geographic distances include physical distance, shared border, time zones, and climate, and Economic distances include income level, labor costs, availability of human capital, and economic size. This can holistically explain the barriers or advantages Korean firms face when entering the United States.

Mode of Entry

Next, this thesis examines how K-pop firms responded to these distances. The goals of K-pop firms have changed from making internationally successful music to redefining music
consumption and exporting their business model. How these firms respond to CAGE includes a wide array of options such as exporting, licensing and franchising, partnering and strategic alliance, acquisition, and greenfield (Zahra, Ireland and Hitt 2000). All of these various options have tradeoffs, and this thesis plans on examining the options selected by firms and understanding the implications of these options in context of the distances firms faced.

Application of Models to K-pop

*CAGE Distances*

**Cultural.** Cultural distance accounts for much of the uncertainty for firms looking to expand abroad. Current literature on cultural distance’s impact on firm entry mode is inconclusive, and there’s a dominant view that greater cultural distance leads to greater uncertainty and thus negative firm performance (Beugelsdijk, Sjoerd, Kostova, Kunst, Spadafora, and Essen 2017); however, K-pop shows that the blanket effects of distance are not necessarily negative, and could, in fact, be advantageous as firms look to differentiate culturally and expand into a foreign market with few players and high barriers to entry.

One cultural distance that is often pointed out is comparing Korea's family-oriented Confucian values against American individualistic values. As a result, K-pop might emphasize some topics over others; for example, it might not touch on explicit or violent topics as often as other genres in the American Billboard chart, and this behavior can work to its advantage, but it cannot be too different to completely alienate an American audience. This type of “collectivist vs. individual” value system can also be seen outside of a purely musical or social context. For example, agencies are trying to develop “one-stop shops” where K-pop fans can get their K-pop needs all met in one place (Devoe 2021), but American ecosystems are fairly fragmented with a different company offering a different service or good.
Language is also another critical distance. K-pop groups have relied on bilingual fans to translate songs and other content to other languages, which can pose a risk, especially if new groups try to establish fandoms from scratch; however, one benefit of being able to utilize two languages is that it can produce a unique rhythm, or it can modified so that the lyrics are easy to pronounce. Jin and Yoon (2014) support this theory by finding that the mixture of language makes the content more “familiar and interesting.”

As K-pop firms look to replicate their business models in the U.S, one key barrier that remains is hybridizing different subcultures without appropriating. The genre has come under intense scrutiny amid accusations of appropriating hip hop/rap culture. NCT 127 faced criticism for adopting hairstyles usually worn by Black men, and later styling one of their members with a t-shirt that had the Confederate flag (de Luna 2020). As the genre continues to explore and mix different styles and expand into countries with more heterogeneous cultures, it will continue to face risks and legitimate accusations of appropriating cultures rather than treating them with respect.

**Administrative.** Korea has historically had close ties with the United States, and those ties have only been strengthened recently as the U.S. looks to counter the threat of China. Because of the unique influence K-pop and Hallyu as a whole have on Korea’s ability to project soft power globally, there is empirical evidence that supports Hallyu increasing Korean exports of consumer goods for women (Chang 2017). This unique relationship between government and K-pop presents bifurcated risks with regards to government actions, and K-pop is more systematically exposed to geopolitical risks as a result. When the going is good, K-pop benefits, but there have been cases of anti-Hallyu sentiment in Japan due to diplomatic tensions over Japan’s World War II legacy (Park 2014). China banned K-pop as a result of the THAAD missile
deployment (Maizland 2017), negatively affecting agencies most exposed to those countries. While an outright ban of K-pop by the U.S. government is highly unlikely, should Korea as a country or an association with Korea fall out of favor, an emerging grassroots movement against Korean goods could harm its prospects significantly.

There are also differences between how the law operates. In 2011, one of JYP Entertainment’s first attempts to establish a U.S. subsidiary, JYP Creative, ended after one year of significant losses (Herald 2013). The Manhattan office, which had opened several years earlier, faced several building codes and legal violations for using a floor as a music studio rather than a working office and illegally housing a K-pop girl group during its stay in New York.

Note: A unique Cultural-Administrative feature of K-pop is its trainee system. Although it is difficult to ascertain how the trainee system varies by agency, it is highly likely that such a system would not be allowed by either cultural norms or labor laws. K-pop firms previously faced criticism for signing young trainees to long term “slave contracts” – where trainees must pay back the cost of training before receiving any profit (Valge and Hinsberg 2020). This is a significant departure from the U.S. music industry, where contracts are signed after a talent breaks through. Additionally, trainees face pressure to conform to strict dieting standards and undergo plastic surgery. Given the competitiveness of the trainee system, there is a lot of potential for abuse, and a similar trainee system may be met with more backlash in the United States.

Geographic. While physical distance still remains influential in determining expansion outcomes, digitization has likely mitigated many negative effects. Jin and Yoon (2014) demonstrate that digitization and K-pop firms’ willingness to use social media to increase reach
has made it easier to acquire new fans. K-pop fans tend to “stumble” on the genre serendipitously.

When considering geographic areas to expand into, one key consideration may be the concentration of Korean diaspora populations, especially given that fan culture is dependent on the ability to form communities, and the viral nature of K-pop spreading is dependent on bilingual fans being able to translate and re-interpret content distributed by K-pop firms and artists. Historically, K-pop subsidiaries have set up offices in major population centers like New York, but this may be changing. JYP, in its full scale expansion, announced its intentions to first open an office in Los Angeles before New York (Yeo 2022). Considering that Los Angeles has one of the highest representation of Koreans in the United States (Stiles 2018), that may be another pertinent factor in deciding which coast to conquer first.

**Economic.** Both music ecosystems in Korea and the U.S. are similarly structured. K-pop has historically been dominated by three main agencies on the production side: SM Entertainment, YG Entertainment, and JYP entertainment, and BTS’s recent global success has allowed its agency, Hybe, to enter the space as a fourth major player, which is an outlier event. Similarly, as a result of decades of industry consolidation, there are currently three major record labels: Universal Music Group, Warner Music Group, and Sony Music Entertainment. While both the Korean and American industries have high barriers to entry, transition to new technology and streaming have increased chances of music getting discovered.

When comparing average household net-adjusted disposable income, South Korea is at $24,590 USD per year (OECD Korea), while the U.S. is nearly double at $51,147 (OECD United States). Other things being equal, when K-pop firms look to expand abroad, it may simply be more lucrative to expand into the United States, which, coupled with the premise that the U.S. is
a good location to attain global superstardom, makes the U.S. economically and strategically attractive.

CAGE Distances Implications

From the CAGE analysis, it is clear that K-pop firms have focused most heavily on addressing the Cultural distance, which remains a significant barrier for most non-English songs to break through the American Billboard chart. K-pop firms have experimented the most with adapting the music to optimally differentiate it from other songs. A common technique is adding English words or phrases along with Korean in the lyrics or even releasing songs entirely in English. Another is emphasizing the use of samples. While sampling is already highly prevalent in Western genres, for K-pop firms, it has an added benefit of helping K-pop overcome liabilities of foreignness. Finally, band groups occasionally add Western references or ideas that resonate with Western audiences. The most successful group, BTS, has employed this to great success. One of their album names, “You’ll Never Walk Alone,” is also the name of a famous British song from the 1960s. Their “Blood, Sweat, and Tears” song is also the name of a 1970s North American jazz-rock band, and a recent hit “Dynamite” pays homage to Michael Jackson (Parc and Kim 2020a, 26). Parc and Kim (2020a) argue that invoking this type of familiarity is particularly useful in distributing music, as those responsible for distribution or broadcasting would understand the references more than K-pop fans.

Given that Geographic distance, while evident, is partially mitigated by digitization and online platforms, and Economic distance is less of a factor in this context, the most significant challenge that remains for K-pop firms is the Administrative distance. K-pop firms have hedged themselves from Administrative risks via externalization and allowing strategic partners to share risks, but this strategy will not be viable as K-pop firms look to establish a permanent global
presence. Additionally, Administrative risks can be high variance, difficult-to-predict events, and the downside of expanding into a lucrative market is that K-pop firms will have less leverage in navigating administrative risks in a foreign country.

**Mode of Entry**

The vast majority of the 2010s focused on establishing a foothold in the U.S. market and making K-pop popular. Most major agencies established subsidiaries but limited their roles to finding the right partner to distribute music. These partners were generally affiliated with the big three American record labels due to their global reach.

This strategy of partnership reduces entry risk for K-pop firms in exchange for ceding direct control, and it has helped K-pop firms overcome cultural and administrative uncertainty by having the partner decide the best way to distribute the music. The strategy has seen success. Blackpink’s agency, YG Entertainment, partnered with Interscope Records and Universal Music Group to distribute its music outside of Asia (Herman 2018), and this partnership has led to stellar outcomes. In July 2020, Blackpink broke BTS’s record for most views in its YouTube debut of “How You Like That” (Lau 2021). BTS initially rose to fame under Sony Music’s Columbia Records, but has since switched to partnering with Universal Music Group in 2021. While BTS and Blackpink dominate the U.S. Billboard chart, recently, other groups are beginning to make inroads. JYP Entertainment formed a partnership with Republic Records to help girl group TWICE expand internationally in 2020 (Chin 2022), and it has since broken into the Billboard chart.

The major drawback of strategic partnerships is that the lack of direct control can lead to mismanagement of talent, and artist-agency conflicts have led to less-than-optimal outcomes. The most high profile case involved CL, a member of the group 2NE1 under the management of
YG Entertainment. After signing a management and label deal with Scooter Braun in 2016, she did not release any music after her debut single “Lifted” until she left YG Entertainment/Scooter Braun and formed her own label five years later (Myers 2019). Partnerships have helped K-pop firms expand into the mainstream, but there is a lot of uncertainty over how much resources a partnering label will actually invest in a K-pop artist, and creative or cultural conflicts might lead to career stagnation from the artist’s perspective. Given these limitations, and given that K-pop groups have a larger reach than ever before, firms are exploring new growth opportunities. More specifically, K-pop firms have begun to position themselves to:

1. Capture more of the value chain in the music ecosystem and vertically integrate
2. Export their business model, create franchising opportunities and diversify revenue streams

Prior literature has noted the key role digitization has played in K-pop’s success. Social media platforms, particularly Twitter and YouTube, have facilitated close interactions between artists, agencies, and fans, but using someone else’s platform has its downsides. For one, the K-pop industry was first to pivot from relying on physical music sales to B2B advertising revenue from platforms, but a cut of the advertising revenue will always go to the platform owner. Second, K-pop firms will only have very limited access to data that platforms can collect and analyze. Finally, the entity who owns the platform has control over what content is allowed on the platform. The most relevant case comes from Spotify. In February 2021, a dispute with a major music distributor who also happened to be a streaming competitor led to around 20% of K-pop artists (Romano 2021), their songs, and streaming suddenly purged from the platform as both companies tried to negotiate the distribution of music, leading to widespread backlash. While Spotify users were also impacted by this, artists were particularly vulnerable as they were
unable to promote their music, find streaming data that contributed to chart rankings, and missed out on streaming revenue. While Spotify has helped artists extend their reach, it has also given artists fewer options to distribute their music. Artists remain uniquely vulnerable to consolidation of music distribution.

It comes as no surprise, then, that K-pop firms, taking advantage of South Korea’s comparative advantage in IT and tech, are trying to vertically integrate the digitization platform and build future solutions in-house. Hybe released Weverse, “one stop shop” to host content such as music videos, trailers, movies, and live streams. Fans on this platform can interact with artists, connect with other fans, view exclusive content, and shop for merchandise. There is an explicit focus on international fans, as prior online environments where artists and fans interacted were carried out in Korean and thus inaccessible to foreign fans. In June 2020 during the pandemic, BTS generated almost $20 million in ticket sales during a virtual concert through Weverse (Stassen 2020). YG Entertainment has taken note, and in January 2021, announced they would partner with Hybe and join the platform (Basbas 2021). Naver and SM Entertainment had actually released a similar platform before Weverse, but Naver is now committed to supporting Weverse with technical expertise (Kim 2021). SM Entertainment has a fan-to-artist messaging app called Dear u Bubble that charges a monthly subscription, and multiple JYP artists are on the platform (Raeburn 2021).

Hybe is a huge beneficiary of Weverse as the platform owner. An industry analyst commented that “Weverse is creating a dependence issue for HYBE's competitor labels. Weverse is an open platform where any artist and fan can join to communicate, but it is also true that HYBE has ownership over it. On Weverse, HYBE can collect data of competitor artists in the areas of age, gender, consumption patterns, core fan base and more” (Cha 2021).
That said, managing technology is a very different challenge than recruiting idols or producing music. There is a lot to manage, and while these platforms are well-positioned to retain K-pop fans, there are risks that there will not be sufficient network effects to drive organic growth. So far, Hybe has also pursued sources of inorganic growth, acquiring American record label Ithaca Holdings (Cha 2021), which houses artists like Justin Bieber and Ariana Grande, who are both expected to join Weverse. Outside platforms are still going to be needed, at least in the short term. Another consequence of adding new business opportunities at a rapid pace is that consolidation is inevitable. In January 2021, Hybe invested $63 million into YG Entertainment, A official statement from the event contains merger-like language and emphasizes the synergies from such an investment: “We look forward to the synergy between YG Plus, which has established a strong network in a wide variety of fields such as distribution and merchandise production, and Big Hit [later renamed Hybe] and beNX, whose fortes are artist IP and platforms” (Stassen 2021).

While digitization is an important part of the K-pop success story, it is only a means to an end, and while K-pop agencies are currently focused on making their music popular, that is not the end goal. What is K-pop’s end goal? For the major agencies, there appears to be two goals.

**Goal 1: export the business model.** Almost all major agencies have indicated plans to export their business model. Hybe, who is facing pressures to diversify away from BTS as military enlistment comes up, has been the most proactive. Hybe will partner with Universal Music Group to create a new boy band based in the United States (Lau 2021). SM Entertainment has similar plans via a joint venture, and one of its executives explicitly states:

“We have plans to make things like NCT Thai, NCT Hollywood, NCT Europe. It could be NCT brand, or it could be another brand or team. We’re producing the artists, and
artists’ albums and all contents are produced by SM Entertainment. We are producing not only Korean [stars] but also [talent] from different cultures and we’re working with local companies for joint ventures. That’s our final stage of this culture technology thing, glocalization” (Herman 2019).

Finally, JYP recently announced it was launching a U.S. subsidiary as a part of a “full scale expansion” to “discover and foster local U.S. artists,” almost a decade after their initial U.S. expansion attempt. While details on the nature of entry are scarce, it appears to be greenfield, which separates it from other firms that instead opt for partnerships or joint ventures.

While ambitious, these plans to export the K-pop business model will face multiple challenges. First, as mentioned in the CAGE analysis, the current regimen for aspiring trainees would be incompatible either legally or normatively with how Americans develop talent. Second, K-pop has found success recently because of optimal differentiation; it’s familiar, but it offers something new. It’s unclear what a U.S.-based group can offer that’s not already available. Finally, outside of K-pop, fan culture is much less communal and progressive. It remains to be seen whether these firms will be able to cultivate the same loyal following as their Korean counterparts.

**Goal 2: create a universe and diversify beyond music and video.** BTS was among the first groups to create continuity among music videos and other content in their universe BU, but SM plans to take it a step further and create storylines among their various groups and continuity as a part of its SM Culture Universe, or SMCU. The end goal appears to be creating continuity among different groups and different forms of content. An SM executive compares K-pop to Marvel:
“Personally, I’m a fan of Marvel. There are many different characters, and many series. But fans aren’t worried about the future because they know that there are many other characters and there will be more diversity coming along the way. It’s similar in the K-pop scene” (Herman 2019).

A key benefit of a universe is that it allows for synergies between various properties, and it locks in a K-pop fan to a specific agency if he or she is invested into the storyline. Rather than just following a single group, fans could be invested in multiple groups or pick and choose the storylines they prefer. It also expands business possibilities. Rather than just sell albums, plan concert tours, or rely on advertising revenue, firms could release movies or games based on the universe’s storylines.

Will every agency be able to successfully sustain a universe? Although in cinema, Disney has proven to be adept at franchising and monetizing its Marvel Cinematic Universe, every cinematic universe that followed has failed thus far. While Hybe’s acquisition of Ithaca Holdings is a strong inorganic growth play for Weverse and opens the door to Asia for Justin Bieber and Ariana Grande, it is still an unusually aggressive move given that acquisitions of this type are rare and integration costs are high; however, Ithaca Holdings has portfolios in other sectors like tech, gaming, and film. It’s quite possible that Hybe, under time pressure to diversify beyond BTS, is exploring the possibility of laying the groundwork to build its own universe.
ANALYSIS OF MUSIC (MICRO PERSPECTIVE)

Data Collection

Logistic Regression

One critical contribution of this paper is the matching of multiple databases as they relate to K-pop. For this paper, domestic success refers to songs that made the top 100 rankings on South Korea’s Gaon’s Digital chart, which takes into account downloads, streaming, and background music in its rankings, and international success refers to songs that also made the American Billboard Hot 100 chart in addition to the Gaon Digital chart. Therefore, I scraped song chart information such as rank, song title, artist, album, week, year, production, and distribution since Gaon’s inception from the week of December 27, 2009 to the week of December 26, 2021. After dropping duplicate song appearances, the number of songs dropped from 62,800 to 10,882 unique songs. Then, using song title and artist information as the query, I used Spotify’s API to retrieve sonic features and artist genre information for each song. Sonic features were found for 8,730 songs.

These sonic features are metrics that quantitatively describe the qualities of a song. They include Acousticness, Danceability, Energy, Instrumentalness, Liveness, Mode, Speechiness, Tempo, Time Signature, and Valence. Table 1 provides a description of the sonic features used for this analysis. Key was dropped because if it were coded as a series of dummy variables, it may have had an outsized influence on typicality calculations. This left me with ten sonic features per song.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Scale</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acousticness</td>
<td>0-1</td>
<td>Represents the likelihood that the song was recorded solely by acoustic means (as opposed to more)</td>
</tr>
</tbody>
</table>
### Table 1. Description of all sonic features used to calculate Typicality. Data from Askin and Mauskapf (2017)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Scale</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danceability</td>
<td>0-1</td>
<td>Describes how suitable a track is for dancing. This measure includes tempo, regularity of beat, and beat strength.</td>
</tr>
<tr>
<td>Energy</td>
<td>0-1</td>
<td>A perceptual measure of intensity throughout the track. Think fast, loud, and noisy (i.e., hard rock) more than dance tracks.</td>
</tr>
<tr>
<td>Instrumentalness</td>
<td>0-1</td>
<td>The likelihood that a track is predominantly instrumental. Not necessarily the inverse of speechiness.</td>
</tr>
<tr>
<td>Liveness</td>
<td>0-1</td>
<td>Detects the presence of a live audience during the recording. Heavily studio-produced tracks score low on this measure.</td>
</tr>
<tr>
<td>Mode</td>
<td>0 or 1</td>
<td>Whether the song is in a minor (0) or major (1) key.</td>
</tr>
<tr>
<td>Speechiness</td>
<td>0-1</td>
<td>Detects the presence of a spoken word throughout the track.</td>
</tr>
<tr>
<td>Tempo</td>
<td>Beats per minute (BPM)</td>
<td>The overall average tempo of a track.</td>
</tr>
<tr>
<td>Time Signature</td>
<td>Beats per bar/measure</td>
<td>Estimated overall time signature of the track.</td>
</tr>
<tr>
<td>Valence</td>
<td>0-1</td>
<td>The music positiveness of the track.</td>
</tr>
</tbody>
</table>
Then, I filtered the dataset to drop songs without sonic features and only include K-pop songs, which were identified if the artist genre included k-pop, korean pop, k-pop boy group, k-pop girl group, classic k-pop, classic korean pop, or k-pop reality show. After filtering out the first 52 weeks and performing further cleaning and processing, I was left with 5,637 K-pop songs for my baseline dataset. A summary of the baseline dataset data collection is visualized in Figure 1.

At a high level, how typical or novel a song is depends on what it is being compared to. Because I was comparing each K-pop song to Billboard songs over the previous year to calculate Billboard Typicality, I needed chart data on Billboard songs to be used as a comparison dataset. I scraped the weekly Billboard Hot 100 chart website to collect song and artist information and again utilized the Spotify API to retrieve the sonic features for songs on the Billboard chart. This dataset is the Billboard secondary comparison dataset.

The main limitation of the data collection process was that the Gaon chart data on song titles and artists was mostly in Korean, and therefore the Korean song titles and artists were used as queries when retrieving song titles on Spotify’s API. Therefore, the accuracy of the matching
of song and sonic features is highly dependent on Spotify search engine’s ability to pull the correct song with the query.

**Topic Model**

For this thesis, two topic models were built, one for K-pop songs and one for Billboard songs. Data collection involved scraping song lyrics. For the K-pop topic model, I started out with the baseline dataset, but I decided to limit the time period of this analysis from 2017 onwards because lyrics are more readily available in this time period. This limited the number of K-pop songs analyzed to 1,193 songs. To collect lyrics data, I utilized the baseline dataset’s information on song and artist name as a query to scrape lyrics from online fan-English-translated lyrics websites such as Genius and popgasa.

Because I was also interested in how the topics in K-pop songs might compare to topics of the Billboard songs, I also constructed a topic model for just Billboard songs. Using the Billboard secondary comparison dataset, I limited the time period from 2017 onwards, dropped duplicate songs, and used song and artist information to scrape lyrics from Genius.

Similar to the data collection for the regression, the matching accuracy was dependent on the ability of the Genius API or popgasa search engine to pull the correct song information with my search query. There’s a possibility that this data collection pulled the incorrect version of a song with different lyrics from the intended version. Additionally, some song lyrics for the Billboard songs were in Spanish, and those songs were removed for the analysis.

**Methodology and Results**

*Logistic Regression*

The goal of this logistic regression is to determine whether, among K-pop songs, song typicality (or lack of novelty) predicts international success (whether or not it appeared on the
American Billboard Hot 100 chart). Askin and Mauskapf (2017) found that pop songs that are more optimally differentiated tend to be more successful, and utilizing a similar method to Askin and Mauskapf (2017), I hypothesized that the typicality of a K-pop song compared to songs on the Billboard chart (defined as Billboard Typicality) is a significant predictor in determining the K-pop song’s international success.

**Hypothesis 1.** Null: Billboard Typicality is not a significant predictor of a K-pop song’s international success. Alternative: Billboard Typicality is a significant predictor of a K-pop song’s international success.

The thesis uses a variant of the Typicality score developed by Askin and Mauskapf (2017). After normalizing each sonic feature from 0 to 1 over both the K-pop baseline and Billboard comparison datasets, for each K-pop song $i$ and its vector of ten sonic features, the vector of ten sonic features of every other song $j$ that appears on the Billboard chart during the 52 prior weeks is pulled, and the cosine similarity between sonic features of song $i$ and sonic features of each song $j$ is calculated and stored in an array. Billboard Typicality is calculated by averaging over this array of cosine similarities. A K-pop song with a higher Billboard Typicality should indicate it is less novel compared to other Billboard songs of that period. The formula for Billboard Typicality is shown below, and Figures 2 and 3 visualize Billboard Typicality for K-pop songs.

$$\text{Billboard Typicality}_i = \frac{1}{n} \sum_{j=1}^{n} S_c(\text{sonic\_features}_i, \text{sonic\_features}_j)$$
The response variable for the regression is a binary “International Success” encoding, with international success defined as an appearance on the Billboard Hot 100 chart. Internationally successful songs were found by inner merging the baseline dataset and the Billboard dataset. Of the 5,637 K-pop songs in the baseline dataset, 33 were found to be internationally successful. A visualization of K-pop song counts by year is shown below in Figure 4.
With Billboard Typicality as the independent variable, I controlled for two other variables. The first, “Big 3,” denotes a 1 if the song was produced by a Big 3 agency and 0 if not. It stands to reason that the three major agencies over this time period would have the resources, network, and experience to attempt overseas expansion. While BTS’s agency, Hybe, is now considered to be an industry leader alongside the Big 3, its ascent is relatively recent and is less relevant to the time period of interest, so I excluded it from the group. The second, “Collaboration,” denotes 1 if multiple artists worked on the song, and 0 otherwise. Collaboration was included because it might allow a song to spread to different audiences or more people depending on the artists’ respective reaches. A logistic regression was run with a binary internationally successful/not internationally successful as the response variable. The logistic regression formula is shown below.

\[ \text{International Success}_i = \beta_0 + \beta_1 \text{Billboard Typicality}_i + \beta_2 \text{Big 3}_i + \beta_3 \text{Collaboration}_i \]

Table 2 provides a description of the key variables used in this regression.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Possible Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predictor variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billboard Typicality</td>
<td>0-1</td>
<td>How similar a K-pop song is to reference Billboard songs</td>
</tr>
<tr>
<td>Big 3 (control)</td>
<td>0 or 1</td>
<td>Whether song was produced by a Big 3 agency</td>
</tr>
<tr>
<td>Collaboration (control)</td>
<td>0 or 1</td>
<td>Whether multiple artists are affiliated with the song</td>
</tr>
<tr>
<td>Response variable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Success</td>
<td>0 or 1</td>
<td>If the song appeared on the weekly Billboard Hot 100</td>
</tr>
</tbody>
</table>

Table 2. Description of key variables for logistic regression

Table 3 shows the results of the regression model. The results indicate that Billboard Typicality is a significant, positive predictor of International Success. The coefficient suggests that, on average, an increase in the Billboard Typicality score of 0.1 predicts an increase in the probability of International Success by 2.76 percentage points, controlling for Big 3 and Collaboration. There is enough evidence to reject Hypothesis 1’s null hypothesis and accept the alternative.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>International Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billboard Typicality</td>
<td>0.0276** (0.012)</td>
</tr>
<tr>
<td>Big 3 (control)</td>
<td>0.0035 (0.002)</td>
</tr>
<tr>
<td>Collaboration (control)</td>
<td>0.0028 (0.003)</td>
</tr>
<tr>
<td>Number Observations</td>
<td>5,637</td>
</tr>
</tbody>
</table>

Table 3. Model results for logistic regression with coefficients as marginal effects. Robust Standard Errors are in parentheses, and ** denotes p < 0.05
Plotting the marginal effects of Billboard Typicality on the probability of International Success, it is also clear that the relationship is nonlinear; Billboard Typicality is associated with an increase in the likelihood of International Success only when Billboard Typicality is on the higher end of the range. Its relationship with International Success is not as strong if Billboard Typicality is between 0 and 0.5.

![Graph showing the marginal effects of Billboard Typicality on International Success.](image)

Figure 5. The marginal effects of Billboard Typicality on the probability of International Success. The ranges show a 95% confidence interval.

**Topic Model**

Utilizing a similar technique to Berger and Packard (2018), I ran a Latent Dirichlet Allocation (LDA) over all K-pop song lyrics, setting the number of topics parameter to 5. After running the model, I deduced and labeled each of the five topics. After calculating the topic distribution for each individual song, I grouped the song into two groups, one being only domestically successful and one internationally successful (defined in the same way as for the logistic regression), and I averaged the topic distributions for each of the two groups. The hypothesis is that the distribution of topics for internationally successful K-pop songs will differ from the distribution of topics for only domestically successful songs.
Hypothesis 2. Null: K-pop songs that are internationally successful have the same distribution of topics as K-pop songs that are domestically successful. Alternative: K-pop songs with international success have a different distribution of topics from domestically successful K-pop songs.

I also wanted to compare the K-pop topic model results against a similarly constructed topic model for the Billboard songs. I ran a Latent Dirichlet Allocation (LDA) over all Billboard song lyrics, setting the number of topics parameter to 5. I believe that compared to only domestically successful K-pop songs, internationally successful K-pop songs are overweight on topics that also appear in the Billboard topic model.


The K-pop LDA produced five latent topics: Confession, Dance, Memories, Party, and Intense Feelings. A visualization of the common words belonging to each latent topic is shown in Figure 6.
When comparing just domestically successful songs to internationally successful songs, the domestically successful songs tend to over-represent on Confession and Memories relative to international songs, while the internationally successful songs tend to over-represent on Dance, Party, and Intense Feelings relative to domestic songs. The proportion of topics in each group is given in Table 4 and visualized in Figure 7. For Hypothesis 2, this provides evidence to reject the null and accept the alternative hypothesis that internationally successful songs have a different distribution of topics from domestically successful songs.

<table>
<thead>
<tr>
<th></th>
<th>&quot;Confession&quot;</th>
<th>&quot;Dance&quot;</th>
<th>&quot;Memories&quot;</th>
<th>&quot;Party&quot;</th>
<th>&quot;Intense Feelings&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Success</td>
<td>0.255208</td>
<td>0.081909</td>
<td>0.430005</td>
<td>0.063581</td>
<td>0.169297407</td>
</tr>
<tr>
<td>International Success</td>
<td>0.193005</td>
<td>0.239006</td>
<td>0.211452</td>
<td>0.106273</td>
<td>0.250263967</td>
</tr>
</tbody>
</table>

Table 4. Average topic composition for both just domestically successful K-pop songs and internationally successful K-pop songs
The Billboard LDA produced five latent topics: Youth, Seasonal Hits, Intense Feelings, Boasting, and Party and Dance. A visualization of the common words belonging to each latent topic is shown in Figure 8.
Figure 8. A representation of the top 30 words in each topic for the Billboard topic model. Please note that words that appeared in more than three topics were removed to aid in human interpretability for this figure.

The internationally successful K-pop songs tend to over-represent on three topics from the K-pop LDA: Dance, Party, and Intense Feelings, and those topics are also represented in the Billboard LDA, under Intense Feelings and Party and Dance. Therefore, for Hypothesis 3, there is enough evidence to reject the null and accept the alternative that internationally successful K-pop songs over-represent on topics that also appear in the Billboard topic model.
DISCUSSION

Going back to the original research question, “why has K-pop been able to appeal successfully to audiences of different nationalities and cultures?”, my results provide evidence that K-pop firms have historically relied heavily on partnerships to aid in the promotion and distribution of K-pop music, which lowers the riskiness of entry (namely cultural and administrative risks) in exchange for risks associated with ceding control. With hybridization, they have been adept at using Korea’s cultural distance with the U.S. to optimize their differentiability while still providing something familiar to audiences, but it’s not without challenges as the hip hop appropriation controversy demonstrates. As the major firms have begun to establish a permanent foothold in the American market, the focus has shifted from producing internationally successful music to owning tech platforms, exporting the business model, and finding new business opportunities via universe creation. Specifically, the idea of exporting the business model and starting band groups in foreign countries suggests that firms believe that the K-pop’s success will have less to do with the “Korean” part of Korean pop going forward, despite my CAGE model suggesting that specific cultural distances may have benefited K-pop in differentiating itself. If K-pop firms are serious about achieving their end-goals, they will need to establish a more permanent presence, which in turn will leave them more exposed to cultural and administrative distances going forward.

As more K-pop firms begin to find success in the United States, understanding the next steps of K-pop firms is paramount to realize the implications of their disruption. Should the vision of K-pop firms be realized, the way music is consumed will completely change. It will no longer be a standalone commodity, but rather one of many related forms of content to consume. There will be more opportunities to interact with artists, but how much of that will show the
artists’ authentic self? Will there be more homogeneity in songs such that artists who don’t conform to the standards of what’s considered “perfect” would struggle in this ecosystem? Will the barriers to entry for non-K-pop artists be higher than they are right now?

When analyzing K-pop at the song level, I found that Billboard Typicality is a positive predictor of international success. This suggests that in order for K-pop songs to succeed in the United States, sonic familiarity is beneficial. Even though K-pop is widely accepted as a distinct genre, it has to sound more like the mainstream in order to be more mainstream. Despite literature highlighting other differentiating or foreign features of K-pop, like visual elements and choreography, the music has to have some level of familiarity for an American audience to accept it.

The topics of lyrics also show a similar pattern. My findings with the K-pop topic model suggest that songs that are internationally successful tend to be associated with topics like Dance, Party, and Intense Feelings in higher proportions than songs that are just domestically successful. Additionally, when looking at the internationally successful songs’ topic distributions, those songs appear to emphasize topics that also appear in Billboard songs. While I hesitate to draw causal conclusions from a descriptive approach, one possibility is that those topics resonate with American audiences more, and they help overcome cultural distances and provide familiarity for Americans. Another possibility is that the two major K-pop groups that the internationally successful songs are performed by simply happen to emphasize those topics.

Another striking finding is that just domestically successful K-pop songs over-represent on two topics, Confession and Memories, but those two topics are not found at all in the Billboard topic model. This finding strengthens my argument that in order to close cultural
distances between South Korea and the United States, K-pop firms may be deliberately trying to appeal to American values in K-pop song lyrics to seek success in the United States.

Ultimately, there have been two main drivers behind K-pop’s success. First, K-pop firms found great success in choosing the right partners as they expand into new countries. Second, the internationally successful K-pop product offers just enough novelty to differentiate itself from other mainstream music, but remains relatively familiar in terms of sound and lyrics.

For multinational companies that are looking to export cultural goods abroad, this thesis provides three recommendations. First, dedicating resources to address cultural distance and ensure familiarity is key to resonating with a foreign audience. K-pop firms have spent most of their resources addressing cultural distance, and the analysis of music provides evidence pointing to a deliberate effort for K-pop music to sound familiar, but not too familiar so that it sounds like a K-pop group is trying to sing an American song. While novelty is also an important factor, the foreignness of a cultural good from abroad probably already contributes to the novelty needed for a new audience to explore the good. Second, while the K-pop firms have not dedicated nearly as many resources to addressing administrative distances, K-pop remains largely exposed to risks posed by this distance. Therefore, multinational firms selling cultural goods should be more proactive in understanding the geopolitical relationships between their home country and the foreign country and play a more active role in stabilizing those relationships. Finally, multinational firms exporting cultural goods should be open to experimentation. The internationally successful K-pop groups today were built on countless predecessors who did too much or too little in trying to resonate with a foreign audience, and it’s taken multiple decades and failures for K-pop to be where it is today.
Findings from this thesis may be useful in evaluating the international success of Reggaeton, the other non-English genre that has successfully broken into the Billboard chart. As a genre, it faces smaller CAGE distances compared to K-pop; there is a sizeable Spanish-speaking diaspora in the U.S. and its Latin American/Caribbean origins make the U.S. a relatively more attractive country for expansion from a geographic perspective, but production of Reggaeton music mirrors that of K-pop in many ways. For one, Reggaeton has been influenced by multiple genres and can be considered a hybridization of multiple genres. Second, while Reggaeton has dealt with strong and controversial topics pertinent to Latin America like machismo, there has been a transition to topics that are more mainstream in the United States, which is consistent with findings from this thesis.

There are limitations to these methodologies. For the logistic regression, using rankings and Billboard chart data as a determinant of success can be self-fulfilling due to social proofing, and the relationship between novelty and rankings might be noisy due to the outsized influence of social proofing; additionally, the sonic features of every song pulled from the Spotify API reduce music as an art form to a limited number of dimensions, which may strip away nuances or artistic tendencies that may ultimately reflect in the song’s popularity or success. For the topic model, there may be issues with English translations of lyrics removing the nuances of lyric themes, and there will be no way to account for stylistic variation due to the translations. Additionally, topic models are an inherently subjective evaluative tool, and as of this writing, there are no standards or best practices to find the most representative model. That said, the methodologies proposed reflect the best available information at this time to analyze.

For both models, there may be a sample size limitation. Currently, only two K-pop groups dominate the Billboard chart: BTS and Blackpink. There is a possibility that my models
may not be picking on the systematic features that might have contributed to their success, but
rather idiosyncrasies only related to the two groups that might be fueling their success. This issue
should be alleviated as more K-pop groups break into the Billboard chart. Additionally the
number of internationally successful songs (defined as songs that made the Billboard chart) is a
little more than 30. There is significant class imbalance between just domestically successful
songs and internationally successful songs, which may skew results.
CONCLUSION

This thesis makes several critical contributions. First, I imported models from multinational management and applied them to K-pop firms. The fields of multinational management or international economics have historically been understood in the context of American multinational corporations selling physical goods or services overseas. Digitization means that cultural goods are becoming more relevant drivers of trade and merit consideration, and this thesis analyzes a cultural good. My second contribution is applying a quantitative approach to K-pop. From the literature review, the overwhelming majority of literature encountered use qualitative techniques, and my song-level models add a much-needed perspective that can supplement ongoing theories and explanations about K-pop. Third, my results suggest that a K-pop song should sound more similar to Billboard chart songs to achieve Billboard success abroad, and internationally successful K-pop songs distinctively emphasize certain topics compared to domestically successful K-pop songs, which gives valuable insight into the aspects of K-pop that might be associated with international success.

For future research, I hope that multinational management models continue to inform the motivations behind K-pop’s international expansion, particularly as the industry continues to advance at breakneck speed. Information collected from primary sources like industry insiders or artists would be helpful in validating my findings. For quantitative research on individual K-pop songs, I hope that future research can account for more fine-grained features. Because K-pop is a broad term that associates with nationality as much as style, understanding how subgenres interact with each other may be beneficial. Fine-grained features could also account for language or stylistic differences in lyrics.
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