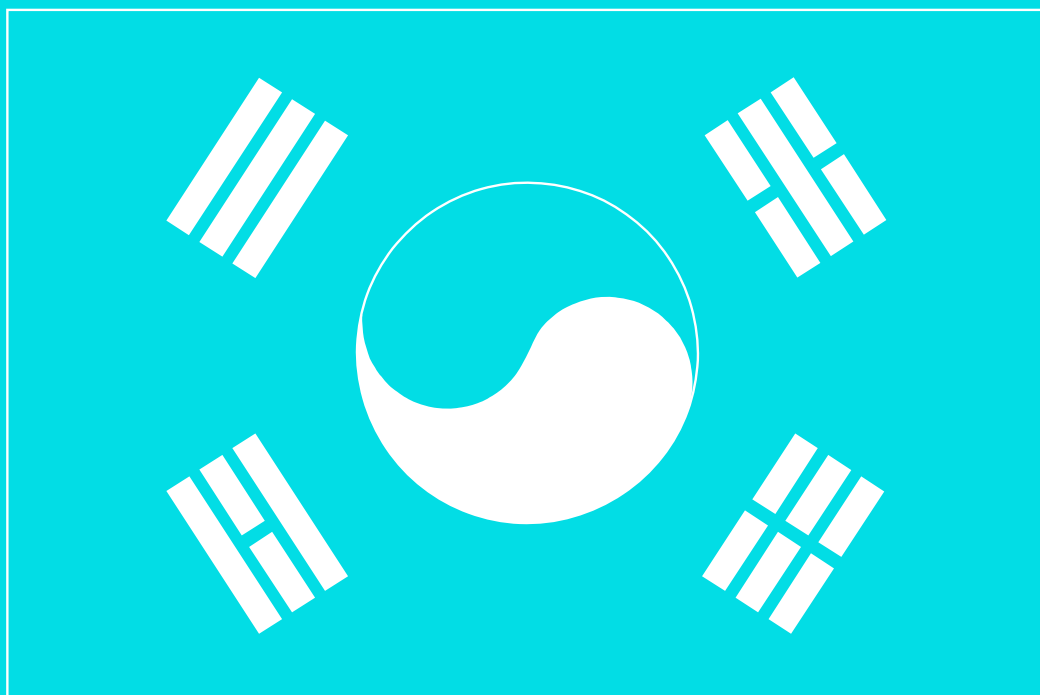




AUDIOVISUAL  
FINLAND

# Market Study: Korea



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# 1. Introduction

**Television programming in Korea has expanded and grown enormously in the last two decades as part of the vanguard known as Hallyu or The Korean Wave, later supported as government-sponsored policy.**

The Korean Wave refers to the increase in popularity of South Korean culture since the late 1990s, when the term was first used by Chinese journalists, surprised by China's growing appetite for South Korean cultural exports. In its initial stages, The Korean Wave was driven by the spread of televised K-dramas exported to East and South-East Asia, and evolved from a regional development into a global phenomenon thanks to the proliferation of Korean K-pop music videos on YouTube, most famously in the west, Psy's Gangnam Style.

As is the case elsewhere in Asia, the most important genres of programming are drama series, variety and general entertainment. All three major terrestrial networks and the leading cable groups now compete fiercely to deliver the most cutting edge line-ups that will appeal to the biggest possible audiences. In 1990, the South Korean broadcast market was deregulated, and the following years saw various new channels launch, including several of the current cable channels. Four brand new general cable television networks (JTBC, MBN, TV Chosun and Channel A) opened in 2011 and have now established a swathe of popular formats and K-dramas of their own. Nearly 95% of Koreans had access to Pay TV as of 2017.

Korean broadcasters' real interest in looking outside at the global TV market began about a decade ago. In those 10 years, the number of broadcasters with real commissioning power has grown significantly – and format exporting has skyrocketed. Korea's recent (but most likely temporary) ban from the Chinese market, because of the tensions caused by the THAAD missile testing, has also forced broadcasters to look further afield. The ban was something of a wake-up call for the Korean industry. It made many realise that there is a need for diversification and more international conversation outside of just exporting to the country's eastern neighbours. This has opened the industry up to exploring different global avenues to fill the sizeable monetary void left by the Chinese. Most interestingly in the context of this report, these avenues include acquisitions and co-development.

There may have never been a better time for western companies to partner with Korea, but this doesn't mean doing so will be easy. The nation's tastes change extremely quickly - according to government bodies KOCCA (Korea Creative Content Agency) and KCA (Korea Communications Agency), there are an average of 300 new shows which launch in Korea each year only to never be renewed and disappear from air. The zeitgeist and hot topic is ever shifting, and even for shows once considered a hit, remaining on air for three or four years can be very tough.

There is a vast amount of creative talent already in Korea, talent which is able to create quality programming faster than perhaps anywhere else in the world. Accordingly, exports from the country are far, far more numerous than imports or collaborative productions. The fact that most of Korea's biggest producers are integrated into the broadcasters themselves means that there is fervent internal competition for commissions before outside companies or international groups are

## KOREA AT A GLANCE

As of January 2017

Population  
**51 million**

Households  
**19.5 million**

TV households  
**18.5 million**

TV penetration  
**98.4%**

Digital TV penetration  
**81%**

Pay TV households  
**18.4 million**

Pay TV penetration  
**94.4%**

Internet users (fixed/mobile)  
**43 million**

Smartphone users  
**40 million**

Smartphone penetration  
**78.8%**

Source: Statistics Korea, Korea  
Communications Commission

even taken into consideration. With Korean creativity becoming increasingly advanced, it's a sad fact that the pace of the format industry in the west and the speed our producers can create content that is appealing in the here-and-now can appear pedestrian to Koreans. Even if you can pitch a show which was a huge hit in your home nation, the fact that Korean audiences may well be bored of it by episode 50 can severely dampen the 'wow-factor' attached.

However, if an outsider can adapt to the dynamism of the Korean market and present an idea which is appealing and innovative enough there is hope. In 2016, leading groups including SBS, MBC, JTBC and CJ E&M all initiated co-development projects directly with western companies. The industry in Korea has never valued the importance of 'going global' so highly. In 2017, Albert Park, head of sales at leading cable broadcaster CJ E&M said: *"We're considered an Asian-focused company, but.... we hope to become a truly global format company that goes across borders and works in diverse markets."*

The above statement is now one echoed throughout the nation. While Korean formats rule the rest of Asia, they are far rarer in the west - a problem working alongside western producers on more globally-minded projects could remedy. Furthermore, there are several weak points at which the Koreans could do with some help, for example in factual and game shows. There is also the potential for flexible co-development. Finding a concept which can work in identical ways in Korea and elsewhere will be rare, but if a core concept can be jointly agreed upon and then tweaked depending on where it will air, there is the potential for a rewarding collaboration.

The bottom line is that Korea's industry would much rather export its overflowing creativity than import outside ideas - only the very best will gain entry to the market. As the Korean idiom goes, 'gems will be distinguished from pebbles.'

## 2. Linear Broadcasting

### 2.1. INTRODUCTION

Below is information on Korea's biggest, and most internationally co-operative, broadcasters. Please see the accompanying contacts database for information on the smaller groups.

Also listed are recent notable programming examples. Rather than give an exhaustive list of each group's top content, these examples are designed to reflect the predominant trends of the minute, as well as some of the more unique culture-specific aspects of the market before they are discussed in greater detail later on.

### 2.2. ON RATINGS

The most-watched broadcasters in Korea are still the three major national terrestrial channels, although the past couple of years have seen the viewership gap between FTA and cable close significantly.

SBS's SBS TV, MBC's MBC TV and KBS's KBS2 compete with rival slates dominated by K-dramas and reality programming. Securing the largest mass market audience possible, rather than carving out any real niche, is the order of the day for the FTA networks. The only other nationally-available FTA channel is educational/children's network EBS.

As a rough guide, for the terrestrial channels, a rating of 12% or more is considered strong, 6-12% average, and less than 6% poor.

Cable television channels (most prominently tvN, JTBC and OCN) have seen increasing popularity in recent years, a worrisome fact for the FTA networks. Percentage share ratings for cable channels had long remained lower than those of public channels. However, 2012 saw tvN's popular drama **Reply 1997** reach the highest viewership ever for a cable channel at 7.55%. This benchmark has been continually surpassed since 2012, with tvN dramas in particular finding unprecedented success. In 2017, cable really started posing a threat to the linear broadcasters, with the primetime ratings of MBC surpassed by cable network JTBC for the first time.

As a rough guide, for the top cable channels, a rating of 7% or more is considered strong, 2-7% average, and less than 2% poor.

### 2.3. VERTICAL INTEGRATION

Development and production in South Korea is very vertically integrated, especially amongst the FTA channels. A great deal of content is developed in-house at each broadcaster, so as to ensure a constant rollover of new shows in the same slots every night of the week with no down time. There are some external production companies (see below) and distributors but the production model is not as "commission" driven as in the west, where there are dozens - even hundreds - of companies fighting for attention.

#### KOREA'S LEADING BROADCASTERS

Korea's top broadcasters/ channels averaged the following viewer shares during 2016:

##### Free to air –

Overall average 9.97%

KBS	MBC	SBS
10.39%	7.55%	11.74%

##### Cable –

Overall average 3.93%

tvN	JTBC	OCN
4.82%	1.97%	3.34%

## 2.4. TERRESTRIAL FTA CHANNELS

Of the big four national networks, KBS, MBC, EBS (an educational network) are public broadcasters while SBS is a commercial broadcaster. This is an unusual arrangement as many world territories have one public broadcaster and multiple commercial broadcasters.

KBS is funded by public revenues from a television license fee from each of the 18.5 million South Korean households with a television set. As of 2017, the fee is 3,000 Won (US\$25). Because of low public funds, KBS2 runs commercial advertising, as does MBC, which is 70% government owned. Due to the relative scarcity of funding, there is a spirited, ongoing debate about the definition of public broadcasting in South Korea.

### Korean Broadcasting System (KBS)



KBS is the oldest Korean TV entity and is publicly owned and funded by a license fee. Despite operating independently, the broadcaster also receives government funding.

KBS1 airs news, current affairs, education, sports and cultural programming. It does not show any commercials but does air public information films made by its in-house entertainment production house.

Perhaps of more interest to outside parties is KBS2, which airs the pubcaster's biggest entertainment and drama programming, and unlike the public service focused KBS1, airs commercials. The channel skews towards a broad family audience.

KBS also operates a number of cable channels, which serve more niche audiences. These include KBS Drama, KBS Joy (quiz/variety), KBS Sports, KBS W (female-skewing), KBS Kids and KBS Prime (culture).

Recent notable programming examples:



### Descendants of the Sun

A 16-episode military melodrama which was met with considerable global popularity upon its release in 2016. The series centred on a love story between Captain Yoo Shi-Jin, a special forces soldier stationed with a UN peacekeeping force in the war torn country of Uruk, and Kang Mo-yeon, a volunteer doctor with Médecins Sans Frontières who treats the injured civilians. With one trained to kill, and the other to save lives, can the two ever act on their love? The themes of army life and positivity in the face of difficulty were well received in South Korea and overseas. The series was picked up across East and Southeast Asia and in a litany of other territories. At home in Korea, ratings peaked at a huge 39%.





## The Return of Superman

Reality show which sees famous fathers and their children left alone for 48 hours and given a shopping list of chores to complete by the mother. This falls in line with Korea's huge love for celebrity culture, and the more recent trend of watching these famous faces perform uncontrived everyday activities in an effort to get to the heart of their character.

### KOREA'S TERRESTRIAL COMMERCIAL BROADCASTERS

Following deregulation, all regional commercial terrestrial channels - with the exception of independent OBS TV - are affiliated to SBS. SBS distributes content to these regional channels, which also independently produce their own content to cater for the local audience.

**Korea's FTA commercial channels are:**

**SBS: its affiliates and their broadcast territories are:**

- KBS (Busan)
- TBC (Daegu)
- KBS (Kwangju)
- TJB (Taejon)
- UBC (Ulsan)
- JTV (Busan)
- CJB (Chungbuk)
- G1 (Gangwon)
- JIBS (Jeju)

**OBS: independent channel** broadcasting to the Seoul metro area.

## Seoul Broadcasting System (SBS)



Commercial group SBS owns one terrestrial channel, SBS TV, as well as seven cable channels.

SBS dramas are synonymous with The Korean Wave of cultural exports. Apart from drama, SBS's programming is a solid schedule of variety and entertainment; comedy, music, reality, talk shows and talent shows. Besides SBS TV, making up the 'SBS Network' are nine other regionally-available channels (see side bar for more info).

In terms of international co-development, SBS has eyes on IP that has the potential to work at home in Korea as well as overseas. SBS and Banijay are currently co-developing a new music entertainment show. The latter company already has the international distribution rights to SBS's ***Fantastic Duo***, the successful original version of which is now in its second season. The company's 2016 historical drama ***Moon Lovers: Scarlet Heart Ryeo*** meanwhile was a co-production with NBCUniversal.

Recent notable programming examples:

### Defendant

The most notable drama launch of Q1 and Q2 of 2017 was easily legal thriller ***Defendant***. The ratings speak for themselves – the series averaged a 21% share, eclipsing the nearest contender (KBS's *Chief Kim*) by 5%, peaking at an impressive 28.3%. The plot sees a righteous prosecutor wrongfully charged with the murder of his own wife and daughter. Facing the death sentence he must use his legal acumen to prove his innocence, a feat complicated by the fact that temporary amnesia has robbed him of his memories of the past four months. Legal dramas continue to trend in South Korea, with fellow SBS series ***Whisper*** also rating well in 2017.





### Fantastic Duo

This SBS/Banijay co-development (2016 - present) features a range of celebrity singers, giving their fans chance to sing with them on stage. Fans can sing along with their favourite artists via an app, and from these recordings the most talented fans will be chosen as contestants to appear on the show. Each week four talented individuals will have the opportunity to sing on stage with their idols, in a bid to be crowned the 'Fantastic Duo'. In line with Korea's huge love for celebrity culture, the format combines feel-good wish fulfilment of meeting one's idol with the more traditional trappings of the singing contest genre.

### Munhwa Broadcasting Corporation (MBC)



Munhwa, which means "culture" operates one terrestrial channel, MBC TV, as well as a number of cable and satellite frequencies. MBC distributes its content around the Asia region and globally via distribution arm iMBC, and has a regional channel output deal with Turner.

NBCUniversal and MBC announced a co-development partnership in October 2016. The pair have been working together on co-developing a game show, which is slated to begin airing soon. Game shows have long been seen as a weak aspect of the Korean industry, and could be a fertile area for co-development.

In 2016, MBC opened new facilities in Seoul to exploit broadcast content such as smart media, 3D television, Ultra HD television and digital radio.

Notable recent programming examples:



### Ruler: Master of the Mask

Q1 and Q2 2017's most notable scripted series from MBC was historical melodrama **Ruler: Master of the Mask**. The series was one of the first in Korea to be broadcast as 40 x 30' episodes rather than 20 x 60'. Episodes are shown back-to-back, so in practice take up the same schedule space. This initially puzzling measure was taken to circumvent Korean laws which prohibit the insertion of any advertisement during an entire episode - allowing commercials half-way through each double bill. Set during the 18th century, the series tells the story of Crown Prince Lee Sun and his fight against the shady Pyunsoo-hwe corporation.



### King of Mask Singer

The addition of **King of Mask Singer** to MBC's music programming line-up has proven successful. International versions have since launched in China, Thailand, Vietnam and Indonesia. The show features masked celebrities competing in one-on-one elimination rounds until the final remaining contestant has the opportunity to contest the previous winner, called the 'Mask King'. Only once a contestant is eliminated is their identity revealed. A new set of contestants enter every two episodes.





### Infinite Challenge

**Infinite Challenge** is a long-running, largely unscripted variety series, featuring celebrities completing various humorous challenges. The lighthearted programme launched in 2005 and in 2016 still held a strong double digit average viewer share. The challenges are frequently absurd or impossible, involving pranks and hidden cameras, veering into satirical comedy rather than being a standard reality or competition programme. In earlier episodes, the show's six members would delight in saying that in order to achieve its comedic purposes, the programme was '3D'; Dirty, Dangerous and Difficult.

### Educational Broadcasting System (EBS)



EBS began broadcasting via TV in 1980, before being re-established as a public corporation at the turn of the millennium.

The broadcaster airs cultural and educational programs nationwide, as well as kids content.

EBS also operates several internet /mobile based educational services and is involved in international co-production and content distribution businesses.

### 2.5. CABLE

**The biggest player in the cable market is media conglomerate CJ E&M. Between its roster of cable channels CJ introduces a steady stream of new formats each and every month. In the words of one prominent Korean industry figure we spoke to, CJ's aggressive introduction of new programming represents a 'fresh breeze' which has sparked new creativity throughout the industry.**

The market in Korea took another big step up in terms of competitiveness in 2011 with unprecedented deregulation and the launch of four new general programming cable channels; JTBC, MBN, Channel A and Chosun. All four are operated by different national Korean newspapers. These channels all feature varied, populist line-ups comparable to SBS, KBS and MBC. Whilst they initially lagged behind their more established contemporaries, in 2017, ratings have never been stronger, with JTBC in particular leading the way as one of the nation's most popular and inventive networks.

Between the launch of the new general cable networks and CJ E&M's efforts, a new competitiveness has been stoked in the Korean TV industry in terms of content creation. This competitiveness has had two seemingly contradictory implications. One, an unquenchable thirst for new formats and fresh spins on old genres. And two, a rise in networks attempting to quickly and closely replicate what has worked well for their competitors.

In scripted, the rise of the cable networks has seen many of the nation's biggest idols and most accomplished drama lured away from KBS, SBS and MBC. With the noted dynamics of the Korean market, one of the key reasons for this shift is seen to be the experimental streak of the cablers. Cultural critic Kong Hee-jung said on the topic: *"Major public channels go for strong viewership on weekend or morning dramas. But they stick to the old practice of production, while cable channels build up competitiveness by experimenting with fresh stories and formats."*

The leading basic cable channels are now regularly threatening the ratings of the terrestrial channels, which have been flagging for the past five years or so. The new programmers also benefitted from not being subject to the same government restrictions on the number and length of the commercials they air.

## CJ E&M



CJ E&M is a major media conglomerate which as well as in broadcasting also operates in feature film production, IPTV, music (as a talent agency and record label) and production of computer games.

The company is a leading player in expanding Korea's worldwide media influence - by distributing its own shows as well as working with outside parties on new content. In 2016 the company signed a co-development deal with Endemol Shine to create original formats and series for the South Korean and international marketplaces. Prior to Korea being shut out of the Chinese TV market, CJ E&M had a strong relationship with Huace Media and since has also been looking to foster drama co-production deals in Thailand, Vietnam and Indonesia.

In November 2016, on its tvN channel, CJ E&M debuted its remake of HBO's showbiz dramedy **Entourage**, produced by the company's own production house Studio Dragon. Ratings unfortunately were very poor.

In April of 2017 the company partnered up with Malaysia's Astro in a deal centred around the creation of new original IP for South East Asian nations. The partnership also sees CJ's existing formats pushed into the region.

CJ E&M also inked a co-development deal with ITVSGE in April of 2017. The two have built a solid relationship after first working together on the Korean version of singing contest **Popstar to Operastar**. Together they aim to create entertainment formats with international potential, with one unnamed project already in development. The finished product will be distributed in Asia by CJ E&M with ITVSGE taking care of the rights in all other regions. CJ E&M is also the home of the local adaptations of food series **MasterChef** (Endemol Shine) and **Chef in Your Ear** (WBTV).

According to Jin Woo Hwang, the company's head of formats and global content development, CJ E&M's programming focus is on *"[finding] extraordinary characters and stories from ordinary lives and ideas from Asian perspectives, but possess universality and scalability for international tastes."*

As well as the below networks of note, CJ E&M operates channels including OnGamingNet (video games and e-sports) and Tooniverse (anime and cartoons).

### tvN (CJ E&M)



From 2015 to present, tvN has made waves by securing numerous top actresses (Park Bo Young, Choi Ji Woo, Go Hyun Jung, Kim Hye Soo and Jeon Do Yeon) to front its dramas, which often have a more innovative and experimental thread than the bigger public network fare. This is notable in that the dramas that get sizeable audiences are generally those with the biggest headline stars- whether they be actors or pop stars.

Notable recent programming examples:



#### Goblin

Ratings smash hit **Goblin** typifies the swooningly romantic tropes of K-drama, as well as representing the enduring popularity of the supernatural and fantasy genres. Kim Shin is an immortal responsible for guiding lost souls through the afterlife to their final rest. Wang Yeo is a reaper, responsible for claiming those souls in the first place but stricken with amnesia. This unlikely supernatural duo live together, but Kim Shin is tired of eternal life and searches for a human bride who can make him mortal.



#### Shadow Singer

Innovative singing content **Shadow Singer** debuted July 2017. Hidden backstage, unknown artists known as 'shadow singers' have celebrities introduce them to the judges before lip-syncing to their live performance. The celebrities who impress the judges most win their shadow singers the opportunity to perform in the next episode.

### Mnet (CJ E&M)



Mnet, an acronym of Music Network, is a youth-oriented network, which is oriented around music and the now worldwide phenomenon which is K-pop. The channel is home to many of CJ's successful singing shows including the likes of **I Can See Your Voice**, **Produce 101**, **Show Me the Money** and **Unpretty Rap Star**.

**I Can See Your Voice** has been adapted in territories including Bulgaria, China, Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Also prominently billed is long-running live music performance showcase **M Countdown** which, demonstrating the global appeal of K-pop girl and boy groups, also airs live in Hong Kong, Japan, Philippines, United States, Taiwan, Malaysia, Singapore and other countries.

## OCN

(CJ E&M)



Originally a dedicated movie network, OCN is now home to a varied and popular array of K-dramas and Korean feature films. It also plays host to a number of western imports including **Game of Thrones**.

Recent series of note include crime thriller **Tunnel**, supernatural fantasy **Black** and romantic comedy **Meloholic**.

## OnStyle

(CJ E&M)



Home of many of aesthetically-obsessed Korea's biggest beauty, modelling and cosmetics shows.

The local take on **Next Top Model** remains on air after five seasons. The humorous **Lipstick Prince** meanwhile sees male pop stars and actors learn about make-up techniques before trying out their new skills (or lack thereof) on mannequins and fellow celebrity guests.

## JTBC



Ranking in third, only behind CJ E&M's tvN and OCN in the cable landscape, is JTBC, which is operated by the owners of daily Korean newspaper JoongAng Ilbo. JTBC is the most popular of the new cable channels launched in 2011.

JTBC is one of the nation's more daring and youthful broadcasters. Particularly in its talk show output, the channel is not afraid to push the envelope with political and sexual references that the pubcasters, SBS and even fellow cable channels would shy away from.

In April of 2017, the Endemol Shine Group entered into a international co-development partnership with JTBC. The two will work together to create, produce and distribute formats for the international market. The first show borne of the pact has already launched (see below).

Notable recent programming examples:



### **Perfect on Paper**

In October of 2017, ESG and JTBC's first co-development launched. Matchmaking series ***Perfect on Paper*** pairs up potential couples based on scientific algorithms which take into consideration factors like education, goals, income and appearances. As expected, the sentiment from ESG's end seemed to be one of wanting to harness Korea's creative streak, with Lisa Perrin, CEO of Creative Networks at the company, saying, *"JTBC is a young and innovative channel with a strong track record in original content and this deal enables us to further tap into Korea's prolific creativity."*



### 3. Online and OTT

#### 3.1. INTRODUCTION

OTT has been slow to take off until very recently, as viewers have been well-served by the stacked schedules of broadcast television. According to a report from IHS Markit, South Korea's premium online video market was valued at US\$142m in 2016, and is expected to soar to US\$433m by 2021. Korea is the most 'wired country' in the world in relation to download speeds and streaming content. Everywhere you go in Korea, you'll see people watching content on their mobile device, with more and more content is being created for consumption this way.

According to Jun Wen Woo, analyst at IHS Markit: *"South Korean consumers are more willing to pay for premium content now, and most of them will have multiple streaming subscriptions in the future."*

*"High smartphone adoption, availability of low-priced subscription services, as well as the entrance of new local and international services, will also contribute to the growth of the market."*

Local subscription services operating in the nation include POOQ and TVing. Pay TV providers including KT, SK Telecom and LG Uplus also offer premium video subscriptions, as does media giant CJ E&M.

#### 3.2. WESTERN IMPORTS



*Luther*

Increasingly, the streamers are becoming top destinations for Koreans to watch imported content. In 2016, POOQ acquired a slew of streaming rights to BBC shows including dramas ***Sherlock***, ***Luther***, ***Doctor Who*** and ***Doctor Foster***, and factual content including natural history doc series ***The Hunt***. TVing meanwhile carries a multitude of dramas from the UK; including ***Victoria***, ***Endeavour*** and ***Beowulf***, Canada; including ***The Transporter*** and ***The Romeo Section***, and Australia, including ***Wentworth*** and ***Cleverman***. Also available to stream on TVing are dozens of factual series and documentaries from BBC Worldwide and National Geographic.

#### 3.3. OTT

Key domestic players in the Korean OTT market are mobile companies Korea Telecom (KT), Sunkyong Telecom (SKT) and LGT, the telecoms arm of electronics firm LG. OTT platforms in the market include Olleh TV Mobile (carrying both film and TV), oksusu (carrying film and TV), Uflix Movie (specialising in film) and U+HDTV (specialising in TV).

Launched in January 2016, oksusu is an especially interesting case study. It is operated by SK Broadband, the internet service provider of SKT, which bought out cable channel CJ Hellovision. SK Broadband is now aggressively pushing development of original content – including areas such as VR – in an attempt to

stake out its market share. A five-year budget of US\$435 million has been put forward by SKT for original material.

Other apps, such as WATCHA PLAY and Naver N Store, are also transitioning from YouTube-style user content uploads to offer a more VOD-style library of curated material.

### 3.4. FOREIGN SERVICES



*Okja*

The arrival of Google Play, Netflix and Amazon Prime Instant Video into the Korean market has had a galvanising effect. Netflix has built a relationship with acclaimed Korean director Bong Joon-ho, financing and distributing his latest film, **Okja**, a move which has been seen as a direct challenge to Korea's prolific domestic film distribution industry. By offering a frictionless pipeline to a global audience, the chance to lure more filmmakers to its platform is strong. Scheduling gridlock at Korean cinemas has left many independent producers looking to streaming as a preferable route to market.

Netflix is also appealing to Korean consumers for the opposite reason, introducing them to content from around the world which has similar novelty value in the market as Korean content does elsewhere. Content such as stand-up comedy concerts – a relative rarity in Korea – and US-style comedy dramas are fresh to Korean subscribers, while Netflix's investment in documentary is also paying off, as it ties in with a wave of "based on a true story" movie hits at the Korean box office and a public appetite for real stories.

Until now, competitiveness in the Korean OTT market was largely based on platform growth but the entry of the global services has shifted the landscape to being more content-driven, with the result that many existing OTT operators – and newcomers to the market – see investment in original material as the key to long-term survival, rather than direct user acquisition.

## 4. Producers in Korea

**A problematic aspect of the Korean TV market for outsiders is the previously-noted tendency toward vertically integrated production amongst the broadcasters. In-house production still heavily outweighs outsourcing.**

Accordingly it's the broadcasters rather than the production companies who will be a co-development partner's first port of call in most cases. When we hear of deals between Korea and the west, it is the likes of SBS, MBC and CJ E&M which are named, rather than those who will be directly 'producing' the fruits of the partnership.

Nevertheless, see below for a run down of notable players in production and/or distribution, who may be of particular interest to outside parties.

### Bethel Global Media Contents (BGMC)



Seoul-based company BGMC is primarily concerned with *"the global distribution and localisation of contents in countries abroad"*. It operates in production/co-production, planning, strategising, funding, post-production and content localisation services for local and international companies. It also does work to connect western and Korean companies. Mainly working on localising Korean content for other markets, the company has also helped with the import of outside content including Nickelodeon comedies ***Victorious*** and ***iCarly***.

### EnterMedia Pictures



A Korean subsidiary of the U.S.-based EnterMedia Contents. With a view over the west and the east, the company was involved in the Korean remake of ***Suits***, as well as the US version of ***The Good Doctor***. EnterMedia deals in distribution and acquisition in film and digital, as well as TV.

### Film in Korea



Film in Korea (aka E.Planet Korea) offers production services for both domestic and international groups working in Korea. Its main specialities include drama and factual. The company has been involved in international productions including History Channel's ***Hidden Cities Extreme***, Malaysian feature ***Kimchi Untuk Awak***, US Travel Channel's ***Booze Traveler***, and South Korean/American documentary film ***Love Child***.

## FILM LINE



Founded in 2000, FILM LINE supports co-productions inside Korea as well as between Korean and international groups, with over 200 features and TV projects to its name. Notable production credits include **Shoot the Sun**, **Heartbreak Hotel**, **Sookhee** and **Red Vacance Black Wedding 1/2**.

## Kinomatic Pictures



Kinomatic Pictures has provided support for productions in Korea for clients including FOX, Travel Channel, Discovery Channel, BBC, CNN and CBC.

## Paan Media



The well-established Paan has participated in a number of factual co-productions including **At The Boundary; Korean Food Made Simple**, the first Korean co-pro with the UK's Food Network, as well as **Plant Odyssey** and **Wild Weather** for BBC1 and BBC2 respectively.

## Studio LYD



Newly founded, set up in 2016, LYD is currently involved in a Korean TV remake of classic Hong Kong romance feature **Comrades: Almost a Love Story**. Also in the works is a remake of Chinese web series, **Go Princess Go** with China's LeTV and the FOX Network Group.

## VIM Film



Founded in 1994, VIM Film prides itself in linking Korea with the rest of the world, having filmed in over 18 other countries. The company has offices in Korea, Australia and Hong Kong. Clients include KBS, MBC, SBS, BBC, AXN Asia and CJ Entertainment.

## 5. Trends and Culture

### 5.1. INTRODUCTION

Many of the biggest content trends in Korea don't relate to any particular 'genre' per se, and our contacts at Korea's biggest broadcasters have warned against 'chasing' trends in the territory. The 'next big thing' can come and go quickly and suddenly. Dating shows for example, which were wildly popular a couple of years ago, have now nearly disappeared from terrestrial line-ups. The flip side of this is that the nation is one of "early adopters"; content can be more experimental because Koreans are less afraid of trying something new.

As another general point about the content of Korean TV, Koreans work extremely hard with longer working days than most other first world countries. Much as in Japan, the subcontract-dominated nature of the working world means offices and factories have long working days. The huge prominence of 'night culture' in the country also dictates that many cafes, bars, restaurants and shopping malls are open 24 hours a day.

Accordingly, much of the content that gets high ratings outside of dramas is pure, populist entertainment. After a long day of work or studying, Koreans generally want to relax with content that is not too fast-paced or challenging intellectually. With Korean content, it's not uncommon to see a group of celebrities standing around talking and making jokes, interacting with his or her family in their home, or simply enjoying a meal. This slow pace can be a stumbling block to western audiences and industry members alike.

### 5.2. ENTERTAINMENT TRENDS

#### FAMILY AND FRIENDS

The hottest sub-trend at the time of this report being finalised (December 2017) is the prominent inclusion of celebrities' family members, friends and even rivals watching and commenting on the activities of the star.

Examples include SBS's ***My Naughty Sons***, which as of November 2017 was one of the hottest shows on television, pulling in huge ratings from all age demographics. The show follows the everyday lives of celebrity bachelors. The twist and 'fun component' of the show actually comes from the segments showing the reactions of the men's mothers - who are often humorously shocked or unhappy with the playboy-esque behaviour of their offspring.

On tvN meanwhile, the more wholesome ***Leaving the Nest*** sees celebrity parents look on from the studio as their teenage children leave home for the first time to undertake journeys to remote destinations around Korea. Again, the main hook here is the famous mothers and fathers witnessing of their sons and daughters experiencing the world alone for the first time.



## CELEBRITY CULTURE

Celebrity culture is inseparable from all leading TV genres in Korea, and probably the most biggest guiding 'trend' to speak of.

**Running Man** is a variety/game show from SBS which is part of the *Good Sunday* portmanteau entertainment show. *Running Man* has been described as “urban action variety” and consists of celebrities competing in both studio and out of studio “missions” or games (treasure hunts, solving clues, answering questions).

KBS's **2 Days 1 Night** meanwhile, which has aired since 2007, sees a group of celebrities visit various places of interest in Korea and compete in humorous challenges for meals, shelter etc., over two days and one night. The show is also notable for its continuing high viewership. The key here is the relationships between the diverse celebrity personalities and their interactions with important Korean landmarks and cultural practices.

Korea's huge celebrity culture has also manifested itself in relaxed chat and variety formats where viewers can hear their favourite pop stars and actors discuss everyday issues ranging from friendship to hobbies and current events, as well as playing light-hearted games. These include long-running staples like **Happy Together** (KBS2, 2001 – present), **Radio Star** (MBC, 2007 – present), and **Hello Counsellor** (KBS2, 2011 – present). The latter show brings together regular Koreans and celebrities to share stories about life. These formats hinge on viewers being able to feel connected to their favourite stars and share common bonds.

## TRAVEL



Carefree Travellers

Feel-good travel shows aimed at a broad audience are still on-trend in Korea - but according to a source at a top terrestrial broadcaster, could be reaching saturation.

The hook here is not a competitive element but simply seeing a familiar face out of their comfort zone and experiencing the unexperienced. Some of these send Korean celebrities abroad (**Carefree Travellers**, JTBC), others invite outsiders in to experience the 'typically-Korean' (**Welcome first time in Korea**, MBC every1), and some see natives and foreigners swap places (**A traveller's guide to my room**, SBS). Authenticity is key here. Koreans want to

see their favourites in real situations; going through the motions of their everyday lives without exaggeration or unrealistic scenarios.

Also popular are more intense 'travel-reality' series. Debuting in June 2017, **Wizard of Nowhere** sees two teams of three celebrities travel to another country where they are given three days to complete a number of missions. Without phones or money, they must do so before making it to a designated spot before the time runs out. Other series like **Law of the Jungle** and **Island Trio** incorporate natural history elements by placing the stars in rural/ island environments.

## TALENT

K-pop talent shows are still tremendously popular, but must be refreshed frequently to prevent staleness from setting in. Mnet's long-running **Superstar K**, once considered a flagship for the network for example, was placed on hiatus in 2017 as ratings and buzz flatlined.



Superstar K

There has been a recent shift away from music shows focusing on established stars – for example **I Am a Singer** (2013 – 15), which saw veteran K-poppers compete each week to avoid elimination, and back towards a focus on aspiring unknowns. Mnet's ambitious **Produce 101** debuted in 2016, and saw a pool of 101 young stars whittled down to 11 finalists to make up a new girl group. It was up to the public to decide how the group turned out, with viewers voting on who made the cut as well as what their debut song and group name would be. Season two (2017) instead focused on creating a male group.

The concept of creating a "peoples' pop group" appears to have clicked, and as is more-or-less customary when a new idea comes along in Korea, **Produce 101** has spawned a large number of copy-cat shows. Examples include KBS2's **The Unit**, JTBC's **MIXNINE** and even Mnet's own **Idol School** - all of which were hastily produced for debut in 2017.

It would benefit those presenting broadcasters with fresh formats to aim for something truly 'new', rather than simply looking at what is hot and trying to replicate it. It's all well and good to approach a CJ E&M with an idea for a new shiny floor music show because of their expertise in the genre for example, but the previously noted competition between internal production groups means that their catalogue could already be over-saturated with similar ideas.

## PLASTIC SURGERY

Plastic surgery is a continuing trend – even an obsession in Seoul and major metropolitan areas.

**Let Me In** airs on the CJ Entertainment Channel Story On and is a makeover reality show. The basic premise is that women - and in later episodes men – come before a panel of famous judges to plead their case for plastic surgery.

The antidote to this is **Back To My Face**, where disappointed recipients of plastic surgery are given corrective and alternative treatments, and then decide whether to stay as they are or go back to their original, natural beauty.

### 5.3. DRAMA TRENDS

Korean dramas dominate both Korean and wider Asian television schedules, and have done since The Korean Wave first broke. In 2009, K-drama exports already totalled at US\$180m, a figure which according to the Korea Communications Commission, has grown by around 14% year-on-year ever since.



Winter Sonata

The 2002 romantic drama series **Winter Sonata** from KBS set the standard for Korean drama exports and has reportedly generated a colossal total of US\$27 billion in all primary and secondary rights revenues. The success of K-drama now accounts for some 80% of Korean overseas media revenues, and has pushed Hollywood products off terrestrial and Pay TV schedules across Asia.

As for the length and format of scripted in Korea, typical series consist of 16-20 x 60' episodes for both traditional broadcasters and cable networks. Korea-native internet platforms meanwhile

have seen a rise in shorter form dramas which can be more easily consumed 'on the go'.

There remains a considerable crossover between dramas and K-pop. Music stars continue to appear in dramas, often in supporting roles, although there are many that slowly transition to lead roles.

Open auditions, previously reserved for music auditions, have also begun for dramas and films. The historical drama remake of romantic comedy film **My Sassy Girl** held open auditions and narrowed candidates down to a small number before leaving the decision to an online vote.

As for drama imports, recent years have been a mixed bag. tvN's **Entourage** remake performed miserably - averaging just a one percent share. The same network's take on **The Good Wife** meanwhile fared much better - with a share approaching 5%. There are also talks ongoing with at least one of the terrestrial networks to license another US drama format to remake in 2018. Scripted formats from Japan and Taiwan have also seen a steady take-up in Korea.

#### GENERAL

Since 2010, there had been a great emphasis in dramas focusing on "special" main characters, ie) those who possess extraordinary intelligence or supernatural powers. Continuing trends in dramas lean towards fantasy, historical and romantic themes. This tempered somewhat in 2016 with various dramas centring on "regular" people due to a shift towards more "humanist" or realistic dramas focusing on regular life.

South Korea produces around 150 original dramas a year. To stand out from today's crowd, dramas should, regardless of genre, have a unique hook.



**Let's Eat**

## HEALTH AND EATING

Korean society's focus on health and eating continues to influence, with dramas focused on food and health becoming more prominent since 2014 (examples include tvN's **Let's Eat** and **Let's Eat 2**, SBS's **Birth of a Beauty**, KBS's **Oh My Venus**).

There have been increased occurrences of psychological dramas and scripted shows where the main characters have a serious medical condition: KBS's **Uncontrollably Fond** (brain cancer), tvN's **Dear My Friends** (dementia) and SBS's **It's Okay That's Love** (mental illness).

## HISTORICAL DRAMA

Historical fiction is an area of continuing popularity. SBS's **Six Flying Dragons** (2015-16) portrayed the historical conflict between Prince Yi Bang Won (the future King Taejong) and Jeong Do Jeon, a political strategist, in how to rule the newly established Joseon dynasty.

Each year several historical dramas air, many spanning 50 episodes and featuring actual historical figures alongside fictional characters.

## CRIME AND PUNISHMENT

Police procedurals and crime dramas continue in popularity in South Korea. Recent examples include KBS's **Hello Monster**, OCN's **Duel**, JTBC's **Secret Forest** and SBS's **Mrs Cop** series.

On the other side of crime lies legal dramas, which are also very popular. Law is a strongly valued profession in Korean society, and legal dramas, alongside lawyers in non-legal dramas, are well represented on television. In 2016, there were two legal dramas that followed male lawyers diagnosed with early onset Alzheimer's disease: SBS's **Remember** and tvN's **Memory**.

## SUPERNATURAL

Even with the noted shift towards realism, recent years have seen a number of successful shows tackling subject matter such as special powers, ghosts and witches.

Examples include JTBC's **Mirror of the Witch**, tvN's **Let's Fight Ghost** and OCN's **Vampire Detective**.

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#### 5.4. CULTURAL CONSIDERATIONS

Primarily, it's important to note the differences between content on public and cable channels. Public channels have few (if any) sexual references, and even in romantic dramas kissing is barely more than a touch of the lips. There is also considerably less violence. Conversely, cable dramas are known for more sexual references, romantic content and violence. Knives, tattoos and cigarettes are often blurred out on all channels, although guns are not.

A new thread in reality in Korea is Army Reality, which highlights both mental and physical training, and carries a strong message of preparedness in the event of untoward developments in North Korea. After all, Seoul is only 35 miles from the North Korean border and all males in the nation are subject to national service.

Indeed it can be seen in K-drama in general that there is a strong undercurrent of separation, conflict and uncertainty, together with the fear – or actual - loss of privilege all of which are inspired by the proximity of an unstable neighbouring country. There is a shared language and culture but a broken common past, which has resulted in two nations of widely differing economic, social, military, technological, cultural and especially ideological strengths.



## 6. Acquisition, Co-production and General Tips

### 6.1. FORMAT ACQUISITION

The bottom line is that as one of the biggest creative hubs of the past decade, South Korea imports very few formats compared to those which it exports. Korea's industry would still much rather sell an idea than buy one. Even after losing access to the Chinese market — its most profitable — Korea is expected to maintain a strong position in the format game going forward. According to cultural agency KOCCA, exports swelled from US\$3.4m in 2013 to US\$39m in 2015.



*Mother*

Big-brand formats such as **Top Gear**, **The Voice** and **MasterChef** have fared well, but smaller, unproven hits are much, much rarer. The Electus format **Bet on Your Baby**, in which couples wager on predictions of what their infant will do next, was pulled after just five episodes on tvN in summer 2014. Flops like this have left some in Korea wary of imports, and of paying the fees associated when the nation is already overflowing with fresh ideas of its own. The list of Korean format imports since the end of 2014 is scant, and mostly dominated by scripted shows like **The Good Wife**, **Entourage**, **Criminal Minds**, **The Gordin Cell** and Nippon TV's **Mother**.

A representative from one of Korea's biggest media groups told us they can see the potential for sales in one one area in particular: game shows are one of Korea's weakest format areas, and one which has seen an enormous amount of failed launches over the years. With the long-time popularity of game shows in the west, this could be a sensible pitching choice to gain entry. As a side note: Korean viewers have responded poorly to eccentric Japanese-styled game shows.

Another reason for the scarcity of foreign formats in Korea is the local programming's 'weak' (perhaps a better, less pejorative-sounding term would be 'fluid') structure compared to those from the west. The high turnover of programmes from month to month necessitates creative agility and tight shooting schedules. Western companies working in Korea must be aware of this, be prepared to keep with the fast pace, and willing to be flexible.

Producers and broadcasters in Korea are often willing to change formats on the fly – even midway through a season – which of course is enabled by the very fact that seasons are often shot in an ongoing manner rather than being completed before airing. These changes are often made at the whim of audience reaction. Rather than allow ratings to sag through the course of a poorly-received series and lose viewers to rival networks, there is an attitude of 'if it is broken, fix it.'

Although Korean creators pride themselves on their flexibility and ability to produce quality TV faster than just about anyone else, this can be a disadvantage in international market. TV formats which do not have a strong and solid structure cannot travel the world as a 'global format' with as much ease as a more meticulously structured piece of TV. There has been an attitude amongst Korean

creators and producers that a narrowing of the gap between how Korean and western producers operate would be a desirable move. As Korea continues to find its feet in the global market, and competition between terrestrial and cable channels continues to heat up, look for the local industry to become more open to the rigidity of western formats.

## 6.2. FINISHED TAPE ACQUISITION

**The licensing of finished foreign content into Korea is not common. International content brands are adjusting their tactics in Korea, realising the challenges involved in distributing finished foreign content in a market where demand is overwhelmingly local, or otherwise for US blockbusters.**

In 2016, a survey looking at the consumption of international TV in Korea found that in a single week just 8.8% of respondents had watched American-produced TV programmes. Meanwhile 1.7 and 1.6% had watched Japanese or Chinese programming respectively. Content from elsewhere was even rarer.



*Messiah at the  
Founding Hospital*

Naturally, factual content is conducive for international sales because the genre is less celebrity-driven and more about incredible people, places and stories.

In January 2017, educational broadcaster EBS picked up a large slate of factual titles from the Singapore-based distributor Bomanbridge Media. The programmes included ***Strip the Cosmos*** (Science Channel), ***Messiah at the Founding Hospital*** (BBC), ***Drain the Bermuda Triangle*** and ***Drain the Titanic*** (Nat Geo). Bomanbridge has strong pedigree for selling western factual content throughout Asia.

The following month saw a deal announced between BBC Worldwide and cabler JTBC for more than 500 hours of science, wildlife and documentary content to air in South Korea. Included were natural history docs ***The Hunt***, ***Wild Japan*** and ***Atlantic: Wildest Ocean***. The programmes are available subtitled into Korean on JTBC customers' set top boxes as well as online.

In July 2017, newly launched documentary cable channel DocuOne debuted a BBC Earth-branded programming block which airs the likes of ***Planet Earth*** and ***Frozen Planet***.

In scripted meanwhile, popular western dramas like ***Game of Thrones*** and ***Sherlock*** have found small but enthusiastic followings in Korea, both airing on CJ E&M's OCN. In terms of ready-made content from smaller territories, September 2017 saw Eccho Rights announce the sale of Ukrainian political comedy ***Servant of the People*** to Korea's HQ Plus as the channel's first foreign series pick up. Eccho's ***Phi*** meanwhile became the first Turkish drama to air in Korea - debuting on female-skewing cable network GTV in November 2017. Brazilian giant Globo has also sold a number of telenovelas into the nation.

### 6.3. CO-PRODUCTION AND CO-DEVELOPMENT

Korean companies are keener than ever to co-develop. This doesn't just reflect the fact that TV production is increasingly expensive and that costs must be spread, but also that still riding The Korean Wave, the nation is becoming increasingly confident on the world stage of TV.

Koreans are typically super-dynamic when it comes to learning new skills. This will bring opportunities to co-operate, but international partners should know that Koreans will rarely work with outsiders to develop just their knowledge alone. Instead, they require deals to be advantageous on other levels besides being purely an educational exercise.

Due to the noted vertical integration at many Korean broadcasters, for outside groups, going straight to the broadcasters themselves is the best plan. Establishing solid contact with the networks can be tricky, but the contact database which accompanies this report should assist.

It is worth noting that, to be counted as a Korean co-production, the outside partner must contribute at least 30% of the programme's production budget.

#### CO-PRODUCTION DEALS AND EXAMPLES

- The worldwide appetite for Korean content has seen a lot of the bigger players rush to the nation to try and get a piece of the pie. Endemol Shine Group, ITVSGE, Banijay and NBCUniversal have all forged recent co-development deals in Korea.
- From the Korean side, CJ E&M in particular has shown an increasing enthusiasm for international co-development. Speaking in February of 2017, Albert Park, head of sales at the cabler, said: *"Our international format strategy is to continue to expand in the global market and meet the right partners. We are envisioning doing at least three to five co-development projects in the coming years in different markets, whether that means targeting specific territories or a certain genre."*



*The Power*

- Early in 2017, SBS teamed with US prodco My Entertainment to co-develop social experiment format **The Power** after the Korean broadcaster aired a pilot in 2016. The South Korean version will air in 2018 with US and other western versions to follow. The format *"tests how people, regardless of their background or wealth, behave when granted absolute power to make decisions that affect everyone around them."* The collaboration between the two companies was forged with the firm prerequisite that the end product would be equally suitable for western and eastern audiences.
- At the tail end of 2016, A+E Networks unveiled a major expansion into South Korea through the acquisition of a US\$15M stake in producer/talent agency iHQ inc - which includes full control of iHQ's History and Lifetime channels. This deal will see Korean versions of young versus old cooking contest **Man vs. Child** and

wilderness survival reality contest **Alone** created with local producers. Also in the works are original titles **History in a Bottle** - a talk show about Korean alcoholic drinks, and **The Reader** - which will follow Korean hip-hop artists.

- Studio-based music and game shows are two points at which a number of European and US producers have been able to enter the Korean market in a co-development capacity; for example the upcoming game show from MBC and NBCUniversal, and SBS and Banijay's upcoming music entertainment format. For further details, see our earlier sections on MBC and SBS respectively.
- In scripted, April 2017 saw the debut of romcom **My Secret Romance** - a co-production between Godin Media and DramaFever, the Warner Bros-owned, US-based online platform specialising in streaming Asian content for American audiences. The series debuted on the same day in the US and Korea, where the show aired via OCN.



*Forever Young*

- Korea and Vietnam's first partnership came with a deal signed between CJ E&M and Vietnamese state broadcaster VTV. This resulted in the production of **Forever Young**, a 36 episode series debuting in 2014. Broadcast in both nations, it follows a wealthy Vietnamese girl who comes to Korea to study and lives with students from other countries. The series also came to air elsewhere around Asia via CJ E&M's Channel M. Under the partnership, CJ E&M provided script development, art and post-production expertise. On the Vietnamese side, top local producer Hai directed the project with VFC, VTV's drama production entity, providing production infrastructure.

## TREATIES

- In 2010, the EU and the Republic of Korea signed a co-operation treaty. Under the agreement, future co-productions would be considered EU productions in the EU, and Korean productions in Korea. This means these productions will be able to sidestep a lot of red tape.
- In 2014 a scripted co-production partnership between the UK and South Korea was made. This resulted in a Korean contingency comprising broadcasters, producers and scriptwriters (including reps from KBS, CJ E&M, MBC and SBS) travelling to London in search of drama co-production opportunities, meeting with companies including All3Media, FremantleMedia and Shine International. This meeting was brokered with the help of the Korea Creative Content Agency (KOCCA) and Asian/western negotiating body The Bridge.
- In April of 2014, Australia and Korea signed a co-production agreement. The details of the deal regulated that each co-producer in future collaborative projects should have a financial contribution of no less than 20% of the total cost. It also specified that the creative contribution of each party should then be relative to each producer's financial contribution.



#### 6.4. FUNDRAISING

There are a number of government agencies, for example KOCCA, KCA and RAPA, which can financially support co-productions. KOCCA, for example, supports non-scripted format pilot production by providing a subsidy of up to US\$100,000 for international projects.



*Sense8*

In the case of some of the co-productions we discussed with our contacts in Korea, the Korean government can be very helpful providing a monetary or diplomatic boost to get a deal done. Especially in the case of factual projects created to be a "cultural exchange" between broadcasters, seed money or finishing funds can become available.

The KOFIC (Korean Film Council) is another body which can provide support for companies shooting in the nation - with season two of US drama **Sense8** and season 21 of **America's Next Top Model** being recent examples.

#### 6.5. GENERAL TIPS

Although the term 'synergy' is perhaps a cliché, it is especially important for western/Korean partnerships. Whilst Korea may be a haven of exciting new ideas, the differences between its industry and those in the west means that the two parties will likely be bringing very different attitudes and skill sets to the table. It's very important to understand your prospective partner's needs and timeline, and focus on combining what both companies do best.

Networking and carefully building rapport is key to forging a relationship in Korea which will last and be fruitful. The strong relationship which stands today between CJ E&M and ITVSGE, for example, comes after years of trust and relationship building, beginning when the two were connected to adapt **Popstar to Operastar** for Korea more than eight years ago.

- Another potentially significant advantage of working in Korea is that if/when Chinese-Korean relations improve, a presence in Korea will be the easiest gateway into China. Profits from a project co-developed with a Korean firm could in turn increase if the Chinese then show interest.
- There has been a tendency to 'cast' celebrities before the development of the format they will feature in has even been completed – which goes some way to show just how vital to the local industry a strong cast of fresh faced K-pop stars or heart-throb actors are.
- Many entertainment shows still rely considerably on bona fide A-list celebrity power, which is not common in western formats. The cost associated with bringing in comparable level local talents could be problematic if co-developing a series prominently featuring celebrities.



- Another more practical and rather frustrating reason for the relatively small number of western-Korean co-developments to date, is that Korean companies simply don't generate materials such as subtitled trailers, screeners, treatments, and format bibles to engage western partners, so the content is simply not on their radar.
- Proven successes in the home country will find better reception. Paper formats are almost impossible to pitch to Korea.
- A vast amount of television and video is consumed on oversized Samsung smart-phones; programme makers should take the limited size of screen and interactivity into account.
- A representative from one of Korea's largest broadcasters told us that they are currently working with a US producer on a co-development based on a Korean show which was piloted but never made it to air. There is likely a large amount of 'failed' pilots which may not have been suitable for Korea in their raw form, but could be strong prospects for co-development.
- MIPTV and MIPCOM are a very good place to start by meeting Korean acquisition teams.

## 7. Film

Korea has a very strong domestic film industry, and while Hollywood movies do well in the territory they are often overshadowed by home grown blockbusters. For 2016, the latest year for which full figures are available, the annual box office amounted to US\$1.44 billion (1.74 trillion Korean Won), although this represented a slight stagnation of figures – up just over 2% following six years of growth over 6% or more.

This was despite considerably more cinema releases than the previous year, with 1,564 theatrical launches in 2016, up 23 percent from 1,203 in 2015. A weak Korean currency compared to the US dollar was partially to blame, as were mass protests against now-former President Park Geun-hye which led to a 30% decline in cinema attendance in November.



*Tunnel*

In terms of major players in the Korean film business, CJ Entertainment was the most prolific and successful distributor, releasing 22 movies for a 16% market share. This includes both domestic hits, such as Park Chan-wook's award winning drama ***The Handmaiden***, and imported titles such as Dreamworks' ***Kung Fu Panda 3***. Close behind is Showbox, which held a 15% market share from 10 launches, including crime drama ***A Violent Prosecutor*** and disaster thriller ***Tunnel***. The Korean arm of the Walt Disney Company is the country's third most successful distributor, with a 14% share from 10 releases.

### IMPORTS AND EXPORTS

South Korea does not place limits on the number of film imports. US releases slightly outnumbered Korean films during 2016, with 338 local productions against 343 US imports. Despite this, Korean releases grossed a higher market share with 53.7% versus 42.6% for American releases. The biggest film of the year was zombie thriller ***Train to Busan***, with a US\$76.8 million box office that makes it one of Korea's most popular movies ever. Of the top 10 movies of the year, only two were non-Korean. Both were Marvel movies from Disney – ***Captain America: Civil War*** and ***Doctor Strange***.

Unfortunately, once the market share of US, Korean and to a lesser extent asian imports are taken into consideration, there is very little space for independent films or European productions. Competition for screening slots is very tough - with consolidation meaning 97% of the nation's screens are owned by just three companies - CJ CGV (of CJ E&M), Lotte and Megabox. Underperforming titles are often swiftly pulled from their slots to make way for 'safer' titles with a potential to generate revenue.

Just as in TV, as an exporter, the Korean film industry is booming. Including film services provided to foreign firms, foreign productions which were shot on location in Korea, and the revenues from the overseas releases of Korean features, 'exports' increased by 82% to total \$101m in 2016. This was driven largely by international


**The Handmaiden**

acclaim for films such as the aforementioned **Train to Busan** and **The Handmaiden**, as well as horror hit **The Wailing**. Global acquisitions by Netflix and Amazon accounted for some of this growth, but the figure also includes auxiliary film services, such as outsourced special effects work undertaken for Chinese and American productions, as well as the 41 overseas productions choosing to shoot in Korea. Not only were more Korean movies selling overseas, they commanded higher prices as well, with rights for the average title selling at US\$64,000, a 2.5x increase.

In 2013 there was a rise in imported titles being released via VOD services in Korea prior to their theatrical debut. With small features or niche foreign titles unlikely to have sustainable theatre runs, release online has been seen as a safer way to yield a return.

## CO-PRODUCTION

As in TV, there are increasing, but still rare, opportunities for co-productions with Korean film producers. With their domestic market already dominated, Korea's leading producers have their eyes on the global box office. In 2017 CJ E&M, Korea's largest film distributor, announced its plans to become a global player. The company's aims include producing and distributing 20 films per year in foreign markets by the year 2022. The company already has international pedigree, having produced 23 films in a total of six different nations.

Prior to the Chinese ban on Korean entertainment, the two East Asian nations were frequent partners. A number of co-productions between the two have been put on indefinite hold until relations improve.

Korea's other co-production agreements include deals with New Zealand, India, Australia, Iran and the EU. To qualify as a film co-production with Korea, the foreign partner must contribute at least 20% of the production budget.

Such agreements usually ease the co-production process in two key ways:

- Ensure the finished product is given 'equal treatment' as a domestic production in each nation
- Facilitation of co-producers and their casts and crews' entries into either nation


**Let Hoi Decide**

audiovisualfinland.fi  
k7.media  
tekes.fi

In 2015 South Korea/Vietnam co-production **Let Hoi Decide** became the latter nation's highest grossing film of all time - grossing US\$3.85m. CJ E&M was a major investor in the film on the Korean end. In 2017, CJ set up a pair of co-productions in Turkey - including a remake of Chinese/Korean co-pro **A Wedding Invitation** with Turkish leader BKM productions.

Another very important film format for CJ is **Miss Granny**, a dramedy following a woman in her 70s who magically finds herself in the body of her 20-year-old. Following its 2014 release and becoming a mega hit in South Korea, the film has been remade in

territories including China, Vietnam, Japan and Thailand, with other versions in the works in the US, Philippines, India and Germany.

Due to be released in 2018, ***The Widow*** is a co-production between Sidney Kimmel Entertainment, Ivanhoe Pictures and Korean investor/distributor Showbox. From writer Neil Jordan, the thriller stars Chloe Moretz. Showbox is also working on romcom ***Forever Holiday*** in Bali, its first production in Indonesia.

## KOREAN FILM COUNCIL

The Korean Film Council (KOFIC) is a government-supported, self-administered body, which *"strives to promote and support Korean Films both in Korea and abroad. KOFIC's primary objective is to promote and support the production of Korean films through funding, research, education and training."*

In practical terms, KOFIC offers up to 25% cash rebate on foreign audio-visual works production expenditures incurred for goods and services in Korea.