

How Popular Culture Affects Brand Identity and Perceived Quality in Consumer Decision Making

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ABSTRACT

The purpose of this study is to determine whether Perceived Quality, Brand Identity and Korean Popular Culture influence decisions on product purchases. This research used path analysis to determine the relationship among these variables. Statistical analysis shows that Product Perceived Quality has 0.741 direct contributions to Purchase Decision while Brand Identity has 0.792 direct contributions to Purchase Decision. Based on the value of R Square 0.670 Product Perceived Quality together with Brand Identity has 0.670 (67.0%) influence on Purchase Decision. Based on the results of this research, customer assessment of Product Perceived Quality, Brand Identity, Popular Culture and Purchase Decision is good. .

Keywords: Product Perceived Quality, Brand Identity, Popular Culture, Korean Wave, Purchase Decision

INTRODUCTION

The influence and spread of Korean popular culture worldwide is a popular topic among many researchers. This phenomenon has been discussed in many studies. Asian popular culture,, in particular Korean Pop Culture, is quite unique and it is interesting to study the behaviour of its fans as well as its detractors (Thorn, 2011).

A newly coined phrase - *Korean wave* - refers to the popularity of Korean popular culture across East and Southeast Asia, a recent regional media development. Korea's growing cultural influence has been gaining a lot of recognition in the past few years with the massive increase in popularity of Korean pop culture products, particularly K-pop and TV dramas. But this is not the only market in which Korean products have been expanding. Korea has also seen a surge in interest in its fashion and lifestyle products.

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The Korean Wave has experienced a significant change with the development of digital technologies and social media, such as YouTube, social network sites (SNSs), and smartphones in the 21st century. These digital technologies, as new driving engines of the Korean Wave, have initiated and supported the popularity of its local culture in many countries.

The popularity of Korean cosmetic products has been dramatic, especially in Asia. About 83% of Asia's cosmetics are imported from Korea. Despite that, Korean cosmetic imports are higher than its exports with about US\$300 million deficit. This is partly due to the fact that price of imported cosmetics is much cheaper than local products. Thus, Korea continues to increase its export to existing or new market (Kim et al., 2013).

The cosmetic industry continues to be a promising one as long as women whether they live in big or small cities load their purses with cosmetics. Nielsen Indonesia shows 9.4% increase of cosmetic use in 2013 compared with 2012. In the rural areas, there has been an increase of 27.5% in cosmetic purchase for the same period.

Consumer assessment of product quality influences his or her purchasing decision (Nugroho & Wihandoyo, 2009). Quality is a major concern when buying products or services. Tsotsos (2006) found a positive direct effect of perceived quality on purchase intentions. Literature suggests a significant role of product quality in shaping buying behaviour but it may vary from culture to culture.

Consumer research (especially consumer culture theory) has explored and documented a variety of domains, contexts, socio-political aspects, and ideological issues of consumer-market dynamics to a great extent in relation to the consumption of goods, services, images, and experiences in the market. Popular culture is an important topic in consumer culture theory because of its function as a transmitter of marketplace ideologies. Since 1999, Korean pop culture has gained much recognition across many Asian countries and regions through mass media entertainment such as dramas, movies, and songs. This trend is known as Hallyu, which literally means Korean wave in English. The Korean Ministry of Culture and Tourism appointed Korean Wave popstars as cultural ambassadors to countries that have had a strained political relationship with Korea (Lee & Bai, 2012).

The Entry of Korean Products into Indonesia

Marketing scholars and many researchers have attempted to understand the popularity of Korean products in Indonesia, especially cosmetic product. Korean taste is the most important factors in local consumer's mind that impact his or her decision making. Indonesian consumers appear to prefer Korean products and brands compared with local or international ones (Kim et al., 2013).

Korean cosmetic products in particular have not only completely dominated the domestic market vis a vis other foreign

brands but the former are also popular overseas. Beauty products or cosmetics from South Korea that are marketed in Indonesia are Etude House, The Face Shop, Skin Food, Tony Moly and Lioele among others

The present author interviewed 30 people who like Korean Popular Culture and found that every K-Poppers (those who love K-Pop) want to look like their idol (celebrity that they like), their style also resembles their South Korean idols whereby K-Poppers would try to follow the celebrity's style which in turn influences them to purchase as many Korean product as possible, in particular cosmetics.

Lioele Cosmetic is a new cosmetic brand from Korea which has spread its wings into the Indonesian Market the beginning of 2012. Lioele stands for Life of Elegant Ease. This brand was officially launched in Korea on March 2007. Lioele's message is to be happy and beautiful. Like the story of Cinderella, an average-looking woman can turn into a noble and elegant princess, Lioele hopes that every customer is able to live that dream by using their products.

Intra-regional tourism affected by Korean wave has caused an increase in tourists from Asia to the United States. The popularity of Korea to a new generation of consumers has led the latter to actively copy and embrace Korean lifestyles in fashion, food, and consumption patterns, collecting Korean culture items, learning the Korean language, and actually making trips to Korea. This study aims to determine

the influence of product perceived quality on purchase decision of Lioele' cosmetic products and the effect of popular culture in mediating brand identity to influence purchase decision. The following are the research questions:

1. Does Product Perceived Quality influences Purchase Decision?
2. Does Brand Identity influences Purchase Decision?
3. Do Product Perceived Quality and Brand Identity simultaneously influence Purchase Decision?
4. Does Brand Identity influence Popular Culture?
5. Does Popular Culture influence Purchase Decision
6. Is Brand Identity influence on Purchase Decision mediated by Popular Culture?

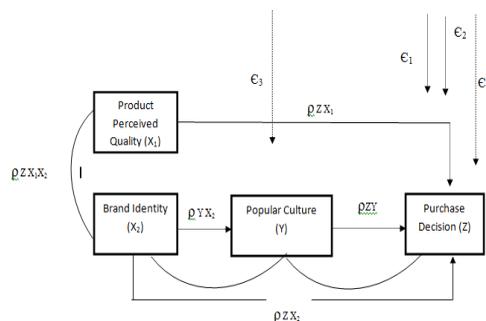


Figure 1: Evaluation Result of Structural Model

LITERATURE REVIEW

Product Perceived Quality

Quality refers to the superiority of a certain product or services (Zeithaml, 1988 as cited in Choi et al, 2013). Perceived quality is defined as the consumer's judgment about a product's overall excellence or its superiority (Tsiotsou, 2006). Zeithaml (1988) defined perceived quality as a global assessment characterised by a high abstraction level and refers to a specific consumption setting, but the terminology of perceived quality is different from objective quality. Many researchers or marketing scholars have done research on perceived quality especially in terms of the impact of product perceived quality on purchase intention.

Aaker and Joachimstaler (2000) also define perceived quality as a special type of association, partly because it influences brand associations in many context and partly because it has been empirically shown to affect profitability. The value of a product is determined by a person's perception of the attributes of the product. Perception of product quality is the most important aspect determining a person's purchase decision.

Brand Identity

Brand identity refers to everything that makes a brand meaningful and unique. The concept of brand identity and model have been discussed extensively by marketing scholars and researchers. Brand identity is still relevant and it is very important for marketers and consumers. Identity in the cultural context and social science relate to

consumers' behaviour as their response to the global market dynamics.

A brand refers to the visual and verbal articulation of a product. It is a proprietary name of a product and service, a community, group and an organisation. Brand can be defined as the sum total of all functional assets. The American Marketing Association defines a brand as a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term is trademark. The brand identity discussed in this paper is related to a pop culture phenomenon. Brand identity includes values, aim and moral image. A brand may identify one item, a family of items, or all items of that seller (Cravens & Piercy, 2009).

A consumer's brand image is the mental picture, that is, what is depicted in the minds of consumers of the products or services offered by marketers (Dobni & Zinkan, 1990, as cited in Cretu & Brodie, 2007). Brand image is also the meaning or symbol that is perceived by the consumer or any associated attributes (Padgett & Allen, 1997). Brand image is "the reasoned or emotional perceptions consumers attach to specific brand" (Cretu & Brodie, 2007). Brand identity is a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise of quality to customers from the brand owner (Cravens & Piercy, 2009).

Popular Culture

Popular culture or pop culture has been defined in many different ways. One way is to consider it as mass culture for mass consumption from a commercial perspective. It has been proven to be an effective vehicle in attracting tourists to a destination while boosting its economic growth (Lee & Bai, 2012).

We are living in a globalised world which generates thoughts and ideas, real or false, associated with products and have an impact on values and local culture. Popular culture, the culture of society, is also subjected to changes. Popular culture is determined by daily interactions, needs and desires. In many countries, the local culture has faded and has been replaced by a kind of culture spread by the mass media and through globalisation.

The popular culture is in large part is influenced by industries that disseminate cultural materials, for example, the film, television, and publishing industries as well as the news media (Hosseini Hossein, *“Popular Culture in Asia: Globalization, Regionalization, and Localization”*). These new changes have had various impacts on all aspects of people’s life. Mass culture is seen by many as inferior to high culture. Such aspects of culture are a product of industrial societies. Popular culture involves mass-produced, standardised and short-lived products, sometimes of trivial content, and seen by some as of no lasting ‘artistic’ value, largely concerned with making money for big corporations, especially the mass media.

Purchase Decision

The theory of purchasing behaviour is an integration of experiences that occur in a wide scope of social, psychological, and the influence of marketing in consumer purchasing decisions through a process of information search. Purchase decision is a situation when consumers select the option they like best, after they have evaluated possible alternatives (Lovelock & Wirtz, 2011). According to Schiffman and Kanuk (2007), a decision is the selection of an option from two or more alternative choices. Kotler (2000) defined purchase decision as a problem-solving process that consists of analysing the needs and desires or recognition, information search, appraisal sources of the selection of an alternative purchase, purchasing decisions, and behaviour after purchase.

Brand image in relation to consumer behaviour and purchase behaviour has been studied by researchers and marketing scholars. Brand image of a product greatly affects the perception and evaluation of its attributes (Chattopadhyay & Basu, 1990; Ha et al., 2009); it is also influenced by consumer impression of the brand image.

Purchasing decision entails five steps (Kotler, 2000): First, Initiator - the first person to realise his or her needs are unmet and proposes the idea to buy a particular good or service. Second, Influencer - the person who gives the views, advice or opinions that can help with the purchasing decision. Third, Decider - the person who determines the purchase decision, namely

what to buy, how to buy, or where to buy it. Fourth, Buyer - the person who makes the actual purchase. Fifth, Users - people who consume or use goods or services that have been purchased.

RESEARCH METHODOLOGY

This applied research used quantitative data as primary data to study the popularity of the Lioele cosmetic brand. Path analysis was used to analyse data using SPSS (Statistical Product and Service Solutions) to find out the effect of popular culture in mediating brand identity on purchase decision and the influence of product perceived quality on purchase decision.

RESULT

The results of this research show that customer's assessment of Product Perceived Quality, Brand Identity, Popular Culture and Purchase Decision is good. The following were analysed: The influence of Product Perceived Quality on Purchase Decision, the influence of Brand Identity on Popular Culture and the impact on Purchase Decision of Lioele brand (PT. Intersa).

Product Perceived Quality (X_1) significantly influences Purchase Decision (Z)

Based on the results of this research, Product Perceived Quality has 0.741 direct contributions to Purchase Decision. Hence, the influence of Product Perceived Quality on Purchase Decision is $0,741^2 \times 100\% = 54,91\%$ while the rest is influenced by other

variables not discussed in this research. This indicates that Product Perceived Quality can increase the Purchase Decision of Lioele (PT. Intersa). The question: "I believe that Lioele products that original from South Korea has a good quality" has the highest score item. The results are similar to the question on Purchase Decision: "Lioele's products give solution to my beauty problem" which also has the highest score item. It shows that the country of origin of the product affects customer perception about the quality of the product so that the customers believe it provides solution for their beauty problem.

Brand Identity (X_2) has significant influence on Purchase Decision (Z)

Based on the results of this research, Brand Identity has 0.792 direct contributions to Purchase Decision. Hence, the influence of Brand Identity on Purchase Decision is $0,792^2 \times 100\% = 62,73\%$ while the rest is influenced by other variables not discussed in this research. This indicates that the Brand Identity can increase the Purchase Decision of Lioele (PT. Intersa). The question: "I feel like a princess when using Lioele's product" received favourable response. Customers use this brand to bring out their true beauty. The results are similar to the Purchase Decision question: "Lioele's products give solution to my beauty problem". Princess is a symbol of beauty and customers' purchase Lioele because it makes them feel like a princess when using its product and at the same time provides solution for their beauty problems.

Product Perceived Quality (X₁) and Brand Identity (X₂) have significant influence on Purchase Decision

Based on the value of R Square 0,670 means Product Perceived Quality together with Brand Identity has 0,670 (67,0%) influence on Purchase Decision (Z) and the rest is influenced by other variables not discussed in this research.

Customers use make up as a solution to their beauty problems and hence they choose a cosmetic brand that is suitable with the skin colour and brings out their true beauty.

Brand Identity (X₂) has significant influence on Popular Culture (Y)

Based on the results of this research, the contribution of Brand Identity proportional to Popular Culture is 0.629. Hence, the influence of Brand Identity on Popular Culture is $0,629^2 \times 100\% = 39,56\%$ and the rest is influenced by other variables not discussed in this research. The question on Brand Identity: “Lioele’s product symbolises South Korean culture” means when using Lioele’s product, customers are truly adorning the Korean style.

This is similar to the question on Popular Culture: “Korean wave affects my view about cosmetic product”. Lioele as a brand symbolises the culture of South Korean that can affect customer view of the cosmetic product.

Popular Culture (Y) has significant influence on Purchase Decision (Z)

Based on the result of this research, the contribution of popular Culture proportional

to Purchase Decision is 0,186. Hence, the influence of Popular Culture on Purchase Decision is $0,186^2 \times 100\% = 3,46\%$ while the rest is influenced by other variables not discussed in this research. This indicates that popular culture has a positive influence on the Purchase Decision of Lioele (PT. Intersa). The questions: “Korean wave have changed my lifestyle” and “Lioele’s product is the most suitable for me”, show that customers who were affected by Korean wave will follow the Korean lifestyle and that includes purchasing Korean cosmetics that are suitable for them.

Brand Identity (X₂) has significant influence on Purchase Decision (Z) mediated by Popular Culture (Y)

Based on the results of this research, the total contribution of Brand Identity on Purchase Decision mediated by Popular Culture is 0.709. Hence, the influence of Brand Identity on Purchase Decision mediated by Popular Culture is $0,709^2 \times 100\% = 50,27\%$ and the rest is influenced by other variables not discussed this research. This indicates that the Brand Identity mediated by Popular Culture can increase the Purchase Decision of Lioele (PT. Intersa).

CONCLUSION AND RECOMMENDATION

Based on the above analysis, it can be concluded that:

1. Product perceived Quality has influence on Purchase Decision. Both variables have a significant positive correlation

coefficient, where it has a strong and direct correlation between the variables.

2. Brand Identity influence Purchase Decision. Both variables have a significant positive correlation coefficient, where it has a very strong and direct correlation between the variables.
3. Product Perceived Quality and Brand Identity simultaneously influences Purchase Decision.
4. Brand Identity influences Popular Culture. Both variables have a significant positive correlation coefficient, where it has a strong and direct correlation between the variables.
5. Popular Culture influences Purchase Decision. Both variables have a significant positive correlation coefficient, where it has a strong and direct correlation between the variables.
6. Popular Culture has significant influence in mediating Brand Identity on Purchase Decision.

The following are recommendations for Lioele (PT. Intersa) to increase customer purchase decision through product perceived quality, brand identity and popular culture:

1. Lioele can develop different product colours; for some customers, the existing colour is not suitable for their skin tone.

There is a different skin tone between Koreans and Indonesians. Different colours for BB cream product will be helpful since it is used as foundation make up for a natural look.

2. Since *Korean Wave* influences people to purchase Korean products, Lioele can launch programmes related to K-pop to promote its brands. It is natural for *Korean Wave* to lose its popularity sooner or later and thus r, Lioele must begin now to focus on building its Brand Identity that customers can associate with.

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