Luxury Consumer behaviour

- A Comparative Case Study of Emerging Luxury Markets in China and Finland

Suvi Lukkarinen & Xing Wei

THE SWEDISH SCHOOL OF TEXTILES
UNIVERSITY OF BORÅS

Visiting adress: Bryggaregatan 17
Postal adress: 501 90 Borås
Website: www.textilhogskolan.se
Abstract

The study on luxury consumers is always connected to their drives behind consumption. Why people buy luxury products is an interesting question. This thesis investigates influencing forces behind luxury consumer behavior, in a comparative case study on Chinese and Finnish consumers. Luxury consumption is not a new phenomenon, but in some countries, like China and Finland, the luxury market is still growing since many brands are newly entering these markets. At the same time, new generations have become luxury consumers so these markets are quickly changing.

Researches have been made on luxury consumer behaviour in China and Finland. However, there is a lack of updated information available about this subject, especially about Finnish luxury consumers. Furthermore, the driving forces behind the luxury consumption are not the same in different countries. In a competitive industry like luxury fashion, the marketing tactics have to be adapted to specific market conditions in order to succeed. The purpose of this thesis is to gain updated information about Chinese and Finnish luxury consumers and investigate forces behind their luxury consumption. The study focuses on three important influencing forces including culture, motivation and brand equity of Chinese and Finnish luxury consumers.

The investigation shows that Chinese luxury consumers, in terms of culture, are more collective and have higher power distance than Finnish consumers; other's influence and emotion have greater impact on Chinese luxury consumers than that on Finnish consumers; in comparison with Chinese consumers, Finnish consumers are more easily motivated to buy luxuries for special time such as holidays or for giving gifts; Chinese luxury consumers are shown to have lower brand loyalty, awareness and association than Finnish consumers.

Keywords: luxury consumer behaviour, China, Finland, comparative study,
Table of contents

1. INTRODUCTION .................................................................................................................. 1
   1.1. BACKGROUND—CHINA ................................................................................................. 3
   1.2. BACKGROUND—FINLAND .......................................................................................... 6
   1.3. RESEARCH QUESTIONS AND PURPOSE OF THE RESEARCH ................................ 11
   1.4. PROBLEM STATEMENT ............................................................................................... 12

2. THEORETICAL FRAMEWORK ............................................................................................. 13
   2.1. MOTIVATION ................................................................................................................. 13
   2.2. BRAND EQUITY ........................................................................................................... 15
   2.3. CULTURAL EFFECTS ON CONSUMER BEHAVIOUR ................................................ 16
   2.4. SUMMARY .................................................................................................................... 17

3. EMPIRICAL RESEARCH PLAN ............................................................................................. 18
   3.1. POPULATION, SAMPLING AND DATA COLLECTION .................................................... 18
   3.2. QUESTIONNAIRE DESIGN AND DATA MEASUREMENT .............................................. 19

4. RESULTS ............................................................................................................................... 26
   4.1. GENERAL INFORMATION .............................................................................................. 26
   4.2. CULTURAL DIFFERENCES ........................................................................................... 28
   4.3. MOTIVATION ............................................................................................................... 30
   4.4. BRAND EQUITY .......................................................................................................... 33

5. ANALYSIS ............................................................................................................................. 36

6. CONCLUSION ......................................................................................................................... 39

7. CONTRIBUTION .................................................................................................................... 40

8. LIMITATIONS AND FURTHER SUGGESTIONS ................................................................ 41

9. REFERENCES ......................................................................................................................... 44

List of tables

Table 1: Questionnaire .............................................................................................................. 25
Table 2: General Information .................................................................................................. 27
Table 3: MANOVA—cultural differences ............................................................................. 28
Table 4: ANOVA—Cultural differences ................................................................................. 29
Table 5: MANOVA—motivation ............................................................................................ 31
Table 6: ANOVA—motivation ................................................................................................ 32
Table 7: MANOVA—brand equity ......................................................................................... 34
Table 8: ANOVA—brand equity ............................................................................................ 35

Appendix 1. Model of the questionnaire
1. INTRODUCTION

Luxury fashion is a blooming industry that has expanded globally. A great number of luxury companies have obtained their global presence. For example, Louis Vuitton has "340 stores in 52 countries." (Colavita, 2005: 13) Thanks to the globalization of these companies, consumers all over the world are increasingly familiar with the luxury fashion. As noted by Colavita (2005: 13), luxury fashion has become a "universal language. No translation is needed. A consumer understands Louis Vuitton whether he comes from Dubai, New Delhi or New York." However, development of luxury market is not at the same level across different countries. According to Colavita (2005: 13), emerging markets like China and India "become more relevant, and customers in more mature markets like Europe and Japan become savvier, brands have to adapt to these rapid changes with greater precision and in shorter time frames." There are long and very well developed markets in for example France and Italy, as well as newly emerging markets such as China and Finland. During the last two decades, an increasing number of global luxury brands have entered Chinese and Finnish markets where a young population of luxury consumers is forming. Luxury products seem to be available to everyone nowadays and it is not connected to economic welfare so tightly anymore. For example also students can buy luxury bag after saving money for that long time. For a luxury brand to succeed in a new market, a good understanding of local consumer behavior is necessary. Lots of researchers, for example Chadha and Husband (2006), Jung and Shen (2011), Yoo and Donthu (2001), and Wang, Sun and Song (2012), have done studies on luxury consumer behavior. However, consumer behavior is evolving quickly in these emerging markets, so findings from previous studies may not be sufficient to explain current situation. Thus, this case study is focused to gain updated knowledge about luxury consumer behavior in China and Finland. Among all the factors concerning consumer behavior, culture, motivation and brand equity are of significant importance because they are all driving
forces behind luxury consumption. Therefore, this research will focus on motivation and brand equity of luxury consumers, as well as cultural influences on their luxury consumption.

Luxury itself can be defined in numerous different ways depending on from which angle it is observed. The word luxury comes from the Latin word *lux*, which means light, and Kapferer (Schroeder, 2006), continues the definition by adding that luxury is visible and it has to be seen, not only for the user himself, but also for the others, hence brand elements are visible. Luxury is also linked to extreme creations, which brings along the famous designers and rarity. Furthermore, luxury products have the highest price/quality relationship in the market, however, luxury has fuzzy lines, and it can be hard to define which brands are regarded as luxury and which are not. (Schroeder, 2006, 60-61.)

In this paper, luxury fashion is defined as expensive designer goods, covering clothing and accessories, for example shoes, bags and jewellery. Luxury consumers are defined as consumers who have bought or are willing to buy expensive luxury fashion brands. Important terms concerning luxury consumer behaviour, for example motivation, brand equity and cultural effects, will be explained in the section of theoretical framework.

In this research, there is a comparative study between Chinese and Finnish luxury consumers. Chinese and Finnish markets are similar in several aspects. For example, in both countries, people do not have a long history of luxury shopping, luxury consumer groups are young, and the brand awareness and consumption are increasing. However, consumer behaviour is culturally specific. Knowledge about consumers in one country may not be totally useful for planning marketing activities in another country, because luxury buying behaviour tends to vary significantly across different countries. Comparatively, Finnish culture is much less hierarchical and more individualistic than Chinese culture. The comparison between Chinese and Finnish
consumers can reflect the impact of cultural differences on luxury consumer
behaviour in terms of motivation and brand equity. Therefore, this study will examine
similarities and differences between Chinese and Finnish consumers, in order to
provide a useful guide for luxury brand managers to plan specific business strategies
in each country.

1.1. Background-China

Today, almost all international luxury brands have entered to the Chinese market. To
succeed in China, it is crucial to gain knowledge of Chinese consumer behavior. Due
to the rapid, yet steady growth of Chinese economy, Chinese consumers are
increasingly powerful on the global luxury market. The "Credit Suisse Global Wealth
Report 2011" showed that the number of Chinese millionaires was for the first time
over 1 million (Sohu.com, 2011-10-20). The increase in fortune made Chinese
consumers more generous in luxury shopping. According to Sinovision's report
(Sinovisionnet, 2011-11-24), the total consumption of luxury products in China was
US$ 10.7 billion in 2011, account for 27.5% of global market. China is expected to
replace Japan as the world's largest luxury market in 2012. Luxury stores in Europe
are occupied by Chinese tourists. A blog on Sina.com states that in 2010, Chinese
tourists in London spent a total of 1 billion pounds on luxury goods during one season.
British media invented a new phrase 'Peking Pound,' referring to the overwhelming
spending power of Chinese people. The situation was similar in France. According to
an article published by Global Times in May 2011, by the end of 2010, Chinese
tourists spent 650 million euros on duty free goods in French luxury stores
(China.org.cn, 2011-05-09). In the eyes of luxury brand managers, Chinese consumers
have become cash cows. However, not all Chinese people are that rich. In 2011,
China's annual income per capita was only US$ 4000, much lower than its Asian
neighbors such as South Korea and Japan, and GDP per capita of China was
US$ 5184, merely half of the world's average level. Why Chinese consumers are so eager to buy expensive designer clothes, whose prices are many times of their salaries, is an interesting question.

Many researches have been done to reason the high spending on luxury products of Chinese consumers. In their *The Cult of the Luxury Brand: Inside Asia's Love Affair with Luxury*, Chadha and Husband (2006) elaborate the luxury buying behavior of Asian consumers. In particular, they have found out several important characteristics of Chinese luxury consumer behavior. First, Chinese consumers are said to buy Western luxury brands to show their economic and social status. In China today, there is a new "luxury-brand-defined social order" in which "your identity and self-worth are determined by the visible brands on your body" (Chadha and Husband, 2006: 3). Thus, a person's social status is evaluated by his or her economic power, and luxury brands, as symbols of wealth, become perfect markers to indicate that power. Chinese consumers attempt to elevate themselves in the social hierarchy by spending a lot on expensive things.

Secondly, ordinary Chinese consumers tend to keep low living expenses and assign "high priority to luxury goods." (Chadha and Husband, 2006: 146) Many white-collar women wear Christian Louboutin's shoes in the public, but eat instant noodles at home.

Thirdly, many Chinese consumers buy luxury products as gifts for the purpose of maintaining good relationships with others. According to Chadha and Husband (2006: 147), Chinese *guanxi*, which refers to a relationship, is the biggest driver of luxury consumption because "luxury brand gifts oil the wheels of government bureaucracy and business alike." Luxury brands are perfect gifts also between family members because they cater the self-esteem of both the giver and the receiver.

Moreover, social norms have great impact on individual buying behavior. Chadha and Husband (2006) state that in China, such a collectivist culture, consumers
buy luxury brands in order to be socially accepted. They tend to buy the products that other people all like to buy.

Finally, Chinese luxury consumers are at the show-off stage. The rapid economic growth and uneven distribution of wealth in China have made a lot of people suddenly become rich. They are driven by an urge to own expensive things. These people are "tripping over each other trying to acquire the symbols of wealth and displaying them in the most conspicuous manner." (Chadha and Husband, 2006: 45.) Consequently, rich Chinese consumers are more interested in the price than the quality of the luxury product. The more expensive a product is the higher status the buyer possesses. There are several ways to make wealth statement from luxury shopping. For example, years ago, a Chinese consumer might deliberately leave the ticket on the product, in order to let others to see how much he paid for it. Today, Chinese consumers like to "announce proudly that they have made purchases at home rather than abroad" because prices of the luxury products in China are about 20 percent higher than in foreign countries(Chadha and Husband, 2006: 144). In addition, there is a trend among rich Chinese consumers to buy the most expensive brands no matter whether they actually like these brands or not.

The book of Chadha and Husband (2006) was very useful in explaining Chinese consumer behavior at the time it was written. However, the findings may not be sufficient today since the situation in China has been changing so quickly. In 2006, there were 320000 Chinese millionaires and Chinese consumers' spending on luxury products accounted for 10% of global luxury brand sales. Six years later, these numbers have doubled or even tripled. Chinese consumers are also becoming younger and more individualistic. There must be great changes in their buying behavior.

Since China is becoming the largest market for luxury brands all over the globe, it is important for luxury managers and researchers on the fashion industry to update their knowledge of Chinese consumers. This essay is going to study the luxury buying
behavior of the new generation of Chinese consumers. The study will use Chadha and Husband's ideas about Chinese consumers as a start point, and try to find out and explain all the changes in their luxury buying behavior.

1.2. Background-Finland

Like China, luxury market in Finland has also emerged and grown in recent years. There are already some articles devoted to explain the luxury market and the new generation of luxury consumer behaviour in this country. Based on these articles, this section is to summarize the basic condition of Finnish luxury market. Luxury consumption in Finland is still quite a new phenomenon and there is not that much information available about this subject. Furthermore different articles give different views about the luxury consumption in Finland, some say the boom is already over while others claim that the consumption is still grooving.

However, how luxury fits to Finnish consumer culture whose tradition emphasizes modesty is still a question. According to research manager Mika Pantzar from the National Consumer Research Centre, there is no large upper class in Finland and Finnish culture does not encourage displaying wealth (e-Finland, 2004-10-4). Nevertheless, Helsingin Sanomat tells in its article (23.6.2011) that the number of wealthy people in Finland has grown 15% in 2010, from 22 400 to 25 800 person, whereas wealthy people are defined as a person who has property of at least one million dollars, excluding the primary apartment. Sarpila&Haanpää (2010) mentions that in a welfare state like Finland, the basic needs like food, shelter and clothing are fulfilled for the most of the people and thus majority of the consumers are fulfilling primarily their desires not their needs. Talouselämä announced in its article in 2007, that the Finnish people have money and they are willing to spend it. More and more people afford to buy luxuries; something that used to be possible for few is now available for the middle class and middle-aged too. Fashion-interested teenage girls
can save money together to buy a genuine branded bag to their friend as a birthday present for example. According to research made by Terhi-Anna Wilska, (Talouselämä 9/2007), everyone can afford to travel nowadays and that need is easily satisfied, that is why young people today are willing to spend money on luxuries. Today's young people are also more relaxed towards using their parent’s money and they do it longer time, which is one reason why money is left to buy luxury goods. But on the other hand, consumers in their twenties are also seriously concerned about the state of the environment. A product, whose story is transparent or not authentic, cannot be sold to them.

Finnish people in overall have down-to-earth attitude towards saving and spending money. Article published in Etelä-Saimaa (2012-3-17), tells about a survey made by Finnish Tapiola bank, which reveals the economic opinions of over thousand adults in Finland. According to this survey Finnish people are saving money, but mostly for a rainy day or without a reason and two thirds have no debts. Furthermore, people are critical towards splurging money, from all the people answering to the survey, 71 per cent said that buying branded fashion goods, like shoes and bags is wasting of money. Uncertain economic situation has also effect on how Finns use money today. Tapiola Bank’s survey reveals that every forth have reduced their money spending’s in the past half year because they feel that their own household is sensitive for changes in the income. However, more than half of the people feel that their purchasing power has not weakened during the past year.

The Finnish way of thinking about consumption and saving might be one reason why there are so few luxury shops in Finland, and why the consumption of luxury is still relatively small. Finns might have the money, but if people see luxury as a wasting of money, there is no demand for expensive fashion products, especially since they are not necessary in everyday life. However the young generation has adopted different kind of attitude towards consumption. Research made by Sarpila&Haanpää
reveals that the interest for luxury among Finnish people has risen in recent years, and Finns are also spending more time shopping than ten years ago. Especially young people are dreaming about luxury, whereas for older generation, which has suffered from the economical downturns and have frugality attitude, dreaming about luxury can be a foreign thing. Young generation has adopted more hedonistic lifestyle than their parents, but nevertheless dreaming about luxury is not the same as actually purchasing it.

According to Kauppalehti (2008-2-12), Louis Vuitton made its plan to expand its business into the Finnish market already in 2005, but they could not find suitable location for the shop in that time. After three years of searching, the company finally found a place in Helsinki, in a corner of Pohjoisesplanad and Mikonkatu, where the shop was opened in 2008. In fact, before Louis Vuitton's boutique was opened, there were hardly any luxury boutiques in Helsinki. International luxury brands did not show confidence in the Finnish market because of the low market demand. Philippe Schaus, the international operations director of Louis Vuitton, believes that when it comes to luxury market it is all about supply. If there is nothing to offer, then there is neither demand for the products. Louis Vuitton finally entered Finland in 2008 because they believed that the Finnish market was ready for the luxury brands. Louis Vuitton's confidence comes from its experience in Norway. Although the culture is different between Norway and Finland, the situation was similar. When LV opened its boutique in Oslo in 2007, there were not many other luxury brands around, but the success turned out to be remarkable.

Louis Vuitton also seems to enjoy great success in Finnish market. The figures from financial statement from 2010 reveal that the turnover of the company increased 30%. The increase was 1,7 million in Euros and the total turnover 7,6 million in 2010. The company’s earnings nearly tripled from the previous year because of the strong growth. However the result was good also in previous year (2009). Louis Vuitton’s
landing to Finland has been very successful and every year since opening in 2008 has been profitable. (Kauppalehti 2011-6-1.)

Kauppalehti (2008-2-12) also writes that although Finnish people respect traditions and history, they are really interested in new products and their sense of fashion is becoming stronger. That is why Louis Vuitton was expected to be successful in Finland. In addition, based on Louis Vuitton's statistics about how many Finnish people buy Louis Vuitton Products around the world, it is seen that the brand has already had a Finnish customer base before opening its own shop in Helsinki.

Although there are opportunities on this new market, luxury brands currently face new challenges in Finland, which is the global economic crisis that has impact on the decreased demand for expensive luxury products. Katja Okkonen (Taloussanomat, 2008-9-8) discusses that the economy’s downturn has affected also to the richest people since there are signs that the consumption of luxury brands has degreased. However, an interview with Kaarina Kivilahti, who has owned a boutique Kaarina K for 22 years in Helsinki, shows that luxury brand sellers have not lost confidence on the Finnish market. Kaarina Kivilahti has not noticed that people would give up branded clothes. She believes that her shop is successful because she renews the assortment. She used to sell primary brands but now has started to sell some cheaper brands like Issa and Diane von Furstenberg. Maybe this is one reason why the sales are still okay. Finland is too small country for some of the brands, Kivilahti has also tried to sell brands like Jean Paul Gaultier and John Galliano in her boutique, but they were too extraordinary for the Finnish customers. Accordingly, the affordable luxury is seen to be more easily accepted by Finnish consumers, than top brands like Dolce & Gabbana and Versace.

Niina Kurkinen from Nina's-boutique tells that the economic downturn had some effect on sales in the beginning of year 2009. Nevertheless the number of fashionable people who appreciate quality is much bigger than in the recession of the 90s. People
who are used to buying luxury products will not buy cheaper products just because of the recession. They keep on buying luxury, but more cold-bloodedly. Kurkinen also adds that on the other hand recession has also positive effects on fashion; the collections are better and more coherent than ages. (Mtv3, 2009-06-22.)

According to IltaSanomat (2010-08-02), the sales figures show that consumers are interested in luxury products again, regardless of the downturn in economics 2009. International big fashion houses have one after another announced that there is more demand for high fashion, expensive cosmetics and champagne. Before the downturn, luxury product sales had a good foothold in Finland. It feels like the atmosphere for buying luxury is more favorable than last year, Tiina Oksala CEO of Erikoiskaupan liitto tells. There are really few boutiques in Finland selling only luxury products. It is more common that boutiques sell many different brands rather than only one brand. Those shops are located mainly in Helsinki city center. Margaretha Aittokoski who owns the Della Marga shop in Helsinki tells that the economic downturn does not show in the sales figures. Even the most expensive products have their customers, even if this group of people is really small in Finland. Russian customers who visit Finland are really important, they have always been aware of quality in different sense than Finnish customers, Aittokoski tells. But she continues that the brand awareness has clearly increased. When Aittokoski started her business selling high brands in the 1980s, most of the customers did not know what a Chanel bag is.

However, news from 2010 tells a different message. Many of the luxury boutiques in the metropolitan area, for example Kenzo, has been closed down because the luxury products do not sell. (Holtari 2010) Nora Immonen, leader of EspagalleriaOy, tells "it is a challenge to get interesting brands come to Finland. There might be a competition for example between Helsinki and Budapest, in which city the brand is going to expand." (Holtari 2010)

But the recession has not killed the luxury in total. The best and resilient
companies will expand. For example the multi-brand store *My o My* opened its second boutique in the Helsinki City center. *My o My* sells many designer products from luxury to cheaper accessories and brands like Alexander Wang, Tsumori Chisato, Helmut Lang and House of Dagmar. (Holtari 2010)

1.3. Research Questions and Purpose of the Research

As shown in the previous section, Chinese luxury consumers are seen to be mainly influenced by social factors such as status and relationship, whereas Finnish consumers are more likely to focus on the quality of luxury products. The development of luxury market in these two countries is also different. International luxury brands enjoy rapid and significant growth in China, but have encountered many difficulties in Finland. Overall, it can be seen that success in one emerging market cannot be simply replicated in another market, because there may be significant cultural variance of consumer behaviour in two countries. Thus, a cross-cultural study of Chinese and Finnish luxury consumers can provide valuable information for business practices and further researches.

As stated in the introduction, this thesis is focusing on three influencing forces behind luxury consumption, namely culture, motivation and brand equity. Because this is a comparative study on Chinese and Finnish consumers, the focus of the study is placed on differences between two groups of consumers in culture, motivation and brand equity. Thus, the purpose of this thesis is to examine different forces behind luxury consumption of Chinese and Finnish consumers. To achieve this purpose, this thesis needs to solve the following research questions concerning culture, motivation and brand equity of Chinese and Finnish luxury consumers:
A. What are cultural differences between Chinese and Finnish consumers in terms of collectivism, uncertainty avoidance, power distance and status consumption?

B. How do shopping motives, such as self-actualization, social comparison and other's influence differ in consumers’ impacts on luxury consumers between China and Finland?

C. How does brand equity, measured by brand awareness, loyalty, association and perceived quality, differ between Chinese and Finnish luxury consumers?

To solve these research questions, the following theoretical framework explains elements that are included in respectively culture, motivation and brand equity, while the empirical research chapter will examine what differences exist in culture, motivation and brand equity between Chinese and Finnish consumers.

1.4. Problem Statement

Several problems may exist in this comparative study on Chinese and Finnish consumers. First, on the Chinese side, existing theories and previous findings may not be sufficient to explain Chinese consumer behavior today. Social, cultural and economic conditions of China have changed quickly. New generation of Chinese consumers are more mature, richer and probably more westernized. Traditional views on them need to be revised. Thus, this thesis is expected to provide new insight into luxury consumers. Secondly, on the Finnish side, although the emerging market in Finland has attracted academic attentions, there is still a lack of theoretical support to new researches. This study needs to find as much valuable information as possible from limited resources. Thirdly, also for the Finnish part of research, because Finnish luxury consumers are a newly born group, it may be difficult to find a large number of participants into the survey.
2. THEORETICAL FRAMEWORK

Before conducting the questionnaire survey, important concepts concerning consumer motivation, brand equity and cultural effects on consumer behaviour are discussed in this section, in order to provide a theoretical guideline for the formation of questionnaire and analysis of research results.

2.1. Motivation

An important factor that has great impact on consumer's buying is motivation. Solomon (2007, 117) defines motivation as "the forces that drive people to buy and use products." Consumers can be motivated by many reasons to make purchases of luxury goods, and lot of researches have been done to explore these reasons. To know why consumers buy clothes, it is important to understand why they wear clothes. Solomon (2007: 117) has summarized four motivations for wearing fashion, including "modesty, immodesty, protection and adornment." First, modesty and immodesty are about concealing or revealing particular parts of the body, for the purposes of remaining dignity or expressing sexually respectively. Secondly, wearing for protection emphasizes the basic function of clothing, which is to protect the wearer from external harms. Finally, adornment is defined as "the most universal function of clothing and accessories." (Solomon, 2007: 119) Adornment addresses the social and psychological needs of the wearer, which are to realize self-confidence and social status through aesthetic expression. Overall, it can be seen that consumers buy fashion in order to fulfill both private and social, and physical and psychological needs.

To study human needs, which are complicated but essential for the understanding of all types of behaviour, Maslow's hierarchy of needs may be a useful tool. The model has classified into five top-down levels, including self-actualization, ego needs, social needs, safety and physiological needs. One level of needs must be satisfied in order to shift to the next level. The most basic level is physiological needs,
including needs for food, clothes and other necessary resources for living. The second level is need for safety, which can be satisfied by for example with house and clothes that provide shelter as well as a sense of security to human beings. Thirdly, social needs are related to belongingness. People are socially constructed, so we need love, friendship and membership of social groups, which make us feel being accepted by others. On the next level, there are ego needs, which can be satisfied by obtaining a socially recognized status. Finally, the highest level of needs is self-actualization that is to realize one's own values. Admittedly, human beings need clothing, but why people are willing to spend a lot of money on luxury clothes is an interesting question. Maslow's hierarchy of needs can be very useful in analyzing luxury consumer behaviour since luxury fashion can "satisfy needs at nearly every level of the hierarchy." (Solomon, 2007: 127). Specifically, clothing can keep the body warm, provide a sense of security, create fashion communities, make the wearer fell confident and express the individuality of the wearer.

Based on these assumptions concerning consumer motivation, Wang, Sun and Song (2012) has proposed 7 practical motivations for the consumption of luxury fashion, such as self-actualization, social comparison, other's influence, investment for future, buying for special time, buying out of emotion and gift-giving. Luxury goods are believed to "bring esteem and prestige to their owners." (Wang, Sun and Song, 2012: 346) First, expensive luxuries can display one's wealth, taste and high social status, so the consumer may feel the actualization of self-value through the consumption of luxury goods. Secondly, because the ownership of luxury symbolizes high social status, consumers may use luxuries to show superiority over others, or be influenced by others for example celebrities to obtain the desirable status. Thus, social comparison and others’ influence are two social needs for luxury consumption. Thirdly, the rarity of many luxury goods make them increasingly valuable on the market, so luxury consumption can be seen as an investment for future, and therefore
catering consumers' needs for security. Fourthly, consumers may buy luxuries for special occasions such as holidays and parties to satisfy their social needs. Moreover, buying out of emotion addresses to the mental needs for happiness and satisfaction. Finally, gift giving is about buying luxuries as gifts for other, by this way consumer can maintain good relationship in a certain social group.

2.2. Brand Equity

Brand equity is defined as "the incremental value added to a product by virtue of its brand" (Jung and Shen, 2011: 51). Brand equity of a product varies across individual consumers. When consumers assign high added value to a product, they may have high brand equity towards this product and therefore have the intention to buy it. From a consumer perspective, it can also be defined as "the willingness for someone to continue to purchase a brand" (Rios and Riquelme, 2010: 215). Therefore, brand equity is an important driving force behind consumption. According to Jung and Shen (2011: 52), brand equity has four dimensions, including brand awareness, brand associations, perceived quality and brand loyalty. All these four dimensions influence luxury consumption.

First, brand awareness refers to "the ability of a buyer to recognize that a brand is a member of a certain product category" (Jung and Shen, 2011: 53). Luxury goods are heavily promoted in the media in order to increase consumers' brand awareness. If a consumer is very familiar with a luxury brand, he or she is likely to make purchase decision of the certain brand based on this familiarity.

Secondly, brand association refers to "anything linked in memory to a brand." (Jung and Shen, 2011:53). Brand association derives from a consumer's past experience of using a particular brand. If the product of a brand satisfies the consumer, the satisfactory experience may lead the consumer to make repeated purchases. In
addition to the actual experience of using the product, brand association can also be built in consumers' minds "as the result of the marketing programs companies develop for their brands" (Rios and Riquelme, 2010: 216). Thus, it can be argued that marketing is as important as the product in enhancing the relation between consumers and the brand.

Thirdly, perceived quality is defined as "the consumer's awareness of products' superior quality over other products in the market." (Jung and Shen, 2011: 52) Consumers normally perceive high quality of luxury goods, and consequently may be willing to pay high prices for them.

Finally, brand loyalty refers to both consumers' emotional attachment to and repeated purchase of a certain brand. According to Jung and Shen (2011: 52), brand loyalty is one of "the most important elements in marketing." Marketers of luxury goods rely on creating brand loyalty among consumers to encourage purchases.

Therefore, the overall brand equity and each specific dimension of it all have great impact on luxury consumption. By analyzing consumers' brand equity, this study can understand what elements are main reasons behind consumers' buying behaviour.

2.3. Cultural Effects on Consumer Behaviour

Based on Hofstede's idea of four cultural dimensions, Jung and Shen (2011: 52) have constructed a model of four influencing cultural factors, including collectivism, uncertainty avoidance, power distance and the level of status consumption. First, collectivism refers to "the degree of which individuals are integrated into groups." (Jung and Shen, 2011: 54) In collective culture, for example China, consumers tend to purchase luxury goods for social acceptance and comparison. On contrast, in individualistic society, for example Finland, consumers are more likely to buy luxuries for self-actualization.
Secondly, power distance refers to the degree of that "members of organizations and institutions accept that power is distributed unequally." (Jung and Shen, 2011: 55) In a culture of high power distance, consumers on the lower level of social hierarchy are very likely to be influenced by people on the upper level.

Thirdly, uncertainty avoidance is defined as "the extent of feeling threatened by uncertain or unknown situations." (Jung and Shen, 2011: 55). When consumers are from a culture with low uncertainty avoidance, they are likely to make impulse purchases of luxury goods.

Finally, status consumption is "the motivational process by which individuals strive to improve their social standing through conspicuous consumption" (Jung and Shen, 2011: 56). As discussed earlier, luxury fashion has the function of showing one's status or desired status. Thus, status consumption often takes place in among luxury consumers who rely on luxuries to assert their social position.

2.4. Summary

Culture, motivation and brand equity are three important forces behind luxury consumption. First, motivation is the force that drives people to make purchases. Luxury consumption can satisfy both private and social, and physical and psychological needs. Derived from these needs, there are seven major shopping motives, including self-actualization, social comparison, other's influence, investment for future, buying for special time, buying out of emotion and gift-giving.

Secondly, brand equity is the incremental value that a consumer adds to a brand. It includes four dimensions, namely brand awareness, brand associations, perceived quality and brand loyalty. Brand awareness is one's ability to recognize a particular brand. Brand association refers to the emotional link between a consumer and a particular brand. Perceived quality is about how likely a consumer tends to perceive superior quality in the products of a particular brand. Finally, brand loyalty refers to
both emotional and behavioral attachment of a consumer with a brand.

Finally, four cultural factors have important influences on luxury consumption, including collectivism, uncertainty avoidance, power distance and the level of status consumption. Collectivism illustrate the level of group influence on individuals. Power distance is about people's acceptability of power inequality. Uncertainty avoidance is related to one's tendency to make impulse purchases, and status consumption is about using luxuries to show desired status.

3. EMPIRICAL RESEARCH PLAN
This chapter explains our research method, scale of research, the design of the questionnaire items, the formation of hypothesis, and how the results are gathered and analyzed.

3.1. Population, Sampling and Data Collection
In this research, a questionnaire survey is conducted to study luxury consumer behaviour in China and Finland in a quantitative approach. Answers of Chinese and Finnish respondents are measured by the LIKERT scale. The quantitative approach is chosen because we want to know quantified results about the significance of differences in cultural factors, shopping motives and four dimension of brand equity between Chinese and Finnish respondents. Luxury goods are limited to branded fashion products including clothes and accessories. The population of this questionnaire survey is Chinese and Finnish luxury consumers of large metropolitan areas, in China the answers are gathered from Beijing and in Finland from the biggest cities like Helsinki, Tampere and Turku, because consumers in big cities tend to have high exposure to luxury fashion and sufficient income to support luxury consumption. Luxury consumers in this research can be those who have bought or who are willing to buy expensive luxury goods. The survey mainly takes place on the Internet, which gives the researchers wide access to luxury consumers at minimum cost. In this way,
the research can overcome spatial, financial and time limitations. Besides, online questionnaire survey is convenient, fast and private, so people may be less reluctant to participate in it than in the face-to-face interview.

The first step of the survey is to design a web-based questionnaire, and then the researchers post the link of the questionnaire on several Internet social networks for example Facebook, Twitter, Weibo (Chinese Micro-blog) and Renren.com as well as popular fashion forums such as 55BBS, which is the biggest online fashion shopping forum in China. This research uses a snowball sampling method. The survey will be first sent to the Internet, asking Chinese and Finnish luxury consumers of big cities to complete the online questionnaire. The selection criteria for Chinese sample is consumers who live in Beijing and have bought luxury products, and for Finnish sample is consumers who live in big cities of Finland and furthermore people who have bought luxury products. Internet users are invited to not only participate in the survey themselves, but also to spread the link of questionnaire to other luxury consumers. The choice of this snowball sampling is made on the basis of the assumption that there are luxury consumer communities, in which friends of a luxury consumer are likely to have similar income and shopping behaviour, so through one participant the questionnaire can reach many other luxury consumers. In addition, since not all luxury consumers are Internet users, only online questionnaire survey may not collect valuable information from the non-users of the Internet. Thus, this research has also prepared printed questionnaires for non-Internet users to participate in the survey. In this way, the research can get access to as many luxury consumers as possible.

3.2. Questionnaire Design and Data Measurement

The original questionnaire is in English and translated by native speakers into Chinese and Finnish for the convenience of participants. The questionnaire is divided into two
parts. The first part is used to collect basic information about the sample, such as age, gender and brand preference. This part consists of questions such as *How old are you?*, *Which gender are you?*; and *What is your favourite luxury brand?*. Data collected from these questions can provide the researchers a general picture about luxury consumer groups in China and Finland.

The second part of the questionnaire contains 3 sub-sections, corresponding to 3 major issues discussed in this thesis, including cultural differences, motivation and brand equity of Chinese and Finnish luxury consumers. This part of the questionnaire uses a 5-point Likert Scale (1=strongly disagree, 5=strongly agree), within which participants are asked to mark their level of agreement or disagreement to each statement.

Specifically, the first sub-section is related to cultural differences between Chinese and Finnish luxury consumers. This sub-section uses the questionnaire designed by Jung and Shen (2011) in their study of cultural effects on Chinese and U.S. luxury consumers. Jung and Shen (2011)'s questionnaire contains 8 statements and 4 cultural factors concerning luxury consumption, including collectivism, uncertainty avoidance, power distance and status consumption. Respectively, the level of collectivism of each participant is measured by his or her response to statements like *Individuals should sacrifice self-interest for the group that they belong to* and *Group success is more important than individual success*; uncertainty avoidance is measured by participants' response to statements like *It is important to have instructions spelled out in detail so that I always know what I am expected to do* and *Rules are important because they inform me of what it expected of me*; power distance is measured by participants' response to *people in higher positions should not ask the opinions of people in lower positions too frequently* and *people in lower positions should not disagree with decisions made by people in higher positions*; finally, status consumption is measured by participants' response to statements like *I would buy a
product just because it has status and I would pay more for a product if it had status. In the analysis of cultural differences between Chinese and Finnish luxury consumers, a hypothesis is formed as the following:

**H1: Chinese and Finnish luxury consumers are culturally different in terms of collectivism, uncertainty avoidance, power distance and status consumption.**

To solve H1, based on the data collected from the first sub-section, a multivariate analysis of variance (MANOVA) is used to test the significance of difference between two countries in cultural factors as a whole, while an analysis of variance (ANOVA) is used to examine how Chinese and Finnish luxury consumers differ in each cultural factor. MANOVA and ANOVA are two tests that are commonly used in seeking statistical differences between variate means of several groups. Specifically, MANOVA deals with multiple dependent variables. It tests whether a change in the independent variable has significant impact on several dependent variables. Comparing with MANOVA, ANOVA is used when there is only one dependent variable. MANOVA and ANOVA tests are used in the analysis because we want to know how significantly 4 cultural factors, including collectivism, uncertainty avoidance, power distance and status consumption, differ between China and Finland. In this case, nationality is the independent variable and 4 cultural factors are dependent variables.

The second sub-section is used to explore the motivation behind luxury consumption of Chinese and Finnish consumers. Based on Wang, Sun and Song (2011)'s study on the motivation of Chinese luxury consumers, this research focuses on 7 motives for buying luxury goods, including self-actualization, social comparison, other's influence, investment for future, buying for special time, buying out of emotion and gift-giving. This part of questionnaire contains 18 items, which come from Wang, Sun and Song (2011)'s survey. First, the significance of self-actualization in encourage luxury shopping is measured by 3 items including *Luxuries are special*
and wearing them makes me feel different; I feel successful when buying luxuries, and
Using luxuries increases my self-confidence. Secondly, how likely a consumer buy luxuries because of social comparison is measured by 3 items including I want other people to know that I own expensive luxuries; I am satisfied when other people compliment on my luxuries; and I want people to know the luxury brands I use.

Thirdly, other's influence on luxury consumption is measured by 4 items including I have to use luxuries because of my working environment; people around me use luxuries; I can't help buying luxuries when I see others do; and I buy luxuries because my family and friends do. Fourthly, the motive "investment for future" is measured by 1 item as buying luxuries is a way of investment for me. Moreover, as other motives for buying luxuries, "buying for special time" is measured by I buy luxuries for holidays and I buy luxuries for special occasions; "buying out of emotion" is measured by I often buy luxuries on impulse and When I am depressed, I buy luxuries to make me feel better; and finally "gift-giving" is measured by I often buy luxuries as gifts for others. In the discussion of motivation for luxury consumption in China and Finland, 2 hypotheses are formed as the following:

H2: X has greater impact on Chinese luxury consumers than on Finnish luxury consumers (X refers to each one of 7 shopping motives included in this survey).

H3: Y has greater impact on Finnish luxury consumers than on Chinese luxury consumers (Y refers to each one of 7 shopping motives included in this survey).

To test H2 and 3, MANOVA is conducted to examine differences in 7 major shopping motives between Chinese and Finnish luxury consumers. Afterwards, ANOVA is used to test how significantly each shopping motive differ in its impact on Chinese and Finnish luxury consumers.

Finally, the third sub-section of the questionnaire is about brand equity of Chinese and Finnish luxury consumers. According to Jung and Shen (2012, 49), brand equity consists of four dimensions, including perceived quality, brand loyalty, brand
awareness and brand association. Thus, the analysis of brand equity of Chinese and Finnish consumers will focus on these four dimensions. Items in this part of the questionnaire were formed according to Yoo and Donthu (2001: 14). First, brand loyalty of Chinese and Finnish consumers is measured by 3 items, including I consider myself to be loyal to X (X refers to the favourite brand of each participant); X would be my first choice; and I will not buy other brands if X is available at the store. Higher scores indicate higher loyalty to a brand. Secondly, perceived quality is measured by 2 items such as The likely quality of X is extremely high; and The likelihood that X would be functional is very high. Higher level of agreement a participant shows to these two statements means that the participant is more likely to perceive good quality in his or her favourite brand. Furthermore, two items measure brand awareness; I can recognize X among other competing brands and I am aware of X. Higher scores show higher brand awareness of the participant. Finally, brand association is measured by participants' response to two statements including Some characteristics of X come to my mind quickly and I can quickly recall the symbol or logo of X. Higher level of agreement to these statements suggests that the participant has a closer emotional association with his or her favourite brand. After collecting answers from Chinese and Finnish participants, the analysis of their brand equity will focus on solving 1 hypothesis as the following:

**H4**: Brand equity differs between Chinese and Finnish luxury consumers in terms of perceived quality, brand loyalty, brand awareness and brand association.

To test H4, MANOVA is conducted to examine the variance of brand equity as a whole between China and Finland, meanwhile ANOVA is used to study the difference in each specific element of brand equity between Chinese and Finnish luxury consumers.

Overall, as shown in Table 1, except general questions, the questionnaire contains 4 cultural factors, 7 motivational factors and 4 factors concerning brand
equity. Each factor is assigned one or several Likert items. For MANOVA and ANOVA tests, participants' responses on these Likert items are summed into values of each corresponding factor. Finally, all statistical tests are done by using the statistical software SPSS.

At the end of the Finnish questionnaire there is one voluntary question, where participants can explain in their own words more reasons why they buy luxury products. Some of the results are quoted later in the chapter of Analysis.
| **General Information** | *How old are you?*  
*Which gender are you?*  
*Where do you currently live?*  
*What is your favorite luxury brand?* |
|-------------------------|---------------------------------------------------------------|
| **Cultural Differences** | **Collectivism**  
*Individuals should sacrifice self-interest for the group that they belong to*  
*Group success is more important than individual success* |
| **Uncertainty Avoidance** | *It is important to have instructions spelled out in detail so that I always know what I am expected to do*  
*Rules are important because they inform me of what it expected of me* |
| **Power Distance** | *People in higher positions should not ask the opinions of people in lower positions too frequently*  
*People in lower positions should not disagree with decisions made by people in higher positions* |
| **Status Consumption** | *I would buy a product just because it has status*  
*I would pay more for a product if it had status* |
| **Motivation** | **Self Actualization**  
*Luxuries are special and wearing them makes me feel different*  
*I feel successful when buying luxuries*  
*Using luxuries increases my self-confidence* |
| **Social Comparison** | *I want other people to know that I own expensive luxuries*  
*I am satisfied when other people compliment on my luxuries*  
*I want people to know the luxury brands I use* |
| **Other's Influence** | *I have to use luxuries because of my working environment*  
*people around me use luxuries*  
*I can't help buying luxuries when I see others do*  
*I buy luxuries because my family and friends do* |
| **Investment for Future** | *I buy luxuries because I believe their values will increase in the future and buying luxuries is a way of investment for me* |
| **Buying for Special Time** | *I buy luxuries for holidays*  
*I buy luxuries for special occasions* |
| **Buying Out of Emotion** | *I often buy luxuries on impulse*  
*When I am depressed, I buy luxuries to make me feel better* |
| **Gift-Giving** | *I often buy luxuries as gifts for others* |
| **Brand Equity** | **Brand Loyalty**  
*I consider myself to be loyal to X (X refers to the favorite brand of each participant)*  
*X would be my first choice*  
*I will not buy other brands if X is available at the store* |
| **Perceived Quality** | *The likely quality of X is extremely high*  
*The likelihood that X would be functional is very high* |
| **Brand Awareness** | *I can recognize X among other competing brands*  
*I am aware of X* |
| **Brand Association** | *Some characteristics of X come to my mind quickly*  
*I can quickly recall the symbol or logo of X* |

*Table 1: Questionnaire*
4. RESULTS

This chapter presents and compare the results from the questionnaire survey both in China and Finland. Statistical analyses, for example MANOVA and ANOVA tests, are used to analyze the results and illustrate differences and similarities between Chinese and Finnish luxury consumers.

4.1. General Information

This comparative study on luxury fashion consumer behaviour involves both Chinese and Finnish consumers. In China, the research was conducted via an online questionnaire survey system WWW.DIAOCHAPAI.COM. The questionnaire was designed on the above website and promoted through several popular social network for example weibo, renren.com and 55BBS. The Finnish version of the questionnaire was made with Google docs and spread online through discussion boards like Plaza.fi fashion discussion, Facebook and through friends of friends. The questionnaire survey was open for answers online for two weeks. At the same time, few printed questionnaires, four in China and two in Finland, are prepared for non-Internet users. Finally, as shown in Table 2, 113 Chinese consumers and 40 Finnish consumers participated in the questionnaire survey. The difference in the number of participants between Finland and China can be explained with the fact that the population in China is 248 times bigger than in Finland (chinaops.fi 2012), and since the population differs in such a big numbers, also the number of luxury consumers can be assumed to be smaller in Finland. For the Finnish part of the survey, all in all finding the right kind of people to answer was difficult, since luxury consumers are still so few in Finland.
The first part of the questionnaire collected basic information about the sample, including age, gender and brand preference, and the results are displayed in Table 2. Within the Chinese sample, there were 42 (37.17%) men and 71 (62.83%) women, at the average age of about 26 years old. They are mainly white-collar workers who all come from Beijing. When they were invited to tell which one was his or her favourite brand, their answers differed greatly. However, it was still possible to tell which brands were more popular than others from the frequency of appearance of each brand. Accordingly, Chanel, which was mentioned 18 times, was the most popular luxury brand among Chinese participants, followed by Louis Vuitton (16 times), Gucci (10 times), Hermes (9 times) and Dior (8 times). Within the Finnish sample, the absolute majority was women 37 (93%), in comparison with 3 men (7%). Finnish participants in this survey were aged between 19 and 68, but mostly in their 20s or 30s, with the average age of 36, which was ten years higher than the average age of Chinese participants (26). The majority of the people were from the capital city Helsinki or the neighbor cities Espoo and Vantaa. Other big cities like Tampere and Turku were mentioned many times too.

According to Finnish answers, Burberry was the most popular brand since it was mentioned 10 times as the favourite brand. The second popular brand was Louis Vuitton (5 times) and the third was Mulberry (4 times). Accordingly, it could be seen
that Louis Vuitton was very popular among both Chinese and Finnish consumers.

### 4.2. Cultural Differences

First, a MANOVA analysis is performed to measure cultural differences between Chinese and Finnish luxury consumers. In this case, four cultural factors, collectivism, uncertainty avoidance, power distance and status consumption, are considered as dependent variables, while nationality (1=China and 2=Finland) are the independent variables. The result of the test is shown in Table 3:

#### Descriptive Statistics

<table>
<thead>
<tr>
<th>Na-...</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collectivism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>6.3186</td>
<td>1.65435</td>
<td>113</td>
</tr>
<tr>
<td>2</td>
<td>5.6750</td>
<td>1.54235</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>6.1503</td>
<td>1.64545</td>
<td>153</td>
</tr>
<tr>
<td>Uncertainty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>6.8584</td>
<td>1.74165</td>
<td>113</td>
</tr>
<tr>
<td>2</td>
<td>6.9500</td>
<td>2.24122</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>6.8824</td>
<td>1.87764</td>
<td>153</td>
</tr>
<tr>
<td>PowerDistance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>5.0796</td>
<td>1.73793</td>
<td>113</td>
</tr>
<tr>
<td>2</td>
<td>3.8250</td>
<td>1.70801</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>4.7516</td>
<td>1.81108</td>
<td>153</td>
</tr>
<tr>
<td>StatusConsumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>4.9469</td>
<td>2.06086</td>
<td>113</td>
</tr>
<tr>
<td>2</td>
<td>5.3500</td>
<td>2.45524</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>5.0523</td>
<td>2.16974</td>
<td>153</td>
</tr>
</tbody>
</table>

**Table 3. MANOVA-cultural differences**

According to Table 3, as in the level of collectivism, Chinese participants (M=6.3186, SD=1.65435) are higher than Finnish participants (M=5.6750, SD=1.54235), which means that the Chinese consumers think more collectively than the Finnish consumers. For power distance, Chinese participants (M=5.0796, SD=1.73793) also have higher scores than Finnish participants (M=3.8250, SD=1.70801). In contrast, Finnish participants (M=5.3500, SD=2.45524) reveal higher tendency toward status consumption than Chinese participants (M=4.9469, SD=2.06086). However, there is
not statistically significant difference in the level of uncertainty avoidance between Chinese (M=6.8584, SD=1.74165) and Finnish (M=6.9500, SD=2.24122) participants. Therefore, it can be discussed that there are cultural differences in collectivism, power distance and status consumption, but not in uncertainty avoidance between Chinese and Finnish consumers.

In order to further examine the significance of difference in each cultural factor between two groups, an ANOVA analysis is done and its results are displayed in the Table 4 below.

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collectivism</td>
<td>Between Groups</td>
<td>12.237</td>
<td>1</td>
<td>12.237</td>
<td>4.627</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>399.306</td>
<td>151</td>
<td>2.644</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>411.542</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between Groups</td>
<td>.248</td>
<td>1</td>
<td>.248</td>
<td>.070</td>
</tr>
<tr>
<td>Uncertainty</td>
<td>Within Groups</td>
<td>535.635</td>
<td>151</td>
<td>3.547</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>535.882</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between Groups</td>
<td>46.504</td>
<td>1</td>
<td>46.504</td>
<td>15.534</td>
</tr>
<tr>
<td>PowerDistance</td>
<td>Within Groups</td>
<td>452.058</td>
<td>151</td>
<td>2.994</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>498.562</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between Groups</td>
<td>4.800</td>
<td>1</td>
<td>4.800</td>
<td>1.020</td>
</tr>
<tr>
<td>StatusConsumption</td>
<td>Within Groups</td>
<td>710.781</td>
<td>151</td>
<td>4.707</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>715.582</td>
<td>152</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Table 4. ANOVA - Cultural differences |

As shown in Table 4, significant cultural differences are found in collectivism (sig=0.033<0.05 level of significance) and power distance (sig=0.000<0.05 level of significance). On the other hand, differences in uncertainty avoidance (sig=0.792>0.05 level of significance) and status consumption (sig=0.314>0.05 level of significance) are proved as insignificant between two cultures. Therefore, H1(Chinese and Finnish luxury consumers are culturally different in terms of collectivism, uncertainty avoidance, power distance and status consumption.)is
partially proved, since Chinese and Finnish luxury consumers are culturally different in terms of collectivism and power distance. Meanwhile, their tendency toward uncertain avoidance and status consumption remain similar with each other. Knowing that Chinese and Finnish luxury consumers are culturally different, this thesis will study how cultural differences affect their motivation behind luxury consumption and brand equity in chapter 5.

4.3. Motivation
This part of the study focuses on reasoning why Chinese and Finnish consumers spend money on luxury fashion. The questionnaire collected participants' different attitudes toward seven motives for luxury consumption, namely self-actualization, social comparison, other's influence, investment for future, buying for special time, buying out of emotion and gift-giving. These motives may all have influences on luxury consumers' buying decision, but the degree of each motive's influence can vary between cultural groups. In order to examine differences in motivation between Chinese and Finnish consumers, a MANOVA test is performed to identify which shopping motives have more significant influence on Chinese consumers and which one have more significant influence on Finnish consumers. To achieve this purpose, 7 shopping motives are set as dependent variables and nationality (1=China and 2=Finland) is set as independent variable. The result of the test is presented below in Table 5:
According to the results of MANOVA test shown above, self actualization has greater impact on Finnish participants (M=9.6750, SD=2.92984) than on Chinese participants (M=9.2124, SD=3.21950); Chinese participants (M=8.7345, SD=3.20718) are more likely, than Finnish participants (M=9.6750, SD=2.92984), to buy luxury for social comparison reasons; other's influence is more powerful reason for Chinese participants (M=9.7257, SD=3.38918) to buy luxury than for Finnish participants (M=8.0500, SD=2.73580); luxury consumption is more likely to be seen as an investment by Finnish participants (M=2.8500, SD=1.40603) than by Chinese participants (M=2.5575, SD=1.10952); Finnish participants (M=6.5500, SD=2.26399) are more willing to buy luxury fashion for special time than Chinese participants (M=5.8938, SD=1.47819); emotion has greater impact on Chinese participants.
(M=5.7611, SD=2.07998) than on Finnish participants (M=4.3250, SD=2.07998); and finally Finnish participants (M=2.8500, SD=1.29199) are more willing to buy luxury for a gift than Chinese participants (M=2.2212, SD=1.08343). Overall, MANOVA test suggests that social comparison, other’s influence and buying out of emotion may have greater impact on Chinese luxury consumers than on Finnish luxury consumers. On contrary, self-actualization, investment, buying for special time and gift giving may have greater impact on Finnish luxury consumers than on Chinese consumers.

Next, this research further runs on ANOVA test to examine whether significant difference exists in the impact of each motive on luxury shopping between Chinese and Finnish consumers. The results of ANOVA test are shown in Table 6.

<table>
<thead>
<tr>
<th>Motive</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>SelfActualization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>6.322</td>
<td>1</td>
<td>6.322</td>
<td>.638</td>
<td>.426</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1495.678</td>
<td>151</td>
<td>9.905</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1502.000</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SocialComparison</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>23.113</td>
<td>1</td>
<td>23.113</td>
<td>2.337</td>
<td>.128</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1493.135</td>
<td>151</td>
<td>9.888</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1516.248</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OthersInfluence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>82.951</td>
<td>1</td>
<td>82.951</td>
<td>7.936</td>
<td>.005</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1578.396</td>
<td>151</td>
<td>10.453</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1661.346</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>2.527</td>
<td>1</td>
<td>2.527</td>
<td>1.775</td>
<td>.185</td>
</tr>
<tr>
<td>Within Groups</td>
<td>214.976</td>
<td>151</td>
<td>1.424</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>217.503</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ForSpecialTime</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>12.721</td>
<td>1</td>
<td>12.721</td>
<td>4.320</td>
<td>.039</td>
</tr>
<tr>
<td>Within Groups</td>
<td>444.626</td>
<td>151</td>
<td>2.945</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>457.346</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>60.925</td>
<td>1</td>
<td>60.925</td>
<td>14.480</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>635.324</td>
<td>151</td>
<td>4.207</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>696.248</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gift</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>11.679</td>
<td>1</td>
<td>11.679</td>
<td>8.972</td>
<td>.003</td>
</tr>
<tr>
<td>Within Groups</td>
<td>196.569</td>
<td>151</td>
<td>1.302</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>208.248</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6: ANOVA-motivation

According to Table 6, only 4 out of 7 luxury shopping motives, such as other’s influence (sig=0.005<0.05 level of significance), buying for special time (sig=0.039<0.05 level of significance), buying out of emotion (sig=0.000<0.05 level
of significance) and gift giving (sig=0.003<0.05 level of significance), are proved to have statistically significant difference in their impacts on luxury shopping between Chinese and Finnish consumer groups. Meanwhile, other 3 motives, including self-actualization (sig=0.426>0.05 level of significance), social comparison (sig=0.128>0.05 level of significance) and investment (sig=0.185>0.05 level of significance), do not reveal statistically significant difference in their impacts on luxury consumers between two groups. Therefore, in relation to the results from both MANOVA and ANOVA tests, it can be argued that H2(\(X\) has greater impact on Chinese luxury consumers than on Finnish luxury consumers) is partially accepted when \(X\) refers to other's influence and buying out of emotion, while H3(\(Y\) has greater impact on Finnish luxury consumers than on Chinese luxury consumers) is partially accepted when \(Y\) refers to buying for special time and gift giving.

So far, the study reveals that the influence of different luxury shopping motives differs between Chinese and Finnish consumers. Particularly, other's influence and emotion have greater impact on Chinese luxury consumers than on Finnish luxury consumers, while buying for special time and gift giving influences luxury consumers more significantly in Finland than in China. How these differences are influenced by cultural factors of two countries will be discussed in chapter 5.

4.4. Brand Equity

As discussed above, brand equity is another important aspect of luxury consumer behaviour. In this research, brand equity is discussed as a combination of four dimensions, including perceived quality, brand loyalty, brand awareness and brand association. First, a MANOVA test is performed to test whether and how brand equity differs between Chinese and Finnish luxury consumers. In the MANOVA test, four dimensions of brand equity are set as dependent variables and nationality (1=China and 2=Finland) is the independent variable. The results of MANOVA test is presented
in Table 7 as the following:

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>PerceivedQuality</td>
<td>1</td>
<td>8.2832</td>
<td>2.76931</td>
<td>113</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>7.3500</td>
<td>2.67515</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>8.0392</td>
<td>2.76701</td>
<td>153</td>
</tr>
<tr>
<td>BrandLoyalty</td>
<td>1</td>
<td>6.0885</td>
<td>1.94366</td>
<td>113</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>8.6000</td>
<td>1.42864</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>6.7451</td>
<td>2.12915</td>
<td>153</td>
</tr>
<tr>
<td>BrandAwareness</td>
<td>1</td>
<td>6.7611</td>
<td>2.05841</td>
<td>113</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>8.5500</td>
<td>1.60048</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7.2288</td>
<td>2.09792</td>
<td>153</td>
</tr>
<tr>
<td>BrandAssociation</td>
<td>1</td>
<td>7.1504</td>
<td>2.04512</td>
<td>113</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>9.1000</td>
<td>1.23621</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7.6601</td>
<td>2.05248</td>
<td>153</td>
</tr>
</tbody>
</table>

Table 7: MANOVA-brand equity

First, as shown in Table 7, Chinese participants (M=8.2832, SD=2.76931) score higher on perceived quality than Finnish participants (M=7.3500, SD=2.67515). Secondly, Finnish participants (M=8.6000, SD=1.42864) are seen to have much higher brand loyalty than Chinese participants (M=6.0885, SD=1.94366). Thirdly, Finnish participants (M=8.5500, SD=1.60048) also show much higher brand awareness than Chinese participants (M=6.7611, SD=2.05841). Finally, Finnish participants (M=9.1000, SD=1.23621) tend to have stronger brand association than Chinese participants (M=7.1504, SD=2.04512). According to the results of MANOVA test, brand equity is seen to be different in all four dimensions between two consumer groups. In comparison with that of Finnish participants, brand equity of Chinese participants is only higher in perceived quality, but lower in brand loyalty, awareness and association.

Secondly, an ANOVA test is further done in order to examine whether significant difference exists in each dimension of brand equity between Chinese and
Finnish luxury consumers. The results of ANOVA is displayed in Table 8:

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PerceivedQuality</td>
<td>Between Groups Total</td>
<td>25.727</td>
<td>1</td>
<td>25.727</td>
<td>3.414</td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>1138.038</td>
<td>151</td>
<td>7.537</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>1163.765</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BrandLoyalty</td>
<td>Between Groups Total</td>
<td>186.344</td>
<td>1</td>
<td>186.344</td>
<td>55.972</td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>502.715</td>
<td>151</td>
<td>3.329</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>689.059</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BrandAwareness</td>
<td>Between Groups Total</td>
<td>94.545</td>
<td>1</td>
<td>94.545</td>
<td>24.852</td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>574.449</td>
<td>151</td>
<td>3.804</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>668.993</td>
<td>152</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BrandAssociation</td>
<td>Between Groups Total</td>
<td>112.284</td>
<td>1</td>
<td>112.284</td>
<td>32.109</td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>528.042</td>
<td>151</td>
<td>3.497</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Within Groups Total</td>
<td>640.327</td>
<td>152</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8: ANOVA-brand equity

As suggested by Table 8, 3 out of 4 dimensions of brand equity, including brand loyalty (sig=0.000<0.05 level of significance), brand awareness (sig=0.000<0.05 level of significance) and brand association (sig=0.000<0.05 level of significance) are all significantly different between Chinese and Finnish. However, there is no statistically significant difference in perceived quality (sig=0.067>0.05 level of significance) between two groups of participants. Therefore, the last hypothesis $H_4$ is partially correct, as brand equity differs between Chinese and Finnish luxury consumer in terms of brand loyalty, awareness and association. In addition, in order to understand why brand equity differs between two groups of consumers, the underlying relation of brand equity with culture as well as motivation will be discussed in the next section.
5. ANALYSIS.

In this section, all major findings from statistical tests on the questionnaire data of this research are analyzed in depth, in order to gain better understanding of Chinese and Finnish luxury consumers.

First, Chinese and Finnish luxury consumers are culturally different. Chinese consumers are seen to be more collective than Finnish consumers. As discussed in the theoretical framework chapter, collectivism represents how much individuals are willing to be integrated into groups. In this cases, social influence is shown to be more significant among Chinese consumers. Within the highly collective culture, Chinese consumers tend to place group values and interests above individual ones. When buying luxury, Chinese consumers may be very concerned with others' opinions and attitudes. On contrary, Finnish culture is seen low in collectivism. Finnish consumers tend to insist on their own choices and values in luxury consumption. When Finnish people were asked if they need to use luxury products because of their working environment, they clearly disagreed. The working environment is not supporting luxury consumption in Finland, because the group influence is less significant among Finnish consumers. In addition, the dress code for the work is board and in mostly cases quite casual, not everyone needs to wear a suit and even jeans can be appropriate for office work. In this kind of working environment luxury products would stand out too much. Finns are not ostentatious people, thus luxury products at work would give wrong impression to the people.

Secondly, Chinese culture also reveals higher power distance than Finnish culture. According to the theoretical framework, power distance illustrates how likely people can accept unequal power structure. Thus, Chinese culture can be seen as more hierarchical than Finnish culture. Chinese consumers may be used to follow orders from higher position. Consequently, in luxury consumption, they are more easily influenced by celebrities or opinion leaders who they worship. Whereas people do not
like control and the power distance is lower. Finnish culture supports equality and transparency and everyone should have the same rights.

Thirdly, in terms of motivation, Chinese luxury consumers are more likely to be influenced by other people and emotion, whereas Finnish consumers are more likely to buy luxuries for special times and gift giving. Accordingly, motivation includes forces that drive people to make purchases. Consumers are driven by both private and social, and both physical and psychological motives to buy luxuries. For Chinese consumers, their high tendency to be influenced by others can be a result of high collectivism and power distance in their culture, since in such culture the society has high impact on individual behaviour. They are easily influenced by others because they want to obtain a socially acceptable status. Chinese consumers are also easily affected by emotional factors to make luxury purchases. They need luxuries to fulfill their emotional needs for happiness and satisfaction. There is higher possibility for Chinese consumers to make impulse purchases than for Finnish consumers, who tend to consider long before buying. Like one Finnish woman aged 48 expressed in the survey: “I buy only rarely and for a specific need. I also consider for a really long time before buying.” On the other hand, for Finnish consumers, timing is crucial for motivating them to buy luxuries. There is great chance for Finnish consumers to buy luxuries on special time, for example summer holiday or Christmas, as well as gift giving occasions, such as wedding or birthday. In this case, luxury consumption can be argued as the means to satisfy social needs.

In addition, quality is an important reason for buying luxuries for Finnish customers and luxury consumption can be seen as an investment. For example, in the Finnish part of the survey, a respondent said that "A quality product is almost always expensive, they last long time and their value is maintained or even increases, so I realize that money is never wasted if I place it to Chanel, Hermes, Manolo, Alexander McQueen, Missoni, Louboutin, Cartier or Marc Jacobs.” Finnish woman, 31 years old. Or like other participant said it: “Perhaps the idea of investing is the most
important factor. I have found out that certain brands have such a good quality that the product kind of pay for itself in time (sometimes even gets better with age), I do not need to disappoint to a product, it lasts long time -- However, I have noticed that not all the luxury brands are always of good quality, so I do not buy them.” Finnish woman 32 years old. According to their comments, it can be argued that lasting quality enables luxuries to maintain and even increase their values, in which way luxury consumption becomes an investment. In relation to the results of the survey, Chinese consumers are seen to value luxuries as investment, as much as Finnish consumers do. Thus, it can be argued that Chinese consumers, who are known as status-centered consumers, have started to place higher importance on the physical value of the product.

Finally, brand equity as a whole differs between two groups of consumers. Specifically, Chinese luxury consumers are lower in brand loyalty, awareness and association than Finnish consumers. Only perceived quality remains at the similar level between two groups. As discussed in the theoretical framework, brand loyalty, awareness and association can represent the emotional relationship of consumers with a particular brand. In China, low brand loyalty, awareness and association may cause difficulty for luxury brands to create and maintain a stable consumer community. On the other hand, it may create opportunities for luxury brands to attract consumers of competing brands. In Finland, higher brand loyalty, awareness and association of Finnish consumers provide a good environment for existing luxury brands to maintain the market, but it is difficult for new brands to enter the market. One reason for the brand loyalty might be that the number of different luxury brands available in Finland is still limited. Of course the Internet has provide a way to reach luxury consumers all over the world through e-shops, but people might rather buy luxury goods from an actual shop, especially if the brand is not available or is unknown in Finland.
6. CONCLUSION

This chapter summarize the article by connecting the research questions, theoretical framework and previous findings to the case study and its results. First, luxury consumption is culturally specific. Consumers all over the world have different cultures, which result in different buying behavior. Previous studies find that Chinese consumers are typically collective and have higher power distance than consumers from western cultures for example Finland. The case study proves that Chinese consumers scored higher than Finnish consumers in these two cultural aspects. Consequently, Chinese consumers show higher tendency to be influenced by others than Finnish consumers. Previous studies also find that Chinese consumers have low uncertainty avoidance and high social status represented by luxuries is more important than high quality for Chinese consumers. Meanwhile, Finnish consumers value quality higher than status and show high uncertainty avoidance. However, this case study shows that things have changed. Consumers of two cultures become similar in uncertainty avoidance and status consumption.

Secondly, the influence of motivation on luxury consumers of two cultures has also changed. Previous studies show that Chinese consumers like to buy luxuries as gifts to keep good relationship with other people, but this case study finds that Finnish people are more likely to buy luxuries for gift giving than Chinese. Besides, Chinese and Finnish consumers are similar in their responses to motives like self-actualization, social comparison and investment in luxury consumption. While Finnish consumers are more likely to buy luxuries for holidays and Chinese consumers are more likely to buy luxuries out of emotions.

Finally, Chinese and Finnish consumers differ greatly in brand equity. This research revealed that Finnish customers have higher overall brand equity than Chinese consumers, particularly in brand awareness, loyalty and association than the Chinese customers. Since Finnish customers appreciate the product quality above all
and tend to buy luxury products as an investments that last for the whole life-time of the user, they possibly search more information about the products before purchasing, which adds the brand equity. Whereas Chinese customers are more likely to make an impulse purchases and that might be a reason why the brand equity is lower.

7. CONTRIBUTION

The major contribution of this research is that its results provide luxury fashion marketers with updated information about luxury consumers of emerging markets such as China and Finland. First, the research results prove that cultural differences exist between Chinese and Finnish consumers in the degree of collectivism and power distance. When making marketing strategy in China, luxury marketers should pay close attention to the social influence on individuals, especially the influence from people who are on upper level of social hierarchy. Meanwhile, in Finland where the society is less collective and hierarchical, luxury marketers should instead focus on individual interests and needs, together with good quality products.

Secondly, previous studies have found that Chinese consumers have lower uncertainty avoidance and higher tendency toward status consumption than consumers of the Western world. However, this new research finds that there is not significant difference in uncertainty avoidance and status consumption between Chinese and Finnish consumers. The results may imply that Chinese consumers become more rational and less status-oriented in luxury buying.

Thirdly, this new research also finds changes in shopping motivation among Chinese and Finnish consumers. For example, previous studies argue that western consumers focus more on self-actualization, while Chinese consumers place higher importance on social comparison reasons in luxury shopping. However, this research suggests that Chinese and Finnish consumers have similar responses to these two motives. Consumers of two groups may have more balanced view on private and
social needs. Moreover, previous studies state that because social relationship is highly valued in Chinese culture, gift-giving becomes an important motive for Chinese consumers to buy luxuries. However, this research shows that Finnish consumers are even more likely to be motivated by gift-giving to buy luxuries than Chinese consumers. This result may imply that maintaining good social relationship is becoming an increasingly important reason for western consumers, for example the Finnish, to purchase luxuries.

Finally, the research proves that Chinese luxury consumers have lower brand awareness, loyalty and association than Finnish consumers. This result may suggest that the competition situation is different in two countries although they are both emerging markets. The Chinese market is open to new luxury brands, but difficult for existing brands to maintain their market share. On the other hand, new luxury brands may encounter more difficulties when entering the Finnish market, since existing brands have gained high brand awareness, loyalty and association among local consumers.

8. LIMITATIONS AND FURTHER SUGGESTIONS

This research contains several limitations. First, the size of sample is small. Luxury consumer behavior is complicated and individually specific. The research results based on responses from 113 Chinese and 40 Finnish luxury consumers may not be able to represent the whole population. Thus, more extensive researches must be done in order to get more completed picture about luxury consumer behavior in two countries. Future researches can be more extensive in two aspects. On the one hand, these researches should be done with larger number of Chinese and Finnish respondents. On the other hand, these researches should be conducted not only in big cities, but also in smaller places, because luxury brands are expected to expand to smaller places of new markets, like China and Finland, in the future.
Secondly, this research studies luxury consumer behavior in a quantitative approach. However, as discussed earlier, luxury consumption is a complicated phenomenon. Only knowing what cultural differences exist between two countries, which motives have stronger impacts on luxury consumers of each country and which group has higher brand equity is not enough. To better understand luxury consumer behavior, a qualitative approach, for example interview, needs to be used in order to dig out deeper reason behind luxury shopping behavior of Chinese and Finnish consumers. Through face-to-face interviews, we can get individualized answers concerning shopping motivation and brand equity. Furthermore it would be interesting to know in what extend people are interested in luxury products.

Furthermore, this study does not include an important factor, which is the disposable income, into the questionnaire survey on luxury consumers of Finland and China. In fact, the difference in disposable income must have impact on luxury consumers of two countries, because the income is the necessary economic means for buying luxuries. As mentioned earlier in the introduction, the annual income per capita of China was only US$4000 in 2011, much lower than that of western countries such as Finland. Besides, this study is conducted in big cities, where the gap in income between two countries may not be so significant. However, in a more extensive research that covers less developed area of China, this gap will be wider. Moreover, since Chinese economy is continuously growing, the average disposable income of Chinese consumers will increase to the similar level as that of Finnish consumers. Consequently, there will be changes in luxury consumption of Chinese and Finnish consumers. Thus, further study needs to be done to learn the relation of luxury consumer behavior with different income levels. Another important factor that might give more perspective to this study could be investigating the level of education of the participants. Highly educated people consume more luxury and do they have different buying motives than the lower educated people.
Finally, consumer behavior is changing phenomenon, especially in the new emerging countries; hence the information gained with this thesis is expiring fast. When the market is changing, for example new luxury shops are opened; the buying behavior can quickly change. It would be interesting to repeat this same research in different periods of time, would the answers be different after one year for example.
9. REFERENCES


Electronic sources

China Operations Support, 2012-04-05,  
<http://chinaops.fi/blog/category/kansainvalistyminen/ (2012-05-20)

E-finland, 2004-10-04, A Window to Finnish Information Society,  

Helsingin Sanomat, 2011-06-23, Rikkaiden määrä kasvoi vauhdilla Suomessa ja muualla,  
<http://www.hs.fi/talous/artikkeli/Rikkaiden+m%C3%A4r%C3%A4+kasvoi+vauhdilla+Suomessa+ja+muualla/1135267180098, (2012-05-18)

Holtari Seija, 2010-05-28, Luksus tarvitsee Suomessa aikalisän, Talouselämä,  
<http://www.talouselama.fi/uutiset/luksus+tarvitsee+suomessa+aikalisan/a2019001 (2012-03-22)

Iltasanomat, 2010-08-02, Luksuslaukut löytävät kantajansa lamassakin,  
<http://www.iltasanomat.fi/muoti-kauneus/Luksuslaukut%20loyp%C3%A4nt%C3%A4%20kantajansa%20lamassakin/art-1288336494679.html?ref=lk_ts_om_2 (2012-03-22)

Kullas Emilia, 2007-09-07, Juppi tuhlaa perheeseen, Talouselämä,  

Mtv3 news, 2009-06-22, Luksus tuotteiden kysyntä hiipunut,  

Okkonen Katja, 2008-09-08, Taloussanomat,
Sarpila Outi and Haanpää Leena, 2010, Rikas mies jos oisin, National consumer research centre,

Seuguenot Piia, 2008-02-12, Vuitton uhkuu voitonvarmuutta Suomessa, Kauppalehti,
Appendix 1. Model of the questionnaire

1. GENERAL INFORMATION
How old are you?
Which gender are you?
Where do you currently live?
What is your favorite luxury brand?

5-point Likert Scale Questions (1=strongly disagree, 5=strongly agree)

2. CULTURAL DIFFERENCES

Collectivism
Individuals should sacrifice self-interest for the group that they belong to.
Group success is more important than individual success.

Uncertainty avoidance
It is important to have instructions spelled out in detail so that I always know what I am expected to do.
Rules are important because they inform me of what it expected of me.

Power distance
People in higher positions should not ask the opinions of people in lower positions too frequently.
People in lower positions should not disagree with decisions made by people in higher positions.

Status consumption
I would buy a product just because it has status.
I would pay more for a product if it had status.
3. MOTIVATION

Self-actualization
Luxuries are special and wearing them makes me feel different.
I feel successful when buying luxuries.
Using luxuries increases my self-confidence.

Social comparison
I want other people to know that I own expensive luxuries.
I am satisfied when other people compliment on my luxuries.
I want people to know the luxury brands I use.

Other’s influence
I have to use luxuries because of my working environment.
People around me use luxuries.
I can't help buying luxuries when I see others do.
I buy luxuries because my family and friends do.

Investment for future
I buy luxuries because I believe their values will increase in the future and buying luxuries is a way of investment for me.

Buying for special time
I buy luxuries for holidays.
I buy luxuries for special occasions.

Buying out of emotion
I often buy luxuries on impulse.
When I am depressed, I buy luxuries to make me feel better.

Gift-giving
I often buy luxuries as gifts for others.
4. BRAND EQUITY

Brand loyalty
I consider myself to be loyal to X (X refers to the favorite brand of each participant).
X would be my first choice.
I will not buy other brands if X is available at the store.

Perceived quality
The likely quality of X is extremely high.
The likelihood that X would be functional is very high.

Brand awareness
I can recognize X among other competing brands.
I am aware of X.

Brand association
Some characteristics of X come to my mind quickly.
I can quickly recall the symbol or logo of X.