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Chinese Consumer Insecurity in the Digital Age: Theoretical Construction of Scale Development

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Abstract: Consumer Insecurity is a new research topic in consumer psychology domain in recent years. It focuses on consumer insecurity perception and consuming behavior outcomes, which are influenced by individual’s internal and external factors. However, the concept of insecurity has just been introduced into consumer behavior research which is urgent to compare with the individual insecurity in traditional psychology area. These studies focus on the concept, structure of consumer insecurity in the digital age of China as its background and develop a multi dimension scale with reliability and validity testing to measure the new variable.

Key Words: consumer insecurity, scale development, digital age

1. INTRODUCTION

In recent years, China's consumption security problems take place frequently. Consumer’s suffered Powdered Milk mixed with ‘tripolycyanamide’, rat meat acting as lamb, illegal cooking oil used in snack bars on the street everyday. No one can guarantee with any product whatever baby food or elderly health products. Chinese consumers experienced shock from initial to apathy now. They have been accustomed to living in a variety of consumer insecurity.

Both the government and academicians usually look for the root of the problem from the perspective of laws, regulations and test inspection etc. However, it is another worthy question to understand the insecurity of Chinese consumers, such as how much insecurity they felt, the influence factors and the special consumption behavior under this environment. Scholars are mainly concentrated in the field of psychology on the study of insecurity and terror management theory. Consumer insecurity comes from the inherent as an individual on one hand, which named the individual safety or unsafety as a stable state (Plant 1938)[1]. It would also be affected by the consumption environment on the other hand. Rindfleisch, Burroughs and Wong (2009) published an important paper proposed four types consumer insecurities containing with existential insecurity, self insecurity, development insecurity and social insecurity in Journal of Consumer Research[2]. It adopted four psychological scales including 27 items. However, Chinese researchers Wang Tao and Zhou ling (2011; 2013) deleted 10 items when they tested Chinese consumers using this scale[3][4]. It means that Chinese consumer insecurity is distinct different. In addition, in the digital age, consumer insecurity has presented new characteristics. So it is an important premise to understand the concept of consumer insecurity and develop a new scale with high reliability efficiency and applicability for followed studies.

2. THEORETICAL BACKGROUND

2.1 Individual security

In 1917, Thomas[5] and Adler[6] mentioned the concept of security and insecurity in their books happens to coincide. It brought individual insecurity into psychology and sociology studies for the first time. Adler (1917, 1926, 1930) discussed individual insecurity from inferiority perspective and presented that individual inferiority is related to one’s physical defect[6][7][8]. Security was the basic needs of the individual from one’s ‘four desires’ by Thomas (1917)[5]. And then it became the core source of insecurity concept to social studies.

Among multitudinous theories about individual security research, the relatively more influential one is
hierarchy of needs framework put forward by Maslow in 1943. He pointed out that security needs is one of the most basic psychological needs compared with other physiological needs such as food and sleep. It is the most important components in personality [9]. Psychological security refers to ‘a feeling of confidence, security and freedom out from the fear and anxiety, especially the feeling of satisfying one’s all the needs now and the future’. Maslow also development a security-insecurity questionnaire (also called S - I questionnaire) based on his clinical practice.

Arnold Wolfers, a famous American international political scholar, put forward that security is the protection degree of values. It is the possibility of undermining the existing values and the prediction of the occurrence probability. The thinking process involves the subject and object of security [10]. Baldwin (1997) defined security from two aspects after that: one is security to whom and the other one is security to which value [11]. This definition distinguished the subject and object of security detailedly. Subject of security is abstract state of an individual and object of security refers to the scope of its application. However, the answer to both questions ‘security to whom’ and ‘security to which value’ depends on the focus to a part or to all of the individual, national, or global system. And the subject dimension can be further cleared as ‘how much is the security, where fear comes from, how it works, what it pays for and in which period of time’ and so on. Some other scholars' brought forward to another definition of security based on the key words of ‘master’ and ‘control’ from Blaze. They considered security as an individual presentiment of physical or psychological danger or risk. And it also involves individual’s strong or weak feeling facing to a special situation and mainly represented as certainty and sense of control [12].

Security is a kind of subjective state which is differed from safety as an objective situation. It is a self consciousness and evaluation of security principals to his or her self security status, which sometimes consistent with objective safety situation but sometimes refers to two different ranges. Although some scholars insisted that security did not present difference of degree in general. They considered individuals either have a sense of security or lack of it. Most of the scholars held the same view that security is a kind of degree, which means individuals with different degree of security depending on the different environment [10].

Security theory has been applied to many different areas and has a wide range of conclusions. Aristotle school of scholars believe that security is the ultimate goal of individual life while some other scholars regard it as a particular experience which could either forcing individuals to improve and becoming a prerequisite for individual progress [13], or having a destructive impact on the individual personality [14]. Some sociology and psychology scholars put forward some methods to get a sense of security, such as putting lower levels of desire so be not easily to disappoint, and never be urgent to get anything [15]. We could give sense of security to people who were in anxiety, for example, to give a hug to the child who was afraid of lions in zoo first and distract his attention by talking about other things lately. It could also help adults to ease the sense of insecurity by focusing on the conceptual elements which patients’ fears about [16].

2.2 Individual insecurity

Insecurity is a subjective perception or feeling about threat or risks out of control, such as sadness, sense of danger, uncertainty and anxiety and so on [17]. Generally speaking, insecurity is a basic psychological characteristic which human being has universally. When it developed out of control, it would be shown as anxiety, fear, suspicious, obsession, etc. The international academic studies of insecurity are mainly concentrated to four perspectives including psychology, sociology, economics and international relations or international security.

2.2.1 Psychological perspective

Security emphasized to individual psychological feeling compared with safety as physical security [18]. Scholars usually regarded security as a basic human need in psychological studies. They think that people will
pursue a sense of security after the satisfaction of basic physiological needs and security and insecurity is a pair of corresponding concepts which present a tendency or statement affected by the environment. So they are the same in nature.

2.2.2 Sociological perspective

Sociology researches are similar with psychology. The difference is that psychological researches pay more attention to psychological and biological behavior, and sociological researches focus on human society and the agent structure analysis. In the frame of the sociology, security is regarded as a goal or need, or a byproduct of certain experience [17]. So it is a more broadly concept used in sociological content than psychology. When the psychological research applied to analyze group or individual affected by social factors, studies belong to sociological research. Williams (1925) pointed out that security is a response to the social environment essentially, which is not a certain idiosyncracy of individual [16]. It means that scholars believe individual insecurity is not only a kind of personality traits but also would be affected by the external environment under the sociological perspective.

2.2.3 Economic perspective

Economics research originates from the relevant issues of international trade. Nesadurai (2005) discusses the concept of ‘economic security’ under the global background full filled with uncertainty. She thought that understanding the concept of economic security requires attention on insecurity caused by global capitalism, and it is need to be acknowledged the historical, political and social factors influencing to nation and society [19]. It emphasized the nation power security and individual economic needs considered based on historical, political and social factors. Economic security is limited to economic values, which is different from security. So it pays more attention to stable income, human/family basic consumption demand, market integrity and distribution balance.

2.2.4 International relations/international security perspective

International relations perspective research mainly focused on the use and control of military forces to eliminate uncertainty and threat [20]. Researchers argue that it is so important to deep comprehension of insecurity containing with individual and group in this perspective, because insecurity might destroy the continuity of knowledge and be not conducive to put forward the solutions of international conflict [21].

2.3 Consumer insecurity

The research finds out that consumer insecurity in marketing is more closely to psychological and sociological perspective from the literature review of individual security and insecurity. Consumer insecurity refers to the perceived threat, risk and uncertainty during consumption process. It is not only related to consumers' personal characteristics, and also affected with the consumption situation (such as the product quality, or the risk in the processing of consumption, etc.). Rindfleisch, etc. (2009) verified that consumer insecurity has a significant influence on brand connection, and the existential insecurity had the interaction influence with materialism [2]. After then, Wang Tao and Zhou Ling (2011, 2013) tested the four types of consumer insecurity would prompt consumers to buy nostalgic products [3][4].

3. RESEARCH PROPOSAL

3.1 Research design and method

In this research, scale development for Chinese consumer insecurity is realized through three major studies.

Study 1: connotation exploration and concept definition of consumer insecurity. Similarities and differences of consumer insecurity, perceived risk, uncertainty and other similar concepts are clarified, and main sources of customer’s individual insecurity are explored through qualitative research on in-depth interview.

Study 2: scale development of consumer insecurity. The constitutional dimension of consumer insecurity is explored through literature researches on marketing, psychology and other related fields as well as customer in-depth interview, critical incident technique and other methods. The initial question bank is established;
experts of this field are invited to identify and establish the preliminary question bank; small samples are pre-investigated and CITC scale is refined; the formal questionnaire is obtained and large samples are tested.

Study 3: empirical test: large sample questionnaire is carried out for the scale obtained from study 2. And multidimensional scale of consumer insecurity is verified through confirmatory factor analysis, structural equation model and other advanced quantitative analysis.

3.2 Research hypothesis

3.2.1 Individual insecurity

Internal individual insecurity is determined by early personal experience, especially the personal experience in the babyhood—which is descried in detail by psychological theory. Plant (1937) thought security or insecurity is a mental state established in the babyhood, so he proposed that the love and care in the lactation period posed crucial influences upon individual security. So insecurity is replaced by other similar vocabularies such as “anxiety”, “inferiority” and “inadequacy” in some researches. Murphy et al (1942) thought only individuals rooted stably have secure emotions,……while individual insecurity is mainly originated from the quality and content of experiences in the babyhood, which is supported by plenty of references such as Anna Freud (1937), Healy et al (1930), Hinkle (1923), Shirley (1947), Baruch (1949) and Wallin (1935). Rank (1945) also emphasized the relation between experiences in the babyhood and anxiety in the adulthood, but the internal insecurity is relatively stable and difficult to change, it is a part of individual personalities.

In the fierce social competition, the insecurity arising from the comparison with peers results in “inferiority” and individual insecurity. The extreme form of inferiority is deemed as nervousness (Ross, 1924). Schaalhausen (1929) and Van der Hoop (1939) thought many miseries were originated from comparison; Elliott and Merrill (1941) thought poverty led to grim competition which will increase the individual insecurity. It’s commonly seen in our daily life that individual inferiority may come after the comparison of elementary school student’s pocket money or the college entrance examination achievements, which will hasten insecurity to come into being and even turn it into a relatively solidified state all the lifetime.

In conclusion, hypothesis 1 is proposed:

H1: individual insecurity is an important dimension for consumer insecurity, including the self, development, social contact and other factors.

3.2.2 Health and Existential insecurity

Researches on existential insecurity focus on Terror Management Theory (TMT theory for short) and materialism, dated to relevant researches of Becker (1973) on the construction of general human motivation theory. “The fear of death makes human animals, it is also the dominant motive of human activities. The fear of death can induce high anxiety of individuals and affect self-esteem of individuals.” Till now, there are more than 200 research literatures on TMT theory and numerous research results. Existing researches verify that mortality salience can increase the in-group preference and support native goods (Harmon-Jones et al, 1997; Liu and Smeesters, 2010), and some prove that mortality salience experiment shows excessive consumption, incontinent diet, emotional consumption and other behaviors (Sheldon and Kasser, 2008; Mandel and Smeesters, 2008; Li Dongjin et al, 2012). Nevertheless, scholars think anxiety of death may result in reflection of death; in other words, values are remolded and intrinsic values are pursued such as spirit consumption and weakened material ownership from the point of individual consuming behavior (Cozzolino et al, 2004). It means that different processing modes of death information will lead to different consciousnesses of death and different reaction mechanisms of consumer behaviors. Therefore, information processing models for mortality salience should be profoundly analyzed. Then, hypothesis 2 is thus proposed:

H2: Health and existential insecurity is an important dimension for consumer insecurity, including health threat, death threat and other factors.
3.2.3 Environmental insecurity

Individuals have instinctive emotional response to sudden threat from the outside world, such as scare or fear, or astonishment under extreme cases, especially unusual threats in daily life. Sullivan (1942) said ‘if you keep believed and unsuspicious and your belief suddenly stops supporting you……confusion will follow closely. Then, individual will become a prey of complete insecurity.’ Thus, Kirkpatrick (1941) called it “external” and “contemporary” insecurity. In the consumption environment, many similar threats also affect consumer insecurity and pose significant influences upon consumer behaviors. For example, consumers rushed to purchase “isatis root” for “SARS” in 2003, resulting in extreme panic.

Environmental insecurity signifies a stable and favorable development environment, but poor economic income, hopeless career or low socioeconomic status etc arising from changes of such a stable environment will result in consumer insecurity. For instance, Lynds (1937) discovered that individual insecurity will increase, fluctuate uniformity and stimulate potential problems in the economic depression period, and unemployment insecurity even leads to the tendency of individual fascism. Sheldon and Kasser (2008) controlled future negative economic expectation of individuals through experiments and discovered that it can enhance the priority of consumers to external goal pursuits. In spite that the economic growth rate remained above 8% in recent years, Chinese people were still confronted with long-term economic troubles due to “unaffordable consumption”, and peculiar consumption is generated from the insecurity thus incurred. On one hand, the consumption of overseas luxuries increases year after year and shows the high pursuit to external targets; on the other hand, people dare not to spend money and the national saving ratio stays on the top, indicating continuous anxiety about economic threat. Then, hypothesis 3 is thus proposed:

H3: environmental insecurity is an important dimension for consumer insecurity, including economic expectation, media exposure in digital times and other factors.

3.2.4 Experiential insecurity

In case of experience similar to consumption insecurity, consumers will internalize it as a consumption experience and evolve it into a long-term relatively stable insecurity state. It is a specific insecure perception of Chinese consumers different from those in developing countries. For example, 22 brands of dairy products such as Ely, Mengniu Dairy and Yashily were trapped in “tripolycyanamide” powdered milk incident in 2008 except that Sanlu went bankrupt. With remarkable overflow effect, these series of product harm crises directly cause the distrust of Chinese consumers to domestic milk powder, and instead purchase imported milk powder. Then, hypothesis 4 is thus proposed:

H4: experience insecurity is an important dimension for consumer insecurity, including monetary loss, emotion influence, lack of trust and other factors.

4. RESEARCH SIGNIFICANCE AND EXPECTED RESULT

This research is aimed at investigating connotation and structure of consumer insecurity, constructing and empirically testing the scale of Chinese consumer insecurity. Whereas existing researches are scattered in relevant psychological and sociological references, there are scare researches on individual and environmental insecurity of consumers from marketing perspective. Thus, there will be a large space for future researches.

First, in-depth study of influence factors of individual insecurity is carried out. Researchers who focus on causes of individual insecurity should not only investigate more antecedent variables but also further discuss the synergistic effect of influence factors upon individual insecurity, namely, whether internal and external influence factors upon consumer insecurity are interacted. In the perspective of psychology, individual insecurity is affected by early experience; in the perspective of sociology, it is affected by social economy, peer competition, political stability and other external factors in the adulthood. Thus, future researches can further focus on discussing antecedent variables and thoroughly investigating whether these variables as well as internal and
external factors are crosswise affected. Moreover, individual environment variables in the consumption process are studied and supplementary researches on antecedent variables of individual insecurity are conducted from the point of consumption environment.

Then, in-depth study of influence results of consumer insecurity is carried out. Future studies can be deepened and enlarged from two aspects; one if the influencing mechanism of insecurity for consumers' purchasing decisions and the other is the negative effects of consumers upon enterprises. As for the influencing mechanism of individual insecurity for consumption attitude and behavior in consumers' purchasing decisions, which consuming behaviors will consumers perform under the influence of insecurity? Which consuming behaviors do individuals adopt to defend against personal insecurity? Furthermore, which influences will consumer insecurity pose upon enterprises? How should enterprises cope with consumer insecurity? As an important part of the consumption environment, how should enterprises provide consumers with security?

Last but not the least, Chinese consumption environment is stressed, namely, differences in the individual insecurity of different cultures. It is conducive to further enlarge the research scope and compare cultural differences. When measured against other cultures, features of consumer insecurity are studied under Chinese culture. Future researches focus on the effects of culture difference, such as consuming behavior characteristics coexisting in luxury purchasing and high saving rate of Chinese consumers. Along with economic transition, Chinese conservative consumption concepts are affected by western premature consumption concepts and unique insecurity of Chinese consumers, and so on.

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