RAMIFICATIONS OF LUXURY CONSUMPTION IN EAST ASIAN COLLECTIVISTIC CULTURES

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Abstract
When the aim is to understand consumer behaviour as a whole, people around the world cannot be perceived to have similar motives and mind-sets behind luxury goods consumption, as consumers have differing ideologies and worldviews depending on their cultural and societal backgrounds. Existing literature has dissected the characteristics of East Asian collectivistic tradition as well as the background and mind-sets for luxury consumption in collectivistic and individualistic cultures separately.

In relation to the previous research, this paper addresses the cultural and societal characteristics of collectivistic cultures which inherently affect the meaning and ramifications of people’s luxury consumption. Accordingly, the findings are compared to those of the existing literature concerning the practice of luxury consumption in individualistic cultures.

Findings of this paper suggest that there are four key divergences between collectivistic and individualistic consumer cultures regarding the consumption of luxury products: values which consumers are looking for, understanding the public meanings of luxury consumption (promoting hierarchical status or promoting personal meanings), the weight of group affiliations on consumption decisions and the legitimately perceived reasons for luxury consumption, as in either conforming to group pressure or making personal decisions. A model of cultural approaches to luxury consumption is presented to clarify these interrelationships. Furthermore, implications for East Asian luxury marketers, limitations of the study and possibilities for future research are discussed.

Keywords  luxury, collectivism, individualism, consumer value, East Asia, consumer behaviour, hedonic, symbolic, self-concept
1. INTRODUCTION

Luxury products can be described as goods whose functional utility in relation to their price is low, while their situational or intangible utility to price is high (Nueno and Quelch, 1998). The ownership of luxury goods conveys information about the owner’s social status, which is especially significant in determining the consumption of luxury in societies where the social class distinctions are still taking shape (Nueno and Quelch, 1998). Traditionally, the predilection for luxury brands has its roots in the West, but as the distribution of wealth has broadened, the appeal of luxury has become global. Especially East Asia showcases a taste for luxury consumption, and extensive research shows Asia to already cover high percentages in the global luxury consumption. For example, Asia accounts for 60 % of Yves Saint Laurent Couture sales, 35 % of Hermès sales, and the conglomerate Moët Hennessy Louis Vuitton (LVMH) exports currently over 50 % of its produce to Asia. China is the largest cognac market in the world, and the growth rates for luxury consumption in Asia are showcasing a steady increasing trend compared to the more moderate growth estimates in the West (Nueno and Quelch, 1998; Wong and Ahuvia; 1998; Park et al. 2008; Kapferer, 2012).

Some studies have determined psychological benefits, such as satisfaction, improved mood, self-esteem or pride, as the main factors distinguishing the consumption of luxury products from nonluxury products (e.g. Nia and Zaichkowsky, 2000; Kapferer, 2012). However, in order to acquire a holistic overview of luxury consumption and its ramifications, merely socially oriented motives are not sufficient to explain customers’ motives and perceptions for purchasing luxury products (Coulter et al., 2003; Wiedmanna et al., 2010). This is the starting point for the research in this paper.

It is easy to assume that along with the exported luxury products, Western values of luxury consumption are furthermore transferred to the Asian market of luxury consumption. However, the intrinsic meanings of consumption and its social functions are difficult to import even though similar products are consumed in the East and West (Mick et al., 2004). Generally, East Asian consumers place a higher emphasis on the social and public meanings of their luxury goods consumption in relation to Western consumers (Park et al., 2008).

So, how about the background and deeper meanings of consuming luxury products in East Asian countries? In order to acquire understanding about these factors, one has to research how the local presence of the cultural collectivism in this part of the world affects people’s
A penchant for luxury. This way can objective and comparable conclusions be made on the meanings and ramifications of consuming luxury in a global scale. Accordingly, the aim of this paper is to shed light on what are the key cultural and societal factors in the collectivistic cultures of East Asia which shape and determine motivations and meanings for luxury goods consumption, and especially in which ways these factors differ from those that affect and determine luxury consumption in individualistic societies. In relation to this, key aspects of East Asian collectivistic tradition are addressed with corresponding Western individualistic tradition. Accordingly, the main question this paper seeks to find understanding about is

*How may the reasons and conceptions behind luxury consumption in collectivistic cultures differ from particularly those in Western cultures?*

As mentioned before, the consumption of luxury goods can be said to have its roots in Western societies. This is why it may seem intrinsic to perceive that people should have similar reasons and mind-sets behind the predilection for consuming luxury. Nevertheless, culture and society affect people’s driving motivations on consumption and determine to a great extent how consumers perceive phenomena and relate to situations. Accordingly, the first sub-question this paper aims to answer is

*In which ways may the cultural and societal environment in East Asia affect individuals’ reasons and conceptions regarding the consumption of luxury goods?*

As a specific culture and societal background provides an individual the mind-set for their consumer behaviour, it is additionally worthwhile to understand East Asian culture and society as a whole, should one aim to understand people’s attitudes to luxury consumption. In this sense, the second sub-question regards determining the specific characteristics of East Asia in relation to those of Western cultures:

*How does East Asia differ from Western societies as a cultural and societal environment?*
All in all, this paper first describes the cultural and societal environment of East Asia. This analysis helps to understand the psychology of why people are actually consuming luxury products in collectivistic societies as they have a very different starting point for their consumer behaviour compared to Western cultures. After finding out about East Asian culture, it becomes easier to understand the reasons for people’s luxury consumption in collectivistic societies, which will be defined next in the paper. The discussion then moves on to specify how these reasons differ from those of individualistic consumer cultures. Putting it into a larger context, this paper aims to encourage the reader to embrace the viewpoint of approaching phenomena being aware of different cultural ramifications and mind-sets that consumers may have based on their origins. Finally, drawing from the analysis on the differences between East Asian and Western cultures, implications for marketers operating in the East Asian luxury markets are addressed.

The discussion begins with an overview of the East Asian collectivistic tradition. Discussing the different self-concepts of collectivistic and individualistic cultures, the emphasis on individual or group needs determining one’s consumer behaviour, legitimacy of group affiliations and hierarchy, the first section aims to address the main characteristics of collectivism in order to lay foundation to understanding implications of luxury consumption in East Asian societies. Additionally, the discussion in the first section elaborates around the concepts of materialism and luxury consumption with the aim of highlighting bearings of different cultural approaches. In essence, the consumption of luxury products can easily be perceived as materialism in Western societies. Nonetheless, taking into consideration the collectivistic culture which determines a person’s baseline for consumption contributes to the lack of validity of making such a conclusion about the causal relationship between materialism and luxury consumption in the East Asian environment.

Having addressed the characteristic aspects of collectivistic and individualistic cultures, the discussion moves on to determine how differences between interdependent and independent self-concepts merge with the East Asian tradition and define East Asian way of luxury consumption. The driving values of luxury consumption, implications of gaining “face” in collectivistic societies and the cultural tendency to conform to public consumption pressures are discussed in order to indicate how the collectivistic tradition practically affects individuals’ luxury consumption and the meanings behind the consumption in relation to luxury consumption in individualistic societies.
Based on the discussion of this paper, a constitutive model of collectivist and individualistic luxury consumption is presented to bring together the main determinants of the East Asian and Western luxury consumption. The model aims to showcase how these determinants represent opposite ends of cultural and societal continuums which determine consumer behaviour in global scale. In this sense, the model gathers the key divergences between collectivistic and individualistic luxury consumption that are discussed in this paper.

1.1 Entitlement of the study

This paper researches and dissects the differences between Western individualism and East Asian collectivism and their implications to the meaning of luxury consumption in collectivistic environments. Upon doing this analysis, one should note that globalization makes the comparison between individualism and collectivism somewhat less unconditional. As people travel and have increasing access to information and communications technology, they get gradually acquainted with different and foreign cultural approaches and values. This in turn provides the possibility for understanding, accepting and adopting different viewpoints. Societal integration and development in Asia implies that younger generations in collectivistic cultures pursue more both collectivistic and individualistic values (Weber, 2001; Xiao and Kim, 2009). Accordingly, globalization gradually affects how people in collectivistic cultures realise consumer behaviour in the long run.

Having said this, the cultural and societal disparity between individualistic and collectivistic consumer cultures can still be considered significant today (e.g. Kacen and Lee, 2002; Zhang and Shrum, 2008; Chui and Kwok, 2008). For example, Kacen and Lee (2002) found in their study that cultural background affects in a ground level how people realise consumption and make consumption decisions, from the expression of emotions and complying to group norms to the definition of self-identity. Research has also been conducted on the relationship between impulsive buying behaviour and cultural background (Dameyasani and Abraham, 2013; Badgaiyan, 2014). The studies have indicated a correlation between cultural and societal background and a certain way of realising consumption, and especially theories of individualism and collectivism are considered central in explaining differences within consumer behaviour. Accordingly, even though globalization is changing the way people consume, the intrinsic cultural settings that people have change slowly. Hence, it is important to first acquire knowledge on the specific culture and society that is under scrutiny, after
which related consumer behaviour can be analysed from the viewpoint of this certain culture and comparisons between different cultures become reasonable. The fact that different cultural backgrounds affect consumer behaviour showcases the importance of researching the implications that the cultural context of collectivism may virtually have on consumer behaviour within luxury consumption.

2. EAST ASIAN COLLECTIVISTIC TRADITION

Generally, contemporary consumer theory explains how a person in an individualistic society aims to fulfil their needs (e.g. Sheth et al., 2002). This indicates that the theory proportionally focuses on Western cultural values. When the aim is to understand consumption in a global perspective, it is essential to look more closely at collectivism’s influence on consumption. Values, motivations and the inherent understanding of self which are primarily prevailing in individualistic cultures and consumption that is aligned with these factors are not representing a ubiquitous approach to consumer behaviour in a global scale, even though modernization has vastly disseminated the global prevalence of individualism. For example, Hofstede found in his extensive research (1980, 1991 and 2001) that the culture of interdependent values in East Asian differs from Western independent values. Essentially, contemporary collectivism in East Asia elaborates around traditional determinants of the culture, as the interdependent culture builds the ideology and rationale for consumer behaviour in East Asia. For instance, China is a traditional example of a collectivistic environment where people respect traditions, family relationships and harmony (Xiao and Kim, 2009).

In essence, collectivism refers to individual’s strong ties to their family, country and other related groups. People in collectivistic cultures generally value highly close family relationships and professional networks, and individual’s harmonious living as a part of bigger entities is considered fundamental to all being (Triandis, 2001; Xiao and Kim, 2009). The quintessence of collectivistic cultures is delineated by people’s protection and looking after of their group members as well as respect of conforming to group decisions and mutually agreed processes. This means that people actually consider themselves as small parts in larger entities, and are motivated to follow the norms of these entities (Triandis,
People in collectivistic cultures value highly their group membership and unlike people in individualistic cultures, they do not consider themselves to explicitly present the basic unit or source of life identity. Quite conversely, their identity has a foundation on the cohesive and strong groups in which they belong (Sun et al., 2004). In contrast, people in individualistic societies can for example describe themselves significantly content with their lives or claim their personal opinions and independent decisions to count much. As a reference, it is important to acknowledge that people in collectivistic cultures are prone to be somewhat more self-depreciating and this way not to accentuate their personal attributes or endeavours in public similarly as people in individualistic cultures, as it is not the cultural norm. As the approach to the whole concept of humanity differs between individualistic and collectivistic cultures, comparing their related marketing and consumption implications with the aim of drawing unequivocal conclusions does not lead to valid evaluation. In relation to this, the upcoming section dissects the differences between Western and East Asian cultures regarding interdependent and independent self-concepts, responding to group versus individual needs as well as hierarchy, as these factors represent some of the key qualities that differ between collectivistic and individualistic tradition as will be discussed later on (Wong and Ahuvia, 1998). The connection between materialism and luxury consumption is furthermore discussed both from scientific and societal point of views, as luxury consumption as a phenomenon may arouse thoughts about materialism and how it relates to the context of luxury consumption in different cultural environments, such as East Asia in this case.

2.1 Independent and interdependent self-concepts and cultural hierarchies

Different understandings about the self and the relationship between self and others is a fundamental factor defining cultural differences. Traditionally, both Eastern and Western cultures understand the self to consist of the inner part as in emotions, attitudes, personal values, memories and other internal qualifiers, as well as of social roles and public personality which constitute the outer self (Wong and Ahuvia, 1998). Still, the Western notion of the self accentuates a detached configuration of internal attributes and people’s tendency to behave in a way that reflects their inner attributes. According to research, this emphasis is not sufficient to describe selfhood of all the people in the world (Markus and Kitayama, 1991). Accordingly, to capture cultural differences and diversity regarding the
understanding of the self, the discussion of this paper refers to independent and interdependent construals of the self, notions depicting the perceiving of the self-hood which were explicitly stated for the first time by Markus and Kitayama in 1991 and cultural hierarchies, which mirror cultures’ prevalent self-concepts (Wong and Ahuvia, 1998). This way Eastern and Western cultures can be portrayed comparably, acknowledging their different approaches to the self.

Western societies generally display independent self-concept, as individuals are considered separate actors and the inner self (e.g. personal attitudes, values and preferences) is primarily driving behaviour. Individualistic values drive motivation and the overall cognition in these societies, as people see themselves to hold keys for their own happiness and benefit which represent quintessentially strived values (Eckhardt and Houston, 1998). Consequently, hierarchies may potentially be perceived illegitimate in Western cultures, especially when the hierarchical status lacks a connection between person’s individual achievement and their hierarchical acknowledgement (Wong and Ahuvia, 1998). On the other hand, commonly Asian cultures portray interdependence as a driving cognitive approach: people do not consider their memories, values or other internal attributes to be representative of their actual self, but rather perceive their identity to lie ultimately in their cultural, social, professional and familial relationships (Markus and Kitayama, 1991). Hence, individuals see themselves fundamentally connected to each other which drives their actions and overall approach to life. This is why social hierarchies are also important in interdependent cultures, as hierarchies are explicitly connecting individuals to their society and to the people around them. In this sense, the contradiction of the importance of hierarchies between independent and interdependent cultures is directly comparative with the cultural perception of the self. In independent cultures, the understanding of the self-concept decreases the legitimacy of hierarchies, as in interdependent cultures the understanding of the self increases the legitimacy of hierarchies and hierarchies affect individuals’ identities to a great extent (Markus and Kitayama, 1991).

Independent and interdependent cultures differ also in terms of to what extent they incorporate other people within the self (Wong and Ahuvia, 1998). Despite the fact that both Western and East Asian cultures incorporate others in the self, this incorporation is more clear in societies which are primarily interdependent (McCort and Malhotra, 1993). In Asian tradition, the social class of family is for example considered much more important in defining an individual compared to Western societies. Then again, it is essential to note that the inner and outer construct of the self represent two ends of a line, and cultures virtually lie
somewhere in between these ends. Referring to cultures from now on as independent or interdependent is based on the culture’s prevailing understanding of the self. In this sense, it would be more explicit to understand mainly all individuals to portray both inner and outer self-concepts to some extent, which have their place and time in different social interactions and situations. To conclude, independent and interdependent perceptions of the self affect the perceived importance of promoting group or individual needs, and how much attention people put into the importance of hierarchies. This in turn affects how people in different cultures realise the consuming of luxury, as will be discussed later on.

2.2 Individual and group needs

The previously described concepts of the self are in a close relationship with the general perceptions of applicable and proper relationships between individual and groups (Triandis et al., 1988). The difference between Western and East Asian cultures regarding the relationship between individual and group can be boiled down to understanding that in Western cultures groups exist to promote individual benefit and needs, whereas collectivistic East Asian cultures emphasize that the individual is a part of something bigger, and individual endeavours are supposed to primarily forward group benefit (Sun et al., 2004; Xiao and Kim, 2009). Western cultures promote individual freedom from the group benefit as a way of realising authentic life, and individuals are expected and promoted to express their inner values. On the other hand, if there emerges a contradiction between individual desires and group’s expectations in a collectivistic environment, conformity is highly valued as it is seen to showcase maturity and strength (Wong and Ahuvia, 1998). Ahuvia (2002) described a practical example of this cultural feature in his studies, as he faced a Singaporean man getting married. This man said to have only lukewarm feelings for his pride, but upon asking him if he would be happy in the marriage, he answered that happiness per se goes beyond the point of marriage, as people simply get married after going out a certain amount of time and after reaching a certain age. In essence, interdependent cultures consider freedom in terms of costs and benefits to the whole group in which the individual belongs, while independent cultures value individual freedom and benefit irrespective of group affiliations.

The pursuit of social respect through affluence and wealth describes East Asian collectivism as another example of the importance of group affiliations. As interdependent self-concept ties individuals to their respective reference groups, people in these interdependent cultures
are also accepting the judgment of other people on individual level based on their group identities. This may imply assessing the societal status of their professional reference group, their family’s wealth and welfare or their nationality (Wong and Ahuvia, 1998). On the contrary, individualistic cultures generally lack this kind of judgmental approach, as people are perceived as separate units and generally evaluated as individuals. As an example of this collectivistic mind-set of fulfilling primarily group needs in order to gain respect and acknowledgment, Ahuvia (2002) found in his study that a Korean man elaborated his motivation for becoming wealthy to exclude the idea of striving a career that would represent his inner values and promote his happiness whatsoever. Instead, he pursued affluence in order to be able to buy his parents a new Mercedes and this way for his parents to gain their “face”. This reality provides a reflection of people in collectivistic cultures not only having high expectations from their groups, but also being primarily driven by advancing their related group’s social status as a whole (Sun et al., 2004). Here, the concept of face is typical in collectivistic cultures, and it is more discussed later in this paper in the context of the East Asian way of luxury consumption.

2.3 Luxury consumption and materialism

This section aims to clarify how Western and East Asian traditions relate to the concept of materialism as a background in the consumption of luxury goods. It is easy for consumers in an individualistic society to perceive the consumption of luxury goods all around the world to reflect similar values, which is why East Asian consumption of luxury is oftentimes perceived as materialism, as the consumption of luxury products can be perceived to indicate materialism in individualistic cultures. Nevertheless, understanding the interrelationships between luxury goods consumption and materialism is important in order to understand implications of luxury consumption in a larger context.

As Fournier and Richins (1991) elaborate, it is easy for an individual in a Western society to conceive the consumption of luxury goods and materialism to be associated, as materialists often aim to consume status goods. This ostensible connection can be phrased with the help of personality traits which make the connection less clear, as has been done in the academic research. Ger and Belk (1996) express materialism with the help of personality traits of possessiveness, nongenerosity, envy and preservation. These personality traits are not portraying luxury consumption per se, but materialism and luxury consumption can be
connected by envy, as people generally envy the possessions of others when they do not easily have access to similar possessions (Wong and Ahuvia, 1998). On the other hand, the main reason for not having access to certain possessions is not affording to buy it. This is why expensive products are often the direction of envy, and as envious people refer to these expensive products as valuable, there can be seen a connection between the consumption of luxury products and materialism.

As materialism is not restricted to the concept of envy, the consumption of luxury goods cannot either be restricted to indicate merely materialism (Ger and Belk, 1996). Furthermore, specific cultural characteristics affect how people perceive the meanings of luxury consumption and why they ultimately consume luxury, which is sometimes hard to remember as people create and realise the theories of consumer behaviour from different perspectives. In this sense, even if luxury consumption can be connected to materialism in some cultures and contexts, it does not virtually mean that this assumption applies to different cultures similarly, just like in the case of different understandings of the self in Western and East Asian cultures.

3. EAST ASIAN LUXURY CONSUMPTION

Having addressed the characteristic aspects of self, group affiliations and hierarchy in collectivistic cultures in relation to those of individualistic cultures, the discussion goes now on to dissect how these differences between Western and East Asian cultures reflect the East Asian tradition and define East Asian luxury consumption. The aim of this section is to highlight causes and effects between the differences of luxury consumption in individualistic and collectivistic traditions, and this way to lay foundation on the holistic understanding of collectivistic luxury consumption. Accordingly, implications to the East Asian luxury market and the meaning of luxury consumption in collectivistic cultures are discussed. In essence, this section compounds the key divergences between Western individualistic and East Asian collectivistic luxury consumption, which are described in the previous research and explicitly in for example Wong and Ahuvia’s (1998) research with the help of four aspects: values in which consumers base their luxury consumption on, understanding of the public meanings of
luxury consumption (promoting hierarchical status or promoting personal meanings), the weight of group affiliations on consumption decisions and the legitimately perceived reasons for luxury consumption, as in either conforming to group pressures or making personal decisions.

3.1 Values: How consuming luxury relates to the self

First of all, the aforementioned differences between interdependent and independent perceptions of the self affect how consumers approach consumption in terms of the values they are looking for. According to Wong and Ahuvia (1998), luxury products, as goods in general portray three types of values; instrumental, symbolic and hedonic. Instrumental value refers to the ultimate functionality of a product for the consumer: people eat to stay alive, among eating’s other ramifications. Symbolic values are more tied to culture and social frameworks, and people may for example consume a specific brand as they perceive it to reflect their group or individual values. In contrast, hedonic values reflect the internal self (Smith and Colgate, 2007). This is the underlying reason for people in individualistic cultures to be assumed to base their luxury consumption decisions primarily on hedonic values, as the individualistic culture encourages attitudes, emotions, personal values and other internal qualifiers of the self as discussed in the previous section. Research shows that advertising in individualistic and collectivistic societies supports this assumption. For instance, American television advertisements accentuate enjoyment more than Chinese commercials, while East Asian countries with a higher exposure level to Western culture demonstrate more hedonic advertising themes (Tse et al., 1989).

On the other hand, the East Asian emphasis on the “face” in relation to the Western hedonic luxury consumption portrays the perceived importance of public perceptions about one’s identity and social roles in a collectivistic society. The face is highly important for people in collectivistic cultures, and it is seen to explain much of their behaviour (Ho, 1977). In general, this means that people in collectivistic cultures are aware of and concerned about the perceptions of other people of themselves, which consequently means that their consumer behaviour is ultimately driven by symbolic values (Eckhardt and Houston, 1998). As this difference is understood, it is easier to comprehend that people in collectivistic societies do not mainly think of their hedonic needs as they make consumption decisions, because hedonic needs are not primarily driving their consumer behaviour whatsoever. For example, a
consumer in East Asia may choose an expensive wine, which he does not personally like over a cheaper, but he chooses the expensive wine because of the symbolic value that this wine provides.

3.2 Public meanings of luxury

The discussion of this section has so far addressed the driving values of East Asian and Western luxury consumption and the implications of preserving “face” in collectivistic cultures, which refers to the public meanings that the consumption of luxury has. In order to comprehensively understand the concept of public meanings of luxury consumption in collectivistic cultures, the following discussion focuses around elaborating what kind of public meanings are relevant in collectivistic societies in relation to those of individualistic societies.

Traditionally, the public meanings of goods have been seen to forward information about people’s wealth and social class. Nevertheless, Western consumer culture has gradually embraced a shift in luxury consumption from the reflecting of affluence and other indicators of hierarchical prestige to other forms of self-expression (Richins, 1994). Later on, more extensive implications have been connected with the consumption of luxury in terms of their public meanings in individualistic cultures (Davis, 1992). Consumed goods can be seen for instance to help portray the preferred image of one’s age, ethnicity, emotions, personal values and other aspects of the self (Davis, 1992). On the other hand, people in collectivistic cultures do not traditionally consider luxury consumption’s public meanings as a means to accentuate personal attributes. Instead, the East Asian collectivistic approach tends to place individuals in vertical societal hierarchies, as the focus is to a great extent on economic status differences in these cultures (Wong and Ahuvia, 1998). Accordingly, the focus on hierarchical status in East Asian countries explains people’s need to express their position in this hierarchy. As people’s societal position is virtually determined by their economic advancement compared to others, wealth and luxury possessions are seen to portray one’s social and hierarchical status (Zhang and Kim, 2013). In this sense, people’s leveraging of luxury products’ public meanings is generally different between East Asian and Western societies. As individuals in Western cultures perceive the public presentation of their luxury possessions to accentuate a wanted trait within their personality (or other part of the inner self), individuals in East Asian cultures perceive the public implication of their luxury possessions to help both gain and
portrait a certain position in the societal hierarchy. Furthermore, people in collectivistic societies place more emphasis on consuming luxury goods that reflect widely shared meanings within their cultural and social context, whereas people in individualistic cultures place more emphasis on consuming luxury products which reflect the personal meanings that one creates for the specific product (Eckhardt and Houston, 1998). This goes along with the cultural differences regarding the understanding of the self in Western and East Asian cultures which was discussed earlier in this paper. In the next section, the discussion moves on to research more in depth how exactly people’s tendency not to strive to be distinguished from their related groups in collectivistic cultures comes about and affects their consumer behaviour within luxury consumption.

3.3. Weight of group affiliations

As discussed in the previous section, consumers in collectivistic societies are prone to concentrate on the hierarchical public meanings and symbolic values that can be expressed through luxury consumption, rather than on hedonic consumption or striving to express private meanings through consumption as in the case of individualistic cultures. This section discusses why the level of incorporating and promoting group advantage in luxury consumption differs between individualistic and collectivistic cultures.

Conforming to social norms relates to the cultural habit of incorporating group members in the construct of self in collectivistic cultures, as will be discussed in the upcoming section. In this sense, every individual decision affects the construct of the self and thereby other members of the group who are considered parts of the self. A person in a collectivistic society may in this sense theoretically be willing to resist the conforming to group affiliations. Still, as one has to always take into account how one’s behaviour and consumption decisions mirror the group as a whole, for example one’s family, the personal readiness to actually follow one’s completely individual desires remains low (Xiao and Kim, 2009). Research shows that when a person in collectivistic society is seen with luxury possessions, it accentuates the person as a model example of social virtues and their performance to the best of familial or other group obligations (Yang, 1981; Ger and Belk, 1996; Xiao and Kim, 2009). For example, Ger and Belk (1996) found that the luxury possessions and wealth of a family can be considered more important than those of individuals. Also, Yang’s (1981)
research stated that achievement goals pertain primarily group benefit, and one’s success is ultimately measured by others.

3.4 On conformity pressures

As a central aspect in this paper, the relevance of conformity as a driver of consumer behaviour in collectivistic cultures is more extensively discussed here in the sense how social conformity pressures relate to people’s concentration on the public meanings of their luxury consumption. Accordingly, this section provides a deeper look into the fundamental reasoning behind conforming to other people’s expectations in relation to the reasoning of the justification of being true to one’s personal opinions within luxury consumption.

Regarding the previous definition of the “face”, people in collectivistic cultures are generally under the pressure of living up to the expectations of other people and this way gaining their appreciation and social status (Triandis, 2001). Hu (1977) introduced the concept of “face” as a significant power in the collectivistic tradition in relation to “mien-tzu”, which refers to the reputation that is materialistically acquired through successfully getting on in life. The need to maintain this “mien-tzu” ultimately leads to cultural assumptions of what property is relevant in presenting oneself as socially appropriate. Wong and Ahuvia (1998) refer to this phenomenon as the paradox of conformity pressures in relation to individualistic cultures: the public presentation of wealth is all the time strengthened through the desire to fit in the group instead of providing a means for the individual to be distinguished. This means that a person in a collectivistic environment will choose to consume certain luxury products if they are socially acceptable in their group, as opposed to a different mind-set of a peer consumer in an individualistic environment.

Conforming to group pressure is a fundamental difference between Western and East Asian conspicuous consumption: Western consumers can be said to primarily consider their inner self to be the true self, which leads to consumers often considering public conformity as a sort of betrayal to one’s individual tastes and to showcase a lack of personal integrity. Conformity may also be seen as a means to pursue social advantage and neglecting one’s personal convictions simultaneously, or being afraid of other people’s opinions (Sun et al., 2004). This results in a seminal difference in the extent to which the consumption of luxury products reflects one’s inner self. Western literature has explored the meaning of being psychologically healthy, and even this kind of fundamental anthropological research
compounds overall psychological health with one being able to make their own mind irrespective of other individuals, and to evaluate yourself applying personal standards (Ryff, 1989). This individuation from the system is seen to ultimately provide a means to be true to oneself without the collective beliefs and laws of the masses. Quite conversely, this kind of consistency between personal values and public consumption is not expected in collectivistic cultures, as the acknowledged and desirable self constitutes of legitimate external roles (Triandis, 2001). Accordingly, being able to conform to society’s or other related group’s role expectations while setting aside one’s personal preferences is seen as a sign of mature adulthood (Wong and Ahuvia, 1998). Consequently, as people in individualistic cultures consume luxury products as they primarily want to do so, people in collectivistic societies generally consume luxuries as they feel that they have to. This implication follows people’s expressing of symbolic values and their hierarchical status through the consumption of luxury products, as addressed in the previous sections. The aspect of conformity indicates the cultural difference of being faithful to consumption that reflects one’s personal preferences or consumption that helps to conform into social roles, respectively.

These differences between individualistic and collectivistic cultures concern mainly the degree of difference. For example, Western consumers can naturally regardless their background relate to a situation where it is mandatory to wear attire which does not reflect one’s personal preferences but the situation, such as job interview, may require this kind of clothes. The difference between individualistic and collectivistic cultures comes ultimately from the prevalence of personally experienced pressure to conform to outside demands and the number of social situations which require observable luxury products (Wong and Ahuvia, 1998). People in East Asia aspire to consume luxury, as the cultural climate currently regards luxury products as socially relevant in many situations (Miller, 1984).

4. MODEL OF CULTURAL APPROACHES TO LUXURY CONSUMPTION

As the previous section described the main differences between individualistic and collectivistic societies and their related luxury consumption, this section gathers the interrelationships between these elements visually in the form of a constitutive model of
luxury consumption (Figure 1). This model compounds the different viewpoints on the topic of luxury consumption in independent and interdependent cultures with the aim of showcasing both different cultural approaches to the consuming of luxury as well as describing the continuum between these cultural approaches.

The four key aspects regarding ramifications of luxury consumption in East Asian and Western cultures (Wong and Ahuvia, 1998) which were discussed earlier are presented opposite each other and connected with a line, which represents the reality that most cultures fall somewhere between the two ends in terms of their cultural orientation towards luxury consumption. Starting from the highest part, people in collectivistic societies are primarily looking to express symbolic values through their luxury consumption, as in for example
Consuming products that reflect their group values or provide a reference point for them within their social or cultural framework. On the other hand, highly individualistic cultures emphasize hedonic experiences in luxury consumption, such as realizing pleasant consumption associations or rewarding oneself.

Moving on to right from symbolic values in the figure, consumers in collectivistic societies can generally be said to pursue **luxury goods to achieve or strengthen a desirable social status within their socioeconomic hierarchy**. The consumed luxury products can be seen to reflect a preferred image of for example age, professional advancement, wealth or social capability. Contradictory to Western cultures, material affluence is still a fairly new phenomenon in East Asia, which amplifies people’s expressing of their hierarchical status with the help of luxury consumption. As opposed to hierarchical statuses, consumers in individualistic cultures commonly utilise luxury products to express and honour personal meanings that are relevant to certain luxury products. This may indicate for example a certain place from which the product was bought, the person who gave the product or the occasion the product was bought for.

In addition to promoting their own hierarchical statuses within certain groups, consumers in collectivistic cultures pay generally much attention on how they can promote their group’s overall status within specific contexts, such as wealth, conspicuousness or professionalism. This results in consumers placing high value on what the acquired luxury product symbolizes from the viewpoint of their whole group. An example of this could be for example a son, who is willing to work hard in order to be able to afford to buy his parents an expensive house or car and this way raise his family’s social status. On the other hand, consumers in individualistic societies generally do not realise this kind of activity to promote the hierarchical status of their direct groups, as luxury consumption is commonly driven by personal initiatives.

Lastly, when conflicts arise between personal preferences and being socially appropriate, collectivistic traditions consider social conformity a sign of maturity, and hence more important than personal integrity as is the case in individualistic cultures. People’s personal attitudes and beliefs may for example differ from what is considered socially appropriate by the subjective norms of one’s important inner circle. In this case, social conformity has a priority, and one is supposed to adjust personal preferences with the social code of conduct.
As opposed to conforming to social norms, individualistic cultures encourage people to stay true to their personal minds.

5. IMPLICATIONS FOR EAST ASIAN LUXURY MARKETING

Understanding the differences between individualistic and collectivistic luxury consumption brings important knowledge for marketers on how to address luxury marketing in different cultural and societal environments. Accordingly, the last section of this paper presents some key implications for luxury marketers operating in East Asia based on the discussion of this paper.

The fundamental meaning of any business is to create value for the customer (Teece, 2010). Then again, what is value? As discussed earlier in this paper, value is a subjective notion which can be categorized with the help of instrumental, hedonic and symbolic values (Eckhardt and Houston, 1998; Wong and Ahuvia, 1998; Smith and Colgate, 2007), which provides relevant information for marketers on what kind of aspects to leverage in their marketing of specific products in different markets. As hedonic values are mainly driving the consumption of luxury products in individualistic countries as discussed earlier, marketers tend to focus explicitly on marketing that stimulates customers’ hedonic psyche, such as aesthetics, aromas, pleasure, excitement and fantasies when marketing luxury (Smith and Colgate, 2007).

On the other hand, the research referred in this paper indicates that consumers are driven by different kinds of values depending on their cultural and societal backgrounds, and specifically by symbolic values in collectivistic cultures (Eckhardt and Houston, 1998; Wong and Ahuvia, 1998). In relation to this phenomenon, luxury products are always mirroring the cognition of the consumer, and hence the marketing of luxury should be in a way “speaking the language” of the culture and society which it targets. Hence, the marketing of luxury should be implemented with a consideration on the cultural environment of the specific market for the luxury product, and accordingly address the prevailing consumer values (hedonic or symbolic) of the market. Based on the discussion of this paper, the next section presents some examples of the relevant notions regarding East Asian consumers’
characteristic consumer behaviour and symbolic values as drivers for their consumer behaviour. Accordingly, the managerial guideline of this paper is to demonstrate that luxury marketers should first consider the current cultural and societal nature of their target market in order to operationalize an effective marketing strategy and this way to present their product as appealing to the target group. As examples of how to address and leverage collectivistic tradition in luxury marketing, the next section addresses social conformity, the importance of group affiliations and gift exchange as a symbolic way of acknowledging esteem and hierarchies, as they represent some of the central aspects in the luxury consumption in collectivistic cultures (Yau, 2016).

First of all, the tendency of people in collectivistic cultures to include other people in the definition of their self implies that individuals in collectivistic societies are generally collective, and thus rely to a great extent on the opinions of their group members on luxury consumption decisions (Yau, 2016). Accordingly, as people are much in contact with each other, consumers collect insight on different luxury brands and products and their relative significance within their respective groups. Additionally, brand conspicuousness can quickly be disseminated through word-of-mouth, which is a central aspect within luxury marketing.

In addition, the fundamentality of group norms implies that consumers in collectivistic societies are more prone to purchase and value luxury goods that are already used and hence acknowledged by their group members (Yau, 2016). This is one practical example of the prevalence of people in collectivistic societies to interpret their luxury consumption through symbolic values, which is in this case formed by social standards. The presence of a certain luxury product within the consumer’s related group creates in this sense a kind of normative standard, from which individuals do not easily differ (Yau, 2016).

Furthermore, the promoting of hierarchical status has an implication on the importance of gift-giving in collectivistic societies. Gifts are generally a common way of establishing, developing and maintaining all kinds of social ties (Belk and Coon, 1993; Cruz-Cárdenas, 2014). This is why gift giving is an especially important part of collectivistic cultures, and it has important implications both for the giver and the receiver of the gift. In this sense, the habit of exchanging gifts in collectivistic cultures reflects the value of the social tie that is addressed in the gift exchange, as the gift itself is primarily a means of acknowledging and fostering the relationship. As giving luxury products to someone intermediates a message of the giver’s esteem, luxury goods are considered especially appropriate for gift giving in
collectivistic societies (Wang et al., 2011). Hence, luxury marketers should acknowledge the more extensive marketing potential of luxury products as gifts in East Asian markets in relation to Western societies.

6. CONCLUSIONS

The aim of this paper was to research what are the key cultural and societal factors in the collectivistic cultures of East Asia which shape and determine motivations and meaning for luxury goods consumption, and especially in which ways these factors differ from those that affect and determine luxury consumption in individualistic societies. In relation to this, key aspects of East Asian collectivistic tradition were addressed with corresponding Western individualistic tradition. Many previous studies (e.g. Ger and Belk, 1996; Wong and Ahuvia, 1998; Eckhardt and Houston, 1998; Kacen and Lee 2002; Park and Jeon, 2008; Wang and Song, 2011) have addressed the original disparity between East Asian collectivistic and Western individualistic consumer cultures, and some studies (e.g. Nueno and Quelch, 1998; Kapferer, 2012; Zhang and Kim, 2013) have additionally addressed aspects of luxury consumption within collectivistic and individualistic societies. In order to acquire an overview on how the reasons and conceptions behind luxury consumption in collectivistic cultures differ from those in Western cultures, the focus of this paper was on shedding light into the key cultural and societal aspects that shape people’s reasoning for luxury consumption in collectivistic societies. This was done by first determining how East Asia differs from Western societies as a consumer culture, and then how East Asian environment affects individuals’ reasons for luxury consumption. Hence, this study forms a synthesis of the previous research within the study areas of luxury consumption and the differences between collectivistic and individualistic societies. The focus was explicitly on understanding the determinants that set the collectivistic approach to luxury consumption and comparing them to those in Western consumer cultures.

Accordingly, the main research question this paper aimed to answer was “How may the reasons and conceptions behind luxury consumption in collectivistic cultures differ from particularly those in Western cultures?” The findings of this paper suggested that there are
four key divergences between collectivistic and individualistic consumer cultures regarding the consumption of luxury products (Davis, 1992; Richins, 1994; Ger and Belk, 1996; Wong and Ahuvia, 1998; Eckhardt and Houston, 1998; Triandis, 2001; Smith and Colgate, 2007; Xiao and Kim, 2009; Zhang and Kim, 2013): values which consumers are looking for, understanding the public meanings of luxury consumption (promoting hierarchical status or promoting personal meanings), the weight of group affiliations on consumption decisions and the legitimately perceived reasons for luxury consumption, as in either conforming to group pressure or making personal decisions. The related sub-questions of this paper were discussed prior to addressing the main question, as they laid foundation to the holistic understanding of a collectivistic approach to consumer behaviour. The main findings for the two sub-questions “In which ways may the cultural and societal environment in East Asia affect individuals’ reasons and conceptions regarding the consumption of luxury goods?” and “How does East Asia differ from Western societies as a cultural and societal environment?” were related to the cultural understandings of interdependent and independent self-concepts, responding to group versus individual needs and hierarchy (Triandis et al., 1988; Fournier and Richins, 1993; Sun et al., 2004; McCort and Malhotra, 1993; Wong and Ahuvia, 1998; Eckhardt and Houston, 1998; Triandis, 2001; Ahuvia, 2002; Sheth et al., 2002; Xiao and Kim, 2009). In other words, Western societies regard individuals as separate actors and the inner self (e.g. attitudes, values and preferences) is primarily driving behaviour, but in collectivistic cultures people’s identities lie ultimately in their familial, professional and other social relationships. Additionally, groups in Western cultures exist to promote individual benefit, whereas East Asian cultures see individuals as parts of larger collectives, and individual endeavours are encouraged to forward group benefit.

From a marketing perspective, this study provides some practical implications that should be taken into account when developing luxury marketing within East Asian collectivistic consumer environments. In essence, marketers tend to focus explicitly on marketing that stimulates hedonic values, as they are mainly driving the consumption of luxury products in individualistic countries (Smith and Colgate, 2007). On the other hand, consumers are driven by different kinds of values depending on their cultural and societal backgrounds, and specifically by symbolic values in collectivistic cultures (Eckhardt and Houston, 1998; Wong and Ahuvia, 1998). Hence, luxury marketing should be implemented with a consideration on the specific cultural environment, and accordingly address prevailing consumer values of the market. The managerial guideline of this paper was to demonstrate that luxury marketers
should first consider the current cultural and societal nature of their target market in order to operationalize an effective marketing strategy, and this way to present their product as appealing to the target customers. In this sense, marketers should acknowledge the importance of underlying group affiliations and norms and the issue of conformity within collectivistic cultures. These characteristics of collectivistic cultures affect in a ground level what luxury products consumers are willing to consider buying. Additionally, the nature of luxury products has also implications on their symbolic value as gifts, which affects how luxury products should be marketed for the buyer in order for the gift to showcase both the gift giver’s and the receiver’s hierarchical status.

6.1 Limitations of the study and avenues for future research

The viewpoint of this study does not address that research has also considered the constructs of individualism and collectivism to represent oversimplifications of cultural values (Lu, 1998; Oyseman et al., 2002). For example, some studies have connected traditional collectivistic orientations with individual orientations, as people from collectivistic societies were interviewed with the purpose of examining current value orientations of people from different cultural and societal backgrounds (Lu, 1998). In this sense, this study does not consider the implications of globalization on the motivations for luxury consumption in individualistic and collectivistic societies.

In relation to this, future research could elaborate around the potential decreasing of the significance of traditional values in collectivistic societies and its implications for luxury marketing in East Asia. This could regard for example researching situations in which East Asian consumers are not drawing from their cultural origins in their luxury consumption decisions, and researching what factors then drive reasoning behind luxury consumption. Furthermore, as globalization disseminates Western values and ideology, research could focus on examining what affects the cultural formation of values, and the overall tendency and pace of new value adaptation in collectivistic cultures. Indicators of younger generations’ adapting to individualistic values and ideology are already present in East Asia, as younger people are assimilating Western values. The consequential research question could elaborate around how people in collectivistic societies are balancing between adapting new individualistic consumption approaches and retaining and acknowledging their cultural and societal ideology of collectivism.
7. REFERENCES


