The Future is Female

A Study of Young Chinese Women’s Behavior towards Luxury Goods
Abstract

Title: The Future is Female. A Study of Young Chinese Women’s Behavior towards Luxury Goods

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Keywords: Luxury, Consumer Behavior, young Chinese women

Purpose: The purpose with this paper is to improve the understanding for companies on what influences female Chinese consumers in the age 20-25 year old to buy luxury goods.

Research question: What behaviors do 20-25 year old Chinese women consumers have in relationship to luxury goods?

Method: The study is mainly consisting of a quantitative web-survey that consists of 100 respondents. The survey was addressed to young women that came from China, in the ages 20-25 year old. It was of interest to get answers both from young women that are luxury consumers and from those who are not, in order to get a hint of how they relate to luxury goods in general. As a complement to the survey, a qualitative focus group interview was made with five young Chinese women in the age 22-24 year old.

Theory: The theoretical framework includes theories about; luxury, reference group, family, roles and status, motivation, attitudes and beliefs and the buyer decision process.

Conclusion: The results show that young Chinese women’s consumer behavior is in some aspect in the process of change. For example, they now want to stand out, but subconsciously they still act upon what earlier theories have claimed, to be like everyone else, because it is firmly rooted in their behaviors. This shows that they are in the process of a behavioral change towards acting more individualistic. Young Chinese women's consumer behavior is characterized by the fact that they have a positive attitude towards buying more luxury goods in the future, both for personal reasons but also because it will help their career and make them seem more professional. Although, they consider there to be some risks with buying luxury goods, both social and economic. Concerning the buyer decision process they research about the product, either by reading magazines looking on the Internet or talking to their friends. Today almost every purchase, regarding luxury, is planned and often based on personal opinions but sometimes with the regards of others opinions, like friends and family.
Preface

We would like to begin with thanking everybody who has contributed with interesting information and motivational support during the writing of our thesis.

We would first like to thank all respondents that have been incredibly helpful during the focus group interview, both through their participation and creative discussion but also by facilitating the search for respondents to our survey. Thanks to the information we received we got an insight into young Chinese women’s consumer behavior and an understanding to how they relate themselves to luxury goods.

Also, we would like to thank our supervisor Jonas Larsson who during the writing of our thesis has been incredibly helpful and has worked as a great sounding board for our ideas.

Enjoy!

21st May 2012

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1. Introduction

The introductory chapter introduces the topic of the thesis by describing China’s history, the worldwide luxury market, the Chinese luxury concept and female Chinese consumers. The topic will be problematized to then lead to the purpose and the research question. The chapter concludes with the thesis delimitations and outlines.

1.1 Background

China’s history has been characterized by an autocracy of dynasties from 2000 BC to the beginning of the 1900s, when the history changed due to clashes with Europe and the subversion of the last dynasty. It was not until four decades later, at the end of the civil wars and the Japanese invasion, that the communist party established a Chinese government. With the communist regime and the implementation of a planned economy came social and political changes. In the late seventies the free market economy was introduced by the Chinese government as a measure to face increasing poverty (www.cbc.ca, 2006). This was made possible by the "open door” policy, which supported a development of national defense, the agricultural sector, industry and technology. This made it possible for China to go from being a self secluded country by signing mutual trade agreements with countries like the United States which was the beginning of the transformation to what today is China’s driving force of growth; foreign trade. (www.justchina.org, 2006). The economic growth and the rise of the wages have created a large middle-class in China which have gained a great power to spend, and in this case, spend their money voraciously on luxury goods (www.mckinseyquarterly.com, 2006).

1.1.1 The Worldwide Luxury Market

"In less than five years, the Chinese consumer has transformed from a niche emerging market to a core target for global luxury brands"

(www.bain.com1, 2011)

In 2010 The luxury worldwide market grew 10% to €191 billion (www.bain.com 2, 2011) despite the downturn in the global economy. The return of consumers regarding luxury consumption is not because of a rebound, but it is a stable regeneration of spending money on luxury goods like shoes, watches and
accessories (www.bain.com 1, 2011). One country where the sales of luxury goods has thrived the most is China which is the fastest growing market in the world within luxury consumption. They are also the second largest buyer of luxury goods in the world, after they in 2010 overtook Japan. By 2015 it is forecasted that they will be the biggest consumer of the world’s luxury goods with more than 20% ($27 billion) and with that overtake the United States. China has a customer base of 1.3 billion consumers which will continue to grow and attract companies to establish themselves in China (McKinsey, 2011). The luxury market in China differs from the rest of the world because of their young consumers. In China, 73% of luxury consumers are under 45 years old, compared with 50% in the U.S. and 45% of China’s luxury consumers are under 35 years old, which is a large proportion in contrast to Western Europe’s number of 28% (McKinsey, 2011).

1.1.2 Chinese Luxury Concept

The concept of luxury can vary a lot depending on which part of the world you come from. Previously research shows that in China there are five main attributes that Chinese people think set the criteria for luxury products, which are: excellent quality, very high price, scarcity/uniqueness, aesthetic and emotional content, and brand history and heritage (Dubois et al, 2000). Excellent quality refers to the essence of a luxury product that guarantees reliability and durability. A consequence of perceiving excellent quality is a very high price, which is the second criterion for luxury products. The Veblen effect – “the higher the price is, the more the rich buy” (Lu, 2008) is visible in all luxury markets but is particularly clear on the Chinese market and amongst Chinese customers. Scarcity and uniqueness means that is it limited to its use and availability. The next criterion is aesthetic and emotional content – the idea that luxury products are perceived as pieces of art, which attaches the consumer to the luxury brands in a sentimental way. Lastly, the Chinese luxury consumer is extremely interested in luxury firms’ history and legends, which therefore has become the fifth and last criterion for their definition of luxury. Thanks to this interest Chinese consumers make it easy for international brands to have a direct contact with them and to introduce new concepts of products (Lu, 2008). But how does today’s youth set the criteria for luxury? Is it the same criteria or has it changed?
1.1.3 Female Chinese Consumers

The great consumption power amongst Chinese people has become possible due to the fact that Chinese women have begun to consume more and spend more money which has increased their shopping behavior. This has become possible because Chinese women have more opportunities today, than fifty years ago. They are educated, get more financial independence and same opportunities as men when it comes to employments. This has generated in a new thinking among Chinese women, primarily the younger women, who are more ambitious when it comes to shopping. Concerning luxury consumption it has always been the Chinese men that have consumed luxury goods, mainly because of the tradition to give luxury goods as gifts to their business partners. But now Chinese women also start to spend their money on luxury goods which has made their contribution to the luxury market segment rice from 20 to 50 percent in the last ten years. (www.china-briefing.com, 2012)

1.1 Problem Focus

When entering a new market it’s important for companies to take that country’s customs and values in consideration due to its big power over consumers buying decisions and their choice of lifestyle. It is significant because companies need to realize the typical behavior that represents their target market (Solomon & Rabolt, 2009). All customers in different countries have there own demands and requests, but also values and norms that have to be met. Companies have to understand and interpret this as it is experienced by those who live in it. Products that are popular in one country are not necessarily popular elsewhere. For example products in the west are used differently in the east and products may have to be placed in other contexts or even modified depending on where they are sold (Solomon & Rabolt, 2009).

As mentioned before, China will develop into the largest market for domestic luxury goods in the world in a few years. With the economic growth and the rise of incomes, China’s middle class has gone from saving to spending money, which signifies a refined lifestyle. It contains of young and rich consumers and there is a clear age difference of 15 years among Chinese millionaires compared with those overseas. Chinese luxury consumers like to show their wealth and success by wearing luxury goods, but also to spend money on luxury goods for their families and friends (www.clsa.com, 2011).
To be able to build a successful brand it is important to first and foremost investigate the behavior of the target audience. The next step is to adapt the company and its approach so that it’s suitable with the behavior of the customers, but still is coherent with the brand and its image and identity. Companies must be able to look into the future and try to predict their future customers. With this decreasing in age among Chinese millionaires and growth of the middle class it is of interest to gather information about of these consumers. Therefore, the problem that needs to be investigated is how “future customers” in “the futures leading market within luxury” relate to luxury.

### 1.2 Purpose and Research Question

The purpose with this paper is to improve the understanding for companies on what influences female Chinese consumers in the age 20-25 years old to buy luxury goods.

The purpose will be fulfilled by answering the research question;

RQ: What behaviors do 20-25 year old Chinese women consumers have in relationship to luxury goods?

### 1.3 Delimitations

The power of buying is in the customers’ hands and therefore this thesis will focus on the consumer perspective within consumer behavior. Inside consumer behavior a limitation has been done to only investigate reference group, family, roles and status, motivation, attitudes and beliefs and the buyer decision process. The areas we have chosen to exclude are: culture, subculture, social class, learning, perception, life-cycle stage, occupation, economic situation, lifestyle and self-concept. The selected model within consumer behavior has therefore been modified, although we know that all the different aspects of the model affects the customer and its behavior. We made this delimitation because we believe that in order to investigate the excluded areas you needed to make an observation and be in the country, which we were not able to be. Investigating different forms of buying decision behaviors based on involvement and opinions on brands has also been excluded.
1.4 Outlines

Method
In this chapter, the research of how the study was conducted is presented. It also describes which research methods that were used to collect the data and how the information was put together. The formed method works as guidelines for the collection of the theory and the empirical data.

Theory
This chapter presents selected theories within the limits of the chosen topic, which will be used to answer the research question. The theories works as a foundation for supporting the subject of the thesis which will be compared by the answers from the empirical results.

Empirical Results
The collections of the data is presented as a summary of the different methodological approaches. These results, with the theories, contributes to the construction of the analysis.

Analysis
In this chapter the empirical results were applied on the theoretical framework to form an analysis in order to answer the research question. The findings in the analysis became the basis for a further discussion within the chosen subject.

Discussion
From the analysis presented in the previous chapter a discussion about the answer for the research question is compiled in relation to the industry in general. This chapter then leads on to the study’s conclusions and further research.

Conclusions and Further Research
The final chapter presents the conclusions from the study and presents reflections and suggestions on what will be the next step in the subject’s research.
2. Method

This chapter presents how the work process has been performed to collect the empirical and theoretical material for the study. Initially, scientific methods are briefly introduced to give the reader an introduction to how the research is constructed. The chapter continues with a description of quantitative and qualitative methods - how the surveys and the interviews are designed and performed, and concludes with an explanation of the data collection and how the research approach has been done.

2.1 Research Method

To answer the research question and to fulfill the purpose it is necessary to understand and get information about people’s opinions, behaviors and lifestyles. Therefore, a quantitative survey method was used, which is commonly used in the positivistic operation that advocates scientific methods in the study of social realities (Bryman, 2007). The survey was addressed to young women that came from China in the ages 20-25 year old and consisted of 100 respondents. It was of interest to get answers both from young women that are luxury consumers, and also from those who are not, in order to get a hint of what their consumer behavior towards luxury goods are in general. Because, in the positivistic operation it is very important to obtain good reliability, which means how similar the results would be if the same survey was made again (Bryman, 2007). According to Bryman (2007) it is also important to have a good validity when doing a quantitative survey method, which means how well the conclusions that are obtained are related to the investigation. To get more specific information and to understand the underlying factors that explain their behavior towards luxury goods, a focus group interview with five Chinese women in the age 22-24 year olds were done, in order to answer the research question. This is a qualitative method, which is according to Patel and Davidson (2003) used to elicit perceptions and opinions to get a deeper understanding of the area that is studied. The combination of both using a quantitative and qualitative method will complement each other and give the study the best possible result and work as a good basis for answering the research question.
2.2 Surveys - Quantitative Method

For this paper, surveys work as the basis for the empirical material, because according to Bryman (2007) a survey reaches out to a broad group of respondents, which in turn could talk for a larger population and gives a bigger quantity of opinions and behaviors. Surveys also gives a good overview of how the respondents think and feel about the chosen subject and capture new trends in a good way (Bryman, 2007). The survey was performed between the 20th of April and the 9th of May and was carried out as a computer survey, which means that the survey is done directly on the computer, instead of being handed out on paper (Ejlertsson, 2009). The survey was available on an Internet address where an id code was used and therefore the survey was controlled so that each person only responded to the survey once. The selection of our respondents were made through a convenience selection which means that the survey is handed out and all respondents that are suitable to respond to it answers (Trost, 2001). The survey was post on the Chinese Facebook page named “Renren” and on the Chinese Twitter page named “Winlangweibo” with help from seven Chinese women that had been contacted. These women were clearly informed to write out that the survey only was for Chinese women in the age 20-25, in order to ensure and control whom responded to the survey. When doing this kind of survey the respondents get the possibility to contemplate the questions and to consider the answer choices in calm and quiet (Ejlertsson, 2009). However, there are some disadvantages with surveys that have been taken into account. First, when a respondent is answering a survey there is no person present who can help if there is any questioning, and secondly, a survey does not give the opportunity to ask any deeper or follow-up questions that offers a broader understanding of the respondents’ answers (Bryman, 2007). For this reason a focus group interview has also been used in this study as a complement to the survey.

2.2.1 Design of Survey

Because of the fact that a survey means that the respondents answer questions as independently as possible, it is very important that the design of a survey has simple and clear questions so that the respondent really understands the questions and answers all of them (Bryman, 2007). For this reason a lot of research and effort was put on the survey when designing it, to get as much information as possible out of it and to make it successful and easy to grasp. The questions were selected very carefully, they were short and easy, and they were tried on different people before used to see how they
perceived the questions so there would not be any misunderstandings. The majority of the questions have been closed structured, which according to Bryman (2007) means that the answer choices are already defined because it makes it easier for the respondents when replying and it also creates good conditions for comparing the answers later on. But there were also some open questions, for the reason that closed questions can provide some irritation among the respondents if they do not have the room for spontaneity. Open questions allow respondents to replay with their own words and give the opportunity unexpected reactions and thoughts (Bryman, 2007).

The survey began with a description of who we were, the purpose with the survey and which respondents that were addressed to answer it. In the survey it was clearly stated which questions had multiple answers or just one answer (see appendix 1). The questions were, as mentioned above, very carefully edited and relevant for answering the research question. The survey included questions about how young Chinese women would define luxury, their attitudes towards owning luxury goods, how they felt about other people owning luxury goods, their willingness to buy luxury goods, what/who their buying behavior is influenced by, etc. After all questionnaires were collected a compiled of the results was done through a coding, where the questions constituted the variables and the answers constituted variable values (Trost, 2001). The answers were then transferred into Excel for processing of data and for creating of charts. Both pie and bar charts were used, depending on how many options of answers the questions had (Ejlertsson, 2009). Since it is according to Ejlertsson (2009) better to use pie charts when there are few answers and bar charts when there is more, to make it as clear as possible.

2.3 Focus Groups - Qualitative Method

To be able to get a deeper understanding and get more detailed answers about what young Chinese women’s consumer behavior is towards luxury goods, a focus group interview with five Chinese women was used in the study. The interview created a deep discussion where the respondents reasoned on the subject, and an interpretation of their reasoning gave an idea on their consumer behavior towards luxury goods. To use a focus group interview is to give the researcher depth and context, which is needed because it makes sense of why people act and behave in a certain way and why things are as they are (Wibeck, 2000). According to Wibeck (2000) the respondents in a focus group are inspired to
compare and share their thoughts and experiences on the subject. Wibeck further explains that a focus group interview may lead to a greater range of ideas and reasoning than in a deep interview with one person, because the respondents in the focus group discuss their way to an answer. The focus group interview was made with five Chinese women between the ages 22-24 year old. All the respondents gave individual ideas and thoughts concerning the subject which created an open and creative discussion. When picking these respondents a snowball selection was used (Wibeck, 2000), which means that one of the young women were contacted and became the contact person, and further on contacted 4 more women that wanted to participate in the focus group interview.

2.3.1 Design of Interview Guide

Before the focus group interview, an interview guide was created consisting of 28 questions which were based on the following themes: external factors that influences the buying process, internal factors that influence the buying process and the buying decision process. The interview guide was based on open questions, which according to Wibeck (2000) help the respondents to not influence their answers and lead them in any certain direction. The interview took 65 minutes and was recorded on a Dictaphone while the most important parts of the conversation was written down, but to be able to separate who says what it’s an advantage according to Bryman (2011) to record it.

After the focus group interview was completed it became transcribed, and then the information was summarized with an objective approach, according to the opinions of the majority of the young women to get an understanding about their general opinions on the subject. After summarizing the interview it should be, according to Wibeck (2000), evaluated according to the validity and reliability of the information. This is based on that the information is relevant, trustworthy and credible, and that the study would get the same result like the first time if it were to be done at another occasion. The answers that were received are both valid and reliable because credibility is created when the respondents feel that they can say whatever they want and don’t feel pressure from the others (Wibeck, 2000), and for this reason respondents that already knew each other and felt safe in each others company were chosen to participate in the group interview. Another reason that increases the validity and the reliability of the focus group interview is because open questions were used, instead of leading questions, which also increases the credibility of the information according to Kvale (1997). Given that a focus group
interview is done, it is possible for the result to differ if the interview would be done in another place and at another time (Bryman, 2011).

2.4 Data Collection

The study’s research approach started with a literature review to get a deep understanding about the subject and to see what kind of research that previously has been done and what was missing in the area, which resulted in the paper’s purpose and research question. Both primary and secondary data has been collected. Primary data is data collected specifically for a study (Eriksson & Wiedersheim-Paul, 2011), which in this case are collected through a survey and a focus group interview. Before the primary data was collected a secondary data collection was made to get a deeper understanding within the areas of consumer behavior and luxury goods. A large part of the theory that has been collected to the study comes from previous articles and books about consumer behavior and how it affects the buying decision process. Scientific papers has been used to define luxury and how luxury previously has been seen in China. Eriksson and Wiedersheim-Paul (2011) further explain that information based on secondary data should always be considered with a critical approach, because the situation which the secondary data is collected can in some cases be done to gain the specific results that the author want to accomplish with the study, and therefore can have an affect and influence the final outcome. For this reason Eriksson and Wiedersheim-Paul (2011) claim that secondary data should mainly be used as a tool to accomplish a better understanding for investigating the subject. Since all the empirical material is collected through primary data in order to answer the research question “What behaviors do 20-25 year old Chinese women consumers have in relationship to luxury goods?” and the secondary data is used only for the theoretical framework and as a ground for the primary data, this will increase the study’s reliability and give a new and updated understanding concerning the subject.
3. Theory

This chapter presents the theories that form the theoretical framework of the study. The theories are going to be used as the basis for answering the research question and to strengthen the credibility for this paper later on. This chapter will start with theories about luxury and then go further on into theories and research that are available on consumer behavior.

3.1 What is Luxury?

Luxury can be associated with products that are expensive and have high quality, and it can be identifiable with a special brand name, logo or a special design (Kapferer, 2005). Chevalier and Mazzalovo (2008) explain that luxury is a brand that is both selective and exclusive and would contribute to an emotion and create value for the customer. According to them there are three criteria for products to be considered as luxury goods; strong artistic content, unique craftsmanship and an international appeal that differentiates it from common products. For luxury products to have a strong artistic means that it must be perceived as a refined object or as a work of art. Unique craftsmanship refers to luxury products that should be designed in a way so that consumers can believe that the product is unique and comes directly from the designer’s workshop, although it is not true and it in facts is an industrial product. An international appeal means that a luxury product should be present in most fashion cities in the world, such as New York, Milan, Paris, Tokyo, London, Hong Kong etc (Chevalier & Mazzalovo, 2008).

The definition of luxury as a rarity in the West differs, from the one in the East where people don’t see luxury as something that is driven by individualistic motives. People in the east don’t want to go against the crowd and be the center of attention, instead they want to blend in and be like everyone else, which is to wear what is considered to be “the symbol of good taste” (Kapferer, 2005).
3.2 Consumer Behavior

Solomon and Rabolt (2009) explain that the concept of consumer behavior covers a broad spectrum and describes the involved process when individuals or groups are select, purchase and use products and services to satisfy their needs and desires. According to Kotler (2012) consumer behavior refers to the buying behavior of final consumers, which means individuals and households that makes personal consumption of goods and services. Consumer behavior is an ongoing process and includes study of where consumers buy it, when they buy it, what they buy, how often they buy it and particular why they buy it (Kotler, 2012).

Consumers make many buying decisions every day and why they choose the ways they do are highly important for marketers to understand. If marketers know why consumers behave in a certain way to a certain product they can create profit for organizations and value for customers (Hawkins & Mothersbaugh, 2009). Kotler (2012) explains that there are certain factors that affect consumers buying behavior, which are for instance social and psychological factors. Hawkins and Mothersbaugh (2009) explain the same but define it in factors that have external and internal influences on the buying behavior. With the external factors includes reference groups, family and roles and status and the internal factors includes motivation and beliefs and attitudes (Hawkins & Mothersbaugh, 2009). How different individuals perceive these different factors is what determines the consumer’s behavior and affects their buying decision process when purchasing, and therefore the answer of why consumers choose the way they do (Kotler, 2012).

(Figure 1. The model is constructed from the theories of Kotler (2012) and Hawkins & Mothersbaugh (2009).)
3.2.1 Reference Group

Solomon and Rabolt (2009) explains that we all belong to groups and we try to please others and form our behavior by observing the actions of people around us. They further explain that our desires to “fit in” or be able to identify with individuals or groups that we think are desirable are the primary motivation for many of our purchases. Reference groups influence a person’s purchasing in three ways; informational, value-expressive and utilitarian (Solomon & Rabolt, 2009). A reference group can according to Hawkins and Mothersbaugh (2009) be defined as a group or individual whose presumed values or perspective are being used by an individual as the basis for his or her present behavior and attitudes. People are mostly influenced by reference groups to which they not belong because people have an ability to wish to belong somewhere else (Kotler, 2012). Reference groups especially play a huge role in young consumers lives because they are more easily molded into consumers depending on what/which their reference group is (Hawkins & Mothersbaugh, 2009).

Hawkins and Mothersbaugh (2009) explain that groups can be classified into four different categories: primary, secondary, aspirational and dissociative. A primary group refers to family and friends and is seen as the group that has the most influence on a person. This group is viewed as a social aggregation that facilitate unrestricted face-to-face interaction. A secondary group can be for instance schools, community organizations or religious groups. This group has a more limited face-to-face interaction and is usually less influential and comprehensive than primary groups. The third group, aspirational, refers to groups that inspires and where a person wants to identify himself/herself with. Consumers have a desire to adopt to the groups behaviors, norms and values in order to aspire and associate to them. The last group is dissociative, which is a group that portrays a less desirable appeal where consumers can reject their values and behaviors by taking distance from one group and get closer to another (Hawkins & Mothersbaugh, 2009).

3.2.2 Family

Another strong factor that influence buyer behavior are family members, and it has been researched that the family is the most important consumer buying organization within a society (Kotler, 2012). Kotler (2012) claims that the buying roles in a family constantly change with evolving consumer lifestyles and that the family involvements vary widely depending on which product category it is in
and which stage they are in the buying process.

Families reflect the influences and the activities of its members, and the members often buy products for their families as well as for their own use (Hawkins & Mothersbaugh, 2009). According to Hawkins and Mothersbaugh (2009) there are three variables that help to illustrate how families are functioning, which are cohesion, adaptability and communication. Cohesion means the emotional way where the family members bond with each other. Adaptability refers to how well a family has the ability to change its power structure, in its rules and in its relationships, and how well a family can meet the challenge of changing need. Communication is dependent on the two first variables and either helps if it is a good communication in the family or restricts the cohesion and the adaptability if it is a bad communication (Hawkins & Mothersbaugh, 2009).

3.2.3 Roles and Status

A person belongs to many different groups, it can be family, organizations, clubs or online communities. According to Kotler (2012) the position a person has in these groups can be defined in terms of both role and status. With a role includes the activities people are expected to perform according to the people around them and each role in turns has a status that is reflecting the general esteem given to it by society. Kotler (2012) further explains that a person can have many different roles and make different decision depending on which role he or she is in at the moment, because by a person’s role and status they usually choose which products to buy.

All people have an inherent tendency to evaluate themselves, how their material well-being are and how their professional accomplishments are, compared to others. People hold themselves to the standards that people in their surrounding define to them, and this standard is constantly changing (Solomon & Rabolt, 2009). Solomon and Rabolt (2009) explains that a big part of the motivation when doing a purchase of a product or a service, is not for people to enjoy it, but rather for other people to see that they can afford to make this purchase. Thus, these products are used as a status symbol to gain status from their surroundings, and by this way they let others know that her or she has “succeeded” (Solomon & Rabolt, 2009).
3.2.4 Motivation

Everyone has needs, either biological or psychological, but there is always a desire to try to satisfy them. When the intensity increases in people’s lives their needs also increase and converts into motives or drives. The motive is what people need to seek satisfaction for their needs. Motivation develops within a person when he or she is excited and is urged against a behavior to be able to fulfill a goal that is desired, according to Hawkins & Mothersbaugh (2009). Kotler (2012) explains that there are two different theories on human motivation that are the most popular ones, one from Sigmund Freud that claims that people make unconscious decisions when deciding on what to buy, that they are affected by motives that are subconscious which can make it hard, even for the customers, to explain their buying behavior. This behavior is based on a persons upbringing and their way of repressing their drives and urges, and these can emerge because they are never eliminated and could be a reason for why people act like they do (Kotler, 2012). Another theory is the one by Abraham Maslow and his hierarchy of needs, which states that peoples needs are arranged in a hierarchy and that certain needs has to be satisfied before others become the motivator. The needs are arranged from the most important ones which are the psychological and after those needs are fulfilled others will play in like safety, social, esteem – and self actualization needs (Kotler, 2012).

3.2.6 Beliefs and Attitudes

People’s buying behavior are also based on their beliefs and attitudes. Attitudes refers to a positive or negative standpoint against different objects, situations or concepts and can be based both on the influence their beliefs and feelings has, depending on the situation. Attitudes are often shaped after the consumer has experienced a certain product or service (Hawkins & Mothersbaugh, 2009). Kotler (2012) claims that a belief is what people think about something, whilst an attitude is based on consistent feelings or tendencies against an object after evaluating it. People's beliefs about different products is what creates product and brand image which affects buying behavior, which is important for marketers to be aware of. Attitudes are feelings and evaluations of for example brands and products, which are consistent and put people in a mood which creates the basis for liking or disliking things, or moving towards or distancing themselves from the product. Attitudes tend to be much stronger than beliefs and are difficult to change, which requires for marketers to not try to change their customers attitudes but try to fit their products with them (Kotler, 2012).
3.2.7 The Buyer Decision Process

Reference group, family, roles and status, motivation, beliefs and attitudes are, as mentioned above, all factors that influence the consumer behavior, which then affects the outcome of the buying decision process. The buyer decision process is what consumers go through when they make decisions on what to buy. Although the stages differ when it comes to purchases that are strictly a routine, it is still important for marketers to understand the whole process behind consumers purchasing decisions (Kotler, 2012).

(Figure 2. The model is constructed from the theories of Kotler (2012).)

*Need for recognition* is when the consumers recognizes that they have a need or a problem, which can be affected by both internal and external factors, like hunger or looking at an advertisement. Then the *information research* starts, which is dependent on what kind of product the consumer wants to purchase and also if it’s close at hand (Kotler, 2012). When searching for information it can be found from different sources like personal, commercial, public- and experiential sources, and the influence these sources has varies from the consumer and the product. Although commercial sources is the one that informs the buyer about the product, the most efficient source is the personal, due to its way to legitimize and evaluate a product. The *evaluation of alternatives* is the next step in the decision process and it involves the choice of product that has to be made, among different alternative brands. Consumers process the information that they have received about the brands but it differs from buyer to buyer. Sometimes they make decisions according to their own opinions, but other times they advice their friends, salespeople or go online to look at reviews (Kotler, 2012). The fourth step is the *purchase decision* where the buyer chose the product that they prefer the most, although two things can change
the intention and the decision of the purchase. It is other peoples attitudes about the product, like your family and friends, and also unexpected situations that can change the decisions process. This can for example be if the economy takes a turn and the price of the product, or the personal income changes. When the product is bought the consumer will engage in a post purchase behavior which is for the consumers to decide whether they are satisfied or dissatisfied with the purchase. For the buyer to be satisfied it’s important that the expectations on the product matches with the interpreted performance. Consumers that are satisfied is worth striving for because they will form a profitable relationship with the brand (Kotler, 2012).
4. Empirical Results

This chapter presents the empirical results of the gathered primary data, consisting of surveys and a focus group interview. The results from both parts are divided into three paragraphs: External factors including reference group, family, roles and status, Internal factors including motivation, attitudes and beliefs and The Buyer Decision Process. The results from the survey are going to be presented both as charts and as body text. The questions that are presented as charts are those that capture the essence of the three paragraphs the most.

4.1 The Result of the Survey

A web-survey was made to collect the empirical findings in order to answer the research question. The survey consisted of 17 questions and was answered by 100 young Chinese women in the age 20-25 year old.

4.1.1 External factors

In the survey the respondents got the question: “When thinking about luxury, what is the first thing that come to your mind?” and a majority of the respondents (52 percent) thought the same, a brand name or logo. Only 4 percent thought of fashion consciousness, and the last three options: wealth, status and celebrities, had a similar result around 15 percent. In order to see how the respondents would define luxury the question in figure 3 was asked:

![How would you define luxury?](image)

Figure 3. Question 3: “How would you define luxury?”
When asking if they would rather buy a luxury item that a lot of people has or is owned by few people, the respondents were relatively consistent since the result showed that 85 percent wanted an item that was owned by few people. The respondents were also asked why they bought luxury goods and only 12 percent answered that they do it to get status. Another question they got to answer was regarding who is paying for their luxury goods. 41 percent pay for it themselves and 22 percent gets it from their parents or relatives. Only 11 percent got it as a gift while 26 percent had other reasons for how they paid for their luxury goods. They were further asked what they thought about people owning luxury goods that were both in their own age, an in the ages 30-40 years old. The respondents’ opinions can be seen in the charts below.

**Figure 4.** Question 9: “What do you think about people in your own age that owns luxury goods?”

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>They come from a wealthy family</td>
<td>46%</td>
</tr>
<tr>
<td>They have a good style, I want to look like them</td>
<td>7%</td>
</tr>
<tr>
<td>They have made a good investment</td>
<td>11%</td>
</tr>
<tr>
<td>They do not know the value of money</td>
<td>7%</td>
</tr>
<tr>
<td>They are showing off</td>
<td>22%</td>
</tr>
<tr>
<td>They are superficial</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Figure 5.** Question 10: “What do you think about women that are older than you (30-40) and own luxury goods?”

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>They have a good job</td>
<td>39%</td>
</tr>
<tr>
<td>They have a good style, I want to look like them</td>
<td>22%</td>
</tr>
<tr>
<td>They have made a good investment</td>
<td>17%</td>
</tr>
<tr>
<td>They do not know the value of money</td>
<td>4%</td>
</tr>
<tr>
<td>They are showing off</td>
<td>7%</td>
</tr>
<tr>
<td>They are superficial</td>
<td>11%</td>
</tr>
</tbody>
</table>
4.1.2 Internal Factors

To provide an insight on the reason to why young Chinese women buy luxury goods they got to answer the question “Why do you buy luxury goods?”. The results showed that 39 percent of the respondents shared the same reason for buying luxury goods: because they like the brand and the style. 22 percent stated that they bought luxury goods to feel good and almost the same percentage answered that they bought it because it matches their lifestyle and personality. To get status was the reason why 12 percent of the respondents bought luxury goods, while the rest of them bought it to either “fit in” or to look like people they think are desirable. The respondents were further asked what luxury means to them, if choosing between high-price and quality. The result showed that 63 percent answered quality and 37 percent found high-price more relevant to luxury. They were also asked to state if they thought there were any risks in buying luxury goods, and their opinions are listed in figure 6:

<table>
<thead>
<tr>
<th>Do you think there are any risks in buying luxury goods, in that case, which one?</th>
</tr>
</thead>
<tbody>
<tr>
<td>People think negatively about you 12%</td>
</tr>
<tr>
<td>People may think that the luxury product is fake 44%</td>
</tr>
<tr>
<td>You did not get any value for the money you spent 44%</td>
</tr>
</tbody>
</table>

Figure 6. Question 11: “Do you think there are any risks in buying luxury goods, in that case, which one?”

One of the questions that were asked in the survey was to examine whether the respondents believed that they would buy or buy more luxury goods in the future then they do today. A clear majority of 74 percent of the respondents claimed that they would buy or buy more luxury products in the future. Meanwhile, a minority of 26 percent stated that they would not. Those respondents whose answer was Yes, were also asked to state the reason for wanting to buy luxury goods in the future. A majority of the
respondents claimed that it would be good for their career and others stated that it would be because they had a job and would be able to spend more money. One of the respondents answer was: “To treat myself better”, while another one stated: “Because I maybe need one”.

### 4.1.3 The Buyer Decision Process

In order to know how many of the respondents actually owned any luxury goods they got to answer a question about this, and the result showed that 63 percent owned luxury goods. To get an understanding about respondents buying decision process they were asked how often they buy luxury goods (see result below, figure 7).

![Figure 7. Question 12a: “How often do you buy luxury goods?”](image)

To the respondents who answered “I never buy luxury goods” the supplementary question “Why?” was asked. A majority of these respondents stated that it was because it is too expensive, and none of them did not buy luxury goods because they did not like the brand and the style. The respondents that buy luxury goods were further asked;” when buying luxury goods is it a planned or an impulse purchase?”. 90 percent of the respondents claimed that it was a planned purchase and only 10 percent stated that it was impulse. To look at the next step in their buying decision process the respondents got the question “From where do you get information about luxury brands?” and the results are listed in figure 8:
4.2 The Result of the Focus Group Interview

One focus group interview was made as a complement for the survey in order to get deeper and more detailed answers about the chosen subject. The respondents consisted of five Chinese young women in the ages 22-24 and the questions they were asked to answer were all based on the questions in the survey.

4.2.1 External Factors

The respondents got the question: “What is luxury according to you?”, and the results were something that is expensive, has a strong brand or a famous logo. The respondents were asked if they would rather buy a luxury item that a lot of people has or is owned by few people. All the respondents answered that they would rather buy an item that is owned by few, because in that way the item becomes more special and unique. In order to investigate their thoughts about their families, they were asked if the family is important to them. All respondents agreed and responded that the family is very important and a big part of this is because their families are the one that support them. Their parents have the power to make decisions within the family and they further explained that after they have graduated it is their turn to support their families back, so it is an ongoing process. When asked if the respondents give luxury goods as gifts or receive luxury goods, the majority of the respondents claimed that they both buy and receive luxury goods from their families and friends, mostly their families. They explained that it is a way to say that they value this person and want to give him or her something luxurious. To
investigate how the respondents think luxury creates roles and provides status within a society, they
were asked if they think about their reputation when choosing what to shop and if they think a person
that wears luxury goods gets more status than a person who does not wear it. All respondents explained
that they were thinking about their reputation and want people to think well about them and one
respondent explained that she would not choose something that differs a lot from other people or stands
out. Concerning if people get more status when wearing luxury goods, they shared the same thought
and explained that people in their own age wearing luxury goods do not get any status because others
will draw the conclusions that they have not paid for it themselves.

4.2.2 Internal Factors

The main reason for buying luxury goods was the same for all respondents; because of the high quality
and the fact that the products were long lasting and durable. Three of them agreed on that the reason for
the purchase was to make themselves feel good, while two of them also felt that they wanted to show
off a little bit. All of the respondents agreed on that they would only buy luxury goods for their own
money since they would feel guilty to use their parents money. One of the respondents claimed that
people in their age got their luxury goods from families or friends. Their common thought on people in
their own age that owns luxury goods were that they came from a rich family, mainly that they have a
rich father. But if the father is in a high position, then the people that does business with him often
gives luxury goods to his family, to make him like them more. If women in an older age wears luxury
goods it’s because they deserve it and it works as a symbol of her status. They are not showing off
because they have the money to buy the products, and are often tasteful and wearing something that is
suitable for their age and body. In order to investigate the significance of the brand or the product, the
respondents were asked: “What is most important, the brand or the product?” One respondent were
thinking that the product is most important, but three of the respondents were saying that both are
equally important, and the last respondent said that it is approximately 70 % the product and 30% the
brand. They also claimed that it was not totally safe to buy luxury goods, and one reason was because it
could be fake, especially when it comes to bags because it is very easy to get hold off a counterfeit one
in China. All respondents would like to sometime in the future buy more luxury goods than they do
today and according to them it is not just about buying the brand because it is a way of making
business. For example having a luxury bag in your hand when sitting down for dinner the people you
are eating with knows that you have power, which makes them willing to do business with you, explained one of the respondents.

4.2.3 The Buyer Decision Process

In order to investigate the respondents buying decisions process they were asked: “What influences you and your decision-making when it comes to shopping?” They claimed that it was mostly magazines that inspired them, also people’s recommendations, their friends and some TV-shows. Today’s generations buying habits are based on both buying what you want but also what you need and so is also the case for all the respondents. When growing up their buying behavior was based on what they were in need of but now, when the parents are no longer involved, their purchasing is based upon what they want. This is in contrary to the older generations that just buy what they need and whose main goal is to save money, explained one of the respondents. When it comes to luxury goods all the respondents claimed that the purchases always are planned because it is such an expensive purchase that it is good to compare different prices in different stores so that the money is well spent. When asking where the respondents get their information from about luxury brands they were unanimous in their answer, which was mostly from magazines, TV and advertisement. They explained that advertisement becomes more and more common for luxury brands in China. The respondents further claimed that their purchasing decisions are based on both their own personal opinions and what their friends think, but opinions from others on for example different websites is also influential. Although one of the respondents claimed that she is very affectable and only buy things that her friends and family likes. But the others stated that if they are completely sure about what they think their friends opinions will not have any impact, but if they are unsure others opinions are essential in the decision process. They also mentioned that their surroundings have an impact on them when it comes to making a buying decision because Chinese people in general do not like to stand out. Although a luxury product makes you stand out among others, there is always a possibility to buy what others already have, concluded one of the respondents.
5. Analysis

This chapter is based on the empirical findings which are being analyzed and compared with the theories. The first part of the analysis consists of how young Chinese women define luxury. The chapter is further divided into three sections within consumer behavior: external factors, internal factors and the buyer decision process.

5.1 Chinese Women’s Definition of Luxury

Luxury is a special brand name, logo or a special design (Kapferer, 2005) and can be defined as a brand that is both selective and exclusive and contributes to an emotion and creates value for customers (Chevalier & Mazzalovo). In the survey the respondents claimed that when thinking about luxury they mainly thought of a brand name or a logo and defined luxury above all to be rare and unique. Elegant and fashionable were also two definitions that stood out in the survey. Only 22 percent of the respondents explained that they bought luxury to feel good, but the majority (39 percent) stated that it was mainly based on their personal opinions, since they bought luxury because they liked the brand and the style. Theories shows that people in the east do not want to go against the crowd and stand out, they would rather blend in and be like everyone else (Kapferer, 2005). This theory did not consist with the answers from the survey, since all the young women would rather buy a luxury item that is owned by few people then owned by a lot of people. But in the interview a majority of the respondents explained that they would not choose something that differs a lot from other people or stands out and claimed that Chinese people are very much concerned with their images.

5.2 External Factors that Influence the Buying Behavior

In consumer behavior, customers can be affected by both external and internal factors. External factors are factors that influence consumers from the outside and include reference group, family and roles and status (Hawkins & Mothersbaugh, 2009).

A reference group can be defined as a group whose presumed values or perspective are being used by a person as the basis for his or her present behavior (Hawkins & Mothersbaugh, 2009), and can be
classified into four different categories, which are: primary, secondary, aspirational and dissociative. Primary consist of family and friends and the secondary consist of schools, community organizations or religious groups. The aspirational group refers to a person that has a desire to adopt a person’s or a group’s behavior, values and norms, and strives to associate to them. Dissociative means that consumers can reject a group’s values if they are portraying a less desirable appeal and in that case gets closer to another group (Hawkins & Mothersbaugh, 2009). The results from the survey showed that the respondents mostly received information about luxury brands from different magazines. After magazines it was their friends that gave information and inspired them the most and the least were their families and relatives. From the interview the respondents explained that reading fashion blogs, magazines, peoples recommendations, their friends and some TV-shows, were factors that inspired them and factors that they had as reference groups.

Family is another factor that influence the buyer behavior and it has been researched that the family is the most important consumer buying organization within a society (Kotler, 2012). There are three ways that help to explain how families are functioning: cohesion, adaptability and communication. Cohesion consist of the emotional way the family members bond with each other, adaptability means how well a family has the ability to change in its power structure and communication is depending on the first two variables and can either help or restrict a family depending on how the communication is in the family (Hawkins & Mothersbaugh, 2009). As mentioned above both the respondents from the survey and the interview group did not think their family had a big impact on their decision when it comes to fashion. But all respondents from the interview explained that the family is very important for them, and they further explained that a big part of this is because their families are the one that support them. One respondent claimed that what differs their families from other families in other countries are the way the parents treat their children and she explained:

“For us, our families still support us, and therefore we have another contact with our parents. People from Sweden in the same age as us are independent people, whilst we are the possessions of the family. Financially we are not independent yet and mentally we are controlled.”
Another respondent agreed and added that the parents want to protect their children and that they have the power to make the decisions within the family. But after they have graduated it is their turn to support their families back, so it is an ongoing process. They further explained that when they become parents they do not want to be like their parents, they want to change the tradition in the Chinese families and let their children do whatever they want. All respondents from the interview claimed that they bought luxury goods to their family members. They explained that when giving luxury goods as a gift it is a way to say: I value this person and therefore I give you something luxurious.

The position a person has in a group can be defined in terms of both roles and status. With a role includes the activities people are expected to perform according to the people around them and each role in turns has a status that is reflecting the general esteem given to it by society (Kotler, 2012). The survey showed that only 12 percent of the respondents buy luxury goods in order to get status. It also showed that a majority of the respondents (46 percent) thought, when seeing a young woman in their own age wearing luxury, that she would come from a wealthy family and 22 percent thought that she was just showing off. The respondents also got to answer a question on what they thought about women in the age 30-40 years old owning luxury goods and the result showed that a majority thought they had a good job, and only 7 percent found them showing off. From the interview all the respondents agreed with the theory and explained that they are thinking about their reputation when choosing what to shop, because they want people in their surrounding to think well about them. Theories shows that that a big part of the motivation when doing a purchase of a product or service is not for people to enjoy it, but rather for other people to see that they can afford to make this purchase (Solomon & Rabolt, 2009). One of the respondents claimed that according to this theory rich people buy luxury only to show off so that other people will know how rich they are. According to another respondent there is a joke is China that says:

“If a girl is wearing luxury she has a rich father.”
5.3 Internal Factors that Influence the Buying Behavior

Internal factors have also a big impact on customers buying behavior and consist of motivation and attitudes and beliefs (Hawkins & Mothersbaugh, 2009).

When a person feels a need for something they often get motivated to satisfy that need (Hawkins & Mothersbaugh, 2009). The needs can either be subconscious which leads to an unconscious buying behavior. It can also be based on the motivation to satisfy different needs in a certain order of priority to be able to get completely satisfied (Kotler, 2012). When analyzing the results from the survey, one of the main reasons for the respondents to buy luxury goods was to feel good. This opinion was also shared by most of the respondents from the focus group interview that also stated that purchasing luxury goods was for personal reasons and to make themselves feel good. They were also asked to answer the question whether they believed that they would buy or buy more luxury goods in the future than they do today. The answers from the survey concluded that a majority (74 percent) believed that they would buy more luxury products in the future, while 26 percent of the respondents claimed that they would not. For those who’s answer was ‘Yes’ were also asked to answer a supplementary question on the reason why they would consider buying luxury goods in the future. The responses were incredibly varied, but two recurring themes were evident in the responses: the fact that their careers would benefit from owning luxury goods and also that they would make careers in the future and then be able to spend more money, and in this case, on luxury goods. Some of the respondents also stated that it would make them feel better and that they would reward themselves with luxury goods.

A persons beliefs and attitudes are both based on the thought people have about something, but also based on a consistent emotion about something after evaluating it. These beliefs and attitudes are what people base their buying behavior on and works as a breaking point for either liking or disliking a product or a brand (Kotler, 2012). By selecting one word, the survey respondents got to answer a question regarding what they thought luxury meant to them and the majority (63 percent) stated that to them, luxury was equal with quality. Whereas the rest claimed that it was the same thing as high-price. They also got to answer a question if there are any risks in buying luxury goods and the answers from the survey concluded that there was no majority but an equal amount of respondents answered that the
risk was that the product could be perceived as a counterfeit one by others, but also that you did not get any value for the money you spent on the product. The answers from the interview was consistent with the answers from the survey, and they all agreed that it can be seen as a fake product, especially since it is easy to buy counterfeit products in China.

5.4 How Young Chinese Women make a Purchase

A person’s consumer behavior is what affects the result of the buyer decision process, which is the process consumers go through when deciding on what to buy (Kotler, 2012). The first question the respondents got to answer about their buying decision process in luxury consumption was “Do you own any luxury goods?”. A whole 63 percent answered that they did own luxury goods, while the rest claimed that they did not. To provide a further insight about the respondents’ buyer decision process the respondents go to answer a question concerning how often they buy luxury goods. The majority responded that they bought luxury goods more rarely than once a year, while 15 percent claimed that they bought luxury goods every month. As much as 30 percent said that they never bought luxury goods and were further asked to answer why they did not. A clear majority claimed that it was too expensive, while the rest said that it did not fit their lifestyle and personality. The respondents that bought luxury goods were also asked to answer whether the purchase is planned or impulse, and 90 percent claimed that it was planned while the rest said it was an impulse purchase.

The whole buyer decision process starts with the consumer being in need of something and their only way of satisfying that need is to buy a product (Kotler, 2012). In the interview the respondents were asked to answer if the reason why the bought new products was because they were in need of it or if it was because the just wanted new things. They were unanimous in their answers, which was that they bought products for both reasons, in contrary to their parents and what they were used to in their upbringing, where the purchase was based on being in need of something. The second step is for the consumer to search for information about what could be the best product for him/her to buy to satisfy their need. It can be anything from talking to friends, reading magazines or reading recommendations on the Internet (Kotler, 2012). The respondents had five alternatives that they could choose from when deciding on where they get information from about luxury brands and the majority answered that it was from magazines. The second biggest source was family, closely followed by blogs and shop windows.
When it’s time for the customer to evaluate the alternatives, it can be based on personal opinions, or be affected by what others think. Then the customer will buy the product of choice, which can change due to others opinions that differs from the customers (Kotler, 2012). The respondents from the interview claimed that their evaluating decisions and buying decisions were made based upon their own personal opinions but also their friends and family. One of them even claimed that she never based her decisions on her own opinion while the others stated that it depended on how sure they were about their opinions of the product. They also stated that they were affected by the fact that Chinese people generally do not like to stand out among others, which one of the respondents expressed like this:

“There is a saying that if a bird stands out, it will be shot.”
6. Discussion

This chapter starts with a repetition of the research question of the study, in order to answer it. The results from the analysis will further be discussed and lead to different conclusions.

6.1 Young Chinese Women’s Consumer Behavior

Before writing this thesis we were aware of how Chinese people defined luxury and which criteria they had when defining luxury goods, but we did not know if the criteria was consistent with how young female Chinese consumers define luxury today and what influences them to buy luxury goods. Therefore we have investigated the research question: What behaviors do 20-25 year old Chinese women consumers have in relationship to luxury goods? From the information that we have received during the writing of this thesis is that the way young Chinese women perceive luxury is through a name or a logo, which is consistent with the theory. It also concludes that the view on luxury is not different according to the opinions of young Chinese women, but it does not mean that their behavior towards luxury is in accordance to previous research.

Previous research shows that Chinese people do not want to stand out against the crowd, which opposes to the information received from the survey where the majority would rather buy an item that few people has. The respondents from the interview stated that they would also buy an item that is owned by few people, which they later on in the interview opposed to when they mentioned that they do not want to stand out because they want to blend in into their surrounding. From this information we could draw the conclusions that their consumer behavior is based on that they want to stand out, but subconsciously they still act upon what earlier theories claimed, because it is firmly rooted in their behaviors. This shows a clear willingness that they want to change and that they are in the process of a behavioral change towards acting more individualistic.

In the investigation we can see that young Chinese women thinks their families are very important, but when it comes to shopping their families has no big impact on their decision process. What has most impact on the young women and what works as their main inspirational source are magazines. This
means that the aspirational group is the reference group that inspires them the most, people from magazines that they want to look like and people they think are desirable. Secondly comes the primary group that consists of friends who also have a big influence on their purchase decision. Despite this, the cohesion in a Chinese family is very good, they all have a strong bond with each other and are always looking after one and another within the family. Concerning the adaptability, it is not entirely without problems. The parents have their tradition in the family and thus the ability to control them. The young women’s consumer behaviors are that they want to change the adaptability in the family, they want their children to have more freedom and be able to make their own buying decisions. With this change they are able to improve the communication in the family and therefore even improve the influence that the family has on their buying behavior.

It can further be seen that young Chinese women do not buy luxury goods to get status and are not impressed by people in their own age that owns luxury goods, they simply think they buy it to show off. However, they have a different view on older women between 30-40 years old that buy luxury goods, because it reflects that they are independent and have successful careers. They believe that luxury products indicate that you have succeeded in life and it also gives you a higher status. As mentioned in the introduction Chinese women have more opportunities today, hence they are educated an independent when it comes to their finances which has made them spend more money on shopping, especially luxury goods. Through our research we can conclude that young Chinese women consumer behaviors are characterized by the fact that they want to buy more luxury goods in the future, both for personal reasons but also because it will help their careers and make them seem more professional. Another strong reason for buying luxury goods was based on self-fulfilling reasons, which was to make themselves satisfy their needs of feeling good.

Through our empirical findings we have established that the respondents’ attitudes towards luxury also includes the risk-taking in buying luxury goods and the majority claimed that there were two risks that was equally high. These were the fact that the product could be seen as a counterfeit one, and also that they did not get any value for the money that they had spent. They also stated that they associated luxury with quality, rather than high-price, which shows how important this factor is. Since these behaviors are based on the respondents attitudes and beliefs they can be the reason for the Chinese
female consumers to either buy or not buy luxury goods. With this result we can conclude that young Chinese women base their consumer behavior on what their surroundings think about them, they are concerned with their images, and do not want to be discredited for owning a counterfeit product. Also that they expect high-quality when buying luxury goods because they consider it to be some kind of a financial risk to buy luxury goods, and therefore get value for the money spent.

With the research it can also be seen that a lot of the respondents do not buy luxury goods often today, because of financial reasons, however they claim that they want to buy more in the future when they have an established career and are independent. The purchases they have made were almost always planned and never impulse buying which concludes that before making any luxury purchases, the young Chinese women research about the product, either by reading magazines, looking on the Internet or talking to their friends. Our findings also showed that the respondents buy products both because they need them but also because they want something new. This consumer behavior is opposite to what they have been thought while growing up by their parents where their rules were just to buy what they were in need of. This also shows that young Chinese women have a different view on shopping today and how they spend their money. Unlike before, their buying behavior today is mostly based on them making themselves feel good. The decision on what to buy was generally based on their own personal opinion but when they were unsure about something they sought for advice among their friends and families. The fact that the respondents do not like to be noticed also played a big role in the decision making process. As mentioned earlier, a conclusion can be made that their consumer behavior is based on that they don’t choose to buy anything that stands out and they choose to be safe, rather than unsafe.
7. Conclusions and Further Research

The final chapter starts with the purpose of the paper and why it was written. The conclusions of the study are presented and the chapter concludes with suggestions for further research.

7.1 Conclusions

Chinese consumers are in less than five years going to transform from a niche emerging market to a core target for global luxury brands. Therefore it is eminently for companies and their marketers to understand what influences Chinese consumers, and particularly the future customers, which in this case are young Chinese women.

The findings of our research can provide information for marketers within the luxury market, which concludes that young Chinese women are contradictory in their consumer behavior and way of wanting unique luxury goods but still not stand against the crowd. We believe that in a few years they will have taken the step towards being more individualistic in their buying behavior and dare to stand out. It also includes what affects and inspires the young women the most, which is magazines. This has to be taken in consideration by marketers when wanting to reach out to that specific target market. There is also an advantage to make the marketing strategy appeal to their parents because they are the ones that handle the finances while they study. If the marketers are able to affect the parents they can become more adaptable which can lead to an increased shopping behavior. Status is something that the young Chinese women want to achieve in the future by wearing luxury goods, but it is something that they overlook when it comes to people in their own age. Buying luxury goods for your own money is what gives you status because it is personal and something that you have done yourself, not something that someone has bought for you. To easier appeal to young Chinese women, marketers can take advantage of the fact that they associate luxury and successful women with status and use business women as models in their campaigns.

They defined luxury to be rare, unique, elegant and fashionable and think that luxury goods should in particular include high-quality, since that was the most important criteria for them. These are five key
words that marketers should integrate in their marketing. The main risks with buying luxury goods are economic and social which is hard for marketers to prevent. But one way for them to work around this is by trying to assure the consumers that others are satisfied with the products, which makes it safer for them to buy it. It is also important for marketers to know that they are aware of that young female Chinese consumers want to buy more luxury products, but when buying they always research about the products and make extensive use of both magazines but also the Internet. To make themselves feel good is the main reason for their buying behavior today and therefore marketers should reinforce the individualistic sense in their marketing strategies.

7.2 Further Research

In the thesis we have discussed the behaviors young female Chinese consumers have in relationship to luxury goods, and have focused on a specific age group: 20-25 year olds. Further research within luxury would be interesting with a focus on other specifics, like culture, since China is one of the biggest countries in the world which creates cultural differences throughout the country, and can be significant for Chinese consumers buying behavior. Also to compare different provinces with each other would be interesting because some parts of China, primarily the costal side, are in the forefront of development, while the inland lags behind. We see our thesis as a contribution to the growing research area within luxury and look forward to future development within the subject. Now it only remains to be seen if China will be the leader of the world's luxury market and if the future is female?
Reference List

Attained: April 2, 2012

Attained: April 2, 2012


Attained: April 2, 2012


Attained: May 8, 2012

Attained: April 5, 2012


Attained: April 2, 2012


Appendix 1: Survey

Hi!

We are two students from the School of Textiles, University of Borås, and are currently writing our master thesis. The thesis is going to investigate “What behaviors do 20-25 year old Chinese women consumers have in relationship to luxury goods?“.

The survey addresses to young women that come from China in the ages 20-25 year old. We are interested to get answers both from women that re luxury consumers, and also from those who are not.

Thanks for your participation!

Sofia Green
Joanna Holm
1. Do you think education is important?

☐ Yes
☐ No

2. What education do you have?

☐ Secondary education
☐ Bachelor degree
☐ Master degree
Other __________________________________________

3. How would you define luxury? (Multiple answers)

☐ Rare and unique
☐ Common
☐ Fashionable
☐ Elegant
☐ Limited
☐ Exclusive

4. What does luxury mean to you? (One answer)

☐ Quality
☐ High price

5. When thinking about luxury, what is the first thing that comes up to your mind? (One answer)

☐ Wealth
☐ Status
☐ Celebrities
☐ Fashion conscious
☐ Brand name and logo

6. From where do you get information about luxury brands? (Multiple answers)

☐ Friends
☐ Relatives
☐ Magazines
☐ Blogs
☐ Shop windows
7. Would you rather by a luxury item that...?

☐ a lot of people has
☐ is owned by few people

8. Do you own any luxury goods? (One answer)

☐ Yes
☐ No

9. What do you think about people in your own age that owns luxury goods?
(Multiple answers)

☐ They come from a wealthy family
☐ They have a good style, I want to look like them
☐ They have made a good investment
☐ They do not know the value of money
☐ They are showing off
☐ They are superficial

10. What do you think about women that are older than you (30-40) and own luxury goods? (Multiple answers)

☐ They have a good job
☐ They have a good style, I want to look like them
☐ They have made a good investment
☐ They do not know the value of money
☐ They are showing off
☐ They are superficial

11. Do you think there are any risks in buying luxury goods, in that case which one? (One answer)

☐ People think negatively about you
☐ People may think that the luxury product is fake
☐ You didn’t get any value for the money you spent
☐ No, there are no risks. It is only positive
12 a) How often do you buy luxury goods?

☐ Every month
☐ Every sixth month
☐ Once a year
☐ More rarely
☐ I never buy luxury goods

12 b) If your answer is ‘I never buy luxury goods’, why? (Multiple answers)

☐ It’s too expensive
☐ I don’t like the brands and the style
☐ It doesn’t fit my lifestyle and personality

13 a) Do you believe in the future you will buy/buy more luxury goods than you do today? (One answer)

☐ Yes
☐ No

13 b) If your answer was ‘Yes’, Why? ____________________________________________

If your answer was ‘No’ to question number 13a, thank you for your participation!

15. Why do you buy luxury goods? (Multiple answers)

☐ I like the brands and the style
☐ I buy it to “fit in”
☐ I buy it to look like people I think are desirable
☐ I buy it to get status
☐ I buy it to feel good
☐ I buy it because it matches my lifestyle and personality
16. When buying luxury goods, who pays for it? (Multiple answers)

- [ ] I pay for it myself
- [ ] My parents or relatives
- [ ] I get it as a gift
- [ ] Other

17 a) When buying luxury goods, is it...?

- [ ] a planned purchase
- [ ] an impulse purchase

17 b) If your answer was ‘planned’ where do you get your information from when planning the purchase?

- [ ] Internet
- [ ] People in my surrounding
- [ ] Advertisement
- [ ] Other
Appendix 2: Survey results

1. Do you think education is important?

- Yes: 100%
- No: 0%

2. What education do you have?

- Secondary education: 4%
- Bachelor degree: 37%
- Master degree: 59%
- Other: 0%

3. How would you define luxury?

- Rare and unique: 27%
- Common: 1.5%
- Fashionable: 19.5%
- Elegant: 22%
- Limited: 15%
- Exclusive: 15%
4. What does luxury mean to you?

Quality 63%
High-price 37%

5. When thinking about luxury, what is the first thing that comes to your mind?

Wealth 19%
Status 11%
Celebrities 15%
Fashion consciousness 4%
Brand name or logo 54%

6. From where do you get information about luxury brands?

Friends 20%
Relatives 5%
Magazines 49%
Blogs 16%
Shopwindows 16%
7. Would you rather buy a luxury item that...?

- A lot of people has 15%
- Is owned by few people 85%

8. Do you own any luxury goods?

- Yes 63%
- No 37%

9. What do you think about people in your own age that owns luxury goods?

- They come from a wealthy family 46%
- They have a good style, I want to look like them 7%
- They have made a good investment 11%
- They do not know the value of money 7%
- They are showing off 22%
- They are superficial 7%
10. What do you think about women that are older than you (30-40) and own luxury goods?

- They have a good job: 39%
- They have a good style, I want to look like them: 22%
- They have made a good investment: 17%
- They do not know the value of money: 4%
- They are showing off: 7%
- They are superficial: 11%

11. Do you think there are any risks in buying luxury goods, in that case, which one?

- People think negatively about you: 12%
- People may think that the luxury product is fake: 44%
- You did not get any value for the money you spent: 44%

12a. How often do you buy luxury goods?

- Every month: 15%
- Every sixth month: 15%
- Once a year: 7%
- More rarely: 33%
- I never buy luxury goods: 30%
13b. If your answer was ‘Yes’, Why?

Example 1: “Better taste and higher income than none.”
Example 2: ”I have a job then.”
Example 3: ”Maybe sometimes I need them along with my career.”
Example 4: ”Treat myself better.”
Example 5: ”It is necessary for some special situation.”
14. Why do you buy luxury goods?

- I like the brands and the style (39%)
- I buy it to “fit in” (6%)
- I buy it to look like people I think are desirable (3%)
- I buy it to get status (12%)
- I buy it to feel good (22%)
- I buy it because it matches my lifestyle and personality (18%)

15. When buying luxury goods, who pays for it?

- I pay for it myself (41%)
- My parents or relatives (22%)
- I get it as a gift (11%)
- Other (26%)

16a. When buying luxury goods is it...?

- A planned purchase (90%)
- An impulse purchase (10%)
16b. If your answer was 'Planned', where do you get your information from when planning the purchase?

- Internet 19%
- People in my surrounding 22%
- Advertisement 19%
- Other 40%
Appendix 3: Interview guide

1. What kind of education do you have?

2. Do you think education is important?

3. What do you want to do in the near future, after finishing your studies?
   Make a career? Have a family?

4. Is the family important to you?
   Do you think that the family in general is more important in China than in other countries?

External factors

5. What is luxury according to you?

6. Do you have any role models that inspire you when it comes to fashion?

7. Would you rather buy a luxury item that a lot of people has or is owned by few people? Why?

8. Do you ever give luxury goods as gifts on special occasions, or do you receive luxury goods on special occasions?

9. Do you think about your reputation when choosing what to shop?
   Are Chinese people concerned with their image?

10. Do you think a person that wears luxury goods gets more status than a person who does not wear it?
   “Asians frequently purchase luxury goods for family members and “package” families with luxury brands to show off family wealth and status”, is this true?

11. Do you own any luxury goods?

Internal factors

12. Why do you buy luxury goods?

13. When buying luxury goods, who pays for it?

14. What kind of impact does your surroundings have on you when it comes to your purchase
decisions?

15. What do you think about people in your own age that owns luxury goods?

16. What do you think about women that are older than you (30-40) and own luxury goods?

17. What is most important, the brand or the product?

18. We have read that symbolic values are more important than hedonistic values, and also that Chinese consumers pay close attention to the brand and country-of-origin of luxury and prefer well-known foreign luxury brands with popular logos. Is it like this? Why?

19. Do you think there are any risks in buying luxury goods?
   Negative perception from people in your surrounding, it can be seen as a fake product or if you can be seen as a “showing off” person.

20. Do you believe in the future you will buy/buy more luxury goods than you do today? Why?

The buying decision process

22. What influences you and your decision-making when it comes to shopping?

23. How often do you buy luxury goods?
   If the answer is never, why?

24. Do you mostly buy clothes because you need them, or do you buy clothes because you simply like them and want to expand your wardrobe?
   What was your last purchase?

25. When buying luxury goods, is it a planned purchase or an impulse purchase
   If the answer is ‘planned’, where do you get your information from when planning the purchase?

26. From where do you get information about luxury brands?

27. When you make a decision on what to buy, is the decision based on your own opinions or is it from advising your friends, salespeople or do you research online about the product?

28. In the end, do you buy what you prefer the most or can your decision be changed by what your family and friends think?