The Relationship between Social Responsibility and Chinese Luxury Shoppers’ Purchase Decisions

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Meng Li
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This thesis titled
The Relationship between Social Responsibility and Chinese Luxury Shoppers’ Purchase Decisions

by
MENG LI

has been approved for
the Department of Human and Consumer Sciences
and The Patton College of Education by

Mijeong Noh
Associate Professor of Human and Consumer Science Education

Renée A. Middleton
Dean, The Patton College of Education
Abstract

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Director of Thesis: Mijeong Noh

The objective of this exploratory study was to investigate the effectiveness of corporate social responsibility as advertised by favorite brands on female Chinese luxury shoppers’ purchase decisions. Twelve qualified participants were chosen from a list of customers provided by the Beijing SKP shopping mall. Data were collected using in-depth interviews via email. All participants completed the demographic questionnaires and answered 22 open-ended interview questions, covering luxury, social responsibility, consumer behaviors and value congruence. Content analysis, followed by coding and categorizing, was used to analyze the data. Value congruence theory was used as the theoretical framework to explore the degree to which the participants valued social responsibility and such values shown by luxury brands.

The emerging themes of luxury, high prices, and nonessential items were summarized based on the participants’ responses. As a result, the majority of the participants believed in luxury products and lifestyles and the outstanding qualities that luxury items offer. The participants’ perceptions of social responsibility can be attributed in part to the luxury brands’ practices of CSR. Almost half of the participants’ perceptions of CSR motivated their decisions to purchase socially responsible luxury products. Moreover, most participants indicated their willingness to continue to support
their favorite luxury brands’ practices of CSR. Most Chinese luxury shoppers preferred to learn about luxury brands’ socially responsible practices from social media. Design and quality were the most important external factors that affected the participants’ decisions to purchase socially responsible luxury products. Luxury companies that engage in CSR need to spend more time introducing and advertising their actions to Chinese luxury shoppers. These companies also need to pay more attention to providing more product options for socially responsible products with unique designs and outstanding quality in order to meet Chinese luxury shoppers’ expectations. The Chinese government and media should invest more effort in disseminating information about the luxury brands’ positive actions concerning social responsibility. The future research emphasizing luxury brands’ socially responsible practices would help luxury brands develop profitable marketing strategies to cater to Chinese luxury shoppers.
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Chapter 1: Introduction

China is one of the world’s largest exporters of textiles and apparel. As China’s economy continues to grow and develop, the number of individuals who earn midlevel incomes has increased dramatically. This group of people travels several times a year and purchases luxury goods both locally and overseas. In an article in *The Economist*, the author pointed out: “How much China spends is striking. Even more so is the way it spends. This is now one of the world’s most sophisticated consumer markets, heavily skewed towards expensive goods” (*Economist*, 2014, p. 9). Based on data from Goldman Sachs (A Plus, 2007), the estimated rate of Chinese customers’ spending on luxury goods will increase from 17% in 2007 to 29% in 2015. A recent report indicated that Chinese consumers spent $116.8 billion out of $255.2 billion on the global luxury market in 2015 (Yifu, 2015), which is almost half of all luxury purchases; thus, it is clear that the Chinese market has significant value in this market overall.

Because social responsibility has become a popular subject in the world market, the manufacturers of luxury brands also must respond to the issue of corporate social responsibility (CSR: Doval, Singh, & Batra, 2013). Although the manufacturers of luxury brands have been somewhat conservative in adopting socially responsible practices, they are now attempting to combine social and environmental practices in their brands’ values (Doval, Singh, & Batra, 2013). The English designer brand, Stella McCartney, is one such major brand that supports CSR and sustainability. The Stella McCartney website states that, “We understand that it is our responsibility to do what we can to become a more sustainable company. We are responsible for the resources that we use and the
impact that we have. We are always exploring new and innovative ways to become more sustainable” (Stella McCartney, 2015). At the Stella McCartney counter of the Lane Crawford and Joyce Boutique in Hong Kong, sales associates introduce the brand to mainland shoppers and help them understand the brand’s image, as they found that 35%-40% of their customers were from mainland China, and were not familiar with the way in which luxury brands practice social responsibility (Perez, 2013).

The objective of this exploratory study was to investigate the effectiveness of CSR as advertised by favorite brands on female Chinese luxury shoppers’ purchase decisions. The study addressed the following questions:

1. Are the socially responsible practices of their favorite brands’ companies’ important to Chinese shoppers who purchase luxury goods?
2. Are the purchase decisions of Chinese shoppers who purchase luxury goods connected to their perception of their favorite brands’ practices of social responsibility?
3. What sources do Chinese luxury shoppers use to learn about their favorite brands’ contributions to social responsibility?

Previous researchers (Tian, Wang, & Yang, 2011) found that middle class Chinese consumers with moderate incomes are more likely to support social responsibility. However, no studies to date have focused on their perceptions of their favorite brands’ CSR practices and the ways in which they affect their purchase decisions. Because the Chinese market occupies such a large proportion of the luxury market as a whole, and social responsibility is a concept familiar around the world, understanding
Chinese luxury buyers’ perspectives of the CSR of luxury brands will help luxury retailers develop future marketing strategies for Chinese consumers. Clark, Kotchen, and Moore’s 2003 study of environmental behaviors indicated that certain individuals’ behaviors were influenced by psychological variables, including beliefs, attitudes, and values. They also referred to these variables as internal factors. Thus, Chinese luxury shoppers’ beliefs, values, and attitudes about socially responsible luxury products were chosen as the internal factors in this study. According to Clark et al. (2003), when researchers study consumer and environmental issues, they consider income and demographic characteristics as external factors. Thus, consumers’ income and demographic characteristics constituted the external factors in this study. It also is possible that celebrities and advertisements are two factors that motivate female Chinese luxury shoppers to purchase socially responsible luxury goods.

In this study, there was a high correlation between customers’ beliefs and the value luxury brands place on social responsibility, which indicates that the more individuals hold such beliefs, and the more they engage in socially responsible practices, the more likely they are to purchase socially responsible luxury goods. This may not have an effect as immediate as the two external factors mentioned above; however, it may be a robust and stable force that motivates customers to continue making such purchases.
Chapter 2: Review of Literature

Luxury Products, Shoppers, and the Chinese Market

Definition of luxury. Luxury is a subjective term that people define differently; however, a general definition can be found on the Oxford English Dictionary website (OED, 2015), where luxury is defined as “the state of great comfort and extravagant living,” or “an inessential, desirable item that is expensive or difficult to obtain.” Although luxury today targets a larger consumer pool, outstanding quality, timelessness, uniqueness, and aesthetic characteristics remain defining characteristics of luxury products (Brun, Caniato, Caridi, Castelli, Miragliotta, Ronchi,…& Spina, 2008). As Roper, Caruana, Medway, and Murphy (2013, p. 376) mentioned, luxury is “a negotiated order of discourse, a contested domain meaning; a cultural work in progress.”

Characteristics of luxury products. Luxury can apply to numerous products, including houses and automobiles, which are major purchases in one’s life (Frank, 1999). It also includes apparel, shoes, accessories, watches, jewelry, and perfume, which are not necessities, but bring prestige to consumers (Gao, Norton, Zhang, & To, 2009). The characteristics of luxury products are discussed with respect to six categories: price, quality, aesthetics, rarity, extraordinariness, and symbolism (Heine, 2011). High price is the first characteristic people attribute to luxury products. According to previous investigations, luxury products’ prices must be higher compared to those of other products in the same category that have similar functions (Heine, 2011; Kapferer, 2005; McKinsey, 1990). However, as more manufacturers and companies recognize this fact, scholars have clarified that simply increasing the price is not the criterion that transforms
an ordinary product into a luxury product (Kapferer & Bastien, 2009). Instead, quality is the most important criterion. The exceptional methods with which they are manufactured, their comfort and functionality, their unique features compared to other products in the same category, superior customer service, appropriate sizes, durability, and in some cases, high performance and safety levels (Heine, 2011), all contribute to the quality of luxury products. The aesthetics of luxury products refer not only to their design, but also to all of the sensory pleasures that satisfy shoppers (Dubois, Laurent, & Czellar, 2001). Rarity refers to the limited availability of certain luxury products, including limited editions and limited associations with other brands, and the use of rare materials in manufacturing, and customization (Catry, 2003; Heine, 2011; Kisabaka, 2001; Nueno & Quelch, 1998). Extraordinariness refers directly to the outstanding designs that characterize a product (Goody, 2006). Symbolism is a wider pool related to people’s values and lifestyles (Kapferer, 2005; Vigneron & Johnson, 2004). For example, luxury products worn by famous celebrities, presented at prestigious events, or made in exotic countries also can be related to symbolism (Keller, 2009). Each luxury product is unique in its way, and customers seek such goods based on these varied characteristics.

**Characteristics of luxury product shoppers.** Because this study focused on Chinese luxury consumers, it is important to understand some of the characteristics of this demographic. Luxury consumers have a higher social status or value their appearance more highly, and pay more attention to their belongings and behaviors (Han, Nunes, & Dreze, 2010). Further, based on Davies, Lee, and Ahonkhai’s 2012 study of luxury shoppers’ attitudes about the ethics of luxury products, they found that these buyers care
more about a product’s quality than about manufacturers’ ethics. In addition to product quality, brand trust is correlated highly with luxury shoppers’ purchase decisions (Song, Hur, & Kim, 2012). If luxury consumers trust a brand’s value, quality, design, and social practices, they will become loyal customers. Chinese luxury shoppers often purchase such products as gifts (Wong & Ahuvia, 1998). Building connections and networks, which is a crucial aspect of Chinese culture, motivates people to buy luxury products as gifts to show their respect for others and their social status (Walley & Li, 2015). Another study claimed that Asian consumers who were looking for luxury products cared more about what their belongings can bring to their status in their social groups and the public (Wong & Ahuvia, 1998). Therefore, luxury shoppers have both internal and external motivations to buy luxury products (Zhu & Zhang, 2015).

**Chinese luxury apparel market.** Luxury products in China are classified into two groups, accessible and inaccessible (Danielle, 1997; Zhan & He, 2012). Accessible luxury products target the increasing number of people in the middle class and above; inaccessible luxury products refer primarily to the rarest and least attainable products that target the wealthiest customers in the population. Over 50% of Chinese luxury shoppers are considered either wealthy or extremely wealthy (Atsmon, Dixit, & Wu, 2011). Beijing, Shanghai, Shenzhen, and Guangzhou are the most developed cities in China, and are the home of over 40% of Chinese millionaires. Moreover, Beijing alone contains 17% of all of the millionaires in China (Roberts, 2014), a number that increases constantly. Thus, Beijing, the largest and wealthiest metropolitan area in China, with its large market volume, was an appropriate city for this research.
Previous scholars (Schwarz & Wong, 2006, p. 31) have mentioned that they could “…pinpoint Chinese 25-to 30-year-olds as rapidly forming a significant luxury goods consumption cluster.” Langlois and Barberio (2013) discussed the fact that, unlike shoppers in Europe and the United States, younger Chinese luxury shoppers may not have the same massive purchasing power that their traditional elders do. However, younger Chinese luxury shoppers are willing to spend a significant amount of their money on luxury products. Little emperors, which refers to young Chinese who are the only children in their families due to China’s one-child-per-family policy implemented from 1971 to 2015, receive both affection and economic support from their parents (Chadha & Husband, 2006), and this group purchases luxury products at a higher rate than do other consumer groups (Walley & Li, 2015). The Luxury Institute in New York found a similar result in the U.S. (Doval, Pal Singh, & Batra, 2013). Further, according to Langlois and Barberio, “The Chinese government currently makes substantial investments in higher education for younger cohorts, meaning the country’s wealthiest consumers will be from 25 to 44 years old” (Langlois & Barberio, 2013, p. 88). These authors added that Chinese women over 35 years old are the primary shoppers for luxury products. Products with flashy logos are no longer popular; instead, higher priced, understated styles have become the new rage (Langlois & Barberio, 2013). For example, the Falabella bag designed by Stella McCartney has no logo on its exterior, but has nonetheless become a staple piece in many celebrities’ wardrobes. Over half of luxury purchases are made by Chinese women because they receive better education and attain higher incomes than do men (Burkitt, 2011).
Social Responsibility

Definition of social responsibility. Social responsibility can be applied to numerous activities, including activities in the community, different organizations’ efforts, attitudes on social events, and companies’ behaviors in the production process. Dickson and Eckman (2006) defined three conceptual dimensions to help scholars understand better the definition of CSR in the apparel and textile industries. These three dimensions are orientation, philosophy, and outcomes. In their detailed explanation of the environmental aspect, they stated “…an orientation encompassing the environment, its people, the apparel/textile products made and consumed, and the systematic impact that production, marketing, and consumption, of these products and their component parts has on multiple stakeholders and the environment.” They defined the philosophy dimension as one that “…balances ethics/morality with profitability, which is achieved through accountability-based business decisions and strategies.” The outcomes dimension was defined as, “positively affect, or do very little harm to, the world and its people” (Dickson & Eckman, 2006, p. 188). These three dimensions effectively provide the necessary knowledge of the ways in which scholars analyze CSR in apparel and textile companies. With these three dimensions in mind, researchers can pursue a clear direction when undertaking research.

Dickson and Eckman (2006) also pointed out the details in the ways in which social responsibility can be applied to the production of apparel and textiles. In the initial stage, “Social responsibility is related to raw materials, design, and production” (p. 188). After production is complete, “It comes into play as products are merchandised and then
retailed to consumers” (p. 189). In the final stage, they indicated, “Social responsibility plays a part in how products are consumed, disposed of, and perhaps recycled to begin a new cycle as a new product” (p. 189). These definitions may give apparel and textile companies and their customers ideas about social responsibility and the products they are selling and using respectively.

**Trends in social responsibility and companies’ practices.** In a case study of a fair trade retailer, Goworek (2011) found that CSR in the clothing industry has increased in the past few years. The study focused primarily on the company People Tree. Celebrity-worn clothing designed and produced by People Tree has been featured in the fashion magazine *Vogue*. One of the interviewees in this study pointed out that fair trade is a channel for social sustainability and development (Goworek, 2011). Finnigan (2006) reported that People Tree also collaborated with Topshop in 2006. Topshop is known well as an exclusive, street style company that designs and sells fashion clothing for teenagers and young adults. This collaboration showed that sustainable materials have already been used in fashion brands for younger customers, and may be effective in disseminating the notion of sustainability in the apparel and fashion market (Finnigan, 2006). FINE (2001), an association of four global organizations, the Fair Trade Labelling Organizations International, International Fair Trade Association, Network of European Worldshops, and European Fair Trade Association, defined fair trade on the World Fair Trade website as: “Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of,
marginalized producers and workers especially in the South”. In the merchandise market, sustainability is a subset of social responsibility. Manufacturers use “green” rather than chemical pigments to color fabric, and use environmentally friendly or recycled materials to make sustainable apparel and other fashion goods (Hustvedt & Dickson, 2009).

According to Branco and Rodrigues (2006, p. 112), “Engaging in social responsibility activities involves costs, as it might require, for example, purchasing environmentally friendly equipment, implementing stricter quality controls …since having and presenting an image of social responsibility incurs costs, benefits are expected to accrue to sustain business.” In Ramasamy and Yeung’s study (2009), they found that Chinese consumers in Shanghai and Hong Kong paid a lot of attention to and were supportive to socially responsible practices. In a study focused on adults’ attitudes about purchasing environmentally friendly apparel products, Cowan and Kinley (2014) indicated that individuals’ norms and social pressure have significant effects on their motivation to buy sustainable and environmentally friendly apparel. It appears that if governments and companies pay more attention to practicing social responsibility, and promote it so that it becomes a trend that benefits society, then sustainable clothing will become more popular among consumers.

According to another study, newer styles and products always attract Chinese luxury shoppers, who believe that having fashion knowledge is essential; therefore, such customers are more likely to purchase novel and unparalleled luxury products (Husic & Cicic, 2009). Because environmentally friendly apparel and accessories are new to Chinese consumers, they may be interested in learning about fashion industries’ and
companies’ socially responsible practices, and more willing to purchase those manufacturers’ products.

In addition to Stella McCartney, the major luxury brands, Louis Vuitton and Gucci, also have released limited edition T-shirts made of organic materials, and Alexander McQueen designed a limited edition scarf made of 100% organic cotton, which commemorated the movie “Home” by using McQueen’s iconic skull logo, placed in the center of the earth and the galaxy to represent a dying world. This was designed to capture audiences’ awareness of social and environmental problems (Weston, 2009). Parts of Christian Dior’s handbags are made of Italian bio-farmed leather to reduce the amount of CO₂ released into the atmosphere (Kapferer, 2010). The Board of Directors of the Biodiversity Research Foundation, which studies the biodiversity of wool, silk, leather, flowers, and gold, supports the bio-farm; manufacturers also use plant fibers to produce a material that feels like leather, and use this to make their leather products (LVMH, 2015). The major luxury company, Louis Vuitton Moet Hennessy (LVMH), tries to source their products’ packages, window decorations, and store constructions from sustainable raw materials. Further, the LVMH group uses non-toxic pigments to color their handbags (LVMH, 2014). It is evident that certain well-known luxury brands today, including Louis Vuitton, Gucci, and Alexander McQueen, are making sustainable products and practicing CSR.

Governments’ and companies’ CSR is defined as “…The responsibility of enterprises for their impacts on society and outlines what an enterprise should do to meet that responsibility” (European Commission, 2011, p. 1). Carroll (1979) mentioned four
types of CSR: economic, legal, ethical, and discretionary. In 2005, when the Chinese
government increased its efforts in economic development, it did not believe that CSR
was suitable for China’s unique national conditions. The government even believed that
the Western definition of CSR infringed upon China’s sovereignty (Chan, 2005). From
this perspective, it is evident that, in contrast to Western countries, the Chinese
government’s attitude about implementing social responsibility still faces some
challenges. CSR reporting is one of the tools that companies and non-profit organizations
use to demonstrate that their corporations practice social responsibility. Since 2005, 68% of
the top 250 global companies began to report their progress in sustainable practices
(KPMG, 2005). These reports are required to follow the Global Reporting Initiative
guidelines, to ensure the reliability and value of the information (Noroha, Tou, Cynthia,
& Guan, 2013). A previous study showed that 216 out of the 529 Chinese companies
examined were unable to provide CSR reports that followed global evaluation criteria
(Kuo, Yeh, & Yu, 2012). According to the study, almost half of the companies examined
lacked positive attitudes about providing such reports, and thus, one can speculate that
those companies did not engage in socially responsible practices. If companies and
industries in China refuse to behave in a socially responsible manner, consumers clearly
will have few choices of environmentally friendly products, and the concept of social
responsibility will not be communicated successfully. At this point, it is important to hear
what expectations Chinese citizens have with respect to improving the environment, as it
is important to know whether they wish to have more choices of environmentally friendly
products or lack interest in CSR.
**Media sources of information about social responsibility.** Chinese luxury consumers may refer to advertisements, such as those in newspapers, television shows, magazines, brands’ websites, and even those relayed via word of mouth. Previous scholars have found that labeling practices and detailed information about socially responsible apparel have captured the attention of these consumers. Fashion-oriented customers are willing to make purchases after they read informative labels on socially responsible products (Gam, Ma, & Banning, 2014). Financial data and selling strategies of such luxury brands as Armani, Hermes, and Chanel are not available publicly, and although they may make significant efforts to practice CSR, consumers cannot determine whether certain luxury products are made of organic or other “green” materials simply by looking at the labels (Kapferer & Michaut-Denizeau, 2014). As Nicholson (2011) mentioned, Chinese consumers cannot obtain sufficient information about socially responsible goods, because they lack channels to do so; at the same time, the limited inventories of these goods is another obstacle that needs to be eliminated. It is essential for both scholars and luxury fashion companies to understand the current media that Chinese luxury shoppers use to obtain information about social responsibility. In 2015, a Chinese television comedy-drama series, “Tiger Mom,” featured Zhao Wei, a famous actress and singer, who always carried her Stella McCartney sustainable “leather” handbag on the show. Two months later, Huayi Brothers Media released “Junior Parents,” and on that show, Gao Lu, another well-known actress, carried the same handbag in a different color. These two examples indicate that Chinese celebrities are trying to promote positive attitudes concerning sustainable, green products, and are using their
social status to advertise their socially responsible actions. The influence of these shows even exceeded the expectations of the Stella McCartney brand owner. She mentioned in the opening ceremony for her fifth store in Beijing that because of customers’ concerns about China’s environmental issues, her “green,” leather-free shoes achieved unexpectedly high rates of sales (Gardner, 2015). Thus, we can assume that Chinese customers are internalizing Stella McCartney’s brand image, and her hard work in advertising in the Chinese and global markets has had significant positive effects.

Apparel Shoppers’ Purchase Decisions

Purchasing decisions of luxury product shoppers. Walley and Li (2015) conducted a study that focused on the preferences of luxury consumers and determined that automobiles, handbags, watches, jewelry, and clothes were the top five types of luxury goods that Chinese shoppers were likely to purchase. Other than automobiles, the four other types are in the category of apparel and accessories that is addressed in this research. In Hustvedt and Bernard’s 2010 study conducted with college-aged students, over 50% of participants agreed that there was a significant relationship between social responsibility and apparel products. However, they found that the environmental effects of producing apparel did not influence participants’ purchasing decisions significantly, indicating that they were not concerned greatly about environmental issues. The elements they did consider were who produced the clothing, where, and how. From the perspective of “willingness to pay,” the authors found that socially responsible consumers were willing to pay more for “green” and environmentally friendly products than were consumers who were not. All of the participants in their study were U.S. college students,
some of whom demonstrated their positive attitudes by purchasing socially responsible products regardless of their price. Although U.S. college students and Chinese luxury shoppers differ in myriad ways, Chinese luxury shoppers have relatively greater purchasing power than college students do; thus, it is possible that a considerable number of Chinese luxury shoppers are willing to pay more for luxury goods that support social responsibility.

Another study conducted in Hong Kong focused on customers’ decisions to purchase eco-friendly products, and concluded that the environment and displays in an eco-friendly fashion store influenced customers’ purchase decisions significantly. Although the price of eco-fashion products varied, there was not a strong relationship between price and customers’ purchase decisions (Chan & Wong, 2012). If Chinese luxury shoppers also do not consider price as the primary determining factor in their decisions, they may make purchase decisions based on appreciation of store environments with eco-fashion themes.

To investigate the likelihood that consumers in their late 50s would purchase clothing made of organic cotton, Hustvedt and Dickson (2009) demonstrated that 62% of participants in their sample were not interested in buying organic cotton apparel, and tended instead to purchase lower priced clothing. Thus, when compared to other studies, it appears that customers of different ages have different attitudes about purchasing eco-fashion and sustainable clothing. In this study, the authors also found that only slightly more than 38% of their participants agreed with the statement that, “organic agriculture is good for the environment and that sustainable agriculture is important” (p. 58). Further,
less than half of the participants agreed to some extent that, “They would go out of their way to buy organic or fair trade clothing with the aim of supporting organic farming.”

From these results, it is clear that customers’ awareness of social responsibility is relatively low, and efforts are required to motivate them further to engage in socially responsible behavior. One report showed that more luxury shoppers have begun to examine companies’ behaviors before buying products (M2PressWIRE, 2008).

According to Havas Media, Chinese customers were quite willing to consider environmental and social concerns when making their purchase decisions because of China’s current environmental problems (Nicholson, 2011). In the same article, the author also found that “Consumers in China feel strongly that large companies have a role to play in solving environmental and social problems. They are also the most active in rewarding (93 percent) and punishing (92 percent) companies” (p. 15). Thus, Chinese luxury consumers who have relatively higher incomes may be even more willing to purchase environmentally safe and green products.

Opposing voices have stated that if “green” or “socially responsible” products are insufficiently functional or have no particular connection with consumers’ daily lives, Asian shoppers may hesitate to purchase them (Nicholson, 2011). According to Kapferer and Michaut-Denizeau’s study (2014), only 35% of European luxury consumers considered social responsibility when they bought luxury goods. Even though the age of the sample in their study ranged from 18 to 75 years, it showed clearly that foreign luxury shoppers felt no obligation to behave in a socially responsible manner. The results might be the same in the case of Chinese luxury shoppers.
Theoretical Framework

Value congruence. Value is defined as the “…general beliefs about the importance of normatively desirable behaviors or end states. Individuals draw from their values to guide their decisions and actions, and organizational value systems provide norms that specify how organizational members should behave and how organizational resources should be allocated” (Edwards & Cable, 2009, p. 655).

Consumers’ purchase decisions can be affected by their attitudes about certain products (Hoyer & MacInnis, 2004), which illustrates the concept of value congruence. Value congruence refers to the similarity between the values of individuals and organizations (Chatman, 1989; Kristof, 1996). Based on the definitions mentioned earlier, if the values of social responsibility with which Chinese luxury shoppers define themselves match those offered by luxury brands, luxury buyers may make purchases regardless of price. In a study that explored the ways in which value congruence affects the quality of consumer-brand relationships and such factors as satisfaction, trust, affective commitment, and loyalty, the authors found that value congruence had a significant and active influence on the elements of quality and all of the variables above (Zhang & Bloemer, 2008). Other researchers have mentioned that luxury shopping is a way in which shoppers’ indicate that they care about social responsibility and the environment; moreover, it also reflects their personal values and interests (Griskevicius, Tybur, & Van den Bergh, 2010). One study found a positive relationship between young Korean consumers and their purchases of luxury goods, who conveyed their personal values and
uniqueness by buying such products (Park, Rabolt, & Jeon, 2008). Chinese luxury shoppers also may choose to purchase socially responsible luxury products because they demonstrate their personal values. One clear phenomenon is that Chinese luxury shoppers purchase luxury goods because of other people, such as parents, friends, or celebrities (Walley & Li, 2015). This research indicated that value congruence may play an essential role in Chinese luxury shoppers’ willingness to purchase luxury brand goods that support social responsibility.

Based on the previous studies above, it is clear that luxury products are entering the Chinese market rapidly; however, in addition to the external data, the internal connections between goods and customers need to be investigated. While social responsibility is a familiar topic in Western countries, it is relatively unfamiliar to most customers in developing countries, including China. Thus, it is meaningful to explore whether Chinese luxury shoppers will pay the price for the practices that luxury brands are striving to encourage.
Chapter 3: Methodology

This research used the qualitative method, because the goal was to conduct in-depth analyses of participants’ attitudes and purchase decisions with respect to socially responsible luxury products. The qualitative method was most appropriate for this particular study, as it had a greater likelihood of obtaining valuable and reliable data than did the quantitative method.

Twelve female Chinese luxury shoppers from Beijing who ranged in age from 25-50 years old were chosen as the sample group, because women were more aware of social responsibility as it related to making purchases, and typically were the decision makers in this regard (M2PressWIRE, 2008). Beijing is home to over twenty million people and was ranked as the second city in China in its increase in gross domestic product (GDP) (Southmoney, 2015). Beijing provides more opportunities and channels for the dissemination of new ideas, as well as being globally prominent in advocating the idea of social responsibility. This particular age group was chosen based on the standard stages of life. After 25, most people (men and women) have found a job and have personal incomes, which is the first element in related research. Second, people in this age range constitute the foundation of society, and serve as the link between the preceding and following generations.

Participants were selected randomly from a customer list provided by the customer center at the Beijing SKP shopping mall, which contained information for 50 customers, from among whom 12 qualified participants were chosen as the final sample for this study. The researcher sent emails to all of these customers that explained why
certain customers were selected, and asked them whether they were willing to participate in the study. The Beijing SKP shopping mall was selected according to the following qualifications. It has been praised as “…the model for high-end shopping malls in China” (TheBeijingNews, 2016). From apparel to lifestyle, Beijing SKP always follows global fashion trends, and imports over 900 globally well-known brands that are sold in their boutique stores—including Stella McCartney, Louis Vuitton, Gucci, and Marc Jacobs—which have been and continue to practice social responsibility. They also synchronize their products with the brands’ flagship stores in New York and Europe (BHG, 2016). Beijing SKP had the highest sales in China in 2014, with a sales volume of 77 billion yuan (approximately $11 billion) (TheBeijingNews, 2016). Although it did not reach this volume in 2015, one may still infer that most customers who shop at Beijing SKP have relatively high purchasing power. A famous Chinese celebrity and actress, Fan Bingbing, has not only been photographed on the street wearing Stella McCartney’s accessories (iFeng, 2014), but also was seen shopping with her boyfriend at Beijing SKP on Christmas Eve (163Entertainment, 2015). Obviously, not every celebrity shops at Beijing SKP, and similarly, even if celebrities own socially responsible luxury products, they may not wear them every day. However, the atmosphere and shopping environment at Beijing SKP does attract a large number of customers who plan to purchase luxury products. Hence, Beijing SKP was chosen as the site at which to find both the potential and final participants for this research.

Data were collected via email. The potential sample group was informed that the data collection process included two surveys. The first section, Phase I, consisted of
demographic questions, including age, gender, education level, income, occupation, and the number of luxury products purchased per year (Appendix I). Phase II included 22 open-ended questions that covered the three concepts and one theory used to construct the research questions (Appendix II). The questions in Phase II were self-designed and did not refer to any previous studies. The potential participants also were informed that if they qualified for the study based on their answers to the demographic questions, they would be invited to answer the questions in Phase II. Potential participants who usually purchase more than five luxury products were selected as the sample group for this research.

All of the questions were translated into Chinese prior to data collection. A trusted colleague translated the questions alone, after which the researcher checked both versions of the translated questionnaires to ensure the accuracy of the translations. In addition, all of the answers the participants provided were translated into English for data analysis. Prior to any data analysis, the same translation process was used as that described above.

Content analysis, followed by coding and categorizing, were used to analyze the data. The first and most important procedure was content analysis. Coding is the most popular method used to analyze qualitative research data, because it can provide distinct segments and categories with which researchers can obtain more information and better in-depth views related to the research questions. It also may provide important content for further studies (Cohen, Manion, & Morrison, 2011, p. 559). The researcher firstly decided which interview questions could apply to each research question. Then, researcher either picked up the key words from participants’ responses and calculated the

frequency or coded participants’ responses and categorized them into different groups. This process was repeated several times, because researcher needed to make sure the accuracy of data analysis. Emergent themes were summarized based on participants’ responses.
Chapter 4: Results

Sample Characteristics

The 12 participants in this study were anonymous, and the researcher assigned mock names to all participants for an integrated analysis. Thus, the participants were referred to as Ali, Beina, Chen, Daixi, Eyao, Fanyi, Guo, Huan, Inqi, Jie, Kai, and Luo.

Age and education level. 7 out of 12 participants (58%) were 41-45 years old; 2 (17%) were 37-40, and 3 (25%) were 33-36 years old. 8 participants (67%) held master’s degrees; 3 (25%) held bachelor’s degrees, and 1 (8%) held a doctoral degree.

Socioeconomic status. The income categories ranged from less than $7,700 (China yuan renminbi 50,000), to more than $54,000 (CNY 350,000). Further, each range had intervals of 50,000 CNY (i.e., CNY 50,000-100,000, 100,000-50,000, etc.). 9 participants’ (75%) annual incomes were greater than $54,000 (CNY 350,000) after taxes. According to ChinaDaily (2015), the average income in Beijing in 2015 was $16,475 (CNY 102,268); therefore, $54,000 is significantly higher than the average income. Two participants’ (17%) incomes ranged from $38,000 to $46,000, and 1 (8%) had an annual income that ranged from $23,000 to $31,000. With respect to occupation, 6 participants (50%) worked in private enterprises; 3 (25%) worked in government enterprise; 2 (17%) were freelance, and 1(8%) was self-employed.

Luxury purchases. As shown in Table 1, 4 participants (33%) generally purchased 15 or more luxury products per year and the remaining 8 (67%) purchased 6 to 10 luxury products per year. With respect to the total number of luxury products owned, Ali (8%) owned 50 luxury products; Kai (8%) owned 40 to 50; Inqi (8%) owned 30 to 40;
Daixi, Eyan, Guo, Huan, Jie, and Luo (50%) each owned 20 to 30, and Beina, Chen, and Fanyi (25%) reported that they owned 10 to 20 luxury products. Thus, the majority of the participants in this study was 41-45 years old, held a master’s degree, and had an annual income over $54,000. Over half of them worked in private enterprises, purchased 6 to 10 luxury products per year, and owned 20 to 30 luxury products in total. Female Chinese luxury shoppers who lived in Beijing with different incomes and education levels thus were appropriate for this study because of the dearth of studies that are currently available.
<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Education</th>
<th>Income</th>
<th>Occupation</th>
<th># of luxury product purchases/yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ali</td>
<td>41-45</td>
<td>Master’s</td>
<td>$54,000+</td>
<td>Self-employed</td>
<td>15+</td>
</tr>
<tr>
<td>Beina</td>
<td>41-45</td>
<td>Master’s</td>
<td>$54,000+</td>
<td>Government</td>
<td>6-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor’</td>
<td></td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>Chen</td>
<td>41-45</td>
<td>s</td>
<td>$54,000+</td>
<td>Private</td>
<td>6-10</td>
</tr>
<tr>
<td>Daixi</td>
<td>37-40</td>
<td>Master’s</td>
<td>$54,000+</td>
<td>Private</td>
<td>15+</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor’</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eyao</td>
<td>41-45</td>
<td>s</td>
<td>$54,000+</td>
<td>Private</td>
<td>6-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor’</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fanyi</td>
<td>41-45</td>
<td>s</td>
<td>$54,000+</td>
<td>Government</td>
<td>6-10</td>
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<td></td>
<td></td>
<td>$38,000-$54,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guo</td>
<td>41-45</td>
<td>Master’s</td>
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<td>Government</td>
<td>6-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>38,000-$46,000</td>
<td></td>
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<td>Huan</td>
<td>33-36</td>
<td>Master’s</td>
<td>$46,000</td>
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<td>6-10</td>
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<td></td>
<td></td>
<td></td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>Inqi</td>
<td>41-45</td>
<td>Master’s</td>
<td>$54,000+</td>
<td>Private</td>
<td>15+</td>
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<tr>
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<td></td>
<td></td>
<td>$23,000-$54,000</td>
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<tr>
<td>Kai</td>
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<td>Master’s</td>
<td>$54,000+</td>
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<td>15+</td>
</tr>
<tr>
<td>Luo</td>
<td>37-40</td>
<td>Doctorate</td>
<td>$54,000+</td>
<td>Freelance</td>
<td>6-10</td>
</tr>
</tbody>
</table>
Social Responsibility and Luxury

Definition of social responsibility. According to the responses collected, a major theme related to the way in which Chinese luxury shoppers define social responsibility was being responsible to others. Ali mentioned: “Pay attention to friends and family.” Beina said: “Accompany family members.” Daixi defined social responsibility as being responsible to the next generation. Guo indicated that being socially responsible helped the poor. She said, “Depending on defining from which aspects. Before purchasing luxury products, [people] should pay attention to issues that society contains, like poor people and homeless people. Before purchasing a super racing car, [people] should make contribution to the society first.” Huan stated: “By helping those who are struggling to survive to stay in their home, to stay employed, and to eat enough.” Luo defined social responsibility as “Having a big open heart, and be[ing] nice to other people.”

Emergent Themes of Luxury

High price as a component of luxury. Several participants categorized high-priced products as luxury products. Chen defined luxury as, “Something is overpriced and available to be purchased.” Eyao used “Expensive clothes, accessories, and travels” to define luxury. Huan had an opinion similar to Eyao’s, and she mentioned as well that luxury includes “High-priced home goods and decorations.” Guo connected the relationship of price and value, and mentioned that luxury products were those in which “Selling prices exceed the actual value.”

Nonessential as a component of luxury. Several participants indicated that luxury products are nonessential or relate to nonessential aspects of one’s lifestyle. Both
Jie and Guo saw luxury as “Something you want but you do not need.” In addition to products, Chen also included “unessential beliefs on daily lives.” Beina defined luxury as “Products that extremely exceed [one’s] basic needs, for example, a cashmere coat, a jewelry that made of real gold, or a handmade artwork.” Fanyi defined luxury as “Products from big named brands or products you want but you do not need.”

**Findings and Discussions**

The answers to the three research questions are discussed below based on the responses collected via self-administered surveys related to luxury, social responsibility, consumer purchase behaviors, and value congruence.

**RQ 1: Are the socially responsible practices of their favorite brands’ companies’ important to Chinese shoppers who purchase luxury products?** Three interview questions applied to the analysis of, and answer to the first research question.

The first was, “Are you interested in receiving and reading news about social responsibility? If so, how often? In which way?” Five participants (42%) indicated interest in accessing information related to social responsibility. Beina stated, “Yes, I always get information from Weibo. I like to reading news on a weekly basis.” Daixi indicated, “Although I am very unfamiliar with this topic, I would like to spend some time to know it, it will be great if there are some magazines about protecting environment available out there.” Guo mentioned, “If watching such news broadcasts and knowing information can help others, I would like to do so.” Jie said, “Yes, always heard of it, [I] can see those from online news, but rarely.” The other 7 participants (58%) were uninterested in receiving information related to social responsibility, and this result was
not correlated with participants’ age. Eyao and Luo simply replied, “Not interested in” receiving and reading news or information related to social responsibility. Eyao also stated, “News media won’t pay attention to these, I think CCTV [China Central Television] should spend more time on spreading active and positive things.” Ali said, “I won’t find information specifically about this field, but I will read some related content, like [content] on weekly newspaper. If I see some videos online by chance, I will watch, and sometimes CCTV will play scientific and educational films about environmental protection.”

Following the first interview question related to participants’ interest in social responsibility in general, they were asked whether they were aware of any information about luxury brands’ practices of social responsibility. From the data collected, 6 participants (50%) expressed their knowledge of luxury brands’ practices of CSR. Chen said, “I know, there are a lot, Baidu is a great website, [you] just need to make sure the information is real. At least I know [the brand] Stella McCartney, [I] always see celebrities wearing products from her store, I do go to the store and look around as well, the designs are great.” Eyao mentioned, “I know some, like LV’s classic tote bag, it’s made of leather, and very durable.” Ali expressed her knowledge of the luxury automobile company, Tesla, and the technology company, Apple. Fanyi and Huan knew some luxury companies refuse to conduct animal testing. Six participants (50%) were less informed about luxury brands’ CSR practices. Beina indicated, “I am not really sure, especially on luxury products’ development of this aspect.” Inqi’s response did not reflect a causal relationship between one’s knowledge about luxury brands’ CSR and the number
of luxury products one owns. She stated, “Although I own so many luxury products, I do not know anything [on luxury brands’ practices on CSR].” Kai simply answered, “I don’t know.”

After answering the first two interview questions, participants answered the last question, which was related to the first research question. The question was: “If you know the luxury brand products that you purchased and loved are ‘green’ and environmentally-friendly products, would you like to continue to support the brands?” Nine participants (75%) indicated that they would like to follow their practices and continue to purchase such brands, while 3 participants (25%) were unsure. Huan stated, “It depends on the history and records on brands’ practices on protecting environment, maybe they just speak loud to the public, [in order] to conceal their actual activities on destroying the environment, or excessive treatments on their workers, underpay their deserved salary, or some of the companies are attempting to gain profit for the last time from their customers.” Luo chose to pay more attention to products’ “quality” and “durability” when deciding whether to continue to support such brands.

**RQ 1 discussion.** The majority of participants showed their willingness to continue to pay close attention to and support their favorite luxury brands’ practices of CSR. Half of the participants expressed awareness of luxury brands’ practices of CSR, and almost half were interested in obtaining information about their favorite brands’ practices. According to all the data collected on RQ 1, the socially responsible practices of luxury brand manufacturers were important to most participants. Although they were not always well aware of such practices, they were interested in, and willing to learn
more about the socially responsible practices of their favorite luxury brand manufacturers. These results support the findings from Ramasamy and Yeung’s 2009 study, which focused on Chinese consumers in Shanghai and Hong Kong and found that Chinese consumers attached importance to and supported socially responsible practices. The data from this study indicated specifically that a medium number of Chinese luxury shoppers believe that luxury brands’ socially responsible practices are important.

**RQ 2: Are the purchase decisions of Chinese shoppers who purchase luxury goods related to their perception of their favorite brands’ practices of social responsibility?** The second research question was examined by asking participants to indicate their beliefs about supporting their favorite luxury brands’ socially responsible practices, and their purchase decisions relevant to “green” luxury goods. To direct participants from general products to luxury products, they were asked firstly if they liked to purchase “green” and environmentally friendly products, both luxury and non-luxury. Seven participants (58%) indicated that they liked to purchase “green products. Ali said, “Yes, I would like to buy personal items that are made of natural materials, cleaning supplies, paper related products, organic food. I’ll also buy environmental friendly and simple-packaged products, and as well as reusable and products can be refilled.” Other participants did not provide reasons. The remaining 5 participants (42%) indicated that they would buy “green” and environmentally-friendly products “sometimes.” Guo stated, “It depends on my personal needs. A handbag that [is] made of real leather can be used for several years, comparing to a handbag that is made of synthetic materials, it won’t be
used for a long time and I may need to purchase a new one.” Other participants simply said, “Sometimes.”

In the second question, the subject changed from general socially responsible products to “green” luxury products. Participants were asked: “If you want to support your favorite luxury brands’ socially responsible practices, are you willing to purchase their products regardless of the price?” Five participants (42%) indicated that price did not influence their purchase intentions. Ali said, “I may like to spend more money [on buying those products].” The other 4 participants simply answered “Yes” without providing any reasons. Four participants (33%) had neutral attitudes about purchasing “green” luxury products regardless of the price. Personal needs were the main consideration in Chen’s purchase intention; she explained, “If [the product] is a luxury product, it already has a higher price point, so I would like to consider if I really need it.” Kai’s consideration was a “reasonable” price. Only 3 participants (25%) stated that they would not purchase “green” luxury goods regardless of the price.

To explore participants’ actual intentions to purchase socially responsible luxury products, they were asked: “Without knowing and seeing certain luxury ‘green’ products in advance, would you like to make a purchase after sale associates introduce the products to you? Please explain how you make your decisions.” Five participants (42%) indicated their willingness to purchase such products. Guo stated, “If my purchase behaviors can help other people, I would like to.” Inqi said, “Yes, I’ll consider buying products that can bring positive attitudes.” Five participants (42%) were hesitant to purchase such products because of their prices, functionality, and their expectations of,
and preferences for “green” luxury products. Only 2 participants (17%) indicated that they were unlikely to purchase such products.

In addition, to understand better the purchase decisions of Chinese luxury shoppers with respect to “green” luxury products, participants also were asked to indicate from which of their favorite luxury brands they would like to buy “green” luxury goods, the characteristics of the products they considered before purchasing them, the number of such products they would like to buy, and the situations in which they might purchase such products; there was no limit on the number of brands that participants could list. The results showed that Chanel (33%), Louis Vuitton (25%), and Gucci (17%) were the top three luxury brands from which participants preferred to purchase “green” luxury products. They also mentioned other brands, including Celine, Dolce & Gabbana, Christian Louboutin, and Hermes. The criteria that participants considered the most were products’ design (mentioned 7 times), quality (mentioned 6 times), and price (mentioned 6 times). They mentioned the products’ durability and the brands’ practices of social responsibility once each. Beina indicated her interest in social responsibility when purchasing luxury products, stating, “Design, durability, quality, price, and brands’ participations on social activities. My family and I will refuse to buy products from certain brands, because we do not agree with those brands’ behaviors on supporting society’s improvement.” Eyao’s perception of purchasing “green” luxury products was, “If the quality is better than non-luxury products,’ I would like to spend more money and get the luxury ones.” Inqi explained, “[Brands] like Dolce & Gabbana which was known
for its design, using environmental-friendly materials may cause a decrease in [products’] textures, but the designs will still stand out.”

With respect to the number of socially responsible luxury products that participants would like to buy, 5 (42%) chose 1 or 2, 2 (17%) were interested in buying 5 or 6, 1 (8%) wished to purchase over 10 products, and 1 (8%) stated that she would like to buy as many as she could. Two participants (17%) were unsure, and only 1 (8%) stated that she would not purchase such products. The context that participants mentioned most frequently as that in which they would like to buy socially responsible luxury products was gifting (50%). Ali responded, “Gifting to someone who understand and appreciate environmental-friendly products…If it is [buying] for myself, I would love to buy if the price was not too much higher than those ‘non-green’ products in the same category (handbags or shoes wear).” Participants mentioned recommendations from friends and families three times (25%). Less common contexts, such as the influence of celebrities, seeing information online, personal preferences, and prominent brands were mentioned as well.

**RQ 2 discussion.** The purpose of the second research question was to investigate the relationship between perceptions and the purchase decisions of Chinese luxury shoppers. In combining all of the data related to this question, 5 participants (42%) expressed their perceptions of all socially responsible products, and importantly, stated that they would purchase their favorite brands’ “green” luxury products without considering the price. This finding suggested a positive and strong relationship between consumers’ perceptions of luxury brands’ socially responsible practices and their
purchase decisions. The characteristics of these five participants were obvious: 3 were 41-45 years old, 1 was between 37 and 40, and 1 was 33-36. 4 of 5 participants held master’s degrees, and had annual incomes over $54,000 dollars, which makes them members of the wealthiest group of people in China. Three worked in private enterprises, and purchased over 15 luxury products a year. Moreover, 42% of all participants stated that they would be inclined to make purchases after listening to sale associates’ introductions to “green” luxury products. This suggests that the concept of these products matches participants’ perceptions. Thus, almost half of the participants’ purchasing decisions were related to their perceptions of their favorite brands’ CSR.

The criteria participants mentioned most frequently were the products’ designs, followed by quality, price, durability, and brands’ practices of CSR. Although price was not the key factor in participants’ decisions to purchase socially responsible luxury products, it supported Chan and Wong’s (2012) findings, in which price played an essential role in Chinese luxury shoppers’ purchase decisions of luxury “green” products. The top two contexts in which participants indicated that they would like to buy “green” luxury products were gifting (50%) and following friends’ or family’s recommendations (25%). Gifting as one of the contexts in which Chinese luxury shoppers most often would like to buy “green” luxury products was consistent with Wong and Ahuvia’s (1998) findings. Friends’ and family’s recommendations were mentioned 3 times as well, which represents the power of word of mouth. In addition, it also supported the findings of Walley and Li (2015), in that Chinese luxury shoppers buy luxury goods because of parents and friends.
**Value congruence.** Value congruence theory was used to analyze whether the value participants assigned to CSR matched the value of the CSR of their favorite luxury brands. Participants were asked the ways in which they engaged in social responsibility, whether being socially responsible was one of their values, and degree to which the value they assign to their favorite luxury brands’ social responsibility matches the brands’ CSR practices.

From the data collected on the question about the degree to which being socially responsible was one of their personal values, 8 participants (67%) believed that social responsibility constituted half of their personal values; 2 (17%) indicated that a large proportion of their personal values was fulfilled by being socially responsible; 1 (8%) stated that social responsibility was a small part of her values, and 1 (8%) indicated that being socially responsible was not one of her personal values. The data on the similarity of Chinese luxury shoppers’ perceptions of social responsibility and their favorite brands’ offerings of socially responsible products showed that 9 participants (75%) agreed that they matched slightly, 2 (17%) stated that they matched to a moderate degree, and only 1 (8%) indicated that they matched to a significant degree.

According to the analysis of each participant’s responses on the two questions related to value congruence, participants were categorized into three groups: starter, explorer, and pioneer. The researcher of this study is the creator of these three different groups. Each group of participants’ characteristics is discussed below.

A starter was someone who considered that being socially responsible did not represent her personal values or represented them only slightly, and only a small number
of “green” products offered by luxury brands matched her values of social responsibility. Eyao and Luo (17%) were starters. Luo did not believe that luxury brands were “actually participating in social responsibility, their duties are attracting more customers to spend money.” Luo performed her social responsibility by “not harming people, and not destroying [the] environment.”

An explorer was one who believed that being socially responsible constituted a moderate or large proportion of her personal values, but only a small to medium proportion of the practices offered by favorite luxury brands. According to the results, Ali, Beina, Daixi, Fanyi, Guo, Huan, Inqi, Jie, and Kai (75%) were considered explorers. Ali stated that “reus[ing],” “recycl[ing],” “giving unwanted products to someone instead of throwing away,” “trying to use cleaning supplies and personal products that contain less chemicals,” “donating products to the environment protection department and the Red Cross organization” were the ways that she preferred to perform her social responsibility. Ali explained:

“Because the luxury brands that I loved are still using real leather as the main materials to make accessories, such as leather handbags and shoes. I personally hope that brands like Chanel, I loved, can make more environmental-friendly products, because this brand makes such big impact on the fashion market, if they can promote more environmental-friendly products, [I] believe that there must be many brands like to follow.”

Beina mentioned, “When I was shopping at my favorite luxury brands’ stores, I just considered buying products made of real leather, or real gold, although I personally
really paid attention to luxury brands’ practices on social responsibility, for [gaining] profits, these brands rarely came out environmental-friendly products.” Daixi explained, “The products from my favorite luxury brands are all made of real leather, and a lot of products are even made of leather from alligators and ostrich.” Fanyi wrote, “Even though social responsibility has been an essential part of my view of life, I do not find that my favorite luxury brands have a lot of contributions on that part so far.” “Recycling and reducing waste” were the ways that Fanyi preferred to perform her social responsibility. Guo mentioned, “I think Stella McCartney did a good job [on practicing social responsibility].” “Volunteering” and “donating [products] to charity” were the two methods by which Guo performed her social responsibility. Kai expressed, “Although the luxury brands I liked are performing their social responsibility, the products they produced cannot represent the works they did.” “Pay attention to purchase decisions on clothes, automobiles, and food” was the way that Kai performed her social responsibility. “Helping people, who are struggling on surviving and helping them out for a place to live, a job, and enough food to eat” were the ways that Huan engaged in social responsibility. Inqi mentioned “reduce the usage of real leather” and “environmental-friendly products.” Jie did not explain her responses.

A pioneer was someone who believed that being socially responsible constituted a moderate or large part of her values, and the values with respect to social responsibility that her favorite brands provided match the importance she placed on social responsibility highly. Chen (8%) was a pioneer, and she mentioned, “I still like the brand Stella McCartney. Most products from this brand not only represent protecting environment,
but also are very fashionable, the classic chains used on her handbags seem to be more substantial and durable than chains from other brands.” “Recycling and donating” were the two ways that Chen liked to engage in social responsibility.

According to the data collected, the characteristics of the 2 participants in the starter group did not have a linear relationship. The characteristics of participants who belonged to the explorer group were summarized: 5 of 9 were 41-45 years old; 8 of 9 held master’s degrees; 6 of 9 had annual incomes over $54,000 dollars, and 4 of 9 purchased over 15 luxury products annually. The only pioneer in this study was 41-45 years of age, held a bachelor’s degree, worked in a private enterprise, earned an annual income over $54,000 dollars, and generally purchased 6 to 10 luxury products per year.

Combining each participant’s data for the two questions above, the results suggested strongly that the degree to which participants’ valued social responsibility mediated the relationship with their favorite brands’ CSR practices. This result supported the findings from a previous study that a positive, but insignificant relationship exists between luxury shopping and customers’ personal values (Griskevicius, Tybur, & Van den Bergh, 2010).

**RQ 3: What sources do Chinese luxury shoppers use to learn about their favorite brands’ contributions to social responsibility?** Participants mentioned three types of media, but only 5 could (42%) list the media they used often. Weibo, a microblog-style online social media, was mentioned 3 times. Participants mentioned online news twice. Lastly, one participant liked to access information about social responsibility in weekly newspapers. Other participants were unable to list the media they
used to learn about luxury brands’ practices of CSR. Celebrities had no direct positive influence on communicating the concept of performing social responsibility by wearing the apparel and accessories they owned; as Huan mentioned, “I do not think that Angelababy showed off her extraordinary expensive wedding was an socially responsible behavior, all of the jewelries she wore were sponsored by a luxury jewelry company, using her as a promotion to attract more customers, it’s all for profits. These so-called celebrities do not have any positive effects on leading people doing something meaningful.”

**RQ 3 discussion.** According to the data collected, most Chinese luxury shoppers preferred to learn about luxury brands’ socially responsible practices online, especially via social media. However, the results also showed that Chinese luxury shoppers did not have enough sources and channels to access such information easily. In addition, celebrities’ behaviors were not an external factor that affected Chinese luxury shoppers’ purchase decisions on purchasing “green” luxury products.

**Additional questions.** Participants were asked to answer questions about the relationship between wearing luxury products and their personal characteristics, and whether they would like to introduce “green” luxury products to friends and families if they owned them. The results showed that 8 participants (67%) believed that wearing or carrying luxury products expressed their personal characteristics, and 4 (33%) did not. Ali believed that wearing or carrying luxury products reflected her “sense of fashion”; she stated, “For example, wearing products from certain brands show certain image. Like a golf athlete wearing clothes from Ralph Lauren is a sign of wealthy.” Beina thought
wearing “green” luxury products indicated her personal characteristics, such as personal values and beliefs. Wearing and carrying luxury or “green” luxury products represented Daixi’s “personal style and upbringing.” Fanyi explained, “Of course, people always judge you through your apparels before they know you.” Jie said, “Wearing those can show off [my] attention paid on our planet.” Ten participants (83%) indicated that they would like to introduce socially responsible luxury products to their friends and families, and 2 did not (17%). Beina said, “I’d love to, products like these are limited, if I bought what I liked, I really like to share them to my friends and family.” Fanyi indicated, “Do not neglect the power of word of mouth.” Jie believed that introducing such products to her friends could “drive them to buy as well.” Thus, the majority of participants agreed that wearing luxury products represented their personal characteristics and beliefs, and that they would like to introduce socially responsible luxury products to friends and families.
Chapter 5: Conclusions and Implications

Twelve qualified participants who patronized the Beijing SKP shopping mall were selected as the sample group for this study. The majority of the participants owned 10 to 30 luxury products, and their general beliefs about luxury were identified relative to the three research questions. First, the majority of participants believed in luxury products or lifestyles, purchased luxury products as rewards and celebrations, or believed in the outstanding qualities that luxury offered. Second, participants mentioned the significant degree to which luxury offered them style and confidence. In contrast, wearing luxury products to indicate their social status, recall special memories, and provide satisfaction were points the participants mentioned the least. Half of the participants already were aware of some practices of social responsibility performed by luxury brands, and indicated their interest in receiving more information about the topic. This supports the findings from Nicholson’s study (2011), that Chinese consumers have limited access to information about manufacturers’ practices of social responsibility. As Ali mentioned, “I hope government can put more energy on spreading information on this part, not just focusing on the development of economy.” Eyao stated, “I think CCTV [China Central Television] should spend more time on spreading active and positive things [like practicing on social responsibility].” In addition, the majority of participants (75%) indicated their willingness to continue to support their favorite luxury brands’ practices of CSR. These results suggested that luxury companies that engage in CSR need to spend more time introducing and advertising their actions to Chinese luxury shoppers, as well as Chinese consumers in general. Further, the Chinese government and media should
invest more effort in disseminating information about luxury brands’ positive actions of social responsibility, so that more consumers can learn about such practices, which will increase the number of consumers who purchase socially responsible luxury products.

The study investigated participants’ perceptions of luxury brands’ practices of social responsibility and its relationship to their purchase decisions. Over half of the participants showed that they had positive intentions to purchase socially responsible products. Almost half of their perceptions of CSR motivated their decisions to purchase socially responsible luxury products, as they expressed their willingness to purchase such products after they learned of the companies’ CSR. In addition, the results also showed that price was not a consideration in almost half of the participants’ decisions to purchase socially responsible luxury products. Thus, this suggests that Chinese luxury participants’ perceptions of social responsibility can be attributed in part to luxury brands’ practices of CSR. The results also supported Tian, Wang, and Yang’s findings in part (2011); they showed that Chinese consumers with strong beliefs about socially responsible practices were more likely to purchase socially responsible products. With respect to participants’ demographic characteristics (age, income, etc.) and their perceptions of social responsibility, the results supported Tian, Wang, and Yang’s finding (2011) fully, that middle aged Chinese consumers with higher incomes react more positively to companies’ socially responsible practices.

Value congruence theory was used as the theoretical framework to explore the degree to which participants value social responsibility and such values shown by luxury brands. The results showed a mediated relationship, which supported Zhang and
Bloemer’s (2008) conclusion in part, that value congruence had a strong positive effect on consumers’ satisfaction and trust. Chinese luxury shoppers’ satisfaction and trust in their favorite luxury brands’ practices of CSR was enhanced in part by value congruence, as shown in several participants’ responses.

Design and quality were the most important external factors that affected the participants’ decisions to purchase socially responsible luxury products, as 7 participants mentioned that they considered the products’ designs before they buy luxury products, and 6 considered the quality of luxury brands’ products. Two other external factors also had small effects on participants’ decisions to purchase such products: recommendations from other people and associations with celebrities. Therefore, luxury brands’ CSR practices had fewer effects on Chinese luxury shoppers’ purchase decisions. Fanyi said: “Even though social responsibility has been an essential part of my view of life, I do not find that my favorite luxury brands have a lot of contributions on that part so far.” Ali mentioned:

“The luxury brands that I loved are still using real leather as the main materials to make accessories, such as leather handbags and shoes. I personally hope that brands like Chanel, I loved, can make more environmental-friendly products, because this brand makes such big impact on the fashion market, if they can promote more environmental-friendly products, [I] believe that there must be many brands like to follow.”

Chanel, Gucci, Hermes, and Valentino were Kai’s favorite luxury brands, and she express: “Although the luxury brands I liked are performing their social responsibility, the products they produced cannot represent the works they did.” These results suggest that
luxury companies need to pay more attention to providing more product options for socially responsible products with unique designs and outstanding quality in order to meet Chinese luxury shoppers’ expectations.
Chapter 6: Limitations and Future Research Directions

This research focused on female Chinese luxury shoppers who lived in the capital city, Beijing, and male Chinese luxury shoppers were not included in the research; thus, one limitation of the study was that the final results cannot be generalized to the effect of social responsibility on male Chinese luxury shoppers’ decisions to purchase luxury brands. However, luxury companies may use this research as a reference for further marketing strategies that target male luxury shoppers in China. Because the sample group was drawn from Beijing and was very small, the results may not be generalized to all female Chinese luxury shoppers, even though Beijing is one of the most developed cities in China. The results also may not apply to female Chinese luxury shoppers under 25 and over 50 years of age, as the sample did not include those age groups. Data collection process was completed via email. The process of data analysis was completed based on participants’ text-only responses, so latent answers may not be able to obtain.

This exploratory study used a qualitative method. Future researchers who want to continue using qualitative method may wish to use face-to-face interviews for collecting the data in order to obtain possible latent responses from participants. Future studies may wish to use quantitative research methods to explore the relationship between Chinese luxury shoppers’ perceptions and their decisions to purchase socially responsible luxury products in a more diverse and larger population. Future researchers also should include participants aged 18 to 25, as this population was not included in this study. According to one study (Tsai, Yang, & Liu, 2013) that focused on young Chinese shoppers with an average age of 23 years old, “Uncommon and exclusive snob luxury brands that are
consumed only by a small group of elites and celebrities are preferred.’ The literature review mentioned that socially responsible luxury products are worn by the famous Chinese actresses, Zhao Wei and Fan Bingbing. Although celebrity popularity had less effect on Chinese luxury shoppers aged from 25 to 50, it may mediate or have direct effects on the decisions of Chinese luxury shoppers’ less than 25 years old to purchase socially responsible luxury products. In addition, participants from this study were all from Beijing, the city with the largest number of millionaires in China. Future researchers may recruit participants from other top cities in China, such as Shanghai, the top contributor to GDP in China in 2015 (SouthMoney). In addition, Shanghai, the commercial capital of China, is home to 159,000 millionaires, and is ranked the second largest city in China in its number of millionaires. In April 2016, the 9th Shanghai Luxe Pack Exhibition was held in Shanghai (LuxePack). This exhibition attracted numerous professional packing companies in the world. Moreover, creativeness, design, social responsibility and sustainability, and fashion trends were discussed in four seminars. The senior executive of Chanel was one of the judges in the Revolutionary Awards of Green Luxe Pack (LuxePack). The success of this exhibition may have positive effects on Chinese luxury shoppers who live in Shanghai, and the citizens may have greater purchasing power for “green” luxury products and closer connections with luxury brands’ CSR practices.
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Appendix I: Phase I: Demographic Questions (基本个人资料)

Please highlight your answers. (请用黄色划出您的选择).

1. Age (年龄): (<25); (25-28); (29-32); (33-36); (37-40); (41-45); (46-50); (50+).

2. Education Level (教育背景): High school (高中); Bachelor’s degree (本科); Master’s degree (硕士), Doctoral degree+ (博士及以上).

3. Income after Taxes (净收入/年):
   < $7,700 (¥50,000); $7,700- $15,300 (¥50,000-¥100,000); $15,300- $23,000 (¥100,000-¥150,000); $23,000- $31,000 (¥150,000-¥200,000); $31,000- $38,000 (¥200,000-¥250,000); $38,000- $46,000 (¥250,000-¥300,000); $46,000- $54,000 (¥300,000-¥350,000); $54,000+ (¥350,000+: $1.00= ¥6.54).

4. Nature of occupation (工作属性): government employee (政府部分雇员); private enterprise employee (私人企业雇员); self-employed (自主创业); freelance (自由职业者).

5. The number of luxury items, including both apparels and accessories, you generally purchase in a year (通常情况下一年之内会给自己购买的奢侈品件数，包括服装和配饰): (0); (1-5); (6-10); (11-15); (15+).
Appendix II: Phase II: Open-ended Questions (开放式问卷)

Participants who generally purchase over 5 luxury products (including all apparel and accessories) within a year will be asked to answer the following 22 questions. 若参与调查者一年之内购买五件及五件以上奢侈品 (所有服饰及配件均包括在内) 将被问及以下 22 个问题。

Phase II: Four groups of questions will be asked about the following: luxury, social responsibility, consumer behaviors, and value congruence. (下列四组问题将会涉及到以下几个话题, 分别是奢侈品, 社会责任感, 消费者行为, 与价值意识)。

Luxury (奢侈品):

1. Do you believe in luxury (luxury products and/or luxury lifestyle) and why? 您相信奢侈品（奢侈用品及奢侈的生活方式）吗？为什么？
2. How do you define luxury? 您是如何定义奢侈品的？
3. Do you own any luxury products, and if so, approximately how many in total? 您拥有奢侈品吗，如果有，大概总共拥有多少件？
4. What do luxury products bring to you in your daily life? (Please specify) 您认为奢侈品给你的生活带来了什么? (请详细描述)

Social Responsibility (社会责任感):

1. Have you heard of social responsibility, and if so, how and in what way? 您曾经听说过社会责任感这个概念吗？如果听说过，通过哪种方式？
2. How do you define social responsibility? 您是如何定义社会责任感的？
3. Are you interested in receiving and reading news about social responsibility? If so, how often? In what way? (Please list all media). 您对于获取以及阅读有关社会责任感的新闻消息感兴趣吗？如果是，频率是多少？通过哪些方式渠道？（请列举出所有的渠道）
4. Do you think you have enough channels to receive information about social responsibility in your daily life? If not, please list the channels that you would like to access.
您认为在你的日常生活中你拥有足够多的渠道来获得有关社会责任感的信息吗？如果否，请列举出您希望可以通过哪些渠道来获得相关信息。

5. Do you know any information about luxury brands’ practices of social responsibility? If so, please list what you know so far.
您知道一些奢侈品品牌在履行他们得社会责任吗？如果您知道，请列出您所知道的信息。

Consumer Behaviors (消费者行为):

1. Do you like to purchase “green” and environmentally friendly products, such as products made without leather or made with organic or raw materials?
您愿意购买绿色环保的产品吗？例如非皮质，纯天然或者未被工厂加工过的材料制造的产品。

2. If you know that the luxury brands you purchase and love are “green” and environmentally friendly, would you continue to support those brands?
如果您知道您购买并且喜爱的奢侈品是绿色环保产品，您愿意继续支持这个奢侈品牌吗？

3. If you want to support your favorite luxury brands’ socially responsible practices, are you willing to purchase their products regardless of the price?
如果您愿意支持你所喜爱的奢侈品品牌履行社会责任，在不考虑价格的情况下您愿意购买其品牌生产的商品吗？

4. Please list any luxury brands that you would purchase if they sell “green” products.
请列出哪些奢侈品品牌生产的绿色商品您愿意购买。

5. Without knowing and seeing certain luxury “green” products in advance, would you like to make a purchase after sales associates introduced the products to you? Please explain why you may make your decisions.
在您事先并不知道眼前的奢侈品是绿色环保商品的情况下，通过店员的介绍，您会愿意购买这件商品吗？请解释您为何做出此决定。

6. If you decide to purchase a socially responsible luxury product, how many pieces are you willing to buy?
如果您决定购买奢侈品牌生产的环保产品，您会愿意购买的数量是多少？
7. In which situations are you willing to purchase “green” luxury products? (For example, gifts for someone, friends’ recommendations, influence of brands’ advertisements or celebrities, answers other than listed; please indicate and explain why).

在哪种情况下您愿意购买奢侈品牌生产的绿色商品？（例如，作为礼物送给他人，朋友的推荐，看到品牌的广告，或者受到名人的影响，若有其他原因，请列出并说明）。

Value Congruence (价值意识):

1. Do you consider being socially responsible one of your values? If so, to what degree? If you cannot decide, simply choose small, medium, or large.

您认为履行社会责任是你的价值观之一吗？如果是，占比为多少？如果无法决定，请简单选择少部分，中等，很大一部分。

2. In which ways do you engage in social responsibility?

您喜欢通过何种方式来履行自己的社会责任？

3. When you are making purchases in a luxury brand store, what is your first consideration about the products? (For example, price, quality, brand loyalty, brands’ social practices, or other points not listed).

当您决定购买一件奢侈品时，您对于商品第一个考虑的要素是什么？（例如，价格，质量，品牌忠诚度，品牌是否参与社会实践，或列出其他要素）

4. To what degree does your value towards luxury brands’ social responsibility match the social responsibility offered by your favorite luxury brands? Choose small, medium, or large as your answer.

您认为您对于奢侈品品牌履行社会责任感的价值观念多大程度上与您喜爱的奢侈品品牌所提供的关于社会责任感的价值理念相符？请选择少部分，中等，或者很大一部分作为答案。

5. In addition to the functional aspect, do you think that wearing or carrying luxury products (including “green” luxury products) reflects your personal characteristics? For example, fashion taste, social status, beliefs, or other characteristics not listed? Please explain how and why.
在不考虑商品实用度的前提下，您是否认为穿戴奢侈商品(包括绿色奢侈商品)可以展现出您的个人特点，例如，时尚品味，社会地位，个人信仰，或其他未列出的特点。请解释如何展现并给出原因。

6. If you own a “green” luxury product, are you going to introduce and share the idea of the product with your friends and family? If so, please indicate your reasons.
如果您拥有一件绿色奢侈商品，您是否愿意推荐给您的朋友并向他们讲述商品的概念呢？如果是，请列举出您的原因。