Exploiting the goldmine: a lifestyle analysis of affluent Chinese consumers

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Abstract
Purpose – The objective of this paper is to investigate the lifestyles of contemporary Chinese affluent consumers and their influences on a number of consumption variables such as brand preference (local versus foreign), attitudes toward innovative products, luxury consumption, impulse purchases, etc.

Design/methodology/approach – Survey data were collected from 1,317 consumers across 17 cities in China. Five lifestyle factors were identified and further verified through a confirmatory factor analysis. Multiple regression analyses were performed to explore the relationships between lifestyles and consumption patterns.

Findings – The results showed that affluent Chinese consumers, though apparently similar in terms of wealth possession, exhibited very different patterns in their purchase and consumption behaviors. For instance, consumers with a salient “need-for-uniqueness” trait were found to be quite contingent on consuming goods for being distinctive. The price conscious consumers were somehow over-confident in their purchase decisions, resulting sometimes in impulse buying. A third group of people were found to often disguise their consumption behaviors with an explicit orientation for public interests, e.g. environmental protection. Compared with those who seek respect from others, consumers with strong needs for achievement were found to be more pragmatic and tended to be self-oriented.

Practical implications – Findings from this study provides a useful framework for marketers to link their products to various lifestyle groups of affluent Chinese consumers, thus enhancing their marketing productivity and profitability in the Chinese market.

Originality/value – Despite the large body of lifestyle studies, very little research has focused on the Asia Pacific region. The current study provides an extensive empirical investigation, on which marketers may better approach affluent Chinese consumers with various lifestyles.

Keywords Lifestyles, Marketing, Consumers, Brand loyalty, Buying behaviour, China

Paper type Research paper

Introduction
In the past decades, the Chinese economy has grown at an extremely rapid pace resulting in a huge increase in the number of affluent and middle class consumers. In 2008, the number of urban affluent households (whose annual income exceed RMB 250,000) reached 1.6 million, and this figure is expected to grow to 4.4 millions by 2015, making China the world’s fourth largest country in terms of its number of affluent households after the USA, Japan and the UK (Atsmon et al., 2009). To date, China has become the third-largest consumer market for luxury goods. Despite the worldwide economic downturn in 2008, China’s appetite for high-end retail has shown a strong upward momentum. For example, Italian men’s brand Ermenegildo Zegna reported a steady flow of new customers through the doors of its 60 retail outlets in China. German luxury carmaker BMW saw sales in China jump by 44 per cent in June of 2009, while US sales fell by more than 20 per cent (Knowledge@Wharton, 2009). To many multinationals, China has now become such a strategic market that they cannot afford to neglect.

While it seems evident for international firms to focus on affluent consumers while entering or competing in China, it is important to note that the affluent consumer is not necessarily one single market segment. For instance, Beijing, Shanghai, Guangzhou and Shenzhen are very similar in terms of the size and wealth of its affluent residents (Deloitte Consulting, 2005). Nevertheless, the consumption behaviors of these consumers vary to certain extents. As Deloitte Consulting (2005) reports, Shanghai residents are much less likely to own an automobile, compared to those who live in Beijing or Guangzhou., Affluent consumers in Guangzhou and Shenzhen show more interests in charity-related events than their counterparts in Beijing and Shanghai do. Meanwhile, the affluent Chinese consumers are found to differ from their global peers. On average, they are 20 years younger than those in the USA and Japan. The affluent Chinese trust foreign brands more, find it difficult to keep a work-life balance, and are more comfortable with borrowing money (Atsmon et al., 2009).

The scale of the opportunity in affluent Chinese consumers is such that companies need to tailor their strategies to meet the specific needs of China’s wealthy consumers. To understand consumers whose consumption needs have been largely influenced by the changing social, cultural, economical and environmental factors, marketers today have to find some
more effective ways. A lifestyle analysis perspective could serve such a purpose, as the lifestyle concept provides an approach to understand consumers’ everyday needs and wants (Michman and Mazze, 2009). In fact, existing literatures also urge multinationals to utilize lifestyle information to understand consumers in different cultures (Plummer, 1974). Although the affluent consumer market in China has been receiving increasing attentions from multinationals, there are surprisingly few empirical studies in the literature investigating the relationship between lifestyles and consumption patterns of this particular consumer segment.

The current study aims to fill this gap with a few potential contributions to both marketing literature and field practices. First, despite the large body of lifestyle studies, very little research has focused on the Asia Pacific region (Tai and Tam, 1997), not to say the specific segment of affluent Chinese consumers whose strategic importance has been realized by more and more manufacturers, retailers, and service companies across many sectors. Second, the lifestyle analysis adopted in this study provides a unique perspective for marketers to better understand the needs of contemporary affluent Chinese. Third, this study identified and further confirmed five lifestyles of affluent Chinese consumers and their influences on a number of consumption variables such as brand preferences, innovation adoption, luxury consumption, impulse buying etc. These findings provide an effective means for companies to link their marketing investment to various lifestyle groups of the Chinese affluent, thus enhancing their marketing productivity and profitability in China market. Last but not least, the current study is based on a comprehensive sample of 1,317 affluent consumers from 17 cities in China. The extensive coverage of heterogeneous local markets provides a good representativeness for the findings reported in the study.

The rest of the paper is organized as follows. First, we review the existing research on lifestyle marketing and propose our research framework. Then, we introduce the methodology applied in the current study and the five lifestyle factors verified through confirmatory factor analysis. Next, we present a detailed lifestyle analysis for the identified lifestyles and consumers’ attitudes toward local and foreign brands, product innovation, luxury consumption, impulse buying, etc. Discussions and relevant managerial implications of the study are presented at the end of the paper.

Research framework

The lifestyle concept is one of the most widely used in modern marketing activities. It provides a way to understand consumers’ everyday needs and wants, and a mechanism to allow a product or service to be positioned in terms of how it will allow a person to pursue a desired lifestyle (Michman and Mazze, 2009). In recent years, there have been some profound changes in consumer lifestyles in China. For instance, people are increasingly conscious of the fact that we all sort ourselves and each other into groups on the basis of the things we/they like to do, how we/they like to spend our/their leisure time and how we/they choose to spend disposable income. These choices in turn create opportunities for market segmentation strategies that recognize the potency of a consumer’s chosen lifestyle in determining both the types of products purchased and the specific brands more likely to appeal to a designated lifestyle segment.

In the present study, we investigate the contemporary lifestyles of affluent Chinese consumers and in particular the impacts of these lifestyles on people’s consumption attitudes/behaviors in the following five aspects.

Brand preferences

Consumers choose products not only on the basis of products’ attributes but also to create and maintain a desired social identity. In that regard, brands are often viewed as an important means to communicate facets of one’s identity and to interact with other people (Belk, 1988; Fournier, 1998; Muniz and O’Guinn, 2001). In fact, the preference for consuming branded products which allow for enhancing a social identity can be so strong that it alters consumers’ perceptions of the products’ attributes (Marchlewski et al., 2006). Thus, insights into lifestyle activities of consumers with specific brand preferences become particularly valuable in supporting managerial decisions on selecting, combining and designing media (Orth et al., 2004). Consequently, our first question in the present study is to understand the linkage between lifestyles and different types of brands as perceived by affluent Chinese consumers. Specifically, we considered four types of brand issues:

1. brand discrimination, i.e. to what extents does the differences between brands matter to consumers (Fischer et al., 2009);
2. preference to local brands;
3. preference to foreign brands; and
4. attitudes toward counterfeiting brands.

Attitudes toward innovative products

There are several reasons for us to address the relationship between lifestyles and attitudes toward innovative products. First, the development of innovative products is normally accompanied with new advanced technology, which makes such products strategically competitive weapons for most innovation-oriented firms. Second, innovative products are often brought to markets with a skim price and thus are critical contributors to a firm’s margin. Third, the adoption and usage of innovative products are found to be status salient (Pesendorfer, 1995), which makes them very relevant to our lifestyle study.

Luxury consumption

According to World Luxury Association, consumers in China spend well over 6 billion USD a year on designer bags, cars, clothes, accessories and cosmetics, with the country recently leapfrogging fashion-conscious Japan to come in second behind the USA in consumption of luxury goods (Knowledge@Wharton, 2009). Despite the global slowdown, many multinationals still witnessed a continued business growth in China market. For instance, according to the 2008 annual report of LVMH (Moët Hennessy-Louis Vuitton), China has become the number one market for Hennessy cognac and the world’s second largest for fashion and leather goods. Another luxury brand, Versace, reported that Asia surpassed the USA as its second-largest market in 2009, and this achievement was largely driven by the growth in China (Cavender and Rein, 2009).
The bottom line for such an upward market is that the overall economy and diversification of wealth of China have continued to grow. As reported by Atsmon et al. (2009), the affluent currently account for less than 1 per cent of urban Chinese households, but their numbers are growing at around 16 per cent per annum. Given the research objectives of the present study, we examine in particular the relationship between the lifestyles of affluent Chinese consumers and their luxury consumption behaviors.

**Word-of-mouth (WOM) behaviors**

In two empirical studies under both business-to-business and business-to-consumer contexts, Wangenheim and Bayón (2007) found that customer satisfaction affects WOM referral decisions, which in turn affects new customer acquisition. Based on a longitudinal dataset that matches consumer negative word-of-mouth (NWOM) in the airline industry with firm stock prices, Luo (2007) found that higher levels of current consumers’ negative voices harm firms’ future idiosyncratic stock returns. With real-world data on firm security prices, Luo (2009) further suggested that historical underperformance in stock prices might breed more harmful future buzz in a “vicious” cycle of NWOM. These studies consistently verify the critical roles of WOM in driving corporate performance. In the present study, we investigate the influence of lifestyles on WOM behaviors in two aspects. One is from the receiver’s perspective, i.e. to what extent do consumers seek for others’ opinions while formulating their final purchase decisions? This knowledge shall help companies to better design their WOM message and target the focal consumer groups accordingly. Meanwhile, we also examine the WOM behaviors from the sender’s perspective. That is, how likely is a consumer to share his/her own consumption experience with others? Combining these two sides, we shall be able to obtain a clear picture about lifestyles and WOM behaviors.

**Impulse purchases**

With actual purchase data, Bell et al. (2009) found that certain traits of shoppers, including age, income and shopping style, have a greater effect on making unplanned purchases than does the store or environment. For instance, young, unmarried adult households with higher incomes do 45 per cent more unplanned buying. The thesis, as the authors emphasized, is that the amount of unplanned buying that takes place is more about person-to-person variance than about the store environment itself (Bell et al., 2009).

Culture would play an important role in consumers’ purchase behaviors by imposing norms on the appropriateness of impulse purchase activities. Consistent with this notion, Kacen and Lee (2002) surveyed respondents and found that the relationship between trait of impulsiveness and actual impulsiveness is stronger for individualists (respondents from Australia and the USA) than for collectivists (respondents from Hong Kong, Malaysia, and Singapore). Thus, members of collectivist cultures (such as China) that tend to focus on relationship harmony and group preference should be better at monitoring and adjusting their behaviors on “what is right” rather than on “what I want.” In the current study, we are interested in how affluent Chinese consumers react to impulse purchase as a function of their lifestyles.

**Other behavioral variables**

To further explore the impact of various lifestyles on consumption, we also include other consumption variables such as price tolerance toward environmental-friendly products, status consumption, etc.

**Methodology**

The survey instrument

In the literature, there are a few different instruments in measuring lifestyle. For instance, Plummer (1974) developed an AIO measurement scale to describe how people spend time and money, in terms of Activities, Interests, and Opinions. Wells (1974) suggested that the AIO statements can be either general or product specific, and either standardized or ad hoc in scale. Other scales such as List of Values (LOV) developed at the University of Michigan Survey Research Center and Values of Life Style (VALS) system at SRI international are also widely adopted (Nowak and MacEvoy, 1990).

Following Wells’s (1974) suggestions that the choice of statements should depend on the objective of the study and it is possible to use either one or both types mentioned above, we developed a questionnaire consisting of five lifestyles, i.e.:

1. need for uniqueness;
2. price consciousness;
3. public-interest orientation;
4. need for achievement; and
5. need for respect.

The nature of these five lifestyle constructs can be best clarified with the two typologies of consumer value proposed by Holbrook (1999):

1. **Extrinsic versus intrinsic value.** Extrinsic value pertains to a means-end relationship wherein consumption is prized for its functional, utilitarian, or banausic instrumentality in serving as means to accomplishing some further purpose, aim, goal, or objective. In the present study, “need for uniqueness”, “price consciousness”, “need for achievement”, and “need for respect” are lifestyles that analogue to extrinsic value. By contrast, intrinsic value occurs when some consumption experience is appreciated as an end in itself (for its own sake) as self-justifying, ludic, or autotelic. “Public-interest orientation”, with its altruism component, is a lifestyle that ideally should reflect one’s implicitly intrinsic value.

2. **Self- versus other-oriented value.** Value is self-oriented (i.e. for “myself”) when “I” prize some aspects of consumption selfishly or prudently for “my” own sake, for how “I” react to it, or for the effect it has on “me”. In this regard, “price consciousness” and “need for achievement” are self-oriented value. On the contrary, other-oriented value looks beyond the self to someone or something else, where “my” consumption experience or the product on which it depends is valued for their sakes, for how they react to it, or for the effect it has on them. In our study, three lifestyles, i.e. “need for uniqueness”, “public-interest orientation”, and “need for respect” fall into the category as other-oriented consumer value.

A detailed description of survey instruments and the sources of items are presented in Table I.
The sample
The wealth is distributed unevenly across China. At present, the affluent Chinese are concentrated in the East and Central South regions of the country, and around 30 per cent of them live in the four largest cities (i.e. Beijing, Shanghai, Guangzhou, and Shenzhen). It is estimated that three-quarters of the growth in the affluent consumer segment will come from those who do not currently live in the aforementioned four largest cities (Atsmon et al., 2009). To ensure a good representativeness of affluent consumers, we collected data from 17 cities across various geographical regions in China (see Table II). Specifically, our sample included respondents from the four largest cities (Tier 1), as well as those who come from Tier 2 cities, i.e. the capital cities of provinces such as Hangzhou, Chengdu. Some medium sized, less developed Tier 3 cities such as Shijiazhuang (in Hebei province) are also included. Though the average personal annual income in these cities varies to certain extent, there is no significant difference among affluent consumers in these cities, according to recent market research (Dixit et al., 2009).

To reach affluent consumers, we sampled those who came to auto 4S shops to purchase luxury cars, with assistance from a car dealership whose business covered all the 17 focal cities. There are two reasons to choose luxury car buyers as our sample units. First, those who can afford a luxury car are relatively rich, thus fall into our sampling frame. Second, it was found that owners of luxury cars often link the car attributes with the values they consider important in their daily lives (Sukhdial et al., 1995). This product category thus provides a good context for us to investigate the relationship between consumption patterns of affluent Chinese consumers and their desired lifestyles.

Analysis and results
Profiles of respondents
A total of 1,317 valid questionnaires were collected in the survey. Information on respondents’ demographic features, such as sex, age, education, income, family size and car ownership was covered in the survey. Descriptive statistics for the characteristics of respondents were reported in Table III.

Measure validation
Before arriving at the final item pools for questionnaire development, several items were dropped due to their negative contribution to coefficient alpha and low item-to-total correlations (Nunnally and Bernstein, 1994). Exploratory factor analysis of the remaining items supported the unidimensionality of each scale in that the items of each scale loaded highly on a single factor. Finally, 18 items underlying the five lifestyle constructs were adopted in the final survey fieldwork.
The Anderson and Gerbing's (1988) two-step approach was employed to evaluate the convergent validity for modeled constructs. In the first phase, exploratory factor analysis was conducted to assess the underlying factor structure of the scale items. The issue of common-method variance was then found to be no problem, in that the first factor failed to comprise a majority of the variance and there was no general factor in the unrotated factor structure (Podsakoff and Organ, 1986).

In the second phase, confirmatory factor analysis (CFA) was performed. Factor scores of the five lifestyle constructs were saved for subsequent regression analyses. The CFA indicated that all factor loadings were greater than the recommended 0.40 cut-off and were statistically significant (Nunnally and Bernstein, 1994) (see Table I). Although the chi-square statistic was significant ($\chi^2(125) = 1043.40$; $p < 0.01$) as common with large sample size, non-normed fit index (NNFI) and comparative fit index (CFI) provided evidence of acceptable model fit at 0.944 and 0.955, respectively. Furthermore, the root-mean-square error of approximation (RMSEA) was 0.075, less than and not statistically different from 0.08 (Hair et al., 2009). All these indicators suggested that the measurement model fit our data reasonably well.

The internal validity of the measurement model was examined by calculating the composite reliability and average variance extracted (AVE) (Fornell and Larcker, 1981). All the composite reliabilities were well above the recommended 0.70 (Nunnally and Bernstein, 1994) (see Table I). The AVE represents the amount of variance captured by the construct's measures relative to measurement error and the correlations among the latent variables. In this study, the AVE of each measure extracted 50 per cent or more of the variance (see Table I), which also indicated acceptable internal validity (Bagozzi and Yi, 1988).

The discriminant validity of the measures was examined in two ways. First, the AVE was compared with the square of the parameter estimate among the latent variables (Fornell and Larcker, 1981). The correlation among the indicators of each construct was greater than that between a construct and any other construct (see Table IV). Second, the discriminant validity of each construct was evidenced by the fact that none of the confidence intervals of the phi estimates included one (Anderson and Gerbing, 1988).

Among the correlations (phi) between these lifestyle constructs (Table IV), the two constructs, “need for achievement” and “need for respect”, were moderately correlated ($\phi = 0.536$, $p < 0.01$), which revealed the means-end relation between them. Namely, the respondents intended to acquire respect from others (other-oriented) by fulfilling their personal achievements (self-oriented). Besides, it was a bit counterintuitive to find that the correlation between “public-interest orientation” and “need for achievement” was the highest ($\phi = 0.545$, $p < 0.01$). In addition, the correlation between “public-interest orientation” and “need for respect” was also considerable ($\phi = 0.536$, $p < 0.01$). This implied that “public-interest orientation” may not necessarily be an intrinsic consumer value (Holbrook, 1999) as we expected. Rather, it might just be a means to fulfill people’s need for achievement as the end. Along a similar vein, though “public-interest orientation” appears to be other-oriented (Holbrook, 1999), it was just moderately correlated with self-reported value of “need for achievement” as found in this study. Combining these two plausible cues, it makes sense to question the intrinsic and other-oriented nature of “public-interest orientation” of affluent Chinese consumers.

We asked our respondents to self-report their general lifestyles in terms of either western or eastern. We then further explored the differences of the five lifestyle factors between consumers with different self-reported lifestyles. Independent samples $t$-tests showed that consumers with a self-reported eastern lifestyle differed from their counterparts in terms of price consciousness ($t = 2.596$, $p = 0.01$) and public-interest orientation ($t = 3.015$, $p = 0.003$). In other words, consumers with a self-reported eastern lifestyle were significantly more price conscious and public interest oriented. This finding is consistent to traditional Chinese values system.

### Table II Cities covered in the survey

<table>
<thead>
<tr>
<th>Cities</th>
<th>Population (million)</th>
<th>GDP per capita (RMB)</th>
<th>Yearly disposable income per capita (RMB)</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Beijing</td>
<td>16.95</td>
<td>63,029</td>
<td>24,725</td>
<td>120</td>
</tr>
<tr>
<td>2. Tianjin</td>
<td>11.45</td>
<td>55,473</td>
<td>17,850</td>
<td>35</td>
</tr>
<tr>
<td>3. Taiyuan</td>
<td>3.55</td>
<td>41,319</td>
<td>15,230</td>
<td>67</td>
</tr>
<tr>
<td>4. Shanghai</td>
<td>17.50</td>
<td>73,124</td>
<td>26,690</td>
<td>100</td>
</tr>
<tr>
<td>5. Hangzhou</td>
<td>7.90</td>
<td>60,414</td>
<td>24,104</td>
<td>84</td>
</tr>
<tr>
<td>6. Qingdao</td>
<td>8.40</td>
<td>52,895</td>
<td>20,464</td>
<td>32</td>
</tr>
<tr>
<td>7. Shenzhen</td>
<td>12.00</td>
<td>89,814</td>
<td>20,187</td>
<td>100</td>
</tr>
<tr>
<td>8. Wuhan</td>
<td>8.97</td>
<td>44,148</td>
<td>16,712</td>
<td>86</td>
</tr>
<tr>
<td>9. Xiamen</td>
<td>2.49</td>
<td>62,651</td>
<td>22,000</td>
<td>81</td>
</tr>
<tr>
<td>10. Chengdu</td>
<td>12.70</td>
<td>30,855</td>
<td>16,943</td>
<td>110</td>
</tr>
<tr>
<td>11. Xi’an</td>
<td>8.37</td>
<td>26,259</td>
<td>15,207</td>
<td>72</td>
</tr>
<tr>
<td>12. Kunming</td>
<td>6.20</td>
<td>25,921</td>
<td>14,468</td>
<td>82</td>
</tr>
<tr>
<td>13. Shenyang</td>
<td>7.76</td>
<td>49,749</td>
<td>17,295</td>
<td>112</td>
</tr>
<tr>
<td>14. Harbin</td>
<td>9.88</td>
<td>29,012</td>
<td>14,589</td>
<td>77</td>
</tr>
<tr>
<td>15. Changchun</td>
<td>7.47</td>
<td>34,637</td>
<td>15,003</td>
<td>70</td>
</tr>
<tr>
<td>16. Shijiazhuang</td>
<td>9.70</td>
<td>29,252</td>
<td>15,062</td>
<td>41</td>
</tr>
<tr>
<td>17. Ji’nan</td>
<td>6.62</td>
<td>45,724</td>
<td>20,802</td>
<td>48</td>
</tr>
</tbody>
</table>

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Table III Sample characteristics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td>Males</td>
<td>67.4</td>
</tr>
<tr>
<td>Females</td>
<td>32.6</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>20-24</td>
<td>2.3</td>
</tr>
<tr>
<td>25-29</td>
<td>14.3</td>
</tr>
<tr>
<td>30-34</td>
<td>25.4</td>
</tr>
<tr>
<td>35-39</td>
<td>28.4</td>
</tr>
<tr>
<td>40-44</td>
<td>16.3</td>
</tr>
<tr>
<td>45-49</td>
<td>9.4</td>
</tr>
<tr>
<td>50-55</td>
<td>3.9</td>
</tr>
<tr>
<td>Car ownership</td>
<td></td>
</tr>
<tr>
<td>Owners of “B-class” cars a</td>
<td>22.5</td>
</tr>
<tr>
<td>Owners of “C-class” cars b</td>
<td>38.7</td>
</tr>
<tr>
<td>Prospects of “B-class” cars a</td>
<td>19.3</td>
</tr>
<tr>
<td>Prospects of “C-class” cars b</td>
<td>19.5</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Elementary school (and below)</td>
<td>0.4</td>
</tr>
<tr>
<td>Junior high school</td>
<td>2.1</td>
</tr>
<tr>
<td>Senior high school</td>
<td>20.0</td>
</tr>
<tr>
<td>Junior college</td>
<td>31.7</td>
</tr>
<tr>
<td>College</td>
<td>39.7</td>
</tr>
<tr>
<td>Master (and above)</td>
<td>6.3</td>
</tr>
<tr>
<td>Personal monthly income (before taxation)</td>
<td></td>
</tr>
<tr>
<td>RMB 4,000 (and below)</td>
<td>5.3</td>
</tr>
<tr>
<td>RMB 4,001-6,000</td>
<td>11.0</td>
</tr>
<tr>
<td>RMB 6,001-8,000</td>
<td>9.5</td>
</tr>
<tr>
<td>RMB 8,001-10,000</td>
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<td>RMB 10,001-15,000</td>
<td>14.3</td>
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<td>RMB 15,001-20,000</td>
<td>12.8</td>
</tr>
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<td>RMB 20,001-30,000</td>
<td>12.1</td>
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<tr>
<td>RMB 30,001-50,000</td>
<td>8.3</td>
</tr>
<tr>
<td>RMB 50,001-100,000</td>
<td>4.1</td>
</tr>
<tr>
<td>RMB 100,000 (and above)</td>
<td>4.2</td>
</tr>
<tr>
<td>Family monthly income (before taxation)</td>
<td></td>
</tr>
<tr>
<td>RMB 8,000-10,000</td>
<td>8.5</td>
</tr>
<tr>
<td>RMB 10,001-15,000</td>
<td>16.1</td>
</tr>
<tr>
<td>RMB 15,001-20,000</td>
<td>14.8</td>
</tr>
<tr>
<td>RMB 20,001-30,000</td>
<td>24.8</td>
</tr>
<tr>
<td>RMB 30,001-50,000</td>
<td>16.1</td>
</tr>
<tr>
<td>RMB 50,0001-100,000</td>
<td>11.0</td>
</tr>
<tr>
<td>RMB 100,001 (and above)</td>
<td>8.6</td>
</tr>
<tr>
<td>Family size</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2.1</td>
</tr>
<tr>
<td>2</td>
<td>9.8</td>
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<td>3</td>
<td>60.4</td>
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<td>4</td>
<td>15.6</td>
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<tr>
<td>5</td>
<td>9.9</td>
</tr>
<tr>
<td>6 (and more)</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Notes: a including the following car models, Audi A4, BMW 3 series, Mercedes C-class, Volvo S40, and Lexus IS; b including the following car models, Audi A6L, BMW 5 series, Lexus ES, Lexus GS, Toyota Crown, Mercedes E-class, and Volvo S80

Regression analysis
We analyzed the relationship between lifestyles and consumption patterns through several aspects, namely, brand preferences, attitudes to innovative products, luxury consumption, WOM behaviors and impulse purchases, etc. To do so, regression analyses were performed and the five lifestyle types were regressed on each of the focal dependent variables appeared in Table V. All dependent variables were measured with seven-point Likert scales anchored by “1” (totally disagree) and “7” (totally agree).

The regression analyses results were summarized in Table V, including the unstandardized regression coefficients and the p-values of t-test for regression coefficients.

Lifestyles and consumption: the results
We examined relationships between the five lifestyle factors and a couple of consumption patterns of affluent Chinese consumers. The major consumption variables investigated in the present study sheltered five aspects, namely: 1 brand preferences; 2 attitudes toward innovative products; 3 luxury consumption; 4 WOM behaviors; and 5 impulse purchases.

We also explored the relationships between the five lifestyle factors and other important consumption variables such as price tolerance toward environmental-friendly products and consumers’ intention to express social status with their cars. Because these variables are relatively independent, we summarize the respective results in a sixth category called “Others”. For simplicity, we present our results by reporting the relevant findings associated with each dependent variable subsequently. A general discussion that synthesizes the findings overall is given in the next section.

Lifestyle and brand preference
Brand discrimination (y1)
Brand discrimination measures the extent to which consumers value the differences among various brands. The higher the measure, the more weight consumers put on brands while making their purchase decisions. This variable was measured with the statement “While buying, I attach high importance to brands.” As reported in Table V, we found that both “need for uniqueness” (β = −0.344, p < 0.001) and “price consciousness” (β = −0.468, p < 0.001) affected brand discrimination negatively, which indicated that consumers who were either price conscious or uniqueness seeking cared less about the brand variation, ceteris paribus. In contrast, “need for achievement” (β = 0.315, p < 0.01) and “need for respect” (β = 0.165, p < 0.05) lifestyles were found to influence brand discrimination positively, which implied that brand names were valid intangible tools to satisfy consumers’ need for both (self-oriented) achievement and (other-oriented) respect. The relationship between brand discrimination and “public-interest orientation” was not significant (β = −0.032, p = 0.689).

Preference for foreign brands (y2)
Respondents indicated their preferences for foreign brands by rating their agreement with the statement “I like to buy foreign brands, even though they may be more expensive.” Consumers with stronger needs for achievement held stronger
preferences to foreign brands ($\beta = 0.173, p < 0.05$), however, the identity of foreign brands itself was not sufficient to satisfy consumers’ needs for respect ($\beta = 0.101, p = 0.0758$). Since the first wave of foreign brands entering China’s market in the early eighties, of the last century, foreign brands have been equated with quality and reputation by most Chinese consumers. For instance, McDonald’s was viewed as a fine restaurant offering the rare opportunity to sample American culture by local consumers when it first appeared in China in 1990. Fast food, particularly McDonald’s, is considered quintessentially American in many parts of the contemporary world. To many Beijing residents, “American” also means “modern,” and thus to eat at McDonald’s is to experience modernity (Yan, 2000). Though the prestige associated with foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers to date, the perception of foreign brands may have faded to a certain extent, thanks to “modern,” and thus to eat at McDonald’s is to experience modernity (Yan, 2000). Though the prestige associated with foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers to date, the perception of foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers to date, the perception of foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers to date, the perception of foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers to date, the perception of foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers to date, the perception of foreign brands may have faded to a certain extent, thanks to the abundance of such brands in the market as well as of the maturity of Chinese consumers.

Interestingly, public-interest orientation was found to negatively influence preference to foreign brands ($\beta = -0.160, p < 0.01$). This result may reflect an increasingly environmental concern about green consumption which attributes the long range transportation of foreign brands to unnecessary energy waste. Finally, the relationship between “price consciousness” lifestyle and foreign brand preferences was found negative ($\beta = -0.019$, but not significant ($p = 0.625$).

### Preference for local brands (y3)
Respondents’ preference for local brand was measured with the statement “I’d like to buy Chinese brands.” Comparing with foreign brands, most local brands have a lower price. Thus, it was not surprising to find a positive relationship between “price consciousness” and preference for local brands ($\beta = 0.378, p < 0.01$). Similarly, those who were achievement-driven ($\beta = -0.072, p = 0.330$) and who showed a stronger desire for being well-respected ($\beta = -0.029, p = 0.614$) did not prefer local brands.

It was interesting to note, that the regression coefficient for “need for uniqueness” lifestyle was positive and significant ($\beta = 0.177, p < 0.01$). Combined with the previous findings regarding uniqueness and foreign brands preferences, our results suggested that the origin of brands was not a big concern for consumers seeking uniqueness. Both foreign and local brands could facilitate actualizing the goals of being unique. Consistent with previous results regarding “public-interest orientation”, we found a positive relationship between this lifestyle and preference for local brands ($\beta = 0.211, p = 0.001$).

### Counterfeit acceptance (y4)
We measured respondents’ attitude toward counterfeit brands with the statement “The quality of counterfeit brands is comparable to their genuine counterparts.” Ironically, a positive relationship was found between the lifestyle of uniqueness and counterfeit acceptance ($\beta = 0.627$, $p < 0.001$). This result suggested that, for people with stronger needs for uniqueness, they might perceive counterfeit brands as valid as genuine brands in providing them the sense of uniqueness, just at a lower cost.

Research suggests that attitudes serving a social-adjustive function help people maintain relationships (Wilcox et al., 2009). When consumers have a social-adjustive attitude toward a product, they are motivated to consume it to gain approval in social situations. Conversely, attitudes serving a value expressive function help people communicate their central beliefs, attitudes, and values to others. For example, a person might purchase a genuine Louis Vuitton bag because the brand reflects his or her personality (i.e. self-expression) and/or because it is a status symbol (i.e. self-presentation). Wilcox et al. (2009) showed that consumers’ preferences for a counterfeit brand were greater when their luxury brand attitudes served a social-adjustive rather than a value-expressive function. Given the positive impact of “need for uniqueness” on buying counterfeit as reported in the present study, it is plausible to infer that the lifestyle for uniqueness was primarily driven by social-adjustive attitude rather than the value-expressive function of attitude. In other words, consumers with strong need for uniqueness desired approval from other people rather than for self-expression. Thus, “need for uniqueness” lifestyle was not solely self-oriented as we originally expected, but included other-oriented components.

A similar pattern was observed between “price consciousness” and counterfeit acceptance ($\beta = 0.365, p < 0.001$). One of arguments was that the price of counterfeits was far less than the genuine luxury items. Therefore, they became very tempting to those who were price sensitive. The existence of counterfeits undoubtedly violates the interest of genuine brand companies. In that regard, counterfeit is a challenge to public welfare, thus may

### Table IV Test results of discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>Need for uniqueness</th>
<th>Price consciousness</th>
<th>Public-interest orientation</th>
<th>Need for achievement</th>
<th>Need for respect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Need for uniqueness</strong></td>
<td>0.599*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Price consciousness</strong></td>
<td>0.079^</td>
<td>0.540</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(0.281)</td>
<td></td>
<td>(0.363)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public-interest Orientation</strong></td>
<td>0.030</td>
<td>0.132</td>
<td>0.545</td>
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</tr>
<tr>
<td>(0.172)</td>
<td>(0.322)</td>
<td>(0.545)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Need for Achievement</strong></td>
<td>0.104</td>
<td>0.069</td>
<td>0.297</td>
<td>0.554</td>
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<tr>
<td>(0.211)</td>
<td>(0.212)</td>
<td>(0.449)</td>
<td>(0.536)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: a The diagonal entries represent the average variance extracted by the construct; b The off-diagonal entries represent the variance (squared correlation) between constructs; the entries in parentheses represent the correlation between constructs.
Table V Results of regression analyses

<table>
<thead>
<tr>
<th>Independent variable (lifestyle)</th>
<th>Brand discrimination (y1)</th>
<th>Brand preference foreign brands (y2)</th>
<th>Brand preference local brands (y3)</th>
<th>Counterfeit acceptance (y4)</th>
<th>Prefer innovative products (y5)</th>
<th>Early adoption of innovative products (y6)</th>
<th>Signal of taste (y7)</th>
<th>Not for practical use (y8)</th>
<th>High quality (y9)</th>
<th>Opinion seeking Recommend (y10)</th>
<th>Impulse purchases (y12)</th>
<th>Price tolerance to environmental-friendly products (y13)</th>
<th>Status consumption (y14)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
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<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Need for uniqueness</td>
<td>-0.344</td>
<td>0.450</td>
<td>0.177</td>
<td>0.627</td>
<td>0.311</td>
<td>0.576</td>
<td>0.159</td>
<td>0.121</td>
<td>0.251</td>
<td>0.499</td>
<td>0.026</td>
<td>0.615</td>
<td>0.195</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.016)</td>
<td>(0.000)</td>
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<tr>
<td>Price</td>
<td>-0.468</td>
<td>-0.019</td>
<td>0.378</td>
<td>0.365</td>
<td>0.005</td>
<td>0.085</td>
<td>0.069</td>
<td>0.235</td>
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<td>0.482</td>
<td>0.050</td>
<td>0.234</td>
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<tr>
<td></td>
<td>(0.000)</td>
<td>(0.625)</td>
<td>(0.000)</td>
<td>(0.858)</td>
<td>(0.014)</td>
<td>(0.072)</td>
<td>(0.000)</td>
<td>(0.174)</td>
<td>(0.000)</td>
<td>(0.012)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.001)</td>
</tr>
<tr>
<td>Public-interest consciousness</td>
<td>-0.032</td>
<td>-0.160</td>
<td>0.211</td>
<td>-0.205</td>
<td>0.098</td>
<td>0.062</td>
<td>0.111</td>
<td>0.245</td>
<td>0.143</td>
<td>0.209</td>
<td>0.067</td>
<td>-0.258</td>
<td>0.417</td>
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<tr>
<td></td>
<td>(0.689)</td>
<td>(0.009)</td>
<td>(0.001)</td>
<td>(0.022)</td>
<td>(0.043)</td>
<td>(0.263)</td>
<td>(0.070)</td>
<td>(0.000)</td>
<td>(0.019)</td>
<td>(0.005)</td>
<td>(0.031)</td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Need for achievement</td>
<td>0.315</td>
<td>0.173</td>
<td>-0.072</td>
<td>-0.311</td>
<td>0.192</td>
<td>0.031</td>
<td>0.092</td>
<td>-0.094</td>
<td>0.064</td>
<td>-0.111</td>
<td>0.019</td>
<td>-0.250</td>
<td>-0.005</td>
</tr>
<tr>
<td></td>
<td>(0.001)</td>
<td>(0.019)</td>
<td>(0.330)</td>
<td>(0.004)</td>
<td>(0.001)</td>
<td>(0.645)</td>
<td>(0.213)</td>
<td>(0.248)</td>
<td>(0.383)</td>
<td>(0.216)</td>
<td>(0.601)</td>
<td>(0.007)</td>
<td>(0.934)</td>
</tr>
<tr>
<td>Need for respect</td>
<td>0.165</td>
<td>0.101</td>
<td>-0.029</td>
<td>-0.269</td>
<td>0.286</td>
<td>0.214</td>
<td>0.316</td>
<td>0.054</td>
<td>0.256</td>
<td>0.041</td>
<td>0.021</td>
<td>0.102</td>
<td>0.215</td>
</tr>
<tr>
<td></td>
<td>(0.023)</td>
<td>(0.075)</td>
<td>(0.614)</td>
<td>(0.001)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.390)</td>
<td>(0.000)</td>
<td>(0.545)</td>
<td>(0.467)</td>
<td>(0.146)</td>
<td>(0.000)</td>
</tr>
</tbody>
</table>

Notes: <sup>a</sup>All coefficients are unstandardized regression coefficients; Entries in parentheses are p values of t-test for regression coefficients.
be scorned by those who have a public-interest orientation. Our results supported such an argument in that a negative relationship was found between the lifestyle of public-interest orientation and counterfeit acceptance ($\beta = -0.205, p < 0.05$).

**Lifestyle and attitudes toward innovative products**

Two variables were examined to explore the relationship between lifestyles and their influences on consumers’ attitudes toward innovative products. That is, willingness to use innovative products (measured with the statement “I’d like to adopt the latest hi-tech products”) and early adoption of innovative products (measured with the statement “I tend to be the pioneering buyers of innovative products”).

**Willingness to use innovative products (y5)**

Innovations, because they are generally exciting and trend setting, become primary candidates for eliciting the social-identity function (Grewal et al., 2001). Thus, it was not surprising to find that achievement-driven consumers ($\beta = 0.192, p = 0.001$) and respect-driven consumers ($\beta = 0.286, p < 0.001$) exhibited higher preferences for innovative products. In other words, adopting innovative products was an effective means to satisfy both self-oriented need for achievement and other-oriented need for respect. As reported in Table V, the other two lifestyle factors positively related to consumers’ willingness to use innovative products were “need for uniqueness” ($\beta = 0.311, p < 0.001$) and “public-interest orientation” ($\beta = 0.098, p < 0.05$). It was not surprising that consumer could easily express their uniqueness by using innovative products. However, innovative products were not necessarily more environmental-friendly. The positive impact of “public-interest orientation” might thus be partially attributed to some extrinsic drives, i.e. buying innovative products might just be driven by the motivation to “show” others that the buyer cared about public interests. Possibly because innovation was often charged with price premium, those who were price conscious seemed not interested in innovative products ($\beta = -0.005, p = 0.858$).

**Early adoption of innovative products (y6)**

In terms of purchase timing of innovative products, our results showed that those who desired more respect from others ($\beta = 0.214, p < 0.001$) were more likely to be early adopters, but those with higher needs for achievement ($\beta = 0.031, p = 0.645$) did not adopt innovative early. Even though, they both were more likely to adopt innovative products. However, only those driven by other-oriented respect concerns would buy at the early stages; while those driven by self-oriented achievement concerns were more pragmatic. After all, by being patient, the functions of innovative products might be improved later, with bugs fixed and price largely dropped. Another possibility was the perceived status insecurity of an innovation purchase. Innovative products were most likely to be embedded with new product features/functions which could make early adoption a risky decision. For instance, Thompson et al. (2005) showed that consumers might become dissatisfied with their purchase when they found they do not know how to use their feature-rich products. Because of the negative emotions associated with frustrated product usage, it was likely that people who were achievement-driven may felt a sense of status insecurity. Thus, they might less likely be early purchasers of innovative products, even though they would not refuse such innovation when it was proved to be safe in use.

Once again, need for uniqueness drove consumers to buy innovative products earlier ($\beta = 0.576, p < 0.001$). Interestingly, though the relationship between price consciousness and willingness to use innovative products was not significant, we observed a positive relationship between price consciousness and early purchase of innovative products ($\beta = 0.085, p < 0.05$). Such seemingly incongruent results appeared to suggest that new products promoted by discounts (coupons, gifts, etc.) may work in attracting even those who were price conscious in purchasing innovative products at an early time. Nevertheless, caution should be noted in attracting and retaining such consumers because they were not fascinated by the innovative nature of new products per se, but rather by dollar value as perceived. Therefore, this group of consumers might not likely become loyal customers for companies to further cultivate.

**Lifestyle and luxury consumption (y7-y9)**

Luxury goods are related to the concept of personal desire. In an experimental setting, Kemp (1998) found that a good was regarded as more luxurious if it was the object of desire as opposed to a relief for a state of discomfort. These accounts characterize luxury goods as progressive refinements of basic human needs. People pursue luxury in part to fulfill certain personal desires. Our investigation regarding lifestyles and luxury consumption concentrated on luxury as a signal of taste (“Luxury goods indicate the good taste of the buyers”), the practicability of luxury goods (“Luxury goods are not for practical use”) and quality perception of luxury goods (“Luxury goods are high quality products”).

As reported in Table V, consumers with higher needs for uniqueness ($\beta = 0.159, p < 0.001$) and for respect ($\beta = 0.316, p < 0.05$) were more likely to take luxury goods as a signal of good taste. Such a result echoed the previous research findings suggesting that people buy luxury goods not merely to impress others socially or gain symbolic status, but also to fulfill self-directed pleasures or gratification for themselves (Tsai, 2005; Vigneron and Johnson, 1999). However, consumer with stronger needs for achievement ($\beta = 0.092, p = 0.213$) seemed not hold such belief, which suggested a pragmatic mindset for such consumers. Not surprisingly, price consciousness ($\beta = -0.069, p = 0.072$) and public-interest oriented consumers ($\beta = 0.111, p = 0.070$) did not buy in the symbolic value of luxury goods.

Echoing the findings above, price consciousness ($\beta = 0.235, p < 0.001$) and public-interest oriented consumers ($\beta = 0.245, p < 0.001$) tended to believe that luxury goods were of little practical value. Need for uniqueness also drove consumers to look down on the practicability of luxury goods ($\beta = 0.121, p < 0.05$).

Public-interest orientation was found positively associated with quality perception of luxury goods ($\beta = 0.143, p < 0.05$), which suggested that consumers with stronger public interest concern might in fact hold an implicit positive attitude toward luxury goods. A belief of high quality in luxury goods was driven by need for respect ($\beta = -0.256, p < 0.001$), but not by need for achievement ($\beta = -0.064, p=0.383$). This might provide additional evidence supporting the argument that need for (self-oriented) achievement, as compared to need for (other-oriented) respect, resulted in a more pragmatic mindset. Price conscious consumer did not appreciate the high quality of luxury goods ($\beta = 0.052$, ...
Our results showed positive impacts of “need for uniqueness” ($\beta = 0.615$, $p < 0.001$) and price consciousness ($\beta = 0.234$, $p < 0.001$) on impulse purchases. In other words, the high level of need for uniqueness led to less control that consumers imposed in regulating his/her impulse purchases. Surprisingly, we found that such linkage was the same for price conscious consumer group. General speaking, consumers with price concerns did more calculations before making final purchase decisions, which could make them feel that they had better control of their spending. Following this logic, there should be a negative relationship between price consciousness and impulse purchases. However, research shows that the inability to appreciate the motivational force of impulse may lead people to overestimate their capacity to control temptation (Nordgren et al., 2009), which is noted as a “restraint bias”. This biased perception of restraint has important consequences for people’s self-control strategies. For instance, inflated impulse-control beliefs led people to overexpose themselves to temptation, thereby promoting impulsive behavior. Nordgren et al. (2009) further revealed that differences in impulse-control beliefs would influence the extent to which people expose themselves to temptation. Though we did not measure self-control directly in the current study, it is worthy to be further investigated in future studies.

Two other negative relationships with impulse purchases were reported in our study, namely, those with public-interest orientation ($\beta = -0.258$, $p=0.001$) and need for achievement ($\beta = -0.250$, $p < 0.01$). The Chinese culture, like many Eastern cultures, values the future more than the present (Chen et al., 2005), and delayed gratification and restraint are seen as the highest forms of virtues. Consequently, to control one’s impulsiveness is one of the most desirable norms in societies like China. This may explain why public-interest oriented and/or achievement-driven consumers seemed to demonstrate better controls in impulse purchases. In addition, it is suggested that consumers with more self-control resources are more likely to resist impulsive buying (Vohs and Faber, 2007). In a high power-distance-belief society like China, people routinely practice self control which enables them to resist impulsive purchase. Nevertheless, as our results indicated, this self-control effect worked well only for those who were either public-interest oriented, or achievement-driven. In both cases, self-control was viewed as a desirable social norm. In contrast, need for respect ($\beta = 0.102$, $p=0.146$) did not help consumer to resist the temptation of impulsive purchase.

Other consumption pattern variables

Price tolerance to environmental-friendly products ($\gamma_{13}$)

This variable was measured with the statement “I’d buy those environmental-friendly products, though their prices may be a bit higher.” Except for achievement factor, positive relationships were reported between consumers’ price tolerance toward environmental-friendly and the rest four factors. While it was not surprising to observe a higher price tolerance for public-interest oriented consumers ($\beta = 0.417$, $p < 0.001$), it seemed a little unexpected to see that price conscious consumers became less price sensitive to environmental-friendly products which were relatively expensive ($\beta = 0.112$, $p = 0.001$). Though normally sold at significantly high prices, the environmental-friendly products normally possessed long-term operation efficiency, which in turn might help reduce total product costs from the perspective of consumers. Thus, it was not impossible to charge a premium from even price conscious consumers for...
environmental-friendly products, as indicated by our results. In the other perspective, being prone to hunt for deals achieved economic incentive at the cost of social incentives (Ashworth et al., 2005). Those keen on price comparison might look cheap. So, for price conscious consumer, to overcome the painful trade-off between social and economic incentive, it was reasonable and justifiable for them to spend a bit more to buy some (often publicly visible) environmental-friendly goods. After all, consumers self-reported with eastern lifestyles were more likely to be public-interest oriented.

The positive and significant relationship between price tolerance and need for respect ($\beta = 0.215$, $p < 0.001$) indicated that some consumers paid extra money for environmental-friendly products with an aim to receive respect from others. As pointed out by Marchlewski et al. (2006), consumers chose products not only on the basis of the products’ attributes but also to create and maintain a desired social identity. The preference for consuming products which allow for enhancing a social identity can be so strong that it alters consumers’ perceptions of the products’ attributes. Our finding suggested that when promoting environmental-friendly products to Chinese consumers, marketers could either use the functional utility (for price conscious consumers) or establishing a socially desirable buyer image to attract those who wish to gain more respect from others via their consumption choices. In contrast, consumers with strong need for achievement would not ($\beta = -0.005$, $p=0.934$) pay premium for environmental-friendly products, indicating their pragmatism.

Status consumption ($\gamma_{14}$)

To measure this construct, we focused on one of the products with highest level of involvement for affluent Chinese, i.e. cars. The measurement is applied with the statement “my car should reflect my status.” Need for uniqueness reinforces such belief ($\beta = 0.256$, $p < 0.01$), while price consciousness was not significantly related to it ($\beta = -0.005$, $p=0.934$). Consumers with stronger public-interest orientation were more willing to express their status with their cars ($\beta = 0.114$, $p < 0.05$), indicating the subtle extrinsic nature of this seemingly solely intrinsic lifestyle. Need for achievement ($\beta = 0.163$, $p < 0.05$) and respect ($\beta = 0.283$, $p < 0.001$) both resulted in the intention to communicate owners’ status with their cars, however, the impact of “need for achievement” appeared weaker. This finding again confirmed the pragmatic mindset of consumers with need for (self-oriented) achievement vs. (other-oriented) respect.

**Discussion and conclusion: portraying affluent Chinese consumers**

In the previous section, we analyzed and discussed the impacts of the five lifestyle factors on various consumption variables. Based on these results, we portrayed several pictures for each type of lifestyle groups as below.

**Need for uniqueness: “the contingent consumers”**

It seemed hard to profile a consistent behavior mode for consumer’s characteristic of strong need for uniqueness among affluent Chinese. In terms of brand preference, favoring either local or domestic brands would fulfill their needs for being unique. In a sense, brands were even negligible, since denying the importance of brands or even buying counterfeit brands could also bring them the sense of uniqueness. Such evidence suggested that need for uniqueness might cultivate autonomous consumers equipped with an adaptive toolkit for their consumer behavior. For the single end of uniqueness, they got versatile means to choose. In a similar sense, consumers with stronger need for uniqueness not only admitted the high quality and symbolic value of luxury goods, but also believed that luxury goods were lack of applicability. The paradox at a glance might in fact demonstrate their contingent and balanced pattern in various consumer behaviors. Meanwhile, they liked to consult others before making their own purchase decision, which was incongruent with the need for uniqueness as people normally saw it. Interestingly, these uniqueness consumers were less willing to recommend a product to others, possibly with a concern that promoting a product through WOM might decrease the uniqueness of their possessions (Cheema and Kaikati, 2010). They would like to play the role of the “conformist individualist” (Doctoroff, 2005) but were reluctant to help others confirm.

**Price consciousness: “the over-confident”**

By definition, price conscious consumers were those who check the prices, even for small items (Aliawadi et al., 2001). Because they normally compared prices of at least a few brands before reaching a final purchase decision, price conscious consumers were most likely to be active in exchanging product-related information. This was confirmed in our study which showed that price conscious consumers were not only passionate in seeking opinions from others but also energetic in sharing their own consumption experiences with others. One could further infer that the frequent updating of price information might lead these price conscious consumers to overexpose themselves to temptation, thus resulting in poor self-control in impulse purchasing as suggested by our findings.

Possibly because they relied heavily on price (Huff and Alden, 1998), price conscious consumers showed positive attitudes toward relatively inexpensive local brands and cheap counterfeits as well. On the contrary, they neither equated luxury goods with a daily-use device having sufficient functions, nor agreed on their symbolic value as a means to improve one’s social identity. All this evidence, to a certain extent, might also indicate that price conscious consumers have no interests to gain more “confidence” through their consumption. In contrast, they just perceived themselves as confident consumers in actively searching and passing price/product information.

Finally, it was worth noting that price conscious consumers did not always refuse expensive goods, and environmental-friendly goods make such a case in point. There are two possible accounts behind it. First, as noted earlier, those environmental-friendly products were expensive in terms of their selling prices. However, when the long-term working efficiency and maintenance fees were considered, the total costs of the “expensive” products might not be as expensive as it was perceived at first glance. Second, frugality and environmental-friendship were both traditionally regarded as virtues (social norms) in China. Our results from independent samples $t$-test supported such notion, i.e. respondents who classified themselves as typical consumers with eastern lifestyle (as compared to western lifestyles) were more likely to report higher ratings on items measuring “price
Public-interest oriented: “the disguised”

Our results showed that consumers who exhibited higher orientation in public-interest demonstrated the following traits:

- enjoying innovative products;
- willing to recommend;
- preferring to local brands;
- treating luxury goods as less practical;
- viewing car ownership as a means to signal social status; and
- having higher price tolerances for environmental-friendly products.

Meanwhile, this group of consumer was less likely to be impulse buyer, unwilling to consult others for purchasing decisions, rejected foreign brands and disliked counterfeit goods.

Furthermore, we found a positive and significant correlation between public-interest orientation and need for achievement ($\phi = 0.546, p < 0.01$), and need for respect ($\phi = 0.449, p < 0.01$), respectively. This finding suggested that there might be a dual purpose when some Chinese consumers showed high orientation in public-interest. On one hand, people were concerned about public welfare from their hearts (intrinsic motivation). On the other hand, there might also be a self-presentation motivation behind such altruistic behaviors (extrinsic motivation) (Holbrook, 1999).

In addition, public-interest orientation was widely viewed as a virtue (or norm) in China, thus was socially desired. On the contrary, impulse buying, counterfeit purchasing and bestowing favor on foreign brands were not encouraged under Chinese social norms. To maintain a consistent virtue belief, the public-interest oriented consumers thus exhibited complex and deep thoughts in their consumption choices as noted above.

Need for achievement: “the pragmatic”

Consumers with strong need for achievement tended to favor innovative products but this need did not necessarily turn them into early adopters. They hardly believe luxury goods disclose high taste and barely think these goods were of practical use even though they were unwilling to buy counterfeits and admitted the salience of brands in their purchase. They were less likely to fall into the trap of impulsive purchase and were not inclined to pay more for environmental-friendly products. Need for achievement might accompany self-control and risk concern. In comparison to those seeking respect from others, they were pragmatic and appeared more self-oriented.

Need for respect: “the flamboyant”

Some Chinese affluent sought others’ respect through:

- becoming an early user of innovative products;
- buying products that are environmentally friendly; and
- choosing the car model that fit into one’s status.

It seemed that such consumer group made use of every chance to express their self-image in their consumption. These consumers believed in the high quality and good taste from luxury goods consumption. They were sophisticated in that the good taste derived from luxury goods could bring them a sense of respect, but the identity of a foreign brand itself was inadequate. So, the salience of brand in a broad sense for these consumers was not as strong as it was for those with a strong need for achievement.

Managerial implications

The consumer market to date has become a global market, largely due to the increasing intensity in competition empowered by advanced technology in manufacturing, transportation and communication. China, a country accommodating more than one fifth of the global population, is becoming an increasingly important market that most multinational firms cannot afford to lose. Within the market, the affluent Chinese consumers are particularly important because of their wealth as well as the numbers that are rising. Nevertheless, the affluent market has never been a single market segment. In order to successfully compete for share-of-wallet of the rising affluent Chinese consumers, marketers need to develop a deeper understanding of these consumers so they can better segment the market and consequently better position their products via more effective marketing communication.

The findings from the current study have important managerial implications for marketers, particularly those from multinational firms, to better understand Chinese consumers. First, our study outlined five lifestyles that capture different ways in which affluent Chinese consumers live and interact with their environment. Though these lifestyles may not be exclusive to each other, the detailed portraits for each individual lifestyle help marketers to understand their target consumers better. For instance, to be price conscious is an accepted lifestyle, even among affluent consumer groups. While such a finding may sound self-contradicting according to western standards, it is a common way of living in China, partially because frugality is widely held as a virtue in China. This trait could help firms to design their products by incorporating virtues that are valued by Chinese consumers. Environmental-friendly product is such a case.

Second, our results show that products are the building blocks of lifestyles. Consumers buy various products in alignment with their existing or expected lifestyles. For instance, the flamboyant consumers exhibited more materialism and could be easily attracted by products that signal various aspects of social status. In China, the innovative products or even environmental-friendly products can be used as a means for self-expression. More critically, there are groups who want badly for uniqueness, but cannot deny the desirability of others’ acceptance in their consumption. Marketers may acquire these consumers effectively by positioning their products as uniqueness backed by social approval.
Third, the framework and findings from the present study provide useful information for marketers to formulate their segmentation strategies. The five lifestyle factors discussed in the paper were extracted from data in a large scale survey, covering 1,317 consumers who represent affluent Chinese consumers across various geographic locations. The degree of affluence is controlled within a reasonable range to reflect the economic differences among big coastal cities and those of tier 2 and tier 3 cities.

Limitations and future research

The current study also raises several issues relevant to further research on linking lifestyles to consumption patterns. First, Research evidence suggests that even a relatively unattractive product becomes more appealing when evaluated with other, liked products (Hsee and Leclerc, 1998). Thus, product complementarity may occur when the symbolic meanings of different products are related to each other. In the current study, we examined product categories as if they were independent, thus leaving room to further investigate the lifestyle influence on consumption patterns within a constellation of interrelated products. Second, the current study employed just one instrument, i.e. survey, in data collection. To further improve the validity of the study, future research could be conducted by incorporating consumers’ behavioral data such as actual purchase data. Third and finally, this study was conducted at one point in time. For the results to possess high external validity, longitudinal designs could be incorporated.

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Further reading


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