

## **INDONESIAN TRADE IMPORTS AND CHANGES IN CONSUMER BEHAVIOR FROM AMERICAN TO KOREAN FOOD STYLE TOWARDS FOOD CONSUMPTION**

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### **Abstract**

*The problem in this study is the phenomenon of changes in consumption behavior in food, which initially the people of Medan City preferred American Style food, changing to preferring Korean Style food, this causes a change in consumption behavior in society. The main objective of this study is to analyze what factors cause behavioral changes and analyze the indicators that have been determined in food consumption to Korean food style. This type of research uses qualitative data through primary data by snowball sampling from non-probability samples using a Likert scale, to produce descriptive data. The use of Smart-PLS software is used to process the data. Indonesia's trade with the United States and South Korea has increased over time, including food from both countries. The results achieved are the decision to consume Korean food, all 4 indicators meet, but the indicator remains American food reaching 0.587, the rest achieve validity > 0.829. Furthermore, for Convergent validity, the 4 factors, namely Culture, Personal, Social and Psychological, all meet > 0.865. The results of the hypothesis test show that all factors also meet at > 0.05. So the conclusion is that young people in Medan City are experiencing a change in their food consumption behavior from American to Korean Food Style but have not completely abandoned their older food.*

**Keywords:** *American to Korean Food Style, Imported goods, Behavioral Changes*

### **INTRODUCTION**

Popular culture is a worldview, practice, and work that is widely enjoyed by many people. Popular culture is a culture that evolves with the changing times, and its development is largely determined by the communications industry, such as film, television, news media, advertising, and online media. Connor explains that the term pop culture refers to the cultural process that occurs among the general public (Mulyana, 2015). The reason for the change in Indonesian consumption behavior towards food products originating from Western cultures such as the United States, is because Indonesians want to consume foods cooked using authentic ingredients from their origins, because Western food emphasizes ingredients from poultry and meat products. Korean culture first entered Indonesia in the 2000s, with the broadcast of Korean dramas on Indonesian television channels, such as Full House, Winter Sonata, and Dae Jang Geum, which were incredibly popular at the time. Starting with Korean dramas, the spread of Korean culture in Indonesia has grown over time, supported by various technologies and media. Its development continues unabated, evident in dramas, films, songs, fashion, lifestyles, and industrial products that are beginning to influence people's lives around the world. Korean culture is growing rapidly, expanding, and gaining public acceptance, creating a Korean Wave phenomenon. Indonesia is among those experiencing a surge in Korean craze, evident on the internet, YouTube, and social media. This Korean wave cultural

phenomenon is what makes the entry of K-Pop culture into Indonesia. This K-Pop culture entered quickly and spread in Indonesia as a "breakthrough", where more and more Gen Z generations are becoming fans and are influenced by the culture. It is not uncommon to be considered too excessive, hysterical, obsessive, addictive, and consumptive when they are very fond of wasting money just to buy merchandise, albums and knick-knacks of their idols. Not a few Korean fans are willing to chase their idols to other countries to watch their idol's concert. The resulting fanaticism can be reflected in fans who idolize their idols too much and without realizing their behavior is more than just an ordinary interest in public figures.

America has deeply rooted itself in the popular culture industry, particularly in fast food businesses like Starbucks, McDonald's, Pizza Hut, and Burger King. These fast food businesses are closely associated with American style, as it is a dominant symbol of American marketing. Most Indonesians have adopted American culture in terms of lifestyle, fashion, and food. This has led to a shift in Indonesian behavior toward American style, commonly referred to as American style. The role of the United States in influencing western culture on Indonesian society is also followed by other countries that have succeeded in becoming centers of new popular culture, one of the popular cultures that can replace American culture is from Korea, this is what causes changes in behavior where initially Indonesian society followed western culture, now turning towards Korean culture. The growing Korean Wave phenomenon in Medan has boosted the popularity of Korean food. It's no surprise that many culinary entrepreneurs have opened Korean restaurants in Medan, offering a variety of signature dishes. The diverse offerings at Korean restaurants in Medan aren't just popular with Korean fans. The delicious flavors and engaging concepts are often the reasons why culinary enthusiasts try these diverse Korean restaurants in Medan. The problem taken in this study is how the development of import exports from the United States and Korea to Indonesia 2017-2021 and what factors change the food consumption behavior of Gen-Z from American Style to Korean Style in Indonesia.

## **THEORETICAL STUDY**

Consumer Behavior Theory is a description of how a consumer in carrying out consumption activities tries to allocate income among various available goods or services with the aim of maximizing their welfare or maximum satisfaction (Pindyck, 2013). Behavioral Theory is all manifestations of an individual's life in interacting with the environment, starting from the most visible to the invisible behavior, from the perceived to the most invisible (Notoatmojo, 2010). ChangeBehavior is etymologically derived from the words "peri" and "laku." Peri means a way of doing or an action, and laku means behavior, actions, and a way of carrying out an action (Pakpahan, 2021). Behavior is defined as part of a person's activities. Behavior is what a person does or what someone observes. Behavior is also part of a person's function, as they engage in an action that is a response or reaction to a stimulus (Pakpahan, 2021). Demand refers to the behavior of people when they interact with each other. Demand theory explains the relationship between quantity demanded and price. According to Mankiw (2012), quantity demanded decreases when price increases and increases when price decreases, thus stating that quantity demanded is negatively related to price. This relationship between price and quantity demanded applies to most goods in the economy and is so strong that economists call it the law of demand, all other things being equal (*ceteris paribus*) (Mankiw, 2012). However, a function is also a mathematical

explanation used to analyze consumers and the prices of desired goods and services. The demand function will show what is related to the demand for goods and the various factors that can influence it.

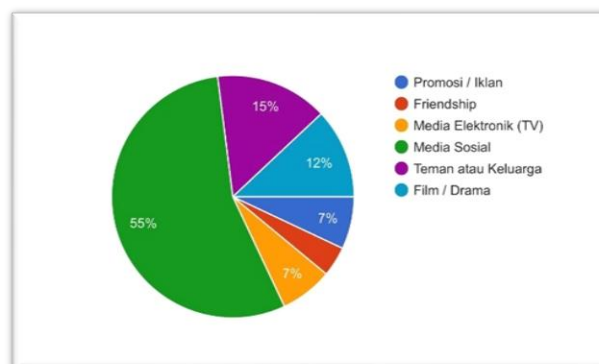
$$Q_{dx} = f(P_x, I, P_y, T) \dots\dots\dots 2.1$$

Where is the quantity of commodity X demanded by an individual per time period ( $Q_{dx}$ ), the price per unit of commodity X ( $P_x$ ), consumer income ( $I$ ), and the price of other commodities ( $P_y$ ), taste ( $T$ ) appetite.

International Trade mAccording to Smith, trade between two countries is based on absolute advantage. If one country is more efficient than (or has an absolute advantage over) another country in producing one commodity, but less efficient than (or has an absolute disadvantage over) the other country in producing another commodity, then both countries can gain by each specializing in producing the commodity in which it has an absolute advantage, and exchanging it for the other commodity in which it has an absolute disadvantage. Furthermore, the law of comparative advantage in Ricardo (Salvatore; 2012), that even though a country is less efficient than (or has an absolute disadvantage to) another country in producing both commodities, there is still a basis for conducting trade that benefits both parties. The first country must specialize in producing and exporting commodities that have a smaller absolute disadvantage (this is a commodity with a comparative advantage) and import commodities that have a greater absolute disadvantage (this commodity has a comparative disadvantage. Keynes's theory of consumption, proposed in 1936, explains the relationship between current disposable income and current consumption. Therefore, income at a given point in time influences a person's consumption at that point in time. As income increases, consumption also increases, and vice versa (Mankiw, 2003).

Analysis of factors that change food consumption behavior from American Style to Korean Style in Medan City.

The characteristics of the research sample were obtained through questionnaires distributed to all age groups, from 15 years to 40 years and above who have an interest in consuming American food style and switching to Korean food style. The distribution was carried out by administering a questionnaire using a Google Form and sending it via a web link via WhatsApp. The collected data was then processed in-house using Excel and Smart-PLS. Showing the age of 100 respondents in consuming American food and Korean food, 55 respondents aged 21-31 years were dominant and 34 people aged 15-20 years that respondents from the Medan city community consumed food from American food to Korean food.



**Figure 4.9. Respondents' Social Media: American Food and Korean Food**

Of the 55 respondents who were familiar with American and Korean food, those who

consumed it were from social media, and 15 respondents learned about it from friends or family. In third place, 12 respondents learned about it from Korean films or dramas. Korean food is favored for its taste and affordability, influencing consumers to consume it.

The occupation of respondents who are familiar with the change in American food to Korean food regarding food consumption in Medan City is students with 43 respondents, in second place are high school students with 20 respondents.

## **SEM-PLS Analysis Research Results**

### ***AConvergent Validity***

The results of the data analysis on convergent validity regarding the indicators for each variable can be stated as follows.

### ***Convergent ValidityIn the Community in Medan City***

In the construct indicators in Medan City Society regarding factors that change food consumption behavior from American Food Style to Korean Food Style, there are 5 construct indicators. Based on the results of data analysis, convergent validity values were obtained through loading factors in the table below.

**Table Convergent Validity of Medan City Society**

Indicator	<i>Loading Factor</i>	<i>Rule of Thumb</i>	<i>Information</i>
MKM1	0.818	0.40	Fulfil
MKM2	0.809	0.40	Fulfil
MKM3	0.644	0.40	Fulfil
MKM4	0.799	0.40	Fulfil

*Source: Smart-PLS and processed*

Based on the data from table 4.1 above, it shows that in the Medan City Community variable with 4 statement indicators, there are no statement indicators that do not meet the criteria or all are appropriate, namely (MKM1: I believe that Korean food products are more interesting and delicious than American Food Style, this is in accordance with my current cultural conditions so that it influences the decision to consume these products, MKM2: prefer Korean Food Style food to American Food Style food because the taste of the food suits my taste, MKM3: decided to purchase American food style products rather than Korean food style, and MKM4: prefer to consume Korean food style compared to American Food Style because of its very rapid development because many young people are fans of South Korean celebrities. This influences the consumption of these food products with a factor loading value above the Rule of Thumb value ( $> 0.40$ ) which means that all statements can be responded well by respondents. These four indicators show that the most popular food consumed in Medan is Korean-style food. People choose this food because the flavors offered by the producers match the taste preferences of Korean consumers, and the products are also reasonably priced, making them easy to purchase.

### ***Convergent ValidityOn Social Factors***

There are three construct indicators in the social factor. Based on the data analysis, convergent validity values were obtained through the loading factors in the table below.

**Table 4.3 Convergent Validity of Social Factors**

Indicator	<i>Loading Factor</i>	<i>Rule of Thumb</i>	<i>Information</i>
FSS1	0.857	0.40	Fulfil
FSS2	0.885	0.40	Fulfil
FSS3	0.772	0.40	Fulfil



*Source: Smart-PLS and processed*

Based on table 4.3 above, it shows that in the social factor variable with 3 statement indicators, there are no statement indicators that do not meet the criteria or all are appropriate, namely (FSS1: The influence of people around influences the consumption of Korean food style products because currently it is more trendy than American food style, so it is very easy to decide to consume these products, FSS2: From the income/reviews from my friends about the taste of American food style products to Korean food style influences me in consuming products, and FSS3: My friends prefer to consume Korean food style food rather than American food style because Korean food style food is more dominantly spicy.

This influences me in purchasing Korean Food style food) with each factor loading value being above the Rule of Thumb value ( $> 0.40$ ) which means all statements can be responded well by respondents. In these three indicators, it can be seen that the role of people around and those closest to them is very influential in changing people's behavior to consume Korean Food Style food. Korean Food Style connoisseurs who are already familiar with the product will influence others by giving opinions about the taste and affordable price.

#### **Convergent Validity On Personal Factors**

There are two construct indicators for the personal factor. Based on the analysis results, convergent validity values were obtained through the loading factors in the table below.

**Table Convergent Validity of Personal Factors**

Indicator	Loading Factor	Rule of Thumb	Information
FPD1	0.803	0.40	Fulfil
FPD2	0.839	0.40	Fulfil

*Source: Smart -PLS and processed*

The data in table 4.4 shows that the personal factor variable with 2 statement indicators has no statement indicators that do not meet the criteria or all have been appropriate, namely (FPD1: Korean food style food products and American food products influence my lifestyle in purchasing and consuming these foods and FPD2: Korean food style food products and American food products, can be of interest to all groups, not only the upper middle social class, including the lower middle social class, thus influencing the consumption of these food products) with the loading factor value of each being above the Rule of Thumb value ( $> 0.40$ ) which means that all statements can be responded well by respondents. In both indicators, it can be seen that both types of food such as Korean food style and American food can be accepted by the people who consume them. One of the factors is that these foods can not only be consumed by the upper class but in general all levels of society in Medan City can consume them.

#### **Convergent Validity On Psychological Factors**

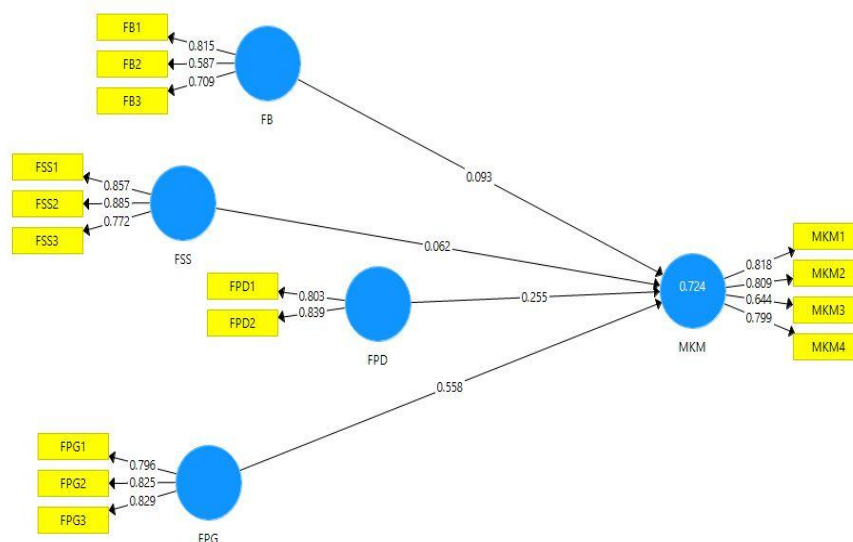
There are three construct indicators in the social factor. Based on the data analysis, convergent validity values were obtained through the loading factors in the table below.

**Table 4.5 Convergent Validity of Psychological Factors**

Indicator	Loading Factor	Rule of Thumb	Information
FPG1	0.796	0.40	Fulfil
FPG2	0.825	0.40	Fulfil
FPG3	0.829	0.40	Fulfil

*Source: Smart -PLS and processed*

Based on the data from table 4.5 above, it shows that in the social factor variable with 3 statement indicators, there are no statement indicators that do not meet the criteria or all are appropriate, namely (FPG1: Many MSMEs and supermarkets have sold American Food Style and Korean Food products, both fast food and restaurants, this increases my interest in consuming these products, FPG2: I am used to consuming American food style and Korean food style because I am familiar with it so it is easy to make decisions to consume these products and FPG3: The existence of American Food Style and Korean food style connoisseurs influences me in purchasing these products) with the respective factor loading values being above the Rule of Thumb value ( $> 0.40$ ) which means that all statements can be responded to well by respondents. These three indicators demonstrate the current boom in Korean food consumption, with many MSMEs and supermarkets now selling these products. This abundance of MSMEs and supermarkets makes it easier for Korean food enthusiasts in Medan to purchase these products. The results of the evaluation of the measurement model for each construct indicator of Convergent Validity through loading factors can also be presented in the image below.



### Structural Model Evaluation (Inner Model)

Testing the structural model (inner model) aims to examine the relationship between variables. Measurements are made by looking at the R-Square value, which can then determine the level of variance in changes in the independent variable against the dependent variable. The R-Square value for the Medan Community variable is 0.724. This explains that the variance in the cultural, social, personal, and psychological factors is able to explain the variable of consumer behavior change, or 72.4%.

### F Squared

F-squared is used to assess the relative impact of an independent variable on a dependent variable. The f-squared value for the data is as follows.

**Table F Squared**

Variables	F Squared
Cultural factors→Food consumption of people in Medan City	0.015

Social factors→Public Consumption in Medan City	0.008
Personal factors→Food consumption of people in Medan City	0.128
Psychological factors→Food consumption of people in Medan City	0.485

*Source: Smart -PLS and processed*

The influence of cultural factors on food consumption in Medan City has an f-squared value of 0.015, social factors with a value of 0.008, and personal factors reaching 0.128 indicating that this is a significant effect at p-Value >5% and p-Value 15% of the independent variable on the dependent variable. Meanwhile, the influence of psychological factors on food consumption in Medan City reaches an f-squared value of 0.485, so it is not significant.

### Hypothesis Testing of Research Results

Based on the results of data analysis using SM-PLS in hypothesis testing, it can be seen in the following table.

**Table 4.9 Hypothesis Testing**

<i>Original Sample</i>		T-Statistic	P-Values	Decision
FB- MKM	0.093	0.986	0.023	$H_0$ - accepted
FSS- MKM	0.062	0.720	0.002	$H_0$ - accepted
FPD- MKM	0.255	3,051	0.002	$H_0$ - accepted
FPG- MKM	0.558	4,683	0,000	$H_0$ - accepted

*Source: Smart -PLS and processed*

Table 4.9 explains that the hypothesis testing in this study was conducted by examining the original sample value as the coefficient, also known as the beta value. To determine whether to accept or reject the hypothesis test, the values in the T-Statistic column and the P-Value column can be used.  $H_0$  The results of the data analysis show the influence of cultural factors on community food consumption in Medan City (FB → MKM) that the t-statistic value is 0.986 p-value at a significance level of 5% or  $p < 0.05$  based on a sample size of 100 respondents. The provisions are accepted, so it is concluded that cultural factors have a significant influence on community food consumption in Medan City.  $H_A$  For the second factor, Social Factors on Food Consumption in Medan City (FSS → MKM), the t-statistic value was 0.720, at a significance level of 5% or  $p < 0.05$ . The provisions were accepted, so it was concluded that Social Factors have a significant influence on Food Consumption.  $H_A$  The influence of personal factors on food consumption in Medan City (FPD → MKM) obtained a t-statistic value of 3.051, while the t-table value is at a significance level of 5% or  $p < 0.05$ . The provisions are accepted, so it is concluded that personal factors have a significant influence on food consumption.  $H_A$  Finally, the Influence of Psychological Factors on Food Consumption in Medan City (FPG → MKM) obtained a t-statistic value of 4.683, while the t-table value at a significance level of 5%  $p < 0.05$ . The provision is rejected, so it is concluded that Psychological Factors have a significant influence on Food Consumption in Medan City.  $H_A$

### Conclusion

The flow of exports and imports from the United States and South Korea to Indonesia in 2017-2021 shows that each year the export and import activities of the two countries experience unstable dynamics, such as in 2019-2020 there was a decline in the value of exports and imports due to the relationship between the impact of the COVID-19 pandemic. The value of Indonesian exports to South Korea and the United States increases, resulting in Indonesia having more income, which can then be used for domestic development. Indonesia. Raw

material exports should be further increased in both countries, as opportunities to market domestic products in those countries increase. Because South Korea and the United States have the fastest internet networks in the world and are among the developed countries with large international trade. South Koreans and Americans tend to search for information online, one effective way to introduce local Indonesian products and companies globally is to have a website. This way, local Indonesian products can be seen by both South Korea and the United States. Factors that influence behavioral changes towards food consumption in Medan City with the existence of American lifestyle and Korean lifestyle as well as the influence of social media or trends such as the current phenomenon of American style and Korean style, this can influence positive values and it is concluded that Psychological Factors have a significant influence on Community Food Consumption in Medan City. The Indonesian government reduced imports because domestically produced goods were disrupted, as imported goods were sold at lower prices domestically, causing significant losses for the domestic industry. Future researchers can add other factors that may influence behavioral changes not covered in this study, allowing future researchers to further refine the findings. This aims to improve data accuracy.

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