PURCHASE INTENTION TOWARDS KOREAN PRODUCTS AMONG GENERATION Y IN MALAYSIA

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Abstract

The South Korean entertainment industry started to influence the entertainment world in the end of the 20th century. The impact of this ever-growing popularity of South Korean entertainment is significant and visible in many aspects, which include the purchase of Korean products and services among consumers. Due mainly to this global phenomenon, there are huge economic effects in South Korea. This research aims to study Malaysia’s Generation Y attitude towards South Korean entertainment and their purchase intention of Korean products. More specifically, this study examines the roles of psychological factors and social factors in this relationship. There were 200 usable questionnaires were collected in 2018 and the analysis shows that attitude towards Korean media and Korean celebrities affect consumers’ purchase intention. On the contrary, social influence was found to be insignificant in affecting purchase intention. This study gives an insight to the marketers on how they can plan the celebrities’ endorsement strategies to communicate and persuade the Generation Y in Malaysia.

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Keywords: Attitude, gender, purchase intention, social influence.
1. Introduction

The Korean pop culture (K-pop) started to hit the world at the end of the 20th century. Korean Culture and Information Service (KOCIS) described this as Hallyu or Korean Wave, which means fever and the enthusiasm for the K-pop culture. The term of Korean Wave was first invented by people in China in the late 1990s in line with the growing acceptance of K-pop culture in China (Woodier & Park, 2017). Korean Wave, in this context, is comprised of Korean songs, movies, dramas and celebrities (Seo & Kim, 2019).

Since the beginning of 2001, the Korean mass media agencies have paid great attention to the development of Korean wave, of which is now a social phenomenon worldwide. The trend in fact has affected how consumers see and judge Korean, as well as their products and services. According to Martin (2018), Korean wave and its related businesses are booming around the world. In year 2015, there were 35 million Hallyu fans in 86 countries. Out of the 35 million, approximately 26 million of them live in Asia and Oceania, followed by 7.6 million from Americas, and 1.6 million from Europe (Martin, 2018). According to Xu and Hahm (2018), the total export revenue from Korea hit USD $8.2 billion in year 2017. The largest single export category was video games, worth USD $2.3 billion. In addition, there are significant increase in some export categories. The highest increase in export was seen in the broadcasting (57.1 percent), video games and music (21.2 percent each). Furthermore, New Straits Times (2018) reported that, the Korean popular boy band, BTS, by themselves, had generated USD $5 million to the Korean economy every year. Conventionally, this figure can only be achieved by the effort from 26 mid-sized company.

According to Shim (2006), due to the economic impact created by the Korean celebrities, the cost of one Korean drama is cheaper compared to Japanese or Hong Kong dramas. Shim (2006) also mentioned that Korean celebrities have effectively created big impacts on the way of life of consumer, including fashion, make up, food, skin care, plastic surgery, tourism and many more. In addition, Bloomberg BusinessWeek stated that K-pop sales hit USD $4.7 billion in 2016 (Kang, Lee, Park, Ko, Lee, and Han, 2019). Hallyu has become one of the leading cultural phenomena across Asia since 1999. This effect had contributed to 0.2% of Korea’s GDP in 2004, which was around USD $1.87 billion. Later in year 2014, Hallyu had an expected USD $11.6 billion increase in the Korean economy (Martin, 2018).

Based on the previous discussion, it is not hard to conclude that the greatest impact of Korean Wave provided to South Korea is not only in the entertainment industry, but also the rebranding and renewing of the national image of South Korea, leading to the change in world’s perception on Korean products (Martin, 2018). According to Ko (2010), Korean Wave has particularly improved Korea’s nation image, with a growth rate of 78.9% in positive impressions of South Korea.

The first Korean wave started in Malaysia after the showing of the drama entitled “Winter Sonata” in year 2002. Ever since then, the Korean culture started to clash in the heart of most Malaysian (New Straits Times, 2016). Cho (2011) reported that the growth of K-pop in Malaysia has been widespread and successfully led Malaysia’s Generation Y to take greater interest in Korea’s media. Jalaluddin and Ahmad (2011) in their study stated that the listeners of radio station prefer to listen to Korean songs in the “Korean fever” interview. According to Jalaluddin and Ahmad (2011), the demand for K-pop music is getting higher.
Malaysian’s love for South Korean products and services does not limit to the entertainment industry only. According to the Sun Daily (2016), consumers growing interest in Korean Wave are noticeable especially when they start to shift their food and service consumption to South Korean practices. Many products purchase decision are affected by Korean wave in Malaysia, particularly the food industry. According to New Straits Times (2016), 40 percent of the sales of Korean food was contributed by Malaysian aged between 26 and 36, which are in the range of Generation Y.

2. Problem Statement and Research Objective

Korean movies and dramas are firstly accepted by the neighbouring countries such as Taiwan, China, Japan, and later in South East Asian countries. Nowadays, they are prominently accepted by people across the world which include those from the west. The study of Korean wave has become a topic of interest among many scholars in cultural studies today. It is of such interest not only because it is important to those who want to have a good understanding on the culture of South Korea, but also the economic impacts it has on the consumer market in the world. Seeing the increasing popularity of Korean wave in Malaysia, however, compared to the research pertaining to the understanding of Korean wave, the study of the impact of Korean wave from the consumer perceptive is still limited. Hence, the problem statement of this research is: How attitude on Korean entertainment, media and social influence affecting consumer purchase intentions on Korean products?

This research intends to identify how attitudes towards Korean entertainment media, celebrities, and social influences affect consumers’ intention to purchase Korean product. In addition, this research also intends to examine the difference between gender on purchase intention, social influence and attitudes towards Korean entertainment media and celebrities.

3. Literature Review

3.1. Theory of Reasoned Action (TRA)

TRA is a studied model from social psychology that is concerned with the determinants of consciously intended behaviours (Fishbein & Ajzen, 1975). According to TRA, a person’s performance of a specified behaviour is determined by their behavioural intention to perform the behaviour, and behavioural intention is jointly determined by the person’s attitudes and subjective norms. The TRA model had been widely used by the researchers to study the consumers purchase intention. However, the application TRA model on the Korean entertainment influence is still limited in the previous study.

3.2. Purchase Intention

Purchase intention always is a popular topic study by the researchers. This is because many past studies indicates that the likelihood of the consumers to buy a product will be increased if they plan to purchase a certain product or service before (Martins et al., 2019; Wu et al., 2011). In addition, Fishbein and Ajzen (1975) also mentioned that purchase intention has a relation with behaviour and it is shaped from
attitude, called as future behaviour and this makes purchase intention also is one of the important variables in the TAM model. Hence, the inclusion of this variable in the study is important to understand the consumer behaviour.

3.3. Attitude

According to Chiou (1998), attitude is a function of the perceived consequences associated with actions by individuals (Chiou, 1998). However, Wilkie (1994) said that attitude is a learning process where a person learned how to react to an object, either in positive or negative manner. When consumer is making the purchasing decision, attitudes become the key factors to evaluate by the consumers (Solomon & Rabolt, 2004). As a result, attitude become an evaluation before purchase of a product (Hoyer et al., 2020). Jobber (2001) said that through cognitive and socialization, attitude of a consumer can be change from consumers’ favourable and unfavourable response to the products or services.

This study will cover two different attitudes, which include attitude towards Korean entertainment media and attitude towards Korean celebrities. Previous studies reported that media is one of the important sources in influencing consumers in getting their skill and knowledge to form the attitude which might affect their purchase behaviour (Eom, et al., 2019; Salesses & Romain, 2014). Accroding to Silvera and Austad (2004), celebrities enable their image to transfer to the product and brand. The process will make the consumer developed positive feelings to the products or brand will later will affect the purchase intention (Till et al., 2008). McRobbie (1994) reported that, the characters of the TV drama, music, and magazine are models of Generation Y. Besides that, Lockwood and Kunda (1997) also mentioned that many Generation Y life style and attitudes are inspired by the celebrities who have excellent accomplishment. Thus, celebrities have the great impact to impact the purchase intention of this generation.

3.4. Social Influences

According to the social comparison theory explains an individual have a tendency to match and compare themselves to other people’s judgement and capability to reduce inconsistencies of them with the society (Eom et al., 2019). What they will do is to follow the social norms or reference group’s behaviour. Peer’s opinion become one of the important referral consumer will refer where it comes to shopping activities (Wang et al., 2011). Things become more prominent when it comes to Generation Y. Study from Fernandes and Panda (2019) also indicates that reference group influence is one of the important factors in influencing consumers purchase.

3.5. Gender Differences

According to Jackson et al. (2011), the study of gender differences is important because many research show there is different between male and female in their buying behaviour. The different include the different attitude form by male and females in online shopping (Dai et al. 2019), visual attention on promotion tools (Hwang & Lee, 2018), and even on the perception they formed on celebrities (Dix et al., 2010).

Based on the literature above, the research hypotheses of the study are:
H1: There is a relationship between attitude towards Korean entertainment media and purchase decision on Korean products

H2: There is a relationship between attitude towards Korean celebrities and purchase decision on Korean products

H3: There is a relationship between social influences on purchase decision on Korean products.

H4a: There is a difference between male and females on the intention to purchase Korean products

H4b: There is a difference between male and female on the social influence.

H4c: There is a difference between male and female on the attitude towards Korean entertainment media.

H4d: There is a difference between male and female on the attitude towards Korean celebrities.

The research model of the study is reflected in Figure 1 below:

![Figure 01. Research Model](image)

4. Research Methodology

The target respondents in this study are Malaysian Generation Y aged between 18 and 35 years old and who has purchased Korean products before. In total, 200 questionnaires were collected online in 2018. The questionnaire is divided into three sections: The first section includes the demographic of the respondents. The second section asks about the respondents’ purchase behaviour while the third section is the measurement of the independent variables and dependent variable. 5 point Likert scale had been used in this section to identify the respondents’ opinion.

Items in the questionnaire were adopted from previous research. Purchase decision was measured by using the 5 construct from Radha and Jija (2013). Attitude for Korean entertainment media and attitude towards Korean celebrities were measured by using the 3-construct proposed by Lee (2014). The constructs focus on the respondent feeling, believed and interest. Social influence was measured by using the 3 construct from Lee (2014).
5. Findings

5.1. Demographic Background of The Respondent

The study distributed 300 copies of questionnaire and 200 usable copies were collected from Generation Y. This makes up the respond rate of 66.7 percent. Some questionnaires were discarded because they are incomplete or the respondents are not the target of this study, that is they are not from Generation Y. There are 53 percent of female respondents in this study while the remaining 47 percent are male respondents. They are all Generation Y.

5.2. The Respondent Purchase Behavior

In this study, 76 percent of the respondents purchased Korean products before and another 24 percent of them expressed their intention to purchase Korean products in the next 6 months. All the respondents in this study watched South Korean movies and dramas, and listened to South Korean songs before. Majority of them (66 percent) got to know the Korean entertainment and celebrities via the Internet, followed by films and dramas (58 percent), friends’ influence (30 percent), advertisement (20 percent), variety shows (18 percent) and others (8 percent).

5.3. Reliability Test

The Cronbach’s alpha value for attitude towards Korean entertainment media is 0.946, attitude towards Korean celebrities is 0.883, social influence is 0.928, and purchase intention is 0.957. Given that the Cronbach’s alpha value for all the variables in this study exceeds 0.6, it is concluded that all the data are reliable and appropriate for regression analysis.

5.4. Multiple Linear Regressions

Multiple linear regression is used to analyse the relationships between the independent and dependent variables in this study. The result of analysis is shown in Table 1.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-0.139</td>
<td>0.172</td>
<td>-0.806</td>
<td>0.421</td>
</tr>
<tr>
<td>Social Influence</td>
<td>-0.098</td>
<td>0.092</td>
<td>-0.093</td>
<td>-1.067</td>
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<tr>
<td>Attitude towards Korean</td>
<td>0.618</td>
<td>0.111</td>
<td>0.557</td>
<td>5.542</td>
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<td>entertainment media</td>
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<tr>
<td>Attitude towards Korean</td>
<td>0.468</td>
<td>0.063</td>
<td>0.438</td>
<td>7.442</td>
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<tr>
<td>celebrities</td>
<td></td>
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Dependent Variable: Purchase Intention

$R^2 = 0.853$, $F = 156.884$, Significant level of 0.000
The result of this study shows that the value of coefficient of determination ($R^2$ value) is 0.853. This means that the independent variables identified in this study explain 85.3 percent of the variation in dependent variable.

Based on Table 1, the p-value for attitude towards Korean entertainment media and purchase intention is 0.000, less than the significant level of 0.01. Thus, there is a significant relationship between attitudes towards Korean entertainment media and purchase intention. Hence, Hypothesis 1 is supported.

The p-value for attitude towards Korean celebrities and purchase intention is 0.000, less than the significant level of 0.01. Hence, Hypothesis 2 is supported. Based on these results, the most influential factors in affecting the purchase intention is Korean media (beta = 0.618) followed by celebrities (beta = 0.468).

The p-value for the social group influences is 0.288 which is more than the significant level of 0.05. Thus, there is no significant relationship between social influence and purchase intention. Hence, Hypothesis 3 is not supported.

5.5. Independent Sample t-test

Table 2 and 3 display the result of the independent sample t-test. It is to identify if there is any difference between male and female in their purchase intention, attitude and social influence.

<table>
<thead>
<tr>
<th>Table 02. Group Statistics</th>
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<tr>
<td><strong>Gender</strong></td>
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<td>Korean Celebrities</td>
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<table>
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<tr>
<th>Table 03. Independent Sample t-test</th>
</tr>
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<tbody>
<tr>
<td><strong>t</strong></td>
</tr>
<tr>
<td>Korean Celebrities</td>
</tr>
<tr>
<td>Social Influence</td>
</tr>
<tr>
<td>Purchase Intention</td>
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<tr>
<td>Korean Entertainment</td>
</tr>
</tbody>
</table>

Based on the result shown in Table 3, the p-value for group influence is 0.008, which is less than 0.05. Hence, this shows that there is a significant difference between male and female in group influence. Thus, hypothesis 4c is supported. Based on Table 2, the mean for female (3.83) is higher compared to male (3.434), implying that female is more likely affected by groups compared to male. On the other hand, the p-value for purchase intention and attitude towards Korean celebrities and Korean entertainment media are more than 0.05 (0.730, 0.589, and 0.148 respectively). Hence, it is concluded that there is no significant
difference between male and female in term of attitude and purchase decision on Korean products. Due to these results, Hypothesis 4a and 4b and 4d are not supported.

6. Discussion

The results of this study show that consumer attitude towards Korean entertainment media and attitude towards Korean celebrities affect Generation Y’s purchase intention towards Korean products. According to Choi et al. (2014), many audiences will create a positive feeling to the characters in the dramas or movies they watched. Thus, the viewers feel good and satisfied by accepting and adopting the costumes of the characters. This means that audiences will try to mimic those characters’ appearance and dressing seen in the dramas. Due to this inclination, the media including movies, dramas, music and celebrities have been characterised as factors heavily influencing Generation Y (Bennett et al., 2006).

The analysis result surprisingly shows that there is no relationship between social influence and purchase intention of Korean product among Generation Y in Malaysia. This result is not in line with the previous literature. There are some reasons behind this result, perhaps. First, the subject of this study is Generation Y, and people belong to this generation were found to be more individualistic compared to the previous generation, X. Consequently, it is possible that they would prefer to buy something which is more unique than being the same with their other friends (Syrett & Lammiman, 2003). Due to their characters that like to act “cool” and “unique”, a majority of Generation Y would like to have a strong sense of identity than being categorised as being the same as others (Valentine & Powers, 2013). Also, the measurement scale in this study might contribute to this result as the questionnaires are mainly focusing on the offline social influence. According to Athapaththu et al. (2018), Generation Y nowadays prefer to seek advices from the cyberspace. The rapid growth of web-based social networking makes the people shifted from offline to online in order to get opinion for the purchase decisions.

The t-test result shows that gender difference is significant in social influence, however not significant for purchase intention, attitude towards Korean entertainment and celebrities. The result shows that female is easier to be affected by peer compared to male. This is consistent with the findings reported in other studies that female is relatively easier to get influenced by their groups’ members and close friends (Han & Li, 2009; Zölitz & Feld, 2018).

7. Conclusion and Managerial Implication

This study investigates attitudes towards Korean entertainment and the purchase intention of Korean products among Malaysia’s Generation Y. The effect of the Hallyu or Korean Wave can be seen as epic in today’s society, including Malaysia. Korean wave has been widespread in Malaysia since the Korean dramas shown on television in the 1990s. This trend had created a new phenomenon in society where these Korean entertainment and celebrities have created great economic impacts on many industries such as fashion, tourism, and personal care. Thus, it is important to delineate the relationship between attitudes towards Korean entertainment media and celebrities, and purchase intention of Korean products among Malaysia’s Generation Y. This study consists of three independent variables, which are attitude toward Korean entertainment media, attitude towards Korean celebrities, and social influence. A total of 200
questionnaires were collected and used for analysis with the SPSS software. The result shows that both attitude toward Korean entertainment media and attitude towards Korean celebrities are important factors influencing the purchase intention towards Korean products among Malaysia’s Generation Y. With this, marketers can consider to promote their products by associating it to Korean celebrities and entertainment media. The association can be developed via celebrities’ endorsement and also products placement in the Korean media. By doing so, it will ease the association and acceptance of the consumers towards the products.

On the other hand, the result also shows that there is no relationship between social influence and purchase intention. Furthermore, the t-test result shows that social influence affects female more likely compared to man. However, the gender influence is indifferent between purchase decision and attitude towards the Korean entertainment media and Korean celebrities.

This study gives an insight to the marketers on the possible strategies and promotion efforts to influence Malaysia’s Generation Y if they decided to use any Korean endorser or Korean entertainment to influence the target customers.

References


Syrett, M., & Lammiman, J. (2003). Catch them if you can. Director, 57(3), 70-76.


