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Volume 28, Number spécial, 2024

Ethique, résilience et nouveaux défis du management international  
Ethics, resilience and new challenges of international management  
Ética, resiliencia y nuevos desafíos de la gestión internacional

URI: <https://id.erudit.org/iderudit/1116629ar>

DOI: <https://doi.org/10.59876/a-a99y-ffk7>

[See table of contents](#)

Publisher(s)

HEC Montréal  
Université Paris Dauphine

ISSN

1206-1697 (print)  
1918-9222 (digital)

[Explore this journal](#)

Cite this article

Nguyen, A. (2024). The co-evolution of EMNEs and market actors' institutional works in emerging economies: The case of Korean music agencies in Vietnam. *Management international / International Management / Gestión Internacional*, 28(spécial), 67–79. <https://doi.org/10.59876/a-a99y-ffk7>

Article abstract

Research on the coevolutionary approach of Emerging Economy Multinationals (EMNEs) in emerging economies often silences the evolution of EMNEs' symbolic capacities during their institutional works to shape local markets. Our research fills this gap by investigating how the institutional works of Korean music agencies (KMAs) co-evolve with the institutional works of the Vietnamese market actors in shaping the K-pop music category. Through a longitudinal single case study filled with archival data and interviews, we identify cultural bricolage and cultural engineering as two dimensions of symbolic capacities the KMAs develop during their institutional works. The more specialized the K-pop music category, the more the KMAs' symbolic capacities evolve from cultural bricolage to cultural engineering.

# The co-evolution of EMNEs and market actors' institutional works in emerging economies: The case of Korean music agencies in Vietnam

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## ABSTRACT

Research on the coevolutionary approach of Emerging Economy Multinationals (EMNEs) in emerging economies often silences the evolution of EMNEs' symbolic capacities during their institutional works to shape local markets. Our research fills this gap by investigating how the institutional works of Korean music agencies (KMAs) co-evolve with the institutional works of the Vietnamese market actors in shaping the K-pop music category. Through a longitudinal single case study filled with archival data and interviews, we identify cultural bricolage and cultural engineering as two dimensions of symbolic capacities the KMAs develop during their institutional works. The more specialized the K-pop music category, the more the KMAs' symbolic capacities evolve from cultural bricolage to cultural engineering.

Keywords: EMNEs, emerging economies, K-pop music, co-evolution; symbolic capacities, institutional works

## Résumé

Dans le cadre de leurs travaux institutionnels visant à façonner les marchés locaux, la recherche sur l'approche co-évolutive des multinationales de l'économie émergente (EMNE), dans les pays émergents, passe souvent sous silence l'évolution des capacités symboliques des EMNE. Notre recherche comble cette lacune en examinant comment les travaux institutionnels des agences musicales coréennes (KMA) coévoluent avec les travaux institutionnels des acteurs du marché vietnamien pour façonner la musique K-pop. Par le biais d'une étude de cas unique longitudinale, composée de données d'archives et d'entretiens, nous identifions le bricolage culturel et l'ingénierie culturelle comme deux dimensions des capacités symboliques développées par les agences musicales coréennes au cours de leurs travaux institutionnels. Plus la musique K-pop est spécialisée, plus les capacités symboliques des KMA évoluent du bricolage culturel vers l'ingénierie culturelle.

Mots-clés : EMNEs, économies émergentes, musique K-pop, coévolution, capacités symboliques, travaux institutionnels

## Resumen

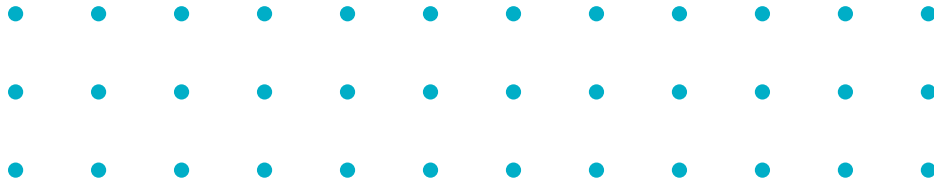
La investigación sobre el enfoque coevolutivo de las Multinacionales de Economía Emergente (EMNE) en las economías emergentes a menudo silencia la evolución de las capacidades simbólicas de las EMNE durante sus trabajos institucionales para dar forma a los mercados locales. Nuestra investigación colma esta laguna investigando cómo los trabajos institucionales de las agencias musicales coreanas (KMA) coevolucionan con los trabajos institucionales de los actores del mercado vietnamita en la configuración de la categoría musical K-pop. A través de un estudio longitudinal de caso único repleto de datos de archivo y entrevistas, identificamos el bricolaje y la ingeniería culturales como dos dimensiones de las capacidades simbólicas que las KMA desarrollan durante sus trabajos institucionales. Cuanto más especializada es la categoría de música K-pop, más evolucionan las capacidades simbólicas de las KMA del bricolaje cultural a la ingeniería cultural.

Palabras Clave: EMNEs, economías emergentes, música K-pop, coevolución, capacidades simbólicas, obras institucionales

Acknowledgment: We gratefully acknowledge the support of the journal's guest editors and the reviewers for their thoughtful guidance and suggestions.

**Pour citer cet article :** Nguyen, A. (2024). The co-evolution of EMNEs and market actors' institutional works in emerging economies: The case of Korean music agencies in Vietnam. *Management international*, 28(spécial), 67-79.

DOI: <https://doi.org/10.59876/a-a99y-ffk7>



The rise of emerging economy multinationals (hereafter EMNEs) in the mid-2000s and their proactive strategy regarding local institutions (*i.e.*, social rules, cultural norms, and beliefs that guide individual and collective actions, see Huault & Leca, 2009) have attracted the growing attention of scholars in the International Business and Management (IB/IM) field (Childlow *et al.*, 2021). Studies documented that as EMNEs lack distinctive advantages and specific resources, they often follow a co-evolutionary approach to build the “catch-up” strategies to develop their competitive advantage on a global scale rapidly (Awate *et al.*, 2012). For scholars, a co-evolutionary approach is a dynamic and iterative process (Liu *et al.*, 2021) in which EMNEs deploy strategic actions and dynamic capabilities (*i.e.*, the firm’s ability and organizational process to integrate, develop, and coordinate internal and external competencies, see Teece, 2014) to rearrange market institutions and benefit from the opportunities created by institutional changes (Cantwell *et al.*, 2010). Studies on the EMNEs’ co-evolutionary approach in international markets have shifted the attention of IB/IM scholars from the influence of local institutions on EMNEs’ choices and strategies in host/home markets (*e.g.*, Chalençon & Mayrhofer, 2021; Peng *et al.*, 2008) to the role of institutional entrepreneurs that EMNEs assume (McGaughey *et al.*, 2016), their institutional works, and their capacities – the organizational routines and processes by which firms acquire and integrate knowledge from the external environment in building a dynamic organizational capability to transform institutions (Chauvet, 2014; Gölgeci *et al.*, 2017). Deriving from the neo-institutional approach, the term institutional entrepreneur refers to a market actor (*i.e.*, one or more organizations or individuals) that initiates and participates in the transformation of existing institutions or the creation of new institutions, while the term institutional work describes strategic actions realized by organizations and individuals to create, maintain, or disrupt institutions (Lawrence & Suddaby, 2006; Slimane & Leca, 2015). In other words, the co-evolutionary approach sheds light on the outcomes of organizational and institutional change processes during the interactions between EMNEs and the local market institutions (Madhok & Liu, 2006).

While prior works revealed the performance of EMNEs’ institutional works and the development of their capabilities during their exercise of institutional works in foreign markets, by focusing on the dyad EMNEs – local market institutions, those works often black-box the crucial role of local market actors to the EMNEs’ institutional works. Research on the EMNEs’ institutional works hinted that local market actors could constrain and facilitate the EMNEs’ institutional works and EMNEs’ co-evolutionary capabilities. The latter refers to the internal capabilities that enable firms’ mobilization of internal and external resources to react to institutional changes (Madhok & Liu, 2006). For example, Mazé and Chailan (2021) revealed that Chinese multinationals develop their co-evolutionary strategy along with the development of their African network members’ institutional capabilities. Despite those hints, we know little about how local market actors are mobilized and orchestrated to engage in EMNEs’ institutional works in the local market and how they shape EMNEs’ co-evolutionary capabilities. This paper

seeks to fill the gap mentioned above. We provide insights into the research question: How do EMNEs engage and co-evolve with local market actors in their institutional works?

To unfold our research question, we investigate the case of the institutional works in which Korean Music Agencies (KMAs) and local market actors engage to shape the K-pop category in the Vietnamese music market. We adopt a qualitative approach to track the coevolution of the institutional works of KMAs, Vietnamese media, and young consumers in the context of the emergence of the K-pop music category in Vietnam since Korean pop music was introduced in Vietnam in the late 1990s. We pay particular attention to the capabilities that KMAs and local market actors deploy in their institutional works, along with the role of each actor in fostering the emergence of the K-pop category. We examine articles published by Vietnamese newspapers, magazines for young consumers, state-owned television reports and documentaries, interviews with young Vietnamese consumers, and academic books on K-pop music and Korean Waves.

We chose the case of KMAs’ institutional works in the Vietnamese music market for several reasons. First, KMAs represent a form of EMNEs whose international expansion is based on linkage, leverage, and learning approach (Mathews, 2006). It means that KMAs build a network that involves home and host governments (Nguyen & Özçaglar-Toulouse, 2021), international distributors, and audiences (Chen, 2016) to leverage the political, cultural, and economic resources for their market entry. The linkage and leverage actions iteration help KMAs learn the local taste and restructure their activities to localize their content and talent production, promotion, and commercialization (Chen, 2016). Second, developing markets such as Vietnam differ institutionally, economically, and politically from developed markets because of high uncertainty, active involvement of local governments, and weak institutional architecture (Kin *et al.*, 2015; Mahmoud-Jouini *et al.*, 2020). As a result, the nature of the coevolution of EMNEs and local institutions in emerging markets would be very different from that in developed markets. The present study enriches the IB/IM literature, specifically the research on the coevolution of EMNEs and institutional environments. Third, music is a culturally specific product that is “little known, understood, or valued outside their original cultural milieu – whose operations are often deeply embedded in local conventions and traditions” (Sasaki *et al.*, 2021: p. 52). The internationalization of culturally specific products requires firms to deal not only with political actors and local competitors but also with local distributors and consumers who act as cultural intermediaries – market actors that are often overlooked in IB/IM research (Wang *et al.*, 2020). A study on KMAs’ institutional works in the Vietnamese music market would shed light on the role of local cultural intermediaries’ engagement in the EMNEs’ institutional works in international markets.

The paper is structured as follows. The next section discusses the co-evolutionary process of EMNEs and institutional environments of emerging markets, along with the dynamic capabilities they develop and reinforce during their institutional works.

The methodology part describes the research setting and data collection and analysis. The presentation of the research context is followed by the interpretation of the case findings and a discussion of the theoretical and managerial contributions of the research.

## Theoretical framework

### The coevolution of EMNEs and institutions in emerging markets

Research on EMNEs has portrayed the co-evolutionary approach as a strategic response of EMNEs to the uncertainties, fragilities, and complexities of institutions in home and host markets (Cantwell *et al.*, 2010; Chidlow *et al.*, 2021). For example, Mazé and Chailan (2021) documented that to win contracts and secure their embeddedness in Gabon, Guinea, and Algeria, Chinese MNEs' engage in a co-evolutionary process with local institutional actors such as government officials and bureaucrats. Those EMNEs thus seek to adapt to the local institutions and simultaneously influence the local institutional environment by (1) expanding their value proposition with non-economic offsets during the settlement phase, (2) building a network in guanxi style within the host market before and during a contract implementation to (3) sign bundles of economic contracts that go far beyond the scope of work set by the international bids. In the case of the Joint Venture by Hong Kong-based Hutchison Port Holdings in China, Child *et al.* (2012) showed that the co-evolutionary approach helps firms legitimize their actions in the eyes of the Chinese government and acquire political power. Those studies, among a very limited number of works on the coevolution of EMNEs and institutional environments (Liu *et al.*, 2021), make two main contributions to the IB/IM literature. First, they provided insight into the influences EMNEs strategically exert on institutions in emerging markets, a topic to which IB/IM scholars have devoted scant attention (Mazé & Chailan, 2021). Second, those works bridged two separate approaches adopted by IB/IM scholars: the neo-institutional approach that focuses on the institutional entrepreneur role of MNEs in maintaining, disrupting, and creating home or host market institutions (Regner & Edman, 2014) and the dynamic capabilities approach that emphasizes the MNEs' capabilities in sensing, seizing, and transforming the institutional environment into competitive advantages (e.g., Teece, 2014). For scholars who work on the EMNEs' co-evolutionary approach, EMNEs might not possess the resource-based competitive advantages like developed economy multinationals, but armed with their learning capabilities (Mathews, 2006) and institutional leverage capabilities (Landau *et al.*, 2016), they can take the institutional entrepreneur role to engage other stakeholders in stimulating the institutional changes in their home and host markets (see Drucker-Godard *et al.*, 2011). When facing an institutional void in a home or a host market, EMNEs can develop institutional capabilities to create new institutions to obtain or retain their competitive advantages. Carney *et al.* (2016) defined institutional capabilities as "heuristics, skills, and routines that enable a firm to navigate in a context of institutional voids" to "facilitate the execution of such institutional plans and actions" (p. 883). For those authors, institutional capabilities emerge "from engagement, negotiation, and problem solving with external actors" (Carney *et al.*, 2016: p.883). Through the exercise of their institutional works and the knowledge gained through their interactions with local market actors, EMNEs accumulate and readjust their institutional capabilities. Whereas dynamic capabilities help firms build their competitive advantages and differentiation in dynamic business environments (Teece, 2014), institutional capabilities help EMNEs to deal with the liabilities of outsidership

(Carney *et al.*, 2021; Johanson & Vahlne, 2009). For Carney *et al.* (2016), EMNEs can develop their institutional capabilities by (1) network penetration, (2) relational contracting, and (3) business model innovation. Network penetration is a primary concern that EMNEs need to consider when they first enter emerging markets characterized by blurred boundaries and interpenetration of stage and business actors (Deng *et al.*, 2020). Once EMNEs penetrate the host-country state-business network, they will likely deploy relational skills to win trust, leverage support, and sustain cooperation among institutional constituencies (Fligstein, 2001). Carney *et al.* (2016) have argued that EMNEs should also develop the ability to adapt their business model to local socio-economic conditions and deal with the weaknesses of institutions in the target emerging market.

The conceptualization of institutional capabilities shifts the co-evolutionary process of EMNEs and local institutional environments beyond the dyad of EMNEs-institutions by calling for consideration of other market actors' capabilities and institutional works. This paper takes this theoretical shift as a starting point to study the specific roles of local market actors and their engagement in implementing EMNEs' institutional works. Given that the research context is the emergence of a K-pop market category, we follow the research stream of market categorization according to which a market category is an institution that is intentionally created, (re)shaped, and collectively stabilized by market actors embedded in market networks (Blanchet, 2016). Thus, market categorization is an institutional work in which different market actors engage discursively in their struggle to impose their conceptualization of a market category. While the literature on market categorization emphasizes the coevolution of market categories and market actors' institutional works, the market actors' capabilities deployed in the international context are overlooked. The literature on the co-evolutionary process detailed by IB/IM works would contribute to filling that gap. Table 1 summarizes IB/IM works on the coevolution approach of EMNEs in developing economies and the position of our paper.

## Methods

We adopt a longitudinal single-case design (Yin, 2014) to study the co-evolutionary process of EMNEs and local market actors engaged in EMNEs' institutional works. With a longitudinal single case study, scholars can get a fine-grained level of detail about the evolutionary change process and explore "how and why things emerge, develop, grow, or terminate over time" (Langley *et al.*, 2013: p1).

### Case selection

The emergence of the K-pop music category in the Vietnamese music market was selected as a case to study the evolution of capabilities and institutional works of Korean Music Agencies, Vietnamese state media, and young consumers. In contrast with the prior case studies of EMNEs that are established (e.g., Mazé & Chailan, 2021) or absent (e.g., Carney *et al.*, 2016), the local market institutions in our selected case are emerging. As a result, there is no shared interpretation of the meanings of Korean pop music among KMAs and local market actors. In addition, the selected case deals with culturally specific products. To promote and commercialize K-pop music in Vietnam, KMAs are expected to craft and develop specific capabilities in managing the cultural specificity of K-pop music and concomitantly deal with the decisive gatekeeper role of the Vietnamese state media. The selected case is ideal for investigating the capabilities that EMNEs develop and accumulate during their interactions with local market actors. The case also deals with the role of local consumers, a market actor category often overlooked in IB/IM works.

**TABLE 1**  
**IB/IM empirical works on the coevolution of EMNEs and developing economies**

Authors	Context	Study focus	Theory mobilized	Methodology	Contributions
Carney <i>et al.</i> (2016)	- Indonesia and Vietnam	The Ciputra Group – home & host institutions	- Organizational capabilities - Internationalization process - Neo-Institutional Theory	Longitudinal single-case study	EMNEs can develop institutional capabilities in the domestic market and transfer those capabilities to foreign markets that have similar institutional conditions.
Yan <i>et al.</i> (2018)	- China	Chinese MNEs – home governments	- Neo-Institutional Theory	Case study	EMNEs work in tandem with the home governments in shaping institutional arrangements for OFDI.
Chan & Pattnaik (2021)	- China	Chinese MNEs – home institutions	- Neo-Institutional Theory - Strategic choice theory	Multiple case study and processual approach	Their research “offers an alternative and nuanced explanation of selective and relevant home country support, the role of independence of firms, support criteria and reinforcement of governance for internationalization of emerging market firms”.
Mazé & Chailan (2021)	- Algeria - The Republic of Guinea - Gabon	Chinese MNEs – host institutions	- Institutional entrepreneurship - Organizational coevolution theory - EMNE internationalization theory	Multiple case study	Chinese multinationals engage with African institutions to win contracts and secure their embeddedness in host countries. The more Chinese multinationals are embedded in host countries, the more they change local institutions and redefine rules for MNEs.
Han (2021)	- China	Chinese MNEs – home governments	- Government-created advantages perspective - Legitimacy-based perspective	Survey	Home-country risk-safeguarding mechanisms have positive influences on Chinese MNEs’ overseas subsidiary performance, in tandem with firms’ legitimacy with host-country business communities and host-country government.
Huang <i>et al.</i> (2021)	- China	Chinese MNEs – home and host institutions	- Portfolio theory	Quantitative approach	“The key to improving firm performance resides not only in the number of FDI projects to invest in or the internal conditions of firms, but also in particular types of host countries to enter and the specific OFDI portfolio configuration to employ”
Present study	- Vietnam	Korean Music Agencies – local media and consumers	- Neo-institutional theory - Market categorization - Dynamic capabilities	Longitudinal single case study	EMNEs co-evolve with local market actors during their institutional works. Cultural bricolage and cultural engineering are two dimensions of EMNEs’ symbolic capabilities that the latter develop to sense and seize institutional changes and engage local market actors in their institutional works.

## Context

Comprising a variety of musical genres (such as ballads, rock, jazz, electro, and dance), K-pop is distinguished from other pop music by its catchy melodies, carefully calibrated choreography, and idol system (Nguyen & Özçaglar-Toulouse, 2021). This system produces groups of versatile artists who can dance, sing... or host television programs. This system, imported from Japan, is institutionalized as a business model for artist production and integrated into a “culture technology” strategy invented by Soo-man Lee, the founder of SM Entertainment, one of South Korea’s three major music agencies. For him, “culture technology” enables South Korean media multinationals to produce, distribute, and promote cultural products (e.g., TV series, music, films, etc.) internationally through the digitalization of marketing practices, collaborations with local talent, and joint ventures (Chen, 2016). “Culture technology” is also recognized by the South Korean government as a tool for a nation branding strategy to reposition South Korea on the global political, economic, and cultural stage (Nguyen & Özçaglar-Toulouse, 2021). Their research shows that South Korean music agencies receive political and economic support for this quest to expand abroad. For example, the Korea Creative Content Agency Office (KOCCA) – a government agency – regularly assists South Korean music agencies in planning, producing, distributing, and organizing cultural events in international

markets. KOCCA also plays a role in connecting local talent with South Korean music agencies. Nguyen & Özçaglar-Toulouse (2021) also observed that with the help of KOCCA, these music agencies have intensified their production and marketing operations in Vietnam and have boosted their market there.

Following the adoption of the Reform Policy in 1986, Vietnam pursued its market economy model with a socialist orientation (*i.e.*, liberating and privatizing the economy while preserving the supreme authority of the Communist Party). As Nguyen & Özçaglar-Toulouse (2021) show, the Vietnamese Communist Party thus oriented the market towards the South Korean economic model by promoting Korean consumer culture and Confucian values embodied in Seoul’s cultural products. At the same time, the Hanoi governments strengthened intellectual property codes, invested in the creative industry, and eased their intervention in foreign companies’ production and distribution of cultural products. Although the Vietnamese Communist Party and its governments are inspired by the South Korean economic and cultural model, they are also asserting their soft power among Vietnamese consumers to resist the hegemony of their Korean neighbor (Nguyen & Özçaglar-Toulouse, 2021). In this study, we will describe this dialectic relationship and explain how it contributes to developing the institutional capacities of South Korean music agencies.



## Data collection

The data were collected in four phases.

### Phase 1 (2013 – 2016): Collecting online articles published by Vietnamese public and private media

To trace the emergence of the K-pop music category in the Vietnamese market, we identify articles published in Vietnamese public and private newspapers that report on K-pop music from 1992 to 2016. We chose this period because (1) it marks different stages of diplomatic relations between South Korea and Vietnam as well as the introduction and commercialization of Korean cultural products in the Vietnamese market; and (2) it is also the period in which the Vietnamese governments started their nation-branding strategies to attract international firms, entrepreneurs, and international tourists (see Nguyen & Özçaglar-Toulouse, 2021). We use keywords such as “K-pop”, “nhac Han Quoc” (Korean pop music), “Hallyu” (Korean Wave), and “nhac phim Han Quoc” (Korean drama OST) to collect online articles from the Vietnamese state-controlled newspaper such as *tuoitre.vn*, *thanhnien.vn*, *dantri.com.vn*, *nld.com.vn*, *vnexpress.vn*, *nhandan.com.vn*, and *vietnamnet.vn*. We identified 151 articles (31 in English and 120 in Vietnamese).

### Phase 2 (2015 – 2016): First round interview with Vietnamese young consumers

The initial reading of these documents also suggests that the Vietnamese media depicted young consumers who engage with K-pop music as “trendsetters” and “crazy K-pop fans.” To understand the (re)actions of young Vietnamese consumers towards these mediated images and their impact on their consumers’ engagement styles and K-pop-related practices, we conducted ten narrative interviews with Vietnamese consumers aged 20 to 28 who have a long consumption journey with K-pop music. All interviews were conducted in Vietnamese by the author, who is Vietnamese and is familiar with the research context. These informants were recruited through snowball sampling. The author asked his friends and old classmates to invite their friends who consume K-pop music to participate voluntarily in an individual-long interview. Each interview lasts from 1.5 to 3 hours. The interview began with general questions about the informants’ background and daily activities. The informants were then asked to share their “life stories” about their first-hand experiences with K-pop music, their daily consumption practices relating to K-pop, and their feelings and thoughts about K-pop music, idol groups, fans, and non-K-pop consumers. They were asked about the role of K-pop music in their relationships with their parents, peer groups, and classmates/colleagues. The interviews were conducted, recorded, and transcribed in Vietnamese.

### Phase 3 (2016 – 2022): Collect printed articles in the official magazine for Vietnamese teenagers and books on the Korean waves.

After our initial analysis of data collected from Phase 1 and Phase 2, we observed that articles published from 2005 to 2010 depicted K-pop music positively, while those published from 2011 onwards tended to criticize K-pop music for its negative impact on Vietnamese teenagers and young consumers’ behaviors. Based on this observation, we expanded our dataset by collecting printed articles about K-pop music published in *Hoa Hoc Tro* (School Flowers), hereafter HHT, the official magazine for Vietnamese youth. This dataset expansion aimed to understand better when and how K-pop music was linked to young consumers’ culture. The research indicates that the first article about K-pop was published in 1997. Thus, we collected 100 articles that analyze K-pop

music in the printed version of HHT from 1997 onwards. Even though we crafted the first draft of our paper in 2020, the author continues to collect the printed articles in this magazine each time he travels back to Vietnam for his research journey.

We also collected four academic books and 32 academic articles depicting the Korean wave, the K-pop industry, and Korean music agencies, along with three lectures given by the founders of SM Entertainment and JYP Entertainment.

### Phase 4 (2017 – 2019): Second round interviews with Vietnamese young consumers

In the second-round interview, the author recruited 30 more Vietnamese young consumers who consume K-pop music. The interviews take a similar format to the first-round interview with some open questions on the informant’s experiences with K-pop music, their life stories, and the role of K-pop in their daily social life. The interviews lasted from 2 to 3 hours. During his journeys in Vietnam, the author accompanied four informants to their hangouts, meetings with friends, K-pop music festivals, and K-pop friend group meetings. This helps the author immerse himself in our informants’ daily practices to see for himself the experiences of our informants in real situations. The author recorded and took notes on his observations and his verbal exchanges with his four informants.

Tables 2 and 3 provide the summary of our dataset.

## Data analysis

Given the objective of understanding how KMAs and local market actors’ institutional works jointly shape and are shaped by the evolutionary path of the K-pop music category, we follow the multilevel approach (Hitt *et al.*, 2007) to identify the institutional works of each actor in our research (*i.e.*, KMAs, Vietnamese media, and young consumers) as well as the orchestration of those works in micro (*i.e.*, individual level), meso (*i.e.*, group level), and macro (*i.e.*, market level). We commenced the data analysis by reconstructing the chronology of introducing K-pop music in the Vietnamese market through the data collected. We then coded the collected data by following the abductive methodology suggested by Gioia and Chittipeddi (1990). We went back and forth several times between the collected data and theories. The data analysis is structured as follows (see table 4):

- The analysis of first-order themes began with creating codes that refer to data illustrating KMAs’ international actions and strategies, Vietnamese state media’s practices, and young consumers’ practices. We stayed very close to the language used in media discourses and consumers’ responses to interviews.
- We then sorted the identified codes into abstract categories. We iteratively compared the identified categories with concepts from mobilized theories. Given the focus on institutional works and capabilities deployed by KMAs and local market actors, we stayed close to the prior works in the IB/IM and market category literature described above. We observed that the Vietnamese state media and young consumers often associate K-pop music with youth taste culture. Taking inspiration from the observation of Pedeliento *et al.* (2019), according to which the concept of taste regime helps to explain how a market category gains a social status and how its social identity comes to be crystallized, we structured our second-order code around youth culture and taste regime.
- Finally, we aggregated the data-driven first-order themes and theoretical second-order categories into overarching concepts.

**TABLE 2**  
**Informant description**

	Name	Age	Gender	Home
<b>First-round interviews</b>	Ha	21	Female	Ho Chi Minh City
	Linh	23	Female	Ho Chi Minh City
	Anh	21	Female	Nha Trang
	Hoa	24	Female	Da Nang
	Hong	28	Female	Nha Trang
	Thao	25	Female	Ho Chi Minh City
	Vu	23	Male	Da Nang
	Ti	22	Male	Ho Chi Minh City
	Tuan	21	Male	Ho Chi Minh City
	Tung	20	Male	Ho Chi Minh City
<b>Second-round interviews</b>	Quang	22	Male	Ha Noi
	Dung	16	Male	Tuy Hoa
	Minh	15	Male	Ha Noi
	Hau	22	Male	Nha Trang
	Ky	16	Male	Ha Noi
	Na	24	Male	Ho Chi Minh City
	Hoang	18	Male	Ha Noi
	Bi	15	Male	Nha Trang
	Hai	21	Male	Nha Trang
	Huan	22	Male	Ha Noi
	Bao	25	Male	Tuy Hoa
	Tam	25	Male	Ho Chi Minh City
	Nguy	26	Male	Tuy Hoa
	Tin	26	Male	Tuy Hoa
	Mai	25	Male	Ho Chi Minh City
	Trang	22	Female	Ha Noi
	Mo	22	Female	Ha Noi
	Vi	21	Female	Ha Noi
	Le	18	Female	Ho Chi Minh City
	Zoe	24	Female	Ha Noi
	Van	24	Female	Ho Chi Minh City
	Xanh	24	Female	Tuy Hoa
	Thoa	25	Female	Ha Noi
	Bo	23	Female	Nha Trang
	Thu	20	Female	Ha Noi
	Thao	23	Female	Tuy Hoa
	Thanh	25	Female	Ho Chi Minh City
	Nu	17	Female	Tuy Hoa
	Nam	18	Female	Nha Trang
	Phuong	21	Female	Tuy Hoa

**TABLE 3**  
**Data set summary**

Process	Data source	Data volume
<b>Phase 1</b> (2013 – 2016)	- Online articles from Vietnamese public and private media	- 151 articles (31 in English and 120 in Vietnamese)
<b>Phase 2</b> (2015 – 2016)	- Narrative interviews with Vietnamese young consumers	- 10 interviews (1.5h – 3h)
<b>Phase 3</b> (2016 – 2022)	- Printed articles from Hoa Hoc Tro (official magazine for Vietnamese teens) - Academic articles and books on the Korean waves	- 100 articles - 4 books and 32 academic articles
<b>Phase 4</b> (2017 – 2019)	- Narrative interviews with Vietnamese young consumers	- 30 interviews (2h – 3h)

**TABLE 4**  
**Data structure**

First-order concepts	Second-order themes	Aggregate dimensions
<ul style="list-style-type: none"> <li>Visually associate K-pop music to Asian music</li> <li>Discursively compare K-pop aesthetic value with other music</li> <li>Inscribe K-pop symbolic values in local taste regime</li> </ul>	➔ Taste assimilating	<p>Cultural Bricolage</p> <p>Cultural Engineering</p>
<ul style="list-style-type: none"> <li>Associate K-pop fan culture to culture of deviant</li> <li>Describe K-pop fan as immature</li> <li>Valorize other foreign music fan cultures</li> </ul>	➔ Taste problematizing	
<ul style="list-style-type: none"> <li>Mandate K-pop fan to organize youth cultural activities</li> <li>Collaborate with KMA on producing music festivals, TV show</li> </ul>	➔ Taste orchestrating	
<ul style="list-style-type: none"> <li>Mimic the dress style and gestures of Korean artists</li> <li>Build daily life on K-pop consumption</li> </ul>	➔ Taste incorporation	
<ul style="list-style-type: none"> <li>Import global K-pop fans' practices</li> <li>Establish Korean artists' local fandom</li> <li>Produce symbolic meanings for K-pop and K-pop fan cultures</li> </ul>	➔ Collective identity construction	<p>Cultural Engineering</p>
<ul style="list-style-type: none"> <li>Marketize K-pop fan practices</li> <li>Collaborate with public &amp; private actors in organizing K-pop events</li> </ul>	➔ Fan professionalization	
<ul style="list-style-type: none"> <li>Participate in Korean MNCs &amp; governments' cultural program</li> </ul>	➔ Taste nurturing	
<ul style="list-style-type: none"> <li>Create Youtube channels for free access</li> <li>Organize K-pop dance cover and fan meeting events</li> </ul>	➔ Community building	
<ul style="list-style-type: none"> <li>Acquire independent local fandom to control the local fan practices</li> <li>Co-producing music contests &amp; music show for local teenagers</li> </ul>	➔ Cultural repositioning	

To identify the relationships between the emergent concepts, we used a timeline of K-pop's introduction in Vietnam and situated the institutional works of each market actor. In this process, we examined the interplay between changes in KMAs and local market actors' institutional works and the evolution of the K-pop music category. Again, from the theories we mobilize above, we sought to understand the change in capabilities of those three market actors. The following section presents the study findings.

## Findings

The emergence of the K-pop music category in the Vietnamese market consists of three key phases that mark changes in the institutional works of KMAs, Vietnamese state media, and young consumers: (1) K-pop music as an Asian music (late 1990s – 2006); (2) K-pop music as an Asian music for teenage girls (2006 – 2014); and (3) K-pop music as a separate music category (2014 – present). Table 5 summarizes key findings. In this section, we narratively present each phase and use some quotes to illustrate the key themes identified.

### Phase 1: K-pop music as an Asian music (late 1990s–2006)

To introduce K-pop music in the Vietnamese market and make it familiar to Vietnamese consumers, KMAs collaborated with Korean broadcasters to produce their music for K-drama (i.e., mini soap operas) that is provided free-of-charge to Vietnamese state-controlled broadcasters by the Korean government and organized free music concerts for the Vietnamese public as part of diplomatic events between Korea and Vietnam (Nguyen & Özçaglar-Toulouse, 2021). As a result, the Vietnamese media groups this genre in the East Asian music category, together with Cantonese pop music and Japanese pop music. Foreign music became the umbrella music category, of which the East Asian music category was one component. The assimilation of K-pop into the East Asian music category was carried out in two overlapping stages: (1) visually linking K-pop music to other East

Asian music and (2) discursively inscribing aesthetic and symbolic values of K-pop into the youth taste regime. First, all news related to K-pop music, ranging from advertisements for new albums, announcements of musical concerts, and music charts to the artists' personal life stories, were grouped into Asian music threads. These threads were arranged on a separate page from threads on Western popular music and Vietnamese popular music. For example, in a one-page thread "Asian Music Artists 2005" (HHT 528, 58), the top part of the page showed a photo of Jang Nara (Korean singer and actress) along with a journalist's brief review of the concept of her new album, while the bottom part of the page presented Bi (Rain)'s (Korean singer and actor) profile and life story.

Similarly, the thread "Hot hifi 100°C – Around the world of Pop 2.0" (HHT 550, 74), informing readers about popular music news worldwide, presented K-pop artists, events, and new albums on the same page as C-pop news. In contrast, Western music artists were featured on the opposite page. Interestingly, although K-pop news has a content structure (i.e., a short news item translated from the foreign press accompanied by a photo of the artist) and narrative style similar to Western music news, the two-page layout of this thread revealed a contrast between Korean and Western artists. The former were presented as baby-faced artists in a frivolous style, while the latter featured young adults in a sophisticated style. This page layout, prominent in Vietnamese youth magazines, visually highlights the similarities between K-pop and other East Asian music.

K-pop music was not very popular in the Vietnamese market, and it took much work to acquire a K-pop album. As a result, young Vietnamese consumers were more self-oriented in their K-pop consumption practices. For most of our informants, K-pop was the music they randomly listened to when they went to online blogs of well-known Vietnamese teenagers, watched national TV channels, or played online games. Some of our informants incorporate discourse on K-pop style conveyed by Vietnamese state media into their dress style.

**TABLE 5**  
**Summary of key themes**

Emergence of K-pop category	Actor's institutional works			Symbolic capacities
	Korean Music Agencies	Vietnamese state media	Vietnamese young consumers	
<b>K-pop as an Asian music</b>	<b>Taste nurturing</b> - Participate in Korean MNCs and government cultural program	<b>Taste assimilating</b> - Visually associate K-pop music to Asian music - Discursively compare K-pop aesthetic value with other music - Inscribe K-pop symbolic values in local taste regime	<b>Taste incorporating</b> - Mimic the dress style and gestures of Korean artists - Build daily life on K-pop consumption practices	Cultural bricolage
<b>K-pop as an Asian music for teenage girls</b>	<b>Community building</b> - Create YouTube channels for free access - Organize K-pop dance cover and fan meeting events	<b>Taste problematizing</b> - Associate K-pop fan culture to culture of deviant - Describe K-pop fan as immature - Valorize other foreign music fan cultures	<b>Collective identity constructing</b> - Import global K-pop fans' practices - Establish Korean artists' local fandom - Produce symbolic meanings for K-pop and K-pop fan cultures	
<b>K-pop as a separate music category</b>	<b>Cultural repositioning</b> - Acquire independent local fandom - Co-producing music contests & music show for local teenagers	<b>Taste orchestrating</b> - Mandate K-pop fan to organize youth cultural activities - Collaborate with KMA on producing music festivals, TV show	<b>Fan professionalizing</b> - Marketize K-pop fan practices - Collaborate with public & private actors in organizing K-pop events	Cultural engineering



In this phase, Vietnamese state media initiate market categorization through taste assimilation, following the KMAs' taste nurturing practices. By assimilating K-pop music with Asian music, Vietnamese state media use K-pop music as a cultural pool to reshape the Vietnamese youth's taste regime. The new taste regime is crystallized and institutionalized through the taste incorporation of young Vietnamese consumers.

### **Phase 2: K-pop music as an Asian music for teenage girls (2006 -2014)**

Since it became integrated into the youths' taste regime, K-pop music not only entered into young Vietnamese consumers' daily music consumption but also expanded into other consumption practices such as the construction of dress styles, food, sports, etc. Between 2006 and 2014, Korean music agencies regularly chose the Vietnamese market as a destination for their business. Despite the high prices, K-pop concerts and fan meetings were often sold out. In addition to exporting their music concerts, KMAs organized cultural events such as "K-pop dance cover contests" and "K-pop FC festivals" to create a K-pop fan culture in Vietnam. While state-controlled media were still their leading local distributors in the Vietnamese market, KMAs expanded their distribution networks by integrating private cable channels. Regarding promotion strategy, KMAs collaborated with independent K-pop fan clubs for all musical events organized in Vietnam. Independent K-pop fan clubs function as communities of practices that form naturally without the intervention of KMAs. In these fan clubs, young consumers help each other learn new skills and cultural competencies beyond the skills articulated by the Vietnamese media. For example, one of the main activities of these communities is dubbing all the music videos of their favorite K-pop idol bands and distributing them free of charge on social video platforms such as YouTube and Vimeo. For young Vietnamese consumers who engage with K-pop, joining independent K-pop fan clubs helps them collectively acquire knowledge and cultural competencies to promote their favorite K-pop idol group.

The linking of independent K-pop fan clubs in the KMAs' cultural intermediaries network led to tension between the state-run media and engaged K-pop consumers concerning shaping the youth taste regime. To uphold their authority, the Vietnamese media began to problematize K-pop music as a way of discrediting the taste-shaper role of independent K-pop fan clubs and their K-pop engagement practices, which were considered problematic because they deviated from the standard practices elaborated by the state-controlled media. Images and stories disparaging young consumers' K-pop engagement practices flooded online and offline newspapers whenever K-pop concerts were held in Vietnam. Some newspapers were critical of the music festivals, highlighting the K-pop music bands' performance quality and the out-of-control behavior of the young female fans attending the festival. These reports gave rise to public debate about the aesthetic value of K-pop music and the appropriateness of young consumers' K-pop engagement practices.

Below is an extract from a Vietnamese newspaper that voices the parent's anxiety when her child is an engaged K-pop consumer.

[...] To be honest, apart from their appearance and their pleasing dance choreography, these Korean girls are not very good singers. This disappointed me. Many youngsters threatened to commit suicide just to attend performances like this. I asked many of the youngsters waiting outside why they idolized K-pop singers. They all replied that it was because they liked it [...]

(Vnexpress.net 12/3/2012)

Vnexpress.net used the voices of K-pop consumers' parents in their online articles to frame the debate on the aesthetic value of K-pop music, linking K-pop to young consumers' poor taste. Vietnamese media often criticize young consumers engaging with K-pop more for the artists' performance's visual effects than for the music's quality. For some, because of their "lack of experience and cultural competence, young consumers who engage with K-pop cannot distinguish good music from bad music" (tuoitre.vn, 12/05/211). Interestingly, critics of K-pop valorize Western and Japanese music. In an article titled "I do not like K-pop music because it is not good music," published by Vnexpress.net, one of the anti-K-pop consumers writes:

What I dislike about K-pop is the quality of the music. Today's music trend is for soloists, not bands, as in K-pop. If there are still some soloists in K-pop, they are not as good as Western or Japanese singers. This countertrend sets K-pop apart from the standard of world music...Moreover, fans of Western or Japanese music are much more straightforward than fans of K-pop. What is essential for the former is the recorded quality of the music. Moreover, they can control their emotions when they attend a live show.

(vnexpress.net 12/07/2012)

Some of our informants share this opinion.

People who engage with Western or Japanese music are primarily mature adults. They do not practice the same activities that we do. When I try to debate with my classmates about K-pop, they often say that K-pop is music for teenage girls who are not interested in the quality of the music but only in how the performers look. For them, engaging with K-pop is a waste of time.

(Ky, male, age 16)

Debates about K-pop's aesthetic value and its impact on young Vietnamese consumers frame the symbolic boundary between K-pop music and American music and help problematize the music category to which K-pop belongs. At the same time, the association of K-pop engagement practices with the music consumption practices of teenage girls institutionalized by media gives rise to another symbolic boundary within the Asian music category.

In this phase, we observe that the K-pop category's meanings are changed by the KMAs' effort to build a K-pop community in Vietnam regarding the emergence of K-pop fan culture and K-pop collective identity among Vietnamese young consumers. KMAs established a relationship with Vietnamese consumers by sponsoring some K-pop fan activities and transformed them into new partners for promoting and commercializing K-pop music. The taste problematizing exercised by the Vietnamese media is perceived as a contestation for a new dyad relationship between KMAs and young consumers.

### **Phase 3: K-pop music as a separate music category (2014 -)**

The media and non-engaged consumers have criticized K-pop-engaged consumers for their lack of cultural competence in distinguishing good from bad music, their inability to control their emotions, and for prioritizing their pursuit of hedonistic experiences in their leisure activities. Some K-pop-engaged consumers are obliged to change their behavior in private and public spaces to distance themselves from the negative image of K-pop music. In contrast, others take another strategic direction by professionalizing their engagement practices.

Consider the case of Saint 319 (or stylized St.319), one of Vietnam's well-known K-pop dance cover groups from Hanoi. The group was founded in 2011 with two members,

Aiden and Zoe, both aficionados of K-pop cover dances. The group opened its own YouTube channel in 2011, where they uploaded videos of their cover dances of various K-pop music songs. Their homemade videos soon became famous; their YouTube channel attracted over 820,000 subscribers after seven years. After winning several awards from Korean music agencies, they became one of the most famous Vietnamese K-pop dance cover groups (kenh14.vn 05/10/2018). Since 2015, the group has transformed into an entertainment corporation that produces professional singers and dancers. They have collaborated with other media producers in making Vietnamese music videos and TV commercials that integrate cultural elements inspired by K-pop music (such as dance moves and clothing styles). Zoe, one of the founders of ST.319, justifies the professionalization of her K-pop engagement practices.

Initially, I covered K-pop idols' performances just for fun. I filmed my performance and put it on YouTube as a souvenir. One day, our team leader, Aiden, found my video on YouTube. He contacted me and asked me to join him to practice K-pop dance. We practiced K-pop dance every time we were available. We filmed our performance and put it on YouTube. Our homemade videos have attracted several thousand views. We are excited and have decided to recruit other young people to form St.319. Our initial goals are to build a group of K-pop dance aficionados and publish our homemade videos on YouTube. (Zoe, female, age 26)

By remaking K-pop dance choreography enriched with their story creation, Zoe and her group transform original K-pop music videos into products of their creative activities. While Zoe and her group were having fun with their K-pop music, promoting their creative work on YouTube became a way for them to benefit economically through YouTube's reward policy. It was also the initial step for St.319's transition from K-pop music lovers to professional artists or tribal entrepreneurs with their fan club.

Some K-pop-engaged young consumers seek to transform their engagement practices into social activities. In the following excerpt, Bo describes the transformation in her K-pop engagement practices.

We often do charitable work in the name of our idol group. We fundraise for poor people in Vietnam, do beach cleaning, and participate in social activities organized by the local government. In each social activity, we use the name of the local fandom of our K-pop idol group. It is the best way to promote our idol groups in my city and improve the image of K-pop fans in Vietnam. We want to show other people that K-pop music fans are not immature consumers, as the national media depicts.

(Bo, a 23-year-old female from Nha Trang)

As Bo's excerpt reveals, she and other members of her K-pop fandom are seeking to change the stereotype of K-pop-engaged consumers in their local context through charity work and social activities. Through this social work, they distance themselves from self-oriented and hedonistic practices while attaching themselves to social practices organized and managed by the local government.

The professionalization of K-pop fan cultures signals a niche market for Korean pop music in Vietnam. To make that niche market profitable, KMAs have deployed cultural strategies to reposition K-pop music as a particular music category with its specific type of music production, distribution, and fan culture. Since 2014, KMAs have formed strategic alliances with Vietnamese media to recruit and train young Vietnamese singing

talents to become international K-pop idols (Nguyen & Özçaglar-Toulouse, 2021). The K-pop audition and singing contest VK Lotte Pop Super Star 2014 was broadcast nationally by state-controlled media and had an audience of more than 45% of the Vietnamese population for the final competition. Along with the strategic alliances established in the Vietnamese market, KMAs have acquired and transformed Vietnamese independent fan clubs into their local official K-pop fandom. In addition, they have recruited fan club leaders as brand community managers. These official fan clubs work jointly with mainstream media and local government to recruit new members and organize K-pop music events and social activities (as illustrated by the case of Bo). For instance, when JYJ (a K-pop boy band) held a music concert in Vietnam in 2014, the official fandom of JYJ collaborated with youth magazines (such as HHT and Kenh14.vn) and youth television channels (such as YeahOneTV) to launch a marketing campaign for the concert. Another event marking the collaboration between K-pop-engaged consumers and mainstream media was the publication of a travel guidebook for young consumers in which K-pop-engaged consumers share their experiences with K-pop music in particular and with South Korea in general (HHT, 1298).

These collaborative activities, which K-pop-engaged consumers carry out with mainstream media and other market actors (such as government institutions and foreign and private firms), have helped consumers and the media reach a new consensus on K-pop music. K-pop music has detached itself from the niche category (e.g., music for teenage girls) and has become a separate mainstream category. If, in the first phase, KMAs tested the adoption of K-pop music in Vietnam through taste nurturing and created a new network with young consumers through community building in the second phase, we observed that KMAs exercise their institutional works more systematically in the third phase. They are more active in orchestrating the institutional works of Vietnamese media and young consumers to stabilize the consensus of the latter regarding the meanings of K-pop music than the prior phases. Through the systematic orchestration of local actors' institutional works, KMAs maintain their positioning strategy and secure their competitive advantages over Western music agencies such as Warner Music and Universal Music.

## Discussion and conclusion

This paper aims to extend previous research on the coevolution of EMNEs and institutions in emerging economies by analyzing the impact of local market actors on the EMNEs' institutional works. Our study on the emergence of the K-pop music category in the Vietnamese music market demonstrates that KMAs' institutional works co-evolve with the institutional works of the Vietnamese media and young consumers that shape the evolutionary path of K-pop as a market category (see Table 5). Like the Ciputra group examined by Carney *et al.* (2016), KMAs, during their internationalization in the Vietnamese music market, have deployed all three dimensions of institutional capabilities (*i.e.*, network penetration, relational contracting, and business model innovation) for their institutional works in three phases. First, they penetrated the state-controlled media network in Vietnam through the political ties between the Korean MNEs, Korean governments, and Vietnamese governments. In addition, they collaborated with Vietnamese state-controlled media in organizing music concerts as non-profit and diplomatic events. Through those events, the KMAs have nurtured a taste for K-pop music that was

incorporated into the local youth culture by the Vietnamese state-controlled media and into the daily consumption practices of young consumers.

In the second phase, the KMAs innovated their business model from a consumer-oriented service (B2C) to a business service industry (B2B). Digital platforms such as YouTube were used as a new distribution channel for their music (Oh & Park, 2012) to build fan communities (e.g., SMTown for SM Entertainment; JYP Nation for JYP Entertainment; YG Family for YG Entertainment) and fan cultures. The fragmentation of K-pop fan communities and their fierce competition have fostered the construction of a collective identity among young Vietnamese consumers of K-pop music that enacted the Vietnamese media's categorization work. Once K-pop became a music category that is distinctive from other Asian music, and local market actors acquired new capabilities for the co-production of K-pop's symbolic values in a local market (i.e., consumers' fan professionalization and taste orchestration by the media), the KMAs deployed their relational contracting capabilities to culturally reposition K-pop in the Vietnamese music market. In other words, the KMAs have engaged local market actors in building a local business ecosystem and co-creating symbolic values for K-pop.

The development of the KMAs' institutional capabilities in conjunction with changes in local market actors' institutional works reveals symbolic capacities that the KMAs require to align their institutional works with those of local market actors. Symbolic capacities refer to a set of "ability to engage others in collective actions" (Fligstein, 2001, p. 105) that help firms to sense and seize the cultural meanings that are socially associated with their product/service by local market actors as well as to engage local market actors in co-producing symbolic value that fits local consumer taste regime. Here, symbolic value refers to the social and cultural meanings associated with a product/service that enable consumers to construct and express their individual and social identity through their consumption practices (Ravasi & Rindova, 2008). Unlike other types of capacities intrinsic to firms, symbolic capacities are learned from the iterative interactions between firms and local market actors that are also cultural intermediaries. For example, given that K-pop music is categorized by the Vietnamese state media and young consumers as music for teenage girls, the KMAs have seized that opportunity to build communities of K-pop fans linked to girls' consumer cultures. Once the K-pop fan communities became a new niche market, the KMAs learned to maintain the social meanings associated with K-pop (i.e., K-pop as a separate music category with its own fan cultures) by engaging with Vietnamese state media in their taste orchestration and young consumers' professionalization of their fandom.

The case of KMAs in Vietnam documents two distinctive dimensions of symbolic capacities: cultural bricolage and cultural engineering. Bricolage refers to "creative entrepreneurial capability and processes that undergird utilizing what is at hand" (Gölgeci *et al.*, 2017, p.243). In contrast, engineering is an entrepreneurial capability that focuses on applying the scientific mode of action in seeking and using appropriate resources (Gölgeci *et al.*, 2017). KMAs craft cultural bricolage to infuse the symbolic value of K-pop music in the Vietnamese music market when there is no consensus among local market actors about the market category that fits the music. Taste nurturing and community building illustrate KMAs' experimentation in understanding the market and identifying each market actor's role. Cultural engineering is developed and deployed when the consensus about the meanings of K-pop is reached, and local market actors are ready

to embark on collective works that KMAs systematically orchestrate to maintain the boundary of the niche market. In other words, cultural bricolage and cultural engineering are two dimensions of EMNEs' symbolic capacities for sensing and seizing institutional changes and engaging local market actors in their institutional works.

### theoretical contributions

The lessons we draw from the case study contribute to the literature on the coevolution of EMNEs and institutional environments of developing economies. First, we complement the existing literature, which has mainly focused either on the interplay of the EMNE – EMNE-institutional environment dyad (Liu *et al.*, 2021; Madlok & Liu, 2006) or on the institutional entrepreneur role played by EMNEs, along with their institutional works (McGaughey *et al.*, 2016). In contrast to this focus, and in line with the work of Carney *et al.* (2016), our study concentrates on EMNEs' capabilities and local market actors' institutional works. This shift underlines that the co-evolutionary process could be initiated and enacted not by EMNEs but by local market actors in their dynamic adoption of a new consumption practice generated by EMNEs' products/services (particularly products/services characterized by high cultural specificity). The seeking of a shared interpretation of EMNEs' products/services among local market actors signals EMNEs to engage in the co-evolutionary process. Our study builds on the work of Mazé and Chailan (2021), who have documented that Chinese EMNEs engage in the co-evolutionary process when the economic-political network emerges, and local market actors adopt the Chinese management practices. However, unlike the Chinese EMNEs, which actively play the role of institutional entrepreneur in the whole process, KMAs in our study play that role only when local market actors reach a consensus about the social meanings of K-pop and K-pop cultures through their institutional works, and when the local actors are willing to undertake systematic collective works.

Second, our study extends the concept of institutional capabilities proposed by Carney *et al.* (2016) by showing when each dimension of institutional capabilities (i.e., network penetration, relational contracting, business model innovation) is developed and deployed. While network penetration and business model innovation are likely mobilized to explore and adapt to the new market, relational contracting helps EMNEs to engage local market actors in their business ecosystem and co-create (symbolic) value for their offerings. Further, we argue that the deployment of institutional capabilities must occur in parallel with the development of symbolic capacities. Whereas cultural bricolage capacity would help firms to embed into the local market culturally, sense the readiness of the market for firms' offerings, and identify the role of each market actor, cultural engineering capacity helps firms to systematically mobilize and motivate local actors' engagement in the value co-creation process. By identifying two symbolic capacities (cultural bricolage and cultural engineering) that an EMNE should develop during its expansion in an emerging economy, we respond to the research avenue traced by Gölgeci *et al.* (2017) regarding how firms strategize and realize their capabilities in an environment where institutional voids exist.

Third, by emphasizing local market actors' institutional works and their capabilities in co-shaping local informal institutions, our study responds to Chidlow *et al.*'s (2021) call for applying the 5Cs framework (i.e., context, capability, change, concomitance, and configuration) in studies of the inter-relationships between EMNE internationalization

and institutions. As Chidlow *et al.* (2021) observed, previous works have focused on the context of EMNEs' internationalization, their institutional capabilities, and the structural changes of local institutions. However, less attention has been paid to the collaborative and conflictual interactions between EMNEs (*i.e.*, the concomitance dimension) and institutions and the reconfiguration of EMNEs' strategies in response to institutional changes (*i.e.*, the configuration dimension). The present study shows that the more specialized the market category acts as an informal institution, the more EMNEs switch from a cultural bricolage capacity to a cultural engineering capacity to build their institutional strategies. In addition, while previous works have emphasized formal institutions such as political and legal institutions (Chidlow *et al.*, 2021), this paper provides more insight into the coevolution of informal institutions and EMNEs.

### Managerial implications

This study has managerial implications for EMNEs that want to introduce new offerings in emerging markets, especially culturally specific offerings whose values and meanings are little known outside their original market. First, we argue that EMNEs should seriously consider the dynamic market category (that plays a role as an informal institution) when deciding how and when to engage local market actors in the symbolic value co-creation process. Introducing their offerings when local market actors disagree about market category meanings could lead firms to be negatively evaluated by targeted market actors. For example, despite their high quality and sophisticated performance, K-pop music concerts held in Vietnam from 2006 to 2014 received unfavorable evaluations from most Vietnamese market actors (*e.g.*, K-pop non-engaged consumers, media, analysts, and government) because other market actors did not appreciate K-pop consumers. Consequently, KMAs suffered financial losses during this period. To avoid this risk, EMNEs should pay more attention to the dynamics and complexity of local markets that bound the hierarchical ordering of market categories and taste-based actor engagement practices.

However, in the case where EMNEs' offerings are interpreted by local market actors as a low-status category, thereby affecting their performance in the local market, EMNEs can engage market actors that are willing to assume the role of cultural intermediaries in recategorizing the entire market category to which their offerings belong. EMNEs can also innovate their business model by providing engagement platforms (*e.g.*, an ICT-enabled environment such as interfaces and artifacts or physical resources such as retail stores) to less favorable market actors and help them align their engagement practices with conventional norms. For example, annual K-pop dance cover contests organized by Korean entertainment houses encourage transnational K-pop-engaged consumers to become involved. Consumers are invited to reproduce dance moves and choreography of K-pop music videos. Information and dance instructions are disseminated through local official K-pop fan clubs managed by KMAs, local mainstream media, and global social platforms. By enabling K-pop-engaged consumers to reproduce K-pop music videos, such contests contribute to institutionalizing K-pop engagement practices (*i.e.*, K-pop dance covers) that help them change their social status. The video streaming service Viki Entertainment provides another example of how a community-based firm categorizes itself through professionalizing the fan engagement practices of Asian TV shows.

### Limitations and future research

Despite its findings and theoretical contributions, this paper has limitations. First, this study is grounded only in the Vietnamese market as a representative context to examine the coevolution of a culturally specific market category and market actors' institutional works. Although the findings are partially relevant to other market categories and cultural contexts (Carney *et al.*, 2016), they should be generalized cautiously. It would be fruitful for future research to use a multi-country design to make the findings more generalizable.

Second, given that our study focuses on the institutional works of local media and young consumers, we do not examine the (re)actions of other market actors such as local firms and developed economy multinationals like Sony Music, Warner Music, and Universal Music. Future research on the strategy of those actors in constraining and facilitating the EMNEs' institutional works in developing economies would be a promising avenue.

Third, to reconstruct the evolutionary path of the K-pop music category, this study drew on archival data and interviews with young Vietnamese consumers who have witnessed and progressively engaged with K-pop music since it was first introduced in Vietnam. However, we paid less attention to consumers who disengaged from K-pop music when it was associated with a youth subculture or went mainstream. Studying the disengagement of local market actors in institutional works could be an exciting avenue for exploring the impacts of this phenomenon on the co-evolutionary process of EMNEs and local institutions.

Overall, our research emphasizes the importance of local cultural intermediaries and consumers in shaping the institutional capabilities of EMNEs when the latter adopts a co-evolutionary approach for their expansion in international markets. We also shed light on the market category, an informal institution that is often overlooked in IB/IM research on EMNEs' institutional works. Furthermore, our research provides insights into the globalization of K-pop, explaining why and how it became a global phenomenon. We hope our work will inspire further research in IB/IM on EMNEs' coevolutionary approach, their business in cultural industries, and their institutional strategies in developed and developing economies.

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## ANNEX 1

### Interview guide

#### Introduction:

- Could you introduce yourself?
- How long have you listened to K-pop music? Can you share with us your experience journey with K-pop?

#### Subject centering:

- What does K-pop mean to your personal life? Social life? And professional life?
- How do your family and friends react to your K-pop music consumption?

#### In-depth questioning:

- How did you feel when the negative images and stories about K-pop crazy fans flooded the media?
- Did those images/stories affect your personal/social/professional life? Can you share your life experiences with us?
- Have your family/friends changed their attitudes towards your taste for K-pop music since then?
- What were your reactions towards those images/stories? Did those images/stories change your experiences with K-pop music?

#### Conclusion:

- Do you know how other K-pop fans react to the negative images/stories of Vietnamese K-pop fans?
- How do K-pop fan communities coopt with the social critics of K-pop music?