Consumer Value Creation in the Networked Age:  
The Case of K-Pop*

디지털 네트워크 시대의 소비자가치 창출 활동에 관한 연구

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Abstract: With the advancement of social media, the pace of culture has been accelerating, and this shift has led to changes in consumer-centric environments where individuals play an important role in existing producer-centric environments. K-pop is emerging as the new leading role of Hallyu, spreading to other countries based on diverse social media such as YouTube and Facebook, and their songs, styles and videos are becoming a core cultural industry.

However, in spite of the influence and importance of social media development on the cultural industry, previous researches have lacked understanding on social media and cultural consumption. In particular, in order to understand the global cultural phenomenon of K-pop, the influence of global consumers through social media, in the digital age has an important influence on the value chain of the K-pop industry.

In this study, we have tried to analyze the participation patterns of consumers based on social media in the digital age with K-pop being the main focus. K-pop consumers not only consume specific content through social media platforms such as YouTube, Facebook and Naver Cafe, but also have an impact on content providers through communications on social media. This structure shows consumers' influence on value co-creation. Thus, we focus specifically on the analysis of how consumers' participate in K-pop contents, the process of value creation and consumer behavior affecting cultural contents.

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As a result for the research, it can be confirmed that the consumption of culture in the digital age consists of four procedures consisting of Acquisition (of content), Personalization (by engaging with content), Self-expression (by sharing), and Socialization (of the self and sharing).

With digitized contents, consumers can acquire the contents regardless of location and time, and the social media platform helps them personalize the contents. In addition, personalized contents are shared on social media for their self-expression and consumers socialize by participating in music communities on social media.

This study argues that through this process, media content is shared, interpreted, and remixed in social networks, thus making the value of such media content inter- and/or intra-subjective, as well as socially constructed. With the development of information technology and social media such as YouTube and Facebook, value creation of consumers in digital networks have become a critical force in the success of cultural content.

The findings of this research are expected to improve the understanding about the importance of consumers’ roles in the development of the K-pop music industry, and provide a better understanding of consumer participation in the value creation process of the K-pop industry, due to the emergence of digital social media such as YouTube and Facebook. This study demonstrates how K-pop fans are critical participants in the industry and how they utilize social media to establish relational and multi-directional aspects of the globalization process.

**Key Words**: K-pop, value creation, music industry, social networks