

# Research on the Strategic Positioning of the Korean Mainstream Film and Television Market based on Netflix Platform

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**Abstract.** Researching the strategic position of the mainstream Korean film and television market based on Netflix will greatly impact the development direction of the mainstream Korean film and television market in the next decade. At the same time, it has also planned and broadened the possibilities and development potential of Asian film, television, and Netflix in the Asian market to a certain extent. This paper chose this topic because the cultural output of Korean movies and TV dramas has had a wide range of influence and appeal in recent years, and the quality of movies and TV dramas has improved dramatically. It has a rich storyline, excellent visual effects, music, costumes, and stylistic designs that reflect Korean culture's unique ideas and values. It deeply reflects the unique ideas and values of Korean culture. The research methods used are questionnaires and comparative analysis. The results are analyzed from data analysis and commons characteristic. Discussion is discussed reasonably from the creative stage and propagation stage. The value of this paper can be reflected in helping Korean film and television enterprises formulate strategies. Studying the strategic position of the Korean film and television market can help Korean film and television enterprises fully understand and analyze market trends. It can also promote the development of the film and television industry. Studying the film and television market's strategic position in Korea can promote film development.

## 1 Introduction

### 1.1 Research background

Netflix, which already has more than 130 countries with millions of subscribers each year, will have 237.5 million paid members by the end of 2022; according to Netflix, revenue was \$32 billion in fiscal year-on-year and \$7.85 billion in the fourth quarter. Netflix forecast revenue of \$8.17 billion in the new quarter [1].

In the second quarter of 2020, to the impact of the global COVID-19 implementation of the home closure policy. In the meantime, Netflix has emerged with a wealth of content resources and a large subscriber base, with, for example, 34% of the average U.S. household's streaming minutes [2], well ahead of Amazon, Disney+, and Hulu. This figure also aggravated the decline in viewership of traditional TV media such as CBS and NBC. As of December 2021, Netflix has more than 73 million subscribers in North America [3], and more than 6 billion hours of audio-visual content are on-demand on the platform each month in a Binge-watch format [4]. Surprisingly, South Korean films are the preferred quality content among North American users who watch an average of nearly 3.2 hours a day [5]. Nearly 86.5 percent of users sampled watched foreign content on the platform at least once a week [6], and most did not have a relevant cultural background, and some expressed a

desire to travel, learn more about local culture and go to the cinema.

Even as South Korea's homegrown film and television platforms flourish, Netflix subscribers are among the most, accounting for 72.3 percent of the respondents, while TVing, a local OTT service provider, accounted for 36.2 percent, the data showed [7].

South Korean films, supported by Netflix streaming platforms, are spreading alarmingly and influencing the audience's cultural perception with great attraction. It is well known that Korean film and television are unique in Asia and the world. Since the late 1990s, the Korean Wave has influenced the literary creation trend.

### 1.2 Literature review

Van analyzed that Squid Games, for example, is an important part of Netflix's global strategy to collaborate or invest with local content teams in various countries without interfering with content producers' content [8]. The Squid Game, launched on Netflix, uses advertising marketing and big data algorithms to push the show to global audiences and combines South Korea's excellent content production team with Netflix's capital and other traditional streaming platforms.

And Xia found that the most intuitive change in Netflix Korean dramas compared to traditional Korean dramas is that they tend to be "Americanized." In recent years, with the increasing influence and penetration of American drama culture, many countries have begun to

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copy or imitate the production methods of American drama [9]. This is reflected not only in the big scene and special effects production level but also in the script presentation mode and other relatively core content levels.

Because of the inadequacy of image-based localization, the East-style cultural core can be used as the supporting point to achieve greater international and local communication win-win.

Shen proposed that the globalization of U.S. films in Korea has driven the Korean film industry to restructure its system, and this globalization has led to the creation of Korean-style blockbusters in the late 1990s [10]. Since then, the South Korean film industry has sought to expand its market to other countries. Therefore, while domestic adaptation to globalization is passive in Korea, it can help fundamentally change the industry.

Most scholars and articles mainly study the influence of Netflix on Korean film and television and the influence of European and American films on Korean film and television's shooting methods and content value orientation. With the help of Netflix, South Korean films and television dramas are gaining huge popularity year after year, with subscribers and ratings far surpassing any streaming platform in South Korea. They focused more on the changes in Korean film and television. Few scholars have studied how Korean films and television export their values and form a boom with the help of Netflix. Korea has seen how the global film market has planned its strategic orientation and development.

### 1.3 Research framework

First, this article uses a questionnaire to make general statistics of the subjective topics, such as "Which Korean movie has the hottest spread of sensation in recent years?" "Why is it attractive to this movie?" "What has changed in the personal feelings of Korean movies in recent years? Collecting and comparing it and comparing the data, this paper sifts out the broadcasts on Netflix and puts them together to find common ground, such as production methods, content cores, marketing solutions, etc. Second, look at the South Korean films and television that Netflix will produce and launch in the next few years, corresponding to the statistics above, and see which ones have changed significantly and which have remained the same. According to some obvious changes, it is focusing on the future strategic positioning of Korean film and television. Third, look at the Asian and European markets through the popularity of South Korean subscriptions on Netflix in recent years. The paper can discuss the reasons for the difference in the share and try to figure out the next step in developing Korean movies on Netflix, from the initial production to the final marketing broadcast, which should be closely related to these reasons.

## 2 Methods

### 2.1 Survey method

A questionnaire collects and obtains data from the research subjects through a written or web-based survey program or question. In this paper, the users who have watched Netflix Korean films and television are investigated and analyzed to discover the changes and development direction of Korean film and television in recent years. It is making Korean films that are more market-oriented in the future and maximizing its influence by expanding its audience through Netflix.

### 2.2 Comparative analysis

Comparative analysis, also known as comparative analysis, compares objective things to understand the nature and law of things and make a correct evaluation. To help managers analyse competition and enterprise levels in the industry, develop development strategies and improvement measures [11]. This article will compare the similarities between Korean movies and TV programs that have become popular on Netflix and the changes in the format of other Korean movies from production to content. This article explores whether the transformation brought about by its Netflix platform is an important factor affecting the Korean film and television market's future development direction and strategic position.

## 3 Result

### 3.1 Data analysis

Since it entered the Korean market in 2016, Netflix has focused on promoting original content production as its development goal [11]. As of April 2022, the Netflix platform has 41 Korean films, including short films, documentaries, and animations, and plans to release six more original films. During this period, from content acquisition to many aspects such as market management, Netflix's behavioral strategy of leading local Korean teams and individual participation can be regarded as an attempt to empower the industrial chain and cultural identity confirmation in cross-cultural communication. During the first two years of its stay in South Korea, Netflix acquired content by purchasing screen rights for finished films. It gradually tried to take over overseas independent distribution of finished films. Gradually controlling the content dissemination channel to exclusive play, using the platform bundle means guaranteeing the online dissemination income and attracting the audience to pay for the subscription.

In April 2021, Netflix Asia Director Kim Min-young announced his plan to produce original Korean content in 2021 and announced that he would invest \$500 million in producing original Korean content. At this point, Netflix, from a single film content purchase, completely turned to content production, distribution, and projection, becoming an integrated industry chain of Internet film and television enterprises. Director Bong Joon-ho's "Okja" in 2016 was a good test of Netflix's investment in the Korean film market when Netflix

became a major investor in the actual production of movie content and was the first step toward entering the Korean market.

As Ted Shalando put it, "Korean films are very good in the region and the country. In fact, bringing global audiences to creators in every region is fascinating [12]." Netflix's strategy for Korean films is based on the presupposition of global communication, and it also makes full use of the advantages of the early market laying to bring Korean films to multilingual countries or regions. Meanwhile, South Korea has taken advantage of Netflix as a platform to open the European and American markets further, expanding its film and television markets to global cultural exports. South Korea's film and television market has a clever balance between "going out" and "going in". On the one hand, Netflix is used in Korea to maximize decision-making power by collaborating with leading local directors such as Bong Joon-ho and Park Chan-wook, actors, and teams in content production. Thus, the contents with the possibility of global communication are presented as localized and nationalized, and the unique market orientation and role innovation of Korean film and television are realized. On the other hand, based on Netflix's communication strategy, the Korean film and television market introduces Korean film and television to multilingual countries or regions by utilizing the market advantages of pre-layout. In overseas communication, independent language expression and national cognition are preserved, and the unique characteristics of different cultures are emphasized.

### 3.2 Common characteristic

The popularity of Korean dramas and movies on the Internet in recent years can be seen as such film and television routines are "native cultural background + popular themes in Europe and the United States" [13]. Taking *Squid Game* as an example, Western society's obsession with killing and violence is the cultural reason for its popularity and embodies cultural resonance [14]. Western culture has an obsessive pursuit of violence and death, and since the Middle Ages, the collective pleasure of the population has been based on blood and killing. In modern times, this violent euphoria has been replaced by violent sports and violent television dramas, which have led to movies of the "death game" genre, including *Escape*, *Hunger Games*, *Maze Run*, and *Squid Game*. South Korean films and television dramas use a larger scale of violence than the West, allowing Western audiences, especially young people, to experience something they have never seen before. This led to the popularity and popularity of "The Squid Game" in the West before it was accepted in Korea. The popularity of "The Squid Game" represents a new level of Korean pop culture. It is not the first "cultural explosion" created by Korea, nor will it be the last. According to Netflix, it has invested about 770 billion won (4.2 billion yuan) in more than 80 films in Korea since 2018 and promised to invest 500 million dollars more. *Squid Game* is Netflix's first homemade drama to reach the top in all countries, followed by a slew of South Korean films and television dramas covering the mainstream themes of gangsters,

science fiction, police, and mystery. This will accelerate Korean film and television production to conquer the European and American markets and determine the future direction of the Korean film and television market, resulting from the highly industrialized Korean film and television industry for more than 20 years. This is because Korea's native background is a very good source of material, and social conflicts are serious, creating fierce drama conflicts. Whether it's class antagonism – sharp conflicts between chaebols and ordinary people, or school violence – bullying cases that have proliferated over the past few years tend to provoke popular rebellion and violent revenge, among other things. These refreshing "pain points" can easily hold the audience, and these Korean dramas dramatize the contradictions. On the one hand, it has aroused great interest from the audience. On the other hand, it has played a thoughtful and alarming role in expressing this generation of young people's oppression and declaring war on unfair institutions. According to Yonhap News Agency, the number of users of Netflix's "Dark Glory 2" hit a new record for the first two seasons of this year's "Dark Glory". Season 1 (first 8 episodes) was popular with viewers, and a large number of domestic and overseas viewers stayed up late to catch up with the show, pushing up the number of subscribers. As of the beginning of this month, "Dark Glory" had a cumulative viewership of 172 million hours. There are also figures showing that the most popular Korean drama, "Zombie Campus" in 2022 is a Korean campus + corpse theme. The Juvenile Court is the subject of juvenile delinquency + law in South Korea, and the Dynasties are the history of the Korean Peninsula + the subject. They are a mixture of two popular themes, one that captures trends in the European and American markets (such as the corpse and the law) and the other that preserves Korean cultural identity. The two collide to create a complex story. It shows how Korean dramas, which have become a global sensation in recent years, are exporting their culture and how to plan the future of the Korean film market mainstream strategic network positioning on the Netflix platform.

## 4 Discussion

### 4.1 Creative stage

Aiming at the present situation of the Korean film and television market and the strategic position and development of the Korean mainstream film and television market in Netflix in the future so the paper can start from the following approaches can be used to start with and focus on their impact. Film and television producers may include elements, hotspots and trends with the highest traffic rates or high discussion rates in their content can make the audience increase the recognition of the drama itself and the sense of generation, play a drainage effect, close the distance from the audience while attracting the audience's interest, improve user viscosity and ratings. In the artistic creation of TV series, the aesthetic value system of TV series is composed of many dimensions, which communicates aesthetic

culture through image form, drama structure type, multi-character setting, drama conflict configuration, and scene space-time presentation [15]. From the perspective of international market circulation, the standard level of TV drama industrialization is the hard index to measure the above factors. It is referenced by a number of high-quality works that have been successfully disseminated globally or regionally. On the premise of meeting the standard of industrial quality in the target market, the soft index determining the audience's acceptance of the target market is more related to the aesthetic tendency of the local audience. Aesthetic trends are habits and variability that can only be known through a detailed investigation of the audience market. So for episodes to be developed in the target market, it's natural that creative teams with successful experience in that market will be required to produce them. From Netflix's experience, local teams in the target markets are given priority in expanding into Asia and Europe while using Netflix's industrial standards for controlling the acceptance of filming and post-production. This model of international cooperation also ensures that episodes can balance local and international markets.

In addition to Netflix's participation, the Korea Film Council played a major role. The Korea Film Council supports the development of co-production projects between Korea, Japan, and Europe, operating the Korea Film Center to provide office space for producers and producers of Sino-Korean co-production projects. To arrange business negotiations between producers and directors involved in co-production projects and foreign investors or production companies through KO-PRODUCTION, the subsidy system for domestic and foreign co-production projects will be implemented to attract foreign investment and expand the scale of domestic production. The Korea Film Council supports filmmakers to participate in major international film festivals and film trading markets and boosts overseas marketing of Korean films. The "Korean Film Night," an international exchange event held during famous international film festivals such as Cannes and Berlin, will help establish a network between Korean and foreign filmmakers [16].

## 4.2 Propagation stage

The popularity of the "Korean Wave" in the world is the result of resonance propagation. Its internationalization has achieved resonance propagation beyond transnational proximity, and resonance propagation has helped the internationalization of Korean dramas to some extent. "Globality" in Korean cultural products is a process in which global concerns are expressed through local cultural methods, not through the so-called "universal" cultural forms, but through a dynamic Korean narrative to express global values and cultural practices [16].

In other words, the transnational approach in the "Korean Wave" context is not based on promoting true Korean pop culture but on the popular concerns and entertainment aspirations prevalent in other countries and regions throughout South Korea. The goal is to

spread Korean pop culture globally and to be recognized by audiences with similar experiences.

This can be done in the following areas:

First, the government has not intervened too much in creating literary and artistic works. In February 1999, Korea passed the Basic Law for the Promotion of the Cultural Industry and promoted the policy support of entertainment industries such as film and television production and games.

Second, focus on streaming platforms and social media construction, and make good use of big data and algorithms to enhance international communication effect.

Third, deeply establish a complete industrial support system through superficial cultural exports. Korean entertainment products are good at presenting Korean-made household goods, daily food culture, local customs, and beauty products in episodes and content.

Finally, strengthening the Training of Cross-Cultural Compound Talents. With the abolition of censorship, Western-educated professionals returning to Korea to start their own businesses are key to the prosperity of the Korean cultural industry, and the Korean government has recognized the importance of training professionals. The South Korean government also trains researchers in key markets such as China, the U.S., Japan, Europe, and the Middle East to introduce products suitable for other countries' conditions to integrate Hallyu into local life better. Among the four basic links of interaction between the Korean film and television industry and national cultural communication strategy, the development of the film and television industry is the goal of interaction. Through effective interaction, the overseas communication of the Korean film and television industry in recent years has shown the following characteristics: while consolidating its Asian status, actively entering the European and American markets.

## 5 Conclusion

### 5.1 Findings

Netflix attaches great importance to the strategic orientation of the Korean film market and has many aspects. Emphasis on multiculturalism: Netflix hopes to appeal to global audiences by introducing works from different cultural backgrounds and perspectives. Therefore, cooperation with Korea is not only a business consideration, but also a platform for multicultural development, and the mainstream Korean market is using Netflix to export global culture for win-win purposes. Promoting Korean Culture: Netflix works with South Korea to promote Korean culture so that global audiences can better understand and love Korean culture and promote the internationalization and localization of Korean culture. This will also promote the development of Korea's film and television industries. To sum up, Netflix's strategic position in the Korean film and television market includes investing heavily in diversification and localization strategies and promoting Korean culture to grow in global competition.

Business value can be summed up in two ways: On the one hand, Understanding International Market Dynamics: Studying the Strategic Positioning of the Korean Film and Television Market on Netflix can get an in-depth understanding of the global market dynamics. Through the analysis of international market dynamics, Korean film, and television enterprises can adjust and orient their market strategies to improve their competitiveness with the international market. On the other hand, Promoting Cultural Exchange: Studying the Strategic Position of the Korean Film and Television Market on Netflix can promote the Global Cultural Exchange. And it can deepen cooperation and exchanges between Korean film and television enterprises and other international film and television enterprises to enhance mutual understanding and learning.

## 5.2 Limitations and future study

The paper's questionnaire also has some limitations and shortcomings. In some studies of questionnaires and interview types, subjects may misrepresent or conceal information for various reasons, which may affect the effectiveness of the study. At the same time, researchers may not be able to obtain a sample large enough and diverse enough to limit the popularity and accuracy of the study. Subsequent statistical methods, such as regression, can be used to reduce the effects of randomness and error. Multiple factors are considered simultaneously in research design and data analysis to determine causality better.

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