Exploring Chinese Consumer Values and Attitudes towards Luxury-Brand Consumption

Tingting MO
Research fellow, CERGAM, IAE Aix-en-Provence,
Université Paul-Cézanne
tingting.mo@iae-aix.com
Tel : + 33 (0) 6 17 68 55 01

Elyette ROUX
Professor, CERGAM, IAE Aix-en-Provence,
Université Paul Cézanne
Clos Guiot, Puysricard, CS 30063,
13089 Aix-en-Provence Cedex 2, France.
elyette.roux@iae-aix.com
Tel: + 33 (0) 4 42 28 08 20

Résumé (FR):
Mots clés : La consommation des produits de luxe, valeurs, attitudes, segmentation, l'exposition internationale des consommateurs

Abstract (EN):
The purpose of this study is to explore the values and attitudes of Chinese consumers towards luxury-brand consumption. Based on the analysis of Twenty-two interviews with Chinese living in France (n=11) and Germany (n=11), two attitudinal dimensions “Social orientation vs. Personal orientation” and “Independence vs. Interdependence” have emerged. Accordingly, four different consumer segments can be identified: “Indulgence”, “Conformism”, “Snobbism” and “Follower/pragmatism”. The influencing factors of segmentation are also pointed out.
Key words: Luxury-brand consumption, values, attitudes, segmentation, consumer overseas experiences
1. INTRODUCTION

As the growth in sales of the leading luxury groups has greatly shrunk under the economic crisis, Bain & Company suggested that the decrease of global luxury market in 2009 should reach 10 percent, 153 billion euros, which broke their initial forecast of a decline between 3 and 7 percent. However, despite the global recession, at the luxury goods exhibition “Top Show” in Shenzhen (China) on January 2009, the sales even reached 300 million Yuan (about 30 million euro) within 3 days.

Chinese consumers’ continuous high fever (Frank 2000; Chadha and Husband 2006) towards luxury draws an increasing number of researches focusing on the Chinese luxury market (e.g., Lu 2004/2005; TNS China 2007). Compared with western consumers, the luxury goods consumption of Chinese consumers should be more socially oriented: their luxury possessions tend to represent their positions in the social hierarchy, which is crucial in Confucian societies (Wong and Ahuvia 1998). Simultaneously, after the relaxation of market restriction, new ideologies around the “pursuit of wealth and success” have emerged, thus impacting Chinese traditional values such as “frugality” and “modesty” (Lu 2005). Culture, as a key factor in luxury goods consumption in Europe (Dubois and Duquesne 1993), seems to play an important role in China as well.

Chinese society is marked by the presence of "rich people". According to professional experts, in 2008 there were over 400,000 Chinese millionaires (in US $), this number has doubled since 2004. A recent Bain & Company survey of 1,200 mainland shoppers in 2008, shows that 35% reported to spontaneously purchase luxury items. However, as TNS China reported that 49% of Chinese consumers with middle to upper income (monthly income above RMB 5,000) complained of the unaffordable price of the luxury products, but they still hope to own the luxury items in the future. It seems that luxury consumption in China is not only welcomed by the affluent class, but the raising elite class with relatively higher educational capital is also considered as a high potential consumer group of luxury brands (Lu, 2005). It is found that, following income, education is the second explanatory factor of luxury-brand consumption in Europe (Dubois and Laurant 1993). Therefore, it is necessary to investigate the luxury consumption attitudes and behaviors of Chinese consumers from different social and economic strata.

Several researches have found that age is negatively associated with materialism (e.g., Belk 1985; Richins and Dawson 1992; Burroughs and Rindfleisch 2002). In China, the young generation born after 1991 was labeled as “global materialists” due to their great preference for foreign products (Hung et al. 2007). If we don’t consider the impact of western culture on younger Chinese groups (Zhang and Shavitt 2003), age seems to influence consumer attitudes towards luxury consumption as well.

Moreover, Chinese outbound trips reached 45.8 million in 2008, with an increase of 11.9% from 2007. Recent researches suggest the impacts of acculturation on consumers’ behavioral changes (Dato-on 2000; Darpy and Silhouette-Dercourt 2008; Jolibert and Benabdallah 2009). With growth of overseas experiences, perceptions and attitudes towards luxury brands and luxury-brand consumption of Chinese consumers therefore might to change.

---

2 According to rate of change of Bank of China on 19 August 2008, 1 euro≈10.02 Yuan.
Thus, the aim of this paper is to better understand consumption values and attitudes of Chinese luxury-brand consumers, and to preliminarily identify the role of “culture”, “economic capital”, “educational capital”, “age” and “overseas experiences” in Chinese luxury-brand consumption. Twenty-two in-depth interviews were conducted with Chinese living in France (n=11) and Germany (n=11). Based on the analysis of qualitative data, a segmentation of Chinese luxury-brand consumers is proposed, the factors which could influence consumer attitudes are also pointed out. At the end, we discuss the limitations of this study, the agenda for future research and managerial implications.

2. CONCEPTUAL BACKGROUND
2.1. The luxury concept and luxury consumption

What is luxury? Is it about being conspicuous, as Veblen (1994/1899) pointed out? Or, is it also related to social class reproduction of tastes, as Bourdieu (1984) suggested? Whereas sociologists and economists have been centered on the explanation and definition of luxury, marketing scholars have mainly focused on consumer perceptions and attitudes towards luxury brands and luxury-brand consumption (Dubois and Paternault 1995; Roux and Floch 1996; Kapferer 1997/1998; De Barnier et al. 2000; Dubois et al. 2001; Vickers and Renan 2003; Lipovetsky and Roux 2003; Nyeck and Roux 2003; Vigneron and Johnson 1999/2004; Tsai 2005). Based on the two facets of luxury “anti-economy vs. poly-sensuality” (Roux and Floch 1996), Vigneron and Johnson (2004) added two components: “personal vs. non personal”, thus making the concept of luxury more understandable and measurable. According to Dubois et al. (2001), whose study covered twenty geographic areas, luxury can be defined as a combination of six facets: 1-Excellent quality, 2-Very high price, 3-Scarcity and Uniqueness, 4-Aesthetics and Poly-sensuality, 5-Ancestral heritage and Personal history, and 6-Superfluousness. These six facets were often re-tested in further cross cultural comparative studies (De Barnier et al. 2000; Nyeck and Roux 2003).

For most consumers, luxury goods are expensive, scarce and useless. But why do they still want to buy them? The “Veblen effect” theory (1994/1899) suggests that people consume luxury goods to flaunt their wealth. At the same time, luxury purchase also enhances one’s status or social prestige, and can therefore be qualified as “status consumption” (Eastman et al. 1999). In the study by Vickers and Renan (2003), the dimensions “symbolic interactionism” and “experientialism” differentiate luxury goods from non-luxury ones. They also pointed out that consumption of luxury goods is not only dependent on social cues such as conspicuous and status consumption, but is also dependent on personal and individual cues such as hedonic motives and the need for sensory pleasure. While much previous research focused on the socially oriented type of luxury goods consumption (e.g., Corneo and Jeanne 1997; O’Cass and Frost 2002; O’Cass and McEwen 2004), more researchers have recently incorporated the personal orientation of consumption into their studies (Vigneron and Johnson 2004). In 2005, Tsai empirically showed that the personal orientation trend of luxury-brand consumption is becoming an increasing international phenomenon.

To conclude, we propose a framework of the two components of luxury consumption: “social orientation” and “personal orientation”. The concepts and measurements associated with these two components are also presented (Figure 1).

Within this framework, we integrated the concept of materialism as well, which is also considered to be connected with luxury consumption (Wong and Ahuvia 1998; Eastman et al. 1999). In Richins and Dawson’s (1992) original three-component measurement of materialism, the subcomponent “acquisition as pursuit of happiness” was found to have a
stronger relationship with the internal elements of consumer well-being (Chang and Arkin 2002). In contrast, the subcomponent “possession defined success” seems to be associated with the elements which involve an external focus (Wong and Ahuvia 1998; Chang and Arkin 2002). Therefore, we categorized these two subcomponents respectively as “personal orientation” and “social orientation”. We did not include the third subcomponent “acquisition centrality”, since it only explains the overall level of one’s materialism, but not the underlying motivational tendency (Chang and Arkin 2002).

Figure 1 : Related concepts and measurements of luxury consumption

2.2. The explanatory factors of luxury consumption

If people consume luxury goods either socially or personally, what factors could influence or determine their consumption modes and behaviors?

According to Dubois and Duquesne (1993), “income” and “culture” effectively segment the European luxury good consumers – people with higher income and more positive attitudes towards cultural change are purchasing more luxury goods. In another study, “Culture” is interpreted as educational capital: following income, education is the second explanatory factor of luxury-brand consumption in Europe (Dubois and Laurant 1993). “Income” and “education” can also be considered as part of economic capital and cultural capital. Veblen (1994/1899) argued that the consumption of luxury objects can signal differences in the economic capital of consumers. As for cultural capital, Bourdieu (1984) said that it is composed of a set of socially rare and distinctive tastes, skills, knowledge and practices, which secures positions of status in the social hierarchy by exercising a mark of distinction. Economic capital insures buying capacity; cultural capital indicates a taste for choosing specific luxury items. However, economic capital does not necessarily overlap with cultural capital; the “cultural elite” can also show their exclusive taste through an easily affordable product (Chaudhuri and Majumdar 2006).

Culture itself is also embodied in one’s cultural capital. In a survey covering 20 countries, Dubois et al. (2001) found that the countries sharing a protestant religious orientation (Denmark, New Zealand, Holland, Norway) have the more democratic attitudes towards luxury, while the catholic countries (France, Poland, Hungry) are closer to the
ideology of “Elitism”. According to De Barnier et al. (2000), people from different countries have their own preferences towards luxury: the French are attracted by Conspicuousness, the British are more sensitive to Luxury Atmospherics and the Russian pay more attention to Uniqueness. Wong and Ahuvia (1998) also discussed the consumption behavioral differences of luxury goods between the independent westerners and interdependent Confucian easterners. Contrary to the “self” focused consumption orientation of western consumers, Confucian eastern consumers are considered more likely to be influenced by external opinions and social norms, hence the luxury products that they consume should be more publicly visible to symbolize and communicate their positions in social hierarchy.

As a result of globalization, more and more people move from their homeland to a foreign country for career and educational advancement, or simply for experiences in different lifestyles. This phenomenon called acculturation is defined by anthropologists (Redfield et al. 1936) as “those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact with subsequent changes in the original culture patterns of either or both groups”. Some recent researches have noted the acculturation impact on consumers’ behavior changes (Peñaloza 1994; Quester et al. 2001; Darpy and Silhouette-Dercourt 2008; Jolibert and Benabdallah 2009). However, very little research has linked cultural change to luxury-brand consumption. Ger et al. (1993) and Dawson and Bamossy (1991) have studied the change of materialism level during cultural assimilation, but these two studies present rather contradictory results. More studies are therefore needed in this field (Dato-on, 2000).

2.3. Luxury consumption in China

In China, “Luxury goods” are often confused with “foreign brands” (Tsai 2008). As in most developing markets (Batra et al. 2000), foreign brands are usually regarded in China as being connected to status, prestige (Sklair 1994; Zhou and Belk 2004) and an upscale image (Venkatraman and Nelson 2008). Therefore, most of relevant studies are focusing on foreign brand consumers and their consumption characteristics (Wang et al. 2004; Hung et al. 2007; Hsu and Nien 2008; O’Cass and Choy 2008). However, the notion “foreign” is too broad and too general to define luxury. According to Zhou and Wong (2008), Chinese consumers perceive higher value and more prestige in a foreign brand, only if it belongs to a conspicuous product category.

Regarding the influences of cultural values, Confucianism is the most dominant doctrine in Chinese society and is particularly associated with luxury consumption (Wong and Ahuvia 1998). However, for the other Chinese traditional beliefs such as Buddhism, their connections with luxury consumption have been seldom studied.

Meanwhile, globalization is speeding up, so consumer culture is spreading from West to the rest of the world (Featherstone 1990; Belk 1995). In China, the coexistence of traditional values and modern western values is also evident (eg: Yang 1989; Zhang and Shavitt 2003; Zhou and Belk 2004). This causes the ambivalent attitudes of Chinese elite class towards luxury goods consumption: struggling between “to be frugal as before” and “to be affluent as the trend of the modern time” (Lu 2004/2005). However, Chinese elites in Lu’s study (2004/2005) represent only one part of luxury consumers in China, it is lacking of studies covering other consumer groups with varied economic capital and cultural capital (such as: less rich and educated as well as rich and less educated).

Moreover, in China nowadays there appears to be a greater acceptance of the western cultural characteristics. A group of westernized people was located in Shanghai, who prefer the western education, western clothing style and foreign media. They also present a great
interest towards overseas experiences and interactions with foreigners (Hsu and Nien 2008). In addition, it is found that the Chinese young generation has a higher preference towards foreign values (Zhang and Shavitt 2003) and foreign products (Wang et al. 2004; Hung et al. 2007; Venkatraman and Nelson 2008). Now, more and more Chinese people have lived, studied or worked in foreign countries, however there is no research yet investigating the influence of overseas experiences to Chinese consumers’ luxury-brand consumption.

3. METHODOLOGY

Based on the limitations of previous studies, a qualitative method was chosen to better explore this phenomenon.

Twenty-two in-depth interviews were conducted with Chinese living in France (n=11) and Germany (n=11). All the respondents were selected by “culture” and “income” criteria (rich: monthly income above € 8,000; educated: at least a bachelor’s degree), hence, three groups of consumers were studied: -the rich and educated (n=8), -the rich and less educated (n=6), and -the less rich and educated (n=8). The participants were all aged from 24 to 46 (twelve were below 35 years of age), half male and half female, living in Europe, for at least two years (fifteen have been living in Europe for over five years).

In the interviews, we began with several demographic questions to warm up, then explored respondents’ general perceptions towards luxury. We then probed further into their latest and first luxury brand purchase experiences (the first purchase usually occurred when they were in China, if not, we probed one of their purchase experiences in China), allowing them to compare the two purchases. After that, we asked directly their perceived difference between their previous purchases in China and current purchases in Europe, as well as the different consumption patterns that they perceived between Chinese and westerners. In the final part, we asked several questions on social ethics and moral standards in order to explore traditional consumption values as well as modern values.

Each interview lasted about one hour. All interviews were conducted in Chinese and recorded. The interview records were then transcribed into Chinese, followed by their translation into English.

For the analysis, there were two main steps involved. First, we analyzed the data with thematic content analysis in order to generate the major themes and dimensions. Second, we performed lexical analysis followed by correspondence analysis based on lexicons and segmentation variables in order to respectively quantify the dimensions, as well as to identify the associations between these variables.

3.1. RESULTS

3.2. Perceptions towards luxury

Respondent definitions of luxury involved all six luxury dimensions proposed by Dubois et al. (2001). Two of them, -Very high price (26%) and -Excellent quality (17%) were mentioned relatively more frequently than the other four aspects (-Scarcity and Uniqueness: 13%, -Aesthetics and Poly-sensuality: 13%, -Ancestral heritage and Personal history: 9%, -Superfluousness: 9%).

The seventh dimension “Famous brand” emerged with the relatively high frequency of 13%. Earlier study already found that (Lu 2004), brand awareness is an important driver to

---

8 €8,000 is nearly 6 times more than the average level, which is €1,355 in France and €1,454 in Germany (Source: United Bank of Switzerland, 2007).
luxury goods consumption in China, which reflects the interdependent tendency of Chinese luxury consumers. In our study, some respondents showed particular preferences towards famous brands. They tended to choose those well-known brands which could be more easily recognized and admired by others.

“...The brand should have its brand effect and should be widely known, very famous. If nobody knows this brand, why should I choose it?...” (6)

Meanwhile, we also noticed that, the respondents who have lived in Europe for fewer than five years mentioned "famous" significantly more (11 vs. 4, Chi-square=10.8, p=0.001) than those who have been staying in Europe more than five years. It reveals that the length of overseas experiences of consumers might influence their perceptions towards luxury.

Moreover, we observed that the wealthy and less educated people have very limited comprehension on luxury. Respondents who have a higher education background regard luxury with a more profound comprehension: a true luxury brand, in their opinion, should be fashionable, aesthetic, having adorable design, a long history and ancestral heritage. These aspects were mentioned significantly more frequently by the educated group than the less educated one (21 vs. 1, Chi-square=5.729, p=0.017).

Luxury is actually an imported concept with ambiguous meaning in the Chinese language. “Luxury goods” are often confused with “foreign brands” in China (Tsai, 2008). In our study, respondents employed other words instead of “luxury” when they narrated their luxury purchases. We selected the words that they used to express “luxury” in the original Chinese text and counted these word frequencies (Table 1). “Luxury” was the most frequently mentioned word (49%), followed by “branded (product)” (21%), “good brand” (10%), “famous brand” (6%), “LV” (6%) and “big brand” (4%).

<table>
<thead>
<tr>
<th>Original verb</th>
<th>Translated verb</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>奢侈品</td>
<td>Luxury good</td>
<td>209</td>
<td>49%</td>
<td>105</td>
<td>52%</td>
<td>35</td>
<td>27%</td>
</tr>
<tr>
<td>品牌 (的)</td>
<td>Branded (product)</td>
<td>91</td>
<td>21%</td>
<td>30</td>
<td>15%</td>
<td>61</td>
<td>46%</td>
</tr>
<tr>
<td>好牌子</td>
<td>Good brand</td>
<td>41</td>
<td>10%</td>
<td>17</td>
<td>8%</td>
<td>24</td>
<td>19%</td>
</tr>
<tr>
<td>豪华</td>
<td>Famous brand</td>
<td>40</td>
<td>6%</td>
<td>16</td>
<td>8%</td>
<td>24</td>
<td>19%</td>
</tr>
<tr>
<td>LV</td>
<td>LV</td>
<td>24</td>
<td>6%</td>
<td>10</td>
<td>5%</td>
<td>14</td>
<td>9%</td>
</tr>
<tr>
<td>大牌</td>
<td>Big brand</td>
<td>18</td>
<td>4%</td>
<td>9</td>
<td>4%</td>
<td>9</td>
<td>7%</td>
</tr>
<tr>
<td>世界顶级品牌</td>
<td>World top brand</td>
<td>4</td>
<td>1%</td>
<td>0</td>
<td>0%</td>
<td>4</td>
<td>3%</td>
</tr>
<tr>
<td>Hermes</td>
<td>Hermès</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Porsche</td>
<td>Porsche</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>品牌那能拿的出手</td>
<td>Brand that can gain face</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>大家公认的高档品牌</td>
<td>Well recognized upscale brand</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>大众化的品牌</td>
<td>Too exaggerated</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>高档品牌</td>
<td>Upscale brand</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>经典品牌</td>
<td>Classic brand</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>BMW</td>
<td>BMW</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Lamborghini</td>
<td>Lamborghini</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Armani</td>
<td>Armani</td>
<td>1</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
<td>425</td>
<td>100%</td>
<td>202</td>
<td>100%</td>
<td>85</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1: The words that respondents used to express “luxury”

We also observed that less educated people used “luxury” much less frequently than educated people (27% vs. 52% and 59%, Table 1). Since all the respondents were almost equally repetitive (average repetition from the lowest value 1.6 to the highest value 2.57), there will be no bias if we examine the frequency difference. Based on the Chi-square test,
less educated people mentioned “luxury” significantly fewer times (Chi-square=27.886, \(p=0.000\)) than those who have a higher education background. Instead of mentioning “luxury”, less educated consumers often employed a quite simple word “branded (product)” (54%). In addition, the richness of the vocabulary of these less educated people was also poorer than that of educated people (totally mentioned words about luxury: 85 vs. 202 and 138, Table 1). It seems that consumer educational capital may also affect their perceptions of luxury.

3.3. Consumption values: a mix of western values and Chinese traditional values.

Values are defined by Schwartz and Bilsky (1987) as “desirable trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or other social entity.” When living in a foreign country, people need to confront the different environment and the change of values (Lee 1989).

Living in the western culture, our respondents sooner or later perceived the differences between Chinese and European consumption styles of luxury goods (Table 2).

<table>
<thead>
<tr>
<th>Perceived Chinese consumption style</th>
<th>Frequency</th>
<th>Perceived European consumption style</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Showing off</td>
<td></td>
<td>Low-key</td>
<td></td>
</tr>
<tr>
<td>…Most of Chinese luxury purchasers don’t care about the functional benefits. For example, if they purchase cuff buttons, they will not use them as buttons, but as a sign of owning famous brands…” (19)</td>
<td>18</td>
<td>“…There are so many rich people in France, but you cannot even recognize them…” (13)</td>
<td>7</td>
</tr>
<tr>
<td>High brand consciousness</td>
<td></td>
<td>Low brand consciousness</td>
<td></td>
</tr>
<tr>
<td>“…The gifts to relatives must be well-known brands. To Chinese people, giving luxury good as gift is having face…” (5)</td>
<td>16</td>
<td>“…In Europe, seldom people discuss brand. Opposite to it, in China, People concern a lot the famous degree of brand…” (2)</td>
<td>10</td>
</tr>
<tr>
<td>Status consumption (9)/luxury goods defined success (2)</td>
<td></td>
<td>Personal oriented consumption</td>
<td></td>
</tr>
<tr>
<td>“…Chinese people take luxury brands as symbols of one’s status and image. They purchase luxury brands for showing off their wealth…” (9)</td>
<td>14</td>
<td>“…Westeners are more rational and uneasy to be influenced by others. They just care about their own feeling…” (7)</td>
<td>11</td>
</tr>
<tr>
<td>Irrational</td>
<td></td>
<td>Rational</td>
<td></td>
</tr>
<tr>
<td>“…some young girls, they save money a whole year, just for a LV bag…” (17)</td>
<td>7</td>
<td>“…In Europe, the luxury consumption level is more depending on their income level. Rich people purchase high end product, poor people purchase low end product…” (14)</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 2 : Perceived differences between Chinese and European consumption styles of luxury goods

Congruent with the assumptions made by Wong and Ahuvia (1998), Chinese consumption style of luxury goods which is influenced by Confucian values, appears to be more conspicuous, socially oriented and brand-conscious than the European style. Chinese consumers even behave more irrationally in luxury purchase, because luxury brands are something “must to have” for them to reinforce their social status. And especially for those relatively less rich consumers who need luxury items to label themselves as successful people.

“…I thought that I must to have luxury brands such as LV, Chanel, I felt that a successful girl has to prove her financial independence. Being influenced by the social trend, I felt that if a person has famous brands watch, bag and car, this person would be successful; it would be a big failure if one cannot even afford a LV….”(1)
These great differences in terms of consumption styles, or in other words, in terms of consumption values, impacted these migrants. They felt necessary to adjust their attitudes and behaviors to be in accordance with the majority, since they all declared that they have changed, more or less, to fit in to the foreign culture.

They behave more similarly to their perceived European style: more personally oriented, more low-key, more rational and practical.

“…Consumption is not for impressing others, but for myself. Now I choose the brand that I like. But before, I was just following the social trend, because I desired to be accepted by higher class…” (2)
“…Before, my dress should reflect my image and status immediately…Comparatively, now, I don’t show off in Germany. I pursued the most fashionable brands when I was in China, everything I did must be outstanding beyond the average…” (8)
“…I am low-key, I don’t like to show off. I don’t like to use very popular luxury goods. I would like to let myself feel comfortable, don’t be glaring, but practical…”(22)

Some respondents also reported that luxury brands have been more accessible in Europe (more brands, more channels to purchase, more brand information etc.). Hence, they became more selective on purchase, and even purchase more than before.

“…Here is a paradise for luxury-brand fans. Brands like Disel, Energie, I have never heard of them when I was in China. I purchase more here…” (15)
“…I liked Mercedes before, while not now. In fact, Mercedes is a luxury car, but Farrari, Lamborghini represent a superior quality. From then on, I only desire these top cars. Mercedes also has high end series, but it does not change the nature of the brand…” (7)

Yet, their consumption values have not been totally changed, as one respondent reported:

“…I’m now in the middle of western and eastern consumption values: I will not choose a very famous brand to let everybody know, but also one which could be recognized by others…” (3)

Besides Confucian values which lead to the interdependent tendency in luxury-brand consumption, the Buddhist doctrine may also influence the consumption behavior of Chinese luxury-brand consumers. According to Zhang and Jolibert (2003), Buddhist values are linked to a consumption preference towards utilitarian products. In our study, some respondents seem to be influenced by the idea “the more I pay, the better I gain”, which belongs to the subcomponent “justice equity” of Buddhism measurement (Zhang and Jolibert 2003). They are concerned by the real benefits that luxury products bring them, such as good quality which makes them feel they have more value for their money.

“…I bought it (Ecco shoes) because I like that brand and felt it is worthy…Some products of brands that I like have good quality. So why not buy it?”(8)
“…According to my experiences with this brand (Zegna), I think it is value for money, the quality is really good, and I am willing to pay more for it…”(10)

To conclude, the consumption values of these European-Chinese consumers are rather a mix of western values and Chinese traditional values. Furthermore, what are the influences that these mix consumption values could have on their luxury-brand consumption?

3.4. Attitudinal dimensions and segmentation
Based on the content analysis, attitudinal dimensions “Social orientation vs. Personal orientation” and “Independence vs. Interdependence” were generated, which could be the most relevant dimensions for segmenting the Chinese luxury market.

The first dimension “Social orientation vs. Personal orientation” is obtained according to the conceptual framework established by the literature. The second dimension “Independence vs. Interdependence” has been employed as the research key in several cross-cultural studies to identify western and eastern cultural differences (Bond 1988; Cheng and Schweitzer 1996; Wong and Ahuvia 1998; Lu 2004; Cui et al. 2008).

We then quantified these dimensions by selecting discriminating words significantly different from others*, which yielded 41 chosen words. These words are either directly or indirectly associated with a particular dimension. For example, “social” and “status” are linked to social orientation, but “taste” is not directly connected unless consumer good taste in luxury could be admired by others.

“…It was admired by the people who have same taste as me. It makes me happy again. With the recognition for my taste …” (4)

By means of correspondence analysis based on lexicons, these words were then projected with respondent ID onto a two-dimension coordinate plan. Four segments of luxury consumers emerged with 25% of explained variance (Axis 1: 12.88%, Axis 2: 12.11%, Figure 2).

---

* We compared the frequency of words by groups and by individuals, checked the significance value of Chi-square. We filtered the words which have ambiguous meaning.
We propose to name these four consumer segments as “Conformism”, “Snobbism”, “Indulgence” and “Follower/pragmatism” according to their relationships with the two attitudinal dimensions (Figure 3). The consumers were labelled “Conformism” and “Snobbism” as their behaviors were congruent with the concept proposed by Corneo and Jeanne (1997). These consumers desire to affirm their social status by purchasing luxury products. However, the “Snobbism” group could behave more independently, pursuing unique and rare products to accent their individual character (Respondent 2, 6, 7, 10, 14, 15, 16, 18, 21 and 22). The “Conformism” group appears more interdependent, desiring to be recognized and verified by others (Respondent 1, 3, 4, 19 and 20). The “Indulgence” consumers seem drawn to seek new things and hedonism. They even feel “confident enough” and “unnecessary to show success by famous brands” (Respondent 13), hence they are more concerned with personal enjoyment in luxury consumption. The “Followers/pragmatists” (Respondent 5, 8, 9, 11, 12 and 17) could be more easily influenced by others and tend to purchase luxury goods for their excellent quality.
In this segmentation, we observed that consumers had both the Chinese consumption style (interdependent, social orientation) and European consumption patterns (independent, personal orientation). Nevertheless, which factors would indeed influence segmentation?

### 3.5. Factors that may influence segmentation

We employed a cross-table analysis to examine the relationship between the four segments and the possible differentiating factors. Income was found to be significantly linked to segmentation (Table 3). Most of the less rich consumers (5 out of 8) fell within the “Conformism” segment, while the rich consumers were all distributed in the other three segments (14 rich consumers in total; 8 in “Snobbism”, 5 in “Follower/pragmatism”, 1 in “Indulgence”). It seems that less rich people are more likely to behave as the conformists, since they desire to be recognized interpersonally. Education also has a relationship with this segmentation (Table 3). Educated consumers were spread almost equally to every segment (5 in “Conformism”, 7 in “Snobbism”, 4 in “Follower/pragmatism”), however the less educated people did not fall in “Conformism” segment at all (0 in “Conformism”, 3 in “Snobbism”, 2 in “Follower/pragmatism”). Age is also significantly associated with segmentation (Table 3). Age and Income have a strong relationship (Phi=0.5, P=0.019). However, their influences to segmentation are different: while all younger people (aged 24-34) fell within “Conformism” segment, elder consumers (aged 35-46) are more likely to be categorized into “Follower/pragmatism” segment (5 elder people vs. 1 younger people). Gender and Years in Europe have no relationship with segmentation (Table 3).

Since it is observed that Income, Age and Education are all related to segmentation, it is necessary to assess the interactions between Segmentation, Income and Education/Age. It is observed that Segmentation is only significantly associated with Income (rich group) and Age (Table 3). In the rich group, all the five younger people fell within “Snobbism” segment. Also, the elder consumers have a greater chance to behave as “followers/pragmatists” than the younger ones (5 vs. 0). Since the segment “Followers/pragmatists” is associated with personal orientation of luxury consumption, and the segment “Snobbism” is linked to social orientation, it reveals that elder consumers would be more personally focused in luxury consumption. As some respondents felt, as they aged they got more personally focused in luxury consumption.

---

10 Since there is only one consumer classified in the “Indulgence” segment, we did not include it in the cross-table analysis.
“...now I'm functionally oriented. For example, even if I have to be more decent in the workplace, I won't buy Zagna’s business suit, because it's too exaggerated. Due to the growth of age and the raise of savvy, now I prefer more favorable price, instead of preference to the design, color, fashion or attractiveness as I was young...” (9)

“...Now, I feel that the luxury brands are still attractive. However, I purchase only for I could afford. When I purchase now, I will be still very happy. But with the growth of age, my horizon is getting broader; my consumption behavior is also becoming more mature. Materialistic happiness is no longer that important to me...” (1)

<table>
<thead>
<tr>
<th>Variables (categories)</th>
<th>Relationship with Segmentation</th>
<th>Test and P values</th>
</tr>
</thead>
</table>
| Income (rich, less rich) | Yes | Lambda=0.4 p=0.067  
Cramer’s V=0.723 p=0.009  
Kendall’s tau-b=0.559 p=0.001 |
| Education (educated, less educated) | Yes | Kendall’s tau-b=0.346 p=0.047 |
| Age (24-34, 35-46) | Yes | Cramer’s V=0.638 p=0.03  
Kendall’s tau-b=0.597 p=0.000 |
| Gender (male, female) | No |  |
| Years in Europe (less than 5 years, 5 years and more) | No |  |
| Income * education | No |  |
| Income (less rich) * age | No |  |
| Income (rich) * age | Yes | Cramer’s V=0.645 p=0.054  
Kendall’s tau-b=0.514 p=0.000 |

Table 3: Relationship between segmentation and the possible influencing factors

For a clearer demonstration, we conducted a correspondent analysis and illustrated their associations in figure 3 below. Two axes explained 66.61% of variance in all. We note that the “Conformism” segment lies closer to the less rich and younger people, the “Snobbism” segment is near the rich and younger group, and the segments “Followers/pragmatists” and “Indulgence” are mainly composed of rich and elder consumers.

Figure 3: Associations between Segmentation, Income and Age

3.6. Influences of specific culture: France vs. Germany

11 The test results that are not shown here are not significant or not applicable.
Although it is observed that there is no relationship between Years in Europe and segmentation through the cross-table analysis, earlier researches suggested that there is a strong relationship between time spent in a new culture and assimilation into this culture (e.g., Wallendorf and Reilly 1983; McCracken 1986). Therefore, it is necessary to assess this fact by the qualitative data analysis method, in order to know whether the host culture influences the luxury-brand consumption patterns of these Chinese migrants.

According to the cultural index of Hofstede (1980/1988), France and Germany are both more individualistic countries than China (index of Individualism- collectivism: France 71, Germany 67, China 15). However, it is argued that the individualism of Germany is due to more responsibility and pragmatism compared with other European countries (Elias 1969; Simmel 1989). As for France, it is representative of Romance cultures, which embody more perfectionism, elegance and affectivity (Hofstede 1991). Based on correspondence analysis, we observed that the Chinese living in Germany mentioned more frequently the words “safe”, “practical”, “reliable” and “depending (“my consumption is depending on my income level”)”, while those living in France are positioned closer to “unique”, “elegant” and “wine” (Figure 5).

Our respondents seem to be progressing towards the specific cultural style when they live abroad. They even showed a particular interest in and preference for the local products and brands of the host country. While the French-Chinese consumers presented a great passion for wine, the German-Chinese consumers also expressed a special sentiment towards the “made in Germany” products.

“…For the bag, I like Aigner, it’s an old German brand, very simple style and the quality is very good…Another bag brand Betty, I like it too. It’s also a German brand…” (8)

“…I choose Chanel, because it is not too exaggerated, it is more elegant, which is matching with my image…” (1)

“…I would like to own the wine of Premier Grand Cru Classe. I like to collect and taste wine. Red wine in some extent reflects the culture and history… I’m sometimes proud of owning some unique things. Because it makes me feel that I belong to the minority group of owners. If I can own the wine of limited edition, I will be very happy…” (6)

“…Brand is no longer that important to me, I don’t want to spend money on brand any more. I am more practical now, my consumption is depending on my income level…” (9)

“…I am practical, I will not just consider brand, but also price-quality ratio. This is a reliable brand (Swarovski), so I chose it…” (20)

“…I frequently purchase Tommy, Polo, except their good qualities, their design is more acceptable, I mean, they will not be very exaggerated, but safe…” (17)

Figure 5: Comparison of Chinese living in Germany and Chinese living in France

4. DISCUSSION, LIMITATION, AND FUTURE RESEARCH
In this research, Attitudinal dimensions “Social orientation vs. Personal orientation” and “Independence vs. Interdependence” were generated out. Four segments of Chinese luxury consumers emerged and the factors which could influence consumer attitudes were also identified.

Consumers’ economic and cultural capitals were considered as important influencing factors of luxury consumption in both marketing (Dubois and Duquesne 1993) and sociology (Veblen 1994/1899; Bourdieu 1984). In our study, income was found as a discriminated variable in segmentation, the different perceptions towards luxury were also observed among groups with different educational background.

Although age is related to income, our data also indicated its distinctive influence to segmentation. Several researches have found that age is negatively associated with materialism (e.g., Belk 1985; Richins and Dawson 1992; Burroughs and Rindfleisch 2002). According to our observation, elder consumers would be more personally focused in luxury consumption, while younger consumers still tend to demonstrate wealth and status through their luxury possessions. Few researchers focused on the conspicuous consumption among middle age consumers (aged 40-60, Shukla 2008). However, the change of luxury consumption patterns during the growth of age has not been investigated. It is therefore necessary to examine this relationship in the future research.

In today’s Chinese society, the traditional values still influence consumers’ behaviors (Zhang and Jolibert 2003). In consequence, they may lead to different attitudinal tendency towards luxury-brand consumption. Confucianism may be linked to social orientation of luxury-brand consumption and the interdependent self-construal. Buddhism may lead to personal orientation of luxury-brand consumption since even practical consumers could consider the good quality of luxury products as a reason for buying.

Moreover, after moving abroad, our respondents seem to be affected by western consumption values. Overseas experiences, more specifically the length and the type (study or work in foreign countries) of these experiences, may influence consumer attitudes towards luxury-brand consumption. With China’s rapid economic growth and the globalization, Chinese people will have more chances to go abroad and become acquainted with the western culture. We could expect that the phenomenon of wild purchasing luxury products in order to flaunt wealth and status would change. Hence the marketing strategy of luxury brands in China should not only focus on the consumer’s desire to impress others, but also consider the direction of personal orientation in long-term planning.

In addition, luxury brands that target the Chinese market could develop their marketing strategies by referring to different characteristics and the possible consequential behaviors of each segment: “Indulgence” consumers seem more interested in seeking new things; the “Conformism” group tends to purchase products because others buy them (Corneo and Jeanne 1997) as the quantity of luxury possessions could be evidence of their social status; the “snobbism” group would like to be different from others (Corneo and Jeanne 1997), and hence a rare and unique product could satisfy them; the “followers/pragmatists” appear more concerned about the luxury product quality.

In this study, we conducted interviews in two European countries: France and Germany. Research in the future should investigate the influence of overseas experiences in other host cultural environments such as the American culture. Future research should also consider incorporating the Chinese luxury-brand consumers without or with very few overseas experiences as part of data, so as to examine the effects of acculturation intensively. Moreover, based on the qualitative study with a relatively small sample size, the assumptions and propositions we made need to be further verified in a quantitative study.
REFERENCES

15. Dawson Scott and Bamossy Gary (1991), If “we are what we have,” what are we when we don't have? An exploratory study of materialism among expatriate Americans”, Journal of Social Behavior and Personality, Vol. 6, N°. 6, pp. 363-384.