

# The Multifaceted Impact of BTS: Driving South Korea's Economy, Soft Power, and Cultural Exchange

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**Abstract.** It is noteworthy that BTS, a South Korean boy band, is reported to contribute 0.3 percent of the Korean GDP, a figure that has sparked scholarly interest and extensive research. This paper draws on recent academic literature and data published by different platforms to further address the issue of how BTS promotes Korean development. It also incorporates a variety of music content released on the official BTS channel. The paper reveals that BTS significantly impacts Korea in three key areas: the economy, diplomacy, and culture. The group becomes an important force driving economic development in South Korea, enhancing the country's global standing, and promoting its image. These findings underscore significant implications for global cultural interaction and the promotion of multiculturalism. BTS's influence extends beyond economic and diplomatic realms, fostering a cultural exchange that enriches and diversifies global cultural landscapes.

**Keywords:** BTS, South Korea, Music Industry, Cultural Diplomacy, Multiculturalism.

## 1. Introduction

BTS, abbreviated from Bangtan Sonyeondan or "Bulletproof Boy Scouts" in Korean, is a seven-member South Korean boy band that has become a global sensation, known for its music blending various genres and its impactful messages addressing social issues. In the era of globalization, the cultural industry has become a significant manifestation of a country's soft power. The rise of Korean pop music, particularly BTS, has not only transformed the global music market but also had a significant impact on the Korean economy [1]. This study aims to analyze the specific impact of BTS on the Korean economy and the mechanisms behind it. The main research question revolves around understanding how BTS impacted Korea's economy, diplomacy, and cultural industries.

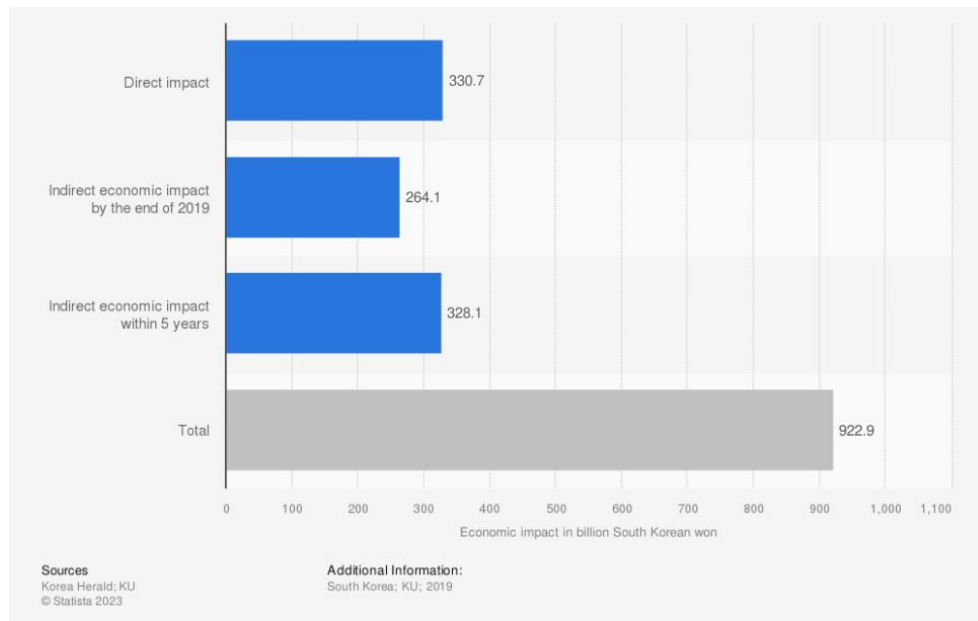
The paper focuses on the impact of BTS on the music industry, its role as a cultural symbol and its position in the context of globalization. Existing studies provide the theoretical and empirical basis for this paper, but many fall short of offering a comprehensive analysis of BTS's multidimensional impact on overall Korean development. This paper aims to fill this knowledge gap through a more exhaustive examination. The research materials consist of music sales data, market analysis reports, and documentation of BTS's social and cultural activities. The research methodology combines textual analysis and case studies, applying cultural economics and globalization theories to interpret these materials. The impact of BTS as a cultural phenomenon on the Korean economy extends beyond the traditional music industry, involving cultural export, international image building, and new globalization strategies.

## 2. Economic Impact

BTS plays a significant role in the South Korean economy as a cultural representative and musical phenomenon. This impact is not only reflected in the group's CD sales volume but also embodied in multi-dimensional economic effects, such as commercial corporations and brand endorsements. In an article published by Seth Abramovitch on Hollywood Reporter, it is stated that this boy group brought a revenue of 4.65 billion dollars to South Korea's GDP, which is even enough to put them in the same league as Samsung and Hyundai [2]. This chapter will discuss the positive economic impacts brought about by BTS.

## 2.1. The K-pop Industry

According to NH Investment & Securities, as the highest-grossing K-pop performance group, BTS generated about 880 billion won (about 615 million U.S. dollars) in sales in 2021 alone, accounting for about 70 percent of the agency's revenue. In 2020, the proportion of BTS was even higher, reaching nearly 92% [3]. Such a staggering statistic shows the significant economic impact the BTS has had. There are mainly three parts that brought its musical income, consisting of world tours, music streaming, and album sales. Firstly, it comes to tours. Take the tour known as "Love Yourself: Speak Yourself" in Seoul as an example. According to the Statistics Research Department, as Figure 1 shows, the direct economic impact of concerts is 330.7 billion South Korean won, which equals approximately 250 million US dollars. Notably, 23000 out of the total 130000 spectators, around 18%, are international fans [4].



**Fig. 1.** Estimated Economic Impact of BTS Concerts Held in Seoul in October 2019 [4].

Direct economic impact refers to the economic impact of the concert itself, including ticket sales, food and beverage services, and other economic value created by the concert event itself. Containing the indirect economic impact by the end of 2019 and within 5 years, the total impact brought to South Korea is 922.9 billion won, approximately 699 million US dollars [4]. Indirect economic impact indicates that concerts have indirect effects on other related industries and economic activities, such as economic growth in tourism, business partnerships, and peripheral merchandise sales. Since concerts create demand and stimulate the development of related industries, they have a broader economic impact than the public had initially expected.

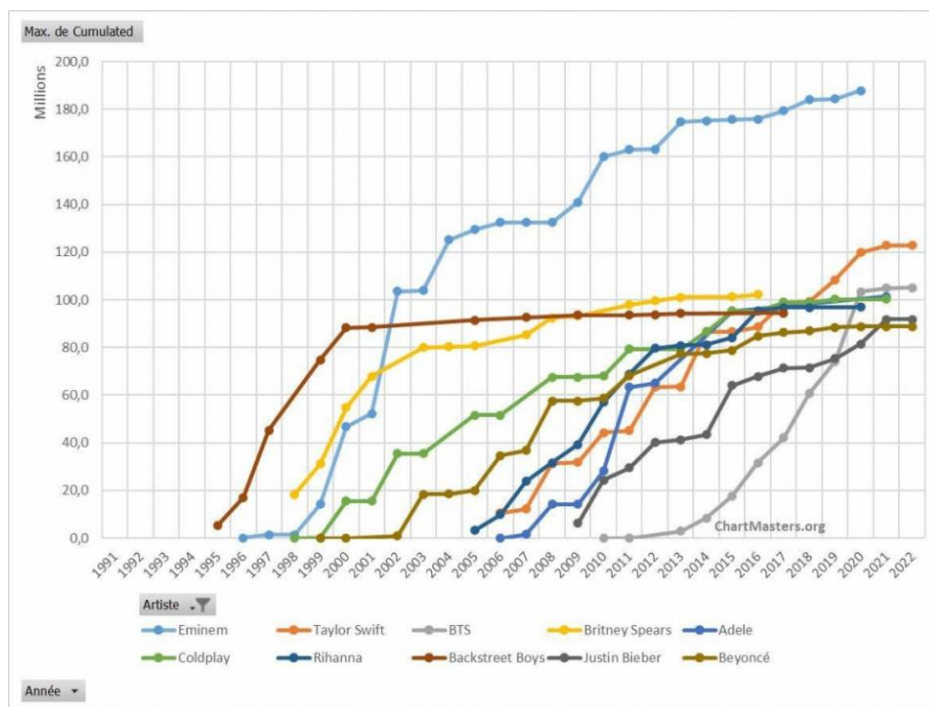
## 2.2. The Global Music Landscape

As a K-pop boy band, BTS has communicated and connected with the whole world through music. The leader of BTS, RM, has emphasized the power of music for many times. In various interviews, he conveys that language holds less importance compared to the past, expressing a desire to transcend not only linguistic barriers but also personal limitations. According to him, the power of music lies in its ability to transcend borders, boundaries, and limits, embracing a universal appeal beyond language and topic restrictions [5]. This is the reason why BTS can achieve significant records in the music industry. Due to technological advancements, music is commonly accessed and showcased on diverse online platforms like Spotify, Apple Music, and Melon. Based on Chart Data, on December 10<sup>th</sup>, 2023, BTS became the first group to surpass 37 billion streams on Spotify gaining nearly 6 billion streams that year. BTS has achieved a significant milestone by becoming the first group to hit 37 billion streams [6].

Moreover, the group is the first South Korean and Asian act to reach this achievement. It is also worth noting that BTS holds the record as the most-streamed group on the platform. BTS's songs have been widely popular on major music streaming platforms, with high numbers of plays and downloads. According to Billboard, a list showing the most popular and best-selling music at the moment, BTS's work *Butter* joined the exclusive ranks of only 40 songs in "Hot 100 history" to spend 10 weeks or more at the chart's pinnacle. Additionally, it boasts the title of having the most extensive YouTube premiere ever, among various other accomplishments [7]. Released in 2021 during the global pandemic, this song aimed to provide entertainment and joy despite the restrictions and quarantine measures people faced. *Butter* is an energetic and upbeat song designed to combat stress and insecurity, encouraging listeners to maintain a positive attitude in difficult times. Beloved by a large number of people of all ages, the song has achieved great success worldwide, earning high positions on music charts. Therefore, through its high number of plays and downloads on major music streaming platforms, BTS has cultivated a large global audience base. This has not only increased the international visibility of its music but also generated significant revenue for the Korean music industry.

### 2.3. Album Sales

Besides tours and music streaming, BTS is also well-known for its marvelous album sales. BTS started selling its albums in 2013 and achieved immense popularity around 2017 due to its explosive album sales. As indicated by Chartmasters (refer to Figure 2), despite being the last to debut among the listed artists, BTS surpassed several international icons including Rihanna, Beyoncé, Justin Bieber, Adele, and others [8].



**Fig 2** Album Sales from 1995 to 2022 [8].

Figure 2 vividly shows the enormous impact BTS has brought through album sales. Not only have they left a significant mark in Korean history, but they have also made a substantial impact on global music history. According to Chart Data, its best-selling album named *Map of the Soul: 7* has surpassed over one million in pure album sales, making it the first and only K-Pop album to sell over one million physical copies in the U.S. [6]. The success of BTS's albums has both increased Korea's export revenues and enhanced Korea's position as a global leader in the cultural industry.

BTS has made a significant contribution to the Korean economy through its success in the music industry, business collaborations, and brand endorsements. Its album sales, tours, and partnerships

with international brands have boosted the Korean music industry and created substantial economic value for the country.

### 3. Diplomatic Impact

The use of an idol boy band as a diplomatic tool has been uncommon and unexpected in recent decades. However, BTS has achieved this milestone, bolstering South Korea's soft power. As reported by *ABC News*, the global impact of Korean culture is seen as a symbol of "national prestige, and South Korean President Moon Jae-in has expressed gratitude to BTS and other representatives of Korean culture. He noted that their contributions provide significant support on the diplomatic front [9]. It strongly indicates the importance of BTS for South Korean diplomacy.

BTS launched the "Speak Yourself" campaign in 2019 to promote self-expression and self-affirmation. The campaign emphasizes the power and voice of young people, and advocates for diversity, inclusivity, and positive social change. Since its advocacy philosophy is in line with the United Nations' Sustainable Development Goals (SDGs), BTS was invited to give a speech at the United Nations General Assembly. This speech, particularly delivered by RM, is a typical example of how they have been utilized as a diplomatic tool to enhance South Korea's soft power. The speech was delivered during the inauguration of UNICEF's new global partnership, "Generation Unlimited". It was analyzed for its language, ideology, and power, which revealed the speech's effectiveness in conveying messages about empowering young people in education and employment. The use of simple present and past tense, along with first and second-person pronouns, created a direct and engaging tone that increased the impact of the speech on a global audience, underlining the emotive and persuasive nature of RM's address. The "Speak Yourself" campaign and the UN speech demonstrated BTS's sense of responsibility as a cultural representative, providing strong support for Korea to break down cultural barriers and promote international understanding and cooperation. Through these two campaigns, BTS created a positive image on the international stage and became a cultural ambassador representing Korea, setting a positive example for Korean diplomacy [10].

BTS justifies its role as a mediator and facilitator of intercultural communication demonstrating respect for the distinct cultures of the nations it visits, akin to a diplomatic entity adhering to conventional rules of classical diplomacy. A compelling illustration of this approach is evident in their concert held in Riyadh, Saudi Arabia. According to research by Băjenaru, BTS, having familiarized themselves with the customs and nuances of Arab and Islamic culture, ensured that the concert did not coincide with evening prayers [11]. Rehearsals were rescheduled to allow local staff to observe daytime prayers quietly. Furthermore, female staff members from Big Hit wore traditional attire (abaya) as a gesture of respect for local customs. During their performance, BTS appeared on stage with subtle makeup and incorporated cultural elements into their dance. They refrained from bowing to the audience at the conclusion of their show, a departure from the customary practice in their culture, considering that Muslims reserve bowing for Allah. Leveraging their global popularity and iconic status, BTS actively promotes cultural and humanitarian messages. Notably, they hold acknowledged positions within the United Nations, serving as global ambassadors for UNICEF, as mentioned earlier. Băjenaru highlights that these partnerships not only elevate their status on a personal and musical scale but also play a role in furthering South Korea's cultural agenda. [11].

BTS's collaborations with international artists represent a significant aspect of its role in enhancing South Korea's soft power. For instance, they have cooperated with Halsey (an American singer) for *Boy with Luv*, Coldplay (a British Pop-Rock band) for *My Universe*, Lauv (an American musician) for *Make It Right*, and others. All of these songs achieved amazing results throughout the world on music charts and gained popularity among the public of all ages. As a result of cross-cultural cooperation, *My Universe* demonstrates Korea's openness and emphasis on international cooperation in the context of globalization. Through the fusion of English and Korean lyrics, the song reflects the inclusiveness of Korean culture and its willingness to communicate and integrate with different cultures, showcasing cultural diversity and inclusiveness. The use of multiple languages also

demonstrates the internationalization of Korean culture. Besides the music itself, when BTS got in touch with Coldplay privately, they exchanged gifts. BTS gave Coldplay modernized hanboks, a traditional clothing of the Korean people; a few months before, Chris Martin gave them Coldplay merchandise and “Love” buttons. According to a post on Koreaboo, the Love Button Global Movement shares a commonality with BTS’s “Love Myself” campaign for UNICEF, as both initiatives have an international humanitarian goal centered around advocating for love, encompassing love for oneself and others [12]. This was an act of delivering love and passing it on.

BTS has served as an ambassador of Korean culture in international diplomacy. It has promoted the “Korean Wave” and participated in international charitable activities to raise the visibility of Korean culture globally and promote cultural exchange and understanding. BTS’s cooperation with UNICEF and other charitable organizations not only expresses its sense of social responsibility but also creates a positive image of Korea in the international community.

#### **4. Cultural Impact**

BTS’s influence is not only limited to music but also extends to food and culture, making Korean cuisine one of the most popular cuisines internationally. Without demanding BTS to change language, BTS’s non-musical content is still welcomed by a large number of global fans, such as *BTS In The Soop*, *Run BTS*, and *Bon Voyage*, which involve all members using Korean.

For example, in *Run BTS!* episode 146, all members were required to wear traditional uniforms while doing their missions in a Korean-style village [13]. In the program, they combined modern fan connections and ancient history, such as army sticks placed in scenes displayed like ancient Korean prisons. Also, at the end of the program, members Jin and Suga lost the game, so they were punished by ancient methods, being beaten on the bottom with a wooden stick. Besides the variety shows, BTS members often wear Korean costumes in many situations, such as performing on the Jimmy Fallon Show, recording a New Year video or talking at the award ceremony. Through these actions, they promote traditional Korean costumes and history all over the world. Fans who watch their shows are able to get in touch with more cultural information in an entertaining way. By wearing hanbok, BTS, as an internationally recognized representative of the Korean wave, has shown the world Korea’s traditional culture. This is not only a way to honor and pass on Korean cultural heritage but also an effective way to promote Korean traditional culture to the international community. As a globally recognized cultural icon, the act of BTS wearing hanbok is also part of Korea’s soft power strategy. Through the dissemination of pop culture, Korea uses Korean pop stars to increase its cultural influence and appeal internationally.

Food is also a part of the achievements that BTS has successfully promoted. For example, in a show called *BTS In the Soop*, team member V cooked nurungji, also known as Korean scorched rice [14]. Recently, research done by Razi et al. shows that the highest percentage of fans noted that the BTS programs aided in comprehending Korean culture, particularly in terms of cuisine [15]. Hence, a significant number of BTS enthusiasts enjoy consuming Korean dishes like Bibimbap, Kimchi, and Ramen (instant noodles). Moreover, BTS's non-musical content has sparked an interest in learning Korean among many fans. According to Razi et al., young adults constitute the predominant audience for BTS's non-musical programs, suggesting their engagement with the culture during these shows [15].

BTS’s cultural influence is reflected not only in its music but also in its incorporation of traditional culture, fashion, and social issues into its performances. This helps to break down cultural barriers and raise awareness and understanding of Korean culture among fans worldwide. This demonstrates that cultural boundaries are flexible. When Korean culture spreads globally, it blends with local cultures to create a multiculturalism that is more widely accepted. This is evidence of the adaptability of cultures.

## 5. Conclusion

BTS contributes to increased revenue generation for the Korean economy, strengthens Korea's soft power as a diplomatic tool, and promotes the popularization of culture. Given that it is the government that helps to promote pop culture abroad in Korea, concerns arise about potential limitations to this action, which might constrain BTS's development as a music band. For instance, the group may choose to moderate their team members' expressions because of its political stance, and diplomatic duties can limit their freedom to manage their time. However, the impact of these factors on BTS, which is worth studying, has received little attention in current academic research. Therefore, future research on global cultural phenomena, with a focus on BTS, could use comparative analyses with other influential cultural icons, examining its respective impacts on diverse aspects. Investigations into the role of fan communities and social media in promoting multiculturalism would shed light on the research field.

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