

CHAPTER I

INTRODUCTION

A. Background of Study

Since the first appearance on the global market in the mid-1990s, the Hallyu trend has begun to steal the attention of the young people. The term of Hallyu was adopted from Chinese language means Korean Wave. Hallyu is interpreted as the spread of Korean pop culture globally in various countries in the world through Korean movies, Korean dramas, Korean music or Korean pop, cosmetics, fashions, foods, and other media products (Li, 2005; Hanaki, Singhal, Han, Kim, & Chitnis, 2007). The phenomenon that started its first spread throughout China is mentioned being an encouragement for Korea's boom international trade, new cultural tourism, and even improved Korea's international image (Han & Lee, 2010). The Korean wave begins when a Korean album is released in China and spreads to other countries. According to Dynamic Korea National Tourism Organization (2000), Korean Wave recently grow wider in Korean-made TV dramas, movies, music, and other Korean products. Now not only in Asian countries, but Korean Wave has also spread widely like a global fever to around the world.

The development of Hallyu culture in the world has greatly influenced Korea itself. The high development of South Korean culture on various aspects including film and television especially K-dramas, K-pop, Korean comic, Korean language, and Korean food is also emerging the enthusiasm of foreigners to visit South Korea.

Viewing from the Hallyu or Korean Wave phenomenon, South Korea uses it as an effort to introduce its domestic products. From 2004 to 2007 the economy of South Korea experienced an increase due to exports of cultural products from the film and music industry (Ministry of Culture, Sport, and Tourism of South Korea). Judging from the statement above, it is not only the tourism sector that is affected by the Korean Wave but all aspects in South Korea such as politics, economy, as well as the business opportunities. The expansion of Hallyu culture got an impressive response from the society. Fans of K-pop also reported for a development in such behaviors such as studying Korean language, using Korean words in conversations, and also consuming Korean food (Hanaki et al., 2007; Seabrook, 2012). The last few years also show that K-food is also one of the hot topics and something that is targeted by the world community. The number of foreigners who come to South Korea makes the demand for Korean products even higher. Including clothing products, beauty products, entertainment products, and also food products showed a significant increase in production from year to year.

According to 2018 Korean statistics, the number of Muslim tourists visiting Korea is estimated at 970,000, up 12 percent from a year earlier. Muslim population in South Korea shows that the increase in the number of Muslims is not only factored by the growth of Muslim visitors from various countries but also factored by the increasing number of local converts to Islam (Park, 2017). Also, the reason for the increase of Muslim tourists is not because of the increase in Muslim convenience facilities in Korea, but because of Korean Wave and there

are also labor, international student, and marriage factor (Choi, 2018). Due to the continued growth of the Muslim population, expanded the halal markets is a huge opportunity for Korea itself. With the massive growth of Muslim population in South Korea, the demand for Halal products including Halal food is increasing. Halal food is a big deal for Muslims because it is not a simple individual preference but an order from the Holy Quran. The non-halal food is forbidden for Muslims to be consumed since the “halal” is derived from the Arabic word which means permitted or lawful.

Halal industry becomes one of the fastest-growing businesses and the latest trend in the global marketplace. With reaching 3 billion people of the Muslim world population, the halal global market covers sectors such as tourism, transportations, finance, service, and also food. Food is the crucial component in human life and the market potential for Halal food could be very promising with Islam as the fastest-growing religion in the world (Ismail, 2015). Halal food must be free from any components that Muslims are prohibited, which is known as haram (not permissible), such as carrion, blood, pig, permitted animals slaughtered incorrectly, and intoxicants (Soon et al., 2017). Halal food is not only a part of Islamic dietary law but also represents quality, hygiene, health, and cleanliness (Ambali and Bakar, 2014).

Due to the rapid increase of the Muslim population and the increase in the consumption of Halal products in South Korea, providing Halal food not only a necessary thing to fulfill the needs of Muslims in South Korea, but it also can

attract more Muslim tourists. So far, halal food provided in South Korea for Muslims has not been as much as in Japan. However, the opportunities available for the halal food market in South Korea are huge. Most of Korean foods which ingredient based on meat are not using a halal meat. Even South Korea's representative food; Hanwoo beef is not available in the halal version yet.

Hanwoo beef is well known for its highly marbled fat (Kim et al., 1994). Hanwoo beef is enthusiastically preferred over imported beef in Korean markets, regardless from its price being two times expensive, most of the consumers agree that Hanwoo beef has succulent meat and better beef quality than imported beef (Kim et al. 2000; Han et al., 2010). Since consuming halal is an obligation, most of Muslims in South Korea cannot consume the premium Hanwoo beef unless it is provided in the halal version.

Therefore, to realize and develop halal Hanwoo beef, there are several things that must be analyzed and the author intends to analyze the segmentation, targeting and positioning of the market on the development of Halal Hanwoo beef in South Korea and taking a study entitled by "Analysis Segmentation, Targeting, and Positioning (STP) Toward the Development of Halal Hanwoo Beef in South Korea".

B. Research Problem

Based on the explanation above, the problem identification in this study is to analyze the Segmentation, Targeting, and Positioning for business opportunities

in developing Halal premium beef which named Halal Hanwoo beef. The research problems can be identified as following:

1. What kind of segmentation methods are appropriate to be used in the Halal Hanwoo beef market?
2. What kind of targeting methods are appropriate to be used in the market?
3. What kind of positioning methods are appropriate to be used in the market?
4. What kind of marketing strategies will be used in the market?

C. Research Purpose

The purpose of research based on the problem described above, it is will be arranged as follows:

1. To analyze an appropriate segmentation method to use in the market
2. To analyze an appropriate targeting method to use in the market
3. To analyze an appropriate positioning method to use in the market
4. To analyze marketing strategies to use in the market.

D. Research Benefit

The outcomes of this study are expected to serve the benefits below:

1. The results of this study are expected provide knowledge for both author and other researchers about the segmentation, targeting, and positioning method for the development of Halal Hanwoo beef product

2. The results of this study may be useful for either author, other researchers, and a company to provide knowledge about halal Hanwoo business opportunities in South Korea
3. The results of this study are to inform and provide opportunities for all businessman or company in South Korea to open a wider halal market for Muslim in South Korea
4. The results of this study are expected to be able to help Muslim to fulfill their needs and give an opportunity to enjoy various halal product in South Korea
5. After all, this study is expected to be realized and the products that have been researched can be developed in South Korea.

E. Content of Research

This research contains five chapters as identified below:

CHAPTER I INTRODUCTION

This chapter describes the background of the study, research problem, research purpose, research benefit, and content of the research.

CHAPTER II LITERATURE REVIEW

This chapter contains a theoretical background of the variables used in this study and the research framework.

CHAPTER III RESEARCH METHODOLOGY

This chapter explains the research methodologies. It provides information about research design, source of data, data collecting technique, and data analysis.

CHAPTER IV DATA ANALYSIS AND DISCUSSION

In this chapter, there are results of data analysis and the discussion as the implication for this study.

CHAPTER V CONCLUSION

In this last chapter covers the conclusion, research limitation, and implication of study and research suggestion.