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Strategic Inspiration

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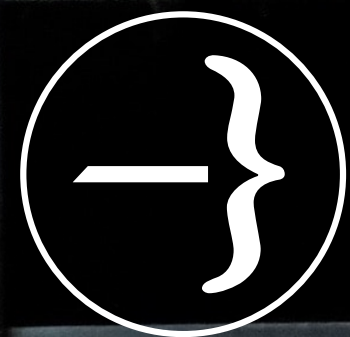
CATCH OF THE WEEK

K-POP AND GLOBAL PORTFOLIO MANAGEMENT: WHEN YOUR OFFER IS MADE UP OF PEOPLE

CARLOS RODRÍGUEZ · 04/02/2021

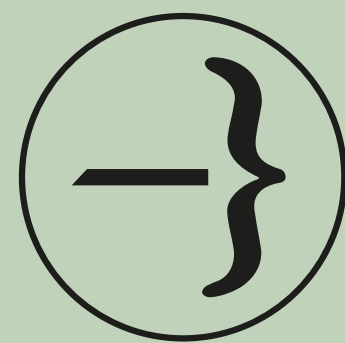
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K-POP AND GLOBAL PORTFOLIO MANAGEMENT: WHEN YOUR OFFER IS MADE UP OF PEOPLE



When we are facing a global market, it is essential to define a universal value proposition, with the capacity to be specifically adapted to the characteristics and idiosyncrasies of local markets

K-POP AND GLOBAL PORTFOLIO MANAGEMENT: WHEN YOUR OFFER IS MADE UP OF PEOPLE THE GREAT STRATEGIC TAKEOUT



With a highly interconnected market, more and more global brands are emerging with portfolios and USPs that respond to the demands of each market, and to do so, these brands are adapting some of their assets, something that would have been inconceivable in the past.

K-POP AND GLOBAL PORTFOLIO MANAGEMENT: WHEN YOUR OFFER IS MADE UP OF PEOPLE WHY SHOULD I READ THIS?

We are seeing increasingly frequent evidence of large brands in very different sectors (entertainment, consumer goods, fashion, perfume...) who are finding that portfolio management is a key ally in adapting their value propositions to the various markets in which they want to have a presence.

K-POP AND GLOBAL PORTFOLIO MANAGEMENT: WHEN YOUR OFFER IS MADE UP OF PEOPLE WHAT ARE WE TALKING ABOUT?

K-Pop has become a global benchmark due its ability to connect with audiences that are seemingly distant in time and space. We are undoubtedly witnessing a phenomenon made up of different "global brands" that have managed to perfectly understand the mechanisms of the industry and the tools for achieving success.

Compared to traditional boy and girl bands (Take That, One Direction, Spice Girls, The Pussycat Dolls, Little Mix, Backstreet Boys, Fifth Harmony, The Saturdays, for instance), K-Pop bands have completely broken away from some of the paradigms in search of a brand that is global, strong and recognisable by all audiences. As such, some of the most recognisable K-Pop brands, like NCT, are composed of up to 25 members of different nationalities, who serve as integrated assets in the brand's portfolio.

At the risk of sounding insensitive by describing the management of individuals as a portfolio of products and services, the great insight we can take from some K-Pop bands—in so far as they are understood to be brands—is that they have managed to create strong brands capable of transcending and outliving their current members/singers. As a result, it is possible that such brands will last over time regardless of whether their components change or are replaced with others.

Among the particularities of this management model, we can see a great advantage in terms of the efficiency of the assets, depending on the markets they travel to. For example, the band NCT is made up of different units (Chinese, Japanese, Korean...) and all the members of these units are part of a music group. Concerts are usually only attended by some of them, depending on where and when they are performing. All 23 members do not usually perform together, with a few exceptions, which allows the brand to be better adapted to the cultural specificities and needs of each market.

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For instance, the group can perform several concerts at the same time (due to the high number of members) and connect with each market (Japanese, Chinese, Korean, Filipino...) by taking those assets or group members that work best according to the situation. It also adapts content and "beyond product" proposals (merchandising, licensing, distribution agreements, etc.).

All this is possible thanks to the fact that K-Pop bands — like many traditional boys and girl bands— have built their value proposition from universal values or archetypes with a broad capacity for traction in different markets, whether transgressive or more mainstream, appealing to values such as friendship, love, seduction...

The big difference compared to these more traditional bands is that they have understood that those universal values have the capacity to generate a brand that is global and strong and that transcends the members themselves. As a result, the brand is able to endure over time and last longer.

The fact that the brand is prioritised over its assets does not mean that we are compromising on the quality of the product; far from it. Specifically, K-Pop band members are known for having gone through auditions with quality standards and criteria looking at their and dance skills, as well as their personality and physical appearance. Perfection is a given in this sector. And this is nothing new, as brands of different categories have applied these insights to their portfolio on many occasions. The world of brewing, which has been evolving constantly for a number of years, is a good example to explain this phenomenon.

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Today's expanding craft beer segment varies depending on the market. There are two main variables that affect its configuration: since when has craft beer been consumed and what styles are the most common. So, in Spain, the style of beer that the global craft brands usually arrive with is lager, due to Spanish drinking habits. On the other hand, brands may find their gateway with a sour beer in other European markets, like Germany or Belgium. In the case of Brewdog, an internationally renowned craft beer brand, the IPA offer in the American market is more visible and broader than in the British market, where IPA is not as widely consumed as in the US.

And this does not only happen with the product typology, but it can apply to any element of our strategy. One clear example is the channels. The Lindt chocolate brand has a market channel strategy that varies depending on the degree of retail development. Therefore, in countries where the brand is not yet developed, it has set up its own stores in shopping centres to build their premium positioning, while in markets where the brand has already built its positioning, in addition to its own stores, it also sells in supermarkets.

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LINKS

[World Stage Indonesia](#)

K-POP AND GLOBAL PORTFOLIO MANAGEMENT: WHEN YOUR OFFER IS MADE UP OF PEOPLE

WHY YOU SHOULD BE INTERESTED

Because a truly global brand needs to know who it is and this must allow us to enter into different markets with relevance and differentiation.

WHAT TENSION DOES IT RELIEVE?

It appeals to universal tensions, but it arrives/ resolves/differentiates depending on the degree of maturity, market evolution, brand connection...

FROM A STRATEGIC PERSPECTIVE:

It is essential to build a proposition that, from the universal point of view, has the flexibility to adapt to markets using relevant assets.

WHO MIGHT BE INTERESTED?

Any brand that wishes to build a global proposition.

WHERE DO I IMPLEMENT IT?

In the portfolio management, definition of the value proposition, market entry and channels...

HOW DO I IMPLEMENT IT?

Being precise on the landing and seeking to understand the characteristics of each market: its demands, interests, needs and motivations.

HOW INNOVATIVE IS IT?

Very innovative because of its ability to turn the brand hierarchy upside-down.

KEY CONCEPTS:

Portfolio, markets, globality, formats.

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I WANT IT FOR MY COMPANY/BRAND. WHAT DO I NEED TO KNOW?

WHO IS USING IT ALREADY?

Many sectors ranging from the audiovisual (entertainment industry) to consumer goods, fashion (Inditex) and perfume.

THINGS TO KEEP IN MIND:

Market, category status, consumer.

HOW DO I GET A CLEARER IDEA?

_Watching different concerts by the K-Pop band NCT depending on the country in which they are performing (for example [Indonesia](#), o [Los Angeles](#))

_Analysing drinks brands or other consumer goods brands, and their entry in new markets according to the demands of these markets (and not the other way around).

Observing how a single audiovisual format like Ugly Betty changes according to the country and the channel: duration of the episode, season structure, tone, rate, budget...

_Going to craft beer websites like Brewdog and seeing how their offer changes according to the country . ([US](#) o [UK](#))

HOW DO I SHARE IT WITH MY NETWORK?

"When we work with a global brand, we cannot impose on the markets where we want to go with the brand as a whole, but we must understand what that market needs and see how, from our brand, we can satisfy that need".

I'M INTERESTED IN IT FOR MY BRAND. TELL ME MORE!

This content comes from The Hunter's strategic inspiration tank. If you would like to know how over 15 years of research and mapping enable us to make strategic recommendations that are innovative and culturally relevant, please get in touch with us.

I WANT TO KNOW MORE

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Strategic Inspiration

The Catch is The Hunter's strategic think tank, via which the inspiration needed to take the best strategic decisions is shared in the form of resources, content and original ideas, which can be understood easily and applied immediately.

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