

Effect of Fear of COVID-19 on Consumers' Attitude Toward Direct Overseas Purchasing: Focusing on the Mediating Effects of Psychological Compensation

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Background. As it became virtually challenging to go abroad due to COVID-19, interest in overseas direct purchase has increased. As a result, Korea's overseas direct purchase in 2020 has grown significantly compared to 2019. In particular, clothing-related products accounted for 364.9 billion won, the highest proportion among overseas direct purchases. While overall consumption decreases during the COVID-19 pandemic (Statistics Korea, 2020), compensation consumption explains the increase in luxury consumption and overseas direct purchase. Compensation consumption is explained to relieve negative emotions such as stress, loneliness, helpless, and anger through consumption and support positive emotions such as encouragement, celebration, or good mood (Yang et al., 2008; Kwon, 2016; Rucker & Galinsky, 2008). Clothing and jewelry are common compensation consumption items and found to be common reward for negative emotions (Kwon, 2016). The lockdown after the COVID-19 outbreak has made people worry about a decreased income and losing their jobs. Also, the fear of becoming ill, having a family member die of COVID-19, being separated from friends and family are major stress sources. Negative emotions influence consumption. Lerner et al. (2004) found that sadness triggers positive valuation of new products and increases people's amount to purchase items. Fear refers to an unpleasant emotional state that is triggered by the perception of threatening stimuli. Extraordinary situations such as disease outbreaks or pandemics can induce fear among people. Several studies (Addo et al., 2020; Kim, 2020) reported that in the context of the fear-inducing COVID-19 phenomenon changes in customer behavior and their offline and online shopping (Eger et al., 2021).

Research purpose. This study aims to examine the effect of psychological factors such as fear and psychological compensation of consumers due to COVID 19 on consumers' direct overseas purchases in Korea.

Methods. Data were collected through online surveys from consumers in their 20s who had experience in overseas direct purchases. The data were analyzed using factor analysis, reliability analysis, and multiple regression analysis. The mediation effect was tested using Baron and Kenny's (1986) steps for mediation. A total of 200 overseas direct purchase users responded, and 182 responses were used for the final analysis. Of the respondents, 71.4% were women, and 63.2% were college students.

Results. First, we conducted a regression analysis of fear of COVID-19 as an independent variable and compensatory psychology as a dependent variable and found that fear of COVID-19 has a significant effect on compensation emotion ($\beta=.367, p<.001$). Next, a regression analysis was conducted with fear as independent variable and overseas direct purchase attitude as dependent variable and found that fear of COVID-19 has a significant effect on overseas direct purchase attitude ($\beta=.223, p<.01$). The impact of fear of Covid-19 on overseas direct purchase attitudes were analyzed when compensation psychology is controlled. The result shows that only compensation emotion has also been shown to have a significant effect on overseas direct purchase attitudes ($\beta=.381, p<.001$).

Conclusion. Psychological compensation acts as a complete mediation; Fear of COVID-19 does not directly affect the overseas direct purchase attitude, but it affects the overseas direct purchase attitude through psychological compensation. The result that fear, a negative emotion caused by COVID-19, has a significant impact on consumers' compensation sentiment supports previous studies (Yang et al., 2008; Kwon, 2016; Rucker & Galinsky, 2008) that negative emotions are factors influencing consumers' compensation sentiment and positive attitude toward compensation consumption.

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