IJACT 22-12-44

A Study on the Influence of National Image on Mongolian Consumers' Repurchase Intention of Cosmetics - Focusing on the mediating effect of perceived quality and eco-friendly product image -

[1]Tuvshinbayar Bolortsetseg, [2]Min Jung Kang

[1]A master's degree graduate., Dept. of Business Administration, Mokpo National Univ., Korea
[2]Associate Prof., Dept. of Business Administration, Mokpo National Univ., Korea
7minjeong@hanmail.net

Abstract

The purpose of this study is to investigate the effect of the national image on the intention to repurchase Korean cosmetics products from the perspective of consumers. This study investigated the effect of the Korean national image on the repurchase intention through the perceived quality and eco-friendly product image for Mongolian consumers. This study conducted a survey of Mongolian consumers, and the survey was conducted online with a total of 110 people. The analysis method was verified using the SPSS 18 program. As a result of the analysis, it was confirmed that the national image had a positive and significant effect on Mongolian consumers' intention to repurchase Korean cosmetics. In addition, it was found that perceived quality or eco-friendly product images play a mediating role in the relationship between the national image and the intention to repurchase cosmetics.

Keywords: National Image, Perceived Quality, Eco-friendly Product Image, Repurchase Intention

1. INTRODUCTION

According to a cosmetics distributor, Mongolia has four seasons and the demand for functional cosmetics such as high moisturization and wrinkle improvement is on the rise due to the dry cold climate. Mongolia imports cosmetics from about 50 countries, including Korea, Poland, Russia, Japan, France, and the Netherlands, and Mongolia's imports from Korea have topped the list since 2020. In 2020, despite the overall reduction in the import market, with Mongolia's total imports reduced to 13.6% and Korea's imports also decreased by 11.7%, Korea's imports increased by about 30%, becoming the largest importer. Basic cosmetics account for a large portion of Mongolia's imports of Korean cosmetics, and recently, imports of related products have increased rapidly due to the increase in women's interest in manicures and pedicures. There are various Korean cosmetics brands distributed in Mongolia. The reason why Korean cosmetics account for more than 20% of the Mongolian cosmetics market is that K-Beauty is already in place. There are official dealers of K-Brand and import and distribute them through intermediate traders in Korea. Usually, Mongolian importers are often formal dealers of several brands, and local consumers are looking for a comprehensive store where

they can purchase various brand products rather than professional brand shops, so importers are keeping pace with this trend. In addition, marketing through influencer and SNS is the trend in the Mongolian cosmetics market these days. More than 100 Korean brands are widely known to consumers through influencer and SNS marketing, and the demand for new brands to enter the market is steadily increasing [1]. As such, Mongolia has a clear preference for foreign brands, especially Korean cosmetics. Therefore, this study attempts to determine the cause of Mongolian consumers' high preference for Korean cosmetics. Specifically, the cause of Mongolian consumers' preference for Korean cosmetics is set as a national image, and the effect of the national image on consumers' intention to repurchase Korean cosmetics is to be investigated. In addition, we would like to verify whether the perceived quality and eco-friendly product image mediate the relationship between the national image and the intention to repurchase cosmetics.

2. THEORETICAL BACKGROUNDS

2.1 National Image

Kotler (1997) defined images as a set of human beliefs, views, and impressions [2]. The national image is defined as a general understanding of the quality of products produced in the country. The state of the country is the source of the product and the purpose of evaluating and purchasing consumer products. The national image is an essential element of national development and creates additional national value-added creation effects [3]. Billey and Nes (1982) emphasized that the national image influences the image of the product and is an important variable in the consumer's decision-making process. In addition, national images are an important criterion for evaluating external factors such as quality, design, and color [4]. In the era of globalization, the importance of national image, corporate image, and brand image is increasing. In order to build a competitive national brand in the global market, cultural images of people and businesses in a particular country play a very important role in shaping the overall image of the country [5]. The national image has a significant effect on product selection, and the stronger the national image, the higher the probability of product selection [6]. Lee (2003) mentioned the importance of the national image as follows. First, country images are used to evaluate products, for example, consumers who lack experience in products make purchase decisions about products using country images before searching for product information. Second, when foreign consumers purchase overseas products, the national image has higher delivery power for products than products and helps predict purchases. Third, the national image is important to expand the scale of national trade and increase the availability of international goods [7].

2.2 Repurchase Intention

Intention refers to an individual's expected or planned future behavior, and is the probability that beliefs and attitudes will be transferred to action. The repurchase intention can be explained by the possibility or intention of purchasing the purchased company's product or service when the consumer wants to purchase the company's product or service again in the future. Repurchase intention is influenced by the overall feeling and evaluation felt after purchasing a product or service. If consumers are satisfied with the product or service, the probability of repurchase increases. However, consumers who are dissatisfied with the product and service will spread negative word of mouth about the product [8]. Revisiting often refers to the intention and possibility of consumers to re-use a product or service or recommend or recommend it to others [9]. The intention to revisit has been recognized as a reaction after customers or consumers felt satisfaction from the use of the goods they purchased [10].

3. HYPOTHESES

3.1   Relationship between National Image and Repurchase Intention

Seo (2007) set product involvement and national recognition as moderator variables and studied the effect of national image on product evaluation and purchase intention, and as a result, regardless of product involvement, it was found that the national image affects consumers' purchase intention [11]. Kim (2007) said that the national image does not directly affect the consumer's product purchase intention, but indirectly affects the consumer's product purchase intention by mediating product trust. In addition, he argued that increasing cultural diversity and homogeneity of life patterns between countries are the main environmental characteristics of cultural images perceived by consumers, and examining differences is a research task on the impact of cultural images on product images [12]. The hypothesis is as follows.

H1: The national image will have a positive and significant effect on the intention to repurchase cosmetics.

3.2   The mediating role of perceived quality in the relationship between national image and repurchase intention

Aaker (1991) argued that perceived quality felt by consumers directly affects purchase intention and brand attitude, and that subjective judgment on perceived quality has a greater impact on purchase if the consumer's motivation to purchase is low [1, 13]. Garvin (1987) argued that perceived quality is a quality that is evaluated indirectly by images, brands, products, and advertisements, and is a subjective quality of consumers and distinguished from objective quality. In other words, subjective quality was defined not only as the attributes of the product itself, but also as non-product attributes, user perspectives, product characteristics, indicators, prices, and costs of the product [14]. Bettman & Park (1980) said that quality is the overall feeling of a perfect brand, and high quality means a high-end brand of consumers. Therefore, it is said that overall quality is more important than the detailed characteristics of a specific product, and brand sensitivity represents the quality of the brand considered by customers. The quality of the brand is characterized by product attributes such as product performance and stability and the general sense of the brand, and the more sensitive consumers are to the quality, the more experienced the brand is [1]. If the national image is viewed as a general perception of the quality of products produced in a specific country at the product level, it is appropriate to identify the national image as a leading factor in product quality perception. Product quality evaluation is made after perceiving information clues about the product, and the evaluation results made by perceiving the value of the product are linked to behavioral intentions [15].

H2: Perceived quality will positively and significantly mediate the relationship between the national image and repurchase intention.

3.3   The mediating role of perceived quality in the relationship between national image and repurchase intention

Aaker (1991) argued that perceived quality felt by consumers directly affects purchase intention and brand attitude, and that subjective judgment on perceived quality has a greater impact on purchase if the consumer's motivation to purchase is low [1, 13]. Garvin (1987) argued that perceived quality is a quality that is evaluated indirectly by images, brands, products, and advertisements, and is a subjective quality of consumers and distinguished from objective quality. In other words, subjective quality was defined not only as the attributes of the product itself, but also as non-product attributes, user perspectives, product characteristics, indicators, prices, and costs. Based on the recent need for green growth, the Basic Act on Low Carbon Green Growth

defined eco-friendly products as 'products that minimize the input of energy and resources and the generation of greenhouse gases and pollutants'. Berchicci & Bodewes (2005) defined eco-friendly products as products that minimize environmental pollution in the development, manufacturing, use, and disposal stages [16].

H2: The eco-friendly product image will positively and significantly mediate the relationship between the national image and repurchase intention.

4. RESULTS

4.1 Respondents

This study surveyed 112 consumers living in the capital of Ulaanbaatar, Mongolia, collected a total of 112 copies by online survey, and 110 response data were used for analysis except for the questionnaire of respondents who did not respond faithfully, and the survey period was from October 27, 2017 to November 10, 2017. The data obtained through this study were analyzed using SPSS 18.0(ver.) for statistical processing.

4.2 Characteristics of the sample

First of all, the results of the demographic characteristics of Mongolian consumers who responded to the survey are as follows.
A total of 110 consumers (100%) responded to the survey of this study. The gender of the respondents was 6 men (5.5%) and 103 women (93.6%). The age distribution was 45 (40.9%) in their 20s, 44 (40%) in their 30s, and 29 (18.1%) in their 40s and older. We also looked at whether to purchase Korean cosmetics. 107 (97.3%) of consumers said they had "purchased" and 2 (1.8%) said they had "no." Recommended (8 people, 7.3%), advertising and promotion (8.2%), store employees' recommendations (24, 21.8%), advertising models (10 people, 9.1%), Internet articles (9 people, 8.2%), coincidences (12 people, 11%), others (42, 38.1%). As for route purchases, department stores (22 people, 20%), large discount stores (27, 24.5%), Internet shopping (10 people, 9.1%), direct purchases (32, 29.1%) in Korea, and others (18 people, 16.4%).

4.3 Reliability Analysis

The internal consistency of the variables is used a lot to verify the reliability of the research variables measured in multiple items.Cronbach's α coefficient is widely used to measure internal consistency. Most of the research variables measured in this study showed that the Cronbach's α coefficient was 0.8 or higher, indicating that the measurement items were measured at a relatively high level. The Cronbach alpha values are as follows. The 'National Image' is .911 with 6 items, 'the perceived quality' is .961, 'the eco-friendly product image' is .954, and 'the repurchase intention' is .903 with 4 items.

4.4 Hypothesis Verification Results

The internal consistency of the variables is used a lot to verify the reliability of the research variables measured.

(1) Hypothesis-H1 Verification Results
In this study, simple regression analysis was used to verify Hypothesis 1. As a result of the analysis, the coefficient of determination was significantly 0.264 in the summary of the model. The results of regression analysis are shown in Table-1.

Table 1. Effect of National Image on Reintention

Dependent variable	Independent variable	B	SE	t	Results
Intention to repurchase	Constant	1.279	.512	2.497	.000***
	National Image	0.628	.053	5.311	.000***
R=0.046, R^2=0.002, Adjusted R^2=.264, F=39.825, P=0.000 *p < .05, **p < .01, ***p < .001					

(2) Hypothesis-H2 Verification Results

Whether the national image is statistically significant in repurchase intention through perceived quality can be confirmed by applying bootstrapping using the SPSS Marco method suggested by Hayes & Peacher (2012) [17]. The number of samples re-extracted for bootstrapping was 10,000 and the lower and upper limits of the indirect effect obtained from the 95% confidence interval were 0.4283 and 0.9628, respectively, so the mediating effect of perceived quality is statistically significant. In other words, the national image increases the perceived quality, which leads to repurchase intention. The mediating path is statistically significant, and the effect of the national image directly affecting the repurchase intention was not significant, so it can be seen as supporting the complete mediating model. The results of the study are shown in <Table-2>.

Table 2. Mediation Effect of Perveived Quality

Effect	Mediation Effect's Coefficients	Boot, SE	95% confidence interval	
			Boot LLCI	Boot ULCI
Indirect Effect	0.6811	.1355	.4283	.9628
Direct Effect	-.0531	0.1646	-.3794	.2732
Total Effect	.6280	.0995	.4307	.8253

(3) Hypothesis-H3 Verification Results

Whether the national image is statistically significant in repurchase intention through the eco-friendly product image can be confirmed by applying bootstrapping using the SPSS Marco method suggested by Hayes & Peacher (2012). The number of samples re-extracted for bootstrapping was 10,000, and the lower and upper limits of the indirect effect obtained from the 95% confidence interval are 0.2806 and 0.6977. Respectively, so the eco-friendly product image's mediating effect is statistically significant. In other words, it can be seen as supporting the complete mediation model because the national image improves the the eco-friendly product image, the mediating path that leads to the repurchase intention is statistically significant, and the effect of the national image directly affecting the repurchase intention is not significant.

Table 3. Mediation Effect of The Eco-friendly Product Image

Effect	Mediation Effect's Coefficients	Boot, SE	95% confidence interval	
			Boot LLCI	Boot ULCI
Indirect Effect	0.4669	0.1060	0.2806	0.6977
Direct Effect	0.1611	0.1203	-0.0774	0.3996
Total Effect	0.6280	0.0995	.4307	.8253

5. CONCLUSION

5.1　The implications

The results of this paper are as follows.

First, this paper studied the relationship between Korea's national image and repurchase intention. The hypothesis that the image of the country will have a significant effect on the consumer's repurchase intention was adopted. The more positively consumers perceived the national image of the product, the higher the consumers' intention to repurchase the country.

Second, the hypothesis was adopted as it was found that the national image had a significant effect on the repurchase intention through the perceived quality. In other words, it suggests that consumers' perception of the country's product quality as a leading variable in the relationship where the national image affects the repurchase intention should be high.

Finally, it was found that the eco-friendly product image significantly mediated the relationship between the national image and the repurchase intention.

Next, the implications of this study are as follows.

First, as a result of the study, it suggested the importance of the national image in influencing the repurchase intention of cosmetics products to Mongolian consumers, which showed results consistent with existing papers.

Second, in the previous paper, only the relationship between the national image and the repurchase intention was mentioned, but there were few papers on what variables mediated the relationship between the two. This study showed that perceived quality and eco-friendly product images play an important role in the relationship between national image and cosmetic product repurchase intention, showing that even if consumers positively perceive the national image of cosmetics, the national image does not directly affect consumer repurchase intention. This suggests that in order for Korea's national image to help consumers make continuous purchases, it is essential to connect with perceived quality or eco-friendly product images.

Finally, this study has important implications in terms of changes in perceptions of foreign countries in the future. By revealing Mongolian consumers' purchasing behavior for Korean products, it will provide information necessary to establish plans and strategies for Korean companies to enter the Mongolian market. In order to enhance the national image of Korea, a strategy to raise the level of Hallyu culture in the Mongolian market is needed, and a promotion strategy to spread knowledge and information about Korea's national image through various media such as SNS will also be needed. In addition, from the standpoint of Korean companies, it is necessary to develop and revitalize cultural products that have Korea's unique culture[18].

5.2　Limitation

First, this study conducted a survey of people in their 20s and 30s. Therefore, the sample group in the survey lacks representation in representing the consumers of Mongolia as a whole. Therefore, in future studies, it is necessary to study Mongolian consumers of various ages and various consumers in other regions.

Second, since this study surveyed the national image of Korea for Mongolian consumers, it is difficult to represent the image of Korea perceived by all consumers. Therefore, in future studies, it is necessary to increase the diversity of research by investigating the image of Korea or other countries targeting consumers around the world.

REFERENCES

[1] A new trend in the Mongolian cosmetics market brought by COVID-19, Kotra, September, 2020.

[2] P. R. Kotler, Marketing Management: Analysis, Planning, Implementation, and Control. Upper Saddle River, NJ: Prentice Hall, 1997

[3] W. W. Heo, The Impact of National Image on the individuality, product evaluation, and loyalty of Korean fashion brands: focusing on consumers in Shanghai and Shenyang, China, Ph.D. Thesis. Konkuk University, South Korea, 2011.

[4] Bilkey, W., and Nes, E. "Country of Origin Effects on Product Evaluations," *Journal of International Business Studies*, Vol. 8, pp. 89-99, 1982.

[5] N.H. Jiménez, and S. San Martín, "The Role of Country-of-Origin, Ethnocentrism and Animosity in Promoting Consumer Trust. The Moderating Role of Familiarity," *International Business Review*, Vol. 19, 34-45, 2010.

[6] B.S. Lee, "A Study on the Impact of Country Image on selection of Goods and the Moderating Effect of Brand Personality", *Korea Trade Review*, 34(2), 73-90, 2009.

[7] H.Y. Lee, "Effects of the Country Image on the Evaluations of Bi-national Brand –in the Context of Brand Image and Familiarity-", Kyoung Hee University, South Korea, 2003.

[8] J.E. Park, Consumer's Satisfaction and Consumer Attitudes Buying Intentions of Brand Image that Appeared in the Impact of Research with Beauty Academic as the Center", a master's thesis. Seokyung Univeresity, South Korea, 2014.

[9] P. Kotler, Marketing Management: Analysis, Planning, Implementation, and Control, Englewood Cliffs: Prentice Hall, 1991.

[10] G.L. Kim, "Mediating Effect of Destination Mood and Mood State on Relationship between Tourism Experience and Memory and Revisit Intention," *The Journal of the Convergence on Culture Technology*, Vol. 8, No. 4, pp.1-9, July 31, 2022.

[11] B.H. Seo, "Korean Make Product Image perceived by Chinese Young Consumer and its Impact on Quality Evaluation and Purchase Intention - A Case for Cell Phone," *Korea Trade Review*, Vol. 32, No. 5, pp. 247-267, 2007.

[12] B.C. Kim, "An Empirical Study on the Effects of Country Image on Product Image," a master's thesis, Hanyang University, 2007.

[13] D.A. Aaker, Managing Brand Equity. The Free Press, New York, 1991.

[14] D.A. Garvin, "Competing in the Eight Dimensions of Quality," *Harvard Business Review*, 87, 101-109, 1987.

[15] J.Y. Park, D.B. Chae, & J. Dan, "The Effect of Perceived Product Quality and Experience Attributes of Cosmetic Stores on Performance: Comparison of Korean and Chinese Consumers," *Korean Journal of Business Administration*, Vol. 27, No. 12, 2239-2263, 2014.

[16] L. Berchicci, & W. Bodewes, "Bridging Environmental Issues with New Product Development," *Business Strategy and the Environment*, 14(5): 272-285, 2005.

[17] A. Hayes, & K. Preacher, "Statistical mediation analysis with a multicategorical independent variable (Manuscript in review, July, 1-51).", 2012.

[18] J.S. Jung, "Development and Production of Cultural Products Using Jumchi Technique," Development and Production of Cultural Products Using Jumchi Technique," *The Journal of the Convergence on Culture Technology (JCCT)*, Vol. 8, No. 3, pp.83-89, 2022.