**BTS and K-pop: The Next Chapter**

**Manuel G. Serapio**

**Teaching Note[[1]](#footnote-1)**

**Introduction/Background**

The book’s opening case, “BTS and K-Pop: The Next Chapter,” features the phenomenal rise and possible future of today’s most popular K-pop boy band, BTS (Bangtan Songyeondan or Bulletproof Boy Scouts). The band’s seven members are young men who are obligated by South Korean law to enlist and serve in the South Korean military for a period of time. The future of the K-pop industry in general and BTS in particular could be affected by the band taking a hiatus to fulfill their compulsory military service requirement.

Can BTS sustain the group’s popularity after its members return from military service? How much will BTS’s absence impact the probability of their return as an “idol” boy band? What would the possible disbanding of BTS mean for Big Hit Entertainment (now Hybe)-the successful international entrepreneurial firm behind the success of BTS? What would the future of K-Pop be without its global phenomenon—BTS?

While this teaching note focuses on the abovementioned questions relating to the future of BTS and K-Pop, the instructor could use the case to introduce “what international entrepreneurship is about” and “key international entrepreneurial principles” addressed throughout the book. For example, in my International Entrepreneurship class at the University of Colorado Denver, I (the case author) have organized the coverage of this case in three parts (i.e., “chapters”). I begin by showing a short segment of one of BTS’s early popular videos (e.g., BoywithLuv) and ask my students to address a key question that has been posed before BTS became a global phenomenon: Will America (or Europe, MENA, Latin America, Asia minus South Korea) ever embrace K-pop and BTS? If you were Big Hit Entertainment (the entrepreneurial firm behind BTS), what would you do to address the internationalization hurdles facing BTS and K-Pop at that time. What would you do to successfully expand BTS’s global footprint?

The case provides numerous ways to highlight theories, concepts, and practices introduced in the first chapter of the book. For example:

* International entrepreneurial opportunity identification (e.g., Why was Big Hit Entertainment successful in making BTS into a global phenomenon? What unique global opportunities did it explore and exploit?)
* Timing, Pace, and Direction of International Expansion (e.g., Did BTS and K-Pop’s international expansion follow the timing, pace, and direction of international expansion as prescribed by the Process Theory of Internationalization or The Theory of International New Ventures? Is BTS a Born Global Venture?)
* International Entrepreneurial Organization (e.g., What roles did BTS’s fandom—ARMY—

play in BTS’s success? Why was BTS able able to build, maintain and leverage their global

fanbase more effectively than other bands? What roles did the South Korean government

and the Korean wave movement (*Halyu*) play in the success of K-Pop and BTS?

The second part (Chapter 2) of my discussion of the case deals with the impact of the global pandemic on K-pop and the music industry. I tee off by taking the class to the early days of the global pandemic. I show newspaper headlines of K-pop and BTS’s concert cancellations at home and abroad and transition into the following discussion: “BTS was poised for more explosive growth globally in the early 2020 with multiple concerts scheduled in various venues. Because of the global pandemic, these concerts/performances had to be cancelled, causing potential loses for Big Hit Entertainment and possibly derailing BTS’s global expansion. What did Big Hit Entertainment and BTS do?” For the most part, the discussion of this second part of the case revolved around the overall theme of “how international entrepreneurs are masterful in turning challenges into entrepreneurial opportunities.” It also sheds light on the role of technology as a game changer in facilitating broad and accelerated international expansion.

The third part (i.e., The Next Chapter) of the case focuses on the current challenges facing BTS and the K-Pop industry, as noted at the beginning of this teaching note. The following addresses this third part’s discussion questions and answers.

**Discussion Questions & Answers (The Next Chapter)**

* Can BTS sustain the group’s popularity after its members return from military service?
  + With its members focusing on solo projects as well as group productions, BTS should be able to sustain its popularity after its members return from military service.
  + The availability of the band’s music online and continued new releases from individual band members could help maintain the group’s popularity.
* How much will BTS’s three-year absence impact the probability of their return as an “idol” boy band?
  + Although three years is a long time in the entertainment industry, the suggestion that the absence of band members will be staggered so that not all of them will be completing military service at the same time could help minimize the impact on the group’s devoted fan base.
  + Many fans continue to support BTS members as they enlist in the military.
  + Fans could gravitate towards more musically active band members while others are serving.
  + Members being slightly older and more mature after completing military service could positively affect how they are viewed by fans.
  + A break from creating group content and gaining new life experiences could positively impact the content the group releases.
* What would the possible disbanding of BTS mean for the future of Big Hit Entertainment, the successful entrepreneurial firm behind BTS?
  + Indeed, the possible disbanding of BTS poses a big risk for Big Hit Entertainment/Hybe.
  + Although the company has other interests, BTS is by far its biggest income generator.
  + In the sense that any publicity is good publicity, even bad news such as BTS disbanding will bring the company into the spotlight for international attention.
  + Still, it is best for Hybe to hedge its bets (as they are currently doing) by cultivating new groups and diversifying their business.
  + To the extent possible, Hybe should craft attractive contracts for the band members, ensuring their return to Hybe either as a group or individual performers after their compulsory military service.
* What would the future of K-pop be without its global phenomenon—BTS?
  + It is too early to tell how BTS’s absence could impact K-pop/
  + The group has brought so much media and fan exposure to the genre, which has also allowed other bands (e.g., TWICE) to rocket in popularity, as well as other bands to develop.
  + The amount of GDP generated for South Korea by BTS is unmatched by other K-pop bands. Theoretically, losing BTS could even negatively impact the country as a whole.

**Summary/Conclusion & Suggested References as Updates to the Case**

In mid-June 2023, the band’s record label, Big Hit Music, announced that all BTS members who have not already begun their compulsory military service are scheduled to be enlisted by the end of 2023 (https://economictimes.indiatimes.com). This includes younger members who could be eligible to postpone their service requirements but have opted instead to fulfill their duty in order to bring the band back together sooner. In the meantime, BTS continues to release singles and promote its members’ solo tours (https://hybecorp.com). The Korean military has also stated that the band may still perform as a group for, “national-level event[s] for the public good or an event designed in light of the national interest,” even while its members are completing their military service (https://www.rollingstone.com). This reassurance that the band may be returning sooner than expected could be a source of hope for fans of the chart-topping K-pop group.

<https://economictimes.indiatimes.com/magazines/panache/bts-members-to-enlist-in-military-by-end-of-2023-armys-get-emotional-on-twitter/articleshow/101111368.cms>

<https://hybecorp.com/eng/news/news/3441?companyCode=ALL&page=0>

<https://hybecorp.com/eng/news/news/3467?companyCode=ALL&page=0>

<https://www.rollingstone.com/music/music-news/bts-perform-mandatory-military-service-south-korea-1234613240/>

1. This Teaching Note was prepared by Manuel G. Serapio and Research Assistant Hannah Mikitowicz (Master of Science in International Business Candidate at the Business School and Research Assistant at the Institute for International Business, University of Colorado Denver). [↑](#footnote-ref-1)