The Influence of Consumer Hostility on the Purchase Intention of Foreign Brands -- The Mediation Effect of Hostility Transfer

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Abstract: The negative relationship between consumer hostility and foreign brands' purchase intentions has also been confirmed by some studies, but the middle mechanism still needs further discussion. In this paper, the South Korean Sade incident is taken as the background, and the college student group is taken as the research object. Through the questionnaire survey, the attitude of the college student group towards the Sade incident is understood, and their attitude data towards Korean brands are collected. The test of structural equation model proves that consumers will transfer hostility due to political events to the product brands of the other country, thereby reducing their willingness to buy foreign products.

Keywords: consumer hostility; Purchase intention; Hostile transfer; Intermediary effect

With the progress of globalization, conflicts between countries are also increasing. Domestic consumers boycott the enemy products in disputes, which affects the development of companies in the international market. For example, the Thad incident in February 2017 (South Korea Lotte Group transferred its land to the Ministry of Defense to operate the missile system) has seriously affected the relationship between China and South Korea in the past 25 years since the establishment of diplomatic relations. The hostility of Chinese citizens has completely erupted. The state has adopted a mandatory policy to close several Lotte Mart stores, and Chinese consumers have also consciously boycotted Korean goods. It is not difficult to see that the consumer hostility of Chinese consumers towards Korean brands has increased the marketing difficulty of Korean brands in the Chinese market.

This study explores the impact of consumer hostility on the purchase intention of foreign brands against the background of the Sade incident. This paper attempts to reveal what unknown factors exist in the influence of consumer hostility on consumers' willingness to buy foreign brands, and whether the emotion will be transferred to the choice of local products due to the conflict between countries. The results of this survey are expected to have guiding significance for domestic and foreign companies to mitigate the impact of political conflicts on the international operation of enterprises.

1. Literature review

1.1 Consumer hostility

The term "consumer hostility" first appeared in the research of Klein (1998) and other researchers. It mainly refers to the consumer's aversion to a specific country or region due to political, military, economic, diplomatic and other events that have occurred or are occurring, and then affects the consumer's resistance to buying products from hostile countries. For example, Chinese consumers boycotted Japanese products due to the war between China and Japan.

Reviewing the previous literature, there are mainly three methods to divide the dimensions of consumer hostility. The first is based on the source of hostility. Consumer hostility can be divided into two levels: war hostility and economic hostility. War hostility refers to the hostility of consumers to the enemy country caused by war events, and economic hostility refers to the hostility caused by the economic conflict between the two countries. At present, this method of dimension division is most widely used. For example, Wang Xin and Lei Ming (2014) studied the hostility of Chinese consumers to Japanese products, and also divided consumer hostility into two dimensions: war and economy. Second, based on the source of hostility, we can study consumer hostility from the national level and individual level. Among them, hostility at the national level mainly refers to a kind of emotion formed by consumers based on the attitude of other countries towards their own country. For example, due to the continuous development of economic globalization, the economic crisis in a country will not only affect its own economy, but also affect the economy of other countries, Consumers will be hostile to the country; Hostility at the individual level refers to a kind of dissatisfaction formed by individuals in their exchanges and exchanges with other countries or people. For example, when traveling abroad, the unfriendliness of foreign friends or foreign countries will lead to hostility at the individual level. The third category is divided according to the duration of hostility. The hostility that lasts for a long time can be called stable consumer hostility. The hostility caused by war belongs to stable consumer hostility. This hostility will only pass down with national consciousness, and it is difficult to disappear in a short time. Therefore, this kind of hostility is stable and not easy to change. But this does not mean that all stability and hostility are caused by war; Short time can be called situational consumer hostility, and economic hostility belongs to the category of situational consumer hostility. Situational consumer hostility also includes temporary hostility caused by other emergencies.

In addition to the above classification methods, some researchers also use a single measurement dimension to study consumer hostility. For example, Edwards&Mavondo (2007) measured the hostility to France caused by France's nuclear test in the South Pacific with the four item scale for Australian and New Zealand consumers; Yuan Shengjun and Song Liang (2013) only used the single dimension of economic hostility to measure Chinese consumers' consumer hostility on the basis of the sudden military issue of the Diaoyu Island incident between China and Japan.

1.2 Purchase intention

Willingness refers to the possibility of an individual's desire for an object due to his/her views and ideas about the object. Consumers form purchase intention through collected information and their own understanding and preference for the brand, and finally make purchase decisions. Therefore, in this paper, we define purchase intention as the probability that consumers are willing to consume products or services before making the final purchase decision.

In the study of consumer purchase intention, researchers can focus on the following three categories. The first is based on consumer attitudes to study purchase intention. It is obvious that consumers' attitudes have a significant impact on consumers' purchase intentions. A positive attitude will increase consumers' purchase intentions, on the contrary, consumers' purchase intentions will weaken. The second is based on perceived value. Zhong Kai (2013) found that perceived value has a significant positive impact on online consumers' purchase intention, and consumers tend to choose products or services with relatively high perceived value, which inspired enterprises to produce, produce and sell products from the perspective of consumers. The third type is based on perceived risk to study purchase intention. Pan Yu, Zhang Xing, Gao Li (2010) found that there was a negative correlation between consumers' purchase intention and perceived risk in the research based on trust and perceived risk . Li Rixu (2017)'s research shows that in the online purchase process of fresh agricultural products, consumers' perceived risks are negatively correlated with their purchase intentions. We can see from the above research that there is a negative correlation between consumers' purchase intention and consumers' perceived risk. When the perceived risk is small or zero, consumers will have purchase intention, which leads to purchase behavior. This paper mainly studies the purchase intention of consumers from the perspective of consumer attitudes.

1.3 Hostile transference

When we study the intermediary effect between consumer hostility and purchase intention, we also introduce a new concept - hostility transfer. We define the hostile migration community as the consumer's hostility to a certain brand in the country due to an emergency (such as the sudden Sade incident that led to Chinese consumers' hostility to Sade Group), causing consumers to stop buying products or services of other brands in the country. Guo Gongxing, Zhou Xing and Tu Hongwei (2016) found that self-efficacy plays a mediating role between consumer hostility and travel intention, which shows that there are variables that do play a mediating role in the study of consumer hostility and purchase intention. Therefore, it is reasonable for us to guess that hostility transfer will mediate consumer hostility and purchase intention, which is also a deficiency of previous studies.

2. Data analysis

2.1 Descriptive analysis

361 valid questionnaires, including 99 males (27.4%) and 262 females (72.6%); Personal monthly consumption is mostly between 500 yuan and 2000 yuan, of which 1000 yuan to 1500 yuan accounts for the largest proportion, while personal monthly consumption below 500 yuan and above 2000 yuan only accounts for 8.5% in total; For majors, 58.4% are economic and management majors, and the rest 41.6% are comprehensive majors; As the subjects of this study are mainly students of Huaiyin Normal University, they are all college students. The proportion of freshmen, sophomores and juniors is similar, and the proportion of seniors is relatively small, only 7.8%.

2.2 Factor reliability and validity analysis

In this paper, we use SPSS Statistics 21.0 and AMOS 22.0 statistical software to perform reliability and validity factor analysis on the data, and measure whether the measurement model of each variable has good convergence validity and model fitting. According to the fitness index proposed by Bagozzi and Yi (1988), the average variance extract value (AVE) of the measurement variable should exceed, and is allowed to be between and, and the combined reliability (CR) of the measurement variable should exceed the ideal, chi square ()/degree of freedom (df) should be at least 5, less than 3 is the ideal standard, GFI, CFI, NFI values must be greater than, close to the ideal standard, RMR, RMSEA and SRMR should be lower than, less than the ideal standard . The most commonly used reliability statistic for the internal consistency analysis of the measurement scale is the Kronbach coefficient proposed by Cronbach in 1951. Generally, Cronbach ' α The higher the coefficient is, the more reliable the questionnaire is. Cronbach ' α If the coefficient is less than, the internal consistency of the questionnaire is insufficient. If the coefficient is between and, the reliability of the questionnaire is very good.

2.3 Hypothesis verification

In the previous literature, the study of mediation effect is the most popular. For the verification of intermediary effects, Baron&Kenny (1986) proposed the causal stepwise regression test . The test method has three or four steps. In this paper, we use three steps to test the mediation effect. Step 1: regress X (independent variable) to Y (dependent variable), and record the regression coefficient as c. The next test can be conducted only when c is significant; Step 2: regress X (independent variable) to M (intermediate variable), and record the regression coefficient as a; if a is significant, perform the last step; otherwise, perform Sober test; Step 3: Regression X (independent variable) and M (intermediary variable) to Y (dependent variable) at the same time, and record that the regression coefficient of M (intermediary variable) to Y (dependent variable) is b, and the regression coefficient of X (independent variable) to Y (dependent variable) is c1. When the coefficient b and coefficient c1 are both significant, it is a partial intermediary effect. If the coefficient b is significant and the coefficient c1 is not significant, it is a complete intermediary effect. If the coefficient b and coefficient c1 are not significant, Sober test shall also be conducted.

The mediating effect to be tested in this paper is to verify the effect of consumer hostility (X) on purchase intention (Y) through hostility transfer (M) with hostility transfer (M) as the mediating variable. This paper uses AMOS22.0 software to test the mediation effect of hostility transfer: the total effect of consumer hostility on purchase intention.

The fitness indicators of the model: GFI=0.975, CFI=0.989, NFI=0.973, RMSEA=0.042, SRMR=0.0412. From the above indicators, the total effect model has good model fitness. The regression coefficient from consumer hostility to consumer purchase intention is -0.44 (p=0.027), indicating that consumer hostility has a significant negative impact on consumer purchase intention.

The next step is to test the effect of consumer hostility on hostility transfer.

The fitness of the model: GFI=0.979, CFI=0.993, NFI=0.981, RMSEA=0.042, SRMR=0.0370. It can be seen from the above indicators that the effect model has good model fitness. The regression coefficient of consumer hostility to hostility transfer is 0.33 (p=0.046), indicating that consumer hostility has a considerable positive impact on hostility transfer.

The regression coefficient from hostility transfer to purchase intention is -0.56 (p=0.000), and the regression coefficient from consumer hostility to purchase intention is -0.27 (p=0.000). According to Baron&Kenny's three-step test, it can be confirmed that hostility transfer has some intermediary effects between consumer hostility and purchase intention, and the hypothesis is verified.

3. Research inspiration

First, reduce the damage of consumer hostility. From the above research, it can be seen that highly hostile consumers reject products from hostile countries. Therefore, for enterprises committed to developing in the international market, measures must be taken to reduce the damage caused by consumer hostility to brands. Especially after the Thad incident, Korean enterprises in the Chinese market must resolve the hostility of consumers to Korean brands as soon as possible. Therefore, based on the conclusions of this study, this paper puts forward the following two suggestions: first, enterprises should try to avoid participating in too many political events. Secondly, for transnational enterprises, special international marketing departments should be set up to carefully examine the economic, political, cultural, customs, consumer preferences and other relevant information of the product importing countries, and use effective marketing and publicity strategies to reduce and resolve consumer hostility.

Second, formulate emergency plans to deal with emergencies. According to the conclusion of this paper, we can find that hostility transfer plays a mediating role between consumer hostility and purchase intention. Hostile transfer means that consumers are hostile to a brand in the country due to an emergency (such as the sudden Thad incident that led to Chinese consumers' boycott of Korean brands), which led to consumers' hostility to other products or services in the country. Therefore, as an enterprise, especially a transnational enterprise, it is necessary to formulate a series of plans to deal with similar emergencies and prevent hostile migration.

Third, strive to establish a good image of the country of origin. In previous studies, it has long been shown that the marketing of national image is very important for the overseas expansion of local enterprises, especially for multinational enterprises. Once consumers in other countries have some misunderstanding of their own image, it is difficult for multinational enterprises to gain trust in overseas markets and enterprises to develop in overseas markets. Therefore, the country should try its best to eliminate the misunderstanding and hostility of consumers in other countries, create a friendly and good national image, and provide powerful help for enterprises to successfully enter the international market.

The research object of this paper is limited to college students in Huai'an City, which has certain limitations. Because demographic factors such as region, age, education level and income level will affect consumer hostility, university groups have a high degree of commonality in this regard.

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