



The Influence of the Republic of Korea's National Image on Consumers' Purchase Intention: Focusing on Perceptions of Youth in Malaysia

Kim, Yoomi

Department of India-ASEAN Studies, Graduate School of International Area Studies, Hankuk University of Foreign Studies

Malaysia is an emerging consumer market. It is a high-income country compared to neighboring Southeast Asian countries, and is geographically close to Korea. This study aimed to determine whether Korea's national image affects the purchase of Korean products in Malaysia. To verify the research hypothesis, a survey was conducted with 100 university students in Kuala Lumpur, Malaysia's capital. The subjects were university students with a relatively high education level, sensitivity to trends, and high purchasing power. Factor and correlation analyses were conducted based on the survey. As a result of the analysis, the factors were classified into three categories: political, economic, and socio-cultural. The results of the correlation analysis between the three factors and the intention to purchase Korean products were all significant; in particular, the economic and socio-cultural factors showed a high correlation. The study results indicated that promoting Korea's positive economic and sociocultural image will be effective when entering the Malaysian consumer market.

Keywords: National image, Purchase intention, Malaysia, Perception, Korea

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Corresponding Author

Kim, Yoomi

Department of India-ASEAN Studies,
Graduate School of International Area
Studies, Hankuk University of Foreign
Studies, 107, Imun-ro, Dongdaemun-gu,
Seoul, 130-791, Korea

E-mail: Kimyum25@hufs.ac.kr

INTRODUCTION

Malaysia is a high-income country compared to neighboring ASEAN countries, such as Indonesia, Thailand, the Philippines, and Vietnam. As of 2021, the GDP per capita was US\$ 4,356 in Indonesia, US\$ 7,336 in Thailand, US\$ 3,571 in the Philippines, and US\$ 3,724 in Vietnam, while Malaysia's was high at US\$ 11,399 (IMF, 2022). GDP growth averaged around 5 percent in 2015–2019, boosting per capita income, while inflation stayed low (IMF, 2022). Malaysia is pursuing industrial advancement by emphasizing the development of high-value-added industries to become a global high-income country by 2030. For this reason, at the 2019 bilateral summit between Korea and Malaysia, the countries decided to actively seek practical cooperation projects in high-tech industries, such as future automobiles, information and communications technology, smart manufacturing, and medical care. The two leaders agreed to promote a bilateral free trade agreement between Korea and Malaysia to prepare an institutional framework to further expand mutually beneficial trade and investment. In this way, the economic relationship between Korea and Malaysia is becoming closer. From Korea's perspective, as the need for trade diversification grows owing to rapid changes in the global economy, it is necessary to enter the Southeast

Asian market, including Malaysia. Therefore, it is important to analyze the consumption market before entering the Malaysian market.

To analyze the consumer market, an analysis of consumer purchasing factors is required. In addition to personal aspects such as attitude, service quality, and satisfaction (Zeithaml et al., 1996) as factors that affect consumers' purchase intention, there exists literature showing that country image also affects purchase intention toward foreign products (Zarantonello et al., 2020; Ha, 2016). Existing studies have shown that national image and brand image affect consumers' cognitive risk, product evaluation, and purchase intention and are important factors in consumers' quality perception and purchase intention. Zarantonello et al. (2020) compared developed and emerging countries with respect to the relationship between various brand factors (brand awareness, quality perception, brand relationship, brand value, and brand loyalty) and market share. They found that global brands in emerging countries were more related to market share than local brands.

Han (2020) explained that consumers in emerging markets such as China perceive foreign brands as well-known global brands and specific national products. In other words, Asian-based companies such as Toyota, Sony, and Samsung have been promoted in emerging markets as global brands rather than Japanese or Korean ones; however, emerging market consumers still have their own brands from their respective countries. As a result, even in emerging markets such as China, national image and brand image are recognized together; this affects product quality evaluation, which ultimately affects purchase intention.

However, few studies have analyzed Malaysia's consumer market in relation to national brands in emerging countries. Yu and Suh (2005) examined the relationship between brand attitudes and the country of origin of products manufactured in Korea and Malaysia. They analyzed brand attitude toward uni-national and bi-national products, particularly in Malaysia. They found that Korean consumers tend to buy domestic branded products that are manufactured in their own country rather than the same branded product manufactured elsewhere. Yu and Suh (2005) conducted a significant comparative study of Korean and Malaysian products; however, it focused not on emerging markets but rather Korean customers.

In terms of research on emerging markets and their economic aspects, although Malaysia is recording rapid growth and attracting attention as a global trading hub, it has received little attention from researchers in Korea compared to other emerging countries. Therefore, this study aimed to empirically analyze Malaysian consumers' perceptions of Korea's national image, the quality of Korean products, and purchase intention, targeting only the Malaysian market. The following research hypothesis was established to verify the correlation between national image and purchase intention:

H1. The more positive Malaysian university students' image of Korea, the more they tend to purchase Korean products.

In the next section, this article explains the theory of related concepts (national image, brand image, and purchase intention), according to the research background, purpose, and hypothesis in this chapter. A sample questionnaire survey was conducted and the data were analyzed using a statistical program. The methodology is described in Section 3. Section 4 analyzes the results of the factor and regression analyses on the correlation between national image and purchase intention in Malaysia. Finally, the paper provides a comprehensive description of the limitations of this research and some suggestions for future directions.

THEORETICAL BACKGROUND

National image

Generally, consumers are exposed to external information when they purchase some products. Product evaluation and purchase decisions are made based on extrinsic cues, such as color; shape; size; and information related to warranty, price, brand, and country of manufacture (An & Park, 2020). Among them, manufacturing is a very important factor in purchasing decisions because of the country's image. Bilkey and Nes's (1982) study showed that evaluations differ according to national image.

Schooler (1965), who was the first to study the concept of country image, argued that even if a product is the same, consumers' evaluations differ depending on the country of origin, and the perception of quality also changes. In this way, national image affects the purchasing behavior of consumers, and this is defined as a bias toward foreign products. Since the publication of this research, national image has been defined in various ways. According to Nagashima (1970), the images, evaluations, and stereotypes that come to the consumer based on the "made in" text, which is the mark of origin on a product, is defined as the national image, which is formed by national characteristics, the political and economic environments, history, and traditions that consumers individually experience or perceive. Similarly, Roth and Romeo (1992) defined country image from a marketing-oriented point of view. They defined it as a concept formed by reflecting the evaluations of both locals and foreigners of the complex action of elements in each field, such as history, culture, diplomacy, economy, art, and sports. Lantz and Loeb (1996) defined country image as the image of a country already recognized by the consumer that affects product evaluation, without the consumer objectively evaluating the product when purchasing it. Han and Terpstra (1988) also found that when it is difficult for consumers to find an intrinsic information signal about a product itself, the country image is used as a major clue in making a purchase decision.

As mentioned above, many scholars have defined country image in various ways, and the components fall within two categories: the national image, which means a general perception of the quality of goods produced by a specific country, or the more general and overall image of the country itself. The concept presents subdivided elements, and generally includes political, economic, and cultural elements.

Intention to purchase

In general, when a consumer has a liking for a specific product, the intention to purchase that product arises. In other words, one's attitude toward the product encompasses feelings, evaluations, and positive and negative psychological aspects (Miller, 1956). Therefore, purchase intention is a concept that synthesizes the evaluation of the consumer's interest in a product or the possibility of purchase and is the product of a statistical process that uncovers genuine intention that does not appear concretely during a survey. As such, it is a decisive factor that directly affects the consumer's purchasing behavior and intent to purchase, and refers to the sum of expectations that an individual will engage in purchase behavior (Lee & Rhee, 1998; Morrison, 1979). Combining what has been discussed in previous studies, this study defined purchase intention as consumers' will or expected or planned future behavior—that is, the possibility of putting their beliefs and attitudes into action.

Since purchase intention is affected by each consumer's temperamental and situational factors, if the various factors affecting intention and behavior are controlled, purchasing behavior can be predicted through purchase intention (Lim et al., 2000). Product quality, consumer preferences, and consumer income level were excluded as individual variables because this study focused on the correlation between purchase intention and national image.

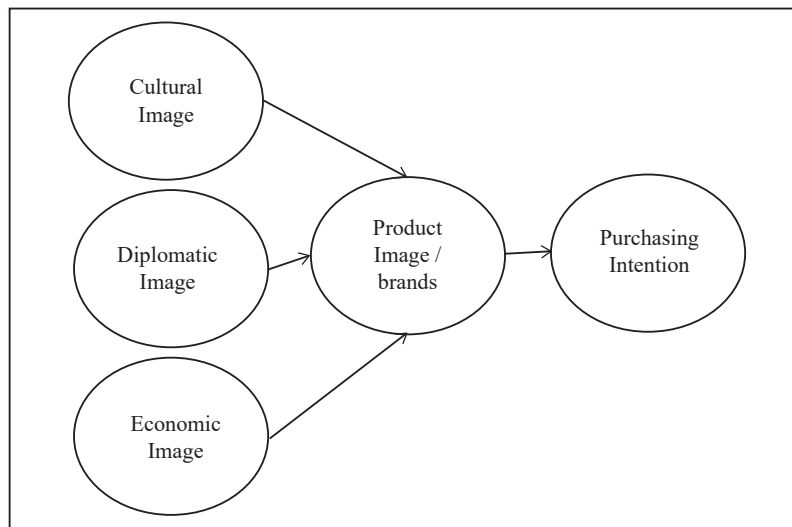


Fig. 1. Research model: National image and intention to purchase
Source: Diagram by the authors.

Research model

Based on the above theoretical background, a research model was constructed to investigate how Korea's national image in the Malaysian consumer market affects Malaysian consumers' quality perception, and how this affects purchase intention. As research on Korea's national image in the Malaysian market is limited, it was necessary to first confirm the national image from a macroscopic perspective. Therefore, the national image used in this study was a concept formed by consumers' perceptions of the quality of Korean products based on the social/cultural, political/relational, and economic/technical factors that came to mind when Korea was mentioned.

RESEARCH METHODS

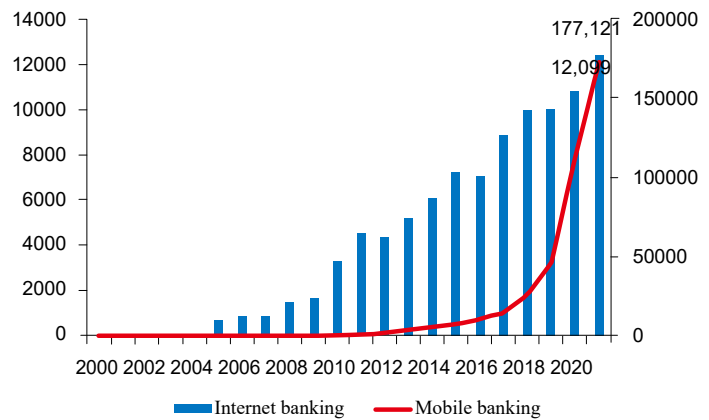
According to the research model, it was necessary to define an appropriate sample group to understand the purchase intentions of Malaysian consumers. Since Malaysia is geographically very wide and each region has different languages, races, religions, and cultures, university students living in the capital were selected as survey subjects. This was because young people lead the consumption trend in Malaysia, are exposed to Korean culture, and are influenced by media seeking to secure a consumer base that will make purchases. With the recent surge in online sales, young people proficient in social media and Internet use are leading the digital consumption trend (Figure 2).

A survey was conducted in Malaysia and the results were subjected to statistical analysis. The survey was conducted with a focus on how Malaysian college students perceive the Korea. The survey was conducted using a questionnaire in the capital city of Kuala Lumpur. Data collection for this study was conducted by distributing questionnaires offline from January to February 2022. Convenience sampling, a non-probability sampling method, was used. To select an appropriate survey target, prior to the survey, questions were asked about race, region of residence, and English literacy. In January 2022, 100 copies of the questionnaire were distributed to Malaysian university students on a university campus in Kuala Lumpur.

In Kim's (1999) research, the composition of the survey was organized according to factors that comprise the national image: political, social, cultural, economic, human, product, and natural factors. The measurement variables were constructed as shown in Table 2, with reference to prior studies.

Table 1. Credit distribution by source

Method	Questionnaire
Period	One month
Location	Kuala Lumpur
Target	100 students

**Fig. 2.** Change in the volume of online (digital) banking transactions in Malaysia
Source: Bank Negara Malaysia (2022).**Table 2.** Composition factors of questionnaire

Factors	Question	Measurement
Political	Political stability	1: Strongly disagree–5: Strongly agree
	Political freedom	
	Diplomatic relations	
Cultural	Cultural exchange	
	Tourist spots	
	International students	
Economic	Level of developed economies	
	Business environment	
	Trade between Malaysia	
	Brands (goods/companies)	

The statistical analysis was performed using the SPSS 25.0 program to verify and analyze the hypothesis and model of the study. To analyze the correlation between Malaysian university students' purchase intentions and Korea's national image, variables were first grouped through a factor analysis. A correlation analysis was then performed using the factors calculated through the factor analysis.

ANALYSIS RESULTS

To analyze the results of the survey on Malaysian university students' perceptions of Korea, a factor analysis was first performed using the SPSS statistics program. Exploratory factor analysis simplifies the content of the variables by removing questions with weak explanations and tying several variables together. This simplification facilitates the analysis and increases the explanatory power. The factor analysis results are shown in Table 3.

In this study, reliability was verified by obtaining Cronbach's alpha coefficient to check the internal consistency of each measurement configuration. When Cronbach's alpha coefficient is higher than 0.6, reliability is regarded as high (Hair et al., 1998). As shown in Table 3, all of the Cronbach's alpha coefficients of the measurement items were 0.6 or higher, indicating good reliability. As a much better value was obtained than the reference value, the internal consistency between the items for measuring the variables was very high. In the factor analysis, items

Table 3. Factor analysis results

Item	Factors		
	1	2	3
Development	.756	-.019	.033
Internationalization	.747	-.142	-.214
Investment volume	.709	.265	.178
Frequency of trade	.667	.019	.372
Political stability	.135	.827	-.217
Political freedom	-.153	.811	.197
Judicial independence	.058	.703	.252
Exchange of international students	-.083	-.057	.773
Cultural exchange	.157	.081	.770
Diplomatic relationship	.122	.252	.643
Eigenvalue	2.167966		1.969648
Covariant (%)	21.67966		19.69648
Cumulative (%)	21.67966		61.38386
KMO* = .644, Bartlett's $\chi^2 = 186.182$ ($p < .000$)			

*KMO = Kaiser–Meyer–Olkin test

with low explanatory power were removed. The Kaiser–Meyer–Olkin measure represents the degree to which the correlations between variables are explained by other variables, and is generally judged to be significant if it is above 0.7. Accordingly, variables with explanatory power below 0.7 were removed. Bartlett's sphericity test determines whether a factor analysis is suitable, and it seemed to be appropriate because the p-value was smaller than the reference value of 0.05.

According to the factor analysis, Factor 1 consisted of questions about how advanced the Korean economy is, how internationalized it is, and how deep the levels of investment movement and trade volume are between Korea and Malaysia. Factor 2 consisted of political perceptions about Korea regarding how stable its society is, how politically free it is, and the perception of whether it has judicial independence. Factor 3 was the perceptions of Malaysian students on the socio-cultural dimension in Korea, because it concerned the degree of international student exchange and culture and the close diplomatic ties between the two countries.

The summary is as follows:

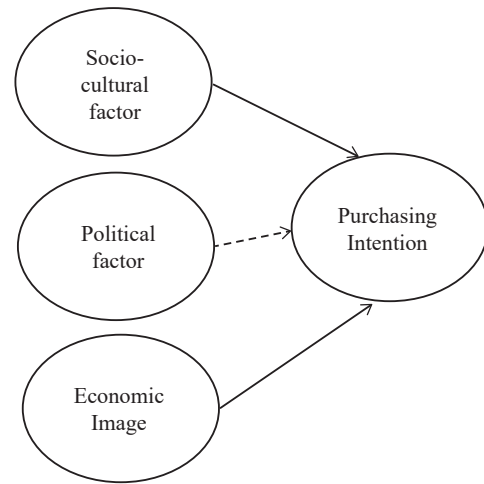
Factor	Economic	Political	Sociocultural
1	.779	.496	.384
2	-.204	.779	-.593
3	-.593	.383	.708

Pearson's correlation analysis was performed to confirm the correlation between the variables. When both variables have a high value, it is considered a positive (+) correlation. Since the coefficient is a numerical expression of the correlation, the closer the correlation coefficient is to 1, the stronger the positive (+) correlation is. In addition, if the significance is less than 0.05, the correlation is considered statistically significant.

According to the results of the correlation analysis as shown in Table 4, purchase intention was related to social/cultural factors of national image ($r=.619$, $p<.001$), political/relational factors ($r=.401$, $p<.001$), and economic/technological factors ($r=.666$, $p<.001$), showing statistically significant positive (+) correlations. A research diagram

Table 4. Correlation analysis results

	Sociocultural	Political	Economic	Purchasing intention
Sociocultural	1			
Political	0.654***	1		
Economic	0.652***	0.5***	1	
Purchasing intention	0.619***	0.401***	0.666***	1

*** $p < .001$ **Fig. 3.** Correlation results

of the results of the correlation analysis is shown in Figure 3.

The correlation between political factors and purchase intention was weaker than the other two factors. However, it was found that research subjects who were exposed to a lot of Korean culture or had the perception that Korea's economy was advanced had purchase intentions toward Korean products.

CONCLUSION

Owing to the natural disaster and geopolitical conflicts, global companies, including Korean companies, need a new target market. For Korean companies, the Southeast Asian market, including Malaysia, has the advantages of a large population and geographical proximity. Malaysia is a high-income country compared to neighboring Southeast Asian countries and is a region where the Korean Wave has spread. Therefore, Malaysia is a good case study to confirm the hypothesis that Korea's national image is correlated with purchase intentions toward Korean products.

To verify the research hypothesis, this study conducted a survey on the national image of Korea and intention to purchase Korean products among university students living in Kuala Lumpur, Malaysia. Based on the survey data, the results of the factor analysis showed three factors: political, sociocultural, and economic. Some survey questions were automatically removed owing to their low significance. To determine the correlations between the three factors and purchase intention toward Korean products, a correlation analysis was conducted after the factor analysis.

The results of the correlation analysis showed that all three factors had a significant correlation with national image and purchase intention. In particular, sociocultural and economic factors showed a higher correlation with purchase intention than political factors. This shows that soft power, such as the economy and social culture, acts as a determinant for Malaysian consumers rather than political factors. According to the findings, the Korean government and companies should strengthen economic cooperation and spread a positive image of Korea rather than relying on official treaties. In other words, improving the economic and sociocultural image will be more effective for trading Korean goods. Although variables such as product quality or service were not included in this study, it was confirmed that national image affects product purchases.

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Appendix. SaMple of questionnaire

A Study on Relationship between Malaysia and ROK (Republic of Korea; South Korea)

This survey aims to know your opinion on the perception of youth in Malaysia on ROK.

All answers will remain confidential and will only be used for statistical analysis.

Please thoroughly complete this survey form. If you have any question, please call 82-10-2696-1159.

or you can reach us by E-MAIL at kimyum2@hotmail.com.

Thank you for taking time to complete this questionnaire.

Age:

Have you ever been to ROK? Yes / No

Please rate what best describes yourself from 1 to 5.

		Disagree			Agree	
		①	②	③	④	⑤
1	How deep Malaysia and ROK have diplomatic relationship?	①	②	③	④	⑤
2	How good is social security in ROK?	①	②	③	④	⑤
3	How big problem Migrant labor from ROK to Malaysia?	①	②	③	④	⑤
4	How much global in ROK?	①	②	③	④	⑤
5	How frequent carried out cultural exchange between Malaysia and ROK?	①	②	③	④	⑤
6	How famous is tourist spot in ROK to Malaysia tourist?	①	②	③	④	⑤
7	Do Many Malaysia students study in ROK?	①	②	③	④	⑤
8	How much is economy in ROK developed?	①	②	③	④	⑤
9	How well-established investment environment in ROK?	①	②	③	④	⑤
10	How frequent exchanged trade/capital in between Malaysia and ROK?	①	②	③	④	⑤
11	Is ROK has a famous brand/company that impact to national image?	①	②	③	④	⑤
12	I have the intention to buy South Korean Brand products.	①	②	③	④	⑤

Thank you very much for your precious time.



한국의 국가 이미지가 소비자의 구매 의도에 미치는 영향: 말레이시아 청소년의 인식을 중심으로

Kim, Yoomi

Department of India-ASEAN Studies, Graduate School of International Area Studies, Hankuk University of Foreign Studies

말레이시아는 주변 동남아 국가에 비해 고소득 국가이며, 지리적으로도 한국과 가까운 신흥 시장으로 한국 상품의 시장 진출 가능성이 높은 국가이다. 이에 본 연구는 한국의 국가 브랜드가 말레이시아에서 한국상품 구매에 영향을 미치는지 알아보고자 하였다. 연구 가설을 검증하기 위해 말레이시아 수도 쿠알라룸푸르의 대학생 100명을 대상으로 설문조사를 실시했다. 대상자는 상대적으로 교육수준이 높고, 트렌드에 대한 민감도가 높으며, 구매력이 높은 대학생이었다. 설문조사를 바탕으로 요인분석과 상관분석을 실시하였다. 분석 결과, 요인은 정치, 경제, 사회문화의 세 가지 범주로 분류되었다. 세 가지 요인과 한국제품 구매의도 간의 상관관계 분석 결과 모두 유의미한 것으로 나타났다. 특히 경제적, 사회문화적 요인은 높은 상관관계를 보였다. 연구 결과는 말레이시아 소비자 시장 진출 시 한국의 긍정적인 경제, 사회문화적 이미지를 홍보하는 것이 효과적일 것으로 나타났다.

주제어: 국가이미지, 구매의도, 말레이시아, 인식, 한국

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Corresponding Author

Kim, Yoomi

Department of India-ASEAN Studies,
Graduate School of International Area
Studies, Hankuk University of Foreign
Studies, 107, Imun-ro, Dongdaemun-gu,
Seoul, 130-791, Korea

E-mail: Kimyum25@hufs.ac.kr

저자

김유미(Kim, Yoomi)

대외경제정책연구원에서 동남아지역경제를 연구하였다. 국립말라야대학교 동아시아학과에서 박사를 취득한 후, 현재는 한국의 국어대학교 국제지역대학원 강사로 제직하고 있으며 주요 연구분야는 아세안정치경제이다. (02ymkim@gmail.com)