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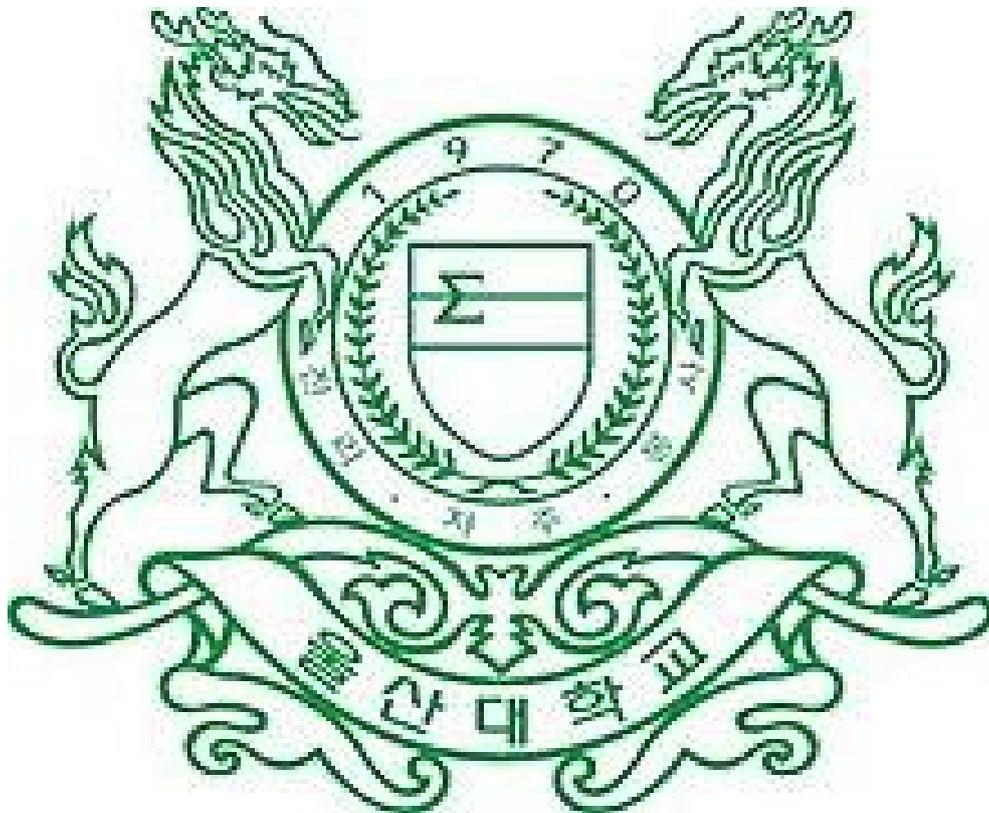
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Master of Business Administration

**The Factors Affecting Purchase Intention of Foreign
Products: Focusing on Korean Cosmetic Products in
Vietnam**



**The Graduate School
of the University of Ulsan**

Department of Business Administration

Vu Thi Phuong

**The Factors Affecting Purchase Intention of Foreign
Products: Focusing on Korean Cosmetic Products in
Vietnam**

Supervisor: Professor Doyle Kim

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Phuong, Vu Thi

Department of Business Administration

Ulsan, Korea

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**The Factors Affecting Purchase Intention of Foreign
Products: Focusing on Korean Cosmetic Products in
Vietnam**

This certifies that the master thesis
of Vu Thi Phuong is approved.

Dolye Kim

Committee Member

JungHee Park

Committee Member

Jusik Park

Committee Member

Department of Business Administration

Ulsan, Korea

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Ms. Vu Thi Phuong

ABSTRACT

The development of science in the field of technology and social culture has influenced the attitude of someone's life. Physical attractiveness is of high concern for people all around the world because it is in the human instinct to strive for perfection and new ways to express ourselves. Therefore, cosmetics were invented and quickly became an essential need of every person. Since the beginning of the twentieth-century, the cosmetic industry has been growing at fast track with a handful of multinational corporations which always try to give people various kinds of beauty products. According to a published report, a Nielsen survey conducted in 2017 indicates that in recent years, Vietnam's cosmetics market has maintained strong growth, at about 16% a year, and consumers are willing to pay high prices for well-respected international brands. This indicates a huge potential for growth of this sector in Vietnam. Vietnamese consumers are familiar with Korean brand cosmetics compared with cosmetics from other countries. The market share for cosmetics products by foreign countries is as follows: Korea – 30%, EU – 23%, Japan – 17%, Thailand – 13%, US – 10%, and others – 7%. The Korean cosmetic products are often associated with “brand of youth”, “affordable price”, and “being fashionable”. This being the case, it is essential to examine the factors in which influence consumer intention to purchase new cosmetic products. This study examined the potential influences of Korean Wave on country of origin; country of origin on perceived quality and brand credibility; country of origin, perceived quality, brand credibility and subjective norms on the purchase intention of new Korean cosmetic products. Variables in this study are two independent variables which are Korean wave and subjective norm, three mediating variables which are country of origin, perceived quality and brand credibility, and finally, one dependent variable, the purchase intention of Korean cosmetics. These factors have been chosen in this study as the factors mostly affect the Vietnamese customer purchase intention toward Korean cosmetic product.

In this study, a five-point Likert scale was used to measure the components of the research model (5 = strongly agree; 1= strongly disagree). The questionnaire included measurement items of Korean wave, country of origin, brand credibility, perceived quality, subjective norms and purchase intention. All of the items was modified from the previous research. The surveys were distributed via-online through several social media such as Facebook, Zalo, and email. A total of 241 questionnaires were collected and valid questionnaires were 200. The computer software program, Statistical Package for the Social Sciences (SPSS 22) and AMOS 22 were used for all statistical data analysis. There are two separated part analysis to analyze the data. In measurement scales test, data were initially evaluated by Cronbach's Alpha and exploratory factor analysis (EFA) prior to accessing saturated model confirmatory factor analysis (CFA). Besides, convergent validity,

discriminant validity, construct reliability (CR) and average variance extracted (AVE) were calculated to confirm that measurement scales achieved reliability standard. In research model test, structural equation model (SEM) and Bootstrap estimates were employed to analyze the relationships between predictors and dependent variables. The Structural Equation Modeling (SEM) was employed by AMOS 22 to examine the effect of independence factor on dependence factor. Structural equation modeling (SEM) appears to be the appropriate method for addressing the research question about multiple relationships between the dependent, mediating, and independent variables. The hypothesis testing revealed that all of 7 hypotheses had significant relationships between the variables and one hypothesis was rejected.

The outcomes of this research will allow the Korean cosmetic firms to better understand Vietnam's market and will help them to adopt effective strategies for Vietnamese cosmetic market. The findings of this paper will serve as a guide to Korean cosmetic company who has limited knowledge of Vietnamese customers. This will help them to formulate marketing strategies to gain from Vietnam's cosmetic markets. This research provides valuable insights for Korean cosmetic companies that had joined Vietnam market or have the intent to invest in Vietnam cosmetic market by indicating the attitude is the most important determinant of purchase intention. The findings of this study suggest that Vietnamese customer has positive attitude toward Korean cosmetic product because of the effect of Korean Wave. As the result, this study suggests that Korean wave country of origin, perceived quality and subjective norms have signification effect on purchase intention of Vietnamese customers to buy Korean cosmetic products. In addition, this research show that brand credibility do not have signification effect to purchase intention of Vietnamese customer toward Korean cosmetic product. This research also helps Korean cosmetic retailers and manufacturers understand more about Vietnamese customer purchase intention behavior so they can develop effective marketing strategies to increase customer purchase intentions for the product

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CHAPTER 1

INTRODUCTION

1.1 Research background

The development of science in the field of technology and social culture has influenced the attitude of someone's life. In this modern era, the use of cosmetic products has become the things that are important starting from infancy to old age. The trend of using cosmetic products spreads not only to adult consumers but also to teenagers. Physical attractiveness is of high concern for people all around the world because it is in the human instinct to strive for perfection and new ways to express ourselves. Therefore, cosmetics were invented and quickly became an essential need of every person. Since the beginning of the twentieth-century, the cosmetic industry has been growing at fast track with a handful of multinational corporations which always try to give people various kinds of beauty products. Cosmetics products have been considered luxury goods before, only high stratum in society was able to afford; however nowadays people gradually perceive the use of cosmetics as necessities in their daily life (Wu & Chen, 2012).

Additionally, the economy affects strongly and directly the cosmetic industry in general (Nguyen & Sirikhoon, 2008). Vietnam is a country with population of above 90 million and stable GDP growth annual, thus Vietnam is one of the large emerging markets and destination of more and more foreign products. In conjunction with high economic growth and improvement in roles of Vietnamese women, the disposable income is rising and the living standard has also improved dramatically, Vietnamese purchasing power is frequently stronger. Besides, change in policies affected positively Vietnam commodity market in general and cosmetics market in particular, where cosmetics companies can export cosmetics products into Vietnam freely concluding the testing certification of quality; and cosmetic tax is also reduced. It helps many foreign companies to take advantage to enter Vietnam market. Due to the lack of domestic products, more than 90 percent of cosmetics products have been imported recently and the import value of cosmetics including beauty, make-up and skincare preparations has increased significantly in recent years. Consumers in developing markets possess various intentions for purchasing foreign products. Research into the underlying psychological reasons that drive their purchase decisions is of significant importance, as this can help marketers understand why consumers in developing countries choose to purchase foreign products. Additional insight into consumers' purchasing intentions can help support and enhance the strategic positioning of the foreign products.

According to the figure of Nielsen in 2013, the annual turnover of the Vietnamese cosmetics market is around 15 trillion VND (US\$704.2 million). The average per-capital spending was only

\$8 per person per year, compared with an average of \$20 per person in Thailand. According to market research company Mintel, the beauty and cosmetics retail in Vietnam has been estimated to be worth US \$1.7 billion annually in 2017, a figure that will likely reach US \$2.35 billion by 2018. Though the market is relatively small, growth in most beauty and personal care categories is expected to continue to expand over the next decade as per capita spending rises commensurate with the upward trend in GDP per person per year and the country moves into the middle income ranks. With more than 60% of its population under the age of 35, Vietnam is poised to be a growth market for cosmetics companies. According to a published report, a Nielsen survey conducted in 2017 indicates that in recent years, Vietnam's cosmetics market has maintained strong growth, at about 16% a year, and consumers are willing to pay high prices for well-respected international brands. This indicates a huge potential for growth of this sector in Vietnam. This is why the Vietnamese cosmetic market has attracted a lot of the world's cosmetic leaders such as Unilever, L'Oreal, Johnson & Johnson and P&G which helped create a competitive market. According to Vietnam's Chemical Cosmetic Association's data, there are over 430 leading cosmetic companies on sale in the country, of which 90 percent is well-known foreign brands. According to the International Culture Exchange of South Korea, K-pop has been a very successful cultural export of South Korea within Asia. Young Vietnamese have been attracted to the "modern image" seen in the lifestyles of Korea. The views and items portrayed in Korean cultural products, and the high standard of living, portrayed Korea as a dynamic and developed country. The new generation of consumers is eagerly adopting and emulating Korean lifestyle ranging from fashion, food and cosmetic...Vietnamese consumers are familiar with Korean brand cosmetics compared with cosmetics from other countries. The market share for cosmetics products by foreign countries is as follows: Korea – 30%, EU – 23%, Japan – 17%, Thailand – 13%, US – 10%, and others – 7%. The Korean cosmetic products are often associated with “brand of youth”, “affordable price”, and “being fashionable”. The research of Q&Me shows that there is 44% of Vietnamese women usually wearing makeup in which 24% women wear makeup every day, 44% women wear makeup once a week. Thus, it underlines that wearing makeup every day is not popular for Vietnamese women. Vietnamese consumers show a great deal of identification with developed countries (Lantz, Loeb, Nguyen, & Khanh, 2002). Compared with consumers in other developing countries in the Asia Pacific region, such as Indonesia, Malaysia, or Thailand, the Vietnamese show a higher rate of preference for foreign brands rather than domestic products (Batra, Ramaswamy, Alden, Steenkamp & Ramachander, 2000). Foreign products are perceived to have high quality and favored by Vietnamese. These consumers might prefer foreign goods (from a developed country) over domestic products, because foreign products/brands are viewed as technologically superior.

Positive feelings toward foreign goods/brand can occur in consumers' purchasing behavior in developing countries, as consumers view it as right and appropriate to buy foreign products. Due to the lack of domestic products, it brings benefit to the oversea cosmetic companies entering in a competitive and potential market like Vietnam. And the cosmetic sector in this market is predicted to be with a healthy growth which managers should pay attention and maintain (Nguyen & Sirikhoon, 2008). Most of them chose Korean cosmetics over other origins due to the fact it can satisfy their requirements, including "nice color", "affordable", and "brand of youth", which means Vietnamese girls like Korean cosmetics because it has reasonable prices, beautiful designs and suitable for dynamic youngsters. Since customer can benefit from high quality products, domestic cosmetics producers should pay more attention to promote and help their products become more competitive among the sweep of Korean brands. Cosmetics industry is one of the most developed sectors in Korea's economy, which gained its popularity because of natural ingredients, professional processing, neat designs and various segments suitable for many ranges of customers. Korean cosmetics brands are now famous not only in Asia but all around the world, such as Amorepacific (Etude House, Innisfree, Laneige), or LG (Ohui, The Face Shop). According to statistics from the Korea International Trade Association (KITA), Korean cosmetics products are doing pretty good, since its beauty exports reached USD 2.75 billion in 2015, an increase of 53.6% over the previous year, placing them at the center of the Korean wave. According to Korea Ministry of Food and Drug Safety, Vietnam stays in top 10 of cosmetics export destination from Korea with the biggest annual change (43%). Korean cosmetics export to Vietnam are increasing, with the growth rate of 128.7% in 2010, and the amount exported exceeded USD 0.05 billion in 2015 (KCS, 2015). The advertisement process has not met the requirement to help domestic cosmetics be standout among Korean ones, which are always promoted through famous Korean dramas. Another support for the entrance to Vietnam of Korean products in general and its cosmetics in particular is the cut-off tariffs due to a free trade agreement between two countries. According to the Korean ministry of trade, industry and energy, the deal will see Vietnam gradually wiping out tariffs on Korean cosmetics by 10%. In return, Korea has agreed to remove tariffs on Vietnamese clothing and agricultural products (Oh, 2011). As a result, many Korean cosmetics companies want to develop their business in Vietnam. For instance, cosmetics brand Missha opened its 15th retail store in Ho Chi Minh City in 2015 besides its chains in many big cities like Ha Noi or Da Nang.

1.2 Research Objective

Understanding the customer purchase behavior is vital for any organization. In the present business scenario, it is even more important as the customer brand loyalty is changing very fast and

the customer switching behavior is increasing rapidly. Today the customer is the center of all business sectors. Thus the decision - making of customers affect the existence of a store or business. Purchase intention is a decision plan to buy a particular product or brand created through a choice/decision process (American Marketing Association, 2016). Since it is very important for marketing professionals (the producers and the marketers) and the cosmetic industry manufacturers to understand and satisfy the needs and wants of their target consumers, it is therefore imperative to know the needs and wants of their targeted consumers by examining their purchase intention of cosmetic products. Therefore, understanding the habits of customers in cosmetic purchasing is necessary for suppliers in improving their business strategies. It is desirable for any organization to know the customer purchase intention. Many researchers are continuously trying to design a model which can depict the customer purchase behavior. Based on those facts, I decided to focus on the concept of purchase intentions and by scrutinizing literature in the area, I identified four factors country of origin, brand credibility, perceived quality, subjective norms, Korean wave that earlier has been proven to affect consumers purchase intentions. These factors have been chosen in this study as the factors mostly affect the Vietnamese customer purchase intention toward Korean cosmetic product. Finally the findings contribute useful information to the cosmetics companies to determine their consumer behavior designing the appropriate campaigns for development. The outcomes of this research will allow the Korean cosmetic firms to better understand Vietnam's market and will help them to adopt effective strategies for Vietnamese cosmetic market. The findings of this paper will serve as a guide to such Korean cosmetic company who has limited knowledge of Vietnamese customer. This will help them to formulate marketing strategies to gain from Vietnam's cosmetic markets. This paper will also help national cosmetic company to reflect their marketing strategies and compete effectively in Vietnam's cosmetic markets.

CHAPTER 2

LITERATURE REVIEW

2.1 Purchase intention

The concept of buying intentions reflects consumers' foreseeable behavior in short term future buying decisions. Purchase intention is one of a very small set of variables that find routine application in consumer research investigations undertaken for a variety of different purposes (e.g., new product concept and copy tests; segmentation and tracking studies) and covering a broad range of products and services. For instances, what products or brand the consumer will buy in his or her next shopping trip. More specifically, buying intention is a future projection of consumers' behavior that will significantly contribute to the configuration of attitudes. Purchase intentions are frequently used to forecast sales of existing products and services. While previous studies have shown that intention is one of the predictive of sales. Besides, the measurements of purchase intentions have been pervasive in modern marketing. Market research firms often use purchase intentions to forecast new products' sales potential. Moreover, purchase intention measures have been used frequently to identify products buying probability within the defined time periods. Purchase intentions have been recognized as a part of consumer behaviors. Purchase intention refers to the extent of consumer buying a certain product regularly and refusing to switch to another product (Yoo et al., 2000). They have also concluded that intention is different from attitude. While attitude means evaluation of products, intention is the person's motivation in the sense of his or her will to perform behavior. Another definition declares that purchase intention is the individual's awareness to make an attempt to buy a brand (Shabbir et al. 2009). Other researchers believe that purchase intention is "what we think we will buy" (Park, 2002). It also describes the feeling or perceived likelihood of purchasing the products that are advertised, moreover, purchase shows the level of loyalty to products. Purchase intention can also be defined as the decision to act or physiological action that shows an individual's behavior according to the product (Wang & Yang, 2008). Purchase intention refers to consumers' subjective preference towards a certain product and it is also proved to be an important indicator for predicting consumption behavior (Fishbein & Ajzen, 1975). Purchase intention is the probability of consumers being willing to buy a certain product. The purchase intention is also a certain transaction behavior driven by consumers' assessments on products and is an emotional response which urges consumers to take action on the targets (Hsu Shjun, 1987). The higher the intention, the more likely the purchase is to be made (Schiffman & Leslie, 2000). Purchase intention means that a consumer prefers to buy a product or service because they find that they needs a particular

product or service, or even attitude towards a product and perception of the product. Purchase intention means that consumers will purchase a product after they evaluate a product and find out the product worth buying. Other scholars like Daneshvary and Schower (2000) believe that purchase intention has a relationship with demographic factors like age, gender, profession and education (Lu, 2007). Particular features of products, perception of consumers, country of origin and perception of country of origin, all have an influence on customer purchase intention (Wang et al., 2012). This study has a purpose to examine main factors influencing purchase intention of Vietnamese consumers toward Korean cosmetic product such as country of origin, perceived value, perceived quality and social media influencer.

2.2 Country of origin

The COO concept evolved into a more complex notion as global production operations became increasingly diverse and new market opportunities emerged. Nagashima (1970) defined the image that consumers associate with a given COO as: The picture, the reputation, the stereotype that businessmen and consumer attach to products of a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history and traditions. However, a different definition was provided by Roth and Romeo (1992): “country image is the consumer’s overall perception of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses”. Some other researchers view country image as consumers’ general perceptions about the quality of products made in a particular country (Han and Terstra, 1988; Parameswaran and Yaprak, 1987). Saeed (1994) indicate that COO means the country that a manufacturer’s product or brand is associated with; traditionally this country is called the home country. For some brands, COO belongs to a given and definite country, such as IBM belongs to the USA and SONY is a Japanese brand. COO is one of the most important factors that significantly influence the purchasing decision of consumers. In addition, Roger et al.(1994) report there is no distinct difference between location of manufacture and location of assembly, and this causes no significant difference to customers concerning product appraisal.

2.3 Perceived quality

Perceived quality is a critical element for consumer decision making; consequently, consumers will compare the quality of alternatives with regard to price within a category (Jin and Yong, 2005). Marketing mix components including price, place, and promotion as well as several brand-related variables such as country-of-origin, good warranty, and advertising may provide

signals to consumers for the product quality evaluation (Rao & Ruckert, 1994; Yoo et al., 2000). Consumers may have uncertainty about product quality because sellers may cheat consumers with defect products or deliver products with quality lower than those advertised or specified in a sales contract (Ba & Pavlou, 2002; Pavlou & Fygenon, 2006). Perceived quality is a result of consumers' subjective judgment on a product (Zeithaml, 1988; Dodds et al., 1991). Bhuian (1997) also consider perceived quality a judgment on the consistency of product specification or an evaluation of added value of a product. Garvin (1983) proposes that perceived quality is defined on the basis of users' recognition while objective quality is defined on the basis of product or manufacturing orientation. The differences between objective quality and perceived quality lie in that objective quality has a pre-design standard to a product, and perceived quality is influenced by internal and external product attributes which are evaluation basis for consumers (Zeithaml, 1988). Perceived quality is a consumer judgment on the accumulative product benefits and a subjective feeling on product quality (Zeithaml, 1988; Dodds et al., 1991). Perceived quality will be affected by factors such as previous experience, education level, and perceived risk and situational variables such as purchase purpose, purchase situation, time pressure, and social background from consumers (Holbrook & Corfman, 1985). In sum, perceived quality is a consumer subjective judgment on product quality, and he or she will evaluate product quality from their previous experiences and feelings.

2.4 Brand credibility

Brand credibility is "the believability of the product position information embedded in a brand depending on consumers' perceptions of whether the brand has the ability and willingness to continuously deliver what has been promised" (Erdem and Swait, 2004). Credibility is broadly defined as the believability of an entity's intentions at a particular time and is posited to have two main components: trustworthiness and expertise. Thus, brand credibility is defined as the believability of the product information contained in a brand, which requires that consumers perceive that the brand have the ability (i.e., expertise) and willingness (i.e., trustworthiness) to continuously deliver what has been promised (in fact, brands can function as signals since—if and when they do not deliver what is promised—their brand equity will erode). Both the expertise and trustworthiness of a brand reflect the cumulative impacts of associated past and present marketing strategies and activities. Trustworthiness means that whether a firm is willing to deliver what it has promised and expertise means whether a firm is able to meet what is promised (Baek and King, 2011). According to the signaling theory, brand credibility also can be used as a market signal. For example, higher credibility may result in higher consumer's evaluations of quality (Wernerfelt,

1988). That is, consumers may evaluate credible brands as high quality brands (Baek and King, 2011). The important issue in the context of brand alliance is whether credibility of each constituent brand transfers to the alliance.

2.5 Korean Wave

The term Hallyu – “Korean cultural wave” refers to the spreading of Korean cultural influence in Asia and beyond. Hallyu includes K-pop (pop music), TV dramas, movies (K-dramas, K-movies), and lifestyle with Korea’s high technology and also means the growing aspiration to know more about Korean culture worldwide, being enjoyed around the world. The Korean Wave refers to the cultural phenomenon in which people in the world are willing to adopt and consume Korean popular culture (Jung, 2006). The Korean Wave usually includes Korean music, dramas, films and games and is a hot cultural change and trend especially in Asian nations today. Korean television drama has been the one of the most important initiators for the Korean Wave. As a matter of fact, these media factors are the beginning of an overwhelming so-called Korean Wave and the consequences of these factors have turned out to be superb as people who perceive these media products are also willing to spend their money for buying products that are used in the TV dramas or presented by their favorite actors or singers, for instance, cosmetics, mobile phones, merchandises, etc. in pursuance of getting close or even being able to look like their favorite actors or actresses. Moreover, people are taking further steps by being interested in eating Korean cuisine and traveling to South Korea, especially visiting the places where the famous Korean TV dramas or movies shooting and this later became the norm for a Korean fanatic.

A series of events taken place in Vietnam in recent times are considered the lively evidences of the import and the flourishing of Hallyu in Vietnam. Central and local TV channels continuously broadcast the outstanding words K-movies and K-pop. Most Vietnamese people keep in heart a special feeling to “Dea Jang Gum”, “Winter Sonata”, “Jumong”, etc... or an enthusiastic behavior toward K-pop stars “Bi Rain”, K-pop band “Big Bang”, “Super Junior”, “2NE1”...K-pop, K-drama and K-star are popular in Vietnam because of their fashion, hairstyles and lifestyles of South Korean. Vietnamese audiences are attracted to these modern images and appearances and considered their favorites stars idol. Young people tried to look like their idol by buying clothes, cosmetics, shoes, or even phone or hairstyle. This is also the reason why there are many foreign corporations that intend to build brand in Vietnam in order to take profits from the Korean Wave. The Korean TV dramas became popular in Vietnam especially in young Vietnamese and influenced their ways of living. They tried to imitate Korean style by buying shoes, hats, clothes, hairstyle and cosmetics to look like their favorite stars. Rising of Korean fever makes many girls,

even married women, do plastic surgery to have Korean beauty, according to director of an aesthetic surgery clinic in Ho Chi Minh City. There are many foreign cosmetics companies that built their industries in Vietnam in order to take profits from the Korean Wave. In the streets of Ho Chi Minh City and Hanoi, fashion of young Vietnamese consciously have adopted the darker makeup colors, thinly shaved eyebrows, body-hugging clothes, and square-toed shoes of Seoul fashion.

2.6 Subjective norms

Subjective norms refer to the belief that an important person or group of people will approve and support a particular behavior. Subjective norms are determined by the perceived social pressure from others for an individual to behave in a certain manner and their motivation to comply with those people's views. In other words, subjective norms relate to the individual's perception of social pressure from others who are important to them (e.g. family, friends, colleagues, and others) to behave in a certain manner and their motivation to comply with those people's views (Eckhardt, 2009). According to Ravis and Sheeran (2003), subjective norms are determined by beliefs about the extent to which significant others want them to perform a behavior (again multiplied by one's motivation to comply with those people's views). Subjective norms represents a person's perceived social pressure by means of encouraging a potential perception toward undertaking the particular behavior (Ajzen & Fishbein, 1980). Subjective norms are determined by the perceived social pressure from others for individuals to behave in a certain manner and their motivation to comply with those people's views. It can be interpreted as personal motivation to comply with the expectations of people important to the individual (Taylor & Todd, 1995) such as peers and superiors (Venkatesh, Morris & Ackerman, 2000). More specifically, if the consumer believes that referents consider a particular product as good, the more likely would he/she intend to purchase the product (Kim & Chung, 2011).

CHAPTER 3

HYPOTHESES DEVELOPMENT

3.1 The relationship between Korean wave and country of origin

The spread of Korean pop culture changed foreign consumer's perception about Korea and partly affected their behavior and lives. It is reported that increasing number of foreigners are learning Koreans, travel to Korea, emulate Korean beauty and fashion styles, enjoy Korean food, and purchase products from Korea. The foreign consumers who spend many hours on Korean dramas are likely to form different images about Korea, which may affect their decision making process in purchasing goods associated with Korea. Foreign consumers who frequently watch Korean dramas may develop positive images about Korea, and the country of origin effect can affect their purchasing decision process when it comes across the Korean brand products. Upon the prior studies, the degree of exposure satisfaction of the Korean wave has effected on improving of country image (Han et al., 2011), and the perceived quality and purchase intention of Korean products (Kang and Lee, 2016). Han et al. (2011) found that the preference of Korean TV dramas had significant effects on the Korea's country image. Kang and Lee (2016) argues that the satisfaction of Korean wave has significant effects on the purchase intention of Korean product. According to Mariani (2008), the Korean wave has caused increasing consumption of Korean goods and products and increased travel to South Korea. Some countries, such as China and Vietnam, are importing more South Korean products, such as cosmetics, fashion goods, and electronics. Tadaamnuaychai (2006) found that the fans of Korean drama have impressive perceptions towards Korea and its product, as their products are usually tied-in with the Korean TV Dramas, so generally most of them will consume these products and think that all of the products that made in South Korea are good. In case of Vietnam, Nguyen (2005) stated that the Korean TV dramas became popular in Vietnam especially in young Vietnamese and influenced their ways of living. They tried to imitate Korean style by buying shoes, hats, clothes, hairstyle and cosmetics to look like their favorite stars. Rising in Korean fever makes many girls, even married women, do plastic surgery to have Korean beauty, according to director of an aesthetic surgery clinic in Ho Chi Minh City.

H1: Korean wave has a positive influence on country of origin

3.2 The relationship between country of origin and perceived quality

A country is perceived as having specific attributes or capabilities; the country-of-origin becomes a factor in the quality measurement of specific products (O'Shaughnessy & O'Shaughnessy, 2002). Country of origin is often associated with product quality. Examples are numerous and include French wine, Japanese automobiles, Italian olive oil, etc. Consumers might use country of origin because quality cannot be determined until a product is actually consumed; that is, country of origin is used in place of missing product information. Consumers may use a country's reputation to predict the quality of products. Of course, the quality associated with a particular country may be positive or negative. In an interview survey conducted in South Korea on the apparel and wearable market, Chun (1992) quoted several consumers as saying that the quality of foreign-produced apparel and wearable products are by far superior to similarly locally-produced products. According to the results, many consumers preferred products from developed countries, such as Europe and the United States, because of the belief that these products are of higher quality. The belief that developed countries manufacture better quality products was based on the country's image in the minds of consumers. Products from industrialized nations were favored based on the belief that these countries have a long history in manufacturing and that they have to constantly improve their quality to be competitive (Garma, Polonsky, & Wong, 2008; Hsieh, 2004). Moreover, Hsieh (2004) also stated that country of origin has a greater effect on consumers in developing countries than in developed countries because consumers in developed countries have a higher ethnocentrism. Brown (1995) believes that country-of-origin as a nation's equity, as an indicator of product quality, will continue to increase in importance as the quality differences between brands become narrow and the globalization of markets increases. Although, there are mixed findings regarding customers' opinions on product quality, there is significant empirical evidence supporting the fact that many countries are very skillful in producing certain high quality products (Chao,1993; Darley & Lim, 1994, Hsieh (2004)). Consistent with the preceding discussion, the following hypothesis is offered.

H2: Country of origin has a positive influence on perceived quality

3.3 The relationship between country of origin and purchase intention

Country of origin's (COO) influence on customer purchase intention has been a topic of study for many decades. Different cultures and histories cause dissimilar perceptions among consumers, which may lead to different evaluations about products when they want to choose. Globalization gives the chance to companies to distribute their products all over the world, and presents the

opportunity for people to choose between different types of product; consequently, country of origin is a significant subject when examining consumer purchase behavior according to foreign products. Consumers tend to use country of origin stereotype in the buying decision process. While Rezvani et al. (2013) conclude that country of origin is one of the extrinsic cues; there is no doubt that country of origin has considerable influence on the purchase intention process. Consumers' preferences for products from one country over another are also affected by country of origin effects. Study by Wang 1983 suggests a relationship between country of origin and the level of economic development(Wang & Lamb, 1983), products from developed countries are perceived as more superior than products from underdeveloped or developing countries (Agbonifoh & Elimimian, 1999). Numerous studies have identified that country of origin plays a significant role in consumers' purchasing decision making. Country of origin is referred to as the "made in" concept where a product or goods is originally made. The country of origin effect exists from a combination of consumers' experience, knowledge and emotion regarding a particular country (Hamin & Elliot, 2006). Consumers with high perception of a product's total image indicate whether the products or goods have high utility value. Lin and Chen (2006) found that country of origin; product knowledge and product involvement had a significant positive effect on consumers' purchase decisions under different products. Research focusing on the voluntary acquisition of COO information involved in purchase decisions suggests that COO information does not seem to be one of the critical factors that influence consumers' decisions at the point of purchase. Consistent with the preceding discussion, the following hypothesis is offered.

H3: Country of origin has a positive influence on purchase intention

3.4 The relationship between country of origin and brand credibility

In the global marketplace, country of origin may be more appropriately seen as the country of origin of brand (or culture of brand origin or brand origin). Country of origin is often a cue for evaluating products. Paswan and Sharma (2004) suggested that favorable perceptions about the country lead to favorable perceptions of brands from that country. Products from developed countries are often rated higher than those from less developed countries. Products made in highly industrialized countries are more likely to be purchased by the educated and high-income consumers (Ahmed & D'Astous, 2007). The country of origin denotes the home country for a company or the country that consumers infer from brand name (Han and Terpstra, 1988). The image of a certain country also influences customer's perceptions of products from that country (Bilkey and Nes, 1982). From the above discussion it is clear that consumers' perception of a

specific COO influences their evaluation of products from that country. The country of origin information can be used independently along with other cues for product/brand evaluation (Hong and Wyer, 1989; Li and Monroe, 1994). In fact, consumers use country of origin not only when they are unfamiliar with it (Hong and Wyer, 1989; Li and Wyer, 1994), but also when the consumers would like to simplify the product/brand evaluation process when they have too much information. Many consumers turn to product origin and brand name as a means of simplifying information processing by using them as indicators of quality and acceptability. Consistent with the preceding discussion, the following hypothesis is offered.

H4: Country of origin has a positive influence on brand credibility

3.5 The relationship between brand credibility and perceived quality

A consumer's subjective assessment of the brand is referred to as the perceived quality of the brand (Zeithaml, 1988). Higher quality perceptions related to a product improve the credibility of the brand in the eyes of the customers. On the other hand, brand credibility is expected to impact the perceived quality of the product (Erdem and Swait, 1998). One aspect of the relationship between perceived quality and brand credibility is that a credible brand may not have the best available quality among the accessible brands. Consumers who highly-perceive a brand are generally less receptive to prices as compared to those perceiving brands of lower quality (Krishnamurthi et al., 1992). A credible brand is highly perceived by its customer base, where they look for privileged quality and greater product specifications (including price and positioning) as compared to other competitor brands. For example, higher brand credibility may result in higher consumer's evaluations of quality (Wernerfelt, 1988). That is, consumers may evaluate credible brands as high quality brands (Baek and King, 2011). The important issue in the context of brand alliance is that whether credibility of each constituent brand transfers to the alliance. Consistent with the preceding discussion, the following hypothesis is offered.

H5: Brand credibility has a positive influence on perceived quality

3.6 The relationship between perceived quality and purchase intention

Perceived quality is determined by the evaluation of a given result and the comparison of that result to the consumer's prior expectations; as such, it is essentially a cognitive construct. Garretson and Clow (1999) suggest that perceived quality will influence consumer purchase intention, and Monroe (1990) indicates that perceived quality will positively influence purchase intention through perceived value. In the field of marketing, the construct of perceived quality has

been widely acknowledged as the primary driver of purchase intention (Jacoby and Olson, 1985). Perceived quality also provides value to consumers by providing them with a reason to buy and by differentiating the brand from competing brands. It also means that the perception of quality varies depending on a range of factors such as the moment at which the consumers make the purchase or consume a product, and the place where it is bought or enjoyed. Ho (2007) also asserts that the higher the perceived quality and perceived value of the private brand foods, the higher buying intention to consumers. In addition, Chang (2006) and Wu (2006) conclude that perceived quality and purchase intention are positively related. Previous research points to a positive correlation between perceived product quality and perceived product value. Thus, the product's perceived high quality leads to an increase and enhancement of perceived value and consequently a growth in the customer's intention to make a purchase (Cronin et al., 2000; Snoj, 2004; Beneke, 2013). Perceived quality of a product was found to have a significant positive influence on purchase intention (Saleem, Ibrahim, Yousuf, & Ahmed, 2015). Besides, Asshidin, Abidin, and Borhan (2016) also found that perceived quality significantly affects consumer's purchase intention towards American and local products in a positive direction. Consistent with the preceding discussion, the following hypothesis is offered.

H6: Perceived quality has a positive influence on purchase intention

3.7 The relationship between brand credibility and purchase intention

A handful of studies investigated the effect of brand credibility on purchase intentions. Brand credibility increases consumer utility (Erdem, Swait, & Louviere, 2002), brand credibility is positively associated with emotions and reasons in consumer decision making (Maathuis, Rodenburg, & Sikkel, 2004). Prior research had investigated that source credibility impacts attitude of consumers towards the source (Brinol, Petty, & Z.L., 2004). A recent study by Wang and Yang (2010) has investigated that brand credibility has a positive impact on consumer purchase intentions. Consumers believe a corporate brand's trustworthiness, expertise, and likeableness can be used to evaluate the firm's products and services, thus influencing their purchase intention (e.g., Fombrun, 1996). The credibility of a corporate brand is vital to the success of its branding strategy. Low levels or a complete lack of credibility can make consumers doubt the company's ability to produce quality products and services and thus be less likely to buy them (Goldsmith et al., 2000). In contrast, strong and positive corporate-brand credibility would enhance brand image and thus brand equity, resulting in higher purchase intentions. A few studies have investigated the effect of brand credibility. For example, Erdem, Swait, and Louviere (2002) suggest that brand credibility may act as a moderating variable in the impact of product price on

consumer utility. Maathuis, Rodenburg, and Sikkel (2004) observe that brand credibility is significantly related to emotion and reason in consumers' decision making, although the importance may vary across different brands. Swait and Erdem (2007) examine the effects of brand credibility on consumer choice and choice set formation. Prior source credibility research indicates a positive relationship between source credibility and consumers' attitudes toward the source (Brinol, Petty, & Tormala, 2004). Erdem and Swait (2004) also find that brand credibility can exert a positive influence on consumers' brand consideration and choice. In this study, it is proposed that the more credible a brand is, the higher the consumer's brand purchase intention is likely to be. Consistent with the preceding discussion, the following hypothesis is offered.

H7: Brand credibility has a positive influence on purchase intention

3.8 The relationship between subjective norms and purchase intention

The subjective norms is a principal component of Theory of reasoned action (TRA), and affects behavioral intention (Ajzen & Fishbein, 1980). That is to say, a consumer's personal community (Young & Kent, 1985) will exert social pressure to prompt him/her to buy or not. In most research into cosmetic product it has been claimed that subjective norms seem to be an important factor influencing willingness to buy (Kim and Chung, 2011). Ravis and Sheeran (2003) argue that the confirmed correlation between descriptive norms and intentions implies the possibility of the predictive power of this variable, which gives a strong motivation for further research in this area. Chang (1998) examined the correlation between subjective norms and attitudes towards behavior more thoroughly, and tested the link from norms to attitudes. In Chang's (1998) study the path from subjective norms to attitudes towards behavior was significant. Chang (1998) suggested that the link could be explained with social environment's influence on an individual's attitude formation. In fact, women are more judged and valued according to their aesthetic appearance (Nash et al., 2006), whereas subjective norms is considered powerful forces in women's decision-making process (Venkatesh et al., 2000). It is reasonable to argue that there exists a positive correlation between subjective norms on behavioral intention in the context of cosmetic behavior. Subjective norms have a significant influence on behavioral intention in the context of behavior related to skin management (Hillhouse et al., 2000). With reference to cosmetic products, Souiden and Diagne (2009), Sukato and Elsey (2009) as well as Kim and Chung (2011) support the positive correlation between perceptions of subjective norms and behavioral intentions in the context of purchasing cosmetic product.

H8: Subjective norms has a positive influence on purchase intention

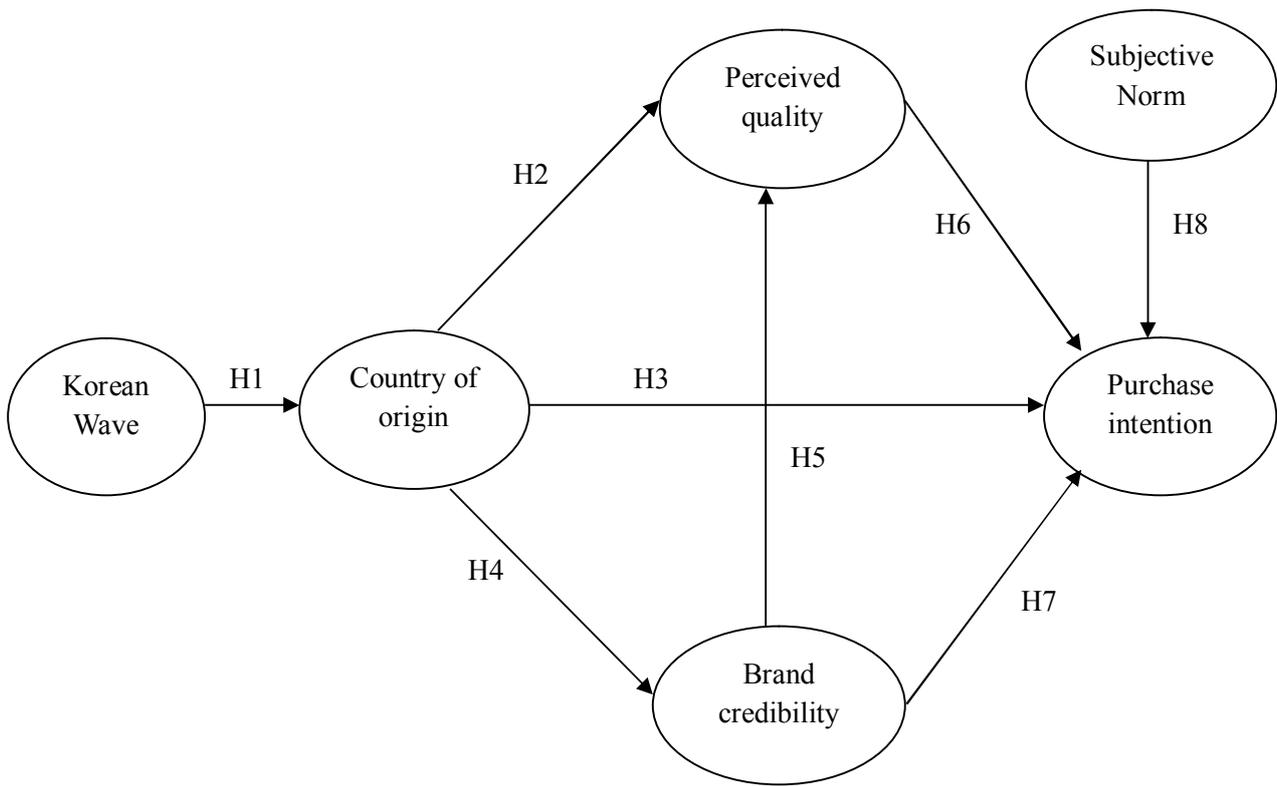


Figure 1: Research model

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 Research method

The computer software program, Statistical Package for the Social Sciences (SPSS 22) and AMOS 22 were used for all statistical data analysis. There are two separated part analysis to analyze the data. In measurement scales test, data were initially evaluated by Cronbach's Alpha and exploratory factor analysis (EFA) prior to accessing saturated model confirmatory factor analysis (CFA). Besides, convergent validity, discriminant validity, construct reliability (CR) and average variance extracted (AVE) were calculated to confirm that measurement scales achieved reliability standard. In research model test, structural equation model (SEM) and Bootstrap estimates were employed to analyze the relationships between predictors and dependent variables. The Structural Equation Modeling (SEM) was employed by AMOS 22 to examine the effect of independence factor on dependence factor. Structural equation modeling (SEM) appears to be the appropriate method for addressing the research question about multiple relationships between the dependent, mediating, and independent variables.

4.2 Research measurement

In this study, a five-point Likert scale was used to measure the components of the research model (5 = strongly agree; 1= strongly disagree). The questionnaire included measurement items of Korean wave, country of origin, brand credibility, perceived quality, subjective norms and purchase intention. Korean wave was evaluated using 3 items, was modified from the studies of Ho & Truong (2012). Country of origin was evaluated using 4 items from the studies of Elif & Handan (2010). Brand credibility was evaluated using 4 items from the studies of Erdem and Swait (1998). Perceived quality was evaluated using 3 items, was modified from the studies of Elif & Handan (2010). Subjective norms was evaluated using 4 items from the studies of Taylor & Todd (1995). Purchase intention was evaluated using 5 items, was modified from the studies of Al-Swidi et al. (2014).

4.3 Data Collection

The main purpose of this study is to investigate five factors such as country of origin, brand credibility, perceived quality, subjective norms, Korean wave that affect consumers purchase intentions. The research model developed on the basis of the hypothesis needs to be validated empirically using a quantitative research method. To do this, a questionnaire was used to collect

data from the Vietnamese respondents who knew about Korean cosmetic products but have not bought it. The participants have to fill out the questionnaires according to their purchase intention toward cosmetic products. Those question items were originally written in English, and they were translated into Vietnamese. A self-administered questionnaire was developed to measure the research variables, as well as to collect demographic information. Questionnaires, which were designed by Google form tool, consist of 31 questions in various types including multiple choice, short answer, checkboxes (Yes/No question), and linear scale. The questionnaire consisted of three sections. Section A contained questions pertaining the information and knowledge of research subjects about cosmetic product. Section B consisted of 5-point Likert scale measurement questions ranging from strongly disagree (1) to strongly agree (5) to measure country of origin, brand credibility, perceived quality, subjective norms, Korean wave and purchase intention. Section C contained questions pertaining to demographic details such as gender and age. The surveys containing 31 questions were distributed via-online through several social media such as Facebook, Zalo, and email. Data were collected from author's acquaintances by the author, and others were distributed and collected by author's acquaintances. A total of 241 questionnaires were collected and valid questionnaires were 200.

CHAPTER 5

DATA ANALYSIS AND RESULTS

After collecting activities, all the available data were entered into software program. Prior to analyzing data, it was sure that there was no mistake occurring in accessing data. Besides, the reliability of data from the sample was also checked to satisfy the requirement of measurement scale. After the scanning step, totally 200 of appropriate questionnaires were used in analyzing process including two separated parts. In measurement scales test, data was initially evaluated by Cronbach's Alpha and EFA prior to accessing saturated model (CFA). In research model test, structural equation model (SEM) and Bootstrap estimates were employed to analyze the relationships between predictors and dependent variables. Besides, convergent validity, discriminant validity, construct reliability (CR) and average variance extracted (AVE) were calculated to confirm that measurement scales achieved reliability standard.

5.1 Description of the sample

The age of the respondents is under 40 years and 70% is from 20 to 30 years old. Almost 73% of respondents were females. And 80.5% of respondents have experience to use cosmetic products and 19.5% of do not have experiences to use cosmetic products. Respondents know about Korean cosmetic product primarily through Internet, social network with 67%, friends and acquaintances 56.5% and advertisement on TV with 23%. The purpose of using cosmetic product of respondents were 65% for skin care, 27.5% for skin care and make-up, and only 7% of respondents use cosmetic product for make-up only. It is shows that almost Vietnamese people use cosmetic product for skin care including facial soaps, and facial moisturizers, masks, facial exfoliators, toners/clarifiers, make-up removals, age specialists, lip products, eye products, acne treatment, oil/shine control. About Korean cosmetic brand Ohui and The face shop were the most famous brand with 64.5% and 59.5 of respondents know about its brand, followed by Innisfree, Laneige, Skinfood, Missha, Etude house and Sulwhasoo. The descriptive statistic of respondents can be seen in Table 1.

Table 1: Descriptive statistic of respondents

	%
<i>Gender</i>	
Male	27.0
Female	73.0
<i>Age</i>	
Less than 20 years old	13.5
21-30 years old	70.0
31-40 years old	16.5
41-50 years old	0
51-60 years old	0
Above 60 years old	0
<i>Used cosmetic product</i>	
Yes	80.5
No	19.5
<i>How do you know about Korean product</i>	
Advertisements on TV	23.0
Friends, Acquaintances	56.5
Internet, Social network	67.0
Other sources	11.5
<i>Purpose of using cosmetic product</i>	
Skin care	65.5
Make-up	7.0
Skin care + Make-up	27.5
<i>Korean cosmetic brand</i>	
The face shop	59.5
Ohui	64.5
Innisfree	41.5
Laneige	31.0
Etude house	16.5
Missha	27.5
Skinfood	30.0
Sulwhasoo	12.0

5.2 Cronbach's Alpha and Exploratory factor analysis results

Factor Cronbach's alpha of each items are presented in Table 2. Generally, if $\alpha > 0.9$, the internal consistency is considered to be excellent, and if $0.7 \leq \alpha < 0.9$, it is considered to be good. All of six variables had the Cronbach's alpha above 0.7, thus they achieved reliability. Thereafter, these items were analyzed by exploratory factor analysis (EFA) with Principal Component Analysis and Varimax method for rotation. The results presented that six factors were extracted from measurement scales with extraction sum of squared loadings being about 70.708% (greater than 50%). The KMO index was significant at 0.861 and the Bartlett's Test of Sphericity had chi-square= 2523.226, df= 253 and sig= .000.

Table 2: The results of exploratory factor analysis

Construct	Factor items	Factor loadings	Eigen value	Cumulative explained variance (%)	Cronbach's alpha
Purchase Intention	PI1	0.809	8.005	16.115	0.899
	PI2	0.811			
	PI3	0.804			
	PI4	0.817			
	PI5	0.647			
Subjective Norm	SN1	0.726	2.447	28.012	0.819
	SN2	0.715			
	SN3	0.804			
	SN4	0.792			
Country of origin	COO1	0.715	1.849	39.569	0.806
	COO2	0.675			
	COO3	0.706			
	COO4	0.726			
Brand Credibility	BC1	0.675	1.559	50.547	0.824
	BC3	0.794			
	BC4	0.549			
	BC5	0.767			
Korean wave	KW1	0.809	1.322	60.784	0.85
	KW2	0.850			
	KW3	0.871			
Perceived quality	PQ1	0.811	1.081	70.708	0.776
	PQ2	0.796			
	PQ3	0.706			

5.3 Confirmatory Factor Analysis results

The CFA was conducted to evaluate the validity of the composition concept verified by EFA. To examine the conformity between composition concept and measurement variables, the convergent validity and the discriminant validity were verified. As the degree of correlations between a single composition concept and two or more measurement tools, the convergent validity was evaluated based on the size of standardization factor loading, construct reliability (CR), and average variance extracted (AVE). As shown in Table 3, the results were all 0.000 when the significance level (p) was lower than the standard as 0.05, so that there were no problems with CR value and significance level (p). As the standardized factor loading was all 0.7 or more, it was statistically significant. Furthermore, construct reliability (CR) and average variance extracted (AVE) were assessed. The findings indicated that six variables had CR values above 0.6 (Bagozzi & Yi, 1988) and AVE more than 0.5 (Fornell and Larcker, 1981). Remarkably, AVE value of Country of origin and Brand credibility were little below the standard of 0.5 at 0.498 and 0.494, but they were acceptable. Generally, these numbers adequately proved the convergent validity requirements.

The model had 253 degrees of freedom with Chi-square = 431.010 at $p = .000$. The Chi-square/df = 2.005 was less than 3 and three indices namely GFI (0.839), TLI (0.893) and CFI (0.909). The GFI value of this sample 0.833, is below 0.9, but the GFI are known to depend on the sample size (Mulaik et al., 1989). The CFI value is exceeded 0.9, which shows a relatively good fit (Bentler, 1990). The other fit indices, TLI should be over 0.9 for a good fit (Bentler, 1990), but in this sample, the TLI=0.889 a little below the criteria. The RMSEA was 0.071 (< 0.08 , Hopper et al., 2008) and RMR was 0.047 (< 0.05 , Anderson & Gerbing, 1984). Generally, the results strongly indicated that research model received acceptable fit to the primary data. Besides, several indices to confirm the reliability and validity of measurement scales were also calculated in this part.

Table 3: The results of confirmatory factor analysis

	Factor Items	Factor Loadings	Standard Error	t value	P value	Construct reliability	Average variance extracted
Korean Wave	KW1	1.000				.881	.712
	KW2	.973	.086	11.269	.000		
	KW3	.948	.084	11.333	.000		
Brand Credibility	BC1	1.000				.793	.494
	BC2	1.110	.097	11.398	.000		
	BC3	1.003	.093	10.764	.000		
	BC4	.702	.091	7.754	.000		
Perceived Quality	PQ1	1.000				.816	.597
	PQ2	1.128	.136	8.273	.000		
	PQ3	.966	.117	8.275	.000		
Subjective Norm	SN1	1.000				.845	.578
	SN2	.888	.132	6.727	.000		
	SN3	1.295	.146	8.843	.000		
	SN4	1.368	.155	8.838	.000		
Country of origin	COO1	1.000				.799	.498
	COO2	1.026	.112	9.179	.000		
	COO3	1.074	.108	9.984	.000		
	COO4	1.073	.124	8.624	.000		
Purchase Intention	PI1	1.000				.886	.609
	PI2	.984	.072	13.635	.000		
	PI3	.978	.070	13.978	.000		
	PI4	.967	.072	13.377	.000		
	PI5	.890	.078	11.489	.000		

5.4 Convergent Validity

The discriminant validity was tested in order to verify whether correlations between measurement values obtained when measuring different concepts to each other, and the fact that the measurement results of different composition concepts should be clearly different. Following the method suggested by Cohen and Cohen (1975), the square of correlation between two factors was compared with each AVE to see if both AVE would be bigger than the square of correlation. If both AVE is bigger than the square of correlation, there is the discriminant validity. As the AVE of each latent variable was bigger than the square of correlation of each latent variable (Table 4), the discriminant validity was secured. The AVE (0.494) of brand credibility was smaller than the square of correlation (0.595), the discriminant validity was partially secured (Chin et al., 2003).

Table 4: AVE and squares of correlations

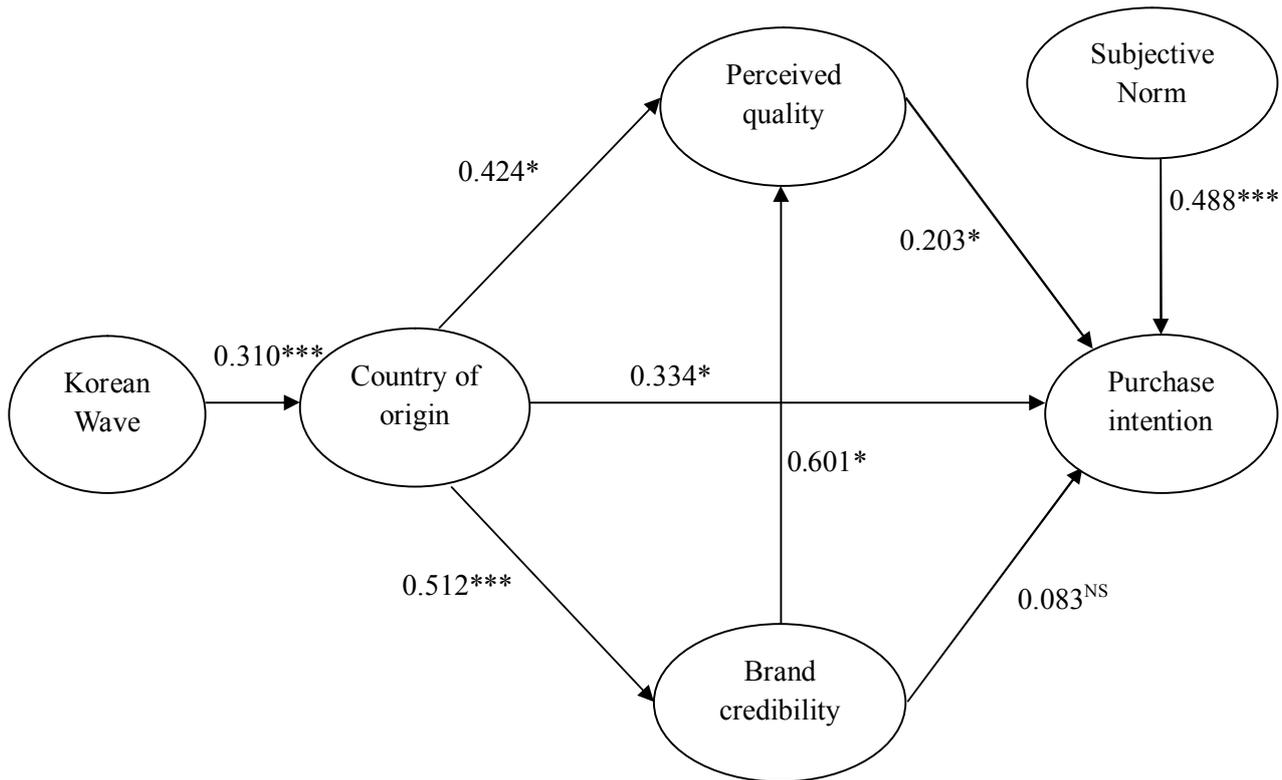
	Perceived Quality	Country of origin	Brand Credibility	Korean Wave	Subjective Norm	Purchase Intention
Perceived Quality	0.597					
Country of origin	.471	0.498				
Brand Credibility	.456	.595	0.494			
Korean Wave	.251	.345	.251	0.712		
Subjective Norm	.243	.365	.267	.321	0.578	
Purchase Intention	.399	.473	.419	.350	.512	0.609

5.5 Research model test by Structural equation model

The finding of SEM indicated that the research model satisfied the requirement of model fit. The results were Chi-square = 452.839 at 253 degree of freedom and Chi-square/df = 2.049, p-value = 0.000, GFI = 0.833, TLI = 0.889, CFI = 0.903, RMSEA = 0.073 and RMR= 0.067. The results of research model were showed at Figure 2 and Table 4 with the path and the estimates of standardized regression weights. From the results all the hypotheses were supported expect the hypothesis H7 was rejected; there are no significant relationship between brand credibility and purchase intention.

Table 5: Path model results

Hypothesis	Path coefficient	Standard error	t value	P value	Result
H1: Korean wave → Country of origin	.310	.061	5.110	.000	Supported
H2: Country of origin → Perceived quality	.424	.164	2.591	.010	Supported
H3: Country of origin → Purchase intention	.334	.152	2.193	.028	Supported
H4: Country of origin → Brand credibility	.512	.081	6.300	.000	Supported
H5: Brand credibility → Perceived quality	.601	.233	2.575	.010	Supported
H6: Perceived quality → Purchase intention	.203	.096	2.121	.034	Supported
H7: Brand credibility → Purchase intention	.083	.206	0.403	.687	Rejected
H8: Subjective norms → Purchase intention	.488	.093	5.236	.000	Supported



$\chi^2=452.839(p=0.000)$ GFI=0.833, TLI=0.889, CFI=0.903, RMSEA=0.073, RMR=0.067
 * $p<0.05$, *** $p<0.001$, NS: non-significant

Figure 2: The SEM results of research model

5.6 The mediating effects

To assess the indirect effects, the Bootstrap ML method with 1000 repeated sample was utilized (Cheung & Lau, 2008; Diallo et al., 2013). The findings presented that Korean wave had significant influences on brand credibility, perceived quality and purchase intention through country of origin at $p < 0.01$. However, country of origin had no effect on purchase intention through perceived quality, country of origin had no effect on perceived quality through brand credibility and brand credibility had no effect on purchase intention through perceived quality at the confidence interval of 95%.

Table 6: The results of indirect effects by Bootstrap estimate (standardized)

Hypothesis	Estimate	P value
Korean wave → Country of origin → Brand credibility	0.451	0.001
Korean wave → Country of origin → Perceived quality	0.433	0.001
Korean wave → Country of origin → Purchase intention	0.328	0.001
Country of origin → Perceived quality → Purchase intention	0.370	0.271
Country of origin → Brand credibility → Perceived quality	0.594	0.057
Brand credibility → Perceived quality → Purchase intention	0.269	0.060

CHAPTER 6

CONCLUSIONS, IMPLICATION, LIMITATIONS

6.1 Discussions and conclusions

Cosmetic buying behavior will remain interesting as long as people wish to beautify themselves. This being the case, it is essential to examine the factors in which influence consumer intention to purchase new cosmetic products. This study examined the potential influences of Korean Wave on country of origin; country of origin on perceived quality and brand credibility; country of origin, perceived quality, brand credibility and subjective norms on the purchase intention of new Korean cosmetic products. Variables in this study are two independent variables which are Korean wave and subjective norm, three mediating variables which are country of origin, perceived quality and brand credibility, and finally, one dependent variable, the purchase intention of Korean cosmetics. The data used in this research are primary data, and gathered through a questionnaire method. The researcher collected data from 241 respondents who are Vietnamese, who knew about Korean cosmetic product but have not bought it. After the scanning step, totally 200 of respondents were used in the analyzing process. The data were analyzed using SPSS 22 and AMOS 22. The hypothesis testing revealed that all of 7 hypotheses had significant relationships between the variables and one hypothesis was rejected. The detailed discussions based on hypotheses and questionnaire are presented as follows.

There was a positive significant relationship between Korean wave and country of origin ($\beta = 0.31$, $p < 0.001$), thus hypothesis H1 was supported. It is consonant to the previous research conducted by Kim et al.(2014) where they found a positive relationship between Korean wave and the country image of Korea. Hypotheses H2, H3, H4 were supported, which showed the positive significant relationship between country of origin and perceived quality ($\beta = 0.424$, $p=0.01 < 0.05$), country of origin and purchase intention ($\beta = 0.334$, $p=0.028 < 0.05$), country of origin and brand credibility ($\beta = 0.512$, $p < 0.001$). It shows that country of origin play an important role in purchase intention of Vietnamese customer toward Korean cosmetic. Vietnamese customers still prefer foreign products compared to local products. Korean is a developed country and famous about cosmetic industry in the world, Korean cosmetic products are perceived as more superior than the products from underdeveloped or developing country like Thailand, China.

There was a positive and strong relationship between brand credibility and positive effect on perceived quality ($\beta = 0.601$, $p=0.01 < 0.05$), thus hypothesis H5 was supported. It shows that for Vietnamese customer brand credibility has an important effect to perceived product quality of cosmetic product. Hypothesis H6 was supported ($\beta = 0.203$, $p=0.034 < 0.05$), there are a significant

relationship between perceived quality and purchase intention. This finding adequately fits with previous studies (Garretson and Clow 1999; Monore, 1990).

By contrast, brand credibility is found to have no influence on purchase intention, hypothesis H7 was rejected ($\beta = 0.083$, $p=0.687$). The result is different from previous finding (Wang and Yang, 2010; Goldsmith et al., 2000). This is because of Korean cosmetic company do not make efforts to improve brand credibility and knowledge in Vietnamese customer mind. In Vietnamese cosmetic market only few Korean cosmetic brand have authentic showroom like Missha, Skinfood, Ohui; almost Vietnamese customer buy Korean cosmetic product through online shops utilizing social media. This channel is considered a very productive and cost effective approach to bring the product to the consumer. Apart from its advantages in cost saving, market coverage, it can reduce the position of the products in the market and also create the unclear competition with the other distribution channel. Most of the products sold in this channel are the low-recognized or hand carried products from different countries.

Hypothesis H8 was supported ($\beta = 0.488$, $p < 0.001$), which showed that subjective norms have a direct effect on purchase intention. The results also confirmed the finding of previous research (Karauskos, 2011; Amoroso 2009). It proves that positive word from the group play an important role for acceptance of those who are closet to customers. Information from people might be biased, thus customers will seek an opinion from their trustworthy referent individual or group such as peers and friends.

6.2 Managerial implications

This research provides valuable insights for Korean cosmetic companies that had joined Vietnam market or have the intent to invest in Vietnam cosmetic market by indicating the attitude is the most important determinant of purchase intention. The findings of this study suggest that Vietnamese customer has positive attitude toward Korean cosmetic product because of the effect of Korean Wave. As the result, this study suggests that Korean wave country of origin, perceived quality and subjective norms have signification effect on purchase intention of Vietnamese customers to buy Korean cosmetic products. In addition, this research show that brand credibility do not have signification effect to purchase intention of Vietnamese customer toward Korean cosmetic product. This research also helps Korean cosmetic retailers and manufacturers understand more about Vietnamese customer purchase intention behavior so they can develop effective marketing strategies to increase customer purchase intentions for the product

Firstly, for Korean cosmetic companies eager to invest in Vietnam, Korean Wave can be very helpful, since Korean cultural wave has become influential trend among the Vietnamese consumers,

especially the younger generation. Therefore, it can create business opportunities for new entrant and additional values to the existing companies. On the other hand, to enhanced favorable Korean product in Vietnamese customer's mind, Korean government needs to maintain and upgrade current Korean culture such as TV-dramas, movies and music.

Secondly, the study strongly demonstrates the important role of Korean wave, country of origin, perceived quality and subjective norms to purchase intention of Vietnamese customers. Through this study, Korean cosmetic company can understand Vietnamese customer behavior. It will help them to build marketing strategy for Vietnamese market such as using Korean celebrity. And Korean cosmetic company needs to maintain and improve the quality of product, the main factor affecting to purchase decision of customer.

Thirdly, cosmetics retail market in Vietnam, Vietnamese cosmetic products have only a 10 percent market share and foreigner brand account for 90 percent market share. By this research Vietnamese cosmetic company can learn more about Vietnamese customer behavior, they can make strategies how to competitive with foreigner cosmetic brand.

6.3 Limitations and future research

As this study was conducted in a quite short period of time with small scale, there are a couple of limitations related to our research to be considered for the generalization of the results. First, although I had 200 respondents in the survey, they were mostly dominated by female respondents and almost of the respondent are from 21-30 years old. Because I conducted survey mostly via-online such as Facebook, Zalo and email, it was quite difficult to reach respondents, who are over 40s, as they were not really familiar with those internet applications. The people in their 40s and 50s have high income and skin aging, they willing to spend money to buy cosmetic product to anti aging. The study could be further carried out in more geographical areas and use a method to collect the data as hard-copied questionnaires.

Second, this study examines the impact of Korean wave on the purchase intention of Korean cosmetics. However, popular culture might promote the consumption of much more products or even services related to it. So, future research can explore other products related to Korean wave besides cosmetics, such as, studying Korean, Korean food, Korean fashion items etc.

Thirdly, there are number of factors affecting purchase intention of customer that I did not research in this paper such as customer's ethnocentrism, word-of-mouth, price, brand image, perceived value, promotion and advertisement. For future research, researchers can include additional variables to test the effects of those factors on purchase intention. Further research

should be undertaken to study the difference between actual buying behavior and preference of products.

Lastly, the Vietnamese market share for cosmetics products by foreign countries is as follows: Korea - 30%, EU - 23%, Japan 17%, Thailand - 13%, US - 10%, and others - 7%. But in this research just focus on Korean cosmetic product, in the further researches may study about Japanese, United State, EU and Thailand cosmetic product. And behavior of Vietnamese customer can be explored more than just on cosmetics, to clothes, food or mobile phone and so on.

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QUESTIONNAIRE



Questionnaire (English)

Dear Sir/Madam,

I'm a MBA student of Ulsan of University. My major is in Marketing. The MBA program requires me to do business research, and the topic for my research is about Korean cosmetic product. Your answer to this questionnaire will provide the required information for my research. Please answer this questionnaire that reflects your true feeling. This will help me achieve good data for analysis and attain good findings. Your answer will be used only for this research and will be kept confidential.

Thank you very much for your time and effort spent for answering this questionnaire. You have really helped me to succeed. I greatly appreciate your contribution to my work.

Please answer the following questions

Do you know Korean cosmetic products? And did you buy Korean cosmetic products?

- No, I don't know. (End of question. Thank you)
- Yes, I know and I bought it.(End of question. Thank you)
- Yes, I know but I haven't bought it. (Go to the next question. Thank you)

Do you use cosmetic products? How much do you spend cosmetic each month?

- Yes. AndVND
- No

How did you know about Korean cosmetic products?

- Advertisements on TV
- Friends, Acquaintances
- Internet, Social network
- Other sources

What is the purpose of using cosmetic products if you buy them?

- Skin care
- Make up

Do you know any Korean brand?

- The face shop
- Ohui
- Innisfree
- Laneige
- Etude house
- Missha
- Skinfood
- Sulwhasoo
- Other

Please rate from 1 to 5.

(1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree)

	Strongly Disagree \longleftrightarrow Strongly Agree				
Perceived Quality					
1. The quality of the product is important for me.	1	2	3	4	5
2. I believe that Korean brands have higher quality than national /local brands.	1	2	3	4	5
3. Korean cosmetic products have high quality	1	2	3	4	5
Country of origin					
4. South Korea is more reliable than other countries in terms of exported products.	1	2	3	4	5
5. South Korea has a good reputation in cosmetic manufacturing.	1	2	3	4	5
6. South Korea is more reliable than other competitive countries in cosmetic industry.	1	2	3	4	5
7. South Korea is a pioneer of the beauty industry in Asia.	1	2	3	4	5
Brand credibility					
8. Korea brand has the ability to deliver what it promises	1	2	3	4	5
9. Korea brand delivers what it promises	1	2	3	4	5
10. Koreas brand's product claims are believable	1	2	3	4	5
11. Korea brand does not pretend to be something it isn't	1	2	3	4	5
Korean wave					
12. I enjoy Korean music, dramas, food, fashion and culture.	1	2	3	4	5
13. Korean lifestyles are attractive to me	1	2	3	4	5
14. I have a positive attitude toward Korean music, dramas, food, fashion and culture.	1	2	3	4	5

Subjective Norm					
15. If my close friends and family use and buy Korean cosmetic products, I will comply with them.	1	2	3	4	5
16. The suggestion of my close friends and family can influence my intention of purchasing Korean products	1	2	3	4	5
17. Most people who are important to me think that I should buy Korean cosmetic products	1	2	3	4	5
18. Close friends and family members think it is good for me to buy Korean cosmetic products	1	2	3	4	5
Purchase Intention					
19. I prefer to buy Korean cosmetic products rather than any other brands available.	1	2	3	4	5
20. I want to purchase Korean cosmetic products	1	2	3	4	5
21. I would buy Korean cosmetic products rather than any other brands available	1	2	3	4	5
22. I intend to purchase Korean cosmetic products in the future.	1	2	3	4	5
23. I am willing to recommend others to buy Korean cosmetic products	1	2	3	4	5

What is your gender?

- Male
- Female

What is your age?

- Less than 20 years old
- 21-30 years old
- 31-40 years old
- 41-50 years old
- 51-60 years old
- Above 60 years old



Bảng câu hỏi khảo sát (Tiếng Việt)

Kính chào Anh/Chị.

Tôi tên là Vũ Thị Phượng, hiện là học viên cao học khoa Quản trị kinh doanh tại Đại học Ulsan, Hàn Quốc. Chương trình thạc sỹ quản trị kinh doanh yêu cầu tôi phải làm nghiên cứu kinh doanh và đề tài nghiên cứu của tôi là về sản phẩm mỹ phẩm Hàn Quốc. Những câu trả lời của Anh/Chị cho phiếu khảo sát dưới đây là thông tin yêu cầu cho bài nghiên cứu của tôi. Câu trả lời không mang tính đúng hay sai nên Anh/Chị hãy thoải mái trình bày ý kiến của mình. Nó sẽ giúp tôi đạt được dữ liệu tốt cho phân tích. Tôi cam đoan rằng mọi thông tin của Anh/Chị đều được bảo mật và chỉ dùng với mục đích phục vụ bài nghiên cứu này.

Cảm ơn Anh/Chị đã dành thời gian để trả lời bảng câu hỏi của tôi.

Anh/ Chị vui lòng trả lời những câu hỏi dưới đây

Anh/Chị có biết sản phẩm mỹ phẩm Hàn Quốc không? Và Anh/Chị đã mua mỹ phẩm Hàn Quốc chưa?

- Tôi không biết. (Kết thúc bảng hỏi. Cảm ơn Anh/Chị)
- Tôi biết và đã mua mỹ phẩm Hàn Quốc (Kết thúc bảng hỏi. Cảm ơn Anh/Chị)
- Tôi biết nhưng chưa từng mua mỹ phẩm Hàn Quốc. (Vui lòng trả lời câu hỏi tiếp theo. Cảm ơn Anh/Chị)

Anh/Chị có sử dụng sản phẩm mỹ phẩm không? Anh/Chị dùng bao nhiêu tiền để mua mỹ phẩm mỗi tháng?

- Tôi có sử dụng. VàVND
- Tôi không sử dụng

Anh/Chị biết về sản phẩm mỹ phẩm Hàn Quốc qua kênh nào?

- Quảng cáo trên tivi
- Trên internet và mạng xã hội
- Bạn bè và người thân
- Nguồn khác

Mục đích sử dụng mỹ phẩm của Anh/Chị nếu Anh/Chị mua nó?

- Chăm sóc da
- Trang điểm Make up

Anh/Chị đã từng biết bất kỳ thương hiệu mỹ phẩm Hàn Quốc nào không?

- The face shop
- Laneige
- Skinfood
- Ohui
- Etude house
- Sulwhasoo
- Innisfree
- Missha
- Khác

Vui lòng chọn từ 1 đến 5.

(1=Hoàn toàn không đồng ý, 2= Không đồng ý, 3= Không ý kiến, 4= Đồng ý, 5= Hoàn toàn đồng ý)

	Hoàn toàn không đồng ý		↔	Hoàn toàn đồng ý	
Nhận thức về chất lượng					
1. Đối với tôi chất lượng của sản phẩm là quan trọng.	1	2	3	4	5
2. Tôi tin tưởng rằng sản phẩm thương hiệu Hàn Quốc có chất lượng cao hơn thương hiệu quốc gia hay địa phương.	1	2	3	4	5
3. Mỹ phẩm Hàn Quốc có chất lượng cao.	1	2	3	4	5
Nguồn gốc xuất xứ					
4. Mặt hàng xuất khẩu của Hàn Quốc đáng tin cậy hơn các nước khác.	1	2	3	4	5
5. Hàn Quốc có danh tiếng tốt trong sản xuất mỹ phẩm.	1	2	3	4	5
6. Hàn Quốc là đáng tin cậy hơn các nước khác trong ngành công nghiệp mỹ phẩm.	1	2	3	4	5
7. Hàn Quốc là người tiên phong trong ngành công nghiệp làm đẹp ở Châu Á.	1	2	3	4	5
Uy tín thương hiệu					
8. Thương hiệu mỹ phẩm Hàn Quốc có năng lực đảm bảo những gì họ cam kết.	1	2	3	4	5
9. Thương hiệu mỹ phẩm Hàn Quốc đảm bảo được những gì họ cam kết.	1	2	3	4	5
10. Thương hiệu mỹ phẩm Hàn Quốc là đáng tin cậy.	1	2	3	4	5

11. Thương hiệu mỹ phẩm Hàn Quốc luôn thể hiện đúng sự thật.	1	2	3	4	5
Làn sóng Hàn Quốc					
12. Tôi thích âm nhạc, phim truyền hình, thời trang và văn hóa Hàn Quốc.	1	2	3	4	5
13. Phong cách sống của Hàn Quốc hấp dẫn tôi.	1	2	3	4	5
14. Tôi có thái độ tích cực đối với âm nhạc, phim truyền hình, thời trang và văn hóa Hàn Quốc	1	2	3	4	5
Chuẩn chủ quan					
15. Nếu bạn thân và gia đình của tôi sử dụng và mua mỹ phẩm Hàn Quốc, tôi cũng sẽ mua theo họ.	1	2	3	4	5
16. Gợi ý của bạn thân và gia đình của tôi có thể ảnh hưởng tới dự định mua mỹ phẩm Hàn Quốc.	1	2	3	4	5
17. Bạn thân và gia đình của tôi nghĩ rằng tôi nên mua sản phẩm mỹ phẩm của Hàn Quốc.	1	2	3	4	5
18. Bạn thân và gia đình của tôi nghĩ rằng mua mỹ phẩm Hàn Quốc là tốt cho tôi.	1	2	3	4	5
Purchase Intention					
19. Tôi thích mua mỹ phẩm Hàn Quốc hơn các thương hiệu khác.	1	2	3	4	5
20. Tôi muốn mua mỹ phẩm Hàn Quốc	1	2	3	4	5
21. Tôi sẽ mua mỹ phẩm Hàn Quốc hơn các thương hiệu khác.	1	2	3	4	5
22. Tôi dự định mua mỹ phẩm Hàn Quốc trong tương lai.	1	2	3	4	5
23. Tôi sẽ giới thiệu người khác mua mỹ phẩm Hàn Quốc.	1	2	3	4	5

Giới tính của Anh/ Chị

- Nam
- Nữ

Độ tuổi của Anh/ Chị

- Nhỏ hơn 21 tuổi
- Từ 21 đến dưới 30 tuổi
- Từ 31 đến dưới 40 tuổi
- Từ 41 đến dưới 50 tuổi
- Từ 51 đến dưới 60 tuổi
- Từ 60 tuổi trở lên

MEASUREMENT SCALE AND SOURCES

Concept	Measurements	Sources
Perceived Quality	The quality of the product is important for me. I believe that Korean brands have higher quality than national /local brands. Korean cosmetic products have high quality	Elif & Handan (2010)
Country of origin	South Korea is more reliable than other countries in terms of exported products. South Korea has a good reputation in cosmetic manufacturing. South Korea is more reliable than other competitive countries in cosmetic industry. South Korea is a pioneer of the beauty industry in Asia.	Elif & Handan (2010)
Brand credibility	Korea brand has the ability to deliver what it promises Korea brand delivers what it promises Koreas brand's product claims are believable Korea brand does not pretend to be something it isn't	Erdem and Swait (1998)
Korean wave	I enjoy Korean music, dramas, food, fashion and culture. Korean lifestyles are attractive to me I have a positive attitude toward Korean music, dramas, food, fashion and culture.	Ho & Truong (2012)
Subjective Norm	If my close friends and family use and buy Korean cosmetic products, I will comply with them. The suggestion of my close friends and family can influence my intention of purchasing Korean products Most people who are important to me think that I should buy Korean cosmetic products Close friends and family members think it is good for me to buy Korean cosmetic products	Taylor & Todd (1995)
Purchase Intention	I prefer to buy Korean cosmetic products rather than any other brands available. I want to purchase Korean cosmetic products I would buy Korean cosmetic products rather than any other brands available I intend to purchase Korean cosmetic products in the future. I am willing to recommend others to buy Korean cosmetic products	Al-Swidi et al. (2014)

RELIABILITY STATISTICS

Korean Wave

Reliability Statistics

Cronbach's Alpha	N of Items
0.850	3

Item Statistics

	Mean	Std. Deviation	N
KW1- I enjoy Korean music, dramas, food, fashion and culture.	3.56	1.073	200
KW2 - Korean lifestyles are attractive to me	3.33	.978	200
KW3 - I have a positive attitude toward Korean music, dramas, food, fashion and culture.	3.59	.941	200

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
KW1	6.92	3.129	.693	.823
KW2	7.15	3.344	.731	.781
KW3	6.89	3.435	.743	.773

Country of origin**Reliability Statistics**

Cronbach's Alpha	N of Items
0.806	4

Item Statistics

	Mean	Std. Deviation	N
COO1- South Korea is more reliable than other countries in terms of exported products.	3.38	.766	200
COO2- South Korea has a good reputation in cosmetic manufacturing.	3.97	.820	200
COO3- South Korea is more reliable than other competitive countries in cosmetic industry.	3.51	.783	200
COO4- South Korea is a pioneer of the beauty industry in Asia.	3.74	.915	200

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
COO1	11.22	4.250	.639	.751
COO2	10.62	4.176	.599	.768
COO3	11.09	4.108	.673	.735
COO4	10.85	3.887	.591	.777

Perceived quality

Reliability Statistics

Cronbach's Alpha	N of Items
0.776	3

Item Statistics

	Mean	Std. Deviation	N
PQ1- The quality of the product is important for me.	4.27	1.124	200
PQ2- I believe that Korean brands have higher quality than national /local brands.	3.58	.974	200
PQ3- Korean cosmetic products have high quality	3.72	.834	200

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PQ1	7.30	2.701	.558	.783
PQ2	7.99	2.844	.679	.623
PQ3	7.84	3.388	.633	.694

Brand credibility

Reliability Statistics

Cronbach's Alpha	N of Items
0.824	4

Item Statistics

	Mean	Std. Deviation	N
BC1- Korea brand has the ability to deliver what it promises	3.45	.728	200
BC2- Korea brand delivers what it promises	3.41	.751	200
BC3- Koreas brand's product claims are believable	3.53	.722	200
BC4- Korea brand does not pretend to be something it isn't	3.41	.689	200

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BC1	10.34	3.172	.684	.762
BC2	10.39	2.982	.743	.733
BC3	10.26	3.259	.649	.778
BC4	10.38	3.624	.525	.831

Subjective Norm

Reliability Statistics

Cronbach's Alpha	N of Items
.819	4

Item Statistics

	Mean	Std. Deviation	N
SN1- If my close friends and family use and buy Korean cosmetic products, I will comply with them.	3.16	.990	200
SN2- The suggestion of my close friends and family can influence my intention of purchasing Korean products	3.41	.914	200
SN3 - Most people who are important to me think that I should buy Korean cosmetic products	3.09	.878	200
SN4- Close friends and family members think it is good for me to buy Korean cosmetic products	3.08	.929	200

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SN1	9.57	5.312	.583	.802
SN2	9.32	5.646	.568	.805
SN3	9.65	5.275	.720	.738
SN4	9.66	5.122	.705	.742

Purchase intention

Reliability Statistics

Cronbach's Alpha	N of Items
.899	5

Item Statistics

	Mean	Std. Deviation	N
PI1- I prefer to buy Korean cosmetic products rather than any other brands available.	3.27	.859	200
PI2- I want to purchase Korean cosmetic products	3.49	.880	200
PI3- I would buy Korean cosmetic products rather than any other brands available	3.29	.860	200
PI4- I intend to purchase Korean cosmetic products in the future.	3.64	.875	200
PI5- I am willing to recommend others to buy Korean cosmetic products	3.47	.896	200

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PI1	13.88	8.900	.775	.872
PI2	13.66	8.800	.774	.872
PI3	13.86	8.949	.763	.874
PI4	13.51	8.864	.764	.874
PI5	13.68	9.143	.677	.893

EXPLORATORY FACTOR ANALYSIS (EFA)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
Bartlett's Test of Sphericity	Approx. Chi-Square	2523.226
	df	253
	Sig.	.000

Rotated Component Matrix^a

	Component					
	1	2	3	4	5	6
PI4	.817					
PI2	.811					
PI1	.810					
PI3	.804					
PI5	.647					
SN3		.804				
SN4		.792				
SN1		.726				
SN2		.715				
COO4			.726			
COO1			.715			
COO3			.706			
COO2			.675			
BC2				.794		
BC4				.767		
BC1				.675		
BC3				.549		
KW3					.871	
KW2					.850	
KW1					.809	
PQ1						.811
PQ2						.796
PQ3						.706

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.005	34.803	34.803	8.005	34.803	34.803	3.706	16.115	16.115
2	2.447	10.638	45.441	2.447	10.638	45.441	2.736	11.897	28.012
3	1.849	8.040	53.481	1.849	8.040	53.481	2.658	11.556	39.569
4	1.559	6.779	60.260	1.559	6.779	60.260	2.525	10.978	50.547
5	1.322	5.748	66.008	1.322	5.748	66.008	2.354	10.237	60.784
6	1.081	4.699	70.708	1.081	4.699	70.708	2.283	9.924	70.708
7	.812	3.530	74.238						
8	.784	3.410	77.647						
9	.581	2.526	80.174						
10	.544	2.366	82.540						
11	.473	2.055	84.595						
12	.469	2.039	86.634						
13	.407	1.770	88.404						
14	.383	1.665	90.069						
15	.365	1.588	91.657						
16	.332	1.444	93.101						
17	.306	1.331	94.431						
18	.262	1.137	95.569						
19	.255	1.107	96.676						
20	.232	1.007	97.683						
21	.202	.879	98.562						
22	.177	.771	99.333						
23	.153	.667	100.000						

Extraction Method: Principal Component Analysis.

APPENDIX 5

Confirmatory Factor Analysis (CFA)

MODEL FIT

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	61	431.010	215	.000	2.005
Saturated model	276	.000	0		
Independence model	23	2635.811	253	.000	10.418

RMR, GFI

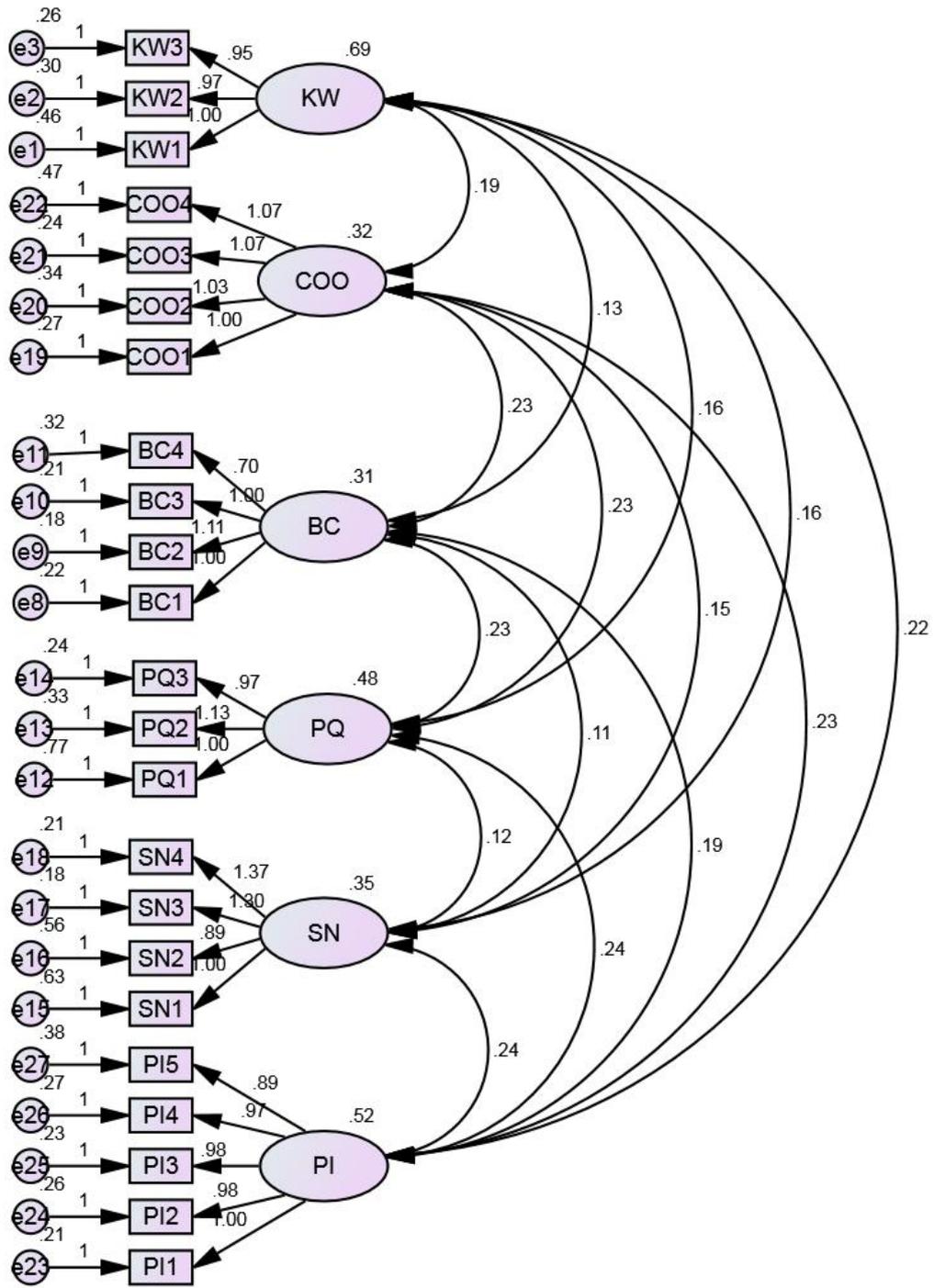
Model	RMR	GFI	AGFI	PGFI
Default model	.047	.839	.793	.654
Saturated model	.000	1.000		
Independence model	.248	.280	.215	.257

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.836	.808	.911	.893	.909
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.071	.061	.081	.000
Independence model	.218	.210	.225	.000



STRUCTURAL EQUATION MODELING (SEM)

MODEL FIT

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	55	452.839	221	.000	2.049
Saturated model	276	.000	0		
Independence model	23	2635.811	253	.000	10.418

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.067	.833	.791	.667
Saturated model	.000	1.000		
Independence model	.248	.280	.215	.257

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.828	.803	.904	.889	.903
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.073	.063	.082	.000
Independence model	.218	.210	.225	.000

