

GIFTS OR SELF-USE? CHINESE CONSUMERS' VALUES, ATTITUDES, AND
PURCHASE INTENTION TOWARD LUXURY FASHION BRANDS

by

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(Under the Direction of Soyoung Kim)

ABSTRACT

The Chinese luxury market has grown rapidly in recent years, reaching a notable size, and consequently, there has also been an increase in discussions about Chinese consumers' behaviors toward luxury consumption. However, few of these studies examine Chinese consumers' motivations specific to luxury fashion brands, and none of them provide information on gift-giving attitudes and consumers' intentions toward luxury consumption for gift giving. This research examined how five personal values—materialism, hedonism, conspicuous consumption, face saving (*mianzi*) and social connections (*guanxi*)—influence Chinese consumers' attitudes toward luxury fashion brands and toward gift giving, and in turn, how these attitudes influence their purchase intention in respect to luxury fashion brands. Chinese citizens aged from 18 to 40, living in metropolises and second-tier cities, were asked to participate in the survey, and the results of this survey were used to analyze the above relationships.

INDEX WORDS: Luxury fashion brands, Purchase intention, Chinese consumers' motivations, Gift giving, Attitudes

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DEDICATION

This thesis is dedicated to my family. To my mother and father, without their support, understanding, and encouragement, I would not have accomplished all what I have today.

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CHAPTER 1

INTRODUCTION

The consumption of luxury products, which has long been an important component of retailing sales, can represent the strength of global and regional economies. According to a recent annual survey carried out by Bain & Company (2011), the retail value of the global luxury market was EUR 172 billion (USD 227.5 billion) in 2010 and was projected to reach as much as EUR 191 billion (USD 252.6 billion) in 2011. China's luxury market has been notable in both its size and growth. China's luxury consumption (including Macau and Hong Kong) has already reached RMB212 billion (USD 33.7 billion) and was ranked among the top three countries globally in 2010, only behind the United States and Japan (Bain & Company, 2011). Bain & Company (2011) also reported that China has experienced a 35% growth in the luxury market since 2009. Moreover, when combining the consumption in mainland China with that of Chinese tourists abroad, luxury consumption by Chinese people now constitutes over 20% of the global market (Bain & Company, 2011). The China Brand Association stated that 13% of Chinese, nearly 170 million people, regularly buy luxury brands (Wikinvest, n.d.). With China and its citizens recently becoming a more significant element in the global luxury market, many international brands are starting to move into the country and adjust their strategies to meet Chinese consumer needs (KMPG, 2011). Consequently, more scholars have been turning their attention to Chinese consumer's luxury consumption behavior.

Definition of Luxury

Scholars have been looking at luxury consumption for many years now, yet few studies provide a clear definition of luxury. This is primarily because luxury consumption is the result of a variety of motivations, each with different explanations (Lee & Hwang, 2011; Vigneron & Johnson, 1999). In economic terms, “luxury products” refers to those goods on which people spend the greater proportion of their income (Vickers & Renand, 2003). Dubois, Laurent, and Czellar (2001), meanwhile, categorize products as luxury goods according to six criteria: excellent quality, high price, uniqueness and scarcity, aesthetics and polysensuality (sensory dimensions such as taste, smell and touch), ancestral heritage and personal history, and superfluosity. Researchers also argue that luxury brands are not only expensive but also convey social status and image (Nuño & Quelch, 1998; Vickers & Renand, 2003; Vigneron & Johnson, 1999). Nuño and Quelch (1998) defined luxury brands as “those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high” (p. 62). According to Vigneron and Johnson (1999), a luxury brand is the highest prestige brand with a combination of several physical and psychological values. Furthermore, Vigneron and Johnson (2004) have established five key dimensions of luxury to determine whether a brand is a luxury item or not. These are divided into non-personal perceptions, which include conspicuousness, uniqueness, and quality; and personal perceptions, which include hedonism and extended self. Luxury therefore refers to “a strong element of human involvement, very limited supply, and recognition of value by others” (Vigneron & Johnson, 2004, p. 485).

Chinese Luxury Market

Recently, China has seen booming development of its luxury market and has enjoyed a rapid increase in luxury consumption. It has already surpassed Japan and has become the second-

largest market for luxury products (People's Daily, 2011). Due to this rapid expansion, luxury companies have responded by accelerating this growth of luxury consumption. Husband Retail Consulting has reported that by the end of 2009, more than 80% of the world-celebrated brands had gained access to China (Chow, 2011). According to Bain & Company's (2011) "China Luxury Market Study," the Chinese market is still supply driven. Smaller cities continue to be important for luxury consumption, and more companies are opening new stores in metropolises or second-tier cities (which are relatively smaller than metropolises), which gives more people access to luxury goods and attracts more new customers by providing new brands (Bain & Company, 2011). However, behind the luxury fever, the Chinese luxury market has its own distinctive characteristics. The World Bank also reported that China ranked second in its Purchasing Power Parity (PPP) list in 2010, yet the Gross Domestic Product (GDP) per capita of China is only USD 4,428, ranked 98th in the world (The World Bank, 2010).

Meanwhile, according to the statistics in the "2010 Hurun Wealth Report," a Shanghai publisher of magazines for China's wealthy, China has become the world's fourth-richest country. There are 87.5 million millionaires (in RMB) in mainland China, of whom 5.5 million are billionaires (in RMB). However, the data also show that wealthy people contribute only 30% to luxury consumption; white-collar workers, whose annual income ranges from tens of thousands to hundreds of thousands of RMB, make up the other 70%. The latter group of luxury consumers often has to spend several months' salary to purchase a luxury product. The 2010 Hurun Wealth Report also mentioned that Chinese millionaires are typically 15 years younger than those of other countries, and the young millionaires' number has been rapidly increasing. Moreover, unlike millionaires in other places in the world who often inherit at least part of their money, nearly 80% of the wealthy in China build up their careers all by themselves. Most of

these wealthy Chinese are considering sending their children to study overseas. Furthermore, according to International Finance News (2011), the Chinese post-80s generation shows great latent capability to purchase luxury products. Several scholars have mentioned that young Chinese have an increasing tendency to purchase luxury products and fashions (Qi, 2008; Sun, 2011; Wang, Sun, & Song, 2010). Coll (1994) found that the young Chinese consumers buy luxury brands to associate themselves with Western images, for their symbolic brand prestige, and to release psychological stress (as cited in Sun, 2011). Meanwhile, the ease of access to personal loans and credit cards provides this generation more opportunities to afford luxury products (Sun, 2011).

The rapidly increasing consumers also show different preferences when purchasing luxury products. According to the KMPG consumer markets study of China (2011), though online sales are becoming more prevalent, Chinese consumers continue to show an enormous preference for shopping in stores rather than purchasing online. Chinese consumers are also paying greater attention to luxury goods' countries of origin, and they have clear preferences for particular brands (KMPG, 2011). For example, they do not like luxury products that are "made in China"; they believe that Switzerland is famous for watches; France is famous for fashion, accessories, and cosmetics; and Italy is famous for footwear. Additionally, not only for self-use, gift giving plays an important role in Chinese luxury consumption, accounting for more than 20% of it, which is according to the statistical data in the "2010 Hurun Wealth Report."

Gift Giving

China has a long history of gift giving. Grounded in Confucian beliefs and traditions for thousands of years, Chinese people uphold the thought that courtesy requires reciprocity. To the Chinese, it is not appropriate only to receive and not to give; it is also uncommon to just give

without receiving any payback. Generally speaking, the main purpose of Chinese people's giving of gifts is for building or maintaining contacts and relationships. China is a relationship-based society (Liu, Lu, Liang, & Wei, 2010).

For the Chinese, gift-giving behavior reflects the process of one's interpersonal relationships (Liu et al., 2010). It means the relationship is valued, and it expresses the respect one has for the gift receivers (Steidlmeier, 1999). In China, gift giving is a social custom prevalent in every area of life, existing among family members and among social connections (*guanxi*); and it is also important when dealing with political authorities, social institutions, and business contacts (Steidlmeier, 1999). It is a process of exchanging products or services to connect people through reciprocity (Joy, 2001). This is unlike most Western countries, such as United States, Canada and European countries, where gift-giving behavior is driven by personal motives more. Chinese gift giving is more relationship oriented (Liu et al., 2010).

Face saving (*mianzi*) and social connections (*guanxi*) are two major elements influencing Chinese consumers' gift-giving behaviors. In China, *mianzi* refers to one's image of self-esteem related to social attribute, and *guanxi* stands for a special type of interpersonal relationships. Scholars have pointed out that Chinese people are aware of their own and of others' *mianzi* (Joy, 2001; Liu et al., 2010; Sherry, 1983). Giving and losing *mianzi* play an important role in one's interpersonal relationships (Joy, 2001). Gift giving is an important way for people to maintain their relationships and is a direct carrier of *mianzi* of both the gift giver and gift receivers (Liu et al., 2010; Sherry, 1983). Gift giving also reflects the process of building *guanxi* (Liu et al., 2010) and plays an important role in building, maintaining, or strengthening them (Liu et al., 2010). Chinese people give gifts on a wide range of occasions. For example, the Chinese Spring Festival is an important occasion for gift giving in the Chinese culture; other holidays, such as

Mid-Autumn Day, New Year, Christmas, and Valentine's Day, are all seasons for gift giving. People also give gifts at weddings, while visiting newborn babies, and on birthdays (Qian, Razzaque, & Keng, 2007).

Gift giving is an important part of the Chinese retail market. The Chinese Gift Industry reported that the scale of the Chinese gift market is estimated at USD 121.90 billion in 2011, nearly 70% of it for individual needs and 30% for group needs (Want China Times, 2012). The chairperson of the Hurun Wealth Report mentioned that gift giving is an essential part of Chinese culture and is one of the key drivers of luxury consumption (Hurun Report, 2012). Similarly, according to Bain & Company (2011), gift giving is an important component of Chinese luxury spending, accounting for more than 20% of luxury consumption. The Hurun Report (2012) also provided a list of the top ten gifts for the Chinese luxury consumer (see Table A1). On this list, Louis Vuitton, Hermes, Chanel, and three other luxury fashion brands are included among the most popular gifts for Chinese, which shows a great acceptance of using luxury fashion goods as gifts.

Statement of Problems

Many scholars have confirmed that culture has been widely linked to consumption, due to consumption's significant impact on human behavior (Craig & Douglas, 2006; McCracken, 1986; Sun, D'Alessandro, & Winzar, 2010). Therefore, a large number of scholars have paid attention to the significant impact of cultural values on specific consumer behaviors (Kacen & Lee, 2002; Wong & Ahuvia, 1998). However, most modern theories and constructs have been based solely on general Western culture, and they fail to specifically explain Chinese consumer behaviors (Sun et al., 2010). Recently, more researchers have focused on Chinese consumer behaviors (Mo & Roux, 2009; Sun, 2011), and a few researchers have examined how Chinese

cultural values would influence Chinese consumers' gift giving behavior (Joy, 2001; Qian et al., 2007). However, when these studies have looked at the relationship between consumers' attitudes toward luxury fashion brands and the intention to purchase luxury fashion products, they failed to examine how Chinese consumers' attitudes toward luxury fashion brands influence their intention to purchase luxury fashion products for gift giving. Furthermore, none of the studies has examined how consumers' attitudes toward gift giving influence Chinese consumers' intention to purchase luxury fashion products as gifts, although as stated above, gift giving plays an important role in luxury consumption. Therefore, it is important to learn how Chinese consumers' attitudes toward luxury fashion brands and attitudes toward gift giving influence their intention to purchase luxury products. This study aims to fill this void.

Objectives

The overall objective of this research is to examine the factors that influence Chinese consumers' intention to purchase luxury fashion products. Based on previous studies, this study focuses on how consumers' personal values influence their attitudes and then influence their shopping intentions. In this study, personal values include materialism, hedonism, conspicuous consumption, face saving (*mianzi*), and social connections (*guanxi*); attitudes include both consumers' attitudes toward luxury fashion brands and their attitudes toward gift giving; and intentions include consumers' purchase intentions for luxury fashion brands products for both self use and gift giving. The first objective of this study is to examine how materialism, hedonism, conspicuous consumption, and face-saving (*mianzi*) influence Chinese consumers' attitudes toward luxury fashion brands. The second objective is to analyze how face-saving (*mianzi*) and social connections (*guanxi*) influence Chinese consumers' attitudes toward gift giving. The third objective is to examine how Chinese consumers' attitudes toward luxury

fashion brands influence consumers' intentions to purchase luxury fashion products for self-use. The fourth objective is to examine how Chinese consumers' attitudes toward luxury fashion brands and their attitudes toward gift giving influence their intention to purchase luxury fashion products for gift giving. Figure 1.1 is the proposed model for this study.

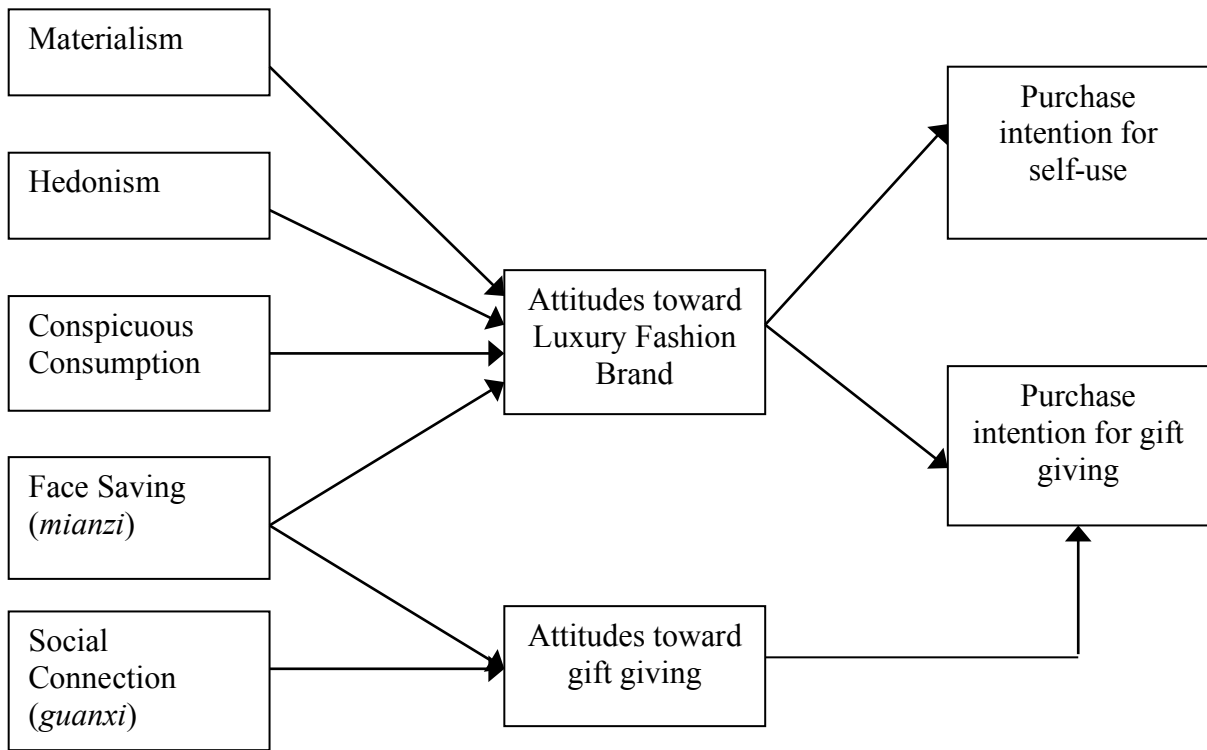


Figure 1.1 Proposed model for this study

Hypotheses

H1: Consumers with high levels of materialism will be more likely to have positive attitudes toward luxury fashion brands.

H2: Consumers with high levels of hedonism will be more likely to have positive attitudes toward luxury fashion brands.

H3: Consumers with high levels of conspicuous consumption will be more likely to have positive attitudes toward luxury fashion brands.

H4: Consumers who put more emphasis on face-saving (*mianzi*) will be more likely to have positive attitudes toward luxury fashion brands.

H5: Consumers who put more emphasis on face-saving (*mianzi*) will be more likely to have positive attitudes toward gift giving.

H6: Consumers who put more emphasis on social connections (*guanxi*) will be more likely to have positive attitudes toward gift giving.

H7: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions.

H7a: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions for self-use.

H7b: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions for gift giving.

H8: Consumers' attitudes toward gift giving will have a significant impact on their purchase intentions for gift giving.

Terminology

Attitude. *Attitude* has been defined by Kollat, Blackwell, and Engel (1970) as “the predisposition of the individual to evaluate some symbol or object or aspect of his or her world in a favorable or unfavorable manner” (p. 192).

Conspicuous consumption. *Conspicuous consumption* is defined as “the act of buying a lot of things, especially expensive things that are not necessary, in a way that people notice” (Longman English Dictionary Online, 2012).

Face-saving (*mianzi*). A Chinese culture-based value. Zhou (1994) defined face (*mianzi*) as “a social construct as well as a psychological construct, with the characteristics of conditional and

persistent, referring to the social dignity or public image which is claimed by [the] individual and also recognized by others” (cited in Shi, Wen, Huang, & Ye, 2011, p. 41). Face can be lost, maintained, or enhanced during the interaction.

Hedonism. *Hedonism* refers to attitudes in which pleasure seeking, enjoyment of life, and self-satisfaction are considered the most important intrinsic values (Bujok, 2007; Workman & Lee, 2010).

Luxury. *Luxury* has been defined by Vigneron and Johnson (2004) as “a strong element of human involvement, very limited supply, and recognition of value”.

Luxury brand. *Luxury brands* have been defined by Nueno and Quelch (1998) as “those [brands] whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high” (p. 61). Vigneron and Johnson (2004) established five key dimensions of luxury needed to create a lasting luxury brand: conspicuousness, uniqueness, quality, hedonism, and extended self.

Materialism. *Materialism* refers to “An emphasis on or preference for that which is material, at the expense of spiritual or other values; (now) esp. the tendency to treat material possessions and physical comfort as more important or desirable than spiritual values; a way of life based on material interests” (Oxford English Dictionary Online, 2012).

Purchase intention. A plan to purchase a particular good or service in the future.

Social connections (*guanxi*). Chinese culture-based personal connections. Wang (2007) defined it as “a special type of relationship that bonds the exchange partners through reciprocal obligations to obtain resources through a continual cooperation and exchange of favors” (p. 81)

CHAPTER 2

LITERATURE REVIEW

To understand what drives Chinese consumers to purchase luxury fashion brand products, this study reviews two intentions to purchase such goods: the first is to purchase luxury goods for self-use and the second is to purchase luxury goods for gift giving. Additionally, to understand the factors that influence intentions to purchase luxury products, it is necessary to know consumers' attitudes toward luxury fashion brands and their attitudes toward gift giving. Specifically, luxury retailers need to know what drives consumers to buy luxury fashion products, why people have different attitudes toward luxury fashion brands and toward gift giving, and whether a positive or negative attitude toward luxury fashion brands or toward gift giving will influence one's intention to purchase luxury fashion products for self-use or for gift giving. This study examines how consumers' personal values influence consumers' attitudes and then influence their purchase intentions. Personal values are selected based on previous studies, considering both motivations of purchasing luxury fashion products and influences of Chinese culture. Very few studies have focused specifically on these variables and how they work together to influence Chinese consumers' intentions to purchase luxury fashion products.

Materialism

Materialism is one of the dominant consumer motivations influencing consumption in modern society (Belk, 1985). It has attracted scholars' attention because materialism has an impact on several aspects of consumer behavior. Scholars found that materialism is closely

related to one's desire for money and possessions (Moschis & Churchill, 1978). Materialists often waste money, and assign possession and acquisition to a central position in their lives (O'Cass, 2001, Richins & Dawson, 1992). Accordingly, scholars found that materialistic people are often motivated by external values, such as public accomplishment (Christopher & Schlenker, 2004) and public self-image (Heaney, Goldsmith, & Jusoh, 2005). Materialists satisfy themselves, build their self-esteem, improve their social status through purchasing items and possessing materials publicly, and believe that this is a sign of success (Christopher, Marek & Carroll, 2004; O'Cass, 2001; Richins, 1994). Furthermore, scholars found that materialism influences different aspects of consumer behavior: social consumption motivation (Fitzmaurice & Comegys, 2006), compulsive buying (Rindfleisch, Burroughs, & Denton, 1997; Roberts, Manolis, & Tanner, 2003), conspicuous consumption (Podoshen, Li, & Zhang, 2011), brand perception, brand consciousness (Liao & Wang, 2009), attitudes towards advertising (Yoon, 1995), and intentions of luxury consumption (Park, Rabolt, & Jeon, 2008; Wiedmann, Hennigs, & Sielbels, 2009).

Wide investigations of materialism started as early as in the 1950s (Wiedmann et al., 2009). Since then, researchers have looked into materialism's nature (Belk 1985; Richins & Dawson, 1992), antecedents (Rindfleisch et al., 1997), and consequences (Burroughs & Rindfleisch, 2002). However, theorists have not yet agreed on a single definition for materialism because previous researchers explained materialism from different perspectives (Richins & Dawson, 1992). Originally, materialism philosophically referred to the idea that nothing exists except matter and its movements (Richins & Dawson, 1992). Later, Eastman, Frednberger, Cambell, and Calvert (1997) viewed three aspects of materialism: biological, the instinct of acquisition; individual-centered, the fulfillment of the functions possessions for individuals; and

social constructionist, the use of possessions as material symbols of identity. Belk (1985) defined materialism as a personality characteristic of individuals who regard possessions and attaining materials as a primary goal in their lives and identities. Similarly, Richins and Dawson (1992) referred to materialism in terms of how important possessions are in one's identity and life.

Workman and Lee (2011) also interpreted materialism as a value used to decide whether one can be satisfied by wealth and material possessions, or by spiritual, emotional, or other moral pleasures. More commonly, materialism is "an emphasis on or preference for that which is material, at the expense of spiritual or other values; the tendency to treat material possessions and physical comfort as more important or desirable than spiritual values; a way of life based on material interests" (Oxford English Dictionary Online, 2012). Thus, although there are different definitions of materialism, researchers all believed that possession and acquisition are the two central characters (Wiedmann et al., 2009). Therefore, materialism refers to the value that places wealth and owning material possessions at the center of life (Workman & Lee, 2011).

Consequently, materialists are people who emphasize acquisition and materials possession rather than spiritual, emotional, or intellectual well-being.

Based on previous research, Richins and Dawson (1992) identified three themes that consistently appeared with the different definitions of materialism. The three themes are acquisition centrality, acquisition as the pursuit of happiness, and possession-defined success. Acquisition centrality means that possessions and acquisitions are the center of materialists' lives and that it orients their behaviors (Richins & Dawson, 1992). Acquisition as the pursuit of happiness means that materialists view possessions and seeking materials as essential to their self-satisfaction and social progress (Richins & Dawson, 1992; Ward & Wackman, 1971). Possession-defined success refers to materialists evaluating their own and others' success in

terms of a consuming life style and the quality, value, and number of possessions accumulated (Richins & Dawson, 1992). Materialists believe that success is related to the extent that they can possess items that can confer their desired images (Richins & Dawson, 1992). As expensive luxury products can be viewed as symbols of wealth, status and success, consumers with strong materialistic tendencies are more likely to purchase these items to enhance their own appearance (Darian, 1998; Richins, 1994).

Empirical evidence has confirmed that materialism is closely associated with consumers' attitudes toward luxury brands (Gil, Kwon, Good, & Johnson, 2011; Kernis, Paradise, Whitaker, Wheatman, & Goldman, 2000). Mandel, Petrova, and Cialdini (2006) argued that luxury brands can stand for one's success and enhance one's social status. Thus, believing that acquisition and possessions can visibly demonstrate success, materialists are more likely to value expensive luxury products as a natural mechanism to convey their prestige and success (Wong & Ahuvia, 1998). Some studies also considered purchasing luxury items as public and private consumption (Bearden & Etzel, 1982; Piron, 2000). They argued that luxury goods are not commonly owned for use, but rather for public view, and therefore, people tend to consume luxury products in order to display their wealth and social status (Park et al., 2008). In relation to fashion, luxury brands are generally related to high quality, prestige, and high social status (Shermach, 1997) and they can be easily categorized as publicly consumed luxuries (Bell, Holbrook, & Solomon, 1991). O'Cass (2001) pointed out that fashion clothes can fulfill both functional performance and social need, because they often represent the owner's appearance, financial worth, and status. Consumers with a stronger sense of materialism tend to view high-priced and branded apparel as important symbolic products, and thus, to place them in a central position in life and use them to convey success and prestige and to receive happiness (Berthon, Pitt, & Parent, 2009; Richins,

1994). In this case, consumers who behaved in a highly materialistic way will have a positive attitude toward luxury fashion brand-name products and love to purchase them to indicate success and to provide a visible representation of status and wealth (O’Cass & McEwen, 2004).

As materialism has become a more prominent value of the Chinese (Jin & Kang, 2011), interest in exploring how materialism is related to their consumption patterns has increased (Eastman et al., 1997; Schaefer, Hermans, & Parker, 2004). Given the well-established link between materialism and one’s attitude toward luxury fashion brand-name products in previous studies, one would expect materialism to be positively related to attitudes toward luxury fashion brand-name products among Chinese consumers as well. Therefore, the following hypothesis is proposed:

H1: Consumers with high levels of materialism will be more likely to have positive attitudes toward luxury fashion brands.

Hedonism

Shopping motivations are largely categorized by two dimensions: utilitarian and hedonic (Babin, Darden, & Griffin, 1994; Dhaundiyal & Coughlan, 2009; Kim, 2006). Utilitarian shopping motivation leads to rational, logical and effective consumption (Hirschman & Holbrook, 1982; Wang, Chen, Chan, & Zheng, 2000). It is less emotional and more task-orientated (Kang & Park-Poaps, 2010). Hedonic shopping motivation, on the other hand, leads to emotional consumption (Arnold & Reynolds, 2003; Dhaundiyal & Coughlan, 2009; Hirschman & Holbrook, 1982). It is concerned with the fun, gratification and pleasure arising from the shopping experience (Babin et al., 1994; Hirschman & Holbrook, 1982). In short, hedonism refers to attitudes that consider pleasure seeking, life enjoyment and self-satisfaction as the most important intrinsic values (Bujok, 2007; Workman & Lee, 2011).

Numerous studies have discussed the concept that hedonism can influence consumers' shopping behavior. Hedonism was first considered as a motivation as early as the 1950s (Vigneron & Johnson, 1999). Researchers examined the idea that products are not limited only to their functional uses but are more significant in the meaning they bring to consumers (Bujok, 2007). Hedonic motivation has been systematically studied since the 1980s. Hirschman and Holbrook (1982) pointed out that hedonic consumption can be explained theoretically by behavioral science. By examining four areas—mental constructs, product classes, product usage, and individual differences—they argued that consumers will actively seek the hedonism component of products. Furthermore, upon the examination of various hedonic reasons for shopping, Arnold and Reynolds (2003) established six categories of hedonistic shopping motivations: adventure shopping, social shopping, gratification shopping, idea shopping, role shopping, and value shopping. Recent research shows that hedonic value influences all stages of shopping decision-making. Kaul (2007) proposed that hedonism can influence involvement, experience-based tasks, information searching, and the perception and evaluation of products. Wakefield and Inman (2003) suggested that consumers generally show lower price sensitivity when buying hedonic products, when compared to buying utilitarian products. More specifically, previous studies showed that consumers placing a high value on hedonism are more brand-conscious, and more likely to purchase for symbolic or expressive aspects rather than for functional aspects (Hirschman & Holbrook, 1982; Wang et al., 2000). Also, Jones, Reynolds, and Arnold (2006) found that consumers' attitudes toward the retailer or brand and patronage anticipation are more likely to be influenced by hedonism.

Hedonism can also affect consumption by positively influencing the shopping atmosphere. Bujok (2007) argued that people go shopping not only to seek goods but also to

satisfy themselves by enjoying the retail environment (Bujok, 2007). Allard, Babin, and Chebat (2009) found that hedonism affects perceptions of shopping malls and suggested that it will closely relate to retail environments. Babin and Attaway (2000) discovered that consumer's shopping behavior can also be affected by the shopping atmosphere—such as layout, lighting, and use of colors—which brings enjoyment and satisfaction to consumers. Moreover, while in stores, consumers focus not only on purchasing clothes but also on the pleasure of time spent observing the latest fashion trends or getting together with friends there (Bujok, 2007). Recent research also concludes that the hedonic aspect has a positive effect on online shopping behavior (Bridges & Florsheim, 2008) and impulse purchasing (Dhaundiyal & Coughlan, 2009).

Previous work also found that hedonic shopping motivation varies across different product classes (Hirschman & Holbrook, 1982). According to Murphy and Enis' (1986) definition, traditional consumer products fall into three categories: convenience goods, shopping goods and specialty items. Convenience products have a low-unit price and are readily accessible. Shopping items are those consumers will consider purchasing after they comparing quality, price, and styles. Special items are the products for which consumers will show strong brand preferences and focus more on the shopping experience (Murphy & Enis, 1986). This category of products or service can help to build their self-image and thus generate a high emotional satisfaction (Murphy & Enis, 1986). Thus, the specialty items are similar to luxury products. Previous works identified that luxury products are purchased from external motivations, such as social recognition, status recognition and self-impression (Barnier, Rodina, & Valette-florence, 2006; Vickers & Renand, 2003; Vigneron & Johnson, 1999) or from internal motivations, such as hedonism and pleasure-seeking (Fenigshtein, Scheier, & Buss, 1975; Vickers and Renand, 2003). Many studies have shown that luxury products are always associated

with emotional responses, such as sensory pleasure, aesthetic beauty, or excitement (Vigneron & Johnson, 1999). Emotional value is an important characteristic of luxury products: people attribute their behaviors of purchasing luxury products to hedonic motives, such as primarily deriving pleasure from purchasing such goods (Dubois & Laurent, 1994). According to Vigneron and Johnson (2004), hedonic consumers can also be considered luxury-seekers: people who seek personal reward and satisfaction acquired from the consuming experience and the evaluation of the products base on their emotional benefits and intrinsic pleasure rather than on their normal use. Thus, people who emphasize the significance of the intrinsic value will also underline the importance of hedonic motivation for luxury consumption, and these people will be more likely to hold positive attitudes toward luxury brands (Hagtvedt & Patrick, 2009; Wong & Ahuvia, 1998).

Additionally, fashion products are always considered as hedonic products due to the high level of involvement in their purchase (Latter, Phau, & Marchegiani, 2010) and the high self-pleasure provided during the shopping experience (Bujok, 2007). Meanwhile, past research has examined how hedonism influences luxury consumption in different cultures. Barnier et al. (2006) confirmed that self-pleasure, or hedonism, is relevant to luxury consumption in France, the United Kingdom, and Russia. Respondents from the three countries have expressed hedonism toward the luxury products they purchased for self-satisfaction related to aesthetics and quality. Similarly, Kaul (2007) verified the relationship between hedonism and culture in Indian shopping behavior. Eng and Bogaert (2010) investigated self-satisfaction as one of the motivations for Indian consumers to purchase Western luxury brands. Recent research has also provided evidence that hedonism can affect Chinese luxury consumption (Bian, 2010; Wong & Ahuvia, 1998). Bian (2010) found that Chinese consumers who believe that luxury brands can

illustrate their personal identity and social status are more likely to express pleasure toward luxury brands, and thus, hedonism has a positive influence on luxury consumption. Yan (2004) also argued that the new Chinese middle-class displays a strong desire for mass-market luxury products to satisfy their experiences of self-pleasure and self-actualization. Empirically, she confirmed that Chinese people who exhibit higher personal values have higher motivations for luxury to achieve hedonic value. Moreover, Jin and Kang (2011) mentioned that Chinese consumers are becoming increasingly self-centered and that they are more focused on pursuing hedonic experiences when shopping. Specifically, they argued that young Chinese girls with advanced education usually hold hedonic attitudes when consuming luxury brand products. Given the well-established link between hedonism and one's attitude toward luxury fashion brands, one can propose that:

H2: Consumers with high levels of hedonism will be more likely to have positive attitudes toward luxury fashion brands.

Conspicuous Consumption

Several researchers have mentioned that conspicuousness is an important motivation for purchasing luxury products. In Vigneron and Johnson's (2004) framework of a brand luxury index, conspicuousness is one of the perceived dimensions to distinguish between luxury brands and non-luxury brands. When Veblen originated the term "conspicuous consumption" in 1899, it referred to people's desires to display their wealth and to gain social status through consuming highly visible products (Veblen, 1899). Longman English Dictionary (2000) defined conspicuous consumption as "the act of buying a lot of things, especially expensive things that are not necessary, in a way that people notice." Based on Veblen's theory, there are two forms of conspicuous consumption: conspicuous consumption and conspicuous leisure. Trigg (2001)

described conspicuous consumption as gaining social status and exhibiting wealth through participating in extensive leisure activities or consuming luxury products and services. More broadly, Winkelmann (2011) argued that conspicuous consumption can refer to any consumption activities that include two elements: visibility to outsiders and non-utilitarianism. Wong (1997) observed that, with conspicuous consumption, people gained more satisfaction from audience reaction to the consumption than from the utility of the consumption. For example, people of the leisure class might hold extravagant parties to exhibit their wealth to their guests as early as 1900s. They used fine silverware, hand-painted china, and delicate expensive table linens at meals, not only to enjoy their food but also to display that they could afford such substitutes, and women would wear expensive dresses and jewels to advertise their husbands' wealth and social status (Solomon & Rabolt, 2004; Veblen, 1899).

Social status is another aspect displayed by conspicuous consumption. In his theory, Veblen (1899) described that observers can distinguish the rich from the poor because conspicuous consumption was costly and unaffordable for poorer people whereas rich people could display the conspicuous goods publicly to show their wealth. Martineau (1968) pointed out that individual consumption patterns can represent social status. Several researchers supported the argument that one's reference groups greatly influence one's consumption pattern (Congleton, 1989; Podoshen et al., 2011). Specifically, Duesenberry (1949) mentioned that in one's conspicuous consumption decision-making stage, one may consider others purchase behavior patterns. Moreover, Richins (1994) found that people use conspicuous products to communicate with others because of the public visibility of these products. Thus, people normally associate their individual image with consumption patterns, and their individual images influence their preference of products and brands (Onkvisit & Shaw, 1987). According to Belk

(1988), people view conspicuous consumption as the behavior of acquiring and possessing conspicuous products, through which they can find an extension of themselves and find a way to display how they want to express themselves to others. Furthermore, O’Cass and Frost (2002) found that one may undertake or pursue conspicuous consumption to promote one’s social position, which can be achieved by displaying visible wealth, by attending affluent activities and by publicly demonstrating and communicating prosperity to others. Conspicuous consumption publicly delivers the symbolic representation of an esteemed social position, and thus, provides psychological satisfaction to the individual consuming conspicuous goods (Shukla, 2008). Consumers attempt to pursue a higher social status through conspicuous consumption; this plays an important role in shaping consumers’ preferences toward the products and the sales patterns of the retailers and manufacturers (Truong, McColl, & Kitchen, 2010).

According to Bearden and Etzel (1982), as social status relies on others’ recognition, purchasing and possessing luxury products for social status has become more public. Researchers found that the conspicuous consumption theory can clearly explain the nature and the motivation of luxury consumption (Plourde, 2008; Shamina, 2011). The motivation for purchasing luxury products and goods to gain status can be internal and external. Internal reasons include the motivation for consumers to improve self-esteem and self-confidence through consumption. External reasons refer to consumers’ attempts to build their self-image and to express themselves to others. Luxury consumers tend to purchase prestige and to acknowledge brands to prove their power and wealth, to confirm their status, and to be more confident. Plourde (2008) supported this idea by finding that following the conspicuous consumption theory, luxury labels can be signals of wealth and then can enhance social positions. Consequently, luxury goods are frequently tied with conspicuous consumption, and such

connection has been supported by several researchers (Mason, 1998; Shamina, 2011; Truong, Simmons, McColl, & Kitchen, 2008). Mason (1998) pointed out that both conspicuous products and luxury products have the same function—a flamboyant display of wealth to show a certain status. Shamina (2011) mentioned that conspicuous goods mostly share three common characteristics: brand exclusiveness, highly controlled distribution channels, and gratifying shopping experience. These characteristics are all the key points of the identification of luxury. Furthermore, in addition to the prestigious brand name, strict supply channels and satisfying experiences, high price is also considered an indicator of luxury (Vigneron & Johnson, 2004) and an indicator of wealth and status (Nunes, Drèze & Han, 2010). Bagwell and Bernheim (1996) argued that people are willing to pay higher prices for conspicuous products because those conspicuous products can provide social status with possessions that display wealth. Mason (2001) pointed out that the willingness to spend more than a functionally equivalent product is because purchasers can generate greater status from the price than from any direct utility.

As early as when Veblen (1899) proposed the conspicuous consumption theory, he mentioned that the latest fashions can confer prestige and social recognition on owners by having high price tags, and therefore, can be considered as brands or products that are more conspicuous (Nunes, Drèze & Han, 2010; Veblen, 1899). Later, several researchers argued that fashion is a visible symbol for conspicuous consumption and social status. Simmel (1904) introduced the fashion diffusion theory, noting that fashion is used to maintain ascendancy of the upper classes as they will always discard old styles and pursue new fashion to distinguish their social status from the lower classes who are eager to imitate the fashion styles of the upper classes (as cited in Chang, 2005, p.6). Additionally, King (1963) proposed the trickle-across theory, explaining that fashions trickle not only vertically across the strata (as cited in Chang, 2005, p.7), but also

horizontally within social strata, such as the middle class (Chang, 2005). Recently, Souiden, M'Saad, and Pons (2011) further examined that the intention to purchase mass-produced luxury brand accessories also falls under the umbrella of conspicuous consumption. Therefore, consumers who emphasize conspicuous consumption will hold a positive attitude toward luxury fashion brand products as they can be important possessions to display wealth, and usually can be a visible social symbol.

Conspicuous consumption plays an important role in Chinese luxury consumption patterns. Wong and Ahuvia (1998) argued that, compared with those who are rooted in general Western culture, Chinese consumers exhibit more brand consciousness, and their shopping patterns toward luxury products are more influenced by social-orientated values and conspicuous consumption. People who want to cater to the social taste or to display their external self-image are more likely to purchase luxury products (Zhu, 2006). Similarly, Qi (2008) stated that Chinese people usually find group identification and social recognition through their luxury consumption patterns. As it is normally accepted that you are what you wear, Chinese luxury consumers usually show their economic advantage and social status, and maintain or develop their social networks through purchasing luxury products (Qi, 2008). Therefore, Qi (2008) recorded that Chinese people generally make consumption more publicly visible in order to signify and communicate their status in a social hierarchy when purchasing luxury goods. Due to the rapidly developing economy, Chinese people's social positions and wealth have changed correspondent quickly. Facing the fast-accumulated wealth, Chinese people do not hesitate to choose luxury products to demonstrate their new economic and social positions. According to Heinemann (2008) and Qi (2008), China is still in a show-off stage. Consumers tend to acquire the symbols of wealth, displaying them in the most conspicuous manner, and emphasizing the symbolic

significance more than the functional significance. The people who are eager to reinforce their social status, especially for those who need to use luxury products to label their success, can partially explain why Chinese people behave differently in luxury consumption and why they buy luxury products that do not reflect actual needs or values (Mo & Roux, 2006; Qi, 2008). As mentioned before, fashion products readily express conspicuousness, and people believe that wearing high-end brands can illustrate one's personal success and social status (Dickson, Lennon, Montalto, Shen, & Zhang, 2004). Since previous studies have demonstrated the close relationship between conspicuous consumption and attitudes toward luxury fashion brand products, one can propose that conspicuous consumption will be positively related to patterns of purchasing luxury fashion products among Chinese consumers. Thus, the following hypothesis is proposed:

H3: Consumers with high levels of conspicuous consumption will be more likely to have positive attitudes toward luxury fashion brands.

Face Saving (*Mianzi*)

Previous research has shown that consumers may purchase the same products for different reasons due to specific culture values (Li & Su, 2007). People's values shaped by individualist cultures, will be different from those shaped by a collective culture (Wong & Ahuvia, 1998). People influenced by an individualistic culture will pay more attention to "I-identity" and personal esteem, and thus, will be more likely to express their uniqueness (Sun, 2011; Wong & Ahuvia, 1998); whereas under a collective culture, people will emphasize a "we-identity," and value family and social group esteem more (Sun, 2011; Triandis, 1998; Wong, Maher, Jenner, Appell, & Hebert, 1999). A consensus in the literature was that American culture, and most Western European cultures, share individualistic value; and the Chinese, Japanese and

most Asian cultures belong to a collective culture (Gao, 2008; Mo & Roux, 2009). Meanwhile, Wong et al. (1999) also mentioned that Chinese consumer behaviors are heavily affected by collectiveness and family respect because of the roots of Confucian values, which are collectiveness, family, respect, glory, and awareness of shame. Specifically, Zhou and Belk (2004) argued that the concept of face (*mianzi*) is an important element influencing consumer behavior, especially in a collectivist culture (Gao, Norton, Zhang, & To, 2009), and *mianzi* is particularly related to the luxury consumption of Asian consumers (Li & Su, 2007). According to Wong and Ahuvia (1998), face (*mianzi*) is one of the major reasons for different shopping behaviors for luxury products between the major Western developed countries and East Asian, and *mianzi* is an important reason for Chinese luxury consumption.

Although Yutang Lin claimed that *mianzi* is hard to describe or define because it is a concept rooted in Chinese culture, recent researchers have still tried to define this concept. In 1967, Goffman defined face, also called *mianzi*, as an image of self-esteem related to social attributes, which reflects the desire to be known or to be respected by others during interpersonal connections (as cited from: Sun et al. 2010, p.3). Carr (1993) argued that “face means sociodynamic valuation”(p. 90), which is a complex combination of prestige, dignity, honor, respect, and status. In short, “face is a social construct as well as a psychological construct, with the characteristic of conditional and persistent, referring to the social dignity or public image which is claimed by individual and also recognized by others” (Shi, Wen, Huang, & Ye, 2011, p. 41). According to Ho (1976), *mianzi* can be lost, maintained, or enhanced during interaction. During the social connection, people simultaneously try to gain or maintain *mianzi* and try to avoid losing *mianzi* (Hwang, 1987). As Chinese individuals are acutely aware of their status in an entire social web, which includes their groups, their institution, and their society, they

examine their dressing, attitudes, and speech very carefully to match their status, and they are extremely eager to protect their self-esteem without losing *mianzi* and without making others lose *mianzi*.

Several studies have investigated how *mianzi* influences consumption. As discussed above, *mianzi* reflects social self-esteem and social recognition by other people (Ting-Toomey & Kurogi, 1998): it can build a strong relationship between consumption and social connotation, and thus, it will influence consumer behavior from the physiological aspect to the self-actualization aspect (Belk, 1988). Therefore, Wong and Ahuvia (1998) argued that *mianzi* caters to more of the consumer's social needs, rather than to be consumer's private needs. Consumers with strong *mianzi* consciousness focus on extrinsic attributes more than on intrinsic attribute to express their self-image (Belk, 1988; Belk & Pollay, 1985). Thus, consumers will look for brand name and brand prestige (Liao & Wang, 2008) from the brand-name products in order to maintain or enhance *mianzi* due to their strong social recognition. Bao, Zhou, and Su (2003) also found that *mianzi* positively influences brand consciousness. Furthermore, they argued that *mianzi* consciousness affects price consciousness. Consumers, who value their *mianzi*, are more likely to purchase high-priced products to enhance their perceived social status as well as to avoid purchasing low-priced or sale-priced products that may be considered cheap by others. This situation exists regardless of their income or social hierarchy (Belk, 1988). Thus, in order to obtain *mianzi*, or at least to maintain *mianzi*, people are inclined to accumulate adequate money to purchase products with prestige brand names and with high prices to represent their social positions.

As luxury brand products carry the symbol of wealth, status, and success (Darian, 1998; Richins, 1994), most consumers believe that purchasing luxury products can represent their

social positions (Qi, 2008) and build their social reputations (Wong & Ahuvia, 1998). Previous researchers have found that although *mianzi* consciousness can be considered a universal reason for luxury consumption, it is one of the leading reasons causing differences in luxury consumption between the Chinese and consumers from major developed Western countries (Wong & Ahuvia, 1998). When purchasing luxury products, unlike Americans and Western Europeans especially focus on personal preference, Chinese consumers emphasize social need, and thus, focus more on *mianzi* consumption (Liao & Wang, 2009). For instance, even Chinese people with a low income may purchase top-grade products or they may prefer to consume luxury products when facing others, such as during gift giving, but use low priced products at home (Liao & Wang, 2009). Liao and Wang (2009) argued that *mianzi* consciousness can explain the puzzling contradictory phenomenon related to luxury consumption in China. *Mianzi* is considered to be a major way to satisfy Chinese people intrinsically by building the individual public-image (Qi, 2008), which is a multi-faceted version of self- *mianzi* related to oneself, one's family, relatives, friends and even colleagues (Joy, 2001). Therefore, Chinese consumers will pay more attention to the public visibility of possessions to build their social reputation (Wong & Ahuvia, 1998). Hence, luxury brands, with high social recognition, are good choices for people to satisfy themselves as self-gifts (Wang, 2008). Thompson (2010) also mentioned that within Chinese culture, consumption is not only to fulfill people's personal needs or preferences but also to satisfy people's social needs for identification, status and social recognition. The high social recognition of luxury brand names and the high price of luxury products may show the purchasers' economic advantages, and thus, enhance his/her social status (Laiman & Wai-yee, 2009). Therefore, people want to save *mianzi*, or avoid losing *mianzi* by buying themselves luxury products and holding on to luxury possessions. Specifically, as Aaker has mentioned in

1991, if consumers are more aware of, and connected to, high-end products and famous brands, they are more likely to hold positive attitudes toward luxury brands to save *mianzi* when using luxury products as self-gifts (as cited in Wang, 2008, p. 37). Meanwhile, Li and Su (2007) used *mianzi* consumption to demonstrate this special consumption motivated by individuals who try to enhance, maintain or save self or others' *mianzi*. They pointed out that *mianzi* based consumption has three distinctive characteristics: conformity, distinctiveness and other orientation. Conformity *mianzi* based consumption, the social pressure process that affecting people who purchased products, makes people try to avoid losing *mianzi* by preventing inappropriate behavior or mistake in consumption. Distinctive *mianzi* based consumption is the eagerness to show one's distinctive self/social class by purchasing different products; this occurs because of the sensitivity of the social hierarchy. Regarding the importance of *mianzi* for everyone, Chinese people carefully consider the *mianzi* concept when consumption related to other people, especially when selecting and giving gifts (Chan, Denton, & Tsang, 2003).

Several researchers found that the *mianzi* aspect can heavily influence gift-giving behavior (Liu, et al., 2010; Redding & Ng, 1982; Wang, Mohammed, & Kau, 2007). Motivation for gift giving has two aspects. One is for the self- satisfaction of the gift giver, who will offer *mianzi* to the gift receiver, and then gain *mianzi* at the same time for being generous. The other is for the pleasure of the gift recipient (Chan et al., 2003; Wang et al., 2007). Exchanging gifts is also an exchange of social identity, status, and other information from the two sides, receiver and giver. Thus, in order to save *mianzi*, people take full consideration of the gift's package, brand price, and other elements to make the gift image match the image of the gift-giver and the gift-receiver (Liu et al., 2010). Wang et al. (2010) also mentioned that because of their concern over not losing *mianzi* and simultaneously saving others' *mianzi* (Redding & Ng, 1982), givers are

more likely to consider the amounts to give and the brand orientation. During a gift giving process, people who receive gifts also receive *mianzi* from the gift-giver. Thus, the gift should represent the similar or even higher income and social status of the givers and should match the receivers' social status. If the receivers are expected to respond to the gift, they need to reciprocate with a gift that equals or exceeds the value of the one they received (Chan et al., 2003). Although many researchers have mentioned the *mianzi* concept as a main reason for gift giving behavior in China, little work has revealed how this will influence the attitudes toward luxury brands or attitudes toward gift giving in China. Furthermore, most of the past research focused on general luxury products, not specific on fashion products. Therefore:

H4: Consumers who put more emphasis on face-saving (*mianzi*) will be more likely to have positive attitudes toward luxury fashion brands.

H5: Consumers who put more emphasis on face-saving (*mianzi*) will be more likely to have positive attitudes toward gift giving.

Social Connections (*Guanxi*)

Numerous studies showed that cultural values significantly influence consumer behavior (Henry, 1976; McCracken, 1986). Since Chinese people belong to a collective culture and are heavily influenced by Confucianism, they are relation-orientated and usually pay much attention to their social needs, external demands, and interpersonal connections (Wong & Ahuvia, 1998). *Guanxi*, literally referring to relationships and personal connection, is formally defined as: “(1) connections of a certain nature between two people or two parties, (2) a state of mutual functions and mutual impacts among things and (3) links or involvement” (Yen, Barnes & Wang, 2011, p. 98). For better understanding of the phrase, previous researchers gave clearer definitions of *guanxi*. According to Yang (1994), *guanxi* is composed of two Chinese characters: “guan”

referring to gate and “xi” referring to connection (as cited in Wang, 2007, p.81). In this case, *guanxi* means that one has to pass the gate to be involved in social networks and to be connected with others. Chen and Chen (2004) defined *guanxi* as an informal, special personal connection between two individuals or two parties who want to build and maintain a long-term relationship, mutual commitment, loyalty, and obligation. More specifically, Wang (2007) defined *guanxi* as “a special type of relationship that bonds the exchange partners through reciprocal obligations to obtain resources through a continual cooperation and exchange of favors” (p. 81).

Some scholars have identified *guanxi* as relationships (Yeung & Tung, 1996). However, according to Wang (2007), *guanxi* is a special type of relationship, while a relationship does not directly mean *guanxi*. Although *guanxi* and relationships share some similar characteristics—long-term engagement, and cooperation—they have numerous underlying differences, which lead to different consumer behaviors (Yau, Lee, Chow, Sin, & Tse, 2000). Fan (2002) pointed out that having relationships does not mean developing *guanxi*. For example, two classmates who have not seen each other for decades may have a relationship to each other but they do not have *guanxi*. In addition, two strangers may build *guanxi* even if they do not have a relationship. Furthermore, according to Wang (2007), American and Western European cultures based relationship exchanges are usually driven by legalities and rules, whereas Chinese *guanxi* exchanges are driven by morality and social norms. Yau et al. (2000) also mentioned that when doing business, the Chinese value relationships more if they can build long-term relationships first and then make transactions, while most people from developed Western countries usually build long-term relationships after successful transactions. Furthermore, the Chinese consider *guanxi* before starting to do business and *guanxi* plays a crucial role in Chinese people’s daily lives.

Previous work showed that *guanxi* is regarded as one of the cores of Chinese culture and that it has been deeply embedded in Chinese tradition for thousands of years (Qi, 2008; Yen et al., 2000). In the literature, it has been recognized as a concept that emerged from the fundamentals of Chinese culture, traditions, and society (Thompson, 2010) and it has formed its own logic to constitute the social structure (Yen et al., 2011). *Guanxi* plays an important role in Chinese people's daily lives (Fan, 2002; Qi, 2008). It is easy to understand that one cannot make any significant accomplishment without *guanxi* or that one can easily achieve success with *guanxi* in China. *Guanxi* is identified as one of the most important keys leading to success in China and it is regarded as a potential source of sustainable advantage for doing business in China (Fan, 2002). In *guanxi* culture, it is important to know one's social status, to take one's responsibilities and carry out obligations, and to observe and adapt to the moral standards (Luo, 2009). In China, people feel comfortable and safe when they belong to certain social groups; thus, they are concerned with how others in the same network identify them (Qi, 2008). According to Qi (2008), *guanxi* is a key determinant leading the tendency toward group identification.

As social groups can be categorized in several ways, *guanxi* is identified in different ways. According to Hwang (1987), *guanxi* can be identified as an expressive, instrumental, and mixed social relationship. An expressive tie is defined as blood *guanxi*, which is the relationship between members of a family or an extended family. An instrumental relationship is the relationship between strangers who are utilitarian-driven in a temporary and short-term relationship, such as customers and retailers. A mixed tie is the combination of both expressive ties and instrumental ties. Furthermore, based on Hwang's categories, Fan (2002) argued that *guanxi* can be identified as blood *guanxi*, helper *guanxi*, and business *guanxi*.

The definition of blood *guanxi* is the same as Hwang's (1987) expressive tie. Fan (2002) mentioned that this kind of *guanxi* is heavily affect-driven, and thus, building *guanxi* is less important due to its high personalization and stability. He also pointed out that helper *guanxi* is the same as Hwang's (1987) instrumental tie. However, Bedford (2011) argued that, in addition to the instrumental tie, helper *guanxi* also includes a mixed relationship with affect-orientation and utilitarian-orientation, although it is more utilitarian-orientated. As Bedford (2011) mentioned, this mixed *guanxi* is based on the rules of *mianzi* giving and favor returning and emphasize continuous long-term relationships through mutual exchanges. Therefore, *guanxi* is necessary to build and to reinforce emotional exchange. Business *guanxi* is between strangers with intermediaries and is the matchmaker between money and power (Bedford, 2011; Fan, 2002). Unlike the instrumental tie, this *guanxi* is built for a purpose and usually for a long-term relationship, although little trust or commitment is included in this relationship (Bedford, 2011). Thus, *guanxi* can be categorized as affect-orientated and utilitarian-orientated, and building *guanxi* is more utilitarian-orientated. As Joy (2001) recorded, during *guanxi* development, the gains and losses are calculated and need to be balanced (Joy, 2001).

As Fan (2002) argued, *guanxi* needs to be established or maintained by purpose; a purpose, a mutual benefit, or an interest exchange is an important determinant of building *guanxi* (Jiang, 2009). Wang (2007) pointed out that three main things are exchanged in building a *guanxi* network: gifts, banquets, and favors. Gift giving is considered the most popular method (Xin & Pearce, 1996; Yan, 1996) and is considered one of the contributions to enhance the utilitarian-based *guanxi* network (Wang, 2007). Yan (1996) observed a family in a Chinese village where one person's *guanxi* network size can be indicated by the number of gift-givers in a family ceremony. Since *guanxi* is based on purpose and reciprocation, it is a way to obtain

mutual benefits or interests through exchanging, granting or returning gifts and favors (D'Souza, 2003; Fan, 2002). When accepting a gift, one has the obligation to return a gift or favor in the unspecified future (D'Souza, 2003). More specifically, according to Yan's observation, the majority of villages would isolate those who failed to pay back the obligation of gift giving. Therefore, people know the importance of exchanging gifts and favors to establish their *guanxi* network and gift giving is popular and common in China (Jiang, 2009).

The values of the gifts used to contribute to the *guanxi* network stand as symbols of the gift-giver's status and the social distance or degree between the giver and the recipient (Yan, 1996). According to different relational distances and the ritual context, gifts can range from a basket of fruits to luxury products (Jiang, 2009; Yan, 1996). When building *guanxi* networks, people believe that the recognition is positively related to the price (Luo, 2009): that is, a high price gift will lead to high recognition, and thus, build a better *guanxi* with the receiver (Luo, 2009). In this case, consumers may decide to purchase high-scale products as gifts, even when the price is beyond their abilities. Standing for high public recognition and high price, luxury goods can express the gift-givers' status, their respect for the receivers, and the extent to which they value this *guanxi*. Due to the sensitivity of the social hierarchy (Li & Su, 2007), Chinese people believe that luxury products are suitable gifts to give to people who are in the upper economic segments of the social hierarchy as they accentuate having *guanxi* with such people. Meanwhile, as emphasized in building long-term relationships and cooperation, Chinese people also give luxury gifts to business partners to establish or maintain business *guanxi*. According to Zhu (2006), giving luxury goods is a common way to establish or maintain *guanxi* in China. More specifically, people will pay more attention to brand names, manufacturers, and the country of origin.

Regardless of whether one is building an affect-orientated or a utilitarian-orientated *guanxi*, network, one still needs to be concerned with the reactions and *mianzi* issues related to other people in the same *guanxi* network when making a purchase decision (Qi, 2008). As adopted from “You are what you wear – you wear what you are”, Chinese people usually pay much attention to their group identification (Qi, 2008). Thus, using visible brands and luxury products is a tool to achieve identification and social belonging (Qi, 2008). Several studies mentioned that *guanxi* plays a crucial role in gift giving behavior and a few researchers argued that *guanxi* contributes to luxury consumption in China (Jiang, 2009; Qi, 2008; Yan, 1996; Zhu, 2006). A few articles examined how *guanxi* influences consumers’ attitudes toward gift giving (Joy, 2001), but none of the studies examined how *guanxi* influence Chinese consumers’ intentions of purchasing luxury fashion brand-name products. Since luxury fashion brand products, such as ties, purses, and jewelry, all carry the symbols of status and wealth. Therefore, it can be proposed that:

H6: Consumers who put more emphasis on social connections (*guanxi*) will be more likely to have positive attitudes toward gift giving.

Attitudes toward Luxury Brands

Attitudes have long been a major topic across the social psychology area. Early social scientists assumed that attitudes can explain human action because they believed that attitudes direct individuals’ social actions (Ajzen & Fishbein, 1980). In the late 1950s, researchers developed definitions and measurements of attitudes and adopted a multicomponent view. They viewed attitudes as complex systems that are combinations of a person’s beliefs, his/her feelings, and consequently, his/her action tendencies in relation to an object or a class of objects (Ajzen & Fishbein, 1980). Allport (1935) concluded that an attitude is an individual’s consistently

favorable or unfavorable disposition to respond to certain objects (as cited in Ajzen & Fishbein, 1980, p. 17). According to Ajzen and Fishbein (1980), an individual's attitude toward an object is a function of his/her salient beliefs, and one's attitudes can be used to predict and explain one's behavior. Meanwhile, the individual's beliefs and behavioral intentions can be determinants or consequents of an individual's attitudes. Later, Bagozzi (1981) confirmed Fishbein's theory, arguing that only attitudes can directly affect intentions. Since intention is the immediate determinant of behavior, attitudes influence behavior in an indirect manner (Ajzen & Fishbein, 1980; Bagozzi, 1981).

When studying consumers' purchase intentions toward luxury brands, scholars found that consumers' attitudes toward the concept of luxury and luxury brands are important and displayed noticeable variability (Dubois & Laurent, 1994; Stegemann, Denize & Miller, 2007): either strongly positively, or strongly negatively (Stegemann et al., 2007). When investigating how consumers' attitudes influence their purchase intentions toward luxury goods, Ko and Megehee (2011) mentioned that social function attitudes and affective attitudes are two important elements. In their explanation, social functional attitudes involve consumers' self-expression and self-presentation to display their self-image, while affective attitudes involve consumers' feeling or emotions. Functional attitudes theory means that attitudes can serve several psychological functions (Katz, 1960; Shavitt, 1989). Moreover, Wilcox, Kim, and Sen (2009) argued that social functional attitudes include value-expressive function (self-expression) and social-adjustment functions (self-presentation). According to Onkvist and Shaw (1987), an individual's image is normally associated with consumption patterns. Since the luxury brands are usually associated with conspicuousness consumption and with prestige brand name, they are easily to satisfy consumers' needs for conspicuousness and displaying their self-images (Vigneron & Johnson,

2004). Meanwhile, Park et al. (2008) also mentioned that both symbolic characteristics of luxury brands and affiliations of social groups are normally used to develop and strengthen one's social image. When practiced in China, a social value-based culture, *mianzi* and *guanxi* are two important Chinese values that influence people to build their social status or relationships. In addition to displaying individuality, scholars also mentioned that seeking to purchase luxury products is a way to portray an individual's social standing (Bian & Forsythe, 2011). Other than social functional attitudes, affective attitudes are also an important element to influence consumers' shopping intentions regarding luxury brands. According to Sweeney and Soutar (2001), consumers' affective attitudes toward luxury brands are derived from their feeling and psychological experiences with the luxury brands, such as consumers obtaining self-pleasure from the luxury consumption process and satisfying themselves with material possessions. Furthermore, Li, Monroe and Chan (1994) argued that affective attitudes have an influence on consumers' purchase intentions, and more specifically, they can strongly influence purchase intention toward fashion products (Bian & Forsythe, 2011).

Therefore, it is proposed that:

H7: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions.

H7a: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions for self-use.

According to Andrus, Silver and Johnson (1986), the intention of purchasing gifts may occur during the preparation stage, which comprises all consumer behaviors before the actual gift-giving behavior. One's perceptions of self, perceptions of the recipient, and the relationship all influence the selection and purchasing of gifts (Otnes, Lowrey & Kim, 1993). Gifts display

and transmit the donor's self-image and social status to the recipient. In other words, the gifts can exhibit one's self-expression and self-presentation to recipients, which can be fitted with the social functional attitudes toward luxury brands. Meanwhile, a gift will stand for a symbolic social status during the gift exchange (Parsons, 2002). Chinese people typically try to maintain or save *mianzi* during the gift giving process, and they develop or maintain *guanxi* through gift-giving (Joy, 2001). Considering the symbolic characteristics of luxury fashion brand-name products, the conspicuousness, and the high quality dimensions of luxury brands (Vigneron & Johnson, 2004), therefore, one can propose that:

H7b: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions for gift giving.

Attitudes toward Gift Giving

Gift giving is a multi-dimensional phenomenon that includes economic, social and personal motivations (Belk, 1982; Goodwin, Smith & Spiggl, 1990; Sherry, 1983). Because of the unique combination of these elements, gift giving attracts scholar's attention from anthropology, sociology, and psychology (Belk, 1982). In 1983, Sherry presented a model of the gift giving process from an anthropological perspective, and pointed out three dimensions related to gift giving: the social dimension, the personal dimension, and the economic dimension. Sociologically, Neisser (1973) described the giving and receiving of gifts as involving both perception and interpersonal relationships. Psychologically, Schwartz (1967) considered gift giving a mode of social control.

Other scholars argued that values vary among individuals and are associated with different gift giving behaviors. They mentioned that gift giving behavior can be influenced by personal values (Beatty, Kahle & Homer, 1991), by donor's motivations (Goodwin, Smith, &

Spiggle, 1990), by donor-recipient relationships and involvements (Wagner, Ettenson, Verrier, 1990), and by cultural differences (Arunthanes, Tansuhaj, & Lemark, 1994; Laroche, Saad, Kim & Browne, 2000). Personal values prevalently have an impact on individuals' behaviors, and on gift giving (Beatty et al., 1991). Ruffle (1999) mentioned that self-interest can influence gift-giving behavior. Belk (1976) also established and tested a model of gift selection and found that both givers' tastes and recipients' tastes may influence gift selection. Meanwhile, scholars pointed out that a gift is more than merely a physical object, It is also a symbol to express the donor's self-concept and his or her perceptions of the recipient (Schwartz, 1967; Wagner et al., 1990). Furthermore, Belk (1976, 1979) mentioned that projections of an ideal self-concept, an actual self-concept, and perceptions of the recipient all have significant importance in both gift selection and the symbolic characteristics of gifts by donors. Specifically, individuals who are active and perceived social connections more will report higher levels of importance placed on gift giving, and therefore, will put more effort into selecting gifts (Beatty et al., 1991). In this case, personal values will influence consumers' gift-giving behavior to a large extent.

Belk (1979) summarized four functions of gifts: communication, social exchange, economic exchange and socialization. Gifts are connections between donors and recipients; thus, the social dimension is a very important component of gift giving. Gifts usually act as symbols of the relationship, providing the communication function from donors to recipients (Goodwin et al., 1990). They are also considered to be symbols of social support in the commonly recognized etiquette of ceremonies, such as baby showers, religious confirmations, and weddings (Belk, 1976). Poe (1977) pointed out that gifts can convey various symbolic messages, such as the social status of a relationship, an expectation of future interaction, and a concern for domination. Therefore, a gift displays and transmits one or more social roles of the donor's to the recipients.

Moreover, Otnes et al. (1993) mentioned that the description of recipients can be easy or difficult; usually same-gender friends are considered easy recipients, while older people or superior people are considered as difficult recipients. Consequently, the donor's willingness to display different social roles will influence both their description of recipients and their selection of gifts. Not only will the gift stand for symbolic social status, but it can also help to define the social boundaries surrounding a relationship with various gifts scales (Parsons, 2002). According to Sherry (1983), the value of a gift partly reflects the weight of the relationship, while the exchanging of the relationship is partly reflected in the exchanging of the gifts. More specifically, he mentioned that the price or quality is used to create, maintain, modulate, or estrange relationships. Thus, gifts can reflect an individual's social status, their description of the recipients, and their circumstances of their relationship; an individual's attitudes toward the social status, relationship, and recipients can also influence their selecting or purchasing of gifts (Parsons, 2002; Sherry, 1983).

Since numerous researchers focus on explaining gift giving behavior (Sherry, 1983) and gift giving processes (Goodwin et al., 1990), it is clear that personal values and social interaction positively influence an individual's gift giving behavior, such as store-searching strategies, gift selecting, and gift purchasing. However, few researchers mentioned attitudes toward gift giving; yet it is necessary to understand how the attitudes toward gift giving mediate and connect personal values and social relationships to the gift purchase intention. Bagozzi and Warshaw (1990) found that donors' attitudes toward gift giving influence their intentions of purchasing gifts, especially their intentions of purchasing expensive gifts. Similarly, Wolfenbarger and Gilly (1991) mentioned that donors with a more positive attitude toward gift giving are more likely to spend time and make an effort when selecting gifts; thus, the gifts will be individually and

emotionally significant. More specifically, Wolfenbarger and Yale (1993) argued that positive attitudes toward gift giving lead to actual gift giving behavior, and that gifts express personal affection and attitudes toward the recipients, and stand for the donors' social status and the relationship (Poe, 1977; Wolfenbarger & Gilly, 1991). Therefore, donors' attitudes toward gift giving are an important intermediate variable in predicting consumers' purchase intentions for gifts.

As culture plays an important role in influencing consumers' attitudes toward giving and their shopping behavior, Chinese donors may behave differently when they make gift-purchasing decisions (Chan et al., 2003). As previously mentioned, face saving (*mianzi*) and social connections (*guanxi*) are two important elements shaping Chinese culture. *Mianzi* saving is an important concern among Chinese people when they express themselves to others. Chinese people try to save, maintain and avoid losing *mianzi* during the gift giving process and they always use gifts to build, maintain, or develop social connections (*guanxi*). Both face saving (*mianzi*) and social connections (*guanxi*) influence consumers' shopping intentions to purchase luxury products as gifts. However, none of previous studies on *mianzi* and *guanxi* mentioned consumers' attitudes toward gift giving or the ways in which those attitudes influence purchase intentions. To fulfill the void, this study proposed that:

H8: Consumers' attitudes toward gift giving will have a significant impact on their purchase intentions for gift giving.

Theoretical Framework

To understand consumer behavior in the marketplace better, Gutman (1982) presented a Means-End chain model to link perceived product attributes to personal values. According to his study, value serves as a crucial determinant in making behavioral decisions and in the

consumption process. The Means-End concept is value-orientated, providing hierarchical linkages among the attributes that existed in products (the means), consumers' responses to the attributes (the consequences), and personal values (desired ends).

Scholars have mentioned that the Means-End chain model can explain several consumer behavioral intentions (Jayawardhena, 2004; Nunkoo & Ramkissoon, 2009). For example, the Means-End chain model can explain or describe consumers' product and brand perceptions (cf., Walker & Olson, 1991). Reynolds and Gutman (1988) also argued that product selection and shopping patterns are means to achieving desired end states or values. However, values can influence consumer behavior only in an indirect manner; values should theoretically flow from abstract values to less abstract mediating factors, such as domain-specific attitudes, to specific behaviors (Jayawardhena, 2004). Some scholars mentioned this sequence as the value-attitude-behavior hierarchy, which means that values influence attitudes, and in turn, attitudes play as a mediator to influence intention behavior (Jayawardhena, 2004). Ajzen and Fishbein (1980) also adopted the Means-End theory in their attitude theories. They believed that attitudes are shaped by people's convictions, while convictions are constructed from two aspects: one is from the chance that attributes lead to certain consequences and the other is from the evaluation of these consequences. Furthermore, an attitude is shaped from a combination of attributes, consequences, and values; the attitude, in turn, lead to a behavioral intention (Bartels & Nelissen, 2002).

The Means-End chain model hierarchically links personal values that are the desired end state to basic feature attributes of products or brands, which represent the means (Gutman, 1982). Applying the Means-End chain model to this study, 'means' refers to luxury fashion brand products, either for self-use or for gift giving; 'ends states' refers to the consumers' personal

values leading to purchase intentions. Since attitudes are used to connect personal values and the consumption behavior, attitudes toward luxury fashion brands and attitudes toward gift giving are the two variables that mediate the link between personal values and purchase intentions.

According to Maio and Olson's (1995) research, personal values have a strong relationship with one's value-expressive attitudes and predicted the intention of behavior, while value-expressive attitudes reflect central values and self-concept.

To better understand the motivations of Chinese people to consume luxury fashion products, this study adopts this hierarchical Means-End chain model to examine how personal values (consumer values) influence attitudes, which in turn, influence behavioral intentions (purchase intentions). This model provides a framework for examining these relationships (Figure 2.1).

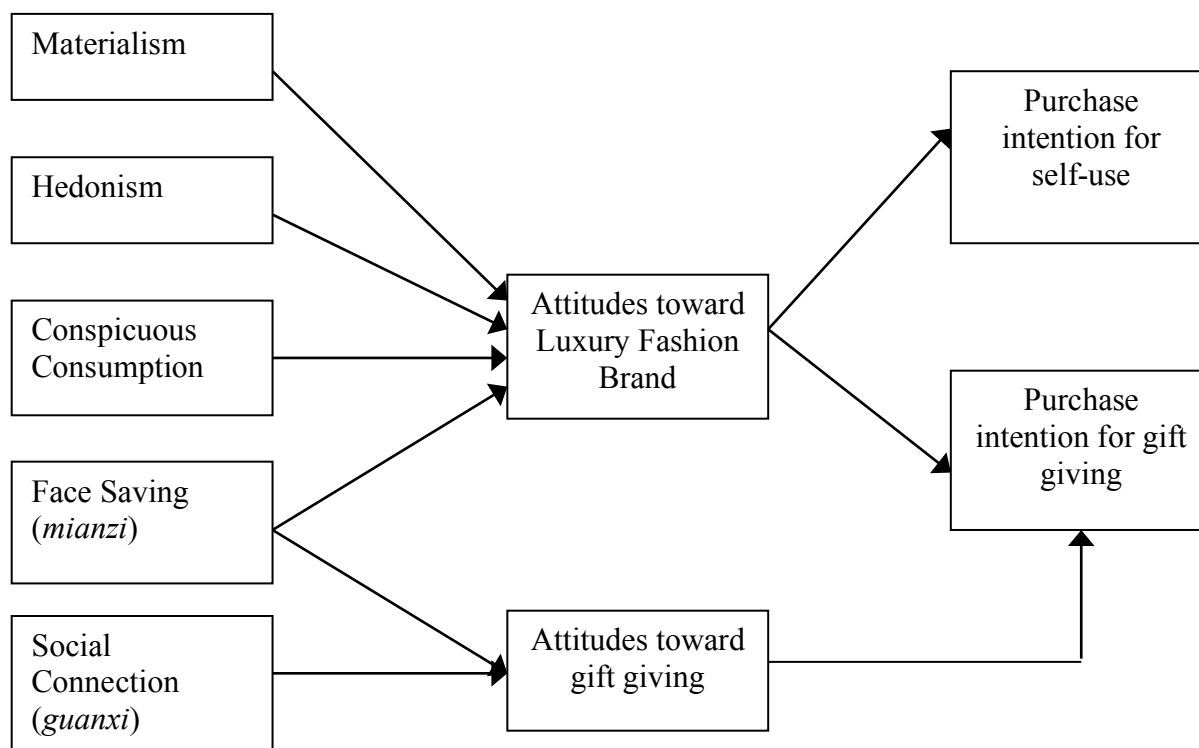


Figure 2.1 The proposed model

CHAPTER 3

METHODOLOGY

This chapter explains the data collection methods that were used in this research. First, the selection of the methodology and the instruments used in this study were explained. Second, this chapter describes the sample and sampling methods that were used. Finally, the chapter provides a description of the data analyses that were undertaken.

Instrument Development

This research made use of an online survey, conducted to examine how Chinese consumers' personal values influenced their attitudes toward both luxury fashion brands and gift giving, and in turn, investigating how these attitudes influenced their shopping behavior when it comes to luxury fashion brand products. Online surveys are a common tool for research. This is due to the fact that they enable the researcher to collect data on a large scale and are relatively easy to control, and also because they represent an inexpensive method (Andrews, Nonnecke, & Preece, 2003). Scholars also found that the results of online surveys and postal surveys are not different (Andrews et al., 2003). Furthermore, online surveys can reduce errors from transcription or coding (Zhang, 1999); thus the use of online surveys is both efficient and effective.

This study focused on several factors that impact consumers' intentions to purchase luxury fashion brand products, both for self-use and in gift giving. Nine variables were measured in this study. These can be categorized as personal values (including materialism, hedonism,

conspicuous consumption, *mianzi*, and *guanxi*); attitudes (including attitudes toward luxury fashion brand and attitudes toward gift giving); and intentions (including the intention to purchase a luxury fashion brand product for self-use and the intention to purchase a luxury fashion brand for gift giving). Demographic information was also included to gain a better understanding of the backgrounds of the participants.

All these variables were taken from previously developed scales, and were modified slightly in their wording to better fit the needs of this study. Instruments developed in English were translated into Chinese, and all of the items in the survey used a five-point Likert-type scale. When examining personal values and attitudes, items were measured on a five-point Likert-type scale with “1” being “strongly disagree” and “5” being “strongly agree.” When examining intentions, items were measured on a five-point Likert-type scale with “1” being “not likely at all” and “5” being “extremely likely.”

The survey contained ten sections. The first section examined materialism. Its format was based on the survey developed by Richins and Dawson (1992), in which questions were asked to examine the importance that people attribute to possessions and acquisitions in their life, and the extent to which they believe that both the possessions and acquisitions can help them to reach certain end states. Nine questions were used to measure materialism on a five-point Likert-type scale (1=strongly disagree; 5=strongly agree), including responses to statements such as “Some of the most important achievements in life include acquiring material possessions” and “My life would be better if I owned certain things I don't have.”

The second section of the survey focused on examining hedonism, and was intended to measure the extent to which people gain pleasure or emotional worth from a shopping experience. Participants were asked to respond to statements such as “While shopping, I feel the

excitement of the hunt” and “When I am in a down mood, I go shopping to make myself feel better.” Five items were included, the first two derived from the study by Babin et al. (1994) and the other three were derived from the study by Kang and Park-Poaps (2009). Participants were asked to rate how well these items represent them (1=strongly disagree; 5=strongly agree).

The third section was intended to measure conspicuous consumption. Statements such as “Before purchasing a product, it is important to know what brands or products to buy to make a good impression on others” and “Before purchasing a product, it is important to know what friends think of different brands or products I am considering” were used to understand the willingness with which respondents display wealth or make social statements through their consumption. Six items were included; all derived from the study by Podoshen et al. (2010), and measured using a five-point Likert-type scale (1=strongly disagree; 5=strongly agree).

The fourth section strived to understand the importance that individuals attach to face saving (*mianzi*). Six items were included. The first four items were developed by Qian et al. (2007) to measure the extent of participants’ concern with their own or with others’ public image, and included statements such as “I am concerned about how others perceive me” and “I worry about losing *mianzi* in daily life.” The other two items were developed by Hwang, Francesco, and Kessler (2003) to examine the desire to gain *mianzi*, such as “I like to associate myself with people who have prestige or status” and “I like for people to think of me as a person having prestige or status.” All of these items were measured on a five-point Likert-type scale (1=strongly disagree; 5=strongly agree).

Section five focused on the importance of social connections (*guanxi*) in the participants’ lives. Six items were taken from Qian et al. (2007), and used to examine social connections (*guanxi*) on a five-point Likert-type scale (1=strongly disagree; 5=strongly agree). Statements

such as “I believe that getting things done depends more on *guanxi* (social connections) than on personal effort” and “I believe that developing *guanxi* (social connections) is necessary in one’s daily life” were used to measure the extent to which respondents believe that *guanxi* plays an important role in their daily lives.

Section six was intended to aid in the understanding of consumers’ attitudes toward luxury fashion brands. Fifteen items were derived from the study conducted by Sun (2011), and were included to measure consumers’ attitudes toward luxury fashion brands or products. Examples of the items include: “I think a luxury brand with a high price means good quality compared to other brands” and “I think investment in a luxury product is worth its retail price.” Again, a five-point Likert-type scale was used to measure participants’ responses, with “1” representing “strongly disagree” and “5” representing “strongly agree.”

Section seven was intended to further understand consumers’ attitudes toward gift giving. Eight question statements were adopted from Qian et al.’s (2007) study, such as “I spend a lot of money on gifts during Chinese New Year,” “I almost never give gifts to people for Chinese New Year,” and “I think that the brand-name of Chinese New Year gifts is important.” Most of their statements focused on Chinese New Year specifically; however, though Chinese New Year is an important occasion on which Chinese individuals purchase and give gifts, it is not the only one (Yau, Chan, & Lau, 1999). Therefore, following the studies by Beatty et al. (1991) and Yau et al. (1999), this study changed the question statements to give them a more general sense, such as “I spend a lot of money on gifts,” “I almost never give gifts to people,” and “I think that the brand-name of gifts is important.” These items once more use a five-point Likert-type scale (1=strongly disagree; 5=strongly agree).

Section eight included four items which examine the intention of consumers to purchase luxury fashion brands for self-use. All of these question statements were adopted from Tsai (2005) to measure purchasing luxury brands for self gifts, such as “When in a bad mood, I may buy luxury brands as self-given gifts for alleviating the emotional burden” and “Purchasing luxury brands can be seen as giving myself gifts to celebrate something I do and feel excited about.” Since self-gift giving is only one reason of purchasing luxury brands, this study has slightly changed these statements wording to a more general sense, such as “How likely are you to buy yourself luxury products to feel better” and “How likely you are to buy yourself luxury products to celebrate a special occasion.” Once more, these statements used a five-point Likert-type scale (1= not likely at all; 5=extremely likely).

Section nine, focusing on the intention to purchase luxury fashion brands for gift-giving, was examined by four items which were developed by Dubois, Czellar and Laurent (2005), including statements such as “How likely are you to offer luxury products as gifts to celebrate a special occasion” and “How likely are you to buy luxury products because they make good gifts.” Similarly, participants were asked to rate how these items apply to themselves (1= not likely at all; 5=extremely likely).

Section ten contained demographic questions, used to help understand each participant’s background. These questions were related to gender, marriage status, age, education, occupation, and monthly family income level. In addition, the participant’s hometown city, the expenses of gift giving, the expenses of purchase of luxury fashion products, and familiarity of luxury fashion brands were all be requested.

Sample and Sampling

Due to the limited contacts in China available to the researcher, this study conducted snowball sampling to distribute the questionnaires, in order to achieve large enough numbers of Chinese participants and to obtain sufficient responses. Snowball sampling is one type of non-probability sampling, and it is a method used to obtain data from extended associations; that is, using recommendations to find participants, and then asking them to recommend more people to participate in the survey (Sribiroj, 2007; Sun, 2011). This method helps to find respondents that meet the research criteria.

The target participants for this study were defined as male or female, aged from 18 to 40, and living or working in metropolises, such as Beijing, Shanghai and Guangzhou, or second-tier cities, such as Ningbo, Taiyuan and so on. The study targeted participants who had a basic knowledge about luxury fashion brands. It was not a requirement for participants in this survey to have actually purchased luxury fashion brand products. When applying to this study, the survey link was sent to the researcher's friends, and simultaneously, the researcher also posted the link on a personal Facebook page, as well as on the Chinese equivalent of Facebook (RenRen and KaiXin001), the Chinese equivalent of twitter (WeiBo), and the Chinese equivalent of MSN (QQ). These initial participants then were asked to recommend and to invite those friends who meet the sample selection criteria to participate in this study.

Data Analysis

The questions were formatted to analyze causality between independent variables and dependent variables. First of all, reverse coding on certain questions were made. After that, descriptive statistical analysis was conducted to determine demographic variance by presenting the mean and standard deviation. Factor analyses were conducted in order to examine whether

the scales for attitudes toward luxury fashion brands and for attitudes toward gift giving consist of multiple dimensions. Correlation analysis was conducted to measure the relationships among personal values, different dimensions of consumers' attitudes, and their purchase intention either for self-use or for gifts. Lastly, regression analyses were used to examine the hypotheses: whether the four personal values (materialism, hedonism, conspicuous consumption, and *mianzi*) can predict consumers attitudes toward luxury fashion brands, whether the two personal values (*mianzi* and *guanxi*) can predict consumers attitudes toward gift giving, whether consumers' attitudes toward luxury fashion brands can predict their purchase intention for self-use, and whether consumers' attitudes toward luxury fashion brands and toward gift giving can predict their purchase intention for gifts.

CHAPTER 4

RESULTS

The objectives of this study were to examine the factors that influence Chinese consumers' intentions to purchase luxury fashion brands. Specifically, this study looked into how consumers' personal values influenced their attitudes and then how those attitudes influenced their shopping intentions. To understand these relationships, this study conducted an online survey to collect data and then used SPSS software to analyze the data. Descriptive statistics, factor analyses, reliability tests, correlation analyses, and regression analyses were performed. A total of 276 respondents completed the questionnaire, though only 202 respondents were found to be useable. Seventy-four surveys were discarded due to incompleteness.

Participant Demographics

The demographic information related to gender, age, education, the cities of longest residence, annual household income, and annual expenses for luxury fashion brands and gifts (Table 5.1). Overall, 64.2% (n = 129) of the respondents were female, and 35.8% (n = 72) were male. The mean age for all the participants was 26, while 62.6% participants were between the ages of 25 to 30, 29.4% of the participants' ages ranged between 18 and 24, and the remaining age group (31-40) encompassed 8% of participants. Based on the distribution of the tiers of Chinese cities, 50% of respondents were from second-tier cities (capitals of provinces or large cities with advanced economies and populations over three million, but less than ten million), 34.2% of respondents were from metropolises (significant political, economic, and culture

centers with a population over ten million), and the remaining 14.8% of respondents were from third-tier (mid-sized cities with advanced economies and populations over one million, but less than three million) and fourth-tier cities (all remaining cities). The household income question revealed that 36.4% earned more than RMB 100,000 (US \$16,000) annually; 30.3% between RMB 50,000 (and RMB 99,999 (US \$8,000-\$16,000); 21.2% had an annual income between RMB 25,000 and RMB 49,999 (US \$4,000-\$8,000); and 12.1% of respondents earned less than RMB 25,000 (US \$4,000) annually. A fairly high percentage (78.9%) of participants had experience purchasing luxury fashion brands. Meanwhile, 39.5% spent less than RMB 1,000 (US \$160) on gifts; 38.5% reported spending from RMB 1,000 to RMB 5,000 (US \$160-\$800) on gifts, while 21.5% spent more than RMB 5,000 (US \$800) on gifts. Only 0.5% of respondents reported that they never gave gifts to others. Furthermore, a fairly high percentage, 76.8% (n = 156) reported that they usually gave gifts to their relatives; and a fairly high percentage, 91.1% (n = 185), reported that they would give gifts to their friends; 35% (n = 71) of respondents reported that they gave gifts to their boss; and 33.5% (n = 68) reported that they gave gifts to their colleagues.

Factor Analysis

In order to examine whether the scales for attitudes toward luxury fashion brands and for attitudes toward gift giving consist of multiple dimensions, an exploratory factor analysis (EFA) with varimax rotation was performed before testing the individual hypotheses for the study. Based on the factor analysis, items with rotated loadings greater than 0.50 and factors with eigenvalues greater than 1.0 were retained. In addition, those factors that included only one item were eliminated from the analysis.

Table 5.1
Demographic Profile of Sample

		Frequency	Percentage (%)
Gender	Female	129	64.2
	Male	72	35.8
Age	18-24	59	29.4
	25-30	126	62.6
	31-40	16	8.0
Cities	Tier 1	67	34.2
	Tier 2	98	50.0
	Tier 3	19	9.7
	Tier 4	12	6.1
Income	Less than RMB25,000	24	12.1
	RMB25,000-RMB49,999	42	21.2
	RMB50,000-RMB99,999	60	30.3
	RMB100,000 or more	72	36.4
Expenses on Luxury fashion brands annually	Less than RMB5,000	104	52.3
	RMB5,000-RMB10,000	30	15.1
	RMB10,000-RMB20,000	16	8.0
	RMB20,000 or more	7	3.5
	None	42	21.1
Expenses on gifts annually	Less than RMB1,000	79	39.5
	RMB1,000-RMB5,000	77	38.5
	RMB5,000-RMB10,000	29	14.5
	RMB10,000 or more	14	7.0
	None	1	0.5
Gift receivers	Boss	71	35
	Colleague	68	33.5
	Relatives	156	76.8
	Friends	185	91.1

Attitudes toward luxury fashion brands, composed of 15 items, resulted in being composed of four factors (Table 5.2). The first factor was named desirability of luxury and included eight items (1, 2, 3, 4, 7, 8, 9, and 11) representing the desirability of acquiring luxury products. Factor one explained 28.4% of the variance with an eigenvalue of 4.3. The second factor was comprised of four items (5, 6, 14, and 15) described as personal significance of luxury. The four questions aimed at investigating whether people rely on their own personal consideration or on others' opinions or attitudes when intending to purchase luxury fashion brands. Factor two explained 15.5% of the variance with an eigenvalue of 2.3. The third factor was named rarity of luxury and included two items (12 and 13), which described the relative

difficulty of acquiring luxury fashion brands. Factor three explained 8.8% of the variance with an eigenvalue of 1.3. The fourth factor contained only one item (10) and therefore, was deleted. The first three factors explained 52.1% of the variance.

Table 5.2
Factor Analysis of Attitudes toward Luxury Fashion Brands

Factor	No.	Abbreviated statement	Eigen- value	Variance, %	Factor loading	Reliability
Factor 1: Desirability of Luxury	3	Investment in a luxury product is worth its retail price.	4.3	28.4	0.81	0.86
	1	A luxury brand with a high price means good quality compared to other brands.			0.76	
	4	I am willing to pay a premium price for limited edition luxury goods.			0.70	
	2	I think a luxury product can fetch a good resale value.			0.69	
	9	In my opinion, luxury is pleasant.			0.69	
	8	In my opinion, luxury is just fashionable and exclusive.			0.68	
	7	I feel like acquiring more luxury products in the future.			0.67	
	11	In my opinion, luxury is good.			0.59	
Factor 2 Personal Significance of Luxury	15	The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	2.3	15.5	0.72	0.63
	14	I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others' opinions.			0.71	
	6	It is mostly up to me whether or not I am going to purchase a luxury brand in the future.			0.65	
	5	I have less desire towards luxury brand products when mass quantities of people consume the same products as me.			0.58	
Factor 3 Rarity of Luxury	13	True luxury products cannot be mass-produced.	1.3	8.8	0.86	0.57*
	12	A luxury product cannot be sold in supermarkets.			0.85	
Factor 4	10	In my opinion, luxury is old-fashioned. ^R	1.1	7.3	0.77	

- Correlation coefficient
- ^R: reverse-coded item

Attitudes toward gift giving, composed of eight items, resulted in three dimensions (Table 5.3). The first factor was named brand-name gifts and included two items (7 and 8). Both

of the questions investigated whether brand name was important to the consumers when selecting gifts. Factor one explained 27.0% of the variance with an eigenvalue of 2.2. The second factor included the following two items: “gift giving is part of Chinese culture and tradition” and “gift giving always accompanies holidays.” This factor was, therefore, called cultural significance. Factor two explained 22.5% of the variance with an eigenvalue of 1.8. The third factor included four items (3, 4, 5, and 6), which were used to understand how people select gifts. However, this factor had a low reliability coefficient (0.48), which did not meet the acceptable level of reliability, and was therefore dropped. The first two factors explained 44.5% of the variance.

Table 5.3
Factor Analysis of Attitudes Toward Gift Giving

Factor	No.	Abbreviated statement	Eigenvalue	Variance, %	Factor loading	Reliability
Factor 1 Brand-Name Gifts	8	I think that the brand name of gifts is important.	2.2	23.2	0.92	0.76*
	7	I look for well-known brands when choosing gifts.			0.91	
Factor 2 Cultural Significance	2	Gift giving is part of Chinese culture and tradition .	1.8	21.3	0.91	0.70*
	1	Gift giving always accompanies holidays .			0.91	
Factor 3 Dropped	4	I almost never give gifts to people.	1.2	20.3	0.73	0.48
	3	I spend a lot of money on gifts.			0.64	
	5	I often wait until the last minute to purchase gifts. ^R			0.63	
	6	I always try to spend a lot of time for gift shopping.			0.48	

^R: reverse-coded item

Reliability Test

Reliability analysis was conducted for each scale in order to ensure stability and repeatability. Cronbach’s alpha was used to verify the internal consistency of multi-item scales. If a scale reports a Cronbach’s alpha of 0.60 or greater, then it is said to have good reliability (Pallant, 2007).

The materialism variable was measured using nine items. The initial Cronbach's alpha was 0.63, which met the acceptable level of reliability. Deleting items would not lead to any improvement of reliability, and therefore, no items were deleted. The hedonism variable was measured using five items. The Cronbach's alpha for this variable was 0.93. This alpha is well above the acceptable level of reliability alpha of .60; therefore, no items were deleted. The conspicuous consumption variable was measured using six items. The Cronbach's alpha for this variable was 0.79; again above the acceptable level, and therefore, no items were deleted. The face saving (*mianzi*) variable was measured using six items, with an initial Cronbach's alpha of 0.69. By deleting item four, the Cronbach's alpha increased to 0.71, which was more reliable. Item four was therefore deleted. The social connections (*guanxi*) variable was measured using six items. The initial Cronbach's alpha for this variable was 0.50, which was below the acceptable level. Items one and two were deleted to increase the reliability to 0.85.

The purchase intention for self-use variable was measured using four items. The Cronbach's alpha for this variable was 0.89, creating no need for deleting items. The purchase intention for gift giving variable was measured using four items. The Cronbach's alpha for this variable was 0.89; again, no items were deleted.

After factor analysis for attitudes toward luxury fashion brands, three dimensions were established: the desirability of luxury, personal significance of luxury, and rarity of luxury fashion brands. The desirability of luxury variable was measured using eight items. The Cronbach's alpha for this variable was 0.86. Four items were used to measure the personal significance of luxury variable with Cronbach's alpha of 0.63. Since all of these items were important to this study, no items were deleted. Instead of Cronbach's alphas, correlation coefficients were examined for the factors of rarity of luxury, brand-name gifts, and cultural

significance because these factors contained only two items each. The correlation coefficient for the two items measuring rarity of luxury fashion brands was 0.57; for the two items that measured brand-name gifts, it was 0.76; and for the two items that measured cultural significance, the correlation coefficient was 0.70. All of these were accepted and indicated good reliability for each scale. The means and standard deviations for all variables are displayed in

Table 5.4.

Table 5.4
Descriptive Statistics for all Variables (n = 202)

	N	Mean	Std. Deviation
Materialism	202	2.71	0.50
Hedonism	202	3.19	1.00
Conspicuous consumption	202	3.04	0.70
<i>Mianzi</i>	202	3.06	0.62
<i>Guanxi</i>	201	4.15	0.45
Desirability of luxury	202	2.79	0.65
Personal significance of luxury	202	3.88	0.54
Rarity of luxury	202	3.81	0.80
Brand-name gifts	202	3.39	0.86
Cultural significance	202	4.05	0.55
Purchase intention for self-use	202	3.36	0.84
Purchase intention for gift giving	202	3.53	0.70

Correlation analyses

In order to determine the relationships among the variables, Pearson's correlation analysis was run as shown in Table 5.5. The table presents the correlation coefficients among personal values (materialism, hedonism, conspicuous consumption, *mianzi*, and *guanxi*), consumers' attitudes toward luxury fashion brands and toward gift giving, and consumers' purchase intention toward luxury fashion brands for self-use and for gift giving.

Since the attitudes toward luxury fashion brands have been categorized into three factors after factor analysis (desirability of luxury, personal significance of luxury, and rarity of luxury

fashion brands) it was necessary to understand the relationship between personal values and each dimension of the attitudes toward luxury fashion brands separately.

Several personal values showed positive relationships with attitudes toward luxury fashion brands. Materialism and the desirability of luxury displayed a strong positive correlation ($r = 0.39, p < 0.001$). Materialism also displayed a strong correlation with rarity of luxury fashion brands ($r = 0.23, p < 0.001$). Moreover, hedonism exhibited a strong positive relationship with the desirability of luxury ($r = 0.40, p < 0.001$), personal significance of luxury ($r = 0.16, p < 0.05$), and with rarity of luxury fashion brands ($r = 0.26, p < 0.001$). Additionally, conspicuous consumption and the desirability of luxury displayed a strong positive correlation ($r = 0.40, p < 0.001$). Conspicuous consumption also showed a positive relationship with rarity of luxury fashion brands ($r = 0.20, p < 0.01$). Lastly, *mianzi* and the desirability of luxury displayed a significant positive correlation ($r = 0.28, p < 0.001$). *Mianzi* also showed a positive relationship with rarity of luxury fashion brands ($r = 0.30, p < 0.001$).

Meanwhile, considering the attitudes toward gift giving were categorized into two factors after factor analysis—brand-name gifts and cultural significance—each personal value was tested with each dimension of attitudes toward gift giving. It was found that materialism ($r = 0.22, p < 0.01$), hedonism ($r = 0.18, p < 0.05$), and conspicuous consumption ($r = 0.19, p < 0.01$) all displayed positive relationships with brand-name gifts. Both *mianzi* ($r = 0.21, p < 0.001$) and *guanxi* ($r = 0.32, p < 0.001$) displayed a positive relationship with cultural significance.

It is also interesting to note that all of the variables representing personal values except for conspicuous consumption and *guanxi* were positively correlated with purchase intention for self-use. Those who displayed positive relationships with purchase intention for self-use were materialism ($r = 0.28, p < 0.001$), hedonism ($r = 0.42, p < 0.001$), and *mianzi* ($r = 0.21, p < 0.01$).

There were also positive relationships between materialism and purchase intention for gifts ($r = 0.19, p < 0.01$) and between *mianzi* and purchase intention for gifts ($r = 0.18, p < 0.05$).

Table 5.5
Pearson Correlation Analysis

	Materialism	Hedonism	Conspicuous Consumption	<i>Mianzi</i>	<i>Guanxi</i>	Desirability of Luxury	Personal Significance of Luxury	Rarity of Luxury	Brand-Name Gifts	Cultural Significance	Purchase intention for self-use	Purchase intention for gift giving
Materialism	1											
Hedonism	.22 **	1										
Conspicuous Consumption	.18 *	.20 **	1									
<i>Mianzi</i>	.30 ***	.16 *	.35 ***	1								
<i>Guanxi</i>	.00	.03	-.02	.07	1							
Desirability of Luxury	.39 ***	.40 ***	.40 ***	.28 ***	-.12	1						
Personal Significance of Luxury	-.01	.16 *	-.10	-.04	.11	.02	1					
Rarity of Luxury	.23 ***	.26 ***	.20 **	.30 ***	.13	.28 ***	.21 **	1				
Brand-Name Gifts	.22 **	.18 *	.19 **	.13	.04	.34 ***	.02	.18 *	1			
Cultural Significance	.12	.06	.01	.21 **	.32 ***	.06	.25 ***	.26 ***	.04	1		
Purchase intention for self-use	.28 ***	.42 ***	.09	.21 **	.05	.51 ***	.27 ***	.24 ***	.31 ***	.13	1	
Purchase intention for gift giving	.19 **	.13	.11	.18 *	.08	.32 ***	.21 **	.21 **	.39 ***	.19 **	.56 ***	1

*p≤0.05, **p≤0.01, ***p≤0.001

Regression

Multiple regression analyses were then conducted to test the proposed hypotheses. Hypotheses 1, 2, 3, and 4 proposed that the four personal values (materialism, hedonism, conspicuous consumption, and *mianzi*) would predict consumers' attitudes toward luxury fashion brands. Hypotheses 5 and 6 proposed that two personal values (*mianzi* and *guanxi*) would significantly influence consumers' attitudes toward gift giving. Hypothesis 7a proposed that attitudes toward luxury fashion brands would significantly influence purchase intention for self-use. Hypothesis 7b proposed that consumers' attitudes toward luxury fashion brands would significantly influence their purchase intention toward luxury fashion brands for gift giving. Lastly, Hypothesis 8 proposed that consumers' attitudes toward gift giving would predict their purchase intention toward luxury fashion brands for gift giving. Multiple regressions were conducted to analyze all of these relationships.

The first regression analysis showed the significance of four personal values when predicting consumers' attitudes toward luxury fashion brands. Three regression models were built separately for the three dimensions of attitudes toward luxury fashion brands as shown in Table 5.6. The results for the first dimension, the desirability of luxury ($F(4, 197) = 25.72$, $p \leq 0.001$), showed that all the independent variables (personal values), as a group, were significant in predicting the desirability with 34% of the variance in desirability of luxury explained ($R^2 = 0.34$). As shown in Table 5.6, *mianzi* was the only independent variable that did not demonstrate any significance in predicting the desirability of luxury. Materialism ($\beta = 0.26$, $p \leq 0.001$), hedonism ($\beta = 0.28$, $p \leq 0.001$), and conspicuous consumption ($\beta = 0.28$, $p \leq 0.001$) were found to be positive predictors. The result for the second dimension, personal significance of luxury ($F(4, 197) = 2.21$, $p = 0.07$), showed that independent variables (personal values), as a

group, did not explain a significant amount of variance in personal significance of luxury ($R^2 = 0.04$). As shown in Table 5.6, the only independent variable that demonstrated any significance towards personal significance of luxury was hedonism ($\beta = 0.19, p \leq 0.01$). Thus only hedonism can be indicated to be a positive predictor of personal significance of luxury. A significant amount of variance ($F(4,197) = 8.75, p \leq 0.001$) in the third dimension, the rarity of luxury fashion brands, was explained by the independent personal values variables ($R^2 = 0.15$). Hedonism ($\beta = 0.19, p \leq 0.01$) and *mianzi* ($\beta = 0.21, p \leq 0.01$) emerged as two positive predictors for rarity of luxury fashion brands. In conclusion, materialism has been found to be significant in predicting the desirability of luxury but not significant for personal significance of luxury and rarity of luxury fashion brands. This means Hypothesis 1 was partially supported as it proposed that materialism would positively influence consumers' attitudes toward luxury fashion brands.

Table 5.6
Regression Analysis for Attitudes Toward Luxury Fashion Brands

	Attitudes Toward Luxury Fashion Brands							
	Desirability of luxury			Personal significance of luxury		Rarity of luxury		
	B	t		β	t	β	t	
Personal Values								
Materialism	0.26	4.28	***	-0.03	-0.41	0.11	1.55	
Hedonism	0.28	4.63	***	0.19	2.61	**	0.19	2.82 **
Conspicuous consumption	0.28	4.50	***	-0.13	-1.69	0.07	0.99	
<i>Mianzi</i>	0.06	0.89		-0.12	-0.16	0.21	2.88	**
R^2		0.34			0.04		0.15	

** $p \leq 0.01$, *** $p \leq 0.001$

Hypothesis 2 proposed that consumers' hedonism would likely have a positive influence on the attitude toward luxury fashion brands. After regression analysis, hedonism was positively significant in predicting the desirability of luxury, personal significance of luxury, and rarity of luxury fashion brands. Therefore, Hypothesis 2 was fully supported.

Hypothesis 3 proposed that conspicuous consumption was important in predicting consumers' attitudes toward luxury fashion brands. The results showed that conspicuous

consumption demonstrated positive significance in predicting the desirability of luxury fashion brands. However, it was not significant in predicting personal significance of luxury and rarity of luxury fashion brands. Therefore, Hypothesis 3 was partially supported.

Hypothesis 4 suggested that *mianzi* was important in predicting consumers' attitudes toward luxury fashion brands in a positive manner. The result showed that *mianzi* was a positive and significant predictor for the rarity of luxury fashion brands. *Mianzi* was positively correlated with the desirability of luxury fashion brands and personal significance of luxury, but did not significantly predict these two factors. Therefore, Hypothesis 4 was partially supported.

The second regression analysis was conducted to examine Hypotheses 5 and 6, which proposed that the two personal values (*mianzi* and *guanxi*) would positively influence consumers' attitudes toward gift giving. Each characteristic was tested for significance in predicting the two dimensions of attitudes toward gift giving as shown in Table 5.7. The results for the first dimension, brand-name gifts ($F(2,198) = 1.85, p = 0.16$), showed that the two independent variables together did not explain a significant amount of variance in the brand-name gifts ($R^2 = 0.02$). As shown in Table 5.7, neither *mianzi* nor *guanxi* demonstrated any significance in predicting toward the brand-name gifts. The result for the second dimension, cultural significance ($F(2,198) = 15.46, p \leq 0.001$), showed that the two independent variables, as a group, demonstrated a significant amount of variance in cultural significance ($R^2 = 0.14$). As shown in Table 5.7, *mianzi* ($\beta = 0.19, p < 0.01$) and *guanxi* ($\beta = 0.30, p \leq 0.001$) were positively significant in predicting cultural significance. In conclusion, neither *mianzi* nor *guanxi* were significant in predicting brand-name gifts, but showed positive significance for cultural significance. Since Hypotheses 5 and 6 proposed that *mianzi* and *guanxi* were both important in predicting consumers' attitudes toward gift giving, both hypotheses were partially supported.

Table 5.7
Regression Analysis for Attitudes Toward Gift Giving

Attitudes Toward Gift Giving					
	Brand-name gifts		Cultural significance		
	β	t	β	t	
Personal values					
Mianzi	0.13	1.86	0.19	2.79	**
Guanxi	0.26	0.37	0.30	4.59	***
R ²		0.02		0.14	

** $p \leq 0.01$, *** $p \leq 0.001$

The third regression was to test Hypothesis 7a, which proposed the significance of attitudes toward luxury fashion brands (the desirability of luxury, personal significance of luxury, and rarity of luxury fashion brands) in predicting purchase intention for self-use. The result showed all the independent variables, as a group, were significant in predicting purchase intention for self-use with ($F(3, 198) = 31.69$ and $p \leq 0.001$). As a total, 32.4% of the variance in purchase intention for self-use was explained by three factors of attitudes toward luxury fashion brands. As shown in Table 5.8, the rarity of luxury fashion brands did not demonstrate any significance in predicting the purchase intention for self-use. However, the desirability of luxury ($\beta = 0.49$, $p \leq 0.001$) and personal significance of luxury ($\beta = 0.25$, $p \leq 0.001$) were positive and significant predictors for cultural significance. Therefore, Hypothesis 7a was partially supported.

Table 5.8
Regression analysis for attitudes toward purchase intention for self-use

	Purchase intention for self-use		
	β	t	
Attitudes toward luxury fashion brands			
Desirability of luxury	0.49	8.00	***
Personal significance of luxury	0.25	4.16	***
Rarity of luxury	0.05	0.79	
R ²		0.32	

*** $p \leq 0.001$

The last regression analysis tested the impact of attitudes toward luxury fashion brands and attitudes toward gift giving on purchase intention for gift giving. Hypothesis 7b proposed significant influence of attitudes toward luxury fashion brands in predicting purchase intentions for gift giving, and Hypothesis 8 proposed that attitudes toward gift giving would be an important predictor of purchase intention for gift giving. As mentioned above, attitudes toward luxury fashion contains three dimensions, and attitudes toward gift giving include two dimensions. The regression results for purchase intention for gift giving ($F(5, 196) = 12.91$, $p \leq 0.001$) showed that those two attitudes variables explained a significant amount of variance in purchase intention for gift giving ($R^2 = 0.25$). As shown in Table 5.9, the desirability of luxury ($\beta = 0.20$, $p \leq 0.01$) and personal significance of luxury ($\beta = 0.16$, $p \leq 0.05$) were important indicators of purchase intention for gift giving, while rarity of luxury fashion brands was not significant in predicting purchase intention for gift giving. Therefore, Hypothesis 7b was partially supported. When analyzing the influence of consumers' attitudes toward gift giving, the importance of brand-name gifts ($\beta = 0.31$, $p \leq 0.001$) was positively significant in predicting purchase intentions for gift giving; cultural significance was positive but not significant. Therefore, Hypothesis 8 was partially supported.

Table 5.9
Regression Analysis for Attitudes Toward Purchase Intention for Gift Giving

	Purchase intention for gift giving		
	β	t	
Attitudes toward luxury fashion brands			
Desirability of luxury	0.20	2.90	**
Personal significance of luxury	0.16	2.53	*
Rarity of luxury	0.03	0.49	
Attitudes toward gift giving			
Brand-name gifts	0.31	4.73	***
Cultural significance	0.11	1.71	
R^2		0.25	

* $p \leq 0.05$, ** $p \leq 0.01$, *** $p \leq 0.001$

Multicollinearity were used to test whether there were overlaps between each independent variables, which may lead to inflated standard errors. The highly correlated independent variables often account for the overlapping of the variability in the dependent variables (Ott & Longnecker, 2001). Collinearity exists if the tolerance level is less than 0.2 and VIF is larger than 4 (Fox, 1991). In this study, all of the tolerance levels of the independent variables were more than 0.2 and VIF were less than 4. Thus, no multicollinearity was found in this study. Table 5.10 presents a summary of the findings obtained by this study.

Table 5.10
Research findings by current study

Hypotheses	Findings
H1: Consumers with high levels of materialism will be more likely to have positive attitudes toward luxury fashion brands.	Partially Supported
H2: Consumers with high levels of hedonism will be more likely to have positive attitudes toward luxury fashion brands.	Supported
H3: Consumers with high levels of conspicuous consumption will be more likely to have positive attitudes toward luxury fashion brands.	Partially Supported
H4: Consumers who put more emphasis on face-saving (<i>mianzi</i>) will be more likely to have positive attitudes toward luxury fashion brands.	Partially Supported
H5: Consumers who put more emphasis on face-saving (<i>mianzi</i>) will be more likely to have positive attitudes toward gift giving.	Partially Supported
H6: Consumers who put more emphasis on social connections (<i>guanxi</i>) will be more likely to have positive attitudes toward gift giving.	Partially Supported
H7: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions.	Partially Supported
H7a: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions for self-use.	Partially Supported
H7b: Consumers' attitudes toward luxury fashion brands will have a significant impact on their purchase intentions for gift giving.	Partially Supported
H8: Consumers' attitudes toward gift giving will have a significant impact on their purchase intentions for gift giving.	Partially Supported

CHAPTER 5

DISCUSSION

This study aimed to investigate how personal values influence consumers' attitudes toward luxury fashion brands and their attitudes toward gift giving, as well as how those attitudes would influence consumers' purchase intentions, either for self-use or for gifts. Regression analyses were conducted in order to test the predictability of those variables and the results were analyzed in the previous chapter. This chapter provides a further discussion of the regression results drawn from the previous chapter, and the limitations and suggestions regarding future work are addressed at the end of this chapter.

Hypotheses 1, 2, 3, and 4 proposed that consumers with high levels of personal values (materialism, hedonism, conspicuous consumption, and *mianzi*) would be more likely to have positive attitudes toward luxury fashion brands based on three factors: the desirability of luxury, the self-significance of luxury, and the rarity of luxury. Hypothesis 1 proposed that materialism might predict attitudes toward luxury fashion brands. In this study, materialism has been found to positively influence only one of the three dimensions of the attitudes toward luxury fashion brands: the desirability of luxury. This finding suggests that people who have a stronger sense of materialism are more likely to believe that luxury fashion brands are desirable and worth the investment. This finding supported the arguments of Wong and Ahuvia (1998) that materialists are more likely to acquire or possess luxury fashion products because of the high quality, prestige, and high social status that are usually related to luxury fashion brands. They also

pointed out that Southeast Asian consumers, who are rooted in Confucian collectivist cultural, often use certain possessions to display their social hierarchy. More specifically, Jian and Kang (2011) pointed out an increasing level of materialism in China, which is infused into Chinese traditional values and then influenced Chinese consumers' purchase intention. However, materialism did not significantly explain the personal significance of luxury or the rarity of luxury. These results mean that on one side, one's level of materialism strongly affects his or her perception of the desirability of luxury; on the other side, materialism does not influence consumers' beliefs that purchasing luxury fashion brands need to follow one's needs or preference, or the beliefs that luxury fashion brands should be exclusive or difficult to acquire. These findings also suggest that Chinese people with high levels of materialism do not consider self-needs and self-preferences very much when purchasing luxury fashion products. Perhaps because materialists believe that luxury products are symbolic products that are used to display their wealth and social status, they are more likely to focus on the social recognition of those products they acquire. Therefore, they do not think self-needs or self-preferences are necessary. The findings also suggest that one's level of materialism does not affect one's opinion regarding the scarcity of luxury fashion brands. This may be because people think that possessing luxury products is enough for them to display their success and status, and therefore, they have less concern regarding how and where they acquire these products. One thing need to be noted is that materialism displayed a significant and positive correlation with the rarity of luxury, but this was shown to be non-significant in regression analysis. This means that when other personal values, such as hedonism, conspicuous consumption, and *mianzi* were controlled for, materialism did not cause much of the variance in the rarity of luxury.

Hedonism has a positive, significant impact on consumers' attitudes toward luxury fashion brands (H2). In this study, hedonism has been found to be the only personal value that significantly influences all of the three dimensions of the attitudes toward luxury fashion brands. These findings suggest that people who are more motivated by hedonism are more likely to believe that luxury products are pleasant and worthwhile, that purchasing luxury products should satisfy one's needs and preferences, and that luxury products should not be mass-produced and easy to achieve. In other word, one's level of hedonism will strongly affect one's perception of the desirability of luxury, the self-significance of luxury, and the rarity of luxury. These findings support the statements in previous studies. Firstly, people who seek intrinsic pleasure and emotional benefits from the shopping experience are more likely to seek out luxury products (Vigneron & Johnson, 2004), which means that hedonism has an impact on the desirability of luxury products. Specifically, Bian (2010) mentioned that Chinese consumers often express pleasure toward luxury products because they believe that luxury brands can display their personal identity and social status. Secondly, hedonic consumers usually purchase luxury products in order to satisfy their desire for self-pleasure and self-actualization (Yan, 2004). Jin and Kang (2011) also argued that Chinese people are becoming more self-centered and are more focused on seeking for hedonic experiences. Thirdly, hedonic consumers are more likely to seek out luxury products because they typically are not readily acquired and are sold in places that can provide a comfortable shopping atmosphere (Murphy & Enis, 1986). This also applies to Chinese consumers as they also pursue hedonism during the shopping experience (Jin & Kang, 2011). Therefore, luxury retailers need to focus on building comfortable shopping environments and increasing consumers' self-satisfaction during the shopping experience.

Hypothesis 3 suggested that consumers with high levels of conspicuous consumption would be more likely to have positive attitudes toward luxury fashion brands. In this study, conspicuous consumption exhibited a positive impact on only one of the three factors in the attitudes toward luxury fashion brands: the desirability of luxury. This finding suggests that those who are more strongly motivated by conspicuous consumption are more likely to believe that luxury fashion brands are desirable and worth the investment. This finding supports the prevalent notion (Richins, 1994) that luxury brands are often sought after as a means of displaying one's social status and wealth. In Qi's (2008) study, Chinese people generally want to make their consumption publicly visible to display their economic and social status. They become focused on the symbolic significance of the products more than the utilitarian significance. Accordingly, they may desire luxury fashion products to label their success and social status (Mo & Roux, 2006; Qi, 2008). However, conspicuous consumption did not significantly influence the personal significance of or the rarity of luxury brands. These results suggest that one's level of conspicuous consumption affects his or her perception of the desirability of luxury products, but does not influence his or her belief that luxury brands should meet his or her personal needs and standards or his or her belief that luxury brands should be exclusive and not easily available. The non-significance of the self-significance of luxury may exist because those who have high levels of conspicuous consumption usually rely on others' recognition. Therefore, they do not think self-needs and preferences are necessary when purchasing luxury fashion brands. Additionally, the non-significance of the rarity of luxury products may suggest that those with high levels of conspicuous consumption do not necessarily think that luxury fashion brands should be exclusive and only scarcely available in order to display such consumers' status and wealth. Perhaps, this is because they think that the high prices of luxury brands already sufficiently distinguish the

status of the wearer, and therefore, rarity may be less of a concern for them. However, this does not mean that conspicuous consumption have no relationship with the rarity of luxury. Instead, conspicuous consumption showed a significant and positive correlation with attitudes toward the rarity of luxury, although in the regression results, the variable showed no significant impact on attitudes regarding the rarity of luxury. In other words, when the effects of other personal values, such as materialism, hedonism, and *mianzi*, were controlled for, conspicuous consumption no longer accounted for much of the variance in attitudes toward the rarity of luxury.

Hypothesis 4 assumed that consumers who put more emphasis on face-saving (*mianzi*) would be more likely to have positive attitudes toward luxury fashion brands. According to the regression analyses, *mianzi* displayed a positive predictability only for attitudes toward the rarity of luxury. This finding suggests that people who value *mianzi* highly will pay more attention to the uniqueness of the luxury products or the difficulty of obtaining these products. In other words, consumers who emphasize on *mianzi* are more likely to prefer luxury products that are scarce and not easy to obtain. This finding is in line with the previous study that found that Chinese people who highly emphasize *mianzi* are more likely to pursue luxury products that can display their social status or economic advantages during consumption (Laiman & Wai-ye, 2009). Therefore, they would be more likely to have a positive perception of the rarity of luxury products and how difficult these products are to obtain. Thus, those products can distinguish them socially, and in this way, they enhance or maintain their *mianzi* (Chan, Denton, & Tsang, 2003). However, *mianzi* did not show any significant influence on the desirability of luxury and the self-significance of luxury. These findings suggest that people who place an emphasis on *mianzi* did not consider possessing luxury products or self-satisfaction as being necessary when purchasing luxury products. The finding that *mianzi* cannot predict the desirability of luxury

probably suggests a rational expense tendency: that consumers are more focused on practical needs or tend to consume based on their budgets and therefore make less *mianzi* consumption. In Jin and Kang's (2011) study, people who are more collectivistic are more likely to be influenced by *mianzi* than those who are more individualistic. Considering the descriptive statistics in this study, most of the participants were from tier one cities (34.2%) and tier two cities (50%). These cities are large and modern, and have more opportunities to build connections with the developed countries. Also, people in these cities are easier to be influenced by the general western values. Therefore, the participants in this study may be more individualistic and therefore, their attitudes may less likely be influenced by *mianzi*. The finding shows that *mianzi* has little impact on self-significance, perhaps because people who value *mianzi* also pay much attention to social needs and social recognition. Thus, they are more likely to focus on social groups' perceptions, rather than on self-satisfaction. As Liao and Wang (2009) argued that Chinese consumers emphasize social needs more than people in United States or the Western European countries; therefore, they do not care much on personal preference. However, this does not mean that *mianzi* has no relationship with attitudes toward the desirability of luxury, although it showed no significant impact in regression tests. In correlation analyses, *mianzi* showed a significant and positive correlation with the desirability of luxury. This means that when the effects of other personal values, such as materialism, hedonism, and *mianzi*, were controlled for, *mianzi* would not account for much of the variance in attitudes toward the desirability of luxury.

Hypothesis 7a proposed that consumers' attitudes toward luxury fashion brands would have a significant impact on their purchasing intentions for self-use. In regression analyses, each dimension of the attitudes toward luxury fashion brands has been tested in terms of its influence on the purchase intention for self-use. According to this result, attitudes toward luxury fashion

brands exhibited a positive impact on purchase intentions for self-use. Specifically, within the three dimensions, the desirability of luxury products and the self-significance of luxury products displayed strong positive impacts on this purchasing intention. These findings suggest that consumers who believe that luxury products are good and are worth possessing and those who enjoy personal satisfaction during the shopping experience are more likely to purchase luxury fashion products for self-use. The finding that the desirability of luxury can significantly predict consumers' purchase intentions for self-use supports the notion that consumers' feelings or psychological experiences with luxury brands reflect their affective attitudes toward luxury brands and, in turn, influence their purchase intentions toward those products (Bian & Forsythe, 2011; Li, et al., 1994; Sweeney & Soutar, 2001). Similarly, the finding that the self-significance of luxury is an important variable in predicting this purchase intention also follows those of previous studies, considering the fact that one's consumption patterns are closely associated with one's self-image (Onkvist & Shaw, 1987); therefore, those who focus on self-satisfaction during the shopping experience are more likely to buy luxury fashion products because they serve as a symbol of self-expression and self-presentation (Ko & Megehee, 2011). However, the regression analyses showed that the rarity of luxury had no impact on purchasing intentions for self-use, indicating that consumers' attitudes toward the scarcity of and the difficulty of accessing luxury fashion brands do not affect consumers' purchasing intentions. In other words, those who more strongly believe that luxury fashion brands should be difficult to acquire are not more likely to purchase those products. However, although the rarity of luxury did not show significant impact on purchase intention for self-use, it still displayed a significantly positive correlation with purchasing intentions for self-use. This means that when the effects of the other two dimensions were controlled for, the rarity of luxury does not account for much of the variance in purchasing

intentions. Moreover, considering the relationships between personal values and consumers' attitudes in this study, the personal value *mianzi* only has a significant influence on the attitude toward the rarity of luxury products, which may provide a suggestion that *mianzi* was indirectly related to consumers' purchasing intentions for self-use. However, *mianzi* displayed a significantly positive correlation with purchase intentions for self-use. This may provide a suggestion that more dimensions of the attitudes toward luxury fashion brands need to be included in order to better explain the relationship between *mianzi* and purchase intentions for self-use.

It is also worth noting that materialism, hedonism, and conspicuous consumption almost equally influence the desirability of luxury. Additionally, of the personal values selected for this study, only hedonism exerted a significant impact on all three factors in the attitudes toward luxury brands, suggesting the importance of this variable in explaining one's attitudes toward luxury fashion brands. Moreover, each of the three factors in the attitudes toward luxury fashion brands was predicted by at least one of the personal values, providing general support for a strong link between personal values and attitudes toward luxury fashion brands. Furthermore, two dimensions of the attitudes toward luxury showed a strong positive impact on purchasing intentions for self-use; the other dimension, although it displayed non-significance in the regression results, displayed a strongly positive correlation with purchasing intentions for self-use, indicating the significant predictability of purchasing intentions for self-use based upon the attitudes toward luxury fashion brands.

Hypotheses 5 and 6 proposed that consumers with high levels of personal values (*mianzi* and *guanxi*) would be more likely to have positive attitudes toward gift giving, which was composed of two factors: the importance of brand-name gifts and the cultural significance of

gifts. Hypothesis 5 proposed a positive predictability of the attitudes toward gift giving based on *mianzi*. In this study, the regression analysis presented the significantly positive predictability of the cultural significance of gifts based on *mianzi*, meaning that in China, consumers who put more emphasis on *mianzi* are more likely to find gift giving to be important and to believe that it is necessary to give gifts for certain celebrations. This finding follows previous statements that the process of exchanging gifts is an important way of exchanging social identity, status, and other information and is also a process by which the donors try to save *mianzi* for themselves and the receivers (Liu et al., 2010) and that certain occasions are also important for gift giving (Belk, 1976). However, according to regression analyses, *mianzi* does not affect consumers' attitudes toward brand-name gifts. This suggests that a *mianzi* saving tendency does not explain one's focus on seeking brand-name gifts. As mentioned above, probably that consumers who are more individualistic are less likely to be influenced by *mianzi*. Therefore *mianzi* is less likely to influence those peoples' attitudes. The two results in this regression test, that *mianzi* can significantly impact on the cultural significance of gifts but cannot affect consumers' attitudes toward brand-name gifts, mean that Chinese consumers who emphasize on *mianzi* more are more likely to believe that gift giving is an important custom, but they do not think brand name is important when selecting gifts. They may suggest that Chinese people may believe that Chinese tradition is still important when shaping their attitudes toward gift giving, but at the same time, they displayed less collectivistic and did not perceive *mianzi* as an important value when deciding to select brand-name gifts. This may indicate that Chinese consumers are influenced by a combination of traditional Chinese culture and the general western values, and may provide a suggested tendency that Chinese consumers may be more individualistic and may less likely to make *mianzi* consumption. Therefore, future research can focus on this tendency. Also, beyond

brand-name gifts and cultural significance, future research can focus on more dimensions when analyzing the attitudes toward gift giving, such as the social dimensions, the personal dimensions, and the economic dimensions (Sherry, 1983), which may also be influenced by the personal values and may also important components of the attitudes toward gift giving.

Hypothesis 6 assumed that consumers who put more emphasis on social connections (*guanxi*) would be more likely to have positive attitudes toward gift giving. In this study, the regression result showed that *guanxi* has a positive impact on consumers' attitudes toward the cultural significance of gifts. This suggests that in China, consumers who more highly value *guanxi* are more likely to agree that gift giving is important and that gifts need to be given on certain occasions. This supports the prevalent statements that Chinese people believe that gift giving is an important way of establishing or developing *guanxi* between the donor and the recipient (Qi, 2008). Also, they believe that gift giving is an important part of Chinese culture, accompanying Chinese festivals. However, the regression results also showed that there is no link between *guanxi* and the attitude toward brand-name gifts, which mean that the level at which people value *guanxi* will not affect their attitudes toward brand-name gifts. This means that the results revealed the importance of gift giving in Chinese consumers, but did not show the significance of brand-name gifts. This may suggest that people who place an emphasis on *guanxi* may focus on other characteristics of the gifts, such as price, package, and suitability for the receiver. Meanwhile, both *guanxi* and Chinese consumers' attitudes toward gift giving are complicated; they may be affected by many aspects, such as age, income, and social status. As building *guanxi* need to be on purpose (Fan, 2002), people in different age groups, income levels, and levels of socialization may display different perception to *guanxi* and to the attitudes toward gift giving. In this study, it revealed that young Chinese consumers, who often send gifts

to their friends (91.1%) or relative (76.8%), did not focus on brand name gifts much, but they believe that gift giving is important. Future work, however, can investigate how people in other age groups or with different social networks perceive *guanxi* and how *guanxi* influence these people's attitudes toward gift giving.

Hypothesis 8 proposed that consumers' attitudes toward gift giving would have a significant impact on their purchasing intentions for gift giving. The regression results showed that consumers' attitudes toward brand-name gifts show significantly positive predictability regarding their purchasing intentions for gift giving, which means that consumers who believe that brand name is an important element when purchasing gifts are more likely to purchase luxury products as gifts. This finding supports the previous studies' contention that people believe that prestige gifts can be seen as symbols that convey the donor's self-concept and his/her perceptions of the recipient (Wagner et al., 1990). Therefore, they are more inclined to use luxury products as gifts. Since most of Chinese consumers regard luxury fashion brands as a symbol of rich and high social segments, they want to use them as gifts to display their social identification and show the strong *guanxi* with the receivers (Qi, 2008). The regression tests also showed that the cultural significance of gifts does not affect consumers' purchase intention toward luxury fashion brands for gifts. This means that the participants who believe brand name is important were more likely to purchase luxury fashion brands as gifts, but who believe gift giving is important were not an important reason for them to purchase luxury fashion brands as gifts. This may due to the different reasons for gift giving. As most participants presented that they usually gave gifts to their friends (91.1%) and their relatives (76.8%), they may not need to use luxury products to display their social image and social status because their friends and relatives are already familiar with them. In this way, future research can investigate how the

different purposes of gift giving would influence consumers' attitudes toward gift giving, and intern influence their purchase intentions. It needs to be noticed that in the correlation table, the cultural significance of gifts displayed a strongly positive relationship with purchasing intentions for gifts. These findings showed that in this study, if attitudes toward luxury fashion brands and attitudes toward brand-name gifts were controlled for, the cultural significance of gifts would not account for much variation in the purchasing intentions for gifts.

It is also noticeable that only *mianzi* and *guanxi* had a significant impact on the cultural significance of gifts, but the cultural significance did not affect consumers' purchase intention for gifts. This indicated that *mianzi* and *guanxi* would not directly predict purchasing intentions for gifts. It is probably because of the different levels of individualism and collectivism that people who are more individualism are less likely to be influenced by traditional values, although they believe those values are important. Also, the different purposes of gift giving, purchase ability, and age groups may lead to different values, attitudes and purchase intentions. In this study, the generally young Chinese people displayed more individualism and most of them build *guanxi* with their friends and relatives, therefore, their perception of *mianzi* and *guanxi* displayed insignificant predictability toward gift giving. Therefore, more personal values that may influence consumers' attitudes toward gift giving and, in turn, would influence their purchasing intentions for gifts should be considered.

In conclusion, this study has verified that (1) each personal value has at least one strong relationship with a dimension of consumers' attitudes toward luxury fashion brands or toward gift giving, providing a strong link between personal values and consumers' attitudes toward luxury fashion brands or toward gift giving; (2) consumers' attitudes toward luxury fashion brands has a positive, significant impact on their purchase intentions for self-use; and (3)

consumers' attitudes toward luxury fashion brands and toward gift giving were important in predicting their purchasing intentions for gifts. However, more personal values need to be considered in order to better predict consumers' attitudes toward gift giving, and more dimensions of the attitudes toward gift giving need to be added. Furthermore, some limitations may also affect the results of this study.

Limitations and Future Research

Several limitations need to be considered in this study. First of all, the current study was composed of 18-40-year-old participants, most of whom fell in the age range from 18 to 30, and thus, they cannot represent the different age ranges of Chinese consumers in terms of their values, attitudes, and intentions toward luxury fashion brands. Moreover, luxury products are generally expensive. A sample composed of older people could be assumed to have higher income levels and may provide a different view of their attitudes and purchasing intentions regarding luxury fashion brands. Furthermore, people of different ages have different social statuses and thus have different attitudes toward gift giving; therefore, a sample with older people may display different attitudes toward gift giving and therefore show different levels of purchasing intentions for gifts.

Secondly, considering the limited sample locations, the findings of this study may not represent Chinese people from different parts of the country. In this study, most of the participants were from metropolises or large cities, such as Beijing, Dalian, and Taiyuan. These cities are generally more modern and fashionable than other cities. People who live in those cities are more likely to be connected with Western developed countries and are more likely to be influenced by those Western countries' values. Considering the wideness of China and the various customs, people in different areas may display different behaviors. Based on Bain &

Company's report (2011), there is an increasing tendency that luxury brands have expanded into smaller cities. As these cities are not as modern and open as the tier one or two cities, people in these cities also purchase luxury products but may hold different values and attitudes. Therefore, the findings of this study may not represent all Chinese people.

Thirdly, in this study, respondents were not randomly selected from the general population. As mentioned before, because of the limited contacts in China available to the researcher, this study was conducted by using snowball sampling. The respondents were from the researcher's friends network. When comparing with the completely random sampling, this study may not represent the all of the social segments, and the results may not be generalized to the entire Chinese population.

Moreover, the study did not make clear distinctions in terms of product categories. Luxury fashion brands offer a wide assortment of product categories, such as fragrances, accessories, and apparel. Since respondents were not limited to the experience of one specific category, there could be a difference in the results if the respondents were asked to be related only to one particular category.

The current study also provides a starting point for numerous research possibilities. Recently, researchers have paid a great deal of attention to Chinese consumers' motivations to purchase luxury brands. However, few academic studies have systematically analyzed how the combination of traditional Chinese values and general Western values influences Chinese consumers' purchase intentions towards luxury fashion brands. Moreover, few academic studies have focused on Chinese consumers' gift giving behaviors and on how such behaviors would influence consumers' purchase intentions for luxury fashion brands. This study identified two main areas that can be developed by future studies. One is that this study has first argued that gift

giving needs to be considered as an important element when explaining Chinese consumers' motivations to purchase luxury products. According to the findings of this study, consumers' attitudes toward gift giving can be a significant motivation in terms of their purchasing intentions toward luxury fashion products. To fully understand the relationship between the attitudes and the intentions toward gift giving, future research can develop more dimensions of the attitudes toward gift giving and also consider more personal values in order to explain consumers' attitudes toward gift giving. The other is that when investigating how Chinese consumers' personal values will influence their purchasing intentions towards luxury fashion brands, the current study used traditional Chinese values and general Western values in combination in order to measure consumers' personal values. Considering that *mianzi* and *guanxi* are only two of the Chinese traditional values, more Chinese values that may influence consumer's attitudes and purchasing intentions toward luxury fashion products can be considered.

Future work can also deeply investigate the differences in terms of demographic diversity: (1) how will the different demographic segments influence Chinese consumers' gift giving behavior, and (2) how will the different demographics influence Chinese consumers' attitudes and purchasing intentions toward luxury fashion brands. Different demographic segments may lead to different attitudes and behaviors. Firstly, the different levels of modernization in different cities may influence the residents' values, attitudes, and purchasing behaviors. Therefore, people from metropolises such as Beijing and Shanghai may behave differently when compared with those who were from tier-two cities such as Ningbo, Dalian, and Taiyuan, and those people may show different values and attitudes from those who are from tier-three cities. Second, gender differences also contribute to the different personal values and attitudes. Males and females may display different personal values and attitudes when selecting

and purchasing gifts or consuming luxury fashion products. Lastly, different age groups also exhibit different levels of personal values and display great differences in their attitudes toward gift giving and luxury fashion brands, which in turn, may lead to different behaviors in terms of their luxury consumption. People from different age groups have different levels of social status and social recognition. In order to remain consistent with their social self-image, people in different age groups may present different levels of personal values, such as *mianzi* and *guanxi*; also, they may have different attitudes toward luxury fashion brands and attitudes toward gift giving. Therefore, future research may investigate these age-related differences.

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APPENDICES

APPENDIX A

Consent Form

CONSENT FORM

I agree to participate in a research study titled " VALUES, ATTITUDES, AND PURCHASE INTENTION TOWARD LUXURY FASHION BRANDS" conducted by Jia Chen from the Textiles, Merchandising, and Interiors Department at the University of Georgia under the direction of Dr. Soyoung Kim, Department of Textiles, Merchandising and Interiors, University of Georgia. I understand that my participation is voluntary. I can refuse to participate or stop taking part at anytime without giving any reason, and without penalty or loss of benefits to which I am otherwise entitled. Also, no risk is foreseen in this research, I can ask to have information that can be identified as mine returned to me, removed from the research records, or destroyed.

The focus of this research centers on investigating Chinese consumers' purchase intentions toward luxury fashion brands. The thought process behind this study is to improve the understanding of the motivations of Chinese consumers to purchase luxury fashion brands from both self-use and gift giving aspects. The research investigates people who are between the age 18 and 40 and have basic knowledge of luxury fashion brands. If I am eligible and volunteer to take part in this study, I will be asked questions about the following things:

1. Personal values
2. Attitudes toward luxury fashion brands and toward gift giving
3. Purchase intention toward luxury fashion brands for both self-use and gift giving
4. Demographics

This research will be undertaken as a survey, which should take no more than 20 minutes of the participant's time. The survey consists of four sections of questions: personal values, attitudes toward luxury fashion brands and toward gift giving, purchase intention toward luxury fashion brands for both self-use and gift giving, and selected demographic questions. There are no right or wrong answers. Internet communications are insecure and there is a limit to the confidentiality that can be guaranteed due to the technology itself. However, once the researcher receives the materials, standard confidentiality procedures will be employed. The data collected about the participant will be confidential as IP addresses are being stripped upon data submission. The data will remain secure by being sent as an encrypted file. The researcher's computer will also enable firewall that will block unauthorized access.

I understand the procedures described above. My questions have been answered to my satisfaction, and I agree to participate in this study. It is recommended to print a copy of this form for my personal records.

I do not agree to participate in this study, and will exit now.

Please feel free to contact the researchers for any further questions about the research, now or during the course of the project.

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Additional questions or problems regarding your rights as a research participant should be addressed to The Chairperson, Institutional Review Board, University of Georgia, 629 Boyd Graduate Studies Research Center, Athens, Georgia 30602; Telephone (706) 542-3199; E-Mail Address IRB@uga.edu.

APPENDIX B

Survey

Following is a list of several luxury fashion brands. Please select the brands you have heard of:

- | | | | |
|--|---|--|--|
| <input type="checkbox"/> Versace | <input type="checkbox"/> DKNY | <input type="checkbox"/> Guess | <input type="checkbox"/> Armani |
| <input type="checkbox"/> Escada | <input type="checkbox"/> Christian Dior | <input type="checkbox"/> Gucci | <input type="checkbox"/> Tommy Hilfiger |
| <input type="checkbox"/> Chanel | <input type="checkbox"/> Bottega Veneta | <input type="checkbox"/> Givenchy | <input type="checkbox"/> Hugo Boss |
| <input type="checkbox"/> Calvin Klein | <input type="checkbox"/> Tiffany | <input type="checkbox"/> Moschino | <input type="checkbox"/> Prada |
| <input type="checkbox"/> Cartier | <input type="checkbox"/> Anna Sui | <input type="checkbox"/> Fendi | <input type="checkbox"/> Carolina Herrera |
| <input type="checkbox"/> Dolce Gabbana | <input type="checkbox"/> Bally | <input type="checkbox"/> Louis Vuitton | <input type="checkbox"/> Miu Miu |
| <input type="checkbox"/> Ralph Lauren | <input type="checkbox"/> Diesel | <input type="checkbox"/> Burberry | <input type="checkbox"/> Valentino |
| <input type="checkbox"/> Y-3 | <input type="checkbox"/> Marc Jacobs | <input type="checkbox"/> Hermes | <input type="checkbox"/> Elizabeth Arden |
| <input type="checkbox"/> Coach | <input type="checkbox"/> Donna Karen | <input type="checkbox"/> Kenzo | <input type="checkbox"/> Salvatore Ferragamo |
| <input type="checkbox"/> None (If you choose None, you will exit the survey, thanks for taking the Survey) | | | |

Please rate each of the following statement on a five-point scale ranging from 1 to 5, while 1 represents to “strongly disagree”, 5 represents to “strongly agree,” and 3 presents to “neither agree nor disagree.”

Section A: Personal Values Toward Luxury Consumption

Personal Values Part 1

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I admire people who own expensive homes, cars, and clothes.	1	2	3	4	5
2	Some of the most important achievements in life include acquiring material possessions.	1	2	3	4	5
3	I don't place much emphasis on the amount of material objects people own as a sign of success.	1	2	3	4	5
4	I usually buy only the things I need.	1	2	3	4	5
5	I try to keep my life simple, as far as possessions are concerned.	1	2	3	4	5
6	The things I own aren't all that important to me.	1	2	3	4	5
7	I enjoy spending money on things that aren't practical.	1	2	3	4	5
8	I have all the things I really need to enjoy life.	1	2	3	4	5
9	My life would be better if I owned certain things I don't have.	1	2	3	4	5

Personal Values Part 2

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
10	While shopping, I feel the excitement of the hunt.	1	2	3	4	5
11	While shopping, I am able to forget my problems.	1	2	3	4	5
12	When I am in a down mood, I go shopping to make myself feel better.	1	2	3	4	5
13	To me, shopping is a way to relieve stress.	1	2	3	4	5
14	I go shopping when I want to treat myself to something special.	1	2	3	4	5

Personal Values Part 3

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
15	Before purchasing a product, it is important to know what friends think of different brands or products I am considering	1	2	3	4	5
16	Before purchasing a certain product, it is important to know what kinds of people buy brands or products I am considering	1	2	3	4	5
17	Before purchasing a product, it is important to know what others think of people who use certain brands or products I am considering	1	2	3	4	5
18	Before purchasing a product, it is important to know what brands or products to buy to make a good impression on others	1	2	3	4	5
19	It is important that my clothes are of the latest style	1	2	3	4	5
20	A person should always try and dress in style	1	2	3	4	5

Personal Values Part 4

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
21	I do not mind suffering hardships in order to preserve <i>mianzi</i>	1	2	3	4	5
22	I worry about losing <i>mianzi</i> in daily life	1	2	3	4	5
23	I am concerned about how others perceive me	1	2	3	4	5
24	I believe that it is important to give “ <i>mainzi</i> ”(face) to others	1	2	3	4	5
25	I like to associate myself with people who have prestige or status.	1	2	3	4	5
26	I like for people to think of me as a person having prestige or status.	1	2	3	4	5

Personal Values Part 5

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
27	I prefer to do things on my own rather than relying on <i>guanxi</i> (connection) with others	1	2	3	4	5
28	I believe that getting things done depends more on <i>guanxi</i> (connection) than on personal effort	1	2	3	4	5
29	I would like to follow different customs in different places	1	2	3	4	5
30	I believe that developing <i>guanxi</i> (connection) is necessary in one’s daily life	1	2	3	4	5
31	I like to retain good <i>guanxi</i> (connection) with others	1	2	3	4	5
32	When in Rome, do as the Romans do	1	2	3	4	5

Section B: Attitudes
Attitudes Part 1

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
33	I think a luxury brand with a high price means good quality compared to other brands.	1	2	3	4	5
34	I think a luxury product can fetch a good resale value.	1	2	3	4	5
35	I think investment in a luxury product is worth its retail price.	1	2	3	4	5
36	For me, I am willing to pay a premium price for limited edition luxury goods.	1	2	3	4	5
37	I have less desire towards luxury brand products when mass quantities of people consume the same products as me.	1	2	3	4	5
38	It is mostly up to me whether or not I am going to purchase a luxury brand in the future	1	2	3	4	5
39	I feel like acquiring more luxury products in the future.	1	2	3	4	5
40	In my opinion, luxury is just fashionable and exclusive	1	2	3	4	5
41	In my opinion, luxury is pleasant.	1	2	3	4	5
42	In my opinion, luxury is old-fashioned.	1	2	3	4	5
43	In my opinion, luxury is good.	1	2	3	4	5
44	A luxury product cannot be sold in supermarkets.	1	2	3	4	5
45	True luxury products cannot be mass-produced.	1	2	3	4	5
46	I'm inclined to evaluate the substantive attributes and performance of a luxury brand myself rather than listen to others opinions.	1	2	3	4	5
47	The luxury brand preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.	1	2	3	4	5

Attitudes Part 2

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
48	Gift giving always accompanies holidays	1	2	3	4	5
49	Gift giving is part of Chinese culture and tradition	1	2	3	4	5
50	I spend a lot of money on gifts	1	2	3	4	5
51	I almost never give gifts to people	1	2	3	4	5
52	I often wait until the last minute to purchase gifts	1	2	3	4	5
53	I always try to spend a lot of time for gift shopping	1	2	3	4	5
54	I look for well-known brands when choosing gifts	1	2	3	4	5
55	I think that the brand name of gifts is important	1	2	3	4	5

Please rate each of the following statement on a five-point scale ranging from 1 to 5, while 1 represents to “Not Likely at All”, 5 represents to “Extremely Likely,” and 3 presents to “Neutral.”

Section C: Purchase Intention to Luxury Fashion Brands

Intention Part 1

		Not Likely at All	Not Likely	Neutral	Likely	Extremely Likely
56	How likely are you to buy yourself luxury products to celebrate a special occasion	1	2	3	4	5
57	How likely are you to buy yourself luxury products to feel better	1	2	3	4	5
58	How likely are you to buy luxury products to treat yourself	1	2	3	4	5
59	How likely are you to purchase many luxury products to use them yourself	1	2	3	4	5

Intention Part 2

		Not Likely at All	Not Likely	Neutral	Likely	Extremely Likely
60	How likely are you to offer luxury products as gifts to celebrate a special occasion	1	2	3	4	5
61	How likely are you to give luxury products as gifts to please others	1	2	3	4	5
62	How likely are you to buy luxury products because they make good gifts	1	2	3	4	5
63	How likely are you to purchase many luxury products to offer as gifts	1	2	3	4	5

Section D: Demographics

- How old are you? _____
- Please provide the city name that you lived for the longest time
City _____
- Please indicate your sex.
 Male Female
- Please indicate your marital status.
 Single Married Other
- Please indicate the highest grade or level of school you completed
 High School College/University Master Phd
- Please indicate your annual household income (RMB).
 Under 25,000 25,000 – 49,000 50,000 – 100,000 Above 100,000
- How much do you spend on luxury fashion brand products a year(RMB)?
 Less than 5,000 5,000 – 10,000 10,000 – 20,000 Above 20,000
- How much do you spend on gifts a year(RMB)?
 Less than 500 500 – 1,000 1,000 – 5,000 5,000 - 10000
 10000 – 50000 Above 50000
- Who will you consider to give out gifts?
 Boss Colleague/acquaintance Close relative Distant relative
 Personal friends

APPENDIX C

Table A1.

Top 10 Gifts for the Chinese Luxury Consumer

Rank	Brand	% of Respondents	Sector	Country of Origin
1	Louis Vuitton	14.9%	Fashion	France
2	Cartier	10.3%	Jewelry, Watches	France
3	Hermes	8.0%	Fashion	France
4	Chanel	6.2%	Fashion, Perfumes	France
5	Moutai	5.9%	Drinks	China
6	Apple	5.7%	Consumer Electronics	US
7	Dior	4.6%	Fashion	France
8	Prada	3.9%	Fashion	Italy
9	Rolex	3.6%	Watches	Switzerland
10	Armani	3.4%	Fashion	Italy

Source: Hurun Best of the Best Awards Survey 2012