

Consumption of luxury fashion brands:
The Motives of Generation Y Consumers in China

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the qualification of any other degree or diploma of a university or other institution of higher learning, except where due acknowledgement is made in the acknowledgements.

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Abstract

Representing nearly half of the world's population, Asian markets are not only dynamic but also powerful (Phau & Chan, 2003). Asian consumers have been the major contributor to the growth of the luxury markets for the past ten years and among all Asian Countries, China is currently becoming one of the most booming and profitable luxury markets (Phau & Chan, 2003; Roth, 2003).

Given the scale of the Chinese market, international luxury brands must win in China to continue winning in the rest of the world. Chinese luxury product consumers buy Rolex watches and Louis Vuitton bags not simply just because of the Swiss craftsmanship or French design. Thus, it is important to understand the roots of their motives, the changing culture and values that determine the buying behaviour of the Chinese luxury consumer.

This study attempts to investigate young Chinese consumers' behaviour towards purchasing luxury fashion branded products along with the discussion on the extant literature.

The current study describes the results from a survey of 309 respondents from Beijing and Shanghai in China. Due to the challenge of achieving an adequate response rate, a snowball sampling method was used in this study. Rating scale items were adopted from Wiedmann, Hennings and Siebels (2009) study to investigate consumer motives for luxury fashion branded products.

The study result indicates that there is no significant difference on consumers' luxury consumption based on which cities they come from, consumers' age, gender or educational background.

As expected the study result confirmed financial ability is an essential factor for luxury consumption. Respondent's study results shows respondents purchasing decisions are heavily influenced by the luxury fashion brand's functional value.

Respondents also buy luxury products in order to express their individuality and personal taste rather than fit in with their peers.

Chapter 1: Introduction

1.1 Research Overview

To many people luxury products were once considered hard to access and a privilege to use. Luxury used to mean a product or service only accessible by a small group of people, a product or service that was scarce (Nueno & Quelceh, 1998).

Luxury products have now become more affordable to more consumers, especially for consumers from the middle class who access more money than ever before (Hauck & Stanforth, 2007) and therefore luxury brands have the chance to flourish and establish their reputation worldwide.

The luxury industry was worth more than 90 billion USD in 2003 (Vickers & Reand, 2003). For the first half year of 2007, the Louis Vuitton brand alone brought the LVMH group 7.4 billion Euro in sales (LVMH, 2007).

For most luxury brands their companies' international strategy is to expand their business to developing countries such as China, India, and Brazil etc. Expanding business all over the world allows companies to avoid risks (Ferragamo, 2004) . For example they always say its safer to put your eggs in different baskets than put them all in the same basket. Working under today's market condition, after the global economic recession, demand for luxury products has dramatically shrunk especially in some mature markets. Doing business in different markets allows companies to have larger portfolios.

In the early 1990s, during considerable business long term growth, some luxury brands started to launch their brands in China. The biggest reason for it is because China is the world's largest single market. The Chinese market represents a large population, strong economic growth (Zhang & Schavitt, 2003). More importantly Chinese consumers have become wealthier than ever before, they are more accepting of the western style culture and they show a strong desire toward luxury products (Frank, 2000).

In 2003 a study conducted by IPSOS showed China had more than 10 million potential luxury product consumers. In the year 2003 Chinese luxury spending was about 2 billion USD. It had the biggest growth rate out of all the developing countries (China Daily, 2004). To win in China's market it is necessary for international luxury brands to plan for a long term strategy.

1.2 Research Problems & Questions

The luxury concept has been argued and examined for a long time, though what constitutes luxury and the underlying meaning for it no one has ever fully identified yet. Luxury has been defined in many terms, Dubois and Czellar (2002) view luxury as a sumptuous lifestyle, aesthetics and benefits from refinement. Luxury needs not necessarily to be a product or service; luxury can be considered as experiential or at a personal level (Dubois & Czellar, 2002). On the other hand, Vigneron and Johnson (1999) suggest prestige seeking consumer behaviour should also consider the interpersonal level. Thus Widemann, Hennigs and Siebels (2007) suggested the luxury concept should be defined based on an integrative understanding, luxury is a subjective and multidimensional construct. To better understand the luxury concept a framework has been designed by Dubois, Czellar, and Laurent (2001). Dubois et al., (2001) suggested luxury is constituted by six facets. This frame work will be explored further in Chapter 3

Although luxury has been studied by many terms, the distinction between luxury and status goods has always been confused (Hauck & Stanforth 2007; Mortelmans, 2005; Fan & Burton 2002). Many researchers commonly use status goods or prestige to replace luxury, some of them believe status and prestige are synonymous to each other, however Dubois and Czeller (2002) argued luxury is more restricted, with self indulgence elements as well as prestige symbol (Dubois & Czeller, 2002).

A number of studies have focused on the differences between Western and Asian consumers luxury consumption motivations (Zhang & Schavitt, 2003; Wong & Ahvia, 1998) and cross cultural comparison to their attitudes on the luxury concept (Dubois & Paternault, 1997; Dubois & Laurent, 1996). In addition, China is a very big

country from a demographic point of view and with a large population; differences in consumption are inevitable. Beijing and Shanghai are the top two cities for luxury consumption; however there is no study on comparison of motivational differences between Shanghai and Beijing consumer's behaviour towards luxury consumption.

Throughout the world, there is a trend in the luxury market for the consumption age for purchase of luxury products to fall (Tsai, 2005). Generation Y consumers were born between 1977 and 1994 (Vatikiotis, 1996) and are believed to be more wealthy and willing to spend money on something that can differentiate themselves from others. They have been spoiled by their family members, are well educated, have accepted other cultures and are globally diverse (Morton, 2002). The reason Generation Y plays a major role in luxury consumption is not only because they are wealthy. The underlying reason is they differ from other generations; they do not hold savings for the future. These factors are leading them to purchase luxury products. (Kapferer, 1998). Therefore in order to share success in the China luxury market, international luxury brands need to understand the Chinese Generation Y consumer. It is important to consider the individuals' motivations for luxury products consumption.

To conclude, these gaps that have been identified above that are still left to study, there is a need to understand and redefine the meaning of the luxury concept for the new generation consumer.

1.3 Research contribution and objectives

1.3.1 Research contribution

Luxury brand research is culturally Western-focused. China's market and Chinese consumers might be more exclusive and complex than the Western consumer. The Chinese consumer has been viewed as the most promising consumer for luxury brands, hence the reason to investigate whether previous studies of western luxury purchase motivations are still valid and whether they apply to Chinese consumers.

Consumer's age can affect their luxury purchase behaviour. Different ages might view things differently, people who have more life experience may view luxury products differently in comparison with younger people with less life experience or the other way around (Hauck & Stanforth, 2007). The focus of the current study is to fill the gap by addressing the motivational differences between young consumers from Beijing and Shanghai.

This study will only involve late adolescents from ages 18 to 30, known as Generation Y. The study results will help luxury brands to attract new young luxury consumers as well as keep their current ones.

1.3.2 Research objectives

The aim of the study is to investigate young Chinese consumers' luxury purchase behaviour and to examine the motivation behind it. The research will scrutinize the concept of luxury products and its relationship to established theories, the influence of local Chinese culture on luxury fashion branded product consumption, and how far cultural differences are reflected in the current status and future luxury market growth in China.

This study aims to investigate the following:

- ❖ To study the luxury concept and the underlying theory of consumer culture that creates the luxury products market.
- ❖ To understand China's luxury market and the luxury market in the world as a whole.
- ❖ What are the motivations for young consumers in China to purchase luxury fashion branded products?
- ❖ What motivates consumers in Beijing and Shanghai to purchase luxury products? Are there any major similarities or differences between young consumers in these two cities?
- ❖ For the Chinese young consumer is the motive to purchase luxury branded products related to fitting in with peers or expressing personal taste?

1.4 Justification for the research

Nowadays more and more luxury fashion brand companies' have noticed that the Chinese will certainly not continue to play a buyer role for Western luxury products, because in the near future the Chinese will use their rich cultural heritage to develop their own luxury brands to compete worldwide. For this reason it is important for international Western luxury fashion brand managers to understand the young Chinese affluent consumer, to communicate with them effectively, thus to achieve a sustainable successful market in China.

The importance of this research from both practical and theoretical prospects will be discussed in the next section.

1.4.1 Theoretical Justification

From previous literature there were three gaps in luxury purchase motivation needed to be filled. First of all the study results for luxury consumption are based on Western society; this raises the need for a study of the young Chinese consumer because the study results achieved from the previous study may not apply to Chinese consumers.

Secondly, although there has been some research done on the Chinese luxury purchase behaviour, most of this research has been practical rather than academic in nature.

The current research aims to fill those gaps by using new data gathered from a survey. This data will show what are the motivations for young Chinese consumers purchasing luxury brands. Moreover, the study results will reflect on previous literature.

1.4.2 Practical Justification

The immense opportunities that emerging Chinese markets present to multinational luxury brand enterprises were highlighted earlier (Danziger, 2005; Chadha &

Husband 2006). To be successful in the Beijing and Shanghai luxury markets, international luxury brands need to adjust their plans to fit in to the market. The reason this research is useful and practical is because this research will find out how similar or different Beijing and Shanghai luxury markets are, and what motivates young consumers from those two cities to buy luxury branded fashion products. The level of similarity or difference will determine how luxury brands can present, promote, retail, price and advertise their offerings, in these two cities.

If the study results show that consumer's motivations are very different in these two cities, then luxury brand companies might need to come up with a different market plan for marketing the same product. On the other hand if consumers' motivations are the same in these two cities, then the luxury product's core image could remain the same in both markets.

1.5 Methodology

The "luxury value factors" from Wiedmann et al., (2009) study will be adopted in the current study in order to investigate young Chinese consumers underlying dimensions of luxury value perception.

As Wiedmann, Hennigs and Siebels (2009) study has never been replicated before, a close replication of their research is considered suitable for the current study to observe the generalization potential of those factors. Thus, quantitative research methods will be use in this study; an online survey tool named "Survey Monkey" will be used to gather the data.

The current study will narrow the research down to two big cities, Beijing and Shanghai. The reasons behind this decision are that the young consumers from these two cities have better luxury fashion branded product knowledge than other cities' consumers. Moreover, most of the luxury fashion brands are already opening boutique shops in these two cities, the young consumer from these cities can easily access the luxury products if they want, so these two markets can be considered as a mature markets in China. In addition, Generation Y who live and work in Beijing and

Shanghai are more likely to have the financial ability to afford luxury fashion branded products.

The data gathered from this study will be analysed using the Statistical Package for the Social Sciences (SPSS), and the empirical results discussed with reference to managerial and theoretical implications.

1.6 Outline of the thesis

This thesis comprises of six chapters. This section explains the thesis structure. The chapters include: introduction, research context, literature review, methodology, analysis of data and discussion.

Chapter 1: Introduction. An overview of the current luxury market, the reason why this research is necessary, how this research was undertaken.

Chapter 2: Research context. The chapter will discuss the luxury market as a whole and Asian luxury consumption and the luxury spending of the young Chinese consumer.

Chapter 3: Literature Review. Firstly, the definition of luxury will be discussed. Secondly, what constitutes a luxury brand will be further examined. Thirdly, what can motivate a consumer to purchase luxury brands will be discussed. Finally, the influence of culture and country of origin on consumer's luxury brand consumption will be described.

Chapter 4: Methodology. This chapter will investigate the methodology used in the current study. This will firstly discuss the research method, how the questionnaire was designed, how the sample was chosen and how data was collected. Additionally ethical awareness will be taken into account.

Chapter 5: Analysis of data. This chapter will give details of how the data has been gathered from the questionnaire and how it that has been analysed.

Chapter 6: Discussion. The final chapter presents the conclusion on the research questions and their results. Based on the study, implications for international marketers will be given.

Chapter Summary

This chapter is the foundation of this thesis. The chapter explained why the study was undertaken, the research problem and research questions raised from previous literature. The research contribution and research objective were justified. The methodology used to analyse the data was explained, and the outline of the thesis given. Based on this foundation, a detailed description of the research follows.

Chapter 2: Research context

2.1 Changing global affluence levels

At a global level a very big change and difference has happened in the field of luxury. The business of luxury that was the reserve of the rich and the mighty till the 19th century started to be accessible to other sections of society from the 20th century onwards and is now available to all those who can afford it (Frank, 2000). As a result the business of luxury has become one of the fastest growing business segments in today's world; this is not confined to any country or segment but is spreading to all groups and countries, especially emerging economies.

Marketers are giving more focus to increase the availability of luxury products in countries around the world (Frank, 2000). At the same time the global luxury brands are launching company outlets in emerging economies to tap the growing interest for luxury fashion branded products among the newly affluent classes in these societies (Chevalier & Mazzalovo, 2008).

The world is now catching up with the concept of luxury in a big way and all the global brands are readying themselves to chart the next course of growth of their business in this segment.

2.2 Asian luxury market

Historically, people seeking happiness through consumption started first in Western countries (Campbell, 1987; McCracken, 1988). Currently, however, consumer societies either have developed or are developing in a vast number of cultures around the world (Belk, 1988). Due to the great concentration of wealth in the upper economic classes, this economic growth has swelled the number of consumers able to enter the market for luxury fashion branded products. East Asians are rapidly growing into the world's largest luxury brands market due to avaricious luxury consumers. When Japanese consumers flood into Louis Vuitton, Chanel, and Gucci showrooms, it is tempting to conceptualize this as Western-style materialism. As Brannen (1992)

wrote, “ The abundance of ostensibly Western products in Japan leads many people to assume that corresponding Western materialist values have been imported along with the western goods” (p. 167).

However, just because many of the products are the same in Asian and Western societies does not mean that consumers buy them for the same reasons. As Linton (1996) noted, although material items can be simply moved or copied, the meanings behind are hard to transfer across cultures (Brannen, 1996). To understand the dynamic at work in East Asia, one must understand that, in addition to sharing a penchant for brand-name luxury fashion branded products, East Asian societies share a Confucian collectivist cultural tradition.

2.3 Luxury market in China

According to the World Wealth Report (2008) made by Merrill Lynch and Capgemini the number of ‘High Net Worth Individuals’ (HNWI) has grown tremendously in newly emerging economies, especially in China. China has been ranked as second in HNWI population growth, increasing about 20 percent in 2007. China with annual growth of twenty percent in need for luxury items has become the world’s second largest luxury branded products purchasing country surpassing the United State and joining Japan (Chadha & Husband, 2006). According to Chadha and Husband (2006) Chinese consumers spent eight billion USD on luxury products. China has about 250 million rapid rising middle class consumers who not only have the financial ability to afford luxury products but also are willing to spend on them.

In today’s unstable global economy, it has become difficult to predict future business opportunities, especially in Western countries. On the other hand China’s market is showing a continually robust economy and this shows consumption of luxury products have a bright future. In fact after the global financial crisis China’s economy started to show improvements from 2008 more easily than other countries and also the Chinese government introduced many policies to stimulate the economy and this is starting to show results. All these signs show China will grow continually, especially in the luxury branded products market.

Nowadays, due to the large scale of the Chinese market, if luxury brands want to sustain their winning power in the world they have to perform in the Chinese market. Success in China allows luxury brands to achieve a superior share of wealthy Chinese consumers, maintain their image internationally and get the chance to compete with the future rising local luxury brands (Chadha & Husband, 2006).

2.4 Luxury consumption in China

Historically Chinese have longer luxury consumption than the Western countries. This is proven by many precious Chinese artefacts, paintings etc that are displayed in many museums all over the world. In the study of Chinese history luxury consumption Lu (2008) explained that ancient Chinese upper class pursued fine painting, artefacts and ceramics to represent their taste and their social status this is similar with today's rapid demand for western luxury products. It shows that the old elite lifestyle still remains in today's Chinese consumer's mind.

Chinese consumers' luxury consumption is not only influenced by traditional ones, modern Chinese culture also plays an important role. The increases of wealth, success, modernity culture give Chinese consumers the chance to consume luxury products, (Kapferer, 1997).

Today Chinese consumers show a general acceptance of western culture. There are groups of westernised Chinese living in big cities like Shanghai and Beijing who now prefer the western education system and prefer to dress in the western style. They show a huge interest for learning experiences from overseas and they are also willing to communicate with people from other countries (O'Cass & McEwen, 2004). In addition, according to Zhang and Shavitt (2003) the young Chinese generation has a greater preference for foreign values and products (Wang, 2000; Zhang & Shavitt, 2003). The desire to achieve a more western style of living will reflect and encourage more Chinese luxury consumption.

In conclusion, the reason Chinese buy luxury products is not simply because its made from certain countries or a certain designers. Indeed Chinese consumers' need for

social recognition and complex cultural values influence their buying behaviour but the increasing acceptance of Western countries' values and culture also plays an important role. Therefore we need to investigate the roots of Chinese values and how changing modernity impacts on the Chinese culture and how this determines Chinese consumers' luxury consumption.

2.5 The role of income in luxury consumption

According to Vatikiotis's (1996) study the main motivation from Eastern Asian middle class consumers to buy luxury products is because the need for status. The motivation of luxury purchase is different according to their income level. According to Goldman (1999) consumers from lower income level need to use luxury products to achieve higher social class, they are more conscious about status, whereas middle or higher income consumers buying luxury products do so not only because of the need of status but also for their own personal well being and proof that they have got the freedom of wealth.

2.6 The role of Gender in luxury consumption

The products that are found today in the luxury segment are more targeted towards women consumers. This is because luxury buying requires more time and attention as it is a high involvement purchase, which generally is found with female consumers (Wells & Prensky, 1996). According to Frank (2002) the reason why shopping is very important in a woman's life is because shopping can provide them with self sense and a place to make decisions of their own. Women consider shopping to be important in their life because they are able to have their own personal space and a sense of self (Frank, 2000). This may be the reason luxury brands are targeting females more than males.

In Chinese society especially it is the women folk who are becoming the largest buyers of luxury products. This is coupled by the growth of a new breed of working women who are earning substantially, and who want a certain lifestyle to maintain their status in society. Society's attitude towards shopping is changing dramatically,

Eagly and Chaiken (1993) stated that more and more male consumers recognize that shopping is essential to identify individuals. Research by Goldman (1999) has discovered that although females still play a dominant role in Christmas shopping an increasing number of men are also willing to go shopping too. Research by Danziger (2005) suggests that men view shopping as effeminate and that's the main reason that stops them.

2.7 Chinese Generation Y and Luxury Spending

As mentioned above due to the trend of the emerging economy, increasing the number of affluent consumers and growing globalisation, the Chinese market place has become a critical battleground for many multinational corporations. Since the early 1980s many luxury brands started to enter China, they introduced their products to Chinese consumers and hoped Chinese consumers can understand their brand concept properly because they understand Chinese consumers are very brand conscious.

Generation Y refers to young adult consumers, Generation Y is a demographic group that has been categorized as born between 1980 and 1994 (McCrindle, 2008). Generation Y in China is unique to other generation groups; they were born into a market economy with a single child policy, that's the reason why their parents doted on them. This generation is seen as confident, ambitious and well educated.

Generation Y are also referred to as 'Millennials' and 'Echo Boomers' in western society (McCrindle, 2007). This generation has had exposure to high technology and economic independence since their upbringing days, as a result of which their preference has always been spending on technology goods and brands perceived to have quality and class (McCrindle, 2007).

Compared with their older generation the priority of Generation Y is not to have an investment plan, saving money for a house deposit for example; they would rather spend their surplus savings on luxury products and enjoy their life (Liang, 2005). In addition, with easy access to personal loans and credit cards young consumers have more opportunity to afford luxury products if they want to.

According to Arora (2005), Maher et al., (2004) and Liu (2002) Chinese Generation Y has a higher spend propensity and they increasingly focus on luxury products and fashion (Kwan et al, 2003; Kalish, 2005; Liu, 2002). Thus it is important for luxury brands to understand Generation Y's behaviour in this rapidly increasing market.

Observing the enormous potential of the Chinese youth market, and having a better understanding of the young Chinese consumer will help luxury brands find out what is popular with young consumers and adjust their products according to these trends. According to Coll (1994) the young Chinese generation are buying products and/or brands which can be associated with Western images; this include well-known brands, luxury products and designer cloths in order to develop middle-class status (Coll, 1994) and improve their life quality (Worthy, 1990). Luxury products become a way to release the pressure after they suffer from work stress (Stanger, 2003).

Although luxury brands are associated with superior quality for the young Chinese consumer (Lee, 1993), however, according to Yan, Xu and Lai (2006) Chinese consumers evaluate a brand as more important than a product's quality when they are making their purchase decision.

Chapter summary

As mentioned above due to the rapid increase in spending on luxury fashion branded products by young consumers, it is necessary for luxury brands to understand what motivates these individuals towards their purchasing, thus to communicate with them more effectively.

Chapter 3 Literature Review

3.1 Introduction

Consumption of luxurious goods can accomplish three main purposes: the creation of identity, the sustainability of identity, and the presentation of socio-economical status (Wattanasuwan, 2005).

For some people possession of luxurious products is one of their privileges and their way of maintaining exclusivity and superiority from the rest of the population in society (Bhar & Reddy, 1998). Schutte and Ciarlante (1998) comment that it does not necessarily mean that the possession of luxury goods equals one's status, however it does indicate its value, monetary-wise.

Researchers attempted to define the term luxury brands by focusing on three main interconnected perspectives: economic, psychological and marketing (Coll, 1994; Schutte & Cialante, 1998). Scholars from these three fields have their own methods when studying the topic. Those that from the economic area as well as from psychology tend to concentrate on the definitions of luxury; whereas the academics in marketing focus on consumer perceptions (Belk, 1988).

Even though the abundant knowledge gained through different studies on the subject by different areas of experts, a lucid explanation of the constitution of a luxury brand is still absent (Vickers & Ronand, 2003; Vigneron & Johnson, 2004). Vigneron and Johnson (2004) used the “personal vs. non personal” proposition in helping to define luxury in a measurable manner.

Despite the contribution made by Vigneron and Johnson, the whole idea of luxury still remains unstable, due to the influence made by the changes across time and culture (Dubois & Duquesne, 1993). Most of the literature regarding luxury brand are considered as interrelated and interdependent because they are mostly focused on the motivation of luxury consumption (Ahmed, Johnson, Ling, & Hui, 2002). Moreover,

another reason for the close linkage of the literature is that the early literatures have been the fundamental layer which new literatures are built on (Ahmed, et al., 2002).

The first part of this literature review gives a detailed definition of luxury concept. Then followed by an examination of different scholars' attempts to classify various dimensions that explain luxury consumer's perception of luxury brands, along with discussing in particular Chinese consumers orientation in luxury consumption and lastly the influence of culture and country of origin will also be investigated here.

3.2 Defining luxury concept

Due to the fluidity of the concept, different people define luxury in different ways or forms. Husband defined luxury fashion branded products as "fashionable and high quality consumer goods made by reputed luxury brands" (Chandha & Husband, 2006, p. 106). This definition is effective by the inclusion of a range of products such as clothes and leather goods where these products are universally available and accepted as luxury products (Ahmed, et al., 2002).

However, Chadha and Husband's definition becomes limited when other luxury products, such as wine/champagne, automotives, cosmetics, jewelleryes, which are also, regarded as universally available and accepted luxury products. It is fair to say that the 21st century is a major period of materialism in history. We encounter the term luxury frequently throughout our daily lives regardless the forms. It slowly positions itself in a way that the society adapts its existence in a more comfortable manner.

According to Phau and Prendergast (2000), luxury represents much more nowadays; one of the most significant changes is that it is on necessarily expensive, but by no means is it a necessity (Brannen, 1996). Within the literature on luxury, McKinsey (1990) and Nueno & Quelch (1998) defined luxury by the use of price and quality ratio. Whatever falls into the highest price and quality ratio category is regarded as luxury. This definition is in line with that of Berry's (1994) who's put forward that

luxury is an expenditure that goes beyond what is necessary and he asserts that it is “an obvious fact that luxuries are not needed” (Berry, 1994, p.23).

Most scholars agree that defining the term is rather complicated and that the perception of the luxury concept takes on different forms and depend on two main subjects: the context and people concerned (Campbell, 1987). Vigneron & Johnson (2004) attempted to explain the complication of defining the term, saying that human involvement, limited supply, and recognition of value are the main constituents (Berry, 1994). Therefore, luxury is often considered as a subjective matter.

It is now apparent that luxury products fulfil one’s need, not only functionally but also psychologically (Dubois, Czellar & Laurent, 2001). In order for any goods to be desired as a luxury, the possession of the goods has to be able to provide pleasure (Berry, 1994). In addition, luxuries are by definition always out of the reach of mass consumption (Berry, 1994) and exclusivity and rarity are therefore features connected to the concept of luxury (Pantzalis, 1995).

As discussed previously, the consumption of luxury itself is influenced by several aspects. Therefore, it is reasonable to claim that it is subjective and multidimensional (Brannen, 1992). Given this reason, an integrative understanding of luxury is compulsory in order to define it (Berry, 1994). Vigneron and Johnson (1993) suggested the definition of luxury as “highest level of prestigious brands encompassing several physical and psychological values” (Berry, 1994, p.126).

3.3 What is a luxury brand?

Researchers and luxury specialists are still hesitant in coming to terms to an encompassing one due to its subjectivity. What is luxury to one may just be ordinary to another; this inconsistency adds confusion to the task of conceptualising luxury.

3.3.1 Approaches to luxury

The first academic literature on this topic was written during the period that a new economic class, the 'leisure class', arose as a group of wealthy consumers in the United States (Ahmed et al., 2002). Aaker, (1997) has categorised the main contexts from the literatures of luxury products. Veblen (1899) and Leibenstein (1950) studied heavily on the economic aspects; whereas Dubois and Duquesne (1993) as well as Dubois et al., (2001) put their main focus on the marketing aspect. A psychological approach was taken by scholars such as Vickers & Renand (2003), and Vigneron & Johnson (1999). Other areas were also studied by a minority group of researchers such as culture, socio-demographics, symbolic value and consumer perception (Ahmed et al., 2002).

3.3.2 Conspicuous consumption

Conspicuous consumption is a term originated by Veblen in 1899 which described the consumption behaviour that mainly displaying wealth or social status. Veblen suggested that there were two ways of conspicuous consumption among the 'leisure class': conspicuous consumption and conspicuous leisure (Arora, 2005). Kaiser (1997) mentioned that fashion is also a way of attaining social status which in turns promoting the behaviour of women purchasing luxurious outfit and accessories in order to gain social prestige (Arora, 2005).

The reason that allows and supports the studying of luxury consumption at the very first place is that consumers strive to obtain a higher social status, and they achieve this by purchasing and displaying luxuries (Arora, 2005). The motive of this action is to gain validations by surrounding observers, which consequently convey the message that the consumers aim for (Mortelmans, 2005)

In overall sense, Veblen's conspicuous consumption has been widely accepted. However, Campbell (1987) made a few comments against Veblen's proposition by pointing out two drawbacks of his theory by raising two questions: "Who is the target audience of conspicuous consumer?" and "What type of feedback should be expected

from the audience” (Campbell, 1987). Campbell was striving to call attention to the efficiency of Veblen’s theory, which would fail if the target audience cannot translate the message affixed to the goods.

3.3.3 Prestige brand vs. Luxury brand

Luxury has been widely used to describe goods or services that are of superior value, so as the term prestige. These two terms are often employed by academics as they are regarded as equivalent. However, Dubois and Czeller (2002) disagreed. They pointed out that prestige is a term that requires accomplishment and effort; whereas luxury is more inclined to self-satisfaction.

In order to understand the concept of luxury, Vigneron and Johnson (1999) employed the term ‘prestige’ as a benchmark to study the components of luxury brand. There are three main types of prestigious brands: the upmarket brands, the premium brands, as well as the luxury brands. According to Chambers & Rodina (2006) luxury brand is ranked the highest within the prestigious brand category.

3.3.4 Six dimensions of luxury

In relation to these various ways of using luxury products, the following section presents different dimensions that would show the different value perceptions of luxury consumers.

In 1998, Nueno and Quelch identified certain characteristics that are common within luxury brands, which are the consistency of delivering a premium quality, the craftsmanship tradition, the particular design or style that represents the brand and the maintenance of exclusivity by producing goods in a limited quantity (Dubois & Laurent, 1994). In addition, there are several common features among luxury brands that are sculpted by marketing strategies such as global reputation, strong emphasis on the country of origin of the brand, the creation of emotional appeal towards the brand and the creation of uniqueness of the product (Chadha & Husband, 2006).

Many of these characteristics were verified by Dubois, Laurent and Czellar (2001) who conducted qualitative interviews with consumers. The authors identified six dimensions of luxury, including:

3.3.4.1 Excellent quality

Dubois et al., (2000) stated that importance of quality reassurance provided to customers by luxury brands. It is reasonable to receive a certain level of product reliability when paying a superior value (Dubois et al., 2000).

3.3.4.2 Very high price

Another point mentioned was that they are normally priced at a superior amount. The reason that this category is defined as luxurious is that they are not commonly accessible by a major portion of the community. The marked price plays a crucial role in determining the boundary where luxury products are situated in the society.

3.3.4.3 Scarcity and uniqueness

Exclusivity offered by luxury brands are often well used in marketing promotions and the concept is also well documented (Pantzalis, 1995). Product uniqueness is one of the critical features in developing a brand's characteristics and the image sending to consumers. The rarer or more unique the product is the more value it symbolizes, at least in a consumer's perception. The 'Birkin Bag' made by Hermes is a good example.

3.3.4.4 Aesthetics and polysensuality

The consumption of luxury goods or services no longer only materialistic but also a pursuit of pleasurable experience (Chaudhuri & Majumdar, 2006). Consumers are well aware of this psychological satisfaction and Danziger (2005) called it a 'psychographic aspect of luxury'.

3.3.4.5 Ancestral heritage and personal history

Time is also a good testimony for successful luxury brands. Kapferer (1998) suggested that the sustainability throughout the years can be a proof of quality guarantee and reliability. Haubl and Elrod (1999) pointed out that one's emotion can be a trigger to product purchase.

3.3.4.6 Superfluosness

Superfluosness is becoming more common in luxury consumption in which it represents an indulgence of owning these goods but concerning a different outcome rather than make use of the goods such as the underlying intangible benefits (McCracken, 1988). McCracken (1998) also explained that these six dimensions are interconnected; the level of importance of each dimension depends on the consumer.

This six-dimension model was widely used in academic research on luxury consumption and has been re-tested in a number of cultural studies by other scholars. DeBarnier et al., (2006) found out that the variations appeared on the validity test of the model are mainly due to cultural factors and the gradual change of consumer behaviour. On the other hand, Vigneron and Johnson (2009) brought along another model with five values. After comparison with the one suggested by Dubois et al., there are common factors between the two.

3.3.5 Symbolic of luxury goods

Dubois and Duquesne proposed the patterns of consumption which linked with the symbolism of luxury; they are Snobbism and Bandwagon (Dubois & Duquesne, 1993). According to them, Snobbism means ‘people that buy less of the product if others are buying as well’ (Dubois & Duquesne, 1993, p. 176). People within this category tend to buy distinctive goods to represent their elite identities or stand out from the crowd. Alternatively, consumers who follow others on what they buy are regarded as bandwagon (Dubois & Duquesne, 1993). Bandwagon people tend to buy whatever the elites buy (Nueno & Quelch, 1998).

3.4 Why people buy luxury products?

It is a fact that a majority of people in our society cannot afford luxury products. Economically, they are expensive, and not necessarily practical. However, it is no longer exclusive to the high or middle social class. The development of luxury brand is now spreading to and rooting at the lower class as well. So what is the reason that

people want to buy these products? What does luxury mean in their perspectives? What encourages them to have such behaviour?

3.4.1 Luxury products as a status symbol

As discussed above what a luxury brand is, it is perceived as a symbol or a message of showing one's social status. Because of its value, the possession of luxury goods normally signifies the owner's economical status. Moreover, it is very common that people simply judge others based on our perceptions. Wattanasuwan (2005) explains that one's appearance, gender, accent or outfit sends a direct and powerful image to the perceivers. Consequently, people start to employ these luxurious materials as a display of social status and their abilities to afford them; they have a thought that the more they have, the higher perceived social level they can achieve (Wattanasuwan, 2005). Dubois and Duquesne (2003) studied that the reason of consuming luxury goods is primarily for their symbolic value.

3.4.2 Motivations

It is believed that one's desire can be a strong driving force. Schiffman and Lazar Kanuk suggested that motivation is 'the driving force within individuals that leads to their actions' (Schiffman & Lazar, 1987). In this case, the motivation for their actions to purchase of luxury goods is their unfulfilled needs or desires. Wells and Prensky (1996) commented that these products act as a tool to satisfy their wants.

'Buying to impress others' was the traditional motives for purchasing luxury brands. However, recent studies showed that personal orientation has been incorporated into consumption and it has been gradually increasing worldwide (Bhat & Reddy, 1998).

3.4.3 Luxury consumer's value dimensions

During the investigation on what motivates young Chinese to consume luxury brands, it is important to look at the theories concerning consumers' luxury value perceptions

and how consumers access luxury products. This section consists of an examination of different perceptions of luxury products put forward by Vigneron and Johnson (2004) and Wiedmann et al., (2007). The former proposed a model of luxury-seeking consumer behaviour which consists of five perceived values that differentiate luxury and non-luxury brands. The first three dimensions reflect non-personal-oriented perceptions; the other two reflect personal-oriented perceptions (Tina, Bearden & Hunter, 2001). This framework comprised the backbone of a Vigneron and Johnson's BLI scale (2004), which they argued underlie the decision-making process that occurs when assessing luxury brands. The dimensions are explained below.

The first dimension is 'perceived conspicuousness'; this dimension of a luxury brand is important to individuals who are influenced by reference groups and those who buy luxury to reflect social status. This dimension is consistent with the work of Veblen (1994) who coined the term 'conspicuous consumption' to refer to public consumption of luxury products as a means of asserting prestige and status.

The second dimension is 'perceived uniqueness', which emphasizes on the individuality and limited supply of products, which in turn enhances the consumer's preference towards the brand (Sproles & Burns, 1994). Research shows that consumer perceptions of limited supply of a brand may lead to increased preference for that brand (Lynn, 1991).

The third dimension is perceived quality. It influences consumers who see a higher value in the products apart from the cost, which is to have the guarantee in quality and reliability from the brand. These consumers are likely to regard luxury brands as those that exhibit superior characteristics and presentation compared to that of normal goods (Garfein, 1989).

The fourth dimension is perceived hedonism. Luxury products are predominantly 'hedonic' (Hirschman & Holbrook, 1982) given that consumers' spending is mainly associated with "an affective and sensory experience of aesthetic or sensual pleasure, fantasy and fun" (Dhar & Wertenbroch, 2000). This type of consumer usually relies on their own personal opinion when consuming luxury products.

The last dimension is perceived extended self perceived social value: Belk's concepts of 'extended self' suggested that the possessions of these products are served as 'a reflection of our identities' (Dillman, 2000; Belk, 1988). Making use of these luxurious products, consumers seek recognitions from others and aiming for a classification of being in certain prestigious groups (D'Astous & Ahmed, 1999).

Inspired by Vigneron and Johnson's five luxury dimensions (Vigneron & Johnson, 2004), Wiedman et al., (2007) developed a luxury value model consisting of five key dimensions of luxury value perception to distinguish the relationship between value perception and luxury consumption in different consumers.

The first dimension is financial dimension. It is related to the monetary aspects of luxury consumption and it addresses the actual price of these products. The second factor is functional dimension. It focuses on the core benefits and basic utilities of the product (Coulter, Price & Feick, 2003). This factor contains elements from the perceived uniqueness and the perceived quality dimensions described above. The third dimension is individual dimension. It represents the aspect of the consumer's personal point of reference towards luxury consumption as well as addressing personal value (Danziger, 2005). The perceived hedonism can also be associated with this dimension. The last dimension is social dimension. It reflects the perceived value of consumers towards the luxury products within a certain social group, which might have a strong impact on the evaluation and inclination to consume luxury brands. The perceived conspicuousness and also the perceived extended self of a luxury brand fits into the last dimension. As indicated, the way consumers perceive a luxury brand and the value perceptions of consumers in relation to luxury consumption are strongly connected.

However, Vigneron and Johnson (2004) questioned the feasibility of the model when consumers' perceptions touch all the dimensions in the pursuit of luxury brands; meanwhile others may be prepared to choose the most important value from their perspectives (Chambers, 2008).

In Chapter 5 the study tests whether all of these luxury dimensions are relevant or of importance to the young Chinese luxury consumers. The study result will refer to

these dimensions as the way the Chinese perceive luxury fashion branded products which can help to indicate what influences the Chinese luxury consumption. In the following section the difference of luxury concept in Asian and Western society will be discussed.

3.4.3 The Chinese culture

Cultural factor plays a crucial role in defining luxury consumption behaviours between Asian and Western consumers. It has to be handled carefully when incorporated it into the study. Due to the cultural differences, it is noticeable that Asian and western consumers purchase luxury goods for different reasons (Wong & Ahuvia, 1998). DeMooij employed Hofstede's idea on cultural dimension of China, which is very assertive and competitive (Hofstede, 2008), to imply that China has a strong masculine culture (DeMooij, 2005). As a result, DeMooij concluded that the unique culture of China promotes luxury consumption to be based on "conformance, group enhancement, and social-status reason" (DeMooij, 2005, p. 123).

3.4.3.1 The traditional Chinese culture and consumption of foreign brands

According to Wong, Chung, & Zaichkowsky (1999) the Chinese consumer buying behaviour is heavily affected by Confucian values: 'collectiveness and family respect and superiority, and glory and awareness of shame' (Wong et al., 1999, p. 67). For example, in their studies on social interaction patterns, Wong and Ahuvia (1998) found that Chinese stressed harmonious interactions among in-group members, whereas Americans focused on expressing the private self by meeting personal needs. Thus, Chinese consumers tend to perceive brand with a higher value than the products themselves, which gives them a sense that the more famous the brand the more acknowledgment they earn (Wong & Ahuvia, 1998). In China, respect is one of the most important etiquettes. It is a must in Chinese's upbringing; the more you are being respected the more superior you are. This hierarchical tradition influences the perception of luxury in China. People become more susceptible to the idea that one's status can be established or revealed by the image, appearance, or lifestyles. Moreover, Chinese pay a lot of attention on their self-image. Therefore, they achieve

to present their best, in this case buying expensive goods, to show that they are successful (Vigneron & Johnson, 1999). Wong and Ahuvia (1998) suggested that conspicuous consumption is the most effective way to attract attention. As a result, luxury consumption becomes a channel for Chinese to elevate their social status.

3.4.3.1 The traditional Chinese culture and consumption of foreign brands

The Chinese consumer buying behaviour is heavily influenced by Confucian values: collectiveness and family respect and superiority, and glory and awareness of shame (Wong & Ahuvia, 1998). Collectiveness and family is a key influence on individual behaviour in China (Wong et al., 1999). For example, in their studies on social interaction patterns, Wong and Ahuvia (1998) found the Chinese to stress harmonious interactions among in-group members, whereas Americans focus on expressing the private self by meeting personal needs. That's why Chinese consumers give more value to the brands than on the products themselves. The more famous and expensive the brand, the more recognition they get.

Respect and superiority generates the fundamental need to be respected by others and having their respect as a key indicator of social superiority in China (Wong et al., 1999). Conspicuous consumption is today the easiest and fastest way to attract attention. The value, image and awareness of luxury brands among the public can fulfil the need of their consumers to impress others and so establish their superiority (Wong & Ahuvia, 1998).

Glory and awareness of shame pressures people to succeed in Chinese society. Wearing or using luxury brands an individual can bring glory and respect to the family and to the wider community as a clear sign of his or her success (Wong et al., 1999). It may even lead to being admired and accepted as being part of the Chinese elite without any personal achievements or political family heritage. This kind of pressure often pushes people towards vanity and the need to disown their true origin.

The reason affluent Chinese men and women buy Rolex watches and Louis Vuitton bags are not simply because of the Swiss craftsmanship or French design. Their

motivation to buy these luxury brands has its roots in the more complex Confucian values and demand for social recognition, and the growing influence of Western values.

3.5 China Specific Motivations

This section is the critical part towards the entire research; it concentrates on the reasons why Chinese consume luxury products. Chadha and Husband recognized that a country's development affects the intensity of luxury consumption (Chadha & Husband, 2006). On the other hand, the popularity of luxury goods reflects the prosperity of a nation. China has been growing rapidly internally as well as externally, especially the emergence of the middle class which has a strong purchasing power (Danziger, 2005). Chadha and Husband also pointed out that these groups of consumers are motivated to spend "to express themselves and to rebel against the subjugation of the past" (Chadha & Husband, 2006, p. 182).

According to Chadha & Husband's 'luxe evolution', they concluded that Chinese purchase luxury goods for conspicuous purposes (Wang et al., 2000). This result also supports Chaudhuri and Mujumdar's theory, which suggested that a country's development affects the motivation of purchasing luxury products (Chaudhuri & Majumdar, 2006).

3.6 Country of origin influence

The country of origin (COO) of a product is of some significance when it comes to the actual product (Brannen, 1992). A huge number of studies had been done throughout the past four decades; several of them emphasized the importance of the effect of COO. The country of origin has been identified to exert a positive effect on consumers' perception on the product quality (Hauble & Helrod, 1999; Pecotich & Ward, 2007; Thakor & Pecotich, 2007). Bhat and Reddy (1998) proposed that the unity of the brand and the country of production give a positive effect on the product.

In addition, Thakor & Pecotich suggested that the country of origin plays a role in shaping the brand personality (Thakor & Pecotich, 2007).

However, other studies showed that, product quality wise, the country of origin has been over-emphasized when compared to the brand itself (Bhat & Reddy, 1998). On the other hand, the brand will exert a stronger influence on the consumers than the country of origin when there is a purchasing intention (D'Astous & Ahmed, 1999). Verlegh & Steenkamp commented that the reason why consumer behaviour is affected by country of origin was that it includes emotional and normative dimensions (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000)

A minority of researchers underwent studies on the effect of country of origin in developing countries. Batra, Ramasway, Alden, Steenkamp and Ramachander (2000) generated a similar result to that of Verlegh and Steenkamp's assumption (1999), which showed that COO represents social values apart from quality; they also gave preference to non-local brands (Batra et al., 2000). Batra et al., (2000) did a research among Indian consumers and the result showed that consumers in developing countries have a preference on non-local brands while the reasons not only associated to the quality of the brand (Batra et al., 2000). In summary, the research done by Betra et al., (2000) leads us to a new area for further research on the perception of luxury brands among developing countries.

Chapter summary

Consumer behaviour itself is a complex topic; it is even harder to examine the effect of consumption towards luxury goods due to a wide variety of factors involved. This chapter summarised the issues and problems that have been raised by researchers on luxury brand products. From this chapter seven key reasons for luxury consumption among Chinese consumers have been identified: The first reason is that Chinese consumers are motivated to buy luxury goods for delivering their social status (Chadha & Husband, 2005; Frank, 2000). The second reason is the superiority earned from the respect one is getting from owning luxury goods (Chadha & Husband, 2006; Danziger, 2005). The third reason is the elevation of social status and the satisfaction

of having the ability to fulfil one's desire towards luxury goods among the middle-class consumers (Wong et al., 1999). The fourth reason is the representation of one's personality or sense of fashion (Chadha & Husband, 2006; Danziger, 2005). The fifth reason is improvement of one's appearance, which Chinese have a concept that buying luxury goods can make them beautiful or attractive, or at least being more presentable (Wong & Ahuvia, 1998). The sixth reason is to be identified by those who have a lower knowledge of brand (Danziger, 2005). The last reason is to purchase for the purpose of gifting to other person (Bhat & Reddy, 1998), which in turn sending out a message that the consumer has a higher social status.

Chapter 4 – Methodology

4.1 Introduction

This chapter discusses the methodological issues involved in the current study. Quantitative research methodologies were chosen for the current study (Perry, 1998).

The methodology chapter is structured as sections: first of all the research question will be explored, secondly the research method will also be discussed, followed by justification of the methodology of the study. Thirdly, how the questionnaire was designed, how data was gathered for results and how data was analysed. Next the ethical concerns involved in the study will be discussed. Last, a short chapter summary will be provided.

4.2 Research questions

Many studies have suggested that people buying luxury products do so not only because of the luxury brand's distinguished design and superior quality, according to Baugh and Davis (1989) and Solomon and Rabolt (2004) consumers also purchase luxury brands because they can confer the perceived higher social status to their owner. Although, the extra value luxury products can confer on their owner has been well examined, there is a lack of close studies on the young Chinese consumer.

The objective of this study was to find out what the motives are behind young Chinese consumers purchasing luxury fashion branded products. Therefore the first research question for the current study is: What are the motivations for young consumers in China to purchase luxury fashion branded products?

As mentioned earlier in the literature review chapter, luxury branded products has been viewed as status symbols by many people. They believe luxury products are able to convey and communicate the owner's status information (Sproles & Burns, 1994; Solomon & Rabolt, 2004). Grossman and Schapiro (1998), stated that owning and

using luxury branded products can convey the owners perceived social status and prestige.

According to previous research, people from western societies are individualist oriented, different than collectivist oriented people who are strongly influenced by social pressure to conform; they are more likely to express their uniqueness (Schutte & Ciarlante, 1998; Wong & Ahuvia, 1998). On the other hand, Chinese consumers are heavily affected by social pressure (Schutte & Ciarlante, 1998; Wong & Ahuvia, 1998) they tend to hide their personal opinions if they find it differs from other people, conform with the group and obey manners that are believed to be socially acceptable. In other words, individualist oriented western consumers buy luxury branded products to express their personal taste whilst collectivist oriented Chinese consumers purchase luxury branded products to look the same as their peers. Therefore the second research question of the current study is: For the young consumers in China purchasing luxury products is the motive related to fitting in with peers or expressing personal taste?

Last but not least, in the current study the respondents are those young Chinese who work and live in Shanghai and Beijing. Although those two cities are the biggest cities in China, they have different cultures towards luxury consumption, therefore the third research question is: Are there any major similarities or differences in what motivates young Chinese consumers in Beijing and Shanghai to purchase luxury fashion branded products?

4.3 Justification for the methodology

There are two general methods usually applied to research, qualitative and quantitative (Perry, 1998). The current study replicates the Wiedmann et al. (2009) study in order to find out the motives behind young Chinese consumer's consumption luxury fashion branded products. As the purpose of the current study is to examine the relationships between the variables that "have been previously identified and measured" rather than to explore "what are the variables involved", quantitative methodology is more appropriate than qualitative methodology (Perry, 1998, p.78).

The research was conducted within the positivistic paradigm in which Remenyi, Williams, Money and Swartz (1998) suggest “the observer is independent and the word is objective and external” (p.104). Thus, the research focused on facts provided by analysis of data collected from a survey. As Wiedmann et al. (2009) work had not been replicated in any context, a close replication using a similar context and methodology was considered more appropriate rather than choosing a very different context.

Another reason why a quantitative method was chosen is because quantitative research method is more suitable to collecting large sample sizes data, and the quantitative method results are also easy to generalize respondent’s explicit and / or implicit claims (Dillman, 2000). In addition, with a limited amount of time for conducting the current research, the quantitative questions are easy for respondents to answer and understand and the data results are simpler to interpret.

4.4 Survey Development

This section discusses how the current study’s questionnaire was designed. In this study the structured self administered questionnaire is applied, all the questions are closed ended questions and are administered using an online survey tool “Survey Monkey” (www.surveymonkey.com).

4.4.1 Self administered questionnaire

Respondents answered the self-administered questionnaire from the Survey Monkey web link sent by the researcher. As suggested by Saunders, Lewis and Thornhill (2003) “the self administered method could help to elicit participant’s beliefs, opinions, attitudes, perceptions” (p.121). According to Saunders et al., (2003) self administrated questionnaires ensure the right respondent participates in research. Due to the current study examining young consumers from Beijing and Shanghai in China it has to be dispersed to a large geographical area so this method is appropriate for the current study.

4.4.2 Structured questionnaire

Structured questionnaires are typically used where it is possible for respondents to anticipate closely and usually used in a large interview context, usually has more than 200 respondents (Saunders, Lewis & Thornhill, 2003).

4.4.2.1 Benefits & problem associated with structured questionnaire

There are many benefits associated with structured questionnaires. The reason structured questionnaires with closed ended questions were chosen in the current study is because firstly the current study has more than a 200 respondents, with a limited timeframe for data gathering and analysis. By using structured questions the researcher can easily assign numerical value to research questions and answers therefore it allows data to be quickly analyzed. Secondly closed ended questions are unlike open-ended questions; in closed ended questions, categories of respondents are usually generated before the questionnaire has been administered (Saunders et al., 2003). However, everything has two sides, there is a critical criticism toward closed ended questions, according to Saunder et al., (2003) closed-ended questions limit the respondent's answers, this may not be able to reflect their true opinion, and they only allow choosing set alternatives.

4.4.3 Survey design

As mentioned above, the current study is a replicated study of Wiedmann et al., (2009), therefore the Wiedmann et al., (2009) questionnaire was adopted in this study. However, this study did not adopt all the scale items used in the Wiedmann et al., (2009) study; the study only retained the rating scale item from Wiedmann et al., (2009) study which has factor loadings greater than 0.60. Therefore, only 37 items were remained in the current study. The reason the current study had less questions is also due to the consideration that shorter questionnaires are more likely to be completed (Dillman, 2000) was applied. The questionnaire for the current study is attached in Appendix 3.

4.4.4 Survey structure

In the current study, the survey consists of 44 rating scale questions in total. Within this 37 items are taken from the Wiedmann et al., (2009) study. Another 7 rating scale questions were developed from previous literature which the researcher assumes will help answer the research questions.

The questionnaire has three sections. The first section explores the participants past purchase information. In this section respondent's luxury fashion branded product purchase history is studied. This helps and groups respondents into two groups, those who have bought luxury fashion branded products before, and those who have never bought luxury fashion branded products. This allows the researcher to compare answers between the two groups.

In the second section, the survey is divided into two parts. The first part contains seven statements to measure participant's personal attitude towards luxury consumption and tendency for future purchase. The second section of the questionnaire used existing scales obtained from the Wiedmann et al., (2009) study "Value-Based segmentation of luxury consumption behavior".

The third section asked for the participants' general demographic information including location, education background, social role, gender, age and family income.

4.5 Reliability and Validity

To a large extent, how a question was designed and how the questionnaire is structured in the study is vital to the reliability and validity of the research data. As suggested by Saunderson et al., (2003) that "a valid questionnaire which enables accurate data to be collected means that these data are collected consistently" (p. 32). This study aims to measure the underlying dimensions of consumer's luxury value perceptions against the background of the multi-dimensional model.

Churchill (1979) suggests that once the measures meet the criteria of reliability in their assessment, an “iteration” process based on a new sample of data is necessary “to rule out the possibility that the previous findings are due to chance” (p.70). Although Wiedmann et al., (2009) has established dimensions of luxury brand consumption (Dubois & Laurent, 1994; Richins & Dawson, 1992; Tsai, 2005), the underlying dimensions of the scale measures were checked again factor analysis, by using the principal component method with varimax rotation.

As suggested by Hinkin (1995) reliability is commonly measured by internal consistency by using Cronbach’s alpha. The rationale for internal consistency is that to examine whether the scale items are highly inter-correlated, the same scale items should all be measuring the same construct (Churchill, 1979; Nunnally, 1978). Researchers assert that coefficient alpha is an ambiguous and imperfect indicator of internal consistency (Clark & Watson, 1995; Cortina, 1993). Therefore, three measures, coefficient alpha, item-to-total correlations and inter-item correlation, were computed for the examination of scale internal consistency in this study. In addition, as suggested by Hair et al., (2006) that to achieve a favourable result “item to total correlation should exceed 0.50, Cronbach’s alpha coefficient should exceed 0.70, and inter-item correlations should exceed 0.30”. The original questionnaire was designed in English. However, due to consideration of the language barrier, the questionnaire was then translated into Simplified Chinese. Before the final questionnaires were distributed, the researchers conducted a pilot test to observe how well respondents understood the scale items being used.

Pilot testing was conducted on eight young Chinese consumers both male and female, who had bought luxury fashion branded products before, and it is important to have similar people to the targeted respondents (Hauck & Stanforth, 2007). The objectives of this test are firstly collecting the respondent’s opinions regarding the answering applicability. Secondly, to ascertain how to distribute the questionnaire and whether the questionnaire’s directions are easy to follow (Dillman, 2000). The overall result indicated that the questionnaire was easy to understand, easy to complete and took the appropriate amount of time to complete.

4.6 Likert-type scales

Likert-type scales are widely used in measuring opinions, beliefs and attitudes (DeVellis, 1991). Thus, they were appropriate for the current study as the study measured the participants' opinions and beliefs concerning their attitude towards luxury product consumption.

A key issue in using Likert-type scales is “to generate sufficient variance among respondents for subsequent statistical analysis” (Hinkin, 1995. p.128). Providing more response alternatives does not necessarily increase reliability or validity of responses because respondents might not be able to make more subtle distinctions that are required, and might respond randomly, which in turn would lead to invalid responses (Clark & Waston, 1995). Researchers have found that reliability of responses increases steadily for a 2-point scale to 5-point scale (Lissitz & Green, 1975 cited in Hinkin, 1995). Therefore, a 5-point scale should be appropriate to generate sufficient variance of responses.

Wiedmann et al., (2009) used 5-point Likert-type scale in their study and yielded satisfactory variance of responses for their statistical analysis. Therefore, this five point likert type scale remained unchanged in this study. In this study the questionnaire requires respondents to respond to statements from 1 to 5, 1= strongly agree, 2= agree, 3= neutral, 4= disagree and 5= strongly disagree on their answers.

4.7 Data collection

This section discusses what data is needed in this study and how the data was collected. Nowadays there are many ways to collect data, such as interviews, focus groups, mail, online, surveys, databases etc, however how the data will be used has a huge influence on how the data will be collected (Saunders et al., 2003). In this study, primary data will be collected in order to investigate the research questions.

4.7.1 Primary Data

The primary data of this study was gathered through an online survey by using online survey tool “Survey Monkey”. A questionnaire been created by using the self-explanatory wizard interface provided by Survey Monkey. Then, in order to get the correct respondents to participate in the study, snowball sampling was chosen to distribute the survey by sending emails containing the URL link to the questionnaire. Distributing questionnaires online improves response rates; it can also save money especially for a study that has more than 200 respondents (Churchill, 1999). Moreover, an online survey can significantly reduce the time needed for implementation (Dillman, 2000).

Although an on-line survey helps in collecting large sample study this does not mean people will participate in this research, therefore the snow ball sampling method was adopted in distributing questionnaires.

4.7.2 Snowball Sampling

In order to get the right people to participate in the study as well as to get a sufficient respondent rate this study used snowball sampling. Snowball sampling is non-probability sampling. This method is especially useful when respondents are not easy to obtain (Dillman, 2000). When someone participates in research, they were also asked to recommend their friend to participate in the study. This method helps the respondents meet the research criteria researchers have set up for (Hauck & Stanforth, 2007).

4.7.3 Sample selection

A snowball sampling method was used because limited contacts were available in China. The target respondent for this research is defined as male or female, who is living and working in Beijing and Shanghai, aged from 18 to 30. Due to the limited contacts in China, the current study used the researcher’s personal social network. The questionnaire URL link was sent out to the researcher’s friends first, those friends

who live and work in Beijing or Shanghai, and then they sent the invitation to people who meet the sample selection criteria.

Due to the challenge of achieving a sufficient response rate, various techniques were used in this study. Those techniques included, all respondents being assured anonymity and offered an equal opportunity to win an amazon.com book voucher worth \$ US. 100. In addition, a reminder email with the online questionnaires URL link were sent out after the questionnaires were distributed by the researcher's friends.

4.7.4 Response rate

About 2000 invitations were distributed through the researcher and researcher's friends. A total of 309 online surveys were returned while 91 questionnaires were returned uncompleted. Therefore, a total of 218 completed online surveys were usable. The response rate was thus 10.9 percent.

4.7.5 Issues of sample size

Different researchers have recommended a variable-to-observation ratio, the ratio ranging from 1:4 to 1:10 (Flynn & Percy, 2001). As suggested by Hair et al., (2006) a larger sample size increases the likelihood of attaining statistical significance and increases the accuracy of the factor loadings which reflect the real population values. When sample sizes are small or the observation-to-variable ratios are low, researchers should interpret the findings cautiously (Hair et al., 1998).

However, Guadagnoli and Velicer (1988) have found that sample size requirements varied with the number of variables and size of factor loadings. According to Guadagnoli and Velicer (1988) variables with loading factors above .60 can give us the confidence to believe the factor loading is significant without account of what sample size has been used in the study. Likewise, loadings less than .40 but with 10 to 12 variables per component can also yield significant results with sample size more than 150.

The current valid completed sample size was 218 and the variable-to-observation ratio was 1: 4.95 (44:218) at the first stage. Whether this sample size was big enough to yield significant factor loadings would depend on the inter-correlation levels of the variables. Hair et al., suggested that loadings $\geq .50$ could be considered as significant statistically (Hair et al., 2006).

4.8 Data Analysis- SPSS

The first purpose of the current study is to identify what motives are most important for young Chinese consumers who buy luxury fashion branded.

SPSS 17.0 was used to analyze the data gathered from this study. Exploratory factor analysis was used as a tool to identify the underlying dimensional structure (Hair et al., 2006; Stewart, 2011).

4.9 Ethical awareness

The current study focuses on human subjects; therefore, attention needed to be paid to ethical values. The participants for the survey were over 18 years old; the information sheet was incorporated in the Survey Monkey web page for all respondents to read, and had asked for informed consent to participate in the research. (The ethical approval form as approved by Auckland University of Technology Ethics Committee for the study is attached in Appendix A).

Chapter Summary

In summary, based on Wiedmann et al's., (2009) questionnaire, a survey questionnaire was designed. The sample size for this study was decided after consideration of the need of factor analysis.

2000 invitations to participate in the research were sent using a "snow ball" sampling method. In total out of 309 returned questionnaires, 218 were usable. All the data was

analyzed by the statistical package for the social sciences (SPSS). Details of analysis will be explained in the next chapter.

Chapter 5 Analysis of data

5.1 Introduction

This chapter discusses the data analysis process and presents the results for the study. The major purpose of the study is to find out what motives young Chinese consumers have for purchasing luxury fashion branded products.

The analysis of data consists of four sections. The first discusses the subjects used within the research procedure; the second section illustrates the techniques used to analyse the data gathered. Exploratory factor analysis was chosen for dimensionality analysis. Discriminant analysis was utilized to distinguish between those consumers who have bought luxury branded fashion products, and those who have not. Finally, the conclusion of the chapter is provided.

5.2 Subjects

The subjects for this research were males and females who live and work in Beijing or Shanghai, China, aged between eighteen and thirty. The respondents considered themselves as having culturally “Shanghanness” or “Beijingness”, though they may originally have come from another city of China. This resulted in the respondents having “Shanghainess” and “Beijingness” culture at their core psychological centre. For both ethical approval reasons and respondent comfort no names were recorded with the survey.

5.3 Demographic characteristics of respondents

A total of 309 respondents commenced the questionnaire, though only 218 respondents completed all questions including the demographics questions. 62.9 (n=144) percent of respondents are from Beijing and 37.1 percent of respondents are from Shanghai (n=85). (Table 5.1)

The distribution of gender among respondents is shown in Table 5.1, 52.0 percent (n=119) of respondents were male, and 48.0 percent (n=110) were female.

As for the distribution of age groups, 7.4 percent of respondents are in the range of 18-19 years old, just over 80 percent of participants fall in the range of 20-30 years old, the remaining 11.8 percent of respondent claim they are just above 30 years old (Table 5.1).

Out of 229 participants, 64.6 percent are single; over 80 percent have a bachelors degree or higher qualification. In term of participants' social role 60.7 percent of respondents are employed and 27.5 percent respondents are still studying at school. In terms of family income level, 61.6 percent of respondents claim they make less than 50,000 Yuan a year, though 51.5 percent of respondents have other sources of income such as dividends or shares.

Table 5.1 Respondents' Demographic Information

		N	%
City			
	Beijing	144	62.9
	Shanghai	85	37.1
Gender			
	Female	110	48
	Male	119	52
Age Group			
	15-19	17	7.4
	20-24	102	44.5
	25-30	83	36.2
	above 30	27	11.8
Civil Status			
	Single	148	64.6
	married	65	28.4
	Other	16	7.0
Highest Education			
	high school	29	12.7
	College/university	144	62.9
	postgraduate	22	9.6
	masters	24	10.5
	PhD	10	4.4
Social Roles			
	Student	63	27.5
	unemployed	14	6.1
	employee	49	21.4
	self-employed	26	11.4
	junior manager	21	9.2
	senior manager	22	9.6
	entrepreneur	7	3.1
	Others	27	11.8
Annual Family Income			
	under 25 k	80	34.9
	25k-49k	61	26.6
	50k-100k	50	21.8
	above 100k	38	16.6
Other Sources of Income			
	Yes	118	51.5
	No	111	48.5

5.4 Data cleaning

In question one, respondents were asked “do you buy luxury fashion branded products such as LV, Channel, and Hermes etc”. 60.0 percent of the respondents (n=168) said yes. In question two respondents were asked “how often do you purchase luxury fashion branded products”. 15.0 percent said weekly, 12.1 percent respondents said monthly, 22.9 percent claim that they purchase every 6 months, 20.7 percent once a year, while 29.3 percent said they never buy any.

A comparison of questions one and questions two suggested that 4 of the respondents who answered “yes” to question one may not have given an accurate answer (Table 5.2), as they then claimed they never bought luxury fashion branded goods. These four respondents with inconsistent information were eliminated from any further analysis comparing yes versus no groups. 34 respondents who had answered “no” to question one in answer to question two indicated they sometimes bought luxury brands. These 34 people with inconsistent information were eliminated from any further analysis comparing yes versus no groups. The analysis which followed compares 164 “yes” respondents to 78 “no” respondents.

Table 5.2 Crosstab of Questions 1 and 2

		Q1 Do you buy luxury fashion branded products?	
		yes	no
Q2 How often do you purchase luxury fashion branded products?	Weekly	35	7
	Monthly	29	5
	every 6 months	51	13
	once a year	49	9
	Never	4	78
	Total	168	112

And then the mean of 44 rating scale items are compared with 164 respondents who state they bought luxury fashion branded products before. The results show (Table 5.3) the most important factors regarding why respondents purchase luxury fashion branded products are *individual value* and *functional value*, that is, items from survey questions 4 and question 5:

Q5I never buy a luxury brand inconsistent with the characteristics with which I describe myself.

Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.

Q5 The luxury brands I buy must match what and who I really am.

Q4 I'm inclined to evaluate the substantive attributes and performance of a luxury brands myself rather than listen to others opinions.

Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.

Q3 It is mostly up to me whether or not I am going to purchase a luxury brand in the future.

Q4 I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.

Q4 True luxury products cannot be mass-produced.

Q4 A luxury product cannot be sold in supermarkets.

Q6 I usually buy only the things I need.

Q3 I think a luxury brand with a high price means good quality compared to other brands.

Table 5.3 Descriptive statistics of the 44 rating scale items

Rating scale items	N	Mean
Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	157	1.76
Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	158	1.77
Q5 The luxury brands I buy must match what and who I really am.	157	1.82
Q4 I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.	159	1.84
Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	156	1.87
Q3 It is mostly up to me whether or not I am going to purchase a luxury brand in the future.	160	1.87
Q4 I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.	159	1.9
Q4 True luxury products cannot be mass-produced.	158	1.92
Q4 A luxury product cannot be sold in supermarkets.	155	1.97
Q6 I usually buy only the things I need.	155	1.97
Q3 I think a luxury brand with a high price means good quality compared to other brands.	163	1.99
Q5 I'd be happier if I could afford to buy more things	156	2.02
Q6 I can enjoy luxury brands entirely on my own terms no matter what others may feel about them	156	2.03
Q6 Buying things give me a lot of pleasure.	156	2.06
Q3 I have less desire towards luxury brand products when mass quantities of people consume the same products as me.	163	2.09
Q6 Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.	156	2.11
Q7 I like to know what brands and products make good impressions on others.	153	2.12

Table 5.3 continued

Rating scale items	N	Mean
Q3 I feel like acquiring more luxury products in the future.	163	2.13
Q6 On the whole, I may regard luxury brands as gifts I buy for treating myself.	157	2.13
Q4 In my opinion, luxury is good.	153	2.14
Q7 Before purchasing a product it is important to know what my friends think of different brands or products.	151	2.16
Q4 In my opinion, luxury is pleasant.	157	2.18
Q7 Before purchasing a product it is important to know what kinds of people buy certain brands or products.	153	2.21
Q4 In my opinion, luxury is swanky.	156	2.22
Q3 I think a luxury product can fetch a good resale value.	161	2.25
Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	152	2.26
Q7 Before purchasing a product it is important to know what others think of people who use certain brands or products.	151	2.27
Q6 Self-actualization is an important motivator for my luxury consumption.	157	2.28
Q6 When in a bad mood, I may buy luxury brands as self-given gifts for alleviating the emotional burden.	157	2.29
Q6 For me as a luxury consumer, cultural development is an important motivator.	155	2.30
Q6 Luxury brands are one of the sources for my own pleasure without regard to the feeling of others.	155	2.32
Q7 I actively avoid using products that are not in style.	153	2.35
Q5 It sometimes bothers me quite a bit that I can't afford to buy all the things I would like.	152	2.41
Q3 I think investment in a luxury product is worth its retail price.	161	2.44

Table 5.3 continued

Rating scale items	N	Mean
Q4 In my opinion, luxury is really useless.	158	2.44
Q7 If I was to buy something's expensive; I would worry about what others would think of me.	154	2.46
Q6 Purchasing luxury brands provide deeper meaning in my life.	156	2.49
Q5 My life would be better if I owned certain things I don't have.	154	2.51
Q6 I enjoy spending money on things that aren't practical.	154	2.52
Q5 I have all things I really need to enjoy life.	153	2.53
Q7 I tend to pay attention to what others are buying.	152	2.57
Q3 For me, I am willing to pay a premium price for limited edition luxury goods.	160	2.57
Q7 I usually keep up with style changes by watching what others buy.	151	2.66
Q2 How often do you purchase luxury fashion branded products?	164	2.70
Q4 In my opinion, luxury is old-fashioned.	155	2.77

5.4 Demographic differences on luxury branded product purchasing

Then the comparison between the respondents who bought luxury fashion branded products (164 “yes” respondents) with the respondents who never bought any luxury fashion branded products (78 “no” respondents) on each of the demographic questions was examined by using cross-tabulation with chi-square tests. This test can help us to find out the relationship between demographic differences with luxury product consumption by the young Chinese consumer.

The study results shows there are no significant ($p < 0.05$) differences between respondents who bought luxury fashion branded products or not, on which city they come from, their gender, age, civil status and qualification they got (Table 5.4).

Table 5.4 Demographic differences between respondents who have bought luxury fashion branded products and those who have not

		yes	no	Chi square	df	Sig.
Q8 Which city are you from?	Beijing	88	33	1.556	1	.212
		58.7%	68.8%			
	shanghai	62	15			
		41.3%	31.3%			
Q9 What is your Gender?	female	67	22	.020	1	.888
		44.7%	45.8%			
	male	83	26			
		55.3%	54.2%			
Q10 What is your Age group?	15-19	10	3	.305	3	.959
		6.7%	6.3%			
	20-24	60	20			
		40.0%	41.7%			
	25-30	60	20			
		40.0%	41.7%			
	above 30	20	5			
		13.3%	10.4%			
Q11 What is your civil status?	single	97	28	3.657	2	.161
		64.7%	58.3%			
	married	46	14			
		30.7%	29.2%			
	other	7	6			
		4.7%	12.5%			
Q12 What's your highest education?	high school	15	4	5.644	4	.227
		10.0%	8.3%			
	college/university	96	31			
		64.0%	64.6%			
	postgraduate	14	4			
		9.3%	8.3%			
	masters	15	9			
		10.0%	18.8%			
	PhD	10	0			
		6.7%	0.0%			

Table 5.4 continued

		yes	no	Chi square	df	Sig.
Q13 social roles	student	35	10	17.525	7	.014
		23.3%	20.8%			
	unemployed	8	4			
		5.3%	8.3%			
	employee	26	20			
		17.3%	41.7%			
	self- employed	21	4			
		14.0%	8.3%			
	junior manager	16	3			
		10.7%	6.3%			
	senior manager	19	1			
		12.7%	2.1%			
Q15 other sources of income	entrepreneur	6	0	6.116	1	.013
		4.0%	0.0%			
	others	19	6			
		12.7%	12.5%			
	yes	90	19			
		60.0%	39.6%			
	no	60	29			
		40.0%	60.4%			

However there are some significant differences between yes or no respondents based on their social roles and whether they receive other sources of income.

The study results show people working at higher paying jobs such as self employed, junior manager, senior manager and entrepreneur commonly claim they have bought luxury fashion branded products before (Chi square=17.525a, df=7, p=.014).

As well, respondents who claim they receive other sources of income also claim they have bought luxury fashion branded products (Chi square=6.116, df=1, p=.013)

5.5 One way ANOVA

The yes vs. no groups then compared on each of the 44 rating scale items by using one way analysis of variance (ANOVA). The results show there is a significant (sig<0.05) difference between respondents on the following 39 rating scale items (Table 5.5).

Table 5.5 Comparison of yes versus no respondents on each of the 44 rating scale items

		N	Mean	df	Sig.
Q2 How often do you purchase luxury fashion branded products?	Yes	164	2.7	1	.000
	No	78	5.0		
Q3 I think a luxury brand with a high price means good quality compared to other brands.	Yes	163	1.99	1	.000
	No	78	2.64		
Q3 I think a luxury product can fetch a good resale value.	Yes	161	2.25	1	.000
	No	78	3.17		
Q3 I think investment in a luxury product is worth its retail price.	Yes	161	2.44	1	.000
	No	78	3.45		
Q3 For me, I am willing to pay a premium price for limited edition luxury goods.	Yes	160	2.57	1	.000
	No	76	3.58		
Q3 I have less desire towards luxury brand products when mass quantities of people consume the same products as me.	Yes	163	2.09	1	.000
	No	78	2.69		

Table 5.5 continued

		N	Mean	df	Sig.
Q3 It is mostly up to me whether or not I am going to purchase a luxury brand in the future.	yes	160	1.87	1	.006
	no	78	2.23		
Q3 I feel like acquiring more luxury products in the future.	yes	163	2.13	1	.000
	no	78	3.05		
Q4 In my opinion, luxury is really useless.	yes	158	2.44	1	.411
	no	74	2.57		
Q4 In my opinion, luxury is just swanky.	yes	156	2.22	1	.110
	no	73	2.45		
Q4 In my opinion, luxury is pleasant.	yes	157	2.18	1	.000
	no	73	2.78		
Q4 In my opinion, luxury is old-fashioned.	yes	155	2.77	1	.000
	no	73	3.51		
Q4 In my opinion, luxury is good.	yes	153	2.14	1	.000
	no	72	2.75		
Q4 A luxury product cannot be sold in supermarkets.	yes	155	1.97	1	.007
	no	73	2.36		
Q4 True luxury products cannot be mass-produced.	yes	158	1.92	1	.005
	no	74	2.32		
Q4 I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.	yes	159	1.84	1	.012
	no	74	2.15		

Table 5.5 continued

		N	Mean	df	Sig.
Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	yes	158	1.77	1	.078
	no	73	1.99		
Q4 I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.	yes	159	1.9	1	.007
	no	72	2.28		
Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	yes	157	1.76	1	.020
	no	68	2.04		
Q5 The luxury brands I buy must match what and who I really am.	yes	157	1.82	1	.211
	no	66	1.97		
Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	yes	156	1.87	1	.130
	no	68	2.06		
Q5 My life would be better if I owned certain things I don't have.	yes	154	2.51	1	.023
	no	67	2.88		
Q5 I'd be happier if I could afford to buy more things.	yes	156	2.02	1	.158
	no	67	2.22		
Q5 It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.	yes	152	2.41	1	.091
	no	66	2.68		
Q5 I have all the things I really need to enjoy life.	yes	153	2.53	1	.000
	no	67	3.33		

Table 5.5 continued

		N	Mean	df	Sig.
Q6 Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.	yes	156	2.11	1	.002
	no	68	2.53		
Q6 On the whole, I may regard luxury brands as gifts I buy for treating myself.	yes	157	2.13	1	.000
	no	68	2.66		
Q6 I enjoy spending money on things that aren't practical.	yes	154	2.52	1	.000
	no	66	3.36		
Q6 Buying things give me a lot of pleasure.	yes	156	2.06	1	.000
	no	65	2.71		
Q6 Luxury brands are one of the sources for my own pleasure without regard to the feelings of others.	yes	155	2.32	1	.000
	no	65	2.97		
Q6 I can enjoy luxury brands entirely on my own terms no matter what others may feel about them.	yes	156	2.03	1	.003
	no	66	2.44		
Q6 For me as a luxury consumer, cultural development is an important motivator.	yes	155	2.3	1	.000
	no	65	2.92		
Q6 Purchasing luxury brands provide deeper meaning in my life.	yes	156	2.49	1	.000
	no	64	3.16		
Q6 Self-actualization is an important motivator for my luxury consumption.	yes	157	2.28	1	.000
	no	65	2.95		
Q7 I like to know what brands and products make good impressions on others.	yes	153	2.12	1	.005
	no	63	2.49		
Q7 I usually keep up with style changes by watching what others buy.	yes	151	2.66	1	.034
	no	62	3.03		

Table 5.5 Continued

		N	Mean	df	Sig.
Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	yes	152	2.26	1	.049
	no	62	2.53		
Q7 Before purchasing a product it is important to know what kinds of people buy certain brands or products.	yes	153	2.21	1	.048
	no	62	2.48		
Q7 Before purchasing a product it is important to know what others think of people who use certain brands or products.	yes	151	2.27	1	.032
	no	62	2.58		
Q7 I tend to pay attention to what others are buying.	yes	152	2.57	1	.020
	no	63	2.94		
Q7 Before purchasing a product it is important to know what my friends think of different brands or products.	yes	151	2.16	1	.001
	no	63	2.62		
Q7 I actively avoid using products that are not in style.	yes	153	2.35	1	.014
	no	63	2.73		
Q7 If I was to buy something expensive, I would worry about what others would think of me.	yes	154	2.46	1	.002
	no	63	2.95		

5.6 Data screening

To proceed with multivariate analysis, data should be cleaned, including issues of missing data, univariate and multivariate outliers, and normality skewness of variables.

5.6.1 Data cleaning for multivariate analysis

The basic characteristics of the data were examined first to obtain a good understanding of the relationships underlying the data. The missing data, univariate distributions, outliers and correlation were examined in turn.

Missing data was examined first; the missing data patterns were computed by using missing value case. In this analysis there were 37 cases which more than 10 percent missing data. As suggested of Hair et al., (2006) these missing values were considered as not missing at random, therefore, those 37 cases were deleted. After the data cleaning there were 243 respondents left.

The univariate distributions then got re-examined. Now every variable has less than 1 percent missing data, with the exception of 6 variables (Table 5.6) which had 1.2 percent to 3.3 percent missing data. According to Hair et al., (2006), if the missing data is under 10 percent any of the imputation methods can be applied, therefore we then chose to use EM data imputation in SPSS. This method was suggested as highly effective in instances of nonrandom missing data process (Hair et al., 2006)

Table 5.6 Re-examine univariate distributions

	N	Mean	Std. Deviation	Missing		No. of Extremes ^a	
				Count	Percent	Low	High
Q3For me I am willing to pay a premium price for limited edition luxury goods.	240	2.82	1.230	3	1.2	0	0
Q4In my opinion luxury is just swanky.	240	2.31	0.971	3	1.2	0	5
Q4In my opinion luxury is pleasant.	238	2.37	0.976	5	2.1	0	6
Q4In my opinion luxury is good.	235	2.37	0.939	8	3.3	0	5
Q4A luxury product cannot be sold in supermarkets.	240	2.12	0.980	3	1.2	0	0
Q6Buying things give me a lot of pleasure.	237	2.27	0.889	6	2.5	0	4

The z-scores for detecting univariate outliers, and the Mahalanobis distances for detecting multivariate outliers were computed. Hair et al., (2006) suggest that when the sample size is smaller than 80, cases with z-scores exceeding ± 2.5 , would be identified as outliers. However, when the sample size is larger than 80, the guidelines for identifying outliers should increase to absolute z-scores of 3 to 4. Thus 6 variables that had absolute z-scores over 3.3 were checked (Table 5.7). Then 3 more cases were deleted because each contained several examples of univariate outliers.

Table 5.7 Univariate outliers

	N	Minimum	Maximum
Zscore: Q4 I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.	243	-1.09377	3.41108
Zscore: Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	243	-1.01565	3.73388
Zscore: Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	243	-1.06382	3.79079
Zscore: Q5 The luxury brands I buy must match what and who I really am.	243	-1.11169	3.78587
Zscore: Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	243	-1.11775	3.48063
Zscore: Q6 I usually buy only the things I need.	243	-1.27863	3.34517

Next, multivariate normality of the dataset were examined. The Mahalanobis distance results showed that there was a single multivariate outlier, case number 257, it has D^2/df equal to 3.12 when all 43 variables were examined together; therefore needs to be eliminated.

The skewness values of the variables were also examined. 14 variables had excess skew, with skew divided by standard error of skew greater than 2.58 (Hair et al., 2006). Square root transformation was used to fix this.

5.7 Criteria for exploratory factor analysis

As discussed earlier, exploratory factor analysis technique was chosen for the dimension analysis. This section discusses the item deletion criteria for exploratory factor analysis.

5.7.1 Criteria to assess the data suitability of items for factor analysis

Five criteria were adopted for deletion in exploratory factor analysis. Firstly, the correlation matrix should be examined for Bartlett's test of sphericity. Bartlett's test of sphericity which measures the presence of correlations among the variables, and the Bartlett result should be significant ($P < 0.001$). This suggested that the correlation matrix had significant correlations among at least some of the 37 variables (Hair et al., 2006).

Secondly, the Kaiser-Meyer-Olkin measure of sampling adequacy (MSA) indicates the appropriateness of applying factor analysis for the entire matrix or an individual variable (Hair et al., 2006). Hair et al, (2006, p.99) suggest that the MSA can be interpreted with the following guidelines: 0.8 or above; meritorious, 0.70 or above, middling; 0.60 or above, mediocre; 0.50 or above, miserable; and below 0.50, unacceptable. Thus any variables with Bartlett's non-significant and/or $KMO < 0.50$ should be deleted .

Thirdly, the communality of any variable should be above 0.50. The communality for a variable represents the amount of variance accounted for by the factor solution for the variable. It is suggested that at least one-half of the variance of each variable must be taken into account (Hair et al., 2006). Thus variables with communalities less than 0.50 were considered as not having sufficient explanation and should be deleted.

Fourthly, all items that did not have an absolute loading of at least 0.35 on any factor should be eliminated as suggested by Churchill, Ford and Walker (1974).

Fifthly, cumulative percentage of variance extracted should be greater than 60 percent. The percentage of variance criterion is an approach based on achieving a specified cumulative percentage of total variance extracted by successive factors. The purpose is to ensure practical significance for the derived factors by ensuring that they explain at least a specified amount of variance (Clark & Watson, 1995).

Last, items in a scale should meet the requirement of uni-dimensionality, that is, they should measure one factor or construct, and only this factor or construct (Clark & Watson, 1995). Thus, any item that has an absolute loading of 0.35 or above on more than one factor (Churchill et al., 1974) is said to suffer from cross-loading, and should be deleted (Hair et al., 2006). In addition, it is suggested that at the current sample size of 218, factor loadings for any item should be greater than 0.50 on a factor to be interpreted as statistically significant (Hair et al., 2006).

5.8 Factor analysis

The purpose of factor analysis is to reduce the initial number of variables into a smaller and therefore more manageable (easier to analyze and interpret) set of underlying dimensions, called factors (Hair et al., 2006).

Factor analysis is a technique that requires a large sample size. Factor analysis is based on the correlation matrix of the variables involved, and correlations usually need a large sample size before they stabilize. As suggested by Hair et al., (2006) the sample must have more observations than variables and the absolute minimum sample size should be 50 observations. In the current study, total sample size is 239 (n=239) and 37 variables were chosen to examine in the factor analysis, the 37 rating scale items used in the current study were sourced from the Wiedmann et al. (2009) study. As suggested by Hair et al., (2006) a sample size of at least 5 times the number of variables, the current study got 6.46 observations per variable, therefore the current study has sufficient sample size to avoid computational difficulties.

5.8.1 Dimension analysis

The dimension analysis used the exploratory factor analysis technique. The 37 measured items were factor analyzed, using principal components analysis and direct oblimin rotation (Kim & Mueller, 1978).

5.8.1.1 Interpretation of the results

The current study used a total of 37 variables (from question 4 to question 7 in the questionnaires) in the examination. The first things we notice are KMO= 0.920 (KMO> 0.8, meritorious) and Bartlett's test of sphericity is significant (Sig. =0.000) (Table 5.8). Both show desired results; therefore, the data meets the first criterion for factor analysis.

Table 5.8 KMO and Bartlett's test of sphericity

Bartlett's Test of Sphericity	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.920
	Approx. Chi-Square	6363.379
	df	666
	Sig.	.000

Then we look at the anti-image correlation, the elements on the main diagonal are the individual variable Measures of Sampling Adequacy (MSA): they should be greater than 0.5 (Hair et al., 2006), the examined results show the MSA is greater than 0.5 for all 37 variables in the study (Table 5.8).

We then look at the result of communalities (sum of squares of the variable loadings). The result shows 7 out of 37 variables has a communality that is lower than 0.5; it shows this variable has a significant loading but may still be poorly accounted for by the factor solution, thus the variable's communality does not meet the criteria of

greater or equal 0.5. As suggested by Hair et al., (2006) those variables low in communalities should be deleted. The total variance explained, in the initial factor analysis was 58.37 percent with 5 factors extracted.

Last, we look at the rotated factor solution to check the factor pattern matrix which has loadings that represent the unique contribution of each variable to the factors (Hair et al., 2006). The factor loading pattern matrix is shown in (Table 5.9). However, there are some variables that have cross-loading problems (variables found to have more than one significant loading) (Hair et al., 2006).

As suggested by Hair et al., (2006) these factors cannot be distinct when they share variables, cross loading variables need to be eliminate. Therefore the following items were deleted: Q4 In my opinion, luxury is pleasant, Q5 It sometimes bothers me quite a bit that I can't afford to buy all the things I would like, Q6 I enjoy spending money on things that aren't practical, Q6 Purchasing luxury brands provides deeper meaning in my life, Q7 I usually keep up with style changes by watching what others buy. 32 items were retained at this stage.

Table 5.9 Initial factor analysis results -Pattern Matrix

	Factor				
	1	2	3	4	5
Q4 In my opinion, luxury is really useless.			0.696		
Q4 In my opinion, luxury is just swanky.					0.440
Q4 In my opinion, luxury is pleasant.	0.359				0.373
Q4 In my opinion, luxury is old-fashioned.			0.807		
Q4 In my opinion, luxury is good.	0.300				0.488
Q4 A luxury product cannot be sold in supermarkets.					0.649
Q4 True luxury products cannot be mass produced.					0.563
Q4 I am inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.		0.369			0.517
Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.		0.372			0.516
Q4 I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.		0.490			
Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.		0.732			
Q5 The luxury brands I buy must match what and who I really am.		0.747			
Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.		0.660			
Q5 My life would be better if I owned certain things I don't have.					0.384
Q6 I can enjoy luxury brands entirely on my own terms no matter what others may feel about them.		0.392			

Table 5.9 continue

	Factor				
	1	2	3	4	5
Q6 For me as a luxury consumer, cultural development is an important motivator.				-0.387	
Q6 Purchasing luxury brands provide deeper meaning in my life.	0.508			-0.351	
Q6 Self-actualization is an important motivator for my luxury consumption.				-0.526	
Q7 I like to know what brands and products make good impressions on others.	0.536				
Q7 I usually keep up with style changes by watching what others buy.	0.415		0.548		
Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	0.672				
Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	0.729				
Q7 Before purchasing a product it is important to know what others think of people who use certain brands or products.	0.788				
Q7 I tend to pay attention to what others are buying.	0.610				
Q7 Before purchasing a product it is important to know what my friends think of different brands or products.	0.752				
Q7 I actively avoid using products that are not in style.	0.541				
Q7 If I was to buy something expensive, I would worry about what others would think of me.	0.571		0.308		

These 32 items were factor analyzed repeatedly until there is no cross loading problems. The final factor analysis shows the KMO= .860 (KMO> 0.8, meritorious) and Bartlett's test of sphericity is significant (Sig. =0.000) (Table 5.10).

Table 5.10 KMO and Bartlett's test of sphericity

Bartlett's Test of Sphericity	Kaiser-Meyer-Olkin Measure of	0.86
	Sampling Adequacy	
	Approx. Chi-Square	1875.647
	df	91
	Sig.	.000

Then we look at the anti-image correlation, the elements on the main diagonal are the individual variable MSAs: the final examined results show the MSA is greater than 0.5 in 31 variables in the current study (Table 5.11) except for Q5 I have all the things I really need to enjoy life.

Table 5.11 Communalities

	Extraction
Q4 In my opinion, luxury is really useless.	0.514
Q4 In my opinion, luxury is old-fashioned.	0.759
Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	0.662
Q5 The luxury brands I buy must match what and who I really am.	0.927
Q5 My choices of luxury brands depends on whether they reflect how I see myself but not how others see me.	0.531
Q5 I have all the things I really need to enjoy life.	0.45
Q6 Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.	0.682
Q6 On the whole, I may regard luxury brands as gifts I buy for treating myself.	0.624
Q6 Self-actualization is an important motivator for my luxury consumption.	0.524
Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	0.606
Q7 Before purchasing a product it is important to know what kinds of people buy certain brands or products.	0.715
Q7 Before purchasing a product it is important to know what others think of people who use certain brands or products.	0.818
Q7 I tend to pay attention to what others are buying.	0.672
Q7 Before purchasing a product it is important to know what my friends think of different brands or products.	0.558

The total variance also explained is 64.594 percent, and there are a total of 4 factors extracted (Table 5.12)

Table 5.12 Variance extracted

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	5.849	41.778	41.778	5.508	39.344	39.344	4.539
2	2.027	14.478	56.256	1.737	12.408	51.752	2.938
3	1.47	10.501	66.757	1.086	7.754	59.506	2.804
4	1.055	7.536	74.293	0.712	5.088	64.594	3.276

Last, the direct oblimin rotation has been looked at in order to check the factor pattern matrix which has loadings that represent the unique contribution of each variable to the factors (Hair et al., 2006). The factor loading pattern matrix is shown in Table 5.13.

Now we only have one low communality problem but we chose to keep this item in this study because each factor should be measured by at least 3 items (Hair et al., 2006).

Table 5.13 Final factor analysis results- Pattern matrix

	Factor			
	1	2	3	4
Q4 In my opinion, luxury is really useless.			0.720	
Q4 In my opinion, luxury is old-fashioned.			0.830	
Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.		0.779		
Q5 The luxury brands I buy must match what and who I really am.		0.942		
Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.		0.633		
Q5 I have all the things I really need to enjoy life.			0.593	
Q6 Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.				0.717
Q6 On the whole, I may regard luxury brands as gifts I buy for treating myself.				0.715
Q6 Self-actualization is an important motivator for my luxury consumption.				0.487
Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	0.722			
Q7 Before purchasing a product it is important to know what kinds of people buy certain brands or products.	0.781			
Q7 Before purchasing a product it is important to know what others think of people who use certain brands or products.	0.964			
Q7 I tend to pay attention to what others are buying.	0.617			
Q7 Before purchasing a product it is important to know what my friends think of different brands or products.	0.706			

As shows in Table 5.13 the factor structure for the remaining 14, items were deleted representing 4 distinct factors that we may now utilize in further research. We then assign new meaning to the pattern of factor loading, so because the current study is a replicate of Wiedmann et al., (2009). Therefore, we will not make a new name for each factor instead we will use the factor names used in Wiedmann et al., (2009). Thus, Factor 1 is named Social value; Factor 2 is named Self identity; Factor 4 is named Hedonic value, and Factor 3 although it shares both Functional value and Hedonic value, but according to Hair et al., (2006) variables with higher loading are considered more important and have greater influence on the name or label selected to represent a factor, therefore we name Factor 3 as Functional value.

5.9 Discriminant analysis

Discriminant analysis is a technique for analyzing data when the criterion or dependent variable is categorical and the predictor or independent variables are interval in nature (Malhotra, Hall, Shaw & Oppenheim, 2002).

Out of 239 cases, 3 respondents answered “Yes” to question 1 and “No” to question 2. These cases were eliminated. 29 people answered “No” to question 1 and “Yes” to question 2, these cases were also eliminated.

The discriminant analysis was conducted on 146 respondents who claim they bought luxury fashion branded products with 61 respondents who claim they never bought luxury fashion branded products Table 5.14). So there are 207 cases that are valid to use in the current study and the discriminant analysis based on these 207 cases.

Table 5.14 Analysis case processing summary

Unweighted Cases	N
Cases excluded	32
Analysis Sample	104
Holdout Sample	103
Total	239

5.9.1 Creating the subsamples

Good procedure in discriminant analysis is to create the discriminant function with an analysis sample, then test this discriminant function with a separate hold-out sample. The usual procedure to creating the subsamples is to divide the total sample of respondents randomly into two subsamples (Hair et al., 2006). One of them called the analysis sample. This is used to develop the discriminant function. The other subsample, called holdout sample is used to test the discriminant function.

This test has been done by using SPSS to create a random sample of approximately 50 percent out of 207 samples. In the analysis sample, the proportion of yes to no respondents is 70.9% to 29.1%. In the hold out sample the proportion of yes to no respondents is 70.2% to 29.8% (Table 5.15).

Table 5.15 Summary of two sub-samples

	yes	no	Total
Analysis Sample	73	30	103
	70.90%	29.10%	100.00%
Hold-out Sample	73	31	104
	70.20%	29.80%	100.00%
Total	146	61	207
	70.50%	29.50%	100.00%

5.9.2 Discriminant function coefficients

Now the discriminant function coefficients are estimated using the direct method. Therefore, in this case, each independent variable is included. The reason we use the direct method is because the current study is based on Wiedmann et al., (2009) study, and we want the discrimination to be based on all the predictors, therefore the direct method is appropriate (Hair et al., 2006).

Table 5.16 Group Statistics

Do you buy luxury fashion branded products		Mean	Std. Deviation	Valid N (listwise)	
				Unweighted	Weighted
Yes	Social value	2.2247	0.64957	73	73
	Self-identity	1.3505	0.25804	73	73
	Functional value	2.6723	0.94772	73	73
	Hedonic value	2.2557	0.80031	73	73
No	Social value	2.4461	0.58855	31	31
	Self-identity	1.425	0.24465	31	31
	Functional value	3.1184	0.57421	31	31
	Hedonic value	2.8241	0.72541	31	31
Total	Social value	2.2907	0.63733	104	104
	Self-identity	1.3727	0.25525	104	104
	Functional value	2.8053	0.87516	104	104
	Hedonic value	2.4251	0.81808	104	104

The value of the coefficient for a particular predictor depends on the other predictors included in the discriminant function. Generally, predictors with relatively large standardized coefficients contribute more to the discriminating power of the function, as compared with predictors with smaller coefficients (Solomon & Rabolt, 2004).

Analysis of the betas for the discriminant function indicates that the two groups of yes and no respondents are more widely separated in terms of functional value (the mean functional value of yes group=2.6723 while the no group=3.1184) and Hedonic value. There are significant betas for only these two factors Table 5.17. The study result

shows hedonic value has the largest standardized coefficients and then followed by functional value.

Table 5.17 Tests of equality of group means & Discriminant function coefficients

	Wilks' Lambda	F	df1	df2	Sig.	Standardised Coefficients
Social value	0.975	2.668	1	102	0.105	-0.190
Self-identity	0.982	1.871	1	102	0.174	-0.043
Functional value	0.945	5.923	1	102	0.017	0.411
Hedonic value	0.898	11.585	1	102	0.001	0.875

Because there are two groups, only one discriminant function is estimated. The eigenvalue associated with this function is shown in Table 5.18 as being equal to .128 and it accounts for 100 percent of the explained variance. The canonical correlation associated with this function is .336 Table 5.18. The square of this correlation, $(.336)^2$ indicates that 11.3% of the variance in the dependent variable is explained by this model.

Table 5.18 Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.128 ^a	100	100	0.336

5.9.3 Determine the significance of the discriminate function

The next step is to determine the significance of the discriminate function. In the population, we test if all groups are significantly affected by the discriminant factors. In SPSS this test is based on Wilk's Lambda, the test result of the statistic shows .887 Table 5.19, which transforms to a chi-square of 12.001 with 4 degrees of freedom. The discriminate function is therefore significant beyond the .05 level.

Table 5.19 Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	0.887	12.001	4	0.017

The group centroids in the Table provide the value of the discriminate function evaluated at the group means. The group who purchased luxury branded products has a mean of -.230, whereas the group who never purchases luxury branded products has a mean of .543 Table 5.20. The signs of the coefficients associated with hedonic value and functional value are positive, this suggests that if people review the luxury fashion branded products has higher hedonic value and functional value they are more likely to buy it.

Table 5.20 Functions at group centroids

	Function
Do you buy luxury fashion branded products	1
Yes	-0.230
No	0.543

5.9.4 Assess validity of the discriminat analysis

As explained earlier, in the current study the data was randomly divided into two subsamples. The first sample the analysis sample, is used for estimating the discriminate function, the holdout sample is used for developing the classification matrix. It is helpful to compare the percentage of cases correctly classified by the discriminate analysis to the percentage that would be obtained by chance.

In the following table it shows the classification results based on the analysis sample. The percentage of cases correctly classified is 71.2 percent. One might suspect that this ratio is artificially inflated, as the data used for estimation was also used for validation. Conducting classification analysis on the independent holdout shows a slightly higher classified rate of 72.8 percent Table 5.21. Given two groups of equal size, by chance, one would expect a 50 percent hence, the improvement over chance is significant and the validity of the discriminate analysis is judged as satisfactory.

Table 5.21 Classification Results

			Predicted Group Membership		
Do you buy luxury fashion branded products			yes	no	Total
Analysis Sample	Count	yes	69	4	73
		no	26	5	31
		Ungrouped cases	15	1	16
	%	yes	94.5	5.5	100
		no	83.9	16.1	100
		Ungrouped cases	93.8	6.3	100
Holdout Sample	Count	yes	72	1	73
		no	27	3	30
		Ungrouped cases	16	0	16
	%	yes	98.6	1.4	100
		no	90	10	100
		Ungrouped cases	100	0	100

71.2 % of selected original grouped cases correctly classified.

72.8 % of unselected original grouped cases correctly classified.

Chapter 6 Discussion

6.1 Introduction

As mentioned in the literature review section, there are a few gaps that have been left from previous studies, especially the study for luxury purchase motivations among Chinese Generation Y consumers in Beijing and Shanghai, also the research to examine the similarity and difference between those two cities.

In order to fill the gaps, a few steps have been taken in the literature review chapter to find the literatures related with current study and identified in the methodology chapter. Careful examination by using quantitative methodology allowed this research to finally reach the destination.

This chapter will mainly discuss the findings and relates these findings to the existing literature and followed up with the conducting of the research questions. Moreover, a practical implication will be made based on the study result, limitation and recommendation for further study will be also discussed.

6.2 Further discussion

As discussed earlier, although there are many efforts from past research on the topic of the consumption behaviours of affluent consumers (Veblen, 1899; Hirschman, 1988), luxury brand types (e.g. Dubois & Duquesne, 1993), cross-cultural comparisons the luxury concept attitudes (Dubois & Paternault, 1997) and comparisons of Asian consumers with consumers from Western countries on luxury consumption motivations (Wang & Waller, 2006; Wong & Ahuvia, 1998), however, there is currently little agreement about the dimensions of luxury product value as perceived by customers. With regard to consumer buying motives, the concept of buying to impress others still have a strong influence on luxury brands marketing (Corneo & Jeanne, 1997; Dittmar, 1994; Vigneron & Johnson, 2004).

According to impression theory, to create a good social image become impel (?) drive to purchase luxury branded products (Eagly & Chaiken, 1993; Sallot, 2002). However, many researchers suggested that social oriented motives are too broad to explain luxury consumption (Coulter, Price & Feick, 2003; Hansen, 1998; Vigneron & Johnson, 2004). Thus it is necessary to develop a multidimensional framework of luxury values which includes a personal oriented type of consumption while considering functional and financial aspects of luxury brands marketing (Wiedmann et al., 2009).

Wiedmann et al.'s (2009) study can be seen as a first step toward a better understanding of consumer's perceptions for luxury product's value which is based on social, individual, functional and financial aspects. Although the measures used in Wiedmann et al.'s (2009) study already exist and tested (Dubois & Laurent, 1994; Eagly & Chaiken, 1993; Hansen, 1998; Richins & Dawson, 1992), it is possible that the results were arrived at by chance, researchers suggest conducting a second study (Hair et al., 2006).

As Wiedmann et al.'s (2009) study had never been replicated before; using a significant different context may not be appropriate therefore a close replication was chosen, such as to use a quantitative research method, such as the Likert type scale question. Due to this study aiming to explore the motives for the young Chinese consumer to buy luxury fashion branded products this survey was conducted in China.

6.3 Conclusion on the research questions

This section firstly presents the items retained in the final result of the current study and compares them with Wiedmann et al.'s (2009) final purified scales. It then presents the conclusions concerning the research questions based on the data analysis results discussed in the previous chapter.

6.3.1 The measures retained in the current study

Of the 48 items retained in Widemann et al.'s (2009) study, 37 items were chosen and retained in this study, 11 items were deleted due to their factor loadings results being less than 0.60. There were 14 measures remained in this study after the removal of 23 items that did not perform well as described in the analysis chapter. The lowest absolute loading was 0.487 and the highest absolute loading was 0.964. The items retained for each of the 4 first-order value dimensions: social value, self-identity, functional value and hedonic value.

Guadagnoli & Velicer (1988, p.274) suggest that components with loading more than 0.60 and have four or more variables then any sample size could be used, however if the component has a low loading then the sample size needs to be more than 150. Thus, although the sample size of the current study was 209, the factor loading results could be interpreted as robust. In addition, as Hair et al., (2006) proposed, the sample size of the loadings above 0.50 is statistically significant. Thus, all the loadings of the current study should be statistically significant.

The 14 items retained in the current study are provided in Table 6.1

Table 6.1 Items retained in the current study

Value dimension	Item retained as indicator of the value dimensions
Social Value	Q7 Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.
	Q7 Before purchasing a product it is important to know what kinds of people buy certain brands or products.
	Q7 Before purchasing a product it is important to know what others think of people who use certain brands or products.
	Q7 I tend to pay attention to what others are buying.
	Q7 Before purchasing a product it is important to know what my friends think of different brands or products.
Self Identity	Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.
	Q5 The luxury brands I buy must match what and who I really am.
	Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.
Functional Value	Q4 In my opinion, luxury is really useless.
	Q4 In my opinion, luxury is old-fashioned.
	Q5 I have all the things I really need to enjoy life.
Hedonic value	Q6 Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.
	Q6 On the whole, I may regard luxury brands as gifts I buy for treating myself.
	Q6 Self-actualization is an important motivator for my luxury consumption.

6.3.2 Conclusions on the research questions

The research questions of the current study were:

RQ1 What are the motives for young consumers in China to purchase luxury products?

RQ2 Are there any major similarities or differences in what motivates consumers in Beijing and Shanghai to purchase luxury products?

RQ3 For the young consumer in China purchasing luxury products - Is the motive related to fitting in with peers or expressing personal taste?

RQ1: What are the motives for young consumers in China to purchase luxury products?

In order to investigate the research question, research using a quantitative method, we examined the 164 respondents who state they bought luxury fashion branded products, to look at the mean for the 44 rating scale items. The test results show (Table 6.2), the most important rating scales are from a functional value and individual value dimension (Widemann et al., 2009). In other words, the following statements are the most important motives for respondents to purchase luxury fashion branded products.

- Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.
- Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.
- Q5 The luxury brands I buy must match what and who I really am.
- Q4 I'm inclined to evaluate the substantive attributes and performance of a luxury brands myself rather than listen to others opinions.
- Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.
- Q3 It is mostly up to me whether or not I am going to purchase a luxury brand in the future.

- Q4 I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.
- Q4 True luxury products cannot be mass-produced.
- Q4 A luxury product cannot be sold in supermarkets.
- Q6 I usually buy only the things I need.
- Q3 I think a luxury brand with a high price means good quality compared to other brands.

Table 6.2 what are the motives for young consumers in China purchase luxury fashion branded products?

Rating scale items	N	Mean
Q5 I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	157	1.76
Q4 The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	158	1.77
Q5 The luxury brands I buy must match what and who I really am.	157	1.82
Q4 I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.	159	1.84
Q5 My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	156	1.87
Q3 It is mostly up to me whether or not I am going to purchase a luxury brand in the future.	160	1.87
Q4 I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.	159	1.9
Q4 True luxury products cannot be mass-produced.	158	1.92
Q4 A luxury product cannot be sold in supermarkets.	155	1.97
Q6 I usually buy only the things I need.	155	1.97
Q3 I think a luxury brand with a high price means good quality compared to other brands.\	163	1.99

RQ2 Are there any major similarities or differences in what motivates consumers in Beijing and Shanghai to purchase luxury fashion branded products?

The study result indicates that there were no large distinction in Beijing and Shanghai luxury consumer's purchase motivation for luxury fashion branded products. It is interesting to see that even two cities that have distinct cultures, however still entail subtle similarities.

In the analysis data chapter the researcher compared respondents on the demographic question by using Chi-square test and cross table analysis, therefore the current study compared respondents who claim they bought luxury fashion branded products with respondents who claim they never bought any luxury branded products. The study result illustrates respondents who bought luxury fashion branded products and who never bought luxury fashion branded products and which city they came from, their gender, their civil status and their qualification (Table 5.4.1).

Although the study result indicated non significant ($p < 0.05$) differences on what respondents do for a living and whether they have got another income source but this was only able to identify the differences in financial ability to afford luxury products, not so much the demographic differences.

RQ3: For the young consumer in China purchasing luxury products is the motive related to fitting in with peers or expressing personal taste?

The data analysis results show in factor analysis of the questionnaire scale items found 4 value dimensions: social value, self-identity, functional value and hedonic value. In general, predictors with smaller standardized coefficients generate less discriminating function power than predictors with large standardized coefficients. The study results shown (Table 5.20) the significance result of univariate F ratios, this result shows Functional value ($\text{sig} = .017$) and Hedonic value ($\text{sig} = .001$) significantly differentiate between respondents who claim they bought luxury fashion branded products before and respondents who claim they did not.

The previous study revealed that younger consumers consider the products brand name, brand image allied with product and labels more than the product itself (Dubois & Duquesne, 1993). The study results also confirmed this assumption; results revealed that respondents consider the functional value of luxury products is more important than just a brand “name”. Respondents from the current study claimed that when they are making a purchase decision they will consider the product design, making materials and product quality than simply just to buy this luxury product because it is made from some certain brand name.

According to Schutte and Ciarlante (1998) observe consumers from East Asia are hugely affected by Confucians collectivist culture, one of the key reasons to purchase luxury branded products is to conform with the social norms and to be able to fit in with their cohort. However Lynn (1991) argued that the younger generation from Asia are more individualist than ever before, Coll (1994) and Worthy (1990) also stated that the young Asian consumer is slowly being influenced by Western culture to become more of a free spirit. The current study findings correspond with previous research, the respondents from current research claims that they buy luxury products is more to express their self taste and individuality than to fit in with peers.

One important finding from the current study was the comparison with a previous study and researchers agreed that luxury products can give the owner social status they desire to receive, this is confirmed by Baugh and Davis (1998) and Phau and Chan (2003) stated that the “luxury status sign and is associated with high image and prestige” (p. 128). The current study shows respondents do not think the potential status luxury fashion branded products brings to them are critical for them making a purchase decision.

Overall, from the above findings, respondents in China acknowledged more rational reason to purchase luxury products. This leads the researcher to believe that luxury products have a specialty function to respondents; in the study findings shows product’s functional value and hedonic value to respondents are the most important criteria for consumers to purchase luxury fashion branded products.

6.4 Conclusion of the research problem

From previous research the difference on social effects and interpersonal effects for luxury purchase decision have been well defined. Chinese has been subconsciously conforming to their social group; this behaviour may be involuntary to some degree.

Western culture view social status as different to Chinese culture (Mason, 1995, Veblen, 1899), Western culture is less hierarchical than Chinese culture and is more about egalitarian beliefs (Hofstede, 2008). In Western culture social status can not seen as an important motive for consumers to purchase luxury branded products, on the other hand, Chinese culture has a strong hierarchy system in their mind, social status becomes very important to them but is hard to clearly define whether social status is an interpersonal motive or personal motive.

Motives of luxury purchasing can be various, how the motive was used and under what circumstance is important to decide whether this motive is satisfied.

6.5 Implications

China today is a melting pot into which what might seem as conflicting value systems; materialism and Confucianism have been thrown together and created the distinct nature of Chinese luxury consumption. Hence, when marketing luxury brands to the Chinese consumers it is crucial to understand how materialism and Confucianism influence the Chinese luxury consumer behaviour, especially that of the importance attached to prestige social recognition, which these two factors have contributed to, has led to the strong desire for luxury brands in China.

The current study helps marketers to better understand their target market and consumer. The study results show what can motivate young Chinese consumers to purchase luxury fashion branded products, what is important to them when they evaluate luxury products and how do they make their buying decisions.

Young urban Chinese are one of the most difficult customers to please. They are well informed, somehow elusive, and highly individualistic but with a necessary collective space where to understand that individualism. Confirmed with the study result, young Chinese respondents from Shanghai and Beijing claim luxury product functional value are very important when they are making their purchase decision, also the capability of the brand to express their individuality. Therefore, marketers should pay attention on brand image, to build up and/or maintain an imposing brand image is essential to keep a loyal customer.

There are some other suggestions that may be useful for marketers considering targeting young Chinese luxury consumers. Vigneron and Johnson (1999) studies suggested that luxury brands are competing based on the capability to remind the consumer of their exclusivity, amplify brand awareness, superior quality, a well-known brand identity and consumer's loyalty. Likewise in order to maintain luxury brand's prestige, luxury brands need to maintain good brand awareness, carefully choose their marketing strategy and improve brand exclusivity (Dubois & Paternault, 1995; Mason, 1992). In addition, a premium pricing strategy is recommendable; China can not be regarded as a stylish market, as money is far more important to the Chinese than style. However, as a stylish market is more profitable in the long run consumer education should form an essential part of a luxury brands entrance to the Chinese market.

Furthermore, the Chinese are very influenced by their peers and conformity to the group is crucial. This market is all about high brand awareness necessary for luxury brands in China and employing the word of mouth communication strategy will be an effective way to attract the Chinese consumers.

6.6 Limitations

First of all, generally speaking the research findings are limited to Chinese Generation Y consumers from urban areas. As the fashion and economic capitals in China, Shanghai and Beijing were selected to be investigated in this research. Due to the concern that these two cities may share a similar urban background, therefore the

findings of this study may not represent all Chinese. Thus, this research may not be able to represent the perception and motivations for other areas, such as the countryside or rural areas.

Secondly, this research was conducted with both men and woman from Beijing and Shanghai who were aged 18 to 32. Naturally this study result may not able to accurately present different ages of Chinese consumers' motivation towards luxury products. Therefore, it would be worthy to take a study to compare how different generations understand luxury branded products.

The other research limitation in this study was the respondents being unevenly distributed, as mentioned before due to the difficulty to reach the respondents, this research was conducted by using snowball sampling, the respondents were selected by researchers' friends' net working, and therefore the study result may not present the whole social class and tests results may only apply to the participating respondents. In addition, due to the considering of respondents privacy, current study respondents have only been asked for family income instead of their discretionary income thus it's hard to measure how important income is to their luxury purchasing.

Moreover, this research was conducted for a half year, with the concern of rapid change of China's economies the study result may only represent respondents present perception and for the near future. Finally, the research subject solely focused on luxury fashion branded products; the study result may not be able to address other types of luxury products.

6.7 Further Research

This research opens many directions for further research, traditionally researchers assume Chinese consumers are strongly influenced by collectivist culture, especially on the topic of luxury consumption, the study result proved Chinese Generation Y luxury purchase is not necessarily motivated to fit in with peers. The study result

suggested the luxury fashion branded product's symbolic meaning to Chinese Generation Y and how their luxury purchases become more individual's oriented.

In addition, other factors may be influential in formulating motives for luxury consumption, such as the influence of lifestyle factor, consumers life style represent their psychographic characteristics, in-depth study of respondent's lifestyle may provide researchers a better vantage to gain a more rational view of luxury consumption motives.

The Generation Y luxury market in China is huge and profitable but also animatedly changing. A close replicate of the current study is suggested with a bigger and random sample selection to gain a more objective study result and a more accurate perception toward luxury fashion branded product's consumption.

A cross cultural research to compare the different countries Generation Y's motives for luxury consumption is also suggested for further studies, research on this topic would help readers to have a better understanding of what culture can influence consumers purchase decision. Moreover, further study on other developing Asian economies such as India, Vietnam is also needed. This would allow researchers to gain a more accurate perception of luxury amongst these diverse consumers and lead to better understanding of consumers in this region.

6.8 Conclusion

The luxury fever sweeping through China has made the Chinese market very interesting for many luxury fashion brands. As mentioned before the luxury market in China is huge thus to sustain their successful position luxury brands need to understand individual's purchasing motives. A literature review revealed that there are gaps in knowledge about luxury fashion brands, especially knowledge on Chinese Generation Y consumers. By using a quantitative research method the researcher managed to gather as much information as possible.

Traditionally thinking Chinese consumers are engaged in conspicuous consumption, they buy luxury products because of the need of recognition and to emphasize to others that they have the ability to afford expensive products.

The need to display one's success, financial achievements and social status and is a reason why luxury products are extremely popular in China. However the study results show a new direction towards the motivations of Chinese Generation Y luxury consumption. From the study results as expected financial ability strongly influenced respondent's luxury consumption, the study results shows that respondents who have a better job or/and have another source of income are more likely to purchase luxury fashion branded products.

In addition, the study results compare with the results achieved by Widemann et al., (2009), who identified four factors that influence luxury consumption: social value, self-identity, functional value, hedonic value. Among those four categories, functional value and hedonic value are viewed as the most important factors for Chinese luxury consumption.

The study results show respondents are very rational with regards to luxury consumption; consumers are extremely concerned about the luxury products quality they are purchasing, the young consumer use luxury brand as a quality indicator. Although the importance of functional value for the young luxury consumer is expected there is some unexplained variance left in hedonistic behaviour for Chinese Generation Y; according to the study result, Chinese Generation Y are buying luxury products to express their desire for luxury products not so much to impress others.

Despite the gaps and necessary steps in future study, the most important contribution of the current study is to look deeper into the motives of young Chinese consumer's luxury consumption by amalgamating the dimensions of financial, functional, individual and social value to identify relevant behavioural patterns across different value-based segments as well as to discuss the implications for marketing luxury brands in China.

7.1 Appendix A: Ethical approval form

MEMORANDUM Auckland University of Technology Ethics Committee (AUTEC)

To: Ken Hyde
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 15 December 2009
Subject: Ethics Application Number 09/277 **Consumption of luxury fashion brands: The motives of Generation Y consumers in China.**

Dear Ken

I am pleased to advise that a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) has approved your ethics application at their meeting on 10 December 2009, subject to the following conditions:

1. Inclusion of the AUT logo on the cover letter, the introduction page, the Information Sheet, and the Survey;
2. Clarification about whether more than one Information Sheet will be used and, if not, which one will be used. Otherwise, please clarify when and how the two Information Sheets will be provided to participants;
3. Careful checking to ensure consistent grammar throughout the Information Sheet; AUTEC recommends the use of the first person when referring to the researcher and the second person when referring to the participants;
4. Clarification of the age range of participants, given the inconsistencies between information provided in the application and in the Information Sheet and, if necessary, reflection of the correct age range in the Information Sheet;
5. Inclusion of the required consent statements in the Information Sheet and at the beginning of the Survey to inform participants that completion of the survey will be taken as indicating their consent to participate.

I request that you provide the Ethics Coordinator with a written response to the points raised in these conditions at your earliest convenience, indicating either how you have satisfied these points or proposing an alternative approach. AUTECH also requires written evidence of any altered documents, such as Information Sheets, surveys etc. Once this response and its supporting written evidence has been received and confirmed as satisfying the Committee's points, you will be notified of the full approval of your ethics application.

When approval has been given subject to conditions, full approval is not effective until *all* the concerns expressed in the conditions have been met to the satisfaction of the Committee. Until full approval has been confirmed, data collection may not commence. Should these conditions not be satisfactorily met within six months, your application may be closed and you will need to submit a new application should you wish to continue with this research project.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

Yours sincerely



Madeline Banda

Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Ming Wei (Kelly) Sun sun109@windowslive.com, AUTECH Faculty Representative, Business and Law

7.2 Appendix B: Survey invitation letter

Hello Everyone

My name is Kelly Sun. I am a student of the Master of Business at AUT University in Auckland, New Zealand. As part of my Masters research I am investigating young people's motivations for purchasing luxury fashion brands. I am looking for 200 people to participate in an online survey.

You will be requested to complete a self administered online questionnaire. The questionnaire is to be answered objectively without any pressure or fear. Should you feel at any point that you do not wish to continue participating, you may of course leave at any point.

The design of this research should not cause any discomfort or personal risk. There will be absolutely no pressure to respond to any particular question and should you feel at any point that you do not wish to continue participating – you may leave at any point. This request is voluntary in nature. If at any stage you do not feel like answering any questions, you have the right to withdraw.

This is an anonymous questionnaire. You are not required to identify yourself in any manner and we will not make any attempt to identify your responses. Agreeing to participate does not remove your right to withdraw from the research. You may view the questionnaire and if you are not comfortable – you can end your participation.

Everyone who participates will go into the draw to win a \$100 [amazon.com](https://www.amazon.com) book voucher.

To participate in the survey, click here:

http://www.surveymonkey.com/s.aspx?sm=Ke_2fwzVYT_2fG_2bXfY_2fmPdBTQw_3d_3d

Thank you

7.3 Appendix C: Participant information sheet

Date Information Sheet Produced:

18 December 2009

Project Title:

Consumption of luxury fashion brands: The motives of Generation Y consumers in China

An Invitation:

Greetings! I am Kelly Sun, a Master of Business student from AUT University School of Business in Auckland, New Zealand. I am conducting research to understand young Chinese consumers' motivations for purchasing luxury fashion brands. My supervisor is Dr. Ken Hyde. I would be happy if you would agree to participate in my research. This would involve sharing your opinions on statements in a questionnaire. Your participation is entirely voluntary.

What is the purpose of this research?

This research forms part of my Master of Business degree. The purpose of this research is to understand the motivations behind luxury brand consumption by China's Generation Y consumers.

How was I chosen for this invitation?

You were selected to participate in the research on the basis of the following characteristics: you are a Chinese consumer who lives in Beijing or Shanghai, has purchased luxury products before, and are aged from 18-30 years. You have chosen to participate in the survey by responding to an advertisement on one of these websites:

www.douban.com,

<http://bbs.online.sh.cn/forum/index.php>

<http://chat.qq.com>

www.63chat.cn.

What will happen in this research?

You will be requested to complete a self administered online questionnaire regarding your motives for purchasing luxury fashion brands. The questionnaire is to be

answered objectively without any pressure or fear. Should you feel at any point that you do not wish to continue participating, you may of course leave at any point.

What are the discomforts and risks?

The design of this research will not cause any discomfort or personal risk. There will be absolutely no pressure to respond to any particular question and should you feel at any point that you do not wish to continue participating – you may leave at any point.

How will these discomforts and risks be alleviated?

This request is voluntary in nature. If at any stage you do not feel like answering any questions, you have the right to withdraw.

How will my privacy be protected?

This is an anonymous questionnaire. You are not required to identify yourself in any manner and we will not make any attempt to identify your responses.

What opportunity do I have to consider this invitation?

Agreeing to participate does not remove your right to withdraw from the research. You may view the questionnaire and if you are not comfortable – you can end your participation.

How do I agree to participate in this research?

Completion of this questionnaire will be deemed to amount to your consent to participate in the research.

Will I receive feedback on the results of this research?

Summary results of this survey will be made available to you should you wish to see them. Please remember that these results will be based on aggregation of the data recorded from all the participants to ensure the anonymity of each participant. If you would like to see the findings, please send an email to sun109@windowslive.com in August 2010.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr. Ken Hyde, ken.hyde@aut.ac.nz, +649-921-9999 ext 5605.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, Madeline Banda, madeline.banda@aut.ac.nz , +649-921-9999 ext 8044.

Whom do I contact for further information about this research?

Researcher Contact Details:

Kelly Sun, sun109@windowslive.com

Project Supervisor Contact Details:

Dr. Ken Hyde, ken.hyde@aut.ac.nz, +649-921-9999 ext 5605

Approved by the Auckland University of Technology Ethics Committee on Dec 2009,

AUTEC Reference number 09/277

7.4 Appendix D: Questionnaire

Introduction



My name is Kelly Sun. I am a research student at the AUT Business School in Auckland, New Zealand, pursuing a Masters Degree in Business. My research is concerned with understanding the motivations behind young consumers in China purchasing luxury brand fashion goods.

Your participation in this study will be highly appreciated. Information provided will be used for academic purposes only. Your participation is totally anonymous and voluntary. You are requested to give as far as possible, a true representation of your feelings while completing this questionnaire. Please note there are no good or bad responses.

The following screen provides a full research Information Sheet, explaining the details of the survey. After this screen, you will asked some questions about luxury fashion brands.

Completion of this questionnaire will be deemed to amount to your consent to participate in this research.



Completion of this questionnaire will be deemed to amount to your consent to participate in the research.

- * 1. Do you buy luxury fashion branded products, such as Versace, Armani, Gucci, Chanel, Prada, Calvin Klein, Dolce Gabbana, Fendi, Hugo Boss, Christian Dior, Ralph Lauren, Valentino, Hermes, Moschino, Giorgio Armani, Donna Karan, DKNY, Tommy Hilfiger, Louis Vuitton, Escada, Givenchy, Tiffany, Elizabeth Arden, Carolina Herrera, Cartier, Salvatore Ferragamo, Diesel, Adidas, Miu Miu, Benetton, Guess, Coach, Kenzo, etc?**

☐ Yes

☐ No

- * 2. How often do you purchase luxury fashion branded products?**

☐ Weekly

☐ Monthly

☐ Every 6 months

☐ Once a year

☐ Never

You are required to rate each of the following statements on a five-point scale ranging from 1-5, where 1 indicates "Strongly agree" and 5 indicates "Strongly disagree" and 3 indicates that you neither agree nor disagree.

*** 3. Your personal attitude towards luxury consumption**

	1 Strongly agree	2 Agree	3 Neither Agree nor Disagree	4 Disagree	5 Strongly disagree
I think a luxury brand with a high price means good quality compared to other brands.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think a luxury product can fetch a good resale value.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think investment in a luxury product is worth its retail price.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For me, I am willing to pay a premium price for limited edition luxury goods.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have less desire towards luxury brand products when mass quantities of people consume the same products as me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is mostly up to me whether or not I am going to purchase a luxury brand in the future.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like acquiring more luxury products in the future.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Functional Value Dimension

* 4. Functional value

	1 Strongly agree	2 Agree	3 Neither Agree nor Disagree	4 Disagree	5 Strongly disagree
In my opinion, luxury is really useless.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, luxury is just swanky.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, luxury is pleasant.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, luxury is old-fashioned.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In my opinion, luxury is good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A luxury product cannot be sold in supermarkets.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
True luxury products cannot be mass-produced.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I buy a luxury brand for satisfying my personal needs without any attempt to make an impression on other people.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Individual Value Dimension

* 5. Individual value

	1 Strongly agree	2 Agree	3 Neither Agree nor Disagree	4 Disagree	5 Strongly disagree
I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The luxury brands I buy must match what and who I really am.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My life would be better if I owned certain things I don't have.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'd be happier if I could afford to buy more things.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have all the things I really need to enjoy life.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 6. Individual value

	1 Strongly agree	2 Agree	3 Neither Agree nor Disagree	4 Disagree	5 Strongly agree
Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On the whole, I may regard luxury brands as gifts I buy for treating myself.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When in a bad mood, I may buy luxury brands as self-given gifts for alleviating the emotional burden.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I enjoy spending money on things that aren't practical.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I usually buy only the things I need.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Buying things gives me a lot of pleasure.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brands are one of the sources for my own pleasure without regard to the feelings of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can enjoy luxury brands entirely on my own terms no matter what others may feel about them.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For me as a luxury consumer, cultural development is an important motivator.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchasing luxury brands provides deeper meaning in my life.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-actualization is an important motivator for my luxury consumption.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Social Value Dimension

* 7. Social value

	1 Strongly agree	2 Agree	3 Neither Agree nor Disagree	4 Disagree	5 Strongly disagree
I like to know what brands and products make good impressions on others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I usually keep up with style changes by watching what others buy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Before purchasing a product it is important to know what brands or products to buy to make good impressions on others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Before purchasing a product it is important to know what kinds of people buy certain brands or products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Before purchasing a product it is important to know what others think of people who use certain brands or products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I tend to pay attention to what others are buying.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Before purchasing a product it is important to know what my friends think of different brands or products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I actively avoid using products that are not in style.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I were to buy something expensive, I would worry about what others would think of me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Personal Information

*** 8. Which city are you from?**

- ☐ Beijing
- ☐ Shanghai

*** 9. What is your Gender?**

- ☐ Female
- ☐ Male

*** 10. What is your Age group?**

- ☐ 15-19
- ☐ 20-24
- ☐ 25-30
- ☐ Above 30

*** 11. What is your civil status?**

- ☐ Single
- ☐ Married
- ☐ Other

*** 12. What's your highest education?**

- ☐ High School
- ☐ College/University
- ☐ Postgraduate
- ☐ Masters
- ☐ PhD

*** 13. Which of the following is the most appropriate to describe your social roles (choose ONE option)?**

- ☐ Student
- ☐ Unemployed
- ☐ Employee
- ☐ Self-employed
- ☐ Junior Manager
- ☐ Senior Manager
- ☐ Entrepreneur
- ☐ Others

*** 14. What's your annual family income?**

- ☐ Under 25K
- ☐ 25K-49K
- ☐ 50K-100K
- ☐ Above 100K

*** 15. Do you have other sources of income, e.g. stock investment, dividend.....?**

- ☐ Yes
- ☐ No

End of Survey

Thank you for participating in the survey.

To enter into the draw for a \$100 Amazon.com book voucher, send an email to ken.hyde@aut.ac.nz, mentioning the following code -

mn736z

Your email address cannot be matched to your answers to the survey.

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