The impact of negative social media communication, boycott campaign and brand trust on Generation Y intention to purchase fast food products

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Abstract: Fast food is one of the largest industries in the world as it contributes towards the nation’s income and also creates jobs for the citizens. Social media such as Facebook and Twitter are fast becoming the source of information especially among Generation Y in Malaysia. Positive postings and reviews of a fast food brand may help build firm’s reputation and increase sales but negative issues, rumours and lies may bring the opposite effect as it might reduce consumer purchase intention. Another issue that may affect fast food companies is the call for boycott on their product. How this two issues influence Generation Y purchase intention with regards to fast food is the focus of this study. Question arises on whether these two challenges might be mitigated by the brand trust that exists between the consumer and the brand name, and therefore this study is conducted to answer this question. Objective: To study the impact of negative social media communication and boycott campaign on fast food product purchase intention. The second objective is to investigate whether brand trust moderate the relationship between these two variables with purchase intention. Results: The result provided support on the impact of negative social media communication on fast food purchase intention, while boycott campaign did not have a significant relationship. Brand trust does moderate the relationship as evidence from the finding of this study. Conclusion: Negative social media communication have more damaging impact on Generation Y purchase intention if compared to boycott campaign, but existence of brand trust moderate the impact and may result in continuous purchase of the fast food product.

INTRODUCTION

Fast food industry is one of the largest business industry in the world with worldwide revenue of approximately USD551 billion and annual growth of 3.5%. The industry employs 12.8 million employees worldwide in over 826,000 business establishments (Global Fast Food Restaurants Market Research Report, 2014). Lately, the primary food consumption pattern in urban area of developing countries is changing where consumers are consuming more meals outside of their homes. Most of the consumers replace home eating with the fast food restaurant dining (Kaynak et al., 2006). The major reason why fast food restaurant becoming so popular is because they served food quickly and efficiently once the customers ordered the food (Elliot and Reed, 1999). Moreover fast foods take least time to prepare with affordable price, and provide delicious options to home cooked meal. Fast food industry market in Malaysia also displays a similar growth pattern. Malaysians were first introduced to fast foods once A&W established the first restaurant in 1963 (Wong, 2014). Since then, Malaysian consumer’s acceptance of fast foods shows an increasing trend and this service industry turn out to be one of the sectors which contribute a lot to the Malaysia’s gross domestic income. One of the focuses of fast food restaurant is the fast becoming the source of information these days, especially for young Malaysian generations. Among the popular social media includes social networking site such as Facebook and Twitter, video and photo sharing site such as YouTube an Instagram, and mobile networking platform such as WhatsApp.
and WeChat. According to the Southeast Asia Digital Future in Focus Report 2013, published by ComScore (2013), young generation between the ages of 15 to 24 years old is the largest group of internet users in Malaysia. Overall, 91.6 percent of web users in Malaysian visit social networking site. They are among the top 15 countries in the world with the highest Facebook penetration with 82.3 percent, at number 14. Hence, Facebook ranked the most visited site with a reach of 82.3 percent, followed by Twitter with 15.9 percent. The same survey also indicated that 67 percent of all videos viewed in the country are on YouTube. In addition, the survey shows that social networking is deemed to be the most engaging online activity as far as the content category is concerned. This and the fact that 1 out of every 3 online minutes is spent using social media shows how deeply embedded the platform has become in the day-to-day lives of many internet users especially among the Y Generation in Malaysia.

Problem statement and the objective of the study:

Social media began as a platform which allows individuals to communicate with close acquaintances such as family and friends, but then evolved into a platform for business and product marketing, and also as a source for news. It has also becomes the favourite source for alternative news especially among the young generation. The issue however is that not all information and news distributed through the social media are correct or reliable. Users are awash in a vast sea of facts, assertions, opinions, reviews, ratings, criticisms, speculations conspiracy theory and rants (Laad and Lewis, 2012) and these may result in negative consequences on businesses. It is also known that social media may influence consumer behaviour by impacting awareness, information gathering, opinions, attitudes, purchase behaviour and post-purchase communication (Mangold and Faulds, 2009). MacDonald’s in Malaysia for example has come under fire lately due to rumours spread though the social media that traces of LM 10, which is pork fat was found in the sauces use in their fast food restaurant. A media statement was then conducted by the company’s representative to quash the rumours where they stress on their “Halal” certification status as provided by the religious department of the country (Lee, Hooi and Raman, 2013). Since young generation in Malaysia is very vigorous in utilizing the social media, such issues might influence their intention to continue purchasing the fast food product, even though some issues that were decimated through the social media are merely rumours and lies.

Besides social media, fast food industry also becomes the target for boycott campaign, which is a call to stop buying or using product or services of a certain company or country. Boycott campaign will tarnished the firm’s reputation as the more worsen the image of the firm, the more likely consumers will feel concerned towards the company, and more likely will make the decision to boycott and stop purchasing the product. Boycott may harm a company as there is evidence of a negative financial impact of boycotts on firms. For example, a boycott was called on one the multinational corporation that intended to close down two of its factories and as a result, sales of the brand produced at these sites dropped. Two weeks after the boycott was called, sales were down by 11 per cent, and 4 month after the initiation of the boycott sales were still 4 per cent below their pre-boycott value (Klein, Smith and John, 2004). The Associated Press (2006) has reported that consumer boycotts of Danish goods in Muslim countries in protest of the publication of caricatures of the Prophet Muhammad are costing Denmark’s companies millions, and have raised fears of irreparable damage to trade ties. From Havarti cheese to Lego toys, Danish products have been yanked off the shelves in Saudi Arabia, Kuwait and other countries around the Middle East as Muslims await an apology for the cartoons, which the Copenhagen government has said it cannot give. In Malaysia, there is a call for boycott on various foreign fast food outlets especially the American based brand such as McDonald, KFC, Burger King and Starbucks in relation to the war involving Muslims in Iraq, Afghanistan and Palestine. More than 2000 Muslim restaurants in Malaysia removed Coca-Cola from their menus as part of a boycott of American products in protest against Israel's bombardment of Gaza. American companies are being targeted because of the U.S. government’s support of Israel, which is carrying out a military offensive on Gaza that it says is aimed at stopping rocket attacks from the Hamas controlled territory (Ng, 2009).

Based on the aforementioned issues, it seems that negative social media communication and boycott campaign may influence the generation Y consumer’s intention to purchase and consume fast food product. They might stop buying the product if they initially trust the content posted through the social media or if they decide to support the called for boycott. Hoffmann and Muller (2009) however posit that an existence of a positive image will be able to buffer a crisis and therefore, it is expected that existence of brand trust towards well established fast food product might reduce the impact of both the negative social media communication and boycott campaign. A question arise on whether the social media communication and boycott campaign do influence Malaysia’s generation Y intention to purchase fast food product or not. At the same time, most fast food restaurant has established their position in Malaysia’s fast food industry and gain brand trust among the consumers. Does this brand trust moderate the impact of information received through social media, and make generation Y ignore the boycott campaign and continue to visit the fast food restaurant. Hence, the objective of this paper is to explain the relationship between social media communication and boycott campaign on purchase intention; and to investigate whether brand trust moderate this relationship or not.
Literature review, hypothesis and conceptual framework:

*Purchase Intention:* Purchase intention is the implied promise to one’s self to buy the product again whenever one makes next trip to the market (Fandos and Flavian, 2006). It is a primary benefactor on the decision to buy the products and make repetition purchase in the future (Halim and Hameed, 2005). Kang (2001) explains purchase intention as four consumer behaviours which consist of undoubted intend to buy the product, think unambiguously to buy the product, plan to buy the product in the future and also to buy the particular product utterly. Previous studies have identified various factors that may influence purchase intention. Among the factors are brand image, product quality and product knowledge (Eze, Tan and Yeo, 2012), product quality and brand loyalty (Chi, Yeh and Yang, 2008), product attributes and brand image (Bian and Mautinho, 2011). These are all factors that would positively influence consumer purchase decision, and literatures lack discussions on factors that might negatively influence purchase intention.

*Social Media Communication:* Social media is the term commonly given to Internet and mobile-based channels together with tools that allow users to interact with each other and share opinions and content. As the name implies, social media involves the building of communities or networks and encouraging participation and engagement (CIPR Social Media Best Practice Guide, 2011). Therefore, Social media communication refers to the information shared by individuals through social media platform in various means such as written messages, images, video and much more (Strokes, 2009). Social media nowadays plays a vital role in consumer decision making as more and more people especially generation Y visit the Internet in search for online information, views and reviews of a product (Hayta, 2013; Mangold and Faulds 2009). Thus, Pantelidis (2010) describes that vacationers prefer to trust the messages and comments posted by other consumers on social media websites rather than the review available on travel agent websites. Dissemination of information through this Electronic Word of Mouth (eWOM) method also contributes positively towards a restaurant industry as evidence through the study by Jeong and Jang (2011). On the other hand, social media may also create a negative impact on the company if consumers share negative information regardless of whether it is true or not. This negative comments or reviews may hinder consumer from buying a product. MacDonald’s in Malaysia for example has come under fire due to rumours spread though the social media that traces of LM 10 which is pork fat was found in the sauces use in their fast food restaurant (Lee, Hooi and Raman, 2013). This accusation however was denied by the company and claimed that the news is false. On the other hand, some information shared is proven to be true. Recently, the Muslim community in Malaysia was shocked with the revelation that some Cadbury chocolate was found to contain pig DNA and this information was circulated through the social media first. The mainstream media then confirmed the information as true and Cadbury has withdrawn their two affected product from the market (Ghazali, 2014).

As a result, it is hypothesised that negative information posted on social media will have the opposite influence on generation Y’s purchase intention to purchase fast food products. Therefore, the first hypothesis of this study is:

H1: Negative social media communication will adversely influence generation Y’s intention to purchase fast food product.

*Boycott Campaign:* Boycott refers to an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace (Friedman 1985). It is considered as a social dilemma as individual must decide whether to fulfil the benefit of personal interest by not boycotting or to fulfil the collective interest by participating in and help achieved the aim of the boycott. There are various reasons that trigger boycott campaign such as religious issues, the country of origin of the company, the ingredients or due to some un-ethical act by the company made known to the public. Traditionally, newspapers, magazines, televisions, radio or leaflets distribution are used to disseminate boycott campaign to the target audience. These days, the Internet either through email or social media postings makes communicating boycott campaign with a larger number of audiences over a wide geographically dispersed region quick, easy, and cheap (Sen et al., 2001). A study by Albayati et al., (2012) found out that consumer’s product judgment influence boycott participation. This implies that when consumers have negative perception of a product, the chances of a boycott is higher. Religious based motivation is one of the popular reasons for product boycott. Arab countries for example have called for boycott towards American fast food chains with the intention to protest against American support for Israel. As a result of the call of boycott, Burger King was forced to withdraw its stores from a food court in an illegal Israeli settlement in the West Bank. McDonald’s franchise in Saudi Arabia declares that each 26 cent from each burger that sold will be donated to Palestinian children’s hospital (Balisunset, 2009) in order to ease the impact of the boycott. The impact of boycott U.S product campaign also effect American based fast food brand in Malaysia (Rozita and Norzaidi, 2012).

Previous evidence such as the boycott campaign on American products shows that successful campaign may stop consumers from buying the boycotted product and resulted in loss of sales. Therefore, the second hypothesis developed for this study is:

H2: Boycott campaign will adversely influence generation Y’s intention to purchase fast food product.
Brand trust: Brand trust refers to the trust that consumer has on a particular brand and it is rooted in the result of past experience with the brand, and it is also positively associated with brand loyalty, which in turn maintains a positive relationship with brand equity (Delgado-Ballester and Munuera-Alemán, 2005). Brand trust enables firms to cultivate and develop brand value through some management characteristics which go beyond consumer’s satisfaction, with functions of the product and it traits (Aaker, 1996). At a very basic level, experience with specific brand enables individuals to develop trust towards that brand. Morgan and Hunt (1994) emphasis on the significance of trust in forming positive and required attitudes towards a brand, and causing in a commitment towards a specific brand as the maximum expression of effective relationship within consumer and the brand. Previous studies highlighted that brand trust has a great effect on product likeness and also consumer selection choice, even when there is uncertainty issues over the product traits and values (Erdem, Swait, & Louviere, 2002; Huang, Schrank and Dubinsky, 2004). Based on the above arguments, it is assumed that brand trust will moderate the effect of negative social media communication and boycott campaign. Hence, the third hypothesis of this study is:

H3: Brand trust moderate the relationship between social media communication, boycott campaign and purchase intention.

Figure 1 presents the conceptual framework of the study. The model consists of two independent variables namely negative social media communication and boycott campaign. These two factors are expected to directly impact the dependent variable, which is the fast food purchase intention. The model also includes one moderating variable namely brand trust. It is expected to moderate the relationship between both independent variables and dependent variable.

Methodology:
In order to answer the research questions, this study employ the quantitative research design where data collection were conducted via self-administered survey questionnaire. Population of the study consists of all students of Universiti Teknologi Malaysia (UTM) who were born between the years 1980 to 2000, as the focus of this study is on generation Y only. Unit of analysis is the undergraduate students as they fulfil the above requirement. According to figures provided by the registrar of UTM, the total number of undergraduate students currently studying at UTM is 11,392 students. Therefore, the total number of respondents needed for this study based on the sampling table provided by Sekaran and Bougie (2009) is 370 students. A simple random sampling method was adopted in choosing the samples. First, 10 classes were randomly selected before 37 student’s names were randomly chosen from each classes to fill in the questionnaire. All questionnaires were returned and usable for further analysis.

The survey questionnaire for this study consists of five different sections where the first section looks at the student’s demographic information while the second section obtains the respondent’s view on negative social media communication through a Likert scale of 1 to 5. Respondents rate their agreement with each item where 1 refers to strongly disagree and 5 refers to strongly agree. Third section consists of statements for boycott campaign, followed by the fourth section that measure brand trust. The fifth section measures the purchase intention and again, all statement in section 3,4 and 5 were measured using five points Likert scale of 1 to 5 (Strongly disagree to strongly agree). Pilot study was conducted among 30 undergraduate students at Universiti Utara Malaysia (UUM) and the reliability of the questionnaire was confirmed as the Cronbach Alpha value for all independent, moderator and dependent variables are more than the cut-off value which is 0.70.
Findings:

Demographic: A total of 370 respondents were involved in this study where 180 of them are male and 190 are female. Majority of them are Malay students with 158 students (48.6%) followed by Chinese with 109 students (29.5%). Indian and others constitutes of 103 students (27.8%). In terms of age, all 370 students fulfil the generation Y requirement as none of them are more than 34 years old (Born in 1980). Majority of the students are between 22 to 30 years old with a total of 236 students (63.7%), while 123 students (33.2%) are between 18 – 21 years old. 10 students were in the 31 to 34 years old category. In terms of social media, most students spent between 3 to 4 hours daily visiting social media site as 138 (37.3%) of them choose this range, while a total of 165 students (44.6%) spent less than 2 hours on social media and finally, 87 students (23.5%) said they spent more than 5 hours daily visiting the social media sites. Facebook is the most popular social media sites as 362 students (97.8%) are members of this site, followed by WeChat with 216 students, WhatsApp 199 students, YouTube 118 students, Viber 98 students and Twitter 95 students. In terms of their visit to fast food restaurant, most students indicate that they went there once in every month (147 students, 39.7%) but some do go there once in a week (84 students, 22.7%) or even daily (79 students, 21.3%)

Hypothesis testing: In order to test the hypothesis and the effect of moderator, first a Pearson Correlation analysis was conducted and the results are shown in Table 1. It is evident from the analysis that negative social media communication has a significant negative relationship with generation Y purchase intention and therefore, there is enough evidence to reject null hypothesis as the decision is to accept H1. For the second hypothesis, there is no enough evidence to reject null hypothesis as the result shows no significant relationship between boycott campaign and purchase intention. Hence, H2 is rejected.

Table 1: Pearson’s correlation.

<table>
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<th>Purchase Intention</th>
<th>Sig. (2 Tailed)</th>
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<tbody>
<tr>
<td>Social Media</td>
<td>-0.100*</td>
<td>.028</td>
</tr>
<tr>
<td>Boycott Campaign</td>
<td>.077</td>
<td>.071</td>
</tr>
</tbody>
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Note: * Significant at 0.05 levels

In order to test the third hypothesis, which is on the moderating effect of brand trust on the relationship between the independent and dependent variables, a residual-centering methodology via multiple regressions is used in order to compare the two models, where the first model is without moderation and the second model is with moderation impact (Lance, 1988). Under this residual-centering methodology, the two independent variables and brand trust were centralized and then multiplied with each other in order to create the moderator variable. Table two shows the outcome of the multiple regression analysis of both the tested models. First, the ANOVA table shows that both models were significant (p < 0.05) with F value of 3.372 and 2.714 respectively. With the addition of brand trust as moderating variable, the R square value has now increase to 0.022 which means that the second model explain 2.2 per cent of the variance in the dependent variable, compared to 1.8 per cent before. Result shows that the addition of brand trust as a moderator does significantly influence the variance in purchase intention as the R square value increase for an additional 0.4% from 0.018 to 0.022.

Table 2: Multiple regression result.

<table>
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<tr>
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<th>Model 1 (Without moderator)</th>
<th>Model 2 (With moderator)</th>
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<tbody>
<tr>
<td>R</td>
<td>0.134</td>
<td>0.148</td>
</tr>
<tr>
<td>R square</td>
<td>0.018</td>
<td>0.022</td>
</tr>
<tr>
<td>F Value</td>
<td>3.372</td>
<td>2.714</td>
</tr>
<tr>
<td>Sig</td>
<td>0.035*</td>
<td>0.045*</td>
</tr>
<tr>
<td></td>
<td>β</td>
<td>t</td>
</tr>
<tr>
<td>Social Media</td>
<td>-0.111</td>
<td>-2.134</td>
</tr>
<tr>
<td>Boycott Campaign</td>
<td>.091</td>
<td>1.740</td>
</tr>
<tr>
<td></td>
<td>.171</td>
<td>1.179</td>
</tr>
</tbody>
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Note: * Significance at 0.05 levels

Based on the Table 2 above, both independent variables namely negative social media communication (β = -0.270, T = -1.869, p = 0.062) and boycott campaign (β = 0.086, T = 1.654, p = 0.099) did not significantly influence the variance in purchase intention once moderating variable was added. Brand trust has reduced the impact of social media communication on purchase intention and this is evidence through the decrease in t value for negative social media communication, which is from -2.134 to -1.869. At the same time, addition of brand trust as moderator change the impact of negative social media communication from significant in the first model into not significant in the second model. Therefore, this result of the multiple regression analysis did support hypothesis 3 where brand trust moderate the relationship between social media, boycott campaign and purchase intention.
Discussions and conclusions:

The objective of this study is to investigate the impact of negative social media communication and boycott campaign on generation Y’s purchase intention of fast food product. Another objective is to see whether brand trust has a moderating impact on the relationship. Most previous studies such as by Jeong and Jang (2011) look at how positive communications through social media help promote the product of a company. The opposite may happen to a fast food company when there is a negative feedback, reviews or even rumours that were spread through the social media. This study has shown that negative social media communication may reduce generation Y’s intention to purchase fast food. This come as no surprise since a recent study by Mocanu et al. (2014) found that false information on social media platforms is just as likely to be engaging as credible content by the consumers. As a consequence, consumers might decide to stop buying the fast food product based on the information they gain through the social media. In terms of boycott campaign, finding of this study shows that most generation Y did not really consider boycott as a serious issue and they might continue purchasing even when there is a call for boycott for a particular product. Clerides et al. (2010) study the impact of boycott American product campaign by looking at soft drink brands. Based on the findings, they argued that consumers might participate in boycott if this comes at no cost to them but may not be willing to participate in a boycott that would limit their choices and this is likely to be due to the status of brands such as Coke and Pepsi. In the fast food industry, brands such as McDonalds, KFC, Pizza Hut and Burger King do have a high status among the Malaysian consumers especially the generation Y. Thus, it is difficult for them to replace these brands with other alternative brands that are less well known.

Previous studies have highlighted that brand trust do have a great effect on product likeness and also consumer selection choice, even when there is uncertainty issues over the product traits and values (Erdem, Swait, and Louviere, 2002; Huang and Dubinsky, 2004). Based on this argument, it is hypothesized that brand trust will moderate the negativity that exist due to issues and rumours spread through the social media, or through the boycott campaign. The result shows that brand trust does have a significant influence on the relationship between negative social media communication, boycott campaign and purchase intention. It means that generation Y may still decide to purchase and consume product of their trusted fast food brand even when they encounter negative issues or boycott campaign posted through the social media. This study contributes in a way that it provides a clear understanding for fast food industry marketer on the impact of social media on generation Y purchase behaviour. Fast food companies need to properly and promptly address any issues, rumours or false information circulated through social media as it can shape the young generation’s purchase intention. Furthermore, this study also contributes to a better understanding about generation Y who will be a major market in near future. Like any other research, this study has certain limitations. The samples of this study were collected among students at one university only due to time and cost constraints. Therefore, generalisation of the findings towards all generation Y in Malaysia or all over the world should be done with caution. Future studies may extend this research by conducting the study in a larger setting which may include students from various fields of studies. This study also does not look at the religious differences factor. Boycott campaign that resulted from religious issues such as the war in Iraq, Afghanistan and Palestine may have an effect on Muslim students but not those from other religion. Future studies may try to make a comparison between Muslim and non-Muslim students.

As a conclusion, this study has underlined the impact of negative social media communication on generation Y intention to purchase and dine at fast food outlet. Young generations are very well exposed to negative information through the social media and they might consider false information as the truth without further verification. It may deteriorate their trust towards a fast food brand and stop purchasing the product in the future. Finally, this study also indicates that negative social media communication even have more damaging impact on generation Y purchase intention if compared to boycott campaign, but brand trust that has established between the consumer and the fast food brand may reduce the impact. In other word, generation Y may still purchase a certain fast food products if they really trust the brand name.

REFERENCES


