
Importance of Social Media on the Relationship Between Customer and its Purchase Intention towards Foreign Products

I. Introduction

Nowadays, with the growth of globalization, international expansion become a common strategy to be implemented by MNCs. Customers can easily access and exposed a great variety of products and services from other countries because MNCs can provide both domestic and international customers' need. However, MNCs may face the difficulties to fulfill customers' need because MNCs have to distinguish different of those needs in virtually every product category (Fakharmanesh & Miyandehi, 2013). Therefore, MNCs need to know the motivations of local and different foreign customers that buy its products so that MNCs can improve their ability to fulfill the needs. This study will focus only for foreign customers because there are many issues that MNCs have to consider to get the benefits from foreign customers. Besides, studies stated that customers in developing countries prefer foreign products to domestic products because they believe that foreign products have better quality than domestic products and it can impress customers' status in the society (Frimpong, 2011).

Most of the previous study stated that customers buy products from other countries relates to their perception about the country-of-origin reputation of the product (Torres & Gutierrez 2007; Rezvani, 2012; Renkon, 2012; Akdogan, 2012; Wong, 2007). However, there is not only country-of-origin that influence the customer purchase intention towards foreign products. Fakharmanesh and Miyandehi (2013) explained that customer usually compares the domestic and foreign products based on its brand and company names, product labels, or linguistic, visual and aural symbols. Another motivation can be ethnocentrism, materialism, conformity, need for uniqueness, vanity (Ahmad, et al, 2013), trust and fashionability (Afzal, et al., 2013). This study will focus on the need for uniqueness and trust because both of them are important factors from the customers point of view. Besides, ethnocentrism relates to the customer believes that the products that made by their home country are the best and refuse to use foreign products (Shimp & Sharma, 1987). Therefore, MNCs should concern about ethnocentrism customers because it may lead to low customer intention to buy their products. Furthermore, social media may be able to used by customers to get information about foreign products because it is an easy and cheap way to collect information. Through social media, customers can get information for their uniqueness and make them more trust with the product. Besides, since social media shares broad information about foreign products, it may give the customer with high ethnocentrism a new knowledge about it. It then may influence their thoughts about a foreign product and increase their purchase intention towards it. However, even though social media is important in terms of foreign product purchasing, there is no study that explains about it. Therefore, the objective of this study is to investigate the impact of social media on the influence of customers' need for uniqueness, trust, and ethnocentrism on their purchase intention toward foreign products.

The contribution of this study is it integrates the customers' need for uniqueness, trust, and ethnocentrism to their purchase intention toward foreign products that moderated by social

media. Besides, for managerial implications, it gives an idea that social media can be used for business to create more benefits, especially in this globalization era. Furthermore, in order to make this study easily to be understood, firstly it will explain about the definition of each construct, secondly develop the hypotheses, and finally goes to the methodology that will be used to test the hypotheses.

II. Literature Review and Hypotheses Development

2.1. Customers' need for uniqueness and purchase intention

Every customer has her/her own preference for the products he/she is bought. The product can be similar to others in the same group or in contrary some of the customers do not want to be the same. The second type of customers wants to have a product that different from others. It means that they have a need for uniqueness. Wang, et al (2012) stated that consumer product preference always depends on their need for uniqueness. Consumers' need for uniqueness refers to individuals' pursuit of differentness from others that can be reached by acquisition, utilization, and disposition of consumer goods or service, in order to develop their personal and social identity (Tian, et al., 2001). Furthermore, they categorized customer's need for uniqueness into three behavioral manifestations or dimensions: creative choice counterfort, unpopular choice counterfort, and avoidance of similarity. According to Synder and Fromkin (1977), in the theory of uniqueness, the need to be different from others person is created by the situation that threatens the self-perception of uniqueness. Individuals have different individuals degree of uniqueness motivations that can be reached with different ways, such as possession displays or style of interpersonal interaction, depends on their preference to satisfy their uniqueness motivations through consumer behaviors. Therefore, to satisfy their need for uniqueness, consumers start to consider foreign products. Some consumers think that domestic products are common because others can buy it easily. In other words, the same domestic products are owned by many people. Therefore, when customers want to satisfy their need for uniqueness, they will buy a foreign product because it is different from others who buy domestic products. In this case, customers who have a high level of need for uniqueness will have more desire to buy a foreign product. Based on that, the following hypothesis is developed:

H1: There is a positive influence on customers' need for uniqueness on purchase intention towards foreign products.

2.2. Customers' trust and purchase intention

Trust is a 'psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another' (Rousseau, et al., 1998). Trust can reduce the uncertainty created by others (Blau, 1964). Because of that, trust is important in terms of purchasing foreign products because in this activity usually firms and customers do not meet each other or so-called online shopping. Besides, the complexity and diversity of cross-country interactions create the possibility of unpredictable behavior (Gefen & Straub, 2003). Therefore, customers need to get trustable firms so that they can buy a foreign product without any doubts. Furthermore, when customers have trust to such product, they will simplify their process of choice and reducing a time for decision-making (Crosby & Taylor, 1983). It means that customers will use only a little time to evaluate the product and directly make a decision to buy the product because they already knew the characteristics of the product and trust that that

product will not make them regret. Besides, customers who have trust will reduce their risk perception towards the suppliers when they deal with them and feel more comfortable to share their personal information that important in e-commerce transaction (Leeraphong & Mardjo, 2013). Thus, customers will more easy to buy a foreign product because there is nothing they worry about. In other words, they will more often buy foreign products. Therefore, the high the trust of the customer to the product/brand, the high will be their purchase intention (Bhattacharya, 1998; Lacoeyuilhe, 1999). Based on that, the following hypothesis is developed:

H2: There is a positive influence on customers' trust on purchase intention towards foreign products.

2.3. Ethnocentrism and purchase intention

Ethnocentrism refers to the tendency of people that view their own group as the best among others and interpret other groups from the perspective of their group. It makes them reject other people who have a different culture and accept the same one (Booth, 1979). In terms of buying product, customers with a high degree of ethnocentrism will think more about the appropriateness or morality of purchasing foreign product instead of domestic products (Shimp & Sharma, 1987). According to Crawford and Lamb (1981), buying the foreign product will create high emotional involvement especially about national security and loss of jobs. Costumers will refuse to buy foreign products because they think that it has a negative impact on the national economy and increase the level of unemployment (Shimp & Sharma, 1987). Those perceptions offered the concept of ethnocentrism in terms of psychological and social. Furthermore, in the marketing field, ethnocentrism becomes one of the dynamic factors in customer purchasing choices. Ethnocentrism is important to be considered by the firms that have foreign customers because firms need to investigate whether most of the foreign customers have high ethnocentrism or not. If the foreign customers have a high degree of ethnocentrism, the firms have to find the way to deal with that because customer ethnocentrism has a negative and direct effect on purchase intention towards foreign products (Renko, et al., 2012). In contrary, it has a significant positive impact on purchase intention of products that manufactured domestically (Shoham & Brene?i?, 2003, Nguyen, et al., 2008; Evanschitzky, et al., 2008; Ranjbaim, et al., 2011). Based on that, the following hypothesis is developed:

H3: There is a negative influence on customers' ethnocentrism on purchase intention towards foreign products.

2.4. Social media

Social media has become one of the ways people live nowadays because it is not only a tool to communicate with friends or relatives but also for business. The popularity of social media and social networking has made marketers become more interesting on how they can get economic values through it. Social media is used by marketers to promote their brands and build customer brand relationship because it can be multi-way communication, conversation, and collaboration between firms and consumers (Turri, et al., 2013). The benefits of social media that can reduce the distance between sellers and buyers, even across countries, are an important issue for MNCs because they operate around the globe. MNCs can use social media to connect with foreign customers around the world. Therefore, MNCs need to understand how they can use social media to influence or shape the consumers' purchase intention towards foreign products.

In consumers' point of view, social media can help them to get information about the product or service they want/need. It will influence the way they think and finally their decision to purchase the product or use the service. For customers who have a high need for uniqueness, they can get information about foreign products through social media because it provides complete information related to the product and its alternative that increase their knowledge of their environment (Park & Lessig, 1977). Social media not only provide the information but also can be the place for sharing experiences among customers around the world. In this way, they can find the uniqueness of the products easily and then buy foreign products. Furthermore, social media provides transparency, truthfulness and honesty information because it is the place for people to post their opinions, ideas and beliefs (Scott 2010). Marketers can use social media to build the relationship (trust and commitment) with customers because they can interact regularly (Turri, et al., 2013). Therefore, a company that uses social media to share information about the product creates customer trust and commitment that affect their attitude toward the company and purchase intention towards foreign products (van der Heijden, et al., 2003). Since foreign purchasing may be done by the online transaction, consumers have to evaluate the trustworthiness of a firm (Good, 1988; Ring & Van de Ven, 1992). Consumers can increase their trust towards the firm through social media because the firm provides its information in social media (Hong & Cho, 2012). Lastly, customers who have a high degree of ethnocentrism will reject to buy foreign products. However, since social media provides the truthfulness and honesty information (Scott, 2010), customers ethnocentrism may use it to think again about their beliefs of foreign and domestic products. Information and sharing experiences through social media can reshape the customer's beliefs and thoughts about other culture or foreign products because it provides a deep and wide knowledge to them. Therefore, the costumers may be less ethnocentrism to buy foreign products after they get information through social media. However, it will also depend on the characteristic of customers and countries because some previous studies stated that customer ethnocentrism tendencies depend on the degree of the development of a country (Renko, et al., 2012). Customers in developing countries more likely to buy foreign products than in developed countries because customers in developed countries have thoughts that their domestic products are better than others since they have high technology or manufacture equipment. This study will not differentiate between developing and developed country because the objective of this study is to investigate the influence of ethnocentrism on customers purchase intention towards foreign products that moderated by social media. Based on that, the following hypothesis is developed:

H4: Social media will strengthen the positive influence of customers' need for uniqueness on purchase intention towards foreign products.

H5: Social media will strengthen the positive influence of customers' trust on purchase intention towards foreign products.

H6: Social media will weaken the negative influence of customers' ethnocentrism on purchase intention towards foreign products.

III. Methodology

3.1. Conceptual Framework

In this study, the following conceptual framework is developed based on the research objectives

of this study.

Need for uniqueness

Trust

Ethnocentrism

Purchase intention towards foreign products

Social media

H1

H2

H3

H4

H5

H6

3.2. Research Design and Methodology

3.2.1. Samples

This study adopted survey approach to collect relevant research data, the qualified sample was selected randomly from customers who buy foreign products in Taiwan because there are many customers who buy foreign products from Taiwan and usually through online shopping or social media. Online surveys will be conducted. Total 500 surveys will be sent to the participants. This study will offer three lucky draws to appreciate the time and efforts from respondents.

3.2.2. Construct Measurement

For the purpose of the testing these hypotheses, the following four major constructs and one moderating variable will be operated in this study: (1) customers' need for uniqueness, (2) customers' trust, (3) customers' ethnocentrism, (4) purchase intention towards foreign products, and (5) social media. All of those variables will be measured on a seven-point Likert scale. Respondents will be asked to indicate their level of agreement toward each statement, from 1 = strongly disagree to 7 = strongly agree.

3.2.2.1. Customers' need for uniqueness

According to Tian, et al., (2001), the potential questionnaires for customer's need for uniqueness as follows:

- Creative choice counter-conformity

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- I collect unusual products as a way of telling people I'm different
 - I have sometimes purchased unusual products or brands as a way to create a more distinctive personal image
 - I often look for one-of-a-kind products or brands so that I create a style that is all my own
 - I often when buying merchandise, an important goal is to find something that communicates my uniqueness
 - I often combine possessions in such a way that I create a personal image for myself that can't be duplicated
 - I often try to find a more interesting version of run-of-the-mill products because I enjoy being original
 - I actively seek to develop my personal uniqueness by buying special products or brands
 - Having an eye for products that are interesting and unusual assists me in establishing a distinctive image
 - The products and brands that I like best are the ones that express my individuality
 - I often think of the things I buy and do in terms of how I can use them to shape a more unusual personal image
 - I'm often on the lookout for new products or brands that will add to my personal uniqueness
 - When shopping for a product, I have sometimes dared to be different in ways that others are likely to disapprove
 - Unpopular choice counterfort
 - As far as I'm concerned, when it comes to the products I buy and the situations in which I use them, customs and rules are made to be broken
 - I often buy products unconventionally even when it's likely to offend others
 - I rarely act in agreement with what others think are the right things to buy
 - Concern for being out of place doesn't prevent me from buying what I want to buy
 - When it comes to the products I buy and the situations in which I use them, I have often broken customs and rules
 - I have often violated the understood rules of my social group regarding what to buy or own
 - I have often gone against the understood rules of my social group regarding when and how certain products are properly used
 - I enjoy challenging the prevailing taste of people I know by buying something they wouldn't seem to accept
 - If someone hinted that I had been buying products inappropriately for a social situation, I would continue buying in the same manner
 - When I buy product differently, I'm often aware that others think I'm peculiar, but I don't care
 - Avoidance of similarity
 - When products or brands I like become extremely popular, I lose interest in them
 - I avoid products or brands that have already been accepted and purchased by the average consumer
 - When a product I own becomes popular among the general population, I begin using it less
 - I often try to avoid products or brands that I know are bought by the general
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- population
- As a rule, I dislike products or brands that are customarily purchased by everyone
 - I give up buying products I've purchased once they become popular among the general public
 - The more commonplace a product or brand is among the general population, the less interested I am in buying it
 - Products don't seem to hold much value for me when they are purchased regularly by everyone
 - Then the products I own becomes too commonplace, I usually quit wearing it

3.2.2.2. Customers' trust

According to Hong and Cho (2011) that combined from many previous studies (Flavian, et al., 2006; Mayer, et al., 1995; McKnight & Chervany, 2002; and Gefen, 2000) the potential questionnaires for customer's trust as follows:

- I think that this MNC has the necessary abilities to carry out its work
- I think that this MNC has sufficient experience in the marketing of the products and services that it offers
- I think that this MNC has the necessary resources to carry out its activities successfully
- I think that this MNC knows its users well enough to offer them products and services adapted to their needs
- I think that the advice and recommendations about the product given by MNC are made in search of mutual benefit
- I think that this MNC is concerned with the present and future interests of its users
- I think that this MNC would not do anything intentional that would prejudice the user
- I think that the design and commercial offer of this MNC take into account the desires and needs of its users
- I think that this MNC is receptive to the needs of its users
- I think that this MNC usually fulfills the commitments it assumes
- I think that the information offered by this site is sincere and honest
- I think I can have confidence in the promises that this MNC makes about the products
- The MNC does not make false statements
- The MNC is characterized by the frankness and clarity of the services that it offers to the consumer
- Even if not monitored, I'd trust the intermediary to do the job right
- I trust the intermediary
- I believe that the intermediary is trustworthy
- Even if not monitored, I'd trust the community of sellers to do the job right
- I trust the community of sellers
- I believe that the community of sellers is trustworthy

3.2.2.3. Customers' ethnocentrism

According to Neuliep and McCroskey (1997), the potential questionnaires for customer's trust as follows:

1. Other countries should model themselves after my country

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2. People in my country have just about the best lifestyles of anywhere else
 3. People in my country could learn a lot from people from other countries
 4. My country is a poor example of how to run a country
 5. Most people would be happier if they lived like people in my country
 6. Most other countries are backward in comparison with my country
 7. My country is a poor role model for other countries
 8. Lifestyles in other countries are just as valid as in my country
 9. Countries are smart to look up to my country
 10. Life in my country is much better than most other places
 11. My country should be the role model of the world.
 12. Countries really should not use my country as a role model
 13. A lot of other countries are primitive compared to my country
 14. I enjoy learning about the customs and values of other countries
 15. Although different, most countries have equally valid value systems
 16. My country would be better if it were more like other countries

3.2.2.4. Purchase intention towards foreign products

According to Hong and Cho (2011) that adapted previous studies from Jarvenpaa, et al. (2000), Yoon (2002), and Hoyer and MacLinnis (2008), the potential questionnaires for customer's trust are as follows:

1. I would return to buy foreign products in this MNC
2. I would consider purchasing from this MNC in the next three months
3. I would consider purchasing from this MNC in the next year
4. For this purchase, I will buy from this MNC

3.2.2.5. Social media

This study adapted the result from Michaelidou's, et al. (2011) research on Social Media marketing that explains the reasons for using social media. The questionnaire will be as follows:

1. I attract with the foreign product through this social media
2. Social media cultivate my relationship with other customers
3. Social media increase my awareness of foreign products
4. Social media communicates the foreign products
5. I can receive feedback from others through social media
6. I can interact with suppliers of the foreign product through social media

3.3. Data Analysis Procedures

3.3.1. Descriptive statistic analysis

To better understand the characteristics of each variable, descriptive statistical analysis was used to illustrate the means and standard deviation of each research variable and to provide information about the characteristics of respondents.

3.3.2. Reliability analysis

To purify the measurement scales and to identify the dimensionality of each research constructs used in this study, principal components factor analysis with varimax rotation was applied to condense the collected data into factors. Based on the results of factor analysis, item-to-total correlation and internal consistency analysis (Cronbach's alpha) were applied to confirm the reliability of each research factor.

3.3.3. Hypothesis testing

3.3.3.1. Structural Equation Model (SEM)

In order to determine the overall fitness of the research model, SEM was used in this study. The Amos 5.0 package software was used to analyze the relationships within the entire research model to explore the relationships among variables in this model. According to Jöreskog and Sorbom (1993), the following criteria were adopted to justify the goodness of fit of the research model: Chi-square/d.f. 0.9, Adjusted Good of Fit Index > 0.9, and Root Mean square Residual (RMR)

3.3.3.2. ANOVA

ANOVA was used to discuss the interaction effects of the clusters of customers' need for uniqueness, trust, and ethnocentrism, with social media as the moderating variable on purchase intention towards foreign products.

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