Traditional Cultural Values, Political Ideologies and Luxury Consumption Desire in China: A Conceptual Model

Gong Sun, Macquarie University, Gong.Sun@mq.edu.au
Steven D’Alessandro, Macquarie University, Steven.Dalessandro@mq.edu.au
Hume Winzar, Macquarie University, Hume.Winzar@mq.edu.au

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 analyse the influence of traditional cultural values (face, harmony, moderation and ordering relationship) and political ideologies (Maoism and Deng's theory) on individuals' materialism and luxury consumption desire (LCD) in China. This paper outlines a conceptual model and a set of linked hypotheses for future research in this area.

Keywords: Luxury consumption, China, cultural values, political ideology, materialism
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. For example, the GDP per capita in Shanghai has exceeded 7,000 U.S. dollars in 2008 (China Statistical Bureau, 2008). 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 behaviour, culture has been widely linked to consumption (Craig & Douglas, 2006; McCracken, 1988; Yaprak, 2008). In business research, culture could be assessed in three ways – ethnological description, cultural proxies and cultural values (Lenartowicz & Roth, 1999; Soares, Farhangmehr, & Shoham, 2007). Of these approaches, due to the fact that consumers make decisions largely based on the value fulfilment 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 behaviour (Lowe & Corkindale, 1998). Therefore a large number of studies have examined the influence of cultural values on specific consumer behaviour (Erdem, Swait, & Valenzuela, 2006; Kacen & Lee, 2002; Lee, 2000). However, most of current cultural theories and constructs developed solely from Western societies might be culture bound and fail to catch the nuance in Eastern society (Adler, Cambell, & Laurent, 1989; Chinese Culture Connection, 1987). As one of the few countries that were not fully colonized by Western nations, China retained much of its unique cultural characteristics (Ackerman, Hu, & Wei, 2009; Yau, 1988).

### Literature Review

Figure 1 The Conceptual Model of This Study
Figure 1 shows the conceptual model of this paper. It is believed that an individual’s luxury consumption desire in China is driven by materialism as a mediator for traditional cultural values and political ideologies.

**Cultural Values/Ideologies at the Individual Level**

A value is defined as ‘an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence’ (Rokeach, 1973, p. 5). Cultural values are the dominant societal values shared by individuals in the same cultural group (Hofstede, 1980; Schwartz, 1999). In early years, cultural values were mostly conceptualized as the values held by collectives at the group (mostly national) level. One of the most famous systems would be Hofstede’s values framework which measures national culture with five dimensions based on the average scores of the values for each society instead of individuals (ecological factor analysis) (Hofstede, 1980, 1991; Hofstede & Bond, 1988).

However, this method, also Hofstede’s framework, fails to capture the variance at the individual level (Spector & Cooper, 2002; Spector, Cooper, & Sparks, 2001). To test the influence of culture on individual behaviour, researchers should address cultural values at the individual level (Oyserman, Coon, & Kemmelmeier, 2002; Soares, et al., 2007) and link the cultural characteristics to phenomena within one culture. An individual could acquire the cultural values transmitted from the group (national, organizational etc) level of culture through the process of socialization (Leung, Bhagat, Buchan, Erez, & Gibson, 2005). Dake (1991, p. 78) proposed that ‘culture provides a collectively held set of customs and meanings, many of which are internalised by the person, becoming part of personality and influencing transactions with the social and physical environment’. For example, Triandis and colleagues (Singelis, Triandis, & Gelfand, 1995; Triandis, 1995, 1996; Triandis, et al., 1986) operationalized the most significant dimension in Hofstede’s framework – individualism-collectivism as a multidimensional construct at the individual level, which has been widely applied in individual-level consumer studies (Kacen & Lee, 2002; Lee, 2000; Wong, Rindfleisch, & Burroughs, 2003). This paper follows this approach and explores how indigenous cultural values and political ideologies influence individuals’ material values and luxury consumption tendency in Chinese society.

**Independent Variables: Traditional Cultural Values**

Chinese traditional culture has been shaped by Confucianism, Taoist, Buddhist, Legalism and other ideologies and come down from one generation to the next for thousands of years (Fan, 2000). Its core values are unique and held by all the Chinese people across the world, which distinguish them not only from Western people, but also from people in other Eastern societies, such as Japanese and Korean. This study considers four types of Chinese traditional cultural values that could contribute towards materialism.

**Face**

Face (mianzi) refers to a sense of favourable 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 behaviour. 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 regardless of how rich or
poor they are 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.

H1: 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 favours (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-centred 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.

H2: 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). A good linguistic example is that in Western society when one gets praised he would accept it and say ‘thank you’, whereas Chinese are prone to say ‘No’ to show humbleness, or else they would be thought of self-conceit or arrogance. 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 behaviour (Lowe & Corkindale, 1998).

H3: 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). Chinese people are very sensitive to their positions in these social structures (Leung & Chan, 2003). 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 behaviour 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 behaviour.

H4: The value of ordering relationship has a positive impact on materialism.

**Antecedent Variables: Political Ideology**

When analysing the contemporary culture in People’s Republic of China, one should not neglect the impact of communist ideology (Fan, 2000). Ralston and colleagues (Ralston, Gustafson, Cheung, & Terpstra, 1993; Ralston, Holt, Terpstra, & Yu, 1997) proposed that traditional culture and political ideology could synergistically influence people’s values system.

**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.

H5: 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.

H6: The ideology of Deng’s theory has a positive impact on materialism.

**Mediating Variable: Materialism**

Materialism “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). Based on the concept that possessions are individuals’ extended self, Belk (1985) treated materialism as a personality trait with three dimensions: possessiveness referring to the inclination to retain control of one’s possessions, non-generosity viewed as an unwillingness to
share possessions with others, and envy defined as desire for other’s superior possessions. Consumers high in materialism tend to spend money wastefully to enhance their social status (Mason, 1981). Compared to people low in materialism, they are more likely to value things that symbolize wealth and achievement (Richins, 1994). Then they can obtain satisfaction from others’ admiration (Liao & Wang, 2009), so they usually valuate possessions based on price rather than utilitarian reasons and consume for the sake of consumption (Richins & Rudmin, 1994). Therefore, due to the public meanings and symbolic values, expensive luxury products could be a natural choice for materialists (Tatzel, 2002; Wong & Ahuvia, 1998). Wong (1997) found that materialism is linked to luxury consumption through the dimensions of envy and possession-defined success. Liao & Wang (2009) discovered material values motivate consumers to purchase brand name goods.

H7: Materialism has a positive impact on luxury consumption desire.

**Dependent Variable: Luxury Consumption Desire (LCD)**

Here the concept of Luxury Consumption Desire is conceptualized as the multidimensional facets of luxury consumption motivation to reflect an individual’s psychological and behavioural 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. This work firstly distinguishes between social-directed and personal-directed motives. On the basis of this, some other researchers further explored the luxury consumption motives (Shukla, 2008; Tsai, 2005; Wiedmann, Hennigs, & Siebels, 2009). After reviewing related literature, we propose that LCD should include conformity, the behaviour that people consume luxury goods in order to be identified with a particular social group (Mason, 1993); social status seeking, a motive of consumers’ wishing to enhance their 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 (Gentry, Putrevu, Shultz, & Commuri, 2001; Zhou, Teng, & Poon, 2008).

**Conclusion**

Based on literature review, a theoretical model is provided to present the relationship between Chinese traditional cultural values, political ideology, materialism and luxury consumption desire. Specifically, face and ordering relationship would positively influence materialism, whereas harmony and moderation would have reverse effects. In terms of political ideology, Maoism and Deng’s theory are supposed to positively and negatively relate to materialism respectively. Moreover, materialism is expected to be the determinant of luxury consumption desire (LCD) which reflects an individual’s tendency toward luxury products. In the next stage, the variables in this study should be operationalized to empirically test the conceptual model.
References


Wong, N. Y., Rindfleisch, A., and Burroughs, J. E., 2003. Do reverse-worded items confound measures in cross-cultural consumer research? The case of the material values scale. Journal


