

Mapping Global Creative Value Chain for K-Pop Idol Industry: The Case of the BTS (2018-2020)

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Abstract

Global creative industries have significantly expanded in recent years, particularly with the global rise of the K-Pop. However, there is less work on creative industries analysis from a global value chain perspective. In 2020, Big Hit Entertainment, the management label of the Bangtan Boys (BTS), reported a half-year profit of \$41.9 million as online concerts and merchandise sales more than offset event cancellations during the pandemic COVID -19. While there has been much research on the rise of the South Korean creative industry, less attention has been paid to the transnational nature of its production network. Using BTS as a single case study, this paper attempts to construct a global creative value chain (GCVC) mapping. This paper treats official content published by Big Hit Entertainment (2018-2020) as our primary data to present two essential findings. First, GCVC has a mechanism compared to a more traditional manufacturing GVC (e.g., electronics, automotive) regarding three key elements (i.e., input-output, geographic scope, and governance structure). Second, ICT advancement supports the flexibility of the global creative value chain because the global creative value chain's main product is creative content.

Keywords Creative Industry, Global Value Chain, Multinational Corporations, Pop Culture, South Korea

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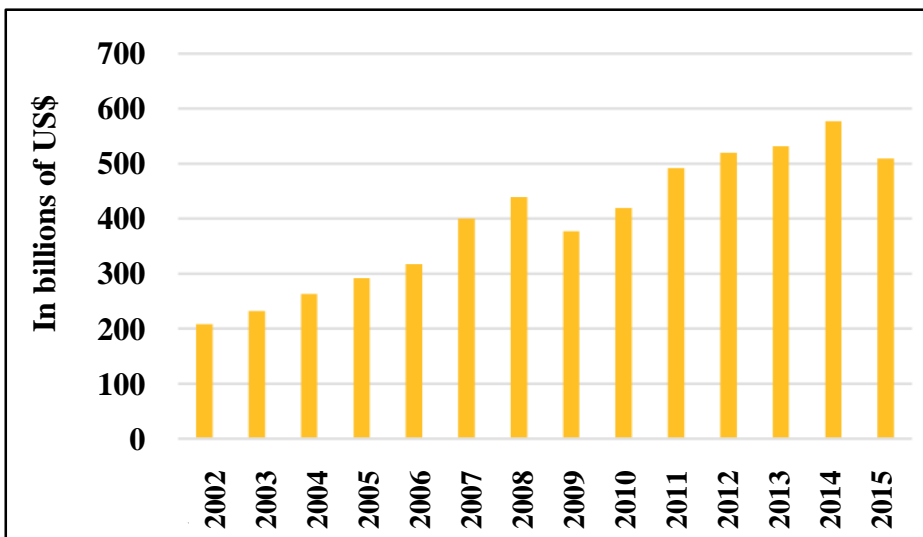
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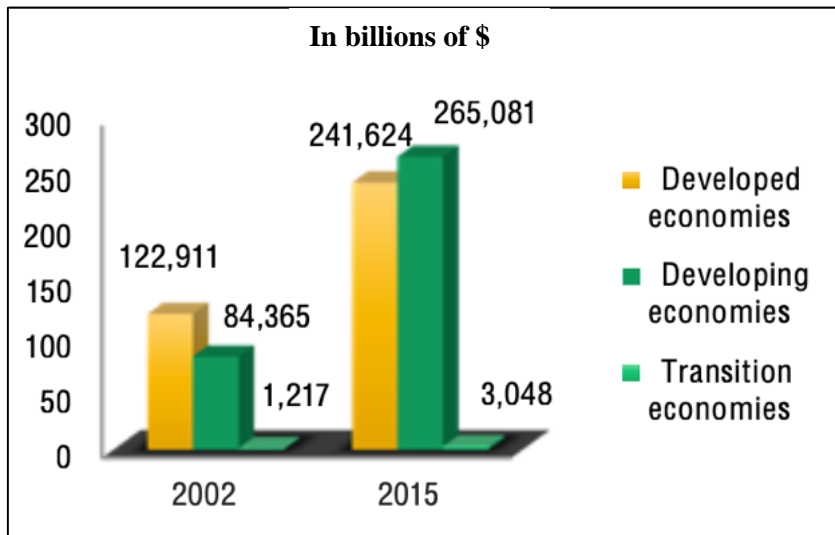
1. Introduction: Creative Industry, Global Market, and Economic Growth

Global Value Chain (GVC) has been at the center of global economic discussion for the past decade. Since the mid-1990s, scholars from various disciplines have used value chain concepts to analyze global production systems (Gereffi & Korzeniewicz, 1994; Baldwin, 2013). Scholars on economic development often place MNCs as their main unit of analysis, especially with East Asian countries' export-led growth (e.g. Japan, South Korea, Taiwan, China) (The World Bank, 1993; Amsden, 1989; Lee, 2013). Their focus often lies in industrial development and technology upgrading of medium-high level manufacturing sectors (e.g., electronics, automotive) (Scott & Storper, 1992; Itoh, 1992). The global creative sector, particularly the South-on-South trade on creative goods, continues to expand (Figure 1 and 2). A report by UNCTAD (2018) states that the sector was able to generate an annual average growth rate of 7.34% during the period 2003-2015. World exports of creative goods increased from \$208 billion in 2002 to \$509 billion in 2015. The share of creative services in total trade in services increased from 17.3 % in 2011 to 18.9 % in 2015 despite the global slowdown in overall trade in services observed in 2014 (UNCTAD, 2018, pp. 9-10).

Figure 1: World Exports of Creative Goods (2002-2015)



Source: UNCTAD (2018, p. 20)

Figure 2 Exports of Creative Goods by Economic Groups (2002-2015)

Source: UNCTAD (2018, p. 20)

For the past ten years or so, the global economy continues to face various challenges. The recent COVID-19 pandemic, followed by a series of containment measures, has put countries into the deepest recession since World War II (The World Bank, 2020). While the global pandemic hits most of the service sector hard (e.g., tourism), some creative industry can maintain their revenue, such as the K-Pop idol industry. Big Hit Entertainment, the management label of the BTS, saw 49.7 billion won (\$41.9 million) in half-year profits as its online concert and merchandise sales more than offset event cancellations during the COVID-19 pandemic (Reuters, 2020).

The Korean wave has long contributed to the rapid growth of the creative sector industry in South Korea. The South Korean exports of contents industries tripled from USD 1,373 million in 2006 to USD 4,302 million in 2011. The rise of South Korean culture popularity has generated production and value-added worth USD 6.8 billion and USD 2.5 billion and 69 thousand jobs in 2011 (UNCTAD, 2017, pp. 26-27). Even prior to the global pandemic in 2017, BTS contributed to USD 4.9 billion of South Korea's GDP, which some argues that they are in a similar league as powerful MNCs such as Samsung (Forbes, 2019). Bang Shi-Hyuk, the founder of BTS group, stated that the key for idol model is fans or fandom as the primary market (i.e., loyalty-based). Initially, before 2011, BTS's concept was a hip-hop crew and not an idol group. It changed into one due to business context when there was a rapid decline in physical album sales. (TIME, 2019).

Table 1: Big Hit Entertainment: Financial Performance by Business Area (2013-2019)

	2013	2014	2015	2016	2017	2018	2019
Album and music revenues	22%	46%	45%	52%	45%	45%	19%
Merchandise revenues	1%	2%	8%	7%	4%	15%	23%
Concert and fan-meeting revenues	3%	9%	23%	21%	24%	14%	33%
Media content revenues	3%	6%	0%	7%	12%	12%	13%
Advertising, broadcast & event revenues	56%	28%	13%	9%	9%	7%	3%
IP licensing and other revenues	15%	9%	5%	4%	6%	7%	9%
Total Revenues (USD)	4M	5M	10M	29M	77M	179M	489M

Source: Elberse and Woodham (2020, p. 19)

Besides their contribution to the South Korean economy, BTS's global popularity is essential for our case study selection. Based on a survey conducted by BTS Army Census, by 2020 BTS fans can be found in more than 100 countries. The majority of their demography being under 18 and between 18-29 years of age. Table 2 shows the top 10 countries where most BTS fans are from and their demography.

Table 2: BTS Fans Characteristics

Geographical Locations		Age Demographics	
Rank	Countries (number of respondents)	Age	Total Percentage
1	Indonesia (80,895 respondents)	Under 18	50,31%
2	Mexico (42,988 respondents)	18-29	42,59%
3	USA (33,891 respondents)	30-39	4,24%
4	Peru (20,988 respondents)	40-49	2,02%
5	Philippines (18,461 respondents)	50-59	0,69%
6	Russia (15,960 respondents)	Over 60	0,15%
7	India (15,440 respondents)		
8	South Korea (14,996 respondents)		
9	Brazil (8,413 respondents)		
10	Egypt (5,744 respondents)		

Notes: The data is not fully representative of the global distribution of BTS fans due to the limited reachability of the survey.

Source: BTS Army Census (2022)

While there is already abundant research on the rise of South Korean cultural industries, less attention has been given to the transnational nature of the production network behind it. Since the 1990s, the production system has been

fragmented globally, especially in the manufacturing sector. However, we have yet to see enough exploration of how creative content production is fragmented across national boundaries. Pratt (2015) argues that there are not enough works that seek to explain creative industry development from the perspective of the global value chain, especially to explain the upgrading aspect within the chain instead of merely creating the mapping.⁴ One of the important works on the creative value chain, from which we develop our framework, is a report by De Voldere et al. (2017) that centers on creative industries in Europe. While the report provides a comprehensive understanding of the creative value chain, it does not emphasize the “transnational” or “global” element of the value chain (i.e., it presents that creative content production occurs within national boundaries). We attempt to tackle this issue by looking into the South Korean idol industry using the case of the BTS group.

2. Literature Review and Theory

This literature review section elaborates on several existing works of literature on the global value chain and idol industry development. While the global value chain concept has been used widely to analyze the manufacturing industry, we have yet to see many explorations of the creative industry. Through this paper, our main objective is to reconstruct the global creative value chain based on the work of De Voldere et al. (2017). This section emphasizes the importance of the GVC approach to approach the complex production chain within an idol industry.

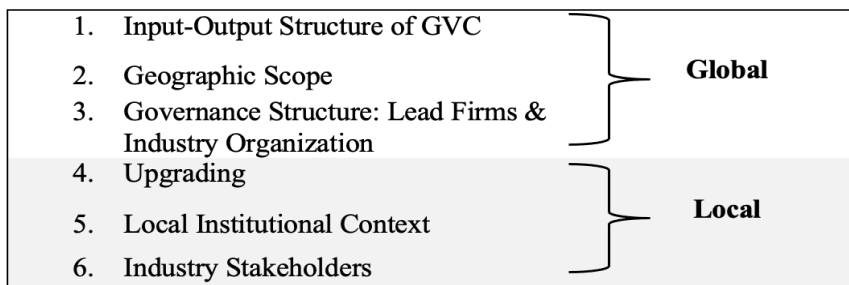
Most studies on the K-Pop idol industry focus on explaining the industry's success instead of a thorough grasp of how networking works. While we believe these works lost a chance to comprehensively study the worldwide K-Pop idol business production network. However, these studies highlight essential components that we must address, such as ICT progress and the relevance of the global market. We seek to find a framework to explore the intricate characteristics of the K-Pop Idol Industry, which lies in how one industry encompasses several different types of creative sectors (i.e., music, performing arts, artistic craft, and multimedia).

⁴ Pratt's focus lies on the importance of building up local production capacities. While we share the same concern with Pratt, we argue that perhaps one of the reasons for this issue is that there is yet precise mapping that helps scholars understand the global creative value chain structure.

2.1 From Global Value Chain to Global Creative Value Chain

The global value chain is an integral part of the current global economic structure. It represents a network that connects firms, workers, and consumers at a global level. As a concept, scholars often use GVC framework to analyze a complex industry interaction. Under the current global economy, the GVC framework becomes a critical tool to evaluate production patterns, the geographical linkage among actors and their activity within a single industry, and the interaction between developed and developing countries within this chain. The key here is to evaluate the ‘on the sequences of value added within an industry from conception to production and end use’, from which we can find ‘a holistic view of global industries both from the top down and the bottom up’ (Gereffi & Stark, 2016, p. 6).

Figure 3: Six Dimensions of the GVC Analysis



Source: Re-drawn by Authors based on Gereffi and Stark (2016, p. 7)

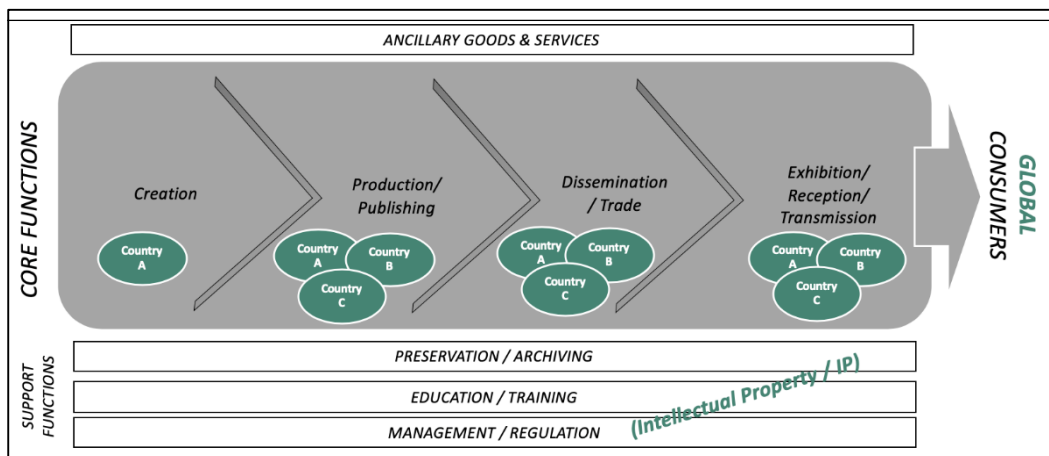
In general, Gereffi and Stark (2016) provide six dimensions of the GVC analysis (Figure 3). Overall, the value chain refers to ‘full range of activities that firms and workers perform to bring a product from its conception to end use and beyond’ (e.g., research and development, design, production, marketing, distribution, and support to the final consumer) (Gereffi & Stark, 2016, p. 7). Within the global economy, this means the activities go beyond one national border. Each segment within the chain adds value based on what they add to the product or services. Countries’ participation depends on their competitive advantage. Scholars often conduct their value chain analysis based on international trade statistics databases to show where the highest value goes to or evaluate a country’s upgrading from lower to the upper tier of production (Gereffi & Stark, 2016, p. 10).

However, with regards to the purpose of this paper to create a mapping of global creative value chain for idol industry, we will focus on the three dimensions of the GVC analysis, which occur at the global level: 1) input-output structure (i.e., backward and forward linkage); 2) geographic scope (i.e., the transnational interaction); and 3) governance structure. The question then, how we do the same with the global creative sector, which mostly about content creation? In this

research, our focus is on mapping the chain first because there yet to be one comprehensive framework that provides a holistic picture of a global creative sector, which emphasizes content production. This sector has been benefiting from the advancement of Information and Communications Technology (ICT). Later, the K-Pop group's case will show how a content-heavy value chain exhibits the opposite direction of the global value chain, from North-led GVC into South-led.

While there is a lack of comprehensive framework on the global creative value chain, several critical works on the creative value chain centered on the concept of culture cycle (UNESCO-UIS, 2009, 2016; De Voldere et al., 2017). UNESCO-UIS releases its report (2009) due to the rapid development of creative industries across the world, marked by increased international trade in cultural products. Based on the concept of culture cycle, the report presents five cultural industry production networks: creation, production, dissemination, exhibition or reception, and consumption or participation, which form a cycle rather than a hierarchal stage (UNESCO-UIS, 2009, p. 24). Based on UNESCO-UIS, De Voldere et al. (2017) develop a creative value chain model. The creative value chain model consists of two functions, core and support function. De Voldere et al. (2017) develop their value chain model for different sectors based on the European Union's creative sector industry development.

Figure 4: Global Creative Value Chain



Notes: We emphasize a transnational and/or global nature within the Creative Value Chain from the original model.

Source: Authors based on De Voldere et al. (2017, p. 38)

The original work presents nine value chain models: visual arts, performing arts, cultural heritage, artistic craft, book publishing, music, film, television and radio broadcasting, and multimedia. Later, in our analytical section, we use these models as our foundation to understand the K-Pop idol industry.

As we have stated earlier, we emphasize the network's global or transnational element (Figure 4). In that regard, we argue that the global market and intellectual property rights play an essential role here (more in the next section). We first need to discuss the complexity of K-pop idol industry structure to construct a set of comprehensive indicators.

2.2 The Structure of Idol Industry in South Korea: BTS and the BTS Ecosystem

While there are abundant studies on the K-Pop idol industry, most of them focus on explaining the success of the K-Pop idol industry without providing a comprehensive understanding of how the networking works (Lie, 2012; Shin & Kim, 2013). While we argue that these works missed the opportunity to provide a complete analysis of the K-Pop idol industry global production network, these works point out critical elements that we need to consider, ICT advancement and the importance of the global market.⁵ This paper seeks to provide a thorough picture of the global production network of idol as a creative product, which encompasses different creative sectors (e.g., music, performing arts, artistic craft, and multimedia). Instead of identifying a single success factor, we seek to highlight the linkage between different actors and activities that leads to idol as the final product that reaches the global market.

Regarding the K-Pop idol model, we incorporate the concept specifically in our case BTS group. The majority of scholars conduct their studies on K-Pop Idol based on specific entertainment house. It is essential to highlight that there are varieties in how an idol company operates. A study by Elberse & Woodham (2020) explores how Big Hit Entertainment uses slightly different approaches for BTS compared to the traditional K-Pop idol model. While most idol groups have less control over their activities, BTS members receive more autonomy over their activities (Elberse & Woodham, 2020, p. 10). Based on this study, this paper underlines how the idol group participates in the creative content production as the creator (see more in the data analysis section).

⁵ Kim (2019) sees that K-Pop as a culture technology, an integral part of the South Korean economic development strategy. The sector receives government strategic support through the promotion of ICT as its base. Kim argues that the K-Pop idol group often becomes a manifestation of the nexus between the state and the industry (Kim, 2019, pp. 15-16). Messerlin and Shin (2013) explore the origin of the K-Pop idol concept in the late 1990s to mid-2000s, its development, and how it becomes critical cultural exports for South Korea. According to Messerlin and Shin (2013) and Lie (2012) the current K-Pop wave is a shift from sing-intensive to dance intensive performances. It benefited from ICT advancement such as YouTube and the digitalization of music and music videos, which suppress the production cost. As they characterize the K-Pop Idol model, these works place more focus on the type of music (i.e., how the music style differs or resembles each other). Several other works point out that K-Pop Idol does more than music and performances (Oh, 2013; Kim, 2019).

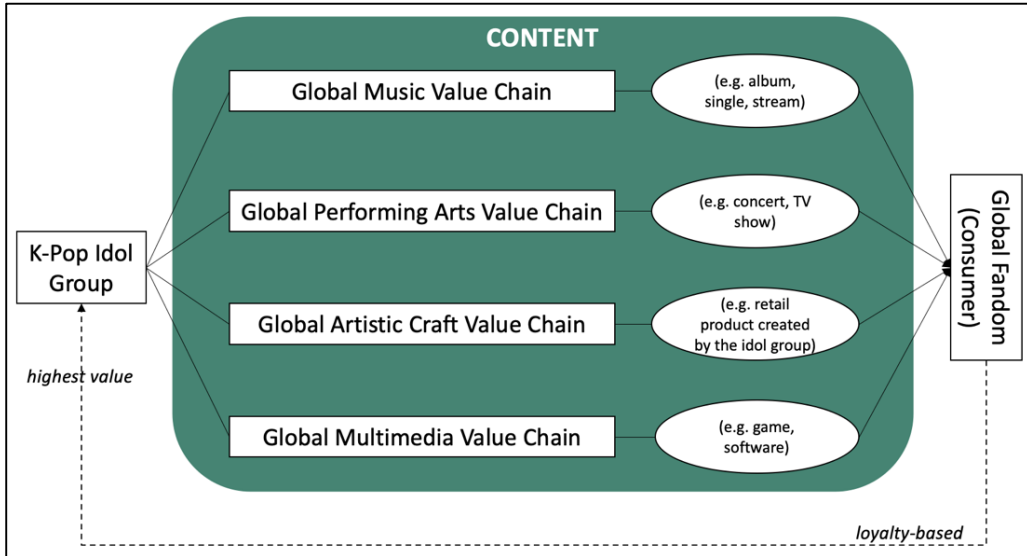
In general, the idol industry encompasses various activities that, in the end, add value to the particular idol group as final products. We argue that the Idol group, by its extension, the entertainment house, receives the highest value in the global creative value chain for the idol industry. Fans' loyalty plays a crucial role in this matter. An article by Time Magazine illustrates how BTS operates using loyalty-based marketing. Fans of typical singers 'might go to a concert, buy an album or a track, or buy a t-shirt', but K-Pop idol fans 'want to feel close with their idols' (TIME, 2019). Therefore, the idol model enables diversification of the music industry beyond concerts (i.e., performing arts) and merchandising. As the final product, K-Pop idol incorporates different activities that can bring the closeness aspect to the fans. In this regard, we can see that the global fandom is the primary consumer. We need to consider how the idol industry can consist of various creative value chains.

We base our framework on three open corporate briefings by Big Hit Entertainment to provide a more comprehensive picture of the idol industry's activities (Big Hit Labels, 2019, 2020a, 2020b). These corporate briefings provide important information on four key elements of idol industry: 1) the content-heavy nature (e.g., music, concert and other form of fan meeting, other media content); 2) global market-driven (e.g., global merchandizing, advertising); 3) ICT advancement; 4) Intellectual Property (IP). These are the key elements that act as the foundation of their global creative value chain or the BTS ecosystem. Those four critical elements are reflected in the business area's share to Big Hit Entertainment Financial performances (Table 1).

3. Methodology

3.1 Constructing Global Creative Value Chain for Idol Industry

We seek to combine the base framework from De Voldere et al. (2017) to conduct a firm level analysis. First, we draw a mapping of the global creative value chain in the case of BTS based on their main activities as an idol group (Figure 5). We select using four value chain model provided by De Voldere et al. (2017) to represent four main sectors of the idol industry for the BTS case: global creative value chain: global music value chain, global performing art value chain, global artistic craft value chain, and global multimedia value chain. We decided to select these four categories upon evaluating the BTS Ecosystem, as presented on three corporate briefings by Big Hit Label (Big Hit Labels, 2019, 2020a, 2020b).

Figure 5: Mapping of Global Creative Value Chain for Idol Industry

Source: Authors

3.2 Method, Data and Research Time Scope

This paper employs a qualitative descriptive case study method to explore our GCVC mapping proposal using a single case design. BTS is currently one of the most significant contributors to South Korean GDP and one of the most influential idol groups (e.g., their diplomatic mission to the U.N.). We treat BTS as a single case study for the idol industry in South Korea that represents one sector of the creative industry. We seek to apply the known global value chain conception to the creative industry to generate new interpretations of the global rise of the South Korean pop culture phenomenon. We explain BTS's global creative production structure through a single case study design through its characteristics and pattern, particularly how it involved a chain of actors within a transnational network.

We treat various contents released officially by Big Hit Entertainment as our primary data (Table 3). We select 2018-2020 as our research time scope. Elberse and Woodham (2020), the global success of BTS started to grow faster in 2018. The new contract, signed in 2018, signified the position of seven members as creators. We seek to highlight the involvement of the artists as part of the content creators. We select the content released in this time frame to draw our Global Creative Value Chain mapping based on the BTS Ecosystem. We select several creative products from the BTS under the period of 2018-2020 as our sub-cases.

Table 3: Selected Data & Data Source

	Data	Data Source
Global Music Value Chain	Map of the Soul: Persona (mini album) (2018) Map of the Soul: 7 (album) (2019)	https://ibighit.com/bts/eng/discography/detail/map_of_the_soul-persona.php ; https://www.vlive.tv/video/125174 https://ibighit.com/bts/eng/discography/detail/map_of_the_soul-7.php ; https://www.vlive.tv/video/179339
Global Performing Arts Value Chain	BTS World Tour 'Love Yourself Speak Yourself' Los Angeles (2019) BTS Online Live Concert 'BANG BANG CON The Live' (2020)	https://ibighit.com/bts/eng/tour/love_yourself/ https://www.weverse.io/bts/media/2563 https://weverseshop.onelink.me/BZSY/6d0ef33b
Global Artistic Craft Value Chain	BT21: Universe 2 (characters & retail) (2019)	https://www.bt21.com ; https://www.youtube.com/c/BT21_official/
Global Multimedia Value Chain	BTS World (game) (2019) In the SOOP (variety show) (2020)	https://btsw.netmarble.com/en/home https://weverse.io/bts/media/2812

Source: Authors

4. Data Analysis: The BTS Ecosystem under Global Creative Value Chain Approach

This section evaluates four categories of the global creative value chain, which constitute four main sectors of the K-Pop idol industry. The four sectors also become the main components that hold the BTS Ecosystem (Big Hit Labels, 2019, 2020a, 2020b). The corporate briefings provide critical information on the structure of the K-Pop Idol industry, specifically for BTS under Big Hit Labels.⁶ We found that Big Hit refers to their company as a 'content powerhouse' through the report. Through their idol groups, they strive to create good content. Big Hit Idol groups as Artists are involved both directly and indirectly, supported and facilitated by Intellectual Property (IP), in various content creation. They argue

⁶ Based on their official website, they listed two core business types: 1) Music Production, Publishing, New Artist Development, Artist Management, and 2) 360° Business, IP Business, Platform Business. The corporate briefing mentions that Big Hit Entertainment considers themselves a content powerhouse, hence the importance of IP for their business. However, they state that music is the core of their business (i.e., album sales, concert tour), supported by various contents and merchandising (Big Hit Entertainment, 2020).

that this is the main reason the company could double its profit from 22.3% in 2017 to 45.5% in 2019.

The BTS Ecosystem consists of various contents created by and/or centered around the BTS, which are crafted for the global fans to make them feel close with the BTS. The majority of these contents are accessible through several online platforms. Since 2019, Weverse is the ‘official fan community where global fans and artists interact’ developed by beNX⁷ and Big Hit Entertainment (Weverse, 2020). Through this platform, BTS provides various contents, such as variety shows, documentary movies, and online concert access.

The BTS Ecosystem represents how the K-Pop industry is crafted for the global consumer. This section evaluates how the global creative value chain's four main categories become integral parts of the BTS Ecosystem. As presented in the second section, we specifically pay attention to the input-output structure, the geographic scope, and the governance structure within each global creative value chain. We are focusing on how BTS as a K-Pop Idol group is the primary input, who is also involved in the content creation, that is being developed to create a final product for the global fans. Yet, the final product's consumption goes back to BTS, and by extension, Big Hit Entertainment, who receives the highest value.

4.1 Global Music Value Chain

Following De Voldere et al. (2017), technology development (i.e., digitalization) plays an essential part in the rise and fall of global music industries. The development of new distribution channels (e.g. iTunes, Spotify) has disrupted the industry, leading to ‘the development of new business model and new consumption patterns with the instant availability of music on mobile devices’ (De Voldere et al., 2017, p. 133). The BTS also benefited from this rise of music streaming, which can be observed from how songs from their last two albums ranked in digital song chart globally (Forbes, 2019, 2020a, 2020b).

If we investigate the music production, we need to evaluate many players along the value chain, such as artists, musicians, authors and composers, record companies, music publishers, broadcasters (radio, TV), digital service providers, retailers, etc. Looking into the global music value chain, we need to break down the production stages from the creation to the exhibition (i.e., the platform that presents the final product to the consumers) stage. In this section, we select two albums of the BTS to examine how to trace the global music value chain process. In the Table 3, we try to map out all actors involved in the album production for

⁷ beNX is Big Hit technology subsidiary company. Weverse can be accessed through mobile app or through their web platform. Weverse platform is also supported by the Weverse Shop as the official merchandise store for global fans (Weverse Shop, 2020).

each stage. We used the music value change framework from De Voldere et al. (2017) as our guidelines.

Table 4: Map of The Soul: Persona (2019) & Map of The Soul: 7 (2020)

Core Functions	Creation	Music Composer – Composer	List of Composers, Authors, Arrangers listed on KOMCA: 1. BTS members 2. Other Big Hit in-house producers (Big Hit Ent-Kor) 3. Foreign artists (non-korean) 4. Independent arrangers
		Song (lyrics) Writing – Author	
		Sound Creation (master recordings, studio recordings, non-live/taped recordings etc.) – Arranger	
	Production/ Publishing	Publishing (e.g., acquiring copyrights, promoting, authorizing)	List of Music Publisher listed on KOMCA: 1. For BTS Members and other Big Hit In-House Producers: Big Hit Entertainment 2. Other artists: Sony/Atv Music Publishing Korea; Universal Music Publishing; Warner Chappell Music Korea Inc.; Fujipacific Music Korea Inc.; Musikade-Kor; Lalala Studio-Kor; Culture Technology Group Asia Co.,Ltd; Emi Music Publishing Korea Ltd. Copyright assignees listed on KOMCA: American Society of Composers, Authors, and Publishers (ASCAP); Broadcast Music, Inc. (BMI); PRS for Music Limited (PRS); Australasian Performing Right Association (APRA); Society of European Stage Authors and Composers (SESAC); STIM (Swedish collective management organization for music creators and publishers); AMRA (global digital music collection society); Society of Composers, Authors and Music Publishers of Canada (SOCAN)
		Production (i.e., pitching to recording artist or record labels, manufacturing, and PR/Marketing)	
		Artist & Repertoire (e.g., scouting & contracting)	

			Studios (Recording Locations) Listed on the CD Booklet: Big Hit Studio; The Village; Adorable Trap; Analog Lab; Dogg Bounce; Echo Bar Studio in N.Hollywood; Mr. Sandwich Studios; RKive Studio Bambi Gang; The One With the Big Bulb; The Rock Pit
	<i>Dissemination/ Trade</i>	Linear Distribution (i.e., TV, Radio as well as marketing and promotion)	The rights to release the albums in CD, digital download, and digital streaming are owned by Big Hit Entertainment in collaboration with other major entertainment companies: 1.Dreamus (KOR) 2. Virgin Music (JPN) 3.Columbia Records (North America & Europe 4.Sony Music Entertainment (Germany)
		Brick Retailers (i.e., packaging, transport & retail management as well as marketing and promotion)	
		Non-Linear Distribution (i.e., Digital service providers, online promotion and marketing)	
		Exhibition/ Reception/ Transition	Various Music Programs in Korea; TV Interviews in both Korea and abroad; Press Conference through online streaming platform (Youtube, VLive); Weverse.
Support Functions	<i>Preservation/Archiving Education/Training Management/Regulation</i>		Intellectual Property
Ancillary Goods & Services	<i>Supporting activities (e.g. music recording software, manufacturing musical instruments)</i>		Big Hit Entertainment

Notes: We made several small adjustments from the original music value chain framework by De Voldere et al. (2017, p. 136). We combine all the credits from every song and classified them based on the categorization provided by De Voldere et al. (2017, p. 136). We take out one element of from the creation stage (i.e., live performance) as it can be explored as its own value chain. We separate music composer and song (lyrics) writing due to the data that we found on the BTS. Based on the information found on the Korea Music Copyright Association (KOMCA), the copyright owners of the songs on Map of the Soul: Persona can be divided into three categories: Author (A), Composer (C), and Arranger (AR) (KOMCA, 2020). The two albums consist of several overlapping (same) songs.

Source: Authors

Based on KOMCA (Table 4), we can observe foreign artists' involvement, particularly in the creation and production stages (VLive, 2019, 2020). These foreign artists⁸ who come from several different countries, are represented by global music labels (i.e., MNCs). It is important to highlight that along with foreign artists' involvement here, we can also observe several different music associations, from the countries where these artists come from (e.g., Australasian Performing Right Association, Society of Composers, Authors and Music Publishers of Canada). The music value chain's transnational nature also takes form in the involvement of studios, which are in different countries, and the exhibition/reception/transition stage. We can observe that the digitalization of music benefits from global social media platforms to reach a global audience.

With both *Map of the Soul: Personal* and *Map of the Soul: 7* album, BTS received an acknowledgment from the International Federation of the Phonographic Industry (IFPI) as one of the global best-selling albums in 2019 and 2020. In 2019, IFPI only calculated the number of album downloads and the physical album. *Map of the Soul: 7* was the first Global Album All Format Chart 2020 winner. The album has topped the charts in the five largest music markets (i.e., USA, Japan, UK, Germany, France). The album reached 1st in more than 90 countries on the iTunes chart (IFPI, 2021; Korea Herald, 2019). Overall, the global music value chain exhibit how a transnational input-output mechanism. A chain of non-Korean value chain actors within the value chain contributes to the final product's production that eventually reaches a global audience. Similar to the logic of the manufacturing production network, the highest value to the BTS and the Big Hit Entertainment.

4.2 Global Performing Arts Value Chain

The second value chain is the performing arts value chain, which already becomes an integral part of the music industry. Following De Voldere et al., performing arts refers to 'a presentation of live art to a live audience', which are not 'recorded or displayed on a screen' (i.e., film) (De Voldere et al., 2017, p. 60). Cultural products that fall within the performing arts category are theater and theatrical performances (e.g., musicals, opera, ballet, etc.), dance, cabaret, and live music or music festivals. There are two core functions in the performing arts value chain. The first function is the activities related to a live performing art (i.e., every element used in the live performance). Second, the activities related to the production and dissemination/exhibition activities of performing arts (i.e., supporting activities outside the live performances such as distribution and commercialization, stage production) (De Voldere et al., 2017, p. 60).

⁸ Examples of these foreign artist are American singer-songwriter such as Halsey, Melanie Joy Fontana; Canadian music producers DJ Swivel; Australian record producers Tushar Apte; and Australian-South African singer-songwriter Troye Sivan.

Table 5: BTS World Tour ‘Love Yourself Speak Yourself’ Los Angeles (2019) & BTS Online Live Concert ‘BANG BANG CON The Live’ (2020)

Core Functions	Creation	Content Creation (e.g., script, composition, choreography, etc.) Private and Public Financing	ARTIST RM SUGA JIN J-HOPE JIMIN V JUNG KOOK CHOREOGRAPHER 유광열 이훈진 윤종인 임건 복 한명현 김영현 양광범 전기종 최기훈 원종휘 박한솔 박성한 한민호 강명훈 MUSIC PRODUCTION DEPT. 양창원 정우영 PERFORMANCE DIRECTING 손성득 이병은 이두환 VISUAL CREATIVE 김가은 HAIR 김지혜 서진영 MAKE-UP 김 다름 백 현아 STYLIST 이서연 홍실 신주연 서희 지 SECURITY 이재향 김대성 한석 오 김경도 CJ ENM 이동엽 김혜선 재미 진 사무소 김지윤 김설 아 이승준 정혜리
	Production/ Publishing	Production (i.e., rehearsals, stage, design, make-up, lights, sounds, choreography) Technical Support (i.e., design, set, backstage, costumes, lights) Private & Public Financing	CREATIVE DIRECTOR Plan A PRODUCTION DESIGN Fragment Nine STAGE MANAGER SH Company SOUND DESIGN TRISTAR Audio CAMERA DIRECTOR D-take LIGHTING DESIGN Lite Factory VIDEO TECH Good media ILLUMINATION DESIGN Artdeco

			MEDIA SERVER TECH Live Lab TRUSS & KINESYS DESIGN Wooil STAGE DESIGN Mayvan SPECIAL EFFECT DESIGN SF CORPORATION VIDEO DESIGN ALIVE
	<i>Dissemination/ Trade</i>	Promotion (i.e., marketing and communication on media, posters, brochures, programs and touring)	
		Distribution to Stages and Venues (i.e., on-site information and communication, hosting and security)	Rose Bowl, Los Angeles (Speak Yourself Concert Venue) Kiswe Mobile Inc. (Online concert platform)
		Commercialization and Ticketing (i.e., online & targeted marketing)	Weverse Shop
	<i>Exhibition/ Reception/ Transition</i>	Live Performances	Rose Bowl, Los Angeles (Speak Yourself Concert Venue) Kiswe Mobile Inc. (Online concert platform)
Broadcasting/ Cable/ Transmission/ Live Streaming			
<i>Support Functions</i>	<i>Preservation/Archiving Education/Training Management/Regulation</i>	Intellectual Property ARTIST MANAGEMENT 김세진 김수빈 안 다솔 CONCERT STRATEGY 한아람 강 예리 이소연 CONCERT BUSINESS 박꽃 하얀 이인혜 이에 정 박지은 CONTENT BUSINESS 방 우정 김수린 장정 인 김지은	

Ancillary Goods & Services	<i>DVD Production</i> <i>DVD Distribution</i> <i>Broadcaster</i>	beNX Co., Ltd PLAY COMPANY CORP. EXECUTIVE PRODUCER 조형석 BUSINESS DIVISION CHIEF DIRECTOR 임완철 DIRECTOR 송태렬 PROJECT MANAGER 박현주 ASSISTANT DIRECTOR 이재웅 한준희 엄태훈 FILM DIRECTOR 장 아름 이하은 이소진 김예원 김윤수 김서 율 DESIGN & ART WORK 황지은 최 보미 윤혜진 이은선 박솔채 신은진 PHOTOGRAPHER KMI 황혜정 이유진 DVD AUTHORIZING 노준호 CHIEF FINANCIAL OFFICER 정보 람 MANAGEMENT SUPPORT 유 창민 김준연 윤강희 PRINT ARANA WEVERSE SHOP
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Notes: We made several small adjustments from the original performing arts value chain framework by De Voldere et al. (2017, p. 63)

Source: Authors

On Table 5, we evaluate two live performances of the BTS. The first one is the more traditional live concert; the ‘Love Yourself Speak Yourself’ concert in Los Angeles (2019). This concert is a part of the BTS World Tour: Love Yourself tour series, which included some of the world’s largest performance venues, such as Wembley Stadium where they sold out the 90,000-seat stadium in 90 minutes. The gross revenue of the tour reached US\$ 200 million in 2019 (Elberse & Woodham, 2020, p. 10).

The second one is the online concert ‘BANG BANG CON The Live’ (2020). The online live concert broke the record as it saw with 756,600 viewers from 107 regions. It was an equivalent of 15 shows at a 50,000-capacity stadium. Through this 100-minutes live concert, Big Hit Entertainment earned US\$ 20 million from ticket sales (Forbes, 2020a). We decided to incorporate online live performance after evaluating the impact of the global pandemic COVID-19 on the transformation of live concerts worldwide. The global pandemic has contributed to the continuous improvement of the online concert system (i.e., the technicality of the online concert, such as website platform and fans’ online live interaction). Since BANG BANG CON The Live in 2020, BTS has been performing several more online concerts, including Map of the Soul: ONE, BTS 2021 Muster

Sowoozoo, BTS Permission to Dance (in three different venues). These online concerts are available through Weverse platform (see Global Multimedia Value Chain section). As the ban on the in-person concert was lifted in 2021, BTS continues to provide livestream access to their live concert (hybrid format). Their three-day show in 2022 reached 2.46 million fans worldwide, including online fans in 191 countries. The concert grossed over USD 90 million in ticket sales (Nikkei Asia, 2022).

Both of these live concerts went through the similar creation and production stage. The main difference is the medium to reach global audiences. The first one is through a direct mechanism, where the artists and global audiences physically are in the same venue. The second one uses an indirect mechanism, where the artist and global audiences meet and connect through an online platform in real-time.

Based on the concert information from the official DVD and the VOD, we can observe the transnational input-output mechanism within the two live concerts (Table 5). While Big Hit Entertainment does the creation and production stages of the concert, the nature of world tour incorporate local staff (e.g., interpreter, on-site security, lighting, special effect) as these concerts are held in various venues across the globe such as Rose Bowl (Los Angeles, USA), Stade de France (Paris, France), Yanmar Stadium Nagai (Osaka, Japan) (BTS Memories of 2019 DVD, 2020). With regards to the online concert, the distributor of the online concert, the Kiswe Mobile Inc., is headquarter in the USA (Kiswe, 2020). Like the global music value chain, the two live concerts represent how a global performing arts value chain reaches global viewers directly and indirectly through a transnational input-output mechanism. The highest value goes back to the BTS and the Big Hit Entertainment.

4.3 Global Artistic Craft Value Chain

The next category of the global creative value chain is the artistic craft value chain. Following De Voldere et al. (2017), artistic craft or artisanal products refer to those produced, completely or partially, by artisans (i.e., direct manual contribution of the artisans as the most substantial components of the finished products). Voldere et al., differentiate between the one-off production (i.e., the artisans act as creator, producer, and distributor if the products) and the industrial craft (i.e., there is an involvement of mass production activity). In their study, Voldere et al. exclude the industrial craft (De Voldere et al., 2017, p. 104). However, due to the K-Pop industry's nature, we decided to incorporate industrial craft as we look into the BT21 as our sub-case. BT21 is a part of LINE⁹ friend

⁹ Line is a freeware app by LINE Corporation, a Tokyo-based subsidiary of Naver Corporation from South Korea, for instant communications on electronic devices such as smartphones, tablet computers, and personal computers.

featured characters, which were released as under a project called Friend Creators. The BTS was the first artist involved in this project as the seven members themselves created and developed the seven characters of BT21 (BT21, 2020). Based on these seven characters, Line Friends showcases and sells BT21 products (i.e., merchandise and apparel venture) at its flagship store located in several countries across the world and online.

Table 6: BT21: Universe 2 (2019)

Core Functions	Creation	Content Creation by Crafter/Artisan (i.e., idea generation and the cultural context) - Developers	BTS Members & LINE FRIENDS
	Production/ Publishing	Production (i.e., supply of raw material, manufacture, and consolidation of the product, labelling)	LINE FRIENDS; NARA HOME DECO (Manufactured in China); QINGDAO AISH HANDICRAFT CO., LTD (Manufactured in China); WEIFANG QINGDE CRAFTS CO., LTD (Manufactured in China)
	Dissemination/ Trade	Distribution (i.e., transport, marketing)	LINE FRIENDS STORES
		Retail	LINE FRIENDS STORES (including AMAZON OFFICIAL STORE) WEVERSE SHOP
	Exhibition/ Reception/ Transition	Mass Market (general public)	LINE FRIENDS STORE; Social Media Platform (Youtube, VLive, Wedibo, Twitter, Instagram, Facebook)
		Niche Market (global fandom)	WEVERSE SHOP
Support Functions	<i>Preservation/Archiving Education/Training Management/Regulation</i>		Intellectual Property
Ancillary Goods & Services	<i>Supporting Activities (Raw Material Suppliers)</i>		

Notes: We made several small adjustments from the original performing arts value chain framework by De Voldere et al. (2017, p. 107). Details on the companies involved in the chain are retrieved from the product labels. The grey highlight represents the product manufacturing stage (i.e., industrial craft).

Source: Authors

While the original concept of the artistic craft value chain excludes industrial craft, we argue that this concept can highlight BT21 more as an artistic craft product instead of another merchandise manufacturing (e.g., concert goods). The reason is that BT21 is promoted as the representation of the BTS members that they created (i.e., the creation stage). The BTS are the artisans who become the most substantial components of the finished products. BT21 shows the transnational input-output mechanism of the global artistic craft value chain, in which we can observe how the highest value goes back to BTS and the Big Hit Entertainment. In this case, the highest value comes from the sales revenue and how these characters strengthen the value of the BTS' image.

4.4 Global Multimedia Value Chain

The last category of the global creative value chain is the global multimedia value chain. As scholars already acknowledge, the rise of the K-Pop industry relies on the advancement of digital media or just digitalization in general. In this regard, the multimedia value chain is one of the most essential elements for K-Pop idol industry growth. Following De Voldere et al. (2017), multimedia refers to 'works which consist of a combination of several digital media such as text, graphic, photography, audio and video to create an entertainment', which can also enabled an element of interactivity (p. 192). Multimedia goods include software and PC games.

Table 7: BTS World (game) (2019) & In the SOOP (variety show) (2020)

Core Functions	Creation	Software Development (in-house or external) and Continuous Network Management (e.g., for online game)	Big Hit Entertainment; Netmarble Corp. & Takeone Company. Content: ▪ BTS World OST: Performed, Written, and Produced by the BTS, Big Hit Entertainment Producers, foreign artists, and foreign producers (e.g., the US, Canada, Sweden, UK).
	Production/ Publishing	Publishing (e.g., marketing of the product)	Big Hit; Big Hit 360
		Production (physical) (for retail i.e., console, PC, handheld)	WEVERSE; Google Play Store; The App Store (Apple)
		Production (online/mobile) (for mobile, Appstore, PC & consoles)	
	Dissemination/ Trade	Distribution (physical)	WEVERSE & Big Hit Entertainment's social media (Youtube, Twitter, Facebook)
		Retail Management (e.g., shelf-space)	
		Marketing (Social Media) (e.g., YouTube, Twitch)	WEVERSE; JTBC
	Exhibition/ Reception/ Transition	Distribution (online/mobile) (e.g., server space, community management, Internet Network management)	
Support Functions	<i>Preservation/Archiving Education/Training Management/Regulation</i>		Intellectual Property
Ancillary Goods & Services	<i>Middleware Development Hardware Production (console, PC, Mobile)</i>		

Notes: We made several small adjustments from the original performing arts value chain framework by De Voldere et al. (2017, p. 195)

Source: Authors

In table 7, we investigate two subcases. The first subcase is a game called 'BTS World'. The second one is 'In the SOOP'. In the SOOP is a variety show produced by Big Hit Entertainment, which is conceptualized and starred by the

seven members of the BTS. The variety show is released exclusively on Weverse, the online platform for the global fans. We discussed the SOOP in the global multimedia value chain instead of the television value chain or film value chain because it does not fit the two categories. We treat In the SOOP as part of the main contents of Weverse, as the primary online platform for the BTS by Big Hit Entertainment. The transnational input-output mechanism can be found in the content creation stage and also the distribution stage. Like the BT21, the content of BTS World and In The SOOP relies heavily on the BTS character. In this regard, the highest value goes to the BTS and Big Hit Entertainment, not only for the sales revenue but also increasing the value of the BTS' image.

5. Conclusions & Implications for Future Development

Overall, we can draw two conclusion points from our mapping on the global creative value chain based on K-Pop idol industry. First, there is similar logic in the GVC mechanism between the more traditional manufacture GVC (e.g., electronics, automotive) and global creative value chain regarding the three key elements: input-output, geographic scope, and governance structure. The case of BTS shows how global player involvement in producing creative content within the global creative value chain. The BTS, as managed by the Big Hit Entertainment, receive the highest value. The highest value comes from the sales revenue and how these characters strengthen the value of the BTS' image, which becomes the key to this loyalty-based idol industry.

The second point relates to the creative content creation. We can observe how ICT advancement supports the flexibility of the global creative value chain. As opposed to the traditional manufacture GVC, the global creative value chain's main product is the creative content, which is easier to be moved across the national border. An observation over this creative content creations also highlights how the K-pop idol shows South-led global value chain. Instead of expanding Western culture into Asia, we are looking into how Western players support the production of Asia's cultural content before it finally reaches global market. However, the topic needs to be developed further in future research.

Most of the Korean Wave discussions, particularly on the rise of BTS, emphasize the uniqueness of the cultural content and the ICT advancement. This paper explores how the creation of these Korean pop culture contents is influenced by a chain of transnational actors involved in various stages from creation, production, distribution, and exhibition until it reaches the global market. The process is no different from the fragmentation of manufacturing production. Our single case study analysis on BTS needs to be followed by developing a global value chain quantitative analysis for the creative sector, particularly the idol industry. However, it would require a firm-level survey to gain value-added data

for a more thorough examination. Unlike manufacturing industries, there are limited resources for firm-level creative industry databases.

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