



PART 1: GONNA BE GOLDEN: HOW K-CULTURE IS INNOVATING THE GLOBAL CREATIVE ECONOMY

Leslie Thurman 00:00

Good evening. A warm welcome to everyone. We're delighted to close out the second day of the 13th Asia Summit with an extraordinary lineup. These next speakers are visionaries who show us what it means to lead with intelligence across media, sports, entertainment, and technology. So tonight, we have a two-part program. First, a deep dive into K-culture and the creative economy with actor and producer Daniel Dae Kim and Kakao Entertainment Co-CEO Joseph Chang. And our moderator will be our very own Curtis Chin from Milken. And then with Grand Prix weekend just around the corner, which I know many of you will be joining, we'll shift into high gear with a fireside chat with F1 world champion and Aston Martin Aramco Ambassador Jenson Button, in conversation with Bloomberg's Haslinda Amin. So, settle in, buckle up, and enjoy these conversations. Thank you.

Announcer 01:10

Please welcome the panel on "Gonna Be Golden: How K-Culture Is Innovating the Global Creative Economy," moderated by Curtis Chin, senior advisor and chair, Senior Fellows, Milken Institute.

Curtis Chin 01:32

I'd like to think you were cheering for me. But you saw the sizzle reel, and so that sizzle reel gives you a sense of some of the terrific work on-screen, and also what Kakao Entertainment has helped put on-screen and some of the people that we're working for. So, these 35 minutes or so really builds off, in a way, an idea built on—because I watched Daniel Dae Kim, on my far left, on a limited TV series called *K-Everything*. And everybody, *K-everything*, right? From K-film, K-pop, K-drama, K-beauty, K-food. And so, when we put this together, because it's a Milken event, we just don't want great people on-screen. We also wanted really one of the leading business leaders, so Joseph with Kakao Entertainment. So, what I really want to begin with is to give Daniel a chance to talk about, if you haven't seen, you should see, the notion of *K-Everything* was to try and explain to people why is there this moment. So, what are some of those insights that you had shared on-screen, or did you just know?

Daniel Dae Kim 02:41

Yeah. Well, first of all, thanks for having me. Hi, everybody. Don't let me interrupt your dinner. Please eat, drink—

Curtis Chin 02:49

But eat quietly.

Daniel Dae Kim 02:51

Yeah. It seems to be a really popular topic these days. How can the rest of the world or the rest of Asian countries be like Korea? And I get asked that a fair amount, and the thing I would say is that it's not something that is the result of just one or two years of work. This is actually a decades-long process, starting from when Korea was democratized in the '90s. And so, at that point, there became an initiative to make cultural industry a strategic industry. And so, the government started using their ministry of culture and other ministries, and they started making a concerted effort to export culture. And what I mean by that is that they took initiatives in food, in music, and in drama. They poured millions of dollars, to the tune of actually, I think over the last 20 years, over \$10 billion into cultural enterprises. And so, what that meant was they would try and foster programs overseas for music. They would use musicians, K-pop musicians, to market things like food. I don't know if you guys know a band called Wonder Girls, but in 2009, they actually wrote a song that was all about how great K-food was. And people thought that was organic, but it was actually a multimillion-dollar effort to market K-food around the world. So, there is this kind of acknowledgment and understanding that it takes government effort over a long period of time to support these industries, but it's a combination of government effort and also business. We've seen the rise of Korean music labels, we've seen the rise of Korean film and media, and that's also no coincidence. This is a lot of things that I'm sure Joseph will talk about in a second, but it's government, business, along with the artists. And we shouldn't forget the artists in this equation. At a space like Milken, where we talk a lot about capitalization and marketing and monetization, it's really the artists who are the engine for all of these things. And you can't sell something if you don't have interesting points of view and people who are creating that content. So, it's all three of those things, and I really feel like I'm less qualified than Joseph to talk about the business end of it, so please I'd like to—

Curtis Chin 05:42

So, we're going to actually—now, before you even talk about the business side, tell us a little bit about Kakao Entertainment. For those of you who saw the sizzle reel we showed before, you might recognize IU, or you might recognize a show, but unless you are out here—we've got a lot of people watching online. They might not know Kakao Entertainment. So, if you could give us a little bit about that, and then let's continue on what Daniel was saying about that model.

Joseph Chang 06:05

I think there's a long version and a short version.

Curtis Chin 06:08

Short version. I only got 31 minutes.

Joseph Chang 06:10

I'll go with the short version. So, I think in a nutshell, I can confidently position Kakao Entertainment as one of the biggest entertainment companies in Korea. The reason being that we're in all verticals of the entertainment business, meaning music, media, and story as well. On the music side, I think we're the only player that's so

vertically integrated in the sense that we own and operate Melon, which is the largest music app in Korea. We're the largest distributor and licensor of music in Korea, market share of 31 to 35 percent, give or take. And not sure if Daniel's here from SM, but we own and operate labels like SM, Starship, and even where IU's part of, and also More Vision, where Jay Park is at. And also, we operate a ticketing business in Korea as well. We have e-commerce. We also have fandom platforms. And next year, one of the things that we're looking forward to is we're building the first music arena in Seoul that'll be called Kakao Arena. We'll be opening it around late June of next year. And on the media side, of course, as Daniel mentioned, it's the heart of the business, the artists. I mean, artists, creatives, they're the heart of the business, and we'll get into it later. Fandom is what surrounds it, what creates sort of our business all around this. But, sorry, coming back to Kakao Entertainment, we have actors and actresses on management companies that we've acquired throughout the last couple of years, and we also have production houses that house the A-list directors, producers, and writers, and also creative ad agencies. And also, on our webtoon side, we have webtoons and web stories, which a lot of our K-dramas and K-movies are adapted from. You've probably seen a lot of them. They've had number one on Netflix as well, so I'm pretty sure you're familiar with a lot of them.

Curtis Chin 08:00

Name some of them.

Joseph Chang 08:01

When Life Gives You Tangerines.

Curtis Chin 08:03

When Life Gives You Tangerines with IU. Big, huge hit.

Joseph Chang 08:08

Boyfriend on Demand, I think that was starring Jisoo from BlackPink earlier this year. We're also looking forward to—we have a lot of upcoming projects as well for next year. But in a nutshell, we're in music, media, and the story business as well. I think this is the reason why we're so vertically integrated. Some people might say it's not normal to an extent, but I would like to always kind of see it as we've created a playground for the fans, who we'll get into later, from a platform aspect and also from the IP aspect as well.

Curtis Chin 08:43

So, it's always interesting when, as I learn more through Daniel, through your show, through talking with you, you get a sense of, wow, it's much more complicated and thought through, and of course with some luck, than I thought. But then it makes me think when people ask me, "Oh, can Indonesia, Malaysia, Thailand, Japan, whoever, be the next Korea?" I think, well, if you wanted to do what Korea did, it means some sacrifices that maybe—but you can find your own way forward. And that word sacrifice came up when we talked about the model now. You talked about that model of entertainment. It's almost like old Hollywood, where the studios own the talent. And until you're big enough to break away, that relationship between management and artist is very different than it might now be in the US or elsewhere. So, if you could speak to that whole notion of the artist's part of that equation, because there's government, there's business, but then the artists have to sacrifice, but maybe they've been groomed by you all. So again, very different, if you could explain that.

Joseph Chang 09:41

I think if you just refer to just K-pop in general, I think K-pop, to the majority of people here, probably conceive it as groups, boy group or girl group. So, I think the difference in the management business, how it's run in the US and Korea, is that it goes with a lot of investment from the beginning. In order to actually build and actually launch a K-pop group nowadays, I would give it a minimum of \$20 million to \$30 million. This is just from inception of trainee to debut. So that in itself, it's a rough ballpark, but there's not a lot of companies that's able to take on that type of investment to an extent. So, with that investment also comes in the binding contract to an extent as well, where it's kind of fair for both sides as well, because artists will have the benefit of the company's investment and the company's manpower and whatnot provided for infrastructure. Whereas I think in the US, you would already have become an artist, then you would sign either with a management or an agency, if you're a musician, with a label, and etc. So, I think the way that it's formed, the business, the ecosystem of it, I would say it's pretty much the opposite. And just echoing what Daniel mentioned before as well, the government involvement is critical. I remember it was back in the mid- to late '90s when the Korean government started really fully backing culture, K-culture, like K-food and everything as well. And then I think early 2000s, I think the word *hallyu*, the K-wave, that's when it started emerging. You don't hear that nowadays, but fortunately, I think for us, it's kind of become a norm, hopefully. And I hope it continues going forward. But again, as to your question, so yes, companies, conglomerates did have to make sacrifices in order for the industry and for the genre to grow to this extent.

Curtis Chin 11:43

Interesting, as we think about Korean culture, but there is also, of course, the Korean model and the Korean-American work and model in the US. Daniel, I think people know you from *Lost*, from *Hawaii Five-0*. I don't know if you know, but he's also in *KPop Demon Hunters*. Healer Han, or who are you? But also, the story of *KPop Demon Hunters* is also amazing. We named this "Gonna Be Golden" because it was a famous story about Maggie or others. Well, actually, they couldn't succeed in this way, but they succeeded another way. Are there any insights from your experiences in *Lost*, *Hawaii Five-0*, *KPop Demon Hunters*, and some of the other things you're trying to work on that people also—we want this audience also to think about as they're thinking, well, do I just need to invest in your company? Or are there things emerging that you might be working on, right, that you might want to share also with us?

Daniel Dae Kim 12:45

There are like 10 questions in there, Curtis.

[Laughter]

Curtis Chin 12:47

And when we got together, at first I thought we only had 25 minutes. I'm like, I'm going to just throw questions, and then you tell me which one do you want to answer?

Daniel Dae Kim 12:55

I'll talk about *KPop Demon Hunters* because everyone seems to know that show. Anyone know that show?

Curtis Chin 12:55

Anyone know that show? Yeah. Woo!

[Applause and shouts]

Daniel Dae Kim 12:56

So, I play Healer Han in it, the guy who sells his tonic that is actually good for nothing. But it's an interesting case study because I get asked about that project all the time. And people use it as an example of how Korean culture has become successful around the world. But a few things to note about that project are that when it started, nobody wanted it. And everyone uses it as an example of how we should do things, but it was an orphan when it started. The studio that greenlit it thought so little of it that they sold a portion of it to Netflix instead of holding the ownership rights on their own. And so, it's interesting that when we talk about success stories, sometimes, most of the time in entertainment, we can't predict where they're going to come from. And so, we spend a lot of time after that chasing that success story, chasing that one movie. Right now, in our industry, it's *Backrooms* and *Obsession*. I don't know if you guys have seen those movies, but everyone's talking about those movies because they were very cheap to make and made a lot of money, which is every capitalist's dream. But the fact is, you can't bottle that. And so, if anyone tells you they can, run away from them. Because if you could, everyone would be doing it. So, *KPop Demon Hunters*, the thing we hold up now, is something that wasn't recognized as a potential success. But I will tell you this. I was in Korea, I guess, a year ago, and I was walking around the streets of Seoul. And everywhere I went, especially in the touristy areas like Myeong-dong, "Golden" was blasting from every storefront and every street food stall. And I would walk around, and I would see posters of *KPop Demon Hunters* all around Seoul, and I thought to myself, "What a watershed moment this is." Not because Korean culture was going global, but this is Korean-American culture. This is an American movie created by Korean-Americans, and it's the first one that ever had an impact in Korea. And as we talk about how Korean culture has transcended its own borders, it's important to talk about the other direction as well. I know Joseph has some things to say about this as well. But those things are the interesting dynamics of *KPop Demon Hunters* to me. But Joseph, I'm sure you have some thoughts.

Joseph Chang 15:49

Oh, *KPop Demon Hunters*, so yeah.

Daniel Dae Kim 15:52

Joseph worked at Sony when—

Curtis Chin 15:54

Oh, did you turn it down or?

Joseph Chang 15:56

No, I did not. But yeah, because we were just talking backstage, and I wasn't the one who passed on it. I was talking to Maggie about it. So, for me, it was just knowing how long it took to come out. I think it was like six and a half years it took. But I think timing-wise, it was perfect. And as to Daniel's point, too, after it became a global sensation, I think everybody in Korea got nervous. Everybody was asking, "Oh, this was not done by us in Korea." But my reply to that was, "You should be thankful." The reason why, for me, was everybody here in this room, at the age of six to 12, you remember the music and the content that you consumed at that age. So that's the main

demographic globally for *KPop Demon Hunters*. So, for us, as a genre, as a culture, as K itself, we're fortunate. It actually, I think, honestly bought us another 10, 15 years, potentially. And I think it speaks for the Korean-Americans, I think, in the US and also in Canada for Maggie, the innovation. And I'm very much looking forward to more of that coming out from the US, much, much more, and would love to work with you on that too going forward as well.

Curtis Chin 17:13

Don't get into deals, or you're going to cut a deal here. And actually, as you were talking about capitalists, I thought, no. Capitalist dream is you've created IP because now we're having *KPop Demon Hunters 2*. Who knows? And there'll be a whole world of offshoots and all coming out of it.

Daniel Dae Kim 17:29

And it made the creators, speaking of our earlier conversation, Maggie Kang and Chris, the directors, it made them very, let's just say, whole, financially whole compared to the first one. And this is the role of the artist. It doesn't happen without them. But to Joseph's earlier point, when we talk about K-pop and the K-pop stars that we all know and love, we're seeing the 1 percent of the 1 percent that start in these K-pop training programs. It's actually like—I liken it to Olympic training programs, where literally hundreds of thousands of kids will be sent into these programs, but a handful of them will actually compete in the Olympics. So, what happens to the rest? And from the artist's viewpoint, it's pretty daunting if you think about the odds, because they start these K-pop training programs when they're as young as eight, nine years old. They give up their childhoods. They have no real formal education other than what the training centers give them. They have the equivalent of homeschooling, and so their entire teenage years are spent learning how to dance and sing and act and PR. And let's be real, a lot of them are getting plastic surgery at 11, 12 years old. I once went to their training center and spoke to them, and I saw kids as young as 12, I guess, to 18, and half of them had bandages on their faces. And so, this is the reality of this business. And so, for those who make it, it's life-changing. But for those who don't, they're left with few skills and not much of a career. So, these are the chances that you take, and it's also why there's such a big spend in investing in these kids, because they know that for every one kid that makes it, I don't know, how many would you say? Dozens, hundreds don't make it.

Joseph Chang 19:38

Yeah. I think statistically, as I think I looked into this a few years ago, it was, let me get the numbers right. It was about 0.001 percent is the chance of you actually, not being recognized, I'm not saying even becoming famous, it's about like literally maybe being on TV to an extent, out of all the trainees in Korea specifically. There's a lot of trainees, as you mentioned.

Curtis Chin 20:05

What is the responsibility? I mean, you've got co-CEO of Kakao Entertainment, you're global president of SM Entertainment. What is the responsibility of the business or the company? Because it's this partnership. Oh, that's up to the artists to decide they're going to make those sacrifices, or that's the government's responsibility to take care of the people who don't succeed. What is it that you are, that key player? What are your thoughts? Because I read all this stuff from Korea about, oh, this one is upset that didn't get launched, and made all that. So, what do you think about in terms of now the individual, the artist?

Joseph Chang 20:37

I think the companies also do have to be responsible, as Daniel mentioned. Because there are so many kids that don't make it, so-called, even to the finishing line to an extent. So, I always feel that the training system has to evolve, and I think the major agencies in Korea, the major management companies sort of have that instilled because of the size, but I think it needs to go wider. And I think maybe a conglomerate of our size or even a few others should even maybe invest into having other educational programs or institutions to be able to teach the kids business acumen as well. Even as artists, they need business acumen, I feel. So, I think there needs to be more support on that front because I think it impacts them heavily mentally as well down the line. So, the mental care aspect of it is also very critical too.

Curtis Chin 21:28

Yeah. We've had some panels at Milken about Asian mental health, and of course, Korea, of some markets here in Asia, very high suicide rates. And so, what is the role of every part of society to deal with these issues? It's become a very serious conversation, and backstage you were saying, "Well, can I ask you some really honestly controversial..." I just go for it. So, if we think about Korea, we think about Korean-American, let's focus on music. One of the big issues that comes up is the Grammys. So, the Grammys famously have launched a new category that's like Asian music, Asian popular music. But BTS, some of the major acts said, "Well, then we're not going to submit because we don't want to be ghettoized as Asian music." Grammys said, "Well, no, we're trying to bring attention to it." What are both of your thoughts as you think about representation in America, or just, oh, we're so successful they're going to hide us away because they still want all the big prizes? What were your thoughts on that? It's still an unfolding story. Either of you.

Joseph Chang 22:30

Please.

Curtis Chin 22:30

Backstage you're like, "Yeah, we'll talk about that." Joseph.

Joseph Chang 22:34

This is being recorded, right?

Curtis Chin 22:36

Worse, it's being livestreamed. There's probably journalists watching us.

Joseph Chang 22:41

I think it's controversial. It is controversial because we did expect the backlash when it first got introduced.

Curtis Chin 22:49

Backlash for saying we're not going to submit music? Or what do you mean, backlash?

Joseph Chang 22:51

No, meaning having this category as an Asian pop category.

Curtis Chin 22:54

Ah, okay.

Joseph Chang 22:56

Because then for us, it was how is it defined? Which territories, which region, which language? So, for example, if a Korean artist sings in one version in Japanese, one version in Cantonese, and Mandarin, and Filipino, what is this? And where does it cover up to? So, for us, it was kind of vague in a sense. I know that from Grammys' perspective, they were saying that they were trying to give more opportunities to an extent, but I think on the K side, I think in general, like BTS, I know Stray Kids also pulled out. I think they have the full potential to actually be nominated and be awarded the main categories. So, I think that's where some disconnect was. So, I think it's still something that needs to be worked on. I know they're going forward with it, and I think it will also come with more controversies as we get onto it as well.

Curtis Chin 23:50

Daniel?

Daniel Dae Kim 23:52

I think that controversy is growing pains, honestly. We're at a really interesting crossroads because we're so used to understanding that the world is centered around North America, specifically the United States. So, when you talk about music, the assumption is that it's American music, and then when you create categories that are like, well, let's have a category for Asian music, but you're not saying this is American music. You're saying you have music, and then you have subcategories for Asia, which, by the way, has a much larger population than America. And so, the idea that we're looking at it from a Western lens is something that is being questioned now because of the emergence of musical acts that, let's be real, are far more successful globally than the majority of American acts. And so, I think what we're going to see is more questioning about what does music writ large, or the arts writ large, actually mean, as opposed to classifying and segmenting them. The analogy I think of is baseball. How many years have we had the World Series, right? But every team is from North America. And so, it's only because we thought of the world as North America. We're starting not to think that way anymore. If we truly had a World Series, we'd have Japanese teams, we'd have Korean teams. That would be fun, and it would be an American championship. But it's only because of the success of these kinds of acts that we can start to ask these questions now. So, it's actually a positive, and it requires us to think more globally now.

Joseph Chang 25:43

I think it'll be a phase.

Curtis Chin 25:44

I'm sorry?

Joseph Chang 25:45

It will be a phase.

Curtis Chin 25:46

Phase, absolutely.

Joseph Chang 25:47

There will be a sequence of it.

Curtis Chin 25:48

Absolutely. One of the string of questions I threw at you earlier, Daniel, was about projects that you're working on. I understand you're involved with—is it a film fund? Just in terms of trying to help raise money, or explain to me, did I get that wrong?

Daniel Dae Kim 26:02

No, I mean, I've had a production company for about 16 years now.

Curtis Chin 26:08

Yeah, a while.

Daniel Dae Kim 26:08

And I'm sure a big topic in the conference is the unpredictability of markets these days, and entertainment is no exception in the United States. We've had a massive contraction in the kinds of entertainment that is being greenlit. And the people that are getting affected most in a negative way are people of color, people who look like us on this stage. And so, my company, after having gone through that period of peak television, is still standing, thankfully. And it's actually doing quite well. But the question for us as a survivor, when so many other production companies have gone out of business over the past two or three years because of this change, is what's the next stage? And I think what's really important is to take a page out of Joseph's book, is to think about how to have more ownership over the things that we create, whether it's IP ownership or how to take control of the creative process from a more upstream level, as opposed to we create and then we try to sell. And I think part of that ownership is thinking about how to be able to not only fund development, identify interesting projects, but also be able to fund them from beginning to end. And so, to me, the next stage is really figuring out how to create a company and a fund so that if we can identify, with the proper creatives, as we discussed earlier, take the heart of our business and marry it to the business side of things. And I think that's going to take a unique set of skill sets—skills. I think it's going to take someone who understands the creative process, who understands the business of entertainment, and, pertinent to this conversation, who understands what it means to bridge cultures. Who understands that the world is becoming increasingly globalized and smaller. All of the content that we watch is—we're watching Korean content; we're watching Japanese content. I think most of us in this room have a sense of how international it is now. So, I think my company's pretty well-positioned to capitalize on all of those things, no pun intended. And so, yeah, I am looking for some thought partners, some people to explore this with.

Curtis Chin 28:44

Are you looking for capital?

Daniel Dae Kim 28:46

Yeah, I think that's part of it, for sure.

Curtis Chin 28:48

You heard that, right? And Joseph, you heard that, right? Earlier we were talking about, again, opportunities and investments, and in a way, I think maybe what you, Daniel, you said, actually, entertainment is one of the few things in this divided world of ours that has helped bring people together. Content that you've worked on, artists that you work with are loved in so many places. One of the K-sports—one of the things that wasn't in the K is K-sports. I saw you and Ken Jeong have invested in a Major League Baseball team, and I remember when we first spoke on a Milken Institute panel in Los Angeles, one of the points of the group is that we have to take charge and own the studio or own the fund, so we will make the decisions and decide what is right. What motivated this investment, and explain to us a little bit about what that was.

Daniel Dae Kim 29:45

Yeah, so there's an investment group started by the former pitcher Chan Ho Park, who played for the Dodgers and also was a big Korean star. And he got together a bunch of notable Asian-Americans and said, "Why don't we do, for a Major League Baseball team, what the Dodgers have done for Japan?" For some of you who don't know, the Dodgers have done such a great job marketing to Asia that a huge percentage of their fans are now traveling from Japan because of Ohtani to see Dodger games. And so, they have all sorts of marketing materials specifically targeted to the Japanese market. But the Dodgers, much like Korean culture, have been doing this for decades, from Hideo Nomo back in the '80s and '90s. So, Chan Ho Park thought, well, it's time for Korean culture to spread that way. Korea has a thriving baseball league, and so a number of us got together, and we purchased a minority stake in the Oakland, soon-to-be Las Vegas, A's, with the goal to try and do for Korea what the Dodgers have done for Japan.

Curtis Chin 30:59

Wow. Congratulations on that.

Daniel Dae Kim 31:04

Thanks. Making it a "World" Series.

Curtis Chin 31:08

Joseph, when you hear that, does it spark another business line you're going to be involved in? Or are you already involved in the world of sports? Again, arts, culture unites people, so does sports.

Joseph Chang 31:18

Sports, not yet fully, but we are on the commerce side. We are working with Samsung now, so they're like the LA Dodgers of Korea. So, we're involved in that sense, but not to the full extent. If Daniel let us in, that'd be great, though.

Curtis Chin 31:35

As we talk about why was *K-Everything* so successful, we were focusing on K-music, K-pop, K-film, K-TV. One of the things, Joseph, you shared with me was the power of the fandom. Could you explain what that is, and is it unique to Korea, or did Korea lead the way? What did you mean when you said our success is the fandom?

Joseph Chang 31:55

I think our business, specifically K-pop, is a very fan-centric business. It's centered around the fans, the fandom. Of course, at the center of it, as Daniel mentioned, the heart of it is the artists, the creatives, and the lungs, I feel, are the fans. And I think what's special about the K-pop fans is that I think the concept of fans has been around for, what, centuries and decades, since Mozart. He had fans right back in the day. But I think what's happened on the K-pop side is they were able to, I think, systematize it, the fandom, how they're so well-synchronized, organized, and coordinated. They can support the artist, and they have this sense of community amongst themselves, amongst the fans, too, and also have this level of competitiveness for the artist, supporting the artist. And Daniel did mention sports before, so it's a very similar analogy. If you're a fanatic sports fan, if you have a favorite baseball team, football team, soccer team somewhere around the world, it's the mentality of it. If you support your team, you would look at their content, you consume their content, study about the players, and you would actually go to the venues or the stadiums to show your support for the team and for them to win. So, for us, the venue is a chart for the fans, for them to compete. So, there's a competitive nature to it as well, but I think how the K-pop fans have positioned themselves, I think, globally, is that—I think it comes from a community perspective as well. They're very closely well-knit, and I know I've seen similarities with other pop stars' fandoms too, but K-pop's done it, I think, with different groups, a variety of groups, and over recurrence. So, they're able to do it over and over and over again. They're so well-coordinated, again, and they're so knowledgeable, the fans. Sometimes I think they even know more about charts than some of our execs, to an extent as well.

Curtis Chin 34:11

I met with one of the Korean ambassadors in the region, and I always ask the question, why has Korea been so successful? And he said, in his mind, it was the fandom particularly. We saw it during the pandemic when there weren't live performances. These groups had built relationships with fans, and so even if they're not out there yet releasing new music or out performing, there was a way to communicate and still keep that connection with them.

Daniel Dae Kim 34:35

Can I comment on that also?

Curtis Chin 34:36

Absolutely.

Daniel Dae Kim 34:38

The fans are important because it's the source of revenue for all the companies, and that is true. And at the same time, one of the things that really strikes me about K-pop fandom is how much hope they get from being a fan of these bands. The message from bands like BTS is very specifically positive. Messages of unity, messages of equality. This idea that it doesn't matter what you look like or where you come from, if you are one of us, you're welcome. And it's very powerful. I recently went to a BTS concert, and I'm not just singling out BTS. This is just my recent experience with them. And I couldn't get over how kind everyone at the concert was to each other. They had made—everyone was exchanging these homemade pins and crafts and things that they had sewn and trading

them with each other. And everyone was just greeting each other, and it felt like what I would imagine Woodstock would've been like in the '60s. But that feeling is something that is rare these days, when our politics seeks so much to divide us. And you could argue that it's crassly commercial, blah, blah, blah, and that part of it is true, and at the same time, so many people are getting hope from the messages of these K-pop stars. And it's a choice to be positive when you're a singer because we all know the genres of music that are not. They focus on a different kind of ethos. But K-pop is positive.

Curtis Chin 36:20

Absolutely. It's a whole genre of optimism in a way. We're down to the last couple minutes. I really wanted to wrap by asking each of you. I'll start with you first, Joseph. As we look to the next year or I don't know, is there anything that you would suggest that people watch, listen to? It could be some of your own work coming out of Kakao Entertainment, because some things are really promoted, but sometimes we find the smaller things they don't know, right? The big groups they know, but there's this up-and-coming one people really should pay attention to.

Joseph Chang 36:51

I think there's just so many projects. If I mention one by one, it will probably take up all the time. I think maybe look at how Kakao Entertainment develops next year in terms of, from a platform perspective and from an IP perspective. So, from a platform perspective, as I mentioned, we have the music DSP or the fandom platform, the e-commerce, the ticketing, and the arena as well. For us, it's creating a playground for the fans to have that experience, where the heart of it, again, is the artist, where some of the IP part comes in. It's growing our artists, too, and it's also honoring and supporting them as well at the same time. So be on the lookout, I think, for next year, for all the projects that we do have upcoming. It probably won't be labeled as Kakao Entertainment. It will probably be labeled as a lot of other things, but please do keep us in mind and be on the lookout.

Curtis Chin 37:40

One thing, just quickly, I know these were long questions, but just a quick answer. We talked backstage about—a focus at Milken tomorrow is AI. Are we going to see something new and different emerging, or is AI already integrated into all you do as you think about what's to come and what we're looking at coming from you all?

Joseph Chang 37:57

Kakao is a tech company. The mother company is a tech company, so we are a tech company at heart, by nature as well. We are very, I would say, AI-native as well. And in the music space, I would say AI is a tool. I see it as a tool. It's an instrument of sorts, which is a pretty advanced instrument, but I see it as an instrument of sorts. So, I feel that personally, AI in the music space, it will help the efficiency of things going forward, and I already see a lot of people utilizing it, the producers as well. So, I look forward to what's next in terms of AI for me.

Curtis Chin 38:31

Daniel, as you look ahead, is there anything you want to flag for people to pay attention to that you're working on, or just—

Daniel Dae Kim 38:37

If we're going to talk about AI, we need another hour at least.

Curtis Chin 38:41

And I've already invited you to come back. So, remember, we could just do an AI thing. But as you think about specific smaller projects and all.

Daniel Dae Kim 38:48

I would invite people to take a larger look at entertainment. Note some of the things that we've been talking about here. Like, when you're watching things over the next year or two, ask yourself, is this global content, or who is this targeting? Who is being represented on screen? What kind of entertainment is this? Because these are things that reflect the trends in our own culture. And so, in the same way that we had shows like *Beef* and movies like *Parasite* that were groundbreaking shows, what are the shows that will be honored in the next year or so, and will they reflect those same values? I think that's something, as we see our art—life imitating art, imitating life, that it's good to think about.

Curtis Chin 39:47

No, thank you. This panel was called "Gonna Be Golden: How K-Culture Is Innovating the Global Creative Economy." I think you've seen the back and forth, Korea, Korean and America. Ladies and gentlemen, please join me in giving a big round of applause to Daniel, Joseph. Thank you so much.

Disclaimer: This transcript was reviewed by individuals for accuracy and serves as a reference. However, it may still contain errors or omissions. Please verify any critical information independently.