



A Study of Luxury Show-off Consumption in Chinese Society Based on the Perspective of Cultural Sociology

Xinzhi Gao^{1,*}

¹ School of Social Development, Tianjin University of Technology, Tianjin, 300000, China

*Corresponding author: gxz@stud.tjut.edu.cn

Abstract. Nowadays, with social and economic development, national income has increased. For Chinese consumers, experiencing a poor life has increased their desire for a better material life. The rise of the Internet showcases the carnival of popular culture and consumer society. However, whether conspicuous consumption truly has cultural commodity value remains to be examined. Due to improving people's consumption level and quality of life, cultural diversity leads to different consumption concepts, and consumption gradually presents characteristics of openness and diversification. The special cultural background and consumer psychology have made conspicuous consumption one of the quintessential consumption ways for lots of domestic consumers. At the same time, there is a competitive mentality in the luxury culture of society. People buy expensive luxury goods to save face and showcase their identity and social status. This article is based on the perspective of cultural sociology and the theory of the leisure class. Conduct research on the conspicuous consumption of luxury goods by identifying problems, theoretical support, relevant strategies, and personal insights. According to Van Buren's thesis of "leisure class" and ostentatious spending, this article examines why Chinese individuals buy luxury products for face value. There is a culture of comparison in China's luxury goods market. It is concluded that conspicuous consumption is now a universal consumption behavior. Individuals should establish correct values. Enterprises create influential domestic brands.

Keywords: Consumer Society, Comparison, Conspicuous Consumption, Luxury Goods

1 Introduction

The process of globalization is accelerating, and in large cities and economically developed regions, the encirclement of people by "brands" has formed. Consumer goods have become the main way of life for people. Residents' consumption concepts and behaviors follow the consumer society and show a clear tendency towards consumerism [1]. In the daily lives of urban and rural residents, consumption designs are moderately becoming the appraisal base for social ranks, cultural identity, and individual reputation. Western culture emphasizes independent self-construction. The Eastern

© The Author(s) 2023

S. Yacob et al. (eds.), *Proceedings of the 2023 7th International Seminar on Education, Management and Social Sciences (ISEMSS 2023)*, Advances in Social Science, Education and Humanities Research 779,

https://doi.org/10.2991/978-2-38476-126-5_81

culture emphasizes a dependent self that values society's perception of individuals. The reference group plays a decisive role in consumer purchasing decisions. When consumers define themselves as members of a certain consumer group, they have the motivation to positively evaluate the group and make more efforts to maintain their voluntary social identity. Luxury goods are endowed with social significance while possessing cultural and collectible value. Moreover, the public's consumption level and quality of life have improved, and consumption has gradually shown characteristics of openness and diversification.

People's ask for merchandise and services is no more limited to pragmatic functions but hopes to meet psychological needs through specific consumption behaviors. The characteristics of a consumer society are a large, capable consumer population and the globalization of the consumer society. Consumers have shifted their emphasis on the consumption content of consumer goods from the value of use to the value of conformity.

The current consumption trend is towards diversification, with various consumer demands coexisting. People turn their attention to consumption to make up for their spiritual emptiness, and workers strive to make money and enjoy life by consuming to the fullest. Moreover, developing a consumer society meets people's unwillingness to be dominated. Free to buy any desired product during consumption. Some people find themselves in consumption and feel the social status brought by face-saving. With the improvement of the economic level, people yearn for a better material life, and emerging cultural values will promote individual conspicuous consumption behavior. They are simultaneously entering the era of mass consumption. In addition, with its unique cultural background and consumer psychology, conspicuous consumption has become one of the quintessence consumption ways for lots of domestic consumers.

After undergoing reform and opening up, China has undergone a broad and profound social transformation. The biggest change is undoubtedly the rapid development of the market economy, with expensive luxury goods entering the era of mass consumption. It can be seen from the 2022 China Economic Review and 2023 Economic Outlook released by the National Bureau of Statistics of the Economic Research Institute of the Chinese Academy of Social Sciences (Cass. cn), In 2022, facing multiple challenges and difficulties, China efficiently coordinated epidemic prevention and control and financial and social advance, and still retained total economic and social balance. Three years after the epidemic, the annual compound growth rate of Gross Domestic Product (GDP) was 4.5%, ranking among the top major global economies. From the perspective of driving economic growth, it was mainly affected by the epidemic, and the contribution rate of final consumption to economic growth was significantly weakened. The growth rate of total retail sales of consumer goods fluctuated and increased. The proportion of residents' basic consumption and online retail sales continued to increase compared to the previous two years. China's consumption capacity remains at a relatively high level. China's luxury consumption still maintains a relatively high growth trend [2].

According to relevant data, the annual sales of China's luxury goods market in 2008 were approximately \$2 billion. AnYong, one of the world's top four accounting firms, released a research report in 2006, stating that from 2005 to 2008, the annual

growth rate of luxury goods sales in China reached 20%. The annual growth rate from 2009 to 2015 is around 10%. In 2015, China's luxury goods sales will exceed 11.5 billion US dollars, accounting for 29% of global consumption. China has become the largest consumer of luxury goods. Therefore, the Chinese luxury goods market objectively exists [3]. The research on luxury consumption behavior abroad has been relatively mature. After the rise of the Chinese luxury goods market, relatively few domestic scholars have paid attention to the motivation for Chinese luxury goods consumption, and there is even less research in this area. Luxury brands and media vigorously promote luxury goods and the quality of life and value they bring to China. In response to this phenomenon, this article mainly analyzes the consumption of luxury goods in Chinese society based on Van Buren's theory of "leisure class" and conspicuous consumption and existing data through a literature review. The article conducts research on personal insights by identifying problems, theoretical support, and relevant countermeasures.

2 Theoretical basis

Proud consumption is an important socio-economic phenomenon that refers to consuming extremely expensive products or services. The earliest work published by Van Buren in 1899, titled "On the Leisure Class - An Economic Study of Institutions," proposed that conspicuous consumer entities mainly target the leisure class. This article conducts a systematic study of this group. The leisure class comes from a prestigious family, has received a good education, and has an elegant demeanor, behavior, lifestyle habits, and noble taste. This group generally holds a large amount of wealth. They break away from productive labor and consume time non-productively, attending and interacting with various cocktail parties, religious events, celebrations, private gatherings, and more. Their goal of conspicuous consumption is for the honor. Van Buren considers that the pleasure that noticeable depletion behavior can bring to people is called pageantry effectiveness. To obtain and maintain glory, simply retaining wealth or power is not enough. Having wealth or power also requires proof because honor is obtained through such proof [4].

Proud consumption is a movement that provides data of property or dominion to achieve and keep glory. People may engage in wasteful, non-practical, and ostentatious consumption to show off their identity. The more a person is able to spend, the more they prove their economic wealth, position, and personality, so completing the last target of noticeable expenditure. Everyone is pursuing differences and superiority over others. Men engage in honorary work, while women are responsible for household chores, reflected in the division of labor [5]. Nobility manifests superiority through servants and wives. Servants should also learn to be good at singing and dancing, reflecting the nobles' leisure and wealth. In a capitalist society, conspicuous consumption and charitable work reflect leisure, mainly through the gorgeous attire of the wife [6].

However, the leisure class may not necessarily show off their sexual consumption. Not all those who show off their consumption are in the leisure class. In Van Buren's

view, noticeable expenditure is also used to show off items, mainly precious and glory, which can effectively help people pursue fame and status. However, conspicuous consumption is now a universal behavior that can be implemented by any class, anyone, and anywhere.

3 Cause of occurrence

The luxury goods market in Chinese society has a relatively short development time, and the international definition of luxury goods is slightly different. Adam Smith proposed in "The Wealth of Nations" that "in the necessity, my explanation includes not only those things that nature makes necessary for the lowest class of people but also those customs that make them necessary for the lowest class. In addition, all other things he calls them luxury goods. Western economics believes that increasing income at a certain rate will lead to a greater increase in luxury consumption. The demand price elasticity of luxury goods which relates to how much the quantity desired of luxury goods changes in response to price variations., is greater than 1, with a high-income elasticity. According to the Encyclopedia of China's Economics volume, consumer goods are divided into essential and luxury consumer goods. Luxury consumer goods are generally used to meet the needs of the exploiting class to live a luxurious life. International definition: A purchaser good that exceeds the scope of people's survival and evolution needs and has only, rare, and scarce characteristics [7].

In European and American countries, luxury represents artistic aesthetics. Luxury no longer understands that luxury consumption meant "corruption, decay, unfairness, and waste" in the past. The positive luxury concept and luxury consumption have become a powerful driving force for social progress and economic development. Developing the luxury goods industry can significantly stimulate consumption, create employment opportunities and wealth, promote the development of related industries, promote innovation and social, technological progress, and promote social and human development. This article believes that luxury goods with showoff significance are a luxurious way of life that goes beyond people's survival and development needs, with unique, scarce, and rare characteristics of consumer goods.

Van Buren pointed out that the leisure class is psychologically different from the working class, as they need to show that they have money and power omnipresently. As far as they are concerned, consumption is not only about the existence of a leisurely life but also a form of flaunt expenditure. To satisfy the demands of vanity, not to satisfy physiological demands. The consumption level must meet the standards of etiquette. Otherwise, it will be underestimated or excluded. So luxury expenditure or waste is an essential means for members of society to display and maintain their social status and powerful ways for the higher class to symbolize and enhance their status. The submission of personnel to the group is a very broad and essential cultural worth in domestic society, which deeply moves people's ideas and manners and the move of social organizations. Wealthy people frequently indulge in luxury consumption, which entails acquiring and using rare and expensive luxury objects to display

their identity, wealth, and social standing. In other words, they use luxury products to demonstrate wealth and establish social standing. They express their social status and living standards higher than the general public through luxury goods.

Face "is an essential characteristic of people's depletion behavior below the Confucian cultural atmosphere. Personal must demonstrate success to achieve comparative superiority [8]. The essential contrast between the East and the West in showcasing depletion is whether the typical definition of consumption shows buyers' inherent favorites and savor. In the mature luxury goods market in the West, luxury goods showcase consumers' inherent taste. However, the buy of extravagant merchandise by domestic buyers is largely based on the group's requirements or others' forwards. Moreover, East Asian consumers emphasize their 'external self', which is their image in the eyes of others. Some Chinese consumers have a strong desire for wealth accumulation, individuality and diversity, and a pursuit of improving the quality of life. Buying luxury goods from brands has become the main way of identity recognition and differentiation, and it is precisely through luxury consumption that China's newly affluent class needs to demonstrate its economic strength and social status—on the other hand, maintaining and creating a network of personal survival and development through conspicuous consumption.

4 Reflection and suggestions

4.1 Reflection

Due to the epidemic's impact, the Chinese economy is facing three-ply stresses of requires decrease, attack impact, and weakening expectations in 2022. The contribution rate of final consumption to economic growth has significantly weakened. Moreover, with the progress of the periods and the development of existing rules, the Chinese consumer market is increasingly promoting domestic products. Chinese people have established a sense of brand confidence, and their thinking is gradually changing, leading to a decrease in demand for luxury goods. The luxury goods market is developing towards a positive trend, with people paying more attention to the true meaning of high-quality life. The mainstream culture of society advocates that consumers should satisfy their consumption desires as much as possible based on their economic conditions and practical needs, cultivate a healthy and upward consumer culture, and pay attention to the level of free and comprehensive development and true social status improvement.

4.2 Suggestions

Individuals establish correct values and refuse to compare with others. Society needs to create a positive and upward cultural atmosphere, telling people to treat conspicuous consumption rationally. Xiao Wang, a staff member of an advertising company in Shanghai, hesitated for a long time to buy LV's bag. She just graduated a year ago, and her life is not stable. Her monthly salary is 4000 yuan. Xiao Wang has not bought clothes for five months and eats instant noodles daily. In her company, people attach

great importance to brands. When people meet, they look at each other's clothing and brand. Xiao Wang believes that luxury goods are very high-end [9]. People should establish a good consumption concept, carry forward the excellent tradition of diligence, frugality, and thrift of the Chinese nation, and create a positive, healthy, and upward consumption culture in the entire society [10]. The society advocates that members of society maintain correct consumption concepts and promote the consumption concepts of green and sustainable consumption. People need to pay attention to high-end consumption such as tourism and leisure, culture, sports, and health. Consumers pursue product quality and product quality. The market is reducing the excessive pursuit of luxury goods by those without purchasing power and cracking down on the phenomenon of "copycat" and "high imitation" goods to meet demand.

Create influential domestic brands and promote their internationalization. In terms of corporate image promotion, companies should focus on introducing or strengthening positive ethical information about the brand. Based on relevant data display, in 2020, the R&D cost rate of China's brand perfect dairy was 1.28%, only accounting for 1/50 of marketing expenses. The evaluation of products by internet users is very poor. Consumer dissatisfaction is closely related to insufficient investment in product research and development. Perfect dairy companies have reduced costs and improved product competitiveness. However, there are problems with the quality of cosmetics [11]. Chinese companies should adhere to innovative concepts and create influential core brands. Innovate marketing, design, brand concepts, and more. Based on local market characteristics. Enterprises understand the domestic and international market trends and explore innovative brands. The Chinese market showcases brand positioning and combines the characteristics of Chinese culture to showcase products [12]. Chinese brands have created global luxury brands while also making up for the shortage of luxury talent in China. Enterprises introduce excellent foreign talents, learn from the advantages of international brands, cultivate a broad strategic vision, and ensure the cultural level of Chinese talents.

5 Conclusion

China's social and economic development, and rising national income. The improvement of people's expenditure level and mass of living. Expenditure is gradually showing characteristics of openness and diversification. The special cultural experience and buyer psychology have made noticeable expenditure one of the distinctive expenditure methods for lots of buyers. The article mainly proposes the tendency of "comparison and face-saving" in Chinese society based on Van Buren's theory of "leisure class" and conspicuous consumption. This article focuses on the consumption of luxury goods, identifying problems, and proposing relevant theories. Proud consumption is now a universal consumption behavior. This article proposes relevant countermeasures based on the comparison mentality of luxury goods in Chinese society: Society creates a positive and upward cultural atmosphere and rationally treats conspicuous consumption. Enterprises create influential domestic brands and promote the internationalization of local brands. Individuals establish correct values and refuse

to follow the crowd. Domestic research is still ongoing, improving the situation of conspicuous consumption in China for comparison and face preservation through continuous progress and development. At present, there is little theoretical research on luxury goods in China, and there is little reference basis. This may limit the consideration of issues in this article. Due to the different consumer groups of luxury goods and the lack of specific data explanations, the research in this article has limitations due to a lack of practice. Secondly, the relevant theories and research on conspicuous consumption need to be closely studied with the development of the times, and corresponding measures should be proposed based on the research situation. It is recommended that future research provide a more comprehensive and specific theoretical basis.

References

1. Zhang, J. F. (2019). Analysis of non-ostentatious consumption motivation based on social identity theory. *Modern Commerce and Industry*, 40(3), 68-69.
2. Economic Research Think Tank Economic Situation Analysis Research Group. (2023). 2022 China Economic Review and 2023 Economic Outlook. De Lillo, F., Cecconi, G., & Lacorata, A., & Vulpiani, A. *EPL*, 84 (2023).
3. Zhou, X. B. (2022). Heyang Li. Can luxury consumption expand social circles——On the Substitution Effect of Education and Income. *Financial Development*, 9(01), 54-74.
4. Tang, H. Q., & Liu, F. (2006). Behind showoff: A study on "non-ostentatious consumption". *China Youth Research Journal*, (07), 31-35.
5. Li, F. H., & Wan, K. (2017). The theoretical value of Van Buren's "On the Leisure Class". *Contemporary Economic Research*, (263), 45-51.
6. Zhu, F. Q. (2020). The founding work of consumption: Van Buren's "On the Leisure Class". *Academic Review*, (51), 68-76.
7. Lu, Z. J. (2009). A study on the personal perceived motivation and non-personal perceived motivation of Chinese luxury consumption (Doctoral dissertation). Fudan University.
8. Wang, H. F. (2011). The symbolic meaning construction and empirical study of proud consumption behavior in the Chinese context (Doctoral dissertation). Jilin University.
9. Li, K. W. (2008). Comparative analysis and empirical research on luxury consumer behavior between China and France (Doctoral dissertation). Tongji University.
10. Zhang, J., & Wang, D. Y. (2018). From material consumption to symbolic consumption: The evolution and enlightenment of Western Marxist consumer society theory. *Scientific Socialism*, (06), 137-141.
11. Wei, W. Q., & Li, X. (2022). Discussion on the current situation and countermeasures of online marketing of Chinese beauty brands - Taking Perfect Diary as an example. *Enterprise Reform and Management*, (417), 38-40.
12. Ji, Q. M. (2007). Research on the Chinese luxury market and marketing strategy (Doctoral dissertation). Southwest University of Finance and Economics.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

