Traditional Cultural Values, Political Ideologies and Luxury Consumption Desire in China:  
A Preliminary Study

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Abstract

The booming Chinese luxury market provides a worthwhile topic for marketing researchers. Based on the theory that consumption can be affected by both cultural and political factors, in this paper the authors analyzed the impacts of traditional cultural values and political ideologies on individuals' material values and luxury consumption desire (LCD) in China. 131 respondents from major Chinese cities took part in the survey through personal interview. The PLS results suggest that the value of face and ordering relationship are important determinants of materialism and also have direct influences on the conformity and social status dimension in LCD. In terms of political ideology, Deng’s theory could positively affect materialism, which is found to have direct effects on all the aspects of LCD.

Introduction

Chinese economy has experienced an accelerating increase in recent years. The GDP per capita in 2008 has reached 2,460 U.S. dollars, which is as three times as that figure in 2000. In East and South urban area, this number is even higher. This development has led to a booming luxury market. Even during the recent economic recession period, the luxury sales amount in China staggeringly kept going up and the market size has reached 8.6 billion U.S. dollars in 2008, ranking 2nd in the world. Moreover, Chinese people spent another 11.6 billion U.S. dollars on luxury goods in overseas markets. It is predicted that China will replace Japan as the biggest luxury market in 2015.

In consumer analysis, because of its significant impact on human behavior, culture has been widely linked to consumption (Craig & Douglas, 2006; McCracken, 1988; Yaprak, 2008). Due to the fact that consumers make decisions largely based on the value fulfillment obtained through consumption, cultural values as the dominant societal values shared by individuals in the same cultural group (Hofstede, 1980; Schwartz, 1999) have been usually thought of the significant antecedent of consumer behavior (Lowe & Corkindale, 1998). Therefore this study tested the influences of indigenous cultural values (face, harmony, moderation and ordering relationship) and political ideologies (Maoism and Deng’s theory) on individuals' material values and luxury consumption desire.

Materialism and Luxury Consumption Desire

Here the concept of Luxury Consumption Desire (LCD) is conceptualized as the multidimensional facets of luxury consumption motivation to reflect an individual’s psychological and behavioral inclinations toward luxury goods. In their review article, Vigneron and Johnson (1999) suggested that interpersonal and personal effects coexist in luxury consumption. The former category consists of ostentation, snob and bandwagon, and the latter one contains hedonist and perfectionist. After review the related literature, we propose that LCD should include four dimensions which are conformity, the behavior that people
consume luxury goods in order to be identified with a particular social group (Mason, 1993); social status, a motive of enhancing consumers’ self-esteem and social prestige through the use of luxury products (Steenkamp, Batra, & Alden, 2003); self-directed pleasure which refers to seeking an hedonic and self-determined experience (Snell, Gibbs, & Varey, 1995); and quality assurance – buying luxury goods for the higher level of quality (Zhou, Teng, & Poon, 2008)

Materialism is defined as the importance a consumer attaches to worldly possessions (Belk, 1985) and “represents a mind-set or constellation of attitudes regarding the relative importance of acquisition and possession of objects in one’s life” (Richins & Dawson, 1992, p. 307). Consumers high in materialism tend to spend money wastefully to enhance their social status (Mason, 1981). They also conform to desire expensive material possessions in order to avoid losing social prestige (Wong & Ahuvia, 1998). In another aspect, materialists view possessions as essential to their life satisfaction and well-being (Richins & Dawson, 1992). They pursue happiness through acquisition rather than other ways (Webster & Beatty, 1997). Moreover, people high in materialism are more likely to chase the extreme quality of possessions (Richins & Rudmin, 1994). Because of the high emotional and quality values (Wiedmann, Hennigs, & Siebels, 2009), luxury products could be a natural choice for materialists. Hence we postulate materialism could positively influence all the dimensions of luxury consumption desire.

H1: Materialism has positive impacts on all the dimensions of luxury consumption desire.

Traditional Cultural Values

Face
Face (mianzi) refers to a sense of favorable social self-worth that a person wants others to have of him or her in a relational and network context (Goffman, 1967). It reflects one’s social self-esteem and the desire to be respected during interpersonal interactions (Ting-Toomey & Kurogi, 1998). Several studies have investigated how face affects consumer behavior. Since face is closely related to wealth and prestige (Hwang, 1987; Zhang & Cao, 2010), people with strong face consciousness tend to pursue money and material wealth in order to enhance their reputation and social status (Wong & Ahuvia, 1998). Hence face makes the features of materialism stand out (Liao & Wang, 2009). Bao et al. (2003) found because of face consciousness Chinese consumers attach more importance to the extrinsic attributes (e.g. brand, prestige) than intrinsic attributes (e.g. value, quality) of products, which is consistent to the trait of materialists.

H2: The value of face has a positive impact on materialism.

Harmony
Harmony (hexie) refers to ‘one’s inner peace of mind, contentment, as well as interpersonal harmony’ (Cheung, et al., 1996, p. 185). As the foundation of Chinese culture, harmony leads to several other values, such as reciprocation of social favors (renqing), group orientation, personal connections (guanxi), solidarity with others, and non-competitiveness. Confucianism put an emphasis on the notion of harmony with the nature and with others, which urges people to avoid confusion, competition and conflict, in order to achieve inner and interpersonal harmony (Kirkbride, Tang, & Westwood, 1991; Yau, 1988). In addition, materialists are regarded self-centered and even selfish (Richins & Dawson, 1992). They lay more stress on self-interest rather than group goals, which would lead to unsatisfying relationships (Fournier & Richins, 1991; Kasser & Ryan, 1993). This would seem to be in direct conflict in the competition for material desires.
H3: The value of harmony has a negative impact on materialism.

Moderation (the doctrine of the mean)
In Confucius culture, closely related to harmony is the concept of moderation (the doctrine of the Mean, or zhongyong in Chinese). Confucianism believes that all things have a dynamic equilibrium state achieved among various potentially opposing forces (Earley, 1997), hence it asks people not to incline to either extreme side (Legge, 1960), which is also called as ‘the middle way approach’. The value of moderation leads to a high degree of self-abasement and self-control (Yau, 1988). Hence in China, low-key is a most important principle in social interactions. Since the value urges people to conform to the social norms the majority observe and avoid larruping, compared to their Western counterparts Chinese consumers are slow to accept those expensive, innovative and fashionable products, because most people believe this is extreme behavior (Lowe & Corkindale, 1998).

H4: The value of moderation has a negative impact on materialism.

Ordering relationship
This value is defined as the extent to which an individual endorses the hierarchical role relationships prescribed by social norms. China is a hierarchical society with large power distance (Hofstede, 1980) and strict ordering relationship (Bond & Hwang, 1986). Gao, Ting-Toomey, & Gudykunst (1996) found in China the weight of one’s voice heavily depends on his status. Under this circumstance, most people hope to improve their social status in order to receive respect and deference from others. Moreover, Chinese culture emphasizes that one’s consumption behavior should match his social status (Tse, 1996). Thus, consumers with higher ordering relationship consciousness should be more likely to compare their own and others’ success according to possession quantity and quality than their low counterparts. Eastman et al. (1997) also found material values lead to the status-seeking consumption behavior.

H5: The value of ordering relationship has a positive impact on materialism.

Political ideology

Maoism
Maoism (the thoughts of Mao Zedong) had been set as the political principles since the foundation of People’s Republic of China in 1949. As a rigid application of Marxism-Leninism, Maoism also conforms to the puritan communism. During Mao’s era, people sacrificed their youth, family life and material comforts for the welfare of the country (Hung, Gu, & Yim, 2007). The pursuit of fashion and consumerism was strictly criticized (Zhao, 1997). Hung et al. (2007) found the generation who came of age during Mao’s era are significantly lower in materialism and less likely to use foreign brands and novelty products than younger generation who grew up after 1978.

H6: The ideology of Maoism has a negative impact on materialism.

Deng’s Theory
After ten years’ social turbulence during 1966-76, Deng Xiaoping and other senior leaders reinterpreted the essence of socialism. Poor is by no means socialism and the socialism should be adaptable to the specific situation. If an ideology cannot feed people up, this is definitely not a good-ism, so economic
development must be put at the first priority (Deng, 1994). The quintessence of this viewpoint is Deng’s ‘cat theory’ – it does not matter whether the cat is black or white, as long as it can catch mice, it is a good cat. Deng’s theory attempted to wipe out the egalitarianism and indoctrinated people that it is glorious to become rich (Yang, 2006). The outcome of economic reform was measured in terms of material betterment in the society and higher income for households (Zhao, 1997). Chinese people started to pursue wealth and material consumption and consumerism was not regarded as a vicious lifestyle any more.

H7: The ideology of Deng’s theory has a positive impact on materialism.

Method

Data were collected among acquaintances through personal interview in several major Chinese cities. The sample size was 131, which consisted of 55.7% of males. 71.0% of the participants were around 25-35 years old. Almost all the respondents had an education level of a university degree.

The measures for face and ordering relationship were selected from Zhang, Cao & Nicholas (in press) and Yang, Yu & Yeh (1989) respectively. According to our conceptualization of harmony and moderation, we adapted items from Cheung et al. (1996) and Kim, Atkinson & Yang (1999) to measure them. The scales for political ideologies and materialism was sourced from Yang (2006) and Richins & Dawson (1992) respectively. In terms of luxury consumption desire, items were derived from the previous relevant studies (Bearden, Netemeyer, & Teel, 1989; Sweeney & Soutar, 2001; Tsai, 2005; Zhou, et al., 2008). For those measures which are not originally Chinese, the translation and back-translation method was used (Brislin, 1980). All measures were 5 point Likert-type scales with poles from strongly disagree to strongly agree.

According to factor analysis result, the Alpha reliabilities of all the scales average .69 and range from .56 to .89. The average variance extracted (AVE) for all measures except materialism (which has an AVE .44 and a Cronbach’s alpha of .69) are above the criteria of .50 (see Fornell & Larcker, 1981). The composite reliability which is similar to the construct reliability measures of Bollen (1989), demonstrates that each latent construct is well represented by the observed measures, ranging from .57 to .91 and averaging .71. Most Communality measures for the latent variables (except materialism which is .48) are above the acceptable level of .50 (Fornell & Larcker 1981). The square roots of all the AVEs are less than the loadings across constructs, which provides good evidence of divergent validity.

Results

We used Partial Least Squares (PLS) to estimate the conceptual model and test the hypotheses in the present study. According to the PLS results in Figure 1, H1 is supported. Belief in materialism predicts all the dimensions of LCD (materialism-conformity, $\beta=.28$, $p<.05$; materialism-social status, $\beta=.24$, $p<.05$; materialism-self directed pleasure, $\beta=.36$, $p<.01$; materialism-quality-assurance, $\beta=.35$, $p<.01$). Moreover, H2 and H5 are supported, which demonstrates that the value of face ($\beta=.35$, $p<.01$) and ordering relationship ($\beta=.21$, $p<.05$) could positively influence materialism. In terms of political ideologies, Deng’s theory positively correlates to materialism ($\beta=.20$, $p<.05$). The results also display there is no correlation between harmony, moderation, Maoism and materialism, so H3, H5 and H7 are not supported. Lastly the model explains the level of materialism ($r^2=.37$) quite well, and also the dimension
of conformity and social status ($r^2 = .27$ and .28 respectively). It does not predict well the level of self-directed pleasure and quality assurance ($r^2 = .13$ and .12 respectively). Lastly, in order to confirm the mediation of materialism for Chinese cultural values and political ideologies for luxury consumption desire, additional analysis of direct paths of Chinese cultural values and political values to LCD were conducted. The result shows no direct effects of political ideologies on any dimension, but does show the direct relationship between face and social status ($\beta = .20, p < .05$) and ordering relationship and conformity ($\beta = .35, p < .01$) and social status ($\beta = .28, p < .05$).

**Figure 1: PLS Results**

These preliminary results show that materialism in China is partially determined by cultural values such as face and ordering relationship, and also the current political philosophy of Chinese Communist Party, Deng’s theory. Materialism along with cultural values of face and ordering relationship affects luxury consumption desire. Specifically, the traditional cultural values and materialism could best explain the dimension of conformity and social status in LCD, while the other two dimensions in LCD could only be determined by materialism. Therefore luxury brand managers should focus on the face and status value of their products in Chinese market. They should also drive consumers’ conformity motivation through advertising.

As a pilot study, the major limitation of this study is that authors used acquaintances as respondents. It is necessary to extend the study to a more general sample. It is also interesting to test if such results are applicable to other generations in China, who had more experience of Maoism and whether these results apply in all regional areas, depending on the degree of modernization and urbanization. This will be the focus of future research by the authors. Another limitation might be that through personal interview method it is unlikely that people would be completely open about the issues addressed in this study (given its cultural and moral positioning) in a face-to-face situation. In the future, researchers could consider mail survey.
References


