

The Formation Mechanism of Situational Consumer Animosity and Its Influence on Purchase Intention In the US-China Trade War

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ABSTRACT

This study is the first to investigate the formation mechanism of situational consumer animosity (SCA) during the US-China trade war and its influence on consumer purchase intention (PI). Utilizing an offline questionnaire survey to assess 310 clients in five major Chinese cities. Covariance-based structural equation modelling (CB-SEM) was employed. This study clarified the process behind situational consumer animosity, demonstrating that susceptibility to normative influence (SNI) affects perceived economic threat (PET), and then effects consumer ethnocentrism (CET), ultimately impacting situational consumer animosity (SCA). SCA and CET adversely influence Chinese consumers' purchase intention (PI) with American brands. Conversely, SNI enhances PI with the brands. This research is limited to China, and subsequent studies may broaden this framework to the United States. This study advances the theories of customer animosity and consumer behaviour. The study offers innovative tools for multinational corporations to implement their marketing strategies, mitigating the adverse effects of the SCA phenomenon on brand marketing in the Chinese market amid the escalating US-China trade conflict.

Keywords: US-China trade war, situational consumer animosity (SCA), perceived economic threat (PET), consumer ethnocentrism (CET), susceptibility to normative influence (SNI), purchase intention (PI).

1. INTRODUCTION

In 2017, during Trump's initial presidential term, he unilaterally commenced the '301' investigation against China, followed by the implementation of successive tariff increases on Chinese goods and enterprises in March 2018, thereby instigating a global surge of 'trade protectionism' that contradicts historical trends affecting numerous countries and regions. Salvatore (2020) asserts that a trade war may result in a deceleration of global economic growth or potentially a recession. In 2020, U.S. exports to China amounted to \$110 billion, while imports totalled \$393.57 billion, reflecting declines of \$283.5 billion and \$345 billion, respectively, compared to 2019 (United States Census Bureau, 2020). With Trump's second term commencing on January 20, 2025, it is anticipated that the US-China trade war will undoubtedly escalate into a new peak. The US-China trade war will undoubtedly initiate a new peak of intensity.

Trade wars between nations invariably incite consumer animosity and an overall decline in brand affiliation towards the hostile nation (Heinberg, 2017; Lee et al., 2021). The social aspect of consumer animosity includes the concept of economic strain and unfair trade (De Nisco et al., 2016; Souiden et al., 2018). The US-China trade war has led to significant economic repercussions, including a decline in consumption growth in the US, particularly in counties heavily affected by Chinese retaliatory tariffs. This decline is estimated

at 3.8 percentage points in consumption growth, correlating with reduced employment in tradeable and retail sectors (Waugh, 2019). Consumer animosity has been identified as a strong predictor of the willingness to buy foreign products, distinct from consumer ethnocentrism. This animosity can lead to boycotts and reduced purchase intentions, further impacting economic relations between the US and China (Kiracı, 2017; Shoham et al., 2016).

Witkowski (2000) demonstrated that economic animosity and political disputes have diminished American consumers' purchasing intentions regarding Chinese products. Jung et al. (2002) demonstrated that, owing to comparable economic concerns, Chinese consumers exhibit economic hostility towards the United States. Lee et al. (2021) conducted research that offers a novel perspective on consumer behaviour amid the US-China trade war, demonstrating that consumer brand engagement (CBE) can alleviate the adverse impacts of economic animosity (EA) on purchase intention (PI) and enhance the positive influences of country-of-origin (COO) on PI. However, there is a lack of study about the formation mechanism of situational consumer animosity in the context of the US-China trade war.

Because of the above problems, this paper aims to explore the formation mechanism of the situational consumer animosity. The authors present the subsequent enquiries based on their performed research:

RQ1: What are the antecedent and intermediary variables that influence situational consumer antagonism in the context of the U.S.-China trade war?

RQ2: What is the interaction between these antecedent and mediating variables? What are their courses of action?

RQ3: Does situational customer animosity diminish purchase intentions for branded products originating from the antagonistic country? Does it enhance the acquisition of domestically branded products?

The contents of this paper are organised as follows: Initially, it synthesises and analyses the research and findings pertaining to situational consumer enmity within the framework of the US-China trade conflict. Secondly, drawing from the theory of ABC Attitude, Rational Consumer Behaviour and

pertinent literature, it proposes the framework for this research and formulates the associated research hypothesis. The questionnaire's design adheres to the established scale in the current literature. Data pertinent to the study are gathered via postal questionnaires, and the research model and hypotheses are assessed and tested using CB-SEM. Ultimately, we give the relevant research conclusions along with their theoretical and practical implications. The report delineates the constraints of this research and outlines the trajectory for future investigations.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Klein et al. (1998) define consumer hostility as 'consumer antipathy or resentment based on military, political, or economic events that have occurred or are ongoing between countries, and the belief that such hostility affects consumers' purchase intentions for products produced in hostile countries.' (Klein et al., 1998, p. 90). Klein et al. (1998) verified the effect of consumer hostility on purchase intentions through an empirical study in China. Their study found that consumers' hostility towards a foreign country does significantly affect their purchase intentions towards foreign products, independently of the quality or price of the product itself, and Klein et al. (1998) laid the groundwork for subsequent research on consumer hostility. Many later studies have further explored the dimensions, influences and consequences of consumer hostility. For example, Nes et al. (2012) explored the types and influencing factors of consumer animosity, categorising animosity into situational consumer animosity and stable consumer animosity (Nes et al., 2012). De Nisco et al. (2016) examined the impact of economic animosity on consumer ethnocentrism and country image, pointing out that situational animosity is triggered by a specific economic event (e.g., euro crisis) triggered (De Nisco et al., 2016).

Ang et al. (2002) introduced the concept of situational consumer animosity, characterised as transient and induced by events or short-term economic strains. This animosity is typically provoked by trade conflicts, tariff regulations, and various economic occurrences or policies. Nes et al. (2012) contended that situational consumer animosity is caused by certain economic events or

policies and is typically transient and contextually dependent. This animosity is more evident in a certain situation but may dissipate rapidly if the context shifts (Nes et al., 2012). Researchers have effectively examined situational consumer animosity from various perspectives, including cognitive and emotional responses (Harmeling et al., 2021), its economic implications and influence on purchasing behaviour (Waugh, 2019; Kiracı, 2017), its impact on branding and corporate strategy (Hua and Zeng, 2022), and its measurement and conceptualisation (Hoffmann et al., 2011; Riefler and Diamantopoulos, 2007).

Childers and Rao's (1992) study illustrated the significant impact of social norms and reference groups on individual decision-making. Terry and Hogg (1996) demonstrated that subjective norms affect an individual's attitude. Cialdini (2001) posited that individuals utilise social norms or reference groups to gain an accurate comprehension of social situations and formulate appropriate responses. Individuals with elevated social network involvement prioritise public perception, pursue social acknowledgement, and are inclined to fulfil the expectations of others. Wooten and Reed (2004) proposed that individuals with high SNI are likely to refrain from self-presentation that could result in social dissatisfaction.

According to Yang, K. S., & Cheng, P. S. (1987), the Chinese cultural model fosters sensitivity to others' opinions, heightened awareness of social norms, and significant concern for reputation during public decision-making, particularly regarding consumer image norms. The prolonged influence of this cultural atmosphere has led the Chinese to develop a heightened sensitivity to the advantages of adhering to norms and the negative repercussions of transgressing them, even though many of these norms are informal and non-binding in everyday life. Thus, "sensitivity to norms" can be regarded as a form of "collective unconsciousness" typically found among the Chinese population.

The US-China trade war emerged and persists. Many Chinese consumers perceived that numerous products exported to the United States were obstructed due to social norms, contributing to a continued decline in China's economic growth rate, which could impact their employment and family

income. Concerns arose regarding potential income decline or job loss. This would increase their awareness of the economic risks associated with the United States. This study proposes Hypothesis 1.

Hypothesis 1: Susceptibility to normative influence has a positive effect on perceived economic threats.

Sherif et al. (1961) demonstrated that competition between two groups leads to an increase in animosity between them. When two groups are in competition, the levels of unity and cooperation within each group tend to increase. Furthermore, as animosity between the groups intensifies, the unity and cooperation within the individual groups also reach their highest levels. Research indicates that when a country and its consumers perceive threats from foreign competition, the term "foreign" is associated with negative connotations (Polhemus, 1988). Simultaneously, there has been an increase in nationalism and ethnocentrism directed towards the home country (Rosenblatt, 1964). Industries that are more prone to perceiving economic threats, such as automobiles or textiles, exhibit a greater inclination towards consumer-centeredness (Daser & Meric, 1987; Shimp & Sharma, 1987). Shimp and Sharma (1987) demonstrated that product necessity and perceived economic threat can influence consumer ethnocentrism. The aforementioned research indicates that, in the context of the ongoing US-China trade war, Chinese consumers exhibit significant effects regarding perceived economic threats from the United States, which in turn stimulates and reinforces consumer ethnocentrism. Consequently, the author proposes the following hypothesis.

Hypothesis 2: Perceived economic threats have a positive impact on consumer ethnocentrism.

Extensive research has been conducted on consumer animosity and consumer ethnocentrism, yielding numerous perplexing findings regarding their interrelationship. Several studies suggest that the two constructs are conceptually and discriminatively independent (Klein et al., 1998; Supphellen and Rittenburg, 2001). Klein (2012) posits that consumer ethnocentrism involves the selection between general foreign products and domestic products, whereas consumer animosity pertains to the choice between specific national products and domestic products. Research indicates

a conceptual relationship between consumer ethnocentrism and consumer animosity (Jiménez & San Martín, 2010; Nijssen & Douglas, 2004; Shankarmahesh, 2006). According to Chan et al. (2010), consumer bias towards products from a specific country may extend to all foreign products. Research indicates that consumer hostility towards a specific country often leads to increased in-group awareness, typically resulting in the rejection of products from that country and a heightened preference for domestic alternatives (Deb & Chaudhuri, 2012). Consumer animosity frequently exerts a substantial positive influence on consumer ethnocentrism (Deb & Chaudhuri, 2012; Huang et al., 2010; Ishii, 2009; Klein et al., 1998).

Ji Eun Park and Sung-Joon Yoon (2017) posited that the relationship between consumer ethnocentrism and consumer animosity may exhibit a hierarchical structure. The relationship among the traits exhibits a hierarchical structure. Higher-order traits influence lower-order traits associated with behavioural outcomes (Allport, 1961). It has been argued that prejudice is of lesser significance than consumer ethnocentrism due to its broader applicability to a larger population. The "3M Model" (Mowen, 2000) argued that a characteristic at one level can directly influence any characteristic at a lower level. The author posits that consumer ethnocentrism contributes to situational consumer hostility and exerts a positive influence on it.

Hypothesis 3: consumer ethnocentrism has a positive effect on situational consumer animosity.

Huang et al. (2010) demonstrated that consumers' susceptibility to normative influence significantly impacts their anger. This indicates that consumers can align their beliefs and behaviours with those of the reference group to evade disapproval or gain acceptance. Products utilised in public settings are particularly susceptible to the impact of social norms and the expectations of community members. Chinese consumers tend to prioritise the boycott of Japanese cars, particularly due to their prevalence in public spaces. Ji Eun Park and Sung-Joon Yoon (2017) found significant relationships between cosmopolitanism, susceptibility to normative influence, and ethnocentrism with consumer animosity. South Korean consumers exhibiting susceptibility to normative influences

and higher levels of ethnocentrism demonstrate increased hostility towards Japan, whereas those with cosmopolitan tendencies exhibit reduced hostility. This study focusses on the specific period during which a trade war emerged between China and the United States. The author posits that consumers' susceptibility to normative influences directly impacts their perception of economic threats. This influences ethnocentrism, which subsequently impacts consumer anger through ethnocentrism. The author presents the following assumptions based on certain data.

Hypothesis 4: susceptibility to normative influence has a positive and indirect effect on situational consumer animosity, mediated by perceived economic threat and the dual mediating role of consumer ethnocentrism.

Bearden, Netemeyer, and Teel (1989) demonstrate that Susceptibility to Normative Influence (SNI) characterises consumers who align their purchasing behaviours with the expectations of others, maintain consistent needs with peers, or acquire specific products and brands. Following 40 years of reform and opening up in China, the influence of Western consumer culture on consumers is increasingly significant, resulting in a growing impact on traditional Chinese values. In recent years, the introduction of the American Apple iPhone into Chinese market has led to its high price being perceived as a symbol of fashion, trend, taste, and even "mianzi" among young consumers. Some consumers resort to selling blood and kidneys to purchase Apple mobile phones. The phenomena and behaviours significantly influence consumers' mobile phone purchasing decisions and may establish specific social norms. Consequently, the author presents assumptions.

Hypothesis 5: Susceptibility to normative influence positively impacts consumers' purchase intentions regarding products from hostile countries.

Researchers examine the impact of consumer ethnocentrism (CET) on the decision to purchase domestic versus foreign products. The study employs "purchase intention" (Han, 1988), "attitude towards foreign products" (Sharma et al., 1995), and "purchase intention of domestic/foreign products" (Olsen et al., 1993) to examine the impact of CET on these variables. Numerous studies indicate that consumer ethnocentrism

results in a negative perception of foreign products (Sharma et al., 1995; Zarkada-Fraser & Fraser, 2002). Empirical research supports the positive and significant impact of ethnocentrism on domestic product purchase intention (Han, 1988; Herche, 1992). Consumer ethnocentrism negatively influences the purchase intention of foreign products (Klein et al., 1998; Suh and Kwon, 2002). The author presents the following hypothesis.

Hypothesis 6: Consumer ethnocentrism has a negative impact on consumers' purchase intentions for products originating from hostile countries.

Consumer animosity, characterised by negative sentiments towards particular nations, frequently manifests as a rejection or resistance to products from these countries, leading to a reduction in purchase intention. Numerous studies have demonstrated that consumer animosity significantly adversely affects the purchase intentions of products from antagonistic nations (Ettenson & Klein, 2005; Klein et al., 1998; Lee & Lee, 2013). Witkowski's (2000) research demonstrated that American consumers have diminished their intention to purchase products manufactured in China, attributed to economic animosity and political conflicts. Within the framework of the US-China trade war, the author posits that the perceived economic threat from the United States will become increasingly evident to Chinese consumers. This perception is likely to enhance Chinese consumers' ethnocentrism and intensify their national animosity towards the United States. The purchase intention for American products will negatively and positively influence the purchase intention for domestic products. The author proposes the following hypothesis.

Hypothesis 7: Situational consumer animosity has a negative impact on consumers' purchase intentions for products from hostile countries, while it positively influences and enhances their purchase intentions for products from their home countries.

The author develops a theoretical model in accordance with the hypotheses, illustrated in Figure 1.

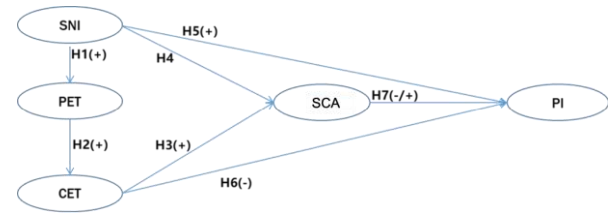


Figure 1. Theoretical Model

3. MATERIALS AND METHODS

3.1 Research scope

This study designates the United States as the focal country. Klein et al. (1998) indicated that China is an exemplary nation for the study of consumer animosity. Ishii's (2009) research indicated that Japan and the United States are two optimal countries for undertaking consumer animosity research in China. This study selects the smart phone, which is a product category with high involvement degree which is appropriated (Lulu, et al., 2015; Yao Jie, et al., 2008).

3.2 Scales and measurement

The measuring items for each construct are primarily sourced from existing literature; all items utilize established scales that have been modified to reflect the real context. The PET items were adopted from Sharma et al. (1995), the CET effect measures from Shimp & Sharma (1987), the SNI scale from Bearden et al. (1989), the SCA measures from Klein (2002) and Morris Kalliny (2017), and the PI scale from Granzin & Olsen (1998). The final section of the questionnaire pertains to "personal information," with eight inquiries regarding gender, age, educational attainment, workplace, individual monthly income, household monthly income, expenditure on smartphone purchases, and preferred smartphone brands for future acquisitions. All questions, excluding demographic information, utilize a 7-point Likert scale, with 1 indicating "strongly disagree" and 7 indicating "strongly agree".

This questionnaire has undergone four rounds of revision. Initially, the questionnaire was created in English, subsequently translated into Chinese, and then retranslated into English for evaluation by Chinese professors and doctorate candidates in business administration to verify the accuracy of the translation (Kim et al., 2017). In the second round, we refined the original questions through debate, eliminated unsuitable ones, and

incorporated essential ones. In the third round of revision, we administered a pre-survey to 20 users and prospective smartphone purchasers in Shanghai. We eliminated redundant and convoluted questions and enhanced the questionnaire's wording for clarity and comprehensibility. Three professors from three prestigious universities in Shanghai got the questionnaire for review in the third round. After the previously described four rounds of revision, a formal questionnaire was developed.

3.3 Sample and data collection

During the formal study, five cities in China—Shanghai, Beijing, Hangzhou, Wuxi, and Zhengzhou—were designated as test cities. They are well-developed and possess greater familiarity with American brand items, which facilitates customers' comprehension of the situational consumer hostility and consumer purchase intention examined in this research. The author conducted a survey of prospective purchasers and current smartphone users by distributing questionnaires via mail. The poll predominantly focused on personnel from manufacturing, service, and import-export trading firms. The survey commenced in early September 2024 and concludes at the end of November 2024, spanning a duration of three months. A total of 350 questionnaires were distributed, 320 were retrieved, 10 invalid questionnaires were eliminated, resulting in 310 valid responses, valid for the analysis, which is an efficient response rate of 88.5% (see Table 1).

Table 1. Respondents' portfolio

Variables	Sub-descriptors	Number (n=310)	Percentag
Sex	Male	182	58.7
	Female	128	41.3
Age	18~25	44	14.2
	26~35	121	39
	36~45	84	27.1
	46~55	50	16.1
	56~65	11	3.5
Education	Below junior high	18	5.8
	High School	31	10
	Vestibule School	27	8.7
	Junior college	97	31.3
	University	113	36.5
	Master	20	6.5
Location	Doctor	4	1.3
	Shanghai	104	33.5
	Hangzhou	44	14.2
	Wuxi	98	31.6
	Zhengzhou	41	13.2
Brand Choice for Future Mobile Phone Purchase	Beijing	23	7.4
	Apple	70	22.6
	Samsung	4	1.3
	Nokia	4	1.3
	Huawei	166	53.5
	OPPO	17	5.5
	VIVO	16	5.2
	Mi	30	9.7
	Others	3	1

4. RESULTS

This study employs SPSS28 and AMOS28 software for statistical analysis, leveraging the advantages of covariance-based structural equation modelling (CB-SEM) in managing complex structural models, particularly its robust data processing capabilities in second-order facet path analysis. Owing to the limited sample size, convergence failure, inadequate solutions (estimation violations), underestimating of parameter values, and inaccurate standard errors, among other factors. Bentler & and Chou (1987) asserted that the sample size must be a minimum of five times the estimated parameters, provided that the conditions of normality, non-exhaustiveness, and external values are met; otherwise, the sample size should be fifteen times the estimated parameters. Loehlin (1992) suggested that a model comprising 2 to 4 components, with a minimum of 100 samples, and ideally 200, is optimal. This study has 310 genuine samples, satisfying the aforementioned sample size criteria.

4.1 Reliability and validity

Before we did the CB-SEM estimation, we used SPSS28 to do an exploratory factor analysis to see how the items were loaded and how many dimensions they had (Anderson and Gerbing, 1988; Huang et al., 2008).

4.1.1 Reliability

Regarding the standard for reliability acceptance values, most scholars adhere to the following classification framework (Kline, 1998): a reliability coefficient exceeding 0.90 is deemed excellent; a value close to 0.80 is considered very good; approximately 0.70 is classified as moderate; and a coefficient above 0.50 represents the minimum acceptable threshold. The reliability acceptance value for individual dominant variables is 0.5, indicating that the factor load of the measurement index exceeds 0.71.

This study employed SPSS28 to assess the reliability of the collected data, with each latent variable in the questionnaire evaluated independently for reliability. Table 3 presents the results, including the Cronbach's Alpha coefficient for each subscale. In Consumer Ethnocentrism, the reliability coefficient for all scales, excluding the CET scale, is 0.678, just below 0.7. This indicates that the scale is sufficiently dependable and that the

instruments employed in the study adequately fulfill its requirements (See Table 2).

Table 2. Reliability Test of Latent Variables

Variables	Items	Cronbach's α
PET	PET1	0.763
	PET2	
	PET3	
CET	CET1	0.678
	CET2	
	CET3	
	CET4	
SNI	SNI1	0.876
	SNI2	
	SNI3	
	SNI4	
SCA	EA1	0.861
	EA2	
	EA3	
	EA4	
	EA5	
	EA6	
	WA1	
	WA2	
	WA3	
	WA4	
	WA5	
	WA6	
	PA1	
	PA2	
	PA3	
	PA4	
	CA1	
	CA2	
	CA3	
	CA4	
PI	PIA1	0.888
	PIA2	
	PIA3	
	PIA4	
	PIA5	

4.1.2 Validity

Construct validity encompasses both convergent validity and discriminant validity. Construct validity is primarily assessed using confirmatory factor analysis (CFA). The results of the CFA confirmatory factor analysis indicate $\chi^2 = 829.214$, $df = 475$, and $\chi^2/df = 1.746$, which is less than 2. The χ^2/df ratio must fall within the range of 2 to 5. Carmines and McIver (1981) assert that the ratio of chi-square to degrees of freedom should not exceed 3, while Wheaton et al. (1977) propose that an index below 5 is also permissible. A value of less than 2 is widely regarded as indicative of optimal

model adaptation. The study's value is $1.746 < 2$, indicating a well-adapted model. The RMSEA value is 0.049, which indicates a good fit between the data and the model, as it is less than 0.05. The AGFI value is 0.839, exceeding the threshold of 0.80; the GFI value is 0.864, also above 0.80; and the CFI value is 0.932, surpassing the criterion of 0.90. The data in this study align closely with the confirmatory factor analysis model. Table 3 presents the adaptation index of this model.

Table 3. Model adaptation index

Model	χ^2	df	χ^2/df	GFI	AGFI	CFI	RMSEA
Second - Order Factor Model	829.214	475	1.746	0.864	0.839	0.932	0.049
Recommended value	The smaller the better.	The bigger the better.	< 5	> 0.80	> 0.80	> 0.9	< 0.08

4.1.2.1 Convergence validity

Hair et al. (2006; 2014) identify three criteria for assessing convergence validity: ① Each standardized factor loadings exceed 0.5, with values above 0.7 being preferable. ② the composition reliability (CR) must exceed 0.7; ③ the average variance extracted (AVE) should be greater than 0.5. This study involved the deletion of the EA5 and EA6 items from the Economic Animosity (EA) facet and the CET4 item from the Consumer Ethnocentrism (CET) facet. The remaining items were reordered, and the facet and title items utilized in the data analysis were identified. A convergence validity test was conducted using AMOS24 software, resulting in the data presented in Table 8. The consumer nationalist facet has an AVE of 0.455, which is less than 0.5, and the standardized factor load of CET3 is 0.454, below the threshold of 0.7. However, due to its origin from an authoritative scholar and the necessity to meet a minimum of three title requirements, it is retained as a core facet. The economic hostility (EA) facet of AVE is 0.496, which is less than 0.5. The standardized factor loads for all other items meet the criteria for composition reliability and average refining variance, indicating that the convergence validity of the scale utilized in this study is acceptable (See Table 4).

Table 4. Scale Convergence Validity

Factors	Items	Standard Factor Loading	SMC	1-SMC	CR	AVE
PET	PET1	0.64	0.410	0.590	0.779	0.546
	PET2	0.89	0.792	0.208		
	PET3	0.66	0.436	0.564		
CET	CET1	0.454	0.206	0.794	0.705	0.455
	CET2	0.783	0.613	0.387		
	CET3	0.738	0.545	0.455		
SNI	SNI1	0.702	0.493	0.507	0.876	0.642
	SNI2	0.734	0.539	0.461		
	SNI3	0.891	0.794	0.206		
	SNI4	0.86	0.74	0.26		
EA	EA1	0.638	0.407	0.593	0.795	0.496
	EA2	0.726	0.527	0.473		
	EA3	0.831	0.691	0.309		
	EA4	0.6	0.36	0.64		
WA	WA1	0.547	0.299	0.701	0.888	0.577
	WA2	0.63	0.397	0.603		
	WA3	0.857	0.734	0.266		
	WA4	0.925	0.856	0.144		
	WA5	0.849	0.721	0.279		
	WA6	0.672	0.452	0.548		
PA	PA1	0.743	0.552	0.448	0.885	0.659
	PA2	0.852	0.726	0.274		
	PA3	0.862	0.743	0.257		
	PA4	0.783	0.613	0.387		
PI	PIA1	0.682	0.465	0.535	0.893	0.628
	PIA2	0.787	0.619	0.381		
	PIA3	0.849	0.721	0.279		
	PIA4	0.831	0.691	0.309		
	PIA5	0.801	0.642	0.358		

4.1.2.2 Determination validity

Hair et al. (2006; 2014) state that the validity of discrimination is assessed by determining if the square root of the AVE value of the factor in question exceeds the correlation coefficient between that factor and other factors. Table 5 demonstrates that the arithmetic square root of the AVE value for each factor exceeds its correlation coefficient with other factors, suggesting an improved discriminant validity of the scale.

Table 5. Scale Determination Validity

Facets	SNI	PET	CET	SCA	PI
SNI	0.801				
PET	0.069**	0.739			
CET	0.024	0.25***	0.675		
AN	-0.02	0.01	0.16**	0.572	
PI	0.11**	0.008	-0.003	-0.329**	0.792

4.2 Descriptive statistics

The average perceived economic threat is 5.28, significantly exceeding the median of 4, suggesting that the perceived economic threat posed by Chinese consumers to the United States is notably pronounced. The median score for Susceptibility to Normative Influence is 4, while the mean score is 3.97, indicating a slight decrease from the median. Chinese consumers are primarily influenced by Western cultures, exhibiting a low sensitivity to traditional Chinese social norms. The average value of consumer ethnocentrism is 5.38, indicating a significant level of hostility among Chinese consumers towards other countries and a strong awareness of their own protective tendencies. The results indicate that the absolute values of skewness and kurtosis for the survey data in this study are all below 3 and 10, respectively. This suggests that the sample data approximately adhere to a normal distribution, allowing for further analysis in the subsequent steps.

The study quantifies PET, SNI, CET, SCA (including EA, WA, PA, and CA), and PI, as depicted in Figure 2. The average value of the four dimensions of SCA surpasses the median of 4, indicating a significant level of animosity among Chinese consumers toward the US. War animosity is significantly greater than the other three dimensions, and cultural animosity is the least pronounced.

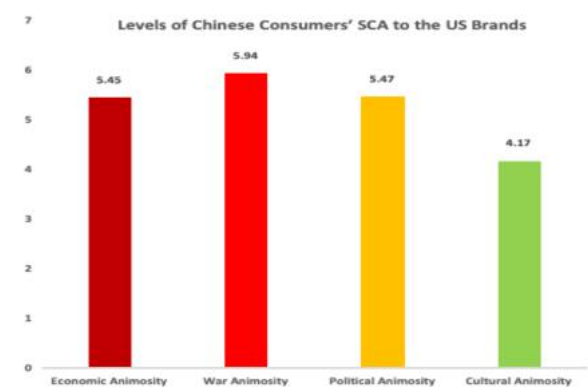


Figure 2. Levels of Chinese's SCA

The average purchase intentions of Chinese consumers for American, European, and Chinese products are 3.53, 3.97, and 5.55, respectively. This data indicates that the purchase intention for American products is below the average level, the intention for European products is marginally below the average, while the intention for Chinese

products is markedly above the average level (refer to Figure 3).

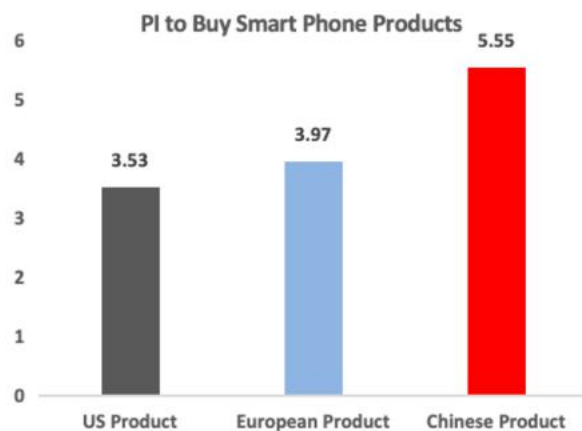


Figure 3. PI to Buy Smart Phone Products

The results indicate that the absolute values of skewness and kurtosis for the survey data in this study are all below 3 and 10, respectively. This suggests that the sample data approximately adhere to a normal distribution, allowing for further analysis in the subsequent steps.

4.3 Path Analysis and Hypotheses

The author employs bootstrapping sampling 5000 times to derive the path analysis and hypothesis test results of the structural model, as referenced in Hair et al. (2014), with the findings presented in Table 6.

Table 6.

Structural model path	Path Coefficient s	S.E.	C.R.	P-Value	Hypothetical Test Results
SNI→PET	0.07	0.027	2.540	0.011	H1(+): Yes
PET→CET	0.237	0.060	3.915	***	H2(+): Yes
CET→SCA	0.144	0.065	2.201	0.028	H3(+): Yes
SNI→SCA	-0.020	0.015	1.265	0.206	H4: Not Sig
SNI→PI	0.105	0.045	2.316	0.021	H5(+): Yes
CET→PI	0.083	0.176	0.470	0.638	H6(-): No
SCA→PI	-0.856	0.327	-2.615	0.009	H7(-/+): Yes

As can be seen from the above table, under the significance level of Alpha = 0.05, SNI positively affects PET, H1 confirmed; PET positively affects CET, H2 confirmed; PET has no significant impact on SCA; CET positively affects SCA, H3

confirmed; SNI has no influence on SCA, H4 confirmed; SNI positively affects the PI, H5 confirmed; CET negatively affects PI, H6 has not been confirmed; SCA negatively affects the PI, H7 partially confirmed.

To see how situational consumer animosity affects the intention to buy products from the home country, the author switched out the purchase intention of Chinese consumers for products from the home country, recalculated the equation, and then compared the results with the purchase intention of products from hostile countries. This gave the author the following results (see Table 7).

Table 7. Significance Test of Path Coefficient

Structural model path	Path Coefficients	S.E.	C.R.	P-Value	Hypothetical Test Results
SCA→PI (US)	-0.856	0.327	-2.615	0.009	H7(-): Yes
SCA→PI (China)	1.150	0.349	3.292	***	H7(+): Yes

The data indicates that SCA has a significant negative impact on the PI of products from hostile countries, with a path coefficient of -0.851. Conversely, SCA significantly positively influences on the PI of products from home country products, evidenced by a path coefficient of 1.150, which exceeds 1.00. Analysis of the path coefficients reveals that SCA towards hostile countries has led to an increased intention to purchase products from one's home country. Hypothesis H7 is fully validated.

4.4 Mediation Effect

The author examines the hypothesis that SNI influences SCA via PET and CET by employing AMOS28 software to reconstruct a two-factor causal effect model. Bootstrapping sampling is conducted 5000 times, and path analysis is performed at a significance level of Alpha = 0.05 to assess the direct and indirect effects of SNI on SCA (see figure 4).

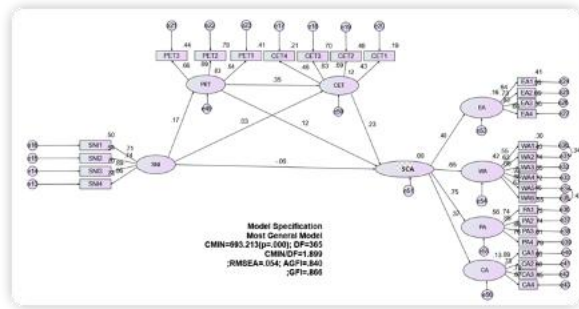


Figure 4. Two-Factor Mediation Effect

The results of AMOS's path analysis and hypothesis testing are presented in Table 8.

Table 8.

Structural model path	Path Coefficients	S.E.	C.R.	P-Value	Hypothetical Test Results
SNI→PET	0.07	0.028	2.541	0.011	Significant
PET→CET	0.259	0.063	4.089	***	Significant
SNI→CET	0.008	0.021	0.395	0.693	Not Significant
PET→SCA	0.056	0.042	1.309	0.190	Not Significant
CET→SCA	0.147	0.064	2.278	0.023	Significant
SNI→SCA	-0.011	0.015	-0.741	0.459	Not Significant

The table indicates that at a significance level of Alpha = 0.05, SNI positively influences PET, PET positively influences CET, and CET positively influences SCA. However, SNI does not affect SCA, nor does it have a significant influence on CET. Additionally, there is no relationship between SNI, PET, and SCA. There is no correlation between SNI and SCA in CET. There exists a more robust relationship among SNI, PET, and SCA.

The analysis results indicate a total effect of -0.004, suggesting the potential presence of an indirect effect. The indirect effect is measured at 0.004, confirming the existence of an intermediary effect. The direct effect $p = .596$, which exceeds the threshold of 0.005, indicates that the result is not significant, suggesting a complete mediating effect.

The evidence indicates that SNI influences SCA via PET and CET, demonstrating a two-factor full mediating effect.

4.5 Conclusions

According to the results of data analysis, the conclusions of hypotheses testing is shown in Table 9.

Table 9. Summary of Hypotheses Testing Results

Hypotheses	Hypothetical Contents	Hypothetical Tests Results
H1	The Susceptibility to Normative Influence positively affects Perceived economic threats.	Support
H2	Perceived economic threats positively affect Situational Consumer Ethnocentrism.	Support
H3	Consumer Ethnocentrism positively influences Situational Consumer Animosity.	Support
H4	Susceptibility to Normative Influence positively and indirectly affects Situational Consumer Animosity through Perceived economic threats and Consumer Ethnocentrism's double mediating effect.	Support
H5	Susceptibility to Normative Influence positively affects Consumers' Purchase Intention of products from hostile countries.	Support
H6	Consumer Ethnocentrism negatively affects consumers' Purchase Intention of products from hostile countries.	Not Support
H7	Situational Consumer Animosity negatively affects consumers' Purchase Intention of products from hostile countries, positively affects and strengthens their Purchase Intention of products from home countries.	Support

5. DISCUSSIONS AND IMPLICATIONS

5.1 Theoretical implications

This study is the first to examine the mechanisms of consumer situational hostility formation in the context of a special and temporary US-China trade war. Its contributions to the theoretical community are mainly the following two:

One of the findings of this paper is that susceptibility to normative influence and perceived economic threat do not directly affect situational consumer animosity, but through the path that is susceptibility to normative influence affects perceived economic threat, then perceived economic threat affects consumer ethnocentrism, and then consumer ethnocentrism influences situational consumer animosity. That is, perceived economic threat plays a mediating role between susceptibility to normative influence and consumer ethnocentrism's relationship. This result is undoubtedly a theoretical innovation and breakthrough in consumer animosity research. It will enrich and deepen the theoretical research on consumer animosity under special situations and backgrounds.

Another finding of this paper is that perceived economic threats are the antecedent variables of consumer ethnocentrism. In previous studies, perceived economic threat mostly appears as a moderating variable. For example, in Shimp and Sharma's (1987) research, product necessity cognition and perceived economic threats have the

function of moderating consumer ethnocentrism. However, the results of this study show that under the influence of the special historical event of the US-China trade war, perceived economic threat can appear as an antecedent variable of consumer ethnocentrism. This is because of how people see the threat to the economy. This discovery further enriched the core concept of consumer ethnocentrism, thus promoting the further development of consumer behaviour research.

5.2 Managerial implications

The U.S.-China trade war is a 'double-edged sword' that goes against the tide of history and economic globalisation from all over the world. It will not only adversely affect the export of products from hostile countries, the absorption of investment, and tourism revenues, but will also have a very negative impact on the marketing of domestic brands and products in hostile countries, such as a decline in consumer purchasing intentions.

The United States has long maintained a positive national and product image in China. Apple mobile phones gained popularity among Chinese consumers. The culture of the United States has long influenced young Chinese consumer groups, shaped their consumption patterns of U.S. brand products and established a social norm. The U.S.-China trade war has reinforced the perception of an economic threat among Chinese consumers, resulting in a diminishing positive impact of U.S. products and culture. Consequently, there has been a consistent decline in the intention of Chinese consumers to purchase U.S.-branded products.

The trade war has led to the formation of perceived threats to the domestic economy of consumers in hostile countries, the decline of social norms for consuming American-brand products, and a wide range of consumer ethnocentrism, which to some extent promotes the formation of broader situational consumer animosity, but to some extent stimulates their patriotic emotions and the awareness and behaviour of buying similar products in China. The extreme suppression of Huawei, a famous Chinese mobile phone brand, by the United States has instead led to the continuous growth and development of the brand.

6. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

This study represents the first exploration of the formation mechanism of situational consumer animosity within the context of the US-China trade war, despite the extensive academic research on consumer animosity as a general topic. The research indicates that Susceptibility to Normative Influence (SNI) has an indirect effect on Situational Consumer Animosity (SCA) via Perceived Economic Threat (PET) and Consumer Ethnocentrism (CET), demonstrating a complete two-factor mediating effect. This study has several limitations. First, this research exclusively examined non-student samples from Shanghai, Hangzhou, Wuxi, Beijing, and Zhengzhou, which presents limitations regarding their representativeness. Future research should incorporate samples from additional regions in China, including Guangdong, Shenzhen, Hong Kong, and Taiwan, to determine if their perspectives align with the findings of this study. Second, this study focused on the high-involvement and well-known US products related to the US-China trade war, specifically smart phones; Future research could expand the analysis to include more tariff-related industries and examine their characteristics or product attributes. Third, this study is limited to examining the impact of consumer animosity on purchase intention. Future research could expand to explore its effects on brand engagement, loyalty, and preference, among other areas. Last, this research may investigate the causal impact of American consumers' purchase attitudes on Chinese brand products.

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