

## KOREAN BEAUTY PRODUCT REPURCHASE INTENTION FACTORS

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### ABSTRACT

In recent years, researchers have seen the increasing trends of people consuming Korean beauty products in Indonesia. The purpose of this research is to examine the determining factors of Indonesian consumer's Korean beauty product repurchase intention. This research is based on quantitative research methods. Using a survey conducted with 5-point Likert scale questionnaire. In total, 175 respondents filled the questionnaire from an undefined population through convenient sampling. The data is analysed with SEM-PLS Method using Smart PLS 4.0. The results of this study indicate the factors that influence Indonesian consumers to prefer buying Korean cosmetics over products from other countries. Based on the results, it can be concluded that Packaging Attractiveness, Attitude Towards the Product, Subjective Norms, Perceived Price, and Perceived Suitability are proven significant towards Repurchase Intention, while the most significant is Packaging Attractiveness. On the other hand, Product Variation is proven not significant. This paper is unique because it is the first to discuss the perceived suitability of Indonesian consumers towards Korean beauty products in the research model.

**Keywords:** *Perceived Suitability, Repurchase Intention, Korean Beauty Product, Theory of Reasoned Action.*

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### INTRODUCTION

In recent years, researchers have seen the increasing trends of people consuming Korean beauty products in Indonesia. Korean beauty products have been a benchmark in Indonesia, namely Laneige, Nature Republic, and Some by Mi. People who tend to care about their skin condition usually will find Korean beauty products to maintain their skin. Lately, Korean beauty products' popularity is increasing, since the number of Korean beauty products imported has increased for almost 12 times in 5 years (Venkatraman, 2021).

Recently, along with the globalization of Korean culture through entertainment products or often referred to as The Hallyu Wave, the perception of the world community especially Indonesia towards Korea regarding beauty standards is increasing (Gibson, 2021). It also resulted in the perception of the Indonesian people toward Korean beauty products (Simanjuntak, 2020). The cause is that there are a lot of visual products displayed through The Hallyu Wave, so people highly value Korean beauty products, this is also known as the country of origin effect, the perception about the product is impacted by the perception or stereotypes about the product's country of origin (Lee et al., 2020).

This phenomenon may be influenced by cross-cultural input through various media, especially those that enter through films, dramas, music, news on social media. The question is, why Korea? The image of Korea has become very familiar to the Indonesian people. The Korean wave or the Hallyu with the popular K-Drama, K-Pop, and all the Korean stars, make many companies take advantage of promoting their products (Putri, 2017). Judging from the beauty of Korean actresses in dramas, and beautiful female singers, that image is inherent in

Indonesian society (Khairunnisa, 2021). Even though in reality all these cosmetic products are not necessarily suitable for everyone, due to differences in weather and skin type, these products are still the main products that are sought after by people (Shalehah et al., 2019a).

Based on the findings from various research that have similar topics, mostly they never discuss the consumer's perceived suitability which is crucial for the consumer to fulfil their needs (Shalehah et al., 2019b). The researchers consider this research gap as a good opportunity to know more about Korean beauty products consumption as in using beauty products, consumers will need to see whether the product is suitable for them or not. Suitable means that the product can be used safely and not giving any bad effect for the body. This is important as even though the product's brand has a good reputation or has the most sales, it is not necessarily good for everyone. That is what we called as Perceived Suitability, the terms we used to measure and define the rate of product's suitability with consumers.

Some customers will resilient to buy something if they feel the price is not worthy compared to the benefit given by the product. Price is also a sophisticated stimulus. and many consumers also view price in a broader context, for instance customers consider product quality to be reflected in price (Khare et al., 2014). In the retail world of the Korean cosmetic business, from the survey that will be done this study, some samples will be taken from respondents who repurchase Korean cosmetics, whether the price factor is one of their considerations. Perceived price is one of the reasons why our respondents choose Korean beauty products. Indeed, there are other Asian countries that have low-priced beauty products, but it's not part of the trend to use cosmetics from other countries. Meanwhile, by using Korean cosmetics, at low prices, users are satisfied with using them because they are in accordance with existing trends. Consumers' evaluation of the net worth of the product, based on consumers' perceived price that customers are willing to pay for it (Moslehpour et al., 2017). Price is often considered as a barrier towards product sales (Dorce et al., 2021).

Product variation is one of the selling point advantages of Korean Beauty products that are well known about the diversity of the item, offering skin problem solutions and benefits with differ ingredients and material used for each of them. Fulfilling aesthetic needs, that increased the customer's motivation to purchase and consume the products, since to in sequence develop the product variety, the brand or company have to understand the purpose of customer purchase (Bintarti et al., 2022).

As we can see in the market, Korean beauty products not only offer advantages in terms of beauty solutions, but also offer a pleasing visual representation of the product. Packaging is also one of the variables that could affect an individual's intention to repurchase certain products. Especially for individuals who are easily amused by the product's packaging design. The product's packaging tells the consumer about the information and perceived value of a product (Thakur et al., 2017). By seeing the packaging, consumers will have a brand image towards the product and will help them into purchase consideration.

Korean beauty products are designed to fit the needs of Korean local users in concern of their geographic weather condition, skin types, and also tone. For example, Korean makeup palette has lighter color considering their typical skin tone which is fairer than most Indonesian locals. So why do these beauty-conscious consumers choose to purchase and use Korean beauty products while the local products are all available in the market and have different beauty needs

solutions too? This paper will discuss what are the supporting factors of the repurchase of Korean beauty product intention.

## **METHOD**

This study is conducted using a quantitative method. The data is collected by spreading questionnaires with a 5-point likert scale, and there are 5 variables of sample in the questionnaire which are Age, Gender, Occupation, Latest Education, and Expenses to Buy Cosmetics per Month. The number of respondents who answered the questionnaire is 175 respondents. The data is analyzed with SEM-PLS Method using Smart PLS 4.0. The indicators which must be fulfilled are Cronbach's alpha and Composite reliability higher than 0.7, then Average variance higher than 0.5.

The measurement of Perceived Suitability (Kumar & Kaushal, 2021) include compatibility when using Korean beauty products with skin type, lifestyle and needs. The measurement of Perceived Price (Asgari & Asgari, 2021) measures what consumers feel in relation to the price Korean beauty products purchased. Another measurement is Product Variation measuring the variety of Korean beauty products for various uses. Measurement of Product Packaging (Waheed et al., 2018a) measuring the reason people buy Korean beauty products is because of the attractive packaging from the design, material, and colour. Measurement of Attitude Towards the Product to measure attitudes that arise in consumers' thoughts as a result of various previous variables on their desires to repurchase Korean beauty products, like 'Korean beauty products have many advantages', 'have a good view of Korean beauty products', 'using Korean beauty products makes me different from others'. Measurement of Subjective Norms explain the influence of thoughts and opinions of people around who have influence on consumers with regard to their desires to repurchase Korean beauty products. And the measurement of Repurchase Intention explain the consumer's desire to repurchase Korean beauty products including whether to recommend Korean beauty products, especially those that have been used to others.

## **RESULTS AND DISCUSSION**

### **Data Analysis Result**

The survey demography of the sample respondents are as follows:

**Table 1. Demographic Table**

<b>Variables</b>	<b>Category</b>	<b>Distribution</b>	<b>Percentage</b>
<b>Age (Years Old)</b>	<17	6	5.5%
	17-20	18	17.4%
	21-25	30	29.3%
	26-30	23	22.6%
	31-35	12	11.6%
	36-40	11	10.4%
	>40	4	3.4%
<b>Gender</b>	Female	69	68.8%

	Male	32	31.4%
<b>Occupation</b>	Student	27	26.2%
	Private Employee	38	37.5%
	Government	16	15.5%
	Entrepreneur	16	15.5%
	Housewife	1	0.3%
	Freelance	5	4.3%
	University	1	0.7%
<b>Latest Education</b>	Senior High School	25	24.4%
	Diploma	14	13.1%
	Bachelor	54	53.4%
	Magister	10	9.1%
<b>Expenses to buy cosmetics per month</b>	< 1.000.000	47	46%
	1.000.000-	25	24.7%
	5.999.999	18	17.7%
	6.000.000-10.000.000	12	11.6%
	>10.000.000		

Firstly, reliability and validity testing are conducted to ensure that all the variables used are reliable and valid. Then the Cronbach’s Alpha of each variable must be above the standard minimum to be categorized as reliable. The standard minimum of Variable’s Cronbach’s Alpha is 0.7, and the standard minimum of AVE is 0.5 Based on Table 2, we can conclude that all variables are reliable and valid. All the indicators in each of the variables which are shown in Table 2, are indicators that are above 0.5, the other indicators which are below 0.5 are dismissed.

**Table 2. Reliability and Validity Testing**

<b>Variable</b>	<b>Indicator</b>	<b>Outer Loadings</b>	<b>Cronbach’s Alpha</b>	<b>AVE</b>
Perceived Suitability	PS1: “I feel fitted using Korean beauty products”	0.861	0.727	0.524
	PS2: “Using Korean beauty product suits my lifestyle”	0.748		

	PS4: “Korean beauty product does not damage my skin”	0.578		
	PS5: “Korean beauty product suited my needs”	0.679		
Perceived Price	PRC1: “Korean beauty product is cheaper than the other beauty product”	0.946	0.757	0.795
	PRC3: “Korean beauty product offers more discount than the other beauty products“	0.833		
Product Variation	PV2: “Korean beauty product has variative kind of item for any skin types“	0.915	0.805	0.837
	PV3: “Korean beauty product has variative kind of item for any activities“	0.915		
Packaging Attractiveness	PC1: “I like the color of the Korean beauty product packaging”	0.853	0.932	0.745

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	PC2:	0.883		
	“The color of Korean beauty product packaging is important in the purchasing process”			
	PD1:	0.849		
	“The design of Korean beauty product packaging is important”			
	PD2:	0.875		
	“Product packaging design makes me want to purchase the Korean beauty product”			
	PM1:	0.846		
	“I choose Korean beauty product because of their packaging quality”			
	PM2:	0.872		
	“Product packaging got me interested into Korean beauty product”			
Attitude Towards The Product	ATP1:	0.943	0.770	0.806
	“According to me, Korean beauty product			

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	has so many advantages”			
	ATP2: 0.850 “I have a positive point of view towards Korean beauty product “			
Subjective Norms	SN1: 0.874 “The trend of purchasing Korean beauty product increased among the people around me“	0.708		0.774
	SN2: 0.885 “My closest people recommend me to try out the Korean beauty product”			
Repurchase Intention	RI1: 0.948 “I will repurchase the Korean beauty product that I have bought before”	0.869		0.884
	RI2: 0.932 “I will use Korean beauty products that I have used before“			

After the reliability and validity test, discriminant validity or Heterotrait-monotrait ratio (HTMT) is conducted to examine whether the factors/constructs that not supposed to be overlapping are actually not overlapping. The values must not be exceeding 0.9. As can be seen from Table 3, can be concluded that all the items are not exceeding 0.9 standard maximum.

**Table 3. Discriminant Validity (HTMT)**

	ATP	PA	PRC	PS	PV	RI	SN
ATP							
PA	0.849						
PRC	0.699	0.854					
PS	0.626	0.853	0.845				
PV	0.568	0.770	0.679	0.665			
RI	0.897	0.800	0.887	0.807	0.784		
SN	0.876	0.827	0.871	0.840	0.727	0.863	

At last, we use hypothesis testing to see whether the hypotheses that are written in chapter 2 are significant or not. To be proven as significant, the hypotheses categorised should have a p-value that is lower than 0.05.

As can be seen from Table 5, all the proposed hypotheses are proven to be significant except Product Variation to Attitude Towards The Product since the P Values is higher than the maximum standard of significance, 0.05. Besides, the most significant hypothesis is Packaging Attractiveness.

**Table 4. Hypotheses Testing**

Hypotheses	Relationships	Original Sample	P Values	R Square	Result
H1	Perceived Suitability → Attitude Towards The Product	0.222	0.029	0.49	Significant
H2	Perceived Price → Attitude Towards The Product	0.236	0.042	0.59	Significant

H3	Product Variation → Attitude Towards The Product	0.080	0.370	0.31	Not Significant
H4	Packaging Attractiveness → Attitude Towards The Product	0.825	0.000	0.82	Significant
H5	Subjective Norms → Repurchase	0.467	0.000	0.71	Significant
H6	Attitude Towards The Product → Repurchase Intention	0.528	0.000	0.72	Significant

## Discussion

Based on the hypotheses testing as shown in Table 4, we can conclude that the only hypotheses that is rejected is H3, which tells us the relation between variable Product Variation and variable Attitude Towards The Product is proven as not significant. This could happen because of the different context with the previous research. In this research, the insignificant hypotheses (H3) means that Korean beauty product consumers do not necessarily think Product Variation has much impact on their Attitude Towards the Product variable creation. Denote that the variation of a product brand or model does not affect the consumer's view of the product. On the other hand, the rest of the hypotheses are proven as significant as the p-value is above 0.05.

This also means that this research's originality and added value which is to research the relationship between variable Perceived Suitability towards Attitude Towards The Product which then leads to Repurchase Intention is proven significant. The variable Perceived Suitability has never been researched before in Korean beauty product usage context. It is important as if we talk about product usage, we also need to talk about the suitability between the product and the user. Besides Perceived Suitability, there are also other hypotheses that have proven to be significant towards Attitude Towards The Culture which then leads to Repurchase Intention, like Perceived Price, Packaging Attractiveness, and Subjective Norms.

First impressions of a product plays a big role on the purchase intention of a consumer, this can be judged by the appearance of the item or packaging, and the pricing. Price is one of the influential factors when selecting a product, they do not want to rely on a low price offer,

but the product has to have the same amount of quality worth of the price. This study reinforces the previous paper regarding the study for China customers, which stated that price and container design affects customer satisfaction, and customer satisfaction causes repurchase intention of Korean cosmetics (Sun et al., 2016). Furthermore, this research also supports the results of previous research that stated the positive impact product packaging's impact towards consumer's purchase intention (Waheed et al., 2018b).

From the analysis above, we can conclude many results. It is proven that the Korean beauty product user considers their suitability with the product, the price, the attractiveness of product packaging and the thoughts or influence of others to repurchase certain products.

## **CONCLUSION**

Korean Beauty Product is significantly used in Indonesia, regarding the variative kind of products that answer all of the aesthetical needs within the reach, visual representation of the product, and affordable price. This study tested the applicability of the theory of reasoned action to the context of Korean beauty product repurchase intention factors, which explained the importance of individual attitude and behaviour toward their action. It is explained that someone's action is highly influenced by his/her attitude, and behaviour.

Perceived Suitability and Perceived Price has proven its positive impact to the Attitude Towards the product. Meaning that the Indonesian beauty consumer sees Korean Beauty Product as a fitting solution for their beauty problems, even though Indonesian beauty skin types and condition is different from Koreans. From the pricing aspect in the market, Korean Beauty Products offer affordable prices and the quality worth is as equal as the price. On the other hand, the researcher did not find any influence of the Product Variation towards intention purchase of Korean Beauty Products, however consumers tend to buy the product due to the physical packaging representation such as colour, model, style, etc. This has been proven through Hypothesis 4: Packaging Attractiveness has the highest influence of purchase incentive.

In order to tailor their products to the customer profile in that market, Korean beauty product producers are advised to first determine which market will be targeted. Hence, they must conduct a market survey, then conduct a research for confirmation. Particularly because the desire to repurchase the product is what matters most in this situation; as a result, don't just try it once and then stop buying it.

The research study has encountered several limitations. This research was conducted in the scope of Korean beauty products in the Indonesian market, which might have different results from other countries. The demographic sample age of the respondents majorly in their 20s, and lastly also will deep dive about the reason why Indonesian local beauty consumers prefer Korean beauty products instead of other countries' that might have the similar skin tone, needs, and geographical alike which share similar weather conditions. The future research should address these matters.

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