Luxury Market
-A study of purchasing intentions for luxury goods in China

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The purpose of our paper is to examine if the three factors (culture, economy, and lifestyle) which influence the purchasing intentions of luxury goods, will be changed with the changing generations in China. In addition, this dissertation researches which is the most important factor could influence the purchasing intentions of luxury goods in China.

This research draws attention to the fact that in current years, the market share of fashion luxury goods in China was more than 50%. This research also focuses on the three factors—culture, lifestyle, and economy—which influence the purchasing intentions of luxury goods.

Further investigations reveal that there are connections between the factors and the generations in Beijing and Qingdao, but Ningbo is different from Beijing and Qingdao, there is no connection between the factors and the generations in Ningbo. So, we cannot give any conclusion on whether the importance of those three factors will be changed with the changing generations in China.

During this research, we use a questionnaire to collect data which can be a method to make the data more varied and use statistics to calculate the results. The report evaluates some of the purchasing intentions of luxury fashion goods in China and concludes that there is a connection between the factors and the generations in Beijing and Qingdao.
Abstract

**Purpose/aim** Culture, lifestyle and economy are the three factors that influence the purchasing intentions for luxury goods. The aim of our dissertation is investigating if the importance of the factors will be changed or not, with the changing generations in China.

**Design/methodology/approach** In this dissertation, we use questionnaire to collect data, and then use mathematics and statistics to test our hypotheses.

**Findings** The results show that the importance of the factors could be changed, with the changing generations in Beijing and Qingdao. In contrast, the importance of the factors could not be changed, with the changing generations in Ningbo. So, we cannot establish in China, the importance of the three factors could be changed or not, with the changing generations.

**Originality/value** In this dissertation, our original ideas are the different generations and the factors which effective influence the Chinese consumer’s purchasing intentions of luxury goods. We collected data in different cities in China to figure out if there is any connection between the three factors and three generations. The risk of the research is the sample size, we will have errors in that respondents.

**Keywords** purchasing intentions, luxury goods, culture, economy, lifestyle, generations, China.
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Ch. 1 Introduction

In this part of the dissertation, we present the situation of luxury goods in China and study the consumer’s attitudes buying luxury goods or not. The problem, purpose, research questions, limitations and an outline of the dissertation are presented.

In the 21st century, consumers choose luxury goods to meet their desires. In China, the buying of luxury goods is growing faster and more popular. Luxury is anything that is desirable and more than necessary and ordinary (Heine & Phan, 2011). In other words, the meaning of the definition is things you have that I think you should not have. This definition is wide and all research disciplines can accept it, the regional, temporal, economic, lifestyle, cultural and situational perspectives are the five factors which influence the purchasing intentions of luxury goods. Following the economy changing, more and more customers in China are willing to buy luxury brand goods. Because of the population size and the rapidly growing economy, China becomes an extremely attractive marketplace. The market value of luxury items in China was estimated at 2 billion US dollars in 2003 (Li, Li, & Kambele, 2012). The philosophical–sociological perspective of luxury concentrates mainly on the evolution of attitudes towards luxury and its societal benefits (Heine, & Phan, 2011), and on the changes in the diversification and preferences for luxury. Over time, people have changed their minds in buying luxury goods. On one hand, since the developing economy, people have better life quality. They aspire luxury goods in order to obtain self-confidence. On the other hand, consumers' attitudes have been changed as time goes by and that can be an influence on lifestyle. The Chinese fashion lifestyle is gradually beginning to show its own distinct characteristics. China’s culture is different from Western cultures (Heine, & Phan, 2011), and thus, Chinese luxury consumption may not follow the trends of the Western world. The Chinese perceive luxury brand value in terms of China’s unique cultural background. We cannot analyze the
culture without the economy influence, because the economic change has an impact on the society and it could have an effect on people's purchasing behavior. China's economy has grown tenfold since 1978 (Gao, Norton, Zhang & To, 2009). Some of consumers buy luxury goods for keeping face; some of them have other goals that could be included in purchasing behavior but are not an aim in this dissertation. We present the structure of this dissertation in problem, in order to make it easier to read.

1.1 Problem
Culture, lifestyle and economy are the three factors, which are investigated in this thesis, and influence the purchasing intentions of luxury goods. We want to discuss the problem: Whether the importance of the three factors will be changed or not, with the changing generations in China.

1.2 Purpose
Before we start writing this dissertation we search lots of information on luxury, and then we choose the Chinese market. The purpose of our dissertation is to investigate the connections between the three factors and the three different generations in China.

1.3 Research question
We do the research in different cities in China, Beijing, Ningbo and Qingdao. In those three different districts, are they influenced by the same factors? Which is the most important factor could influence the Chinese consumers' purchasing intention of luxury goods?

1.4 Limitations
Firstly, the limitation in this report is the luxury field. There are so many kinds of luxury goods that people are interested in. In this dissertation, we just focus on
the purchasing intentions for the basic kinds of luxury fashion goods, such as clothes, make-up, accessories etc. We choose the products that are easily purchased in our daily lives. Cars also belong to luxury but we are not doing research on those kinds of luxury field. We would like to research the popular goods, so that is why we choose the fashion luxury products. Secondly, we also limit the generations and areas. The global luxury market is not only including China, we choose China to investigate because we think that China is a typical case and more special compared with other countries. Every region has their own type of purchasing intentions; we had read few articles which describe other regions’ luxury markets characteristics. Then we also choose three different generations 1970s, 1980s, and 1990s. Because three generations have their characteristics, our dissertation wants to investigate whether purchasing intentions of luxury goods are influenced by different factors in different generations, with people who live in Beijing, Qingdao and Ningbo.

1.5 Outline
This dissertation consists of eight chapters:

Ch 1
We present the situation of luxury goods in China, problem, purpose, research question and the limitations.

Ch 2
The basic background of luxury goods, economy, lifestyle and culture are presented.

Ch 3
General hypotheses that are based on our problem is presented.

Ch 4
It consists of research method.

Ch 5
The data is tested by statistics and mathematics.

Ch 6
The results from the three tables and the questionnaire can be found and an analysis is presented.

Ch 7
It consists of a discussion of empirical findings and analysis of the survey.

Ch 8
The final chapter is the conclusion of our thesis.
Ch. 2 Background

We present the basic background of luxury goods, economy, lifestyle and culture. Furthermore, we show the aims in this dissertation.

In the introduction we give the three factors which influence the purchasing intentions of luxury goods. In this section we give the definition of luxury and backgrounds of the three factors. Luxury is anything that is desirable and more than necessary and ordinary (Heine, & Phan, 2011). The definition of luxury goods as we know, it is wide and general. Nowadays, what is “necessary and ordinary” it should based on the situation, we found literature analyzing luxury goods from three perspectives those are: the Philosophical sociological perspective; the Micro-economic perspective; the Managerial perspective. Luxury fashion goods include: accessories, handbags, shoes, watches, jewelry, and perfume for which mere use or display of particular branded products brings prestige to owners, apart from any functional utility (Gao, Zhang, Norton & To, 2009). In this chapter. The three factors have been separated.

2.1 Economy

The rapidly growing appetite for luxury brands in the emerging economies of Asia, especially China, has helped to increase the growth of the luxury market in recent years. Data from the World Luxury Association (WLA) show that the value of luxury goods expenditures in China has increased by US$6 billion in recent five years (Li, Li, & Kambele, 2012). We think that can be an economic factor which impacts the purchasing intentions of luxury goods in China. Although the economy is changing, that cannot be the only factor. We should also consider the society, culture and other reasons. From that information, we know that China is becoming the largest consuming and trading partner for luxury goods.
2.2 Lifestyle
In an article which researches people in Italy buying luxury goods, the result shows that people in Italy buy luxury goods mainly to match their lifestyle (Amatulli, Guido & Lecce, 2011). In this dissertation we do research to figure out if lifestyle can be a factor which influences Chinese purchasing intentions of luxury goods. From the subjective it is a personal element; in macroscopic view, lifestyle is in accord with society tendency. Lifestyle is a main characteristic in society, the level of self-group interaction leads to a distinction between the independent self (individualist, autonomous) vs interdependent self (collectivist, communal and relational) (Markus and Kitayama, 1990).

2.3 Culture
Since the 1970s, the culture in China has changed; the main reason is the economy. There are also other factors and it is not the only one. The identification and understanding of cross-cultural market segments have been the research focus of several studies. Geographic, political, economic, and cultural data have typically been used to identify consumer segments across countries (Nadine, Raffaele & Koyama, et al. 2012). China’s culture is different from Western cultures (Li, & Li, & Kambele, 2012), and thus, the Chinese luxury consumption may differ from that of the Western world. The tendency of purchasing has varied. The Chinese perceive luxury brand value in terms of China’s unique cultural background (Li, & Li, & Kambele, 2012).

Our dissertation focuses on the factors which could influence the purchasing behavior of Chinese customers for luxury goods in different generations. The following part presents the general hypothesis; the next part we give more details on the three different cities.
Ch. 3 General Hypothesis

In this chapter of the dissertation, we show the general hypothesis based on our problem.

The regional, temporal, economic, cultural and situational perspectives are the five factors which influence the purchasing intentions for luxury goods. Nowadays, China occupies more than 50% of luxury market globally. The value of luxury goods expenditures in China has increased by US$6 billion in the recent five years (Li, Li, & Kambele, 2012). In our dissertation, we think the three factors of economy, culture and lifestyle are easy to describe and make people understand. We want to research the question whether the importance of the three factors will be changed or not, with the changing generations in China. China has a large territory and population size. So, we decide to choose Beijing, Qingdao and Ningbo to do the research and use statistical tests to figure out the results.

3.1 Customers purchasing intention of luxury goods in Beijing

China’s transition process from a planned to a market economy started to deeply affect the urban economy of Beijing in the early 1980s (Yang, Cai, Ottens & Sliuzas, 2013). Beijing is the capital of China and the city is becoming one of the world’s leading cities. In Beijing, the total municipal population increased from 9 million in 1980 to 19.6 million in 2010, of which 86% is classified as urban population (Yang, Cai, Ottens & Sliuzas, 2013). From this information, we know the three factors of culture, economy and lifestyle are fully reflected on the people who live in Beijing. So, Beijing is a good place for us to investigate our questions. It could be argued that purchasing intentions of luxury goods are influenced by different factors in different generations, with people who live in Beijing. Thus, our hypothesis is that:

H1: There are differences between the factors and the generations in Beijing.
3.2 Customers purchasing intention of luxury goods in Qingdao
Qingdao is one of the leading cities in China (Zhang & Rasiah, 2013). Based on its investment environment and government effectiveness, it is becoming second overall in China. In 2010, Qingdao was colonized by foreign powers (Zhang & Rasiah, 2013), and it made up 36% of the population. As the same time, Qingdao had a total 7.63 million permanent residents. Therefore, the big population and leading economy can make the people who live in Qingdao have their own lifestyle. So, Qingdao is a suitable place that we can research the purchasing intentions of luxury goods. Thus, our hypothesis is that:
H2: There are differences between the factors and the generations in Qingdao.

3.3 Customers purchasing intention of luxury goods in Ningbo
Ningbo is a national historical and cultural city approved by the Ministry of Culture of the People's Republic of China, and it is one of the three major economic centers in Zhejiang. In 2010, the population of Ningbo was more than 7.6 million (Zhang & Rasiah, 2013). People’s lifestyles will be affected by the history, culture and economics. Culture, economy and lifestyle can be present totally in Ningbo. Based on this information we would argue that the different factors have different impact on the purchasing intentions for luxury goods, in different generations in Ningbo. Thus, our hypothesis is that:
H3: There are differences between the factors and the generations in Ningbo.

In this dissertation, after the part of general hypotheses, we give the method of research data.
Ch. 4 Method

In this part we introduce the method that we use in this dissertation.

In this section we give an introduction about how we collected data and which scientific we used. We present in three parts which are sample, operationalization and sample description.

4.1 Sample

In this dissertation, data are collected with a questionnaire and then we use mathematics and statistics to test if there will be differences between the factors and the generations. We made an internet questionnaire then sent the address to our friends and ask them to pass the address to others. We choose Beijing, Qingdao and Ningbo, these three cities to do the research. The reason why we choose these three cities is that we come from these cities. We know more about these cities than others; it is easier to distribute our questionnaire and to get the responses.

4.2 Operationalization and measures

Before presenting the analysis of the responses, we give the method that we used to choose sample size. We suppose that 90% of the responses in China are possible to use in the survey. How big a sample do we need to be able to estimate the proportion of respondents giving useful responses? We cannot give the answer like a 95% confidence interval with margin of error equal 6%.

\[ Z \sqrt{\frac{\pi(1-\pi)}{n}} = \text{Margin of error} \]

We can change the statistic test:

\[ n = z^2 \pi (1-\pi)/M^2 \]

\[ n = 96 \]
If we want the error small, we should make the sample at least 96 respondents in each table.

4.3 Sample description

After three weeks, we got 413 answers as a tabular form, 100 effective responses in Beijing; 113 effective responses in Qingdao; 160 effective responses in Ningbo. There also have 40 non-effective responses in total. The test statistics has a large sample chi-squared distribution. The degree of freedom depends on the number of rows and the number of columns. We use statistics method \( \chi^2 = \sum \frac{(f_0 - f_e)^2}{f_e} \) where \( f_0 \) is the number that we get from questionnaire, \( f_e \) is the expected frequencies. For \( 2 \times 2 \) tables different proportions is useful, as the odds ratio, that from the two rows. That method for describing and making inferences about the association between two variables and making a conclusion, if there is any connection.

In our dissertation, we use tables to present the data in the empiric part that in next chapter.
Ch. 5 Empirics

In this part of our dissertation, we present the data as tables and use mathematics and statistics tests to analyze.

We introduced the method we choose in the last section. In order to obtain scientific results, we use empirics to calculate those data based on the responses we got.

5.1 Statistics

We use the questionnaire to find out if there are differences in purchasing intentions of Chinese customers for luxury goods depending on differences between factors – three kinds of factors, economy, culture and lifestyle determine – and generations – three different generations, 70s, 80s and 90s.

H₀: There will be no differences depending on factors and generations.
H₁: There will be differences depending on factors and generations.

5.1.1 Statistics

Culture, economy and lifestyle are the three factors that influence purchasing intentions of luxury goods. In the table 5.1, we present data and determine the most important factor which respondents choose, with the generations – 70s, 80s and 90s in Beijing.

5.2 Conclusion

5.2.1 Conclusion

Table 5.1: In Beijing, people are purchasing intention of luxury goods by different factors in different generations.
<table>
<thead>
<tr>
<th></th>
<th>70s</th>
<th>80s</th>
<th>90s</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>16</td>
<td>4</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Economy</td>
<td>6</td>
<td>7</td>
<td>24</td>
<td>37</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>6</td>
<td>16</td>
<td>11</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28</td>
<td>27</td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

i) Null hypothesis:

H₀: There will be no differences depending on factors and generations in Beijing.

H₁: There will be differences depending on factors and generations in Beijing.

ii) Statistical test:

\[ \chi^2 = \sum \frac{(f_0 - fe)^2}{fe} = \frac{(16-8.4)^2}{8.4} + \frac{(4-8.1)^2}{8.1} + \ldots + \frac{(11-14.85)^2}{14.85} = 23.61 \]

iii) Significance level:

\( \alpha = 0.05 \) and \( N \) is the number of subjects who participated in the survey = 100.

iv) Sampling distribution

\( df = (r-1)(k-1) = (3-1)(3-1) = 4 \)
v) Rejection region:
The region of rejection consists of all values of $\chi^2$ which are so large that the probability associated with their occurrence when $H_1$ is true is less than or equal to $\alpha=0.05$.

vi) Decision:
We observe that for the data in Table 5.2.1, $\chi^2 = 23.61$ with

$$df = (r-1) (k-1) = (3-1) (3-1) = 4$$

Reference to Appendix Table C (Agresti & Finlay, 2009) reveals that such a value of $\chi^2$ is significant beyond the 0.05 level. (The critical value for $\alpha=0.05$ and $df = 4$ is 9.49). Therefore, our decision is to reject $H_0$. We conclude that there will be a difference between factors and generations in Beijing.

5.1.2 Statistics
Culture, economy and lifestyle are the three factors that influence purchasing intentions of luxury goods. In the table 5.2, we present data and determine the most important factor which respondents choose, with the generations – 70s, 80s and 90s in Qingdao.

5.2.2 Conclusion
Table 5.2: In Qingdao, people are purchasing intention of luxury goods by different factors in different generations.

<table>
<thead>
<tr>
<th></th>
<th>70s</th>
<th>80s</th>
<th>90s</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>5</td>
<td>15</td>
<td>14</td>
<td>34</td>
</tr>
<tr>
<td>Economy</td>
<td>14</td>
<td>28</td>
<td>5</td>
<td>47</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>5</td>
<td>14</td>
<td>13</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>57</td>
<td>32</td>
<td>113</td>
</tr>
</tbody>
</table>
i) Null hypothesis:

$H_0$: There will be no differences depending on factors and generations in Qingdao.

$H_1$: There will be differences depending on factors and generations in Qingdao.

ii) Statistical test:

$$\chi^2 = \sum \frac{(f_0 - f_e)^2}{f_e} = \frac{(5 - 7.22)^2}{7.22} + \frac{(15 - 17.15)^2}{17.15} + \ldots + \frac{(13 - 9.06)^2}{9.06} = 12.99$$

iii) Significance level:

$\alpha = 0.05$ and $N$ is the number of subjects who participated in the survey = 113

iv) Sampling distribution

$df = (r-1)(k-1) = (3-1)(3-1) = 4$

v) Rejection region:

The region of rejection consists of all values of $\chi^2$ which are so large that the probability associated with their occurrence when $H_1$ is true is less than or equal to $\alpha = 0.05$. 
vi) Decision:
We observe that for the data in Table 5.2.2, $\chi^2 = 12.99$ with
$$df = (r-1) (k-1) = (3-1) (3-1) = 4$$
Reference to Appendix Table C (Agresti & Finlay, 2009) reveals
that such a value of $\chi^2$ is significant beyond the 0.05 level. (The
critical value for $\alpha=0.05$ and $df = 4$ is 9.49). Therefore, our decision
is to reject $H_0$. We conclude that there will be a difference between
factors and generations in Qingdao.

5.1.3 Statistics
Culture, economy and lifestyle are the three factors that influence purchasing
intentions of luxury goods. In the table 5.3, we present data and determine the
most important factor which respondents choose, with the generations – 70s,
80s and 90s in Ningbo.

5.2.3 Conclusion
Table 5.3: In Ningbo, people are purchasing intention of luxury goods by different factors in
different generations.

<table>
<thead>
<tr>
<th></th>
<th>70s</th>
<th>80s</th>
<th>90s</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>8</td>
<td>5.74</td>
<td>18</td>
<td>13.18</td>
</tr>
<tr>
<td>Economy</td>
<td>13</td>
<td>14.18</td>
<td>28</td>
<td>32.55</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>6</td>
<td>7.09</td>
<td>16</td>
<td>16.28</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>62</td>
<td>71</td>
<td></td>
</tr>
</tbody>
</table>

i) Null hypothesis:

$H_0$: There will be no differences depending on factors and
generations in Ningbo.

$H_1$: There will be differences depending on factors and generations
in Ningbo.
ii) Statistical test:

\[ \chi^2 = \sum \frac{(f_0 - f_e)^2}{f_e} = \frac{(9-5.74)^2}{5.74} + \frac{(18-13.18)^2}{13.18} + \ldots + \frac{(20-18.63)^2}{18.63} = 7.86 \]

iii) Significance level:

\( \alpha = 0.05 \) and \( N \) is the number of subjects who participated in the survey = 160.

iv) Sampling distribution

\( df = (r-1)(k-1) = (3-1)(3-1) = 4 \)

v) Rejection region:

The region of rejection consists of all values of \( \chi^2 \) which are so large that the probability associated with their occurrence when \( H_1 \) is true is less than or equal to \( \alpha = 0.05 \).

vi) Decision:

We observe that for the data in Table 5.2.3, \( \chi^2 = 7.86 \) with

\[ df = (r-1)(k-1) = (3-1)(3-1) = 4 \]

Reference to Appendix Table C (Agresti & Finlay, 2009) reveals that such a value of \( \chi^2 \) is smaller than the 0.05 level. (The critical
value for $\alpha=0.05$ and $df = 4$ is 9.49). Therefore, our decision is to accept $H_0$. We conclude that there will be no differences between factors and generations in Ningbo.

In this dissertation, after statistical tests, the analysis and results will be given in next chapter.
Ch. 6 Results/Analysis

After the survey, we get the results from the responses. In this part we present the results, and then analyze the questionnaire and the three tables in empirics.

On the basis of the decisions that we gain from the statistical method, we make an analysis and present the results from the questionnaire, also the results from the three tables have included in this chapter.

6.1 Results and analysis of three most important elements

After the survey, we get the data and choose the three most important elements to present in a tabular form.

<table>
<thead>
<tr>
<th>Generations</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>70s</td>
<td>80</td>
<td>19.4</td>
</tr>
<tr>
<td>80s</td>
<td>160</td>
<td>38.7</td>
</tr>
<tr>
<td>90s</td>
<td>173</td>
<td>41.9</td>
</tr>
<tr>
<td>Total</td>
<td>413</td>
<td>100</td>
</tr>
</tbody>
</table>

From the table 6.1, first we can see that people who were born in 1990-1999 are most interested in the survey. The second most active are the people who were born in 1980-1989. The people who were born in 1970-1979 are not active in this survey.
Table 6.2 Cities survey

<table>
<thead>
<tr>
<th>Cities</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>101</td>
<td>24.5</td>
</tr>
<tr>
<td>Qingdao</td>
<td>114</td>
<td>27.6</td>
</tr>
<tr>
<td>Ningbo</td>
<td>162</td>
<td>39.2</td>
</tr>
<tr>
<td>Others</td>
<td>36</td>
<td>8.7</td>
</tr>
<tr>
<td>Total</td>
<td>413</td>
<td>100</td>
</tr>
</tbody>
</table>

From the table 6.2, we can see most people who did the survey are from Ningbo followed by Qingdao and Beijing. This table shows by the number of people who participate in the survey.

Table 6.3 Factors survey

<table>
<thead>
<tr>
<th>Factors</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>107</td>
<td>25.9</td>
</tr>
<tr>
<td>Economy</td>
<td>184</td>
<td>44.6</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>115</td>
<td>27.8</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
<td>1.7</td>
</tr>
<tr>
<td>Total</td>
<td>413</td>
<td>100</td>
</tr>
</tbody>
</table>

From the table 6.3, we can know that most of people think economy is the most important factor which influences the purchasing intentions of luxury goods in China. The percentages of culture and lifestyle are similar, but lifestyle is more effective than culture to influences the purchasing intentions of luxury goods in China.
6.2 Result and analysis of statistics 5.1
After using a mathematics and statistics test on the data in the table 5.1, we get the P-value is even smaller than 0.05. So, our decision is to reject $H_0$. The conclusion is there will be a significant difference between the factors and the generations. In other words, in Beijing, the importance of the factors will be changed, with the changing generations.

6.3 Result and analysis of statistics 5.2
After using mathematics and statistics test on the data in the table 5.2, we get the P-value is smaller than 0.05. So, our decision is to reject $H_0$. The conclusion is there will be a significant difference between the factors and the generations. In other words, in Qingdao, the importance of the factors will be changed, with the changing generations.

6.4 Result and analysis of statistics 5.3
After using mathematics and statistics test on the data in the table 5.3, we get the P-value is larger than 0.05. So, there is support for $H_0$. The conclusion is there will be no difference between the factors and the generations. In other words, in Ningbo, the importance of the factors will not be changed, with the changing generations.

6.5 Consolidated results and analysis
In this dissertation, we want to discuss the problem: whether the importance of the factors will be changed or not, with the changing generations in China? During the survey, we choose the three cities to do the questionnaire, and then use the mathematics and statistics to test the data. Finally, we get the results of the three statistical tables. According to the results, we find the importance of the factors will be changed, with the changing generations in Beijing and Qingdao. In contrast, the importance of the factors will not be changed, with
the changing generations in Ningbo. So, we cannot say that in China, the importance of the factors which influence the purchasing intentions of luxury goods will be changed or will not be changed, with the changing generations.

In this dissertation, comparing with the opinions we had before, we will discuss our viewpoints and the results from statistics in the next section.
Ch. 7 Synthesis/Discussion

In this section, we combine with two preceding chapters to give a synthesis. This section focuses on which opinions that we have on purchasing luxury goods in China.

In the earlier chapters, we acquire the results that we cannot sure the three factors will change with changing generations in China. In Beijing and Qingdao, the significance of three factors will be changed with changing generations. However, Ningbo is different from Qingdao and Beijing. We found there are no association between the three factors and the generations. The only point we can be sure of is that the economy is the most important factor that influences the purchasing intentions of luxury goods in China.

This paper focuses on purchasing intentions of luxury goods in China. It makes three contributions:

1. We collected data from three cities in China by questionnaire.
2. The empirics are the important mathematics that we used, in order to prove our hypotheses.
3. After that we analyze the data that we got from statistics in empirics.

Those three sections are the main body in this dissertation.

This dissertation is devoted to the study of purchasing intentions of luxury goods in China. Our purpose is to find out if there are differences in purchasing intentions of Chinese customers for luxury goods depending on differences between factors and generations.

Before data collection, we thought that the economy is the most important factor which influences the purchasing intentions of luxury goods in China. In
our point of view, the economy can be a main factor because in the recent ten years, rapid development of the economy is the factor which has changed greatly. Culture and lifestyle also have changed but we do not think those are the main factors to influence Chinese purchasing intentions. By comparison people in Italy, buy luxury goods to match their lifestyle (Heine, & Phan, 2011). Culture can be a basic element to influence people to buy luxury goods, but the difference between China and Italy is economy. Italy is a developed country, so their per capital consumption expenditure is higher than China’s.

During the process, we expected that the results of the three cities should be the same and the economy probably is the most important factor. We did research in three cities, present the questionnaire on internet. After three weeks we got almost 400 respondents in totally, but 40 cannot be used. The results are technical; we have accounted for the sample size before we do the research. We use the responses in statistical tests and show them in tables. When we came up with the verdict, we found the results are different from the expected statistical outcome.

In this dissertation, combined with all information in this dissertation, next chapter is to sum up.
Ch. 8 Conclusion

In this chapter, we summarize all our information in this dissertation, and then we present the criticism and give the suggestions for the further research.

This dissertation shows the culture, lifestyle and economy are the three factors that influence the purchasing intentions of luxury goods in China. The aim of our dissertation is to investigate if the importance of the factors will be changed or not, with the changing generations in China and which is the most important factor influences the Chinese consumers’ purchasing intention of luxury goods. The paper is limited to the kinds of luxury goods and the generations and areas that we want to do research. We choose Beijing, Ningbo and Qingdao as survey scope, and then we choose people who were born in 1970s, 1980s and 1990s as respondents.

1. We find some articles to support our arguments. Li, Li, & Kambele, (2012) said that the value of luxury goods expenditures in China has increased by US$6 billion in the recent five years. Heine & Phan (2011) argue that the philosophical–sociological perspective of luxury concentrates mainly on the evolution of attitudes towards luxury and its societal benefits.

2. Following this information, we come up with the three general hypotheses, and then we use a questionnaire to collect data and use mathematics and statistics tests to analyze our hypotheses.

3. In the method chapter, because of understanding and easy implementing, we choose Beijing, Qingdao and Ningbo to do the research. Then we got 413 answers, 100 effective responses in Beijing, 113 effective responses in Qingdao, 160 effective responses in Ningbo.
4. We organize the data and use mathematics and statistics tests to analyze it.
5. We find the importance of the factors will be changed, with the changing generations in Beijing and Qingdao. But in Ningbo, we cannot find the same situation as Beijing and Qingdao.

All in all, we cannot find evidence that in China, the importance of the factors which influence the purchasing intentions of luxury goods will be changed or will not be changed, with the changing generations.

8.1 Self-evaluation
These methods are scientific and systematic. So the results of our dissertation are also valid and reliable. In addition, we have some deficiency in our dissertation.

8.2 Reliability
In order to have a valid quantitative study and research a sufficient response rate, we need a larger sample. However, this requires time and a good knowledge of the languages. We are conscious of this problem but it is difficult to organize focus groups with this number of people. In fact we sent the questionnaire to our friends or classmates who live in Beijing, Qingdao and Ningbo by email. It is also difficult to collect data from people who were born in 1970s.

8.3 Validity
In this dissertation, we use a questionnaire to do our survey. The data that we collected are valid and reliable. Then we test and analyze our data with mathematics and statistics methods.
8.4 Further research

This topic can be studied in different manners. In our research, we cannot absolutely conclude that in China, the importance of the factors which influence the purchasing intentions of luxury goods will be changed or will not be changed, with the changing generations. If we want to get valid and scientific results, we should do the survey with more people and expand the investigated areas.
References


Appendix

Questionnaire

1. When were you born?
   - □ 70s (1970-1979)
   - □ 80s (1980-1989)
   - □ 90s (1990-1999)

2. Your gender
   - □ Female
   - □ Male

3. Which city do you live in?
   - □ Beijing
   - □ Ningbo
   - □ Qingdao
   - □ Others

4. Where does your money come from?
   - □ Parents
   - □ Salary
   - □ Others

5. What is your monthly income?
   - □ — 3000
   - □ 3001-5000
   - □ 5001-8000
   - □ 8001—

6. Which is the main consumer group in China in your opinion?
   - □ Age 20-35
   - □ Age 36-50
   - □ Age 51-70
7. What is your opinion on luxury goods?
   □ Do not care
   □ Average interest
   □ High interest

8. Where do you get the information about luxury goods?
   □ Internet
   □ Friends/Family
   □ Media (ad, magazine…)

9. Which factor do you think is the most important thing that influences the purchasing behavior in China?
   □ Economy
   □ Culture
   □ Lifestyle
   □ Others

10. Which kind of luxury goods do you usually buy?
    □ Make-up
    □ Accessories (bags, wallet…)
    □ Clothes
    □ Jewelry
    □ Others

11. Which factor do you think is the most important reason for people to buy luxury goods?
    □ Flaunt
    □ Fashion
    □ Life quality
    □ Gift
    □ Others
12. Do you think that it is possible to change the attitude of the purchasing behavior in China?

☐ Yes
☐ No