

Consumer Perceptions: Insights on North Korean Defectors' Goods and Services in South Korea

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Abstract

The primary objective of this study is to unveil consumer perceptions regarding goods and services offered by North Korean defectors in South Korea's market. A comprehensive online survey involving 42 respondents, showed insights on consumer behaviours, satisfaction levels, and preferences concerning the defectors' goods and services, shedding light on areas for improvement. While respondents highly valued the fundamental quality and prices of the goods and services, a significant number of respondents purchased North Korean food for its specific "taste" and also out of the desire to support their North Korean peers, revealing their consumer backgrounds. Personal interest was identified as a significant motivation to purchase North Korean defectors' goods and services. However, respondents reported lower satisfaction levels with regard to packaging, design, and advertising. Therefore, continual efforts in quality enhancement and strategic marketing are vital for North Korean defector businesses to strengthen their market presence and broaden their customer base, ultimately driving profitability and entrepreneurial success.

Keywords: North Korean defector business, market competitiveness, consumer perception, consumer goods images, entrepreneurship

Introduction

The influx of North Korean defectors migrating to South Korea has surged in recent decades, paralleling with the rise in their small business endeavors. Previous research indicates that North Korean defectors exhibit proactive agency, demonstrating an inclination toward seeking opportunities and displaying a strong entrepreneurial spirit (Jung 2021). Yet, North Korean defectors' sustaining these small and medium business ventures over the long term has proven to be challenging (H. C. Kim 2015). One factor that challenges long-term sustainability are attributed to feelings of uncertainty among potential buyers. Motoc (2019) has emphasized that customers often feel significant uncertainty before purchase, which leads to reluctant buying decisions. However, a strong firm reputation cultivates trust among customers, encouraging increased purchase rates for goods and services offered by businesses (Binz et al. 2013). Consequently, a positive image and reputation for North Korean enterprises in South Korea can positively impact entrepreneurial success and long-term viability.

However, we do not yet clearly understand how North Korean defector firms are perceived in the South Korean market and how the image impacts potential customer decisions. North Korean businesses have to compete with South Korean goods and services in a highly competitive consumer market and to achieve long-term business success, a key factor is to produce high-quality goods and services that satisfy the needs of the demand side.

Hence, in this study we analyzed the data collected from a pilot study involving 42 respondents, to delve into: (1) customer satisfaction, (2) purchase motivation, and (3) customer loyalty including repurchase behaviors. This survey was conducted among individuals who have firsthand experience of purchasing goods and services from North Korean defector businesses.

Our research contributes significantly to the current literature by empirically investigating consumers' perceptions of North Korean defectors' goods and services—an aspect

hitherto unexplored. This exploratory study paves the way for subsequent in-depth research and quantitative approaches for hypothesis testing. The results of this study will play a key role in tailoring support for North Korean defector entrepreneurship. The viability of these businesses is likely to facilitate the integration of North Korean defectors into the South Korean society, and thereby alleviate concerns about the potential costs of such integration. Recognizing North Korean defectors' economic potential holds promise not only for their socioeconomic integration but also for the revitalization and transformation of North Korea's socioeconomic landscape in the future.

Terms and Definitions

In this study, the McCune Reischauer Romanization is used for Korean terms, while authors' names are referenced as they appear in the original papers. The term "North Korean defectors" or simply "defectors" is used to refer to individuals who left the Democratic People's Republic of Korea (DPRK, North Korea) and settled in the Republic of Korea (ROK, South Korea). This word choice acknowledges their unique status in South Korea (see following chapter), distinct from terms like "immigrant" or "refugee," which often denote specific legal status or labor market access in the receiving country. Furthermore, throughout the study, "goods" encompass consumer goods, products, or traded items, while "services" encompass human and labor activities like those in restaurant and coffee shops those provided by hairdressers and web designers. This broad definition encompasses all products, goods, and services offered by businesses led by North Korean defectors.

The article is structured as follows. The subsequent chapter provides an overview of pertinent literature concerning the socioeconomic integration of the North Korean defectors in South Korea and their business status. We then clarify our methodology and discuss the study's findings. Finally, we conclude by outlining implications for improving the reputation of the defector firms and offering suggestions for further research.

Literature Review

Since the political division of the Korean peninsula, there has been cross-border movement between North and South Korea. According to the figures provided on the Ministry of Unification's website,¹ a total of 34,021 North Korean defectors entered South Korea since 1948, 72% of them women. Between 2020 and 2022, COVID-19 travel restrictions and the closure of the China–North Korea border led to a substantial decline in new arrivals of North Korean defectors. Anticipations suggest that the numbers entering South Korea will rise slowly again when border restrictions are eased. North Korean defectors who choose to settle in South Korea are granted South Korean citizenship, in accordance with the 1997 North Korean Defectors Protection and Settlement Support Act. Article 1 states its purpose as “provid[ing] for matters relating to protection and support as are necessary to help North Korean residents escaping from the area north of the Military Demarcation Line who desire to be protected from the Republic of Korea, as swiftly as possible to adapt themselves to, and settle down in, all spheres of their lives, including political, economic, social and cultural spheres.”² Both South and North Koreans share the same ethnic background and sociolinguistic heritage, tracing their lineage back to the same Han ancestry (*hanminjok* 韓民族: “the Korean people”). However, despite their shared markers, the radical division into two antagonistic states, with contrasting economic and political systems, has resulted in a sense of estrangement among them. North Korean defectors frequently encounter social marginalization, often perceived as a marginalized minority distinct from South Koreans. They face obstacles such as job discrimination and lack of recognition for their education. Moreover, they must restart their lives in a society known for its high competitiveness and challenges faced by all members in society. Beyond this intense competition, the market system itself places considerable strain on defectors, too. The prevalence of mass production, widespread consumption practices, and aggressive advertising introduces new and unique challenges for their integration and success

¹ https://www.unikorea.go.kr/eng_unikorea/.

² North Korean Defectors Protection and Settlement Support Act, art. 1, Statutes of the Republic of Korea, https://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=20154&type=part&key=1#:::text=The%20purpose%20of%20this%20Act,and%20settle%20down%20in%2C%20all.

within the society (Bidet and Jeong 2016; Choo 2006; J. Kim and Jang 2007).

The socioeconomic integration of North Korean defectors is further complicated by their need to adjust to a significantly different economic standard and level of digitalization. In South Korea, the adoption of smart home technology, involving the application of IoT within private households, surpasses that of many European countries.³ This rapid technological advancement presents an additional challenge for North Korean defectors as they navigate and adapt to these new standards and technological advancements. Furthermore, South Korea boasts a notably high education level, with around seventy percent of its population attaining university degrees, and students consistently achieving commendable results in Pisa studies. However, the adjustment for North Korean defectors in such a highly educated and technologically advanced society presents significant challenges. These challenges manifest in workplace discrimination and lower wage earnings for defectors. Both employers and employees report basic misunderstandings and cultural difficulties, which further complicate their integration into the workplace (C. Cho and Chöng 2015).

³ “Statista - Das Statistik-Portal,” Statista, 2021, <https://de.statista.com/>.

North Korean Defector Entrepreneurship

A growing number of North Korean defectors are turning to self-employment as a means to escape labor market disadvantages and gain autonomy (Jung 2021). There is a notable interest in entrepreneurship, with a significant portion—45 percent—either planning a business or considering self-employment as a viable option (29%) (B. H. Cho 2015; KHF 2019; Lim and Kim 2019). Self-employment has also potential to notably raise their income levels. An analysis of defectors who have established their own businesses revealed significantly higher incomes compared to those who remain as paid employees (Lim and Kim 2019). This trend aligns with sociological immigrant theories, suggesting that self-employment among North Korean defectors plays a pivotal role in their economic integration (Raijman and Tienda 2000; van Tubergen 2005).

While research in the field of North Korean defector entrepreneurship has shown a surge in recent years, a lot of studies still focus on the individual entrepreneur and their motivations, either based on case studies or quantitative research strategies (B. H. Cho 2015; Hyön 2014; Jung 2018; S. Kim and Jeon 2017; Y. J. Kim 2019; Park 2016; Park and Lee 2016).

Scholarly discussions on the success and failure of defector businesses have primarily revolved around personal attributes such as patience, strong will, sincerity, diligence, and attitude (e.g. Hyön 2014). Additionally, issues regarding the absence of robust social networks have been noted, a void often compensated for by leveraging church networks as avenues for opportunity (Jung 2022). A significant majority (54%) of North Korean defector firms are relatively young, spanning only 1–2 years, with a smaller percentage at 3–5 years (23%) and 5–6 years (18%). Merely 11 percent surpass this timeframe, indicating a short business life-cycle in general (B. H. Cho 2015). The reasons for this shortness in business lifespan vary and are subject to interpretation, but we lack comprehensive data to further interpret underlying factors.

Despite the extensive marketing literature outlining variables that potentially improve firm performance, no scholarly attention has yet considered external factors for firm performance. Hence, this study aims to delve into customer satisfaction, purchase motivation, customer loyalty, and repurchase behaviour through an online pilot survey to lay grounds for further research and better understand purchase decisions. This survey was conducted among individuals who have firsthand experience of purchasing goods and services from North Korean defector businesses.

Methodology and Survey Items

The survey items have been adapted from Zhou (2004) who studied the consumer satisfaction of Korean snacks in China. To fit the purpose of our study, we substantially altered the questions and included self-developed questions to fit the purpose of our study.

The answer possibilities ranged from 1–5-point Likert type scale. SPSS 24.0 was used for analytical statistics of this study. The survey was circulated among customers with experience in purchasing North Korean defectors' goods or services, in whom North Korean defector customers are also included. The questionnaire was distributed via snowball-technique between October 23 and 27, 2021. At the same time, a second survey was distributed among 83 persons who had no prior purchase experience to analyze the “potential consumer perception of North Korean defector entrepreneurs' goods and services.” The results of the second survey will be published separately. Even though the authors have been active in this field of research for quite a time, it was difficult to find customers with a purchase experience, which reflects the small niche of North Korean defectors enterprises. This, however, also shows that mainly insiders are familiar with North Korean defectors' goods and services and random sampling was not possible for this study. Consequently, we consider our research as exploratory to lay empirical grounds for further research and hypothesis testing. The survey was conducted in Korean and translated by the authors for publication.

Data Analysis

This survey encompassed 42 individuals who have encountered goods and services offered by North Korean defector businesses. The table below provides an overview of the general characteristics of the survey respondents.

Table 1. Participant Characteristics

Characteristics	Frequency	%
Gender		
Male	11	26.20
Female	31	73.80
Age		
10's and 20's	1	2.40
30's	19	45.20
40's -50's	22	52.30
National origin		
South Korea	18	42.85
3rd Country	2	4.76
North Korea	22	52.38
Academic background		
Middle school	2	4.80
High school	5	11.90
Undergraduate	11	26.20
Graduate and above	24	57.10
Occupation		
Student	6	14.30
Regular employee	5	11.90
Unemployed	3	7.10
Entrepreneur	4	9.50
Employees of a non-profit organization	7	14.30
Freelancer	7	16.70
Other ⁴	10	26.10
Income		
Less than KRW 2 mil.	21	50.00
KRW 2-3 mil.	9	21.40
KRW 3-4 mil.	8	19.00
More than KRW 4 mil.	4	9.50

⁴ Specialized occupations (4), governmental workers (3), and unspecified (3).

As depicted in above table, the majority of our survey respondents were highly educated, middle-aged women from either South Korea or North Korea. Although their occupational backgrounds varied, the income level of most respondents was primarily less than KRW 2 million.

Items of Purchase and Consumption

In the initial segment of our survey, respondents were

queried about their prior experiences with goods or services offered by North Korean defector businesses. The findings revealed that thirty-five individuals purchased a product (83%), while seven acquired a service (16.7%). Through an open-ended question, participants were prompted to describe their purchases. Predominantly, North Korean food specialties were cited, including Pyongyang cold noodles (*naengmyŏn*), dried fish (*yŏnbyŏn tchakt'ae*), blood sausage (*sundae*), rice with artificial meat (*injogogibap* or *tububap*), and rice cakes (*ttŏk*). Additionally, respondents mentioned other items such as coffee, snacks, cosmetics, and underwear.

Frequency of Purchase

Regarding their frequency of experiencing goods and services provided by North Korean defectors, the predominant response was “more than 5 to less than 10 times,” noted by 17 respondents (40.5%), followed by “more than 2 times to less than 5 times,” with 13 respondents (31%). Remarkably, there were scarcely any regular buyers on a weekly basis, suggesting that most customers either engage sporadically with North Korean goods and services or have tried them only a few times.

Surprisingly, given that half of our initial survey respondents are North Korean defectors, we anticipated a higher frequency of purchases from them. However, the findings indicate that even among this demographic, the frequency of buying North Korean goods and services is not notably high.

Table 2. Frequency of Purchasing Goods and Services

Purchase experience	Frequency	Ratio (%)
Once	7	16.7
2 ~ 5 times	13	31.0
5 ~ 10 times	17	40.5
Daily/regularly	0	0.0
1 ~ 2 days	0	0.0
3 ~ 5 days	0	0.0
Weekly	1	2.4
15 ~ 20 days	0	0.0
Monthly	2	4.8
Other	2	4.8
Total	42	100.0

Survey respondents were also questioned about their intentions regarding future purchases of goods and services from North Korean defectors. A resounding majority, 83.3%, affirmed their intent to continue purchasing while a smaller percentage, 16.7%, expressed a possibility of making a single future purchase.

The Cost of Purchased Goods and Services

Our survey aimed to grasp the average monthly spending of respondents on goods and services provided by North Korean defector enterprises. Specifically, participants were asked, “On average, how much do you spend monthly on goods or services offered by North Korean defectors?” As outlined in the table below, responses ranged from zero to less than KRW 15,000, with the majority indicating an expenditure of less than KRW 50,000 (Table 3).

Table 3. Cost of Purchased Goods and Services

Cost of purchase	Frequency	Ratio (%)
KRW 0	15	35.7
Less than KRW 50,000	17	40.5
KRW 50,000 ~ KRW 100,000	7	16.7
KRW 100,000 ~ KRW 150,000	2	4.8
KRW 150,000 ~ KRW 200,000	0	0.0
KRW 200,000 ~ KRW 250,000	1	2.4
More than KRW 250,000	0	0.0
Total	42	100.0

When inquired about the sources of purchase for goods and services, the following trends were revealed. A majority of the respondents reported direct in-store purchases (52%), followed by online transactions (19%), and alternative modes (28.6%), encompassing methods such as phone orders or purchases facilitated by acquaintances.

Additionally, we inquired whether customers would endorse these goods or services to others. The findings revealed a significant majority (81%) expressing willingness to recommend the purchased goods or services to friends and acquaintances. Noteworthy reasons cited for recommendations include the “quality of goods or services,” the “appealing taste of food,” a desire “to support people from their homeland,” or feelings of “nostalgia” for their hometown, which reveals the purchase motivations of North Korean defector customers.

Customer Purchase Motivation

Given the potential influence of personal intentions on consumer behavior (Durvasula, Lysonski, and Madhavi 2011), respondents were questioned about their individual interest in North Korea or North Korean defectors in general. According to the graph, a total of 36 individuals acknowledged having an interest in North Korea (the sum of those interested and very interested). Slightly fewer respondents, numbering 35, expressed a specific interest in North Korean defectors, classifying themselves as interested or very interested.

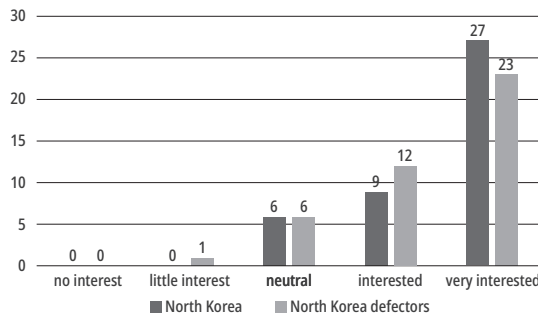


Figure 1. Respondents' interest in North Korea and its defectors.

Our survey highlighted a substantial interest among respondents and customers of goods and services offered by North Korean defectors, either in North Korea as a whole or specifically in the group of North Korean defectors. Hence, it is plausible to assume that individuals with little or no interest in North Korea (or defectors) might exhibit less inclination to purchase their goods and services.

Table 4 presents the motivations behind purchasing goods and services provided by North Korean defectors. Respondents were questioned about their purchase motivations using a 1–5 scale. The outcomes reveal that personal intent (“because a North Korean defector sells it”) significantly influences customers’ purchase motivations, with 52 percent expressing agreement with this statement. Following closely is the appeal of the goods and services themselves, particularly their fundamental attributes like food taste. Conversely, packaging and design scored the lowest among the given motivations.

Table 4. Frequency Table: Purchase Motivation

Purchase motivation	Average score (mean)
Seller is a North Korean defector	4.40
Basic content (e.g., food taste)	4.14
Recommendation	3.98
Trust	3.86
Complaints handling	3.74
Quality	3.69
Advertising & promotion	3.45
Curiosity	3.45
Customer focus	3.45
Hygiene and safety	3.45
Price appropriateness	3.43
Comparison to SK product/services	3.17
Range and diversity	3.17
Packing and design	3.07

Customer Satisfaction

How satisfied are customers with the goods and services by North Korean defector businesses? Table 5 illustrates the consumer satisfaction levels with goods and services offered by North Korean defector businesses. Each item was

rated on a scale from “very satisfied” to “very dissatisfied” (scored from 1–5), and the average scores are detailed in the right column. Notably, the highest level of satisfaction was observed in the basic content of goods and services, particularly in aspects like food taste. Consumers and buyers expressed substantial satisfaction with the quality of the goods and services offered (scoring 3.93), followed closely by trustworthiness and affordability. Conversely, the lowest-rated aspects encompassed advertising, promotion, packaging, and design.

Table 5. Satisfaction with NK Defectors’ Goods and Services

Satisfaction with NK defectors’ goods & services	Average score (mean)
Basic content (e.g., food taste)	4.14
Quality	3.93
Trust	3.83
Price appropriateness	3.74
Customer focus	3.62
Complaints handling	3.62
Hygiene and safety	3.62
Range and diversity	3.48
Packing and design	3.43
Advertising and promotion	3.33

In addition to the previously listed items, survey respondents were asked in an open-ended question to identify other factors contributing to their satisfaction with goods or services provided by North Korean defectors. Several responses surfaced, including sentiments such as “the taste reminiscent of home,” a sense of “trust and comfort,” the notion that “self-made goods taste better,” satisfaction derived from “purchases facilitated by a friend,” and the interest in “exploring unfamiliar North Korean goods.”

Comparison to South Korean Goods and Services

Table 6 aims to juxtapose customer satisfaction levels with goods or services sold by South Korean businesses with the satisfaction levels obtained from North Korean goods and services. To conduct this comparison, survey respondents were asked to contemplate a South Korean equivalent in

terms of nature and price, facilitating a direct comparison with goods or services offered by North Korean defectors.

The findings reveal that respondents valued packaging and design of South Korean goods and services the most, closely followed by satisfaction in advertising and promotion, quality, and diversity. Conversely, the aspect rated the lowest in average satisfaction was price appropriateness, as indicated below.

Table 6. Satisfaction with South Korean Goods and Services

Satisfaction with SK goods & services	Average score (mean)
Packing and design	3.83
Advertising and promotion	3.81
Quality	3.81
Range and diversity	3.81
Trust	3.79
Customer focus	3.76
Basic content (e.g., food taste)	3.76
Hygiene and safety	3.76
Complaints handling	3.71
Price appropriateness	3.48

In our survey, respondents were asked whether goods and services offered by North Korean refugees could compete with those made by South Koreans. Eighteen respondents (42.9%) agreed, followed by twelve respondents (28.6%) expressing neutrality, while three respondents (7.1%) disagreed (Table 7).

Table 7. Frequency Table: Comparison with SK Goods and Services

Comparable to SK goods & services	Frequency	Ratio (%)
Strongly disagree	0	0.0
Disagree	3	7.1
Neutral	12	28.6
Agree	18	42.9
Strongly agree	9	21.4
Total	42	100.0

The contrast depicted in Figure 2 highlights a significant pattern: while our survey respondents highly appreciate the core essence and quality of goods and services provided by North Korean defectors, there are notable areas where

satisfaction levels differ from those offered by South Koreans.

Primarily, respondents express considerable satisfaction with the intrinsic value, quality, and pricing of defectors' goods and services. However, lower scores are evident in aspects like packaging, design, advertising, and the diversity of offerings. This suggests that while the fundamental attributes of defector-provided goods and services are well-received, areas related to presentation, promotion, and diversity could benefit from improvement to align more closely with the standards set by South Korean offerings.

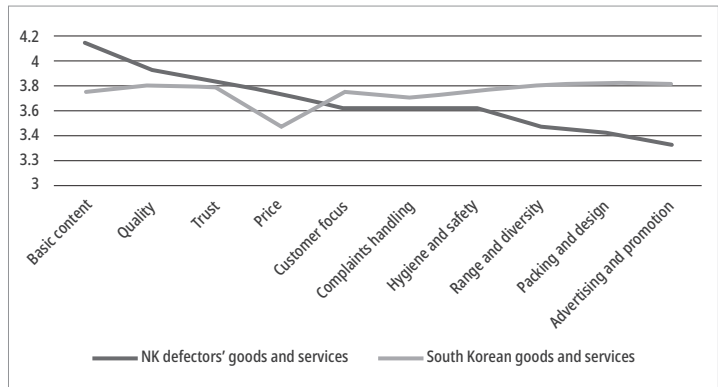


Figure 2. Customer satisfaction in comparative perspective.

Lastly, we inquired about the potential competitiveness of goods and services offered by North Korean defectors in foreign markets. Twenty-three respondents (54.8%) indicated agreement or strong agreement with their competitiveness for export. Additionally, fourteen respondents (33.3%) expressed a neutral stance, while three respondents (7.1%) disagreed with their export competitiveness.

Purchasing Decision Based on the Origin of the Seller

To assess the comparative competitiveness and potential bias towards goods and services offered by North Korean defectors, we presented our survey respondents with the following scenario: “If the same price and quantity were

assigned to a good or service, would you prefer one sold by a South Korean or a North Korean defector?”

The responses did not exhibit distinct preferences. Fifteen individuals (35.7%) indicated a preference for goods or services from South Koreans, while fourteen respondents (33.3%) leaned towards those provided by North Korean defectors. Moreover, thirteen individuals (31%) expressed that the origin wouldn't impact their choice.

Table 8. Comparison of Goods and Services under the Same Condition

Customer choice	Frequency	Ratio (%)
South Korean goods and services	15	35.7
North Korean defectors' goods and Services	14	33.3
Does not matter	13	31.0
Total	42	100.0

The responses obtained suggest a sense of indifference among our survey participants when considering their potential choice. When asked to provide reasons for their preferences in an open follow-up question, those selecting “South Korean goods or service” cited reliability and assured quality as primary factors. On the other hand, respondents favoring North Korean goods and services expressed a desire to “support their hometown people” and demonstrated sentiments of “thinking of their hometown.” A significant number of North Korean defectors chose this response option. Those indicating “it does not matter” emphasized the importance of the quality of the good or service rather than the geographical origin of the seller.

Conclusion and Discussion

This study delved into the contemporary landscape of consumer reactions to goods and services offered by North Korean defectors within South Korean consumer market. While prevailing studies often focus on the challenges faced by North Korean defectors in integrating into South Korean society, the steadily growing presence of North

Korean defector entrepreneurs in South Korea urges a shift toward acknowledging their entrepreneurial strengths. Prior research, as highlighted in Jung (2021) and Y. J. Kim (2019), underscores the entrepreneurial drive and opportunity-seeking traits among North Korean defector entrepreneurs.

However, the sustained success of defector enterprises pivot not only on entrepreneurial characteristics and sheer willpower (Adamec 2010; Mauer, Neergaard, and Linstad 2009; Schumpeter 2017), but also on delivering high-quality goods and services that cater to consumer demands (Curtis et al. 2012; Gong and Yi 2018; Salman 2017). The competitive terrain in South Korea's consumer market demands that North Korean businesses vie effectively against their South Korean counterparts for enduring viability and success. This study, therefore, focused on unraveling consumer behavior and purchase motivations, elucidating the strengths and weaknesses of goods and services provided by North Korean defector businesses.

The primary findings from our survey of 42 respondents underscored the appreciation for the fundamental qualities of defectors' goods and services, notably the unique selling point encapsulated in aspects like the taste of North Korean food specialties such as Pyongyang cold noodles, dried fish, blood sausage, rice with artificial meat, and rice cakes. However, the survey also unveiled low purchase frequencies: among 42 survey participants, only three customers made weekly or monthly purchases. Additionally, the expenditure on goods predominantly remained below KRW 50,000. Consequently, we assert that defector entrepreneurs must excel in devising enhanced marketing strategies to expand their customer base and encourage more frequent purchases. Alongside improved marketing techniques, maintaining perceived high service and product quality is crucial. This factor has been identified as pivotal in fostering customer loyalty and encouraging repurchase intentions (Salman 2017). The survey respondents exhibited notable satisfaction with the overall quality and price of the goods and services provided by North Korean defectors in the South Korean market. Such irregular shopping patterns and limited purchases, therefore, indicate a need for improvement in areas such as packaging, design,

advertising, and product range, which can be tackled by business support and consultancy.

Furthermore, half of the customers who participated in our survey were born in North Korea, which indicates that a significant portion of our respondents have a migration background—a characteristic often associated with immigrant businesses. Studies have highlighted that in-group connections play a crucial role in overcoming unique challenges encountered in the establishment and maintenance of entrepreneurial ventures (Assudani 2009). Accordingly, it was also revealed that the primary motivations driving the purchase of goods and services offered by North Korean defectors were personal interests in North Korea and North Korean defectors. Customers fulfill deeper needs when consuming goods or services (Durvasula, Lysonski, and Madhavi 2011). This underscores the considerable potential of personal values that influence consumer behavior. As a unique selling point, this factor can be intentionally used in a business marketing strategy, but should at the same time be used cautiously to avoid customer uncertainty when purchasing unknown products or services (Motoc 2019).

Thus, continual efforts to enhance the quality of goods and services, coupled with effective marketing strategies, stand pivotal in bolstering the market presence of defector businesses and establishing a robust customer base. A broader customer base seems most pivotal to generate more profitability in their industry.

As in all exploratory studies, the results allow for cautious generalization (Payne and Williams 2005) by providing initial empirical evidence for future hypothesis testing and informing policy refinements. Our study emphasizes the critical role of persistently improving the quality of goods and services, alongside strategic marketing, as the requirement to reinforce defector businesses' market presence and forge a resilient customer base.

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