Xenocentric Consumer Analysis in Indonesia: A Case Study of Foreign Cultural Products from South Korea

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Abstract
This research aims to explore the consumption orientation and the causes of Indonesian citizens consuming foreign cultural products from South Korea. This research applies qualitative research method to comprehensively describe the occurring phenomenon related to the causes of Indonesian citizens consuming foreign cultural products, in this case BTS, such as digital songs, physical albums, and concerts organized by South Korean entertainment company Big Hit Entertainment. This qualitative method takes a case study approach to explore the objects of research, which were the causes of xenocentric behaviors in Indonesia for the case of cultural products consumption. Consumption orientation factors that encouraged consumers to prefer South Korean cultural products are internal factors that include the psychographics of self-esteem and self-satisfaction, the demographics of educational background, as well as external factors that involved quality, price, benefit, environment (peer pressure, culture, reference group, and circumstance). Moreover, South Korean cultural products possess commensurable qualities, aesthetics, benefits, and prices for consumers that attract the attention of foreign consumers (Indonesian citizens) and amplify the interest of local consumers, dominating foreign markets outside of the producing country. This research will provide a valuable and unique contribution for the development of marketing management literatures as its focus is attempting to explore the causes of xenocentric consumer behaviors in consuming foreign cultural products, in which this case is yet to be widely discussed in marketing studies.

Keywords: Transnational cultural products, International marketing, K-Pop, Hallyu Korean Wave, Globalization

1. Introduction
Globalizations has caused the rise of a new phenomenon by driving the rapid flux of products across national boundaries. This phenomenon provides new opportunities as well as new challenges for marketing management studies since the openness on foreign markets in the globalization era has introduced consumers to availability of products and services produced by foreign manufacturers (Karoui&Khemakhem, 2019: 63). K-Pop cultural products produced by South Korean entertainment companies have become a noticeable example of cultural products
that are currently in an immense development and highly demanded by young consumers. The initial key market of South Korean cultural products focused on East Asian cultural markets, which targeted only Japan and China. However, with current developments and advancements in technology, the demand and the sales growth for South Korean cultural products have become significantly higher in other regions such as North America with 94% increase in imports, which doubled the sales growth of South Korean cultural products throughout the years (Korean Foundation for International Cultural Exchange, 2018). Furthermore, Europe has also participated in the distribution of South Korean cultural products with 25.5% sales growth and East Asian countries with 37.8% products, Indonesia being one of them (Korean Foundation for International Cultural Exchange, 2018).

Statistics from music service Spotify (2020) on Figure 1.1 shows that Indonesia placed second worldwide and placed first in East Asia as the highest consumers of South Korean cultural products. According to Korean Foundation for International Cultural Exchange (2018), the export growth for non-East Asian countries was accelerated by the existence of BTS cultural products that have been massively developed since Big Hit Entertainment introduced the group publicly in 2013. It is notable that BTS is a group of seven singers that produces cultural products such as music, albums, concerts, and such for music lovers all around the world (ibighit.com, n.d.).
Source: Big Hit Entertainment

Picture 1.2

Big Hit Entertainment Global Sales from 2018 to 2019

Picture 1.2 discloses that Big Hit Entertainment earned KRW 301 billion sales in 2018 (Big Hit Entertainment, n.d.). According to data provided by chartmasters.org (2018), East Asian countries dominated their 2018 sales, where Indonesia placed fourth. The sales in this case included their digital music revenues. As shown on Spotify, BTS was the only South Korean artist that topped three most streamed categories in Indonesia. BTS topped the category of Most Streamed Artist 2018 against Sheila On 7, Ed Sheeran, Maroon 5, and Dua Lipa (Kumparan.com, 2018). BTS also topped the categories of Most Streamed Group 2018 and Most Streamed Album 2018 (Kumparan.com, 2018). Later in 2019, Big Hit Entertainment generated KRW 587 billion in sales, which almost doubled their revenues from the previous year. Bang Si-hyuk (2020), as the Chairman and the CEO in Big Hit Corporate Briefing with the Community (1H 2020), stated that Big Hit Entertainment revenues came from various sales that were not only limited to music and albums but also including concerts, contents, and platform businesses (Si-Hyuk, 2020).

Source: Statista (2020)

Figure 1.3 Country-based Views of BTS Music Videos on Platform Business YouTube from January to March 2020 (in million)

Big Hit Entertainment produced BTS music videos as cultural products in digital streaming media YouTube and from Figure 1.3, there are 10 countries known as the highest consumers of
BTS music videos. This data shows that USA topped the graph with highest number of consumers, derived from 59.2 million views per January-March 2020. Indonesia placed second globally with 54.4 views per January-March 2020. Therefore, this show that Indonesia placed first amongst developing countries with the tendencies to consume foreign cultural products, in this case from South Korea.

The global increase of Big Hit Entertainment cultural products consumption on Figure 1.2, Indonesia as the second highest consumers of Big Hit Entertainment cultural products on Figure 1.1 and 1.2, as well as the existence of device apps and digital platforms to access Big Hit Entertainment products indicated that globalization has basically made the world into a market easily accessible for consumers to consume foreign products (Sousa et al., 2018: 176). This phenomenon is interesting for marketing management studies as it raises various questions about how foreign cultural products attract the interests of international consumers, which will later be related to xenocentric consumer behaviors.

The concept of xenocentrism in marketing management was first applied by Mueller and Broderick (n.d. in Haqq, 2010). According to research by Mueller (2016: 81-81), products from developed countries such as USA, Western Europe countries, and Japan were perceived to have higher qualities by Chinese consumers. However, also mentioned in research by Mueller, the undeniable development of South Korean products had also made them become highly preferred by young costumers (Mueller, 2016: 81-81). Cultural products of K-Pop music have been a noticeable example. In South Korean cultural industries, specifically the music industry, idol groups are the main products of South Korean entertainment companies that rake in billions of sales revenues from physical albums, merchandises, and digital songs (Pratamasari, 2017: 224). This will later note the importance of in-depth investigation to focus on the consumers of South Korean cultural products in Indonesia, considering that Indonesian is one of the highest consumers of K-Pop.

2. Literature Review
2.1 Consumer Xenocentrism
According to Kent &Burnright (1951: 256), xenocentrism is understood as the view of a group in perceiving other groups that are different from their own. Second, according to Merriam-Webster Online Dictionary (2020), xenocentrism is defined as the orientation of an individual to prefer cultures other than their own. Furthermore, consumer xenocentrism also has several definitions. First, according to Mueller et al. (2016: 74), consumer xenocentrism is understood as a consumer behavior that prefers or favors products from countries other than their own. In addition, Mueller et al. (2016: 74) also explained that consumer xenocentrism applies a standard view in assessing products from foreign countries that are not their countries of origin or residence.

The second definition of consumer xenocentrism, according to Balabanis and Diamantopoulos (2016, 61), is understood as one's belief about the inferiority of their own domestic products. In this case, consumer xenocentrism has the tendencies to prefer foreign products for the sake of social aggrandizement or to be considered superior than the rest of the society. According to J. Wallach (2018 in Muljosumarto, 2018: 61), xenocentrism is the common belief of societies in
post-colonial countries like Indonesia. This belief refers to how a society believes that foreign cultures are superior or of higher values than their own. This opinion aligns with how research by Touzani (2015) denoted the belief that everything from foreign countries will be systematically superior to anything from their own, especially for formerly colonized countries (such as North African and Middle East countries in research by Touzani) (Touzani, 2015: 54). Research by Mueller et al. (2016, 81) showed that not all foreign products were valued higher than domestic ones. Mueller et al. (2015) described that favored products of higher values were only those from developed countries like USA, Western Europe countries, Japan as well as South Korea and so on. In this case, products made in South Korean has gained quite a popularity and been in high demand for being preferred by young consumers in the last few years (Mueller et al, 2016: 81-82).

2.2. Cultural Products
According to the definition and the classification of cultural heritage adopted by UNESCO, culture has a broad definition and is understood as a common good, the key element of a community or a civilization in which each individual has the responsibility to preserve, maintain, and develop it (Cacia & Aiello, 2014: 6). One example of cultural development is apparent in the cultural industries that have significantly become the new trend for countries to drive their economic development (Cacia & Aiello, 2014: 6, Scott, 2004: 463). Furthermore, the classification of products categorized as cultural products includes the following (Scott, 2004: 462): (1) Service products that focus on entertainment, education, and information which include movies, music records, print media, and museums; (2) Manufactured products such as clothes, jewelry, and the likes.
This classification is in line with Le Blanc (2010: 906 in Chen, 2019: 5) that defined cultural products as material or non-material objects produced individually or collectively as cultural representations. According to Voon (2007, in Cacia & Aiello: 2014: 7), culture is said to be a product because culture also has considerable commercial values, leading to an industry worth billions of dollars. Therefore, cultural products are also said to be an opportunity for people in other countries to enjoy the internationalization of cultures through a different lens (Chen, 2019: 5).
According to Chen (2019: 5), cultural products can be in varying forms such as music, art, movies, and pop culture artifacts. According to Morris (2020: 2), cultural products (music) have undergone numerous significant changes due to digitalization. This is evident in how music records have changed in shapes and forms, which were initially only in physical forms like CDs but are now available via digital platforms. In this case, digital platforms are means of production, promotion, and consumption integrated as one in the form of device apps that makes cultural commodities easy to distribute through platforms like Spotify, YouTube, and so on (Morris, 2020: 2).

3. Method
This research applies qualitative research method as means to comprehensively describe the occurring phenomenon related to the causes of Indonesian citizens consuming BTS products as foreign cultural products such as digital music, physical albums, and concerts by South Korean entertainment company Big Hit Entertainment. Qualitative method is the type of research that is
descriptive in nature with the aims of exploring and understanding the meaning that individuals ascribe to a problem (Creswell & Creswell, 2018: 259). The data expected from this research will later be obtained from the experiences of individuals who have consumed said cultural products through online streaming media as well as digital music, physical albums, and also offline and online concerts.

From analyzing the characteristics of the problem, this research is trying to uncover the relations to why a high number of Indonesian netizens consume South Korean cultural products, specifically BTS. Based on that problem, this research needs to apply qualitative method that takes a study case approach to explore the objects of research, which are the causes of xenocentric behavior in Indonesia regarding the case of cultural products. This is supported by a statement by Yin (2014) that a case study approach is used to consider the focus of research in answering the question "why" in order to gain explorative knowledge data. The information that this research has obtained will be the basis of exploring xenocentrism behaviors, which will later be elaborated in the form of statements and proceeded into a conclusion. The unit of analysis in this research is individuals with a focus on xenocentric consumer behavior in Indonesia. This research will obtain such data by conducting in-depth interviews with relevant cultural products consumers as respondents.

4. Results and Discussion
4.1 Internal Factors

Internal factors are understood as the factors originating from within respondents which can affect their purchasing decisions. In this research, internal factors include the demographics and the psychographics of respondents.

Demographic factors are the factors from within individuals that can affect the behavior of an individual to consume a certain product. During the interview, the respondents did not mention demographic factors influencing their individual interests in consuming foreign products or South Korean products. However, considering their backgrounds, the respondents are both from the same age group. The two are fellow Indonesian citizens who pursue a career and a higher education abroad. These circumstances influenced their mindsets, as also explained by Mueller et al. (2016: 74) that consumer xenocentrism applies a standard view when referring to products from foreign countries that are not from their own countries.

Psychographic factors are the factors related to the psychological conditions of the respondents which affect their purchasing decisions. The first respondent named Maydi revealed a psychographic-related factor by stating, "The factor that influenced me in consuming South Korean cultural products was peer pressure. I felt the need to own those products since my friends bought them too.” This shows that an individual experienced pressure from their peers, which later led this respondent to purchase South Korean products. This is also related to individual self-esteem that also resulted to a personal satisfaction when purchasing said products. The second respondent named Btari explained, “I really want to collect their (BTS) albums as a proof that such legend has lived in this era. Just like from back then, people might have bought The Beatles vinyls as a proof to inform current generations that a legend called The Beatles existed in the music industry. I'm doing the same thing right now.” This statement shows that the main factors in purchasing albums by BTS were more of psychographic factors like nostalgia and personal satisfaction to collect South Korean physical albums.
4.2 External Factors

External factors are understood as the factors originating from outside of the respondents or the environments surrounding said individuals which can influence them to consume or to purchase music-related products or physical albums from South Korea. In this research, external factors include product-related factors and environmental factors.

Product-related external factors consisted of quality, price, and benefit. The first factor is the product quality. According to Kotler and Keller (2009: 143), product quality is the features and the characteristics of a product that are able to satisfy the expected needs of its consumers. Related to product quality, the respondent named Maydi disclosed, "I purchased this album for around IDR 600.000-700.000, including tax and shipping costs to Indonesia. In my opinion, it's worth to buy because it's more interesting with many merchandises in the package. In comparison, domestic products (albums) only contain CDs and lyric books, and the album case was made of mere plastics. As for foreign products, the (South Korean album) packaging is much more attractive with many merchandises inside like photo books, photocards, stickers, postcards, including their (K-Pop groups) signatures. To me, this looks like they put a lot more effort in selling their products." Based on this opinion, foreign cultural products were sold for much more expensive prices, but consumers deemed them worth buying because the higher price was comparable to the higher qualities of the products purchased.

This aligns with the notion proposed by Kotler and Armstrong (2004: 354) that a product of qualities has the ability to perform its functions to satisfy what the consumers want and need from it. Tjiptono et al. (2008) stated that an indicator of a product of qualities is the aesthetics related to the appearance of said product, which are observable by five human senses. The explanation by the respondent named Maydi shows that South Korean products were perceived to be more capable of producing products of higher qualities and to be more aesthetically pleasing. South Korean cultural products attract the attention of foreign consumers (Indonesian citizens) and amplifying the interest of local consumers, thus ultimately dominating foreign markets outside of South Korea where the products were originally produced.

The second factor is product price. According to Kotler (in Swastha, 2003: 190), price is understood as the amount of money exchanged by consumers to obtain the benefits of using and owning products or services. Regarding the price factor, respondent named Maydi explained, “I bought the physical album ‘BE’ (by BTS) that I wanted via Weverse app for around IDR 700.000. The shipping costed IDR 300.000 and the custom tax was IDR 140.000.” Maybe later added, “I bought this album for around IDR 600.000-700.000, tax and shipping costs to Indonesia already included. I personally think that it’s worth the price because it's much more interesting with lots of items in it.”

Likewise, the second respondent named Btari expressed her similar opinion, “K-Pop products, as in albums, are more equipped. I once bought a Harry Styles album for quite an expensive price, around IDR 200.000, but it only has a CD and a few photos inside. Compared to that, K-Pop albums are more ‘complete’. Other than CDs, they (K-Pop albums) contained photobooks, sticker sets, and other merchandises in the package. Albeit more expensive, I think they're worth to buy. For more comparison, local (Indonesian) music albums have even less to offer, with only CDs and lyric sheets and an album case.” This explanation shows how South Korean cultural products were more of worth purchasing since for the estimated price of IDR 600.000-700.000,
consumers obtained more products in each album package. Therefore, the consumers felt satisfied for the offered pricing was comparable to the products they received.

The third factor is product benefit. According to Kotler and Keller (2008: 136), benefit is understood as offers that affect the value of a product, where the comparability of offers and expectations will affect the satisfaction of consumers and most likely affect consumers to purchase that product. Regarding the benefit factor, the respondent named Maydi explained, “To me, their (BTS) music is music for healing, where their lyrics or the meanings behind their music are deep and encouraging. I'll take 2016-2017 as an example, the hardest years of college when dealing with so many assignments and organizational responsibilities put me under so much stress. I later realized that I shouldn't have let myself be stressed over college papers and works. I should've been more onto loving myself and at that time, BTS was at the era of presenting their music to teach their audience to ‘love yourself’. It was quite different from Indonesian music that was rather predictable and mostly either about being in love or being heartbroken.” Maydi elaborated, “They (BTS) were able to inspire me. They came from a small music agency in South Korea, but they made a big name for themselves to the point that they were appointed to speak at the United Nations. Ultimately, they've become such an inspiration from being nobody to somebody hugely successful worldwide.”

As this research takes BTS as a particular example of South Korean music, this statement implies that the respondent perceived South Korean music to be more likely useful to calm the mind and to teach self-love to audience. This aligns with a notion by Achmad (2009: 95) that consumers purchase products due to psychological factors that influenced them which are motivation, perception, and certainty. In this case, consumers perceived that South Korean music, particularly BTS, was able to provide them perceptions and beliefs. This later motivated them to purchase BTS products.

The next factor is the environment surrounding the respondents. Environmental factors, according to Schiffman and Kanuk (2008: 71) are understood as the driving force that comes from the environment of an individual or a consumer. Schiffman and Kanuk (2008) also categorized environmental factors into culture, reference group, circumstance, and distribution. Regarding environmental factors, the respondent named Maydi explained, “I've always liked learning cultures of other countries since high school and it has become my main goal. I enjoy learning Korean as well. So, consuming their cultural products can support my efforts in learning the language.” This indicates that as a consumer of South Korean music, the behavior of this respondent was influenced by the culture she was inclined to learn. The concept of culture explained by this respondent in this case is understood as basic values, perceptions, inclinations, and learned behaviors where music was music as a medium to learn the culture of other countries.

In addition, Maydi explained, “As for another factor like peer pressure, there is this urge to own K-Pop products since my other friends bought them already. On the other hand, I see them as cute items.” Peer pressure, according to Brown et al. (1986), is understood as a subjective experience upon feeling pressured, forced, or cornered in a group setting. The respondent shows how peer pressure is an environmental factor that affect individuals in purchasing certain products, in order to conform to their friend groups or communities.
In this study, the respondent named Maydi joined virtual communities on platforms Twitter and Instagram to get the products she wanted. This is apparent from how the respondent stated, “Usually, the first thing I do is search for the products I want on e-commerce, Twitter, and Instagram. Instagram will be my very last resort because items are typically sold for higher prices there. As on Twitter, it's possible to directly purchase products from foreign sellers. Twitter sellers mostly buy albums in bulks for the sake of getting rare items like photocards as bonus. After that, except the rare photocards, they resell their albums and other items for much cheaper prices.” Furthermore, Btari recounted a similar experience, “I have this group chat with a Korean admin who sells photocards they get from buying physical albums. It's because photocards are generally packed randomly in K-Pop albums. So, when this Korean admin doesn't get the specific photocards they want, they will sell the ones they have to Indonesian members of that group chat.”

According to Iriantara (2004: 2), community is understood as a group of individuals with common interests. To explain further about community, Sherif & Simmel (2009: 37) explained that when individuals have common drive or motive, social interactions occur amongst them for the sake of achieving the same objective. In this modern era, the idea of community has undergone remarkable developments. Groups of individuals are no longer limited to direct interactions, as they are able to interact via digital platforms or social media to achieve their goals. The interactions that both respondents were parts of in their communities implied that in this case, communities acted as reference groups. These references functioned to give individuals a sense of certainty and a sense of security in purchasing or consuming certain cultural products.

Aside of participating in virtual communities that consisted of local and international members, the respondents were not only consumers of local music but international music as well in their daily lives. Maydi admitted, “I listen to music from many countries like Indonesia, Thailand, Brunei, South Korea, UK, Latin America countries, Canada, and US.” Btari admitted likewise, “…Yes, like music from Taiwan, Australia, Philippines.” She continued, “…I felt touched, and happy, because my albums came from abroad and it took quite an effort to get them, not to mention the long wait.”

The statements by both respondents indicate that consumers viewed or assessed cultural products with certain standards that came from their experiences in listening to music of various countries. This aligns with the notion by Mueller et al. (2016: 74) that consumer xenocentrism applied a standard view in assessing products from foreign countries that are not their countries of origin or residence.

5. Conclusion and Recommendation
Consumption orientation factors that encourage consumers to prefer South Korean cultural products are internal factors and external factors. Psychographic internal factors that affect consumer orientation include self-esteem and self-satisfaction, in which consumers are inclined to prove to others that they are able to purchase South Korean cultural products. Demographic internal factors affect consumer xenocentrism because Indonesian citizens who are studying and working abroad tend to have this mindset where their standards in perceiving products refer to foreign products, not products from the countries of their origin or residence.
External factors that affect consumption orientation are product quality, product price, product benefit, and environmental factors surrounding the consumers such as peer pressure, culture, reference group, and circumstance. South Korean cultural products possess commensurable qualities, aesthetics, benefits, and prices for consumers. This attracts the attention of foreign consumers, as in Indonesian citizens in this research, and amplifying the interest of local consumers. Therefore, these products are capable of dominating foreign markets outside of the producing country.

This research applies qualitative method. Therefore, future research is advised to verify the validity of variables that emerged in this research, in relation to xenocentric consumer orientation, by conducting surveys or applying a quantitative method. It will be necessary to take more than two respondents because the more the number of respondents in a qualitative research, the relatively closer the results will be to reality.

References


