Individual and Social Factors Impacting Chinese Millennials' Luxury Consumption

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Abstract   This study examined individual and social determinants that impact Chinese Millennials' desire for luxury status consumption which eventually influences their purchase intent of luxury fashion goods. Whether income derived differences in regard to the determinants exist or not was further investigated. A self-administered survey was employed to collect data from undergraduate and graduate students at a large university in Hong Kong, China. A series of regression analyses were utilized to test hypotheses. The findings of the study indicate that both individual (i.e., materialism) and social elements (i.e., need for uniqueness and social comparison) positively influence Chinese millennials' desire for status consumption of luxury fashion goods, while social factors are the key drivers of low income group's desire for status consumption. These findings provide major implications to academics and practitioners.

Keywords   Chinese Millennials, Luxury goods, Status consumption, Purchase intent, Income

Introduction

China has become a major contributor to the growth of the world's luxury goods market. The global retail sales of the personal luxury goods market reached 276 billion euro in 2018 (Bain & Company, 2018); the sales attributed to Chinese consumers accounted for about 111 billion euro (Blazyte, 2020). As the world's second largest market for luxury goods (Cui et al., 2019), Chinese consumers' spending on luxury goods accounts for 33% of the global market (Bain & Company, 2019). Due to increasing consumerism and status-conscious consumers who have positive perceptions about western brands, China now is a vital market for luxury goods (O'Cass & Siahtiri, 2014).

In the past, luxury consumption was dominated by wealthy older consumers. However, with the increasing demand for luxury goods for pleasure and self-gratification, rich older consumers are no longer the monopoly in the luxury market (Bilge, 2015). More and more less affluent consumers are contributing to the growth of the luxury market (Ben-Shabat, 2015). According to a recent study of Chinese luxury consumers, Chinese middle-class consumers are craving for high-end lifestyles and supporting the country's transfer from a saving culture to a spending culture (Roseman, 2017).

Globally, the millennial cohort is considered the largest, most powerful and consumption-oriented consumer generation in recorded history (Stępień et al., 2018). They make up

approximately 30% of the world's population (Su et al., 2019) and are more interested in status consumption than previous generations (Shin et al., 2017). Aligned with this trend, the population of millennials in China consists of over 25% of the total population, and approximately 50% of the luxury goods sales are attributed to this generational cohort (Kidwai, 2019). Hence, millennial consumers in China are considered as the most valued potential customer market for luxury brand consumption (Butcher et al., 2017).

According to a recent report on Chinese millennials, young Chinese consumers' lifestyles are different from those of their parents and grandparents (Jianzhong et al., 2017). Unlike previous generations, Chinese millennials grew up when the country's economy developed rapidly and thus they care less about saving money and are less sensitive to changes in the economy (Abe, 2018). Considering that the future success of the luxury market relies heavily on millennial consumers globally and that Chinese millennials have notably accelerated the growth of luxury sales in China, understanding the vital determinants influencing luxury status consumption of this generational cohort of Chinese consumers is critical to succeed in the future luxury market. Yet little is known about what is fueling this cohort's desire for luxury status consumption. Furthermore, how individual demographic characteristics such as income affect their luxury consumption and purchase intent is largely understudied. Previous research on luxury consumption addressed generational cohort differences in terms of consumer attitude and purchasing behavior. According to Yang and Lau (2015), generational cohorts share similar experiences and critical life events, thus, generational investigation compared to age difference is a more valuable way of evaluating consumer behavior. Notwithstanding the fact that numerous studies have focused their attentions on Chinese consumers' luxury consumption due to their increasing dominance in the luxury goods market, the majority of studies treated them as a homogeneous group regardless of demographic differences (e.g., Kim & Zhang, 2015; Liao & Wang, 2009; Siu et al., 2016).

In consideration of Chinese millennials as the most lucrative consumers for future luxury markets, this study expands existing knowledge on Chinese consumer motivations for luxury consumption by investigating the crucial determinants impacting actual Chinese millennial luxury consumers' desire for status consumption and their buying behavior of luxury fashion goods. To further provide valuable practical implications to academia and practitioners by thoroughly understanding this profitable consumer segment, the current study also examined if any differences exist with regards to the key factors impacting their desire for luxury status consumption in different income levels.

Conceptual Framework

The consumer's luxury value model proposed by Wiedmann et al. (2007) was used as the conceptual framework for this study. Wiedmann et al. (2007) addressed financial, functional, individual, and social values that impact consumers' luxury consumption and their perception of luxury in relation to buying behavior. Financial value relates to direct monetary aspects of luxury (the value of the product expressed in dollars). Functional value is linked to the core benefits of luxury such as quality, usability, reliability, and durability. Individual value is associated with a customer's personal orientation on luxury consumption (e.g., materialistic value). Social value refers to the recognition or impression acquired within the individual's own social group. Financial and functional values are more objective than individual and social values and price and quality are often used as apparent signs for assessing quality, thus, consumer perception value for luxury goods in this study focuses on individual (i.e., self-expression) and social values (i.e., sociability).

Previous luxury studies have addressed two inseparable aspects of luxury consumption: luxury for self and luxury for others (i.e., personal and social identity) (e.g., Ajitha & Sivakumar, 2017; Bastien & Kapferer, 2013). According to Chen and Lamberti (2015), individual and social values play more important roles in differentiating luxury products from general consumer goods compared to functional (e.g., quality) and financial (e.g., price) values. In a similar vein, Vigneron and Johnson (1999) pointed out that consumers' luxury seeking behaviors come from the motives of self-expression and sociability and the two motives are the

main factors that distinguish luxury products from non-luxury products. Wiedmann et al. (2007) addressed that both personally and socially oriented consumption should be considered to better understand the term luxury and consumer consumption of luxury goods. Wiedmann et al. (2007) further indicated that luxury perception values are perceived differently across different cultures and different sets of consumers. Thus, this study will focus on Chinese millennial consumers' perceptions of the individual and social values in relation to their luxury goods status consumption.

Review of Literature and Hypotheses Development

Chinese Millennial Cohort

A generational cohort refers to a group of individuals who are born during the same period and have unique common characteristics and share similar experiences (Eastman & Liu, 2012). Previous research indicates that generational cohorts are a more valid way to segment markets than age groups (Schewe et al., 2000). According to Hauck and Stanforth (2007), people's attitudes and buying behavior developed at early ages influence them as adults. If young consumers are attached to luxury goods, their preferences for luxury goods will last for a long period of time.

Millennial cohort is defined as those born between 1977 and 2000 (Shin et al., 2017). Compared to the previous generations, millennials are more indulged, sophisticated, and consumption-oriented (Shin et al., 2017). Eastman and Liu (2012) indicated that millennials' status consumption is much higher than Generation X and baby boomers. According to a recent report by McKinsey, Chinese luxury consumers spend more than $100 billion annually. Their luxury consumption represents nearly one-third of the global luxury market ("Global luxury brands," 2018). Because of this generation's population size and financial value, millennial consumers are considered as the most potentially profitable customer segment of the luxury market in China (e.g., Butcher et al., 2017). According to O'Cass and Siahtiri (2014), putting a high priority on status seeking and the

desire to possess specific brands to achieve the status have accelerated Chinese young adults' luxury consumerism.

More than half of the luxury consumers in China are under the age of 30 ("Chinese millennials dominate," 2018) with an average age of 28, which is 10 years younger than luxury consumers in any of the other countries ("Chinese millennials rule," 2018). Since two fifths of the global luxury goods market is expected to be contributed by Chinese consumers by 2024, knowing Chinese millennial consumers' determinants that affect their luxury goods status consumption is invaluable to develop effective selling and marketing strategies in order to attract and better serve this consumer group.

Definition of Luxury

The term luxury is derived from the Latin word luxus which implies "soft or extravagant living, overindulgence" and "sumptuousness, comfort, abundance" (Bilge, 2015). Grossman and Shapiro (1988) defined luxury goods as goods that people use to show prestige and status while the difference in functional utility over other goods is largely negligible (Stokburger-Sauer & Teichmann, 2013, p. 889). Vigneron and Johson (1999) defined luxury brands as the highest level of prestigious brands embracing some physical and psychological values. Vickers and Renand (2003) defined luxury goods as the symbols of personal and social identity. That is, the principle values of luxury goods are psychological, and their consumption relies on personal, social, and individual cues. In this study, based on the aforementioned research, the term luxury encompasses the individual and social values of the highest level of prestigious brands.

Status Consumption and Individual and Social Values of Luxury

Luxury consumption is closely related to status consumption (Sun et al., 2017). Status consumption is a personal difference factor addressing an individual's motivation to consume status or luxury (Eastman et al., 2018). According to Eastman et al. (1999, p. 41), status consumption is "the motivational process by which individuals strive to improve their self and/or social standing through the conspicuous

consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others."

Consumers communicate their wealth and social power through the consumption of status goods (Sun et al., 2017), while status consumption can be internal for self-respect and self-reward without displaying products publicly (Eastman & Eastman, 2015). Due to the symbolic value of luxury products, consumers use luxury goods to satisfy their personal needs and social needs (Sun et al., 2017). Previous research addressed internal and external motivations for status consumption. Internal motivation comes from a consumer's internal aspect of rewarding self and/or improving self-respect. External motivation comes from a consumer's desire to gain prestige among other people and signal the person's wealth to others (Tokgoz, 2020). Based on the individual and social values of luxury in relation to status consumption, key determinants addressed in the previous consumer luxury research are included in this study.

Materialism. Materialism is defined as a personality-like trait that differentiates people who view possessions as essential to their identities and lives from people who view possessions as secondary (Belk, 1984). Materialism frequently goes beyond its utility and instrument value and is understood as a tendency that consumers look for to define themselves and strengthen their well-being through consumption (Tascioglu et al., 2017). Previous research indicates a positive relationship between materialism and status consumption (e.g., Li et al., 2015). Materialistic consumers make product choices based on status, success, and happiness in association with their personal values (Tokgoz, 2020). Compared to unmaterialistic consumers, consumers who are more materialistic prefer luxury products since those products convey one's social status (Tokgoz, 2020).

According to previous materialism related research, materialistic people are interested in spending and acquiring brand-name products (Liao & Wang, 2009) and inclined to adore products that imply accomplishment (Tascioglu et al., 2017) and enhance their self-esteem (Liao & Wang, 2009). Fournier and Richins (1991) emphasized self-affirmation

through ownership of status-oriented possessions as an important motivation for materialism. The direct impact of materialism on status consumption is also found in Tokgoz (2020). According to Li and Su (2007), people in Asian cultures compared to those in Western cultures have higher scores on materialism because materialism is closely associated with status enrichment. Thus, the following hypothesis is proposed.

> *H1.* Materialism is positively related to Chinese millennial consumers' desire for status consumption.

Need for uniqueness. Consumer need for uniqueness is defined as the tendency of seeking distinction through the acquisition, utilization and disposition of goods to boost self and social image (Simmers et al., 2014). Consumers who pursue a need for uniqueness express their uniqueness through brands and products to differentiate themselves from others (Butcher et al., 2017). This type of consumer avoids brands and products that are widely adopted by most consumers (Thompson & Haytko, 1997) and is highly involved with possessing luxury brands since luxury goods are not easily purchased by general consumers (Butcher et al., 2017) and thus enable individuals to express their uniqueness (Gentina et al., 2018) and redefine their social identify and position in the society (Jain & Mishra, 2018).

Several research studies addressed the positive relationship between status consumption and consumers' desire for uniqueness (e.g., Nabi et al., 2019; Soh et al., 2017). In a study of Korean millennial consumers' tendency towards purchasing fashion goods, Park et al. (2008) found a positive relationship between the need for uniqueness and the consumption of expensive foreign luxury goods. Sun et al. (2017) pointed out that people in Asian cultures achieve their need for uniqueness through purchasing products that others cannot afford. Likewise, O'Cass and Siahtiri (2014) indicated that Chinese young adults enjoy spending on brands that differentiate them from others. Bian and Forsythe (2012) addressed that Chinese consumers have a higher need for uniqueness than US consumers which leads to active engagement in status consumption. Thus, the following hypothesis is proposed.

H2. Need for uniqueness is positively related to Chinese millennial consumers' desire for status consumption.

Social comparison. Social comparison theory (Festinger, 1954) states that people compare themselves to others when objective means are not available. People can utilize social comparison to conclude whether they are correct or normal or to assess their relative standing (Richins, 1991). Comparing material possessions to determine people's relative social standing is thus explained by the social comparison theory (Chan & Prendergast, 2008). According to Richins (1991), people make downward/upward comparisons by comparing themselves with others who are better off or worse off to enhance their self-esteem.

Consumers use luxury brands to distinguish themselves from others (Vigneron & Johnson, 2004; Zhang & Kim, 2013) or to be associated with the people with which they wish to belong. According to O'Cass and McEwen (2004), a consumer's conspicuous consumption is greatly impacted by the person's susceptibility to being affected by his or her reference group. In Chinese society, how people are perceived/judged as in-group members plays an important role and assurance of the proper perception is oftentimes achieved through status consumption (Sun et al., 2017). Thus, based on these studies, the following hypothesis is developed.

H3. Social comparison is positively related to Chinese millennial consumers' desire for status consumption.

Status Consumption and Purchase Intent

Previous research addressed a close relationship between status consumption and consumers' preferences for luxury products (e.g., Jain & Mishra, 2018; Shin et al., 2017). Consumers tend to obtain status through purchasing certain products that convey desirable high status (O'Cass & McEwen, 2004). Due to this issue, consumers looking for high status encourage themselves towards luxury brands (Hussain et al., 2017). To status consumers, symbolic values associated with luxury products are more important than actual product features (Eastman & Eastman, 2015).

According to previous Chinese consumer research (e.g., Eastman & Eastman, 2015; O'Cass & Siahtiri, 2014), Chinese consumers' strong emotional attachment towards high-status brands affect their buying decisions. That is, Chinese consumers have a greater attitude towards luxury brands that convey high perceived status and are willing to pay a premium price. Thus, Chinese consumers' luxury purchase intent is greatly related to the representation of status (Zhang & Kim, 2013). Therefore, the following hypothesis is formulated.

H4. Chinese millennial consumers' desire for status consumption is positively related to purchase intent of luxury goods.

Income Difference

In the past, the wealthy were the dominant target group for luxury goods. Today, many consumers purchasing luxury goods are not affluent (Kapferer & Laurent, 2016). Since people now purchase goods not only for physical needs but also for their emotional desires (Hauck & Stanforth, 2007) and self-gratification, lower income consumers' desire for luxury goods has increased dramatically. As the target market for luxury has expanded broadly, there is a need to more fully understand the luxury target market based on different income levels.

With considerable social, political, and economic changes and the subsequent explosive growth of economy in China in recent years, China's income inequality has worsened significantly (Trivedi, 2018). Chinese consumers place an increasing value on status laden products and this phenomenon leads to Chinese consumers' strong aspiration for luxury goods.

Chinese consumers have strong demands for luxury status products regardless of their income level (Li et al., 2015). According to previous research, Chinese consumers focus more emphasis on external social needs than internal individualized needs (e.g., O'Cass & Siahtiri, 2014) and these external demands may strongly contribute to Chinese consumers' heavy spending on luxury goods. However, the cravings for luxury goods for high-income consumers might be different from the desires for luxury goods for lower-

income consumers. Compared to low-income consumers, high-income Chinese consumers may purchase high status luxury brands to express identity and for the desire of self-fulfillment. Thus, the following hypothesis is developed.

> *H5*. Key determinants affecting Chinese millennial consumers' desire for status consumption will differ across income levels.

Based on the theoretical framework employed for the study and the review of the literature, determinants related to a consumers' personal orientation on luxury consumption such as materialism are categorized as individual values; factors associated with social recognition and impression such as social comparison and need for uniqueness are categorized into social values. Figure 1 shows hypothesized relationships among variables in the model.

Method

Participants and Procedure

A self-administered survey was employed to collect data from undergraduate and graduate students at a large university in Hong Kong, China. The categories of luxury products are wide-ranging and contain from fashion, automobiles, home furnishing, wines to gourmet food and tourism items such as hotels (Kim, 2020). Of these numerous luxury categories, this study examined key determinants affecting status consumption in the context of luxury fashion goods. Chinese luxury consumers' dominant consumption of personal fashion goods such as clothing, shoes, bags, and jewelries is well addressed in previous research (e.g., Zhang & Kim, 2013).

The survey questionnaire originally written in English was translated into Chinese by a bilingual researcher. A second bilingual researcher translated it back into English to ensure translation accuracy. Before distributing the actual survey questionnaire, the Chinese version was pretested with two Chinese undergraduate students to ensure that the questionnaire was understandable and clear.

In this study, respondents who have purchased at least one luxury fashion item in the past six months were selected by including three screen questions (i.e., possession of luxury fashion items, frequency of purchasing luxury fashion goods, the number of fashion items they have bought in the last six months) in the main survey questionnaire. This group of respondents was chosen to better understand actual luxury consumers' individual and social desires of status luxury consumption.

Instruments

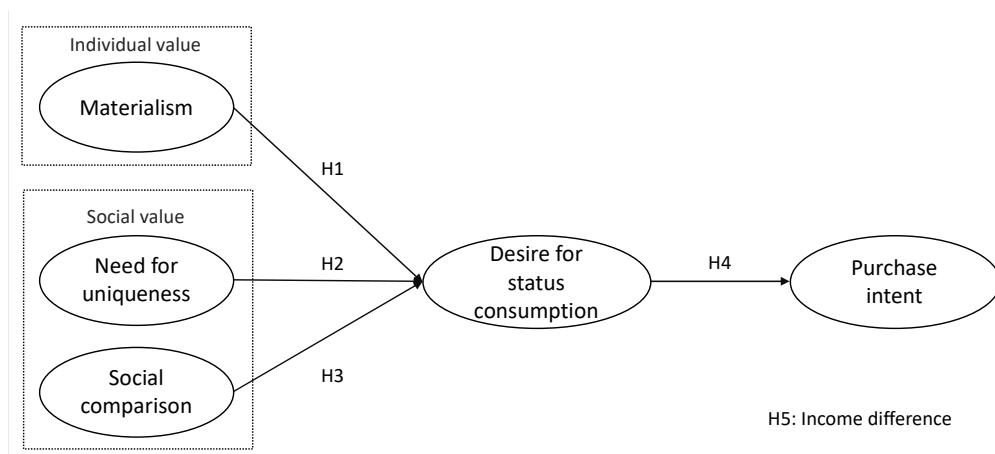Materialism was measured using 15 items developed by

Figure 1. Proposed model

Wong et al. (2003). Need for uniqueness was assessed with three items proposed by Tian et al. (2001). Social comparison was measured with four items developed by Chan and Prendergast (2007). Five items proposed by Eastman et al. (1999) were used to measure status consumption. Purchase intent was assessed using two items developed by Summers et al. (2006). All of the items were measured on a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree) and have demonstrated adequate reliability and validity in previous research (see Appendix for details).

Results

Sample

The surveys were completed by 216 respondents. After removing incomplete questionnaires and respondents who have not purchased luxury fashion goods in the past six months, a total of 131 usable respondents were included in the study. All 131 respondents purchased at least one luxury fashion item in the last six months. About 35.9% of the respondents were male and 64.1% were female. Approximately 46.8% of the respondents' household income was under $49,999, about 15.9% of the respondents' household income ranged from $50,000 to $99,999 and about 37.2% were $100,000 and above (the currencies were converted to the US dollar to be easily understood). Approximately 41.9% of the respondents purchase luxury fashion items several times per year and 13% purchase once a month. Most of the respondents purchased 1-3 luxury fashion items in the last six months. Roughly 35.9% of the respondent spent between $500 and $1000 on one item for purchasing luxury fashion goods. Approximately 28.7% spent more than $1000. Table 1 shows a detailed demographic profile of the respondents.

Measurement Model

Before testing the hypothesized model, exploratory and confirmatory factor analyses were conducted to ensure stable factor structures. Exploratory factor analysis (EFA) using principal component analysis with varimax rotation was

Table 1. Summary of demographic profile of respondents

Demographics	Categories	Percentage (%)[a]
Gender	Male	35.9
	Female	64.1
Age	18-21	84
	22-25	12
	26-29	.8
	30-33	1.6
	34-38	1.6
Marital status	Single	96.1
	Married	3.1
	Divorced/Separated	.8
Employment status	Part-time	11.5
	Full-time	6.8
	Not at all	81.7
Annual household income	Under $25,000	35.7
	$25,000 - $49,000	11.1
	$50,000 - $74,999	13.5
	$75,000 - $99,999	2.4
	$100,000 - $149,999	7.1
	$150,000 - $199,999	8.7
	$200,000 or over	21.4

Note: [a] The percentage is referred to the valid percentage

conducted to examine the factor structures of the 4 constructs. The minimum eigenvalue of 1.0 criterion was used for factor extraction consideration. Any indicators that had a factor loading less than .40 were eliminated. As a result, 4 factors with 19 items were extracted. Confirmatory factor analysis (CFA) utilizing LISREL 8.72 was run to assess convergent and discriminant validity. The measurement model provided an adequate fit to the data (CFI = 0.96; IFI = .96; SRMR = .067; RMSEA = 0.075) after the removal of 4 items that were cross-loaded or loaded on the wrong factor (Hair et al., 2017). The CFA resulted in 4 factors with 15 items. The factor loadings of the items in the measure were significant and exceeded the required value of 0.40 (Nunnally & Bernstein, 1994). The composite reliabilities (CR) were all higher than .70 and the average variance extracted (AVE) was adequate for all of the factors (>.50) (Fornell & Larcker, 1981) (see Table 2). For discriminant validity, the square root of AVE for each construct was compared to the correlation between the constructs (Fornell & Larcker, 1981). As indicated in Table 3, the diagonal elements (the square root of AVE) were greater than the

Table 2. Result of CFA

Factors and items	Factor loadings	t-value[a]
Materialism (AVE = .51; CR = .80; α = .78)		
How do you feel about people who own expensive homes, car and clothes? (Do not admire- greatly admire)	.68	-[b]
Would your life be any better if you owned certain things that you don't have now? (Simpler is better-more is better)	.69	6.55
What do the things you own say about how well you are doing in life? (Very little-a great deal)	.76	7.05
How do you feel about having a lot of luxury in your life?	.72	6.82
Need for uniqueness (AVE = .50; CR = .74; α = .70)		
I often dress unconventionally even when it's likely to offend others	.59	-
I actively seek to develop my personal uniqueness by buying special products or brands.	.73	5.83
As a rule, I dislike products or brands that are customarily purchased by everyone.	.78	5.96
Social comparison (AVE = .52; CR = .75; α = .68)		
I pay attention to what my close friends buy.	.73	-
I pay attention to friends who are richer than me and watch what they buy.	.91	7.37
I pay attention to what brands my favorite movie stars and pop singers are using.	.44	4.68
Status consumption (AVE = .56; CR = .86; α = .73)		
The status of a product is irrelevant to me.	.49	-
I would buy a product just because it has status.	.86	5.78
I would pay more for a product if it had status.	.85	5.76
I am interested in new products with status.	.79	5.59
A product is more valuable to me if it has some snob appeal.	.68	5.24

Note: [a] significant at the .05 level, [b] Set to 1 therefore no t-values are given, AVE = average variance extracted; CR: composite reliability

Table 3. Mean, standard deviations, and inter-construct correlations

Construct	Mean	S.D.	Materialism	Need for uniqueness	Social comparison	Status consumption
Materialism	4.20	.91	.71			
Need for uniqueness	3.97	1.19	.33	.70		
Social comparison	4.07	1.06	.34	.26	.72	
Status consumption	4.24	1.14	.45	.56	.45	.75

off-diagonal elements (correlations between constructs). Thus, the results provide strong support for discriminant validity.

Hypotheses Testing

The proposed hypotheses were tested employing a series of regression analyses. Due to the insufficiency of the sample size, structural equation modeling (SEM) was not deemed appropriate for this study. Model estimations obtained by SEM are not reliable when a sample size is small (Lei & Wu, 2007; Zhang & Kim, 2013). Hu and Bentler (1999) also indicated that there is a high tendency of rejecting models with unsatisfactory fit indices when a sample size is less than or equal to 250. Scale items were summed and averaged to represent each variable. A higher score indicates a higher degree of each variable. Statistical significance was determined at the .05 level.

Hypotheses 1, 2, and 3. To examine significant factors that affect status consumption, materialism, need for uniqueness, and social comparison were used as independent variables and status consumption was used as the dependent variable. As shown in Table 4, all the three variables were significant determinants of status consumption, $R^2 = .46$. That is, materialism ($\beta = .22$, $t = 3.02$, $p < .01$), need for uniqueness ($\beta = .42$, $t = 6.00$, $p < .001$), and social comparison ($\beta = .27$, $t = 3.77$, $p < .001$) were positively related to status consumption with $F = 35.40$, $p < .001$. Thus, hypotheses 1, 2, and 3 were supported.

Hypothesis 4. To test the relationship between status consumption and purchase intent of luxury fashion goods, status consumption was used as the independent variable and purchase intent of luxury fashion goods was used as the dependent variable. Results of the regression analysis revealed that status consumption ($\beta = .51$, $t = 6.76$, $p < .001$) was positively related to purchase intent with $R^2 = .26$, $F = 45.71$, $p < .001$. Consequently, hypothesis 4 was supported (see Table 4).

Table 4. Regression results (n = 131)

	Status consumption		
Independent variables	Beta	t-value	p-value
Materialism	.22	3.02	.003
Need for uniqueness	.42	6.00	.000
Social comparison	.27	3.77	.000
F-value	35.397		
p	.000		
Adjust R^2	.44		

	Purchase intent		
Independent variables	Beta	t-value	p-value
Status consumption	.51	6.76	.000
F-value	45.71		
p	.000		
Adjust R^2	.26		

Hypothesis 5. To test key determinates affecting Chinese millennials' desire for status consumption across income levels, a median split was utilized to split respondents into high and low income groups. Individuals who chose an annual household income under $49,999 (n = 76) were assigned to the low-income group and respondents who selected an annual household income over $50,000 (n = 50) were assigned to the high-income group. Five respondents who did not indicate income level were excluded from this analysis. In this study, income was measured with ordinal categories so the median split produced unequal group numbers. For the high-income group, materialism ($\beta = .30$, $t = 2.45$, $p < .05$) and need for uniqueness ($\beta = .48$, $t = 4.10$, $p < .001$) were the key determinants affecting status consumption, with $R^2 = .46$, $F = 12.95$, $p < .001$. For the low-income group, need for uniqueness ($\beta = .52$, $t = 6.57$, $p < .001$) and social comparison ($\beta = .40$, $t = 5.23$, $p < .001$) were statistically significant factors impacting status consumption with $R^2 = .62$, $F = 39.41$, $p < .001$. The relationship between status consumption and purchase intent was statically significant for both high and low income groups (high-income: $\beta = .49$, $t = 3.91$, $p < .001$; low-income: $\beta = .54$, $t = 5.54$, $p < .001$) (see Table 5). Thus, hypothesis 5 was partially supported.

Table 5. Regression results for high/low income groups

	High income (n = 50)			Low income (n = 76)		
	Status consumption			Status consumption		
Independent variables	Beta	t-value	p-value	Beta	t-value	p-value
Materialism	.30	2.45	.018	.15	1.82	.072
Need for uniqueness	.48	4.10	.000	.52	6.57	.000
Social comparison	.10	.79	.431	.40	5.23	.000
F-value	12.949			39.407		
p	.000			.000		
Adjust R^2	.42			.61		

	High income (n = 50)			Low income (n = 76)		
	Purchase intent			Purchase intent		
Independent variables	Beta	t-value	p-value	Beta	t-value	p-value
Status consumption	.49	3.91	.000	.54	5.54	.000
F-value	15.249			30.732		
p	.000			.000		
Adjust R^2	.23			.28		

Conclusion and Implications

As China expands as a vital market for global luxury goods, more of the luxury research is focusing on Chinese consumers' luxury shopping behavior. However, little existing research gives insight into the lucrative Chinese young consumers' luxury consumption. Therefore, considering the growing contribution of Chinese millennial consumers to the global luxury market, to make a useful contribution in the existing literature in luxury consumer behavior and to provide vital practical implications for luxury brands, this study examined (1) key determinants affecting Chinese millennial cohort's desire for status consumption and (2) whether income derived differences in regard to the determinants exist or not. The relationship between desire for status consumption and buying behavior of luxury fashion goods was further investigated. Based on the consumer's luxury value model proposed by Wiedmann et al. (2007) and a thorough review of the extant literature, three key determinants connected to individual and social values of luxury consumption were considered.

The findings of the study indicated that all three key determinants proposed in the study play a critical role in influencing Chinese millennials' desire for status consumption by validating the significant effects of materialism, need for uniqueness, and social comparison on status consumption. The results of the study further showed that the key factors that affect status consumption differ across two different income levels. That is, materialism and need for uniqueness were crucial determinants of high-income Chinese millennials' desire for status consumption, whereas need for uniqueness and social comparison were critical factors affecting low-income Chinese millennials' desire for status consumption. The relationship between status consumption and purchase intent of luxury fashion goods was positive for all conditions. These findings provide major implications to academics and practitioners.

In this study, both individual (i.e., materialism) and social (i.e., need for uniqueness and social comparison) values influenced Chinese millennials' desire for status consumption which eventually impacted their purchase intent of luxury fashion goods. However, when looking at the

findings based on income level, social value of luxury was the only crucial piece that impacts low-income Chinese millennials. Yet both individual and social components were vital to high-income Chinese millennials.

The findings of the study indicated that need for uniqueness is the most crucial determinant positively impacting both high and low-income Chinese millennials' desire for luxury fashion status consumption. Previous research emphasized that distinguishing themselves from others as a social need is a crucial part influencing Chinese consumers' luxury purchasing (e.g., O'Cass & Siahtiri, 2014). The results of the current research were consistent with these studies. According to Chinese luxury consumer behavior research, Chinese luxury consumers are fascinated by newest products and eager to possess unique luxury goods that their friends or people do not own (Zhang & Kim, 2013). This means luxury retailers in China need to pay close attention to the product collection they offer. They need to carefully control the number of each luxury product they sell to avoid being overly exposed so that the owners of the product feel special. To offer a limited edition during a short period of time would also be an effective marketing strategy to attract young millennial consumers and to satisfy their need for uniqueness.

This study also indicated that individual value connected to the possession of extravagant luxury goods to enrich well-being and status is conjointly influencing high- income Chinese millennials' desire for status consumption. Traditionally in Chinese culture, social value is emphasized more than individual value in influencing consumers' purchasing behavior. However, for high-income Chinese millennial luxury consumers, their status consumption seems to be motivated by their individual concern and self-worth as well as social aspects. Wealthy Chinese adults, who went through dramatic changes in lifestyle during the Cultural Revolution and Deng Xiaoping's economic reforms in the early twenty and twenty-first centuries, put great emphasis on money and the joy created by financial prosperity (Ioane, 2016; Zhang & Kim, 2013). According to previous research, wealthy Chinese parents' buying behavior of possessing expensive goods as a way of obtaining happiness and social status leads their kids to become materialistic individuals (Ioane, 2016). The positive

relationship between materialism and status consumption for high-income millennial consumers supports the view of the prior research. Thus, to please these high-income Chinese materialistic millennials, luxury brands need to develop compelling selling strategies accordingly. To offer extravagant, exclusive luxury items only high-income consumers can afford to buy would be an idea to attract this profitable segment of millennials. By possessing exceptional products that only a few people can obtain, affluent Chinese millennials may create the feeling of happiness and also feel the distinction from others.

The results of the current research also indicated that only social values such as social distinction and comparison are critical elements influencing low-income Chinese millennials' desire for status consumption. Low-income Chinese consumers' status consumption tends to be highly connected to how they think of others and thus they use upward social comparisons in their status consumption. This might be the reason why status consumption significantly impacts their purchase intent of luxury goods. They are inclined to gain status through luxury consumption and utilize luxury goods as symbols to help them feel assimilated with high-status consumers and at the same time be distinctive from others in the same social groups. Chinese consumers' desire for luxury goods is a wide-spread occurrence. According to Chan and Prendergast (2008), in Chinese culture, interpersonal relationships with peers and media are more important to their decisions than their own standard and thus are involved in extreme social comparison. Considering this note, low-income Chinese millennials' desire in owning luxury fashion goods is clearly connected to social surroundings and how they are evaluated by others, and luxury goods are a symbolic means in portraying their social standing. Thus, they may look for luxury brands that are well recognized in public but not the popular items that almost every luxury consumer seems to have. Thus, to satisfy the desire of low-income Chinese millennial luxury consumers, luxury brands need to provide variations in item offerings and offer numerous affordable luxury items that are easily identified by other luxury consumers.

This study contributes to the current literature by specifically focusing on the lucrative consumer segment that was ignored in previous research. It is one of the few studies

which examined determinants that affect Chinese millennial cohort's desire for status consumption and luxury fashion purchases. Considering the fact that Chinese millennials will soon be the most financially beneficial leading consumer group in the luxury market industry, understanding key determinants related to their luxury status consumption would be indispensable to survive in the future luxury market. For this reason, the current research provides practitioners the opportunity to understand what is stimulating this cohort's desire for luxury status consumption.

Luxury fashion practitioners need to pay close attention to the outcomes of the study and develop effective selling and marketing strategies to attract the two income-differentiated segments of Chinese millennials. For instance, affluent Chinese millennials enjoy spending a great deal of money on luxury fashion goods for their personal hedonic benefit and happiness and also consider how they are distintive and different from others based on the possession of goods. Less affluent Chinese millennials' luxury fashion consumption is more likely to mimic high-status individuals' but at the same time have a desire to create uniqueness. Celebrities in China have a great influence on people' lifestyles and purchase decisions (Chan & Prendergast, 2008). Thus, the consistent employment of celebrity endorsement would be a highly effective way of helping promote a brand/product and of increasing popularity with low income millennial consumer group. However, luxury brands need to control their merchandise distribution and assortment across all different price points to prevent their products from being overexposed. Chinese millennial consumers would lose interest if the products were over exposed in the society. Thus, introducing new products freqently with limited inventory would be an effective selling strategy.

Overall, the respondents involved in this study were luxury consumers who have purchased at least one luxury goods in the past six months. Thus, the findings of the study provide practical implications to luxury brands by understanding actual luxury consumers' motivations for status consumption. Furthermore, the key determinants identified in this study are not solely applicable to brands that have physical bases in China. According to a report by McKinsey and Company (2017), three-quarters of Chinese

luxury spending occurs overseas. Global luxury fashion brands with no physical presence in China still need to take into account the vital determinants indicated in this study to be successful in the future luxury market.

Limitations and Suggestions for Future Research

This study has several limitations. First, due to the use of convenience sample and a small sample size, the sample of the study is not representative of the general millennial population. Thus, the findings of the study are not generalizable to all the millennial population of China. To improve the generalizability of the results, a wider range of millennial consumers need to be employed in future research. Second, in this study, to thoroughly understand factors influencing Chinese millennial consumers' desire for status consumption, different income levels were employed. However, the key determinants that affect their status consumption might differ based on other demographic characteristics such as gender. Thus, to more comprehensively understand Chinese millennial consumers' desire for status consumption, other personal demographic variables need to be considered. Also, this study focuses on individual and social values of luxury consumption based on the consumer's luxury value model proposed by Wiedmann et al. (2007). The model includes two more values that affect consumer luxury consumption: financial and functional values. Although these two values are fundamental and straightforward elements in assessing luxury goods, their associations with Chinese millennial consumers' luxury status consumption are not well-researched. Future research needs to examine Chinese millennial consumers' desire for luxury consumption in relation to all of the four values to fully understand the key factors that influence their luxury value perception.

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Appendix I. Scale items

Materialism	How do you feel about people who own expensive homes, car and clothes? (Do not admire…Greatly admire)
	How do you shop? (Buy anything I might want…Buy only what I need)
	How do you feel about owning things that impress people? (Makes me uncomfortable…Makes me feel great)
	How do you feel about acquiring material possessions as an achievement in life? (Not important…Very important)
	How do you approach your life in terms of your possessions (i.e., buying and owning things)? (More is better…Simple is better)
	Would your life be any better if you owned certain things that you don't have now? (Not any better…Much better)
	Do you think the amount of material objects people own shows how successful they are? (Very much…Not at all)
	How would you feel if you could afford to buy more things? (Not any happier…Much happier)
	How would you feel if you owned nicer things? Much happier…Not any happier)
	What do the things you own say about how well you are doing in life? (Very little…A great deal)
	How do you feel about spending money on things that aren't practical? (Do not enjoy…Really enjoy)
	Do you feel that you have all the things you really need to enjoy life? (Need more…Have all I need)
	How much pleasure do you get from buying things? (Very little…A great deal)
	How do you feel about the things you own? (Very important…Not all that important)
	How do you feel about having a lot of luxury in your life? (Do not enjoy…Really enjoy)
Need for uniqueness	I often dress unconventionally even when it's likely to offend others.
	I actively seek to develop my personal uniqueness by buying special products or brands.
	As a rule, I dislike products or brands that are customarily purchased by everyone.
Social comparison	I pay attention to what my close friends buy.
	I pay attention to friends who are richer than me and watch what they buy.
	I pay attention to what brands my favorite movie stars and pop singers are using.
	I pay attention to the fashion styles of celebrities.
Status consumption	I would buy a product just because it has status.
	I would pay more for a product if it had status.
	I am interested in new products with status.
	The status of a product is irrelevant to me.
	A product is more valuable to me if it has some snob appeal.
Purchase intent of luxury fashion goods	I would like to buy luxury fashion goods.
	I intend to purchase luxury fashion goods within the next year.