The Effects of Purchase Intention of Oriental Medicine Cosmetics on Selection and Brand Asset Attributes

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Abstract

Purpose – This research aims to investigate the effects that the selection of oriental medicine cosmetics and brand asset attributes have on consumers' economic, emotional and social values in order to shed light on the forms and characteristics of consumption within the globally developing oriental medicine cosmetics market, and in the end positively verify how such perceived values affect purchase intention. In addition, it proposes research outcomes by comparing the differences between national and cultural consumer purchase behavior based on the comparisons of consumer groups in South Korea and China, the major markets for oriental medicine cosmetics.

Research design, data, and methodology – Based on advanced research a total of 9 hypotheses were designed and questionnaires consisting of 16 questions to identify six major variables were conducted. Research was carried out centered on Seoul, South Korea, and its surrounding metropolitan area as well as Beijing and Shanghai, China, and a total of 577 sets of significant data were collected. A comparison analysis was then conducted on the data from 285 Koreans and 292 Chinese. A regression analysis and path analysis were also carried out based on a structural equation model to suggest results.

Results – Research results show brand value assets had a more crucial impact on consumers' perceived value than consumer selection of oriental medicine cosmetics, while emotional value had a bigger effect on purchase intension than social or economic values. For Chinese consumers in particular, social, economic and emotional values affected purchase intention, while emotional value was the most crucial factor for Korean consumers.

Conclusions – With oriental medicine cosmetics, brand characteristics and images that helped express emotional desire proved to be more effective in marketing than the performance aspect of cosmetics, including their functions and ingredients. In the end, products that highlight individual desire and emotion should be introduced instead of those that emphasize price, functions and social characteristics in order to expand the global market of oriental medicine cosmetics.

Keywords: Oriental Medicine Cosmetics, Cosmetic Selection Attributes, Brand Asset Attributes, Perceived value, Purchase Intention.

JEL Classifications: M10, M30, M31.

1. Introduction

With the changes in consumer lifestyles and values that the Internet and social network services (SNS) have brought,

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the roles and functions of cosmetics that they seek are also changing. In the 1970s, the purpose of cosmetics was for sanitary, safety and usability reasons, while in the 1980s, when women's social participation increased with the development of industrialized society, women looked for cosmetics with functions beyond the simple purpose of maintaining their beauty. Such consumer desire diversified and intensified in the 1990s, so functions and performance that can satisfy more diverse needs have become crucial criteria in selecting cosmetics (Lee, Min, Park, Ahn, & Kim, 2011).

In the 2000s, the trend of pursuing mental satisfaction rather than physical satisfaction became a new cultural code as the trend of "well-being" highlighted several social ills. Such social changes also affected the cosmetics industry,

which led to the development of new sectors including "cosmeceutical" and "healing cosmetics," a combination of cosmetics and therapeutics based on research into various ingredients that have anti-wrinkle, skin whitening and UV blocking properties. This trend also led to the development of oriental medicine cosmetics based on a high interest in healthy oriental ingredients in the Asian cosmetics industry.

As of 2010, while the global cosmetics market grew at 3.9% per year, Korean cosmetics, the leader in global oriental medicine cosmetics, grew three times faster at 14% per year, and continues steady growth with K-beauty fever (Korea Health Industry Development Institute, 2012). The consumption of oriental medicine cosmetics is continuously increasing thanks to the sustained interest in Korean traditional oriental medicine herbs backed by the Korean wave as well as successful global marketing, which have led to a change in consumer taste, rapid change in global consumption, consumer interest in well-being, and enhancement in the living index (Asgari & Hosseini, 2015; Tjoe & Kim, 2016).

However, compared to such growth in economic terms, research on cosmetics consumption is limited, and furthermore, advanced research on consumer value or purchase habits of oriental medicine cosmetics is significantly lacking. Contrary to the rapid growth in the number of consumers of oriental medicine cosmetics, there is not much information on forms of consumption and the consumption trends that are distinct from those of other cosmetic products.

To this end, this research paper aims to positively verify the effects of cosmetics selection and brand asset attributes on consumers' perceived value and purchase intention of oriental medicine cosmetics within the major markets of Korea and China. In addition, it also aims to examine the essential factors that affect consumers' perceived value and purchase intention through a comparison analysis of the differences in accordance to economic, emotional and social values, in order to suggest detailed implications for product development and marketing strategy directions for the global entry and growth of oriental medicine cosmetics going forward.

2. Theoretical Background

2.1. Oriental Medicine Cosmetic Market and Consumption Trend

There is not yet a clear definition of oriental medicine cosmetics. Within the Pharmaceutical Affairs Law in Korea, the phrase is used in a broad sense to mean all cosmetic goods manufactured with the 11 types of herbal ingredients described in oriental medicine publications (Lee, 2015). Certain firms define "oriental medicine cosmetics" as "cosmetic goods that adjust the content of herbs and stabilize them using technical methods to boost the performance of each of the herbs after verifying the effects of nature-derived oriental herbs described in publications or those that have been used for therapeutic purposes on the skin" (Lee & Ahn, 2011; Noh, 2011).

Consumers who purchase oriental medicine cosmetics regard them as "cosmetics made with oriental medicinal herbs" or "cosmetics that have applied oriental medicinal prescriptions" (Hwang, 2006). Therefore, only those that include the following list of traits can be called outstanding oriental medicine cosmetics: use outstanding herbs as the main ingredients; display adequate amount of use as well as the active substances of the main ingredients based on scientific research; possible substitution of other ingredients with oriental medicinal herbs; and made without artificial pigments, fragrances, preservatives and surfactants (Kim, 2007).

Table 1: Comparison between oriental medicine cosmetics and other cosmetics

Category	Oriental medicine cosmetics	Other cosmetics
Background	Combination of modern science and oriental medicine skin theory Preventative approach to women's skin aging	Modern dermatology theory Superficial approach focusing on direct causes of ailments
Perspective on skin	Relationship between skin and internal organs Highlight organic relationship of mind and body	Highlight analytical research on skin and cells
Prescription	Prescription considering mutual relationship between medicinal herbs	Combination of effective extracts
Manufacturing process	Closely follows process of creating traditional oriental medicines	Extraction, concentration, and synthesis
Material	30 types of medicinal herbs	Botanical, compound ingredients, etc.
Scent	Natural fragrance	Synthesized artificial fragrance
Preservatives	None	Chemical preservatives
Effects/Performance	Enhance skin consistency Continued skin moisture	Temporary whitening and permanent whitening Strengthening of wrinkles and skin physiological functions

Reference: Hwang Seong-yeon Venture Recent Trend and Issue Report 2006

The active marketing of oriental medicine cosmetic brand 'Sulwhasoo', designed by Amore Pacific in 1997 and based on traditional oriental medicine, created the market after it recorded record sales of over 400 billion Korean won. The introduction of high-end cream 'Whoo' by LG Health & Beauty as well as expensive oriental medicine cosmetics in Korea led to fierce competition between oriental medicine cosmetics and imported brands that dominated the high-end cosmetics market at that time. Oriental medicine cosmetics are perceived to be scarce compared to other cosmetic goods, and the expansion of consumer age demographics from those in their 40s to 20- and 30-somethings has led to the popularization of such cosmetic goods.

According to the Korea Cosmetics Association in 2011, the production of oriental medicine cosmetics increased annually from 714.4 billion won in 2006 to 1.2 trillion won in 2009 and accounted for 23.8% (1.005 trillion won) of the nation's total cosmetics production (6.3 trillion won) as of 2011. According to research carried out by the Ministry of Food and Drug Safety in 2010, 12 of the nation's top 20 cosmetic goods with a significant manufacturing base were oriental medicine cosmetics, accounting for 60% of the list. The research also showed that exports of oriental medicine cosmetics grew by over 10% annually, showcasing that they have been positioned as representative cosmetic goods of Korea (Lim, 2011).

According to research by the Korea Trade-Investment Promotion Agency (KOTRA) in 2010, the size of the major market for oriental medicine cosmetics, China, also grew at an annual average of 10-20% to reach approximately 20 billion Chinese yuan (Lee et al., 2011). China's beauty industry grew at the fast pace of over 15% annually, becoming the world's largest market at 266.8 billion yuan in 2016. In 2014, Euromonitor forecasted the potential size of China's oriental medicine cosmetics market to hover around at least 20 billion yuan and grow at an average rate of 10-20% annually. Also during the same year, China Bao Gao, an online report on Chinese market analysis, stated that the annual spending for cosmetics by women living in large cities including Shanghai, Beijing and Gwangzhou was significantly higher than the national average. The report also stated that Chinese consumers purchased cosmetics based on performance and appropriateness to the skin, and that they had a high preference for premium oriental medicine cosmetics (Korea Health Industry Development Institute, 2016).

While the market growth of oriental medicine cosmetics has been centered in Asian countries that understand the benefits of oriental medicine, it's widely forecasted that they can expand into the global market by highlighting their scarcity and differentiation within the eco-friendly natural cosmetics market, considering the fact that the global health and beauty industry has grown to nearly 600 trillion Korean won (Noh, 2011). In addition, as oriental medicine cosmetics contain beneficial extracts like the restorative herb gyeongokgo and red ginseng water that can soothe the skin, the popularity of such products is continuously increasing, especially since more people are suffering from environmentally and genetically-induced dermatitis. Also, consumer expectations that such cosmetics will be safer and more beneficial compared to other products and the popularity of natural ingredients are translating into sustained demand for oriental medicine cosmetics (Yoo & Kim, 2014).

2.2. Cosmetic Selection Attributes and Perceived Value

An attribute is something that people seek to improve, and when this is understood within the context of decision-making, it can be defined in a measurable form (Oliver, 1997). Selection attributes are more specifically features of products, and consumers compare selection attributes to decide which is better and then select a certain product with the best attributes. Therefore, viewing the product as a collection of such attributes is a consumer-entered way of thinking, and based on this perspective products can be imagined as a bundle of benefits (Kim, 2007). In the end, selection attributes refer to the tangible and intangible features of products that stimulate and satisfy consumers' desires, and such attributes act as crucial factors for consumers when they select certain products (Park, 2015). Selection attributes become the source of consumers' choices, and their choice is deeply related to selection factors that can satisfy their desires and expectations. In this respect they can be seen as a fundamental approach to analyzing consumer behavior (Oh, 2012).

When selecting cosmetics, consumers also make decisions by considering diverse features of the cosmetic good itself and additional services, and such features are significant in that they can become factors that differentiate a product from those of other companies (Lee, Park, & Doo, 2015). While there have been various studies on cosmetics purchase and selection attributes, their outcomes vary depending on the research subject and methods. In the research conducted by Hyun and Park (2012), they selected brand, economic aspect, container (type and design), function, application, skin type, ingredients, season, and shelf life as factors that are considered for cosmetics purchase. In the research conducted by Ha (2016) they suggested function, skin type, application, economic aspect, brand, ingredients, season, container (type and design), fragrance and shelf life. Kim and Kim (2017) said that the following factors had an impact: effect and performance, application, convenience in use, side effects, shelf life, fragrance, container, container design, availability of refund, trademark, ingredients, price, origin, price discount, and popularity of sample distribution. Park (2017) suggested that quality, price, ingredients, skin protection and convenience in using had an impact.

The advance research carried out by Oh (2018) defined the necessary cosmetics selection attributes in analyzing the

effects of cosmetics selection attribute satisfaction in consumer satisfaction for cosmetic goods that are commonly used or by cosmetics types as quality, reputation, price, appropriateness, design, commercial, trend, ingredients and change of functions. Lee et al. (2015) analyzed various cosmetics selection attributes and categorized them into the two aspects of function and emotion.

As a result, such cosmetics selection attributes end up affecting consumers' perception that they will be provided with benefits and values (Hwang, Kwon, & Yoo, 2010; Kim, 2012). As consumers hope that the benefits that they get from product attributes are valuable, cosmetics selection attributes have an impact on consumers' perceived value and purchase behavior. According to Bagozzi (1992) and Zeithaml (1988), the values of consumer products have two important characteristics. The first is that product use is an inherent value that differs according to individual, and the second is that it is perceived by consumers rather than determined by vendors.

In particular, perceived value can be defined as an assessment or judgement by consumers on the benefits that occur by acquiring a certain product or the sacrifice or cost that follows such a purchase, and it can be said to have the following aspects: functional, emotional, social, aesthetic and reputation (Chen & Hu, 2010). To this end, Sheth (1983) categorized perceived value as the functional values of quality, price and convenience based on consumer behavior and nonfunctional value that depends on social and emotional interactions, while Sweeney and Soutar (2001) categorized perceived value similarly as functional, social and emotional values. When looking into related advanced research, perceived value was researched using various approaches such as one that highlights economic value that emphasizes quality in comparison with price (Anderson, Fornell, & Lehmann, 1994; Sweeney & Soutar 2001); one that emphasizes emotional value that stresses the emotional aspect or feeling that results from certain products or services (Roig, Garcia, & Tena, 2009); and one that highlights the social and symbolic value that is related to the social environment (Sheth, Newman, & Gross, 1991).

Based on such advanced research and considering that cosmetics selection attributes can individually affect the types of consumers' perceived value - economic, emotional, and social - the following hypotheses have created for this research.

H1: Cosmetics selection attributes will positively(+) affect to the economic value within the consumers' perceived value.

H2: Cosmetics selection attributes will positively(+) affect the emotional value within the consumers' perceived value.

H3: Cosmetics selection attributes will positively(+) affect the social value within the consumers' perceived value.

2.3. Brand Asset Attributes and Perceived Value

The term brand asset refers to the marketing effect that arises from having certain products or services of a brand, and the reaction of consumers when they are exposed to the logo, design, name, and symbols that represent a certain brand (Choi, Lee, & Cho, 2011). Such research has been centered on Aaker (1991) and Keller (1993). Aaker (1991) categorized brand assets as images associated with a brand, perceived quality, brand awareness and brand loyalty. Keller (1993) defined brand assets as "the result of consumer reaction and awareness that is shown for differentiated brand marketing," and mentioned the following as factors that constitute brand assets - brand awareness, uniqueness of brand association, likability of brand association, intensity of brand association, importance and cohesion of brand association and brand image. In the beginning, the conceptual model of brand asset management was developed using brand awareness and image, and later, such brand knowledge was expanded to suggest the concept and constituents of brand assets and the staged establishment of strategy through the consumer-based brand asset (CBBE) model.

The opinions of researchers on brand assets can be largely classified into three groups. The first group are those that see brand assets as brand value from a financial perspective; the second sees brand assets as brand intensity through the a marketing perspective; the third includes technical factors like brand image in the concept of brand assets. Kim and Kim (2005) pointed out the following aspects as what they consider constitutes brand assets: differentiation that goes beyond product achievement or brand loyalty and the usefulness that is not explained via measured brand assets. Scheff and Kotler (1996) pointed out brand intensity and value as what constitutes brand assets. Here, brand intensity refers to the details of association that consumers have, and brand value refers to the benefits that are enjoyed when revenue occurs. Of the brand value elements suggested by Aaker (1991), Kim (2001) sees only brand awareness, brand image and perceived quality as the elements. On the other hand, Jones (1995) expands the two brand asset components and sees the following five aspects as what constitute brand assets: perceived quality, perceived value, image, credibility and immersion.

Cobb-Walgren, Ruble, and Donthu (1995) have said that consumers have a favorable attitude towards products or services when they have a higher perceived value of the brand, and Lei, de Ruyter, and Wetzels (2008) and Petrick (2002) state that compared to brands of similar value, those that have a higher brand value, price and service value make consumers believe that they have made a good decision. In the end, the higher the corporation's brand value, the higher the value of its products and services (Raggio & Leone, 2007), which in turn becomes the factors

that affect various value assessments including usability and convenience that consumers perceive (Zeithaml, 1988; Lee, 2010).

While there is no research that has detailed a relationship between brand asset and purchase behavior factors including purchase intentions targeting cosmetics, Yoo, Donthu, and Lee (2000) conducted research into the relationship between brand assets and consumer value and loyalty to suggest that brand assets have an impact on consumers' perceived value. Also, Kim, Bongran, and Kim (2008) conducted research on the relationships between brand asset, consumers' perceived value and loyalty to suggest that brand assets had an impact on all other aspects. In addition, Chen and Tasi (2007) conducted research on the structural relationship between brand assets, service quality, perceived value, satisfaction and behavior intention to suggest that the brand assets perceived by consumers affect their perceived value.

Based on such advanced research, the following hypotheses came up with that brand asset attributes will affect consumers' economic, emotional and social values with cosmetics as well.

H4: Brand asset attributes will positively(+) affect consumers' perceived value in economic terms.
H5: Brand asset attributes will positively(+) affect consumers' perceived value in emotional terms.
H6: Brand asset attributes will positively(+) affect consumers' perceived value in social terms.

2.4. Perceived Value and Purchase Intention

Value is an assessment of overall product usability by consumers based on what they perceive to have received and what they pay depending on the usability that arises from the result of consumption or their subjective opinions on desire satisfaction (Monroe, 1985). Perceived value can be defined as the overall assessment that consumers make on product usability based on what they perceive to give and receive in return (Hellier, Geursen, Carr, & Rickard, 2003). Generally, consumers' perceived value is regarded as the value that they feel after consumption as well as the process of experiencing the product or services (Chae & Hwang, 2017). Such perceived value has been researched as crucial factors in that they are consumers' overall assessment based on the product benefits (Zeithaml, 1998). In the past, research on marketing or service quality defined the concept of the consumers' perceived value on goods and services as simple forms of trade-off between quality and price (Bolton & Drew, 1991; Dodds, Monroe, & Grewal, 1991).

This means that the consumers' perceived value of goods and services has only been assessed in terms of financial value. However, the final value of goods and services that they perceive is a result of a consideration of diverse values, and thus many researchers insist that it's impossible to measure perceived value comprehensively with a single

set of criteria (Al-Sabbahy, Ekinci, & Riley, 2004; Petrick, 2002; Sweeney & Soutar, 2001). Rintamaki, Kuusela, Kanto, and Spence (2006), in particular, stated that products and services of various forms and types have their own unique values, and thus it's not easy to define them with a single set of criteria.

To this end, there are now efforts made to try to conceptualize consumers' perceived value with a more diversified point of view of moving beyond just its economic value, and the definition of the consumers' perceived value is becoming more detailed. Sheth et al. (1991) broke down the concept of value into the following five categories: social, emotional, functional, situational and cognitive. Sanchez, Callarisa, Rodriguez, and Moliner (2006) defined perceived value in six dimensions and developed 24 items dubbed GLOVAL to measure them. They categorized perceived value into six dimensions, four of which fall under functional aspects while the remaining two reflect emotional and social aspects. Sweeny and Soutar (2001) developed 19 measurement items known as PERVAL to measure consumers' value. They were then conceptualized into three dimensions of functional, social and emotional values.

In the end, consumers' perceived value not only affects the stages prior to their purchase of goods and services but also their purchase activities including satisfaction rate after purchase, loyalty, intentions to recommend and re-purchase, and, in particular, it has a direct impact on purchase decision (Mizik & Jacobson, 2003; Anderson & Narus, 1998; Engel, Blackwell, & Paul, 1990; Kim, 1997). Purchase intention refers to consumers' plans to purchase certain products or services as well as their willingness to continue use them (Chang & Liu, 2009; Lee, 2009), and it is a mediating variable between attitudes or behaviors that acts as a decisive factor to predict consumers' purchase behavior (Hwang et al. 2010; Lee, 2009). Chung and Kang (2017) defined purchase intention as two concepts: consumers' willingness to purchase a certain brand's product and their actual purchase of a certain brand to satisfy their needs. And, and according to the definition by Han, Kim, and Kang (2013), it refers to the belief that it is wise to purchase the firm's product, to recommend it to others, and the willingness to purchase it again. Lee (2009) defined it as consumers' belief that they are willing to preferentially select it, to revisit and to consider it preferentially.

Such purchase intention refers to the subjective potential that can translate one's belief and attitude towards a product into action (Engel & Blackwell, 1982), and it affects the correlation with how the belief and attitude towards consumers' perceived value is translated into action to directly affect the actual purchase of products (Engel, Blackwell, & Miniard, 1995). Looking into research on cosmetics, in particular, Kim (2012) researched the preference for imported cosmetics and domestic cosmetics and said that the better the brand image and higher the perceived value of their quality, the higher the brand

preference. Yang, Jin, and Jung (2017) suggested that consumer attributes or perceived quality together with the Korean Wave affect consumers' purchase intention. As much as the perceived value of natural cosmetics affects consumers' purchase intention, Oh (2018) examined the fact that the perceived value of eco-friendly cosmetics affects consumers' purchase intention. Kim and Lee (2009) researched how it affects cosmetics purchases by subcategorizing purchase intention as pleasurable value and practical value, while Lee and Kim (2012) suggested the fact that social, emotional and functional values affect consumers' purchase intention for eco-friendly cosmetic goods.

It can be learned through such research that for cosmetics, consumers' perceived value directly influences their purchase intention, and this research suggests the following hypotheses that it will affect purchase intention depending on economic, emotional and social values.

H7: With consumers' perceived value, economic value will positively(+) affect purchase intention.
H8: With consumers' perceived value, emotional value will positively(+) affect purchase intention.
H9: With consumers' perceived value, social value will positively(+) affect purchase intention.

3. Research Method

3.1. Research Model

This research aims to verify how cosmetics selection attributes and brand asset attributes affect consumers' perceived economic, emotional and social values, and as a result, verify the relationship between such perceived value aspects and purchase intention. To this end, the conceptual model for research based on the research hypotheses deducted by advanced research was designed as shown in <Figure 1>. The authors delve into the research by classifying cosmetics selection attributes as functional aspects and package labelling as promotional aspects. The research model was designed to express the causal

relationship between cosmetics selection attributes and brand attributes that affect the purchase of oriental medicine cosmetics and the economic, emotional, and social aspects of consumers' perceived value, and to see which value aspect has more weight. Moreover, it has been designed to examine the direct influence on purchase intention via such aspects of perceived value.

3.2. Operational Definition and Measurement Variable

The questions for the questionnaire were designed based on a Likert five-point scale (1=strongly disagree, 5=strongly agree) and the structural definition and measurement items were designed based on advanced research (refer to Table 1). The independent variable of "cosmetics selection attributes," based on conclusions by Lee et al. (2015) and Oh (2018), was used to design 2 questions in the functional aspect of "function" and "quality" and 2 questions on the labelling aspect of "product information label" and "label of shelf life," and thus a total of four questions were composed based on those papers. "Brand asset attributes" was based on Aaker (1991), Yoo and Donthu (2001), so 2 questions on brand awareness, including "the level of awareness" and "awareness compared to competitors," and 2 questions on brand quality, including "convenience" and "safety," were composed based on that research. The parameter was perceived value, and according to the advance research standard suggested by Sheth et al. (1991), Sweeny and Soutar (2001), Roig et al. (2009), it was made into a total of three aspects of economic, emotional and social values. Two questions were composed on economic value of "reasonable value" and "economic feasibility," 2 questions on emotional value of "positive feeling" and "satisfaction of needs," and 2 questions on social value of "social embracement" and "superiority." Lastly, the subordination variable of "purchase intention" considered the purchase intention of medical cosmetics, was based on the advance research of Zeithaml (1988) and Engel et al. (1995), and was measured in 2 questions of "the intention to directly purchase" and "the intention to purchase preferentially."
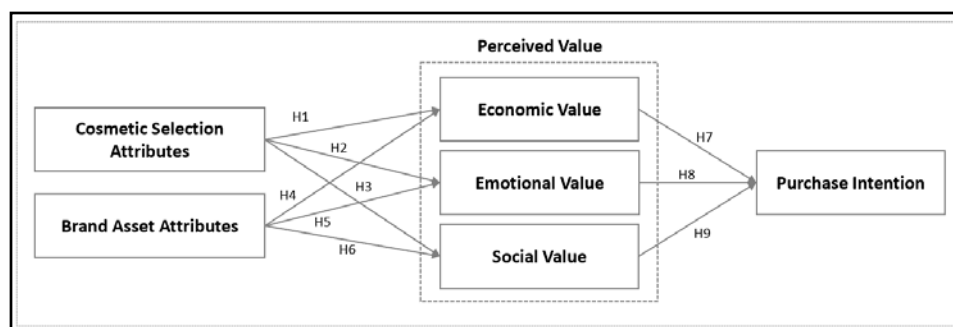

Figure 1: Research model

Table 2: Variable definitions

Factors		Operation Definition	Items	References
Cosmetic Selection Attributes		Attributes consumers consider when purchasing cosmetics including product functions or label details	4	Lee, Park, & Doo (2015), Oh (2018)
Brand Asset Attributes		Attributes consumers consider on product brand including awareness or brand quality	4	Aaker (1991) Yoo & Donthu (2001)
Perceived Value	Economic Value	Economic value consumers perceive when purchasing oriental medicine cosmetics	2	Sheth, Newman, & Gross (1991) Roig, Garcia, & Tena (2009)
	Emotional Value	Emotional value consumers perceive when purchasing oriental medicine cosmetics	2	
	Social Value	Social value consumers perceive when purchasing oriental medicine cosmetics	2	
Purchase Intention		Intention of consumer to purchase oriental medicine cosmetics	2	Engel, Blackwell, & Miniard (1995) Lee & Kim (2012)

3.3. Survey and analytic methods

The targets of the survey were consumers in the metropolitan areas of Seoul, South Korea, and Beijing and Shanghai, China, who purchased oriental medicine cosmetics. Online and offline questionnaires were conducted for 20 days from October 1st to 20th, 2018. A total of 652 participants took part in the survey, and the data from 577 were used, excluding 75 missing questionnaires or ones where the answers lacked sincerity. Out of them, 285 were Korean consumers while 292 were Chinese, and a data comparison analysis on the two consumer groups evaluated the veracity of the hypotheses. To determine the demographic features of the data, technical statistics of variables and normality, SPSS 24.0 was utilized to carry out schematization of regression analysis and path analysis and the structural equation model of AMOS 22.0 was utilized to identify their relationships. A maximum likelihood estimation method was used to measure the coefficients.

4. Results

4.1. Demographic information of the data

Korean respondents accounted for 49.4% of the total and Chinese respondents made up 50.6%, and thus comparison analysis could be carried out on an equivalent ratio of respondents. For gender, 100% of the respondents were female, and this is because most of the oriental medicine cosmetics are made for women rather than men. As for age, 22.1% were under the age of 30, 39% were in their 30s, 23.7% were in their 40s, and 16.1% were over the age of 50, which are diverse proportions. Most of them, 75.4%, were married, leaving 24.6% single. As for education, 79.5% had a bachelor's degree, 7.5% were high school graduates, and 13% held a master's degree or higher. When asked about their experience using oriental medicine cosmetics,

25.2% used them for under 1 year, 28.1% for 1-2 years, 15.6% for 2-4 years, 31.2% for over 4 years and 46.8% have used them for over 2 years.

Table 3: Demographic information of survey participants

Category		Frequency	Ratio
Country	Korea	285	49.4
	China	292	50.6
	Total	577	100.0
Age range	0-30 years of age	122	21.1
	30-39 years of age	225	39.0
	40-49 years of age	137	23.7
	50 years of age	93	16.1
	Total	577	100.0
Marriage	Single	142	24.6
	Married	435	75.4
	Total	577	100.0
Period of use	Less than 1 year	145	25.2
	1–2 years	162	28.1
	2–4 years	90	15.6
	More than 4 years	180	31.2
	Total	577	100.0
Education background	High school graduate	43	7.5
	Bachelor degree	459	79.5
	Master degree	73	12.7
	Doctoral Degree	2	0.3
	Total	577	100.0
Gender	Female	577	100.0
	Male	0	0.0
	Total	577	100.0

4.2. Analysis Results of Reliability and Validity

To analyze the credibility and validity of the structural equation measurement model, it can be said that internal consistency reliability is guaranteed if the composite reliability index is above 0.7 (Nunnally & Bernstein, 1994). The convergent validity is assessed using factor loading, Cronbach α, a comprehensive reliability index, when factor loading is above 0.4 and Cronbach α is above 0.6. When it is statistically significant, it can be said that convergent validity has been secured (Gefen, Straub, & Boudreau, 2000). Based on such criteria, Table 4 below shows the assessment outcome of credibility and convergent validity of the measurement model. The composite reliability was between 0.776 and 0.852, thereby securing internal consistency reliability. Factor loading was between 0.540 and

0.842, and all t values were above 4.0, meaning that they are statistically significant. The composite reliability and Cronbach α were between 0.681 and 0.884 and the average variance extracted (AVE) was between 0.564 and 0.699, therefore it can be said that convergent validity was secured.

Table 5 shows the correlation coefficient and AVE of each latent variable. As the square root of AVE for each latent variable was larger than the correlation coefficient of the respective variable and other variables, it can be said that the measurement tool secured construct validity. When the square root of AVE for each latent variable is larger than the correlation coefficient of each latent variable, it can be said that construct validity has been secured among each of the latent variables (Fornell and Larcker, 1981).

Table 4: Results of reliability and convergent validity test

Variables	Measurement question item	Standard loading	Standard error	t value	CR	AVE	Cronbach α
Cosmetic Selection Attribute	csa_fu1	0.671			0.852	0.592	0.729
	csa_fu2	0.627	0.080	11.699***			
	csa_ds1	0.684					
	csa_ds2	0.540	0.082	10.545***			
Brand Asset Attribute	baa_cg1	0.646			0.838	0.564	0.794
	baa_cg2	0.699	0.073	14.406***			
	baa_qt1	0.708					
	baa_qt2	0.751	0.076	14.546***			
Economic Value	pv_ec1	0.712			0.776	0.634	0.681
	pv_ec2	0.731	0.099	10.683***			
Emotional Value	pv_em1	0.769			0.792	0.656	0.699
	pv_em2	0.699	0.045	16.658***			
Social Value	pv_so1	0.842			0.880	0.646	0.884
	pv_so2	0.813	0.036	24.230***			
Purchase Intention	pi1	0.705			0.823	0.699	0.681
	pi2	0.744	0.073	14.929***			

Note: * p<0.05, ** p<0.01, *** p<0.001

Table 5: Correlation matrix and AVE

Category	AVE	Selection attribute	Asset attribute	Economic value	Emotional value	Social value	Purchase intention
Cosmetic Selection Attribute	0.592	**0.770**					
Brand Asset Attribute	0.564	0.216	**0.751**				
Economic Value	0.634	0.122	0.393	**0.796**			
Emotional Value	0.656	0.189	0.510	0.329	**0.810**		
Social Value	0.646	0.120	0.630	0.404	0.643	**0.804**	
Purchase Intention	0.699	0.254	0.373	0.218	0.598	0.536	**0.836**

Note: The square root of AVE is shown in bold letters.

4.3. Analysis Results of Structural Model

The results of suitability assessment of the structural model can be found in Table 6. Based on the suitability standard, χ2(p) is 404.251; χ2 /degrees of freedom is 3.234; Goodness-of-Fit-Index (GFI) is above 0.9 at 0.925; Adjusted Goodness-of-Fit-Index (AGFI) is above 0.898, meaning it was outstanding; Normal Fit Index (NFI) is 0.906; and the Root Mean Square Error of Approximation (RMSEA) is 0.062, meaning that the explanation capacity overall was excellent. In addition, CFI, which shows the explanation capacity of the model without being affected by the sample, was 0.933; while TLI, which determines the explanation capacity and the capacity to keep it clear and simple, was 0.917, and it can be said that the final model was relatively appropriate.

Hypothesis verification using the final model shows in Table 7 that the cosmetics selection attribute did not affect economic and emotional values, meaning that the hypothesis was dismissed. Furthermore, the cosmetics selection attribute had an impact on social values, but it had a negative effect

of -0.113 (p<0.01). On the other hand, the brand asset attribute had a positive effect on all economic value 0.608 (p<0.001), emotional value 0.072 (p<0.001), and social value 0.876 (p<0.001), and thus the hypothesis was adopted.

It was able to be confirmed that the perceived value of consumers of cosmetics was affected more by brand asset attributes than cosmetics selection attributes. The analysis on the relationship between perceived value aspects and purchase intention shows that there are effects of economic value by -0.157 (p<0.05), emotional value by 0.783 (p<0.001), and social value by 0.185 (p<0.05). However, as for economic value, the effect was negative. It shows that the customers do not matter the product price to buy the oriental medicine cosmetics. The result suggests a new point about consumption behavior of the cosmetic's consumer because past literatures generally explained the price is an important factor to consumers in cosmetic market. Compared to economic or social values, emotional value had a much more significant effect, and therefore it was able to confirm that as for cosmetic goods, emotional value had the greatest impact on purchase intention.

Table 6: Model fit indices for the structural models

Model	χ2(df)	χ2 /degrees of freedom	RMR	GFI	AGFI	NFI	TLI	CFI	RMSEA
Original Model	404.251	3.234	0.043	0.925	0.898	0.906	0.917	0.933	0.062

Table 7: Results of hypothesis test

Hypothesis (path)	Path coefficient	t value	Support (Y/N)	R2
Cosmetic Selection Attribute → Economic Value	-0.027	-0.476	N	0.723
Brand Asset Attribute → Economic Value	0.608	8.566***	Y	
Cosmetic Selection Attribute → Emotional Value	0.072	1.504	N	0.608
Brand Asset Attribute → Emotional Value	0.757	11.314***	Y	
Cosmetic Selection Attribute → Social Value	-0.113	-2.705**	N	0.875
Brand Asset Attribute → Social Value	0.875	13.186***	Y	
Economic Value → Purchase Intention	-0.157	-2.462*	N	0.715
Emotional Value → Purchase Intention	0.783	8.401***	Y	
Social Value → Purchase Intention	0.185	2.557*	Y	

Note: * p<0.05, ** p<0.01, *** p<0.001
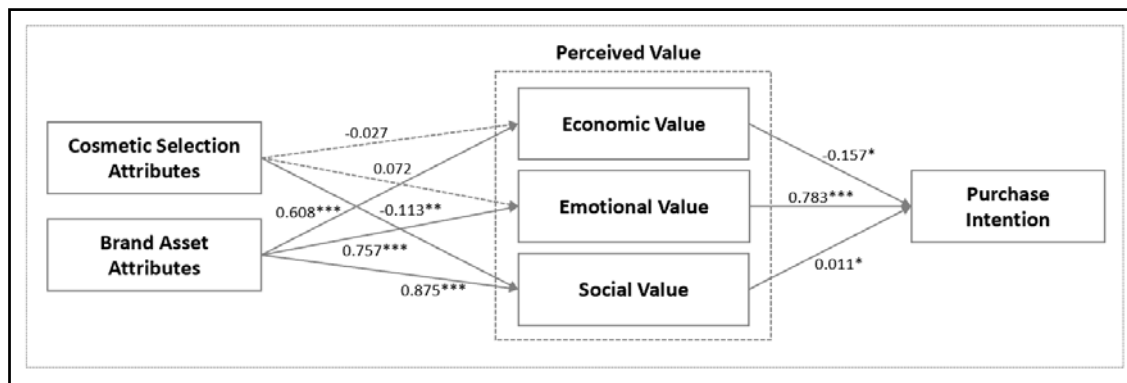
Figure 2: Research model

<Figure 2> shows the structural model analysis result to show how cosmetics selection attribute and brand asset attribute have an impact on economic, emotional and social values, and to verify the relationship on how such perceived value aspects in return affect purchase intention.

4.4. Comparison Analysis Results

The result of comparison analysis between 285 Korean consumers and 292 Chinese consumers shows that for the former group, cosmetics selection attributes do not affect economic and social values, but have an impact on emotional value (0.206), and the brand asset attribute had an impact on all economic values (0.325), emotional values (0.574) and social values (0.743), and among them, social values had the greatest effect. However, economic value and social value did not have a direct impact on purchase intention, yet only the emotional value aspect had an impact on purchase intention. Thus, as for Korean consumers of oriental medicine cosmetics, they were more interested in cosmetics brands rather than their features, and it was also found that there were a number of them who made purchase decisions through emotional value.

On the other hand, for Chinese consumers, the cosmetics selection attribute had an impact on economic value (-0.152) and social value (-0.123), but they were all negative, and in particular emotional value did not have an impact at all. In contrast, the level of impact of brand asset attributes for all three perceived value aspects of economic value (0.877), emotional value (0.806), and social value (0.872) were all similarly high. In particular, economic value had the greatest impact, followed by social value, which was the opposite as it was the case for Korean consumers. In addition, it was

shown that all economic (-0.663), emotional (0.897) and social values (0.578) could act as variables that affect purchase intention. Economic value had a negative impact, showing a similar outcome with the group of Korean consumers in that their purchase intention was most largely affected by emotional value.

In conclusion, also for Chinese consumers, when it comes to oriental medicine cosmetics, the brand asset attribute was more important than cosmetics selection attribute. Yet, compared to Korean consumers who emphasize economic value, Chinese consumers were more focused on economic or social value. In particular for Korean consumers, emotional value had an absolute impact on purchase intention compared to economic and social value aspects. In contrast it was found that for Chinese consumers, all economic, emotional and social value aspects had an impact on purchase intention.

5. Conclusion

5.1. Theoretical Implications

The purpose of this research was to verify the influential relationship of how selection and brand asset attributes of oriental medicine cosmetics affect the economic, emotional and social values that are perceived by consumers as well as purchase intention, and to conduct a comparison analysis between Korean and Chinese consumers who purchase oriental medicine cosmetics. The research findings are as follows.

Table 8: Comparison analysis results between Korean and Chinese customers

Hypothesis (Path)	Korea (n=285)			China (n=292)			Free model	Constrained model
	Path coefficient (β)	t value	p value	Path coefficient (β)	t value	p value	χ2 (df=250)	χ2 (df=251)
Cosmetic Selection Attribute → Economic Value	0.166	1.91	0.056	-0.152	-2.123	0.034*	555.242	563.048
Brand Asset Attribute → Economic Value	0.325	3.173	0.002**	0.877	6.597	***	555.242	600.051
Cosmetic Selection Attribute → Emotional Value	0.206	2.895	0.004**	0.017	0.223	0.823	555.242	557.745
Brand Asset Attribute → Emotional Value	0.574	6.791	***	0.806	6.345	***	555.242	565.065
Cosmetic Selection Attribute → Social Value	-0.027	-0.415	0.678	-0.123	-1.998	0.046*	555.242	556.265
Brand Asset Attribute → Social Value	0.743	8.505	***	0.872	6.936	***	555.242	560.195
Economic Value →Purchase Intention	-0.021	-0.314	0.754	-0.663	-2.866	0.004**	555.242	560.194
Emotional Value → Purchase Intention	0.767	8.063	***	0.897	3.424	***	555.242	555.746
Social Value → Purchase Intention	0.059	0.835	0.404	0.578	3.069	0.002**	555.242	559.894

RMR 0.047 / GFI 0.903 / AGFI 0.867 / NFI 0.86 / TLI 0.898 / CFI 0.917 / RMSEA 0.046
Note: * $p<0.05$, ** $p<0.01$, *** $p<0.001$

First, for oriental medicine cosmetics, brand asset attributes including awareness and quality had a larger impact on perceived value aspects than the cosmetics selection attribute centered on cosmetics function and labelling. Such research result once again suggests the research outcome of Lee and Ahn (2011), which stated that the purchase behavior of consumers who buy oriental medicine cosmetics is positive in predicting brand attitude and that there can be a high correlation between brand attitude and purchase behavior. As for oriental medicine cosmetics, considering the special ingredient of oriental herbs, consumers' needs on function or labelling can be reflected more strongly. But it also shows that emotion and brand-centered consumption traits, which are shown within the global market for general cosmetics, are also reflected with oriental medicine cosmetics.

Second, it was found that among the perceived values of oriental medicine cosmetics, emotional value was a more crucial value aspect for consumers compared to economic and social values. The research results by Šalkovska (2015) show that relational value is the most important among the perceived value aspects of cosmetics consumption, which is, however, followed by emotional value. In the research by Lee and Kim (2012) on eco-friendly cosmetics, it was shown that social value is most important, followed by emotional value. In addition, Shim and Kim (2008) said that for cosmeceutical products the functional value of the product is of absolute importance, and that brand image, which translates into emotional value, was considered the least important. In short, for eco-friendly cosmetics, consumer behavior was centered on social values, while for cosmeceutical products, it was centered on functional values, and this shows that perceived values change in accordance to the positioning pursued by the cosmetics. As for oriental medicine cosmetics, it was confirmed that consumption behavior was centered on emotional values instead of social and economic values. Such perspective was translated in the fact that cosmetics selection attributes like function or labeling could have a negative impact on social value. It also shows that while the emphasis on oriental medicinal functions or ingredients could have a positive impact on the emotional satisfaction of individual consumers, the image of oriental medicine that is yet considered to be traditional, unique and could cause resistance could act as a negative influential aspect.

Finally, the research results show that in contrast to the consumption characteristics of cosmetics where cost effectiveness is considered important, economic value was found to have a negative impact on perceived consumption with oriental medicine cosmetics. This was the case for both Korean and Chinese consumers. This result means that when the oriental medicine cosmetics product is cheap or when it highlights its cost effectiveness, it can lead to an enhanced negative effect on the product. In other words, for consumers, cosmetics made from oriental medicinal herbs

are already considered high-end premium brand products that are expensive, and that the more emphasis on product function or ingredient label, the lower the value of the price which is already set at a premium.

5.2. Practical Implications

For both Korean and Chinese consumers, it was found that emotional value and not economic and social values had an impact on purchase intention. This confirms the fact that the oriental medicine cosmetics market is focused on desire satisfaction after use and emotional satisfaction like image, beyond the primary purchase conditions of cosmetics including cost effectiveness or ingredients and quality. This can be interpreted as the result that price and image positioning for oriental medicine cosmetics need to be carried out as premium products that must use high-priced ingredients. In addition, unlike Korean consumers, social value had an impact on the purchase intention of Chinese consumers, which can be interpreted as the fact that within Chinese society, the purchase of high-priced oriental medicine cosmetics is translated into values like social success or pride.

In conclusion, the following implications can be drawn based on such research findings. First, the brand asset attributes of oriental medicine cosmetics rather than selection attributes had a bigger impact on consumers' perceived value. Korean products like 'Sulwhasoo' or 'Whoo' were able to succeed not because they emphasized the image of oriental medicine but rather thanks to the strategy of developing a premium brand image. Likewise, in developing or launching the oriental medicine cosmetic products, high brand awareness and image formation can be a more crucial strategy to satisfy consumers rather than to simply highlight the features of oriental medicinal herbs or high functional quality. Second, oriental medicine cosmetics need market-tailored marketing strategies. The trend of Chinese consumers relating oriental medicine cosmetics with social value can be attributed to the high-quality image of such goods backed by the recent Korean Wave. Therefore, as the global market's resistance against oriental medicinal ingredients is still present while the image of oriental cosmetics based on the Korean wave is still positive, there is a need to approach respective markets based on the level of 'Korean Wave' impact and understanding of Korean culture, which is a method that can be approached emotionally.

5.3. Research Limitations and Future Research

Nevertheless, the research has the following limitations. First, the research was carried out only targeting consumers living in Seoul, Beijing and Shanghai, and therefore the sample group itself has limitations in that it is concentrated

only on consumer groups who have a certain level of economic capability. To this end, going forward, additional research must be centered on random samples nationwide to enhance the validity and credibility by either comparison on a national or city level. In addition, the research also has limitations in that only two factors from cosmetics selection attributes of function and labelling, and two factors from brand asset attributes of brand awareness and quality were the representative independent variable attribute factors.

To this end, additional research going forward can identify the consumption characteristics of oriental medicine cosmetics attributes much clearer once it defines the selection attributes and brand asset attributes of oriental medicine cosmetics independently, based on which it suggests the relationship between perceived value and purchase intention. Furthermore, the research will able to suggest more implications for the globalization of oriental medicine cosmetics once it compares the consumers of the East and West focusing on Europe and America, and the comparison of the Asian countries. Also, for the sake of the global market entry of oriental medicine cosmetics, additional research must address the relationship between the distribution channel and consumers.

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