

Factors Affecting Chinese Consumption of Imported Products in the Context of Global Purchasing

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Abstract

Over the past year, the opening-up measures have been basically implemented. From the pilot free trade zone to the Shanghai Stock Exchange and the new strategy for the development of the Yangtze River Delta, the implementation of the Foreign Investment Law and the comprehensive implementation of the pre-establishment national treatment plus a negative list management system have been introduced. Major progress was made in expanding imports to boost consumption and in further lowering tariffs. Open cooperation, innovation and sharing of the world economy to promote the national consumer imports, pluralism, open, and to discuss the level of imports and the quality of image and how to influence consumer perception of imported products to buy, in the face of the differences in the light of the imported products and home products, give consumers more independent options, thus it is concluded that the influence factors of the buyer. This paper discusses the will of consumers and the influencing factors, and on this basis, puts forward a reasonable development strategy for the e-commerce platform to sell overseas goods, and provides a reference for the government to formulate scientific support policies.

Keywords: imported products; shopping intention; security; brand.

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1. INTRODUCTION

During the epidemic period, consumers can't go abroad to buy the products they need, but cross-border e-commerce and online shopping software enable consumers to open their mobile phones and still go shopping at home [1, 2, 3]. In the golden holiday of October 1, 2020, T-mall global online shopping transactions increased by 79% over the same period of last year. In the digital era, holiday consumption mode has quietly changed, making it the most modern consumption mode all over the world without leaving home [4]. People who have too many requirements for physical objects can experience online stores and place orders online, which can also eliminate the trouble of carrying goods on the journey, Fast fashion and fast purchase era of direct delivery to the door. With the gradual spread of the financial crisis in the real economy at the end of 2008, the situation of the foreign trade export industry has further deteriorated, and the world economy has gradually declined [5]. In the following year, the overall economic situation and

development of foreign trade remained sluggish, but China's national economy was balanced and stable. In particular, measures were taken to encourage the continued growth of household consumption in the country, such as stimulating domestic consumption, including housing and daily necessities consumption to boost national consumer confidence [6]. This research is a comprehensive expansion and extension of consumers' shopping desire, a profound analysis of consumers' needs, the desire to drink high-quality imported coffee at home [7], the experience of Korean facial comprehensive makeup imported equipment, and the specific research on their own special skin and the lack of appropriate melancholy of domestic products.

Due to the slow appreciation of the RMB and the long-term trend of gradually reducing import tariffs, the import market trading environment is particularly favored by foreign trade companies [8]. Consumer groups have also stimulated the increase in the number of imported food and imported skin care products, and domestic consumers are buying by groups. The ability

of foreign trade has been continuously improved. China's domestic consumer market structure has shown a clear trend of overall upgrading [9]. Chinese consumers born in the 1980s and 1990s are influenced by Western culture and lifestyles, the subversive homogenization of consumerism has led to changes in the structure of China's consumer market, which is expected to become the main force in the market in the next few years. The American Food Industry Association speculates that China became the world's largest consumer of imported food in 18 years, and the total market scale of imported food was as high as 480 billion yuan [10], of which transactions within the mainland accounted for the vast majority. Chinese consumers purchase imported products through overseas purchasing agents and related platforms of cross-border e-commerce, and the experience of international advanced products continues to rise.

In recent years, the international economic and trade environment has been turbulent, the exit of Britain, the intensification of Sino US trade tensions, the further exposure of the problem of "big" but not "strong" in China's foreign trade, and the interference of Global trade liberalization [11]. The development of high-quality trade with the development of export products as the core has become the inevitable requirement of strengthening the construction of trade power in the new era. On the one hand, China has relaxed its policies, removed all kinds of unnecessary restrictions, reduced the blacklist, increased the white list, and liberalized the protection policies needed by the domestic market and the national investment market; On the other hand, China has taken the initiative to solve and expand its foreign economic relations. The growth of the open economy has brought new opportunities [12]. The rapid development and continuous strengthening of foreign technological exchanges have reduced the new trade cooperation model formed in the past international exchanges and competition, and replaced it with a united productive forces and international cooperation relationship, rather than an isolated and self-sufficient economic system, Promote the change of economic operation, change from closed economic structure to open economic model, and promote the healthy and sustainable development of national economy.

Cross border e-commerce is an organic combination of the purchase of import and export products and e-commerce, which can improve trade efficiency and enable users all over the world to enjoy the benefits of trade through e-commerce [13]. At the same time, it greatly increases the convenience and perfection of consumers' purchase of imported products, instead of only paying tariffs through overseas shopping and purchasing on behalf of others. A series of favorable policies issued by the government have constantly brought the new development of the international economy closer, and continuously

promoted the promotion of new growth points, the expansion of the market scale, the improvement of the market legal system, the humanization and facilitation of economic and trade rules. The market tends to be mature and can better adapt to the high demand and high quality requirements of consumers. In particular, the support of cross-border e-commerce technology platform has laid the foundation for the trading platform of imported products [14].

2. RESEARCH BACKGROUND

In the process of global multi-cultural consumption, the increasing demand of consumers for overseas products and the sales of overseas high-quality goods by sellers, the import transactions of online products grow linearly. In the context of global purchase, the purchase of imported products can be studied by young consumers. On the one hand, it can be used to meet the concrete needs of young consumers for the purchase of existing imported products, on the other hand, the perfection and innovation of the existing import product trading market economic system can be improved and improved, so as to achieve better consumer services, Meet the needs of consumers to achieve a win-win situation [15] [16]. In the study of international financial consumption, we should maximize the utility of consumers' purchase. Based on rational economy, consumers can purchase the products they need under a fixed budget. Although there are many kinds of domestic products, consumers have more diversified choices under the background of global purchase.

The difference of similar products and the irreplaceable characteristics make consumers have their own preference and reduce the cost of choosing. Import products and domestic products have functions to show unique impression of markets, multi brand matching, multi aesthetic and multi personality patterns [17, 18]. From the perception of brand or brand background, we can learn from multi-dimensional and all-round understanding of consumers' demand for the imported product market. Because different grades of imported products can meet different values from different classes of consumers, comprehensive analysis of the demand for imported products can improve the domestic products construction and diversification of styles. For example, Starbucks coffee, the brand tone is mainly leisure, comfortable and comfortable, office negotiation and entertainment rest [19, 20]. However, consumers' preference for Starbucks coffee is more subconscious than that of domestic coffee, such as decoration, atmosphere, product packaging and other factors are communicated, so that the demand of consumers can be analyzed from the brand adjustment of imported products.

3. HYPOTHESES

With the advanced technology of online shopping, it is becoming more convenient to make

overseas purchases online. In China, consumers can log on to some foreign shopping websites to directly purchase many kinds of goods. More consumers will choose self-operated stores with imported products to shop around. Some consumers can purchase products for the same purpose by logging on to the Internet, etc. In contrast, products that are cheaper than domestic products, such as hand creams, facial cleansers, etc., are purchased on German websites, and even if shipping is added, the cost of the product is still lower than that of most local products in China. Therefore:

H1: Price advantage positively affects consumers' purchase intention.

After years of hard work, the Chinese government has established imported food safety in accordance with international practices and covering all aspects, which is in accordance with the principles of prevention first, risk management, full-process management and control, and international co-governance [19]. The whole process governance system effectively guarantees the safety of imported goods. In accordance with internationally accepted practices, the Chinese government extends supervision to overseas sources, and transmits and allocates imported food safety responsibilities to the exporting government and production companies to achieve full supervision and fundamentally ensure the safety of imported goods. Although the price of domestic products is low, the overall quality of most products is not as good as that of imported products. This is because importers always import goods with high cost performance to China, so as to increase sales. For the goods of poor quality, importers are reluctant to take the risk of bankruptcy to import a large number of goods. Therefore:

H2: Perceived security positively affects consumers' purchase intention.

As the international division of labor becomes more refined and clear, the influence of the country of origin of the brand is gradually increasing, and the emotions and associations it stimulates highlight more important values. The source country of brand has become a more effective tool for consumers to recognize and evaluate products. When people buy a certain product, they are naturally inclined to a certain brand or obsessed with the brand effect. However, the brand appeal of most imported products is very strong. Strong brand promotion or products that invite first-line celebrities to endorse [15] will bring huge international brand resonance to consumers. Therefore:

H3: Brand Resonance positively affects consumers' purchase intention.

More and more signs show that under the trend of consumption upgrading, people's consumer demand is expanding, and new personalized consumer demand

is constantly being formed. In the age of consumer fashion, consumers are increasingly pursuing personalized and emotional products, instead of being satisfied with general popular products [21, 22]. The concept of customer consumption changes from rational consumption to individuality. Imported goods not only allow consumers to obtain fashion ahead of the general population, but also reflect consumers' own uniqueness and maverick. Imported goods not only allow consumers to obtain fashion ahead of the general population, but also reflect consumers' own uniqueness and maverick. Therefore:

H4: Individuality positively affects consumers' purchase intention.

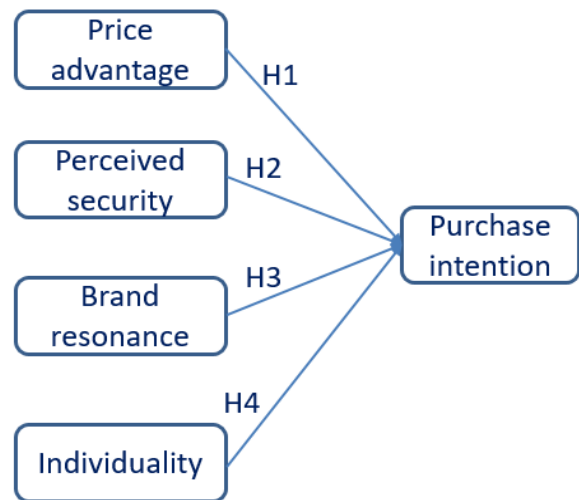


Fig-1: Research Model

4. RESEARCH METHOD

In this study, the questionnaire is filled in online, and the main samples are college students from different provinces in China. The reason is that college students have a high degree of acceptance of new things. At present, most of them have personality, independent judgment ability and demand. This group is also the main consumer force of skilled operation of global purchasing. This questionnaire is distributed in Wechat and Tencent QQ. There is no restriction on cities, which improves the credibility and analyzability of the sample data of different consumer cities, and effectively reduces the one-sided conclusion brought about by the division of cities or different consumption concepts of regions.

5. MEASUREMENT AND DATA ANALYSIS

Table 1 indicates that there are 256 volunteers in this survey. 57.1%hem are women. 75.7% of them shop more than twice per month Over 48.1% of them spend more than 200\$ per month.

Table-1: Demographic Analysis

| Category | Subject | N | % |
|--------------------------------|-----------|-----|-------|
| Gender | Male | 110 | 42.9% |
| | Female | 146 | 57.1% |
| Shopping frequency (per month) | ≤2 times | 88 | 34.3% |
| | >2, ≤5 | 117 | 45.7% |
| | >5 times | 51 | 20.0% |
| Age | ≤ 20 | 105 | 41.0% |
| | >20, ≤25 | 66 | 25.7% |
| | >25, ≤30 | 74 | 28.9% |
| | >30 | 11 | 4.4% |
| Monthly expenditure \$ | ≤200\$ | 133 | 51.9% |
| | 200-350\$ | 76 | 29.6% |
| | 351-500\$ | 37 | 14.4% |
| | >501\$ | 10 | 4.1% |

The reliability test values are listed in Table 2, where values of cronbachs-alpha and composite reliability are greater than 0.7 [23], and value of AVE is

greater than 0.5 [24], therefore it proves the reliability of the model.

Table-2: Convergent Validity, Composite Reliabilities testing results

| Construct | Cronbachs Alpha | Composite Reliability (CR) | AVE |
|--------------------|-----------------|----------------------------|-------|
| Price Advantage | 0.762 | 0.796 | 0.657 |
| Perceived Security | 0.831 | 0.818 | 0.746 |
| Brand Resonance | 0.766 | 0.843 | 0.680 |
| Individuality | 0.788 | 0.821 | 0.701 |
| Purchase Intention | 0.865 | 0.870 | 0.787 |

Table 3 shows that the load of these projects is higher than that of other projects [25]. All underlined values are greater than the values on their left [26]. The step proves the validity of the model [27]. Therefore, all

relevant tests have proved the reliability and effectiveness of the model for structural model evaluation.

Table-3: Correlation Matrix and Square Roots of AVE

| Construct | 1 | 2 | 3 | 4 | 5 |
|-----------|-------|-------|-------|-------|-------|
| PA | 0.811 | | | | |
| PS | 0.541 | 0.864 | | | |
| BR | 0.252 | 0.341 | 0.825 | | |
| IN | 0.426 | 0.441 | 0.385 | 0.837 | |
| CI | 0.329 | 0.491 | 0.193 | 0.457 | 0.887 |

Table 4 indicates that all of the four hypotheses are supported. The relationships between individuality and PI, brand resonance and PI, perceived security and PI are highly significant. Relationships between price

advantage and PI is not significant. This proves that young people are actively motivated by their perceived security, brand resonance and individuality to improve their purchase intention.

Table-4: Hypotheses Testing Results

| Hypotheses | Paths | Estimate | t-value |
|------------|--|----------|---------|
| H1 | Price advantage →Purchase intention | 0.003 | 0.673 |
| H2 | Perceived security →Purchase intention | 0.224 | 6.149** |
| H3 | Brand resonance →Purchase intention | 0.263 | 3.064** |
| H4 | Individuality →Purchase intention | 0.468 | 6.701** |

Figure 2 implies the path coefficients of the four hypotheses. individuality is proved to be the most important factor that influences young people's purchase intention. Brand resonance also plays a key role in the purchase intention process. Perceived security is also a driver for young people to purchase. The degree of interpretation of the overall model is 0.5333.

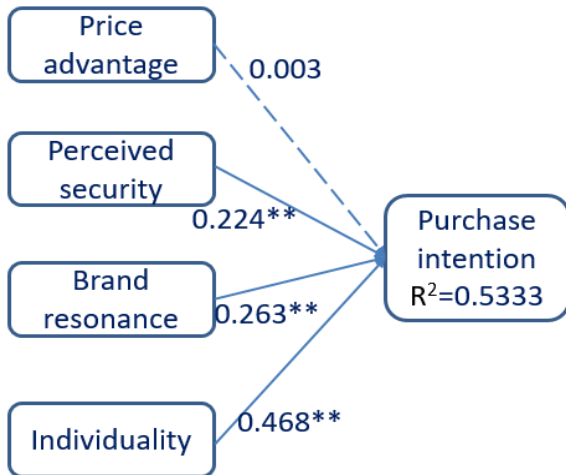


Fig-2: Structural Model (Note: * $p < 0.05$; ** $p < 0.01$)

6. DISCUSSION

There are also many industries for imported goods according to the types of goods: importing food, cosmetics, electrical appliances and medicines. Developed e-commerce has promoted the large-scale sales of imported products in China. Most of the imported products are beautifully packaged, and the effect is better than that of domestic products [28, 29]. They invite international celebrities to endorse them. They are reliable and durable. Therefore, they are adopted by people from all grassroots in China. Imported goods can only increase sales if they are of good quality and low price. This is because China's middle class is the main consumer of daily imported goods. Price advantage is a key factor in the competition between imported goods and domestic goods. Although the prices of goods imported from developed countries are generally high, there are also many cheap but high-quality goods imported from developing countries that have also been recognized by consumers, such as Chilean red wine. At the same time, China is also a big consumer of luxury goods. This shows that although China's top wealthy people are small in number, they have strong purchasing power [30, 31]. Therefore, the price factor is not supported in the model. As we all know, China's food safety is worrying. Especially after the nuclear leak in Japan, the entire East Asia has never been as worried about food safety as it is today. Food and daily necessities imported from countries that make people feel safe have given Chinese people more choices.

Many Chinese consumers buy imported goods to enhance their charm in business occasions. Those products endorsed by world famous models or movie stars are very popular among Chinese white-collar workers. Because these white-collar workers have received higher education or have studied abroad, they have a global strategic vision. They love foreign films and art, are easy to accept products from different cultural backgrounds and resonate with products that suit them [32, 33]. Although China has been reforming and opening up for many years, it is still very conservative in some aspects, such as music and literature. Young people like to show their personalities by changing their appearance. Imported goods provide young people with a different cultural experience. Many people have found products that match their personality or values from imported products, and have since become obsessed with them, such as the Sony PS5.

In spite of all the advantages, there are some disadvantages that should be considered. The essence of cross-border e-commerce is electronic transactions. Buyers place orders through the Internet. The resulting credit crisis and product quality issues have gradually become the biggest obstacle to the development of e-commerce. Self-operated cross-border e-commerce platforms have relatively strict quality control due to their involvement in procurement, logistics and warehousing [34]. And the development under the platform investment model like Taobao is often accompanied by various product authenticity and quality issues. Because of the huge customer demand, it is difficult for Taobao officials to conduct strict audits on every seller and every product and determine the authenticity of the product. Because the overseas shopping market has huge profits, some merchants use domestic spot products to pretend to be overseas direct mail products and send them to sellers. Some of these domestic stocks are imported through illegal channels, and some are domestically produced fakes [35]. There is also timeliness in the speed of goods movement and customs clearance. In the domestic cross-border e-commerce platform, most of the direct mail mode is still mainly imported by transshipment companies or customs. The average logistics time is about one week to two months, which leads to long delivery time, the package cannot be tracked throughout, the return and exchange are not supported, and there may even be customs clearance obstacles and damage or even loss of packages. How to deliver goods to the domestic bonded areas at a faster speed will be the most competitive problem faced by many imported cross-border e-commerce companies.

7. CONCLUSION

This research conducts empirical research through questionnaires, and points out the factors that young consumers care about for e-commerce platforms that sell imported goods. The competition between high-quality and low-cost imported products and

domestic products can improve the level of domestic production and manufacturing, and also encourage domestic businesses to change in security and marketing strategies. The government should also establish more detailed management methods for imported goods in terms of tariffs, logistics, testing and after-sales management. Consumers should also pay attention to safeguarding their rights when buying imported goods and avoid buying them false or expired products.

This research has two viewpoints that need further research in the future. First, we did not conduct a comparative study of young people based on income. There is no comparative analysis of the purchasing characteristics of high-income and low-income groups. Secondly, this research did not conduct special research on large-value imported commodities. Many expensive imported goods, such as imported cars, are becoming more and more popular with young people. Future research should focus on the acceptance of certain imported goods.

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