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Motivations of luxury consumption in America vs. China

by

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2014

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This thesis is dedicated to those who strive for material possessions.

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ABSTRACT

China's luxury consumption has increased dramatically in recent years. According to a 2012 report, Chinese consumption of luxury goods accounted more than one fourth of worldwide consumption, and Mainland China ranked as the 5th largest personal luxury goods market (McKinsey & Company, 2012). China's expenditure on luxury goods accounts for 20% of personal income, while globally average expenditure was 4% of income (HuiCong D&B Market Research, 2009). However, data from the World Bank shows that in 2012, China's Gross Domestic Product (GDP) per capita was only 7% of the U.S. The goal of this thesis is to investigate differences in luxury consumption motivations between American consumers, Chinese consumers residing in America, and Chinese consumers residing in China. The thesis also will explore the effects of cultural factors on motivations. Social surveys were created and conducted in a Midwestern American University to get the data for the two samples of American consumers and the Chinese immigrants. For the Chinese sample a social survey was conducted in three different college-level institutions. The set of hypothesis was created based on inferences from the theoretical framework. Statistical analyses were performed to test the validity of these hypotheses in terms of the three samples. Some hypotheses are strongly supported. For example, we found that materialism was a strong driver for different motivations for luxury consumption. Also, we found a stronger emphasis on Social Dominance values in the Chinese sample than the American one. There were however some hypothesis that were not supported. Suggestions are offered for future research on this important and timely topic.

CHAPTER 1. INTRODUCTION

During the past two decades Chinese expenditures on luxury goods have increased dramatically (Lannes and Han, 2010). Chinese consumption of luxury goods currently accounts for more than one-fourth of the global consumption of luxury goods with expectations that Chinese expenditures soon will account for one-third of all luxury goods sold worldwide (Atsmon et al, 2012). Whereas globally average expenditures on luxury goods account for approximately 4% of total household income, Chinese consumers spend about 20% of their income on luxury goods (HuiCong D&B Market Research, 2009). Mainland China ranks as the fifth largest personal luxury goods market as compared with the U.S., Japan, France, and seven other countries (Bain, 2012).

These dramatic increases in luxury good consumption among the Chinese occur despite the fact that many Chinese consumers do not have a good financial basis to consume luxury goods. While in 2009, the GDP per capita of the United States was \$46, 999, Mainland China's was only the equivalent of \$3,749 (The World Bank, 2009). To purchase one luxury product most Chinese consumers have to save money for several months. One might wonder about what cultural elements motivate the Chinese to engage in disproportionate rates of luxury good consumption and the extent to which motivations and the elements that affect them might differ in China as compared with those found in the United States. What motivates the Chinese to engage in such high rates of luxury good consumption? To what extent might these motivations and the causes of them differ between the Chinese and Americans?

Previous literature describes three theoretical perspectives regarding the purchase of luxury goods, wherein each perspective focuses upon a distinct motivation for luxury good consumption. Symbolic motivation refers to one's desire to use luxury goods as symbols to

communicate meanings about themselves to others (Veblen, 1899), the symbols to create, foster and develop their self-identity (Elliott and Wattanasuwan, 1998). Most often, this motivation is associated with the conceptual framework developed by Thorsten Veblen (1899) in his investigations into people's desires to signify their social prestige. Hedonic motivation (Hirschman and Holbrook, 1982) refers most directly to sensory benefits to be derived from luxury consumption. Taste, smell, texture, visual and the like sometimes can motivate persons to consume luxury goods and services. Instrumental motivation (Wong & Ahuvia, 1998) refers to perceptions of quality, wherein luxury goods sometimes are thought to be of higher intrinsic quality. Luxury goods might be considered, for example, as having improved performance or longevity. This thesis explores all three of these motivations that might influence Chinese consumption of luxury goods.

Motivations are influenced by a variety of physical, social-demographic, and cultural factors. This thesis explores the extent to which five factors might affect motivations to consume luxury goods: materialism, collectivism, social dominance, sex, and income. To some extent, people are motivated to consume luxury goods for materialist reasons (Richins, 1994). That is, some people simply enjoy owning expensive items. Also, people are motivated to purchase luxury goods to improve their perceived ability to interact with others in social situations (i.e., collectivism). That is, it is thought that consuming luxury goods sometimes brings advantages to individuals in social interactions. Nelissen and Meijers (2011), for example, conducted a set of experiments investigating the social benefits people gain by engaging in luxury consumption. A confederate wore either a luxury brand labeled clothing or identical clothing but without a brand label. The results showed that people treat one who displays luxury brands more favorably than one who does not display luxury brands. The person who wore luxury brands were perceived to

be wealthier and have higher social status. Also, the person displaying luxury goods gained higher preference and financial benefit compared with the same person wearing identical clothing without brand label in social interactions. A third element affecting motivation to engage in luxury good consumption is the extent of individual's hierarchical value. Hierarchy when talked as a personal attribute is the extent to which a person exhibits a hierarchical personality (Schwartz, 2004). A hierarchical personality represents the desire to exhibit social dominance over others. One might engage in luxury good consumption, therefore, in the belief that it will improve one's ability to control others or a social situation.

In summary, despite the demonstrated interest in learning more about Chinese consumption of luxury goods, we know little about the motivations behind it. It is intriguing for a less economically developed country to be a significant luxury consumption market. To learn more about Chinese consumption of luxury goods, it seems advisable to explore motivations for such consumption and factors that might affect these motivations. Keeping in mind that societal context might affect motivations and the factors that influence them, this thesis examined motivations and factors among three groups: Americans living in the United States, recent Chinese immigrants to the United States, and Chinese persons living in China. The procedure was to conduct a social survey of three groups of college students: U.S. students attending a midwestern university, Chinese students attending the same midwestern university, and Chinese students attending college-level institutes in China. The thesis examines motivations and their explanatory factors to purchase luxury goods for each of these groups.

The thesis first reviews extant literature regarding motivations to engage in consumption of luxury goods. This review yields insights into a complex array of culturally defined elements that can affect one's motivation to engage in luxury consumption. The thesis then develops a

theoretical model of motivation to purchase luxury goods, wherein the three primary motivations (symbolic, hedonic, and instrumental) are posited as dependent variables and the five factors that might affect them (materialism, collectivism, social dominance, sex, income) are posited as independent variables. Previous literature that explores linkages among motivations and their factors is used to posit hypotheses regarding the extent to which each factor should affect each motivation. Descriptive statistics and multivariate regression analysis are used to determine which among the five factors is most important in influencing each motivation to engage in luxury good consumption among U.S. students, Chinese students attending college in the U.S., and Chinese students attending college in China. The thesis concludes by highlighting the extent to which cultural foundations of luxury goods can affect motivations to consume them.

CHAPTER 2. LITERATURE REVIEW

Luxury Goods, Luxury Consumption, and Conspicuous Consumption

There is no uniform definition for luxury goods. Veblen defines luxury goods as items that do not necessarily have functional utility but displaying them can bring prestige to the owner (Veblen, 1899). In economics, luxury is defined as a good or service whose consumption rises more than in proportion to an increase in income, whereas a necessary goods is one whose consumption increases proportionally less than income (Black and Myles 2012). Luxury consumption refers to the consumption of luxury products. Due to the attributes of higher cost, which may or may not reflect scarcity and exclusivity, luxury goods to some hold a symbolic meaning associated with wealth and status. An individual thereby can display wealth and status through the purchase of luxury goods. Luxury goods are "good prima facie evidence of pecuniary success, and consequently prima facie evidence of social worth" (Veblen, 1899). Veblen (1989) notes that wealth does not really convey status, but the exhibition of wealth does. The exhibition works as a signal to others that the individual has wealth and the ability to acquire luxury goods. People thereby communicate their wealth and social status by spending money on luxury products (Bagwell and Bernheim 1996; Han et al. 2010; Mazzocco et al. 2012; Rucker et al, 2012; Wernerfelt, 1990; Wilcox et al, 2009). Conspicuous consumption has been defined in different ways, but there is one attribute is common to all definitions: it is a consuming behavior motivated by the display of self-identity. Conspicuous consumption is a generic conception. It is a type of consumption that is motivated by displaying self-identity.

Traditionally, conspicuous consumption refers to spending money on luxury products that can be used to display one's wealth and social status (Veblen, 1899). Later research indicates that conspicuous consumption can convey broader meanings; it can signal values, individual qualities, sexuality, age, ethnicity, hobbies, and other forms of identity (Blumer, 1969; Davis, 1992). Chaudhuri et al. (2011) define conspicuous consumption in the postmodern phase as deliberate behavior of consuming visible products that are with scarce economic and cultural capital to communicate distinctive self-image to others. Cultural capital refers to non-financial assets that are "socially rare and distinctive tastes, skills, knowledge and practice" (Miller, 2001). Based on this definition, conspicuous consumption is not as same as luxury consumption.

Conspicuous consumption does not have to involve the purchase of luxury goods because displaying self-image does not necessarily have to utilize luxury products. A student majoring in apparel design, for example, might display her unique taste by decorating herself with inexpensive products; that is, "displaying non-luxury goods." Also, luxury consumption does not necessarily involve displaying products in that people privately consume luxury goods. For example, a consumer might enjoy an expensive wine at home. For these type of consumption, consumers are not attracted by the symbolic value of the product; rather, they are motivated by hedonic reasons or a perception of the better quality of the product. With these definitions in mind, we can develop a conceptual framework to guide this inquiry into motivations to engage in conspicuous consumption.

Motivations to Engage in Luxury Consumption

Symbolic Motivation

Symbolic motivation refers to the desire to exhibit social prestige. Prior literature indicates that this general concept comprises three sub-dimensions: Veblenian, Bandwagon, and Snob. *Veblenian consumption* refers to Veblen's (1899) traditional definition of conspicuous consumption as described above, wherein the individual seeks to exhibit to others their social status or wealth. Veblen (1899) notes, for example, that the social group *nouveaux riches* (who had newly become wealthy) in late nineteenth-century America tried to show that they were upper class by consuming the goods upper class consumed. The focal point of the differences among Veblen, snob and bandwagon is how they use the high price of luxury goods as indicators to gain what they want. Veblenians consume luxury goods because the high price of luxury goods provides the conspicuous value for showing off. Snobs consume luxury goods because a high price provides the exclusive value (non-conformative) for meeting the need for uniqueness. Bandwagons consume luxury goods because the high price provides social value (conformative) for meeting their need for group affiliation (Vigneron and Johnson, 1999.)

For the Veblenian, price is an indicator of prestige. For Snob consumers, price is an indicator of exclusivity. Snob is the motivation of expressing "the need for uniqueness." Snob's demand for a commodity will decrease if they perceive mass consumers' demand for the same commodity increases (Leibenstein, 1950). Snobs will favor the limited supplies or scarcity of a luxury product, but will reject it when they perceive that it has been consumed by the mass (Vigneron and Johnson, 1999). It is the scarcity and exclusivity of luxury goods that fulfills the

need for uniqueness (Vigneron and Johnson, 1999). Verhallen and Robben (1994) thereby suggest that people tend to consume scarce products if they perceive the products as unique, popular and expensive. According to Freud (1961), the need for uniqueness is derived from a defense mechanism caused by unsolved conflict. For example, snobs consume luxury goods to divert, explain, or reduce the frustration that can arise from unresolved conflict to belong to a certain elite or aristocracy (Vigneron and Johnson, 1999).

Bandwagon describes the motivation that individuals want to conform to their ideal reference group and/or to differentiate from an undesired reference group (Vigneron and Johnson, 1999). Bandwagons' demand for a commodity will increase if they perceive others are also consuming the same commodity (Leibenstein, 1950). Consuming luxury goods for bandwagons is the symbol of being one of a member of their ideal group (Vigneron and Johnson, 1999). Both snobs and Bandwagons have the same purpose, which is to enhance their "self-concept." "Even though snobs and followers buy luxury products for apparently opposite reasons, their basic motivation is really the same; whether through differentiation or group affiliation, they want to enhance their self-concept" (Dubois and Duquesne, 1993b: Vigneron and Johnson, 1999). The difference between snob and bandwagon motivation is that snobs' demand for a product will increase as others' demand for the product decreases, but bandwagons' demand will increase as others' demand increases.

Hedonic Motivation

Hedonic is a motivation to meet inner thoughts and feelings—pleasure and excitement.

The word luxury means *excess* in Latin as a derivative of the word *luxus*. Objects provide "a

condition of abundance, pleasure, ease, and comfort"; *Necessities*, contrast with luxuries, are "objects that relieve an unpleasant state of discomfort". (Khan et al, 2004, p. 4: Berry, 1994). Wearing a shirt on a day with cool air temperatures, for example, is a necessity to relieve the discomfort of being cold. Wearing a silk shirt, in contrast, will also relieve the discomfort of being cold, but will also imbue comfort in itself, in the pleasure of the feeling of the silk. Researchers find that luxury goods are more used for hedonic purpose and necessities are used to meet utilitarian purpose (Khan et al, 2004: Dubois et al, 2004; Kivetz & Simonson 2002a, b; Strahilevitz & Myers 1998).

Hirschman and Holbrook (1982) define hedonic consumption as "consumers' multisensory images, fantasies and emotional arousal in using products." Here, multisensory means the experiences received from multiple sensory systems: taste, touch, smell and visual. Of course, all of these sensory systems are emotional as well as mechanical in that they are affected by personal preferences. People who rely on their inner preferences and who are not susceptible to interpersonal influences, for example, role-relaxed consumers or inner-directed consumers, are more likely to have hedonic motivation (Vigneron and Johnson, 2004). Aesthetic appeal, sensory gratification, and intrinsic enjoyment represent forms of hedonic experience (Rossiter and Percy, 1987; Horiuchi, 1984; Richins, 1994; Wong and Ahuvia, 1998; Dubois and Paternault, 1997: Vigneron and Johnson, 1999). For example, the romantic memory a perfume evokes, the pleasant atmosphere of dining in a French restaurant, refined craftsmanship of a Chanel dress, and enjoyable taste from chocolate.

Instrumental Motivation

Instrumental (or "perfectionist") motivation refers to a motivation for quality, wherein quality is presumed to be associated with a higher price (Vigneron and Johnson, 1999). Good quality of luxury goods is guaranteed by the high price, which is why they find them more desirable (Vigneron and Johnson, 1999). People pursue the specific function of quality that luxury goods provide. Examples of quality value like good protection against cold of a winter coat, the precision of a Rolex watch, good ankle protection and excellent performance of Nike tennis shoes.

Factors Affecting Motivations to Engage in Luxury Good Consumption

Prior literature focuses upon three key factors that affect motivations to engage in luxury good consumption: materialism, interdependence, and social dominance. Additionally, previous research shows that males and females differ in the extent to which they engage in the consumption of luxury goods. Fan and Burton (2003) conducted a study on students' perception of status-conveying goods, and found that female students tended to perceive "clothing" and "vacation" as status-conveying goods, while male students tended to perceive "luxury car" and "Jacuzzi" as status-conveying goods. Some studies state that when consuming luxury goods like clothing and perfume, females care more about the quality, uniqueness, status value and social value of luxury products than men (Wiedmann et al., 2009, Stokburger-Sauer and Teichmann, 2013). Therefore, this thesis examines the extent to which sex might be associated with motivations. Although the literature indicates that wealth and income do not necessarily

influence motivations to consume luxury goods, this thesis includes a measure of income as a covariate that might account for differences in extent of motivation.

With these considerations in mind this section will describe the extent to which previous literature infers causal relationships between each of the three independent variables (i.e., materialism, collectivism, and social dominance) the three dependent variables (i.e., symbolic motivation, hedonic motivation, and instrumental motivation).

Materialism

Materialism (Richins and Dawson, 1992) refers to defining one's identity by the ownership of possessions. Typically, materialism is thought to encompass acquisition centrality (possessions are the center of life), acquisition happiness (possessions bring about well-being in life), and acquisition success (possessions as material symbols of success). For the materialist, happiness seeking via consumption comes largely as a result of economic affluence (Ger and Belk, 1990). People of high materialism tend to place higher value on items that can be worn or seen in public and may often derive more pleasure from showing the goods as opposed to actually using the goods (Richins, 1994). For highly materialistic consumers, the meanings of luxury goods are more to signal the success or achievement (Richins, 1994). They tend to judge their own and others' success by the number and quality of possessions accumulated (Richins and Dawson, 1992). Therefore, materialistic individuals may believe that success or prestige could be demonstrated by luxury possessions.

Political and economic change from Marxism socialist to market socialism in China might promote the change of luxury products being perceived as a hated symbol to a symbol that

represents hard work and initiative (Tse et al. 1989). Previous research, for example, found that China had the highest score on materialism compared with U.S.A. and Mexico (Eastman et al, 1997). Podoshen et al. (2011) also find that compared with American young adults, Chinese urban young adults scored higher on both materialism and conspicuous consumption.

With these considerations in mind, I can posit hypotheses regarding the relationship between materialism and symbolic motivation. At the same time, the conceptual framework developed here does not infer causal relationships between materialism and either hedonic or instrumental motivation.

H1: The greater the materialism, the greater the symbolic motivation to consume luxury goods.

Collectivism

Collectivism refers to the extent to which one considers the opinions of others in their decision making. The collectivist takes into account how others, particularly significant others, might feel about their decisions. Individual goals are considered as being inferior to social goals. Collectivistic individuals are more motivated by the perceived norms of their connected others (Triandis 1990, 1995). Individualists, on the other hand, are more self-determined; their behavior is more motivated by their own experiences, values, and needs regardless of others' position (Triandis 1990, 1995).

Psychologists often use cultural dichotomies to analyze the effects that cultural differences have on behaviors. "Collectivism" (Hofstede, 1980; Chan, 1994; Kitayama et al 1997; Yamaguchi, 1994). These two cultural syndromes combined the core elements within a

society: norms, roles, attitudes, beliefs, values, conformity and motivations (Hofstede, 1980; Kim, 1994; Triandis, 1995). Therefore, I strongly believe that collectivism and individualism are indicators of the motivations in luxury consumption.

Hofstede (1991) states that in individualistic culture, the ties between individuals are loose. In an individualistic culture such as found in the United States, presentation of self as unique and free from constraints is more appreciated (Sedikides et al, 2003). China is said to have collectivistic orientation (Hofstede, 2001; Yau 1986, Usunier, 2005; Sun et al, 2004). In a collectivistic culture like China, the definition of "self" relies upon group norms and evaluations from others; individual goals are considered as being inferior to social goals. Collectivistic individuals are more motivated by the norms and duties from their connected others (Triandis 1990, 1995). Collectivists focus on the idea that individuals are merged with the group, wherein individuals are judged by their group identities and they accept the same judgment, too (Wong & Ahuvia, 1998). Collectivists emphasize public perceptions as central to one's identity. They are concerned about how they present themselves to others: their behavior is guided by their familial, cultural, professional, and social relationships (Ho, 1977; Markus and Kitayama, 1991).

People from different cultures are all engaged in self-presentation, and they all more or less manage their behaviors to gain positive self-regard. If luxury goods are valued as symbols of excellence in collectivistic culture—due to their conformity to the social norms and other's expectations—good group members must engage themselves in such behaviors to fit in. While for individualist consumers, buying or owning certain luxury product is not as much affected by norms; their consumption behaviors are probably motivated by their inner preferences and emotions. Therefore, Chinese consumers as compared with American consumers should have

greater collectivism. Hence, Chinese consumers should have greater symbolic motivation to consume luxury goods than do American consumers.

With these considerations in mind, we can posit the following hypotheses:

- H2: The greater the collectivism, the greater the symbolic motivation to consume luxury goods.
- H3: Chinese consumers residing in China have greater symbolic motivation than do American consumers to consume luxury goods.

In a similar manner to the preceding discussion, we can rely upon previous literature to infer a causal relationship between collectivism and hedonic motivation. Individualists, in contrast with collectivists, believe that individuals are distinct from others and are judged by individual identities (Wong & Ahuvia, 1998). Individualists' behavior is mainly regulated by their inner feelings and emotions like preferences, tastes, abilities and personal values (Kitayama et al, 1997). With this conceptual framework in mind, we can hypothesize:

- H4: The greater the collectivism, the less the hedonic motivation to consume luxury goods.
- H5: Chinese consumers residing in China will have lesser hedonic motivation than American consumers to consume luxury goods.

Social Dominance

Social dominance is conceptualized within the context of literature regarding hierarchical and egalitarian personalities. Hierarchy is a belief that people or groups are ranked according to their status or authority. Egalitarianism is a belief in the principle that people are equal and

deserve equal rights and opportunities. In hierarchical cultures, social power, authority, humility, and wealth are emphasized, while in egalitarian cultures, Equality, social justice, responsibility, help, and honesty are very important (Schwartz, 2004).

Values of hierarchy and egalitarian can exist in both America and China, but it is more likely to be found in China because strong social hierarchies are a common trait of collectivist cultures (Markus & Kitayama, 1991, p.236; Triandis, 1990). In a culture like China that tends to be hierarchical, social structures are highly stratified. People care about their "place" in the social hierarchy and respect authority. Wuthnow et al., (1984) claimed that the more a society emphasizes economic status difference, the more it focuses upon symbolic goods that mark the differences. Gaining respect and the concern for public reputation are emphasized in such cultures. They have the strong need to claim their social identity because of the hierarchical nature of society, in which one's position is mostly defined by one's economic advance. (Wuthnow et al., 1984). Because the purpose of Veblenian symbolic motivation is to impress others with social status and wealth, and because Snob symbolic motivation focuses upon exclusivity, and because Bandwagon motivation emphasizes gaining or retaining social acceptability, one might reason that the symbolic motivation of Chinese consumers will be influenced more by a hierarchical (or social dominance) orientation than is true for American consumers. Hence,

H6: The greater social dominance orientation, the greater the symbolic motivation to consume luxury goods.

And again, I hypothesize,

H3: Chinese consumers residing in China have greater symbolic motivation than do

American consumers to consume luxury goods.

The Effect of Acculturation on Luxury Consumption

When people move from their home culture to a host culture, and have the first-hand contact with the host cultural, their original cultural patterns change, referred to as acculturation (Redfield et al., 1936, p.149). Peñaloza (1994) defines consumer acculturation as "the general process of movement and adaptation to the consumer cultural environment in one country by person from another country." (p. 33). Acculturation has been shown to have critical impact on consumers' behaviors (Gentry et al., 1995; Quester et al., 2001; Ustuner and Holt, 2007). Length of stay is a measure of the degree of acculturation (Laroche et al., 1997; Jolibert and Benabdallah, 2009). Mo, Roux and Wong (2011) did a comparative study on the attitudes toward luxury consumption among Chinese consumers in China, Chinese consumers in U.S., and American consumers. They found that status, as a social/external driver, had a negative effect on consumption on both American and acculturated Chinese, but had no effect on Chinese consumers. However, materialism, as a personal/internal driver, had a strong effect on both Chinese and acculturated Chinese consumers. They indicate that depending on different levels of acculturation, Chinese consumers in China and acculturated Chinese consumers have the same internal drives to consume luxury goods, but externally acculturated Chinese may feel the pursuit of status in luxury consumption is not appropriate in the American social setting, so they try to fit in.

With these considerations in mind, I can posit these hypotheses:

- H7: Chinese consumers residing in China have stronger collectivism than Chinese consumers residing in America.
- H8: Chinese consumers residing in China have stronger social dominance than Chinese consumers residing in America.

- H9: Chinese consumers residing in China have stronger symbolic motivation than Chinese consumers residing in America.
- H10: Chinese consumers residing in America have greater hedonic motivation than Chinese consumers residing in China.

CHAPTER 3. PROCEDURE AND RESULTS

Participants

An online survey was conducted to gather data from three samples of college students: American students attending a Midwestern university, Chinese students attending the same Midwestern university, and Chinese students attending three college-level institutes in China. The American and Chinese students attending the Midwestern university were recruited by sending them a mass-delivered email notification. The notification provided information about the purpose of the study and how it might contribute to a better understanding of luxury good consumption in the U.S. and China. Students who volunteered to participate were directed to an online survey questionnaire. The Chinese participants residing in China were recruited from three universities located in Xi'an and Yangzhou. Personal contacts with instructors and advisors at these universities were used to gain permission to contact students attending classes. These students were recruited by their advisors and student organizations, who notified potential respondents of the link of the online survey. An informed consent form was attached at the beginning of the survey online for all participants. Two reminder emails were sent within two weeks after the first email was set to students in the U.S. To provide sufficient time for the acculturation of Chinese students residing in the U.S., they were asked, "Have you lived in the U.S. for 12 months or more?"

Measurement of the Model Variables

The survey was conducted over three different samples: American students attending a Midwestern university, Chinese students attending the same Midwestern university, and Chinese students attending three Chinese universities. In the month long survey, there were 1,588 responses from American students, 132 responses from Chinese students attending the Midwestern university, and 181 responses from Chinese students attending the Chinese universities. After filtering out invalid responses, the useful responses from the three data sets were 1,110, 99, and 126, respectively.

Two months before the main survey, a pilot study was conducted to examine the validity and reliability of the measures of the dependent and independent variables. Fifty students were recruited from a sociology course and returned valid responses. After analyzing the results, some items with were reworded or dropped. The final questionnaire has three parts. The first part screened the eligibility of participants by asking multiple-choice questions. The second part asked questions to measure motivations of luxury consumption (i.e., symbolic, hedonic, and instrumental) and the scaled independent variables (i.e., materialism, collectivism, and social dominance). The third part of the questionnaire asked for participants' sex and monthly expenditures.

Measures of the Dependent Variables

All questions regarding motivations were framed within the context of the consumption of luxury apparel. I used the term "expensive clothes" to represent the idea of purchasing luxury goods. All questions addressing these variables used a Likert-style format with response scales

ranging from 0 to 7. Participants were asked to use a slider to indicate their ratings, with the ratings sequence set to two decimals.

Symbolic Motivation

As noted in the literature review, symbolic motivation is conceptualized as consisting of three sub-components: Veblen, Snob, and Bandwagon. Items used to measure these concepts were created for this study; no prior studies provided a well-documented and previously validated scale to measure Veblen, Snob, or Bandwagon motivation. The 20 items written for this construct were analyzed together using exploratory factor analysis, such that a factor was indicated by an eigenvalue of 1 or greater and the presence of a viable item to measure each subcomponent was identified if the parameter estimates for that item equaled .4 or more. The exploratory factor analysis indicated three factors that could be identified as measuring Veblen, Snob, and Bandwagon, respectively. The items that were retained as part of this analysis are listed in Table 1. The results of exploratory analysis are listed in Table 3. Some items were deleted because they loaded on multiple sub-components or did not show sufficient item reliability for a sub-component. The Cronbach alpha reliability estimates for each subcomponent of symbolic motivation are listed in Table 3. For each sub-component and for each sample these estimates exceed a value of .7 with one exception. The Cronbach reliability estimate for Veblen within the sample of Chinese students residing in the U.S. equals .67.

An important element of the literature review is that symbolic motivation is considered to be a general construct consisting conceptually of the three sub-components: Veblen, Snob, and Bandwagon. Therefore, to calculate a single measure of symbolic motivation that accurately reflected the relative influence of Veblen, Snob, and Bandwagon, I conducted confirmatory

factor analysis with each of these concepts specified as first-order factors and symbolic motivation specified as a second-order factor. The results of this analysis are shown in Table 4. These figures indicate that each item used to measure the sub-components of symbolic motivation has sufficient validity on symbolic motivation to create a single measure of symbolic motivation. This score on symbolic motivation equaled the mean score on each sub-component multiplied by the standardized estimate of that sub-component on the second-order latent variable (i.e., symbolic motivation), wherein these three products were summed to create the final score for symbolic motivation.

Hedonic Motivation

Hedonic motivation conceptually represents the desire to purchase luxury goods to fulfill intrinsic, typically sensory, feelings. The item used to measure hedonic motivation, therefore, measures the extent to which an apparel item fulfills sensory desire. The question used to measure hedonic motivation is shown in Table 1.

Instrumental Motivation

The concept instrumental motivation conceptually should capture the extent to which the purchase of a luxury good meets a desire for a high-quality product. In this case, the purchase of luxury apparel takes place because the higher-priced item is thought to wear longer or be a better value for the money. Exploratory factor analysis of items derived from Table 1 yielded a single factor, wherein the criterion for determining a factor was established as having an eigenvalue of

1 or more. The questions used to measure instrumental motivation are shown in Table 1, wherein each question focuses on the perceived quality of the garment. The Cronbach's alpha reliability of this scaled construct equals .92 for the sample of American students, .87 for the sample of Chinese students residing in the U.S., and .91 for Chinese students residing in China (Table 3).

Measures of Independent Variables

Materialism

The measurement of materialism relied upon items appearing in the 18-item materialism scale developed by Richins and Dawson (1992). Exploratory factor analysis was conducted on these 18 items for the three samples, wherein the minimum eigenvalue for consideration as a factor was set to one and rotation was set as orthogonal to provide the most straightforward interpretation of factors within and across samples. The results of this analysis discovered four items that consistently loaded onto a single factor for each of the three samples (Table 2). The Cronbach's alpha reliability for American sample equaled .77, for the Chinese sample in the U.S. sample equaled .72 and for the Chinese sample in China sample equaled .86. The Cronbach's alpha reliability for each sample is reported in Table 3.

Collectivism

Collectivism was measured using items gleaned from the Individualism-Collectivism

Scales of Oyserman et al., (2002). As with the measurement of materialism, exploratory factor analysis was used to determine a sub-set of the 15 items from the Oyserman et al. scale that consistently loaded onto a single factor across the three samples, wherein the exploratory factor analysis set the minimum score for an eigenvalue to one and relied upon an orthogonal rotation.

A total of 2 out of the original 15 items best suited the content and face validity of this study across all three samples (Table 2). Cronbach reliability estimates for each sample are shown in Table 3. For the sample of American students, this value equaled .76 and for each of the two samples of Chinese students the Cronbach reliability estimate equaled .89.

Social Dominance

The measure of social dominance relied upon a scale initiated by Sidanius and Pratto (1999). To best address cross-cultural issues of content and face validity, two items were removed from this scale and a few modifications were made to the wording of the original scale (Table 2). Exploratory factor analysis (e.g., minimum eigenvalue = one with orthogonal rotation) revealed that all 14 of the items evaluated had sufficient validity and item reliability to be retained in the measure of social dominance, wherein social dominance conceptually consists of two sub-components: egalitarianism and hierarchy. The exploratory factor analysis showed that 6 of the 14 items loaded onto a measure of egalitarianism, with the remaining 8 items

loading onto a measure of hierarchy. Cronbach alpha reliability analysis indicated sufficient reliability at .87 or above on both sub-components across all three samples.

Social dominance, conceptually, is a single construct consisting of two sub-components: egalitarianism and hierarchy. Confirmatory factor analysis was used also to examine the factor structure of the two sub-components of the social dominance measure: egalitarian and hierarchy. The results shown in Table 4 indicate that the items used to measure each sub-component have high parameter estimates for their respective sub-components and that each parameter estimate is statistically significant at probability < .05. Therefore, the measure of social dominance was calculated for each individual as their mean score on the items used to measure each sub-component multiplied by the respective factor weight for each sub-component.

Covariates

Because the study focused upon perceptions of purchasing luxury goods, I included monthly expenditure as a covariate an indication of the monetary funds available to the student. The response scale were 6 multiple choices: bigger number indicates higher monthly expenditure. Sex was coded binomially: 1= male, 0= Female. The complete questionnaire is shown in Appendix A.

Table 1. Measurement for dependent variables

Fac	etors	Number	Questions	
		LC1	Sometimes I buy apparel to show my prosperity	
Veblenian	Vehlenian	LC3	Sometimes I buy expensive clothing because I want to show others that I can afford to do so	
	v coleman	LC7	I think others are impressed when I wear expensive clothes	
		LC8	Wearing expensive clothes can help me be the center of attention	
Symbolic motivation Snob Bandwagon		LC4	Sometimes I enjoy buying expensive clothes because not all persons can afford to do so	
		LC10	I feel proud to be able to wear expensive clothes	
		LC5	I buy more expensive clothes to help me be liked by others	
		LC6 I believe that more expensive clothes are more socially acceptable to others		
		LC9	I buy expensive clothes that are well recognized by others	
Hedonic	motivation	LC16	I buy expensive clothes because they are more comfortable to wear	
			I buy expensive clothes because they have better quality	
Instrumental motivation		LC15	I buy expensive clothes because they last longer	
		LC17	I buy expensive clothes because they are a good value for the money	
		LC18	I buy expensive clothes because they last longer before wearing out	

Questions were randomized

Table 2. Measurement for independent variables

	MT11	I would be happier if I could afford to buy more things.		
	MT12	It sometimes bothers me quite a bit that I cannot afford to buy all the things I would like.		
Materialism	MT14	Some of the most important achievements in life include		
	WH 1 14	material possessions.		
	MT15	Material objects are sign of success.		
	IN10	When making decisions, it is important for me to conce the feelings from others who are close to me.		
Collectivism	IN11			
	INTI	When making decisions, it is important for me to conside the effects on others who are close to me.		
	HE1	It would be good if all groups could be equal		
	HE2	Group equality should be our ideal		
	HE3	All groups should be given an equal chance in life		
	HE4	We should do what we can to equalize conditions for		
		different groups		
	HE5	We would have fewer problems if we treated different		
		groups more equally		
	HE6	No one group should dominate society		
	HE7	Some groups are just more worthy than others		
Social dominance	HE8	In getting what you want, it is sometimes necessary to use		
		force against other groups		
	HE9	Superior groups should dominate inferior groups		
	HE10	To get ahead in life, it is sometimes necessary to step on		
		other groups		
	HE11	If certain groups stayed in their place, we would have		
		fewer problems		
	HE12	It is probably a good thing that certain groups are at the		
		top and other groups are at the bottom		
	HE13	Inferior groups should stay in their place		
	HE14	Sometimes other groups must be kept in their place		

Questions were randomized

Table 3. Exploratory Factor Analysis of the Model Variables

	Questions	America	Chinese in America	Chinese
	LC1	.853	.773	.882
	LC3	.844	.832	.885
Veblen	LC7	.820	.857	.914
	LC8	.782	.848	.875
	Reliability	α= .84	α= .85	α= .91
	LC4	.879	.889	.917
Snob	LC10	.879	.889	.917
	Reliability	α= .71	α= .67	α= .81
	LC5	.839	.894	.907
Bandwagon	LC6	.808	.854	.892
	LC9	.816	.557	.805
	Reliability	α= .76	α= .74	α= .84
Hedonic	LC16			
	LC14	.919	.863	.898
	LC15	.933	.888	.919
Instrumental	LC17	.820	.831	.833
	LC18	.934	.804	.896
	Reliability	α= .92	α= .87	α= .91
	IN10	.898	.948	.948
Collectivism	IN11	.898	.948	.948
	Reliability	α= .76	α= .89	α= .89
	MT11	.824	.594	.813
	MT12	.743	.678	.830
Materialism	MT14	.737	.883	.843
	MT15	.761	.883	.873
	Reliability	α= .77	α= .72	α= .86

 Table 3. Exploratory Factor Analysis of the Model Variables (Continued)

	HE1	.854	.813	.794
	HE2	.861	.847	.799
	HE3	.697	.802	.852
Egalitarian	HE4	.859	.885	.892
	HE5	.829	.724	.888
	HE6	.562	.762	.641
	Reliability	α= .87	α= .89	α= .90
Hierarchy	HE7	.749	.561	.633
	HE8	.694	.702	.671
	HE9	.798	.756	.752
	HE10	.723	.863	.810
	HE11	.776	.740	.781
	HE12	.736	.832	.777
	HE13	.761	.832	.794
	HE14	.781	.741	.733
	Reliability	α= .89	α= .89	α= .88

Table 4. Standardized Parameter Estimates from Confirmatory Factor Analysis

Symbolic motivation				
Veblen	ISU American	ISU Chinese	Chinese	
LC01	0.802**	0.737**	0.836**	
LC03	0.809**	0.806**	0.831**	
LC07	0.748**	0.759**	0.893**	
LC08	0.675**	0.741**	0.838**	
Snob	ISU	ISU	Chinese	
	American	Chinese		
LC04	0.653**	0.799**	0.834**	
LC10	0.836**	0.728**	0.816**	
Bandwagon	ISU	ISU	CI.:	
Danawagon	American	Chinese	Chinese	
LC05	0.760**	0.868**	0.872**	
LC06	0.635**	0.750**	0.835**	
LC09	0.742**	0.400**	0.705**	
Model	ISU	ISU	Chi	
Model	American	Chinese	Chinese	
Veblen	0.999**	0.977**	0.973**	
Snob	0.949**	0.999**	0.965**	
Bandwagon	0.971**	0.704**	0.947**	

Table 4. Standardized Parameter Estimates from Confirmatory Factor Analysis (Continued)

Social dominance				
Egalitarian	ISU American	ISU Chinese	Chinese	
SD01	0.838**	0.742**	0.743**	
SD02	0.855**	0.773**	0.733**	
SD03	0.604**	0.795**	0.826**	
SD04	0.834**	0.890**	0.878**	
SD05	0.772**	0.675**	0.877**	
SD06	0.464**	0.687**	0.569**	
Hierarchy	ISU American	ISU Chinese	Chinese	
SD07	0.706**	0.476**	0.556**	
SD08	0.627**	0.626**	0.595**	
SD09	0.769**	0.700**	0.715**	
SD10	0.661**	0.833**	0.778**	
SD11	0.743**	-0.698**	0.749**	
SD12	0.703**	0.820**	0.740**	
SD13	0.729**	0.835**	0.769**	
SD14	0.742**	0.703**	0.696**	
Model	ISU American	ISU Chinese	Chinese	
Egalitarian	-0.602**	0.252**	0.326**	
Hierarchy	0.860**	-0.674**	0.326**	

Descriptive Statistics and Analysis of Variance

Tables 5 to 7 provide descriptive statistics for the model variables and whether the mean scores on the model variables differ across the three samples. Analysis of variance (ANOVA) and the Scheffe procedure were used to test for statistically significant differences across these means for the three samples. To the extent that the expenditure categories can be compared across the two samples surveyed in the United States with the sample surveyed in China, I found that Chinese students residing in the U.S. reported significantly higher expenditures on all items than did American students as well as Chinese students residing in China. It might be that students who have the advantage of attending college in the U.S. come from more affluent families, which provide them with more financial resources. The mean scores on Veblenian symbolic motivation and Bandwagon motivation did not differ significantly across the three samples. Snob motivation, on the other hand was significantly higher among American students compared with Chinese students residing in either the U.S. or China. Hedonic motivation was highest among Chinese students residing in the U.S. The difference in means on Hedonic motivation was statistically significant between American students and Chinese students residing in the U.S. as well as between American students and Chinese students residing in China, wherein the American students scored the lowest on Hedonic motivation.

The mean scores on materialism did not differ across the three samples. The mean scores on collectivism, however, were significantly lower in comparing American students with Chinese students living in China. American students scored higher on egalitarianism and lower on hierarchy compared with both samples of Chinese students. And Chinese students residing in

the U.S. scored significantly lower on egalitarianism and higher on hierarchy than did Chinese students living in China. These results, like the results for expenditures, might reflect the behaviors and attitudes of more privileged persons attending college in the U.S. Accordingly, American students scored significantly lower on social dominance than did Chinese students residing in China and Chinese students residing in the U.S. scored higher on social dominance than did Chinese students residing in China.

Table 5. Descriptive Statistics

	Ame	rican	Chine	ese in US	Chinese in China		
	N= 1,110		N	= 99	N= 126		
	M	SD	M	SD	M	SD	
Symbolic motivation	4.169	4.066	3.415	3.144	3.111	4.012	
Hedonic motivation	2.295	2.118	4.391	1.975	3.957	2.416	
Instrumental motivation	3.216	2.006	3.853	1.798	3.751	2.071	
Collectivism	5.054	1.494	5.315	1.438	5.453	1.580	
Materialism	2.374	1.590	2.825	1.556	2.872	1.951	
Social dominance	-1.957	1.812	-0.633	1.203	2.110	0.822	
Sex	0.354	0.478	0.525	0.502	0.730	0.446	
Expenditure	2.547	1.418	3.182	1.101	2.643	0.774	

Table 6. Analysis of Variance of Means for the Three Samples

		Sum of Squares	df	Mean Square	F	Sig.
Expenditure	Between Groups	4024.212	2	2012.106	1105.334	.000
	Within Groups	2424.720	1332	1.820		
	Total	6448.932	1334			
Symbolic	Between Groups	164.941	2	82.470	5.154	.006
	Within Groups	21313.815	1332	16.001		
	Total	21478.756	1334			
Hedonic	Between Groups	652.505	2	326.252	71.400	.000
	Within Groups	6086.387	1332	4.569		
	Total	6738.892	1334			
Instrument	Between Groups	63.411	2	31.706	7.948	.000
	Within Groups	5313.691	1332	3.989		
	Total	5377.102	1334			
Collectivism	Between Groups	22.452	2	11.226	5.003	.007
	Within Groups	2988.905	1332	2.244		
	Total	3011.357	1334			
Social	Between Groups	268.431	2	134.216	41.858	.000
dominance	Within Groups	4270.949	1332	3.206		
	Total	4539.380	1334			

Table 7. Scheffe Comparison of Means for the Three Samples

DV	(I)	(J) Sample	Mean	Std.	Sig.	95%	95%
	Sample	•	Difference (I-	Error		Lower	Upper
Expends	ISUAM	ISUCH	-6.635*	.142	.000	-6.98	-6.29
		CHINESE	096	.127	.751	41	.21
	ISUCH	ISUAM	6.635*	.142	.000	6.29	6.98
		CHINESE	6.539*	.181	.000	6.09	6.98
	CHINESI		.096	.127	.751	21	.41
		ISUCH	-6.539*	.181	.000	-6.98	-6.09
Symbolic	ISUAM	ISUCH	.75456	.41958	.199	2736	1.7827
motivation		CHINESE	1.05776*	.37605	.019	.1363	1.9793
	ISUCH	ISUAM	75456	.41958	.199	-1.7827	.2736
		CHINESE	.30320	.53724	.853	-1.0133	1.6197
	CHINESI	E ISUAM	-1.05776*	.37605	.019	-1.9793	1363
		ISUCH	30320	.53724	.853	-1.6197	1.0133
Hedonic	ISUAM	ISUCH	-2.09560*	.22421	.000	-2.6450	-1.5462
		CHINESE	-1.66164*	.20095	.000	-2.1541	-1.1692
	ISUCH	ISUAM	2.09560*	.22421	.000	1.5462	2.6450
		CHINESE	.43396	.28709	.319	2696	1.1375
	CHINESI	E ISUAM	1.66164*	.20095	.000	1.1692	2.1541
		ISUCH	43396	.28709	.319	-1.1375	.2696
Instrument	ISUAM	ISUCH	63654*	.20950	.010	-1.1499	1232
		CHINESE	53479*	.18776	.018	9949	0747
	ISUCH	ISUAM	.63654*	.20950	.010	.1232	1.1499
		CHINESE	.10175	.26825	.931	5556	.7591
	CHINESI	E ISUAM	.53479*	.18776	.018	.0747	.9949
		ISUCH	10175	.26825	.931	7591	.5556
Collectivism	ISUAM	ISUCH	26089	.15712	.252	6459	.1241
		CHINESE	39891*	.14082	.018	7440	0538
	ISUCH	ISUAM	.26089	.15712	.252	1241	.6459
		CHINESE	13802	.20118	.790	6310	.3550
	CHINESI	E ISUAM	.39891*	.14082	.018	.0538	.7440
		ISUCH	.13802	.20118	.790	3550	.6310
Social	ISUAM	ISUCH	-1.58736*	.18782	.000	-2.0476	-1.1271
dominance		CHINESE	71763*	.16833	.000	-1.1301	3051
	ISUCH	ISUAM	1.58736*	.18782	.000	1.1271	2.0476
		CHINESE	.86973*	.24049	.001	.2804	1.4591
	CHINESI	E ISUAM	.71763*	.16833	.000	.3051	1.1301
		ISUCH	86973*	.24049	.001	-1.4591	2804

Correlation Analysis

As shown in Table 8, the three motivations—symbolic, hedonic, and instrumental—were correlated with one another across the three samples. Although these bivariate statistics provide basic information about the strength of association among the model variables and the subcomponents of the measures of symbolic motivation and social dominance, because of possible spurious effects, one must use caution in using them to interpret causation. The next section of the analysis, therefore, used multiple regression analysis to test some of the central hypotheses of the study.

Table 8a. Pearson Correlation Coefficients for the American sample

Variable	1	2	3	4	5	6	7	8
1. Symbolic								_
2. Hedonic	.386**							
3. Instrument	.423**	.638**						
4. Materialism	.656**	.265**	.271**					
5. Social dominance	.277**	.237**	.115**	.267**				
6. Collectivism	.070*	.038	.096**	.056	138**			
7. Sex	.026	.145**	056	.099**	.269**	075*		
8. Expenditure	.019	.104**	.146**	.019	.01	002**	.013	

^{*} Estimate is statistically significant at prob. < .05.

^{**} Estimate is statistically significant at prob. < .01

Table 8b. Pearson Correlation Coefficients for Chinese in America

Variable	1	2	3	4	5	6	7	8
1. Symbolic								
2. Hedonic	.229*							
3. Instrument	.251*	.834**						
4. Materialism	.567**	.075	.144					
5. Social dominance	.273**	.100	.063	.371**				
6. Collectivism	.042	.308**	.287**	006	.146			
7. Sex	174	.087	020	207	.060	.012		
8. Expenditure	.084	.037	034	.066	.190	040	.047	

^{*} Estimate is statistically significant at prob. < .05.

Table 8c. Pearson Correlation Coefficients for Chinese in China

Variable	1	2	3	4	5	6	7	8
1. Symbolic								
2. Hedonic	.422**							
3. Instrument	.386**	.865**						
4. Materialism	.464**	.377**	.320**					
5. Social dominance	.235**	043	001	.301**				
6. Collectivism	.251**	.411**	.399**	.281**	139			
7. Sex	.148	.025	.062	.039	.036	020		
8. Expenditure	.209*	.013	037	.032	.080	.077	258**	

^{*} Estimate is statistically significant at prob. < .05.

^{**} Estimate is statistically significant at prob. < .01.

^{**} Estimate is statistically significant at prob. < .01.

Ordinary Least Squares Regression Analysis

Multivariate regression analysis was performed to observe how well the five independent variables: Self-Concept, Materialism, Social Dominance, Sex, and Expenditure explained variance in the three dependent variables: Symbolic Motivation, Hedonic Motivation, and Instrumental Motivation. The figures reported in Table 9 show that the model explained over 50% of the variance in symbolic motivation for the American sample and approximately 30% of the variance in symbolic motivation for Chinese respondents residing in the U.S. and China. The model was less successful in explaining variance for hedonic and instrumental motivation for all three samples.

 $\ \, \textbf{Table 9. Regression Model for the three samples} \\$

	Standardized (B) Estimates								
	ISU American			ISU Chinese			Chinese		
	Symbolic	Hedonic	Instrument	Symbolic	Hedonic	Instrument	Symbolic	Hedonic	Instrument
Materialism	0.724**	0.207**	0.250**	0.442**	0.048	0.123	0.391**	0.322**	0.237**
Social Dominance	0.135**	0.167**	0.086**	0.117	0.121	0.069	0.111	-0.098	-0.024
Collectivism	0.048*	0.056	0.087**	0.064	0.326**	0.296**	0.144	0.308**	0.335**
Sex	-0.068	0.081**	-0.100**	-0.093	0.085	-0.001	0.223**	0.047	0.065
Expenditure	0.008**	0.097**	0.143**	0.039	0.020	-0.043	0.235**	-0.001	-0.052
Adjusted R-Square	0.446	0.114	0.109	0.240	0.077	0.061	0.298	0.223	0.183

Estimate is statistically significant at prob. < .05. Estimate is statistically significant at prob. < .01. *

Materialism is the most important determinant of symbolic motivation across all three samples. In fact, the primary cause of symbolic motivation for the American sample was materialism, albeit social dominance also explains a statistically significant portion of the variance in symbolic motivation for the American students. Social dominance also had a statistically significant contribution to the explained variance in hedonic and instrumental motivation for the American students. Collectivism was a statistically significant determinant of hedonic motivation and instrumental motivation for Chinese students, both those residing in the U.S. and those residing in China. Expenditure was not the cause for luxury consumption for American students, however, it was a statistically significant determinant of symbolic motivation for Chinese students.

Support for the Hypotheses

Based on the results obtained above the support for hypotheses is discussed in this section.

- H1: The greater the materialism, the greater the symbolic motivation to consume luxury goods.

 Based upon the results of the multivariate regression analysis, this hypothesis was supported for respondents to all three samples. Indeed, for all three samples, materialism was the most important determinant of symbolic motivation.
- H2: The greater the collectivism, the greater the symbolic motivation to consume luxury goods.

 Based upon results of the multivariate regression analysis, this hypothesis was supported for Chinese students residing in China, but not for the remaining two samples.

H3: Chinese consumers residing in China have greater symbolic motivation than do American consumers to consume luxury goods.

Rejected. Based upon the results of the analysis of variance, American consumers have greater symbolic motivation to purchase luxury apparel than do Chinese consumers in China.

H4: The greater the collectivism, the less the hedonic motivation to consume luxury goods.

Rejected. Based upon the results of the multivariate regression analysis, the greater the collectivism, the greater the hedonic motivation of the two samples of Chinese students.

This finding was opposite to that hypothesized. Correlation analysis also does not support this hypothesis: as for the two Chinese samples there is high and significant correlation between collectivism and hedonic motivation.

H5: Chinese consumers residing in China will have lesser hedonic motivation than American consumers to consume luxury goods.

Rejected. Based upon the results of the analysis of variance, Chinese consumers in China have greater hedonic motivation to purchase luxury apparel than American consumers.

H6: The greater social dominance orientation, the greater the symbolic motivation to consume luxury goods.

Supported. Based upon the results of the correlation analysis, this hypothesis was supported for all three samples.

- H7: Chinese consumers residing in China have stronger collectivism than Chinese consumers residing in America.
 - Supported. Based upon the analysis of variance, this hypothesis was supported.
- H8: Chinese consumers residing in China have stronger social dominance than Chinese consumers residing in America.
 - Rejected. Based upon the results of the analysis of variance, this hypothesis was rejected.
- H9: Chinese consumers residing in China have stronger symbolic motivation than Chinese consumers residing in America.
 - Not supported. Based upon the results of the analysis of variance, Chinese students residing in China expressed stronger symbolic motivation, but this difference was not statistically significant at probability < .05.
- H10: Chinese consumers residing in America have greater hedonic motivation than Chinese consumers residing in China.

Not supported. Based upon the results of the analysis of variance, Chinese students residing in China expressed stronger hedonic motivation, but this difference was not statistically significant at probability < .05.

CHAPTER 4. DISCUSSION AND LIMITATION

The goal of this thesis is to investigate the differences of luxury consumption motivations between American students, Chinese students residing in the United States, and Chinese students residing in China. Also, it investigates whether the cultural factors affect each motivation.

Cultural Factors on Luxury Consumption Motivations

This cross-cultural study shows that the cultural factors have influence on motivations of luxury consumption. The findings support H1 and H6 that for all three groups of people (American, Chinese in America and Chinese), materialism and hierarchy are factors that predict the symbolic motivation to consume luxury goods. That is, the greater the materialism, the greater the symbolic motivation to consume luxury goods. Also, the greater the hierarchy, the greater the symbolic motivation to consume luxury goods. These results are consistent with Browne and Kaldenberg's (1997) findings that high materialistic individuals are more likely to use symbolic meanings of products, and Wuthnow et al.,'s (1984)'s proposition that people with higher hierarchical value tend to use symbolic goods that mark their social-identity.

There was no statistical support that symbolic motivation can be predicted by collectivism, so H2 is not supported. And because the results show that for two samples of Chinese people, the greater the collectivism, the greater the hedonic motivation, so H4 is rejected. The possible reason of the rejection of the hypotheses may be the validity of the measurement of collectivism. Cozma (2011) says that a widely used scale does not mean it is infallible; It is fallible to use the measure of collectivism and individualism across cultures,

because the "validity, reliability and measure equivalence cannot be stressed enough" (p.15) due to different cultures. For example, the item "I enjoy spending a lot of time with others" is supposed to measure collectivism, but Chinese respondents may give low ratings to this item. Due to China's one-child-per-family policy, Chinese parents put their entire focus on their children, they greatly intervene the children's life, which limits children's interaction with others, so children may not enjoy spending time with others because they do not have the habit of interacting with others.

The Acculturation

This thesis compared three cultural attributes materialism, social dominance, and collectivism between Chinese students in America, and Chinese students in China. The purpose is to see whether acculturation has had impacts on the values of Chinese students in America, and how do any changes in value affect their luxury consumption motivations.

Unexpectedly, Chinese students residing in the U.S. have stronger social dominance than Chinese students residing in China (H8 rejected). This finding shows that after moving to a host culture, America, Chinese students' value has not changed. This result may be because those Chinese students residing in the U.S. were already more socially dominating than Chinese students in China, and this is why they are able to afford to come to the U.S. Therefore, their ratings of social dominance were higher.

Another finding is that Chinese students residing in America have stronger social dominance than American students. The ranking of social dominance from highest to lowest is:

Chinese students residing in the U.S., Chinese students residing in China, and American

students. There was no statistical support that collectivism has changed for Chinese students in America, but statistics do show that Chinese students in China have stronger collectivism than American students.

Differences of luxury consumption motivations

Both two hypotheses on comparing luxury consumption motivations between Chinese students residing in China and American students are rejected. The results show that American students have greater symbolic motivation than the two samples of Chinese students.

Furthermore, Chinese students in China have greater hedonic motivation than American students. Both of these findings are opposite to the hypotheses (H3, H5).

Furthermore, results show that Chinese students residing China expressed stronger symbolic motivation and less hedonic motivation than Chinese students residing in America (H9, H10), but neither of them has significant statistical support. According to this, we cannot conclude that there are changes in luxury consumption motivation due to acculturation.

The opposite results for H3 and H5 might be due to the effect of Socially Desirable Responding (SDR), because of that, the responses for some questionnaire items about symbolic consumption may not be valid. Chinese respondents' answers might be biased due to Socially Desirable Responding (SDR) effect. According to Mick (1996), consumers may hide their dark side attitudes and behaviors because of SDR effect. In Confucius culture, being thrifty has been always advocated as a virtue, while extravagance is considered to be shameful. Questions for symbolic motivation, especially for Veblenian and Hedonist, might be too direct and strong. Chinese respondents might conceal their actual behavior in order to give socially desirable

answers. Concerning this, respondents were informed that their responses were anonymous. However, as noted by Mick (1996) assurances of anonymity might not be helpful with SDR among persons in this sample. Therefore, the responses for symbolic motivation may not be valid. Future study should make the wording of questionnaires milder and more indirect for luxury consumption motivations, so that respondents won't perceive them negatively.

Sex and expenditure

The results indicate that Chinese male students in China are more likely to have symbolic motivation. The results may be explained by traditional norms about mating. Students in China usually start to date the opposite sex after they go to colleges. For Chinese people, women are supposed to be dependent on men, and therefore, men who are wealthier and have higher social status are more attractive to women. In this way, male Chinese college students may have greater symbolic motivation to consume luxury goods.

Expenditure is only able to explain symbolic motivation for Chinese students in China: the higher the expenditure, the greater the symbolic motivation for Chinese students in China.

Limitation and future direction

There is a limitation to the validity of the scales used to measure motivations in this study. The scales for motivations were created in this study. The differences between the measures of them were not emphasized. For example, price is the critical factor that differentiates them. Questions like, "The more expensive the clothing is, the stronger feeling I

will buy it," should be added for measuring Veblenian, because demand for Veblenians will increase if the price of luxury goods increases. Moreover, question like, "The expensive clothes will be less desirable for me if I find out others are purchasing the same one," should be added for measuring Snob, because the demand for snob consumers will decrease if they perceive other's demands increase. The same for Bandwagon, questions like, "The expensive clothes will be more desirable for me if many other people are buying it," should be added, because Bandwagon consumers' demand will increase if they perceive other consumers increase.

The results also show that Symbolic motivation is strongly related to Hedonist motivation for all samples. It is doubtful that questions measuring symbolic motivation are distinguished clearly from questions measuring hedonist motivation. For example, the measure for hedonic motivation was not able to clearly distinguish hedonist motivation from symbolic motivation. Question like this should be added, "I feel good when I wear expensive clothes even if nobody sees me wearing it," to emphasize the inner feeling as a factor for hedonic motivation. Questionnaire items for hedonist motivation need to be more distinct from symbolic motivation in future research.

We find that materialism is the leading factor of explaining all luxury consumption motivations, and the statistics were significantly high for all correlational analysis. It is doubtful that the measure of materialism is the same as the measure of motivations. Questions like "Some of the most important achievements in life include material possessions," and "Material objects are sign of success" seem to measure the motivations of luxury consumption. However, it is a valid scale adapted from previous research measuring materialism from Richins and Dawson (1992).

Moreover, the sampling in China may be biased. The respondents in China were recruited from three institutions. A total of 58 respondents out of 126 were from a polytechnic college, where most students were from rural areas, and their family income may be lower than average. Furthermore, the five luxury consumption motivations may not be as perfect to explain the Chinese consumers' behaviors. For example, Chinese people utilize luxury goods as gifts for others to maintain, give or gain face (Wong and Ahuvia 1998). This thesis failed to consider the motivation for this type of consumption.

We found low scores on many of the dependent and independent variables used in this study. It might be that the respondents simply were not motivated by the consumption of luxury goods, perhaps due to cultural reasons or perhaps because college students as a group are not motivated at this point in their life-cycle by the consumption of luxury goods. Also, it might be that respondents, knowing the implications of the study, provided more socially acceptable responses than those that would accurately reflect their motivations to consume luxury goods. Alternatively, it might be that the use of the "slider" technology within the Qualtrics program might have inhibited respondents from expressing the full range of their opinions. Regardless of the reasons that might underlie this finding, it indicates that the findings here should be viewed with caution because of possible violations of multinomial distributions of the variables used in the regression analysis.

This thesis studies differences regarding luxury consumption motivations in two different cultures. Following are some recommendations for future research. Firstly, future research should try to assure the validity of measurements for individualism and collectivism across cultures. Secondly, the model for luxury consumption motivations should take cultural differences into consideration. For example, future research might consider "gift giving" and

"face" as motivations for Chinese consumers. Thirdly, the questionnaire for measuring symbolic motivation should be more indirect and mild, to minimize the effect of Socially Desirable Responding from Chinese respondents. Finally, in order to explain China's disproportionate (to income) amount of luxury consumption, future research may need to investigate how different motivations affect the extents of luxury consumption.

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APPENDIX A

Email for contacting respondents

Social Psychology study on Clothing Purchases

Iowa State University Students,

Some of us enjoy wearing expensive clothes and others of us are happy to wear ordinary

clothes. What types of clothes do you enjoy wearing?

To fulfill the requirement of my Sociology Master's program at Iowa State University. I

am conducting a survey on your clothing purchases and values about what you wear. Please take

5-10 minutes to complete to participate using the survey link shown below. Your response is

completely anonymous and used only for academic research purposes.

I sincerely appreciate your consideration.

Follow this link to the Survey:

https://iastate.qualtrics.com/SE/?SID=SV_cG4VA3bo95ejdxb

中文版问卷链接如下:

https://iastate.qualtrics.com/SE/?SID=SV_dmPbiNeG4o2K8uh

If you are interested in this research or if you have any questions about this survey, please

contact:

Danging Yu

Tel: (+1) 515-493-7464

Email: danqing@iastate.edu

Thank you very much for participating!

Danqing Yu

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知情同意书, 您好,

我们中有些人喜欢穿昂贵的服装而有些人高兴穿普通的服装,您喜欢穿哪类服装?我们请你参与一个在线问卷,它大约需要您10分钟的时间完成。问卷是询问关于您对服装消费和着装看法的。决定参与或者拒绝参与是完全出于您的自愿,您有权利在任何进程中中止您的参与,而不需要任何赔偿。您对此研究的参与会是完全保密的,统计结果会平均到整个参与群体,并且上报研究结果也是通过上报整个参与群体。此研究的结果仅被用作学术目的。您决定参与、拒绝参与或退出参与不会对您和您所在院校的目前和将来的关系造成任何影响。虽然您的参与可能并不能直接给您本人带来利益,但这会帮助我们更好地理解不同文化下服装消费态度的差异,您的参与也会对整个社会心理学知识领域的作出贡献。您对此研究的参与不会有任何超出日常生活中的风险。如果您有任何关于此研究的问题,可以联系:

于丹青

电话: (+1)515-493-7464

Email: danqing@iastate.edu

您会在24小时内收到回音。如果您有任何关于您参与此调查的权利的问题,或者任何疑虑或投诉,请和爱荷华州立大学伦理审查委员会(Institutional Review Board)联系。电话是(+1) 515-294-4566 或 (+1) 515-294-4215,或通过email:

IRB@iastate.edu. 如果您觉得有必要,请打印一份此知情同意书以作个人备份。

APPENDIX B

Questions About the Apparel You Purchase - ISU

Q1 Are you an international student? (您是国际学生吗?)

1 Yes 是

2 No 否

If Yes Is Selected, Then Skip To Is China your home country? If No Is Selected, Then Skip To End of Block

Q2 Is China your home country? (您来自中国吗?)

1 Yes 是

2 No 否

If Yes Is Selected, Then Skip To Are you from Mainland China? If No Is Selected, Then Skip To End of Survey

Q3 Are you from mainland China? (您来自中国大陆吗?)

1 Yes 是

2 No 否

If Yes Is Selected, Then Skip To Have you lived in the United States f...If No Is Selected, Then Skip To Are you from Hong Kong?

Q4 Are you from Hong Kong? (您来自香港吗?)

1 Yes 是

2 No 否

If Yes Is Selected, Then Skip To Have you lived in the United States f...If No Is Selected, Then Skip To End of Survey

Q5 Have you lived in the United States for 12 months or more? (您在美国生活了至少 12 个月了吗?)

1 Yes 是

2 No 否

If Yes Is Selected, Then Skip To End of Block If No Is Selected, Then Skip To End of Survey

Q6 We want to know about your clothing purchases.

Please use the slide on the scale below to tell us how much you agree with each of the following statements. If you strongly agree with the statement, move the slide all the way to the

right; if you strongly disagree with the statement, move the slide all the way to the left. You may place the slide any where on the scale to indicate how much you agree with the statement. If you strongly disagree, please leave a "0". 我们想了解一下您关于服装购买的情况。请拖动以下的滑块来告诉我们您对以下句子的同意程度。如果您非常同意,请把滑块拖向右边;如果您非常不同意,请把滑块拖向左边。您可以拖动滑块到任意位置来表明您对以下句子的同意程度。如果您选择"非常不同意",请仍然点一下"0"。

- 1 Sometimes I buy apparel to show my prosperity. 我购买服装来显示我的富有.
- 2 Sometimes I buy certain clothing brands because they are more expensive. 我买一些品牌的服装只是因为这些牌子价位较高.
- 3 Sometimes I buy expensive clothing because I want to show others that I can afford to do so. 我购买某一些服装因为我想向别人表明我有这个购买能力.
- 4 Sometimes I enjoy buying expensive clothes because not all persons can afford to do so. 我享受买昂贵的服装因为不是所有人都买得起它们
- 5 I buy more expensive clothes to help me be liked by others. 我享受买昂贵的服装因为不是所有人都买得起它们.
- 6 I believe that more expensive clothes are more socially acceptable to others. 我享受买昂贵的服装因为不是所有人都买得起它们.
- 7 I think others are impressed when I wear expensive clothes. 我觉得当我穿昂贵的衣服时会让别人羡慕.
- 8 Wearing expensive clothes can help me be the center of attention. 穿昂贵的衣服能让我成为 关注的焦点.
- 9 I buy expensive clothes that are well recognized by others. 我会买那些大家都认可的昂贵的衣服.
- 10 I feel proud to be able to wear expensive clothes. 能够消费昂贵的衣服我感到很自豪.
- 11 It makes me feel good to wear expensive clothes. 能够消费昂贵的衣服让我感觉很好.
- 12 I feel good about myself when I wear expensive clothes. 当我穿昂贵的衣服时我自我感觉很好.

- 13 I believe that wearing expensive clothes helps me define who I am to others. 我相信穿昂贵的衣服能让别人了解我的身份.
- 14 I buy expensive clothes because they have better quality. 我购买昂贵的衣服,是因为它们质量更好.
- 15 I buy expensive clothes because they last longer. 我买昂贵的衣服,是因为它们耐穿.
- 16 I buy expensive clothes because they are more comfortable to wear. 我买昂贵的衣服,是因为它们穿着更舒服.
- 17 I buy expensive clothes because they are a good value for the money. 我买昂贵的衣服,是因为它们物有所值.
- 18 I buy expensive clothes because they last longer before wearing out. 我买昂贵的衣服,是因为它们更耐磨损.
- 19 I am ashamed to buy clothes that have scruffy look. 如果别人看到我穿那些看起来便宜的衣服,我感到难为情.
- 20 It says something good to people around me when I buy a high priced brand. 我买高价位牌子衣服的举动向我周围的人暗示了一些什么好的东西.
- Q11 Next we will ask you about your interactions with others.

Please use the slide on the scale below to tell us how much you agree with each of the following statements. If you strongly agree with the statement, move the slide all the way to the right; if you strongly disagree with the statement, move the slide all the way to the left. You may place the slide any where on the scale to indicate how much you agree with the statement. If you strongly disagree, please leave a "0". 下面我们会问一些您和别人相处的问题。 请拖动以下的滑块来告诉我们您对以下句子的同意程度。如果您非常同意,请把滑块拖向右边;如果您非常不同意,请把滑块拖向左边。您可以拖动滑块到任意位置来表明您对以下句子的同意程度。如果您选择"非常不同意",请仍然点一下"0"。

- 1 I enjoy spending a lot of time with others. 我喜欢大部分时间和别人一起度过.
- 2 It is important to me to achieve goals as an individual. 我认为达到个人的目标很重要.
- 3 I am different from others in many respects. 我在很多方面和别人不同.

- 4 I make an effort to avoid disagreements with my group members. 我尽量避免和群体成员发生分歧.
- 5 My privacy is important to me. 我的隐私对我来说很重要.
- 6 Before making a decision I always consult with others. 做决定之前我总会征求他人意见.
- 7 I know my weaknesses and strengths. 我知道我的弱点和长处.
- 8 I have respect for authority figures with whom I interact. 在和谁相处这个问题上,我听从尊长的意见.
- 9 I enjoy stating my personal opinions to others. 我喜欢向别人陈述我自己的观点.
- 10 When making decisions, it is important for me to concern the feelings from others who are close to me. 当我做某个决定时,我很在意和我亲近的人的感受.
- 11 When making decisions, it is important for me to consider the effects on others who are close to me. 当我做某个决定时,我很在意这是否会给我亲近的人带来影响.
- Q13 Now we want to ask you about your life goals.

Please use the slide on the scale below to tell us how much you agree with each of the following statements. If you strongly agree with the statement, move the slide all the way to the right; if you strongly disagree with the statement, move the slide all the way to the left. You may place the slide anywhere on the scale to indicate how much you agree with the statement. If you strongly disagree, please leave a "0". 现在我们想问问您生活的目标。 请拖动以下的滑块来告诉我们您对以下句子的同意程度。如果您非常同意,请把滑块拖向右边;如果您非常不同意,请把滑块拖向左边。您可以拖动滑块到任意位置来表明您对以下句子的同意程度。如果您选择"非常不同意",请仍然点一下"0"。

- 1 I usually buy only the things I need. 我通常只买我需要的东西.
- 2 I try to keep my life simple as far as possessions are concerned. 说到拥有的财物,我尽量使生活越简单越好.
- 3 The things I own are not all that important to me. 我所拥有的物品对我来说不是至关重要
- 4 I enjoy spending money on things that are not practical. 我喜欢消费那些并不实用的物件.
- 5 Buying things gives me a lot of pleasure. 购物让我感到很大愉悦.
- 6 I like a lot of luxury in my life. 生活中我喜欢拥有许多昂贵的东西.

- 7 I put less emphasis on material things than most people I know. 和我认识的大多数人相比, 我不大注重物质的东西.
- 8 I have all the things I really need to enjoy life. 我现在所拥有的一切已经足够让我生活快乐.
- 9 My life would be better if I owned certain things I do not have. 如果能拥有一些原本我没有的东西,我的生活会更好.
- 10 I would not be any happier if I owned nicer things. 就算拥有更好的物质条件,我也不一定会更快乐.
- 11 I would be happier if I could afford to buy more things. 如果能买得起更多东西,我会更开心.
- 12 It sometimes bothers me quite a bit that I cannot afford to buy all the things I would like. 不能随心所欲地买我喜欢的东西,这让我很困扰.
- 13 I envy people who own expensive clothes. 我欣赏那些拥有名贵服饰的人.
- 14 Some of the most important achievements in life include material possessions. 对物质财富的占有可以说是人生中最重要的成就.
- 15 Material objects are signs of success. 一般人认为物质条件是成功的象征,但我并不会太重视它.
- 16 The things I own say a lot about how well I am doing in life. 我拥有的物质条件说明了我过得有多好.
- 17 I like to own things that impress people. 我喜欢拥有一些让人羡慕的物质条件.
- Q15 Now we want to ask you about other people.

Please use the slide on the scale below to tell us how much you agree with each of the following statements. If you strongly agree with the statement, move the slide all the way to the right; if you strongly disagree with the statement, move the slide all the way to the left. You may place the slide any where on the scale to indicate how much you agree with the statement. If you strongly disagree, please leave a "0". 现在我们想问问对他人的看法。请拖动以下的滑块来告诉我们您对以下句子的同意程度。如果您非常同意,请把滑块拖向右边;如果您非常不

同意,请把滑块拖向左边。您可以拖动滑块到任意位置来表明您对以下句子的同意程度。如果您选择"非常不同意",请仍然点一下"0".

- 1 It would be good if all groups could be equal. 如果所有社会群体都平等那就好了.
- 2 Group equality should be our ideal. 社会平等应是我们理想的状态.
- 3 All groups should be given an equal chance in life. 在生活中,所有社会群体都应得到平等的机会.
- 4 We should do what we can to equalize conditions for different groups. 应该尽可能促进不同的群体间的平等.
- 5 We would have fewer problems if we treated different groups more equally. 如果我们更平等地对待不同的群体,我们就会有较少的麻烦.
- 6 No one group should dominate society. 不应当让某一个群体支配社会.
- 7 Some groups are just more worthy than others. 有些群体的人就是比其他群体的人更有价值.
- 8 In getting what you want, it is sometimes necessary to use force against other groups. 为了得到想要的,有时必须使用武力反对其它群体.
- 9 Superior groups should dominate inferior groups. 优秀的群体应该支配较差的群体.
- 10 To get ahead in life, it is sometimes necessary to step on other groups. 为了让人生获得成功,有时需要踩在其他群体之上.
- 11 If certain groups stayed in their place, we would have fewer problems. 如果某些群体待在他们原本所处的社会地位上,我们的麻烦就会变少.
- 12 It is probably a good thing that certain groups are at the top and other groups are at the bottom. 让某些群体处于社会等级的顶端 ,其他的群体处于社会等级的底层或许是件好事.
- 13 Inferior groups should stay in their place. 劣势群体应该待在他们原本所处的社会地位上.
- 14 Sometimes other groups must be kept in their place. 有时必须把其他社会群体限制在他们原本所处的社会地位上.

Q20 We hav	ve just a few que	stions remaining abo	out you. Are you	? 我们还剩下几个问	ij
题要问您。	您是	_?			

- 1 Male 男性
- 2 Female 女性
- Q21 In a typical year, approximately, how much money do you spend each month for all items, including rent, food, clothing, transportation, and other expenses? 在典型的一年中,您大概一个月总花费是多少,包括房租,饮食,服饰,交通,等等费用?
- 1 Less than \$500 per month. 每月低于 500 元
- 2 \$500 to \$749 per month. 每月 500 元~999 元
- 3 \$750 to \$999 per month. 每月 1000 元~1999 元
- 4 \$1,000 to \$1,249 per month. 每月 2000 元 ~ 3499 元
- 5 \$1,250 to \$2,449 per month. 每月 3500 元 ~ 5999 元
- 6 More than \$2,500 per month. 每月高于 6000 元