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### ***BETWEEN MARKETING AND ONLINE SOFT DIPLOMACY: ASSESSING SOUTH KOREAN HEALTH AND BEAUTY PRODUCTS EXPANSIONS IN INDONESIA***

#### **ANTARA PEMASARAN DAN DIPLOMASI ‘SOFT’ DALAM JARINGAN: ANALISIS EKSPANSI PRODUK KESEHATAN DAN KECANTIKAN KOREA SELATAN DI INDONESIA**

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#### **ABSTRAK**

Studi ini menjelaskan bagaimana inovasi perusahaan Korea Selatan, terutama yang bergerak dalam bidang kesehatan dan kecantikan, memberikan dampak positif terhadap perekonomian Korea Selatan melalui ekspansi ke negara-negara Asia Tenggara, khususnya Indonesia. Pemikiran ini dapat memicu argumen apakah hal tersebut merupakan jenis atau metode *soft power* baru? Selain itu, dengan koneksi daring (*online*), bagaimana dan mengapa produk kesehatan dan kecantikan Korea Selatan menjadi begitu dekat di Indonesia? Studi ini berpendapat bahwa strategi kekuatan lembut yang sukses membutuhkan kerja sama distribusi dan memanfaatkan kekuatan daring (*online*). Selanjutnya, data yang diperoleh pada penelitian ini merupakan hasil kajian literatur yang diambil dari beberapa sumber, seperti edaran pers (*press release*) dan dokumen pemerintah dalam durasi tiga bulan dari bulan November 2019 hingga Januari 2020.

**Kata kunci :** *Cyber-Diplomacy, Kecantikan, Kesehatan, Indonesia, Korea Selatan, Soft Power*

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## ABSTRACT

*This study explains how South Korean companies' innovations, especially the ones which are running in beauty and health industries, have positive impacts to South Korean economy. It brings out some questions such as: is this a kind of new soft power method? With its enormous online network, how and why South Korean health and beauty products become so imminent in Indonesia? This study argues that a successful soft power strategy needs a co-opted measure in distribution and cyber world is vast place that could benefit a country that knows how to use it well. Furthermore, the collected data are literature studies from relevant sources, such as press releases and government publications, from November 2019 to January 2020.*

**Keywords:** *Cyber-diplomacy, Expansion, Health and Beauty Product, Indonesia, Marketing, South Korea, Soft Power Diplomacy*

## INTRODUCTION

Nowadays, recent technological innovations and disruptions are impacting human life, not only daily life sectors but also political sector. Internet becomes one of the inevitable key factors from all those technological innovations. High-speed data network and applications bring more opportunities for human lives. The society is undeniably dependent on the presence of technology as part of their daily activities. It makes people do more things conveniently in a most efficient consuming-time in interacting and dealing with things. No wonder, the ultimate reason why technology exists is no other than to create a hassle-free society. As the demands grow faster and varied, the technology then will not stop evolving in order to meet the particular demands.

New technological advancements impact people to be more technology oriented in daily life rather than seeing closer on the natural phenomenon. Cyber instruments that exist today allow us to do more in life and therefore, change public behavior at the same time. Hence, [Willet \(2019\)](#) stated that “*cyber instruments or cyber technology is a man-made, virtual world where new gen-*

*erations increasingly live out their lives—it is how they learn, play, shop, bank, develop friendships, and date.*” In the business sector, for example, advertisements are now easily found across social media interface and shopping can be done through online payment. Furthermore, in the political sector, the usage of cyber instruments now can be found in elections, and social service, even the military through enhanced drones and controlled missiles.

Cyber diplomacy accommodates millions of ideas along with interests to develop the society towards new life-standards. The information transferred from one entity to another to create an innovation interest is noticeably one of the so many characteristics required for society to keep up in this technology epoch. Hence, the logic constructed in this case is that cyber diplomacy plays a big role whereas it transfers information, ideas, and innovations about the Korean health and beauty products across borders and it will soon result in market expansion. South Korea, as one of the innovation hubs in East Asia, knows very well about technology and its impact. Based on Global Innovation Index (2019), South Korea's position is number 11 of 129

countries. South Korea is the eighth largest global economy in terms of innovation quality and houses three of the world's top 100 centers in science and technology. Compared to other economies in Southeast Asia, East Asia, and Oceania, South Korea also performs above average in institutions, human capital and research, infrastructure, market sophistication, business sophistication, knowledge & technology outputs, and creative outputs (Lee, 2019).

Therefore, it is not hyperbolic to say we should watch what South Korea could do, especially its creativity. It is not surprising that not only its popular culture but also health and beauty products are famous around the globe and have growing demands nowadays. Many South Korean health and beauty companies expand their markets further south into Southeast Asian countries, Indonesia for instance. This is aligned with what Lee (2019) has said. This means that President Moon Jae-In eyeing further expansions in terms of economy for South Korea to Southern region of Korea, like Southeast Asia. Coherently, Indonesia as the largest market in South East Asia is very likely to be the main target of this expansion.

Health and beauty products encompass a variety of products, including fragrances, makeup, hair care and coloring products, sunscreen, toothpaste, and products for bathing, nail care, and shaving (Shahbandeh, 2020). South Korean popular culture innovations and creations through daily life products and essentials are quite match in a basic perspective of supply and

demands with the fact that Indonesia is the fourth populous nation on earth. Korean culture becomes a hit in Indonesia as viewers and fans are growing larger across the country. According to Handayani (2019), for comparison, there are 89,19 million South Korean popular culture fans globally that came from 113 countries. Thus, Charlie Cho, Head of YG Plus SEA (Walfajri, 2017) adds, *"Southeast Asia has a population of more than 640 million people. More than one-third of the population lives in Indonesia. And our data reveals that Indonesia has very high number of fans and we want to expand."* Therefore, it is very relevant why South Korean health and beauty products become imminent in Indonesia because it is a hotspot for Korean economy drives that are currently emphasizing pop culture and innovations.

## LITERATURE REVIEW

Hence, this writing is trying to fill the gap between soft power research and post-modernism paradigm that does not emphasize the power of global information networks. Moreover, this writing also tries to capture soft power strategy and cyber-diplomacy phenomenon that not only done by a first-track diplomatic actor but also second and third track. Several researches were reviewed to find the gap for the novelty of this writing. Murray Hunter (2013) in "A Short History of Business and Entrepreneurial Evolution During The 20<sup>th</sup> Century: Trends for The New Millennium" explained that business role and entrepreneurship have played a global role in world economic

development through a historical analysis narrative.

Then, Lee (2016) through her work on 'Beauty Between Empires: Global Feminism, Plastic Surgery, and the Trouble with Self-Esteem' mentioned about how neoliberalism culture that emerges from a booming pop culture affecting personal self-esteem that leads into new kind of industry such as plastic surgery or medical tourism in Korea that relate to how a woman should see themselves in analysis through feminism paradigm. This means a new way to achieve 'beauty' is formed by indirectly cognitive minds that constructed along the fame of Korean pop culture. Next, Choi, Steiner, and Kim (2014) in 'Claiming Feminist Space in Korean Cyber Territory' explained about a feminism analysis on web cases of South Korean online magazines about women.

Seeing South Korean health and beauty products blooming culturally and economically within the society is such uniquely thought ponderings. South Korea has been known as a country to grade its citizens by the appearance. There is an expression in society saying you have to be *momjjang* or *öljjang* (have perfect body/face) if you want to succeed in life. In short, whether you are a man or a woman, if you are not *mi-in* (a beautiful person), you belong to a *miyöng hawui kyegūp* (a cosmetic underclass). In other words, it is a proletariat class of beauty and your social wellbeing may be at risk (Gelézeau, 2015). The South Korean citizens famously committed to doing anything to have a more good-looking posture

and impressively clear skin. Passions in beauty care are really shown through the devoted attention in applying five to nine beauty products to their skin every morning and evening.

Health and beauty products have been the primary economic and cultural player in showing the immensely beautiful of South Korea. But, apparently, they focus more on medical tourism in general. Medical tourism is popular for anyone who wants to seek medical treatments while traveling for recreation purposes. South Korea confirms this kind of trend by affirming through some essential characteristics. First, the medical institutions, represented by hospitals, central and municipal governments were the subject tied to medical tourism. Second, the promotional activities for medical tourism (public relations, business agreements, attracting tourists, and product development) were actively pursued. Lastly, it is obvious that promoting medical tourism is beneficial with a well-established cooperation among the civil sector (hospital and related associations) as well as with the South Korea's central governments (Yu, Lee, & Noh, 2011). South Korea believes to maintain its finest reputation for medical tourism as it has twelve strong attributes to support the notions. These include five medical treatments and services including modernity of medical treatment facilities/equipment; reliable medical specialists/professionals; medical staff's kindness, manner and etiquette; fast/prompt medical services; and availability of major treatments. Destination attributes include hygiene and cleanliness, safety,

access to information, and transportation system, while tourism-specific factors include international awareness/image of tourism destination, availability of travel information, and ease of making travel arrangements (Junio, Kim, & Lee, 2016).

Korea is in upstate condition for technology and internet roles as part of cyber diplomacy are predominantly vital. The contents that created and shared on the internet are exchanges across countries can have considerable influence on contemporary culture. Choi and Park (2014) explained that the internet is not only becoming a multilingual space through the increased participation of internet hosts in non-English-speaking countries, but also being influenced by underlying economic logic. They are considering the internet to be the catalyst for the dominance of high-income countries in terms of online content flow and it will drive more on the influence of cultural imperialism. Not only online development, but the city's development also may lead the economic growth and, more importantly, will accommodate the tangible form of prosperity for all its citizens.

South Korea's development seems to flake its vision for environmentally future friendly, but turns into the occurrence of urbicide. Urbicide is the term used to describe an approach in analyzing South Korea's ambition to construct a world city. Martin Coward (Watson, 2013) defined it as a specific military strategy and a self-justifying objective to destroy buildings, the possibility of public space, and urban heterogeneity. Watson then furthermore

explained that the ideas of urbicide brought by Coward are not appropriately suitable to be applied for South Korea, otherwise it has caused the relationships between cause and consequence more complex, where there is a strong historical (and believed) preceding narrative of ethnic and racial homogeneity—where juxtapositions of globalization and ethnic nationalism are a constant feature of the politics of 'the urban everyday'. Papastergiadis (2016) explained about how giant screens both provide a new method to passing information to the general public and give an engaging communication channel with the ability to link communities across broad ranges in Seoul, South Korea.

The proliferation of communications and information technology creates very significant changes for statecraft. It is a potential game-changer in the field of development. In addition, it raises a host of new policy issues around Internet governance that must be deliberated in multinational institutions (Ross, 2011). Moreover, it also changes the principal instrument within international relations that refers to the digital diplomacy—without constraining the basic values of diplomacy, but it stands as another form of cyber diplomacy, digital diplomacy has become another tool for the existence of public diplomacy. Digital diplomacy does not extend the power-scope of diplomats, it rather creates a new environment for “grassroots public diplomacy” (Payne, Sevin, & Bruya, 2011). If one nation were able to promote technological advancement, it would also push for significant impacts that focusing mainly on the institutional engage-

ment on social media. It has been proved that digital diplomacy competently shows the understanding of digital engagement with national and international audiences to promote a country's culture, values, and key issues (Ittefaq, 2019).

Cyber world becomes a new frontier in international relations. South Korea cautiously acknowledges the existence of digital diplomacy, but rather seeing it as cyber security. Sangbae Kim wrote in his article stating that South Korea glorifies its status of middle power diplomacy, but rules out its diplomacy functions to drive more for economic and cultural benefits. Indeed, the network perspective provides a framework to understand the distinct modalities and dynamics of cyber security issues, which he refers to as the "asymmetric internetwork politics" (Kim, 2014). However, South Korea and its economies are conspicuously riding more for progress to show its awareness of digital culture by communicating with foreign audiences via local platforms, notably Weibo in China, and observing the way in which relevant groups in foreign societies communicate online (Melissen & de Kaulenaar, 2017). From these writings, we could see how effective and comprehensive cyber movement is done by Korea regarding soft power, diplomacy, pop culture, and how it could give an impact on people, not only for Korea itself but also around the globe. But, it does not explain thoroughly why South Korean health and beauty products become imminent in Indonesia? The reason behind this question is relatively unanswered.

## THEORETICAL FRAMEWORK

Soft power as defined by Joseph Nye (1990) is a co-opted behavioral power. Through the phrase 'getting others to want what you want', soft power captured an elaborative way to achieve the state of overpowering others with a humble and respectful way with no hard measurement taken. Then, through cooperation and non-military actions, such as economy and culture, soft power emerges as a new kind of power that captivated big powers to use. Not only big powers, but medium to small powers are also making efforts to comprehend soft power, one of the medium powers is South Korea.

South Korea, through its soft power potentials, achieves a huge impact for decoding how to use soft power sources for its benefits. Geun Lee (2009) mentioned that *"two notable soft resources that Korea possesses at the moment are Korea's experiences of successful modernization and democratization within a very short period of time and the so-called Korean waves in many parts of East Asia. Korea's well known human resources also have the potential to become a usable soft resource."* Thus, Korea as a nation has materialized its soft sources into rigid power that can give benefit to Korea's national interest.

Geun Lee said soft power is to boost the external security climate by projecting positive and appealing country images to persuade other countries to support foreign and or security policies. Basically, the actions are to gain influence from other

countries to have a community of a country within a country. Then, it also can be used for domestic interests as well, such as economic or political reasons. Therefore, Geun Lee proposed a new term for soft power. Soft power could be co-opted and coercive at the same time. Its coerciveness is collected through the minds of the beneficiary or target of its cooptivity. Regarding the cooptiveness that gains respect and mutual understanding, the coerciveness of soft power is sugarcoated into the minds of the target then gradually evolved into new habits or social traditions.

In order to gain respect and mutual understanding, a soft power should possess attractiveness, safety, comfort, respect, and brought by a new form of application of the power with new calculation rather than merely just soft power to fear the target. If creating fear were the number one priority of the strategy, soft power would be only coercive power without any cooptiveness value. Propaganda, peer pressure, deterrence actions, and media distortion will bring resistance to the soft power applications.

Then, “co-opted soft power” needs great media attention, an impressive way of socialization, and a high acceptance rate from the target or recipient of the soft power strategy. Manipulation of both self-image and other images with network strategy could catapult soft power strategy in order to achieve its goals. Combination of those strategies with a twist of great situational change and great brand image could comprehend soft power strategy into a great marketing network power to its audience.

Soft power from its core is merely just power of mind and values. Many people think that to get the right mind we should have the right values. Constructing ideas is not a new theory in international relations, yet how to deliver it is a fascinating discussion among scholars.

Soft power in this new decade certainly needs refreshment and alignment. Age changing and the people that live in it demand new paradigm twist to define the new phenomenon. Soft power as mentioned before needs the right application to exert the strategies. [Geun Lee \(2009\)](#) said that “*the most cost-effective way of exerting soft power is to produce long-term cooptive power by creating social habits among the recipients.*” It means in order to exert a well-done strategy of soft power, a country needs a long-term plan and certainly a visible target that could be measured in order to get a better result from its strategy.

The age of the internet is the perfect age for soft power. It has all the soft power needs to be a perfect instrument of attractiveness, safety, comfort, respect, and presented with a new form of technology in its application throughout the globe. Internet, furthermore the cyber world, will become a new frontier of the diplomacy world. [Bousfield \(2017\)](#) continuously referred the cyber diplomacy to sit next to “other diplomacy”—this term accommodates the new form of citizen-to-citizen politics. Never denies one thing, information and communication technologies (ICTs) are the primary compositions that make up the most of cyber diplomacy. The identical

roles played by the ICTs are mostly seen in facilitating trade, information sharing, e-learning, and daily citizen interactions. Those are the common things that urge the ICT's existence in society and the norms of how cyber diplomacy works.

In fact, Bousfield historically traces back on the perspectives built from time to time and agrees with Paul Sharp's statement that cyber diplomacy initially carries out the ideas of freedom, progress, and open communication and it definitely promotes the values of cooperation as well. Furthermore, cyber diplomacy manifested from the "other diplomacies" signified the specific singularity to the views on the range of things that non-state actors do as they interact with each other. Bousfield discovered himself in the realm of evolving ICTs in which he sees that the early development of the ICTs is characterized and promoted as a way to allow the public to engage directly in international affairs. However, the international affairs in early times much likely refer to the so-called "open commons" period where the public purely engage in business and citizen activities. After jumping into the open common periods, he then identified that ICTs is not only capable for economy means, but also allowing users and other non-state actors (e.g., bloggers) to engage as relative equals with states, even in heavily regulate and illiberal societies. ICTs development proved to have created horizontal connections between governments, businesses, and users' content with liberal tradition of diplomacy.

As time passing by, the public has been intrinsically imposed with the horizontal propagation of the internet through ICTs development. The horizontal propagations contextually encouraged the users to engage with one another across and between nation-states, creating the possibility of expanding the realm of citizen-to-citizen engagement as well as for governmental responses. The non-state actors heavily relied on particular stakeholders in restructuring the world of ICTs, which in fact, the actors have been recognized as the major measurements in the evolving ICTs.

Bousfield (2017) highlighted three main occasions in analyzing deeper on cyber diplomacy, i.e., the "open commons" period, the 9/11 event, and the Hong Kong Occupy Central Protest. The open-commons period commonly excluding the government's intervention, emphasizing more to the role of ICTs in global financial infrastructure defaulted regulatory power into the hand of non-state actors, such as businesses and individual citizens. As this period occurred, he marked it as the era where technologies in general have connected so many different parts of the world especially Southeast Asia and the West.

The event of 9/11 is the critical moment regarding the terrorist strike—it is inevitably linked to the use of ICTs. It impacted as a whole where the hierarchical control and convergence emerged shortly after the accident. Noting over the open commons highly presented an era of horizontal connectivity, the 9/11 have it otherwise. The government took a swing

turn to fully regulate the use of technology especially the internet. The following government intervention formally resulted to “access denied” in 2000–2005. Those years are the period where the government was pushed for blocking and regulating the internet. They decided to put a limitation on internet usage when they found out that the internet was a potential tool for threat. Furthermore, the event of 9/11 has formally recognized the existence of non-state actors who are willing to sell ICTs capabilities to the state to improve the online regulatory capacities. Once 9/11 broke out, cyber diplomacy evolved further to be materialized as international theoretical framings of geopolitics (realist, liberal, Marxist, etc.) with media theory and the social power of ICTs.

The event of 9/11 has pushed both the private and the non-state actors to step on the common grounds. Private sectors mainly managed the internet for both offensive (such as hacking) and defensive (such as firewalls and virus protection) purposes, meanwhile, the non-state actors play an integral role in developing state responses to cyber-security. The unequal access to the internet triggers the society inequality to arise making it as “graduated sovereignty”. Thus, the framework of cyber diplomacy foregrounds the tension of the state trying to impose hierarchical regulations on practices (Other Diplomacies) that are already underway. This is further complicated by graduated sovereignty, the participation of market actors and individual users who can become infused with the tacit ethics of technological freedom.

The dynamics of ICT development illustrate the ways in which horizontal practices in production and manufacturing affect the likelihoods of state interests online. Hong Kong protest back in 2014, has pinpointed by Bousfield to be one of the most Internet activism worth to be analyzed for. Famously known with the hashtag #OccupyCentral this tagline is associated completely with “Occupy Central with Love and Peace”. The internet plays such a crucial role in terms of mobilizing the protestors, Bousfield coined the protest as a proof of a movement driven by user-technologies, with tactically linked free access to information, social media awareness, and global media pressures they have caused. Moreover, the protest’s spread of values through market actors (Twitter, Google or Sino Weibo) and the publics’ participation online have expanded the other diplomacy’s influence.

The protestors performed impressive coordination and mobility with the usage of cyber diplomacy, in other words, the importance of other diplomacies (cyber diplomacy) is the way in which it allows faster participation and amplification across and within borders (through time-space compression), representing a greater challenge to strategies of cooption and suppression. The three occurrences have impacted the insights of other diplomacies that horizontal communication provides benefits, even if circumscribed by state actors, and indeed may facilitate new forms of interconnection that has previously been impossible. The situations portray comprehensively on how

much the internet culture and state's internet regulations need to stand side-by-side, the internet culture including of increasing use of video services, instant messaging, and social networking while the government needs to oversee these matters.

The Hong Kong protest shifted the way how the ICTs functioned as traditionally be used for connectivity, but it also stems from responses coming from the government to all the potential problems they may cause. [Bousfield \(2017\)](#) argued that the horizontally propagated values of the internet in the time of Hong Kong Protest were directed to encounter the hierarchal efforts of states to engage in forms of cyber diplomacy. Given the role of market actors, the malleability of threat assessment, and the actors of users to resist forms of direct control, there is a possibility that challenges like that will continue.

Based on all the events indicating the existence of cyber diplomacy and as well as for the other diplomacies, the wall differing these two terms grows taller and dissectible. This can be seen in the tensions between other diplomacies and cyber diplomacy stem from the role of the state in controlling and restricting access and the demand from users for greater access. These two are then divided through their respective underpinnings, cyber diplomacy refers to global mechanisms whereas the network effects and corporate provision of security mitigate state policies and governance. On the other side, the other diplomacies serve as a framework that allows the user to understand the way new technologies and the

practices of citizens can seek to transform government practices.

ICTs development with cyber diplomacy argues by [Bousfield \(2017\)](#) are sculpturing the immediate climax on the growth of a globalized culture. Cyber diplomacy requires an updated form of technology, which can be defined through a more compact and sophisticated infrastructure with the warrants of significant accessibility. Cyber diplomacy is favorably relatable with the market expansions of Korean health and beauty products. The role cyber diplomacy played for the particular expansions has been remarkably pleasing as it seems to manifest from the open-commons period where the market actors are freely doing business together with the help of technology. Korean health and beauty products have been imposed in relations to the impacts cyber diplomacy plunged as it has facilitated the trade of the products, information sharing, and simplify the day-to-day interactions of the producer and the consumer.

As Korean health and beauty products starting to take up places as one of the most influential parts of South Korea's economy, it does not take a lot of time for the government to step in. The existence of government here merely serves as a regulatory facilitator not that with the will of intervention. The cyber diplomacy carries out both by the government and the non-state actors has come to approve that Korean stakeholders have been demonstrating an open communication for business, supporting the ideas of freedom and progress, and absolutely promoting the will to

cooperate. Contextually, Indonesia is the recipient of these expansion initiatives—the relations between nations bloomed that they tend to position themselves on the parallel line, where both of these governments are striving for control in regulating stuff, either they got to export it or not. The regulations can sometimes be a tool used by the government, which serves to open the path of business and commercial means abroad, or functioned as a limitation to the products sells by the market.

## ANALYSIS

Based on the explanation above, we could comprehend that Korean companies, and even the government, are using Korean pop culture wave momentum for various reasons, no exceptions for health and beauty products expansion to other regions. The already popular pop culture helps the expansion a lot and the targeted countries accepted it warmly without any hesitation. The young generation in Indonesia brings the smartphone lifestyle to the next level. Thus, in this chapter of the study we will capture the phenomenon of how South Korea uses health and beauty as interest tools, how they infiltrate the Indonesian market, and how they use digital platforms to network their ideas in distributing them.

## KOREAN BEAUTY: TOOLS TO PROMOTE THE NATIONAL BEAUTY VALUES

Korea delicately associates itself with public diplomacy, which portrays one's wellness in

such sophisticatedly marketing-appeals. In this particular matter, the pressure intensifies more on the cultural values of Korean health and beauty products—known as Korean skincare. According to GQ's perspectives on Korean skincare, Korean society has long been embracing the value of 'skin first philosophy'. This idea is pushing more the society to take discreet preventions before there is an actual problem concerning the skin, either your face or body. This prevention-first philosophy is gospel among the Koreans and develops as traditions mostly followed and passed down through generations. Korean beauty is mostly characterized by the user's commitment to follow the ten steps of skin regimes as the way of assurance in achieving healthy and good-looking skin.

[Marian Liu of CNN \(2018\)](#) acknowledged the Korean beauty market standing proudly among the top ten beauty markets with an estimated worth of over \$13,1 billion in 2018. Facial skincare products alone make up half of the total market share and are projected to reach \$7,2 billion by 2020. The export record also reportedly increased. The demands are coming from several countries, such as France, UK, Russia, Hong Kong, Japan, and Thailand, even the United States. By item, basic cosmetic products accounted for 50,7%, followed by makeup products (9,5%), eye makeup products (3,6%), lip products (3,2%), and powder (0,8%). Excellence note on this particular growth is inevitably relevant thanks to the diffusion of the Korean Wave – or *hallyu*, through social network services, K-Pop, and broadcasting.

Domestically, Korean beauty products are being regulated through the cosmetic act, which was the newest revised version that enters into force on March 14, 2019. This act is responsible to divide the Korean cosmetics into two categories, i.e., general cosmetics and functional cosmetics. Functional cosmetics, include whitening products, are used to improve skin wrinkles, gentle tanning skin or protect skin from ultraviolet rays, change or remove hair, nourish hair, prevent or improve dryness, splits, loss, cornification, etc. For functional cosmetics, both manufacturers and importers are required to undergo an evaluation on the safety and efficacy of cosmetics and submit information necessary for such evaluation to MFDS. They are permitted to manufacture or import only after getting approval—they need to get another approval before marketing the products. Lastly, the cosmetic act formally warns the manufacturers and importers to use safe containers in the prevention of toxic poisoning of children due to misuse ([South Korea Cosmetic, 2020](#)).

### **KOREAN HEALTH AND BEAUTY PRODUCTS PRESENCE IN INDONESIA**

South Korea's economy is welcoming the role of its health and beauty products to lay significant impacts financially. This comes to approval from the President, Moon Jae-in, to give an ease while fostering the country's burgeoning beauty and skin care industry as part of bio-industrial development. He requested an economic strategy or plan for

2020, including the plans to boost the industry for “innovative growth”. His request is to encourage startups, improve regulations, and foster the cosmetics and skin care sector as part of the larger bio-industry ([Shim, 2019](#)).

The quality product significantly improves the demand for something being effectively accepted by the consumers. South Korea observes the demand domestically, which grows within the society to fuel one's own satisfactions. The Korean health and beauty products are striving for friendly recognitions through the medical formula compositions together with adequate product packaging. The scrutiny of how the products grasped a welcome within the society can be seen through the opportunity on how much it plays through a process in a considerable scope of time. Domestic manufacturers are dominated by two giants, Amore Pacific Corp and LG Household & Health Care Ltd, which continue to give big imprints on the productions of beauty and personal care in 2018. Most of the mass beauty and personal care have the prospects of creating interactive communication between brands and consumers; it leads to the improvement of product quality. The prospects are also seen based on South Korea's skin care which basically converging on the mature category; they seek for innovative ingredients to attract more attention. Product marketing needs to adjust with personalized demand impacts while considering the expanding derma-cosmetics at a fast pace ([Euromonitor International, 2019](#)).

South Korea's counterparts are showing an attractive playground for the penetrating of Korea's products. Indonesia is considered as one particular market for the cosmetics industry to keep an eye on. The strong growth rate offers by Indonesia will then push more the worth of any industry would make. The manifestation of Indonesian markets shows as the demands on halal products are increasing, but not to worry, there are more can be done to offer a wider range of skin care solutions as the Indonesians have been living through the bigger frame of diversity. Then, the Indonesian beauty and personal care market is expected to be worth \$6,03 billion and continues to grow for \$8,46 billion (Lim, 2019). The company like Dow has earned double-digit growth plans for Indonesia, which later the company has the expectations to raise more on the consumption that heavily depends on the huge populations throughout the archipelago.

So how worthy is the Korean product to gain attraction from the Indonesian market? Indonesia with its populated citizens as one of the most consumptive societies in the world is the reason why it is considered as the strategic market in Southeast Asia. It offers a prospect for the foreign investors to seek more on the demand, mainly indicates the purpose of skin care is much needed for personal grooming. Thus, Indonesian consumers are willing to pay for premium skin care. It's worth noting that facemasks reach their popularity thanks to the massive marketing done by the Korean brands. Aside from skincare, the competitiveness seems to

show that pharmaceutical brands also gain popularity due to people paying more attention to what they put on their respective skin (Euromonitor International, 2019).

As the time passes, the Korean brands are still on the pugnacious move to gain more recognition in Indonesia. This also invites the attention of the Korea Trade-Investment Promotion Agency (KOTRA); it was revealed with fifteen different Korean brands marketing their products ranging from cosmetics to skin care. KOTRA representation for Indonesia, Fitri Nur Arifenie, finds it interesting that market enthusiasm has attracted sixty different Korean companies to make its stints in trading their health and beauty products to be consumed by Indonesian consumers within a month (Putri, 2017). Up until now, the Indonesian market has been overwhelmed with numbers of Korean brand mushrooming the retails in several shopping centers around Indonesia, e.g. Etude, The Face Shop, Laneige, Sulwhasoo, The Saem, Nature Republic, Innisfree, Tony Moly, Missha, Skinfood, and the latest addition is Moonshot (Hasibuan, 2018). Innisfree brand shows major improvements in stepping up the brand-awareness of Indonesian women; it can be seen through the number of visitors for Innisfree's four outlets with the figures as shown below.

Of the four outlets operating across Jakarta and Bandung, the brand-awareness is spotted significantly with 8,905 consumers and the number is yet to include the online transactions conducted by the resellers. Amidst the enthusiasm shown by the customers to try more on the products, it

is safe to say now that Korean brands really expected something for the market to not only preserving the good-looking representations but also to maintain a healthy and nourished skin.

Therefore, it is not hyperbolic to say if Indonesia accepts very warmly the so-called K-beauty movement in the general Korea pop culture wave. The attractive side that is formed by K-pop stars that can be accessed through all kinds of media has multiple effects on the production of Korean health and beauty products. Moreover, instant lifestyle nowadays in Indonesia also catapulted massive selling for all kinds of necessities, including makeup as part of health and beauty products. Furthermore, this phenomenon has created such a co-opted power among Indonesian society as targeted countries. Great marketing that will be discussed in later part of this analysis with long-term effect of social habit through make-up that we already know as part of women culture in Indonesia has created a successful nest for the expansion of Korean health and beauty products in Indonesia.

## KOREAN HEALTH AND BEAUTY PRODUCTS NETWORK

Great socialization is the key to marketing. As part of South Korea's public diplomacy in promoting its health and beauty products, there are significant ways how the actors play the roles. The trending path the society could possibly see today is the engagement of South Korea's public figure for the consumers abroad. Marketing sculpts the tactics played by the company to draw public attentions toward a particular brand; they took some measures in advertising the products affordably enticing. In the case of Indonesia alone, several e-commerce have taken a brave step in paying these figures to pave its consumer's impression toward the brands.

Tokopedia with BTS and Shopee with Blackpink are some famous cooperation between Indonesian e-commerce platforms with Korean pop stars for expansion of products, sales, and services in Indonesia. E-commerce are not the only one attentively collaborating with the famous K-Pop icons, but also the Korean brands itself has long done such efforts for gaining more buyers

**Table 1.** Innisfree's Sales Summary per 20–27 April 2018

|                           | <b>Senayan City</b> | <b>Central Park</b> | <b>Summarecon Mall Serpong</b> | <b>Paris Van Java</b> | <b>TOTAL</b>  |
|---------------------------|---------------------|---------------------|--------------------------------|-----------------------|---------------|
| Total Sales (in Rupiah)   | 605,443,000         | 721,385,000         | 376,474,000                    | 450,415,000           | 2,153,717,000 |
| Total Items Sold (in pcs) | 8,328               | 10,346              | 7,643                          | 7,583                 | 33,900        |
| Total Customers           | 2,198               | 2,865               | 1,817                          | 2,025                 | 8,905         |

Source: Ariella & Yunus (2019)

globally ([Tokopedia Umumkan BTS, 2019](#)). There are several names of renowned K-Pop icons to be named for a brand's ambassador, i.e., actor Song Joongki for Laneige, actress Song Hye Kyo for Sulwhasoo, Yoona of SNSD and Lee Min Ho for Innisfree, Choi Siwon of Super Junior for Mamonde, G-Dragon of Big Bang for The Saem, and Korean boyband SHINee for Etude house.

In terms of gaining further expansion through cyber transactions, Mamonde, a famous Korean makeup brand, exclusively presents in Indonesia through Shopee e-commerce platform (Shopee Gandeng Produk, 2019). As part of K-Beauty effort, Mamonde signs a partnership with Shopee in Indonesia for sales and distribution with various discounts and programs exclusively online. The Plant Base, famous Korean organic beauty products, are exclusively sold in Salubritas.id, an online platform for lifestyle e-commerce ([Primasiwi, 2019](#)). The business of the Korean health and beauty products in Indonesia is very dynamic. Not only opening online store, offline store also becomes an option for Korean companies. Some Korean companies, like Peripera for instance, choose to open offline store instead of online store like Mamonde ([Mecadinisa, 2020](#)).

Start-up culture also become an instrument for expansion, new instant culture, and online lifestyle of young Indonesian generations become the main drive for further expansion of Korean companies. PnP Biopharm, VIVA KOREA, Endo Medics, N-Finders, Arirangrion, and Petit Elin are some Korean startup companies which fo-

cus on health products that make their way in Indonesia (TEK.ID, 2019). Moreover, Korean companies are so keen and very active in expanding their business in Indonesia, not only expansion, acquisition is also an option. Indonesian cosmetics brand Sashi got acquisition by a Korean company, Rookie Corporation, then change the name to Sashi Seoul ([Sari, 2020](#)).

After all the efforts taken in fulfilling the needs of the market, it will always be back to South Korea's national interest. The goal is to create an economic convalesce occurrence through the hand of public diplomacy. It will always due back to the international trade, consumers in different countries can purchase goods and services which are made abroad, implying significant resources, as a border crossing requires certain costs, such as some taxes, and economic, social, cultural, legislative, and political differences between countries ([Surugiu & Surugiu, 2015](#)). There are no doubts that the presence of South Korean health and beauty products needs to go through on the deep market-diggings to be simply put into. Market analysis such as import regulations and demands based on personal conditions need to be considered before marketing the products.

[Moyer in Hosley and Wee \(1988\)](#) stated that as an economy develops, its marketing organizations must develop as well. In fact, Korea has harvested much of their economy with susceptible acts in promoting the culture while simultaneously benefits financially for the country. The reputations it gains will be nurtured with the impacts

brought by the products they sell, with the public as the recipients it would bring no doubt onto how far will the figures of a brand took a big stride in getting all the attentions needed.

## CONCLUSION

Digital lifestyle through smartphones and the internet become revolutionary in terms of market changing in Indonesia's population. Korean companies are really aware of this situation. The momentum of Korean pop culture fame also catapulted the process of the expansion of Korean health and beauty products in Indonesia into a new social habit in Indonesia, marked with further expansion in online and offline retail of Korean companies.

Warm acceptance with no hesitation and feeling attracted to such high health and beauty standard that carried by Korean pop stars as indirect and direct marketing with new technological advancement through smartphones and PC in globalized information age accessed by relatively young population of Indonesia has made Korean health and beauty through Korean pop culture wave a co-opted, rather than a coercive force of soft power in Indonesia.

The simplicity of online transactions and cyber-content making, including streaming services and learning, also give some notable points in the process of expansion of health and beauty products of Korea in Indonesia. Korea as a nation is really great at managing soft forces of its soft power, including pop culture. This entire situation catapulted the process into a

successful expansion of Korean health and beauty products in Indonesia. Furthermore, it is interesting to see how Indonesia is not even aware of all the soft sources of South Korean soft power being applied to them. Accompanied with attractiveness toward Korean pop stars and how well the pop culture being given to them, it is not an exaggerated claim to say South Korea knows well who their target is and how to deal with them. In order to sum up, in this much globalized era, all things could be an asset to achieve interest if properly done.

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