

## Success Stories: Ideas for Potential Players

S/M Service / Media

### KBS WORLD

Sales / Services

#### KBS Japan KK

##### Broadcaster Helps Open Window onto Korean Culture



*Great Expectations is one of many Korean television dramas that have grown in popularity among Japanese audiences.*

*Winter Sonata*, a televised series produced by Korea's largest broadcasting network, Korean Broadcasting System (KBS), marked high ratings when it was aired in Japan in 2003. This popular show triggered the "Korea boom" that followed, in which a number of the country's TV programs and movies became hits and Korean actors and actresses saw their popularity skyrocket. Japanese interest in Korean culture in general snowballed.

KBS set up its Japanese subsidiary, KBS Japan KK, in October 2005. Why did the company decide to enter the Japanese market two years after *Winter Sonata* touched off the Korea boom? One key reason was its judgment that this was not just a temporary trend, but the start of a lasting period of interest in Korea. KBS predicts con-

tinued, wide-ranging demand not only for dramas but also for other Korean TV productions, including news and documentaries.

The Korean broadcaster tapped Mr. Wang Hyun-chul, a TV veteran with 20 years of documentary production experience at KBS, to serve as the first president of KBS Japan. Mr. Wang had been in Japan as a foreign correspondent from 1998 to 2001. This was his first time managing a company, though, and the tasks before him were challenging. He had to start working while looking for office space and obtaining a broadcasting license—all in a foreign land.

As a temporary measure until KBS Japan lined up its business location, he and his staff made use of free office accommodation provided by JETRO in its Invest Japan Business Support Center (IBSC). Looking back on that time, Mr. Wang recalls: "The office provided by JETRO already had phone and fax lines installed, as well as Internet access. We also got a wide range of advice from JETRO—on the formalities for setting up a company and on legal and tax issues, among other things. If we hadn't had JETRO's support, I'm sure that it would have taken us much longer to get our operation off the ground."

- 2005 KBS Japan KK established
- 2005 Office and broadcast center opened in Akasaka
- 2006 Receives broadcasting license from the Ministry of Internal Affairs and Communications
- 2006 First broadcast on Sky PerfecTV! channel 791 in March
- 2006 Scheduled to begin broadcasts on J:COM channel 276 in October



KBS WORLD

*KBS Japan President Wang Hyun-chul hopes broadcasts will increase understanding of contemporary Korean society.*

KBS Japan has a staff of 18, including one Japanese. All are fluent speakers of the local language. "Since we're working in Japan, I decided to recruit Japanese speakers," he observes. "So I haven't experienced any barrier



*KBS World's programming is compiled to suit the interests of Japanese audiences, and 70% of its broadcasts include Japanese subtitles.*

to entry to the Japanese market—not even the language issue."

KBS Japan takes programs broadcast on the four KBS channels and compiles them into shows adapted to Japanese viewer preferences. The company began broadcasting in March 2006. Programming is available 24 hours a day on Japan's Sky PerfecTV! CS broadcast system on a channel called KBS World.

Adapting the programs for the local market is a time-consuming process. In addition to compiling the original programs into new shows, KBS Japan also provides some 17 hours (about 70%) of each day's programs with Japanese subtitles. This work is costly, but Mr. Wang hopes to cover these costs by increasing revenues from the licensing and sales of programs on video and DVD.

KBS Japan has set a target of 1 million subscribers for its KBS World channel by the end of 2006. Beginning in October major cable operator J:COM TV Digital will also carry KBS World, so this target seems certain to be met. The company is moving ahead to conclude agreements with other cable operators, and is also considering providing programming for the TV systems used in Tokyo's major hotels.

KBS Japan is making full use of the Korea boom to find business opportunities in Japan. Mr. Wang identifies one special characteristic of the Japanese market that has proved particularly beneficial: "Japanese tend to become very immersed in their hobbies or interests." This is certainly true of the many Japanese women who have gone crazy over Korean actors during the recent Korea boom.

When asked about his hopes for the future, Mr. Wang points out that TV shows can provide an entry into cultural exchange between Japan and Korea. "By supplying our programs, I hope to help Japanese people get an accurate idea of what real life is like in Korea."

**Japanese Operation**

- Established :** October 2005
- Capital :** ¥215 million
- Employees :** 18
- Business :** Television production and broadcasting
- Location :** 2nd Floor, Akasaka Shuzan Bldg., 5-5-13 Akasaka, Minato-ku, Tokyo
- URL :** <http://www.kbsjapan.co.jp/>
- Parent company :** Korean Broadcasting System (Seoul, Republic of Korea; employees: 7,000)

