



Nation branding as a market-shaping strategy: A study on South Korean products in Vietnam

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ABSTRACT

This paper focuses on a topic that has been largely overlooked in the contemporary marketing literature: the role of the state in shaping markets. While a growing body of research offers alternative perspectives about markets from the neoclassical perspective, it ignores the degree of embeddedness of the state in markets. In view of this theoretical gap, we investigate the market-shaping activities of states in emerging economies. Our context is the creation of a Korean cultural product market in Vietnam. Based on a document analysis of the nation branding projects of Korea and Vietnam, we investigate how these states are involved in shaping Vietnamese markets for Korean cultural products through their international and national activities. The findings reveal that whereas the Korean state is mobilizing and building diplomatic ties to promote the Korea's image in Vietnam through its cultural products, the Vietnamese state profits from these products for its East Asian oriented cultural policy. Three actions are being taken by the Vietnamese state: (1) controlling the distribution of Korean cultural products, (2) framing media producers' and consumers' behaviors, and (3) creating a network of collaboration between selected Korean and Vietnamese media producers. Through their nation branding practices, the Vietnamese and Korean states act as institutional entrepreneurs in shaping the Vietnamese market for Korean cultural products.

1. Introduction

Marketing scholars have generally paid little attention to conceptualizing markets (Johanson & Vahlne, 2011; Mele, Pels, & Storbacka, 2014; Vargo, Koskela-Huotari, & Baron, 2017). This lack of interest stems from the dominance of the generic concept of marketing advanced by Kotler and Levy (1969), that depicts marketing as “a set of portable management technologies” (Araujo, Finch, & Kjellberg, 2010:2) whose application can extend from business to nonbusiness sectors. The generic concept of marketing makes two assumptions about markets. The first, anchored in neoclassical theory, views markets as places where calculative mixed exchanges (i.e. utilitarian and symbolic exchanges) are organized between buyers and sellers seeking to maximize profit while minimizing transaction costs (Arndt, 1981; Aspers, 2011). The second assumption places the emphasis on the representation of markets as passive backgrounds where marketers use their scientific skills to create and deliver values to satisfy customer needs (Kotler, 1972). The outcome of the broadening of the concept of marketing is that “marketing was cut loose from its origins in markets and made portable across the whole of society by its reconfiguration as

a set of tools and techniques... The more marketing found new domains of application, the more it became detached from markets” (Araujo & Kjellberg, 2009: 197).

Venkatesh, Peñaloza & Firat (2006: 256) have also criticized the generic concept of marketing as “overly mechanistic, functional, and reductive” and suggested returning marketing to the markets. For these authors, this shift helps marketing scholars and practitioners to produce in-depth analysis of market systems and the practices of various actors within them. It also enables discussion of global market issues with international marketing scholars. In response to the call of these authors, some marketing scholars have recently developed research streams about markets that go beyond neoclassical assumptions. These scholars have proposed looking at markets in terms other than buyer-seller dyads. As they have argued, researchers may neglect how the market works (Lie, 1997) and the structure of the market ecosystem (Mele et al., 2014) by focusing on buyer-seller dyads. The focus on dyads also over-emphasizes the role of the product and the price mechanism and overlooks the influence of the social and tempo-spatial structure affecting markets (Vargo et al., 2017). Kjellberg and Helgesson (2006) and Azimont and Araujo (2007) have observed that

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buyer-seller dyads are unable to capture the competing power and multiple market practices that actors deploy to shape the market to their advantage. In turn, Blanchet and Depeyre (2015) have pointed to the need to take into account the role of non-human actors (i.e. industrial products, brands, etc.) in creating coordination and links between the market system's existing or future actors.

Moving away from the perspective of buyer-seller dyads, some marketing scholars have conceptualized markets as networks (Johanson & Vahlne, 2011), sign systems (Venkatesh et al., 2006), configurations (Storbacka & Neonen, 2011), social knowledge structures (Rosa, Porac, Runser-Spanjol, & Saxon, 1999), social practices (Kjellberg & Helgesson, 2006, 2007), complex systems (Giesler, 2008; Hietanen & Rokka, 2015), or institutionalized solutions (Vargo & Lusch, 2016). The underlying hypothesis in these alternative conceptualizations is that the market is dynamic, plastic and malleable and takes different forms according to the varying interactions between multiple heterogeneous market actors (Giesler & Fischer, 2017; Kjellberg, Storbacka, & Akaka, 2012; Neonen et al., 2014). For Kjellberg and Helgesson (2006), the malleability and dynamic of markets may also result from the co-existence of three types of practices: (1) normalizing practices produce normative frames that conduct and shape the behaviors of market actors; (2) representational practices translate theoretical concepts and assumptions into images and mental models according to which actors interpret markets, (3) exchange practices configure situations enabling the exchange of goods/services between market actors equipped with the right action programs. As Kjellberg et al. (2012: 220) state, “markets are not, they become.” Hence, these marketing scholars have advocated more studies on the developmental processes of markets.

The call for more studies embracing alternative conceptualizations of markets has been addressed empirically by recent marketing work, which Giesler and Fischer (2017) have termed a market system dynamics perspective. For these scholars, the market system dynamics perspective questions not only how firms shape markets through market scripting (Storbacka & Neonen, 2011), innovation (Storbacka & Neonen, 2015), or marketing practices (Humphreys, 2010), but also how consumers, policy makers, media, and activists change markets through their consumption practices and discursive negotiations (e.g. Dolbec & Fischer, 2015; Ertimur & Coskuner-Balli, 2015; Giesler, 2008; Scaraboto & Fischer, 2013).

There is no doubt that the growing research stream on market system dynamics has made invaluable contributions to the way marketing scholars study markets. However, there have been few studies on the role of the state, a powerful institutional actor, with regard to markets becoming processes. This lack of interest is observed not only in marketing but also in management and organizational research. For Kourula, Moon, Salles-Djelic, and Wickert (2019), the lack of interest in studying the role of the state in markets stems from the phenomena of privatization and globalization. Defined as “the transfer of organizations or capacities that were once in the public sector to private ownership or management” (Kourula et al., 2019: 1104), privatization was used to drive the liberalization of markets. The consequence of privatization is that the task of government is simplified and its role in the direct control of business activities is diminished. Coupled with privatization, the globalization of markets resulted in the erosion of the status of the nation state. The authority of national governments has become less effective and governments have been forced to sacrifice some of their prerogatives and to opt for more pro-market policies (Kourula et al., 2019). The cessation of the authority of the state over markets contributed to the shift in scholars' interests from state and state actors (i.e. governments and governmental agencies) to multi-stakeholders and from the public to the private sector.

However, in recent years, governments have taken a more active role in shaping markets, variously by re-entering areas that had been brought under the control of private actors such as CSR (Albareda, Lozano, & Ysa, 2007), by rethinking and re-inventing their roles in the provision and marketing of public goods and in the governance of

markets and business conduct (Arellano-Gault et al., 2014; Oruezabala & Rico, 2012) and by forming new networks of actors and new private/public collaborations (Knill & Lehmkuhl, 2002). Governments, particularly those of emerging economies, are also more active in protecting the national interest and their authority from the perverse effects of globalization. Bremmer (2014) has called this “guarded globalization”, a phase in which states become wary of opening their industries to multinational companies. States carefully choose the international markets in which they want their multinationals to do business, pick sectors in which they allow foreign capital investment, and promote their state-owned enterprises (hereafter SOEs). The return of the state and government in regulating markets and business conduct and protecting national interests from globalization calls for more attention on the part of scholars and the renewal of studies about the state and its government's practices.

While management scholars have re-emphasized the importance of understanding and conceptualizing the role of the state, its organization structure, and the governance of state actors, some marketing scholars have focused on the ways in which the state and certain political actors shape markets and market actors' behaviors. For instance, Tadajewski (2006) has looked at the influence of McCarthyism on the crafting of marketing theory as a field for studying market knowledge and know-how. Karababa and Ger (2011) have explored the ways that the Ottoman state used religious discourses to shape consumers' behaviors. Similarly, Coskuner-Balli and Tumbat (2017) have analyzed the US presidential speeches to show how American presidents enable and maintain free trade as a dominant institution. Baker, Storbacka, and Brodie (2018) have reported the institutional work of the Quebecois government in forging the new business models of 20th-century North American circuses. In those studies, the state is presented implicitly as an institutional actor which is independent of the market and engages in market-shaping activities when necessary. Those studies have also overlooked the different economic organizational forms of the state, which impact its strategies in participating in market-shaping activities.

Taking a different perspective from these previous studies, we argue that market-shaping is part of (inter)national policy in state-building and enhancing the state's competitiveness so as to cope with political and economic pressures from international institutions and actors, and to manage the nation's image in the context of the globalization of market-driven logics. As Cerny (1997) argued, the dynamism of globalization drives all nations into a game in which each of them becomes a “competition state”. In this “quasi-enterprise association” (Cerny, 1997: 251), the state collaborates actively with various market actors to enhance the competitiveness of the nation for its economic development. To export national resources (e.g. products, ideas, services) and attract foreign resources (e.g. tourists, business investors, skilled labor, students), the state uses marketing techniques for managing the nation's competitive image and identity in the eyes of transnational actors such as multinationals (Hao, Paul, Trott, Guo, & Wu, 2019). Anholt (1998) has coined the term “nation branding” to indicate how state leaders and business actors collaborate in creating and promoting the competitiveness and attractiveness of a nation. Viewing the state through the lens of the “competition state” helps capture its active (not reactive) role in shaping markets. This paper thus addresses the following research question: How does the state shape markets?

The context of our research is the Vietnamese market for Korean (cultural) products. Since the establishment of diplomatic ties between the Republic of South Korea (hereafter Korea) and Vietnam in 1992, Korea has become one of the largest foreign investors in Vietnam. Over a 30-year period (1988–2018), Korea's FDI amounted \$62.6 billion (Lee, 2019) and entered Vietnam in three waves. While the first and second waves of Korean investment were directed to the textile and electronic manufacturing industries, the third wave focused on consumer goods (Blomenhofer, 2017). The main reasons for the change in the Korea's investment focus have been the increasing pace of institutional reform, the rise of manufacturing capacity, the rapid expansion

of the Vietnamese middle class with its demand for increasingly sophisticated goods and services, and the craze for Korean lifestyles and products among young Vietnamese consumers (Blomenhofer, 2017). A recent survey of 2000 Vietnamese consumers conducted by the Korea International Trade Association has shown that 89% of respondents are positive about the design and image of Korean goods (The Korea Herald, 2018). What is interesting is that the Korean state is directly involved in boosting Korea's FDI in Vietnam, as illustrated by the words of the CEO of the Korea Trade - Investment Promotion Agency (KOTRA) in The Korea Times "Based on stable economic growth and Korean wave, more of Vietnam's middle class are looking to Korean consumer goods. KOTRA will take various businesses there in new ways to boost sales of cosmetics, food, and household items, which are expected to benefit from the Korea-Vietnam Free Trade Agreement". (Park, 2016) In short, Vietnam has become an important market for Korean (cultural) products.

Along with its FDI, the Korean state is also developing a Socio-Economic Development Strategy (SEDS, 2011–2020) aimed at helping Vietnam change from a low middle-income country and become a modernized and industrialized nation by investing in public infrastructures and administrative competences (odakorea.go.kr). Furthermore, the New Southern Policy launched in 2017 lists Vietnam as a key partner, having accounted for 42.9% of Korea's total ASEAN trade in 2017 (Kwak, 2018). We believe that by studying the Korean market in Vietnam we contribute to a greater understanding of state-led market-shaping.

We make three contributions to the literature on market system dynamic and nation branding. First, we intersect the literature on the developmental state (Evans, 1995; Wade, 1990) with that on market system dynamics (Giesler & Fischer, 2017; Vargo et al., 2017). We propose that the developmental state acts as an institutional entrepreneur (Battilana, Leca, & Boxenbaum, 2009) which is actively involved in shaping markets by deploying its political and cultural skills to create and capture the opportunities that emerge from inter-governmental activities. Next, we extend the literature on nation branding by focusing on the making and communicating of a nation brand between countries in the Global South. We identify a set of practices that the state in the Global South uses for its nation branding as well as its reaction to other states' nation branding. Finally, we develop the argument that nation branding involves the shaping of markets.

The structure of this paper is as follows. First, we introduce the literature on the market/state relationship and nation branding. We then detail our research context, data collection process and analysis. In the findings section, we analyze how the Korean and Vietnamese states shape the Vietnamese market for Korean cultural products, before discussing the theoretical and managerial implications of our research as well as its limitations. We conclude by pointing to future research avenues.

2. Literature review

2.1. The state and the market

The relationship between the state and the market has been one of the focuses of economic sociology and related fields since Adam Smith ([1776] 1976). Social scientists have debated how large or small a role the state should play in the market. For free market theorists, market economies function best when the government limits its intervention (Friedman & Friedman, 1980; Hayek, [1944] 1976), making the market a self-regulating entity that functions autonomously. This position has been challenged by economic sociologists who have argued that the market is not separate from society, but rather is embedded in civil society, which is structured by the state, and vice versa (Block & Evans, 2005; Evans, 1995). Different labor relations, types of financial system organization, and the history of the triangular relationship between state/market/civil society lead to the "varieties of capitalism – the

systematic variations in institutional practices among different contemporary market-oriented societies" (Block & Evans, 2005: 506). Through the notion of "state-building as market-building", Fligstein (2001: 36) captured the idea that states play a crucial role in the construction of market institutions. To shape and stabilize markets, the state uses its authority to ensure the functioning of normalizing practice (e.g. introducing property rights), representational practice (e.g. framing conceptions of control that structure market actors' perception of how the market works), and exchange practice (e.g. setting standards and rules of national and international exchanges).

For Fligstein (2001), the state's involvement in shaping and stabilizing markets can be classified as either intervention or regulation. For interventionist states (e.g. France), their market involvement is grounded in making substantive decisions such as owning firms, making direct investment, and heavily regulating firms' entry into, exit from, and competition within markets. In contrast, regulatory states (e.g. the USA) prefer to create agencies to support general rules in markets for determining investment processes and who can own what. Research on the "East Asian miracles" in the late 1980s has revealed a third way that East Asian states (Japan, South Korea, Taiwan, and Singapore) have developed to involve themselves in market building and market shaping (Evans, 1995; Wade, 1990). These states have developed close ties with selected local private elites, and have had the capacity to discipline the owners and managers of capital to conform to the state's vision for future economic growth (Wade, 2018). Moreover, those states use their power to promote production in selected sectors and products corresponding to state economic plans, with a view to retaining substantial ownership in national hands and finding opportunities to replace imports of sophisticated goods by domestic production (Wade, 2018). Johnson (1982) coined the term "developmental state" to indicate this third form of state involvement in making markets. As well as enabling the three above-mentioned practices (i.e. normalizing practice, representational practice, and exchange practice), the developmental state shapes markets by controlling the mobilization and allocation of resources.

Two examples illustrate the way in which the developmental state is involved in making markets. The Taiwanese government has used subsidies, checks and risk diffusion mechanisms to orient foreign FDI into the high-technology and industrial sectors. It has also manipulated the exchange rate and import- and export-oriented industries (see Wade, 1990). In the same vein, Chung (2019) has revealed that before the financial crisis of the mid-1990s the Korean government managed cultural markets by rapidly establishing institutions and infrastructure for arts and culture under tight government control, and insulated the domestic market from international influences.

The developmental state model is also practiced in China and Vietnam, but with certain differences. While China and Vietnam have taken the model of the developmental state, they have infused it with a Marxist-Leninist approach that they call "market-oriented socialist economy under state guidance" (Beresford, 2008). That is, these states are cautiously opening up the capital market while stubbornly preserving a prior state structure to avoid its complete erosion by so-called socialist society. SOEs receive preferential treatment from the government for accessing real estate and in receiving tax and regulatory breaks, while strategic important SOEs are given profitable monopoly positions (Beeson & Pham, 2012; Gainsborough, 2003). Moreover, the state is the principal customer of those SOEs (Beeson & Pham, 2012). As Beeson and Pham (2012: 554) have noted, "almost without exception, the Asian economies have been developed by 'strong' states, high levels of guidance and intervention, and a good deal of skepticism about the merits of a predominantly market-oriented developmental model." In short, East Asian states (including China and Vietnam) have developed a different state model than Western states, a model in which the state uses its power to participate directly as a key leader and planner in building and shaping markets. Moreover, East Asian states are known as very active in managing nation branding projects to boost the nation's

image and reputation as well as to enhance the value of national brands. For example, Korea has established the Presidential Council of Nation Branding (PCNB) under the direct control of the president to “upgrade Korea’s relatively undervalued nation brand and improve its management effectiveness” (17koreabrand.pa.go.kr)¹. Vietnam has in turn established the National Branding Program Secretariat, under the supervision of the Ministry of Industry and Trade, to “promote Vietnam’s image as a reliable producer and supplier of a variety of high quality goods and services, and increase recognition of Vietnamese products for their quality, innovation or creativity” (vietnamnews.vn).²

2.2. Nation branding

Nation branding was first introduced in Anholt’s (1998) work, in which he examined how a nation (such as USA, Switzerland, Brazil or UK) makes its own brand. A recent systematic review of studies on nation branding conducted by Hao et al. (2019) has shown that, despite two decades of research on nation branding, marketing scholars still differ on how to define nation branding and what its components are. Marketing scholars still use the two terms “country branding” and “nation branding” interchangeably in their studies. Although marketing researchers are still debating about the scope of nation branding, they are in agreement that a nation can be branded.

A nation is a social construct that “consists of a people inhabiting a fixed territory, sharing key elements of a common culture (values, beliefs, norms, institutions), and possessing a sense of common interests” (O’Shaughnessy & O’Shaughnessy, 2000: 57). It is also an “imagined political community” (Anderson, 1983: 6) that is (re)formed across time and space. Thus its identity and image are multilayered, diverse, indistinct and difficult to define. Unlike branding a product, service or company, branding a nation is a context-dependent process through which a nation constructs a positive national image made up of fragmented folk images, historical motifs, media history and contemporary media (Ger, 1991; Fan, 2006; Quelch & Jocz, 2005), and communicates it to foreign audiences. For instance, India has promoted itself as exotic and oriental through its Incredible India campaign, with its images of brightly colored silk fabrics, national mausoleums, religion, indigenous women, and so on, portraying an exotic and spiritual India, as perceived by western tourists (see Kerrigan, Shivanandan, & Hede, 2012).

For Gudjonsson (2005), nation branding helps a state to protect national business activities, enhance the value of national brands, raise the living standards of its citizens, and increase national prosperity. These economy-centered goals highlight the similarity between nation branding, and place branding (Kotler & Gertner, 2002; Papadopoulos & Heslop, 2002). However, in contrast to place branding, which prioritizes the import of foreign economic assets (e.g. tourists, factories, skilled labor, etc.), nation branding targets also the export of domestic (in) tangible goods and services. For Rodner and Kerrigan (2018), nation branding is also distinguished from place branding in the need to take political activities into account. According to Anholt (2003: 123), “country branding occurs when the public speaks to the public; when a substantial proportion of the population of the country – not just civil servants and paid figureheads – gets behind the strategy and lives it out in their everyday dealings with the outside world”. This means that policymakers and marketers need to make domestic audiences experience the nation brand in the same way that foreign audiences perceive it. To make it authentic nationally and transnationally, Dinnie (2008) advocates integrating culture into the nation brand. In other words, nation branding should be treated like cultural branding, that transforms a nation into an iconic brand expressing “the collective anxieties

and desires of a nation” (Holt, 2004: 6). Mass media and products of the cultural industry are often used in branding a nation (Aronczyk, 2013).

Effective nation branding should be led by the state, which acts as the initiator and (in)directly becomes involved in a branding process (Gudjonsson, 2005). The state uses its power to define rules, laws, and economic landscapes to strengthen the nation’s brands and products. It also uses diplomacy to pave the way for the international distribution of these brands and products. For example, the Chinese government has increased its influence in Africa by establishing Confucius Institutes in thirteen African countries, offering scholarships for African students to study in China, and encouraging Chinese companies to adopt CSR in their business activities in Africa (see Tang & Li, 2010). Fan (2008) suggests that successful nation branding should make three components (political, economic and cultural) work in synergy. For instance, the Korean government engages economically and politically with the country’s creative industry to help its cultural products make their way to larger Asian markets (Chen, 2016). The same goes for Turkey, which has successfully exported its soap operas to Arab nations (Yalkin, 2017). In short, nation branding is a strategy that the state deploys to manage and promote an attractive national image for foreign and domestic audiences, using marketing and diplomacy tools in synergy.

The literature on nation branding complements the literature on the state and market in shedding light on how the state is involved in shaping markets. Indeed, while the literature on the state and market reveals multiple practices that states deploy in their governance of the market, it says little about how states mobilize cultural capital (such as national identity and histories) as resources for market shaping. Moreover, the literature used to identify market making and the shaping of states in which external forces (i.e. foreign states, NGOs, foreign audiences, etc.) provide the context in which the states’ practices take place. The literature on nation branding can fill the gap in the literature on the state and markets. Instead of treating external forces as a context for the state’s market shaping, the literature on nation branding emphasizes external forces as market actors that are directly or indirectly involved in shaping the domestic market. Consequently, in its market-shaping activities, the state has to develop strategies not only for domestic market actors, but also for foreign actors. To illustrate those arguments, we study how in realizing their nation branding projects the Korean and Vietnamese states were able to develop the Vietnamese market for Korean (cultural) products. We analyze and document the strategies that the Korean government has used to introduce Korean cultural products into the Vietnamese market and the ways in which the Vietnamese government has used these products to serve its own nation branding project. In the following section, we present the methods adopted for data collection and analysis.

3. Methodology

We employ document analysis (Bowen, 2009) to unpack systematically the strategies that the Korean government has used to develop and promote the Korean wave (i.e. the transnational circulation of Korean cultural products) as economic and diplomatic tools for their nation branding project. Although document analysis is mostly used in triangulation with other data, it can also be used as a stand-alone method, especially for historical and cross-cultural research (Bowen, 2009). For example, Frig and Sorsa (2018) have compared the nation branding projects of the Danish and Finnish states in legitimizing and promoting business sustainability, through analysis of the magazines Focus Denmark and Focus Finland. In their study on coffeehouse culture in the early modern Ottoman, Karababa and Ger (2011) analyze various kinds of written documents (e.g. books, decrees, poems, chronicles, etc.). Chen (2016) has analyzed online articles published by allK-pop.com to study the international entry modes used by Korean entertainment firms in their ongoing global project. The method was also used by Baker et al. (2018) for their “systematic combining” of a historical case study to examine the emergence and decline of the

¹ <http://17koreabrand.pa.go.kr/gokr/en/cms/selectKbrdCmsPageTbl.do?cd=0118&m1=1&m2=3>

² <https://vietnamnews.vn/economy/375019/vn-needs-national-branding-experts.html>

twentieth century North America circus market. Because Korea's nation branding projects are characterized as systematic and historic (see Chung, 2019; Schwak, 2016), we suggest that by adopting document analysis we can trace the market dynamics related to the nation branding strategies used by Korean governments. We thus gathered together books, academic articles, government reports and White Papers published in English that discuss the “Korean wave”, “Hallyu”, “the Korean cultural industry”, “K-pop”, “Korean TV drama”, and “Korean nation branding”.

Since we are interested in the way that the Vietnamese state has used Korean cultural products to promote its East Asian-oriented cultural policy (see Thomas, 2002) and create a wealthy Vietnamese nation state, we use discourse analysis (DA). In marketing and consumer research, scholars use DA to analyze the production, dissemination and communication, and consumption of a wide range of texts and discourses (including visual forms, sound effects and music, full-motion videos, etc.) produced by marketers and consumers (Elliott, 1996; Fitchett & Caruana, 2015). Some scholars have used DA to develop an understanding of the effects of institutions and social structures on the formation of consumption practices and consumers' perceptions (e.g. Humphreys, 2010; Sitz, 2008). Others use DA to examine the role of visual arts in nation branding (e.g. Kerrigan et al., 2012; Rodner & Kerrigan, 2018).

Our choice of DA as our research method was made for a number of reasons. First, since the media in Vietnam is tightly controlled by the state, they function as a political tool that the state uses to educate the Vietnamese people and to propagate state policy (Thomas & Heng, 2000). By analyzing the discourse produced by Vietnamese media about the Korean wave, we can identify how the Vietnamese state interprets the Korean wave and what images of Korea the Vietnamese state wishes to propagate. Second, by using DA, we can trace changes in the Vietnamese state's interpretation of the Korean wave and images of Korea alongside the evolution of the relationship between Vietnam and Korea. Third, as suggested by Fitchett and Caruana (2015), the DA approach can be used to examine the processes by which markets are created, shaped, and enacted. We propose, therefore, that by analyzing the Vietnamese state's discourses about Korean wave and popular cultural products, we can map the formation of the Vietnamese market for Korean popular cultural products.

We collected data from articles published in Vietnamese newspapers from 2000 to 2019. We chose this period because Korea's nation branding was first launched by Kim Dae-jung's government (1998–2003) and was continued by his successors. It is also the period during which the Korean wave began to spill into Vietnam and gave rise to the first craze for Korean popular culture among Vietnamese consumers since the liberation of their market. Our dataset comes from Vietnamese state-controlled newspapers published and archived on *tuoitre.vn*, *thanhvien.vn*, *dantri.com.vn*, *nld.com.vn*, *vietnamnet.vn*, *vnexpress.vn*, and *nhandan.com.vn*. These newspapers are extremely popular in Vietnam and reflect the ideology of the Vietnamese Communist Party, the country's only political party, which seeks to control and model the cultural activities and consumption practices of Vietnamese consumers (Nguyen, Özçaglar-Toulouse, & Kjeldgaard, 2018).

We collected 151 articles (120 in Vietnamese and 31 in English), 4 video reports, and 10 official statements, along with documents on the cultural policy and the Five-Year Socio-Economic Development Plan published by Vietnamese government. Data collection was conducted iteratively. First we used Vietnamese keywords such as “phim han quoc” (Korean TV drama), “nhac han quoc/K-pop” (Korean pop music) and “van hoa han quoc” (Korean culture) to begin our data collection process. The reason for our choice of these keywords is that the Korean wave has entered Vietnam in three forms: online games, films and TV dramas, and popular music. While the impact of online games on Vietnamese consumers is limited, films and TV dramas and popular music have a significant influence on Vietnamese consumers' tastes and lifestyles (Park, 2017). Using these first three keywords, we filtered out

57 articles in which they appeared in the headline. The first author thoroughly analyzed the selected articles and discussed with the second author the themes that emerged. Since the terms “xam lang van hoa” (cultural invasion) and “fan cuong K-pop” (K-pop crazy fan) appeared in most of the articles, the first author continued the data collection by searching for these keywords. An additional 48 articles from the online newspapers mentioned above, as well as 15 articles from the commercially-oriented newspaper (though state controlled) *vnexpress.vn* and 4 video reports broadcast on Vietnamese TV channels were collected. To understand how the Vietnamese government has portrayed Korea's nation branding to foreign audiences, we also collected 29 online articles published in English by *vietnamnews.vn* (the official voice of Vietnam's government, targeting foreign audiences) and 2 articles from *vietnamnet.vn* and *thanhvien.vn*.

The data collected were coded separately and openly in line with the open and axial coding processes (see Appendix 1) suggested by Corbin and Strauss (2008). The authors had a number of discussions during this process to make the coding more objective and relevant. We established that there were systematic changes in the Korean state's national and international policies in exporting and promoting the Korean wave for building the image of Korea. We found that under four successive presidential regimes, the Korean state changed its nation branding strategies three times and used three different official labels: Dynamic Korea (2002–2008); Global Korea (2008–2013); and Creative Korea (2013–2018). For each label, the Korean state focused on one particular type of popular cultural product and one particular strategy to transmit those cultural products into Vietnam. The three strategies are respectively cultural exchange, cultural export, and cultural collaboration. The Vietnamese state in turn adopted and adjusted the strategies in approaching and exploiting the inflows of Korean popular cultural products for each Korean nation branding strategy. In the next section, we analyze these strategies in detail.

4. Findings: Korean nation branding and Vietnam's cultural policy for economic development

Our findings are organized into three sub-sections corresponding to the three phases of the Korean nation branding project. In each section, we detail the strategies used by the Vietnamese state to take advantage of the Korean wave with regard to its cultural policy in developing Vietnam's economy.

4.1. Dynamic Korea (2002–2008): Korea's cultural exchange policy and Vietnam's East Asian-oriented cultural policy

The Dynamic Korea branding project was launched before the start of the 2002 FIFA World Cup co-hosted by South Korea and Japan. The project aimed to replace the images of stasis and serenity inherited from the old imperialist image of ‘Morning Calm’ by an image of a nation on the move (Lee, 2015). The 2007 brochure published by the Korean Overseas Information Service (cited in Lee, 2015) stated that “Dynamic Korea represents the vibrant spirit; the heritage of the Korean people that will be passed to future generations. It embodies the unshakable moral strength that has overcome so much hardship, as well as a vision which proactively explores the future.” The brochure also noted the success of Korean films, dramas and popular music across Asian markets and listed the cultural industry as one of the key elements for re-positioning the image of Korea as a dynamic Asian nation and for boosting its economy. Kim Dae-jung's government focused on film and the entertainment industry to regain the share of the Korean market lost to American blockbusters by introducing the Basic Law for the Promotion of the Cultural Industry in 1999 and investing \$125 million to promote Korean cinema between 1999 and 2003 (Kim & Jin, 2016; Shim, 2006). Many film festivals were held to promote Korean films and TV dramas to foreign buyers. Kim's government also encouraged Korean business conglomerates (*chaebol*) such as Samsung, LG and

Hyundai to help develop and internationally promote the Korean film industry and Korean brands (Kim, 2013). It also established the Korean Foundation for International Cultural Exchange (KOFICE) in 2001 to support the Korean cultural industry overseas. As well as carrying out market research for this industry, KOFICE hosts and organizes cultural exchange events between Korea and overseas markets. The Dynamic Korea project was continued under Roh Moo-hyun's government (2003–2008), emphasizing the important role of the Korean wave, but using a different approach to his predecessor. The new administration focused more on cultural diversity and bilateral exchanges with other Asian nations, especially China and Japan (Kim & Jin, 2016). It launched a cultural program designed to create a new Asian hybrid culture based on exchanging and integrating different types of cultures from East and Southeast Asia (Kim & Jin, 2016). Roh's government also provided \$10 billion in subsidies to develop the cultural industry and launched the Cultural Archetype Project, aimed at digitizing “material and immaterial cultural properties and the development of archives and multimedia content” (MCT & KOCCA, 2005, cited in Park, 2015).

With regard to the Korea's diplomatic activities in relation to Vietnam, a number of key events took place. In 1997, the Kim government sponsored the Vietnamese national television (VTV), which is owned and controlled by the Vietnamese state, in broadcasting the first Korean drama (mini soap operas) *First Love* nationwide. Drama, according to Park (2017), is used to replace TV commercials promoting Korean brands such as Samsung and LG, that were then unknown to Vietnamese consumers. It was also the strategy used by Kim's government in an effort to repair the negative image of Korea generated by its involvement in the Vietnam war and to make Vietnamese consumers familiar with Korean culture. Following the huge success of the drama in Vietnam, Kim's government in collaboration with Korean *chaebols* provided another eighteen Korean dramas with Vietnamese dubbing free-of-charge to Vietnamese national and local broadcasters (Kim, 2013) between 1998 and 2002. As well as sponsoring Korean dramas, the government organized numerous Korean concerts in Vietnam to enhance Vietnam-Korean diplomatic ties and augment its soft power in Vietnam (Park, 2017). Korean pop artists coming from Korean entertainment conglomerates in association with government agencies participated in these concerts. In 2005, the Korean Cultural Center was set up in Hanoi. This cultural center aims “to teach the Korean language free-of-charge in order to help everyday people who want to learn Korean. The center will introduce Korean culture to Vietnam as well as Vietnamese culture to Korea” (vietnamnews.vn, 22/12/2005). In 2004, the Korea-Vietnam Cultural Exchange Plan was renewed and has since further developed aid from Korean government agencies such as the Korean Film Council (KOFIC) and Busan International Film Festival (BIFF) for the Vietnamese film industry.

The success of the first Korean drama in Vietnam in 1997 stimulated the Vietnamese state to pursue its new cultural policy, which orients the taste of Vietnamese consumers toward East Asian cultural products (Thomas, 2002). Thomas (2002) shows that while the Vietnamese state continues to purge the undesirable influence of Western culture, it also launched the new cultural policy in order to reposition Vietnam within the East Asian community and promote the image of East Asian industrialized societies as the future of Vietnam. With the new cultural policy, the Vietnamese Communist Party uses East Asian cultural products as tools to promote the Confucian values that reinforce its power and to regain the trust of the Vietnamese people after the economic reform. The new cultural policy also reflects the ambition of the Vietnamese state to build and develop cultural industries in Vietnam in order to promote the Vietnamese identity and export Vietnamese popular cultural products (nhandan.com.vn, 12/09/2013).

Through the Ministry of Information and Culture, the Vietnamese state has selected and authorized certain cultural product categories (i.e. television series, films, music) coming from industrialized nations (i.e. Japan, South Korea, Taiwan, and Hong Kong) that conform to its cultural policy regarding flows into Vietnam. In implementing its East

Asian-oriented cultural policy, the Vietnamese state tightly controlled the distribution of cultural products imported from East Asian nations, helped shape producer and consumer subjects through governmentality strategy, and created a collaboration network between foreign and Vietnamese content producers.

4.1.1. Controlling the distribution of Korean cultural products

State-controlled media have the monopoly in importing and distributing Korean cultural products. Recognizing the positive response of the Vietnamese people to Korean dramas as well as the relevance of those cultural products to its new cultural policy, the Vietnamese government has endeavored to pull flows of Korean cultural products into Vietnam. For example, despite its tight control of foreign media, it allowed Vietnamese national television to broadcast Korean dramas in primetime. Whereas foreign cultural products were extremely scarce in Vietnam in the 1990s, these Korean dramas, aired in primetime, received positive reactions from Vietnamese consumers (dantri.com.vn, 13/08/2012). Although those dramas were free and imported by Korean *chaebols*, they were subject to the Vietnamese censorship system. They were all viewed by the Vietnamese Cinema Department before being broadcast to the Vietnamese public and FaFilm, the state-owned film agency, was given the right to select and distribute foreign films in public film clubs and cinemas. With its regulation pertaining to foreign media, the Vietnamese state maintained its authority over inflows of Korean cultural products, thereby preventing any outcomes that could harm its cultural policy.

Since the upgrading of diplomatic ties into “a comprehensive partnership” between Vietnam and Korea in 2001, Vietnam slowly loosened its control over Korean dramas and films. FaFilm was allowed to establish a joint-venture, known as The Good Friends Initiative, with a Korean private film company to co-distribute foreign films and to build new multiplex cinemas in Vietnam's three largest cities (KOFFICE, 2005). Since its creation, the films imported and distributed by the joint venture have been 90 percent Korean (KOFFICE, 2005), thus contributing to the boom in Korean films in Vietnam.

The Cinema Law, passed in 2006, authorized local public broadcasters and private companies to directly import foreign TV programs and distribute them to the public without being licensed by state agencies (vietnamnews.vn, 27/08/2005). The new Cinema Law aimed to boost Vietnam's film industry. Because Korean dramas and films are cheap compared to other East Asian TV programs thanks to the intervention of the Korean government in content production (Jin, 2014), they were predominantly chosen by national and local broadcasters and by Vietnamese public and private film distributors. Despite having a free choice for importing foreign cultural products into Vietnam, Vietnamese public and private media distributors are liable to be sanctioned by the Vietnam government in line with its East Asian-oriented cultural policy. Thus importing and distributing Korean TV dramas and films is a safe strategy for Vietnamese firms. In short, although Vietnam has allowed its public and private media distributors to select and import foreign cultural products, the state is still involved in their business activities. The Cinema Law shapes the boundary for business activities and orients the choice of product imported by public and private media distributors.

4.1.2. Framing the cultural tastes of producers and consumers

In conjunction with shaping the activities of Vietnamese public and private media broadcasters and distributors, the Vietnamese state is directly involved in framing the public's attitude to Korea and Korean cultural products. The Vietnamese state uses the same governmentality strategy as the Korean state for its mass mobilization and citizen control in pursuit of its nation branding project (see Schwak, 2016). Governmentality, in the Foucauldian perspective, means that the state, through its governmental agencies, exercises power over individuals to make them comply voluntarily, by influencing their perception of “normality” and their self-construction (see Foucault, 2004: 65). Thus, the

Vietnamese state transposes Korean cultural products into the work culture and consumer culture of an industrialized Confucian Asian society, the future image of Vietnam. The Vietnamese state generates public discourses through its tightly controlled media system. It should be noted that in Vietnam the media censorship system limits Vietnamese citizens to independent state-led information sources (Thomas & Heng, 2000).

The experiences of Vietnamese journalists, politicians and artists with input from Korea and of Korean pop stars are used as the trustworthy opinions of an ‘elite class’ in all discourses about Korea. For example, an article written by a Vietnamese politician and published in *tuoiere.vn* (16/08/2006) depicted Korea as an Asian country whose economic and cultural profile is constantly evolving through its business ethics, self-discipline and proud nationalism. For the author, Dynamic Korea is not only a slogan for nation branding but also a “standard of self-quality that each Korean has to cultivate”. Interestingly, he compared Dynamic Korea with the ‘dynamic image’ of Lee Myung-bak, an ex-governor of Seoul.

“In 2003, the ex-governor of Seoul, Lee Myung-bak, who is well known as dynamic and determined, resolved to renovate the Han River riverside. With outstanding effort, the governor transformed the riverside into a new landscape... open for cultural and economic development... Furthermore, the governor also supported and sponsored Hanoi to create a “Dynamic Korea” oriented project to renovate the Red River riverside and transform it into a prosperous downtown area.” (*tuoiere.vn* 16/08/2006).

The above excerpt shows the author’s sympathy towards and admiration for fellow Korean Lee Myung-bak, who emerges as a political star. It also reveals the way the Korean state uses cultural diplomacy for nation branding. By means of cultural and economic sponsorship, it actively promotes the image of Korea as dynamic, modern and professional in foreign target markets.

In mass entertainment, this image is also constructed in Vietnamese public discourse through its portrayal of pop stars. In 2004, the heroine of the highly-rated Korean drama *Glass Shoes*, traveled to Vietnam to promote SKtelecom, a Korean telecom *chaebol*. The newspaper *tuoiere.vn* ran an article to report the event, describing the actress as follows.

“Even more gentle and lovely than she is in the drama, she impressed Vietnamese artists with her professionalism and friendliness... With her friendliness, simple style and constant smile, despite signing more than a hundred autographs for her fans, Kim Hyun-joo won the hearts of Vietnamese fans. This is also the professional manner that a ‘public person’ should have.” (*tuoiere.vn* 13/10/2004)

The Korean pop star was thus depicted as disciplined, well-behaved and professional and respectful of her audiences and local cultures. With her “friendliness” and “closeness”, she was said to have blurred the cultural differences between herself and her audiences. The same goes for Kangta, a Korean singer from a music boyband called H.O.T. who came to Vietnam in 2005 for the cultural exchange event organized by the Korean Cultural Center in Vietnam. The journalist of an article published in *nld.com.vn* (14/10/2005) wrote about the singer and his visit in a sympathetic and admiring tone. The journalist commented that Kangta’s fame came “partly from his beautiful voice, but more importantly from his beautiful face... Along with his artistic talent, Kangta is a disciplined artist and humble”. In other words, the model for a successful pop star is a combination of self-discipline, professionalism, beauty, and talent, deemed to be cultural elements that “a public person should have” (*tuoiere.vn* 13/10/2004).

The theme of the professionalism of Korean pop stars and the country’s cultural industry in general is also found in a series of online newspaper articles analyzing the success of Korean dramas in Vietnam. In an article titled ‘Why do Vietnamese audiences love Korean dramas?’

(*nld.com.vn*, 17/10/2001), the journalist argued that Korean dramas have enchanted Vietnamese audiences not only through the beauty and performances of the actors but also through “attractive scripts that reflect ordinary life, in which Vietnamese audiences can see themselves”. Another article analyzed the attraction of Korean dramas by stressing that the Confucian humanism embodied in each drama evoking “in each Vietnamese audience a sense of familiarity in lifestyle, life values. That is why old and young Vietnamese generations love Korean TV dramas” (*dantri.com.vn* 19/05/2005). Interestingly, the word “professional” was used four times in the article, suggesting that the attraction of Korean dramas lies in the professionalism of the Korean film industry when it comes to getting closer to its audiences. These articles implicitly suggested that Vietnamese cultural producers should learn from their Korean counterparts to develop acting, scripting, and filming.

The Vietnamese state has used also the governmentality strategy in framing the behavior of Vietnamese consumers. Since the first Korean wave arrived in Vietnam, Vietnamese journals have regularly published articles about Korean lifestyles and fashion in their “youth lifestyle” columns. In 1999, *Sai Gon Giai Phong*, the major communist daily newspaper in Ho Chi Minh city ran a campaign asking Vietnamese consumers to choose a character from Korean dramas that reflected their private life. *Hoa hoc tro*, a leading magazine for teenage and young consumers owned by the Vietnamese Youth League, has used the images of Korean pop stars for almost all its articles as a way of teaching young Vietnamese consumers to develop their style or to emulate Korean pop stars’ lifestyle (Nguyen, 2016). The magazine even organized a contest around fan clubs of Korean pop stars.

4.2. Global Korea (2008–2013): Korea’s cultural export policy and Vietnam’s new governmentality

When Lee Myung-bak became president in 2008, his government took an alternative approach to branding Korea. “Global Korea” replaced “Dynamic Korea”, which Korean officials considered too provocative, because it might be misunderstood by foreign audiences as a result of the violent protests in the 1980s during the democratization movement or the tense situation between South and North Korea (the word “dynamic” could be misconstrued as “explosive”) (Lee, 2015). Korea’s image had also fallen from 25th to 33rd in the Anholt-GfK Roper Nation Brand Index between 2005 and 2008. Anholt (2013) explained that this deterioration was due to the existence of two Koreas, which confused transnational audiences, and because non-Asian audiences still knew little about South Korea. Taking Anholt’s comments seriously, President Lee launched the Global Korea project to improve the nation’s image and its competitiveness on the global stage. He gave a speech in which he said “Korea must globalize in order to survive global competition” (Lee, 2008: 4, cited in Schwak, 2016) and “it is extremely important for Koreans to win the respect of the international community [...] Korea is one of the most technologically advanced nations. And yet, the first images coming to the minds of foreigners are strikes and street demonstrations. If our nation wants to be ‘approved’ as an advanced country, then it [...] needs to improve its image and its reputation significantly” (Lee, 2008, cited in Schwak, 2016). To implement his nation branding project, in 2009 President Lee created the PCNB³, at the top level of government. The PCNB advised and reported to the president, worked with government ministries and the private sector, coordinated and evaluated ministry plans, promoted advanced Korean technology and cultural products, and managed and evaluated systems for nation branding (Choi & Kim, 2014). It was also tasked with changing the global etiquette of Koreans, who are seen as immature and acting in an unruly manner (Schmuck, 2011). By promoting cultural diversity and fostering open-mindedness in Korean society through education, this initiative helped Koreans become respectable global

³ Presidential Council on Nation Branding

citizens (Schwak, 2016). As Dinnie (2009: 95) observed, “the government has committed significant resources and energy to [re]positioning the Korea Brand as a vibrant, dynamic democracy, that is creative and open to the world”.

Moreover, the PCNB collaborated with major *chaebols* in technology, distribution and entertainment to get them on board in promoting the Korean brand (Schwak, 2016). In a speech during the Seoul Forum in 2012, President Lee told his audience:

“I believe that it is a great opportunity for us to communicate with foreign people and to move their hearts through Hallyu [the Korean wave]. We have to think seriously about how to improve Hallyu as representing Korean values, and as a sustainable engine for national development.” (Lee, 2012, cited in Kim & Jin, 2016)

In contrast to his predecessors, who used the Korean wave as a diplomacy tool, Lee’s government saw cultural content as a commodity that could be economically profitable and could enhance Korea’s image globally. As Jin (2014) observed, it “pursued the marketization of popular culture through its cultural policies” (p. 88). The government intervened directly to support and control the Korean cultural industry and the export of its products, which it boosted by increasing the average annual budget allocation for the industry to KRW 321.9 billion and establishing the Global Contents Fund in 2011 (Kwon & Kim, 2013). The objective of this fund was “the qualitative and quantitative growth of Korean cultural products in global markets” (KOCCA, 2012). It was created to enable Korean entertainment agencies and the cultural industry to conduct their intensive operations beyond Asian markets. What was new in the Global Korea project was that pop music (K-pop) became the main vector for the export of the new Korean wave.

Since the mandates of Lee’s presidency, Vietnam-Korea diplomatic ties have been upgraded to a “Strategic Co-operative partnership” (vietnamnews.vn, 21/10/2009). KOCCA has continued to support Korean *chaebols* in organizing Korean concerts in Vietnam, while the Busan International Film Festival (BIFF) has supported the Vietnam International Film Festival since 2010 (KOFICE, 2008). KOFICE also hosts workshops to train professionals from the Vietnamese cultural industry (Park, 2017).

While continuing to loosen its control over the distribution of Korean dramas, the Vietnamese government has tightened its governmentality strategy, targeting young Vietnamese consumers in particular. In contrast to the previous phase, media and governmental discourses speak of the Korean wave as harmful to young people as well as to the new Vietnamese cultural policy, which was launched in 2009 and focused on developing Vietnam’s new cultural and creative industry (Vietnamese Ministry of Culture, Sport and Tourism, 2013). From 2010 to 2013, many popular Vietnamese newspapers published articles on Vietnamese teenagers’ fascination with K-pop music and the reasons for this. Their tone was critical and cautionary. For example, in an article titled ‘Vietnam students support the K-invasion’, the journalist used interviews with young consumers to point out that the over-distribution of Korean TV dramas through national and local Vietnamese TV stations and the endless discussions about the daily lives of Korean pop stars in Vietnamese newspapers helped make Korean cultural products so popular (thanhniennews.com, 20/07/12). It is noteworthy that the journalist referred to the popularization of Korean cultural products and “Korean-culture-inspired online games, comics, cartoons, tourism, traditional medicine and literature” (thanhniennews.com, 20/07/12) as the K-invasion – the invasion of Korean consumer culture. While the term “cultural invasion” had not previously appeared in Vietnamese newspaper articles reporting the Korean wave, it has featured regularly in public discourse since the arrival of K-pop music shows in Vietnam.

Other Vietnamese newspapers published articles about how Korean beauty has become the standard for young Vietnamese consumers. The newspaper vietnamnet.vn (24/04/2012) claimed that young consumers include Korean terms into their day-to-day conversations, while vnexpress.net (19/11/2012) criticized some young couples for choosing the

traditional Korean dress style Hanbok to pose for photos. Moreover, K-pop idol groups have become models for Vietnamese teenage-pop brands to copy (vietnamnews.vn, 17/07/12), while the Vietnamese film industry uses Korean filming styles to make local TV dramas (nld.com.vn, 29/05/2009). Unlike articles published before 2008 that depicted Korean and Vietnamese consumer cultures as similar due to their shared system of Confucian values, articles post-2008 have portrayed Korean consumer culture as strange. The shift in the Vietnamese media approach in interpreting Korean consumer culture may stem from two phenomena: (1) the rise of K-pop and non-fiction Korean TV drama, which appeal to the pan-Asian imagination of cosmopolitan youth culture more than Confucian values (Kim, 2013); and (2) the emergence of a focus on quasi-cultural imperialism in Vietnam due to the inflow of Korean popular cultural products (Joo, 2011).

For example, in 2011 tuoitre.vn published an article analyzing the dark side of Korean TV dramas and accusing them of encouraging young consumers to live together before marriage.

“Cohabiting before falling in love depicted in Korean TV dramas has encouraged [young Vietnamese] to live together before marriage, a phenomenon that is worrying for society. Many young Vietnamese who are in a relationship want to live with their partner so as to experience love fully, as in a TV drama.” (tuoitre.vn 03/01/2011)

Another article published the same year by vietnamnet.vn linked the cultural invasion of the Korean wave to the pop-culture diplomacy of the Korean government. The article, written in English with the title “K-pop ‘intrudes’ Vietnam’s culture in 2012”, used a critical tone to accuse the Korean government of being behind the cultural invasion in Vietnam.

“[...] There is nothing ‘opener’ and more fierce spread than popular music. Foreseeing this, Korea has mixed the political and cultural factors very well to turn 2012 into the ‘hinge’ year to promote Korean music in Vietnam through musical exchanges to celebrate the 20th anniversary of diplomatic ties between the two countries [...] If in 2011, European and American stars gained the upper hand in foreign concerts in Vietnam, this year, ‘oppas’ and ‘unnies’ of Korea overwhelmed in the numbers of music shows and artists. This helped Korean music stars get closer to the Vietnamese audience, paving the way for the strong invasion of K-pop in Vietnam.” (vietnamnet.vn, 07/12/12)

The journalist argued that cultural exchange events organized by the Korean Culture Center in Vietnam were part of the plan to transform the Vietnamese market for the export of Korean cultural content in response to the craze among Vietnamese youth for Korean pop culture, commenting that “most Korean music shows in Vietnam are ‘hidden’ by the term ‘cultural exchange’ and did not place an emphasis on making a profit. The K-pop Festival 2012 could be seen as a test for the Vietnamese market when for the first time a Korean concert sold tickets publicly” (vietnamnet.vn, 07/12/12).

The strangeness of Korean consumer culture is also observed through fan culture. As reported by vietnamnews.vn:

“[M]any parents blame the genre for several upsetting new trends. Young people dye their hair green and red and spend lots of money buying clothes, posters, and albums – and even get themselves tattooed – to make themselves more like these celebrities.” (vietnamnews.vn 15/01/2013)

According to this article, K-pop music fascinates Vietnamese youth with its negative effects. The fan culture that K-pop introduced into Vietnam has been accused of encouraging young consumers to cultivate conspicuous consumption and pleasure-seeking, of being “less likely to adhere to Vietnamese tradition”, and of leading celebrities to commit suicide (vietnamnews.vn, 15/01/2013). One journalist even argued that “K-pop has created the ‘crazy fan’ in Vietnam” (vietnamnet.vn, 07/12/2012).

On the national Vietnamese channel (VTV3), “crazy fans” was also a topic for public debate about the negative impacts of Korean cultural products on Vietnamese teenagers. Two reports on “crazy fans” appeared in 2012, with the reporters and interviewers depicting the craze for Korean cultural products among Vietnamese teenagers as a psychological issue and deploring their incapacity for self-control. The reports emphasized contrasts such as adults/teenagers, self-control/non-self-control, Vietnamese/American & Korean pop music, and utilitarian/consumerist to emphasize that Korean pop music is for teenagers and introduces them to consumerism. This was also the main argument in a series of online public debates held by the commercial newspaper *vnexpress.net* in 2012.

4.3. Creative Korea (2013–2018): Korea’s cultural collaboration policy and Vietnam’s nation branding project

When Park Geun-hye was elected in 2013, her government announced a plan to develop Korea as a creative economy through the convergence of the ICT industry, scientific technology, and culture (Kim, 2017). President Park felt that the creative economy was “a new paradigm for economic development based on imagination, creativity, science, and technology [and it] focuses on creating jobs by converting science and technology to the existing industries” (Yonhap, 2012, cited in Lee, 2019).

In her inaugural speech, President Park promised to boost prosperity for Korean (traditional) culture by increasing government spending on culture to 2% of the budget of the Ministry of Culture, Sports and Tourism. She established the Hallyu Planning Committee, through which the government and the private sector make joint efforts to export Korean cultural content and aesthetic styles not only to Asian markets but around the world (Park, 2017). Noting anti-Korean sentiment across Asian markets, Park Geun-hye’s government pursued the Good Hallyu project launched in 2012 by her predecessor Lee Myung-bak, but more intensively and interactively. This involved the government and companies actively sponsoring pro-Hallyu communities overseas and enhancing international cultural exchanges through the private sector (Kim, 2017). The Creative Korea project used CSR and intense intervention in Korean cultural business overseas as tools to foster the global expansion of the Korean wave.

The Park government has collaborated with the Vietnamese government and Korean *chaebols* in applying the New Community Movement model to modernize the Vietnamese rural economy (Park, 2017). CJ E&M, the Korean media firm, has worked with the Korea International Cooperation Agency (KOICA) to help Vietnamese farmers on the south-central coast of Vietnam and alleviate their poverty by setting up the Creating Shared Value program (CJ E&M Times, 2014, cited in Park, 2017), in which CJ introduced new farming technologies and farm products to Vietnamese farmers.

Since the 11th National Congress of the Communist Party of Vietnam, the cultural industry has become one of key sectors that Vietnam prioritizes for its economic development (nhandan.com.vn, 25/05/2014). In an attempt to learn from Korea for developing cultural industries as well as to take advantage of Korea’s FDI and ODA to transform Vietnam’s cultural and creative industries and economic infrastructure (Kwak, 2018), the Vietnamese state also participates in creating the collaboration network between Korean and Vietnamese media producers. For example, Vietnamese government agencies have selected Vietnamese producers for the economic forum between Vietnam and Korea, and have sent elite deputies, filmmakers, and producers to Korea for workshops and training in new film technology, as part of a cultural exchange program (KOFICE, 2005; 2008). Although this strategy has been used in the past, in this third phase of the new Korean nation branding project the Vietnamese state has employed it more actively. For the Vietnamese state, establishing collaboration between Korean private firms and Vietnamese media producers is the best way to enhance the performance and survival of Vietnamese media

and to develop the Vietnamese cultural and creative industries. This is illustrated in the following excerpt from an article published by an official journal of the Vietnamese Communist Party.

“The success of CJ CGV [a Korean multiplex cinema chain] in Vietnam is an example of the important role of cultural technology in developing the film industry in particular and Cultural and Creative Industries (CCIs) in general. It is also a threat that forces Vietnamese CCIs to change in order to survive and avoid being taken over by foreign media and entertainment firms [...]. Cultural technology has also been a priority of the Vietnamese government since 2016 and involves adopting relevant strategies to develop Vietnamese CCIs in 2020, and will extend to 2030.” (nhandan.com.vn 20/11/2018)

This quote reveals that, for Vietnamese government, Korea can pose a threat of cultural invasion, but it is also a model for Vietnam to learn how to integrate “cultural technology” into the development of domestic cultural and creative industries. By favoring collaboration between Korean and Vietnamese media and entertainment firms, Vietnamese politicians support the adoption of “cultural technology” as a way to fabricate and marketize popular culture – a strategic move to counter the hegemony of Korean consumer culture – and to regain market share. It is also a way to export Vietnamese consumer culture and transform the country into a new Asian cultural hub like Korea. What is interesting in this excerpt is the use of the term “cultural technology”, first introduced by the founder of Korea’s largest talent agency SMEEntertainment. In borrowing it, Vietnamese journalists and politicians are advocating collaboration between Korea and Vietnamese media companies to marketize Vietnamese popular culture for the purposes of nation branding. In this regard, the Vietnamese government has authorized the state-owned television agency (VTV) to collaborate with Korean companies in producing soap operas and television reality shows (dantri.com.vn, 06/12/2014), and in media producer training (tuoitre.vn, 14/07/2008). Since 2011, the Vietnamese government has also favored joint-ventures and M&A between Korean *chaebols* and Vietnamese public and private companies in media production and distribution (such as the joint-venture between CJ Group with SCTV and VTV, two SOEs operating cable and satellite TV, and the merger between CJ Group and Megastar) (dantri.com.vn 13/07/2011). Furthermore, the Vietnamese government has allowed SMEEntertainment to become involved in recruiting and training young Vietnamese talent in a Vietnamese version of K-pop bands (thanhnien.vn 12/09/2018) Table 1.

5. Discussion

The aim of our paper is to examine how the state uses nation branding as a market-shaping strategy. In responding to the call for market studies that go beyond the neoclassical assumptions which dominate the marketing field (Vargo et al., 2017; Venkatesh et al., 2006), we focus on the state, a powerful institutional actor that is often disregarded by marketing scholars. Unlike some recent studies focusing on the performativity of policy makers’ discourses (Coskuner-Balli & Tumbat, 2017; Veresiu & Giesler, 2018) or on policy makers’ institutional work (Baker et al., 2018), we consider state practices in building a national brand that enhances the nation’s attractiveness and competitiveness. Our study of the nation branding of two developmental states (Korea and Vietnam) reveals that inter-governmental practices enable the configuration of a new market. Indeed, to make nation branding effective, the Korean state deploys four types of practices: (1) normalizing practice (e.g. launching the Basic Law); (2) representational practice (e.g. creating a national slogan or applying the Anholt-GfK Roper Nation Brand Index to measure the performance of the nation branding project); (3) mobilizing and allocating resources (e.g. establishing the PCNB, comprising public actors and some key private actors); and (4) exchange practice (e.g. establishing Korean agencies in

Table 1
Korean and Vietnamese states' activities in shaping South Korean market in Vietnam.

Korean nation branding phase	Korean state's national culture policy	Diplomatic activities between Korea and Vietnam	Vietnamese state's national culture policy
Dynamic Korea (1998 – 2008): Cultural products as tools for cultural exchange	<ul style="list-style-type: none"> - Introduce <i>Basic Law</i> and invest \$125 million to promote Korean cinema (1999 – 2003) - Launch <i>Cultural Archetype Project</i> and provide \$10 billion in subsidies to develop the cultural industry - Establish the <i>Korean Foundation for International Cultural Exchange</i> (KOFICE) to support the Korean cultural industry overseas (2001) 	<ul style="list-style-type: none"> - Organize cultural exchange activities (film and drama sponsoring; cultural and music festivals, etc.) - Upgrade bilateral relations to a <i>Comprehensive Partnership</i> (2001) - Set up the <i>Korean Cultural Center</i> in Vietnam (2005) - Develop aid from Korean government agencies (the Korean Film Council and Busan International Film Festival) for the Vietnamese film industry 	<ul style="list-style-type: none"> - Control the import and the diffusion of Korean cultural products through its state-owned-enterprises - Authorize some joint-ventures between SOEs in film industry and Korean private firms - Pass the <i>Cinema Law</i> that authorizes the involvement of Vietnamese private firms in importing foreign films - Shape the cultural tastes of Vietnamese producers and consumers by translating Korean cultural contents into work culture and consumer culture
Global Korea (2008 – 2013): Cultural products as marketized commodities for export activities	<ul style="list-style-type: none"> - Launch <i>Global Korea</i> project - Create the <i>Presidential Council on Nation Branding</i> which advises and reports to the president regarding the activities of cultural and creative industry. Work with government ministries and private sectors. Manage and evaluate systems for nation branding - Create <i>Global Contents Fund</i> and allocate KRW 321.9 billion - Promote K-pop as key cultural product - Launch <i>Good Hallyu</i> project (2012) 	<ul style="list-style-type: none"> - Upgrade bilateral relations to <i>Strategic Cooperative Partnership</i> (2009) - Organize workshop to train professionals from the Vietnamese cultural industry - Organize K-pop festivals (2012), beauty contest 	<ul style="list-style-type: none"> - Renew the <i>Cinema Law</i> (2009) and continue to loosen control over the distribution of Korean cultural products - Pass a new cultural policy (National Strategy for the Development of Cultural Industries in Vietnam) in 2009 - Tighten the governmentality strategy targeting young Vietnamese consumers in particular - Reform and enforce intellectual property law
Creative Korea (2013 – 2018): Cultural products as outcomes of cultural collaboration	<ul style="list-style-type: none"> - Launch a plan to develop Korea as a 'creative economy' through the convergence of ICT industry, scientific technology, and culture - Increase government spending on culture to 2% of the budget of the Ministry of Culture, Sports, and Tourism - Establish the <i>Hallyu Planning Committee</i> through which the government and the private sector make joint efforts to export Korean cultural content and nation's aesthetic styles - Continue <i>Good Hallyu</i> project 	<ul style="list-style-type: none"> - Collaborate in setting up the <i>New Community Movement</i> - Support a <i>Creating Shared Value</i> program initiated by Korean private firms in Vietnam 	<ul style="list-style-type: none"> - Adopt cultural technology as techniques to develop Vietnamese cultural and creative industries - Create the collaboration network between selected Korean and Vietnamese media producers - Outsource TV programs production to private firms - Authorize Korean private firms to be involved in recruiting and training young Vietnamese talents for Vietnamese entertainment market

Vietnam to promote cultural and economic exchanges with Vietnam). The deployment of those four practices has varied in accordance with the policy of successive Korean governments. By combining those practices, the Korean state develops its cultural and creative industry and creates popular cultural products (such as K-drama, K-pop, etc.) as tools for communicating positive images of Korea to foreign audiences.

The Vietnamese state in turn reacts to the nation branding practices of the Korean state through three practices: (1) controlling the distribution of Korean popular cultural products; (2) framing media producers' and consumers' behaviors with different governmentality strategies; and (3) creating a business network from selected Vietnamese public and private actors and Korean firms. Through these three practices, the Vietnamese state takes advantage of Korea's nation branding projects to serve its East Asian-oriented cultural policy and to develop its cultural and creative industries without surrendering Vietnam's authority to Korea's soft power.

If Korea's nation branding projects reflect the capacity of the Korean state to mobilize private actors and resources, and translate Korea's cultural capital into commodities for diplomatic and economic exchange, the reaction of the Vietnamese state reveals its capacity to spot opportunities and make the necessary institutional arrangements to capitalize on and exploit opportunities for its own development. In other words, the Korean state and the Vietnamese state act as institutional entrepreneurs "who leverage resources to create new or transform existing institutions" (Battilana et al., 2009:68). The findings of our study are consistent with Nasra and Dacin (2010) view about the role of the state as an institutional entrepreneur in their study of the rise of Dubai and the United Arab Emirates. For Nasra and Dacin (2010:

584), the state is "a 'cultural competent actor' possessing the skills to strategically create and capture its institutional context locally as well as internationally." The rise of the Korean (cultural) product market in Vietnam results from the implementation of the diplomatic and cultural skills of both the Korean and Vietnamese states in their effort to create a nation brand. While agreeing with the conclusions drawn by Nasra and Dacin (2010), our study extends their work in acknowledging that governmentality and the "power arrangement" (Fligstein, 2001: 65) (such as selecting key players for nation branding projects) play a part in the "transformative role" (Evans, 1995: 6) of the state in shaping markets.

Our study supplements previous work in a number of ways. First, in adopting the theoretical framework of the developmental state (Evans, 1995; Wade, 2018), we illustrate how the state of emerging economies participates in market-shaping activities as an institutional actor. Our findings reveal that by practicing nation branding techniques to transform itself into a "quasi-enterprise association" (Cerny, 1997), the state plays a dual role: as customer and as institutional entrepreneur. As a customer, the Korean state has called for cultural products from the cultural and creative industry for its diplomatic exchange with Vietnam. The same goes for Korean films and dramas sponsored by the Korean state that are broadcast in Vietnam. As an institutional entrepreneur, the Korean state establishes new institutional arrangements by integrating Korean private firms into the directional board of the PCNB, and takes control Korean private firms' production (Kim & Jin, 2016). The emphasis placed by the Korean government on the customer role (as in the Dynamic Korea project) or the entrepreneur role (as in the Global Korea and Creative Korea projects) has varied in accordance

with the president in power at the time. The same goes for the Vietnamese state. When the Vietnamese market for Korean cultural products was still nascent, the Vietnamese state played the role of monopoly distributor through its SOEs. But in pursuing the objective of the development of the cultural industry, the Vietnamese state has shifted to become a customer of Vietnamese private firms and Korean firms through their SOEs.

Second, our analysis reveals that the diplomatic interactions between two states shape the market. The mechanism of state-led market shaping is similar to the strategy used by market-driving firms which develop strategy from the inside out, starting with a firm's global vision, rather than learning from the market and consumer preferences (Humphreys & Carpenter, 2018). Those firms form a teaching organization to convey to consumers the innovative concept of value built within the industry. In the context of Vietnam, the Vietnamese state, by practicing governmentality, frames the taste and behaviors of Vietnamese cultural producers and consumers. Confucian values, which play a key role in the Korean nation branding project (Jang & Paik, 2012), are translated by the Vietnamese state into the work and consumer culture of an industrialized Asian society, which is the image of the future Vietnam that the government wants to promote. The training programs in cultural technology co-organized by Korean and Vietnamese governmental agencies and the collaboration between Vietnamese media SOEs and Korean public agencies and/or *chaebols* (e.g. the case of the New Community Movement, the co-production of film, etc.) help transfer Korean standards and norms in cultural production to Vietnamese cultural industries. Our analysis also extends the political view of markets (Fligstein, 1996) and the role of the state in maintaining and enabling market institutions (Coskuner-Balli & Tumbat, 2017). We argue that although the state has the power to create "institutional conditions for markets to be stable" (Fligstein, 1996: 657), its power is affected by the pressure of other states' diplomatic activities. Hence, "the institutional conditions for markets" are not created by the domestic government itself, but constructed by inter-governmental actions.

Third, our paper advocates taking into account the model of state organization in studies of market dynamics. While prior studies were mostly conducted in western markets where the embeddedness of the state in market society is less pronounced than in emerging markets, they take for granted the institutional and political conditions under which market actors such as entrepreneurs, consumers, and media can shape and drive markets. As we show in our analysis, the developmental state model of Korea and Vietnam allows their governments to participate directly in controlling the activities of firms, to change the rule of exchange through their governmental agencies (e.g. Korea) and SOEs (e.g. Vietnam), and to establish a linkage between the network of producers and/or producer-consumers and the perceptions and interpretations of actors regarding markets (Fligstein, 1996). This means that the autonomy of other market actors such as entrepreneurs and/or consumers is restrained by state policies in practicing market-driving

activities. Studying the embeddedness of the state in market society would help marketing scholars unpack the conditions under which non-governmental actors can shape the market as well as the way they spread innovation.

Fourth, our analysis extends the literature on nation branding. In their recent systematic review of studies on nation branding, Hao et al. (2019) have suggested some avenues for developing the literature on nation branding, that focus primarily on its economic aspects. However, political and cultural aspects as core elements of nation branding are still absent from this work. Our study addresses this lack by showing that the role of the state in executing nation branding projects is not only grounded in mobilizing resources or shaping the domestic market structure and institution (Rodner & Kerrigan, 2018), but also in creating an international market through the use of diplomatic tools. As Fan (2008) has argued, effective nation branding must make three components of a nation brand (political, economic and cultural) work in synergy. Researchers who focus too much on any one of those three components may lose sight of the nation branding mechanism as well as the evolution over time of a nation brand. We therefore suggest that future research on nation branding should take into consideration the importance of the synergy of these three components of a nation brand.

6. Limitations and future research

Our study has drawn on secondary data to trace the activities of two developmental states in co-shaping an international market. Its generalizability is therefore limited. It would be fruitful to conduct comparative studies with other emerging economies. While our study focuses on the inter-relationships between governments and governmental activities, we do not examine the reactions of other actors such as public and private entrepreneurs, *trans*-local consumers, and transnational media towards the state's market-shaping activities. Although in developmental states the government has considerable power in resource allocation and framing citizens' practices, it may still be contested by actors affected by its policy. The conflict and compromise between the government and contesting and supporting actors would be an interesting avenue for future research. Furthermore, each government's economic, political, and cultural policy always produces market inclusion/exclusion effects. Hence, in-depth research on the way government strategies in shaping market induce changes in the social structure is required to deepen the understanding of the plasticity of the market. In terms of nation branding, while prior work has shed light on the perception of *trans*-local consumers regarding a nation brand, marketing scholars have paid less attention to how domestic customers interpret the role of the state in branding a nation. This is also a question that we have not addressed in the present study. The nation branding literature would benefit considerably if future work were to carry out primary research to address the afore-mentioned question.

Appendix. Coding table

First-Order codes	Data example	Second-Order Constructs	Aggregate Theoretical Dimensions
- Launching new laws and cultural policies	“President Kim Dae Jung, who called himself the ‘President of Culture’ when he inaugurated himself as president in 1998, established the Basic Law for the Cultural Industry Promotion in 1999 by allocating a total budget of \$148.5 million to this project.” (Shim, 2006)	Normalizing practice	Making institutional arrangements to develop and promote cultural products
- Translating the nation’s cultural capital into nation’s images, nation brand slogans, governments’ visions	“Dynamic Korea represents the vibrant spirit, the heritage of the Korean people that will be passed to future generations. It embodies the unshakable moral strength that has overcome so much hardship, as well as a vision which proactively explores the future.” (Korean Overseas Information Service, 2007)	Representational practice	
- Applying Nation Brand Index to measure the performance of the nation brand	“The PCNB monitored the major nation brands indexes, such as the Anholt-GfK Roper Nation Brands Index (NBI), for reference. Most of the indexes focused on the image of tourism, quality of life and culture.” (Choi & Kim, 2014)		
- Establishing overseas governmental agencies	“The [Korean cultural] centre will introduce Korean culture to Vietnam as well as Vietnamese culture to Korea. Along with introducing Korean language and culture, we want to set up a multimedia library in the centre...When the centre goes to operation, we will also organise different programmes such as a music month, a cinema month, and a literature month.” (VNS, 22/12/05)	Exchange practice	
- Upgrading bilateral diplomatic ties	“To celebrate the 25th anniversary of diplomatic relations between Korea and Vietnam this year, various events are taking place in both countries. Although it is a short period of 25 years, the relationship between the two nations has shown remarkable progress in many aspects. Since the establishment of diplomatic relations in 1992, the two countries’ amicable relations, which were promoted to ‘strategic partnership’ in 2009, continued with human and cultural exchange...Vietnamese youth who are acquainted with and wish to know more about Korea and Korean culture are making their voices heard by other people: because of them, Hallyu in Vietnam is now assessed to be at maturity. As a result, the two governments are also expanding cooperation on a continuing and systematic basis with regard to the cultural industries.” (KOFICE, 08/11/17)		
- Establishing national governmental agencies	“Nation brand is a dignity of a country. Korea must raise its global status by making efforts to gain credibility and likability in the international arena. The Presidential Council on Nation Branding is an organization that responds to these needs, managing people, products, and the overall image of South Korea by continuing to establish mid-term and long-term goals and strategies. The Presidential Council on Nation Branding serves as a control tower that integrates and controls government-promoted services. The council has established 5 main focal points and 50 initiatives. It also aims to utilize citizen’s potential and encourage nationwide participation in its efforts.” (PCNB)	Mobilization and allocation of resources	
- Delegating and authorizing selected public and private enterprises to import and distribute foreign cultural products	“Regulations on distribution and filmmaking, which used to be a state monopoly, were the first to relax. The national film agency, FaFilm, used to monopolize the film distribution system but, since 2003, private companies could distribute films as well” (Dodona Research, 2001; KOFICE, 2005). Furthermore, according to Ben Stocking of the Associated Press (2007), “Vietnam’s film industry is changing quickly, from an old state-run studio system into a more modern industry that began allowing private companies to make movies in 2003” (Park, 2017)	Controlling the distribution of foreign cultural flows	Spotting opportunities to configure new market boundaries
- Intervening in providing licences for showing foreign cultural products	“Proposals for a draft Cinema Law were discussed by the National Assembly’s Standing Committee in Ha Noi yesterday. The Culture and Information Ministry will have responsibility for writing the law and delegates were told it was intended to create an effective industry and an open legal framework for it to mobilise the country’s intellectual and financial potential...The new law should not provide for the preview of screenplays by the State...But the Culture and Informational Ministry could intervene through the issuing of licences for the showing of films [...]” (VNS, 27/8/05)		
- Assembling positive images about Korea as a modern Confucian society through Korean cultural products	“Strangely, Kangta is the singer that foreign audiences love the most of the boysband H.O.T. Perhaps, his fame comes partly from his beautiful voice, but more importantly from his beautiful face...Along with his artistic talent, Kangta is a disciplined artist and humble.” (nld.com.vn, 14/01/05)	Framing market actors’ tastes and behaviors	
- Stigmatizing the consumption of Korean cultural products	“‘Dynamic Korea’ is not only a slogan, but also a standard of self-quality that each Korean has to cultivate.” (tuoitre.vn, 16/08/06)		
- Categorizing Korean wave as cultural invasion	“Korean TV dramas evoke in each Vietnamese audience a sense of familiarity in lifestyle, life values such as the true, the good, and the beautiful. That is why Vietnamese old and young generations love Korean TV dramas.” “But there is a fact that K-pop has created ‘crazy fans’ in Vietnam. In the Vietnam-Korea concert in March, some fans advertised on online forum that they were willing to have ‘one-night’ love to get tickets to see Super Junior for the first time in Hanoi...Through many cases, crazy fans of K-pop have been special public interest...People who did not know about Korean music, now have to pay attention to only because the image of		

crazy fans is rampant on newspapers.” (English.vietnamnet.vn, 07/12/12)

“In a recent talk with his Lao counterpart, Mr Vuong Duy Bien, chief of the Vietnam Performing Art Agency, expressed his worry over the phenomenon called ‘cultural invasion’ in Vietnam and Laos. If Vietnam is facing the ‘invasion’ of the Hallyu wave from South Korea on its media, Laos is also confronting the flood of music and movie tapes and disks from its neighboring country - Thailand.” (english.vietnamnet.vn, 28/04/12)

“Over 100 entrepreneurs from Vietnam and South Korea gathered at a business conference held in the capital on Wednesday to seek new cooperation opportunities...Beside trade and investment Tung [Vietnamese Deputy Minister of Science and Technology] also described the entertainment industry as a promising area for bilateral cooperation as Vietnam’s entertainment market was projected to achieve growth of 10.7 per cent...The conference also saw the launch of the Korean Vietnamese Entrepreneurs Network which aims to better facilitate cooperation among the two business communities.” (VNS, 13/09/18)

“In September of last year, CJ E&M [the largest multiplex cinema chain in South Korea] signed a contract with national television network VTV on a project to produce Korean-Vietnamese TV dramas, which are expected to air in both countries.” (tuoitre.vn, 02/08/14)

- Selecting ‘elite’ public and private actors

Creating a business network of selected market actors

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