

Competitiveness Analysis of Korean Film and Television Industry Based on Michael Porter Diamond Model

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Abstract: Since the end of the last century, the rise of the Korean film and television industry has driven the development of other Korean industries and formed a linkage effect. At the same time, the Korean film and television industry has also allowed Korean film and television products to go out of the country to Asia and the world, setting off a "Korean Wave" craze. Starting from Michael Porter Diamond Model (MPDM), this paper discusses the current situation of the Korean film and television industry and discusses the competitiveness and influence of the Korean film and television industry from the five dimensions of production factors, demand conditions, related supporting industries, market strategies, and government support. These bring some inspiration for other researchers.

Keywords: Michael Porter Diamond Model (MPDM); Korean film and television industry; Film and television industry; Competitiveness

1. Introduction

Starting from MPDM, this paper discusses the main factors of the revitalization and prosperity of the Korean film and television industry from multiple dimensions, namely supply, demand, related industries, market strategies, and government support. Thus, it analyzes the advantages that the Korean film and television industry brings to South Korea's economic development and the promotion effect that the Korean film and television industry brings to other industries.

2. Theoretical Basis

2.1 Michael Porter Diamond Model (MPDM)

Since it was proposed in 1990, MPDM has analyzed how a country forms an overall advantage and has achieved remarkable results. Therefore, MPDM has a strong influence and competitiveness globally and has gradually begun to be widely used in various fields, giving many researchers and experts great help. Figure 1 is an overview of MPDM.

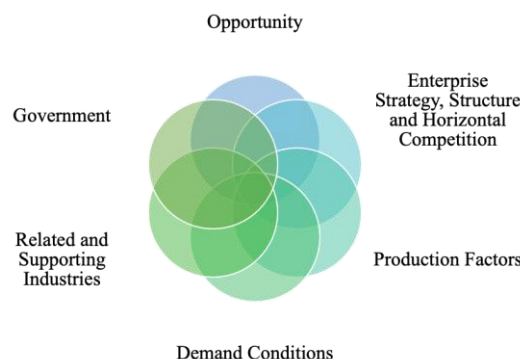


Figure 1: Overview of MPDM

This theory has become a new means and method for understanding a country's global competitive position and has gradually become the main path for countries to study international business thinking. At present, the "cluster" concept proposed by Michael Porter, the interconnection between enterprises, suppliers, and related industries and organizations, has become more and more enterprises and governments to consider and evaluate regional and national advantages. It is also an important way for the government to formulate various public policies. Figure 2 shows the role and influence of MPDM and its application value.

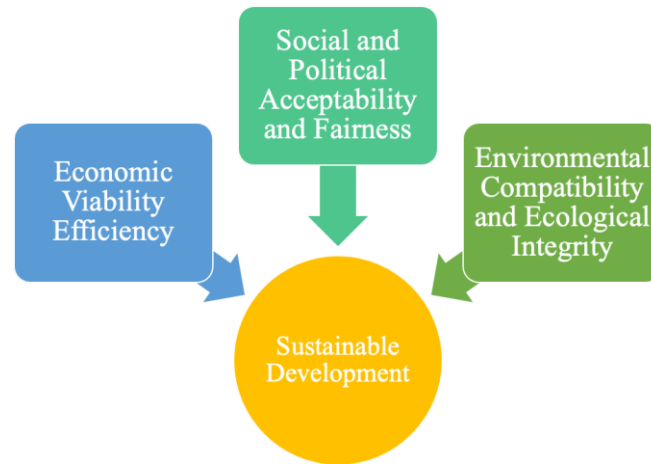


Figure 2: The Role and Influence of MPDM

2.2 Film and Television Industry

The film and television industry, as the name suggests, includes two main products, movies, and TV dramas. However, these two products are combined with commercialization and have commercial value, thus becoming an industry. The rise of the film and television industry shows that most people spend their spare time watching movies and TV series [1]. Therefore, with the development of society and economy and the advancement of science and technology, the film and television industry has become more closely integrated with commercialization. The film and television industry has gradually become an industrial chain with strong commercial value. Watching and sharing various film and television works has become a favorite entertainment and pastime for people of all ages.

3. The Development Status of the Korean Film and Television Industry

In the late 1990s, South Korea proposed a new policy of "building a nation with culture" and emphasized the importance of developing Korean cultural undertakings, taking Korean culture as the core of the development of major industries, and achieving remarkable progress. The output of Korean film and television has increased significantly [2].

Since the 21st century, the share of the Korean film and television industry in the Korean domestic market has further increased, and South Korea has become one of only three countries in the world with a domestic film market share of more than 50% [3]. With the popularity of Korean dramas, the export volume of the Korean film and television industry has increased significantly. The "Korean Wave" boom has swept across Asia and the world, bringing huge economic and social benefits to South Korea and driving the rapid growth of other Korean industries and has great commercial value. So far, compared with traditional industries for South Korea, South Korea's film and television industry have developed rapidly and strongly, far exceeding the development momentum of other traditional industries[4].

4. Analysis of Korean Film and Television Industry Based on MPDM

Based on MPDM, this paper discusses the competitiveness of the Korean film and television industry from five dimensions (as shown in Figure 3) and studies the factors that affect the development of the Korean film and television industry in different dimensions to provide a reference for other countries.

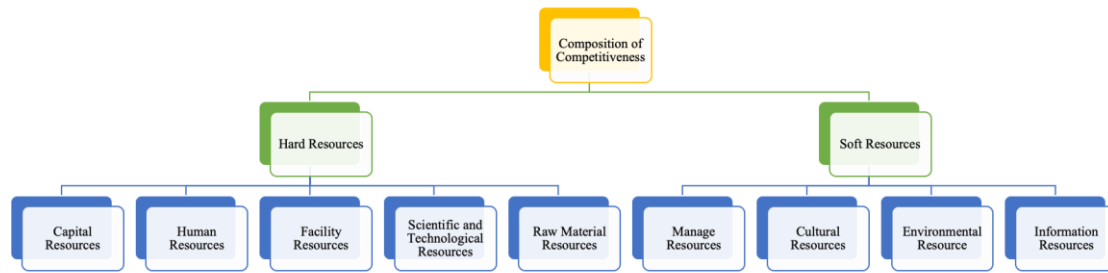


Figure 3: Competitiveness Analysis Based on MPDM

4.1 Factors of Production

With the continuous development of the Korean film and television industry, research has found that the financial support channels for Korean film and television mainly come from the Korean government and some enterprises, especially some leading enterprises. On the one hand, at present, with the rise of the Korean film and television industry, the Korean government will spend about 45 million yuan every year to support the shooting and production of 20 domestic films in Korea[5]. In addition, South Korea has also established a local film subsidy system, which aims to allow more film academy students and directors engaged in independent film production to participate in the shooting and production of local Korean films. At the same time, students of the Korea Film Academy and directors engaged in independent film production can apply for up to 400 million won or 30% auxiliary fund in South Korea. This measure will undoubtedly greatly enhance young filmmakers' production and shooting enthusiasm. Provides opportunities for those interested in film to learn and grow, which is an important reason for the continuous development of the Korean film and television industry.

However, ordinary commercial films do not support auxiliary funds, but they can also obtain large amounts of funds by applying for interest-free or low-interest financing loan programs. Therefore, in this way, some enterprises and institutions will also invest in the production and shooting of films. On the other hand, some leading companies in South Korea, such as Samsung, Hyundai, etc., have also developed a strong interest in the local film and television industry in South Korea and have invested a lot of huge funds to support the development and production of local films and TV series[6].

With the continuous development of high-tech in Korea, the publicity and dissemination of Korean film and television products have achieved remarkable development, improving the viewing experience of the customer group. At the same time, you can log in to many Korean film and television websites in different languages worldwide, and you can also see that Korean film and television dramas translated into multiple languages have spread all over the world. At the same time, the related opening and ending songs and promotional videos of Korean film and television dramas quickly set off the "Korean Wave" on a global scale.

Since the rise and development of the Korean film and television industry, a group of film and television talents and related institutions with professional levels and literacy have emerged in South Korea. At the same time, South Korea also has professional film and television companies with extremely high levels of expertise. These institutions and companies have delivered outstanding professionals to the Korean film and television industry. Many Korean filmmakers also went overseas to study further, introducing advanced filmmaking and filming concepts and advanced filming and production techniques to Korea. In addition, the education level in South Korea is constantly improving and developing, and all sectors of Korean society are paying more and more attention to the training and education of young people.

From the South Korean film and television production perspective, domestic film and television-related institutions and companies in South Korea have established a standardized, reasonable, and relatively mature division of labor and cooperation mechanism. At the same time, various professional companies and personnel are involved in the production and shooting of the various film and television products, such as professional actor companies, make-up companies, lighting companies, filming

companies, and a team of powerful screenwriters and directors. All in all, without these highly professional film and television professionals and related institutions and companies, it would be impossible for South Korea to produce various high-quality film and television works in a short time.

4.2 Requirements

Starting from the concept of MPDM, the author can draw the following conclusion: If an enterprise cannot occupy a certain market share in the local market, it is an unattainable goal for such an enterprise to be in line with international standards and enter into the world stage. The so-called democracy, which means in the world, and precise because of the recognition of the Korean local market and the wide love of the Korean people that the Korean film and television industry has enough confidence to go to the world stage and conquer the consumer market of more overseas countries [7].

With the continuous development of Korean film and television dramas, more and more Korean audiences recognize the local film and television industry. Moreover, the Korean film and television industry is gradually moving abroad, heading to Asia, and even the world, gaining recognition and support from the global market and satisfying the entertainment needs of audiences worldwide. Through research and analysis, this paper finds that the ingeniousness of Korean film and television works is that in the process of production and shooting, these works fully respect and love the autonomy of national culture and emphasize and highlight Asian culture and oriental culture. And this is also the main reason why the Korean film and television industry is deeply loved by people in East Asia and Southeast Asia[8]. Thanks to the oriental strategy of the Korean film and television industry, it has won the high recognition and favor of the audiences in East and Southeast Asia effectively and directly with the shortest time and the fastest speed.

4.3 Related Supporting Industries

With the "Korean Wave" craze sweeping the world, the Korean cultural industry centered on the Korean film and television industry has gradually become a complete and powerful industry. It is linked to the economic level of South Korea and promotes the rapid development of South Korea's economic level, and it is strong cultural soft power for Korean.

With the continuous development of the Korean film and television industry, the Korean film and television industry has been recognized and loved by the local people and favored by audiences in Asia and worldwide. On the whole, the development of the Korean film and television industry is not limited to the entertainment field. However, it has been linked and developed with many other industries, such as electronic products, clothing, catering, cosmetics, skincare, and tourism in South Korea. And then formed a circular system of mutual influence and drove with the Korean film and television industry as the core, reflecting the strong Korean cultural soft power and forming an industrial chain with strong commercial value and influence. In other words, the Korean film and television industry is like a Korean business card, inviting local and global audiences to visit and browse in Korea and experience Korea's local customs and natural scenery.

On the other hand, the development of Korean electronic products, clothing, catering, cosmetics, and tourism industries have also promoted the rapid progress of the Korean film and television industry. The "Korean Wave" is rapidly rising around the world. People worldwide have developed a strong interest in various Korean cultures and products and even have a certain degree of cultural identity, which has greatly improved Korea's competitiveness and cultural soft power, at the same time prompting South Korea to move more and more into the center of the world stage.

4.4 Market Strategy

Since 2007, the South Korean government has convened an important state affairs conference to develop the "Korean Wave" and the Korean culture and entertainment industry and has formulated relevant policies for different countries and regions. Market positioning strategy, that is, the "interlocking" market positioning strategy, requires related industries to gradually advance according to the development stage of the "Korean Wave," namely deepening, spreading, and potential. The "interlocking" market positioning strategy proposed by the Korean government is to start from the culture and region of Korea, let the Korean cultural industry occupy a certain region and market share, and then enter the consumer market in the next region, and continue to promote the development and progress of Korean culture and entertainment.

In South Korea, people have a high degree of acceptance of cultural and entertainment products and pay for them. Therefore, in the eyes of the Korean public, paying for various film and television products is very normal behavior, which also helps Korean film and television companies and institutions. Focus on catering to the consumer mass and pay more attention to the expansion and development of the consumer market. With the continuous development of the Korean film and television industry, most Korean film and television products rely on the current popular cultural elements and build a star and broker system with a global perspective. The industry is gradually moving towards Southeast Asia and the whole world, producing cultural influence and attraction across national borders and gaining the people's cultural identity of all countries. Moreover, in South Korean film and television works, all kinds of Hallyu stars and models pay great attention to packaging themselves, and also pay attention to all kinds of planning and attending costumes and make-up, which has gradually become an important part of the Korean film and television industry. From the production to sales of Korean film and television works, the whole process can be seen as the localization of American Hollywood in South Korea.

In addition, the Busan International Film Festival in South Korea has also become a stage for South Korea to show to the world, more like a business card sent by South Korea to countries around the world, constantly promoting the development and progress of South Korean films and TV dramas to the world. Korean domestic film and television products have advanced marketing channels and means, allowing Korean film and television products to continue to be sold overseas, thereby occupying a large share of the international consumer market.

4.5 Government Support

When an industry has the support and recognition of the government, it can enjoy more preferential policies and obtain important guarantees for steady development. In South Korea, the development environment of the film and television industry is deeply supported and recognized by society and the support of the South Korean government in many aspects. The South Korean government has launched many preferential policies, especially policies, laws, institutions, funds, talents, etc. On the one hand, it has provided great help to the film and television industry. In other words, the development and expansion of the Korean film and television industry are inseparable from the strong support and assistance of the Korean government.

From 1955 to today, the Korean government has continuously introduced various preferential tax policies and ensured the development of the Korean film and television industry from different aspects. At the same time, the Korean government also encourages various groups such as Samsung and Daewoo to invest more funds in the film and television industry [9].

5. Conclusion

To sum up, through MPDM, this paper summarizes many aspects of the success of the Korean film and television industry. That is to say, the international competitiveness of the Korean film and television industry lies not only in its unique charm and characteristics but also in the Korean government's efforts to create favorable conditions for the local Korean film and television industry in many aspects, especially laws and policies. In particular, it can be seen that the Korean cultural industry has gradually formed a complete industrial chain with great commercial value and has also driven the development of other industries, such as Korean tourism, Korean beauty serum, Korean catering industry, etc. At the same time, these local industries have an active role in developing the Korean film and television industry in return.

With the continuous acceleration of the internationalization process, the oriental marketing strategy and interlocking market positioning proposed by the Korean government and the international marketing concept, advanced marketing methods, and rich marketing channels all promote the continuous development of the Korean film and television industry to the international stage. In addition, this paper argues that the success of the Korean film and television industry also depends on favorable domestic and foreign opportunities. The interaction and influence of these factors are precise that the Korean film and television industry has achieved remarkable development. Since the rise of the Korean film and television industry in the last century, the Korean film and television industry has become a new growth point of the national economy.

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