Traditional To Modern Values: China's Opening And The Impact On Prestige Goods

Russell Adams, University of Texas Brownsville, USA
Clara Downey, University of Texas Brownsville, USA

ABSTRACT

The younger generation in China has undergone a cultural shift away from what are considered traditional Chinese values (Adams, 2011; Speter, 2008). This movement toward Western-based individualistic values is hypothesized to result from the opening of China to capitalistic and modern media systems. This cross-cultural research analyzes an online survey of 304 Chinese individuals that will explore this cultural shift by employing Kahle's (1983) Values scale. To further explore the similarities or differences, the ratings of several prestige goods based on their hedonistic value are studied, as compared to an American sample.

Keywords: Values; China; Hedonic; Prestige Goods; Cross-Cultural

INTRODUCTION

The last several decades have witnessed a significant change in China, because a shift toward a more open, capitalistic economic system. With this shift, there are cultural changes that are to be expected. The younger generation in China has undergone a significant cultural shift away from what are considered traditional Chinese values (Adams, 2011; Moore 2005; Yau 1988; Zhang & Shavitt, 2003). This movement toward Western-based, individualistic, values is hypothesized to be due to the opening of China to the aforementioned capitalistic society and the subsequent exposure to modern and foreign media. To test the hypotheses and explore the implications for marketing of products, this paper analyzes an online survey of 304 Chinese individuals using Kahle's (1983) Values scale. A significant difference between younger and older Chinese respondents is expected. A comparison of the Chinese sample to a sample of 288 U.S. respondents will differentiate the shifts of two separate traditional value systems. To further explore the similarities or differences, the ratings of several prestige goods are assessed based on their hedonistic value.

LITERATURE REVIEW

Economic Liberalization

The People's Republic of China (China) has experienced unprecedented economic liberalization in the last several decades. From 1949 to 1978, China operated under a system of central planning that resulted in minimal interaction with the global economy (Banfe, 2011). The process of opening itself to the global economy has been a gradual approach (Economic Structure and Context, 2012; He, 2005). Since beginning reform in 1978, the government has viewed foreign direct investment (FDI) as a means to economic development (Chan, Cui, & Zhou, 2009). The net result of FDI entering China is a growing amount of interactions between foreigners and nationals represented by employment arrangements, products, and media, which has arguably impacted Chinese culture (Jiang, Chen, & Liu, 2010). Considering the sheer amount of products now available (Chan et al. 2009), Chinese consumers may not exhibit brand loyalty; therefore, resulting in vacillating market shares (Tse, 2010). With the appearance of a strong middle class evidenced by increased disposable income (Sepehri & Pordeli, 2009), there is great utility in investigating consumption, media activities, and value orientations (Cui & Liu 2001), given that

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China maintains distinct cultural characteristics (Boisot & Child, 1996). Acknowledging the importance of this emerging economy, it is an imperative for multinationals to better understand the impacts of values systems on the adoption of products and brands (Chan et al. 2009).

Culture

According to Hofstede (1980), culture is the "collective programming of the mind which distinguishes the members of one human group from another" (p. 25). There are multiple variations of culture definition (Pedersen, 1997), with significant ramifications on human psychology (Miller, Griffin, Di Paolo, & Sherbert, 2009; Triandis, 1995), which are demonstrated by human behavior. Culture is attributed with providing "detailed prescriptions" or norms for behavior (Tse, Lee, Vertinsky, & Wehrung, 1988, p. 82). Culture encompasses many aspects, one of which is its dynamism (Keller & Greenfield, 2000). Because it interacts with the surrounding environment, culture is dynamic and iterative (Speter, 2008; Yang, 2012). This dynamism is critical to understanding the large cultural changes that have occurred in China. In the late 1970's, China began the arduous process of opening itself to a market-based economy, thereby increasing individual consumer's incomes and access to consumption goods (Zhang & Shavitt, 2003). Naturally, this has led to increased exposure to Western cultural norms (Jiang et al. 2010; Faure & Fang, 2008), spread by media (Wei & Pan, 1999; Zhang & Shavitt, 2003), with specifically the American and Chinese cultures demonstrating differing orientations (Sun & Wang, 2010).   Culture has a definitive effect on the goals that individuals seek. Given the differing cultural backgrounds between the U.S. and China, it is expected that individuals will pursue different goals.

Values

Smelser (1967) defined values as "cultural standards that indicate the general goals deemed desirable for organized social life" (p. 672). Values are felt to drive a lasting idea that a particular end state of being is chosen (Kahle, 1983; Rokeach, 1968). Schwartz and Bilsky (1987) summarize values as "…(a) concepts or beliefs, (b) about desirable end states or behaviors, (c) that transcend specific situations, (d) guide selection or evaluation of behavior and events, and (e) are order by relative importance" (p. 551). Values are embodied in human behavior (Rokeach, 1973) and are possibly very influential predictors of consumer behavior (Clawson & Vinson, 1978). If individuals are to effectively interact in social groups, there is a need to communicate their values (Schwartz & Bilsky, 1987). Within the consumer product context, information may diffuse rapidly due to the close group interactions seen in Chinese society (Yau, 1988). In China, with the opening of the market offering a plethora of consumer goods, it is imperative to investigate the value systems of consumers. Also, considering the pervasiveness of values in an individual, they can assist with market segmentation (Chow & Amir, 2006). Although, the value systems in China have until recently remained consistent, younger generations are exhibiting marked changes (Adams, 2011; Kwon, 2012; Yau, 1988). A possible explanation for a shift in values is the result of changes within the economic system (Brangule-Vlagsma, Pieters, & Wedel, 2002).

Kahle's List of Values Survey

Kahle's List of Values (LOV) survey is a well-tested instrument (Fisher & Katz, 2000; Kennedy, Best, & Kahle, 1988; Kohlbacher, Sudbury, & Hofmeister, 2011; Kropp, 2006; Lee, Soutar, & Louviere, 2007). The LOV is employed to assess consumer's values (Kahle, Beatty, & Homer, 1986) and is derived from Rokeach's (1968) and Maslow's (1954) previous studies related to values and needs (Fisher & Katz, 2000). Kahle's Values survey represents nine different values as follows: 1) Sense of Belonging, 2) Excitement, 3) Warm Relationships with Others, 4) Self-fulfillment, 5) Being Well-respected, 6) Fun and Enjoyment in Life, 7) Security, 8) Self-respect, and 9) Sense of Accomplishment. The internal individual factors are represented by 2, 4, 8, and 9, and the external individual values 1, 5, and 7 (Homer & Kahle, 1988; Kahle, 1983). There is a relationship between the individualistic and external values that is similar to the recognized individual versus collectivistic difference between the U.S. and Chinese cultures (Hofstede, 1980; Triandis, 1995). There is great utility, especially for marketing purposes, in investigating the values of populations that experienced different economic conditions (Kohlbacher et al. 2011).

Although each measure is a separate value, it has also been suggested as a multi-item scale (Kahle, 2000) with three factors internal or individualistic (e.g., self-respect, sense of accomplishment, self-fulfillment), hedonic

(fun, excitement), and interpersonal or collectivistic (warm relations, well-respected, sense of belonging, and security). Previously, Madrigal and Kahle (1994) found a four factor solution; this study will either confirm the four factor solution or the traditionally assessed three factor solution. By assessing the hedonic factors versus the hedonism scale validity will be enhanced.

Hedonic And Utilitarian Consumption

The hedonic and utilitarian attributes of products and brands are a commonly used typology in marketing research (Chow & Amir, 2006; Hitlin & Piliavin, 2004). Holbrook and Hirschman (1982) originally developed the Hedonic and Utilitarian dimensions, which were considered individual constructs (Johnson & Fornell, 1991) of consumption. Hedonic refers to the emotional or experiential dimension (Holbrook and Hirschman, 1982), while utilitarian consumption is akin to the terminal values in a Means/Ends chain (Gutmann, 1982). Both of these constructs were evaluated with a semantic differential scale that validly identifies the hedonic (affective) and utilitarian (instrumental) (Batra & Ahtola, 1991) dimensions. Assessment of the Utilitarian and Hedonic dimensions of brands and goods was operationalized by using the Spangenberg, Voss, and Crowley scale (1997). Users were asked to view photographs of specific goods (e.g., a Sony TV, a BMW coupe, a Rolex watch, and a Louis Vuitton handbag) and then rate their attitudes. This scale is both reliable and nomologically valid Chronbach Alpha of .95 (Voss, Spangenberg, & Grohmann 2003).

Media And Culture

Bourdieu's (1984) categorization of a dominant class provides great utility to investigate the intersection of cultures resulting from media during the globalization phenomena. There is a trend of dominant values seen as Western-oriented consumption. The phrase "Cultural Intermediary" (Bourdieu, 1984) is employed, since it expresses media's role in delineating the products consumers pursue. The cultural intermediaries' role is to influence the symbolism for what consumers want and that media is an essential part in this symbolism via advertising (Holt, 2004). The significance of media should not be underplayed. Previous investigations indicate that consumers view television to discover lifestyles that represent prestige products (O'Guinn & Shrum, 1997) and utilize these products to imitate a wealthy lifestyle (Dittmar, 1994). Furthermore, the individual's beliefs will form their response to advertising. In a comparison of American and Chinese online consumers, their purchase behaviors differed. One possible explanation offered is that the Chinese consumer's traditional values of thrift deterred online purchases (Sun & Wang, 2010). It follows that media plays a pivotal role in developing an individual's definition of taste and fashion. Furthermore, media is the essential linchpin to convey a firm's message (Chow & Amir, 2006).

Age

China's revolution to a market-based economy has been investigated on many levels. Previously, China was considered a traditional society based on Confucian ideals (Banfe, 2011; Moore, 2005; Speter, 2008; Tse et al. 1988; Venezia, Venezia, & Bao, 2012; Wheeler, Reis & Bond, 1989; Yau, 1988; Zhang & Shavitt, 2003). The framework for Chinese society and philosophy is attributed to the teachings of the scholar Confucius (Chan, 1963) and are illustrated by five relationships tightly governing an individual's actions and responsibilities (Wheeler et al. 1989; Rarick, 2009). These interpersonal and social relationships served to influence an individual's value system, which remained consistent over time until recently (Kwon, 2012; Yau, 1988). For example, these traditional Chinese values can be characterized by thrift, group orientation, and traditional creeds (Faure & Fang, 2008). Evidenced by the gradual opening of Chinese society, younger generations are evolving away from traditional ways of behavior (Ralston, Egri, Stewart, Terpstra, & Yu, 1999), whereas previously, the typical Chinese consumer was a slow adopter of new products (Yau, 1988) the young generation are quicker   It is important to discuss recent relevant findings. Compared with previous generations, the Chinese X-Generation (aged 18-35) achieves higher levels of education and income than previous generations and interacts with a wider, more international network (Zhang & Shavitt, 2003). This growing network has spawned an audience that is receptive to foreign advertising and thereby values. In a move away from traditional cultural-based values in advertising and treating China as a single market, these consumers were found to be targeted by magazine ads extolling the concepts of individualism and modernity (Zhang & Shavitt, 2003). In Western cultures, individualism tends to increase with age. Since the Chinese youth have been exposed to Western culture more so than their elders, it is expected that there will be a

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negative correlation between age and individualism in China (Li, Zhang, Bhatt, & Yum, 2006; Moore, 2005).   In an attempt to investigate younger generations through adaptations in language, the Ku Generation was identified, those who exemplify more individualistic-serving values not illustrated in previous generations (Moore, 2005). Another variable of interest is income and whether it positively correlates with age as in advanced economies or if another inverse relationship will be found. (Schwartz & Rubel, 2005). Accordingly, to identify subcultures, value systems can characterize socio demographic groups (Chow & Amir, 2006); therefore, supporting the significance of investigating age (Chen & Green, 2012).

PURPOSE AND RESEARCH QUESTIONS

China is an emerging economy (Chan et al. 2009) and requires investigation into its value systems (Rarick, 2009; Yang, 2012). After remaining consistent over a long history, the value systems in contemporary China have recently evolved (Speter, 2008; Yau, 1988; Willis, 2009). Although the study of values within the context of group culture is perplexing, it is with merit (Bond, 1988; Faure & Fang, 2008; Willis, 2009). The purpose of this research is to examine the value systems of individuals following the substantive changes in economic policy implemented by the Chinese government for reasons as follows: 1). The value shifts are expected to impact an individual's assessment of goods in the marketplace. Specifically, due to the opening of the Chinese economy to Western ideals, it is prudent to explore the impact of media on cultural perspectives (La Ferle, Edwards, & Lee, 2008) and investigate the luxury market (Stegemann, 2006). As the younger generation in China is exposed to Western ideals, its culture will evolve away from the traditional grounding (Speter, 2008). 2.) Given that China represents an enormous market, investigating its cultural values will provide both academic and practical significance (Banfe, 2011; Rarick, 2009). 3.) Considering the rapidly changing environment in China, it is important to conduct empirical research that includes cultural values (Bohley Hubbard, Adams, & Whitten, 2008). 4.) It is acknowledged that gathering relevant, useful data from emerging markets is difficult (Burgess & Steenkamp, 2006). In order to cultivate both academic and practical knowledge of emerging economies, additional investigations are required to lend insight into these transitioning systems (Burgess & Steenkamp, 2006; Chan et al. 2009; Child & Tse, 2001; La Ferle et al. 2008). 5.) The assessment of cultural values provides practical value for the marketing strategy (Goldsmith & Stith, 1993; Washington, Okoro, & Thomas, 2012), especially, for firms operating in the global marketplace across cultures (Clarke & Micken, 2002; Washington et al. 2012) and these "differences within and across cultures" should be investigated to provide managerial guidance (Ralston et al. 1999, p. 425). Having a definitive understanding of consumers and the interplay of their values in purchase decisions is paramount and can assist firms to develop global marketing schemes with resulting economies of scale (Chow & Amir, 2006; Goldsmith & Stith, 1993).

This leads to the research questions as follows: What impact has the opening of China had on the value systems of those who were exposed to these changes? Subsequently, how does this change in values impact the evaluation of goods?

This investigation attempts to contribute to the existing literature as recommended by Kahle (2000) to continuously explore and validate the instrument in cross-cultural settings (Kahle, 2000). As such, the LOV is easily administered in other cultures (Lee et al. 2007). This paper adds to this literature base by creating a Mandarin Chinese version of the study and assessing the Chinese population concurrently with the assessment of a U.S. sample. Furthermore, by assessing the score against a separate consumer behavior measure, hedonism and utilitarian scale, it enhances nomological and criterion validity.

HYPOTHESES

H1:   Chinese under the age of 30 will score higher on the internal individual factors than Chinese over 30.

H2:   Chinese under the age of 30 will score lower on the external values than Chinese over 30.

H3:   U.S. under the age of 30 will not have a significant difference to those in the U.S. over 30.

H4:   Chinese over the age of 30 will score higher on the external values than U.S. over 30.

H5:　　Chinese under the age of 30 will not have significant value differences on the individual factors than U.S. under 30.

H6:　　Those scoring higher on the individual factors will rate prestige goods as more hedonic.

RESEARCH METHODOLOGY

Cultural Equivalence

To mitigate any cross-cultural validity concerns (Douglas & Nijssen, 2003), the survey was translated based on linguistic and cultural aspects (McGorry, 2000). Translation of the survey instrument was done by two English speaking Chinese individuals and then back translated by a Chinese speaking American to confirm language equivalence (Brislin, 1970, 1976).

Data Collection

Online surveys were conducted through Survey Monkey, as it provides both English and Mandarin Chinese formats. Online surveys offer several benefits as compared to traditional methods of mail or mall intercept: Firstly, there will be a tendency to preselection for the products of interest due to the luxury nature of the products. For example, poor Chinese consumers most likely do not have internet access. Secondly, online data collection has the benefit of short collection times reducing the impact of history on the data, which is especially important in cross-cultural analysis (Craig & Douglas, 2001; Ilieva, Baron, Healey, 2002) as global events could impact evalustions if they occur during data collection. Thirdly internet surveys surpass geographic constraints (Ilieva et al. 2002) that garner larger sample sizes (Kehoe & Pitkow, 1996).

Results

The surveys were collected online by a third party research firm. Samples were collected from the U.S. and China, June and July 2007. In total, 642 surveys were collected, 315 from the U.S. and 313 from China. Missing data was found in nine Chinese and 27 U.S. surveys. The missing data was assessed for randomness (Kline, 1998), and was found missing completely at random, so discarded. A total of 304 Chinese samples and 288 U.S. samples were used in the final analysis. Analysis of the descriptive data (Table 1) demonstrates no significant differences in the samples other than a slight predominance of males subjects in the Chinese Sample and a female predominance in the U.S. section.

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Table 1. Demographics Of The Sample Populations

Origin	Age	Frequency	Percent
U.S.	18-30	162	56.3
	31-44	80	27.8
	45-60	34	11.8
	61>	12	4.2
	Total	*288*	*100*
China	18-30	202	66.4
	31-44	89	29.3
	45-60	11	3.6
	61>	2	0.7
	Total	*304*	*100*
Origin	**Gender**	**Frequency**	**Percent**
U.S.	male	110	38.2
	female	178	61.8
	Total	*288*	*100*
China	male	224	73.7
	female	80	26.3
	Total	*304*	*100*
Origin	**Marital Status**	**Frequency**	**Percent**
U.S.	single	145	50.3
	married	126	43.8
	divorced/widowed	17	5.9
	Total	*288*	*100*
China	single	124	40.8
	married	177	58.2
	divorced/widowed	3	1
	Total	*304*	*100*
Origin	**Education**	**Frequency**	**Percent**
U.S.	less than high school	8	2.8
	high school	83	28.8
	some college	113	39.2
	bachelor's degree	59	20.5
	masters or professional	25	8.7
	Total	*288*	*100*
China	less than high school	2	0.7
	high school	9	3
	some college	100	32.9
	bachelor's degree	161	53
	masters or professional	32	10.5
	Total	*304*	*100*

Statistical Assumptions

Prior to running analysis, the data was assessed for normality, kurtosis, and skewness (Table 2). Normality is observed with the exception of skewness towards younger respondents. Transformation is not recommended due to a negative impact on the theoretical constructs.

Table 2. Confirmation Of Sample Normality

	Minimum	Maximum	Mean	Std. Dev.	Skewness	Kurtosis
AGE	1.00	4.00	1.4920	.73958	1.511	1.831
Gender	1.00	2.00	1.4363	.49632	.257	-1.940
Marital Status:	1.00	3.00	1.5653	.55957	.316	-.876
Educational	1.00	5.00	3.3439	.94143	-.263	-.318
Income	1.00	5.00	2.1895	.91805	.807	.623

ANALYSIS

Instrument Tests

Reliability

The reliability analysis for the LOV scale shows that acceptable reliability was achieved with a Cronbach Alpha of .909 for the U.S. sample and .910 for the Chinese Sample. The Hedonic scale achieved a Chronbach Alpha of .641. The LOV instrument, therefore, is acceptable for confirmatory research and the Hedonic Scale is sufficient for exploratory research (Churchill, 1979).

Validity

The validity of the instruments was tested using Structural Equation Modeling (SEM). SEM modeling was used to explore equivalence of factor weights (Cheung, Leung, & Au, 2006) to confirm cross-cultural validity. To test the equivalence of the instrument across the countries three different data points were compared. First, the regression weights (Table 3) are very similar across the populations, and the factor loadings (Table 4) have similar relationships. Finally, the explained variances (Table 5) are very similar for both samples. Given the similarity on each of these analyses, cross-cultural validity is assumed.

Table 3. LOV Regression Weight Comparison

Item	U.S.	China	Item
Belonging	.479	.435	Belonging
Excitement	.449	.378	Excitement
Warm Relationships	.444	.401	Warm Relationships
Fulfillment	.467	.422	Fulfillment
Respected	.441	.394	Respected
Fun	.480	.399	Fun
Security	.486	.439	Security
Self-respect	.444	.397	Self-respect
Accomplishment	.457	.385	Accomplishment

Table 4. Factor Comparison Of LOV

Item	Factor Loadings					
	China			U.S.		
	1	2	3	1	2	3
Belong	.318	.588	.140	.249	.463	.404
Excitement	.484	.539	.088	.188	.487	.356
Warm Relations	.220	.819	.292	.293	.267	.863
Fulfillment	.601	.445	.252	.378	.466	.458
Well Respected	.667	.286	.238	.498	.493	.285
Fun	.656	.445	.258	.572	.327	.262
Security	.614	.231	.313	.816	.200	.318
Self-Respect	.349	.252	.902	.759	.351	.196
Accomplishment	.594	.264	.468	.467	.587	.144

Table 5. Population Variance Comparison

U.S.		
Total	**% of Variance**	**Cumulative %**
2.474	27.487	27.487
1.973	21.923	49.409
1.430	15.890	65.299
China		
2.363	26.256	26.256
1.597	17.749	44.006
1.554	17.265	61.271

Hypotheses Testing

To assess the difference between the age cohorts, the T-Tests were ran to compare the means of the score for each group. The first cohort was respondents aged 30 and below (labeled young, 202) and the second cohort was respondents 31 and above (labeled mature, 102). The U.S. and Chinese sample were found as significantly different on all values for the young sample but not significantly different in the adult sample (Table 6). When the age groups are compared within the respective populations (Table 7), the young and old in China were found to not have significant differences on any of the variables. However, in the U.S. sample, differences on all variables were found. This would signify that the youth in China are significantly different in the value systems of the U.S. youth. The old in both countries appear to be relatively the same.

Table 6. Age Cohorts Compared Across Countries

Age Cohort		F	Sig.	T	Sig.	Mean Difference
Young	belong	10.56	0.001	-4.866	0.0000	-0.489
	excitement	21.354	0	-3.828	0.0000	-0.34812
	warm relations	2.501	0.115	-3.164	0.0020	-0.27338
	fulfillment	5.27	0.022	-3.412	0.0010	-0.29306
	well respected	15.883	0	-4.295	0.0000	-0.34103
	fun	6.424	0.012	-4.214	0.0000	-0.38217
	security	8.478	0.004	-5.723	0.0000	-0.52304
	self-respect	4.859	0.028	-4.088	0.0000	-0.34537
	accomplishment	12.684	0	-3.923	0.0000	-0.3389
Mature	belong	0.002	0.965	-0.807	0.421	-0.0859
	excitement	0.488	0.485	-0.998	0.32	-0.10644
	warm relations	3.518	0.062	1.121	0.264	0.10131
	fulfillment	0	0.997	-0.343	0.732	-0.03361
	well respected	0.109	0.742	-0.067	0.947	-0.00654
	fun	0.003	0.956	-0.351	0.726	-0.03221
	security	0	0.987	-0.061	0.952	-0.00607
	self-respect	0.109	0.742	0.957	0.34	0.08217
	accomplishment	0.078	0.78	1.387	0.167	0.13165

Conversely, the same age cohorts were compared within each age group and found that the youth in each country varying significantly, whereas the older cohort does not vary significantly (Table 7).

Table 7. Difference Between Age Cohorts Within Countries

Origin		F	Sig.	T	Sig.	Mean Difference
U.S.	belong	15.244	0	-4.289	0	-0.47619
	excitement	8.231	0.004	-1.366	0.173	-0.14374
	warm relations	1.9	0.169	-3.427	0.001	-0.33333
	fulfillment	6.149	0.014	-2.542	0.012	-0.2478
	well respected	7.573	0.006	-3.514	0.001	-0.33333
	fun	10.301	0.001	-3.625	0	-0.36684
	security	7.436	0.007	-4.836	0	-0.50882
	self-respect	6.261	0.013	-4.753	0	-0.45326
	accomplishment	9.643	0.002	-4.425	0	-0.44356
China	belong	0.738	0.391	-0.7	0.484	-0.07309
	excitement	0.432	0.512	1.017	0.31	0.09794
	warm relations	3.18	0.076	0.475	0.635	0.04135
	fulfillment	0.223	0.637	0.128	0.898	0.01165
	well respected	0.048	0.826	0.014	0.989	0.00116
	fun	0.991	0.32	-0.187	0.852	-0.01689
	security	0.045	0.832	0.088	0.93	0.00815
	self-respect	0.154	0.695	-0.309	0.758	-0.02572
	accomplishment	0.078	0.781	0.311	0.756	0.02699

Further assessment was done by comparing groups based on the Factors (Table 8). The factor scores were normalized by summing the separate item scores and then dividing by the total number of items within each factor.

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In the first instance within China, no significant differences were found between old and young; however, there was a significant difference between the youth in each country, but not the mature sample (Table 9).

Table 8. Factor Comparison Of Age Cohorts Within Countries

Origin		T	Df	Sig.	Mean Difference
U.S.	Internal	-3.974	286	0***	-0.35009
	External	-5.443	286	0***	-0.43945
	Independent internal	-4.025	286	0.0***	-0.32209
China	Internal	0.16	302	0.873	0.01223
	External	-0.276	302	0.783	-0.02126
	Independent internal	0.395	302	0.693	0.02771

To assess the comparative differences of age cohorts, the scores of each cohort was compared with the similar age cohort across countries finding that the youth of each country are significantly different on all factors but the mature cohorts are not significantly different on any factor (Table 9).

Table 9. Comparison Of Age Cohorts Across Countries

Age Cohort		T	Df	Sig.	Mean Difference
Young	Internal	-4.239	362	0***	-0.32777
	External	-6.353	362	0***	-0.45102
	Independent internal	-4.819	362	0***	-0.33136
Mature	Internal	0.43	226	0.668	0.03455
	External	-0.392	226	0.696	-0.03284
	Independent internal	0.238	226	0.812	0.01844

When the countries were compared by gender (Table 10), significant differences were found between males only in accomplishment among all variables, except excitement fulfillment and being well respected; whereas with the female population, differences in belonging, excitement, and fun were found.

Table 10. Chinese Gender Difference

		t	Sig.	Mean Difference
Male	belong	-2.444	0.015**	-0.29177
	excitement	-1.303	0.194	-0.14795
	warm relations	-1.944	0.053*	-0.20062
	fulfillment	-1.303	0.194	-0.13357
	well respected	-1.397	0.164	-0.13318
	fun	-2.617	0.009*	-0.26445
	security	-3.55	0***	-0.40235
	self-respect	-2.226	0.027*	-0.23312
	accomplishment	-1.376	0.17	-0.13948
Female	belong	-2.802	0.006**	-0.37752
	excitement	-3.281	0.001***	-0.42944
	warm relations	-0.334	0.739	-0.03629
	fulfillment	-1.545	0.124	-0.17389
	well respected	-1.67	0.097*	-0.1996
	fun	-1.847	0.066*	-0.21774
	security	-1.5	0.135	-0.18498
	self-respect	-0.935	0.351	-0.10131
	accomplishment	-0.337	0.737	-0.04335

The Chinese sample was further explored to compare differences based on gender (Table 11) and income (Table 12). When t-tests were run based on gender, some significant differences were found - specifically, having fun (.025) and self-respect (.046). Finally, the data set was recoded into low and high income groups. Significant differences were found on two variables security (.061) and accomplishment (.083).

Table 11. Chinese Age Cohorts Gender Differences

	t	Sig.
excitement	-0.953	0.342
warm relations	-0.797	0.427
fulfillment	-1.035	0.302
well respected	-1.374	0.172
fun	-2.269	0.025
security	-0.877	0.382
self respect	-2.011	0.046
accomplishment	-0.132	0.895
excitement	-0.953	0.756

Table 12. Chinese Cohorts Compared By Income

	t	Sig.
belong	0.432	0.666
excitement	-0.019	0.985
warm relations	1.527	0.128
fulfillment	1.467	0.143
well respected	0.634	0.527
fun	0.809	0.419
security	1.879	0.061
self-respect	1.337	0.182
accomplishment	1.74	0.083

To assess differences on the Hedonic rating of products Independent sample t-tests were once again employed (Table 13). The U.S. sample demonstrated significant differences on Sony, BMW, and Louis Vuitton, while the Chinese sample varied significantly only on Louis Vuitton.

Table 13. Hedonic Rating Based On Age Cohorts

Origin		F	Sig.	T	Sig.	Mean Difference
U.S.	Hed score Sony	6.337	0.012	3.348	0.001***	1.69929
	Hed score BMW	1.726	0.19	-2.249	0.025**	-1.31129
	Hed score Rolex	1.969	0.162	-1.21	0.227	-0.74427
	Hed score lv	7.087	0.008	-1.481	0.14	-1.0291
China	Hed score Sony	1.239	0.266	0.482	0.63	0.15948
	Hed score BMW	0.88	0.349	0.048	0.962	0.03533
	Hed score Rolex	0.001	0.98	-0.368	0.713	-0.29421
	Hed score lv	0.211	0.647	2.119	0.035**	1.69113

Once again, the age cohorts between countries were analyzed with significant results (Table 14). The youth do not differ significantly on BMW and the mature do not differ significantly on Louis Vuitton.

Table 14. Hedonic Rating Comparison Of Age Cohorts Between Countries

Age Cohort		T	Sig.	Mean Difference
Young	Hed score Sony	-13.514	0***	-4.68708
	Hed score BMW	1.43	0.154	0.84666
	Hed score Rolex	-2.957	0.003**	-1.82961
	Hed score L.V.	-2.457	0.014*	-1.58764
Mature	Hed score Sony	-11.797	0***	-6.22689
	Hed score BMW	3.039	0.003**	2.19328
	Hed score Rolex	-1.71	0.089*	-1.37955
	Hed score L.V.	1.33	0.185	1.13259

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HYPOTHESES SUMMARY

H1:   Chinese under the age of 30 will score higher on the internal individual factors than Chinese over 30: Not Supported.

H2:   Chinese under the age of 30 will score lower on the external values than Chinese over 30. Not Supported.

H3:   U.S. under the age of 30 will not have a significant difference to those in the U.S. over 30. Not Supported

H4:   Chinese over the age of 30 will score higher on the external values than U.S. over 30. Supported

H5:   Chinese under the age of 30 will not have significant value differences on the individual factors than U.S. under 30. Supported

H6:   Those scoring higher on the individual factors will rate prestige goods as more hedonic. Supported

CONCLUSION

The U.S. youth population was observed to have distinctively different values than the Chinese from either age group and with the mature of the U.S. sample. This argues against treating the Chinese youth the same as the U.S. population for marketing purposes. It also reinforces the need to reassess the significance of the cultural and economic opening of the Chinese market. It appears that the mature audience is more similar to the U.S. sample and this could reflect that as online users they are educated and "modern". Also, values differed based on income, education, and gender. Males in China and the U.S. are similar in all value areas except for their desire for a sense of accomplishment; the Chinese are less motivated by this value, which could indicate there is limited opportunity in China to achieve based on your own efforts and would be understandable within a state controlled regime. Females differ on belongingness, excitement, being well respected, and fun. The first three represent a holdover of the traditional Confucian values and arguably fun, or the lack of it, may be another holdover of the same said values. When the Chinese sample is analyzed based on income, significant differences were found on the security and accomplishment; these are reasonably assumed to be a function of income and not necessarily changing values.

The hedonic measurement of prestige goods did develop greater understanding of the market as seen in significant differences in the hedonic ratings of goods. Further analyses of what other values correlate to this differing view could be valuable in helping to determine what cultural values lead to a predilection for hedonic goods. Assessment of the age cohorts between countries shows significant differences in the rating of hedonic values in the U.S. but in China they differed only on Sony TV and Louis Vuitton handbag. However, when those cohorts are analyzed age cohort to age cohort, there are significant differences on everything but Louis Vuitton. The youth cohort in both countries differed on the evaluation of all products except for BMW, which points to a unity of brand image across the cultures. Overall, the findings demonstrate that although the cultural values between countries are not significantly different, the perception of goods is different indicating that the cultural lens is definitely at work. Further work must be done to understand what leads to these different evaluation schemas.

Marketing Implications

With a better understanding of the introduction of capitalism and the subsequent exposure to new social norms, the firm can anticipate potential cultural effects, therefore, impacting the assessment of products, specifically prestige brands. This framework can be applicable to other emerging economies, as they will invariably undergo similar cultural changes; therefore, requiring marketing insight (Burgess & Steenkamp, 2006). By anticipating these changes in values, the marketer can anticipate the market, thereby, developing an appropriate strategy (Goldsmith & Stith, 1993).

Limitations

Limitations of the study are the result of the self-selection bias of online survey takers. As evinced in the results, the U.S. sample had a female bias, whereas the Chinese Sample had a male bias. Furthermore, the sample was younger than the actual population, so extrapolation to the older consumers should be done with caution.

AUTHOR INFORMATION

Russell Adams is an associate professor at the University of Texas Brownsville. Email: russell.adams@utb.edu. His research is primarily focused on consumer behavior in a global world.

Clara Downey is an assistant professor at the University of Texas Brownsville. Email: claradowney@gmail.com. Her research focus is in international strategy and multicultural issues of business.

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