

K-beauty, K-cafes, and K-Pop: The economic and social influence of transnational Korean culture in China

Zhang Wen

Introduction

Since the forging of official diplomatic relations in 1992, the political, economic, and cultural connections between the Republic of Korea and China have developed by leaps and bounds. Modern Korean popular culture was first introduced to China through Korean dramas in the mid-1990s. The term *Hallyu* was first coined to describe Chinese's sudden craze for Korea drama. Since then, *Hallyu* has been used to describe the unprecedented, sweeping popularity of Korean pop culture in other countries, especially in Asia (Do Kyun Kim and Min-Sun Kim, 2011). The importance of Korean dramas--a key *Hallyu* export--cannot be overstated. Series such as *Winter Sonata* (2002) and *Jewel in the Palace* (2004) became blockbuster hits in China, inspiring Chinese fans to take interests in Korean food, fashion, and lifestyles. The latest soap opera sensation, *My Love from the Star*, has reignited the Korean Wave across East Asia, particularly in China-speaking regions. It has also impacted other facets of Korean cuisine and tourism (Chung Ah-young, 2014). It is well recognized that Chinese viewers are fond of Korean dramas, which are deeply rooted in Korean culture, because of the attractive actors, affluent atmospheres, and strong family-based storylines which appeal to the Confucian values shared by both countries.

Recently, several factors have greatly facilitated the transmission of Korean culture to China: improved transportation links, expanded student exchange programs, and easier access to Korean dramas and movies online. Now, other *Hallyu* trends such as Korean beauty, Korean cafes, and K-Pop are gaining popularity among young Chinese. Korean beauty gets welcomed because of the good quality of Korean cosmetic products and the high level of Korean plastic surgery skills. Korean cafés often appear in Korean movies and dramas which leaves viewers with romantic impressions. And K-Pop stars such as SuperJunior, TVXQ, and EXO all have huge numbers of Chinese fans. Korean culture has brought economic and social effects and influenced normal people's lives. How do the cultures of K-beauty, K-café, and K-Pop initiate and develop? What kinds of economic and social effects does Korean culture have? This paper tries to analyze this question from an economic anthropology perspective by examining Korean and Chinese domestic sources, including a variety of news and on-site information resources. Chapter 2 briefly reviews related research and describes the focused interview method used in this paper. Chapter 3, 4, and 5 analyze some distinguishing features of K-Beauty, K-café, and K-Pop. Chapter 6 gives implications by discussing similarities and correlations, and Chapter 7 draws some conclusions. We have confirmed that the social and economic effects of the Korean wave brought by Korean dramas and K-Pop music are huge. The Korean government has been promoting Korean culture for years, and it seems that Korean culture tends to become a localized cultural phenomenon in China. Nevertheless, some unexpected negative effects have also arisen due to the problems of information asymmetry, moral hazard, lax regulation of the Chinese local market, and the exaggerated expectations of Chinese consumers.

Literature Review and Methodology

A growing amount of literature and research on the subject of *Hallyu* has been produced over the last several years. Lim (2007) argues Korean dramas have been the main force behind the explosion of *Hallyu*, and this trend has made Korean television stars famous in other countries and, more significantly, has improved the image and prestige of Korean popular culture. Youna Kim (2013) tries to approach popular Korean culture from a social media perspective: “A revival of the Korean Wave is being anticipated by the development of digital media forms, the use of the Internet, and online marketing. Social networking services and video-sharing websites such as YouTube, Facebook, and Twitter are now playing a primary role in expanding digital *Hallyu* to Asia, the USA, Europe, and elsewhere...” Eun Mee Kim & Jiwon Ryoo (2007) analyze the explosive consumption of South Korean cultural exports in Asia and explain how *Hallyu* succeeds there because of: cultural proximity; a common historical and cultural legacy, as well as a shared 20th century experience of rapid industrialization; rapid increases in intra-regional trade, investment, and tourism; and the development of information technology. Those studies, however, are limited to general overviews describing the origins or effects of the Korean culture boom, while the consequences at the micro level, such as distribution, local consumption patterns, and market environments in countries which have been greatly influenced by *Hallyu* were neglected.

Though the Korean Wave has spread to many Asian countries, there is no doubt that it has found its greatest success in China, especially after the Korean TV drama *Daejanggeum* (an alternate title for *Jewel in the Palace*) aired in 2005. When General Secretary of the Communist Party of China Hu Jintao met with the leader of Korea’s Uri Party, he told the visiting guest, “It’s a pity that I cannot watch *Daejanggeum* everyday because I’m too busy.” Vice President of China Zeng Qinghong also said he had watched several episodes of this drama (Cai, J., 2011). As the influx of South Korean cultural goods to greater China intensified, new words were created to capture the relentless craze about South Korea, including, “Korea-loving People” (哈韩族, the frantic people who admire anything Korean) and “Korea Mania Group” (韩迷) (Eun Mee Kim & Jiwon Ryoo, 2007, quoted from the Korea International Trade Association, 2004). Recently, the unprecedented success of *My Love From the Star* has been attributed to its online distribution in China, as it immediately went viral after its first release. The drama has received more than 600 million views on IQIYI, a Chinese video site. Overseas fans can now view their favorite dramas almost simultaneously with Korean viewers (Chung Ah-young, 2014). The boom of the Korean wave has been extensively documented, but few efforts have been made to research the secondary cultural phenomena that have arisen in the 20 years since *Hallyu* first entered China.

In this paper, we analyze the trends that have followed the initial Korean Wave, especially focusing on K-beauty, K-café’s, and K-Pop in China. We combine quantitative research with qualitative research to give a more complete perspective. First, we describe the structured observation and resource collection which was undertaken. Second, we designed a set of questions related to K-culture issues and conducted focused interviews consisting of qualitative discussions. The focused interview method means one in which interviewees are selected because they “are known to have been involved in a particular situation” and are asked about that involvement (Merton & Kendall, 1946). In terms of each topic, we asked three major interviewees to share their opinions based on their knowledge and experience.

The questions then moved on to their concerns and predictions which supported our research conclusions. All interview content was recorded and transcribed in English. We hope this research will provide some theoretical and practical implications to scholars who are interested in culture localization and behind-the-scenes social and economic impacts.

Before proceeding, let us acknowledge the risks and limitations of our research. The three topics we have chosen are fresh and highly correlated, which raises difficulties for analysis. Additionally, some interviewees tended to explain things in an emotional way, which made it complicated and time-consuming to organize our interpretations in a structured system. Finally, one typical weakness of the focused interview method is its low reliability due to the possibility of lying and the difficulty of generalizing. To ensure the quality of the research and to get in-depth information, we selected interviewees who had more than five years of experience working in a relevant area and built rapport with the respondents. Due to time and financial limits, we could not trace the whole picture; nevertheless, there is probably no one best way to approach this issue because it is an on-going process affected by many factors. The influence of the Korean wave is multi-dimensional. The interview results offer us the opportunity to study the ways in which related individuals make sense of a cultural phenomenon--the transition of K-beauty, K-café's, and K-Pop culture in China--which reflects both the ways in which the Korean wave is spreading as well as the potential risks of the local market.

K-Beauty: Why choose Korea?

The boom of K-Beauty culture is initiated by the rise of Korean dramas. Beautiful actresses such as Song Hye Kyo and Jeon Ji-hyun have left a deep impression on Chinese audiences. In addition, it seems that Koreans and Chinese share a common aesthetic sense of beauty. "There is often greater acceptance of light skin than dark skin. Light skin may be seen as a mark of beauty, intelligence, and success. Thus, skin lightening has become a common activity across Africa, Asia, and other areas of the world. They believe that having whiter skin will improve their lives. Or they want to look like what their society generally considers beautiful."¹ Kang's explanation of how Asians generally perceive beauty is supports this idea: "A pointed chin with double eyelids, a V-line baby face, and an S-line body. Asian women follow beauty trends without much consideration. Such endogenous market demand is very large." The plastic surgery market has attracted much attention in recent years. To get medical service in Korea is a dream for many female Chinese consumers who believe they can get the best result and lowest risk if they undergo plastic surgery in Korea. However, it seems that the risk is much higher than consumers expect, especially if they lack related knowledge and choose a clinic based only on dreams.

According to one Chinese news story², an official report on the side effects of plastic surgery in 2012 showed that the number of failed plastic surgery cases in Korea rose up to 130, three times higher than the 42 cases in 2008. Most plastic surgery failures were related to rhinoplasty, liposuction, and facial contouring surgery. The actual number of failures may be far greater. Wang, a Chinese student in Korea who has been an interpretator and guide for Chinese tourists for more than five years, agreed to share his opinion with us. He says:

¹http://blog.sina.com.cn/s/blog_4c9bae2801008rne.html

²http://wenku.baidu.com/link?url=WR8Jx6_9g6Uzqlbc-ckuLjJ2-sRRbENm_AiK2jpeZoLU5ozJEfRji8MtDtI8H8Mvo-bTyNu2Fpys4D1DESngEiQ6d0EFhce23BKB3qETwLK

The plastic surgery market for local Koreans has already met the market saturation point, and that is why those hospitals and clinics in Korea now aim to attract more Chinese tourists. Most Korean hospitals are well regulated and trustworthy, though you still have to be careful. I know some patients who got plastic surgery in Korea who needed to get reconstructive surgery after they went back to China because their surgery failed due to the tight schedule, lack of communication between doctors and patients, or exaggerated expectations.

K-Medi (2014) has interviewed several plastic surgery hospitals in Korea, and Min Hee Ryu, Head of Oracle Clinic, criticized the harmful role of unregulated third party agencies. Those agencies gain high profits from hospitals through agency fees while consumers receive neither qualified surgery results nor original prices. The embassy of the People's Republic of China in Korea also put out a notice saying, "Some Chinese citizens choose to come to Korea for plastic surgery where disputes happen because of medical expenses, plastic surgery results, and other reasons. Thus, we recommend you not listen to marketing advertisements but instead go through reliable channels to choose a hospital..."³

In economic theory, the term "information asymmetry" refers to situations where one person knows more about what is going on than the other. In other words, information asymmetry can also be understood as a difference in access to relevant knowledge. The less knowledgeable party can experience great concerns or negative effects due to language barriers, lack of relevant knowledge, and cultural differences. A staff member of the Seoul Medical Tourism Information Center gave the following suggestion to do proper research before consuming medical services:

Many Chinese tourists come to Korea with high expectations; they want themselves to look like super stars. I recommend that they not purely believe in word-of-mouth marketing, but rather seek help from official websites or assigned agencies. In addition, you should always confirm the insurance terms, which could help you get compensation once an accident happens. Be aware that insurance doesn't usually cover plastic surgery; it is the same for both Koreans and foreigners.

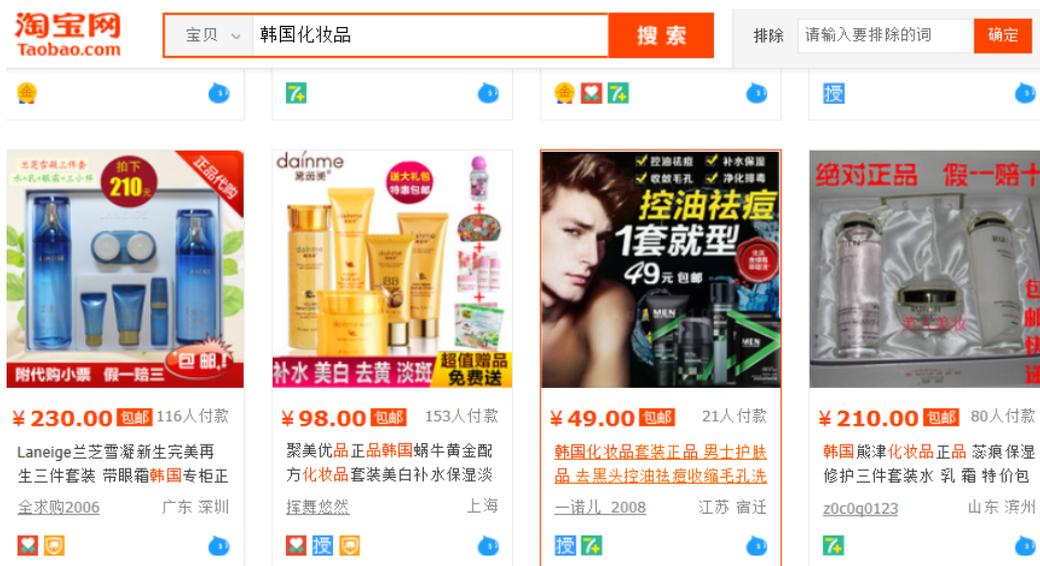
Aside from plastic surgery, K-beauty also encompasses Korean cosmetic products including skin care and make-up. Thanks to the Korean wave, simply being a Korean brand has itself become a selling point. Innisfree has already opened over 65 stores in the major shopping malls and streets in China since its launch in Shanghai two years ago, and K-drama actor Minho Lee has contributed to its success as its spokesperson (Mandy Shin, 2014a). In a recent news article, Amore Pacific also said its first half sales for 2014 of Sulwhasoo rose to 216 billion Korean won, an increase of 25% from the second half of 2013⁴. Brands such as Donginbi, IOPE, and The Skin House are also welcomed.

³<http://www.chinaemb.or.kr/chn/lqz/t1060278.htm>

⁴http://chinese.chosun.com/site/data/html_dir/2014/09/11/20140911000001.html



Famous Korean cosmetic product brand Sulwhasoo, source from Internet



Source: Taobao.com

As Korean cosmetic products have become more popular, local Chinese consumers now purchase many Korean cosmetic products online. However, the online market is still highly chaotic. If one types “Korean cosmetic products(韩国化妆品),” more than 320,000 links will appear. Xiao Xiongbao is the nickname of a Chinese student who studies in Korea. She opened her Taobao shop selling Korean cosmetic products to local Chinese consumers. Early in 2010, she discovered that a hot item, Skin 79 BB cream, was selling for much less at a famous online shop than the price she paid for it in Korea. And it further surprised her that the seller even guaranteed that the product is “real.” She notes, “There are many factories producing ‘Korean cosmetic products’ in China, and the smell and texture of those ‘Korean products’ are quite similar to the real ones. What made me speechless is that many ‘fake products’ are proven to be ‘real.’ I’m really worried about girls’ faces.” She added, “Many buyers don’t know how to distinguish the products, and comments on the webpage could not ensure the quality as well. You have to be really cautious.”⁵ Some sellers make Chinese consumers believe the products are produced in Korea, but many cosmetics products are

5

http://blog.163.com/xiaoxiongbao_qing/blog/#m=0&t=1&c=fks_084067093085084065092083086095085081081071085085086070081

actually produced in Chinese factories, sent back to Korea, and then sold to China. Therefore, even if the product includes an EMS receipt, it may still be a fake. Brands such as IOPE, The History of Ho, Etude House, the Face Shop, and others were all included.⁶ It would be a great loss for both Chinese consumers and Korean cosmetic brands if consumers were not able to have access to real products while “star marketing” is immensely diluted through abuse of the “Korean wave effect.”

K-café: Transnationalism

K-café culture can be divided into two parts: cafés in Korea which many Chinese visit and Korean style cafés in China. The initiation of K-café culture in Korea seems to have started after the Korean War (1950-1953) when the US army first brought coffee to Korea and younger Koreans adopted more Western tastes than in the past (Lee Eung-chel, 2012). Many Chinese became aware of K-café through the drama *The 1st Shop of Coffee Prince*. The film location is actually near Hongdae, and the coffee shop was remodeled for the drama. This inconspicuous coffee shop was packed with fans that flocked there to catch a glimpse of the production in process (KTO). The drama was shot in 2007, but the coffee shop has remained in operation, and some Chinese travelers wrote about their experiences online after they visited the coffee shop.

“I had a wish to go there, and once I got the chance to Korea, I decided to find the coffee shop. My memories were wakened when I saw the sunflower on the wall. This is the place where Gong Yoo first kissed Yoon Eun-hye, I’m so excited!” (Yuanyuan)⁷

“I loved this drama and its OST music, the coffee shop made me feel close to the scenes. I found Yoon Eun-hye’s drawing of the prince and princess, and the wall with the sunflower was also familiar.”(TiTi)⁸

Chinese visitors are also interested in other types of coffee shops in Korea. For example, some of them were impressed by the animal decorations and zebra stripes on the coffee in Zoo Coffee⁹, the pleasant music from the three-story coffee shop B¹⁰, and the lovely kitty coffee, fork, dessert, and even cushion and decorations at another shop¹¹. Having witnessed the great potential of the Chinese coffee market, Caffebene established its Chinese branch in March 2012 and opened its first coffee shop in Beijing. It soon expanded to other cities such as Shanghai, Shenyang, Qingdao, and Tianjin. Within two years, Caffebene has opened 407 shops, and the total amount of K-cafes is about 600¹². One report has analyzed the reasons for the expansion of K cafés, saying that they focus on targeting consumers like family members and friends, replicating the familiar atmosphere in Korean dramas with classical sofas and wooden decorations, and offering more order choices¹³. Chinese consumers call such coffee shops that feature a pleasant environment, detailed service, and various desserts (especially waffles and ice cream) on the menu “Korean Style Coffee Shops.”

6 <http://www.hanguoyou.org/newcont-1621.html?xyz=0.48644323614818013>

7 http://blog.sina.com.cn/s/blog_628d30780102dwqk.html

8 <http://360.mafengwo.cn/travels/info.php?id=995532>

9 http://blog.sina.com.cn/s/blog_7d6cc6dd01019jh8.html

10 <http://www.mafengwo.cn/i/1356325.html>

11 <http://tieba.baidu.com/p/1036062333>

12 <http://www.linkshop.com.cn/web/archives/2014/300536.shtml>

13 <http://www.linkshop.com.cn/web/archives/2014/298524.shtml>



Caffebene picture, source from Internet

“Korean style coffee shops have gotten very popular in Shanghai, with famous Korean stars as spokespersons. I think it’s a good place to get an afternoon tea and share a talk with friends.”

“The environment is good, but the price is a bit expensive. With the same price I can get a larger size in Starbucks, and the taste of the shaved ice dessert is just so so. Also, it takes more than ten minutes to make one cup of coffee, very slow.”

“The taste is much worse than the taste in Korea... Yesterday I had one cup of Caramel Machhiato, but it was too sweet. The atmosphere is fine, though the space is a bit small. Not so many people were there.” “I go quite often, the bright light and simple environment make me comfortable.”¹⁴

Brah (1996) has mentioned that the consumption of familiar food and drink provides an intensely sensual way to recreate everyday life that occurs in an idealized national home. To some extent, similarly, the consumption of similar food and drink makes Chinese consumers feel they are close to Korea. For example, *My Love from the Star* brought the concept of *chimaek* to Chinese audiences, and this neologism from the Korean for eating fried chicken and drinking beer suddenly boosted the chicken and beer business among youngsters in China. Beer export amount increased by more than 200%¹⁵.

The consumption of coffee in Korean style coffee shops may at first benefit K-café’s because some fans do come for their idols, but in the long run keeping customers will be more important. It appears that coffee shops, as a good place to socialize, are accepted and welcomed by local Chinese. The great advantage of the Korean style cafe is its tendency for proximity based on Asian values. Nevertheless, speedy expansion has had a negative side; the online comments overall show that the price/performance ratio, customer service, and taste of drinks and food in Korean style coffee shops are not stable. It is doubtful that the current operating conditions can be supported only by the Korean wave and brands¹⁶. As a representative of Korean modern culture, K-café’s may need to consider local customers’ preferences in addition to capitalizing on the opportunities of the Korean wave.

K-Pop: Why is it so loved?

K-Pop culture, coupled with the success of *Hallyu*, attracts much attention in China. It

¹⁴ On-line comments of caffebene in China from <http://www.dianping.com/>

¹⁵ http://cnnews.chosun.com/site/data/html_dir/2014/04/14/20140414000008.html

¹⁶ <http://money.163.com/14/0416/01/9PTQV2I600253B0H.html>

is very welcomed among China's younger generation. Starting in the late 1990s, H.O.T., SES, and other groups first brought modern K-Pop culture to China. In the 2000s, SuperJunior, TVXQ, and EXO all gained huge numbers of fans in China. For example, the “EXO Chinese support site” of Weibo, the Chinese Twitter, has around 900 thousand followers. H.O.T., the popular five-member boy band, was the first to have an album become a “million seller” in K-pop even during financial crisis in South Korea¹⁷. The group was created by Lee Soo-man, founder of SM entertainment. Lee combined the energy of American pop music with a rigorous training system designed to create young stars (Russell, 2014). Lee conducted a survey of teenage girls to find out what they wanted from their idols. Armed with knowledge from his research, Lee sifted through thousands of raw audition tapes and selected aspiring idols based on their looks and dancing and singing abilities (Doobo Shim, 2006).

Interestingly, as Wu Wei explained in her interview, K-Pop was exactly like a “collective product, which attracts millions of fans. The dances are dazzling, the music is rhythmic, and the stars are good looking... You get addicted to it once you began to like it.” She has been fond of K-Pop since 2009 because of the drama *You're Beautiful*, a romantic comedy series. And she quickly fell in love with Jung Yong-hwa of CN Blue. She recalls, “At first I feel I was moved by their music, it made me so comfortable and interested in K-Pop. Then I get to know other eye-catching K-Pop stars like Song Hye Kyo, Lee Min Ho, and EXO. I love a lot of them.” She laughed and added, “Many fans only have their own special love, and they exclude other stars even though they are members from the same group. You know, most fans are young girls; sometimes they are not rational enough.”



EXO picture, source from Internet

Kang thinks the popularity of K-pop represents the success of its hybrid nature. “Korean popular music has been influenced by a variety of music styles, such as reggae, from the US, Latin America, Japan, and Europe after 1970s. And entertainment companies have just turned it all into a standardized product. You can easily find the distinctive features of K-Pop, such as its exciting visual movement and strong rhythm.” Doobo Shim (2006) holds a similar opinion that K-Pop culture combines the hybridization of music forms and the organization of the star-making process. Whatever the explanation is, K-Pop is quickly becoming one of the country’s biggest exports; in 2011, exports equaled \$180 million, up 112 percent from the previous year (Ladner, 2013). Korean Entertainment companies are reaping huge economic gains. By Sept 4th, the stock price of SM Entertainment had gone up 30% in a month, keeping pace with YG Entertainment (33.4%) and JYP Entertainment (14.8%)¹⁸

¹⁷ [http://en.wikipedia.org/wiki/H.O.T._\(band\)](http://en.wikipedia.org/wiki/H.O.T._(band))

¹⁸ http://cnnews.chosun.com/site/data/html_dir/2014/09/05/20140905000013.html

Big social concerns over K-Pop have arisen due to teenagers falling head over heels for K-pop idol groups. Gao YueYing (2013) explained that the negative influence of K-pop in Singapore makes some teenagers either obsess over their idols online everyday or splurge on K-Pop merchandise, burning holes in their parents' pockets. This year, one tragic headline from China related to K-Pop read, "13-year girl obsessed with EXO was killed by her father"¹⁹. A girl named Nan was a fan of EXO and was brought up by her father. Her mother is disabled, and the family gets support from the government due to their low income. The tragedy happened on November 8, 2013. The father confessed to police that he chopped up his daughter because they had a big quarrel in the morning. The incident that touched off the accident was a conversation between daughter and father. A brief version is as follows:

The father angrily said, "You have been only surfing the internet every day, don't sleep at night, don't wake up in the morning, and just spend money." The daughter retorted, "Was it all about money? I will pay you off later." "You could not pay off the money from your parents, and we don't need you to pay us off." The father stopped a moment and continued, "You should not only know about worshipping stars, stars could never be better than your parents. If you keep this up, your studies will be affected. Do you get it?" However, the daughter did not listen to him and replied, "I love stars more than I love parents. They are better than you." At that moment, the father could not bear the hurt from the last sentence and chose to "make it all over." The journalist traced the story from the neighbors and the father after the accident happened. "All of the decorations in the girl's room are related to the group called 'EXO.' She collects posters, CDs, bags, clothes, everything. She is also an organizer of an EXO fan club, busy organizing activities of fans and checking what are EXO doing."

The addicted emotions of teenage fans are criticized by Chinese netizens, and the fans are quoted with a "without mind" tag for some fans' extreme behavior showing their love to idols. Many star-specific issues are also addressed in the news with headlines such as "EXO manager hit fans at airport." Wu Wei argues that such news is not fully trustworthy:

Sometimes social media has been trying to get eye-catching news without double-checking. Another thing is that, as EXO is getting so popular, Chinese fans are crazy about them. It would be very dangerous if the group were surrounded by so many fans in the airport.... One really big problem is the lax regulation of the Chinese local market. For example, when EXO is invited to do a concert, the Chinese organizer either distributes the tickets to certain sellers for an unreasonably high price or swindlers cheat fans out of their money for albums and tickets. I have been to an EXO concert in Korea, and it was easy to get better and cheaper tickets on G-market, along with a better stage view and music.

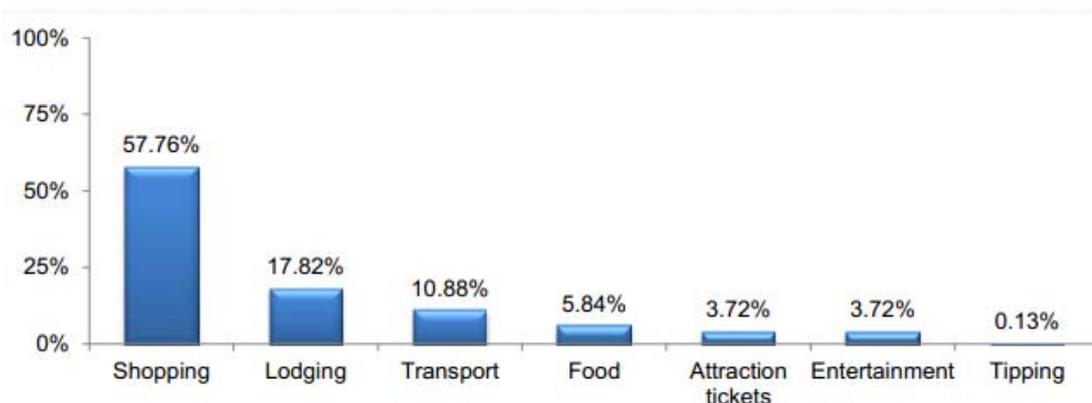
In this sense, compared to K-beauty and K-café, K-Pop is mostly supported by fans born in the 1990s and 2000s. Chinese people, especially the ones who are not familiar with K-Pop stars, either feel difficulty in understanding them or only know about them through social media news.

Implications of transnational K-beauty, K-café, and K-Pop culture in China

¹⁹ <http://ent.ynet.com/3.1/1403/21/8814792.html>

There are several similarities according to the data gathered from the interviews. First, the younger female and middle-age female generations are building the new potential market. They are either Korean drama fans or K-Pop star fans, and they are more likely to follow the trends which appear in dramas, movies, and advertisements. The popularity of K-dramas and K-Pop stars has heightened appreciation for Korean fashion, the Korean lifestyle, and Korean culture among the urban younger generation longing for modern lifestyles. They use social networking sites to share their interests and experiences. According to the data of YiEn, an entertainment consulting company, the Korean wave has reached its third peak in China in 2012 with supporters including teenagers, middle-aged females, and well-educated groups. The content they watch now encompasses a wide range from music to drama and movies to entertainment programs. And the popularity of K-dramas and K-Pop has made Korean fashion, accessories, make-up, food, and even language learning into hot commodities. This is probably because K dramas and K-pop meet women's socio-psychological needs and desires. Dramas constantly makes strong and identifiable reality claims on the relational human conditions, which in turn provides a point of recognition, identification, and pleasure to its women viewers (Youna Kim, 2011).

Second, the importance of economic foundations has been emphasized according to our interview analysis. Though the Korean wave is a cultural phenomenon, the target consumers are mostly from big cities in China like Beijing, Shanghai, and Guangzhou, followed by Jiangsu, Zhejiang, and Shandong. It seems that the expanded Chinese middle-class supports and consumes related K-products and culture. One area in which Korean culture has had an important economic and social impact has been tourism. Korean dramas and K-Pop stars have significantly increased the growth of tourism and consumption of Korean products. From January to July of this year, 3.36 million Chinese visited Korea where they consumed mostly in cosmetic shops, duty free shops, and casinos.²⁰ According to WTCF (2014), Seoul and Busan were ranked as the top two cities where Chinese outbound tourists spent the most. Additionally, over half of the tourists (57.76%) mentioned that their travel budgets mainly focused on shopping. In particular, Chinese tourists prefer to take special shopping tourist routes featuring popular films and TV shows from Japan and South Korea.



Sources: Market Research Report on Chinese Outbound Tourist (City) Consumption 2014

Third, the development of mass media has accelerated the speed of cultural diffusion.

²⁰ <http://www.ebrun.com/20140915/110234.shtml>

Chinese consumers are able to access the Korean Wave through social media via the Internet and cell phones. Mandy Shin (2014a) contends that the secret behind the Korean Wave is the rapidly growing popularity of Korean shows via the rise of online streaming as a major media channel in China. As viewers in their 20s and 30s adopt watching shows online as one of their favorite activities, brands in China have also expanded their marketing focus to putting commercials on those online streaming sites before the show starts. This trend has greatly helped Korean showbiz to spread and appeal to a wider demographic far faster than before in the past few years. On the other hand, in contrast to the benefits of the rapid spread of Korean dramas and K-Pop star videos, the overabundance of secondary information causes problems. For those who have no idea what the real “Korean Style” is and those who don’t understand what K-Pop brings to fans, it is very difficult to recognize genuine products, news, or other aspects of *Hallyu*. Such a cultural phenomenon is something which occurs in interaction with others, while at the same time the role of communication media should not be overlooked.

Conclusion

After the 1997 financial crisis, the Korean government began a new economic initiative targeting the export of Korean popular culture, and President Kim Dae-jung, who informally called himself the “president of culture,” established the Basic Law for Cultural Industry Promotion in 1999 by allocating \$148.5 million to this project (Cai, J., 2011). In 2013, the export of Korean cultural products reached the amount of \$5.09 billion, with an annual growth rate of 10.6%²¹. Youna Kim (2013) points out that the Korean government sees the Korean wave as a way to sell a dynamic image of the nation through soft power. The success of *Hallyu* is not solely due to government support, as Asians do tend to be attracted by family values, reflexive modernity, and shared emotions. *Hallyu*, as a transnational Korean culture, flows in China's social context. The influence of the Korean wave in the Chinese market is thought to have had broad social and economic impacts. In this paper we have illustrated the ways that Korean culture has spread in China and the influence that *Hallyu* has had on Chinese domestic culture and constructing a cross-national identity. As a localized cultural phenomenon which has migrated across the Korean border and faces a different market and political environment, *Hallyu*--in the form of K-beauty, K-café, and K-Pop, along with make-up, cuisine, and entertainment culture--is increasingly finding itself in the spotlight.

The popularity of K-dramas has brought huge economic benefits and, as Mandy Shin (2014b) argues, the Korean wave is not just about increasing fandom or attracting more tourists to the nation. It actually enables Korean brands to successfully advertise themselves in overseas markets without even being there. On the other hand, due to information asymmetry, less regulation, and abuse of the “Korean Star Image,” Chinese consumers and local Korean companies may get hurt. K-café in China have turned out to be a new choice for socializing, and the atmosphere which replicates drama scenes and various dessert menus is welcomed. K-Pop, with its physically attractive stars and catchy music and dance beats holds teenage fans' hearts. And the rise of social media makes the culture spread faster which promotes marketing and distribution at the same time.

To maintain the success of the Korean wave in the future, the Korean government may want to consider ways to improve the quality and consistency of K-culture products, seek

²¹ <http://www.entgroup.cn/news/markets/2620583.shtml>

cooperation and mutual understanding with target markets, and negotiate with Chinese companies to mitigate the negative effects caused by either public media or illegal online and offline shops.

Acknowledgement:

This paper benefited from the useful comments of the following interviewees: Chulyong, Kang, Jin Xing, Zhang Ming, and Wu Wei, as well as contributions from anonymous interviewees. I would like to offer my great appreciation to Prof. Jun Seong Ho, Chae Young Park, and John Sawyer. My special thanks are extended to my parents and Li Yuan for their consistent support.

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