



Analysis of Chinese Consumers' Motivation to Purchase Luxury Goods

-- Based on Maslow's Hierarchy of Needs Theory

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Abstract. Luxury is defined as “a kind of goods with unique, scarce and rare characteristics beyond the scope of people's life and development needs”. However, these non-necessities have now become everyone's psychological necessities. These items that are not needed in people's survival and development still exist and are welcomed by the public. This paper explores this phenomenon through Maslow's hierarchy of needs theory.

Keywords: Luxury goods, Maslow's Hierarchy of Needs, Purchase Motivation, Psychological Needs.

1 Introduction

In the process of globalisation, the luxury consumption culture has expanded from mature developed countries such as Europe and the United States to the emerging Asian markets. At the same time, with the rapid development of China's economy, the continuous increase of people's consumption expenditure and the constantly increase of the wealth accumulation of the wealthy, China's luxury market has developed rapidly and has become one of the four largest luxury consumer markets in the world. The 2020 China Luxury Market Research Report “China Luxury Market 2020: Unstoppable” released by Bain & Company and Tmall Luxury jointly pointed out that the global luxury market in 2020 has shrunk by 23%, and the share of the Chinese mainland has almost doubled, from 11% last year to 20% in 2020. It is expected that by 2025, China will occupy the largest share of the global luxury market. In a way, the gradual transformation of luxury goods into psychological necessities is a symptom of the continuous improvement of China's welfare and economic living standards. Therefore, it is of great significance to study the motivation of Chinese consumers to buy luxury goods for the implementation of effective marketing strategies.

2 Overview of Luxury Goods

Luxury is a relative concept, which is related to necessities. Besides, it is the commodity with highest ratio of price to quality, which explains its consumers' attitude and life-style. In a broad sense, all consumer goods beyond basic needs can be regarded as luxury goods. While in a narrow sense, luxury goods refer to special consumer goods agreed by consumers and industry in a certain period of time. They are at the top end of the consumption structure, and their connotations vary according to regions and periods.

Veblen's sharp critique of the ostentatious motivations of people's luxury consumption behaviour is the starting point for research on luxury consumption motivation in the West [1]. Leibenstein identified three main motivations of luxury consumption: conspicuousness motivation, uniqueness motivation and herding motivation [2]. Specifically, conspicuous motivation is the desire of consumers to show off their wealth, status or power by purchasing luxury brands in order to achieve the bragging right of vanity and satisfaction. Uniqueness motivation, also known as leading motivation, refers to the motivation of consumers to buy luxury brands in order to obtain distinctive characteristics and experience the thrill of being superhuman. Herding motivation is the motivation to "follow the crowd". Its ultimate goal is to obtain social identity through consuming luxury brands, find a sense of belonging in the group they desire, and obtain social status and value in the group. Wong and Ahuvia identified three categories of consumers who prefer to buy luxury brands based on personally oriented motives. The first category of consumers buy luxury brands because they have special meanings to themselves; the second category of consumers are those who desire the self-indulgence and satisfaction brought by luxury brands; and the third category of consumers are those who are used to judging luxury brands according to their own criteria [3].

Vieker puts forward three main motives for British consumers to buy luxury brands: functionalism, experientialism and symbolism [4]. After comparing the three consumption motives of luxury consumption and mass product consumption, they found that symbolism is the most significant among the purchase motives of luxury brands. Consumers buy luxury brands because they want to gain social prestige by owning products and brands that match their status. Therefore, the symbolic value of luxury brands is more concerned by consumers.

Western academic circles have rich research on luxury consumption motivation. There are mainly two research ideas: one is the direct exploration of the dimension of luxury purchase motivation, and the other is the indirect exploration, that is, to derive the consumption motivation of all kinds of consumers through the classification of consumer groups. Then it comes to the dimension of luxury consumption motivation. The research process started from the earliest research on social oriented motivation, then gradually progressed to the development of personally oriented motives, and finally integrated the two major motives to obtain the basic structural model of Western luxury consumption motives, which is of great importance for future research.

However, the luxury brand consumption behaviour of Chinese consumers is still in its infancy, because China's cultural and historical traditions and unique economic development path make it unique in many aspects. Under the influence of Confucian

cultural values, the luxury consumption motivation of Chinese is different from that of the west, mainly in three aspects: the influence of independent self and interdependent self. Furthermore, consumers who want to buy luxury goods face the pressure of following the crowd and gift consumption. Therefore, Zhu proposed a revised model of luxury consumption motivation in China, which demonstrates that, showing off, herding, socialising and status symbols are socially oriented motives; quality refinement, self-enjoyment and self-gifting are personally oriented motives [5]. During his research, he found that Chinese consumers scored very low in uniqueness motivation and internal self-consistency. However, a new motivation for luxury consumption-identity symbol is of great significance. Under the background of Chinese traditional values and consumption characteristics, Wang analysed the consumption motivation of Chinese consumers for luxury brands, as well as the behaviour of "face consumption" and "relationship consumption". Chinese people pay more attention to the social group effect of individual consumption, attach importance to the opinions and views of others, and are eager to be recognised in the group [6]. Guo studied the gender and income differences of luxury brand consumption motivation, and came to the following important conclusions: individuals with higher income are more likely to buy luxury brands based on socially oriented motivation, while they are less likely to buy luxury brands based on personally oriented motivation. Gender differences also lead to different motives for buying luxury goods. To be more specific, men have stronger socially oriented motivation and women have stronger personally oriented motivation [7].

3 Analysis of Chinese Consumers' Motivation to Buy Luxury Goods Based on Maslow's Hierarchy of Needs Theory

Consumers have certain motivations for shopping, including buying luxury goods, and consumer motivation leads to consumer behaviour [8]. The research of Vigneron and Johnson shows that the interpersonal influences of Western consumers have three main luxury consumption motives: showing off, leading and following the crowd. Moreover, there are two factors that influence the luxury consumption of Western consumers: hedonism and the pursuit of sophistication [9]. The characterise of motivation is induced behaviour, so the nature of behaviour can be inferred from motivation. Only after meeting the needs of the engine will the power disappear [10]. The motivation of driving behaviour can occur at people's psychological and physiological levels. Generally speaking, consumer activities must go through these processes. In other words, consumer demand generates consumer motivation, which leads to purchase behaviour and finally gets satisfied [11].

3.1 Maslow's Hierarchy of Needs

Abraham Maslow, a famous American psychologist, proposed in 1943 that motivation is an intrinsic drive of individual growth [12]. Motivation is made up of all kinds of different levels and nature of needs, and these needs are in different hierarchies, at

different levels and met in certain orders[13]. The needs and satisfaction of each level determine the level of individual personality development. The hierarchy of needs theory divides human needs into five levels: physiological needs, safety needs, social needs, self-esteem needs and self-actualisation needs. Physiological needs are the lowest-level needs and the most significant needs, including the need for food, air, water and so on. Once physiological needs are met, the need for security becomes the main driving force behind people's behaviour. The need for security encompasses not only physical security, but also psychological security, such as stability, predictability and control. When consumers can afford luxury goods, the physiological and security needs have already been met, and more purchases are motivated by the needs of the latter three levels.

3.2 Group Social Needs

Human beings are herd animals as well as higher animals in groups, so they also have the psychological need to socialise in groups. There are two types of psychological needs for socialisation: the first is herd mentality, that is, I do what others do, so that I am not an outlier and will not be ostracised. You're all using luxury goods, and I want to buy one either, so that you won't look down on me. The psychological aspect of this motivation is to obtain a sense of belonging to the group and be accepted by others in the society. The second is the mentality of showing off. Rad ha Chad, a renowned marketing expert, believes that the spread of luxury in Asia can be roughly divided into five stages: conquest period, affluence period, flair period, adaptation period and life period. The main manifestation of the "show-off period" is that people begin to buy luxury goods in order to show off their status, position and their special taste.

Since the reform and opening up, the Chinese people's economic and living standards have been greatly improved. Facing the sudden increase of material wealth, many people choose to show off their status by buying luxury goods and other expensive items [14]. Because some people originally have a low social status and are not respected and valued by society, when they succeed, they hope to be recognised by others in some way. As a result, the rich began to buy and use scarce luxury goods with exceptional quality and high price to convey their status, wealth and position, and gain admiration and satisfaction of others [15]. The logic of this type of person is that because I am able to have things that you cannot buy or cannot afford, I become more powerful and deserve your envy and admiration. They will not pay attention to their demand for products, but pay more attention to the social acceptance of products, and hope to use products to prove their social status. The psychology of conformity and showing-off is in the final analysis about the social needs of the group, the desire to obtain the warmth and care of others, and to meet the interpersonal relationship with others. At this level, buying luxury goods is a symbol of affluence and success. The symbolic consumption of luxury goods and the feeling of superiority in the use of luxury goods are driven by social needs.

3.3 The Needs for Respect

With the development of society and the economy, people's attention to luxury consumption motivation has changed. It is no longer to meet social needs, but to take into account personal needs and desires. When people's social needs are met, they begin to seek the need for respect, includes self-respect and other respect. Self-respect refers to a person's need for self-acceptance, the pursuit of success, the pursuit of independence and personal satisfaction with one's work. Respect from others includes the pursuit of fame, status and approval of others. At this stage, consumers' perception of luxury brands has gradually evolved from an irrational state to a rational one. Consumer psychology is also maturing, from blind worship and obsession with luxury goods to buying through sensible consumers decisions. Shopping is a psychological comfort for many people.

Conversely, uniquely designed luxury goods can help consumers eliminate tension and stress from their lives and gain temporary satisfaction when their hearts are not content. Female consumers, in particular, are easily influenced by emotions and often consume impulsively. When they are happy, they will express their happiness through shopping, such as buying luxury goods as souvenirs, recording their psychological satisfaction after achieving their goals, and then they will get encouragement and support. Therefore, emotional consumption occurs from time to time. Usually, sending gifts is a way to accept someone, so shopping to satisfy yourself is not only a sign of acceptance, but also a manifestation of self-respect. While accepting gifts, they also get the respect and love of others. To win more respect and love in gifts, the best way is to buy yourself something more expensive, or expect luxury goods to prove that other people loves you. Luxury goods are regarded as one of the best gifts in China. At present, people have a fast pace of life and often suffer from various pressures and worries. In order to reconcile their complex mentality and low negative emotions, they need appropriate self-reward and encouragement. As a high value-added product, luxury brand is indeed a good choice for gifts, which meets people's demand for spiritual comfort.

3.4 Self-fulfilment Needs

Consumer needs at this stage are vastly different. Many consumers say that they do not follow the overall trend of consumption, do not like products with obvious signs more and more, and prefer to choose products in line with their personality. This group of consumers obtains spiritual comfort and emotional satisfaction through the consumption of luxury goods, as well as a high-quality and elegant living experience. They are usually more educated, have specialised hobbies and a deeper understanding of luxury brands. They pay attention to the culture behind the brand and prefer to use products that meet their values. At the same time, the brand spirit can help them discover and express their personal style. For these people, it is a very important way to realise their self-worth to achieve the goal of leading the fashion trend by owning seasonal and popular luxury goods. For consumers, buying luxury goods is not only an emotional satisfaction, but also an exciting experience. It evokes a beautiful reverie, which helps

consumers enjoy art. For high-income people who pay attention to the quality of life and have the ability to consume, consuming luxury goods is a way of life [16]. They choose different brands that meet their personal preferences, which is the best interpretation of self-realisation, because they cannot only lead the trend, but also reflect their lifestyle.

4 Conclusion

The purchase of buying luxury goods is more value-added than material value, including recognition, honor and self-expression experience [17]. It took more than 100 years for the luxury market in Europe and the United States to reach its current scale and maturity, while our understanding of luxury brands has only been for decades and is still in the adaptation stage of luxury consumption. Some consumers are still in the first stage of materialistic pursuits and have the mentality of showing off their wealth. In short, the development of luxury goods in China is a double-edged sword. On the one hand, it can promote consumption and improve the quality of life, on the other hand, it can also expand the gap between the rich and the poor. Therefore, it is necessary establish a correct view of luxury goods consumption in order to reduce the negative impact to a certain extent.

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