

Exploration of the Marketing Strategies of K-Pop Industry in Communication Based on Fan Economy

Yunfei Mu

*Television School, Communication University of China, Beijing, China
muyunfei0119@asu.edu.pl*

Abstract. This research is based on the background of the fan economy becoming an increasingly popular trend in the K-pop industry. Companies release albums, design merchandise with photo cards, and create a virtual social platform, Bubble to attract fans. Also, K-pop companies constantly apply fan abuse behavior to manipulate fans' emotions and thus strengthen their attachment to the idol groups. The main theme of the research is to analyze the utilization of fan economy in the marketing strategies of K-pop companies and the related communicational impacts, as well as the fan group's feedback. The research uses a questionnaire to inquire about K-pop fans' purchasing preferences, consumption behavior, and attitudes towards companies. Moreover, the research takes a specific K-pop girl group, ITZY, as a case study example to support the further analysis of the K-pop industry's common practice. The research found that the K-pop industry expands its business channels from physical merchandise to virtual social platforms and utilizes fan psychology in its marketing strategies. The related reaction of the fans is the increase in consumption and the enhanced loyalty of the core fan groups. In conclusion, fan economy is an essential element in the K-pop industry's marketing strategies, which includes physical merchandise, virtual satisfaction, and mental control of the fans. It also brings crucial communicational impacts and reveals the necessity of balancing K-pop companies' aim of earning profit and the fan group's choice of making rational consumption.

Keywords: Fan economy, marketing, K-pop, communication

1. Introduction

This research is based on the growing popularity of K-pop culture, which has brought huge impact on K-pop fans. With the closer relationship being built between K-pop idols and companies and their fans, fan economy is a valuable part in the marketing and communication of K-pop industry. Therefore, this research is of great significance in the study of the marketing strategies and the communicational impacts of the influential K-pop industry in modern times. The research mainly focuses on the specific strategies and its relative results that K-pop companies applied utilizing fan economy. By using questionnaire and taking ITZY, a representative K-pop girl group as a case study example, the research can have a clear insight of K-pop fans' consumption behavior and attitude, as well as K-pop industry's unique marketing strategies, enabling a more logical and comprehensive

analysis. The aim of this research is to explore and analyze fan economy's role in K-pop industry, including the design of K-pop companies' marketing strategies and fan psychology's influence.

2. Background

2.1. The concept of fan economy

Fan economy generally refers to business-oriented revenue-generating behaviors based on the relationship between fans and idols. The monetization of the fans' emotions is making fans the center of the fan economy. According to Yang, fans are a specific form of nuclear data, which was deeply explored and gradually formed a fan economy [1]. The fans' obsession with idols is transferred into consumption behavior and even sustainable business value. "K-pop culture indeed has a positive impact on fans, which would increase one's interests and hobbies and diversify the public's aesthetic" [2].

2.2. JYP entertainment's K-pop girl group ITZY

ITZY is a K-pop girl group from JYP Entertainment. With 5 members, they achieved their debut in 2019 and had their latest comeback on June 9, 2025. Before this year's comeback, they had already received first place 48 times on official K-pop stages, ranking third among the 5th generation of K-pop girl groups. With a solid foundation of fan groups and a unique "girl crush" style, ITZY is a standard, qualified example of a modern K-pop group.

By taking ITZY as a specific case to make an auxiliary analysis, the question of how K-pop industry is utilizing fan economy in their marketing strategies and how the fan group react to these methods can be answered and discussed clearly through the analysis of several symbolic events, some classic business strategies of the company and the feedback of the fans of the girl group.

3. Methodology

The questionnaire aims to address the basic needs of K-pop fans when making consuming content about their idols, as well as their attitudes, reactions and changes in behavior towards the marketing strategies of K-pop companies.

There are 15 questions in the questionnaire, and the participants are 100 K-pop fans randomly chosen from Rednote, Weibo, and Wechat, aged from 14 to above 35, with females making up 89% and males 11%.

3.1. The marketing strategies of physical merchandise

3.1.1. Multiple versions of physical albums

The K-pop industry is strongly based on the "comeback" of K-pop groups, which means the release of a specific group's new songs or new albums. Physical albums are common among K-pop merchandise. They not only contain the discs with the songs, but also are equipped with a variety of related merchandise inside the boxes of albums, such as photo cards, postcards, and photo books. As shown in chart 1 below, 43% of the K-pop fans would buy at least one set of physical album. It is usual that physical albums have multiple versions and each version is unique from one another, making the fans more willing to collect them.

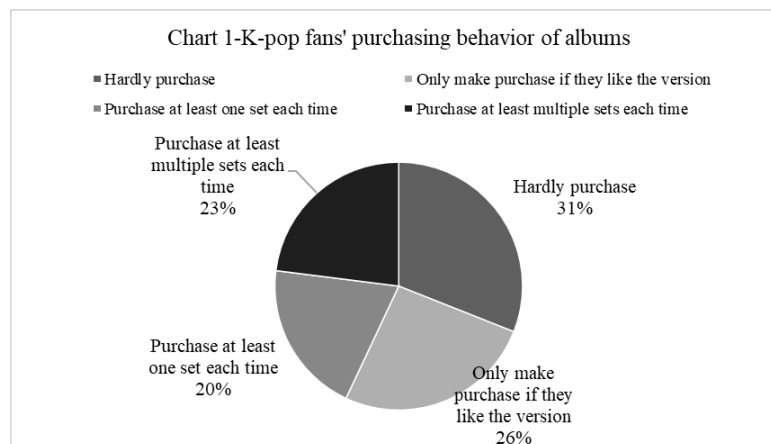


Figure 1. K-pop fans' purchasing behavior of albums

ITZY's newest album *Girls Will Be Girls* has 13 different versions of physical albums. There are photobook, folder, box, 5 binder, 2 cassette, poca album and 2 special versions of albums. According to the past data, ITZY has released 11 physical Korean albums, with 10 mini albums and 1 full album. In the 11 albums of their coming backs, the least number of different versions is 2 and the most number is 13, with the average number of approximately 7.5 types of different versions each time, embodying the classic feature of the K-pop companies' strategy to raise fans' curiosity to their merchandise.

Although the price of each version is around 10 dollars, the total profit can still be considerable, ITZY's highest sales volume among all their albums, with the name of *KILL MY DOUBT*, sold over 318,300 copies just within the first day of their comeback.

3.1.2. Random photo cards increase fans' willingness to make purchases

A photo card is a small card simply with K-pop idol's selfie or photo on it, usually in the size of half a hand and is portable. Given its advantage in size and its simple process of mass production, nearly all the K-pop physical merchandise is equipped with different photo cards. In the case of ITZY, all their physical albums in all versions are randomly equipped with more than one photo card and are sometimes with special versions of photo cards.

The data in chart 2 below reflects that photo cards are essential in the merchandise market of K-pop industry, 56% of the participants believe that photo cards are the main reason they consider making their purchase. Most of the participants (76%) believe that it is because the photos of their idols can bridge the gap between fans and idols. The randomness and the scarcity of specific cards also contribute to the consumption willingness of the fans.

Moreover, apart from physical albums, other related merchandise like dolls designed by K-pop group members and calendars can also be appealing to fans since the participants also reflected that they value the outlook (71%) and the unique design (69%) of the merchandise.

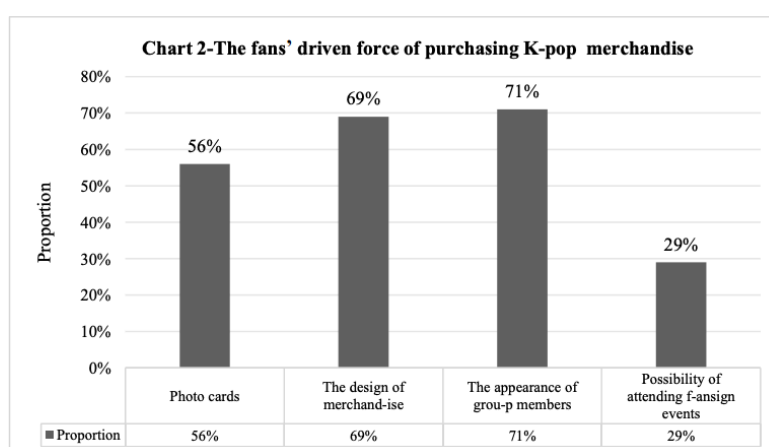


Figure 2. The fans' driven force of purchasing K-pop merchandise

3.2. Virtual social platform bubble

Bubble is a virtual social platform where fans are able to chat with their idols in person online. On the one hand, from the fans' perspective, they can send messages to their idols exclusively like a private chat and receive replies like what they do on Wechat, Message or Snapchat if they order the idol's bubble. On the other hand, the idols' interface of Bubble is like a chat group with all the fans being included in it. But idols are not able to view the fans' IDs and avatars on Bubble, they can only read the messages. According to Wang, the immersion, authenticity, and interactivity provided by the software can all play a positive and significant role in enhancing the happiness of fans [3].

ITZY is known for its members' active behaviors on Bubble. In June 2025, ITZY sent 2878 messages in total, nearly reaching the top among girl groups. They would send selfies, share daily events and reply to their fans' requests and concerns on their company's Bubble app named Bubble for JYP Nation. Because of this one-on-one conversation opportunity in the fans' perspective, they are willing to pay about 5 dollars a month to have a seemingly private conversation with their idol. According to the data, over a half of K-pop fans would choose to order Bubble because they want to receive their idol's exclusive information and build a closer connection with their idols just by paying a reasonable price.

3.3. Utilizing fan psychology in fan abuse behavior

3.3.1. Unequal allocation of resources to each group member

The company of K-pop groups often applies fan abuse behavior by unequally allocate the resources such as the lines of the songs, the appearance time in music videos, the makeup on stage, endorsements, the opportunity to attend entertainments events and the exposure in the variety shows and related videos of the K-pop groups. This is a common strategy when companies intend to better publicize their K-pop groups because inequality stimulates conflicts among fans and thus would lead to discussion and change in fans' consumption.

In ITZY's case, unequal resource allocation to each member is constantly happening to manipulate fans' emotions and behaviors. Ryujin Shin is the girl group's official concept center since their start out. However, her personal resources are relatively low for a considerable time.

According to the data collected on Weibo, Ryujin's lines and exposure in the girl group's songs and videos are always in the back and even received only 13 seconds of exposure in a group video

of 13 minutes. Therefore, this obvious approach of fan abuse behavior led to strong resistance in Ryujin's fan group. Moreover, the company not only makes use of a specific member's fan group, but also stimulates arguments between different fan groups of different members. In ITZY's latest comeback's preview music video, Ryujin was back as the concept center and gained almost 6 minutes of exposure in a video of nearly 7 minutes, while the other member Yeji Hwang, received nearly none exposure of her full appearance. This inevitably led to fierce conflicts between their fan groups and surely promoted the publication of their upcoming new album.

3.3.2. Fan group's reaction and impacts on publication of the K-pop group

As shown in the feedback of ITZY's fan group, Ryujin's fan group often complains about the unfair treatment of the company to their idol and even tried to call on the whole fan group to support Ryujin to terminate the contract with JYP Entertainment. In the latest comeback, however, Ryujin's fan group's attitude towards the company has somewhat eased. They turned their focus from mainly criticizing the company to buying the new merchandise and argue with ITZY's other member's fan groups.

In the questionnaire, apart from the fans of the whole group who have no preference towards any group member, fans are more likely to continue to buy merchandise and intend to use this strategy as a way to defend the right of the fan group as well as the right of the specific idol. Nearly 90% of the participants claim that they have experienced fan abuse behavior, and the average score they gave to their idols' companies is as low as 47.11 out of 100.

3.4. Fansign event and concerts

Modern K-pop groups not only hold their fansign events offline, but also meet their fans online. This could largely increase the simplicity of the fan meeting event compared to the traditional offline ones since both idols and fans just need a mobile device to contact each other face to face.

Also, holding concerts can also gain profit while make publication for the K-pop group. The data shows that fans' experience when attending fansign event and concerts are relatively positive, with fansign event receiving the score of 69.11 out of 100 and concerts receiving 80.53 out of 100. (The scores are based on the cost-effectiveness of the event)

4. Results

4.1. Marketing strategies based on fan economy

4.1.1. Expand business channels

With the development of new media and the Internet, K-pop companies are able to make use of social media platforms to enhance K-pop's communication impact. Developing Bubble as a unique and exclusive social media platform would satisfy fans' needs to pay for an opportunity to be seen by their idols or even interact with them.

Moreover, releasing a variety of related merchandise along with hunger marketing strategy is effective. The limited special versions of albums and random photo cards would stimulate the fans to make more consumption on the same kind of merchandise because it seems that this is their only chance to get it. Therefore, although they are actually competing with each other, the profit is gained by the company.

4.1.2. Control fans' emotions in utilizing fan psychology

Fans attach their emotions to their idols. According to Guan, the emotional consumption of consumers is being investigated by media and business, and they are able to capture people's need to use consumption to find emotional solace [4]. Therefore, if the companies treat the idols negatively by limiting their resources or reducing their exposure to social events, there would appear strong sense of resistance in the fan group, creating conflicts and competition between different fan groups of different members.

On the contrary, if their idols are treated properly, even if it is just a decent makeup, the fans would respond with satisfaction. Qiao and Yao believe that fans' customer behavior is highly susceptible to emotions. Emotions play an important role in the interaction of consumers and objects of interest in the fan economy [5].

4.2. Related reactions of the fan group

4.2.1. Increase in consumption

Clearly, fans would make consumption to collect the special photo cards with limited number and closely interact with their idols exclusively. According to Zhang, fans are consumers and their buying behavior satisfaction is the key to fans economy [6].

In response to the fan abuse behavior made by the company, fans would tend to make more consumption to defend their idols' rights. The fans believe that buying more related merchandise, albums and endorsements can show the ability of the fan group and the business value of the specific idol and thus regain the company's attention towards the idol. However, this could easily lead to irrational consumption behavior without notice. "Fans might overconsume products related to their idols because of their irrational decision-making and consumption" [7].

4.2.2. Change in the loyalty of the fan group

The increased consumption in response to the company's utilization of fan economy reflects the enhancement of the loyalty of fan groups. According to Li, the K-pop fans tend to be loyal and they see their idols as spiritual salvation [8].

The core valuable fans are the ones who are willing to pay for their idols. The K-pop company is actually using this way not only to earn profit but also to select the outstanding fan group members who maintain strong fan stickiness and would stay for their idols in the long term. "Only high-loyalty fans can provide benefits. The entertainment company uses good strategies to maintain fans' loyalty is vital" [9].

5. Discussion

5.1. The core essence of fan economy in K-pop industry's communicational impact

K-pop company's main aim is to gain profit by communicating and building up connections with fans through K-pop idols. It is undoubtedly fair for the companies to utilize reasonable marketing strategies to fulfill the fans' emotional needs and in turn gain money and enhance the communication impact of the K-pop groups.

The core of fan economy is to grasp fan psychology and turn it into appealing ways to attract the fans and make them believe that they are paying not only for their emotional happiness and

satisfaction, but also for the promising future of their idols that they care. “Some companies have significantly improved their popularity, attracted lots of attention through the fan economy, and obtained huge profits. However, some negative content and value orientation in the fan economy may lead to threats to both companies and social stabilization” [10]. Therefore, the healthy marketing strategy of K-pop industry is to moderately manipulate fans’ emotions and transfer fans’ positive attitude into consumption behavior rather than threatening the fans by treating the K-pop group members negatively.

Optimizing the design of merchandise, emphasizing the impact of social media platforms and focusing on the fans profile to find their needs are the critical ways for K-pop companies to pursue success in business in the long term.

5.2. Rational consumption

For modern day K-pop fans, it is their right to make consumption for their idols in order to satisfy their mental needs. However, when confronting diverse chances of purchasing physical albums, collecting limited edition photo cards and attending fan meetings, as well as suffering from fan abuse behavior of the companies, maintaining a rational mind and avoid making rash decisions to spend a large sum of money on idols are essential for fans.

For most times, what fans see and receive is comprehensively controlled by the company. Therefore, when facing new information of idols released by the company, it is crucial for fans to stay lucid and make clear judgements and not be tricked by the fan abuse behavior of the company. Above all, companies create consumption traps to seize the fans and aims to control their consumption behaviors.

6. Conclusion

The results of this research is that the K-pop industry would use the following ways to optimize their marketing strategies under the context of fan economy: design unique merchandise and make use of social media to expand their business channels, control fan group’s emotions by utilizing fan psychology. Moreover, the fans’ related feedback and reaction is the increase in the consumption of merchandise and idol’s endorsements and the enhance of the loyalty of the fan group.

Therefore, the conclusion of this research is that fan economy is an essential element in the design and apply of K-pop industry’s marketing strategies, mainly concerning physical, virtual, and mental satisfaction. The communicational impact of such method is the increase in the K-pop company’s profit and the strengthen of the core fan group’s attachment with K-pop industry. Additionally, the K-pop companies’ eager to earn profit and the fan group’s rational choice to make consumptions should be balanced properly.

This research can provide meaningful insights to the future research in this area, mainly bringing influence to the study of the relationship between fan economy and K-pop industry’s marketing strategies and comunicational impacts. In the future, the research could focus more on the fan group’s change in the attitude towards K-pop company’s obvious fan abuse behavior and the constantly released merchandise. Also, a more subtle research in the specific impact of photo cards and the new trend of photo card economy can be done in the future.

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