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Consumer Behavior Analysis of Korean Beauty Products in Indonesia: Factors that Influence Market Preferences

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Abstract

This research aims to analyze consumer behavior towards Korean beauty products in Indonesia as well as the factors that influence market preferences. The method used is a quantitative survey, namely taking samples of active users of Korean beauty products and Indonesian beauty products using Google Forms. Data were analyzed using linear regression to determine the relationship between customer satisfaction variables, product quality, and marketing strategy. The research results show that good product quality and attractive marketing strategies greatly influence consumer satisfaction in purchasing a product. These findings provide insight for marketers to optimize promotional strategies and product quality to increase consumer satisfaction in product purchases. It is expected that this research can be a reference for developing more effective marketing strategies for beauty products on the market.

Keywords: Beauty Product Trends, Indonesian Beauty Market, Korean Beauty Import, Quantitative Survey, Consumer Behavior, Marketing Strategy.

Introduction

According to a study conducted by the Korean Foundation for International Culture Exchange (KOFICE) in 2023, more than 60% of respondents in Indonesia admitted to being influenced by K-Wave in various aspects of their lives. This includes their preference for products related to Korea, such as K-Beauty cosmetics. K-Wave has been a major driver in changing consumer behavior in increasing awareness of Korean beauty standards. This shows that understanding the factors that influence market preferences is very important for marketers to be able to compete in this increasingly competitive beauty industry (Pradana & Elisa, 2024).

In recent years, the popularity of Korean beauty products, or K-Beauty, has increased significantly in Indonesia. Research from Euromonitor International in 2024 shows that the K-Beauty product market in Indonesia grew by 25% from the previous year, indicating strong interest from local consumers. This trend reflects changes in consumer behavior who are increasingly open to international products, especially K-Beauty products. With the increasing demand for K-Beauty products, many local brands are also starting to adapt to this trend by launching products inspired by Korean innovation and technology (Putri et al., 2021).

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A study by Euromonitor International in 2024 also revealed that the K-Beauty product market in Indonesia grew by 25% from the previous year. This growth shows that local consumers are increasingly open to international products, especially those from South Korea. In a survey conducted by ZAP Beauty Index in 2022, 57.6% of Indonesian women chose skincare products from South Korea as their main choice, ahead of local products and brands from other countries. This shows that K-Beauty has become the main choice for many consumers in Indonesia. With an in-depth understanding of consumer behavior and the factors that influence their preferences, this research is expected to provide valuable insights for stakeholders in the beauty industry, including manufacturers, marketers and researchers. The findings from this study will help in formulating more targeted marketing strategies, as well as product development that is more in line with the needs and desires of consumers in Indonesia (Nugraha et al., 2023).

The results of this research can be used to understand more specific market segments, allowing companies to better tailor their products and marketing campaigns. By analyzing the K-Beauty phenomenon in Indonesia, it is hoped that this research can open new lines of discussion regarding how pop culture can influence the beauty industry in developing countries (Hasbi et al., 2025). Thus, this research not only aims to identify consumer preferences but also to provide strategic recommendations that can help K-Beauty brands achieve success in the increasingly competitive Indonesian market.

Literature Review

Consumer Behavior

Consumer behavior refers to the actions and decisions of individuals or groups in selecting, purchasing, using, and evaluating products or services. In the context of K-Beauty, it is important to understand how Indonesian consumers interact with Korean beauty brands and products. K-Beauty consumer behavior in Indonesia shows high interest and has an interesting interaction between culture, marketing and individual preferences. The increase in the number of beauty product consumers is driven by increasing income levels (Dalziel & De Klerk, 2020). Apart from that, the large number of e-commerce industries and the use of social media for direct buying and selling between companies and consumers makes it easier to meet their beauty product needs (Wardhana et al., 2021).

Consumer behavior towards Korean beauty products in Indonesia is influenced by various interacting factors. Cultural factors, such as Hallyu influences and social norms, create a strong interest in K-Beauty products. Social factors, including recommendations from family and friends and the role of influencers on social media, also play an important role in purchasing decisions. From a personal perspective, consumer demographics and lifestyle influence their preferences for these products. Psychological factors, such as perceived quality and emotional motivation, also determine consumer choices. On the economic side, increasing revenues and competitive pricing strategies support the growth of the K-Beauty market. In addition, technological advances, especially in e-commerce and social media as marketing tools, provide easy access for consumers to reach these products.

From this it can be concluded that the consumer purchasing decision making process for Korean beauty products in Indonesia is the result of the interaction of various factors that influence each other. Cultural factors, especially the influence of the Hallyu phenomenon, have a significant impact on consumer interest, while social factors such as recommendations from family and friends and the influence of social media strengthen purchasing decisions. Additionally, personal

aspects such as demographics and lifestyle also contribute to consumer preferences. From a psychological perspective, perceived quality and emotional motivation are the main drivers in choosing a product. Economic factors, including income and pricing strategies, as well as technological advances in e-commerce, are making it easier for consumers to access K-Beauty products. Therefore, a deep understanding of this process is essential for marketers to design effective strategies in attracting consumer interest in an increasingly competitive market.

Kecantikan Korea (K-Beauty)

Korean beauty, or K-Beauty, has deep historical roots that can be traced back to during the Goguryeo, Baekje, and Silla periods, Korean people developed various methods to beautify themselves, including the use of traditionally made lotions and scrubs. In the Goryeo era (918-1392) the main focus was on a healthy and natural appearance. The development of modern K-Beauty began after South Korea became independent from Japanese colonialism. In 1961, the South Korean government banned the sale of foreign products, which encouraged the growth of the domestic beauty industry. Since then, K-Beauty has developed rapidly with technological innovation and products that suit consumer needs.

K-Beauty products are known for their signature multi-step skin care regimen, which usually includes up to 10 steps to achieve healthy, radiant skin. K-Beauty also emphasizes the concept of "glass skin," namely the appearance of skin that looks smooth and radiant. Products like serums, sheet masks, and moisturizers are becoming popular because they offer effective solutions to achieve these results.

The popularity of K-Beauty in Indonesia has increased significantly in recent years, influenced by the wave of Korean culture (Hallyu) through K-Pop music and Korean dramas. According to a Euromonitor International survey in 2021, around 66.5% of Indonesian respondents were familiar with the term "K-Beauty," indicating a high level of awareness of these products. Indonesian consumers are inspired by the appearance of Korean idols who have clean and radiant skin. This is driving demand for skin care products that can provide similar effects. In addition, many local beauty brands in Indonesia are starting to use Korean celebrities as their brand ambassadors to attract consumer attention⁴. With easy access via e-commerce platforms and social media, consumers can buy various K-Beauty products more easily, both online and offline.

Faktor yang Mempengaruhi Preferensi Pasar

In Indonesia, K-Wave has created a significant impact on consumer preferences, especially in the beauty industry. According to research, more than 60% of respondents in Indonesia admitted to being influenced by K-Wave in various aspects of their lives, including their preference for K-Beauty products. Social media and streaming platforms play an important role in introducing Korean culture to Indonesians, driving interest in K-Wave related beauty products

A positive brand image is very important in influencing consumer purchasing decisions. In the context of K-Beauty, endorsements from Korean celebrities as brand ambassadors have proven effective in increasing brand awareness and building consumer trust. Brand ambassadors who are widely known can create an emotional attachment with consumers, thereby encouraging them to try the product and are also seen as role models by their fans, so that the brand image becomes stronger and attracts market attention. Additionally, the involvement of artists in marketing campaigns adds value to the product and enhances its visual appeal.

Electronic reviews or electronic word-of-mouth (e-WOM) also play an important role in influencing market preferences. Research shows that e-WOM has a significant influence on purchasing decisions, with many consumers relying on online recommendations to choose products³. Honest and transparent reviews help build a brand's reputation and provide a real picture of product quality, so more consumers are interested in trying it.

K-Beauty products often offer competitive prices compared to other international brands, making them more affordable for Indonesian consumers. Apart from that, attractive and aesthetic product packaging is an additional attraction for consumers, especially among the younger generation who are active on social media. With a combination of competitive prices and attractive packaging, K-Beauty products have succeeded in attracting the attention of the Indonesian market and meeting consumer needs for aesthetics and quality.

Research Hypothesis

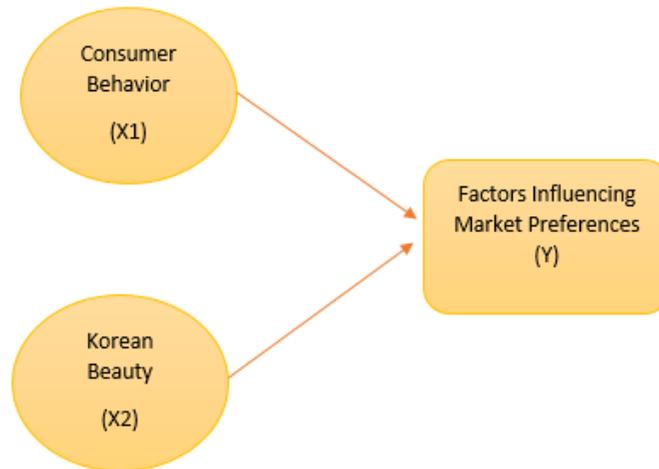
Based on the problem formulation, the following hypothesis can be proposed:

1. It is suspected that there is a significant positive influence on consumer behavior
2. The influence of K-Beauty (such as the history and development, characteristics of products, and popularity of K-Beauty in Indonesia) so consumers feel more confident when using the product.
3. It is suspected that there is a positive influence of factors influencing market preferences (which include pop culture influences, brand image, celebrity endorsement, electronic reviews also price, and product packaging) that can understand consumer behavior toward Korean Beauty Products in Indonesia.

Framework

The conceptual framework is based on considerations and empirical evidence

The analyses and solutions to the problems posed in the research were then carried out, as follows:



Research Methodology

This study uses a quantitative correlational research method, which aims to test the correlational relationship between two or more variables. The main objective is to determine whether there is a correlation between variables or to make predictions based on the observed correlation. The research method used is a quantitative research method. Data analysis in this study is quantitative and focuses on measuring variables to test previously established hypotheses. This study uses the Google Form online questionnaire as the main data collection method, with questionnaires distributed randomly to respondents with a ratio of 1 strongly disagree, ratio 2 disagree, ratio 3 neutral, ratio 4 agree and ratio 5 strongly agree. This approach allows for surveys and primary data collection. To analyze the collected data, researchers will use the Partial Least Squares (PLS) method, SmartPLS or Smart Partial Least Square is statistical software that has the same goal, namely testing the relationship between variables, both fellow latent variables and indicator variables (Asbari et al., 2019), which is a variance-based structural equation modeling technique. SEM analysis model with PLS can identify and estimate the relationship between latent variables, both linear and nonlinear (Hair, 2017). Researchers will utilize SmartPLS 4.0 software specifically designed for Partial Least Squares (PLS) analysis. This software provides a special tool to assess the relationship between variables and related indicator variables. By using the capabilities of Partial Least Squares (PLS) and SmartPLS 4.0.

Result and Discussion

Penelitian ini menganalisis perilaku konsumen terhadap produk kecantikan Korea (K-Beauty) di Indonesia dan faktor-faktor yang memengaruhi preferensi pasar. Metodologi yang digunakan adalah survei kuantitatif melalui Google Forms, melibatkan pengguna aktif produk K-Beauty dan produk lokal. Hasil menunjukkan bahwa kualitas produk dan strategi pemasaran yang menarik berpengaruh signifikan terhadap kepuasan konsumen. Selain itu, faktor budaya seperti pengaruh Hallyu dan rekomendasi dari keluarga serta influencer media sosial juga memengaruhi keputusan pembelian. Persepsi positif terhadap merek K-Beauty, didukung oleh citra merek yang kuat, meningkatkan kepercayaan konsumen untuk mencoba produk. Analisis regresi linier menunjukkan hubungan positif antara kepuasan konsumen, kualitas produk, dan strategi

peasarkan. Temuan ini memberikan wawasan bagi pemasar untuk merumuskan strategi yang lebih efektif dalam memenuhi kebutuhan konsumen di pasar yang kompetitif. Secara keseluruhan, pemahaman mendalam tentang perilaku konsumen sangat penting untuk keberhasilan pemasaran K-Beauty di Indonesia.

Outer Model

This model is used to understand how each indicator contributes to larger latent variables, such as consumer satisfaction, product quality, and marketing strategy. The use of the Partial Least Squares (PLS) method in the analysis allows researchers to evaluate this relationship effectively, with SmartPLS 4.0 as the software used for analysis. This is a reference to the degree to which the indicators used to assess a specific construct should be interrelated and assess the same items or at least closely related things. (Imam Ghozali, 2015).

Convergent Validity

Convergent Validity analysis in this study revealed various loading factor values from the three constructs tested. According to (Hair et al., 2019) convergent validity can be tested by looking at the Average Variance Extracted (AVE) value of each construct. If the AVE value is greater than 0.5, then the construct is considered to have good convergent validity. This shows that the indicators used in the research are able to accurately reflect the construct being measured.

Convergent Validity

	CB	FIMP	KB
CB	0.841		
CB2	0.797		
CB3	0.752		
CB4	0.833		
CB5	0.838		
FIMP1		0.737	
FIMP2		0.718	
FIMP3		0.831	
FIMP4		0.469	
FIMP5		0.752	
KB1			0.728
KB2			0.645
KB3			0.660
KB4			0.723
KB5			0.764

The results of the Convergent Validity analysis of CB1 to CB5 show a loading value above 0.7 (0.752–0.841), which shows that each indicator supports convergent validity. For the Market Preference Factor Including Construct, the analysis results show that FIMP1, FIMP2, FIMP3, and FIMP5 have loading factors that are very good above 0.7, but FIMP 4 has a low loading (0.469), which may weaken convergent validity. The Korean Beauty construct for the values KB1, KB4, and KB5 has a loading value above 0.70, meaning it shows very good convergence, while KB2 and KB3 have low loadings (0.645), and (0.660).

Discriminant Validity

	CB	FIMP	KB
CB1	0.841	0.536	0.617
CB2	0.797	0.501	0.567
CB3	0.752	0.552	0.555
CB4	0.833	0.581	0.600
CB5	0.838	0.583	0.662
FIMP1	0.456	0.737	0.585
FIMP2	0.439	0.718	0.509
FIMP3	0.624	0.831	0.692
FIMP4	0.330	0.469	0.411
FIMP5	0.519	0.752	0.548
KB1	0.686	0.539	0.728
KB2	0.563	0.462	0.645
KB3	0.333	0.605	0.660
KB4	0.611	0.567	0.723
KB5	0.448	0.571	0.764

Indicators CB1 to CB5 are compared with FIMP and KB. CB1 has a loading of 0.841 on CB, compared to 0.536 on FIMP and 0.617 on KB. FIMP4 has a low loading on its own construct (0.469) and is close to loading on other constructs (CB: 0.330, KB: 0.411). indicators (KB1–KB5) had higher loadings on KB compared to CB or FIMP. KB1 has a loading of 0.728 on KB, compared to 0.686 on CB and 0.539 on FIMP.

Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CB	0.871	0.873	0.907	0.661
FIMP	0.746	0.777	0.833	0.507
KB	0.747	0.750	0.832	0.498

Values above 0.70 indicate good internal consistency. In the table, Cronbach's alpha values for Consumer Behavior (0.871) Factors Influencing Market Preference (0.746), and Korean Beauty (0.747) are above 0.70, indicating good reliability. The Composite Reliability CR value ≥ 0.70 indicates good reliability. values for Consumer Behavior (0.873), Factors Influencing Market Preferences (0.777) also Korean Beauty (0.750) show good reliability. An average Variance Extracted (AVE) ≥ 0.50 indicates that the construct is able to explain more than 50% of the variance of the indicator. Consumer Behavior (0.661) and Factors Influencing Market Preferences (0.507) show valid values, while Korean Beauty (0.498) is invalid, because <0.50 .

Inner Model

The inner model is part of the model that describes the relationship or interaction between latent constructs or latent variables. The inner model functions to show how one construct affects another construct, as well as explain the causal relationships that exist based on established theories or hypotheses. inner model to explain the influence of factors such as trust, perceived ease of use, and perceived benefits on consumer purchase intentions on the (Alalwan et al., 2019) e-commerce platform.

R Square

A statistic known as R-squared, or the coefficient of determination, illustrates how much of the variance in a dependent variable can be predicted from the independent variables. Greater numbers indicate greater agreement between the model and the data. Its values range from 0 to 1

	R-square	R-square adjusted
FIMP	0.636	0.629

The independent variables in the model may account for 6.36% of the variance in Customer Satisfaction, according to the model's R-squared value of 0.655. Purchase Decision's adjusted R-squared value is 0.629, which is somewhat less than the R-squared.

Effect Size

	CB	FIMP	KB
CB		0.060	
FIMP			
KB		0.479	

For the Consumer Behavior, CB to CB: There are no relevant effect size values because the CB construct does not predict itself in the model. CB to FIMP, effect size value (0.060) CB has a small influence on FIMP. KB to FIMP, the effect size value (0.479) KB has a large influence on FIMP, because the value is far above the threshold.

Hypothesis Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values
CB -> FIMP	0.220	0.222	0.109	2.027	0.043

KB -> FIMP	0.621	0.624	0.098	6.316	0.000
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In Consumer Behavior → Factors Influencing Market Preferences, the Original Sample (0.220), shows a positive relationship between Consumer Behavior and Factors Influencing Market Preferences. This means that CB influences FIMP is accepted with a positive and significant relationship, although the influence is not too large. T-Statistics is 2.201 (greater than 1.96), indicating this relationship is statistically significant. While in Korean Beauty → Factors Influencing Market Preferences, the Original Sample (0.621) shows that Korean Beauty has a stronger positive relationship with Factors Influencing Market Preferences. This means that higher product quality significantly increases customer satisfaction. T-Statistics: 6.316 (well above 1.96), indicating this relationship is very significant. P-Value: 0.000 (well below 0.05), confirming significance.

Discussion

It is suspected that there is a significant positive influence on consumer behavior

The table shows that there is a statistically significant positive relationship between Consumer Behavior (CB) and Factors Influencing Market Preferences (FIMP), with an Original Sample (O) value of 0.220, T-Statistics of 2.027 (greater than 1.96), and P- Value is 0.043 (below 0.05). Although this relationship is significant, the effect is relatively small, which shows that consumer behavior has a role, but is not a dominant factor in influencing market preferences. This indicates that although positive consumer attitudes towards products can support market preferences, other factors are likely to have a greater influence in shaping those preferences.

The influence of K-Beauty (such as the history and development, characteristics of products, and popularity of K-Beauty in Indonesia) so consumers feel more confident when using the product.

The table shows that K-Beauty has a very significant positive influence on Factors Influencing Market Preferences (FIMP), with an Original Sample (O) value of 0.621, T-Statistics of 6.316 (well above 1.96), and a P-Value of 0.000 (very significant). The coefficient of 0.621 shows that aspects of K-Beauty, such as history, product characteristics and popularity in Indonesia, greatly influence market preferences and consumer trust. This trust is influenced by the popularity of K-Beauty which is supported by product quality, innovation, and cultural trends such as K-pop and Korean dramas, which significantly increase consumer confidence, so they feel more confident in using K-Beauty products.

It is suspected that there is a positive influence of factors influencing market preferences (which include pop culture influences, brand image, celebrity endorsement, electronic reviews also price, and product packaging) that can understand consumer behavior toward Korean Beauty Products in Indonesia.

Factors influencing market preferences include several important elements, such as the influence of pop culture, which includes the role of K-pop, K-dramas, and the influence of Korean culture in general; brand image, which reflects positive perceptions of the K-Beauty brand; celebrity endorsement, which involves support from well-known celebrities both local and Korean; e-

reviews, which strengthen product credibility through online reviews; and price and packaging, which includes competitive prices and attractive packaging. The analysis results show that the relationship between consumer behavior (CB) and Factors Influencing Market Preferences (FIMP) is 0.220, indicating that consumer behavior is influenced by these factors, although the influence is not too big. On the other hand, the relationship between K-Beauty (KB) and FIMP of 0.621 shows that K-Beauty as a cultural phenomenon has a major role in market preferences.

Conclusion

The results of the analysis show that there is a positive relationship between Consumer Behavior (CB) and Factors that Influence Market Preferences (FIMP) with an Original Sample value of 0.220. Although this relationship is statistically significant, with T-Statistics reaching 2.201 (exceeding the limit of 1.96), the effect is relatively small. This indicates that consumer behavior does influence market preferences, but is not a dominant factor. This means that although positive attitudes towards a product may support market preferences, there are other factors that may have a greater impact.

In contrast, the analysis shows that K-Beauty has a much stronger influence on FIMP, with an Original Sample value of 0.621. The T-statistics for this relationship is 6.316, well above the established threshold, and a P-value of 0.000 confirms the significance of the relationship. This shows that the quality of K-Beauty products significantly increases customer satisfaction. Factors such as history, product characteristics, and popularity of K-Beauty in Indonesia contribute to consumer trust in these products.

The analysis also identified various factors that influence market preferences, including the influence of pop culture such as K-Beauty, as well as Brand Image. Positive perceptions about the K-Beauty brand are very important in attracting consumer interest. Having endorsement support from local and Korean celebrities increases the attractiveness of the product. Electronic reviews such as online reviews provide additional credibility to the product. In addition, competitive pricing and attractive packaging also contribute to purchasing decisions. So, the K-Beauty cultural phenomenon plays a major role in attracting the attention of consumers in Indonesia. Trust built through product quality, innovation, and cultural trends significantly increases consumer confidence in choosing K-Beauty products.

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