



## Implications of Korean pop fan participation and ethical dilemmas in fan economy on consumer behavior

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### Abstract

The K-pop phenomenon has become increasingly popular, with fans willing to spend significant amounts on merchandise, concert tickets, and other products and services related to their idols. However, this popularity has raised concerns about the possible implications of fan participation and ethical dilemmas within the fan economy on consumerism. This research aims to gain meaningful insights into the motivations of fans who participate in the K-pop fan economy. To achieve this, a quantitative research method was used to assess the implications of K-pop fan participation and ethical considerations on consumer behavior. A 4-point Likert scale survey was administered to the 300 purposively sampled respondents. The study used regression analysis and a weighted mean to analyze the responses. The results show that K-pop fans actively engage in the fan economy, despite the perception of ethical dilemmas in their activities. Their consumption behavior is largely affected by cultural, social, personal, and psychological factors, with the latter providing the highest influence. Moreover, the findings reveal that K-pop fan participation and ethical dilemmas have a positive relationship with consumer behavior. The above findings call for furthering fans' knowledge of ethical consumption. Likewise, the study identifies an imperative need to explore fan behavior across cultures and demographics to assist in regulating business practices in the K-pop fan economy and promoting positive consumerism.

### Keywords:

Consumer behavior

Ethical dilemmas

Fan economy

K-pop.

### JEL Classification:

B55; D12; E26; Z19.

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## 1. Introduction

The entertainment industry is arguably one of the most significant drivers of economic growth. In fact, the global leisure and media industry concluded 2018 with a substantial value of 2.1 trillion US dollars (Voronina, 2021). Today, Korean popular (K-pop) music, renowned for its vibrant, diverse, and relatable global sound, has emerged as a dominant force in the industry. With its massive local fan bases, it comes as no surprise that k-pop's influence goes as far as shaping the global business landscape. However, its effect challenges the norm of fan participation and ethical practices, creating an impediment to consumerism.

Korean pop music, commonly referred to as K-pop, denotes a popular music genre in South Korea (Liu, 2023). Over the past few years, K-pop has experienced remarkable global success (Kim & Kwon, 2022). It has played an important role in enhancing South Korea's status as a strong economic force (Kim, 2017). Parc and Hwy-Chang (2013) stated that a critical factor in its success was enormous sales of physical products, including physical albums, posters, photo cards, light sticks, and official merchandise, along with digital products like songs, online video streaming appearances, and live performances.

Given its massive success, it is worth noting that K-pop would not have been what it is today without public support. Fans, the paramount participants in the entertainment industry, according to Liu (2022), have played an indispensable role in propelling K-pop to its current prominence. Liu (2022) mentioned that their engagement and buying capacity not only boosted market circulation and development, but also generated unique economic advantages that shaped a more recognizable and distinct economic landscape and group identity.

A significant portion of the K-pop craze was centered in East and Southeast Asia (Chen (2016), which involves the Philippines emerging as a big fan base and a highly active market (Igno & Cenidoza, 2016). Apart from participating in K-pop conventions, fan gatherings, meet-and-greets, and concerts; Filipino K-pop fans also immerse themselves in various creative activities. These include crafting fan art, producing fan fiction, sharing memes, organizing fan projects (such as gifting idols with items like birthday cakes and scrapbooks), and creating their own versions of K-pop songs and dances. Various fan clubs later emerged that were committed to supporting either a specific K-pop artist or group (Capili, 2014).

Driven by active fan participation, a dominant trend emerged. The rise of fan culture and the growing impact of fan communities have sparked a fresh economic phenomenon known as the fan economy (Li, 2022).

Fan economy pertains to cultural consumption driven by the psychological devotion of individuals or groups toward certain subjects (Li, 2022). Li and Qu (2023) asserted that the brand community's fan engagement, social capital platform, and business operational activities, stemming from trust-based relationships within it, form the foundation of the fan economy. As per Li and Qu (2023), fans contribute not only a substantial amount of financial resources but also invest emotions, driving the rapid growth and swift development of the fan economy. Emotional labor assumes a central role within this, as it establishes both a monetary connection and an emotional bond between stars and their followers. Its development entails harnessing fan's emotions and faith for business purposes while simultaneously creating commercial value and economic advantages.

Concrete proof of that are the local companies in the Philippines such as Kakaotalk Ph, Penshoppe, Globe Telecom, Shopee Philippines, Smart Communications, and other brands that have harnessed the popularity of K-pop and K-pop idols to capture the attention of Filipino consumers and boost sales in the country. As observed by Rojo, Flores, Bunagan, Cruz, and Dionisio (2022), this marketing approach remains successful to this day. Celebrity endorsements have the power to impact consumers' emotions and their perceptions of both the advertisement and the brands involved. This influence can lead to higher purchase intentions, ultimately resulting in increased sales (Deshwal, 2015).

The intricacy of the fan economy has created polarizing views on the acceptability of practices employed within the K-pop industry. Driven by economic and customer-related justifications, unethical business practices are undeniably prevalent in any fan culture; arguably, two of the most evident and pressing concerns in the K-pop industry today are piracy and textual poaching.

The ambiguity surrounding the permissibility of storing and sharing copyrighted materials created by Korean entertainment firms is one facet of the ethical challenges posed by K-pop's ascent. De Kosnik (2019) argues that archiving copyrighted materials, regardless of their legality, is merely an innocent attempt to preserve them in the event of the collapse of industrialized society. Parc and Kim (2020) assert that instead of purchasing albums released by major industry players, many fans opted for pirated albums known as "kilboard" in Korea, which contained a compilation of the most popular songs, due to their lower prices.

The public's support for piracy is concerning, as it undermines the legal market (Appleyard, 2015). For instance, Parc and Kim (2020) study highlighted the urgent need for Korean streaming services to strike a delicate balance between combating piracy and maintaining profitability. In an attempt to discourage piracy, many streaming services reduced their subscription fees. However, this measure could make it more difficult for streaming services to secure a wide selection of K-pop songs, as artists may be less inclined to license their music for lower royalties (Parc & Kim, 2020).

The modernization of the K-pop industry also contributes to this predicament. For instance, the introduction of streaming as an alternative for accessing a variety of music opened doors for proliferation of

illegal music downloads (Kong, 2016). Technology has made it easier for fans to both legally and illegally download and share content.

Meanwhile, textual poaching veers away from the traditional role of fans in fan culture by viewing them as both creators and consumers of media (Jenkins, 1992). More commonly, textual poaching refers to the use of elements from commercially successful literary works to explore new angles and tell fresh stories (Flaherty, 2020). However, the context of poaching has evolved since the emergence of new media, and it now broadly connotes the unauthorized use of copyrighted material to create new content (Utami, 2020).

Poaching in K-pop fan culture is a rather complex issue. In what Einwächter (2017) refers to as the digital transformation of fan culture, the practices that used to be solely based on fan culture have now been commercialized by entrepreneurial fans. For example, in India, EXO-L, the global official fan club of K-pop group EXO, produces and sells unofficial merchandise at a lower price point to attract other fans who cannot afford official merchandise (Utami, 2020). This creates a thriving underground economy that undermines the profitability of Korean companies. Moreover, as fans enjoy the liberty to imitate and modify official merchandise to meet their expectations (Utami, 2020), Korean companies lose even more patrons.

In consideration of all these, fans appear to be undeterred by the prevalent unethical business practices in the K-pop industry, regardless of whether or not this benefits or harms them. Debatably, the consumers' loyalty and support for the K-pop industry stood firm against the ethical controversies relating to it. It only shows that consumer behavior is an elaborate matter that embodies multiple layers and facets — and while understanding it could be tedious, it is crucial to the betterment of the industry.

Kotler (1994) and Babin and Harris (2013) both view consumer behavior as a careful thought process that considers various forces influencing purchase decisions. Meanwhile, Rita, Oliveira, and Farisa (2019) and Chhabra (2015) highlight its comprehensive nature, encompassing the entire buying phase from pre-product selection to disposal. It also evokes emotional, mental, and behavioral responses (Chhabra, 2015).

As evidenced by the previous definitions, consumer behavior is primarily rooted in the process of selecting, purchasing, and disposing of goods and services to fulfill consumers' needs and wants. This behavior is subject to continual change due to the diverse physical and psychological needs of consumers.

To further understand consumers, Kotler and Keller (2015) outlined the four factors that influence their behavior namely cultural, social, personal, and psychological factors.

*Cultural Factors:* Culture, subculture, and social class are among the factors that shape consumer behavior, with pop culture emerging as a highly-recognized cultural subset. Its commercialization introduced fan phenomenon on a larger scale, exemplifying how pop culture shapes consumer behavior.

Over time, fandom transitioned from mere a spectatorial culture into a participatory culture (Dinningrum & Satiti, 2021). This is because fandom turn people from passive viewers into active participants who discuss, create, and share their experiences with others, thus becoming producers of content. Furthermore, Potts (2019) suggests that the stable and predictable buying habits of fans make them the ideal consumers of pop culture industry. Nonetheless, some experts warn about risks of fanaticism syndrome, the unhealthy levels of obsession that can result from constant exposure to pop culture products (Jandevi & Zareen, 2020).

*Social Factors:* This factor focuses on the external forces that motivate consumers in their purchasing process, such as social circles, social standing, networks, social media, and financial resources (Lim & Yazdanifard, 2015). Particularly highlighted in the study by Ioanăs and Stoica (2014), 'social networks' stand out as a significant factor in shaping consumer behavior. The term 'social networks' refers to the relatively stable relationship system that individuals within society form through interaction (Li et al., 2021).

Fan communities exemplify a representative social network in the music industry. According to Carter (2018), fan communities are interactive environments where individuals with similar interests come together to form a shared collective identity. One prevalent example of fan practices, as highlighted by Capili (2014), includes K-Pop conventions, fan gatherings, meet-and-greets, and concerts. Fan communities may be in charge of planning activities for group ticket purchases and souvenir purchases. When well-run and competent fan clubs refine their organizational structure and enhance long-term service effectiveness, they progressively win over other fans' trust. They provide fans with more convenient channels while also helping businesses with a variety of tasks (Zhuang, 2019).

*Personal Factors:* One's personal buying behavior stems from a wide range of demographic profiles, which can influence one's individuality. According to Domie (2013) people's responses to their surroundings are highly dependent on their personalities, shaped over the years through the nature vs. nurture principle.

According to Zhuang (2019), the age, income, and gender of fan consumers are the main demographic data that can steadily influence the majority of fans' purchasing decisions, with income regarded as the primary prerequisite for all purchasing behaviors. Higher income often leads to more spending potential, which may suggest the valuable role of adult fans who are able to responsibly contribute financially within the fan community. As noted by Zahra and Anoraga (2021), higher income can generally increase one's tendency towards consumption.

*Psychological Factors:* Generally, according to Zhuang (2019), mental factors refer to the emotional connection between fans and their idols. He also stated that fans are different from general consumers in terms

of motivation and consumption characteristics. Fans exhibit three significant distinctions compared to ordinary non-fans: a strong sense of identity, deep emotional involvement, and consumption behavior characterized by excessive dedication (Duan, 2022). This suggests a shift in fans' demand for commodities, moving away from the sole pursuit of practical functions and toward a quest for the symbolic meaning embedded in the products (Quan, 2023).

As per Liu (2022), idolization can be seen as a form of consumer behavior. Idol worship, or the psychological identification and emotional attachment to an idol figure (Cheung & Yue, 2012), has a direct impact on a person's desire and preference for certain products and their intention to buy them. According to Ardhiyansyah, Maharani, Sari, and Umar (2021), K-pop fans are often perceived as excessive and consumptive. Their strong consumption motivation implies a heavy buying pattern (Chung, Farrelly, Beverland, & Karpen, 2018). The devotion of the supporters is apparent in the amount of time and money they spend with their idols (Ardhiyansyah et al., 2021). As such, collaborating with celebrities has been considered a successful strategy for improving brand perception and shaping consumer perceptions (Singh & Banerjee, 2018). For many businesses, using idol worship to reinforce the favorable perception that a certain brand has in the eyes of consumers and persuade them to choose it, has become a crucial marketing tactic.

Several market players exploit fans' emotional attachment to their idols. This study aims to address the issues surrounding the k-pop phenomenon in terms of capitalism. With the equivocal nature of consumer behavior, a thorough understanding of fans' motivation and rationale as consumers in the fan economy is crucial. Doing so shall aid in laying out ways to protect and promote consumer interests and outright end customer exploitation disguised in the facade of fandom. Becoming a participant in an industry with tendencies towards tyranny is not for the faint of heart. But this is no big deal to many supporters, which raises a striking question, "How does something evidently unethical and exploitative not faze a community that supposedly holds control?"

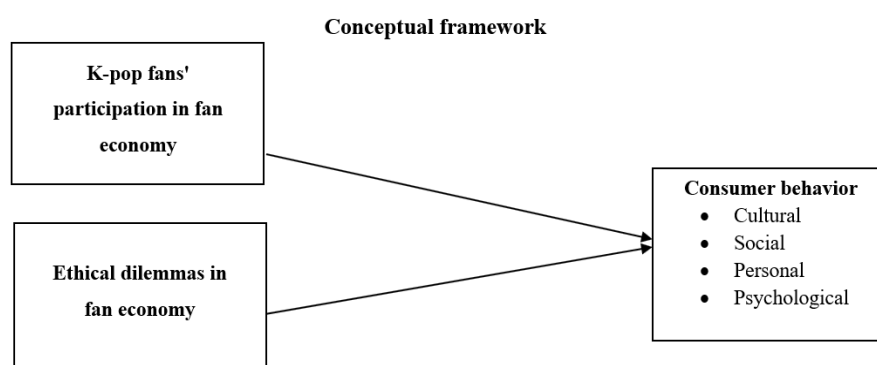


Figure 1. Schematic diagram of the study.

The researchers drew on Social Identification Theory (SIT) and Maslow's Hierarchy of Needs as their theoretical frameworks. As cited by Harwood (2020), SIT was developed by Tajfel and Turner (1979) to describe the relationships between large social groups by utilizing psychological procedures related to social identity, or the sense of belonging of a person to a group. Ray, Plante, Reysen, Roberts, and Gerbasi (2017) have noted that fandom is related to social identification, and Kim and Kim (2017) have found that fans of K-pop often interact with other fans on online platforms and in groups associated with K-pop.

Meanwhile, Maslow's Hierarchy of Needs Maslow (1943) highlights five basic categories of needs, including love and belongingness, or social needs. Kuo and Hou (2017) have stated that businesses collaborate with artists to market their products and brands, as well as to motivate fans to strengthen their social identity and emotional connection with the artists they support. According to Huang, Lin, and Phau (2015), the attachment of fans to the artists they support may lead them to purchase products promoted by their idols. Based on this, the social identity of fans or the need to belong in a social circle may affect their consumption behavior, and businesses may leverage this trend for financial gain.

Figure 1 illustrates the schematic diagram of the study through three frames. Frame 1 highlights the K-pop fans' participation in fan economy. Frame 2 is about the ethical dilemmas surrounding the K-pop fan economy. Lastly, frame 3 shows the four contributing factors to consumer behavior. The arrow starting from Frame 1 to Frame 3 shows how K-pop fan participation impacts the consumer behavior of fans. Likewise, the arrow beginning from Frame 2 to Frame 3 illustrates how the ethical dilemmas influence consumer behavior.

### 1.1. Statement of the Problem

To aid in strengthening customer satisfaction and promoting the interests of consumers, the study will focus on investigating the ethical pressures that surround the Korean fan economy and their implications for consumer behavior. Specifically, this study aims to answer the following questions:

1. How may K-pop fan participation in fan economy be assessed?

2. How may ethical dilemmas in K-pop fan economy be assessed?
3. How may K-pop fans' consumer behavior be assessed in terms of:
  - a. Cultural factors;
  - b. Social factors;
  - c. Personal factors; and
  - d. Psychological factors?
4. Does K-pop fan participation have a significant effect on consumer behavior?
5. Do ethical dilemmas in the K-pop fan economy have a significant effect on consumer behavior?

### 1.2. Hypotheses

The study's hypotheses include the following:

1. K-pop fan participation has a significant effect on fans' consumer behavior.
2. Ethical dilemmas in the K-pop fan economy have significant effect on fans' consumer behavior.

### 1.3. Scope and Delimitation

The researchers purposefully selected a representative sample of 300 respondents, and all data and findings in this study were exclusive to this group of students. To ensure the precision and relevance of the study, it was confined to the K-pop fan students during the academic year 2023-2024, and data from previous or subsequent years was not included.

## 2. Method

### 2.1. Research Design

The researchers conducted quantitative research, particularly survey research and correlational design, to inquire into the implications of ethical dilemmas and fan participation in the fan economy on consumer behavior. The relationship between the variables was examined through numeric data and statistical processes. The data used were gathered through survey questionnaires with Likert scales. The responses aided in assessing the correlation among the K-pop fan participation, ethical dilemmas of fan economy, and consumer behavior.

### 2.2. Respondents

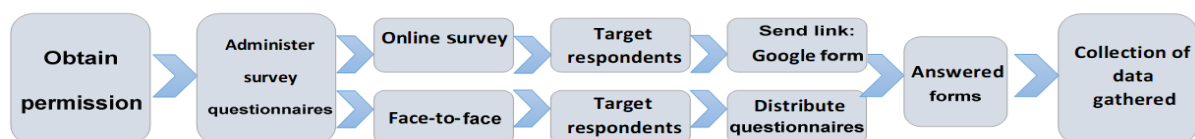
The respondents of the study were K-pop fans enrolled in Don Honorio Ventura State University (DHVSU)–Bacolor Campus, a state university from the Philippines, in the academic year 2023-2024. The researchers employed purposive sampling in choosing the respondents. The study set forth certain criteria for selecting qualified respondents that would provide necessary insights to meet the objectives of the study. In consideration of this, the researchers wanted to ensure that only DHVSU students who are K-pop fans were selected to participate. The financial capacity or financial status of the students was inquired into during the conduct of the study, but without any consideration of other factors such as their sex, age, grade level, or course.

### 2.3. Instruments

The researchers used structured questions to gather the necessary data. Scales were utilized to measure and understand the variables of the study. A 4-point Likert scale ranging from strongly disagree (1) to strongly agree (4) was used for the survey. The even number of options prevented neutrality and bias. The researchers adapted the instrument of [Sermchaiwong \(2021\)](#) to assess K-pop fan participation in the fan economy. In addition, the survey utilized by [Geçer and Topal \(2021\)](#) in their study was modified and used to assess the ethical dilemmas in fan economy. Furthermore, the questionnaires of [Šostar and Ristanović \(2023\)](#) for the consumption behavior factors and [Cayaban et al. \(2023\)](#) for K-pop fans were also customized and adapted. To test the items' reliability, the researchers calculated the Cronbach alpha of the questions.

The instrument was validated by three (3) experts, which included two professors from the College of Business Studies at DHVSU and one expert in the field of K-pop. The survey form consisted of three parts. Part 1 was about K-pop fan participation in the fan economy. Part 2 was about the ethical dilemmas. Lastly, Part 3 was composed of questions about K-pop fans' consumption behavior.

**Figure 2** Illustrates the flowchart for data gathering process.



**Figure 2.**Flowchart for data gathering.

2.4. Data Collection

We executed the study with professionalism and efficiency, focusing particularly on data collection process to significantly enhance the strength of emergent data. The concerned bodies formally granted permission consent to the researchers, marking the official start of data gathering. Subsequently, the researchers have taken on the dispensation of the survey questionnaires, so two methods were opted for an online survey and a face-to-face survey.

2.5. Statistical Treatment of Data

The specific scale was created for this study. The interpretation of the responses on this scale relied upon the response categories Table 1:

Table 1.4-point likert scale.

Weighted mean	Point scale	Descriptive rating
3.50-4.00	4	Strongly agree
2.50-3.49	3	Agree
1.50-2.49	2	Disagree
1.00-1.49	1	Strongly disagree

The researchers employed Statistical Package for Social Science (SPSS) to analyze the results and data. K-pop fan participation, fan economy’s ethical dilemmas, and fans’ consumption behavior were assessed based on the average, weighted mean, of the responses. Regression analysis was also utilized to determine the effect of each variable on another.

3. Results and Discussion

Table 2. Assessment of K-pop fan participation in fan economy.

Indicator	Mean	Std. dev.	Verbal description
1.) I purchase K-pop albums to collect all different versions.	2.80	0.86	Agree
2.) I purchase K-pop albums to collect all the versions and/or a specific version of photocards.	2.91	0.83	Agree
3.) I collect and/or trade merchandise such as photocards with other K-pop fans.	3.17	0.83	Agree
4.) I collect official fan merchandise and accessories such as Light sticks and apparel.	3.06	0.80	Agree
5.) I participate in voting polls or leader board systems on K-pop sites/applications such as Choeaedol.	3.12	0.74	Agree
6.) I participate in K-pop gatherings like concerts, fan meetings, and conventions.	2.90	0.87	Agree
7.) I actively stream K-pop content such as music videos and digital songs.	3.50	0.65	Strongly agree
8.) I actively share K-pop content on social media platforms.	3.49	0.65	Strongly agree
Grand mean	3.12	0.78	Agree

Table 2 presents the positive responses of K-pop fans to their participation in fan economy, as indicated by the grand mean of 3.12, which states that K-pop fans are actively engaging in it.

Table 3. Assessment of ethical dilemmas in K-pop fan economy.

Indicator	Mean	Std. dev.	Verbal description
1.) I watch and/or download paid/Exclusive K-pop content from sites/apps such as Weverse when it becomes available on social media like X (Twitter) and Tiktok.	3.17	0.85	Agree
2.) I share and spread unofficial K-pop content and /or idol fancams on social media.	3.08	0.89	Agree
3.) I use different converters to save and download K-pop content from Youtube, Spotify, Apple Music, and other music sites.	3.08	0.87	Agree
4.) I support and/or purchase unofficial K-pop merchandise on X (Twitter), Shopee and other sites.	3.12	0.80	Agree
5.) I watch and / or download fan-made Korean content like music videos and fancams.	3.44	0.62	Strongly agree
6.) I read and/or share K-pop fan fiction available on the internet.	3.24	0.82	Agree
Grand mean	3.19	0.81	Agree

Table 3 shows the grand mean of 3.19, which indicates that respondents generally agree to engaging in activities that are perceived as ethical dilemmas in the K-pop fan economy. This reveals that the respondents are actively consuming, producing, and disseminating fan-made content. Nowadays, consumers exploit the convenience of the internet to access a variety of resources.

**Table 4.** Assessment of K-pop fans' consumer behavior in terms of cultural factors.

Indicator	Mean	Std. dev.	Verbal description
1.) I purchase K-pop products/ Services because I like Korean culture.	3.18	0.72	Agree
2.) I purchase K-pop products/Services because I want to be like Korean.	2.47	0.83	Disagree
3.) I purchase Korean products endorsed by K-pop idols to adopt a lifestyle like theirs.	2.74	0.82	Agree
Grand mean	2.80	0.79	Agree

Table 4 presents the results of the responses with grand mean of 2.80, indicating that K-pop fan's consumer behavior is affected by cultural factors. It demonstrates how K-pop fans' affinity for Korean culture and lifestyle influences their purchasing decisions.

**Table 5.** Assessment of K-pop fans' consumer behavior in terms of social factors.

Indicator	Mean	Std. dev.	Verbal description
1.) I purchase K-pop products / Services because of the influence of people around me (family, friends, classmates, and fan community).	3.29	0.71	Strongly Agree
2.) I purchase K-pop products / Services because of the influence of the people on social media like stan twitter.	3.22	0.74	Agree
3.) I purchase K-pop products / Services because they are the current trends.	2.92	0.80	Agree
Grand mean	3.15	0.75	Agree

As shown in Table 5, K-pop fans had favorable responses towards the statements indicating that social factors affect their consumer behavior. The findings show that outside factors such as the consumer's reference group, family, friends, classmates, and fan community have an impact on the purchasing decision and habits of K-pop fans.

**Table 6.** Assessment of K-pop fans' consumer behavior in terms of personal factors.

Indicator	Mean	Std. dev.	Verbal description
1.) I have the resources to buy K-pop products / Services.	3.16	0.66	Agree
2.) I have a special budget for K-pop products / Services.	2.83	0.83	Agree
3.) I am capable of buying K-pop products / Services.	3.15	0.65	Agree
Grand mean	3.05	0.72	Agree

Table 6 presents the results of the assessment of the personal factors affecting K-pop fans' consumer behavior. The results revealed that the respondents agreed that personal factors, particularly, income, resources, as well as capacity to buy, affect the purchasing behavior of K-pop fans.

**Table 7.** Assessment of K-pop fans' consumer behavior in terms of psychological factors.

Indicator	Mean	Std. dev.	Verbal description
1.) I purchase K-pop products/Services Because they make me happy.	3.61	0.55	Strongly agree
2.) I purchase K-pop products/Services because they bring me closer to K-pop idols.	3.36	0.71	Strongly agree
3.) I purchase K-pop products/Services because they give me a sense of identity and belongingness.	3.38	0.70	Strongly agree
Grand mean	3.45	0.66	Strongly agree

Based on the results shown in Table 7, the respondents strongly agreed that psychological factors have an effect on the consumer behavior of K-pop fans, as evidenced by the grand mean of 3.45. Their consumer behavior is mainly motivated by the emotional connection they have with their idols. Buying products associated with them gives fans a sense of satisfaction and happiness, and it even builds their identity and sense of belonging.

**Table 8.** Significant effect of K-pop fan participation on consumer behavior.

Independent variables	Beta coefficient	Std. error	t	Sig.
K-pop fan participation	0.520	0.050	10.626	0.000

Note: Dependent variable: Consumer behavior.

Table 8 shows that K-pop fan participation has a significant effect on consumer behaviour (p-value = 0). Moreover, using the regression analysis, the findings revealed a positive correlation between the variables, wherein for every unit increase in K-pop fan participation, there is a 0.520 increase in consumer behavior. In other words, individuals who are more engaged in K-pop are likely to exhibit certain consumer behaviors more prominently.

**Table 9.** Significant effect of ethical dilemmas in the K-pop fan economy on consumer behavior.

Independent variables	Beta coefficient	Std. error	t	Sig.
Ethical dilemmas	0.265	0.043	5.423	0.000

Note: Dependent variable: Consumer behavior.

Table 9 displays the significant effect of ethical dilemmas in the K-pop fan economy on consumer behavior (p-value = 0). In addition, the beta coefficient of 0.265 suggests a moderately positive correlation between the two variables. While not as strong as some correlations, it still indicates a meaningful association. This means that as fans continue to engage in activities deemed ethical dilemmas in the fan economy, their consumer behavior may be influenced accordingly.

#### 4. Conclusions and Recommendations

In light of the discoveries, the accompanying conclusions were drawn:

1. K-pop fans are actively participating in fan economy.
2. K-pop fans are actively partaking in activities that are perceived as ethical dilemmas in fan economy.
3. K-pop fans' consumer behavior is affected by cultural, social, personal, and psychological factors. Moreover, psychological factors have the highest influence.
4. K-pop fan participation has a significant effect on consumer behavior.
5. Ethical dilemmas in the K-pop fan economy have a significant effect on consumer behavior.

Based on the findings and conclusions presented in this study, the researcher recommends the following:

1. Businesses should use this increasing fan participation as an opportunity to improve and innovate new physical and digital K-pop products and services to attract existing and potential fans to purchase them, which could help increase the businesses' profits.
2. K-pop companies and businesses should work together with the government in establishing policies in order to regulate the proliferation of unofficial K-pop products and contents, as this could infringe the copyrights of these companies and businesses, as well as deprive them of their profits. In addition, these companies and businesses may also sell official K-pop products and services that are affordable and can be availed of conveniently to encourage fans to purchase goods legally, rather than buying the unofficial ones.
3. Cultural factors, social factors, personal factors, and psychological factors
  - 3.1 Businesses should use fans' appreciation of the Korean culture and incorporate it into the way they produce their products or render their services. Fans purchase K-pop products and services because of their idols, but it also makes them feel that they share the same lifestyle as their idols.
  - 3.2 Businesses should develop different marketing strategies based on the current trends in the K-pop industry that focus on attracting different fan communities. The use of various social media platforms to market and boost the popularity of idols could be effective in influencing the purchasing behavior of fans, since these platforms are being used by fans to interact with other fans and to get updated with current trends regarding their idols, such as the products and services related to them.
  - 3.3 Fans should learn to establish a budget that they can use for their fan activities and practice spending money in a manner that is not excessive. Fans should manage their finances wisely and allocate only an appropriate amount of money that would cover their K-pop purchases.
  - 3.4 When producing K-pop products and services, companies should consider the value and quality that fans would receive. K-pop fans mostly purchase products because of their emotions; hence, businesses should focus more on producing K-pop products and services that add value, rather than making them merely for profit.
4. Given the findings that K-pop fan participation has a significant effect on consumer behavior, marketing professionals can identify distinct fan segments with varying degrees of engagement and consumer behavior patterns to tailor marketing strategies accordingly. In addition, they can utilize the power of fan communities to enhance brand relevance, foster authentic connections, and drive business success in the dynamic landscape of K-pop fandom.



5. Considering that ethical dilemmas in K-pop fan economy have a significant effect on consumer behavior, fans should be educated about the negative consequences of their actions towards idols, artists and K-pop industry. K-pop companies and businesses should also enhance accessibility for K-pop content and affordability of products and services to encourage fans to purchase official merchandise, concert tickets, and licensed digital content.
6. Future researchers could explore more about the nature and perceptions of ethical dilemmas within the K-pop fan economy by conducting further interviews with fans. They could also examine and compare fan participation across different cultural contexts and fan communities with higher age groups and income levels.

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