

KOREAN WAVE INFLUENCE THROUGH CULTURAL ATTACHMENT ON CUSTOMERS' INTENTION TO CHOOSE BANKING PRODUCTS IN INDONESIA

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ABSTRACT

This study aims to examine the influence of the Korean Wave phenomenon from the perspective of cultural attachment on customers' intention to choose banking products in Indonesia. The research also investigates the mediating roles of brand awareness and brand image in this relationship. The findings reveal that cultural attachment significantly influences both brand awareness and brand image, which in turn have a positive effect on customers' intention to choose banking products. Furthermore, both brand awareness and brand image serve as partial mediators between cultural attachment and behavioral intention. This research offers a novel contribution by contextualizing cultural attachment as a driving force of consumer behavior in the financial services sector, an area previously underexplored. The study recommends that banks strategically integrate cultural elements such as the Korean Wave into their marketing communications to appeal to younger consumers, enhance brand perception, and strengthen customer engagement in a competitive marketplace.

Keywords: Korean Wave, Cultural Attachment, Brand Awareness, Brand Image, Banking Intention

INTRODUCTION

The Korean Wave (Hallyu), referring to the global popularity of South Korean culture through music, film, and drama, has gained substantial traction in Indonesia, especially among younger demographics. This cultural shift has altered consumption patterns, not only in entertainment but also in lifestyle and product preferences. Prior studies, such as by (Ko et al., 2009), show that cultural attachment can shape brand perception and influence consumer behavior. In the context of banking, branding plays a critical role in forming customer loyalty and purchase intentions (Aaker, 2014). However, limited studies have explored the mediating effect of brand

awareness, brand image, and brand equity in the relationship between cultural attachment and banking product selection. Given the increasing competition in Indonesia's banking industry, especially among digital-savvy consumers, understanding this link is crucial. This research is designed to bridge that gap by examining how cultural phenomena like the Korean Wave influence consumers' behavioral intentions in the financial services sector, mediated by branding factors. The main research question posed is: How does the Korean Wave influence customer interest in banking products, and what role do brand awareness, brand image, and brand equity play in this process

METHOD

This study applies a causal quantitative research design to examine the influence of cultural attachment on customers' intention to choose banking products, mediated by brand awareness and brand image. The population consists of banking customers in Indonesia aged 17-28 who express a strong interest in Korean culture. A purposive sampling technique was used to select 200 respondents who meet the criteria, including familiarity with Korean-themed banking promotions.

Data collection was conducted using an online questionnaire consisting of multiple Likert-scale items adapted from validated instruments. The variables studied include: Independent variable: Cultural Attachment (X); Mediating variables: Brand Awareness (Z1), Brand Image (Z2); Dependent variable: Intention to Choose (Y)

Measurement indicators are based on prior literature (Aaker, 2014; Luo et al., 2023; Suryani et al., 2021). Validity and reliability were tested using convergent validity (loading factor >0.7, AVE >0.5) and internal consistency (Cronbach's Alpha >0.7).

Table 1. Validity and Reliability of Measurement Model
Source: Data processed, 2025

Variable	AVE	Cronbach's Alpha	CR	Interpretation
Korean Wave	0.854	0.943	0.959	Valid and Reliable
Intention to choose	0.795	0.913	0.939	Valid and Reliable
Brand Awareness	0.753	0.889	0.924	Valid and Reliable
Brand Image	0.680	0.844	0.895	Valid and Reliable

Descriptive statistics further support the strong perception of respondents toward each construct. Table 2 shows that all variables scored above 4.20 on a 5-point Likert scale, indicating that

Data analysis employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4.0, which allows for the assessment of both direct and indirect effects among the variables. The bootstrapping method was used to test the significance of the hypothesized relationships.

RESULT

A total of 200 valid responses were collected through an online questionnaire. The demographic profile revealed that the majority of respondents were female (72%) and aged between 23-25 years old (42%). Most respondents were customers of private banks (65%) and held a Bachelor's degree (58.5%).

The instrument validity and reliability were assessed using several measures. As shown in Table 1, all constructs exhibited strong internal consistency with Cronbach's Alpha and Composite Reliability (CR) values exceeding 0.70. The Average Variance Extracted (AVE) for each variable also surpassed the 0.50 threshold, indicating adequate convergent validity (Hair Jr et al., 2021). Furthermore, all item loadings exceeded 0.70, confirming indicator reliability.

respondents highly agreed with the statements related to Korean Wave influence, brand awareness, image, and purchase intention.

Table 2. Descriptive Analysis of Main Constructs
Source: Data processed, 2025

Construct	Mean	Interpretation
Korean Wave	4.339	Very High
Intention to choose	4.453	Very High
Brand Awareness	4.346	Very High
Brand Image	4.280	Very High

To test the structural model, four model fit indices were evaluated. All indices were within acceptable limits, confirming model adequacy

Table 3. Model Fit and Quality Indices
Source: Data processed, 2025

Indicator	Value	Criteria
APC	0.483	Acceptable
ARS	0.621	Acceptable
AARS	0.618	Acceptable
AVIF	3.807	≤ 5 (Accepted)

The explanatory power of the model was further examined through R-square and Q-square values. Table 4 shows that all endogenous variables had R-square values above 0.50, indicating moderate to strong explanatory power

Table 4. R-Squared and Predictive Relevance (Q²)
Source: Data processed, 2025

Variable	R ²	Q ²
Purchase Intention	0.654	0.380
Brand Awareness	0.570	0.549
Brand Image	0.638	0.559

The hypothesis testing results are shown in Table 5. Four out of five proposed paths were statistically significant at $p < 0.05$ and T-statistics > 1.96

Table 5. Path Coefficients and Significance

Hypothesis	T-statistic	p-value	Result
KW → BI	21.366	0.000	Supported
KW → BA	21.280	0.000	Supported
KW → PI	5.548	0.000	Supported
BA → IC	4.013	0.000	Supported
BI → IC	0.222	0.824	Not Supported

Source: Data processed, 2025

These results show that Korean Wave significantly influences brand awareness, brand image, and purchase intention. The strongest effect was observed on brand awareness and image, indicating that cultural elements

such as Korean entertainment and celebrity endorsements play an essential role in shaping consumers' perception toward banking brands.

Consistent with (Afiani et al., 2024) and (Lim et al., 2023), the findings support the view that cultural affinity can enhance brand familiarity and engagement. Moreover, the mediating effect of brand awareness suggests that Korean Wave creates a salience effect, improving recognition and subsequently increasing the likelihood of product selection.

Interestingly, the non-significant impact of brand image on purchase intention contrasts with earlier studies (Wu et al., 2011). This indicates that in a banking context, visual or symbolic brand associations may be less influential than emotional familiarity and cultural relevance.

CONCLUSION

This study aimed to investigate the influence of the Korean Wave on consumers' purchase intention toward banking products, with brand awareness and brand image as mediating variables. Based on the results of the structural model analysis using PLS-SEM, it can be concluded that Korean Wave has a significant direct effect on purchase intention. In addition, it significantly affects brand awareness and brand image, demonstrating that cultural marketing plays a crucial role in shaping

consumer perceptions and behavioral intentions within the banking industry.

The study also revealed that brand awareness positively influences purchase intention and successfully mediates the relationship between Korean Wave and intention to choose. However, brand image did not show a significant impact on intention to choose, suggesting that brand familiarity driven by cultural exposure may play a more dominant role than perceived image in influencing banking product selection.

These findings contribute to the understanding of how global pop culture, particularly Korean entertainment, can be leveraged as a strategic branding tool in non-entertainment sectors such as banking. For marketers, the results highlight the importance of integrating culturally resonant content to increase brand salience among younger demographics.

Future research can extend this study by examining cross-cultural differences in how the Korean Wave affects brand engagement across different generations and industries. Additionally, exploring other mediating variables such as emotional attachment, perceived credibility, or social influence may provide a more comprehensive view of consumer decision-making processes in culturally driven marketing contexts.

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