

Experience Industry: From Korean Wave to Finnish Wave?

This policy brief explores how Finnish policy makers, and the experience industry can draw lessons from South Korea's cultural policies that contributed to the global rise of the Korean Wave (Hallyu), including Korean music, TV, film, and other cultural products. Based on a literature review and statistical data from South Korea, the brief benchmarks policy actions that supported the growth of Korean content industries and identifies strategies that could be adapted to strengthen Finland's experience industry.

Policy actions to create Finnish wave.

South Korea's success with the Korean Wave is built on a consistent, evolving policy framework supported by long-term investment, legislation (e.g. Hallyu Act), institutional support (e.g. KOCCA- The Korea Creative Content Agency), and integration of culture into economic and foreign policy.

This brief outline strategic actions to strengthen the global presence of Finnish culture as a strategic asset. It calls for positioning the experience industry within the RDI policy agenda and integrating it into Finland's digital and metaverse strategies by merging culture with emerging technologies. A shared and distinct cultural brand and soft power strategy are needed to boost international recognition. Cross-sector collaboration should be promoted to showcase Finnish culture alongside design, fashion, wellness, and lifestyle products. Content creation needs to balance cultural uniqueness with global relevance and community engagement, while support is necessary for cultural entrepreneurs who adapt and promote Finnish content abroad. Challenges remain, including reliance on foreign platforms, highlighting the need for digital platforms that promote domestic content, connect global audiences, and ensure fair creator compensation. Finally, empowering global and local communities as ambassadors will further strengthen Finnish culture internationally.

Metaverse meets the Experience Industry

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This brief is part of the "Metaverse meets Experience industry" research project, funded by Business Finland (Dnro 4348/31/2023). This brief is based on a literature review analysing the factors behind the rise of the Korean Wave and especially the related policy actions and guidelines. Aim of the benchmarking is to investigate how South Korean policy-making and public authorities have promoted the development of Korean Wave, and on that basis to identify actions which can be of use in development of the experience industry combining the digital and physical worlds in Finland.

Introduction

Korean Wave and South Korea offer a compelling benchmark for Finland due to its recent global success in cultural exports, strategic use of digital platforms, and consistent government support for export-oriented content industries. Despite differences in domestic market size, political structures and policy traditions, the case provides valuable insights, raising a key question: how can we promote conditions that enable businesses to create intangible value in a world where physical and virtual spaces are increasingly intertwined? Furthermore, South Korea shares with Finland some characteristics: both countries' cultures are small relative to dominant global cultural powers, both operate from the so-called cultural periphery, and both have unique languages central to their cultural identity yet distinct from widely spoken languages.

Data/materials

This brief is based on academic and grey literature examining the Korean Wave (Hallyu) phenomenon and policy design that supports it. The analysis is informed by Korean statistical data covering content industry sales, export figures, tourism-related revenue, and the role of fan communities. Together, these sources provide a comparative foundation for identifying strategic opportunities for Finland's cultural and creative sectors in a global context.

Results

The Korean Wave represents a global cultural phenomenon characterised by the widespread popularity of Korean entertainment and culture, such as music, TV dramas, and cuisine. It has evolved through three distinct phases: the first wave (1997–2006) focused mainly on TV dramas and targeted Asian markets; the second wave (2006 to early 2010) emphasised K-Pop and expanded into parts of Europe, across the Americas; and the third wave (since early 2010) encompasses a wide range of Korean culture with worldwide popularity. (Kim 2022)

The global resonance of Korean Wave can be approached through concepts of transnational proximity and cultural distance. Transnational proximity refers to the global popularity of certain cultural phenomena, where people from different nations feel closeness to specific cultural products not due to shared traditional backgrounds, but shared socio-cultural experiences, digital culture, or lifestyles. It helps explain why Korean culture connects globally, not through cultural similarity, but through shared experiences or values that resonate across borders. (Yong 2023)

Cultural distance refers to how well consumers in one country connect with cultural content from another. When cultural distance is high, consumers may find foreign content interesting. Korean media shows that language and cultural differences don't always limit global appeal. This is where, cultural entrepreneurs add value by creating a "market for meaning", acting as intermediaries who convert meaning into commercially viable content. (UNCTAD 2024)

Global media and digital platforms are key to expanding content reach. For example, Netflix's heavy investment in K-dramas has made Korean content widely accessible. Not only US-based but also Korean platforms like Weverse have shaped engagement. In K-pop, fandoms are essential, and Weverse enables fan-artist interactions, virtual concerts, live streams, merchandise sales, and community building. A key question remains: how can local producers earn fair returns, rather than profits going mainly to international

Transnational proximity and cultural distance are used to explain global resonance.

Importance of global platforms in reaching global audience and building communities.

South Korea utilises the positive image and popularity of its culture for political influence and appeal.

South Korea has systematically built a long-term and evolving cultural policy framework that strategically supports the growth of its cultural industries.

platforms? It’s a “chicken and egg” dilemma, without global platforms, K-culture wouldn’t have achieved such reach, yet they’ve also enabled user-created communities.

The soft power dimension of the Korean Wave is well identified in Korean policymaking. Today, South Korea systematically utilises the positive image and growing global popularity of its culture to increase geopolitical influence and tourist appeal. (Yong 2023)

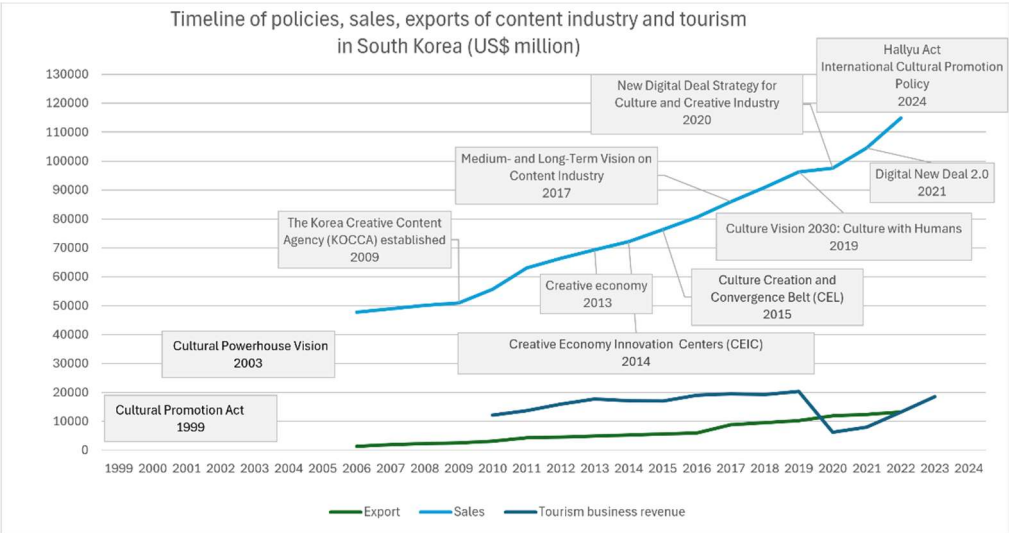


Figure 1. Timeline of policies, sales and export of content industry and tourism in South Korea. Source: KOCCA, KTO, Kim 2021, UNCTAD 2024.

Figure 1 illustrates how Korean Wave development has been supported by Korean government policies and how these policies have evolved alongside the economic success since the 2000s. In 2022, sales in the content industry reached approximately 115 billion USD, exports totalled around 13 billion USD, and tourism revenue was about 18 billion USD. The Cultural Promotion Act (1999) and Cultural Powerhouse Vision (2003) laid the foundation for this development carried forward through long-term policymaking.

Table 1. Examples of laws and policy actions in South Korea’s content industry by year (Kim 2021, Kamon 2022, UNCTAD 2024)

Year	Action & Description
1999	<u>Framework Act on the Promotion of Cultural Industry</u> Establishes legal framework for the development and promotion of cultural industry, codifies definition of cultural industries.
2003	<u>Cultural Powerhouse Vision</u> Focuses on the cultural industry as a key economic drive. Measures included stronger export policies and international cooperation, with institutions supporting overseas content expansion
2009	<u>The Korea Creative Content Agency (KOCCA)</u> Established to support the advancement and development of content-based industries and promote Korean content globally.
2010	<u>Content Industry Promotion Act</u> Defines the key terms and outlines the government policies aimed at promotion of the content industry and its competitiveness.

2011	<u>The Content Industry Promotion Committee</u> A new Prime Minister led committee for decision-making and policy coordination at government level.
2013	<u>Creative Economy Action Plan</u> The convergence of culture with science and technology and ICT.
2014	<u>Creative Economy Innovation Centers (CEIC)</u> 17 centers nationwide to support technological innovation in local businesses and support start-ups and small businesses.
2015	<u>Culture Creation and Convergence Belt initiative (CEL)</u> Supporting convergence across genres and technologies, with participation of major industry players like CJ, LOTTE, Samsung, LG, Naver, Kakao, Nexon, and leading music labels (SM, JYP, and YG Entertainment).
2017	<u>Medium- and Long-Term Vision on Content Industry</u> focusing on AR/VR, copyright, artist training, and financial incentives. 4 th industrial revolution alignment: incorporating content industries into strategies for hyperconnectivity, AI, and big data innovation.
2019	<u>Culture Vision 2030: Culture with Humans</u> Policy framework promoting autonomy, creativity, and diversity in cultural industries by limiting direct government involvement. Actions: <ol style="list-style-type: none"> 1. Adventure Investment Fund – supports high-risk cultural projects through market-based financing. 2. Fair Market Practices Reform – targets unfair practices, strengthened IP protection, and improved trade regulations. 3. Cultural Technology Investment – expands support for advanced tech and private R&D. 4. Good Korean Wave Rebranding – diversified global outreach and eased cultural tensions. 5. Cultural Exchange Programs – Enhanced international co-productions.
2020	<u>New Digital Deal Strategy for Culture and Creative Industry</u> Funding was directed to AI, big data, IoT, and ICT. Aim to cultivate: <ol style="list-style-type: none"> 1. Digital transformation: Supports online performance infrastructure, content financing, platform-content synergy, and copyright system updates for a non-face-to-face environment. 2. Next-generation content market: Developing immersive content, next-gen games, AI data infrastructure, and preserving digital heritage. 3. Global K-content competitiveness: Expand the content IP, promote New Hallyu globally, and restore the content ecosystem collaboration.
2021	<u>Digital New Deal 2.0</u> Development of metaverse, ICT convergence, and digital infrastructure.
2024	<u>International Cultural Promotion Policy</u> Establishing a framework integrating all areas of K-culture (arts, content, tourism, sports); repositioning Korean Cultural Centres as global hubs; launching branded initiatives; expanding international exchanges with expert support; strengthening global content infrastructure; and promoting collaboration via expos, festivals, and interministerial efforts. <u>Hallyu Act</u> Establishes a legal basis for developing the Korean Wave and related industries to boost competitiveness and the economy. Defines Hallyu and related sectors, outlines general support measures (expertise, R&D, internationalisation, IPR protection), and clarifies government roles and responsibilities at national and local levels.

The Korean Wave and the evolution of government policies in South Korea over the past 30 years illustrate how the country has developed a coherent, adaptive policy approach that strategically supports its cultural industries. From the early recognition of culture as a key economic driver to the establishment of agencies like KOCCA, the country has explored the convergence of culture with science and technology, launched initiatives for copyright protection and to train and fund cultural producers, and promoted cross-sector innovation with major industry players. (Kim 2021, Kamon 2022, UNCTAD 2024) These policies have expanded to include digital innovation, technological integration, and global cultural promotion. The most recent actions, including the Hallyu Act (2024), establish a legal foundation for sustaining the Korean Wave, reflecting how cultural policy has been embedded in Korea's economic, technological, and diplomatic agendas. (See Table 1)

Challenges for innovation policy

Challenge: Positioning Experience industry in RDI Policy agenda in Finland

The economic potential of experience industry is arguably not at the centre of domestic R&D and innovation policy. The domains of experience industry are only partially recognised as legitimate areas for R&D and innovation policy and not supported by systematic data collection to inform evidence-based policymaking (Naumanen 2024). South Korea's example demonstrates how coordinated policy approach, backed by regular data collection, a strong focus on IPR protection, and deliberate cross-sectoral cross-pollination can support the development of experiential cultural assets into globally scalable offerings.

Challenge: The role of the experience industry in digital and metaverse strategies

Despite Finland's strong technological expertise and examples of international success in areas like gaming and music, the experience industry (including e.g. tourism, events, arts and culture) is not yet fully integrated into digital innovation strategies, such as national metaverse roadmap. This gap limits the potential for immersive content creation and cross-sectoral growth.

Challenge: Need for a stronger shared cultural brand and soft power strategy

Finland's creative exports risk remaining fragmented without a more consistent cultural brand or coordinated soft power strategy. Finland could strengthen cross-sector coordination and collaboration. As the example of South Korea shows, greater alignment can enhance international recognition and unlock more of the cultural sector's potential for global influence and economic growth.

Challenge: Creating content that is globally engaging and culturally distinct

Finland has a distinct cultural identity but translating it into globally resonant content is not easily achieved. Content creators rely on global platforms for reach, but these platforms control visibility, data, and revenue. Ensuring fair compensation and sustained visibility for Finnish content requires strategic support. Traditional earning models, especially ad-based media, are being disrupted by both global platforms and emerging consumer communities. These grassroots ecosystems are reshaping cultural production. For the experience industry, this shift highlights the growing role of cultural entrepreneurs and intermediaries who build hybrid communities, adapt content for diverse markets, and create new forms of value.

How to create Finnish Wave - proposals for action

Position experience industry within the RDI policy agenda

To unlock the experience industry's potential, it is important to recognise the experiential dimension's role in creating intangible value and novel offerings. Incorporating this perspective more strongly into RDI policies, a preferred form of support for competitiveness and business renewal, would help align national objectives with the evolving nature of innovation and the growing significance of experiential value across sectors. Realising this potential requires also enhanced coordination across ministries and governance levels, along with regular data collection on the experience industry to support evidence-based policymaking (cf. Sokka et al., 2025; Naumanen 2024).

Strengthen the experience industry into digital transformation strategies

Enhance presence of the experience industry in Finland's digital and metaverse strategies. Promote convergence of emerging technologies (AR/VR, AI) with cultural sectors and invest in infrastructure that enables immersive and hybrid experiences. Explore opportunities at the intersection of physical, digital, and social spaces to create blended, interactive experiences. Support the metaverse as an ecosystem for diverse activities, including public services, culture, tourism, and education. These intersections open new possibilities, such as sustainable virtual tourism that delivers cultural experiences with minimal environmental impact, global fan events and concerts hosted in virtual worlds, and AI-powered tools to personalise, translate, and co-create content.

Enhancing global recognition of Finnish culture

Reinforce the global presence of Finnish culture under a recognisable identity through consistent messaging and integration of cultural exports into broader diplomatic and economic strategies. This effort should build on existing nation branding work. Finnish creative exports, such as design, music, and gaming, are already well-regarded globally. By increasing collaboration and strategic synergies, their impact can be amplified. Promote Finnish design, fashion, wellness, and lifestyle products alongside cultural content to create rich, multi-dimensional consumer experiences. These cross-sectoral collaborations can also function as effective tools to promote tourism by highlighting Finland's unique identity – while remaining aware of potential environmental and social impacts. Leverage the existing initiatives, such as international exhibitions, and network of Finnish Cultural and Academic Institutes to support these efforts in key target markets to showcase Finnish culture abroad.

Promoting Finnish culture through content and community

Support the creation of content that blends Finnish cultural identity with globally relatable themes, lifestyles and digital culture. Engage global and local communities, including international students, visitors, and residents, as culture ambassadors to promote Finnish content. Actively support creators in building communities around content e.g. through live events, online platforms, or fandom models and recognise community engagement as part of export success. Invest in training, funding, and networks for cultural entrepreneurs (e.g. producers, translators, and digital creators) who can adapt, localise, and commercialise Finnish stories for global audiences. Support collaboration with digital platforms that promote domestic content, enable global engagement, and ensure fair compensation for creators. Encourage the growth of community-centred platforms that connect fans, artists, and creators directly.

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