

**VANITY, MATERIALISM AND CONSUMERS ATTITUDES TOWARDS
LUXURY PRODUCTS: THE CASE OF CHINESE CONSUMERS**

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İşletme Yönetimi Bilim Dalı (İngilizce) (Tezli) (YL)

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ÖZET

GÖSTERİŞÇİLİK, MATERYALİZM VE TÜKETİCİLERİN LÜKS TÜKETİME YÖNELİK TUTUMLARI: ÇİNLİ TÜKETİCİLER ÜZERİNE BİR ARAŞTIRMA

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Danışman: Prof. Dr. Sevgi Ayşe Öztürk

Bu çalışma genel olarak Çinli tüketicilerin lüks ürünlere yönelik tutumlarını ortaya koymayı amaçlamaktadır. Lüks tüketim ile ilgili iki tüketici özelliği olan materyalizm ve gösterişçilik de tezin bir kısmı olarak incelenmiştir. Tüketicilerin yaş, cinsiyet, gelir ve meslek özelliklerinin lüks ürünlere yönelik tutumlar, gösterişçilik ve materyalizm açısından fark yaratıp yaratmadığı da incelenmiştir. Araştırmanın amaçlarına ulaşmak için Çin Ankarasında yer alan şehir ve bölgelerde yaşayan 238 katılımcıdan veri toplanmıştır.

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Bu çalışma küresel lüks pazarlamacılarının pazarlama stratejilerini Çin pazarına uyarlayabilmeleri için bazı öngörüler sunmaktadır. Prestij değerini ve lüksün dışsal faydalarını vurgulayarak sosyal onay ve statü arayan Çinli müşterileri çekebilirler.

Bu çalışmanın bazı sınırlılıkları bulunmaktadır. Örneklemin önemli bir kısmını Y ve Z kuşakları oluşturmaktadır ve bu kuşakların 2025 itibarıyla lüks tüketimin ana tüketicileri olacakları tahmin edilmektedir. Diğer taraftan örneklemin genç ve daha zengin bölgelerdeki tüketicilerden oluşması ve örneklem sayısı sonuçların genelleştirilmesini önlemektedir.

Anahtar kelimeler: Lüks, Gösterişçilik, Materyalizm, Lüks tüketime yönelik tutum, Çinli tüketici

ABSTRACT

VANITY, MATERIALISM AND CONSUMERS ATTITUDES TOWARDS LUXURY PRODUCTS: THE CASE OF CHINESE CONSUMERS

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Program in Business Administration (English)

Anadolu University, Graduate School of Social Sciences, February 2022

Supervisor: Prof. Dr. Sevgi Ayşe Öztürk

This study aims to investigate mainland Chinese consumers' attitudes toward luxury products in general. Materialism and vanity which are two important consumer traits relevant to luxury consumption are also explored as part of the thesis. How the demographic characteristics of consumers as age, gender, income, and occupation make difference in attitudes towards luxury, materialism, and vanity are analyzed. A field survey was conducted and data was gathered from a sample of 238 respondents from mainland China's affluent provinces and cities for the study.

Respondents in this sample are found to have moderate levels of attitudes toward luxury, stronger vanity traits, and middle-level materialism. Although there are differences in these factors in terms of demographic characteristics the differences are not very significant. Chinese Confucian collectivism traditions and political factors may be effective on those findings.

This study provides insights for global luxury marketers to tailor marketing strategies for China market. By emphasizing prestigious value and external benefits of luxury to appeal to Chinese luxury consumers, who seek good out-looking, social approval, and status.

There are clear limitations of this study. On the one hand, the main respondents of the sample are Y and Z generations who are predicted to be the main luxury consumers by 2025. On the other hand, younger Chinese consumers from affluent regions and a small sample size limit the generalizability of the findings.

Keywords: Luxury, Vanity, Materialism, Attitude toward luxury, Chinese consumers

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..../..../20....

ETİK İLKE VE KURALLARA UYGUNLUK BEYANNAMESİ

Bu tezin bana ait, özgün bir çalışma olduğunu; çalışmamın hazırlık, veri toplama, analiz ve bilgilerin sunumu olmak üzere tüm aşamalarında bilimsel etik ilke ve kurallara uygun davrandığımı; bu çalışma kapsamında elde edilen tüm veri ve bilgiler için kaynak gösterdiğimi ve bu kaynaklara kaynakçada yer verdiğimi; bu çalışmanın Anadolu Üniversitesi tarafından kullanılan “bilimsel intihal tespit programıyla tarandığını ve hiçbir şekilde “intihal içermediğini” beyan ederim. Herhangi bir zamanda, çalışmamla ilgili yaptığım bu beyana aykırı bir durumun saptanması durumunda, ortaya çıkacak tüm ahlaki ve hukuki sonuçları kabul ettiğimi bildiririm.

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1. INTRODUCTION

Luxury existed in human society for a long time, it was born with the civilization of mankind. Luxury was reserved for the privileged few, the rich and the elite historically, but the mid-1990s is watershed of old luxury and new luxury, luxury itself is no longer reserved for the rich classes, luxury goods consumption main body change from “happy few” to “happy many” since 1990s (Kapferer, 2015, p,107). The Future Foundation emphasizes that emerging markets consumers are especially keen on consuming products with great quality, experiencing new traveling destinations, leisure items, and new attempts of services that are not available in their countries before (Amatulli et al., 2017, p27).

In the past 150 years, many researchers studied luxury and luxury-related subjects. Since Veblen introduced the catchword such as conspicuous consumption in 1899, luxury-related subjects: from luxury definition to consumer perceived values (Heine, 2012; Brun and Castelli, 2013; Kapferer, 2017; Wiedmann et al., 2007), from luxury relativity to luxury characteristics (Heine, 2012; Kapferer, 2017), from luxury market segmentation to luxury brands marketing (Chevalier and Lu, 2010; Kapferer, 2008 and 2015; Kapferer and Bastien, 2009; Cailleux et al., 2009; Danziger, 2005); from luxury brands classification to luxury consumption habits (Doctoroff, 2012, Dubois and Laurent, 1994; Chevalier and Lu, 2010; Cheah et al., 2015), etc. are explored.

Since the late 1970s, China changed its economic system from a centrally planned system to a market-oriented one. Luxury consumption power is deeply related to a country’s level of economic development (Kapferer, 2015, p.22). Now, China is a fast-growing emerging country and become a powerhouse of the global luxury industry (Kapferer, 2017, p.25). According to Bain and Co.’s report (2021), mainland China occupied 27% - 29% share of global total personal luxury goods consumption, surpassed the USA (24% - 26%), and Europe (17% -19%), on its way to be the biggest luxury consumption country in the world in pandemic affected 2020. Thus, China’s luxury market and consumers’ attitudes and behaviors towards luxury deserve interest from the researchers.

China has long luxury consumption history, but Chinese special Confucian collectivism culture, history, and government policy create a paradox for the Chinese to consume luxury. On the one hand, people pursue distinguished social status and wealth to live up to the expectation of family and groups s/he belong to, they show vanity and

materialism traits during luxury consumption. Luxury products are used as a social signifier to distinguish themselves from the mass. On the other hand, people who advocated thrift and economy preferred to save money while not spending money on “more than necessary” luxury goods.

At the same time, China’s unbalanced income distribution between city and country, west sea coastline cities, and east and inner cities after four decades of economic development, people’s attitudes toward luxury are varied from age, income level, occupation, residential location, and other factors.

Vanity and materialism, as two human characteristics traits, were studied by many researchers. They have both negative and positive effects on people’s attitudes toward luxury and consumption behavior. This study adapted Netemeyer et al. (1995) and Richins and Dawson (1992) developed vanity and materialisms scale respectively. Attitudes toward luxury scale is developed by Dubois et al. (2005) who defined attitude with cognitive, affective, and behavioral three dimensions. Netemeyer et al. (1995) defined two dimensions for vanity: physical vanity and achievement vanity. Richins and Dawson (1992) define materialism with three dimensions: possession – defined success, acquisition centrality, and acquisition as the pursuit of happiness. This study will examine Chinese consumers’ vanity and materialism traits level in these dimensions and how vanity and materialism affect Chinese consumers’ attitudes toward luxury. Whether demographic factors affect Chinese consumers’ vanity and materialism and further affect their attitudes toward luxury? Previous studies mainly focused on single vanity or materialism’s impact on Chinese consumers’ attitude towards luxury and data analyses on attitude toward luxury is lack of cultural, historical, economic, and political background, the absence of research set the aim for this study.

There are 5 chapters in this study: 1) literature reviews on luxury, vanity, materialism, attitudes toward luxury; 2) China’s luxury market, luxury consumers and factors affecting luxury consumption; 3) methodology section contains research questions, questionnaire design, data collection, and analyses within a theoretical framework; 4) conclusions and implications; 5) limitations of this study.

2. LITERATURE REVIEW

2.1. Luxury and Its Origins

Luxury is not a new concept for mankind, it has a deep sociological, historical, and anthropological background. The history of luxury goes back to the dawn of humanity. (Kapferer and Bastien, 2009, p.6). The word luxury derives from the Latin “luxation”, which means “distance”: luxury is an enormous distance (Kapferer, 2008, p.96). It is an “excess” or “extras of life” (Danziger, 2005, p.17).

Luxury originated from the Egyptian pyramid and other religious sites. Later, luxury became the symbol of noble or royal societies. Somebody’s social position is demonstrated by his ability to sacrifice productive resources for “more than necessary” non-productive things (Kapferer, 2015, p.75). Luxury’s fundamental function is to recreate social stratification (Kapferer and Bastien, 2017, p.69). The essence of luxury is a recreation of social distance (Kapferer and Bastien, 2009, p.166). The origins of luxury come from the superior class, it is a symbol of the privileged few. Luxury is anything that can be taken as a social signifier (Kapferer and Bastien, 2017, p.70).

Luxury, as a socio-psychology concept, has been defined within wide scopes by many researchers, it connects many aspects: from the culture, states of being to one’s lifestyle, even whether personal or collective matters (Okonkwo-Pezard, 2017). The definition of luxury is “constantly on the move” (Kapferer, 2008, p.96), which means that the luxury concept is keeping on changing according to a constant process of review and social-economic development (Heine, 2012, p.36). Although luxury generally refers to products, services, or a kind of lifestyle in our everyday lives, the term “luxury” is still a vague concept for common people (Wiedmann et al., 2017), it depends on whom you ask, a consumer defines it simply: “Luxury is more ‘more’” (Danziger, 2005, p.17).

Heine (2012) states that: luxury is anything that is desirable but exceeds ordinariness and necessity. In this definition, luxury is considered in 5 relativities: regional relativity, temporal relativity, economic relativity, cultural relativity, and situational relativity.

According to Heine (2012, p.43-45), regional relativity is a geographical factor of luxury, it refers to the easiness to be obtained in local; temporal relativity is the timing factor of luxury, the luxuriousness of resource is changing with its availability and desirability in a period; economic relativity refers to the monetary factor of luxury,

different people have different perceptions of luxuriousness which are depending on the relative ease or difficulty to access to resources, the differences among countries are varying with their economic development situation as well; culture relativity refers to a cultural factor of luxury, some resource is taken as luxuriousness in some culture but far from necessity or ordinariness in another culture. For example, sunbathing is considered a luxurious activity in some northern countries, but just ordinary in southern countries, even undesirable in far eastern countries; situational relativity indicates whether the same resource could be classified as necessary, ordinary, or luxurious differently, depending on circumstances.

2.2. Characteristics of Luxury and Luxury Products

Luxury products are generally perceived as the superior products of a category. Compared to other products of their category, luxury products not only have basic utilities and functions but have other characteristics that ordinary products don't have. Cambridge dictionary defines luxury as something enjoyable, often very expensive and beautiful things that you like having but more than necessary. This definition emphasizes the main characteristics of luxury as being hedonic, expensive, aesthetic, and more than necessary.

Kapferer (2015, p.15) listed four dimensions for luxury products: 1, The brand is still actual and remains very unique; 2, It endows with class and status; 3, The products are very superior; 4, It is not for everybody. Kapferer's four dimensions also emphasize the uniqueness, expensive, high quality, hedonic, and status signifier characteristics of luxury products.

When luxury is linked to brands, it is identified by high awareness, distinguishable identity, symbolic association, strong emotion, and a recognizable style. It evokes exclusivity and uniqueness of luxury products which is interpreted through premium pricing, high quality, and limited distribution in the market (Okonkwo-Pezard, 2017).

Luxury products have features of high quality, uniqueness, scarcity of materials, limited distribution, rarity, manual production, or qualified craftsmanship which make luxury products high price reasonable (Amatulli et al., 2017, p.9). According to Heine (2012, p.55), luxury products include a relatively high level of quality, aesthetics, price, rarity, extraordinariness, and symbolic meaning. He defined six key characteristics for luxury products: price, symbolism, quality, aesthetics, rarity, extraordinariness.

- **Price.** The luxury products are the most expensive products of their category;
- **Symbolism.** The luxury brand presents “the best from the best for the best”;
- **Quality.** The luxury products have a great level of quality, they are everlasting top-of-the-line products, which won’t be disposed of after long utilization or defect;
- **Aesthetics.** The luxury products embody a world of elegance and beauty;
- **Rarity.** Compare with mass-market products, luxury products are difficult to obtain and even are not available in anytime or any place;
- **Extraordinariness.** The luxury brand has its style and design. It offers its consumers extra surprise or kicks – to expect the “unexpected”.

Danziger (2005) listed a chart of words that have been used to describe luxury and luxury products in Figure 2.1, these words indicate similar luxury characteristics as defined by other researchers:

<i>W o r d s T h a t D e s c r i b e L u x u r y</i>		
Comfort	Made Well	More Convenient
Expensive	Quality	Looks Beautiful
Pampering	Design	Makes Life Easier
Not Practical	Nonessential	The BEST
Extravagant	Reputation	Sensual
Unique	No Worry	Privileged
Not Ordinary	What I Want	Indulgence
Craftsmanship	Pleasant	Hard to Find
Allure	Beyond the Basics	Exclusive
Special	Softness of Life	Freedom

Figure 2.1. *Words that describe luxury (Danziger, 2005. p.27)*

In the sum of the previous prescription, it can be concluded that luxury products share common characteristics like expensiveness, rarity, aesthetics, extraordinariness, quality, hedonic, and symbolism from in consumer’s perspective.

2.3. Perceived Value of Luxury Products

Luxury perceived value is encompassing key dimensions on the financial, individual, social, and functional aspects. These dimensions are strongly correlated but

not identical with each other. The financial dimension refers to monetary aspects of luxury products, such as the price; the functional dimension of luxury refers to the basic utilities and core benefits which drive the consumer-based luxury value such as the uniqueness, quality, reliability, durability, and usability of the product; the individual dimension focuses on prompt customer's motivation to consume luxury products, it emphasizes on individual matters such as the perceived hedonistic, self-identity, and materialism traits; the social dimension addresses the perceived utility individuals are acquired by consuming products or services which are recognized by their social group(s) for their conspicuousness and prestige value (Wiedmann et al., 2007).

Vigneron and Johnson (1999) described luxury products consumers as prestige-seeking consumers who are seeking prestige from luxury products' conspicuous value, unique value, hedonic value, social value, and quality value. These values match with luxury's characteristics respectively.

2.3.1. Conspicuous value

According to Vigneron and Johnson (1999), the conspicuous value came from the Veblen Effect. The Veblen Effect is named after its discoverer Thorsten Veblen. Veblen (1899) argued that wealthy individuals often consume highly conspicuous goods and services to advertise their wealth, thereby achieving greater social status. The "Veblen Effect" exists when consumers exhibit a willingness to pay a higher price for functionally equivalent goods (Bagwell and Bernheim, 1996).

Luxury values timelessness and international reputation more than any other facet. The feeling of rarity attached to the possession and consumption of the luxury brand, not of intimate and sensory pleasure or satisfaction, but above all of the social status, the image of belonging to the affluent class and reaping the benefits of this in terms of impression, prestige, and attraction, even seduction (Kapferer, 2008, p.96). In the other words, it can be said that conspicuous value provided by expensive luxury products may lead consumers to buy luxury brands.

2.3.2. Unique value

Uniqueness is considered an intangible brand element that is associated with old luxe. Uniqueness often is associated with creativity, scarcity, excellence, originality, innovative design, creativity, high-level quality, unique symbols, logos, even packaging

(Miller and Mills, 2017; Vigneron and Johnson, 1999). Nueno and Quelch (1998) state that uniqueness refers to the imperfections of hand-made products by human beings that make the luxury product looks original, special, difficult to copy, or counterfeit. This value meets some individuals' desire to be different from others, in short, to satisfy consumers' "need of unique" psychology (Cheah et al., 2015).

Meanwhile, luxury brands can create unique experiences for their customers through their marketing activities and luxury services. The extra special treatment may bring consumers a distinguished consumption experience, feel like a "prince or princess" during consumption (Cailleux et al., 2009).

2.3.3. Social value

Luxury brands and products generally possess social referencing, prestige values, and the construction of self-identity (Wiedmann et al., 2017). Luxury's fundamental function is to recreate this social stratification. (Kapferer and Bastien, 2017). Luxury products' social value is associated with conspicuous consumption. Expensiveness is one of the main perceptions of luxury for consumers (Dubois and Paternault, 1995). Luxury products' high price builds an intangible wall between rich and poor, only affluent people can afford luxury products. In another word, luxury product indicates their possessor's social class and status, distinguishing them from the lower class (Amatulli et al., 2017, p.28).

2.3.4. Hedonic value

Luxury products are generally purchased for their hedonistic values rather than functional values. Cambridge dictionary defines hedonic as feelings connected with pleasure. Luxury products' sensory pleasure, aesthetic beauty, or exciting consumption experience promote consumers' emotional responses during luxury products consumption (Vigneron and Johnson, 1999). Therefore, hedonic value emphasizes the subjectivity and experience of consumers who depend on a product to meet the needs for fantasy, happiness, self-confidence, and other feelings consumers pursue (Arnold and Reynolds, 2003).

2.3.5. Quality value

Luxury brands aim to create great level quality products, which won't be disposed of even after long utilization or defect. It can even gain in value over time and be handed on to the owner's grandchildren (Heine, 2012, p.62).

Luxury promises exceptional quality. Extraordinary quality is what most justifies a significant price difference with products fulfilling the same function. (Kapferer, 2015, p.214).

Based on the previous description, the value of luxury products makes luxury products different from other products which have similar functional value. Luxury consumers buy luxury products not only for their function but also by the values added to luxury products. Different consumer pursues different or all values of luxury products. Which values Chinese consumers group emphasize? What is the psychological motivation for luxury consumption? In this study, we will discuss whether and how vanity and materialism impact Chinese attitudes towards luxury and luxury consumption.

2.4. Vanity

In Davidson (1898), the author described a Roman serving a dish of bird tongue, which had been trained to speak, to entertain his friends. This behavior is not taken as vanity but criminally luxurious, because that dish is not only a costly but huge waste of human energy. Vanity has a feeling of negative connotations. Different from pride, vanity is the excessive belief in one's abilities or attractiveness to others (http-3, 2013).

Taken as a character trait, vanity is considered as a person's ego activity, who is trying to make the personality feel real and valuable. It causes a person to invest their energies in building up their self-image. People become more concerned about "what they are doing" or "who they are", they believe they will be more valuable and distinguished, such as successful resumes, more charming outlooking, abilities to achieve life goals, etc. (Riso and Hudson, 2000, p.83).

Dictionary of American English defined vanity as the personal characteristic of being too proud of and interested in yourself, esp. in your appearance or achievements. The Cambridge Dictionary gives a similar definition: the fact that you are very interested in your appearance or achievements. Combining previous descriptions and definitions, Netemeyer et al. (1995) noted that consumer vanity is a psychological construct, and

defined two dimensions for vanity: vanity for physical appearance and vanity for personal achievement, which places a strong impact on consumers' attitudes and further influence on their purchase decision-making. Physical vanity and achievement vanity are explained below.

2.4.1. Physical vanity

Netemeyer et al. (1995) defined physical vanity as excessive concern for, and/or a positive (and perhaps inflated) view of, one's physical appearance. This definition includes two trait components: 1) excessive concern for one's physical appearance; 2) positive (and perhaps inflated) view of one's physical appearance. This study will emphasize excessive concern for one's physical appearance only.

Netemeyer et al. (1995) argued that physical vanity represents an important universal consumer trait, which has demonstrated an important role in pursuing beauty-related behaviors. According to Vigneron and Johnson (1999), luxury brands present the highest level of prestige and encompass psychological and physical values. Good physical appearance is useful for establishing and maintaining one's image and self-concept. Excessive concern for one's physical appearance drive consumers to take care of their outward physical appearance, appearance beautification related products such as cosmetics, garment, perfume, jewelry, etc. personal luxury products highly support consumers' physical vanity.

As a human character trait, vanity is influenced by social pressure (Chang et al., 2011). In China's career and marriage market, "judging a book by its cover" is a very common phenomenon. Good-looking people generally have more and better chances than ordinary-looking ones (http-8, 2011). To improve personal charming and competitiveness, in the year 2018, nearly 20 million Chinese had facial cosmetics surgery (http-9, 2018).

People bear "the knife" for many reasons. Some expect to improve their appearance through plastic surgery, some want to get slimmer, and yet others spend for reconstructive surgery after being defaced or getting trauma. Although the procedures are not without risk (http-10, 2021), all of them expect a better outlook after surgery.

In eastern counties, people have their beauty standards which are different from western's: pale skin, double eyelids, Caucasian nose, slimmer jawlines. South Korea, the neighbor of China, is often called the world's plastic surgery capital (http-11, 2018).

In the year 2020, around 31,000 Chinese medical tourists visited South Korea, who make up the largest share of medical tourists to South Korea (http-12, 2021). Those undergoing plastic surgery are primarily under the age of 28 (http-13, 2019), 90% of them are women (http-14, 2021).

In addition to plastic surgery, affluent Chinese keep young looking by intaking healthy, nutritious food, such foods are generally anti-oxidation or contain high-protein, organic fruits and vegetables, such as seafood, nuts, and traditional Chinese herbal or animal ingredients. Most of such food is expensive or rare (Ma, 2015). Such natural and “no-cut” methods are widely accepted by Chinese people, no matter men or women. The compliments for good out-looking bring great motivation and satisfaction to the people who have physical vanity character traits.

2.4.2. Achievement vanity

Achievement vanity is an excessive concern for, and/or a positive (and perhaps inflated) view of, one’s achievement. It includes two trait components as well: 1, excessive concern for one’s achievement; 2, positive (and perhaps inflated) view of one’s achievement (Netemeyer et al., 1995). In this study, we will emphasize excessive concern for one’s achievement.

Luxury brands, as explained above, have a global reputation of high quality, aesthetics, uniqueness, craftsmanship, history, emotional appeal, functional utility, excellence, and eye-catching lifestyle (Brun and Castelli, 2013). Therefore, luxury goods are “good prima facia evidence of pecuniary success, and consequently prima facie evidence of social worth” (Veblen, 1899, p.112). Veblen (1899) also stated that wealth does not convey status, but the exhibition of wealth does. By using famous luxury products which are generally known by majorities, people show their distinguished wealth, prestige social status, or a successful career. In the other words, luxury products satisfied the user’s desire to exhibit his/her achievements.

China is a Confucian collectivist society where career and class identity are inextricably linked (Doctoroff, 2012, p.83). A successful individual represents not only himself but his family’s success and dignity. All benefits in China are externalized for contributions to and success within society. Therefore, Chinese consumers care more about a luxury product’s social value compared with other countries. Luxury goods are tools or methods for showing personal career development (Doctoroff, 2012, p.80).

Chinese consumers take luxury as a way to show their wealth, success, and social status (Hung et al., 2011).

Meanwhile, in China culture, affluent families use luxury food to manifest the family's social status. They considered luxury food to be generally animal food, rich in protein, and is hard to obtain because of the rareness, expensiveness, high quality, or the need for importation, such food possesses the characteristics of luxury products. For instance, sea cucumbers, bird's nests, abalone, shark's fins, bear's paw, and crab are widely consumed by upper-class families. This custom is mainly related to China's traditional upper-class family living style (http-15, 2021).

In summary, vanity is a reflection of success, the rise of social status, and the ability to afford better life and high price products which out-express the pride, self-esteem, and ego of an individual. Both physical vanity and achievement vanity traits and components are important for advertisement agencies and market practitioners in China to work out marketing strategies for target segmentations. Instead of internal benefit – “what I want, how I feel”, external benefits of luxury are suggested to be used in marketing practice. Luxury products' value (conspicuous value, hedonic value, unique value, quality value, and social value) should benefit luxury consumers externally: for example, luxury products may help a woman enhance her beauty, move forward in her professional career, or control her man. Luxury automobiles announce a man on his way to upper-level social status and have a prosperous future (Doctoroff, 2012, p.44).

Netemeyer et al. (1995) developed a scale to measure vanity, which is widely used in the field of marketing, economics, and anthropology (Sharda and Bhat, 2019). In this study, Netemeyer et al.'s (1995) scale is adapted to measure the concern for physical appearance and concern for the personal achievement of consumers in China.

2.5. Materialism

Materialism is taking an important place in the lives of human beings since it has been recognized as a human trait. (Belk, 1985). He defined materialism as a personality trait, “the importance a consumer attaches to worldly possessions”, which combines possessiveness, selfishness, and envy. Materialism has a variety of definitions from psychological, philosophical, sociological, regional, historical-cultural, etc. perspectives. Both Cambridge Dictionary and Dictionary of America English give

similar definitions for materialism: materialism is the belief that wealth, comfort, and possessions are the most important things in life. Oxford English Dictionary describes materialism as a tendency to consider physical comfort and material possessions are more important than spiritual values. Ward and Wackman (1971) defined materialism as “an orientation emphasizing possession and money for personal happiness and social progress”.

Materialism placed importance on material possessions and wealth accumulation, which may lead to both negative and positive consequences (Duh, 2015). Duh (2015) listed negative social consequences that materialism may lead to, such as rising unmanageable consumer debt, consumer bankruptcy, depleted savings, depression, unhappiness, low-level life satisfaction, etc. Burroughs and Rindfleisch (1997) stated that materialism can play important positive roles in a family, it moderates the relationship between family disruption and family stress by helping to restore a sense of identity, permanence, and control in children’s lives. However, materialism is taken as an inescapable and undesirable aspect of consumer culture by Burroughs and Rindfleisch.

Regarding the dispute of whether materialism is a positive or negative trait, Belk (1985) pointed out that materialism can be either good or bad, it depends on the characteristics and motivation of individuals who are materialists. Materialism is a signifier of personal success, social status, and self-satisfaction, it encompasses the following three dimensions: 1) acquisition centrality (possessions are the center of life); 2) acquisition as the pursuit of happiness (possessions bring about well-being in life); 3) possessions-defined success (possessions as material symbols of success) (Richins and Fournier, 1991; Richins and Dawson, 1992).

2.5.1. Acquisition centrality

Acquisition centrality is also called the centrality of possessions (Richins and Fournier, 1991). At the highest level of materialism, acquisition centrality regards the importance that materialists give to their acquired possessions. To obtain materials is a fundamental goal in materialists’ life, and materials are believed to provide the greatest sources of satisfaction and dissatisfaction (Belk, 1985; Amatulli, et al., 2017, p118). According to Heine (2012), the best and most successful luxury product can bring great satisfaction to its owner. the owner will use it throughout his or her lifetime — and then

take it as heirlooms to pass through generations (Heine, 2012, p.62). When the consumption of goods becomes the central goal within a society, a “consumer culture” is said to exist (Richins and Fournier,1991).

2.5.2. Acquisition as the pursuit of happiness

Acquisition as the pursuit of happiness is also called a possession tied to life satisfaction. (Richins and Fournier, 1991). It refers to the idea that owning or acquiring the right possessions can bring happiness and well-being to the owner (Amatulli et al., 2017, p.118). People with high materialistic traits believe that buying and possessing things are important means to achieve life goals, such as obtaining happiness, achieving success, and reaching desirability. (http-33, 2018). For materialists, property and its acquisition are their primary personal goals, the way they spend their life. They evaluate the property and its acquisition higher than other things and life activities.

2.5.3. Possessions-defined success

Possessions-defined success refers to the idea that material possessions represent a measure of success (Amatulli et al., 2017, p.118). Although materialism has generally held negative meanings that are associated with character deficiencies, self-centeredness, deficiencies, and dissatisfaction (Shrum et al., 2014), it may also occur positive consequences. Materialism motive people to reach success, social status, and wealth to possess desired materials (Richins and Dawson, 1992). Materialists tend to judge their own and others’ success by the quality and quantities of possessions accumulated (Richins and Dawson, 1992). Luxury brands are used by materialists to reach happiness or a scale to measure one’s own or others’ success. (Richins, 1994). Materialists prefer to spend a premium price for the more than functional benefits luxury products to demonstrate their status and reinforce their self-concept, the extra paid money buys additional value of luxury (Kapferer, 2015).

We can conclude that materialistic consumers take acquiring and owning enough materials as a way to show their social position, success, and achievement (Richins and Fournier,1991). As a consequence, a materialist is selecting the products to buy, s/he would prefer the products with recognizable social symbols such as status, success, and prestige (Amatulli et al.,2017, p.118).

2.6. Overlap Between Vanity, Materialism and Luxury Products Consumption

2.6.1. Overlap of vanity and materialism

Although materialism and vanity both can be a negative denotation of human characteristics, they may also motivate people to achieve more wealth, reach higher social status, pursue more happiness and prompt greater self-esteem. If we combine luxury products' value (unique value, hedonic value, social value, conspicuous value, and quality value) and their characteristics with vanity and materialism traits, we can find that luxury products' value not only meets the psychological needs of people, who have vanity and materialism characteristics and self-actualization desires but further influence consumers' attitudes towards luxury and later luxury products consumption decisions. Vanity and materialism traits are overlapping in two aspects.

Firstly, the two concepts overlap on achieving society-defined success and achievement.

From previous literature reviews we can see that vanity and materialism overlap on dimension of pursuing achievement and society-defined success, "public display" is the manifestation. As Chang et al., (2011) stated that positive view of physical appearance and achievement are appropriate for vanity construction because they are close to the behavior of materialism and so can predict the behavior of materialism. Both Netemeyer et al. (1995) and Richins and Dawson (1992) mentioned that physical vanity, achievement vanity is strongly related to possession-defined success. Materialism is used as the symbol of achievement vanity (Netemeyer et al., 1995).

Secondly, the two concepts overlap on conspicuous consumption behavior.

Based on the previous description, materialism is closely correlated with luxury consumption. Materialistic consumers tend to obtain happiness and show social status by purchasing and owning luxury brand products. Luxury products are symbols of wealth and social position (Richins and Dawson, 1992). Both Belk (1985) and Richins and Dawson (1992) noticed that luxury consumers demonstrate their professional achievement by the showy display of their possessions. Therefore, materialists are more likely to spend money on desired luxury products and believe that success or achievement can be manifested by luxury possessions.

2.6.2. Relationship between vanity and luxury product consumption

Netemeyer et al. (1995) defined vanity, as a psychological construct, as a concern for physical appearance and personal achievement which has a strong influence on individuals' behavioral intentions and guides consumer decision-making. Sharda and Bhat (2019) suggest that vanity-related views and concerns might be drivers of luxury brands' consumption. People, who have vanity traits, are concerned about their physical appearance, social status, and the impression they impose on others. They consume luxury products for the values (conspicuous value, unique value, social value, hedonic value, and quality value) luxury products bring to them. They seek recognition, appreciation and perceive that recognizable brands will help them to display good impressions to others, in short, luxury benefits them during social interaction (Sharda and Bhat, 2019).

Belk (1985) suggests that some individuals demonstrate and justify their drive for achievements through conspicuous consumption. Conspicuousness, as a key characteristic of luxury brands (Kapferer and Vincent, 2009. p.218; Veblen, 1899), provides both social and psychological benefits to its owners, like prestige, esteem, and high status and sense of self-confidence (Kapferer and Vincent, 2009, p.34; Vigneron and Johnson, 2004). Conspicuous consumption motivation can be explained by the need for uniqueness theory, the consumers' intention to differentiate themselves from the masses through material goods (Cheah et al., 2015). Luxury brands meet the desire and appetite of the prestigious-seeking consumers, who also have a higher level of vanity traits (Sharda and Bhat, 2019).

2.6.3. Relationship between materialism and luxury product consumption

From previous materialism dimensions analyses, we can conclude that materialism is closely related to luxury products consumption, material possessions not only bring happiness to the owner but also be used to measure one's success, wealth, and social status (Richins and Dawson, 1992). Materialists emphasize the things one possesses, the happiness, and the social status one pursues (Richins and Fournier, 1991), they tend to judge their own and others' success by the number and quality of possessions accumulated (Dawson, 1992).

(Belk, 1988) demonstrated luxury consumption behavior was based on extended-self theory which reflects consumers themselves. The extended-self theory explains that

individuals use their possessions to reflect themselves (Lee et al., 2020). That is, consumers can express themselves by using the possessions, no matter possess conspicuous or inconspicuous luxury products, that reflect themselves they desire (Belk, 1988). People who buy luxury brands mostly are categorized to materialistic consumers segmentation. In this segmentation, the consumers are motivated by their desires to possess material things to show the public their social status (Amatulli et al., 2017, p.118).

In Asia, materialism is an important part of the “collectivistic” culture where the emphasis is on relationships with others, in particular the group a person belongs to (http-34, 2018). People tend to use brand names and material possessions to enhance their social identity or social status. Luxury goods are used as social identification, to identify their owner with peers in the same socioeconomic status, to enlarge the distance from other social levels (Kapferer and Bastien, 2009, p.166).

2.7. Attitudes Toward Luxury

In consumer behavior, attitude plays an important role in the value that consumers perceived from the brand (Jhamb et al., 2020). Dubois et al. (2005) segmented luxury consumers upon their attitudes toward luxury. Dubois and Laurent (1994) defined three dimensions for consumer attitudes toward luxury: cognitive, affective, and behavioral. The cognitive dimension indicates the knowledge aspect of attitude, how much knowledge the consumers have for the luxury or/and luxury brands; the affective dimension refers to the emotional connection between consumer and luxury brand/products; and the behavioral dimension depicts actual or behavioral intention (Jhamb et al., 2020).

2.7.1. Cognitive

The cognitive dimension evaluates the knowledge aspect of attitude (Dubois et al., 2005), it is general knowledge of a person, belief segment of attitude (http-1, 2021).

According to Heine (2012, p.62), in the cognitive dimension, consumers distinguish luxury products from normal products based on six luxury characteristics: price, rarity, quality, extraordinariness, aesthetics, and symbolism. These characteristics make luxury products differentiate themselves from ordinary products from the same category and more than affordable for “ordinary” consumers.

In Dubois and Laurent (1994), the researchers adopted a two-step survey to find out the meanings of the word “luxury”, but found not only the positive items are associated with it, such as “upscale”, “quality”, “good taste”, “class”, but the negative ones which include: “flashiness” and “bad taste”. The result indicates that consumers’ attitudes toward the concept of luxury and luxury brands vary considerably, luxury has both good taste and bad taste, the same as the luxury consumers. Affluent consumers generally hold positive attitudes towards luxury, they take luxury as a part of their life, while “ordinary” consumers appear to be more critical, they are less familiar with the concept of luxury as well. The negative connotations focus on the belief that people buy luxury goods to imitate the wealthy people and to be different from the others (Dubois et al., 2001).

Although there are many negative views about luxury, most people show positive cognition about luxury, more and more “ordinary” people start to consume affordable luxury products (Dubois and Laurent, 1994), this complies with the luxury consumption trend from “happy few” to “happy many” since the 1990s (Kapferer, 2015, p.107).

Consumers’ cognition of luxury brands affects luxury brands’ marketing and sales. Dubois (1995) pointed out that consumers’ low awareness of luxury brands limited luxury desire, high awareness may result in low desire as well because of high purchase level. For example, Italy luxury brand Valentino specializes in clothing and accessories for both men and women, it is one of the most well-known and best sell luxury brands for the Chinese in the 1990s. Like every luxury brand, Valentino is the victim of counterfeiting. The Valentino lovers have to learn how to distinguish authenticity from counterfeit which strikes consumers’ consumption desire.

One of the important literature outcomes of luxury consumption is a brand experience, the brand experience further shaped consumers’ cognition and attitude toward luxury brands and products (Dubois et al., 2005; Jhamb et al., 2020). Customer-perceived luxury value makes luxury goods desirable gift options, it manifests consumers’ social image (Chen and Kim, 2013; Wu, 2013).

2.7.2. Affective

The affective dimension refers to the emotional connection between consumer and marketing stimuli (Dubois et al., 2005). It is the emotional or feeling segment of an attitude (http-1, 2021). Marketers are suggested to create a symbolic and emotional

connection between consumers and luxury brands (Dubois and Paternault, 1995). The history behind the luxury brands and stories of luxury products reinforced the emotional connection between consumers and luxury products, consumers affected by its country of origin and manufacturer as well (Jhamb et al., 2020).

In Dubois et al.'s (2005) research, a sample, which consisted of 1848 participants from 20 countries, was extracted into 3 factors: elitist, democratic, and distance. These factors show different attitudes toward luxury, luxury brands, and luxury products.

Consumers from elite group hold an opposite vision of the democratic, they think luxury should be less accessible and restricted to a small group – they are “happy few”. Democratic group consumers hold an open-minded attitude to luxury, they suggest that more people should access luxury products so that people can own their luxury products – they are “happy many”. Consumers from distance group are different from democratic group and elite group, they stay far from the luxury world, luxury products are not very attractive for them.

Different attitudes towards luxury and luxury products drive consumers to make different decisions on behavioral dimension and their intention to buy luxury products: be heavy buyers or stay far from luxury goods.

2.7.3. Behavioral

The behavioral dimension depicts actual or behavioral intention (Jhamb et al., 2020), in the short-run or long-run (http-1, 2021).

According to Dubois et al. (2005) research result, feeling distant from luxury is associated with not buying luxury goods. While the stronger the self-reported probability of luxury purchasing, the lower probability that the respondent belongs to distance type, the higher probability that s/he belongs to either the democratic or elitist type.

Democratic type and elitist type show different luxury attitudes: hedonic and social-symbolic. However, the elitist type chooses the extreme position on the item (i.e., strongly disagree or strongly agree) (Dubois et al., 2005).

Consumers' behavioral dimension of attitudes toward luxury products decides whether s/he prefer conspicuous or inconspicuous luxury products. Their cognitive or knowledge of luxury affects their behavior and continuous effective input.

Conspicuous vs inconspicuous luxury consumption

Luxury product consumption style is divided into two types as conspicuous and inconspicuous consumption. Veblen (1899) in his book *The Theory of the Leisure Class* coined the term conspicuous consumption. Conspicuousness is related to social values, no matter wealth or social position, such as achievement, success, and socially desirable goals (Chevalier and Lu, 2010, p.63).

Conspicuous consumption is a generic conception, it generally refers to the display of one's wealth to the public, to impress others. Self-identity is the driver of such a type of showy consumption (Yu, 2014). Consumers purchase luxury goods as a means of social identification and a status differentiator. Inconspicuous consumption, opposite of conspicuous consumption, reflects a shift in consumer attitudes away from social class and status-seeking and towards personalized experience. (Shao et al., 2018). This is an inward demand and a hidden egotism. Luxury consumers' conspicuous consumption or inconspicuous consumption directly or indirectly show their physical attractiveness, affluent situation, outstanding achievement, and eye-catching possessions to identify themselves, find the group they belong to, or differentiate themselves from other people or groups.

2.8. Luxury Consumption in China

2.8.1. History of Chinese luxury consumption

China is recognized as a cohesive civilization for more than 5000 years. From 200 A.D. Tang dynasty glory to 1800 A.D. Qing dynasty degradation, China experienced the center of the world to one of the most underdeveloped countries. In recent years, China again entered people's horizons due to many aspects (Doctoroff, 2012, p.17), luxury consumption is one of them.

In ancient China, people advocated thrift, while not luxury. Economy, modesty, simplicity, and frugality are considered traditional Chinese virtues (Chevalier and Lu, 2010, p.63). People take luxury as splurge and waste, which is a criticism and a derogatory term. This culture and opinion are remaining in current Chinese life. China's

44.9% saving rate makes China the top 10 high saving rate countries in the world ([http-16, 2021](#)).

But if we review luxury products history, China once created many breath-taking luxury goods, such as silk, porcelain, tea, jade pieces, finely decorated furniture, etc. Chinese have longer luxury consumption history than those in Western countries. This is proven by many precious Chinese artifacts, paintings, etc. which are displayed in many museums all over the world (Sun, 2011). Many Chinese ancient luxury artifacts were spread to European and Middle-east countries by the ancient silk road, and some of them can be found in the North American continent. Chinese products were welcomed enthusiastically by western nobles and royal families for centuries, “Made in China” were taken as a symbol and guarantee of the unparalleled level of quality and superior craftsmanship by western aristocratic society for thousands of years ([http-17, 2021](#)). It represents rarity, aesthetics, extraordinariness, and outstanding quality, which are characteristics of luxury.

The first luxury experience for the Chinese royal family can be traced back to 400 years ago. When Jesuit missionary and translator Matteo Ricci (1552 -1610) visited China, they tributed two clocks to the Ming Dynasty emperor. Because of their rarity and extraordinariness, these two clocks became the starter of luxury in China.

In ancient China, luxury goods were specially made for royal family members or elite society, it was difficult or forbidden for ordinary Chinese people to possess luxury items. While different from western imperial cultures in which luxury was reserved for royalty and aristocrats by birth, China provided equality of opportunity by selecting capable civilians through the Chinese imperial examination, which is called Keju (科举). The selected civilians became scholar-bureaucrat class emerged as the elite group in society. Even though concepts such as aristocracy and royalty existed in imperial China, the scholar-bureaucrat class was highly respected for their intelligence, tastes, and wisdom. Its members were the elites and the leisure class in society and naturally developed a lifestyle that incorporated luxury goods (Ngai and Cho, 2012). Therefore, for civilians, to pass an imperial examination is the only way to get rid of poverty and low social status. One person’s success or achievement can change not only his own but his family’s future. The person, who can consume luxury, is taken as a person with a successful career and high social status. This in-depth cultural significance still underlying and influence nowadays Chinese deeply.











Chevalier and Lu (2010) indicate that the ancient Chinese upper class decorates their homes with fine bone ceramics, famous artists' paintings, or artifacts to represent their elegant taste and social status. This traditional elite lifestyle remains in today's Chinese consumers' customs and habits, they pursued today's western luxury products instead.

2.8.2. Luxury industry in China

Since the 16th century, the discovery of a new continent and new trade routes, colonization, industrialization, two world wars, political evolutions, and economic competition transformed relations between Asia and the West (Chevalier and Lu, 2010, p.73).

Especially after the 19th century, the British Industrial Revolution made shipping from continent to continent possible, luxury goods came across to the other side of the ocean. But the luxuriousness industry emerges from the 1920s, also is known as the Roaring Twenties. The luxury industry was benefitted from technologies and industrial development, assembly lines, and mass production, many world-famous brands were created around this period (Table 2.1):

Table 2. 1. Top 10 Luxury Brands Across the Global (<http-19>, 2018)

1	2	3	4	5
				
Louis Vuitton 1854 France	Hermes 1837 France	Gucci 1921 Italy	Chanel 1909 France	Rolex 1908 Switzerland
6	7	8	9	10
				
Cartier 1847 France	Burberry 1856 England	Prada 1913 Italy	Christian Dior 1946 France	Tiffany 1837 The United States

From the chart above, we can see that the current world luxury fashion top 10 brands are all established in the 19th and the first half of the 20th century. As a result, all these luxury brands have their own story, a real history. (Kapferer and Bastien, 2017, p.81)

Since China missed the train of the industrial revolution in the 19th century, which caused China to lag far behind the world for nearly 200 years, China lost its voice in the luxury industry (http-19, 2018). Kapferer (2015, p.33) stated that China has the potential to produce its luxury brand: it has a long history, a tradition of excellence in craftsmanship and art, new designers who are able and willing to succeed, and the support of the state.

Luxury entails not only final products but its excellence culture all along the value chain, including its subcontractors. Unfortunately, China's "the cultural revolution" broke out in the 1960s, a lot of know-how has been destroyed and many master craftspeople disappeared (Kapferer, 2015, p.33). Chinese traditional luxury and the famous artisans' outliers were not able to survive and compete with their European counterparts. This is one of the reasons why there are very few traditional Asian luxury brands today (Chevalier and Lu, 2010, p.73).

In the year 1976, China began to look seriously into expanding its textile and clothing industry and sought to consult with foreign designers. After being invited to China in 1978, Pierre Cardin was appointed as fashion consultant by the Chinese government, his role was "to advise the Chinese on how to style their textile products to make them more marketable to the West". In the year 1979, Pierre Cardin held a fashion show in Beijing and exhibited outfits from his archive, this fashion show shocked Chinese people by contrast to China's sartorial norm in other words Mao suits (http-20, 2021). Although Chinese people were unfamiliar with Western fashion and the ideas in design at that time, China luxury market was woken up with Pierre Cardin's endeavor. Now some Chinese companies are inching toward world prestige brands. By fusing high-end Chinese traditional elements and modern designs, Chinese designers are trying to establish their own homegrown luxury fashion brands such as Shang Xia, Shanghai Tang, etc. (http-21, 2021).

Now, China is translating its centuries of know-how into creating a new generation of Chinese luxury brands, many Chinese historical brands: Ne Tiger, Herborist, Longio, Wenjun, etc. traditional Chinese old brands combine Western

elements that came back to our lives again. It will influence Chinese new generations, who are inspired by national spirits, will be more confident to purchase luxury products with national elements. “Made in China” is again on its way back to the modern luxury industry (http-17, 2021).

2.8.3. Chinese luxury consumers

Compare with other country’s consumers, mainland Chinese luxury consumers have specific features which are shaped by the impacts of many aspects like traditional Chinese virtues, Confucian ideology, collectivist society, government administration, and economic development in recent four decades. Different generations behave differently, collectivism or individualism features show various manifestations in each generation, their vanity, materialism, and attitudes toward luxury products represent in different manners.

2.8.3.1. Chinese traditional virtue - temperance

China has seven heavenly traditional virtues known as faith, hope, charity, perseverance, justice, temperance, and prudence (http-22, 2021). Among these virtues, temperance is moderation of needed things and abstinence from things that are not needed. With temperance virtue, Chinese advocates thrift. Meanwhile, frugality is an element of Confucianism and has long been seen as a virtue in China and elsewhere in Asia. China is one of six Asian countries which are listed in the top 10 countries in the world with the highest savings rates. In 2017, China ranked the third on this list, the gross national savings make up more than 40 percent of annual GDP (http-23, 2018). Frugality has played a pivotal role in China’s development. Thrift has long been described as a Chinese traditional habit.

But in China, consumers take luxury brands as means for showing success, to balance luxury consumption and thrift traditional virtue, “public display” is imperative during purchase decision making. When Sony’s Handy cam boasts 50% market share, Sony televisions are still niche products, since only the family will see them. Benefits should be externalized, not internalized. (Doctoroff, 2012, p.35). Such purchasing psychology reflects on personal luxury products as well, consume handbags, shoes, clothes, perfume, jewelry, luxury cars, holiday packages, etc. luxury products people

can see. “Public display” luxury products are tools for satisfying the owner’s desire for physical vanity, achievement vanity, and materialism.

2.8.3.2. Confucian collectivist society

China is recognized as a Confucian collectivist society. Collectivism emphasizes harmony and unity, when a person makes decisions, s/he should consider others’ opinions (Yu, 2014). Consumers in the collectivist society share common norms, values, and understanding and so they buy luxury brands to display their delicacy and status to the other members of the society (Cheah et al., 2015). All individual from collectivistic society observes social relationships, social status, duties, and responsibility, emphasizing relationships, harmony, cooperation, and unity within the group (Yim et al., 2014).

Confucianism is the main moral system of China, there are elaborate obligations between husband and wife, parent and child, elder and younger, among friends etc. (Chevalier and Lu, 2010, p.64). The Confucian is the combination of restrictive regimentation (face, hierarchy, rules, obedience, conservatism) and a long-range ambition (drive, status projection, careerism) (Doctoroff, 2012, p.58-59). Among all restrictive regimentation, “face” is the root of Chinese society and the inherent motivation of Chinese people.

Face, as the primary currency of upward mobility, is rooted in status projection. It is respect or deference from others a person can claim, is the fuel of forwarding movement. It is like a social bank account that Chinese people can spend, save, invest in. When you take away face, you take away someone’s fundamental sense of security (Doctoroff, 2012, p.23-44).

Chinese people, from birth to death, take “to bring honor and glory to his ancestors and family” as their responsibility. The standard of success is defined by society, not by the self. Conspicuous consumption has powerful implications for Chinese society: when one is seen in possession of luxury goods, one is not labeled a selfish materialist, but rather is seen as an exemplar of social virtues in fulfilling familial obligation (Wong and Ahuvia, 1998).

Chinese people regard brands as tools for success, not as tools for self-actualization or fulfillment (Doctoroff, 2012, p.80). Luxury is a social maker, recreating social stratification but does it in a democratic manner (Kapferer and Bastien, 2017,

p.69), Chinese consumers are willing to pay a premium for any product that delivers a public payoff and, hence face (Doctoroff, 2012, p.80).

2.8.4. Factors affecting luxury consumption in China

A variable of factors affecting the luxury market and luxury consumption in China. In turn, Chinese luxury consumers have specific features which are shaped by these factors.

2.8.4.1. Economic development

Bernstein Research has demonstrated that luxury growth in a country is closely correlated to its gross domestic product (GDP) growth (Kapferer, 2015, p.22). By 2018 China's middle class constituted 25 percent of China's population; in absolute size, it was nearly double the size of the global middle class in the US and similar in size to that in Europe (http-24, 2021). Bain and Co. report (2021) predicted that by the year 2025 Chinese consumers will become a dominating nationality for luxury, growing to represent over 45% of global purchases. Younger generations (Generations Y and Z) are expected to be the biggest buyers of luxury, representing over two-thirds of global purchases, in which Chinese younger generations will consume 46% - 48% of global luxury products.

China set to be the engine of global spending on high-end shoes, bags, fashion, jewelry, and watches, China's affluent upper-middle-class presents an enticing prospect for the world's designer brands (McKinsey, China luxury report 2019).

2.8.4.2. China's birth control policy

In the year 1979, China implemented a population policy that deeply influenced the current global luxury market. In order to control the geometric growth population, China government carried out a "one-child policy" – one family only has one child.

Here, the millennials or generation Y are those who were born between 1982 and 1994, also known as digital natives, technology is part of their everyday lives. Generation Z or the post-millennial generation is labeled as centennials, who were born in 1995 and the youngest in 2010 — it is a group of people that is marked by the Internet, they arrived with a tablet and a smartphone in their hands (http-25, 2021).

Chinese Y and Z generations were all born after Economic Reform and the “one-child policy” which was performed in 1978 and 1979 respectively. Y and Z generations Chinese witnessed China roaring economic growth in recent four decades, now China’s Y generation is 40 or approaching 40 years old, together with their children -- Z generation, who inherited financial support from their family, became the main power for luxury consumption currently. According to Bain and Co report, Chinese younger generations (Generations Y and Z) will be the biggest buyers of luxury goods, representing over two-thirds of global purchases by 2025 (Bain and Co., 2021).

2.8.4.3. Economics fueled IT development

Easy internet access is another reason which makes Chinese luxury consumers rejuvenate. In order to eradicate absolute poverty and prompt economic development national wide, a nation-level project in China in 2003 required that more than 95 percent of remote mountainous areas should be covered with communication signals and the fees must not be higher than those in urban areas. (Zhang, 2019) According to Statista, the number of 4G mobile base stations in China amounted to approximately 3,72 million in 2018 (http-6, 2020), while the total 4G base stations all over the world is approximately 6 million in 2019 (http-26, 2019). This means the number of China 4G base stations in 2019 is 1,38 times of the rest of the world. 5G users in China have reached 450 million, this number is expected to exceed 560 million by 2023, according to the Ministry of Industry and Information Technology. These users enjoy network coverage through approximately 1,16 million 5G base stations (http-4, 2021). Therefore, China is home to the largest online community in the world. According to estimates, the Chinese internet population was around 883 million in 2019 and would surge up to 1,29 billion by 2026 (http-5, 2021).

China’s strong IT infrastructure and convenient internet access enabled savvy younger consumers to navigate across channels to get a better deal and use digital media for intensive research before buying. They are heavily influenced by opinion leaders, often global or Chinese celebrities, who talk about and display their purchases on social media (Sun, 2011). Thus, social media and “word of mouth” from celebrities cultivate quantities of Chinese young luxury-lovers and luxury followers who are potential luxury buyers in the future.

2.8.4.4. Government policies

Different from other countries' luxury market, China government impose great influence on luxury products' supply, demand, and consumption. China's political system is formally a multi-party state under the leadership of the Chinese Communist Party (CCP) leading eight minor parties. In practice, only the Chinese Communist Party holds effective power at the national level. The party has the final word in what is, and what is not (Doctoroff, 2012. p.67). Therefore, the Chinese Communist Party keeps on adjusting government policy according to domestic sustainable development requirements and evolution of international circumstances. China government's attitude and policy towards the luxury industry have experienced the following four periods:

Encourage period

New China was founded on extreme poverty in 1949, the aesthetic standard was destroyed extremely. Military uniforms once were the most prestigious clothes in China. In the year 1976, Omega, as the first luxury brand, was introduced in China market. In the year 1978, China government implemented an "open door" policy, China mainland was ready to accept western values and culture after long years of "close door" policy.

On 1979 March 19, Pierre Cardin, as the first western luxury garment designer visited China and hosted a fashion show in Beijing. This adventure was considered as a milestone in China's luxury contemporary industry. In the following 20 years, 1979 French Remy Martin, 1986 Bally, 1990 Cartier and LV, 1993 Lancôme, Estee Lauder, Clinique, Chanel, and 1994 Hugo Boss entered the China market successively. China's market was opened to global luxury brands by end of the 20th century ([http-27, 2018](#)).

Control period

With more and more luxury brands entered China market, affluent Chinese people were able to buy luxury products for both personal use and as a gift. When the luxury product was selected as a gift, its conspicuous, social, hedonic, and quality value "gain face" both for the buyers and receivers who have vanity and materialism traits. The gifts indicate their social image and social status (Chen and Kim, 2013). Expensive alcohol, luxury watches, deluxe brands, electronics, antiques, paintings, etc. are options for personal and business gifts ([http-7, 2013](#)). The writer of the article ([http-7, 2013](#)) also

points out that 25% of luxury consumed in China is dedicated to personal and business gifts.

In the year 2012, President Xi Jinping decided to crack down on corruption and promoted thrift. Luxury brands are evidenced in the immediate depressive effect on the luxury watch and spirits industries (Kapferer, 2017). In the year 2015, Chinese consumer spending on luxury goods fell by two percent, following a one percent decline in 2014. Expensive business gifts for men were particularly affected, with watch sales down 10 percent and clothing sales down 12 percent in just one year (http-28, 2016). Under such circumstances, daigou became an emerging business for Chinese luxury seekers. Daigou (代购) is a B2B business that is based on mutual trust of consumer and international buyers, the international buyer is buying “(on behalf of)” the consumer’s order. They are exporting luxury products and household goods from abroad into China. The international buyers are generally international Chinese students, aircrew, or family members who are residing aboard. They buy luxury items upon orders and then send them back to their Chinese friends or family members. Their domestic business partners are responsible to distribute luxury products to the customers. The luxury items include French cosmetics to Italian garments, from German knives to Australian baby food. (http-29, 2020).

There are some other reasons nourished this unregulated market grow rapidly: 1) The rising amount of Chinese upper-middle class shows great demand for luxury products; 2) China government levy high taxes on import goods, the daigou price for luxury products are cheaper than the same product sold in China market; 3) international luxury brands allow their products flow into China market via daigou channel because more Chinese get to know their brands without having to pay marketing and products launching expenses. Now, this community includes over one million international daigou (professional and part-time) and grossed more than 1,1 trillion US dollars in total sales in 2019 (http-29, 2020).

Meanwhile, with internet technology and transportation infrastructure’s development in China mainland, Alibaba, T-mall, Jindong, etc. online shopping platforms fueled daigou business in China.

Deregulation period

With China's economic development, more and more Chinese tourists traveled abroad. In 2018, Chinese consumers took more than 150 million trips abroad, they buy luxury goods outside their home countries not only for benefiting from lower prices in the country of origin, but also taking shopping has become an integral part of the travel experience: buying a brand in its country of origin comes with a sense of authenticity and excitement (McKinsey, A perspective for the luxury-goods industry during – and after coronavirus, 2020).

The Chinese government's reduction in import duties and stricter controls over unregulated markets (Daigou) — combined with brands' efforts to narrow the price gap with overseas markets — have led more Chinese consumers to make their luxury purchases in China, instead of traveling to previous bargain locales such as Hong Kong, Seoul, Tokyo and cities in Europe (Bain and Co., 2019). On 2019 December 30, China government opened Hainan Hainan Sanya duty-free Shopping Center, despite the negative impact of the Covid pandemic in the first quarter, the total sales reached 5 billion US dollars from the 1st of January to the 14th of December 2020.

Because of Covid 19 pandemic's out-broke and China border control, Chinese people have to change from global travelers to local shoppers. According to Bain and Co.'s 2021 report, China has been the only region globally on a positive note to end the year 2020, growing by 45% at current exchange rates to reach €44 billion. Local consumption rebounded quickly, travel retail in mainland China experienced a boom in 2020, particularly in Hainan. However, total purchases made by Chinese customers experienced a 30% - 35% decline globally, due to Chinese customers not traveling: purchases made abroad (historically up to 2/3 of total purchases by Chinese customers) thus declined by 70% (Bain and Co., 2021).

Reregulation period

On 17 August 2021, President Xi Jinping called for regulation of “excessively high incomes” to prioritize the goal of “common prosperity”. Although “common prosperity” is Chinese basic national policies, this call tumbled luxury stocks by 12.85% within one day, according to Bloomberg.

It is expected that China government may interfere luxury industry in multiple forms, including levying higher taxes; further custom control on daigou; a crackdown on Alibaba where many luxury brands from Gucci to Cartier operate via T-mall; put

restrictions on online advertising regulations, and a crackdown on influencers (http-30, 2021).

More widespread wealth means a more affluent middle class, it could have a positive effect on luxury at last. “It may boost sales of affordable luxury, cosmetics, and sporting goods but not necessarily of a Louis Vuitton or a Gucci,” says HSBC luxury analyst Erwan Rambourg (http-30, 2021).

Today, China has become a powerhouse of the global luxury industry, it is becoming more than the luxury market, it will develop into a major source of new brands and new products. In a long run, China is assumed to probably become a major supplier of new ideas, new talent, and new brands in the luxury field (Chevalier and Lu, 2010, p.12).

China has the largest upper-middle level income population in the world., Although Chinese government policy changes brought uncertainty to the luxury market Chinese people who are under influence of Confucian collectivist society and Chinese traditional culture and Chinese style vanity and materialism may be still unaffected, the way wealth is displayed could change (http-30, 2021). Therefore, in the context of China booming economic power, how to understand China as a specific luxury market with deep historical and cultural background, how to grasp Chinese luxury consumers’ vanity and materialism psychology needs, how to take advantage of Chinese great potential both on purchase and design will be extremely important for international and domestic marketing researchers and marketing practitioners.

2.8.5. Segmentation of luxury market in China

Middle class expanding in China with the China’s economy booming in the recent four decades. Ordinary Chinese people from the upper-middle class imitate their wealthy peers. They cannot afford lofts or penthouses, or even haute couture, but they might buy some small products from prestigious brands for personal use, or gift purpose, the well-known logos on gifts earning “face” for them (Kapferer, 2017, p.36). Louis Vuitton, Chanel, and Gucci are given top billing by the new rich in China (http-7, 2013).

In the year 2020, Mainland China’s local luxury consumption has roared ahead across all channels, categories, generations, and price points (Bain and Co., 2021). Bain and Co. (2021) report predicted that mainland China is on a path to becoming the biggest luxury market by the year 2025. Therefore, accurate segmentation for the Chinese

luxury market becomes very important for market practitioners and advertisement agencies.

Now China has over 300 million Y Gen and nearly 170 million Z Gen population. Z Gen has 6 different characteristics: They are free spenders; They are individualistic and want to have control; For them, luxury means the quality of life and self-expression; They expect brands to be approachable; They like to mix and match; They like to travel (http-2, 2019). These characteristics are taken as the result of IT that influenced globalization and China's economic development in the recent four decades. On the one hand, the Chinese Z generation shows deeper integration with the western culture and values than the Chinese Y generation. On the other hand, we can assume that younger Chinese consumers are less loyal. They are more ready to accept new luxury trendy and braver to express themselves during luxury consumption, more individualism features present in their luxury products consumption. They are learning to appreciate more nuanced elements, not just brand itself, fabric, design, or production among their top reasons to purchase (McKinsey, The Chinese luxury consumer, 2019, p.5-6). Physical vanity and achievement vanity could be amplified when they express their attitudes toward luxury products and further influence their luxury consumption decisions.

Bain and Co. (2021) report that China's younger generations have become one of the main powers of global luxury consumption. Elites among the generations are obvious targets for luxury goods, and these elites will be confronted with strong new ideology and western values to be combined individually (or not) with traditional values. Chevalier and Lu (2010) summarized four types of consumers that emerged in China, they are luxury lovers, luxury followers, luxury intellectuals, and luxury laggards, and their corresponding characteristics.

Luxury lovers have good knowledge of luxury products, they know what to buy, and enjoy conspicuous luxury; Luxury lovers have characteristics of conspicuousness, analytical thinking, and collectivism.

Luxury followers are trends followers, they follow media or advertisements to make purchase decisions. They ignore their feelings and have less knowledge and understanding about luxury products; Luxury followers are generally collectivist, conspicuous, and impulsive.

Luxury intellectuals are rational buyers, they keep their distance from trends and listen to their feelings. They have their understanding about luxury, they are preferring

discreet and classical models of luxury brands; Luxury intellectuals are mainly analytical thinking, functional, and individualist buyers.

Luxury laggards are the least care about luxury brands and products among groups, even they can afford them, products' functionality is their priority; luxury laggards are functional, sensitive to price and promotion buyers.

Therefore, Chevalier and Lu (2010, p.63) suggested that China luxury market can be segmented by three contrasting dimensions:

1. Conspicuousness/ functionality,
2. Individualism/ collectivism,
3. Impulsiveness/ analytical thinking.

Chevalier and Lu's market segmentation partly overlapped with the tiers described in Dubois et al. (2005). These researchers separated consumers into three groups democratic group, elite group, and distance group. As we have described literature reviews about these groups: democratic group are "happy many", the elite group are "happy few" and the distance group stays far from the luxury world.

Both Chevalier and Lu (2010) and Dubois et al. (2005) take luxury laggards or distance group as a separate group, consumers in this segmentation have less motivation to consume luxury products. Pierre Lu's segmentation is mainly based on consumers' characteristics. While Dubois et al. (2005) segmentation is based on consumers' attitudes towards luxury, they investigated consumers from 20 different countries on four continents, therefore, the scale on attitude towards luxury is more universal. In this study, we adapted scales from Dubois et al. (2005) in the questionnaire to measure Chinese consumers' attitudes toward luxury products. But Chevalier and Lu (2010) provide practical marketing knowledge and segmentation for luxury products Chinese market practitioners.

3. METHODOLOGY

Exploring the attitude of Chinese consumers towards luxury products is the main objective of this research. While different factors are affecting luxury consumption and attitudes towards luxury, vanity and materialism are taken as independent variables, demographic factors are demographic variables that may affect the attitude towards luxury in this research. In the literature review, vanity is analyzed according to Netemeyer et al.'s (1995) scale, which defines vanity with two dimensions: physical vanity and achievement vanity. Materialism in this study is based on Richins and Dawson's (1992) theory which contains three dimensions: acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success. For attitudes towards luxury, the researcher adapted Dubois et al.'s (2005) approach, which defines cognitive, affective, and behavioral dimensions for attitudes towards luxury. Based on the literature review above, this research aims to understand the effect of vanity and materialism on Chinese consumers' attitudes toward luxury products. Although there are immigrant Chinese and Chinese who are residing in Hongkong, Macao, and Taiwan regions, this research only includes the Chinese consumers who are living in mainland China. Their attitudes toward luxury will be analyzed in the context of mainland China's specific history, culture, economy, and political background.

3.1. Research Questions

China is known as a collectivist Confucian County, it has a long history of luxury consumption, people take thrift as traditional virtue. With the "open door" policy's execution in the year 1978, today China become one of the leading powers both on economic development and luxury consumption. Western lifestyle and values deeply impact Chinese younger generations who grow up with easy access internet and an affluent economic environment. On the one hand, the Chinese keen on saving money, on the other hand, Chinese consumers are now the engine of worldwide growth in luxury spending (The Chinese luxury consumer McKinsey, 2019). Exploring the general attitude of Chinese people towards luxury consumption may provide valuable information and direction for luxury brands international marketing researchers, marketing practitioners, and advertisement agencies. Therefore, the Q1 is proposed as: What is the general attitude of Chinese people towards luxury consumption?

China's four decades rapid but unbalanced economic development generates a great gap among the people with different ages, gender, income levels, occupation, etc. demographic characteristics, even the geographical location of people may matter consumers' attitude towards luxury and consumption intention. In this study, age, gender, income, occupation are demographic variables to measure how they affect attitudes toward luxury. Education level is not questioned as a separate demographic variable since all the respondents are selected from similar educational backgrounds, the snowball technique is used to find the proper respondents. Therefore, the Q2 of this study is: Do demographic factors like age, gender, income, occupation make a change in attitudes?

Netemeyer et al. (1995) suggested that vanity, as a human psychological construct, motivates people to pursue a good physical appearance and high personal achievement. Vanity places a strong influence on an individual's behavior and purchase decision-making psychologically in theory. In this study, we will measure Chinese consumers' vanity level and whether the vanity level of respondents changes concerning demographic characteristics. The Q3 is proposed as: what is the level of vanity trait of respondents and do the demographic characteristics make a difference on vanity trait?

Since materialism was recognized as a human trait (Belk, 1985), many researchers gave a variety of definitions for materialism from philosophical, psychological, sociological, regional, cultural, and historical perspectives. Materialism is manifested by motivating people to possess material, pursue happiness, achieve socially defined success to differentiate themselves from the mass.

China has a long history of luxury consumption but Chinese people advocate thrift while not luxury. With the Chinese economy booming, people are getting richer, today, more and more Chinese can afford luxury products and purchase them by many channels, online or offline. In this study, we will measure respondents' materialism trait level in this sample and see if demographic characteristics will make a difference. Therefore, the Q4 is: what is the level of materialism trait of respondents and do the demographic characteristics make a difference on materialism trait?

Based on the literature review above, vanity and materialism are overlapping on socially defined success, achievement, and conspicuous consumption. The aim of this study is to measure whether vanity and materialism affect attitude towards luxury in terms of demographic factors. Therefore, the Q5 of this study is: What is the effect of

vanity and materialism on Chinese consumers' attitudes towards luxury? The research model of this study is presented in Figure 3.1.

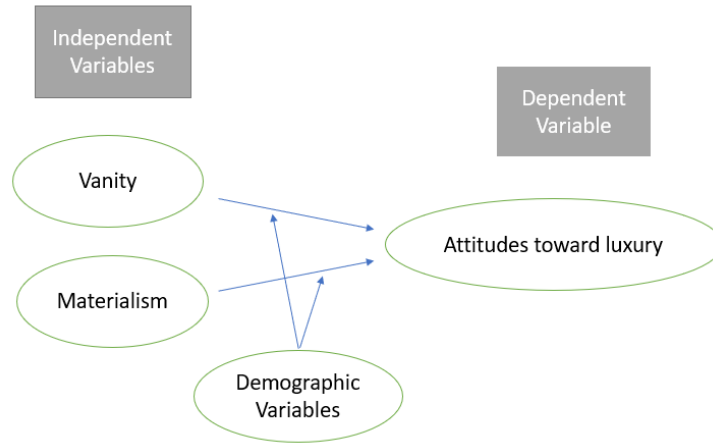


Figure 3. 1. Research model

3.2. Measurements and Scales

To answer the above questions, a questionnaire is developed that consists of demographic questions and adapted scales from previous studies.

3.2.1. Vanity and its scale

The measure of vanity relied upon a scale which is originally initiated by Netemeyer et al. (1995). From the 1st to the 5th items measure physical vanity concerns, from the 6th to the 10th items measure achievement vanity concerns (Table 3.1). IBM SPSS 24 conducted data analyses, the reliability Cronbach's $\alpha = ,801$, a good level of internal consistency. After eliminating the item: "I would feel embarrassed if I was around people and did not look my best", the remaining 9 items increase Cronbach's α to ,825, a better level of reliability (Table 3.2).

Table 3. 1. Scales and Number of items for vanity

Scale measure	Source	Number of Items	α coefficient
Vanity	Netemeyer et al. (1995)	9	,825

Table 3. 2. *Word items for vanity*

Factors	Physical vanity concern items:	Achievement vanity concern items:
Items	Item 1, The way I look is extremely important to me.	Item 5, Professional achievements are an obsession with me.
	Item 2, I am very concerned about my appearance.	Item 6, I want others to look up to me because of my accomplishments.
	Item 3, Looking my best is worth the effort.	Item 7, I am more concerned with professional success than most people I know.
	Item 4, It is important that I always look good.	Item 8, Achieving greater success than my peers is important to me.
		Item 9, I want my achievements to be recognized by others.

3.2.2. Materialism and its scale

Scale for materialism is developed by Richins and Dawson (1992), there are 18 items on the original scale: 7 items for centrality, 5 items for happiness, and 6 items for success (Table 3.4). In 18 original items, approximately one-third of the items were negatively worded or negative expressions against luxury products consumption. Cronbach’s α reliability at ,721 for original scale, an acceptable level of internal consistency. (Table 3.3)

Table 3. 3. *Scales and number of items for materialism*

Scale measure	Source	Number of Items	α coefficient
Materialism	Richins and Dawson (1992)	18	,721

Table 3. 4. *Word items for Materialism*

Factors	Possession – defined success	Acquisition centrality	Acquisition as the pursuit of happiness
	Item 1, I admire people who own expensive homes, cars, and clothes.	Item 7, I usually buy only the things I need.	Item 14, I have all the things I really need to enjoy in life.
	Item 2, Some of the most important achievements in	Item 8, I try to keep my life simple, as far as possessions are concerned.	Item 15, My life would be better if I owned certain things I don’t have.

Items	(Table 3.4. Continued) life include acquiring material.		
	Item 3, I don't place much emphasis on the number of material objects people own as a sign of success.	Item 9, The things I own are very important to me	Item 16, I wouldn't be any happier if I owned nicer things.
	Item 4, The things I own say a lot about how well I'm doing in life.	Item 10, I enjoy spending money on things that aren't practical.	Item 17, I'd be happier if I could afford to buy more things.
	Item 5, I like to own things that impress people.	Item 11, Buying things gives me a lot of pleasure.	Item 18, It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.
	Item 6, I don't pay much attention to the material objects other people own.	Item 12, I like a lot of luxury in my life.	
		Item 13, I put less emphasis on material things than most people I know.	

3.2.3. Attitudes towards luxury and its scale

For measuring attitude toward luxury, behavior-related themes, 9 original items are adapted from the Dubois et al. (2005) scale. Meanwhile, 3 items on luxury and luxury products recognition and 3 items on luxury purchase intention are added (Table 3.6). The Cronbach's $\alpha = ,793$, an acceptable level of internal consistency.

In the questionnaire, there are 15 items of scale to measure attitudes toward luxury. Cronbach's α is ,793. After eliminating 3 items from the attitude behavior-related theme, Cronbach's α reach ,821, a good level of internal consistency (Table 3.5).

Table 3. 5. Scales and Number of items for attitudes toward luxury

Scale measure	Source	Number of Items	α coefficient
Attitudes toward luxury products	Dubois et al. (2005)	12	,821

Table 3. 6. *Word items for attitudes toward luxury*

Factors	Luxury recognition	Attitude - behavior theme	Luxury purchase intention
Items	Item 1, Luxury products are very expensive but with good quality and good design.	Item 4, One buys luxury goods primarily for one’s pleasure.	Item 10, I would like to buy a luxury product (like a designer bag, watch, sneaker, etc.) if I have extra money.
	Item 2, Luxury products are rare and pleasant.	Item 5, For the most part, luxury goods are to be offered as gifts.	Item 11, I would like to own at least one luxury product in my life.
	Item 3, I think Chanel, Dior, Rolex, LV, Gucci. Hermes are luxury products.	Item 6, The luxury products we buy reveal a little bit of who we are.	Item 12, I would be very happy if I have received a luxury product as a gift.
		Item 7, People who buy luxury products seek to imitate the rich.	
		Item 8, People who buy those products try to differentiate themselves from others	

In sum, the questionnaire contains 47 items in total: 10 items measure vanity, 18 items measure materialism 15 items measure attitudes toward luxury, and 4 demographics items (Appendix 1). All Cronbach’s α are over or approaching 0,8, a good or acceptable level of internal consistency. This means the current items structure of the measurement is supported for reliability. Despite 4 demographics, items for measures are scored on a five-point Likert scale that ranged from 1 for “strongly disagree” to 5 for “strongly agree”.

3.3. Sample of the Pilot and Main Study

Since the original scales are drafted in English and the target respondents are Chinese consumers who are residing in mainland China, the researcher translated all items from English to Chinese with minor wording modifications to comply with current Chinese language habits (Appendix 2). The questionnaire was pre-tested with six Chinese participants before commencing the main questionnaire. The six participants are selected from different regions of mainland China, with different occupations,

income levels, and different educational backgrounds. Pre-test aims to ensure that all items are properly translated and easy to be understood by common Chinese with random demographics. Some minor refinements are made to avoid ambiguity during the pilot study. The pilot study was conducted online through Chinese widely used social media - WeChat, the system automatically recorded the time used for the questionnaire by six trial respondents. The quickest respondent completed and submitted the questionnaire in 110 seconds. Considering the respondents' reading speed, familiarity with the topic, age and educational background, etc. factors, we set 100 seconds as a line to divide the valid questionnaire and invalid questionnaire, the questionnaire which is completed in less than 100 seconds is considered an invalid questionnaire.

The main questionnaire is disseminated through the WeChat platform in September 2021. Snowball sampling was adapted, participants are selected from the researcher's contacts at the beginning, their ages are mostly ranging from 20 to 50, most of them are living in Jiangsu, Anhui, Zhejiang, and Beijing, which are comparatively developed regions and cities in China. Occupation of contacts is mainly university students or employees who work for the government or state-owned enterprises. In order to reach more respondents, contacts of the researcher disseminated this questionnaire within their contacts, thus, after one week of dissemination, a sample of 287 was collected from 12 different provinces and cities in mainland China. Of the 287 questionnaires, 238 were retained, validity ratio is 82,92%.

3.4. Findings

In this study, vanity and materialism are set as the independent variables, attitude toward luxury is the dependent variable, demographic factors are demographic variables. Data analysis is conducted by IBM SPSS Statistics 24 program.

3.4.1. Demographic characteristics of respondents

The 238 respondents are mostly living in comparatively affluent regions and cities in China, 29,47% from Anhui province, 22,81% from Jiangsu province, 15,79% from Shandong province, 4,56% from Zhejiang province, and 10,88% from Beijing city these provinces are top 10 China GDP contributors, Beijing is the capital city of China, one of the first-tier cities. The remaining 16,49% of respondents are from Henan province, Shanxi province, Hebei province, Chongqing city, Tianjin city, Shanghai city, in which

Shanghai city (1,4%) and Chongqing city (2,11%) are the first-tier cities in China. Tier systems are widely used to classify Chinese cities. Chinese main cities are divided into 6 levels of tiers, from the most developed first-tier to the least developed six-tier. The definition of city-tiers is based on three macroeconomic factors: GDP, population, and politics (http -33, 2019). The tiers are used by analysts to study consumer behavior, income level, politics, and local trends to help tune strategies to local conditions. The tier system typically includes cities in mainland China only (http-31, 2021). Thus, people, who are living in first-tier cities, have higher possibilities and more opportunities to get a desirable income, know more luxury brands and luxury trends, and easier reach luxury products. Demographics items and statistics are shown in Table 3.7:

Table 3. 7. *Demographic characteristics of respondents*

Gender	Participants	Percentage
Male	95	39,9%
Female	143	60,1%
Age		
15 – 25	95	39,9%
26 – 35	111	46,6%
36 – 45	23	9,7%
46 and above	9	3,8%
Occupation		
Full time students	101	42,44%
Work for government/ state-owned enterprises	99	41,6%
Self-employed	8	3,36%
Private company employee	25	10,5%
Unemployed	5	2,1%
Annual income		
30.000 RMB – 60.000 RMB	23	9,66%
60.001 RMB – 100.000 RMB	55	23,11%
100.001 RMB -150.000 RMB	65	27,31%
150.001 RMB - 200.000 RMB	26	10,92%
200.001 RMB -300.000 RMB	40	16,8%
300.001 RMB and above	29	12,2%

As it is seen from Table 3.7, among the final 238 questionnaire respondents, 143 are female and 95 are male, the ratio of female and male participants is 60,1% and 39,9% respectively.

206 out of 238 final participants' age range from 15 to 35, occupied 86,5% of total respondents. Therefore, the main body of this sample is Y and Z generations respondents.

Full-time students occupied 42,44% of the whole respondents, government/ state-owned enterprises employees are the second biggest group, occupying 41,60% of total respondents.

According to McKinsey's 2013 and 2020 report on Chinese consumers' annual income standard definition, 9,7% of 238 respondents' annual income in this sample are less than 60.000RMB, belong to "poor" or "lower aspirant" class; 50,4% of respondents' annual income between 60,001 RMB – 150,000 RMB, they are "aspirant" class; 27.7% of respondents' annual income between 150,001RMB – 300,000RMB, they are "upper aspirant" and "mass affluent" class, 12,2% of respondents' annual income more than 300,001RMB, they belong to "affluent" even "global" class in China (Mapping China's middle class, McKinsey, 2013; China consumer report- The many faces of the Chinese consumer, McKinsey, 2020).

According to statistics, the Chinese national average reached about 97,400 yuan in 2020. The average annual salary of employees in the non-private organizations in urban China in 2020 are varied from 70,239 RMB – 178,178 RMB depending on the region (http-32, 2021). Although respondents in this sample are mainly living in rich regions of China, around 60% of respondents' annual income are less than 150,000 RMB, income distribution ratios in this sample are a little lower than the national average income distribution. There are two reasons for this result: 1) the biggest group of participants are students, whose income is generally relying on family support; 2) 86.5% participants' age in this sample are between 15 and 35, except students, government/ state-owned enterprises employees are the second biggest group, they are mainly career starters, the salary level is not high.

3.4.2. General attitudes of respondents toward luxury consumption

To address the first research question: Q1. What is the general attitude of Chinese people towards luxury consumption? Items measure attitude toward luxury, the

conducted word items, means, and Std. Deviation is presented in Table 3.8. The Cronbach's α is ,821, a good level of internal consistency.

Table 3.8. Means and Std. Deviation of items for attitude toward luxury

Cronbach's α = ,821 Average Mean = 3,049 n= 238 number of items: 12		
Items	Mean	Std. Deviation
Luxury recognition		
Item 1: Luxury products are very expensive but with good quality and good design.	3,32	1,035
Item 2: Luxury products are rare and pleasant.	3,13	0,991
Item 3: I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.	3,82	0,917
Attitude -Behavior		
Item 4: One buys luxury goods primarily for one's pleasure.	2,95	0,947
Item 5: For the most part, luxury goods are to be offered as gifts.	2,80	1,014
Item 6: The luxury products we buy reveal a little bit of who we are.	3,16	0,949
Item 7: People who buy luxury products seek to imitate the rich.	3,00	0,955
Item 8: People who buy those products try to differentiate themselves from others.	3,00	0,966
Item 9: Those who buy luxury products are refined people.	2,24	0,832
Purchase intention		
Item 10: I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money.	2,61	1,057
Item 11: I would like to own at least one luxury product in my life.	3,14	1,160
Item 12: I would be very happy if I have received a luxury product as a gift.	3,42	0,881

Based on 238 respondents' responses for attitudes toward luxury, as it can be seen from Table 3.8, the average mean is 3,049 which indicates respondents in this sample hold neutral even negative attitudes toward luxury and luxury products.

The first 3 items measure respondents' luxury recognition, the average mean of each item is higher than the average mean (3,049), respondents in this sample have enough cognition on luxury, luxury products, and luxury brands, they are familiar with the object of this questionnaire.

Item 6 in the luxury behavior-related dimension: "The luxury products we buy reveal a little bit of who we are" gains the highest mean (3,16). Respondents buy the

luxury products for their social value and conspicuous value, luxury product, as a social signifier, distinguishes them from the masses.

The last 3 questions measure the general purchase intention of the respondents, mean of item 10: “I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money” is 2,61, which shows respondents’ neutral even negative attitudes toward luxury consumption. Item 12: “I would be very happy if I have received a luxury product as a gift.” is 3,42, luxury product’s conspicuous, social, hedonic and quality value make it the best gift option to “gain face” both for the buyers and the gift receivers, “face” is the root of Chinese Confucian collectivism culture.

This finding verified that Chinese people generally have thrift traditional virtue, people prefer to save money, while not spending money on “more than necessary” luxury products. Thus, this finding also explains although China is the world’s top 10 high saving rate country (http-16, 2021), it is, at the same time, one of the biggest personal luxury products consumption countries. Chinese people buy luxury products to “public display” their social status, to define "who am I”.

Based on previous data analyses, the answer to Q1 is: although respondents in this sample have enough knowledge about luxury and luxury brands, their general attitudes toward luxury and luxury products are neutral even negative. They buy luxury for its social and conspicuous value to make themselves to be different for the masses, they aim to “gain face” through using luxury products. This result provides insights for luxury brands to understand China market and general opinions of Chinese customers against luxury products.

3.4.3. The effect of demographic characteristics of respondents on the attitudes towards luxury consumption

To address the second research question: “do demographic factors like age, gender, income, and occupation make a change in the attitudes?”, the researcher conducted data analyses in IBM SPSS 24 to measure how demographic factors effect on attitudes towards luxury in this sample, statistics results are presented below.

Age and attitudes

As it is stated before, the first three items of the attitude scale are about luxury recognition. As it is shown in Table 3.9, each age group gives a high score for item 3: “I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.”, luxury brands have high recognition in this sample, especially for 15 – 25 and 26 - 35 years old respondents. But 36 – 45 and 46+ age groups have more knowledge on luxury characteristics, they score high for item 1: “Luxury products are very expensive but with good quality and good design”. 36 - 45 age group valued the highest mean (2,96) for item 10: “I would like to buy a luxury product if I have extra money”, the second is followed by 26 - 35 age group, M=2.62, all respondents hold neutral even negative purchase intention in this sample.

26 -35 and 36 – 45 groups’ respondents are mainly Y generation, who are in the age of climbing career or social status ladder, luxury products’ social value “public display” their social defined success and achievement. They score higher for items in attitude-behavior than other age groups, 36 - 45 age groups have neutral attitudes (Mean: 2,96) towards luxury and luxury consumption.

46+ age group generally have good knowledge on luxury and high luxury products recognition, but they value lowest for items in attitude-behavior, they held a comparatively negative attitude towards luxury products. 46+ age group are X generation who grew up in poor condition of China, they know the importance of fortune accumulation better than other age groups. This age group advocates thrift while not luxury, keeping the virtue of Confucian society.

Table 3. 9. *Attitudes of different age groups towards luxury*

Cronbach’s $\alpha = ,821$ Average Mean = 3,049 n= 238				
Items	15 -25	26-35	36-45	46+
Luxury recognition				
Item 1: Luxury products are very expensive but with good quality and good design	3,13	3,34	3,74	4,00
Item 2: Luxury products are rare and pleasant.	2,99	3,21	3,39	3,00
Item 3: I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.	3,85	3,85	3,61	3,67

(Table 3.9. Continued)

Attitude -Behavior

Item 4: One buys luxury goods primarily for one's pleasure.	3,00	2,92	3,04	2,67
Item 5: For the most part, luxury goods are to be offered as gifts.	2,68	2,88	2,96	2,67
Item 6: The luxury products we buy reveal a little about who we are.	3,16	3,12	3,35	3,11
Item 7: People who buy luxury products seek to imitate the rich.	2,96	3,05	3,13	2,56
Item 8: People who buy those products try to differentiate themselves from others.	3,08	2,95	2,83	3,00
Item 9: Those who buy luxury products are refined people.	2,18	2,24	2,48	2,33
Purchase intention				
Item 10: I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money.	2,53	2,62	2,96	2,33
Item 11: I would like to own at least one luxury product in my life.	2,99	3,25	3,30	3,00
Item 12: I would be very happy if I have received a luxury product as a gift.	3,33	3,53	3,35	3,33

Although the mean values show slight difference on attitudes towards luxury among different age groups in this sample, based on ANOVA test, the p value is ,439, higher than ,05, F: ,906, there isn't a statistically significant difference on attitudes towards luxury among respondents in terms of age.

Gender and attitudes

As it can be seen from Table 3.10, male's means for items in attitude-behavior generally higher than female's, the male respondents show a more positive attitude toward luxury in this sample, But the female value higher mean (3,41) than male (3,19) on item 1: "Luxury products are very expensive but with good quality and good design", and they are more ready to buy luxury products item 10 (2,62) and accept luxury products as gift item 12 (3,45) than the male, it can be concluded that male respondents hold more positive attitudes toward luxury, but female respondents are more likely to buy and possess luxury products.

Although there are slight differences between the mean scores of male and female respondents' attitudes towards luxury, this difference is not statistically significant (p: ,603) based on independent t-test result.

Table 3. 10. *Attitudes of different gender towards luxury*

Cronbach's $\alpha = ,821$ Average Mean = 3,049 n= 238		
Items	Female	Male
Luxury recognition		
Item 1: Luxury products are very expensive but with good quality and good design.	3,41	3,19
Item 2: Luxury products are rare and pleasant.	3,14	3,12
Item 3: I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.	3,81	3,83
Attitude -Behavior		
Item 4: One buys luxury goods primarily for one's pleasure.	2,94	2,98
Item 5: For the most part, luxury goods are to be offered as gifts.	2,73	2,91
Item 6: The luxury products we buy reveal a little about who we are.	3,08	3,26
Item 7: People who buy luxury products seek to imitate the rich.	2,97	3,04
Item 8: People who buy those products try to differentiate themselves from others.	2,95	3,06
Item 9: Those who buy luxury products are refined people.	2,18	2,34
Purchase intention		
Item 10: I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money.	2,62	2,59
Item 11: I would like to own at least one luxury product in my life.	3,12	3,18
Item 12: I would be very happy if I have received a luxury product as a gift.	3,45	3,38

Income and attitudes

As it can be seen from Table 3.11, although the income band in this sample is quite wide, from annual 30,000 to over 300,000, the means of each group show only slightly different, respondents from each income group have quite similar attitudes toward luxury. This result is proved by the ANOVA test, the p value is ,543, which is higher than ,05, F: ,810, statistically insignificant.

The means for items in attitude-behavior are generally under 3,0, the item 10 in purchase intention is the lowest within all items, respondents in this sample hold neutral even negative attitudes toward luxury products. But item 12: "I would be very happy if I have received a luxury product as a gift." scored the highest among all items, it can

be concluded that luxury product bought for gift purpose is popular in China, income level place no significant influence on luxury attitude and consumption intention.

Table 3. 11. Attitudes of different income levels toward luxury (thousands of RMB)

Cronbach's α = ,821 Average Mean = 3,049 n= 238						
Items	30k- 60k	60k- 100k	100k- 150k	150k- 200k	200k- 300k	300k <
Luxury recognition						
Item 1: Luxury products are very expensive but with good quality and good design	3,09	3,16	3,38	3,38	3,60	3,21
Item 2: Luxury products are rare and pleasant.	2,65	3,05	3,18	3,38	3,25	3,14
Item 3: I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.	3,61	3,93	3,71	4,04	3,90	3,72
Attitude -Behavior						
Item 4: One buys luxury goods primarily for one's pleasure.	2,87	2,91	2,95	3,00	3,03	2,97
Item 5: For the most part, luxury goods are to be offered as gifts.	2,70	2,71	2,69	2,69	3,05	3,07
Item 6: The luxury products we buy reveal a little of who we are.	3,04	3,18	3,17	3,23	3,20	3,03
Item 7: People who buy luxury products seek to imitate the rich.	2,74	2,84	3,12	3,12	3,15	2,93
Item 8: People who buy those products try to differentiate themselves from others.	3,04	2,96	3,09	2,88	3,00	2,90
Item 9: Those who buy luxury products are refined people.	2,35	2,16	2,35	1,96	2,33	2,21
(Table 3.11. Continued)						
Purchase intention						
Item 10: I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money.	2,52	2,51	2,68	2,81	2,53	2,62

Item 11: I would like to own at least one luxury product in my life.	2,78	3,16	3,15	3,19	3,18	3,28
Item 12: I would be very happy if I have received a luxury product as a gift.	3,30	3,22	3,49	3,46	3,55	3,55

Occupation and attitudes

As it can be seen from Table 3.12, means of government/ state-owned company employees and private company employees are quite near to each other, student group hold neutral attitude and low purchase intention for luxury products. This result complies with the result in age demographic, employees prefer to show their success and achievement on career through luxury products.

Unemployed respondents valued low means and show negative attitudes toward luxury products, self-employed respondents show lower means for all items as well. Because self-employed occupied 3,6% and unemployment occupied 2,1% of total respondents, the result for the self-employed and unemployed groups should be reconsidered. The respondents having different occupations do not have statistically significant differences in terms of attitudes towards luxury as well, the p value is found to be ,607, F: ,679 in ANOVA test. The researcher suggests setting a balanced ratio for demographics in further research.

Table 3. 12. Attitudes of different occupations toward luxury

Cronbach's α = ,821 Average Mean = 3,049 n= 238					
Items	Student	Gov. Employee	Self Employed	Private Company	Unemployed
Luxury recognition					
Item 1: Luxury products are very expensive but with good quality and good design.	3,16	3,41	3,38	3,44	4,00
(Table 3.12. continued)					
Item 2: Luxury products are rare and pleasant.	3,05	3,20	2,88	3,24	3,20

Item 3: I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.	3,85	3,84	3,50	3,84	3,20
Attitude -Behavior					
Item 4: One buys luxury goods primarily for one's pleasure.	3,07	2,93	2,88	2,76	2,20
Item 5: For the most part, luxury goods are to be offered as gifts.	2,62	2,95	3,25	2,88	2,40
Item 6: The luxury products we buy reveal a little bit	3,19	3,09	2,88	3,28	3,60
Item 7: People who buy luxury products seek to imitate the rich.	2,97	3,05	2,75	3,12	2,40
Item 8: People who buy those products try to differentiate themselves from others.	3,08	2,98	2,50	2,88	3,00
Item 9: Those who buy luxury products are refined people.	2,20	2,24	2,25	2,44	2,20
Purchase intention					
Item 10: I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money.	2,50	2,69	2,75	2,80	1,80
Item 11: I would like to own at least one luxury product in my life.	2,97	3,26	3,25	3,36	3,00
Item 12: I would be very happy if I have received a luxury product as a gift.	3,33	3,54	3,38	3,44	3,20

Based on previous data analysis, it can be concluded that demographics generally have a slight impact on respondents' attitudes toward luxury and luxury consumption in this sample. Generally, male, 26 - 35 and 36 - 45 age groups and employees show slightly positive attitudes toward luxury and higher purchase intention, income place no significant effect on attitude. This result indicates that Chinese consumers buy luxury products for their values to "public display". In the other words, luxury products' values motivate Chinese consumers to consume them, external benefits of luxury are suggested to be emphasized in marketing practice.

3.4.4. Findings about the vanity level of respondents

To address the third research question: “What is the level of vanity trait of respondents and do the demographic characteristics make a difference on vanity trait?”, two factors are extracted from 9 items: physical vanity and achievement vanity which were defined by Netemeyer et al. (1995). The items for vanity Cronbach’s α is ,825, a good level of internal consistency for conducting data analyses.

The factor loadings’ internal correlation coefficient ranges between ,637 and ,828, over a moderate level of correlation. The detail of each item’s mean, Std. Deviation and factor loadings are presented in Table 3.13.

Table 3. 13. Means, Std. Deviation and factor loadings of vanity items

KMO Test	0,791		
Bartlett Test	X ² = 802,167 df=45 Sig = ,000 Cronbach’s α =,825 σ^2 = 25,378		
	Mean	Std, Deviation	Factor Loadings
Factor 1: Physical Vanity			
(Variance explained:38,384, eigen value:3,838)			
Item 1: The way I look is extremely important to me.	3,81	,764	,803
Item 2: I am very concerned about my appearance.	3,73	,794	,775
Item 3: Looking my best is worth the effort.	4,39	,678	,681
Item 4: It is important that I always look good.	3,97	,800	,683
Factor 2: Achievement Vanity			
(Variance explained:14,959, eigen value: 1,496)			
Item 5: Professional achievement is an obsession with me.	3,58	,717	,637
Item 6: I want others to look up to me because of my accomplishment.	3,38	1,036	,828
Item 7: I am more concerned with professional success than most of people I know.	3,49	,889	,812
Item 8: Achieving greater success than my peers is important to me.	3,55	,893	,791
Item 9: I want my achievements to be recognized by others	4,04	,683	,648

Extraction Method: Principal Component Analysis

As it can be seen from Table 3.13 the means for physical vanity and achievement vanity items are high, especially physical vanity item 3: “Looking my best is worth the

effort.” has the highest mean: 4,39. Respondents in this sample have high physical vanity levels.

Item 9: “I want my achievements to be recognized by others” for achievement vanity has the highest mean of 4,04, this result indicates that all respondents have a high level of achievement vanity, they have a strong ambition to achieve socially defined success and a strong intention to be recognized by others. Respondents in this sample have a high level of achievement vanity as well.

3.4.4.1. The effect of demographic characteristics of respondents on the vanity trait

Age and vanity

McKinsey “The Chinese luxury consumer report” (2019) predicted that by the year 2025 Chinese consumers will become a dominating nationality for luxury consumption, younger generations (Generations Y and Z) will be the biggest buyers of luxury products. In this sample, 206 out of 238 respondents are younger than 36 years old. Simply put, the main body of this sample are Y and Z generation respondents. To understand their vanity level and attitudes toward luxury is important for luxury market practitioners and advertisement agencies to tailor luxury marketing strategies for China market.

Table 3. 14. *Vanity factors in terms of age*

Demographic Characteristics	Overall Sample	Physical Vanity (mean)	Achievement Vanity (mean)
Age in year n (%)			
15 - 25	95 (39,9%)	3,91	3,50
26 - 35	111(46,6%)	3,96	3,69
36 - 45	23 (9,7%)	4,22	3,71
46 and above	9 (3,8%)	4,25	3,61

As it can be seen from Table 3.14, respondents generally have higher physical vanity than achievement vanity. The elder age group respondents’ physical vanity level is higher than younger groups. The 46+ group shows the highest physical vanity than the other three age groups. Visible signs of aging make elder group people concern more about physical appearance than younger groups people. Self-esteem provokes 46 +

group people with strong physical vanity. Self-esteem is an important aspect of vanity (Fan, 2014, p.1). They are Chinese X generation, grew up in poor living conditions, they have strong intention to look good in current wealthy condition, but thrift and saving money culture deeply influence their attitudes toward luxury and purchasing habits.

Compare with other age groups, 26-35 and 36-45 age groups respondents have higher means for achievement vanity, they have a strong intention to be recognized by others for their achievement to gain self-esteem and self-confidence.

Although there are slight differences among the vanity means, based on ANOVA analysis, (p: ,122 and F: 1,953) age factor does not affect respondents' vanity trait level significantly.

Table 3. 15. *Different age group's vanity level*

	Cronbach's $\alpha = ,825$ Average Mean = 3,771 n= 238			
Items	15 -25	26-35	35 - 45	46+
Physical Vanity				
Item 1: The way I look is extremely important to me.	3,76	3,80	4,09	3,78
Item 2: I am very concerned about my appearance.	3,74	3,70	3,78	3,28
Item 3: Looking my best is worth the effort.	4,32	4,40	4,52	4,89
Item 4: It is important that I always look good.	3,81	3,95	4,48	4,56
Achievement vanity				
Item 5: Professional achievement are an obsession with me.	3,42	3,70	3,28	3,33
Item 6: I want others to look up to me because of my accomplishment.	3,25	3,54	3,35	2,89
Item 7: I am more concerned with professional success than most of people I know.	3,35	3,56	3,65	3,67
Item 8: Achieving greater success than my peers is important to me.	3,47	3,57	3,65	3,78
Item 9: I want my achievements to be recognized by others.	4,01	4,06	4,13	3,78

If it is specified in age group, 46+ respondents have the highest physical vanity mean for item 3: "Looking my best is worth the effort" (M=4,89, Table 3.15), and the lowest mean for item 10: "I would like to buy a luxury product designer bag, watch, sneaker etc. if I have extra money" (M = 2,33, Table 3.9).

46+ group also shows strong achievement vanity as well in item 7: “I am more concentrate with professional success than most people I know”, the mean is 3,67, and the mean for item 8: “Achieving greater success than my peers is important.” is 3,78, the highest within groups, as it showed in Table 3.15. After years of professional experience accumulation, this group of people is more self-confident in a specific field than the younger group, self-esteem and self-positioning are more important for them.

In sum, respondents in this sample have high physical vanity levels, elder respondents show the highest level of physical vanity. All age groups have similar achievement vanity, Age places slightly more effect on physical vanity than achievement vanity.

Gender and vanity

As presented in Table 3.16, male and female’s physical vanity levels are similar to each other, but male’s achievement vanity is slightly higher than female’s, male’s average mean on achievement vanity (Mean: 3,70) is higher than female’s (M: 3,55).

The means for each item in terms of gender are presented in Table 3.16. The item 8: “Achieving greater success than my peers is important to me.”, the male’s mean is 3,77, higher than the female 3,40. Since China is a Confucian collectivist society, the male bear higher expectations both from his family and the society than females. Therefore, males are more ambitious than their female peers both on achieving socially defined success and gaining social wealth.

Table 3. 16. *Different gender’s vanity level*

Cronbach’s $\alpha = ,825$ Average Mean = 3,771 n= 238		
Physical Vanity	Female	Male
Item 1: The way I look is extremely important to me.	3,80	3,82
Item 2: I am very concerned about my appearance.	3,71	3,76
Item 3: Looking my best is worth the effort.	4,41	4,37
Item 4: It is important that I always look good.	3,94	4,00
<u>Factor mean</u>	<u>3,97</u>	<u>3,99</u>

(Table 3.16. Continued)

Achievement vanity

Item 5: Professional achievement are an obsession with me.	3,59	3,57
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Item 6: I want others to look up to me because of my accomplishment.	3,34	3,44
Item 7: I am more concerned with professional success than most of people I know.	3,43	3,57
Item 8: Achieving greater success than my peers is important to me.	3,40	3,77
Item 9: I want my achievements to be recognized by others.	3,97	4,14
<u>Factor mean</u>	<u>3,55</u>	<u>3,70</u>

Although there are slightly differences between male and female in terms of vanity, this difference is not statistically significant ($p = .191$) based on independent t-test results.

In sum, male respondents' vanity level in this sample shows slightly higher than that of female, but the difference is not significant in terms of gender.

Income level and vanity

As shown in Table 3.17, income level input very slight influence on physical vanity. For achievement vanity, 200,001 – 300,000 income group are an upper-middle-income group in China, scored the highest mean 3,74. Respondents in this group have strong motivation to achieve higher social status and socially defined success, physical vanity and achievement vanity means are the highest in most of the items, the details are shown in Table 3.18.

Table 3. 17. *Vanity factors in terms of income level*

Demographic Characteristics	Overall Sample	Physical Vanity (mean)	Achievement Vanity (mean)
30,000 – 60,000	23 (9,66%)	3,93	3,37
60,001 – 100,000	55 (23,11%)	4,04	3,59
100,001 – 150,000	65 (27,31%)	3,86	3,58
150,001 – 200,000	26 (10,92%)	4,01	3,62
200,001 – 300,000	40 (16,80%)	4,01	3,74
300,000 and above	29(12,20%)	4,05	3,67

Table 3. 18. *Different income levels and vanity level (thousands of RMB)*

Cronbach's $\alpha = .825$ Average Mean = 3,771 n= 238
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		100k	150 k	200k		
	30k -	60k-	-	-	-	
Items	60k	100k	150k	200k	300k	300k<
Physical Vanity						
Item 1: The way I look is extremely important to me.	3,70	3,96	3,75	3,81	3,73	3,86
Item 2: I am very concerned about my appearance.	3,57	3,85	3,58	3,92	3,58	3,97
Item 3: Looking my best is worth the effort.	4,52	4,42	4,34	4,35	4,48	4,31
Item 4: It is important that I always look good.	3,96	3,93	3,77	3,96	4,28	4,07
Achievement vanity						
Items 5: Professional achievement are an obsession with me.	3,61	3,51	3,60	3,58	3,58	3,69
Item 6: I want others to look up to me because of my accomplishment.	3,09	3,31	3,37	3,35	3,58	3,55
Items 7: I am more concerned with professional success than most of people I know.	3,22	3,53	3,43	3,58	3,70	3,38
Item 8: Achieving greater success than my peers is important to me.	3,22	3,55	3,45	3,62	3,75	3,69
Item 9: I want my achievements to be recognized by others.	3,74	4,09	4,06	4,00	4,13	4,03

As it can be seen from Table 3.17 and 3.18, the 200,001 – 300,000 annual income group have the highest means in terms of vanity, The second is followed by 300,001+ income group, they are the richest group in this sample, success image (face), social status and pursue fortune are drivers for keeping high achievement vanity, their means for attitudes toward luxury slightly lower than 200,001 – 300,000 income group. The lowest 30,000 – 60,000 income group shows the lowest mean on achievement vanity.

Although there are slight differences among the vanity means, based on ANOVA analysis, income level of the respondents does not affect their vanity trait significantly. Vanity trait levels among respondents is not statistically significant (p: ,455, F: ,942)

In sum, vanity trait is self-esteem psychology and motivation to pursue social status, in this sample, the respondents with different income levels don't show significantly difference in terms of vanity.

Occupation and vanity

In this sample, 200 out of 238 respondents (84%) are made up of full-time students (101 out of 238, 42,44%) and government and state-owned employees (99 out of 238, 41,60%), there are only 25 respondents from a private company (10,50%) and self-employed (3,36%) and unemployed (2,10%).

Table 3. 19. *Vanity factors in terms of occupation*

Demographic Characteristics	Overall Sample	Physical Vanity (mean)	Achievement Vanity (mean)
Occupation n (%)			
Students	101 (42,44%)	3,88	3,57
State-owned employee	99 (41,60%)	4,05	3,67
Private employee	25 (10,50%)	4,06	3,63
Self-employment	8 (3,36%)	4,03	3,55
Unemployment	5 (2,10%)	3,90	3,08

As it can be seen from Table 3.19, government/ state-owned employees and private company employees share similar vanity means (4,05 and 4,06 for physical vanity; 3,67 and 3,63 for achievement vanity), they have stable income within groups. Unemployed has the lowest means among groups. According to the ANOVA test result, $p: ,245$, higher than $,05$, and $F: 1,370$. Occupation factor does not affect respondents' vanity level statistically. The detailed means of each occupation groups are presented in Table 3.20.

Table 3. 20. *Occupation and vanity level*

Cronbach's $\alpha = ,825$ Average Mean = 3,771 n= 238
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Items	Students	Government Employee	Self-Employed	Private-Employee	Unemployed
Physical Vanity					
Item 1: The way I look is extremely important to me	3,74	3,83	4,00	4,04	3,40
Item 2: I am very concerned about my appearance.	3,69	3,76	3,88	3,72	3,60
Item 3: Looking my best is worth the effort.	4,33	4,51	4,00	4,36	4,40
Item 4: It is important that I always look good.	3,74	4,12	4,25	4,12	4,20
Achievement vanity					
Item 5: Professional achievement are an obsession with me.	3,47	3,68	4,13	3,64	3,00
Item 6: I want others to look up to me because of my accomplishment.	3,37	3,45	3,38	3,32	2,60
Item 7: I am more concerned with professional success than most of people I know.	3,45	3,56	3,00	3,56	3,40
Item 8: Achieving greater success than my peers is important to me.	3,53	3,58	3,38	3,60	3,20
Item 9: I want my achievements to be recognized by others.	4,04	4,09	3,88	4,04	3,20

In sum, from previous analysis, the research questions Q3 can be answered as: respondents in this sample have strong vanity both on physical vanity and achievement vanity, demographic factors impact on vanity is not statistically significant. But the mean values of specific groups show slightly difference, the male is more vanity than female; elder group respondents have more physical vanity than younger respondents; employee respondents are more vanity than students and non-working respondents; the affluent-middle group show the most achievement vanity among groups.

3.4.5. Findings about the materialism level of respondents

Belk (1985) states that materialism is a combination of possessiveness, non-generosity, and envy, it is considered a personality trait. Materialism has a status component that represents the intended and actual use of possessions as a means of symbolizing personal success and social standing (Chan et al., 2015). This study adapted the scale which is developed by Richins and Dawson (1992) to measure respondents' materialism level. 18 items measure three factors of materialism in the original scale, 6 items for success, 7 items for centrality, and 5 for happiness.

To address the research question: "What is the level of materialism trait of respondents and do the demographic characteristics make a difference on materialism trait?", materialism scale has found to have Cronbach's α , 0.721, which is an acceptable internal consistency for conducting data analysis. The 18 original materialism scale items measure 3 factors (acquisition centrality, acquisition as the pursuit of happiness and possess - defined success), but instead of 3 factors, factor analysis have extracted 5 underlying factors based on. The factor loadings for each factor have a high level of internal correlation coefficient ($r \geq 0.4$), Factor 1, factor 2, and factor 3 are named as luxury followers, luxury intellectuals, and luxury lovers respectively, which are adopted from Chevalier and Lu (2010), factor 4 and factor 5 are named as insensitive materialism and idealistic materialism, factor 1, 2 and 3 explained 21.0, 13.603 and 7.786 variances respectively, factor 4 and factor 5 explained 6.805 and 6.175 total variances respectively, The extracted materialism 5 factors, means, standard deviation and value of factor loadings are presented in Table 3.21.

Table 3. 21. Mean, Std. Deviation and Factor loadings for Materialism items

KMO Test	0,755
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Bartlett TestX²=954,552 df=153 Sig = 0,000Cronbach's α = ,721 σ^2 =26,685

	Mean	Std. Deviation	Factor Loadings
Luxury followers			
Item 1: I admire people who own expensive homes, cars, and clothes.	2,97	,961	0,664
Item 2: Some of the most important achievements in life include acquiring material.	3,09	,992	0,755
Item 4: The things I own say a lot about how well I'm doing in life.	3,54	,761	0,493
Item 18: It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.	3,07	1,017	0,629
Luxury intellectuals			
Item 7: I usually buy only the things I need.	3,82	,843	0,693
Item 8: I try to keep my life simple, as far as possessions are concerned.	3,72	,817	0,686
Item 9: The thing I own are very important to me.	3,79	,712	0,656
Item 14: I have all the things I really need to enjoy life.	3,55	,864	0,620
Luxury lovers			
Item 5: I like to own things that impress people.	3,57	,853	0,556
Item 10: I enjoy spending money on things that aren't practical.	2,5	1,018	0,617
Item 11: Buying things gives me a lot of pleasure.	3,5	,861	0,751
Item 12: I like a lot of luxury in my life.	2,22	,944	0,558
Insensitive materialism			
Item 3: I don't place much emphasis on the number of material objects people own as a sign of success.	3,56	,973	0,715
Item 6: I don't pay much attention to the material objects other people own.	3,42	,806	0,706
Item 13: I put less emphasis on material things than most people I know.	3,44	,792	0,680

(Table 3.21. Continued)**Idealistic materialism**

Item 15: My life would be better if I owned certain things I don't have.	3,82	,759	0,596
Item 16: I wouldn't be any happier if I owned nicer things.	2,62	,998	-0,781
Item 17: I'd be happier if I could afford to buy more things.	3,87	,807	0,538

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Factor 5 Item 2 'I wouldn't be any happier if I owned nicer things' is reverse scored

The extracted 5 factors of materialism present respondents' different attitudes towards luxury which is impacted by demographics. Among demographics, Larsen et al., (1999) proposed that gender and age are the biological drivers; income and occupation belong to the social-economic drivers. The underlying biological, social, cultural, socio-economic, psychological, and even political influence on materialism factors may be explained in terms of demographics theoretically.

3.4.5.1. The effect of demographic characteristics of respondents on the materialism

Age and materialism

Developmental psychologist Jean Piaget believes that the tendency to be materialistic is a developmental process (Piaget, 1954, p.278), Larsen (1999) proposed that children are likely to be more materialistic than young adults, and young adults are more materialistic than older adults. Brouskeli and Loumakou (2014) share the same idea that materialism decreases with age. On the contrary, Flouri's findings in 2004 show that there is a positive relationship between age and materialism (Flouri, 2004).

Table 3. 22. *Chi- Square test for materialism factors in terms of age*

Demographic Characteristics	Overall Sample	Luxury followers	Luxury intellectuals	Luxury lovers	Insensitive Mat	Idealistic Mat
Age in year n (%)						
15-25	95 (39,9%)	3,14	3,66	3,01	3,45	3,41
(Table 3.22. Continued)						
26-35	111 (46,6%)	3,25	3,72	2,96	3,45	3,48

36-45	23 (9,7%)	3,02	3,93	2,72	3,54	3,48
46 and above	9 (3,8%)	2,78	3,92	2,81	3,85	3,15

It can be seen from Table 3.22 that the 46 and above group has the highest mean in insensitive materialism (3,85) and the lowest mean in luxury followers (2,78) among all age groups. 46 and above group respondents are X generation or elder, their youth period spent in inadequate material resources and closed information period of China, they inherited thrift traditional Chinese virtue, instead of spending money on hedonic purpose luxury products, they more prefer to deposit money, as it is stated before, 46+ age group mostly hold negative attitude on luxury consumption (M:2,33 in Table 3.9).

Compare with the 46 and above group, 36 - 45 age groups have the highest means on luxury intellectuals (3,93) and the lowest mean on luxury lovers (2,72). They are the mainstay of Chinese society and trying to climb social status ladders and pursue a successful career, they present the “face” of the family or group they belong to, they have stronger luxury products purchase intention for career development, personal or network-building purpose. Correspondingly, they have the highest means (36-45, for attitude towards luxury, and the highest mean for purchase intention (2,92), as is presented in Table 3.9. Therefore, the post -’80s consumers remain the largest luxury spending group in terms of both consumer numbers and total spending according to McKinsey’s “The Chinese luxury consumer” 2019 report.

Due to increasing living costs in big cities, the majority of Chinese people are not able to spend freely. Therefore, although 36 - 45 age group people hold positive attitudes toward luxury, they are the least luxury lovers (M:2,72), and the most luxury intellectuals (M:3,93), 26-35 age group following 36-45 age group, share similar materialism level and attitudes toward luxury products.

On the contrary, 15 -25 age group, they are Z generation and assumed to be emerging luxury consumers in the future, China Z generation was brought up in comparatively rich and internet easy access period, they have good knowledge on luxury brands (M:3.85 on brands recognition, in Table 3.9), most of them are the only child in the family, receive financial support from both parents and grand-parents. They show the least luxury intellectuals (M: 3,66) and the most luxury lovers (M:3,01) among groups, Thus, data collected in this sample support both Larsen (1999) and Brouskeli and Loumakou’s (2014) theory on the relationship between age and materialism -

materialism decreases with age. Chinese young adults are likely more materialistic than older adults in the context of China’s economic development and China’s “one-child policy” political background.

To be more specific on age groups, as it can be seen from Table 3.22, although 46+ age group are mostly insensitive materialism (3,85) and lowest mean in luxury followers (2,78), as it is presented in Table 3.23, they valued the highest mean (4,11) for insensitive materialism item 6: “ I don’t pay much attention to the material objects other people own”, but they score highest for item 5: “I like to own things that impress people” (3,67) which is near to the most luxury lovers 15 – 25 age group (3,65), Luxury product’s conspicuous value and social value well “public display” the social position and success of its owner. The other two groups score high for this item as well, the means are 3,55 and 3,26 respectively.

Meanwhile, 15 – 25 and 26 - 35 age groups generally score high for items in luxury-lovers and luxury followers, they are Y and Z generations, this finding complies with Bain and Co. 2021 report “The Future of Luxury: Bouncing Back from Covid-19”. According to Bain and Co.’s 2021 report, the Chinese Y generation are remaining the largest luxury spending group and the Z generation start to consume luxury products in recent years, Z generation is predicted to become the biggest luxury consumption group until 2025.

Although different age groups’ means show slight differences on materialism level, based on ANOVA test, the p value is ,842 and F value is ,277. There is not a statistically significant difference among respondents from different age groups in terms of materialism level.

Table 3. 23. *Different age groups’ materialism level*

	Cronbach’s α = ,721	Average means = 3,338			n = 238
Items		15-25	26-35	36-45	46+
Luxury followers					
Item 1: I admire people who own expensive homes, cars, and clothes.		2,99	3,08	2,61	2,33
Item 2: Some of the most important achievements in life include acquiring material.		2,99	3,28	2,78	2,56

(Table 3.23. Continued)

Item 4: The things I own say a lot about how well I'm doing in life.	3,44	3,56	3,78	3,67
Item 18: It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.	3,16	3,06	2,91	2,56
Luxury Intellectuals				
Item 7: I usually buy only the things I need.	3,73	3,81	4,13	4,22
Item 8: I try to keep my life simple, as far as possessions are concerned.	3,64	3,65	4,13	4,33
Item 9: The things I own are very important to me.	3,68	3,82	4,04	3,78
Item 14: I have all the things I really need to enjoy life.	3,57	3,59	3,43	3,33
Luxury lovers				
Item 5: I like to own things that impress people.	3,65	3,55	3,26	3,67
Item 10: I enjoy spending money on things that aren't practical.	2,65	2,45	2,22	2,33
Item 11: Buying things gives me a lot of pleasure.	3,52	3,59	3,09	3,22
Item 12: I like a lot of luxury in my life.	2,20	2,24	2,30	2,00
Insensitive materialism				
Item 3: I don't place much emphasis on the amount of material objects people own as a sign of success.	3,55	3,52	3,70	3,89
Item 6: I don't pay much attention to the material objects other people own.	3,32	3,44	3,52	4,11
Item 13: I put less emphasis on material things than most people I know.	3,49	3,40	3,39	3,56
Idealistic materialism				
Item 15: My life would be better if I owned certain things I don't have.	3,79	3,84	3,96	3,67
Item 16: I wouldn't be any happier if I owned nicer things.	2,61	2,62	2,70	2,44
Item 17: I'd be happier if I could afford to buy more things.	3,83	3,97	3,78	3,33

Gender and materialism

According to Larsen (1999) females' have a greater interest in people and males' interest in objects. Duh (2015) listed many researchers who believe that males might be more materialistic than females. To compare the means of male and female, the luxury

lovers (F, M: 2,95), insensitive materialism (F: 3,47, M:3,48), and idealistic materialism (F:3,42, M:3,46) (Table 3.25), male and female are similar. Only luxury followers (F: 3,12, M:3,23) and luxury intellectuals (F:3,64, M:3,84), the gender factor affect statistically significant slightly on materialism, male shows more materialistic than females, which support Larsen (1999) and Duh (2015) theory. To be more specific, as it is displayed in Table 3.24, the male's means are in luxury followers and luxury intellectuals' factors are generally higher than females. But after conducting an independent t-test, the p value is ,129, higher than ,05, gender factor affects insignificantly on materialism.

Table 3. 24. *Materialism levels in terms of gender*

	Cronbach's α =.721	Average means= 3,338	n=238
Items		Female	Male
Luxury followers			
Item 1: I admire people who own expensive homes, cars, and clothes.		2,94	3,02
Item 2: Some of the most important achievements in life include acquiring material.		3,07	3,12
Item 4: The things I own say a lot about how well I'm doing in life.		3,47	3,64
Item 18: It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.		3,01	3,15
Factor mean		<u>3,12</u>	<u>3,23</u>
Luxury Intellectuals			
Item 7: I usually buy only the things I need.		3,73	3,96
Item 8: I try to keep my life simple, as far as possessions are concerned.		3,65	3,82
Item 9: The things I own are very important to me.		3,72	3,88
Item 14: I have all the things I really need to enjoy life.		3,46	3,69
Factor mean		<u>3,64</u>	<u>3,84</u>
Luxury lovers			
Item 5: I like to own things that impress people.		3,48	3,69
Item 10: I enjoy spending money on things that aren't practical.		2,55	2,43

(Table 3.24 Continued)

Item 11: Buying things gives me a lot of pleasure.	3,63	3,29
Item 12: I like a lot of luxury in my life.	2,13	2,37
<u>Factor mean</u>	<u>2,95</u>	<u>2,95</u>
Insensitive materialism		
Item 3: I don't place much emphasis on the amount of material objects people own as a sign of success.	3,59	3,53
Item 6: I don't pay much attention to the material objects other people own.	3,44	3,40
Item 13: I put less emphasis on material things than most people I know.	3,38	3,53
<u>Factor mean</u>	<u>3,47</u>	<u>3,48</u>
Idealistic materialism		
Item 15: My life would be better if I owned certain things I don't have.	3,78	3,89
Item 16: I wouldn't be any happier if I owned nicer things.	2,59	2,66
Item 17: I'd be happier if I could afford to buy more things.	3,90	3,83
<u>Factor mean</u>	<u>3,42</u>	<u>3,46</u>

Income level and materialism

When reachable resources increase, consumers are more willing to spend money on products that satisfy more symbolic and sensory needs (Roth, 1995). Contrary to this common view, Ger and Belk found that because of a demonstration effect; less economically developed nations tend to imitate the more extravagant and symbolic consumption of economically developed consumers (Ger and Belk, 1996).

Table 3. 25. Average means of Materialism Factors in terms of income level

Demographic Characteristics	Overall Sample	Luxury followers	Luxury intellectuals	Luxury lovers	Insensitive Mat	Idealistic Mat
Income (RMB) n (%)						
30,000-60,000	23(9,66%)	2,97	3,67	2,75	3,61	3,33
60,001-100,000	55(23,11%)	3,13	3,80	2,92	3,41	3,46
100,001-150,000	65(27,31%)	3,23	3,64	3,05	3,47	3,49
150,001-200,000	26(10,92%)	3,19	3,63	2,91	3,54	3,45

(Table 3.25 Continued)

200,001-300,000	40(16,80%)	3,29	3,78	2,96	3,52	3,51
300,001 and above	29(12,20%)	3,06	3,78	2,94	3,39	3,26

As it can be seen from Table 3.25, the means of each income group show no great difference on materialism in this sample, which means respondents with different income levels share similar materialism traits, this interesting finding can be explained by life satisfaction theory. This finding is supported by the result of ANOVA test, the p value is ,602 and F value is ,729, statistically insignificant.

Life satisfaction is considered by some researchers; Flouri (2004) suggests that those who are dissatisfied in life, may turn to materialistic orientation to find happiness. In this study, we adapted Richins and Dawson's (1992) scale to measure materialism, as a materialist, Richins and Dawson defined 3 factors for materialism, the materialist is the one who seeks happiness through the acquisition and possessions of material objects, this is the psychological driver of materialism. According to Richins and Dawson (1992), people with lower feelings of self-worth become materialistic because they are caught in an endless cycle of acquiring material goods in hopes of compensating for the feelings of insecurity and searching for happiness. The level of self-esteem became a predictor of materialism (Duh, 2015). This finding is well supported by the data collected in this study, that lower-income groups share similar materialism with higher-income groups, the details are shown in Table 3.26, lower-income respondents have strong self-esteem and strong life satisfaction desire to possess more materials, higher-income respondents prove their social status and successful career by possessing more materials, thus, for respondents in this sample, income impact insignificantly on materialism, This could explain that when per capita income is below the world average, China is on way to be the biggest luxury products consumption market according to Bain and Co.'s 2021 report. Even though China has a big amount of upper-middle-income population and respondents generally hold neutral even negative attitudes toward luxury, luxury products' value and its social signifier function meet Chinese consumers' "gain face", self-esteem, pursue happiness, and defined success psychology, low-income respondents are included in luxury consumption as well. Income factors place no effect on respondents' materialism and their attitude toward luxury in China market.

Table 3. 26. *Income levels and materialism factors (thousands of RMB)*

	Cronbach's α = .721		Average mean = 3,338			n=238
Items	30k - 60k	60k- 100k	100k- 150k	150k- 200k	200k- 300k	300k<
Luxury followers						
Item 1: I admire people who own expensive homes, cars, and clothes.	2,57	2,85	2,97	3,12	3,25	3,00
Item 2: Some of the most important achievements in life include acquiring material.	2,65	3,15	3,25	3,12	3,05	3,00
Item 4: The things I own say a lot about how well I'm doing in life.	3,48	3,55	3,55	3,62	3,55	3,45
Item 18: It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.	3,17	2,96	3,14	2,92	3,33	2,79
Luxury Intellectuals						
Item 7: I usually buy only the things I need.	4,04	3,82	3,77	3,69	3,83	3,90
Item 8: I try to keep my life simple, as far as possessions are concerned.	3,83	3,89	3,60	3,58	3,80	3,59
Item 9: The things I own are very important to me.	3,74	3,84	3,69	3,69	3,93	3,83
Item 14: I have all the things I really need to enjoy life.	3,09	3,67	3,51	3,58	3,55	3,79
Luxury lovers						
Item 5: I like to own things that impress people.	3,30	3,56	3,55	3,54	3,73	3,62
Item 10: I enjoy spending money on things that aren't practical.	2,30	2,49	2,71	2,38	2,50	2,34
Item 11: Buying things gives me a lot of pleasure.	3,39	3,60	3,54	3,58	3,45	3,28
Item 12: I like a lot of luxury in my life.	2,00	2,02	2,40	2,15	2,18	2,52

(Table 3.26. Continued)

Insensitive materialism

Item 3: I don't place much emphasis on the amount of material objects people own as a sign of success.	3,83	3,31	3,54	3,73	3,73	3,52
Item 6: I don't pay much attention to the material objects other people own.	3,43	3,53	3,37	3,42	3,35	3,45
Item 13: I put less emphasis on material things than most people I know.	3,57	3,40	3,51	3,46	3,48	3,21

Idealistic materialism

Item 15: My life would be better if I owned certain things I don't have.	3,61	3,78	3,95	3,77	3,90	3,71
Item 16: I wouldn't be any happier if I owned nicer things.	2,61	2,67	2,58	2,73	2,73	2,34
Item 17: I'd be happier if I could afford to buy more things	3,78	3,93	3,92	3,85	3,90	3,72

Occupation and materialism

Based on the previous literature review, China is a Confucian collectivist country, Chinese people pursue social status and success not only for individuals but for the group s/he belong to, The world luxury brands, such as Chanel, Gucci, Louis Vuitton, bring a high image, high status to the people who is seeking a symbol of success and society identity, However, Burroughs and Rindfleisch (2002) assumed that there is a negative relationship between materialism and collective-oriented values, Occupation is one of the aspects of social status in the perspective of Chinese Confucian collectivism society.

In Table 3.27, unemployed respondents show the lowest mean on luxury followers (M:2,45), luxury lovers (M:2,70), and idealistic materialism (M: 2,93), but show the highest mean in luxury intellectuals (M:3,95) and insensitive materialism (M:3,67). Considering of low ratio (2,1%) of this group of respondents, this result might not present the opinion of unemployed group consumers exactly. However, the unemployed respondents hold pragmatic attitudes toward luxury and luxury consumption. In this

sample, only 8 self-employed respondents attended the questionnaire, occupying 3,36% of the total respondents. The researcher suggests setting a ratio limit for each occupation in further research.

In Table 3.27, students and employees from government or private companies share quite similar attitudes on materialism factors and items. Especially the means of a private company and government employees are very near to each other in most items. This finding shows employee respondents, no matter work in private companies or government, have a strong desire on pursuing social positions and career development.

Based on the ANOVA test p value is ,555 and F is ,756, thus occupation factor has no statistically significant effect on materialism level of respondents.

Table 3. 27. Average means of materialism factors in terms of occupation

Demographic Characteristics	Overall Sample	Luxury followers	Luxury intellectuals	Luxury lovers	Insensitive Mat	Idealistic Mat
Occupation n (%)						
Students	101(42,44%)	3,22	3,69	3,02	3,50	3,44
State employee	99(41,60%)	3,11	3,74	2,91	3,47	3,44
Private employee	25(10,50%)	3,28	3,73	2,89	3,40	3,59
Self-employment	8 (3,36%)	3,25	3,69	2,75	3,33	3,25
Unemployed	5 (2,10%)	2,45	3,95	2,70	3,67	2,93

In sum, from previous analysis, research questions Q4 can be concluded as respondents in this sample share similar materialism traits, demographic factors impact insignificantly on materialism level. But from the means values of the 5 factors of materialism, more specially, age impacts the most, and income level input the least effects on the male has more materialism than the female; the younger age group shows more materialism than the elder groups; employees are generally more materialistic than non-working respondents. Income level affect insignificantly on materialism.

3.4.6. The effect of vanity and materialism on attitudes towards luxury

A multiple regression analysis is conducted to test if the vanity trait and materialism level of the respondents affect the attitudes towards luxury in this sample. The results of the regression indicated that these two factors explain the variance $R^2=$

0.251, $F= 39.463$, $p < 0.001$. The answer to Q5 is: vanity and materialism explain the 25 percent of the variance of the attitudes towards luxury in this sample.

4. CONCLUSIONS AND IMPLICATIONS

This study attempts to understand Chinese consumers' attitudes toward luxury. To find out the effect of vanity and materialism on the Chinese consumer's attitudes toward luxury products, the designed questionnaire set vanity and materialism as independent variables, attitude towards luxury as the dependent variable, demographic factors as demographic variables. Five research questions were proposed to address the aim of the study, and some findings are obtained from this research.

First, although China has the largest middle-income population in the world, and China is on its path to the biggest luxury consumption country, respondents generally hold neutral even negative attitudes toward luxury products. The root of this contradiction may be explained by the Chinese traditional thrift virtue and saving culture.

Second, respondents in this sample show strong vanity and middle-level materialism trait. Demographic factors' effect on vanity and materialism level are found to be statistically insignificant. China's Confucian collectivism value places a great effect on respondents' vanity and materialism traits. For example, all respondents in this sample have strong physical vanity, achievement vanity, and middle-level materialism, thus the purpose of luxury consumption may be explained by "public display". Luxury products are used to show success and the social position the owner achieved. Simply put, luxury brands are tools for differentiating themselves from the masses. To gain "face" is an important motivation and reason for luxury consumption in China market.

Third, respondents' age between 26 to 45, affluent-middle income group show more achievement vanity and materialism traits than other groups. Correspondently, their attitudes toward luxury are more positive. 46+ group have comparatively the strongest physical vanity, but they generally hold negative attitudes towards luxury and luxury consumption, the reason is rooted in Chinese thrift culture, but they don't reject luxury as a gift.

Chinese Confucian culture influenced patriarchal society endows male not only power but responsibility, the male has responsibility "to bring honor and glory to his ancestors and family". Therefore, this may provide an explanation to "why male respondents are more ambitious than their female peers", they have stronger desire to get higher social status and achieve socially defined success during the working period, luxury products are consumed not only for personal but gift purposes. They are more

rational than females on luxury consumption. Compare with male respondents, female respondents show higher intention to purchase luxury products. Therefore, Confucian collectivist culture strength their vanity and materialism traits and further influences their attitudes toward luxury. Respondents, when driven by materialism and vanity psychological traits, they are more likely to purchase luxury products to display “face” in public.

This study provides insight on Chinese “public display” and “differentiate from masses on achieved success and respectful social position or good “out-looking” to luxury brands marketing managers. To emphasize luxury brands’ external benefits could be helpful during marketing practice.

This research has concluded that vanity and materialism have some effect on the attitudes towards luxury consumption. These two independent variables explain about 25 percent of the variance on attitudes.

In this sense, China’s Confucian collectivism, history, policy and values are the cultural background of this study. Chinese consumers’ vanity, materialism trait, and their attitudes toward luxury and luxury consumption can be better understood in the context of China’s specific values, history, policy and cultural identity background.

5. LIMITATIONS

The main body of the sample is Y and Z generation, this study mainly contributes to insights about Y and Z generations' vanity, materialism, and attitudes toward luxury for marketing practitioners, but limitations in this study are obvious:

1. Unbalanced ratio of respondents.

In this sample 42,44% of respondents are students, students represent only a subset of luxury brand consumers and are not representative of all consumers in a culture, low income and less experience on luxury may limit their purchasing power and attitude towards luxury.

Regarding respondents' occupation, 42,44% of respondents are full-time students, 41,6% are government/state-owned employees, only 10,5% of respondents are private company employees. Self-employed and unemployed respondents in this sample occupied a very small ratio, 3,36%, and 2,1% respectively. Therefore, suspect biases in this sampling occur. A limit ratio for respondents' demographics is suggested to set for future research.

2. Limited geographic respondents.

In this study, the respondents are selected from comparatively richer regions to make an equal economic background. However, due to China's unbalanced geographical development and luxury regional relativity, the respondents from different geographic locations can be researched. Future research might be undertaken with diversified respondent groups from wider geographic regions.

3. Actual purchase intention research.

The aim of this study mainly emphasizes attitudes toward luxury rather than actual purchase behavior, further research may utilize a sample that is more representative of the entire consumer population to provide a better understanding of the role of vanity and materialism on the social function of attitudes, affect and ultimately on actual purchase intentions for luxury brands.

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19. The things I own are very important to me.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
20. I enjoy spending money on things that aren't practical.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
21. Buying things gives me a lot of pleasure.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
22. I like a lot of luxury in my life.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
23. I put less emphasis on material things than most people I know.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
24. I have all the things I really need to enjoy life.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
25. My life would be better if I owned certain things I don't have.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
26. I wouldn't be any happier if I owned nicer things.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
27. I'd be happier if I could afford to buy more things.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
28. It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree

29. Luxury products are very expensive but with good quality and good design.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
30. Luxury products are rare and pleasant.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
31. I think Chanel, Dior, Rolex, LV, Gucci, Hermes are luxury products.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
32. I almost never buy luxury products
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
33. One buys luxury goods primarily for one's pleasure
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
34. For the most part, luxury goods are to be offered as gifts
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
35. One needs to be a bit of a snob to buy luxury goods
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
36. The luxury products we buy reveal a little bit of who we are
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
37. Today, everyone should have access to luxury goods
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
38. People who buy luxury products seek to imitate the rich
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
39. People who buy those products try to differentiate themselves from others
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree

40. Those who buy luxury products are refined people
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
41. I would like to buy a luxury product (like a designer bag, watch, sneaker etc.) if I have extra money.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
42. I would like to own at least one luxury product in my life.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree
43. I would be very happy if I have received a luxury product as a gift.
(1) Strongly disagree (2) Disagree (3) Neither agree nor disagree
(4) Agree (5) Strongly Agree

Demographics

1. Which of following age groups do you belong to?
(1) 15 - 25; (2) 26 - 35; (3) 36 - 45; (4) 46 and above
2. What is your Gender?
(1) Female; (2) Male
3. What is your occupation?
(1) Full time students; (2) Government / State-owned company employee;
(3) Self-employed; (4) Private company employee;
(5) Un-employed
4. Which of the following categories best describe your annual income?
(1) 60,000 – 100,000 RMB; (2) 100,001 – 150,000 RMB;
(3) 150,001 – 200,000 RMB; (4) 200,001 – 300,000 RMB;
(5) 300,001 RMB and above

APPENDIX 2:

中国消费者对奢侈品态度的调查

尊敬的先生/女士，

此调查是我研究工作的一部分，您需要大约 10 分钟才能完成。我向您保证，您的所有详细信息将被保密，调查的数据和研究结果将仅用于学术研究目的。谢谢！

1. 您今年贵庚呀？

1) 小姐姐 2) 小哥哥

2. 您今年贵庚呀？

1) 15 – 25 2) 26 – 35 3) 36 – 45 4) 46 以上

3. 我认为外表对我来说很重要

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

4. 我很注重我的外表

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

5. 在人群中时，我感到尴尬，不能表现自己最好的一面。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

6. 我认为努力做到最好是值得的

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

7. 我需要一直保持很好的状态

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

8. 我执迷于专业成就。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

9. 我希望别人因为我的成就而仰望我。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

10. 与我认识的大多数人相比，我更关注职业成功。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

11. 取得比同龄人更大的成功对我来说很重要。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

12. 我希望我的成就得到别人的认可。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

13. 我钦佩拥有昂贵房屋、汽车和衣服的人。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

14. 我认为人生最重要的成就一定与物质脱不了干系。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

15. 我不太认为成功人士的标志是拥有的很多物质。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

16. 我希望我的成就得到别人的认可。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

17. 我喜欢拥有让人印象深刻的东西。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

18. 我不太在意别人拥有的东西。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

19. 我通常只买我需要的东西。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

20.就财产多寡而言，我尽量保持我的生活简单。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

21.我拥有的东西对我来说非常重要。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

22.我享受在不太实用的东西上花钱。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

23.购物可以我带来很多乐趣。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

24.我喜欢我的生活中充斥着很多奢侈品。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

25.与我认识的大多数人相比，我对物质的重视程度较低。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

26.我拥有享受生活所真正需要的所有东西。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

27.如果我拥有那些我所期待的东西，我的生活会更好。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

28.就算我拥有更好的东西，我也不会更快乐。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

29.如果我有能力买更多的东西，我会更开心。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

30.有时我会因为买不起所有我想要的东西而感到很烦恼。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5)百分之百赞成

31.我认为奢侈品应该非常昂贵，但设计良好，品质优良。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
32. 奢侈品是稀有和令人愉快的。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
33. 我认为香奈儿、迪奥、劳力士、LV、古驰、爱马仕是奢侈品。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
34. 我几乎从不买奢侈品。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
35. 购买奢侈品主要是为了享乐。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
36. 大多数情况下，奢侈品是做礼物的首选。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
37. 我觉得吧，喜欢购买奢侈品人多少都有点势利眼。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
38. 奢侈品能在一定程度上代表一个人的身份。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
39. 我想现在这个社会每个人都有机会得到奢侈品。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
40. 使用奢侈品能让我们看起来很富有。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
41. 购买奢侈品的人试图将自己与其他人区分开来。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
42. 购买奢侈品的都是有品位的人。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
43. 如果我手头有闲钱，我会想着买奢侈品。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
44. 我认为一生中最起码需要有至少一件奢侈品。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成
45. 如果我收到了一件奢侈品作为礼物，我会很高兴的。

1) 完全不是这样 2) 不太认可 3) 一般 4) 基本认同 5) 百分之百赞成

46. 你的职业工作是？

1) 我是学生党哟 2) 我在党政机关、国企单位工作 3) 我已经是老板啦
4) 老板需要我跟跟 TA 一起奋斗 5) 我已经不需要工作了哦

47. 以下哪一组最符合你的年收入？

- 1). 30,000—60,000 2) 60,001 —100,000 3) 100,001—150,000 4) 150,001—200,000
5). 200,001 – 300,000 6). 300,001 以上.