Critical Interpretations of Global-Local Co-Productions in Subscription Video-on-Demand Platforms: A Case Study of Netflix’s YG Future Strategy Office

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Abstract
This study examines the dynamics of co-production between a global subscription video-on-demand (SVOD) platform and a local producer. Based on a case study of “YG Future Strategy Office” co-produced by YG Entertainment and Netflix, it examines how various expectations of both companies are embedded in this series. On one hand, YG considers co-production as a means of promoting its artists for the global market which otherwise cannot be produced through pre-existing broadcasters. On the other hand, Netflix expects such co-productions to target the Asian market so that it can respond to the entry of incumbent media moguls into the SVOD market. While such co-productions seem to benefit both global platforms and local producers on the surface, however, this relationship may result in deteriorating the position of local actors as potential subcontractors considering the importance of distribution in the mediascape.

Keywords
SVOD, Netflix, co-production, YG entertainment, distribution, platform

Introduction
In recent years, the market size of the subscription video-on-demand service (SVOD) market—a subset of over-the-top (OTT) service that provides collections of television...
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and film content at a flat rate to its subscribers—has experienced significant growth in the 2010s (Lobato 2019). This has resulted in a challenge to traditional distribution channels and a slowdown of advertisement revenues in the broadcasting market that was overtaken by Internet advertising (Lynch 2016). Along with their customized catalogues and recommendation systems designed by user databases and sophisticated algorithms, SVOD services have become an important production and distribution platform in television production, with interrupting existing stakeholders in the industry (Beer 2013; Wayne 2018).

As the first movers in the market such as Netflix and Amazon, enjoyed their head start in online distribution, major incumbents in the cultural industries began to embark on this new business and hold their online competitors in check. For instance, Disney launched its SVOD platform called Disney Plus (Disney+) in 2019, and NBCUniversal, a Comcast company, launched its SVOD service called Peacock in 2020. Considering these conglomerates already have both exclusive distribution rights of a variety of successful television series and films and the capacity to produce original series in collaboration with subsidiary studios, their entries threaten OTT service providers. In response, Netflix and Amazon began to produce in-house original content and employed various interface devices to allow audiences to binge-watch their content (Leyda 2018). Netflix notably has invested in the production of numerous television series, from the political drama House of Cards (2013) and a comedy series Orange Is the New Black (2013) to the fantasy series The Witcher (2019) and teen drama Blood Water (2020), which are streamed on the platform exclusively under the distribution title N series, previously known as Netflix Original Series. In 2020, Netflix announced plans to invest $16 billion toward the production of new content, while other main SVOD distributor Amazon announced their intent to invest $7 billion on content, both of which outweigh the investments of their competitors such as Disney+ and HBO Max—which plans to spend $1.75 billion and $1.5 billion respectively on their exclusive content. Such investments of SVOD moguls contributed to increasing numbers of Netflix and Amazon’s worldwide subscribers, which currently rest at 183 million and 150 million, respectively (Klebnikov 2020).

While such investment and production strategies aim to increase and maintain subscribers worldwide and to target niche audiences as a means of expanding the market, the “platform war” between SVOD pioneers and major incumbents reassures the power of distribution in cultural industries (Beer 2013). Such a fierce competition between traditional and new players in the SVOD market demonstrates that the model of vertical integration, referring to when a company controls “every stage of a media text’s development, from production through distribution and sales (Havens and Lotz 2017, 22),” is still valid since market shares depend on the number of subscribers which is highly subject to the number of television series with exclusive distribution rights.

In this regard, this study explores how SVOD first-mover platforms seek to consolidate their distribution power through co-production between local producers and how both platforms and local producers interpret the meaning and benefits of co-production respectively. Co-production, which occurs when “a party invests in a
production in return for distribution rights (Ulin 2019, 149),” has been considered as a
visible option for SVOD service providers as a means of producing their original
series. Indeed, Netflix has coproduced its content with local producers from Germany,
India, and South Korea (The Economist 2018). Concerning this, this study tries to
answer the following questions: What are textual characteristics of a media product
co-produced by a local producer and a global SVOD platform? How outcomes of co-
production benefit each stakeholder? And how does this influence the power of
distributors?

To answer these questions, this paper examines the dynamics of co-production and
its meanings through textual analysis of *YG Future Strategy Office*, an eight-episode
Netflix Original series co-produced by Netflix and YG Entertainment (henceforth
YG). Understanding Netflix’s partnership with YG is important since the SVOD
mogul regards Korean market as a bridgehead for its penetration into Asian-Pacific
market and expects Korean producers as partners of boosting its content portfolio for
Asian audiences (Zacks Equity Research 2019). Considering YG’s position in the mar-
et as a major Korean popular music (K-Pop) label, investigating textual aspects of
this Netflix original series would shed light on industrial dynamics of a co-production
project between a local producer and a global SVOD platform, and how their corpo-
rate interests are embedded in this series.

The Growing Presence of SVOD Platforms in Global
Cultural Industries

The digital economy, which refers to “those businesses that increasingly rely upon
information technology, data, and the Internet for their business models (Srnicek 2017,
4),” has become a hegemonic model of the contemporary economy. As capitalism
constantly explores new sources for accumulating profit, digital technologies cut
across all industries and challenge pre-existing profit models in the market. That said,
it is evident that digitalization in the media industries has brought about fundamental
shifts in producing, distributing, and consuming content (Lobato 2019; Tyron 2013).

At the forefront of these changes was the emergence of the platform as a new model
to analyze, extract, and monopolize data, quickly becoming a new form of capital
production (Srnicek 2017). Platforms can be understood as “the online services of
content intermediaries, both in their self-characterizations and in the broader public
discourse of users, the press and commentaries (Gillespie 2010, 349).” As intermediar-
ies, platforms provide opportunities for both incumbent major and minor stakeholders
in the industries; to consolidate their pre-existing market share and to penetrate in
niche markets respectively (Guignard 2014; Plantin et al. 2018). About this, Gawer
(2009, 3–4) describes a platform as a “building block, which can be a product, a tech-
nology, or a service, that acts as the foundation upon which other firms can develop
complementary products, technologies or services.” Hence, both OTT and SVOD are
platforms since they allow “content developers to systematically track and profile the
activities and preferences of billions of users (Nieborg and Poell 2018, 4276).” Based
on sophisticated algorithms equipped within their user database, they provide à la carte
selections to their subscribers. Such an interactive nature between subscribers and service providers characterizes these new distributors as platforms since they connect different agents—producers, distributors, and subscribers, to each other (Evens and Donders 2018; Johnson 2019).

Like other media infrastructures and intermediaries, platforms are subject to market forces and influenced by pre-existing power dynamics in the market. At often, their internal character is structurally asymmetrical since their algorithms, business models, data flow, and interfaces are based on the incumbent industrial logics, which are built on existing capital logic and technological accumulation (Plantin et al. 2018; Srnicek 2017). Indeed, US-based platforms penetrate into foreign markets based on their technological and financial supremacies inherited by the US’ dominance of global media and telecommunication businesses (Jin 2015).

Such emphasis on platforms in the market, along with the growing power of OTT and SVOD services, coincides with previous arguments highlighting the roles of distribution in the media market. Distributors are important because they choose which content can be delivered to audiences by exerting their influence through selection and prioritization. Thus, distributors perform key roles in the entire media and cultural industries, acting as the main source of power and profit in the industries (Garnham 1990; Wasko 2003). This applies to many OTT and SVOD services since they recommend certain content to their subscribers and provide customized search results based on the exploitation of personal information as well as various platforms’ preferences as gatekeepers that pre-select and filter what is available for an audience to watch (Evens and Donders 2018). These functions contribute to strengthening the distribution power of OTT and SVOD services because they invite subscribers to immerse themselves in the platform, as the practice of “binge-watching” demonstrates (Jenner 2017).

In this regard, the power of Netflix should not be underestimated as a mere online version of a video rental system. The company has pushed into most foreign markets, and the platform has changed audience behaviours and lifestyles, which results in the cultivation of subscriber loyalty to its service. Moreover, in contrast to incumbent media outlets in Hollywood that have experienced sluggish growth in North American markets mainly due to the rise of online media platforms including Netflix, the SVOD giant adopted co-production as a new strategy to consolidate its position in the market before the entry of major Hollywood distributors to this emerging industry (Jin and Su 2019). In particular, the company proposes co-production projects to foreign producers in rewards for exclusive distribution rights and local benefits in the international market (Ulin 2019). For foreign producers who suffer from financial difficulties and struggle for positions in the market, co-producing content with Netflix is considered an attractive offer—not only for drawing investment but also for establishing the content’s brand identity as a “Netflix Original Series,” which carries powerful meaning in television markets (Lotz 2014; Potter and O’Regan 2019; Wayne 2018).

As the number of coproduced products through Netflix is on the rise, it becomes increasingly important to understand how the model of co-production benefits both local producers and this global platform. By investigating textual characteristics of YG
Future Strategy Office, the study analyzes industrial outcomes surrounding the co-production of a Netflix original series between a local producer and a global distributor. It also considers Netflix’s understanding of such co-produced content as a means of reconsolidating and reconfiguring its position in the global market.

**A Short Introduction of YG Entertainment and Netflix in Korea**

Founded in 1998, YG Entertainment is a prominent music label in the K-pop industry known for its use of African American genres and art styles, particularly hip-hop and rap, in its artists’ music. The company first gained success with hip-hop groups such as Jinusean and 1TYM as well as R&B singers such as Gummy and Big Mama and later with well-known idol groups including Big Bang, iKON, and Blackpink. Most of all, the huge success of Gangnam Style by PSY, once an artist under the YG label, led the company’s aggregated market value to skyrocket and consolidated its position as a major K-Pop label in the Korean cultural industries, and has since expanded its management business to include actors/actresses, models, and athletes through various subsidiaries such as YGKPlus and YG Sports.

Meanwhile, Netflix recognizes both Korean consumers and industries as a key target in terms of expanding its worldwide market power (Frater 2019; McDonald 2019). This is seen in the recent increase of its co-production of film and television series with Korean producers to break further into the Korean and broader Asian markets. For example, Netflix highlights their recent series Kingdom (2019), which is the company’s second Korean original series co-produced with Studio Dragon, a CJ ENM affiliate, as a successful prototype of non-English content (Netflix 2019a). Apart from this, the platform distributes many Korean television series such as Scent of a Woman (2011) and Signal (2016) in anticipation of broadening its scope to overseas markets and diversifying its content with Korean productions (Netflix 2017a). This can be also proven by the fact that the company invested $50 million in Bong Joon-Ho’s recent movie, Okja (2017), the first Korean film released as a Netflix Original (Trumbore 2015).

In this regard, the release of YG content on Netflix seems to benefit both companies as a “win-win” strategy. For years, YG has strived to diversify its revenue sources and sought to expand its business to television production like its major competitors in the K-Pop market such as JYP and SM, which have already produced a series of entertainment shows and television dramas. By producing television content, the company expects to both increase revenues and introduce its new artists. In this regard, the collaboration of Netflix is understood as its entry to the global market as well as an effective promotion strategy (YG Entertainment 2019). However, considering the power dynamics between a global distributor and local producer, such an inference is linear and abstract. In this regard, following the textual analysis on YG Future Strategy Office and relevant materials, this study investigates how producers of this series use this platform for their interests. Combined with the findings of textual analysis, the study then analyzes what Netflix expects from co-producing content with this K-Pop manufacturer.
Methods

*YG Future Strategy Office* is an eight-episode mockumentary about the fictional lives of YG employees who work at the company’s “Future Strategy Office” division. A mockumentary refers to television series or films that depict fictional events in the format of a documentary to satirize subjects (Miller 2009). This hybrid genre includes a series of techniques associated with actual documentaries, such as unrehearsed dialogue and hand-held camerawork to maximize comical effects. By creating a documentary experience that is described with its antithesis and self-conscious distance, the genre aims to make audiences laugh through its texts, which are based on factual media’s stylistic conventions (Juhasz and Lerner 2006; Wallace 2018). Given that the company has been accused of various misconducts and scandals that have resulted in a negative reputation in the entertainment world despite the company’s size, the company expects to use such scandals as tools of humour by self-satirizing their wrongdoings in the form of mockumentary.

Based on the premise that television programs are outcomes mediated by a wide range of forces and textual characteristics reflect power dynamics between stakeholders involved in production and distribution, this study aims to find contexts of co-production between a global SVOD platform and local production and how they are portrayed through elements of the text (Gitlin 2000; Gray and Lotz 2019). In detail, this study investigates characters and their dialogues, product placements as props, and plots of *YG Future Strategy Office*’s eight episodes as major texts which shape the meaning of the entire series. In particular, the analysis focuses on distinctive textual characteristics of the series as a Netflix original series, which otherwise would have not been able to be broadcast via regular Korean television due to broadcast regulations, relationships with broadcasters, and reputations with the public, etc. Understanding these elements is important to find how the industry, notably distributors, engages in the production and shape the meanings of this series (Fiske and Hartley 2003).

The findings of textual analysis can contribute to examining the underlying dynamics of co-production between YG and Netflix. Combined with relevant company reports, news articles, and press interviews with representatives of YG and Netflix, it examines the structural contexts of the co-production between global SVOD players and local producers. Through an exploration of literature examining the power of distributors in the media market as well as the rise of SVOD platforms, the analysis of industrial contexts provides insights into the nature of coproduction.

*YG Future Strategy Office: A Promotion Package of Yang’s “Jewel Box”*

A *Catalogue of YG Celebrities*

The first episode of *YG Future Strategy Office* begins with Seungri’s assignment to YG Entertainment’s ‘Future Strategy Office’, following his previous indiscreet affairs.
Despite its fancy title, the team is widely known as a low-performance group of troublemakers in the company. As a member of Big Bang, one of the most prominent groups in the K-Pop industry, the Korean pop star expects a certain level of respect from his fellow staff members and strives to escape from the office. Due to his previous scandals and rumours, however, he is not considered a reliable team member, and his staff and other junior idols either ignore him or talk behind his back, expressing how they feel uncomfortable with him. Of course, Seungri does not recognize his co-worker’s discomfort and only strives to escape from the office, entrenching the basic storyline of this Netflix series. Each episode focuses on how Seungri’s new ideas for proving his talent devolve into comedy and lead to unexpected results.

In terms of casting, YG focuses on promoting its main artists. Not surprisingly, the majority of the cast are affiliated with the company. The company presents several new faces such as Son Se-bin as well as old stars such as Jinu (Kim Jin-woo, member of hip-hop duo Jinusean) and Lee Jae-jin (a member of idol band Sechs Kies) as main cast members who perform as staff of the Future Strategy Office. Moreover, many of the company’s actors, actresses, and idol group members also appear in cameo roles throughout the series. The casting indicates that YG recognizes YG Future Strategy Office as a form of advertising the company and introducing its rookies who would not otherwise have opportunities to appear on television shows or films. Indeed, Seungri introduced the cast as Yang Hyun-suk’s “Jewel Box (Sportschosun 2018)” during a press conference (Sportschosun 2018). By introducing them through its content distributed by Netflix, the company expects that such “jewelry” would attract more audiences for future endeavours featuring these artists. In addition to this, such a strategy—where a company casts its celebrities for its television production—also save production costs and secures fixed demand of the market thanks to K-pop fandom as well as the Korean Wave (Lee S 2018).

It is worth noting that YG’s promotion strategy which cast its artists and trainees in television series is not new. As a part of its “one source, multi-use” strategy, it has co-produced a series of survival reality shows with broadcasters to promote its trainees and launch boy bands such as WIN: Who is Next (2013) and its spin-off program called Mix and Match (2014), which resulted in introducing boy groups Winner (2013) and iKON (2014) respectively. Combined with the popularity of televised talent show competitions like Mnet’s Super Star K (2009–2016) and K-Pop Star (2011–2017) produced by SBS, a terrestrial broadcaster, forming idol bands based on audience votes seemed an effective method to guarantee an audience and engaged fans from their debut. However, the popularity of idol survival reality shows has dwindled in recent years for a variety of reasons. Relying on the success of Super Star K and K-Pop Star, broadcasters were eager to produce competition programs, saturating the market and exhausting audiences with predictable results and copy-paste production formats. Also, television program series have been accused of forcing excessive competition among participants without fair compensation, many of whom are teenagers and young adults (Lee and Jin 2019).

Despite the low popularity of audition programs, it is difficult for entertainment agencies to withdraw from producing television series as they are effective methods
not only for promoting their celebrities but also for diversifying revenue sources. As the K-Pop industry becomes increasingly saturated, YG’s main competitors have expanded their management business to actors and models, and the production of television dramas and entertainment programs featuring artists from various companies has become common in the Korean television industry. As long as YG recognizes the production of television programs as its emerging business, the casting of *YG Future Strategy Office*, which features both unknown rookies and famous artists as characters or cameos on the series, could be considered as a tactic for promoting the company and its celebrities (YG Entertainment 2019).

**Mockumentary: How to Advertise a Label with Unpleasant Histories**

Thanks to the success of PSY’s *Gangnam Style* and its idol groups such as boy group Big Bang and girl group Blackpink, YG has consolidated its position as a major K-Pop company. However, the company is held in low repute compared to its competitors due to regular cases of misconduct by both the company and its artists. For years, numerous YG artists have been accused of using illegal drugs, drunk-driving, car accidents, sex scandals, etc. In addition to this, the company was also punished for tax evasion and illegal extension of its headquarters building. Granted, such controversies provoked a public cynicism against the company as well as its celebrities, and broadcasters became reluctant to cast YG artists in television productions (Lee S 2018).3

Throughout the series, *YG Future Strategy Office* uses such misconduct and scandals as comic material through satirizing the company and its celebrities in the format of a mockumentary. For instance, in the second episode, crew members from the Future Strategy Office conduct a drug test on YG employees and artists as part of a campaign for a “Clean YG.” Seungri and other YG artists explain that the campaign aims to prove that YG is free from illegal drugs or narcotics. However, what they end up finding are mostly nutritional supplements, and the storyline ends with an argument between Seungri and his staff over confiscating Viagra from a male employee. The strong emphasis on drug-related topics reflects recurring scandals involving YG celebrities who have been accused of using illegal drugs, which gave the company the moniker “YG Pharmacy.”4 In this regard, Seungri’s team even asks members of Winner, a YG boy band, to take urine tests and hair tests. He gives a warning to the band to be aware of sex scandals, which call back to his sex scandal in 2012. Of course, his wordings become satirized by Winner when they hold underwear stamped with Seungri’s face and a warning that the outcome of the sex scandal would be devastating.

Throughout episodes, Seungri’s personal controversies, such as sex scandals and a car accident, are used as major narrative techniques to create laughs. In many episodes, his character tries to cast K-pop stars to motivate his staff and train YG’s artists. Arguing himself as a senior, he is eager to recruiting entertainers to show off his power to his staffs who often neglect him. However, entertainers who accept his offer—cameo appearances in the series—criticize Seungri with saying: “I did not want to
encounter him because he was an uncomfortable senior to me (Jennie from Blackpink),” “I just waste my time (Chungha),” and “my female seniors have warned me to be wary of him (Sunmi),” etc. By making his character pathetic and ridiculous, the series reduces Seungri and his controversies to comic material. This serves to make light of his past and encourage the audience to accept such misbehaviour as lighthearted fun. The same approach could be applied to YG itself, as the term “YG Pharmacy” indicates (Lee R 2018).

Through self-satirizing their misconducts, YG anticipates viewers to ease their antipathy towards the company and its celebrities and attempts to replace the seriousness of scandal with humour. The genre of mockumentary, which blends fictional content with factual forms of documentaries resulting in a blurring between the line between reality and fiction, contributes to changing audiences’ attitudes toward YG (Rhodes and Springer 2006). By satirizing previous scandals and controversies surrounding the company’s leading figures, YG tries to moderate the public’s skepticism of the company’s reputation.

While YG Future Strategy Office used various absurdities and parody to make light of the company’s scandals, producers were afforded the freedom to create the comedic situations shown in the series primarily because of the partnership with and distribution through Netflix, which has fewer restrictions on its catalogue than mainstream broadcasters in Korea. Indeed, since the release of YG Future Strategy Office on Netflix, the series was criticized for excessively caricaturing its cast, embellishing the company and its entertainers’ wrongdoings, and harassing them sexually (Lee Y 2018). For instance, there are several scenes in the series which Seungri is mocked, including the circumstances of his sex scandals and crude jokes about his masculinity and genitals. Such themes are heavily restricted by Korea’s broadcasting regulations, subjecting the production of YG Future Strategy Office to limited distribution options, despite much of the storyline and characters being based on real stories (Kang 2018). Apart from self-parodies, there are other elements of the series that benefit from being distributed through Netflix’s platform.

Netflix: A Laissez-Faire Platform for Everything

There are many scenes in YG Future Strategy Office which pushes the boundaries of existing broadcasting regulations in Korea. There are several episodes that producers introduce businesses affiliated with the company and its celebrities. In the fifth episode, Seungri has no qualms about speaking and showing specific brands related to YG and its entertainers such as “Aori Ramen” and “Burning Sun”—a franchise ramen brand and a night club both owned by himself. Throughout the series, there are scenes which freely directly show the private businesses of YG’s artists, including Yang Hyun-suk’s restaurants. According to the nation’s Broadcasting Act, such representation of Seungri’s private businesses is product placement—“commercials that expose products, trademarks, names or logos of companies or services and other within broadcast programs (Broadcasting Act, article 73-7),” which are strictly limited in broadcast production and subject to detailed restrictions.5 However, as OTT services are
categorized as value-added common carriers (VACC), which are subject to the Telecommunications Business Act, Netflix and its catalogue is immune from the Broadcasting Act (Kang 2019).

In addition to product placement, OTT services are not subject to other regulations such as programming, rating, and content restrictions, which enable them to produce and distribute content freely compared to programs aired through traditional television channels (Park 2019). Throughout its episodes, cast members overuse slang and expletives that are for the most part left uncensored by producers. For example, there is a scene in the fourth episode which Lee Jae-jin throws his feces at Seungri’s desk and curses him because Seungri made Jae-jin walk across the country to advertise how YG became “clean” from narcotics and scandals. Although producers have blurred direct activities of his bowel movement and feces, these scenes could be broadcast without restrictions only because of its distribution through Netflix. About these “indulgences,” producers of YG Future Strategy Office expressed that working with Netflix was an enjoyable experience as the platform supported the production of all the comedies they wanted to make. Such an attitude was in contrast to incumbent broadcasters which were reluctant to co-produce the series as they understood the series as a promotional package of YG’s businesses (Sportschosun 2018).

While Netflix’s laissez-faire approach to original content seems to provide opportunities for producers to produce diverse content through co-production, the company’s strategies in local markets have provoked controversies in many countries, especially raising the question of how to regulate this SVOD tycoon without reverse discrimination against domestic rivals. Indeed, the company has been in conflict with local authorities and Internet service providers on matters of taxation and network usage fees. Combined with its worldwide market power and the growing number of its subscribers in the domestic market, Netflix’s “trawler” strategy through which they attract more local cultural production with fewer restrictions forces local broadcast competitors and regulators to reconceptualize television broadcast and relevant institutions (Lobato 2019). In this regard, it is premature to understand the relationship between local cultural production and this SVOD giant as reciprocal or symbiotic.

Discussion and Conclusion: An Asymmetrical Relationship between a Global SVOD Platform and Local Producers

According to its quarterly report, YG (2019) recognizes digital platforms as pivotal to the future of the music and broadcasting industries and stated their intent to customize its original content to online media. In this regard, the company’s collaboration with Netflix can be understood as part of its promotion and production strategies aimed at the digital market. In particular, as Seungri mentioned above, YG expects that the brand power of Netflix will catalyze to improve its image in both domestic and foreign markets so that it can expand its business from a mere entertainment agency to a comprehensive media company by producing own content featuring its artists. Such a
move coincides with other Korean major entertainment firms as securing broader distribution networks became an important goal in the ever-evolving digital market.

YG’s co-production of its content with Netflix seems to be an ideal option. In many markets, Netflix’s brand is considered highly influential given that its catalogues are recognized as authentic, innovative, and qualified (Havens 2018). Expecting its brand power, YG has co-produced several stand-up comedies with Netflix such as Black Comedy (2018), Discomfort Zone (2018), and Too Much Information (2018)—all led by Yoo Byung-jae, a YG comedy writer who performed in YG Future Strategy Office. For YG, the title of “Netflix Original Series (N Series)” and the following worldwide distribution through Netflix functions as an effective brand strategy aimed at global audiences through worldwide distribution (Kirkpatrick 2019), as exemplified by YG’s recent success with Blackpink (2020) a Netflix original series about Blackpink’s rise to worldwide popularity. This applies to other entertainment agencies, and even major broadcasters. Many Korean producers and screenwriters praise this SVOD tycoon as a platform to enable the creation of new genres like long-form television series with cinematic scales, which is not as prevalent on conventional television channels in Korea (Netflix 2017a). In case of YG Future Strategy Office, the genre of mockumentary and its self-parodic texts would not be realized if the series were to broadcast by existing television series.

Meanwhile, Netflix understands co-production with local producers as tools for approaching local audiences. To target various groups of worldwide audiences, the company has been enthusiastic about investing in the production costs of local audio-visual content in return for distribution rights. About this, co-production is an effective strategy for Netflix to attract local audiences to promote its catalogue along with other practices such as the distribution of television series and films that are already distributed in the market (Havens 2018; Lobato 2017). As a second-mover in the distribution market, co-production with local studios is an effective strategy for this SVOD platform to stabilize its content production system given that major media conglomerates have otherwise enjoyed an oligopoly for decades thanks to their production facilities and vertically integrated business structures (Havens and Lotz 2017; Kirkpatrick 2019). Apart from YG Entertainment, Netflix has co-produced many television series and films with local producers under the N Series brand, including Suburra: Blood in Rome (Suburra—La Serie in Italian, 2017), an Italian television series about the mafia, and Blazing Transfer Student (Honō no Tenkōsei in Japanese, 2017), a Japanese television action drama.

Netflix’s co-production with local incumbents could be explained as part of the company’s efforts to construct its own vertical integration model by offering an exclusive and laissez-faire distribution platform that is attractive for local producers who struggle to find distributors in local markets. By doing so, even if this SVOD mogul does not amalgamate local producers, it effectively increases the amount of exclusive original content thereby constructing its own vertically integrated business structure (Doyle 2017; Netflix 2019b). Although it appears as a “win-win” strategy for both stakeholders, such a partnership may reinforce an existing structural asymmetry between producers and the distributor in the market.
As more local producers consider Netflix as a main potential distribution channel, their production processes become more subject to Netflix’s expectations due to its capital and technological advantages (Doyle 2016). For example, when Netflix signs contracts with local producers, it acquires not only exclusive distribution rights overseas but also the right to set broadcasting schedules. In 2017, Netflix signed a contract with TVN, a cable channel owned by CJ ENM, to distribute a TV series called *A Korean Odyssey* (*Hwayoogi* in Korean). Due to production delays, the producer requested that Netflix postpone the date of release, December 23, but was denied. This resulted in a broadcast accident, showing scenes without computer graphics in its second episode on air. Despite the incident, it continued to distribute the series on the proposed schedule (Yoon 2018). Meanwhile, the SVOD company refuses to provide detailed audience data and relevant information that intend to control both producers who are invested by the company and the market (Potter and O’Regan 2019).

Furthermore, the platform has been accused of enjoying digital infrastructures without paying fees to broadband networks in many countries under the premise that the Internet should be a free and open infrastructure for everyone. Considering all this, although Park Joon-soo, the producer of *YG Future Strategy Office*, called the relationship with Netflix symbiotic, many of the distinctive textual characteristics on *YG Future Strategy Office* is realized primarily because it is a Netflix Original Series; an outcome of exceptions from regulations and practices in domestic broadcast production, and capital and technological accumulations that Netflix enjoys from the Internet (Sportschosun 2018).

Expectations of international recognition and production environments free from various existing restrictions become strong incentives for local incumbents to cooperate with this SVOD giant. Although Netflix promotes its partnership with YG as aiming to “partner with the boldest and funniest Korean comedy talent and share the laughter with the world (Netflix 2017b)” and enjoys a platform which makes it promote its celebrities freely without many restrictions unlike traditional media, the relationship between two companies is far from “win-win.” Rather, it is more valid to interpret the relationship as that of contractor-subcontractor. Such an outcome serves as an example of the potential for the further reinforcement and normalization of power imbalances in media distribution systems. Considering the power of SVOD distributors equipped with funding power, technological advantages, and the number of subscribers worldwide, co-production between a local producer and a global SVOD company may reinforce an asymmetrical relationship between local players and US-led global distribution platforms.

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1. Besides YG, many K-pop agencies have collaborated with broadcasters to introduce potential artists. For instance, JYP recruited members of its new girl group called TWICE through Sixteen, a survival reality television show co-produced with Mnet in 2015.

2. With this, YG also experienced a major failure from producing Mix Nine (2017–2018) a survival reality show co-produced with JTBC. While the program aimed at launching a project-based idol group consisted of trainees from different entertainment agencies, it suffered from anemic ratings—less than 1% on average (Cha 2018). Moreover, after its final round with nine winners, the company announced to annul the show’s result and decided not to debut the group, which provoked several lawsuits from agencies which trainees were affiliated with. Despite Mix Nine’s failure, YG co-produced another survival reality show called YG Jewel Box (2018–2019) with JTBC, with ratings similar to Mix Nine and provoked controversies over Yang Hyun-suk’s decisive roles in selecting the finalists despite promotion that finalists would be chosen by viewers’ votes (Kim 2019).

3. When celebrities bring about criticism due to perceived misbehaviour, Korean audiences expect them to have time for self-restraint and self-reflection. With this, while it is not a legal liability, Korean terrestrial broadcasters have a policy on suspending entertainers who committed legally or morally deviant behaviours including drugs, fraud, gambling, etc. For years, several YG artists including T.O.P (Choi Seung Hyun) and G-Dragon (Kwon Ji Yong) from Big Bang have been banned from appearing on television for weeks or months.

4. YG’s history of drug charges is long and extensive. 2NE1’s Park Bom was discovered to have Adderall in 2010, a combination medication for treating attention deficit disorder containing amphetamine which is illegal in Korea. Big Bang’s G-Dragon and T.O.P were also caught smoking marijuana in 2011 and 2017, respectively while Kush, a YG composer and producer, was sentenced to four years of probation on a charge of using cocaine in 2017. After the release of this series, Seungri, facing accusations of soliciting sex, sex trafficking, and violating the Foreign Exchange Transactions Act, retired from the entertainment industry in 2019.

5. In detail, the Broadcasting Act (2019) provides both durations and sizes of product placements of televised contents of terrestrial broadcasters and cable broadcasters; less than 5% (7% for cable channels) of the entire episode with not exceeding ¼ of the screen size. Also, it clearly defines that a licensee should inform audiences about product placements with subtitles before the episode and product placements should not directly inform the product or persuade audiences to purchase.

6. In 2020, the size of the Korean SVOD market will be expected to increase by 22% year-on-year (from $536 million to $660 million. Despite its growth, however, Netflix (3.93 million subscribers) enjoys a predominance in the market compared with local SVOD service providers like Wavve (2.42 million subscribers) and TVing (1.3 million) (Lee 2020).

7. With this, YG (2019) explains that OTT contributes to diversifying its advertising revenues due to the growing number of OTT and Internet Protocol Television (IPTV) subscribers. Alongside the rise of the mobile and online market and the decline of the traditional television broadcast, the company expected its investment in digital content would make a breakthrough in its profit model.

8. For instance, CJ ENM, the largest broadcast company in the nation’s cable television business, has promoted the distribution of its television series through Netflix as its major achievements. In 2019, it sold the licensing rights of Mister Sunshine, a historic drama, to this SVOD giant for $15.1 million (Yang 2019). Meanwhile, KBS, the nation’s public broadcaster which had criticized Netflix as a threat to the broadcasting industry, sold the rights of When the Camellia Blooms (2019), a mini-series drama, to the company.
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