

**Does consumer xenocentrism have a “dark side”?
Its impact on compulsive buying and brand addition**

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ABSTRACT

Drawing on literature on consumer xenocentrism (C-XEN) and dysfunctional consumer behavior, we investigate the impact of C-XEN on (a) compulsive buying, and (b) brand addiction, using conspicuous consumption orientation as a mediating variable. To this end, we develop a serial mediating model and test it on samples of Peruvian (N=203) and Italian consumers (N=456). Our results reveal that C-XEN indeed has a “dark side” as it encourages compulsive buying and positively stimulates brand addiction. These findings have important practical implications for both foreign and domestic producers and are also of relevance to public policy makers concerned with issues of consumer well-being.

Keywords: consumer ethnocentrism, conspicuous consumption, compulsive buying, brand addiction

INTRODUCTION

Consumer xenocentrism (C-XEN) captures “a consumer’s internalized belief of the inferiority of domestic products and a corresponding propensity to prefer foreign products for social aggrandizement purposes” (Balabanis & Diamantopoulos, 2016, p. 61). Unlike other pro-outgroup constructs such as consumer cosmopolitanism (Cleveland et al., 2009) or world-mindedness (Nijssen & Douglas, 2008), C-XEN is simultaneously *both* pro-outgroup *and* anti-ingroup. It is this dual nature of the construct – capturing negative self-stereotyping and outgroup favoritism – that makes C-XEN both unique and particularly interesting as an explanatory variable of foreign purchase behavior.

Research on C-XEN has sought to identify its potential antecedents/drivers (e.g. Mueller et al., 2016); measurement scales to operationalize the construct (e.g. Rojas-Méndez & Chapa, 2019); link C-XEN to other constructs such as materialism and global consumption orientation (e.g. Prince et al., 2016); examine its impact on consumer attitudes, purchase intentions and brand loyalty (e.g. Camacho et al., 2020); and model the pathway through which xenocentric tendencies impact foreign brand choice (e.g. Diamantopoulos et al., 2019). Surprisingly, however, extant literature has yet to investigate the “dark side” of the construct, that is, dysfunctional aspects of consumer behavior (Hirschman, 1992; Fournier & Alvarez, 2013) brought about by xenocentric tendencies. By “dysfunctional” we mean consumer psychological states and associated actions that, while potentially benefitting firms, have harmful effects on consumer well-being.

In this paper, we focus specifically on two core constructs capturing dysfunctional consumer behavior: compulsive buying and brand addiction. Compulsive buying involves “chronic, repetitive purchasing that becomes a primary response to negative events or feelings” (O’Guinn & Faber, 1989, p. 155), what is commonly referred to as “buying for the sake of buying”; consumers displaying such tendencies are often referred to as “shopaholics” or “binge shoppers”. Regarding the brand addiction, basically, extant literature has focused on the positive side of consumer relationship with a specific brand, also strengthened by the digital marketing tools (Mariani and Matarazzo, 2020; Matarazzo et al., 2020). We instead refer to brand addiction as the “psychological state that involves mental and behavioral preoccupation with a particular brand, driven by uncontrollable urges to possess the brand’s products and involving positive affectivity and gratification” (Cui et al., 2018, p. 124). Importantly, “while compulsive buying is focused on the process of buying/shopping and spending, brand addiction is focused on a specific brand” (Mrad & Cui, 2020, p. 400).

Against this background, we develop and empirically test a model linking C-XEN to compulsive buying and brand addiction, using conspicuous consumption orientation

(Chaudhuri et al., 2011) – namely the tendency to engage in “visible consumption of goods as a mechanism to enhance social standing” (Grace & Griffin, 2009, p. 15) – as a mediating variable.

CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

We use the serial mediation model in Figure 1 in which (a) conspicuous consumption orientation mediates the effect of C-XEN on compulsive buying, and (b) conspicuous consumption orientation and compulsive buying *serially* mediate the effect of C-XEN on brand addiction. As all three endogenous variables in our model are potentially susceptible to social desirability bias (King & Bruner, 2000), we explicitly control for socially-desirable responding when assessing the model relationships.

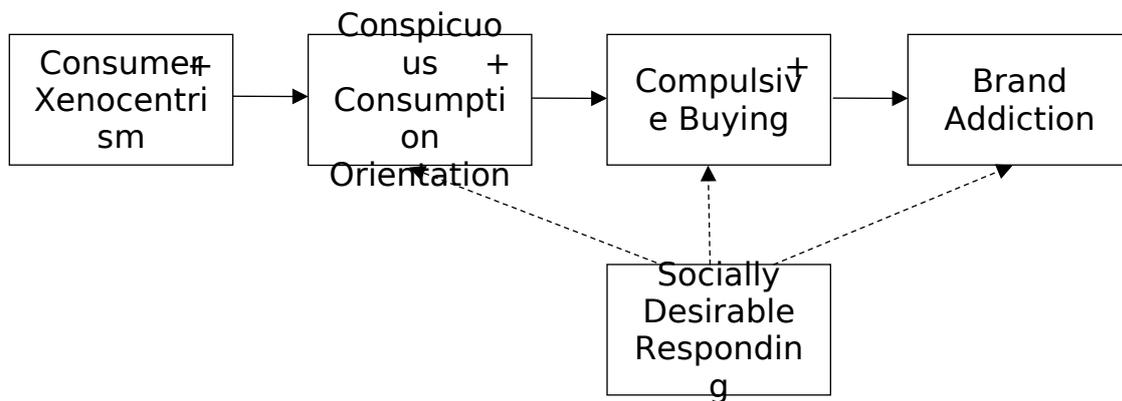


Figure 1: Conceptual Model

The following hypotheses are proposed (based on relevant literature):

- H1: C-XEN will be *positively* related to conspicuous consumption orientation.
- H2: Through its impact on conspicuous consumption orientation, C-XEN will be *positively* related to compulsive buying.
- H3: The impact of C-XEN on brand addiction is expected to be *positive* and will be *serially* mediated by conspicuous consumption orientation and compulsive buying.

METHODOLOGY

We estimate our model on consumer samples from Peru (a developing country; N=203, (60.5% female, $M_{age} = 43.0$, $SD_{age} = 15.63$) and Italy (a highly developed country; N=456, 52.6% female, $M_{age} = 48.2$, $SD_{age} = 16.27$). Data were collected with an online survey and backtranslation was used to ensure translation equivalence (Behling & Law, 2000).

Study participants were first asked to name their favorite brand in a product category they could freely select. A total of 116 different brands were mentioned by the Peruvian respondents and a total of 195 brands by the Italian respondents, spanning a wide variety of product categories, including apparel, technology, cosmetics & personal care, automotive, and food & nutrition. The most popular brands in both samples were Nike, Samsung, and Adidas.

Following the indication of their favorite brand, respondents were subsequently exposed to established scales measuring the constructs in Figure 1 drawn from the literature (Mrad and

Cui's (2017) brand addiction scale; Faber and O'Guinn's (1992) compulsive buying scale; Chaudhuri et al.'s (2011) conspicuous consumption orientation scale; Balabanis and Diamantopoulos' (2016) consumer xenocentrism scale; and four items from Ray's (1984) social desirability scale).

To address potential common method variance (CMV; Podsakoff et al., 2003), on the procedural side, we promised respondents anonymity, informed respondents that there were no right or wrong answers, and exposed respondents to the dependent variables first to avoid priming effects. On the statistical side, as already mentioned, we explicitly included socially-desirable responding as a "method factor" in our model (see Figure 1) to avoid confounding the substantive relations among the constructs of interest with stylistic response effects.

ANALYSIS AND RESULTS

Of the 203 Peruvian respondents, no fewer than 156 (76.8%) indicated a foreign brand as being their favorite, with only 47 (23.2%) mentioning a domestic brand. This is a highly significant difference ($z_{\text{proportion}} = 7.637$, $p < 0.001$) and indicates a clear preference for foreign brands by Peruvian consumers. As expected, consumers listing a foreign brand as being their favorite are significantly more xenocentric than those listing a domestic brand ($M_{\text{FOREIGN}} = 2.72$, $SD = 1.08$; $M_{\text{DOMESTIC}} = 2.40$, $SD = 0.93$; $t = 1.830$, $p < 0.05$).

Of the 456 Italian respondents, 285 (62.5%) indicated a foreign favorite brand and only 171 (37.5%) mentioned an Italian brand. Again, this difference is highly significant ($z_{\text{proportion}} = 5.339$, $p < 0.001$), revealing a strong preference for foreign brands by Italian consumers. As in the Peruvian sample, Italian consumers listing a foreign brand as being their favorite are significantly more xenocentric than those listing a domestic brand ($M_{\text{FOREIGN}} = 3.12$, $SD = 1.14$; $M_{\text{DOMESTIC}} = 2.77$, $SD = 1.17$; $t = 3.096$, $p < 0.01$).

We used Model 6 of the PROCESS routine (Hayes, 2018) with 5,000 bootstrap resamples to test our research hypotheses and obtain 95% bias-corrected bootstrap confidence intervals (BCCIs) for the indirect effects. As from a conceptual viewpoint we expect that the impact of C-XEN is particularly relevant for foreign brand purchases, we estimate our model on the sub-samples of foreign favorite brands ($N_{\text{PERU}}=156$, $N_{\text{ITALY}}=285$).

In both samples, C-XEN positively and significantly impacts conspicuous consumption orientation thus supporting H1. The amounts of variance explained (18.6% in Peru and 32% in Italy) correspond to medium and large effect sizes respectively (Cohen, 1988).

Regarding the hypothesized link between C-XEN and compulsive buying (H2), the indirect effect through conspicuous consumption orientation is positive and the 95% bias-corrected confidence interval does not include zero in both samples. This provides support for H2. The amounts of variance explained in compulsive buying (16.9% in Peru and 47.2% in Italy) correspond again to medium and large effect sizes respectively.

The serial mediation hypothesis linking C-XEN to brand addiction (H3) is also supported in both samples since the serial indirect effect through conspicuous consumption and through compulsive buying is positive and the associated 95% bias-corrected confidence interval does not include zero. In Peru, the direct effect of C-XEN on brand addiction is also positive and significant, indicating complementary mediation. In contrast, in Italy, the corresponding direct effect is not significant, implying indirect-only mediation. The variance explained in brand addition (18.5% in Peru and 24.4%) indicates a medium effect size in both samples.

The analysis further reveals additional indirect pathways linking C-XEN to brand addiction. The first additional pathway involves conspicuous consumption as the sole mediating variable between C-XEN and brand addiction and is observed in both samples. The

second pathway is observed only in the Italian sample and involves conspicuous consumption as the sole mediating variable between C-XEN and brand addiction. Thus, overall, there are several complementary routes through which C-XEN can impact brand addiction.

DISCUSSION AND CONCLUSIONS

In a recent paper on C-XEN, the authors conclude that “the extent to which C-XEN is related to “dysfunctional” aspects of consumer behavior such as compulsive buying or brand addiction is another issue deserving research attention” (Diamantopoulos et al., 2019, p. 593). Responding to this research call, the present study is – to the best of our knowledge – the first to investigate the “dark-side” of the C-XEN construct as reflected in outcomes that are potentially detrimental to consumer well-being. Our results in two contrasting empirical settings show quite conclusively (1) that C-XEN does encourage both compulsive buying and brand addiction, and (2) that a key mediating variable in this respect is conspicuous consumption orientation. These findings have several implications for theory and practice as discussed below.

From a theoretical perspective, we contribute to international marketing literature by revealing the pathways through which C-XEN influences compulsive buying behavior and, ultimately, brand addiction. Our results support previous findings linking compulsive buying to brand addiction (see Mrad & Cui, 2020) but also reveal an additional important driver of the latter, namely conspicuous consumption orientation which is particularly prevalent among xenocentric consumers. It is by encouraging conspicuous consumption that C-XEN stimulates compulsive buying as well as brand addiction, with all the negative consequences that such behaviors entail.

From a managerial perspective, our findings will be music to the ears of foreign firms offering products that are conspicuously consumed as they identify a promising market segment – xenocentric consumers – for targeting. Particularly firms offering status-related products (e.g. luxuries) can capitalize on the social aggrandizement dimension of C-XEN by highlighting the social and symbolic values of their brands in their communication efforts. By doing so, the conspicuous consumption orientation of xenocentric consumers will be stimulated, eventually resulting in brand addiction. In short, foreign firms are likely to benefit from employing marketing strategies geared towards encouraging conspicuous consumption as consumers engaged in such activity are more likely to become brand addicts (see Eastman & Eastman, 2015 and Martin et al., 2013 for a discussion of relevant strategies).

While our findings might be good news for foreign companies, the same cannot be said from a public policy perspective. The revealed (indirect positive link of C-XEN with compulsive consumption is particularly worrying, given the latter’s harmful consequences for consumer well-being (O’Guinn & Faber, 1989; Mestre-Bach et al., 2017). Moreover, although the impact of C-XEN on brand addiction may not be perceived just as detrimental in light of some positive aspects of brand addiction (Cui et al., 2018), its negative aspects (e.g. getting into debt) would seem to also justify some public policy attention in terms of approaching brand addiction as a primarily dysfunctional consumer behavior.

Regarding future research, in addition to the (obvious) suggestion of replicating our study in additional countries as a robustness check of the identified relationships (Lynch et al., 2015), three other issues deserve attention. First, consideration of potential moderating influences (e.g. personality or decision-making characteristics of the consumer) on the model relationships in Figure 1 would provide more fine-grained insights on the impact of C-XEN on dysfunctional consumer behavior. Second, in light of the central role of the conspicuous consumption construct as a mediator, decomposing it according to the underlying motives (e.g. signaling of wealth vs. ‘bandwagon’ vs. ‘snob’ effects – see Kastanakis & Balabanis,

2014; Eastman & Eastman, 2015) would reveal exactly *how* C-XEN encourages conspicuous consumption. Finally, given the dearth of research on dysfunctional aspects of consumer behavior in international marketing literature, the “dark side” of other well-established constructs – such as consumer ethnocentrism, global consumption, or economic nationalism – would seem ripe for investigation.

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