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The Chinese cultural norms as a determinant of the Chinese luxury consumptions – recommendations for brand strategies

Summary:

The Chinese luxury market has witnessed remarkable growth and has become a significant player in the global luxury industry. However, the influence of Chinese cultural norms on this market remains a crucial aspect that requires exploration and understanding. This paper aiming to analyze and reveal the impacts of Chinese cultural norms on consumer behavior and the demand for luxury goods in China. China's cultural norms, characterized by the emphasis on social status, face culture, social relationships, reciprocity, traditional values, and aesthetic perspectives, play a substantial role in shaping consumer attitudes and behavior towards luxury brands. It is essential to analyze these cultural norms in order to identify the key factors that influence the Chinese luxury market. The authors research provides contribution to better understanding of the complexities and nuances associated with the consumption of luxury goods in China. Additionally, the findings of this study will provide valuable insights and implications for luxury brand managers and marketers seeking to develop effective strategies to thrive in the Chinese luxury market.

Keywords:

Chinese cultural norms, luxury goods, consumer attitudes, social status, social relationships

1. INTRODUCTION

The Chinese luxury market has witnessed rapid development and has emerged as a significant player in the global luxury industry over the past few decades. However, the influence of unique Chinese cultural norms on this market has sparked interest in exploring the cultural factors that shape the key elements of the Chinese luxury market. Chinese cultural norms encompass the core values and behavioral guidelines prevalent in Chinese society, such as social status, face culture, social relationships, traditional values, and aesthetic perspectives. These cultural norms play a crucial role in the Chinese luxury market, impacting consumer demand and purchase decisions for luxury goods.

It is essential to be aware about how do Chinese cultural norms impact consumer behavior and shape the key elements of the Chinese luxury market? This question seeks to uncover the underlying cultural factors that influence consumer preferences, attitudes, and purchase decisions in the luxury market context. Furthermore, this study aims to address the following sub-questions: a) What

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are the specific cultural norms prevalent in Chinese society that impact the luxury market? b) How do social status and face culture influence consumer behavior and brand preferences in the Chinese luxury market? c) What role do social relationships and reciprocity play in shaping luxury consumption patterns in China? d) How do traditional values and aesthetic perspectives influence consumer perceptions of luxury brands in the Chinese market? e) How does the cultural inclination towards teamwork and collectivism impact luxury brand preferences and purchasing decisions? f) What role does education and cultural identity play in shaping consumer behavior in the Chinese luxury market? By addressing the research questions, this study aims to contribute to both the academic understanding and practical implications of the Chinese luxury market.

2. METHODOLOGY

In this study, the authors focused on a top-down approach to deductive research strategy, which means studying the available relevant theoretical literature as a reference base, gathering and analysing data, and drawing conclusions. The main research methodology was mainly a quality method based on secondary research analysing scientific publications, studies, statistical data and online literature sources. The conclusions and recommendations based on these research findings reflect the authors' own professional views.

Structure of this paper: After the Introduction part in which the main characteristics and current emerging trends of the Chinese Luxury Market and the Chinese cultural norms summarized, and the Methodological Sections, the remaining part of the paper is structured as follows. Section 3 reveals the cultural norm factors reshaping the Chinese Luxury Market trends. The next section provides deeper insight into the different luxury market strategies and their adoption (pricing, communication, brand-building, product and design innovations. Finally, outlook will be provided about the future developments of Chinese luxury goods market and different proposals for the professional experts and marketers will be summarized.

3. OVERVIEW OF THE CHINESE LUXURY MARKET AND CULTURAL NORMS

The Chinese Luxury Goods Market stands as a testament to the remarkable transformation of China's economic landscape over the past few decades. China's rapid industrialization and urbanization have contributed to remarkable economic growth. This transformation has not only elevated millions of people out of poverty but has also created a burgeoning middle class with increased purchasing power. As China has rapidly emerged as a global economic powerhouse, so too has its luxury market experienced exponential growth. Consequently, China has emerged as one of the largest consumers of luxury goods globally. "In 2018, Chinese consumers at home and abroad spent 770 billion RMB (\$115 billion) on luxury items—equivalent to a third of the global spend—with each luxury-consuming household spending an average of 80,000 RMB per year. Their outlay is set to almost double to 1.2 trillion RMB by 2025, when 40 percent of the world's spending on luxury goods will be conducted by Chinese consumers. 32 percent of personal luxury goods are currently sold to Chinese consumers, including overseas sales to Chinese. This number is expected to grow to 40 percent in

2025”².

The below Figure 1. indicates the growing trends of the Chinese Luxury Goods Market compared to rest of the world in form of column chart between 2012-2025 time period. The values of 2025 are predictions.

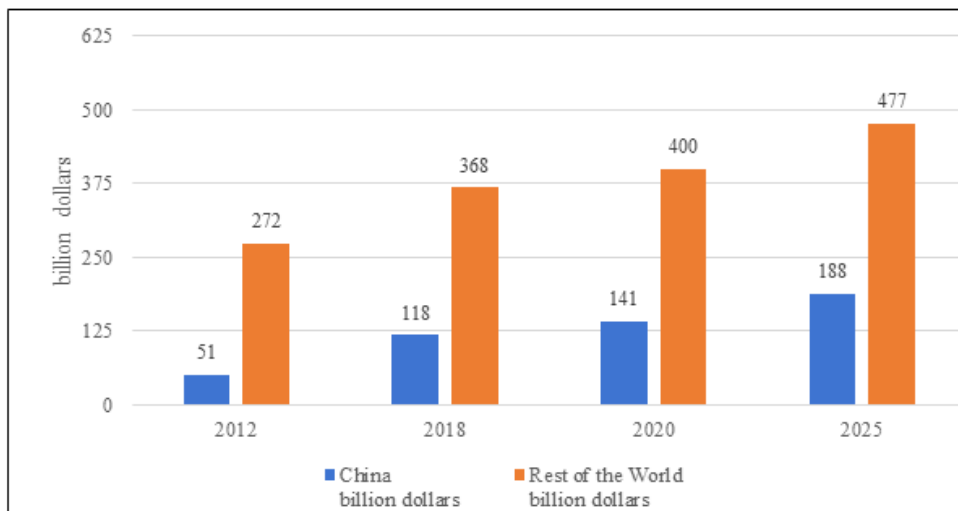


Figure 1. Size of the Chinese Luxury Goods Market (2012-2025)

Source: Own edition based on Buchholz, (2019). Chinese Consumers Drive Global Luxury Market Growth; available at <https://www.statista.com/chart/18076/chinas-luxury-market-share-and-market-share-growth/>; [access on August 14, 2024].

Many luxury companies are making use of social media to promote their brands and products. Louis Vuitton and Gucci were the most active and successful high-end apparel and handbag brands on China’s Twitter-like platform Weibo, scoring over 94 points in a brand index as of the third quarter of 2022. The market is expected to grow annually by 3,93% (CAGR 2024-2028)³.

The Figure 2. illustrates the revenue changes trends in the Chinese Luxury Market between 2018-2028.

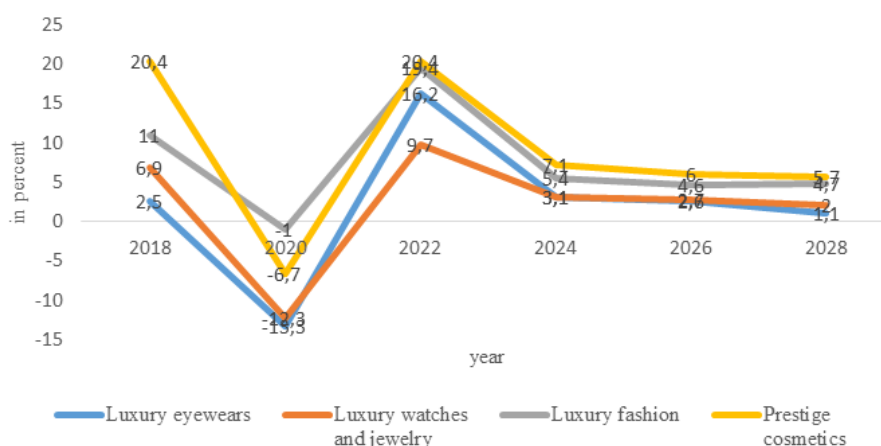


Figure 2. Changes of the Chinese Luxury Market Revenues by Segments (2018-2028)

Source: Own edition based on Statista (2023). Market Insights. Luxury Goods – China; <https://www.statista.com/outlook/cmo/luxury-goods/china>; [access on July 31, 2024].

² MacKinsey &Company (2019). China Luxury Report 2019. How young Chinese consumers are reshaping global luxury; <https://www.mckinsey.com.cn/wp-content/uploads/2019/04/McKinsey-China-Luxury-Report-2019-English.pdf>; [access on August 12, 2024].

³ Lai. (2023). Leading luxury apparel and handbag brands on Weibo in China Q3 2022; available at <https://www.statista.com/statistics/1326783/china-leading-luxury-apparel-and-handbag-brands-on-weibo/>; access on August 15, 2024; Statista (2023). Market Insights. Luxury Goods – China; available at <https://www.statista.com/outlook/cmo/luxury-goods/china>; [access on July 31, 2024].

Understanding the dynamics of the Chinese Luxury Goods Market through the lens of cultural norms necessitates delving into the rich historical context of China's relationship with luxury. The interplay between culture and luxury consumption is deeply rooted in centuries of tradition and societal evolution.

Ancient China- Cradle of Luxury

China has a long history of craftsmanship and the production of exquisite goods. As far back as the Tang Dynasty (618–907 AD), Chinese artisans were renowned for their craftsmanship, producing luxury items such as porcelain, silk, and lacquerware. These items were not only prized for their functionality but also for their artistic value and were often gifted to royalty and foreign dignitaries⁴.

Imperial China- Symbolism of Luxury

Imperial China placed great emphasis on luxury as a symbol of power and prestige. Emperors and the elite class adorned themselves and their palaces with opulent textiles, jewelry, and art. Luxury items symbolized not only wealth but also the cultural sophistication and refinement of the ruling class⁵.

Era of Austerity - Cultural Revolution

The mid-20th century saw a dramatic shift in China's socio-political landscape with the Cultural Revolution (1966-1976). During this period, the promotion of luxury and conspicuous consumption was strongly discouraged, and many luxury items were considered bourgeois and decadent. The possession of luxury goods became associated with counter-revolutionary behavior, leading to the destruction of numerous valuable artifacts⁶.

Post-Reform China- The Emergence of Luxury

The economic reforms initiated by Deng Xiaoping in the late 1970s ushered in a new era for China. As the nation transitioned from a planned economy to a market-driven one, unprecedented economic growth ensued. The rise of a burgeoning middle class with increased purchasing power fueled a renewed interest in luxury goods. Luxury brands, previously absent from the Chinese market, began to establish a presence, recognizing the potential of this emerging consumer base⁷.

Contemporary China- Luxury as a Cultural Marker

In contemporary China, luxury consumption extends beyond materialism. It is intertwined with cultural norms and societal values. The deep-rooted cultural norms of Confucianism, face culture,

4 Chen and Li (2019). Effects of Singles' Day atmosphere stimuli and Confucian values on consumer purchase intention. *Asia Pacific Journal of Marketing and Logistics*. DOI: 10.1108/apjml-05-2019-0294.

5 Wu, Luo, Schroeder, and Borgerson (2017). Forms of inconspicuous consumption. *Marketing Theory*, 17(4), 491-516. DOI: 10.1177/1470593117710983; Peng and Chang (2012). The foundations of Chinese attitudes towards advocating luxury spending. *The European Journal of the History of Economic Thought*, 19(4), 691-708. DOI: 10.1080/09672567.2010.540342.

6 Sun, Alessandro and Johnson (2014). Traditional culture, political ideologies, materialism and luxury consumption in China. *International Journal of Consumer Studies*, 38, 578-585, DOI: 10.1111/IJCS.12117.; Zhang, and Kim (2013). Luxury fashion consumption in China: Factors affecting attitude and purchase intent. *Journal of Retailing and Consumer Services*, 20(1), 68-79. DOI: 10.1016/J.JRETCONSER.2012.10.007.

7 Donzé and Fujioka (2015). European luxury big business and emerging Asian markets, 1960–2010. *Business History*, 57(5), 822-840. DOI: 10.1080/00076791.2014.982104.; Jiang, L. & Shan, J. (2018). Heterogeneity of luxury value perception: a generational comparison in China. *International Marketing Review*, 35, 458-474. DOI: 10.1108/IMR-12-2015-0271.

and collectivism influence consumer behavior. Luxury goods are not merely status symbols; they are expressions of respect for tradition, symbols of social standing, and means to gain or preserve face in the eyes of peers and society. Today, luxury brands have to navigate a landscape that values not just opulence but authenticity, heritage, and alignment with cultural norms. This complex historical backdrop underscores the importance of comprehending the nuanced relationship between cultural norms and luxury consumption in contemporary China ⁸.

The relationship between cultural norms and economic behavior in China is intricate, as these norms exert a significant impact on consumer choices, preferences, and spending patterns in the luxury sector. The Rise of China's Affluent Class: Over the past few decades, China has undergone an unprecedented economic transformation, propelling it to the forefront of the global economy. With a rapidly expanding middle class and growing disposable incomes, the nation has experienced a surge in consumer spending, particularly in the luxury goods sector. This burgeoning affluent class has become a driving force behind the Chinese Luxury Goods Market. The Luxury Consumption Boom: China's newfound to most Chinese citizens, have become coveted items, symbols of success, and markers of social status. This burgeoning demand for luxury products is closely tied to cultural norms that emphasize prestige, respect for tradition, and face culture.

The Chinese Luxury Goods Market is not only a reflection of economic prosperity but also a catalyst for it. The market generates employment opportunities, fuels innovation, and contributes significantly to the nation's GDP. Luxury brands have recognized the economic potential of China and have adapted their strategies to cater to Chinese consumers.

The economic significance of the Chinese Luxury Goods Market is inextricably linked to cultural norms. These norms guide consumers in their luxury purchasing decisions, influencing brand choices, product preferences, and spending behavior. As luxury brands strive to establish a presence in this lucrative market, an understanding of these cultural factors is imperative to navigate the nuances of consumer behavior and leverage the economic opportunities presented by China's flourishing luxury sector.

Defining luxury in the context of the Chinese Luxury Goods Market requires a nuanced understanding. Luxury goods encompass products and services that go beyond fulfilling basic functional needs. They are characterized by their exceptional quality, craftsmanship, exclusivity, and often, their high price tags. However, contemporary trends reveal a shift in the definition of luxury among Chinese consumers. However, beneath the surface of this thriving industry lies a complex web of cultural norms that exert a profound influence on the consumption patterns and behaviors of Chinese consumers. The intertwining relationship between culture and commerce is not a novel concept, but its significance in the context of the Chinese luxury market is particularly pronounced. Understanding how cultural norms shape consumer preferences, purchasing decisions, and brand loyalty is crucial for luxury brands for a share of this lucrative market.

⁸ Zhang and Wang (2019). Face consciousness and conspicuous luxury consumption in China. *Journal of Contemporary Marketing Science*. DOI: 10.1108/JCMARS-01-2019-0002.; Mo (2020). "Income vs. education" revisited - the roles of "family face" and gender in Chinese consumers' luxury consumption. *Asia Pacific Journal of Marketing and Logistics*, 32(3), 487-505, DOI: 10.1108/apjml-12-2019-0733.; Oswald (2016). Decoding the China luxury market; *Research World* (58):50-52; DOI: 10.1002/rwm3.20375.

To comprehensively explore the critical factors impacting the Chinese Luxury Goods Market from the perspective of Chinese cultural norms, it is essential to establish a robust theoretical framework that provides a structured approach to understanding this complex interplay. This theoretical framework draws upon several key theories and concepts, each contributing to a deeper understanding of the phenomenon under investigation.

Geert Hofstede's framework provides a foundational understanding of cultural norms and their impact on behavior. While originally developed for cross-cultural studies in a corporate context, its application to the luxury market in China is pertinent. The dimensions of individualism-collectivism, power distance, uncertainty avoidance, and masculinity-femininity offer insights into how cultural norms influence consumer behavior, brand preferences, and market dynamics ⁹.

Theory of Planned Behavior (TPB): Ajzen's TPB posits that consumer behavior is influenced by attitudes, subjective norms, and perceived behavioral control. In the context of luxury consumption in China, this theory helps explain how cultural norms shape attitudes toward luxury goods, the influence of social norms on purchase decisions, and the perceived control individuals have over luxury consumption ¹⁰.

Aaker's Brand Equity Model helps us understand how luxury brands establish and maintain value in the eyes of consumers. The model consists of brand awareness, brand loyalty, brand perceived quality, and brand associations. Cultural norms influence each of these dimensions by shaping consumers' perceptions of prestige, tradition, and social acceptance associated with luxury brands ¹¹.

Kapferer's Luxury Brand Pyramid illustrates the various layers of luxury brand identity, from the functional attributes at the base to the cultural symbols and icons at the top. Cultural norms play a crucial role in elevating luxury brands to higher tiers of the pyramid, where they become potent symbols of cultural values and norms ¹².

Steenkamp and Baumgartner's Cultural Adaptation Framework guides our understanding of how luxury brands adapt their strategies to align with cultural norms. It emphasizes the importance of localizing marketing communications, products, and retail experiences to resonate with cultural values, such as face culture and collectivism ¹³.

⁹ Stathopoulou, and Balabanis (2019). The effect of cultural value orientation on consumers' perceptions of luxury value and proclivity for luxury consumption. *Journal of Business Research*, DOI: 10.1016/J.JBUSRES.2019.02.053; Zhang and He, (2012). Understanding luxury consumption in China: Consumer perceptions of best-known brands. *Journal of Business Research*. DOI: 10.1016/J.JBUSRES.2011.10.011.; Zhang and Zhao (2019). Personal value vs. luxury value: What are Chinese luxury consumers shopping for when buying luxury fashion goods? *Journal of Retailing and Consumer Services*, DOI: 10.1016/J.JRETCONSER.2019.05.027

¹⁰ Jebarajakirthy and Das (2021). Uniqueness and luxury: A moderated mediation approach. *Journal of Retailing and Consumer Services*, 60, 102477. DOI: 10.1016/J.JRETCONSER.2021.102477.; Zhang and Wang (2019). Face consciousness and conspicuous luxury consumption in China. *Journal of Contemporary Marketing Science*. DOI: 10.1108/JCMARS-01-2019-0002.

¹¹ Siu, Kwan, and Zeng (2016). The role of brand equity and face saving in Chinese luxury consumption. *Journal of Consumer Marketing*, 33(3), 245-256. DOI: 10.1108/JCM-08-2014-1116; Han, S. H., Chen, C. H. S., and Lee, T. J. (2021). The interaction between individual cultural values and the cognitive and social processes of global restaurant brand equity. *International Journal of Hospitality Management*, 94, 102847. DOI: 10.1016/J.IJHM.2020.102847.

¹² He and Wang (2017). How global brands incorporating local cultural elements increase consumer purchase likelihood: An empirical study in China. *International Marketing Review*, 34(4), 463-479. DOI: 10.1108/IMR-08-2014-0272; Choi, Y., Seo, Y., Wagner, U., and Yoon, S. (2020). Matching luxury brand appeals with attitude functions on social media across cultures. *Journal of Business Research*, 117, 520-528. DOI: 10.1016/J.JBUSRES.2018.10.003.

¹³ Bartikowski, Fastoso, and Gierl (2019). Luxury cars Made-in-China: Consequences for brand positioning. *Journal of Business Research*, 10.1016/J.JBUSRES.2019.01.072.; Wang and Qiao (2020). The symbolic meaning of luxury-lite fashion brands among younger Chinese consumers. *Journal of Fashion Marketing and Management*, 24, 83-98. DOI: 10.1108/JFMM-09-2019-0204.

Ethnographic research, in particular, provides an in-depth understanding of consumer behaviors and cultural norms through participant observation and immersive fieldwork. Such research methods are valuable for uncovering nuances that quantitative data may not capture ¹⁴.

China boasts a rich tapestry of diverse regional cultures, traditions, and a history dating back millennia. Within this complexity, several core cultural norms profoundly impact the Chinese Luxury Goods Market. Cultural norms are the unwritten rules, values, and behavioral expectations that guide individuals within a society. In China, these norms are deeply ingrained and have a profound impact on every aspect of life, including consumption patterns. Key cultural norms that significantly affect the luxury market include Confucian values, face culture, and collectivism, as you can see in the below Table 1.

¹⁴ Christodoulides, G., Athwal, N., Boukis, A., and Semaan, R. W. (2021). New forms of luxury consumption in the sharing economy. *Journal of Business Research*, 137, 89-99. DOI: 10.1016/J.JBUSRES.2021.08.022.; Kong, Witmaier and Ko (2020). Sustainability and social media communication: How consumers respond to marketing efforts of luxury and non-luxury fashion brands. *Journal of Business Research*. DOI: 10.1016/J.JBUSRES.2020.08.021.

Table 1. Summary of the main characteristics of the Chinese culture

FEATURE	BRIEF DESCRIPTION
Confucian Values	Confucianism, a deeply ingrained philosophical system in Chinese society, emphasizes principles such as filial piety, respect for authority, and the importance of harmonious interpersonal relationships. These values have far-reaching implications for luxury consumption. Luxury items are often seen as a means to reflect respect for tradition, honor family, and contribute to social harmony.
Face Culture	The concept of „face” (mian zi) is a cornerstone of Chinese culture. It encompasses one’s reputation, dignity, and social standing. Luxury goods offer individuals an avenue to enhance their social status and acquire or preserve face in the eyes of their peers and social circles. Possessing luxury items becomes a visible marker of one’s prestige and success.
Collectivism	Chinese culture places a strong emphasis on collectivism and group identity. Family, friends, and social networks exert significant influence over luxury consumption decisions. The act of purchasing luxury goods can be driven not only by personal desires but also by a desire to conform to group expectations. Collective approval and social recognition play a pivotal role in luxury consumption choices.

Source: Own edition based on Zhang, L., and He, Y. (2012). Understanding luxury consumption in China: Consumer perceptions of best-known brands. *Journal of Business Research*. DOI: 10.1016/J.JBUSRES.2011.10.011; Sun, D’Alessandro, and Johnson (2014). Traditional culture, political ideologies, materialism and luxury consumption in China. *International Journal of Consumer Studies*, 38, 578-585, DOI: 10.1111/IJCS.12117.; Wei, X., & Jung, S. (2017). Understanding Chinese Consumers’ Intention to Purchase Sustainable Fashion Products: The Moderating Role of Face-Saving Orientation. *Sustainability*. DOI: 10.3390/SU9091570.; Jiang, L. & Shan, J. (2018). Heterogeneity of luxury value perception: a generational comparison in China. *International Marketing Review*, 35, 458-474. DOI: 10.1108/IMR-12-2015-0271.; Stathopoulou and Balabanis (2019). The effect of cultural value orientation on consumers’ perceptions of luxury value and proclivity for luxury consumption. *Journal of Business Research*, DOI: 10.1016/J.JBUSRES.2019.02.053.

Recent shifts in consumer behavior indicate that modern Chinese luxury consumers prioritize authenticity, personalization, and the preservation of brand heritage. This evolving definition of luxury presents both challenges and opportunities for luxury brands seeking to navigate this dynamic market.

4. CULTURAL NORM FACTORS AFFECTING THE CHINESE LUXURY MARKET

Understanding the dynamic relationship between Chinese cultural norms and the Luxury Goods Market is crucial for market participants. Chinese cultural norms, deeply rooted in tradition, greatly influence luxury consumption patterns. This section provides a concise overview of the key cultural norms and their impact on the Chinese Luxury Goods Market. It serves as the foundation for a more in-depth exploration in subsequent chapters. Cultural norms in China, including traditional values and political ideologies, have been found to influence materialistic aspirations and interest in luxury products. This is significant for understanding the motivations behind luxury consumption in China ¹⁵. A study has shown that cultural values influence consumers' perceptions of luxury products, with self-enhancement and social luxury values being key drivers of consumers' proclivity for luxury consumption. This has important marketing implications for segmenting luxury customers in a cross-cultural setting ¹⁶.

4.1. ESSENCE OF THE CHINESE CULTURAL NORMS

Cultural norms are the collective expression of a society's shared beliefs, customs, and traditions. They serve as a compass for acceptable behavior and are deeply ingrained in the fabric of a culture. In China, cultural norms are shaped by a rich history, philosophical systems, and societal values that have evolved over millennia. Understanding and appreciating the significance of cultural norms in the context of luxury consumption is essential for several reasons as the below Table 2. briefly summarizes.

Table 2. Insight into the cultural norms and luxury consumptions

FACTOR	DESCRIPTION
Consumer behavior	Cultural norms profoundly influence how Chinese consumers perceive, evaluate, and interact with luxury goods. They shape consumer motivations, preferences, and buying decisions.
Brand Strategies	Luxury brands that align with cultural norms can resonate more effectively with consumers. Cultural sensitivity in branding, marketing, and product design is essential for brand success in China.
Market Dynamics	The Chinese Luxury Goods Market is not a monolithic entity but a complex mosaic of regional, generational, and societal influences. Cultural norms play a pivotal role in understanding these nuances.

¹⁵ Sun, G., D'Alessandro, S., & Johnson, L. (2014). Traditional culture, political ideologies, materialism and luxury consumption in China. *International Journal of Consumer Studies*, 38, 578-585, DOI: 10.1111/IJCS.12117.

¹⁶ Stathopoulou, A. and Balabanis, G. (2019). The effect of cultural value orientation on consumers' perceptions of luxury value and proclivity for luxury consumption. *Journal of Business Research*, DOI: 10.1016/J.JBUSRES.2019.02.053.

Cultural Significance	Luxury goods in China are not merely status symbols; they are symbols of cultural values and adherence to tradition. They reflect an individual's respect for authority, desire to preserve face, and commitment to collectivism.
Globalization and Localization	Luxury brands must strike a delicate balance between maintaining their global identity and adapting to local cultural norms. A failure to do so can lead to misalignment with consumer values.
Ethnocentrism vs globalisation of brands	Chinese culture is based on strong respect for customs and traditions that have been developed over centuries. Chinese consumers have tendency to view domestic products as being inferior to foreign-made products. Chinese consumers don't hold high levels of ethnocentrism and have open-mind to the purchase of foreign-made products if these ones have carefully position harmonising to Chinese consumer expectations. As changes in the perceived quality of Chinese domestic goods continue to increase, consumer attitudes and willingness to buy them will change positively. In addition, while individualistic tendencies are becoming apparent in coastal Chinese cities, the strong collective traditions may continue to influence consumers significantly in the future.
Ethical Consideration	Cultural norms also touch upon ethical dimensions, such as the responsible consumption of luxury goods and the preservation of cultural heritage.

Source: Own edition based on (Baidu 2023c; Kong et al. 2023; Parker et al., 2011; Zhou 2014).

Cultural Norms Characteristics

Cultural norms, in the context of the Chinese Luxury Goods Market, represent the shared beliefs, values, and behavioral expectations deeply ingrained in Chinese society. These norms serve as the guiding principles that shape individuals' attitudes, preferences, and actions when it comes to luxury consumption. Understanding cultural norms is crucial for comprehending the intricate relationship between culture and commerce in China ¹⁷.

Cultural norms in China have historical and philosophical foundations that stretch back millennia. Influenced by philosophies such as Confucianism, Taoism, and Buddhism, these norms have evolved over centuries, shaping societal values and ethical frameworks.

Cultural norms are collective in nature, reflecting the shared values and expectations of a community or society. They are not individual preferences but rather represent the broader consensus on what is deemed appropriate behaviour. These norms are typically unwritten and unspoken rules that guide behavior. They are transmitted through generations through socialization, education, and societal practices. These norms significantly influence how individuals interact with their environment, make choices, and conduct themselves in social, familial, and professional settings. In the context of luxury consumption, they dictate how individuals perceive luxury, what it represents, and why it mat-

¹⁷ Wang, Y., Sun, S., & Song, Y. (2010). Motivation for Luxury Consumption: Evidence from a Metropolitan City in China. ERN: Wealth (Topic); Jiang, L. & Shan, J. (2018). Heterogeneity of luxury value perception: a generational comparison in China. *International Marketing Review*, 35, 458-474. DOI: 10.1108/IMR-12-2015-0271.

ters. Cultural norms are not static but dynamic. They adapt and evolve in response to societal changes, globalization, and external influences. As such, they continually shape and reshape the landscape of luxury consumption in China.

In the Chinese Luxury Goods Market, cultural norms hold immense relevance. They underpin the motivations behind luxury purchases, define the symbolic significance of luxury items, and influence brand strategies. For instance: a) Cultural norms such as Confucian values emphasize the importance of tradition and respect for authority. Luxury purchases may be driven by a desire to align with these values. b) Face culture, a deeply ingrained norm, influences luxury consumption as individuals seek to enhance their social status and maintain face through conspicuous consumption. c) Collectivism shapes group dynamics, affecting not only individual choices but also the influence of peer and family opinions on luxury purchases. Recognizing the nuanced definitions and implications of cultural norms is essential for market participants, luxury brands, and researchers seeking to navigate and understand the Chinese Luxury Goods Market comprehensively.

4.2. TRENDS OF THE CHINESE LUXURY MARKET

Defining the concept of luxury and understanding the evolving trends within the Chinese Luxury Goods Market are essential components of comprehending the critical factors influenced by Chinese cultural norms. As the market undergoes rapid transformation, aligning with cultural values is pivotal for luxury brands seeking success in China¹⁸. Moreover, the heterogeneity of luxury value perception among different generations in China suggests that marketers should consider the nuanced behaviors of Chinese luxury consumers rather than treating them as a monolithic group¹⁹.

Defining Luxury in the Chinese Context

Luxury in China has traditionally been associated with social status and prestige. Possessing luxury items is a visible manifestation of success and adherence to cultural norms emphasizing the importance of reputation. Furthermore, luxury products often carry cultural symbolism and heritage, reflecting Chinese values and aesthetics. This cultural connection adds depth and meaning to luxury consumption. Chinese consumers increasingly appreciate the craftsmanship, quality, and authenticity of luxury goods. Cultural norms influence an appreciation for attention to detail and enduring value.

You can observe some emerging contemporary trends in the Chinese Luxury Goods Market.

- While social recognition remains important, there is a growing trend toward individuality and self-expression in luxury consumption. Consumers seek unique and personalized experiences that align with evolving cultural norms related to personal identity.
- The integration of digital technology and e-commerce platforms into luxury retail is a prominent trend. Online shopping, livestreaming, and virtual experiences cater to digitally savvy consumers while reflecting the cultural value of connectivity.

¹⁸ Hung, Ren and Qiu (2021). Luxury shopping abroad: What do Chinese tourists look for? *Tourism Management*, 82, 104182. DOI: 10.1016/j.tourman.2020.104182.; Zhang and Zhao (2019). Personal value vs. luxury value: What are Chinese luxury consumers shopping for when buying luxury fashion goods? *Journal of Retailing and Consumer Services*, DOI: 10.1016/J.JRETCONSER.2019.05.027.

¹⁹ Jiang and Shan (2018). Heterogeneity of luxury value perception: a generational comparison in China. *International Marketing Review*, 35, 458-474. DOI: 10.1108/IMR-12-2015-0271.

- Cultural norms related to environmental responsibility and ethical consumption are gaining prominence, particularly among younger generations. Luxury brands are responding by adopting sustainable practices and communicating their ethical commitments.
- Regional variations in cultural norms influence luxury preferences. Brands recognize the importance of localization and may tailor products or marketing strategies to cater to different regional markets within China. Cross-border luxury shopping, whether through travel or e-commerce, remains a significant trend, driven by cultural norms related to international recognition and status symbols.
- Aesthetic preferences influenced by Chinese culture are driving interest in luxury items with artistic or cultural significance. Brands are incorporating Chinese elements into their designs and collaborations.
- Globalization has expanded Chinese consumers' exposure to international luxury brands and trends, influencing their perceptions of luxury. Cultural norms are evolving to encompass a more global outlook.
- The emergence of a diverse consumer demographic, including millennials and Gen Z, is reshaping luxury consumption. These generations bring their unique cultural values and preferences to the luxury market.

Influence of Education Level on the Luxury Market

The Chinese middle-class and affluent consumer (MAC) population will increase by 80 million by 2030. Nearing 40% of the total population, this segment will become a source of long-term resilience for the Chinese consumer market. Consumer preferences have tendency changing with trends and life stages, but each generation has their own unique attitudes, values, and traits that stick with them throughout life. The evolution of China's economy has led to different generations of consumers acquiring vastly different life experiences. Taken as a whole, 80% of China's population of 1.4 billion can be said to be composed of four generations: Gen Z, Gen Y, Gen X, and the baby boomers. These generations are the main creators of social wealth, with Gen X and Gen Y consumers accounting for over 60% of total income²⁰. In the below Table 3, I indicated these social strata relevant personality traits.

²⁰ Chen, Li., Li and Chen (2023). The Next Chapter in China's Consumer Story; available at <https://www.bcg.com/publications/2023/next-chapter-in-chinese-consumer-market>; access on August 13, 2024.; Vogue Business (2023). How to leverage digital trends to drive luxury growth in China; available at <https://www.voguebusiness.com/consumers/how-to-leverage-digital-trends-to-drive-luxury-growth-in-china>; access on August 14, 2024.

Table 3. Chinese consumer profiles

NAME OF THE GENERATION	BEHAVIORAL PATTERN
Generation Z (born between 1995-2009)	This generation can be influenced by digitization and globalization. They value emotional well-being, aesthetics, intellectual enjoyment, and spiritual fulfillment more than any of their predecessors. They tend to relate to more segmented circles and subcultures. Most of them are currently single (79%). Gen Z is the most educated generation in China so far, and their careers are still largely in the beginning phase.
Generation Y (born between 1980-1994)	The main personality trait of this age group including: comprises the first generation of only-children in China and, as such, has received both more attention and higher expectations than the two generations before them. Having benefited from the expansion of compulsory education and urbanization, many moved from small towns to work and settle in medium and large cities, striving to improve themselves. A majority of Gen Y (73%) are already married and have children.
Generation X (born between 1965-1979)	This generation can be characterized with accumulated material wealth. Born in the early stages of social and economic reforms, this group became the backbone of China's market economy. Of all the generations, they currently hold the highest positions in the workplace and have the highest levels of income.
Baby boomers (born between 1950-1964)	They were born during a period of relatively limited material resources. They have rich social and economic experience, a practical nature, and dedication to family and community. As China's boomers move into retirement and a life of leisure, they have more free time to focus on themselves and explore new possibilities.

Source: Own edition based on Chen, Li., Li and Chen (2023). The Next Chapter in China's Consumer Story; available at <https://www.bcg.com/publications/2023/next-chapter-in-chinese-consumer-market>; access on August 13, 2024.

Furthermore, increasing Chinese middle-class, consisting of households with monthly incomes between USD 2,600 and USD 3,900 have become the fast rising consumer segment in China – they have become the subject of much attention from global brands. These new entrants, who are mostly located in second tier cities, spend large amounts of their income on luxury, using their purchases as symbols to display their increasing social and financial status and aspirations, and to self-differentiate²¹.

Impact of Cultural Identity on Luxury Purchasing Behavior

The Chinese luxury market has experienced significant growth over the past three years, becoming more localised, digitised and resistant to risks.

Over the past three years, the Chinese luxury market has experienced significant growth, becoming more localized, digitalized, and resilient. The influence of Chinese cultural identity on luxury purchasing behavior has been a key factor in this evolution. Studies have shown that global identity is positively related to the purchase intention of luxury products, mediated by perceived functional,

²¹ MartinRoll (2020). Chinese Luxury Consumers – Trends and Challenges for Luxury Brands; available at <https://martinroll.com/resources/articles/asia/chinese-luxury-consumers-trends-and-challenges-for-luxury-brands/>; [access on August 14, 2024].

individual, and social value of luxury²².

Additionally, cultural values influence consumers' perceptions of luxury products, with self-enhancement and social luxury values being key drivers of consumers' proclivity for luxury consumption. This indicates that as Chinese consumers become more globally aware, their luxury purchasing behaviors are increasingly driven by a mix of traditional cultural values and a new, more internationalized set of values²³.

5. LUXURY MARKET STRATEGIES AND ADAPTATIONS

5.1. BRAND POSITIONING AND IMAGE BUILDING

In the dynamic and competitive landscape of China's luxury market, brand positioning and image shaping are paramount for capturing the attention and loyalty of consumers. The Chinese luxury consumer has evolved, becoming more discerning and seeking brands that offer not just prestige but also resonance with personal values and cultural nuances. To navigate this complex market, luxury brands must craft a multifaceted strategy that encompasses marketing communication, quality control, and corporate social responsibility²⁴.

The advent of digital platforms has revolutionized the way luxury brands engage with consumers. Social media, in particular, has become a potent tool for storytelling and brand building. Brands that succeed in this space are those that expand their narrative to include stories that resonate with their core segments, particularly the younger demographic. Additionally, the concept of 'luxury-lite' has gained traction, appealing to a broader base by combining high prestige with more accessible price points²⁵.

Regarding brand image, the 'Made-in-China' label has undergone a transformation. Once a cue for lower quality, it now has the potential to transcend the country-of-origin effect, especially in the context of luxury automobiles. This shift indicates a burgeoning national pride and an acceptance of domestic luxury offerings²⁶. Moreover, the physical retail experience remains a significant facet of the luxury brand image. The design and ambiance of stores are pivotal in reinforcing brand prestige and must be meticulously curated to align with consumer expectations. As luxury brands continue to expand their presence in China, they face the standardization-localization dilemma, necessitating a delicate balance between maintaining global brand consistency and adapting to local market nuances²⁷.

²² Yang, Ma, Arnold and Nuttavuthisit (2018). Global identity, perceptions of luxury value and consumer purchase intention: a cross-cultural examination. *Journal of Consumer Marketing*, 35(6), DOI: 10.1108/JCM-02-2017-2081.

²³ Stathopoulou and Balabanis (2019). The effect of cultural value orientation on consumers' perceptions of luxury value and proclivity for luxury consumption. *Journal of Business Research*, DOI: 10.1016/J.JBUSRES.2019.02.053.

²⁴ Ille (2009). Building Chinese global brands through soft technology transfer. *Journal of Chinese Economic and Foreign Trade Studies*, 2, 47-61. DOI: 10.1108/17544400910934342; Truong, McColl and Kitchen (2009). New luxury brand positioning and the emergence of Masstige brands, *Journal of Brand Management*, 16, 375-382. DOI: 10.1057/BM.2009.1.

²⁵ Wang and Qiao (2020). The symbolic meaning of luxury-lite fashion brands among younger Chinese consumers. *Journal of Fashion Marketing and Management*, 24, 83-98. DOI: 10.1108/JFMM-09-2019-0204.

²⁶ Bartikowski, Fastoso and Gierl (2019). Luxury cars Made-in-China: Consequences for brand positioning. *Journal of Business Research*, 10.1016/J.JBUSRES.2019.01.072.

²⁷ Jiang, Nagasawa and Watada (2014). Luxury fashion brand image building: the role of store design in Bally and Tod's Japan; *Management Decision*, 52, 1288-1301. DOI: 10.1108/MD-11-2012-0809; Liu, S., Perry, P., Moore, C., and Warnaby, G. (2016). The standardization-localization dilemma of brand communications for luxury fashion retailers' internationalization into China., *Journal of Business Research*, 69, 357-364. DOI: 10.1016/J.JBUSRES.2015.08.008.

To further refine their positioning, luxury brands are increasingly leveraging celebrity endorsements and influencer partnerships, tapping into the vast followings and the aspirational appeal these figures hold. This strategy not only amplifies brand visibility but also fosters a sense of intimacy and trust with potential consumers²⁸. Sustainability and ethical considerations are also becoming integral to brand image. Discerning consumers are placing greater emphasis on the environmental and social impact of their purchases, prompting luxury brands to adopt more transparent and responsible practices²⁹.

The strategies for brand positioning and image shaping in the Chinese luxury market are multi-faceted and must be informed by an understanding of the local consumer psyche, cultural trends, and the evolving digital landscape. Brands that successfully integrate these elements into their strategy are likely to enjoy sustained competitiveness and profitability in this high-growth market³⁰.

5.2. PRODUCT DESIGN AND INNOVATIONS

The landscape of Chinese luxury product design and innovation is a vibrant tableau where the past and the future converge, creating a unique narrative that is both culturally rich and forward-looking. This narrative is not just about aesthetics; it's about embedding the essence of Chinese culture into the very fabric of luxury goods, making each piece a testament to the country's creative spirit and its journey through time³¹.

Revival of Ancient Chinese Elements

Luxury brands are increasingly looking to China's ancient past for inspiration, reviving long-forgotten elements and reinterpreting them for the modern era. This could involve resurrecting techniques like Kingfisher feather art, once used to create stunningly intricate jewelry for the imperial court, or employing the lost art of Dunhuang frescoes in fabric prints. These historical elements are not just decorative; they carry the soul of Chinese artistry, offering a narrative of luxury that is steeped in cultural pride and craftsmanship³².

Technological Integration in Luxury Design

Innovation in Chinese luxury product design also embraces cutting-edge technology. The integration of smart technology into traditional luxury item is a growing trend, such as embedding NFC (Near Field Communication) chips into jewelry pieces that not only authenticate the product but also tell the story of its creation through augmented reality. This blend of technology and tradition creates a new category of luxury goods that appeals to the tech-savvy, affluent consumer who values both

28 Chevalier and Lu (2010). Luxury brand management in China: Evidence from two markets. *International Journal of Wine Business Research*, 22, 244-259. DOI: 10.1108/17511061011079234.

29 Joy, Sherry, Venkatesh, Wang and Chan (2012). Fast fashion, sustainability, and the ethical appeal of luxury brands. *Fashion Theory*, 16, 273-295. DOI: 10.2752/175174112X13340749707123.

30 Shukla, Singh and Banerjee (2015). They are not all same: variations in Asian consumers' value perceptions of luxury brands. *Marketing Letters*, 26, 265-278. DOI: 10.1007/S11002-015-9358-X.

31 Wang and Qiao (2020). The symbolic meaning of luxury-lite fashion brands among younger Chinese consumers. *Journal of Fashion Marketing and Management*, 24, 83-98. DOI: 10.1108/JFMM-09-2019-0204.

32 Hung, Ren and Qiu (2021). Luxury shopping abroad: What do Chinese tourists look for? *Tourism Management*, 82, 104182. DOI: 10.1016/j.tourman.2020.104182.

innovation and heritage³³.

Sustainability as a Luxury Statement

Sustainability is becoming an integral part of luxury product design, with Chinese brands leading the way in integrating eco-friendly materials and processes. Bamboo fiber, known for its sustainability and strength, is being used in everything from high-end textiles to accessories. Brands are also exploring the use of dyes derived from traditional Chinese medicine, which not only offer a palette of unique colors but also tell a story of ecological consciousness and cultural reverence³⁴.

Collaborative Innovations with Contemporary Artists

The collaboration between luxury brands and contemporary Chinese artists is forging a new visual language for luxury. These partnerships result in limited-edition pieces that are as much art installations as they are fashion statements. For instance, a luxury brand might collaborate with a calligrapher to create a series of handbags featuring poetic inscriptions, blending the lines between utility and art.

Cultural Storytelling through Product Lines

Luxury brands are not just selling products; they are selling stories. Each collection tells a tale, whether it's about the journey along the ancient Silk Road, the legends of the Chinese zodiac, or the myths enshrined in the country's folklore. By doing so, brands are not merely offering a product but an experience, an opportunity for the consumer to partake in a narrative that is larger than life³⁵.

Interactive and Personalized Luxury Experiences

The concept of luxury is expanding beyond the physical product to encompass unique experiences. For example, luxury travel packages that include private tours of historical sites, cultural lessons, or gastronomic adventures with renowned chefs. These experiences are crafted to not only showcase the opulence of the brand but also to deepen the consumer's connection with Chinese culture and luxury. The future of luxury product design also lies in personalization and interactivity. Chinese luxury brands are pioneering the use of interactive design studios where customers can be involved in the creation of their own luxury items. From customizing colors and materials to selecting design elements inspired by personal stories or Chinese cultural motifs, the consumer becomes a co-creator in the luxury experience³⁶. The unboxing experience is being transformed with interactive packaging that engages the senses and enhances the customer's journey. Luxury brands are using smart packaging that interacts with mobile devices to reveal the story of the product, offer personalized messages, or even guide the user through a brand-centric narrative experience.

³³ Wu, Luo, Schroeder and Borgerson (2017). Forms of inconspicuous consumption. *Marketing Theory*, 17(4), 491-516. DOI: 10.1177/1470593117710983.

³⁴ Galli and Bassanini (2020). Reporting Sustainability in China: Evidence from the Global Powers of Luxury Goods. *Sustainability*, DOI: 10.3390/su12093940.

³⁵ Zhang and Cude (2018). Chinese Consumers' Purchase Intentions for Luxury Clothing: A Comparison between Luxury Consumers and Non-Luxury Consumers. *Journal of International Consumer Marketing*, 30, 336-349, DOI: 10.1080/08961530.2018.1466225.

³⁶ Liang, Ghos and Oe (2017). Chinese consumers' luxury value perceptions - A conceptual model. *Qualitative Market Research: An International Journal*, 20 (2), 247-262.

Gaming IP Collaborations

In a groundbreaking move, luxury brands are forging alliances with large-scale gaming IPs to capture the hearts of the digitally native generation. These collaborations see the creation of exclusive in-game items, such as skins or accessories, designed by luxury brands, which players can purchase for their avatars. The virtual world becomes a runway, where the digital self is adorned with symbols of luxury that speak to a player's status and identity. This digital presence is then mirrored in the real world through limited-edition physical merchandise, blurring the lines between virtual prestige and real-world luxury.

Cultural Heritage Meets Modern Tech

Chinese luxury brands are also exploring the integration of traditional cultural heritage with modern technology. For instance, using 3D printing to recreate ancient Chinese artifacts in modern materials, or employing AI to design patterns that are inspired by traditional Chinese art but executed in a contemporary fashion. This melding of old and new demonstrates a reverence for the past while embracing the future. Augmented reality (AR) is revolutionizing the way consumers interact with luxury products. AR try-ons allow customers to visualize products in a real-world environment or on themselves, providing a personalized shopping experience from the comfort of their homes. This technology is particularly impactful in the time of social distancing, offering a safe and convenient alternative to the traditional shopping experience.

Cross-Industry Luxury Collaborations

Chinese luxury brands are venturing into cross-industry collaborations, creating a fusion between sectors such as automotive, technology, and home decor. These partnerships yield exclusive, co-branded products like luxury sedans with interiors designed by fashion houses, smart home devices with premium materials and aesthetics, and high-end furniture that reflects the elegance and comfort of luxury fashion. In this new era, Chinese luxury product design and innovation are characterized by a bold spirit that dares to redefine luxury. By embracing digital trends, technological advancements, and experiential offerings, Chinese luxury brands are not just keeping pace with global trends; they are setting them, offering a vision of luxury that is dynamic, interactive, and deeply rooted in a cultural narrative that continues to unfold.

5.3. PRICING AND MARKETING STRATEGIES, COMMUNICATIONS

In the realm of the Chinese luxury market, pricing and marketing strategies, along with communication, are pivotal elements that dictate the success of luxury brands. These strategies are not merely about setting price points or crafting advertisements; they are about storytelling, creating an aura of desire, and establishing a dialogue with the consumer that resonates with their deepest aspirations and cultural sensibilities.

Pricing Strategies

The pricing strategy in the Chinese luxury market is a delicate balance between exclusivity

and accessibility. Luxury brands often employ a premium pricing model to maintain a perception of high value and desirability. However, with the rise of a more discerning and informed consumer base, brands are also exploring dynamic pricing strategies that can adapt to market changes, competitive actions, and consumer trends. This might include limited-time offers on exclusive items or special pricing for loyalty program members, which not only incentivize purchases but also build a sense of community among buyers³⁷. Luxury brands in China are adopt at employing psychological pricing tactics. The use of charm pricing (e.g., ending prices with an „8” which symbolizes prosperity in Chinese culture) can subtly influence purchasing decisions. Additionally, tiered pricing for different levels of product exclusivity allows consumers to buy into the luxury brand at various price points, catering to a broader audience while still maintaining the allure of the higher-tier products³⁸.

Luxury brands in China are exploring segmented pricing strategies to cater to different consumer segments. By offering product lines at varying price points, brands can attract aspirational customers who may not be able to afford the most exclusive items but still desire to engage with the brand. This strategy also allows for the introduction of limited-edition collections or capsule series that can command a higher price due to their scarcity and unique value proposition.

Understanding the consumer's perception of value is critical in the luxury market. Brands are increasingly adopting value-based pricing strategies where the price is set according to the perceived brand value in the consumer's mind. This approach requires deep market research and consumer insights to align the price with the brand's unique selling points, such as heritage, craftsmanship, and exclusivity.

Marketing Strategies

Marketing in the Chinese luxury sector is an art form that requires a deep understanding of the cultural landscape. Brands are increasingly leveraging digital platforms, particularly social media giants like Weibo and WeChat, to engage with consumers. These platforms are not just channels for promotion; they are ecosystems that offer immersive brand experiences through mini-programs, live streams, and interactive content³⁹.

Collaborations with influencers, or Key Opinion Leaders (KOLs), are a cornerstone of luxury marketing in China. These influencers provide authenticity and relatability to the brands they represent. By sharing their experiences with luxury products through storytelling, they create aspirational content that drives brand awareness and loyalty. Experiential marketing is becoming increasingly important as consumers seek not just products but memorable experiences. Luxury brands are curating exclusive events, pop-up stores, and interactive exhibitions that allow consumers to engage with the brand on a multisensory level. These experiences are designed to be shareable, often becoming viral on social media, thus amplifying the brand's reach and impact⁴⁰.

³⁷ Zhang and Cude (2018). Chinese Consumers' Purchase Intentions for Luxury Clothing: A Comparison between Luxury Consumers and Non-Luxury Consumers. *Journal of International Consumer Marketing*, 30, 336-349, DOI: 10.1080/08961530.2018.1466225.

³⁸ Zhang and Zhao (2019). Personal value vs. luxury value: What are Chinese luxury consumers shopping for when buying luxury fashion goods? *Journal of Retailing and Consumer Services*, DOI: 10.1016/J.JRETCONSER.2019.05.027.

³⁹ Donzé and Fujioka (2015). European luxury big business and emerging Asian markets, 1960-2010. *Business History*, 57(5), 822-840. DOI: 10.1080/00076791.2014.982104.

⁴⁰ Sharma, Soni, Borah and Saboo (2020). Identifying the drivers of luxury brand sales in emerging markets: An exploratory study. *Journal of Business Research*, 111, 25-40. DOI: 10.1016/j.jbusres.2020.02.009.

In a market saturated with luxury offerings, personalization in marketing efforts has become a key differentiator. Brands are utilizing data analytics and consumer behavior insights to tailor their marketing messages to individual preferences and histories. Personalized marketing can take many forms, from customized email campaigns to individualized product recommendations on e-commerce platforms.

Cultural Tailoring of Communication

Communication strategies are tailored to resonate with the Chinese audience's cultural values and preferences. This involves more than translating content; it's about contextualizing the brand narrative in a way that reflects an understanding of Chinese history, art, and societal norms. Campaigns during significant cultural events like the Chinese New Year or the Mid-Autumn Festival are prime examples of how luxury brands can weave their messaging into the cultural fabric of their audience⁴¹.

The most successful luxury brands employ integrated communication campaigns that span multiple channels and touchpoints. This omnichannel approach ensures a consistent brand message whether the consumer is engaging with the brand online, in-store, or through traditional media. The integration of online and offline experiences is particularly crucial in China, where the digital landscape is deeply intertwined with the physical world.

Effective communication in the Chinese luxury market goes beyond language proficiency; it requires cultural competence. Brands that demonstrate an understanding of local idioms, cultural references, and social nuances in their messaging are more likely to resonate with Chinese consumers. This cultural competence must be evident across all communication channels, from advertising campaigns to customer service interactions.

Customized Customer Relationship Management (CRM) system caters to the Chinese way of relationship-building can significantly enhance customer loyalty. This might include personalized greetings for special occasions, invitations to exclusive events, and access to VIP services.

Digital storytelling has emerged as a powerful tool in the luxury brand's arsenal. By crafting compelling narratives that unfold across digital mediums, brands can create an emotional connection with their audience. The use of high-quality visuals, interactive content, and engaging storylines helps to convey the brand's heritage and values in a format that is accessible and shareable.

The use of localized brand ambassadors who embody the values and aesthetic of the brand, and who have a strong connection with the Chinese audience, can significantly enhance brand credibility and appeal. These ambassadors serve as the face of the brand and play a crucial role in bridging the gap between the brand and its target market.

Leveraging Big Data and Artificial Intelligence (AI)

In the age of big data, luxury brands are leveraging artificial intelligence to gain insights into consumer behavior and to optimize their marketing strategies. AI can help in predicting trends, perso-

⁴¹ Jiang and Shan (2018). Heterogeneity of luxury value perception: a generational comparison in China. *International Marketing Review*, 35, 458-474. DOI: 10.1108/IMR-12-2015-0271.

nalizing customer interactions, and even in managing inventory. By harnessing the power of big data, luxury brands can stay ahead of the curve and ensure their marketing strategies are as efficient and effective as possible. Beyond presence on Chinese platforms, e-commerce strategies should be tailored to the local online shopping behavior, which includes live-streaming sales, super-app integrations, and gamification of the shopping experience.

In essence, the success of luxury brands in the Chinese market hinges on a symphony of well-orchestrated strategies. Segmented and value-based pricing models are tailored to meet the diverse needs of Chinese consumers, while personalized marketing and culturally competent communication ensure messages resonate deeply with local sensibilities. The commitment to sustainability and the adept use of digital storytelling further enrich the brand narrative, aligning with the values of a new generation of consumers. Moreover, the strategic use of localized brand ambassadors and cutting-edge technologies like AI and big data analytics provides a competitive edge, allowing brands to predict trends and personalize customer experiences with unprecedented precision.

As the Chinese luxury market continues to mature, these multifaceted strategies are evolving into more sophisticated forms, reflecting the intricate tapestry of global brand identity and local consumer culture. Brands that navigate this complex landscape with agility and cultural sensitivity are the ones that will not only capture the imagination of the luxury consumer but will also endure in a marketplace that values both tradition and innovation. The future belongs to those who can blend the art of luxury with the science of strategy, creating an experience that is as exclusive as it is inclusive, as timeless as it is contemporary.

Art and Cultural Exhibitions, Festivals

Cultural training for staff is essential to ensure that every touchpoint with the brand reflects an understanding and appreciation of Chinese culture. From sales associates to executive leadership, every member of the brand's team should be equipped with the knowledge to engage respectfully and effectively with Chinese consumers. Brands can establish a deeper cultural connection by investing in educational initiatives that promote arts, crafts, and design principles that are valued in Chinese culture. Scholarships, workshops, and exhibitions can demonstrate a brand's commitment to cultural preservation and education.

Sponsoring or participating in art and cultural exhibitions can position a brand within the rich tapestry of Chinese culture. These events offer a platform for brands to showcase their heritage and craftsmanship, aligning themselves with the cultural elite and art aficionados.

Foreign luxury brands can gain favor by aligning their product launches and marketing campaigns with Chinese festivals and holidays. For instance, creating special editions for the Lunar New Year, Mid-Autumn Festival, or Singles' Day (November 11) can stimulate consumer interest and sales. These limited-edition products often feature traditional symbols and are perceived as collectibles, enhancing the brand's cultural connection.

CONCLUSIONS AND RECOMMENDATIONS

The interplay between Chinese cultural norms and the luxury goods market is a testament to the profound influence of cultural underpinnings on consumer behavior. This exploration has underscored the pivotal role that cultural sensibilities play in shaping market dynamics within the Chinese context. The luxury market in China is not merely a commercial space but a cultural phenomenon that reflects the evolving narrative of an ancient civilization in the throes of modern economic transformation.

At the heart of this market are the consumers, whose purchasing decisions are deeply intertwined with cultural values such as filial piety, collective identity, and the concept of 'face.' These values are not static; they adapt and evolve, influencing and being influenced by global trends and internal societal shifts. The recent growth within the Chinese Luxury Goods Market is a reflection of these complex cultural dialogues. Luxury brands are symbols of not only economic capital but also cultural capital, serving as a bridge between the past and the present, the local and the global.

The digital revolution has further nuanced this relationship, with the Chinese market exhibiting an unparalleled integration of technology and commerce. Social media platforms like Weibo and WeChat have become not just tools for marketing but essential components of the consumer experience, offering a digital space where cultural norms are both displayed and challenged.

Moreover, the localization strategies employed by luxury brands have demonstrated the necessity of cultural fluency. Brands that have succeeded in this market have done so by not only translating their language but by interpreting their brand narratives in ways that resonate with Chinese values and aspirations. They have crafted stories that align with the Chinese ethos, celebrated Chinese festivals, and even incorporated Chinese design elements into their products.

In synthesizing these observations, it is evident that the Chinese Luxury Goods Market is a microcosm of larger cultural forces at play. It is a market driven by a unique confluence of respect for tradition and a desire for modernity. For luxury brands, the conclusion is clear: to truly succeed in China, one must go beyond mere translation of language or aesthetics. Success requires a translation of culture—a deep, empathetic understanding and an authentic reflection of Chinese values and norms in every aspect of business, from product design to customer engagement.

With growing global concerns about sustainability, luxury brands in China are integrating eco-friendly practices and corporate social responsibility (CSR) into their pricing and marketing strategies. Communicating a commitment to sustainability can add value to the brand and justify premium pricing. Moreover, it aligns with the values of the increasingly environmentally conscious Chinese consumer, particularly the younger generations who are poised to become the luxury market's future.

As we look to the future, the Chinese Luxury Goods Market is poised to continue its trajectory of growth, shaped by the hands of cultural evolution and economic innovation. The brands that will flourish in this environment will be those that regard cultural norms not as barriers to be overcome but as the very foundation upon which their market strategies are built. They will be the brands that listen to the cultural heartbeat of China and move in rhythm with its pulse.

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CHIŃSKIE NORMY KULTUROWE JAKO WYZNACZNIK MAREK LUKSUSOWYCH W CHINACH – REKOMENDACJE DLA STRATEGII MARKI

Streszczenie:

Chiński rynek dóbr luksusowych odnotował niezwykle rozwój i stał się znaczącym graczem w światowym przemyśle luksusowym. Jednak wpływ chińskich norm kulturowych na ten rynek pozostaje kluczowym aspektem wymagającym eksploracji i zrozumienia. Celem tego artykułu jest analiza i ujawnienie wpływu chińskich norm kulturowych na zachowania konsumentów i popyt na dobra luksusowe w Chinach. Chińskie normy kulturowe, charakteryzujące się naciskiem na status społeczny, kulturę, relacje społeczne, wzajemność, tradycyjne wartości i perspektywy estetyczne, odgrywają zasadniczą rolę w kształtowaniu postaw i zachowań konsumentów wobec marek luksusowych. Niezbędna jest analiza tych norm kulturowych w celu zidentyfikowania kluczowych czynników wpływających na chiński rynek marek luksusowych. Badania autorów przyczyniają się do lepszego zrozumienia złożoności i niuansów związanych z konsumpcją marek luksusowych w Chinach. Ponadto wyniki tego badania dostarczają cennych spostrzeżeń i implikacji dla menedżerów i marketerów marek luksusowych, którzy chcą opracować skuteczne strategie, aby prosperować na chińskim rynku marek luksusowych.

Słowa kluczowe:

chińskie normy kulturowe, dobra luksusowe, marki luksusowe, postawy konsumenckie, status społeczny, relacje społeczne