Università
Ca'Foscari
Venezia

Master's Degree
in
Business Administration
(Economia e gestione delle aziende)

Final Thesis

The Impact of Culture on Luxury Consumption Behaviour: An Empirical Study on Chinese' and Italians' Behaviours

Supervisor
Ch. Prof. Massimo Warglien

Graduand
Rita
Manzato
851135

Academic Year
2018 / 2019

I Abstract

The aim of the thesis is to understand if and how cultural factors have an impact on luxury consumption behaviour. The first Chapter is a general background on culture, consumer behaviour and the relationship between these two topics. In the second Chapter the attention moves to a description of the meaning of luxury as a term; the analysis of the four dimensions (functional, financial, individual and social) that influence a consumer perception of luxury; a description of how religion and the country of origin influence luxury consumption behaviour and an analysis of Chinese luxury consumption. In the last Chapter the personal contribution to this topic can be found: two different countries that are relevant to the luxury market (China and Italy) have been chosen to conduct an empirical study aimed at discovering the impact of culture on luxury consumption behaviour.

II Table of contents

III List of Figures

IV List of Graphs

V List of Tables

VI Acknowledgment

Now that this chapter of my life comes to an end some special people deserve to be thanked.

First of all, I have to thank my parents, Beatrice and Mirco, who have always supported me, who have always taught me to be free letting others be free as well. Because I am sure where we grow up in contributes to determine who we are, the values of freedom and equality are the best gifts you have given to me.

Thanks to my brother, Fabio, who has always forgiven my bad attitudes. I love you.

Thanks to you, Alex, for letting me free to do what I need to be myself, to follow my objectives.

To my grandma, Weibi, for all the books she read me and because she forgave my jokes on her Italian accent; for being such an incredible woman.

To my grandfather, Luis, simply a piece of my heart.

To my grandma, Italia, who has passed on to me the passion for the Italian TV programmes, despite my friends' comments on that.

To my grandfather, Aldo, whose goodness will never be forgotten.

To all my relatives, for the colourful life I have had.

To my closest friends, for have always been there for me.

To Nicola, for all the time we spent together, that was not enough, but I will never forget.

Thanks to Professor Warglien who has inspired me writing this thesis with his Making Decision course.

Introduction

The inspiration for this dissertation comes from the following Hofstede's citation: "management deals with a reality that is man-made" (1984). If business is made by humans, it is necessary to know how and why humans act in a certain way instead of another. Moreover, the times we are living in are characterized by globalization, a phenomenon of interconnection, that has led to the creation of multinational businesses which operate in different places and are composed by people with different cultural backgrounds. The cultural background proves to be not just something internal to an individual, but something that moves a person to behave in a particular way. For this reason, the first Chapter of this thesis wants to study what culture actually means and how it influences the consumer behaviour of an individual.

Beyond the general importance of culture in business, this thesis wants look more closely to a topic which has not been studied as much as consumer behaviour in general has been. Because of that, a more specific sector has been chosen: the market of luxury goods. The decision of considering this market arises from the importance it has for Italy as a country: Italy is the leading luxury goods country in terms of number of companies.[1] Beyond numbers, during the Master Degree and the two Erasmus periods, I have had the chance to meet students from all over the world and most of them connect Italy to luxury goods, confirming the importance of this market for the country. For these reasons, the second Chapter focuses on luxury consumption behaviour and tries to analyse which factors determine it and how it changes according to an individual's culture. This analysis is partially supported by the use of the Hofstede model, which is an "internationally recognized standard for understanding cultural differences."[2] Moreover, the Chapter introduces the case of China as the country which is moving the luxury market from a consumer perspective.

---

[1] Deloitte Global Powers of Luxury Goods 2018. Retrieved from https://www2.deloitte.com/content/dam/Deloitte/at/Documents/consumer-business/deloitte-global-powers-of-luxury-goods-2018.pdf

[2] MindTools. Hofstede's Cultural Dimensions, Understanding Different Countries. Retrieved from https://www.mindtools.com/pages/article/newLDR_66.htm

Chapter 1 and 2 compose the Literature Review and represent a synthesis of what have already been found by other authors. After this, the thesis is composed of an Empirical Study which has been fundamental given the literature's limitations. In fact, a comparison between Italy and China based on 6 dimensions (individual, social, functional, financial, sustainability and country of origin) has not been found. Given the fact that, in terms of the luxury goods' market, Italy is fundamental from a producer's perspective and China from a consumer's one, an Empirical Study focused on these two countries was necessary. These places look different with regards to the Hofstede model so that the luxury consumer behaviour should differ among the samples. What emerges from the Study is that the differences are not so strong even if the importance of the social dimension, the country of origin and the sustainability values is not equal between the two countries. This Study demonstrates that the cultural background of a customer actually influences the choice on what to buy determining the reason behind a purchase.

Literature Review

1. Culture and Consumer Behaviour

1.1 Culture

1.1.1 The importance of culture

The globalization is a phenomenon considered to have officially started in the 90s, but it is the result of a process that had started many years before (Naím, 2009). It can be described as a "continuous transnational process of interconnectedness" (Pooch, 2016, p. 16) that has led to various results both on the social and the economic levels. On one hand, it has reduced barriers between people, it has made it possible and easier for people to travel around the world, to study abroad, and, thanks to the internet and the social networks, it has led to a situation in which the communication with people from the other part of the world is easy and cheap. On the other hand, it has permitted the creation of Multinational Enterprises (MNEs), early adopters of internationalization (Knight & Cavusgil, 2004), selling products or services to a heterogeneity of people living in different countries and with different cultural backgrounds. Ford *et al.* (2011), starting from the idea that the globalization has connected people from everywhere, explain that this phenomenon has created a homogeneous culture, called the global consumer culture, shared by all people. Even if this concept is based on a true fact –it is true that people are more connected than in the past and these connections might lead to a higher homogeneity between people- differences in cultures are still present and it is fundamental to consider these aspects when doing business in order to avoid embarrassing situations (i.e. selling the wrong product, using the wrong packaging or employing wrong, or even offensive, advertising). For example, trying to sell sweet chocolate might be good in Italy but not in China since Chinese people are not used with and do not like the sweet taste. When it comes to packaging and advertising, everything should be carefully chosen and sometimes changed according to the consumers' culture since everything from humours to colours, from images to numbers might have a different significance for people living in different parts of the world. Looking at colour, for instance, this concept is immediately clear: if white is connected to happy events in life in the West, it is linked to mourning in China; purple is associated with

inexpensiveness in the US while it is connected to expensiveness in Asian cultures (Usunier and Lee, 2013). A recent example of a big failure in advertising is the Dolce and Gabbana's November 2018 advertisement ("D&G love China"): a controversial ad mocking a Chinese woman who struggles to eat pizza and spaghetti with chopsticks. This ad was considered offensive to Chinese' culture and it has led to racism allegations against the Italian luxury brand, followed by the Chinese e-commerce sites removing Dolce & Gabbana products from their websites.[3] This example makes it clear how important it is to consider culture when doing business in different countries and, for this reason, Section 1.1 is dedicated to the study of culture as a concept to better understand its nature.

1.1.2 The definition of culture

Section 1.1.1 has briefly shown the importance of culture when talking about business-related situations and this Section is dedicated to the understanding of what culture actually is. When it comes to defining culture, many definitions arise. The easiest way to define culture can be located in the Oxford dictionary to find out that culture is described as (1) "the arts and other manifestations of human intellectual achievement regarded collectively" or (2) "the ideas, customs, and social behaviour of a particular people or society."

Beyond the dictionary, many authors have tried to give a definition of culture associating it to people's behaviour. According to the American anthropologist Linton (1945, p. 32) culture is "the configuration of learned behavior and results of behavior whose components and elements are shared and transmitted by the members of a particular society." From this definition, culture appears as something related to concepts such as behaviour and society since, according to Linton, culture is the reason why people belonging to the same society tend to have the same behaviour. Another American anthropologist, Geertz (1973, p. 44), has a relatively similar idea to Linton's one since he considers culture to be related with behavioural aspects describing it as a "set of control mechanism" made up of plans, recipes, rules and instructions which are fundamental for individuals to escape from a "mere

[3] Cadel *et al.* (2018, November 22). Online Chinese stores are pulling Dolce & Gabbana goods after its founder appeared to mock Chinese culture. Retrieved from https://www.businessinsider.com/dolce-gabbana-goods-pulled-chinese-sites-2018-11

chaos of pointless acts and exploding emotions" (p. 46) and to enable them to coexist together. His definition, again, focuses on behavioural aspects and culture becomes a sort of controller of how people behave. According to Kluckholn and Strodtbeck (1961) when it comes to universal problems, people prefer to adopt particular solutions which reflect their cultural values: all people in their lives face some problems which are universal and can be solved using a range of possible solutions which are, again, universal and available for everyone. The decision on which solution would be the best one to solve the problem, and so the decision on how to act, depends on differences in cultural aspects. Another definition comes from Goodenough (1971) who describes culture as a set of beliefs and standards which are shared by a group and that help each individual to decide what he or she is, what can they be, how to feel, what to do, etc.

All the definitions which have been given so far focus on behaviour so that culture, influencing people's choices and actions, becomes an essential concept to be considered and analysed in any circumstances in which people take decisions. One of the greatest contribution in this field comes from Geert Hofstede, a Dutch social psychologist, and two of his models will be analysed in order to better understand what culture is.

Hofstede (2001) gives a definition of culture, explaining it is "the collective programming of the mind that distinguishes the members of a group or category of people from others" (p.9). According to the author, the sources of an individual's mental programs can be found in the social environments in which he or she grows up: starting in the group in which an individual is born (the family) and continuing within the groups in which he or she lives (neighbourhood, school, workplace and, more in general, the society). Culture appears to influence all the ordinary things people do in their lives, from greeting, eating, showing or not showing feelings, keeping a certain physical distance from others, and so on. Culture, depending on the social environment, is always a collective phenomenon and, apparently, it is seen as a software which programs all people belonging to a specific group to act in a certain way. In reality, things are different and it is not true that all people belonging to the same society act in the same way: according to Hofstede *et al.* (2010) the behaviour of a person is only partially pre-determined by his or her mental

programs or culture, while all humans still have a sort of free will, which Hofstede calls "basic ability," to deviate from the mental programs and to act in new or unexpected way. To better illustrate this concept, Hofstede creates a model, shown in Figure 1, composed of three different levels of mental programming: human nature, culture and personality.

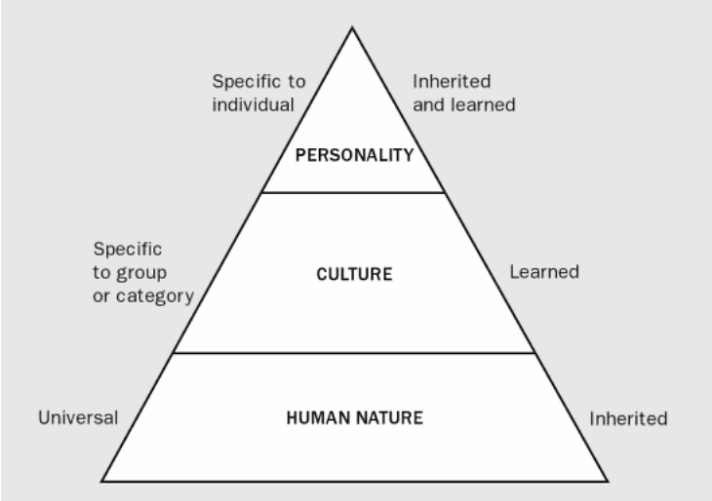


Figure 1:Three Levels of mental programming. Source: Hofstede, G., Hofstede, G.J. and Minkov M. (2010), Cultures and Organizations: Software of the mind.

At the basis of the pyramid lies *human nature* which is what all people, being human in the same world, have as a common genetic legacy. This level is universal and it is connected with the human capacity to be scared, happy, in love and sad. At the top of Figure 1 there is *personality* which is an individual's unique personal set of mental programs which are not necessarily shared by others. It is based on traits the individual inherited in his or her genes and learned during life. The personality, being unique and specific to each individual, is the key to understanding why people belonging to the same group do not necessarily act in the same way. Between human nature and personality, there is *culture,* something that is both learned and shared by a group of people and that has an influence on how these people act. With culture a group-specific concept, according to Hofstede, it determines the differences between one group's behaviour from another and can be used to understand the behaviour of different groups of people.

Another model or representation of culture created by Hofstede *et al.* (2010) is based on the idea that culture has four main strata and can be represented like an

onion where each layer encompasses a deeper one and where it is necessary to peel off the outer layer to see the lower level. The onion, shown in Figure 2, is formed by four elements: (1) symbols, (2) heroes, (3) rituals and (4) values. The first three elements have been subsumed under the term *practices* since they can be seen by an outside observer while the core of culture is formed by values.

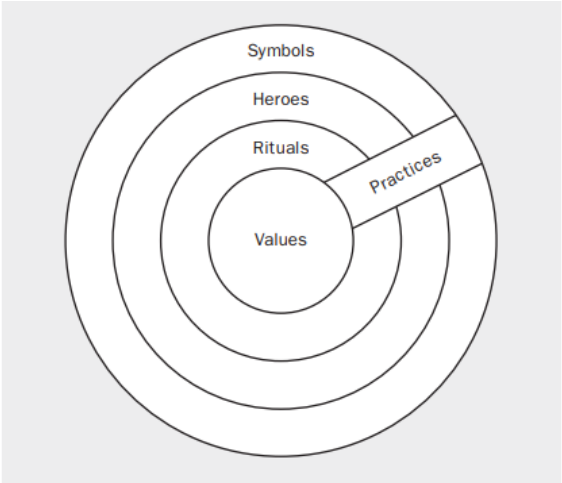


Figure 2: The "Onion": Manifestations of Culture at Different Levels of Depth. Source: Hofstede, G., Hofstede, G.J. and Minkov M. (2010), Cultures and Organizations: Software of the mind.

Symbols are "words, gestures, pictures, or objects that carry a particular meaning that is recognized as such only by those who share the culture" (p. 8). According to this definition, symbols have a specific meaning for a specific group of people and are meaningless for others who are outsiders to this group. Symbols are not static since they change over time and might be transferred from a group to another. *Heroes* are individuals seen as role models to be followed by a group of people. Heroes might be people from the past or still alive, real or coming from the imagination. According to Hofstede, they can be anyone from Achilles (mythological hero) to Garibaldi (historical hero) to Batman (superheroes) and also to Barbie. *Rituals* are collective activities, socially essential for a particular group of individuals. They are different between cultures: for example, European people tend to shake hands when meeting each other while Asian people do not; Italians usually give two kisses when meet a friend while Serbian people give three kisses. *Values* are "broad tendencies to prefer certain states of affairs over others" (p.9). Hofstede (2001) divides values into two categories: the desired and the desirable. The first

type of values are indicators of what people really want, while the second type are a sort of guiding principles that show an individual what he or she should desire.

Beyond Hofstede, another analytical definition of culture was given by Usunier and Lee (2013) who explain that culture might be seen as a concept composed of four different elements: (1) language, (2) institutions, (3) material products and (4) symbolic products. One of the most important elements of culture is *language* since it allows people to communicate, to share and transmit information. Table 1 shows the world's most spoken languages in 2018, with Chinese being the most spoken one with almost 1,3 millions of speakers in 38 countries, followed by Spanish, English and Arabic.

Rank	Language	Primary country	Total countries	Speakers (millions)
1	Chinese	China	38	1,299
2	Spanish	Spain	31	442
3	English	United Kingdom	118	378
4	Arabic	Saudi Arabia	58	315
5	Hindi	India	4	260
6	Bengali	Bangladesh	4	243
7	Portuguese	Portugal	15	223
8	Russian	Russian Federation	18	154
9	Japanese	Japan	2	128
10	Lahnda	Pakistan	6	119

Table 1: The world's 10 most spoken languages in 2018. Source: data retrieved from https://www.ethnologue.com/statistics/size

The second element is *institutions* (i.e. family, political, religious or social systems) that, organizing people into groups, link individuals between each other. According to the anthropologist Malinowksi (1944) there are 7 principles thanks to which institutions might be formed: (1) *reproduction* links people because of blood or marriage relations, (2) *territoriality* links people who are neighbours, (3) *physiology* connects people because of their age, sex or physical traits, (4) the *spontaneous tendency to join together* connects people around common goals, (5) *occupational and professional activities* link people through labour division, (6) *hierarchy* links people through rank and status and (7) t*otality* integrates different elements into a coherent whole. The third element of culture is *material products* which reproduce

and transmit the skills of a society: these products might be artistic (i.e. music and paintings), intellectual (i.e. books), physical (i.e. factories) and services (i.e. banks). The fourth element is *symbolic products*, connected with the metaphysical world: this element is closely connected to religion which is a central idea to be considered when doing business. For example, the food industry should seriously look at religion and its influence on diet since some religions impose restrictions on what can be eaten: for example, an enterprise selling cow meat has to consider that entering a Hindu market would be a failure since cows are considered sacred animals by Hinduists. Beyond religion, there are other symbolic elements, such as particular dates, that have to be considered in business since they influence consumer behaviour: between US$700 and US$800 million are lost in business each Friday 13th since people refuse to travel, purchase major items or conduct business on that day.[4]

1.1.3 The difference between culture and nationality

The definitions of culture which have been analysed in Section 1.1.2 have led to a concept of culture as a common set of elements shared by a group of people. Thinking about groups of people, in the world there are smaller and bigger groups, ranging from families to nations. It has to be noticed that, when considering a nation as a large group, it is easy and common to say that there is a perfect relationship between culture and nation, thinking that all people living in one nation belong to the same culture. Actually, things are not so easy: looking at language (one of the elements of culture) within one nation there could be many languages spoken (i.e. in India there are more than 19,500 languages spoken as mother tongues).[5] This point leads to the consideration that the common and easy relationship between culture and nationality is actually unclear. This problem was triggered by factors such as political decisions which were taken or imposed during the last century and which created some new borders and some nation-states in which people with very different cultural backgrounds are living or borders that split people with the same

[4] Friday the 13th Means Millions in Lost Business, Productivity. (2010, August 13). Retrieved from https://www.cnbc.com/id/38691586

[5] Mahal, T. (2018, July 1). Census: More than 19,500 languages spoken in India as mother tongues. Retrieved from https://gulfnews.com/world/asia/india/census-more-than-19500-languages-spoken-in-india-as-mother-tongues-1.2244791

culture into different nations. For examples, between 25 and 35 million Kurds are split in a mountainous region across the borders of Turkey, Iraq, Syria, Iran and Armenia.[6] For this reason, even if the models that will be analysed in Section 1.1.6 are still based on the association between cultures and nationalities, it has to be mentioned that this relation is not always completely correct.

1.1.4 Culture and time conception

From the definitions of culture, the impact it has on people's behaviour becomes clear and among the aspects of life which are influenced by culture there is the conception of time.

The first difference in the conception of time is based on its *economic value*. In a fast paced world people have less and less free time to spend, time seems no more only an abstract concept, but it acquires an economic value, becoming a commodity and, even more, a scarce resource. If time is seen as having an economic value, this value can be higher or lower. According to Lewis (2005), Americans assign time the highest economic value since they have a perception of time that is very much focused on the present (see Figure 3).

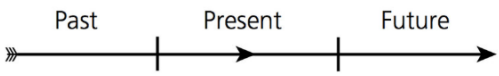


Figure 3: Lewis's view of American flow of time. Source: Lewis, R. D., & Gates, M. (2005). Leading Across Cultures. Nicholas Brealey.

Lewis also explains that in the US people feel the need to make money, to be someone and, according to this idea, an average American man or woman has an understanding of time which leads to a time cost of US$50 an hour. The high economic value associated to time makes people be more focused on scheduling everything, fixing and respecting deadlines to save as much time as they can. To describe the time concept of the Americans, Lewis created a model, shown in Figure 4, explaining that for people in the US, the past is over and no time is spent thinking about it, the present is the main focus and all tasks to be done are organised, the

[6] BBC News, Who are the Kurds? (2017, October 31). Retrieved from https://www.bbc.com/news/world-middle-east-29702440

future is the second focus, since everything that has to be done is already planned in advanced not to waste any time.

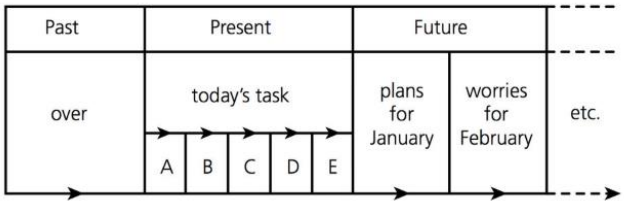


Figure 4: Craving up American time. Source: Lewis, R. D., & Gates, M. (2005). Leading Across Cultures. Nicholas Brealey.

In countries where there is a high economic value of time, businesses have to carefully consider this aspect, by reducing, for example, the time people would waste in queues: the Walt Disney World in Florida, knowing that Americans have a high economic value of time, has a "nerve centre" which is full of TVs showing queues of people to control the time wasting and to avoid it thanks to an iPhone app that gets people to where they will go faster.[7]

The second important aspect is the *monochronic* or *polychronic* use of time. When people are reading an article there are two ways of doing this: being focused on the reading and doing nothing else, or reading the article while, at the same time, drinking a cup of tea, eating a sandwich, having a conversion, and so on. The first way corresponds to the *monochronic* view of time which, according to Bluedorn *et al.* (1992), means that a person performs just one activity during a given time period. As Hall and Hall (1990) explain, for these people, time is divided into segments and it is scheduled making possible for a person to be concentrated just on one thing at a time. This way of perceiving time is, according to Lewis and Gates (2005), mostly common for Northern Europeans, Americans and British people that, consequently, are "task-oriented, emphasize promptness and a concern for others' privacy, stick to their plans, seldom borrow or lend private property, and are accustomed to short-term relationships with other people" (Bluedorn *et al.,* 1992, p. 19). On the other hand, there is the *polychronic* conception of time, which is almost completely opposite to the monochronic view. Polychronic time is characterized by the fact that people prefer to do more than one thing simultaneously. According to this view, Hall

[7] Hannaford, K. (2010, December 29). How Disney World is Making Lines Go Faster. Retrieved from https://gizmodo.com/5720294/how-disney-world-is-making-queues-go-faster

and Hall (1990) think that polychronic people (i.e. Asians and Latinas) place more emphasis on human relations than on respecting schedules: for example, two Asian friends talking together prefer to be late to their next appointment rather than terminate the conversation in a fast way before its natural conclusion. To summarize, monochronic people are focused on their jobs, create and respect schedules and plans which are rigid and not easily changed and tend to create short-time relations; while polychronic people have a preference for human relationships rather than work and schedules, they do not have difficulties in changing plans and have a tendency to create long-term relationships.

The third difference in considering time is based on *linearity* or *cyclicity*. Some people perceive time as a line in which the present is a point above it, while other people see time as being a cycle. These two different concepts of time are strongly related to an element of culture which is religion. In Christian culture, time follows a line since it is based on the idea that there is only one territorial existence. The opposite is true for Hinduists and Buddhist cultures in which the death of the body will be followed by a reincarnation in another one. Lewis and Gates (2005) offer a representation of these two different perception of time which is shown in Figure 5.

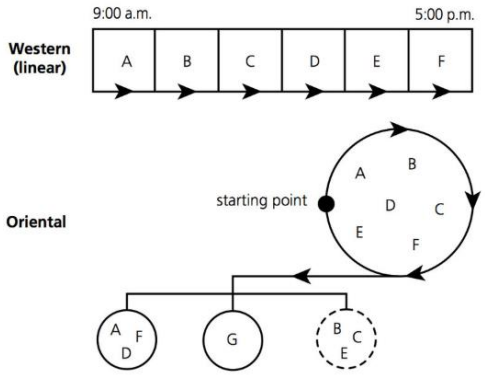


Figure 5: Western action chains/Asian reflection. Source: Lewis, R. D., & Gates, M. (2005). Leading Across Cultures. Nicholas Brealey.

Figure 5 shows how different the two ways of perceiving time are: in the western way, time is seen in separate blocks and each one starts and ends, so that people will be more interested in achieving things and decisions faster; in the oriental way, time is cyclical, meaning actions occur in a cycle, they are repeated in time as the natural rhythms (i.e. the sun and the moon cycles). The cyclic conception gives people more patience and the majority of people having this concept belong to cultures believing

in reincarnation: if there is another life to live, it is not necessary to achieve everything fast in the actual life. These two opposite ways have to be carefully considered in business situations: Westerners tend to expect Asians to decide on something fast, without considering what happened in the past, but this is not possible for Asians who consider time as a cycle. (Lewis and Gates, 2005)

The fourth way of looking at time considers the three temporal focuses that humans might have. According to Kluckholn and Strodtbeck (1961), societies differ between each other for being focused on the past, present or future. In particular, people oriented towards the past use it to explain what is happening in the present, they tend to look carefully at traditions trying not to lose them in time and, attuned to the importance of the past, usually invest in museums and give high value to teaching history in school. Many Europeans and some Asians cultures are past-oriented. People oriented towards the present believe that the past is the past, consequently it makes no sense in looking at it again, while the future, being uncertain, cannot be something to be worried about. For this reason, these people focus on the present, the "here and now," they have no difficulties in changing traditions. In this case religion might take a central role: if there is only one God who decides the future, there is no sense worrying about it and following this concept, according to Harris and Moran (1987), Arabic-Muslim cultures are present-oriented, believing their time is controlled by an outside force –Allah. Last, future-oriented people invest a lot of time worrying about the future and tend to plan for a better tomorrow, investing in what might lead to a better future. Among these investments there are the ones dedicated to education: American families, for example, save a lot of money for their children's education and in 2018 the average amount saved was around $18,000.[8] These three orientations might appear in different cultures, but they might also be associated to different individuals belonging to the same culture: older people, for instance, tend to be past-oriented, while younger people future-oriented. The people's perception of time is sometimes reflected in grammar since some languages require future tenses to talk about future events, while others do not: for

[8] Nova, A. (2018, May 18). CNBC Parents have on average $18,000 saved for college, and that's still not nearly enough. Retrieved from https://www.cnbc.com/2018/05/18/parents-have-on-average-18000-saved-for-college-and-thats-still-not-nearly-enough.html

example, an Italian speaker might use the present tense to predict rain (i.e. "Domani piove" meaning "It rains tomorrow"); on the other hand, English would require a future tense and the use of "will" or "is going to" (i.e. "it will rain tomorrow"). This difference influences people and their perception of time leading to a classification between futureless (or weak-FTR) languages (i.e. Chinese, Finnish, German, Japanese) and futured (or strong-FTR) languages (i.e. English, Greek, Italian, Russian). Populations who are associated to weak-FTR languages express future events in the present tense and are characterized by feeling no difference between now and then, being more patient than strong-FTR languages, less impulsive, tending to save more money (countries which speak strong-FTR languages save 4.75% less), smoke 20-24% less, be wealthier (13-17% less likely to be obese) and physically more active being more oriented towards the future. (Chen, 2013)

According to Boroditsky (2001), time might also be seen as vertical or horizontal and these views are clear when people belonging to different cultures are talking about time. For example, English people use front/back terms (i.e. time ahead or behind) when talking about time, since they consider time as having a horizontal spatial relation. On the other hand, Mandarin speakers use both the horizontal terms *qia´n* (''front'') and *ho`u* (''back'') to talk about time, and vertical words such as *sha`ng* ("up") to indicate past events and *xia`* (''down") for later events.

1.1.5 Culture and space conception

The perception people have about the space surrounding them also depends on culture. Territoriality has been described in Section 1.1.2 as one of Malinowksi (1944) principles according to which institutions might be formed and according to Hall and Hall (1990) people's perception of territoriality might be high or low. Some groups have a high degree of territoriality, meaning they are more concerned with their ownerships: they consider borders to be very important to delimit who owns what. High territoriality is usually associated with countries such as Germany and US, countries in which space usually communicates power. On the other hand, low territoriality is associated with people who are not so focused on what they own, they are not afraid of losing their owned space so that borders are no more that important. Low territoriality is associated to Asian countries.

Beyond physical space, Hall and Hall (1987) describe also personal space. Each individual feels like being circumscribed by a bubble called personal space which should not be violated by others. A person's bubble might be bigger or smaller depending on the relationship he or she has with others, but it also depends on culture. Personal space' bubbles are bigger in Northern Europe and get smaller when moving south to France, Italy, Greece and Spain. According to a research by Lambert (2004), Northern European countries have five levels of personal space, according to the level of relationships with the person they are talking to: from 0 to 0.15 m for a lover or close friend, to more than 3.6 m for a public speech. Another research published in The Washington Post by Erikson (2017)[9] underlines how the personal space changes according to the country: in Romania people require a 4.6 feet distance from a stranger, while in Argentina just 2.5. (Figure 6)

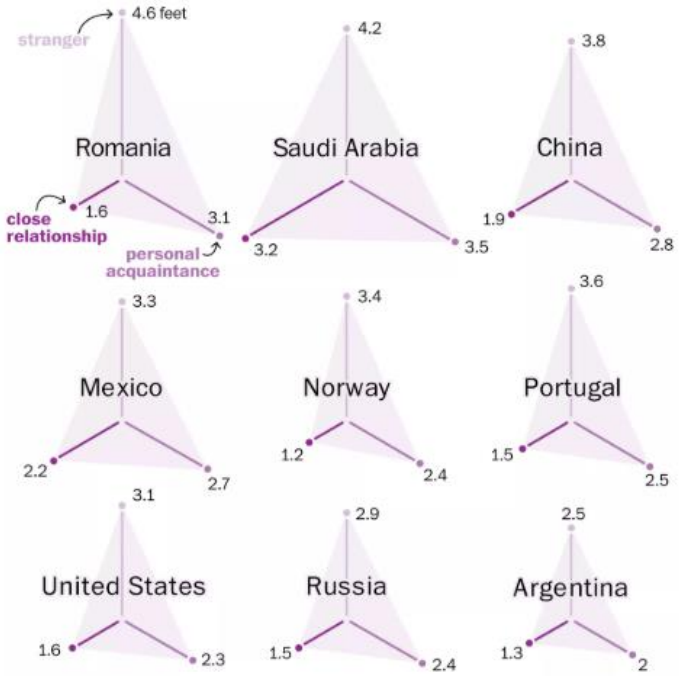


Figure 6: Personal space in feet in different countries. Source: Erickson, A. (2017, April 24). What 'personal space' looks like around the world. The Washington Post, Retrieved from https://www.washingtonpost.com/

For this reason, when communicating with a person coming from another country, everybody should be careful and respect other people's personal space, so as not to make them feel embarrassed: for example, an Italian talking to a Lithuanian has to

[9] Erickson, A. (2017, April 24). What 'personal space' looks like around the world. The Washington Post, Retrieved from https://www.washingtonpost.com/

be careful not to invade his or her personal space which is higher than the Italian's one. To avoid embarrassing situations, some Universities organize the orientation weeks for Erasmus students coming from abroad: at Vilnius University in Lithuania, for example, the first day of the orientation week includes a collective meeting between all the Erasmus students and a psychologist who explains the Lithuanian culture and tells students what personal space means for them. This meeting is necessary to make Southern Europe students understand they do not have to be offended by the Northern Europeans' apparently "cold" behaviour, as seen from an Italian or Spanish perspective.

1.1.6 Models

In the field of understating culture, some authors have been focused on creating models that could better explain its nature. In this Section, four models will be analysed: the Hofstede model (1.1.6.1), the Hall model (1.1.6.2), the Swartz model (1.1.6.3) and the Lewis model (1.1.6.4).

1.1.6.1 Hofstede model

According to Clark (1987), culture cannot be seen as a simple variable but as an entity having a complex, multidimensional structure. Following this idea, it is more appropriate to talk about cultural dimensions that can be used to explain differences between cultures and to understand people's behaviour patterns and attitude (Triandis, 1976). This idea of culture having more than one dimension is supported by Hofstede (1984) who, convinced that "management deals with a reality that is man-made," believes that business is never culture-free and, for this reason, he has dedicated a large part of his studies at finding the cultural dimensions. In order to reach this aim, he created various surveys and a database with the aim of understanding how different the work-related behaviour was for people coming from different countries (Hofstede, 1984; Hofstede, 2001). One fundamental survey was the one based in the American technology corporation IBM, initially called "HERMES" to maintain its anonymity. This survey was probably the largest of that time, with more than 88000 respondents and 117000 submitted questionnaires. It was completed from November 1967 to 1973 and it analysed the values held by people in 72 countries. Another survey was conducted from 1971 to 1973 in IMEDE

Management Development Institute in Lausanne (Switzerland), a postgraduate business school. At that time, Hofstede had already understood that there were some differences and paths in the IBM questionnaires' answers based on the country the respondents were coming from. For this reason, he decided to resubmit a reduced-questionnaire to 362 managers coming from 30 different countries, to see if these differences were company specific or not. The major country differences that had been found in IBM were also found in IMEDE so that it became clear that those differences were not company specific but were due to the respondents and, in particular, to their different nationalities (Hofstede, 2001, p.49). Following this path, Hofstede created a database that initially revealed four main cultural dimensions: power distance, individualism versus collectivism, masculinity versus femininity and uncertainty avoidance (Hofstede, 1984). Later on in time, Hofstede added two more dimensions (i.e. long versus short-term orientation and indulgence versus restraint) so that the complete model, shown in Figure 7, is composed of six dimensions.

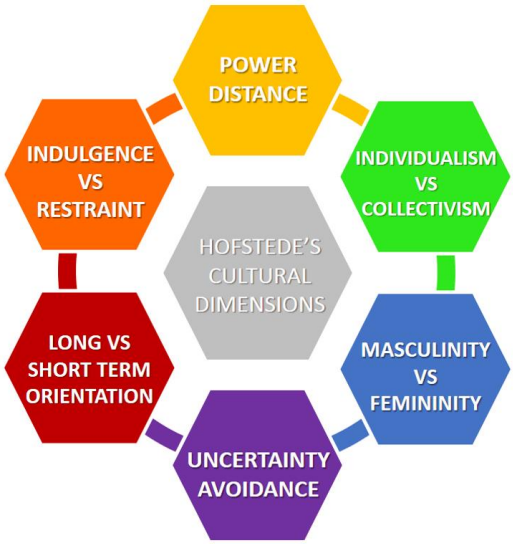


Figure 7: Hofstede's cultural dimensions. Source: Hofstede' cultural dimensions. (2017, June 17). Retrieved from https://www.business-to-you.com/hofstedes-cultural-dimensions/

The first dimension is *power distance* which is a concept based on the unequal distribution of power existing in institutions or, more generally, in societies and it is the extent to which individuals in a society accept this unequal distribution (Hofstede *et al*., 2010, p. 61). This extent is calculated trough the Power Distance Index (PDI) derived from the scores of three questions of the IBM-HERMES

questionnaire. These three questions were connected to the subordinate employees' preferences on the managers' decision-making processes (Hofstede, 1984, p.65). In high PDI societies, people accept the hierarchical order in which everybody has his or her place without any need for any justification; adults tend to teach their children obedience for parents and elder people; superiors and subordinates maintain distance between each other and people are usually fine with adhering to rigid rules. With regards to education, Hofstede (1986, p. 313) explains that in these countries, students expect teachers to create for them the path to follow and professors, having a rigid way of teaching, are never contradicted in public. Following the classroom example, Hofstede *et al.* (2010) suggests that in India and Indonesia teachers are addressed as "guru" (p. 69) because the PDI is high (respectively 77 and 78). In the education field, an interesting fact was discovered by Li and Guo (2012) studying Chinese teachers of English: they noticed that the UK scores 35/100 in power distance while China scores 80/100, the authors discovered that these teachers tend to exhibit a behaviour associated to lower levels of power distance than the Chinese teachers of other subjects, so that the fact that they are teaching English makes them shift from the Chinese PDI to the UK one. On the other hand, in countries that score low in power distance, people strive to equalise the distribution of power and, when inequalities happen, they ask for justifications; adults treat children as equal and interpersonal cooperation is the norm (Usunier and Lee, 2013). With regard to school, it is common for students to argue with teachers, expressing disagreement and criticisms (Hofstede *et al.*,2010, p. 70). According to Hofstede *et al*. (2010, p. 84), the countries' PDI scores depend mainly on three factors:

1) The country's geographic latitude (the higher latitudes are associated with lower PDI)
2) The country's population size (the larger sizes are associated with higher PDI)
3) The country's wealth (the richer the countries are, the lower the PDI is)

The second dimension is *individualism*, in opposition to collectivism. These concepts are connected to the manner in which an individual perceives relationships with

others. In particular, Hofstede *et al.* (2010, p.92) describes individualism as pertaining "to societies in which the ties between individuals are loose: everyone is expected to look after him- or herself and his or her immediate family" and collectivism as pertaining "to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty". The Individualism Index (IDV) was created by analysing the questionnaires' responses to a set of fourteen work-goals: in a collectivist society, the interest of the group prevails over the interest of the individual, while in individualist societies one's goals prevail. For instance, the concept of the group becomes central to define an individualist or collectivist and, with family as the first group in everyone's lives, Hofstede *et al.* (2010) analysed two types of family to explain this cultural dimension. In most countries there are collectivist societies: children grow up in "extended families" meaning families formed by the parents, other children, grandparents, uncles, aunts, servants or other housemates. Growing up in this context, children learn to think of themselves as part of a "we" group, distinct from other people in society who belong to "they" groups. According to this, in countries with low IDV score, people care about the members of their own group. On the other hand, a minority of people live in societies in which the interests of the individual prevail over the interests of the group: individualist societies. In these cases, the typical family is the "nuclear family" composed by two parents and, sometimes, other children. People in high IDV score countries, grow up thinking about themselves as "I" in opposition to other "I" so that they will tend to form groups based on individual-personal characteristics. In countries with a high IDV score, people are expected to care only about themselves and their immediate families; each individual wants to differentiate himself or herself from the others and relationships are considered to be based on the *do ut des* concept. Almost all wealthy countries score high on IDV while nearly all poor regions score low and many countries scoring high on the power distance index score low on the individualism index (Hofstede *et al*., 2010, p.102).

The third dimension is *masculinity*, in opposition to femininity. These concepts are connected to the values (assertiveness versus modesty) which are preferred by a society and have been determined by some of the same 14 work goals questions

used for the Individualism Index: the Masculinity Index (MAS) was created asking questions related to earnings, recognition, advancement, challenge, employment security, a desirable living area, cooperation among people in the workplace and good relationship with the superiors. Even if these two opposite terms immediately make people think about male and female, Hofstede *et al.* (2010) explains that they are not related to genders: "a man can behave in a "feminine" way and a woman in a "masculine" way" (p. 137). In countries in which the MAS is low, people prefer cooperation with each other; share values of modesty, caring for the weak and the quality of life; education is usually free and the society is based on a welfare system. On the other hand, countries with high level of MAS are formed by people preferring values such as achievement, heroism, assertiveness, material rewards; they are interested in money and in showing their success and possession. In cross-cultural business situations this dimension can be critical: considering two different countries according to their MAS like Norway (8/100) and Japan (95/100) some misunderstanding might arise when a Norway boss looks at a Japanese *Curriculum Vitae* and vice versa. In fact, as Norwegians are modest, they will tend to write their CVs in a modest and short way not to be seen as braggarts. On the other hand, Japanese people, belonging to a country with high MAS, will tend to add to their CVs more information in order to show how good they are. These two opposite ways of writing and reading a CV might lead to a situation in which a Norwegian boss might consider a Japanese applicant as a "braggart" (Hofstede *et al*., 2010, p. 136), while in the opposite situation a Japanese boss would consider a Norwegian applicant as a "sucker" (p.136). To conclude, the masculinity dimension has also consequences on gender roles: in a masculine society, gender roles are distinct, men are supposed to be assertive and focused on material success, while women are supposed to be more modest and focused on the quality of life; on the opposite side, a society is called feminine when emotional gender roles overlap and both men and women are modest, tender and concerned with the quality of life.

The fourth dimension is *uncertainty avoidance*. This term is connected to a fact which pertains to the life of any individual in any part of the word: the future is uncertain but it still needs to be faced. This feeling of uncertainty sometime creates intolerable anxiety that, over the years, human societies have tried to reduce and

dominate by using technology, law and religion (Hofstede *et al*., 2010, p. 189). The Uncertainty Avoidance Index (UAI) has been determined by three questions, one about job stress ("How often do you feel nervous or tense at work"), one about rule orientation (the level of agreement with the statement "Company rules should not be broken- even when the employee thinks it is in the company's best interest") and one on long-term career preference in the same company ("How long do you think you will continue working for IBM?"). Thanks to these questions, uncertainty avoidance became definable "as the extent to which the members of a culture feel threatened by ambiguous or unknown situations" (p. 191). In countries with high UAI level (i.e. Greece, Portugal and Uruguay), people perceive uncertainty as something negative, they maintain rigid rules and codes of belief and they do not tolerate unorthodox ideas. On the other hand, countries with low UAI scores (i.e. Denmark, Singapore, Jamaica) are characterized by people that readily accept the fact all humans have to deal with uncertainty since future is, by definition, unknown.
The fifth dimension is *long-term orientation*, in opposition to short-term orientation. This dimension was not uncovered in the IBM survey since the right questions were not asked, but it was found in Michael Bond's Chinese colleagues that developed what became known as the Chinese Value Survey (CVS), submitted in 1985 to students in 23 countries around the world (Hofstede and Bond, 1988; Hofstede *et al*., 2010). In the CVS questionnaire, the dimension was found to be connected to values of the Confucius' teachings, which are a set of pragmatic rules for everyday life such as trying to acquire skills and education, working hard, not spending more than what is needed, being patient and persevering (Hofstede *et al.,* 2010, p. 238). This dimension was later called "long-term orientation" by Hofstede (1991) and defined as "the fostering of virtues oriented toward future rewards—in particular, perseverance and thrift" while its opposite pole, short-term orientation, was defined as "the fostering of virtues related to the past and present—in particular, respect for tradition, preservation of "face," and fulfilling social obligations."
In countries with high level of Long-Term Orientation Index (LTO), as China, Hong Kong, Taiwan and Japan, people believe in values such as persistence, perseverance, spend time in saving for the future and tend to give their children gifts connected to education. On the other hand, in low LTO countries such as Sierra Leone, Norway,

UK and Germany people prefer quick results, save a small part of the income and give children gifts for their self-concept and love. (Unsier and Lee, 2013)

The last dimension is *indulgence*, in opposition to restraint, and was defined with this term by the Bulgarian sociologist Minkov and later added to the Hofstede model. This dimension was firstly emerged through three questions from the World Values Survey (WVS) which, being a "global network of social scientists studying changing values and their impact on social and political life", consists of nationally representative surveys that are conducted with common questionnaire in almost 100 countries (containing almost 90 percent of the world's population) (World Values Survey: Who we are). The survey that led to the discovery of this last Hofstede dimension was submitted to 93 societies between 1995 and 2004. The first question was related to happiness, the second to life control and the third to the importance of leisure. In indulgence societies, free gratification, enjoying life and having fun is allowed. On the opposite side, restraint is connected to societies in which people have to suppress their gratification of needs to live in accordance with strict norms.

To sum up, Hofstede (2001, p.9) considers culture as something composed and explained by six dimensions and in 2017, thanks to a merger between International and The Hofstede Centre, the website Hofstede Insights was created: hence, it is possible to find the six dimensions' indexes for countries scoring on a scale from 0 to 100 and it facilitates comparisons between countries. Culture, as previously said, is defined by Hofstede as the mental programming influencing the individuals' patterns of thinking and, consequently, of acting but this does not imply that all individuals belonging to a particular society act in the same way. Nevertheless, it is still possible to use the Hofstede Insight's country scores which can be considered reliable owing to the law of the big numbers. (Hofstede Insights)

1.1.6.2 Hall model

Another important classification regarding culture is given by the American anthropologist Edward Hall (1976). This classification is based on the conversational context, which has to be seriously considered in cross-cultural situations: when someone is speaking does the message have to be taken literally or

interpreted “in context”? When someone says yes, does she or he literally mean yes? Thinking about the way people communicate, it surfaces that, beyond words, they also use gestures and silences that might have different meanings according to an individual’s culture and, furthermore, contextual factors change the literal sense of what has been said. To better understand this concept, an example from Ernest Hemingway’s “A Day’s Wait” (1933) explains how important the context is: in this story, a young boy is feeling bad and a doctor, who came to visit him, tells him his temperature is 102. At this point, the boy asks his mum “'About what time do you think I'm going to die?” and she replies “You aren't going to die.” The point in the story is the misunderstanding created by the fact the doctor uses the Fahrenheit scale, according to which a temperature of 102 is not that bad, while the boy, who has recently been to France, thinks the scale was the Celsius one, in which 102 is a temperature nobody could survive to. This short example demonstrates the important role of the context in interpreting what someone else is saying and Hall (1976), convinced of this importance, gives his view of culture as being divided in two different types of context: high-context and low-context.

In high-context cultures, people do not literally mean what they are saying since the message is implicit, based on the physical context (e.g. the location), the personal characteristic of the person they are talking to (e.g. age, gender, social status) and the relationship they have with the person the message is given to (e.g. a friend, colleague, etc.). Asian cultures exhibit the highest context, never using explicit forms when talking: in Japan, for example, many studies have highlighted the fact that there is a range between 9 and 16 ways to avoid explicitly saying “no”, that goes from a vague and ambiguous yes or no to silence or directly refusing the question (Ueda, 1974; Rubin, 1983; Houck and Gass, 2011).

On the other hand, low-context cultures prefer to use explicit forms of communication, consequently people within these cultures (e.g. Swiss, Germans, Scandinavians, North Americans) always say what they actually mean: when saying yes, they mean yes.

Last, in reference to time conception described in Section 1.1.3, low-context cultures tend to be monochronic, while high-context ones tend to be polychronic. (Hall, 1959)

1.1.6.3 Schwartz model

Another important model regarding culture comes from the Israeli sociologist Shalom Schwartz. His idea is based on the fact that values lend meaning to human life (Weber, 1930, p. ix) and according to Schwartz (2012) they can be defined in six ways: (1) as beliefs, (2) as desirable goals according to which people act, (3) as transcendent from situation or action since when an individual has a value he or she always acts according to this value, regardless of the situation, (4) as standards or criteria that individuals use to evaluate actions and situations they face, (5) as having an order of importance and (6) as having a relative importance since values influence an individual when they are relevant in the situation he or she is facing. These six features concern all values, but what distinguishes one value from another is the type of goal or motivation that it expresses. These goals derive from three universal requirements of existence which all individuals have to deal with: biological needs, requisites of coordinated social interaction, and survival and welfare needs of groups. Following this path, Schwartz identifies ten values, shown in Figure 8, organized into four different dimensions: openness to change, self-enhancement, conservation and self-transcendence.

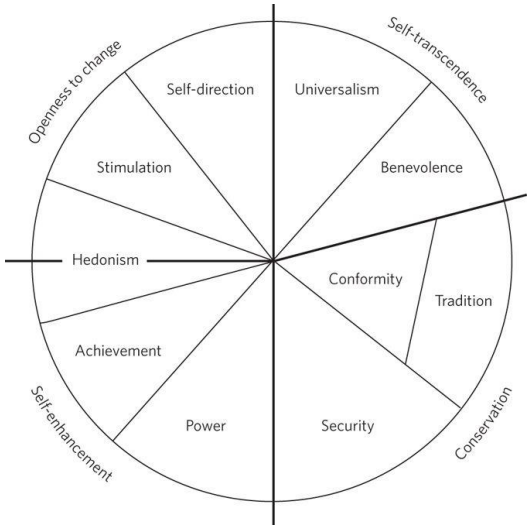


Figure 8: Schwartz model of human values. Source: Sagiv et al. (2017). Personal values in human life. Nature Human Behaviour, 1(9), 630.

The ten values shown in Figure 8 are universalism, benevolence, conformity, tradition, security, power, achievement, hedonism, stimulation and self-direction. Universalism is about "understanding, appreciation, tolerance and protection for the welfare of all people and for nature," (p. 7) it is about how much a person cares

about all people and it is based on an out-group orientation. This concept is in sharp contrast with benevolence which is connected to an in-group orientation: it is about caring for the welfare of the people they have more personal contact with and not of all people. Conformity is about obedience, self-discipline, politeness, honouring parents and elders; while tradition is about a "group's practices, symbols, ideas and beliefs leading to respect, commitment and acceptance of the ideas that one's culture or religion provides" (p. 6). Conformity and tradition are close to each other since they both subordinate the self to someone or something: conformity subordinates the individual to people one frequently interacts with, while tradition to more abstract objects like religions and cultural customs. Security is referred to as the need for safety, harmony and stability of the society and of the self, it includes primarily individual interests (e.g. clean) and group interests (e.g. national security). Power is about social status and control (or dominance) of people and resources. In many empirical analyses of the relations between individuals, both within and across cultures, it has emerged that power is considered as a value in many societies. Achievement regards individual success through a demonstration of competence according to social standards. Even if both power and achievement values focus on social esteem, the first one emphasizes the preservation of a dominant position in the society while the second focuses on active demonstrations of successful performances. Hedonism is about pleasure or sensuous gratification of the self, enjoying life and self-indulgence; stimulation is about excitement, novelty and challenge in life, and, last, self-direction is about independence, creativity, freedom and curiosity.

Between these values, there are dynamic relations since actions based on any value have consequences that are in conflict with some values but are congruent with others. For example, pursuing achievement values usually clashes with pursuing benevolence values and is congruent with power values. The four dimensions of the analysis in Figure 8 show the total pattern of relations of conflict and congruity between the ten values so that, for example, tradition and conformity both subordinate the self to someone. Following this logic, "openness to change", being based on values of dependency and feelings of readiness for change such as self-direction and stimulation, is opposed to "conservation" which is based on

preservation of the past and resistance to change values such as security, conformity and tradition. On the other hand, "self-enhancement", being based on values such as universalism and benevolence, is opposed to "self-transcendence" which is based on values such as the dominance over others (i.e. power and achievement). Hedonism, sharing elements of two categories of values, is between openness to change and self enhancement.

1.1.6.4 Lewis model

The last model that will be analysed in this Section was created by Richard Lewis (2010) who was convinced that, even if there are many nation–states and different cultures, some of those nations still understand and cooperate with each other since they belong to one of the three categories he created. His model, as shown in Figure 9, is based on the idea that human behaviour can be divided into three groups: linear-active, multi-active and reactive. Looking at the model, at the three vertices of the triangle, there are the three Lewis categories of culture in their extreme and pure form, while towards the triangles' sides there are cultures who do not perfectly match one of the three groups, having something that characterizes more than one group simultaneously.

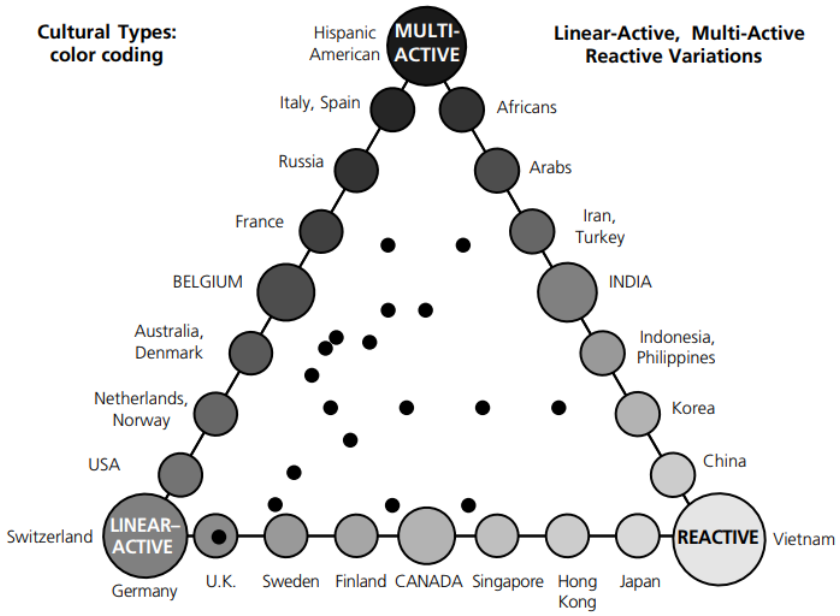


Figure 9: The Lewis model. Source: Lewis, R. (2010). When cultures collide. Nicholas Brealey Publishing.

This model is important when working in cross-cultural businesses because it explains many situations. For example, it is useful to understand why if a Spanish

and a German have a business to run together, some problems might arise: the Spanish could have some behaviours that would make the German ask himself why he is not on time, why he does not abide by deadlines or follow plans. This can be explained by the fact that they belong to two different Lewis categories: the Spanish belong to a multi-active culture while the Germans to a linear-active one.

Linear-active people do one thing at a time, are polite but still use a direct way of communication, are oriented towards the job rather than towards other people and relationships, they stick to facts and their agenda, they are punctual and schedule everything, get information from statistics, tend to be unemotional and reluctant to accept any favour. Germany, Switzerland, Luxemburg, UK and USA are the most linear-active nations in the world.

Multi-active people do several things at a time, they are emotional and people-orientated rather than job-focused, they put feelings before facts, have no problems in changing plans if something happens since they do not necessarily rely or respect agendas and scheduled meetings and they are usually not punctual. Mexico, Columbia, Italy, Spain and, more in general, Hispanics and Africans are among the most multi-active nations in the world.

Reactive cultures rarely initiate action or discussion since they prefer to react to their partners' actions, they are polite but indirect, very people-oriented and consider statements as promises. These people are the best listeners in the world since they are really focused on what a speaker is saying and rarely interrupt him or her while delivering his or her discourse. Even when an individual belonging to this category replies to a speaker's discourse, he or she does not immediately state his or her opinion, but prefers to firstly ask further questions to clarify what the speaker is actually trying to say: the Japanese, in particular, ask for clarifications many times to be sure there are no misunderstandings before giving an opinion. In conversations, they are particularly different from the other two groups since in reactive cultures the preferred mode of communication is the monologue while in linear-active and multi-active cultures the preferred one is the dialogue. Reactive cultures are mostly found in Japan, China, Taiwan, Korea, Thailand and Vietnam.

The fact that a nation reflects the characteristics of a particular group is not always static since interactions between countries belonging to different categories might

lead one of them to change its own, shifting to the others' one: for example, German and other European influences (which belongs to the linear-active group) in Chile have shifted Chileans to be less multi-active than, for example, Brazilians or Argentineans (Lewis, 2010, p.32).

1.2 Consumer behaviour

In Section 1.1.1, the importance of considering culture when doing business has emerged since Multinational Enterprises, working at multinational level, try to sell products or services to people who, having different cultural backgrounds, have different behaviours and preferences. For example, when considering the Asian and the Australian consumers that want to buy a car, an important difference based on culture and impacting how they behave emerges. Asian countries and Australia have different levels of individualism (see Section 1.1.5): China scores 20, Japan 46, South Korea 18, Taiwan 17 and Australia 90. This cultural difference studied by Nayeem (2012) appears to have a strong consequence in relation to the purchase of a car: the Asian consumers, being more collectivists, involve a number of family and friends in their decision making, while the Australian consumers, being more individualists, do not rely on group decision making and use mostly internet to search for information. This means that the automobile companies have to consider the cultural factors' influence on consumer behaviour and, according to this, they have to create the correct marketing strategies for different cultural settings. At this point, the analysis has to move from the realm of culture to consumer behaviour, to define it and, in Section 1.3, to understand how it is influenced by culture.

1.2.1 Consumer behaviour: factors of influence

When an individual is deciding to buy something, the decision on what, how, where and when to buy depends on many factors such as his or her social and cultural background, age and family, attitudes, beliefs, values, motivation, personality, social class and many others. According to this idea, Engel *et al.* (2001) define consumer behaviour as being about "those activities directly involved in obtaining, consuming, and disposing of products and services including the decision processes that precede and follow these actions." This definition, based on the entire purchasing experience from the pre-purchase to the post-purchase stages, is similar to Khan's

(2007) who defines consumer behaviour as "the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services" (p. 4). These definitions point out that the focus of consumer behaviour is not just the act of purchasing, but the entire process starting in the mind of the consumer who recognizes a need, followed by considering the alternatives between products that can be acquired and the analysis of their relative advantages and disadvantages, followed by a process of decision-making for purchasing the good and using it and, last, the post-purchase behaviour which shows if the acquired product has been a success or not. Following this logic, Khan (2007) created a framework to study consumer behaviour, shown in Figure 10.

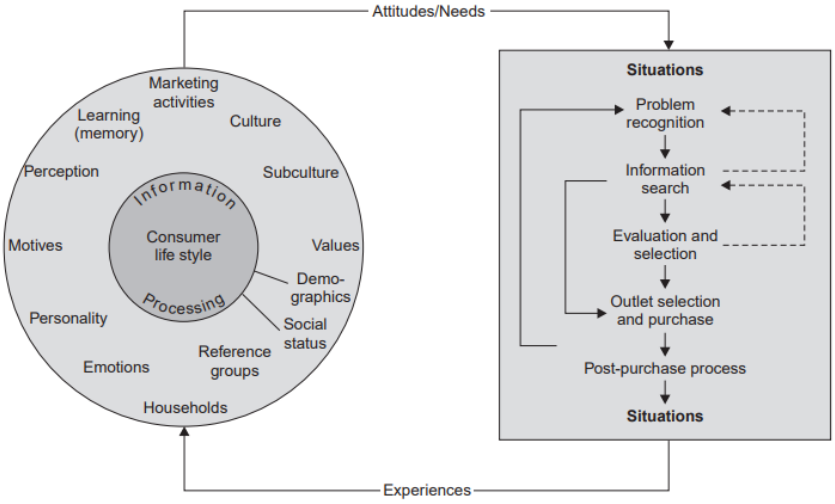


Figure 10: A simplified framework for studying consumer behaviour. Source: Khan, M. A. (2007). Consumer behaviour and advertising management. New Age International.

The left side of Figure 10 places the consumer life style in the centre of a circle: it is an element influenced by a number of factors, both internal and external to the consumer, shown all around it. The factors influencing consumer lifestyle are various: culture, subculture, values, demographic factors, social status, reference groups, household, the elements that Khan defines as "internal make up of the consumer" (p. 8) composed by his or her emotions, personality, motives of buying, perception and learning, and, last, the marketing activities and efforts of the marketer. When a consumer recognizes a need, he or she analyses the entire situation (shown in the right side of Figure 10) searching for information, evaluating the different options and selecting the best one, deciding where to buy a product or

service, purchasing and analysing the post-purchasing experience. These actions will represent experiences on which the individual will base future decisions (see the arrow at the bottom of Figure 10).

Among the internal factors influencing a consumer's purchasing decision there are values that influence how a person acts and what he or she buys. This influence is given by the fact that the consumers' decisions are usually taken in a way that reflects his or her values: if an individual believes in sustainability and considers it as a defining value, he or she will never buy products which have not been manufactured according to sustainability principles; if a person is fighting for animal rights, he or she will never buy a real furcoat. Demographic factors also influence the purchasing decision, since each age has its needs or temptations: for example, young people might prefer to buy sneakers while the elder people might prefer more elegant shoes. The social status is borderline between internal and external factors and it is mirrored in what a person owns so that the decision of what to buy is influenced and determined by what a person needs to show in order to maintain a certain status. Among the internal factors, there are the "internal make up of the consumer" (p. 8) composed by perception, motives of buying and emotions, personality and learning. The most important psychological factor that affects human behaviour is perception, consisting of four steps: exposure, attention, interpretation and memory. The exposure to a stimulus happens when this stimulus comes under the range of sensory preceptors and this might happen in five different ways through the five senses. The eyes make it possible to perceive a stimulus just looking at magazines, the internet, the television or directly to the packaging of a product which has been studied to be a vehicle for consumer communication and branding influencing consumer behaviour (Silayoi and Speece, 2007). The importance of creating the correct packaging was shown by Usunier *et al.* (2005, p. 264) presenting an example of a French company exporting to West Germany a cheese from the Pyrenees: the packaging presented a picture of a shepherd surrounded by his sheep that was very appreciated in France, but associated to dirtiness in Germany where people were not attracted by the product, hence the company had to change the picture for the German market. The second way to perceive a stimulus is through sound, listening to radios and the television or, in

general, to music. The influence of music on consumer behaviour has been demonstrated by many authors: Soh *et al.* (2015) explained that the pleasure and the arousal of consumers are significantly impacted by the music's tempo since these feelings increase with faster tempo in the background music, and decrease with slower tempo; according to Broekemier *et al.* (2008) playing music that is liked by customers increases their willingness to buy in shops and this influence raises when happy music is played. The third sense is taste which can be used to perceive a stimulus in some places such as Christmas or other typical markets where people can try some products such as honey, cheese and hams. The fourth way of perceiving a stimulus is through smell as, according to Sell (2006), it is a vital part of brand communication: fragrances and flavours are incorporated into every aspect of the humans' lives from shampoo, to candles, to laundry and cleaning products, and are used by people to reflect feelings such as luxury, prestige, warmth and freshness. Last, a stimulus can be perceived trough touch as it happens in clothes-shops where it is possible to touch silk foulards, cashmere pullovers and so on. The second step is the attention that is triggered when "the sensory receptor nerves are activated by the stimuli and the brain registers sensations for processing", meaning that an individual among the huge variety of goods that he or she faces focuses only on some of them. This is a very important step for producers since people are exposed to thousands of choices: at the supermarket, for example, there are many different types of sugar, flours and toilet paper which, being not that different among themselves, make the choice of what to buy difficult. Here, besides the price, also the packaging can make a difference: in a study conducted by Underwood and Klein (2002) consumers reported a more positive attitude when the package of a product included a product picture. Last, interpretation is about giving a certain meaning to a stimulus and memory is about storing the stimulus in the mind.

Another element characterising the "internal make up of the consumer" is represented by motives of buying and emotions. The motives of buying is about why consumers act in a certain way: it is the gap between what an individual has and what he or she wants to have and it drives the consumer into spending time and effort in order to reach his or her desire. Emotions are "relatively uncontrolled feelings" (Kahn, 2007, p. 96) affecting human behaviour, they derive from

environmental factors and events: if somebody has been mistreated he or she will later feel angry and this emotion will influence his or her decisions that would have been different if he or she would have felt happy. Emotions are so fundamental in consumer purchasing decision that marketers use them in advertising: commercials with emotional context (e.g. joy, warmth, disgust) attract attention more than the neutral ones and this is why in ads it is common to see family relationships that, producing warmth and joy, convince the consumer to buy the advertised product or service.

Personality is "the sum total of our mental, physical and moral qualities and characteristics" (p.28) present in an individual and this factor influences consumer behaviour since people tend to buy products or services that reflect their own personalities. Nowadays, this tendency is becoming less true with new generations influenced by the so-called "influencers," defined as a "new type of independent third party endorser who shape audience attitudes through blogs, tweets, and the use of other social media" (Freberg *et al.,* 2011). Young people tend to follow these influencers on the social media (e.g. Instagram) and their styles and personalities instead of their own, losing the link between someone's personality and the decision of what to buy as being representative of the self. The last element composing the "internal make up of the consumer" is learning: everyone is exposed to a lot of information but they tend to remember just what they are interested in or is important for them. The real challenge for companies nowadays is to create something that will be noticed and remembered by consumers among thousands of other substitutive products they are exposed to.

Beyond the internal factors, there are also external ones influencing the decision of buying a specific product or service. Among the external factors, institutions (e.g. the State, the Church and Trade Unions) influence the marketing environment and, consequently, the consumer behaviour. For example, in France the Church is fighting against the Sunday openings of shops, and in Germany trade unions have been fighting not to permit these openings and in 2006 the Federal Government granted regulating working hours (Usunier and Lee, 2013). As in Germany, also in Wien (Austria) shops are mostly closed on Sundays but this does not happen everywhere: in Vilnius (Lithuania), for example, shops are opened every day. This topic has

attracted also a lot of attention in Italy where a debate is going on: is it better to maintain shops opened all Sundays or to reduce these opening hours? The answer is not clear and everyone has his or her opinion about it, but what is clear is the fact that these institutions' decision on opening or closing shops has an influence on consumer behaviour: in countries in which shops are closed on Sundays people are more used to buy online (Usunier and Lee, 2013) and the e-commerce practice is becoming more and more common in these last years since in 2014 already 1,32 billion people were using internet to do shopping and this number has constantly been increasing (Figure 11).

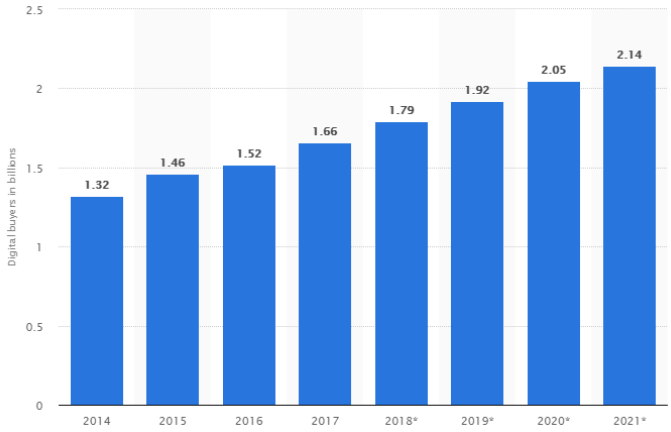


Figure 11: The number of digital buyers worldwide from 2014 to 2021 (in billions). Source: Number of digital buyers worldwide from 2014 to 2021 (in billions) (2017, July). Retrieved from https://www.statista.com/statistics/251666/number-of-digital-buyers-worldwid

Consumer behaviour is also influenced by religion which has a strong impact in some habits such as eating. For instance, Judaism defines each aspect of a diet (with references to production, distribution and consumption) so that eating is a way to build a relationship with God. Jews are allowed to eat the so called *kosher* food and this diet has to be observed during the entire year. Muslims follow the Halal diet which prohibits pig, boar, swine and the meat of carnivorous animals, and each day of the month of *Ramadan* they cannot eat or drink from dawn till dusk. If Jews and Muslims have to follow quite strict rules, other religions such as Christianity do not include such strict norms related to food or drink but Christians do have some practices of abstinence from certain foods in particular periods (e.g. the Lent and the Holy Easter). (Bossi *et al.,* 2014)

Beyond institutions, social factors influence an individual decision and, consequently, his or her consumer behaviour. According to Ferrell and Hartline

(2011), among social influences, family is the most important since consumers typically exhibit the brand and product preferences of their parents. Usunier and Lee (2013) describe the family as "an interactive group of individuals, who influence each other in their decisions". Studying families and decision making, Rodman (1972) describes four type of societies in which the person in the family who takes decisions changes. The first type of society is called patriarchy and it is characterized by a high level of paternal authority: India exhibits many characteristics of this society. The second type of society is called modified patriarchy in which patriarchal norms are related to the social class: equalitarian norms are present in the upper strata. Yugoslavia and Greece are societies in which patriarchal norms are still valid at the level of the lower classes while modern-equalitarian norms characterized the higher classes. The third type is transitional equalitarianism, in which equalitarian norms are substituting patriarchal ones: the USA and Germany are examples of these societies. Last, equalitarianism is characterized by the husband and the wife both sharing power and decision making. Family decision making also depends on a society being more feminine or masculine and individualist or collectivist (see Section 1.1.5): highly feminine individualist societies share social and economic responsibilities between men and women that have individual freedom; in highly feminine collectivist societies, both men and women have responsibilities but there is less individual freedom; in highly masculine individualist societies, there is a lower equality level and a high level of individual freedom; in highly masculine collectivist societies, there are low levels of both equality and individual freedom (Usunier and Lee, 2013).

Besides families, reference groups and opinion leaders also have an important impact on the consumers' behaviour. Reference groups are used by individuals to make comparison, to look for information in order to decide what to buy following their advice, beliefs and actions. Opinion leaders can be part of a reference group or can be outsiders, hence consumers consult these leaders seeking for their advice when they don't know enough about something to make a decision. (Ferrel and Hartline, 2011)

The entire society also influences the individual consumer behaviour since consumers buy products for the value they provide and this value might be private

and/or public. (Richins, 1994) The private meaning is the sum of subjective meanings that an object has for an individual and these meanings might be universally shared by a society or be unique for each individual, coming from his or her past experience. On the other hand, public meaning is the subjective meaning that is assigned to an object by outside observers and not the owner himself. An object can have both a public and private meaning: an expensive bracelet that has been given as a gift from a husband to his wife might have a public meaning (because the bracelet is recognized as expensive) and a private one (since the bracelet is a gift).

Last, there are also situational influences that can affect the consumer buying process. Physical and spatial influences such as a retail outlet's atmosphere, a retail crowding and a store layout and design might influence consumer behaviour since a comfortable atmosphere would encourage a person to buy, while a crowded store may convince customers to leave. Social and interpersonal influences such as shopping in groups or the relation with customer assistants might convince a person to buy or not: a rude salespeople would offend the customer, making him or her leave the shop. Time-based influences such as lack of time also determines consumer behaviour since consumers will pay more for products when they are in a hurry or face an emergency. The Purchase task or product usage (e.g. buying a product as a gift) also has an impact on consumer decision of what to buy: consumers may buy higher quality products or pay higher prices products for gifts or special occasions. Last, consumer disposition influences the purchasing experience since, for example, suffering from stress or fatigue might lead a consumer not to buy at all or to buy certain products to make themselves feel better. (Ferrell and Hartline, 2011)

To conclude, consumer behaviour might be described as the entire process of purchasing from the need recognition to the post-purchase experience and as something influenced by many factors, both internal and external to the consumer. Among the internal factors, there is the individual cultural background and this influence will be analysed in Section 1.3.1.

1.2.2 Hierarchy of needs

Regarding consumer behaviour, Section 1.2.1, starting from the definition based on the purchasing decision, focuses on the factors influencing it. This Section, on the other hand, is based on the consumer behaviour definition given by Solomon (1996) who, focusing on the concept of what a consumer needs and wants, gives a definition close to Khan's motives (see Section 1.2.1). According to Solomon, consumer behaviour is "the process involved when individuals or groups select, purchase, use, or dispose of products, services, ideas or experiences to satisfy needs and wants." This definition brings to mind the car example at the beginning of Section 1.2, since it introduces the idea that the consumers' purchase decision is not always a domain of an individual, but might be taken as a group (as it happens for Asians buying cars), and, most important for this Section, it highlights the role of a person's "needs and wants." According to the central role of needs introduced by Solomon's definition, it is now necessary to consider Maslow's hierarchy of needs (Figure 12), which consists of a famous hierarchical order of basic universal needs.

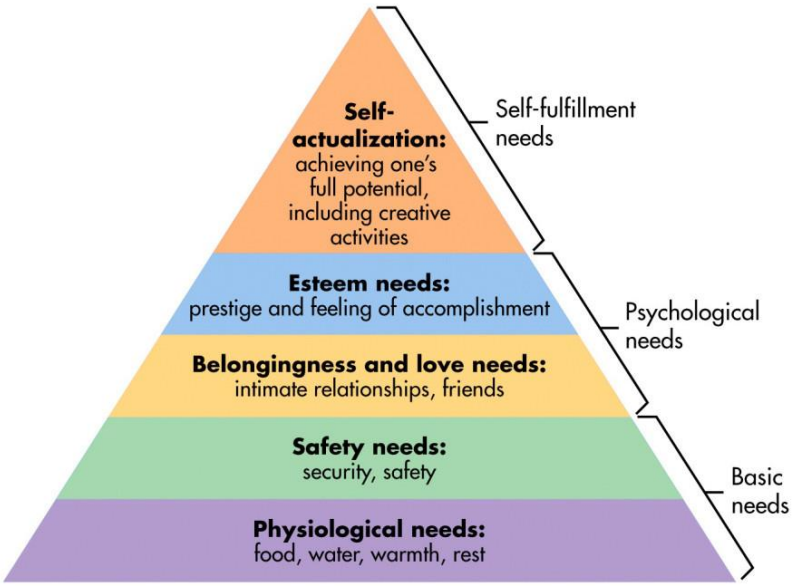


Figure 12: Maslow's hierarchy of needs. Source: McLeod, S. A. (2018, May 21). Maslow's hierarchy of needs. Retrieved from https://www.simplypsychology.org/maslow.html

At the basis of the pyramid, there are the *physiological needs*, that Maslow defines as "the most prepotent of all needs" (p. 86) and include basic activities such as eating and drinking. The second level is occupied by *safety needs*, which emerge when physiological ones are satisfied, and consist of the need for security, protection,

freedom from fear, the need for structure, order, law and limits. Both physiological and safety needs are considered basic needs since their satisfaction is necessary to survive. When both the first two levels of needs are well satisfied, the third level emerges: *the love and affection and belongingness needs*, including the need for friends and love relationships. The fourth level is characterized by *esteem needs*, based on the fact that all humans have the "desire for reputation or prestige, status, fame and glory, dominance, recognition, attention, importance, dignity, or appreciation" (p. 45). The third and fourth levels of needs are psychological ones since they are not necessary to survive, but they are still important from a psychological perspective. Last, even if all these needs are satisfied, people might still try to satisfy the *self-actualization need* based on the idea that "What a man can be, he must be" (p.46), namely the idea of the development of an individual's full potential. According to Maslow, one level arises after the previous one has been satisfied but, from a cross-cultural perspective, this is not true: in particular developing countries, social status is so important that some people deprive themselves of food to buy a refrigerator. Hindu cultures, for example, encourage the satisfaction of the highest needs (self-actualization) and discourage the satisfaction of the lower levels (Usunier and Lee, 2013; Altman and Low, 2012). Some authors have criticised Maslow's theory: Wahba and Bridwell (1976) state that his studies are a non-testable theory since, suggesting a more "humane" science, Maslow did not care about providing rigor in his writings and, most important, he had never defined the concept of "need" itself. They also say that the support of Maslow's hierarchy cannot be total, since there is evidence concerning only the physiological and the security needs (p. 234). Other criticism comes from Miner and Dachler (1973) who support the fact that Maslow's need hierarchy theory "has not been subjected to as extensive testing" (p.389) and Wofford (1971) who finds, contrary to the Maslow formulation, that higher level needs may be related to job satisfaction even when the lower level needs have not been gratified yet. Despite the critics, this theory has been widely used, influencing the writings of many prominent authors in the field of management and organizational behaviour (Wahba and Bridwell, 1976).

1.3 Culture and consumer behaviour

Sections 1.2.2 has underlined how consumer behaviour is influenced by both internal and external factors. Among the internal factors, there is culture and its influence on consumer behaviour will be the focus of this Section. Culture has been defined as something that shapes an individual's beliefs and tastes and, consequently, his or her behaviour when it comes to buying something. Multinational companies sometimes have to adapt their products according to the country in which they are selling them, since the tastes and the preferences of people might change according to their cultural background. For example, Kit Kat, a chocolate-covered wafer bar confection created by Rowntree's of York (UK) and globally produced by Nestlé, adapts its taste according to the country of destination: in Japan, as shown in Figure 13, many different tastes from wasabi to Shinshu apple are distributed while in Italy (Figure 14) just a few chocolate-based tastes are distributed.

Figure 13: Kit Kat tastes in Japan. Source: Mayland, A. (2018, May 1). (Almost) Every Japanese Kit Kat Flavor. Retrieved from https://www.andersmayland.com/every-japanese-kit-kat-flavor-list/

Figure 14: Kit Kat tastes in Italy. Source: https://www.kitkat.it/

Culture has to be carefully considered even when it comes to advertisement because the cultural background might change, for example, the conception of what is allowed or not to be shown in public. As a consequence, many advertisements are adapted to the country of destination and, for instance, Head and Shoulder shampoos' ads are carefully changed: in the US the advertisement shows a woman with the focus on her hair while in Malaysia the ad shows a women washing her hair with her *hijab* on, to respect the Muslim culture's prohibition for a woman to show her hair in public (Figure 15).

Figure 15: Different shampoo advertisement in US and Malaysia. Source: https://www.productionparadise.com/spotlight/photo-production-1281/creative-management-38345.html#prettyPhoto ; Fun, P. (2017, May 4). Retrieved from https://www.worldofbuzz.com/malaysian-ad-s

1.3.1 The Hofstede cultural dimensions and consumer behaviour

To better understand how cultural aspects might influence consumer behaviour the Hofstede model (Section 1.1.7) will be used. The choice of using this model is based on the fact that, even if the scores were originally produced in the early 1970s, many replications of Hofstede's study on different samples have proved that the country ranking in his data is still valid so that the model can still be used nowadays. (De Mooij and Hofstede, 2011)

The first dimension is individualism, as opposed to collectivism, and it is based on the concept of the Self. In the individualistic Western world, an individual is seen as "an autonomous entity with a distinctive set of attributes, qualities, or processes" (De Mooij and Hofstede, 2011, p. 183) while the more collectivist Eastern world considers the self as an entity which cannot "be separated from others and the surrounding social context, so the self is an interdependent entity who is part of an encompassing social relationship". The differences in the individualism level impact

many aspects of an individual's life, starting from basic aspects such as the feeling of happiness: in Japan (scoring 46 in individualism) the feeling of happiness is associated with interpersonal situations (e.g. feeling friendly) and in Greece (scoring 35) positive feelings are negatively related to a sense of independence; on the other hand, in the United States (scoring 91) feeling good is more frequently associated with interpersonal distance (e.g. feeling superior or proud) and in the United Kingdom (scoring 89) happiness is related to a sense of independence (Nezlek *et al.*, 2008). How people reach happiness has to be factored in by companies when they want to sell a product or service: in the US, people would prefer products which make them feel superior (e.g. prestigious products) while in Japan they would prefer products or services leading to social interactions. To be individualist or collectivist has an impact on what an individual prefers to buy: in individualistic countries, people prefer unique brands with consistent characteristics, whereas in collectivistic countries people prefer brands which are part of a larger whole, a product of a trusted company. This logic is followed by companies when developing a brand: on one hand, American companies, knowing the high individualism level of the US, have developed product brands with unique characteristics; on the other hand, Japanese companies have generally emphasized the corporate brand. Moreover, being an individualist or not also influences the choice of an individual about which type of house to buy, since individualists prefer to live in semidetached houses with private gardens, while collectivists prefer apartments or flats. In their free time, individualists tend to read more books and use computers and smartphones while collectivists tend to read fewer books, use less the computer and enjoy TV more (Hofstede, 2001). This cultural dimension has to be seriously considered when doing business in order to avoid failures: IKEA, for example, faced difficulties when entering the Turkish furniture market because, unlike the individualistic American buyers who purchase small furniture to be used by a few people, Turkish people, living in a country that scores 37 in individualism, usually choose large sets of furniture because they live in large families and often invite lots of relatives and friends in their houses. (Hoang, 2015)

The second dimension that influences consumer behaviour is power distance that can be defined "as the extent to which less powerful members of a society accept

and expect that power is distributed unequally" (De Mooij and Hofstede, 2011, p. 182). In high PDI countries, everyone has his or her place in the social hierarchy and social status becomes very important in determining the role of global brands: if power distance is high, one's social status must be clearly perceived by others and subsequently, global brands, being perceived as prestigious, become the most preferred and acquired by people (Steenkamp et al., 2003, p.62). In countries with high power distance, people also tend to respect rules and authority, obeying people who have authority. Obedience is a basic element in the structure of the social life and, binding men to systems of authority, it is very much relevant. In 1961, Stanley Milgram, a psychologist at Yale University, conducted an experiment focusing on the conflict between obedience to authority and personal conscience to understand how the mass obedience to Hitler's orders during the World War II occurred. During the experiment, Milgram was interested in discovering how far people would go in obeying an instruction, given by somebody perceived as an authoritarian figure, if it involves harming another person. The experiment was conducted at Yale University in two rooms: one for the learner (a partner of the experimenter) with an electric chair and another for the teacher (the participant) and experimenter with an electric shock generator. The "learner" had to learn a list of paired words and the "teacher" had to test him by naming a word and asking the learner to recall its pair from a list of four possible choices. Every time the learner made a mistake, the teacher was told to administer an electric shock, increasing the level of shock each time. During the experiment, 65% of people gave the highest shock even if they were unhappy to do so just because the authoritarian figure (the experimenter) told them to do so. Milgram concluded that "people tend to obey orders from other people if they recognize their authority as morally right and / or legally based." (Milgram, 1963; McLeod, 2007) To conclude, obedience characterizes countries with high power distance level and businesses must consider this fact since people in these places would buy products or services not necessarily because they like them but because they are told to do so by individuals that are considered authoritarian figures.

The third dimension influencing consumer behaviour is masculinity, in opposition to femininity. On one hand, the dominant values in masculine societies are achievement and success, on the other hand, the dominant values in a feminine

society are caring for others and the quality of life. In populations belonging to a masculine culture, men make buying decisions while women usually do the shopping for food, so that businesses have to consider the fact that the target's gender changes from country to country. In masculine societies, performances and achievements have a strong value and must be demonstrated so that people tend to prefer and buy brands or products that show prestige such as jewellery and global brands that are perceived as being prestigious. On the other hand, feminine cultures are characterized by shared buying decisions aimed at purchasing something, hence products are bought to be used and not to display a status and they have preferences for modest and local products and brands. (De Mooij and Hoftsede, 2011)

The fourth dimension influencing consumer behaviour is uncertainty avoidance which is the extent to which people are afraid of uncertainty and ambiguity and try to avoid them. In cultures of strong uncertainty avoidance, people are very much afraid of uncertainty, thus they do not like changes and, consequently, have a strong brand loyalty, preferring to buy products or brands they already know rather than risk changing them. They read fewer books and newspapers and prefer "purity" products in foods and drinks such as mineral water, fresh fruits, sugar and textile washing powder (De Mooij and Hofstede, 2010, p.90; Management Association, 2014, p.2165). Being against risk, when there is house repair work to be done, they prefer to call specialists rather than do it by themselves and when it comes to buying a car, they prefer new ones rather than second hand ones. Analysing investments, high UAI people invest in real estate, in precious gems and metals; in payments, they prefer long terms. On the other hand, low UAI people are not afraid of changes, so they are not brand loyal and are attracted by new products, they read more books and newspapers, buy convenience products and second hand cars, they believe in the "do it yourself" at home, invest in stocks and prefer short term payment for bills. (Hofstede, 2001)

Focusing on long and short terms orientation, people show a huge difference in how much they care about future. High LTO societies worry about the future and so, they tend to save a large part of their income rather than spending it, they invest in real estate and give children gifts related to education and finances to have a better future. On the other hand, low LTO societies are more focused on the here and now,

so they save a small part of their income, preferring to buy products in the present rather than being able to buy more in the future, they invest in mutual funds and give children gifts for their immediate happiness. (Hofstede 2001) Different orientations towards time also influence the method people use to pay: De Mooij and Hofstede (2002) discovered that long-term orientation cultures are cash or debit card cultures, instead of being credit card cultures. They also discovered that high LTO consumers prefer to go to stores to buy products rather than having them delivered at home, so that these populations have less receptivity to e-commerce. Last, cultures with high long term orientation, being more oriented to the future and caring more about what will happen, present higher level of environmental consciousness, caring more about climate change and sustainability issues. (Gul, 2013)

The last dimension is indulgence versus restraint, which refers to how much people are free to be happy and enjoy life. Indulgent people, giving more importance to having friends and fun, spend more on fun and entertainment activities, they do sports more frequently (at least once a week), they consume less fish and more soft drinks and beer, presenting a positive correlation with obesity (Hofstede *et al.,* 2010, p.292). Moreover, a survey from the Pew Research Center in 2002-2003 asked respondents if foreign movies and music were a good thing and it revealed that the respondents who said they were "very good" were positively correlated with indulgence so that more indulgent societies also fully approve of some imports of entertainment, such as music and movies, while restraint ones do not. (Hofstede *et al.,* 2010, p. 291-292)

The analysis of Hofstede's cultural dimensions from a consumer behaviour perspective underlined the differences between consumers when choosing to buy a product or a service. These differences also have an impact on how consumers react to advertisement and Section 1.3.2 presents a case study based on the Adidas ads showing how multinational companies adapt advertisements depending on the country in which they want to sell their products, to meet the customers' preferences, respecting their cultural background.

1.3.2 Case study: Adidas advertisements

Adidas AG is a German leading international sporting goods corporation headquartered in Herzogenaurach, Bavaria. (Moser *et al.,* 2006) In this Section, the Adidas approach to the cross-cultural marketing in terms of advertisement is going to be analysed. Being the largest sportswear manufacturer in Europe and the second biggest sports brand in the world does not necessary mean that Adidas does not need to adapt its image. For instance, in US, Dubai and China, countries that are different from a cultural point of view, Adidas adapts its advertising since the target market changes.

The American people have a strong individualistic level (91) and this leads to a culture in which people want to feel unique, different from the others, responsible for their own fate, do what their conscience wants, be true to themselves and make their own choices without following what others do (Kim and Markus, 1999). The American culture has also a quite high level of masculinity that reaches 62 points: this means that in the US people considered values such as success to be really important. The Adidas advertisements in the US have taken in consideration these cultural factors and the 2017 *Adidas original ad* (Figure 16) was made according to this.

Figure 16: Adidas original ad in the US in 2017. Source: Oresti, P. (2017, February 1). Ad of the Week: It's the future, Jim, but not as we know it. Retrieved from http://www.marklives.com/2017/02/ad-of-the-week-adidas-originals-terence-neale-rsa-egg-films/

"To be different" is what is highlighted in this ad and this is exactly what young people feel the need to express nowadays: be unique, express themselves. There is more than one Adidas original advertisement, but the concept is always the same: strong images, rappers who wear gold necklaces or rings, dark colours, famous

people, the reference to classic paintings and always the same song, I did it my way by Frank Sinatra, sang by both him and the young people acting in the ad. The message is clear: be unique, do it your way, create your own future without caring about all the predictions society lays upon you.[10]

In Dubai things change and the focus of the Adidas advertisement is on using worldwide famous people to correlate the company's products to a certain status. In 2015 Adidas created an event with David Beckham (a football player), in 2016 the company created an event starring Rita Ora (an American singer) and in 2017 it has created an advertisement in collaboration with Nosaj Thing (a producer) to promote an event in The Boiler Room (a disco in Dubai). The choice of using worldwide famous people, on which the young generation relies on, is useful since the level of UAI is high (80) and so these partnerships would convince more young people to buy Adidas products. Moreover, since in Dubai the level of power distance is high (90) and social status is very important, using worldwide famous people gives a perceived brand globalness effect which provides this status. (Steenkamp et al., 2003, p.62)

In China Adidas changed the focus of its advertisements using the idea of the group given the fact that the Chinese people are more collectivists than individualists (scoring 20 in IDV). According to Tong and Hawley (2009) in China, sport is growing a lot and this is happening because sport perfectly represents the Chinese values such as bravery, courage and thrill (Cheng and Schweitzer, 1996). In 2013, Adidas presented two famous advertisements with a focus on women to convince them to do sports. The first one is My girl (Figure 17) starring Tien Hebe (a famous Chinese singer) and in this ad sport is seen as a social event, recalling the importance of collectivism for the Chinese people; the second is Ning Chang for Adidas and, again, the famous Chinese actress does sports with other women so sport becomes a social event. The choice of using Chinese people instead of worldwide famous ones (as it happened for the Dubai market) might be related to the fact that, according to Zaho

[10] Oresti, P. (2017, February 1). Ad of the Week: It's the future, Jim, but not as we know it. Retrieved from http://www.marklives.com/2017/02/ad-of-the-week-adidas-originals-terence-neale-rsa-egg-films/

(2004), nationalism is very strong in China so using foreign celebrities would not be the right way to reach success.

Figure 17: Adidas advertisement in China. Source: Case study: adidas China's "all in for my girls" (2014, January 1). Retrieved from https://www.marketing-interactive.com/case-study-adidas-chinas-2013-womens-girls/

The Adidas winning approach through these three different countries shows how important adaptation according to different cultures is, while competing in a global market. In these countries, the Adidas idea of sport is not the same, but it reflects the culture of each place: in America it means to be unique, in Dubai sport is in the background and social status becomes the focus, and in China it means working together.

2. Culture and Luxury Consumption Behaviour

2.1 The history of luxury products

The globalization is considered to be a controversial phenomenon. On one hand, it has allowed people to travel, to be more interconnected, it has limited the power of physical distance. On the other hand, it is criticized because of the inequality which is still present and which, for some authors (Wei and Wu, 2001; Mazur, 2000), has increased because globalization is leaving behind the poorest countries (Kremer and Maskin, 2006). In this context, the term luxury might take a binary significance: in the poorest parts of the world, even water is considered as a luxury good, while in other countries luxury is associated to very expensive bags or cars. In this thesis, with the term "luxury products" reference shall be made to the second category of goods (i.e. expensive and exclusive goods).

The history of the luxury market of the last 30 years has been characterized by growth and decrease stages. In the first part of the 90s, the luxury market underwent a huge decrease with sales of luxury brands, from champagne to Rolls Royces, decreasing on average by 3% each year. This decreasing trend changed in 1995 when the market for luxury brands increased greatly with worldwide annual sales growing by 10 % per year, reaching peaks of 30% in some Asian markets. This happened because of renewed consumer confidence, rising stock market indices, higher incomes and lower taxes, especially in North America and Asia. Moreover, the suppression of ostentation, characterizing the American consumer behaviour during the mini-recession in the early 90s, became no longer evident and Gianni Versace's assassination in July 1997 also contributed to drawing attention to the market of luxury brands (Nueno and Quelch, 1998). A recession period ensued during the global crisis in 2008, but today the luxury market has overcome this economic uncertainty and geopolitical crises, exhibiting annual sales of US$ 1 trillion at the end of 2017. Nowadays, the luxury goods market is a theme of particular interest for Italy, being the leading country in terms of number of companies, and

France since French companies have the highest share of sales.[11] But what exactly is luxury as a term? What does this term stand for and where does it come from?

The term luxury comes from ancient times and has always been present in human history. In many European languages the term employed nowadays for luxury comes from the Latin word *luxus*: the English *luxury,* the French *luxe*, the Italian *lusso* and the Spanish *lujo*. According to the Oxford Latin Dictionary (1992), the original Latin term *luxus* is used to indicate a "soft or extravagant living, (over-)indulgence" as well as to indicate "sumptuousness, luxuriousness, opulence" (Dubois *et. al*, 2005). The Latin meaning of luxury as a soft way of living was supported, in the 1st century B.C., by two of the most famous Greek philosophers, Aristotle and Plato, who assigned a negative connotation to the term. Aristotle thought that luxuriousness (*trupherotes*) was a concept opposed to hardiness (*karteria*) and endurance (*kakopatheia*): the luxurious man is someone so soft that is unable to tolerate any pain. Plato supported the same negative connotation of the term, explaining that men who were living a luxurious life, being soft, were unable to become warriors (Berry, 1994, p. 58). In time, the term luxury has shifted from this negative "soft" connotation becoming more related to the Latin word *luxuria*, used to indicate "excess" or "extras of life" and so it became connected to wealth, exclusivity and power, identified with the satisfaction of non-basic necessities (Brun *et al.*, 2008). The link between luxury and exclusivity was reinforced when an artificial scarcity of products was created: before the 18th century companies started to monopolize raw materials creating a scarcity of goods that became affordable just for an elite of rich people and which, for this reason, became luxury-exclusive products. In this context, the term luxury was no more associated with a soft way of living but to products produced in limited quantity and, consequently, affordable just for the wealthiest part of a society. The link between luxury products and the wealthiest people was interrupted during the Industrial Revolution of the 18th century when the new technical inventions and the modern manufacturing methods made it almost impossible to claim a scarcity. As a result, there was the first

[11] Deloitte Global Powers of Luxury Goods 2018. Retrieved from https://www2.deloitte.com/content/dam/Deloitte/at/Documents/consumer-business/deloitte-global-powers-of-luxury-goods-2018.pdf

"Democratization of Luxury": goods and products, that had been considered luxury-exclusive products available just for an elite, became available to almost everyone (Rigaud-Lacresse and Pini, 2017). The industry of luxury goods has later shifted again to its wealth, exclusivity and power attributions when the modern industry of these goods was created. This happened in Europe in the 19th century when some entrepreneurs created companies with the aim of producing exceptional products representing the elitist lifestyle of each time (Bruni *et al.,* 2008). In this context it became possible to find two different forms of luxury products: an old and a new luxury. On one hand, some people considered as luxury products those related to an old luxury, therefore goods that represented heritage and prestige, that have enduring quality being produced by companies with a noteworthy history. On the other hand, other people were not so focused on the products' quality but were more interested in the new luxury products, namely those with an unusual and fresh look. The difference between the old and the new luxury has led some companies to shift from a focus on "product authenticity based on precious materials, heritage, craftsmanship and natural rarity" produced to satisfy an elite consumers' target, to a focus on products directed to the upper-middle market (Rigaud-Lacresse and Pini, 2017). A difference among luxury products is still present in the nowadays' luxury goods market which is formed by three categories of luxury goods (Figure 18):[12]

1. *Absolute luxury brands* are connected to the old luxury and are still based on precious materials, heritage, craftsmanship, elitism and uniqueness. These brands, such as the jewellery and watch company Harry Winston and the fashion brand Hermes, are historical brands that traditionally drove the luxury market.
2. *Aspirational luxury brands* are the ones that have reached their status being different and recognizable (i.e. Louis Vuitton and Gucci). These brands' goal is to re-create the emotional and creative world of the brand itself and these goods represented the largest rate of luxury goods sold in the USA from 2005 to 2006.

[12] CPPLuxury, Accurate positioning – the key to success in the luxury goods market. (2010, October 20). Retrieved from https://cpp-luxury.com/accurate-positioning-the-key-to-success-in-the-luxury-goods-market/.

3. *Accessible or affordable luxury brands* are more affordable than the aspirational ones (i.e. Hugo Boss, Tiffany and Co, Michael Kors). These companies employ plenty of advertising with messages focused on the product's performance and characteristics. Their target is the middle-class consumer who wants to attain a certain *status*. This category of goods has particularly increased its power in the emerging market where customers, who were once fine with saving up to buy traditional status symbols goods such as a 625 euro Louis Vuitton canvas bag, are now showing a preference for new accessible brands such as Michael Kors.[13]

Figure 18: The luxury pyramid. Source: Who will be the luxury brand winners and losers? (2013, January 22). The independent week. Retrieved from http://dominion-funds.com/images/downloads/publicaion_articles/IW_210113.pdf

Figure 18 shows the tripartite form of nowadays' luxury goods market, pointing out that today affordable goods play a more significant role if compared to the past, when the pyramid was a perfect one. The pyramid shown by Figure 18 makes it clear that, in time, luxury goods have entered the life of more people, reaching the masses through two democratization processes: the first one after the Industrial revolution, and the second one in the period from 2001 to 2007.[14] In this context, the term luxury, that has always been associated to products as an attribute, which has

[13] Wendlandt, A. and Goh, B. Accessible luxury snaps at heels of mega brands. (2014, March 5). REUTERS. Retrieved from https://www.reuters.com/article/us-luxury-affordable-analysis/accessible-luxury-snaps-at-heels-of-mega-brands-idUSBREA241HO20140305?curator=FashionREDEF

[14] D'Arpizio, C. (2017). ALTAGAMMA 2017 WORLDWIDE LUXURY MARKET MONITOR [PowerPoint slides]. Retrieved from https://altagamma.it/media/source/Altagamma%20Bain%20WW%20Markets%20Monitor%202017.pdf

always been considered as having just a concrete nature, becomes more than this: luxury acquires also a symbolic dimension, luxury products are used by people to distinguish themselves from the others (Eckhardt *et al*., 2013). These goods have acquired also psychological values (Kapferer and Bastien, 2012) since they are also bought to reach pleasure and to demonstrate personal success to others (Kapferer and Bastien, 2008). Following this logic, the consumption of luxury products means buying goods that represent something more than a simple product, both for the individual and his or her reference group. This consumption behaviour becomes something influenced and determined both by personal and situational conditions (Wiedmann *et al.,* 2007). The factors which lead to the perception of luxury and that guide the luxury consumption behaviour are the focus of the next Section.

2.2 The perception of luxury products in a cross-cultural perspective

Nowadays, the luxury goods market represents a real economic force, a driver of GDP and a form of competitive advantage, especially for European countries. This market is growing and the number of total consumers is estimated to reach 496 million in 2024, with a preference for experimental luxury (i.e. furniture, food and wine, hotels and vacations) rather than for personal luxury (i.e. accessories, apparel, watches and jewellery, perfumes and cosmetics).[15] The luxury goods market has global significance with a volume of US$71,810m revenue coming from different countries (Table 2).

COUNTRY	REVENUE
United States	US$71,810m
China	US$37.072m
Japan	US$27,986m
United Kingdom	US$20,618m
France	US$16,723m

Table 2: Top 5 countries for luxury good market revenues in 2019. Source: data retrieved from https://www.statista.com/outlook/21000000/100/luxury-goods/worldwide

[15] BCG, Growth in the Luxury Market. Retrieved from https://www.bcg.com/it-it/industries/consumer-products/luxury.aspx

Table 2 demonstrates the global nature of the luxury goods market since the Top 5 countries for revenue are globally distributed. This implies that consumers who buy these products are very different among themselves, having different cultural backgrounds. Chapter 1 has shown how culture influences consumer behaviour, hence people's preferences, perceptions and decisions, and this fact remains true for luxury consumption behaviour since people's perception of luxury products and the reasons behind the luxury consumption change according to the cultural background.

According to different authors (Chattalas and Shukla, 2015; Herrings *et al.,* 2017) the luxury purchase intention is driven by four values (or dimensions): social value, individual value, functional value and financial value. Based on this theory, when facing a luxury product, an individual considers (either consciously or not) these four values in order to take a decision on the purchasing.

The *social value* of a luxury good is based on the fact that people do not live alone but surrounded by society and have social interactions. In this context, one of the most important motivating forces influencing consumer behaviour is the desire to attain a status or social prestige through the purchase of goods: an individual driving a Rolls Royce will be considered by others as having a different status from an individual driving a Panda, and what others think about us influences our decisions on what to buy. Beyond the social value, people buy or would like to buy luxury products also for *individual value*: an increasing number of consumers purchase luxury goods out of self-interest, to get a hedonic experience. Every product is designed for a purpose and has a *functional value* aimed at satisfying a consumer's need. This value refers to core product benefits and basic utilities (i.e. quality, reliability and durability). Lastly, the *financial value* is about monetary aspects (i.e. price, resale cost, discount, and investment) and refers to the monetary value of a product that consumers have to pay to obtain it. These four values impact luxury consumption behaviour in different ways according to an individual's culture. For instance, the social value has a significant impact in the USA but not on English consumers because the British society, having a tradition of hierarchical classes, is more connected to private luxury consumption and consequently more influenced by the individual value. To better understand the impact of these dimensions on

luxury consumption behaviour the Hofstede model (Section 1.1.6.1) will be now used.

Social value is about the public meaning of a product, namely, the subjective meaning that is assigned to an object by outside observers and not by the owner himself (Richins, 1994): for example, an expensive ring has a public meaning because it is recognized by others as being expensive. According to Shukla (2012), "consumer luxury purchase behaviour is subject to the pressures of social norms and the expectations of social institutional rules such as those arising from family and other reference groups" (p. 7) so that a consumer choice on what to buy strongly depends on what people close to him or her think. The social value of goods was already studied in 1899 when the Norwegian-American economist and sociologist Thorstein Veblen talked about *conspicuous consumption* to indicate the practice of consumers of buying expensive goods not to satisfy a real need but to showcase to others their wealth and income. For instance, driving a Ferrari shows that the consumer can afford to drive a car that others will admire and this admiration does not come from the car's ability to transport its driver but from the clear evidence of wealth a Ferrari provides. In this way, the car becomes a display of an individual's social status. In this context, the Veblen Effect means the extent to which the demand for a good increases as the price of that good increases (Lebenstein, 1950) and is connected to the desire of attaining a status. Because of this Effect, the social value becomes very important for individuals in countries exhibiting a high level of masculinity (i.e. Japan, China, United States): this happens since the dominant values in these societies are achievement, success and the public demonstration of an individual's performances. In these countries, people prefer and buy brands or products that clearly show prestige and consider as luxury goods those such as jewellery or patently expensive goods or services (De Mooij and Hoftsede, 2011). The same is true for countries in which the power distance value is high: being power distance based on how much inequality exists and is accepted, each individual has his or her place in a social hierarchy and social status becomes very important determining the role of luxury products which have the possibility of raising an individual's social status (Beata et al., 2016). For example, in India the level of PDI is high (77/100) and

luxury consumption behaviour is significantly driven by social value and interpersonal influence (Jain and Mishra, 2018; Chakraborty and Sheppard, 2016).
Beyond the Veblen Effect, other two effects take place because people live surrounded by others: the Bandwagon Effect and the Snob Effect. The Bandwagon Effect concerns the extent to which the demand for a good increases because the number of consumers purchasing that good increases. This Effect drives individuals to possess luxury goods as a way to symbolize a membership to a specific group, a way to conform with the people an individual wants to be associated with. On the other hand, the Snob Effect explains why people first adopt a product when it is not bought by many consumers but stop using it when it becomes too popular and the mass starts to have it: this is connected to people's desire to be unique and different (Vigneron and Johnson, 1999; Lebenstein, 1950). Social value and the three connected effects are strong drivers for luxury consumption behaviour in rising luxury markets (i.e. Saudi Arabia, Turkey) while it is almost non-existent in countries such as Germany where people, who are reserved and seek to control their emotional displays in public, buy mostly luxury products to be used within their houses (Beata *et al.,* 2016). The social value and its influence on luxury consumption behaviour differ also considering the gender: women care more about the social value of luxury products (Stokburger-Sauer and Teichmann, 2013).
The second value which influences luxury consumption behaviour is the *individual value*. This dimension concerns the amount of self-satisfaction an individual gets from buying luxury products, the degree of satisfaction and gratification he or she derives from buying and using luxury goods, the manner in which the purchasing of these goods represents a way to alleviate negative emotional burden and, in general, it stands for the extent to which an individual considers luxury goods as a gift to the self. According to Vigneron and Johnson (1999) part of this value is the hedonism (one of Schwartz' ten values described in Section 1.1.6.3) connected to the fact that luxury products are likely to provide subjective intangible benefits, bringing self-esteem and individual pleasure to the consumer. The emotional value derived from purchasing a luxury product has been used in advertisements that, for example, utilize self-gratification: in 1954-56 Pall Mall created many advertisements with the "Reward yourself" slogan (Figure 19), in 1999 Mercedes launched the CLK coupe

with the slogan "It's for baby boomers who want to reward themselves" and in 2017 the Hotel, Spa & Golf Resort Fairways in Beaumont (Texas) created the “Come reward yourself” slogan (Figure 19) (James, 2011; Vigneron and Johnson, 1999).

Figure 19:Pall Mall’s and The Fairways’ “Reward yourself” slogan. Source: pictures retrieved from http://www.ghostofthedoll.co.uk/retromusings/pall-mall-cigarette-adverts-1954-1956-reward-yourself/ and https://www.socalnewhomes.com/2017/12/01/come-reward-fairway

Following the self-gratification and reward logic, in countries where the level of indulgence and free gratification is significant people would buy more luxury products than in places where restraint is the rule (Chattals and Shukla, 2015). More than hedonism, prestige brands are also desired because of the reassurance effect they have on consumers: in fact, luxury goods are expected to show evidence of great quality since "Excellent quality is a sine qua non, and it is important that the premium marketer maintains and develops leadership in quality" (Quelch, 2007, 85). In practice, people use price as a quality indicator, in particular for high-priced products (Völckner and Hofmann, 2007), so that high prices make products be perceived as even more desirable (Groth and McDaniel, 1993). Consequently, the high price and the quality of luxury products have a reassurance effect on consumers enhancing the value they get from the goods. This is important in countries where uncertainty avoidance is high and consumers, being against risk, look for reliable products. For instance, according to Jung and Sung (2008), perceived quality is more important for Korea as a country with a high level of uncertainty avoidance (85/100) than the USA as a society with low uncertainty avoidance (46). The quality

of a product is often at the core of luxury brands advertisements which often show *the making of* their products: in 2018 Dolce and Gabbana published a video of the making of the Devotion bag,[16] in 2015 Louis Vuitton created the Series 3 exhibition in London showing the processes and people behind the season's luxury items (Figure 20)[17] and Chanel shared the making of the Spring-Summer 2015 Haute Couture collection.[18]

Figure 20: Louis Vuitton Series 3 Exhibition, The making of -. Source: picture retrieved from https://www.nelsonbostockunlimited.com/blog/louis-vuitton-series-3-exhibition/

Beyond the social and individual value, consumers want a luxury product to be usable, of good quality and unique enough to satisfy their desire of being different from others: this is the *functional value*. This value concerns the attributes of a good itself, it refers to the extent to which a product is useful and satisfies a customer's need, a "product ability to perform its functional, utilitarian, or physical purposes" (Shukla, 2012, p. 12; Shanker, 2012). One of the most important factors in determining the functional value is a product's quality. In this context, it has already been said that consumers use a product's price as a proxy to evaluate its quality and prestige. This link between quality and price is particularly relevant with regard to luxury products where price and quality are considered simultaneously since luxury brands have inherent characteristics of high price and excellent quality.

[16] YouTube, Dolce&Gabbana Devotion Bag - The Making Of (2018, June 27). Retrieved from https://www.youtube.com/watch?v=_x1pX5ZH99g
[17] Milligan, L. (2015, September 28). Inside The New Vuitton Exhibition. Vogue. Retrieved from https://www.vogue.co.uk/article/louis-vuitton-series-3-exhibition-preview-london
[18] YouTube, Making-of the CHANEL Spring-Summer 2015 Haute Couture Collection (2015, January 30). Retrieved from https://www.youtube.com/watch?v=3cDhTzoMj_s

Furthermore, the price has an influence on a consumer's psyche since the moment a brand is perceived as expensive it becomes more valuable in an individual's mind. The second factor which determines the functional value is the product's ability to satisfy the consumer's need to feel unique. This factor is important because a product's perceived uniqueness increases the general value of that good, leading to the aspired increase of an individual's social position. Uniqueness is a hallmark of the luxury market: Jimmy Choo is associated with unique shoe designs and Hermes with unique silk scarves. The need for uniqueness differs across the world: in the Eastern emerging market, a significant need for conformity is present so that consumers in these places would buy luxury goods only if they are recognizable by their closest friends or family and are less interested in a product which is highly unique and less recognizable; in the Western world things change and consumers do not feel the need for conformity, preferring unique products (Shukla, 2012). The customers' need for uniqueness has led luxury brands to offer customized services: the last fashion brand to propose this option was Fendi in 2017 when it launched the "Customize It" service which allows consumers to create their bag choosing the colour, logo styles and hardware.[19] If today the customization is about choosing the colour of a bag on a company's website, the future will be much more focused on customization and, as it already happened in A Nike store in New York, consumers will be able to help to create products directly in the stores.[20] In the context of luxury goods, the functional value, being related to uniqueness, would have a strong influence on high individualist cultures, in countries where people want to feel unique and different from the others (Kim and Markus, 1999).

The last dimension determining the luxury value perception is the *financial value* which represents the value of the product expressed in currency (i.e. euros, dollars, etc.) and is the sum an individual accepts to sacrifice in order to obtain that product. The main driver of the financial value is the price that, as previously said, in luxury

[19] Arthur, R. Customized Luxury: Fendi Turns To Digital For Bespoke Handbag Launch. (2017, November 27). Forbes. Retrieved from https://www.forbes.com/sites/rachelarthur/2017/11/29/customized-luxury-fendi-farfetch/#23302ec21c1d

[20] Steel, E. In Luxury's Future, It's Personalized Everything. (2018, November 19). The New York Times. Retrieved from https://www.nytimes.com/2018/11/19/fashion/luxury-retail-personalization.html

consumption behaviour might have a positive role in determining the perception of quality. This relation (high prices meaning high quality) has been exploited by companies using the *prestige pricing strategy*, a marketing strategy consisting in fixing high prices because lower prices would hurt sales.[21] The financial dimension gains more importance in high power distance cultures where people care more about the financial aspects (Grange, 2015).

To sum up, there are four factors determining an individual's perception of a luxury good and the purchasing decision. Social value is about the others, about the fact that almost everyone cares about the others' opinion or are influenced by what others do, and it is characterized by the Veblen Effect, the Bandwagon Effect and the Snob Effect. Individual value is about the self, the pleasure, the gratification and the reassurance a luxury product gives to a consumer. The functional value is about the product's quality and its ability to satisfy the consumer's need of uniqueness; and the financial value is about the price an individual accepts to spend on a luxury product. Not all people around the world assign the same weight to these four values: for instance, according to the cultural background, a consumer might consider the individual value to be more important than the social one. In this Section, using the Hofstede model, a few examples of these differences found by previous research have been given but, given the fact that previous research had its limitations, the understanding of how culture influences luxury consumption behaviour is also the focus of the Empirical Study, presented in Chapter 3.

2.3 The influence of Religion on luxury consumption behaviour

Consumer behaviour is influenced by many factors, described in Section 1.3, among which there is religion. A concept attached to religion is religiosity which is "the degree to which beliefs in specific religious values and ideals are held and practiced by an individual" (Hati *et al.,* 2017). When talking about religiosity, it is possible to distinguish two forms: *intrinsic religiosity* is the degree to which religion impacts daily lives and it is lived with sincerity, while *extrinsic religiosity* is the degree to which a person uses religion for instrumental purposes such as to belong to a

[21] Business Dictionary. Retrieved from http://www.businessdictionary.com/definition/prestige-pricing.html

specific society (Cohen *et al*., 2005). The influence of religion in every aspect of life determines its impact on consumer behaviour and, consequently, on luxury consumption behaviour (Nwankwo *et al.,* 2014). The analysis of the religion's influence on luxury consumption behaviour becomes necessary considering that religion is not something relegated to the past: today 84% of the world's population identifies with a religious group. Among all religions, this Section focuses on the two most influential: Christianity and Islam. As Figure 21 shows, Christians represent the biggest group, with a total of 2.3 billion followers (31.2% of the world population) in 2015, followed by Islam with 1.8 billion followers.[22]

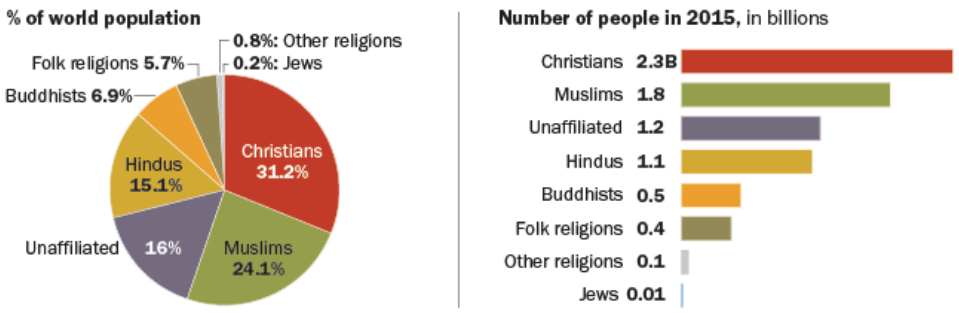


Figure 21: Most followed religions in 2015. Source: Hackett and Mcclandon. Christians remain world's largest religious group, but they are declining in Europe. (2017, April 5). Pew Research Center. Retrieved from http://www.pewresearch.org/fact-tank/2017/04/05/ch

2.3.1 Christianity

Given the fact that religion influences consumer behaviour, it is necessary to focus our attention on Christianity, as the most popular religion in the world with followers distributed in different regions and representing a wide target of customers. Figure 22 shows the distribution of Christians in different regions and points out a change between 1910 and 2010: at the beginning of the XX century, Christians were mostly living in Europe (66.3%) while today the majority is living in the Americas (36.8%), followed by Europe (25.9%), Sub-Saharan Africa (23.6%) and Asia-Pacific (13.1%).

[22] Sherwood, B. Religion: why faith is becoming more and more popular. (2018, August 27). The Guardian. Retrieved by https://www.theguardian.com/news/2018/aug/27/religion-why-is-faith-growing-and-what-happens-next

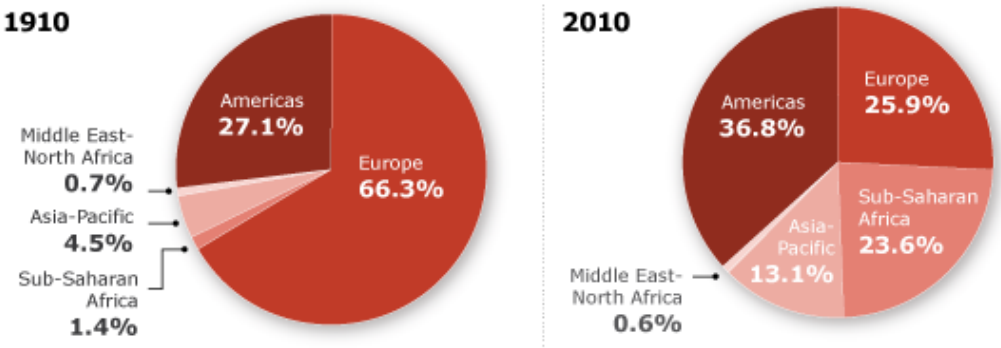


Figure 22: Regional Distribution of Christians in 1910 and 2010. Source: Global Christianity – A Report on the Size and Distribution of the World's Christian Population. (2011, December 19). Pew Research Center. Retrieved from http://www.pewforum.org/2011/12/19/g

Among Christians, there are three major groups who theologically differ among themselves: Catholics (accounting for 50.1% of total Christians), Protestants (36.7%) and Orthodox (11.9%).[23]

With Christianity as the most widespread religion, it is important to understand how it influences luxury consumption behaviour. In 2012, Cloutier conducted an interesting literature research experiment trying to find out how many articles could be found using "poverty" and "Christian" as keywords and how many associating religion to the term "luxury." He found out that in the first case 246 articles over the last 10 years were available while in the second case just 8 articles were found (after having deleted the majority of results that had misunderstood "Christian" with Christian Dior). This example clearly shows how Christianity, being based on modesty, is not usually associated to luxury. Christianity is known to be based on values such as equality and modesty so that even the private property as a concept has been criticised by many Catholic Popes: Pope Paul VI in 1967 wrote down that "The earth belongs to everyone, not to the rich" and "No one may appropriate surplus goods solely for his own private use when others lack the bare necessities of life."[24] This last sentence clearly lashes out against those who spend money for satisfying needs that are not necessary to survive (i.e. self-esteem needs

[23] Global Christianity – A Report on the Size and Distribution of the World's Christian Population. (2011, December 19). Pew Research Center. Retrieved from http://www.pewforum.org/2011/12/19/global-christianity-exec/

[24] Pope Paul VI. Popularum Progresso. (1967, March 26). Retrieved from http://w2.vatican.va/content/paul-vi/en/encyclicals/documents/hf_p-i_enc_26031967_populorum.html

satisfied by purchasing luxury goods) when others are suffering, having no money for satisfying basic needs (i.e. food, water, clothes). Going back to the private property, it represents the root of capitalism, an economic system that, according to its greatest enemies Marx and Engels (1848), creates a great gap between two groups of people: the *propertyless* workers (called proletariat) who work without owning anything and the *property-owners* capitalists (the bourgeoisie). Besides Marx and Engels, also Christianity does not approve of capitalism since, thriving "on selfish impulses that Christian teaching condemns"[25] appears to be incompatible with Christian values. In this context, with luxury goods purchased as a response to selfish impulses, they should be condemned by this religion. In reality, the relationship between Christianity and luxury is more complicated and sometimes it is encouraged instead of being condemned. To analyse this relationship, a distinction between two major groups (the Catholic doctrine and Protestantism) must be made since they have two different approaches to luxury consumption.

The Catholic doctrine is ambiguous with regard to money since, according to Usunier and Lee (2013), it rejects money but it is not anti-expenditure: for Catholics, it is not a shame to spend money and get pleasure from it, but money itself is. Theoretically, living a life surrounded by luxury goods is completely against the modesty that the Catholic Church preaches but, in practice, it has proven to be part of the Roman Church. In Italy, many scandals have emerged in the last years since numerous cardinals and bishops were found preaching modesty while living in 400-600 square meters' apartments surrounded by gold furnishings and important paintings. [26] [27] These behaviours should not be allowed to all Catholics and in particular to clergy: Pope Francis has clearly stated that he is hurt when he sees a preacher with an expensive car since if a car is necessary to move, it does not

[25] Dorrien, G. Morality Should Not Be Priced in the Marketplace. (2014, June 26). The New York Times. Retrieved from https://www.nytimes.com/roomfordebate/2014/06/25/has-capitalism-become-incompatible-with-christianity/morality-should-not-be-priced-in-the-marketplace

[26] Biondani, P. Cardinali milionari: la mappa delle proprietà private del clero. (2014, July 15). L'Espresso. Retrieved from http://espresso.repubblica.it/attualita/2014/07/14/news/cardinali-milionari-la-mappa-delle-proprieta-private-del-clero-1.173131

[27] Smale, A. V atican Suspends German Bishop Accused of Lavish Spending on Himself. (2013, October 23). The New York Times. Retrieved from https://www.nytimes.com/2013/10/24/world/europe/vatican-suspends-german-bishop-known-for-spending.html

necessarily have to be a luxury car. If the Pope begs Catholics not to be inconsistent with the doctrine, in reality things are complicated. In Southern Europe, for example, the major religion is Catholicism but people still buy luxury products since their cultural background includes, beyond religion, an outdoor social life which is not austere which fosters a need for appearance. The fact that Southern Europeans produce and buy luxury goods even if they are Catholics might be explained also because the Catholic Church does not have strict rules and norms. This religion's influence on people lacks the austerity and rigour that other religions have and, as a consequence, the Latin consumer does not feel any shame in purchasing luxury goods to show off their belonging to a particular social class. (Usunier and Lee, 2013) The relationship between luxury goods and the Catholic Church was openly shown by the "Heavenly Bodies: Fashion and the Catholic Imagination" 2018 exhibition hosted from May 10 to October 8 by the Metropolitan Museum of Art in New York in collaboration with Versace,[28] one of the world greatest luxury fashion brands. The exhibition explored the influence of Catholicism on the world's most famous luxury fashion couturiers and presented papal robes and accessories from the Sistine Chapel sacristy that belonged to previous Popes. Cardinal Dolan Archbishop of New York was present at the exhibition[29] and this proved to be a public demonstration that luxury goods are not such a distant memory for the Catholic Church, despite Pope Francis's attempts.

On the other hand, Protestantism is based on a solid work ethic, which is considered the way to reach the salvation in the afterlife, and "the strict avoidance of all spontaneous enjoyment of life" (Schaltegger and Torgler,2010, p.1). For Protestants, money does not have to be used to satisfy material needs and conspicuous consumption is considered to be a shame (Usunier and Lee, 2013) because life has to be conducted with austerity and rigour (Zafirovski, 2007). Being based on austerity, Protestantism differs from Catholicism in its influence on consumer

[28] THE MET. Heavenly Bodies: Fashion and the Catholic Imagination. Retrieved from https://www.metmuseum.org/exhibitions/listings/2018/heavenly-bodies

[29] Tablang, K. Met Gala 2018: 'Heavenly Bodies: Fashion and the Catholic Imagination' Preview. (2018, May 7). Forbes. Retrieved from https://www.forbes.com/sites/kristintablang/2018/05/07/met-gala-2018-heavenly-bodies-fashion-and-the-catholic-imagination-preview/#2304188c6fe8

behaviour since showing off wealth is absolutely discouraged (Alaoui and Sandroni, 2018).

To conclude, the difference between Catholicism and Protestantism is very much based on their different levels of austerity and rigour: for Catholics the correct way of approaching the luxury market is not so clear since some high level bishops are living luxury lives while Pope Francis is repudiating these behaviours; on the other hand, for Protestants the distance that has to be maintained from luxury goods and show off behaviours appears to be clear.

2.3.2 Islamic Religion

Islamic societies represent interesting realities when it comes to the luxury goods market since, on the one hand, they are characterized by rapidly emerging "super-rich" consumer segments but, on the other hand, they are societies in which the concept of luxury itself might-be against religious values. (Nwankwo *et al.,* 2014)

Moreover, Islamic societies represent a significant context that must be considered since, as Table 3 shows, they represent a huge portion of the world: Islam is the second largest religion with over 1 billion followers, called Muslims, globally distributed.[30]

	Estimated 2009 Muslim Population	**% of Population which is Muslim**
Asia-Pacific	972,537,000	24.1
Middle East-North Africa	315,322,000	91.2
Sub-Saharan Africa	240,632,000	30.1
Europe	38,112,000	5.2
Americas	4,596,000	0.5
World Total	1,571,198,000	22.9

Table3: World Muslim Population by Region. Source: Grim, B. J., & Hsu, B. (2011). Estimating the global Muslim population: Size and distribution of the world's Muslim population. Interdisciplinary Journal of Research on Religion, 7.

Beyond the importance of Islam resulting from the numbers above, it is interesting to analyse its impact on luxury consumption behaviour since Islamic consumption

[30] BBC, Islam at a Glance. Retrieved from http://www.bbc.co.uk/religion/religions/islam/ataglance/glance.shtml

in general differs from the others. This happens because its moral standards determine strict norms and laws that should be followed by Muslims so that Islam becomes a force in shaping consumer choices (Abosag and Farah, 2014).

According to Chandra (2016), Islamic consumption behaviour is based on six basic principles: *shari'a*, quantity, priority, social, environment and not imitating something that is contrary to Islam. The first principle is about the Islamic law and it is composed by three factors: (1) *aqidah* which considers consumption a way to serve the creator; (2) knowledge which means that Muslims should know the norms concerning what is allowed (*halal*) or not (*haram*) and should be aware of the products they consume, the process by which these goods were produced and obtained and their purposes of usage; (3) *amaliah* which means that Muslims should carefully manage resources and, at the same time, stay away from unlawful goods. The second principle is about quantity, which therefore limits Muslims in their consumption of goods or services. According to these principles, the consumption of any product or service has to be in line with the quantity limits explained in *shari'a* (i.e. the balance of revenue and expenditure, as well as the balance of savings and investments).

The third principle is about priority meaning that, since human needs are divided into three levels of priority (primary, secondary and tertiary), the order of the consumption should respect this order. Primary needs (i.e. food, water and clothes) are required for a basic existence and, consequently, are allowed to be consumed first. On the contrary, tertiary needs are those related to the enjoyment of life and, since Islam commands all Muslims to control their worldly desires and not spend too much, their satisfaction should be carefully considered to avoid unnecessary spending.

The fourth principle is the social one according to which Muslims should consider society when analysing the impact of their consumption: they have to observe the public interest, set good example and not harm others. The fifth principle refers to the environment meaning that consumption should be in accordance with sustainability and does not have to be dangerous for the environment. The last principle is about not having a consumer behaviour that is contrary to Islamic consumption ethics (i.e. showing off and wasting money). Some of these principles

have an impact on the consumption of luxury goods that, being expensive and unnecessary for a basic existence, should not be consumed. For instance, Section 2.2 has demonstrated that luxury goods are used to satisfy self-gratification which is a tertiary need and so, following the priority principle, these goods should not be purchased by Muslims. Moreover, luxury goods have social values such as being used to reach a certain social status, which goes against the last principle's refusal to show off. This theory is supported by Ramjaun (2018), stating that the obsession with luxury consumption is against the Islamic teachings since appearance, on which luxury consumption is based, is perceived to be against the modest behaviour prescribed in Islam.

Beyond theory, there is reality to contend with and the fact that the nowadays desire for luxury consumption has spread across the world and Muslim countries are not immune to this trend (Ramjaun, 2018). In fact, even if the influence of religion remains a true fact, studies have evinced that its weight decreases when the consumer affordability of luxury goods increases. The reason why this happens might be the globalization of markets and its impact on consumer values: the globalization, creating a global consumer culture, has led to more similar luxury consumption behaviour in both Muslims and Western consumers, if compared to the past (Nwankwo *et al.,* 2014). As a consequence, the luxury goods market is increasing also in Islam countries, going beyond the limits imposed by religion. For instance, Morocco is experiencing a rapid expansion of this market and the Middle East continues to represent a big opportunity for luxury brands.[31] The United Arab Emirates is an interesting case since it is a Muslim region but also one of the biggest luxury goods markets in the Middle East.[32] As a matter of fact, the UAE wealthiest's money goes on purchasing luxury goods, as shown by Table 4.

[31] The market in the Middle East continues to represent a big opportunity for luxury brands. (2017, June 7). Deloitte. Retrieved from https://www2.deloitte.com/ly/en/pages/consumer-business/articles/market-me-continues-represent-big-opportunity-luxury-brands.html

[32] Goldstein Research. Retrieved from https://www.goldsteinresearch.com/report/uae-luxury-goods-market

Product	$US
Luxury cars	2.869 billion
Designer apparel and footwear	1.627 billion
Luxury hotels	1.503 billion
Luxury jewellery	618 million
Luxury timepieces	553 million
Luxury leather goods	312 million
Super premium beauty and personal care	274.2 million
Luxury eyewear	137.3 million
Fine beverages and spirits	124.2 million
Luxury writing instruments and stationery	15 million

Table 4: Money spent in luxury goods in UAE in 2016. Source: Maceda, C. UAE residents' luxury goods spending to reach more than $8 billion in 2017. (2017, November 20). GULF NEWS. Retrieved from https://gulfnews.com/how-to/your-money/uae-residents-luxury-goods-s

2.4 Country of origin

2.4.1 Country of origin

The country of origin (COO) concerns a product's nationality and it has a strong influence on consumer behaviour (Magnusson *et al.*, 2011). The COO influencing force is given by the fact that customers use a product's nationality to evaluate that product and determine its attributes (e.g. quality) (Verlegh and Steenkamp, 1999). This influence is called the *country of origin effect* and it is described as "a psychological effect which occurs when customers are unfamiliar with a product (e.g. product quality) and the image of the product's country of origin has a "halo effect" on the customers' evaluation of the product" (CTI Reviews). According to this definition, if a customer does not have information regarding a product's attributes, he or she will consider the country of origin of that product to determine these attributes. This effect was already noticed in 1965 when Schooler conducted an experiment to understand if a product's country of origin could influence a customer's perception of that product. He asked four groups of students in Guatemala to determine the quality of some products on which Schooler affixed fictitious "Made in" labels to make students think the products had been made in

different countries (Mexico, Costa Rica, El Salvador and Guatemala). It came out that students evaluated negatively products from Costa Rica and El Salvador and positively the ones from Mexico and Guatemala, even if all products were identical and just the "Made in" label was different. This happened because of the hostility that was present between Guatemala, Costa Rica and El Salvador that influenced the customers' perception of the products. For the first time, this experiment showed the influence of the country of origin on the customers' perception of a product (Dinnie, 2004). Beyond hostilities, in the consumers' minds countries are often associated to some products and qualities: Germany is associated to high quality products, China is associated to good price-quality ratio products, Italy is connected to excellent design, Japan to advanced technology and so on. A research from Statista conducted between December 2016 and January 2017 analysed these relationships surveying 43,034 people from 52 countries on their perception of products, asking respondents which attributes they associated with products coming from a specific country. The result of this survey are shown in Figure 23. For instance, for the question "Which attributes do you associate with products from Germany?" 49% of respondents associate high quality to German products, 32% answered high security standards and the rest gave different responses. When it came to Italy, for the question "Which attributes do you associate with products from Italy?" 22% or respondents answered uniqueness and 37% said Italian products are perceived as having an excellent design. In this context, the COO plays a significant role for businesses since, for example, a customer would feel safer buying a German car instead of an Indian one since India has the poorest image in terms of quality (Usunier and Lee, 2013).

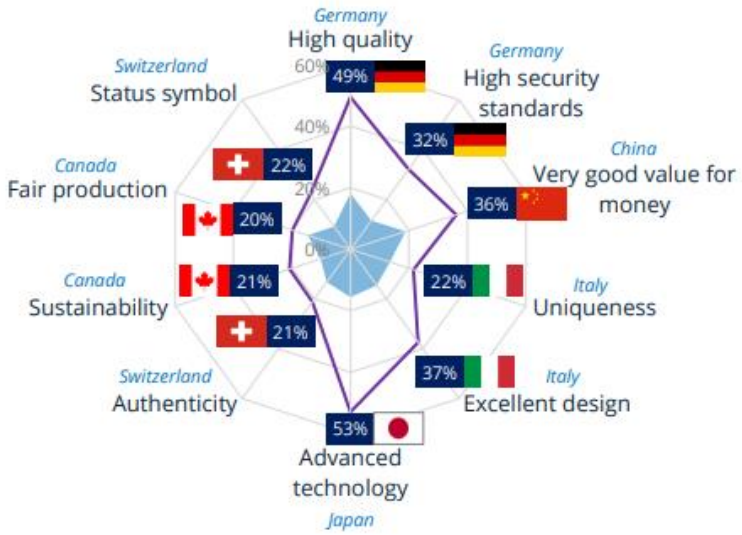


Figure 23: Country-product quality association. Source: Made in Country Index (MICI) 2017. Statista. Retrieved from https://stat-download-public.s3.eu-central-1.amazonaws.com/Study/1/40000/43370_sample.pdf

The Statista survey also determined which countries are considered the best according to the "Made in" index: the ranking was created asking respondents how positively they perceived products "Made in (country)". As Figure 24 shows, Germany is the country that received the major number of positive assessments, being at the top of the "Made in" ranking, followed by Switzerland and the European Union as a whole.

Rank	Country	Index
1	Germany	100
2	Switzerland	98
3	European Union	92
4	United Kingdom	91
5	Sweden	90
6	Canada	85
7	Italy	84
8	Japan	81
8	France	81
8	USA	81
11	Finland	77
11	Norway	77
13	Netherlands	76
14	Australia	75
15	New Zealand	73
15	Denmark	73
20	Spain	64
30	Argentina	42
42	India	36
49	China	28

Figure 24: Made-In-Country Index ranking 2017. Source: Made in Country Index (MICI) 2017. Statista. Retrieved from https://stat-download-public.s3.eu-central-1.amazonaws.com/Study/1/40000/43370_sample.pdf

In the context of determining the country of origin of a product a problem arises: nowadays, the global value chain (Gereffi *et al.*, 2005) has led companies to split the

production process around the world through practices such as off-shoring and outsourcing (Contractor et al., 2010). Research and design activities are usually set in developed countries while manufacturing plants are in developing countries where the labour costs are lower. This situation makes it impossible to determine just one country as the COO for a specific good. For example, as Figure 25 shows, each Apple iPhone bears the specification "Designed by Apple in California Assembled in China" to underline the fact that the iPhone design is done in Silicon Valley while the assembly happens in China.

Figure 25: Designed by Apple in California Assembled in China. Source: Picture retrieved from https://news.softpedia.com/news/is-apple-lying-about-iphone-not-having-fm-radio-518119.shtml

If some years ago it was enough to talk about the country of origin as one entity understood as the place where the company's headquarter was located and hence where the product was designed and produced, today, as the iPhone's example shows, it is no longer possible. With the global value chains and splitting production process, it is possible to identify three different COO (Wu and Fu, 2007): (1) *the country of manufacture* (or "Made in" country) which is the country in which a product's components are assembled; (2) *the country of design* that is, where the product's design has been created and (3) *the brand origin country* which is the country which customers associate with the brand.

With reference to *the country of manufacture*, given the importance of a product nationality to define the perception of a product and its quality (Verlegh and Steenkamp, 1999), companies have to consider that the most direct way to make consumers aware of a product's country of origin is the "*Made in" label* which explicitly tells customers where a product was made (Usunier and Lee, 2013). Given the importance of this label, in some cases it is better to adjust its size: if the country

in which a product was made is negatively associated to that category of products, the label size should be reduced, while it should be increased in the opposite case. Following this logic, in the case of food, for example, positively associated with Italy, if Italian cheese or pasta is sold in China the "Made in" label should be bigger than if it was made in other countries.

The *country of design* is highlighted by companies that have production plants worldwide but design their products in their Headquarters. For example, the automobile company Volkswagen has its HQ in Germany but 123 production plants distributed in Europe, the Americas, Asia and Africa.[33] Knowing the existing relationship between Germany and high quality and security products, the company emphasizes the German-design of its cars including the German "Das Auto" slogan in many advertisements. In this way, potential customers would immediately associate a Volkswagen car to Germany considering it a safe product. The same happens for IKEA that underlines its Swedish nationality using the Swedish flag colours (blue and yellow) to paint its stores and traditional Swedish names for the furniture (Magnusson *et al*., 2011).

If in the past the "Made in" country was very important, today *the brand origin country* has the strongest influence on consumer behaviour (Wu and Fu, 2007). Following this theory, companies are creating their brands' name to make customers perceive a country of origin that might be different from the real one. For example, the US ice-cream brand Häagen-Dazs has chosen a Danish name to make customers think the brand is from Denmark so that they would associate the product to "images of jovial people, the little mermaid, fine pastries, and other desserts." The same happens with the South Korean electronics company Samsung that is perceived as being Japanese: Japan being associated to high technology level, the South Korean company prefers its customers to perceive Japan as the country of origin using a brand name connected to this country (Magnusson et al., 2011).

Until now it has been said that the country of origin in its three forms has an influence on a consumer's perception of a product (e.g. quality) so that an Italian-design bag would be considered to be better than a Chinese one by everyone. In fact,

[33] Volkswagen Group. https://www.volkswagenag.com/en/group/portrait-and-production-plants.html

sometimes the COO effect is influenced by some factors such as the hostilities between two or more countries that Schooler found in his experiment. Another factor that might distort the perception of a product is ethnocentrism that can be defined as the belief "that the people, customs, and traditions of your own race or nationality are better than those of other races."[34] When the level of ethnocentrism is low, people have no problem in buying foreign goods, while when the level is high people refuse to buy foreign products which are considered as damaging for the national ones (Verlegh and Steenkamp, 1999). Nevertheless, the influence of ethnocentrism is not so pervasive and it is mostly restricted to people who are old and with low level of both education and income (Parts, 2007). Beyond ethnocentrism, political factors might also influence the consumer's perception of a product based on the country of origin: if a good has been made in a country under a dictatorship, a consumer might not be interested in buying this product. (Usunier and Lee, 2013; Bilkey and Nes, 1982)

2.4.2 Country of origin effect for luxury goods

The country of origin is an issue of interest for many businesses but it acquires particular significance for luxury brands. A brand's COO might influence the consumers' perception of that brand so it is important for companies producing and selling luxury goods to guarantee the existence of a positive association between their products and their country of origin. It has been proven that luxury products derive particular benefits from the strategy of declaring the country of origin, since some countries "can leverage to the product connotations specific to the luxury category, such as social status, pride, sophistication, wealth and lavish or exotic lifestyles." In fact, if the country of origin is positively associated to the category of product that a company wants to sell, this would lead to a competitive advantage and will positively influence a consumers' purchasing decision. (Adina *et al.*, 2015)
The decision whether to show or not the brand origin in the logo or in any advertisements depends on which country the brand originates from. In order to understand which countries are positively associated to luxury products and thus to determine which brands might use their COO to promote their goods, it would be

[34] Cambridge Dictionary. https://dictionary.cambridge.org/dictionary/english/ethnocentric

useful to analyse the results from Future Brand 2014 research. This research was conducted to discover which countries are more positively linked to the following sectors: Food and Beverage, Personal Care and Beauty, Automotive, Electronic goods, Fashion and Luxury. According to the results, reported in Figure 26, it appears that Switzerland, France, Italy and United Kingdom are the top four countries most positively connected to luxury. For this reason, brands which are based in these countries could declare their COO and derive a positive effect from it. On the opposite side, if a luxury good is produced in India, it would be preferable not to inform customers about the COO because India is not listed among the top 10 countries positively associated to luxury.

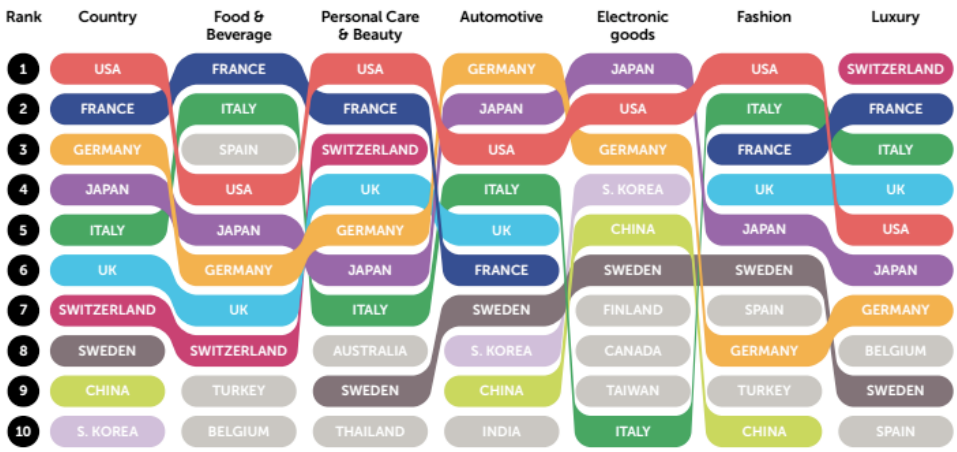


Figure 26: Best country of origin per sector. Source: Future Brands. Made In The value of Country of Origin for future brands (2015) Retrieved from https://carlobattisti.files.wordpress.com/2015/06/made_in_final_hr.pdf

The results shown in Figure 26 are supported by the fact that some luxury goods brands are adopting the strategy of showing their COO when it ranks among the best countries of origin for the luxury sector. For instance, some brands such as the Swiss watch manufacturer Patek Phillipe, the Italian fashion brand Prada and the English fashion brand Burberry underline their brand origin in their logo (Figure 27) using the COO effect to positively affect customers (Shukla, 2011).

Figure 27: Prada, Burberry and Patek Philippe Logos. Source: Picture retrieved from https://seeklogovector.com/patek-philippe-geneve-logo-vector-svg/; https://www.comitatoleonardo.it/it/soci/prada/prada-logo/

2.5 The Case of China

2.5.1 The importance of China for the luxury goods market

When talking about the luxury goods market, it becomes necessary to analyse China and the Chinese luxury consumption behaviour. This necessity arises from the fact that China is driving this market with personal luxury goods sales reaching 105 billion euros (Statista, Luxury goods market in China) and the Chinese representing 32% of luxury goods consumers in 2017, a percentage which is predicted to reach 46% in 2025 (Figure 28).

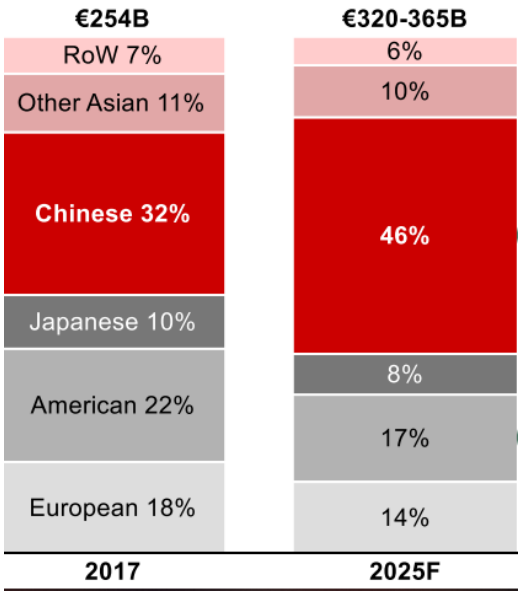


Figure 28: Personal luxury goods market by consumer nationality. Source: D'Arpizio and Levato, ALTAGAMMA 2018 WORLDWIDE LUXURY MARKET MONITOR, 2018. Retrieved from: https://altagamma.it/media/source/WORLDWIDE%20LUXURY%20MARKET%20MONITOR_BAIN.pdf

Given the data, it clearly becomes necessary for luxury companies to consider China in their businesses and to analyse this market and the cultural factors influencing luxury consumption behaviour. If knowing and respecting Chinese culture, as any other cultures, concerns any business, it becomes fundamental when it comes to luxury brands that have to consider the importance of China for their market and sales. In fact, if failing to understand the culture of destination of a product might not have such serious consequences when the respective country represents a very small share of a company's sales, failures in China cannot be tolerated for luxury brands since the Chinese represent a very important share of the total luxury consumers. For instance, the Dolce and Gabbana advertisement fail in China (see

Section 1.1.1) turned into a big problem for the company because China was the most important market for the brand in 2017-18. This fail had a huge impact on the company's bottomline: the Italian fashion brand's products were removed from China's biggest shopping websites with the result that the Italian company stands to lose 500 million[35] while the brand's value of $937 million might lose 20%.[36] Another example of the importance of China for luxury goods is given by LVMH, the world leading luxury group that brings together 70 brands ranging from Wine and Spirits to Fashion and Leather Goods. Looking at LVMH revenue in 2016 and 2018 shown in Figure 29, the 3% growth in Asia (excluding Japan) becomes evident and this growth is driven by China.[37]

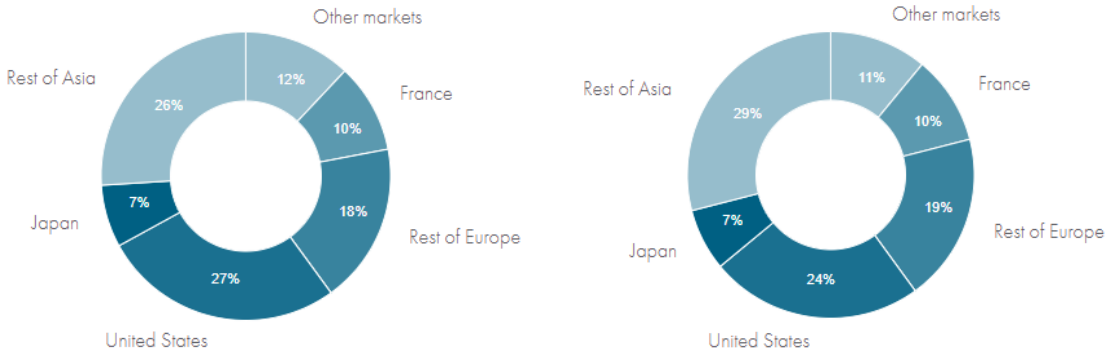


Figure 29: LVMH revenue per region in 2016 and 2018. Source: LVMH. GROUP KEY FIGURES. https://jingtravel.com/thanks-to-china-lvmh-q1-sales-grow-by-13-percent/

To conclude, China is a market on which luxury goods companies have to focus by analysing and understanding what drives Chinese luxury consumption behaviour.

2.5.2. The Chinese and the luxury goods market

Traditionally, Europe and the United States have been considered as the main players in the luxury goods market (Zhang and Kim, 2013) but today things have changed and China is among the main protagonists. This change started with the reform period which occurred in China in 1978, a year that represented the impetus

[35] Crivelli, G. (2018, November 24). Dolce&Gabbana e la gaffe in Cina: a rischio 500 milioni tra negozi fisici e sul web.Il Sole 24 Ore. Retrieved from https://www.ilsole24ore.com/art/moda/2018-11-23/dolcegabbana-e-gaffe-cina-rischio-500-milioni-negozi-fisici-e-web--191354.shtml?uuid=AEMvNQmG

[36] Dolce & Gabbana fiasco shows importance, risks of China market. (2018, November 26). Los Angeles Times. Retrieved from: https://www.latimes.com/fashion/la-ig-ap-dolce-gabbana-fiasco-china-market-20181126-story.html

[37]

for the Chinese economic growth, and which was followed by the creation of private and semi-private enterprises, reaching higher education levels and opening to international trade that followed China's entrance in the World Trade Organization (WTO) in 2001 (Chen and Feng, 2000; Adhikari and Yang, 2002). The growth of the Chinese economy was confirmed when China overtook Japan as the world's second-largest economy in 2010.[38] China's growth has led to the emergence of "new rich" consumers who represent an attractive target for luxury brands. Worldwide luxury brands have understood the importance of China and started to expand in this market after the saturation of the traditional ones (Europe and US), thus helping China to become one of the most important players in the context of luxury goods. (Gao *et al*., 2009)

With Chinese luxury consumers acquiring importance for luxury brands, it becomes fundamental to understand the reasons behind their purchase of luxury products. Among the factors that influence the Chinese richest consumers' decision on what to buy, there is the importance of the group and interpersonal relationships. In fact, China is a highly collectivist country (scoring only 20 in Hofstede's Individualism), meaning that the Chinese people do not consider the individual but the others and the group as being very important (Carson and Nelson, 1996). In this context, the social value of a luxury good (Section 2.2) becomes fundamental and Gao *et al.* (2009) suggest the presence of a tendency among people belonging to the same social class to behave in the same way exhibiting the Veblen and Bandwagon effects (Section 2.2).

Beyond collectivism, which is a characteristic of almost all Chinese people, Geo *et al.* (2009) found out that it is possible to divide Chinese luxury consumers into groups and thus discovered three most important subgroups for luxury market. Each of these groups' luxury consumption behaviour is influenced by different factors. The first category is called *Experiencers* and it is composed by young consumers with relatively low incomes but high spending on fashion brands. They are highly knowledgeable about famous brands and, being influenced by the Badwangon effect,

[38] McCurry and Kollewe. China overtakes Japan as world's second-largest economy. (2011, February 14). The Guardian. Retrieved from: https://www.theguardian.com/business/2011/feb/14/china-second-largest-economy

they use luxury brands to show they belong to a specific group of people: they dress in the same way their social class components dress or in the way the social class they would like to belong to does. The second category is called *Achievers* and it is largely formed by males with high education and high income levels who use luxury goods to display their status, power and success, without knowing a lot about luxury brands. The third group is called *Idealists* and it is composed by people with quite a high level of education and income, spending quite a lot on luxury brands, even if they have very little knowledge of those brands. The reason they buy luxury brands is for the individual value: Idealists buy these goods for self-satisfaction and not to show off.

According to Zhan and He (2012), the Chinese luxury goods consumers are represented by the middle class that is characterized by a unique attitude towards the brands' perception and purchase intention. Middle class members in China tend to perceive the purchase of luxury goods as a way to conform with a specific group of people but, at the same time, have a preference for unknown luxury brands that express uniqueness in a better way than the best-known and popular brands. In this context, the Snob effect has to be recalled: the brand desirability decreases as the number of people owning it increases. Chinese luxury consumers (or the Middle class) prefer luxury brands if compared to others because of the strong meaning they carry (e.g. high social status) and their superior quality.

To conclude, it must also be noted that China evinces one of the largest gap between the richest and the poorest. Nevertheless, both opposite poles of the Chinese society are characterized by the idea that luxury brands are a "must have" to construct and showcase a specific social status. If the wealthiest can afford luxury goods, the poorest do not have enough money to buy original products, hence they have raised the counterfeit consumption to an impressive high level (Jiang and Cova, 2012). Due to China's paramount role as an important driver of the luxury goods sales, the Chinese consumer behaviour will be one of the two focused analyses of the personal contribution to this topic, presented in Chapter 3.

Empirical Study

3. The Empirical Study

In Chapter 1, the concepts of culture and consumer behaviour have been analysed in order to examine the relationship between them. The analysis has shown that culture has a significant influence on the consumers' choices on what and how to buy.

In Chapter 2, the analysis of culture and consumer behaviour has moved towards a more specific sector: the luxury market. After a brief description of the luxury market and its importance, the focus has shifted to the analysis of the four dimensions that create the perception of luxury and which have a different weight according to the cultural background of the customer. Chapter 2 has also underlined the importance of the luxury market for Italy as a producer-country and for China as a consumer-country. For this reason, this thesis is at this stage presenting an empirical study and its results, in order to see how the Chinese and the Italian luxury consumption behaviours differ.

Chapter 3 is mainly divided into three parts: Section 3.1 is dedicated to a description of the literature's limitations in order to understand why the empirical study was necessary; Section 3.2 is the presentation of the study and Section 3.3 which is about the limitations of this empirical study and the conclusions.

3.1 The Literature's limitations

The empirical study of this Thesis is based on the fact that consumer's behaviour changes according to the cultural background of the customer. If culture influences all consumer behaviours, it also influences luxury consumption behaviour. In the Literature Review Part, the existing literature on the topic has been reviewed and now it is possible to move more specifically into their empirical studies and limitations.

In the existing literature, there are some analyses of differences in luxury consumption behaviour between countries-cultures: Grange (2015) studied the impact of cultural differences on the way Norwegian and French consumers perceive luxury; Godey *et al.* (2013) focused on cross-cultural differences between six countries (Italy, France, Germany, China, Japan, and USA); Chattalas and Shukla

(2015) exposed differences between the UK and the USA; Hennigs *et al.* (2012) focused on analysing differences in luxury perception between many European, Asian and American countries. Others focused on the consumer behaviour towards luxury goods on a very specific sample: for example, Shin and Bouxirot (2005) who focused on young Chinese girl customers.

The limitation of all these studies lies in the fact that an analysis between the Chinese and the Italian nationalities is missing. The importance and, consequently, the choice of considering these two nationalities is based on two main reasons. First of all, it has been demonstrated that the Western and the Eastern way of thinking is different (Nisbett, 2004) so that the choice of considering the Chinese and the Italians is given by the fact that it should make it possible to observe potential differences in their consumer behaviours, making the study's results interesting.

Secondly, the luxury market is a strong economic factor in Italy (i.e. the fashion industry represents 4% of the Italian GDP)[39] and, as Figure30 shows, Italian luxury brands play a leading role in the total luxury market representing an important share of many luxury sectors.

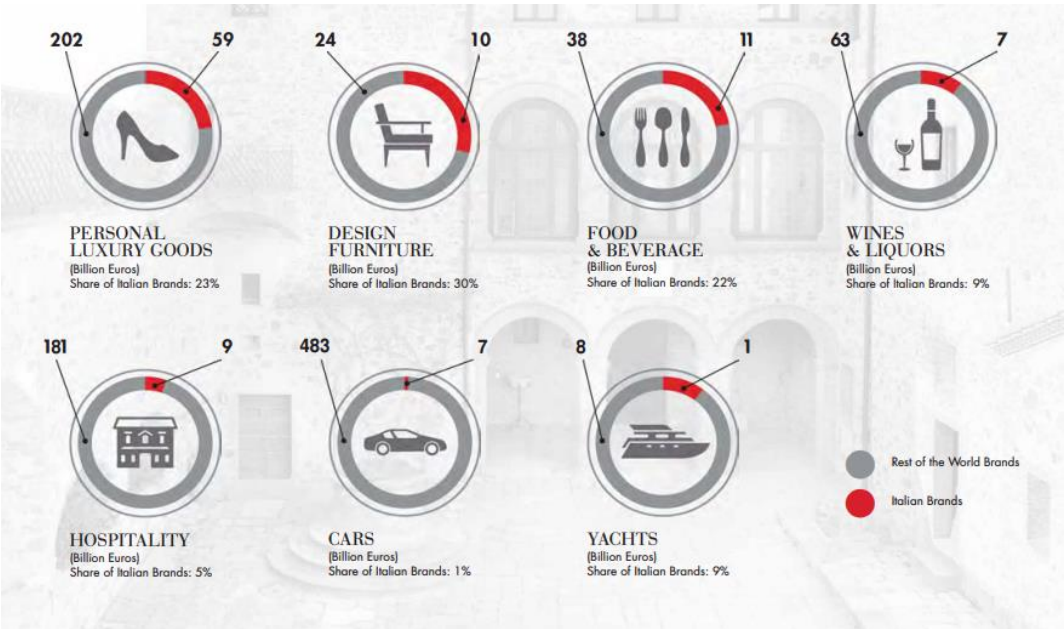


Figure 30: ALTAGAMMA [PowerPoint slides]. Retrieved from https://altagamma.it/media/source/BROCHURE_altagamma_EN_L5.pdf

[39] Micheli, E. La moda italiana vale il 4% del Pil. Ma cresce meno delle griffe francesi. (2018, February 14). Il Sole 24 Ore. Retrieved from https://www.ilsole24ore.com/art/finanza-e-mercati/2018-02-14/la-moda-italiana-vale-4percento-pil-ma-griffe-francesi-guadagnano-piu--170141.shtml?uuid=AEtYT1zD

On the other hand, the Chinese customers represent a huge share of the total luxury goods customers (Section 2.5) so it is fundamental to examine them in a study regarding luxury consumption behaviour.

The existing literature has recognized four dimensions (Section 2.2) that customers consider when facing a luxury good: social value, individual value, functional value and financial value. A limitation of the existing literature also regards these dimensions: in a world in which the conscious customer is emerging and sustainability values are being considered much more than in the past (Sarumathi, 2014) it is interesting and necessary to add a sustainability dimension. This fifth dimension added to a new empirical study is useful to see if customers take this value into account when deciding or wishing to buy a luxury good. Moreover, given the importance of the country of origin (Section 2.4) to evaluate a luxury good, a COO dimension should also be considered.

To conclude, given the limitations regarding the choices of the countries-cultures and the dimensions considered in the previous studies, a new empirical research is needed as documented by Section 3.2 which presents this new Study.

3.2 The Study

3.2.1 The Survey

The Empirical Study (Appendix 1) was conducted by via an online questionnaire created using both Google Forms and Zoho Survey. The requirement of creating the same questionnaire by using two different websites was given by the Chinese Firewall, making it illegal to use Google in the country. Thanks to the two forms, the Italian respondents could use Google Forms which they are more familiar with and the Chinese could use the Zoho's one. The Survey is in English (a neutral language) and it was distributed through the links of both forms making it possible for respondents to access the questionnaire from their pc, tablet or mobile phone. The results from Google Forms went directly to Google Drive Excel Sheet while the Zoho Survey's results were easily transferred to Excel.

The survey opens with a general statement introducing the Study:

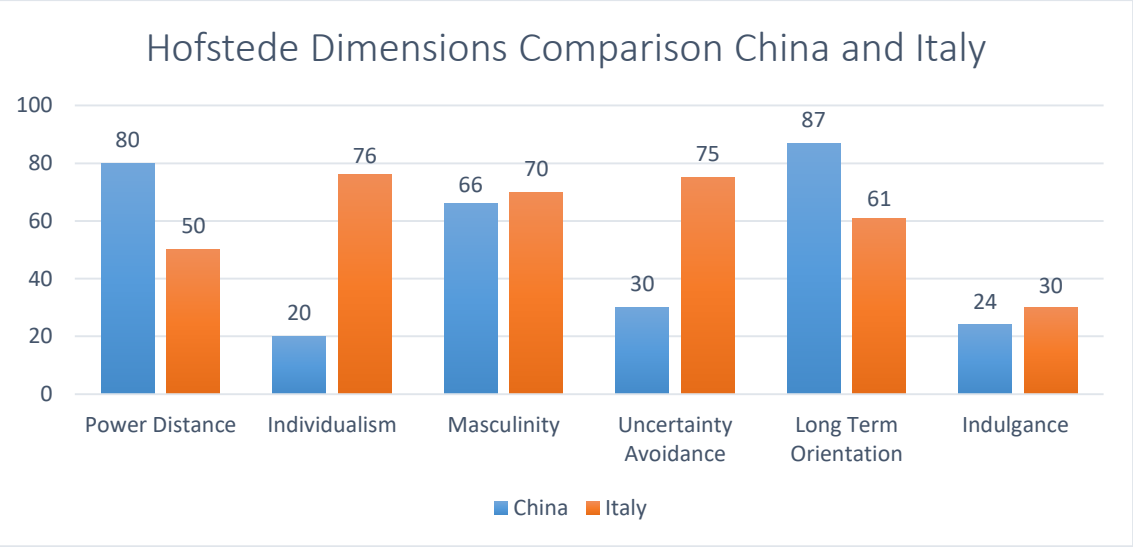
"Hi! Welcome to this survey.

I am a student of International Management at Ca' Foscari University of Venice and for my final thesis I am studying some cultural aspects that might have an impact on luxury consumption behaviour.
In this Survey you will be asked to answer some questions with regards to luxury and luxury consumption. It will take 5 minutes maximum to fill up this Survey, but your help will be fundamental to my research.
Please provide honest answers and avoid any distraction."
After this statement, the questionnaire is divided into three parts. The first part is composed by 7 general questions on luxury and luxury products in order to make it possible for the respondent to start thinking about the topic either by answering questions with short-answers or selecting an item from multiple-choice options. The second part is dedicated to 15 specific questions on luxury consumption behaviour: there are 15 statements and the respondent has to express his/her level of agreement with each of them on a 5point Likert scale. Lastly, the third part contains 7 personal questions completed for demographic studies and, most importantly, to determine the respondent's nationality.
The idea of designing the survey in such a way comes from the questionnaires created by Grange (2015) (Appendix 2) and Hennigs *et al.* (2012) (Appendix 3).

3.2.2 The Hypotheses

The literature review presented in Section 2.2 highlights how different cultural backgrounds lead to different luxury consumer behaviours. More specifically and considering Hofstede dimensions, it has emerged that: (1) the financial value carries more weight in high power distance countries; (2) the functional value is stronger in high individualism level countries; (3) the individual value is more important for consumers with high indulgence and uncertainty avoidance levels; (4) the social value is more significant for people living in countries with high masculinity and power distance levels and (5) sustainability is more considered by high long term orientation countries. Starting from the existing literature's discoveries, this Study aims to investigate if what has been discovered so far still applies to the Chinese-Italian comparison and, more than this, it wants to investigate if the country of origin dimension carries different weights for the two different cultures. Analysing the

Hofstede dimensions of China and Italy (Graph 1) it is possible to see that these countries present quite different levels of Power Distance, Individualism, Uncertainty Avoidance and Long Term Orientation.



Graph 1: Hofstede Dimensions Comparison Italy and China. Data retrieved from https://www.hofstede-insights.com/country/china/; https://www.hofstede-insights.com/country-comparison/italy/

Considering the existing literature and Graph 1, the aim of the Study is to test if the following hypotheses are correct.

H1) The financial dimensions has more weight for the Chinese sample.

H2) The functional dimensions has more weight in the Italian sample.

H3) The individual dimensions has more weight in the Italian sample.

H4) The social dimensions has more weight in the Chinese sample.

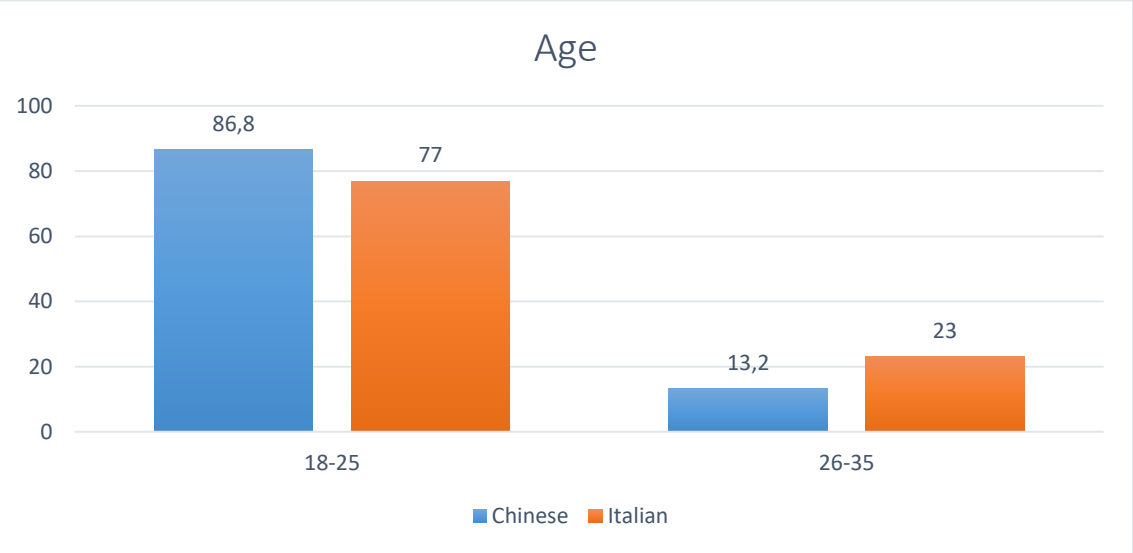
H5) The sustainability dimension has more weight in the Chinese sample.

H6) The Country of Origin dimension has a different weight in each of the two Samples.

It has to be noticed that Section 2.3 expresses the importance of religion on luxury consumption behaviour, but no analysis has been possible on this topic because of the questionnaires' answers (see Limitations and Conclusions, Section 3.3.3).

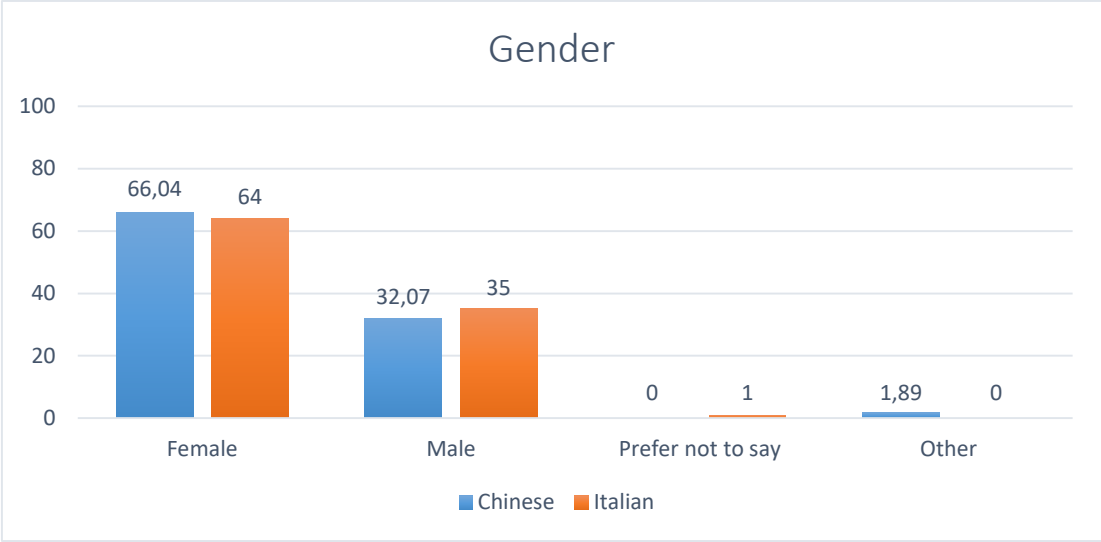
3.2.3 The Sample

The empirical study involves 153 respondents: 53 Chinese and 100 Italians. The sample was achieved through a non-probability sampling method called *snowball sampling*: respondents are randomly chosen and, after being interviewed, they are asked to identify others to share the questionnaire with. In both groups the majority of respondents belongs to the age range 18-25 (86,8% of Chinese and 77% of the Italians) and the rest of the sample is in the range 26-35 years old (13,2% of Chinese and 23% of the Italians) (Graph 2).



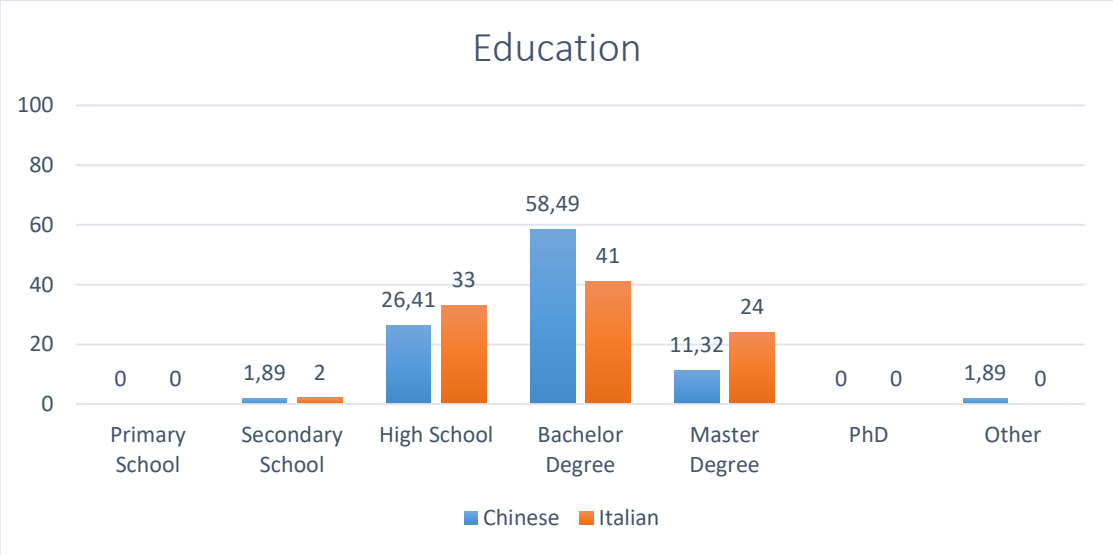
Graph 2: The Sample-Age

With regard to the gender, females represent the majority in both groups (Graph 3): the Chinese sample is made up of females for 66,04% and males for 32,07% (1,89% did not answer to the question) while the Italian sample is composed by females for 64% and males for 35% (1% preferred not to state their gender).



Graph 3: The Sample-Gender

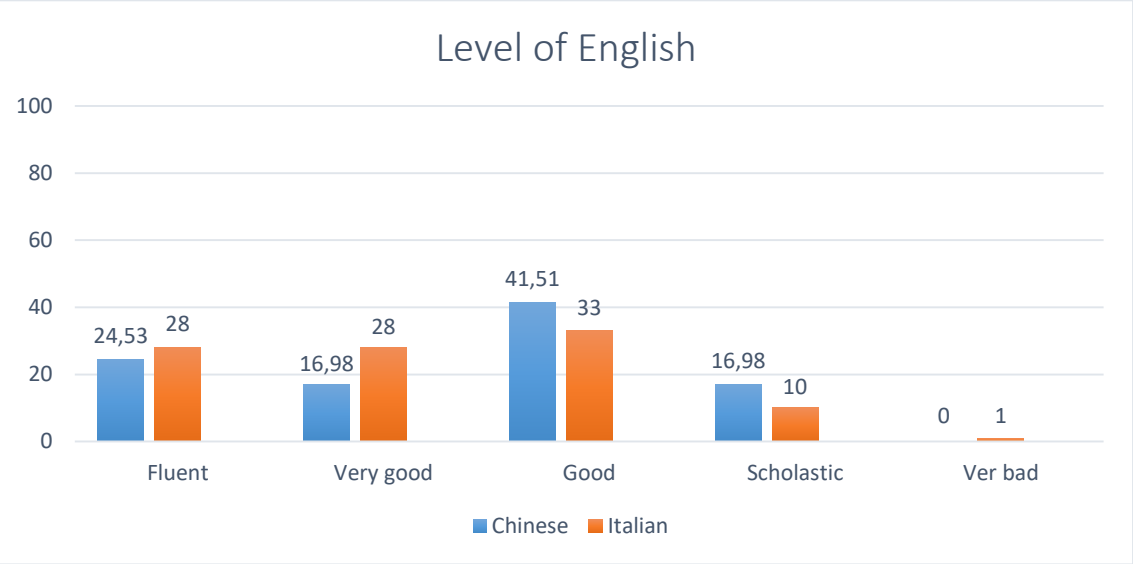
The fourth demographic detail regards the level of education and from the data, shown in Graph 4, it emerges that the most common education level in both groups is the Bachelor Degree (58,49% of Chinese and 41% of Italians) followed by the High School Diploma (26,41% of Chinese and 33% of Italians).



Graph 4: The Sample-Education

In terms of occupation level, 86,79% of the Chinese sample and 63% of the Italian one is composed by students. With regard to religion, there is a huge level of "no-religion" in the Chinese sample (92,45%) and a high level of Christians in the Italian sample (60%). The last detail that has to be analysed to better understand the

sample is the language, as it might affect the comprehension of the questionnaire: generally, the English level is good in both samples as shown by Graph 5.



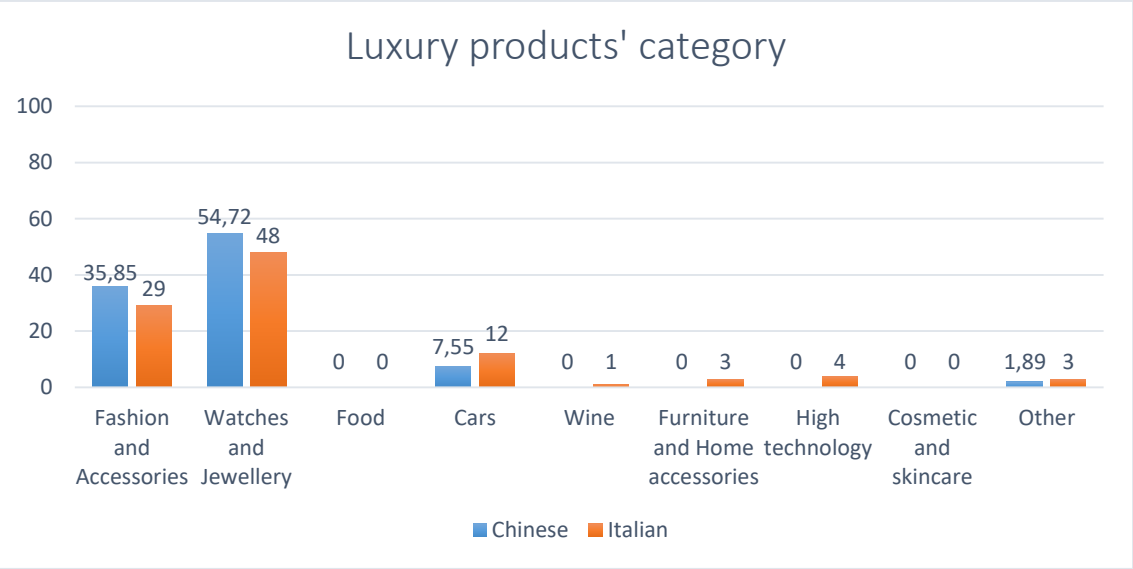
Graph 5: The Sample-Level of English

3.2.4 The Results

This Section schematically summarises the results of the Survey, according to the principles of statistics whereas the comments on the Survey's findings can be found further on in Section 3.2.5.

The results of the general part (the First Section of the Survey) highlight some similarities and some differences between the Chinese and the Italians. More specifically, the word which is immediately associated to luxury in the Chinese sample is *expensive* (28,3%) followed by *luxury brands' names* (i.e. LV, Gucci, Dior and Prada) (22,64%), while for 22% of the Italians it is *money*. Another difference regards the country which is connected to luxury: for the Chinese the country is *France* (39,62%) while for the Italian sample the *UAE* (17%) and *Saudi Arabia* (4%). Beyond these differences, a striking similarity regards the colour associated to luxury: it is *gold* in both samples.

Question 4 regards the category which is mainly associated to luxury and the answers show a similarity between Chinese and Italians: the majority of both samples selected *Watches and Jewellery* as the category mostly connected to luxury and *Fashion and Accessories* as the second one (Graph 6).



Graph 6: Empirical Study-Luxury Products' Category

The level of interest in luxury is neither high nor low in both samples (75,47% of the Chinese and 58% of the Italians are *somehow interested* in the topic) and the majority of both samples buy luxury products J*ust for special occasions (i.e. weddings, birthdays, etc.)* (52,83% Chinese and 48% Italians) followed by *never* (Graph 7). This last data changes when looking at the desire of buying luxury products: J*ust for special occasions* remains the most popular but it is followed by *At least once a month* for the Italians (26%) and *At least once a year* for the Chinese (22,64%) (Graph 8).

Graph 7: Empirical Study-Buy luxury products

Graph 8: Empirical Study-Desire to buy luxury products

In the second-specific part of the Survey, the respondents were asked to select a level of agreement (from Strongly Disagree to Strongly Agree) for 15 statements. The results are presented in two forms: 1) each question's results are presented as such; 2) the results are synthetically summarized in graphs (Graph 13, 17, 23, 26) where the two levels of disagreement and agreement are put together to obtain a general overview of the agreement level. In this second way, it becomes possible to analyse data in a histogram where the zero level's line stands for the neutral (neither disagree nor agree with a statement), above this line there is the agreement level (both Agree and Strongly Agree) and below the disagreement one (both Strongly Disagree and Disagree). In these graphs, only the highest percentage is presented: for example, if for one question the majority of the Italians voted for the agreement levels, the total agreement percentage will appear in the graph while the disagreement one will not.

In order to see if the differences between the two samples predicted by the six formulated hypotheses are statistically significant, a Mann Whitney test has been conducted using the R software (Appendix 4). In this test, the aim is to see if the median of each question is equivalent between the two samples. The null hypothesis is the same for each question: the two medians are equal. This hypothesis means that there is no significant difference between the samples' answers. The null hypothesis (H0) is tested at two significance levels (alpha), 5% and 10%, since they

are both accepted in economic-statistic tests. The null hypothesis is accepted if the p-value is higher than 0.05 or 0.10, depending on the chosen alpha. If the p-value is <0.05 or <0.10, the null hypothesis is rejected and the results of the two samples are significantly different in the way displayed by the alternative hypothesis (H1). H1 changes for each question following the 6 hypotheses that have been formulated. When the alternative hypothesis (shown in Section 3.2.2 and in the second column of Table 5) expresses a directional relationship (> or <) between the samples' medians (for Question 1 to 13 and for Question 15), the one-tailed test has been chosen. On the other hand, the two-sided test has been chosen for Question 14, where a directional hypothesis has not been formulated.

The results of the test for each question are presented in Table 5 where * refers to 5% significance level and ** to 10% significance level.

Questions	H1	W value	p-value	H0	H1
Q1 Luxury products are inevitably very expensive	η I < η C	2384.5	0.137	* **	
Q2 When I buy or wish to buy a luxury product it is to feel unique	η I > η C	2555.5	0.6473	* **	
Q3 When I buy or wish to buy a luxury product I am interested in its quality rather than other people's opinion about it	η I > η C	3094.5	0.03732		* **
Q4 When I buy or wish to buy a luxury product it is because I need it for a particular usage	η I > η C	2222	0.9546	* **	
Q5 When I buy or wish to buy luxury products it is as a reward in particular occasions	η I > η C	2351.5	0.8896	* **	
Q6 I think that luxury consumption is useful to reduce stress	η I > η C	1865.5	0.999	* **	
Q7 I buy or wish to buy luxury products if they reflect my personality	η I > η C	2496.5	0.7283	* **	
Q8 I buy or wish to buy luxury products that follow style trends	η I < η C	2064	0.01042		* **
Q9 I buy or wish to buy luxury products that my family and friends would like	η I < η C	1920	0.00182		* **
Q10 I would not buy luxury products that people close to me would not like	η I < η C	2172	0.02829		* **

Q11 When I buy or wish to buy luxury products is to identify myself with other customers of the same product	η I < η C	1902.5	0.001494		* **
Q12 I would not buy luxury products produced in a no-sustainable way	η I < η C	2458.5	0.2238	* **	
Q13 When I buy or wish to buy luxury products I consider sustainability values	η I < η C	1966.5	0.003424		* **
Q14 When I buy or wish to buy luxury products I consider the country of origin (where products have been made)	η I ≠ η C	1966.5	0.006848		* **
Q15 I buy or wish to buy luxury products that fashion bloggers advertise and use	η I < η C	1546	6,18E-06		* **

Table 2: Mann Whitney tests results

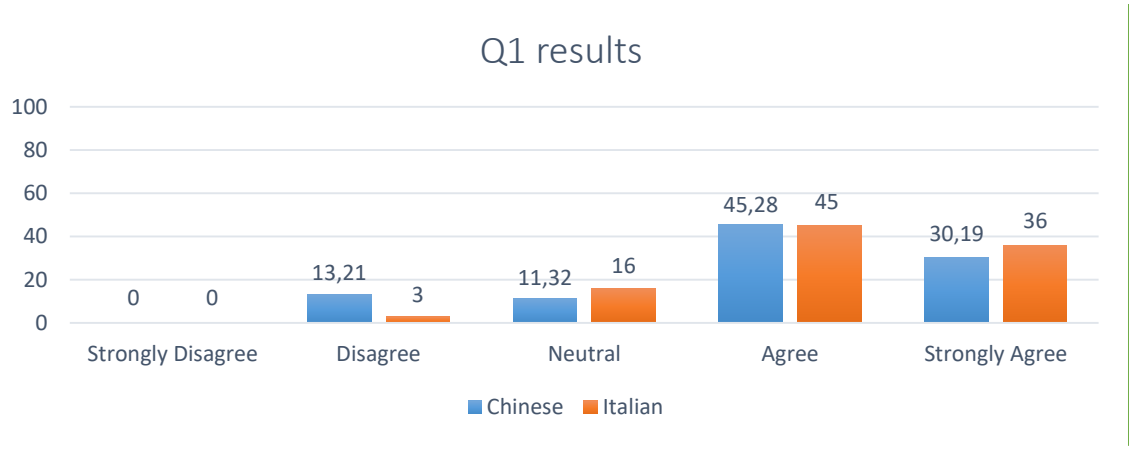
Financial dimension

The first dimension that has been studied is the financial one and, to test its weight between the two samples, the following alternative hypothesis has been formulated:

H1: The financial dimension has more weight for Chinese.

In order to analyse the financial dimension, one question has been asked (Q1, *Luxury products are inevitably expensive)* and its results as presented in Graph 9 validate a similar pattern between the two samples.

The Mann-Whitney confirms Graph 9 giving a p-value=0.137, which is higher than 0.05 and 0.10. For this reason, the test does not confirm H1 and the median is equal among the samples.



Graph 9: Empirical Study-Question 1

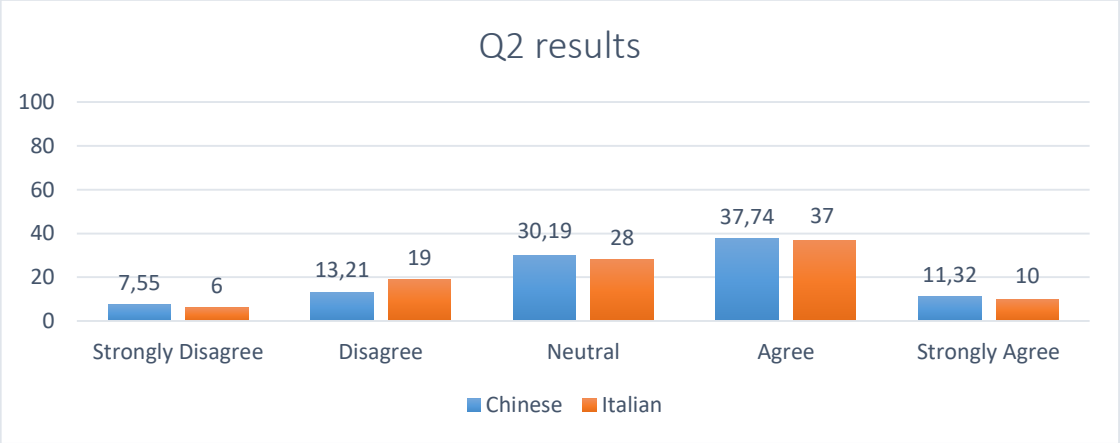
Functional dimension

The second dimension that has been analysed is the functional dimension. To test if this dimension is equally important for both samples, the following alternative hypothesis has been formulated:

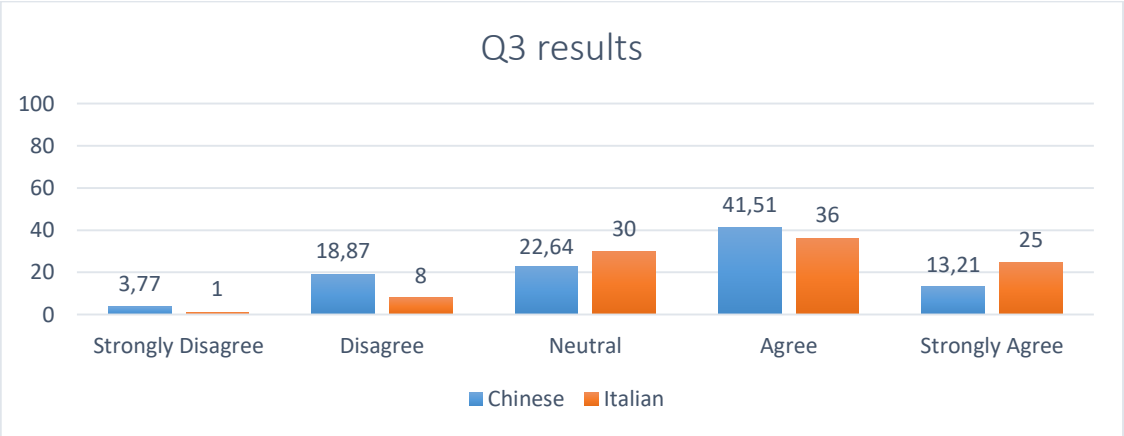
H2: The functional dimension has more weight for Italians.

In order to test H2, three questions (Q2, Q3, Q4) have been asked and their results are presented in Graphs 10, 11, 12.

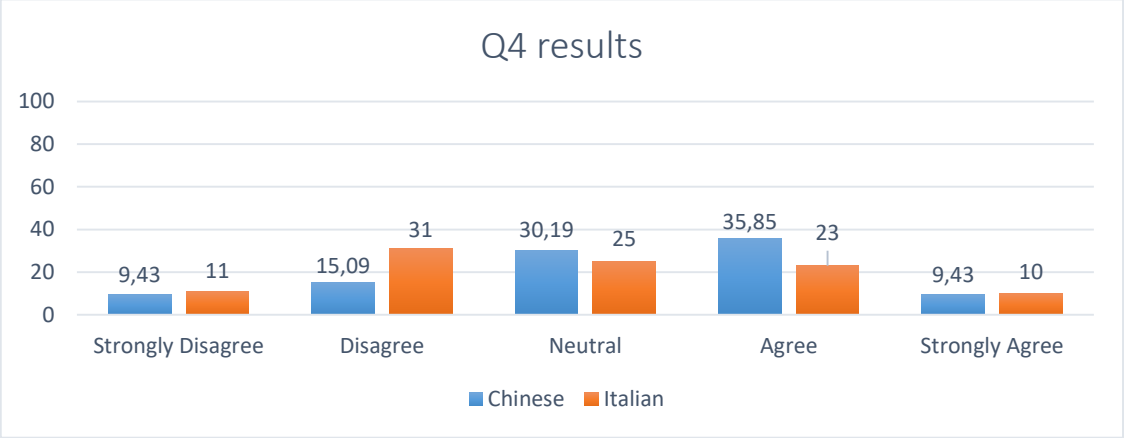
The test gives the following p-values: 0.6473 for Q2, 0.03732 for Q3 and 0.9546 for Q4. Considering that the p-values are > 0.05 and >0.10 in 2/3 questions, the test does not confirm H2. For this reason, even if from Graph 13 it seems that the Chinese care more about the functional dimension, the difference between the two samples' medians is not statistically significant.



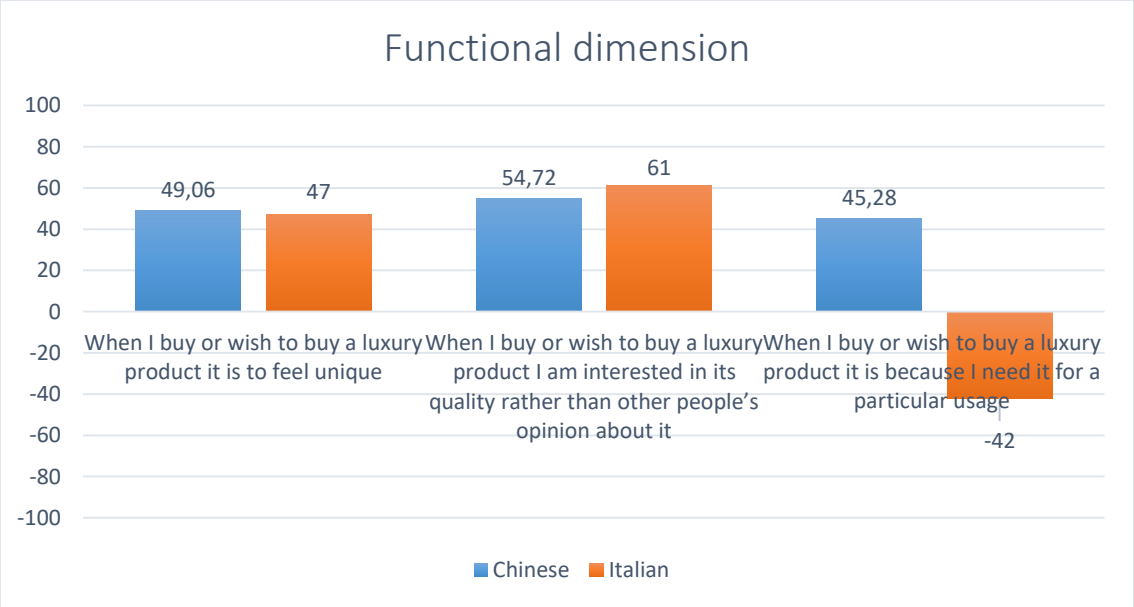
Graph 10: Empirical Study-Question 2



Graph 11: Empirical Study-Question 3



Graph 12: Empirical Study-Question 4



Graph 13: Empirical Study-Functional dimension

Individual dimension

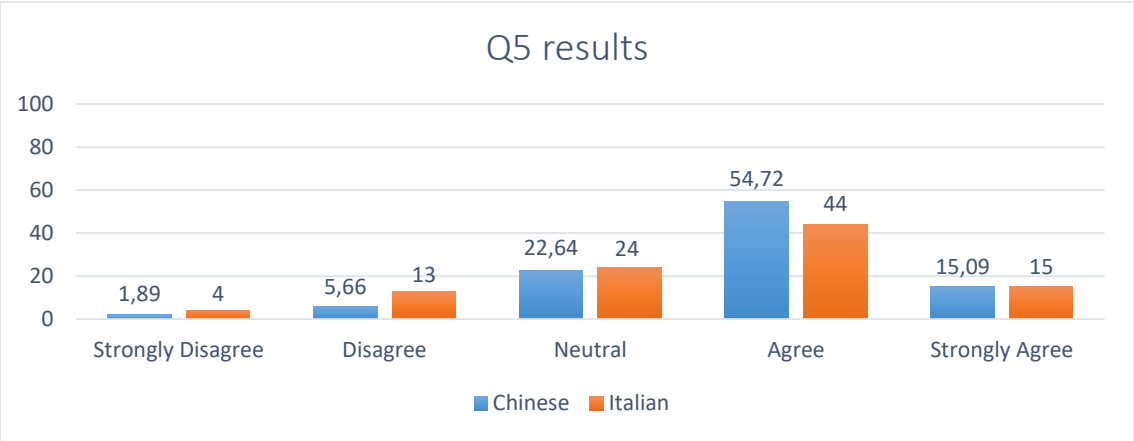
The third dimension that is taken into consideration when purchasing a luxury good is the individual dimension. To study this dimension, the following alternative hypothesis has been formulated:

H3: The individual dimension has more weight for Italians.

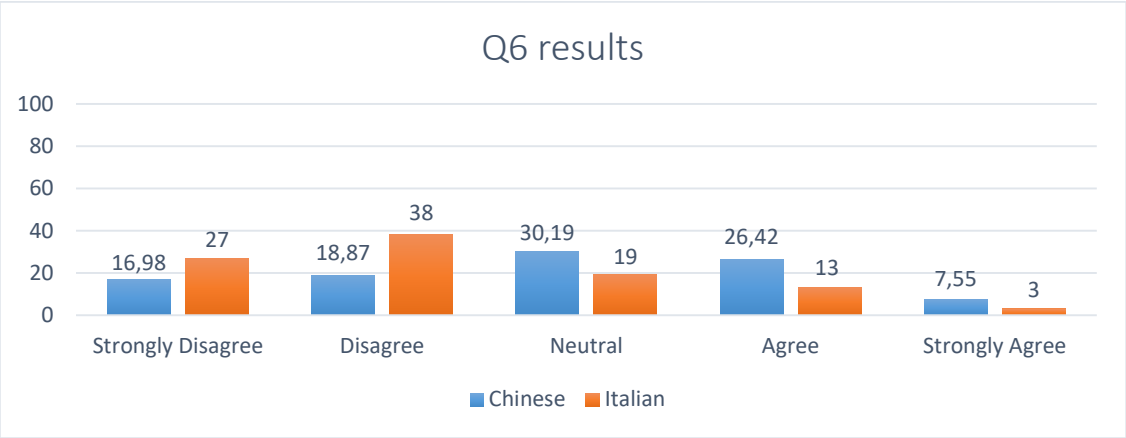
In order to analyse this dimension, three questions have been asked and their results are presented in Graphs 14, 15, 16.

The test does not confirm H3 since the p-value> 0.05 and >0.10 for all questions: 0.8896 for Q5, 0.999 for Q6 and 0.7283 for Q7. For this reason, even if from Graph

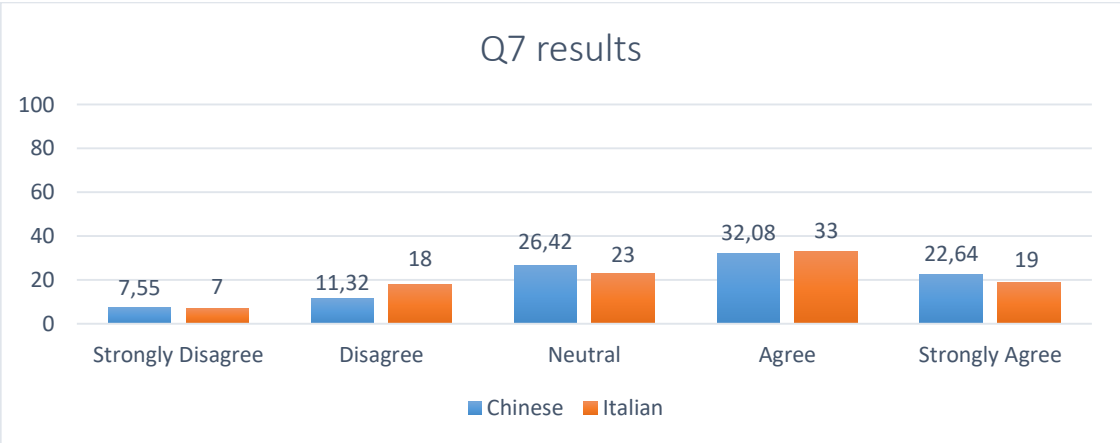
17 it seems that the Chinese care more about the individual dimension, the difference between the two samples is not significant from a statistical point of view.



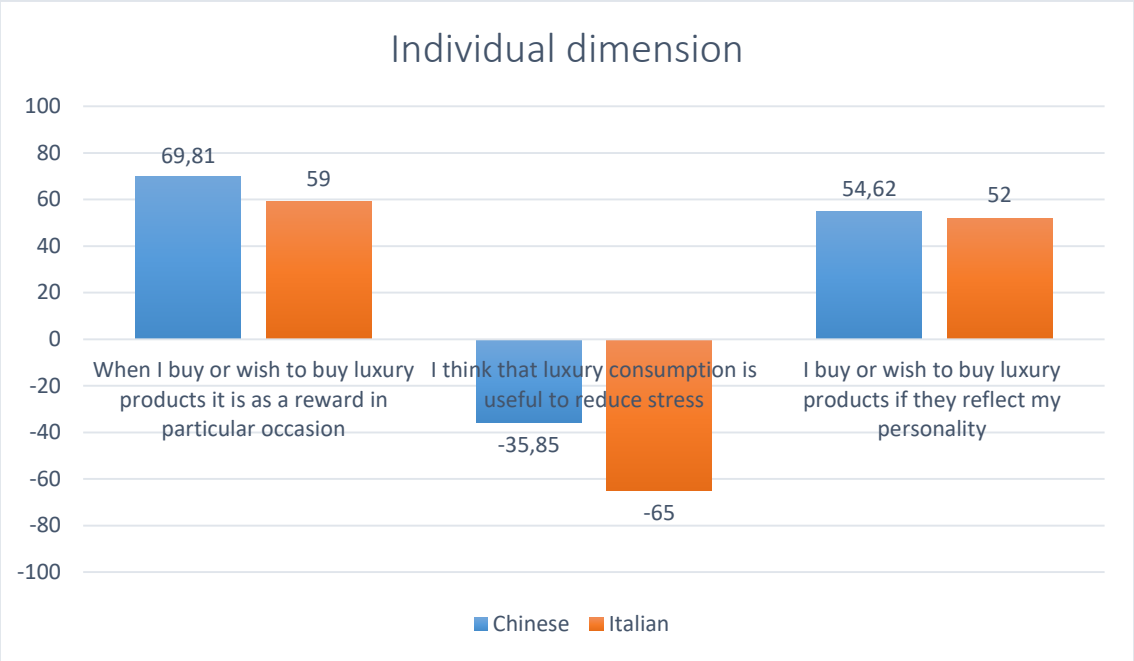
Graph 14: Empirical Study-Question 5



Graph 15: Empirical Study-Question 6



Graph 16: Empirical Study-Question 7



Graph 17: Empirical Study-Individual dimension

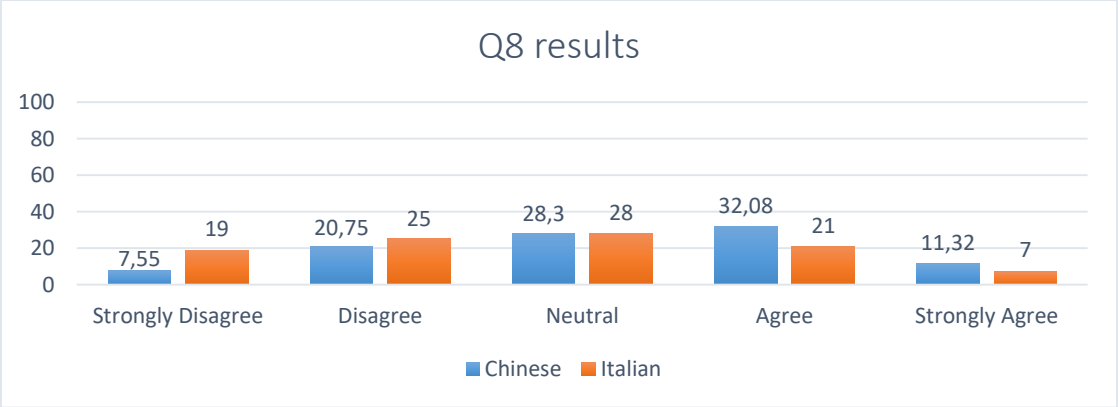
Social dimension

Analysing the social dimension, the following alternative hypothesis has been formulated:

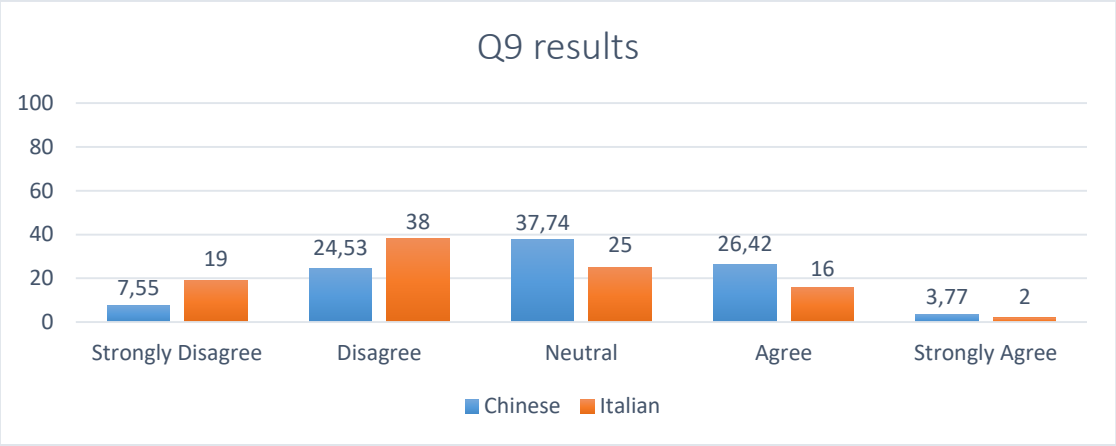
H4: The social dimension has more weight for Chinese.

In order to analyse the social dimension five questions (Q8, 9,10,11,15) have been asked. The results are presented in Graph 18, 19, 20, 21, and 22.

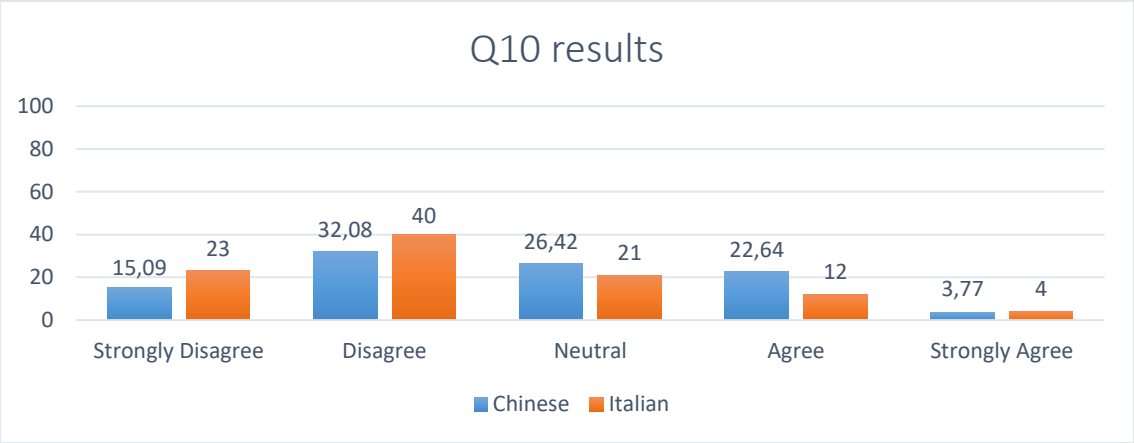
The test confirms H4 since the p value<0.05 and <0.10 for all questions: 0.01042 for Q8, 0.00182 for Q9, 0.02829 for Q10, 0.001494 for Q11 and 6,18E-06 for Q15. For this reason, the situation shown in Graph 23 -that the Chinese care more about the social dimension- is statistically significant.



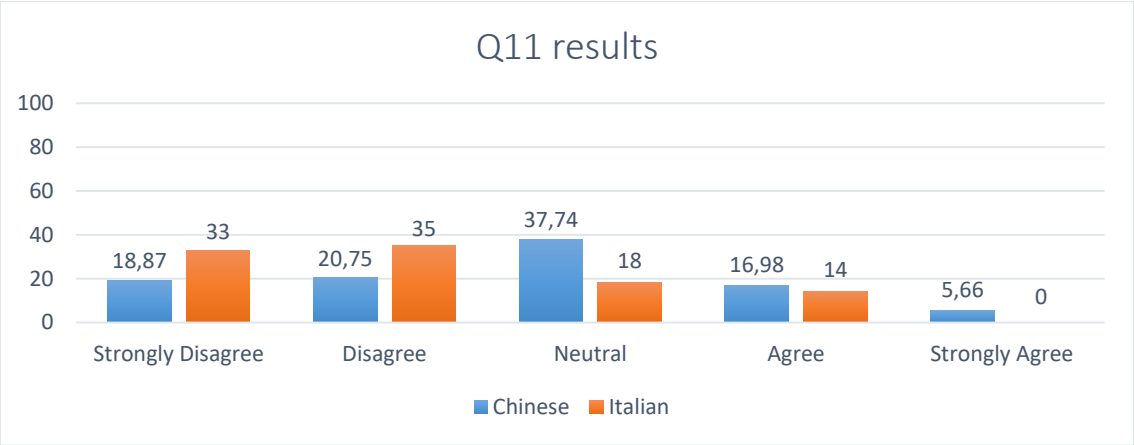
Graph 18: Empirical Study-Question 8



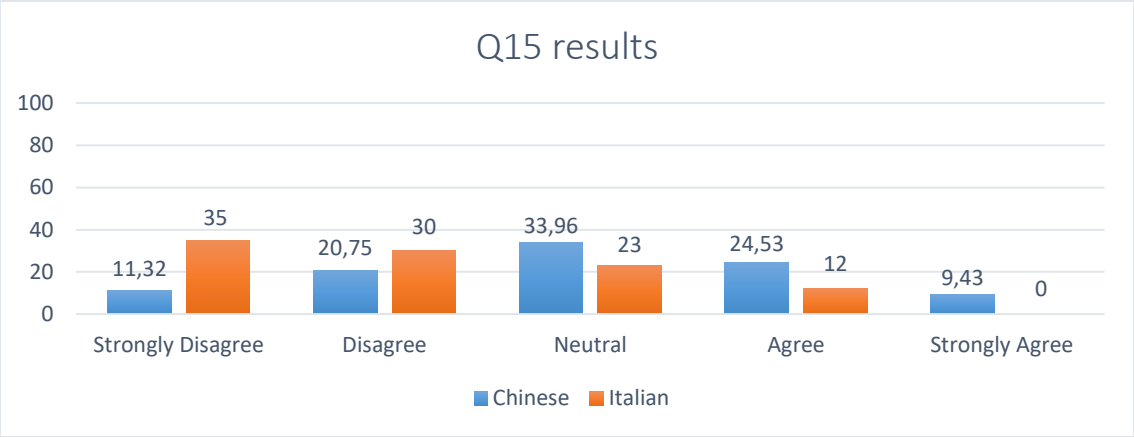
Graph 19: Empirical Study-Question 9



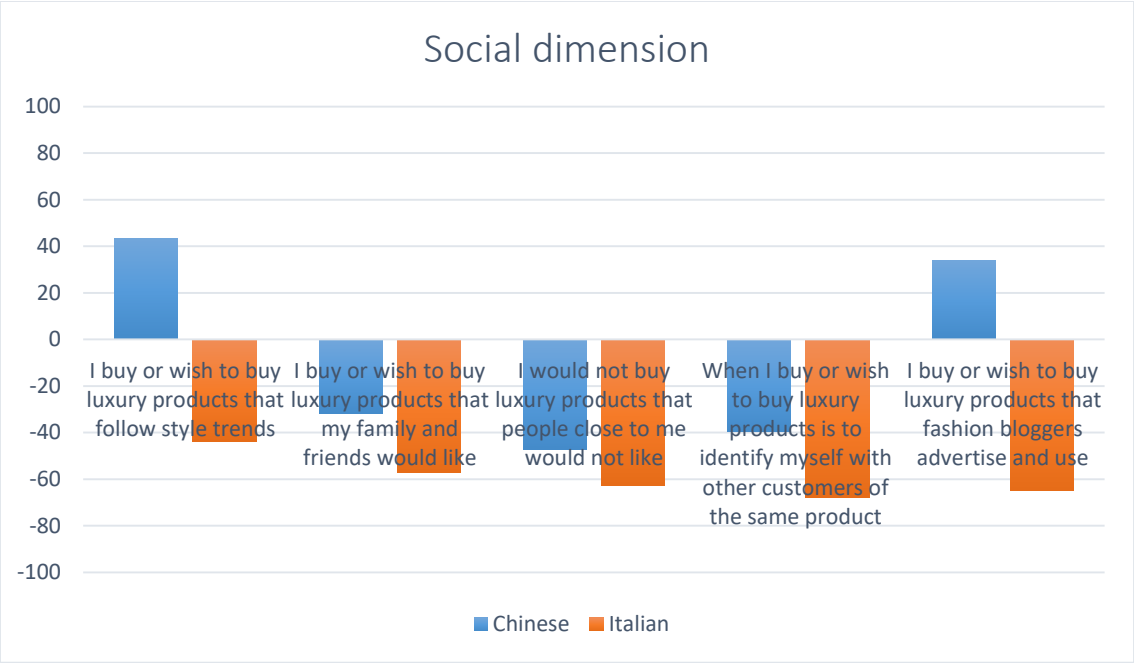
Graph 20: Empirical Study-Question 10



Graph 21: Empirical Study-Question 11



Graph 22: Empirical Study-Question 15



Graph 23: Empirical Study-Social dimension

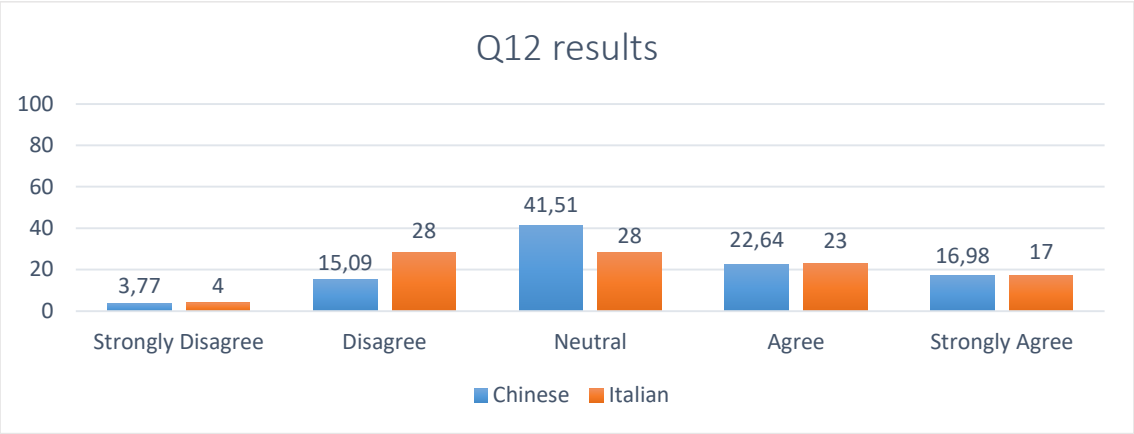
<u>Sustainability dimension</u>

Another dimension whose weight among the samples has been analysed is the sustainability dimension. In this case, the following alternative hypothesis has been formulated:

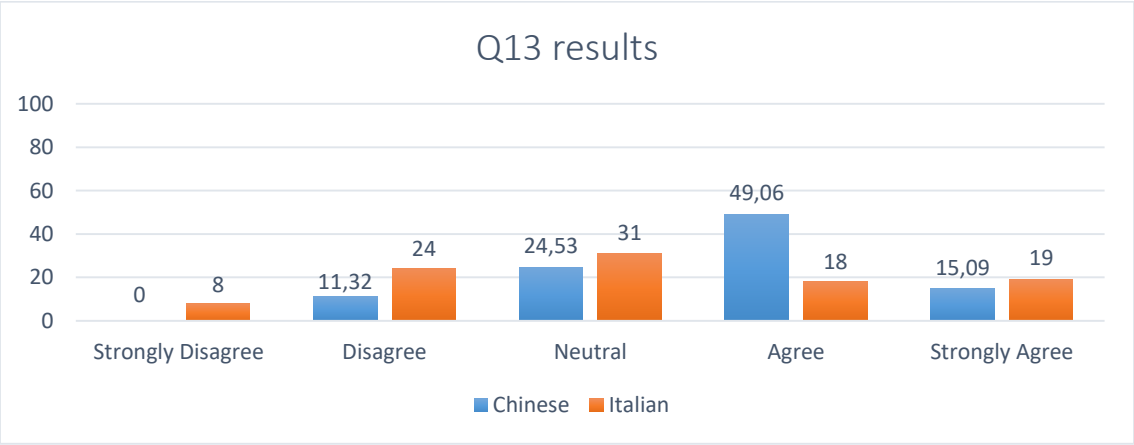
H5: The sustainability dimension has more weight for Chinese.

In order to analyse the sustainability dimension two questions (Q12, 13) have been asked and their results are presented in Graphs 24, 25.

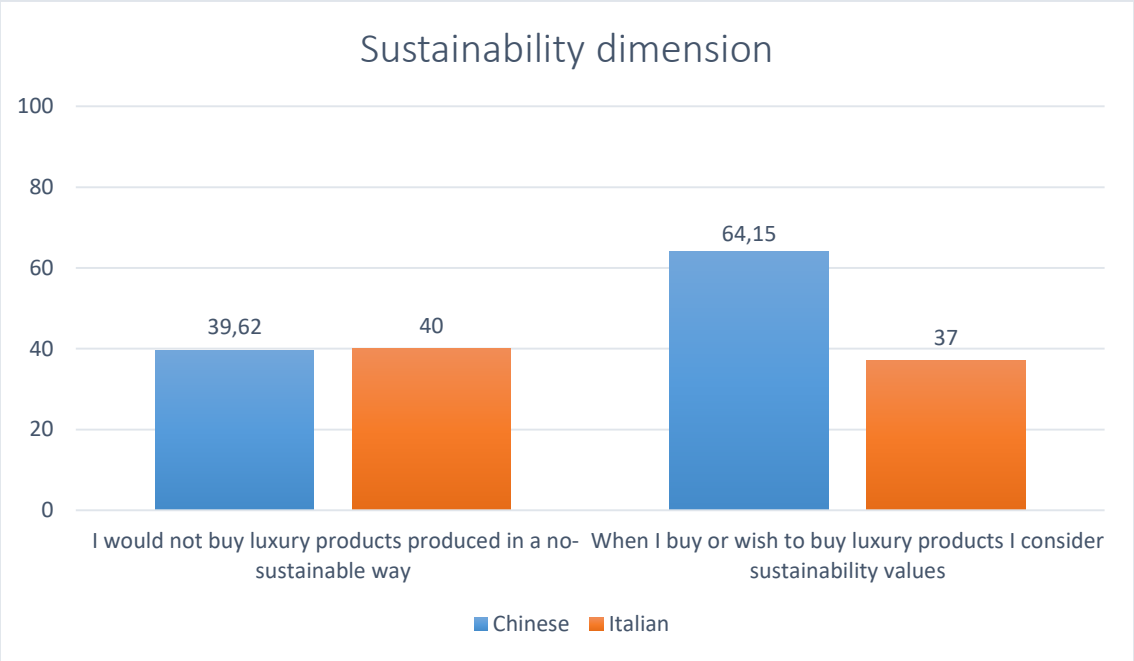
The test partially confirms H5 since the p value> 0.05 and >0.10 for one question (Q12' p value 0.2238) and the p value<0.05 and <0.10 for the other question (Q13' p value is 0.003424). For this reason, the fact emerging from Graph 26 that the Chinese seem to care more about the sustainability dimension, is partially significant.



Graph 24: Empirical Study-Question 12



Graph 25: Empirical Study-Question 13



Graph 26: Empirical Study-Sustainability dimension

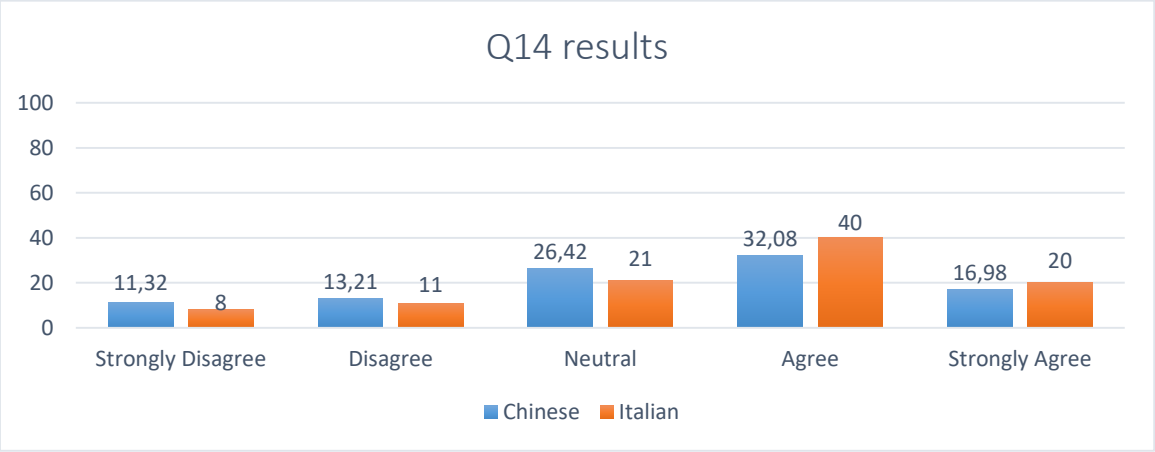
Country of origin dimension

The last dimension that has been analysed is the country of origin dimension. To see if it has different weights for the two samples, the following alternative hypothesis has been formulated:

H6: The COO dimension is different between the samples.

In order to analyse the COO dimension, one question (Q14) has been asked and the results are presented in Graph 27.

The Mann-Whitney test confirms H6 since the p value is 0.006848 (< 0.05 and <0.10). For this reason, the difference between the samples is significant.



Graph 27: Empirical Study-Question 14

3.2.5 Comments

Section 3.2.4 has presented the results of the empirical study in a very schematic way in order to provide the reader with a brief and general overview of what happened. On the contrary, this Section will present no graphs, but comments on the results and their significance.

Demographically speaking, the two samples are quite similar in terms of gender, age, occupation and education while they differ from the point of view of religion. These similarities might be given by the snowball sampling: if everyone shares the questionnaire with their friends, usually they all present similar demographic details. The most important demographic detail for this study is nationality: since respondents have different nationalities, this detail enabled the division of the sample into Chinese and Italians to study the luxury consumption behaviour between these two cultures-countries.

The results from the general part of the questionnaire immediately demonstrate that the Chinese and the Italian perception of luxury and luxury goods is similar, with a few but interesting exceptions. The first question immediately highlights a similarity and a difference at the same time: when the respondents are asked to write down the word connected to luxury, both samples write down terms connected to money-expensiveness but the Chinese also show a great focus on brands since a lot of them answered with companies' names such as Louis Vuitton, Dior, Gucci, Prada, etc. With regard to the similarities, when asked to identify the colour most related to luxury both the Chinese and the Italians answer *gold*; watches and jewellery are identified as the category mostly connected to luxury in both samples, an extremely similar behaviour pattern emerges in buying luxury goods answers and a quite similar one in desiring these goods. Beyond the similarities, the two samples also exhibit a very interesting difference when it comes to the country connected to luxury: the Chinese respondents wrote down a producer country (France) while the Italians connected luxury to a consumer country (UAE).

The results of the second part are quite interesting since among 6 Hypotheses just 2 of them are completely verified and significant from a statistical point of view.

More specifically, the hypothesis on the financial dimension (*The financial dimension has more weight for Chinese*) fails to be confirmed both by Graph 9 and the Mann

Whitney test, so that it can be concluded that the Chinese and the Italians' consideration of the financial dimensions is similar.

In what concerns the hypotheses on the functional and individual dimensions (*The functional and individual dimensions have more weight for Italians*), they are both disconfirmed by the Graphs (13, 17), which would suggest that the Chinese care more about these dimensions when buying or wishing to buy a luxury good. Nevertheless, what the Graphs show is not statistically significant since the Mann-Whitney test demonstrates that in both samples the luxury consumption behaviour with regards to the functional and individual dimensions is similar.

A confirmation of the formulated hypothesis (H4) occurs with reference to the social dimension that has more weight for the Chinese. In fact, both Graph 23 and the test's results confirm H4, describing the Chinese consumer as being more concerned with what people surrounding him or her think of his or her purchase.

A partial confirmation refers to the sustainability dimension: according to Graph 26, the Chinese care more about the sustainability values and consider them when purchasing or wishing to purchase a luxury good. Besides the Graph, the Mann Whitney test confirms this hypothesis just for 1 question out of 2, hence the difference between the samples is partially significant in what concerns sustainability.

Last, the country of origin dimension hypothesis is confirmed both by Graph 27 and the statistic test: this dimension has a different weight between the two samples.

To conclude, from the comments on each hypothesis it emerges that the Chinese's and the Italians' luxury consumption behaviours are not so far from each other. Despite the fact that the respondents belong to cultures, which are considered to be quite diverse, many similarities arise. Of course, a few differences still emerge: the brand seems to be more important for the Chinese since many of them think about brand names when thinking about luxury; the country connected to luxury is completely different between the samples; the social dimension is more important for the Chinese and the country of origin has different levels of importance between the two nationalities.

3.2.6 The influence of the gender

Among the demographic details, only the gender's influence on the results has been studied and will be presented in this Section. The choice of considering the gender is given by the fact in both samples there are enough female and male responses to compute a statistic test. For this reason, in order to test if the gender has an influence on the results, a new Mann Whitney test was devised between Italian females and Chinese females; and between Italian males and Chinese males. The Mann Whitney test results tables (Table 6 and 7) have the same characteristics of the one presented in Section 3.2.4.

Table 6 shows the test's results with regard to the Chinese and the Italian females. The results are almost the same as those shown in Table 5 with one exception for Q3 (*When I buy or wish to buy a luxury product I am interested in its quality rather than other people's opinion about it*) at 5% significance level (*) for which both the Italian and the Chinese female behaviour is not different. The Mann Whitney test's calculations for the females can be found in Appendix 5.

Questions	H1	W value	p-value	H0	H1
Q1 Luxury products are inevitably very expensive	η I < η C	1291	0.9107	* **	
Q2 When I buy or wish to buy a luxury product it is to feel unique	η I > η C	1085	0.6053	* **	
Q3 When I buy or wish to buy a luxury product I am interested in its quality rather than other people's opinion about it	η I > η C	1290.5	0.09728	*	**
Q4 When I buy or wish to buy a luxury product it is because I need it for a particular usage	η I > η C	759	0.9968	* **	
Q5 When I buy or wish to buy luxury products it is as a reward in particular occasions	η I > η C	893.5	0.9645	* **	
Q6 I think that luxury consumption is useful to reduce stress	η I > η C	790	0.9937	* **	
Q7 I buy or wish to buy luxury products if they reflect my personality	η I > η C	1159	0.384	* **	
Q8 I buy or wish to buy luxury products that follow style trends	η I < η C	863.5	0.02684		* **
Q9 I buy or wish to buy luxury products that my family and friends would like	η I < η C	764.5	0.003359		* **

Q10 I would not buy luxury products that people close to me would not like	η I < η C	871.5	0.02948		* **
Q11 When I buy or wish to buy luxury products is to identify myself with other customers of the same product	η I < η C	755	0.002758		* **
Q12 I would not buy luxury products produced in a no-sustainable way	η I < η C	1032.5	0.254	* **	
Q13 When I buy or wish to buy luxury products I consider sustainability values	η I < η C	804.5	0.008376		* **
Q14 When I buy or wish to buy luxury products I consider the country of origin (where products have been made)	η I ≠ η C	804.5	0.01675		* **
Q15 I buy or wish to buy luxury products that fashion bloggers advertise and use	η I < η C	675	0.000392		* **

Table 3: Mann Whitney test results-Female

Table 7 shows the test's results divided between Chinese and Italian males. The differences from Table 5 are highlighted in yellow. The results are quite interesting since at 5% significance level the difference between the samples is not significant for each question with the exception of Q15. For this reason, it is possible to say that the males' luxury consumption behaviour is very similar for both the Chinese and the Italians with the only exception of the interest in fashion bloggers' trends which is higher in Chinese males. The Mann Whitney test's calculations for males can be found in Appendix 6.

Questions	**H1**	**W value**	**p-value**	**H0**	**H1**
Q1 Luxury products are inevitably very expensive	η I < η C	217.5	0.4632	* **	
Q2 When I buy or wish to buy a luxury product it is to feel unique	η I > η C	238.5	0.321	* **	
Q3 When I buy or wish to buy a luxury product I am interested in its quality rather than other people's opinion about it	η I > η C	266.5	0.1145	* **	
Q4 When I buy or wish to buy a luxury product it is because I need it for a particular usage	η I > η C	281.5	0.05963	*	**
Q5 When I buy or wish to buy luxury products it is as a reward in particular occasions	η I > η C	262.5	0.1363	* **	
Q6 I think that luxury consumption is useful to reduce stress	η I > η C	153	0.9594	*	

				**	
Q7 I buy or wish to buy luxury products if they reflect my personality	η I > η C	147.5	0.9709	* **	
Q8 I buy or wish to buy luxury products that follow style trends	η I < η C	169	0.09176	*	**
Q9 I buy or wish to buy luxury products that my family and friends would like	η I < η C	164.5	0.07092	*	**
Q10 I would not buy luxury products that people close to me would not like	η I < η C	192	0.223	* **	
Q11 When I buy or wish to buy luxury products is to identify myself with other customers of the same product	η I < η C	185	0.1772	* **	
Q12 I would not buy luxury products produced in a no-sustainable way	η I < η C	228.5	0.5763	* **	
Q13 When I buy or wish to buy luxury products I consider sustainability values	η I < η C	200	0.2984	* **	
Q14 When I buy or wish to buy luxury products I consider the country of origin (where products have been made)	η I ≠ η C	233.5	0.7428	* **	
Q15 I buy or wish to buy luxury products that fashion bloggers advertise and use	η I < η C	137	0.01473		* **

Table 4: Mann Whitney test results-Male

To conclude, the gender has an influence on the results presented in Section 3.2.3 since the females' luxury consumption behaviour is quite different between the Chinese and the Italians while the males' behaviour is quite similar. Since the highest portion of both the Chinese and the Italian sample is composed of females this might influence the results, showing some differences that should disappear when including more males than females.

3.3 Limitations and further research

Overall, the empirical study and its results exhibit a few limitations.

The first limit could be that the sample of the Chinese respondents is not as big as the Italian one. The reason for this limit is given by the presence of the Firewall which makes it difficult to reach the Chinese people living in China. This limitation could have led to a confirmation of just 2 out of 6 hypotheses. For this reason, further

research on a larger sample of Chinese should be made to see if more hypotheses could be confirmed.

The second limitation arises from the extremely low p-value for question 15. This could be due to the limited age range: 18-35-year-old Chinese could care a lot more about fashion bloggers than adults might do. For this reason, further research carried out on the adult age range could be interesting in analysing the fashion bloggers' influence on luxury consumption behaviour.

The third limit lies in the fact that it was not possible to carry out an analysis on the religion's influence on luxury consumption behaviour given the fact that the majority of Italians are Christian~~s~~ but the majority of Chinese have no religion. Since the influence of religion on luxury consumption behaviour might be highly significant (see Section 2.3), further analysis on respondents who identify themselves as pertaining to two different religions would be interesting.

Given these limitations, the empirical study revealed that the two countries after all are not that different: the West and the East way of thinking and acting emerges as being more similar than what was expected. The Chinese and the Italian behaviours in luxury consumption are not that different hence further research on more different countries might bring to light some interesting findings. Nevertheless, it must be remembered that due to globalization a more homogenous culture has been created. Globalization has bridged the gap between people in different countries, producing more similar behaviours than in the past and this could be even more true for people belonging to the age range of this Empirical Study (18-35 years).

To conclude, the Study has underlined the fact that cultural differences lead to differences in luxury consumption behaviour. It has highlighted some surprising facts in reference to the Chinese-Italian comparison and has increased the number of Studies already present in literature. Nevertheless, given its limitations, this study does not represent the end of the research on luxury consumption behaviour.

VII References

Abosag, I., & F. Farah, M. (2014). The influence of religiously motivated consumer boycotts on brand image, loyalty and product judgment. *European Journal of Marketing, 48*(11/12), 2262-2283.

Adhikari, R., & Yang, Y. (2002). What will WTO membership mean for China and its trading partners?. *Finance and Development, 39*(3), 22-25.

Adina, C., Gabriela, C., & Roxana-Denisa, S. (2015). Country-of-origin effects on perceived brand positioning. *Procedia Economics and Finance, 23*, 422-427.

Alaoui, L., & Sandroni, A. (2018). Predestination and the Protestant ethic. *Journal of the European Economic Association, 16*(1), 45-76.

Altman, I., & Low, S. M. (Eds.). (2012). *Place attachment* (Vol. 12). Springer Science & Business Media.

Andersson, P. K., Kristensson, P., Wästlund, E., & Gustafsson, A. (2012). Let the music play or not: The influence of background music on consumer behavior. *Journal of retailing and consumer services*, *19*(6), 553-560.

Beata, S., Ana, P. L., Lutfu, S., & Michael, B. H. (2016). Comparing consumers' value perception of luxury goods: Is national culture a sufficiently explanatory factor?. *Economics and Business Review, 2*(2).

Berry, C. J. (1994). *The idea of luxury: A conceptual and historical investigation* (Vol. 30). Cambridge University Press.

Bilkey, W. J., & Nes, E. (1982). Country-of-origin effects on product evaluations. *Journal of international business studies, 13*(1), 89-100.

Bluedorn, A. C., Kaufman, C. F., & Lane, P. M. (1992). How many things do you like to do at once? An introduction to monochronic and polychronic time. *Academy of Management Perspectives, 6*(4), 17-26.

Boroditsky, L. (2001). Does language shape thought?: Mandarin and English speakers' conceptions of time. *Cognitive psychology*, *43*(1), 1-22.

Bossi, L., Giorda, M., Messina, E., Sgambaro, I., & Risteco, C. (2014). FOOD & RELIGIONS (in public foodservices).

Brun, A., Caniato, F., Caridi, M., Castelli, C., Miragliotta, G., Ronchi, S., ... & Spina, G. (2008). Logistics and supply chain management in luxury fashion retail: Empirical investigation of Italian firms. *International Journal of Production Economics*, *114*(2), 554-570.

Carson, J. G., & Nelson, G. L. (1996). Chinese students' perceptions of ESL peer response group interaction. *Journal of second language writing, 5*(1), 1-19.

Chakraborty, S., & Sheppard, L. (2016). An Explanatory study on Indian Young Consumers' Luxury Consumption: The Underlying Relationship of Interpersonal Influence, Brand Image, Brand Consciousness and Demographic Components with Luxury Brand Purchase Decision*. International Journal of Current Engineering and Technology, 6*(2), 622-634.

Chandra, O.C. (2016). Consumption behavior of university students in Islamic economics perspective. *Journal of Islamic Economics Lariba, 2*(1), 11-16.

Chattalas, M., & Shukla, P. (2015). Impact of value perceptions on luxury purchase intentions: a developed market comparison. *Luxury Research Journal, 1*, 40-57.

Chen, B., & Feng, Y. (2000). Determinants of economic growth in China: Private enterprise, education, and openness. *China Economic Review, 11*(1), 1-15.

Chen, M.K. The Impact of Language on Economic Behaviour [PowerPoint slides]. Retrieved from https://www.ldc.upenn.edu/sites/www.ldc.upenn.edu/files/chen.pdf

Chen, M. K. (2013). The effect of language on economic behavior: Evidence from savings rates, health behaviors, and retirement assets. *American Economic Review*, *103*(2), 690-731.

Cheng, H., & Schweitzer, J. C. (1996). Cultural values reflected in Chinese and US television commercials. *Journal of advertising research*, *36*(3), 27-46.

Clark, L. A. (1987). Mutual relevance of mainstream and cross-cultural psychology. *Journal of Consulting and Clinical Psychology*, *55*(4), 461.

Cloutier, D. (2012). The Problem of Luxury in the Christian Life. *Journal of the Society of Christian Ethics, 32*(1), 3-20.

Cohen, A. B., Pierce Jr, J. D., Chambers, J., Meade, R., Gorvine, B. J., & Koenig, H. G. (2005). Intrinsic and extrinsic religiosity, belief in the afterlife, death anxiety, and life satisfaction in young Catholics and Protestants. *Journal of Research in Personality, 39*(3), 307-324.

Contractor, F. J., Kumar, V., Kundu, S. K., & Pedersen, T. (2010). Reconceptualizing the firm in a world of outsourcing and offshoring: The organizational and geographical relocation of high-value company functions. *Journal of Management Studies, 47*(8), 1417-1433.

CTI Reviews, *International Marketing: Business, Marketing* (2017).

De Mooij, M., & Hofstede, G. (2002). Convergence and divergence in consumer behavior: implications for international retailing. *Journal of retailing*, *78*(1), 61-69.

De Mooij, M., & Hofstede, G. (2010). The Hofstede model: Applications to global branding and advertising strategy and research. *International Journal of Advertising*, *29*(1), 85-110.

De Mooij, M., & Hofstede, G. (2011). Cross-cultural consumer behavior: A review of research findings. *Journal of International Consumer Marketing*, *23*(3-4), 181-192.

Dubois, B., Czellar, S., & Laurent, G. (2005). Consumer segments based on attitudes toward luxury: empirical evidence from twenty countries. *Marketing letters*, *16*(2), 115-128.

Eckhardt, G. M., Belk, R. W., & Wilson, J. A. (2015). The rise of inconspicuous consumption. *Journal of Marketing Management, 31*(7-8), 807-826.

Engel, J.F., Blackwell, R.D. and Miniard, P.W. (2001). *Consumer Behaviour*, 9th edn. Dryden Press, Oak Brook, IL.

Ferrell, O. C., & Hartline, M. (2011). *Marketing strategy*. South Western.

Ford, J. B., Mueller, B., Taylor, C. R., & Hollis, N. (2011). The Tension between Strategy and Execution: Challenges for International Advertising Research: Globalization is Much More Than Universal Branding. *Journal of Advertising Research*, *51*(1 50th Anniversary Supplement), 27-41.

Freberg, K., Graham, K., McGaughey, K., & Freberg, L. A. (2011). Who are the social media influencers? A study of public perceptions of personality. *Public Relations Review*, *37*(1), 90-92.

Gao, L., Norton, M. J., Zhang, Z. M., & Kin-man To, C. (2009). Potential niche markets for luxury fashion goods in China. *Journal of Fashion Marketing and Management: An International Journal, 13*(4), 514-526.

Geertz, C. (1973). *The interpretation of cultures*.

Godey, B., Pederzoli, D., Aiello, G., Donvito, R., Wiedmann, K. P., & Hennigs, N. (2013). A cross-cultural exploratory content analysis of the perception of luxury from six countries. *Journal of Product & Brand Management, 22*(3), 229-237.

Goodenough, W. H. (1971). *Culture, Language and Society*.

Grange, S. (2015). *Culture and luxury value perception* (Master's thesis).

Griffin, G., Humphrey, J., & Sturgeon, T. (2005). The governance of global value chains. *Review of international political economy, 12*(1), 78-104.

Grim, B. J., & Hsu, B. (2011). Estimating the *global Muslim population: Size and distribution of the world's Muslim population. Interdisciplinary Journal of Research on Religion, 7.*

Groth, J. C., & McDaniel, S. W. (1993). The exclusive value principle: the basis for prestige racing. *Journal of Consumer Marketing, 10*(1), 10-16.

Gul, M. C. (2013). Long-term orientation, perceived consumer effectiveness, and environmentally conscious consumer behavior: The case of Turkey. *International Journal of Marketing Studies*, *5*(5), 24.

Hall, E. T. (1959). *The silent language* (Vol. 3, p. 1959). New York: Doubleday.

Hall, E. T., & Hall, M. R. (1983). *Hidden differences: studies in international communication: how to communicate with the Germans*. Stern.

Hall, E. T., & Hall, M. R. (1990). *Understanding cultural differences:[Germans, French and Americans]* (Vol. 9). Yarmouth, ME: Intercultural press.

Hati, S. R. H., Chalid, D. A., & Kuncoro, A. (2017). *Enhancing Business Stability Through Collaboration*: Proceedings of the International Conference on Business and Management Research (ICBMR 2016), October 25-27, 2016, Lombok, Indonesia. CRC Press.

Hemingway, E. (1933). A *day's wait. The snows of Kilimanjaro and other stories*.

Hennigs, N., Wiedmann, K. P., Klarmann, C., Strehlau, S., Godey, B., Pederzoli, D., ... & Taro, K. (2012). What is the value of luxury? A cross-cultural consumer perspective. *Psychology & Marketing, 29*(12), 1018-1034.

Hoang, M. (2015). *The impacts of individualism/collectivism on consumer decision-making styles: the case of Finnish and Vietnamese mobile phone buyers*.

Hofstede, G. (1986). Cultural differences in teaching and learning. *International Journal of intercultural relations*, *10*(3), 301-320.

Hofstede, G. (1984). Cultural dimensions in management and planning. *Asia Pacific journal of management*, *1*(2), 81-99.

Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations.* Sage publications.

Hofstede, G. (1984). *Culture's consequences: International differences in work-related values* (Vol. 5). Sage.

Hofstede, G. (1991). *Cultures and Organizations: Software of the Mind*. London: McGraw-Hill UK

Hofstede, G., Hofstede, G.J. and Minkov M. (2010), *Cultures and Organizations: Software of the mind*.

Hofstede, G. (1986). Cultural differences in teaching and learning. *International Journal of Intercultural Relations*, *10*, 301-320.

Hofstede, G., & Bond, M. H. (1988). The Confucius connection: From cultural roots to economic growth. *Organizational dynamics*, *16*(4), 5-21.

Houck, N., & Gass, S. M. (2011). *Interlanguage refusals: A cross-cultural study of Japanese-English* (Vol. 15). Walter de Gruyter.

Jain, S., & Mishra, S. (2018). Effect of value perceptions on luxury purchase intentions: an Indian market perspective. *The International Review of Retail, Distribution and Consumer Research, 28*(4), 414-435.

James, W. M. (2011). The appeals of luxury advertising: an application of Taylor's six segment message strategy wheel. *The Elon Journal of Undergraduate Research in Communications, 2*(2), 62-75.

Jiang, L., & Cova, V. (2012). Love for luxury, preference for counterfeits-a qualitative study in counterfeit luxury consumption in China. *International journal of marketing studies, 4*(6), 1.

Jung, J., & Sung, E. (2008). Consumer-based brand equity: Comparisons among Americans and South Koreans in the USA and South Koreans in Korea. Journal of Fashion Marketing and Management: *An International Journal, 12*(1), 24-35.

Kapferer, J. N., & Bastien, V. (2012). The luxury strategy: Break the rules of marketing to build luxury brands. Kogan page publishers.

Kapferer, J. N., & Bastien, V. (2009). The specificity of luxury management: Turning marketing upside down. *Journal of Brand Management, 16*(5-6), 311-322.

Khan, M. A. (2007). *Consumer behaviour and advertising management*. New Age International.

Kim, H., & Markus, H. R. (1999). Deviance or uniqueness, harmony or conformity? A cultural analysis. *Journal of personality and social psychology*, *77*(4), 785.

Kluckhohn, F. R., & Strodtbeck, F. L. (1961). *Variations in value orientations*.

Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of international business studies*, *35*(2), 124-141.

Kremer, M., & Maskin, E. (2006). *Globalization and inequality*.

Lambert, D. (2004). *Body language*. HarperCollins.

Lewis, R. D., & Gates, M. (2005). *Leading Across Cultures*. Nicholas Brealey.

Linton, R. (1945). *The cultural background of personality*.

Li, D., & Guo, X. (2012). A comparison of power distance of Chinese English teachers and Chinese non-English teachers in classroom communication. *Intercultural Communication Studies*, *21*, 221-239.

Lebenstein, H. (1950). Bandwagon, Snob and Veblen Effects in the Theory of Consumer Demand. *Quarterly Journal of Economics*, *64*(2), 183-207.

Lewis, R. (2010). *When cultures collide*. Nicholas Brealey Publishing.

Magnusson, P., Westjohn, S. A., & Zdravkovic, S. (2011). "What? I thought Samsung was Japanese": accurate or not, perceived country of origin matters. *International Marketing Review, 28*(5), 454-472

Malinowski, B. (1944), *A Scientific Theory of Culture and Other Essays*.

Management Association (Ed.). (2014). *Marketing and Consumer Behavior: Concepts, Methodologies, Tools, and Applications: Concepts, Methodologies, Tools, and Applications*. IGI Global.

Mazur, J. (2000). *Labor's new internationalism.* Foreign Aff.

Marx, K. & Engels, F. (1848). *Manifesto of the communist party.*

McLeod, S. A. (2007). *The milgram experiment*. Simply Psychology.

Milgram, S. (1963). Behavioral study of obedience. *The Journal of abnormal and social psychology*, *67*(4), 371.

Miner, J. B., & Dachler, P. H. (1973). Personnel attitudes and motivation. *Annual review of psychology*, *24*(1), 379-402.

Moran, P. R., & Harris, R. T. (1987). *Managing cultural differences: High-performance strategies for today's global manager*. Houston: Gulf, 402.

Moser, K., Muller, M., & Piller, F. T. (2006). Transforming mass customisation from a marketing instrument to a sustainable business model at Adidas. *International Journal of Mass Customisation*, *1*(4), 463-479.

Naím, M. (2009). *Globalization: Think Again. Foreign Policy*, *173*, 28-34.

Nayeem, T. (2012). Cultural influences on consumer behaviour. *International journal of Business and management*, *7*(21), 78.

Nezlek, J. B., Kafetsios, K., & Smith, C. V. (2008). Emotions in everyday social encounters: Correspondence between culture and self-construal. *Journal of Cross-Cultural Psychology*, *39*(4), 366-372.

Nisbett, R. (2004). *The geography of thought: How Asians and Westerners think differently... and why*. Simon and Schuster.

Nueno, J. L., & Quelch, J. A. (1998). The mass marketing of luxury. *Business Horizons, 41*(6), 61-61.

Nwankwo, S., Hamelin, N., & Khaled, M. (2014). Consumer values, motivation and purchase intention for luxury goods. *Journal of retailing and consumer services, 21*(5), 735-744.

Parts, O. (2007). The measurement of consumer ethnocentrism and COO effect in consumer research. *Transformations in Business and Economics, 6*(1), 139-154.

Pooch, M. (2016). *DiverCity – Global Cities as a Literary Phenomenon: Toronto, New York, and Los Angeles in a Globalizing Age*. Bielefeld: Transcript Verlag.

Quelch, J. A. (2007). *Readings in modern marketing.* Chinese University Press.

Ramjaun, Ibrahim. (2018). *Islam and Luxury Consumption.*

Richins, M. L. (1994). Valuing things: The public and private meanings of possessions. *Journal of consumer research*, *21*(3), 504-521.

Rigaud-Lacresse, E., & Pini, F. M. (Eds.). (2017). *New Luxury Management: Creating and Managing Sustainable Value Across the Organization*. Springer.

Rubin, J. (1981). *How to Tell When Someone is Saying" No" Revisited*. Professional Papers.

Sarumathi, S. (2014). Green purchase behavior–a conceptual framework of socially conscious consumer behavior. *Global Journal of Finance and Management, 6*(8), 777-782.

Schaltegger, C. A., & Torgler, B. (2010). Work ethic, Protestantism, and human capital. *Economics Letters, 107*(2), 99-101.

Schwartz, S. H. (2012). An overview of the Schwartz theory of basic values. *Online readings in Psychology and Culture*, *2*(1), 11.

Shanker, A. (2012). A customer value creation framework for businesses that generate revenue with open Source software. *Technology Innovation Management Review, 2*(3).

Sell, C. S. (Ed.). (2006). *The chemistry of fragrances: from perfumer to consumer* (Vol. 38). Royal Society of Chemistry.

Shin, E., & Bouxirot, M. (2005). *The little emperor: An exploratory study on consumer behaviour re-garding luxury goods in China.*

Shukla, P. (2011). Impact of interpersonal influences, brand origin and brand image on luxury purchase intentions: Measuring interfunctional interactions and a cross-national comparison. *Journal of world business, 46(*2), 242-252.

Shukla, P. (2012). The influence of value perceptions on luxury purchase intentions in developed and emerging markets. *International Marketing Review, 29*(6), 574-596.

Silayoi, P., & Speece, M. (2007). The importance of packaging attributes: a conjoint analysis approach. *European journal of marketing*, *41*(11/12), 1495-1517.

Soh, K. L., Jayaraman, K., Choo, L. P., & Kiumarsi, S. (2015). THE IMPACT OF BACKGROUND MUSIC ON THE DURATION OF CONSUMER STAY AT STORES: AN EMPIRICAL STUDY IN MALAYSIA. *International Journal of Business & Society*, *16*(2).

Solomon, M.R. (1996). *Consumer Behaviour*, 3rd edn. Prentice Hall, Upper Saddle River, NJ

Statista, Luxury goods market in China. https://www.statista.com/topics/1186/luxury-goods-market-in-china/

Steenkamp, J. B. E., Batra, R., & Alden, D. L. (2003). How perceived brand globalness creates brand value. *Journal of International Business Studies*, *34*(1), 53-65.

Stokburger-Sauer, N. E., & Teichmann, K. (2013). Is luxury just a female thing? The role of gender in luxury brand consumption. *Journal of Business Research, 66*(7), 889-896.

Tong, X., & Hawley, J. M. (2009). Measuring customer-based brand equity: empirical evidence from the sportswear market in China. *Journal of Product & Brand Management*, *18*(4), 262-271.

Triandis, H. C. (1978). Some universals of social behavior. *Personality and Social Psychology Bulletin*, *4*(1), 1-16.

Ueda, K. (1974). *Sixteen ways to avoid saying "no" in Japan*. Intercultural encounters with Japan, 185-192.

Underwood, R. L., & Klein, N. M. (2002). Packaging as brand communication: effects of product pictures on consumer responses to the package and brand. *Journal of Marketing Theory and Practice*, *10*(4), 58-68.

Usunier, J. C., Lee, J. A., & Lee, J. (2005). *Marketing across cultures*. Pearson Education.

Usunier, J. C. & Lee, J. A. (2013). *Marketing across cultures*.

Veblen, Thorstein B. (1899), *The Theory of the Leisure Class.* Boston: Houghton Mifflin.

Verlegh, P. W., & Steenkamp, J. B. E. (1999). A review and meta-analysis of country-of-origin research. *Journal of economic psychology, 20(*5), 521-546.

Vigneron, F., & Johnson, L. W. (1999). A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review, 1*(1), 1-15.

Völckner, F., & Hofmann, J. (2007). The price-perceived quality relationship: A meta-analytic review and assessment of its determinants. *Marketing Letters, 18*(3), 181-196.

Wahba, M. A., & Bridwell, L. G. (1976). Maslow reconsidered: A review of research on the need hierarchy theory. *Organizational behavior and human performance*, *15*(2), 212-240.

Weber, M. (2005). *The Protestant ethic and the spirit of capitalism*. Taylor & Francis e-Library.

Wei, S. J., & Wu, Y. (2001). *Globalization and inequality: Evidence from within China* (No. w8611). National Bureau of Economic Research.

Wiedmann, K. P., Hennigs, N., & Siebels, A. (2007). *Measuring consumers' luxury value perception: a cross-cultural framework*. Academy of Marketing Science Review.

Wofford, J. C. (1971). The motivational bases of job satisfaction and job performance. *Personnel psychology*, *24*(3), 501-518.Wei, S. J., & Wu, Y. (2001). Globalization and inequality: Evidence from within China (No. w8611). National Bureau of Economic Research.

World Values Survey: Who we are. Retrieved from http://www.worldvaluessurvey.org/WVSContents.jsp

Wu, J., & Fu, G. (2007). The effects of brand origin country and made-in country on consumers' product evaluations and purchase intention. *Frontiers of Business Research in China, 1*(3), 333-350.

Zafirovski, M. (2007). *The Protestant Ethic and the Spirit of Authoritarianism: Puritanism, democracy, and society. Springer Science & Business Media*.

Zhan, L., & He, Y. (2012). Understanding luxury consumption in China: Consumer perceptions of best-known brands. *Journal of Business Research, 65*(10), 1452-1460.

Zhang, B., & Kim, J. H. (2013). Luxury fashion consumption in China: Factors affecting attitude and purchase intent. *Journal of Retailing and Consumer Services, 20*(1), 68-79.

Zhao, S. (2004). *A nation-state by construction: Dynamics of modern Chinese nationalism*. Stanford University Press.

VIII Appendix

Appendix 1

General questions on luxury and luxury products

1. Which word do you immediately connect to luxury?
2. Which country do you immediately connect to luxury?
3. Which colour do you immediately connect to luxury?
4. Which category of product do you consider to be "luxury products":
   - ☐ Fashion and accessories
   - ☐ Watches and Jewellery
   - ☐ Food
   - ☐ Cars
   - ☐ Wine
   - ☐ Furniture and Home accessories
   - ☐ High technology
   - ☐ Cosmetic and skincare
   - ☐ Other
5. Are you interested in luxury products?
   - ☐ Really interested
   - ☐ Somehow interested
   - ☐ Not interested
6. How often do you buy luxury products?
   - ☐ Never
   - ☐ Just for special occasions: weddings, birthdays, etc.
   - ☐ At least once a year
   - ☐ At least once a month
   - ☐ At least once a week
7. How often do you wish to buy luxury products?
   - ☐ Never
   - ☐ Just for special occasions: weddings, birthdays, etc.
   - ☐ At least once a year
   - ☐ At least once a month
   - ☐ At least once a week

Luxury consumption behaviour

Please select how much do you agree with the following statements on luxury products and luxury consumption behaviour.

	1	2	3	4	5	
Strongly Disagree	○	○	○	○	○	Strongly Agree

1. Luxury products are inevitably very expensive
2. When I buy or wish to buy a luxury product it is to feel unique
3. When I buy or wish to buy a luxury product I am interested in its quality rather than other people's opinion about it
4. When I buy or wish to buy a luxury product it is because I need it for a particular usage
5. When I buy or wish to buy luxury products it is as a reward in particular occasions
6. I think that luxury consumption is useful to reduce stress
7. I buy or wish to buy luxury products if they reflect my personality
8. I buy or wish to buy luxury products that follow style trends

9. I buy or wish to buy luxury products that my family and friends would like
10. I would not buy luxury products that people close to me would not like
11. When I buy or wish to buy luxury products is to identify myself with other customers of the same product
12. I would not buy luxury products produced in a no-sustainable way
13. When I buy or wish to buy luxury products I consider sustainability values
14. When I buy or wish to buy luxury products I consider the country of origin (where products have been made)
15. I buy or wish to buy luxury products that fashion bloggers advertise and use

Demographic details

Which is/are your nationality/ies?

How old are you?

- ☐ 18-25
- ☐ 26-35
- ☐ 36-50
- ☐ 51-65
- ☐ 66

What is your gender?

- ☐ Female
- ☐ Male
- ☐ Prefer not to say
- ☐ Other

What is your Highest Education level achieved?

- ☐ Primary School
- ☐ Secondary School
- ☐ High School
- ☐ Bachelor Degree
- ☐ Master Degree
- ☐ PhD
- ☐ Other

What is your occupation?

- ☐ Student
- ☐ Worker
- ☐ Student and worker
- ☐ Other

What is your Religion?

- ☐ No religion
- ☐ Buddhist
- ☐ Christian
- ☐ Hindu
- ☐ Jewish
- ☐ Muslim
- ☐ Other

What is your level of English?

- ☐ Fluent
- ☐ Very Good
- ☐ Good
- ☐ Scholastic
- ☐ Very bad

Appendix 2

1.In my opinion, luxury is useless 2. Luxury is pleasant 3. According to me, true luxury products can not be mass-produced 4. When I purchase a luxury good, I'm concerned about its performance and quality I perceive rather than the opinion of others about it 5. According to me, luxury is overall about high quality 6. For me, luxury is always synonym of high prices 7. A product with a low price could not be considered as a luxury product 8. I would never buy a luxury product that does not reflect who I am and match my personality 9. I see the purchase of luxury products for me as a way to reward myself in a particular occasion 10. I think luxury consumption is a way to reduce stress and to enjoy myself 11. According to me, luxury consumption should overall enhance the life quality of the consumer 12. For me, luxury consumption is a source of individual pleasure 13. Regarding luxury consumption, I like to follow style trends by watching what others buy and consume 14. Before purchasing a luxury product, I like to be sure that my friends approve the product and the brand 15. Purchasing a luxury product is a way to identify myself to the other consumers of this product 16. In general, my friends and I tend to like and buy the same brands 17. I would not buy a luxury product or brand that makes bad impression on others 18. I would be ready to pay more for a luxury product than for a regular product

Appendix 3

Items
Financial value dimension
Luxury products are inevitably very expensive.
Few people own a true luxury product.
Truly luxury products cannot be mass-produced.
A luxury product cannot be sold in supermarkets.
Functional value dimension
The superior product quality is my major reason for buying a luxury brand.
I place emphasis on quality assurance over prestige when considering the purchase of a luxury brand.
I am inclined to evaluate the substantive attributes and performance of a luxury brand rather than listening to the opinions of others.
A luxury brand that is preferred by many people but that does not meet my quality standards will never enter into my purchase consideration.
Individual value dimension
I derive self-satisfaction from buying luxury products.
Purchasing luxury clothing makes me feel good.
Wearing luxury clothing gives me a lot of pleasure.
When I am in a bad mood, I may buy luxury brands as gifts for myself to alleviate my emotional burden.
I view luxury brand purchases as gifts for myself to celebrate something that I do and feel excited about.
I view luxury brand purchases gifts for myself to celebrate an occasion that I believe is significant to me.
As a whole, I may regard luxury brands as gifts that I buy to treat myself.
Social value dimension
I like to know what luxury brands and products make good impressions on others.
To me, my friends' perceptions of different luxury brands or products are important.
I pay attention to what types of people buy certain luxury brands or products.
It is important to know what others think of people who use certain luxury brands or products.
I am interested in determining what luxury brands I should buy to make good impressions on others.
It is important that others have a high opinion of how I dress and look.
If I were to buy something expensive, I would worry about what others would think of me.

Appendix 4

```
> Q1I<-read.table("Q1I.txt")
> Q1C<-read.table("Q1C.txt")
> names(Q1I)<-("VARI1")
> names(Q1C)<-("VARC1")
> attach(Q1I)
> attach(Q1C)
> wilcox.test(VARI1,VARC1,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI1 and VARC1
W = 2384.5, p-value = 0.137
alternative hypothesis: true location shift is less than 0

> Q2I<-read.table("Q2I.txt")
> Q2C<-read.table("Q2C.txt")
> names(Q2I)<-("VARI2")
> names(Q2C)<-("VARC2")
> attach(Q2I)
> attach(Q2C)
> wilcox.test(VARI2,VARC2,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI2 and VARC2
W = 2555.5, p-value = 0.6473
alternative hypothesis: true location shift is greater than 0


> Q3I<-read.table("Q3I.txt")
> Q3C<-read.table("Q3C.txt")
> names(Q3I)<-("VARI3")
> names(Q3C)<-("VARC3")
> attach(Q3I)
> attach(Q3C)
> wilcox.test(VARI3,VARC3,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI3 and VARC3
W = 3094.5, p-value = 0.03732
alternative hypothesis: true location shift is greater than 0
```

```
> Q4I<-read.table("Q4I.txt")
> Q4C<-read.table("Q4C.txt")
> names(Q4I)<-("VARI4")
> names(Q4C)<-("VARC4")
> attach(Q4I)
> attach(Q4C)
> wilcox.test(VARI4,VARC4,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI4 and VARC4
W = 2222, p-value = 0.9546
alternative hypothesis: true location shift is greater than 0


> Q5I<-read.table("Q5I.txt")
> Q5C<-read.table("Q5C.txt")
> names(Q5I)<-("VARI5")
> names(Q5C)<-("VARC5")
> attach(Q5I)
> attach(Q5C)
> wilcox.test(VARI5,VARC5,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI5 and VARC5
W = 2351.5, p-value = 0.8896
alternative hypothesis: true location shift is greater than 0


> Q6I<-read.table("Q6I.txt")
> Q6C<-read.table("Q6C.txt")
> names(Q6I)<-("VARI6")
> names(Q6C)<-("VARC6")
> attach(Q6I)
> attach(Q6C)
> wilcox.test(VARI6,VARC6,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI6 and VARC6
W = 1865.5, p-value = 0.999
alternative hypothesis: true location shift is greater than 0
```

```
> Q7I<-read.table("Q7I.txt")
> Q7C<-read.table("Q7C.txt")
> names(Q7I)<-("VARI7")
> names(Q7C)<-("VARC7")
> attach(Q7I)
> attach(Q7C)
> wilcox.test(VARI7,VARC7,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI7 and VARC7
W = 2496.5, p-value = 0.7283
alternative hypothesis: true location shift is greater than 0


> Q8I<-read.table("Q8I.txt")
> Q8C<-read.table("Q8C.txt")
> names(Q8I)<-("VARI8")
> names(Q8C)<-("VARC8")
> attach(Q8I)
> attach(Q8C)
> wilcox.test(VARI8,VARC8,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI8 and VARC8
W = 2064, p-value = 0.01042
alternative hypothesis: true location shift is less than 0
  .

> Q9I<-read.table("Q9I.txt")
> Q9C<-read.table("Q9C.txt")
> names(Q9I)<-("VARI9")
> names(Q9C)<-("VARC9")
> attach(Q9I)
> attach(Q9C)
> wilcox.test(VARI9,VARC9,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI9 and VARC9
W = 1920, p-value = 0.00182
alternative hypothesis: true location shift is less than 0
```

```
> Q10I<-read.table("Q10I.txt")
> Q10C<-read.table("Q10C.txt")
> names(Q10I)<-("VARI10")
> names(Q10I)<-("VARC10")
> Q10I<-read.table("Q10I.txt")
> Q10C<-read.table("Q10C.txt")
> names(Q10I)<-("VARI10")
> names(Q10C)<-("VARC10")
> attach(Q10I)
> attach(Q10C)
> wilcox.test(VARI10,VARC10,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI10 and VARC10
W = 2172, p-value = 0.02829
alternative hypothesis: true location shift is less than 0


> Q11I<-read.table("Q11I.txt")
> Q11C<-read.table("Q11C.txt")
> names(Q11I)<-("VARI11")
> names(Q11C)<-("VARC11")
> attach(Q11I)
> attach(Q11C)
> wilcox.test(VARI11,VARC11,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI11 and VARC11
W = 1902.5, p-value = 0.001494
alternative hypothesis: true location shift is less than 0

> Q15I<-read.table("Q15I.txt")
> Q15C<-read.table("Q15C.txt")
> names(Q15I)<-("VARI15")
> names(Q15C)<-("VARC15")
> attach(Q15I)
> attach(Q15C)
> wilcox.test(VARI15,VARC15,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI15 and VARC15
W = 1546, p-value = 6.184e-06
alternative hypothesis: true location shift is less than 0
```

```
> Q12I<-read.table("Q12I.txt")
> Q12C<-read.table("Q12C.txt")
> names(Q12I)<-("VARI12")
> names(Q12C)<-("VARC12")
> attach(Q12I)
> attach(Q12C)
> wilcox.test(VARI12,VARC12,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI12 and VARC12
W = 2458.5, p-value = 0.2238
alternative hypothesis: true location shift is less than 0


> Q13I<-read.table("Q13I.txt")
> Q13C<-read.table("Q13C.txt")
> names(Q13I)<-("VARI13")
> names(Q13C)<-("VARC13")
> attach(Q13I)
> attach(Q13C)
> wilcox.test(VARI13,VARC13,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI13 and VARC13
W = 1966.5, p-value = 0.003424
alternative hypothesis: true location shift is less than 0


> Q14I<-read.table("Q14I.txt")
> Q14C<-read.table("Q14C.txt")
> names(Q14I)<-("VARI14")
> names(Q14C)<-("VARC14")
> attach(Q14I)
> attach(Q14C)
> wilcox.test(VARI13,VARC13,correct=FALSE,alternative="two.sided")

        Wilcoxon rank sum test

data:  VARI13 and VARC13
W = 1966.5, p-value = 0.006848
alternative hypothesis: true location shift is not equal to 0
```

Appendix 5

```
> Q1I<-read.table("Q1I.txt")
> Q1C<-read.table("Q1C.txt")
> names(Q1I)<-("VARI1")
> names(Q1C)<-("VARC1")
> attach(Q1I)
> attach(Q1C)
> wilcox.test(VARI1,VARC1,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI1 and VARC1
W = 1291, p-value = 0.9107
alternative hypothesis: true location shift is less than 0

> Q2I<-read.table("Q2I.txt")
> Q2C<-read.table("Q2C.txt")
> names(Q2I)<-("VARI2")
> names(Q2C)<-("VARC2")
> attach(Q2I)
> attach(Q2C)
> wilcox.test(VARI2,VARC2,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI2 and VARC2
W = 1085, p-value = 0.6053
alternative hypothesis: true location shift is greater than 0


> Q3I<-read.table("Q3I.txt")
> Q3C<-read.table("Q3C.txt")
> names(Q3I)<-("VARI3")
> names(Q3C)<-("VARC3")
> attach(Q3I)
> attach(Q3C)
> wilcox.test(VARI3,VARC3,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI3 and VARC3
W = 1290.5, p-value = 0.09728
alternative hypothesis: true location shift is greater than 0
```

```
> Q4I<-read.table("Q4I.txt")
> Q4C<-read.table("Q4C.txt")
> names(Q4I)<-("VARI4")
> names(Q4C)<-("VARC4")
> attach(Q4I)
> attach(Q4C)
> wilcox.test(VARI4,VARC4,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI4 and VARC4
W = 759, p-value = 0.9968
alternative hypothesis: true location shift is greater than 0
```

```
> Q5I<-read.table("Q5I.txt")
> Q5C<-read.table("Q5C.txt")
> names(Q5I)<-("VARI5")
> names(Q5C)<-("VARC5")
> attach(Q5I)
> attach(Q5C)
> wilcox.test(VARI5,VARC5,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI5 and VARC5
W = 893.5, p-value = 0.9645
alternative hypothesis: true location shift is greater than 0
```

```
> Q6I<-read.table("Q6I.txt")
> Q6C<-read.table("Q6C.txt")
> names(Q6I)<-("VARI6")
> names(Q6C)<-("VARC6")
> attach(Q6I)
> attach(Q6C)
> wilcox.test(VARI6,VARC6,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI6 and VARC6
W = 790, p-value = 0.9937
alternative hypothesis: true location shift is greater than 0
```

```
> Q7I<-read.table("Q7I.txt")
> Q7C<-read.table("Q7C.txt")
> names(Q7I)<-("VARI7")
> names(Q7C)<-("VARC7")
> attach(Q7I)
> attach(Q7C)
> wilcox.test(VARI7,VARC7,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI7 and VARC7
W = 1159, p-value = 0.384
alternative hypothesis: true location shift is greater than 0
```

```
> Q8I<-read.table("Q8I.txt")
> Q8C<-read.table("Q8C.txt")
> names(Q8I)<-("VARI8")
> names(Q8C)<-("VARC8")
> attach(Q8I)
> attach(Q8C)
> wilcox.test(VARI8,VARC8,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI8 and VARC8
W = 863.5, p-value = 0.02684
alternative hypothesis: true location shift is less than 0
```

```
> Q9I<-read.table("Q9I.txt")
> Q9C<-read.table("Q9C.txt")
> names(Q9I)<-("VARI9")
> names(Q9C)<-("VARC9")
> attach(Q9I)
> attach(Q9C)
> wilcox.test(VARI9,VARC9,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI9 and VARC9
W = 764.5, p-value = 0.003359
alternative hypothesis: true location shift is less than 0
```

```
> Q10I<-read.table("Q10I.txt")
> Q10C<-read.table("Q10C.txt")
> names(Q10I)<-("VARI10")
> names(Q10C)<-("VARC10")
> attach(Q10I)
> attach(Q10C)
> wilcox.test(VARI10,VARC10,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI10 and VARC10
W = 871.5, p-value = 0.02948
alternative hypothesis: true location shift is less than 0

> Q11I<-read.table("Q11I.txt")
> Q11C<-read.table("Q11C.txt")
> names(Q11I)<-("VARI11")
> names(Q11C)<-("VARC11")
> attach(Q11I)
> attach(Q11C)
> wilcox.test(VARI11,VARC11,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI11 and VARC11
W = 755, p-value = 0.002758
alternative hypothesis: true location shift is less than 0


> Q15I<-read.table("Q15I.txt")
> Q15C<-read.table("Q15C.txt")
> names(Q15I)<-("VARI15")
> names(Q15C)<-("VARC15")
> attach(Q15I)
> attach(Q15C)
> wilcox.test(VARI15,VARC15,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI15 and VARC15
W = 675, p-value = 0.0003926
alternative hypothesis: true location shift is less than 0
```

```
> Q12I<-read.table("Q12I.txt")
> Q12C<-read.table("Q12C.txt")
> names(Q12I)<-("VARI12")
> names(Q12C)<-("VARC12")
> attach(Q12I)
> attach(Q12C)
> wilcox.test(VARI12,VARC12,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI12 and VARC12
W = 1032.5, p-value = 0.254
alternative hypothesis: true location shift is less than 0

> Q13I<-read.table("Q13I.txt")
> Q13C<-read.table("Q13C.txt")
> names(Q13I)<-("VARI13")
> names(Q13C)<-("VARC13")
> attach(Q13I)
> attach(Q13C)
> wilcox.test(VARI13,VARC13,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI13 and VARC13
W = 804.5, p-value = 0.008376
alternative hypothesis: true location shift is less than 0


> Q14I<-read.table("Q14I.txt")
> Q14C<-read.table("Q14C.txt")
> names(Q14I)<-("VARI14")
> names(Q14C)<-("VARC14")
> attach(Q14I)
> attach(Q14C)
> wilcox.test(VARI13,VARC13,correct=FALSE,alternative="two.sided")

        Wilcoxon rank sum test

data:  VARI13 and VARC13
W = 804.5, p-value = 0.01675
alternative hypothesis: true location shift is not equal to 0
```

Appendix 6

```
> Q1I<-read.table("Q1I.txt")
> Q1C<-read.table("Q1C.txt")
> names(Q1I)<-("VARI1")
> names(Q1C)<-("VARC1")
> attach(Q1I)
> attach(Q1C)
> wilcox.test(VARI1,VARC1,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI1 and VARC1
W = 217.5, p-value = 0.4632
alternative hypothesis: true location shift is less than 0
```

```
> Q2I<-read.table("Q2I.txt")
> Q2C<-read.table("Q2C.txt")
> names(Q2I)<-("VARI2")
> names(Q2C)<-("VARC2")
> attach(Q2I)
> attach(Q2C)
> wilcox.test(VARI2,VARC2,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI2 and VARC2
W = 238.5, p-value = 0.321
alternative hypothesis: true location shift is greater than 0
```

```
> Q3I<-read.table("Q3I.txt")
> Q3C<-read.table("Q3C.txt")
> names(Q3I)<-("VARI3")
> names(Q3C)<-("VARC3")
> attach(Q3I)
> attach(Q3C)
> wilcox.test(VARI3,VARC3,correct=FALSE,alternative="greater")
```

```
> Q4I<-read.table("Q4I.txt")
> Q4C<-read.table("Q4C.txt")
> names(Q4I)<-("VARI4")
> names(Q4C)<-("VARC4")
> attach(Q4I)
> attach(Q4C)
> wilcox.test(VARI4,VARC4,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI4 and VARC4
W = 281.5, p-value = 0.05963
alternative hypothesis: true location shift is greater than 0
```

```
> Q5I<-read.table("Q5I.txt")
> Q5C<-read.table("Q5C.txt")
> names(Q5I)<-("VARI5")
> names(Q5C)<-("VARC5")
> attach(Q5I)
> attach(Q5C)
> wilcox.test(VARI5,VARC5,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI5 and VARC5
W = 262.5, p-value = 0.1363
alternative hypothesis: true location shift is greater than 0

> Q6I<-read.table("Q6I.txt")
> Q6C<-read.table("Q6C.txt")
> names(Q6I)<-("VARI6")
> names(Q6C)<-("VARC6")
> attach(Q6I)
> attach(Q6C)
> wilcox.test(VARI6,VARC6,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI6 and VARC6
W = 153, p-value = 0.9594
alternative hypothesis: true location shift is greater than 0

> Q7I<-read.table("Q7I.txt")
> Q7C<-read.table("Q7C.txt")
> names(Q7I)<-("VARI7")
> names(Q7C)<-("VARC7")
> attach(Q7I)
> attach(Q7C)
> wilcox.test(VARI7,VARC7,correct=FALSE,alternative="greater")

        Wilcoxon rank sum test

data:  VARI7 and VARC7
W = 147.5, p-value = 0.9709
alternative hypothesis: true location shift is greater than 0
```

```
> Q8I<-read.table("Q8I.txt")
> Q8C<-read.table("Q8C.txt")
> names(Q8I)<-("VARI8")
> names(Q8C)<-("VARC8")
> attach(Q8I)
> attach(Q8C)
> wilcox.test(VARI8,VARC8,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI8 and VARC8
W = 169, p-value = 0.09176
alternative hypothesis: true location shift is less than 0

alternative hypothesis: true location shift is less than 0
```

```
> Q9I<-read.table("Q9I.txt")
> Q9C<-read.table("Q9C.txt")
> names(Q9I)<-("VARI9")
> names(Q9C)<-("VARC9")
> attach(Q9I)
> attach(Q9C)
> wilcox.test(VARI9,VARC9,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI9 and VARC9
W = 164.5, p-value = 0.07092
alternative hypothesis: true location shift is less than 0

> Q10I<-read.table("Q10I.txt")
> Q10C<-read.table("Q10C.txt")
> names(Q10I)<-("VARI10")
> names(Q10C)<-("VARC10")
> attach(Q10I)
> attach(Q10C)
> wilcox.test(VARI10,VARC10,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI10 and VARC10
W = 192, p-value = 0.223
alternative hypothesis: true location shift is less than 0
```

```
> Q11I<-read.table("Q11I.txt")
> Q11C<-read.table("Q11C.txt")
> names(Q11I)<-("VARI11")
> names(Q11C)<-("VARC11")
> attach(Q11I)
> attach(Q11C)
> wilcox.test(VARI11,VARC11,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI11 and VARC11
W = 185, p-value = 0.1772
alternative hypothesis: true location shift is less than 0


> Q15I<-read.table("Q15I.txt")
> Q15C<-read.table("Q15C.txt")
> names(Q15I)<-("VARI15")
> names(Q15C)<-("VARC15")
> attach(Q15I)
> attach(Q15C)
> wilcox.test(VARI15,VARC15,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI15 and VARC15
W = 137, p-value = 0.01473
alternative hypothesis: true location shift is less than 0

> Q12I<-read.table("Q12I.txt")
> Q12C<-read.table("Q12C.txt")
> names(Q12I)<-("VARI12")
> names(Q12C)<-("VARC12")
> attach(Q12I)
> attach(Q12C)
> wilcox.test(VARI12,VARC12,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI12 and VARC12
W = 228.5, p-value = 0.5763
alternative hypothesis: true location shift is less than 0

> Q13I<-read.table("Q13I.txt")
> Q13C<-read.table("Q13C.txt")
> names(Q13I)<-("VARI13")
> names(Q13C)<-("VARC13")
> attach(Q13I)
> attach(Q13C)
> wilcox.test(VARI13,VARC13,correct=FALSE,alternative="less")

        Wilcoxon rank sum test

data:  VARI13 and VARC13
W = 200, p-value = 0.2948
alternative hypothesis: true location shift is less than 0
```

```
> Q14I<-read.table("Q14I.txt")
> Q14C<-read.table("Q14C.txt")
> names(Q14I)<-("VARI14")
> names(Q14C)<-("VARC14")
> attach(Q14I)
> attach(Q14C)
> wilcox.test(VARI14,VARC14,correct=FALSE,alternative="two.sided")

        Wilcoxon rank sum test

data:  VARI14 and VARC14
W = 233.5, p-value = 0.7428
alternative hypothesis: true location shift is not equal to 0
```