

International Marketing

Class 14

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Hofacker's 5 Stages of Information Processing

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Three ways to use Hofacker's 5 Stages of Information Processing

In 2000, Professor Charles Hofacker published his book, 'Internet Marketing'. To set this into context, in the year 2000 the Office for National Statistics reported that 1 in 4 households in the UK was now using the internet, having doubled since 1999. In other words, the internet was still 'new' and websites fairly basic. Therefore, when Hofacker published his book, it was a huge help to the Marketing Industry.



What the BBC website looked like
back in 2000

The 5 Stages of Information Processing

Hofacker's Five Stages of Information Processing is a framework that can be used by marketers to understand how consumers interact with digital content. This model outlines the cognitive steps a consumer goes through when processing information. These are:

Exposure: Consumers come into contact with the marketing message. At this stage, marketers need to capture the consumer's attention.

Attention: The consumer becomes aware of the message. Marketers must design messages that not only grab but also retain the consumer's attention.

Comprehension and perception: The consumer interprets or understands the message. Clear and compelling communication is crucial here.

Yielding and acceptance: The consumer forms an attitude towards the message. Marketers aim to create positive associations and perceptions.

Retention: The final stage where the consumer retains the information. Effective messages are memorable and influence the consumer's future decisions or actions.

Understanding these stages helps marketers create more effective digital communication strategies by focusing on how consumers process information at each step.

✓ I. What Is Information Processing Theory (IPT) in Marketing?

Information Processing Theory explains how consumers receive, interpret, store, and use information before choosing a product.

It views consumers as **active problem solvers** rather than passive responders.

Marketing stimuli (ads, messages, brand cues) move through **sequential cognitive stages**, influencing recall, preference, and purchase intention.

✓ II. The Six Stages of the Information Processing Model

The standard IPT model includes the following stages:

1. Exposure (Awareness Stage)

Consumers must first be **exposed to** a marketing stimulus.

What happens cognitively?

- Sensory contact with the message
- No guarantee of attention or retention
- Frequency and placement are critical

Real Business Examples

- **YouTube Pre-Roll Ads (Samsung, LG)**
Users cannot scroll past the ad → forced exposure.
- **McDonald's billboard campaigns**
High-traffic roads create repeated exposure to the golden arches.
- **Coca-Cola red branding**
Color itself acts as an exposure stimulus, even before reading text.

2. Attention

After exposure, the consumer must **focus mental resources** on the stimulus.

Cognitive mechanisms:

- Selective attention (filtering)
- Novelty, contrast, movement, or emotional cues increase attention
- Personal relevance boosts attention

Real Business Examples

- **TikTok-style ads by Nike**
Fast-paced visuals and athlete-driven stories grab attention.
- **Apple's minimalist ads**
Negative space forces the eye toward the product → attention is immediately centered.
- **IKEA's "Bookbook" parody ad**
Humor grabs attention by mimicking Apple product launches.

3. Comprehension (Understanding the Message)

Consumers must **interpret** the information correctly.

Cognitive processes:

- Assigning meaning
- Linking message to prior knowledge
- Identifying benefits, value, and usage

Real Business Examples

- **Domino's "30 minutes or it's free" (historical)**
Clear message → consumers easily comprehend service speed expectations.
- **Dyson vacuum ads**
Visual explanations of suction technology help consumers understand differentiation.
- **Unilever's Dove Real Beauty campaign**
Messages about self-acceptance are easily comprehensible and emotionally resonant.

4. Acceptance (Agreeing with the Message)

Consumers may understand the message but must also **believe it**.

Influencing factors:

- Source credibility
- Brand trust
- Social norms
- Emotion and logical argument strength

Real Business Examples

- **Tesla:**
Consumers accept claims about innovation and sustainability because Tesla has strong technological credibility.
- **Korean beauty brands (e.g., Laneige)**
Endorsements from dermatologists or K-pop idols increase message acceptance.
- **GEICO Insurance**
"15 minutes could save you 15%" – simple message with strong perceived credibility.

5. Retention (Storing in Memory)

To influence future purchases, information must be stored in **long-term memory**.

Cognitive principles:

- Repetition
- Emotional impact
- Distinctiveness
- Associations and cues

Real Business Examples

- **Intel's "Intel Inside" sonic logo**
Five-note sound cue is specifically designed for memory retention.
- **Netflix recommendations**
Personalization increases relevance → making content more memorable.
- **Google Search's simple interface**
Consistent visual design makes the brand extremely easy to recall.

6. Purchase / Retrieval & Decision

The consumer retrieves stored memories during product choice.

Process:

- Recall of brand information
- Comparison with alternatives
- Retrieval influenced by emotions, context, and availability

Real Business Examples

- **Starbucks**
A consumer remembers the smell, rewards program, and friendly atmosphere → chooses Starbucks over local cafés.
- **Amazon Prime**
Fast delivery, convenience, and remembered experiences lead to repeated purchases.
- **Toyota**
History of reliability comes to mind during car shopping → strong retrieval advantage.

II. Case Study on APR



Life Summary

Kim Byung-hoon ("김병훈" in Korean) is the CEO of APR, a South Korean beauty and wellness company.

He is focusing his efforts on expanding APR's beauty device production capacity while aggressively pursuing new overseas markets.

Kim was born on November 5, 1988, in Seoul.

He studied business administration at Yonsei University in 2007.

While attending Yonsei, he launched a virtual fitting service called "Epida('이피다' in Korean)" and a dating matchmaking app named "Gilhanasai('길하나사이' in Korean)."

In 2014, he founded a cosmetics company named InnoVentures, which was later renamed APR.

He is a young entrepreneur who started his business at the age of 25 and has since grown it into a company with revenue in the KRW 500 billion (US\$ 360 million) range.

Known for his 'workaholic' tendencies, Kim is the kind of person who always follows through on his commitments and never backs down from what he sets out to do.

Analysis of APR Corp: Company Profile & CEO Leadership

APR Corp (Advance People's Real-life) is a South Korean global beauty-tech conglomerate that has rapidly disrupted the traditional cosmetics market.^{[1][2]} By bridging the gap between skincare and dermatology devices, it has positioned itself as a "next-generation beauty giant," effectively challenging legacy players like Amorepacific and LG Household & Health Care.

1. Company Profile: APR Corp^{[3][4][5][6][7][8][9]}

- **Founded:** October 2014^{[7][9]}
- **Headquarters:** Lotte World Tower, Seoul, South Korea
- **Key Business Areas:** Beauty Devices, Cosmetics, Fashion, Entertainment^[9]
- **Listing:** KOSPI (Ticker: 278470), listed in February 2024.

Core Competitiveness: The "Beauty Tech" Ecosystem

Unlike traditional cosmetic firms that rely solely on chemical formulations (creams/serums), APR created a lock-in ecosystem combining **hardware (devices)** and **software (consumable skincare)**.

- **Medicube (Flagship):** The primary revenue driver. It leads the "at-home dermocosmetics" trend with the **AGE-R** device lineup (Booster Pro, Ultra Tune).[1] These devices utilize EMS (electrical stimulation), RF (radio frequency), and electroporation to enhance skincare absorption.
- **Aprilskin:** A Gen-Z focused cosmetic brand known for viral marketing and "cushion foundations."
- **Nerdy:** A street fashion brand that gained massive popularity through K-pop celebrity placements (e.g., worn by IU, Zico), acting as a cultural branding tool rather than just apparel.
- **Forment:** A lifestyle fragrance brand targeting the male beauty market.

Financial & Global Performance (2024-2025 Context)

- **Revenue Milestone:** The company is on track to exceed **KRW 1 Trillion** (approx.[10] \$750M USD) in annual revenue, a rare feat for a non-legacy beauty firm.
- **Global Shift:** Over 40-50% of revenue now comes from overseas, with the **United States** and **Japan** being the fastest-growing markets.[1] The company successfully bypassed the "China slump" that hit other K-beauty giants by pivoting early to North America via Amazon and direct-to-consumer (DTC) channels.[1]

2. CEO Profile: Kim Byung-hoon[1][2][11][12]

Kim Byung-hoon (born 1988) is one of the youngest billionaires in South Korea and a representative figure of the "self-made" digital entrepreneur generation.[1]

Background

- **Education:** Studied Business Administration at **Yonsei University**. [11]
- **Early Career:** He did not start in beauty. His first ventures were in mobile apps (dating and navigation apps), which failed to gain massive traction. However, this experience gave him a deep understanding of **digital user behavior** and **viral algorithms**.
- **Pivot to Beauty:** Realizing that the mobile landscape was saturated, he identified "cosmetics" as a sector with high margins but outdated marketing. He founded Aprilskin in 2014 with a capital of just 10 million KRW (approx. \$7,500 USD).

Management Philosophy & Leadership Style

1. "Make what sells, don't sell what you make."

- Kim fundamentally changed the product development cycle. Instead of R&D creating a product and marketing trying to sell it, he analyzes **social media data** first. He identifies what skin problems people are searching for (e.g., "bumpy skin," "sagging pores") and develops products specifically to answer those search queries.

2. The "Nano-Influencer" Strategy

- Kim pioneered the strategy of flooding social media with "real" reviews rather than just polished TV ads. He understood early on that consumers trust a YouTuber with 50k subscribers more than a TV star. This "crowdsourced trust" built the foundation for Medicube's rapid rise.

3. Agility and Direct Control

- Unlike typical CEOs who delegate marketing, Kim is known to be deeply involved in the creative process. He views APR not as a manufacturing company, but as a **content company**. He treats ads as "content" that must provide value (entertainment or information) to the viewer.

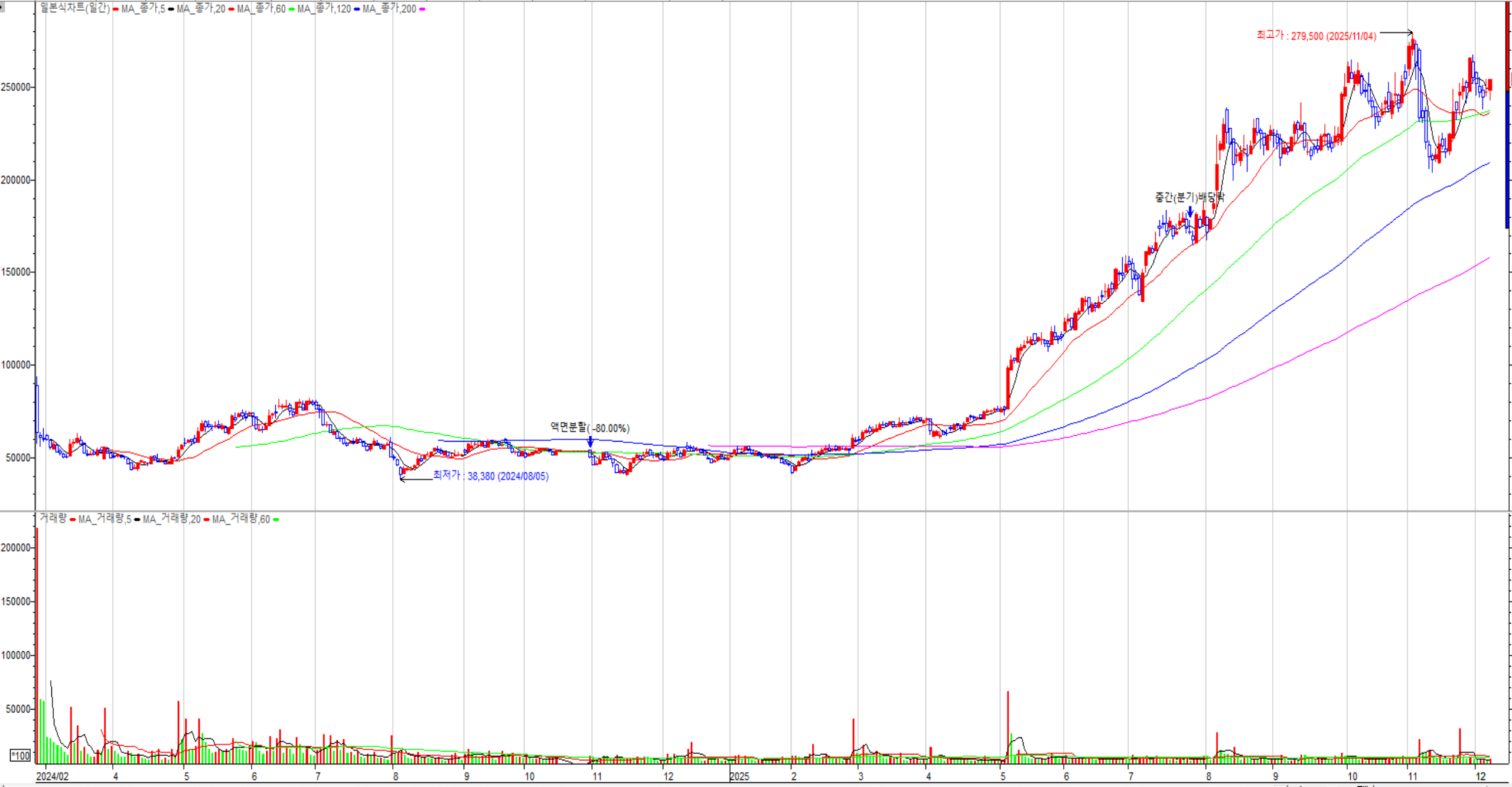
4. Vision: "The Apple of Beauty"

- Kim has publicly stated his goal to make APR the "Apple of the beauty world."
 - **Hardware:** Medicube Devices (iPhone)[1]
 - **Software:** Medicube Skincare/Gels (iOS/Apps)[1]
 - Just as you are locked into the Apple ecosystem, Kim wants users to buy an APR device and then continuously subscribe to the skincare products necessary to use that device effectively.

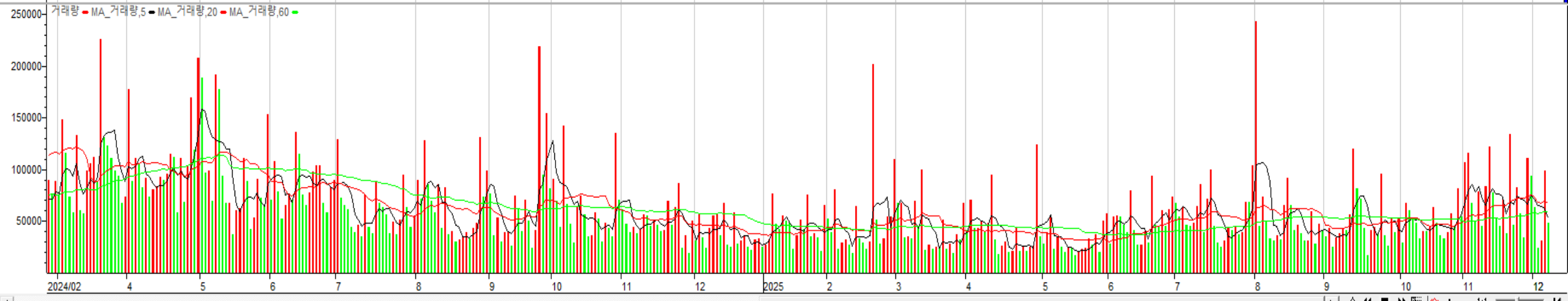
Conclusion

APR Corp is a case study in **digital transformation**. Under Kim Byung-hoon's leadership, it replaced the "brand heritage" model of traditional giants with a "data-utility" model.^[1] By owning the device that sits in the consumer's bathroom, APR has secured a retention rate that traditional cosmetic competitors struggle to match.

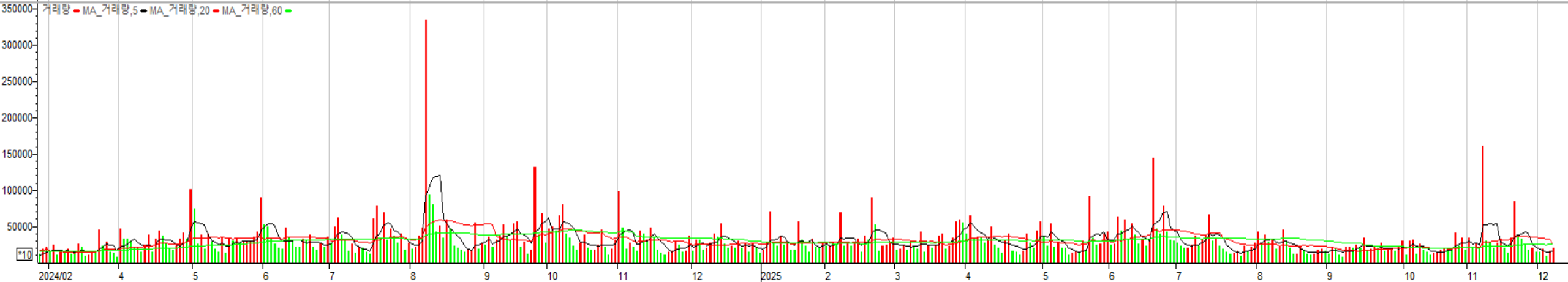
시각	현재가	대비	대비%	거래량	거래%	매도호가	매수호가	시가	고가	저가	거래대금
15:40	254,500	+7,000	2.83%	408,476	168.11%	254,500	254,000	248,500	254,500	242,500	1,018억원



시각	현재가	대비	대비%	거래량	거래%	매도호가	매수호가	시가	고가	저가	거래대금
[15:30]	272,500	+1,000	0.37%	48,004	48.64%	272,500	272,000	271,500	273,500	271,000	130억원



시각	현재가	대비	대비%	거래량	거래%	매도호가	매수호가	시가	고가	저가	거래대금
15:30]	124,300	+300	0.24%	196,073	127.54%	124,300	124,200	123,500	124,300	121,700	241억원



This analysis examines APR Corp's success through the lens of **Information Processing Theory (IPT)** and compares its strategies with traditional giants Amorepacific and LG Household & Health Care (LG H&H).

1. Analysis of APR Corp via Information Processing Theory

Information Processing Theory views the consumer mind as a computer: data enters (exposure), is processed (attention & comprehension), evaluated (acceptance), stored (retention), and acted upon.[1] APR's "Medicube" brand has mastered this flow by optimizing its marketing for the digital-native brain.

Stage 1: Exposure (Overcoming the Filter)

- **Theory:** Consumers are bombarded with data; they filter most of it out. To enter the system, a brand must maximize "sensory input."
- **APR Strategy: Aggressive Digital Dominance.**
 - Unlike traditional firms relying on TV or offline counters, APR floods social algorithms (TikTok, Instagram, YouTube) with short-form content.
 - **D2C Execution:** By selling Direct-to-Consumer, they own the customer data, allowing them to retarget users relentlessly. You don't just see a Medicube ad once; the algorithm ensures you see it repeatedly until "encoding" occurs.

Stage 2: Attention (Capturing Focus)

- **Theory:** Attention is a limited resource.^[2] Stimuli must be novel, relevant, or intense to break through.
- **APR Strategy: "Visually Arresting" Utility.**
 - **The "Oddly Satisfying" Hook:** APR's ads often feature the *Age-R Booster Pro* device pressing into skin with audible squishing sounds or visible glow effects. This triggers an immediate sensory response (ASMR-like) that arrests the scrolling thumb.
 - **Celebrity Disruption:** Instead of just "posing" (traditional model), celebrities like Hailey Bieber are shown *using* the device in a raw, vlog-style format. This signals "authenticity," grabbing attention better than a polished studio commercial.

Stage 3: Comprehension (Simplifying the Complex)

- **Theory:** Consumers must understand the message.[\[2\]](#) If the "cognitive load" is too high (too confusing), they tune out.
- **APR Strategy: Democratizing "Dermatology."**
 - Beauty devices are complex tech. APR simplifies this by framing them not as "medical equipment" but as "tech gadgets" for the face.
 - They use simple visuals: *One side of face treated vs. untreated*. This requires zero mental effort to understand the benefit (instant lift/glow), facilitating rapid comprehension.

Stage 4: Acceptance/Yielding (Building Trust)

- **Theory:** Even if understood, information is rejected if the source isn't credible.
- **APR Strategy: Social Proof & Data Integration.**
 - **The "Bandwagon" Effect:** By utilizing thousands of micro-influencers alongside mega-stars, they create a perception that "everyone is using this."
 - **Pseudo-Scientific Validation:** They heavily feature "clinical trial results" and graphs in their ads. For a skeptical brain, this data acts as a logical anchor to justify the emotional desire for the product.

Stage 5: Retention (Memory & Recall)

- **Theory:** Information must be stored in long-term memory for future retrieval (repurchase).
- **APR Strategy: The Device Ecosystem.**
 - Selling a device creates a physical "anchor" in the consumer's bathroom. Unlike a cream that runs out and is forgotten, the device remains.
 - **Lock-in Effect:** The device requires specific conductive gels (consumables), creating a recurring trigger to interact with the brand, reinforcing neural pathways associated with Medicube.

2. Comparison: APR vs. Amorepacific vs. LG H&H

The fundamental difference lies in **agility** and **channel structure**.

Feature	APR Corp (The Disruptor)	Amorepacific & LG H&H (The Giants)
Core Product Strategy	Hybrid (Device + Cosmetic): Uses devices as a hook to lock customers into an ecosystem. High switching cost for consumers.	Consumables (Skincare/Makeup): Traditional creams and serums. Lower barrier to entry but lower switching costs (consumers easily swap brands).
Marketing Speed	Real-time / Viral: Tests hundreds of ad creatives weekly. If a TikTok trend rises, they pivot instantly. Focus is on <i>content performance</i> .	Seasonal / Campaign-based: High-budget, polished campaigns planned months in advance. Focus is on <i>brand image</i> and heritage (e.g., Sulwhasoo, The History of Whoo).
Channel & Reach	D2C & Global Digital: ~30% revenue from overseas, heavily driven by Amazon and own brand sites. Bypassed the "China trap."	Offline & B2B: Historically dependent on Duty-Free shops and Chinese distributors. Slow to pivot to Western digital channels (though now trying to acquire indie brands).
Consumer Perception	"Tech/Utility": Seen as a problem-solver (acne, pores, lifting). Functional and modern.	"Luxury/Heritage": Seen as a lifestyle or status symbol. Prestigious but viewed as "old" by some Gen Z consumers.