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The Influence of Country Image, the Korean Wave, and Website Characteristics on Cross-Border Online Shopping Intentions for Korean Cosmetics: Focusing on US and Chinese Consumers

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Abstract   The purpose of this study was to examine the effects of the Korean Wave, macro and micro country image, and perceived website usefulness and ease of use on US and Chinese consumers' intentions to purchase Korean cosmetics online. We conducted an online survey of US and Chinese consumers age 20 or older. Participants were asked to assume they were buying Korean cosmetics from the Kmall24 site. After browsing the site for 10 minutes, they responded to the questionnaire. A total of 500 responses (250 US consumers and 250 Chinese consumers) were used in the final analysis. For US consumers, the Korean Wave, perceived usefulness, and micro country image significantly affected cross-border online shopping intentions to purchase Korean cosmetics. For Chinese consumers, perceived usefulness, perceived ease of use, and the Korean Wave significantly affected cross-border online shopping intentions. Further, Chinese consumers scored significantly higher on all measured variables relative to US consumers. These findings highlight the need to understand every country's consumer characteristics rather than judging exporting countries as homogeneous markets.

Introduction

With the expansion of the Korean beauty industry, Korea's beauty exports are steadily increasing. According to the Korea Health Industry Development Institute, Korea's beauty exports have grown rapidly, reaching 6.91 trillion won in 2018, a tenfold increase from 2014 (Sin, 2019). Because consumers usually evaluate image-oriented products (especially cosmetics) subjectively rather than objectively (Kalicharan, 2014), developed countries such as the US and several countries in Europe have led the global cosmetics industry.

Nevertheless, the Korean Wave—a popular culture phenomenon exemplified by K-pop, K-drama, and other Korean entertainment icons has spread worldwide, acting as a cosmetics export engine (Jeon & Kim, 2020). According to the Foundation of Korea Cosmetic Industry Institute (2019), exports to China accounted for 46.8% of Korea's total cosmetics exports (approximately $ 3,037 million as of 2019), followed by Hong Kong (14.2%) and the US (8.1%).

Although exports to the Greater China region account for a significant portion, exports to the US and France are on the rise, demonstrating the diversification of the Korean cosmetics market.

Korean imports represented approximately $382.6 million of the US cosmetics market in 2018, ranking third in market share after France and Canada (KOTRA, 2019). The US is the world's largest importer in the cross-border market, and US consumers are expanding their purchasing channels from local shopping malls to overseas outlets to find cheaper and more unique products. Chinese online shopping has expanded due to the proliferation of mobile devices and the simplification of payment processes (e.g., Alipay, Tenpay) since 2011. Chinese consumers' interest is shifting to global cosmetics due to the flood of counterfeit cosmetics into the domestic market and consumers' strong preference for global brands. Recognized for their high quality, Korean cosmetics are steadily increasing the proportion of cross-border online shopping in the Chinese cosmetics market (Cai, Lee, & Kwak, 2016; Jung, Chung, & Yang, 2018).

The emerging cosmetics industry and Korea's increasing global competitiveness require company and government efforts to diversify the export market. Accordingly, many Korean companies are launching globally competitive online or independent shopping malls for direct overseas sales. Among them, the Korea International Trade Association opened Kmall24 site (kmall24.com) to export Korean e-commerce, supporting direct overseas sales of SME products. In the first half of 2019, the most frequently sold items on Kmall24 site were cosmetics, K-pop-related products, and health foods, with the highest demand coming from the US, China, and Singapore among 92 total countries (KITA, 2019).

As globalization accelerates, retailers and marketers seeking to enter overseas markets are trying to understand how consumers evaluate imported products and what factors influence these evaluations (Klein, Ettenson, & Morris, 1998). Because US and Chinese consumers are highly interested in Korean culture, the cross-border online shopping market abounds with opportunities for domestic companies. It is important to understand consumer behavior in each country because the evaluation of foreign products is different for each culture (Han, 1989).

Most past research has studied other countries' imports of Korean products (Kim & Lee, 2013; Lee & Jeong, 2016); however, cross-border transactions occurring via domestic online shopping malls are distinct from the traditional online shopping, so it is necessary to approach it as an evolved consumption form. Therefore, it should be noted that cross-border online shoppers who purchase Korean products have dual characteristics as website users and consumers of foreign products.

Considering this information, this study examined the Korean Wave and country image (macro and micro) along with consumers' perceptions of website usefulness and ease of use as predictors of intention to purchase Korean cosmetics online. More specifically, we compared the factors affecting such purchase intentions in US consumers, the world's largest cross-border online shopping market, and Chinese consumers, the largest importer of Korean cosmetics. We selected Kmall24 as a cross-border platform; it is Korea's leading cross-border sales online mall that sells Korean SMEs' products to overseas consumers, which was opened by the Korea International Trade Association (KITA). China is geographically near Korea, partially explaining why the Korean Wave first occurred there. Although the US is relatively distant from Korea, it is one of the largest markets for cross-border e-commerce. The findings of this study present academic and practical implications for understanding consumer behavior with respect to Korean products in the global e-commerce market and for improving consumer satisfaction.

Literature Review

Consumer Perceptions of the Korean Wave

As mentioned previously, the Korean Wave refers to the spread of Korean popular culture (e.g., K-pop, drama, and TV shows) to the global market (Kim & Lee, 2013). In East Asian countries such as China and Japan, the Korean Wave took hold in the early 2000s, but the fever waned due to political issues. Nevertheless, Korean popular culture's influence in the US and Europe has rebounded recently.

While the term "Korean Wave" initially encompassed Korean popular culture trends, it can be interpreted more broadly as the increase in preference for Korea, which affects purchases of Korean products (Ko, 2005). According to the 2020 Overseas Korean Wave survey report released by the Korean Foundation for International Cultural Exchange (KOFICE), most foreign respondents indicated that the Korean Wave has contributed immensely to Korea's country image. It is clear that the Korean Wave has had a significant role in bolstering Korea's global reputation (KOFICE, 2020).

While early studies focused on determining the causes of the Korean Wave, recent research has examined the phenomenon from business administration, economics, and social psychology perspectives. In 2019, Korean Wave-related exports accounted for $ 12.32 billion, up 22.4% from 2018. Of the consumer goods, tourism products were the largest export, accounting for $ 2.65 billion, followed by cosmetics, which accounted for $ 969 million (Jeon & Kim, 2020). These figures demonstrate not only the direct effect of the Korean Wave on cultural content exports but also the indirect effects, such as Korean products, tourism, and country image.

Several studies have demonstrated the Korean Wave's status as a leading variable affecting consumers' intentions to purchase Korean products (Kim & Lee, 2013; Lee, 2015). This is the case because when consumers feel intimacy with the Korean Wave, their emotions transfer to products related to Korean culture, thus positively influencing their desire for such products (Han, Chen & Rhee, 2011). Cosmetics are especially highly related to the Korean Wave because Korean artists often endorse these products. Their numerous fans tend to follow the artists' skincare routines and fashion styles, which affects purchasing behaviors (Jeon & Kim, 2020; Lee, 2015). The influence of the Korean Wave has been explained through various theories such as the cultivation effect, the halo effect, and country of origin (Ko, 2014). In other words, Korean life and sentiments as portrayed by Korean dramas and movies have formed a positive image of Korea, which in turn increases the preference for Korean culture or products among foreign consumers.

The results of relevant studies differ depending on the definitions and product categories of the Korean Wave, but all confirm that the Korean Wave has delivered Korean culture to foreigners and has contributed positively to the status of Korean products. Lee, Shang and Xiao (2016) found that the influence of the Korean Wave may affect the frequency of exposure to mass media such as music, dramas, and movies, leading to the purchase intention of Korean cosmetics. Yu, Nam, Park and Jin (2014) found that consumers who had encountered the Korean Wave exhibited strong preferences for multiple Korean products. This is because consumers are highly likely to form specific preferences for Korean products by using Korean Wave derivatives, ultimately enhancing Korea's micro country image.

Lee and Jeong (2016) suggest that the Korean artist acts as a human brand for Chinese consumers; further, the artist can be considered as a symbolic brand that makes the product stand out to consumers more than does the product brand. Their results revealed that attachment to an advertising model can be transferred to the corresponding brand, leading to consumers' trust of the cosmetic brand. As such influence is recognized, PPL cases in which Korean Wave stars appear as product advertisement models or Korean products are featured in dramas or movies are increasing. As mentioned earlier, the halo effect occurs such that other Korean products are valued as highly as products directly related to the Korean Wave.

Country Image

Country image is concept in the field of international marketing and consumer behavior and has been studied at both the micro- and macro-levels (Hsieh, Pan, & Setiono, 2004; Lee & Ganesh, 1998; Pappu, Quester, & Cooksey, 2007). Macro country image is defined as the sum of the explanatory, inferential, and informational beliefs of a specific country, which lends relatively higher preference to developed countries than to developing countries. On the other hand, micro country image refers to a general perception of the quality of a particular country's products in international marketing (Martin & Eroglu, 1993; Nagashima, 1970), this definition comprises the effect of the manufacturing country (Han, 1989; Wang, Li, Barnes, & Ahn, 2012).

Consumers perceive the attributes of a product,

including its quality, by using the country of manufacture as a cognitive cue. This view has been confused with the concept of the county of origin. In other words, it is more appropriate to approach the country image at the product (micro) level. Some researchers (Lee & Ganesh, 1998; Pappu et al., 2007) have argued that country image should be viewed at both the macro and micro levels because the overall image of a specific country—including its politics, economy, and people—may be negative, yet the country's product image may be positive.

Pappu et al. (2007) measured consumers' micro and macro country images by product category. The results showed that product evaluations for each level of country image varied according to product category. For example, macro country image had a larger effect on consumers' evaluations of TVs than on their evaluations of cars, while the opposite was true with respect to micro country image. Additionally, when consumers evaluate unfamiliar or ambiguous products, micro country image has a greater impact than does macro country image, as consumers more often utilize the former when inferring product quality or making purchase decisions (Han, 1989; Lee & Ganesh, 1999).

As shown above, because country image acts as an external cue when consumers evaluate unfamiliar products or brands, it plays a role in reducing risk perception in consumers' purchasing decisions (Hong & Wyer, 1989). Likewise, this applies in the cross-border online shopping environment. Park and Hwang (2016) found that Japanese consumers with positive macro and micro country images of Korea exhibited increased intentions to repurchase Korean products online. On the Korean cross-border platform, Jung et al. (2018) also found that the micro country image of Korean cosmetics had a positive effect on Chinese consumers' online purchase intentions. Under uncertain conditions, such as those of cross-border online shopping and other non-face-to-face transactions, country image acts as an external cue to reduce consumer uncertainty about the retailer as well as the product. Thus, in all likelihood, country image affects cross-border online purchase intentions considerably.

Website Characteristics: Perceived Usefulness and Perceived Ease of Use

The Technology Acceptance Model (TAM) proposed by Davis (1989) examines the external influences on beliefs, attitudes, and intentions based on the rational behavior theory in social psychology. The model suggests individuals' perceptions of usefulness and ease of use as main factors in determining their acceptance of information systems. Perceived usefulness refers to the degree to which one believes that performance efficiency would be improved by using a specific system, and perceived ease of use is the degree of cognitive effort needed to learn and utilize the specific system (Davis, 1989). An individual's behavioral intention is the probability that beliefs and attitudes will translate to actual behavior (Asshidin, Abidin, & Borhan, 2016).

Koufaris (2002) developed an integrated model to explain consumer behavior in the online shopping context, noting that online shoppers are website users who also happen to purchase products. The model posits two types of motivation, external and internal, for website users. External motivation drives the evaluation of the functional aspects of the website (*perceived usefulness*) while internal motivation helps consumers evaluate non-functional aspects (e.g., pleasure and satisfaction) in the use of the website (*perceived ease of use*).

Researchers applying TAM to websites have argued that the influences of perceived usefulness and perceived ease of use on individuals' behavioral intentions differ depending on website type (Castañeda, Muñoz-Leiva, & Luque, 2007; Wolfinbarger & Gilly, 2001). In online shopping malls, Gefen, Karahanna, and Straub (2003) found that while the perception of usefulness often determines the success of online shopping, perceived ease of use is vital to e-commerce because it reduces confusion in the process of exploring new information and products. Therefore, in this study, we expected that perceived usefulness and perceived ease of use of the website would affect cross-border online shopping intentions.

Methodology

Research Questions

To facilitate strategy development for global expansion of Korean cosmetics, we posed the following research questions (Figure 1):

Research Question 1: How do the Korean Wave, country image (macro, micro), and website characteristics (perceived usefulness, perceived ease of use) affect cross-border online shopping intentions for Korean cosmetics?

Research Question 2: Are there any differences between US consumers and Chinese consumers with respect to the variables mentioned above?
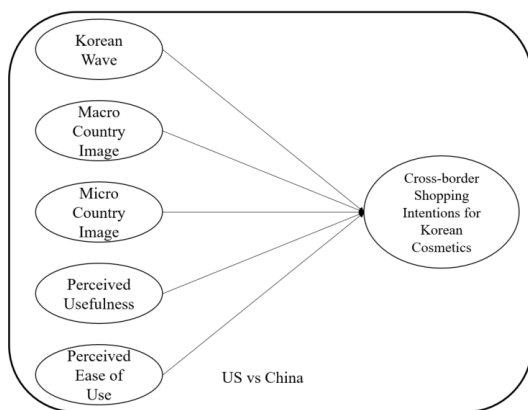

Figure 1. Proposed research model

Measures

To address these questions, we conducted a survey of consumers over the age of 20 residing in the US and China. We adapted the survey items from previous studies. Macro country image refers to a general national image including politics, economy, and people. We adapted 11 items from Pappu et al. (2007) to measure macro country image. Micro country image refers to the national image at the product level and was measured with 12 items based on Wang et al.'s (2012) research. We operationally defined the Korean Wave

as individuals' familiarity with Korean popular culture and measured it with four items from Jung (2006). The perceived usefulness of the Kmall24 site is the degree to which individuals perceive that shopping efficiency improves when searching for and purchasing Korean cosmetics. Perceived ease of use entails the level of effort required to search for and purchase Korean cosmetics through the website. We measured perceived usefulness and perceived ease of use with six items each from Gefen et al. (2003). We measured cross-border online shopping intentions with three items from Ling, Chai, and Piew (2010). All items were rated on a 7-point Likert scale (1 = strongly disagree and 7 = strongly agree). Participants also responded to several demographic items.

The questionnaire was first composed in English. We utilized a double translation technique to accommodate both US and Chinese consumers. A dually fluent expert translated the English questionnaire into Chinese. Then, the questionnaire was repeatedly retranslated until the English and Chinese items converged.

Sampling and Data Collection

We collected data through an overseas panel survey specialist. Consumers over the age of 20 residing in the US and China participated in the study, sampled with gender and age quotas. Participants completed the survey after browsing the Kmall24 site for approximately 10 minutes, assuming they were purchasing Korean cosmetics. The Kmall24 site is a representative online mall selling Korean SMEs' products to global consumers, operating in both English and Chinese. Therefore, in our study, US consumers browsed the site in English, and Chinese consumers browsed the site in Chinese. The survey targeted consumers registered as SSI and QQ panelists during June 2016. A total of 500 responses (250 US consumers and 250 Chinese consumers) were used in the final analysis. We used AMOS 21.0 for confirmatory factor analysis and SPSS 24.0 for descriptive statistics, reliability analyses, regression analyses, and t-tests.

The total sample was 50% male and 50% female, and participants' ages were evenly distributed between the 20s and 50s. For both US and Chinese consumers, bachelor's degrees were the most frequently reported level of education,

Table 1. Demographic information about the respondents

Variables		US Consumers	Chinese Consumers
Gender	Male	125(50.0%)	125(50.0%)
	Female	125(50.0%)	125(50.0%)
Age	20~29	64(25.6%)	64(25.6%)
	30~39	62(24.8%)	62(24.8%)
	40~49	62(24.8%)	62(24.8%)
	50~59	62(24.8%)	62(24.8%)
Education	Below high School	2(.8%)	2(.8%)
	Completed High School	84(33.6%)	18(7.2%)
	Have Associate Degree	38(15.2%)	51(20.4%)
	Have Bachelor Degree	87(34.8%)	163(65.2%)
	Have Graduate Degree	39(15.6%)	16(6.4%)
Purchase Experience for Korean Cosmetics	Yes	45(18.0%)	171(68.4%)
	No	205(82.0%)	79(31.6%)
Frequency of Visiting Korea	None	206(82.4%)	98(39.2%)
	1-2 times	29(11.6%)	127(50.8%)
	3-4 times	13(5.2%)	22(8.8%)
	over 5 times	2(.8%)	3(1.2%)
Total		250(100%)	250(100%)

representing 34.8% and 65.2% of the respective subsamples; 33.4% of US consumers reported having graduated from high school, as did 20.4% of Chinese consumers.

Chinese consumers reported more purchasing experience, as 68.4% of Chinese consumers previously had purchased Korean cosmetics compared to 18.0% of US consumers. Additionally, 60.8% of Chinese consumers reported that they had visited Korea more than once compared to 17.6% of US consumers (Table 1).

Results

Measurement Validity and Reliability

We conducted confirmatory factor analysis (CFA) to verify the suitability and construct validity of the measurement model using 42 observed variables. To improve model fit, as the fit of the initial model did not meet the proposed criteria,

we removed items with factor loadings of 0.6 or less. Additionally, we removed several items based on their modification indices (Nunnally & Bernstein, 1994). This resulted in the elimination of eight total items. The final CFA model had acceptable fit: $\chi^2 = 1270.422$ ($df = 512$), $\chi^2/df = 2.481$, $p < .001$, SRMR = .035, GFI = .863, TLI = .960, CFI = .963, RMSEA = .054 (Hair, Anderson, Babin, & Black, 2010; Park & Lee, 2009). Table 2 displays the final CFA results.

We evaluated construct validity in terms of convergent validity and discriminant validity. All standardized factor loadings were statistically significant and greater than 0.6, the AVE value was greater than 0.5, and the CR value was greater than 0.7, demonstrating evidence of convergent validity (Table 2). The AVE value was greater than the squared multiple correlation coefficient for each variable, demonstrating evidence of discriminant validity (Table 3). The mean values of all variables exceeded 4, and the perceived usefulness was the highest at 5.337.

Table 2. Result of final measurement model

Constructs	Items	Factor loading	AVE	CR	Cronbach's α
Korean Wave	I have heard about Korean popular songs.	.835	.823	.813	.948
	I have a preferred Korean singer or actor/actress.	.926			
	I know Korean fashion style well.	.929			
	I know Korean TV soap operas or movies well.	.936			
Macro Country Image	Producer of high-quality products	.835	.612	.862	.926
	High standard of living	.855			
	Welfare system	.712			
	High level of industrialization	.783			
	Civilian non-military government	.753			
	Highly developed economy	.870			
	Literate	.703			
	Democratic	.731			
Micro Country image	High quality	.881	.803	.943	.973
	High workmanship	.891			
	Well-designed	.910			
	Being fashionable and trendy	.884			
	Having a reputation for quality	.921			
	Being sophisticated	.915			
	Being well known and prestigious	.892			
	Being useful	.896			
	Being natural	.876			
Perceived Usefulness	This web site is useful for searching and buying Korean cosmetics	.874	.816	.914	.956
	This web site enables me to search and buy Korean cosmetics faster.	.915			
	This web site enhances my effectiveness in Korean cosmetics searching and buying.	.917			
	This web site makes it easier to search for and purchase Korean cosmetics.	.921			
	This web site increases my productivity in searching and purchasing Korean cosmetics.	.889			
Perceived Ease of Use	This web site is easy to use to search for and purchase Korean cosmetics.	.915	.811	.913	.956
	It is easy to become skillful at using this web site to search for and purchase Korean cosmetics.	.896			
	Learning to operate this web site is easy to search for and purchase Korean cosmetics.	.909			
	This web site is flexible to interact with to search for and purchase Korean cosmetics.	.898			
	It is easy to interact with this web site to search for and purchase Korean cosmetics.	.886			
cross-border online shopping intentions for Korean Cosmetics	It is likely that I will transact with this internet mall to buy Korean cosmetics in the near future.	.952	.912	.896	.969
	Given the chance, I intend to use this internet mall to purchase Korean cosmetics.	.963			
	I want to purchase Korean cosmetics this internet mall.	.950			

χ^2=1270.422(df=512), χ^2/df=2.481, p=.000, SRMR=.035, GFI=.863, TLI=.960, CFI=.963, RMSEA=.054

Table 3. Discriminant validity and the square of scale correlations

Constructs	Mean	S.D.	1	2	3	4	5	6
Korean Wave	4.007	1.929	(.823)					
Macro Country Image	4.909	1.149	.332	(.612)				
Micro Country Image	4.995	1.350	.514	.594	(.803)			
Perceived Usefulness	5.337	1.336	.164	.211	.282	(.816)		
Perceived Ease of Use	5.288	1.321	.133	.186	.250	.694	(.811)	
cross-border online shopping intentions for Korean Cosmetics	4.670	1.843	.537	.310	.496	.410	.348	(.912)

[1] Diagonal elements represent the AVE value

Effects of the Korean Wave, Country Image, Perceived Usefulness, and Perceived Ease of Use on cross-border online shopping intentions for Korean Cosmetics

We conducted regression analyses to address the research questions. All VIF values were less than 10, indicating that there was no multicollinearity. Gender, age, experience of purchasing Korean cosmetics, and experience of visiting Korea — all of which could affect intentions to purchase Korean cosmetics online — were included as control variables. Age utilized an interval scale, and the rest of the variables were used as dummy variables. We used the means of the Korean Wave, macro and micro country image, perceived usefulness, and perceived ease of use as independent variables and cross-border online shopping intentions for Korean cosmetics as the dependent variable (Table 4). The Korean Wave (β = .409),

micro country image (β = .205), and perceived usefulness (β = .362) significantly affected participants' intentions to purchase Korean cosmetics through the Kmall24 site, with the Korean Wave having the largest effect. In other words, greater familiarity with Korean popular culture, better images of Korean cosmetics, and more favorable perceptions of website usefulness were linked with stronger cross-border online shopping intentions These independent variables had 69.6% explanatory power.

Regression Analysis Results of US Consumers and Chinese Consumers

We also conducted separate regressions for US and Chinese consumers (Table 5). For US consumers, the Korean Wave (β

Table 4. The result of multiple regression analysis

All consumers (n=500)		Model 1		Model 2	
		β	t-value	β	t-value
Control Variables	Gender	-.142	-3.776***	-.056	-2.154*
	Age	-.103	-2.703**	-.017	-.632
	Visit Experience	.378	8.288***	.099	3.017**
	Purchase Experience	.220	4.966***	-.008	-.259
Independent Variables	Korean Wave			.409	9.871***
	Macro Country Image			-.044	-1.099
	Micro Country Image			.205	4.308***
	Perceived Usefulness			.362	5.117***
	Perceived Ease of Use			-.008	-.110
F-value		59.744***		128.129**	
Adjusted R^2		.320		.696	

*p<.05, **p<.01, ***p<.001

Table 5. The result of multiple regression analysis: US consumers vs. Chinese consumers

		US Consumers (n=250)				Chinese Consumers (n=250)			
		Model 1		Model 2		Model 1		Model 2	
		β	t-value	β	t-value	β	t-value	β	t-value
Control Variables	Gender	-.151	-2.81**	-.073	-1.79	-.056	-.87	-.024	-.70
	Age	-.268	-4.98***	-.109	-2.60**	.044	.67	.027	.76
	Visit Experience	.242	4.06***	.070	1.53	.298	4.18***	.030	.78
	Purchase Experience	.253	4.24***	-.025	-.50	.085	1.28	.014	.38
Independent Variables	Korean Wave			.469	7.72***			.107	2.40*
	Macro Country Image			-.123	-1.95			-.006	-.12
	Micro Country Image			.196	2.76**			.078	1.54
	Perceived Usefulness			.374	2.90**			.561	7.97***
	Perceived Ease of Use			-.050	-.40			.215	3.08**
F-value		31.461***		51.543***		6.873***		85.549***	
Adjusted R^2		.329		.646		.086		.753	

*p<.05, **p<.01, ***p<.001

= .469), perceived usefulness (β = .374), and micro country image (β = .196) significantly affected cross-border online shopping intentions for Korean cosmetics. For Chinese consumers, perceived usefulness (β = .561), perceived ease of use (β = .215), and the Korean Wave (β = .107) significantly affected cross-border online shopping intentions. In other words, the Korean Wave had the largest effect for US consumers, but perceived website usefulness had the largest effect for Chinese consumers, indicating differences between the two countries. China was the country where the Korean Wave started; so, perhaps there was no influence of the Korean Wave in this study because China is already familiar with Korean culture. On the other hand, the Korean Wave is now spreading beyond Asia, including in the US. This means that each country must implement distinct marketing strategies to sell Korean cosmetics directly online. Additionally, we performed an independent samples *t*-test to compare the means of the major variables between US and Chinese consumers (Table 6). We found that Chinese consumers scored significantly higher on all variables than did US consumers.

Table 6. The result of T-test

	US Consumers	Chinese Consumers	t-value
Korean Wave	3.02 (1.92)	4.98 (1.35)	-13.21***
Macro Country Image	4.52 (1.25)	5.29 (.88)	-7.86***
Micro Country Image	4.37 (1.46)	5.61 (.96)	-11.56***
Perceived Usefulness	5.11 (1.55)	5.55 (1.02)	-3.75***
Perceived Ease of Use	5.11 (1.57)	5.46 (.97)	-2.99**
Cross-border Online Shopping Intentions for Korean Cosmetics	3.81 (1.98)	5.52 (1.18)	-11.73***

**p<.01, ***p<.001

Discussion and Implications

The purpose of this study was to provide strategic suggestions for the global advancement of the fast-growing cosmetics industry despite the recent economic downturn, targeting Chinese and US consumers especially. Specifically, we examined the effects of the Korean Wave, macro and micro country image, and consumers' perceptions of usefulness and ease of use for the website on intentions to purchase Korean cosmetics online through Kmall24 site.

The study yielded several major results. First, we found that the Korean Wave, micro country image, and perceived usefulness significantly and positively affected cross-border online shopping intentions, with the Korean Wave having the largest effect. Second, unlike for US consumers, perceptions of ease of use for the website significantly affected intentions to make cross-border online purchases for Chinese consumers; on the other hand, micro country image affected Americans' purchase intentions but not those of Chinese consumers. Third, Chinese consumers scored significantly higher on all study variables compared to US consumers.

These results have important implications for marketing managers of international businesses. First, the results suggest that marketers should differentiate strategies by the level of country image (micro vs. macro) to expand the global market for Korean cosmetics. For US consumers, the Korean Wave and micro country image affected purchase intentions in the cross-border shopping context. According to cue theory, country image is one of most critical external cues for consumers to infer the quality of unfamiliar products (Bilkey & Nes, 1982). When consumers are cognizant of micro country image, they tend to rely on this rather than macro country image when making purchasing decisions (Han, 1989; Pappu et al., 2007; Wang et al., 2012). Because US consumers evaluate Korean cosmetics as being relatively reasonably priced and of high quality (KOTRA, 2019), micro country image might be more helpful than macro country image in their purchasing decisions. To enhance micro country image, Korean cosmetics marketers should explicitly utilize origin cues such as "made in Korea" labels, which may foster purchase intentions. Furthermore, Korean government should expand efforts to spread Korean cultural phenomena such as K-pop, K-drama, and so on.

Of the website characteristics, there was only a strong effect for perceived usefulness on US consumers' purchase intentions. External motivation is associated more with perceived usefulness, whereas internal motivation is associated more with perceived ease of use. Usefulness pertains to performance expectations for the website's

functional aspects, such as ordering and payment methods. For uncertain cross-border transactions, especially in foreign online stores, perceived usefulness would be a more important factor than for traditional, domestic online shopping. Service providers catering to US consumers should include user-friendly services such as secure payment systems, expedited delivery, and detailed product descriptions to reduce the discrepancy between product presentation and the actual product.

On the other hand, for Chinese consumers, the Korean Wave and perceptions of website usefulness and ease of use played significant roles on the cross-border platform. Increased perceptions of usefulness reduce mistakes such as incorrect processing of inputs and orders as well as increase confidence in purchasing decisions, which in turn may lead to further purchase intentions (Lin, 2011). Although the Korean Wave in China significantly influenced intentions to purchase Korean cosmetics online, it was less influential than were the characteristics of the website. The role of the Korean Wave and country image in these cross-border transactions may be weaker because Korean popular culture has already become commonplace in China, resulting in most consumers having prior experiences with Korean cosmetics (Jung et al., 2018). Previous studies have found that Korea's country image has as a halo effect on the evaluation of Korean cosmetics, but our study did not demonstrate such an effect among Chinese consumers. To expand the global market of Korean cosmetics, service providers should invest in building user-friendly interfaces and enhancing the competitiveness of online shopping malls with features such as authenticity guarantees, foreign language support.

Finally, the study revealed the influence of several demographic factors on purchase intentions, and this information can be used for segmented marketing strategies. For US consumers, relatively young, female consumers with past experiences visiting Korea and purchasing cosmetics were the most likely to purchase Korean cosmetics; in contrast, for Chinese consumers, only experiences visiting Korea had a significant effect on Korean cosmetics purchase intentions. As Korean tourism has increased, so has the interest in Korean products among US and Chinese consumers. Thus, it is necessary for Korean government and

retail marketers to develop systematic tourism strategies that can attract visitors through appealing to the Korean Wave.

This study has several limitations. Here, we measured the Korean Wave, country image, and the perceptions of usefulness and ease of use for the website as independent variables. Future studies should consider additional factors, including the perceived risks of cross-border transactions (e.g., long-distance delivery and stability of payment) and cultural variables (ethnocentrism and collectivism/individualism). Additionally, we measured participants' perceptions of usefulness and ease of use for the website after they had browsed the Kmall24 website for 10 minutes or more, but it remains unclear whether the results can be generalized to other contexts and to what extent. Future research can apply this model in various cross-border shopping contexts and/or make comparisons with domestic online shopping to extend these findings. Because US and Chinese consumers' attitudes toward cross-border online purchases vary from region to region, considering the regional characteristics of respondents' residences could also contribute to more comprehensive strategies for online marketplaces.

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