The Effects of Perceived Korean Wave Brand’s Globalness and Localness on Vietnamese Consumers’ Attitude toward Korean Products and Purchase Intention

Myung Su Chae and Hyeri Lee

The purpose of this study is to examine the effect of Vietnamese consumers’ perception of Korean Wave brand on consumer attitude toward Korean products and purchase intention. Based on the existing research, the authors tried to consider two sub-concepts of globalness and localness in perceived Korean Wave brands. In order to capture the influence of Korean Wave, the on-line survey was conducted to the Vietnamese consumers showing high Korean Wave psychological index and popularity index. Total of 212 questionnaires were returned as valid sample.

Research findings suggest that the globalness and localness of Korean Wave brand that Vietnamese consumers perceive have a positive effect on attitude toward Korean products. In addition, the favorable attitude toward these products has a positive effect on the intention to purchase the Korean products.

Keywords: Korean Wave brand, globalness, localness, attitude, purchase intention.

1. Introduction

Recently, globalization has led to the phenomenon of susceptibility to global consumer culture that favorably accepts brands that possess globalness. As a result, there is a recognition that global brand quality is superior to other brands (Suh, Hur, and Davies 2016; Westjohn, Arnold, Magnusson, and Reynolds 2016).

Currently, the Korean Wave is not only meaningful of Korean pop culture but also refers to Korea itself and it is not a temporary flow but a factor that can influence economic and cultural aspects (Huh and Wu 2017). This is because foreign consumers are directly or indirectly experiencing Korean brands in the form of familiar pop culture through the phenomenon of Korean Wave (Hogarth 2013).

The Korean Wave brand, which is derived from the Korean Wave, shows both perceived brand globalness and localness. So, it is very interesting and meaningful to examine that the Korean Wave brand formed in the context of this Korean Wave has a positive effect on the attitude toward Korean products and the purchase intention. Therefore, this study aims to examine Vietnamese consumers showing high scores of Korean Wave psychological index and popularity index and Vietnam is Korea’s major investment destination and the third largest exporting country. Currently, more than 4,000 Korean companies have entered Vietnam, and Korean cosmetics, fashion clothes, household appliances, and agricultural products are growing in popularity among young consumers due to the influence of Korean Wave (Jun, Lee, Lee, and Kim 2016)
2. Conceptual Underpinnings and Hypotheses Development

2.1 The impact of perceived Korean Wave brand on Vietnamese consumers’ attitude toward Korean products

The majority of consumers prefer global brands because they are perceived as having a high brand reputation due to their high scarcity and high prices (Omar, Williams Jr., and Lingelbach 2009). In spite of globalization, it is known that a brand that is distinctly differentiated from other cultures and has unique personality and image has a significant effect on consumers. Therefore, the brand can represent the national culture of the brand, while enhancing the inherent value of the functional benefits and psychological benefits through the brand that reflects the pride of the uniqueness and regional culture (Swododa, Pennemann, and Taube 2012: Xie, Batra, and Peng 2015).

In the previous studies, the direct and indirect relationships between perceived brand globalness and localness and consumer behavior are explained. Steenkam, Batra, and Alden (2003) said that perceived brand globalness and localness influence consumers’ brand quality and brand reputation, which affects purchase intention for the brand. In addition, according to Chae and Kim(2011), Chinese consumers’ attitudes toward global brands were found to be more favored by global brands as perceived perception of global brand. Thus,

H1: The globalness of the perceived Korean Wave brand will have a positive impact on the attitude of Vietnamese consumers to Korean products.

H2: The localness of the perceived Korean Wave brand will have a positive impact on the attitude of Vietnamese consumers to Korean products.

2.2 The impact of Vietnamese consumers’ attitude toward Korean products on purchase intention

In general, consumers’ decisions are mainly made by prediction of purchasing behavior, and when a favorable attitude toward the product is formed, higher purchase intention is formed and the possibility of being transferred to action is increased (Hartmann and Apaolaza-Ibáñez 2012). In other words, consumers evaluate the company through information and usage experience about the company and form beliefs. This belief has a positive or negative attitude, and the consumer attitude thus formed affects the purchasing intention and purchase behavior for company products.

Zeugner-Roth, Petra, and Zabkar (2015) argue that consumers are more likely to purchase products from a particular country if they show a favorable attitude such as like, pleasant, advantageous, and friendly. Thus,

H3: The attitude of Vietnamese consumers to Korean products will have a positive effect on purchase intention.
3. Empirical Analysis and Results

3.1 Data and variables

Our research subjects were consumers in Vietnam who reside in the city. Cosmetics brand was selected as the product that best reflects the Korean wave phenomenon in Vietnam. The questionnaire was first made in Korean and then translated into Vietnamese by back translation process. To collect data for examining the hypotheses proposed above, the survey used the response method through internet and mobile URL. For the convenience of the respondents living in Vietnam, we wanted to increase the response rate by allowing them to reply with the internet and mobile URL.

The respondents were asked to fill out the questionnaire on website from October 2017 to November 2017. The main survey had 223 responses. A total of 11 were invalid, incomplete or gave the same rating for all items; these were eliminated, and thus 212 questionnaires were retained for analysis. Demographically, 77.4% of the respondents were female; 58.5% were aged between 20 and 29; and 36.3% were aged between 30 and 39. Eighty-five percent of the respondents’ education was at the college level or above. 23.1% of the respondents were students, 32.1% of the respondents were employed. Approximately 80.6% of the respondents’ monthly house income was over VND700. The recent residing cities were Ho Chi Minh (29.7%), Hanoi (24.5%), Da Nang (19.3%), Haiphong (13.2%), and Can Tho (3.3%). All items among the constructs were tested against demographic controls (age, gender, level of education and occupation) using Student’s t-test or ANOVA. The mean scores of the items were all insignificant (p > 0.05).
### Table 1: Summary of Measurement Scale

<table>
<thead>
<tr>
<th>Item</th>
<th>Measure</th>
<th>Std. estimate</th>
<th>t-value</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glo1</td>
<td>Korean cosmetics brand (KCB) is a global brand.</td>
<td>0.73</td>
<td>12.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glo2</td>
<td>Overseas consumers buy a lot of KCBs.</td>
<td>0.63</td>
<td>9.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glo3</td>
<td>KCBs are sold all over the world.</td>
<td>0.80</td>
<td>14.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glo4</td>
<td>The name and logo of KCB is well known all over the world.</td>
<td>0.88</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loc1</td>
<td>KCB is Korea’s leading brand.</td>
<td>0.70</td>
<td>10.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loc2</td>
<td>To me, KCB is a symbol of Korea.</td>
<td>0.69</td>
<td>11.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loc3</td>
<td>I am reminiscent of Korea when I look at KCBs.</td>
<td>0.66</td>
<td>11.69</td>
<td>0.90</td>
<td>0.67</td>
</tr>
<tr>
<td>Loc4</td>
<td>When I look at KCBs, I come up with things related to Korea.</td>
<td>0.86</td>
<td>14.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loc5</td>
<td>KCBs are reminiscent of Korea.</td>
<td>0.78</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atti2</td>
<td>I think the design of Korean products is excellent.</td>
<td>0.82</td>
<td>8.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atti3</td>
<td>I think Korean products are innovative.</td>
<td>0.79</td>
<td>9.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atti4</td>
<td>I think technology of Korean products is high.</td>
<td>0.71</td>
<td>12.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atti5</td>
<td>I think Korean products have excellent quality.</td>
<td>0.58</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI1</td>
<td>If I have a chance, I will buy Korean products.</td>
<td>0.67</td>
<td>9.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI2</td>
<td>I will buy Korean products in the future.</td>
<td>0.67</td>
<td>9.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI3</td>
<td>I will continue to buy Korean products in the future.</td>
<td>0.73</td>
<td>11.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI4</td>
<td>I will buy Korean products if I need them now.</td>
<td>0.81</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: t-value is significant at p<0.05 when the t-value exceeds 1.96.

### 3.2 Analysis of the measurement model

We first developed the measurement model by conducting confirmatory factor analysis. The structural equation model was then estimated for hypotheses testing. The final measurement model with purified items yielded a chi-square value of 220 with 141 degrees of freedom (p = 0.00) and the ratio of chi-square to degrees of freedom ($\chi^2/df = 1.51$). The other indices all satisfied the recommended values (GFI = 0.905, CFI = 0.963, NFI = 0.904, and RMSEA = 0.51). With the final measurement model, each construct also was evaluated by examining the indicator loading, construct reliability, convergent validity, and discriminant validity. Table 1 is demonstrating adequate convergent validity. Lastly, discriminant validity was tested. AVEs of each paired construct are greater than paired construct correlation.

### 3.3 Hypotheses testing results

Table 2 summarizes the empirical results of the structural equation model to test hypotheses. As you see, all hypotheses are supported.
Table 2: The Results of the Structural Equation Model.

<table>
<thead>
<tr>
<th>Hypothesized relationship</th>
<th>Parameter</th>
<th>Std. estimate</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Globalness of perceived Korean wave brand → Attitude toward Korean products</td>
<td>$\gamma_{11}$</td>
<td>0.12</td>
<td>0.000**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 Localness of perceived Korean wave brand → Attitude toward Korean products</td>
<td>$\gamma_{12}$</td>
<td>0.08</td>
<td>0.013*</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 Attitude toward Korean products → Repurchase Intention</td>
<td>$\beta_{21}$</td>
<td>0.08</td>
<td>0.000**</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Model fit index: $\chi^2_{(146)} = 760.56$, $\chi^2/df = 5.21$, GFI = 0.90, AGFI = 0.86, CFI = 0.92, NFI = 0.91, RESEA = 0.08

Note: * $t$-value is significant at $p<0.05$. ** $t$-value is significant at $p<0.01$.

4. Theoretical and practical implications

Theoretically, we showed that globalness and localness of the perceived Korean wave brands from the Vietnamese consumers’ perspective play an important role in shaping attitudes toward Korean products and purchase intention. In particular, unlike existing studies that consider the brands with localness only as a response strategy of global brands, it was confirmed that the symbolism of the Korean brand formed through the Korean Wave can be used together with the brand recognized globally and also affects the consumer attitude. On the other hand, the perceived localness of the Korean Wave brand can be maximized through local association of overseas consumers’ brand origin. The result of this study is in line with the research of Özsomer (2012), Steenkamp et al. (2003), Swoboda et al. (2012), and Xie et al. (2015).

As hypothesis tests show, Vietnamese consumers are more likely to favor Korean products than products from other countries due to the influence of the Korean Wave and this provides the opportunity for Korean companies to use positioning strategies. In other words, it is more effective for Korean companies not only to point out that they are a global brand, but also to use positioning strategies that reflect Korean culture.

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