

A Study on the Strengths of Cultural Content Company in the Long-Tail Market: Case of Kakao-Page

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문화 콘텐츠 기업의 롱-테일 시장에서의 강점에 대한 연구: 카카오-페이지의 사례를 중심으로

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Abstract This study observes the case of Kakao-Page, a webtoon and web novel company, revealing the relationship between long-tail strategy and corporate competence in the cultural content industry market. This study investigated the various expansion strategies of Kakao-Page and investigated the strength of the strategy through value, rare, inimitability, and organization the method of VRIO analysis. The biggest strength of Kakao-Page is its diverse range of products ranging from 66,000, and not only does it gain merit as a long-tail, but it also becomes the core of the vertical integration and various expansion strategy. The study points out that the ability to secure a wide range of products is essential for platform content companies seeking access to the market. Also, the need for follow-up research regarding content platforms and long-tail.

Key Words : Long-tail, VRIO framework, Resource-based view, Content platform, Webtoon

요약 본 연구는 웹툰 및 웹소설 기업인 카카오 페이지의 사례를 관찰하여, 문화 콘텐츠 산업 시장에서 롱-테일 전략과 기업의 역량과의 관계에 대해서 밝히고 있다. 본 연구는 카카오 페이지의 다양한 확장 전략에 대해 조사하였으며, VRIO 분석 방식을 통해 전략의 강점을 조사하였다. 카카오 페이지의 가장 큰 강점은 66,000개에 이르는 제품의 양이며, 롱-테일로서의 메리트를 연계 할 뿐만 아니라, 수직적 통합과 다양한 확장 전략의 핵심이 된다. 이 연구는 시장에 접근하려는 플랫폼 콘텐츠 기업에게 다양한 제품을 확보할 역량이 필수적임을 지적함과 동시에, 콘텐츠 플랫폼 및 롱-테일에 관련한 후속 연구의 필요성을 촉구한다.

주제어 : 롱-테일, VRIO 분석, 자원기반관점, 콘텐츠 플랫폼, 웹툰

1. Introduction

The industry that provides various cultural information through media or produces and distributes products based on cultural-related content is called the 'cultural content industry.'

Cho [1] points out that the cultural content business does not have a uniform and precise definition, which is named in various ways depending on the country and is called 'entertainment and media industry' in the United States of America and 'creative industry' in the

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United Kingdom[1]. The term 'cultural content' is not a global term, but a word created arbitrarily upon establishing the Korea Culture Content Agency in 2001[2].

Korea Creative Contents Agency(KCCA) defines the cultural content industry as all industries involved in producing, distributing, and consuming content products, and based on 11 industries including publishing, cartoons, music (including performances), games, movies, animations, advertisements, broadcasting, characters, knowledge information, and content solutions[3].

Those Web-based cartoons and novels, provided by platforms, are commonly called 'Webtoon' and 'Web novel' in Korea. In the early days of service, it was created to increase traffic on portal sites and increase media companies' profits through advertising exposure. Since then, with the growing popularity of webtoons and web novel, portal sites have expanded their business by introducing various revenue models for creators. The mainstream has been shifted from portal sites to smart applications, and platforms that specialize in webtoons and web novels have become the trend[4].

With the start of the Fourth Industrial Revolution and enhanced mobile access to cultural content, the market's mainstream has crossed over to the platform. Thus, Korean webtoon providers also joined on this market trend of platforms. Various business models of webtoon companies are being studied, mostly small and diverse webtoon suppliers based on paid billing models[5].

However, nowadays, the market is divided into two leading companies, 'Kakao-Page' and 'Naver-webtoon'[5]. These companies' characteristic is that they have established a system based on the copyright of their products while freely using existing research expansion strategies. While the

existing business-scientific approaches to the webtoon market were sufficient to focus on the company's detailed differentiation policies, a review of a new systematic trend is needed at this point in 2020.

This paper utilizes the value, rare, inimitability, and organization (VRIO) analysis from the perspective of resource-based theory. Through a series of processes, this research analyzes the value of resources that Kakao-Page has gained in expanding its influence. It will show the importance of 'long-tail system' design. At the same time, it presents a single direction for managers who want to expand influence in the cultural industry market based on the platform during the Fourth Industrial Revolution.

2. Theoretical background

2.1 Platform

Currently, the Korean cultural content industry's keyword is 'platform.' Kim [6] defines the platform as a virtual market but stressed that transactions occur in smart-media spaces, free from physical space constraints[6]. Kim et al. [7] mentioned that three things must be preceded to form a platform: hardware which can be used as an instrument access the platform, a device that enables the object of the transaction, and an interface that enables interaction, which defines the content platform as a corporate ecosystem based on the above conditions[7].

Cultural content platform companies provide a vast market where objects can freely trade and act as intermediaries for transactions based on the infrastructure they have formed. It serves as a kind of intermediary trade[8]. Of course, it is also meant as a supplier who directly purchases or produces cultural content using the pre-built infrastructure, and as a creator of the story market through the one source multi-use

(OSMU) strategy, which creates content in different genres based on the original story of the original work[9].

At this time, killer content is emphasized for companies to earn profits. Shin [10] defines killer content as:

"Content that is strong enough to "lead or lead the flow of the market to achieve the best. best return or change communication-liquid flow.[10]"

Given that the economic value of killer content has been proven in prior research and that the product has many different benefits through OSMU, the acquisition of killer content is significant[11,12].

However, due to cultural content platforms characteristics', such as free accessibility and constant expansion of the market, opinions differ from the existing trend: long-tail.

2.2 Long-tail

In his consideration of cultural trends, Shim [13] pointed out that the long-tail era will come in the cultural content market in the future, the dominance of Big Name's cultural business will decrease, and 'mini-majors' will increase[13]

The market created by smartphones and platforms is very heterogeneous. The overflowing producers offer a variety of products through the platform. Consumers have easy access to their favorite products through smart devices. Even if consumers' tastes are alien to mainstream consumers' trends, it is no longer a big problem.

The existing market was dominated by Pareto's law and led by 20 percent of consumers leading the market, but now trend followers can assert their tastes and desires. The market for the bottom 80% of this Pareto law is called the 'long-tail' market.

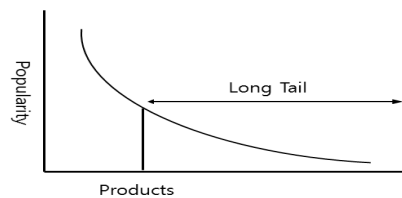


Fig. 1. Long-Tail Market

The 'long-tail' market refers to the right side of figure1, marked by arrows, generally referring to marginalized consumers who have not been noticed as marketing targets in the conventional market.

'Long-Tail' refers to a new economic paradigm shift in which the tail part of the demand curve is longer than the head part, and the niche products that have been ignored become important as obstacles that have distorted the market in the digital era are removed, and infinite choices are available. If the number of niche products increases and when the tail gets longer, each of them will have a smaller turnover. However, Anderson[14] defines their combined sales as equal to or even better than the hit products.

It is attracting attention as a market expansion strategy in the financial and cultural contents sectors. The more accessible non-mainstream markets are due to the development of technologies based on the fourth industrial revolution, the more value it is as a strategy.

Long-tail strategies require prerequisites as much as they bring long-term and steady profits. Park [15] stressed that some conditions precede long-tail marketing especially, for a platform, saying that customers enough to form long-tail, multiple products to attract a wide variety of customers, easy access, and automated systems. After all, to become an excellent target for the long-tail, there is a sufficient amount of financial strength and capacity to cover the

needs of consumers from the long-tail.

3. Market status and core competitor

3.1 Webtoon Market

'2019 Cartoon Business White Paper' published by the Korea Creative Content Agency outlines three major development periods for the webtoon business[16]. Table 1 is the era of three stages of the webtoon industry organized by paper[16].

Table 1. Three stages of Webtoon Industry

	2000 ~2013	2013 ~2019	2019~
Purpose of Service	Increased traffic on portal sites	Direct sale of webtoons	Additional business with IP rights
Revenue model	Advertisement only	Paid Cartoons and Advertisements	Extensions based on copyright
Service Providers	Search engine	Various Platforms	Rise of Giant Platforms

Webtoons in their infancy were used as a means to earn advertising revenue through increased web page traffic. Search engines such as Naver were the leading service providers for webtoons.

A significant change in the webtoon industry came after introducing of Lezhin Comics' pay-charge charging platform in 2013 when paid webtoons were introduced to the market that could be rewarded for selling comics. Starting from this period, the quality of webtoon works has improved noticeably, and various webtoon service providers other than Naver, a search portal, have appeared[16].

Especially from this period, various billing models(BMs) and strategies were studied. Han analyzed the innovative billing model of various webtoon suppliers including Lezhin Comics[17]. It was also an era when various expansion strategies, such as OSMU and overseas expansion, was emerged[18~21]. Lee and Rim have outlined

a variety of strategies that are very actively used in the webtoon market at this time[22].

As of 2020, the webtoon market is called the era of IP. The report describes current webtoon market as a market divided between Kakao-Page and Naver-Webtoon[23].

Table 2. Comparison of user visits and page view by webtoon platform according to internet traffic investigation

Platform	User Visit		Page View	
	Visit	%	View	%
Naver	1,727	56.62%	17,287	67.68%
Kakao-Page	450	14.76%	2,428	9.51%
Lezhin Comics	285	9.35%	1,730	6.77%
Daum	151	4.97%	1,246	4.88%
Top-Toon	101	3.33%	630	2.47%
Toomics	81	2.66%	608	2.38%
Ktoon	62	2.06%	485	1.90%

(Unit: 1 million people)

Table 2 shows the webtoon market's corporate share according to user visit and page view[24]. Kakao-Page (Daum Cartoon-Kakao-Page) ranks second with about 19 percent. The market has been reorganized, with two giants at the center.

Characteristics of these companies are that they are large enough and have sufficient funding to use all existing expansion strategies, but also that they seek long-term profits through vertical integration and system construction. Existing detailed studies are still practical as a methodology, but it is time to review the systems companies have built from a broader perspective.

3.2 Industry Main Competitor Naver-Webtoon

As of 2020, Naver-Webtoon is by far the most dominant supplier in the webtoon market. Naver-Webtoon is an independent content platform company operated independently from the search portal site Naver in 2017, and

currently holds the undisputed number 1 spot in the webtoon market[25]. It started publishing its first webtoon series in July 2004, before being separated from its parent company and is also one of the first companies to apply the webtoon system to its portal site[25].

The most significant advantage of Naver is its ability to produce and provide quality products on its own. Naver maintains a three-step system of 'challenge comics, best challenges, writer debuts.' With works that have gained popularity in challenge comics being moved to the next level, best challenges and cartoons become famous from the best challenges being posted on its Webtoon homepage[26]. Through this system, quality works can be created steadily. The company is also maintaining its dominance in the market based on the quality of its products, adding to the discovery of new artists through annual contests and years of editing know-how.

Reflecting the trend in the webtoon market in 2020, Naver-Webtoon is carrying out various expansion strategies based on IP. In particular, an abroad expansion strategy using synergy with 'Line services' of a parent company is very successful. Net visitors to overseas services such as 'Line Webtoon' and 'Line Manga' reached about 60 million[27]. Also, it is jumping into drama and film production using quality webtoon works and is seeking vertical integration by acquiring a video company called 'Studio N'.

4. Kakao-Page's strategy of expanding market influence

4.1 Kakao-Page

Kakao-Page Inc. is a subsidiary of South Korean information technology (IT) giant Kakao Group, a comprehensive content platform that serializes and sells webtoons, web novels, dramas,

and movies. It is widely known as a market leader in the webtoons and web novels market.

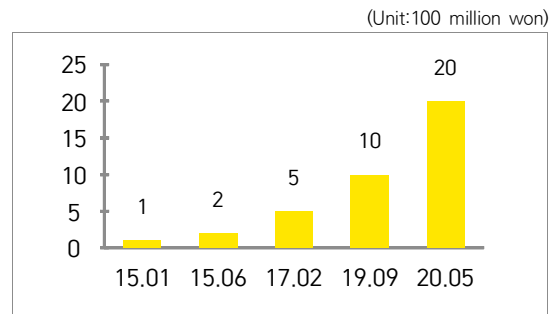


Fig. 2. Kakao-Page daily sales increase

Figure 2 shows that Kakao-Page's daily trading volume continues to increase. About five years after starting to post a surplus in 2015, it has grown nearly 20 times[28]. Kakao-Page recorded 248.54 billion won in total sales, and 3,013.96 billion won in operating profile as of 2019, up 184.6 percent from the operating platform of 10.547 billion won in 2018[29]. It cannot be said that it is not very a rapid growth.

When looking at Kakao-Page acquiring products, it is clear that it has a different direction from Naver-Webtoon. While Naver-Webtoon preferred the self-cultivation of cartoonists, Kakao-Page pursued the fundamental role of the platform. Instead of fostering cartoonists or direct investing in the self-produced cartoon, it focused on securing various IPs while being faithful to their role in providing products from affiliates with exclusive contracts through their mobile applications[30].

It also obtained many copyrights for web novels, which were relatively less popular than webtoons at that time, to create a mobile platform where webtoons- web novels coexisted and made a diverse and rich product line. While it also gained advertising effects by exposing webtoons to web novel users. Moreover, those web novels are used as a medium of OSMU,

vertical integration, and market expansion that will be explained later[30,31].

Additionally, Kakao-Page has a significant advantage in the mobile application that is advantageous for expanding the long-tail market. One of the most notable advantages of Kakao-Page is that it is easy for consumers to access through links with Kakao Talk, a key SNS application of its parent Kakao Group. Various promotional events, including free mileage, are being held steadily through links with various applications within affiliates[31].

These capabilities are very consistent with the long-tail prerequisites set out in 2.2. The scale and financial strength based on the parent company's support are also advantageous for setting up a long-tail strategy.

What is unique about Kakao-Page is that it started as a late entrant to the market but quickly grew its control. At the same time, there is something special about laying the foundation for long-term growth by creating a system based on long-tail with proper competence.

4.2 Acquisition of intellectual property

After entering the market, Kakao-Page aggressively acquired 'intellectual properties(IP)'. In this case, IP means the literary copyright of webtoons and Web novels. With the M&A of Kakao and Daum, Kakao-Page acquired webtoon copyrights from 'Daum webtoon'[32]. It is a kind of good fortune from the growth of the parent company.

As of 2018, the number of webtoons in series on Kakao-Page and Daum Webtoons is 288 and 249, respectively[32]. Adding the number of web novels and other works further increases the number of works that Kakao-Page has. The number of IPs held by Kakao-Page reached 66,000 as of 2019. Also, the number of contracted content providers was about 1,300,

which eventually led to the acquisition of a remarkable number of copyrights among Korean content platforms[33]. Through this process, Kakao-Page acquired core products, with 1,400 works with cumulative sales exceeding 100 million won, including 'Doctor Choi Tae-Soo' and 'Tembbal', with total sales exceeding 10 billion won.

Especially considering that profits continue to increase as the number and type of products increase in the long-tail market, Kakao-Page's broad product line is a scarce and challenging resource to follow.

4.3 OSMU & Vertical integration

Kakao-Page is also working on OSMU. The most significant characteristic of the cultural content business is its scalability, and a certain cultural content, which was popular in a single industry, is easily reused in various industry categories. This is called One Source Multi-Use(OSMU), the most commonly used revenue-generating model in the cultural content industry, where cultural products with the right image expand into other product lines or other markets generate extra profits[34].

Table 3. List of new IPs created by Kakao-Page through OSMU.

Title	Original Category	OSMU Category	Year
I level up alone	Novel	Cartoon	2018
Touch Your Heart	Cartoon	Drama	2019
What's Wrong with Secretary Kim	Cartoon	Drama	2019
Itaewon class	Cartoon	Drama	2020
Steel Rain1/2	Cartoon	Movie	2017/20

Table 3 shows a variety of new products made by Kakao-Page through OSMU[35-38]. The use of proven copyrights, which are guaranteed success, brings high returns across the board[39].

OSMU has the most basic purpose of increasing profits in the cultural contents platform, but it also works well in promoting copyright products that have become the basis of OSMU, and product diversification for the Long-tail market.

Additionally, Kakao-Page is currently implementing vertical integration. Kakao-Page has already purchased stakes and management rights in several webtoon web novel companies, and an official of Kakao Group said it would proceed with OSMU through an agreement with Kakao M, a video content company[40,41]. Megamonster, a subsidiary of Kakao M, announced that it would produce the 'Book of the Dead' in 2020, copyrighted by Kakao-Page. What these events show is the characteristics of third-generation webtoon companies[41].

The Korea Creative Content Agency describes IP copyright business through vertical integration as characteristic of the third generation's giant webtoon companies[41]. These companies' goal is to create a value chain that can design the entire process from acquisition and merger to OSMU, away from merely selling IP. Companies should have the ability to design the entire IP production process for sales and reproduction. Companies such as Kakao-Page, Naver-Webtoon and Lezhin Comics are relatively large and financially capable in operation[41]. This is a higher-level expansion strategy that is one step further than the existing OSMU in that it is possible to generate profits and design long-term systems at the same time.

4.4 Recommendation system based on AI analysis

Recommend the correct product to meet the needs of consumers. It is the most important virtue that a platform should have. In particular, more accurate consumer analysis methods are required in the cultural content market, where

consumers are clearly in favor of or against content[42].

In the case of Kakao-Page, it decided to introduce AI analysis in its Platform. With the agreement of AI company MyCelebs, All products that Kakao-Page has are classified in detail attributes[43].

"AI Keytalk' is a corpus that artificial intelligence comprehensively collects public reactions and stories from various channels, including news, trends, comments, and reviews, and learns them in the form of actual colloquialisms. It allows users to make a wide range of choices based on their tastes and circumstances.[44]"

Although this is an early stage, consumers will receive accurate information about the product based on big data as the process progresses. It is also highly likely that the company will have positive results by creating synergy with its existing core resources and managing mobile applications.

Kakao-Page Naver and Lezhin Comics have started to introduce AI-based technologies in the webtoon market[45]. However, it does not seem easy to bring in long-term merit as it is already used in various fields. A prior study of Kim & Lee [46], analyzing international content company Netflix, also emphasizes that AI recommendation system based on big data is rare, but imitation is impossible.

Nevertheless, it is essential as a foundation for sales promotions that provide accurate products to consumers in the bottom 80 percent of the long-tail in the long run.

4.5 Content exportation

There has already been prior research on webtoon and web novel companies' strategies

for overseas expansion. Since the first overseas expansion strategy was attempted in 2014, many companies, both large and small, have already been growing their influence in overseas markets[47]. In 2018, the cartoon industry's exports rose 14.9 percent year-on-year to \$40.5 million, with 29.5 percent in Europe, 28.6 percent in Japan, 20.4 percent in Southeast Asia, 13.1 percent in North America, and 6.1 percent in China[47]. Already, 40 percent of companies have overseas branches[47].

Kakao-Page is already actively pushing for expansion overseas. It entered the market by signing a partnership contract with Tapas, a webtoon platform in North America, and acquired Neobazar, an Indonesian content platform company. Since launching the service in April 2016, Kakao Japan's webtoon platform 'Picoma' has accumulated over 12.6 million downloads as of the end of 2018, ranking second overall in sales in the Japanese webtoon sector[47].

As the company has been generating sales for a proven period, the webtoon companies' overseas expansion strategy is successful. It is used as the core of the expansion strategy, starting with the tangible results of profit-making in the short term, and increasing the consumer pool in the long term. In particular, as the domestic market, which is growing, is expected to stagnate, the strategy for overseas expansion is expected to be indispensable[48].

4.6 Long-tail system

Yoon et al. [49] pointed to the following as a condition preceded by SCM on a successful content provider. Service planning and platform construction, content sourcing and production, content packaging, and service provision.

In the case of Kakao-Page, the above three steps are met based on healthy finances:

1. Have a well-organized mobile application platform.

2. Products large enough to form long-tail

3. Consumer-tailored information and products through analysis of algorithms.

Considering all the above conditions, Kakao-Page can create a well-organized system. Based on many copyrights, novel-comic platforms are created, popular products are selected from platforms, and they are recycled as OSMU. Feedback is analyzed and obtained through AI algorithms. Also, as a feature of the long-tail market, even inventory will eventually have marketability, so there is less difficulty managing extra supplies than conventional or digital SCM platforms.

Throughout this process, Kakao-Page suggests that it has designed a long-term system while gaining market dominance through its long-tail market expansion policy. Such a vital benefit of the long-tail strategy is the system. This is a remarkable resource not only because it is challenging for other competitors to emulate, but also because it brings multi-faceted long-term benefits. As the cultural content market leaders have proven, the long-tail strategy can increase its long-term dominance in the cultural content market.

5. Value, Rare, Inimitability, Organization

(VRIO) analysis

The resource-based view began to emerge in the mid-1980s by Wernerfeld (1984), Rumelt (1984), and others as a criticism of the fact that the existing industrial organizational approach was too external and not interested in the organization's interior[50]. In a previous study, Song summarized four characteristics in resource-based theory[51].

1. Because it targets companies, a particular

company's resources and its companies are analyzed as units.

2. Specific resources that are different from those of competitors and are the core analysis targets.

3. Resources are very challenging to imitate and have characteristics of inelastic supply, so we assume incomplete mobility of resources.

4. Because resources are heterogeneous, competitive advantage arises by securing and utilizing resources.

To sum up, the resource-based theory assumes that an entity is a collection of producers' sources, and that the physical and intangible assets that make up the entity are bound to be heterogeneous based on the experience and performance the entity has accumulated, and that the occurrence of comparative advantage and inferiority between the organizations stems from the differences in internal resources it has.

At this point, a framework is needed to determine whether a company's resources are truly valuable, and the VRIO model, the four attribute models, introduced by Barney, is the most widely used [52,53]. Barney classified internal resources according to four attributes: Value, Rarity, non-Imitability, and Organization.

Value: Can a company's internal resources help overcome threats or crises or create opportunities?

Rarity: Are the company's resources managed only by a small number of companies?

Inimitability: Is it easy for competitors and other companies to imitate?

Organization: Is the organization well organized based on resources, making it easy for companies to demonstrate their capabilities?

Table 4 is a VRIO framework model that analyzes an entity's internal resource capabilities based on four questions[54]. The VRIO

framework has the advantage of being able to quickly understand the capabilities of an entity based on four simple questions.

Table 4. VRIO framework

Is resource				
Valuable?	Rare?	Inimitability?	Organization?	Competitive state
-	-	-	No ⇕ Yes	Competitive Dis-advantage
Yes	-	-		Competitive Parity
Yes	Yes	-		Temporary Competitive Advantage
Yes	Yes	Yes		Sustained Competitive Advantage

6. Implication

Six resources have been extracted from the study so far, as follows.: a great deal of Contents, OSMU, Vertical Integration, AI keytalk, Contents Exportation, Long-tail system. Strategic assets were valued on the following criteria:

1. Value: Does that strategy currently in use?

2. Rare: Is it a strategy being used by only a few companies?

3. Inimitability: Is it a strategy that cannot be quickly executed by market competitors due to the need for prerequisites such as large-scale investment or managerial capacity?

4. Organization: Does this strategy work as a critical component of the company's expansion strategy and bring long-term benefits?

Table 5 shows the derived investigations of the VRIO questions that were carried out based on observations.

Table 5. Kakao-Page VRIO Analysis

Kakao-Page VRIO analysis	
Contents	Value: Kakao-Page continues to make efforts to extend product lines.
	Rare: Kakao-Page is one of the most IP-owned companies in Korea. It has IPs in a wide variety of fields.
	Inimitability: A company's sufficient financial ability to secure copyright is needed.
	Organization: Kakao-Page's various expansion strategies are operated based on content strategies.
OSMU	Value: Kakao-Page is using strategies such as imaging core IPs through OSMU.
	Rare: It is the most common expansion strategy of cultural content companies.
Vertical Integration	Value: At this point, it is the most actively implemented policy by a giant webtoon company.
	Rare: Not many companies have the scale and financial power to achieve vertical integration.
	Inimitability: A company's financial capabilities and scale are needed for mergers and acquisitions.
	Organization: Kakao-Page's operation is carried out under the structure of 'IP Acquisition - Product Sales - New Product Production through Vertical Integration'.
AI Keytalk	Value: Kakao-Page is strengthening its consumer recommendation system by introducing AI analysis.
	Rare: Kakao-Page Naver and Lezhin Comics have started to introduce AI-based technologies.
	Inimitability: Currently, analysis based on AI & big data is rare, but it is not hard to imitate in the long run.
Content Exportation	Value: Kakao-Page has made inroads into various countries, including Japan and Indonesia, and is producing tangible results.
	Rare: Webtoon companies, both large and small, are already producing results overseas.
Long-tail system	Value: Kakao-Page created a long-tail system by utilizing all of the capabilities of existing companies.
	Rare: Designed based on comparative advantage in mobile and content expansion strategies, it is very difficult for other companies to emulate.
	Inimitability: Sufficient size and market dominance are needed to make the system.
	Organization: It creates a long-tail system based on various prior abilities such as mobile application operation ability and rich product line.

Table 6. VRIO analysis of Kakao-Page

	Value	Rare	Inimitability	Organization
Contents	Yes	Yes	Yes	Yes
OSMU	Yes	-	-	-
Vertical Integration	Yes	Yes	Yes	Yes
AI keytalk	Yes	Yes	-	-
Contents Export	Yes	-	-	-
Long-tail system	Yes	Yes	Yes	Yes

Table 6 shows six resources analyzed based on the VRIO framework. As a result of the analysis using the VRIO model, we found that the expansion strategy of Kakao-Page was divided into a system based on the studies of the previous expansion strategy, and a number of content and vertical integration.

The OSMU and its overseas expansion strategy are highly recommended to make profits by expanding the product line. Kakao-Page uses OSMU based on its rich product line and produces tangible results in Japan and Indonesia in entering overseas markets. However, from the perspective of the VRIO, these are already strategies that are not rare. Because it has been a long time since the emergence of strategies, many companies are using them. AI-based consumer analysis also ends up as a temporary competitive advantage in that it is now rare but easy to emulate.

On the other hand, for system strategies, including vertical integration and long-tail, it operates based on the advantages of Kakao-page: mobile accessibility and rich product lines. Sufficient size and economic power are needed to secure IP. It is also unlikely that other companies will emulate this strategy, given that it requires long-standing mobile application operational know-how and capabilities. Finally, the company operates as a long-tail system by mobilizing all of its capabilities and vertical integration.

This could be a key asset for the company that brings sustained competitive advantage from the VRIO analysis perspective. It is also very encouraging that existing strategies will not become unavailable or useless, and can continue to be used as a tool for system expansion and a means of generating profit.

7. Conclusion

The study examined strategy of Kakao-Page and applied the VRIO model of resource-based perspective to grasp its strength.

At the heart of all resources' strategy is the number of IPs in possession, and Kakao-Page has created merit in the long-tail market based on this while designing and developing various strategies. Since most companies are introducing OSMU and overseas expansion, their value as strategic resources decreases. However, the most significant advantage of Kakao-Page is that it is a well-made system, and both vertical integration and long-tail system are strategic achievements made by considering the characteristics of cultural content platforms and the long-tail factors.

Looking at this process, it is significant that Kakao-Page completed its long-tail strategy by mobilizing all of the company's capabilities. Through the example of Kakao-Page's successful expansion policy, it has been shown that the long-tail expansion method can play a sufficient role in expanding its influence in a cultural content platform. In particular, it is meaningful that Kakao-Page has proven that long-tail strategy can bring long-term benefits based on the system and become an effective expansion method at the same time.

In particular, along with the fourth industrial revolution trend, companies and managers are trying to enter the cultural content market using 'Korean cultural content[55].' In addition to the existing small-scale policy of making main products by utilizing core contents in various ways, various IPs should be preceded to create a long-term platform for long-term development. The new market entrants will need to refer to the leading case of Kakao-Page.

However, it is widely believed that the entire process would have been impossible without

supporting a parent company Kakao group[56,57]. Also, internet data has been increased due to the lack of detailed research on Long-tail and content platform companies.

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