

# ORIENTALISKA STUDIER

Special Issue  
International Conference: 60<sup>th</sup> Anniversary of  
Diplomatic Relations between the Kingdom  
of Sweden and the Republic of Korea (ROK),  
May 23-24, 2019

No. 159  
2019

# ORIENTALISKA STUDIER

No. 159, 2019

Tidskriften *Orientaliska studier* utges av Föreningen för orientaliska studier vid Stockholms universitet och utkommer med 3-4 nummer per år.

## MEDLEMSKAP & PRENUMERATION

Medlemskap i *Föreningen för orientaliska studier* kostar 120 kr/år och inkluderar tidskriften. Medlemskapet är öppet för alla privatpersoner och erhålles genom att medlemsavgiften insättes på föreningens postgirokonto 45 90 26-1.

Enbart prenumeration kostar 150 kr/år och beställning av enstaka lösnummer 30 kr inklusive porto.

För prenumeranter och medlemmar utanför Norden är priset 300 kr/år inklusive porto.

## ADRESS

Orientaliska studier  
Stockholms universitet  
Kräfteriket 4B  
106 91 Stockholm

E-post: [redaktion@orientaliskastudier.se](mailto:redaktion@orientaliskastudier.se), [Gabriel.Jonsson@su.se](mailto:Gabriel.Jonsson@su.se)  
<http://www.orientaliskastudier.se>

## REDAKTION

*Ansvarig utgivare:* Torbjörn Lodén  
*Redaktör:* Gabriel Jonsson

ISSN: 0345-8997

*Print:* Kalejdoskop

## *Preface*

Gabriel Jonsson	<i>An Outline of Sweden-Republic of Korea Relations</i>	5
Anna-Karin Jonsson & Björn Jerdén	<i>The Work of the Swedish Institute of International Affairs (UI) on the Republic of Korea</i>	15
Sangsoo Lee	<i>Institute for Security and Development Policy (ISDP) Korea Center</i>	18
Lars Vargö	<i>Korea - en civilisation i kläm</i>	21
Sonja Häussler	<i>Diversification of Korean studies at Stockholm University: From linguistics to cultural and social studies</i>	30
Jimmy Parc	<i>The Divergent Paths of Digital Music Service Providers: A Comparative Case Study of Melon and Spotify</i>	51
Patrick Messerlin	<i>The Korean Film Industry – a “game changer”</i>	67
Anders Karlsson	<i>Sven Hedin’s Visit to Korea in 1908: Knowledge, Power and Propaganda</i>	86
Hyojin Lee	<i>The History of Exchange between Korea and Sweden in the Early 20th Century</i>	106
Hyeon-Sook Park	<i>Svenskundervisning och forskning i Sydkorea: Förr, nu och i framtiden</i>	120
Björn Boman	<i>Worth narrowing the educational gap between South Korea and Sweden? A comparative analysis of PISA 2015</i>	133
Contributors		150

## *Preface*

This year's third issue consists entirely of a selection of presentations held at the international conference dedicated to the 60<sup>th</sup> Anniversary of Diplomatic Relations between the Kingdom of Sweden and the Republic of Korea (ROK) held on May 23-24, 2019 at Stockholm University, Department of Asian, Middle Eastern and Turkish Studies (see list of contributors).

60 years has a special importance in Korean culture, like in other East Asian cultures. Based on the concept of the 60 year calendar, it means that a full cycle has been completed. In regard to a person's life, the 60<sup>th</sup> birthday is called hwan'gap and celebrated as a splendid festive event. The span of 60 years has also been traditionally used to mark periods in a community's or a society's development. Along with the awareness of having completed one full cycle, the notion is included that a new cycle begins, but this time with more wisdom and understanding.

To commemorate the meaningful anniversary of Swedish-Korean relations, the conference at Stockholm University aimed at reflecting on the way the two countries have gotten along up to now and to address various issues of Swedish-Korean relations, such as the history and current status of diplomatic relations, institutional contacts as well as cultural exchanges between the two countries.

The conference papers selected for this volume cover a wide variety of topics, ranging from institutional contacts/research on political issues to Korean studies and Korean culture, Korean cultural industries, historical relations, language teaching and research and, finally, education. One of the presentations was held in Swedish and is therefore published in Swedish. The presentation of a book written in Swedish is also published in Swedish, but all other presentations are published in English.

The Korean Studies section at Stockholm University and the Association of Oriental Studies extend their gratitude to the Embassy of the Republic of Korea in the Kingdom of Sweden and Stockholm University for providing financial support for the conference and the publication of this volume. We also would like to thank the European Centre for International Political Economy (ECIPE) in Brussels that made participation in the conference possible for five of the researchers.

Finally, thanks go to Ms. Sarah Davies for proofreading all contributions.

Gabriel Jonsson & Sonja Häussler

Jimmyn Parc

# The Divergent Paths of Digital Music Service Providers: A Comparative Case Study of Melon and Spotify<sup>1</sup>

## *Introduction*

Digitization has changed the landscape for many businesses, including the music industry. With digital technologies, music styles, genres, and production methods have become more diversified. The range of ways to consume music has also varied. Among the different sectors in the music industry, distribution has recently attracted significant attention around the world as digital forms have replaced traditional ones. In particular, the birth of digital music service providers or streaming service providers has even affected music producers and production companies as well as outlets as they have shifted the paradigm from “possessing music” to “accessing music” through the Internet (Parc and Kawashima, 2018).

Notable examples in this regard include streaming service providers such as Amazon Prime Music, Apple Music, Google Play Music, Spotify, and YouTube Music. They have all shifted the focus of music production from albums to individual songs as consumers can purchase any specific track instead of having to acquire the whole album. Alongside this development, the importance of visual images has become more noticeable as a number of streaming service providers have promoted the shift from sound devices such as cassettes and CD players to portable smart devices like tablet PCs and smartphones. This signifies a transformation from “music to listen to” to “music to listen to and watch” as visual images have been added (Parc and Kawashima, 2018).

---

<sup>1</sup> This work was supported by the Laboratory Program for Korean Studies through the Ministry of Education of the Republic of Korea and the Korean Studies Promotion Service of the Academy of Korean Studies (AKS-2015-LAB-2250003).

In this new environment, securing a large pool of music is considered to be one of the prerequisites toward increasing the brand power of these streaming service providers. In this regard, the size of the home music market can be seen as an important factor as music is closely related to local tastes and consumption; thus, the United States has a great advantage as it possesses one of the world's largest music markets. However, it is interesting to see that the competition for audio streaming has been led by Apple Music and Spotify in 2019 (Germain, 2019), and the home of Spotify, Sweden, has a relatively small market when compared with other countries such as the United States, Japan, Germany, the United Kingdom, France, and even South Korea (hereafter Korea).

Among these countries, Korea can be a good comparison target with Sweden. Interestingly, Korea's music market size was smaller than that of Sweden, but it has grown significantly since the emergence of Korean pop music or K-pop while the Swedish market by contrast has shown only slow progress. According to the International Federation of the Phonographic Industry (IFPI), Korea has the sixth largest music industry whereas that of Sweden ranked fourteenth as of 2017. The retail values for each country are US\$ 494.4 and US\$ 199.5, respectively (Recording Industry Association of Japan [RIAJ], 2018).

The Korean music industry is also one of a few that have successfully adapted to digitization in the early years. Its leading streaming service provider is Melon which began its service in 2004 while the Swedish company Spotify launched its service in 2008. Given this context, it would be expected that Melon would enjoy a better performance and a larger coverage than Spotify. However, in contrast to such expectations, the overall performance of Melon has been very different. Based on traffic statistics, Spotify's global ranking is 105 whereas that of Melon is astonishingly at 4,531 as of May 2019 (SimilarWeb, 2019a,b).

Why has Spotify been able to become one of the top global service providers despite its small home market while Melon has failed to make its mark although it has a larger market size and enjoys the increasing international popularity of K-pop? This paper analyzes the reasons for these contrasting performances through the following contents. The first section begins with a brief introduction of Melon and Spotify and their evolution in the era of digitization. The second section analyzes the reasons for the divergent paths of Melon and Spotify. The third section discusses the real contribution of streaming service providers and other related issues. Lastly, the conclusion summarizes the findings of this paper and suggests areas for further studies. By analyzing the various aspects

of these two service providers, this paper aims to deliver meaningful implications for the global music industry and its sustainability.

### *Melon and Spotify in the Era of Digitization*

Melon was founded in 2004 by the major Korean telecommunication operator SKT. During this period, the Korean music industry was enduring “hardships” as a result of the technological transition from traditional music players such as CD players to new digital devices like the MP3 player. However, there were even further changes afoot; the MP3 phone entered the market around the same time as a device to replace stand-alone MP3 players. With the emergence of MP3 phones in the market, the Korean telecommunication operators developed their own music streaming services which allowed their customers to down-load music freely (Parc, 2019).

Under these circumstances, the core function for Melon differed from similar streaming service providers in other countries due to several reasons. First, the primary purpose of Melon is not simply to play music, but is an additional tool to promote SKT as it was in competition with other operators who were similarly introducing MP3 phones. Second, Melon has been focused mostly on K-pop which has been the main source of consumption for music in Korea. Lastly, the focus of Melon has been on the domestic market as its initial role was to support SKT’s MP3 phone product. Recently, Melon has merged with Kakao which is behind the popular mobile instant messaging application Kakaotalk. As Melon and Kakaotalk have set up an interconnected service, it is expected to bring about beneficial synergies.

With the increasing international popularity of K-pop, the Melon Music Awards has become one of the major music awards shows in Korea. Through this, the brand name of Melon has been further recognized among international K-pop fans. Despite all this popularity, Melon still does not have any English websites and the availability of its application for smartphones is limited to a few countries. As the coverage of Kakaotalk is mostly in Korea (Farid, 2019), its international influence is somewhat limited. Domestically, the competition has become more severe as other local service providers such as Genie, Bugs, and Naver Music have aggressively challenged the predominant position of Melon. Furthermore, Apple Music, YouTube, and other foreign streaming service providers have entered the Korean market. In particular, the number of Korean users for YouTube has significantly increased recently (Kim, 2018). For these reasons, it can be interesting to see how Melon will come

through all of these new challenges.

Spotify was founded by Daniel Ek and Martin Lierentzon as a small start-up in Stockholm, Sweden in 2008. Initially, they aimed to develop a more general media distribution platform based on peer-to-peer technology. In the early years, they focused on reducing the physical and temporal distance within the music industry, notably between the United States, and its consumers who enjoy music free of charge in Europe, notably Sweden (Vonderau, 2017). However, this model was not efficient enough to generate revenues. Instead of receiving fees from service users, Spotify relies upon advertising revenue to compensate for its operational costs. By doing so, Spotify was able to generate revenue as well as to encourage advertising-averse users to pay for its premium service, and thus ad-free streaming (Blattberg, 2015).

There are a number of reasons why this system has been considered to be an innovative model. First, consumers do not need to pay any fee for a regular service although they do need to permit advertisements to play. Therefore, consumers avoid copyright infringement due to the fact that Spotify has been able to provide the music industry with a certain amount of financial contribution from the revenue generated from advertisement. It is important to stress the fact that this financial contribution did not exist before Spotify launched its service. Second, their advertisement technologies and relevant endeavors can be seen as a way to reduce the piracy problem which has severely plagued the music industry since the emergence of digital devices. Last, Spotify has tackled the mismatched problem of supply and demand in the global music industry. Consumers can easily encounter foreign music that is closer to their own tastes while it increases the exposure of lesser-known musicians and their music.

Yet, the view from the music industry and musicians is somewhat different. Musicians such as Adele, Taylor Swift, Eminem, and others believe that this financial contribution has been far too limited and some of them have boycotted Spotify or even sued the company (Buchanan, 2015; Statt, 2019; Sweney, 2017). In order to solve these copyright and licensing issues, Spotify has been working with various artists to produce in-house albums. Furthermore, although it has been a leading service provider in the audio streaming market, the challenge of video streaming service providers such as YouTube have threatened its share of the market. Despite these meaningful aspects, Spotify has suffered from long-term deficits due to the burdensome nature of music licensing fees (Peterson, 2018). After a long journey, Spotify has finally been able to record its first



operating profits in 2019 (Söderpalm and Swahnberg, 2019). However, its financial performance is still fragile.

### *Divergent Paths in the Challenging Environment of the Global Music Industry*

Although the music industry is closely linked to culture, it also possesses business and economic functions. For this reason, adopting business and economic approaches would broaden the way toward understanding cultural industries such as the music sector, particularly when faced with technological advancements (Parc, 2018). In this regard, this paper adopts business and economic approaches as part of the continuity in this academic endeavor. In order to better understand the different paths of Melon and Spotify, it is important to understand more about the music industry and its evolution in the era of digitization.

IFPI (2018, 2019) presents the evolution of revenue sources. Based on yearly data, it shows that revenues generated from physical album sales have been significantly reduced, while this reduction has been replaced by those generated from digital sales and streaming. In the end, these data have given the impression that a greater number of consumers have been interested in paid subscription.

While this cannot be denied, a more in-depth analysis should be conducted. First, several streaming service providers have increased their subscription fees in 2019, while others have a plan to do so (Levy, 2019). Second, streaming service providers such as YouTube have imbedded more advertisements than before (Gartenberg, 2018; Rys, 2018). Last, by using the first and second measures, these streaming service providers intentionally put consumers, particularly those who are advertising-averse, in the position to pay more or to join the paying service. Naturally, all of these efforts contribute to the increase in revenues from streaming.

However, the data from IFPI (2018, 2019) do not offer other critical barometers such as the number of actual consumers for each service and the true number of music plays (or frequency of use). For example, revenues from digital sales is based on the number of purchases. As purchased music can be, in theory, played an unlimited number of times, this cannot show the actual measure of music consumption in terms of frequency of usage. In contrast to digital sales, revenues from general streaming more reflect the frequency of use, not the number of actual consumers. In addition, with the introduction of paid streaming services, actual consumption becomes further blurred as the subscription fee is based on a monthly lump sum. As a result, the more consumers enjoy

free streaming, the more they need to spend time for advertisements, which also results in increasing revenues for service providers. In brief, the way IFPI (2018, 2019) presents music consumption does not capture the whole picture at best, or is distorted at worst.

All of these circumstances may put consumers, particularly teenagers, in the position to use the paid services or increased subscription fees to make up for the losses from a few advertisements; although several service providers offer a discounted price for students or family users. Yet, the same absolute value of \$10 would bring about a different usage for students and for an individual with a source of income. In response, consumers, in particular youngsters, have also reacted in a distorted way. For example, it is also widely known that a large number of advertising-averse users have installed blockers for ad-free streaming instead of subscribing to an ad-free paid or premium service (Van Isacker, 2019).

To address this problem, streaming service providers plan to terminate accounts that use ad-blockers and/or ask companies to pay more for their advertisements in order to offset losses from these users (Peterson, 2014; Van Isacker, 2019). However, this more expensive advertising fee would reduce small and medium-sized companies in the ad-market or leave these service providers in a situation where they have to look for other cheaper ways of advertising. To make matters worse, when these service providers are found not to be very effective, the advertisements among bigger companies may leave for other free streaming service providers that are more popular as their advertisement can be more exposed to the wider public. As a result, the sustainability of paid streaming service providers in the blended market with free service providers is rather questionable.

More importantly, all of these changes would increase the “illegal” usage and piracy of music as described by Parc, Messerlin, and Moon (2016) in the case of the Korean music industry. This illegal usage and piracy in fact prevailed in Korea in the early years, which hindered the development of its music industry prior to the digital era. Although foreign music and K-pop were widely available illegally, the accessibility of consumers to this pool of music has greatly increased. As a result, K-pop has often been compared with foreign music and much criticized for various reasons.

In response, Korea’s music production companies had to improve the quality of their music as well as to be more creative in order to avoid plagiarism scandals. Later, K-pop was able to be diffused further to other countries through international streaming service providers such as You

Tube. As most K-pop has been freely available through the Internet and streaming services, this open accessibility has enhanced K-pop's international popularity, particularly among youngsters.

The irony of this fate, unfortunately, has limited the role of the Korean streaming service providers in distributing music, and has instead made them focus on the “guaranteed” domestic market as many of them were established to promote MP3 phone products launched by telecommunication operators. At least, this liaison between Korean streaming service providers and telecommunication operators has secured its revenues, although it has been modest. Meanwhile, independent streaming service providers in Korea such as Soribada and Bugs Music often came under threat from the Korean music industry for copyright violations. Thus, their developments have been greatly hindered. One interesting point regarding the Korean case is the initial way Korea's streaming service providers have generated revenues – not in the traditional means such as (physical or digital) album sales, but secondary ones through working with its telecommunication operators.

In contrast to the Korean case, the size of the Swedish music market is rather limited despite several globally recognized bands and musicians such as ABBA and Avicii. At the same time, Swedish people have been largely exposed to American pop songs. Under this condition, the focus of Spotify is on the distribution of music by connecting supply and demand. Although this company has greatly used digital technology to advance this objective, distribution is still one of the traditional revenue sources in the music industry, which is different from the case of Melon. Spotify has become the leading streaming service provider in the global music market by securing a large pool of international music, notably American pop songs. However, its contribution to Swedish music has been rather limited.

Another interesting aspect in the global music industry is the live music sector such as concerts and music festivals (Goldman Sachs, 2016; Sanchez, 2018). The live music industry is less sensitive to online transitions and piracy issues. In this regard, Parc and Kawashima (2018) argue that several music industries, such as in Korea, have utilized music videos and online circulation, regardless of it being legal or illegal, as effective promotional tools. Indeed, this has helped to attract foreign fans to live music performances. For instance, BTS or Bangtan Boys has gained its international popularity through Internet circulation. This has formed a strong and active international fandom which has translated into an international craze for their global tour concerts. For the Korean music

industry, this has been the main source of revenues recently.

As the sources of revenues have gradually shifted from music sales to live music, the production companies have also altered their strategies. While the “existing” flow of incomes from audio streaming service providers to companies has been maintained, these companies are more interested in exploring new opportunities that the live music industry offers. Consequently, they have placed more emphasis on the role of video streaming than audio streaming which can be an effective promotional outlet as the visual impact coupled with audio is stronger than mere audio impact. All of these transitions signify that music is not the “end product” as it has been, but rather that it should be considered as a “promotional product” for musicians as they together have transformed into a packaged “good” (Parc and Kawashima, 2018). These industry changes are not limited to Korea, but are also happening in other countries.

The impact of this has been different on audio streaming service providers such as Melon and Spotify though. As this shift is more visible in Korea, the role of audio streaming service providers has been more limited. As a result, Melon has had a modest performance when compared with Spotify despite the larger Korean market. Therefore, it is expected that this change has reduced Spotify’s bargaining power as its service is merely limited to audio streaming. Despite this situation, the music industry treats audio streaming services as a revenue source and it is expected that the demand from the music industry toward Spotify to increase its licensing fees will grow, while facing tough and growing competition from other video streaming service providers such as YouTube.

In this regard, it is interesting to see what happened in the French music industry during the late nineteenth century when it was a very lively business. Almost all singers performed at café-concerts in order to earn revenues, which was their main source of income. Because the entrance fee was expensive, the audience for these performances was rather limited and most of the general public was not able to listen to their music, which stands in contrast to the situation today. However, the recording technology developed by Edison revolutionized the whole industry.

The recording industry recorded *chansons* or French songs and played them at salons and cafés. This opened up a new way for music consumption and expanded its market as more members of the public were able to enjoy it. Furthermore, recorded music was able to travel to other countries more easily than the physical movement of musicians. However, this recording work did not pay well and many singers were

not interested in this type of work. Crucially, French singers considered this new recording technology to be a threat to their livelihood. Consequently, there was strong resistance to this technological advancement.

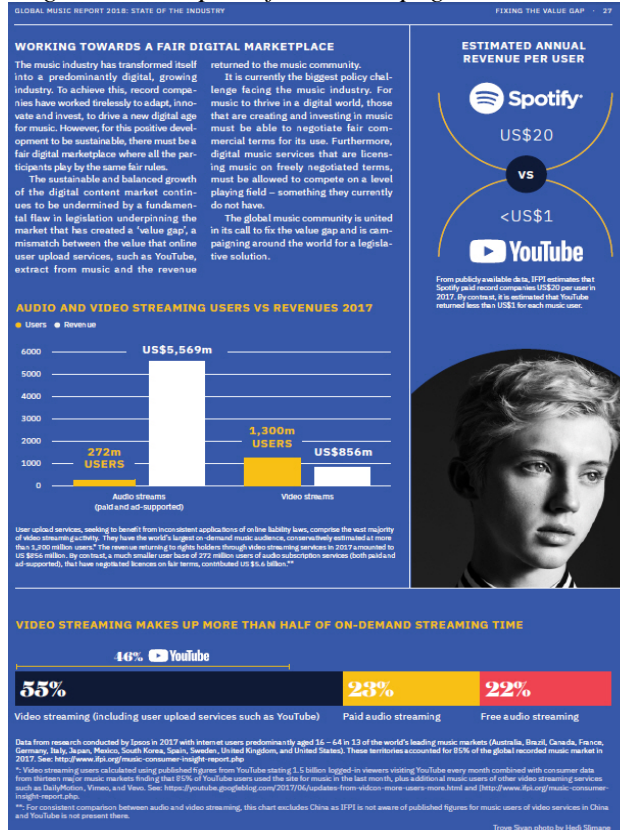
On the other side of the Atlantic, US companies adopted this new technology and many record labels formed. This allowed the US music industry to size up its market and to be diffused globally. The result was the international boom of the US music industry. At this point, one must consider what would have happened if the French music industry had embraced this technological advancement much earlier than the US music industry. The answer should be carefully examined.

### *Discussion*

In *Global Music Report 2018*, IFPI (2018) sought to highlight the importance of a fair digital marketplace and argued that it was for the sustainable and balanced growth of the music industry in the digital era. In order to transmit this message affirmatively, it compared audio and video streaming. Spotify is a representative for audio streaming as half of its active users are paying subscribers, whereas YouTube is the principal player for video streaming but most of its users are free subscribers.

Based on this, IFPI states that audio streaming services generated US\$ 5,569 million as revenues with 272 million users, while video streaming services generated US\$ 856 million as revenues with 1,300 million users, which was conservatively estimated in 2017. Furthermore, IFPI revealed their estimation on the annual revenue per use and showed that Spotify paid US\$ 20 while YouTube paid less than US\$ 1 (p. 27). On the last page of the report, IFPI put a thank you message to Spotify for its contribution. IFPI delivers the overall impression that Spotify has contributed much more to the music industry than YouTube (see Figure 1).

Figure 1. Examples of extracted pages.



Source: IFPI (2018, p. 27, p. 48).

Spotify

# Thank you.

It's been a huge year for Spotify. Here are a few reasons why:

€8bn paid to rightsholders since launch

157m active users

71m paying subscribers

We couldn't have done it without you. Thank you for your support.

Yet, this view focuses only on the production side, neglecting preferences of the consumers. According to the same publication of IFPI (2018) for 2017, consumers have spent 55 percent of their time video streaming, compared with 45 percent audio streaming (p. 27). In particular, the share of YouTube alone in the whole streaming time reaches 46 percent. Thus, the preference of consumers for video streaming is very evident. It is noteworthy that these video streaming service providers are based on ad-supported streaming, although this trend has been gradually changed recently with the introduction of premium services. From the viewpoint of consumers, this can still be considered to be “free” streaming. By considering the whole on-demand streaming time, free (video and audio) streaming reaches almost 78 percent. In other words, consumers prefer free streaming service providers.

Recently, as YouTube has aggressively promoted its paid streaming service with premium contents and ad-free streaming, the landscape of the music streaming service has changed. However, this does not mean that the general consumption trend from *music to listen to* to *music to listen to and watch* is likely to be reversed in the future, nor their preference for free streaming. If YouTube continues its policy for emphasizing premium service, new entrants who offer “free” streaming to consumers and/or a user-friendly service will have a good chance to emerge as a new player in the market.

Although the music industry may not directly generate revenues from these streaming services, certain music industries such as K-pop have realized the distributional and promotional power of these free video streaming service providers as an outlet instead of a revenue source. Many K-pop boy and girl bands have introduced themselves through these services, particularly YouTube and their entertainment companies use them as a promotional channel to increase their popularity and diversify their income sources. Thus, it can be considered that YouTube has contributed to the global music industry in a different way.

Yet, in contrast to the case of YouTube, the music industry treats Spotify as a revenue source and the music industry and musicians have claimed that it should pay more. Such an approach explains why Spotify has recorded huge losses due to the copyright fees that it has to pay. This means that Spotify has to play an unfavorable game with YouTube in the market. If Spotify were to go bankrupt, its contribution to the music industry will likely disappear.

However, instead of this, they should consider why the industry has not yet invented a concept of a “fair producer” or “fair music” to meet

new consumption trends, instead of seeking to “educate” consumers. In this regard, it is noteworthy to reflect on how taxi services replaced the horse and carriage and now Uber is doing the same. In the future, Uber will also be replaced by a new service. Considering these changes, maybe music producers and production companies should change their position to embrace digitization in order to offer a better service to their consumers. History tells us that the winner is not the strongest one, but the one who adapts him- or herself to change better than others.

### *Conclusion*

In the era of digitization, the global music industry is under its impact and the landscape has significantly changed. In the music industry, the distribution and outlets of music have been greatly impacted as digital streaming service providers have begun to replace them. For the success of these streaming service providers, the size of the music pool has been considered to be a critical factor. However, Spotify has shown a remarkable performance despite its limited and small domestic market in Sweden. In this regard, Melon, a Korean service provider, is compared with Spotify as it has not shown any outstanding performance despite being the sixth largest market in the world coupled with the international emergence of K-pop.

Melon was founded by SKT, one of the major Korean telecommunication operators. Although the pool of K-pop was large, this service was initially designated only for SKT users. Therefore, its coverage is rather limited within Korea. Furthermore, due to high levels of piracy and sudden transition from analog to digitalization, distribution in the music industry did not have much chance to be fully developed. On top of this, as the music production companies or entertainment companies have directly released their music on international streaming service providers that are based on the Internet and free to use, the bargaining power of Melon has been more limited.

In contrast to Melon, Spotify was initially formed in order to connect the supply of the international music industry and the local demand in Sweden and Europe. Additionally, with the limited market size of Sweden and its music production, Spotify had to target foreign production and demand in the early years. Consequently, its scope of business activity was much wider than that of Melon.

In order to examine the different performances of Melon and Spotify, many existing studies or articles only focus on the current status by using representative numbers. However, in order to better understand the



whole picture, the relevant industry should be broadly analyzed. In this regard, this paper is different from other existing papers. It further highlights the importance of business activities to meet the newly changing environment. Finally, when it comes to the music industry, many of them have highlighted either the production or consumption side. However, as shown in this paper, it would be more beneficial to focus on both sides in order to extract more meaningful implications. This approach can be further expanded to examine the paths of other prominent streaming service providers which can then offer a more in-depth view for academia.

### *Acknowledgements*

An earlier version of this paper was presented at the International conference: 60<sup>th</sup> Anniversary of Diplomatic Relations between the Kingdom of Sweden and the Republic of Korea, Stockholm, Sweden (23-24 May 2019). This paper was further developed and updated. The authors would like to thank Professor Sonja Häussler from Stockholm University and Young-ah Lee from the Embassy of the Republic of Korea in the Kingdom of Sweden for organizing the conference and providing the author with an opportunity to present the earlier version of this paper.

### *References*

- Blattberg, E. (2015) *Why Agencies Are Bullish on Spotify*. [online] *DigiDay*. Available at: <https://digiday.com/marketing/agencies-bullish-spotify/> [accessed 19 August 2019].
- Buchanan, D. (2015) "Adele's Spotify Boycott Isn't Selfish – It's Savvy and her 'Fans' Need to Pipe Down," [online] *The Telegraph*, Available at: <https://www.telegraph.co.uk/women/life/adeles-spotify-boycott-isnt-selfish---its-savvy-and-her-fans-nee/> [accessed 1 August 2019].
- Farid, S. (2019) "WhatsApp Usage, Revenue, Market Share and Other Statistics (2019)." [online] *Digital Information World*, Available at: <https://www.digitalinformationworld.com/2019/02/whatsapp-facts-stats.html> [accessed 1 August 2016].
- Gartenberg, C. (2018) "YouTube with Ads after YouTube Red is Hell," [online] *The Verge*, Available at: <https://www.theverge.com/circuitbreaker/2018/5/6/173161>

- 80/youtube-red-ads-free-subscription [accessed 5 August 2016].
- Germain, T. (2019) "Best Music Streaming Services: How to Choose among Apple Music, Spotify, Pandora, Tidal, and More." [online] *Consumer Report*, Available at: <https://www.consumerreports.org/streaming-media/best-music-streaming-service-for-you/> [accessed 19 September 2016].
- Goldman Sachs (2016) "Music in the Air: Stairway to Heaven," [online] *Equity Research*, Available at: <https://www.goldmansachs.com/insights/pages/infographics/music-streaming/stairway-to-heaven.pdf> [accessed 1 August 2016].
- International Federation of the Phonographic Industry (IFPI) (2018) *Global Music Report 2018: Annual State of the Industry*, Available at: <https://www.ifpi.org/downloads/GMR2018.pdf>
- International Federation of the Phonographic Industry (IFPI) (2019) *Global Music Report 2019: State of the Industry*, Available at: <https://www.ifpi.org/news/IFPI-GLOBAL-MUSIC-REPORT-2019&lang=en>
- Kim, J.-W. (2018) "Ŭmak gamsang-do mellon poda yutyubũ... Kungnae ũmwon sijang kkaji chamsik uryõ" [YouTube over Melon for music listening... YouTube encroaching in the domestic market as the source of music]. [online] *Hankyung*, Available at: <https://www.hankyung.com/it/article/2018052201751>
- Levy, A. (2019) "Your Spotify Plan Might Get More Expensive," [online] *USA Today*, Available at: <https://eu.usatoday.com/story/money/2019/08/17/spotify-price-increase-subscription-sweden/39966137/> [accessed 20 August 2019].
- Parc, J. (2018) Hallyu wa Han'guk munhwa sanõp yõngu-esõ "Mun hũich'ang yõngu pangbõmnon"-ũi p'iryosõng- gwa ũimi [The implications of Moon Hũi-ch'ang's research methodology for studies on Hallyu and its cultural industries]. *Review of International and Area Studies*, 27(2): 13-35.
- Parc, J. (2019) "Between Technological Advancement and Protectionism: The Bumpy Evolution from MP3 Players to Smartphones in Korea." *Kritika Kultura*, 32: 6-13.

- Parc, J. and Kawashima, N. (2018) "Wrestling with or Embracing Digitization in the Music Industry: The Contrasting Business Strategies of J-pop and K-pop." *Kritika Kultura*, 30/31: 23-48.
- Parc, J., Messerlin, P.A., and Moon, H.-C. (2016) "The Secret to the Success of K-pop: The Benefits of Well-Balanced Copyrights." In B. Christiansen and F. Kasarci, eds., *Corporate Espionage, Geopolitics, and Diplomacy Issues in International Business*, Hershey, PA: IGI Global: 130-148.
- Peterson, B. (2018) "Spotify Has Spent \$10 Billion on Music Royalties Since Its Creation and It's a Big Part of Why Its Bleeding Money," [online] *Business Insider*, Available at: <https://www.businessinsider.com/spotify-has-spent-10-billion-on-music-licensing-and-revenue-since-it-started-2018-2?IR=T> [accessed 7 August 2019].
- Peterson, T. (2014) "Spotify's Canned Pitch: Pay Us to Run Fewer Ads." [online] *AdAge*, Available at: <https://adage.com/article/digital/spotify-s-cannes-pitch-pay-run-fewer-ads/293679> [accessed 24 July 2019].
- Recording Industry Association of Japan (RIAJ) (2018) *The Record*. Tokyo: RIAJ.
- Rys, D. (2018) "YouTube Plans More Ads Between Videos to 'Frustrate' Some Viewers Into Paying," [online] *Billboard*, Available at: <https://www.billboard.com/articles/business/8257499/youtube-more-ads-videos-frustrate-viewers-paying> [accessed 2 August 2019].
- Sanchez, D. (2018) "The Live Music Industry Will Be Worth \$31 Billion Worldwide by 2022," [online] *Digital Music News*, Available at: <https://www.digitalmusicnews.com/2018/10/26/latest-live-music-revenue-31-billion-2022/> [accessed 2 August 2019].
- SimilarWeb (2019a) Melon.com. [online] Available at: <https://www.similarweb.com/website/melon.com> [accessed 2 May 2019].
- SimilarWeb (2019b) Spotify.com. [online] Available at: <https://www.similarweb.com/website/spotify.com> [accessed 2 May 2019].
- Söderpalm, H. and Swahnberg, O. (2019) "Spotify Posts First Ever Operating Profit, but Cautious Outlook for 2019," [online] *Reuters*, Available at:

- <https://uk.reuters.com/article/us-spotify-tech-results/spotify-posts-first-ever-operating-profit-but-cautious-outlook-for-2019-idUKKCN1PV15L> [accessed 14 August 2019].
- Statt, N. (2019) "Eminem's Publisher Sues Spotify for Copyright Infringement Over 'Lose Yourself' And Other Tracks." [online] *The Verge*, Available at: <https://www.theverge.com/2019/8/21/20827358/eminem-eighth-mile-style-suing-spotify-lawsuit-copyright-infringement-lose-yourself> [accessed 31 August 2019].
- Sweney, M. (2017) "Shaken It Off! Taylor Swift Ends Spotify Spat." [online] *The Guardian*, Available at: <https://www.theguardian.com/music/2017/jun/09/shaken-it-off-taylor-swift-ends-spotify-spat> [accessed 31 August 2019].
- Van Isacker, B. (2019) "Spotify Puts an End to Accounts Ad Blocker Users," [online] *Side-Line*, Available at: <https://www.side-line.com/spotify-puts-an-end-to-accounts-ad-blocker-users/> [accessed 31 August 2019].
- Vonderau, P. (2017) "The Spotify Effect: Digital Distribution and Financial Growth." *Television & New Media*, 20(1): 3-19.