



# The Effect Of The Korean Wave On Nation Brand South Korea (Study On USU Physics Students)

**Deninta Novienthia**

Department of Commerce/Business Administration Science, University Of North Sumatra, Indonesia.

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## ABSTRACT

Global economic crisis that hit the world economy, demands countries to improve its market strategy. A country needs to manage its country image as a company managed its brand image. Because a powerful nation brand, will bring a great inbound and outbound effect as well. Inbound effect is related to investment and tourism, whereas outbound effect is related to export and human resources. Korea is one of those countries that are serious about building its Nation brand through the spread of its pop culture (Korean Wave) and spends million annually to the Korean Wave. It suggests a real discussion about the influence of the Korean Wave towards the Nation brand of South Korea. The aims of this research to determine the influence of the Korean Wave among the students of the Faculty of Social and Political Science, University of North Sumatra towards the Nation brand of South Korea. This research is an associate research with quantitative approach, carried out at the Faculty of Social and Political Science, University of North Sumatra from December 2016 to January 2017. Data collection was done by spreading the questionnaire to 148 respondents who knew and or like Korean pop culture, in this case, its music and drama. The research result shows that the Korean Wave has significant influence towards the Nation brand of South Korea. The amount of influence is equal to 48.6%, while the remaining 51.4% is influenced by other factors which were not examined in this study.

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## Corresponding Author:

Deninta Novienthia,  
Department of Commerce/Business Administration Science,  
University Of North Sumatra, Indonesia,  
Jl. Dr. Mansur No. 9 Padang Bulan, Kec. Medan Baru, Kota Medan 20222.  
Email: [denintanovienthia@gmail.com](mailto:denintanovienthia@gmail.com)

## 1. INTRODUCTION

Nation branding is a concept adopted from marketing principles which were first developed by Simon Anholt in the Journal of Brand Management in 1998 (Prost & Bondaz, 2014:1). Nation branding discusses how much impact a product traded between countries has on the country's image, and is the overall perception of a nation in the eyes of the international public. When talking about a Nation brand, we talk about a brand of a country complete with its inherent attributes. For example, China, when talking about the Chinese Nation brand, the elements that build the Nation brand are the flag, the national anthem, tagline, culture and tourist attractions such as kung fu, pandas, and the great wall of China. or what is currently being discussed, namely the bird nest stadium in China, which is the first stadium in the world with a bird's nest as an architectural concept. If the product brand image at any time can be discontinued, modified, and/or remarketed,

it is different from a nation brand. At the Nation brand, things like the above are difficult or even impossible to do.

A good nation branding will have a positive economic impact on the nation or country, especially with regard to exports and domestic trade. That is why it is important to study the extent to which branding has an impact on trade, tourism, and investment. The formation of a country's image, both internally and externally, is based on its positive values and perceptions. The purpose of Nation branding is to create a good country image so that it can attract investment, tourists, create jobs, and increase exports, and so on.

In 2012, to support this Nation branding project, the Ministry of Culture and Tourism Korea prepared a fund of 730 billion won or 6.2 million USD to build a new concert venue, hold events, and provide financial support for Hallyu or the Korean Wave (David, 2015). Hallyu or Korean Wave is a term given to the spread of Korean pop culture (K-pop, K-drama) globally in various countries in the world which triggers many people in these countries to learn Korean language and culture. According to Euny Hong, author of *The Birth of Korean Cool: How One Nation is Conquering the World Through Pop Culture*, Korea spent billions of dollars to make the country the number one exporter of pop culture in the world.

Data for 2005 shows that the Korean Wave supports South Korea's GDP by 0.2%. The Korean Wave supported US\$1.8 billion or 2.14 trillion won in the export and tourism sectors. In the category of selling local goods, the Korean Wave was able to contribute US\$918 billion. In more detail, the South Korean research institute said that the number of foreign tourists to South Korea increased from 647,000 people to 968,000 in 2004. The increase in tourists is due to the increasing number of people outside Korea who want to visit Korea because of Hallyu fever (Ikhsan & Pinem, 2012). According to a report released in 2015 by the Hyundai Research Institute, exports of products directly related to Hallyu in countries affected by the Hallyu fever have increased compared to other export products. It accounts for 2.9% of Korea's total exports, making it an important part of the economy. Five product groups have been designated as Hallyu products by the Korea Custom Service, namely culture, living, food, clothing and accessories, home appliances, and computers (David, 2015).

This nation branding project has proven useful. Korea was ranked 27th in the Anholt-GfK Nation Brand Index (NBI) overall brand ranking in 2011 (Prost & Bondaz, 2014: 3). Become a place worth visiting instead of a country that shuts itself off from the outside world and engages in war. South Korea is indeed one of the countries, if not the only country in the world, which has put so much effort in its nation branding strategy (Leong, 2014).

## 2. RESEARCH METHOD

This study uses associative research with a quantitative approach. That is research that seeks to examine how a variable is influenced by other variables. The analysis used in this research is simple linear regression analysis which will be analyzed with the help of statistical programs.

### 2.1 Simple Linear Regression Analysis

To predict the value of the independent variable (X) if the value of the dependent variable (Y) has increased or decreased and to determine whether the direction of the relationship between the independent variable and the dependent variable is positive or negative. The form of the simple linear regression equation used in this study is as follows:

$$Y = a + bX$$

Information:

Y	= nation brand
a	= constant
b	= coefficient regression
X	= Korean Wave

### 2.2 Classic assumption test

The classical assumption test will be processed using the SPSS 23.0 statistical application. The classical assumption test used in this study is the Normality Test. Testing the normality of the data is used to see whether in the regression model, the dependent variable and the independent variable have a normal distribution or not. If the data spreads around the diagonal line and follows the direction of the diagonal line, the regression model meets the assumption of normality. A good regression model is if the data distribution is normal.

### 3. RESULTS AND DISCUSSIONS

#### 3.1 Validity test

Validity test is carried out to obtain valid or valid research instruments so that they are suitable for use as a measuring tool in research. The validity of the research instrument will be tested by comparing the correlation value (rcount) with rtable. The criteria for assessing the validity of each instrument statement are:

- a. If  $r_{count} > r_{table}$ , then the research instrument is declared valid.
- b. If  $r_{count} < r_{table}$ , then the research instrument is declared invalid.

The questionnaire consists of two types of variables, namely the independent variable (Korean Wave) which contains 6 statements and the dependent variable (Nation brand) which contains 15 questions. So, overall there are 21 questions in this research instrument. Questionnaires were distributed to 148 respondents who met the sampling criteria. For a significance level of 5% with degrees of freedom  $df = n - 2$ , the rtable value is 0.1614.

**Table 1.** Free Variable Validity Test Results

		Korean Wave 1	Korean Wave 2	Korean Wave 3	Korean Wave 4	Korean Wave 5	Korean Wave 6	Korean Wave
Korean Wave 1	Pearson Correlation	1	.708**	.519**	.603**	.510**	.298**	.757**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	148	148	148	148	148	148	148
Korean Wave 2	Pearson Correlation	.708**	1	.698**	.640**	.607**	.376**	.855**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	148	148	148	148	148	148	148
Korean Wave 3	Pearson Correlation	.519**	.698**	1	.545**	.780**	.542**	.879**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	148	148	148	148	148	148	148

From table 1 above, it can be seen that all question items used in the independent variable (Korean Wave) have an rcount value that is greater than the rtable value, which is 0.1614. So that all Korean Wave questions are valid and can be used as research measuring tools.

#### 3.2 Bound Variable Validity Test

The results of the independent variable validity test can be seen in table 2 and table 3 below.

**Table 2.** Bound Variable Validity Test Results (Export)

		Export 1	Export 2	Export 3	Export 4
Export 1	Pearson Correlation	1	.753**	.776**	.647**
	Sig. (2-tailed)		.000	.000	.000
	N	148	148	148	148
Export 2	Pearson Correlation	.753**	1	.873**	.751**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	148	148	148	148

Export 3	Pearson Correlation	.776**	.873**	1	.722**
	Sig. (2-tailed)	.000	.000		.000
	N	148	148	148	148
Export 4	Pearson Correlation	.647**	.751**	.722**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	148	148	148	148

Source: Research results (processed, 2017)

**Table 3.** Bound Variable Validity Test Results (Tourism)

		Tourism 1	Tourism 2	Tourism 3	Tourism 4
Tourism 1	Pearson Correlation	1	.771**	.648**	.437**
	Sig. (2-tailed)		.000	.000	.000
	N	148	148	148	148
Tourism 2	Pearson Correlation	.771**	1	.663**	.455**
	Sig. (2-tailed)	.000		.000	.000
	N	148	148	148	148

**Table 4.** connection

		Tourism 1	Tourism 2	Tourism 3	Tourism 4
Tourism 3	Pearson Correlation	.648**	.663**	1	.605**
	Sig. (2-tailed)	.000	.000		.000
	N	148	148	148	148
Tourism 4	Pearson Correlation	.437**	.455**	.605**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	148	148	148	148

\*\* . Correlation is significant at the 0.01 level (2-tailed). Source: Research results (processed, 2017)

### 3.3 Reliability Test

Reliability test was conducted to see whether the research instrument used was reliable and trustworthy. Because a reliable and trustworthy research instrument will produce research that has a high level of confidence. The criteria for determining reliability are as follows:

- If the value of the reliability coefficient (Cronbach's Alpha) > 0.6 then the research instrument is declared reliable.
- If the value of the reliability coefficient (Cronbach's Alpha) < 0.6 then the research instrument is declared reliable.

#### a. Free Variable Reliability Test

The results of the independent variable reliability test can be seen in table 5 below this.

**Table 5.** Independent Variable Reliability Test Results

Cronbach's Alpha	N of Items
.876	6

Source: Research results (processed, 2017)

From table 5, it can be seen that the Korean Wave variable has an r alpha that is greater than the standard r value of 0.6, which is 0.876. Therefore, the Korean Wave variable is declared reliable.

#### b. Bound Variable Reliability Test

The results of the reliability test of the dependent variable can be seen in table 6 this.

**Table 6.** Bound Variable Reliability Test Results

Cronbach's Alpha	N of Items
.895	15

Source: Research results (processed, 2017)

From table 6 above, it can be seen that the Nation brand variable has an  $r$  alpha that is greater than the standard  $r$  value of 0.6 which is 0.895. Therefore, the Nation brand variable is declared reliable.

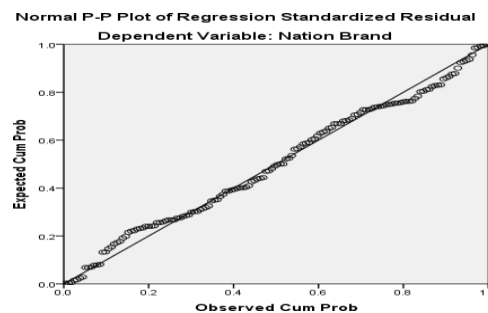
### 3.4 Data analysis technique

#### a. Classic assumption test

The classic assumption test used is the normality test. This test is used to see whether in the regression model, the dependent variable and the independent variable have a normal distribution. The normal distribution forms a straight diagonal graph, plotting the residual data will compare it with the diagonal line. If the distribution is normal, then the line depicting the normal line will follow the actual line. The way of making decisions on the plot method is:

- 1) If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression line model meets the assumption of normality.
- 2) If the data spreads far from the diagonal line or does not follow the direction of the diagonal line, then the regression model does not meet the assumption of normality.

The results of the normality test can be seen in Figure 1 below.



**Figure 1.** Normality Test Result  
Source: Research results (processed, 2017)

Judging from the normal graph display in Figure 4.1 above, the data points are spread around the diagonal line and follow the direction of the diagonal line of the P-Plot graph. This pattern indicates that each variable has a normal distribution. So it can be concluded that the regression model meets the assumption of normality.

#### b. Simple Linear Regression Analysis

In this section, a simple linear regression analysis is carried out to determine the extent to which the variable X, namely the Korean Wave, affects the variable Y, namely the Nation brand. The results of simple linear regression analysis can be seen in the table 4.34 below.

**Table 7.** Simple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	22.803	2,389	.700	9.547	.000
Korean Wave	1.261	.107		11.842	.000

a. Dependent Variable: Nation Brand  
Source: Research results (processed, 2017)

From table 7 above, a regression equation model is obtained :

$$Y = 22,083 + 1.261X$$

### b. Hypothesis testing

Hypothesis testing is conducted to analyze whether the hypothesis is accepted or rejected.

The hypotheses in this study are:

H<sub>0</sub>: The Korean Wave has no significant effect on the Nation brand of South Korea.

H<sub>a</sub>: The Korean wave has a significant effect on the Nation brand of South Korea.

### c. Partial Test (t-test)

Based on the results of primary data processing, the partial test results are obtained as outlined in table 8 below. The confidence level used is 99%.

**Table 8.** Partial Test Results (t-test)

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1					
(Constant)	22.803	2,389	.700	9.547	.000
Korean Wave	1.261	.107		11.842	.000

a. Dependent Variable: Nation Brand

The value of t table with 99% confidence level for 148 respondents is 2,352. Based on the results of data processing in table 4.35 above, it is known that the t-count value is 11.842. So the value of t count > t table, which means that the Korean Wave has a positive effect on the Nation brand. From the table, it is also known that the significance value (Sig.) is greater than 0.05, which is 0.000. This means that the Korean Wave has a significant effect on the Nation brand, which means H<sub>a</sub> is accepted and H<sub>0</sub> is rejected.

### d. Coefficient of Determination Test (R<sup>2</sup>)

The test used to test the hypothesis is the coefficient of determination test (R<sup>2</sup>). The value of the coefficient of determination is between 0 and 1. Based on the results of primary data processing, the output in table 4.36 is obtained, as follows:

**Table 9.** Coefficient of Determination Test Results (R<sup>2</sup>)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.700a	.490	.486	7.269

a. Predictors: (Constant), Korean Wave

Based on table 9 above, it is known that the correlation coefficient (R) which shows the relationship between the Korean Wave and the Nation brand is 0.700. The model's ability to explain the variation in the value of the dependent variable (Nation Brand) can be seen in the Adjusted R Square, which is 0.486. This shows that the variation up and down the value of the Nation brand which is influenced by the Korean Wave is 48.6%, while the remaining 51.4% is influenced by other variables not included in this study. R value of 0.700 indicates that the correlation or relationship between the independent variable (Korean Wave) to the dependent variable (Nation brand) is very strong.

## 4. CONCLUSION

Based on the results of research conducted on students of the Faculty of Social and Political Sciences, University of North Sumatra (FISIP USU) regarding the influence of the Korean Wave on the Nation brand of South Korea, the following conclusions were obtained.

Based on the results of the partial test or t test, it is known that the Korean Wave has a positive and significant influence on the Nation brand of South Korea. Based on the results of the coefficient of determination test, it is also known that the correlation between the Korean Wave and the South Korean Nation brand is in the very strong category. However, the influence of the Korean

Wave on the Nation brand is 48.6%, which means that there is still an influence of 51.4% from other variables not examined in this study. This shows that although the Korean Wave has a significant influence on the Nation brand, the Korean Wave is not the most influential factor in the South Korean Nation brand.

The positive and significant influence of the Korean Wave on the South Korean Nation Brand on the students of the Faculty of Social and Political Sciences, North Sumatra University, indicates that South Korea through its popular culture, in this case Korean music and drama, has succeeded in gaining positive perceptions of USU FISIP students towards the Nation. the brand. In general, students of the Faculty of Social and Political Sciences, University of North Sumatra (FISIP USU) have positive perceptions of South Korean products, tourism, economics and social life due to the influence of the spread of Korean popular culture in this case Korean music and drama (Korean Wave).

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