

lefty KARLA OTTO

THE POWER OF K-POP



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THE POWER OF K-POP

Introduction

During Menswear Fashion Week in June, thousands of people camped overnight outside the Palais de Tokyo, Paris, ahead of Hedi Slimane's S/S23 Celine show. But it wasn't the brand they were waiting to see.

Crowds outside of fashion shows are no rare sight in Paris; however, the arrival of three guests caused uproar around the event. Crowds had unanimously gathered to catch a glimpse of Lisa from the K-Pop girl group 'BLACKPINK', 'BTS' member Kim Tae-Hyung, and actor Park Bo-gum.

K-Pop Stars generated
nearly 60% of the overall EMV
of Menswear Fashion
Season, equating to

\$62M

Seated inside, industry guests were left bemused as the stars were greeted with waves of adulation. What they were witnessing, however, has become more commonplace. For several seasons, KPop stars have been a dominant force during show season, scattered amongst the front row and walking the runway. According to Lefty data, out of the top 100 influencers attending Men's Fashion Week, 13% were South Korean; however, that 13% generated almost 60% of the season's overall EMV, equating to over \$62M.

A key casting trend now and into the future, Karla Otto x Lefty join forces to understand the who, the why and what's next in the K-Pop phenomena.

↑ Blackpink's Lisa attends the Celine Womenswear SS '20 show (via Getty).



The History of Hallyu



↑ Fans await the BTS concert at Staples Center as part of the “Love Yourself” North American tour (via Getty).

After the fall of authoritarianism in South Korea in the late 90s, whereby regions such as China had previously censored domestic and foreign media, Korean film, television and music began to re-circulate throughout Asia. This opened this media genre to a broader audience, creating the birth of the ‘Korean Wave, or ‘Hallyu’ as it’s widely known.

Following the 1997 financial crisis, South Korea’s Ministry of Culture invested heavily in creative industries to strengthen local culture and build on home-grown talents. As such, a surge of creativity happened in the region, with Korean films and dramas airing across APAC and creating a regional phenomena. One of the most impactful dramas was ‘Winter Sonata’, which is credited with an 884% increase

in Japanese tourism to the region of Gangwon-do, where the drama was filmed.

‘Winter Sonata’ caused
a + 884% in
tourism in South Korea

In the 2000’s, South Korean culture circulated rapidly thanks to an influx of digitisation. Japan, in particular, resonated with the music of one artist, Kwon Bo-ah, or BoA. Her music was so popular that she was hailed ‘The Queen of K-Pop.’ BoA broke into the music industry at just 14 years old, managed and trained by SM Enter-

tainment, who taught her Japanese to make an impact in the region during social and political tensions between the two nations. Her music served as a cultural envoy and paved the way for other musicians, such as TVXQ/DBSK and EXO, to ride the Korean Wave across APAC with outstanding success.

One such group was Girls Generation, founded in 2007, which resonated with fans for their music and their image of self-empowerment, equality and human rights. Their lyrics soon became anthems for political protest, female empowerment and LGBTQ+ rights, striking a chord with marginalised communities around Asia. These themes now run central throughout much of KPop music and have enabled many groups to have a globally diverse fan base.

KPop has become an economy in its own right, helping transform the region's image of one once devastated by War to that of cultural modernity and thought leader in the digital sphere. According to a report by The Korea Foundation, the foreign market for South Korean pop music and culture roughly doubled between 2015-2019. However, the power of Hallyu is only just getting started.

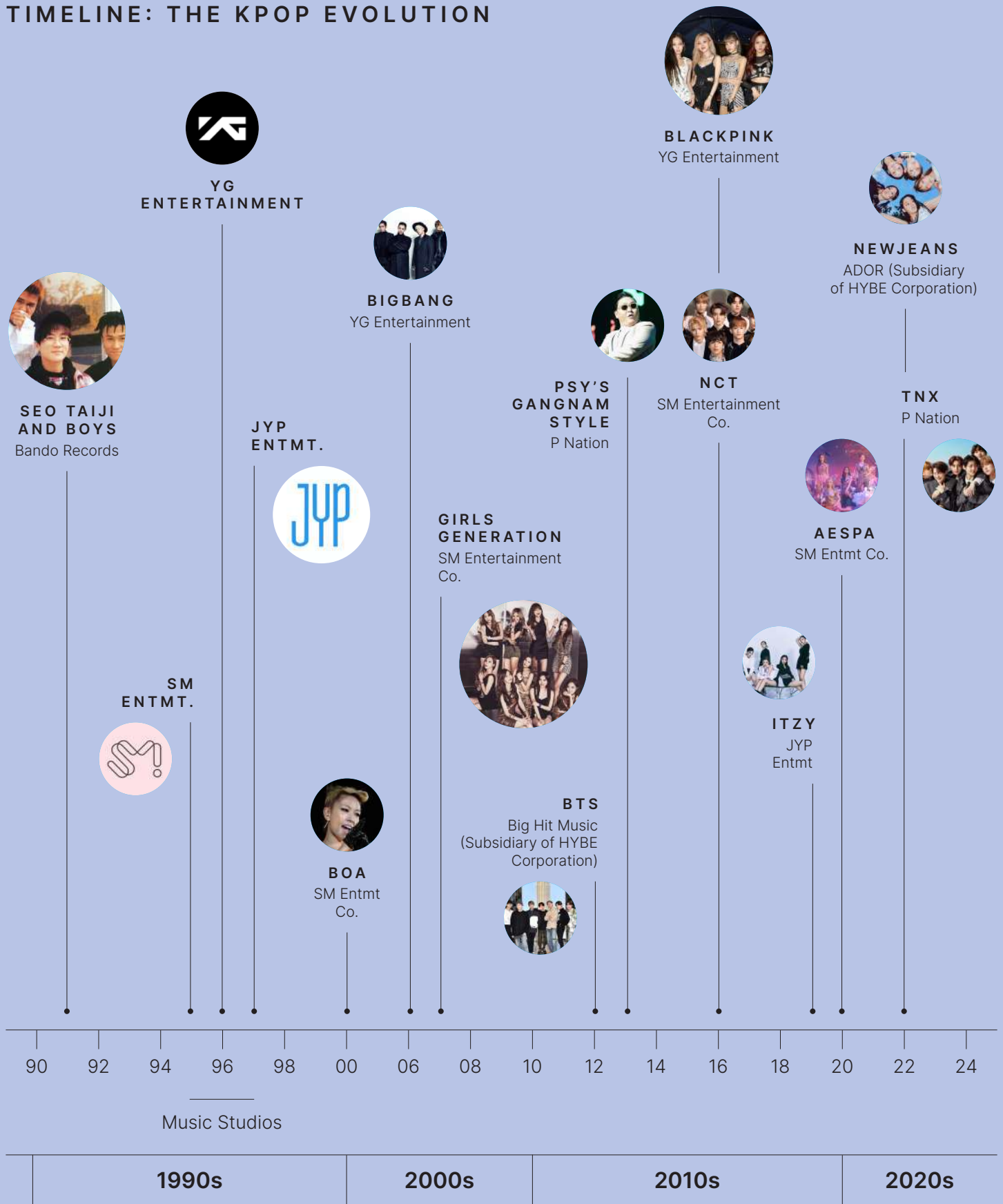


“The foreign market for South Korean pop music and culture doubled between 2015-2019.”

— The Korea Foundation

↑ BoA performs during 'SMTOWN Live' on September 11, 2010 (via Getty).

TIMELINE: THE KPOP EVOLUTION



THE SURGE OF K-POP

K-POP IDOLS

K-POP GOES GLOBAL

TO WATCH



K-Pop Today

ALL PICTURES via Getty
bar Holland's which is via the artist's Instagram.

1 | BREAKING THE GLOBE

K-Pop has broken out in the West partly because of its global resonance with non-white minorities, the LGBTQIA+ community and Gen-Z. These groups Blackpink and BTS innately capture the international spirit of the underdog and a feeling of kinship, togetherness and empowerment; all core issues in today's society.

BTS

Since their launch in 2013, BTS has been hailed as the first K-Pop group to break into the American market. Their success has been compared to The Beatles; their music accounting for 1/3 of all K-Pop-related streaming in the USA. In addition, the band is now a familiar face on the American TV circuit, having featured on shows such as Jimmy Kimmel, America's Got Talent and Ellen DeGeneres, amongst others. Such is their success; BTS has become an economy in its own right, reportedly bringing in \$3.6B per year to the South Korean market.

Their impact has moved beyond personalities and into politics, with the band launching a partnership alongside the United Nations aimed at youth empowerment and anti-violence, as well as being invited to The White House in 2022 to speak with Joe Biden and Kamala Harris on anti-Asian hate crimes. Locally, so treasured are the group that many are questioning if the group — who contribute so much to the economy — should be exempt from South Korea's compulsory military service.



	INSTAGRAM	TIKTOK
Followers 08.22	66,600,000	52,200,000
Followers 08.21	47,000,000	41,400,000
Growth over the year	41.7%	26.1%
ER	5.22%	8.34%



Lisa's appearance at the Celine S/S23 show generated \$30M EMV.

— Lefty

BLACKPINK

Since their launch in 2016, Blackpink has been dubbed 'the biggest girl group in the world.' Formed by YG Entertainment, the four-piece group includes Lisa, Jennie, Jisoo and Rosé.

The girls come with a roster of 'firsts' under their belt. The first group to hit 1bn plays on YouTube; the first K-Pop girl group to play at Coachella; the first girl group to feature on Forbes 30 under 30 list. Their tours sell out within seconds, and media outlets have reportedly had to quadruple print copies when they feature on the cover. Blackpink are known for breaking into the West thanks to integrating Western lyrics into their music alongside collaborations with famous artists such as Lady Gaga, Selena Gomez and Cardi B.

Now a mainstay on the Fashion Week circuits, an appearance at a fashion show has recorded an impact on a brand's reach. According to Lefty data, Lisa's appearance at the Celine show generated almost \$30M of EMV — accounting for nearly 40% of the entire season's EMV overall.

	INSTAGRAM	TIKTOK
Followers 08.22	48,000,000	30,000,000
Followers 08.21	40,000,000	25,800,000
Growth over the year	20%	16.3%
ER	3.13%	11.26%

2 | KOREAN/ AMERICAN IDOLS



Jessi is changing what it means to be K-Pop idol today.

Korean-American K-pop Idols
Eric Nam and Jessica Ho are the perfect examples of how their upbringing helped to set them apart in this highly competitive field and gain notoriety for being more outspoken and liberal. With a growing international K-pop fan base, the tendency is for both audiences and talent to become more diversified.

JESSI

Born in New York, Jessi is described as the Unnie (“big sister” in Korean) of K-Pop for being older (33) than your average Idol. Although modern Korean fashion is slowly becoming less modest, there are still reservations about showing cleavage,

especially among Idols. Jessi’s style leans towards more Western tastes, favouring body-conscious silhouettes. Additionally, this Idol has been outspoken about undergoing cosmetic surgery, even though it’s not always well received amongst K-pop fans. Jessi is a star who’s breaking down the barriers of what it means to be an Idol on the K-Pop stage today.

ERIC NAM

Having first found fame through a YouTube cover nearly ten years ago, Nam went from being an aspiring data analyst from Atlanta to one of South Korea’s most notable names in the entertainment industry. His appeal has been linked to his charismatic personality displayed in several television appearances in both Korean and American media. In more recent years, he has decided to concentrate his efforts on music again, a move which is paying off - his latest single, released earlier this year, peaked on the Billboard 200 chart at No. 16.



3 | BREAKING PROTOCOLS

From curating how they dress and act, to creating limitations around personal relationships and sexuality, the K-pop industry has imposed its share of rules and protocols on Idols. However, there is a growing movement of artists choosing to distance themselves from these expectations, even if that means being put under public scrutiny.

JAY PARK

Park is a standout star in his style; an example of that can be seen in his carefree attitude towards tattoos, even though having ink is often frowned upon in Korean society - often associated with organised crime. So, for K-pop Idols, that means placing them where they are hidden, or in more strict agreements, forbidden altogether.

HYUNA AND DAWN

Soloist HyunA and Pentagon's Dawn were fired from their labels after going public with their romance. As a result, they received a lot of support from fans. PSY-owned label P Nation has since signed them despite the controversy.

HOLLAND

Holland is known as South Korea's first openly gay K-pop idol. Although he is open about his sexuality, he has struggled to find an agency to support him. In the end, Holland decided to make his independent debut in 2018 with the single "Neverland." The music video, in which Holland and his male counterpart are kissing, was rated 19+ in South



Korea, but still garnered over a million views within 24 hours. Holland then began to receive offers from labels, but decided to go alone, later telling the Korea Herald he "didn't fit into the typical entertainment agency system".

4 | THE PSY EFFECT



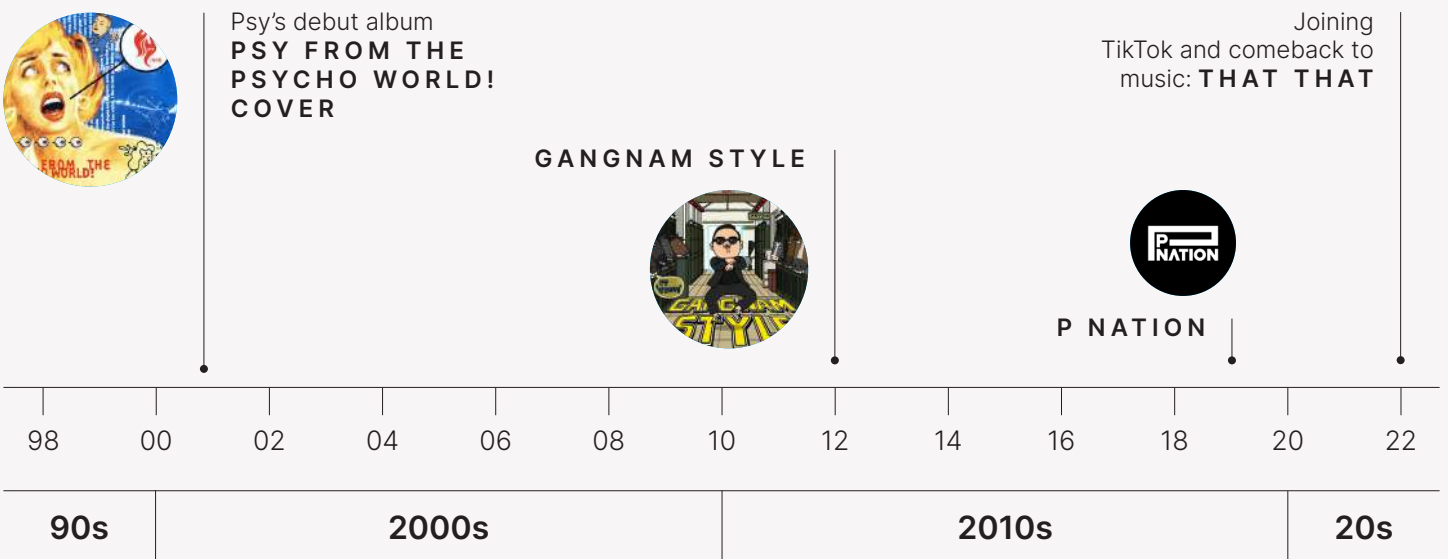
Music producer and singer PSY was the man responsible for South Korea's most significant viral phenomenon, "Gangnam Style," in 2012. However, his notoriety in the industry goes a lot further.

PSY's extensive career in the music industry is demonstrated by his ability to stay relevant and keep up with trends. For example, in 2019, he launched his music label P-Nation, and since, has signed several talents who are redefining K-Pop, such as Jessi, Hyuna and Dawn. Earlier this year PSY joined TikTok after Gangnam Style began trending on the platform, coinciding perfectly with his comeback to music with the release of his single "That that" featuring BTS's Suga.

YOUTUBE		TIKTOK	
17,4M Subscribers	312M "That that" views	4,5M Followers	11,4B "That That" views



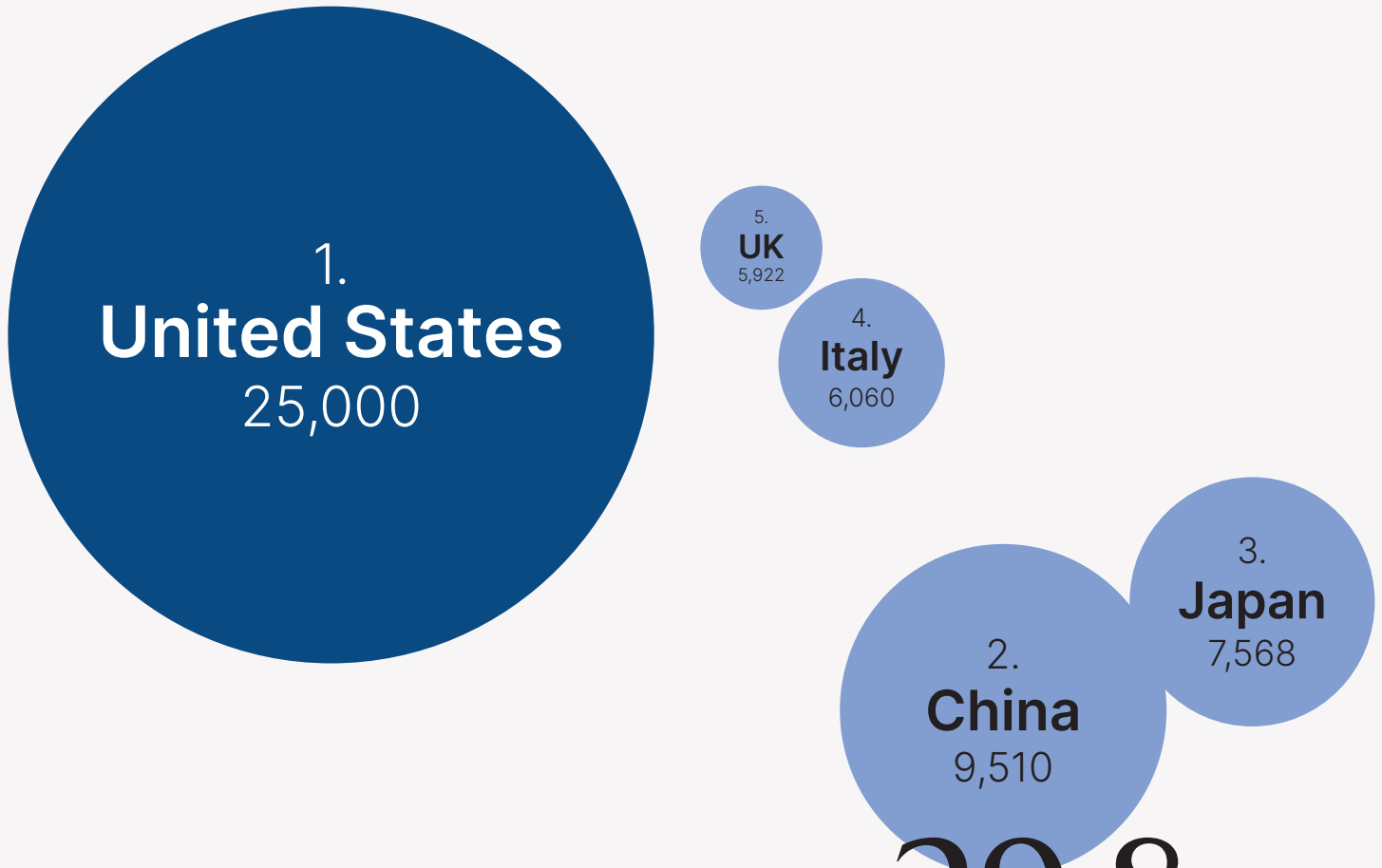
Joining TikTok and comeback to music: **THAT THAT**





The Fashion Effect

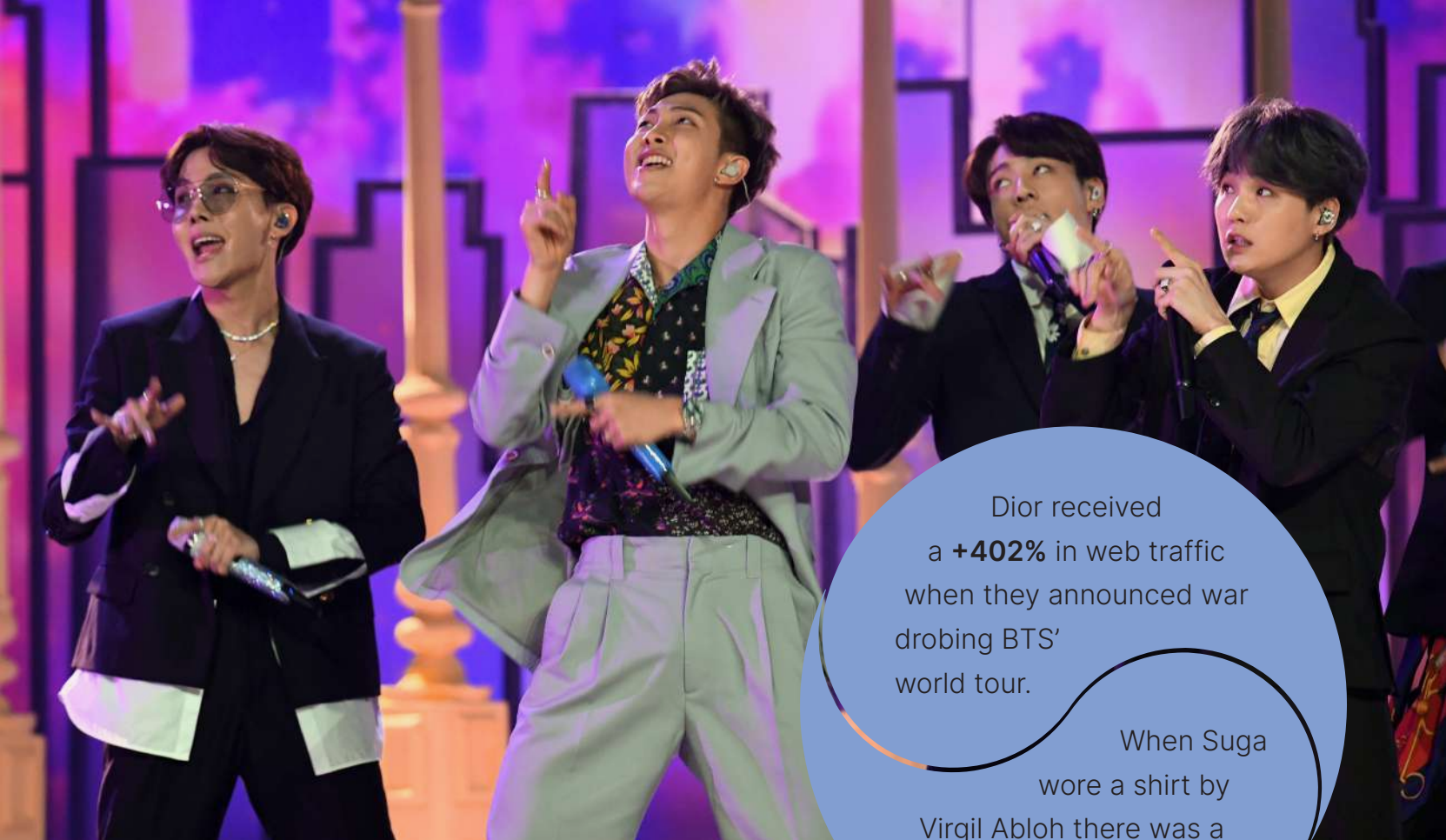
TOP 5 GLOBAL LUXURY MARKETS IN 2022 (in \$M)



The luxury market has grown by **29.8%** YOY in South Korea, with luxury brands experiencing a 37.9% sales growth in 2021.

— KPMG Korea

Today, the effect of Hallyu has impacted most consumer categories, including food, cosmetics, beauty and fashion. Locally in South Korea, the market for luxury goods is growing. According to a report by KPMG Korea, the country's market size soared YOY by 29.6% to \$5.8 billion in 2021. By 2024, it is projected to exceed \$7 billion. Non-domestic luxury brands in South Korean department stores have seen a 37.9% sales growth in the same period, with the regions Gen-Z and Millennials fuelling interest in luxury goods post lockdown.



↑ BTS during the 2019 Billboard Music Awards at MGM Grand Garden Arena on May 01, 2019 (via Getty).

Dior received a **+402%** in web traffic when they announced war drobing BTS' world tour.

When Suga wore a shirt by Virgil Abloh there was a **+120%** in searches for the item.

K-Pop Stars have the power to turn a niche brand into an overnight success, with the capability to convert sales by

3000%.

Leading luxury giants such as Balenciaga and Valentino have already begun to increase testing in this lucrative market with pop-up stores in the trendy district of Seoul. Such is the craze for brands such as Chanel (known as 'Cha'), Louis Vuitton ('Louis') and Hermes ('Her) in the city that a phenomenon called 'open-run' has broken outside stores, whereby customers rush to the stores at opening times to purchase the brand's latest releases. Reuters reports that Chanel has had to begin screening clients to prevent bulk buying for resale, with the brand having to raise prices 5 times over 9 months to scale demand.

Not only do the stars have an impact across their local and global markets, but they also have the power to impact fashion trends and boost brand awareness. For example,

when rapper Suga from BTS wore a checked shirt designed by Virgil Abloh, fashion-technology platform LYST recorded a 120% uptick in searches for the item, while Dior received a 402% increase in website traffic when they announced they'd wardrobe the band for their world tour.

However, It's not just luxury brands experiencing the benefit of K-Pop endorsement. KPop KOLs have the power to turn a niche brand into an overnight success. Seattle-based hairclip company Chunks were thrust into the spotlight after Jisoo of Blackpink mentioned she carries a Chunks claw clip in a "What's in My Bag" video for Vogue Korea. After the Vogue feature, orders for Chunks products increased by 3,000%.



Social
in Media
South
Korea



In terms of the region’s digital consumption, the country is home to some of the world’s most sophisticated internet users. In 2020, BOF reported that 99.6% of South Korean teenagers are digitally native and thus are a prime audience for influencer marketing. Brands must learn how to work alongside K-Pop stars and their native platforms in order to resonate with the growing influence of these idols.

Instagram, the region’s most popular channel, serves as a platform for K pop stars to communicate with global fans in real time via Instagram Live, cultivating a friendly, approachable image alongside glamorous lifestyle imagery.

Twitter has helped stars reach international fanbases with more casual, immediate, and intimate interactions with fans. As such, the K-Pop culture on Twitter has transcended into its own pockets of fan culture, terminology, and memes.

In K-Pop, a key trend on YouTube is ‘FanCams’, which are recordings of celebrities taken by fans, usually during performances. It often follows a single member of a group, and functions as an opportunity to increase a celebrity’s popularity. These videos rank one of the highest views in K pop celebrity content, leading music program broadcasts to upload their versions of Fancam videos with high-definition quality.

Although South Korea has no paparazzi culture, media such as Dispatch and many content creators on Youtube who follow K-celebrities serve as a gateway to further expand their influence. YouTubers with many followers expand a star’s reach by creating content on them or imitating their fashion and style.

Also popular across the region are native platforms Kakao Story, a social networking platform akin to Facebook, and Naver Band, used for group chats, much like WhatsApp.

For brands looking to reach new markets, the diverse platform distribution of South Korean KOL’s could be the key to success.



MOST FREQUENTLY USED SOCIAL MEDIA IN SOUTH KOREA (2021)

1. Instagram	31.4%
2. Facebook	28.6%
3. Kakao Story	17.6%
4. Naver Band	13.4%
5. Twitter	7.3%
6. TikTok	0.9%
7. Cyworld	0.4%

↑ Fans watch the performance of K-pop groups during the 2022 Dream Concert at Jamsil stadium on June 18, 2022 (via Getty).

Social Media in South Korea



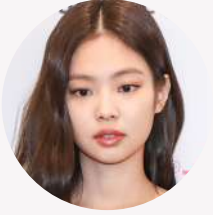

Key Ambassadors









With the ever-growing influence of the Korean entertainment scene, brands are leveraging celebrities as either brand ambassadors or campaign models to strengthen the brand image and/or to drive and boost sales.

This extends into brands' global editorial campaigns, partnering with global magazines such as Vogue, Bazaar, Elle and GQ.

The photoshoot between BTS and GQ resulted in a circulation of over 300k -the average circulation is 70k, in comparison.

That being said, being endorsed as the brand ambassadors and campaign models brings win-win strategy not only for the brand but also for the celebrity, allowing them to level up their own value in the entertainment market and have international impact.

WHO?	BRANDS	CONTRACT START	CURRENT STATUS
 <p>@sooyaaa__</p>	<i>Cartier</i>	May, 2022	Ongoing
	Dior	February, 2021	Ongoing
 <p>@roses_are_rosie</p>	SAINT LAURENT PARIS	May, 2022	Ongoing
	TIFFANY & CO.	April, 2021	Ongoing
 <p>@jennierubyjane</p>	CHANEL	November, 2021	Ongoing
	Calvin Klein	May, 2021	Ongoing
	GENTLE MONSTER	March, 2021	April, 2022
 <p>@lalalalisa_m</p>	CELINE	September, 2020	Ongoing
	MAC	October, 2020	Ongoing
	BVLGARI	July, 2020	Ongoing

WHO?		BRANDS	CONTRACT START	CURRENT STATUS
	@zkdlin	GUCCI	March, 2021	April, 2021 Capsule collection
	@oohsehun	Dior	December, 2021	Ongoing
	@enhypen	ami <i>alexandre mattiussi</i>	June, 2021	Ongoing
	@xxxibgdrgn	CHANEL	June, 2017	Ongoing
	@eunwo.o_c	BURBERRY	July, 2021	Ongoing
	@aespa_official	GIVENCHY	February, 2021	Ongoing
	@hyunah_aa	LOEWE	July, 2021	Ongoing
	@bts	LOUIS VUITTON	July, 2021	July, 2021 Capsule collection



Case Study

Case Study

Prada Symbole

Prada have been quick to align themselves with South Korean celebrities, and as such their sales in this region have followed suit. According to Retail in Asia, 2021 saw Prada's regional APAC sales rise by 29% YOY, with a 90% increase coming from South Korea.

Their most recent Prada Symbole campaign paints a picture of how successful South Korean talent is for the brand. According to campaign analysis powered by Lefty, just 8% of the influencers in the Prada Symbole campaign were of South Korean origin, yet this small but mighty group generated \$2.43M of EMV — over 50% of the EMV for the entire campaign.

How? Much can be attributed to their highly engaged audience. Whereas 3% is an average influencer engagement rate, these South Korean KOL's have over 3x higher engagement at an enormous 10.25%.

2021 saw Prada's APAC sales increase by +29%YOY. 90% of that growth was from South Korea.

— Retail in Asia

8% of the influencers were of South Korean origin, yet they generated **+50%** of the EMV.

ALL PICTURES on the following page via Instagram using Lefty's software.



@songkang_b
♥ 1.9M ◉ 13.3M ∞ 13.49%



@jessicah_o
♥ 1.08M ◉ 7.58M ∞ 9.60%



@twicetagram
♥ 2.52M ◉ 17.6M ∞ 9.77%



@_jeongjaehyun
♥ 2.67M ◉ 18.7M ∞ 22.21%



@jichangwook
♥ 1.4M ◉ 9.82M ∞ 6.91%




@min9yu_k
♥ 1.52M ◉ 10.6M ∞ 23.15%



Who's Next

With K-Pop and all things Hallyu booming, it's important for brands to know who's next to ride the wave.

Karla Otto x Lefty have identified the newest names to know across the K-Pop sphere now, prime for potential partnerships.



Who's Next

Next to..



...Break into the Mainstream

STRAY KIDS

JYP Entertainment

22.4M Instagram Followers

This emerging K-Pop group won the 2022 Fan Army Face-Off, fending off acts such as Ariana Grande, Cardi B, Beyoncé and even BTS. Oddinary, the group's March EP, became the first album released in 2022 to open at No.

1 on the Billboard 200 and the Top Album Sales chart in the same week. Oddinary held the largest sales week for any album in 2022 with 103,000 copies sold.

...Reach a Global Audience



TOMORROW X TOGETHER

Big Hit Music (Subsidiary of HYBE Corporation)

12.6M IG Followers

Tomorrow X Together debuted in 2019 and since then, they have maintained an impressively steady upwards trajectory towards becoming K-pop's next global phenomenon. For one, the group was the first K-pop act to have ever performed at Lollapalooza in Chicago, and their latest record, 'Minisode 2: Thursday's Child', has become

the longest-charting K-pop album of 2022. This album ranked seventh on the 'Top Current Album Sales' chart and accumulated a total of 32 weeks on Billboard 200, making TXT the K-Pop group with the most cumulative weeks on the chart, only falling behind BTS.



...Become the New It-Girl

TWICE'S NAYEON

JYP Entertainment

7.8M Instagram Followers

TWICE member Nayeon has become the first-ever K-pop soloist to enter the Top 10 of the Billboard 200 with her debut mini-album 'IM NAYEON'. This achievement makes Nayeon the only K-pop soloist to make it to the Top 10 of

the Billboard 200. Nayeon has worked alongside brands such as Louis Vuitton, making her prime for appearances in the luxury fashion space.

...Become a Breakout Boyband



TNX

P Nation

308K Instagram Followers

Signed by PSY's music label P-Nation, TNX were the winners of reality TV show competition series "LOUD". They

debuted on May 17, 2022 with 1st MINI ALBUM 'WAY UP'. TNX, which stands for "The New Six," is set to disrupt the K-pop genre with their unique and diverse sound.



...Become the Next "Blackpink"

NEWJEANS

ADOR (Subsidiary of HYBE Corporation)

308K Instagram Followers

NewJeans is the latest girl group signed under HYBE's sub-label ADOR. Their debut single and EP opener, "Attention" launched on July 22, 2022, and it reached over 1.3M views on Youtube in less than 24 hours. Less than

a month later, the group has already made K-pop history by having the highest first-week sales of any girl group debut album in South-Korea's music chart history.



Methodology & Terminology

HALLYU

A term that means 'Korean Wave'. It is usually used to refer to the boom in Korean culture that is seen globally today – be it music, TV shows, films, skincare or even food.

IDOLS

A word used to describe K-pop singers.

KOL

It stands for Key Opinion Leader, which is also known as an "influencer" in the Western countries. Key opinion leaders are a spokesperson, a brand ambassador, or a thought leader. They are seen as having more importance and relevance than mass media because they are able to connect and relate to their audience.

EMV

Earned Media Value or "EMV" transforms the value created by influencers and publications and gives an estimation of the price of an equivalent paid media campaign on social networks. EMV formula is the following:

$$\frac{\text{Impressions} * \text{CPM}}{1000}$$

IMPRESSIONS

Number of times a publication is displayed.

SOV

A company's Share of Voice (SOV) is the degree to which they are known and talked about in a particular market compared to their competitors.

Credits

ANNA ROSS

Head of Creative Insight
& Trends, Karla Otto



LEA MAO

Head of Marketing,
Lefty



NICOLE BRIXI

Beauty Coordinator, Digital
& Creative Strategy,
Karla Otto



ANNIKA BAER

Marketing Manager to US
and European Markets,
Lefty



HUGO RAMOS

Strategy Consultant, Lefty



MIGUEL MARTÍNEZ

Brand Designer, Lefty



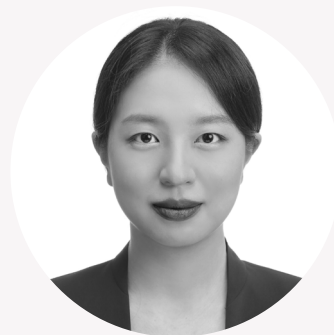
JUNE LEE

Vice President,
Karla Otto Seoul



JOANN SHIN

Account Coordinator,
Karla Otto Seoul



lefty KARLA OTTO

Lefty was created in 2015, Lefty is a platform that helps brands optimise their influence marketing programs. Based on proprietary, state-of-the-art technology, Lefty supports brands with influencer identification, management and reporting of their influencer marketing campaigns. Discover more at lefty.io or contact contact@lefty.io.

Karla Otto was Founded in 1982, Karla Otto is a full-service brand-building agency, operating from thirteen cities across the globe. Karla Otto's service is unparalleled. Blending the best of fashion, beauty, design, lifestyle, and arts & culture, we offer a panoramic view of opportunities and the ability to execute complex ideas. Our loyal network and unrivalled approach to culture and community enables us to take brands to brave new territories. Discover more at karlaotto.com or contact insights@karlaotto.com.