

The Impact of Nationalism of Consumers Loyalty: A Case Study of Multinational Retail Firms in China

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Abstract

Contradictory ideas about China as a country and a state are being marketed to the public by promoting nationalism and transnationalism regarding multinational businesses. Thus, using a case study approach with Multinational Retail Companies in China, this research aims to examine the effect of nationalism on brand allegiance among Chinese customers. This phenomenon has been regarded as a metaphor for China's uncertainty and fear of its cultural heritage and global capitalism. On the one hand, Chinese commercials peddle pride by highlighting the country's rich past, current events, and illustrious dynasties. Conversely, Chinese commercials use Western icons and ideals to glamorize their wares. As part of their effort to integrate "Chineseness" with global capitalism, Chinese marketers also peddle a form of nationalism that combines elements of both transnationalism and the traditional nationalist ideology. Nationalism and transnationalism emerge as competing conceptual frameworks for understanding China in an industrialized world characterized by unequal relationships of power between both China and the West. This study shows that the business strategies, ownership structures, years in China, and capital expenditures of U.S. MNCs in China all vary significantly because of trademark royalties. This, in turn, affects how businesses evaluate political risk and decide among available responses to the trade dispute. The research in this paper shows that economic nationalism has a negative impact on the operation of multinational retail enterprises in China. This paper analyzes the factors and ways of influence through case studies. On the one hand, it helps multinational companies to provide suggestions for better localization strategies in China, and on the other hand, it can provide a reference for Chinese enterprises to go global.

Keywords

Brand Loyalty, Multinationals, Nationalism, Culture, China, Transnationalism

1. Introduction

1.1. Research Background

U.S.-Chinese trade tensions have thrown a wrench into mutual ties between the world's two largest economies (Chen et al., 2020). Historically, the private sector in the United States has pushed for open commerce with China. Consequently, they became major winners in China's opening market, but could suffer the most damage from the current conflict due to tariffs cutting into their earnings and conflicts disrupting their business (Muhammad & Jones, 2021). As a result, prevailing models of trade politics presume that larger MNCs reap greater benefits from trade liberalization and are consequently more likely to make an effort to advocate for and encourage free trade.

In addition to local companies that obtain from China, foreign-based companies with operations in the United States may have a greater motivation to speak out against the tariffs (Benguria et al., 2022). In fact, public comments submitted to the U.S. Trade Representative (USTR) concerning one of the initial three circumstances of Section 301 tariffs show that nearly 86% of something like the 4000 companies are opposed to tariff barriers, and 88% indicate that tariffs would disrupt their supply lines (Benguria, 2019).

Commercial Chinese producers and advertising firms are the main players in forming the national character of China's multinationals through advertising. These figures exist in China, changing as it prepares to enter the global marketplace (Lang, 2022). As a result, Chinese producers and their companies use "foreignness" and "Chineseness" as marketing tools to contend with transnational rivals in China (Dennis, 2020; Jiao et al., 2021). Foreign companies have started cashing in on Chinese patriotism, despite many Chinese manufacturers claiming to have the exclusive right to sell patriotism in China.

China is having trouble projecting, self-perceiving, and externally defining its character when it comes to multinationals. Advertisements in China are a collage and bricolage of cultural icons and elements (Balabanis et al., 2019). Global capital and nation-states are essentially the same because capital dictates most national policies (Tong & Hawley, 2009). Producers in China peddle patriotism to grow their country's multinational business.

Transnationalism as a marketing strategy shows the concerns of China's middle class about the effects of globalization. Additionally, it helps make the desire of many Chinese middle-class people to travel abroad a reality (Yu et al., 2021). They want desperately to be part of the global community while secretly holding out for a firm footing in modern China. The paradoxes of globalization in China are also displayed in the country's promotion of nationalism and transnationalism. Both nationalism and transnationalism are valid ways of understanding China in today's global capitalist world. In contrast to the former, which takes China as a given and reaches out to Chinese around the globe, the latter is concerned with a universalist celebration of our shared humanity. Societies are pulled and pushed in different ways by globalization, with the process fostering both