

The Influence of Level of Consumption of Korean Beauty Products on Market Competition in Indonesia

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Abstrak

Tren produk kecantikan masa kini semakin meluas dan beragam. Ketika suatu produk sedang populer, tingkat penjualannya akan meningkat drastis dan semakin mendunia. Korean Wave merupakan strategi pemasaran yang unik dengan cara menjual suatu produk dari negara tersebut dengan menyisipkan budaya Asia yang ditampilkan secara sederhana dan modern. Dalam tren produk kecantikan, Korea Selatan memiliki pangsa pasar global yang besar karena memiliki berbagai produk yang terbuat dari bahan-bahan tradisional seperti tanaman herbal, lendir siput asli Korea, aloe vera, matcha, anggur fermentasi, mugwort, centella asiatica, ekstrak air beras, green tea, dan lain sebagainya yang diolah dengan baik dan higienis yang mengandung banyak manfaat bagi kulit dan kesehatan. Produk kecantikan Korea memiliki ciri khas yang berbeda dengan produk lainnya, biasanya skincare dan makeup yang dijual memberikan hasil akhir yang glowing pada wajah, tampilan ini memiliki konsep your skin but Better yang membuat kulit wajah tampak sehat alami. Karena kualitasnya yang sangat baik, produk kecantikan Korea menjadi tren global dan diimpor hampir ke seluruh penjuru dunia, termasuk Indonesia. Produk kecantikan Korea mulai booming dan akan dijual di Indonesia mulai tahun 2021 dengan nilai impor yang tinggi. Hal ini meningkatkan hubungan kerja sama yang baik antara Indonesia dan Korea Selatan. Strategi pemasaran Korea Selatan untuk produk kecantikan sangat inovatif, mereka dapat menyisipkan iklan modern melalui drama Korea, dan musik K-pop dengan menarik duta merek yang sedang naik daun, penjualan secara otomatis meningkat dan mereka laris manis..

Kata Kunci: *marketing; beauty product; customer*

Abstract

Current beauty product trends are becoming wider and more diverse. When a product is popular, sales levels will increase drastically and become increasingly global. Korean Wave is a unique marketing strategy by selling a product from that country by inserting Asian culture which is displayed in a simple and modern way. In beauty product trends, South Korea has a big share in the global market because they have various products made from traditional ingredients such as herbal plants, native Korean snail mucus, aloe vera, matcha, fermented grapes, mugwort, centella asiatica, rice water extract, green tea, etc. that are processed well and hygienically which contain many benefits for skin and health. Korean beauty products have characteristics that are different from other products, usually, the skincare and makeup sold give a glowing finish to the face, this display has the concept of the skin, which makes facial skin look naturally healthy. Because of their excellent quality, Korean beauty products have become a global trend and are imported to almost all corners of the world, including Indonesia. Korean beauty products are starting to boom and will be sold in Indonesia starting in 2021 with high import values. This increases the good cooperative relations between Indonesia and South Korea. South Korea's marketing strategy for beauty products is very innovative, they

can insert modern advertising through Korean dramas, and K-pop music by attracting brand Ambassadors which is on the rise, sales automatically increase and they sell out.

Keywords: *marketing; beauty product; customer*

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INTRODUCTION

All things that are used and needed to beautify, maintain the health and beauty of the skin so that it is maintained from head to toe are beauty products. The trend of South Korean beauty products which is increasingly popular in the global market automatically makes product sales soar because many consumers are interested in buying these products. But on the other hand, there is a history behind the popularity of Korean beauty products.

In ancient Joseon times, Korean people wore something and polished their faces, which here means showing social status and religious representation. The standard of beauty that was trending at that time was that someone with white skin had a high level. And the creation of a beauty product that existed at that time was made from animal fat which was rubbed on the body as a form of prevention against cold air and to make the skin moist. Then during the Silla dynasty, there was quite rapid development in the manufacture of beauty products, namely the production of face powder and blush on which they used as blush on and lipstick. Furthermore, during the Georyo dynasty, there were promotions and classes for face polishing because at this time face polish could reflect a person's social level. Gisaengs of this era wear beautiful, heavy makeup.

The makeup culture of the Joseon Dynasty had simpler beauty standards but women took very good care of their skin. They care for their skin by concocting beauty recipes handed down from generation to generation using traditional plant ingredients to make scrubs and masks. In this period there were already beauty shops selling beauty tools and women's accessories. The collection of beauty boxes and beauty tools of an 18th-century princess named Hwahyeop provides a look at Joseon's make-up culture.

In 1876, Korean ports were opened for international trade, that's where Western styles emerged, and that's where new makeup styles and products became popular so that Korean cosmetic culture could be produced and consumed en masse. Park's "Bakgabun" Powder is the first cosmetic product mass-produced by Korea. This product was the best-selling product from 1916 to 1930. In the 1920s, Japan dominated the Korean cosmetics market, this resulted in Korea not developing. After going through World War II in 1940 and the Korean War in 1950, the Korean government banned the sale of foreign products including cosmetics. This resulted in forcing sales of Japanese cosmetics out of Korea and finally in 1961 the Korean cosmetics industry began to develop again. In the 1990s, Hallyu or Korean Wave began to become famous and made Korea grow into Global Cosmetics. In 2010 western cosmetic brands began looking to Korean formulas and trends for inspiration. At this time, Korean beauty products are starting to enter a global trend and are growing from year to year because they have quality and prices that are worth buying and affordable. Of all the countries

in Asia Pacific, South Korea is the strongest country in Compound Annual Growth Rate from year to year.

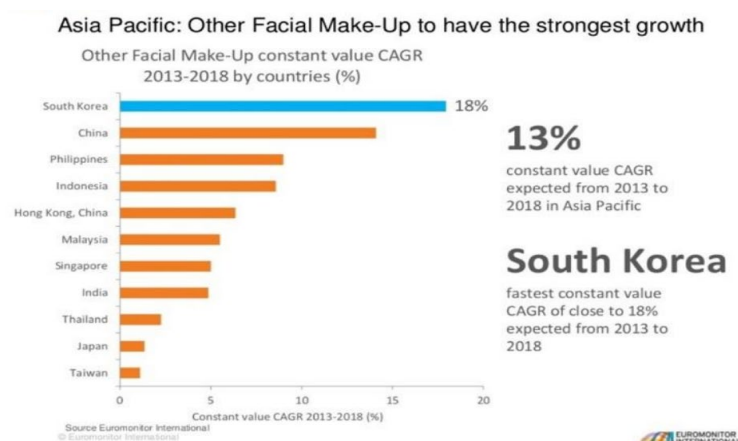


Figure 1. Average annual growth in the other facial make-up category

Apart from that, according to an online survey conducted by ZAP Clinic in collaboration with MarkPlus.Inc in the ZAP Beauty Index 2020, as many as 57.6% of Indonesian women like beauty products from South Korea. The survey was conducted on 6,460 Indonesian women aged 13-65 years in various professions. (Sociolla.com, 2020).

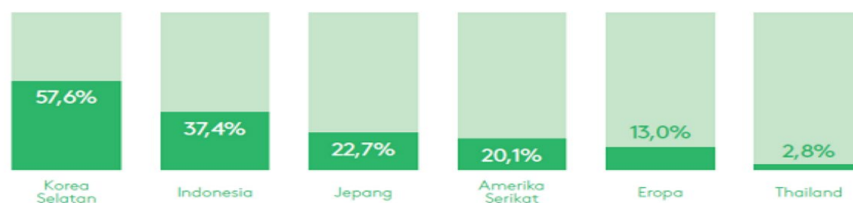


Figure 2 Country of Origin of Beauty Products in Demand in Indonesia

From this, we know that the image of a product that is the most attractive and unique will be easily remembered by consumers, and if the product has a good image, more consumers will believe it and will decide to buy that product, and will even be loyal to buying that product. So, product quality is a significant and potential strategy to beat competitors. The ability of product quality to demonstrate various functions including durability, reliability, accuracy, and ease of use (Kotler & Armstrong, 2010). The results of previous research conducted by Rachmawati, Shukri, Ferdous, and Azam (2019) stated that there is a positive and significant influence between product quality on purchasing decisions. Based on the explanation above, it can be concluded that several factors influence purchasing decisions, namely country of origin, product, and product brand image. So, based on the existing problems, researchers are

interested in examining the influence of country of origin, product quality, and brand image on consumer purchase decisions for cosmetic products from South Korea.

1.LITERATURE REVIEW

2.1 Marketing Strategy

Marketing strategy is very important in selling a product. If a sales strategy has good characteristics and can be conveyed well, then consumers will decide to buy the product and will even loyally use the product and recommend it to those closest to them or via social media. The following are several product marketing strategies used by South Korean beauty products:

1. Branding and Brand Image: Strengthening the quality, innovative, and trendy Korean brand image through targeted branding campaigns.
2. Digital Marketing: Leveraging social media platforms and websites to bring Korean beauty products to Indonesian consumers. Influencer campaigns and engaging content are often an integral part of this strategy.
3. Product Customization: Adapting products to the preferences and needs of Indonesian consumers, including formulas, packaging, and preferred aromas.
4. Wide Distribution: Ensure widespread product availability through online stores, traditional retail, and attractive physical store concepts.
5. Consumer Education: Providing clear, easy-to-understand information about products and their benefits through educational content, product demos, and beauty tutorials.
6. Promotions and Discounts: Hold promotions, discounts, and freebies to increase product appeal and encourage purchases.
7. Local Partnerships: Collaborate with local brands or Indonesian influencers to expand reach and strengthen consumer trust.

2.2 Peoduct Quality

What is no less important is the quality of a product, what materials are used to make a product, and what processes are passed so that the product can become an item of value and quality. So that the product has a selling value commensurate with its quality. When customers know the quality of the product they will decide whether to buy it or not. If the product has good quality and exceeds consumer expectations then product sales will increase. Some of the things that cause quality Korean beauty products to become popular are because:

1. Technology and Innovation: The Korean beauty industry is known for continuously implementing the latest technology and innovating in product development. They are often pioneers in presenting new formulas, active ingredients, and effective application methods.

2. **Quality Ingredients:** Korean beauty products often use natural, high-quality ingredients, such as traditional Korean plant extracts, as well as innovative ingredients backed by scientific research.
3. **Meticulous Processing and Production:** The production process of Korean beauty products is often very careful and controlled, ensuring product consistency and safety.
4. **Clinical Trials and Research:** Many Korean beauty brands conduct clinical trials and scientific research to ensure the safety and effectiveness of their products before they are marketed.
5. **Compliance with Standards:** The Korean beauty industry often adheres to strict safety and quality standards, both from the Korean government and international standards.
6. **Cultural Mindset that Cares about Beauty:** Korean culture that cares about beauty encourages the beauty industry to continuously improve the quality of their products to meet high standards.

2.3 Customer Satisfaction

Customer satisfaction with a product determines the level of sales of a product. If a customer is dissatisfied and gives a review regarding the purchase of a product at the official online store, then there will be other customers who will reduce their sense of trust in a product, but if a product can fulfill what consumers want, it can continue to grow and accept all criticism and suggestions. so that they become better, they will gain consumer trust and sales will increase, indirectly consumers are satisfied with the service and quality of the product. Based on this, customer satisfaction can be influenced by several factors, namely:

1. **Product Quality:** Customers tend to be satisfied if the product they buy has quality that meets expectations or even exceeds expectations. Korean beauty products known for their high quality can increase customer satisfaction levels.
2. **Suitable for Needs:** Products that suit customers' skin types, preferences, and beauty concerns will further increase their satisfaction.
3. **Use Experience:** Positive experiences in using a product, including texture, aroma, and perceived results, can increase customer satisfaction levels.
4. **Reasonable Price:** Customers will feel satisfied if the product price is commensurate with the quality and benefits provided. Discounts, promotions, or special offers can also increase customer satisfaction.
5. **Customer Service:** Good service from a manufacturer or seller, including quick responses to questions or complaints, can increase customer satisfaction.
6. **Product Availability:** Adequate and easily accessible product availability will make customers feel satisfied because they can buy the products they want easily.

7. **Brand Reputation:** Korean beauty brands that have a good reputation and are valued by customers will increase customer satisfaction because they believe in the quality of the products.

2.DISCUSSION

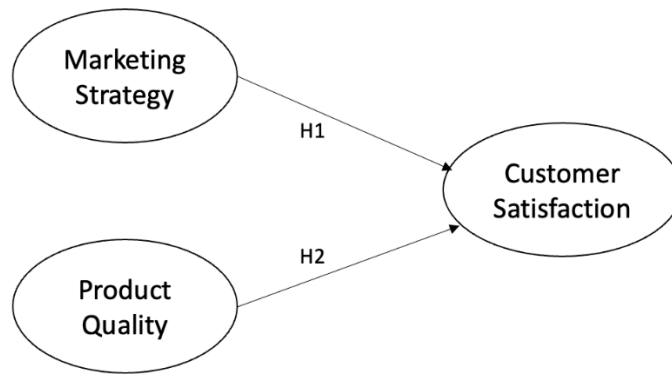
The existence of a trend makes a product popular and automatically increases sales globally. Consumers nowadays really like following trends, not because they are curious about whether the product claims are true or vice versa, the consumption of Korean beauty products in Indonesia has experienced significant growth in the last few years. Several trends that reflect consumer interest in Korean beauty products in Indonesia include:

1. **Increased Consumer Awareness:** Indonesian consumers are increasingly aware of the benefits of Korean beauty products, both in terms of quality, innovation, and global beauty trends promoted by Korea.
2. **Popularity of Korean Skincare:** Korean skincare has become very popular among Indonesian consumers due to its focus on comprehensive skin care the use of natural ingredients and advanced technology.
3. **"Glass Skin" Beauty Trend:** The concept of "glass skin" or skin that looks radiant and healthy without heavy makeup is a popular trend among Indonesian consumers, and Korean beauty products are often considered the key to achieving that look.
4. **Halal and Skin-Friendly Cosmetics:** Korean beauty products that have received halal certification or that have been developed specifically for certain skin types, such as sensitive or acne-prone, are increasingly in demand by Indonesian consumers who pay attention to product safety and suitability factors.
5. **K-Pop and K-Drama Style Beauty Trends:** Interest in the Korean entertainment industry, such as K-Pop and K-Drama, also influences beauty trends in Indonesia. Consumers are often interested in imitating the style and beauty secrets of their idols by using Korean beauty products.
6. **Experimenting with New Products:** Indonesian consumers tend to be open to trying new and innovative products from Korea, including products with unique concepts such as animal-shaped face masks or products with cute and attractive packaging.
7. **Increase in Online Sales:** The development of e-commerce has made it easier for Indonesian consumers to access Korean beauty products online, which has also contributed to an increase in the consumption trend of these products.

Research Hypothesis

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

1. It is suspected that there is an influence of marketing strategy on consumer satisfaction
2. It is suspected that there is an influence of product quality on satisfaction
3. It is suspected that there is an influence of product consumption trends on customer satisfactionN.



3. PROPOSED METHODOLOGY

The research methods used to analyze the level of sales of Korean beauty products in Indonesia include consumer surveys, sales data analysis, and interviews with beauty industry stakeholders. A quantitative approach will be used to collect sales data and market trends, while a qualitative approach will be used to understand consumer perceptions and preferences as well as effective marketing strategies. This research method will provide a comprehensive understanding of the factors that influence the level of sales of Korean beauty products in the Indonesian market. The objective of this research methodology is to analyze and understand the factors that influence the level of sales of Korean beauty products in Indonesia, with a focus on consumer preferences, effective marketing strategies, and relevant market trends.

Through quantitative and qualitative approaches, this research aims to provide in-depth insight into the dynamics of the Korean beauty market in Indonesia and evaluate the growth potential and strategic opportunities in this industry. Data used for research will be collected using a Google form which is distributed online. The measurement scale used in this research is an interval scale. Both dependent and independent variables. For quantitative analysis, each variable respondent was given five alternative answers using a scale of 1 which means Strongly Disagree to 5 which means Strongly Agree.

In this research, the author used verification analysis in this research using a statistical test tool, namely the variance-based structural equation test or better known as Partial Least Square (PLS) using smart PLS 3.0 software. The Partial Least Square

(PLS) method is explained as a structural equation model based on variance (PLS) which is able to describe latent variables (not directly measurable) and is measured using indicators (manifest variables) (Imam Ghazali, 2016:417). PLS can be based on versions that test measurement models and structural measurements simultaneously. SmartPLS or Smart Partial Least Square is statistical software which aims to test the relationship between variables and indicator variables in SmartPLS 3.0 (Ghozali & Latan, 2015). Based on the statement above, it is known that the PLS analysis model is a development of the path analysis model, while there are several advantages to using the PLS analysis model, namely that the data does not have to be in a certain distribution, the model does not have to be based on theory and there is uncertainty, as well as a small number of samples.

CONCLUSION

The increasing consumption of Korean beauty products in Indonesia has significantly influenced market competition within the local beauty industry. The appeal of Korean products, driven by their quality, innovation, and cultural popularity, has intensified competition among local and international beauty brands. Korean brands have successfully tapped into the Indonesian market by aligning with trends like K-pop and K-beauty, effectively shaping consumer preferences and purchasing behaviors.

As a result, local beauty brands face challenges in maintaining market share, as many consumers perceive Korean products as superior in terms of quality and innovation. To remain competitive, Indonesian beauty companies need to focus on product differentiation, technological advancements, and strong brand identity. Additionally, collaborations and product localization could offer opportunities to retain consumer loyalty and respond to the dynamic market influenced by the globalization of beauty trends.

The study underscores the importance of understanding consumption patterns and their broader impact on market structures, offering insights into how beauty companies, both local and international, can adapt to evolving consumer preferences and competition in Indonesia.

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